
Quarterly Credit Report

Q2/2016

Volume 6, No 1



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 - Credit Research Initiative's (RMI-CRI) 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 6, Issue 1 covers the second quarter of 2016. 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-CRI'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-CRI. 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-CRI 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 median 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 78 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: Bangladesh, China, India, Indonesia, Kazakhstan, Malaysia, Pakistan, the Philippines, Sri Lanka, Thailand and Vietnam.

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

North America includes: Canada and the US.

Eastern Europe includes: Bosnia and Herzegovina, Bulgaria, Croatia, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, the former Yugoslav Republic of Macedonia, Montenegro, Poland, Romania, Russia, Serbia, Slovakia, Slovenia, Tunisia, 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, Kuwait, Jordan, Morocco, Oman, Nigeria, Saudi Arabia, South Africa, Tunisia 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-CRI's operational probability of default (PD) model. The model takes financial statements and market data from a database of more than 60,000 listed firms and estimates a PD for each firm, effectively transforming big data into smart data. The outputs from the RMI-CRI PD model are available free for all users at:

www.rmicri.org

As of June 2016, the PD system covers 119 economies in Africa, Asia-Pacific, Latin America, North America, the Middle East and Europe. The probabilities of default for more than 60,000 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 misuse the data. General users who do not request global access are restricted to a list of 5,000 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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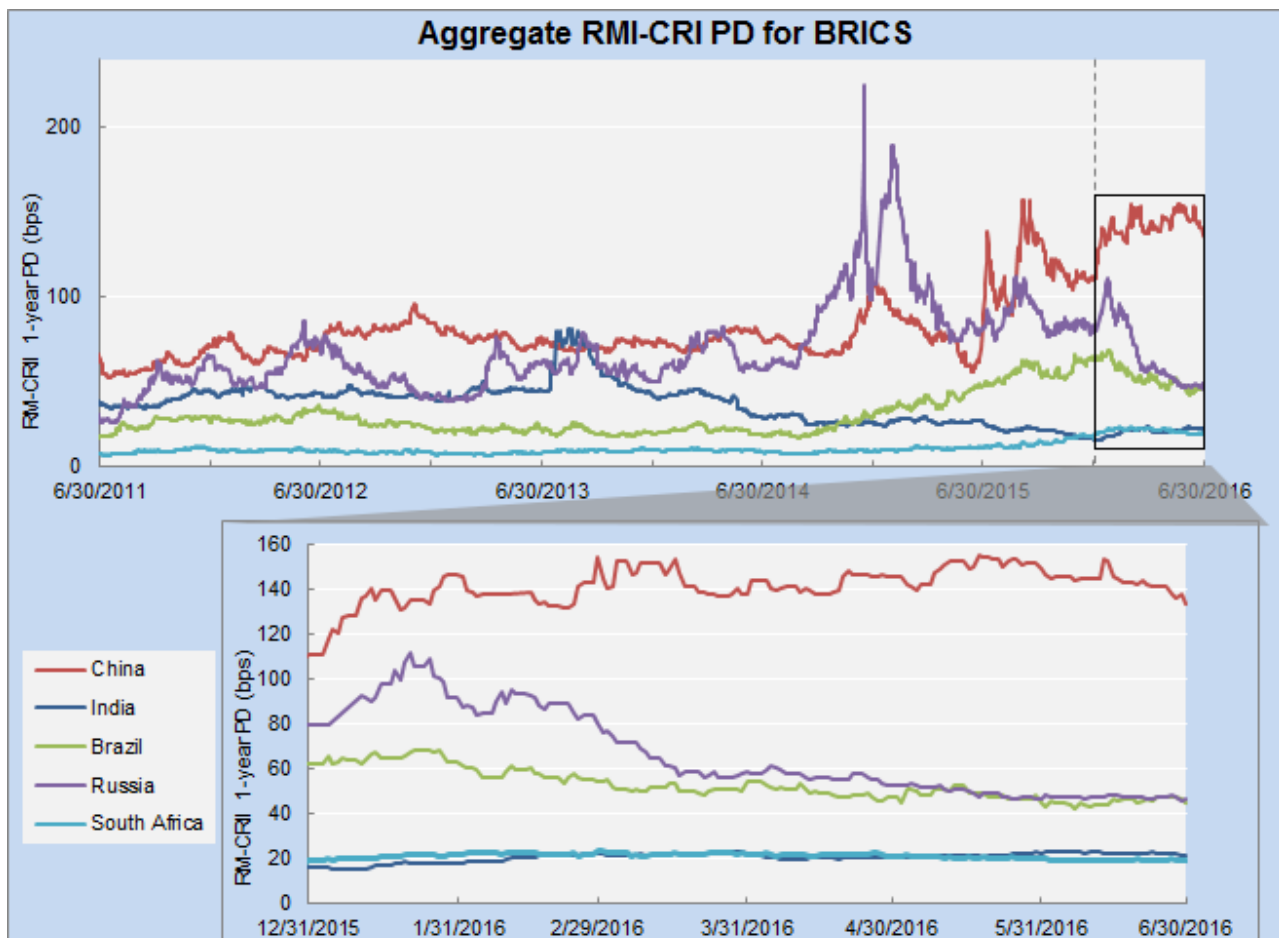
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Acronyms

BI	Bank of Indonesia
BOE	The Bank of England
ECB	European Central Bank
ELA	Emergency Liquidity Assistance
EU	The European Union
FTV	Financing-to-value
FDI	Foreign Direct Investment
GFC	2008-2009 Global Financial Crisis
LATDB	Liquid assets to deposits and short-term borrowings ratio
LHS	Left-hand side of graph
LTV	Loan-to-value
MAS	Monetary Authority of Singapore
MPC	Monetary Policy Committee
MoM	Month on Month
NIM	Net Interest margin
NODX	Non-oil domestic exports
NPL	Non-performing loan
OECD	Organisation for Economic Co-operation and Development
OJK	Otoritas Jasa Keuangan (Financial Services Authority of Indonesia)
OPR	Overnight Policy Rate
PBOC	The People's Bank of China
PMI	Purchasing Managers Index
QoQ	Quarter on Quarter
REITS	Real Estate Investment Trusts
RHS	Right-hand side of graph
RRR	Reserve requirement ratio
WAIR	Weighted average interest rate
YoY	Year On Year

BRICS

Companies listed in the BRICS region witnessed a slight improvement to their credit profiles during Q2. The aggregate 1-year PDs for Chinese firms decreased over the last three months on the back of higher exports and improved activity in the manufacturing sector. The perception that the Chinese government would introduce more stimulus lifted the gloomy sentiment over stocks and resulted in an equity market rally. In South Africa, retail companies benefited from a stronger Rand. Companies reported higher earnings and an improving economy meant that the central bank would have more room to tighten monetary policy, possibly in the third or fourth quarter this year. In Brazil, a stronger Brazilian Real and greater expectation of economic growth and earnings, lifted the equity market. President Dilma Rousseff was suspended to undergo an impeachment trial, creating investor confidence in the new political administration. Brazil posted its first current account surplus since April 2009 in Q2, as retail activity and industrial production expanded.



Russian Companies

The RMI aggregate 1-year PD for Russian companies continued its downward trend during Q2, as the economy continued to struggle in a recession. Several macroeconomic indicators such as employment and inflation have improved. Interest rates have remained high, keeping it expensive for companies to service their existing loans. However, the central bank indicated that the next rate move is likely to be lower, given that the inflation rate has been falling. The lower interest rate may provide some reprieve for Russian firms, but these companies are in the oil and gas sector, which makes them heavily reliant on oil prices. Even though the export and manufacturing sectors have displayed some improvement in Q2, the credit outlook for Russian firms remains negative.



Economy

- Russia's GDP contracted by 0.6% in Q2 after falling 1.2% in Q1. The government expects economic contraction to continue at a slower pace in H2 2016, as industrial production activity improves. However, the Finance Ministry said that the economy's performance will still be dependent on the external demand for oil exports, which has a very uncertain outlook. Russia is looking to expand its agricultural exports to decrease its reliance on oil production and exports. Russia has become the world's largest wheat exporter, overtaking the US and Canada, and hopes to increase wheat sales to 25mn tons in 2016.¹

- Despite the negative growth in the economy, the market capitalization of companies listed in the Russian stock markets have been increasing. Russia's Monetary Policy Committee expects inflation to fall in the coming months, and the central bank will likely resume further monetary policy easing. In the last monetary policy meeting in July, the central bank was encouraged that inflation was falling in line with the baseline forecast. On Aug 15, the benchmark MICEX index hit a record high of 1977, in tandem with rising oil prices. Analysts say that investors are buying stocks on the pretext that the economy may be emerging out from a recession.²
- Russia's inflation dropped to its lowest level in two years as the consumer price index decreased to an annual rate of 7.2% in July, from 16.7% in February 2015. The Bank of Russia expects inflation to reach their target rate of 4% next year. Earlier in Q1, the central bank pledged to keep interest rates at current levels until inflationary expectations and risks have diminished.³
- Russia's unemployment rate continued to fall during Q2, falling from 6% in March to 5.3% in July. The labor market has been improving even though the economy is in a recession, a sign that has puzzled market observers. Unlike the financial crisis in 2008, the weaker demand for labor has not translated to a higher unemployment rate. Beneath this statistic is an increasing trend of more foreign workers being laid off as the number of foreigner labor permits has been decreasing.⁴
- Russia's retail activity remained persistently in negative territory during Q2, with retail sales falling by 5.9% YoY in June and decreasing 5% in July. Some analysts said that falling real disposable incomes were responsible for the drop in retail sales, as consumers remained pessimistic about job growth. A representative of Magnit, the largest retailer in Russia, announced that consumer spending has fallen 1.5% in 1H 2016 from a year ago.⁵
- As a sign of the floundering economy, Russia's Markit's Manufacturing Purchasing Managers' Index (PMI) remained below the 50 point mark in April and May, but increased to 51.5 in June. In July, the index dropped to 49.5 as new orders decreased and output production declined. According to Markit, the downturn in the sector was driven by a marked drop in new order volumes. The survey also indicated that there was weak demand for Russian products, as new orders for exports slipped back into contraction territory.⁶
- The apparent weakness in manufacturing is not reflected in the service sector. The Markit Service Sector PMI index continued to increase in Q2, the index started at 52 in March and increased to 53.8 in June and then to 55 in July. The dramatic improvement in the last few months is the fastest pace of increase in 41 months. According to Markit, this was caused by a marked rise in new business intakes, as well as a broad based improvement in staffing levels in the service sector. The workforce improvement was the first sign of increase in 29 months, although the amount of increase was quite modest.⁷

Monetary

- The Bank of Russia decreased the key base rate to 10.5% in June, the first rate cut in nearly a year. The base rate was kept at 11% between Aug 2015 and May 2016, after it was raised to 17% in late 2014. The central bank said that monetary conditions are likely to remain tight even though there is higher budget spending, pension payouts and higher salaries.⁸

Funding & Liquidity

- 10 year yields on Russian sovereign notes decreased from 9.11% in Q1 to 8.32% in Q2. The Russian government is planning to raise another USD 1.25bn from another bond issuance later this year through a Eurobond issue, with a possibility of another bond issue next year.⁹
- Funding costs to non-financial companies have largely remained the same in 2016. In Q2, the weighted average interest rates of long term RUB-denominated loans (those maturing in 1 year or more) to small-and-medium sized businesses declined marginally from 14.16% in March to 13.90% in June. The rate of loans to non-financial organizations maturing in less than 1 year decreased from 24.29% to 22.21% during the same period.¹⁰

Regulation

- The Russian government plans to make changes to its oil tax structure and transform it into a profit-based model. The new measures were welcomed by companies as they say that the new tax system would be a more accurate reflection of the firms' exploration costs and risks. The Finance Ministry, however, opposes the new tax structure as it allows oil companies to hide their income and minimize tax payouts.¹¹

Sovereign Credit Ratings

- All three rating agencies kept their credit ratings in junk territory for Russia in Q2. During their review for the sovereign issuer in April, Moody's cited two factors as reasons to keep Russia's credit rating at Ba1. First, effective policy responses kept the economy resilient in the wake of falling oil prices. Second, the domestic capital market and fiscal reserves were sufficient to meet their debt obligations for the following two years.¹²

Russian Banks

The credit profiles of Russian banks have deteriorated in Q2 despite early indications that earnings might have expanded further from Q1. Deposit rates have dropped and loan rates have flattened, meaning that banks may have higher net interest margins in Q2. However, there are a number of structural factors that supports a credit negative outlook for the sector. First, the government is mopping up liquidity in the banking system as the central bank forecasted a liquidity deficit until the end of 2016. This may place excessive stress on the interbank rate, which may hinder the growth of credit profiles for smaller banks. Banks with poor margins and lower asset quality may find it difficult to obtain funding and survive in a receding economy. Second, banking regulators are clamping down on related party lending, which could result in more bank shut downs. The banks' exposure to related party loans is significant and has previously played a significant driver in some of the country's largest bank collapses.



Profitability

- Early results from VTB bank showed that earnings increased in Q2, but they were due to one-off gains. The company recorded a USD 243mn profit during Q2, driven largely by a one off oil refinery sale. Sberbank, the largest state controlled lender, reported a 166.3% increase in net income from a year ago. The bank saw a influx of new deposits as savers saw the bank as a safe haven amid the increasing number of bank closures this year. It is too early to say if the gains by the two banks were widespread across the banking sector in Q2. However, in the previous quarter, a survey of nine Russian banks profits showed that profits increased to USD 1.7bn from USD 906mn in Q4.¹³

Funding & Liquidity

- Loans extended to non-financial institutions increased in the first two months of Q2. The amount of issued loans expanded from RUB 21.50tn in March to RUB 21.64tn in May. This was due to an increase in demand for longer term loans, specifically those maturing beyond 3 years. The amount of shorter term issuances, such as loans maturing between 91 and 180 days, dropped from RUB 842bn to RUB 839bn. The amount of loans maturing in 1 to 3 years decreased from RUB 4.89tn to RUB 4.87tn.¹⁴
- Deposit rates dropped to the lowest point in 2016 after the weighted average interest rate (WAIR) on individual deposits (including demand deposits) of up to 1 year decreased to 7.04% in May. The WAIR on 1-year deposits of nonfinancial organizations declined to 9.64% in April, also the lowest for the year.¹⁵

Capital Levels & Regulations

- In Q2, the Bank of Russia conducted auctions on short term deposits, paying a weighted average of 10.22% in interest to bank dealers. This is the first time in over a year that liquidity is being mopped up in the financial system, as the central bank has been providing cash to banks in previous repurchase auctions. The liquidity surge has resulted in money market rates below 10.9%, a level which is lower than the central bank's target. Analysts say that the decision to switch to a deposit auction was because the central bank expects a possible large inflow of liquidity in the banking sector at the start of August.¹⁶

Asset Quality

- Asset quality compositions of Russian banks are set to change as regulators are planning to establish a rule that requires lenders to cut related-party lending to 20% of capital. Analysts say that 25% of the industry to be in violation of the new rule if it is introduced now. To comply with the new rule, banks may have to refinance loans or seek early repayments, these are undesirable options that may cause banks to seek waivers of the rule from the regulators. Related party lending is common among Russian banks, which is an area for concern. The Russian government is addressing these concerns by imposing tighter capital laws and draconian measures to fight money laundering.¹⁷

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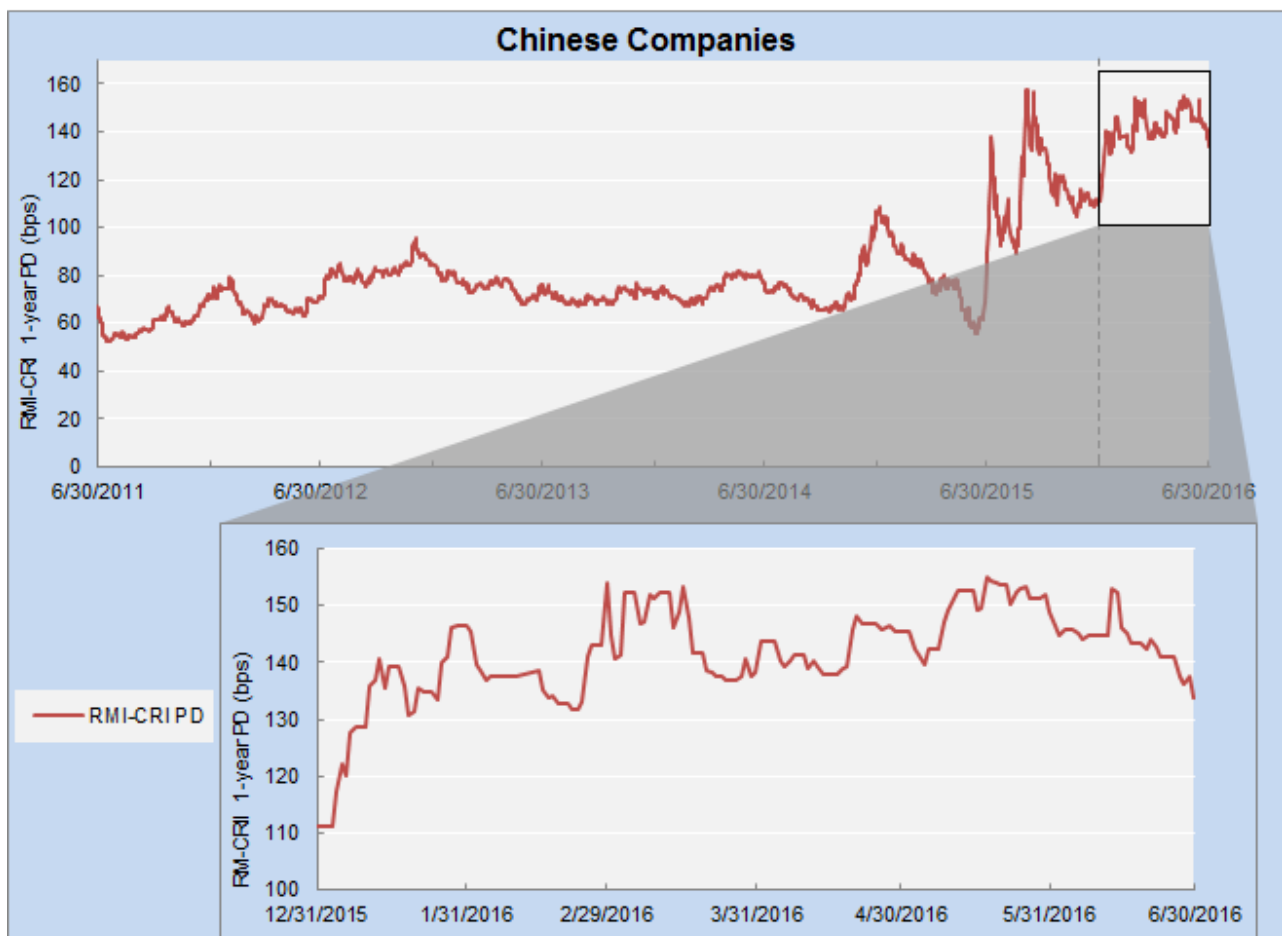
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- ¹⁷Jul 21, 2016, [Banks Surviving Russian Purges Brace for Most Painful Step](http://www.bloomberg.com), Bloomberg, <http://www.bloomberg.com>

Chinese Companies

China's GDP growth continued at its slowest pace of 6.7% YoY in the second quarter of 2016 since the global financial crisis. The credit profiles of Chinese firms improved marginally during Q2 although the firms' credit quality has deteriorated considerably from 2011. Inflation and employment were stable but analysts are looking for more headwinds given the ongoing austerity drive in China. Amid a global economic slowdown and an unexpected Brexit vote outcome, China's exports and imports experienced negative growth in the second quarter. The central bank in China maintained its benchmark interest rate, reserve requirement ratio and foreign exchange reserves holding while injecting money through reverse repo into the economy.



Economy

- The Chinese economy advanced 6.7% YoY in the second quarter of 2016, the same pace as in the previous quarter, as the world's second-largest economy continues to shift away from its manufacturing roots.¹⁸
- Consumer prices in China rose 1.9% YoY in June 2016, remaining well below Beijing's inflation target of about 3% in 2016. Policymakers in China had been trying hard to avoid deflationary cycles as it encourages consumers to hold off on buying and businesses to put off new investments anticipating further drops in prices.¹⁹

- China's official unemployment rate was broadly stable at 4.05% while Fathom Consulting said that the nation's Underemployment Indicator has tripled to 12.9% since 2012. Fathom Consulting mentioned that the nation experienced "a substantial hidden unemployment problem" prompting China to "restart the old growth engines". Amid state-backed 'zombie' factories being kept alive, employees had been asked to work half the time for half the pay in order to keep the plants running.^{20,21}
- The China's Caixin manufacturing purchasing managers index (PMI) came in at 48.6 in June 2016, down from 49.7 in March. Manufacturing PMI in China averaged 49.37 from 2011 until 2016, reaching an all time high of 52.30 in January of 2013 and a record low of 47.20 in September of 2015.²²
- Domestic demand and real-estate investment continued to remain sluggish. China's fixed-asset investment growth for H1 2016, a crucial driver of the economy, increased by 9% YoY reaching CNY 25.8tn, down from 11.4% last year. Meanwhile, the growth rate of real estate investment increased by 3% in H1 2016 reaching CNY 4.7tn, down from a 7% growth rate between January to May 2016 and 4.6% in H1 2015.^{23,24}
- Both exports and imports fell more than expected due to a continued slowdown in China's factory floors, registering a 4.8% and 8.4% decline in dollar denominated terms. This compared with a 4.1% decline in May and a 1.8% decline in April for exports as well as a 0.14% decline in May and a 10.9% decline in April for imports. All these reflected a slower global demand and moderate demand in China, said a strategist at CIBC Capital Markets. Economists at ANZ also said Brexit would weigh on China's exports demand.²⁵

Monetary

- China's central bank continued to maintain its interest rate at 4.35% for 9 consecutive months. The central bank hasn't cut interest rates in more than six months but has resorted to a range of tools to change credit and monetary conditions, such as open market operations, which are equivalent to cutting the required reserve ratio (RRR).²⁶
- The PBOC injected CNY 285bn through reverse repos in June 2016, according to Bloomberg data. In spite of the cash injection, the interbank rate surged to the highest in three months due to the seasonal end-of-quarter demand. The increase in demand came from Chinese banks, who typically hoard cash to meet capital requirements at the end of the reporting window.²⁷
- The required reserve ratio continued to remain at 17% in Q2 2016 after cutting 0.5% in March. In a series of reductions, the central bank has brought the reserve ratio down from its 2011 peak of 21.5%. According to the front page commentary in the state-run China Securities Journal, the China central bank is likely to cut reserve requirement ratio in H2 2016. PBOC announced that as of July 15 the RRR would be based on the average of its daily outstanding deposits rather than the deposit level at the date of assessment. The change is to increase the flexibility of financial institutions' liquidity management and smooth volatility in the currency market and aid in establishing the interest rate corridor system in China.^{28,29,30}
- China's foreign exchange reserves increased by USD 13.4bn to USD3.21tn in June of 2016, compared to a USD 30bn decrease in May and a USD 10bn increase in April. Meanwhile, gold reserves had increased from 58.14mn fine troy ounces in May to 58.62mn in June 2016. Foreign Exchange Reserves in China averaged USD 860bn from 1980 until 2016, reaching an all time high of USD 3.99tn in June of 2014 and a record low of USD 2.3bn in December of 1980.^{31,32}

Funding & Liquidity

- 10-year government bond yield decreased slightly from 2.86% at the end of March 2016 to 2.84% in June 2016. 1-year government bill yield increased from 2.06% to 2.39% over the same period.³³
- The 3-month 5-day average SHIBOR had increased steadily from 2.82% on 31 March 2016 to 2.97% on 30 June 2016.³⁴
- The value of new yuan loans provided by the Chinese banks stood at CNY 1.38tn in June 2016 as compared to CNY 985.5bn in May 2016 and beating market expectation CNY 1.04tn. Banks Balance Sheet in China averaged CNY 582.84bn from 2004 until 2016, reaching an all time high of CNY 2.51tn in January 2016 and a record low of CNY -32.10bn in July 2005.³⁵

Policy

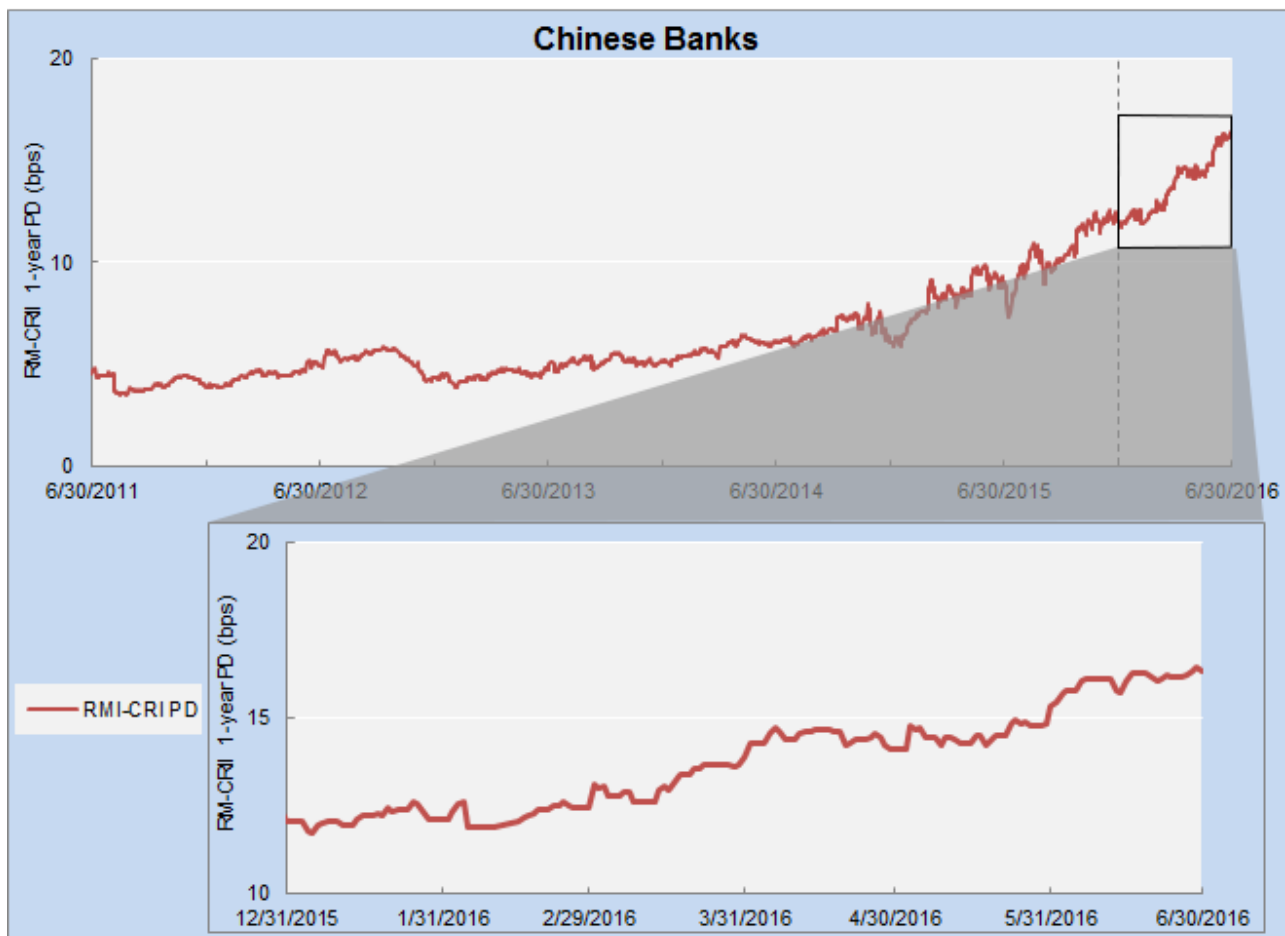
- A bumper March, disappointing April and stable growth in May coupling a credit surge in Q1 gave China little incentive to apply fresh policy stimulus. President Xi Jinping also highlighted the importance of deleveraging. In some areas, China's leadership actively reduced excess industrial capacity that built up amid the debt-fuelled growth of recent years. With stabilized exports amid a muted global economic growth environment, China had to rely on domestic demand to meet the 6.5% to 7% GDP growth in 2016. An economist at UBS cited sustained rebound in the real estate investment will help to achieve this goal. The economist also anticipated a review on the policy outlook using Q2 data and a gathering of top policy makers in July. Another economist at Royal Bank of Scotland mentioned the credit growth is likely to stay solid and policy makers will likely stay on hold, tapering demand stimulus while maintaining fiscal and liquidity buffers.³⁶

Sovereign Credit Ratings

- Fitch maintained rating A+ on the Chinese government with a stable outlook while Moody's and S&P credit rating for China stood at Aa3 and AA- with a negative outlook.

Chinese Banks

The RMI aggregate 1-year PD for Chinese listed banks continued to climb, surging to its highest level in more than 5 years. In Q2 2016, banks may need to restore bad loans buffers which they breached in Q1 2016 at the expense of their profitability. The refusal of China Banking Regulatory Commission to lower the minimum bad loan buffer reflected their stand to control risk for the highly-leveraged financial system in China. The amount of capital injected into the banking system through the PBOC's lending facility has declined in June from the previous month. Lastly, a majority of the Bloomberg survey respondents predicted a government bailout within two years.



Profitability

- Banks in China may need to sacrifice profitability to restore bad-loan buffers that they breached in Q1 as China Banking Regulatory Commission refused to lower the minimum 150% threshold. This reflected their stance to control risk in the highly-leveraged financial system in China, weighing more on the stability of the financial system at the expense of equity investors. Combined profits of the top five banks slipped 3.4% in 2016, the first decline since 2004 as analysts said.³⁷

Funding & Liquidity

- China's central bank injected CNY 210.72bn through short- and medium-term liquidity (MLF) facilities in June to support credit growth and the economy, down by 27.5% from May. The central bank also injected CNY 2.72bn through its standing lending facility (SLF) in June. The outstanding SLF and MLF stood at CNY 2bn and CNY 1.75tn respectively at the end of June 2016, as compared with the CNY 400mn and CNY 1.64tn figures in May.³⁸

Regulations

- One consolidation plan on the financial regulation is to empower and centralize the central bank, rather than overseeing the banking, securities and insurance industries in isolation. One illustration was that when China's commercial banks aggressively expanded lending in 2009 to shield the Chinese economy from the global crisis, the country's top banking regulator made them hold more capital and set aside more money against bad loans, undoing the effects of the central bank's credit loosening. However, the need to reform required intense debate over how to do it. June came and went without a draft proposal that president Xi and other leaders hoped to see.³⁹
- China consulted Britain on plans to create a financial super-regulator to improve financial oversight following the stock market crash in 2015, reported by Reuters. The central bank had also previously approached the US Federal Reserve in July 2015 for aid in handling its tumbling stock markets.⁴⁰
- CBRC told Reuters it was drafting new regulations on commercial banks' wealth management products to curb risks and promote sustainable development in the industry. The new rules were studied internally and feedback were gathered for amendment before publishing the new rules. The Chinese stock market fell sharply after the news of the new draft rules being widely reported by the media.⁴¹

Asset Quality

- Nine out of 15 respondents in a Bloomberg survey at the end of June 2016 expected a government-funded recapitalization that will take place within two years. Despite the view that state recapitalization would place the banking system on a stronger footing, 80% of the respondents predicted news of a rescue would impact the Chinese markets, dragging bank stocks and the yuan while pushing up government borrowing costs and credit risk. Cheap credit to boost economic growth was the reason of the piling of bad debt. Non-performing loans shoot up by more than 40% YoY in March 2016 to CNY 1.4tn or USD 210bn, constituting 1.75% of the total loan. CLSA Ltd. estimated that NPLs were understated and closer to CNY 11.4tn at the end of 2015. Also, a stress test on 31 large- and mid-sized Chinese banks demonstrated that the aggregate capital-adequacy ratio fell from 13.32% to 10.97% in a worst case scenario, the PBOC said. Lastly, the respondents said the state will use a mix of foreign reserves, state assets sales, sovereign bond issuance or money printed by the central bank for state recapitalization, costing between USD 500bn to USD 3tn.⁴²

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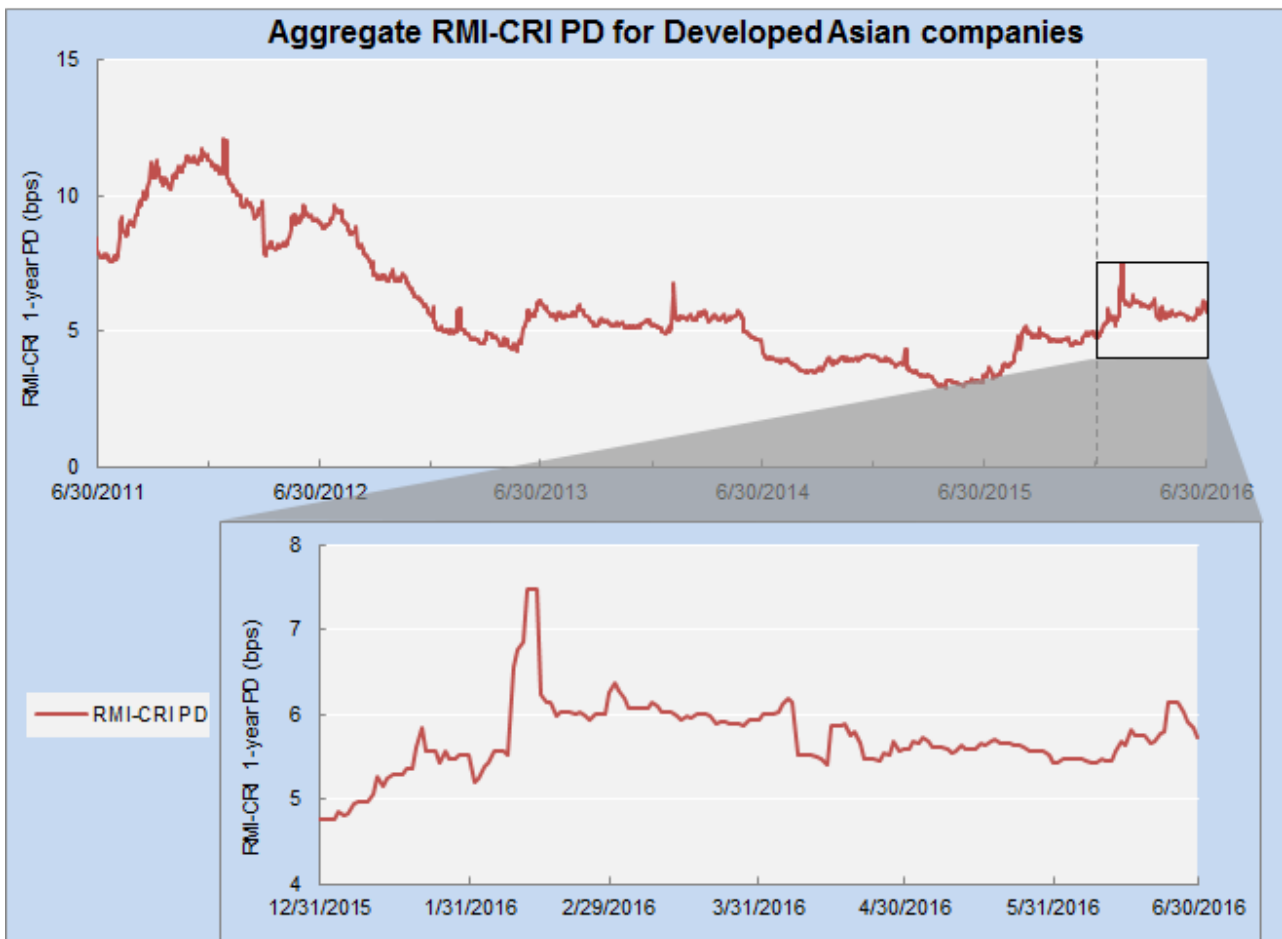
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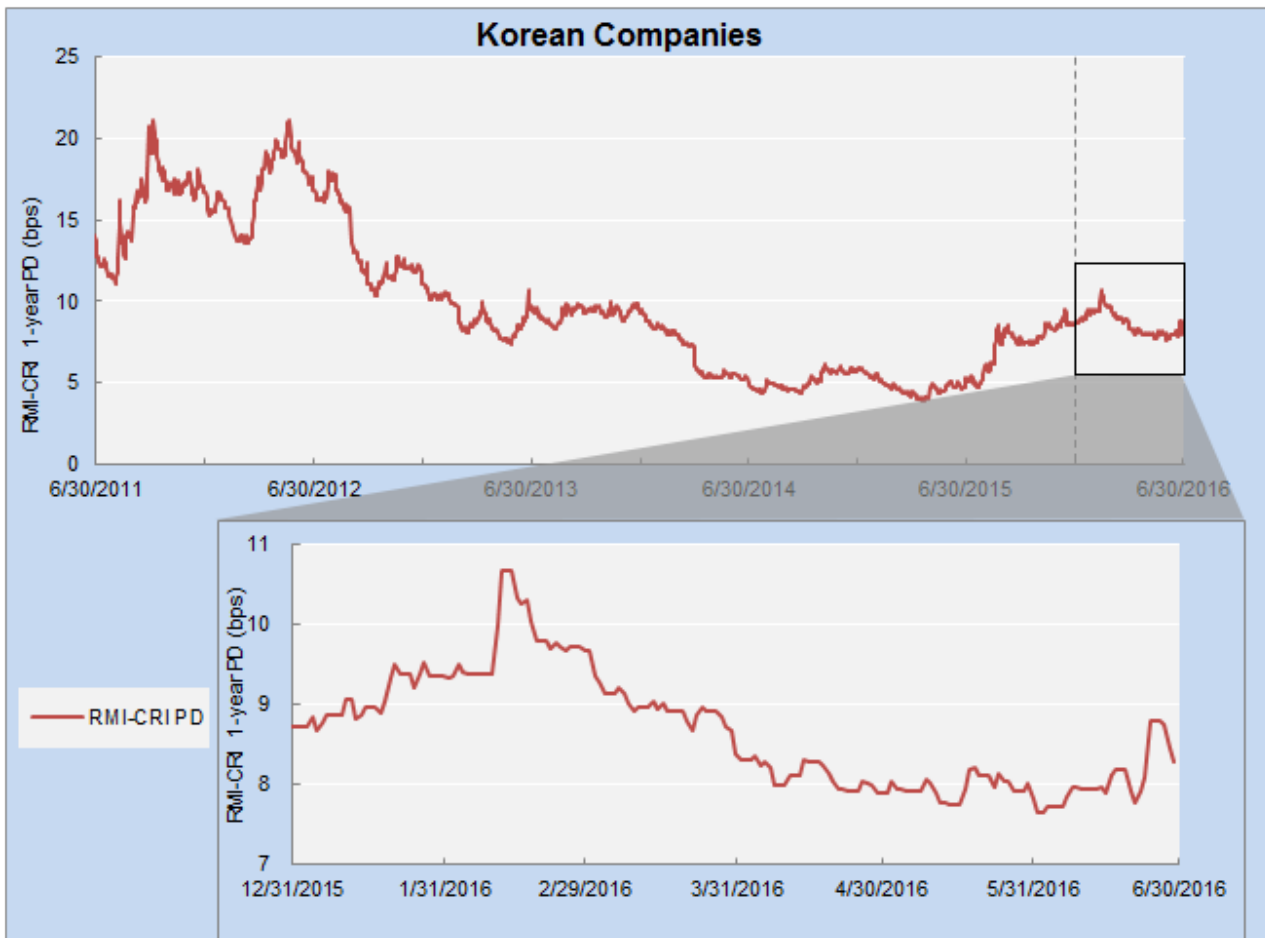
Asia-Pacific - Developed economies

The RMI-CRI aggregate 1-year PD for listed companies in the developed Asia Pacific region remained unchanged during Q2. The RMI-CRI aggregate 1-year PD for Japanese firms decreased while the aggregate 1-year PD for Australian firms increased during the quarter. The credit profiles of Japanese firms strengthened on the back of a weaker Yen; earnings increased during Q2 with technology and healthcare sectors registering stronger earnings growth. Australian firms, on the other hand, posted lower net incomes due to weak commodity prices. Macro economic data tracking Australia’s economy was mostly weaker than expected. Retail activity was poor in Q2 while the Purchasing Managers’ Index dropped to 51 from 53.4 in April. The RMI-CRI aggregate 1-year PD for Asia Pacific firms remained at an elevated level, after reaching a peak in January this year. The RMI-CRI aggregate 1-year PD reversed its downward trend in May and has since been climbing upwards, eventually settling near its highest level since 2012 in June.



South Korean Companies

The RMI-CRI aggregate 1-year PD for South Korean companies was unchanged over Q2. The aggregate 1-year PD rose slightly in June before ending flat for the quarter. The tepid PD move was accompanied by better than expected economic growth and lower unemployment rate in Q2. However, exports continued to fall in the second quarter in light of weak export demand from China and emerging countries while the debt restructuring in the shipbuilding and shipping industries is placing strain on the country’s economy. In a bid to stimulate growth, South Korea has cut its benchmark rates to 1.25% and planned for an additional budget spending. Despite the monetary and fiscal stimulus, the outlook on South Korean economy remains uncertain amid the ongoing corporate restructuring.



Economy

- South Korea’s economy grew by 0.7% QoQ during Q2, as compared to 0.5% QoQ during Q1. On a YoY basis, South Korea’s GDP increased 3.2%. Private consumption and capital investment helped to stimulate growth as private consumption and capital investment grew 0.9% and 2.9% respectively in Q2 after tumbling 0.2% and 7.4% in Q1. It was the fastest annual growth since the third quarter of 2014. In July, the South Korean government submitted a USD 9.7bn additional budget plan to battle unemployment. The result in Q2 outperformed a median of 2.9% forecast in the Reuters poll.⁴³

- The consumer sentiment in South Korea slightly improved in July. The composite consumer sentiment index in July climbed to 101 in June from 99 in May. The rise is attributed to the growing belief that economic conditions are going to improve. Consumer sentiment had been low since May due to high youth unemployment and concerns regarding corporate restructuring. The monthly index is based on a survey of 2,070 households.⁴⁴
- South Korea's trade surplus hit an all-time high in June as the economic slowdown weighs more on imports rather than exports. Trade surplus in June stood at USD 11.5mn, up by 15.5% YoY. Exports declined for eighteenth month straight in June, falling by 2.6% YoY to USD33.8bn, whereas imports fell by 7.7% YoY. In light of weakening demand from China and emerging countries, exports have declined since early 2015. South Korea's inbound shipment has contracted for 20 consecutive months.⁴⁵
- Korea's unemployment rate in Q3 fell to 3.6% in June from 3.7% in April. The unemployment rate in April is the lowest level in the five months, after peaking at 4.1% in February 2016. Number of people employed in June was 26.6 million, up by 354,000 from a year earlier. However, the unemployment rate for young people, aged between 15 and 29, climbed to 10.3% in June from 9.7% in May.⁴⁶
- South Korea's PMI increased to 50.5 at the end of the second quarter from 50.0 in April, signalling modest improvement in the manufacturing sector. Production in June rose at the fastest pace since February 2015 as better advertising, new product launches, and stronger export demand had helped to boost output. Consequently, firms hired more workers at the fastest rate since March 2014.⁴⁷

Monetary

- On June 9, the Bank of Korea decided to lower the benchmark rate for the first time in a year to 1.25% from 1.5%. The unanimous decision was taken to better cope with the growing risks to the economy, which is currently plagued by weak export and sluggish consumption. The central bank governor cited modest price pressure and weaker than initially expected future growth as the board's main reasons to cut rates. Concerns about debt restructuring in Korea's beleaguered shipbuilding industry was likely to be one of reasons. The central bank said it will retain a supportive monetary policy stance in stimulating economic growth and maintaining financial stability.⁴⁸
- Consumer price index in July rose by 0.7% YoY, down from 0.8% YoY increase in June. The inflation rate is the slowest in 10 months and was below the median estimate of 0.8% in a Reuters poll. Core CPI, which excludes oil and agricultural products, climbed by 1.6% YoY. The inflation rate remains below the central bank's target of 2%. In Q2, the Bank of Korea cut its benchmark rate to a record low of 1.25%.⁴⁹

Funding & Liquidity

- Yields on 10-year South Korean government bonds declined from 1.817% in Q1 to 1.418% in Q2.
- According to the Bank of Korea (BOK), South Korea's M2 money supply rose to KRW 2,318.5tn at the end of May, up by 0.7% from April. The rise is attributed to an increase in short-term deposits and money market funds amid low interest rate. Bank deposits with a maturity less than two years rise from KRW 904.4tn to KRW 913tn while money held in money market funds increased by KRW 63.2tn to KRW 67.5tn. The BOK's decision to cut the benchmark rate to a record low of 1.25% in June has helped to spur money growth.⁵⁰

- Interest rates on new loans to large Korean corporations fell from 3.28% per annum in March to 3.06% in June. Similarly, interest rates on new loans to small companies declined to 3.64% from 3.79% in the same period.⁵¹

Politics

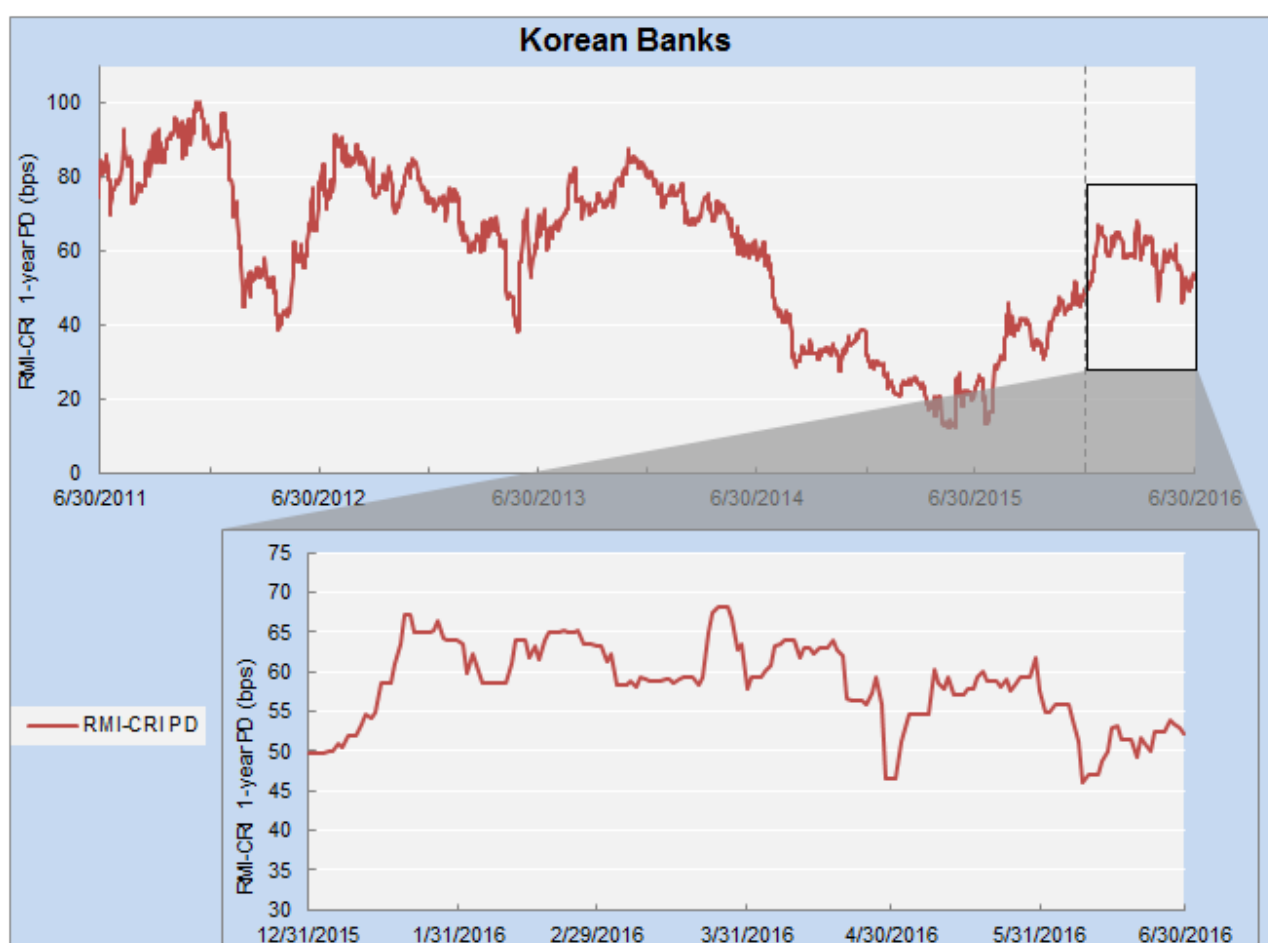
- In the wake of North Korea's nuclear weapon test and satellite launch in May, South Korea has been mulling to develop its own nuclear weapons. While South Korea is barred from developing its own nuclear weapon under the Nuclear Non-proliferation Treaty, growing security risks from Pyongyang have continued to fuel the discussion. The ruling party even urged the President to stockpile plutonium for self-defence. Such a move, however, will not be tolerated by the United States and would likely to result in sanctions from the US and proliferation of nuclear arms in the region.^{52,53}

Sovereign Credit Ratings

- The three major agencies have maintained their ratings on South Korea's sovereign debt in Q2. The country is rated AA- by Fitch, Aa2 by Moody's and A+ by S&P. All three CRAs maintained stable outlooks on the sovereign issuer.

South Korean Banks

The RMI-CRI aggregate 1-year PD for South Korea banks decreased to its lowest level for 2016 during Q2. However, the asset quality of Korean banks deteriorated in the second quarter as the delinquency rate of domestic bank's won-denominated loans continued its climb from Q1, fuelled by the numerous ongoing corporate restructurings. South Korean banks reported weaker profit in the second quarter while Moody's downgraded the outlook on Korean banking system to negative in April in light of the uncertain macroeconomic condition and the ongoing corporate restructuring. In response to the bank's worsening balance sheet, the South Korean government planned to recapitalize two state-run banks that are significantly exposed to the ailing shipbuilding and shipping industries.



Profitability

- The aggregate earnings of seven listed Korean banks fell by 9.93% QoQ in Q2. Total net incomes were USD 2.17bn at the end of June, 6.67% higher than USD 2.04bn a year ago.

Funding & Liquidity

- Average coupon rates on new issuances of 5-year KRW-denominated bank bonds decreased from 1.75% in Q1 to 1.72% in Q2.
- Data published by the Korea Federation of Banks showed that the short term Cost of Funds Index rate decreased in Q2, from 1.47% at the start of April to 1.30% at the end of June. COFIX is determined by the average interest rate paid on capital funding by nine major Korean lenders.
- Overall liquidity in the South Korean banking system worsened during Q2 as the aggregate LATDB ratio for listed banks declined from 11.1% at the end of March to 10.33% at the end of June.

Regulations

- The Financial Supervisory Service in May urged major commercial banks to increase loss reserves against corporate insolvencies amid an economic downturn. The central bank governor told banks to write down distressed debt quickly and build up adequate reserve for future losses. The governor viewed that banks remain slow in reflecting losses and sustaining healthy balance sheets. The governor also reminded banks of beleaguered shipbuilders and other ailing industries to be more involved in the restructuring process.⁵⁴
- In June, the South Korean government and central bank planned to create a KRW 11tn fund to recapitalize Korea Development Bank and the Export-Import Bank of Korea, two state-owned banks that have the highest exposure to the shipping and shipbuilding industries. The fund will be used to buy contingent convertible (CoCo) bonds that can be converted into equity issued by the state banks to maintain the banks' adequacy ratio. On top of the fund, South Korean government also injected KRW 1tn worth of assets directly into the Export-Import Bank of Korea.⁵⁵

Asset Quality

- In April, Moody's downgraded the outlook on five Korean banks (Busan Bank, Daegu Bank, KEB Hana Bank, Kyongnam Bank, and Shinhan Bank) to negative from stable. Moody's also revised the outlook of Jeonbuk Bank from positive to stable. Moody's expected a more challenging operating environment for Korean banks, particularly those that have exposure to industries undergoing restructuring. As the ratio of private sector credit to GDP rose by 10% to 182.6% in September, 2015, Moody's was of the view that bank's profitability and asset quality were increasingly at risk.⁵⁶
- The delinquency rate of domestic bank's won-denominated loans (calculated as the percentage of loans with principal or interest payment past due by at least one month) increased from 0.64% at the end of April to 0.71% at the end of Q2. The rise in delinquency rate was attributed to court-led restructuring of STX Offshore, which resulted in higher delinquency rate of loans to large companies. The delinquency rate of loans to large companies climbed to 2.17% in June from 0.87% in April whereas the delinquency rate of loans to SMEs fell from 0.87% in April to 0.71% in June.⁵⁷

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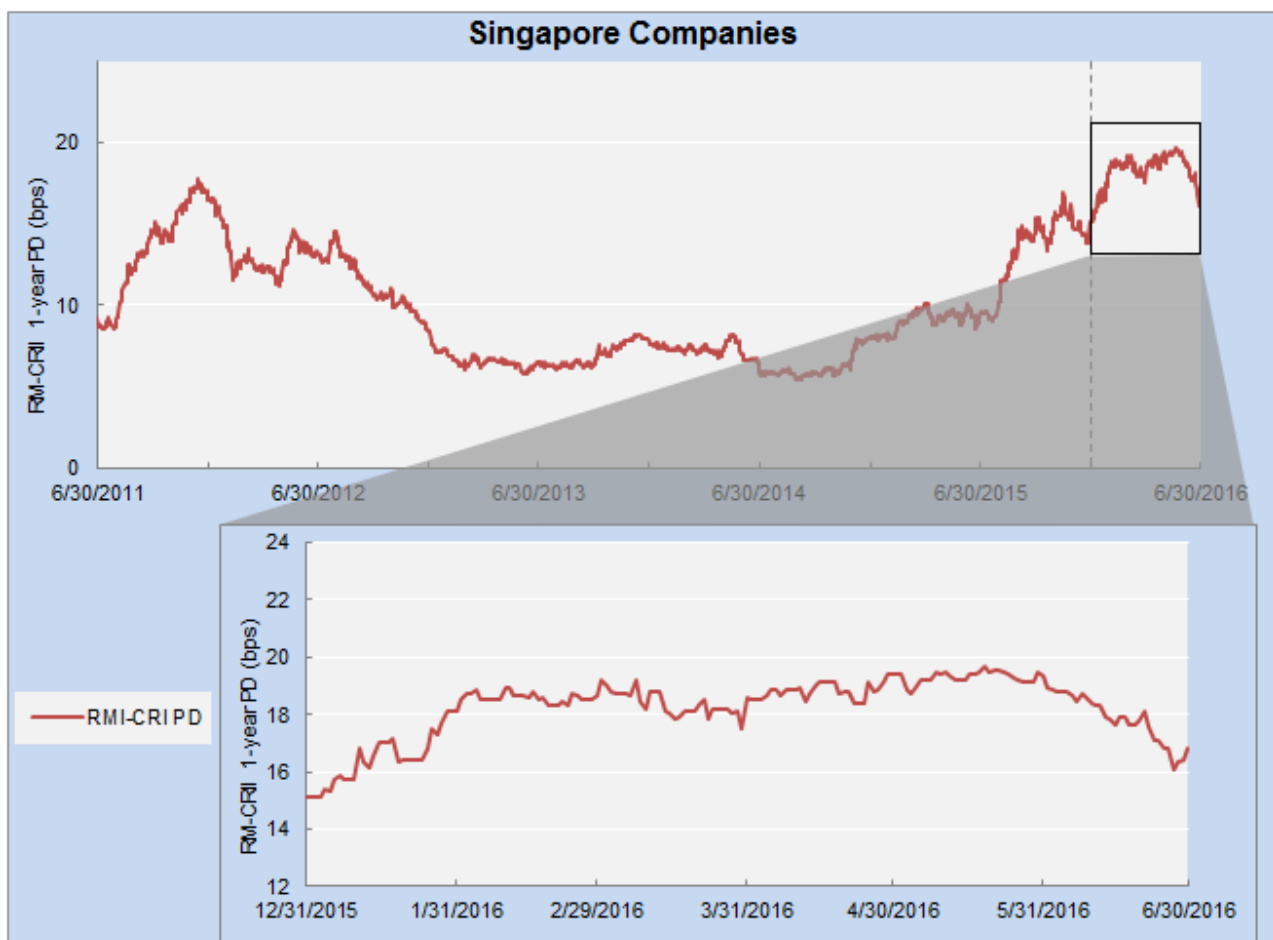
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Singapore Companies

The RMI-CRI aggregate 1-year PD for Singapore firms declined in May and June, keeping in line with higher retail spending and a modestly growing economy. The unemployment rate increased to 2.1% as more companies laid off workers to cope with a tougher operating environment. There was a high profile default in the oil services industry which supports a negative credit outlook for Singapore firms. Swiber Holdings, applied for judicial management after the company failed to secure further funding from private equity players. The local banks are the principal creditors to the firm, with exposures as high as SGD 700mn. Swiber's credit event may bring about higher financing costs to other non-financial Singapore firms as banks turn cautious in issuing loans. The RMI-CRI aggregate 1-year PD surged to the highest level in more than 5 years before retreating in May and June. It remains to be seen if the 1-year aggregate PD will decline further as the economy continues to reel from weak external demand and lackluster investment climate.



Economy

- According to advance estimates, the Singapore economy grew by 2.2% YoY in the second quarter of 2016, the same pace of growth as in the previous quarter. The construction industry continued to be the main contributor to the YoY GDP growth, while the manufacturing sector had reversed from a previous contraction. Growth rose marginally on a QoQ seasonally-adjusted annualized basis, in contrast to the 0.2% growth in the preceding quarter.⁵⁸

- Inflation rate dropped by 0.7% YoY in June 2016, led by lower prices in transport and the housing and utilities segment, compared to the year before. Transport costs fell by 4.3% YoY, though it expanded marginally by 1.4% on a MoM basis. Similarly, the price level in the housing and utilities segment were lower by 4.2% in June 2016, in contrast to the same period last year. On a MoM basis, prices of housing and utilities segment rose by 2.1%. Excluding the accommodation and private road transport components, the core inflation index was up by 1.1% on a YoY basis, as prices were higher in the household durables and services and education segments.⁵⁹
- Singapore's seasonally adjusted unemployment rate rose from 1.9% in March 2016 to 2.1% in June 2016. During the period, unemployment rate increased among residents and citizens as a result of the unfavorable global economic conditions. Total employment was 1.3% higher than a year ago in June 2016, similar to the 1.4% growth in March 2016, but slower than the average growth of about 2% in 2015. The expansion in the second quarter of 2016 was mainly driven by services, despite a slowdown in the pace of growth from the previous quarter. In contrast, employment in manufacturing continued to shrink. 5,500 workers were made redundant in the first quarter of 2016, greater than the number in Q4 2015 and on a YoY basis. The number of layoffs fell during the quarter in manufacturing while it increased in services and stayed relatively unchanged for construction.⁶⁰
- Survey results released by the Singapore Institute of Purchasing and Materials Management showed that the manufacturing sector shrank for the twelfth consecutive month in June 2016. The decline in reading was attributed to a contraction in factory output and a faster rate of contraction in both new orders and new exports.⁶¹
- The seasonally adjusted retail sales increased 1.4% MoM and increased 3.0% YoY in May 2016. Excluding motor vehicles, retail sales increased 2.3% MoM and 3.3% YoY respectively. The total retail sales value in May 2016 was estimated at SGD 3.7bn, higher than the SGD 3.6bn retail sales value last year. The seasonally adjusted sales of food&beverage services in May 2016 increased 0.9% MoM and 0.7% YoY. The total sales value of food&beverage services in November was estimated at SGD 690mn, higher than the SGD 685mn total sales of food&beverage services last year.⁶²
- Singapore's NODX decreased by 2.3% YoY in June 2016, in contrast to the 11.6% expansion YoY in the previous month, because of a contraction in both electronic and non-electronic NODX. The top contributors to the NODX decline were the EU 28, China and Indonesia.⁶³

Monetary

- MAS announced in April 2016 that it would ease its monetary policy by halting the appreciation of the Singapore dollar. The move will remove the modest and gradual appreciation path of the currency's existing nominal effective exchange rate policy band. The policy shift came on the back of a modest growth in the first quarter of 2016, weaker than projected during the policy review in October 2015. Additionally, a slower growth in the rate of core inflation also contributed to the shift in currency policy.⁶⁴

Funding & Liquidity

- Yields of 10-year Singapore government bonds dropped to 1.80% on Mar 31 2016 from 2.60% on Dec 31 2016.

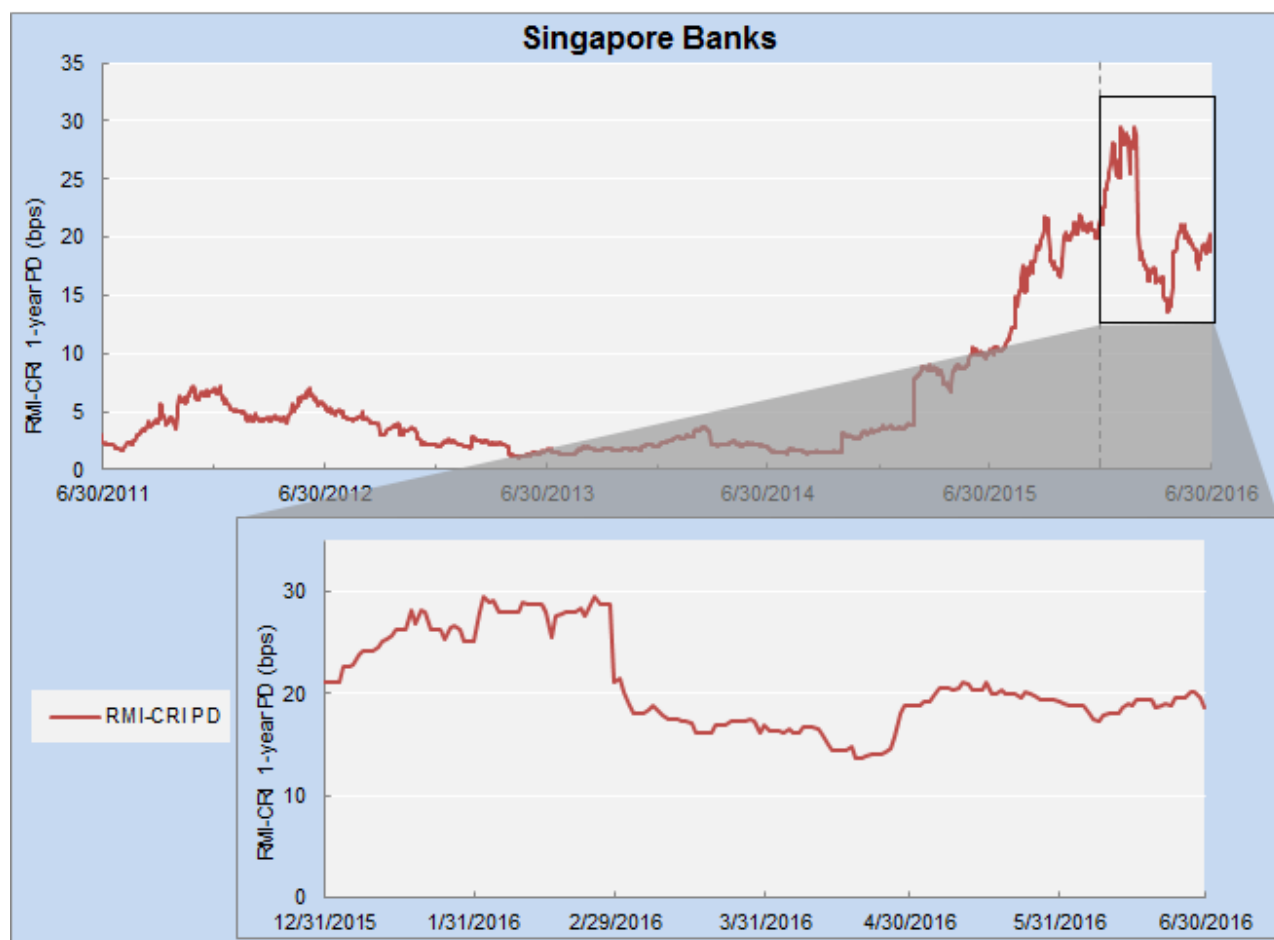
- Lending to non-bank customers dipped from SGD 591bn in Q1 2016 to SGD 590bn in Q2 2016. Total loans to businesses shrank by more than SGD 3bn from a quarter ago, in particular the financial institutions sector. Loans to consumers, on the other hand, rose during the quarter.⁶⁵
- The amount of outstanding sovereign bonds decreased by SGD 0.9bn in Q3 2016.⁶⁶
- The prime lending rate stayed unchanged at 5.35% since January 2014.⁶⁷

Sovereign Credit Ratings

- All three major rating agencies kept their highest investment grade ratings for Singapore sovereign bonds over Q2 2016.

Singapore Banks

The RMI-CRI aggregate 1-year PD climbed to its highest level in more than 5 years in February, declined slightly in the subsequent months, and remained at an elevated level in Q2. The performance of the three local banks remain positive during the second quarter of 2016, albeit lower profits were posted for DBS and OCBC. While bank deposit rates stayed flat during the period, the level of savings and lending to non-bank customers dipped. Overall, the banks' asset quality deteriorated as non-performing assets, especially within the oil and gas sector, have started to rise. Moving forward, banks could increase their bank provisions given the increasingly weak outlook over employment and loan quality in Singapore. With the abovementioned factors in mind, the credit outlook for Singapore banks remains negative.



Profitability

- On a YoY basis, the profitability of DBS and UOB experienced a decline in Q2 2016. Only UOB reported a rise in profit of 5.1% as compared to the year before. The net income was about 6% lower for DBS while 15% lower for OCBC. OCBC's net income declined by a wider margin, from SGD 1048mn during the same quarter last year to SGD 885mn this year. The decline in profitability for OCBC is largely attributed to the absence of equity investment gains a year ago and unrealized mark to market losses from its insurance subsidiary's bond and equity investment portfolio.^{68,69,70}
- Data from the Monetary Authority of Singapore showed that the amount of corporate loans issued to non-bank customers decreased by SGD 86.4mn during the first quarter of 2016.⁷¹

Funding & Liquidity

- Total deposits in Singapore banks contracted by SGD 312.8mn in Q2 2016. Local currency deposits expanded by SGD 259.3mn, a significantly slower pace as compared to previous quarter expansion of SGD 15.5bn while foreign currency deposits were reduced by about SGD 572mn. All segments, from government bodies to residents, chalked up net savings during this period.⁷²
- The fixed deposit rates remained unchanged during Q2 2016, with rates on 3-month deposits and 12-month deposits keeping at 0.19% and 0.35% respectively. The prime lending rate stayed at 5.35%.⁷³
- The statutory liquidity ratio of banks increased to 25.8% in December 2015, up from 20.6% in September 2015.⁷⁴

Capital Levels & Regulations

- Banks' capital and reserves level rose to SGD 86.1bn at the end of Q1 2016 from SGD 84.6bn at the end of previous quarter. On a YoY basis, the capital and reserves level was higher by 14.5%.⁷⁵

Asset Quality

- Loans placed under the "special mention" category increased slightly to 2.42% of total exposure as of the end of Q2 2016, from 2.33% in the quarter before. Overall, asset quality in banks was lower during the first quarter of 2016, as the composition of good-quality assets continued to decline. The percentage of loss exposure at local banks has also increased markedly since last year. Total loss was 0.13% in Q2 2016 compared to 0.08% in Q2 2015.⁷⁶

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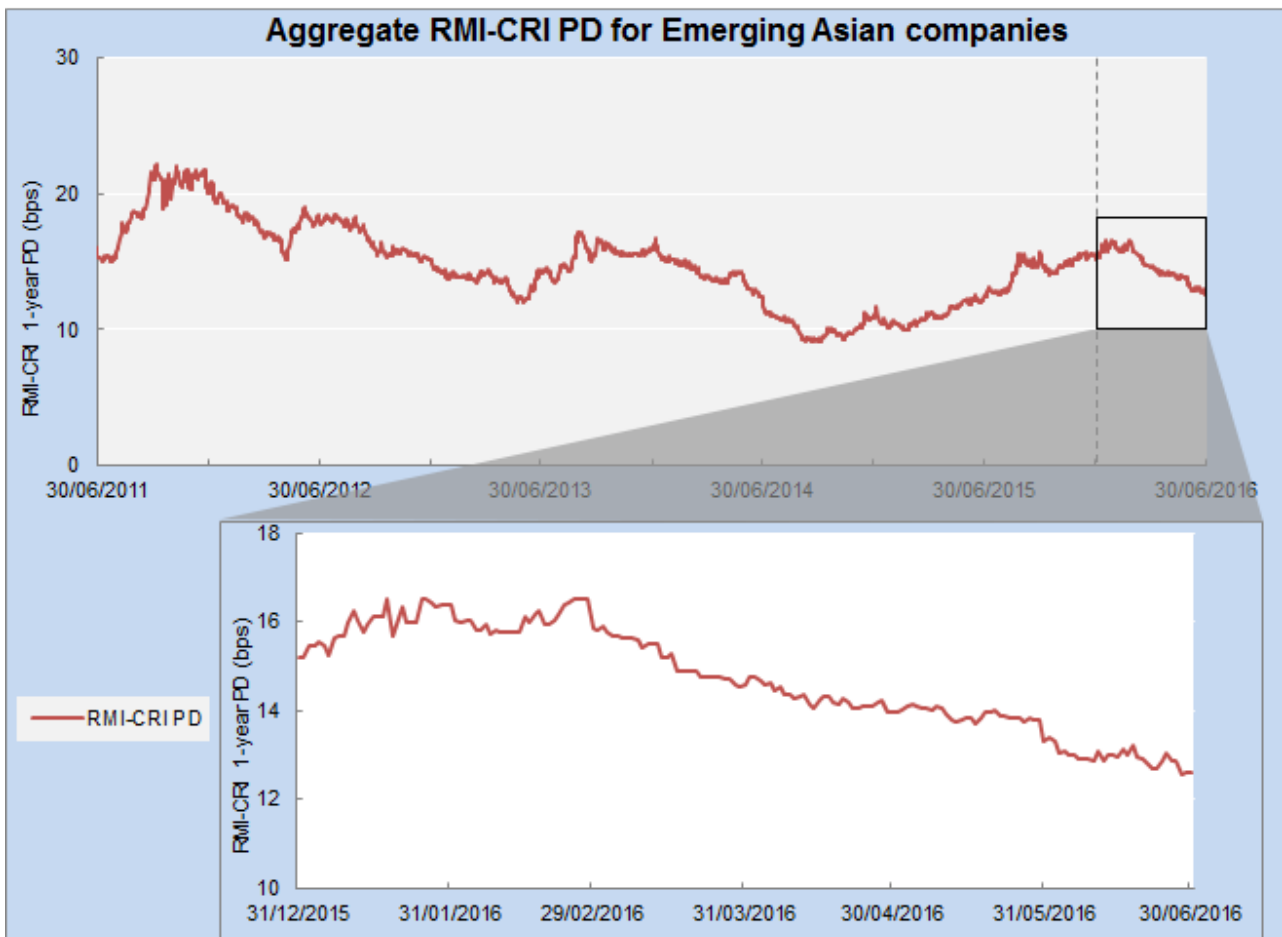
⁷⁴Jun 2016, [Statutory liquidity position of DBUs](https://secure.mas.gov.sg/), MAS, https://secure.mas.gov.sg

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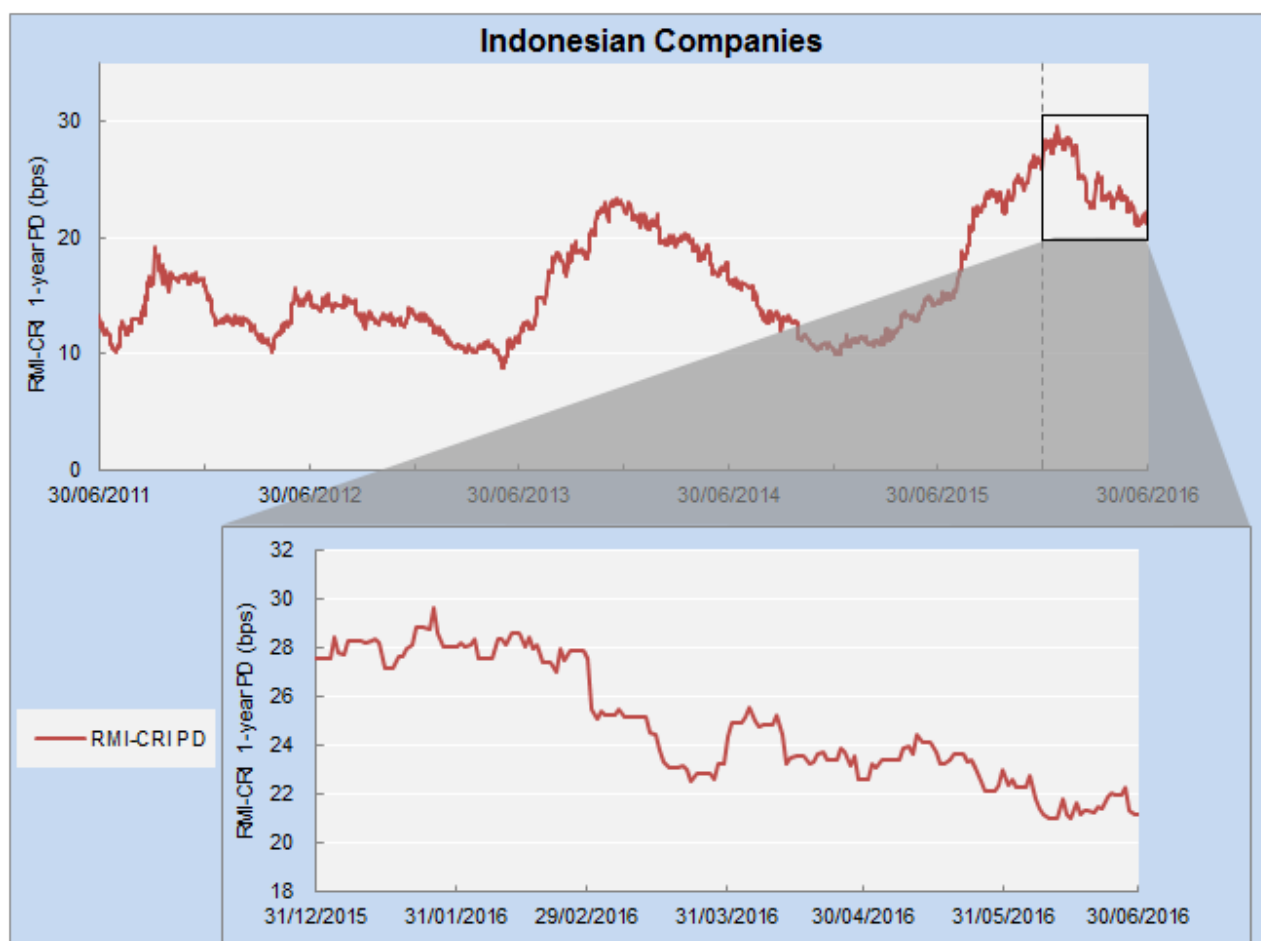
Asia-Pacific - Emerging economies

The RMI-CRI aggregate 1-year PD for listed corporations in emerging Asia, excluding India and China, continued to fall during the second quarter of 2016. Within the region, the credit profiles of Indonesian companies improved after the approval of the tax amnesty bill. With the tax amnesty bill in effect, Indonesian corporates could benefit from higher private and public investments with notable improvements expected by 2017. Credit profiles of Philippines companies also improved as investors backed up the newly inaugurated Duterte administration. GDP growth could pick up in H2 2016 due to increased government spending and household consumption. Vietnamese firms also continued to be a bright spot within Asia as corporate credit quality improved in tandem with higher foreign domestic investments. The economy appeared to be growing resiliently at 6.5% per annum despite the difficult global environment marked by a China slowdown. The Vietnamese government's effort to diversify from the oil and coffee sectors have helped to shield the country from a noticeable drop in commodity prices.



Indonesian Companies

The RMI-CRI aggregate 1-year PD for Indonesian companies continued its downward trend in Q2 from Q1. The fall in PD is in line with the better-than-expected economic growth in Q2. Indonesia's inflation remained under control in Q2 while trade surplus improved, driven by exports in non-oil and gas sector. In June, Bank Indonesia lowered the benchmark rate for the fourth time to 6.5% from 6.75% in order to stimulate economic growth. The new tax amnesty bill, which was passed in June, is also expected to boost bank's liquidity and credit growth in Indonesia as it would bring billions of repatriated offshore assets back to Indonesia



Economy

- Economy growth during Q2 rose to 4.02% QoQ from 3.75% QoQ in Q1. On a YoY basis, the economy grew by 5.18% YoY, up from 4.92% growth in Q1. Government spending accelerated during the second quarter, growing by 6.28% YoY while household spending grew 5.04% YoY, driven by higher demand during the month of Ramadhan. However, investment growth declined to 5.04% in Q2 from 5.57% in Q1. The agricultural, forestry, and fishery sector recorded the highest QoQ growth of 11.9% in the second quarter as it coincided with the harvest season. The economic growth in Q2 exceeded Bank Indonesia's estimate as the central bank only expected 4.92% YoY growth in Q2.^{77,78}

- Consumer price index increased by 0.89% during Q2 from 123.19 in April to 124.29 in June while the CPI only grew 0.11% in Q1. Higher inflation in Q2 was attributed to the holy fasting month Ramadhan, in which food prices spiked due to higher demand, while the transport and utility cost rose due to higher global oil price. Volatile foods inflation was recorded at 8.12% YoY in June whereas administered prices inflation recorded at 0.50% YoY. CPI inflation in the holy fasting month was under control and lower than the average for the previous four years due to close coordination between the Indonesian government and the central bank. Bank Indonesia projected that inflation would remain under control within the inflation target of 4+1% in 2016.⁷⁹
- Wages of Indonesian workers increased in Q2. Nominal wage of farmers per day increased by 0.14% during Q2 from IDR 47,731 in April to IDR 47,796 in May.⁸⁰
- Indonesia reported a higher trade surplus of USD 0.90bn in June 2016 as compared to USD 0.49bn trade surplus in March 2016. The increase in trade surplus was attributed to high export volume in June, which was supported by increase in non-oil and gas export value. The export value of the non-oil and gas sector stood at USD 11.7bn, up by 11.1% from USD 10.6bn in March. Metal ore, slag, and dust exports recorded the highest increase of 128.7% MoM in June whereas exports of fats and animal and vegetable oils are the largest contributor, standing at USD 1.29bn. United States was Indonesia's top non-oil and gas export destination, followed by Japan and China.⁸¹
- According to Nikkei Indonesia PMI, Indonesia's manufacturing sector expanded from an index level of 50.6 in March to a 23-month high of 51.9 in June. Business conditions improved in June in light of faster increase in book orders, encouraging companies to ramp up production and hire more workers. Output growth was mainly driven by increase in domestic demand, which saw a sharper rise in new business inflows whereas new orders from abroad decreased in June. Manufacturing employment rose for the fourth consecutive months in June and at the fastest pace on record.⁸²

Monetary

- On June 16, the BI Board of Governors agreed to lower the benchmark rate to 6.5% from 6.75%, while reducing the deposit facility and lending facility rates to 4.50% and 7.00% respectively. The decision is based on the board's assessment that macroeconomic stability has been maintained in light of low inflation, a narrower current account deficit and relatively stable exchange rates. Lower BI Rate is expected to stimulate domestic demand and drive domestic economic growth momentum, while maintaining macroeconomic stability, amid weak global economy.⁸³
- Bank Indonesia loosened macro prudential policy by raising the loan-to-value ratio (LTV) and financing-to-value ratio (FTV) on housing loans. In order to boost credit growth, the central bank also raised the floor on the Reserve Requirement - Loan to Funding ratio to 80% from 78%, while maintaining the ceiling at 92%. Along with the lower BI rate, the macroprudential policy easing is expected to support government's policy to sustain economic growth economic growth and accelerate government reform. The macroprudential policies would come into effect in August 2016.⁸⁴
- Following the United Kingdom's decision to leave the European Union, Bank Indonesia asserted that the macroeconomic condition remains stable. In light of low inflation, a sustainable current account deficit, and stable exchange rates, the central bank perceived that the impact of the UK's referendum would be minimal on the national economy, domestic financial markets as well as trade and investment activities. Moving forward, Bank Indonesia would continue to monitor risk stemming from Brexit.⁸⁵

Funding & Liquidity

- Yield on Indonesia's 5-year bonds fell to 6.96% in July, the lowest in 16 months. The fall in yield was triggered by the passing of the tax amnesty bill, which is expected to bring inflows of repatriated assets back to Indonesia. In light of higher bond yields and strengthening rupiah, Indonesia's bonds are more attractive than its emerging Asian peers'.⁸⁶
- Indonesia's official reserve asset position increased from USD 107.5bn in end-March to USD 109.8bn in end-June. The increase was attributed to foreign exchange receipts which outweighed the use of foreign exchange among other for repayments of government external debt and Bank Indonesia foreign exchange bills matured during period. The foreign exchange receipts primarily came from the issuance of government global bonds, the auction of Bank Indonesia foreign exchange bills, tax revenues and oil & gas export proceeds. The reserve asset position can adequately cover 8.4 months of imports or 8.1 of imports and servicing of government external debts. The improvement in reserve asset position will strengthen the resilience of the external sector and sustain economic growth in Indonesia.⁸⁷
- Indonesia's long-term external debt growth in May 2016 grew by 6.0% (YoY) compared to 5.7% (YoY) growth at the end of Q1. Indonesia external debt position as of May 2016 stood at USD 275.5bn. Private sector external debt totalled USD 163.6bn (52.1% of the total external debt) while public sector external debt stood at USD 150.7bn (47.9% of the total external debt). Private sector external debt declined by 3.5% YoY in June whereas the public sector external debt grew by 12.8% YoY.⁸⁸

Regulation

- On June 28, Indonesia's House of Representatives passed a new tax amnesty law, which encourages Indonesians with undeclared assets abroad to declare and repatriate their assets back to Indonesia. Taxpayers who declare their assets and repatriate them within the first three months would enjoy 2% tax rates while Indonesians who declare but do not repatriate their assets would be charged with 4% tax rate. The tax rates will increase for taxpayers, commensurate to the duration taken by the taxpayer to declare and repatriate their assets. The funds repatriated needs to be invested in several instruments that had been prepared by the Indonesian government.⁸⁹

Sovereign Credit Ratings

- S&P, Moody's and Fitch kept their ratings on the local currency long term bonds of Indonesia at BB+, Baa3 and BBB- ratings respectively in Q2. All the three credit rating agencies have maintained their stable outlook on Indonesia's sovereign debt.⁹⁰

Indonesian Banks

The credit profiles of Indonesian banks have weakened in Q2. Loan growth improved in the second quarter, rising from 7.95% YoY in April to 8.89% YoY in June. Despite the boost in credit growth, Indonesian banks' asset quality continued to worsen in the second quarter. In face of weak commodity prices and domestic demand, the non-performing loans (NPL) ratio of Indonesian banks climbed to 3.11% in May from 2.83% in March. Consequently, banks reported weaker profit in the second quarter due to larger provisions against bad loans. It is expected that Indonesian bank's NPL would continue to increase in Q3. However, Indonesian banks will remain resilient as they are well capitalized with an aggregate capital adequacy ratio of 22.6% recorded in June.



Profitability

- Indonesian banks experienced a slight improvement in their net interest margins (NIM-s). The average trailing 12 months NIMs of 16 listed Indonesian banks increased from 6.17% in Q1 to 6.25% in Q2.
- Indonesian banks' profitability continued to weaken since the start of the year. The aggregate earnings of 16 Indonesian banks fell by 9.43% QoQ in Q2, after slipping 5.11% in the previous quarter.

Funding & Liquidity

- The aggregate LATDB ratio for Indonesian banks improved in Q2, increasing from 16.9% in Q1 to 17.6% in Q2.

- Indonesian banks are likely to see improving liquidity in light of the passing of the tax amnesty bill in late June 2016. As the bill is expected to repatriate USD 38bn to USD 76bn in offshore assets back to Indonesia, banks will see a significant injection in their liquidity and lower funding cost. The repatriation came timely as the loan-to-deposit ratio in the Indonesia banking sector stood at 89.47% in April. Indonesia's Ministry of Finance has appointed 77 banks to absorb the repatriated assets. The repatriated assets must remain in Indonesia for at least three years and the Indonesian government has prepared several investment instruments to absorb the huge asset inflow.⁹¹
- The Jakarta 3-month interbank rate increased from 6.71% at the beginning of Q2 to 7.23% by the end of Q2. Similarly, the 1-month interbank rate increased from 6.06% at the beginning of Q2 to 6.74% by the end of Q2.⁹²

Regulation

- In April, the Indonesia's Financial Service Authority (OJK) issued a new rule on the licensing of securities company that deals with underwriter and broker-dealer activities. Under the new regulation, shareholders of a securities company are prohibited from taking up loans or using other financing facilities (e.g. share purchase or subscription of new shares) to fund its capital injection. Foreign ownership of shares in a securities company is also limited to a maximum of up to 85% by a foreign financial service company and up to 99% ownership by a foreign securities company that has been registered or is supervised by the capital market regulator in its home country.⁹³
- In an attempt to boost REITs in Indonesia, the Financial Service Authority (OJK) is planning to lay out regulations for Islamic REITs. Demand for Islamic REITs in Indonesia is rising given the large presence of takaful companies (Islamic insurance companies) and Middle Eastern investors. Despite the high demand, existing REITs in Indonesia are currently not sharia-compliant. OJK deputy director hinted that the government is likely to provide an incentive for Islamic REITs, similar to the conventional REITs. Currently, REITs investors are only required to pay 0.5% tax income, lower than the prior tax of 5%.⁹⁴

Asset Quality

- According to Moody's, Indonesian banks will maintain a rapid pace of loan restructuring in 2016, due to the government's relaxed guidance on loan restructuring and Moody's outlook of further slowdown in the economy. Moody's estimated that the amount of restructured loans will exceed the total amount of non-performing loans (NPL). Moody's also viewed that the current economic and credit situation carries default risks on loans that are restructured. Although the fast increase in restructured loans highlights a downside risk to the banking industry, the impact is likely to be minimal in light of the industry's strong profitability. A key challenge highlighted is that loan restructuring defers the recognition of NPLs, which will distort the bank's asset quality, profitability and provisions.⁹⁵

- Low commodity and oil prices, coupled with weak consumer demand continue to haunt Indonesian banks. The NPL ratio of Indonesian banks rose to 3.11% in May, the highest level since 2010 while loan growth slightly rose from 7.95% in April to 8.34% in May. The surge in bad loans resulted in higher provisions, which weighed down on bank's profitability. Fitch Ratings expects the NPL ratio to rise to 3.5% in 2016 in light of weak domestic demand and mining industry. Despite the headwinds, Indonesian banks remain adequately capitalized. ^{96,97}

⁷⁷ Aug 4, 2016, [Indonesia Economic Growth Accelerates](http://www.wsj.com), The Wall Street Journal, <http://www.wsj.com>

⁷⁸ Aug 05, 2016, [Indonesia's Economic Growth Reaches 5.18% in Q2](http://en.tempo.co), Tempo <http://en.tempo.co>

⁷⁹ Jul 1, 2016, [Ramadan Inflation Controlled in 2016](http://www.bi.go.id), Bank Indonesia, <http://www.bi.go.id>

⁸⁰ Jun 16, 2016, [Real And Nominal Wage For Farmworker In Indonesia \(Rupiahs\)](http://www.bps.go.id/index.php), STATISTICS INDONESIA, <http://www.bps.go.id/index.php>

⁸¹ Jul 15, 2016, [Indonesia posts a trade surplus of USD 900mn in June](http://www.antaranews.com), ANTARA News, <http://www.antaranews.com>

⁸² Jul 1, 2016, [Nikkei Indonesia Manufacturing PMI](https://www.markiteconomics.com), Markit Economics, <https://www.markiteconomics.com>

⁸³ Jun 16, 2016, [Macroeconomic Stability Maintained, BI Rate Lowered 25bps to 6.50%](http://www.bi.go.id), Bank Indonesia, <http://www.bi.go.id>

⁸⁴ Jun 16, 2016, [Macroeconomic Stability Maintained, BI Rate Lowered 25bps to 6.50%](http://www.bi.go.id), Bank Indonesia, <http://www.bi.go.id>

⁸⁵ Jun 26, 2016, [Economic Resilience Maintained in Indonesia despite Brexit](http://www.bi.go.id), Bank Indonesia, <http://www.bi.go.id>

⁸⁶ Jul 12, 2016, [Indonesias Five-Year Yield Sinks to 16-Month Low on Tax Amnesty](http://www.bloomberg.com), Bloomberg, <http://www.bloomberg.com>

⁸⁷ Jul 14, 2016, [Official Reserve Assets Increased to USD 109.8bn as of end-June 2016](http://www.bi.go.id), Bank Indonesia, <http://www.bi.go.id>

⁸⁸ Jul 19, 2016, [External Debt Statistics of Indonesia - July 2016](http://www.bi.go.id), Bank Indonesia, <http://www.bi.go.id>

⁸⁹ Jun 29, 2016, [Indonesia passes tax amnesty Bill](http://www.straitstimes.com), Straits Times, <http://www.straitstimes.com>

⁹⁰ Jun 6, 2016, [Indonesia Sovereign Rating - June 2016](http://www.bi.go.id), Bank Indonesia, <http://www.bi.go.id>

⁹¹ Jul 6, 2016, [Tax Amnesty Program Indonesia Launched: Which Investment Instruments?](http://www.indonesia-investments.com), Indonesia Investments, <http://www.indonesia-investments.com>

⁹² Jun 31, 2016, [Jakarta Interbank Offered Rate \(JIBOR\)](http://www.bi.go.id), Bank Indonesia, <http://www.bi.go.id>

⁹³ May 30, 2016, [New OJK Regulation on Indonesian Securities Companies](http://www.lexology.com), Lexology, <http://www.lexology.com>

⁹⁴ May 27, 2016, [OJK speeds up Islamic REITs to attract Middle East investors](http://www.thejakartapost.com), The Jakarta Post, <http://www.thejakartapost.com>

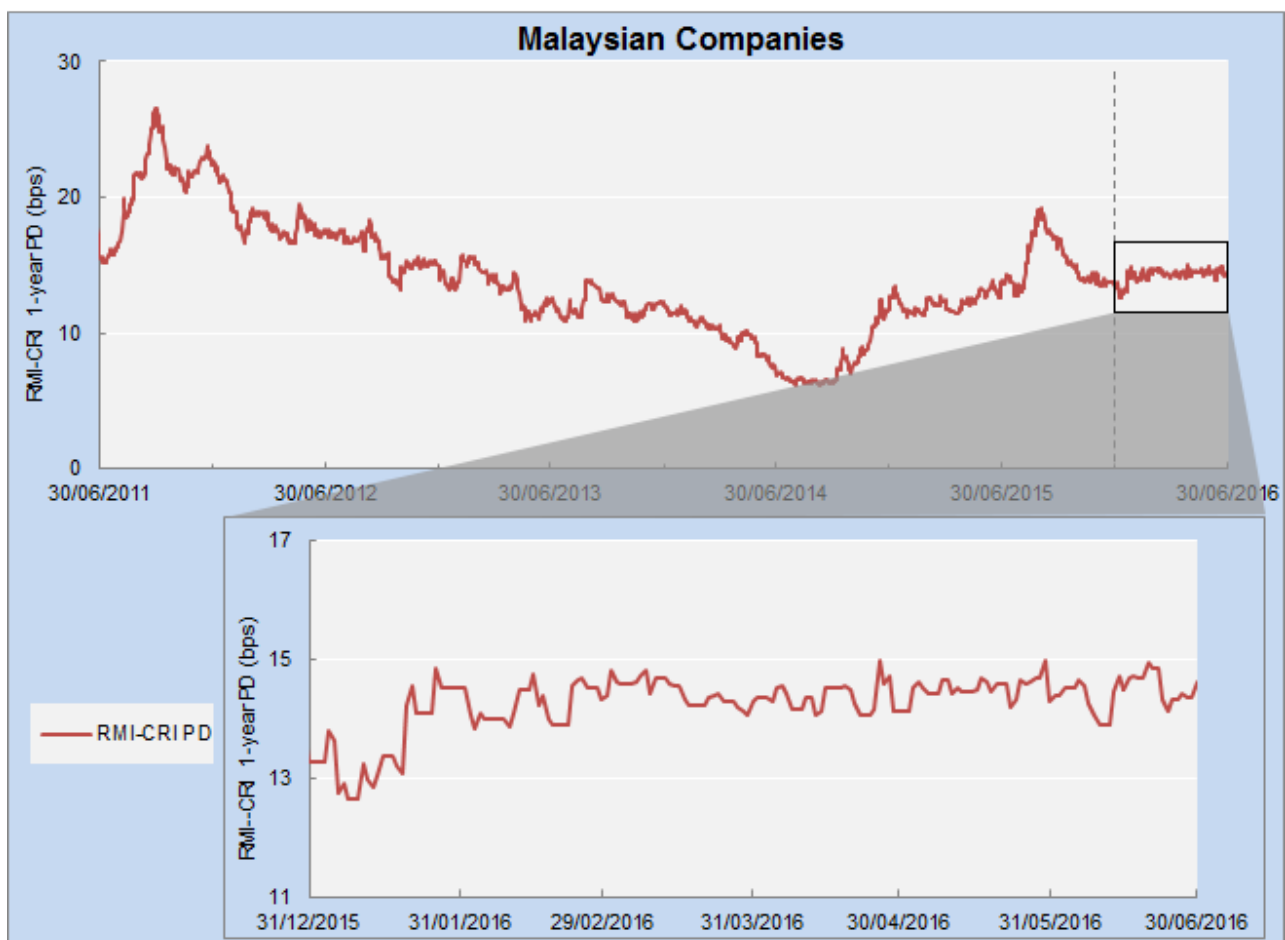
⁹⁵ Apr 1, 2016, [Moody's on Indonesian banks: Rapid loan restructuring reflects weaker loan quality; strong buffers to absorb losses](https://www.moody's.com/), Moody's, <https://www.moody's.com/>

⁹⁶ Aug 9, 2016, [For local banks, worst may be over by year-end: Fitch](http://www.thejakartapost.com), The Jakarta Post, <http://www.thejakartapost.com>

⁹⁷ Jul 27, 2016, [ANALYSIS: Challenging time for Indonesian banking sector](http://www.thejakartapost.com), The Jakarta Post, <http://www.thejakartapost.com>

Malaysian Companies

The RMI-CRI aggregate 1-year PD for Malaysian companies remained unchanged over Q2. Malaysia's economy grew at a moderate rate, but the growth pace was lower than the previous quarter, amid continued cyclical and structural weaknesses. The country's inflation rate increased and unemployment stayed at 3.4% in Q2. The country's higher economic growth rate was due to higher private consumption, private investments, public investment and export growth. With the exception of the agricultural sector, most sectors registered gains in the quarter. Money supply increased marginally and the overall domestic financial conditions remained stable even though the uncertain global environment could have an impact on the companies' credit profiles.



Economy

- Malaysia's GDP expanded by 4% in Q2 2016 YoY, slowing down from 4.2% in the previous quarters. Even though domestic demand expanded, net exports continued to decline, weighing down on the economic growth. Private consumption, private investment and public investment all grew at a faster pace of 6.1%, 5.6% and 7.5% respectively, supported by higher wage and employment growth, capital spending in the services and manufacturing sectors as well as spending on fixed assets by the government. Also, private consumption remained the key driver of growth. On the supply side, except for the agriculture sector, all economic sectors expanded in Q2.⁹⁸

- The Consumer Price Index had increased to 114.8 (2010=100) in June 2016, up from 113 in June 2015. On a YoY basis, the price of the basket of goods had increased by 1.6%. The YoY increase was mostly driven by alcoholic beverage and tobacco, recording at a 21.9% increase.⁹⁹
- Malaysia's employment enjoyed a moderate net gain of 66,000 jobs, almost equal to the expansion of the total labor force in Q2. Its unemployment rate, thus, remained unchanged at 3.4% in the Q2 2016. Labor participation sustained at 67.6% of the total labor force, also remained unchanged from the previous quarter.¹⁰⁰
- In June 2016, Malaysia's export grew MYR 2.2bn, up by 3.4% YoY. This was mainly attributed to electrical and electronic (4.9%), refined petroleum (34.9%) and timber and timber-based products (8.1%). Meanwhile, Malaysia's total import value increased by 8.3% YoY to MYR 60.9bn. This was mainly attributed to the increase in intermediate goods (5.7%), capital goods (12.8%) and consumption goods (1.8%). Total trade value in June 2016 has increased by 5.7% YoY to MYR 127.4bn, up by MYR 6.8bn. Total trade surplus stand at MYR 5.5bn, down by 30.8% YoY.¹⁰¹

Monetary

- Bank Negara Malaysia announced that it would reduce the Overnight Policy Rate (OPR) at 3%, with ceiling and floor rates reduced to 3.25% and 2.75% respectively.¹⁰²
- In June 2016, average trailing 12-month broad money, or M3, which measures the money supply, increased marginally by 0.02%, compared to May 2016, to MYR 1.6tn.¹⁰³
- Malaysia's central bank said that, with macro and micro prudential measures and supervisory oversight resulting in more prudent lending standards and speculative activities being contained, the overall domestic financial conditions have remained stable. Domestic demand continues to be the main driver of the economy. However, the uncertainties in the global environment could weigh on Malaysia's growth prospects.¹⁰⁴

Funding & Liquidity

- The market indicative yield on the 10-year Malaysia government securities slipped to 3.74% at the end of June 2016 from 3.90% in the previous month. The same yield measure on 5-year Malaysia government securities also decreased to 3.37% from 3.74% over the same period.¹⁰⁵
- Bank lending to finance, insurance and business activities increased to MYR 8.8bn in June 2016 from MYR 8.7bn one year ago. Meanwhile, loans disbursed to the manufacturing and the wholesale, retail trade, restaurants and hotels segments shrank by 9.9% and 8.7% YoY respectively.¹⁰⁶

Politics

- The Deputy Finance Minister, Johari Abdul Ghani said the Malaysian government would not protect any individuals committing any offense outside the country. The statement was made a week after the US Justice Department filed a civil lawsuit to seize assets bought using a USD 3.5bn misappropriated fund from the 1Malaysia Development Bhd (1MDB). The 1MDB also announced that the 2013 and 2014 audited financial statements "should not be relied on by any party, pending final and conclusive determination by a court of law of certain so like alleged facts" in the US complaint. There are 32 references in the complaint to "Malaysian Official 1" for receiving hundreds of millions of dollars in funds through 1MDB. A person with direct knowledge said the "Malaysian Official 1" is Mr Najib, the Prime and also the Finance Minister of Malaysia. Both the Malaysian government and 1MDB would cooperate with any lawful investigation.¹⁰⁷

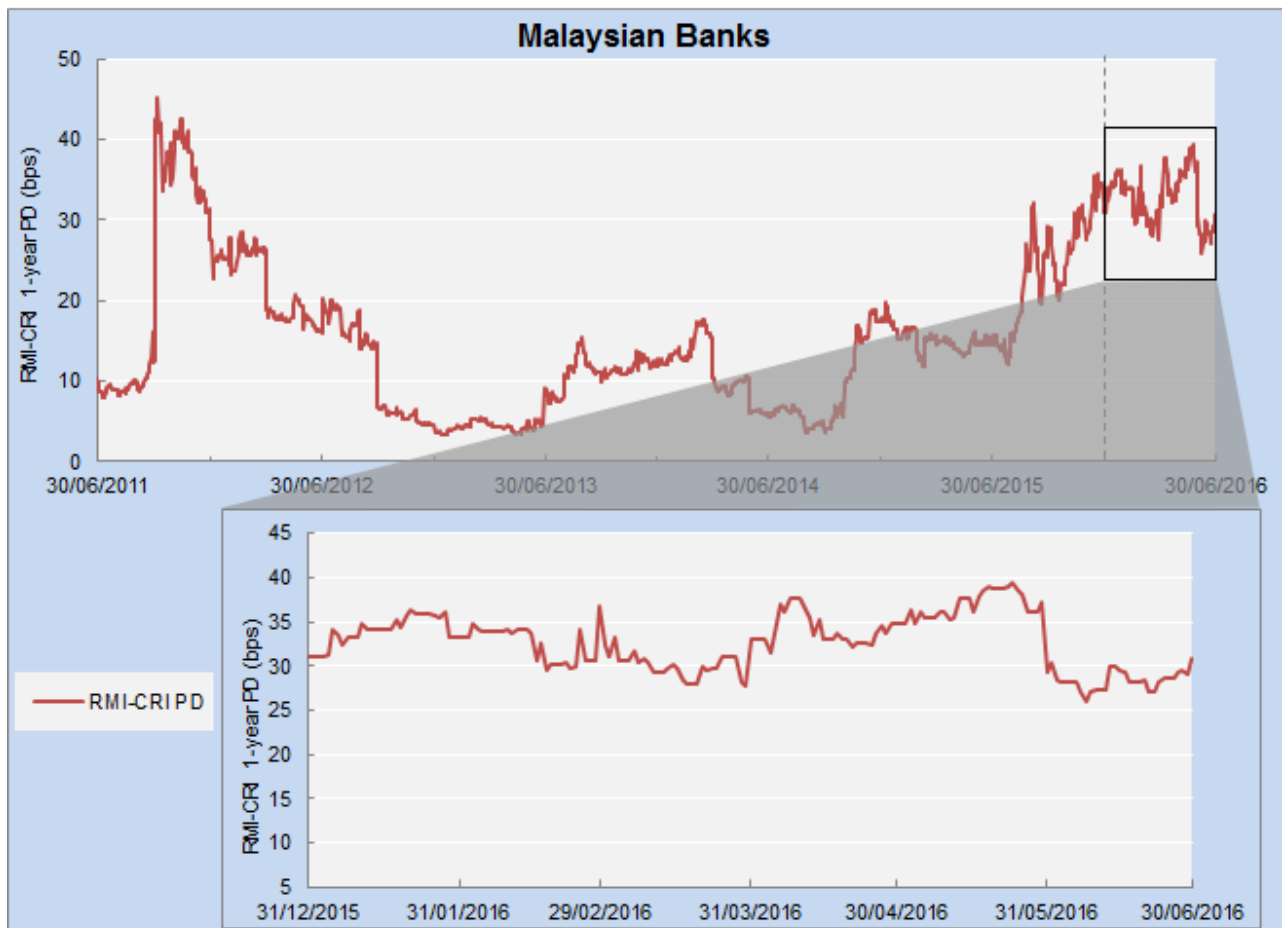
- The Malaysia Ringgit first rose from MYR 3.88 at the start of April 2016 to MYR 4.16 per one USD at 1 June 2016, highest in Q2 2016 and then fell to MYR 3.99 at the end of June 2016. The Malaysia Ringgit was trading at MYR 4.02 per one USD as of 1 August 2016. Gao Qi, a strategist at Scotiabank in Singapore said that a falling oil price and the 1MDB controversy will weigh on the ringgit.¹⁰⁸

Sovereign Credit Ratings

- The Malaysian government maintained its sovereign credit ratings at all three rating agencies. The country was rated at A3, A- and A- respectively by Moody's, S&P and Fitch. Moody's, S&P and Fitch assigned a stable outlook for their ratings on Malaysia.

Malaysian Banks

The RMI-CRI aggregate 1-year PD for Malaysian banks declined in Q2 as the banking system was well capitalized. Banks continued to report stable funding levels with a slight increase in impairment losses. The demand for bank loans had increased in the second quarter driving up the lending rate in Malaysia. Bank deposits remained relatively stable in the second quarter, but operating conditions could remain challenging in the face of lower crude oil prices, weak external demand and a falling Malaysian Ringgit. The controversy surrounding the 1MDB issue may also shroud the credit outlook for Malaysian lenders.



Lending

- The amount of bank loan applications has increased to MYR 76.2bn in June 2016 from MYR 72.1bn in March 2016. Loan application for working capital had fallen to MYR 18.5bn in June 2016 from MYR 19.1bn in March 2016.¹⁰⁹
- The base lending rate of Malaysian commercial banks increased slightly from 6.8% in March 2016 to 6.81% in June 2016. The weighted base rate also demonstrated slight increment from 3.79% in March 2016 to 3.83% in June 2016.¹¹⁰

Funding & Liquidity

- Bank deposits, including repurchase agreements, remained relatively stable from March 2016 to June 2016. The repurchase agreement increased from MYR 15.8bn in March 2016 to MYR 19.7bn in June 2016. On a YoY basis, repurchase agreements by financial institution increased by 24.7% in June 2016.¹¹¹
- Savings deposit rates at commercial banks had increased from 1.03% in March 2016 to 1.07% in June 2016. The 12-month fixed deposit rate had declined to 3.29% in June 2016 after staying at a constant 3.31% for more than one year.¹¹²

Capital Levels & Regulations

- The Malaysian banking system remained well capitalized. Both Common Equity Tier 1 Capital Ratio and Tier 1 Capital Ratio had increased to 12.9% and 13.9% in June 2016 from 12.5% and 13.3% one year ago, respectively.¹¹³

Asset Quality

- The value of impaired loans at Malaysian banks had increased to MYR 24.3bn in June 2016 from MYR 23.2bn in March 2016. Its ratio to total loans had risen marginally by 10bps on a QoQ basis to 1.3%.¹¹⁴

⁹⁸ August 12, 2016, [Economic And Financial Developments In Malaysia In The Second Quarter Of 2016](http://www.bnm.gov.my), Bank Negara Malaysia, <http://www.bnm.gov.my>

⁹⁹ July 20, 2016, [Consumer Price Index Malaysia June 2016](https://www.statistics.gov.my), Department of Statistics Malaysia, <https://www.statistics.gov.my>

¹⁰⁰ August 12, 2016, [Economic and Financial Developments in the Malaysian Economy in the Second Quarter of 2016](http://www.bnm.gov.my), Bank Negara Malaysia, <http://www.bnm.gov.my>

¹⁰¹ August 5, 2016, [Monthly External Trade Statistics June 2016](http://www.statistics.gov.my), Department of Statistics Malaysia, <http://www.statistics.gov.my>

¹⁰² July 13, 2016, [Monetary Policy Statement](http://www.bnm.gov.my), Bank Negara Malaysia, <http://www.bnm.gov.my>

¹⁰³ August 12, 2016, [Economic and Financial Data for Malaysia](http://www.bnm.gov.my), Bank Negara Malaysia, <http://www.bnm.gov.my>

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¹⁰⁵ August 12, 2016, [Economic and Financial Data for Malaysia](http://www.bnm.gov.my), Bank Negara Malaysia, <http://www.bnm.gov.my>

¹⁰⁶ June 30, 2016, [Monthly Statistical Bulletin Jun 2016](http://www.bnm.gov.my), Bank Negara Malaysia, <http://www.bnm.gov.my>

¹⁰⁷ July 26, 2016, [Malaysia Wont Interfere With Foreign 1MDB Legal Action](http://www.wsj.com), Wall Street Journal, <http://www.wsj.com>

¹⁰⁸ August 1, 2016, [Ringgit Jumps Most in Four Months as Oil Gain Boosts Sentiment](http://www.bloomberg.com), Bank Negara Malaysia, <http://www.bloomberg.com>

¹⁰⁹ June 30, 2016, [Monthly Statistical Bulletin Jun 2016](http://www.bnm.gov.my), Bank Negara Malaysia, <http://www.bnm.gov.my>

¹¹⁰ June 30, 2016, [Monthly Statistical Bulletin Jun 2016](http://www.bnm.gov.my), Bank Negara Malaysia, <http://www.bnm.gov.my>

¹¹¹ June 30, 2016, [Monthly Statistical Bulletin Jun 2016](http://www.bnm.gov.my), Bank Negara Malaysia, <http://www.bnm.gov.my>

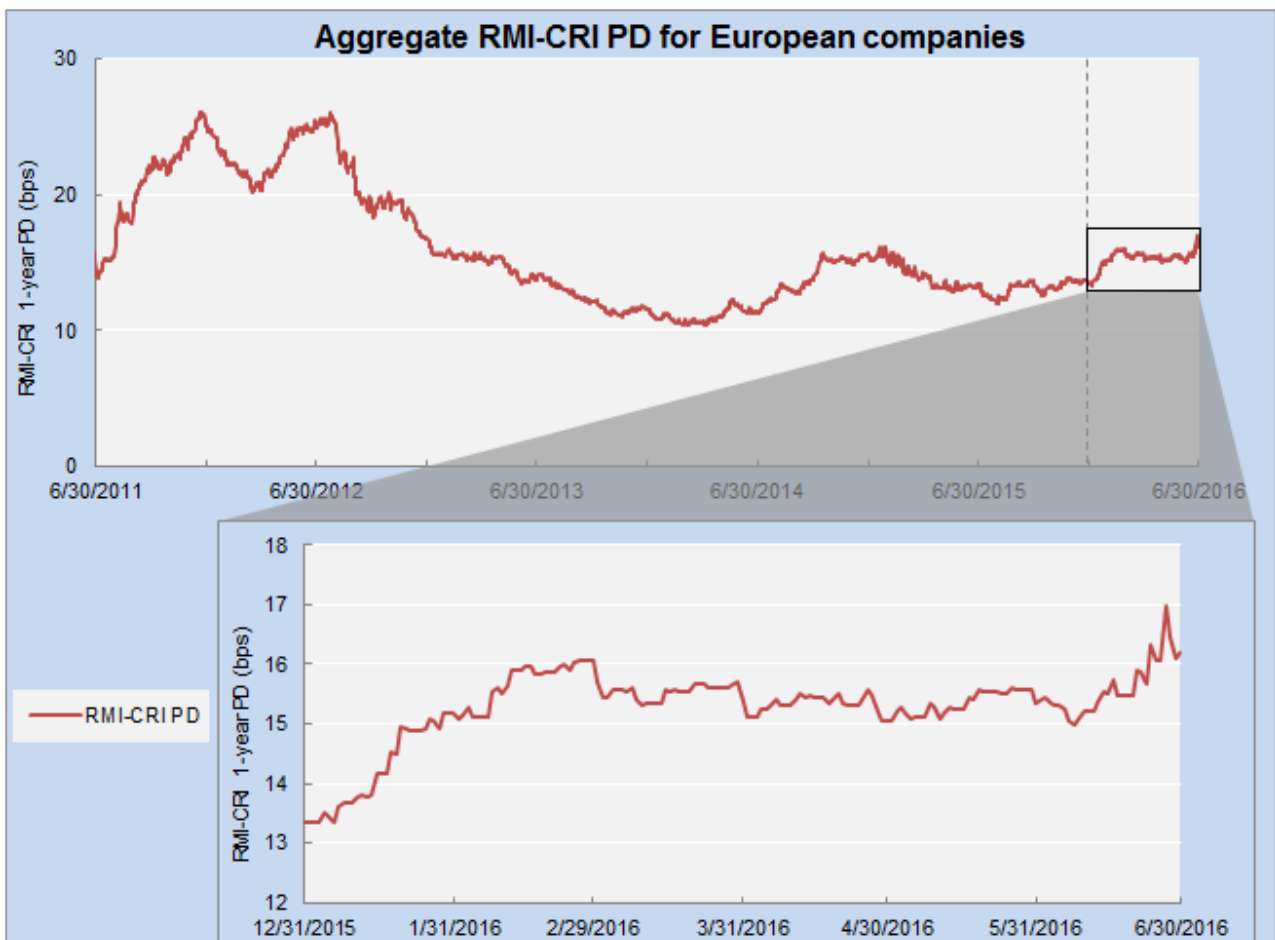
¹¹² June 30, 2016, [Monthly Statistical Bulletin Jun 2016](http://www.bnm.gov.my), Bank Negara Malaysia, <http://www.bnm.gov.my>

¹¹³ June 30, 2016, [Monthly Statistical Bulletin Jun 2016](http://www.bnm.gov.my), Bank Negara Malaysia, <http://www.bnm.gov.my>

¹¹⁴ June 30, 2016, [Monthly Statistical Bulletin Jun 2016](http://www.bnm.gov.my), Bank Negara Malaysia, <http://www.bnm.gov.my>

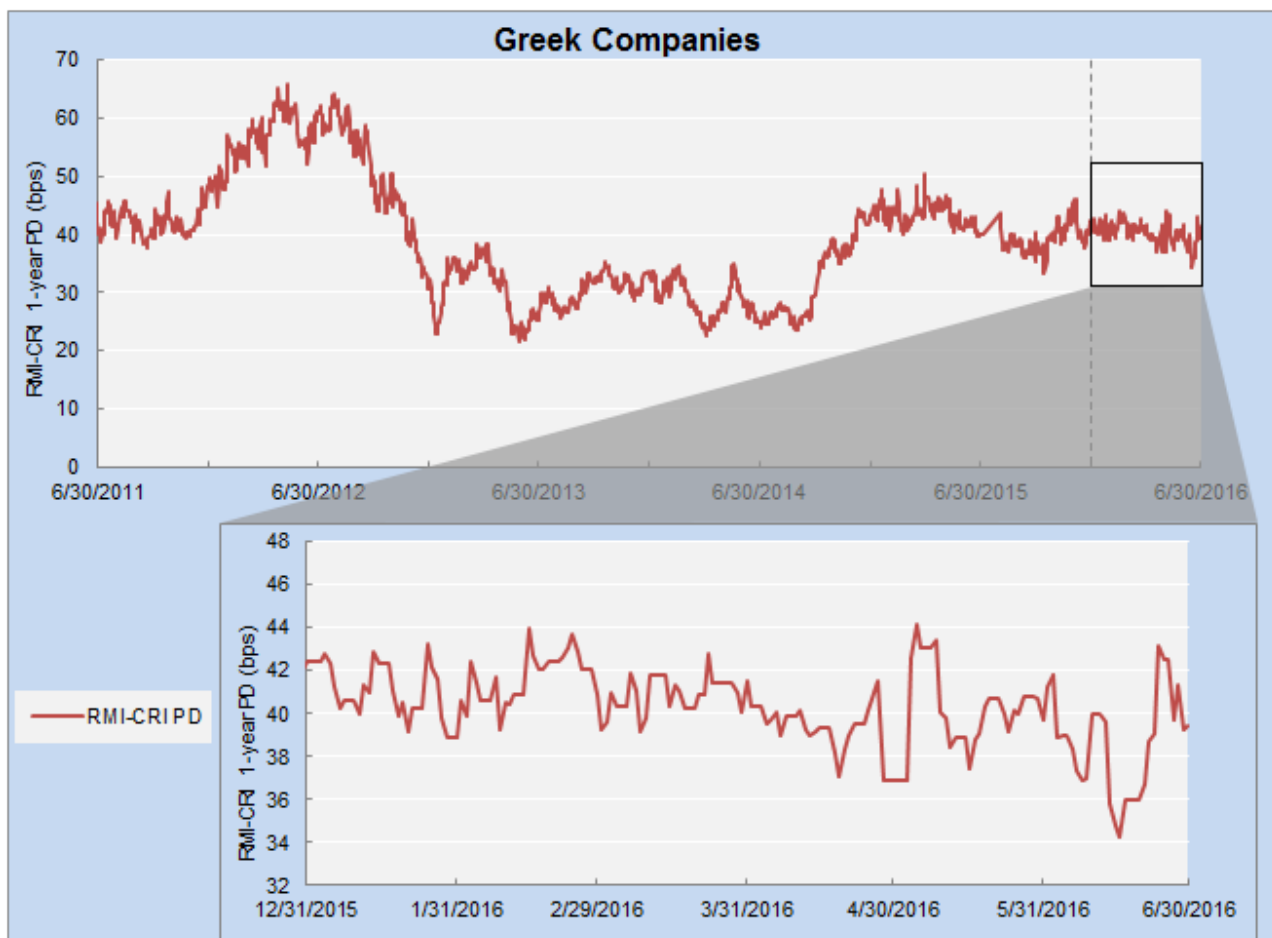
Europe

The RMI-CRI aggregate 1-year PD for European firms climbed upwards in June after staying flat in April and May. European firms have their worst credit risk profile since 2012 as the Brexit vote weighed on equity values. The worst performing sector were financial companies while the credit profiles of energy firms strengthened during the quarter. The Italian banking sector was under pressure as weakness in the Italian economy weighed heavily on the banks' credit quality. The British Pound devalued by more than 7%, forcing the Bank of England to cut interest rates. Higher oil prices helped to lift the earnings profile of energy companies. Weak economic growth could affect the creditworthiness of European companies and the ECB is likely to keep a accommodative monetary policy for the foreseeable future.



Greek Companies

The RMI-CRI aggregate 1-year PD for Greek companies remained volatile in Q2, but eventually settled at the same level in June from March. Financing conditions for companies have stabilized thanks to the third bailout programme. The economy is expected to contract by 0.7% this year and a mild recovery is foreseen in 2017. Borrowing costs may remain high as the banks are still grappling with non-performing assets on their balance sheet. However, capital controls may be eased in the second half of the year with the implementation of further economic reforms. Investors are unlikely to rush back to invest in the country, which builds up a uncertain credit outlook for Greek companies. The political environment is also fragile as the current party still makes up a small majority in Parliament.



Economy

- Greece's nominal GDP grew marginally by 0.2% QoQ in the second quarter of 2016. It was the first QoQ expansion since 2015, following a 0.2% contraction in Q1. If we examine the first six months of data, the economy contracted more this year than last year.^{115,116}
- The Greek unemployment rate remained unchanged in April and May at 23.5%, the highest level in the entire Eurozone. The number of unemployed workers soared to 1.123mn, most of whom are between 15 to 24 years old. 50.3% of the people between 15 and 24 years old are unemployed in the country.¹¹⁷
- According to Bloomberg data, the Markit Greece Manufacturing PMI fell from 49.7 in April 2016 to 48.4 in May 2016, before rising to 48.7 in July 2016.
- Greece's consumer confidence indicator rose from -71.9 at the end of Q1 2016 to -68.0 at the end of Q2 2016.

- Greek retail sales dropped 2% and 6.4% in April and May, respectively, led by sales of fuels, lubricants, apparel and groceries. Tax hikes and capital controls imposed last year continued to weigh on retail activity.¹¹⁸

Funding & Liquidity

- Yields on ten-year Greek government bond had decreased from 8.48% in Q1 2016 to 8.07% in Q2 2016.
- Greek companies likely obtained lesser funding during the second quarter. Total outstanding loans to non-financial firms decreased slightly to EUR 89.957bn in June 2016 from EUR 90.142bn in March 2016.¹¹⁹

Policy

- On July 21, the ECB lowered the cap on emergency liquidity assistance which Greek banks can draw from the domestic central bank, to EUR 57.2bn. Improvements in liquidity and stabilization of private sector deposit flows were some of the reasons for this move.¹²⁰

Sovereign Credit Ratings

- After affirming Greece's sovereign rating at CCC on March 11, Fitch's sovereign ratings for Greece remains at CCC. S&P's sovereign rating for Greece was B-, and Moody's rating was Caa3.

Greek Banks

The RMI-CRI aggregate 1-year PD for Greek banks increased during Q2, indicating a mild deteriorating credit profile within the sector. However, funding conditions have stabilized and liquidity in the banking system is likely to improve with the relaxation of capital controls. Higher limits on withdrawals and possible inflows of bank deposits would improve the credit profiles of banks. However, the likelihood of deposit inflows would still be shaped by political developments. The banking sector, as a whole, is still reliant on ECB funding, predominantly using the ELA through the Bank of Greece.



Profitability

- Aggregate net income at listed banks in Greece rose to EUR 103mn in Q1 2016 from EUR -4.1bn in Q4 2015.
- The average of NIM of Greek banks increased marginally from 2.24% in Q4 2015 to 2.26% in Q1 2016.

Funding & Liquidity

- Total deposits in Greek banking sector kept declining from EUR 117.1bn in Q4 2015 to EUR 118.4bn in Q1 2016.¹²¹

- Overall liquidity in the Greek banking sector deteriorated during Q1 2016, with the aggregated LATDB ratio for listed banks declined from 6.6% in Q4 2015 to 6.3% in Q1 2016.
- However, in recent months, bank deposit rates have risen, with business and household deposits posting an increase of EUR 1.04bn in June, rising for the second time.¹²²

Asset Quality

- The ECB reinstated Greek banks' access to post government-guaranteed debt as collateral in exchange for normal funding. Greek's debt is rated as "junk" by creditors and minimum rating requirements are waived for Greece.¹²³
- Greece's central bank has eased capital controls in an effort to attract deposits. Specifically targeting controls that restrict individual depositors and small businesses from cash withdrawals, restrictions of withdrawals of new cash will be abolished. However, restrictions are still in force on other cash transactions.¹²⁴

Bank Credit Ratings

- On Aug 2, S&P upgraded its ratings for Alpha Bank AE, Eurobank Ergasias SA, National Bank of Greece SA and Piraeus Bank SA to CCC+ from SD. S&P also gave a stable outlooks to these banks. The upgrades come after the loosening of capital controls for Greek banks.
- Fitch Long-Term Issuer Default Ratings of National Alpha Bank AE, Eurobank Ergasias SA, National Bank of Greece SA and Piraeus Bank SA remained at Restricted Default (RD).¹²⁵

¹¹⁵Aug 29, 2016, [Greek economy grows in second quarter but strong rebound elusive](http://www.reuters.com/), Reuters, <http://www.reuters.com/>

¹¹⁶Aug 29, 2016, [Greek GDP contraction in H1 was worse than thought](http://www.ekathimerini.com/), Ekathimerini, <http://www.ekathimerini.com/>

¹¹⁷Aug 4, 2016, [Unemployment rate in Greece remains steady in May](http://www.econotimes.com/), Econo Times, <http://www.econotimes.com/>

¹¹⁸Jul 29, 2016, [Greek retail sales fall 6.4 pct y/y in May, led by fuels](http://www.reuters.com/), Reuters, <http://www.reuters.com/>

¹¹⁹Jan 29, 2016, [Loans vis-a-vis euro area NFC reported by MFI excluding ESCB in Greece \(stock\)](http://sdw.ecb.europa.eu/home.do?jsessionid=929001E936A6A808E2CF70F3E60744CF), Statistical Data Warehouse, <http://sdw.ecb.europa.eu/home.do?jsessionid=929001E936A6A808E2CF70F3E60744CF>

¹²⁰Jul 21, 2016, [ECB lowers funding cap to local lenders](http://www.ekathimerini.com/), Ekathimerini, <http://www.ekathimerini.com/>

¹²¹Feb 4, 2016, [ECB lowers emergency funding cap for Greek banks as liquidity improves](http://www.reuters.com/), Reuters, <http://www.reuters.com/>

¹²²Jan 22, 2015, [Greece credit rating upgraded by S&P amid reforms](http://www.cnbc.com/), CNBC, <http://www.cnbc.com/>

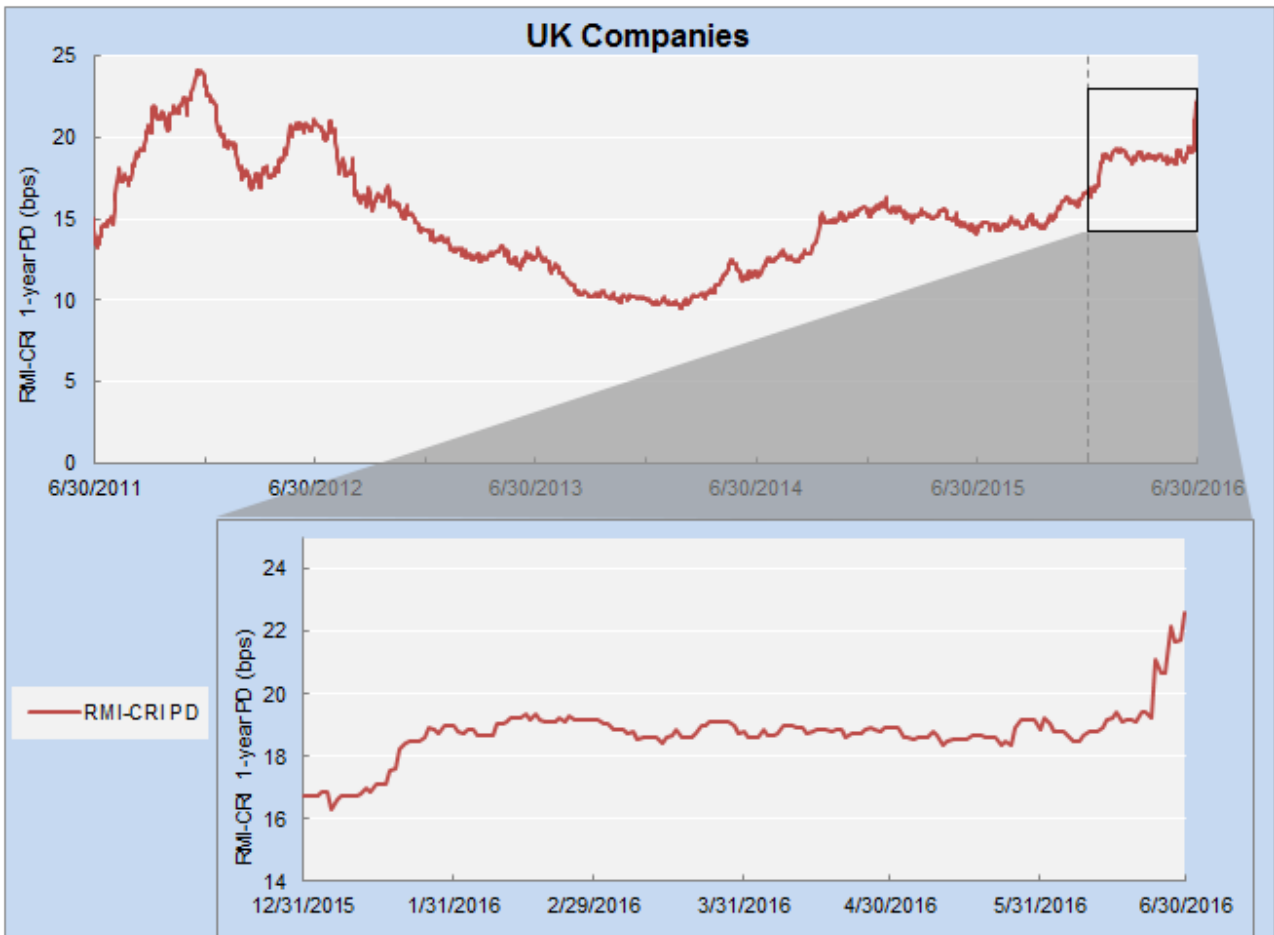
¹²³May 12, 2016, [EC Suggests Looser Approach to Capital Controls on New Money](http://greece.greekreporter.com/), GreekReporter, <http://greece.greekreporter.com/>

¹²⁴Nov 26, 2015, [ERBD to invest EUR 250m in Greek banks](http://www.publicfinanceinternational.org/), Public Finance International, <http://www.publicfinanceinternational.org/>

¹²⁵Jun 21, 2016, [Fitch Affirms Greek Banks at 'RD' on Capital Controls](https://www.fitchratings.com/), Fitch Ratings, <https://www.fitchratings.com/>

UK Companies

The aggregate RMI-CRI 1-year PD for companies in the UK had gradually climbed since Q1 2016 with mounting uncertainty over Brexit peaking at the end of June following the confirmation of the vote for exit in the referendum. However, the correction of the rising PD came very soon after the event, as the economic fundamentals of UK remains stable. The Q2 GDP kept growing, the unemployment rate slightly improved, and the BOE reinforced its easy monetary policy.



Economy

- The UK's Q2 GDP was estimated to have grown by 0.6%, compared with Q1 GDP growth of 0.4%. The economy increased in two of the major groups. Services increased by 0.5%, while production increased by 2.1%; on the contrary, construction decreased by 0.4%, while agriculture decreased by 1.0%. In terms of annual comparison, the Q2 GDP was 2.2% higher than the same period of 2015.¹²⁶

- The unemployment rate in the UK fell to 4.9% between March and May 2016. The number of jobless people was 1.65mn between March and May, dropping by 54,000 from the previous three months. The number of people working increased further by 176,000 compared with the previous quarter, bringing the employment rate to 74.4% - the highest level since 1971. The total number of people working full-time amounted to 23.19mn during the quarter, an increase by 401,000 YoY.¹²⁷
- The market researcher GfK sees that people were generally worried about their financial profiles, broader economy and timing to make big purchases. According to the survey, the consumer confidence in the UK plummeted to -12 in July from -1 before the Brexit referendum, a change that marked the sharpest MoM slump since March 1990.¹²⁸
- The Markit/CIPS purchasing managers' index for the manufacturing sector fell to the newly record-low level since February 2013. The UK manufacturing PMI went down from 52.4 in June to 48.2 in July, which is even lower than the earlier flash estimate of 49.1. Likewise, the Markit/CIPS PMI for the construction sector decreased again in July, while the new orders fell at a slower pace than in June.¹²⁹¹³⁰
- Twelve-month CPI grew to 0.3% in May 2016 and remaining well below the inflation target of 2%. This shortfall was mainly attributed to the extraordinarily large drags from energy and food prices which are expected to fade over next year.¹³¹

Monetary

- In the meeting in August, the Bank of England's Monetary Policy Committee (MPC) voted for a package of measures to further support economic growth and achieve a sustainable return of inflation to the target. The package includes a rate cut from 0.5% to 0.25%, the Term Funding Scheme to reinforce the rate cut effect, the purchase of up to GBP 10bn of UK corporate bonds and an expansion of the asset purchase scheme for GBP 60bn UK government bonds. Most of the measures above will be financed by the central bank's reserves.¹³²

Politics

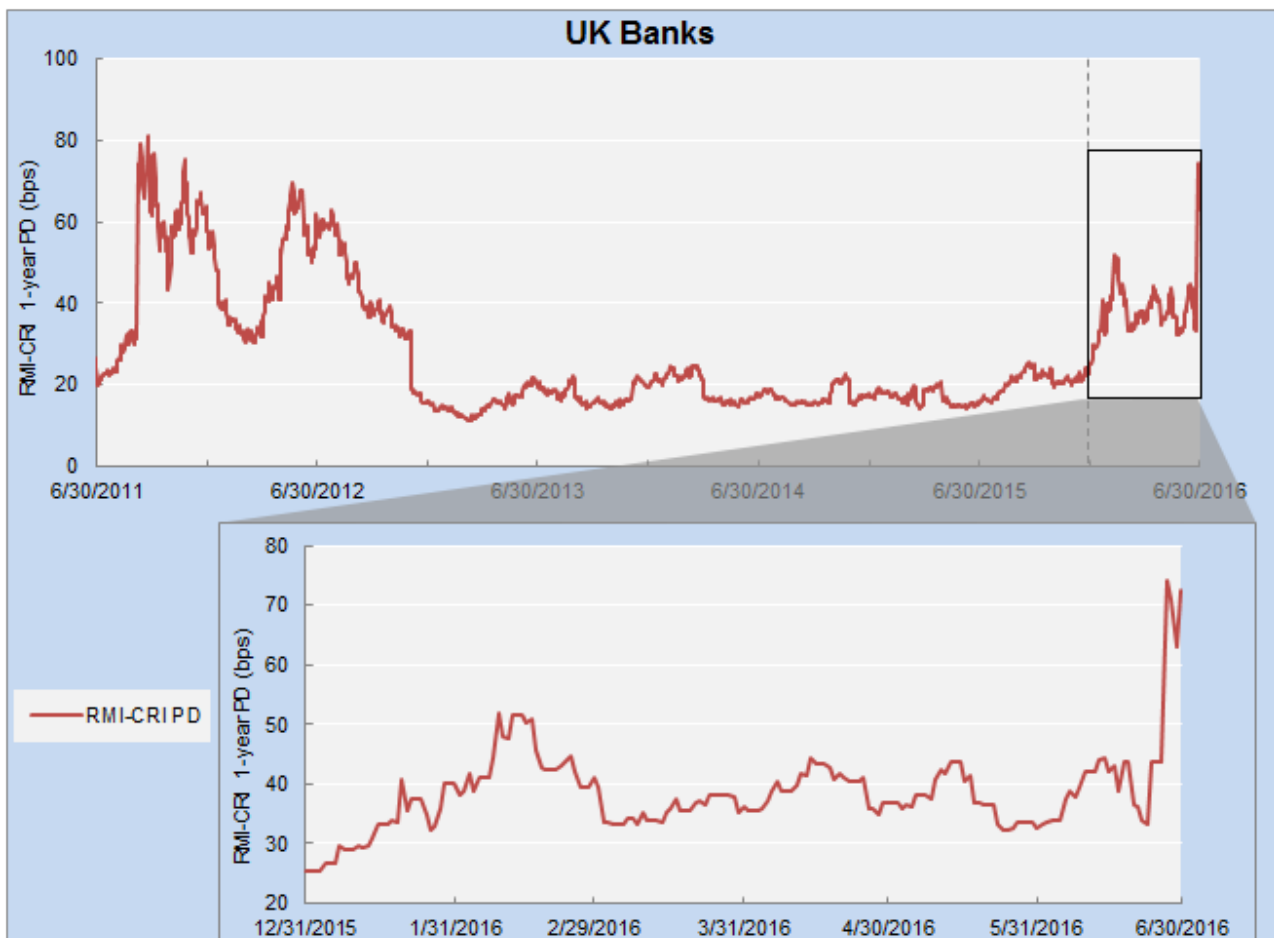
- Although the former Prime Minister David Cameron had reiterated the importance of remaining in the EU to avoid the severe impact on its economy, the result of the referendum on Jun 23, 2016 disappointed him. Immediately after the vote, the Prime Minister David Cameron announced his resignation. He was succeeded by Theresa May on Jul 13, 2016.
- Responding to the result, the Labor Party faces a leadership challenge. Also, the Scottish Government announced that it would plan for a possible second referendum on the region's independence from UK.¹³³

Sovereign Credit Ratings

- Following the Referendum on Jun 23 that determined the exit from the European Union, S&P downgraded the UK's sovereign credit rating from AAA to AA; Likewise, Fitch amended its rating from AA+ to AA. While Moody's reaffirmed the UK's credit rating of Aa1, it changed the country's outlook to negative from stable.¹³⁴¹³⁵

UK Banks

The RMI-CRI aggregate 1-year PD for banks in the United Kingdom remained steady over April and May but surged to over 100bps in June due to the worrying result of the referendum. Like the shape of the RMI-CRI aggregate 1-year PD for UK companies, the PD figure had gradually improved since most of the market concerns were reflected at the end of June. In terms of fundamentals, while the funding and liquidity remained sufficient and the asset quality slightly improved during Q2, the profitability remains weak. Although the hardest hit by the Brexit Vote seemed to be passed through and the BOE reinforced its easy monetary policy, it is still too early for British banks to see a remarkable turnaround.



Profitability

- According to the Monetary Financial Institutions' quarterly income and expenditure tables released by the BOE, the net interest receivable had decreased from GBP 15.5bn in Q4 2015 to GBP 15.3bn in Q1 2016.
- Also, the net fees and commissions had remained flat at around GBP 4.9bn across Q4 2015 and Q1 2016.¹³⁶
- According to Bloomberg, big banks in the United Kingdom such as HSBC, Lloyd and Barclay registered a positive adjusted net income in Q2 2016. Whereas, Royal Bank of Scotland registered a negative adjusted net income in Q2 2016.

Funding & Liquidity

- According to the Bank Liabilities Survey produced by the BOE, UK banks and building societies asserted that their funding volumes were generally unchanged over Q2 2016. Specifically, the retail deposit funding had increased, while 'other' funding, which includes the wholesale deposits and wholesale debt funding, had decreased. Lenders said that their total capital levels had further increased in Q2 2016. However, the average cost of capital had decreased slightly as reported by the lenders.
- The supply of deposits from households increased slightly, whereas the deposits from private non-financial corporations was broadly unchanged in Q2 2016.
- Investor demand for the wholesale debt fell significantly again in Q2 2016.¹³⁷

Asset Quality

- The total write-offs of sterling-denominated loans increased from GBP 1.7bn in Q4 2015 to GBP 1.0bn in Q1 2016. For the same period, loan write-offs at private non-financial corporations decreased from GBP 507mn to GBP 280mn.
- Similarly, the write-offs on loans denominated in foreign currency went down in Q1 2016, along with a 69% slump in the write-offs on loans to non-residents, which constitute the largest share of the total write-offs.¹³⁸

¹²⁶ June 30, 2016, [Gross domestic product, preliminary estimate: Apr to June 2016](http://www.ons.gov.uk), ONS, <http://www.ons.gov.uk>

¹²⁷ July 20, 2016, [UK unemployment rate falls to fresh 11-year low](http://www.ons.gov.uk), BBC, <http://www.ons.gov.uk>

¹²⁸ July 29, 2016, [UK sees biggest fall in consumer confidence for 26 years after Brexit vote](http://www.gfk.com), The Guardian, <http://www.gfk.com>

¹²⁹ August 1, 2016, [UK PMI falls to lowest level since early 2013 at start of third quarter](https://www.markiteconomics.com/), Markit, <https://www.markiteconomics.com/>

¹³⁰ August 2, 2016, [UK construction output falls again in July, but new orders decrease at slower pace](https://www.markiteconomics.com/), Markit, <https://www.markiteconomics.com/>

¹³¹ August 2016, [Inflation report by the Bank of England](http://www.bankofengland.co.uk/), BoE, <http://www.bankofengland.co.uk/>

¹³² August 4, 2016 [BOE Monetary Policy Committee Minutes for August](http://www.bankofengland.co.uk/), Bloomberg, <http://www.bankofengland.co.uk/>

¹³³ August 2016, [United Kingdom European Union membership referendum, 2016](http://www.ft.com/), Wikipedia, <http://www.ft.com/>

¹³⁴ June 27, 2016, [UK credit ratings cut: S&P and Fitch downgrade post-Brexit vote](http://www.cnbc.com/), CNBC, <http://www.cnbc.com/>

¹³⁵ June 24, 2016, [Moody's changes outlook on UK sovereign rating to negative from stable, affirms Aa1 rating](http://www.bankofengland.co.uk/), Moody's, <http://www.bankofengland.co.uk/>

¹³⁶ July 29, 2016, [Bankstats \(Monetary & Financial Statistics\) - June 2016](http://www.bankofengland.co.uk/), BoE, <http://www.bankofengland.co.uk/>

¹³⁷ July 13, 2016, [Bank Liabilities Survey 2016 Q2](http://www.bankofengland.co.uk/), BoE, <http://www.bankofengland.co.uk/>

¹³⁸ July 29, 2016, [Bankstats \(Monetary & Financial Statistics\) - June 2016](http://www.bankofengland.co.uk/), BoE, <http://www.bankofengland.co.uk/>

Appendices

The appendices provide readers with a comprehensive overview of various outputs that are produced by RMI-CRI'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 RMI-CRI 1-year PDs are reported. In addition to the PD produced by the RMI-CRI 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 RMI-CRI 1-year aggregate PD where the aggregations are by region, economy and sector. In these sections, the RMI-CRI 1-year aggregate PD is based on the median PD of active listed firms. These are given as month-end data, and are based on RMI's default forecast model calibrated on August 03, 2016, using data up to June 30, 2016. For a detailed description of RMI-CRI'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 median and standard deviation of PDs for firms within ten industry sectors at the end of Q1 2016 and Q2 2016. Note that the statistics are for firms that have a PD at both dates so that consistent comparisons can be made. The median and standard deviation of the difference of individual PD is also given. The industry sectors are based on the Level I Bloomberg Industry Classification.

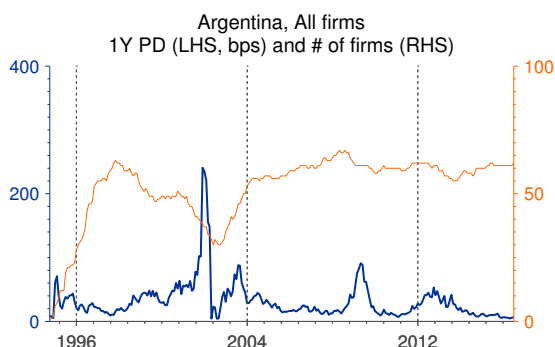
Appendix [B](#) gives 1-year aggregate PD by the seven regions of Asia-Pacific developed, Asia-Pacific emerging, North America, Latin America, Eastern Europe, Western Europe and Africa & the Middle East. The top two graphs of each region show the time series of the distribution of Probability of Default 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 RMI-CRI 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.

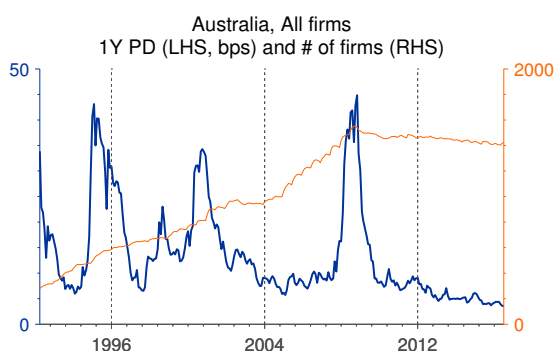
Appendix [C](#) provides common macroeconomic, corporate credit and sovereign risk indicators for each economy along with the RMI-CRI 1-year aggregate PD for financial and non-financial firms. The graphs on the left give historical context to the values, and the table on the right give the data from 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.

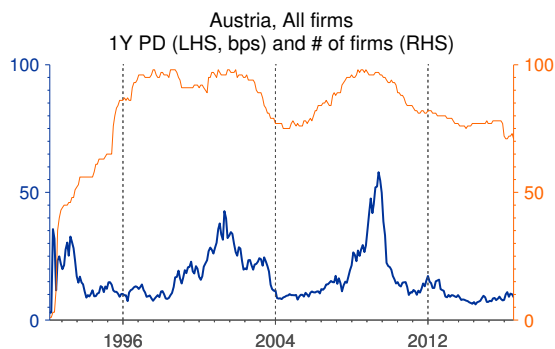
A PD by economies



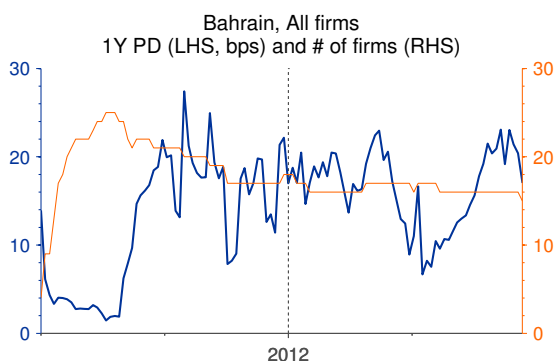
Argentina	2016Q1			2016Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	11	14.6	33.2	20.7	27.9	1.1	7.1
Basic Materials	7	21.7	21.7	29.2	29.3	7.5	8.6
Communications	3	1.5	2.1	1.8	3.0	0.4	0.9
Consumer Cyclical	5	3.0	103.3	4.8	117.9	2.0	14.6
Consumer Non-cyclical	15	3.1	22.8	3.8	41.5	1.5	18.8
Diversified	1	9.6	-	11.1	-	1.5	-
Energy	4	7.3	20.6	7.9	22.0	0.6	1.4
Industrial	6	5.8	11.0	8.5	5.7	0.5	9.1
Technology	1	0.3	-	0.5	-	0.3	-
Utilities	8	6.1	2.8	8.2	4.5	2.8	2.3



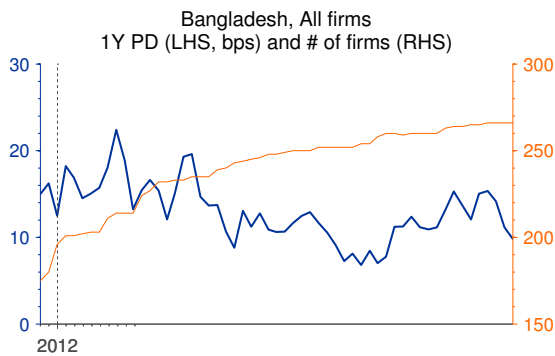
Australia	2016Q1			2016Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	145	1.3	31.6	1.0	42.9	-0.1	24.3
Basic Materials	514	6.3	36.0	4.8	46.4	-0.7	28.6
Communications	79	2.9	13.1	3.2	13.7	-0.0	8.4
Consumer Cyclical	75	2.1	11.8	2.1	15.7	-0.1	14.1
Consumer Non-cyclical	205	2.3	72.6	1.9	31.3	-0.0	43.6
Diversified	9	4.9	3.7	5.2	4.6	0.5	2.5
Energy	157	10.6	63.4	8.6	47.9	-0.2	41.5
Industrial	105	4.5	29.0	3.9	40.3	-0.1	24.8
Technology	73	2.1	19.5	2.5	19.6	0.0	9.5
Utilities	12	5.7	9.4	4.9	13.2	-0.3	6.5



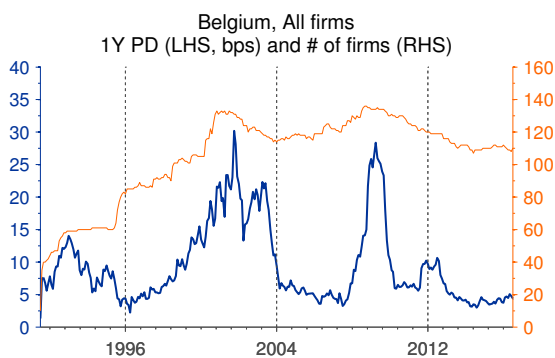
Austria	2016Q1			2016Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	20	8.0	23.1	7.3	21.9	-0.4	3.4
Basic Materials	3	3.5	5.7	2.3	5.6	-0.7	0.6
Communications	1	6.4	-	4.7	-	-1.7	-
Consumer Cyclical	11	24.9	576.7	13.9	611.6	0.9	37.1
Consumer Non-cyclical	7	12.4	9.6	9.7	9.7	-1.5	3.0
Energy	4	10.1	3.0	9.2	4.1	-1.9	3.9
Industrial	19	13.3	36.1	20.4	28.7	0.8	14.9
Technology	3	5.5	7.8	5.1	10.0	-0.4	2.2
Utilities	2	3.8	4.2	2.9	3.0	-1.0	1.2



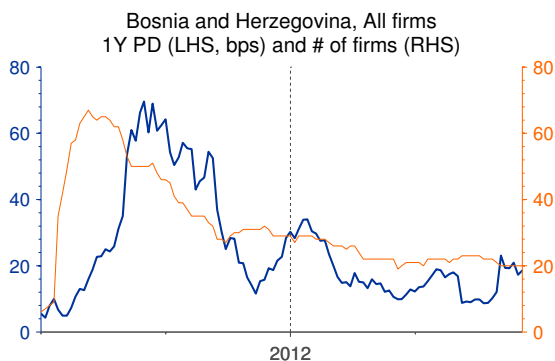
Bahrain	2016Q1			2016Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	10	42.2	82.0	40.2	97.8	4.2	32.1
Basic Materials	1	5.8	-	6.8	-	1.1	-
Communications	1	0.2	-	0.6	-	0.4	-
Consumer Cyclical	2	0.5	0.3	0.3	0.5	-0.2	0.1
Industrial	1	26.3	-	16.4	-	-9.9	-



Bangladesh	2016Q1			2016Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	98	29.8	56.0	22.0	58.7	-1.5	21.1
Basic Materials	15	8.8	21.5	3.8	13.8	-1.6	8.8
Communications	7	5.4	12.7	1.6	12.5	-0.3	3.6
Consumer Cyclical	58	20.5	36.7	12.4	31.0	-5.4	19.6
Consumer Non-cyclical	43	8.9	119.5	5.3	46.3	-1.0	78.8
Diversified	1	15.7	-	37.1	-	21.4	-
Energy	5	21.5	15.1	9.4	9.8	-4.6	8.1
Industrial	29	9.4	29.4	5.4	31.2	-0.8	15.2
Technology	1	1.8	-	2.0	-	0.2	-
Utilities	8	2.1	12.6	1.8	8.7	-1.0	5.0



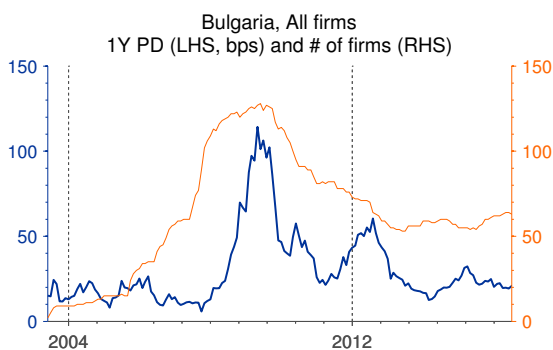
Belgium	2016Q1			2016Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	30	3.3	156.1	2.2	137.7	-0.2	19.2
Basic Materials	8	10.6	17.8	7.5	10.3	0.1	9.6
Communications	6	6.5	8.5	9.8	12.6	0.1	6.7
Consumer Cyclical	6	4.3	4.0	4.6	2.4	0.2	2.0
Consumer Non-cyclical	25	5.3	57.4	5.9	19.2	0.1	48.1
Diversified	5	0.7	1.9	1.1	3.0	0.0	1.4
Energy	2	40.3	38.4	38.4	24.8	-1.9	13.6
Industrial	20	10.2	48.1	9.0	24.6	0.5	29.7
Technology	4	4.2	2.8	4.4	2.4	-1.0	1.8
Utilities	2	2.2	2.4	2.0	1.7	-0.2	0.8



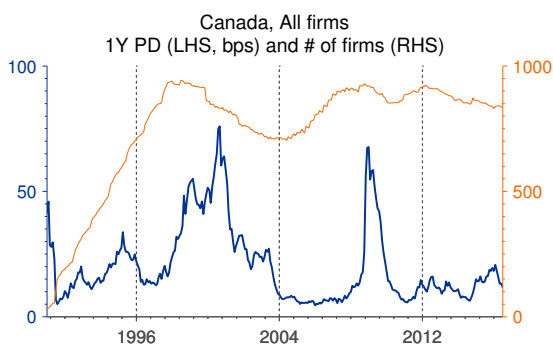
Bosnia and Herzegovina	2016Q1			2016Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	3	17.4	4.5	25.6	11.2	8.2	6.9
Basic Materials	1	30.9	-	10.3	-	-20.6	-
Communications	2	0.5	0.2	2.6	2.3	2.1	2.0
Consumer Cyclical	1	21.3	-	17.4	-	-3.9	-
Consumer Non-cyclical	3	6.4	2.8	6.1	4.9	1.3	2.8
Energy	3	21.2	65.4	28.7	63.7	0.7	4.1
Industrial	1	96.8	-	104.3	-	7.5	-
Utilities	6	27.1	57.3	28.0	75.7	5.7	19.0



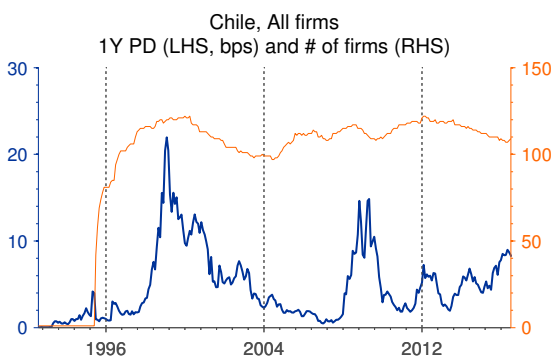
Brazil	2016Q1			2016Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	57	76.9	251.3	74.7	328.7	-0.2	115.9
Basic Materials	17	55.3	332.5	67.5	294.7	-0.3	90.8
Communications	6	28.9	62.0	25.3	82.1	3.2	23.7
Consumer Cyclical	45	39.3	430.8	46.6	418.3	-0.2	191.0
Consumer Non-cyclical	44	38.2	238.1	22.3	109.7	-2.6	158.3
Diversified	5	130.9	112.9	95.8	110.5	-0.3	49.0
Energy	7	55.2	954.3	29.4	822.0	-4.6	143.2
Industrial	26	136.1	426.5	105.3	478.1	-14.5	171.5
Technology	4	3.8	67.9	3.7	55.3	-0.2	12.7
Utilities	25	36.4	95.8	30.1	73.8	-3.6	54.9



Bulgaria	2016Q1			2016Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	15	27.3	17.5	22.7	26.2	1.8	15.3
Basic Materials	3	18.2	7.7	13.4	4.6	-4.4	8.8
Communications	2	48.4	40.7	37.3	21.9	-11.1	18.8
Consumer Cyclical	2	17.0	2.5	19.2	2.5	2.2	5.1
Consumer Non-cyclical	12	32.7	54.1	33.1	190.3	2.0	142.7
Diversified	10	56.0	36.7	39.8	25.7	-0.6	16.7
Energy	2	181.7	229.2	171.8	221.2	-9.8	8.0
Industrial	15	15.4	17.0	12.5	18.6	-0.3	5.4
Utilities	1	6.4	-	7.5	-	1.1	-



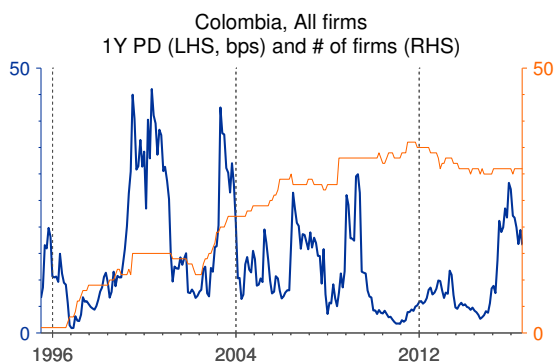
Canada	2016Q1			2016Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	132	5.3	371.1	4.8	149.7	-0.0	284.1
Basic Materials	232	19.5	395.5	12.4	230.3	-3.5	223.9
Communications	42	11.8	453.1	10.5	175.2	-0.1	329.7
Consumer Cyclical	60	5.7	162.3	6.2	133.6	0.0	85.2
Consumer Non-cyclical	104	21.3	219.0	18.5	145.8	-0.0	212.6
Diversified	5	15.7	255.5	12.1	131.2	-4.0	124.7
Energy	132	35.3	241.1	25.7	326.5	-3.4	157.1
Industrial	68	9.6	115.6	7.4	164.4	-0.6	169.5
Technology	33	22.0	515.1	20.4	204.4	0.1	353.8
Utilities	12	6.5	10.8	4.6	9.0	-0.2	7.1



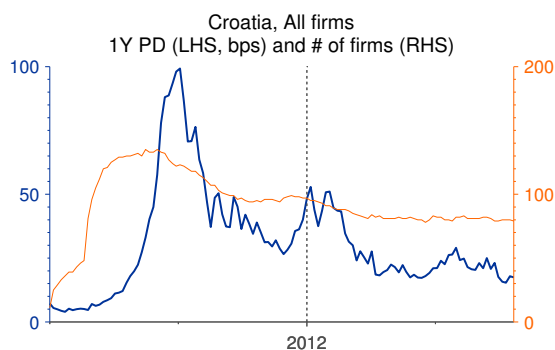
Chile	2016Q1			2016Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	23	16.8	23.5	14.0	19.2	-0.3	10.5
Basic Materials	13	8.7	53.8	8.3	31.0	-0.7	23.8
Communications	3	20.2	21.7	24.9	11.6	0.1	12.9
Consumer Cyclical	12	11.2	62.0	10.7	23.4	-2.4	39.2
Consumer Non-cyclical	20	6.4	61.3	2.5	33.0	-0.3	34.8
Diversified	5	4.3	31.6	4.8	21.4	0.5	10.3
Energy	1	257.1	-	160.3	-	-96.9	-
Industrial	19	7.1	9.7	7.3	8.1	-0.0	5.6
Technology	1	1.6	-	1.1	-	-0.5	-
Utilities	10	1.9	13.4	2.4	97.7	0.0	91.8



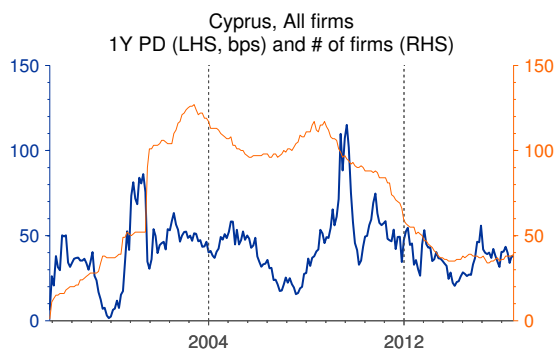
China	2016Q1			2016Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	214	65.0	170.3	66.1	136.1	1.1	140.4
Basic Materials	319	153.9	167.9	152.1	192.9	1.0	65.0
Communications	159	44.6	145.6	53.2	138.9	1.7	63.2
Consumer Cyclical	489	90.8	147.4	97.1	138.0	2.4	68.1
Consumer Non-cyclical	453	86.2	123.6	85.8	164.3	0.3	85.4
Diversified	28	213.4	108.2	217.1	116.1	9.7	62.3
Energy	89	116.6	155.2	114.2	132.9	0.1	126.8
Industrial	767	130.6	169.2	126.0	149.3	1.7	86.7
Technology	162	64.2	78.7	68.0	73.6	-0.1	41.0
Utilities	70	149.9	134.6	163.7	138.4	5.5	45.9



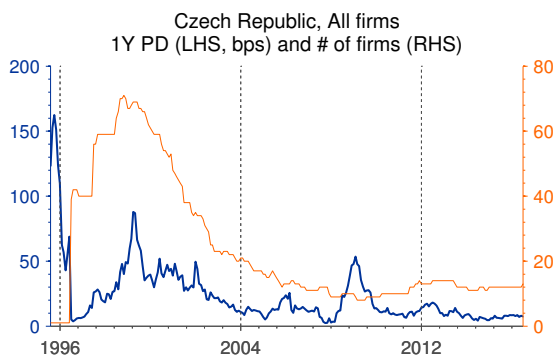
Colombia	2016Q1			2016Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	9	38.7	76.8	28.6	41.3	-6.5	51.0
Basic Materials	2	9.2	6.6	7.5	4.2	-1.7	2.4
Communications	1	12.9	-	10.6	-	-2.3	-
Consumer Cyclical	2	89.6	36.5	100.8	83.8	11.1	47.3
Consumer Non-cyclical	1	0.8	-	1.0	-	0.2	-
Diversified	2	13.5	4.8	11.7	7.1	-1.8	2.3
Energy	3	24.2	20.4	32.2	10.7	-3.7	15.8
Industrial	7	19.9	15.4	20.1	12.8	-1.3	6.3
Utilities	4	7.1	15.0	8.7	13.8	0.0	1.9



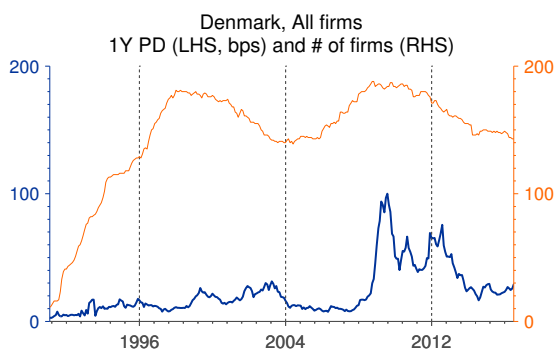
Croatia	2016Q1			2016Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	8	13.1	60.8	14.7	61.0	1.1	9.2
Basic Materials	3	42.2	56.5	31.1	38.0	-11.1	18.5
Communications	3	0.5	40.4	0.9	38.3	-0.1	2.2
Consumer Cyclical	26	9.2	99.3	8.7	136.8	-0.5	39.6
Consumer Non-cyclical	21	17.5	64.3	32.4	42.0	1.8	37.0
Diversified	1	16.9	-	23.4	-	6.6	-
Energy	2	6.1	5.2	2.3	3.0	-3.8	2.2
Industrial	14	80.5	86.8	57.2	71.0	-9.6	27.7



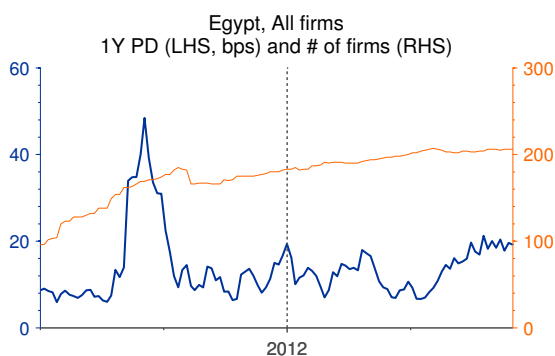
Cyprus	2016Q1			2016Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	13	35.1	253.3	28.4	310.1	-0.4	230.9
Basic Materials	3	75.6	23.0	44.7	21.9	-12.1	11.6
Consumer Cyclical	6	36.7	32.7	37.3	24.6	-3.9	14.5
Consumer Non-cyclical	6	31.4	39.3	36.0	32.9	-2.9	8.6
Energy	4	721.6	747.2	337.8	516.6	-30.9	493.2
Industrial	5	15.7	747.0	16.7	494.0	-1.6	265.9
Technology	1	13.7	-	9.7	-	-3.9	-



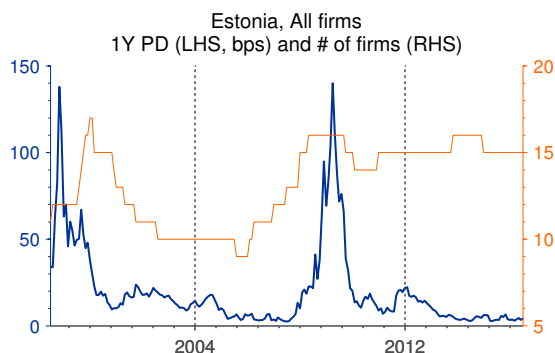
Czech Republic	2016Q1			2016Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	2	14.2	1.3	23.3	8.9	9.0	7.6
Communications	1	29.3	-	30.3	-	1.0	-
Consumer Cyclical	2	6.8	1.5	6.9	1.2	0.0	0.3
Consumer Non-cyclical	2	3.2	3.5	4.0	5.0	0.8	1.5
Diversified	1	0.9	-	1.1	-	0.2	-
Energy	2	7.1	3.0	7.3	0.3	0.2	2.6
Industrial	1	26.6	-	23.1	-	-3.5	-
Utilities	1	10.6	-	10.3	-	-0.3	-



Denmark	2016Q1			2016Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	42	50.5	110.0	63.8	128.5	4.5	50.6
Basic Materials	1	1.4	-	1.7	-	0.3	-
Communications	8	18.1	17.1	27.5	18.1	2.7	12.2
Consumer Cyclical	17	30.4	142.9	30.1	102.7	0.8	44.5
Consumer Non-cyclical	27	6.6	49.8	7.7	49.6	0.4	14.0
Diversified	2	3.6	4.7	6.1	8.2	2.5	3.5
Energy	1	10.1	-	14.5	-	4.4	-
Industrial	32	24.5	332.8	30.0	342.3	1.6	35.7
Technology	8	47.1	76.5	29.7	74.9	-0.5	71.5
Utilities	1	60.0	-	40.2	-	-19.8	-



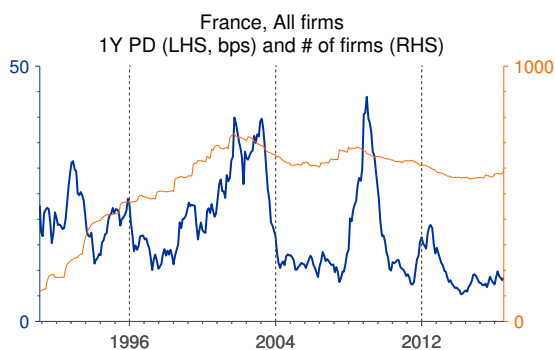
Egypt	2016Q1			2016Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	67	33.9	87.4	27.0	92.4	1.3	28.6
Basic Materials	22	16.7	37.7	20.8	44.3	0.8	10.3
Communications	6	23.4	41.8	21.7	52.9	1.0	21.4
Consumer Cyclical	23	25.3	29.4	27.6	27.8	2.3	15.3
Consumer Non-cyclical	48	10.6	32.2	8.2	37.7	-1.0	18.1
Diversified	1	21.7	-	9.0	-	-12.7	-
Energy	1	120.7	-	131.8	-	11.1	-
Industrial	35	13.7	48.1	11.4	46.1	0.7	10.7
Technology	1	13.6	-	17.6	-	4.0	-
Utilities	1	79.0	-	45.1	-	-33.9	-



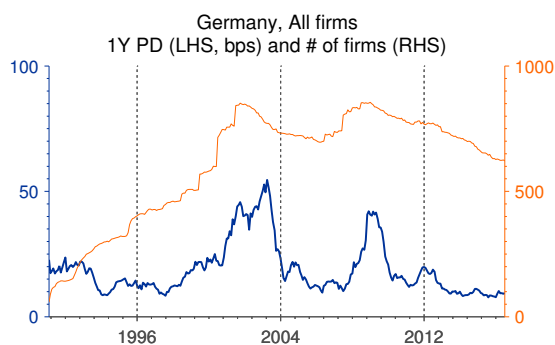
Estonia	2016Q1			2016Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	3	9.8	10.7	13.3	8.3	0.5	3.6
Communications	1	5.4	-	5.0	-	-0.5	-
Consumer Cyclical	5	1.8	16.1	0.8	28.3	0.1	12.7
Consumer Non-cyclical	1	30.0	-	29.4	-	-0.6	-
Industrial	4	1.2	2.3	1.4	2.5	0.1	0.3
Utilities	1	0.7	-	0.2	-	-0.5	-



Finland	2016Q1			2016Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	17	9.3	16.9	9.8	13.7	1.0	5.2
Basic Materials	8	8.3	8.9	9.9	6.7	0.2	3.8
Communications	13	6.6	14.6	8.9	18.8	0.8	12.5
Consumer Cyclical	12	5.6	8.6	5.3	9.5	0.6	5.6
Consumer Non-cyclical	22	8.7	50.7	8.5	46.9	-0.1	32.1
Energy	2	12.4	12.5	26.0	32.4	13.6	19.9
Industrial	36	5.5	26.1	6.5	39.3	0.0	31.8
Technology	15	8.5	11.8	11.9	13.6	0.2	12.4
Utilities	1	7.2	-	7.1	-	-0.1	-



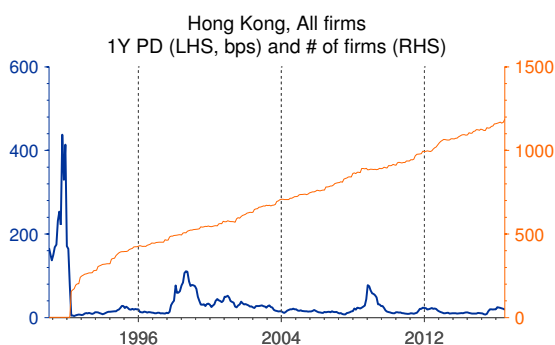
France	#	2016Q1		2016Q2		Q2-Q1	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	84	7.3	34.1	6.5	36.8	0.2	6.0
Basic Materials	20	11.3	30.8	12.1	33.9	0.5	9.2
Communications	62	14.1	52.0	13.5	63.2	0.9	26.0
Consumer Cyclical	77	8.2	62.7	8.9	46.8	0.0	31.1
Consumer Non-cyclical	123	6.9	13.4	7.5	13.5	0.0	9.7
Diversified	7	16.9	48.9	19.0	44.8	0.5	6.6
Energy	12	23.4	26.9	23.5	32.3	-4.4	18.7
Industrial	109	9.1	37.0	7.7	34.1	0.0	14.8
Technology	66	7.9	26.7	8.0	25.3	-0.1	12.5
Utilities	10	9.0	10.5	6.7	9.5	0.3	4.1



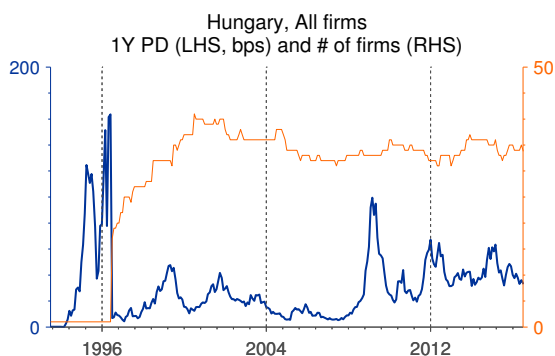
Germany	#	2016Q1		2016Q2		Q2-Q1	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	145	11.3	89.6	10.7	69.5	-0.2	60.5
Basic Materials	22	9.2	54.0	9.2	71.4	-0.2	17.6
Communications	59	8.4	87.9	10.6	169.9	0.1	125.9
Consumer Cyclical	75	9.0	31.4	11.1	29.6	0.2	15.5
Consumer Non-cyclical	95	10.1	448.6	9.2	112.6	-0.2	359.3
Diversified	3	26.1	113.9	25.9	45.1	-0.2	68.8
Energy	15	14.3	63.4	13.0	86.4	0.4	69.3
Industrial	121	8.2	97.2	8.8	253.1	0.0	237.4
Technology	68	6.0	123.5	7.2	113.5	-0.3	18.0
Utilities	9	5.7	14.2	4.8	8.1	-0.3	7.2



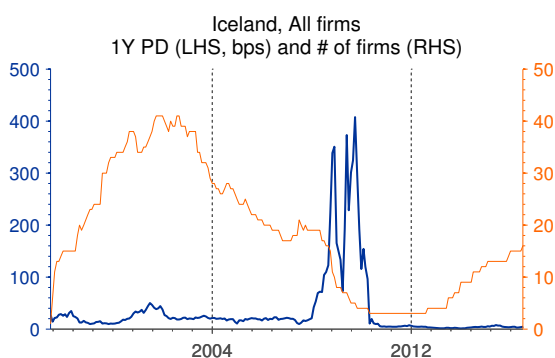
Greece	#	2016Q1		2016Q2		Q2-Q1	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	17	38.6	75.0	36.3	33.7	-0.0	66.7
Basic Materials	9	22.9	55.3	25.0	47.2	-1.1	15.8
Communications	9	128.3	151.0	92.3	68.1	-14.7	119.7
Consumer Cyclical	27	28.0	64.5	22.5	70.4	-1.4	24.3
Consumer Non-cyclical	29	39.2	59.6	44.9	102.0	-1.2	77.4
Diversified	1	49.5	-	22.3	-	-27.3	-
Energy	5	35.6	23.9	43.6	30.0	3.4	11.2
Industrial	42	83.3	356.2	90.0	309.9	1.1	242.2
Technology	7	25.9	16.6	24.6	21.7	-0.4	7.6
Utilities	4	22.7	28.9	17.8	36.9	0.6	10.1



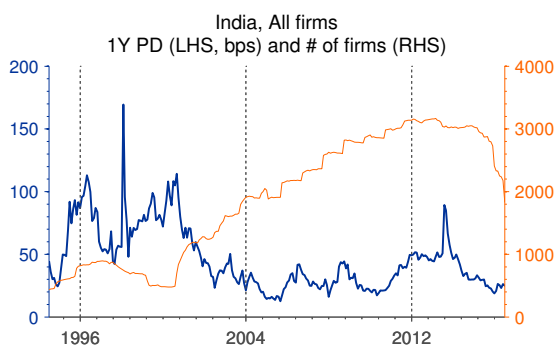
Hong Kong	#	2016Q1		2016Q2		Q2-Q1	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	261	23.8	69.7	22.1	55.3	-0.6	28.4
Basic Materials	60	47.6	105.9	30.0	231.6	-3.1	157.6
Communications	79	20.6	100.3	20.9	46.8	-0.4	86.0
Consumer Cyclical	256	15.5	46.9	15.9	52.4	-0.6	33.0
Consumer Non-cyclical	143	17.3	149.8	16.9	128.0	-0.9	108.6
Diversified	38	19.8	79.6	16.3	45.4	-0.9	53.9
Energy	42	52.4	149.1	54.1	99.2	-0.5	108.9
Industrial	211	28.1	106.2	22.4	107.8	-1.9	50.5
Technology	50	23.6	70.3	19.5	57.0	-3.1	39.4
Utilities	20	20.8	32.0	15.9	39.7	0.0	13.3



Hungary	#	2016Q1		2016Q2		Q2-Q1	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	9	20.9	25.2	26.6	62.7	5.7	43.8
Communications	5	78.7	62.7	114.9	140.2	36.3	86.7
Consumer Cyclical	3	48.8	26.7	38.8	23.3	-0.7	6.2
Consumer Non-cyclical	7	54.2	68.0	55.2	54.5	0.0	48.0
Diversified	2	108.7	14.5	102.7	95.5	-6.0	81.0
Energy	2	112.8	148.0	95.0	119.2	-17.8	28.8
Industrial	1	34.4	-	24.2	-	-10.2	-
Technology	2	31.6	7.2	31.3	11.3	-0.3	4.1
Utilities	2	4.0	2.2	2.2	1.6	-1.8	0.6



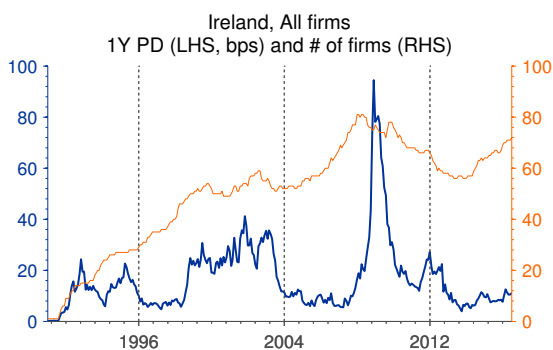
Iceland	#	2016Q1		2016Q2		Q2-Q1	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	5	3.2	4.2	8.1	3.8	1.1	3.6
Communications	1	0.8	-	2.5	-	1.7	-
Consumer Cyclical	2	0.8	0.6	3.1	3.5	2.3	2.9
Consumer Non-cyclical	2	19.1	23.7	32.4	41.2	13.3	17.6
Energy	1	6.1	-	3.1	-	-3.0	-
Industrial	3	2.1	2.4	5.6	4.3	-0.2	5.3
Technology	1	7.5	-	8.8	-	1.3	-



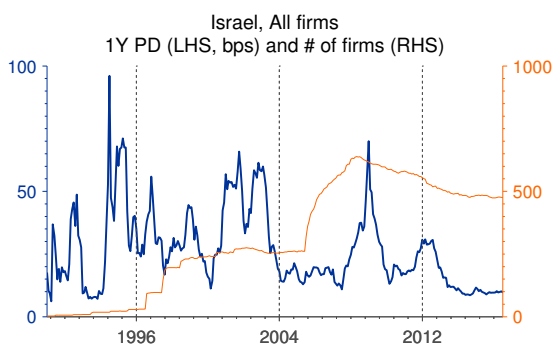
India	#	2016Q1		2016Q2		Q2-Q1	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	248	41.4	211.5	37.1	158.2	-2.3	105.0
Basic Materials	242	34.8	91.4	28.5	88.2	-4.3	44.9
Communications	77	21.1	82.8	26.5	74.6	-0.1	29.7
Consumer Cyclical	366	26.1	116.5	24.9	97.0	-1.9	65.4
Consumer Non-cyclical	287	16.1	125.6	17.9	116.4	-0.0	39.3
Diversified	19	43.2	103.9	34.9	75.1	-2.2	46.1
Energy	35	45.4	89.3	63.0	79.9	0.7	31.2
Industrial	419	28.1	112.7	25.1	99.1	-1.3	51.6
Technology	97	11.7	219.9	10.0	207.7	-0.1	77.9
Utilities	33	66.8	101.8	76.8	112.4	-0.0	34.5



Indonesia	#	2016Q1		2016Q2		Q2-Q1	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	122	28.7	58.3	27.2	50.4	-0.1	29.6
Basic Materials	41	43.9	82.8	30.1	66.1	-6.7	27.7
Communications	26	28.4	65.3	20.5	66.2	-0.5	20.3
Consumer Cyclical	66	18.8	54.2	16.1	51.7	-1.1	14.5
Consumer Non-cyclical	73	15.9	155.7	14.0	76.0	-1.3	97.8
Diversified	1	111.4	-	88.9	-	-22.5	-
Energy	28	34.9	147.0	21.6	109.9	-2.9	120.1
Industrial	66	26.3	39.3	23.8	69.3	-1.2	45.2
Technology	7	4.3	44.5	5.5	46.8	0.7	4.9
Utilities	2	71.9	10.0	67.8	6.1	-4.1	3.9



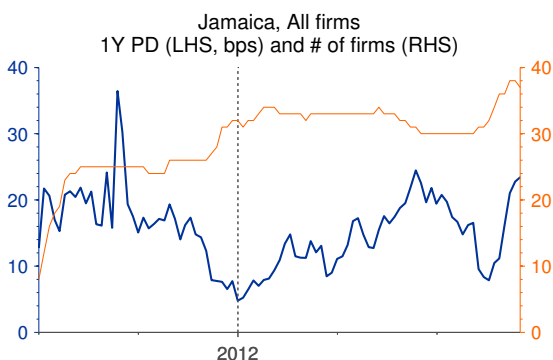
Ireland	2016Q1			2016Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	11	26.1	23.9	42.3	42.4	12.9	20.1
Basic Materials	10	47.0	135.9	30.0	60.4	-17.0	107.9
Communications	4	17.2	96.3	22.8	26.9	1.5	73.8
Consumer Cyclical	4	13.3	6.7	17.6	15.8	4.8	10.2
Consumer Non-cyclical	26	3.3	75.4	4.8	176.3	0.4	107.1
Energy	7	44.9	197.2	69.6	661.6	27.4	509.1
Industrial	6	4.3	22.2	7.7	22.2	0.5	2.2
Technology	3	0.2	3.2	0.2	2.7	0.0	0.6



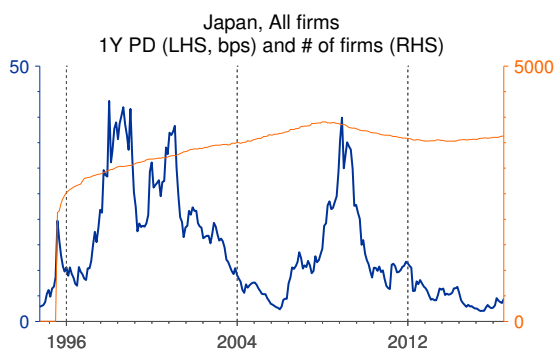
Israel	2016Q1			2016Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	117	12.2	242.8	9.8	182.5	-0.2	72.3
Basic Materials	14	8.2	29.6	9.9	42.2	-0.1	15.5
Communications	34	12.8	107.4	15.0	108.6	0.4	47.8
Consumer Cyclical	47	9.3	40.7	8.7	39.1	-0.1	28.7
Consumer Non-cyclical	104	11.1	167.1	11.2	105.3	0.3	113.9
Diversified	10	8.9	33.5	10.6	20.1	0.2	21.9
Energy	30	9.2	71.0	8.5	83.2	-0.4	27.7
Industrial	82	8.3	101.6	9.7	60.8	-0.0	50.1
Technology	32	5.4	29.3	4.9	22.8	-0.1	16.6



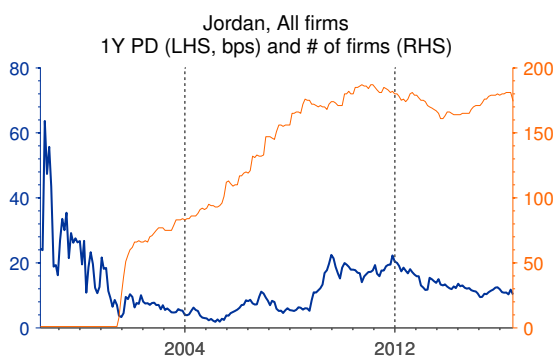
Italy	2016Q1			2016Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	56	34.5	75.8	44.2	86.0	7.1	28.0
Basic Materials	4	10.9	9.5	10.1	6.3	-2.4	5.2
Communications	36	18.3	38.2	19.4	41.4	1.7	19.4
Consumer Cyclical	47	14.1	30.3	14.9	40.2	0.1	31.1
Consumer Non-cyclical	40	11.8	56.7	12.1	166.7	0.8	123.9
Diversified	3	22.6	24.5	24.7	9.6	-10.5	28.1
Energy	18	16.1	34.7	20.7	48.7	1.5	20.8
Industrial	48	11.7	94.4	15.0	98.6	1.2	64.3
Technology	15	13.4	51.2	16.6	41.6	0.5	12.3
Utilities	12	7.1	43.1	7.4	99.8	0.8	56.8



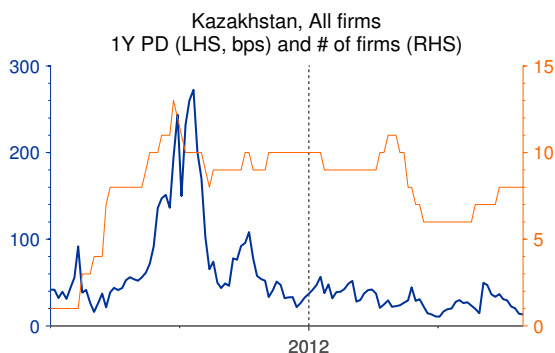
Jamaica	2016Q1			2016Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	11	17.0	19.2	28.1	22.8	3.3	15.2
Basic Materials	2	18.7	25.2	12.0	16.4	-6.6	8.8
Communications	3	80.7	52.5	127.4	43.8	-12.9	55.0
Consumer Cyclical	4	4.2	1.4	3.7	1.3	0.4	1.9
Consumer Non-cyclical	9	22.9	10.6	23.4	14.1	-0.2	6.8
Diversified	3	4.8	14.4	40.3	21.1	11.4	19.9
Industrial	3	2.8	3.0	3.0	2.3	-0.0	0.9



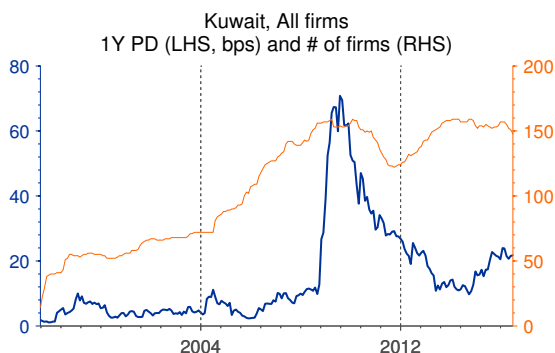
Japan	2016Q1			2016Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	330	10.4	42.3	13.4	58.1	1.3	25.0
Basic Materials	240	6.1	10.9	6.7	12.9	0.2	6.6
Communications	262	2.6	12.8	3.0	15.4	0.1	7.3
Consumer Cyclical	856	4.5	16.1	4.8	16.5	0.1	8.1
Consumer Non-cyclical	608	1.8	10.1	1.7	10.7	0.0	4.6
Diversified	3	26.8	12.3	29.5	26.0	0.5	17.1
Energy	16	10.4	15.0	8.8	13.9	0.4	5.5
Industrial	964	5.2	12.0	5.9	34.1	0.3	30.2
Technology	294	2.4	10.5	2.8	11.6	0.1	6.5
Utilities	21	7.5	13.5	10.4	19.6	1.8	10.7



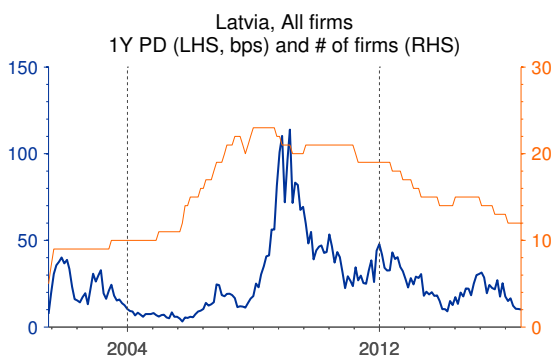
Jordan	2016Q1			2016Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	87	7.7	44.9	9.6	41.2	0.1	16.7
Basic Materials	16	19.5	39.5	23.7	32.0	0.9	21.6
Communications	2	36.1	36.4	34.2	12.3	-1.9	24.0
Consumer Cyclical	15	14.1	47.7	11.8	52.0	-0.0	20.9
Consumer Non-cyclical	25	9.2	31.2	6.3	23.0	-0.7	12.6
Diversified	2	39.3	43.9	41.1	54.4	1.8	10.5
Energy	2	5.8	8.0	4.8	6.6	-0.9	1.4
Industrial	22	12.3	58.2	11.7	114.3	-0.0	70.8
Technology	1	89.8	-	55.8	-	-34.0	-
Utilities	2	33.6	4.4	36.0	5.1	2.4	9.5



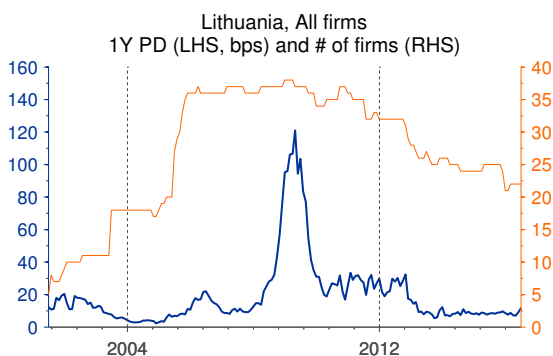
Kazakhstan	2016Q1			2016Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	3	154.4	81.1	131.4	72.8	-23.0	8.2
Basic Materials	1	3.0	-	6.3	-	3.3	-
Communications	1	24.9	-	8.8	-	-16.0	-
Energy	2	5.8	6.4	5.4	6.4	-0.4	0.0
Utilities	1	20.1	-	16.2	-	-3.8	-



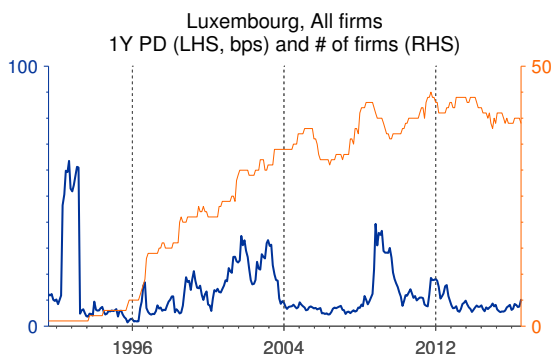
Kuwait	2016Q1			2016Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	78	25.0	65.3	23.7	75.9	0.4	26.7
Basic Materials	4	2.8	13.1	4.6	12.5	0.2	1.5
Communications	6	7.6	18.2	13.6	27.7	4.4	11.1
Consumer Cyclical	15	34.5	32.4	34.8	28.1	-1.1	15.1
Consumer Non-cyclical	10	8.1	56.8	6.5	47.3	-0.2	10.0
Diversified	6	37.4	30.3	36.1	20.8	-2.7	13.0
Energy	6	69.4	52.7	41.8	46.2	-2.0	26.0
Industrial	21	20.5	22.9	17.2	21.5	-0.1	13.6
Technology	1	0.7	-	0.3	-	-0.4	-



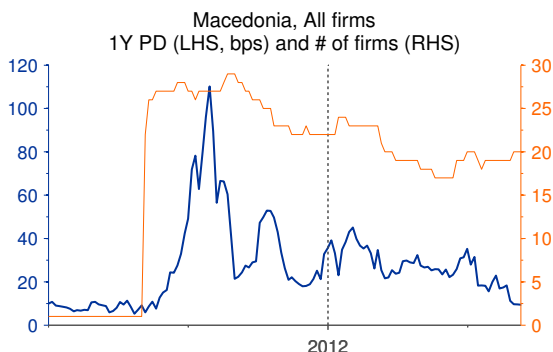
Latvia	2016Q1			2016Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Communications	1	2.9	-	2.5	-	-0.5	-
Consumer Cyclical	2	127.0	121.5	125.5	144.9	-1.5	23.4
Consumer Non-cyclical	4	10.0	5.7	10.0	4.8	-0.5	1.9
Industrial	4	15.6	17.3	15.4	11.2	-0.2	6.2
Utilities	1	0.9	-	0.4	-	-0.6	-



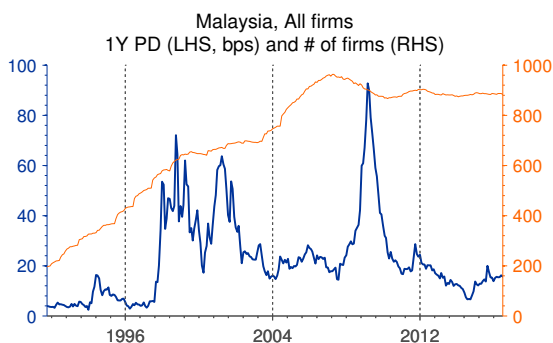
Lithuania	2016Q1			2016Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	5	13.5	45.5	8.4	53.6	0.9	8.9
Basic Materials	1	40.3	-	33.6	-	-6.6	-
Communications	1	0.0	-	5.0	-	5.0	-
Consumer Cyclical	3	33.0	20.2	43.1	25.8	8.4	5.7
Consumer Non-cyclical	6	5.9	9.7	6.7	11.2	0.8	7.4
Energy	1	0.4	-	0.5	-	0.0	-
Industrial	2	47.6	21.4	47.1	14.1	-0.5	7.4
Utilities	2	20.6	20.2	24.3	13.4	3.7	6.7



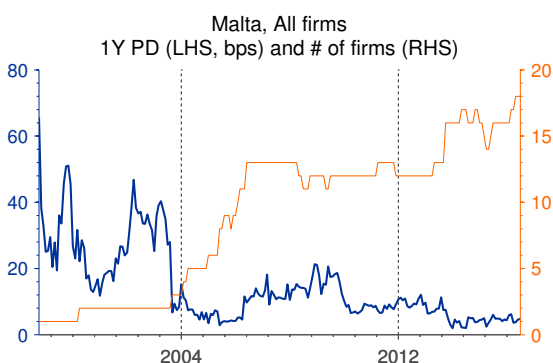
Luxembourg	2016Q1			2016Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	12	10.4	690.7	11.4	238.9	-1.0	452.2
Basic Materials	5	15.5	16.5	12.4	26.1	1.4	10.1
Communications	4	18.9	1588.8	19.6	839.9	-3.4	748.9
Consumer Cyclical	2	232.2	325.0	206.3	286.1	-25.9	38.9
Consumer Non-cyclical	5	5.1	19.6	9.8	21.8	1.6	2.8
Industrial	7	7.6	19.6	13.5	22.1	0.2	7.2
Technology	3	1.2	3.7	1.0	2.9	-0.5	0.8



Macedonia	2016Q1			2016Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	6	12.1	12.4	12.0	13.0	2.2	2.7
Basic Materials	3	72.4	34.2	20.3	39.3	-4.0	38.2
Communications	1	2.0	-	2.7	-	0.7	-
Consumer Cyclical	2	9.6	13.6	8.0	11.3	-1.6	2.3
Consumer Non-cyclical	5	3.3	2.1	2.1	2.3	-0.0	1.7
Industrial	1	33.1	-	38.7	-	5.6	-
Utilities	1	46.9	-	52.0	-	5.1	-



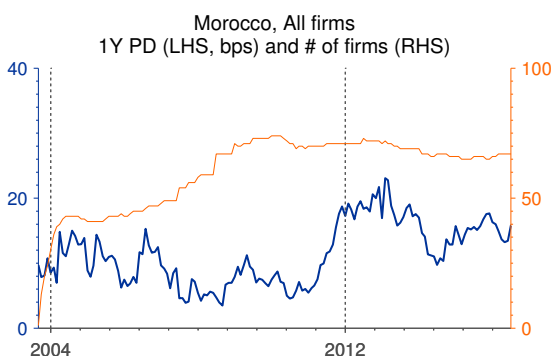
Malaysia	2016Q1			2016Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	130	13.1	57.1	13.7	71.1	-0.0	25.9
Basic Materials	65	25.9	348.3	23.6	262.9	-0.1	92.1
Communications	35	10.0	141.6	10.5	77.6	0.2	93.7
Consumer Cyclical	112	17.0	37.6	17.5	40.6	-0.2	16.2
Consumer Non-cyclical	147	6.2	291.0	6.3	189.8	0.0	115.7
Diversified	27	11.7	80.9	10.5	78.1	-0.2	33.2
Energy	31	47.1	280.5	47.2	338.7	0.1	66.6
Industrial	271	17.9	164.8	19.2	92.5	-0.0	115.8
Technology	58	22.7	56.5	24.1	84.9	-0.1	49.8
Utilities	5	14.0	7.9	15.4	6.9	0.1	4.0



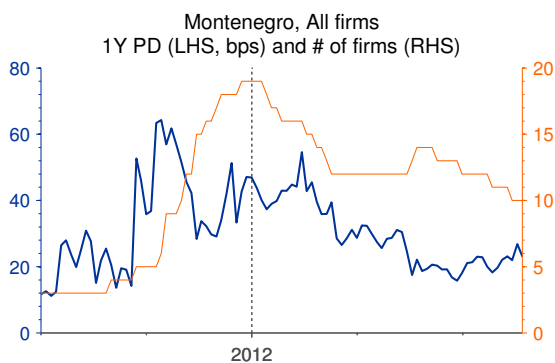
Malta	2016Q1			2016Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	7	11.2	13.1	5.6	16.0	1.1	6.2
Communications	1	0.9	-	4.0	-	3.0	-
Consumer Cyclical	4	6.8	11.4	8.8	6.0	1.3	6.6
Consumer Non-cyclical	2	4.9	6.4	5.9	7.8	1.0	1.5
Energy	1	29.2	-	33.2	-	4.0	-
Industrial	1	0.0	-	0.1	-	0.0	-
Technology	1	2.1	-	2.9	-	0.8	-



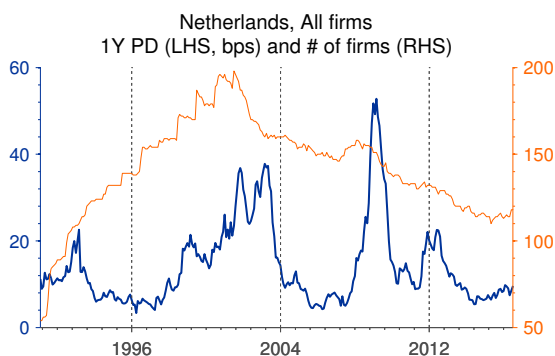
Mexico	2016Q1			2016Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	27	5.3	29.3	1.9	26.6	0.1	5.8
Basic Materials	10	5.4	15.9	2.9	13.2	-0.6	6.4
Communications	7	15.8	85.9	91.2	89.4	3.8	54.6
Consumer Cyclical	21	1.8	36.6	2.6	56.0	0.6	33.7
Consumer Non-cyclical	16	1.6	7.8	1.6	9.1	0.0	7.4
Diversified	5	6.8	3.6	7.3	5.5	0.4	2.9
Industrial	13	0.8	51.5	1.1	51.3	0.0	5.5
Utilities	2	0.7	0.9	0.5	0.6	-0.1	0.2



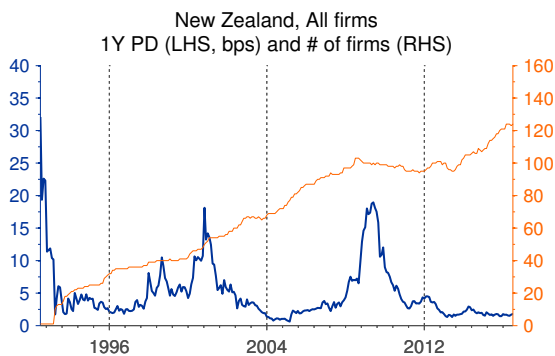
Morocco	2016Q1			2016Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	17	19.2	21.1	22.3	18.3	-0.1	6.4
Basic Materials	10	50.7	46.6	41.5	30.4	-1.9	20.0
Communications	1	1.0	-	0.9	-	-0.1	-
Consumer Cyclical	7	32.7	44.7	29.8	40.2	-2.1	7.2
Consumer Non-cyclical	10	4.0	7.0	4.3	7.9	0.5	2.6
Diversified	1	22.2	-	29.5	-	7.4	-
Energy	1	7.1	-	5.2	-	-1.9	-
Industrial	11	17.5	108.8	21.9	92.3	-0.1	18.5
Technology	5	9.3	56.6	11.0	15.7	-0.4	41.8
Utilities	3	8.7	6.2	9.0	9.3	0.9	3.8



Montenegro	2016Q1			2016Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Communications	1	0.9	—	3.0	—	2.0	—
Consumer Cyclical	2	17.2	19.8	11.9	14.3	-5.2	5.5
Consumer Non-cyclical	4	22.9	2.4	36.3	7.0	14.2	7.1
Energy	1	23.6	—	39.2	—	15.6	—
Utilities	2	19.5	23.5	13.3	13.4	-6.2	10.1



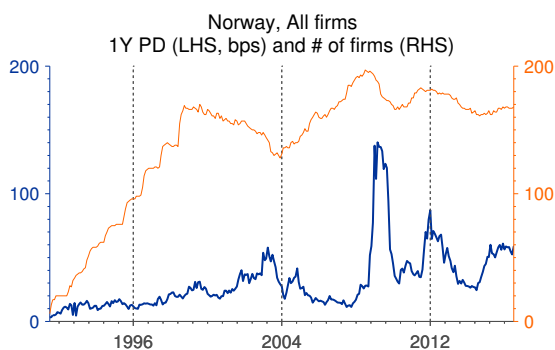
Netherlands	2016Q1			2016Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	19	17.7	98.3	27.1	54.0	1.7	63.0
Basic Materials	6	5.2	195.8	4.4	154.2	-0.6	43.3
Communications	12	13.6	112.2	13.9	136.0	1.1	28.3
Consumer Cyclical	11	5.1	20.2	5.8	11.3	0.1	12.2
Consumer Non-cyclical	26	3.8	37.7	5.1	38.5	0.1	20.5
Energy	7	7.5	25.9	10.8	15.4	0.3	13.3
Industrial	19	15.2	185.7	16.1	157.7	0.8	28.5
Technology	12	8.3	51.9	8.5	66.9	0.2	42.2



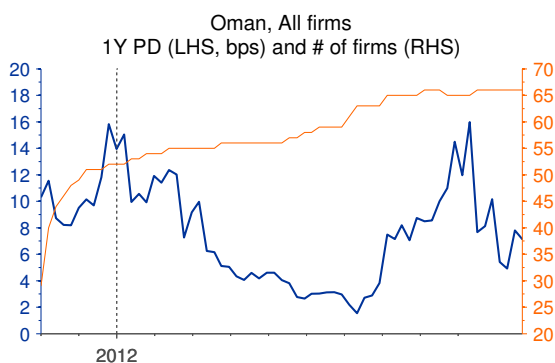
New Zealand	2016Q1			2016Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	17	0.2	52.0	0.2	25.5	0.0	28.6
Basic Materials	3	94.5	59.3	20.6	20.2	-70.1	41.7
Communications	7	9.5	32.3	7.5	75.2	0.0	47.3
Consumer Cyclical	19	1.8	63.0	1.8	77.0	-0.1	18.3
Consumer Non-cyclical	33	2.2	90.2	2.1	68.4	0.0	35.8
Diversified	2	178.6	250.7	129.8	180.9	-48.8	69.7
Energy	4	3.9	5.7	5.1	4.8	-0.3	1.6
Industrial	18	1.3	35.5	1.7	24.0	0.0	13.4
Technology	13	1.6	8.1	1.7	8.2	0.0	1.7
Utilities	7	1.4	18.7	0.8	0.5	-0.5	18.4



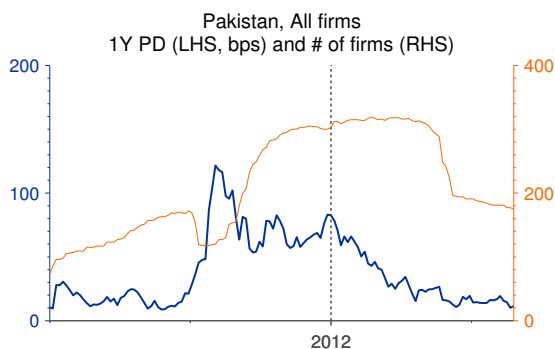
Nigeria	2016Q1			2016Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	48	75.7	131.9	114.9	171.3	19.4	94.3
Basic Materials	10	6.8	63.1	52.5	140.7	44.2	87.3
Communications	5	5.8	45.8	49.8	76.2	34.2	49.2
Consumer Cyclical	13	33.5	168.2	152.3	223.5	52.0	84.8
Consumer Non-cyclical	32	18.7	117.1	41.9	133.3	22.3	58.2
Energy	9	36.8	64.6	63.0	92.0	26.3	34.1
Industrial	18	27.9	134.7	65.7	224.4	33.7	95.5
Technology	3	27.3	163.5	94.7	500.4	67.4	336.9



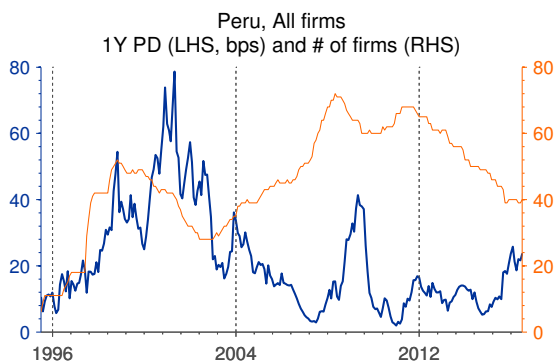
Norway	2016Q1			2016Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	38	65.8	114.0	73.4	151.0	1.1	121.2
Basic Materials	5	13.4	173.0	19.4	112.2	4.7	67.5
Communications	7	33.8	32.0	21.2	52.6	-0.6	24.0
Consumer Cyclical	5	16.8	23.6	14.8	32.4	2.0	12.6
Consumer Non-cyclical	23	12.1	71.9	11.4	80.5	-0.5	32.2
Diversified	1	52.1	-	271.8	-	219.8	-
Energy	28	128.4	415.5	127.1	1039.5	-9.7	835.3
Industrial	48	76.1	185.8	84.8	358.0	-3.0	347.3
Technology	8	34.6	81.9	24.8	50.8	-9.8	33.0
Utilities	2	22.2	27.2	17.4	20.4	-4.8	6.8



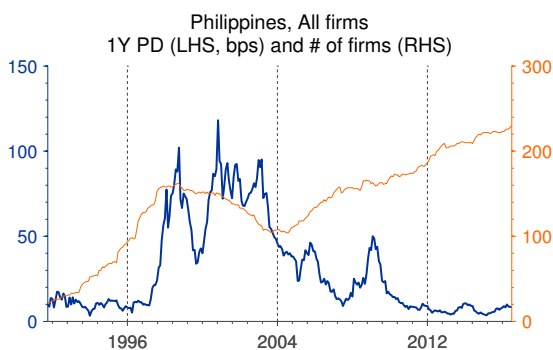
Oman	2016Q1			2016Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	25	27.4	23.0	27.5	19.8	0.1	11.6
Basic Materials	4	12.0	17.1	5.1	10.0	-6.9	7.8
Communications	2	0.3	0.4	0.3	0.4	-0.0	0.0
Consumer Cyclical	1	1.5	-	1.8	-	0.3	-
Consumer Non-cyclical	8	6.5	10.6	5.5	11.3	0.0	1.4
Diversified	1	0.0	-	0.0	-	0.0	-
Energy	5	1.9	108.4	1.9	100.5	-0.0	7.9
Industrial	12	2.3	43.4	2.4	24.4	-0.1	26.6
Utilities	8	1.9	1.3	2.5	1.5	0.5	0.7



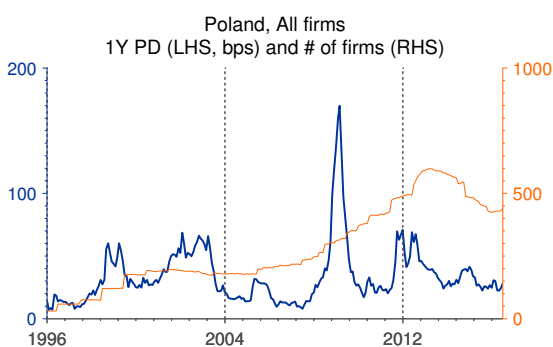
Pakistan	2016Q1			2016Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	37	85.4	87.2	73.7	102.1	0.2	29.4
Basic Materials	21	14.2	96.2	22.1	99.0	0.1	10.2
Communications	3	37.4	283.0	27.4	134.9	-10.0	148.3
Consumer Cyclical	35	17.9	101.3	13.6	94.1	-0.2	19.8
Consumer Non-cyclical	31	1.6	16.4	1.7	16.8	-0.0	8.4
Energy	10	9.2	42.4	5.6	28.3	-2.7	17.9
Industrial	28	5.6	28.8	4.9	22.1	-0.9	8.7
Technology	1	5.7	-	11.2	-	5.5	-
Utilities	8	30.6	99.6	28.8	55.4	-3.3	45.1



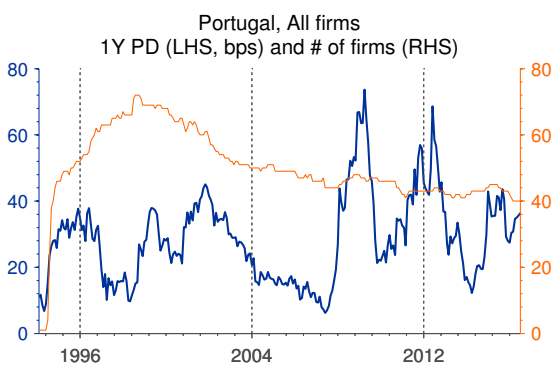
Peru	2016Q1			2016Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	8	22.7	12.8	23.8	11.6	0.5	7.1
Basic Materials	11	19.4	33.3	20.8	25.4	-0.3	15.5
Communications	1	40.3	-	28.6	-	-11.6	-
Consumer Cyclical	2	9.4	10.0	19.0	19.7	9.6	9.8
Consumer Non-cyclical	7	17.3	28.1	25.7	22.7	0.0	10.9
Diversified	2	52.6	34.9	41.8	8.1	-10.8	43.0
Energy	1	76.6	-	101.0	-	24.3	-
Industrial	2	24.2	17.5	32.4	10.9	8.2	6.5
Utilities	5	1.4	7.4	3.0	15.1	1.5	7.7



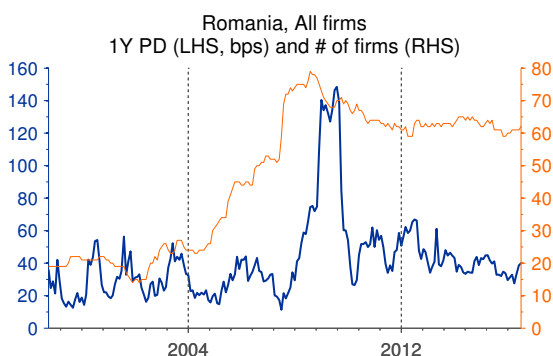
Philippines	#	2016Q1		2016Q2		Q2-Q1	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	72	15.2	34.1	11.2	33.7	-0.3	12.2
Basic Materials	26	12.0	35.2	12.0	31.6	0.0	11.4
Communications	16	3.5	29.2	5.7	28.4	0.0	5.4
Consumer Cyclical	29	6.7	38.4	6.2	26.0	-0.1	23.8
Consumer Non-cyclical	31	6.8	42.5	7.1	37.2	-0.1	11.7
Diversified	15	1.3	11.3	2.0	20.0	0.5	10.1
Energy	11	7.3	24.3	7.4	19.7	-0.0	6.6
Industrial	10	19.1	29.3	23.5	44.3	1.4	16.2
Technology	3	0.2	3.4	1.0	4.1	0.7	0.7
Utilities	12	4.1	12.8	3.6	12.6	-0.3	2.8



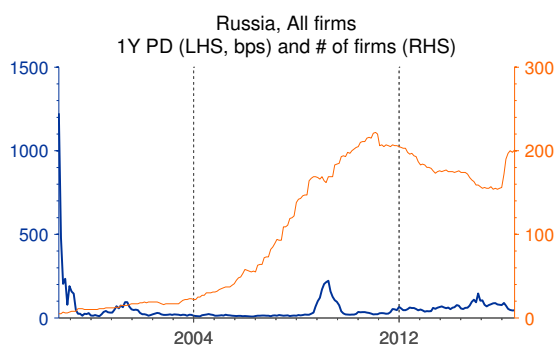
Poland	#	2016Q1		2016Q2		Q2-Q1	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	80	26.1	154.1	32.3	157.0	6.2	43.6
Basic Materials	27	11.8	21.1	20.0	19.5	2.5	8.2
Communications	32	25.7	120.0	32.9	149.0	8.2	38.9
Consumer Cyclical	55	20.6	77.9	29.0	77.2	1.7	33.3
Consumer Non-cyclical	54	22.0	73.6	28.7	207.8	4.1	198.0
Energy	12	53.6	42.0	55.9	37.1	0.3	23.3
Industrial	114	22.7	212.5	28.0	142.2	2.8	82.4
Technology	37	16.3	137.9	15.8	101.4	-0.0	40.5
Utilities	10	27.0	265.2	37.6	300.8	4.3	47.5



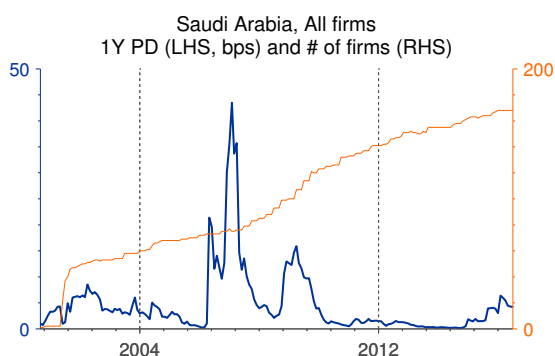
Portugal	#	2016Q1		2016Q2		Q2-Q1	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	3	83.9	36.3	67.1	89.3	2.9	66.8
Basic Materials	6	9.2	30.0	15.7	34.0	4.6	5.1
Communications	5	13.9	30.8	24.2	42.4	8.3	14.9
Consumer Cyclical	5	62.4	65.5	107.0	117.6	-1.9	69.8
Consumer Non-cyclical	6	23.2	106.5	23.5	79.4	0.9	32.0
Diversified	2	79.1	102.0	63.4	73.2	-15.7	28.8
Energy	1	6.4	-	4.5	-	-1.9	-
Industrial	8	63.3	228.2	69.2	386.1	4.5	160.3
Technology	2	15.0	8.2	17.1	14.1	2.1	5.9
Utilities	2	6.2	2.1	7.9	3.2	1.8	1.1



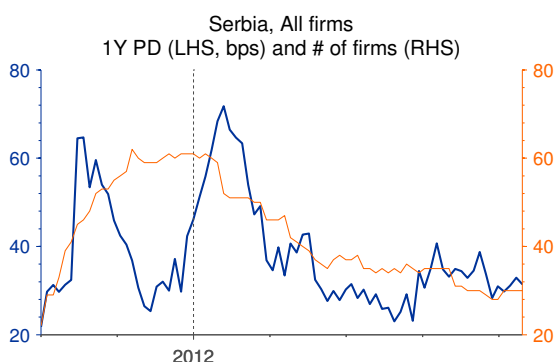
Romania	#	2016Q1		2016Q2		Q2-Q1	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	5	23.6	23.1	20.9	33.9	3.1	18.6
Basic Materials	6	42.5	30.2	58.6	26.4	5.1	15.9
Communications	1	16.0	-	26.9	-	10.9	-
Consumer Cyclical	7	18.4	13.0	25.1	16.5	2.1	5.3
Consumer Non-cyclical	10	12.8	19.5	8.1	32.1	1.5	24.6
Energy	7	12.6	245.2	13.6	313.3	4.7	68.2
Industrial	21	64.2	45.8	81.9	58.2	16.1	37.6
Utilities	4	3.3	2.4	3.1	2.7	0.0	0.9



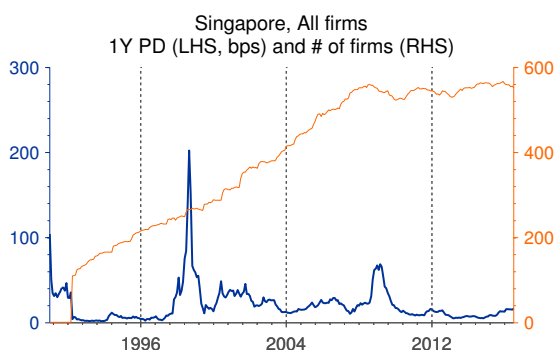
Russia	2016Q1			2016Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	17	93.1	131.9	82.6	51.4	-1.6	121.9
Basic Materials	34	22.1	45.0	20.6	43.0	-0.4	26.0
Communications	11	23.7	60.3	30.9	33.1	-10.8	30.2
Consumer Cyclical	16	90.5	48.9	56.1	57.1	-4.9	41.1
Consumer Non-cyclical	25	41.4	46.1	28.4	41.6	-1.1	45.4
Diversified	2	69.7	35.3	83.4	63.3	13.7	28.0
Energy	19	36.7	95.2	24.5	188.0	-4.7	109.2
Industrial	18	48.6	74.4	45.2	35.1	0.4	60.0
Technology	2	47.1	17.2	61.7	9.1	14.6	26.3
Utilities	49	78.5	50.7	81.2	47.6	-11.4	37.2



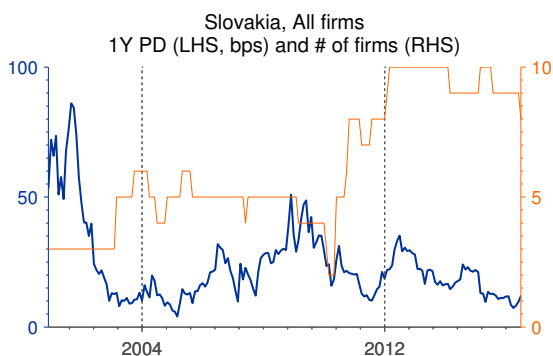
Saudi Arabia	2016Q1			2016Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	60	2.1	11.7	1.6	12.2	0.0	4.6
Basic Materials	19	29.5	51.8	20.0	24.6	-1.5	32.5
Communications	7	29.1	13.7	37.3	19.2	7.6	7.4
Consumer Cyclical	18	2.9	10.3	3.5	10.5	0.2	1.2
Consumer Non-cyclical	24	4.4	8.3	3.9	8.4	0.1	3.2
Diversified	3	30.3	40.1	21.9	8.3	-8.4	32.1
Energy	2	9.6	4.9	11.6	0.3	2.0	4.5
Industrial	34	4.2	16.6	4.5	22.6	0.1	13.4
Utilities	1	28.6	-	21.1	-	-7.5	-



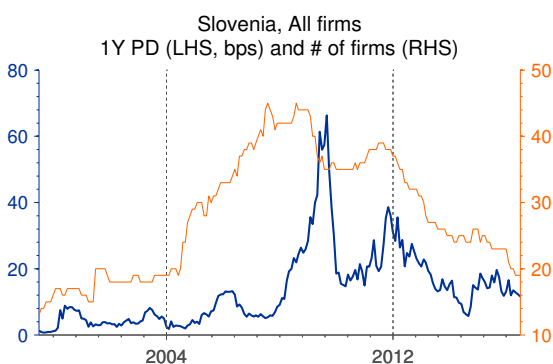
Serbia	2016Q1			2016Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	5	55.2	14.3	50.2	11.6	-4.6	7.9
Basic Materials	3	17.2	12.2	18.1	12.5	4.8	2.4
Consumer Cyclical	3	5.1	86.8	6.6	70.2	-0.4	16.7
Consumer Non-cyclical	9	29.1	14.1	33.2	24.2	2.2	24.2
Diversified	1	20.6	-	10.3	-	-10.4	-
Energy	1	8.7	-	4.8	-	-3.9	-
Industrial	8	64.9	86.7	27.1	59.6	-11.5	36.6



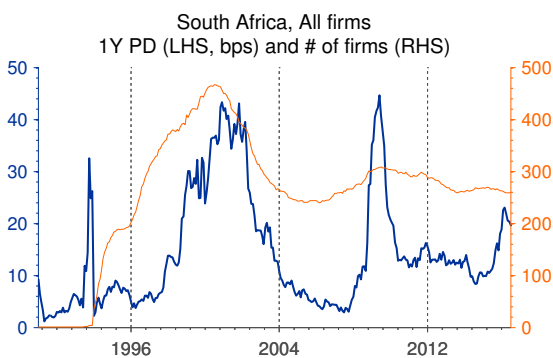
Singapore	2016Q1			2016Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	106	2.9	124.9	3.0	98.1	0.0	83.4
Basic Materials	30	18.5	122.9	20.1	90.4	0.3	77.3
Communications	21	15.7	138.7	16.0	190.2	-0.1	85.2
Consumer Cyclical	73	12.5	50.6	16.1	64.4	0.7	32.5
Consumer Non-cyclical	77	13.8	97.7	13.1	208.6	0.0	154.1
Diversified	14	17.1	44.6	14.4	74.0	0.0	38.0
Energy	30	76.4	229.2	79.4	248.0	0.9	74.1
Industrial	169	27.1	188.9	25.0	173.6	0.0	52.9
Technology	22	7.9	153.5	9.0	116.5	-0.2	62.4
Utilities	3	67.2	123.5	68.7	48.2	0.3	84.4



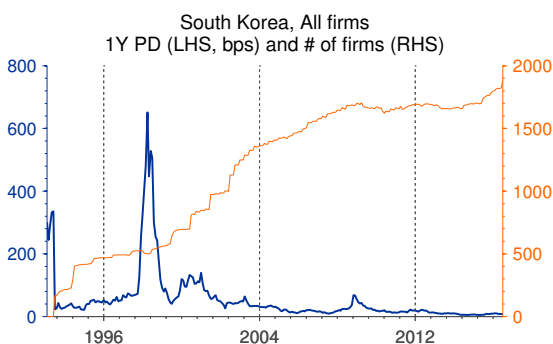
Slovakia	#	2016Q1		2016Q2		Q2-Q1	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	2	26.1	11.8	34.6	14.5	8.5	2.7
Basic Materials	1	15.2	-	13.0	-	-2.1	-
Consumer Cyclical	2	1.7	2.2	5.1	7.1	3.4	4.9
Consumer Non-cyclical	1	7.3	-	12.4	-	5.1	-
Energy	1	6.5	-	7.9	-	1.4	-
Technology	1	9.8	-	11.4	-	1.6	-



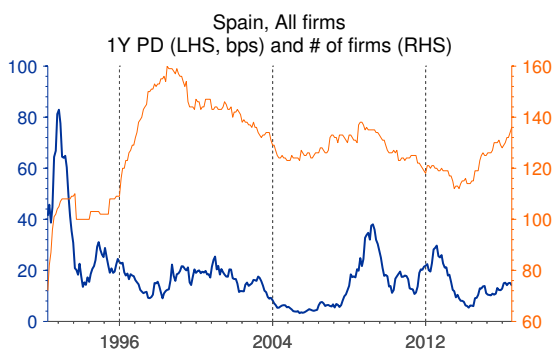
Slovenia	#	2016Q1		2016Q2		Q2-Q1	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	3	8.7	26.5	8.4	37.0	2.3	10.7
Basic Materials	2	12.9	3.9	10.7	0.9	-2.2	3.1
Communications	1	18.0	-	21.8	-	3.8	-
Consumer Cyclical	3	26.3	9.4	11.9	15.2	1.5	13.1
Consumer Non-cyclical	5	9.1	37.8	9.1	10.8	-0.1	34.0
Diversified	1	11.3	-	17.2	-	5.9	-
Energy	1	1.5	-	1.7	-	0.2	-
Industrial	2	63.3	48.7	25.5	16.5	-37.8	32.2
Technology	1	32.2	-	10.2	-	-22.0	-



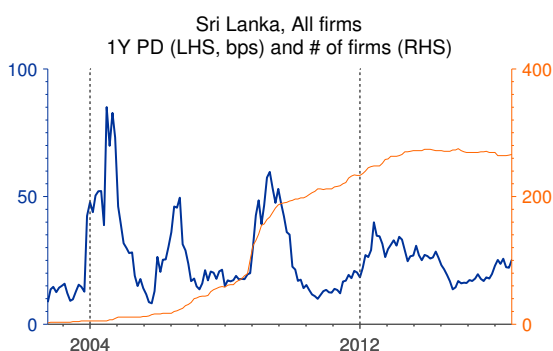
South Africa	#	2016Q1		2016Q2		Q2-Q1	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	72	30.5	104.3	23.7	102.4	-0.0	41.2
Basic Materials	36	32.3	168.7	30.1	131.1	-0.8	109.6
Communications	13	6.7	53.3	9.0	58.8	-0.2	25.7
Consumer Cyclical	32	6.2	16.6	9.2	23.7	-0.1	16.4
Consumer Non-cyclical	36	6.3	68.5	8.3	81.7	0.3	38.4
Diversified	7	49.7	78.9	55.7	39.7	0.2	44.1
Energy	8	44.2	75.4	43.8	202.4	3.6	156.8
Industrial	44	37.8	180.6	43.4	215.8	1.1	78.0
Technology	9	4.4	24.0	7.8	37.8	0.8	14.0



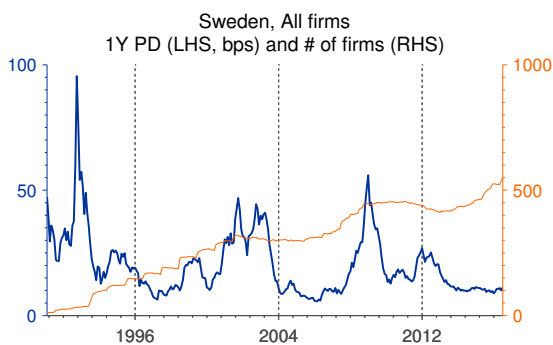
South Korea	#	2016Q1		2016Q2		Q2-Q1	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	93	23.4	53.2	25.1	66.1	0.1	29.6
Basic Materials	181	9.3	67.0	9.5	16.4	-0.0	62.3
Communications	188	5.6	16.7	5.3	20.9	-0.1	10.3
Consumer Cyclical	277	12.7	28.8	10.1	32.9	-0.5	19.3
Consumer Non-cyclical	277	7.2	17.1	5.6	19.1	-0.8	11.0
Diversified	42	0.0	9.6	0.0	12.0	0.0	4.0
Energy	12	11.5	105.6	13.8	34.9	2.0	74.1
Industrial	493	9.1	73.4	10.3	33.5	0.1	63.7
Technology	229	6.8	29.9	7.1	33.1	-0.0	25.0
Utilities	17	16.9	20.5	15.5	15.5	-1.0	8.9



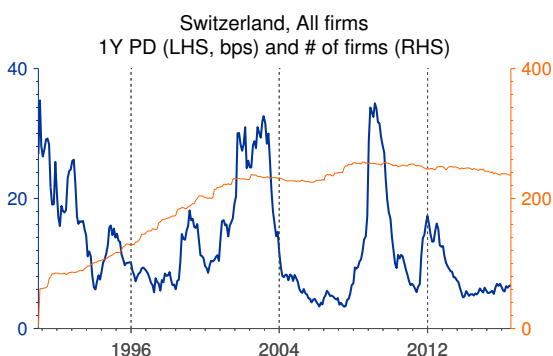
Spain	2016Q1			2016Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	29	26.3	30.9	34.5	218.5	3.6	218.3
Basic Materials	8	8.2	15.3	9.4	15.0	0.3	7.7
Communications	13	10.5	23.7	11.8	23.6	-0.2	9.8
Consumer Cyclical	10	14.6	66.6	9.7	12.6	-0.5	65.1
Consumer Non-cyclical	28	7.8	18.3	7.9	24.1	0.2	7.2
Energy	3	20.9	12.0	13.1	3.2	-7.8	8.8
Industrial	30	14.2	23.8	14.8	33.7	0.6	17.7
Technology	3	1.1	7.4	1.1	9.0	-0.0	1.6
Utilities	8	4.7	77.1	3.9	61.9	-0.1	15.3



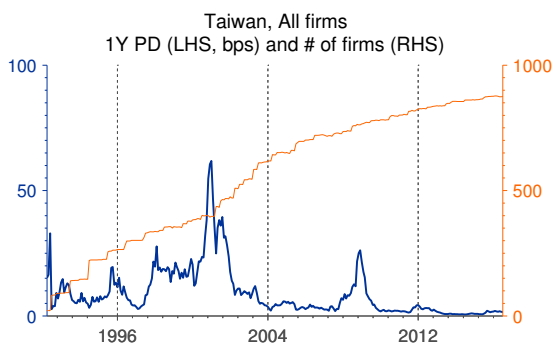
Sri Lanka	2016Q1			2016Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	84	58.0	81.2	53.7	80.9	-0.2	22.7
Basic Materials	14	19.3	42.9	21.1	41.0	-0.2	9.6
Communications	4	6.2	5.1	6.5	7.4	0.9	2.5
Consumer Cyclical	61	12.8	51.7	13.3	40.0	-0.5	24.2
Consumer Non-cyclical	53	21.5	66.6	20.2	67.6	-0.3	21.5
Diversified	14	24.8	113.0	17.5	34.9	-0.3	92.5
Energy	3	3.8	3.2	2.4	3.2	0.0	0.8
Industrial	24	10.9	97.5	9.8	68.5	-1.0	33.2
Technology	2	13.7	3.9	13.6	3.7	-0.1	0.2
Utilities	5	13.9	27.0	10.8	22.3	0.0	5.9



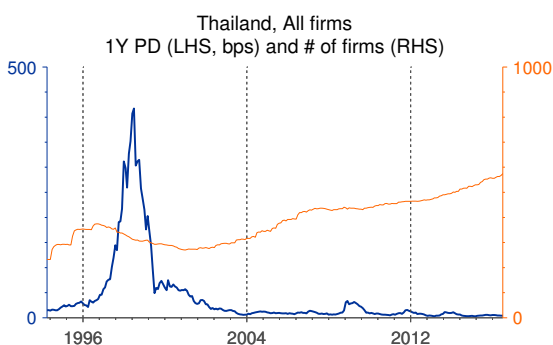
Sweden	2016Q1			2016Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	69	8.7	35.6	10.2	31.4	0.0	10.6
Basic Materials	27	24.0	22.5	21.4	26.6	1.3	26.7
Communications	50	12.4	37.5	14.4	48.2	0.7	31.7
Consumer Cyclical	60	8.2	31.5	8.3	31.9	0.7	22.3
Consumer Non-cyclical	145	11.4	31.8	12.5	50.4	0.6	36.2
Diversified	7	20.3	62.0	22.0	76.4	-0.1	16.9
Energy	13	13.0	49.2	15.0	50.0	-0.6	13.1
Industrial	105	10.6	86.6	10.4	50.5	0.0	73.4
Technology	41	10.4	24.3	12.8	31.7	-0.1	17.6
Utilities	2	7.3	3.1	8.2	4.8	0.9	1.7



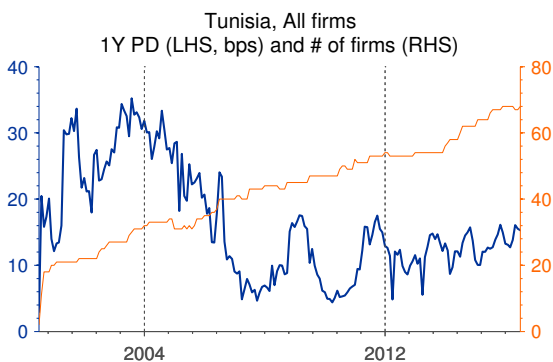
Switzerland	2016Q1			2016Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	68	8.7	416.3	12.0	554.4	0.7	142.9
Basic Materials	15	5.5	142.3	4.8	153.1	0.1	40.7
Communications	10	4.8	15.2	5.9	11.4	0.7	5.4
Consumer Cyclical	19	6.7	49.0	6.9	37.9	0.5	14.0
Consumer Non-cyclical	37	2.8	35.5	2.8	30.6	0.0	5.9
Diversified	5	33.8	26.2	45.3	117.5	8.0	106.0
Energy	5	103.6	83.0	86.6	90.2	-10.4	71.5
Industrial	61	4.5	102.1	5.2	70.3	0.2	33.7
Technology	10	11.1	23.4	9.1	16.9	-1.3	9.4
Utilities	5	7.3	16.0	6.6	16.0	-0.4	1.0



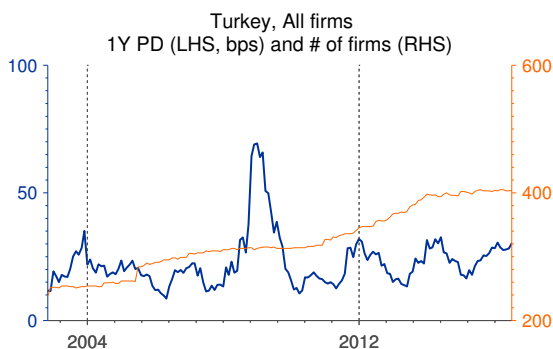
Taiwan	#	2016Q1		2016Q2		Q2-Q1	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	79	4.2	22.0	4.6	8.7	0.0	17.8
Basic Materials	77	1.1	6.2	1.1	6.5	0.0	1.7
Communications	42	1.7	4.8	2.3	6.9	0.0	4.2
Consumer Cyclical	146	1.5	12.5	1.3	11.7	0.0	3.6
Consumer Non-cyclical	59	0.6	3.0	0.4	2.7	0.0	1.5
Diversified	1	0.0	-	0.0	-	0.0	-
Energy	7	5.0	3.8	5.1	3.1	-0.0	2.0
Industrial	308	2.0	16.9	1.7	24.2	-0.1	9.4
Technology	149	1.7	7.4	1.5	7.2	-0.1	3.7
Utilities	5	0.0	0.4	0.0	0.3	-0.0	0.2



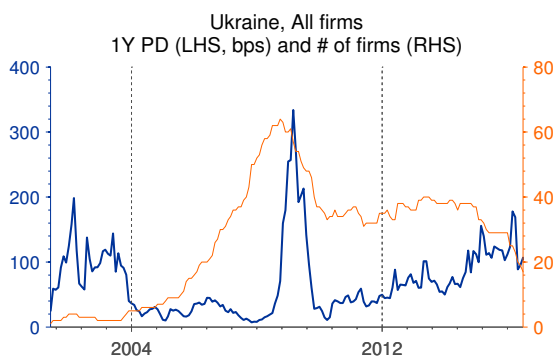
Thailand	#	2016Q1		2016Q2		Q2-Q1	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	99	6.2	22.3	8.0	20.6	-0.0	12.5
Basic Materials	55	6.5	46.9	5.7	30.6	-0.6	21.6
Communications	40	5.5	14.4	4.2	22.9	-0.0	13.1
Consumer Cyclical	125	4.0	21.7	3.7	18.6	-0.2	15.3
Consumer Non-cyclical	83	1.1	12.0	0.9	11.7	-0.0	5.1
Diversified	5	1.2	0.4	1.0	1.3	-0.0	1.0
Energy	17	15.5	45.8	8.7	40.5	-1.4	20.5
Industrial	113	6.2	35.8	4.3	22.7	-0.1	19.3
Technology	11	12.5	37.7	7.3	51.4	-1.3	24.9
Utilities	13	3.1	5.8	2.2	4.5	-0.1	3.1



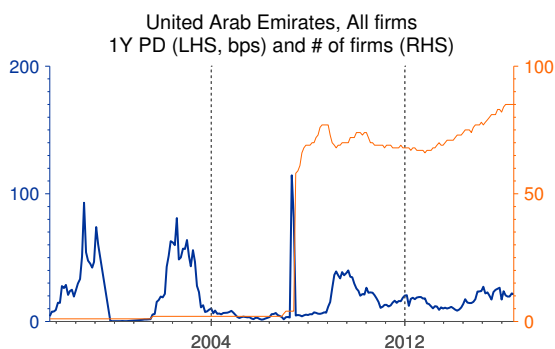
Tunisia	#	2016Q1		2016Q2		Q2-Q1	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	24	24.8	46.2	29.4	57.4	3.2	16.5
Basic Materials	4	3.6	2.8	7.7	8.2	4.4	5.4
Communications	5	46.6	31.9	31.9	29.2	0.1	11.4
Consumer Cyclical	10	0.6	44.7	0.7	38.1	0.1	6.9
Consumer Non-cyclical	9	9.5	41.8	12.3	47.8	0.1	15.5
Diversified	1	5.1	-	5.5	-	0.4	-
Energy	1	0.1	-	0.1	-	0.0	-
Industrial	12	15.0	59.4	22.3	72.5	0.4	28.1
Technology	1	23.1	-	53.5	-	30.4	-



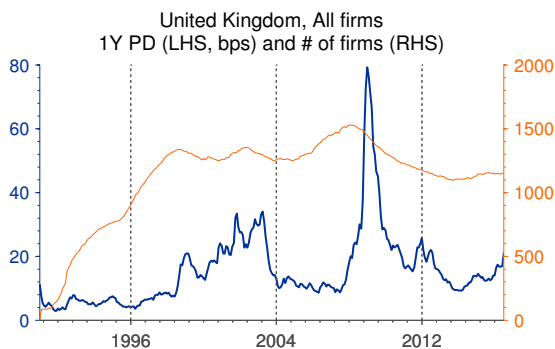
Turkey	#	2016Q1		2016Q2		Q2-Q1	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	99	34.1	60.0	35.9	60.1	0.3	21.8
Basic Materials	37	19.2	51.9	23.1	45.9	2.6	18.1
Communications	14	24.1	50.9	34.3	60.5	1.8	22.8
Consumer Cyclical	93	31.4	84.3	38.9	72.8	1.1	26.3
Consumer Non-cyclical	59	27.1	90.3	29.8	84.3	2.2	42.1
Diversified	11	51.6	37.0	59.9	48.0	-0.2	20.9
Energy	5	72.1	81.9	76.7	72.5	4.5	25.3
Industrial	72	17.2	52.8	20.8	48.5	0.7	30.1
Technology	4	14.1	10.4	19.5	14.1	3.8	5.0
Utilities	8	23.6	34.0	29.1	25.9	1.6	25.8



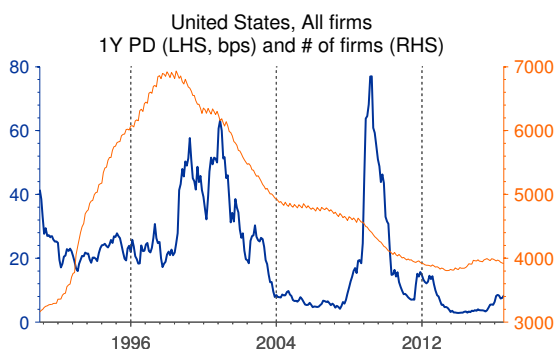
Ukraine	#	2016Q1		2016Q2		Q2-Q1	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Basic Materials	2	830.3	62.8	488.1	24.2	-342.3	38.6
Consumer Non-cyclical	8	85.8	89.7	90.9	108.7	-0.7	42.1
Diversified	1	34.0	-	20.0	-	-14.0	-
Energy	2	273.6	28.4	268.7	21.2	-5.0	49.6
Industrial	2	37.8	36.5	17.9	21.1	-19.8	15.4
Utilities	1	78.3	-	22.7	-	-55.6	-



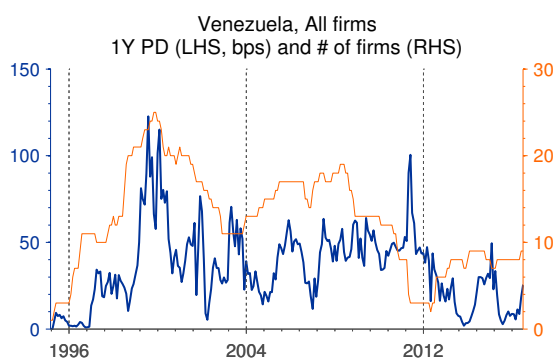
United Arab Emirates	#	2016Q1		2016Q2		Q2-Q1	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	44	25.8	26.5	24.1	24.3	0.1	9.2
Communications	3	1.0	4.3	0.6	9.4	0.0	5.0
Consumer Cyclical	5	5.9	5.2	4.9	10.0	-0.3	7.1
Consumer Non-cyclical	11	10.1	28.7	10.7	50.5	0.4	24.4
Energy	3	41.8	36.7	61.4	57.8	19.6	21.3
Industrial	18	13.6	131.3	16.5	90.7	0.8	43.8
Utilities	1	210.4	-	228.6	-	18.3	-



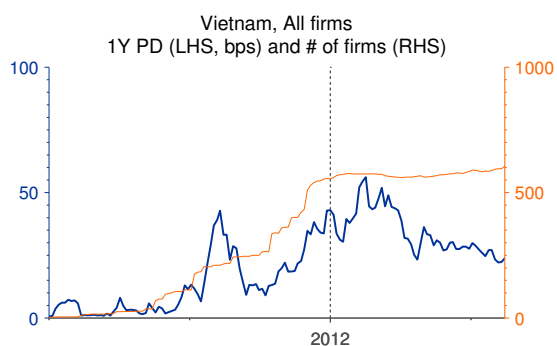
United Kingdom	#	2016Q1		2016Q2		Q2-Q1	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	199	13.0	125.4	18.9	108.6	3.6	120.8
Basic Materials	91	48.1	123.3	33.9	75.6	-1.3	106.4
Communications	96	20.2	292.9	24.3	317.6	3.1	81.2
Consumer Cyclical	147	10.3	106.8	19.6	208.8	4.9	123.9
Consumer Non-cyclical	227	13.6	66.7	17.3	127.4	1.4	86.1
Diversified	5	7.8	98.0	11.5	79.1	1.1	19.5
Energy	87	62.6	242.4	53.8	117.8	-7.1	167.2
Industrial	172	16.7	115.0	20.7	84.8	1.4	69.1
Technology	92	14.4	103.4	16.5	79.3	0.5	67.2
Utilities	12	5.9	65.0	5.5	76.1	0.1	12.4



United States	#	2016Q1		2016Q2		Q2-Q1	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	913	7.7	101.6	7.9	157.9	0.0	96.6
Basic Materials	131	7.3	183.7	6.7	113.8	-0.2	119.8
Communications	288	11.2	381.5	9.2	200.3	-0.1	273.8
Consumer Cyclical	459	4.9	183.5	6.4	139.5	0.3	116.1
Consumer Non-cyclical	894	11.5	289.4	11.4	362.3	0.0	341.3
Diversified	8	74.6	145.2	40.6	48.8	-27.0	98.7
Energy	279	54.2	667.2	36.5	436.2	-6.9	471.8
Industrial	480	4.5	173.4	5.6	213.0	0.0	123.8
Technology	333	3.5	80.0	4.4	136.2	0.0	123.1
Utilities	88	0.5	54.4	0.6	40.5	-0.1	19.7



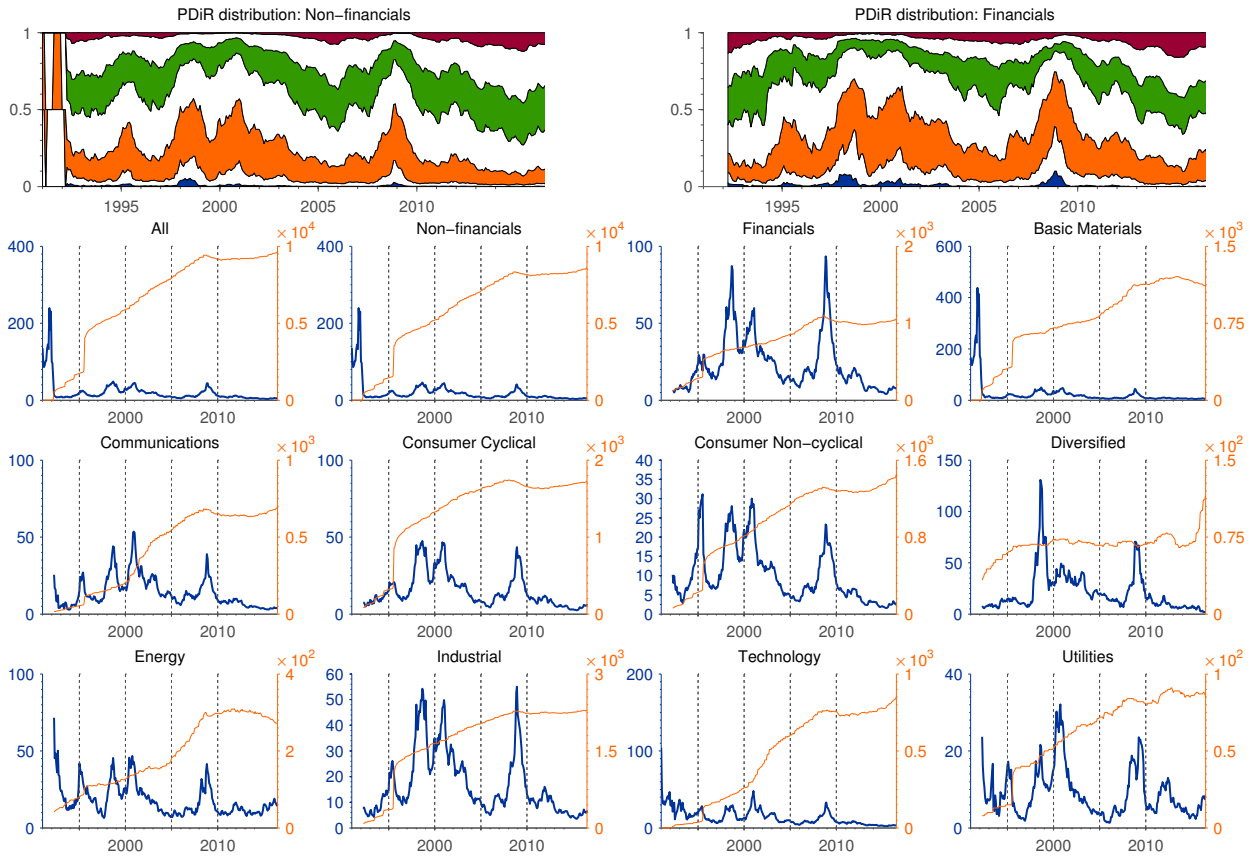
Venezuela	#	2016Q1		2016Q2		Q2-Q1	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	6	11.3	3.1	22.9	10.6	12.8	8.8
Industrial	2	13.7	12.7	23.6	30.4	9.9	17.7



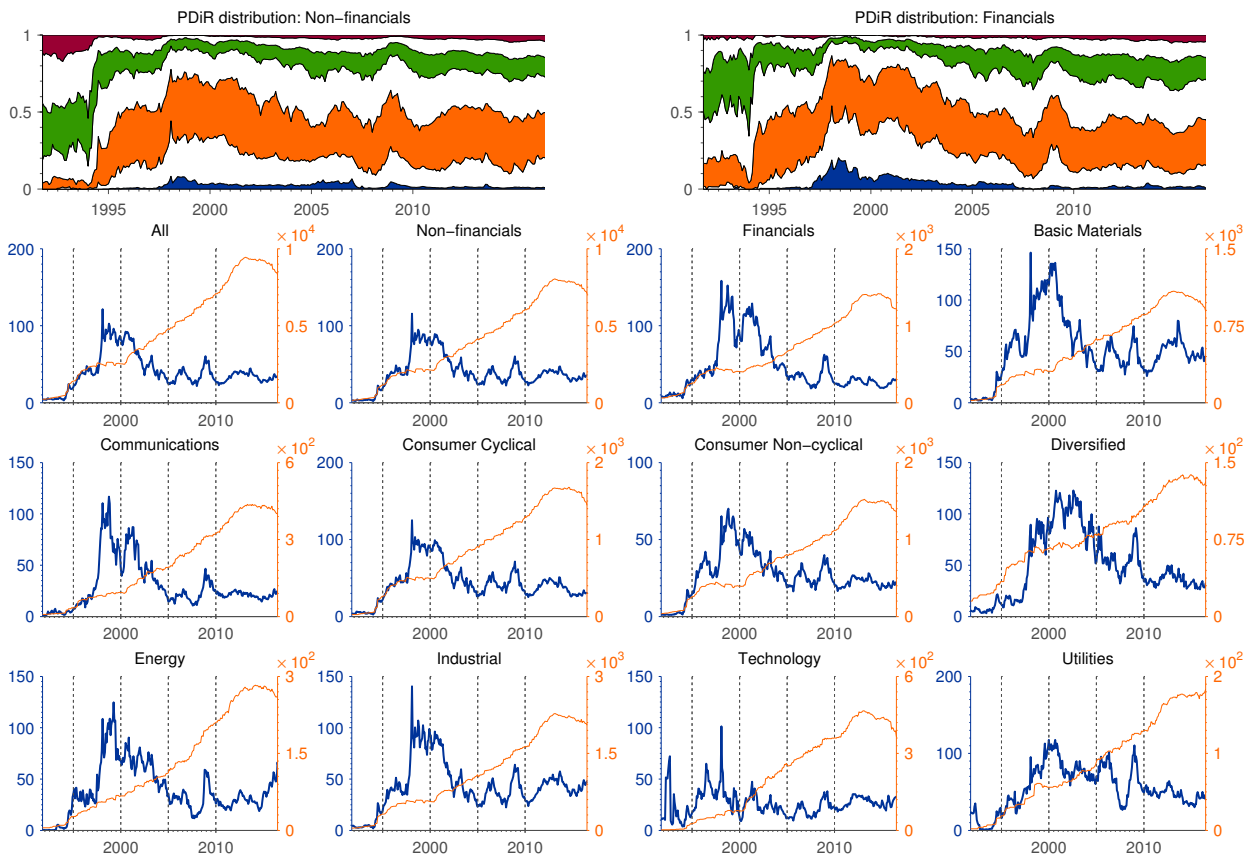
Vietnam	#	2016Q1		2016Q2		Q2-Q1	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	78	18.6	58.1	23.4	65.4	2.0	19.7
Basic Materials	57	25.2	70.9	23.7	185.8	0.1	122.5
Communications	18	18.0	54.9	22.3	42.4	-0.6	16.3
Consumer Cyclical	53	25.7	39.4	24.8	43.1	-0.2	30.1
Consumer Non-cyclical	88	14.6	67.7	13.8	61.9	-0.0	29.4
Diversified	17	7.2	33.7	12.2	36.3	0.0	17.2
Energy	21	56.7	151.3	72.9	110.0	0.9	80.3
Industrial	233	37.4	67.2	33.7	71.0	0.3	26.5
Technology	6	11.1	52.3	22.0	71.1	12.9	20.4
Utilities	18	4.1	20.9	6.1	18.6	0.6	8.8

B PD by regions

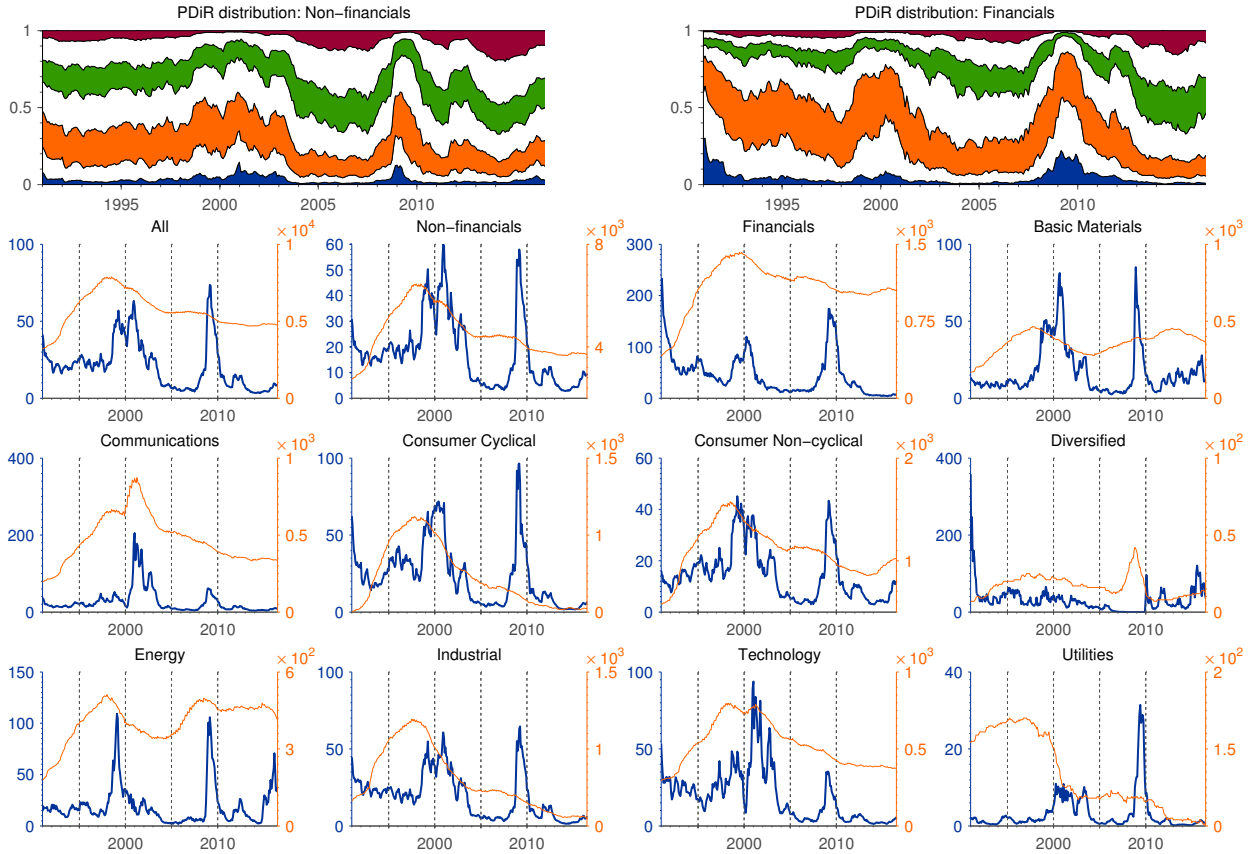
Asia Pacific - developed economies



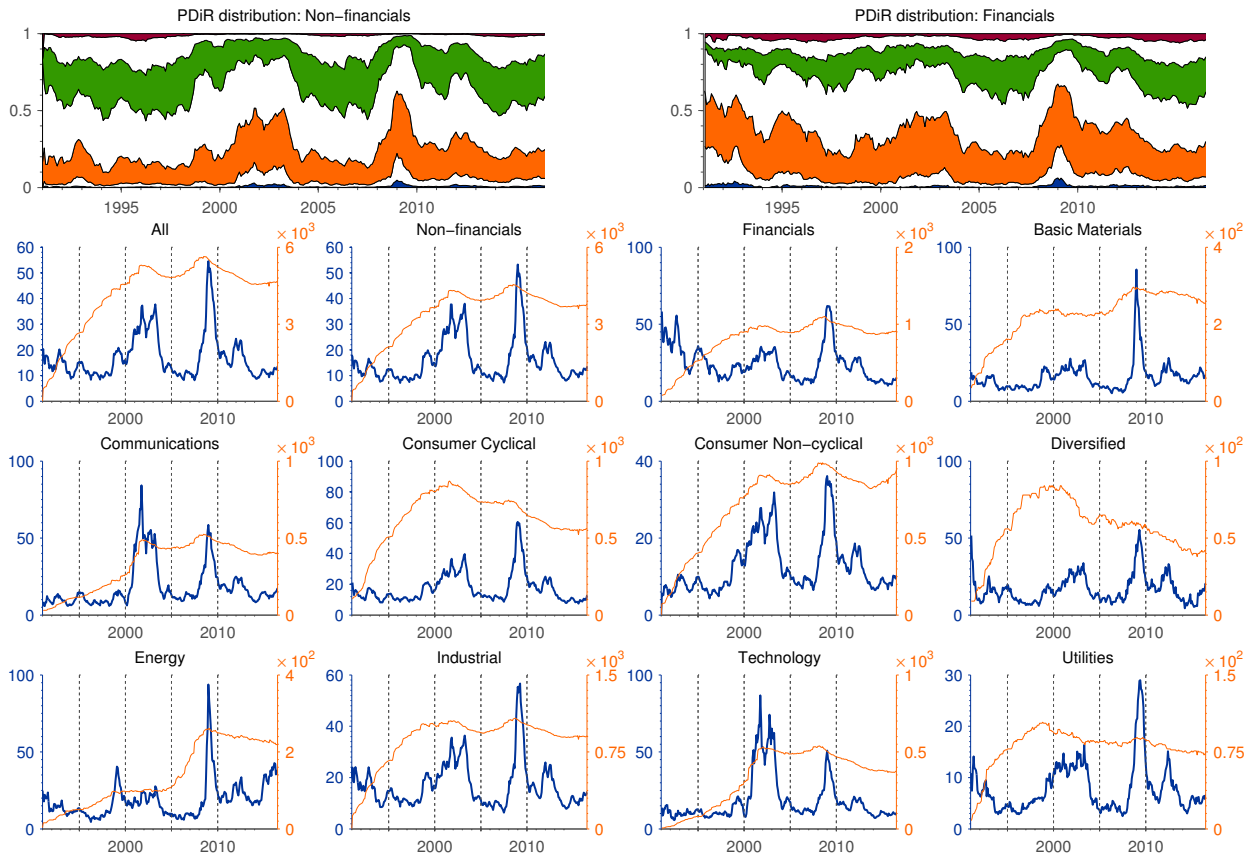
Asia Pacific - emerging economies



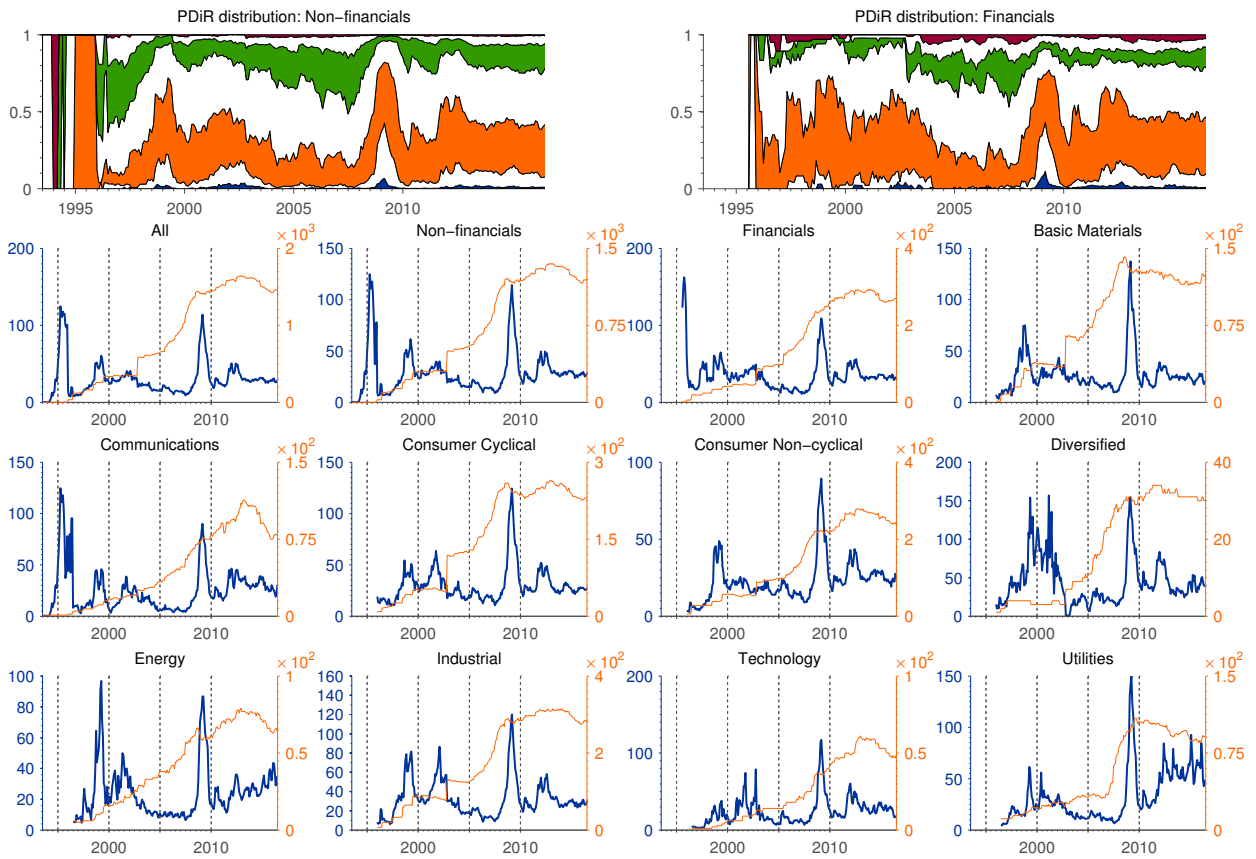
North America



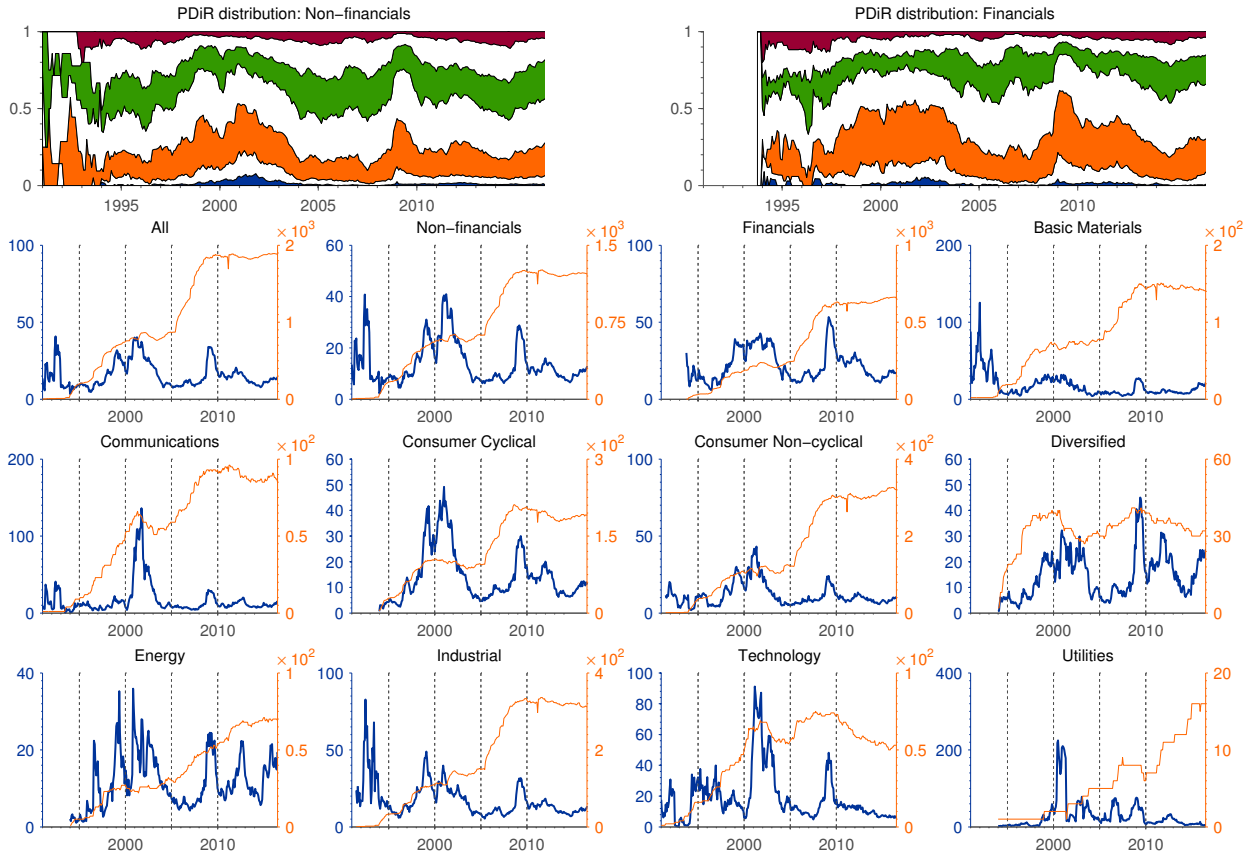
Western Europe



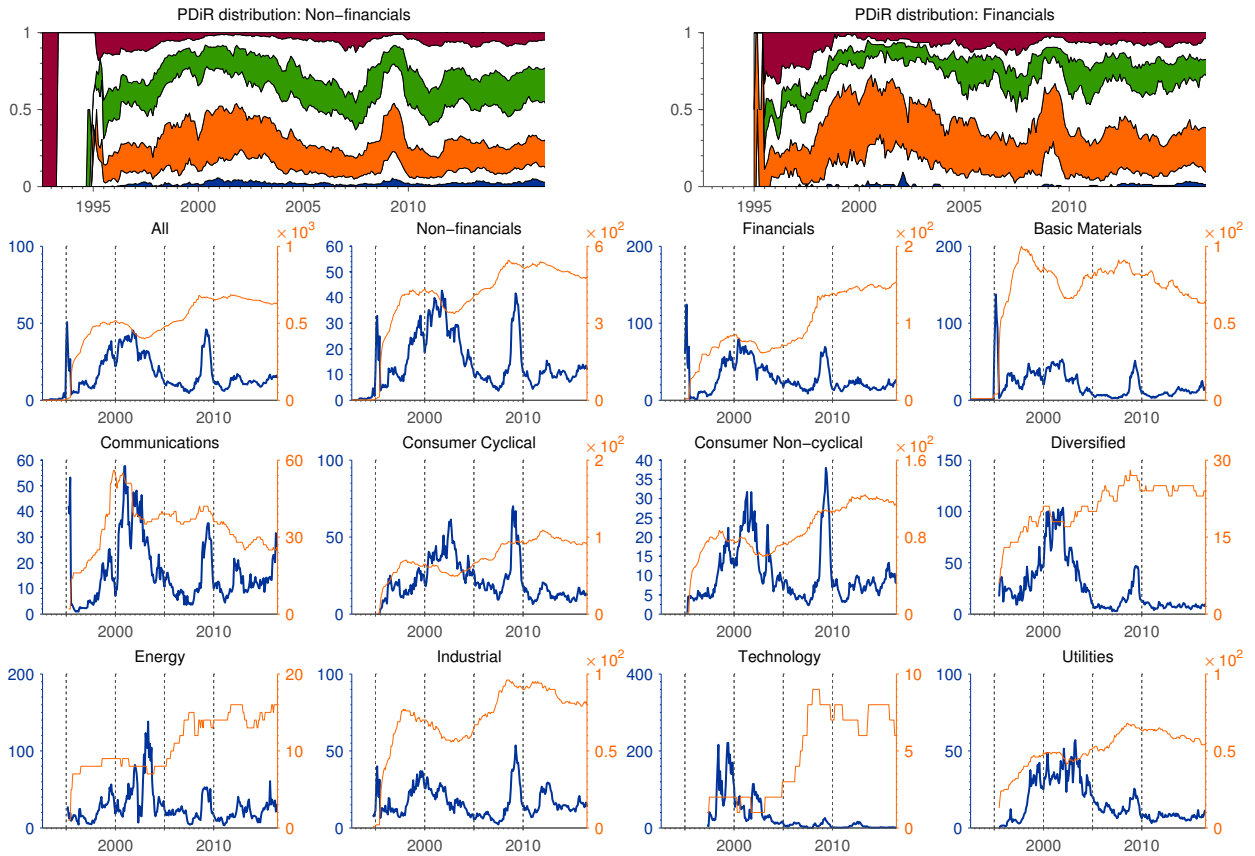
Eastern Europe



Africa ME

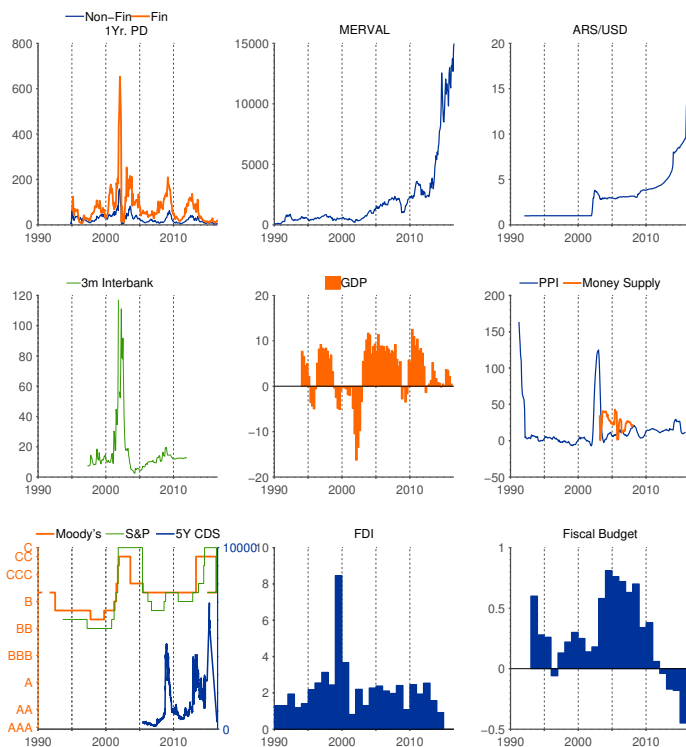


Latin America

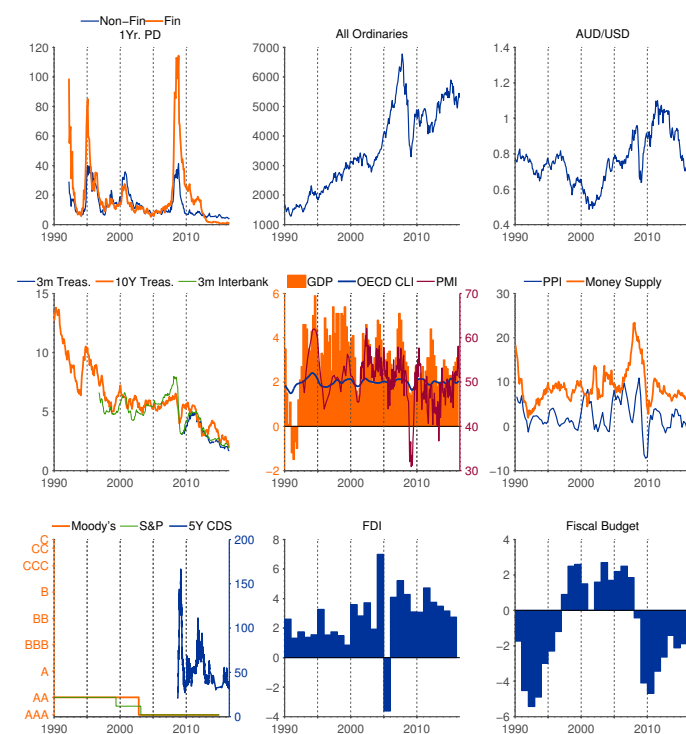


C Macroeconomic Indicators

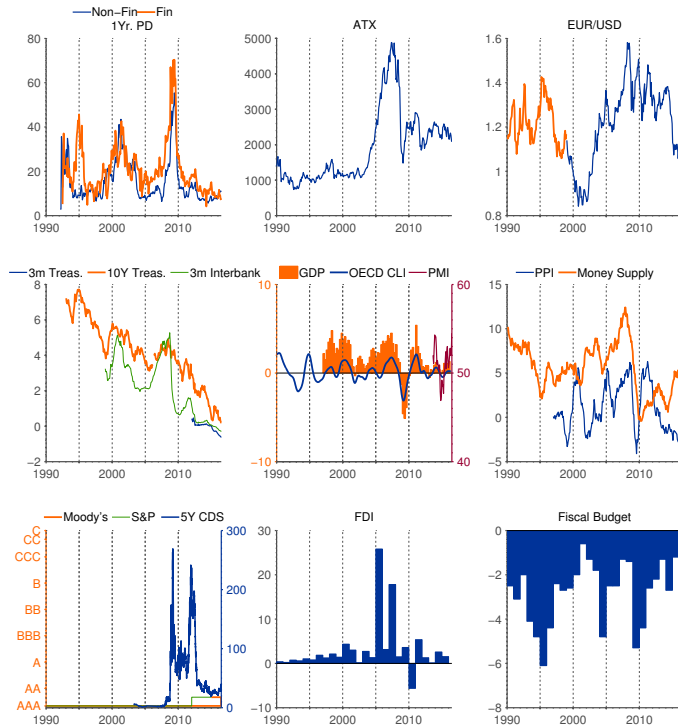
Descriptions of the data contained in this section are provided in Appendix D.



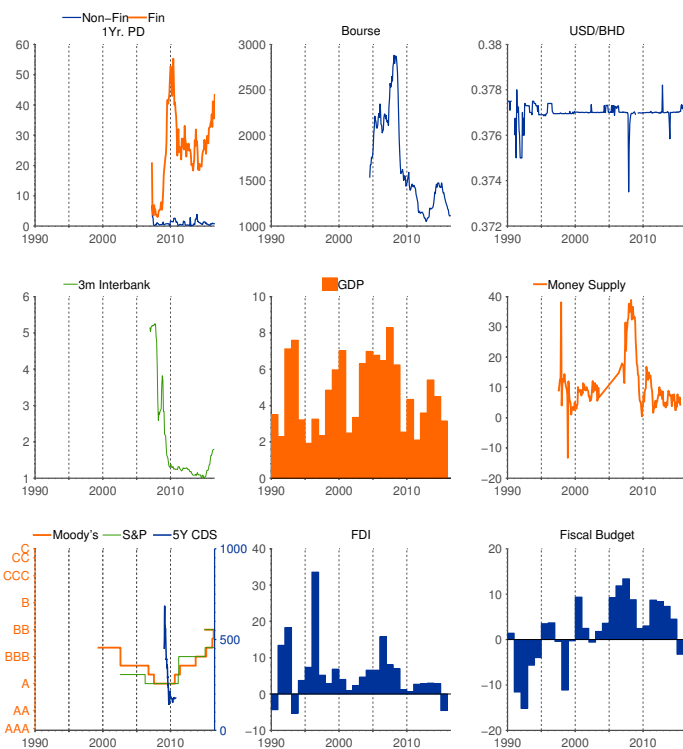
Argentina	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	8.78	10.93	4.08	4.37	5.52
1Yr. PD, Fin.	17.79	29.29	12.43	14.60	20.67
MERVAL	11657	9815	11675	12992	14683
ARS/USD	9.09	9.42	12.93	14.70	15.05
GDP (YoY%)	3.7	3.5	2.2	0.5	-
PPI (YoY%)	9.6	11.1	11.5*	-	-
Sov. Rating, Moody's	B3	B3	B3	B3	B3
Sov. Rating, S&P	B-	B-	B-	B-	B-
5Y CDS (bps)	5392.86*	-	-	-	419.70
Fiscal Budget (%GDP)	-	-	-0.45	-	-



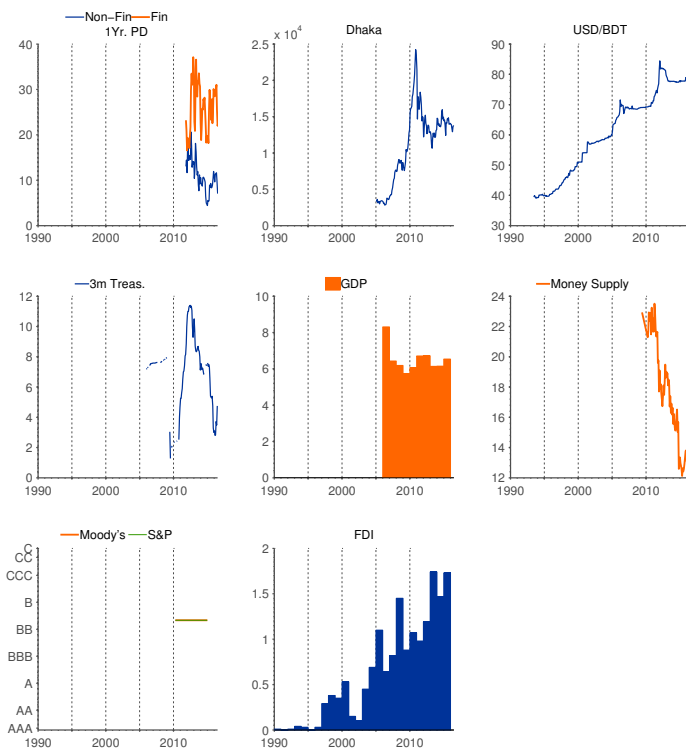
Australia	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	4.53	4.57	4.72	4.83	3.85
1Yr. PD, Fin.	1.04	0.91	0.82	1.30	1.00
All Ordinaries	5451	5059	5345	5152	5310
AUD/USD	0.77	0.70	0.73	0.77	0.75
3m Treas. Yield (%)	1.98	2.01	2.02	2.04	1.69
10Y Treas. Yield (%)	3.01	2.61	2.88	2.49	1.98
3m Interbank (%)	2.13	2.16	2.33	2.27	1.94
GDP (YoY%)	2.1	2.7	2.9	3.1	-
OECD CLI	100.24	99.89	99.79	100.10	100.24*
PMI	44.2	52.1	51.9	58.1	51.8
PPI (YoY%)	1.1	0.7	-0.5	-1.1	-1.6
Money Supply (YoY%)	6.7	6.2	5.9	6.2	6.0
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
5Y CDS (bps)	32.64*	55.55	38.70	35.01	35.00
FDI (%GDP)	-	-	2.75	-	-
Fiscal Budget (%GDP)	-	-	-1.89	-	-



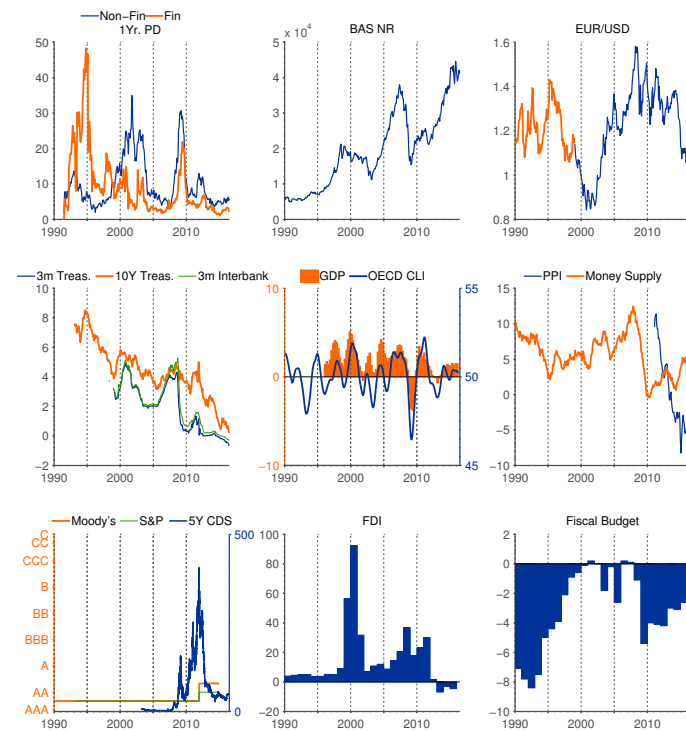
Austria	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	8.49	9.05	7.96	11.22	10.88
1Yr. PD, Fin.	9.99	8.77	7.82	8.93	7.25
ATX	2412	2229	2397	2270	2096
EUR/USD	1.12	1.12	1.09	1.14	1.11
3m Treas. Yield (%)	-0.28	-0.27	-0.41	-0.53	-0.61
10Y Treas. Yield (%)	1.14	0.89	0.90	0.35	0.20
3m Interbank (%)	-0.01	-0.04	-0.13	-0.24	-0.29
GDP (YoY%)	1.1	0.7	1.1	1.3	-
OECD CLI	99.89	100.15	100.23	100.23	100.28*
PMI	51.2	52.5	50.6	52.8	54.5
PPI (YoY%)	-1.7	-2.5	-2.6	-4.0	-3.5*
Money Supply (YoY%)	4.6	4.5	4.6	5.0	4.9
Sov. Rating, Moody's	Aa1	Aa1	Aa1	Aa1	Aa1
Sov. Rating, S&P	AA+	AA+	AA+	AA+	AA+
5Y CDS (bps)	29.9	26.5	22.2	29.4	31.0
FDI (%GDP)	-	-	1.54	-	-
Fiscal Budget (%GDP)	-	-	-1.20	-	-



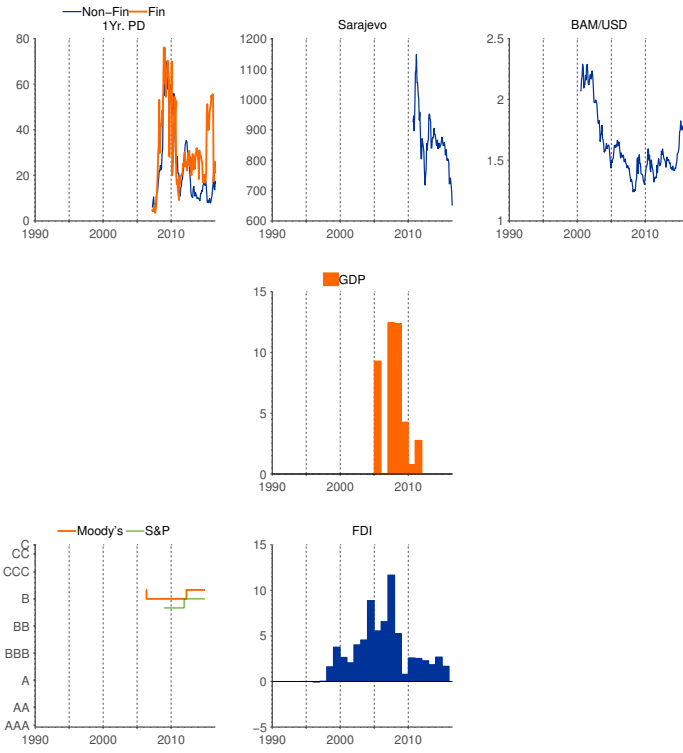
Bahrain	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	0.55	0.25	0.60	0.78	0.68
1Yr. PD, Fin.	28.27	32.53	34.58	41.20	40.16
Bourse	1368	1276	1216	1131	1118
USD/BHD	0.38	0.38	0.38	0.38	0.38
3m Interbank (%)	1.22	1.37	1.63	1.76	1.80
GDP (YoY%)	-	-	3.15	-	-
Money Supply (YoY%)	3.94	-	-	-	-
Sov. Rating, Moody's	Ba2	Ba2	Ba2	Ba2	Ba2
Sov. Rating, S&P	BB	BB	BB	BB	BB
FDI (%GDP)	-	-	-4.54	-	-
Fiscal Budget (%GDP)	-	-	-3.25	-	-



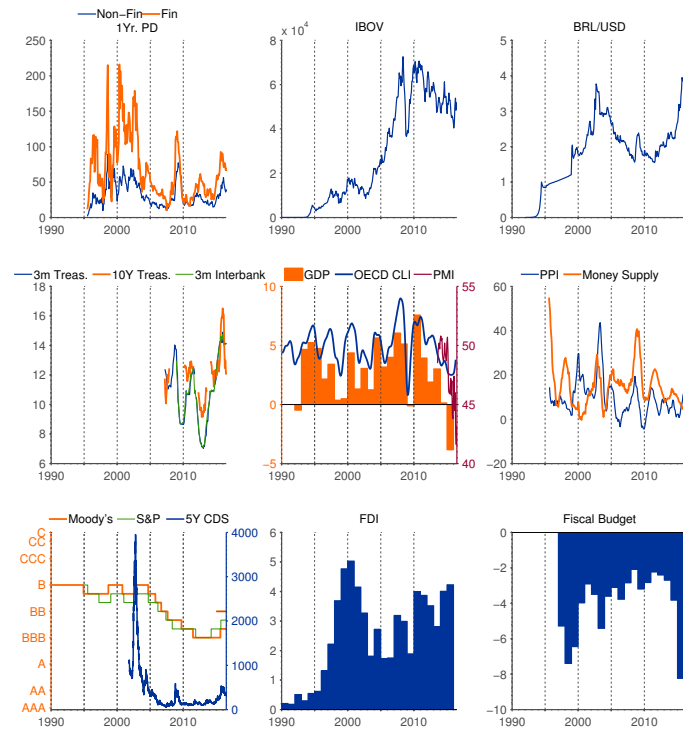
Bangladesh	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	9.30	8.93	10.89	11.41	7.31
1Yr. PD, Fin.	26.81	22.56	29.11	29.81	21.98
Dhaka	14097	14845	14090	13407	13803
USD/BDT	77.81	77.72	78.45	78.41	78.33
3m Treas. Yield (%)	5.40	5.39	3.00	2.83	4.75
GDP (YoY%)	-	-	6.5	-	-
Money Supply (YoY%)	12.4	13.3	13.1	13.6	14.0*
Sov. Rating, Moody's	Ba3	Ba3	Ba3	Ba3	Ba3
Sov. Rating, S&P	BB-	BB-	BB-	BB-	BB-
FDI (%GDP)	-	-	1.73	-	-



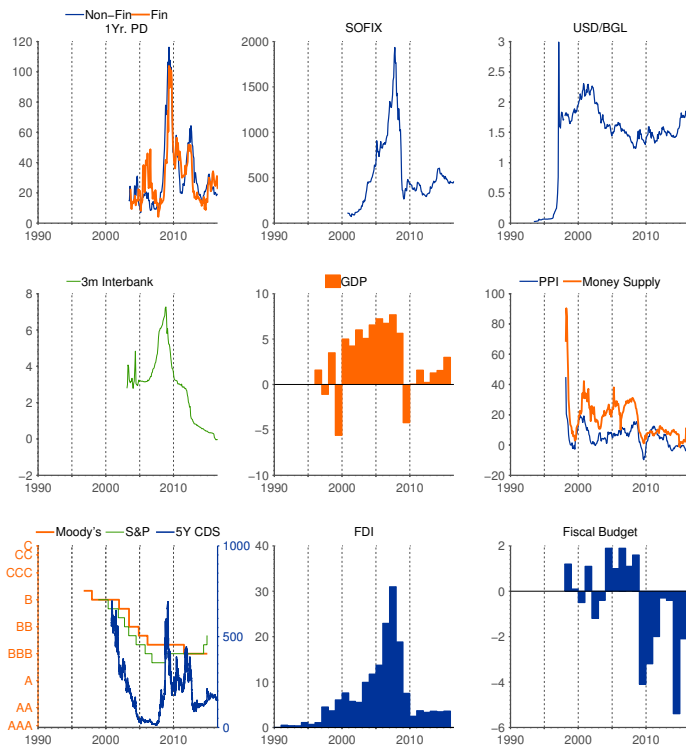
Belgium	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	4.51	6.05	4.62	5.17	5.83
1Yr. PD, Fin.	2.62	2.76	2.52	3.32	2.17
BAS NR	41807.3	38414.7	42529.7	39614.7	41164.2
EUR/USD	1.12	1.12	1.09	1.14	1.11
3m Treas. Yield (%)	-0.20	-0.25	-0.43	-0.43	-0.65
10Y Treas. Yield (%)	1.22	0.91	0.97	0.51	0.23
3m Interbank (%)	-0.01	-0.04	-0.13	-0.24	-0.29
GDP (YoY%)	1.5	1.3	1.5	1.5	-
OECD CLI	100.39	100.34	100.34	100.25	100.27*
PPI (YoY%)	-3.8	-5.3	-4.0	-6.5	-5.4*
Money Supply (YoY%)	4.60	4.50	4.60	5.00	4.90
Sov. Rating, Moody's	Aa3	Aa3	Aa3	Aa3	Aa3
Sov. Rating, S&P	AA	AA	AA	AA	AA
5Y CDS (bps)	43.18	39.05	32.50	45.57	49.22*
FDI (%GDP)	-	-	-4.56	-	-
Fiscal Budget (%GDP)	-	-	-2.60	-	-



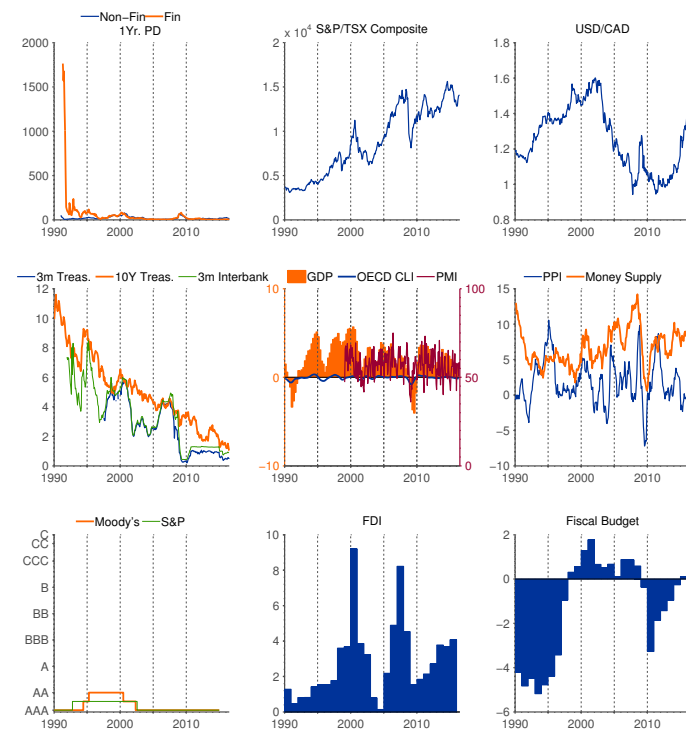
Bosnia and Herzegovina	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	7.97	7.81	10.84	21.18	17.39
1Yr. PD, Fin.	39.88	49.82	54.03	17.36	25.58
Sarajevo	817	799	792	741	652
BAM/USD	1.75	1.74	1.79	1.72	1.76
Sov. Rating, Moody's	B3	B3	B3	B3	B3
Sov. Rating, S&P	B	B	B	B	B
FDI (%GDP)	-	-	1.67	-	-



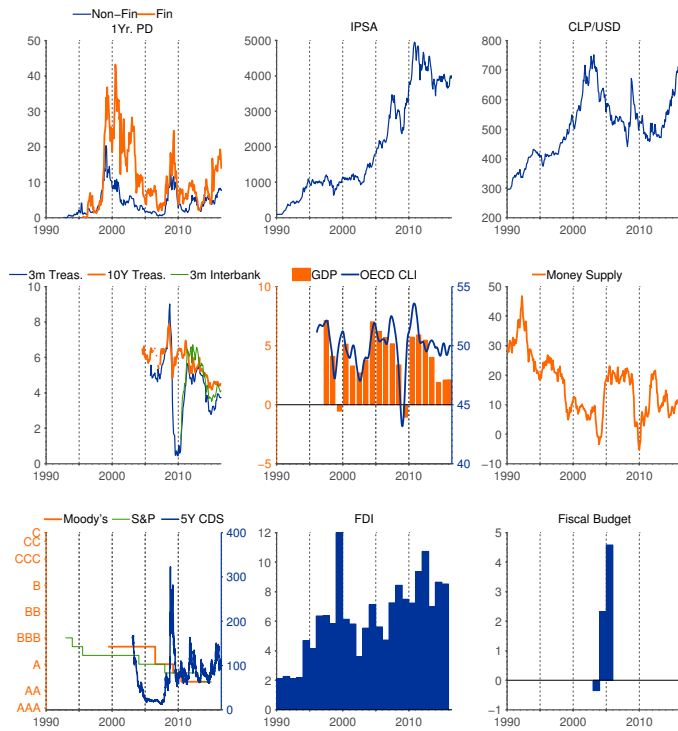
Brazil	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	33.49	45.73	49.00	43.32	38.95
1Yr. PD, Fin.	63.86	88.86	84.76	76.89	68.85
IBOV	53081	45059	43350	50055	51527
BRL/USD	3.10	3.95	3.96	3.59	3.21
3m Treas. Yield (%)	13.98	14.47	14.89	13.99	14.14
10Y Treas. Yield (%)	12.62	15.40	16.51	13.97	12.07
3m Interbank (%)	14.02	14.62	14.73	14.12	14.13
GDP (YoY%)	-	-	-3.8	-	-
OECD CLI	97.52	97.51	97.60	98.35	98.79*
PMI	46.5	47.0	45.6	46.0	43.2
PPI (YoY%)	4.3	8.1	11.2	13.0	14.6
Money Supply (YoY%)	6.5	4.6	6.3	5.6	4.9
Sov. Rating, Moody's	Ba2	Ba2	Ba2	Ba2	Ba2
Sov. Rating, S&P	BB	BB	BB	BB	BB
5Y CDS (bps)	259.90	476.43	494.95	365.74	316.92
FDI (%GDP)	-	-	4.23	-	-
Fiscal Budget (%GDP)	-	-	-8.24	-	-



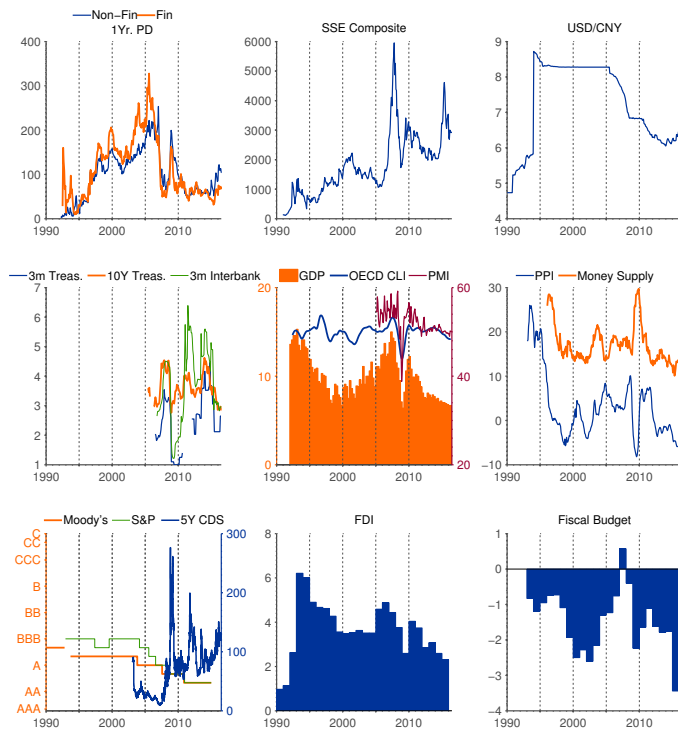
Bulgaria	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	23.15	23.77	18.95	19.61	18.95
1Yr. PD, Fin.	21.05	32.59	27.08	27.30	22.72
SOFIX	485.3	442.3	460.9	446.4	455.6
USD/BGL	1.75	1.74	1.79	1.72	1.75
3m Interbank (%)	0.34	0.33	0.26	-0.02	-0.04
GDP (YoY%)	-	-	3.0	-	-
PPI (YoY%)	-0.3	-2.1	-3.2	-4.1	-4.5*
Money Supply (YoY%)	2.5	2.1	8.8	6.0	8.9
Sov. Rating, Moody's	Baa2	Baa2	Baa2	Baa2	Baa2
Sov. Rating, S&P	BB+	BB+	BB+	BB+	BB+
5Y CDS (bps)	182.30	179.52	171.99	161.42	162.71
FDI (%GDP)	-	-	3.62	-	-
Fiscal Budget (%GDP)	-	-	-2.10	-	-



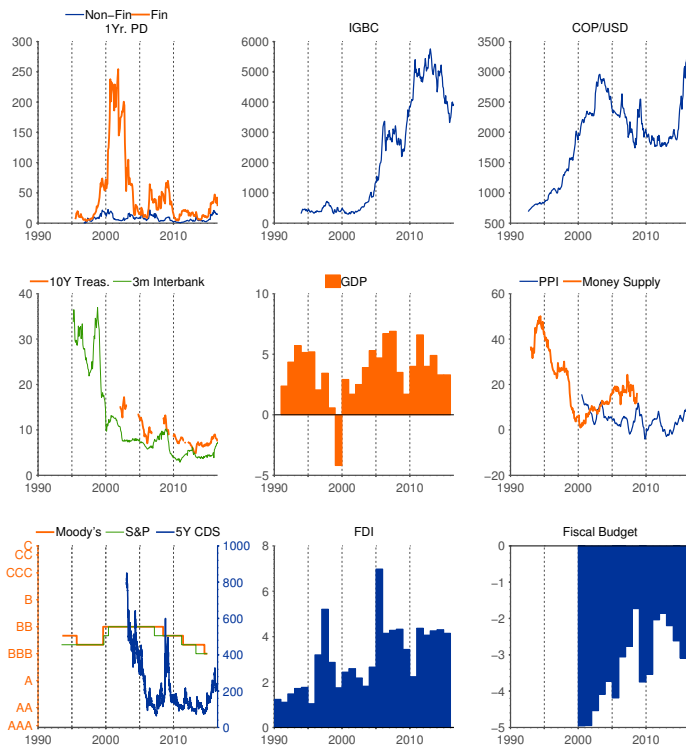
Canada	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	16.46	22.71	23.29	19.50	14.23
1Yr. PD, Fin.	3.88	4.62	6.18	5.34	5.03
S&P/TSX Composite	14553	13307	13010	13494	14065
USD/CAD	1.25	1.33	1.38	1.30	1.29
3m Treas. Yield (%)	0.58	0.44	0.51	0.45	0.49
10Y Treas. Yield (%)	1.68	1.43	1.39	1.23	1.06
3m Interbank (%)	0.99	0.79	0.87	0.90	0.88
GDP (YoY%)	1.0	1.0	0.3	1.1	-
OECD CLI	99.77	99.54	99.36	99.40	99.48*
PMI	59.5	63.3	42.5	57.9	54.7
PPI (YoY%)	-0.8	-0.5	1.0	-2.0	-1.1*
Money Supply (YoY%)	7.6	9.0	9.1	8.1	8.7*
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
FDI (%GDP)	-	-	4.07	-	-
Fiscal Budget (%GDP)	-	-	0.10	-	-



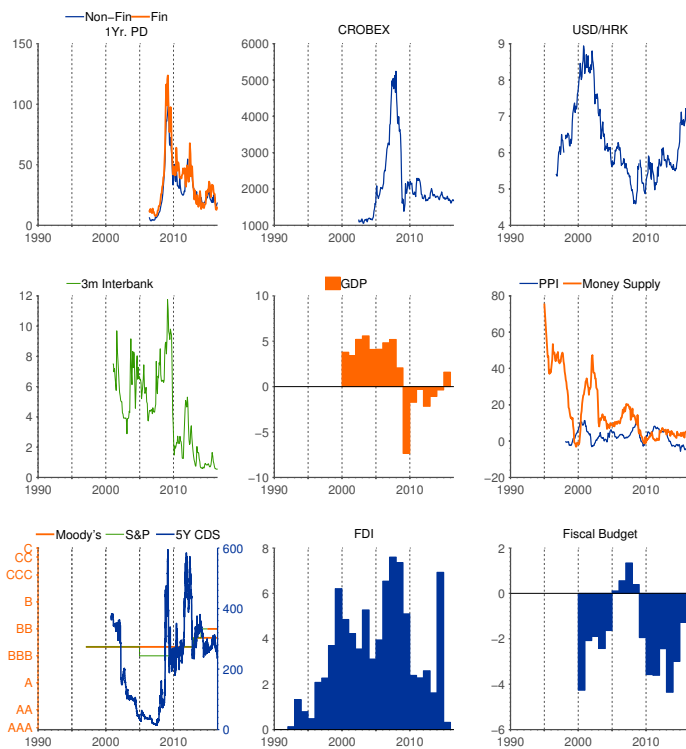
Chile	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	3.83	6.45	7.06	7.85	7.88
1Yr. PD, Fin.	13.29	14.77	15.42	16.77	14.03
IPSA	3897	3685	3680	3937	3996
CLP/USD	639.12	696.38	708.60	667.70	663.24
3m Treas. Yield (%)	3.02	3.56	3.95	3.81	3.73
10Y Treas. Yield (%)	4.65	4.61	4.63	4.44	4.55
3m Interbank (%)	3.75	3.98	4.49	4.23	4.12
GDP (YoY%)	-	-	2.1	2.1	-
OECD CLI	99.75	99.19	99.61	100.01	99.96*
Money Supply (YoY%)	10.9	11.4	9.8	12.5	11.0
Sov. Rating, Moody's	Aa3	Aa3	Aa3	Aa3	Aa3
Sov. Rating, S&P	AA-	AA-	AA-	AA-	AA-
5Y CDS (bps)	86.89	145.03	128.65	95.00	94.50
FDI (%GDP)	-	-	8.52	-	-



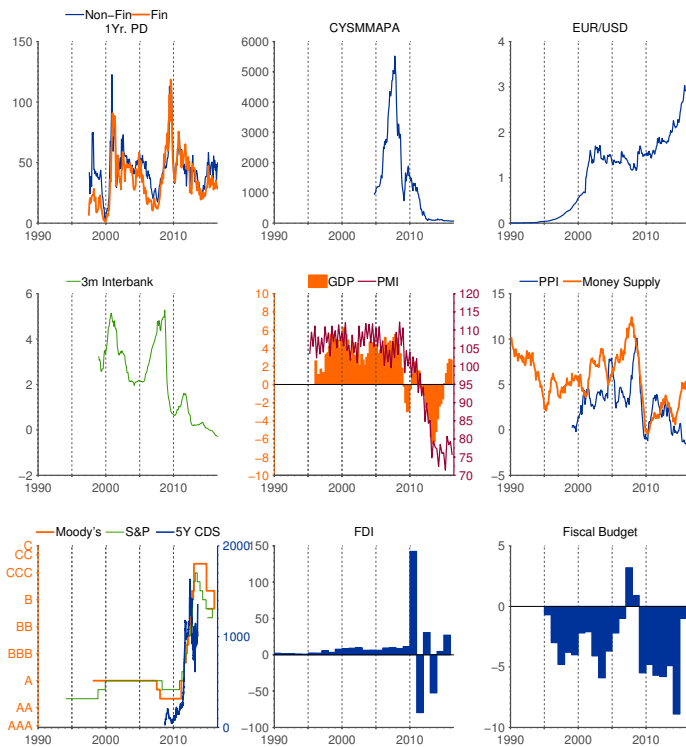
China	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	66.86	102.74	85.93	109.51	104.33
1Yr. PD, Fin.	38.08	66.72	53.19	66.63	67.39
SSE Composite	4277.2	3052.8	3539.2	3003.9	2929.6
USD/CNY	6.2	6.4	6.5	6.5	6.6
3m Treas. Yield (%)	2.12	2.12	2.12	2.12	2.65
10Y Treas. Yield (%)	3.62	3.27	2.86	2.89	2.86
3m Interbank (%)	3.23	3.15	3.09	2.82	2.97
GDP (YoY%)	7.0	6.9	6.8	6.7	6.7
OECD CLI	99.19	98.74	98.47	98.38	98.41*
PMI	50.2	49.8	49.7	50.2	50.0
PPI (YoY%)	-4.80	-5.90	-5.90	-4.30	-2.60
Money Supply (YoY%)	11.80	13.10	13.30	13.40	11.80
Sov. Rating, Moody's	Aa3	Aa3	Aa3	Aa3	Aa3
Sov. Rating, S&P	AA-	AA-	AA-	AA-	AA-
5Y CDS (bps)	94.33	128.17	109.28	120.83	122.23
FDI (%GDP)	-	-	2.30	-	-
Fiscal Budget (%GDP)	-	-	-3.44	-	-



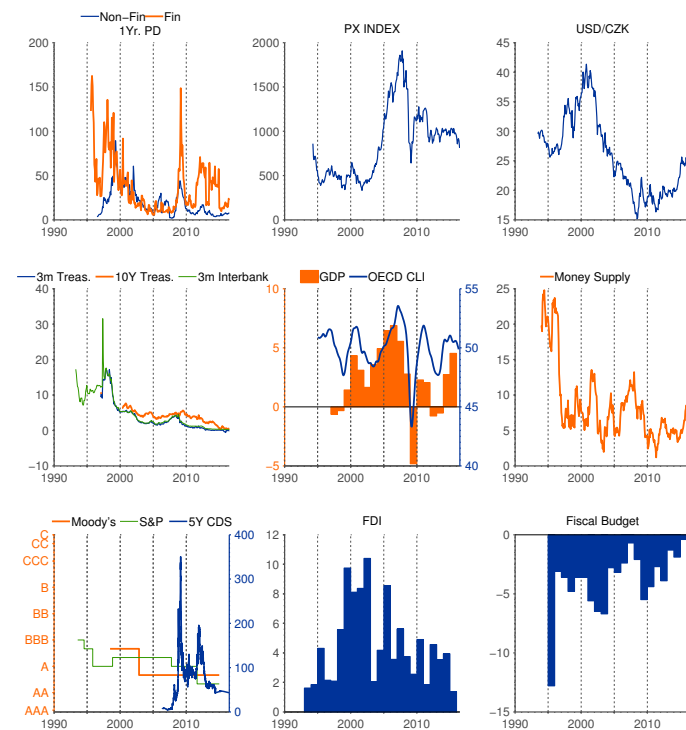
Colombia	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	14.18	16.69	20.85	15.37	14.20
1Yr. PD, Fin.	33.04	35.31	42.43	38.74	28.64
IGBC	4025	3623	3440	3979	3925
COP/USD	2606.00	3087.44	3174.50	3002.20	2920.35
10Y Treas. Yield (%)	7.22	8.47	8.66	8.20	7.59
3m Interbank (%)	4.38	4.40	3.86	6.39	6.95
GDP (YoY%)	-	-	3.3	-	-
PPI (YoY%)	5.01	8.70	9.57	8.56	9.64
Sov. Rating, Moody's	Baa2	Baa2	Baa2	Baa2	Baa2
Sov. Rating, S&P	BBB	BBB	BBB	BBB	BBB
5Y CDS (bps)	169.27	249.30	244.76	215.66	205.42
FDI (%GDP)	-	-	4.15	-	-
Fiscal Budget (%GDP)	-	-	-3.09	-	-



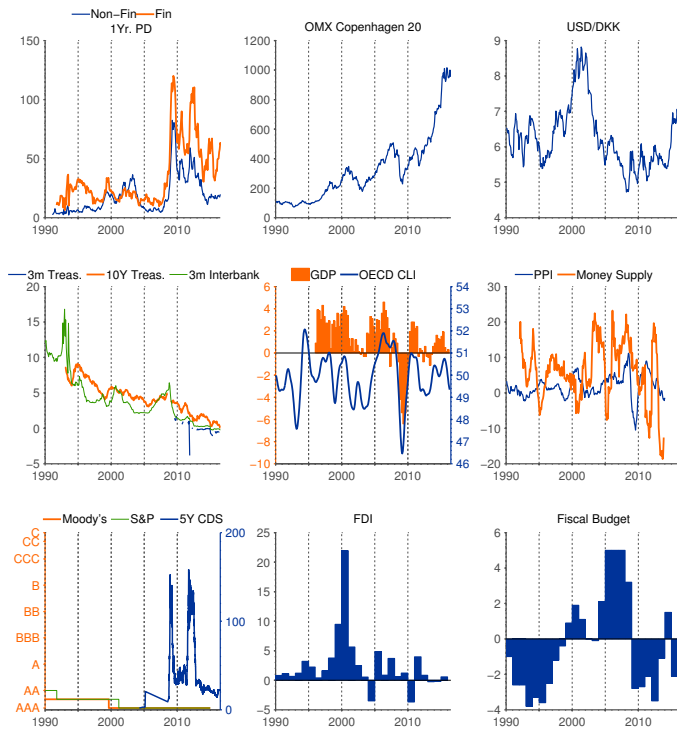
Croatia	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	20.93	22.67	20.74	16.32	18.48
1Yr. PD, Fin.	23.17	33.15	25.71	13.11	14.74
CROBEX	1738	1686	1690	1670	1676
USD/HRK	7	7	7	7	7
3m Interbank (%)	0.74	1.65	0.92	0.58	0.55
GDP (YoY%)	-	-	1.6	-	-
PPI (YoY%)	-2.10	-4.80	-4.00	-5.50	-5.50
Money Supply (YoY%)	4.77	4.64	5.15	3.41	4.59*
Sov. Rating, Moody's	Ba2	Ba2	Ba2	Ba2	Ba2
Sov. Rating, S&P	BB	BB	BB	BB	BB
5Y CDS (bps)	273.6	290.2	298.9	270.0	253.3
FDI (%GDP)	-	-	0.32	-	-
Fiscal Budget (%GDP)	-	-	-1.28	-	-



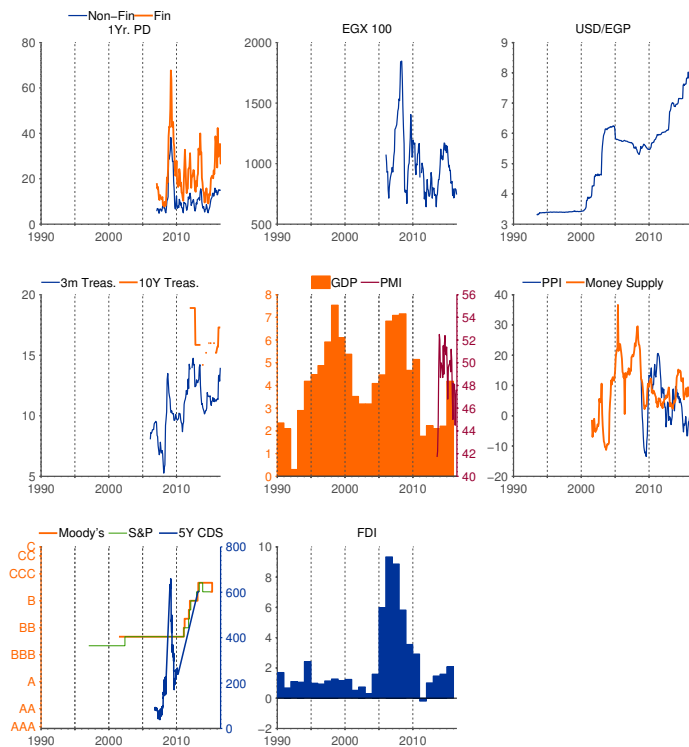
Cyprus	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	46.53	42.97	46.02	48.68	49.81
1Yr. PD, Fin.	36.26	35.62	32.26	35.09	28.39
CYSMMAPA	78	75	68	68	66
EUR/USD	1.12	1.12	1.09	1.14	1.11
3m Interbank (%)	-0.01	-0.04	-0.13	-0.24	-0.29
GDP (YoY%)	1.2	2.3	2.8	2.7	-
PMI	80.7	78.4	79.3	75.6	-
PPI (YoY%)	-1.3	-1.5	-1.9	-1.2	-0.7*
Money Supply (YoY%)	4.6	4.5	4.6	5.0	4.9
Sov. Rating, Moody's	B1	B1	B1	B1	B1
Sov. Rating, S&P	BB-	BB-	BB-	BB-	BB-
FDI (%GDP)	-	-	27.14	-	-
Fiscal Budget (%GDP)	-	-	-1.00	-	-



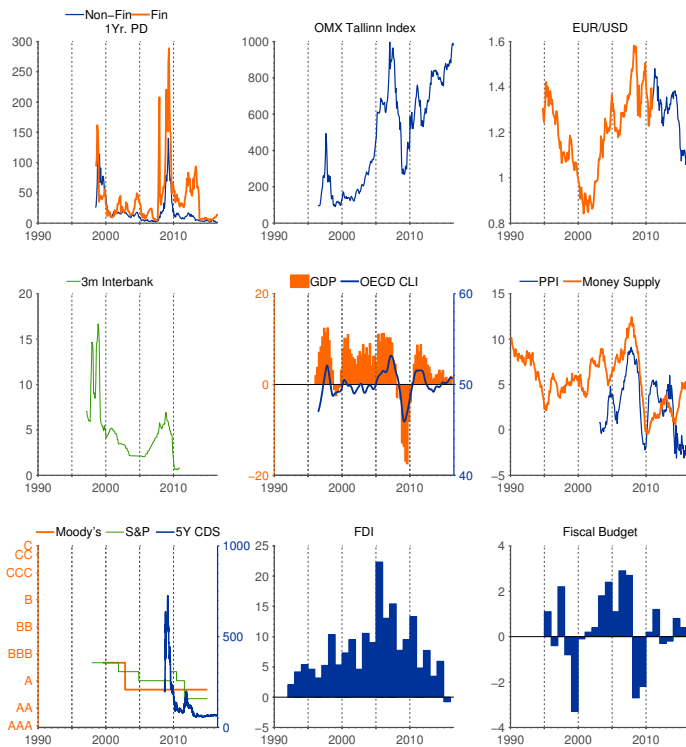
Czech Republic	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	5.63	6.46	7.36	6.84	7.51
1Yr. PD, Fin.	13.29	15.17	18.04	14.24	23.29
PX INDEX	981.5	971.1	956.3	899.9	816.9
USD/CZK	24.36	24.24	24.77	23.78	24.33
3m Treas. Yield (%)	0.06	-0.31	-0.60	-0.00	-0.07
10Y Treas. Yield (%)	1.26	0.68	0.54	0.44	0.46
3m Interbank (%)	0.31	0.29	0.29	0.29	0.29
GDP (YoY%)	-	-	4.53	-	-
OECD CLI	100.48	100.57	100.49	100.04	99.87*
Money Supply (YoY%)	5.8	7.7	6.9	9.4*	-
Sov. Rating, Moody's	A1	A1	A1	A1	A1
Sov. Rating, S&P	AA-	AA-	AA-	AA-	AA-
5Y CDS (bps)	-	45.99	-	-	43.34
FDI (%GDP)	-	-	1.36	-	-
Fiscal Budget (%GDP)	-	-	-0.40	-	-



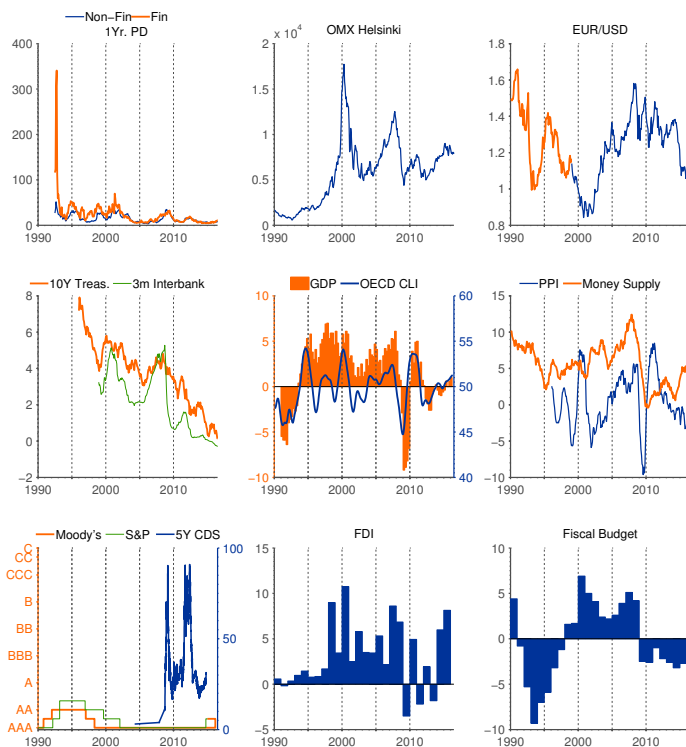
Denmark	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	17.91	18.78	16.07	18.82	19.60
1Yr. PD, Fin.	34.52	34.43	39.47	49.95	63.35
OMX Copenhagen 20	945	922	1014	948	958
USD/DKK	6.69	6.68	6.87	6.55	6.70
3m Treas. Yield (%)	-0.99*	-0.43	-0.49	-0.48	-0.50*
10Y Treas. Yield (%)	1.00	0.86	0.97	0.44	0.09
3m Interbank (%)	-0.21	-0.05	-0.09	-0.08	-0.21
GDP (YoY%)	1.9	0.5	0.1	0.3	-
OECD CLI	100.74	100.57	100.05	99.45	99.34*
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
5Y CDS (bps)	21.25	16.72	14.33	21.68	23.16
FDI (%GDP)	-	-	0.57	-	-
Fiscal Budget (%GDP)	-	-	-2.10	-	-



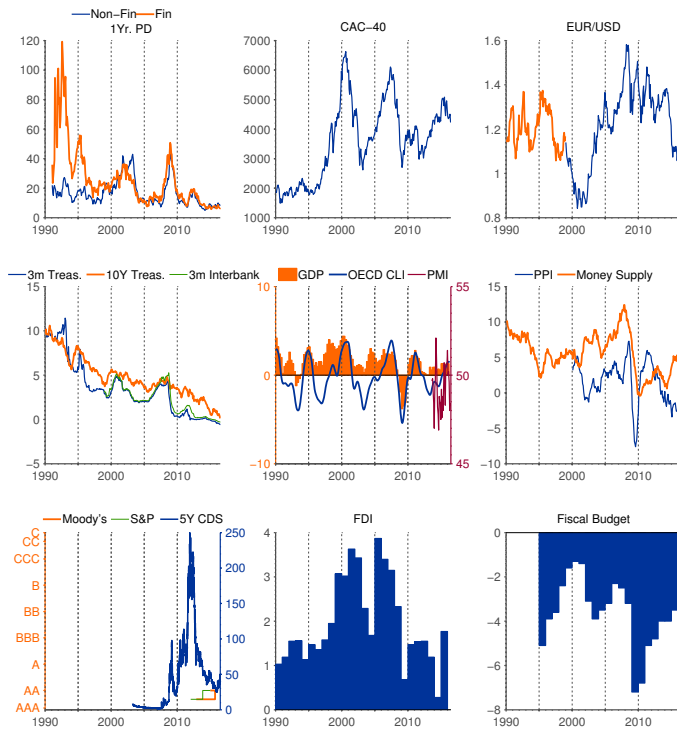
Egypt	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	12.31	15.33	12.82	15.21	14.88
1Yr. PD, Fin.	23.63	38.69	24.93	33.87	27.02
EGX 100	941.8	844.6	790.6	792.2	743.7
USD/EGP	7.63	7.82	7.83	8.87	8.89
3m Treas. Yield (%)	11.20	11.24	11.34	13.22	13.96
10Y Treas. Yield (%)	-	15.20	15.50	17.30	17.30
GDP (YoY%)	-	-	4.2	-	-
PMI	50.2	50.2	48.2	44.5	47.5
PPI (YoY%)	-2.3	-4.0	0.1	-5.6	1.6*
Money Supply (YoY%)	9.1	9.4	8.4	1.6	2.0
Sov. Rating, Moody's	B3	B3	B3	B3	B3
Sov. Rating, S&P	B-	B-	B-	B-	B-
FDI (%GDP)	-	-	2.08	-	-



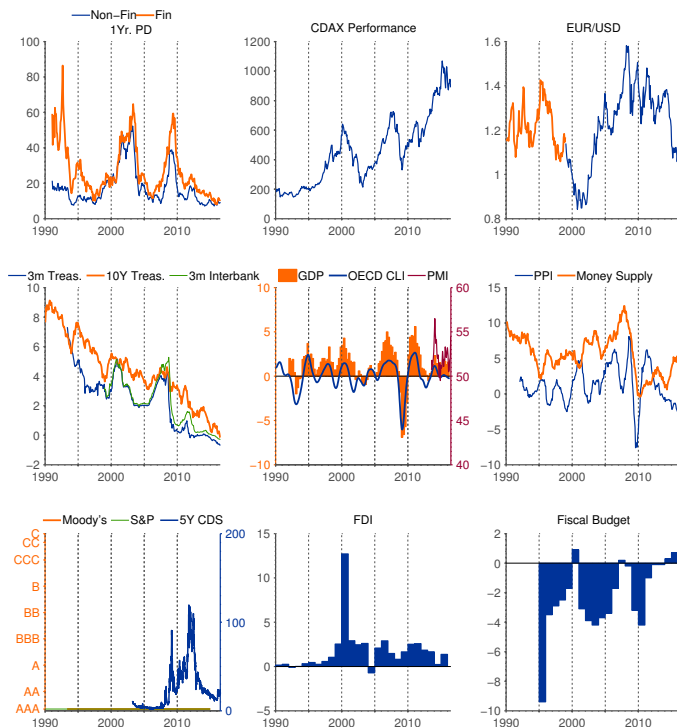
Estonia	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	2.65	5.00	2.84	1.48	1.38
1Yr. PD, Fin.	6.72	5.10	8.63	9.77	13.30
OMX Tallinn Index	844.7	863.2	899.0	970.6	980.4
EUR/USD	1.12	1.12	1.09	1.14	1.11
GDP (YoY%)	1.6	1.0	1.0	1.8	-
OECD CLI	100.21	100.48	100.77	100.66	100.62*
PPI (YoY%)	-1.7	-2.8	-2.3	-2.0	-1.4
Money Supply (YoY%)	4.6	4.5	4.6	5.0	4.9
Sov. Rating, Moody's	A1	A1	A1	A1	A1
Sov. Rating, S&P	AA-	AA-	AA-	AA-	AA-
5Y CDS (bps)	67.66	67.53	64.81	66.32	64.12
FDI (%GDP)	-	-	-0.77	-	-
Fiscal Budget (%GDP)	-	-	0.40	-	-



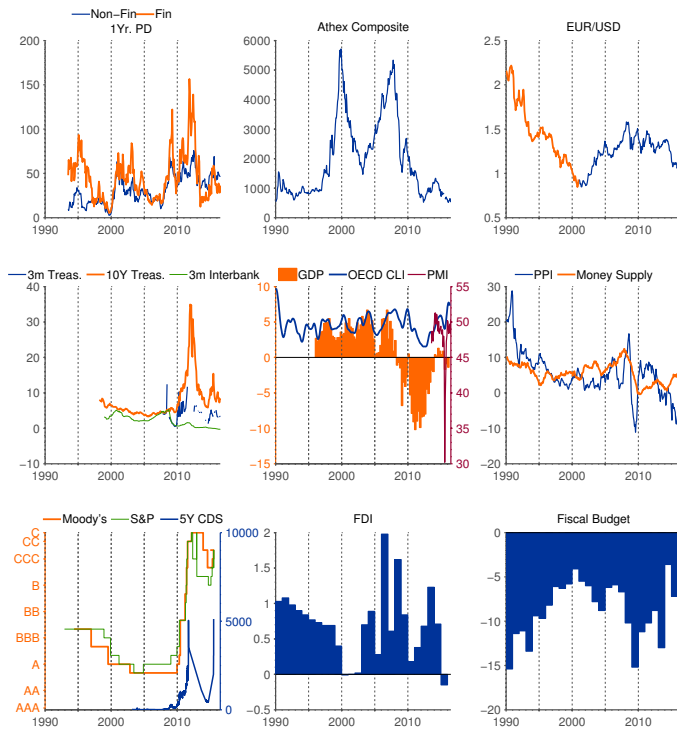
Finland	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	5.09	6.26	5.84	7.40	7.04
1Yr. PD, Fin.	7.27	8.01	7.21	9.28	10.52
OMX Helsinki	8284	7682	8596	8000	7904
EUR/USD	1.12	1.12	1.09	1.14	1.11
10Y Treas. Yield (%)	0.90	0.87	0.92	0.44	0.15
3m Interbank (%)	-0.01	-0.04	-0.13	-0.24	-0.29
GDP (YoY%)	0.6	0.0	0.6	1.0	-
OECD CLI	100.61	100.74	101.00	101.23	101.27*
PPI (YoY%)	-1.2	-3.3	-2.5	-4.1	-3.4
Money Supply (YoY%)	4.60	4.50	4.60	5.00	4.90
Sov. Rating, Moody's	Aa1	Aa1	Aa1	Aa1	Aa1
Sov. Rating, S&P	AA+	AA+	AA+	AA+	AA+
FDI (%GDP)	-	-	8.14	-	-
Fiscal Budget (%GDP)	-	-	-2.70	-	-



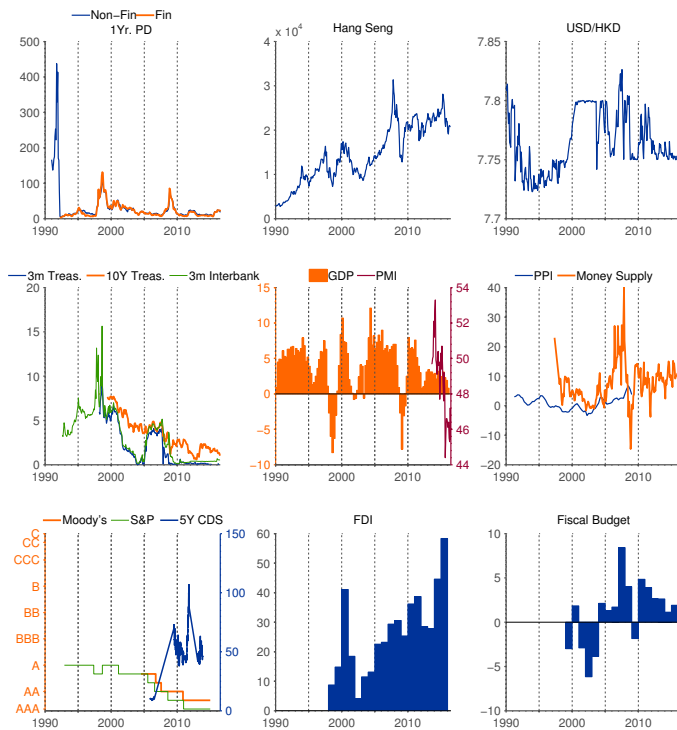
France	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	7.32	8.95	7.27	9.35	8.67
1Yr. PD, Fin.	7.67	7.41	6.27	7.45	6.31
CAC-40	4790	4455	4637	4385	4237
EUR/USD	1.12	1.12	1.09	1.14	1.11
3m Treas. Yield (%)	-0.18	-0.20	-0.45	-0.42	-0.57
10Y Treas. Yield (%)	1.20	0.98	0.99	0.49	0.18
3m Interbank (%)	-0.01	-0.04	-0.13	-0.24	-0.29
GDP (YoY%)	1.1	1.1	1.3	1.3	-
OECD CLI	100.21	100.47	100.71	100.75	100.73*
PMI	50.7	50.6	51.4	49.6	48.3
PPI (YoY%)	-1.5	-2.6	-2.7	-3.9	-3.1
Money Supply (YoY%)	4.6	4.5	4.6	5.0	4.9
Sov. Rating, Moody's	Aa2	Aa2	Aa2	Aa2	Aa2
Sov. Rating, S&P	AA	AA	AA	AA	AA
5Y CDS (bps)	36.2	32.2	26.4	33.3	50.5
FDI (%GDP)	-	-	1.77	-	-
Fiscal Budget (%GDP)	-	-	-3.50	-	-



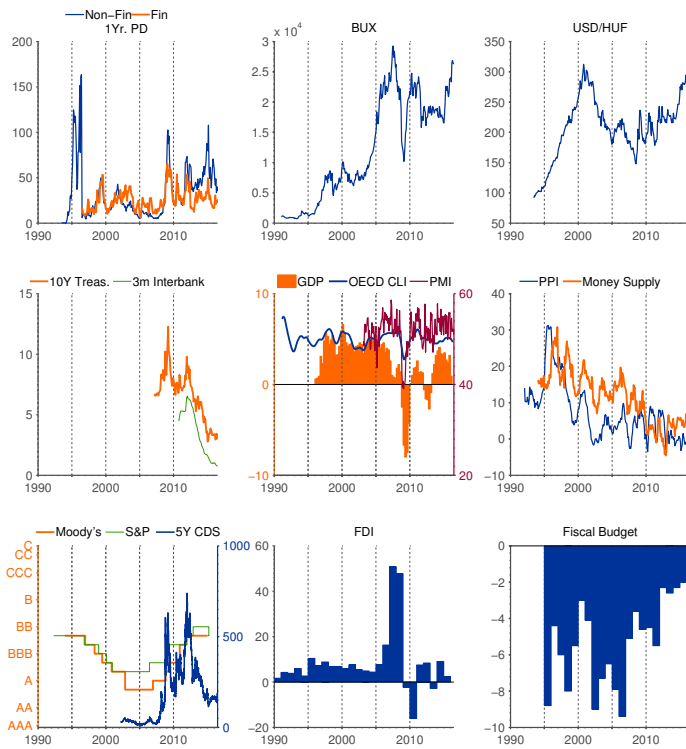
Germany	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	8.15	8.44	7.64	8.94	9.30
1Yr. PD, Fin.	11.55	8.28	8.11	11.75	10.59
CDAX Performance	986	886	979	915	893
EUR/USD	1.12	1.12	1.09	1.14	1.11
3m Treas. Yield (%)	-0.30	-0.38	-0.54	-0.59	-0.68
10Y Treas. Yield (%)	0.76	0.59	0.63	0.15	-0.13
3m Interbank (%)	-0.01	-0.04	-0.13	-0.24	-0.29
GDP (YoY%)	1.6	1.7	1.3	1.6	-
OECD CLI	100.13	100.00	99.87	99.76	99.77*
PMI	51.9	52.3	53.2	50.7	54.5
PPI (YoY%)	-1.4	-2.1	-2.3	-3.0	-2.2
Money Supply (YoY%)	4.6	4.5	4.6	5.0	4.9
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
5Y CDS (bps)	15.99	14.44	12.87	18.69	22.27
FDI (%GDP)	-	-	1.38	-	-
Fiscal Budget (%GDP)	-	-	0.70	-	-



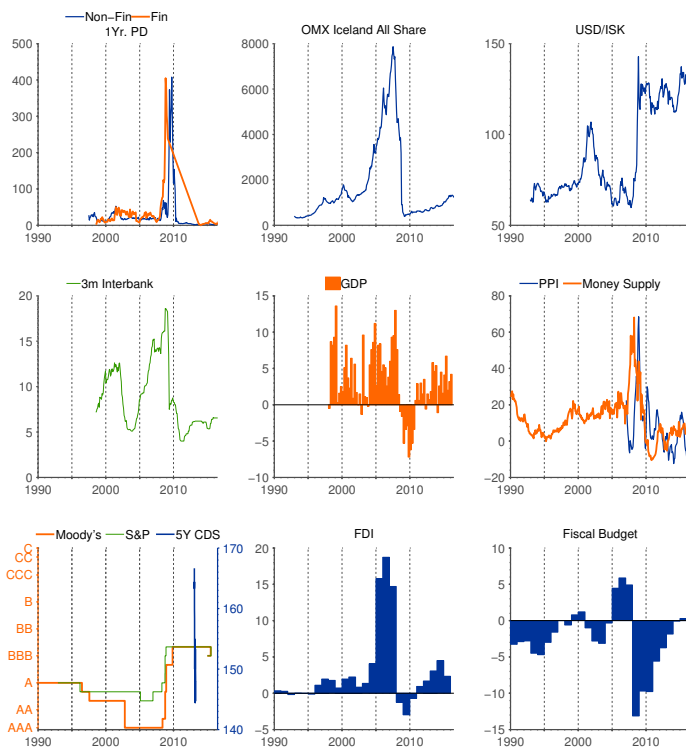
Greece	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	45.87	43.07	47.46	49.84	46.76
1Yr. PD, Fin.	58.76	37.42	28.31	38.61	36.32
Athex Composite	798	654	631	577	542
EUR/USD	1	1	1	1	1
3m Treas. Yield (%)	3.54	4.79	4.02	3.28	3.38
10Y Treas. Yield (%)	15.42	8.28	8.29	8.59	8.29
3m Interbank (%)	-0.01	-0.04	-0.13	-0.24	-0.29
GDP (YoY%)	0.9	-1.7	-0.9	-1.4	-
OECD CLI	99.13	99.83	102.10	102.66	102.30*
PMI	46.9	43.3	50.2	49.0	50.4
PPI (YoY%)	-4.8	-8.8	-5.7	-9.0	-8.1*
Money Supply (YoY%)	4.6	4.5	4.6	5.0	4.9
Sov. Rating, Moody's	Caa3	Caa3	Caa3	Caa3	Caa3
Sov. Rating, S&P	CCC+	CCC+	CCC+	CCC+	CCC+
5Y CDS (bps)	2984.4	5124.7*	-	-	-
FDI (%GDP)	-	-	-0.15	-	-
Fiscal Budget (%GDP)	-	-	-7.20	-	-



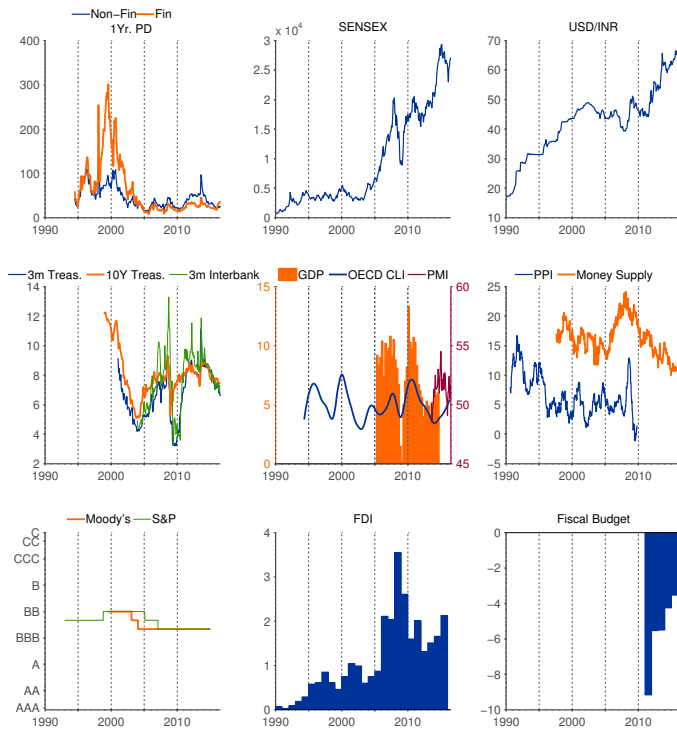
Hong Kong	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	9.07	19.81	19.93	23.02	18.78
1Yr. PD, Fin.	8.09	18.06	18.95	23.55	21.94
Hang Seng	26250	20846	21914	20777	20794
USD/HKD	7.75	7.75	7.75	7.76	7.76
3m Treas. Yield (%)	-	-	-	0.05	0.10*
10Y Treas. Yield (%)	1.79	1.56	1.58	1.28	1.02
3m Interbank (%)	0.39	0.40	0.39	0.56	0.57
GDP (YoY%)	3.1	2.3	1.9	0.8	-
PMI	49.2	45.7	46.4	45.5	45.4
Money Supply (YoY%)	12.4	10.1	10.4	3.6	1.4*
Sov. Rating, Moody's	Aa1	Aa1	Aa1	Aa1	Aa1
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
FDI (%GDP)	-	-	58.35	-	-
Fiscal Budget (%GDP)	-	-	1.91	-	-



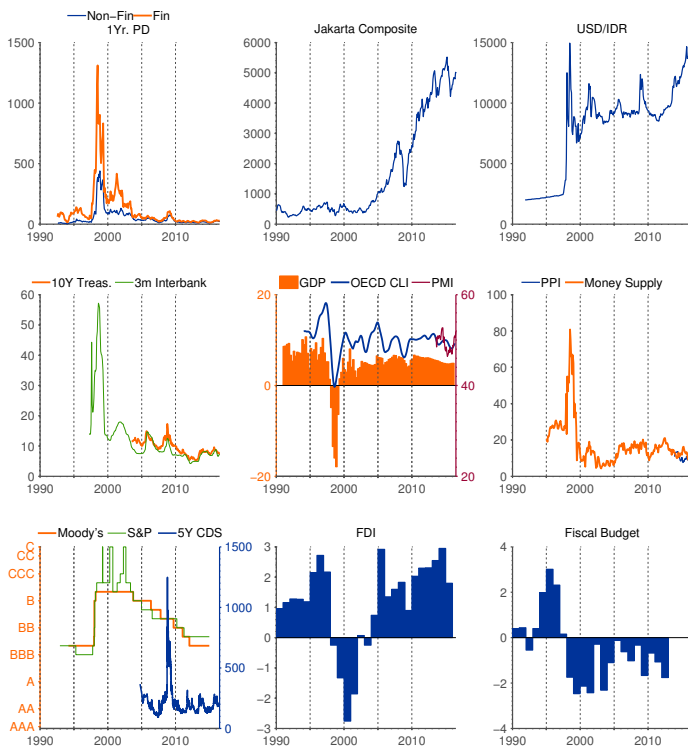
Hungary	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	49.85	61.13	59.85	48.78	37.02
1Yr. PD, Fin.	25.50	17.54	16.42	20.89	25.41
BUX	21903.1	20894.0	23920.7	26451.0	26325.6
USD/HUF	281.85	279.33	288.90	275.98	284.45
10Y Treas. Yield (%)	3.87	3.31	3.31	2.95	3.03
3m Interbank (%)	1.07	0.98	1.01	0.91	0.76
GDP (YoY%)	2.7	2.4	3.2	0.9	-
OECD CLI	100.26	100.24	100.15	99.59	99.32*
PMI	54.9	55.8	49.9	51.7	50.9
PPI (YoY%)	1.5	-1.5	-1.3	-1.6	-2.6
Money Supply (YoY%)	3.99	4.13	6.06	4.89	5.27
Sov. Rating, Moody's	Ba1	Ba1	Ba1	Ba1	Ba1
Sov. Rating, S&P	BB+	BB+	BB+	BB+	BB+
5Y CDS (bps)	159.23	169.51	164.52	151.84	158.69
FDI (%GDP)	-	-	2.31	-	-
Fiscal Budget (%GDP)	-	-	-2.00	-	-



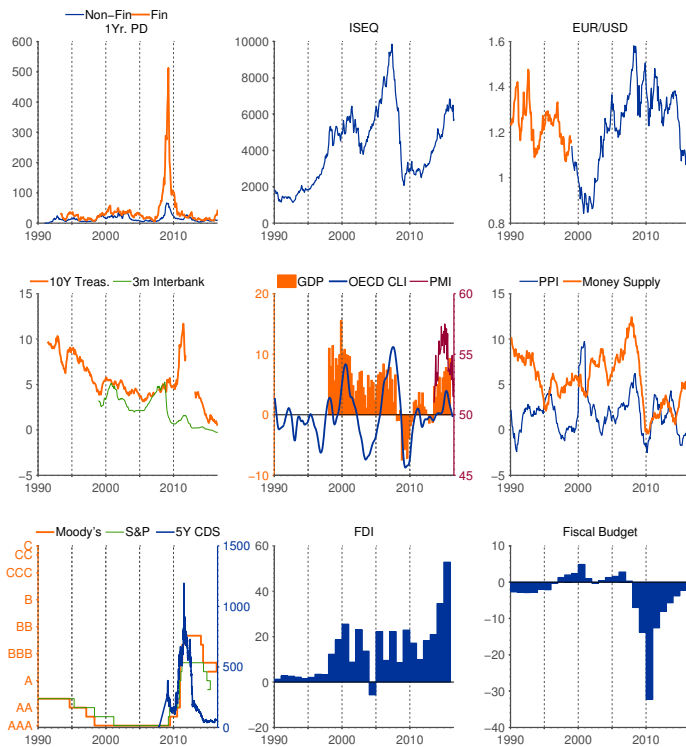
Iceland	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	2.59	1.77	1.47	2.22	3.28
1Yr. PD, Fin.	11.10	8.27	4.55	3.16	8.05
OMX Iceland All Share	1121	1215	1320	1321	1245
USD/ISK	132.17	127.62	130.18	123.42	123.18
3m Interbank (%)	5.95	6.40	6.55	6.55	6.55
GDP (YoY%)	6.7	2.0	3.2	4.2	-
PPI (YoY%)	11.0	-2.9	-9.4	-10.7	-9.3
Money Supply (YoY%)	8.81	7.36	5.57	-5.60	-6.85
Sov. Rating, Moody's	Baa2	Baa2	Baa2	Baa2	Baa2
Sov. Rating, S&P	BBB	BBB	BBB	BBB	BBB
FDI (%GDP)	-	-	2.33	-	-
Fiscal Budget (%GDP)	-	-	0.29	-	-



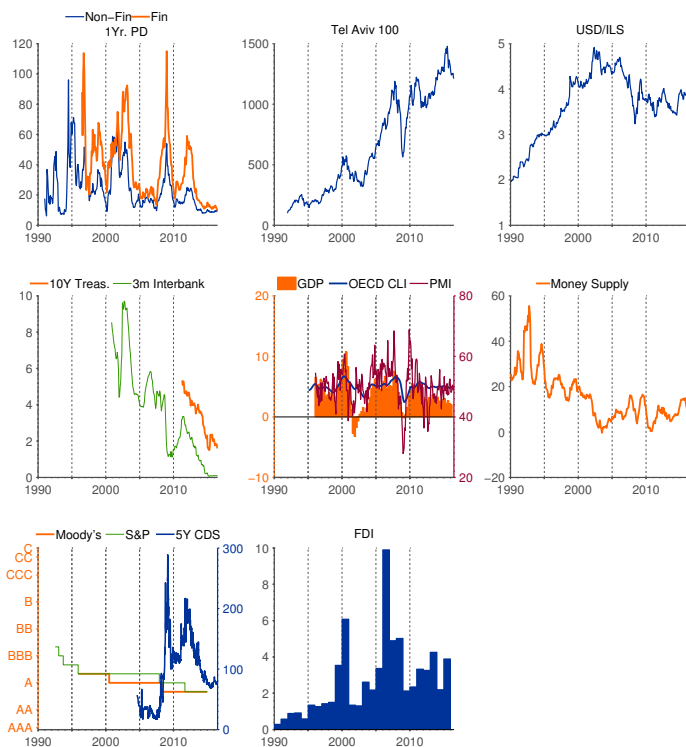
India	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	30.45	24.02	18.61	24.82	24.34
1Yr. PD, Fin.	21.99	18.32	21.50	32.83	36.60
SENSEX	27781	26155	26118	25342	27000
USD/INR	63.65	65.59	66.15	66.25	67.53
3m Treas. Yield (%)	7.64	7.04	7.15	7.13	6.65
10Y Treas. Yield (%)	7.86	7.54	7.76	7.46	7.45
3m Interbank (%)	8.00	7.38	7.25	7.50	6.75
OECD CLI	99.40	99.67	99.97	100.30	100.43*
PMI	51.3	51.2	49.1	52.4	51.7
Money Supply (YoY%)	10.60	11.00	11.00	10.30	10.40
Sov. Rating, Moody's	Baa3	Baa3	Baa3	Baa3	Baa3
Sov. Rating, S&P	BBB-	BBB-	BBB-	BBB-	BBB-
FDI (%GDP)	-	-	2.13	-	-
Fiscal Budget (%GDP)	-	-	-3.53	-	-



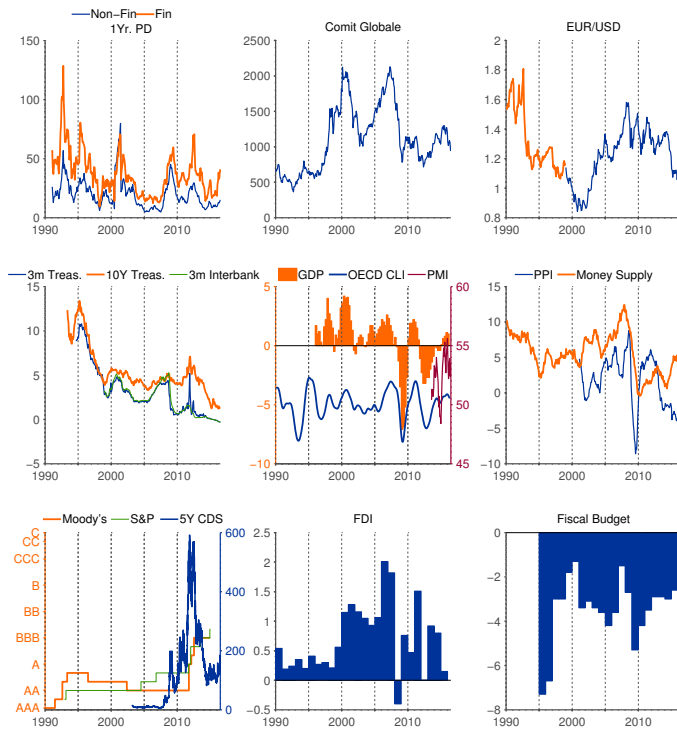
Indonesia	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	13.84	22.91	28.23	25.78	19.93
1Yr. PD, Fin.	19.47	28.87	28.53	28.72	27.16
Jakarta Composite	4911	4224	4593	4845	5017
USD/IDR	13339.00	14653.00	13788.00	13239.00	13210.00
10Y Treas. Yield (%)	8.33	9.60	8.74	7.67	7.45
3m Interbank (%)	6.98	8.21	8.86	6.73	7.23
GDP (YoY%)	4.7	4.8	4.9	4.9	-
OECD CLI	98.86	98.19	98.27	98.99	99.28*
PMI	47.8	47.4	47.8	50.6	51.9
PPI (YoY%)	9.65	10.38	8.44	11.10	11.54
Money Supply (YoY%)	12.98	12.68	9.00	7.41	7.58*
Sov. Rating, Moody's	Baa3	Baa3	Baa3	Baa3	Baa3
Sov. Rating, S&P	BB+	BB+	BB+	BB+	BB+
5Y CDS (bps)	174.8	276.3	229.9	198.3	185.2
FDI (%GDP)	-	-	1.80	-	-



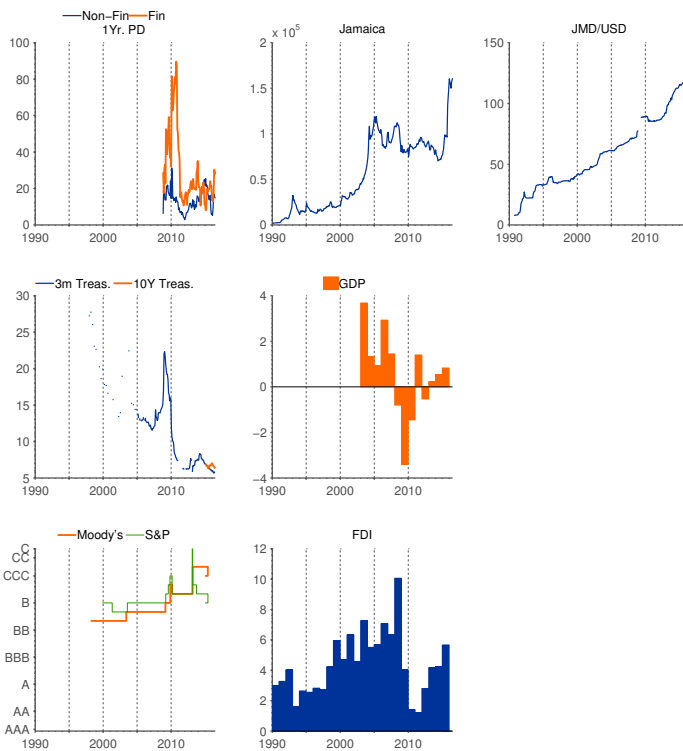
Ireland	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	7.72	8.10	7.68	9.97	9.94
1Yr. PD, Fin.	10.29	9.11	8.46	26.15	42.27
ISEQ	6165	6167	6792	6309	5642
EUR/USD	1.12	1.12	1.09	1.14	1.11
10Y Treas. Yield (%)	1.65	1.24	1.15	0.73	0.52
3m Interbank (%)	-0.01	-0.04	-0.13	-0.24	-0.29
GDP (YoY%)	7.8	7.1	9.3	-	-
OECD CLI	101.90	101.23	100.57	100.01	99.81*
PMI	54.6	53.8	54.2	54.9	53.0
PPI (YoY%)	-0.9	-0.6	0.0	-0.5	-0.4
Money Supply (YoY%)	4.6	4.5	4.6	5.0	4.9
Sov. Rating, Moody's	A3	A3	A3	A3	A3
Sov. Rating, S&P	A+	A+	A+	A+	A+
5Y CDS (bps)	58.99	50.06	39.27	57.81	64.71*
FDI (%GDP)	-	-	52.81	-	-
Fiscal Budget (%GDP)	-	-	-2.30	-	-



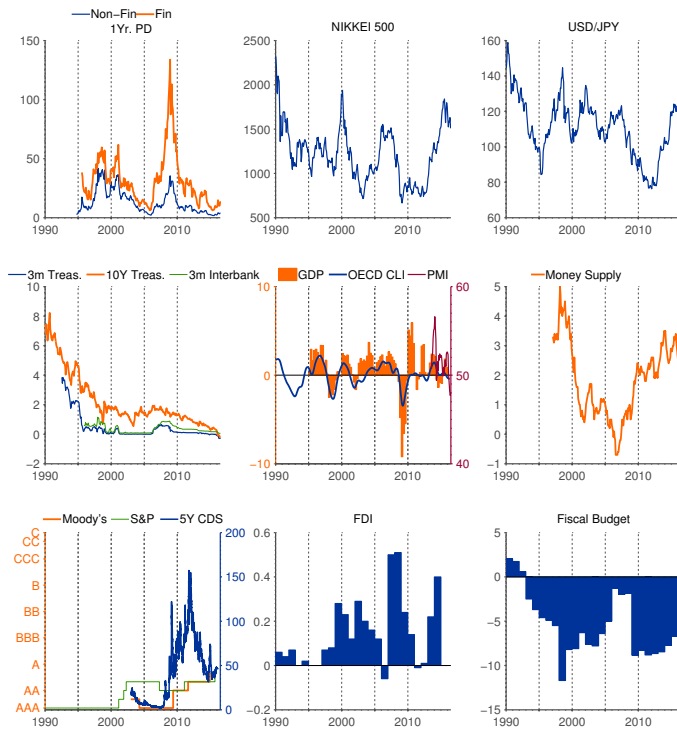
Israel	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	8.86	8.81	8.61	8.92	9.56
1Yr. PD, Fin.	11.97	12.02	12.39	12.27	9.80
Tel Aviv 100	1418	1300	1315	1250	1211
USD/ILS	3.77	3.92	3.89	3.76	3.86
10Y Treas. Yield (%)	2.36	2.36	2.10	1.85	1.63
3m Interbank (%)	0.10	0.08	0.10	0.10	0.08
GDP (YoY%)	2.2	2.7	2.2	2.0	-
OECD CLI	99.92	99.69	99.58	100.00	100.16*
PMI	51.0	47.5	50.7	49.0	48.8
Money Supply (YoY%)	14.7	14.9	10.5	8.8	-
Sov. Rating, Moody's	A1	A1	A1	A1	A1
Sov. Rating, S&P	A+	A+	A+	A+	A+
5Y CDS (bps)	70.14	72.95	79.41	79.59	75.72*
FDI (%GDP)	-	-	3.89	-	-



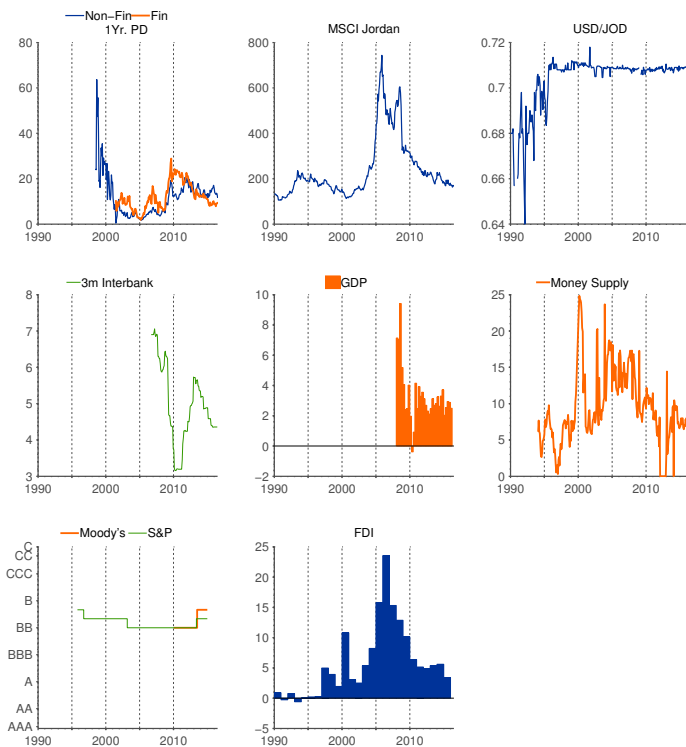
Italy	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	10.63	10.89	9.37	12.98	14.90
1Yr. PD, Fin.	19.10	22.81	18.43	38.23	40.88
Comit Globale	1238	1179	1218	1056	949
EUR/USD	1.12	1.12	1.09	1.14	1.11
3m Treas. Yield (%)	-0.01	-0.03	-0.09	-0.21	-0.28
10Y Treas. Yield (%)	2.33	1.73	1.60	1.22	1.26
3m Interbank (%)	-0.01	-0.04	-0.13	-0.24	-0.29
GDP (YoY%)	0.6	0.8	1.1	1.0	-
OECD CLI	100.71	100.79	100.88	100.64	100.53*
PMI	54.1	52.7	55.6	53.5	53.5
PPI (YoY%)	-3.0	-3.9	-3.9	-3.9	-4.2*
Money Supply (YoY%)	4.60	4.50	4.60	5.00	4.90
Sov. Rating, Moody's	Baa2	Baa2	Baa2	Baa2	Baa2
Sov. Rating, S&P	BBB-	BBB-	BBB-	BBB-	BBB-
5Y CDS (bps)	136.31	121.62	97.23	126.70	152.05
FDI (%GDP)	-	-	0.15	-	-
Fiscal Budget (%GDP)	-	-	-2.60	-	-



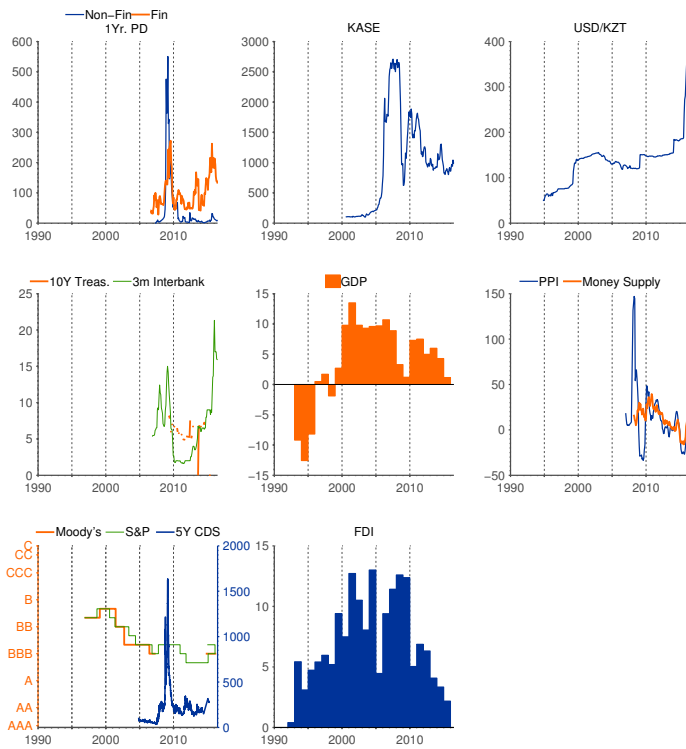
Jamaica	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	15.83	16.19	6.21	15.55	14.87
1Yr. PD, Fin.	19.91	24.02	13.55	17.00	28.13
Jamaica	97271	96295	150692	153911	159717
JMD/USD	116.64	118.70	119.97	121.64	126.60
3m Treas. Yield (%)	6.48	6.20	5.96	5.75	5.86
10Y Treas. Yield (%)	6.29	6.69	7.00	6.66	6.35
GDP (YoY%)	-	-	0.8	-	-
Sov. Rating, Moody's	Caa2	Caa2	Caa2	Caa2	Caa2
Sov. Rating, S&P	B	B	B	B	B
FDI (%GDP)	-	-	5.67	-	-



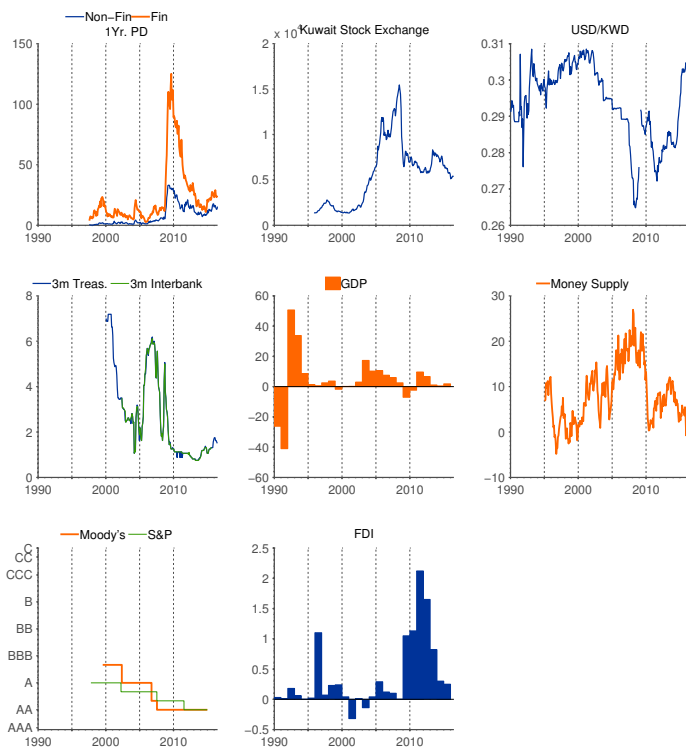
Japan	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	1.83	2.93	2.43	3.84	4.01
1Yr. PD, Fin.	6.61	10.10	8.94	10.38	13.38
NIKKEI 500	1800	1574	1754	1590	1513
USD/JPY	122.50	119.88	120.22	112.57	103.20
3m Treas. Yield (%)	0.00	-0.02	-0.04	-0.12	-0.27
10Y Treas. Yield (%)	0.47	0.36	0.27	-0.03	-0.22
3m Interbank (%)	0.17	0.17	0.17	0.10	0.06
GDP (YoY%)	0.7	1.8	0.8	0.0	-
OECD CLI	100.29	100.03	99.71	99.60	99.59*
PMI	50.1	51.0	52.6	49.1	48.1
Money Supply (YoY%)	3.20	3.10	2.50	2.60	2.90
Sov. Rating, Moody's	A1	A1	A1	A1	A1
Sov. Rating, S&P	A+	A+	A+	A+	A+
5Y CDS (bps)	43.24	45.61	46.74	45.76	-
FDI (%GDP)	-	-	0.00	-	-
Fiscal Budget (%GDP)	-	-	-6.70	-	-



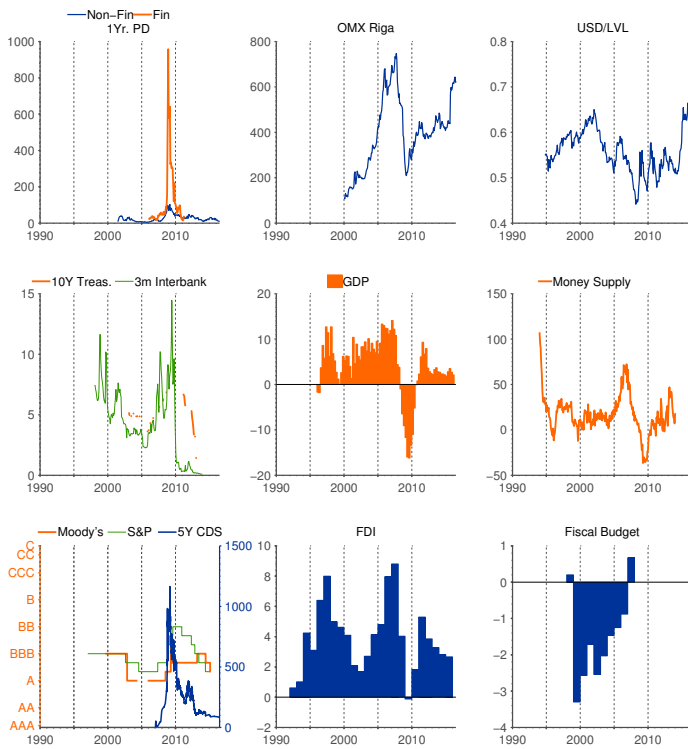
Jordan	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	14.09	15.60	15.81	13.10	11.81
1Yr. PD, Fin.	8.25	9.10	8.68	7.86	9.45
MSCI Jordan	179	178	180	170	166
USD/JOD	0.71	0.71	0.71	0.71	0.71
3m Interbank (%)	4.59	4.39	4.36	4.36	4.36
GDP (YoY%)	2.5	2.9	2.9	2.5	-
Money Supply (YoY%)	6.70	6.90	8.09	6.85	4.68*
Sov. Rating, Moody's	B1	B1	B1	B1	B1
Sov. Rating, S&P	BB-	BB-	BB-	BB-	BB-
FDI (%GDP)	-	-	3.40	-	-



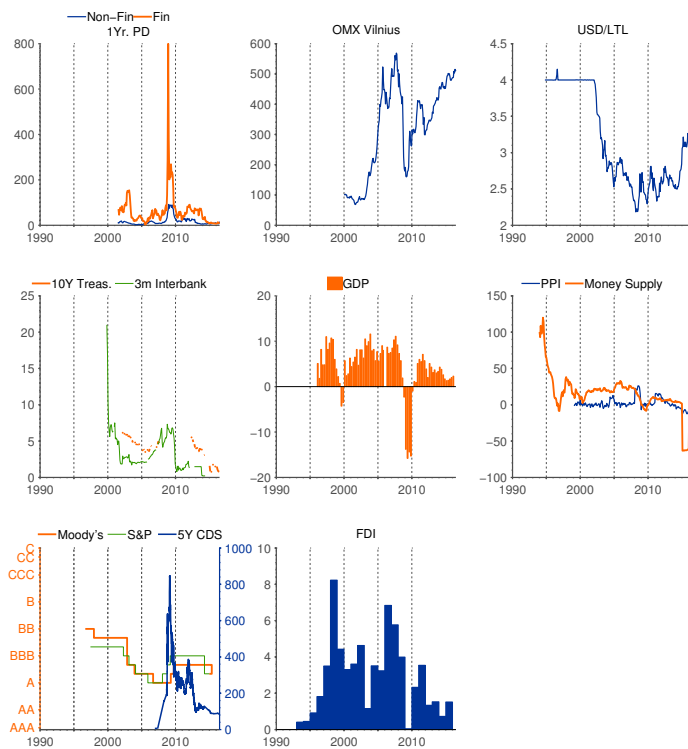
Kazakhstan	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	8.85	30.25	14.61	10.37	8.84
1Yr. PD, Fin.	180.39	208.74	182.37	154.39	131.43
KASE	900	800	859	971	985
USD/KZT	186.26	272.11	340.60	344.93	339.18
10Y Treas. Yield (%)	0.00*	-	-	-	-
3m Interbank (%)	8.35	11.00	18.67	17.00	15.92
GDP (YoY%)	-	-	1.2	-	-
PPI (YoY%)	-24.1	-23.7	-4.8	8.2	18.7
Money Supply (YoY%)	-12.44	-11.72	7.94	24.94	25.20
Sov. Rating, S&P	BBB-	BBB-	BBB-	BBB-	BBB-
5Y CDS (bps)	271.13*	-	-	-	-
FDI (%GDP)	-	-	2.18	-	-



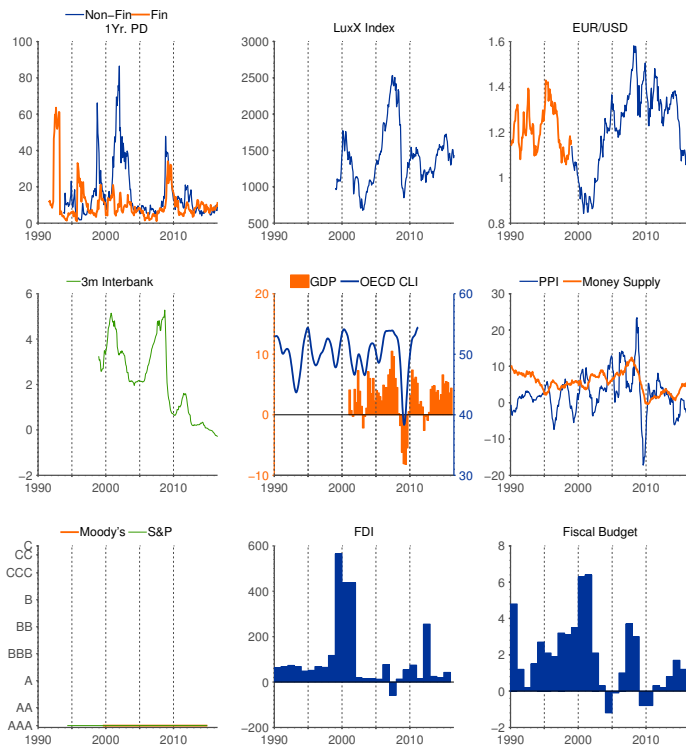
Kuwait	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	12.56	16.19	14.98	14.35	15.28
1Yr. PD, Fin.	20.79	27.50	23.11	25.01	23.65
Kuwait Stock Exchange	6203	5726	5615	5229	5365
USD/KWD	0.30	0.30	0.30	0.30	0.30
3m Treas. Yield (%)	1.25	1.31	1.69	1.63	1.50
3m Interbank (%)	1.25	1.31*	-	-	-
GDP (YoY%)	-	-	1.9	-	-
Money Supply (YoY%)	4.29	5.47	1.72	4.16	-
Sov. Rating, Moody's	Aa2	Aa2	Aa2	Aa2	Aa2
Sov. Rating, S&P	AA	AA	AA	AA	AA
FDI (%GDP)	-	-	0.25	-	-



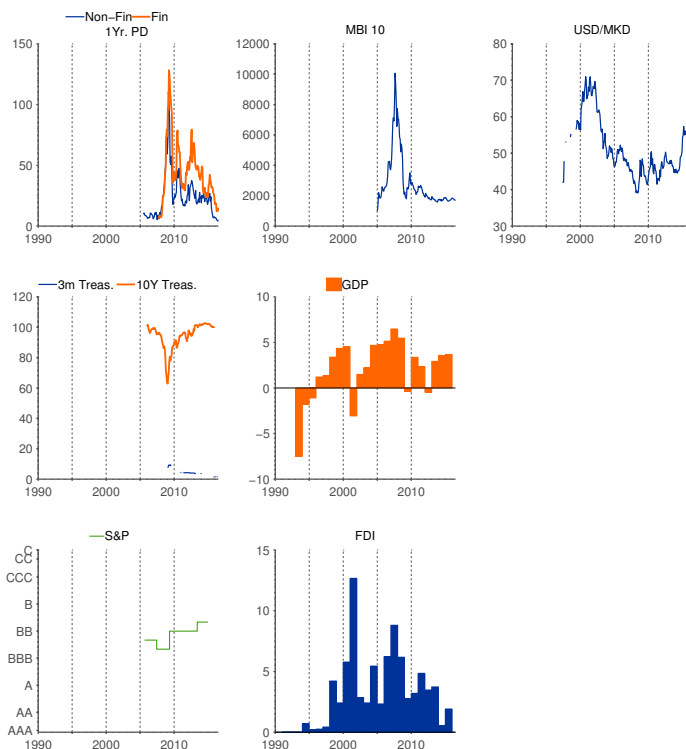
Latvia	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	24.26	27.02	17.65	12.23	10.14
OMX Riga	439	571	594	616	621
USD/LVL	0.63	0.63	0.64	0.62	0.63
GDP (YoY%)	2.8	3.5	2.7	2.1	-
Sov. Rating, Moody's	A3	A3	A3	A3	A3
Sov. Rating, S&P	A-	A-	A-	A-	A-
5Y CDS (bps)	-	90.30	90.26*	88.57	81.82
FDI (%GDP)	-	-	2.66	-	-



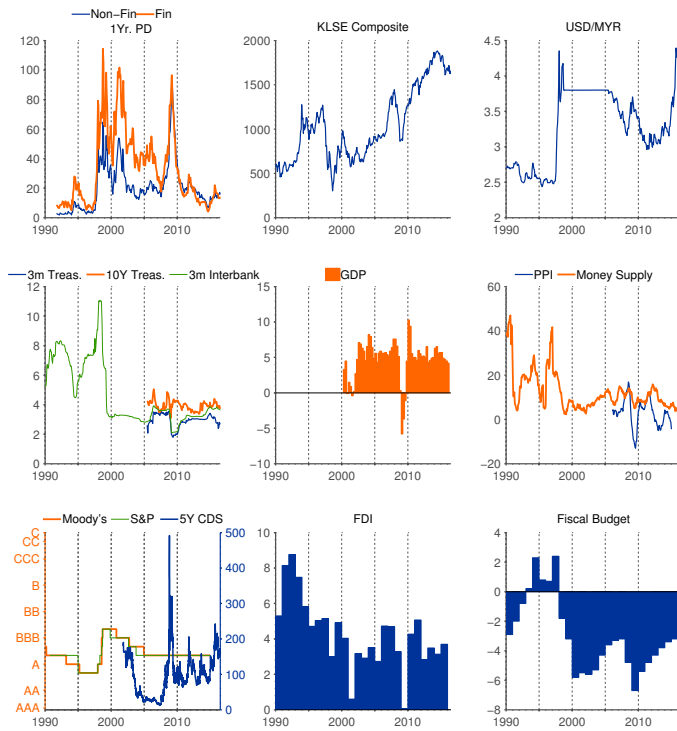
Lithuania	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	8.31	8.80	8.57	6.36	14.77
1Yr. PD, Fin.	8.73	8.23	7.13	13.47	8.44
OMX Vilnius	497	480	486	508	511
USD/LTL	3.09	3.08	3.16	3.03	3.10
10Y Treas. Yield (%)	0.77*	1.74*	1.49*	1.06	0.79
GDP (YoY%)	1.4	1.7	2.0	2.3	-
PPI (YoY%)	-7.0	-12.5	-7.9	-10.0	-6.9
Money Supply (YoY%)	-62.70	-62.40	-61.50	5.30	5.10
Sov. Rating, Moody's	A3	A3	A3	A3	A3
Sov. Rating, S&P	A-	A-	A-	A-	A-
5Y CDS (bps)	-	86.74*	-	90.64	83.52
FDI (%GDP)	-	-	1.52	-	-



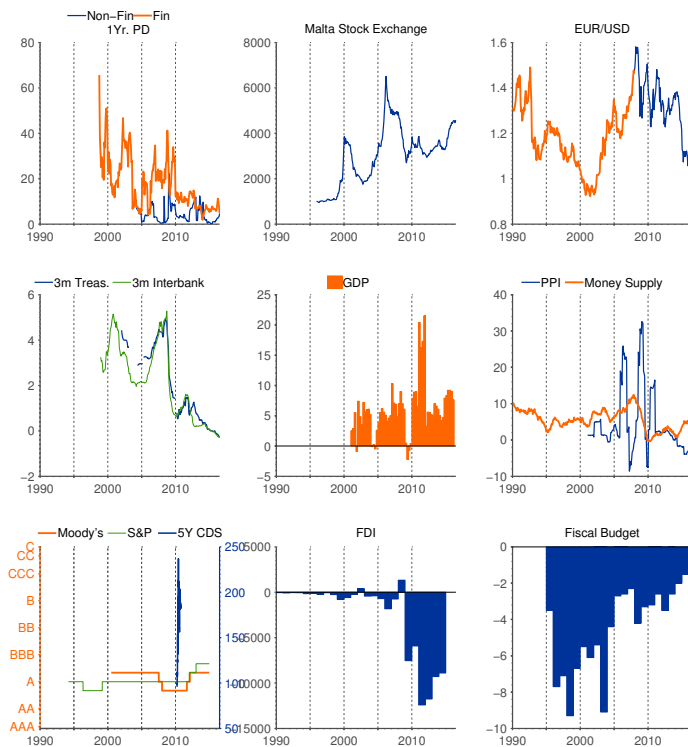
Luxembourg	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	4.43	7.21	5.46	7.64	10.16
1Yr. PD, Fin.	10.03	6.86	7.35	8.52	11.40
LuxX Index	1654	1361	1391	1451	1399
EUR/USD	1.12	1.12	1.09	1.14	1.11
3m Interbank (%)	-0.01	-0.04	-0.13	-0.24	-0.29
GDP (YoY%)	5.5	5.3	3.6	4.4	-
PPI (YoY%)	0.6	-1.6	-3.0	-5.2	-5.3*
Money Supply (YoY%)	4.60	4.50	4.60	5.00	4.90
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
FDI (%GDP)	-	-	42.56	-	-
Fiscal Budget (%GDP)	-	-	1.20	-	-



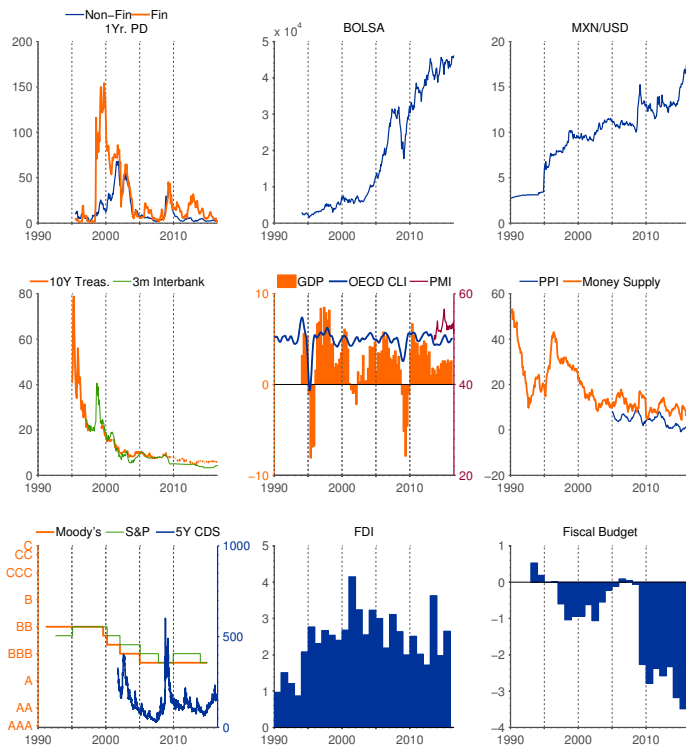
Macedonia	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	15.05	6.64	6.79	5.33	4.88
1Yr. PD, Fin.	31.65	27.14	17.98	12.06	14.58
MBI 10	1641	1704	1833	1781	1707
USD/MKD	55.12	52.61	56.43	54.20	55.24
3m Treas. Yield (%)	-	-	1.35	1.60*	1.60
10Y Treas. Yield (%)	100.56	100.10	100.05	-	-
GDP (YoY%)	-	-	3.7	-	-
Sov. Rating, S&P	BB-	BB-	BB-	BB-	BB-
FDI (%GDP)	-	-	1.91	-	-



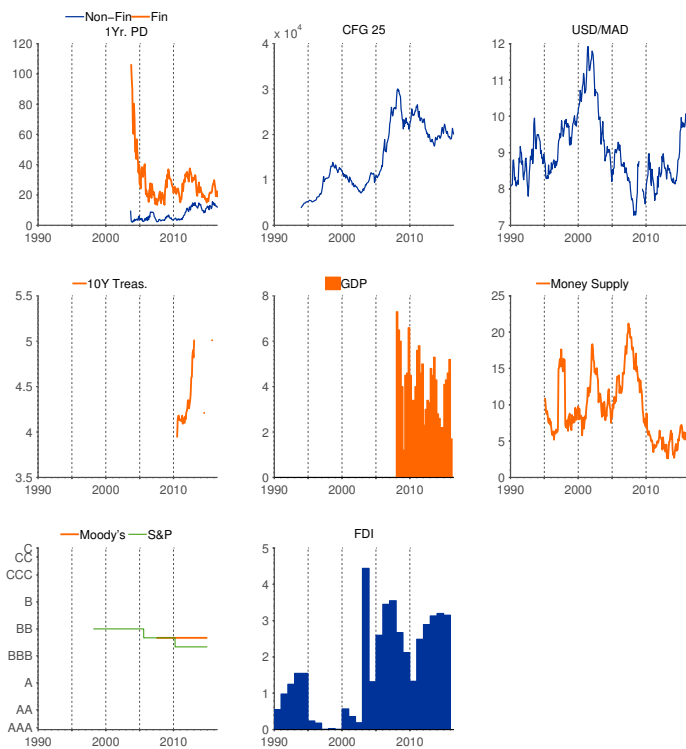
Malaysia	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	14.41	17.20	13.24	15.48	15.96
1Yr. PD, Fin.	14.75	20.17	16.61	13.15	13.68
KLSE Composite	1707	1621	1693	1718	1654
USD/MYR	3.77	4.39	4.29	3.90	4.03
3m Treas. Yield (%)	3.06	3.14	2.74	2.39	2.69
10Y Treas. Yield (%)	4.03	4.15	4.19	3.80	3.74
3m Interbank (%)	3.69	3.74	3.84	3.71	3.65
GDP (YoY%)	4.9	4.7	4.5	4.2	-
Money Supply (YoY%)	5.80	5.20	2.60	0.90	2.20*
Sov. Rating, Moody's	A3	A3	A3	A3	A3
Sov. Rating, S&P	A-	A-	A-	A-	A-
5Y CDS (bps)	137.84	238.82	180.22	153.00	154.51
FDI (%GDP)	-	-	3.70	-	-
Fiscal Budget (%GDP)	-	-	-3.20	-	-



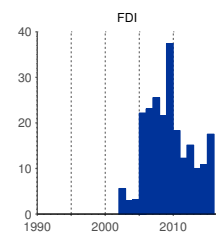
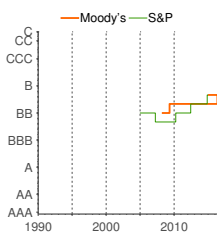
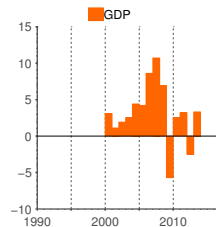
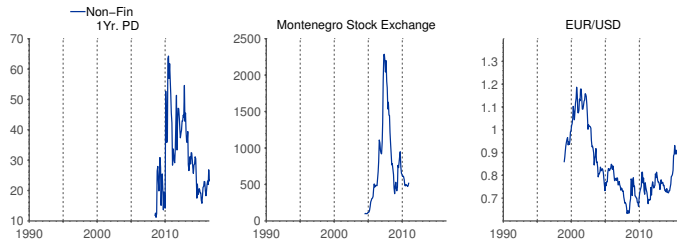
Malta	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	1.08	1.13	1.57	2.56	4.50
1Yr. PD, Fin.	7.38	6.78	5.75	11.23	5.00
Malta Stock Exchange	4091	4334	4431	4563	4561
EUR/USD	1.12	1.12	1.09	1.14	1.11
3m Treas. Yield (%)	-0.00	-0.00	-0.10	-0.14	-0.28
3m Interbank (%)	-0.01	-0.04	-0.13	-0.24	-0.29
GDP (YoY%)	9.2	9.2	9.0	7.6	-
PPI (YoY%)	-3.9	-3.4	-2.9	-3.3	1.0
Money Supply (YoY%)	4.60	4.50	4.60	5.00	4.90
Sov. Rating, Moody's	A3	A3	A3	A3	A3
Sov. Rating, S&P	BBB+	BBB+	BBB+	BBB+	BBB+
Fiscal Budget (%GDP)	-	-	-1.50	-	-



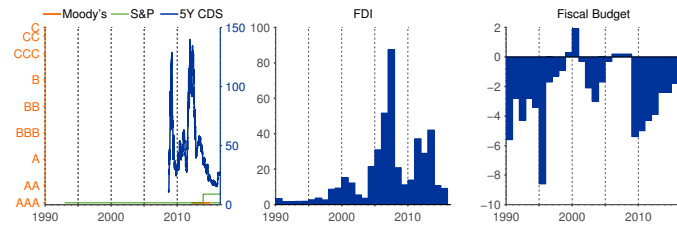
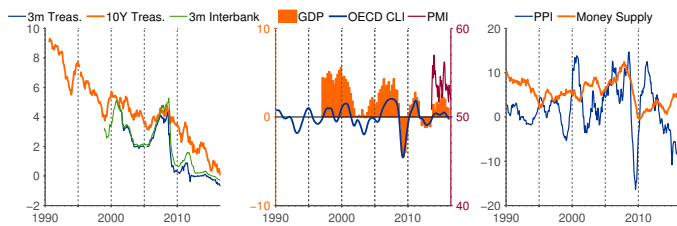
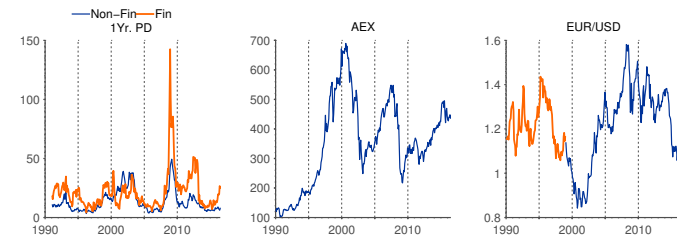
Mexico	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	2.48	3.31	2.66	1.99	2.56
1Yr. PD, Fin.	11.96	6.34	4.21	5.26	1.73
BOLSA	45054	42633	42978	45881	45966
MXN/USD	15.68	16.94	17.39	17.23	18.54
10Y Treas. Yield (%)	6.25	6.07	6.18*	6.03	5.91*
3m Interbank (%)	3.32	3.33	3.59	4.12	4.23
GDP (YoY%)	2.3	2.7	2.4	2.6	-
OECD CLI	99.92	99.24	99.60	100.10	100.08*
PMI	52.0	52.1	52.4	53.2	51.1
PPI (YoY%)	0.7	0.8	1.3	2.9	5.0
Money Supply (YoY%)	9.40	8.80	7.20	7.70	6.70*
Sov. Rating, Moody's	Baa1	Baa1	Baa1	Baa1	Baa1
Sov. Rating, S&P	BBB+	BBB+	BBB+	BBB+	BBB+
5Y CDS (bps)	131.15	175.99	170.13	162.36	159.12
FDI (%GDP)	-	-	2.65	-	-
Fiscal Budget (%GDP)	-	-	-3.49	-	-



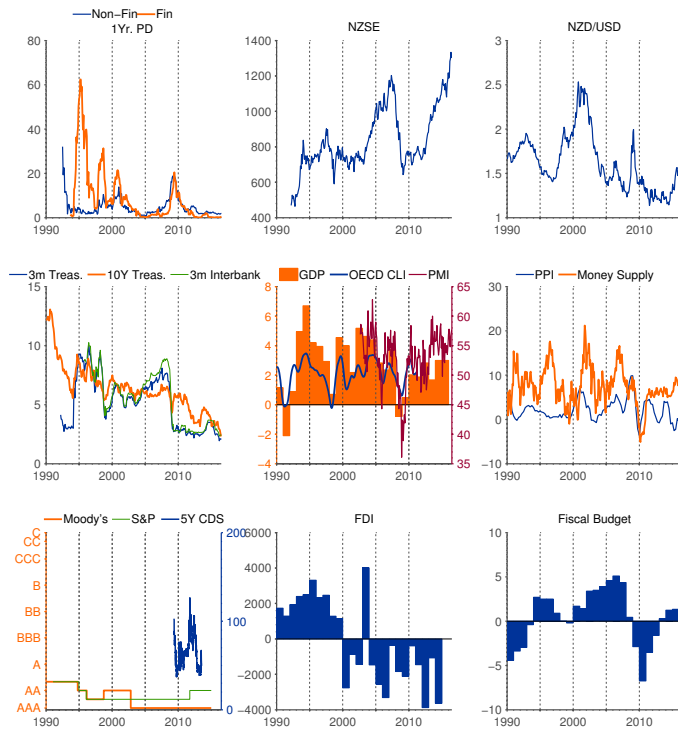
Morocco	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	12.32	15.65	13.22	12.68	12.08
1Yr. PD, Fin.	21.47	25.24	29.88	19.20	19.05
CFG 25	20205	19457	19002	19872	20098
USD/MAD	9.71	9.71	9.89	9.63	9.77
10Y Treas. Yield (%)	-	5.01	-	-	-
GDP (YoY%)	4.3	4.6	5.2	1.7	-
Money Supply (YoY%)	6.19	5.20	5.70	5.50	5.30*
Sov. Rating, Moody's	Ba1	Ba1	Ba1	Ba1	Ba1
Sov. Rating, S&P	BBB-	BBB-	BBB-	BBB-	BBB-
FDI (%GDP)	-	-	3.15	-	-



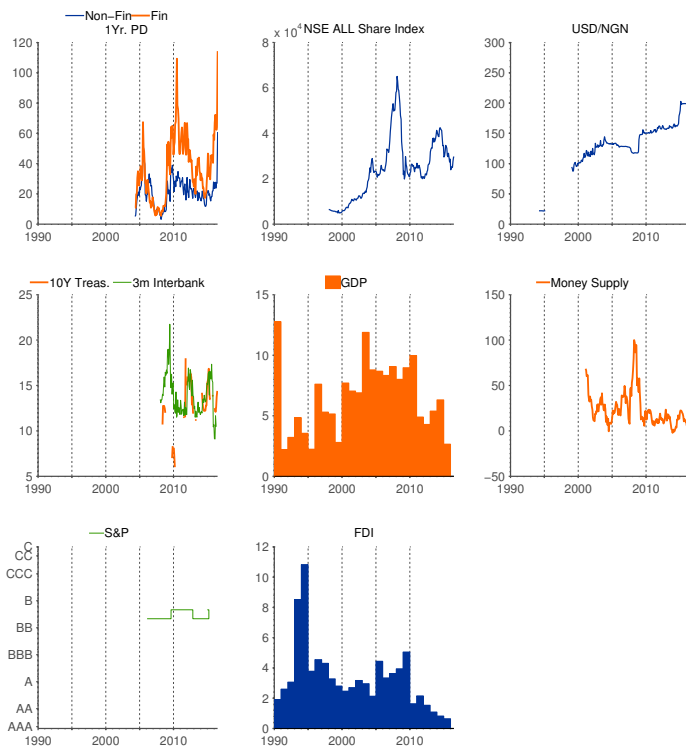
Montenegro	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	18.04	22.99	18.27	23.11	23.14
EUR/USD	0.89	0.89	0.92	0.88	0.90
Sov. Rating, Moody's	B1	B1	B1	B1	B1
Sov. Rating, S&P	B+	B+	B+	B+	B+
FDI (%GDP)	-	-	17.53	-	-



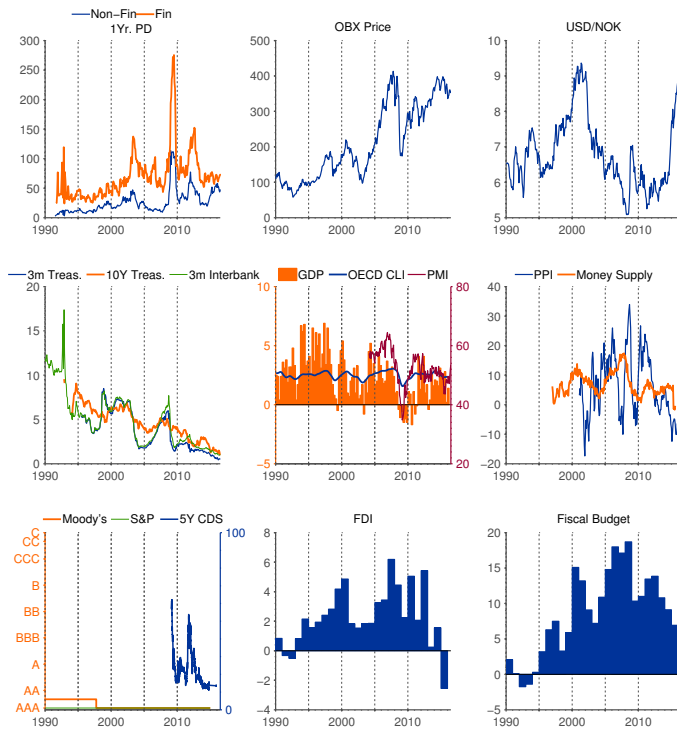
Netherlands	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	6.03	8.28	7.59	7.45	8.04
1Yr. PD, Fin.	14.69	11.19	12.82	19.08	25.19
AEX	473	421	442	440	436
EUR/USD	1.12	1.12	1.09	1.14	1.11
3m Treas. Yield (%)	-0.27	-0.28	-0.50	-0.53	-0.66
10Y Treas. Yield (%)	1.03	0.78	0.79	0.36	0.09
3m Interbank (%)	-0.01	-0.04	-0.13	-0.24	-0.29
GDP (YoY%)	2.2	2.0	1.1	1.0	-
OECD CLI	100.51	100.32	100.02	99.80	99.79*
PMI	56.2	53.0	53.4	53.6	52.0
PPI (YoY%)	-5.6	-8.2	-7.2	-9.5	-8.2*
Money Supply (YoY%)	4.60	4.50	4.60	5.00	4.90
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
5Y CDS (bps)	20.55	17.16	15.88	25.60	26.67
FDI (%GDP)	-	-	9.13	-	-
Fiscal Budget (%GDP)	-	-	-1.80	-	-



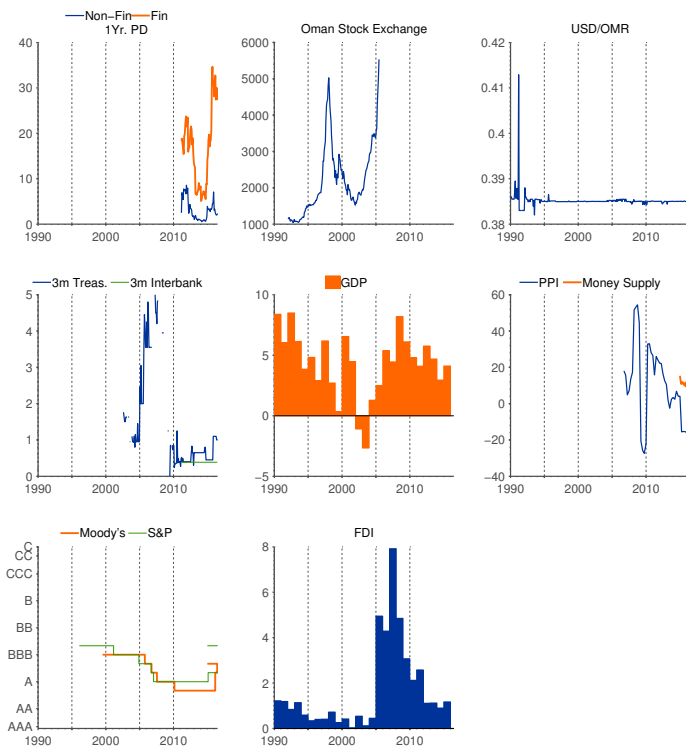
New Zealand	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	2.07	1.80	1.79	1.65	1.93
1Yr. PD, Fin.	0.11	0.21	0.20	0.20	0.54
NZSE	1121	1081	1217	1283	1305
NZD/USD	1.48	1.57	1.46	1.44	1.40
3m Treas. Yield (%)	2.77	2.50	2.50	1.94	2.09
10Y Treas. Yield (%)	3.63	3.28	3.57	2.93	2.35
3m Interbank (%)	3.26	2.84	2.75	2.34	2.42
GDP (YoY%)	-	-	3.0	-	-
PMI	55.4	55.0	56.9	54.8	57.7
PPI (YoY%)	-2.2	0.2	-0.6	0.1	-
Money Supply (YoY%)	9.50	8.50	8.10	7.80	5.90
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AA	AA	AA	AA	AA
Fiscal Budget (%GDP)	-	-	1.35	-	-



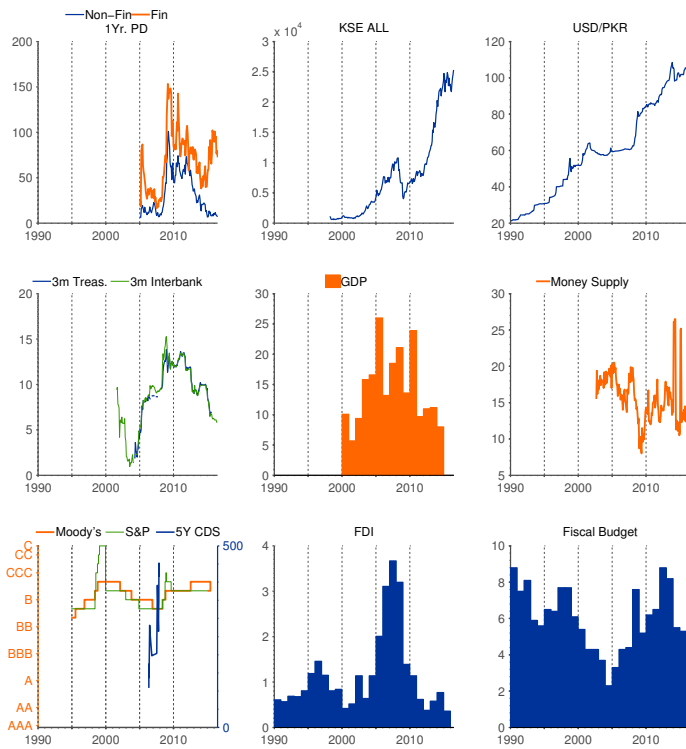
Nigeria	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	15.35	21.75	23.56	23.76	57.10
1Yr. PD, Fin.	37.63	45.66	55.76	64.03	110.37
NSE ALL Share Index	33457	31218	28642	25306	29598
USD/NGN	199.00	199.05	199.20	199.25	281.30
10Y Treas. Yield (%)	13.50	-	13.87*	12.09	14.40
3m Interbank (%)	15.98	15.55	10.68	11.66	10.45*
GDP (YoY%)	-	-	2.6	-	-
Money Supply (YoY%)	16.32	11.32	5.82	6.94	15.28
Sov. Rating, S&P	B+	B+	B+	B+	B+
FDI (%GDP)	-	-	0.64	-	-



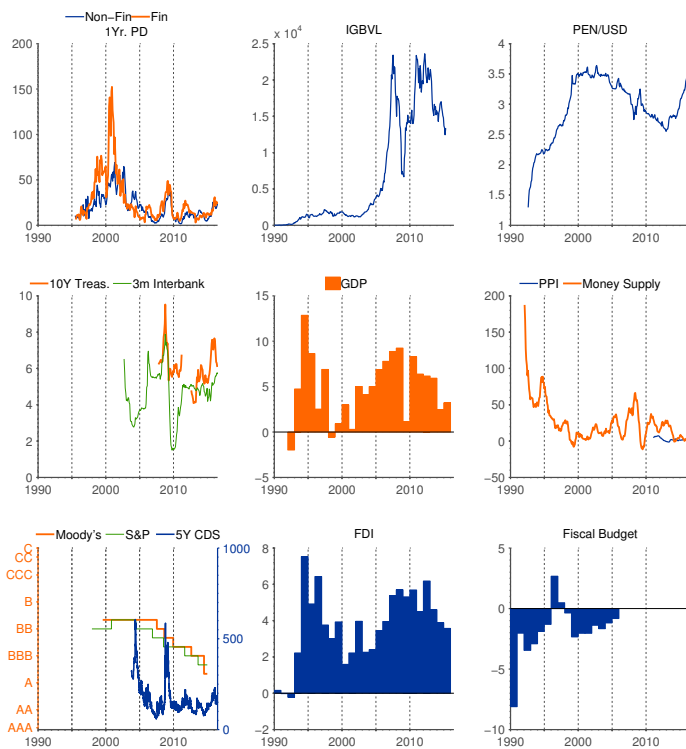
Norway	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	42.52	53.25	51.18	52.06	47.25
1Yr. PD, Fin.	60.56	65.51	70.47	65.85	73.00
OBX Price	386	350	362	346	353
USD/NOK	7.85	8.52	8.84	8.27	8.36
3m Treas. Yield (%)	0.89	0.62	0.57	0.44	0.54
10Y Treas. Yield (%)	1.85	1.47	1.48	1.21	1.01
3m Interbank (%)	1.33	1.12	1.13	1.00	1.01
GDP (YoY%)	1.4	2.8	0.2	1.4	-
OECD CLI	99.33	99.39	99.43	99.42	99.46*
PMI	43.6	47.7	47.3	47.1	53.5
PPI (YoY%)	-4.9	-10.1	-10.8	-14.9	-9.7
Money Supply (YoY%)	-1.70	-0.40*	-	-	-
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
5Y CDS (bps)	-	-	13.41*	-	-
FDI (%GDP)	-	-	-2.56	-	-
Fiscal Budget (%GDP)	-	-	6.94	-	-



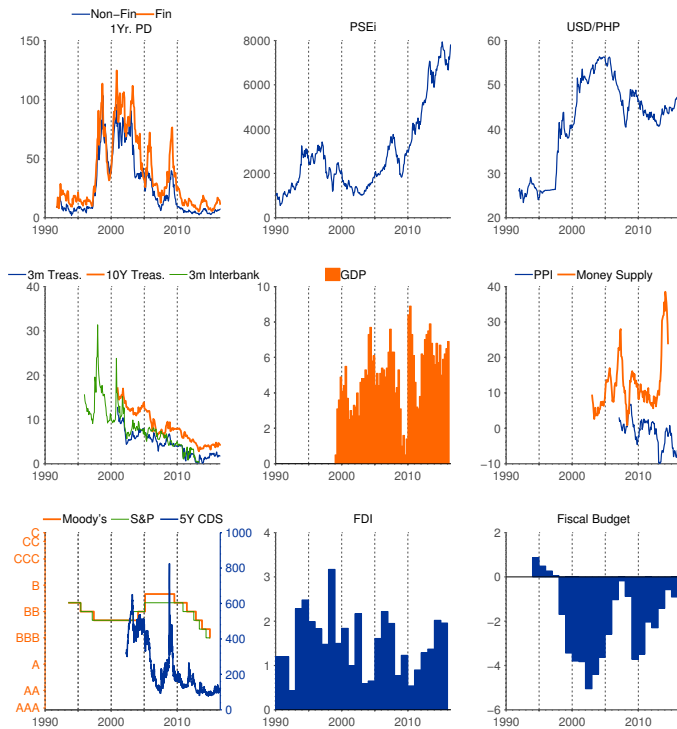
Oman	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	3.39	4.46	3.03	2.15	2.28
1Yr. PD, Fin.	18.44	34.66	28.12	27.40	27.49
USD/OMR	0.39	0.39	0.38	0.39	0.39
3m Treas. Yield (%)	0.45	0.45	1.10	1.10	1.00
3m Interbank (%)	0.39	0.39	0.39	0.39	0.39
GDP (YoY%)	-	-	4.1	-	-
PPI (YoY%)	-15.3	-15.4	-15.9	-	-
Money Supply (YoY%)	11.04	11.09	10.02	7.89	4.62*
Sov. Rating, Moody's	Baa1	Baa1	Baa1	Baa1	Baa1
Sov. Rating, S&P	BBB-	BBB-	BBB-	BBB-	BBB-
FDI (%GDP)	-	-	1.17	-	-



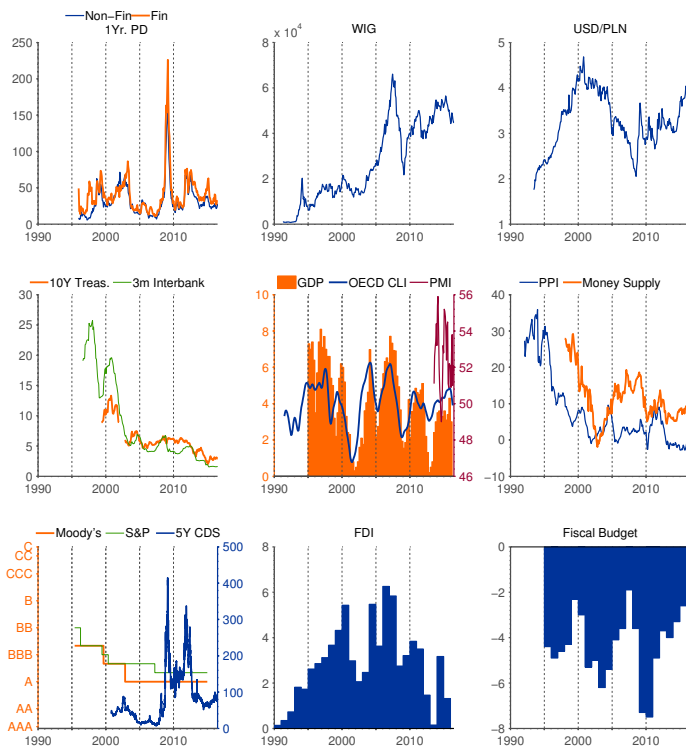
Pakistan	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	8.56	9.46	9.38	9.05	7.40
1Yr. PD, Fin.	71.57	102.11	89.45	95.33	73.67
KSE ALL	24037	22709	22937	22897	25313
USD/PKR	101.78	104.46	104.73	104.71	104.75
3m Treas. Yield (%)	6.94	6.95*	-	-	-
3m Interbank (%)	6.76	6.35	6.24	6.10	5.80
Money Supply (YoY%)	13.20	14.50	13.00	13.50	12.00*
Sov. Rating, Moody's	B3	B3	B3	B3	B3
Sov. Rating, S&P	B-	B-	B-	B-	B-
FDI (%GDP)	-	-	0.36	-	-
Fiscal Budget (%GDP)	-	-	5.30	-	-



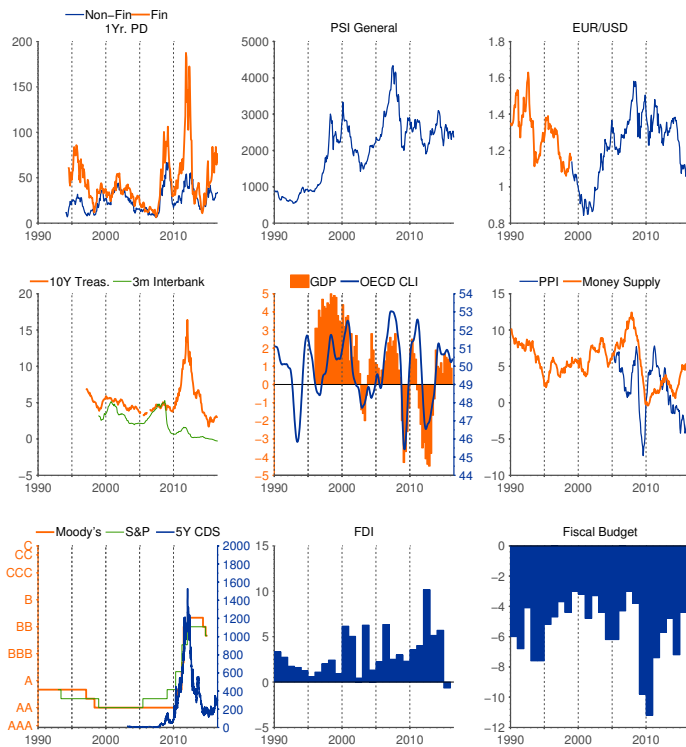
Peru	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	10.63	20.07	20.82	18.43	23.57
1Yr. PD, Fin.	13.14	15.38	29.30	22.68	23.76
IGBVL	13367*	-	-	-	-
PEN/USD	3.18	3.23	3.41	3.31	3.29
10Y Treas. Yield (%)	6.37	7.58	7.31	6.95	6.08
3m Interbank (%)	4.21	5.22	5.16	5.59	5.76
GDP (YoY%)	-	-	3.2	-	-
PPI (YoY%)	2.1	1.9	2.6	1.8	1.0
Money Supply (YoY%)	2.70	1.40	3.40	4.00	8.60
Sov. Rating, Moody's	A3	A3	A3	A3	A3
Sov. Rating, S&P	BBB+	BBB+	BBB+	BBB+	BBB+
5Y CDS (bps)	140.12	195.73	187.66	162.62	138.66
FDI (%GDP)	-	-	3.57	-	-



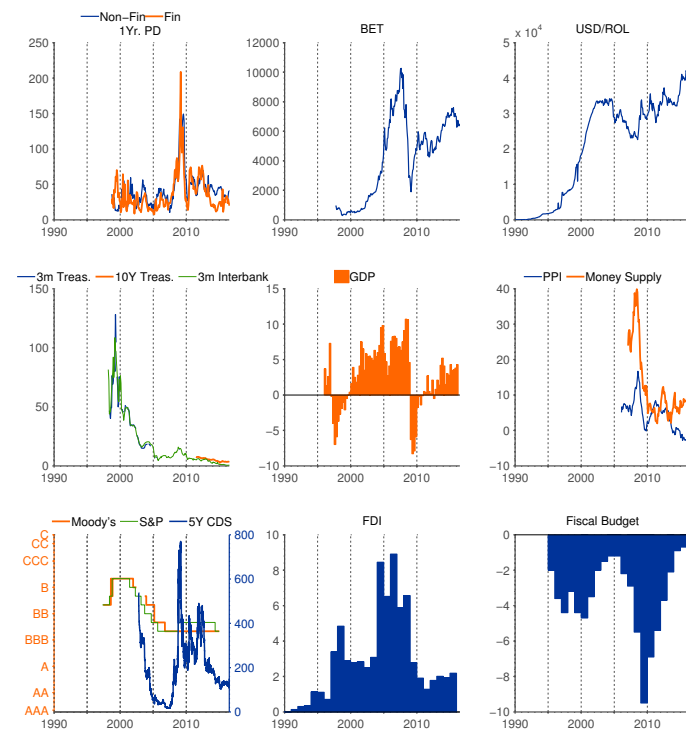
Philippines	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	4.39	6.79	5.43	6.54	7.23
1Yr. PD, Fin.	6.88	10.95	12.37	15.20	11.06
PSEi	7565	6894	6952	7262	7796
USD/PHP	45.11	46.73	46.91	45.97	47.16
3m Treas. Yield (%)	2.08	1.69	2.67	1.76	1.76
10Y Treas. Yield (%)	4.37	3.80	4.10	4.71	4.22
GDP (YoY%)	5.9	6.2	6.5	6.9	-
PPI (YoY%)	-6.3	-8.2	-7.4	-6.3	-3.7*
Sov. Rating, Moody's	Baa2	Baa2	Baa2	Baa2	Baa2
Sov. Rating, S&P	BBB	BBB	BBB	BBB	BBB
5Y CDS (bps)	93.17	134.65	107.67	105.32	114.17
FDI (%GDP)	-	-	1.96	-	-
Fiscal Budget (%GDP)	-	-	-0.91	-	-



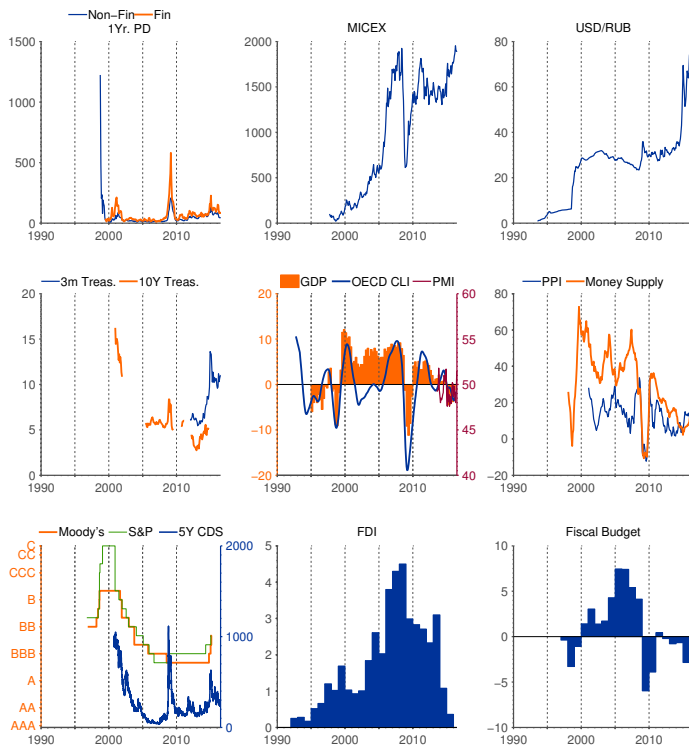
Poland	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	23.74	24.30	23.93	22.20	27.31
1Yr. PD, Fin.	31.11	29.96	31.65	27.59	31.99
WIG	53329	49825	46467	49017	44749
USD/PLN	3.75	3.78	3.91	3.75	3.98
10Y Treas. Yield (%)	3.31	2.84	2.94	2.84	2.91
3m Interbank (%)	1.62	1.63	1.62	1.57	1.61
GDP (YoY%)	3.1	3.4	4.3	3.0	-
OECD CLI	100.73	100.80	100.79	100.16	99.90*
PMI	54.3	50.9	52.1	53.8	51.8
PPI (YoY%)	-1.4	-2.8	-0.8	-1.9	-0.7
Money Supply (YoY%)	8.19	8.29	9.10	9.06	11.39
Sov. Rating, Moody's	A2	A2	A2	A2	A2
Sov. Rating, S&P	A-	A-	A-	A-	A-
5Y CDS (bps)	74.99	79.67	74.17	87.14	85.92
FDI (%GDP)	-	-	1.32	-	-
Fiscal Budget (%GDP)	-	-	-2.60	-	-



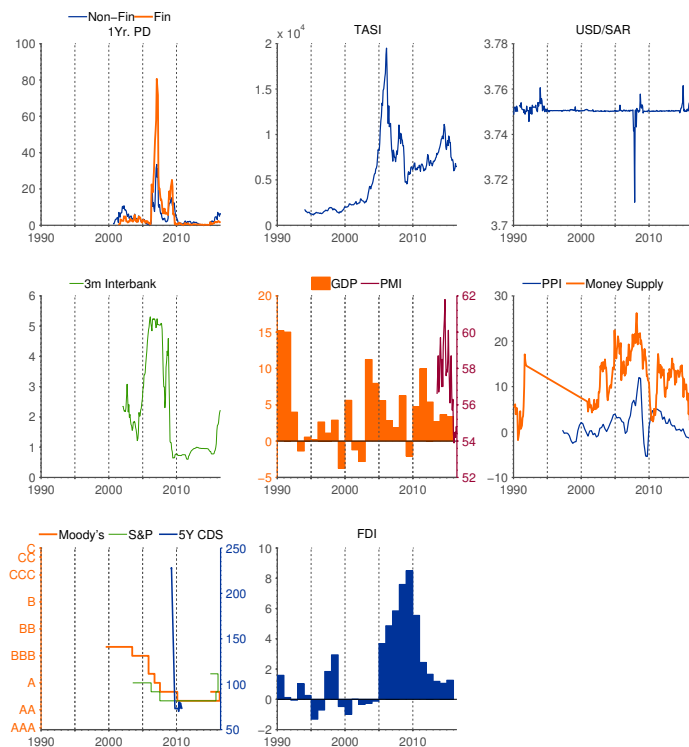
Portugal	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	36.35	30.00	25.35	32.90	33.81
1Yr. PD, Fin.	45.48	84.07	55.56	83.89	67.08
PSI General	2537	2331	2524	2466	2370
EUR/USD	1.12	1.12	1.09	1.14	1.11
10Y Treas. Yield (%)	3.00	2.39	2.52	2.94	3.01
3m Interbank (%)	-0.01	-0.04	-0.13	-0.24	-0.29
GDP (YoY%)	1.5	1.4	1.3	0.9	-
OECD CLI	100.91	100.70	100.26	100.34	100.43*
PPI (YoY%)	-1.9	-4.2	-2.7	-3.9	-3.2
Money Supply (YoY%)	4.60	4.50	4.60	5.00	4.90
Sov. Rating, Moody's	Ba1	Ba1	Ba1	Ba1	Ba1
Sov. Rating, S&P	BB+	BB+	BB+	BB+	BB+
5Y CDS (bps)	195.05	173.17	170.51	264.40	310.71
FDI (%GDP)	-	-	-0.66	-	-
Fiscal Budget (%GDP)	-	-	-4.40	-	-



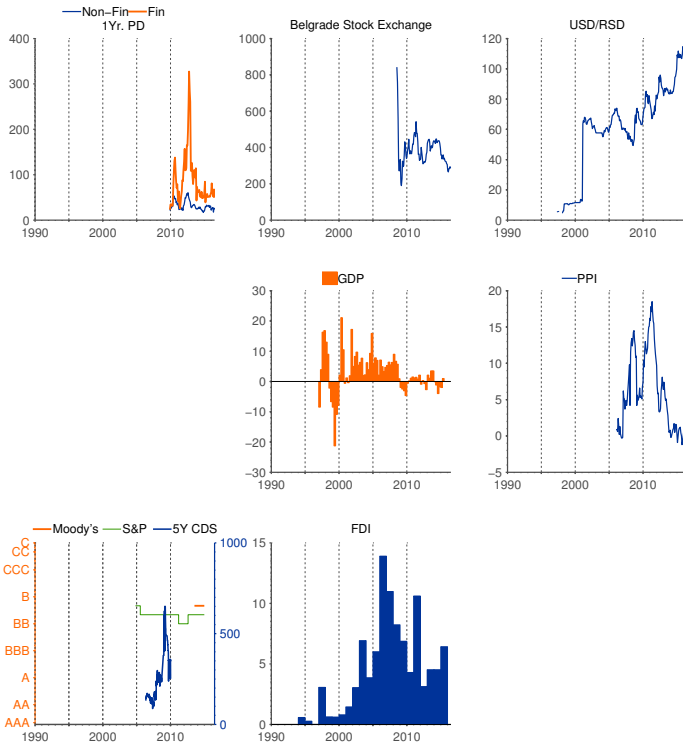
Romania	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	41.14	32.33	29.41	27.82	40.81
1Yr. PD, Fin.	43.28	27.74	30.69	23.61	20.56
BET	7298	6982	7004	6738	6473
USD/ROL	39984.00	39373.00	41488.01	39327.50	40577.50
10Y Treas. Yield (%)	4.18	3.62	3.71	3.32	3.40
3m Interbank (%)	1.12	1.27	0.81	0.57	0.61
GDP (YoY%)	3.4	3.6	3.8	4.3	-
PPI (YoY%)	-1.9	-2.8	-1.7	-3.4	-2.8*
Money Supply (YoY%)	8.91	8.40	9.39	9.94	13.08
Sov. Rating, Moody's	Baa3	Baa3	Baa3	Baa3	Baa3
Sov. Rating, S&P	BBB-	BBB-	BBB-	BBB-	BBB-
5Y CDS (bps)	132.38	135.11	131.19	117.02	150.07
FDI (%GDP)	-	-	2.19	-	-
Fiscal Budget (%GDP)	-	-	-0.70	-	-



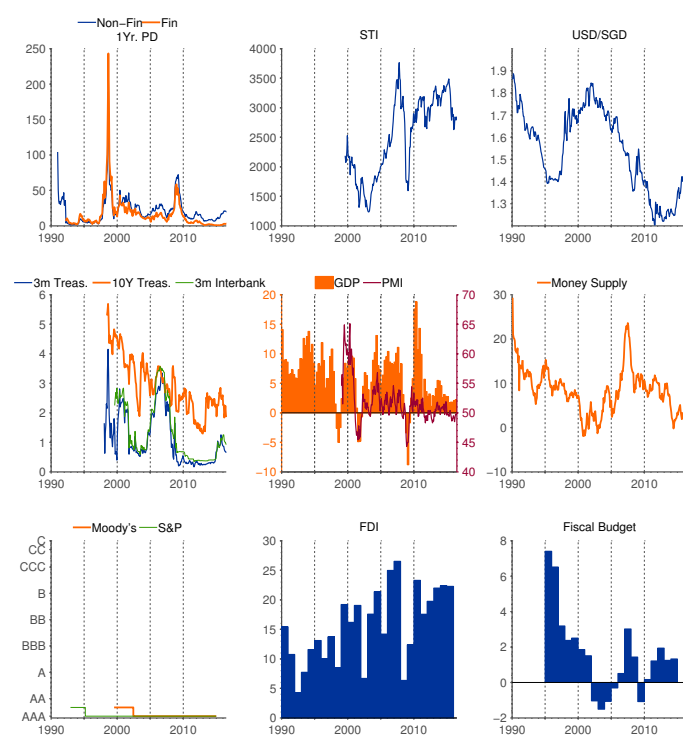
Russia	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	70.82	87.56	75.03	48.29	43.54
1Yr. PD, Fin.	127.58	103.35	114.10	93.10	80.87
MICEX	1655	1643	1761	1871	1891
USD/RUB	55.61	65.48	73.85	67.23	64.16
3m Treas. Yield (%)	10.93	10.53	9.88	11.17	10.99
GDP (YoY%)	-4.5	-3.7	-3.8	-1.2	-
OECD CLI	99.62	98.95	98.27	98.64	99.19*
PMI	48.7	49.1	48.7	48.3	51.5
PPI (YoY%)	13.1	12.7	10.7	0.8	5.1
Money Supply (YoY%)	6.80	7.50	11.50	12.00	12.20*
Sov. Rating, Moody's	Ba1	Ba1	Ba1	Ba1	Ba1
Sov. Rating, S&P	BB+	BB+	BB+	BB+	BB+
5Y CDS (bps)	341.87	361.13	308.97	283.19	232.87
FDI (%GDP)	-	-	0.36	-	-
Fiscal Budget (%GDP)	-	-	-2.85	-	-



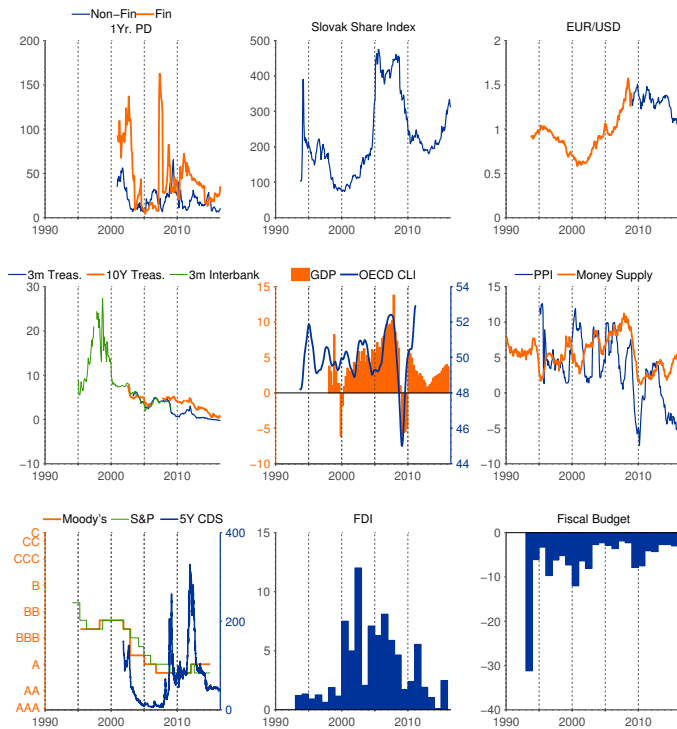
Saudi Arabia	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	1.62	4.59	3.12	5.99	6.20
1Yr. PD, Fin.	1.09	1.80	1.54	2.12	1.56
TASI	9087	7404	6912	6223	6500
USD/SAR	3.75	3.75	3.75	3.75	3.75
3m Interbank (%)	0.78	0.90	1.55	1.80	2.22
GDP (YoY%)	-	-	3.4	-	-
PMI	56.1	56.5	54.4	54.5	54.4
PPI (YoY%)	-1.1	-1.2	-1.4	-	-
Money Supply (YoY%)	10.50	8.50	2.60	-0.40	-2.60
Sov. Rating, Moody's	A1	A1	A1	A1	A1
Sov. Rating, S&P	A-	A-	A-	A-	A-
FDI (%GDP)	-	-	1.26	-	-



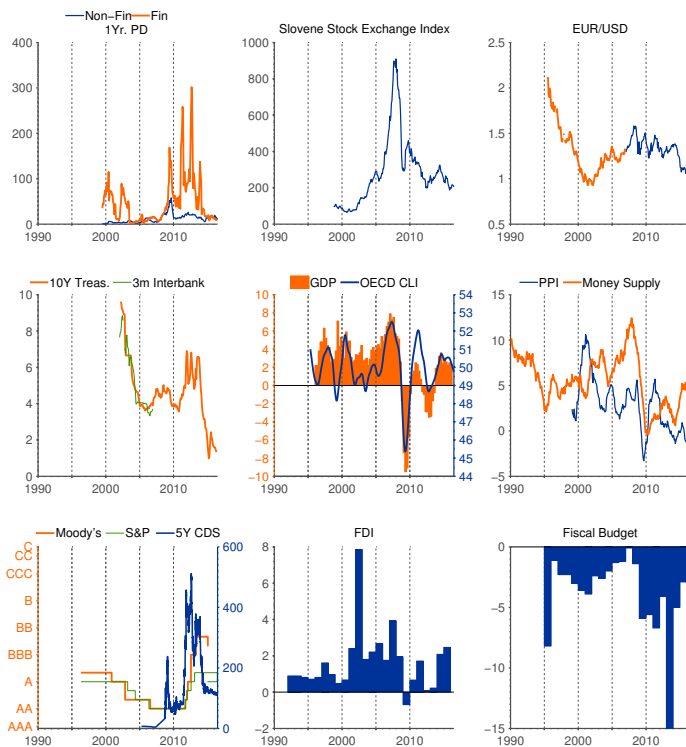
Serbia	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	30.93	28.00	21.95	27.69	24.53
1Yr. PD, Fin.	50.52	52.85	61.40	55.19	50.17
Belgrade Stock Exchange	336	323	306	283	288
USD/RSD	107.59	106.75	111.39	108.07	110.58
GDP (YoY%)	1.0	-	-	-	-
PPI (YoY%)	1.2	-1.2	0.7	-1.5	-1.6
Sov. Rating, Moody's	B1	B1	B1	B1	B1
Sov. Rating, S&P	BB-	BB-	BB-	BB-	BB-
FDI (%GDP)	-	-	6.42	-	-



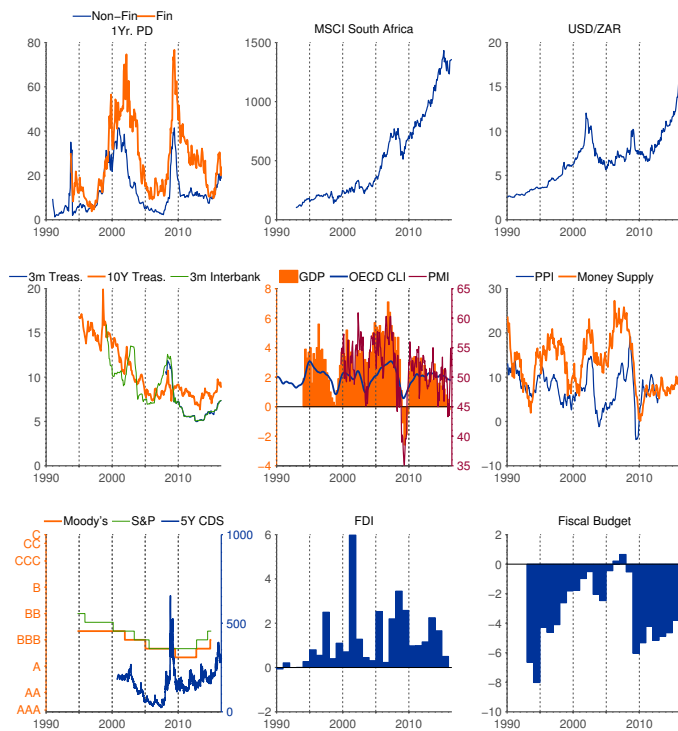
Singapore	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	10.67	17.06	17.43	20.88	19.88
1Yr. PD, Fin.	0.72	1.36	2.04	2.90	3.24
STI	3317	2791	2883	2841	2841
USD/SGD	1.35	1.42	1.42	1.35	1.35
3m Treas. Yield (%)	0.88	1.25	0.89	0.76	0.66
10Y Treas. Yield (%)	2.69	2.54	2.60	1.84	1.91
3m Interbank (%)	0.82	1.14	1.19	1.06	0.93
GDP (YoY%)	1.7	1.8	1.8	2.1	2.2
PMI	50.4	48.6	49.5	49.4	49.6
Money Supply (YoY%)	3.70	3.30	1.70	2.20	4.20
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
FDI (%GDP)	-	-	22.29	-	-



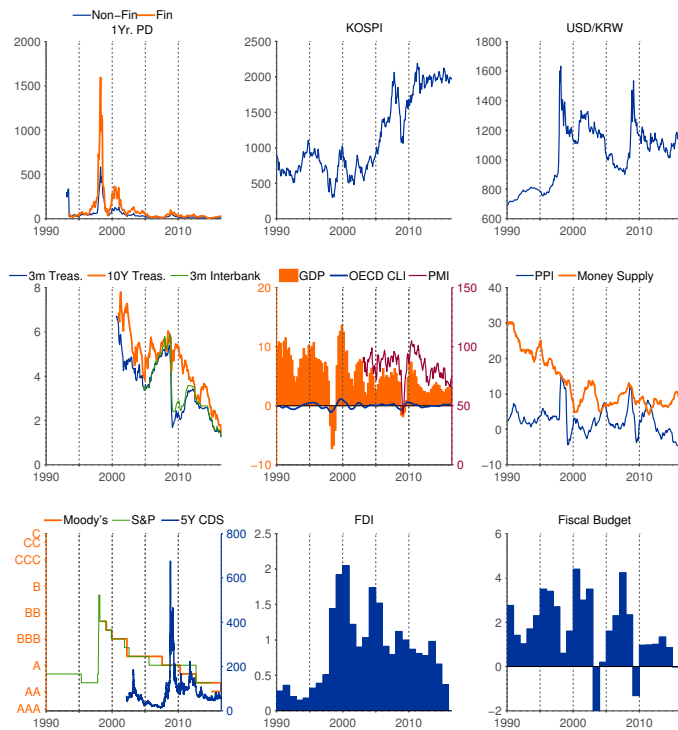
Slovakia	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	11.26	10.55	7.59	6.48	10.73
1Yr. PD, Fin.	19.12	26.80	24.20	26.12	34.65
Slovak Share Index	256	269	292	325	313
EUR/USD	1.12	1.12	1.09	1.14	1.11
3m Treas. Yield (%)	-0.03	-0.07	-0.13	-0.17	-0.20
10Y Treas. Yield (%)	1.33	0.79	0.73	0.36	0.59
GDP (YoY%)	3.5	3.8	4.0	3.7	-
PPI (YoY%)	-4.4	-5.2	-4.5	-6.0	-4.5
Money Supply (YoY%)	4.90	4.80	5.10	5.30	4.80
Sov. Rating, Moody's	A2	A2	A2	A2	A2
Sov. Rating, S&P	A+	A+	A+	A+	A+
5Y CDS (bps)	49.01	50.46	48.49	45.56	43.91
FDI (%GDP)	-	-	2.48	-	-
Fiscal Budget (%GDP)	-	-	-3.00	-	-



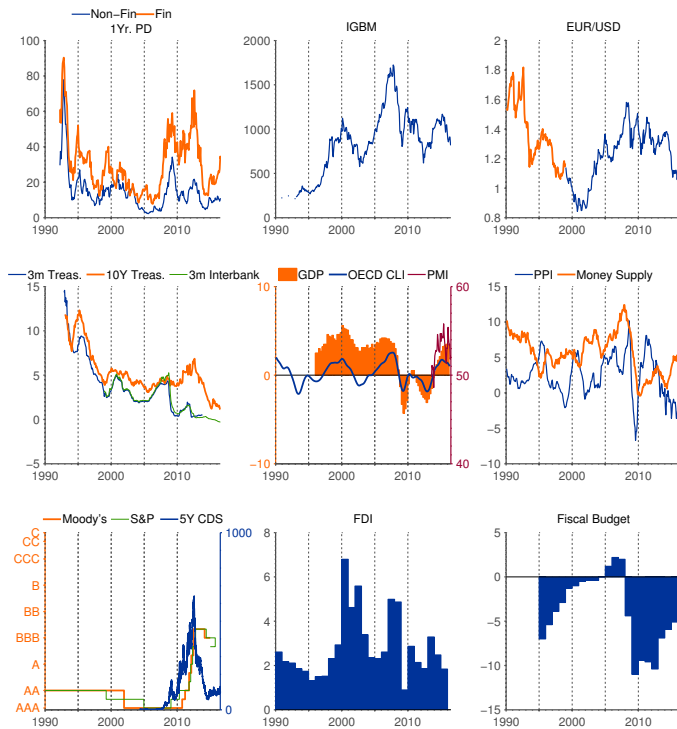
Slovenia	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	17.09	16.61	12.77	15.69	11.64
1Yr. PD, Fin.	18.11	18.07	13.16	8.65	8.42
Slovene Stock Exchange Index	250	214	201	216	210
EUR/USD	1.12	1.12	1.09	1.14	1.11
10Y Treas. Yield (%)	2.13	2.07	1.61	1.48	1.41*
GDP (YoY%)	2.6	2.2	2.5	2.3	-
OECD CLI	100.53	100.54	100.38	100.09	99.74
PPI (YoY%)	0.4	-1.0	-1.4	-2.2	-2.0
Money Supply (YoY%)	4.60	4.50	4.60	5.00	4.90
Sov. Rating, Moody's	Baa3	Baa3	Baa3	Baa3	Baa3
Sov. Rating, S&P	A	A	A	A	A
5Y CDS (bps)	129.21	119.51	113.95	115.22	115.14
FDI (%GDP)	-	-	2.46	-	-
Fiscal Budget (%GDP)	-	-	-2.90	-	-



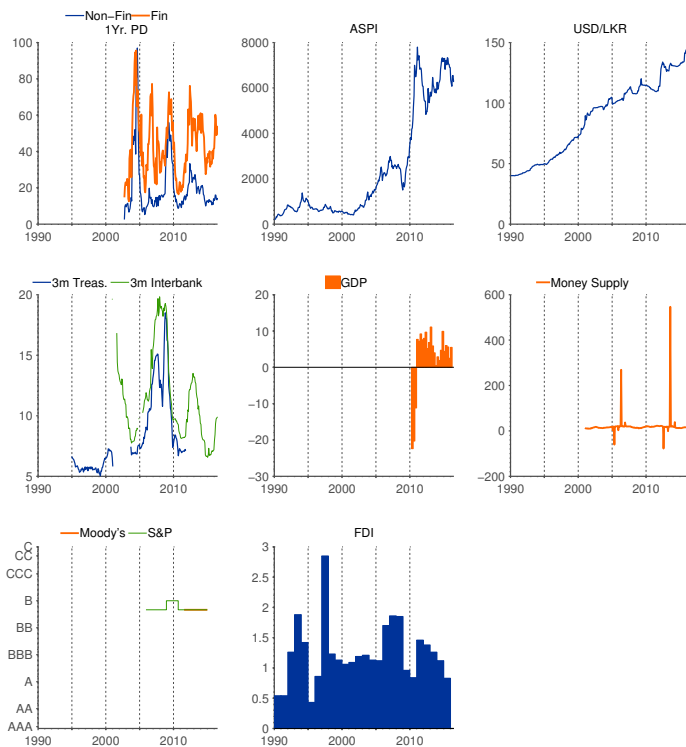
South Africa	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	10.49	15.67	16.34	20.32	18.74
1Yr. PD, Fin.	14.14	21.07	26.45	30.45	23.65
MSCI South Africa	1368	1260	1256	1347	1355
USD/ZAR	12.24	13.83	15.63	14.78	14.80
3m Treas. Yield (%)	6.15	6.29	7.01	7.24	7.35
10Y Treas. Yield (%)	8.23	8.45	9.78	9.18	8.90
3m Interbank (%)	6.14	6.31	6.63	7.23	7.36
GDP (YoY%)	1.2	0.8	0.5	-0.2	-
OECD CLI	100.09	99.74	99.63	99.48	99.43*
PMI	51.5	49.9	45.5	50.5	53.7
Money Supply (YoY%)	8.69	8.47	10.47	8.83	5.88
Sov. Rating, Moody's	Baa2	Baa2	Baa2	Baa2	Baa2
Sov. Rating, S&P	BBB-	BBB-	BBB-	BBB-	BBB-
5Y CDS (bps)	209.39	292.50	335.84	298.90	281.04
FDI (%GDP)	-	-	0.50	-	-
Fiscal Budget (%GDP)	-	-	-3.81	-	-



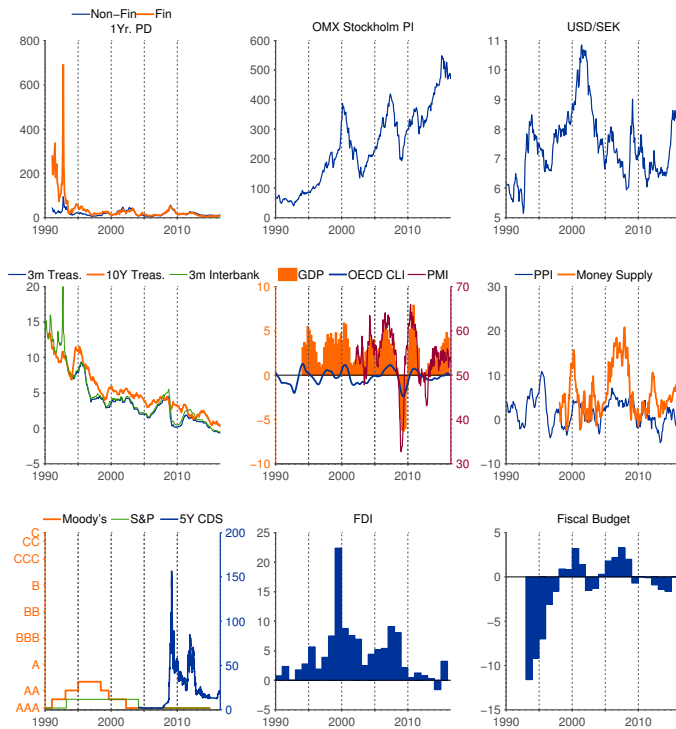
South Korea	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	5.39	8.14	8.86	8.35	7.93
1Yr. PD, Fin.	14.45	18.43	21.91	22.84	25.41
KOSPI	2074	1963	1961	1996	1970
USD/KRW	1115.49	1185.39	1175.06	1143.42	1151.80
3m Treas. Yield (%)	1.57	1.50	1.55	1.50	1.27
10Y Treas. Yield (%)	2.45	2.06	2.09	1.79	1.47
3m Interbank (%)	1.60	1.55	1.66	1.56	1.30
GDP (YoY%)	2.2	2.8	3.1	2.8	3.2
OECD CLI	100.92	100.93	100.99	101.03	101.05*
PMI	76.0	71.0	69.0	66.0	74.0
PPI (YoY%)	-3.6	-4.6	-4.0	-3.3	-2.7
Money Supply (YoY%)	10.50	10.50	8.90	8.60	7.70*
Sov. Rating, Moody's	Aa2	Aa2	Aa2	Aa2	Aa2
Sov. Rating, S&P	AA-	AA-	AA-	AA-	AA-
5Y CDS (bps)	51.40	78.50	56.56	64.00	56.13
FDI (%GDP)	-	-	0.37	-	-
Fiscal Budget (%GDP)	-	-	-0.03	-	-



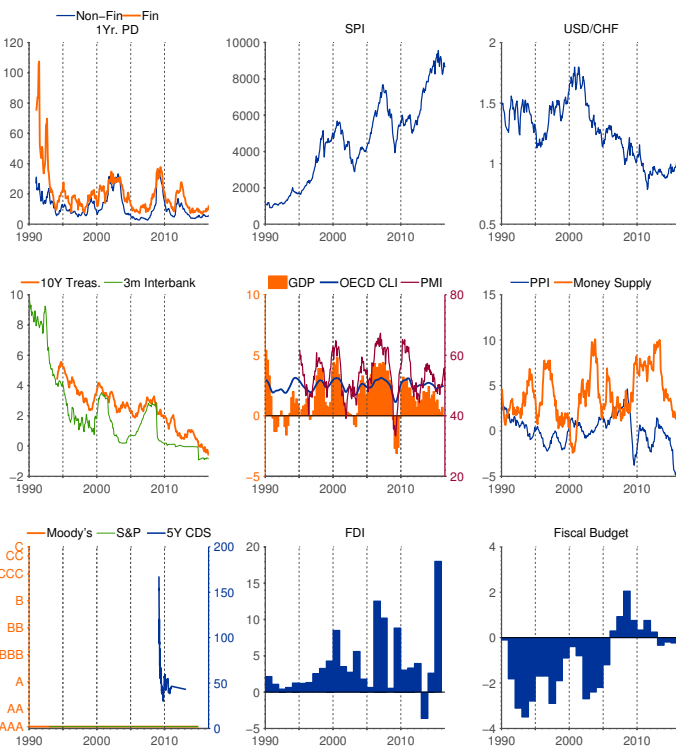
Spain	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	9.69	11.19	10.00	10.51	10.75
1Yr. PD, Fin.	23.56	19.18	22.25	26.31	34.54
IGBM	1093	966	965	880	821
EUR/USD	1.12	1.12	1.09	1.14	1.11
10Y Treas. Yield (%)	2.30	1.89	1.77	1.44	1.16
3m Interbank (%)	-0.01	-0.04	-0.13	-0.24	-0.29
GDP (YoY%)	3.2	3.4	3.5	3.4	-
OECD CLI	101.56	101.46	101.39	101.13	101.01*
PMI	54.5	51.7	53.0	53.4	52.2
PPI (YoY%)	-1.4	-3.6	-2.2	-5.4	-4.7
Money Supply (YoY%)	4.60	4.50	4.60	5.00	4.90
Sov. Rating, Moody's	Baa2	Baa2	Baa2	Baa2	Baa2
Sov. Rating, S&P	BBB+	BBB+	BBB+	BBB+	BBB+
5Y CDS (bps)	109.98	109.25	89.88	94.56	111.30
FDI (%GDP)	-	-	1.84	-	-
Fiscal Budget (%GDP)	-	-	-5.10	-	-



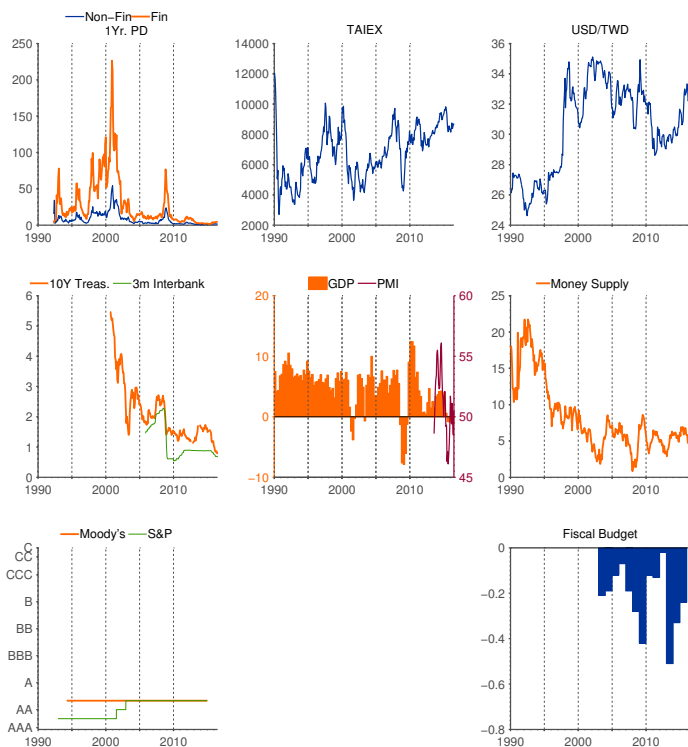
Sri Lanka	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	12.82	11.72	13.05	15.93	14.19
1Yr. PD, Fin.	34.02	40.14	41.76	58.04	53.67
ASPI	7021	7051	6895	6072	6283
USD/LKR	133.85	141.30	144.23	146.75	146.00
3m Interbank (%)	6.75	7.11	7.18	9.33	9.88
GDP (YoY%)	6.0	5.6	2.5	5.5	-
Money Supply (YoY%)	14.40	15.20	17.20	18.40	-
Sov. Rating, Moody's	B1	B1	B1	B1	B1
Sov. Rating, S&P	B+	B+	B+	B+	B+
FDI (%GDP)	-	-	0.83	-	-



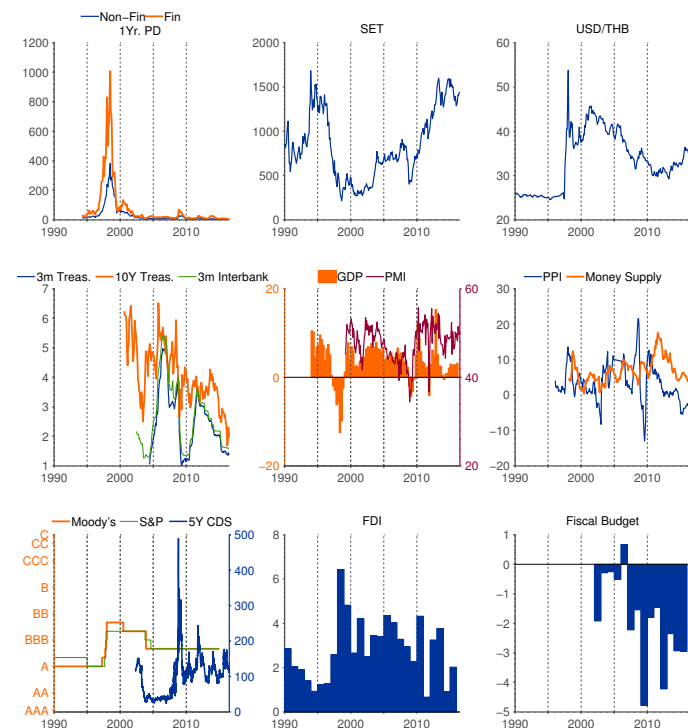
Sweden	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	11.08	10.53	9.45	11.02	11.66
1Yr. PD, Fin.	7.53	8.16	5.67	8.77	10.23
OMX Stockholm PI	505	476	505	483	471
USD/SEK	8.29	8.37	8.44	8.12	8.46
3m Treas. Yield (%)	-0.36	-0.48	-0.45	-0.61	-0.65
10Y Treas. Yield (%)	0.99	0.73	1.00	0.53	0.26
3m Interbank (%)	-0.22	-0.29	-0.29	-0.45	-0.53
GDP (YoY%)	3.6	4.1	4.8	4.2	-
OECD CLI	99.90	100.19	100.44	100.16	100.02*
PMI	52.8	53.3	56.0	53.3	53.0
PPI (YoY%)	0.5	-1.4	-1.9	-3.7	-1.9
Money Supply (YoY%)	6.32	6.34	7.64	8.75	6.79
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
5Y CDS (bps)	-	-	13.31	17.57	21.03*
FDI (%GDP)	-	-	3.22	-	-
Fiscal Budget (%GDP)	-	-	0.00	-	-



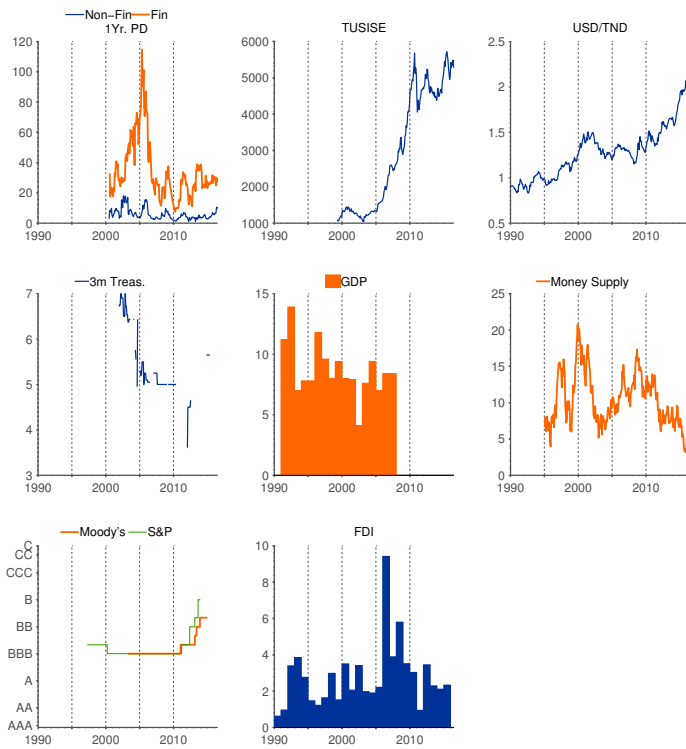
Switzerland	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	4.77	6.39	5.37	5.13	5.77
1Yr. PD, Fin.	6.89	8.60	8.31	8.70	11.99
SPI	8919	8680	9094	8317	8660
USD/CHF	0.94	0.97	1.00	0.96	0.98
10Y Treas. Yield (%)	0.13	-0.12	-0.06	-0.34	-0.57
3m Interbank (%)	-0.85	-0.80	-0.82	-0.79	-0.84
GDP (YoY%)	1.3	0.5	0.3	0.7	-
OECD CLI	99.19	99.42	99.61	99.85	99.92*
PMI	50.2	47.0	50.4	53.2	51.6
PPI (YoY%)	-4.4	-4.8	-3.6	-3.5	-0.6
Money Supply (YoY%)	2.14	1.32	1.67	1.74	2.50
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
FDI (%GDP)	-	-	18.01	-	-
Fiscal Budget (%GDP)	-	-	-0.24	-	-



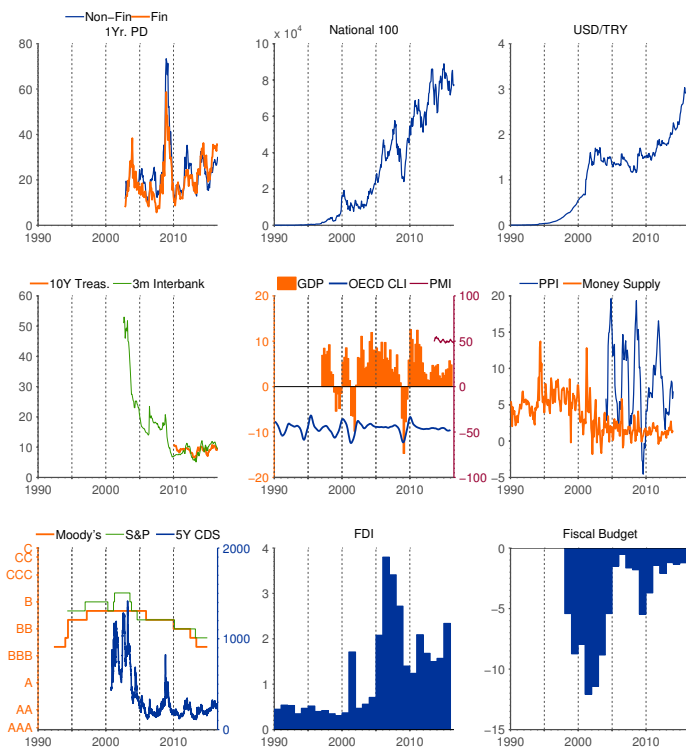
Taiwan	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	0.84	1.60	1.59	1.54	1.38
1Yr. PD, Fin.	1.93	3.80	3.42	4.18	4.62
TAIEX	9323	8181	8338	8745	8667
USD/TWD	30.87	32.99	32.86	32.21	32.26
10Y Treas. Yield (%)	1.52	1.15	1.03	0.84	0.77
3m Interbank (%)	0.87	0.82	0.75	0.69	0.69
GDP (YoY%)	0.6	-0.8	-0.9	-0.7	0.7
PMI	46.3	46.9	51.7	51.1	50.5
Money Supply (YoY%)	6.33	6.78	5.80	4.70	4.66
Sov. Rating, Moody's	Aa3	Aa3	Aa3	Aa3	Aa3
Sov. Rating, S&P	AA-	AA-	AA-	AA-	AA-
Fiscal Budget (%GDP)	-	-	-0.24	-	-



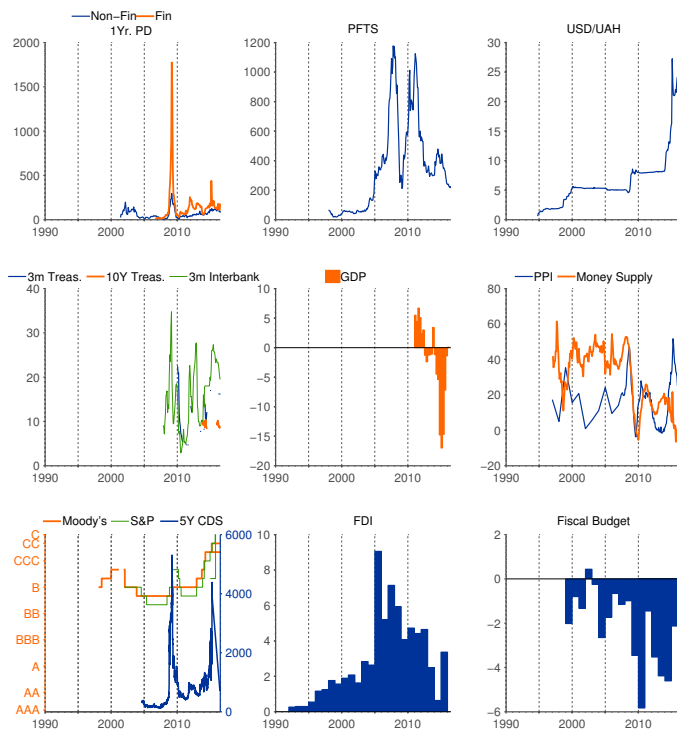
Thailand	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	3.75	4.72	4.48	4.07	3.53
1Yr. PD, Fin.	9.72	10.28	7.42	6.24	7.99
SET	1505	1349	1288	1408	1445
USD/THB	33.80	36.37	36.03	35.13	35.12
3m Treas. Yield (%)	1.48	1.50	1.50	1.38	1.36
10Y Treas. Yield (%)	2.94	2.77	2.50	1.69	1.95
3m Interbank (%)	1.66	1.64	1.63	1.60	1.59
GDP (YoY%)	2.7	2.9	2.8	3.2	-
PMI	49.1	47.3	49.9	51.5	50.4
PPI (YoY%)	-3.7	-3.6	-2.7	-2.4	-1.4
Money Supply (YoY%)	6.09	5.43	4.42	3.75	3.69*
Sov. Rating, Moody's	Baa1	Baa1	Baa1	Baa1	Baa1
Sov. Rating, S&P	BBB+	BBB+	BBB+	BBB+	BBB+
5Y CDS (bps)	105.48	168.00	136.84	131.34	114.50
FDI (%GDP)	-	-	2.02	-	-
Fiscal Budget (%GDP)	-	-	-2.95	-	-



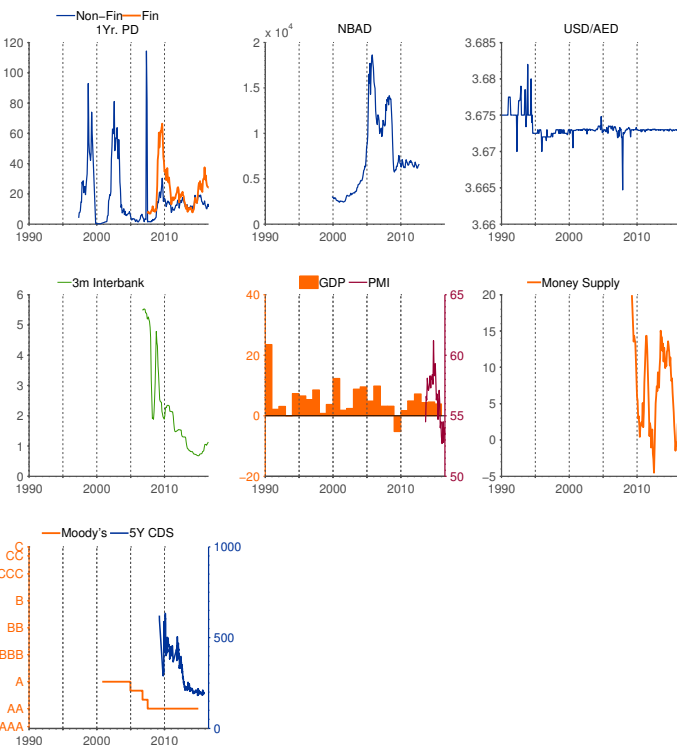
Tunisia	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	3.95	6.91	5.51	6.46	9.85
1Yr. PD, Fin.	27.52	31.65	30.63	24.79	29.43
TUSISE	5719	5275	5042	5421	5290
USD/TND	1.95	1.96	2.03	2.01	2.19
3m Treas. Yield (%)	5.65*	-	-	-	-
Money Supply (YoY%)	5.45	3.42	5.27	5.81	6.79*
Sov. Rating, Moody's	Ba3	Ba3	Ba3	Ba3	Ba3
FDI (%GDP)	-	-	2.33	-	-



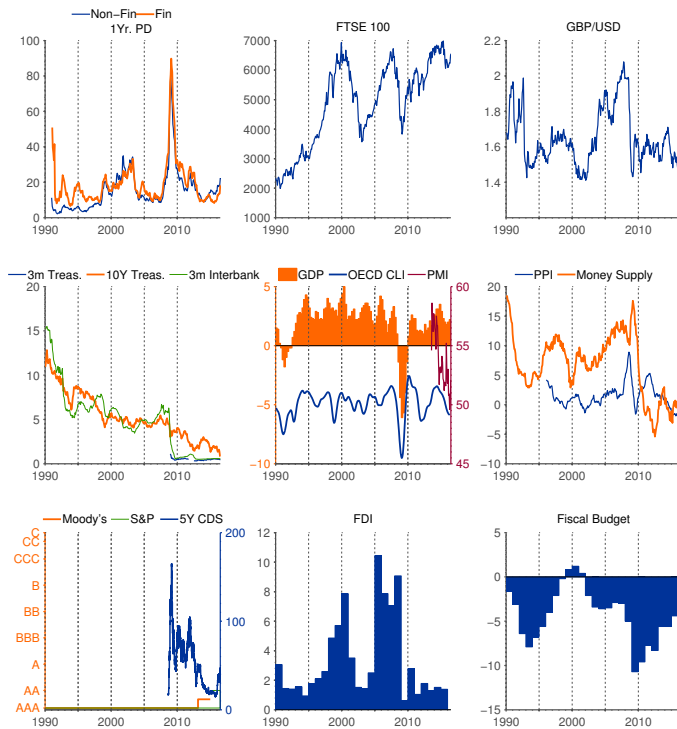
Turkey	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	22.70	23.30	27.75	26.51	29.60
1Yr. PD, Fin.	24.98	30.11	33.91	34.15	35.63
National 100	82250	74205	71727	83268	76817
USD/TRY	2.68	3.03	2.93	2.82	2.88
10Y Treas. Yield (%)	9.18	10.74	10.46	9.71	9.03
3m Interbank (%)	11.08	11.89	11.47	11.07	9.50
GDP (YoY%)	3.7	3.9	5.7	4.8	-
OECD CLI	1.75	1.54	2.21	-	-
PMI	49.0	48.8	52.2	49.2	47.4
Sov. Rating, Moody's	Baa3	Baa3	Baa3	Baa3	Baa3
Sov. Rating, S&P	BB+	BB+	BB+	BB+	BB+
5Y CDS (bps)	225.12	312.40	273.56	254.58	242.87
FDI (%GDP)	-	-	2.34	-	-
Fiscal Budget (%GDP)	-	-	-1.23	-	-



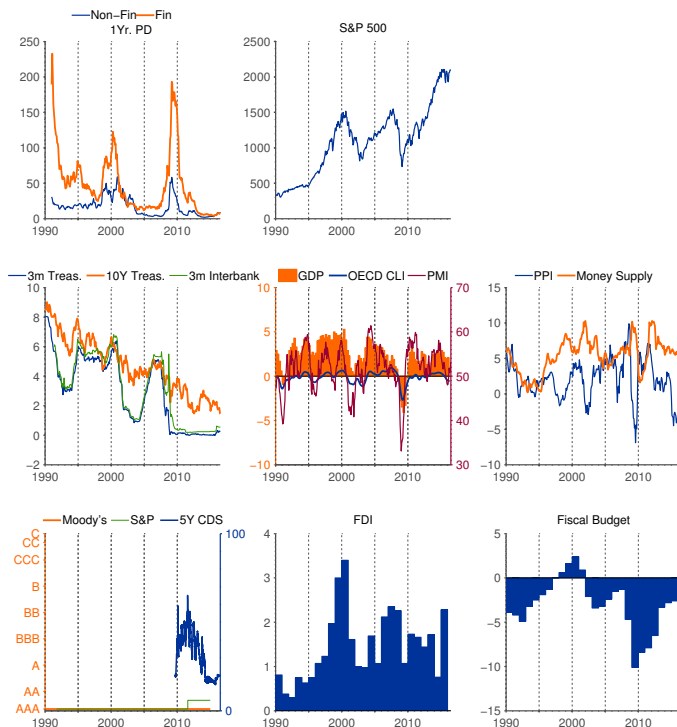
Ukraine	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	105.77	114.15	99.29	175.89	90.91
1Yr. PD, Fin.	212.86	131.21	117.05	146.75	182.44
PFTS	351	301	241	226	223
USD/UAH	21.00	21.55	23.97	26.27	24.82
3m Treas. Yield (%)	-	-	-	-	16.20
10Y Treas. Yield (%)	-	-	9.75	9.54	8.50
3m Interbank (%)	27.33	25.00	23.75	23.00	19.58
GDP (YoY%)	-14.7	-7.2	-1.4	0.1	-
PPI (YoY%)	37.9	32.5	25.4	10.5	15.7
Money Supply (YoY%)	2.80	-5.80	3.90	-1.70	6.20
Sov. Rating, Moody's	Caa3	Caa3	Caa3	Caa3	Caa3
Sov. Rating, S&P	B-	B-	B-	B-	B-
5Y CDS (bps)	3884.57*	-	-	-	761.68
FDI (%GDP)	-	-	3.37	-	-
Fiscal Budget (%GDP)	-	-	-2.13	-	-



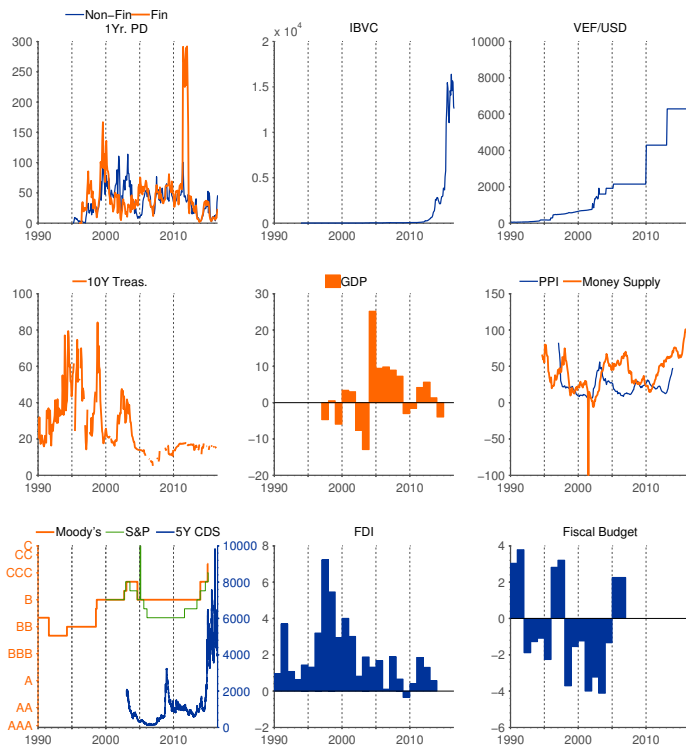
United Arab Emirates	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	15.00	12.96	12.55	10.08	11.65
1Yr. PD, Fin.	23.90	29.95	29.46	25.77	24.07
USD/AED	3.67	3.67	3.67	3.67	3.67
3m Interbank (%)	0.75	0.82	1.05	1.03	1.13
GDP (YoY%)	-	-	3.9	-	-
PMI	54.7	56.0	53.3	54.5	53.4
Money Supply (YoY%)	1.97	-0.35	2.15	2.07	2.03
Sov. Rating, Moody's	Aa2	Aa2	Aa2	Aa2	Aa2
5Y CDS (bps)	191.43	196.94	197.92*	-	-



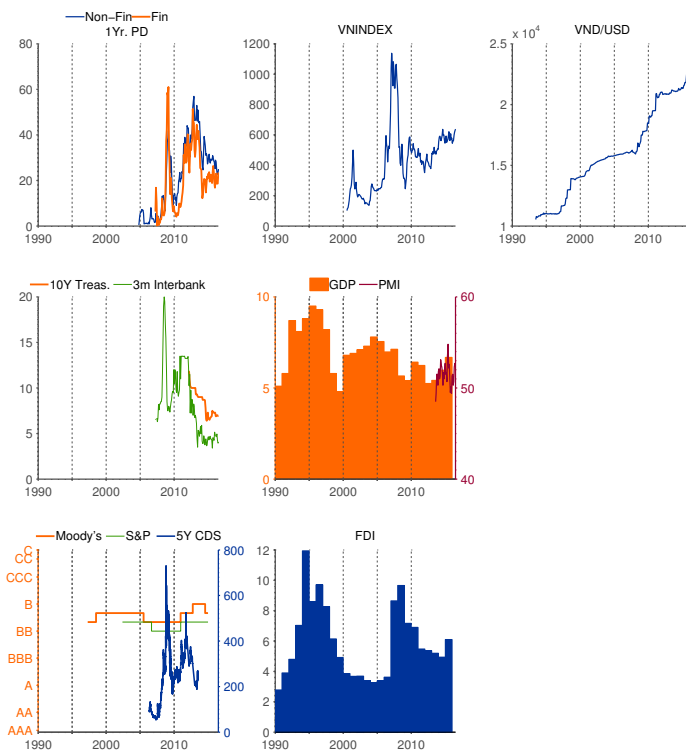
United Kingdom	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	13.28	13.21	14.86	17.50	22.09
1Yr. PD, Fin.	8.90	9.41	10.25	13.34	18.08
FTSE 100	6521	6062	6242	6175	6504
GBP/USD	1.57	1.51	1.47	1.44	1.33
3m Treas. Yield (%)	0.53	0.55	0.55	0.51	0.46
10Y Treas. Yield (%)	2.02	1.76	1.96	1.42	0.87
3m Interbank (%)	0.58	0.58	0.59	0.59	0.56
GDP (YoY%)	2.3	2.0	1.8	2.0	2.2
OECD CLI	100.44	99.86	99.39	99.16	99.12*
PMI	51.2	51.6	51.8	50.9	52.1
PPI (YoY%)	-1.5	-1.8	-1.4	-0.8	-0.4
Money Supply (YoY%)	-0.20	-0.50	0.30	1.60	1.80*
Sov. Rating, Moody's	Aa1	Aa1	Aa1	Aa1	Aa1
Sov. Rating, S&P	AA	AA	AA	AA	AA
5Y CDS (bps)	19.17	15.33	19.11	38.81	43.25
FDI (%GDP)	-	-	1.39	-	-
Fiscal Budget (%GDP)	-	-	-4.40	-	-



United States	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	3.03	5.58	6.59	8.32	8.41
1Yr. PD, Fin.	4.05	5.15	5.82	7.94	7.97
S&P 500	2063	1920	2044	2060	2099
3m Treas. Yield (%)	0.01	-0.02	0.16	0.20	0.26
10Y Treas. Yield (%)	2.35	2.04	2.27	1.77	1.47
3m Interbank (%)	0.26	0.26	0.63	0.57	0.55
GDP (YoY%)	2.7	2.1	2.0	2.1	-
OECD CLI	100.08	99.52	99.09	98.93	98.95*
PMI	53.1	50.0	48.0	51.8	53.2
PPI (YoY%)	-2.6	-4.1	-2.7	-1.9	-2.0
Money Supply (YoY%)	5.60	5.90	5.70	6.20	6.90
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AA+	AA+	AA+	AA+	AA+
5Y CDS (bps)	16.16	15.66	17.56	19.83	19.89*
FDI (%GDP)	-	-	2.28	-	-
Fiscal Budget (%GDP)	-	-	-2.60	-	-



Venezuela	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	8.33	8.89	11.22	13.72	45.15
1Yr. PD, Fin.	4.90	8.09	8.78	11.28	22.93
IBVC	12857	11873	14588	14575	12851
VEF/USD	6292.10	6292.10	6292.10	9987.50	9987.50
10Y Treas. Yield (%)	15.91*	16.09*	15.65	15.49	14.93*
Money Supply (YoY%)	81.10	97.40	97.70	103.40	96.40
Sov. Rating, Moody's	Caa3	Caa3	Caa3	Caa3	Caa3
Sov. Rating, S&P	CCC	CCC	CCC	CCC	CCC
5Y CDS (bps)	4443.90	5715.58	4867.88	5180.28	3892.00



Vietnam	2015			2016	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	29.04	29.99	25.14	25.03	24.41
1Yr. PD, Fin.	21.82	26.35	16.83	18.61	23.28
VNINDEX	593	563	579	561	632
VND/USD	21810.00	22470.00	22475.00	22280.00	22310.00
10Y Treas. Yield (%)	6.85	7.30	7.30	6.90	6.94
3m Interbank (%)	4.40	4.55	5.15	4.65	3.95
GDP (YoY%)	-	-	6.7	-	-
PMI	52.2	49.5	51.3	50.7	52.6
Sov. Rating, Moody's	B1	B1	B1	B1	B1
Sov. Rating, S&P	BB-	BB-	BB-	BB-	BB-
FDI (%GDP)	-	-	6.10	-	-

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 during July 2016 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 Bubbill 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 and the US 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-CRI'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-CRI uses this data to compute issuer-weighted 1-year average default rates (ADR) for each ratings cohort, using ratings data from 2006-2015.

PDiR	Upper bound (bps)
AAA	0.16
AA	2.39
A	9.28
BBB	35.95
BB	139
B	539
CCC/C	–

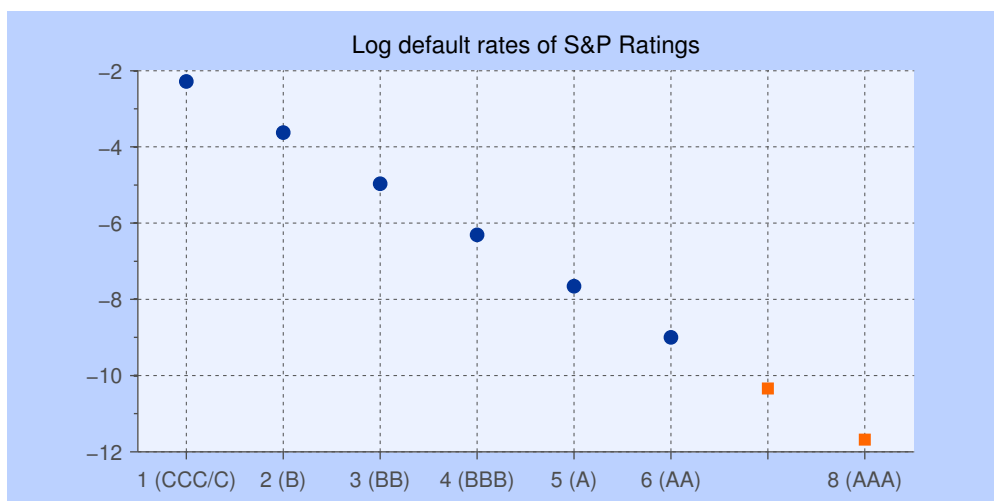
Computing the boundaries between different PDiR classes: The blue circles in the graph below indicate the logarithm of the observed ADR for firms rated by S&P with ratings from AA down to CCC/C.

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. 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 orange squares. However, taking the default rate based on the first extrapolated orange square 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 orange square.



[†]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 119 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>

Usage, redistribution and publication of data

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