
Quarterly Credit Report

Q3/2013

Volume 3, No 2



Introduction

The Quarterly Credit Report (QCR) is an analysis of credit outlooks across regions, economies and sectors. This analysis incorporates probabilities of default (PD) generated by the Risk Management Institute's (RMI) default forecast model, a part of the RMI Credit Research Initiative at the National University of Singapore (NUS). The QCR provides insights on trends in credit outlooks to credit professionals, investors and researchers.

QCR Volume 3, Issue 2 covers the third quarter of 2013. We discuss the general credit outlook for a selection of economies from around the world, based on relevant indicators, and relate this discussion to forecasts provided by RMI's probability of default (PD) model.

The appendices in this volume include a comprehensive overview of various outputs that are produced by the operational PD system of RMI. While the PD system outputs default forecasts at horizons ranging from one month to five years, the QCR reports only 1-year PDs in order to allow the reader to make consistent comparisons. In addition to the PD produced by the RMI system, the appendices provide important macroeconomic, corporate credit and sovereign risk indicators. These summarize the credit situation, as well as make detailed data available for reference purposes.

The commentary in the QCR is based on equally weighted averages of the PD of *exchange-listed firms* within economies and industry sectors. Classification into economies is based on each firm's country of domicile, and classification into industry sectors is based on each firm's Level I Bloomberg Industry Classification. An exception is for the banking and real estate sectors, where firms are included based on the Level II Bloomberg Industry Classifications. The daily frequency PD graphs in the written commentary are aggregates of firms that have a PD in both the first ten days and last ten days of the quarter. This prevents, for example, drops in the aggregate PD when high PD firms default and leave the sample.

The economies that are considered in each region are based on a selection of 70 economies covered by RMI's default forecast model.

The developed economies of Asia-Pacific include: Australia, Hong Kong, Japan, New Zealand, Singapore, South Korea and Taiwan.

The emerging economies of Asia-Pacific include: China, India, Indonesia, Kazakhstan, Malaysia, Pakistan, the Philippines, Sri Lanka, Thailand and Vietnam.

Latin America includes: Argentina, Brazil, Chile, Colombia, Mexico, Peru and Venezuela.

North America includes: Canada and the US.

Eastern Europe includes: Bulgaria, Croatia, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, the former Yugoslav Republic of Macedonia, Poland, Romania, Russian, Slovakia, Slovenia, Turkey and Ukraine.

Western Europe includes: Austria, Belgium, Cyprus, Denmark, Finland, France, Germany, Greece, Iceland, Italy, Ireland, Luxembourg, Malta, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, and the UK.

Africa & the Middle East includes: Bahrain, Egypt, Israel, Jordan, Morocco, Nigeria, Saudi Arabia, South Africa and the United Arab Emirates.

Credit Research Initiative

The QCR is a companion publication to the Global Credit Review and Weekly Credit Brief, with all three publications produced as part of the Credit Research Initiative (CRI) undertaken by RMI.

These publications supplement RMI's operational probability of default (PD) model. The model takes financial statements and market data from a database of about 60,400 listed firms and estimates a PD for each firm, effectively transforming big data into smart data. The outputs from the RMI PD model are available free for all users at:

www.rmicri.org

As of September 2013, the PD system covers 106 economies in Africa, Asia-Pacific, Latin America, North America, the Middle East and Europe. The probabilities of default for around 60,400 firms are available, including historical data for firms that are now delisted from exchanges or firms that have defaulted. PDs aggregated at the region, economy and sector level are also available. The full list of firms are freely available to users who can give evidence of their professional qualifications to ensure that they will not mis-use the data. General users who do not request global access are restricted to a list of 3,000 firms. The PD system operates in a transparent manner, and a detailed description of our model is provided in a [Technical Report](#) available on our website.

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Acronyms

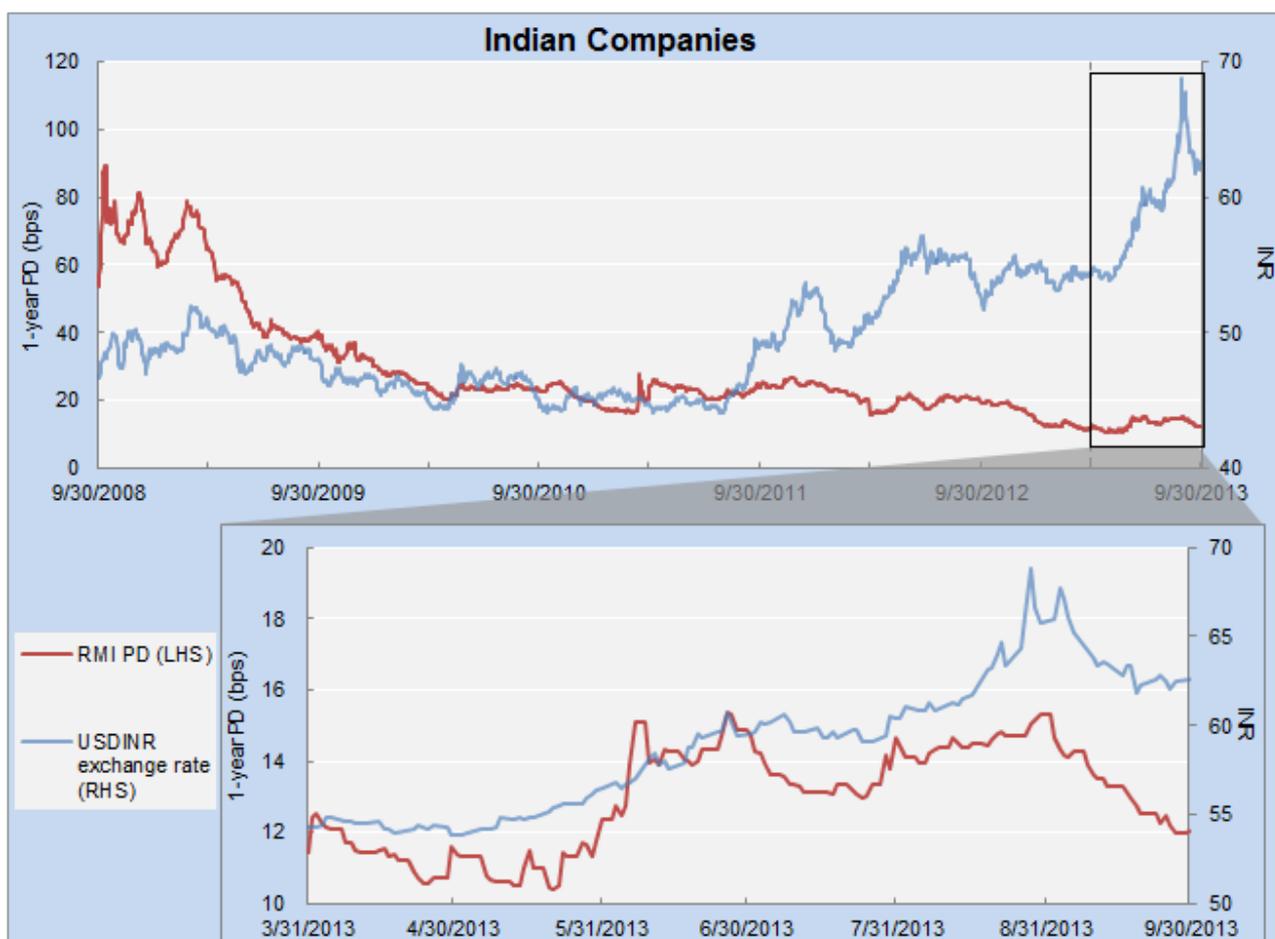
BIS	Bank for International Settlements
BOE	The Bank of England
BSP	Bangko Sentral Ng Pilipinas
CRA	Credit Rating Agency
CRR	Cash Reserve Ratio
CSRC	China Securities Regulatory Commission
EBA	European Banking Authority
EFSF	European Financial Stability Fund
ESM	European Stability Mechanism
EU	The European Union
FDI	Foreign Direct Investment
GFC	2008-2009 Global Financial Crisis
GIPS	Greece, Italy, Portugal, & Spain
IMF	International Monetary Fund
INE	Instituto Nacional de Estadística
LATDB	Liquid assets to deposits and short-term borrowings ratio
LHS	Left-hand side of graph
LTRO	Long term refinancing operation
MAS	Monetary Authority of Singapore
MoM	Month on Month
MRO	Main refinancing operation
NIM	Net Interest margin
NPL	Non-performing loan
OECD	Organisation for Economic Co-operation and Development
PBOC	The People's Bank of China
PMI	Purchasing Managers Index
QoQ	Quarter on Quarter
RBA	Reserve Bank of Australia
RBI	Reserve Bank of India
RHS	Right-hand side of graph
RRR	Reserve requirement ratio
YoY	Year On Year

BRICS

The 1-year aggregate RMI PDs for listed companies in the leading emerging markets of the BRICS nations, i.e. Brazil, Russia, India, China and South Africa, were mixed, with Russia, India and South Africa experiencing an increase in their respective RMI PDs during Q3. Expectations that the US Federal Reserve would reduce its bond-buying program during the quarter triggered an exodus of investors from emerging markets that raised fears about the strength of those economies. Some of the BRICS countries were hurt more than the others, like India and Brazil, which saw massive outflows of capital that put a dent in each economy's balance of payments, driving down the value of their currencies to multi-year lows and raised inflationary pressures. In September, members of the BRICS group decided on an initiative to set up a USD 100bn reserve fund to hedge against the potential massive movements in the currency markets caused by any changes in US monetary policy but implementation is still in its infancy and may not be able to react in time to a short-term change in US Federal Reserve policy.

Indian Companies

The aggregate 1-year RMI PD for Indian companies increased during Q3 as the economy grew at the worst annual rate since 2009. The manufacturing sectors growth slowed due to a weaker exchange rate which further led to increasing cost of imports. The Reserve Bank of India (RBI) raised the policy repo rate under the liquidity adjustment facility (LAF) to taper inflation. In order to curb volatility in the currency, the RBI had announced a series of measures in relation to marginal standing facility. On the demand side the significant deceleration of economic growth has slowed the demand for credit. The investments remain subdued, slowing the demand for credit. On the supply side, the deterioration of asset quality on bank balance sheets has led to risk aversion by banks and has impeded the supply of domestic credit. The operating costs for Indian firms have increased due to higher prices for imported goods further pushing up inflation.



Economy

- India's Q3 GDP grew at the worst annual rate of 4.4% since Q1 2009, impaired by a decline in output from mining and manufacturing industries. The industries which registered significant growth in Q2 were: financing, insurance, real estate and business services, which grew at 8.9% per annum and community, social and personal services, which grew by at 9.4% per annum. However, the manufacturing and mining, and quarrying industries contracted 1.2% YoY and 2.8% YoY, respectively.¹
- As per HSBC India Manufacturing PMI, September index estimates fell below the expansionary 50.0 mark to 49.6 as compared to June estimates of 50.3. The slide was led by weak order flows, especially export orders, and fall in employment. Additionally, businesses cut back purchase quantities. The input prices increased markedly due to the weaker exchange rate, whereas output prices rose at a slower pace.²

- The Indian service sector index declined further in September to 46.1 from June estimates of 51.7. The current index level is the lowest in four-and-a-half years as tighter financial conditions and heightened macroeconomic uncertainty weighed on growth. This was driven by weak order flows in renting & business activities, hotels & restaurants and financial intermediation. In turn, this led to a decline in employment and weakening of business sentiment.³
- The annual rate of inflation, based on monthly Wholesale Price Index, stood at 6.10% per annum for the month of August as compared to 5.79% for the previous month. The rise in food prices was due to crop damage after heavy rainfall this year, and an increase in prices of fuel to compensate for higher import costs.⁴
- India's current account deficit (CAD) in Q2 2013 was USD 21.8 bn (4.9% of GDP), driven by sluggish exports and high gold imports in April and May before the government hiked tariffs on the metal to a record 10%. The current account deficit was USD 16.9bn (4.0% of GDP) in Q2 2012.⁵

Monetary

- In the mid-quarter monetary policy review, the Reserve Bank of India (RBI) raised the policy repo rate under the liquidity adjustment facility (LAF) by 25bps from 7.25% to 7.5% to ward off rising inflation. The RBI also reduced the marginal standing facility (MSF) rate by 75bps to 9.5% and the minimum daily maintenance of the cash reserve ratio (CRR) to 95% during the quarter.⁶
- The Reserve Bank of India allowed banks on September 4 to swap funds mobilized through foreign currency deposits, as it seeks to attract overseas funds with a minimum tenor of three years and over at a fixed rate of 3.5% per annum for the tenor of the deposit.⁷

Funding & Liquidity

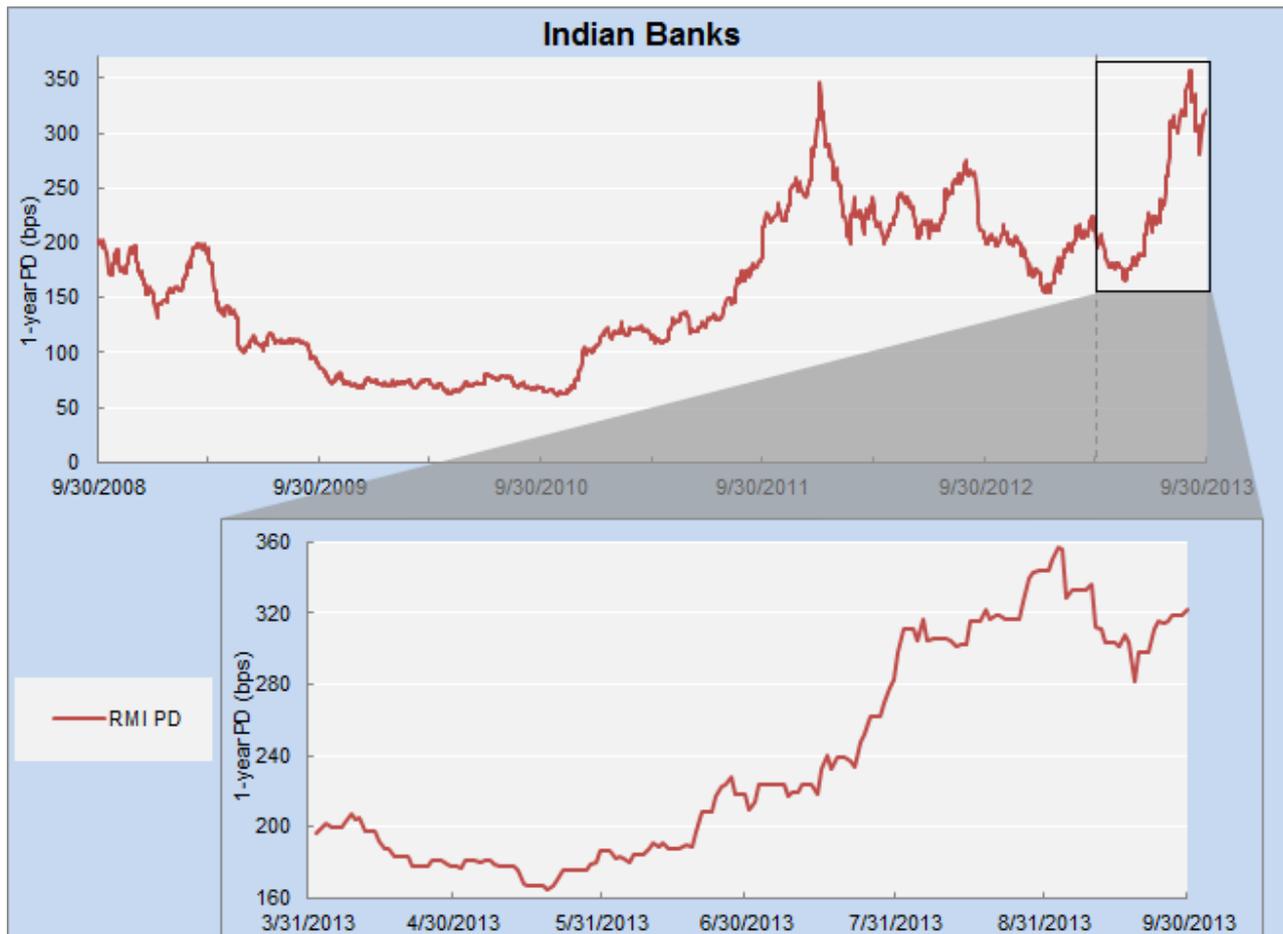
- India's 10-year bond yield touched 9.48% on August 20, the highest since 2001, as the nation struggled to curb capital outflows spurred by risks such as a record current-account deficit and speculation the US Federal Reserve could taper stimulus. On August 21, the RBI conducted open-market debt purchases of INR 80bn on August 21 in order to curb the surging bond yields.
- Overall, banking credit increased by 3.93% QoQ as a result of increment in non-food credit. Food credit declined during the quarter by 11.75%.⁸

Sovereign Credit Ratings

- Fitch has maintained a BBB- rating on India, which places the country's sovereign debt at the lowest investment-grade level. Moody's Investors Service and Standard & Poor's also rate India just a notch above noninvestment grade. Both Fitch and Moody's have a "stable" outlook on their ratings on India, which means they don't see any immediate scope for a rating upgrade or downgrade. Whereas, S&P has a negative outlook and has warned that it could downgrade India if growth continues to slow and authorities fail to take steps to address deepening economic concerns.

Indian Banks

The aggregate 1-year RMI PD for Indian banks further increased in Q3. Short and long term deposit rates have decreased along with aggregate deposits at banks. Cash balances at banks have remained constant in Q3. Bank borrowings from the RBI increased significantly from June to September. The debt situation at present is the worst in a decade which could lead to a rise in defaults and bankruptcies. In addition, the gap between deposit and credit growth remains wide as deposit growth continues to lag credit expansion, keeping the cost of funds high and limiting the ability of banks to extend credit. The default risk for Indian banks may increase if NIMs continue on a downtrend.



Profitability

- Aggregate bank earnings have increased by 14.85% QoQ and 3.72% YoY in Q2.
- Liabilities to the banking system decreased by 4.21% from the end of Q2 to INR 1.04tn as on September 20. Additionally, borrowings from banks also decreased to INR 258.17bn.⁹
- Taking State Bank of India as proxy for the banking industry, the domestic NIMs settled lower at 3.44% in Q2 2013 (compared to 3.48% in Q1 2013) due to stable deposit mobilization with limited high yielding deployment avenues.

Funding & Liquidity

- The weighted-average call rate, the interest rate on short-term finance repayable on demand, increased to 9.46% at the end of September from 7.19% on June 2013.¹⁰
- Cash balances of scheduled commercial banks with the RBI have remained almost constant at INR 3.27tn as of September 27 from INR 3.28tn on June 28.^{11,12}

- Aggregate deposits at Indian banks grew by 1.21% QoQ to INR 71.63tn in September 20, 2013 from INR 70.9tn in June 28. This compares to a QoQ growth rate of 14.05% during the last quarter.¹³
- Deposit rates on INR-denominated maturities of less than 1 year have decreased with 6 month rates falling to 7.50% in Q3 from 8.83% in Q2. The 1 year deposit rate on INR deposits have also decreased to 9.00% from 9.05% in Q3.¹⁴
- As per the liquidity operations statement, the average September bank borrowing from the RBI through the Repo and MSF windows is INR 1060bn which has increased by 63% from INR 649bn in June. The weighted average rate of borrowing is 9.64% in September as compared to 7.19% in June. The overall net average injection of funds by RBI is INR 1058bn.¹⁵

Asset Quality

- The level of net non-performing loans (NNPLs) for the country's six largest banks increased on a quarterly basis. NNPLS increased 1.79% QoQ in Q2, substantially higher than the 1.46% increase in Q1. The increment is mainly driven by slippages in mid-corporate and SME segments and also a surge in the credit deterioration of agricultural firms and large corporations.
- India's continuing economic slowdown has impacted many Indian companies, particularly small and medium-sized firms, due to their limited access to capital. According to various ratings agencies, the debt situation at present is the worst in a decade which could lead to a rise in defaults and bankruptcies. Small and medium-sized firms support a considerable part of the Indian economy—about 45% of manufacturing and 40% of exports. Ratings agency Fitch expects non-performing loans at Indian banks to reach a nine-year high of around 4.5% for the fiscal year ending March 2014.¹⁶

¹Aug 30, 2013, [Estimates of Gross Domestic Product for the First Quarter \(April-June\) Of 2013-14](#), Ministry of Statistics and Programme Implementation, mospi.nic.in

²Oct 1, 2013, [HSBC India Manufacturing PMI](#), Markit, markiteconomics.com

³Oct 4, 2013, [HSBC India Services PMI](#), Markit, markiteconomics.com

⁴September 2013, [Index Numbers of Wholesale Price in India](#), Ministry of Commerce & Industry Office of The Economic Advisor, eaindustry.nic.in/

⁵Sep 30, 2013, [Developments in Indias Balance of Payments during the First Quarter \(April-June\) of 2013-14](#), Reserve Bank of India, rbi.org.in

⁶Sep 20, 2013, [Mid-Quarter Monetary Policy Review: September 2013](#), Reserve Bank of India, rbi.org.in

⁷Sep 4, 2013, [RBI to open a Swap Window to attract FCNR\(B\) Dollar Funds](#), Reserve Bank of India, rbi.org.in

⁸Oct 4, 2013, [Scheduled Commercial Banks - Business in India](#), Reserve Bank of India, rbi.org.in

⁹Oct 4, 2013, [Scheduled Commercial Banks - Business in India](#), Reserve Bank of India, rbi.org.in

¹⁰Oct 4, 2013, [Cash Reserve Ratio and Interest Rates](#), Reserve Bank of India, rbi.org.in

¹¹Oct 4, 2013, [Cumulative Cash Balances of Scheduled Commercial Banks with Reserve Bank of India](#), Reserve Bank of India, rbi.org.in

¹²Jul 5, 2013, [Cumulative Cash Balances of Scheduled Commercial Banks with Reserve Bank of India](#), Reserve Bank of India, rbi.org.in

¹³Oct 1, 2013, [Scheduled Bank's Statement of Position in India as on Friday, September 20, 2013](#), Reserve Bank of India, rbi.org.in

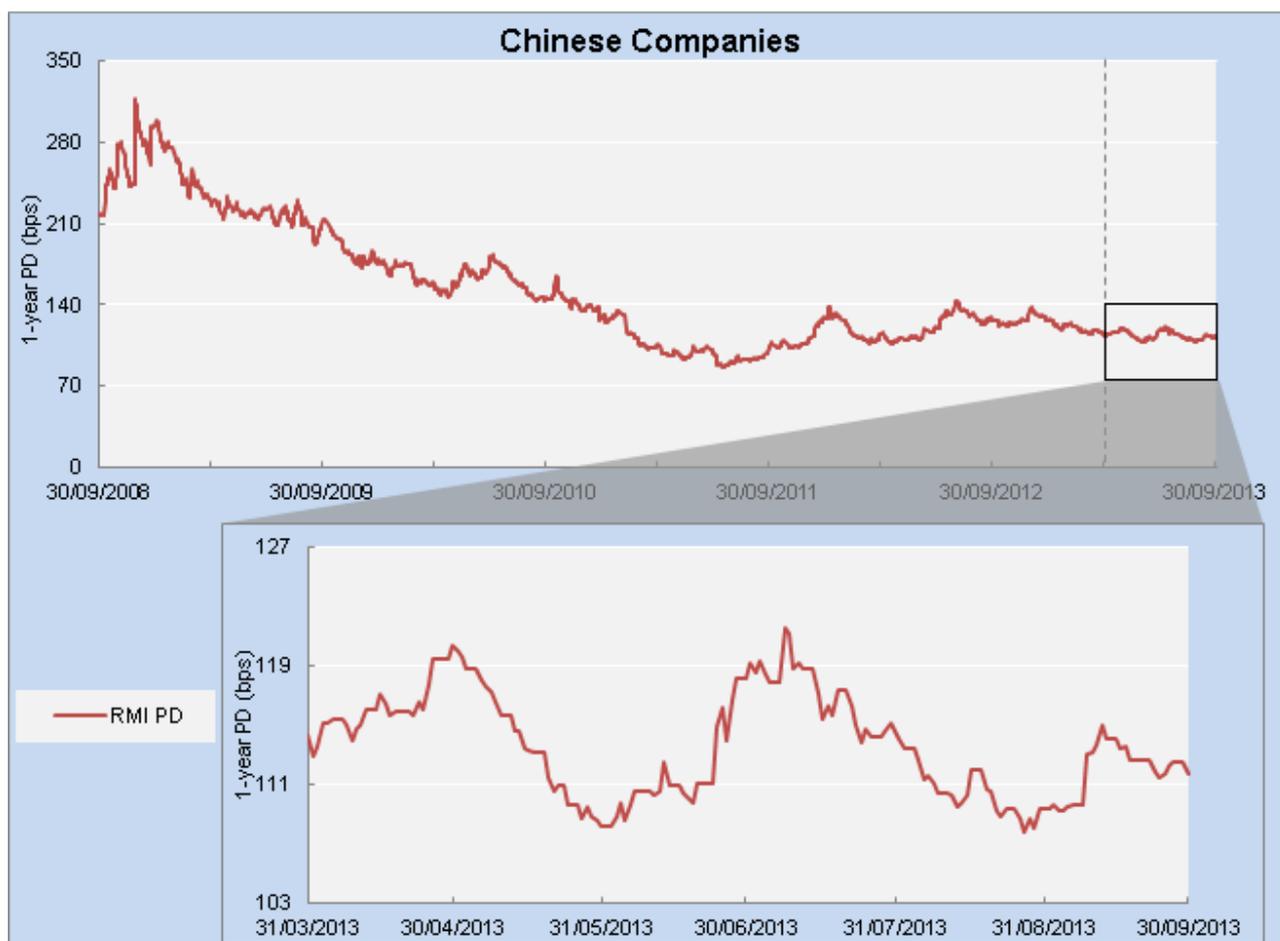
¹⁴September 2013, [State Bank of India \(Fixed Deposits rates\)](#), Moneycontrol.

¹⁵September 2013, [Liquidity Operations by RBI](#), Reserve Bank of India, rbi.org.in

¹⁶Oct 3, 2013, [Sluggish India economy, tight credit take toll on smaller firms](#), Reuters.

Chinese Companies

The aggregate 1-year RMI PD for Chinese companies stayed range bound during Q3. Economic growth is on track to reach China's official growth target for 2013, as there was a rebound in the manufacturing sector and an improvement in domestic demand. On the down side, China's exports unexpectedly fell in September from August, suggesting potential headwind for the economy. Furthermore, the Chinese government's tolerance for lower growth and increasing interest in cutting excessive production capacity may threaten the credit profiles of Chinese companies. Overall, the credit outlook for Chinese companies is neutral in the short-term as the People's Bank of China contemplates whether to apply a tightening monetary policy to reduce local-government debt and shadow banking, after Q3 GDP data showed signs of economic strength.



Economy

- The Chinese economy grew 7.8% YoY in Q3, up from 7.5% in Q2 which was in line with growth forecasts from the government and banks. There are signs of stabilization in the Chinese economy following encouraging data from robust trade and strong manufacturing data, suggesting improvement in the economy.¹⁷
- The official urban unemployment rate was unchanged at 4.1% for the twelfth straight quarter during Q2. However, one thing to note is that this measure does not include migrant workers who account for the majority of the urban unemployment rate. If one includes discouraged workers, i.e. jobless people who have stopped looking for work because nothing suitable is available, the unemployment rate comes in as high as 9.2%.¹⁸
- The HSBC China Manufacturing PMI expanded to 50.2 in September, mostly unchanged from 50.1 in August and up from 47.7 in July. This is the second expansion in the

sector in five months. Although the momentum of recovery has slowed down as seen from the change in PMI reading from August to September, the reading still suggests stabilization in the manufacturing sector.¹⁹

- The HSBC China Services Business Activity Index posted a level of 52.4 in September, down from 52.8 in August. Despite the slight decline in September, China's service activity growth expanded at a faster pace than in Q2, suggesting stabilization in the service sector.²⁰
- Exports fell in September, decreasing 0.3% YoY to USD 185.6 bn. Although this is the sixth consecutive month of trade surplus, the surplus decreased 46.7% MoM to USD 15.2bn in September from USD 28.5bn in August.²¹

Monetary

- The PBOC conducted reverse repurchase agreements at the end of July for the first time since February. It injected liquidity into the banking system through the sale of CNY 453bn worth of reverse repurchase agreements suggesting a more accommodating monetary policy in Q3 by the Central Bank.^{22,23}
- In a bid to cushion the impact of a slowing economy and move towards interest rate liberalisation, China eliminated the lower limit on lending rates offered by the nation's financial institutions, removing a floor set at 30% below the current 6% benchmark. PBOC said that the move will lower companies' funding costs and boost financial institutions' pricing capabilities.²⁴

Funding & Liquidity

- Yields on 10-year Chinese government bonds increased to 4.03% on September 30 from 3.56% in July 1.
- Total outstanding loans to non-financial corporations increased to CNY 53.8tn in August, a YoY increase of 11.6%.²⁵
- Market interest rates declined sharply during Q3, with the monthly weighted interbank CNY lending rate at 3.44% in August, falling from 6.58% in June.²⁶

Policy

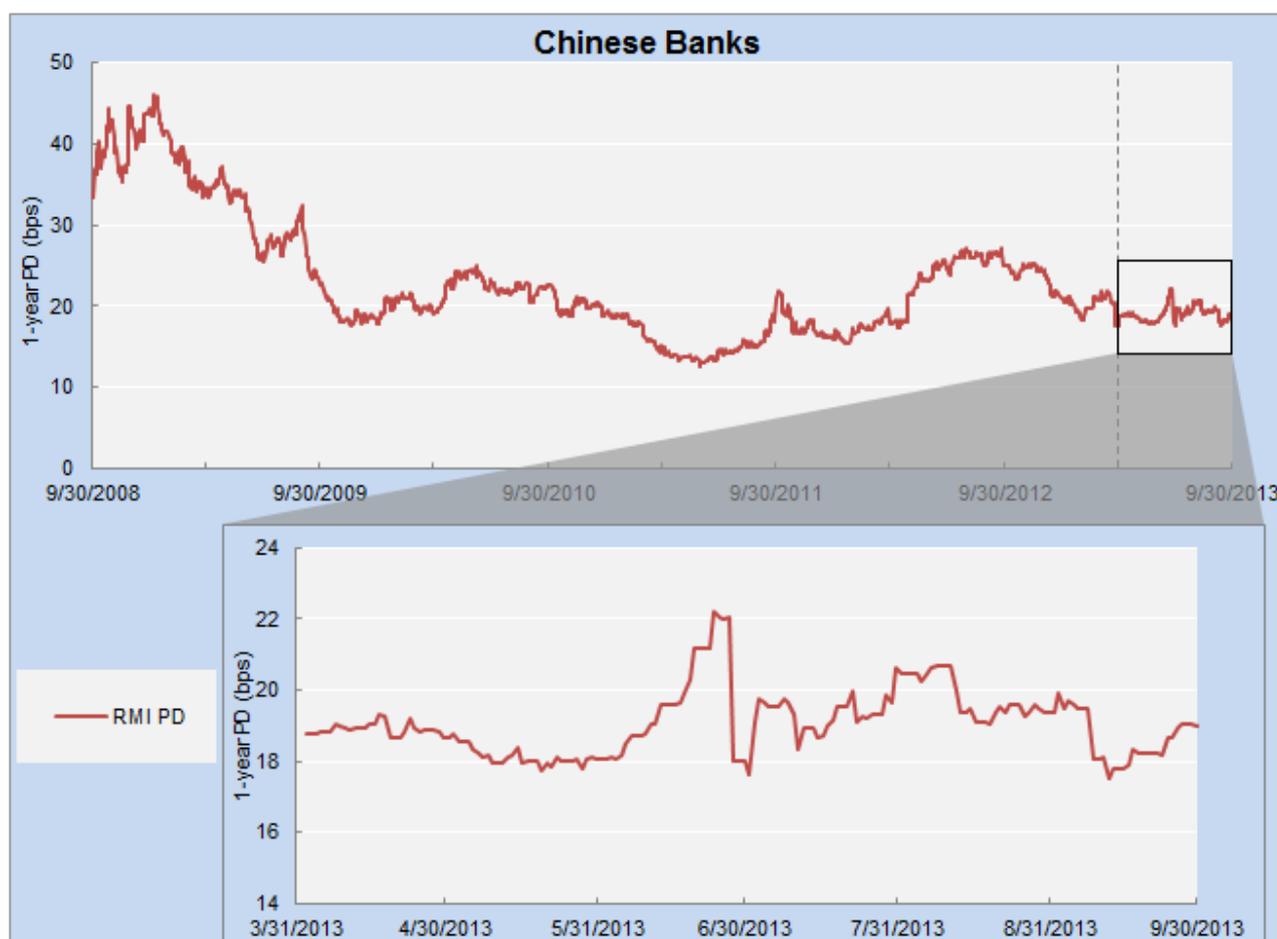
- The Chinese government prefers to engage in economic reforms instead of using stimulus to sustain growth. One of the recent policies introduced included cutting capacity in some industries to reshape the economy. China ordered more than 1400 companies in 19 industries to cut excessive production capacity in order to shift towards a more sustainable growth path. Affected sectors included steelmaking, cement production and papermaking.²⁷
- The Chinese government launched a free trade zone in Shanghai in late September with the aim to boost its economy and deepen financial reforms through liberalizing regulations governing finance, investment and trade in the area. There are plans to experiment with the convertibility of the Chinese Yuan, allowing market forces rather than regulators to dictate interest rates.²⁸

Sovereign Credit Ratings

- Moody's maintained an Aa3 rating on the Chinese government with a stable outlook during Q3. Fitch and S&P both retained stable outlooks, with respective ratings of AA- and A+.

Chinese Banks

The aggregate 1-year RMI PD for Chinese banks increased slightly during Q3. With a slower economic growth as compared to the past, profits by banks are expected to decline as well. Earnings will continue to come under pressure from market-oriented interest rate liberalization, such as the announcement on July 19 that the PBOC will remove the floor limit on lending interest rates. Interest rate liberalization will likely lead to narrower NIMs, while deteriorating asset quality and lower credit growth will also slow down profit earnings. In addition, earnings are also expected to weaken with tougher regulatory costs. The momentum of slower earnings growth and narrower NIMs are likely to persist in the following quarters and this will increase credit risk of banks. Funding and liquidity conditions had improved in Q3 as the People's Bank of China had pledged that it will be more accommodating in freeing up liquidity in the banking system when needed, preventing a repeat of the credit crunch seen in the last quarter. Overall, credit outlook for Chinese banks is slightly negative as an erosion of NIMs and lower profitability will likely increase the risk of defaults.



Profitability

- The aggregate earnings at listed Chinese banks increased 16.1% QoQ to CNY 313bn in Q2.
- The average NIM for listed banks decreased to 3.20% in Q2 from 3.24% in Q1. NIMs may fall further because of market-oriented interest rate liberalization reforms.
- Net interest income and fee-based income accounted for 75 % and 21% respectively, of overall profits of Chinese banks in Q2, relatively unchanged compared to 74% and 22% in Q1. Going forward, fees and commissions earned from custodial service charges and management fees could become a larger part of revenues.

- New bank lending decreased to CNY 2.2tn in Q3, lower than the bank lending of CNY 2.32tn in Q2, signalling a tightening credit market.²⁹

Funding & Liquidity

- Average weighted coupon rates on 5-year CNY-denominated bank bonds surged to 4.67% in Q3, from 4.01% in Q2.
- Total deposits increased 0.49% to CNY 104.1tn in August, from CNY 103.6tn in June. Overall liquidity in the banking sector dropped during Q2, with the aggregate LATD ratio decreasing to 29.8% for listed banks, down from 32.1% at the end of Q1.³⁰

Regulations

- China's central bank is pushing Chinese banks to bolster their balance sheet by aggressively enforcing new capital requirements under Basel III. The regulation is in line with the Chinese government's increasing interest in regulating financial institutions.³¹
- In an attempt to liberalize bank deposit rates and push forward market-oriented interest rate reforms, PBOC will allow banks to price loans based on market-based benchmark rates and will allow banks to issue certificates of deposit soon.³²
- Under proposed draft rules by the China Banking Regulatory Commission, foreign banks may face higher capital requirements to enter the Chinese banking industry. Tighter derivatives restrictions may also be imposed to improve risk controls.³³

Asset Quality

- Non-performing loans rose 2.5% QoQ in Q2 2013 to CNY 539.5bn, while aggregate provisions for loan losses increased by 2.7% to CNY 1.58tn.³⁴
- Non-performing loans are expected to rise faster. Loans to sectors currently struggling with over capacity, such as the steel, manufacturing and retail sectors are likely to deteriorate, as the risk of default will be higher in a slowing economy. Furthermore, an increase in China banks' special-mention loans, loans which are vulnerable during economic downturn, may also worsen the situation.³⁵

¹⁷Sep 9, 2013, [Chinas economy coming up trumps](#), CNBC.

¹⁸Jul 26, 2013, [New Survey Finds China Unequal, Unemployed and Untrusting](#), Wall Street Journal.

¹⁹Sep 30, 2013, [HSBC China Manufacturing PMI](#), Markit , [markiteconomics.com](#)

²⁰Oct 8, 2013, [HSBC China Services PMI \(with Composite PMI data\)](#), Markit , [markiteconomics.com](#)

²¹Sep 22, 2013, [National import and export value table](#), China Customs, <http://www.customs.gov.cn/>

²²Jul 30, 2013, [PBOC Conducts First Reverse Repos Since February; Swaps Decline](#), Businessweek.

²³Jul 30, 2013, [Open Market Operations](#), PBOC, <http://www.pbc.gov.cn/>

²⁴Jul 20, 2013, [China Removes Floor on Lending Rates as Economy Slows](#), Bloomberg.

²⁵Sep 30, 2013, [Sources & Uses of Funds of Financial Institutions](#), PBOC, <http://www.pbc.gov.cn/>

²⁶Sep 12, 2013, [Financial Statistics, August 2013](#), PBOC, <http://www.pbc.gov.cn/>

²⁷Jul 26, 2013, [China Cuts Capacity in Some Industries to Reshape Economy](#), Bloomberg.

²⁸Sep 29, 2013, [China launches its first free-trade zone in Shanghai](#), South China Morning Post.

²⁹Sep 30, 2013, [China CNY Monthly New Loan](#), Bloomberg.

³⁰Sep 30, 2013, [Sources & Uses of Funds of Financial Institutions](#), PBOC, <http://www.pbc.gov.cn/>

³¹Sep 17, 2013, [Banks told to raise capital to avoid bailout](#), South China Morning Post.

³²Sep 26, 2013, [China unveils new steps to free up interest rates](#), Reuters.

³³Oct 10, 2013, [Foreign banks face hurdle in domestic market](#), ChinaDaily.

³⁴Sep 30, 2013, [Commercial banking key indicators 2013](#), CBRC, <http://www.cbrc.gov.cn>

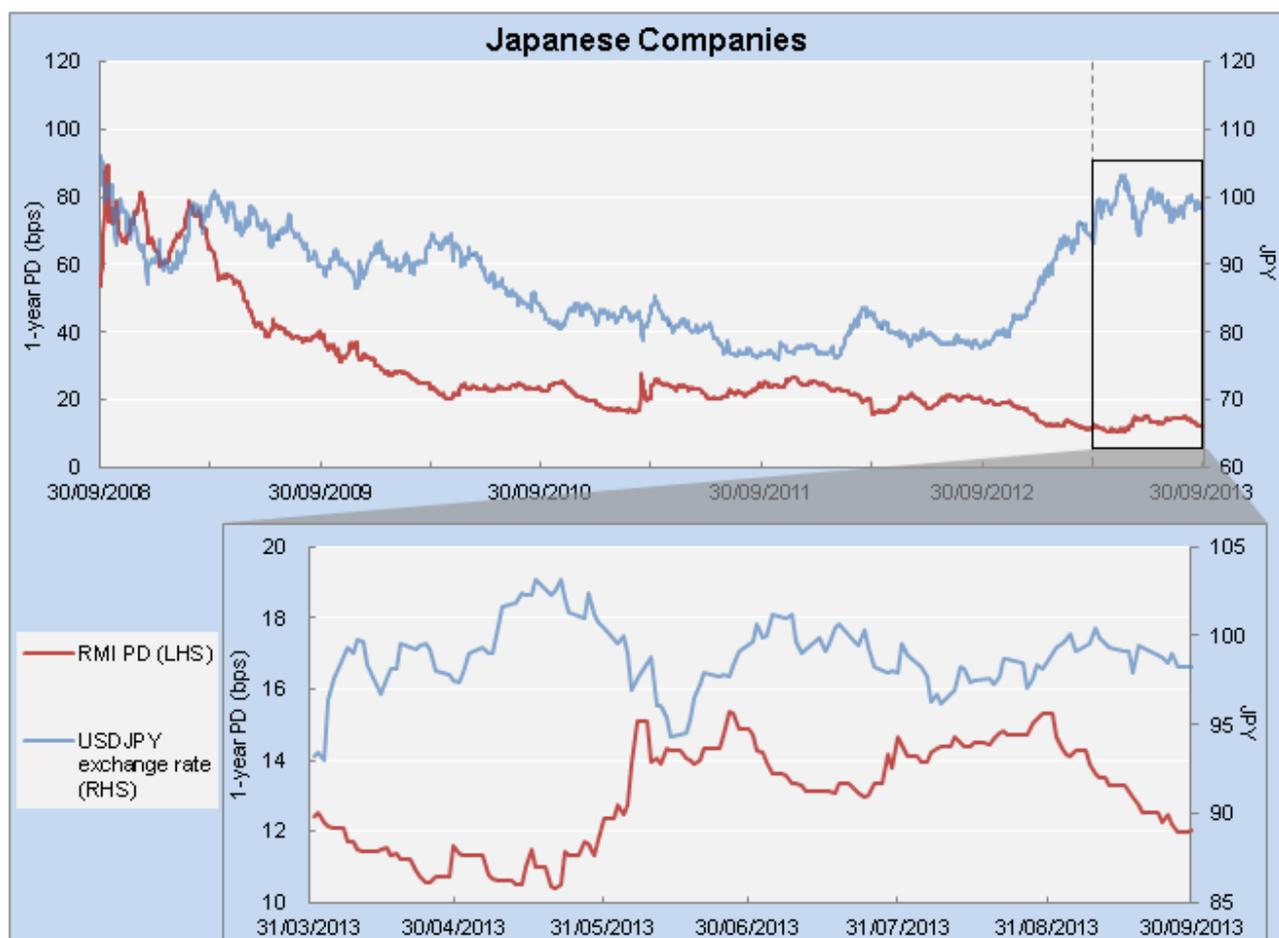
³⁵Aug 30, 2013, [S&P sees Chinese banks merging as bad loans rise](#), South China Morning Post.

Asia-Pacific - Developed economies

Almost all of the Asia Pacific developed economies witnessed a decrease in their aggregate 1-year RMI PDs for listed firms during Q3, with the exception of Taiwan and South Korea. The focus of developed Asia rested mostly on the Japanese economy, which continued to be propelled by the reforms under Prime Minister Shinzo Abe and the loose monetary policy adopted by the Bank of Japan through Q3. However, South Korea, Taiwan and Hong Kong are stuck in low-gear growth as the Chinese central government moves towards a sustainable economic growth instead of seeking a high growth rate. Both Singapore and Hong Kong introduced further cooling measures to deal with high property prices arising from US loose monetary policy. Since March 2009 when the global financial crisis ended in Asia, residential property prices have more than doubled in Hong Kong and current prices are up over 50% in Singapore and Taiwan. In Singapore and Hong Kong, household debt has outpaced average household income growth.

Japanese Companies

The 1-year RMI PD for Japanese companies decreased near the end of Q3 after rising in the first two months of the quarter to near the highest level in 2013. The Japanese economy could grow below expectations as the country's current account surplus fell to a record low in August. Also, overseas income dropped for the first time in nine months and imports exceeded exports. Industrial and service sector activities expanded during Q3 but inflation costs have also risen. Moving forward, the proposed sales tax by the government could deter consumer spending and impact the credit profiles for Japanese firms operating in the consumer cyclical and non-cyclical sectors. Bank lending to non-financial firms has not increased significantly as lenders remain cautious about the economic outlook for the country. The credit outlook for Japanese companies will also depend on the success of the government's three arrows policy--fiscal stimulus, open ended monetary policy and structural reform.



Economy

- The Japanese economy expanded in Q2 2013, as GDP grew at a better than expected annualized rate of 3.8%. The second quarter GDP expansion follows an annualized 4.1% increase in Q1 2013, driven largely by consumer spending and higher capital expenditure. The IMF has a real GDP forecast for Japan at 2% this year, and a real GDP forecast of 1.2% in 2014.^{36,37}
- The unemployment rate in Japan rose to 4.1% in August from 3.8% in July, following a rise in the rate of job offers to job seekers as it climbed to 95 positions for every 100 applications. The Japanese Internal Affairs and Communications Ministry said that more people have become eager to seek employment amid growing hopes of economic recovery which pushed the jobless rate higher.³⁸

- Commercial sales increased 0.7% YoY in August and 1.3% YoY in July as wholesale and retail sales registered gains in both months. Wholesale sales rose to JPY 26.153tn in August from JPY 26.884tn in June. Retail sales increased to JPY 11.315tn in August from JPY 11.423tn in June.³⁹
- Japan's Industrial Production Index fell 0.2% YoY in August. Industries that contributed to the drop in production were chemical businesses and transport equipment businesses. Production of large business cars, metal oxide semiconductors and reaction vessels also recorded lower levels of manufacturing activity.⁴⁰
- Markit's Japan Services PMI increased to 53 in September, from 51.2 a month earlier. September was the eleventh successive month of expansion for the service industry. It was also the eleventh consecutive month of cost inflation, as respondents to the survey attributed the increases to rising fuel costs and the impact of the weak JPY on foreign input prices. Business sentiment amongst Japanese service providers rose to the highest level in Q3 since June as a successful bid for the 2020 Olympic Games lifted optimism.⁴¹
- The Japan Tankan Business Survey for Large Manufacturing Enterprises meanwhile rose to 12 at the end of Q3 from 4 in Q2, indicating a larger proportion of larger firms expect business conditions to improve. The level of sentiment for large non-manufacturers rose to 14 in Q3, the highest since December 2007. Small enterprises in the same Tankan survey also showed increased optimism as the Survey rose to -9 in Q3 from -14 in Q2.
- Japan's household spending fell to -1.6% in August from -0.4% in June. The Ministry of Internal Affairs and Communications said that spending declined 0.5% in July in seasonally adjusted terms as households spent an average of JPY 284,646. Spending by wage earner households dropped 0.5% in August from the same month a year earlier.⁴²
- Consumer prices in Japan have risen significantly. The Consumer Price Index nationwide has risen 0.9%YoY in August from 0.2% in June. The August gain in prices, the highest in five years, was fueled by higher energy prices. The Bank of Japan unveiled a massive monetary easing drive in April and set a target of 2% inflation for the country by 2015.⁴³

Monetary

- The Bank of Japan kept the overnight call rate unchanged at 0.1% in Q3. The central bank refrained from additional stimulus as business confidence has increased. Governor Haruhiko Kuroda's board kept to the goal of expanding the monetary base by USD 720bn a year. The Bank of Japan maintained its view that the Japanese economy is recovering moderately as business fixed investment has picked up and housing investment has increased.⁴⁴
- Minutes from the August monthly monetary policy meeting revealed that the central bankers wanted the Japanese government to rein in debt, including sticking to a plan to raise the country's sales tax to 10% from 5%. The board members said that it was vital that the government maintained credibility in managing its finances while buying bonds on a regular basis. The board was also concerned if smaller companies would adopt a similar trend from large businesses in raising wages for employees.⁴⁵

Funding & Liquidity

- Yields on 10-year Japanese government bonds dropped to 0.68% at the end of Q3 from 0.85% at the end of Q2.
- Average interest rates on new bank loans issued by Japanese banks fell to 0.82% in August, after reaching 0.86% at the end of Q2. Average rates on outstanding loans also fell from 1.30% to 1.29% during the same period.⁴⁶
- Overall bank lending in Japan remained at the same level in August from June at JPY 405tn. Total amount of deposits and loans increased 2.3% YoY in August after registering a similar 2.3% YoY gain in July. Lending from foreign banks fell 6.6% to JPY 2.00tn following a 8.1% drop earlier. Total CDs and deposits belonging to city and regional banks rose marginally to JPY 598tn in August from JPY 581tn in June.⁴⁷

Politics

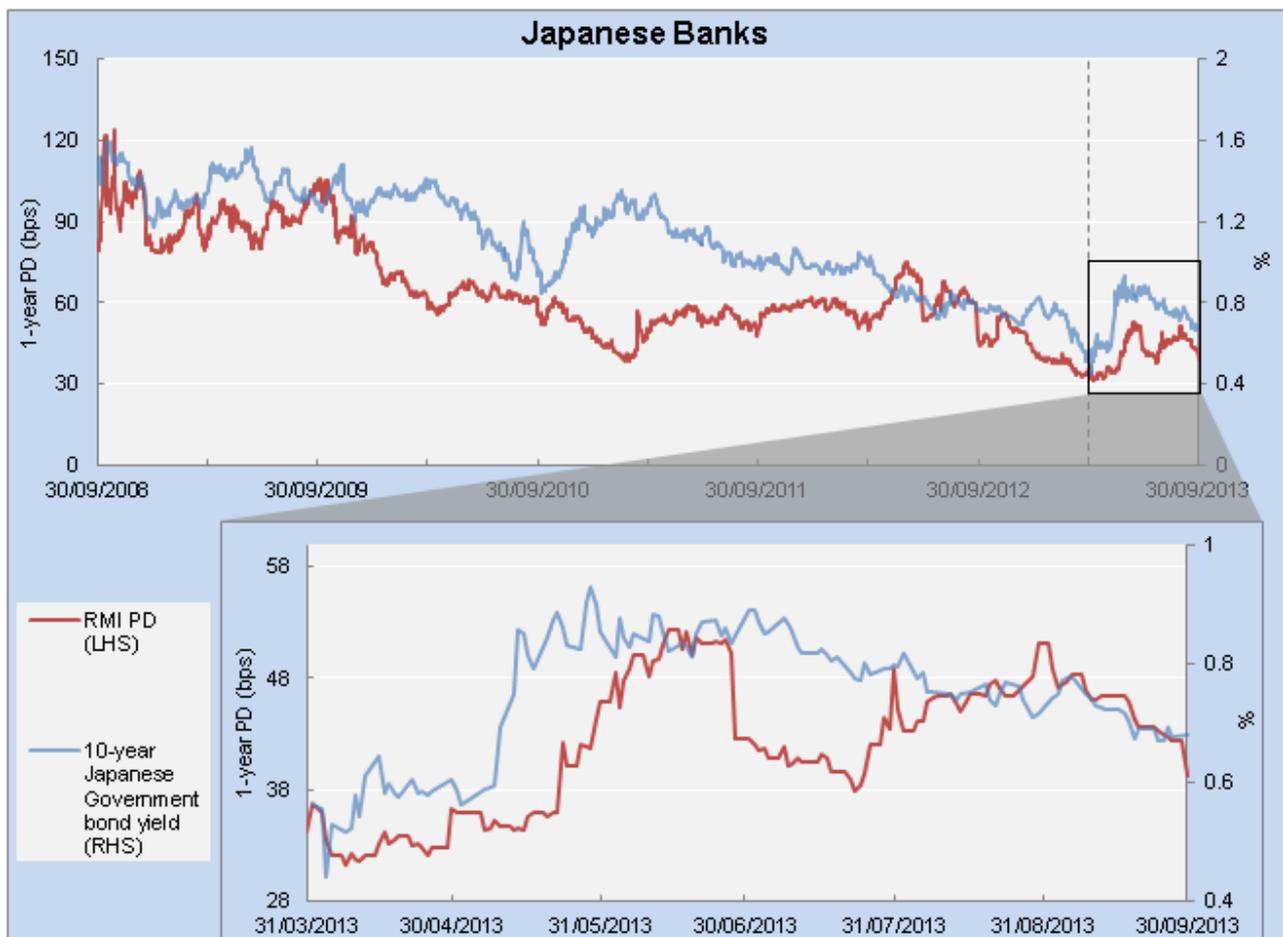
- The ruling coalition's win in an election for the upper house of parliament on July 21 confirms the public support for the three arrow policies for Prime Minister Shinzo Abe. With control of both chambers of the assembly, Mr Abe has the strongest mandate of any Prime Minister since 2007. The LDP will not be facing voters for another three years and there is no reason for the LDP party to present a unified front as there is no prominent political opposition in sight.

Sovereign Credit Ratings

- Fitch maintained Japan's long-term rating at A+, with a negative outlook. Moody's retained its Aa3 rating with a stable outlook and S&P maintained a negative outlook on its AA- rating.

Japanese Banks

The 1-year aggregate RMI PD for Japanese banks increased during Q3, after reaching the highest level in a year in August. Profits could fall in Q3 as banks increase their provisions and write down assets due to nonperforming loans. Overseas income is also not likely to improve given that the value of the JPY stayed nearly unchanged during the quarter. Lenders remain cautious in their profit outlooks for the rest of the year. The rally in equities in Q3 could boost the value of the banks' balance sheet. However, a decline in the value of collateral backing corporate loans over Q3 increases asset quality concerns. With these factors in mind, the credit outlook for Japanese lenders is negative given that bond yields could rise further on the back of lower asset quality, poor earnings capability and higher banking regulatory compliance costs.



Profitability

- Aggregate earnings at listed Japanese banks increased 29.11% during Q2, from JPY 959tn to JPY 1238tn. Net incomes for Japanese banks have risen 53.18% YoY from JPY 808tn in Q2 2012.
- Net interest margins for Japanese banks improved by 0.4% from 1.32% in Q1 to 1.33% in Q2. Net interest margins are however lower by 4.58% on a year on year basis, having decreased to 1.33% in Q2 2013 from 1.39% in Q2 2012.
- The amount of outstanding commitment lines extended by Japanese banks fell to JPY 249tn in August from JPY 260tn in June. The amount of outstanding commitment lines drawn down increased to JPY 32tn in August from JPY 30tn in June, representing a 20.1% YoY increase. The number of corporate clients using committed credit line contracts increased to 3224 in August from 3142 at the end of June.⁴⁸

Funding & Liquidity

- Weighted average coupon rates on 5-year fixed JPY-denominated bonds issued by Japanese banks increased to 0.38% in Q3 from 0.33% in Q2 2013.
- Deposits at Japanese banks fell to JPY 627tn in August from JPY 634tn in June. Deposits increased 4.33% YoY in August after increasing 4.21% YoY in July.⁴⁹
- Average rates on deposits maturing in 90 days increased to 0.062% per annum in August from 0.070% per annum in June. Average rates on deposits maturing in 360 days dropped to 0.061% in August from 0.086% two months earlier.⁵⁰
- Overall liquidity in the Japanese banking system improved during Q2, as the aggregate LATDB ratio for listed banks increased to 13.0% from 10.0% in Q1. On a yearly basis, the aggregate LATDB ratio has gained 58.87%.
- The amount of outstanding reserves at the Bank of Japan increased 15% to JPY 880tn in Q3 from JPY 760tn at the end of Q2. Reserves are 16% higher than levels one year ago in September 2012.⁵¹

Capital Levels & Regulations

- Japan's Financial Services Agency has announced a new financial monitoring policy for oversight of financial institutions under its supervision as well as the financial system. In order for a more proactive identification of risks to financial institutions and the banking system as a whole, the agency intends to enhance its supervisory oversight function by further integrating its on and off-site inspections into a continuous and seamless monitoring.⁵²
- Prime Minister Shinzo Abe said on October 1 that the country will raise sales taxes to cope with the rising national debt. The higher tax rate would likely affect consumer spending and have an indirect effect on banks. Economists estimate the tax hike would decrease household consumption by JPY 8tn.⁵³

Asset Quality

- Collateral values of corporate loans dropped 5.3% in Q3 from JPY 6.89tn to JPY 6.42tn. Collateral values of bonds issued by real estate investment corporations also decreased 7.35% during Q3 to JPY 189bn from JPY 205bn. Total collateral values for all bonds fell 8.71% during Q3 to JPY 692tn from JPY 758tn in Q2. Total collateral values for bonds have been falling since its peak in March 2011.⁵⁴

³⁶ Jun 9, 2013, [Japan revises first-quarter GDP higher](#), MarketWatch.

³⁷ April 2013, [World Economic Outlook](#), International Monetary Fund, imf.org

³⁸ April 2013, [Japan's unemployment rate](#), The Statistics Bureau of Japan, <http://www.stat.go.jp/>

³⁹ May 29, 2013, [Commercial sales value and percentage change over the last year](#), Ministry of Economy, Trade and Industry, <http://www.meti.go.jp/>

⁴⁰ Jun 18, 2013, [Industrial Production Index](#), Ministry of Economy, Trade and Industry, <http://www.meti.go.jp/>

⁴¹ Jun 5, 2013, [Markit Japan Services PMI](#), Markit, markiteconomics.com

⁴² Jun 11, 2013, [Bank of Japan stands pat, leaves door open for market calming steps](#), Reuters.

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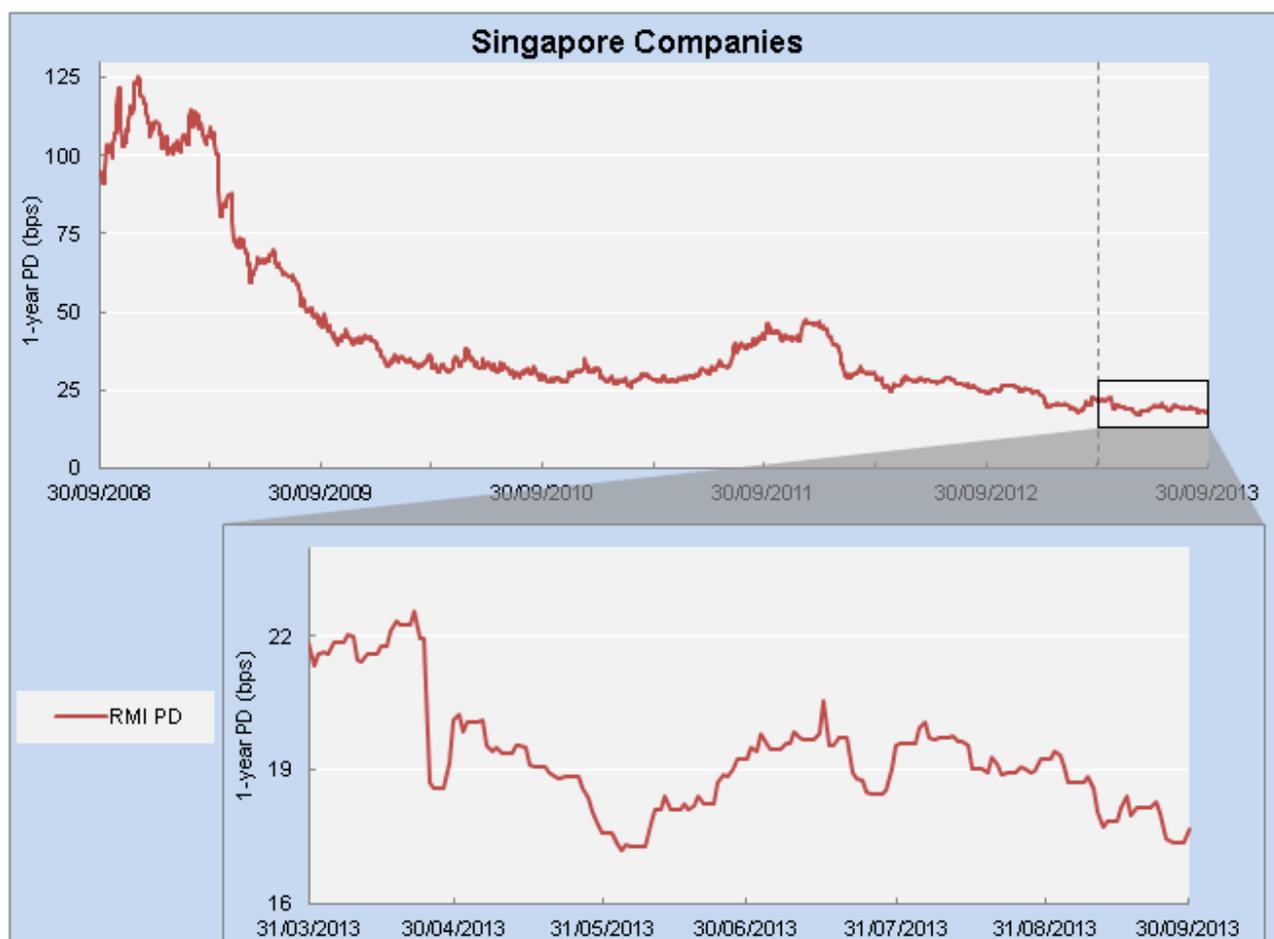
⁴⁴ May 29, 2013, [Average Contract Interest Rates on Loans and Discounts](#), Bank of Japan, Bank of Japan, <http://www.boj.or.jp/en/>

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- ⁴⁶ Apr 21, 2013, [Officials Visit to Japanese Shrine Could Anger Neighboring Countries](#), The New York Times,
- ⁴⁷ May 16, 2013, [Sumitomo Mitsui Leads Japan Banks Forecasting Lower Profit](#), Bloomberg News.
- ⁴⁸ April 2013, [Deposits/Liabilities and Stockholder's Equity](#), Bank of Japan, www.boj.or.jp/en
- ⁴⁹ Jun 17, 2013, [Average interest rates on certificates of deposits](#), Bank of Japan, www.boj.or.jp/en
- ⁵⁰ Jun 18, 2013, [Japan Eased Short-Sale Rules Become Permanent in November](#), Bloomberg News.
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- ⁵² April 2013, [Bank of Japan reserves](#), Bank of Japan, www.boj.or.jp/en
- ⁵³ Oct 1, 2013, [Japan Sales Tax to Increase Next Year, Abe Says](#), The New York Times,
- ⁵⁴ September 2013, [Corporate bonds/Collateral value](#), Bank of Japan, www.boj.or.jp/en

Singapore Companies

The 1-year RMI PD for Singapore companies dipped at the end of Q3, as rebounding retail sales helped offset a Singapore economy cooling after a strong second quarter. The manufacturing sector, central to Singapore's growth in Q2 continued its expansionary run into Q3, but continuing declines in export activity suppressed its effect on the economy. Funding and liquidity conditions continued to remain stable, though lending to non-financials slowed over the quarter. The MAS maintained its policy of gradual appreciation of the SGD, which should curb inflationary pressures. Going forward, exports may continue to suffer as a result of the October US government shutdown and its effect on the economies of other major export markets. Although lending conditions and funding costs are expected to remain mostly stable, a sustained slowdown in overseas demand for exports suggests an uncertain outlook for Singaporean companies going into the next quarter.



Economy

- Advance estimates indicated that the Singapore economy contracted 1.0% QoQ over Q3, after expanding 16.9% during Q2. The contraction was mainly due to weaker public sector construction activities which partially offset robust construction activities in the private sector. YoY GDP growth in Q3 was 5.1% and the MAS forecasts 2013 growth at 2.5-3.5%.^{55,56}
- Singapore's PMI manufacturing index slowed to 50.5 in September, down from a 2-year high of 51.8 recorded in July. Singapore's PMI has consistently recorded expansions in the manufacturing sector over the past 7 months.⁵⁷
- Non-oil domestic exports continued to suffer, shrinking by 1.2% YoY in September after a 6.8% contraction in August. South Korea (-28.4%), the EU (-23.3%) and Japan (-16.0%) were the top three markets contributing to the decline. The drop continues

Singapore's run of declining exports into its seventh successive month.⁵⁸

- Retail sales increased 3.6% MoM in August after declining 5.3% in July and dropping 6.9% in June. Excluding motor vehicles, the August increase was only 3.3%. Retail sales have generally declined by 7.8% YoY, dragged down by motor vehicle retailers which have suffered a 41.5% drop in sales since August 2012.⁵⁹

Monetary

- In its October Monetary Policy statement, the MAS said it would maintain its policy of gradual appreciation of the SGD, keeping both the slope and width of its SGD policy band against a basket of currencies unchanged, in order to contain inflationary pressures.⁶⁰

Funding & Liquidity

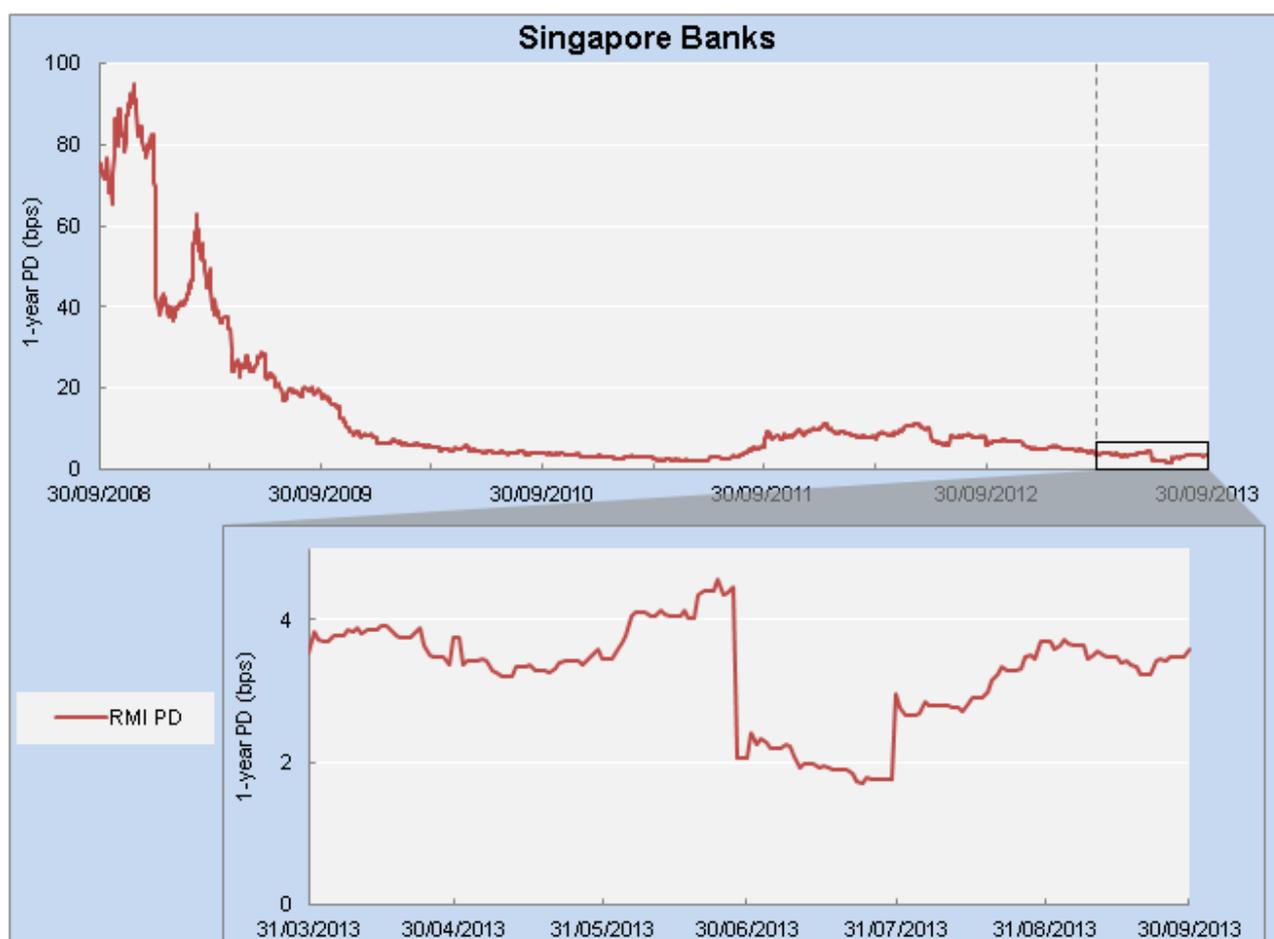
- Yields on 10-year Singaporean government bonds stayed stable over Q3, ending September at 2.33%, similar to yields recorded at the end of Q2.
- Bank lending to non-financial Singaporean companies continued to slow over Q3. Loans to non-financials grew by 19.3% YoY in August, down from a YoY lending growth rate of 22.0% in June.⁶¹
- The prime lending rate remained at 5.38% through Q3, unchanged since January 2008.⁶²

Sovereign Credit Ratings

- Singapore retained its AAA rating at all three major rating agencies over Q3 2013, and remains one of only seven countries worldwide with top credit ratings and stable outlooks.

Singapore Banks

The aggregate 1-year RMI PD across Singapore banks rose over Q3, buffeted by increased volatility in overseas markets and an increase in debt ratios. While funding conditions may have been affected by contracting deposits pushing the loan to deposit ratio to new highs, bond yields went down on the Federal Reserve's unwillingness to commence tapering its bond buying program. Banks remain sufficiently capitalized under Basel III requirements, despite moderate decreases in liquidity. Deteriorating asset quality last quarter, evidenced by a rise in non-performing loans and a peak in credit card losses, prompted MAS to institute regulations on unsecured loans and banks to increase provisions for loan losses. Going forward, the effects of the October US government shutdown and uncertainty over US debt is likely to spill over into Singaporean financial markets. Increased regulations on loans and sufficient liquidity are likely to keep banks financially healthy, but at the expense of weakening earnings. Considering this with tightening domestic funding conditions and the potential for the Fed to return to the bond tapering issue later in the upcoming quarter, the credit outlook for Singaporean banks is uncertain.



Profitability

- Aggregate earnings at the three major Singapore banks slowed slightly in Q2, falling 4.26% QoQ to SGD 2.27bn, after falling 7.82% to SGD 2.37bn in Q1, from a record high of SGD 2.57bn in Q4 2012.
- The YoY growth rate of issued loans made by Singaporean banks slowed to 15.4% in August, the slowest growth rate since December 2010, after growing at 17.6% in July and 17.7% at the end of Q2.⁶³

Funding & Liquidity

- Average yields on 10-year USD-denominated bonds issued by Singaporean banks declined over Q3, ending the quarter at 3.40%, down from 3.79% at the end of Q2.
- Deposits at major domestic banks declined 0.47% over the three months ending August, ending August at SGD 538.04bn, after slowing 0.25% QoQ over Q2. Contracting deposits combined with loan growth caused domestic banks loan-to-deposit ratio to breach 100% for the first time in July, and ended August at 100.5%.⁶⁴
- Deposit rates remained mostly stable over Q3. The 12-month fixed deposit rate remained unchanged at 0.32% per annum, while the savings deposit rate remained steady at 0.1%. The proportion of fixed deposits rose to 39.3% of all deposits in August from 38.8% at the end of Q2 while the proportion of savings deposits dropped slightly to 33.5% from 33.7%.^{65,66}
- The aggregate LATDB ratio for Singapore banks fell slightly to 30.5% in Q2, down from 31.1% in Q1, after falling to 29.7% at the end of 2012.
- The statutory liquidity ratio of banks ended August at 16.2%, down from 17% recorded at the end of Q2.⁶⁷

Capital Levels & Regulations

- The phase-in of Basel III in Singapore started in January 2013, with all three Singaporean banks meeting the requirements. Starting from 2015, The Monetary Authority of Singapore (MAS) intends to implement the Basel-III compliant Liquidity Coverage Ratio as the liquidity standard for all banks and financial companies. Bank reserves and capital levels have expanded to SGD 66.5bn in August from SGD 65.7bn in June, and currently stand at 7.0% of total liabilities.^{68,69}
- The MAS announced new regulations on credit card and other unsecured loans in September in an attempt to curb rising household debt in the current low interest rate climate. The changes, which take place from December 1, cap the total amount of unsecured loans an individual can take at 12 times his or her monthly income. Lenders will be required to review a borrowers total existing debt before granting new unsecured loans.⁷⁰

Asset Quality

- Banks increased provisions for loan losses by 8.33% QoQ in Q2 to SGD 403mn, up from provisions for the same period in 2012 of SGD 258mn. Non-performing loans from the three major Singapore banks grew by 2.97% QoQ, ending Q2 at SGD 6.18bn from SGD 6bn in Q1. Write-offs on credit card debt over a three month period dropped to SGD 61.6mn in the 3 months ending August, after hitting a record high of SGD 64.1mn at the end of Q2.⁷¹
- Moodys Investors Service downgraded their outlook for Singapore's banking sector in July to negative from stable, stating that asset quality may have peaked alongside a combination of rapid loan growth and potential vulnerability to interest rate shocks. An RMI special report emphasized that these factors need to be considered against the strong capital and liquidity profiles of Singapore banks which remain sufficient to absorb stresses.^{72,73}

⁵⁵October 2013, [Singapore's GDP Grew 5.1 Per Cent in the Third Quarter of 2013](#), Ministry of Trade and Industry, Singapore, singstat.gov.sg

⁵⁶October 2013, [MAS Monetary Policy Statement](#), Monetary Authority of Singapore, mas.gov.sg

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- ⁵⁸October 2013, [Singapore's External Trade: September 2013](#), International Enterprise Singapore, iesingapore.gov.sg
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- ⁶⁰October 2013, [MAS Monetary Policy Statement](#), Monetary Authority of Singapore, mas.gov.sg
- ⁶¹September 2013, [Banks: Loans and Advances by DBUs](#), Monetary Authority of Singapore, mas.gov.sg
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- ⁶³September 2013, [Banks: Assets and Liabilities of DBUs](#), Monetary Authority of Singapore, mas.gov.sg
- ⁶⁴September 2013, [Banks: Assets and Liabilities of DBUs](#), Monetary Authority of Singapore, mas.gov.sg
- ⁶⁵September 2013, [Interest Rates of Banks and Finance Companies](#), Monetary Authority of Singapore, mas.gov.sg
- ⁶⁶September 2013, [Liabilities of DBUs](#), Monetary Authority of Singapore, mas.gov.sg
- ⁶⁷September 2013, [Statutory Liquidity Position of DBUs](#), Monetary Authority of Singapore, mas.gov.sg
- ⁶⁸September 2013, [Liabilities of DBUs](#), Monetary Authority of Singapore, mas.gov.sg
- ⁶⁹August 2013, [Consultation Paper on Local Implementation of Basel III Liquidity Rules Liquidity Coverage Ratio](#), Monetary Authority of Singapore, mas.gov.sg
- ⁷⁰Sep 11, 2013, [Credit Card and Unsecured Credit Rules Strengthened to Help Individuals Avoid Getting Into Debt Problems](#), Monetary Authority of Singapore, mas.gov.sg
- ⁷¹Sep 2013, [Credit and charge card statistics](#), Monetary Authority of Singapore, mas.gov.sg
- ⁷²Jul 15, 2013, [Moody's changes Singapore's banking system outlook to negative](#), Moody's Investors Service, moodys.com
- ⁷³Jul 23, 2013, [RMI data suggest positive outlook for Singapore banking sector](#), NUS Risk Management Institute, rmi.nus.edu.sg

Asia-Pacific - Emerging economies

The aggregate 1-year RMI PD for listed corporations domiciled in emerging Asia, excluding India and China, was mostly stable during Q3, albeit at a higher level overall. The rout in emerging-market assets triggered by fears of Fed tapering continued through Q3, and Indonesia was among the countries that took the biggest hit from the sell-off. The Indonesian rupiah, Malaysian ringgit and Thai baht all plummeted to multi-year lows during the three months ended September, and sovereign bonds of most emerging countries in the region fell, as worsening fundamentals, slowing economies and declining current account balances exacerbated the capital outflow. Although the US Federal Reserve provided a reprieve when it announced on September 19 that it will postpone reducing its monetary stimulus, the initial rally proved short-lived as the borrowing costs in emerging markets soon went above the pre-announcement level. The credit outlook for emerging Asia's listed companies is negative, as developing countries restructure from an economic model that relies on rapid loan growth to one that yields slower, sustainable economic growth.

Indonesian Companies

The aggregate 1-year RMI PD for Indonesian companies crept upwards in Q3. The slump in IDR, higher interest rates, heightened inflationary pressure and slowing investment, all weighed on the earning prospects of Indonesian corporations. Indonesia's heavy reliance on the export of primary commodities is manifest as China's previously insatiable appetite for natural resources tapered off as a result of the country's decelerating economic growth. The IDR fell to its lowest level in four and a half years in September, breaching 11,600 against the dollar amid uncertainty over monetary policy in the US. Although the currency has so far stabilized over the last couple of weeks after the US Federal Reserve delayed "tapering", its performance during Q3 was among the worst of major currencies. Indonesian companies will likely fare better with the IDR's decline though as compared with the disaster during the 1997 Asian crisis; the country's short-term external debt stood at 40% of foreign-exchange reserves at the end of 2012, compared with 125% in 1997. The overall credit outlook for Indonesian companies is still negative, as the global emerging market turbulence seems unlikely to subside until the US Federal Reserve provides a definitive statement on its plan to reduce monetary stimulus, and domestic demand is dampened by the weak IDR and interest rate hikes.



Economy

- Indonesia's economy grew less than 6% in Q2 for the first time since 2010, reflecting the country's high inflation, widening trade deficit and weakened IDR. GDP expanded 5.81% YoY in the three months through June 30, compared with a revised 6.03% pace for Q1. On a quarterly basis, the Indonesian economy grew 2.61% and 1.42% during Q2 and Q1 respectively. Bank Indonesia in September downgraded its forecast for Indonesia's economic growth in 2013 to the range of 5.5% to 5.9%. The central bank had previously expected the economy to expand between 5.8% to 6.2%.⁷⁴

- Indonesia received some respite from months of market turmoil on October 1, when the official statistics agency reported that the country's precarious trade balance swung to an unexpected surplus in August. The USD 132mn trade surplus in August after July's record USD 2.3bn deficit and the shortfall of USD 877.2mn in June, suggests that government and central bank measures over the past months may be starting to bear fruits. Slowing economic growth caused both exports and imports to decline 10.8% and 16.7%, respectively, over the two months ended August 31.⁷⁵
- Business conditions deteriorated across Indonesia in Q3 as the HSBC Indonesia Manufacturing PMI (Indonesia PMI) averaged 49.8 in the three months ended September, down from the 51.4 seen in the previous quarter. The index stood at 50.2 in September after plunging to a 15-month low of 48.5 in the month before, reflecting a renewed growth of production volumes. The Indonesia PMI recorded upward movements for four of its five sub-components and output in the Indonesian manufacturing sector rose for the first time in three months during September, albeit at a marginal rate.⁷⁶
- Inflation accelerated during Q3 as Indonesia's CPI rose 4.08% to 145.74 in September from 140.03 in June, compared to the 0.9% increase in Q2. Consumer prices fell near the end of the quarter though as the decline in foodstuff prices led CPI to ease from 146.25 recorded in August.⁷⁷

Monetary

- Bank Indonesia (BI) once again surprised investors by raising its benchmark interest rate twice in a span of two weeks (August 29 and September 12) during Q3, in a bid to arrest the slide in the value of the IDR and curb inflationary expectations. Including the hike in July, the central bank has increased the cost of borrowing by 125bps to 7.25%, the highest in more than four years, during the most recent three-month period.⁷⁸
- Indonesia's foreign-exchange reserves fell again to USD 95.7bn at the end of September from USD 98.1bn three months ago. Nevertheless, the latest figures represent an improvement over the USD 92.7bn and USD 93bn recorded in July and August, respectively. The July reserves were the least since October 2010, according to data from BI. The country still has 5.2 months import cover if the servicing of government external debt is included.^{79,80}

Funding & Liquidity

- According to Bloomberg data, Indonesian companies including state-owned entities issued a total of USD 4.68bn of bonds in the three months ended September, a little more than half of the USD 8.89bn worth of debt sold in the previous quarter. The decline in Indonesian bond issuances is largely the result of uncertainties in US monetary policy as investors pulled money out of emerging economies. Bond issuance surged in September as corporations rushed to raise funds ahead of the US Federal Reserve's closely-watched September 17-18 meeting.⁸¹
- Yields on 10-year Indonesian sovereign bonds climbed to 8.43% at the end of Q3 from 7.07% on June 28. Indonesia's borrowing costs surged during the quarter toward those of Vietnam, which is rated five levels lower by Moody's, pressured by a plunging IDR and accelerating inflation. The country borrowed at the higher yields in order to fund what the government forecast to be the biggest budget deficit (2.38% of GDP) since 2004.⁸²
- Total credit of commercial Indonesian lenders to non-bank third parties grew 22.3% to IDR 3,067.4tn in August from a year ago. Domestic credit growth remained strong despite the tight monetary policy and will likely continue, albeit at a slower pace. The higher interest rates are expected to especially affect the country's consumption sectors

such as the automotive industry.⁸³

- The average interest rates on Indonesian commercial bank IDR-denominated lending to non-banking entities and consumers stayed mostly stable in the recent months, slightly increasing to 11.7% in August, from 11.44% and 11.61% in June and July respectively.⁸⁴

Sovereign Credit Ratings

- Moody's, Fitch and S&P retained their Baa3, BBB- and BB+ ratings, respectively on the Indonesian government in Q2. All 3 CRAs maintained their stable outlook on Indonesia's sovereign debt.

Indonesian Banks

The aggregate 1-year RMI PD for Indonesian banks climbed higher in Q3 to levels last seen in late 2011. The prospect of faster inflation and recent macro-prudential policies by the central bank will likely hamper lending growth. Although that might not necessarily be a negative for the banks, as credit expansion may have been too robust over the past years, and outpaced deposit growth by a wide margin, leading to a surge in loan-to-deposit ratios. Even as profitability in the banking system remains high, lenders still lack efficiency and generally rely on high interest rates rather than cost reduction to produce profits. This may come to an end soon as the Indonesian economy staggers and banks put aside more provisions for bad loans. Weaker banks, especially those with large USD-denominated debt and IDR revenues will be tripped by the slump in IDR. However, the banks' overall net foreign exchange exposure is very much tractable, according to Fitch. The credit outlook for Indonesian banks remains negative, reflecting the deteriorating asset quality of the industry and the weakness of the smaller lenders, usually masked by the relative strength of the major banks, which account for more than 40% of loans and deposits.



Profitability

- Earnings at Indonesian listed banks improved during the three months ended June, as aggregate net income of the lenders increased 2.47% during Q2, compared with a 3.73% decline in the previous quarter.
- Indonesian listed banks continued to be among the world's most profitable by measure of NIMs, although the average NIMS of the listed lenders marginally deteriorated to 6.29% in Q2 from 6.3% in the preceding quarter. The same measure for all commercial banks in Indonesia slightly improved to 5.46% in August from 5.41% in May, higher than the 5.43% recorded a year earlier.⁸⁵

Funding & Liquidity

- The loan-to-deposits ratio of Indonesia's commercial banks continued to hit new highs during the three months ended August, climbing to 88.88% from 85.84% over the period. Credit growth would likely fall in the months ahead after the central bank moved in August to trim loan expansion and curb inflation (refer to the Regulation section below).⁸⁶
- Investors are shunning IDR debt in favor of dollar bonds as they seek to avoid the high volatility of the worst-performing emerging-market currency. The yield on the 5-year USD-denominated senior unsecured bonds issued by Bank Rakyat Indonesia, the second-largest lender in Indonesia in term of assets, fell to 4.493% at the end of September from 4.788% three months earlier.
- Total bank deposits of Indonesia's commercial banks expanded to IDR 3,347tn at the end of August from IDR 3,293tn three months ago, according to Bloomberg data. Growth in deposits has slowed this year to a 13.5% YoY expansion in August from 18.7% a year ago.
- Deposit rates moved higher in the three months through August, following Bank Indonesia's measures to curb capital outflow. The average rates on 1-year IDR time deposits and IDR saving deposits climbed to 6.11% and 1.99% respectively in August, from 5.77% and 1.98% in May.⁸⁷

Asset Quality

- NPLs of listed Indonesian lenders climbed 7.27% to approximately IDR 38.4tn from IDR 35.8tn through the three months to June. The NPLs of all commercial banks in Indonesia to non-bank third party also tracked a similar trend, expanding 2.12% to IDR 55.579tn from 54.425tn over the three-month period. On the positive side, Special mention loans, or loans overdue for up to 90 days but yet to turn bad, fell to IDR 126.984tn from 128.858tn over the same period.⁸⁸
- As the Indonesian economy slows, NPLs and defaults could climb further. Nevertheless, the lenders appear to be comfortably buffered against any market turmoil. According to a Fitch report in September, Indonesian commercial banks had Tier-1 equity that averaged about eight times the gross NPL ratio. The credit rating agency also noted that the banks tend to be conservative in provisioning for their NPLs.⁸⁹

Regulations

- To contain loan expansion and maintain the financial system stability, Bank Indonesia cut the ceiling on the loan-to-deposit ratios of commercial banks to 92% in August, from as much as 100% previously. Banks with loan-to-deposit ratios above the upper limit of the 78% to 92% range will need to put in additional reserves with the central bank, according to Credit Suisse Group AG.⁹⁰
- Bank Indonesia also raised the secondary minimum reserve requirement for IDR deposits, which comprises a combination of government debt and Bank Indonesia certificates, to 4% from 2.5%. Hindered by the slowing economic growth, the central bank decided to support IDR by boosting the mandatory reserve in government and central bank bonds instead of raising the key interest rate for a third consecutive meeting.

⁸⁴Sep 12, 2013, [BI Rate up 25 bps to 7.25%](#), Bank Indonesia, bi.go.id

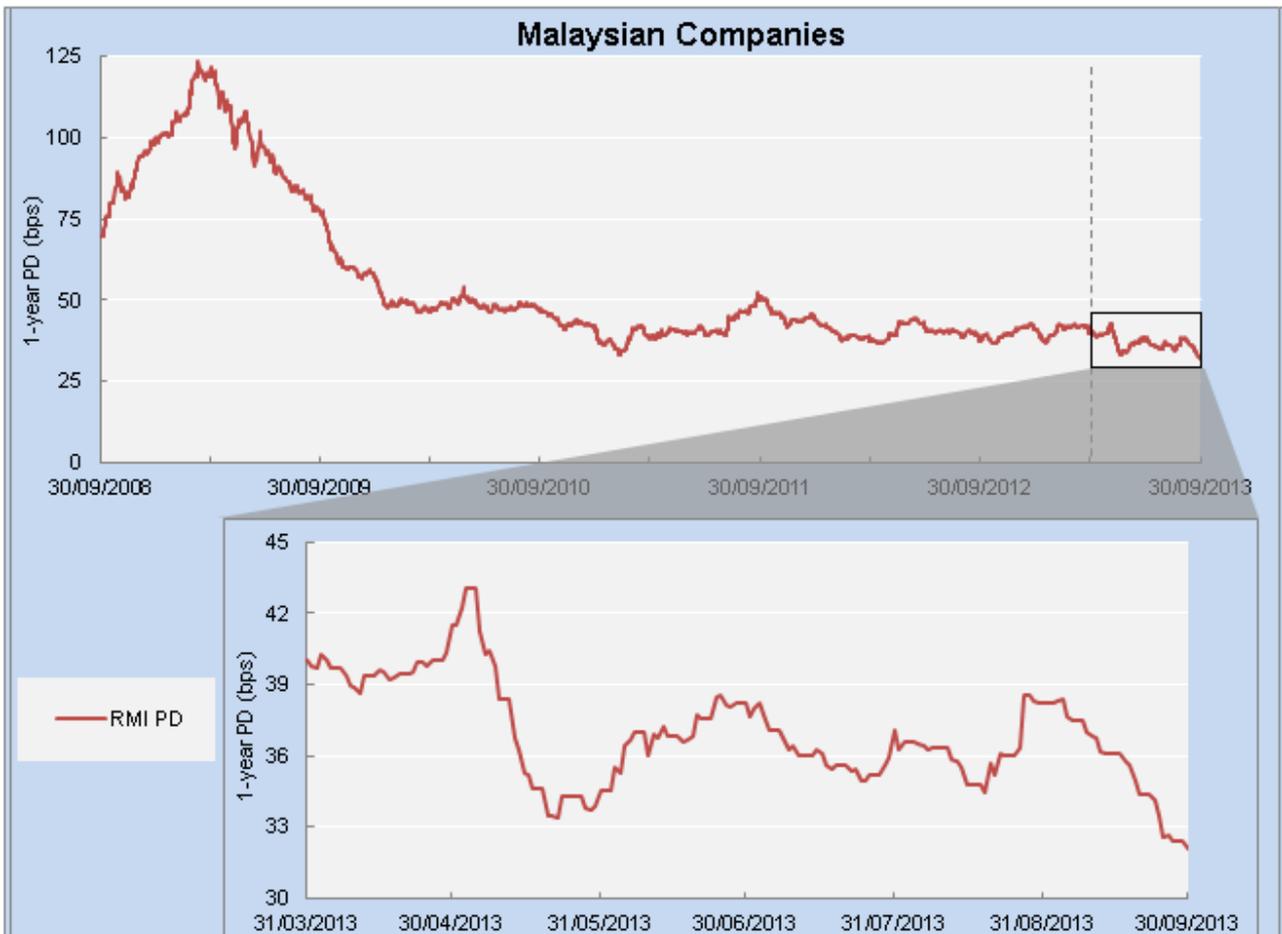
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- ⁹⁰Aug 15, 2013, [Indonesia Raises Reserve Ratio to Aid Rupiah as Rate Held](#), Bloomberg.

Malaysian Companies

The aggregate 1-year RMI PD for Malaysian companies was largely stable during Q3, fluctuated somewhat as alarm over the nation’s escalating household and public debt came and went, and dropped lower as the quarter came to an end. Although Q2 GDP growth accelerated from the preceding quarter on increased government expenditure, it fell short of expectations as the economy continued to be hamstrung by faltering exports. Consequently, monetary conditions will continue to be accommodative for the foreseeable future. Ultra-low bank lending rates however, have given rise to increased corporate leverage; which reached 95.8% of the country’s GDP in 2013. This along with an alarming household credit bubble have prompted a tightening of lending rules by Bank Negara Malaysia in early July. Meanwhile, the government was also forced to put on hold its infrastructural development spending and tackle Malaysia’s flagged public debt levels, which accumulated from its 25 consecutive annual budget deficits and aggressive stimulus package during the 2009 GFC. With a reduction in fuel subsidies as a start, it is believed that more deficit reductions are in the pipeline. This could mean weaker governmental support for the private sector going forward, which combined with higher corporate leverage, spells a negative credit outlook for Malaysian companies.



Economy

- The growth of the Malaysian economy picked up marginally in Q2 as a 4.3% YoY expansion was recorded, up from 4.1% in the preceding quarter. Meanwhile, on a QoQ basis, the Malaysian GDP also improved by a seasonally adjusted 1.4% after contracting 0.4% in Q1. Although domestic demand continues to be strong as evidenced by the stability in private consumption, Malaysia’s already soft external sector took another blow as exports shrank for the fourth consecutive quarter, this time by 5.2%.^{91,92}

- In light of the above, Bank Negara Malaysia (BNM) cuts its GDP growth projection for the year to 4.5-5.0%, down from its previous forecast of 5.0-6.0%.⁹³
- The latest seasonally adjusted unemployment rate in July read 3.0%, an improvement from a year before. Unemployment figures in June fell 0.7% to 2.7% after being on the rise for the three preceding months.⁹⁴
- A gauge of consumer sentiments in Q3 indicated a softer willingness to spend in the coming months as the MIER Consumers Index fell for the second consecutive quarter to 102 points on increased concerns about rising prices and tightened household credit. Retail sale figures in Q2 meanwhile, came in way below expectations, with its 4.6% QoQ growth falling 40% short of the forecasted 7.7%. Retail research firm, Research Group Malaysia, imputes this underperformance to the general elections in May which may have held back spending on high value goods and services, and also the severity of this year's regional haze. The research house also trimmed its projected growth rate for the year to 6.2% from 6.4%. Nevertheless, the revision still compares favourably to 2012's rate of 5.5%.⁹⁵
- The MIER Business Conditions Index in Q3 reflected pessimism among businesses in its deterioration to 98.6 points from 114.2 points in Q2, as overall real production in Malaysia's economy contracted over the two month period ending August. Manufacturing output erased all its gains in July (+2.5%) after it declined 5.4% the following month, while the mining sector's industrial production index slid throughout the period to 86.9 points from 94.2 points at the end of June. Figures quoted are on a seasonally adjusted MoM basis.⁹⁶

Monetary

- Bank Negara Malaysia (BNM)'s Monetary Policy Committee continued to hold its Overnight Policy Rate at 3% throughout Q3. In so doing, it has left the OPR unchanged for 14 consecutive meetings since July 2011. Going forward, BNM expects sustained growth in private consumption and domestic investment activity to underpin the economy's expansion, amid weakness and uncertainty in external demand. Meanwhile, the government's ongoing subsidy adjustments are expected to give rise to cost-push inflation for the remainder of 2013. The increase in inflation however, is from a low level of 1.7%, and will be mitigated by several factors, one of which is the economy's growing domestic capacity.⁹⁷
- Malaysia's broad money (M3) expanded 8.28% YoY in August to MYR 1.434tn, up from 1.42tn in May.⁹⁸

Funding & Liquidity

- The yield on 10-year Malaysian federal government securities on 30 September was 3.765%, up 18.7 bps from 3.578% on June 28. On another note, the Malaysian government also issued its inaugural 30-year debt on September 27. This new longest tenor offering, which yields 4.925%, is to be the pricing benchmark for corporations raising similarly-tenured debt under Prime Minister Najib Razak's MYR 1.43tn infrastructure development program.
- Bank lending to non-financial Malaysian companies in July and August edged up 4.0% and 4.2% YoY after back-to-back months of double-digit contraction in May and June, which saw the disbursement of new loans fall by 12.9% and 10.1% YoY respectively.⁹⁹
- Average commercial bank lending rates in Malaysia fell to as low as 4.46% p.a. in July before rebounding to 4.54% p.a. in August. The May and June averages were 4.61% p.a. and 4.51% p.a. Meanwhile, the average lending rate at investment banks extended

its steady decline to 7 straight months as it hit 6.53% in August. This represents an almost 0.5% drop from 7.01% in February.¹⁰⁰

- In early July, Bank Negara Malaysia imposed several measures to curb excessive consumer borrowing and rein in the country's spiraling household debt. The measures comprised of limits to loan tenures and the prohibition of pre-approved financing products such as unsolicited loan and credit card offers. Malaysia's household debt-to-GDP ratio had hit 83% at the end of Q1 to become Southeast Asia's highest, after growing from 70% in 2009.¹⁰¹

Policy

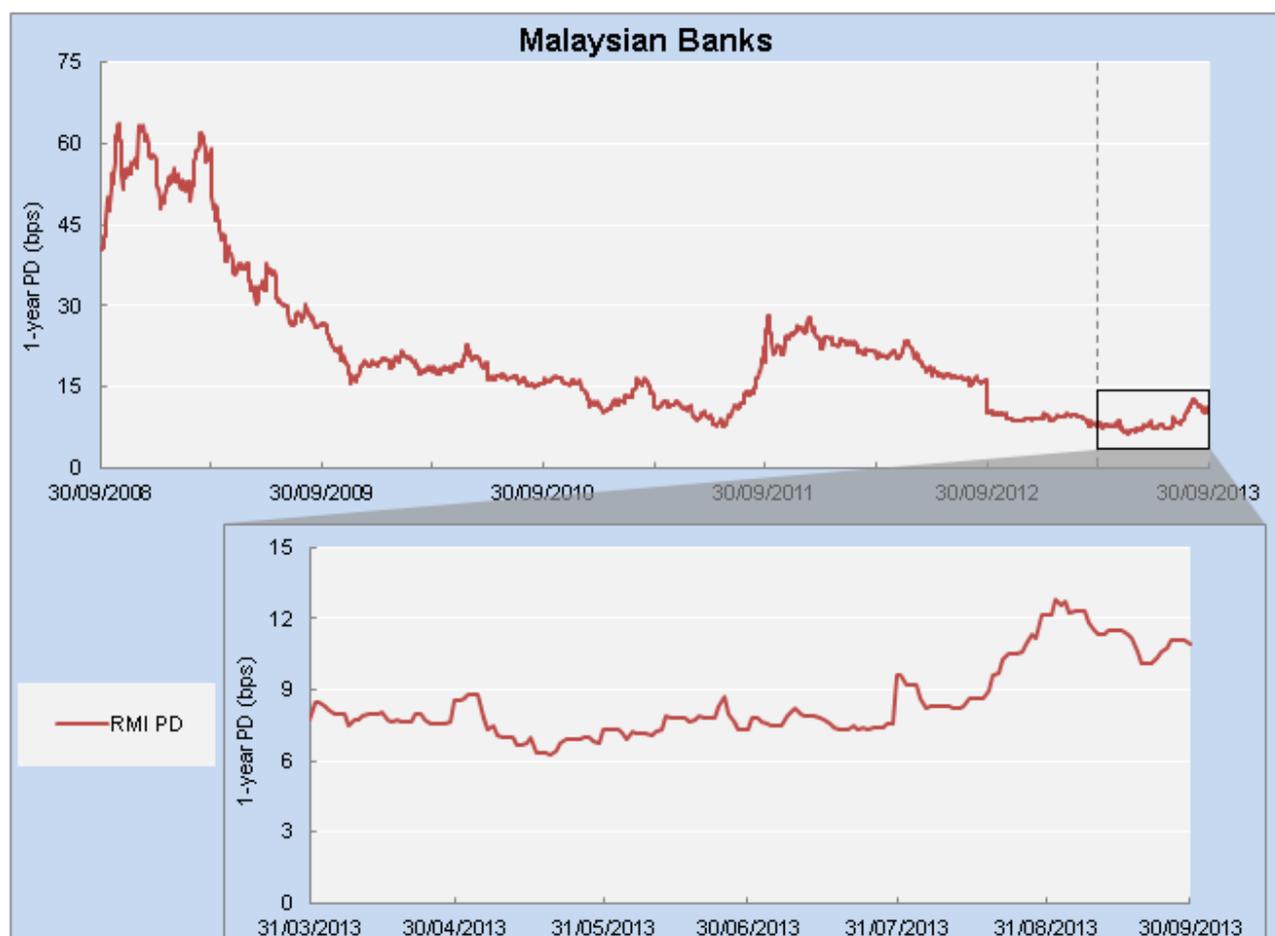
- In a maneuver to contain Malaysia's rising public debt; which at 53.5% of its GDP is second-only to Sri Lanka among 12 developing Asian economies, the government announced in early September its first fuel price hike in 3 years. The reduction in fuel subsidies will purportedly save the government an annual MYR 3bn, part of which will be used to give bigger cash handouts to the poor to ease their burden as blanket subsidies are gradually rationalized. As the government moves towards Prime Minister Najib Razak's target deficit of 4% (of Malaysia's GDP), more deficit-narrowing measures are also expected in the upcoming 2014 budget - amongst them a new Goods and Services Tax (GST).^{102,103}

Sovereign Credit Ratings

- The Malaysian government retained its A3 and A- rating with stable outlook from Moody's and Standard & Poor's respectively during Q3, but had the outlook on its A-rating from Fitch downgraded to negative at the end of July, who cited spiraling public debt levels and a paucity of budgetary reforms.

Malaysian Banks

The aggregate 1-year RMI PD for Malaysian banks edged up slightly from its historical low in Q3 as earnings and NIMs dipped, while lending see-sawed. This is attributable to the central bank's constriction of household borrowing early in the quarter. While funding conditions in the sector improved as deposits continued to grow steadily and market funding costs eased, liquidity and capital levels deteriorated considerably. Nevertheless, they remain ample. With asset quality also remaining more or less the same, the overall credit outlook for the Malaysian banking sector is therefore neutral.



Profitability

- Earnings at listed Malaysian banks fell during Q3, as their aggregate net income slipped by 2.5% QoQ to MYR 5.31bn from MYR 5.44bn.
- Total loan applications during Q3 fluctuated, climbing 9.98% MoM in July to MYR 75.0bn before retreating by a similar magnitude of 9.87% to MYR 67.8bn in August. The loan statistic was MYR 68.2bn in June.¹⁰⁴
- A proxy for the average NIM of Malaysian commercial banks, based on average interest rate spreads, narrowed considerably from June through August, as the margin fell 10 bps in June and a further 5 to 1.49% in July before rebounding to 1.57% in August. The NIM proxy had ranged from 1.72% to 1.75% during the first four months of 2013.

Funding & Liquidity

- The yield on Maybank's 4-year 3% USD-denominated bond fell to 2.37% at the end of Q3, down from 2.58% at the end of Q2. Maybank is the largest domestic bank by total assets.

- Deposit growth slowed marginally in Q3, as total deposits in the two months ending August increased by an average of 8.04% YoY to MYR 1.48tn, as compared to 8.41% in the preceding quarter.¹⁰⁵
- The average rate of savings deposit continued to hover at the 1.02% mark in July and August, while rates on 12-month deposits also stayed unchanged at 3.15%.¹⁰⁶
- Overall liquidity in the Malaysian banking system deteriorated in Q2, with the aggregate LATDB ratio of listed banks falling to 18.3% from 19.2% in Q1.

Capital Levels & Regulations

- The average Common Equity Tier 1 Capital ratio, Core Tier 1 Capital ratio and Total Capital ratio at the end of August stood at 12.0%, 12.8% and 14.1% respectively. While these ratios remain healthy and have held steady since May, they have declined from what they were at the beginning of the year. The ratios in January were 12.4%, 13.3% and 14.8%.¹⁰⁷

Asset Quality

- Impaired loans at Malaysian banks at the end of August amounted to MYR 23.6bn, or 1.37% of net total loans, just as they did in the previous quarter.
- The ratio of aggregate impairment provisions to total impaired loans also changed little during Q3, as it slipped 10 bps to 98.2% in August from May's 99.2%. The ratio, nevertheless remains strong.¹⁰⁸

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⁹³ Aug 16, 2013, [Malaysia's Central Bank Trims 2013 Forecast](#), Wall Street Journal.

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⁹⁷ Sep 13, 2013, [OPR Decision and Statement](#), Bank Negara Malaysia, [bnm.gov.my](#)

⁹⁸ Sep 30, 2013, [Broad Money, M3](#), Bank Negara Malaysia, [bnm.gov.my](#)

⁹⁹ Sep 30, 2013, [Banking System: Loans Disbursed by Sectors](#), Bank Negara Malaysia, [bnm.gov.my](#)

¹⁰⁰ Sep 30, 2013, [Interest Rates: Banking Institutions](#), Bank Negara Malaysia, [bnm.gov.my](#)

¹⁰¹ Jul 5, 2013, [Bank Negara implements measures to curb rising household debt](#), New Straits Times.

¹⁰² Sep 30, 2013, [Malaysia Raises Fuel Prices as Najib Seeks to Trim Budget Gap](#), Bloomberg.

¹⁰³ Oct 22, 2013, [Malaysia Looks Set to Introduce GST](#), The Straits Times.

¹⁰⁴ Sep 30, 2013, [Banking System: Loans Applied by Purpose](#), Bank Negara Malaysia, [bnm.gov.my](#)

¹⁰⁵ Sep 30, 2013, [Banking System: Statement of Capital and Liabilities](#), Bank Negara Malaysia, [bnm.gov.my](#)

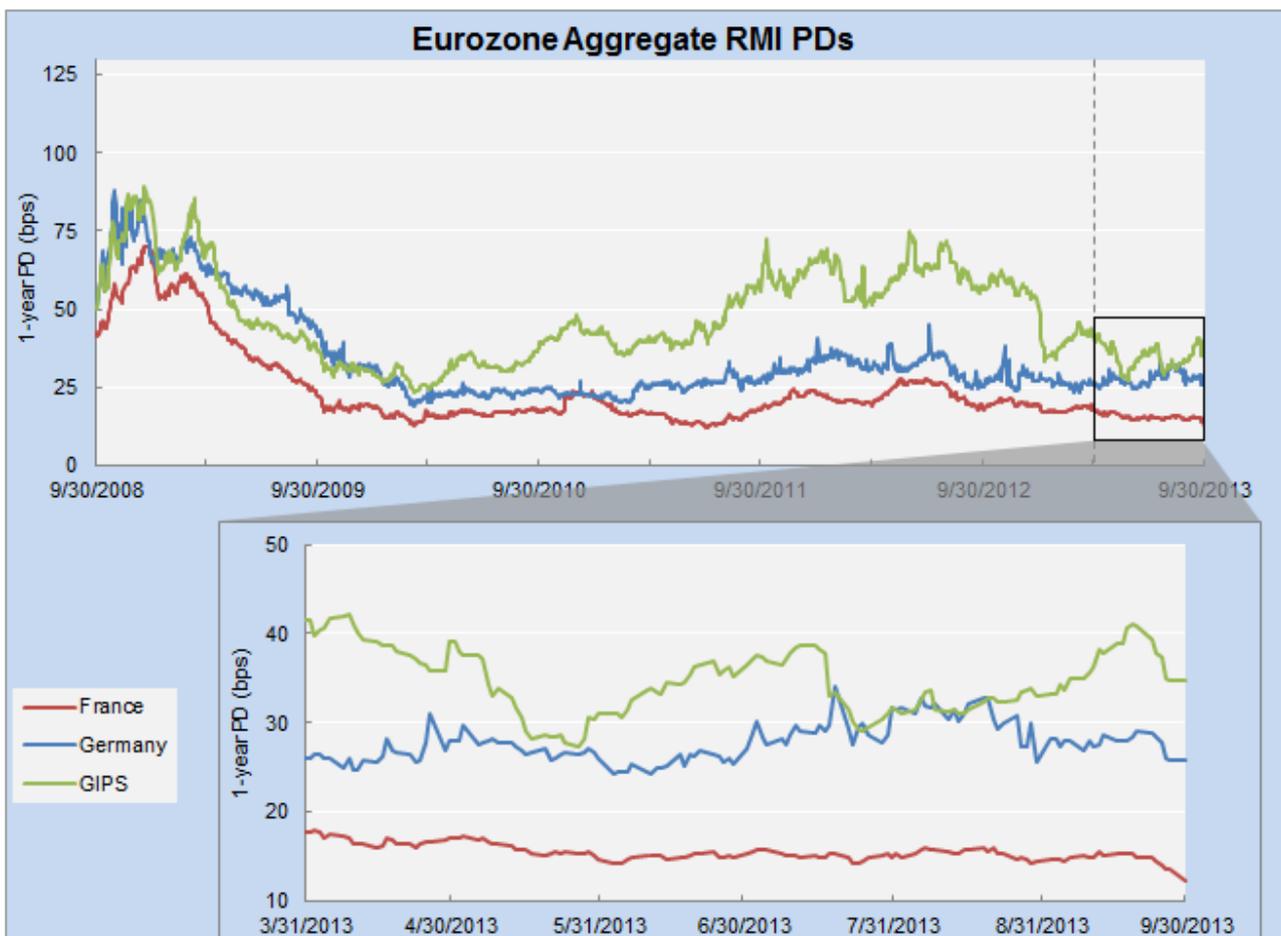
¹⁰⁶ Sep 30, 2013, [Interest Rates: Banking Institutions](#), Bank Negara Malaysia, [bnm.gov.my](#)

¹⁰⁷ Sep 30, 2013, [Banking System: Constituents of Capital](#), Bank Negara Malaysia, [bnm.gov.my](#)

¹⁰⁸ Sep 2, 2013, [Banking System: Impaired Loans and Impairment Provisions](#), Bank Negara Malaysia, [bnm.gov.my](#)

Europe

The aggregate 1-year RMI PD for listed corporations domiciled in the Eurozone fell sharply during Q3, to levels not seen since September 2007. This followed on from our positive outlook in Q2, which was based upon improving PMI data and stronger bank balance sheets within the single currency area. The eurozone economy expanded for the first time in 18 months during Q2, with GDP growing 0.3% QoQ.¹⁰⁹ Leading economic indicators for Q3 suggest the economy continued to expand during Q3. Both the Composite PMI and Services PMI increased to 27-month highs, with both at 52.2 in September, as new business increased on improved demand in the eurozone and abroad.¹¹⁰ However, the growth in lending to non-financial firms across the Eurozone still remains weak, falling 2.9% YoY in August, and 2.8% in July.¹¹¹ The negative credit growth was even more pronounced in troubled southern Europe like Greece and Spain, where high NPLs continued to weigh on the willingness of banks to lend to corporates. Continued loose monetary policy has still not encouraged an overall return to lending growth; non-financial lending continued to decline in Q3, while household lending grew at largely the same pace as last year. An overall return to growth should help boost demand for credit, although growth is likely to remain fragile through the end of the year. With this in mind, the credit outlook for companies in the eurozone appears slightly biased to the positive.



¹⁰⁹Oct 7, 2013, Euro Zone GDP Growth Unchanged At 0.3%, International Business Times.

¹¹⁰Oct 3, 2013, Markit Flash Eurozone PMI, Markit, markiteconomics.com

¹¹¹Oct 2, 2013, ECB Monetary Policy press conference, ECB, ecb.europa.eu

Greek Companies

The aggregate 1-year RMI PD for Greek companies increased during Q3, after falling to the lowest level in two years in May. This occurred amid a slowdown in the pace of economic contraction and the pace of unemployment increases, suggesting the bottoming out of the economic crisis has not significantly improved the credit metrics of Greek firms. Forward looking indicators for the manufacturing sector, consumer sector, and a broader business sentiment all declined over Q3, suggesting the overall economic outlook has deteriorated. Despite an overall decrease in yields on government bonds and lower interest rates on new loans, banks have reduced lending to non-financials. The government received EUR 4.2bn in bailout funds in July, reducing concerns of potential harsher austerity measures. However, towards the end of Q3 eurozone officials suggested the Greek government may face a funding gap in 2014, which could make further debt restructuring and fiscal cuts necessary. With this in mind, and taking into account continued high unemployment and low household incomes, the credit outlook for Greek firms remains negative.



Economy

- The Greek economy shrank 3.8% YoY in Q2, after shrinking 5.6% during Q1. Gross fixed capital formation decreased 11% YoY, while final consumption expenditure dropped 6.3%. On the positive side, Greece's external trade deficit decreased by 75.7% YoY, and exports increased by 0.9% YoY. Imports shrank 11.8% YoY. Higher tourism spending in Q2 may have continued through Q3, which could help reduce the pace of economic contraction further.^{112,113}
- Greece's labor market conditions improved slightly during Q3, as the pace of growth in the unemployment rate fell to almost zero; the unemployment rate stood at 27.6% in June, up from 27.5% in Q2. Unemployment amongst under-25s also fell, to 57.3% in July from as high as 61.5% in Q2.

- A monthly index of business sentiment published by the IOBE fell in Q3 after increasing in Q2. The index posted 93.1 in September, 89.2 in August and 91.7 in July, down from a five year high of 93.8 during Q2. The consumer confidence indicator posted -72.2 in September, -76.6 in August and -70.9 in July, down from -67 in June.¹¹⁴
- The Greek manufacturing sector seems poised for recovery in the near future. The Markit Greece Manufacturing PMI reached almost a 4 year high of 48.7 in August, as the pace of contraction in the Manufacturing sector slowed. The same indicator fell to 47.5 in September, indicating that industry wide contraction has again started to accelerate. New export orders slowed after increasing during August, while companies have run down stocks and slowed purchasing and employment as backlogs of work fall.¹¹⁵
- Retail sales contracted 14.2% YoY in July, following declines of 7.7% and 2.6% in June and May respectively. All components of the turnover index in retail trade suffered negative growth in September, with the worst contraction felt in the automotive fuel sector (-22.8% YoY).¹¹⁶

Funding & Liquidity

- Yields on ten-year Greek government bonds fell to 9.325% at the end of Q3, down from as high as 11.69% in July. A governmental advisory body said that belief the government could resume borrowing in financial markets during 2014 was ill-founded, and warned that the country's debt could require another haircut or further maturity extension.¹¹⁷
- Greek lenders continued to reduce lending to the non-financial sector in Q3. Total outstanding loans decreased to EUR 100bn in August from EUR 101.2bn at the end of Q2, down almost 5% YoY from EUR 105.1bn in August 2012.¹¹⁸
- Interest rate on new bank loans to non-financials fell during Q3, falling to 5.65% per annum in August from as high as 6.12% in Q2. This was the lowest level in over two and a half years, suggesting the limited loans banks are making are to higher quality borrowers.¹¹⁹

Policy

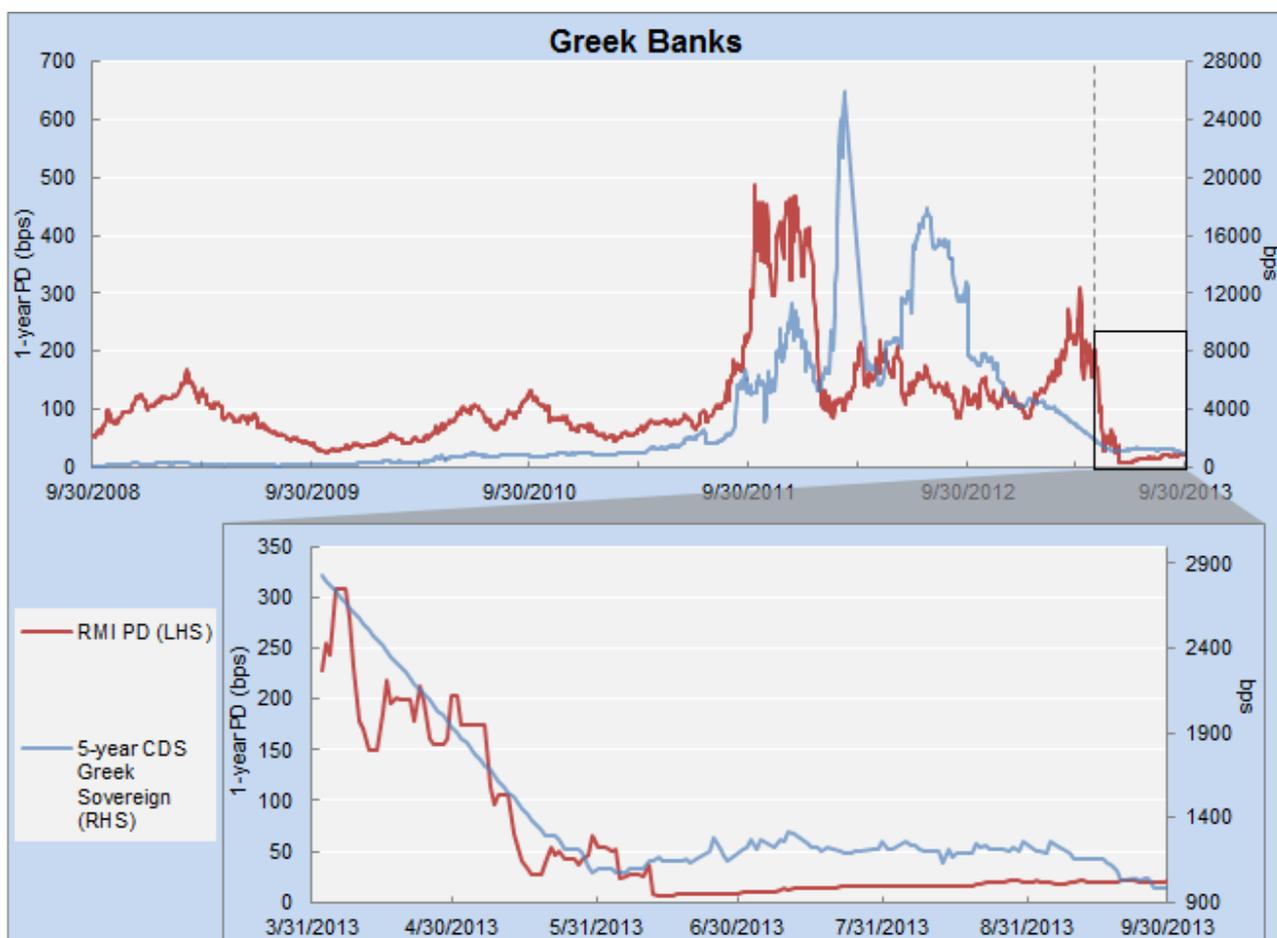
- Greece received a combined EUR 4.2bn from the IMF and eurozone governments under its international rescue package in late July, after lawmakers passed a last reform measure needed to secure the country's latest batch of rescue loans. The Greek parliament approved legislation enacting tax reforms as well as some measures relating to a controversial transfer scheme for public servants.¹²⁰
- During Q2, both the German Finance Minister and the Bundesbank warned of a third bailout could be in the offing, but haircuts on outstanding debt were no longer an option. The current EUR 240bn bailout package is due to expire at the end of 2014, but is likely to only finance the government through mid-2014, with an additional EUR 5-6bn required, according to an ECB official.¹²¹
- A debt swap involving a 50-year government bond has been discussed, and could be possible once the country attains a primary budget surplus.¹²²

Sovereign Credit Ratings

- Greece's sovereign credit ratings remained unchanged during Q3, with government rated C by Moody's, with no outlook. Both S&P and Fitch maintained B- ratings with stable outlooks.

Greek Banks

The 1-year aggregate RMI PD for Greek banks increased during Q3, following a significant decrease in Q2 after the successful recapitalization of the country's banks. Aggregate profits at Greek banks returned to negative territory in Q2, after large one-off acquisition gains boosted profits in Q1. Aggregate profits could return to positive territory in Q3, given large reversals in write-offs in the first two months of Q3, and improved NIMs. Market funding costs have fallen in line with yields on government bonds, while deposit rates also fell through Q3. Liquidity profiles have also improved, with Greek banks less reliant on the ECB for funding, although cash levels have fallen. These positives are over shadowed by continued increases in NPLs and higher provisioning by listed banks, suggesting asset quality continued to deteriorate through Q3 amid a weakening economic outlook. Further recapitalization efforts could help offset this, and help boost capital ratios which declined in Q2. With this in mind, the credit outlook for Greek banks remains uncertain, given the large improvement in credit quality the previous quarter. Given overall fundamental improvements in funding and liquidity positions, the sectoral outlook remains tied to the economic outlook, where risks remain to the downside.



Profitability

- Aggregate net income at listed banks in Greece was once again negative in Q2, with banks losing a total of EUR 0.23bn, after an extreme profit of EUR 6.86bn in Q1 due to one-off acquisition gains. However, total losses in Q2 were down 90.6% YoY from negative EUR 2.4bn in Q2 2012.
- A proxy for the NIM of Greek banks, based on the interest rate spread between new euro-denominated loans and deposits, increased to 3.44% per annum in August, up from 3.14% at the end of Q2, as deposit rates fell further than rates on loans.¹²³

Funding & Liquidity

- Total deposits at Greek banks likely continued to decline during Q3, albeit at a slower pace, falling to EUR 155.7bn in August. Total deposits fell 0.68% over the three months through August, after falling 1.08% QoQ in Q2. This was largely due to a marked slowdown in the pace of retail deposit outflow, while corporate deposits continued to fall sharply.
- Deposit rates on new 1-year fixed term deposits from non-financial corporations and households fell to 3.21% per annum in August, down from 3.43% in July and 4.11% at the start of Q2. Rates on demand deposits increased slightly to 0.47% per annum in August, from 0.42% in June, but down from 0.48% in the first five months of 2013.^{124,125}
- Yields on 3-year EUR-denominated bonds of NBG, the largest Greek commercial lender, fell to 7.415% at the end of Q3, and falling as low as 6.2% in October, from 7.26% at the end of June. The bonds have a liquidity guarantee from the Greek government.
- Overall liquidity in the Greek banking sector tightened during Q2, with the aggregate LATDB ratio for listed banks deteriorating to about 7.23% from 7.88% in Q1.¹²⁶
- Greek banks continued to reduce their reliance on the eurozone for liquidity needs during Q3. According to data from the Bank of Greece, Greek lenders borrowed EUR 63.8bn directly from the ECB and EUR 8.9bn from the Emergency Liquidity Assistance facility in June. The figures stood at EUR 61.1bn and EUR 20.9bn respectively in June.^{127,128}

Capital & Regulations

- Despite the completion of a EUR 28bn recapitalization of the Greek banking sector towards the end of Q2, involving both private investors and the government owned Hellenic Financial Stability Fund, the average Tier 1 capital ratio of listed Greek banks fell to 10.78% of risk-weighted assets, from 11.86% at the end of Q1. In upcoming stress tests, Greek banks will have to prove they have sufficient capital to withstand another two years of recession.¹²⁹
- The government plans on completing a EUR 1bn capital issuance for Eurobank before March 2014. Eurobank was the only Greek bank to be fully recapitalized by the government-owned HFSF during Q2, and is now 95% owned by the state. The bank had a capital ratio of 8.1% at the end of Q2, the weakest amongst Greek lenders. Many hedge funds are said to be looking at participating in further bank recapitalizations, including Eurobanks.^{130,131}

Asset Quality

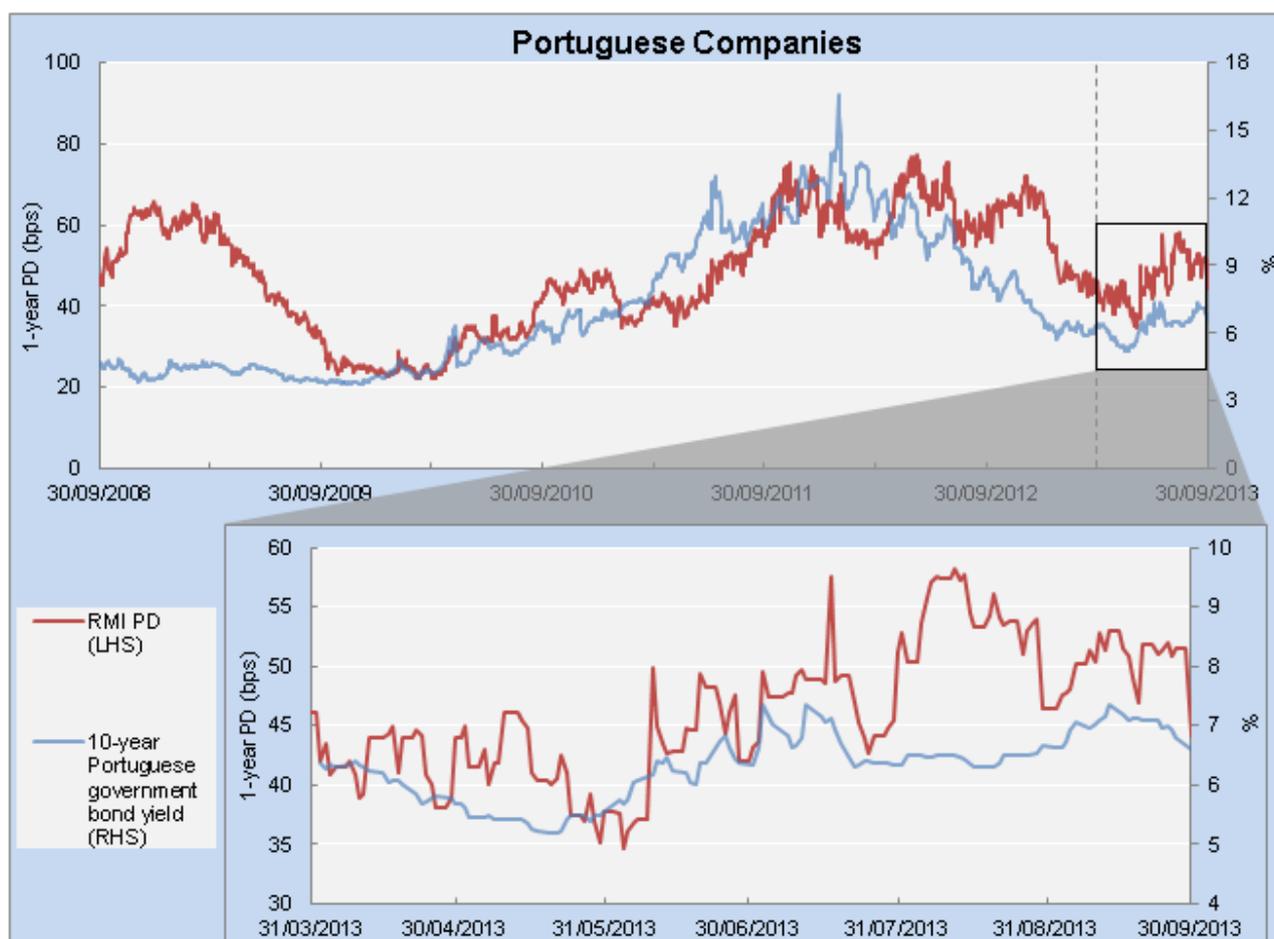
- Greek banks reversed past domestic loan write-offs by EUR 116mn during August, the first reversal on record, suggesting loan portfolios are not as weak as previously believed. This followed write-offs of just EUR 11mn in July, after total write-offs of EUR 130mn in Q2. The total write-offs for through August stand at EUR 151mn, down from EUR 550mn over the same period in 2012.¹³²
- This came after non-performing loans continued to climb during Q2, albeit at a slower pace, as economic contraction continued to take its toll on Greek banks. NPLs at the four largest lenders increased 2.4% QoQ to EUR 68bn in Q2, after increasing 19.6% to EUR 66.4bn in Q1. A senior executive at Piraeus bank recently said that NPLs would probably peak around the end of 2014 or early-2015.¹³³
- The asset quality of Greek banks may deteriorate further in the coming months as the aggregate provisions for loan losses of Alpha Bank, NBG, Piraeus Bank and Eurobank

climbed 0.54% YoY to EUR 1.44bn at the end of Q2, after increasing 41.05% to EUR 1.45bn during Q1.

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- ¹¹⁷Oct 9, 2013, [Greek parliament body warns 2014 return to markets 'an illusion'](#), Reuters.
- ¹¹⁸Sep 26, 2013, [Greek MFIs: Outstanding loans to Non-Financial corporations](#), ECB, [sdw.ecb.europa.eu](#)
- ¹¹⁹September 2013, [Greek MFIs: Interest per annum on new loans](#), ECB, [sdw.ecb.europa.eu](#)
- ¹²⁰Jul 30, 2013, [IMF to Disburse 1.7 Billion Euros to Greece After Loan Review](#), Bloomberg.
- ¹²¹Oct 14, 2013, [Greece Bailout to Fall Short, ECB Official Says](#), WSJ.
- ¹²²Oct 5, 2013, [Greece mulls swapping bailout loans with 50-year bond issue](#), Reuters.
- ¹²³June 2013, [Bank interest rates on new euro-denominated deposits and loans vis--vis euro area residents](#), Bank of Greece, [bankofgreece.gr](#)
- ¹²⁴Oct 2, 2013, [Greek MFIs: Interest per annum on new demand deposits](#), ECB, [sdw.ecb.europa.eu](#)
- ¹²⁵Oct 2, 2013, [Greek MFIs: Interest per annum on new term deposits](#), ECB, [sdw.ecb.europa.eu](#)
- ¹²⁶Oct 2, 2013, [Greek MFIs: Interest per annum on new demand deposits](#), ECB, [sdw.ecb.europa.eu](#)
- ¹²⁷Jul 30, 2013, [Monthly Balance Sheet: Jun 2013](#), Bank of Greece, [bankofgreece.gr](#)
- ¹²⁸Sep 30, 2013, [Monthly Balance Sheet: Sep 2013](#), Bank of Greece, [bankofgreece.gr](#)
- ¹²⁹Oct 9, 2013, [Greek banks to be tested for two more recession years](#), Reuters.
- ¹³⁰Sep 27, 2013, [Greece plans capital boost of over 1 billion euros for Eurobank](#), Reuters.
- ¹³¹Oct 7, 2013, [Paulson leads charge into Greek banks](#), CNBC.
- ¹³²September 2013, [Write-offs and other adjustments to domestic credit](#), Bank of Greece, [bankofgreece.gr](#)
- ¹³³Oct 10, 2013, [Piraeus talks Greek banking recovery](#), Financial News.

Portuguese Companies

The aggregate 1-year RMI PD for Portuguese firms remained volatile in Q3, despite signs showing that the economy is on a path to recovery. Most economic indicators have improved from the previous quarter, including GDP, exports, unemployment rate and consumer confidence. However, due to the country's austerity measures, the stability of the current government remains uncertain, which again may pose a risk to these indicators. From August to September, sovereign bond yields soared after the country's constitutional court rejected an austerity bill, contributing to an increase in funding costs for Portuguese firms. Fortunately, the IMF has approved the country's performance under bailout conditions in the latest review, but rejected Portuguese requests to ease fiscal goals. Portugal's EUR 78bn bailout is due to expire in mid-2014, with many economists expecting that the country will continue to need some form of aid after that. Signs of economic growth also prompted the government and creditors to raise next year's growth forecast to 0.8% from 0.6%. Nevertheless, with the former points in mind, the credit outlook for Portuguese companies still remains negative.



Economy

- For the first time since 2010, Portugal showed signs of recovery, as the economy grew 1.1% QoQ during Q2. According to the Portuguese National Statistics Institute (INE), exports accelerated significantly, shifting from a YoY growth rate of 0.7% in Q1 to 7.3% in Q2. However, YoY imports also increased from -4.2% to 6.3% in Q2. This evolution is a result of the less pronounced decline in investment, with a YoY change rate of -2.3% in Q2, after declining 15.9% in the previous quarter.¹³⁴
- The unemployment rate registered a reduction in Q2, falling to 16.4% from 17.7%. Unemployment amongst under-25s has almost returned to the same level as that seen in Q2 2012, standing at 36.8% in August.¹³⁵

- Similar to the previous quarter, consumer confidence continued to improve, reaching -45.3% in September, reinforcing the upward movement observed since January. In the last two months, the confidence indicator improved in all the major sectors, including manufacturing, construction, public services, and trade & services.¹³⁶
- The HICP 12-month average rate, which measures average consumer price changes over the last year, decreased to 0.9% in September, 0.2% less than the previous month. In July, the Portuguese HICP 12-month average rate was 0.6 percentage points lower than the rate observed for the Euro-area. It was also the lowest HICP rate for Portugal since 2010.¹³⁷

Funding & Liquidity

- Yields on 10-year Portuguese sovereign bonds increased slightly to 6.68% at the end of September, from 6.45% at the end of June. At the end of August, the cost of borrowing of the country soared after the country's constitutional court rejected an austerity bill, which alarmed investors as it could now throw out more of the government's planned savings measures.¹³⁸
- Interest rates on new loans to non-financial companies increased for the first time in four months in August, increasing 8bps to 5.46% per annum, after falling to 5.38% in July, the lowest level in over two years.¹³⁹
- The amount of outstanding loans to non-financial corporations decreased EUR 2.237bn to EUR 103.815bn in August from May. Outstanding loans have been on a downward trend this year; the figure stood at EUR 107.05bn at the end of 2012.¹⁴⁰

Policy

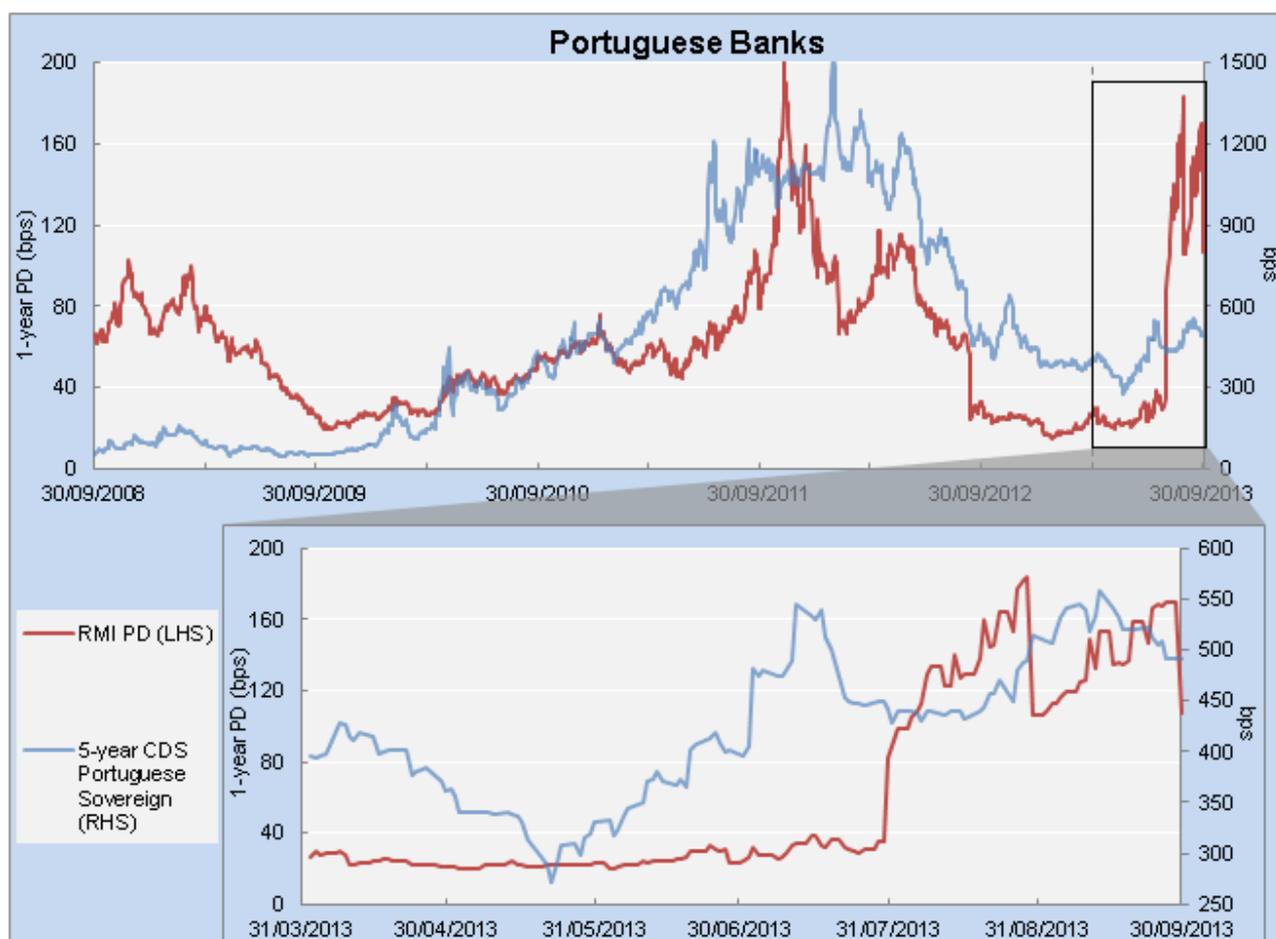
- For the first time in 2013, Portugal's net borrowing by the general government sector recorded a decrease of close to 1% to an annualized rate of 6.1% of GDP in Q2 2013. The main causes for the narrowing deficit were the payment of dividends by the national central bank to the state, and an overall reduction in capital expenditure.
- Portugal's recent political divide highlights the significance on the issue of long-term austerity programs in the government. The resignation of two senior ministers in Portugal's ruling coalition, which had been relatively united, in the span of 24 hours in early July, ignited a major political crisis. Demonstrators took to the streets of Lisbon to show their dissatisfactions and market participants rushed to sell Portuguese debt, sending yields on 10-year government bonds to hit 8% briefly on July 3.¹⁴¹
- During a parliamentary debate in early June, then Finance Minister Vitor Gaspar said that Portugal's tax revenues rose by around 8% YoY in the five months through May to more than EUR 1bn. Hefty tax hikes have helped public revenues to exceed expectations despite the worst recession since the 1970s.¹⁴²
- However, the biggest challenge the government faces in meeting this budget target is the resistance of citizens. Tax hikes and wage & pension cuts have driven the people to boycott the ruling government. On September 30, in a local election, Social Democrats took a heavy blow when voters turned to support the main opposition Socialists, and other independent candidates.¹⁴³

Sovereign Credit Ratings

- S&P maintained their BB rating on Portugal's foreign currency long-term debt. Moody's kept Portugal's rating one notch lower than S&P at Ba3 while Fitch has one notch higher at BB+. However, all three rating agencies have negative outlooks on Portuguese sovereign debt.¹⁴⁴

Portuguese Banks

The 1-year aggregate RMI PD for Portuguese banks increased during Q3, after a stable period from Q1 to Q2. The losses reported for the three main banks in Q2 amounted to EUR 493.3mn, almost three times the previous quarter. The funding cost for Portuguese banks stayed relatively flat compared to three months ago. There were some hikes in July corresponding with the dramatic increase in government bond yields, however, borrowing costs returned to previous levels in September. In Q3, the banks have become more and more reliant upon the European Central Bank, with borrowing stuck at EUR 51.57bn, the highest level this year. In addition to the poor performance, the outlook on Portugal's banks is even gloomier due to the increasing amount of non-performing loans and provision for losses. The quality of banks' assets deteriorated to the lowest level, with companies and families continuing to face difficulty in meeting their debt obligations due to the economic recession and unemployment. Therefore, despite Portuguese banks' effort to strengthen their liquidity and capital levels since the country requested a bailout in 2011, losses and bad debts have driven the credit outlook on the banks to negative territory once again.



Profitability

- Aggregate losses at Portuguese listed banks increased dramatically in Q2 from the previous quarter. The combined loss of Banco Comercial Portugues, Banco BPI, and Banco Espirito Santo jumped to EUR 493.3mn in Q2, a significant deterioration from the EUR 173.5mn loss recorded in the previous quarter.
- The implicit interest rate in all contracts of household mortgages was 1.407% in August, a 2.4bps drop from May.¹⁴⁵

Funding & Liquidity

- The dependence of the Portuguese banking system on the European Central Bank rose to the highest level so far this year in August, with borrowing climbing to EUR 51.57bn from EUR 50.15bn in the previous month.¹⁴⁶
- Funding costs for Portuguese banks stayed relatively the same compared to three months ago, despite a slight increase in July. Yields on bonds due in 2017 of Banco Comercial Portugues and Banco Espirito Santo were at 4.36% and 3.14% respectively at the end of September; they were at 4.26% and 3.23% respectively three months earlier. Yields on similar bonds for Banco BPI remained the same at 4.75% through Q3.
- Deposits at Portuguese banks likely expanded in Q3, with total deposits increasing 0.42% to EUR 162.15bn from May to August. Both retail and corporate deposits expanded over the same period.
- Overall liquidity in the Portuguese banking sector deteriorated during Q2, with the aggregate LATDB ratio for listed banks slumping slightly from 9.16% to 8.34% in the three months through June.

Capital Levels & Regulations

- The average core tier 1 capital ratio of the three main private-sector Portuguese banks stood at 12.33% in June 2013, stable compared to the same period last year. The total capital ratios for these banks also remained at a relatively high level, ranging from 10.7% (Banco Espirito Santo) to 15.2% (Banco BPI).

Asset Quality

- The combined holdings of Portugal's sovereign debt at the country's three biggest publicly traded banks rose 11.5% in Q2 from the previous quarter after the nation returned to the bond market. At the end of July, the holdings rose to EUR 16.15bn from EUR 14.49bn at the end of March.¹⁴⁷
- Aggregate provisions for loan losses at the three large listed banks increased 145.8% QoQ to EUR 1080.63mn from EUR 439.53mn at the end of Q2. This figure is a negative signal to the quality of the outstanding loans. However, provisions have improved from the peak reached in June 2012. Overdue credit in the Portuguese banking system once again climbed to 6.8%, or EUR 20.48bn, of total outstanding credit in Q2, from 6.5% in the previous quarter.¹⁴⁸
- The quality of Portuguese banks' assets deteriorated to a new record level. In September, figures published by the central bank for July showed that Portuguese banks had EUR 17.02bn in questionable debt, which accounted for 7.28% of total loans provided (EUR 233.9bn) to companies and families. The biggest share of this debt belongs to companies, whose debt defaults totalled 11.41% of total loans granted, or EUR 11.8bn out of a total of EUR 103.5bn in business loans.¹⁴⁹

¹³⁴Sep 5, 2013, [Year-on-year change rate of Gross Domestic Product was -2.1% in volume](#), Statistics Portugal, ine.pt

¹³⁵Aug 7, 2013, [The unemployment rate estimate was 16.4% - 2nd Quarter 2013](#), Statistics Portugal, ine.pt

¹³⁶Aug 29, 2013, [The consumer confidence and the economic climate indicators recover - September 2013](#), Statistics Portugal, ine.pt

¹³⁷Sep 11, 2013, [The CPI 12-month average rate was 0.8% in September - September 2013](#), Statistics Portugal, ine.pt

- ¹³⁸Aug 29, 2013, [Portugal top court rejects labour bill in blow to government austerity drive](#), Reuters.
- ¹³⁹August 2013, [Portuguese MFIs: Interest per annum on new loans](#), ECB, [sdw.ecb.europa.eu](#)
- ¹⁴⁰Sep 26, 2013, [Portuguese MFIs: Outstanding loans to non-financial corporations](#), ECB, [sdw.ecb.europa.eu](#)
- ¹⁴¹Sep 30, 2013, [Austerity clobbers Portugal's ruling party in local votes](#), Reuters.
- ¹⁴²Sep 18, 2013, [S&P warns Portugal of potential sovereign credit downgrade](#), Reuters.
- ¹⁴³Sep 30, 2013, [Austerity clobbers Portugal's ruling party in local votes](#), Reuters.
- ¹⁴⁴Sep 18, 2013, [S&P warns Portugal of potential sovereign credit downgrade](#), Reuters.
- ¹⁴⁵Sep 24, 2013, [Interest rate on housing loans continued to diminish and average repayments stabilized - August 2013](#), Statistics Portugal, [ine.pt](#)
- ¹⁴⁶Sep 10, 2013 [Portugal Banks' Reliance on ECB Borrowing Rises in August](#), Wall Street Journal [wsj.com](#)
- ¹⁴⁷Jul 30, 2013 [Portugal's Biggest Banks Increase Holdings in Nations Debt](#), Bloomberg
- ¹⁴⁸June 2013, [Balance sheet of other monetary financial institutions](#), Bank of Portugal, [bportugal.pt](#)
- ¹⁴⁹Sep 12, 2013 [Loan defaults in Portugal reach record levels in July](#), Macau Hub

Appendices

The appendices provide readers with a comprehensive overview of various outputs that are produced by RMI's operational probability of default (PD) system. While the PD system provides default forecasts at horizons ranging from one month to five years, here only 1-year PDs are reported. In addition to the PD produced by the RMI system, important macroeconomic, corporate credit and sovereign risk indicators are provided. These summarize the credit situation at a glance, as well as provide detailed data for reference purposes.

Appendix [A](#) and Appendix [B](#) give 1-year aggregate PD where the aggregations are by region, economy and sector. These are given as month-end data, and are based on RMI's default forecast model calibrated on October 10, 2013, using data up to September 30, 2013. For a detailed description of RMI's default forecast model, the [Technical Report](#) is available on our website.

Appendix [A](#) provides 1-year aggregate PD by economy and sector. For each economy, the graph on the left shows the time series of 1-year aggregate PD for all exchange listed firms within the economy (thick blue, left axis), and the time series of the number of firms with PD (thin orange, right axis). The table on the right provides the mean and standard deviation of PDs for firms within ten industry sectors at the end of Q2 2013 and Q3 2013. Note that the statistics are for firms that have a PD at both dates so that consistent comparisons can be made. The mean and standard deviation of the difference of individual PD is also given. The industry sectors are based on the Level I Bloomberg Industry Classification.

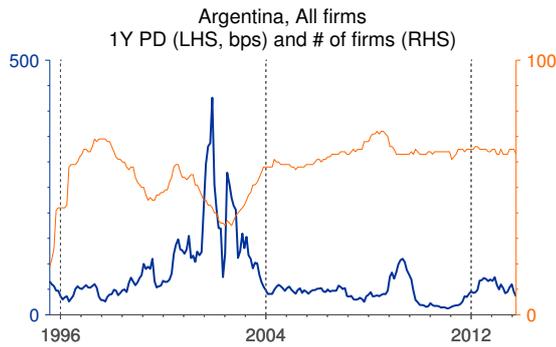
Appendix [B](#) gives 1-year aggregate PD by the seven regions of Asia-Pacific developed, Asia-Pacific emerging, North America, Latin America, Eastern Europe, Western Europe and Africa & the Middle East. The top two graphs of each regions show the time series of the distribution of Probability of Default implied Ratings (PDiR). The PDiR methodology is described in the last section of Appendix [D](#). The different colored areas in the graph indicate different PDiR classes. From the bottom, the blue area indicates the percentage of CCC/C firms, the bottom-most white area indicates B firms, the orange area indicates BB firms, the middle white area indicates BBB firms, the green area indicates A firms, the top-most white area indicates AA firms, and the maroon area indicates AAA firms.

The bottom 12 graphs in each region show the time series of 1-year aggregate PD for all exchange listed firms in the region, all non-financial firms in the region, and firms in each of the ten industry sectors in the region. Each graph shows the PD in thick blue on the left axis and the count of firms with PD in thin orange on the right axis.

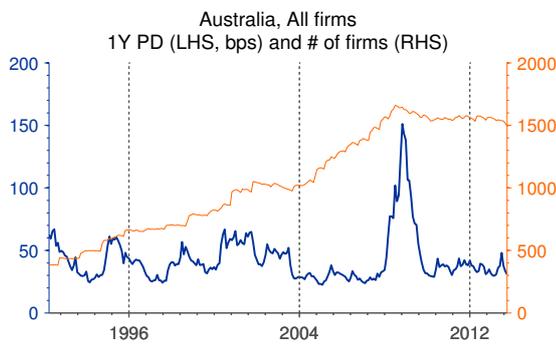
Appendix [C](#) provides common macroeconomic, corporate credit and sovereign risk indicators for each economy along with the 1-year aggregate PD for financial and non-financial firms. The graphs on the left give historical context to the values, and the table on the right give the data from the previous five quarters. For variables that are more frequent than quarterly, the last value in the quarter is used. But if a variable is available at a monthly frequency and the end of September data was not available at the time this report was compiled, the previous month's data is given with an asterisk.

Appendix [D](#) gives a more detailed description of the data in Appendix [C](#), along with a description of the PDiR.

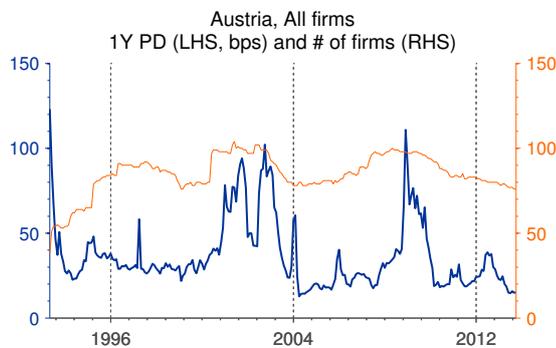
A PD by economies



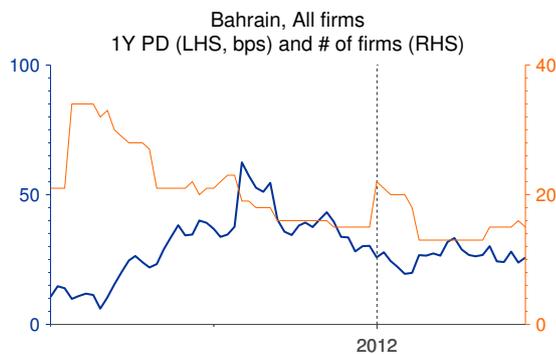
Argentina	2013Q2		2013Q3		Q3-Q2		
	#	Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Financials	11	45.8	36.1	21.4	14.7	-24.3	23.2
Basic Materials	7	71.4	71.7	36.0	36.2	-35.4	44.0
Communications	5	18.2	20.0	9.3	8.0	-8.9	13.5
Consumer Cyclical	7	60.3	86.0	67.1	109.2	6.9	23.8
Consumer Non-cyclical	14	58.2	69.8	42.6	56.2	-15.6	23.2
Diversified	1	33.6	-	27.4	-	-6.2	-
Energy	4	25.9	12.0	13.5	6.7	-12.4	7.4
Industrial	6	47.7	43.9	41.0	41.1	-6.7	3.4
Technology	1	8.2	-	7.2	-	-1.0	-
Utilities	7	99.4	97.8	44.5	47.6	-54.9	53.6



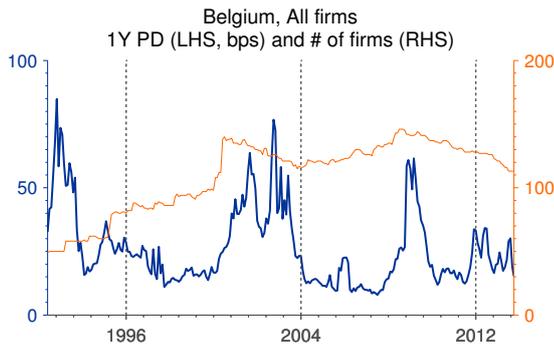
Australia	2013Q2		2013Q3		Q3-Q2		
	#	Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Financials	141	26.4	73.0	18.4	45.2	-8.0	42.9
Basic Materials	671	55.3	100.2	38.1	75.0	-17.3	75.2
Communications	69	38.9	68.2	28.5	55.6	-10.4	19.2
Consumer Cyclical	67	24.0	87.4	12.8	30.6	-11.2	63.6
Consumer Non-cyclical	170	30.4	155.9	18.5	85.4	-11.9	73.0
Diversified	7	42.7	75.0	29.8	61.8	-12.9	18.1
Energy	204	60.0	199.6	36.8	90.3	-23.1	117.9
Industrial	110	35.7	59.9	24.3	46.3	-11.4	29.6
Technology	39	24.9	59.2	15.3	29.9	-9.7	44.4
Utilities	15	47.9	114.7	64.7	190.1	16.8	78.2



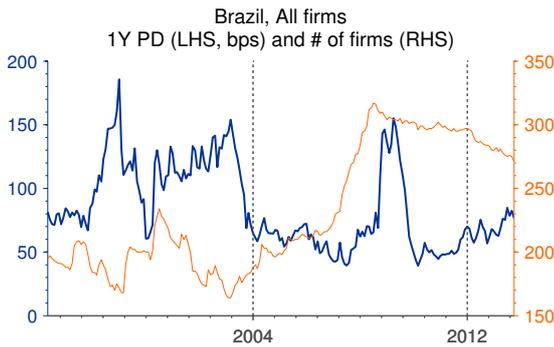
Austria	2013Q2		2013Q3		Q3-Q2		
	#	Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Financials	21	19.9	22.7	20.6	24.9	0.8	6.5
Basic Materials	5	6.3	5.3	6.5	6.7	0.2	2.1
Communications	2	8.6	5.3	6.9	0.1	-1.7	5.1
Consumer Cyclical	12	17.0	27.5	15.8	22.4	-1.3	11.4
Consumer Non-cyclical	7	13.3	10.1	16.9	13.2	3.5	6.2
Energy	4	5.1	6.6	5.6	7.3	0.6	0.8
Industrial	18	15.3	29.0	15.4	27.9	0.0	8.7
Technology	5	11.1	4.6	11.8	5.7	0.7	3.2
Utilities	2	4.5	2.0	3.1	1.2	-1.4	0.8



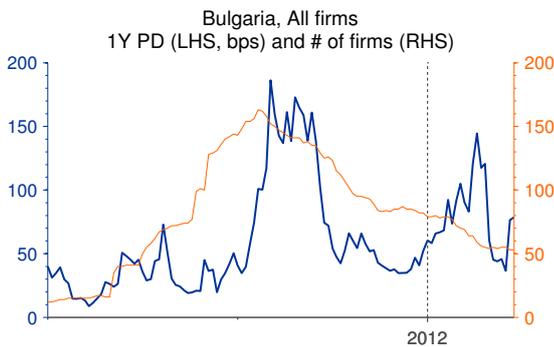
Bahrain	2013Q2		2013Q3		Q3-Q2		
	#	Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Financials	15	24.0	18.1	25.8	14.0	1.8	12.1



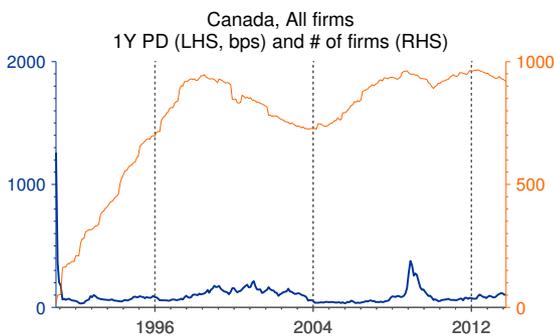
Belgium	2013Q2			2013Q3		Q3-Q2	
	#	Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Financials	30	74.0	373.6	16.3	57.9	-57.7	316.4
Basic Materials	8	11.8	11.2	9.3	7.5	-2.6	4.5
Communications	6	20.2	21.1	21.4	14.6	1.2	8.8
Consumer Cyclical	6	5.8	6.0	5.5	6.1	-0.4	0.4
Consumer Non-cyclical	23	9.9	16.1	8.7	12.5	-1.2	16.7
Diversified	8	12.1	32.0	40.6	113.4	28.5	81.5
Energy	1	198.5	-	185.1	-	-13.4	-
Industrial	22	9.8	8.8	9.7	8.9	-0.1	4.7
Technology	7	8.8	8.8	9.3	11.3	0.6	3.0
Utilities	2	2.0	0.2	2.2	0.5	0.1	0.3



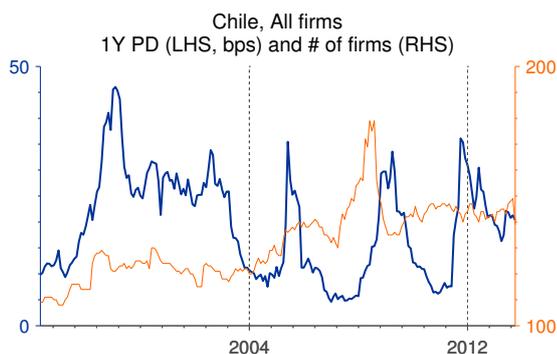
Brazil	2013Q2			2013Q3		Q3-Q2	
	#	Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Financials	60	56.9	114.0	61.1	114.2	4.1	23.5
Basic Materials	23	132.7	255.4	93.7	132.5	-39.0	138.4
Communications	8	54.8	66.9	48.4	71.9	-6.4	29.0
Consumer Cyclical	53	84.1	160.7	76.3	166.9	-7.8	43.2
Consumer Non-cyclical	45	66.1	256.6	46.3	110.4	-19.8	158.7
Diversified	6	60.0	48.8	58.4	49.3	-1.6	19.9
Energy	5	71.1	89.9	476.4	844.7	405.3	755.9
Industrial	33	120.2	159.5	131.1	213.3	10.9	122.7
Technology	2	1.1	1.4	1.1	1.4	-0.1	0.1
Utilities	31	41.8	71.5	38.7	52.4	-3.1	42.2



Bulgaria	2013Q2			2013Q3		Q3-Q2	
	#	Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Financials	16	14.1	8.0	14.4	8.5	0.3	3.7
Basic Materials	5	115.1	210.9	50.4	76.6	-64.7	134.8
Consumer Cyclical	1	11.6	-	9.2	-	-2.4	-
Consumer Non-cyclical	9	55.5	101.4	30.5	46.2	-25.0	56.6
Diversified	9	25.1	11.5	23.2	10.0	-1.9	6.3
Energy	3	252.4	364.7	1024.5	1726.7	772.2	1363.4
Industrial	10	15.5	13.3	12.0	10.7	-3.5	4.6



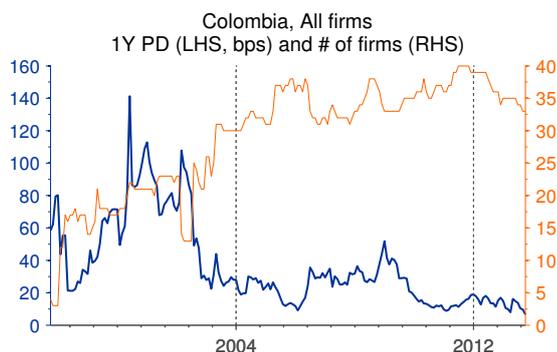
Canada	2013Q2			2013Q3		Q3-Q2	
	#	Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Financials	110	59.0	297.1	45.7	214.4	-13.3	93.2
Basic Materials	327	142.0	315.7	143.8	339.9	1.8	228.9
Communications	49	72.7	202.7	65.6	152.4	-7.1	160.0
Consumer Cyclical	64	29.6	58.3	27.8	53.4	-1.9	14.8
Consumer Non-cyclical	94	139.1	530.2	110.0	493.6	-29.1	547.2
Diversified	5	19.4	24.7	30.9	32.0	11.5	17.6
Energy	147	113.7	473.6	88.3	302.7	-25.4	232.5
Industrial	74	102.7	304.7	71.9	194.7	-30.8	196.0
Technology	27	252.3	1015.0	308.1	1258.6	55.8	252.0
Utilities	14	9.9	16.4	10.4	16.7	0.5	8.8



Chile	2013Q2		2013Q3		Q3-Q2		
	#	Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Financials	31	15.4	45.8	30.4	99.7	15.0	55.6
Basic Materials	14	88.1	317.3	32.6	98.6	-55.5	219.0
Communications	4	3.3	3.0	3.5	3.0	0.2	1.3
Consumer Cyclical	15	23.4	44.1	16.2	29.5	-7.2	33.5
Consumer Non-cyclical	29	15.5	35.9	18.2	31.8	2.7	16.2
Diversified	8	4.7	6.7	6.1	8.9	1.3	2.5
Industrial	18	26.2	65.9	27.3	49.4	1.1	21.4
Technology	1	0.3	-	0.7	-	0.4	-
Utilities	16	5.4	12.4	5.5	12.5	0.2	0.5



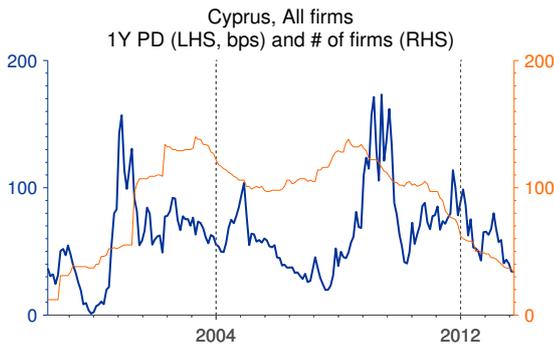
China	2013Q2		2013Q3		Q3-Q2		
	#	Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Financials	216	119.9	125.9	114.5	119.1	-5.4	39.8
Basic Materials	365	173.0	139.2	167.2	134.0	-5.7	43.1
Communications	159	79.4	205.8	65.6	161.1	-13.8	140.0
Consumer Cyclical	501	117.7	118.4	106.2	102.5	-11.6	59.4
Consumer Non-cyclical	447	97.0	119.2	90.6	124.9	-6.4	58.3
Diversified	29	181.6	117.1	166.6	101.5	-15.1	37.9
Energy	80	93.8	98.8	87.4	92.3	-6.4	61.2
Industrial	847	120.6	130.6	113.2	108.1	-7.4	56.3
Technology	174	63.7	79.8	62.4	87.1	-1.3	57.7
Utilities	75	166.3	126.3	169.3	127.8	3.0	32.6



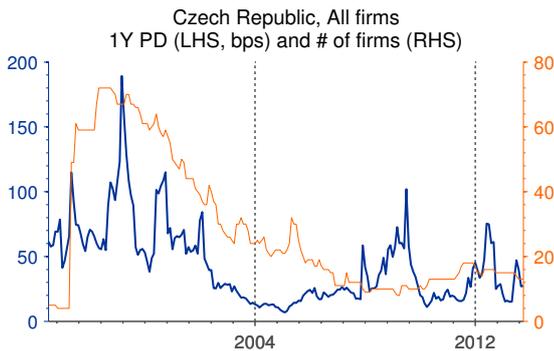
Colombia	2013Q2		2013Q3		Q3-Q2		
	#	Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Financials	12	18.5	31.4	4.6	5.1	-13.9	31.3
Basic Materials	2	12.8	18.1	9.0	12.2	-3.8	5.9
Communications	1	7.4	-	6.6	-	-0.8	-
Consumer Cyclical	1	0.3	-	0.3	-	0.0	-
Consumer Non-cyclical	1	0.0	-	0.0	-	0.0	-
Diversified	1	28.1	-	2.8	-	-25.2	-
Energy	3	4.2	3.6	4.4	4.0	0.3	0.4
Industrial	7	15.1	11.8	14.4	20.3	-0.7	18.6
Utilities	4	6.2	7.2	2.7	2.9	-3.5	4.3



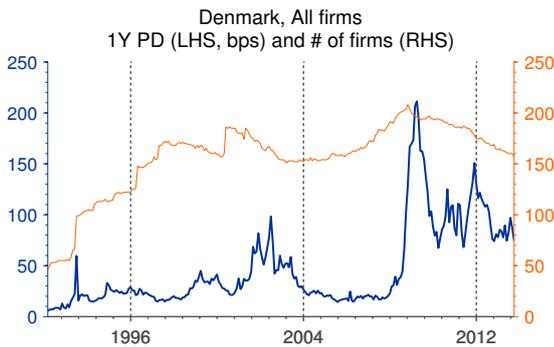
Croatia	2013Q2		2013Q3		Q3-Q2		
	#	Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Financials	12	19.4	19.0	24.7	26.6	5.3	9.8
Basic Materials	2	18.8	7.1	21.6	1.9	2.7	5.2
Communications	3	66.8	114.4	86.3	147.0	19.5	32.6
Consumer Cyclical	27	37.0	66.3	43.5	80.0	6.5	40.9
Consumer Non-cyclical	23	41.1	95.2	34.4	58.8	-6.6	40.9
Diversified	2	16.5	5.3	10.9	3.7	-5.6	9.0
Energy	2	1.4	0.3	0.7	0.4	-0.7	0.2
Industrial	16	102.9	156.6	82.8	96.8	-20.0	89.5



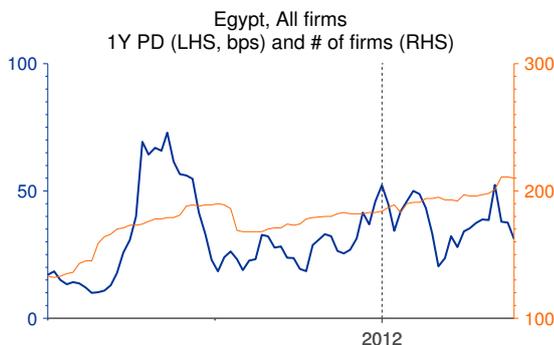
Cyprus	#	2013Q2		2013Q3		Q3-Q2	
		Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Financials	12	32.3	25.7	40.5	43.6	8.2	30.2
Basic Materials	1	33.3	-	20.6	-	-12.7	-
Consumer Cyclical	5	51.2	40.0	41.3	31.2	-9.9	14.2
Consumer Non-cyclical	5	32.4	16.6	32.1	20.1	-0.2	13.3
Energy	5	19.6	27.0	20.6	16.6	1.0	21.1
Industrial	4	44.1	38.4	29.3	21.3	-14.8	19.3
Technology	1	35.3	-	30.0	-	-5.3	-



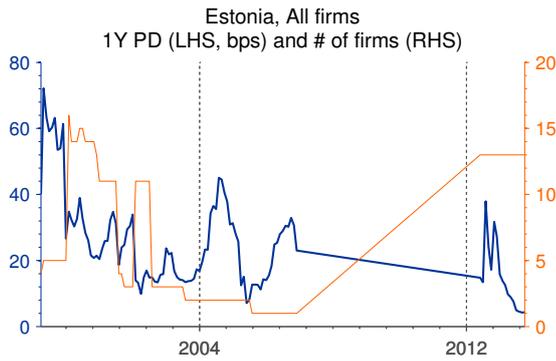
Czech Republic	#	2013Q2		2013Q3		Q3-Q2	
		Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Financials	2	48.7	50.8	33.5	37.2	-15.2	13.6
Communications	1	2.4	-	2.8	-	0.4	-
Consumer Cyclical	2	3.6	0.0	2.9	0.6	-0.8	0.6
Consumer Non-cyclical	1	10.0	-	11.4	-	1.5	-
Diversified	1	3.6	-	1.2	-	-2.4	-
Energy	4	128.1	200.3	63.1	72.5	-64.9	133.7
Industrial	1	4.4	-	4.4	-	-0.0	-
Utilities	1	12.1	-	8.7	-	-3.4	-



Denmark	#	2013Q2		2013Q3		Q3-Q2	
		Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Financials	55	111.7	236.6	103.0	256.1	-8.6	329.2
Basic Materials	2	3.7	3.4	4.4	4.6	0.6	1.2
Communications	10	59.9	95.3	54.6	88.6	-5.3	43.3
Consumer Cyclical	17	109.4	227.9	91.6	177.4	-17.7	53.2
Consumer Non-cyclical	23	44.5	111.3	25.7	37.6	-18.8	81.5
Diversified	2	15.5	9.3	11.9	5.4	-3.6	3.9
Energy	2	46.7	39.4	27.7	21.5	-19.0	17.9
Industrial	34	74.7	141.6	75.0	138.8	0.4	28.3
Technology	10	50.8	34.1	43.2	39.9	-7.6	34.3



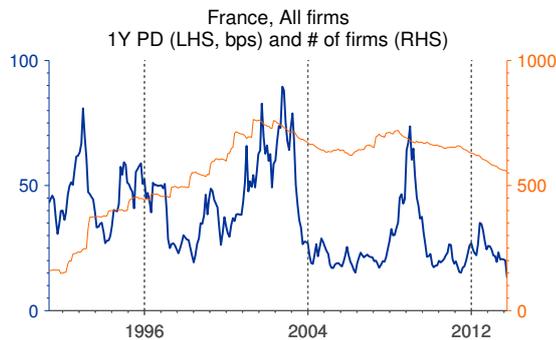
Egypt	#	2013Q2		2013Q3		Q3-Q2	
		Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Financials	67	84.4	85.2	51.1	60.8	-33.3	41.4
Basic Materials	21	48.5	74.3	24.6	37.9	-23.9	38.3
Communications	6	29.6	31.3	20.6	18.7	-9.0	14.6
Consumer Cyclical	22	47.0	44.6	30.5	27.7	-16.5	23.8
Consumer Non-cyclical	43	31.2	38.8	20.0	33.0	-11.2	19.7
Diversified	2	80.5	88.8	33.2	32.9	-47.3	55.9
Energy	1	18.2	-	16.5	-	-1.7	-
Industrial	38	29.3	46.3	16.0	22.4	-13.3	26.6
Utilities	1	4.9	-	6.8	-	1.9	-



Estonia	2013Q2			2013Q3		Q3-Q2	
	#	Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Communications	1	6.7	—	3.9	—	-2.7	—
Consumer Cyclical	5	5.0	7.3	4.4	4.9	-0.5	4.3
Consumer Non-cyclical	1	6.1	—	4.0	—	-2.1	—
Industrial	5	5.1	3.7	5.0	4.1	-0.1	1.0
Utilities	1	0.7	—	0.7	—	0.0	—



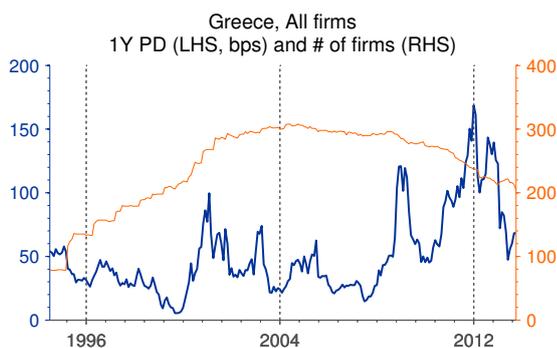
Finland	2013Q2			2013Q3		Q3-Q2	
	#	Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Financials	13	18.8	39.3	17.5	35.3	-1.2	4.2
Basic Materials	10	24.4	33.9	27.0	44.8	2.6	12.0
Communications	16	12.2	14.6	15.7	29.4	3.4	16.5
Consumer Cyclical	8	5.0	3.4	7.1	6.7	2.0	4.3
Consumer Non-cyclical	17	7.6	4.9	8.5	6.9	0.9	3.7
Diversified	1	1.8	—	0.9	—	-0.9	—
Energy	1	6.5	—	4.4	—	-2.1	—
Industrial	37	15.3	22.7	16.9	25.9	1.6	11.7
Technology	14	17.7	25.8	17.9	28.3	0.2	11.6
Utilities	1	3.0	—	1.7	—	-1.3	—



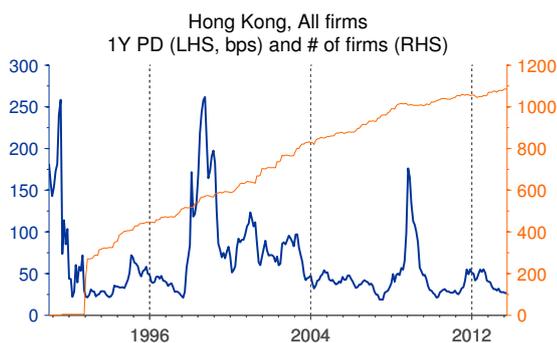
France	2013Q2			2013Q3		Q3-Q2	
	#	Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Financials	90	20.0	26.9	15.0	27.9	-5.0	15.1
Basic Materials	20	42.0	92.5	32.4	77.8	-9.5	24.4
Communications	58	14.0	18.4	13.2	19.6	-0.8	15.5
Consumer Cyclical	78	18.6	28.6	16.0	23.3	-2.6	9.0
Consumer Non-cyclical	111	8.5	12.0	8.6	13.3	0.1	5.2
Diversified	7	20.9	23.1	25.5	33.5	4.7	11.0
Energy	15	15.9	14.9	14.4	13.8	-1.5	7.8
Industrial	97	14.1	20.5	11.4	18.6	-2.7	11.5
Technology	70	12.2	15.1	11.0	18.0	-1.2	8.4
Utilities	10	10.6	9.2	7.6	9.0	-3.0	5.7



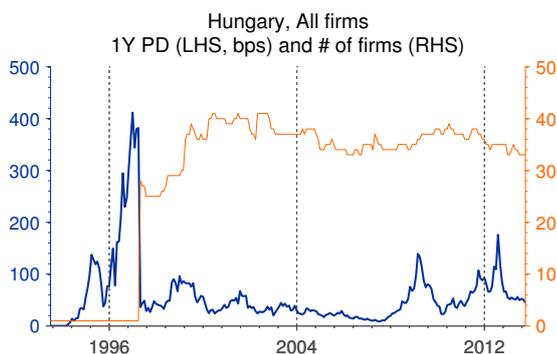
Germany	2013Q2			2013Q3		Q3-Q2	
	#	Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Financials	172	26.6	42.7	31.4	54.6	4.8	34.2
Basic Materials	24	8.3	7.7	12.1	20.0	3.7	17.9
Communications	73	22.2	34.0	30.5	67.6	8.3	66.3
Consumer Cyclical	95	20.6	62.2	16.7	22.9	-3.9	53.1
Consumer Non-cyclical	106	43.3	236.7	21.1	41.2	-22.2	214.9
Diversified	6	34.3	57.3	60.3	74.0	26.0	51.7
Energy	20	33.4	49.9	64.8	165.2	31.4	152.1
Industrial	135	23.1	53.9	25.3	76.5	2.2	48.5
Technology	75	12.0	17.7	16.2	37.6	4.2	26.6
Utilities	10	11.4	15.1	16.3	28.5	4.9	13.8



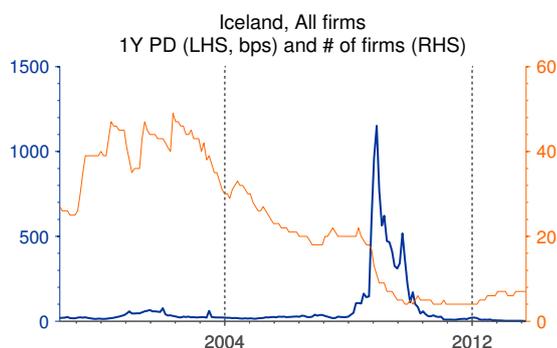
Greece	2013Q2			2013Q3		Q3-Q2	
	#	Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Financials	19	25.4	44.5	36.6	58.9	11.2	18.9
Basic Materials	12	23.0	25.6	43.6	72.3	20.6	66.2
Communications	11	89.8	94.4	80.2	104.2	-9.6	140.7
Consumer Cyclical	39	39.6	76.2	46.2	51.1	6.5	73.1
Consumer Non-cyclical	34	48.5	55.4	62.3	71.3	13.8	27.9
Diversified	2	21.8	14.7	55.5	55.3	33.7	40.6
Energy	5	14.5	5.7	20.4	12.3	5.9	6.6
Industrial	68	86.3	151.0	104.2	241.8	17.9	230.9
Technology	11	52.2	66.4	54.1	76.4	1.8	70.3
Utilities	3	6.6	4.6	6.5	5.2	-0.0	1.1



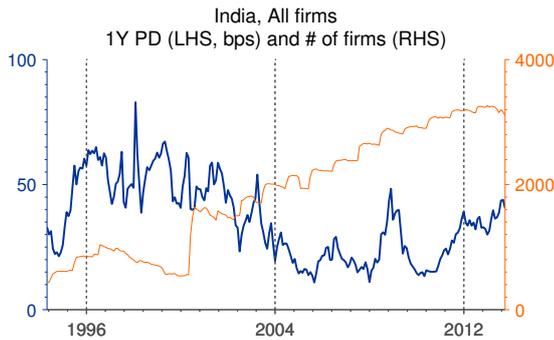
Hong Kong	2013Q2			2013Q3		Q3-Q2	
	#	Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Financials	225	24.6	41.2	24.9	42.1	0.3	22.0
Basic Materials	57	49.9	114.2	45.1	81.6	-4.9	42.5
Communications	80	35.3	78.2	29.5	45.2	-5.9	53.9
Consumer Cyclical	256	23.8	46.4	23.1	40.3	-0.7	22.6
Consumer Non-cyclical	115	24.5	50.2	21.4	32.6	-3.1	35.2
Diversified	44	19.2	29.6	22.8	48.7	3.6	25.5
Energy	33	36.5	39.1	33.3	31.8	-3.1	13.1
Industrial	182	27.3	30.0	28.5	37.5	1.2	22.1
Technology	57	39.1	86.8	37.5	74.5	-1.6	41.6
Utilities	19	7.9	8.4	11.7	13.1	3.8	5.6



Hungary	2013Q2			2013Q3		Q3-Q2	
	#	Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Financials	8	34.6	46.7	31.3	35.3	-3.3	13.0
Basic Materials	1	20.5	-	10.3	-	-10.2	-
Communications	4	54.4	74.4	54.5	73.5	0.1	5.6
Consumer Cyclical	4	121.3	194.8	99.1	155.0	-22.2	40.2
Consumer Non-cyclical	6	41.8	79.4	26.7	47.7	-15.1	31.8
Diversified	2	75.4	62.2	103.7	23.5	28.3	38.7
Energy	2	18.7	8.0	13.7	3.7	-5.0	4.3
Industrial	1	29.6	-	31.9	-	2.4	-
Technology	2	38.3	1.7	39.6	12.1	1.3	10.3
Utilities	2	33.6	5.0	29.3	5.2	-4.3	0.2



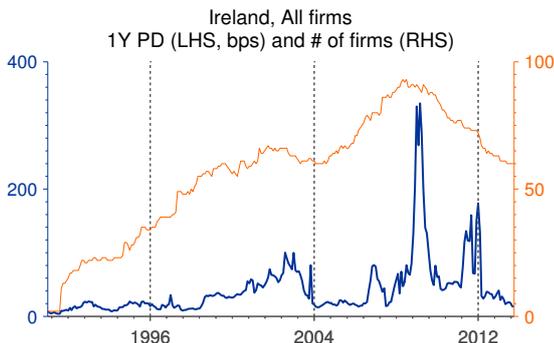
Iceland	2013Q2			2013Q3		Q3-Q2	
	#	Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Consumer Cyclical	2	1.6	1.8	1.8	2.1	0.2	0.3
Consumer Non-cyclical	2	2.8	2.0	2.1	1.4	-0.6	0.6
Industrial	2	2.4	1.4	2.0	1.4	-0.4	0.1
Technology	1	2.2	-	1.7	-	-0.5	-



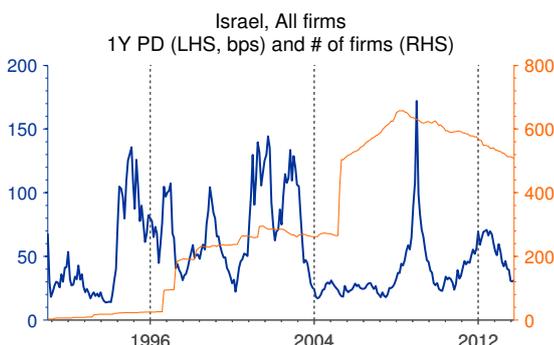
India	2013Q2			2013Q3		Q3-Q2	
	#	Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Financials	436	42.5	85.4	53.8	116.1	11.4	50.0
Basic Materials	424	36.4	50.7	37.0	45.4	0.6	30.1
Communications	122	43.6	79.1	43.8	77.4	0.2	47.1
Consumer Cyclical	612	43.0	89.6	39.2	66.0	-3.7	54.2
Consumer Non-cyclical	480	32.1	59.0	32.3	54.7	0.3	32.2
Diversified	26	53.3	64.1	53.5	57.4	0.2	47.2
Energy	58	51.9	73.4	63.4	103.8	11.6	43.0
Industrial	648	38.7	54.7	41.9	61.8	3.3	30.9
Technology	190	37.5	71.7	34.6	63.4	-2.9	45.9
Utilities	34	46.5	50.4	56.9	62.3	10.4	30.4



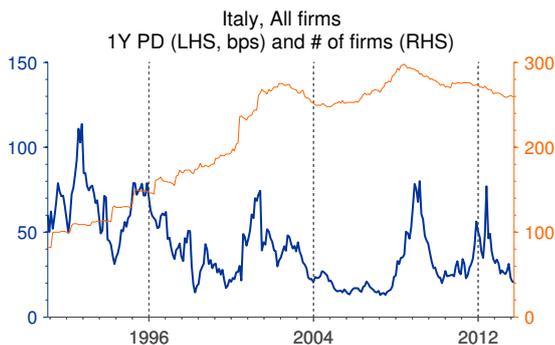
Indonesia	2013Q2			2013Q3		Q3-Q2	
	#	Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Financials	103	25.0	29.6	38.6	39.0	13.6	20.9
Basic Materials	46	52.2	96.8	65.9	125.6	13.7	32.2
Communications	25	30.7	53.6	43.8	55.4	13.1	26.4
Consumer Cyclical	58	16.8	19.6	23.7	21.1	6.9	14.3
Consumer Non-cyclical	60	16.6	40.3	24.1	36.0	7.5	18.2
Diversified	1	32.6	-	32.1	-	-0.4	-
Energy	35	45.6	76.6	48.1	73.5	2.5	30.3
Industrial	52	17.6	17.3	25.5	24.5	7.9	15.5
Technology	4	8.4	12.8	9.3	13.6	0.9	0.8
Utilities	3	12.4	17.1	19.7	26.8	7.2	9.7



Ireland	2013Q2			2013Q3		Q3-Q2	
	#	Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Financials	11	18.7	37.3	12.1	17.3	-6.6	20.5
Basic Materials	9	36.3	25.1	25.0	18.2	-11.4	9.9
Communications	1	4.6	-	3.9	-	-0.6	-
Consumer Cyclical	3	1.5	1.7	1.8	2.3	0.3	0.6
Consumer Non-cyclical	17	4.1	4.1	2.8	3.4	-1.3	3.3
Energy	11	63.5	81.8	42.2	27.1	-21.3	60.8
Industrial	5	7.8	13.5	8.5	15.6	0.6	2.2
Technology	3	0.8	1.0	0.8	0.6	0.0	0.5



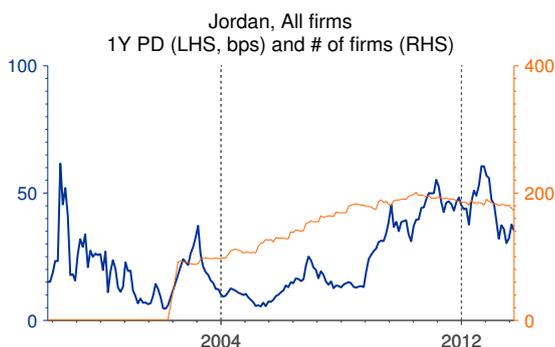
Israel	2013Q2			2013Q3		Q3-Q2	
	#	Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Financials	144	54.3	195.8	54.4	169.3	0.1	79.7
Basic Materials	13	13.9	32.0	37.6	112.6	23.8	80.9
Communications	37	45.3	78.5	29.2	69.7	-16.1	56.8
Consumer Cyclical	48	15.7	19.2	15.8	19.7	0.1	10.4
Consumer Non-cyclical	91	29.2	68.1	16.4	23.5	-12.8	60.6
Diversified	12	94.8	220.8	22.9	32.3	-71.9	214.5
Energy	31	65.5	179.9	24.0	38.9	-41.4	157.5
Industrial	91	14.2	18.2	14.8	20.3	0.5	9.6
Technology	32	22.3	65.1	23.8	60.7	1.5	37.1



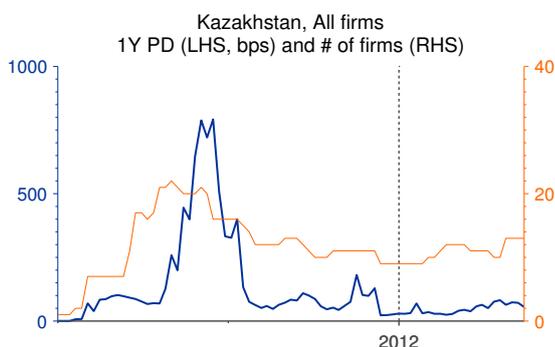
Italy	2013Q2			2013Q3		Q3-Q2	
	#	Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Financials	57	31.9	27.4	29.7	27.2	-2.3	14.5
Basic Materials	6	20.3	14.9	20.9	15.9	0.6	1.6
Communications	30	36.2	49.2	29.6	37.2	-6.6	23.9
Consumer Cyclical	43	20.4	25.2	19.4	23.5	-1.0	7.7
Consumer Non-cyclical	33	80.0	368.1	14.4	19.9	-65.6	366.9
Diversified	2	19.8	8.1	9.1	3.7	-10.7	4.4
Energy	14	22.1	27.7	14.9	10.4	-7.3	24.0
Industrial	47	13.5	16.7	14.2	16.9	0.7	10.2
Technology	15	25.7	28.9	18.1	15.8	-7.6	19.5
Utilities	11	9.8	5.5	8.3	5.5	-1.5	3.7



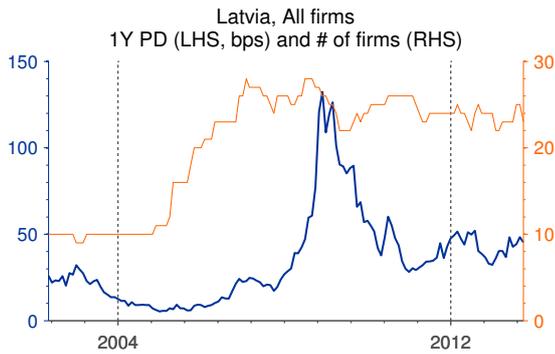
Japan	2013Q2			2013Q3		Q3-Q2	
	#	Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Financials	316	31.3	35.6	28.4	29.7	-2.9	17.6
Basic Materials	241	15.0	22.4	11.0	13.4	-4.0	14.4
Communications	243	10.6	13.2	9.4	12.1	-1.2	6.6
Consumer Cyclical	858	14.8	28.7	11.9	17.4	-2.9	15.5
Consumer Non-cyclical	586	10.0	18.9	7.9	13.3	-2.1	10.1
Diversified	2	21.1	19.0	21.1	20.1	-0.1	1.1
Energy	16	24.8	27.1	14.1	11.5	-10.8	20.0
Industrial	966	14.6	17.1	11.2	12.8	-3.4	9.2
Technology	262	10.1	15.9	8.0	10.8	-2.1	9.3
Utilities	25	20.4	24.0	19.1	20.7	-1.3	8.8



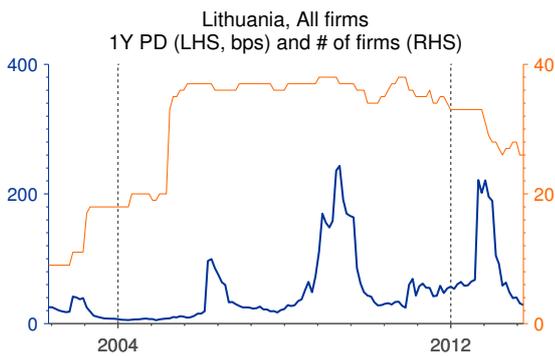
Jordan	2013Q2			2013Q3		Q3-Q2	
	#	Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Financials	87	26.8	34.3	31.3	45.2	4.6	19.7
Basic Materials	15	15.3	16.2	16.8	16.2	1.5	8.8
Communications	3	53.7	82.1	74.8	116.1	21.1	34.1
Consumer Cyclical	18	55.5	95.1	57.5	95.8	2.1	11.7
Consumer Non-cyclical	21	22.1	31.9	25.3	33.3	3.1	7.1
Diversified	2	8.0	11.1	8.6	11.3	0.5	0.2
Energy	2	35.6	50.2	50.0	70.7	14.5	20.5
Industrial	22	39.2	50.6	46.0	54.3	6.9	16.1
Utilities	2	67.6	14.9	75.8	56.2	8.2	41.3



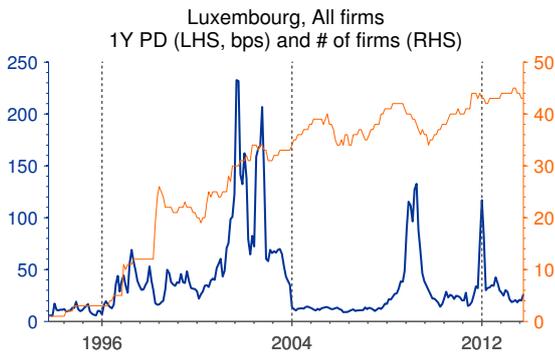
Kazakhstan	2013Q2			2013Q3		Q3-Q2	
	#	Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Financials	5	87.2	59.7	71.2	64.1	-16.0	58.4
Basic Materials	1	350.7	-	293.2	-	-57.5	-
Communications	2	11.1	0.5	8.5	3.3	-2.6	3.8
Consumer Non-cyclical	2	0.3	0.4	16.2	23.0	15.9	22.5
Diversified	1	15.2	-	11.4	-	-3.8	-
Energy	2	1.6	2.2	1.7	2.4	0.1	0.2



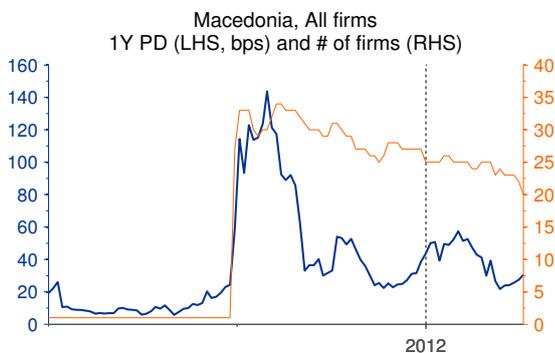
Latvia	#	2013Q2		2013Q3		Q3-Q2	
		Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Basic Materials	1	12.9	—	14.7	—	1.8	—
Communications	2	9.8	1.0	12.0	4.4	2.3	5.4
Consumer Cyclical	3	49.5	34.9	41.8	30.8	-7.7	6.8
Consumer Non-cyclical	6	21.8	22.9	20.1	18.8	-1.8	6.4
Energy	1	12.3	—	10.8	—	-1.5	—
Industrial	7	84.3	95.5	98.6	108.1	14.3	32.7
Utilities	1	7.1	—	4.8	—	-2.3	—



Lithuania	#	2013Q2		2013Q3		Q3-Q2	
		Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Financials	2	56.9	14.2	45.0	27.5	-11.9	13.3
Basic Materials	1	2.4	—	2.8	—	0.4	—
Communications	1	0.0	—	0.0	—	-0.0	—
Consumer Cyclical	5	18.3	17.0	18.4	18.6	0.1	2.2
Consumer Non-cyclical	7	8.7	8.3	6.0	4.5	-2.7	4.1
Energy	1	0.0	—	0.0	—	-0.0	—
Industrial	5	84.0	110.1	96.0	137.3	12.0	28.0
Utilities	4	7.6	9.2	8.7	9.1	1.1	15.1



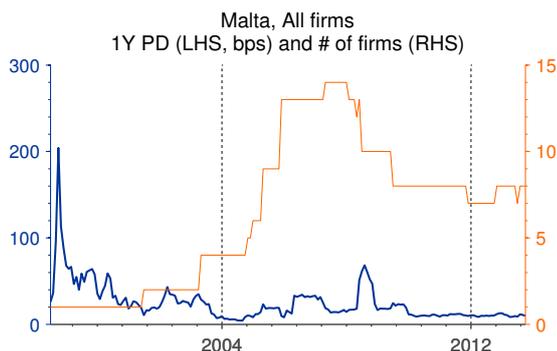
Luxembourg	#	2013Q2		2013Q3		Q3-Q2	
		Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Financials	15	13.3	14.2	40.5	108.5	27.3	106.2
Basic Materials	6	30.0	29.7	26.5	32.9	-3.5	8.2
Communications	3	11.2	16.7	11.7	17.1	0.5	0.5
Consumer Cyclical	4	71.4	78.7	53.6	61.3	-17.8	47.1
Consumer Non-cyclical	9	8.7	6.8	9.0	12.2	0.3	10.4
Energy	1	1.1	—	2.0	—	0.9	—
Industrial	4	6.7	5.4	7.4	5.5	0.7	0.8
Technology	1	2.0	—	0.8	—	-1.2	—



Macedonia	#	2013Q2		2013Q3		Q3-Q2	
		Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Financials	3	44.9	10.1	38.5	7.8	-6.4	3.6
Basic Materials	3	30.7	10.5	37.1	12.1	6.4	8.0
Communications	1	0.6	—	0.3	—	-0.3	—
Consumer Cyclical	3	13.2	11.9	15.5	14.6	2.3	3.2
Consumer Non-cyclical	3	1.0	0.2	9.2	14.9	8.2	14.7
Industrial	6	25.4	13.7	28.9	16.6	3.5	8.0
Utilities	1	64.7	—	137.2	—	72.6	—



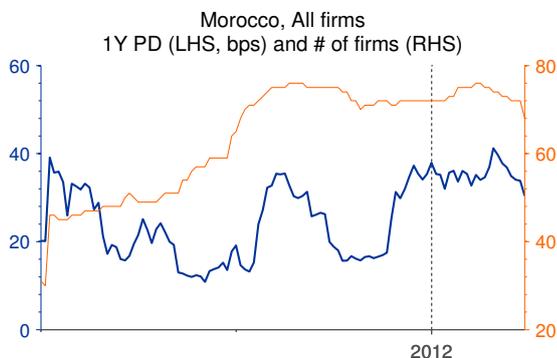
Malaysia	2013Q2			2013Q3		Q3-Q2	
	#	Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Financials	129	25.1	45.4	24.2	40.5	-0.9	19.0
Basic Materials	65	70.2	115.7	60.0	95.8	-10.2	40.1
Communications	37	28.4	36.0	25.8	34.4	-2.6	9.3
Consumer Cyclical	118	42.7	91.8	36.3	67.4	-6.4	48.1
Consumer Non-cyclical	149	35.2	109.3	30.9	71.5	-4.3	61.4
Diversified	23	22.7	34.5	21.7	39.4	-0.9	12.4
Energy	24	16.1	21.7	15.2	18.4	-0.8	10.0
Industrial	276	49.1	127.5	42.9	102.1	-6.2	50.5
Technology	60	29.0	32.0	28.4	40.0	-0.6	17.1
Utilities	5	15.6	28.3	12.9	23.2	-2.7	5.2



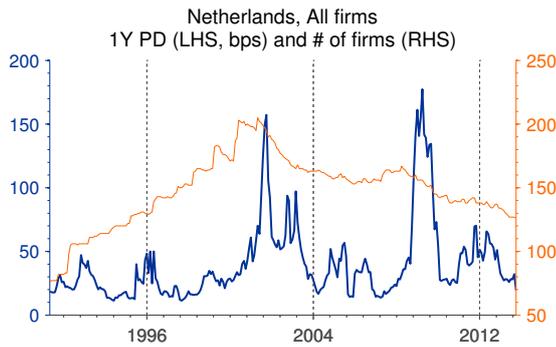
Malta	2013Q2			2013Q3		Q3-Q2	
	#	Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Financials	6	10.3	9.7	8.8	9.5	-1.5	1.4
Consumer Cyclical	1	0.7	-	0.7	-	0.0	-



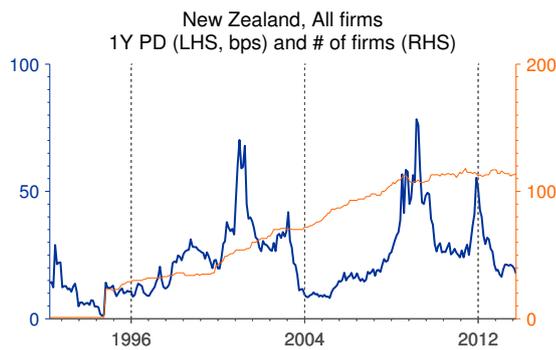
Mexico	2013Q2			2013Q3		Q3-Q2	
	#	Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Financials	22	11.3	9.6	15.3	13.1	4.0	5.8
Basic Materials	12	6.0	5.2	7.6	7.7	1.7	4.4
Communications	5	12.7	19.6	6.9	6.5	-5.7	23.7
Consumer Cyclical	21	42.6	107.9	48.4	136.1	5.8	53.9
Consumer Non-cyclical	16	3.0	7.1	3.0	4.1	-0.0	4.1
Diversified	5	2.5	1.9	2.6	2.1	0.1	0.6
Industrial	15	25.0	67.6	22.3	54.5	-2.7	14.4



Morocco	2013Q2			2013Q3		Q3-Q2	
	#	Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Financials	16	30.5	21.7	30.7	16.7	0.2	8.8
Basic Materials	12	32.6	31.5	27.6	28.5	-4.9	8.7
Communications	1	1.5	-	2.3	-	0.9	-
Consumer Cyclical	6	17.5	11.3	13.8	7.6	-3.8	4.8
Consumer Non-cyclical	12	36.5	94.0	27.0	66.7	-9.5	27.4
Diversified	1	6.2	-	4.5	-	-1.7	-
Energy	1	168.9	-	159.2	-	-9.7	-
Industrial	12	45.3	58.6	41.3	46.7	-4.0	19.2
Technology	5	32.8	45.4	29.3	35.6	-3.5	10.6
Utilities	2	16.6	12.2	14.7	13.1	-1.9	0.9



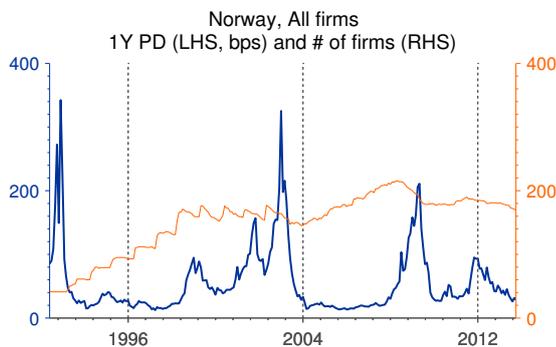
Netherlands	#	2013Q2		2013Q3		Q3-Q2	
		Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Financials	20	40.2	68.8	32.4	46.5	-7.9	62.9
Basic Materials	6	107.2	200.5	51.1	59.1	-56.2	157.0
Communications	11	8.9	8.8	8.9	13.7	-0.0	8.0
Consumer Cyclical	11	15.4	11.7	12.6	11.7	-2.8	5.9
Consumer Non-cyclical	26	9.7	12.7	9.5	14.2	-0.2	5.2
Diversified	2	44.0	61.9	15.8	22.1	-28.3	39.8
Energy	6	18.5	37.1	18.5	37.6	-0.0	1.0
Industrial	27	16.6	24.3	15.0	14.5	-1.6	16.8
Technology	16	23.4	44.6	27.7	62.4	4.3	19.6



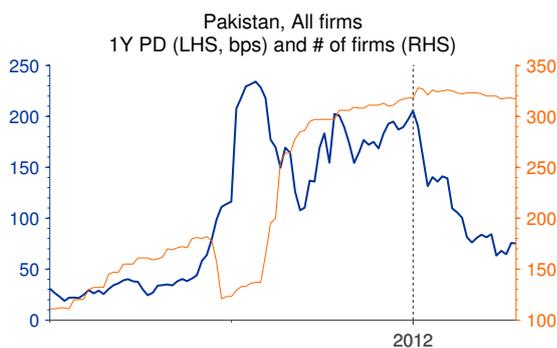
New Zealand	#	2013Q2		2013Q3		Q3-Q2	
		Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Financials	18	4.3	8.9	9.7	20.4	5.3	18.7
Basic Materials	4	69.9	96.4	32.9	33.3	-36.9	72.3
Communications	7	8.4	9.8	7.9	10.3	-0.6	4.0
Consumer Cyclical	20	26.8	48.8	31.0	67.2	4.2	25.6
Consumer Non-cyclical	31	25.4	90.5	13.5	27.6	-11.9	70.2
Diversified	4	19.7	32.6	15.9	19.2	-3.8	15.5
Energy	5	9.9	16.6	13.4	16.7	3.6	10.8
Industrial	12	17.5	35.0	16.7	37.1	-0.7	8.7
Technology	5	57.3	105.6	52.4	100.9	-5.0	6.4
Utilities	6	1.8	1.5	1.9	1.4	0.1	0.2



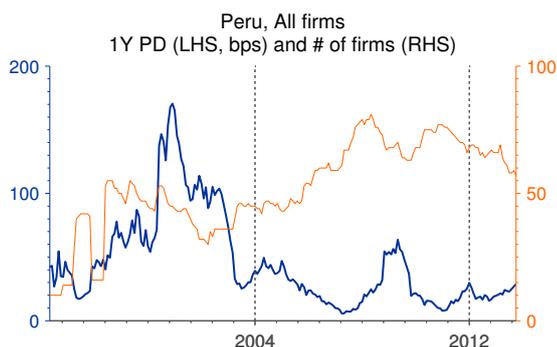
Nigeria	#	2013Q2		2013Q3		Q3-Q2	
		Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Financials	48	41.1	38.4	70.0	147.4	28.9	139.3
Basic Materials	11	37.6	42.0	37.5	45.7	-0.0	17.2
Communications	5	89.9	110.0	95.4	118.1	5.5	12.6
Consumer Cyclical	15	52.5	55.9	77.1	85.7	24.6	41.7
Consumer Non-cyclical	35	26.4	29.1	32.6	35.8	6.2	14.6
Energy	7	44.5	50.2	60.6	78.8	16.1	34.7
Industrial	20	69.6	107.6	72.5	107.8	3.0	20.9
Technology	2	26.6	3.6	44.7	1.4	18.1	5.0



Norway	#	2013Q2		2013Q3		Q3-Q2	
		Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Financials	33	30.4	25.0	36.6	27.2	6.3	12.1
Basic Materials	6	21.9	35.5	17.7	24.6	-4.1	11.5
Communications	8	11.7	13.0	15.0	13.8	3.3	6.8
Consumer Cyclical	4	6.3	3.3	9.1	5.1	2.8	3.8
Consumer Non-cyclical	28	42.0	146.5	42.1	133.0	0.1	171.8
Diversified	1	6.3	-	5.2	-	-1.1	-
Energy	26	30.3	30.1	38.2	48.9	7.9	29.0
Industrial	46	18.9	25.1	19.8	27.4	0.8	14.7
Technology	12	12.8	10.6	18.2	23.5	5.4	23.7
Utilities	2	4.4	1.7	4.0	2.3	-0.4	0.6



Pakistan	2013Q2		2013Q3		Q3-Q2		
	#	Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Financials	70	66.1	68.9	68.2	72.3	2.0	27.4
Basic Materials	34	44.6	84.5	46.0	92.9	1.4	15.0
Communications	7	72.4	78.2	83.3	97.8	10.8	24.9
Consumer Cyclical	87	92.9	144.3	102.2	162.7	9.3	34.7
Consumer Non-cyclical	49	57.4	111.3	65.9	122.6	8.5	41.6
Energy	10	42.7	68.1	57.9	85.4	15.1	24.0
Industrial	47	50.0	81.4	57.5	101.8	7.5	30.3
Technology	1	6.5	-	5.6	-	-0.9	-
Utilities	10	95.6	84.3	141.8	184.0	46.2	125.2



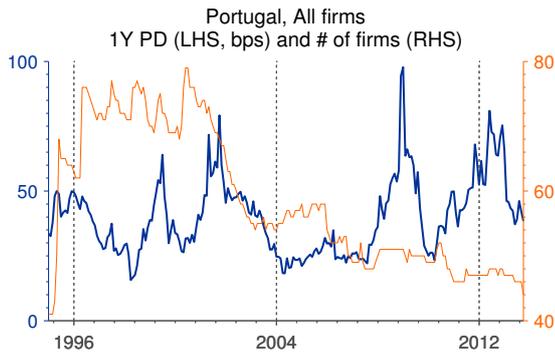
Peru	2013Q2		2013Q3		Q3-Q2		
	#	Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Financials	12	7.7	8.0	10.3	10.9	2.6	6.0
Basic Materials	13	39.6	66.6	45.4	81.3	5.8	31.9
Communications	2	18.8	10.1	13.2	6.4	-5.6	3.6
Consumer Cyclical	4	16.2	19.8	13.6	13.2	-2.6	6.8
Consumer Non-cyclical	12	37.9	59.6	54.5	85.7	16.7	27.2
Diversified	2	10.4	11.8	15.3	16.4	4.9	4.6
Energy	1	58.0	-	89.8	-	31.8	-
Industrial	3	11.0	6.8	13.4	7.3	2.4	3.5
Utilities	6	3.3	5.8	4.4	6.6	1.0	1.5



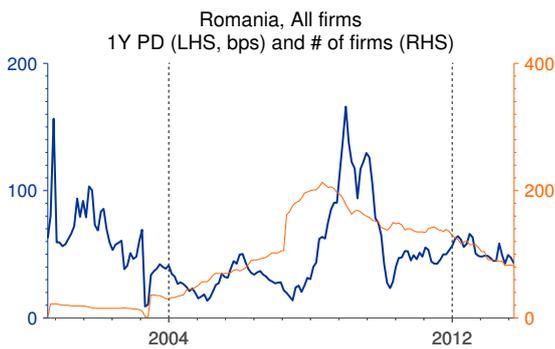
Philippines	2013Q2		2013Q3		Q3-Q2		
	#	Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Financials	65	40.6	55.2	43.5	54.4	2.9	22.1
Basic Materials	23	22.3	27.6	23.8	26.5	1.5	10.5
Communications	14	29.7	42.1	26.3	40.5	-3.4	20.0
Consumer Cyclical	19	27.4	45.6	22.3	27.2	-5.1	27.5
Consumer Non-cyclical	32	43.6	77.2	45.3	82.0	1.7	27.9
Diversified	14	22.9	34.0	27.0	39.8	4.1	12.5
Energy	14	18.3	35.7	37.0	80.5	18.6	51.0
Industrial	10	60.7	69.9	65.8	71.5	5.1	13.1
Technology	2	5.4	0.6	4.6	1.9	-0.8	2.5
Utilities	12	30.6	63.4	20.9	22.7	-9.7	64.8



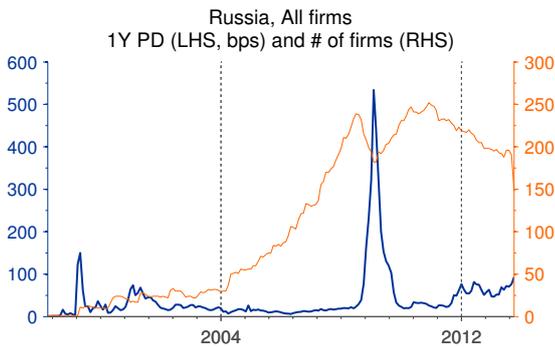
Poland	2013Q2		2013Q3		Q3-Q2		
	#	Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Financials	107	54.3	67.0	56.7	82.2	2.4	48.1
Basic Materials	26	27.4	25.1	21.6	23.9	-5.8	18.9
Communications	68	63.1	91.3	58.9	102.1	-4.2	100.0
Consumer Cyclical	83	70.8	148.5	46.5	74.0	-24.3	113.8
Consumer Non-cyclical	98	55.7	106.6	47.3	76.7	-8.3	72.6
Diversified	1	64.4	-	269.4	-	205.0	-
Energy	16	166.0	402.2	118.4	197.3	-47.7	390.9
Industrial	137	47.7	67.2	77.5	417.5	29.8	385.9
Technology	49	86.3	225.0	67.9	171.5	-18.4	114.2
Utilities	11	152.8	375.4	104.6	257.1	-48.1	118.9



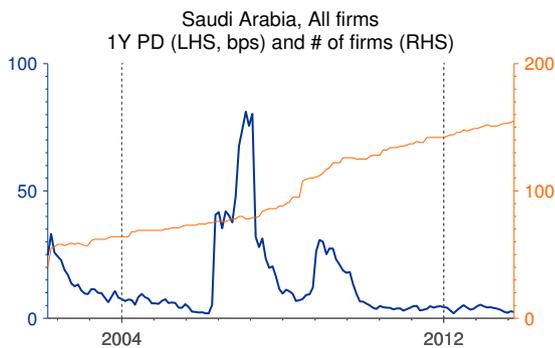
Portugal	#	2013Q2		2013Q3		Q3-Q2	
		Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Financials	6	26.4	11.4	81.6	126.4	55.2	136.8
Basic Materials	6	14.8	17.5	11.7	14.6	-3.1	4.0
Communications	6	20.1	14.5	15.7	10.9	-4.3	5.5
Consumer Cyclical	8	42.5	32.2	32.7	25.4	-9.8	14.0
Consumer Non-cyclical	3	78.3	124.2	84.1	133.0	5.8	8.8
Diversified	2	37.0	6.9	32.5	16.4	-4.5	23.3
Energy	1	3.6	-	2.1	-	-1.5	-
Industrial	7	29.4	21.8	31.1	22.4	1.8	6.8
Technology	3	153.8	224.1	73.5	89.7	-80.3	135.5
Utilities	2	7.5	4.1	7.7	5.3	0.3	1.1



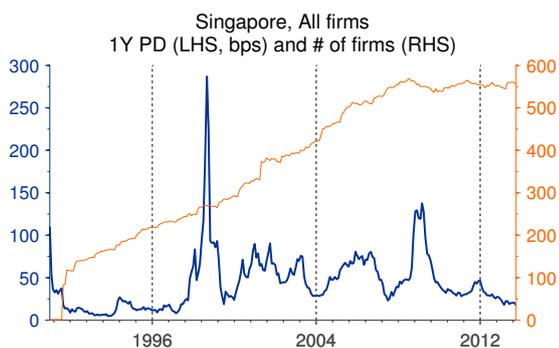
Romania	#	2013Q2		2013Q3		Q3-Q2	
		Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Financials	7	23.2	19.5	10.9	7.4	-12.3	14.7
Basic Materials	9	33.4	21.7	35.8	24.8	2.4	8.4
Communications	1	13.4	-	13.8	-	0.4	-
Consumer Cyclical	13	36.2	39.9	41.3	43.7	5.1	16.6
Consumer Non-cyclical	12	27.2	22.2	23.4	18.1	-3.9	8.2
Energy	8	28.3	34.0	25.4	32.0	-2.9	4.9
Industrial	29	68.0	114.0	69.3	97.0	1.2	42.7
Utilities	2	11.8	13.2	9.0	10.3	-2.8	2.8



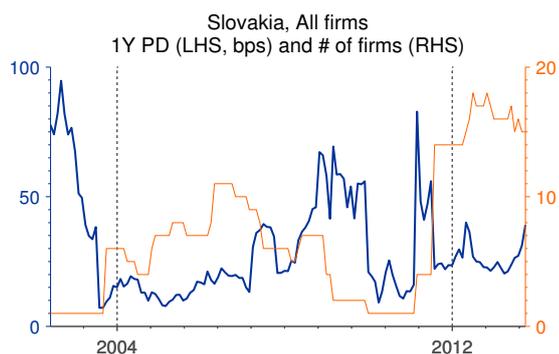
Russia	#	2013Q2		2013Q3		Q3-Q2	
		Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Financials	12	64.3	34.3	78.3	57.8	14.0	46.4
Basic Materials	17	35.7	29.9	46.5	37.8	10.9	25.0
Communications	9	76.0	112.4	57.1	60.9	-18.9	83.2
Consumer Cyclical	11	147.3	322.1	112.8	227.7	-34.5	96.7
Consumer Non-cyclical	20	73.3	82.3	59.5	58.9	-13.9	49.0
Diversified	1	145.8	-	117.2	-	-28.5	-
Energy	15	65.3	60.5	56.2	38.1	-9.2	47.1
Industrial	12	47.3	40.0	54.4	46.4	7.2	16.9
Technology	2	63.6	83.9	8.2	9.2	-55.4	74.7
Utilities	44	108.6	88.6	127.2	74.6	18.6	64.4



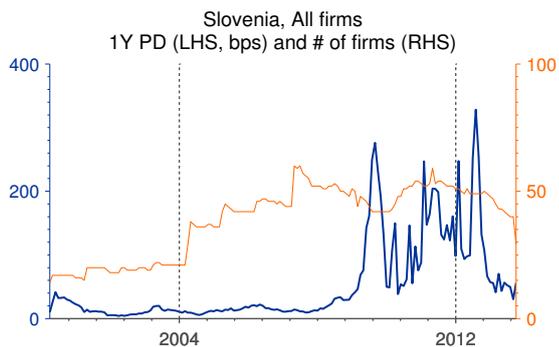
Saudi Arabia	#	2013Q2		2013Q3		Q3-Q2	
		Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Financials	55	1.3	2.3	1.6	3.0	0.2	2.5
Basic Materials	18	1.7	2.1	1.9	2.2	0.2	0.5
Communications	6	9.1	6.8	7.0	4.9	-2.1	3.7
Consumer Cyclical	15	0.7	1.3	1.0	1.3	0.3	0.7
Consumer Non-cyclical	23	1.9	5.7	3.1	10.5	1.2	4.8
Diversified	3	1.3	1.3	1.4	1.2	0.1	0.4
Energy	2	1.2	1.0	1.5	0.7	0.3	1.6
Industrial	28	1.9	4.1	2.6	6.4	0.6	3.7
Utilities	2	18.1	25.5	26.3	37.2	8.2	11.7



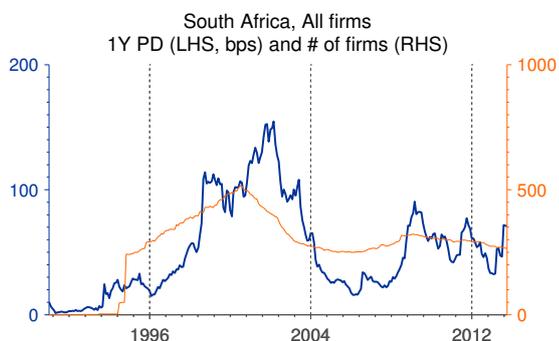
Singapore	2013Q2			2013Q3		Q3-Q2	
	#	Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Financials	89	15.2	82.3	12.4	34.7	-2.7	51.5
Basic Materials	32	24.7	31.3	26.9	34.3	2.2	20.2
Communications	28	41.8	104.2	28.9	52.6	-12.9	67.8
Consumer Cyclical	80	14.6	21.3	13.5	18.2	-1.1	7.7
Consumer Non-cyclical	72	15.3	28.1	16.2	31.7	0.9	25.8
Diversified	12	14.9	34.9	17.1	40.0	2.2	6.6
Energy	27	23.5	30.5	21.5	24.0	-1.9	14.7
Industrial	183	20.2	31.0	18.8	29.0	-1.4	16.6
Technology	26	17.1	18.5	14.4	13.4	-2.6	8.6
Utilities	1	3.0	-	2.5	-	-0.5	-



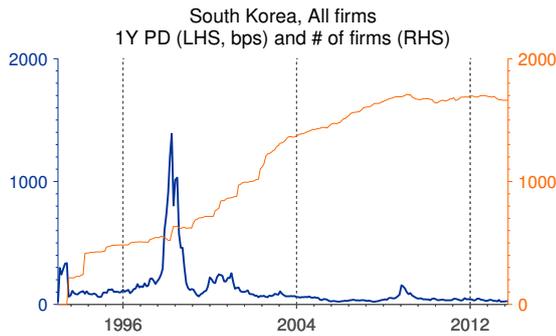
Slovakia	2013Q2			2013Q3		Q3-Q2	
	#	Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Financials	4	25.8	11.5	61.4	72.9	35.7	75.5
Basic Materials	2	26.5	21.8	29.1	20.0	2.6	1.8
Consumer Cyclical	3	0.9	1.6	2.1	3.7	1.2	2.1
Consumer Non-cyclical	1	10.5	-	8.3	-	-2.2	-
Energy	1	18.4	-	13.8	-	-4.6	-
Industrial	3	66.5	39.4	82.1	31.1	15.6	11.7
Technology	1	8.7	-	8.4	-	-0.2	-



Slovenia	2013Q2			2013Q3		Q3-Q2	
	#	Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Financials	6	193.9	412.7	49.9	41.3	-144.1	386.2
Basic Materials	2	7.5	1.2	9.8	3.1	2.3	1.9
Communications	1	4.1	-	46.0	-	41.9	-
Consumer Cyclical	7	37.5	60.3	130.1	292.5	92.5	232.5
Consumer Non-cyclical	7	19.5	27.9	18.4	24.1	-1.2	4.6
Energy	1	7.3	-	10.2	-	2.9	-
Industrial	5	26.1	31.4	42.6	61.4	16.5	30.5



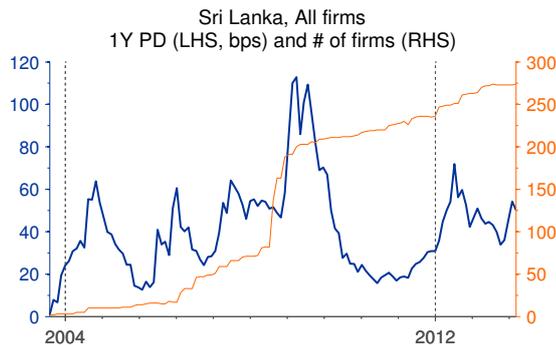
South Africa	2013Q2			2013Q3		Q3-Q2	
	#	Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Financials	53	94.3	488.9	217.8	1368.4	123.5	880.2
Basic Materials	41	54.0	123.7	51.3	88.4	-2.7	80.1
Communications	13	20.2	35.8	36.5	62.5	16.3	34.5
Consumer Cyclical	34	11.6	22.8	11.0	20.1	-0.7	7.3
Consumer Non-cyclical	37	42.3	103.7	35.1	77.3	-7.2	45.3
Diversified	8	9.9	7.7	8.8	5.0	-1.1	4.1
Energy	5	23.0	26.3	19.2	21.6	-3.8	5.1
Industrial	57	35.1	57.6	40.4	74.5	5.4	40.5
Technology	15	28.8	48.5	26.7	48.4	-2.1	4.9



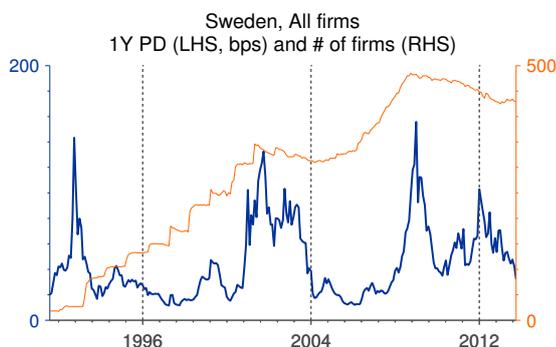
South Korea	#	2013Q2		2013Q3		Q3-Q2	
		Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Financials	102	33.4	45.6	60.0	71.0	26.6	49.8
Basic Materials	172	22.1	32.4	22.9	35.4	0.7	13.3
Communications	173	18.8	30.4	19.0	28.6	0.2	17.6
Consumer Cyclical	266	22.5	33.7	23.3	37.1	0.8	20.3
Consumer Non-cyclical	225	14.5	20.9	15.4	21.5	1.0	8.8
Diversified	15	74.6	186.6	50.6	119.4	-24.1	67.7
Energy	11	25.0	34.8	22.1	23.5	-2.9	16.4
Industrial	479	23.7	40.4	26.7	42.3	3.0	26.9
Technology	190	21.1	33.4	21.9	32.5	0.8	18.2
Utilities	17	26.3	22.1	17.3	16.3	-8.9	11.1



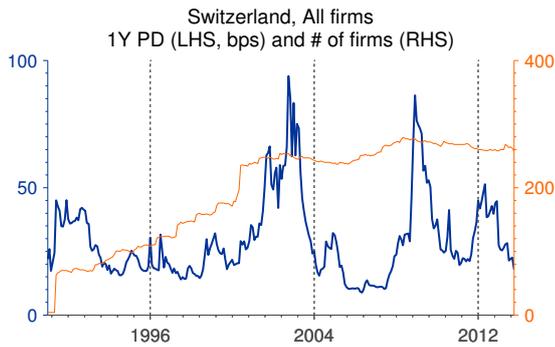
Spain	#	2013Q2		2013Q3		Q3-Q2	
		Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Financials	21	37.4	32.3	28.6	25.4	-8.7	17.4
Basic Materials	8	32.5	64.7	22.8	48.2	-9.7	17.0
Communications	12	24.0	26.5	20.4	21.4	-3.5	13.4
Consumer Cyclical	10	25.4	31.6	14.0	14.1	-11.4	17.9
Consumer Non-cyclical	26	18.1	31.8	12.0	16.3	-6.0	20.0
Energy	4	16.9	23.2	11.9	15.0	-5.0	8.3
Industrial	25	21.2	22.8	13.5	11.9	-7.7	13.5
Technology	4	12.9	15.5	3.9	3.5	-8.9	13.2
Utilities	6	4.8	2.1	4.2	1.5	-0.5	1.3



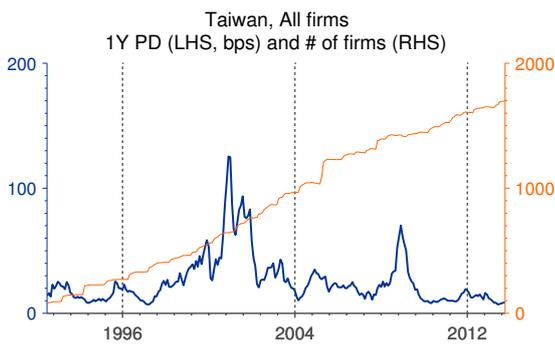
Sri Lanka	#	2013Q2		2013Q3		Q3-Q2	
		Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Financials	87	48.4	60.9	68.2	89.9	19.7	38.1
Basic Materials	14	40.7	53.2	54.0	64.5	13.4	16.1
Communications	4	8.6	4.8	7.8	3.4	-0.8	2.2
Consumer Cyclical	62	29.3	46.7	35.7	72.1	6.4	41.4
Consumer Non-cyclical	56	29.5	28.3	38.6	41.1	9.2	17.0
Diversified	16	36.3	55.7	61.1	119.8	24.8	66.9
Energy	3	2.7	4.0	5.7	5.5	3.1	2.8
Industrial	23	33.3	35.5	43.1	44.6	9.7	19.5
Technology	3	61.8	97.3	180.6	302.9	118.8	205.7
Utilities	5	4.6	3.0	7.8	8.0	3.2	5.3



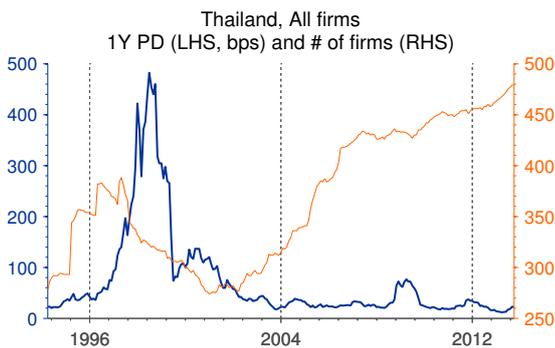
Sweden	#	2013Q2		2013Q3		Q3-Q2	
		Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Financials	55	40.9	124.8	24.6	56.2	-16.3	71.9
Basic Materials	26	77.2	127.3	94.7	177.4	17.4	124.3
Communications	46	62.8	167.0	47.8	137.7	-15.0	58.0
Consumer Cyclical	49	31.3	84.0	26.0	59.9	-5.3	26.2
Consumer Non-cyclical	100	26.4	85.2	22.6	50.2	-3.8	37.3
Diversified	8	73.1	104.8	48.3	58.7	-24.7	48.8
Energy	14	40.8	67.1	29.6	34.1	-11.3	64.9
Industrial	88	37.1	91.9	27.6	43.5	-9.5	69.1
Technology	35	26.5	31.0	22.6	23.8	-3.9	24.2
Utilities	1	25.2	-	33.4	-	8.2	-



Switzerland	2013Q2			2013Q3		Q3-Q2	
	#	Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Financials	71	28.9	79.2	29.9	99.4	0.9	29.8
Basic Materials	16	11.0	16.1	7.4	10.0	-3.5	7.4
Communications	13	13.5	28.5	6.9	8.7	-6.6	28.6
Consumer Cyclical	22	14.6	22.0	13.9	24.0	-0.7	9.5
Consumer Non-cyclical	38	15.5	32.1	9.4	15.5	-6.0	24.0
Diversified	4	31.3	31.3	32.1	36.4	0.8	6.7
Energy	7	87.7	149.9	46.9	54.6	-40.8	109.6
Industrial	67	15.5	25.8	12.1	19.1	-3.4	13.0
Technology	10	21.3	15.2	21.1	17.3	-0.2	8.5
Utilities	8	14.4	20.7	14.8	25.4	0.3	6.1



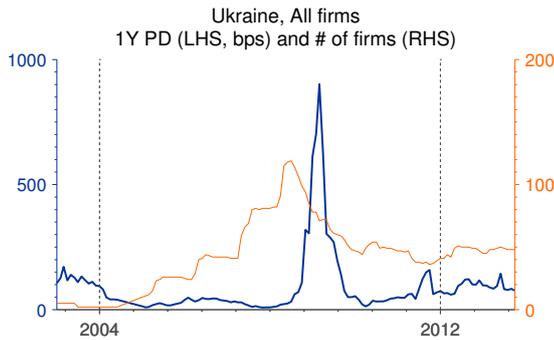
Taiwan	2013Q2			2013Q3		Q3-Q2	
	#	Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Financials	109	10.1	16.9	11.7	18.1	1.5	8.3
Basic Materials	115	11.0	40.9	11.9	43.7	0.9	7.7
Communications	84	4.3	8.3	4.6	8.7	0.3	5.2
Consumer Cyclical	215	5.4	13.9	5.6	14.2	0.2	5.4
Consumer Non-cyclical	163	3.3	9.4	3.4	9.4	0.2	6.3
Diversified	2	2.1	2.2	1.7	2.0	-0.4	0.3
Energy	10	25.4	22.0	28.9	29.0	3.6	10.8
Industrial	643	7.9	16.5	9.4	28.9	1.5	21.8
Technology	336	7.8	23.7	9.7	41.3	1.9	20.0
Utilities	8	0.2	0.2	0.5	0.7	0.3	0.7



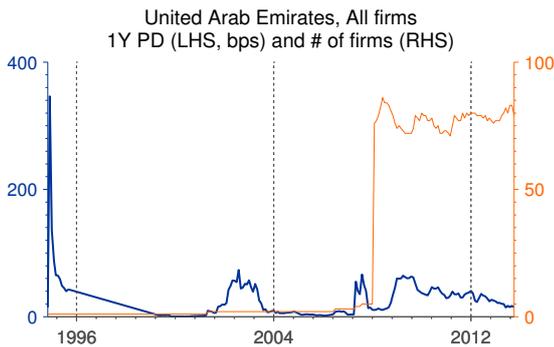
Thailand	2013Q2			2013Q3		Q3-Q2	
	#	Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Financials	92	24.9	29.6	32.2	33.6	7.4	11.8
Basic Materials	50	33.4	61.4	35.2	61.0	1.8	24.8
Communications	38	9.9	12.9	13.2	17.0	3.2	10.1
Consumer Cyclical	106	13.0	20.7	20.3	51.8	7.4	46.3
Consumer Non-cyclical	69	8.3	11.1	10.5	15.0	2.2	6.3
Diversified	2	2.4	1.6	2.8	0.4	0.4	2.0
Energy	13	27.0	45.9	33.6	55.4	6.6	11.8
Industrial	88	14.7	19.4	19.2	23.9	4.5	9.9
Technology	10	18.0	14.6	22.2	14.1	4.2	7.6
Utilities	7	8.0	13.5	7.0	9.1	-1.0	5.9



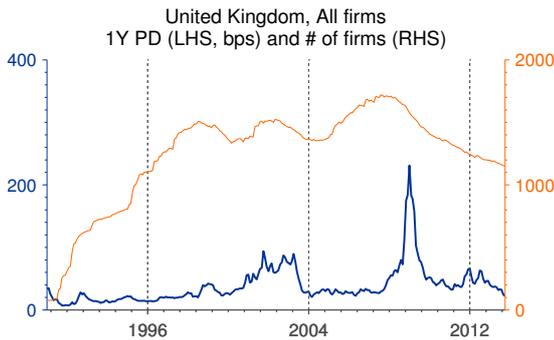
Turkey	2013Q2			2013Q3		Q3-Q2	
	#	Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Financials	93	16.1	17.2	19.4	18.5	3.3	9.1
Basic Materials	33	22.5	43.3	29.2	52.9	6.7	23.3
Communications	15	14.9	12.5	15.2	11.5	0.3	4.4
Consumer Cyclical	92	23.6	31.2	26.7	26.9	3.1	25.3
Consumer Non-cyclical	51	33.3	71.4	37.8	59.9	4.5	30.2
Diversified	12	30.5	40.5	44.2	51.2	13.7	13.4
Energy	3	13.6	7.5	80.4	83.4	66.8	85.8
Industrial	65	19.6	29.1	20.1	21.1	0.5	19.8
Technology	4	14.5	9.0	17.1	12.4	2.7	3.9
Utilities	6	18.8	18.4	21.2	17.5	2.4	3.3



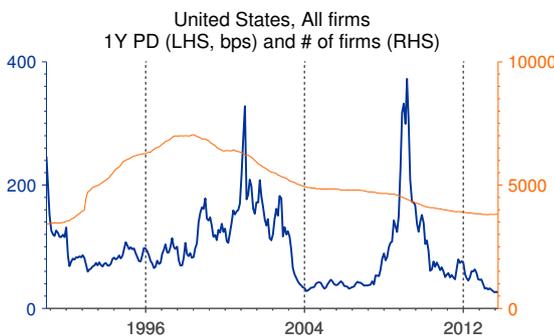
Ukraine	#	2013Q2		2013Q3		Q3-Q2	
		Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Financials	5	86.8	62.5	94.8	80.8	8.0	40.6
Basic Materials	7	94.1	49.0	100.5	46.0	6.4	11.7
Communications	1	32.6	-	40.6	-	8.0	-
Consumer Cyclical	3	67.6	48.4	124.4	126.2	56.8	90.6
Consumer Non-cyclical	11	48.2	43.3	50.1	56.7	1.9	16.3
Diversified	1	16.9	-	10.2	-	-6.7	-
Energy	6	141.4	86.8	109.8	56.0	-31.7	38.1
Industrial	10	52.7	58.6	59.6	70.9	6.8	41.6
Utilities	4	77.1	23.7	61.9	23.8	-15.3	17.7



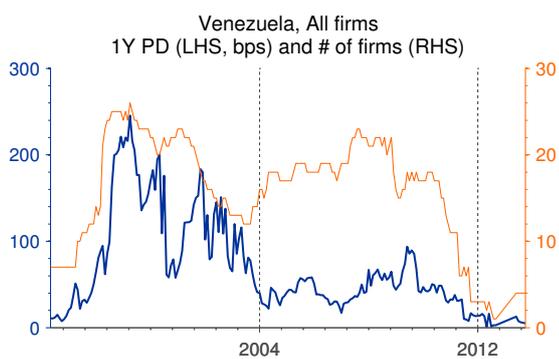
United Arab Emirates	#	2013Q2		2013Q3		Q3-Q2	
		Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Financials	40	17.3	31.4	15.4	19.1	-1.8	17.2
Communications	2	0.2	0.1	0.3	0.3	0.1	0.1
Consumer Cyclical	2	8.8	11.5	10.1	12.2	1.3	0.7
Consumer Non-cyclical	11	14.6	15.4	13.6	13.5	-1.1	4.1
Energy	3	15.6	11.8	20.7	16.8	5.1	9.3
Industrial	17	21.1	27.0	16.8	25.6	-4.3	23.7
Utilities	1	38.6	-	33.8	-	-4.9	-



United Kingdom	#	2013Q2		2013Q3		Q3-Q2	
		Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Financials	198	21.7	37.6	19.5	36.7	-2.2	23.6
Basic Materials	113	68.9	157.0	35.5	42.7	-33.4	135.3
Communications	107	45.8	120.4	27.7	57.5	-18.1	87.6
Consumer Cyclical	137	27.5	80.4	19.4	39.2	-8.1	60.6
Consumer Non-cyclical	220	28.2	95.2	15.7	33.2	-12.4	81.8
Diversified	8	46.4	94.9	67.3	112.7	20.9	85.2
Energy	93	45.8	137.5	29.0	63.8	-16.9	78.8
Industrial	172	21.5	30.6	16.3	23.0	-5.2	17.0
Technology	79	17.4	23.6	14.8	16.9	-2.6	16.0
Utilities	13	29.3	57.6	29.6	61.9	0.3	7.9



United States	#	2013Q2		2013Q3		Q3-Q2	
		Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Financials	876	33.9	97.3	38.5	108.9	4.6	74.9
Basic Materials	147	69.5	317.8	62.7	212.7	-6.8	215.7
Communications	305	25.7	67.2	21.5	63.0	-4.2	54.4
Consumer Cyclical	443	14.9	44.3	16.4	54.5	1.5	31.5
Consumer Non-cyclical	768	26.5	78.0	21.7	63.5	-4.8	57.4
Diversified	8	27.1	48.9	27.2	48.1	0.1	63.3
Energy	304	41.7	123.8	29.3	71.3	-12.3	76.4
Industrial	487	21.3	93.8	16.5	52.3	-4.8	70.3
Technology	339	16.3	43.4	13.9	46.0	-2.4	26.9
Utilities	91	10.2	46.2	6.5	26.2	-3.7	22.5



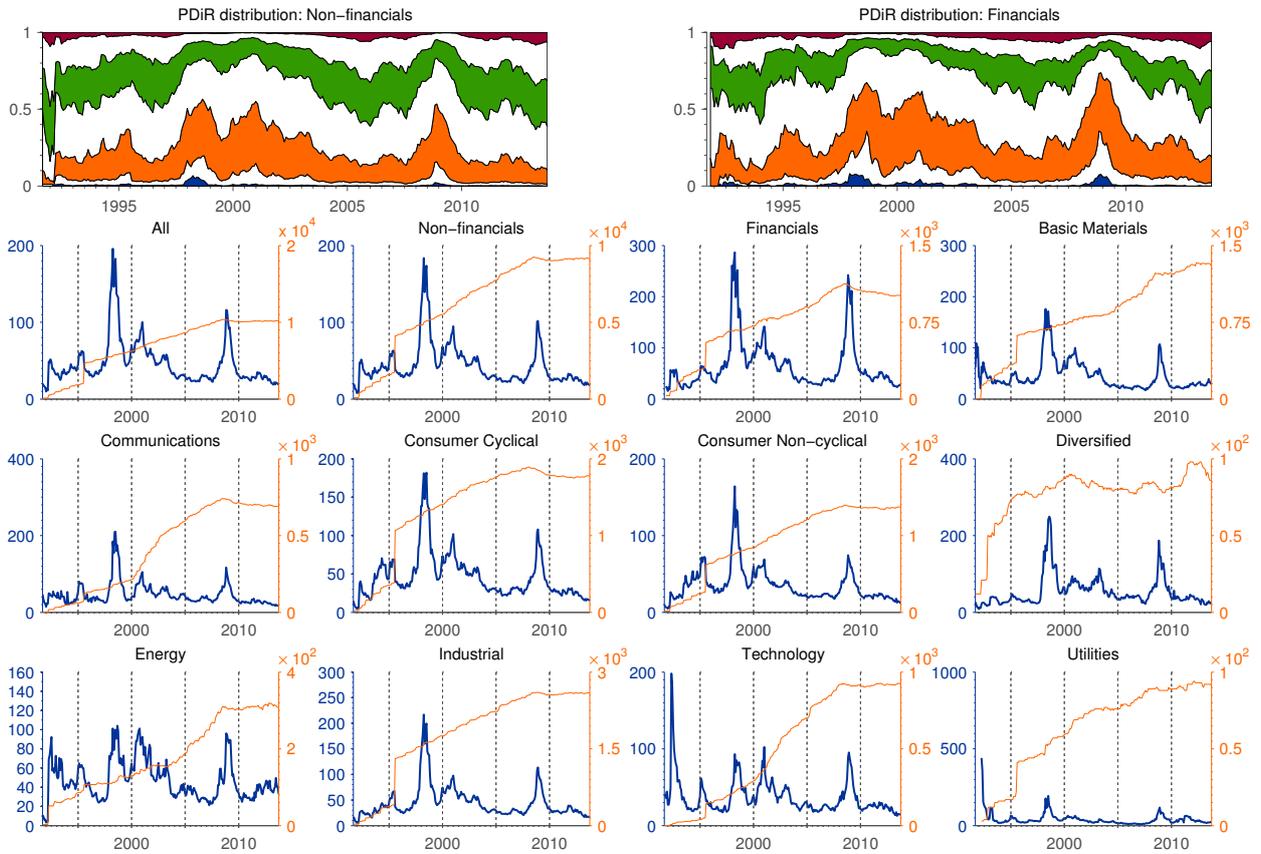
Venezuela	2013Q2		2013Q3		Q3-Q2		
	#	Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Financials	4	7.5	5.8	4.9	3.3	-2.7	2.7



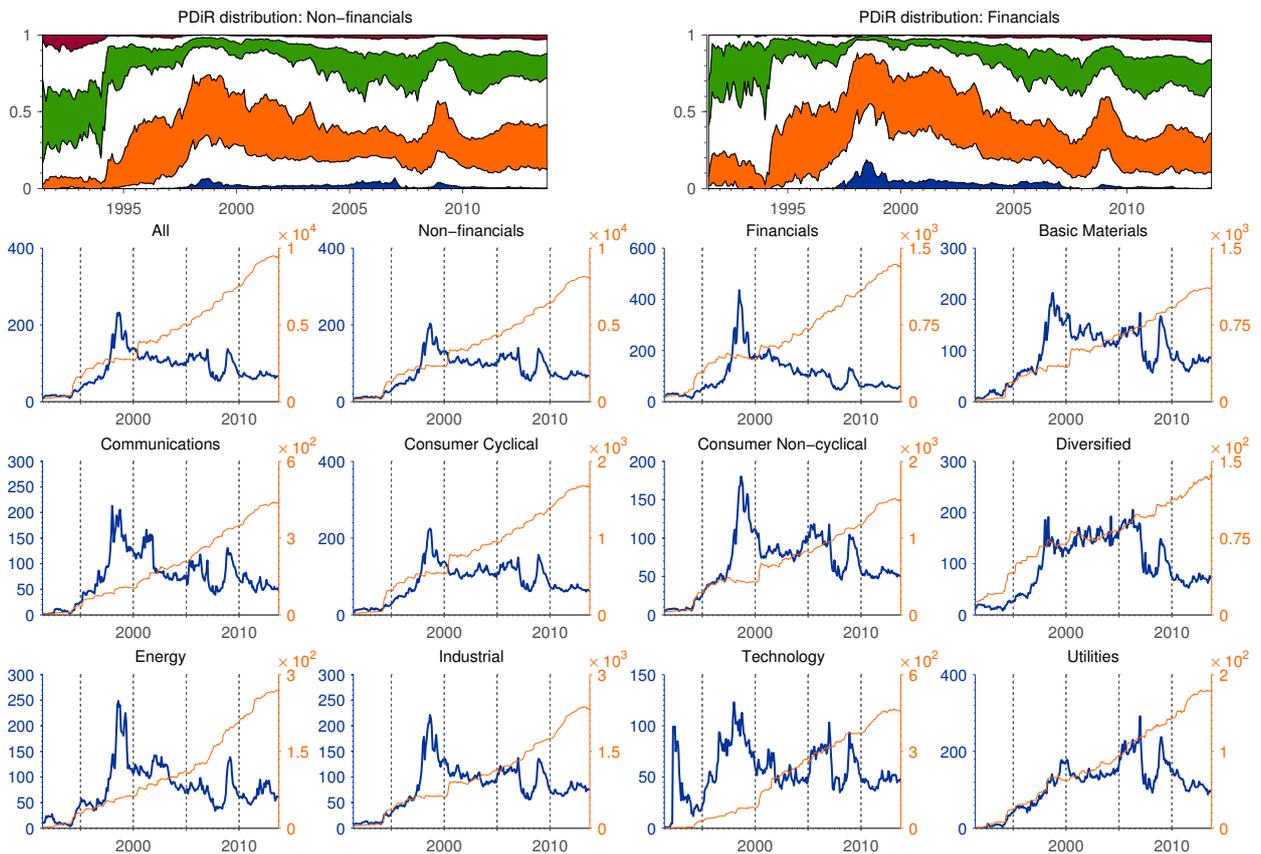
Vietnam	2013Q2		2013Q3		Q3-Q2		
	#	Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
Financials	79	47.8	73.6	56.5	87.4	8.6	32.2
Basic Materials	58	58.2	82.2	66.7	114.8	8.4	44.9
Communications	22	29.7	35.9	34.9	40.5	5.2	14.3
Consumer Cyclical	58	46.2	52.2	52.8	76.1	6.6	40.9
Consumer Non-cyclical	104	35.8	47.2	41.6	52.9	5.8	26.7
Diversified	17	39.7	61.1	35.3	48.1	-4.3	20.7
Energy	24	50.9	52.1	73.9	100.6	23.0	58.8
Industrial	289	90.8	110.5	96.2	125.8	5.4	59.9
Technology	7	26.0	36.1	25.1	33.8	-0.9	8.3
Utilities	25	22.7	31.1	22.6	29.2	-0.1	9.6

B PD by regions

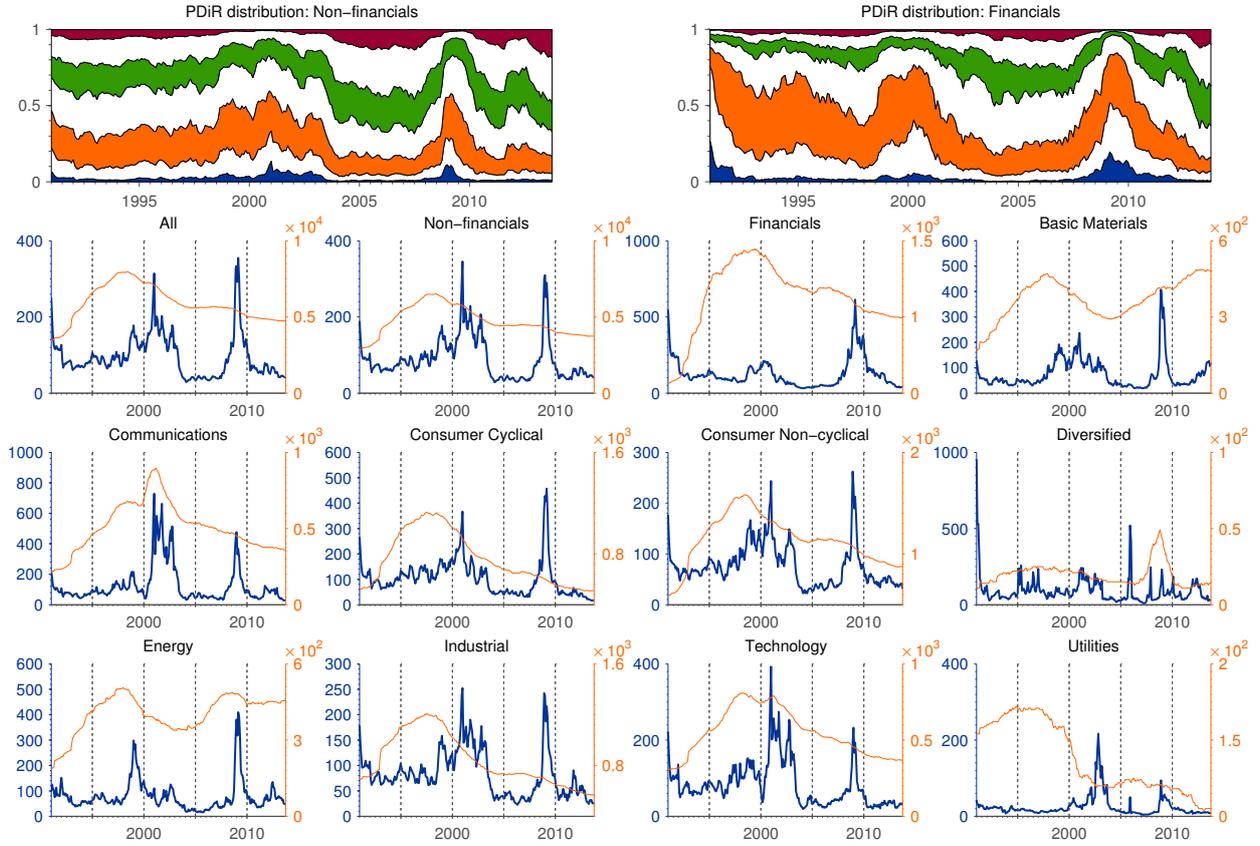
Asia Pacific - developed economies



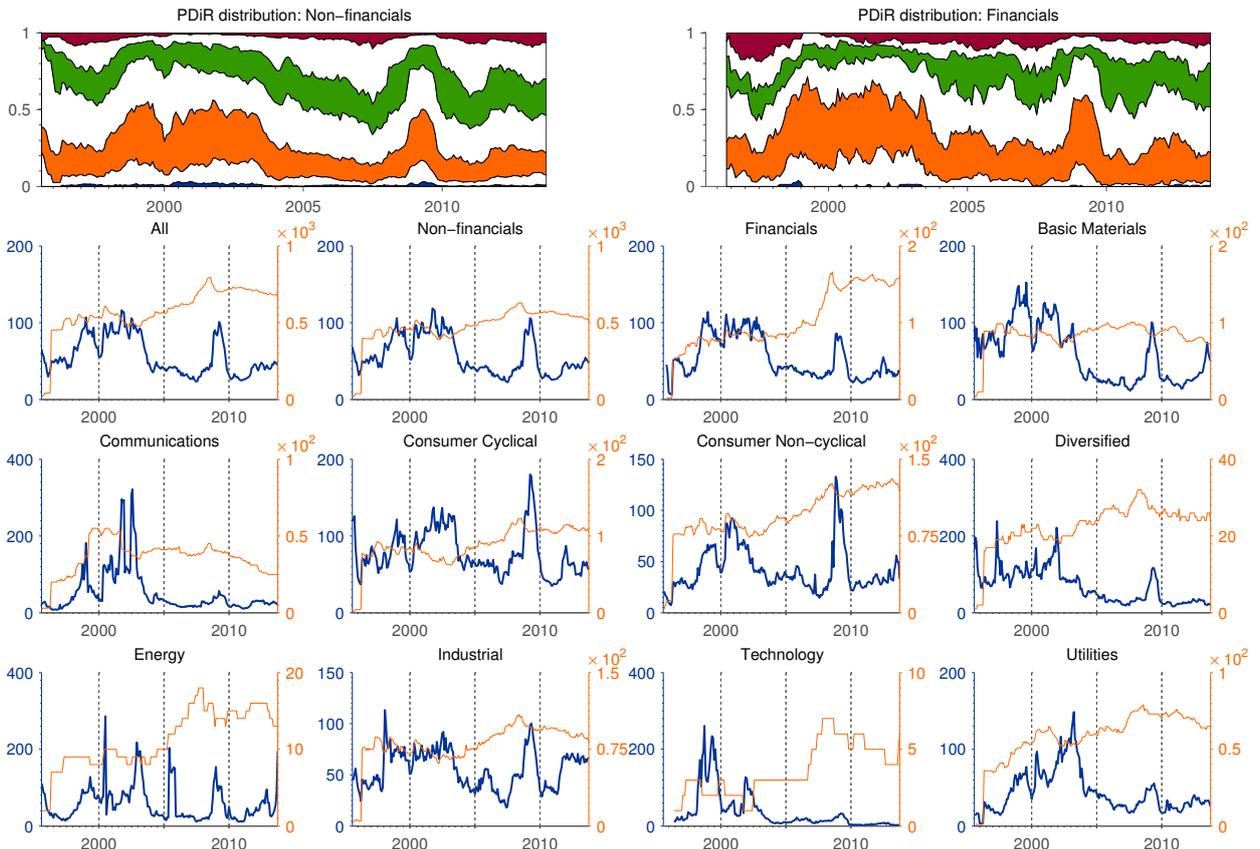
Asia Pacific - emerging economies



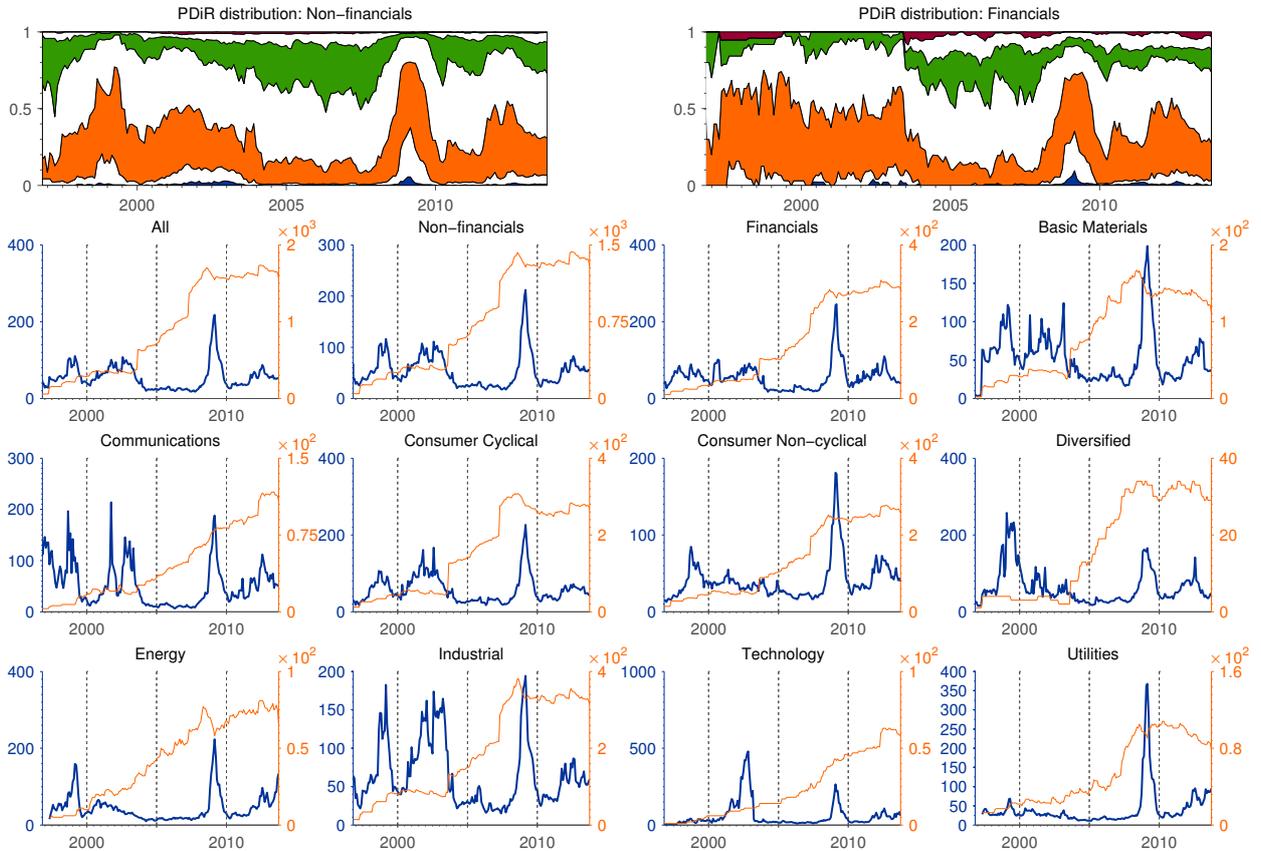
North America



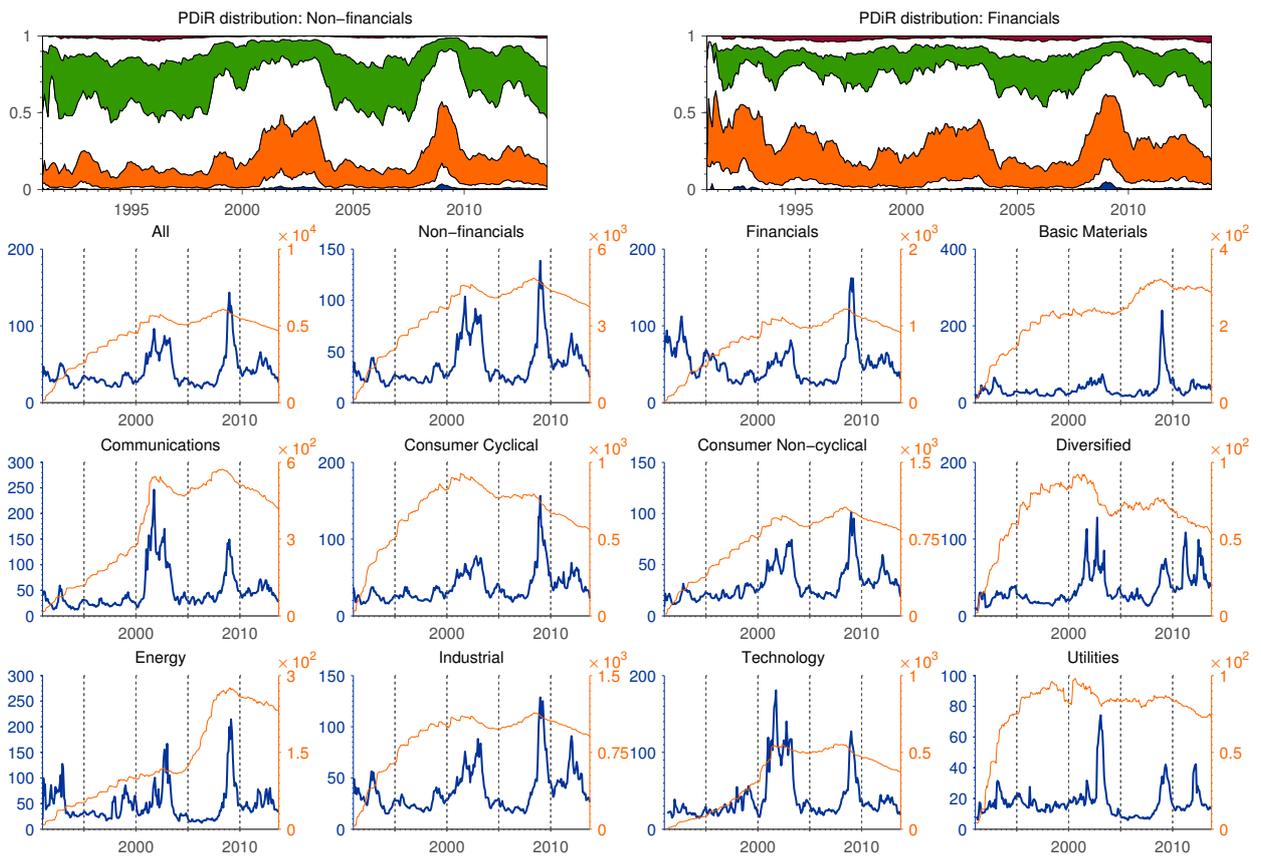
Latin America



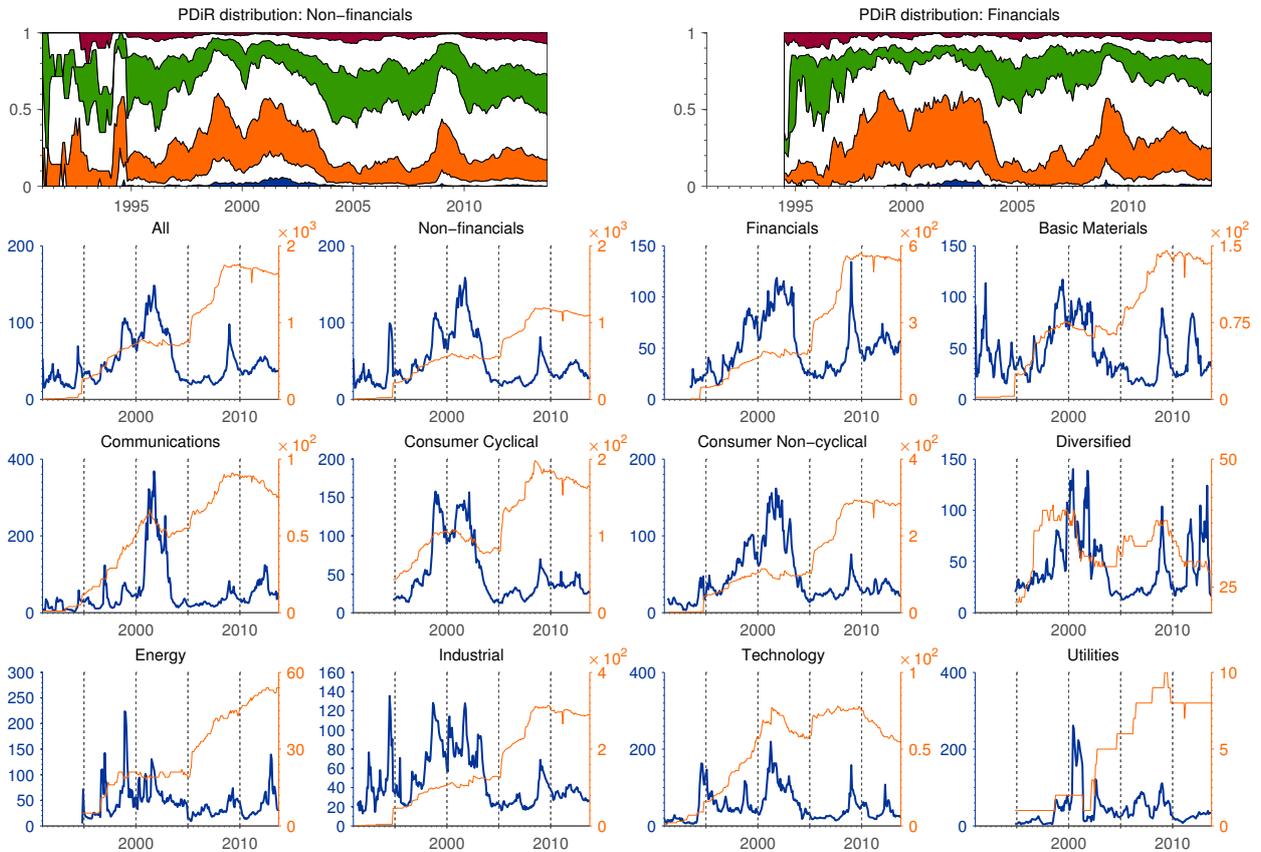
Eastern Europe



Western Europe

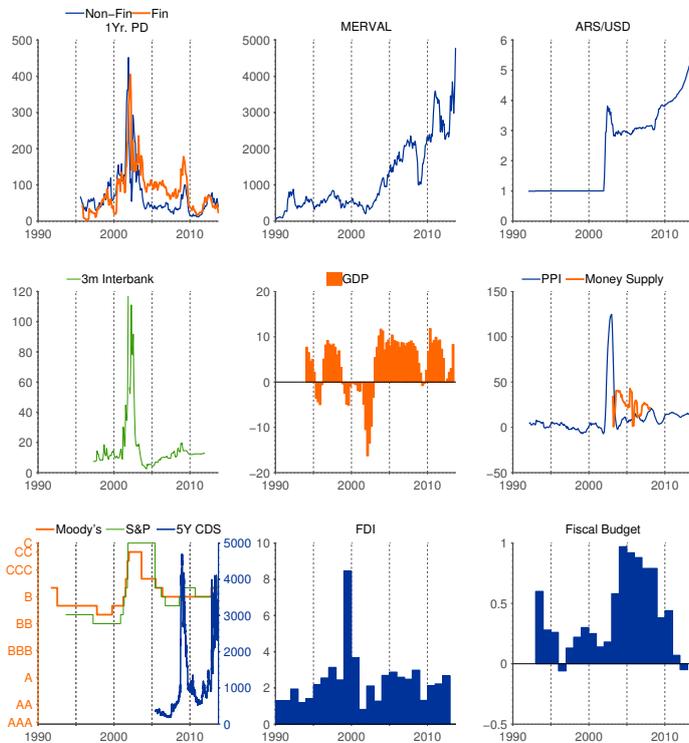


Africa & the Middle East

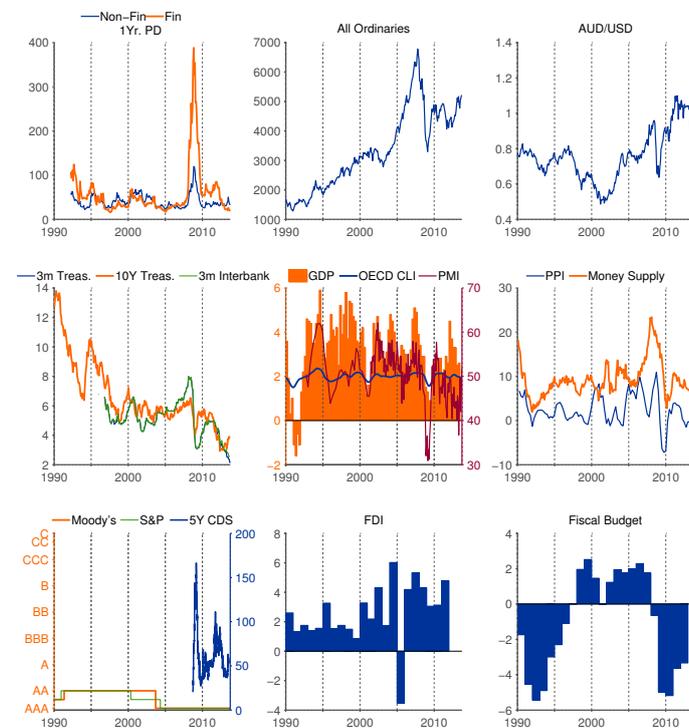


C Macroeconomic Indicators

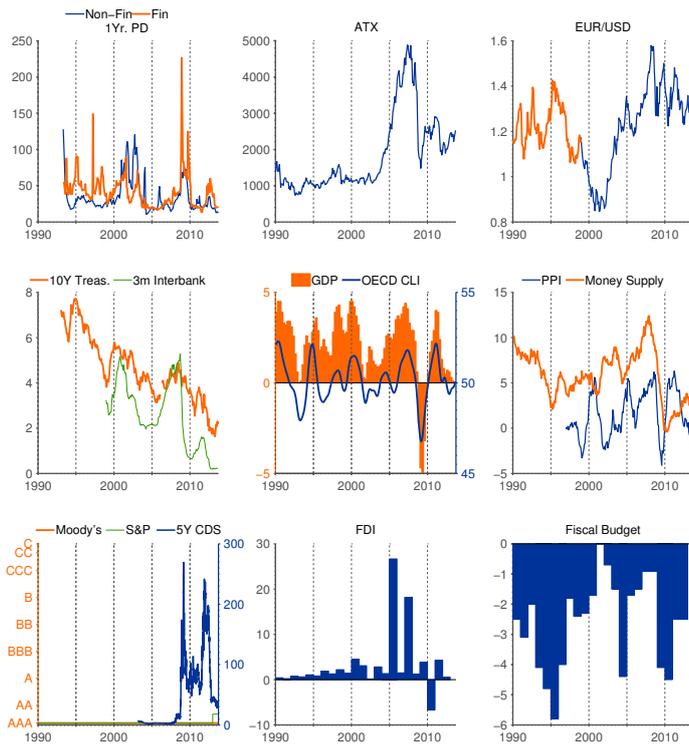
Descriptions of the data contained in this section are provided in Appendix D.



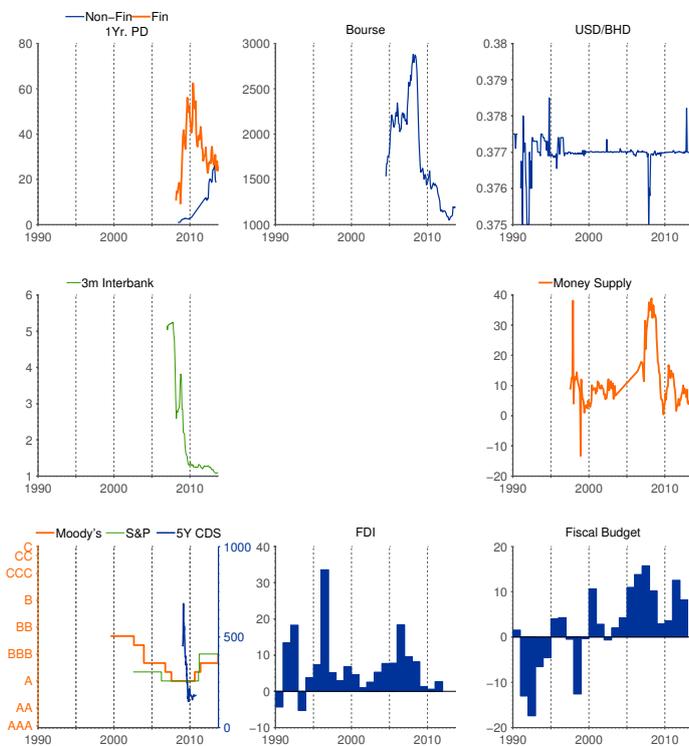
Argentina	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	70.72	62.21	53.67	55.09	38.68
1Yr. PD, Fin.	61.80	39.22	42.03	45.77	21.45
Merval	2452	2854	3381	2976	4784
ARS/USD	4.70	4.92	5.12	5.39	5.79
GDP (YoY%)	0.7	2.1	3.0	8.3	-
PPI (YoY%)	14.3	15.7	14.3	16.7	15.0*
Sov. Rating, Moody's	B2	B3	B3	B3	B3
Sov. Rating, S&P	B	B-	B-	B-	CCC+
5Y CDS (bps)	959.96	1441.52	3753.61	3008.93	2527.46
FDI (%GDP)	-	2.67	-	-	-
Fiscal Budget (%GDP)	-	-0.05	-	-	-



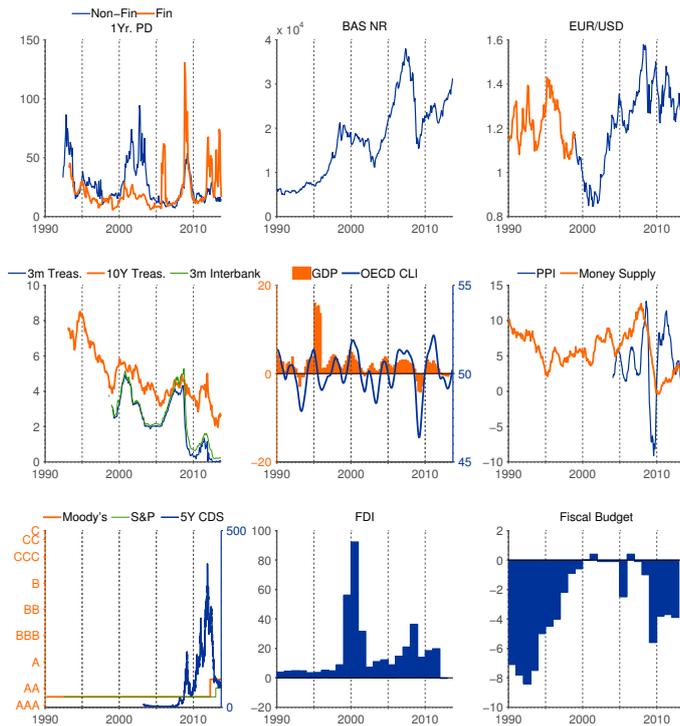
Australia	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	30.97	32.17	31.80	50.20	32.16
1Yr. PD, Fin.	31.13	24.39	23.12	26.17	18.44
All Ordinaries	4406	4665	4980	4775	5218
AUD/USD	1.04	1.04	1.04	0.91	0.93
3m Treas. Yield (%)	3.29	2.96	2.92	2.53	2.15
10Y Treas. Yield (%)	2.99	3.27	3.41	3.76	3.81
3m Interbank (%)	3.37	3.04	3.04	2.79	2.56
GDP (YoY%)	3.3	3.3	2.5	2.6	-
OECD CLI	100.35	100.11	99.88	99.80	99.70*
PMI	43.0	44.3	44.4	49.6	51.7
PPI (YoY%)	-1.5	-0.3	-0.3	-0.3	-
Money Supply (YoY%)	7.4	7.0	6.7	6.3	5.7*
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
5Y CDS (bps)	57.87	46.33	42.38	55.78	51.84*
Fiscal Budget (%GDP)	-	-3.34	-	-	-



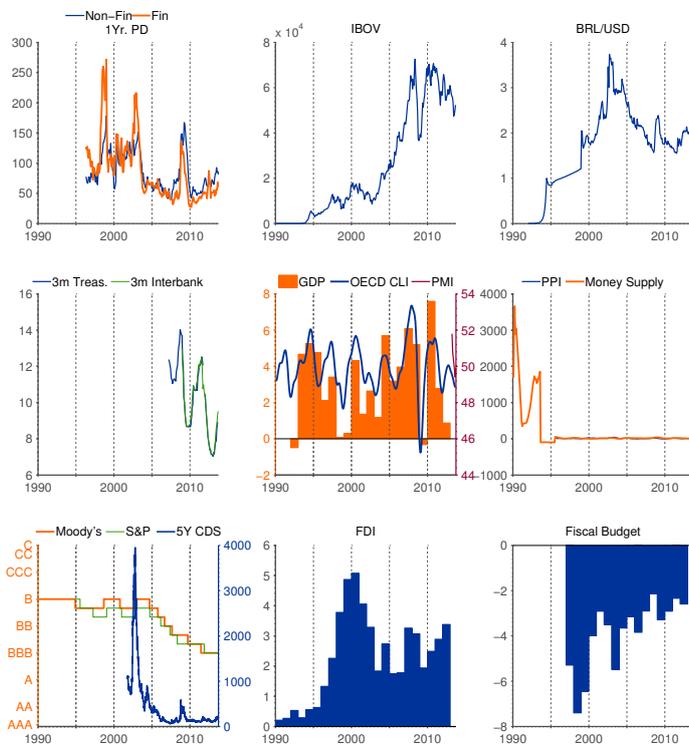
Austria	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	22.46	18.25	18.98	12.64	13.05
1Yr. PD, Fin.	51.36	35.27	23.17	19.86	20.65
ATX	2090	2401	2352	2224	2528
EUR/USD	1.29	1.32	1.28	-	-
10Y Treas. Yield (%)	2.02	1.75	1.70	2.16	2.18
3m Interbank (%)	0.22	0.19	0.21	0.22	0.23
GDP (YoY%)	0.7	0.6	0.3	0.1	-
OECD CLI	99.45	99.45	99.70	99.81	100.07*
PPI (YoY%)	0.9	0.1	-0.8	-1.2	-1.3*
Money Supply (YoY%)	2.9	3.4	2.5	2.4	2.5*
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AAA	AAA	AA+	AA+	AA+
5Y CDS (bps)	69.1	44.6	42.3	39.1	29.2
FDI (%GDP)	-	0.54	-	-	-
Fiscal Budget (%GDP)	-	-2.50	-	-	-



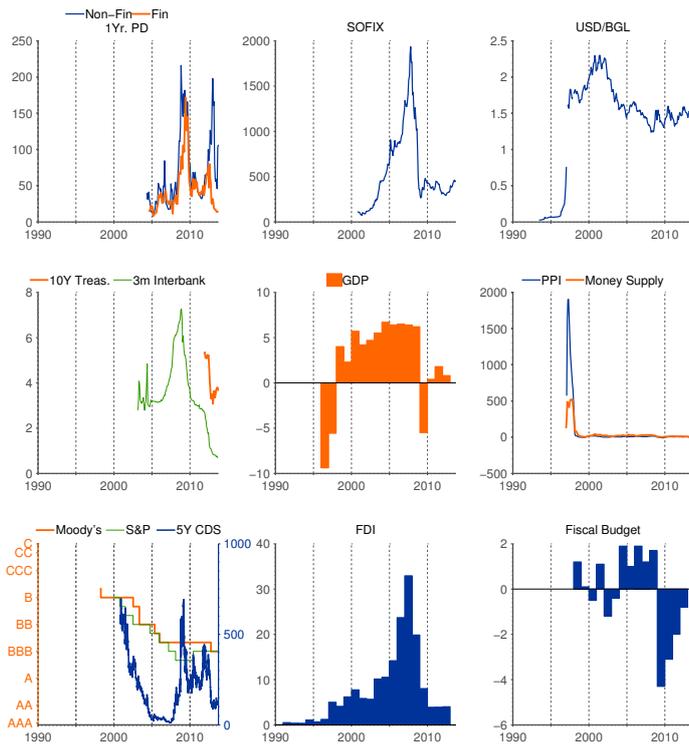
Bahrain	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	19.58	24.00	26.03	18.52*	-
1Yr. PD, Fin.	27.08	29.26	26.78	24.01	25.79
Bourse	1087	1066	1092	1188	1194
USD/BHD	0.38	0.38	0.38	0.38	0.38
3m Interbank (%)	1.24	1.18	1.12	1.08	1.10
Money Supply (YoY%)	7.54	4.41	4.98	5.04	4.11*
Sov. Rating, Moody's	Baa1	Baa1	Baa1	Baa1	Baa2
Sov. Rating, S&P	BBB	BBB	BBB	BBB	BBB
Fiscal Budget (%GDP)	-	8.19	-	-	-



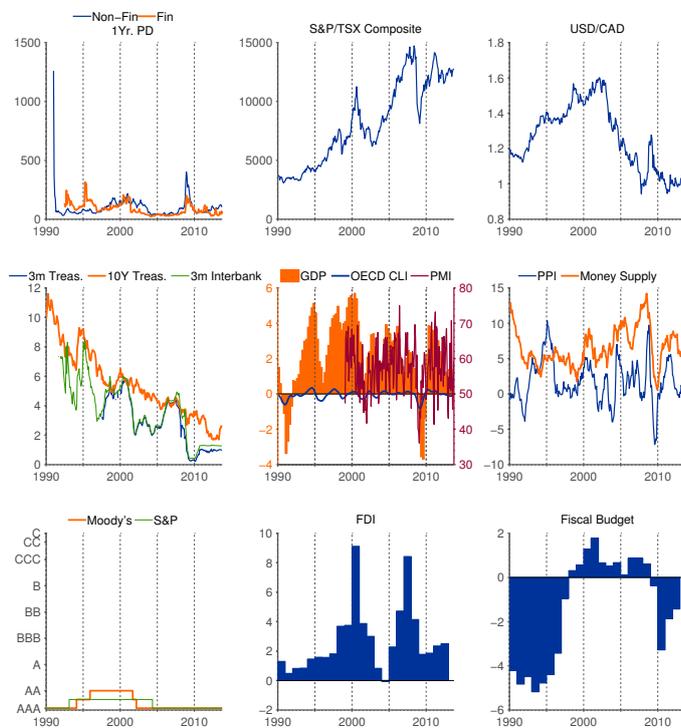
Belgium	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	18.92	15.93	13.11	12.71	14.82
1Yr. PD, Fin.	16.11	31.63	28.80	74.02	16.27
BAS NR	26264	26543	27794	27688	31253
EUR/USD	1.29	1.32	1.28	-	-
3m Treas. Yield (%)	0.01	0.00	0.02	0.04	0.03
10Y Treas. Yield (%)	2.53	2.06	2.23	2.63	2.57
3m Interbank (%)	0.22	0.19	0.21	0.22	0.23
GDP (YoY%)	-0.4	-0.5	-0.6	0.0	-
OECD CLI	99.46	99.15	99.28	99.76	100.21*
PPI (YoY%)	4.0	4.3	1.3	-0.1	-1.2*
Money Supply (YoY%)	2.9	3.4	2.5	2.4	2.5*
Sov. Rating, Moody's	Aa3	Aa3	Aa3	Aa3	Aa3
Sov. Rating, S&P	AA+	AA+	AA	AA	AA
5Y CDS (bps)	127.74	83.07	76.31	72.58	60.71
FDI (%GDP)	-	-0.40	-	-	-
Fiscal Budget (%GDP)	-	-3.90	-	-	-



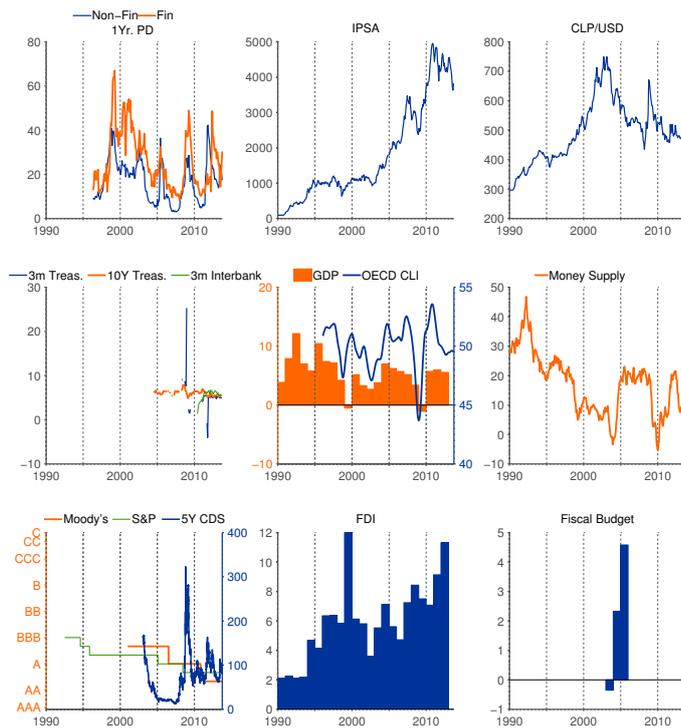
Brazil	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	60.93	70.43	75.02	92.60	81.27
1Yr. PD, Fin.	42.23	50.86	45.84	56.94	60.75
IBOV	59175.9	60952.1	56352.1	47457.1	52338.2
BRL/USD	2.03	2.05	2.02	2.23	2.22
3m Treas. Yield (%)	7.39	7.11	7.16	7.87	8.87
3m Interbank (%)	7.33	7.13	7.28	8.59	9.52
GDP (YoY%)	-	0.9	-	-	-
OECD CLI	100.06	99.83	99.53	99.07	98.83*
PMI	-	-	51.8	50.8*	49.9
PPI (YoY%)	9.0	8.6	8.9	6.1	3.5
Money Supply (YoY%)	11.18	9.06	8.77	9.39	8.77*
Sov. Rating, Moody's	Baa2	Baa2	Baa2	Baa2	Baa2
Sov. Rating, S&P	BBB	BBB	BBB	BBB	BBB
5Y CDS (bps)	111.83	108.45	137.22	185.24	176.74
FDI (%GDP)	-	3.38	-	-	-
Fiscal Budget (%GDP)	-	-2.59	-	-	-



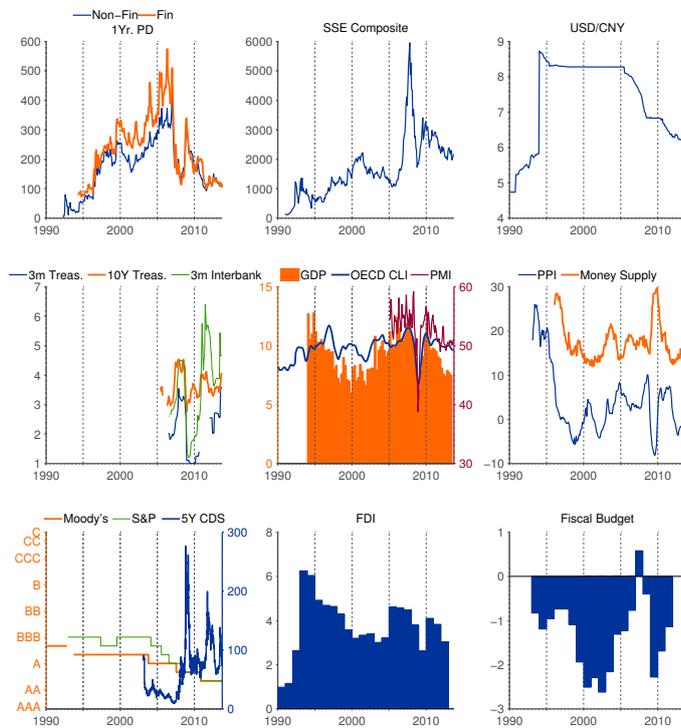
Bulgaria	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	109.18	197.98	80.07	58.87	106.44
1Yr. PD, Fin.	52.59	31.78	17.92	14.07	14.37
SOFIX	324	345	384	444	456
USD/BGL	1.52	1.48	1.53	1.50	1.45
10Y Treas. Yield (%)	3.55	3.44	3.64	3.71	3.68
3m Interbank (%)	1.09	0.93	0.82	0.73	0.70
GDP (YoY%)	-	0.8	-	-	-
PPI (YoY%)	6.6	5.3	0.6	0.0	-2.9*
Money Supply (YoY%)	8.7	8.4	8.8	7.6	6.5*
Sov. Rating, Moody's	Baa3	Baa2	Baa2	Baa2	Baa2
Sov. Rating, S&P	BBB	BBB	BBB	BBB	BBB
5Y CDS (bps)	185.34	99.17	119.82	123.33	116.52
FDI (%GDP)	-	4.01	-	-	-
Fiscal Budget (%GDP)	-	-0.80	-	-	-



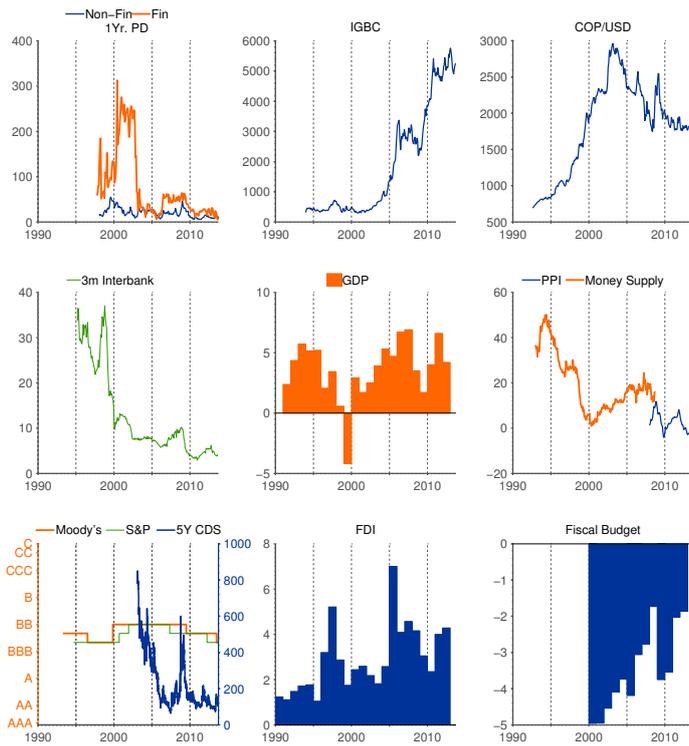
Canada	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	78.88	95.34	95.36	123.00	110.72
1Yr. PD, Fin.	42.75	43.44	32.25	57.00	45.35
S&P/TSX Composite	12317	12434	12750	12129	12787
USD/CAD	0.98	0.99	1.02	1.05	1.03
3m Treas. Yield (%)	0.97	0.93	0.98	1.02	0.97
10Y Treas. Yield (%)	1.73	1.80	1.87	2.44	2.54
3m Interbank (%)	1.29	1.30	1.28	1.27	1.27
GDP (YoY%)	1.2	1.0	1.4	1.4	-
OECD CLI	99.70	99.49	99.40	99.53	99.75*
PMI	68.5	43.1	64.4	56.6	59.4
PPI (YoY%)	-0.2	0.3	0.9	0.5	1.7*
Money Supply (YoY%)	5.7	5.7	5.7	6.2	6.3*
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
FDI (%GDP)	-	2.50	-	-	-
Fiscal Budget (%GDP)	-	-1.43	-	-	-



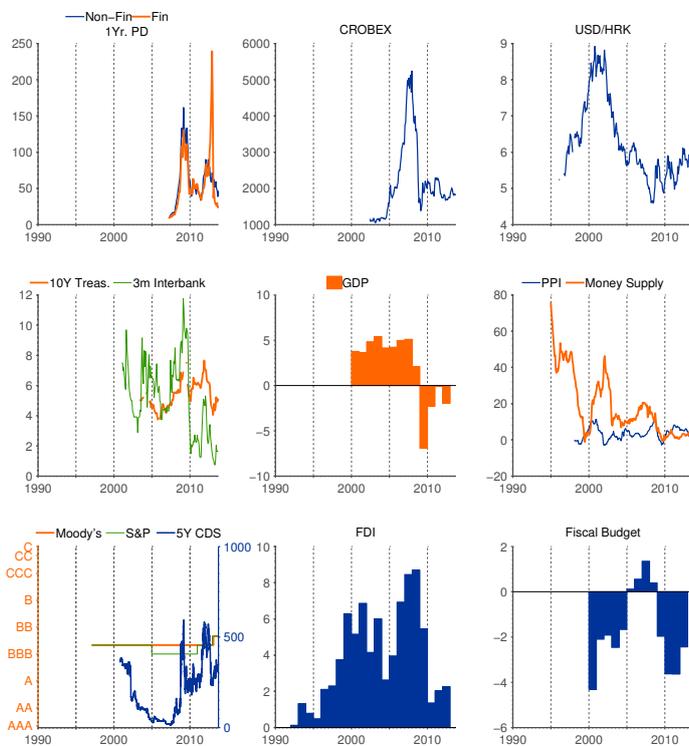
Chile	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	17.67	17.02	13.83	24.21	17.40
1Yr. PD, Fin.	30.71	27.15	24.43	14.41	30.40
IPSA	4230.4	4301.4	4432.1	4029.7	3823.8
CLP/USD	474.70	479.20	472.15	508.42	504.67
3m Treas. Yield (%)	5.54	4.75	5.17	5.19	4.99
10Y Treas. Yield (%)	5.37	5.51	5.99	5.33	5.24*
3m Interbank (%)	6.39	6.34	5.80	5.53	5.58
GDP (YoY%)	-	5.5	-	-	-
OECD CLI	99.26	99.45	99.50	99.62	99.51*
Money Supply (YoY%)	13.7	7.6	9.0	10.1	7.9*
Sov. Rating, Moody's	Aa3	Aa3	Aa3	Aa3	Aa3
Sov. Rating, S&P	A+	A+	A+	A+	AA-
5Y CDS (bps)	83.44	72.48	65.94	98.03	89.63
FDI (%GDP)	-	11.31	-	-	-



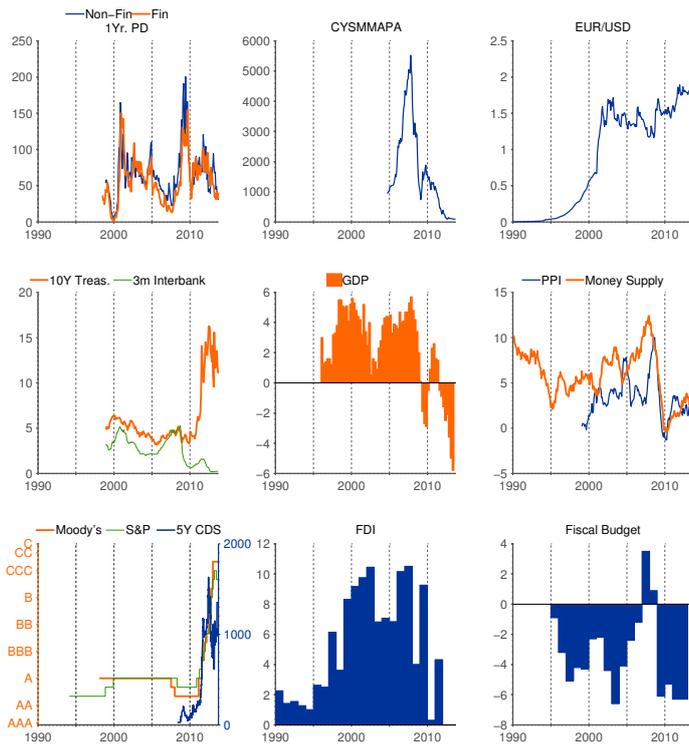
China	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	129.97	131.07	115.92	118.84	111.48
1Yr. PD, Fin.	132.94	121.32	121.41	120.90	115.61
SSE Composite	2086	2269	2237	1979	2175
USD/CNY	6.28	6.23	6.21	6.14	6.12
3m Treas. Yield (%)	2.70	2.72	2.70	2.57	3.59
10Y Treas. Yield (%)	3.45	3.59	3.59	3.61	4.07
3m Interbank (%)	3.69	3.90	3.88	5.44	4.67
GDP (YoY%)	7.4	7.9	7.7	7.5	-
OECD CLI	99.85	100.07	99.81	99.31	99.28*
PMI	49.8	50.6	50.9	50.1	51.1
PPI (YoY%)	-3.6	-1.9	-1.9	-2.7	-1.6*
Money Supply (YoY%)	14.8	13.8	15.7	14.0	14.7*
Sov. Rating, Moody's	Aa3	Aa3	Aa3	Aa3	Aa3
Sov. Rating, S&P	AA-	AA-	AA-	AA-	AA-
5Y CDS (bps)	79.3	59.3	71.3	138.3	86.5
FDI (%GDP)	-	3.03	-	-	-



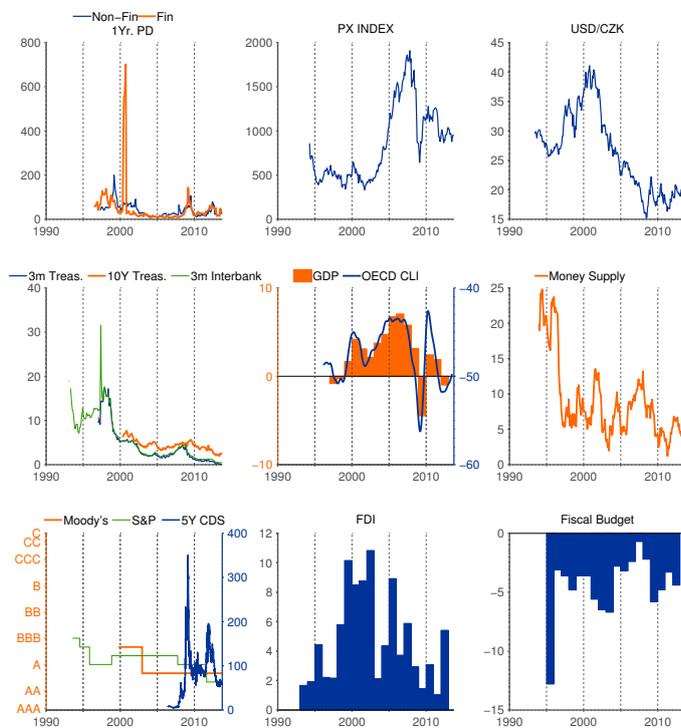
Colombia	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	9.54	8.20	7.17	11.02	7.53
1Yr. PD, Fin.	14.70	27.82	9.31	18.15	4.62
IGBC	5135	5679	5442	4905	5254
COP/USD	1800.53	1767.00	1825.00	1922.77	1906.00
3m Interbank (%)	5.54	4.59	4.53	3.97	4.02
GDP (YoY%)	-	4.2	-	-	-
PPI (YoY%)	0.1	-3.0	-1.9	-0.2	-1.3
Sov. Rating, Moody's	Ba1	Ba1	Ba1	Ba1	Baa3
Sov. Rating, S&P	BBB-	BBB-	BBB-	BBB-	BBB
5Y CDS (bps)	102.50	96.21	98.33	141.32	134.66
FDI (%GDP)	-	4.28	-	-	-
Fiscal Budget (%GDP)	-	-1.86	-	-	-



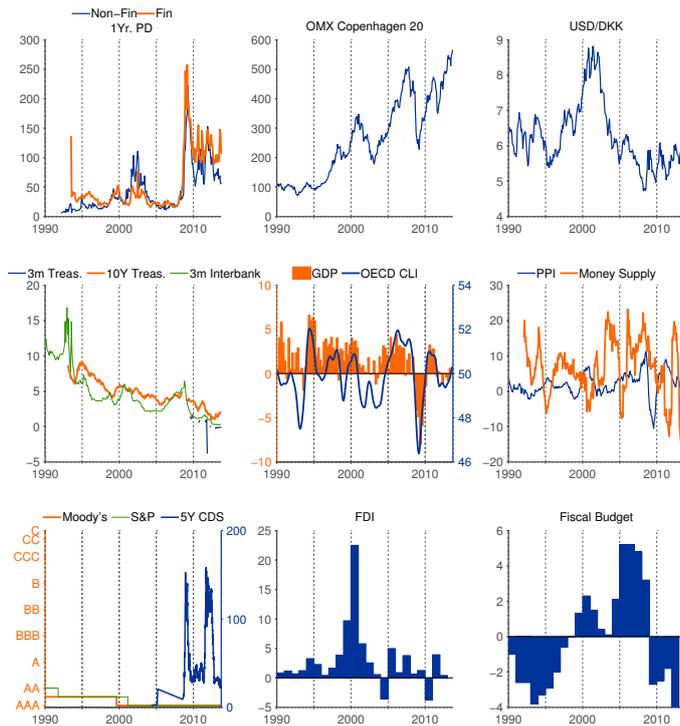
Croatia	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	59.36	66.03	51.08	49.67	46.70
1Yr. PD, Fin.	147.48	170.58	33.24	26.23	24.71
CROBEX	1715.2	1740.4	2007.9	1804.7	1810.5
USD/HRK	5.8	5.7	5.9	5.7	5.6
10Y Treas. Yield (%)	5.06	4.46	4.79	5.23	4.99
3m Interbank (%)	2.62	1.42	0.81	2.04	1.60
GDP (YoY%)	-	-2.0	-	-	-
PPI (YoY%)	6.20	4.90	1.60	-0.10	-1.80
Money Supply (YoY%)	2.13	3.15	4.36	3.44	3.82*
Sov. Rating, Moody's	Baa3	Baa3	Ba1	Ba1	Ba1
Sov. Rating, S&P	BBB-	BB+	BB+	BB+	BB+
5Y CDS (bps)	353.68	252.06	333.76	335.85	331.90
FDI (%GDP)	-	2.26	-	-	-
Fiscal Budget (%GDP)	-	-2.44	-	-	-



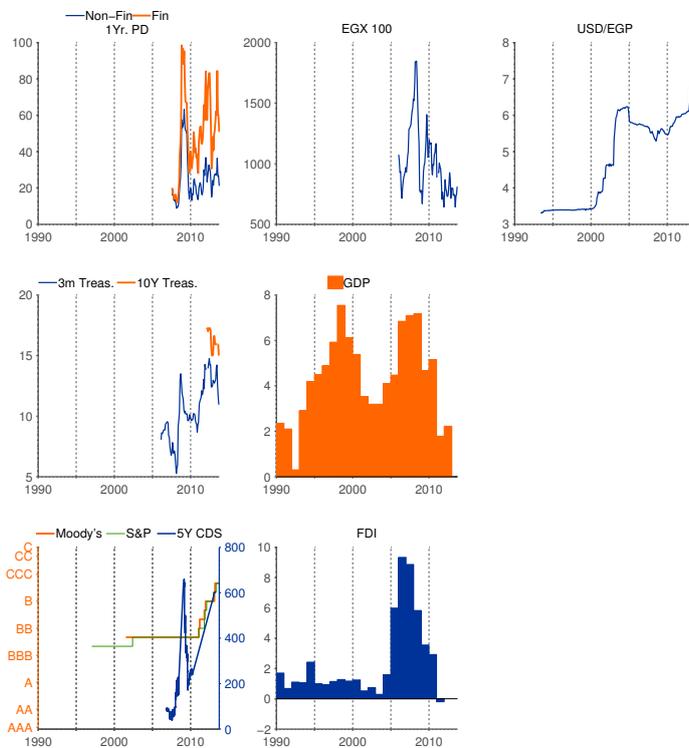
Cyprus	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	59.99	74.78	67.64	48.84	30.38
1Yr. PD, Fin.	74.78	52.01	34.27	32.27	40.46
CYSMMAPA	106	115	102	96	93
EUR/USD	1.29	1.32	1.28	-	-
10Y Treas. Yield (%)	13.70	14.12	15.57	13.13	11.13
3m Interbank (%)	0.22	0.19	0.21	0.22	0.23
GDP (YoY%)	-2.1	-3.6	-5.0	-5.8	-
PPI (YoY%)	2.40	1.40	2.40	1.20	0.40*
Money Supply (YoY%)	2.90	3.40	2.50	2.40	2.50*
Sov. Rating, Moody's	Ba3	B3	Caa3	Caa3	Caa3
Sov. Rating, S&P	BB	CCC+	CCC	CCC	CCC+
5Y CDS (bps)	974.13	1037.70	962.44	1008.29	1359.55*
Fiscal Budget (%GDP)	-	-6.30	-	-	-



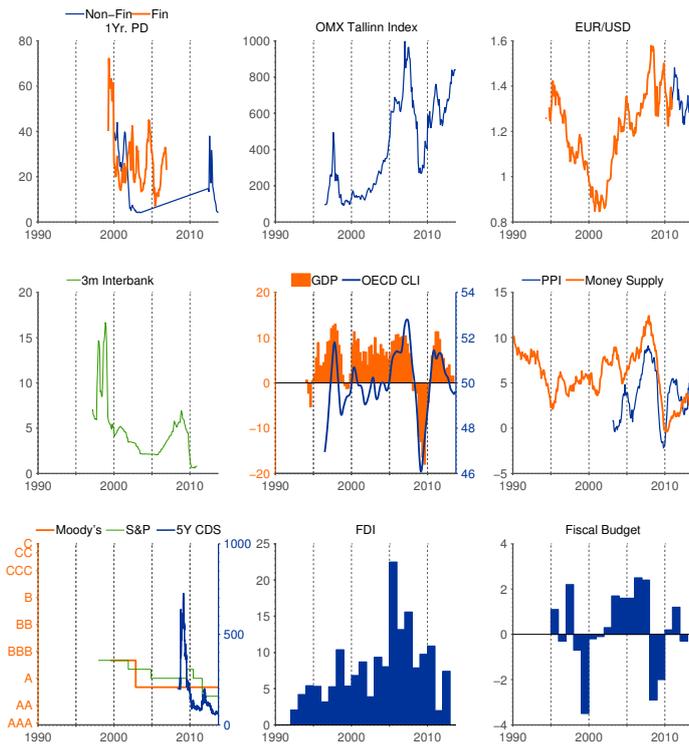
Czech Republic	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	22.18	21.38	14.55	46.87	26.08
1Yr. PD, Fin.	43.18	14.88	18.28	48.72	33.52
PX INDEX	953	1039	963	878	958
USD/CZK	20	19	20	20	19
3m Treas. Yield (%)	0.52	0.07	0.28	0.14	0.07
10Y Treas. Yield (%)	2.47	2.04	2.24	2.45	2.37
3m Interbank (%)	0.82	0.50	0.47	0.46	0.45
GDP (YoY%)	-	-1.0	-	-	-
OECD CLI	-1.39	-0.90	-0.54	0.26	-
Money Supply (YoY%)	5.36	4.52	4.51	4.27	4.87*
Sov. Rating, Moody's	A1	A1	A1	A1	A1
Sov. Rating, S&P	AA-	AA-	AA-	AA-	AA-
5Y CDS (bps)	90.7	67.3	63.4	63.8	60.2
FDI (%GDP)	-	5.41	-	-	-
Fiscal Budget (%GDP)	-	-4.40	-	-	-



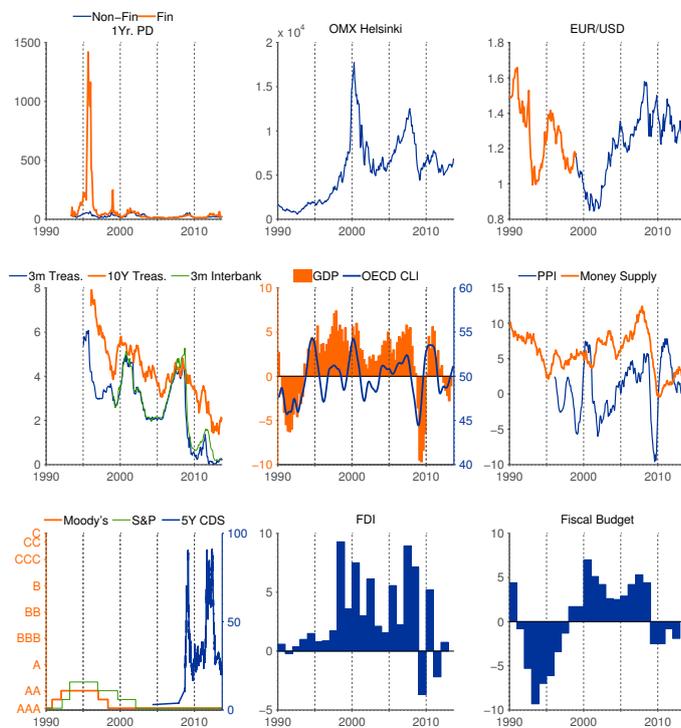
Denmark	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	68.08	69.79	69.45	66.52	57.20
1Yr. PD, Fin.	88.60	91.93	92.42	110.99	105.81
OMX Copenhagen 20	493	496	534	512	566
USD/DKK	5.80	5.66	5.82	5.73	5.51
3m Treas. Yield (%)	-	-0.30	-0.22	-0.11	-0.11
10Y Treas. Yield (%)	1.26	1.07	1.48	1.87	1.97
3m Interbank (%)	0.34	0.28	0.27	0.27	0.27
GDP (YoY%)	0.0	-0.4	-0.8	0.6	-
OECD CLI	99.36	99.53	99.68	100.01	100.32*
PPI (YoY%)	4.1	2.9	-0.4	0.6	-0.9*
Money Supply (YoY%)	11.3	2.0	-14.6	-17.8	-18.7*
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
5Y CDS (bps)	53.0	32.4	33.3	31.7	23.5
FDI (%GDP)	-	0.40	-	-	-
Fiscal Budget (%GDP)	-	-4.00	-	-	-



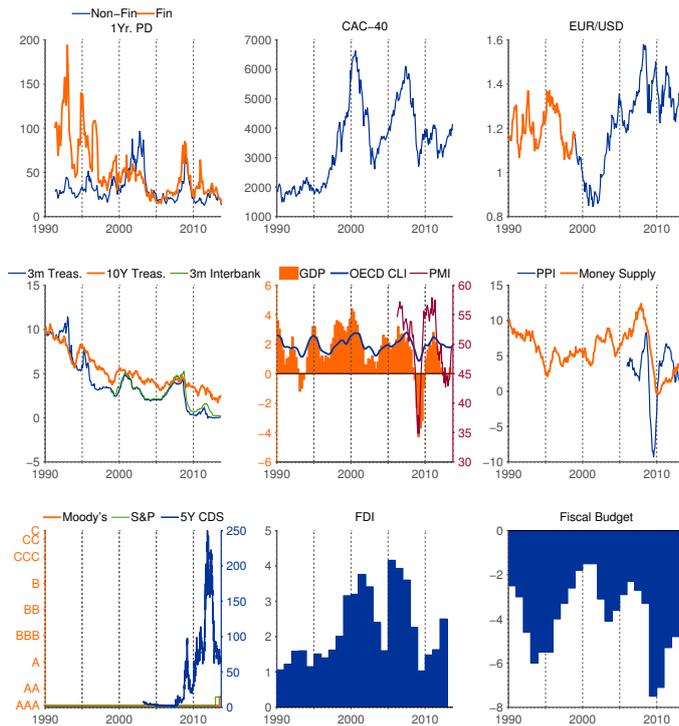
Egypt	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	15.00	21.55	27.84	36.35	21.11
1Yr. PD, Fin.	30.59	40.68	56.70	84.40	50.86
EGX 100	925.5	800.4	737.3	643.0	811.3
USD/EGP	6.10	6.36	6.80	7.02	6.89
3m Treas. Yield (%)	12.40	12.96	12.87	14.21	10.95
10Y Treas. Yield (%)	15.65	15.10	16.00	16.00*	15.00
GDP (YoY%)	-	2.22	-	-	-
Sov. Rating, Moody's	B2	B2	Caa1	Caa1	Caa1
Sov. Rating, S&P	B	B-	B-	CCC+	CCC+
5Y CDS (bps)	-	-	597.79*	606.28*	-



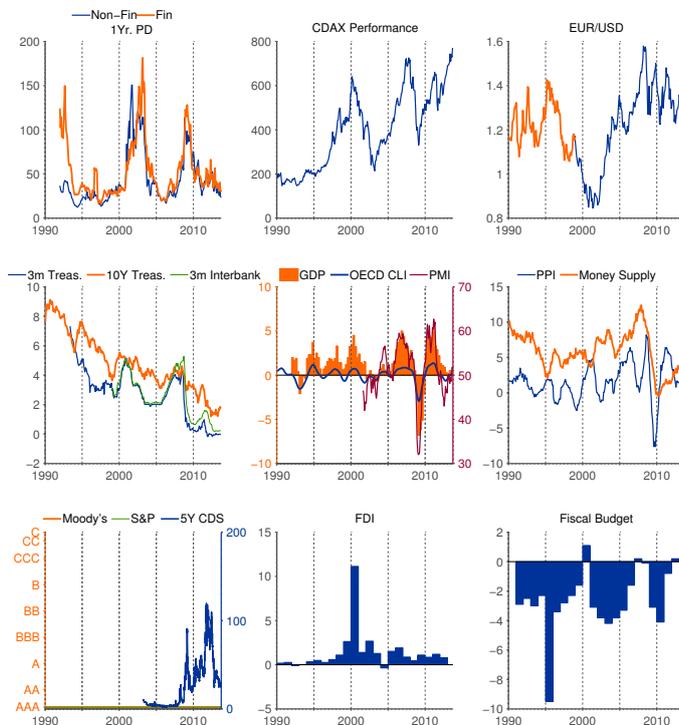
Estonia	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	17.19	15.82	9.80	4.92	4.28
OMX Tallinn Index	668	734	838	813	837
EUR/USD	1.29	1.32	1.28	-	-
GDP (YoY%)	3.3	4.0	1.5	1.5	-
OECD CLI	100.17	99.79	99.62	99.50	99.62*
PPI (YoY%)	2.0	2.1	5.0	6.0	3.4*
Money Supply (YoY%)	2.90	3.40	2.50	2.40	2.50*
Sov. Rating, Moody's	A1	A1	A1	A1	A1
Sov. Rating, S&P	AA-	AA-	AA-	AA-	AA-
5Y CDS (bps)	92.73	67.60	62.15	71.56	65.89
FDI (%GDP)	-	7.40	-	-	-
Fiscal Budget (%GDP)	-	-0.30	-	-	-



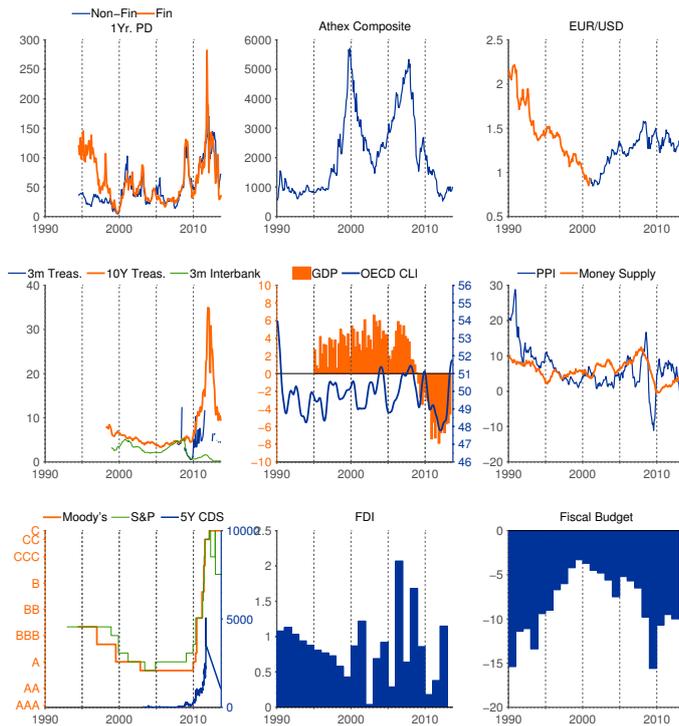
Finland	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	18.29	19.24	18.93	14.65	15.27
1Yr. PD, Fin.	28.59	29.98	34.24	18.78	17.54
OMX Helsinki	5465.6	5801.3	6137.7	5895.3	6864.4
EUR/USD	1.29	1.32	1.28	-	-
3m Treas. Yield (%)	0.04	0.05	0.13	0.26	0.21
10Y Treas. Yield (%)	1.73	1.53	1.55	2.00	2.00
3m Interbank (%)	0.22	0.19	0.21	0.22	0.23
GDP (YoY%)	-1.6	-2.2	-2.8	-1.1	-
OECD CLI	98.70	99.09	99.86	100.68	101.17*
PPI (YoY%)	1.7	1.5	0.0	0.2	-0.9*
Money Supply (YoY%)	2.9	3.4	2.5	2.4	2.5*
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
5Y CDS (bps)	41.85	29.64	31.56	22.59	21.68
FDI (%GDP)	-	0.74	-	-	-
Fiscal Budget (%GDP)	-	-1.90	-	-	-



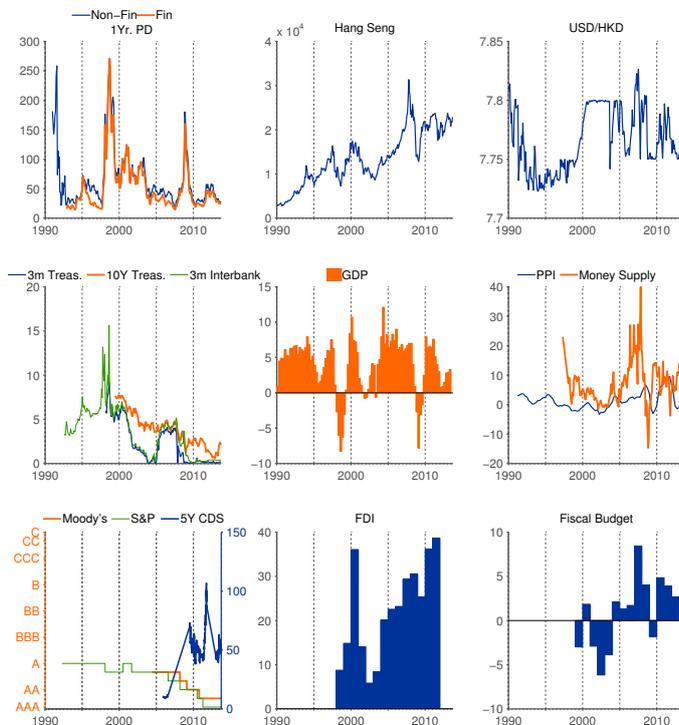
France	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	24.27	23.12	18.27	20.70	12.79
1Yr. PD, Fin.	25.23	30.73	25.76	20.04	15.04
CAC-40	3354.8	3641.1	3731.4	3738.9	4143.4
EUR/USD	1.29	1.32	1.28	-	-
3m Treas. Yield (%)	0.00	-0.01	0.01	0.03	0.06
10Y Treas. Yield (%)	2.18	2.00	2.02	2.35	2.32
3m Interbank (%)	0.22	0.19	0.21	0.22	0.23
GDP (YoY%)	0.0	-0.3	-0.5	0.4	-
OECD CLI	99.60	99.48	99.46	99.49	99.75*
PMI	42.7	44.6	44.0	48.4	49.8
PPI (YoY%)	2.8	1.7	1.8	0.1	-0.4*
Money Supply (YoY%)	2.9	3.4	2.5	2.4	2.5*
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aa1
Sov. Rating, S&P	AAA	AAA	AA+	AA+	AA+
5Y CDS (bps)	114.01	91.14	76.94	80.49	68.37
FDI (%GDP)	-	2.50	-	-	-
Fiscal Budget (%GDP)	-	-4.80	-	-	-



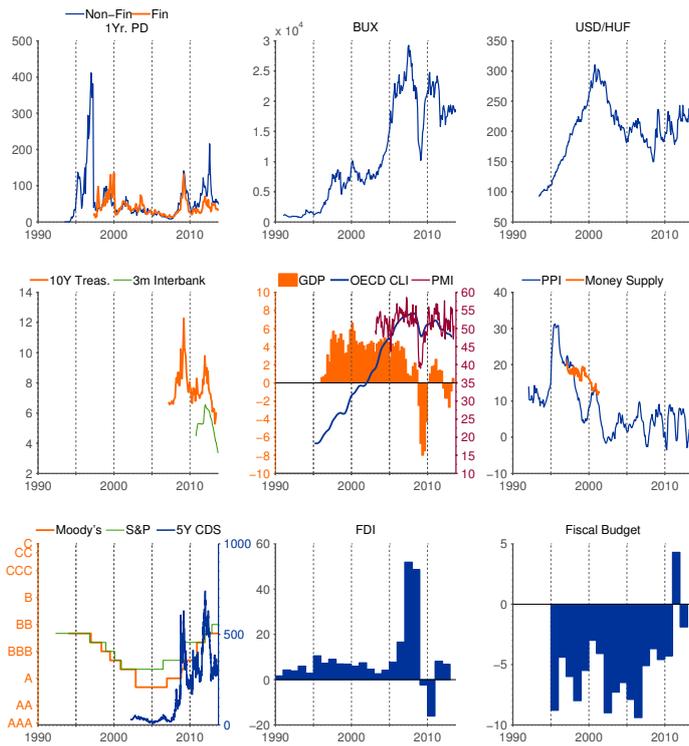
Germany	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	30.40	37.21	33.56	25.49	23.52
1Yr. PD, Fin.	38.36	38.42	39.41	31.67	31.20
CDAX Performance	635	673	696	711	771
EUR/USD	1.29	1.32	1.28	-	-
3m Treas. Yield (%)	-0.04	-0.05	-0.02	0.00	-0.01
10Y Treas. Yield (%)	1.44	1.32	1.29	1.73	1.78
3m Interbank (%)	0.22	0.19	0.21	0.22	0.23
GDP (YoY%)	0.9	0.3	-0.3	0.5	-
OECD CLI	98.71	99.10	99.74	100.15	100.44*
PMI	47.4	46.0	49.0	48.6	51.1
PPI (YoY%)	1.7	1.5	0.1	0.1	-0.5*
Money Supply (YoY%)	2.90	3.40	2.50	2.40	2.50*
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
5Y CDS (bps)	54.1	39.6	36.9	32.3	24.3
FDI (%GDP)	-	0.80	-	-	-
Fiscal Budget (%GDP)	-	0.20	-	-	-



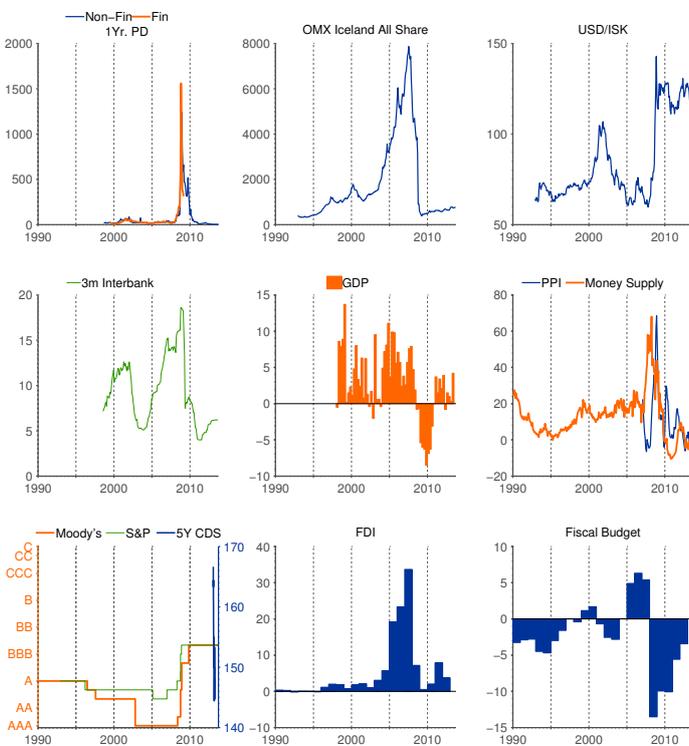
Greece	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	132.20	129.44	79.89	58.43	71.55
1Yr. PD, Fin.	110.90	56.61	105.55	28.73	36.61
Athex Composite	739	908	869	848	1014
EUR/USD	1.29	1.32	1.28	-	-
3m Treas. Yield (%)	6.43*	6.40	4.88	4.46*	4.36
10Y Treas. Yield (%)	19.49	11.90	12.44	10.98	9.32
3m Interbank (%)	0.22	0.19	0.21	0.22	0.23
GDP (YoY%)	-6.7	-5.7	-5.6	-4.6	-
OECD CLI	98.32	99.01	100.59	101.61	101.78*
PPI (YoY%)	5.1	2.1	-1.3	0.8	-1.8*
Money Supply (YoY%)	2.9	3.4	2.5	2.4	2.5*
Sov. Rating, Moody's	C	C	C	C	C
Sov. Rating, S&P	CCC	B-	B-	B-	B-
5Y CDS (bps)	-	-	-	-	1064.5
FDI (%GDP)	-	1.15	-	-	-
Fiscal Budget (%GDP)	-	-10.00	-	-	-



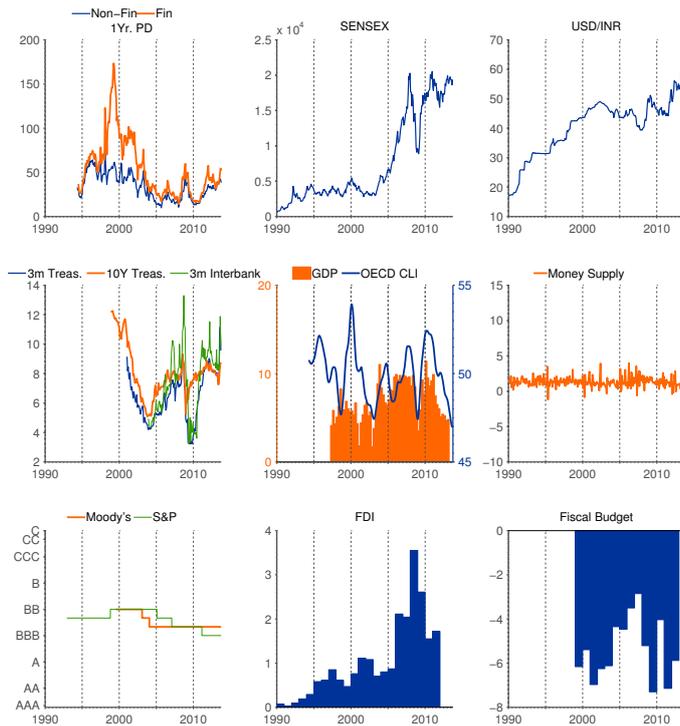
Hong Kong	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	42.89	35.15	29.62	28.54	27.15
1Yr. PD, Fin.	36.07	30.76	29.32	24.48	24.75
Hang Seng	20840	22657	22300	20803	22860
USD/HKD	7.75	7.75	7.76	7.76	7.76
3m Treas. Yield (%)	0.26	0.06	0.06	0.13	0.17
10Y Treas. Yield (%)	0.76	0.63	1.17	2.05	2.11
3m Interbank (%)	0.40	0.40	0.38	0.38	0.39
GDP (YoY%)	1.5	2.8	2.9	3.3	-
PPI (YoY%)	-1.4	-1.0	0.6	-2.4	-
Money Supply (YoY%)	10.9	12.1	9.2	9.7	8.1*
Sov. Rating, Moody's	Aa1	Aa1	Aa1	Aa1	Aa1
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
5Y CDS (bps)	-	-	48.35	63.16	46.67
Fiscal Budget (%GDP)	-	2.65	-	-	-



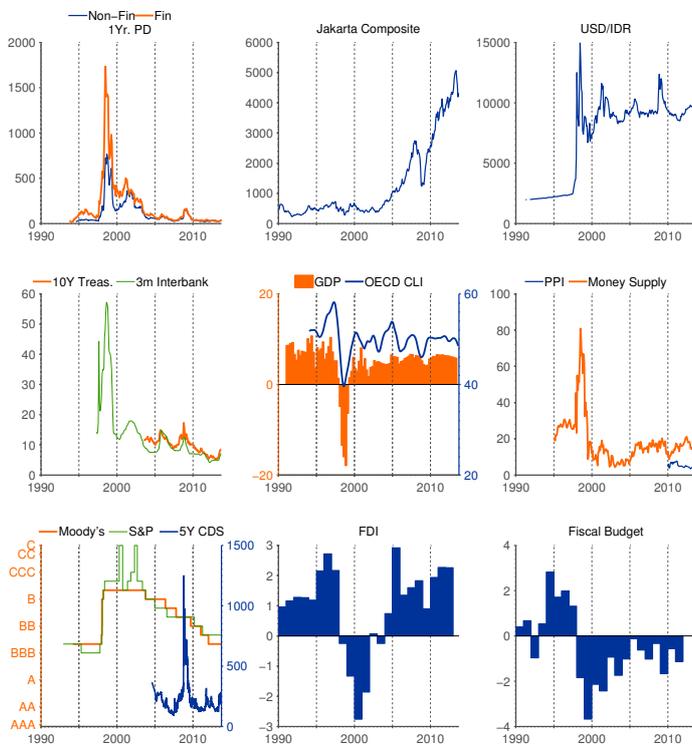
Hungary	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	102.85	56.00	53.23	54.32	48.49
1Yr. PD, Fin.	28.55	49.59	49.64	34.62	31.30
BUX	18589	18173	17857	19024	18663
USD/HUF	222	221	237	227	220
10Y Treas. Yield (%)	7.26	6.09	6.27	6.05	-
3m Interbank (%)	5.72	5.22	4.60	4.05	3.35
GDP (YoY%)	-1.7	-2.7	-0.9	0.5	-
OECD CLI	98.51	98.26	97.61	-	-
PMI	52.4	49.1	55.5	50.8	-
PPI (YoY%)	2.5	-1.8	2.2	0.6	2.4*
Sov. Rating, Moody's	Ba1	Ba1	Ba1	Ba1	Ba1
Sov. Rating, S&P	BB+	BB	BB	BB	BB
5Y CDS (bps)	386.7	279.5	383.3	318.5	277.9
FDI (%GDP)	-	6.77	-	-	-
Fiscal Budget (%GDP)	-	-1.90	-	-	-



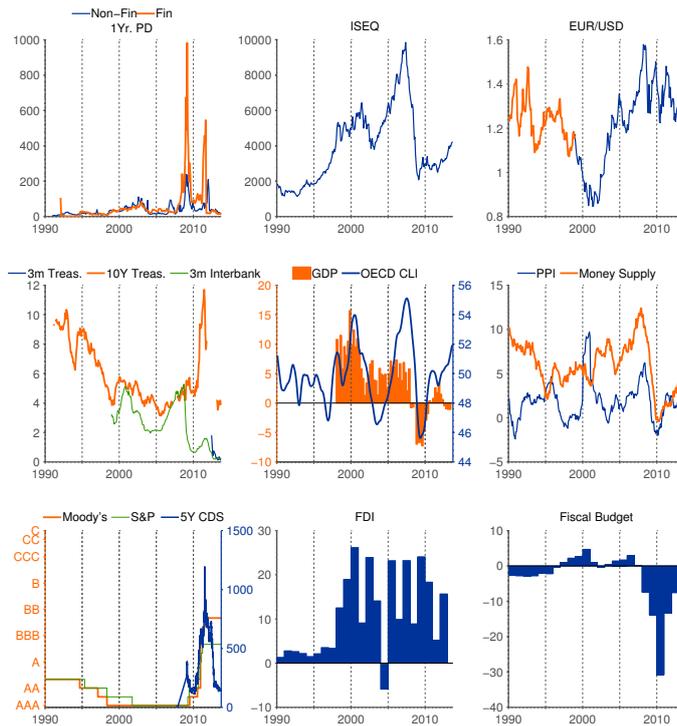
Iceland	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	5.07	3.37	2.39	2.24	1.93
OMX Iceland All Share	646	678	781	731	765
USD/ISK	124.20	128.02	123.65	123.94	120.38
3m Interbank (%)	5.75	6.15	6.20	6.20	6.20
GDP (YoY%)	1.5	1.0	0.3	4.2	-
PPI (YoY%)	-3.7	1.2	-4.4	-6.0	-3.0*
Money Supply (YoY%)	-4.7	-2.7	0.5	2.2*	-
Sov. Rating, Moody's	Baa3	Baa3	Baa3	Baa3	Baa3
Sov. Rating, S&P	BBB-	BBB-	BBB-	BBB-	BBB-
5Y CDS (bps)	-	-	153.30	144.64*	-
FDI (%GDP)	-	3.75	-	-	-
Fiscal Budget (%GDP)	-	-3.43	-	-	-



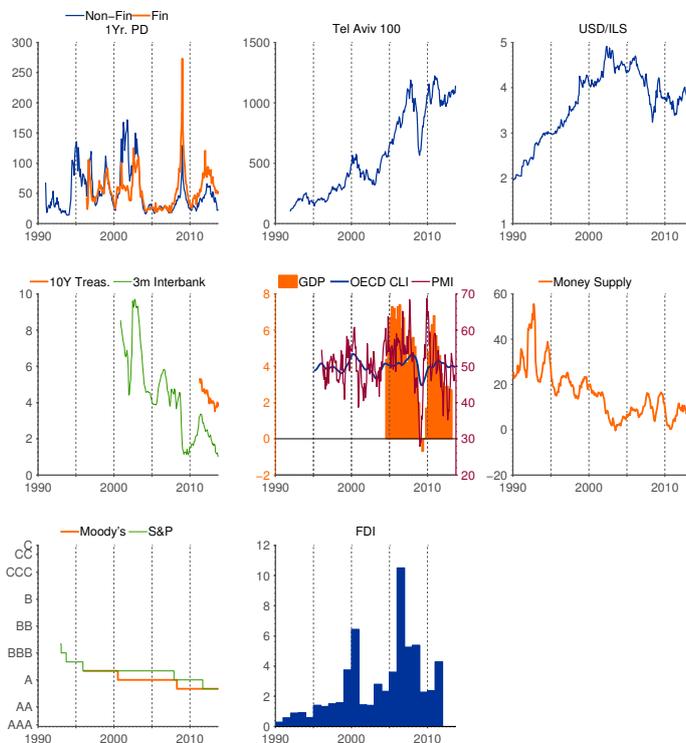
India	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	31.59	29.72	39.74	38.39	38.47
1Yr. PD, Fin.	39.48	31.42	39.49	40.59	52.16
SENSEX	18762.7	19426.7	18835.8	19395.8	19379.8
USD/INR	52.86	54.99	54.28	59.39	62.62
3m Treas. Yield (%)	8.08	8.18	8.02	7.49	9.57
10Y Treas. Yield (%)	8.15	8.05	7.96	7.46	8.76
3m Interbank (%)	8.57	8.72	8.25	8.25	9.88
GDP (YoY%)	5.2	4.7	4.8	-	-
OECD CLI	98.76	98.53	97.97	97.25	96.95*
Money Supply (YoY%)	0.80	1.02	0.94	2.35	-8.80
Sov. Rating, Moody's	Baa3	Baa3	Baa3	Baa3	Baa3
Sov. Rating, S&P	BBB	BBB	BBB	BBB	BBB
Fiscal Budget (%GDP)	-	-5.88	-	-	-



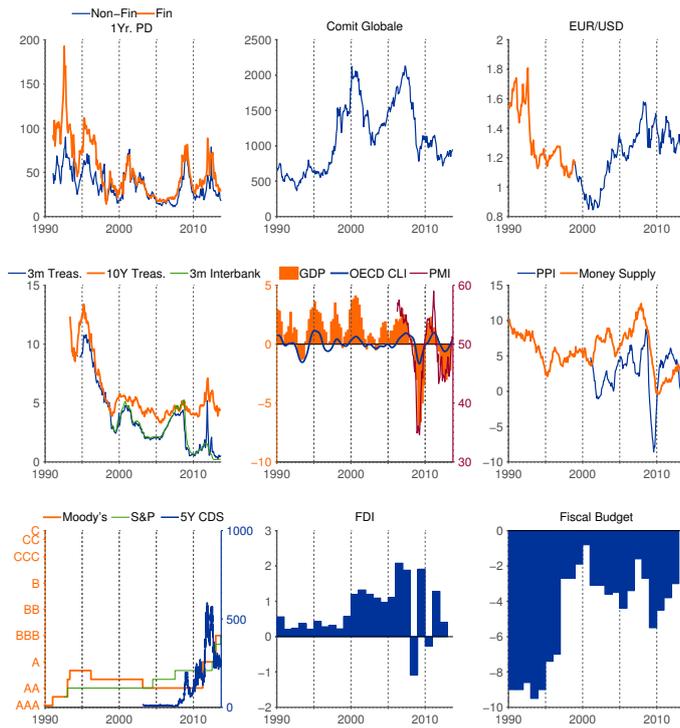
Indonesia	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	29.62	32.03	25.24	27.18	35.06
1Yr. PD, Fin.	27.66	26.55	20.73	24.78	38.35
Jakarta Composite	4263	4317	4941	4819	4316
USD/IDR	9591.00	9793.00	9735.00	10004.00	11406.00
10Y Treas. Yield (%)	5.97	5.19	5.57	7.13	8.50
3m Interbank (%)	4.92	5.02	4.90	5.36	7.16
GDP (YoY%)	6.2	6.1	6.0	5.8	-
OECD CLI	99.88	100.21	100.08	99.29	98.52*
PPI (YoY%)	4.3	3.4	4.0	3.8	6.8
Money Supply (YoY%)	18.34	14.96	14.01	11.81	12.86*
Sov. Rating, Moody's	Baa3	Baa3	Baa3	Baa3	Baa3
Sov. Rating, S&P	BB+	BB+	BB+	BB+	BB+
5Y CDS (bps)	166.75	123.97	161.36	208.01	285.57*
FDI (%GDP)	-	2.26	-	-	-



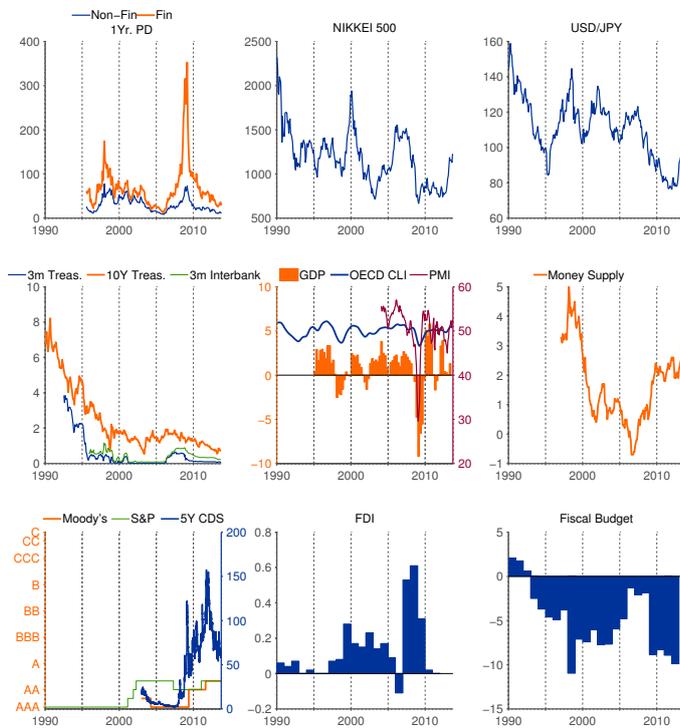
Ireland	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	27.36	42.46	29.13	23.40	16.14
1Yr. PD, Fin.	29.06	31.74	15.19	18.69	12.06
ISEQ	3278	3397	3958	3963	4238
EUR/USD	1.29	1.32	1.28	-	-
3m Treas. Yield (%)	0.72	0.53	0.29	0.34	0.25
10Y Treas. Yield (%)	-	-	4.22	4.11	3.88
3m Interbank (%)	0.22	0.19	0.21	0.22	0.23
GDP (YoY%)	-0.50	-1.00	-1.10	-1.10	-
OECD CLI	100.46	100.58	100.91	101.56	101.94*
PPI (YoY%)	1.4	1.8	2.4	3.4	4.2*
Money Supply (YoY%)	2.90	3.40	2.50	2.40	2.50*
Sov. Rating, Moody's	Ba1	Ba1	Ba1	Ba1	Ba1
Sov. Rating, S&P	BBB+	BBB+	BBB+	BBB+	BBB+
5Y CDS (bps)	318.87	220.00	190.00	164.99	142.16
FDI (%GDP)	-	15.66	-	-	-
Fiscal Budget (%GDP)	-	-7.60	-	-	-



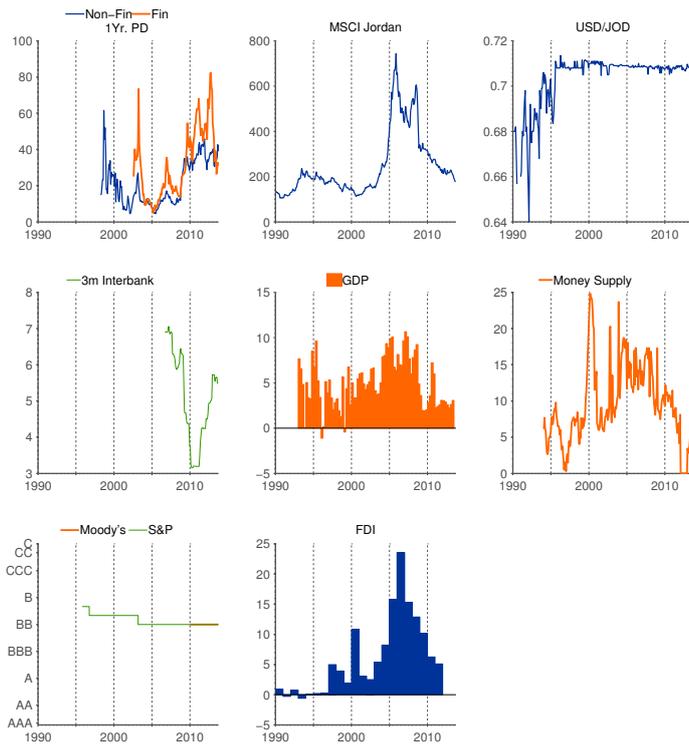
Israel	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	48.05	52.43	35.04	33.11	22.10
1Yr. PD, Fin.	88.97	77.02	59.68	54.76	53.85
Tel Aviv 100	1055	1049	1100	1071	1143
USD/ILS	3.92	3.73	3.65	3.64	3.52
10Y Treas. Yield (%)	4.21	3.98	3.92	3.79	3.77
3m Interbank (%)	2.21	1.69	1.70	1.20	1.00
GDP (YoY%)	2.9	2.7	2.7	-	-
OECD CLI	99.75	99.91	100.19	99.97	99.77*
PMI	38.0	44.1	51.8	46.0	47.6*
Money Supply (YoY%)	8.69	7.89	7.00	5.82	-
Sov. Rating, Moody's	A1	A1	A1	A1	A1
Sov. Rating, S&P	A+	A+	A+	A+	A+



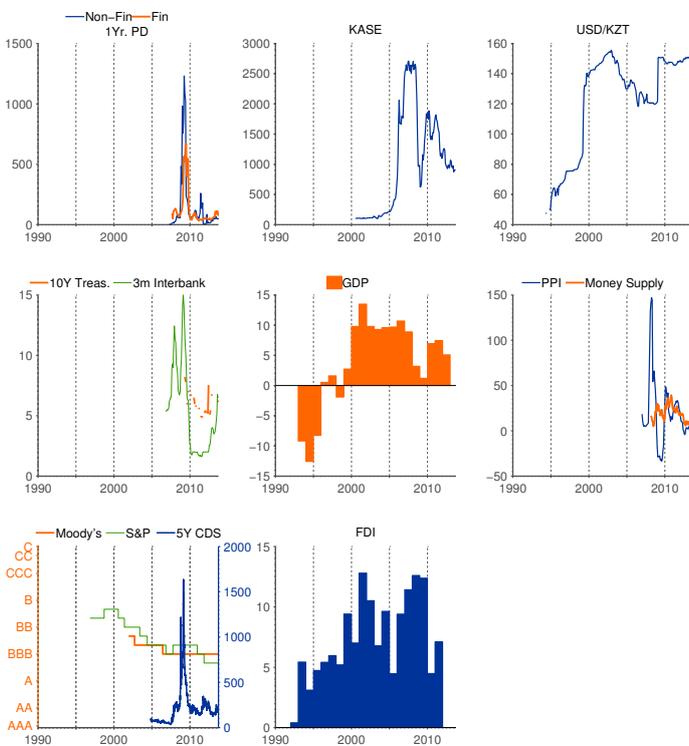
Italy	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	29.02	27.64	23.43	31.19	17.73
1Yr. PD, Fin.	51.93	46.44	36.17	31.94	29.65
Comit Globale	825	873	851	849	950
EUR/USD	1.29	1.32	1.28	-	-
3m Treas. Yield (%)	0.90	0.54	0.46	0.58	0.54
10Y Treas. Yield (%)	5.09	4.50	4.76	4.54	4.43
3m Interbank (%)	0.22	0.19	0.21	0.22	0.23
GDP (YoY%)	-2.8	-3.0	-2.5	-2.2	-
OECD CLI	98.77	99.05	99.54	100.24	100.72*
PMI	45.7	46.7	44.5	49.1	50.8
PPI (YoY%)	4.2	2.4	0.0	-0.7	-2.3*
Money Supply (YoY%)	2.9	3.4	2.5	2.4	2.5*
Sov. Rating, Moody's	A2	A2	Baa2	Baa2	Baa2
Sov. Rating, S&P	A	A	BBB+	BBB+	BBB
5Y CDS (bps)	356.20	278.28	304.50	280.53	268.01
FDI (%GDP)	-	0.40	-	-	-
Fiscal Budget (%GDP)	-	-3.00	-	-	-



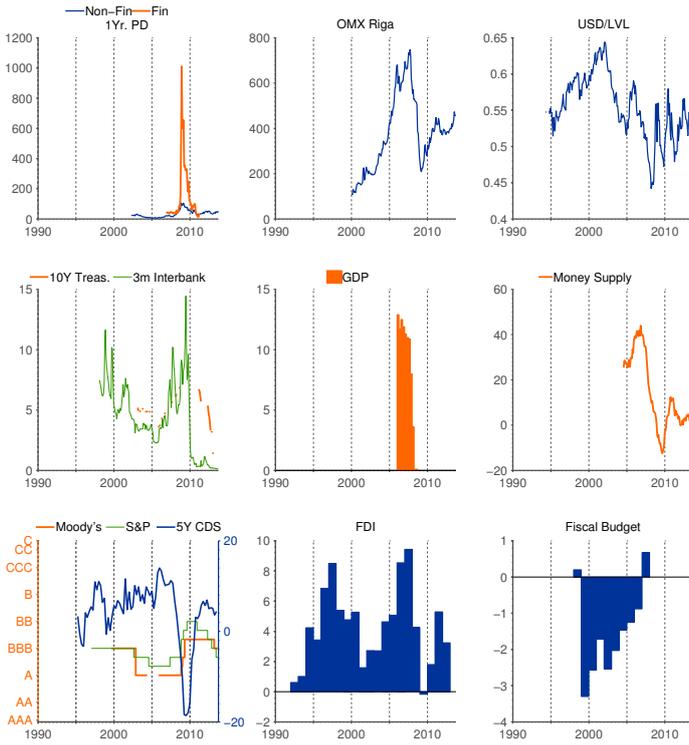
Japan	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	18.82	12.88	10.51	13.74	10.41
1Yr. PD, Fin.	39.96	32.72	26.20	31.23	28.37
NIKKEI 500	782	870	1064	1157	1227
USD/JPY	77.96	86.75	94.22	99.14	98.27
3m Treas. Yield (%)	0.10	0.10	0.04	0.10	0.04
10Y Treas. Yield (%)	0.78	0.79	0.55	0.85	0.69
3m Interbank (%)	0.33	0.31	0.25	0.23	0.23
GDP (YoY%)	0.4	0.3	0.1	1.3	-
OECD CLI	99.71	99.93	100.59	100.98	100.96*
PMI	48.0	45.0	50.4	52.3	52.5
Money Supply (YoY%)	2.1	2.2	2.5	3.1	3.1
Sov. Rating, Moody's	Aa3	Aa3	Aa3	Aa3	Aa3
Sov. Rating, S&P	AA-	AA-	AA-	AA-	AA-
5Y CDS (bps)	84.57	76.28	74.56	78.12	62.38
Fiscal Budget (%GDP)	-	-9.89	-	-	-



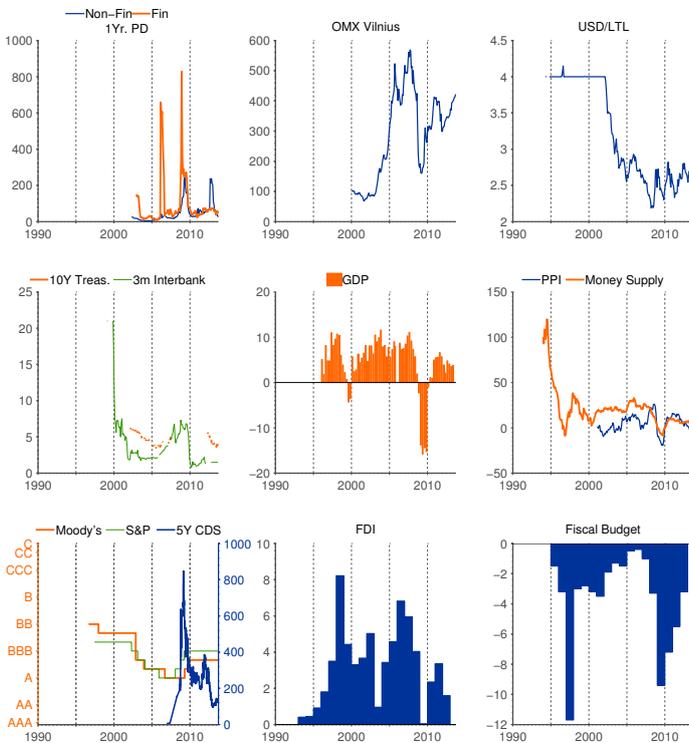
Jordan	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	37.37	39.75	30.51	34.20	39.10
1Yr. PD, Fin.	82.36	54.38	33.46	26.56	31.35
MSCI Jordan	216	220	219	195	177
USD/JOD	0.71	0.71	0.71	0.71	0.71
3m Interbank (%)	4.99	5.73	5.72	5.65	5.48
GDP (YoY%)	2.6	2.2	2.6	3.1	-
Money Supply (YoY%)	0.00	3.43	3.99	5.99	8.13*
Sov. Rating, Moody's	Ba2	Ba2	Ba2	Ba2	Ba2
Sov. Rating, S&P	BB	BB	BB	BB	BB



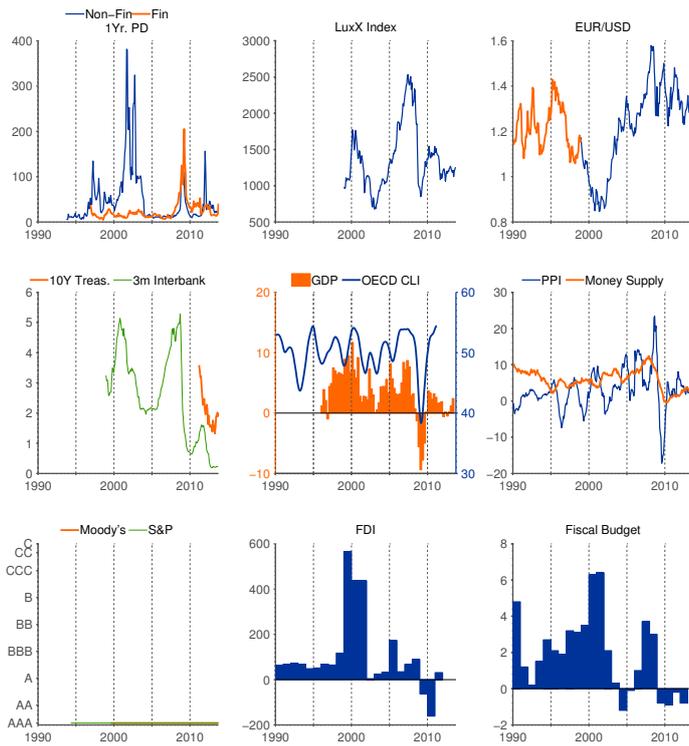
Kazakhstan	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	18.40	28.62	44.58	48.99	44.68
1Yr. PD, Fin.	40.15	54.77	60.93	87.17	71.15
KASE	976	970	963	874	900
USD/KZT	149.89	150.44	150.92	151.80	153.82
10Y Treas. Yield (%)	5.44	6.71*	-	-	6.20
3m Interbank (%)	3.00	4.00	3.50	4.50	6.50
GDP (YoY%)	-	5.1	-	-	-
PPI (YoY%)	1.3	2.1	0.6	-3.7	1.8
Money Supply (YoY%)	5.90	7.27	7.56	7.68	2.23*
Sov. Rating, Moody's	Baa2	Baa2	Baa2	Baa2	Baa2
Sov. Rating, S&P	BBB+	BBB+	BBB+	BBB+	BBB+
5Y CDS (bps)	175.00	142.61	169.53	207.97	184.82



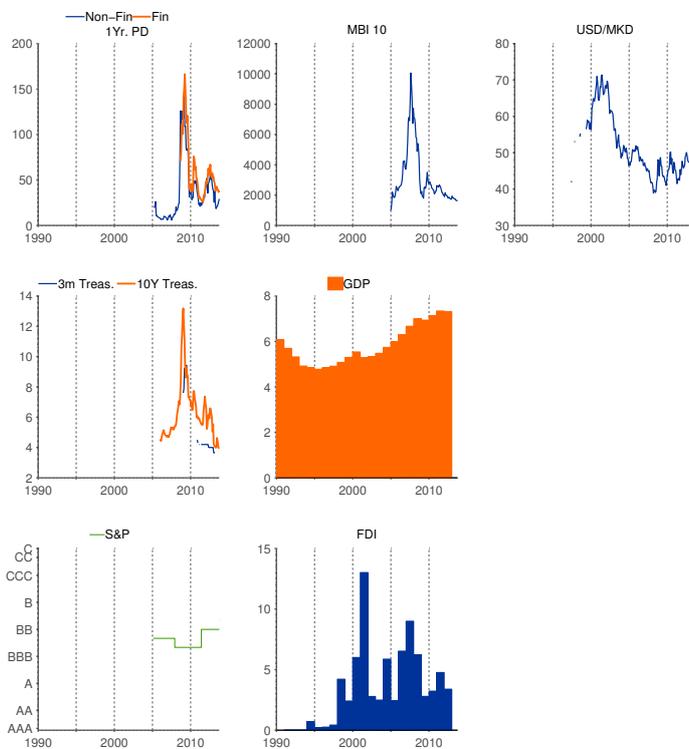
Latvia	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	38.62	32.34	40.34	42.70	45.29
OMX Riga	385	396	420	435	454
USD/LVL	0.54	0.53	0.55	0.54	0.52
10Y Treas. Yield (%)	3.30	3.20*	1.42*	-	-
3m Interbank (%)	0.17	0.20	0.18	0.15	0.10
Money Supply (YoY%)	1.92	3.77	2.06	1.20	-0.23*
Sov. Rating, Moody's	Baa3	Baa3	Baa2	Baa2	Baa2
Sov. Rating, S&P	BBB-	BBB	BBB	BBB+	BBB+
5Y CDS (bps)	5.20	5.10	3.60	4.40	-
FDI (%GDP)	-	3.24	-	-	-



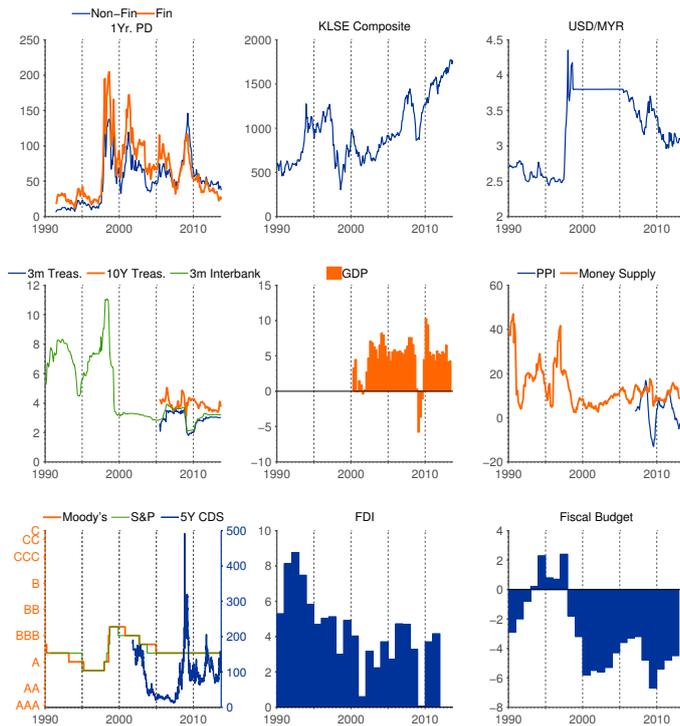
Lithuania	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	215.52	203.19	58.61	37.91	27.15
1Yr. PD, Fin.	62.79	72.72	57.17	56.89	45.01
OMX Vilnius	344	355	394	404	422
USD/LTL	2.68	2.62	2.69	2.65	2.55
10Y Treas. Yield (%)	4.88*	4.12*	4.05	3.62	4.02
3m Interbank (%)	-	1.48	1.48	1.48	1.48
GDP (YoY%)	4.8	4.1	3.5	3.8	-
PPI (YoY%)	5.6	2.0	-2.2	-0.1	-3.9
Money Supply (YoY%)	5.70	7.20	8.20	5.10	4.20*
Sov. Rating, Moody's	Baa1	Baa1	Baa1	Baa1	Baa1
Sov. Rating, S&P	BBB	BBB	BBB	BBB	BBB
5Y CDS (bps)	175.56	105.16	117.81	132.45	124.98
FDI (%GDP)	-	1.60	-	-	-
Fiscal Budget (%GDP)	-	-3.20	-	-	-



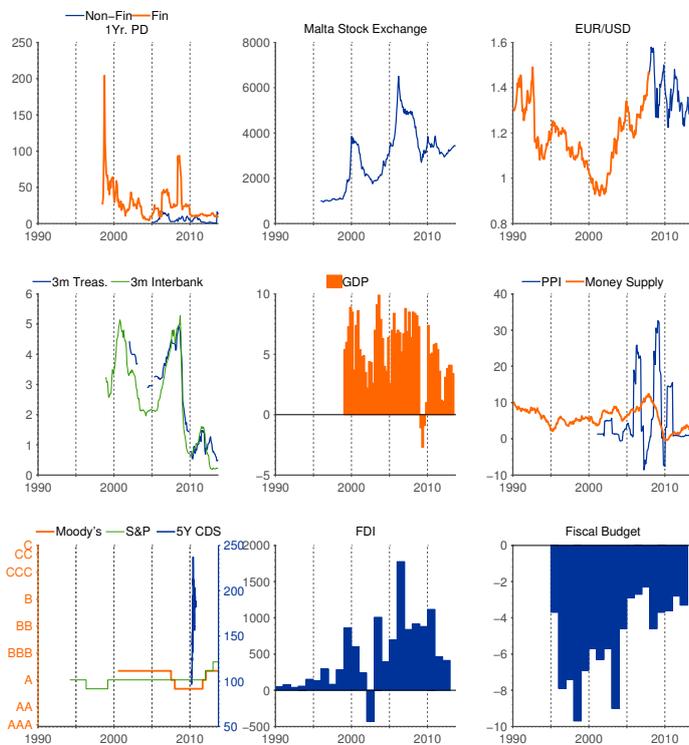
Luxembourg	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	36.67	37.51	19.96	21.01	18.63
1Yr. PD, Fin.	16.04	14.59	15.76	13.29	40.55
LuxX Index	1205	1248	1201	1126	1256
EUR/USD	1.29	1.32	1.28	-	-
10Y Treas. Yield (%)	1.57	1.38	1.52	1.90	1.90
3m Interbank (%)	0.22	0.19	0.21	0.22	0.23
GDP (YoY%)	-0.5	0.2	1.2	2.4	-
PPI (YoY%)	1.8	3.6	2.1	0.5	0.1*
Money Supply (YoY%)	2.90	3.40	2.50	2.40	2.50*
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
Fiscal Budget (%GDP)	-	-0.80	-	-	-



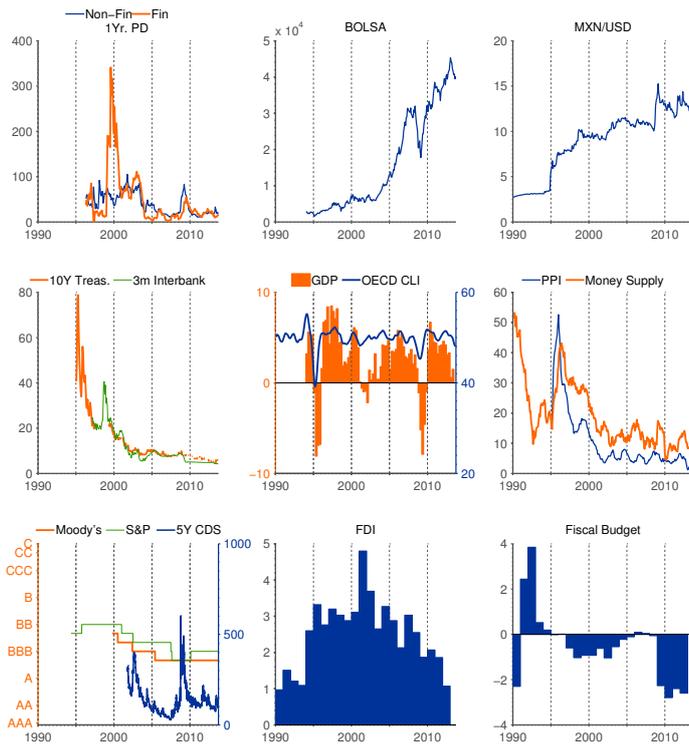
Macedonia	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	52.55	38.17	23.43	20.72	29.19
1Yr. PD, Fin.	52.95	53.47	38.19	40.08	38.52
MBI 10	1822	1731	1789	1742	1634
USD/MKD	47.80	47.17	47.93	47.15	45.44
3m Treas. Yield (%)	4.00	4.00	3.65	-	-
10Y Treas. Yield (%)	6.27	5.53	4.04	4.63	3.92
GDP (YoY%)	-	7.3	-	-	-
Sov. Rating, S&P	BB	BB	BB	BB	BB-
FDI (%GDP)	-	3.38	-	-	-



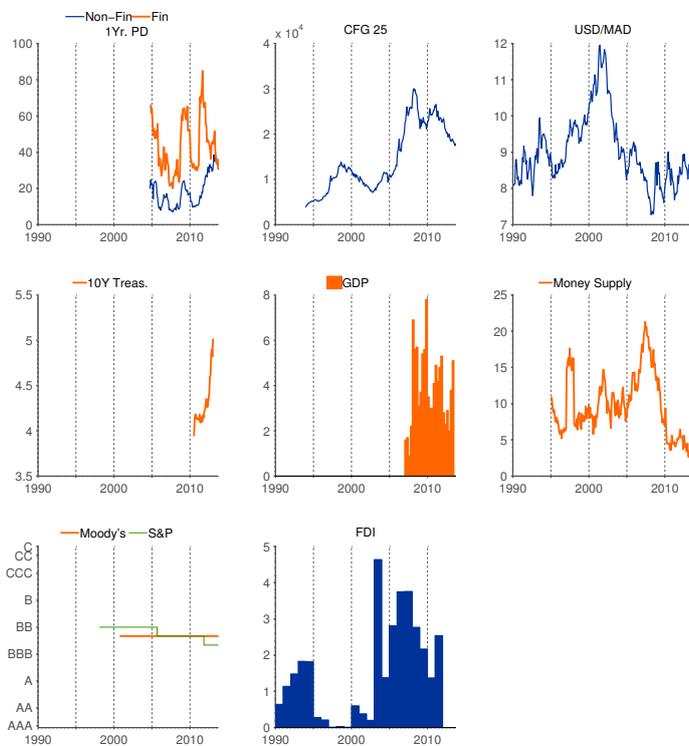
Malaysia	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	44.86	45.53	47.28	43.33	37.29
1Yr. PD, Fin.	38.39	34.24	30.67	25.12	24.03
KLSE Composite	1637	1689	1672	1774	1769
USD/MYR	3.06	3.06	3.09	3.16	3.26
3m Treas. Yield (%)	3.03	3.04	3.04	3.01	3.00
10Y Treas. Yield (%)	3.55	3.50	3.47	3.63	3.74
3m Interbank (%)	3.20	3.21	3.21	3.20	3.21
GDP (YoY%)	5.3	6.5	4.1	4.3	-
PPI (YoY%)	-1.3	-5.0	-4.2	-2.7	-2.6*
Money Supply (YoY%)	12.68	8.96	9.10	8.54	8.28*
Sov. Rating, Moody's	A3	A3	A3	A3	A3
Sov. Rating, S&P	A-	A-	A-	A-	A-
5Y CDS (bps)	95.27	70.40	86.04	118.56	104.83
Fiscal Budget (%GDP)	-	-4.50	-	-	-



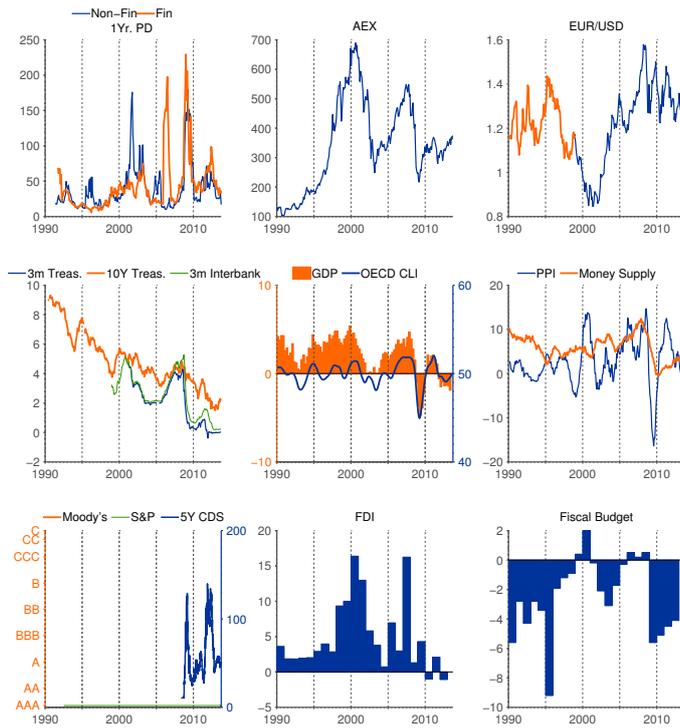
Malta	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	1.25	1.08	0.81	0.66	13.11
1Yr. PD, Fin.	11.76	14.58	9.51	10.28	8.79
Malta Stock Exchange	3136	3212	3323	3417	3418
EUR/USD	1.29	1.32	1.28	-	-
3m Treas. Yield (%)	1.27	0.85	0.71	0.59	0.50
3m Interbank (%)	0.22	0.19	0.21	0.22	0.23
GDP (YoY%)	3.8	4.1	4.1	3.4	-
PPI (YoY%)	1.1	0.9	0.8	0.7	0.4*
Money Supply (YoY%)	2.90	3.40	2.50	2.40	2.50*
Sov. Rating, Moody's	A3	A3	A3	A3	A3
Sov. Rating, S&P	A-	A-	BBB+	BBB+	BBB+
FDI (%GDP)	-	411.70	-	-	-
Fiscal Budget (%GDP)	-	-3.30	-	-	-



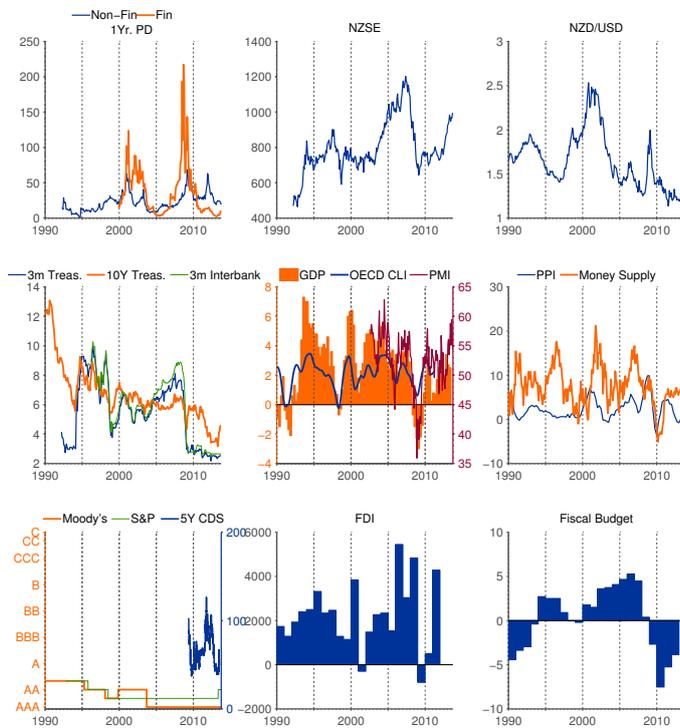
Mexico	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	18.75	18.04	20.80	19.30	20.25
1Yr. PD, Fin.	20.17	18.55	9.61	11.34	14.45
BOLSA	40867	43706	44077	40623	40185
MXN/USD	12.86	12.85	12.33	12.93	13.09
10Y Treas. Yield (%)	5.44	5.52*	5.03*	6.20	5.93*
3m Interbank (%)	4.82	4.87	4.35	4.33	4.03
GDP (YoY%)	3.1	3.3	0.6	1.5	-
OECD CLI	100.58	100.51	100.13	98.74	98.04*
PPI (YoY%)	4.3	1.2	1.7	1.1	0.9
Money Supply (YoY%)	11.00	8.30	8.40	6.20	7.60*
Sov. Rating, Moody's	Baa1	Baa1	Baa1	Baa1	Baa1
Sov. Rating, S&P	BBB	BBB	BBB	BBB	BBB
5Y CDS (bps)	101.17	97.82	97.17	131.49	123.32
FDI (%GDP)	-	1.07	-	-	-
Fiscal Budget (%GDP)	-	-2.60	-	-	-



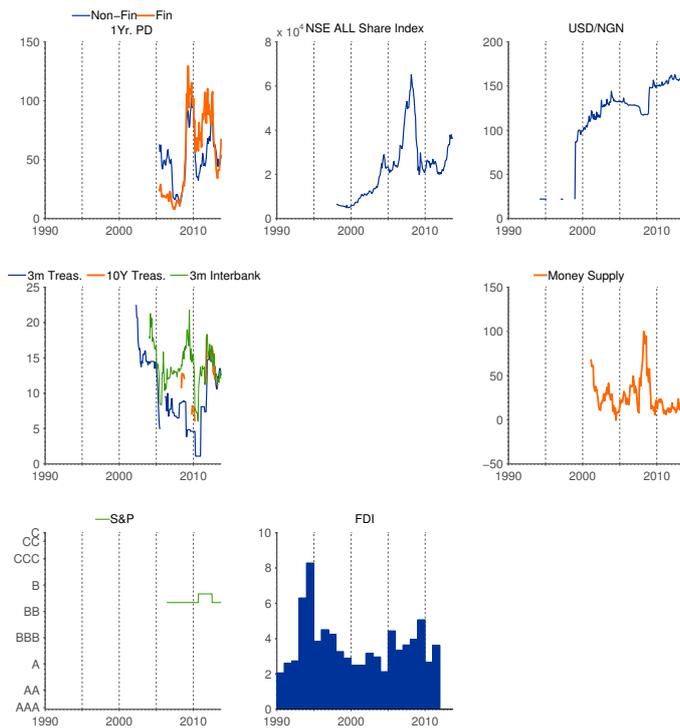
Morocco	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	31.29	29.93	34.97	35.23	30.29
1Yr. PD, Fin.	36.17	45.90	51.60	33.91	30.73
CFG 25	19340	19143	18596	18206	17966
USD/MAD	8.63	8.46	8.66	8.56	8.28
10Y Treas. Yield (%)	4.61	4.82	5.01*	-	-
GDP (YoY%)	2.9	2.0	3.8	5.1	-
Money Supply (YoY%)	4.40	4.50	2.60	4.90	6.40*
Sov. Rating, Moody's	Ba1	Ba1	Ba1	Ba1	Ba1
Sov. Rating, S&P	BBB-	BBB-	BBB-	BBB-	BBB-



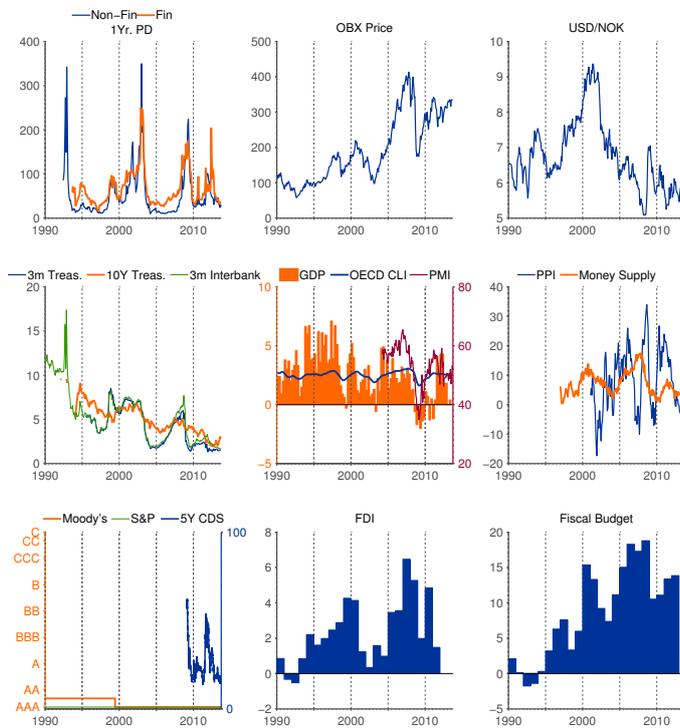
Netherlands	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	42.65	29.72	25.90	26.02	16.88
1Yr. PD, Fin.	48.86	48.18	40.71	40.24	32.38
AEX	323	343	348	345	375
EUR/USD	1.29	1.32	1.28	-	-
3m Treas. Yield (%)	-0.03	-0.02	-0.01	0.00	0.01
10Y Treas. Yield (%)	1.72	1.50	1.77	2.12	2.16
3m Interbank (%)	0.22	0.19	0.21	0.22	0.23
GDP (YoY%)	-1.4	-1.3	-1.4	-1.9	-
OECD CLI	99.09	99.17	99.44	99.74	100.02*
PPI (YoY%)	4.1	4.1	-0.3	-0.3	-2.0*
Money Supply (YoY%)	2.90	3.40	2.50	2.40	2.50*
Sov. Rating, Moody's	-	-	-	-	Aaa
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
5Y CDS (bps)	65.81	46.42	55.19	56.80	49.73
FDI (%GDP)	-	-1.08	-	-	-
Fiscal Budget (%GDP)	-	-4.10	-	-	-



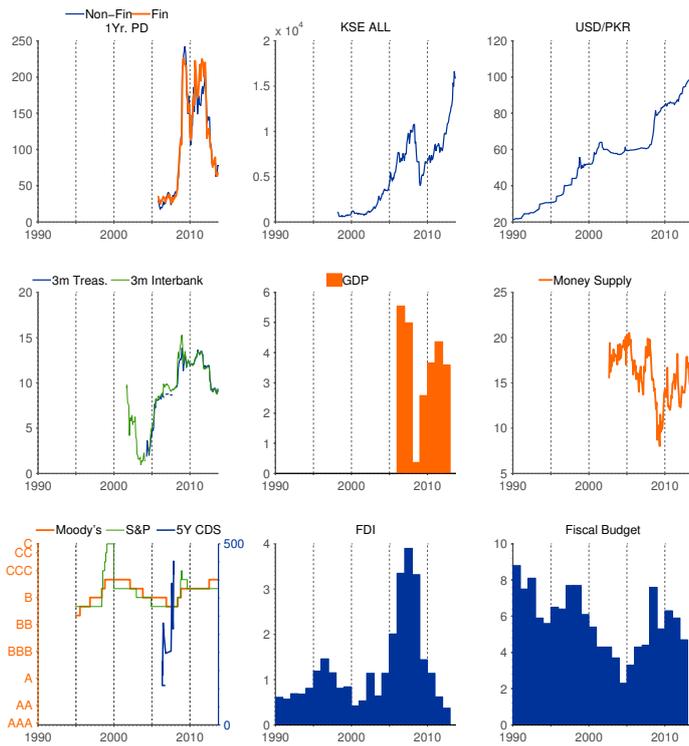
New Zealand	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	24.24	20.07	24.69	24.43	19.13
1Yr. PD, Fin.	4.48	2.85	2.87	4.34	9.69
NZSE	840	882	941	949	996
NZD/USD	1.20	1.21	1.19	1.29	1.20
3m Treas. Yield (%)	2.54	2.53	2.33	2.51	2.56
10Y Treas. Yield (%)	3.45	3.52	3.49	4.13	4.57
3m Interbank (%)	2.67	2.65	2.65	2.65	2.69
GDP (YoY%)	2.0	3.4	2.7	2.5	-
PMI	49.6	50.8	53.5	55.1	54.3
PPI (YoY%)	-0.6	-0.8	0.1	0.8	-
Money Supply (YoY%)	6.40	6.00	7.00	6.20	6.50*
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AA+	AA+	AA+	AA	AA
5Y CDS (bps)	68.50	50.05	43.40	56.62	49.49*
Fiscal Budget (%GDP)	-	-3.87	-	-	-



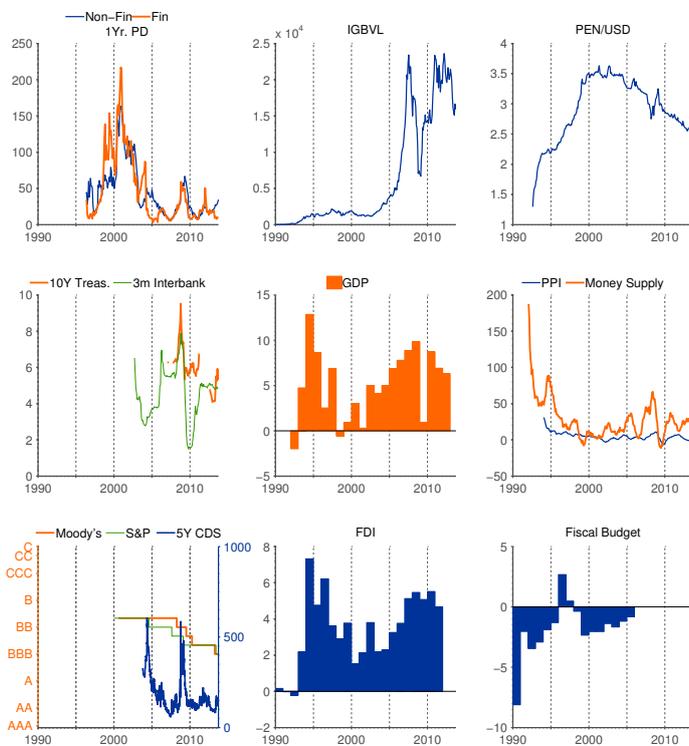
Nigeria	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	61.02	59.56	44.53	45.58	53.65
1Yr. PD, Fin.	66.21	51.70	34.06	41.06	67.79
NSE ALL Share Index	26012	28079	33536	36164	36585
USD/NGN	157.20	156.15	158.55	162.53	161.27
3m Treas. Yield (%)	12.75	12.80	10.60	12.75	12.75
10Y Treas. Yield (%)	12.90	11.90	-	11.20*	-
3m Interbank (%)	13.83	13.79	11.50	11.50	12.04
Money Supply (YoY%)	11.47	16.39	18.07	15.65	6.20*
Sov. Rating, S&P	BB-	BB-	BB-	BB-	BB-



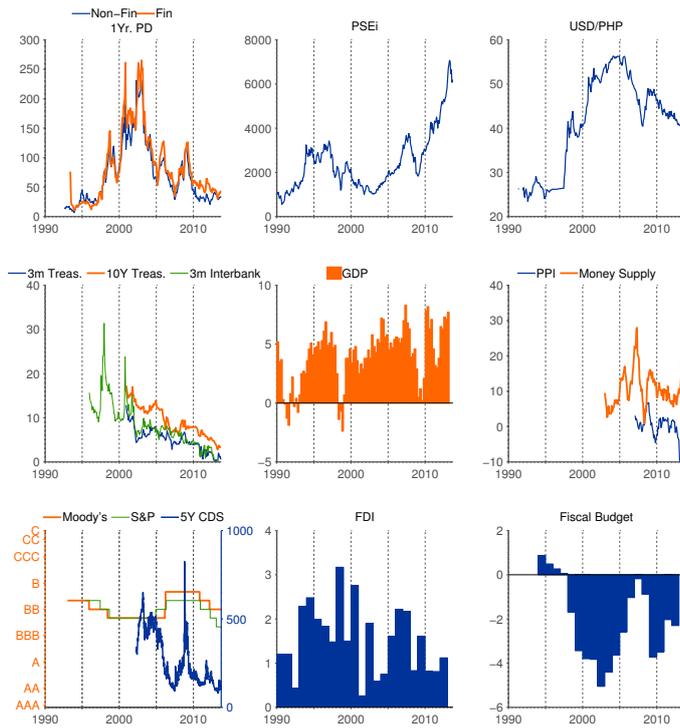
Norway	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	30.80	45.87	35.47	29.85	26.88
1Yr. PD, Fin.	92.27	49.38	40.04	33.45	35.91
OBX Price	316	311	329	316	336
USD/NOK	5.73	5.56	5.85	6.07	6.01
3m Treas. Yield (%)	1.65	1.49	1.63	1.48	1.53
10Y Treas. Yield (%)	2.14	2.14	2.18	2.56	2.81
3m Interbank (%)	1.97	1.83	1.88	1.66	1.70
GDP (YoY%)	1.8	1.8	0.0	0.4	-
OECD CLI	100.19	100.16	100.07	99.92	99.89*
PMI	49.4	50.2	50.5	47.0	52.3
PPI (YoY%)	1.4	-0.2	-3.4	1.7	3.2
Money Supply (YoY%)	3.20	3.70	4.20	4.70	6.40*
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
5Y CDS (bps)	23.85	18.50	19.67	15.37	15.16
Fiscal Budget (%GDP)	-	13.85	-	-	-



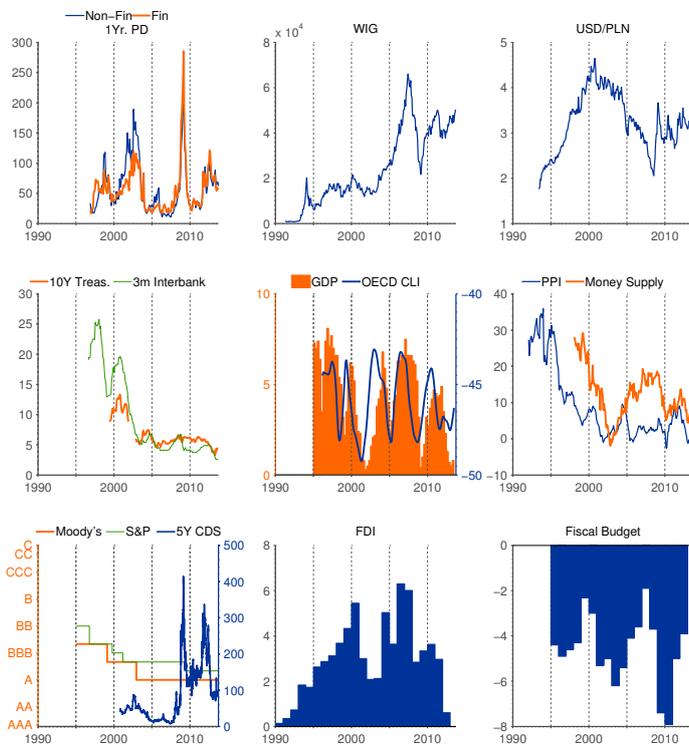
Pakistan	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	106.45	76.30	79.29	67.71	77.07
1Yr. PD, Fin.	103.26	75.66	87.55	68.67	68.16
KSE ALL	10898	11964	12802	14988	15837
USD/PKR	94.83	97.14	98.43	99.60	106.06
3m Treas. Yield (%)	10.07	9.13	9.41	8.90	9.35
3m Interbank (%)	9.95	9.06	9.28	8.83	9.18
GDP (YoY%)	-	3.6	-	-	-
Money Supply (YoY%)	15.30	16.70	15.00	15.90	15.50*
Sov. Rating, Moody's	Caa1	Caa1	Caa1	Caa1	Caa1
Sov. Rating, S&P	B-	B-	B-	B-	B-
FDI (%GDP)	-	0.37	-	-	-
Fiscal Budget (%GDP)	-	4.70	-	-	-



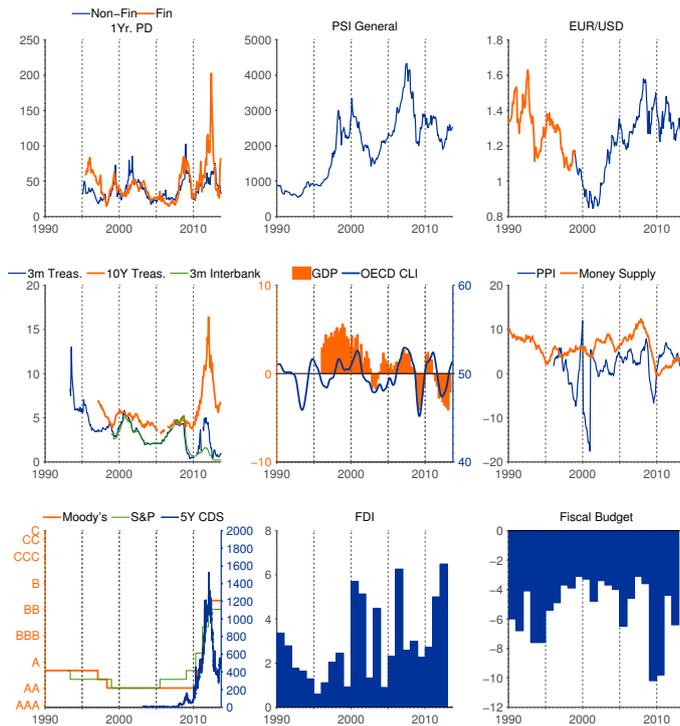
Peru	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	15.45	20.13	23.23	26.86	34.39
1Yr. PD, Fin.	16.22	17.45	9.15	7.68	9.89
IGBVL	21675	20629	19859	15550	15920
PEN/USD	2.60	2.55	2.59	2.78	2.79
10Y Treas. Yield (%)	4.58	4.09	4.13	5.51	5.31
3m Interbank (%)	5.01	5.05	4.88	4.88	4.81
GDP (YoY%)	-	6.3	-	-	-
PPI (YoY%)	0.4	-0.6	-1.2	-0.4	2.2
Money Supply (YoY%)	24.60	25.30	25.20	21.50	17.10*
Sov. Rating, Moody's	Baa3	Baa3	Baa3	Baa2	Baa2
Sov. Rating, S&P	BBB-	BBB-	BBB-	BBB	BBB
5Y CDS (bps)	106.33	97.34	97.67	145.34	149.16



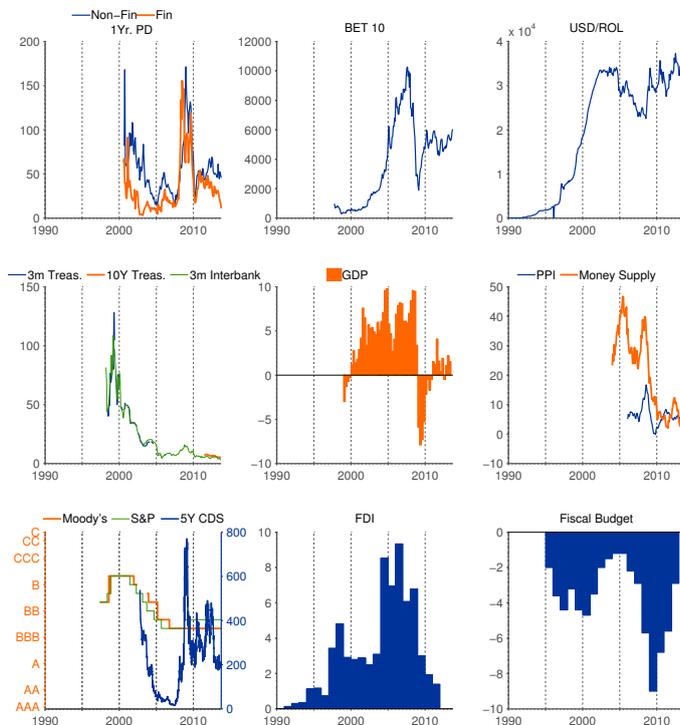
Philippines	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	39.54	39.17	33.56	32.53	32.88
1Yr. PD, Fin.	44.36	41.82	30.37	39.76	43.01
PSEi	5346	5813	6847	6465	6192
USD/PHP	41.74	41.01	40.81	43.13	43.48
3m Treas. Yield (%)	0.63	0.30	0.25	1.75	0.55
10Y Treas. Yield (%)	4.75	4.15	3.00	3.75	3.48
3m Interbank (%)	1.38	0.56	0.25	0.50*	-
GDP (YoY%)	7.3	7.1	7.7	-	-
PPI (YoY%)	-1.5	-4.0	-10.0	-7.2	-5.9*
Money Supply (YoY%)	7.50	10.60	13.30	20.50	30.90*
Sov. Rating, Moody's	Ba2	Ba2	Ba2	Ba2	Ba1
Sov. Rating, S&P	BB+	BB+	BBB-	BBB-	BBB-
5Y CDS (bps)	129.90	99.78	108.69	126.17	106.79
FDI (%GDP)	-	1.12	-	-	-
Fiscal Budget (%GDP)	-	-2.30	-	-	-



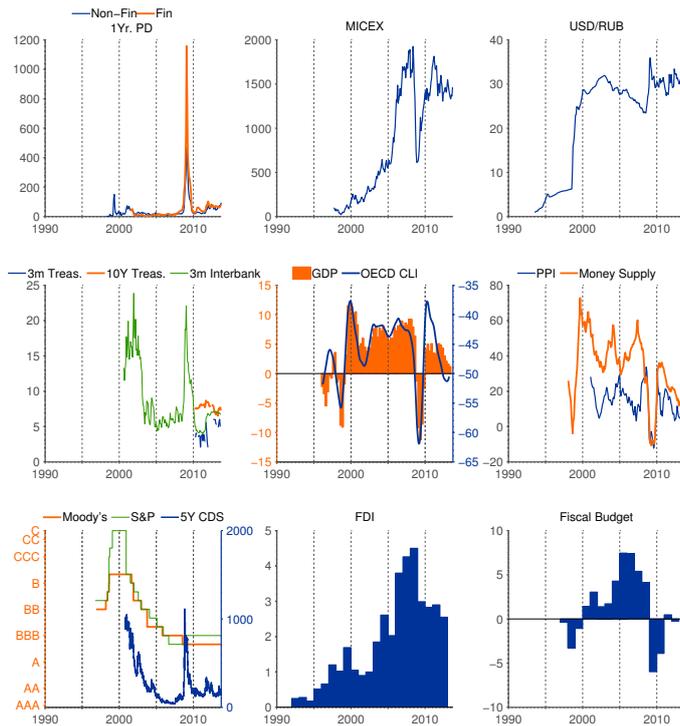
Poland	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	74.87	62.31	78.98	69.58	62.01
1Yr. PD, Fin.	95.38	71.14	80.40	54.24	55.70
WIG	43740	47461	45148	44748	50302
USD/PLN	3.20	3.09	3.26	3.32	3.12
10Y Treas. Yield (%)	4.68	3.74	3.94	4.34	4.48
3m Interbank (%)	4.82	4.01	3.29	2.63	2.57
GDP (YoY%)	1.3	0.7	0.5	0.8	-
OECD CLI	2.73	2.47	2.90	3.71	-
PPI (YoY%)	1.8	-1.1	-0.7	-1.3	-1.1*
Money Supply (YoY%)	7.62	4.53	6.58	6.99	6.10*
Sov. Rating, Moody's	A2	A2	A2	A2	A2
Sov. Rating, S&P	A-	A-	A-	A-	A-
5Y CDS (bps)	120.16	80.67	94.64	104.48	86.42
FDI (%GDP)	-	0.61	-	-	-
Fiscal Budget (%GDP)	-	-3.90	-	-	-



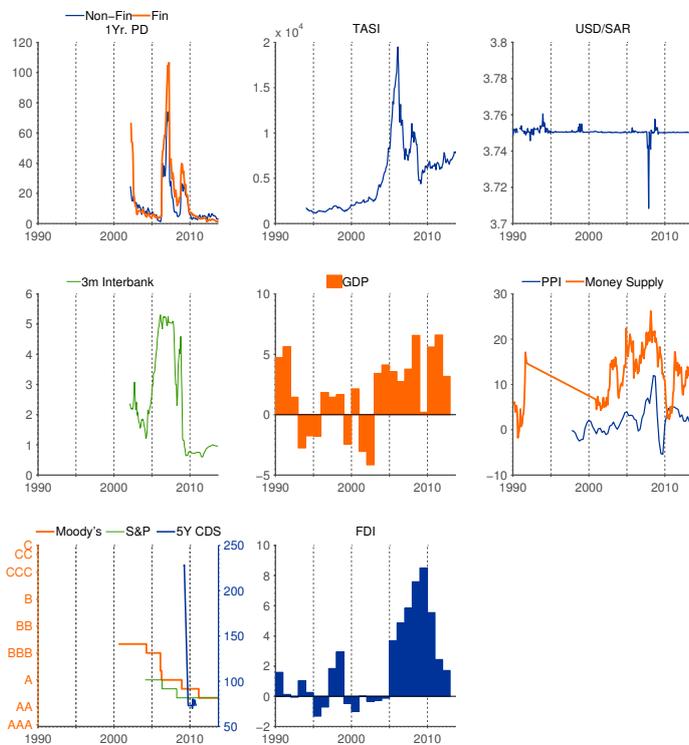
Portugal	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	61.74	68.90	43.80	40.88	31.57
1Yr. PD, Fin.	76.31	40.73	39.23	26.38	81.56
PSI General	2156	2334	2428	2434	2542
EUR/USD	1.29	1.32	1.28	-	-
3m Treas. Yield (%)	0.83	1.03	0.81	0.58	0.95
10Y Treas. Yield (%)	9.00	7.01	6.37	6.45	6.68
3m Interbank (%)	0.22	0.19	0.21	0.22	0.23
GDP (YoY%)	-3.6	-3.8	-4.1	-2.1	-
OECD CLI	98.06	98.89	100.19	100.98	101.37*
PPI (YoY%)	4.5	3.4	1.4	1.0	-0.1*
Money Supply (YoY%)	2.90	3.40	2.50	2.40	2.50*
Sov. Rating, Moody's	Ba3	Ba3	Ba3	Ba3	Ba3
Sov. Rating, S&P	BB	BB	BB	BB	BB
5Y CDS (bps)	515.06	448.62	403.14	400.38	494.65
FDI (%GDP)	-	6.49	-	-	-
Fiscal Budget (%GDP)	-	-6.40	-	-	-



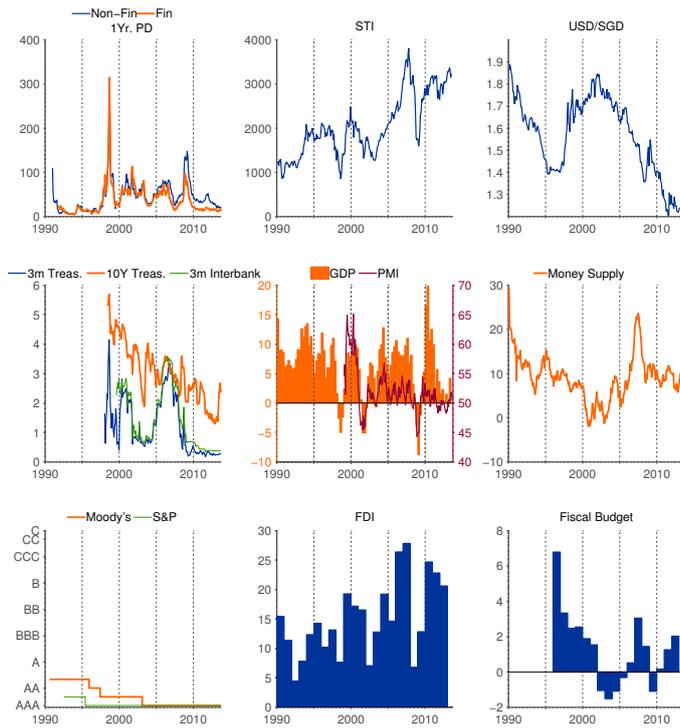
Romania	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	50.92	50.31	46.08	44.53	45.52
1Yr. PD, Fin.	24.94	32.42	30.61	23.23	10.90
BET 10	4725	5150	5637	5262	6042
USD/ROL	35289.00	33677.50	34451.01	34295.50	32935.00
10Y Treas. Yield (%)	6.54	6.35	5.75	5.53	5.20
3m Interbank (%)	5.38	5.80	4.95	4.36	3.04
GDP (YoY%)	-0.5	1.1	2.2	1.5	-
PPI (YoY%)	5.9	4.8	4.5	2.8	0.6*
Money Supply (YoY%)	7.81	4.61	5.05	5.13	4.37*
Sov. Rating, Moody's	Baa3	Baa3	Baa3	Baa3	Baa3
Sov. Rating, S&P	BB+	BB+	BB+	BB+	BB+
5Y CDS (bps)	320.22	214.59	234.71	214.20	192.75
Fiscal Budget (%GDP)	-	-2.90	-	-	-



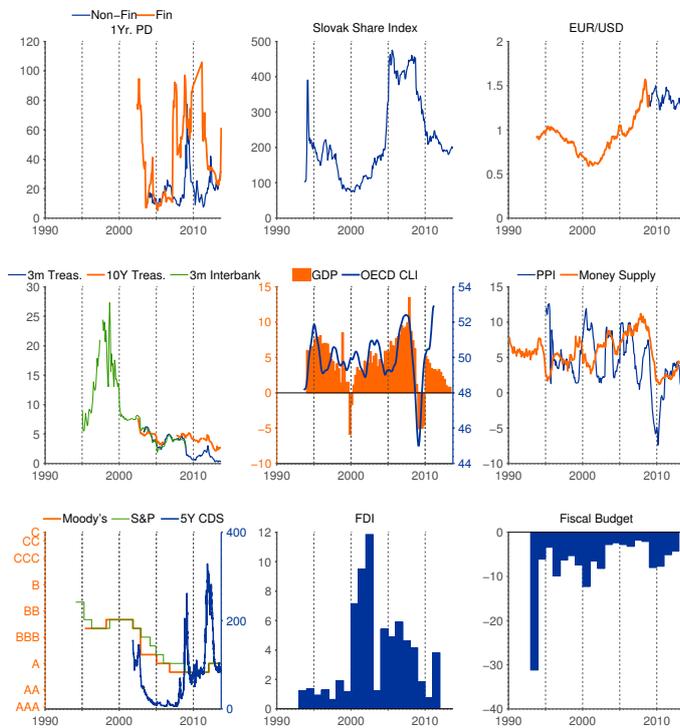
Russia	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	49.79	45.19	50.55	73.47	94.36
1Yr. PD, Fin.	61.85	72.61	65.30	60.24	78.31
MICEX	1458	1475	1439	1330	1463
USD/RUB	31.18	30.52	31.06	32.84	32.39
3m Treas. Yield (%)	5.97	5.98	5.28*	5.68	5.00*
10Y Treas. Yield (%)	7.88	6.90	7.11	7.61	7.29
3m Interbank (%)	7.12	7.12	6.96	6.96	6.82
GDP (YoY%)	3.0	2.1	1.6	1.2	-
OECD CLI	-1.15	-1.29	-0.53	-	-
PPI (YoY%)	11.6	5.1	3.4	3.7	4.6*
Money Supply (YoY%)	14.80	11.90	14.60	15.50	17.10*
Sov. Rating, Moody's	Baa1	Baa1	Baa1	Baa1	Baa1
Sov. Rating, S&P	BBB	BBB	BBB	BBB	BBB
5Y CDS (bps)	150.34	131.62	164.32	195.24	172.64
FDI (%GDP)	-	2.55	-	-	-
Fiscal Budget (%GDP)	-	-0.24	-	-	-



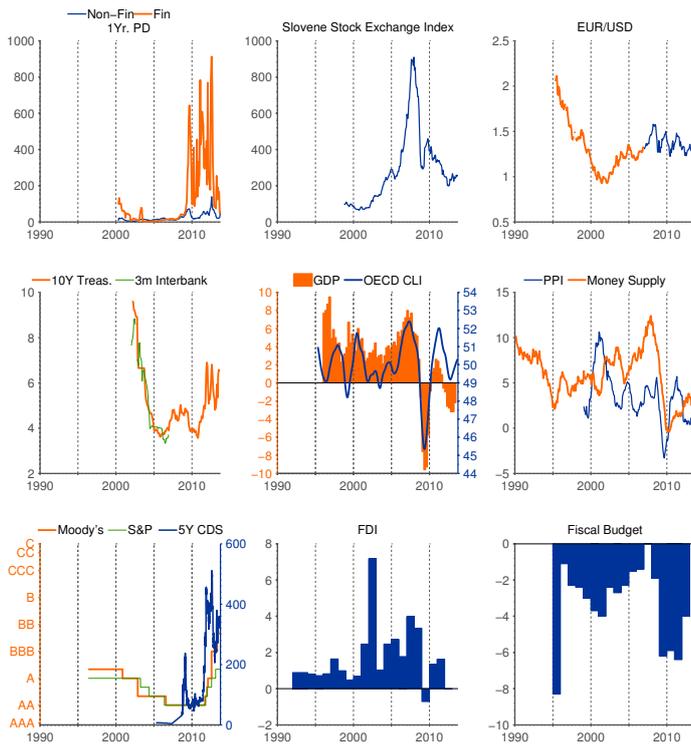
Saudi Arabia	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	4.64	5.72	4.98	3.28	2.97
1Yr. PD, Fin.	2.21	2.72	2.20	1.34	1.54
TASI	6840	6801	7126	7497	7965
USD/SAR	3.75	3.75	3.75	3.75	3.75
3m Interbank (%)	0.96	1.00	0.99	0.96	0.96
GDP (YoY%)	-	3.2	-	-	-
PPI (YoY%)	1.9	2.9	1.7	1.3	-
Money Supply (YoY%)	11.40	13.90	12.30	14.00	13.80*
Sov. Rating, Moody's	Aa3	Aa3	Aa3	Aa3	Aa3
Sov. Rating, S&P	AA-	AA-	AA-	AA-	AA-
FDI (%GDP)	-	1.71	-	-	-



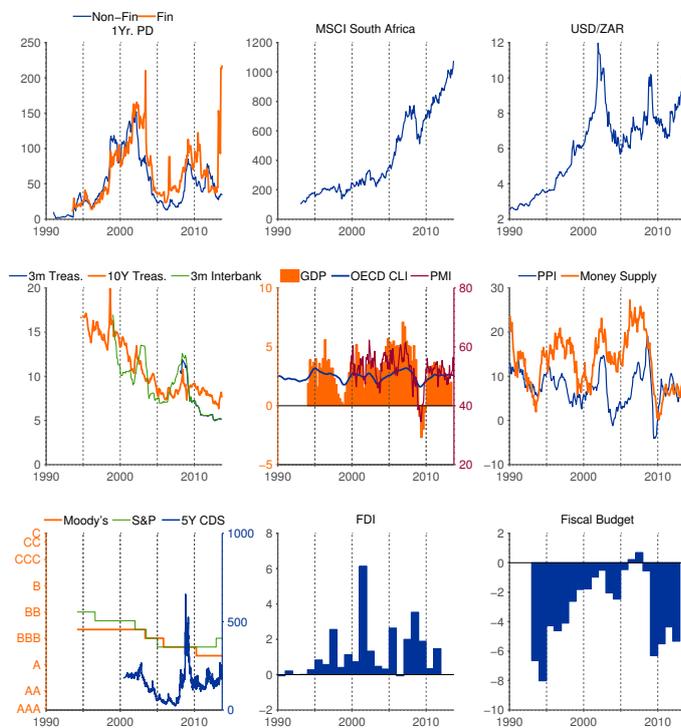
Singapore	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	27.53	25.84	24.40	20.75	18.51
1Yr. PD, Fin.	14.38	15.89	10.93	16.41	12.43
STI	3060	3167	3308	3150	3237*
USD/SGD	1.23	1.22	1.24	1.27	1.26
3m Treas. Yield (%)	0.29	0.23	0.25	0.27	0.29
10Y Treas. Yield (%)	1.47	1.30	1.54	2.35	2.35
3m Interbank (%)	0.38	0.38	0.38	0.37	0.37
GDP (YoY%)	0.0	1.5	0.3	4.2	-
PMI	48.7	48.6	50.6	51.7	50.5
Money Supply (YoY%)	6.50	7.60	8.80	9.20	7.20*
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
FDI (%GDP)	-	20.62	-	-	-
Fiscal Budget (%GDP)	-	2.03	-	-	-



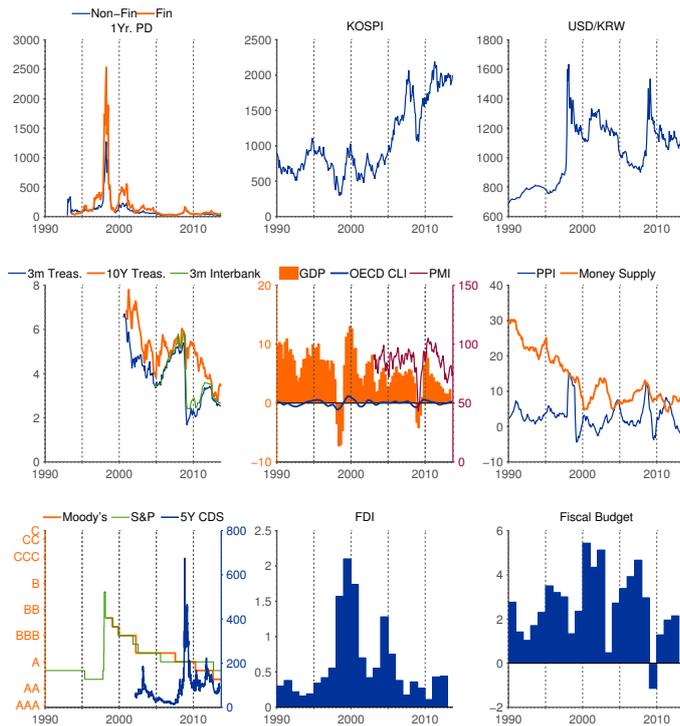
Slovakia	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	20.08	20.68	19.37	26.61	31.04
1Yr. PD, Fin.	31.66	28.97	23.29	25.77	61.45
Slovak Share Index	190	192	182	194	196
EUR/USD	1.29	1.32	1.28	-	-
3m Treas. Yield (%)	0.73	0.29	0.47	0.45	0.43
10Y Treas. Yield (%)	2.63	2.19	2.91	2.68	2.71
GDP (YoY%)	1.9	1.0	0.8	0.8	-
PPI (YoY%)	4.4	3.9	0.8	-0.3	-0.7*
Money Supply (YoY%)	3.30	4.40	4.10	4.30	4.30*
Sov. Rating, Moody's	A2	A2	A2	A2	A2
Sov. Rating, S&P	A	A	A	A	A
5Y CDS (bps)	144.97	97.09	91.83	101.55	85.00
Fiscal Budget (%GDP)	-	-4.30	-	-	-



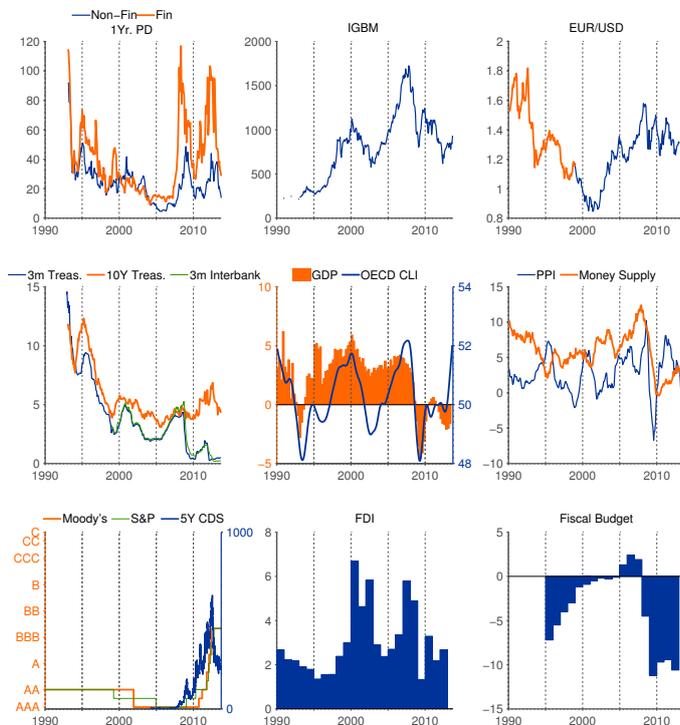
Slovenia	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	68.40	49.32	21.47	20.90	57.73
1Yr. PD, Fin.	327.73	83.31	254.56	163.79	49.90
Slovene Stock Exchange Index	237	248	225	244	258
EUR/USD	1.29	1.32	1.28	-	-
10Y Treas. Yield (%)	6.32	5.33	5.09	6.38	6.51*
GDP (YoY%)	-2.8	-3.2	-3.2	-2.2	-
OECD CLI	99.18	99.41	99.75	100.10	100.32
PPI (YoY%)	0.7	0.4	0.8	0.0	0.0*
Money Supply (YoY%)	2.90	3.40	2.50	2.40	2.50*
Sov. Rating, Moody's	Baa2	Baa2	Baa2	Ba1	Ba1
Sov. Rating, S&P	A	A	A-	A-	A-
5Y CDS (bps)	392.38	229.95	353.39	330.91	352.45
FDI (%GDP)	-	-0.02	-	-	-
Fiscal Budget (%GDP)	-	-4.00	-	-	-



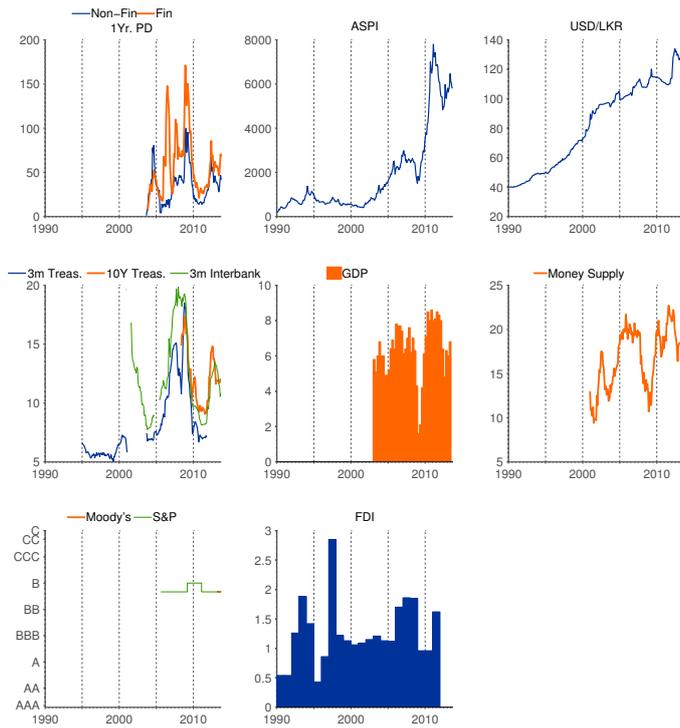
South Africa	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	47.49	31.96	27.51	34.90	34.00
1Yr. PD, Fin.	36.82	37.94	153.47	92.87	217.84
MSCI South Africa	932	1011	987	983	1076
USD/ZAR	8.31	8.47	9.24	9.88	10.03
3m Treas. Yield (%)	4.98	5.05	5.17	5.22	5.10
10Y Treas. Yield (%)	6.91	6.81	6.89	7.59	7.60
3m Interbank (%)	5.06	5.13	5.13	5.15	5.13
GDP (YoY%)	2.3	2.5	1.9	2.0	-
OECD CLI	100.31	100.59	100.59	100.42	100.33*
PMI	48.3	47.4	49.3	51.6	49.1
PPI (YoY%)	4.2	5.2	-	-	-
Money Supply (YoY%)	7.54	5.17	8.07	9.17	6.90*
Sov. Rating, Moody's	A3	A3	A3	A3	Baa1
Sov. Rating, S&P	BBB+	BBB	BBB	BBB	BBB
5Y CDS (bps)	149.29	142.82	181.32	216.33	197.23
Fiscal Budget (%GDP)	-	-5.33	-	-	-



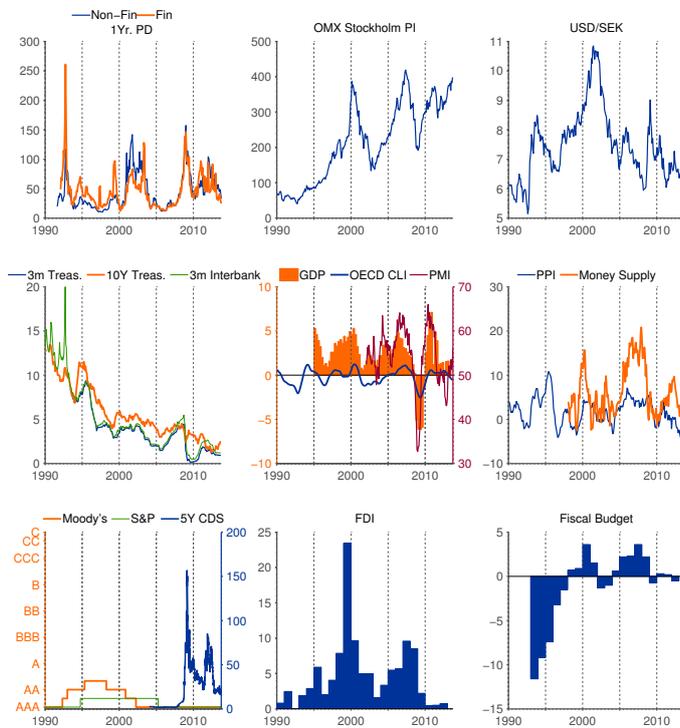
South Korea	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	25.84	33.33	22.72	22.79	22.70
1Yr. PD, Fin.	45.37	50.27	46.29	33.06	59.99
KOSPI	1996	1997	2005	1863	1997
USD/KRW	1111.38	1064.40	1111.35	1142.06	1074.64
3m Treas. Yield (%)	2.84	2.74	2.54	2.58	2.53
10Y Treas. Yield (%)	3.02	3.16	2.80	3.40	3.42
3m Interbank (%)	3.05	2.87	2.75	2.69	2.65
GDP (YoY%)	1.6	1.5	1.5	2.3	-
OECD CLI	99.54	99.93	100.55	101.10	101.20*
PMI	75.0	67.0	76.0	82.0	77.0
PPI (YoY%)	0.2	-1.2	-2.4	-1.4	-1.3*
Money Supply (YoY%)	7.60	7.30	6.80	6.60	6.30*
Sov. Rating, Moody's	Aa3	Aa3	Aa3	Aa3	Aa3
Sov. Rating, S&P	A+	A+	A+	A+	A+
5Y CDS (bps)	87.90	63.50	76.73	108.14	82.88*
FDI (%GDP)	-	0.44	-	-	-
Fiscal Budget (%GDP)	-	2.14	-	-	-



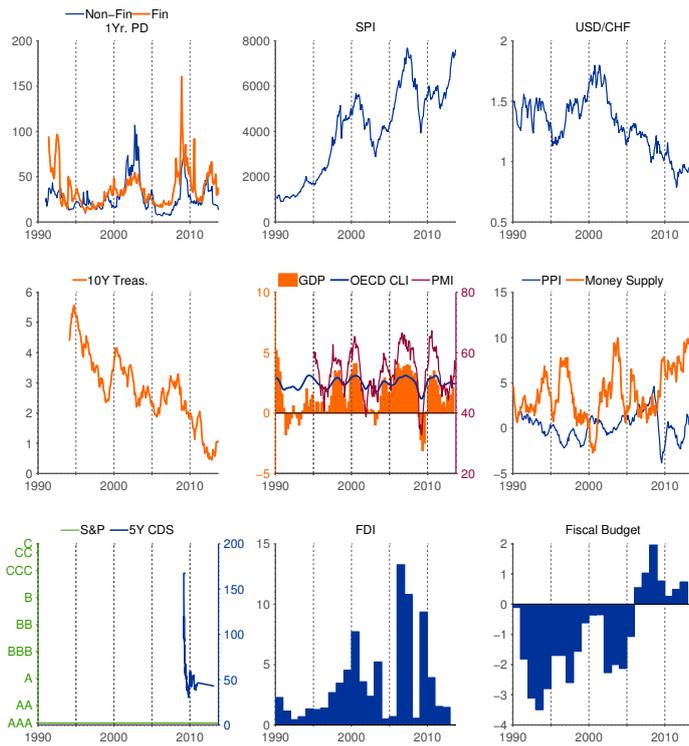
Spain	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	25.07	35.67	37.55	21.59	13.77
1Yr. PD, Fin.	58.21	69.37	47.17	38.57	28.64
IGBM	777	825	798	782	933
EUR/USD	1.29	1.32	1.31*	-	-
3m Treas. Yield (%)	0.38	0.38	0.47	0.45	0.50
10Y Treas. Yield (%)	5.94	5.26	5.06	4.77	4.30
3m Interbank (%)	0.22	0.19	0.21	0.22	0.23
GDP (YoY%)	-1.7	-2.1	-2.0	-1.6	-
OECD CLI	99.76	100.06	100.69	101.49	102.02*
PPI (YoY%)	4.3	3.3	-0.1	1.3	-0.1*
Money Supply (YoY%)	2.90	3.40	2.50	2.40	2.50*
Sov. Rating, Moody's	Baa3	Baa3	Baa3	Baa3	Baa3
Sov. Rating, S&P	BBB+	BBB-	BBB-	BBB-	BBB-
5Y CDS (bps)	387.45	294.81	302.26	281.47	228.22
FDI (%GDP)	-	2.68	-	-	-
Fiscal Budget (%GDP)	-	-10.60	-	-	-



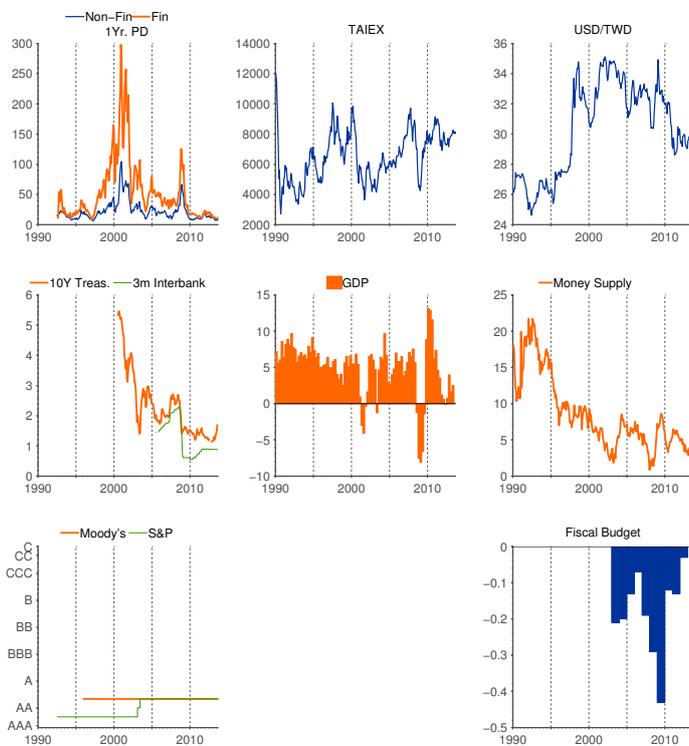
Sri Lanka	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	38.66	40.67	36.66	30.28	41.55
1Yr. PD, Fin.	50.31	58.42	56.90	48.44	68.06
ASPI	5972	5643	5736	6121	5803
USD/LKR	129.43	127.70	126.75	130.60	132.00
10Y Treas. Yield (%)	13.71	12.55	11.91	11.77	11.98
3m Interbank (%)	12.74	13.20	12.79	11.54	10.81
GDP (YoY%)	4.8	6.3	6.0	6.8	-
Money Supply (YoY%)	17.40	18.30	18.50	19.40	-
Sov. Rating, Moody's	-	-	B1	B1	B1
Sov. Rating, S&P	B+	B+	B+	B+	B+



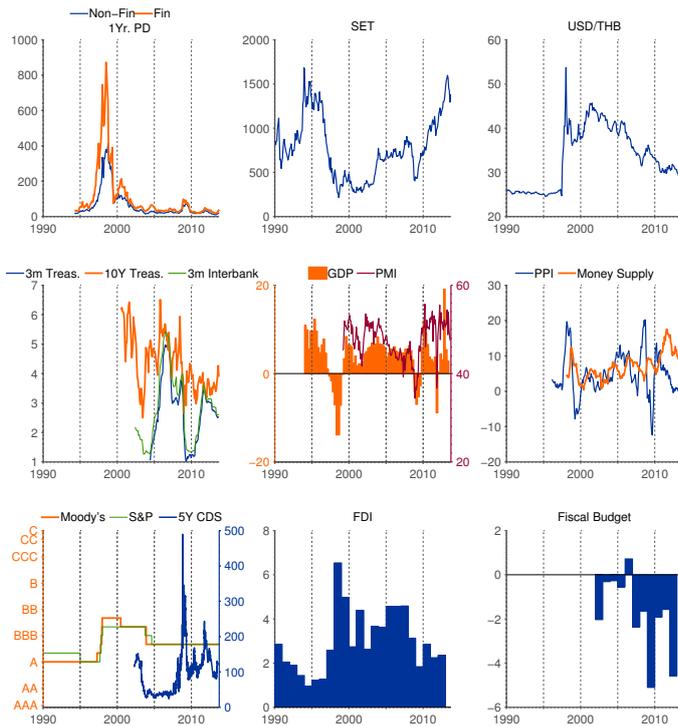
Sweden	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	65.91	69.85	55.40	45.12	33.23
1Yr. PD, Fin.	53.96	76.22	34.45	40.76	24.63
OMX Stockholm PI	332	344	375	362	399
USD/SEK	6.57	6.50	6.53	6.70	6.43
3m Treas. Yield (%)	1.25	0.95	0.97	0.91	0.90
10Y Treas. Yield (%)	1.48	1.54	1.81	2.21	2.43
3m Interbank (%)	1.59	1.29	1.24	1.21	1.21
GDP (YoY%)	0.3	1.5	1.6	0.6	-
OECD CLI	100.83	100.18	99.68	99.23	98.87*
PMI	44.7	44.6	52.1	53.5	56.0
PPI (YoY%)	-1.9	-2.4	-4.4	-4.7	-2.5*
Money Supply (YoY%)	4.04	3.19	0.53	3.52	2.42*
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
5Y CDS (bps)	31.12	19.50	21.52	22.61	17.11
FDI (%GDP)	-	0.74	-	-	-
Fiscal Budget (%GDP)	-	-0.50	-	-	-



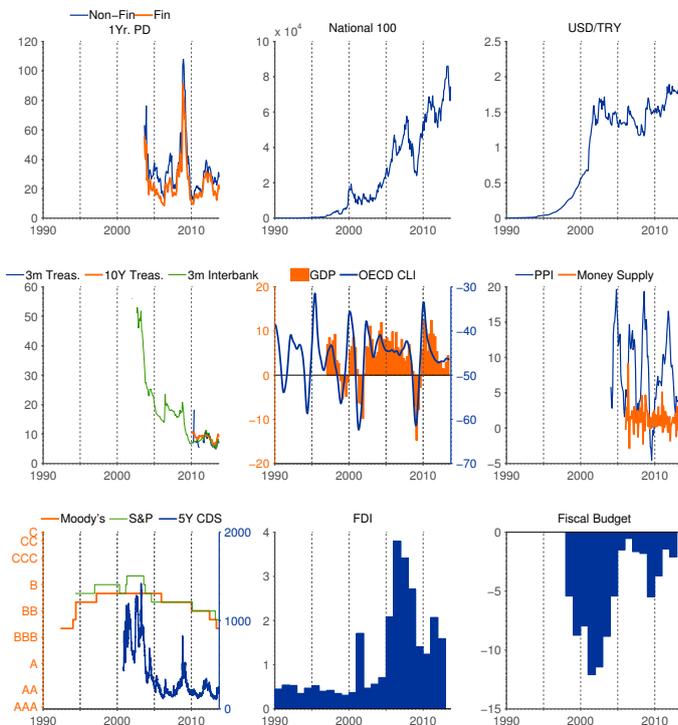
Switzerland	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	34.39	20.76	19.06	18.29	13.28
1Yr. PD, Fin.	53.64	43.78	44.95	29.43	29.88
SPI	6011	6291	7243	7248	7611
USD/CHF	0.94	0.92	0.95	0.94	0.90
10Y Treas. Yield (%)	0.54	0.53	0.72	1.03	1.02
GDP (YoY%)	1.4	1.4	1.5	2.1	-
OECD CLI	99.97	100.10	99.90	99.68	99.81*
PMI	44.3	49.2	48.3	51.9	55.3
PPI (YoY%)	0.4	1.3	0.3	0.5	0.3*
Money Supply (YoY%)	8.81	9.84	9.88	11.33	10.44*
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
5Y CDS (bps)	-	-	42.96	-	-
FDI (%GDP)	-	1.46	-	-	-
Fiscal Budget (%GDP)	-	0.74	-	-	-



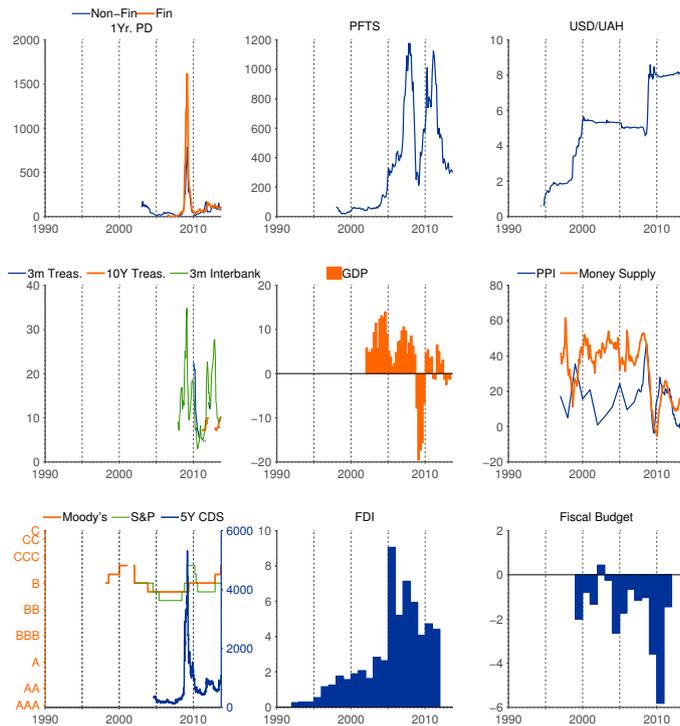
Taiwan	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	10.82	11.93	8.30	7.15	8.29
1Yr. PD, Fin.	13.98	12.07	10.60	10.14	11.59
TAIEX	7715	7700	7919	8062	8174
USD/TWD	29.31	29.03	29.82	29.98	29.63
10Y Treas. Yield (%)	1.19*	1.17	1.31	1.42	1.71*
3m Interbank (%)	0.89	0.88	0.88	0.88	0.88
GDP (YoY%)	0.7	4.0	1.6	2.5	-
Money Supply (YoY%)	3.71	3.46	3.86	5.27	5.39*
Sov. Rating, Moody's	Aa3	Aa3	Aa3	Aa3	Aa3
Sov. Rating, S&P	AA-	AA-	AA-	AA-	AA-
Fiscal Budget (%GDP)	-	-0.03	-	-	-



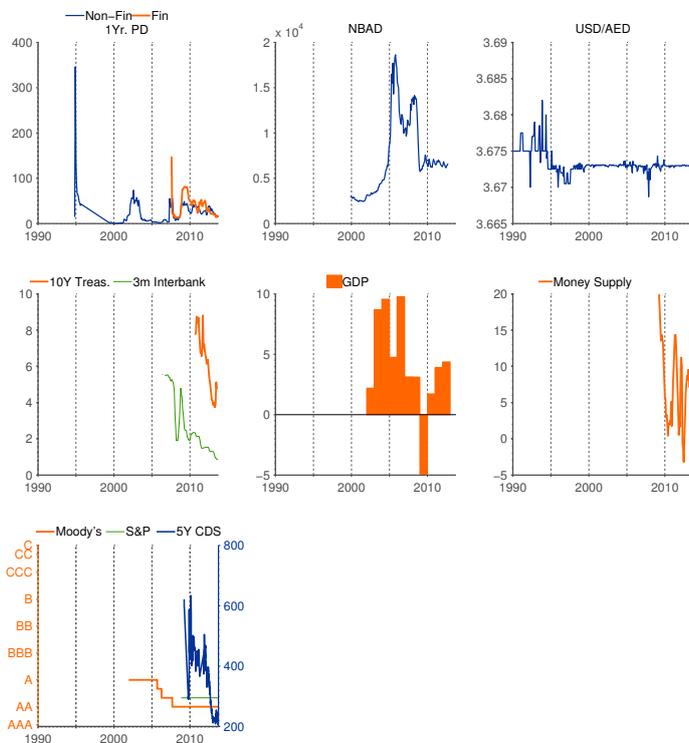
Thailand	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	14.11	12.33	10.17	15.35	19.55
1Yr. PD, Fin.	26.04	22.32	18.26	24.86	32.23
SET	1299	1392	1561	1452	1383
USD/THB	30.83	30.59	29.27	31.05	31.24
3m Treas. Yield (%)	3.02	2.76	2.70	2.54	2.53
10Y Treas. Yield (%)	3.51	3.51	3.51	3.73	3.90
3m Interbank (%)	3.13	2.87	2.86	2.60	2.60
GDP (YoY%)	3.1	19.1	5.4	2.8	-
PMI	49.9	50.6	54.4	49.9	47.5*
PPI (YoY%)	0.1	0.9	-0.3	0.9	0.7
Money Supply (YoY%)	12.64	10.33	9.46	10.23	8.69*
Sov. Rating, Moody's	Baa1	Baa1	Baa1	Baa1	Baa1
Sov. Rating, S&P	BBB+	BBB+	BBB+	BBB+	BBB+
5Y CDS (bps)	132.66	87.32	92.04	130.59	118.85*
FDI (%GDP)	-	2.35	-	-	-
Fiscal Budget (%GDP)	-	-4.57	-	-	-



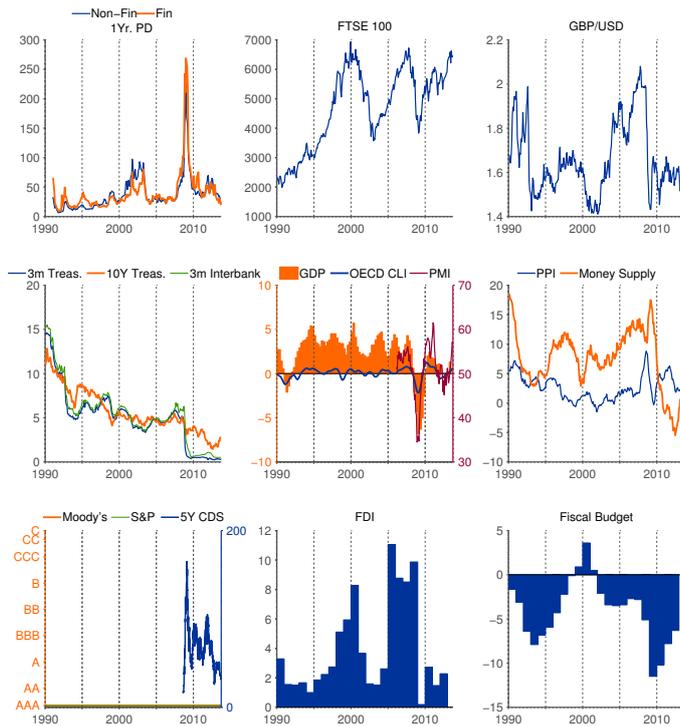
Turkey	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	28.35	23.14	24.62	25.01	27.86
1Yr. PD, Fin.	25.46	15.48	16.76	16.08	19.42
National 100	66397	78208	85899	76295	74487
USD/TRY	1.80	1.78	1.81	1.93	2.02
3m Treas. Yield (%)	6.24	6.10	6.08	6.08	6.84
10Y Treas. Yield (%)	8.16	6.55	7.02	8.49	8.99
3m Interbank (%)	6.49	5.79	6.30	7.25	7.19
GDP (YoY%)	1.5	1.4	2.9	4.4	-
OECD CLI	3.09	3.53	3.79	3.42	-
PPI (YoY%)	2.5	3.8	4.0	5.4	8.3
Money Supply (YoY%)	1.52	3.06	1.61	1.65	1.93
Sov. Rating, Moody's	Ba1	Ba1	Ba1	Baa3	Baa3
Sov. Rating, S&P	BB	BB	BB+	BB+	BB+
5Y CDS (bps)	160.67	127.03	146.59	190.83	213.59
FDI (%GDP)	-	1.59	-	-	-
Fiscal Budget (%GDP)	-	-2.09	-	-	-



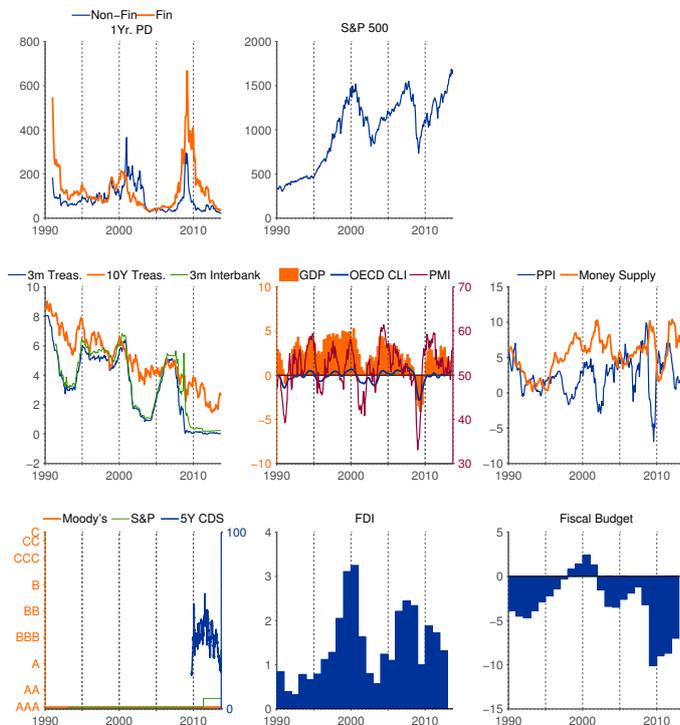
Ukraine	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	99.26	94.24	81.19	80.87	73.97
1Yr. PD, Fin.	112.63	115.32	106.45	86.77	94.80
PFTS	369	329	329	310	299
USD/UAH	8.15	8.05	8.13	8.16	8.19
3m Treas. Yield (%)	-	-	-	-	7.75*
10Y Treas. Yield (%)	-	7.65	7.58	9.37	10.26
3m Interbank (%)	24.00	24.00	10.00	9.05	10.30
GDP (YoY%)	-1.3	-2.5	-1.1	-1.3	-
PPI (YoY%)	0.3	0.3	0.2	-1.6	-0.9
Money Supply (YoY%)	10.50	12.80	15.90	17.80	18.20*
Sov. Rating, Moody's	B2	B3	B3	B3	Caa1
Sov. Rating, S&P	B+	B	B	B	B
5Y CDS (bps)	706.98	626.65	594.98	815.49	1085.56



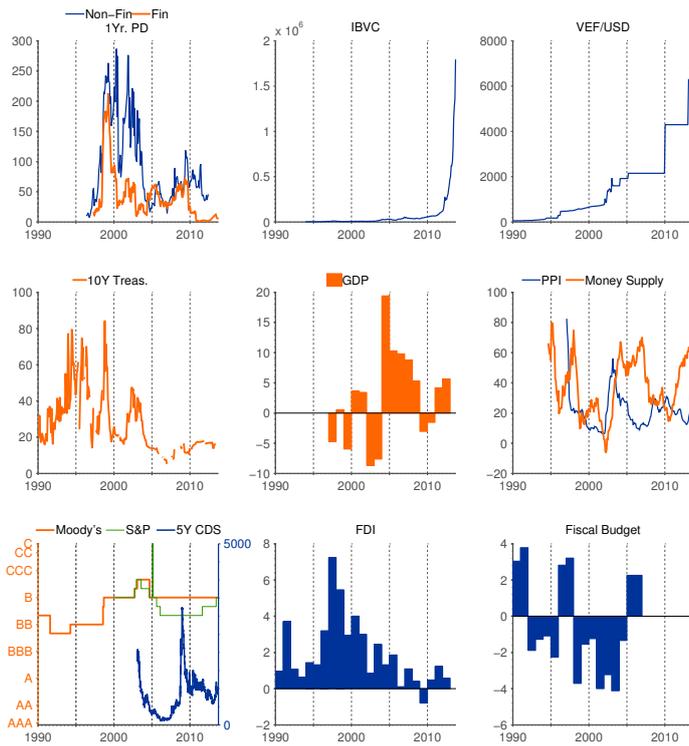
United Arab Emirates	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	27.63	27.39	22.02	17.04	15.07
1Yr. PD, Fin.	21.25	21.76	18.60	16.99	15.13
NBAD	6616	-	-	-	-
USD/AED	3.67	3.67	3.67	3.67	3.67
10Y Treas. Yield (%)	4.86	4.12	4.00	5.12	4.73*
3m Interbank (%)	1.30	1.30	1.13	0.91	0.86
GDP (YoY%)	-	4.4	-	-	-
Money Supply (YoY%)	6.41	8.16	7.10	14.96	14.15*
Sov. Rating, Moody's	Aa2	Aa2	Aa2	Aa2	Aa2
Sov. Rating, S&P	AA-	AA-	AA-	AA-	AA-
5Y CDS (bps)	285.61	231.53	229.19	254.51	211.51



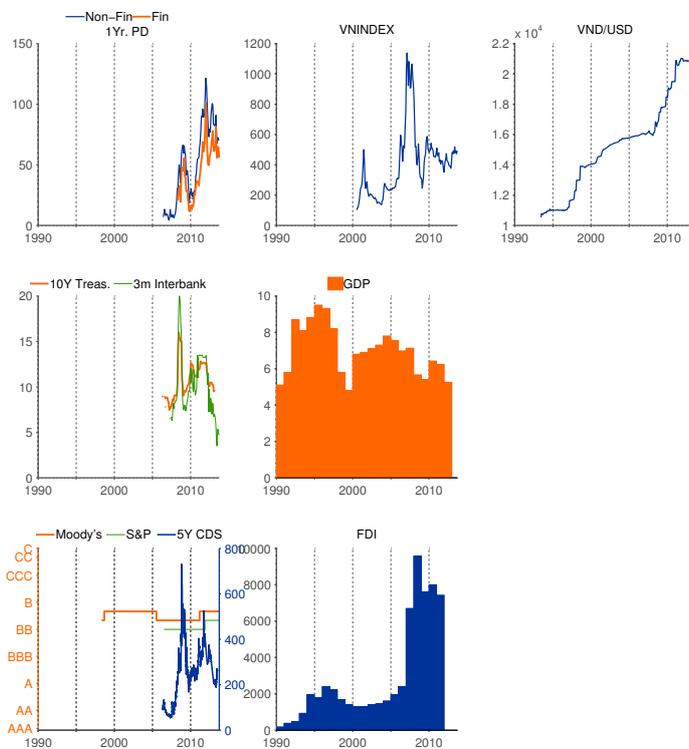
United Kingdom	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	44.72	40.97	39.12	35.21	22.43
1Yr. PD, Fin.	36.48	35.49	29.18	24.63	19.44
FTSE 100	5742	5898	6412	6215	6462
GBP/USD	1.62	1.63	1.52	1.52	1.62
3m Treas. Yield (%)	0.26	0.31	0.38	0.33	0.30
10Y Treas. Yield (%)	1.73	1.83	1.77	2.44	2.72
3m Interbank (%)	0.60	0.52	0.51	0.51	0.52
GDP (YoY%)	0.0	-0.2	0.2	1.3	-
OECD CLI	99.77	100.17	100.28	100.64	101.21*
PMI	48.1	51.2	48.6	52.9	56.7
PPI (YoY%)	2.5	2.1	1.9	2.0	1.6*
Money Supply (YoY%)	-3.80	-1.00	0.20	1.50	2.10*
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aa1
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
5Y CDS (bps)	51.52	39.13	44.31	49.57	34.02
FDI (%GDP)	-	2.28	-	-	-
Fiscal Budget (%GDP)	-	-6.30	-	-	-



United States	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	40.93	34.29	28.07	25.99	21.40
1Yr. PD, Fin.	67.83	55.57	38.53	33.91	38.73
S&P 500	1441	1426	1569	1606	1682
3m Treas. Yield (%)	0.09	0.04	0.07	0.03	0.01
10Y Treas. Yield (%)	1.63	1.76	1.85	2.49	2.61
3m Interbank (%)	0.22	0.24	0.24	0.24	0.24
GDP (YoY%)	3.1	2.0	1.3	1.6	-
OECD CLI	99.98	100.32	100.64	100.89	100.94*
PMI	51.6	50.2	51.3	50.9	56.2
PPI (YoY%)	2.1	1.4	1.1	2.5	1.4*
Money Supply (YoY%)	6.80	8.10	7.10	6.80	6.40
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AA+	AA+	AA+	AA+	AA+
5Y CDS (bps)	33.01	37.90	37.73	28.17	33.38
FDI (%GDP)	-	1.31	-	-	-
Fiscal Budget (%GDP)	-	-7.00	-	-	-



Venezuela	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Fin.	2.76*	-	-	7.53	4.88
IBVC	308083	471437	619868	1150135	1794644
VEF/USD	4294.70	4294.70	6292.10	6292.10	6292.10
10Y Treas. Yield (%)	16.84	17.00	15.50	16.38*	-
GDP (YoY%)	-	5.6	-	-	-
PPI (YoY%)	13.1	13.6	19.5	31.0	38.9
Money Supply (YoY%)	57.20	60.90	61.00	61.30	64.00
Sov. Rating, Moody's	B2	B2	B2	B2	B2
Sov. Rating, S&P	B+	B+	B+	B	B
5Y CDS (bps)	776.66	646.67	738.90	1012.94	933.75
FDI (%GDP)	-	0.58	-	-	-



Vietnam	2012		2013		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	95.87	83.56	84.11	68.06	70.94
1Yr. PD, Fin.	68.40	66.51	64.76	55.72	55.87
VNINDEX	393	414	491	481	493
VND/USD	20885.00	20840.00	20935.00	21205.00	21113.00
10Y Treas. Yield (%)	10.50	10.20	9.50	-	-
3m Interbank (%)	8.25	8.00	6.75	3.50	4.70
GDP (YoY%)	-	5.3	-	-	-
Sov. Rating, Moody's	B1	B1	B1	B1	B2
Sov. Rating, S&P	BB-	BB-	BB-	BB-	BB-
5Y CDS (bps)	303.27	-	217.07	269.91	264.50*

D Data notes

This Appendix provides a comprehensive list of the macroeconomic and capital market data provided in Appendix C as well as their sources. Most of the data was obtained from Bloomberg. In some cases, the data was not available in Bloomberg and was obtained directly from primary sources. In either case, the primary sources for the data are listed in the tables below. The data was retrieved on October 23 and every effort has been made to verify its accuracy.

The last section of this Appendix describes the Probability of Default implied Rating (PDiR). The PDiR has been introduced to aid intuition about PD values for individual companies.

Stock index (top-center graph) The one-year return on an economy's stock index is one input variable for RMI's default forecast model. The stock indices used in the model are the ones that are displayed in Appendix C. A list of the stock indices included in Appendix C can be found [here](#).

FX rate (top-right graph) Foreign exchange (FX) rates are quoted by market convention against the US dollar. For Eurozone countries, a fixed official rate is used to convert the domestic currency to the Euro prior to the introduction of the common currency. In the graphs, the FX rate for the domestic currency before the economy adopted the Euro is in orange, and the FX rate for the Euro after the Euro was adopted is in blue. The table below shows the conversion dates and rates. The exchange rate for the Cypriot Pound is excluded due to scaling reasons.

Conversion to Euro

Economy	Conversion Date	Conversion Rate (per Euro)	Economy	Conversion Date	Conversion Rate (Per Euro)
Austria	31/12/1998	13.7603	Italy	31/12/1998	1936.27
Belgium	31/12/1998	40.3399	Luxembourg	31/12/1998	40.3399
Estonia	31/12/2010	15.6466	Malta	31/12/2007	0.4293
Finland	31/12/1998	5.94573	Netherlands	31/12/1998	2.20371
France	31/12/1998	6.55957	Portugal	31/12/1998	200.482
Germany	31/12/1998	1.95583	Slovakia	31/12/2008	30.126
Greece	31/12/2000	340.75	Slovenia	31/12/2006	239.64
Ireland	31/12/1998	0.787564	Spain	31/12/1998	166.386

10-year treasury bond yield (middle-left graph) All 10-year treasury bond yields are based on Bloomberg indices except for the following list: Bank Negara Malaysia for Malaysia, Korea Financial Investment Association for South Korea and Philippine Dealing & Exchange Corp for Philippines.

3-month government bond yield (middle-left graph) The primary sources of the 3-month government bond yields are listed in [here](#).[†]

3-month interbank rate (middle-left graph) The primary sources of the 3-month interbank rates can be found [here](#).

[†]The RMI CRI model uses Germany's three-month Bublic rate for all eurozone countries after their adoption of the euro. For the period before joining the eurozone, their own interest rates are used where available.

GDP (middle-center graph, left axis) Real GDP YoY changes are seasonally-adjusted except for China, Hong Kong, Iceland, India, Malaysia, Philippines, Singapore, South Korea, Taiwan and Thailand. A list of primary sources of the GDP data can be found [here](#).

OECD CLI (middle-center graph, right axis) The OECD Composite Leading Indicator for each economy is intended to provide early signals of turning points between different trends in the economic cycle. For forecasting purposes, peaks in CLI are candidate early signals of downturns in the economic cycle, and troughs in the CLI are candidate early signals of upturns in the economic cycle. More information can be obtained at www.oecd.org/std/clits. The OECD CLI shown in Appendix C is amplitude adjusted with a deduction of 50 for the purpose of presentation along with the PMI.

PMI (middle-center graph, right axis) The Purchasing Managers Index or similar indices are used to reflect an economy's manufacturing activities. An index reading above 50 indicates an expansion of manufacturing activity while a reading below 50 indicates a contraction. An exception is the Business Survey Index used in South Korea, which has 100 as its benchmark. A list of primary sources of the Purchasing Managers Index data can be found [here](#).

PPI (middle-right graph) The Producers' Price Index or similar indices are presented as YoY changes. A list of primary sources of the Producers' Price Index data can be found [here](#).

Money Supply (middle-right graph) YoY growth of money supply uses M3 when it is available for an economy. The exceptions are: Brazil, Chile, China, Cyprus, the Czech Republic, Indonesia, Jordan, Kazakhstan, Latvia, Lithuania, Mexico, Nigeria, Norway, Pakistan, Peru, Romania, Russia, Sri Lanka, Taiwan, Thailand, the US and Venezuela where M2 is used; and Croatia and the UK where M4 is used. For Eurozone countries, data after the adoption of the Euro represents total money supply growth of the Euro. A list of primary sources of the Money Supply data can be found [here](#).

Sovereign credit ratings (bottom-left graph, left axis) For most of the economies, the Standard & Poor's and Moody's sovereign ratings are for foreign currency long term debt. Moody's ratings for France, Germany, India, Japan, Netherlands, Singapore, Switzerland, Taiwan, United Kingdom and the United States are foreign currency long term issuer ratings instead. Among the above mentioned economies, France, Germany, Switzerland, United Kingdom and the United States ratings are cited from Moody's website directly, with the remainder of the data from Moody's and S&P retrieved from Bloomberg. For graphical purposes, selective or restricted defaults are reflected as C grades in the graphs. For example, according to S&P data, Indonesia had selective default events on March 29, 1999; April 17, 2000 and April 23, 2002, seen as C grades in the graphs above.

5Y CDS spread (bottom-left graph, right axis) 5-year Credit Default Swap spreads are for each economy's long term sovereign debt. All of the CDS data is sourced from Bloomberg.

FDI (bottom-center graph) FDI into each economy is presented as a percentage of GDP. The World Bank is the primary source of all FDI data.

Fiscal budget (bottom-right graph) Fiscal budget is presented as a percentage of GDP. A list of primary sources of the Fiscal Budget data can be found [here](#).

PDiR

The Probability of Default implied Rating (PDiR) has been introduced to aid intuition about what different values of 1-year PD from RMI’s default forecast model imply about a firm’s credit quality. In short, the 1-year PD for a firm is used to imply a credit rating based on historically observed default rates for credit rating agency ratings.

The table at right classifies firms into S&P-equivalent PDiR based on their 1-year PD. For example, if a firm has a 1-year PD of 50bps, then it will be assigned an S&P-equivalent rating of BB. The upper bounds for each PDiR are derived using default and rating transition data provided by credit rating agencies to the European Securities and Markets Authority (ESMA) Central Ratings Repository.[†] RMI uses this data to compute issuer-weighted 1-year average default rates (ADR) for each ratings cohort, using ratings data from 2003-2012.

PDiR	Upper bound (bps)
AAA	0.16
AA	2.55
A	10.1
BBB	39.7
BB	157
B	617
CCC/C	–

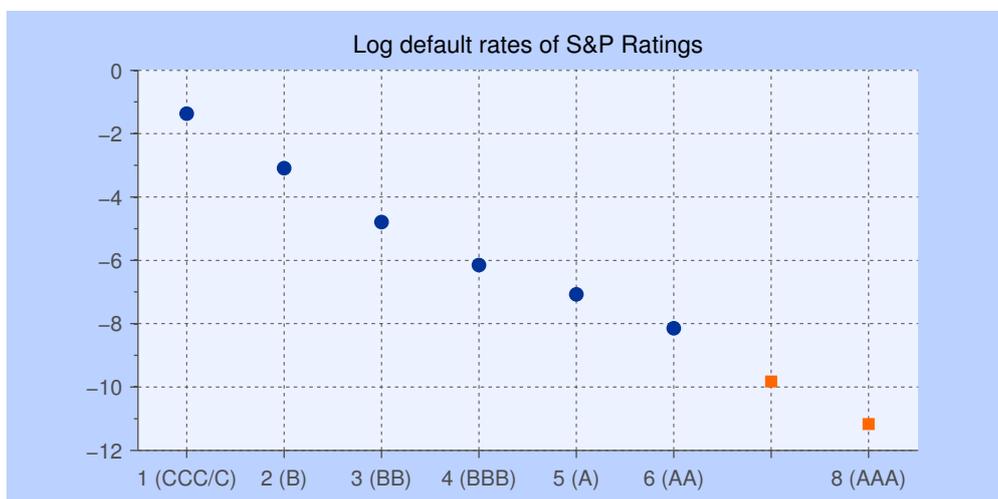
Computing the boundaries between different PDiR classes: The blue circles in the graph below indicate the logarithm of the observed ADR for firms rated by S&P with ratings from AA down to CCC/C.

Given the linear relationship between the observed log default rates and the ratings, we interpolate the log default rate for each rating notch from this result by plotting a line of best fit through the observed points (red diamonds). We then take the boundary between PDiR classes as the mid-point of the interpolated log default rates.

For example, the upper bound for BBB is computed as:

$$UB(BBB) = \exp\left(\frac{\log(ADR(BBB)) + \log(ADR(BB))}{2}\right).$$

For the upper boundary for AAA firms, a mid-point of observed log ADR cannot be taken as the ADR is zero for S&P rated AAA firms. Instead, a line of best fit can be plotted through the six observed points for the other rating classes in order to extrapolate the green diamonds. However, taking the default rate based on the first extrapolated green diamond results in a boundary that leads to a far larger fraction of PDiR-rated AAA firms as compared to actual rated AAA firms. Thus, the boundary between AA and AAA is taken as the mid-point between the first and second green diamond.



[†]Central Ratings Repository, European Securities and Markets Authority (ESMA).

About RMI and the Credit Research Initiative

The NUS Risk Management Institute (RMI) was established in August 2006 as a research institute at NUS dedicated to the area of financial risk management. The establishment of RMI was supported by the Monetary Authority of Singapore (MAS) under its program on Risk Management and Financial Innovation. RMI seeks to complement, support and develop Singapore's financial sector's knowledge and expertise in risk management, and thereby help to take on the challenges arising from globalization, structural change and volatile financial markets.

Credit Research Initiative (CRI) is a non-profit project undertaken by NUS-RMI in response to the 2008-2009 GFC. The CRI takes a "public good" approach to credit ratings by providing the outputs from our default forecast system in a transparent, non-profit basis. In the current phase, the CRI model generates probabilities of default (PD) on a daily basis for corporate entities in 106 economies in Africa, Asia-Pacific, Europe, Latin America, the Middle East and North America. Our PD can serve as a benchmark against traditional rating agencies' systems or internal credit analyses for industry analysts and business professionals. For more information about RMI and the CRI project, please visit our main site at <http://rmicri.org>

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