
Quarterly Credit Report

Q3/2016

Volume 6, No 2



Introduction

The Quarterly Credit Report (QCR) is an analysis of credit outlooks across regions, economies and sectors. This analysis incorporates probabilities of default (PD) generated by the Risk Management Institute - 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 2 covers the third 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 September 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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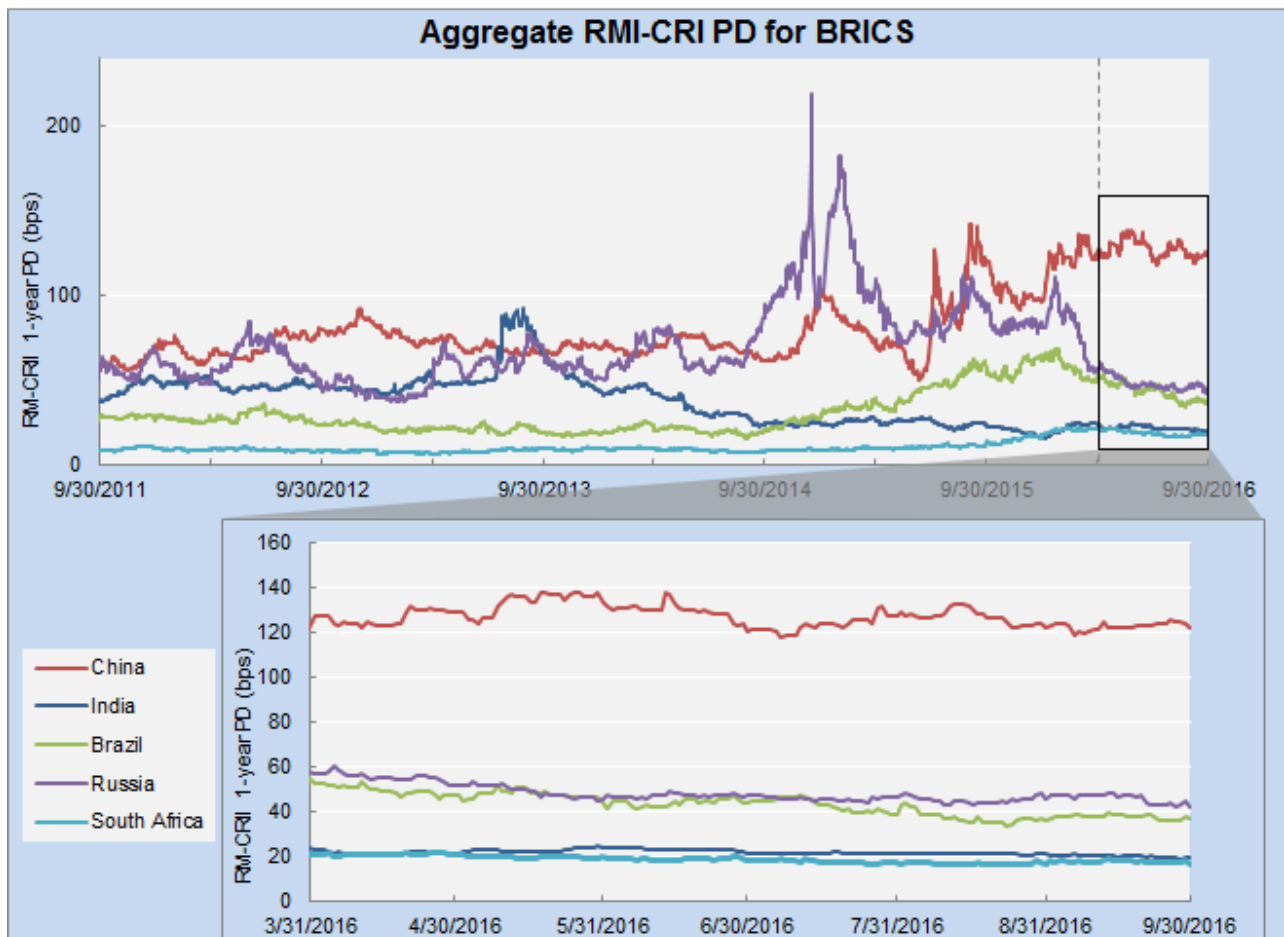
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Acronyms

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

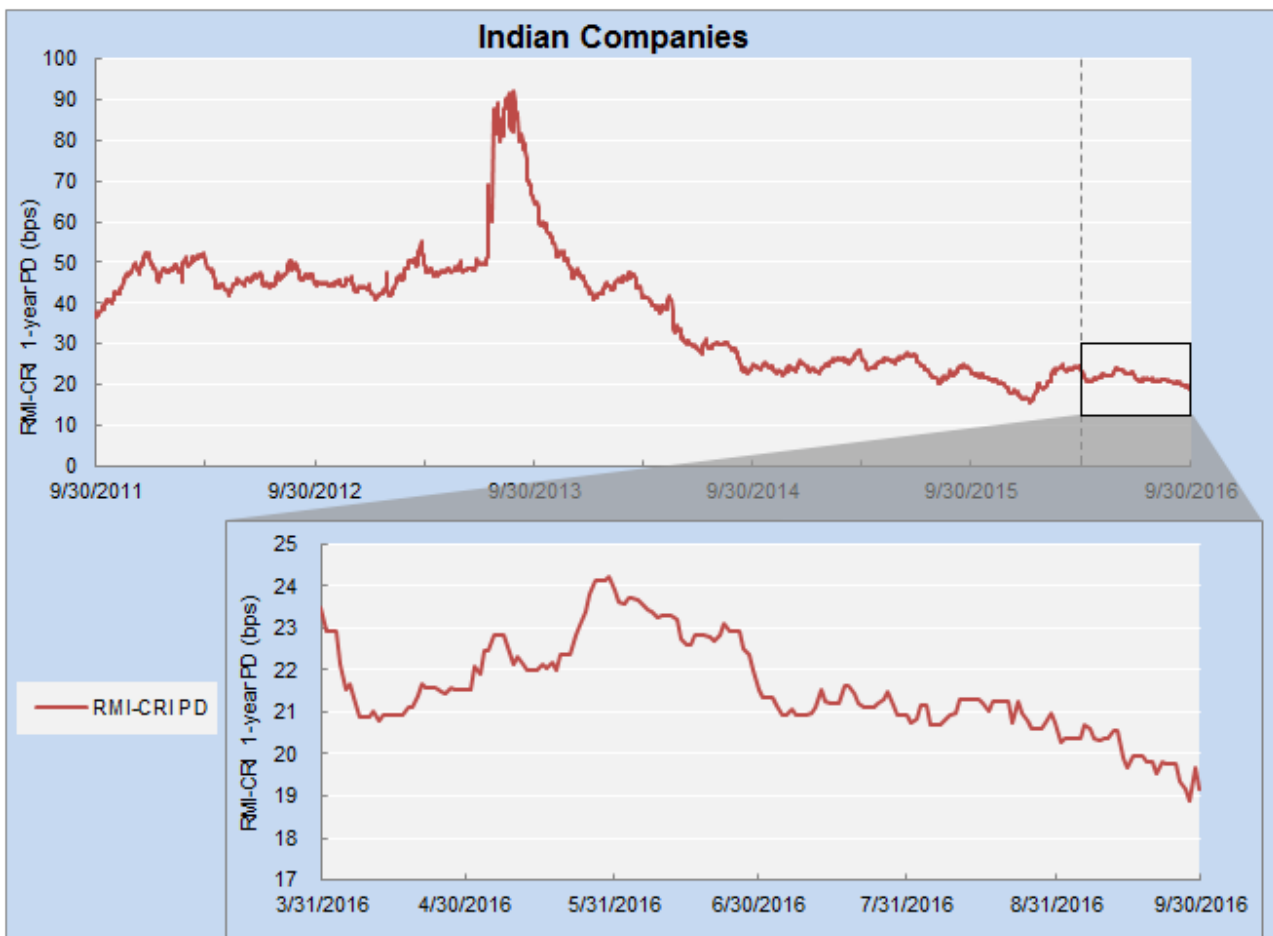
BRICS

Listed companies in the BRICS region witnessed an improvement to their aggregate credit profiles during Q3. The market capitalization values of Chinese firms increased as major macroeconomic issues from the start of the year dissipated. The credit profiles of Chinese firms have improved in tandem with the gains in market values. Shares of Chinese property firms recorded significant gains as the market appears to be acknowledging the government's effort to achieve a dual mandate of stable growth with bottom-up restructuring. In Brazil, a stronger currency and steeper bond yield curve kept in step with a higher stock index value as the Chamber of Deputies approved the proposed amendment to the Constitution establishing a ceiling for public spending. During the third quarter, the drop in aggregate 1-year PD for India came on the back of rising foreign inflows amid mixed macroeconomic signals for growth, inflation and regulatory reform. The most significant event was the approval of the GST bill, the country's biggest tax reform that aims to harmonize various state and central levies into a single national sales tax, so as to increase ease of doing business and boost economic growth.



Indian Companies

The aggregate 1-year RMI PD for Indian companies continued to improve during the third quarter. Economic activity picked up in India with growth seen in the manufacturing, utilities and hotels sectors. Private consumption was the main growth engine, as a normal monsoon season and public pay hikes acted as tailwinds for households. Government expenditure expanded by 15.3% YoY while fixed investment contracted sharply, resulting in the worst result since 2012. Overall, strong economic data suggest that the economy is on a solid footing, driven by increasing private consumption. Against this backdrop, the credit outlook for Indian companies is positive as bottom lines and credit profiles should continue to improve.



Economy

- India's real Gross Domestic Product for Q2 grew at an annual rate of 7.1% against a 7.5% expansion in the same quarter last year. Sectors which grew by over 7% include manufacturing, utilities and hotels. The agriculture, forestry and fishing sector expanded by a slower pace at 1.8% vs. 2.6% last year. The mining sector however, declined by 0.4% compared with a growth of 8.5% in the same period last year. The World Bank estimates that GDP will remain strong at 7.6% in 2016 and 7.7% in 2017.^{1,2}
- Industrial production continued an uptrend trend in Q3 as the Nikkei India Manufacturing PMI increased from 51.7 in June to 52.1 in September. The PMI climbed further to 54.4 in October backed up by higher new orders and inventory purchases. According to the survey, consumer good companies outperformed intermediate and investment goods peers. Manufacturers witnessed higher purchase costs but passed on the cost burdens to consumers by selling higher prices.³

- The annual rate of inflation, based on monthly wholesale price index, stood at an annual rate of 3.57% for the month of September as compared to 2.12% in June. The wholesale price index has been increasing since August 2015 in tandem with lower interest rates. Sugar prices were higher by 32% YoY in September while food products in general have risen 11.21% from a year ago.⁴
- India's current account deficit (CAD) narrowed sharply to USD 0.3bn (0.1% of GDP) in Q2 from USD 6.1bn (1.2% of GDP) in the same quarter last year. As of Q2, the current account balance has increased to the highest level since 2005. The lower CAD was a result of lower trade deficit as imports declined sharply by 11.5% in Q2 while exports dropped by 2.1%. India's foreign exchange reserves went up to USD 371bn in Q3 from USD 360bn in Q2. Most of the reserves were invested in foreign currencies with 6% of reserves invested in gold.⁵
- During Q3, the Indian Rupee (INR) strengthened by 1.35% against the US dollar. US interest rates are expected to rise given that the US economy has continued to show signs of strength. According to the latest Fed meeting minutes, the US central bank may raise rates in Q4. Meanwhile, the INR strength likely resulted from higher foreign portfolio inflows into India during Q3 as debt and equity markets increased to USD 6.8bn from USD 1.5bn in Q2.⁶

Monetary

- During the bi-monthly monetary policy on October 4, 2016, the RBI decreased the policy rate (repo rate) by 25 basis points to 6.25%. At the same time, the reverse repo rate under the liquidity adjustment facility was revised to 5.75% and the Bank Rate was cut to 6.75%.⁷
- In the statement to the press, the central bank expressed concern about slower economic activity. With lower inflation rates of 4.31% in September, the RBI felt that a rate cut was needed to increase price levels. The central bank aims to achieve a consumer price index (CPI) inflation target of 5 per cent by the end of March 2017.⁸
- RBI expects inflation to improve moving forward, as food prices could rise with improved agricultural yield and higher rural demand during the monsoon season. The government's decision to raise public sector salaries by 24% could also fuel inflation levels.⁹

Funding & Liquidity

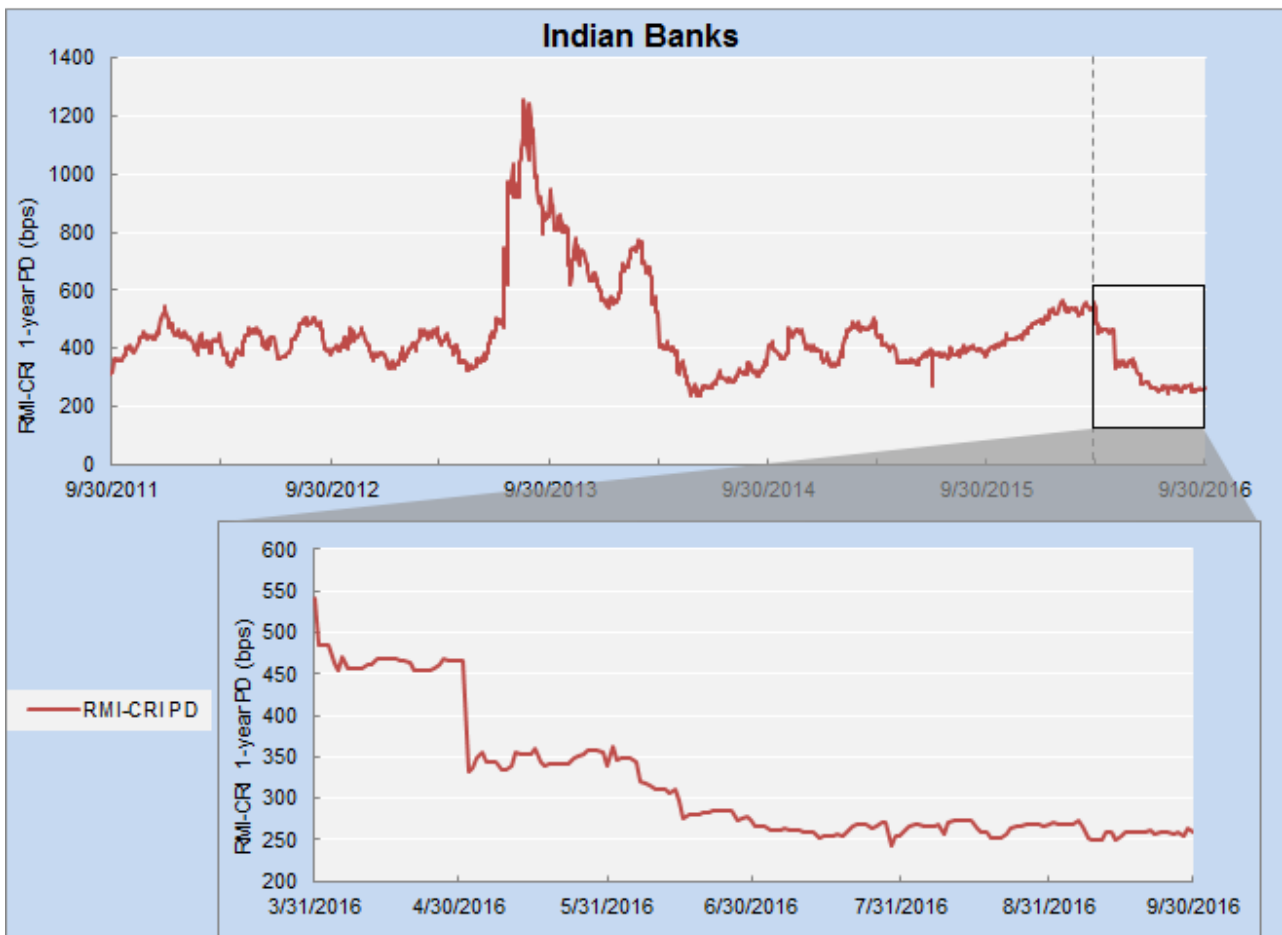
- Yields on India's 10-year government sovereign bonds declined from 7.45% as of Jun 30, 2016 to 6.817% as of Sep 30, 2016 aided by a declining inflation trajectory and also due to tailwind from a significant drop in global commodity prices. India imports close to 80% of its oil requirement and the country's trade balance has benefited immensely from falling energy prices.
- Foreign demand for Indian sovereign notes declined during Q3 as global risk aversion dampened the appetite for investing in long term Indian government bonds. The amount of bids at the bond auctions were dismal with expectations of further US interest rate hikes, stronger oil prices and worries over the UK and European economies.¹⁰

Sovereign Credit Ratings

- Moody’s, Fitch and S&P kept their ratings on the sovereign bonds of India at Baa3, BBB- and BBB- respectively in Q3. Moody’s has a positive outlook on the issuer while Fitch and S&P have stable outlooks on the country.
- S&P said that a rating upgrade could be warranted if India’s government reforms markedly improved its fiscal accounts, and if the net level of government debt falls to below 60% of GDP. The rating agency forecasts a GDP growth rate of 7.9% in 2016 and 8% in the following two years.¹¹

Indian Banks

The aggregate 1-year RMI PD for Indian banks remained stable from June to September 2016. Banks reported lower earnings from a year ago but higher earnings compared to the second quarter. Most of the gains were recorded by private sector banks while public sector lenders witnessed overall losses. Profits were hindered by the continued rise in bad loans as the amount of bad loans rose to thrice its value over the past year. Non-performing loans however, have been on a downtrend. The flood of low-cost deposits following the demonetization exercise has helped to bring down their loan rates and encourage banks to lend.



Profitability

- Many Indian state-owned banks witnessed asset quality pressures in Q3, which has impacted their profitability and loan growth. However, other banks such as Yes Bank, Kotak Mahindra Bank, IndusInd Bank and HDFC Bank reported growth in their respective net profits, in the range of 20-31% over the year-ago period.¹²

- Non-financial borrowings fell by 0.63% to INR 2.94tn at the end of September from INR 2.96tn in Q2 (Jun 30, 2016). Other liabilities such as time deposits with non-financial institutions decreased to INR 4.59tn in Q3 from INR 4.82tn in Q2.¹³
- The Credit-Deposit ratio for the banking system declined from 75.61% on Jun 24, 2016 to 74.14% on Sep 30, 2016. This was due to a large increase in aggregate deposits from INR 95tn to INR 101tn during the third quarter.¹⁴

Funding & Liquidity

- The weighted-average call money rate, the interest rate on short-term finance repayable on demand, rose to 6.43% as of Sep 30, 2016 compared to 6.33% as of June 24, 2016. The call money rates were generally lower than the repo rate during Q3, indicating a stable banking system.¹⁵
- The amount of cash on the balance sheet of Indian banks has declined from INR 680bn in Q2 to INR 623bn on Sep 30. Cash levels may decline in Q4 as the government's decision to phase out some banknotes has made some depositors to withdraw their balances from the banks and hoard cash.¹⁶
- 1-year deposit rates likely declined in Q3. The State Bank of India's 1 year deposit rate dropped to 7.15% in September from 7.25% in June.
- During Q3, the RBI withdrew a total of INR 10.19tn from the banking system via liquidity operations, with as much as INR 845bn on Jul 4, 2016. The monthly withdrawals increased from INR 3.05tn in July to INR 5.02tn in September. The pace of withdrawals may not be sustained in Q4 as liquidity conditions usually tighten between October and March as the pace of government expenditure usually slows down. Foreign institutional outflows also increase in Q4 so the RBI is not likely to tighten liquidity conditions further.^{17,18,19}

Asset Quality

- Indian banks have one of the highest percentage of bad loans in the world. A comparison of the non-performing loan ratio of 25 large Asia Pacific banks, which are part of the Bloomberg Asia Banks Large Cap Index shows that large Indian banks have the worst non-performing asset ratio when compared to their large cap peers in the region.²⁰
- The rise in bad loans in the Indian banking sector is largely restricted to the state-owned banks. The difference in asset quality of state-owned banks and privately owned banks is significant. The weighted average of non-performing asset ratio is close to 11% for the 18 state-owned banks, which is higher than the 3.2% NPA ratio for six large private banks.²¹
- The RBI has asked Indian banks to clean up their balance sheets by March 2017. According to the central bank, the level of distressed assets in the banking sector has risen to 12% in August from 8.7% in June. Lenders have been forced to recognize more non-performing assets and raise their provisions after the recent asset quality review by the RBI.²²

¹Aug 31, 2016, [Estimates of Quarterly Gross Domestic for the First Quarter \(April-June\) 2016-2017](#), Ministry of Statistics and Programme Implementation, mospi.nic.in

²Oct 4, 2016, [India's GDP growth to remain strong: World Bank](#), The Economic Times, economictimes.indiatimes.com

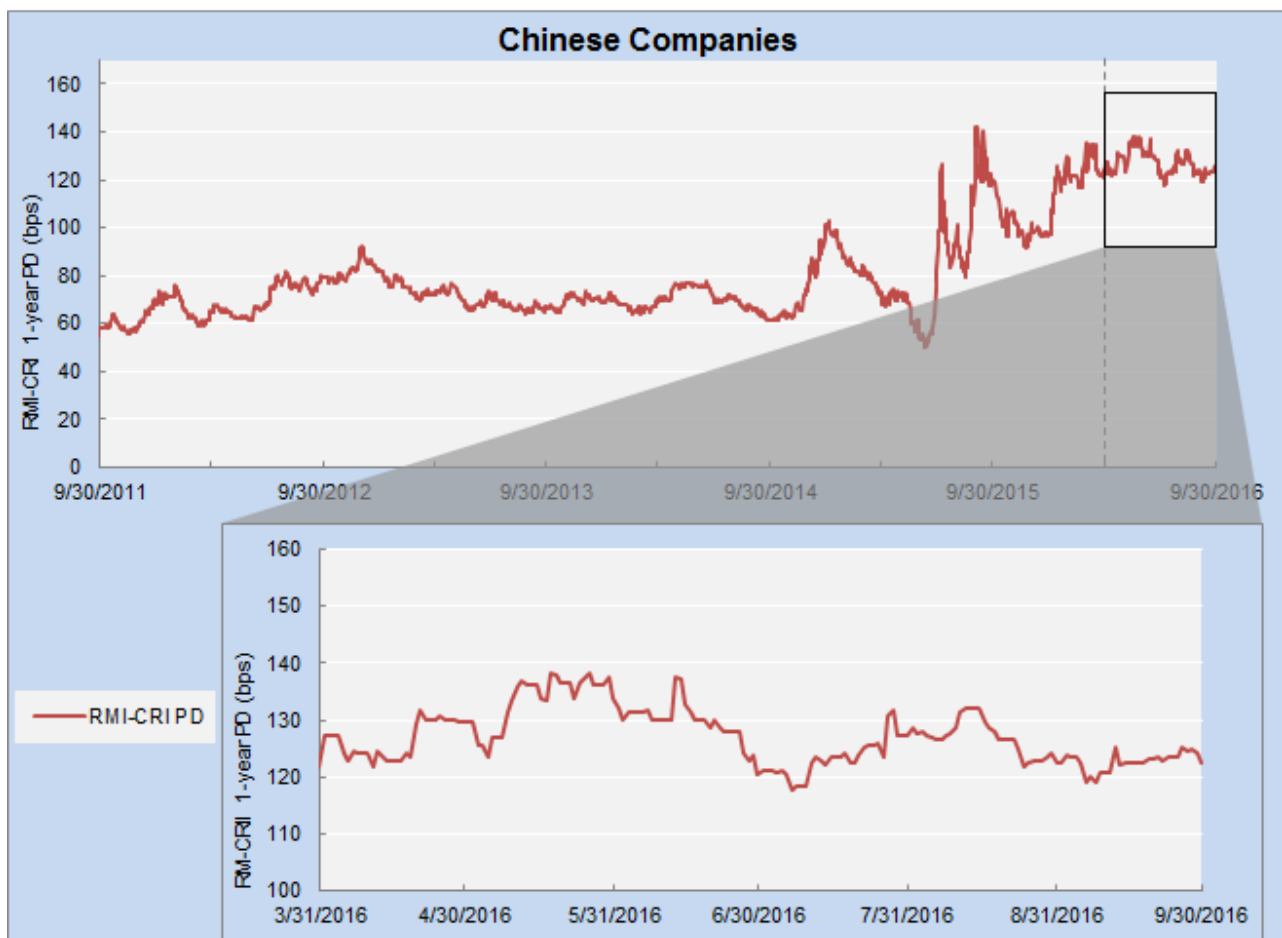
³Oct 1, 2014, [HSBC India Manufacturing PMI](#), Markit Economics, markiteconomics.com

⁴Oct 14, 2016, [Index Numbers of Wholesale Price in India](#), Ministry of Commerce & Industry Office of The Economic Advisor, eaindustry.nic.in

- ⁵Sep 21, 2016, [Developments in Indias Balance of Payments during the First Quarter \(Apr-Jun\) of 2016-17](#), The Reserve Bank of India, rbi.org.in
- ⁶Nov 15, 2016, [Foreign Portfolio Investors Investment Details \(Calendar Year\)](#), National Securities Depository Limited (NSDL), fpi.nsdcl.co.in
- ⁷Oct 4, 2016, [Fourth Bi-Monthly Monetary Policy Statement, 2016-17](#), The Reserve Bank of India, rbi.org.in
- ⁸Oct 4, 2016, [Fourth Bi-Monthly Monetary Policy Statement, 2016-17](#), The Reserve Bank of India, rbi.org.in
- ⁹Oct 4, 2016, [Fourth Bi-Monthly Monetary Policy Statement, 2016-17](#), The Reserve Bank of India, rbi.org.in
- ¹⁰Oct 17, 2016, [Foreign interest in high-yielding India bonds wanes](#), Reuters, <http://in.reuters.com/>
- ¹¹Nov 03, 2016, [S&P sticks with Indias credit ratings, no upgrade for two years](#), Economic Times, <http://economictimes.indiatimes.com>
- ¹²Nov 07, 2016, [Indias big bad loan problem](#), Livemint, <http://www.livemint.com/>
- ¹³Oct 21, 2016, [Scheduled Commercial Banks - Business in India](#), Reserve Bank of India, rbi.org.in
- ¹⁴Oct 21, 2016, [Scheduled Commercial Banks - Business in India](#), Reserve Bank of India, rbi.org.in
- ¹⁵Nov 04, 2016, [Ratio and Rates](#), Reserve Bank of India, rbi.org.in
- ¹⁶Oct 21, 2016, [Scheduled Commercial Banks - Business in India](#), Reserve Bank of India, rbi.org.in
- ¹⁷Sep 2016, [Reserve Bank of India Bulletin - September 2016](#), Reserve Bank of India, rbi.org.in
- ¹⁸Oct 2016, [Reserve Bank of India Bulletin - October 2016](#), Reserve Bank of India, rbi.org.in
- ¹⁹Nov 2016, [Reserve Bank of India Bulletin - November 2016](#), Reserve Bank of India, rbi.org.in
- ²⁰Nov 07, 2016, [Indias big bad loan problem](#), Livemint, <http://www.livemint.com/>
- ²¹Nov 07, 2016, [Indias big bad loan problem](#), Livemint, <http://www.livemint.com/>
- ²²Nov 16, 2016, [RBI deputy governor reasserts March 2017 deadline for banks to clean up balance sheets](#), Scroll.in, <http://scroll.in/>

Chinese Companies

The 1-year aggregate PD for Chinese firms improved slightly during Q3. This was accompanied by modest GDP growth as China experienced higher inflation but low unemployment rate during the third quarter. Amid global economic slowdown, China's exports and imports came in below expectations in September. The central bank in China maintained its benchmark interest rate and reserve requirement ratio, while foreign exchange reserves decreased. At the end of September, due to large net drain from the open market operations, China's primary rates went up sharply but the pressure was soon relieved as big state-owned banks were willing to lend out money. The government also reintroduced longer tenor and more expensive reverse repo to reduce dependency on cheap overnight borrowing and to curb leverage in the bond market.



Economy

- The Chinese economy advanced 6.7% YoY in the third quarter of 2016, the same pace as in the previous two quarters, which was in line with market expectations. The growth was supported by an increase in government spending, fixed assets investments (+8.2%) and retail sales (+10.7%) while industrial output (+6.1%) eased slightly. Consumption accounted for 71% of China economy, while investment and net exports contributed +36.8% and -6.9% of growth of the economy. The government expects the country economy to grow between 6.5% to 7% this year.²³
- Consumer prices in China rose 1.9% YoY in September 2016, the highest inflation rate since June this year. Politically sensitive food prices up by 3.2%, non-food cost rose at a slower 1.6%. The government gave a 3% inflation target in 2016.²⁴

- China's official unemployment rate remained below 5%, the lowest in three years. The National Bureau of Statistics mentioned that 10.67mn jobs were created in the past nine months.²⁵
- The China's Caixin manufacturing purchasing managers index (PMI) came in at 50.1 in September 2016, up from 48.6 in June, indicating a better performance for the manufacturing sector in China mainly attributed to continued modest expansion in the service sector even though manufacturing output growth eased to three-month low. Manufacturing PMI in China averaged 49.39 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.^{26,27}
- Domestic demand and real-estate investment continued to remain sluggish. China's fixed-asset investment growth for the first three quarters in 2016, a crucial driver of the economy, increased by 8.2% YoY reaching CNY 42.7tn, down from 10.3% increased last year. Meanwhile, the growth rate of real estate investment increased by 3% in the first three quarter in 2016 reaching CNY 7.5tn, down from a 5.4% growth rate between January to August 2016 and up from 2.6% in the first three quarters in 2015.^{28,29}
- The exports and imports for China in September fell below expectations, signaling a weak demand at home and abroad. Exports fell by 10% while imports dropped by 1.9%. Trade surplus was registered at USD 41.99bn. In terms of USD, Reuters poll of analysts expected a 3% down for exports and 1% increase for imports as well as a trade surplus of USD 53bn on-year. An analyst at UBS Wealth Management attributed the fall in imports came even as the oil prices rebounded to USD 50 per barrel in September 2016 from USD30 per barrel a year ago. "Local demand is equally weak as global demand," the analysts said.³⁰

Monetary

- China's central bank continued to maintain its interest rate at 4.35% for one year. The central banks cut interest rates on 23 October 2015 for the sixth time in less than a year. The central bank continued to resort to a range of tools to influence its credit and monetary conditions.³¹
- China's primary rates went up sharply due to a large net drain of CNY 420.1bn - the highest on a weekly basis in nearly three months - by the central bank from the open market operations on the week on September 30. This is compared with a net injection of CNY 670bn a week earlier. Both the volume-weighted average rate of the benchmark seven-day repo and overnight Shanghai Interbank Offered Rate (SHIBOR) went up higher as compared to these rates from a week earlier. However, the pressure was soon relieved as liquidity condition eased up when big state-owned banks were willing to lend out money. Central bank had also reintroduced longer tenor and more expensive reverse repo to reduce dependency on cheap overnight borrowing and curb leverage in the bond market.³²
- The required reserve ratio continued to remain at 17% in Q3 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%. Latest economic data showed that policymakers will focus on deleveraging and containing housing bubbles in major cities rather than cutting either benchmark interest rates and/or bank reserve ratios to maintain growth momentum.^{33,34}

- China's foreign exchange reserves decreased by USD 18bn MoM to USD 3.167tn in September 2016, compared to a USD 10bn decreased in August and USD 10bn decreased in July. The foreign exchange reserves were USD 3.514tn in September 2015. Meanwhile, gold reserves had increased from 54.45 million fine troy ounces in August to 54.93 million in September 2016. Foreign Exchange Reserves in China averaged USD 876bn from 1980 until 2016, reaching an all-time high of USD 3.99tn in June of 2014 and a record low of USD 2.26bn in December of 1980. ^{35,36}

Funding & Liquidity

- 10-year government bond yield decreased slightly from 2.84% in June to 2.72% at the end of September 2016. 1-year government bill yield increased from 2.39% to 2.20% over the same period. ³⁷
- The 3-month 5-day average SHIBOR had increased steadily from 2.97% on 30 June 2016 to 2.80% on 30 September 2016 to. ³⁸
- The value of new yuan loans provided by the Chinese banks stood at CNY 1.22tn in September 2016 as compared to CNY 948.7bn in August 2016 and beating market expectation CNY 1tn. Banks Balance Sheet in China averaged CNY 588.61bn from 2004 to 2016, reaching an all-time high of CNY 2.51tn in January 2016 and a record low of CNY -32.10bn in July 2005. ³⁹

Policy

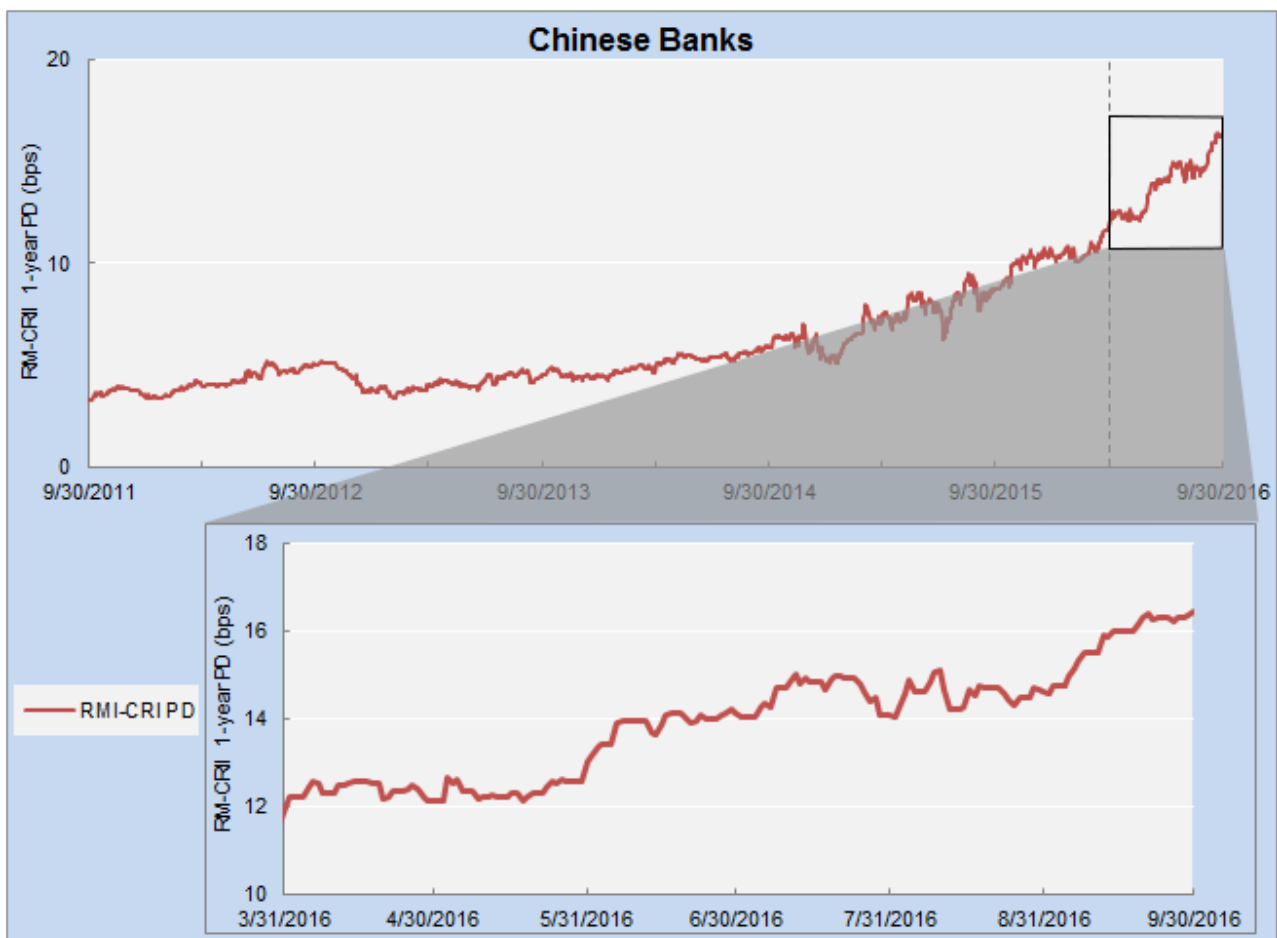
- As China economy grew at 6.7% in this quarter, a steady pace of expansion fuelled by increasing government spending and a property boom that offset the weak exports. With an economy that is regaining its poise, the government of China is looking to curb the property market boom. Australia New Zealand Bank economists said that the government will emphasize on capacity reduction and corporate deleveraging. Interest rate is likely to be left unchanged while focusing on managing liquidity in the money market. Economists also cautioned that the stabilization would not last long as it was mainly driven by credit growth and a property boom. ⁴⁰
- China had set a longer-term goal of achieving an average annual growth rate of 6.5% through 2020 to meet the aims of its latest five-year plan. Even though China is on track for this, it is behind on other goals, such as slowing retail sales than household income and consumption which is also a key pillar of economic rebalancing. These prompted the National Development and Reform Commission (NDRC) sending a somewhat different mandate with PBOC, such as lower interest rates and bank reserve ratios, in order to achieve its economic growth targets. However, academics and analysts said a stimulus that includes easing monetary policy was unlikely as cheaper credit is unlikely to encourage fresh investment at times when companies are hoarding cash instead of spending it. Instead, the central bank had switched to more targeted and flexible policy tools, such as short and medium-term facilities to manage market liquidity. In money market operations, the PBOC shifted to longer-tenor instruments to signal concern of a potential bond market bubble, analysts said. However, analysts also cautious that there is a rising pressure for PBOC to further ease policy should economic expansion slows in 2017 and new growth drivers have not picked up the slack. ⁴¹

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 credit quality of Chinese banks continued to weaken in Q3, falling to the weakest level in more than 5 years. The RMI aggregate 1-year PD for Chinese listed banks deteriorated as lenders moved away from deposit funding and leaned towards wholesale borrowing. Concerns over China's rising debt have followed the banks' declining asset quality and increasing loan defaults. Chinese lenders have traditionally relied on deposits from households and corporations to fund loans and other investments. However, the amount of issued loans has exceeded the rate of deposit growth, resulting in a wider gap between assets and deposit liabilities. The default risk of Wealth Management Products, a critical source of funding for banks has risen. A Wealth Management Product default could stop customer inflows to the banks and also possibly trigger a rise in



Profitability

- Third quarter profit for major lenders was largely unchanged on a year on year basis, offset by asset bubbles and the worsening financial health of their corporate clients. Policy support had not offset the rise in bad loans or boosted corporate lending as many firms were heavily debt-laden. China Construction Bank Corp net profit rose 1.3% to CBNY 60.43bn in Q3 as a 10% fall in income from interest earnings wiped out majority of its small gains in fees and commissions, while Bank of China Ltd net profit rose 2.4% to CNY 41.8bn only by holding down interest and tax payments. In addition, central bank also gave a directive this month for banks to clean up their off-balance-sheet financing to keep high-risk loans off their books, which could weigh on bank earnings in coming months. This move served as an acknowledgment with regards to 33% YoY increased in mortgage loans that could pose risk to the China financial system.⁴²

Funding & Liquidity

- China's central bank injected CNY 275bn to financial institutions via its medium-term lending facility (MLF) and CNY 552mn via standing lending facility (SLF) in September. The outstanding amount of MLF and SLF were CNY 1.91tn and CNY 400mn at the end of September. The central bank had also increased pledged supplementary lending facility (PSL) to three policy lenders, China Development Bank, Agricultural Development Bank of China, and Export-Import Bank of China, by a total amount of CNY 44.5bn in September. The total outstanding amount of PSL was CNY 1.92tn in September.⁴³

Regulations

- The rapid increase in property loans, triggered by a home buying frenzy in many Chinese cities, in China pose new threats for the government as it seeks to ensure the nation's financial stability at a time of rising bad debt. The deputy director of the CBRC said that the loan to value ratio remained relatively low. Property loans made up about 40% of new loans issued by Chinese banks and mortgages represent about two-third of real-estate loans. On average, the average value of mortgage loans in China accounts for 55% of the underlying properties' value, which a lower number suggest a stronger cushion against a drop in property prices for the banks. the monthly payments made by borrowers holding more than 90% of the mortgages represent less than 50% of their monthly incomes. The deputy director also said, "there is no need to worry from a financial-stability perspective."⁴⁴
- Contagion risks rise as China banks fund each other loans. China's smaller banks are dependent on each other for funding, prompting rating companies to warn of a contagion risks in any crisis. Policy makers had been trying to sustain economic recovery by keeping the seven-day repurchase rate at around 2.4% for the past ear., a level that encouraged borrowing for investment in property, corporate bonds or risky loans, often packaged as shadow banking products. China Banking Regulatory Commissions (CRBC) told city banks in September to learn the lesson of the global financial crisis and get back to traditional businesses. PBOC resumed longer-term reverse repos to boost borrowing costs in August and the nation's short term goal is to curb leverage. Moody's analyst also warned that the higher the reliance no wholesale funds and investment in illiquid assets, the greater the risk of liquidity crunch.⁴⁵
- China Banking Regulatory Commission (CRBC) had asked the country's banks to step up financial support for debt-laden domestic companies, warning lenders against withdrawing support from troubled firms struggling to pay back what they owe. CRBC said the banking industry should strengthen management of creditor rights and "maintain economic and financial order" as they help loss-making companies turn things around. CRBC also told creditor institutions "must not withdraw or halt lending at will" from troubled firms and should instead maximize aid to such companies through loan extensions. Other recommendation includes ad-hoc creditor committees which the banks should form when dealing with indebted companies and should extend credit through various channels "to ensure enterprises' regular operations" so long as sufficient reason is provided by the indebted firms.⁴⁶

- CBRC is to limit smaller banks' wealth-management business. China had more than USD 3.5tn worth of WMP market equivalent to 35% of GDP. Regulations had been drafted to protect mass-market investors, limiting the involvement of smaller banks and ensure lenders have adequate capital to cushion against potential losses. Specifically, restrictions would be placed on banks with less than CNY 5bn net capital or fewer than three years of experience with WMP. The proceeds of any WMPs would be required to invest in less-risky assets, such as government bonds and bank deposits. On the contrary, larger and better capitalized banks would be allowed to conduct "comprehensive" wealth business and putting money into equities and other riskier "non-standard assets" such as loans. China has been tightening rules on WMPs since late 2014 as these products are the key driver for the growth in China's shadow-banking industry. In addition, reserve would have to be set aside from net income until capital buffer is equivalent to 1% of the value of the outstanding WMPs.⁴⁷

Asset Quality

- China's approval of credit-default swap (CDS) trading for the first time fueled speculation authorities will allow more bond delinquencies as the economy slows. The rules govern the nation's interbank market and the purpose is to help diversify credit risks and facilitate healthy development of the market. The swaps provide an insurance against bond failures while the government seeks to rid the economy of zombie companies while ensuring failures does not trigger wider fallout. At least 18 local bonds missed payments this year as compared with seven in 2015. Bad loans climbed in H1 2016 to CNY 1.4tn, the highest in 11 years. Banks' non-performing loan ratio rose to 1.75% as at June 20, the highest since 2009. With CDS trading, government will be under less pressure to bail out many of the troubled companies, according to China Merchants Bank Co.⁴⁸

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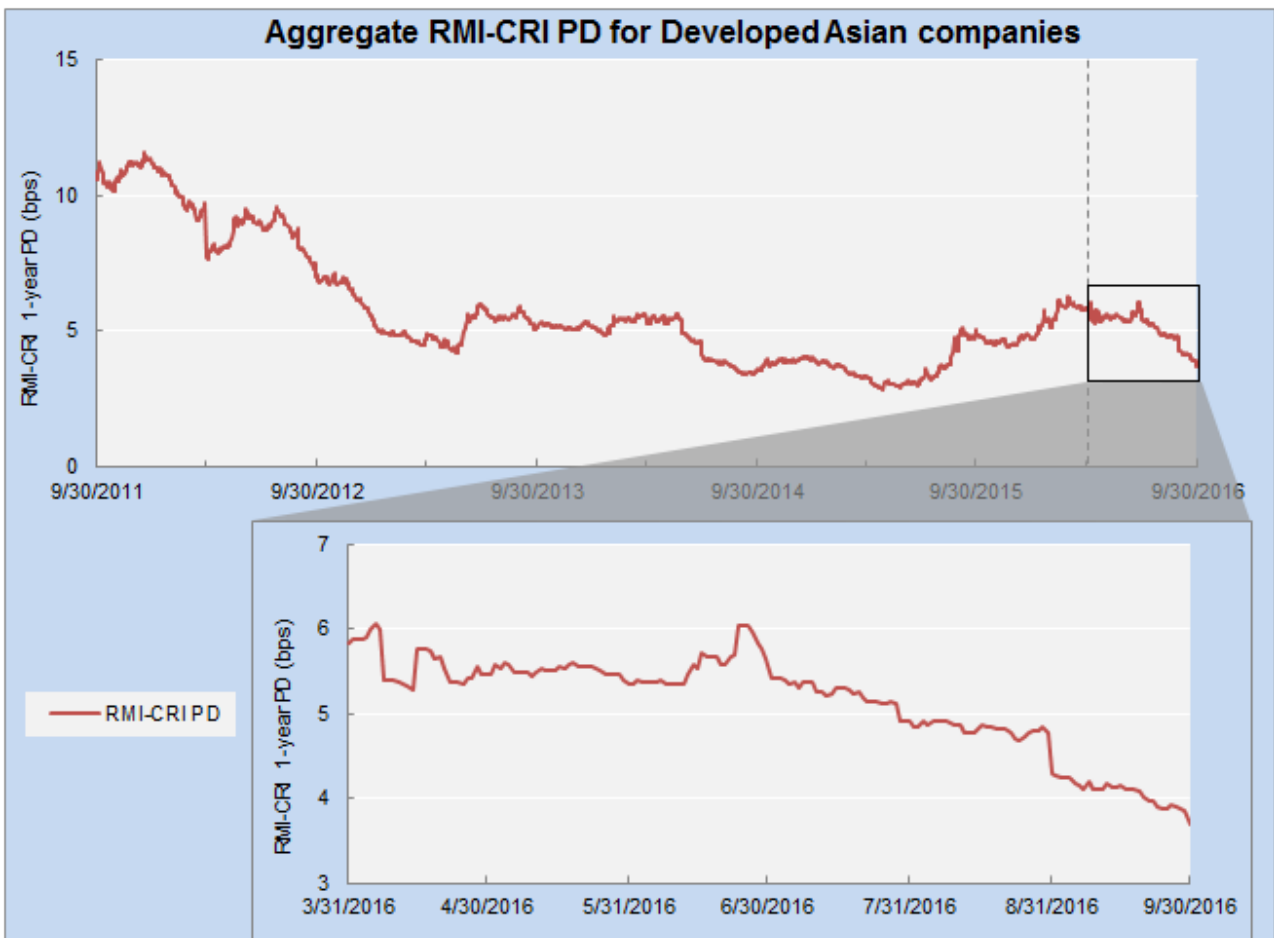
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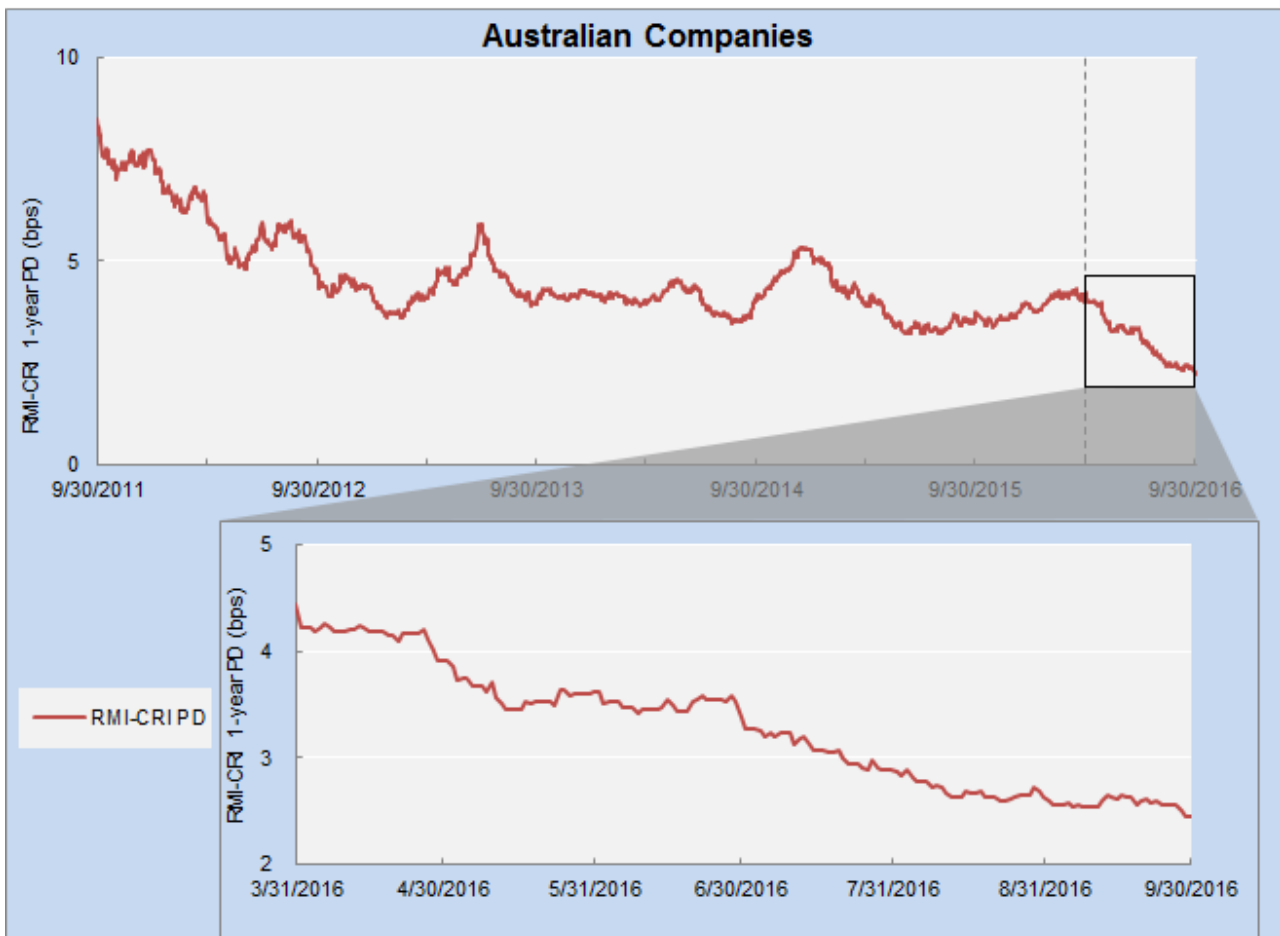
Asia-Pacific - Developed economies

The RMI-CRI aggregate 1-year PD for listed companies in the developed Asia Pacific further improved during the third quarter of 2016, in tandem with the FTSE Developed Asia Pacific All Cap Index, which captures the performance of the large, mid and small capitalization universe for the developed market in Asia and slightly increased from 397.57 in Q2 2016 to 428.71 in Q3 2016. Among major countries in the region, Japan was forecast to be the best performer in terms of Q3 GDP growth, as the PMI has been growing fast and the exports have picked up in recent months. By contrast, Korea and Singapore witnessed a sluggish growth in Q3 with no clear sign of recovery.



Australian Companies

The aggregate 1-year RMI PD for Australian companies dropped during Q3, reaching the lowest level in five years in September. Economic growth has slowed somewhat but the overall unemployment rate was flat at 5.6%. Consumer sentiment however increased for three consecutive months during the third quarter. A rate hike expectation in the US has left infrastructure firms and REITs in a less favorable credit position as companies within the sector could see higher financing costs. The reduction in overcapacity in the steel and coal industries has made a positive impact on the credit quality of the commodity export sector, as coal and iron ore prices have increased, with benefits flowing directly and indirectly to both the Australian economy and government budget. Moving forward, the outlook for Australian companies is positive as it is likely to be supported by a accommodative monetary policy and steady unemployment rate.



Economy

- Economic growth more than halved quarter-on-quarter, with growth of 0.5% from Q1 2016 to Q2 2016, compared to 1.1% growth from Q4 2015 to Q1 2016. The Australian economy grew 3.1% YoY, marking 25 years of consecutive growth. Bloomberg forecasts Australia's 2016 GDP growth to be 2.9%, beating its 2.4% growth in 2015.⁴⁹
- The GDP growth in Q2 was driven largely by public investment into infrastructure, which offset a continuous fall in its resources sector construction. Government consumption rose by 1.9% quarter-on-quarter, and public investment was up by 15.5%. Household spending, however, halved in the quarter due to falling wages.⁵⁰
- The Reserve Bank of Australia's (RBA) rate hike in August strengthened the Australian Dollar against the greenback. The AUD strengthened by 2.2% since the start of July to end September, despite volatility following the days after the RBA's announcement.⁵¹

- The unemployment rate stood at 5.6% in September, 0.4% lower than a year before. However, a majority of jobs created in the quarter were part-time - driven largely by the services industry. Australia's labour force participation rate was 64.4% in September.^{52,53}
- The Australian Performance of Manufacturing Index (PMI), as reported by The Australian Industry Group stood at 49.8 in September, an increase from 46.9 in August. Increased activity after contraction in the F&B sub-sector contributed to the rise. The equivalent index for services (PSI) lifted by 3.9 points from August to stand at 48.9 in September. The rise was driven largely by sales, which rose by nearly 10 points to 53.3. Construction of public transport infrastructure also contributed to an expansion in construction activity in September.^{54,55,56}
- Key export prices increased 3.5% in Q3 2016, relative to the previous quarter. However, key export prices were still 5.4% lower from the corresponding 2015 quarter. Edible oils and mineral fuels posting the highest increase in prices in this quarter. Crude materials also posted a 4.4% increase, while Australia's key export coal has doubled in price since the start of the year due to slowdown in supply from China, Indonesia and the US.^{57,58}

Monetary Policy

- The Reserve Bank of Australia (RBA) lowered its benchmark interest rate to a record low of 1.5% in August to stimulate economic activity, with analysts predicting the rate could be as low as 1% by mid-2017. Consumer sentiment is waning on the effectiveness of the policy, and whether the RBA can still continually utilize the interest rate as an effective tool to affect money supply.^{59,60}

Funding & Liquidity

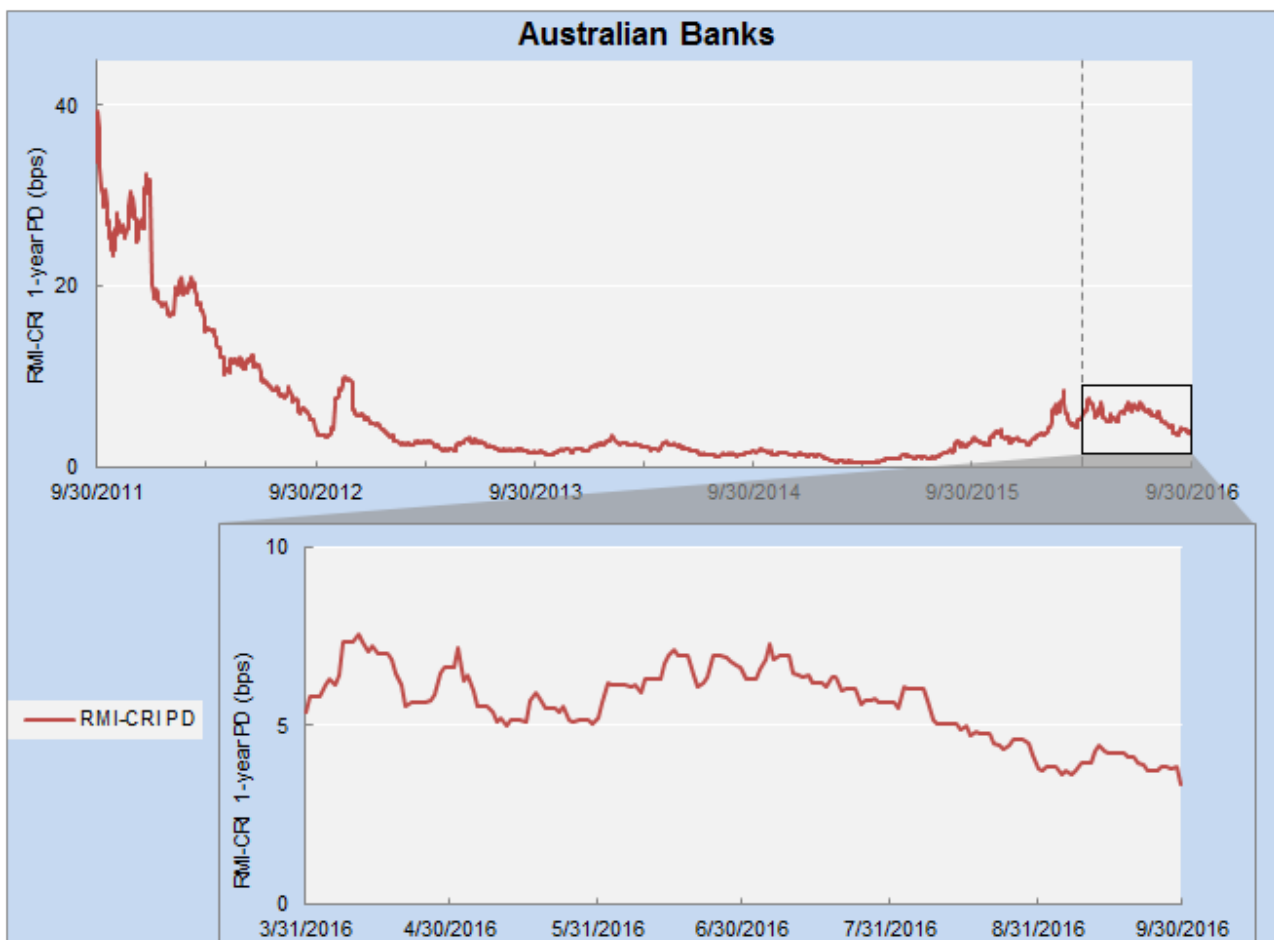
- Yields on 10-year Australian government bonds remained fairly stable throughout the quarter, but was down from the previous quarter - a fall driven largely by the anticipation of the RBA rate cut. The previous quarter reported a high of 2.52% in April 2016, while yields in September was 1.99%, 49 basis points higher than the RBA lending rate.⁶¹
- Indicative lending rates to large businesses remained fairly stable throughout the year, with the last reported figure in June 2016 being 4.05% - unchanged from the start of the year. 3-year fixed lending rates to small businesses remained constant at 5.25% throughout the quarter, down slightly from the 5.35% average throughout Q2 2016. Rates on loans to larger businesses have historically followed fixed rates on small business loans, which are reported monthly.⁶²
- Average commercial lending during the quarter increased, with total loans to businesses up by 0.6% from Q2 2016, while total lending to individuals was higher by 1.6% quarter-on-quarter.⁶³

Sovereign Credit Ratings

- Standard & Poor's and Fitch Ratings maintained their AAA ratings on Australia, while Moody's maintained their Aaa rating. All three rating agencies had stable outlooks on the government's credit, with the exception of S&P, which had a negative outlook.⁶⁴

Australian Banks

The aggregate 1-year RMI PD for Australian banks decreased slightly during Q3, down from the three-year highs seen during April. The pace of earnings has slowed in recent quarters, highlighting that the growth in recent years is slowing, reflecting the impact of increased regulatory capital requirements and a subdued domestic economy. Margins have declined across the large banks despite asset repricing and increased funding from customer deposits, keeping in mind the challenges of the low interest rate environment. The economic outlook for the economy remains a challenge so Australian banks are expected to focus on capital efficiency, productivity and further refinement of their business models. The credit quality of the lenders have improved, keeping in line with higher Common Equity Tier 1 capital ratios and efforts to shore up regulatory capital to enhance their resilience to market shocks.



Profitability

- The 'Big 4' Banks in Australia, ANZ, NAB, Westpac and Commonwealth Bank posted aggregate profits of AUD29.26 billion for the 2016 financial year. However, all banks reported a slide in earnings YoY, with ANZ being the biggest loser, with earnings per share falling by 20.6% from FY 2015. NAB, Westpac and Commonwealth bank each reported EPS changes of -13.6%, -4.7% and 0.5% respectively.

Funding & Liquidity

- Coupon rates on 5-year fixed USD-denominated bonds issued by Westpac increased to 1.4% in Q2, up from 1.2% in Q1. A Bank of America Merrill Lynch index shows yields on AUD-denominated financial bonds returned to 4.43% at the end of Q2, after reaching as high as 4.55% in June.

- Deposit growth at Australian banks slowed in Q2, increasing 6.86% YoY in June, after increasing 6.95% in May and 8.27% in April, down from above 8% YoY growth in each month of Q1.
- Average deposit rates fell during Q2, in line with RBA rate cuts, to 3.25% per annum in May, from 3.5% at the end of Q1.
- Overall liquidity in the Australian banking system improved during Q1, with the aggregate LATDB ratio for listed banks increasing to 10.32% from 9.34% at the end of 2012.
- Banks increased holdings of securities issued by state and local governments reached a record high of AUD 78.2bn in March from AUD 76.2 in December, in order to comply with liquidity coverage ratio requirements under Basel III.

Asset Quality

- Bad loans have been rising over the quarter with falling credit quality. Commonwealth Bank reported 27% in bad loan costs since the start of the year, while ANZ reported a loan loss of AUD 480mn. Morgan Stanley estimates that as much as AUD 1.6bn could be wiped off the bank's profit.⁶⁵

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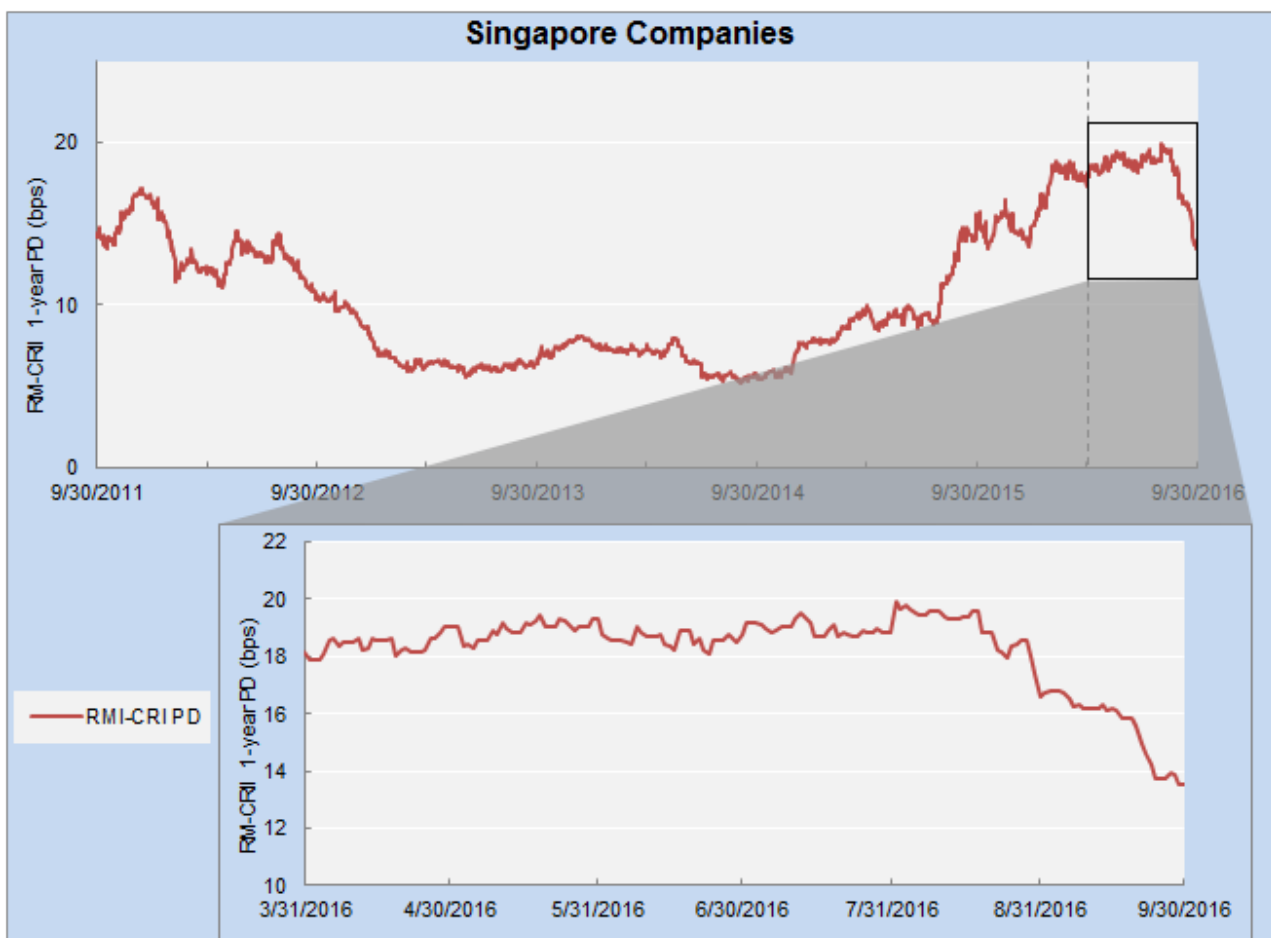
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Singapore Companies

The RMI-CRI aggregate PD for Singapore firms declined during the third quarter of 2016. The economy posted a modest growth of 2.2% during the quarter as the manufacturing and construction sectors expanded by 1.1% and 3.3%, respectively. Swiber, a SGX listed marine engineering company shocked the market after it defaulted on its coupon payment in early August. The credit event placed downward pressure on high yield issuance volume during the month as market participants were uncertain about the widespread implications of Swiber’s default in the Offshore & Marine sector. Interest rates are expected to rise given the hawkish rhetoric from the US Federal Reserve which could put bond issuances on hold till the start of next year. Bond holders are likely to remain credit selective with stronger preferences for issuers with established market positions, stable cash flows and reasonable access to capital markets. The divergence between high yield and investment grade is likely to widen moving forward.



Economy

- According to advance estimates, the Singapore economy grew by 2.2% YoY in the third 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.⁶⁶

- Inflation rate dropped to -0.2% YoY in September 2016, led by lower prices the housing and utilities segment and the clothing and footwear segment, compared to the year before. Clothing and footwear costs fell by 1.2% YoY, though it expanded marginally by 1.6% on a MoM basis. The price level in the housing and utilities segment were lower by 4.3% in September 2016, in contrast to the same period last year. On a MoM basis, prices of housing and utilities segment rose by 0.3%. Excluding the accommodation and private road transport components, the core inflation index was up by 0.9% on a YoY basis, as prices were higher in the household durables and services and education segments.⁶⁷
- Singapore's seasonally adjusted unemployment rate remained flat at 2.1 % in September 2016 when compared to June 2016. During the period, unemployment rate among residents and citizens declined slightly with resident unemployment rate decreasing from 3.0% in June 2016 to 2.9% in September 2016 while citizen unemployment rate decrease from 3.1% in June 2016 to September 2016. Total employment contracted, weighed down by contraction in construction and manufacturing sectors. Employment in manufacturing continued to shrink for the eighth consecutive quarter while the construction sector declined after four quarters of moderated growth. Still, the growth in employment in services offset the decline in the manufacturing and construction sectors. 4100 workers were made redundant in the third quarter of 2016, lower than the 4800 workers made redundant in Q2 2016. However, on a YoY basis, the number of workers made redundant in Q3 2016 at 4100, is higher than the number of workers made redundant a year ago (3460). The number of layoffs fell during the quarter in manufacturing and services awhile increasing for construction.⁶⁸
- Survey results released by the Singapore Institute of Purchasing and Materials Management showed an increment of 0.3 point in September 2016 to 50.1 from the previous month. The increase in reading was attributed to an expansion in factory output, new orders and new exports.⁶⁹
- The seasonally adjusted retail sales decreased to 1.1% on a MoM basis, while declining to 1.0% on a YoY basis in Aug 2016. Excluding motor vehicles, retail sales fell on an MoM and YoY basis at 2.1% and 6.5% respectively. The total retail sales value in August 2016 was estimated at SGD 3.6bn, similar to the total retail sales value in August last year. The seasonally adjusted sales of food&beverage services in August 2016 increased 0.9% MoM and 0.7% YoY. The total sales value of food&beverage services in August was estimated at SGD 677mn, lower than the SGD 694mn total sales of food&beverage services last year.⁷⁰
- Singapore's NODX decreased by 4.3% YoY in September 2016, in contrast to the flqt growth in the previous month, because of a contraction in both electronic and non-electronic NODX. The top contributors to the NODX decline were the Malaysia, Indonesia and the US.⁷¹

Monetary

- MAS announced in October 2016 that it would maintain its monetary policy of halting the appreciation of the Singapore dollar. The policy stance of maintaining zero appreciation of the Singapore dollar came on the back of weakened growth in the Singapore economy. Additionally, the slow pick up of the rate of core inflation also contributed to the maintenance of its currency policy.⁷²

Funding & Liquidity

- Yields of 10-year Singapore government bonds dropped to 1.78% on Sep 30 2016 from 1.91% on Jun 30 2016.

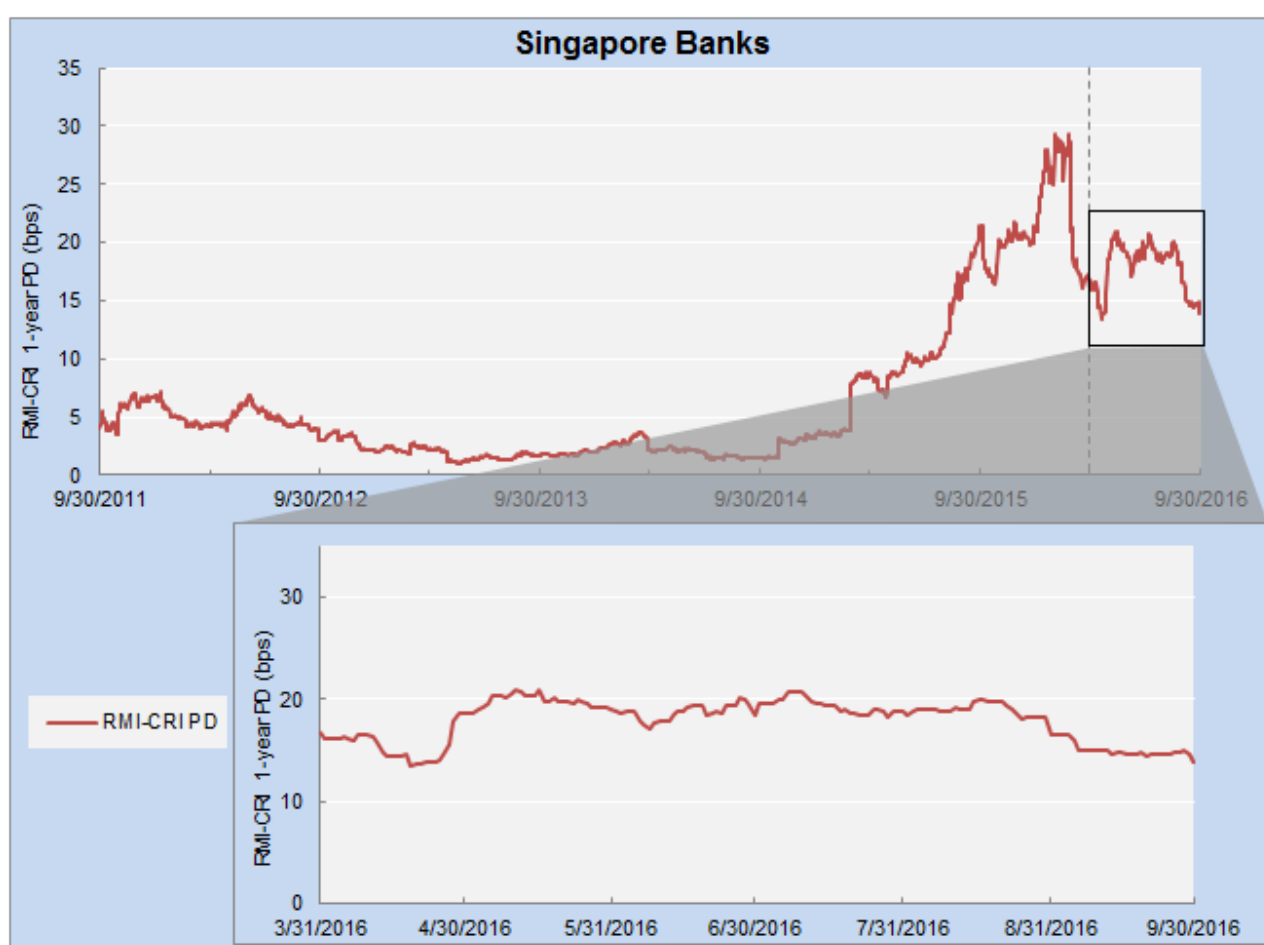
- Lending to non-bank customers rose from SGD 590bn in Q2 2016 to SGD 603bn in Q3 2016. Total loans to businesses rose by more than SGD 9.9bn from a quarter ago, in particular the financial institutions sector. Loans to consumers rose from SGD 245bn in June 2016 to SGD 248bn in Sep 2016.⁷³
- The amount of outstanding sovereign bonds decreased by SGD 2.2bn in Q3 2016.⁷⁴
- The prime lending rate stayed unchanged at 5.35% since January 2014.⁷⁵

Sovereign Credit Ratings

- All three major rating agencies kept their highest investment grade ratings for Singapore sovereign bonds over Q3 2016.

Singapore Banks

The performance of the three local banks remained positive during the third quarter of 2016, as the RMI-CRI 1-year aggregate PD decreased to the lowest level since April. Q3 results shows that the banks were under financial pressure as asset quality has deteriorated. This is due to the lenders' exposure to the oil and gas sector, which has been beaten down as a result of low oil prices. The non-performing ratios have climbed to a new 2016 high driven by loans to oil and gas service companies. The return on assets continued to fall for two of the three banks, owing to higher credit costs and weaker revenue growth. Despite the poor results in Q3, the banks' Tier 1 capital ratios remain strong as banks prepare ahead for the Basel Committee's recommended time line for capital adequacy. According to a stress test conducted by the Monetary Authority of Singapore, local banks are able to withstand scenario incorporating a 50 percent drop in local property values, 50 percent drop in oil prices and a 40 percent slump in stock prices.



Profitability

- On a YoY basis, the profitability of UOB experienced a decline in Q3 2016. The net profit increased by 5% and 0% for OCBC and DBS respectively while the net profit was 2.6% lower for UOB. OCBC's net income increased by the widest margin, from SGP 902mn during the same quarter last year to SGD 943mn this year.^{76,77,78}
- Data from the Monetary Authority of Singapore showed that the amount of corporate loans issued to non-bank customers increased to SGD 603.4bn during the first quarter of 2016.⁷⁹

Funding & Liquidity

- Total deposits in Singapore banks expanded by SGD 13.2bn in Q3 2016 . Local currency deposits expanded by SGD 13.3bn, at a significantly faster pace as compared to previous quarter expansion of SGD 259.3mn while foreign currency deposits were reduced by about SGD 112mn for Q3 2016. All segments, from government bodies to residents, chalked up net savings during this period.⁸⁰
- The fixed deposit rates remained unchanged during Q3 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%.⁸¹
- The statutory liquidity ratio of banks increased to 25.8% in December 2015, up from 20.6% in September 2015.⁸²

Capital Levels & Regulations

- Banks' capital and reserves level fell to SGD 84.8bn at the end of Q3 2016 from SGD 86bn at the end of previous quarter. On a YoY basis, the capital and reserves level was higher by 15.1%.⁸³

Asset Quality

- Loans placed under the "special mention" category decreased slightly to 2.38% of total exposure as of the end of Q3 2016, from 2.39% in the quarter before. Overall, asset quality in banks was lower during the third quarter of 2016, as the composition of good-quality assets continued to decline. The percentage of loss exposure at local banks has also increased since last year. Total loss was 0.14% in Q3 2016 compared to 0.11% in Q3 2015.⁸⁴

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⁸⁰ Jun 2016, [Deposits \(excluding SGD NCDs\) of DBUs by types of non-bank customers](https://secure.mas.gov.sg/), MAS, <https://secure.mas.gov.sg/>

⁸¹ Jun 2016, [Interest rates of banks and finance companies](https://secure.mas.gov.sg/), MAS, <https://secure.mas.gov.sg/>

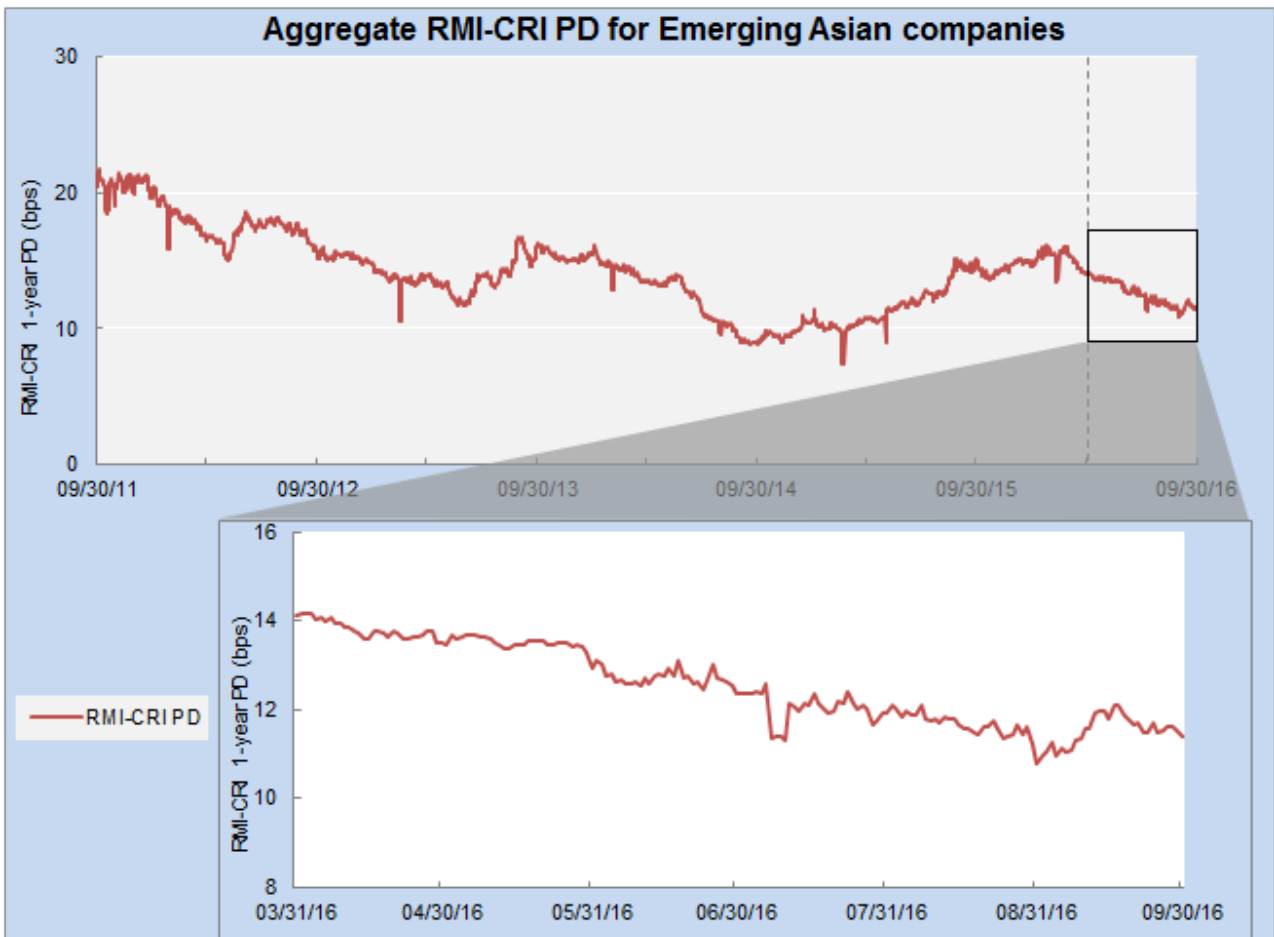
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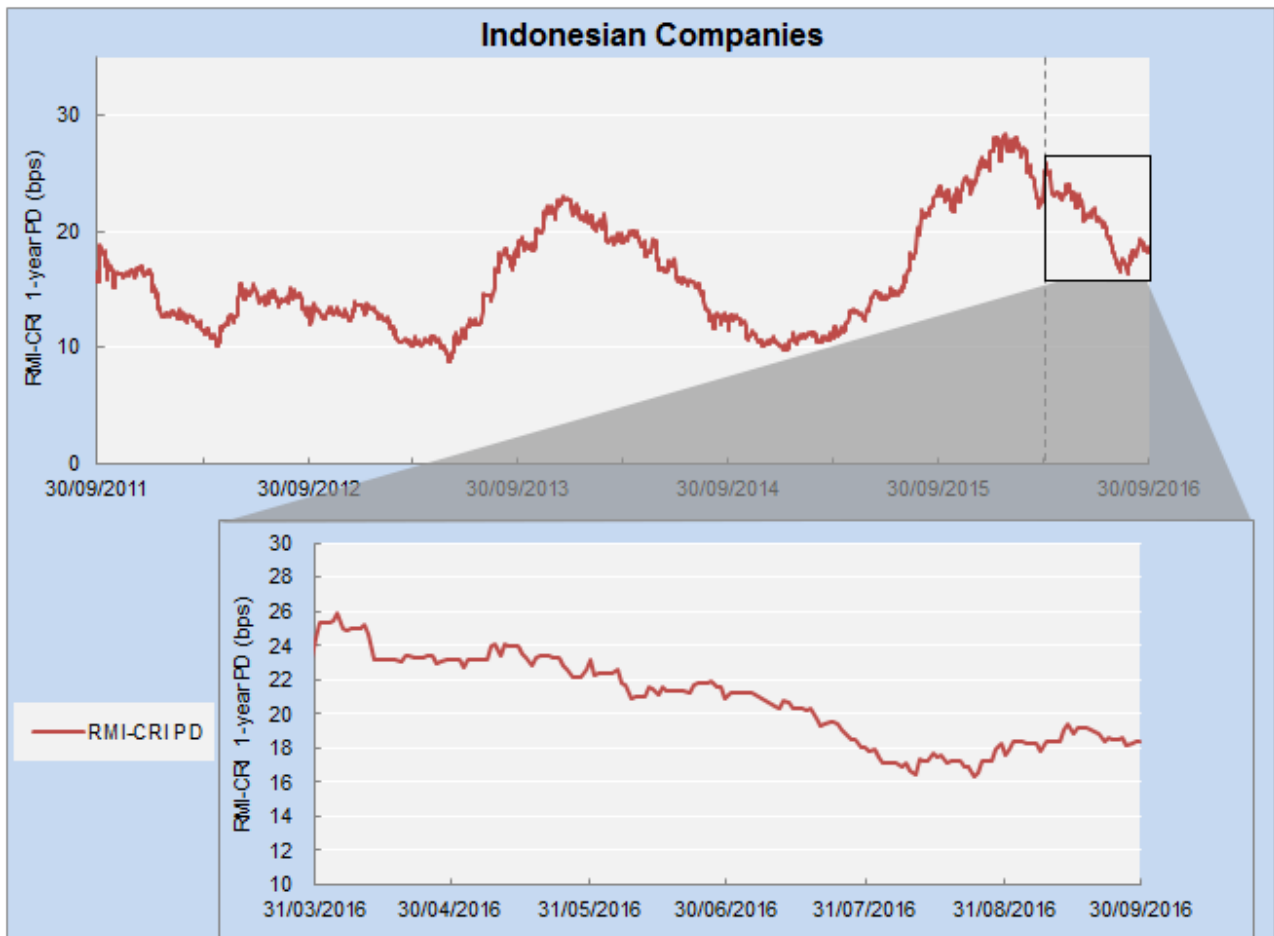
Asia-Pacific - Emerging economies

The RMI-CRI aggregate 1-year PD for listed corporations in emerging Asia, excluding India and China, remained at the same level during the third quarter of 2016. Real estate, healthcare and consumer staples companies witnessed an improvement in credit profiles, together with energy firms on news that the Opec member countries plan to curb production. The market values of Philippine companies were weighed down amid a flurry of controversial comments from President Duterte on foreign relations and concerns on declining remittances from overseas foreign workers. The aggregate 1-year PD for Malaysian firms declined during Q3 although initial worries of an early US rate hike and heightened geopolitical tension following North Korea’s nuclear test weighed down on equity values. The credit quality of Thai companies deteriorated during the third quarter as the effects of fiscal spending during the second quarter is likely to end.



Indonesian Companies

The RMI-CRI aggregate 1-year PD for Indonesian companies increased slightly in Q3 after a marked descent in Q2. This was despite a stock market rally which was driven by a few positive factors. The Bank of Indonesia lowered the 7-day repurchase rate by 25 basis points to 5%, making it easier for companies to access capital markets. The tax amnesty scheme also brought about IDR 97.2tn in tax revenue, nearly hitting 60% of the government’s target for March 2017. Companies in the oil sector likely witnessed an improvement in credit quality as the Opec members unexpectedly reached a preliminary deal to curb production for the first time since 2008.



Economy

- Economy growth during Q3 slipped to 3.2% QoQ from 4.02% QoQ in Q2 2016. On a YoY basis, the economy grew by 5.02% YoY, down from 5.18% growth in Q2. Government spending slew down during the third quarter, falling by 3% YoY while household spending grew 5.0% YoY. According to the Central Statistics Agency (BPS), private consumption accounted for 55.3% of the total GDP. Exports and imports also decreased by 6% and 3.87% respectively.^{85, 86}

- Consumer price index increased by 0.21% during Q3 from 125.15 in July to 125.41 in September, after growing by 0.89% in Q2. In light of limited domestic demand, anchored inflation expectation, and stable exchange rate, core inflation in September stood at 3.21% YoY, below the historical average of September. In September, core inflation was mainly attributed to rising college fees, rising prices of instant food products, cigarettes, and beverages. Bank Indonesia projected that inflation would remain under control within the inflation target of 4+1% in 2016.⁸⁷
- Wages of Indonesian workers likely increased in Q3. Nominal wage of farmers per day increased by 0.24% during Q3 from IDR 48,120 in August to IDR 48,235 in September.⁸⁸
- Indonesia recorded a higher trade surplus of USD 1.22bn in September 2016, the highest surplus in the past 13 months. However, both exports and imports contracted annually, declining by 0.59% and 2.26% respectively. The drop in export was attributed to lower exports of jewellery, machinery, iron more, knitted goods and oily seeds while imports of machinery, vehicles, spare parts, and fertilizers also fell in September. As the decline in imports is significantly larger than the drop in exports, Indonesia enjoyed a strong trade surplus, beating analyst's estimates.⁸⁹
- According to Nikkei Indonesia Manufacturing Purchasing Managers' Index (PMI), Indonesia's PMI rose from 50.4 in August to 50.9 in September. Supported by increase in new orders, manufacturing condition improved in September. Growth of export order was also at its highest for 46 months. Both employment and buying levels rose amid increased orders.⁹⁰

Monetary

- On August 19, Bank Indonesia effectively adopted the seven-day reverse repo rate as the new benchmark rates. The adoption of new benchmark rates serves to improve policy signalling, accelerate monetary policy transmission through stronger impact on short term money market rates, and support capital market deepening.^{91,92}
- On October 20, the BI (Bank Indonesia) Board of Governors agreed to lower the BI 7-day repo rate to 4.75% from 5.00%, while reducing the deposit facility and lending facility rates by 25 bps to 4.00% and 5.50% respectively. The decision marked the second time the central bank cut the BI 7-day repo rate and the sixth time the central bank reduced its benchmark rate. The decision is based on the board's assessment that macroeconomic stability has been maintained in light of low inflation, better than expected 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.⁹³

Funding & Liquidity

- Yield on Indonesia's 5-year bonds fell to 6.79% in September from 6.96% in July. Despite falling interest rates, Indonesian bonds are still enjoying strong demand from international investors as bond's yield in developed countries hit negative. Supported by the deepening of bond market in Indonesia, foreign ownership of Indonesian rupiah-denominated bonds has risen to a record high of IDR 606tn at the end of March.⁹⁴

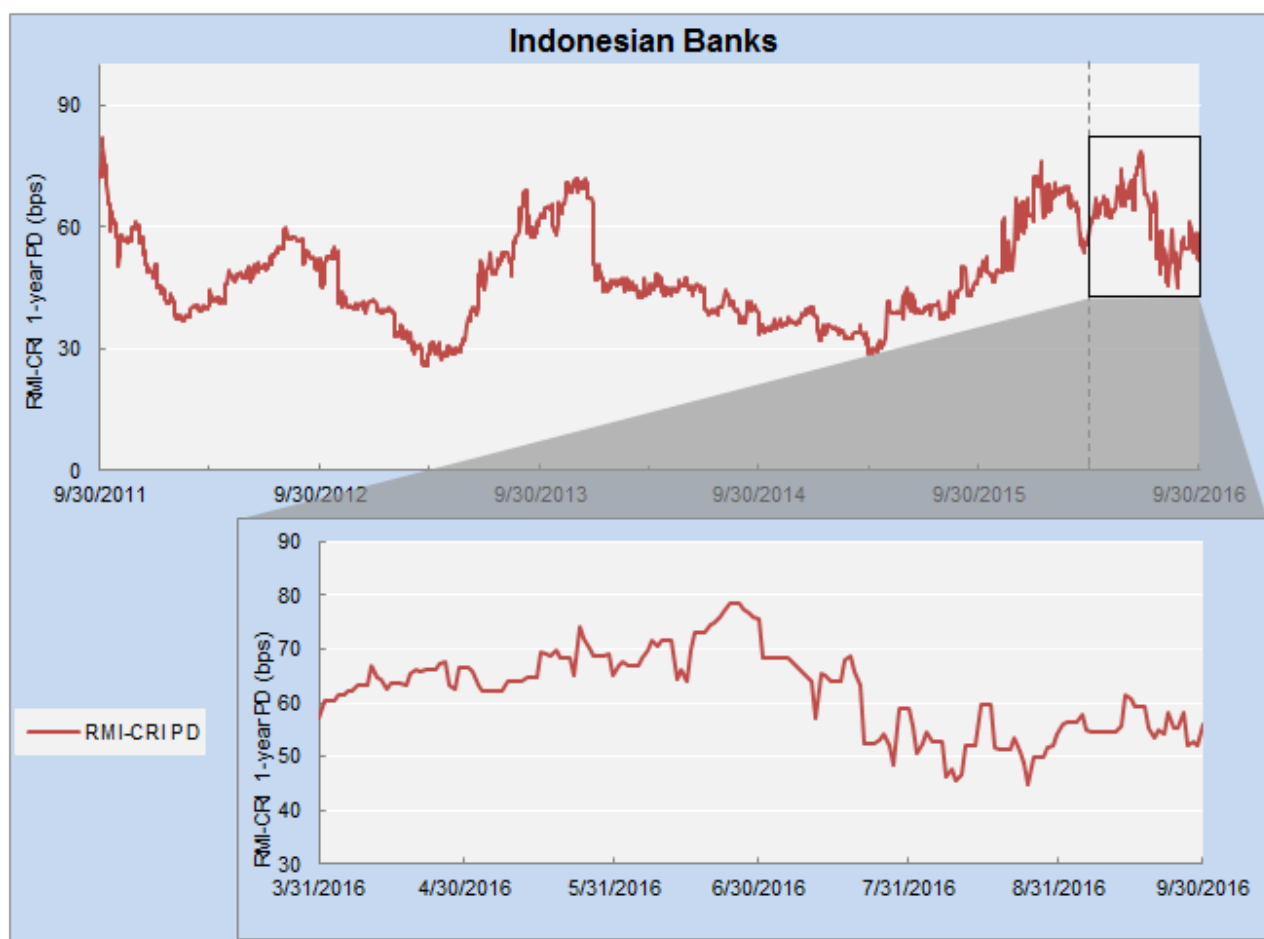
- Indonesia's official reserve asset position increased from USD 109.8bn in end-June to 115.7bn in end-September. The increase was attributed to foreign exchange receipts, withdrawal of government loans and auction of Bank Indonesia foreign exchange bill. The reserve asset position can adequately cover 8.9 months of imports or 8.5 of imports and servicing of government external debts. The improvement in reserve asset position is deemed to improve the resiliency of the external sector and sustain economic growth in Indonesia.⁹⁵
- Indonesia's long-term external debt growth in August 2016 grew by 8.1% (yoy) compared to 7.7% (yoy) growth at the end of Q2. Indonesia external debt position as of August 2016 stood at USD 323bn. Private sector external debt totalled USD163.6bn (50.6% of the total external debt) while public sector external debt stood at USD 159.7bn (49.4% of the total external debt). Private sector external debt declined by 3.9% YoY in June whereas the public sector external debt grew by 19.2% YoY.⁹⁶

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 Q3. All the three credit rating agencies have maintained their stable outlook on Indonesia's sovereign debt.⁹⁷

Indonesian Banks

The RMI-CRI aggregate 1-year PD for Indonesian banks remained unchanged over Q3. Loan growth slowed down in the third quarter, falling from 8.9% YoY in June to 6.7% YoY in September. Indonesian banks' asset quality continued to worsen in the third quarter as gross non-performing loans (NPL) ratio of Indonesian banks climbed to 3.2% in August from 2.83% in March. However, Indonesian banks reported stronger profits in the third quarter. Indonesian banks also remain well capitalized with a capital adequacy ratio of 23% and liquidity ratio (liquid asset/bank deposit) of 21% in August.



Profitability

- Indonesian banks experienced a slight improvement in their net interest margins (NIMs). The average trailing 12 months NIMs of 19 listed Indonesian banks increased by 10.7% in Q3, after growing by 0.97% in Q2.
- Indonesian banks' profitability improved in Q3. The aggregate earnings of 30 Indonesian banks rose by 23.4% QoQ in Q3, after slipping 6.80% in the previous quarter.

Funding & Liquidity

- The liquidity ratio (liquid asset/bank deposit) of Indonesian banks improved from 20.3% at end of Q2 to 21.1% in August 2016.^{98,99}
- The Jakarta 3-month interbank rate decreased from 7.21% at the beginning of Q3 to 7.10% by the end of Q3. Similarly, the 1-month interbank rate increased from 6.73% at the beginning of Q3 to 6.24% by the end of Q3.

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. The scheme has hit 90% of its target in three months with Indonesians declaring more than IDR 3,600tn of assets stashed at home and overseas. Repatriation of foreign assets, however, only stood at UDR 137tn in October, or 14% of the IDR 1000tn target set by the government.^{100,101}
- In a new regulation issued in July 2016, Indonesia's Financial Service Authority (OJK) is now allowing private enterprises to participate in pawnshop businesses. The regulation, which ended the monopoly of state-owned Pegadaian, seeks to regulate pawnshop business and increase Indonesians' access to financial services. According to the regulator, there are 2,000 private pawnshops that operate without license. The new regulation is a boon for tech business to customer lending companies, which operate like a pawnshop.¹⁰²

Asset Quality

- According to Moody's, Indonesian banks are well-prepared to face tail risk. Although Moody's identified two sources of tail risks, namely high external debt and the presence of weak banks, the credit rating agency viewed that Indonesian banks are able to manage the risks. While the outstanding private debt has more than doubled since 2010, 70% of the debt consists of debt owed to affiliate companies, debt owed by state-owned enterprises, and debt in sectors with natural hedge. Indonesian SOEs also have adequate capacity to weather currency volatility through natural hedges or protective subsidy arrangements. Indonesian large banks, which accounts 65% of the total banking assets, also remain profitable and adequately capitalized, eclipsing the weakness in smaller banks.¹⁰³
- Non-performing loans continue to haunt Indonesian banks. In August, non-performing loans of Indonesian banks stood at 3.22%, increasing by 72 basis point the start of the year. The mining sector is particularly at risk as it recorded the highest NPL ratio compared to the other sectors. The NPL ratio of the mining sector stood at 6.77% in July, exceeding 5% safety level set by the Financial Services Authority (OJK). In the face of falling coal price, there were 112 request to renegotiate loan repayment while 45 companies went bankrupt.¹⁰⁴

⁸⁵Nov 07, 2016, [Indonesias Economic Growth Slows to 5%, Matching Forecasts](http://www.bloomberg.com/), Bloomberg, <http://www.bloomberg.com/>

⁸⁶Nov 07, 2016, [Indonesias GDP growth slips to 5.02%](http://www.thejakartapost.com), The Jakarta Post, <http://www.thejakartapost.com>

⁸⁷Oct 10, 2016, [September Inflation Under Control](http://www.bi.go.id), Bank Indonesia, <http://www.bi.go.id>

⁸⁸Oct 17, 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>

⁸⁹Oct 17, 2016, [Trade Balance Indonesia: Export & Import Down in September 2016](http://www.indonesia-investments.com), Indonesia Investments, <http://www.indonesia-investments.com>

⁹⁰Oct 3, 2016, [Nikkei Indonesia Manufacturing PMI](https://www.markiteconomics.com), Markit Economics, <https://www.markiteconomics.com>

⁹¹Aug 18, 2016, [Bls new benchmark interest rate to take effect Saturday](http://www.thejakartapost.com), The Jakarta Post, <http://www.thejakartapost.com>

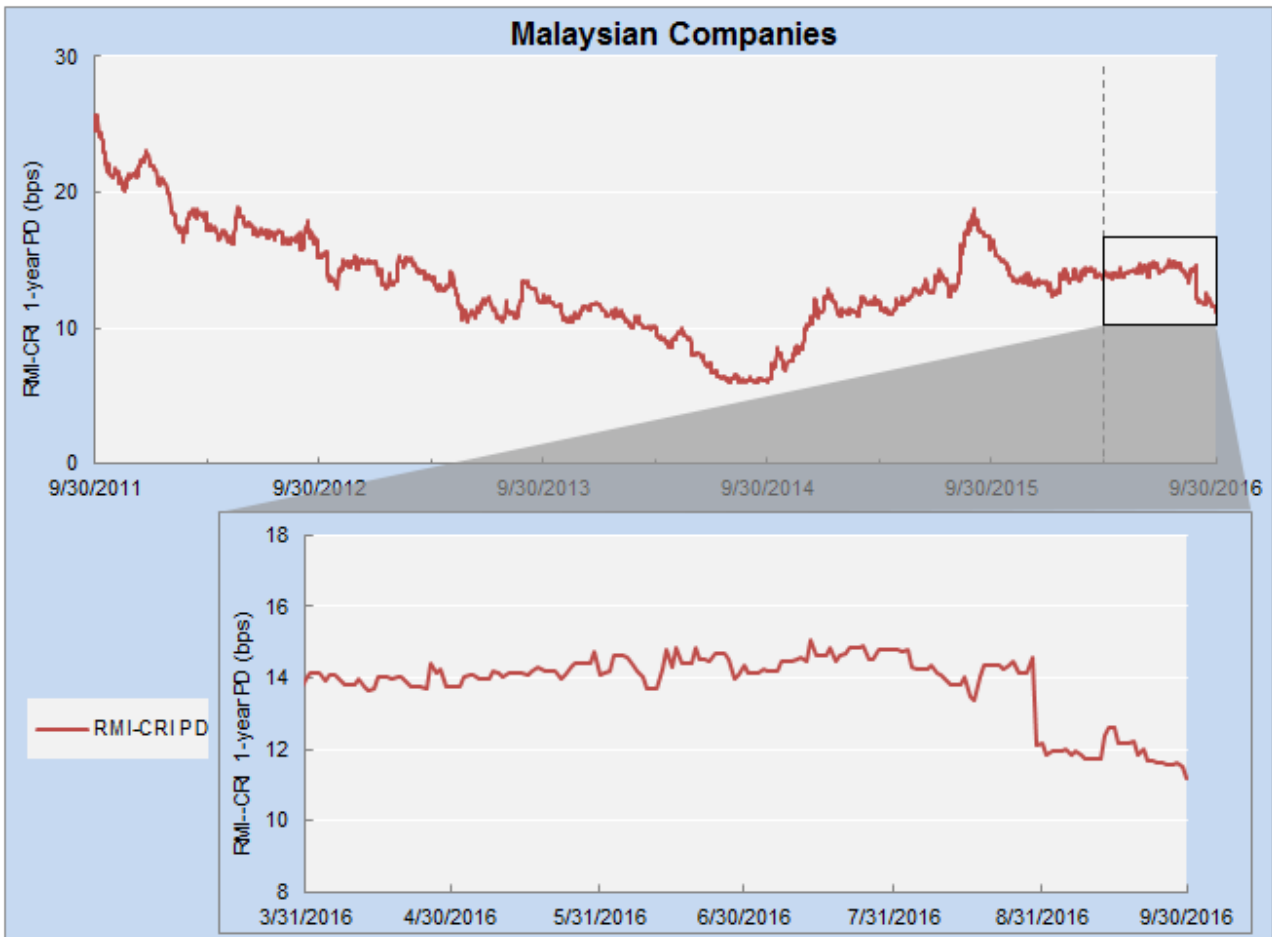
⁹²Apr 15, 2016, [Governor of Bank Indonesia: BI Sets the 7-day Repo Rate as a New Policy Rate](http://www.bi.go.id), Bank Indonesia, <http://www.bi.go.id>

⁹³Oct 20, 2016, [Macroeconomic Stability Maintained, BI Cuts 7-Day \(Reverse\) Repo Rate from 5.00% to 4.75%](http://www.bi.go.id), Bank Indonesia, <http://www.bi.go.id>

- ⁹⁴Oct 26, 2016, [Indonesias bond edge shows deepening of capital market](http://www.thejakartapost.com), The Jakarta Post, <http://www.thejakartapost.com>
- ⁹⁵Oct 07, 2016, [Official Reserve Assets Amounted to USD 115.7bn as of end-September 2016](http://www.bi.go.id), Bank Indonesia, <http://www.bi.go.id>
- ⁹⁶Oct 17, 2016, [External Debt Statistics of Indonesia - October 2016](http://www.bi.go.id), Bank Indonesia, <http://www.bi.go.id>
- ⁹⁷Jun 6, 2016, [Indonesia Sovereign Rating - June 2016](http://www.bi.go.id), Bank Indonesia, <http://www.bi.go.id>
- ⁹⁸Aug 19, 2016, [BI 7-day Reverse Repo Rate held at 5,25%](http://www.bi.go.id), Bank Indonesia, <http://www.bi.go.id>
- ⁹⁹Oct 20, 2016, [Macroeconomic Stability Maintained, BI Cuts 7-Day \(Reverse\) Repo Rate from 5.00% to 4.75%](http://www.bi.go.id), Bank Indonesia, <http://www.bi.go.id>
- ¹⁰⁰Oct 4, 2016, [Indonesia tax amnesty hits 90% of target](http://www.straitstimes.com), Straits Times, <http://www.straitstimes.com>
- ¹⁰¹Oct 7, 2016, [Benefits await those who repatriate money from overseas: OJK](http://www.thejakartapost.com), The Jakarta Post, <http://www.thejakartapost.com>
- ¹⁰²Oct 9, 2016, [Indonesia allows private pawnshops, ending state-owned Pegadaians monopoly](http://www.dealstreetasia.com/), DealStreetAsia <http://www.dealstreetasia.com/>
- ¹⁰³Oct 27, 2016, [Moody's: Indonesian banking system resilient to tail risks](https://www.moody.com), Moody's <https://www.moody.com>
- ¹⁰⁴Oct 20, 2016, [Financial Time Bombs](http://en.tempo.co/), Tempo <http://en.tempo.co/>

Malaysian Companies

The RMI-CRI aggregate 1-year PD for Malaysian companies declined materially in Q3 after remaining at nearly the same level in Q2. Malaysia’s economy grew at a moderate rate, but the growth pace was higher than the previous quarter, underpinned mainly by continued expansion in private sector spending and additional support from net exports. The country’s inflation rate and unemployment rate both increased. 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.



Economy

- Malaysia’s GDP expanded by 4.3% in Q3 2016 YoY, up from 4.0% in the previous quarter. As domestic demand experienced a slower expansion, net exports provided some impetus to growth, expanding by 5.9% in Q3 YoY. Private consumption and private investment grew at a pace of 6.4%, 4.7% respectively, while public investment contracted by 3.8%. Also, private consumption remained the key driver of growth. On the supply side, except for the agriculture sector, all economic sectors expanded in Q3 2016.¹⁰⁵

- The Consumer Price Index had increased to 115.3 (2010=100) in September 2016, up from 113.6 in September 2015. On a YoY basis, the price of the basket of goods had increased by 1.5%. The YoY increase was mostly driven by alcoholic beverage and tobacco, recording at a 19.7% increase.¹⁰⁶
- Malaysia's employment registered a moderate net gain of 40,500 jobs. However, the gains in unemployment remained insufficient to absorb the growth in new labour entrants. Its unemployment rate, thus, increased to 3.5% in Q3 2016. Labor participation rate sustained at 67.6% of the total labor force, unchanged from the previous quarter.¹⁰⁷
- In September 2016, Malaysia's export declined MYR 2.1bn, down by 3.0% YoY. This was mainly attributed to crude petroleum (-26.8%), liquefied natural gas (-20%), timber and timber-based products (-11.5%) and natural rubber (-17.8%). Meanwhile, Malaysia's total import value decreased by 0.1% YoY to MYR 60.5bn. This was mainly attributed to the decrease in capital goods (-5.6%) and consumption goods (-4.8%). Total trade value in September 2016 decreased by 1.6% YoY to MYR 128.5bn, down by MYR 2.1bn. Total trade surplus stood at MYR 7.6bn, down by 21.6% YoY.¹⁰⁸

Monetary

- Bank Negara Malaysia announced that it decided to maintain the Overnight Policy Rate (OPR) at 3%, with ceiling and floor rates unchanged at 3.25% and 2.75% respectively.¹⁰⁹
- In September 2016, broad money (or M3), which measures the money supply, increased by 1.1%, compared to August 2016, to MYR 1.6tn.¹¹⁰
- Malaysia's central bank said that, while volatility in the international financial markets has subsided, markets remain vulnerable to setbacks and changes in sentiments as downside risks to global growth remain high. Domestic demand continues to be the main driver of the economy, with private consumption and private investment growing at a faster pace. Domestic financial conditions have remained stable since the previous MPC meeting. Banking system liquidity remains ample.¹¹¹

Funding & Liquidity

- The market indicative yield on the 10-year Malaysia government securities slipped to 3.55% at the end of June 2016 from 3.59% in the previous month. However, the same yield measure on 5-year Malaysia government securities increased to 3.24% from 3.18% over the same period.¹¹²
- Bank lending to finance, insurance and business activities increased to MYR 10.1bn in September 2016 from MYR 10.9bn one year ago. Meanwhile, loans disbursed to the manufacturing and the wholesale, retail trade, restaurants and hotels segments shrank by 8.7% and 1.5% YoY respectively.¹¹³

Politics

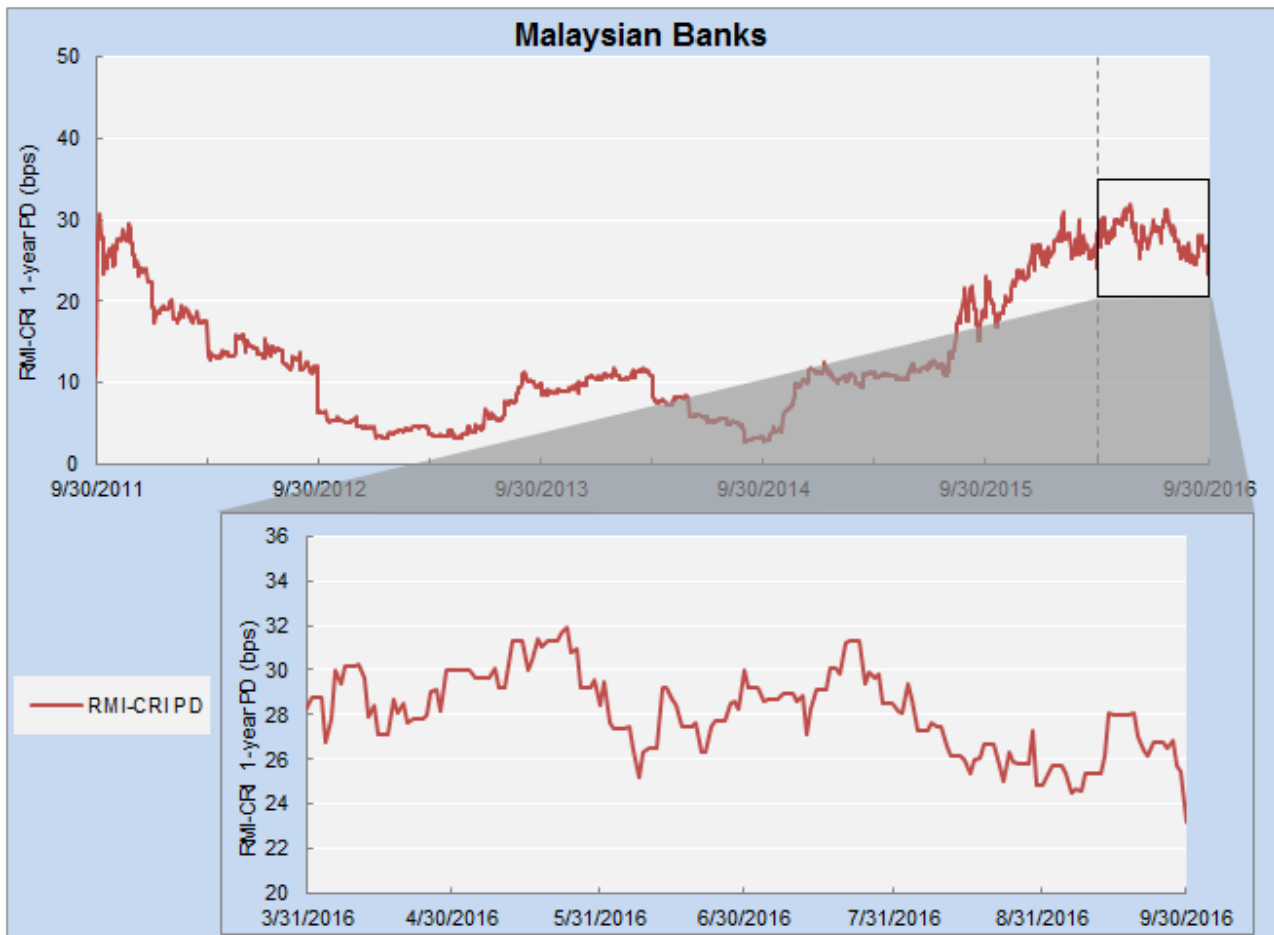
- The imprisoned opposition leader, Anwar Ibrahim, was briefly allowed out of his cell to challenge the implementation of National Security Council Act, a new law that gives the prime minister the authority to declare something like a state of emergency. Mr. Anwar's action was endorsed by former Prime Minister Mahathir Mohammad, as the two had an improbable reunion at the High Court in Kuala Lumpur in September 2016. Mr. Mahathir and Mr. Anwar had not appeared together since 1998, after the then Prime Minister Mr. Mahathir's fired Mr. Anwar from his post as deputy prime minister and later accused Mr. Anwar of committing sodomy (a crime in Malaysia). Mr. Anwar was sentenced to prison on the first charge, which was later overturned. He was then convicted on a new sodomy charge, for which he is now serving time. The reunion and endorsement of the two highlight the shifting political alliances in Malaysia.¹¹⁴
- As the prospects for the nation's energy revenue brightened due to a jump in crude oil prices, Malaysia's ringgit held gains while Asian currencies declined. Malaysia is the only net exporter of oil among Asia's major economies and derives about a fifth of government revenue from energy-related sources. The ringgit climbed 0.3 percent to 4.1240 per USD. The ringgit also strengthened against the Singapore dollar, rising 0.5 percent to 3.0171 per SGD.¹¹⁵

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 Q3 as the banking system was well capitalized. Banks reported decreased amount of repurchase agreements with a slight increase in impairment losses. The demand for bank loans had decreased in the third quarter, driving down the lending rate in Malaysia. Bank deposits increased slightly in third quarter.



Lending

- The amount of bank loan applications has decreased to MYR 68.2bn in September 2016 from MYR 76.2bn in June 2016. Loan application for working capital had fallen to MYR 16.8bn in September 2016 from MYR 18.5bn in June 2016.¹¹⁶
- The base lending rate of Malaysian commercial banks decreased from 6.81% in June 2016 to 6.65% in September 2016. The weighted base rate also demonstrated decrement from 3.83% in June 2016 to 3.60% in September 2016.¹¹⁷

Funding & Liquidity

- Total bank deposits increased slightly by 0.3% from June 2016 to September 2016. The repurchase agreement decreased from MYR 19.7bn in June 2016 to MYR 14.5bn in September 2016. On a YoY basis, repurchase agreements decreased by 37.3% in September 2016.¹¹⁸
- Savings deposit rates at commercial banks had decreased from 1.07% in June 2016 to 0.96% in September 2016. The 12-month fixed deposit rate had declined to 3.07% in September 2016 from 3.29% in June 2016.¹¹⁹

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 13.3% and 14.2% in September 2016 from 12.1% and 12.8% one year ago, respectively.¹²⁰

Asset Quality

- The value of impaired loans at Malaysian banks had increased to MYR 24.4bn in September 2016 from MYR 24.3bn in June 2016. The ratio of net impaired loans to net total loans remained unchanged at 1.3% on a QoQ basis.¹²¹

¹⁰⁵November 11, 2016, [Economic And Financial Developments In Malaysia In The Third Quarter Of 2016](#), Bank Negara Malaysia, <http://www.bnm.gov.my>

¹⁰⁶Oct 21, 2016, [Consumer Price Index Malaysia September 2016](#), Department of Statistics Malaysia, <https://www.statistics.gov.my>

¹⁰⁷November 11, 2016, [Economic and Financial Developments in the Malaysian Economy in the Third Quarter of 2016](#), Bank Negara Malaysia, <http://www.bnm.gov.my>

¹⁰⁸November 4th, 2016, [Monthly External Trade Statistics September 2016](#), Department of Statistics Malaysia, <https://www.statistics.gov.my>

¹⁰⁹September 07, 2016, [Monetary Policy Statement](#), Bank Negara Malaysia, <http://www.bnm.gov.my>

¹¹⁰Oct 31, 2016, [Economic and Financial Data for Malaysia](#), Bank Negara Malaysia, <http://www.bnm.gov.my>

¹¹¹September 07, 2016, [Monetary Policy Statement](#), Bank Negara Malaysia, <http://www.bnm.gov.my>

¹¹²Oct 31, 2016, [Economic and Financial Data for Malaysia](#), Bank Negara Malaysia, <http://www.bnm.gov.my>

¹¹³Oct, 2016, [Monthly Statistical BulletinSeptember 2016](#), Bank Negara Malaysia, <http://www.bnm.gov.my>

¹¹⁴Sep 06, 2016, [Malaysian Rivals Reunion Highlights Shifting Political Alliances](#), The New York Times, <http://www.nytimes.com/>

¹¹⁵Oct 4, 2016, [Malaysian ringgit defies drop in Asian currencies on oil's rally](#), The Straits Times, <http://www.straitstimes.com>

¹¹⁶Oct, 2016, [Monthly Statistical BulletinSeptember 2016](#), Bank Negara Malaysia, <http://www.bnm.gov.my>

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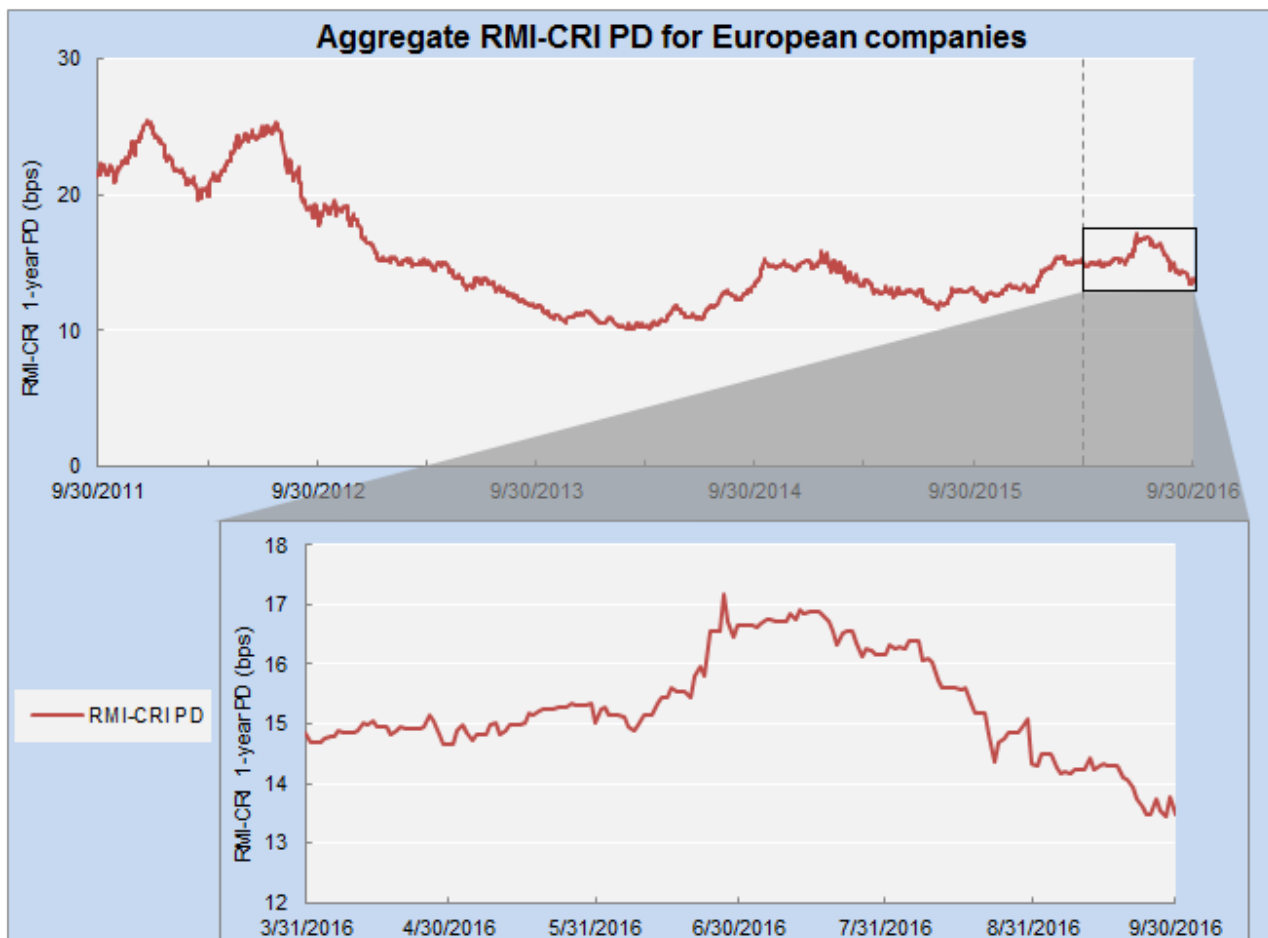
¹¹⁹Oct, 2016, [Monthly Statistical BulletinSeptember 2016](#), Bank Negara Malaysia, <http://www.bnm.gov.my>

¹²⁰Oct 30, 2015 [Monetary and Financial Developments September 2015](#), Bank Negara Malaysia, <http://www.bnm.gov.my>

¹²¹Oct, 2016, [Monthly Statistical BulletinSeptember 2016](#), Bank Negara Malaysia, <http://www.bnm.gov.my>

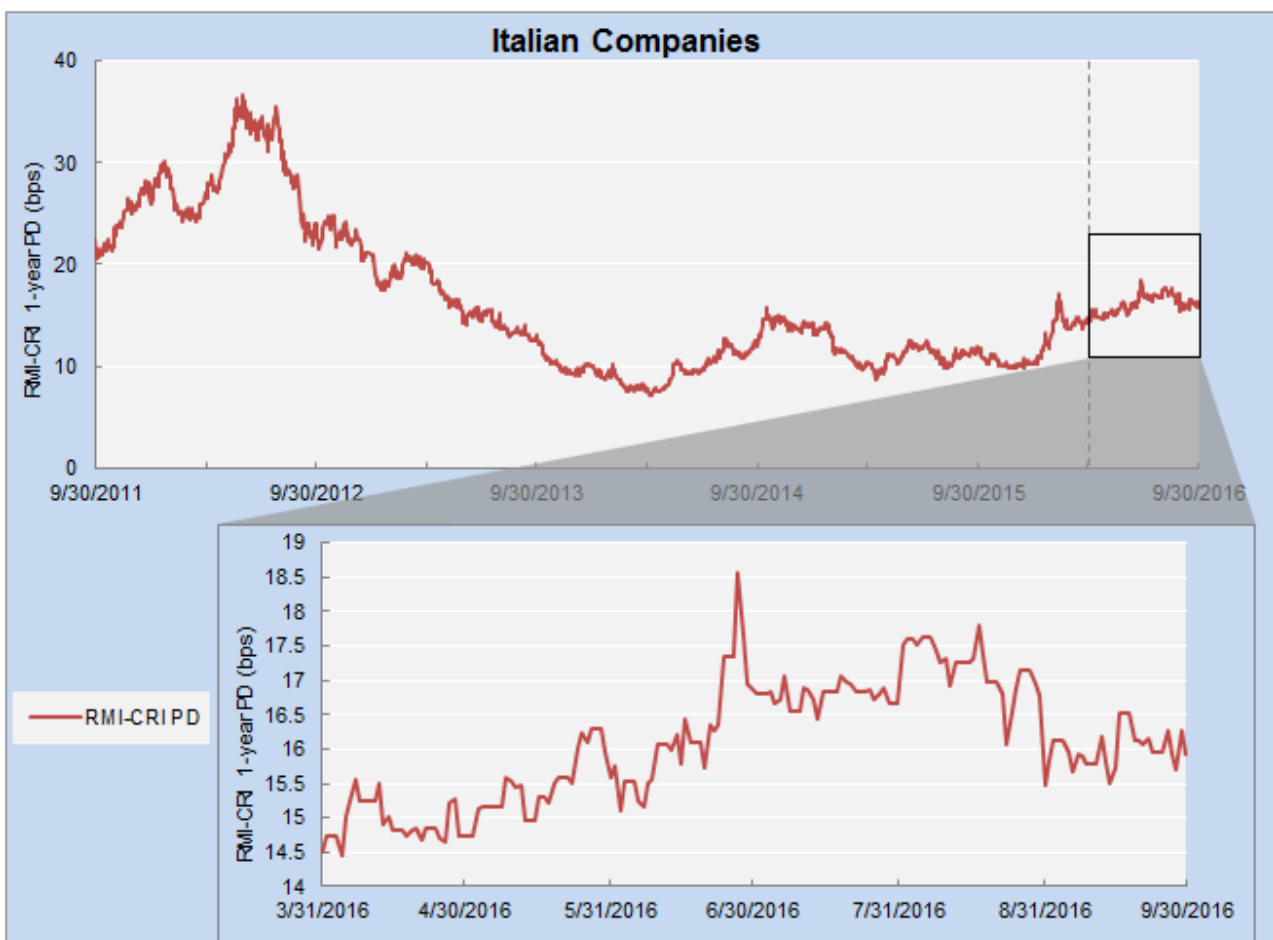
Europe

The RMI-CRI aggregate 1-year PD for European firms reversed their upward climb in Q2 to decline in Q3 2016, in tandem with the 0.3% Eurozone GDP growth over the quarter. However, while most of the countries demonstrated a turnaround, German economy was held to 0.2% in Q3, which tended to hold back the economy. In addition to the uncertainty about Germany's growing pace, underlying concerns remained as the region could fail to fundamentally change its structural vulnerability, particular due to the possible slowdown in global trading activities post US election. There is still a long way to go for reaching ECB's target of 2% economic growth on an annual basis.



Italian Companies

The aggregate 1-year RMI PD for Italian companies fell marginally during Q3, amid a backdrop of high unemployment and continued modest expansion in the manufacturing and service sectors. Optimism amongst consumers has improved in recent months, but that is primarily because most people expect the cost of goods and services to fall in the future. Italian consumers are less keen to spend as they are worried about their jobs. Retailers also have not seen a sharp improvement in sales. Funding costs for non-financial companies have turned lower but outstanding loans to firms continued to register declines. The credit outlook for Italy remains negative as companies continue to face weak external demand and high operating costs. Fiscal austerity measures are likely to weigh on consumer spending and it is unlikely that Rome would meet its target deficit to GDP ratio. The credit profiles for Italian companies are likely to deteriorate further given the uncertain operating and political environments.



Economy

- The Bank of Italy said that Q3 GDP may register a slight gain after two quarters of modest growth in Q1 and Q2. The government expects GDP to expand 0.8% to 1.2% this year driven by marginal improvements in employment and investments. The IMF, however has cut the growth forecast for Italy citing investors' concern for the country's banking system. The IMF's GDP forecast for Italy is lower than the official estimates as it expects a growth of 0.9% in 2016.^{122,123}
- Italy's unemployment rate declined slightly to 11.5% in Q2 but remained at an elevated level. The unemployment rate increased to a record high of 12.75% in Q4 2014 after falling to 6% in 2007. Early employment statistics in August suggest that the unemployment rate in Q3 could settle between 11% and 12%¹²⁴

- Italy's manufacturing PMI declined slightly from 53.5 in Q2 to 51 in Q3. The manufacturing sector fell below 50 in August but recovered to 51 in September. Respondents to the survey said that new orders have improved but the overall improvement was marginal. September's manufacturing output growth rate was the second slowest in 20 months.¹²⁵
- The Services PMI fell to 50.7 in September from 51.9 in June as businesses continued to expand at a slower pace. Service providers are less optimistic about year-end business activity although most firms maintained staffing levels in Q3. Business sentiment with regards to year ahead outlook for output deteriorated in Q3 as confidence levels fell to the second lowest in the past 12 months. Meanwhile, prices for services charged continued to fall in the third quarter even though businesses faced an increase in average input prices.¹²⁶
- The European Commission Italy economic sentiment indicator, which combines the assessments mainly from business surveys, dropped to 103.5 in September and 103.1 in August, from 104.8 in June.¹²⁷
- The index for consumer confidence in Italy also decreased to 108.7 in Q3 from 110.1 in Q2 as consumers felt less confident about the economic outlook. The survey measuring inflation perception according to the last 12 months increased to -21 from -22 during Q3, while inflation expectations for the next 12 months rose from -27 to -12.¹²⁸
- Markit's Italy Retail PMI, which surveys the economic health of the retail sector, increased from 40.2 in Q2 to 45 in Q3. The sub-50 level indicated that the sector continued to contract. September's rate of retail sales decline was the slowest in four months although retailers said they hired more employees in Q3. Retailers were more upbeat about month ahead sales but mentioned that unfavorable weather, higher oil prices and political uncertainty could threatened sales prospects.¹²⁹

Funding & Liquidity

- Yields on 10-year Italian bonds decreased to 1.188% at the end of Q3 from 1.258% in Q1. During the third quarter, yields fell to as low as 1.042% in August before rising to 1.342% in September.
- Annualized Interest rates on new bank loans to non-financial Italian companies continued to fall, as it decreased to 3.76% in August from 3.87% three months earlier.¹³⁰
- Preliminary numbers for outstanding loans to non-financials continued to fall from its November 2011 peak. Between May and August, total outstanding loans decreased 0.71% to EUR 793bn.¹³¹

Politics

- Italy held its referendum on constitutional reform in the fourth quarter. The referendum was called after Prime Minister Renzi failed to secure the necessary two thirds endorsement for the changes he seek. The constitutional reform bill aims to curb the power of the Senate and make Italy a more governable country, which has had 63 governments in the 70 years since the birth of the Republic. The new electoral law would give the Prime Minister more power and the head of government would have five years in office with a guaranteed parliamentary majority. Prime Minister Renzi said that he would resign after the vote went against him on Dec 4. Investors are concerned that the Prime Minister's departure would place the country into political disarray and spark another crisis within the EU.¹³²

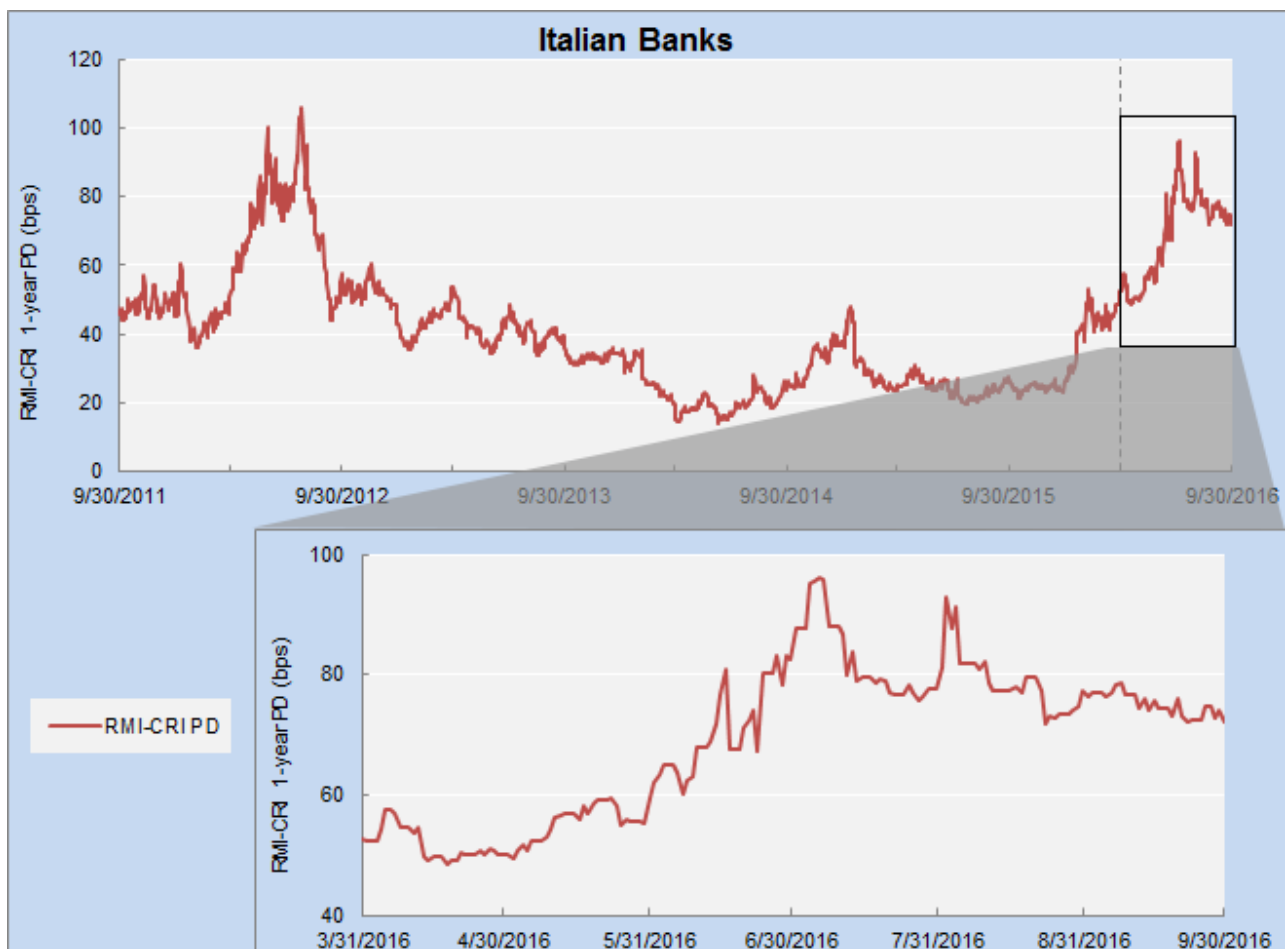
- Italy's public deficit to GDP has dropped to 2.31% for Q2 2016, from the previous quarter of 2.51%. The government raised its deficit target of 2.4% of gross domestic product this year.¹³³
- The Italian government unveiled a EUR 26.5bn budget proposal which includes EUR 6bn in revenue from a tax amnesty. The government plans to spend EUR 7bn over the next three years to increase low pensions. With the new budget plan, the government expects the deficit to reach 2.4% this year from its previous target of 2.6%.¹³⁴

Sovereign Credit Ratings

- On Oct 21, Fitch cut the outlook on Italian sovereign debt citing weak growth, high debt and an uncertain outcome of a planned referendum. However, all three major rating agencies kept their ratings for Italy's sovereign bonds. Italy is rated Baa2, BBB- and BBB+ by Moody's, S&P and Fitch, respectively. Moody's and S&P have stable outlooks for the sovereign issuer.

Italian Banks

The aggregate 1-year RMI PD for Italian banks declined marginally over Q3 as banks face a lower risk of default thanks to better risk management procedures. Lenders held a high amount of funds from the ECB in Q3 as there was a higher risk of an exogenous shock to the banking system over the last three months. The external support from the ECB has greatly reduced the systemic risk of the banks even though financial market conditions continue to remain uncertain. Italian banks have cut the cost of loans to borrowers, and at the same time, also reduced the amount of interest paid to depositors. Liquidity conditions at the banks remain healthy although their cost of funding from the bond markets has increased. Asset quality has not improved in Q3 as the unemployment situation in the country has somewhat affected borrowers' ability to repay their loans. Moving forward, the credit outlook for Italian banks is still negative as lenders face an uncertain economic outlook. Financial market conditions have not stabilized and continued volatility in the credit markets could affect the lenders' ability to seek funding from the capital markets going forward.



Profitability

- Aggregate earnings at 18 listed Italian banks declined in Q2 after reporting positive aggregate earnings results in the previous quarter. Aggregate net income increased to EUR 1.54tn in Q2 from EUR 1.61bn in Q1. Troubled Italian lender Monte dei Paschi, could be the major source of instability for the Italian banking system according to stress tests conducted by the EBA. Italy's third largest bank announced a EUR 1.15bn loss in the recent quarter, forcing the lender to shut 500 branches and sell business units to raise EUR 5bn and offload EUR 28bn of bad loans.¹³⁵
- Trailing 12 month net interest margins of Italian banks fell to an average of 1.48% in Q2 from 1.52% during Q1. Interest margins were also down from 1.56% a year ago in Q2 2015.

Funding & Liquidity

- Coupons on new 5-year euro-denominated Italian bank bond issuances dropped to 0.54% during Q3 from 1.45% in Q2.
- Deposits at Italian banks by residents increased to EUR 1.35tn in June after increasing 0.14% during Q1. The pace of deposit growth has slowed in recent quarters, which is reminiscent of the growth trend during Q1 2013 and Q2 2013 before deposits fell 3.6% in Q4 2013 to EUR 1.24tn. Non-financial company deposits increased 1.8% during Q2 from EUR 214bn to EUR 218bn despite a lower interest rate environment, while household deposits grew marginally from EUR 935bn to EUR 936.¹³⁶
- Bank interest rates on euro loans over EUR 1M to new non-financial businesses fell to 1.83% in August from 2.36% in June. Interest rates on housing purchases over 10 years fell to 2.37% in August - a decline from 2.51% in June.^{137,138}
- New loans to non-financial corporations declined to EUR 210mn in August after rising to 5 year high of EUR 583mn in July. Issuances of new loans for house purchases dropped to EUR 2.05bn in August from EUR 4.03bn in June. EUR 4.43bn of new housing loans were issued in July, the highest since July 2008.^{139,140}
- Italian bank liabilities towards the Eurosystem increased to EUR 174bn in August from EUR 150bn in May. Lenders increased their funds held at the ECB by 10.2% in August while capital and reserves remained at EUR 442bn in May and in August.¹⁴¹
- According to the June bank lending survey, banks reported that funds obtained from the targeted longer-term refinancing operations (TLTRO2) were used to support credit to firms and replace other refinancing operations with the Eurosystem. Italian banks intend to use upcoming TLTRO2 funds for new loans to non-financial companies.¹⁴²

Asset Quality

- The Bank of Italy said that the ratio of new non-performing loans to outstanding loans was broadly stable between Q1 and Q2 at 3% on a seasonally adjusted annualized basis. The non-performing loan ratio for the five largest banks dropped slightly in Q2 from 17.9% to 17.4%, but continued to remain high. The non-performing loan ratio net of write downs declined from 10.4% to 10.1% in Q2.¹⁴³
- The percentage of write downs over non-performing loans remained in line with most European banks.¹⁴⁴

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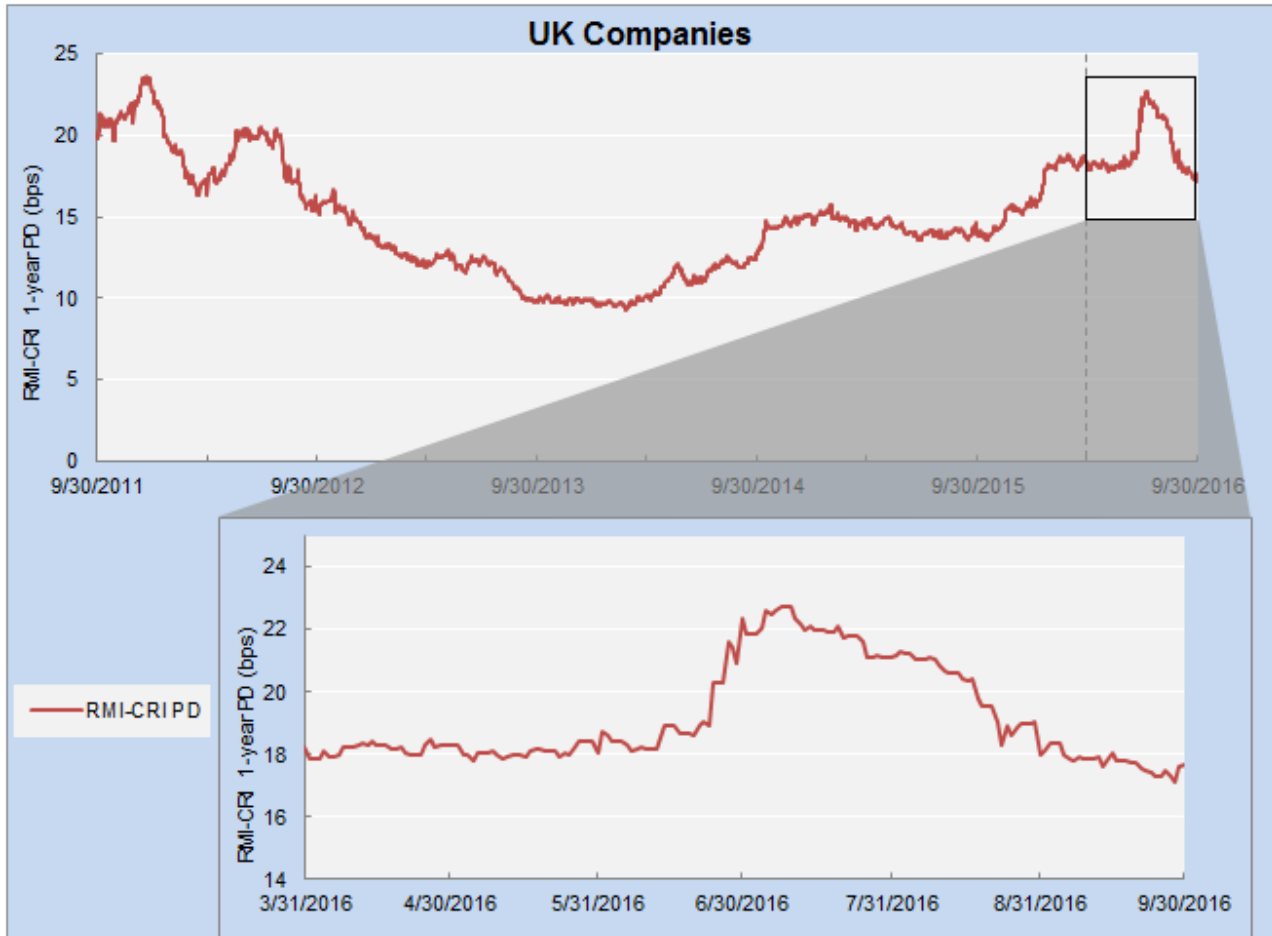
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UK Companies

The aggregate RMI-CRI 1-year PD for companies in the UK had slightly turned around in Q3, corresponding to the constant GDP growth in Q3, which is faster than the same period last year. Generally speaking, robust consumer spending and exports fueled UK's economic growth in Q3. In addition, the unemployment rate stayed stable and the purchasing managers' index increased to a recent peak, reflecting upbeat outlook on UK economy. Despite the good results, some economists and regulators remained concerned that although the weak pound boost exports, it could also squeeze future consumer incomes through higher inflation, a drag on the economic outlook.



Economy

- The UK's Q3 GDP grew by 0.5%, compared with Q2 GDP growth of 0.7%. The services industry expanded, growing by 0.8%, while construction, agriculture and production decreased by 1.4%, 0.7% and 0.4% respectively. The manufacturing sector decreased by 1.0%. GDP was 2.3% higher compared to the same quarter last year.¹⁴⁵

- The unemployment rate stayed at 4.9% between June to August 2016, unchanged from the preceding period of March to May 2016. However, a total of 106,000 new entrants to the labour market pushed employment to 74.5%, 0.1% higher than the preceding quarter - which was the highest level since 1971. A total of 23.23 million full-time workers signified a 362,000 increase YoY.¹⁴⁶
- Consumer confidence has increased despite fears of an impending exit from the EU, with the consumer spending index rising 2.4% in September compared to the same month last year, marking the strongest increase since April. This followed a 0.1% increase in August, which was the weakest in 3 years. The trend suggests signs of recovery after weak data following the Brexit vote.¹⁴⁷
- The Markit/CIPS purchasing managers' index (PMI) for the manufacturing sector in September 2016 was reported at 55.5, well above its long-run average of 51.5 and higher than the 48.2 reported in the month following the Brexit vote in June. The PMI for the construction sector for September was 52.3, driven largely by work on residential properties, and a weaker pound leading to higher input costs. The result was also the largest monthly growth since March.^{148,149}

Monetary

- In its latest meeting in early November, the Bank of England left its key interest rate unchanged at 0.25%. The announcement was a surprise, due to its earlier signal that it could further cut rates following uncertainty surrounding the Brexit decision. The Monetary Policy Committee further voted to not reverse the stimulus package announced at its last meeting in November - a GBP 70bn bond purchase to inject liquidity into the market, in fear that a reversal will change economic expectations.¹⁵⁰
- CPI increased to 1.0% in September 2016, from 0.5% in June, remaining well below the inflation target of 2.0%. Missing inflation expectations was large driven again by drags in energy and food prices.¹⁵¹

Politics

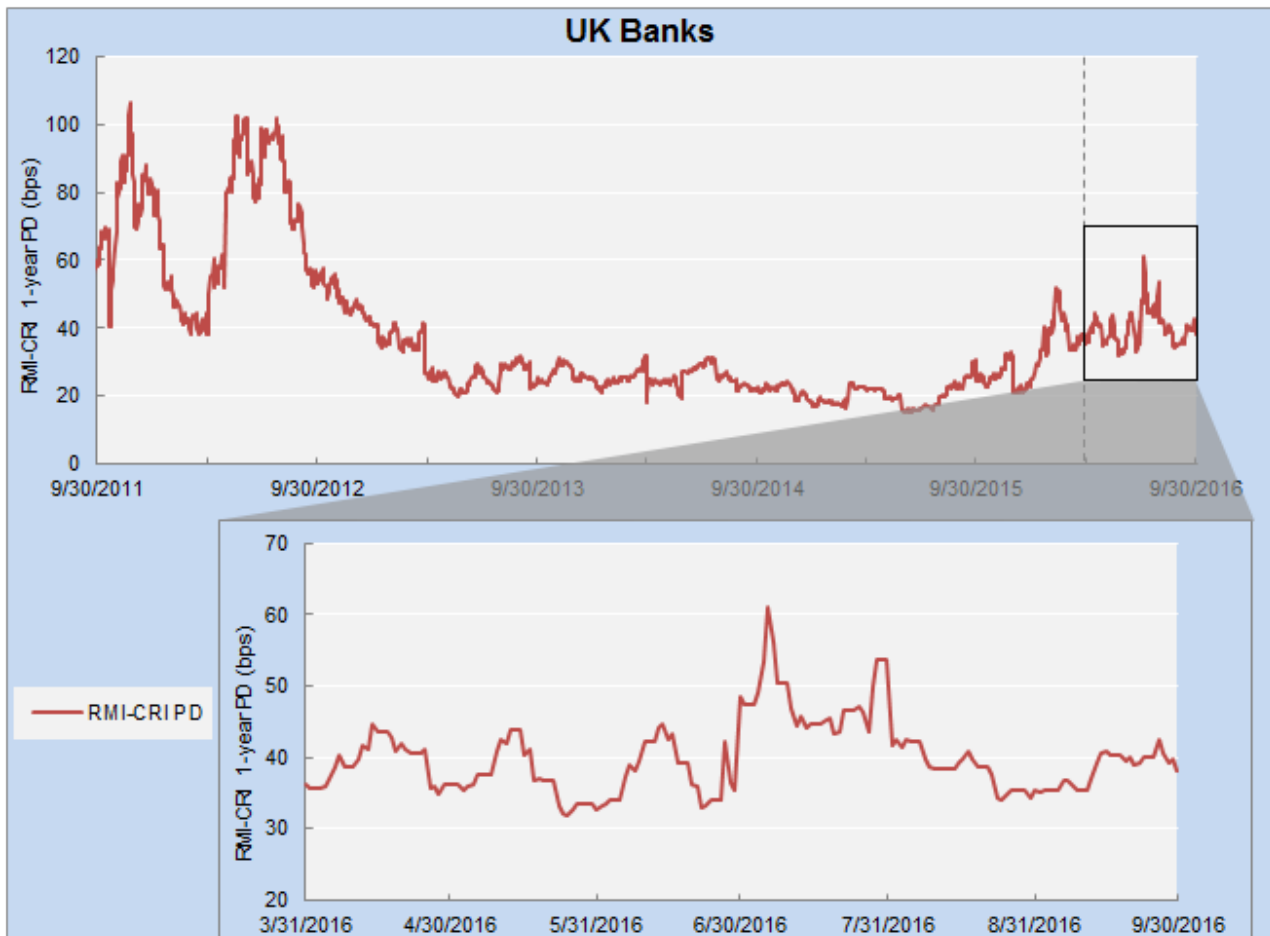
- In October, Prime Minister Theresa May announced that she will aim to steer the UK out of the EU by spring of 2019 by invoking article 50 of the Treaty of Lisbon by March 2017, which will set in motion the two-year Brexit process. The announcement led to the currency tumbling to a 31-year low against the greenback. HSBC noted that the GBP has gone from a "cyclical to a political and structural currency". The PM also laid out a plan to incorporate a comprehensive bill to maintain good relations with EU, dubbed "the great repeal bill".^{152,153}
- There are seemingly little to no effects of a Donald Trump US Presidential victory on the UK economy, with significant effects possible for the greater Eurozone - especially France, Italy and Germany. A Trump presidency would be positive for populist parties.¹⁵⁴

Sovereign Credit Ratings

- Moody's has warned that UK's credit rating could be downgraded again if it loses access to the single EU market as part of Brexit negotiations. Moody's current rating of UK's sovereign credit stands at Aa1, while Fitch's rating remained at AA.^{155,156}

UK Banks

The RMI-CRI aggregate 1-year PD for banks in the United Kingdom improved much in Q3 followed by a worrying Q2 performance due to the effect of Brexit. 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, the profitability has remained sluggish, despite strong price rally of FTSE Banks Index. Therefore, although the stock market has cheered up for the easing monetary policy and better-than-expected Brexit impact on UK, it remains too early for dictate British banks will see a remarkable turnaround in the near term.



Profitability

- According to the Monetary financial institutions' quarterly income and expenditure tables released by the Bank of England, the net interest receivable increased from GBP 15.124bn in Q1 2016 to GBP 15.362bn in Q2 2016.
- Also, the net fees and commissions had dipped slightly, down to GBP 4.85bn across Q2 2016 from GBP 4.9bn in Q1 2016.¹⁵⁷
- 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 Bank of England, UK banks and building societies asserted that their funding volumes have increased significantly in Q3 2016 from Q2 2016. Specifically, the retail deposit funding had decreased, while 'other' funding, which includes the wholesale deposits and wholesale debt funding, had increased. The average cost of capital has decreased slightly, as reported by the lenders.
- The supply of deposits from households dipped, whereas deposits from private non-financial corporations increased in Q3 2016.
- Investor demand for the wholesale debt increased in Q3 2016 after 3 consecutive dips beginning in Q4 2015.¹⁵⁸

Asset Quality

- The total write-offs of sterling-denominated loans increased from GBP 969mn in Q1 2016 to GBP 1.22bn in Q2 2016. For the same period, loan write-offs at private non-financial corporations spiked from GBP 280mn to GBP 658mn.
- However, the write-offs on loans denominated in foreign currency went down from GBP 135mn to GBP 97mn in Q2 2016, along with a 8.3% slump in the write-offs on loans to non-residents, which constitute the largest share of the total write-offs.¹⁵⁹

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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 October 04, 2016, using data up to September 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.

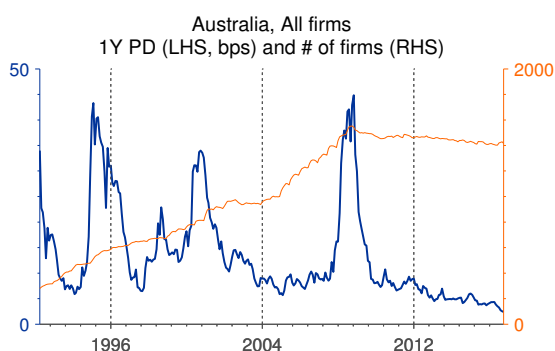
Appendix [C](#) provides common macroeconomic, corporate credit and sovereign risk indicators for each economy along with the RMI-CRI 1-year aggregate PD for financial and non-financial firms. The graphs on the left give historical context to the values, and the table on the right give the data from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

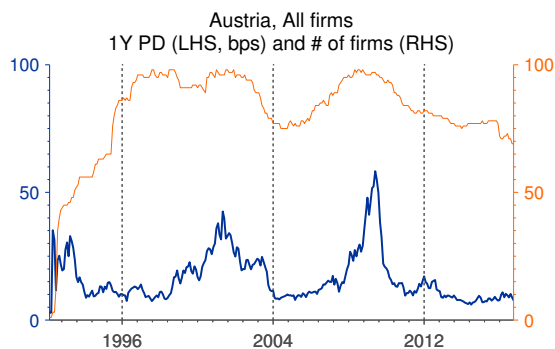
A PD by economies



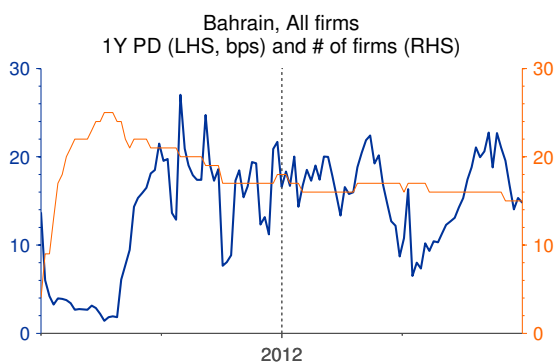
Argentina	2016Q2			2016Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	11	19.7	26.7	17.3	30.7	1.6	9.2
Basic Materials	7	28.0	28.3	18.0	38.6	-0.2	12.4
Communications	3	1.7	2.8	1.6	3.3	-0.1	0.5
Consumer Cyclical	5	4.6	113.7	6.0	18.4	-1.8	96.1
Consumer Non-cyclical	15	3.6	40.4	4.0	37.1	-0.1	9.8
Diversified	1	10.7	-	13.3	-	2.6	-
Energy	4	7.5	21.1	8.3	26.7	0.8	5.7
Industrial	6	8.1	5.4	5.4	2.0	-2.8	4.1
Technology	1	0.5	-	0.5	-	-0.0	-
Utilities	9	7.0	4.8	5.3	6.9	1.5	5.7



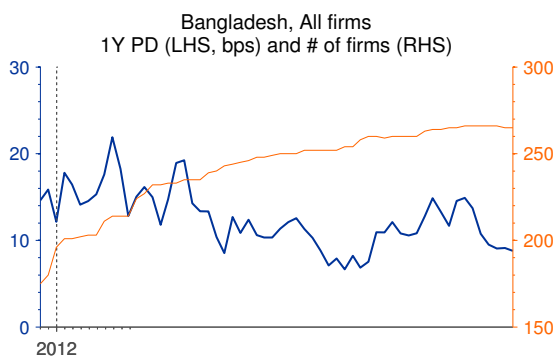
Australia	2016Q2			2016Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	149	0.7	32.0	0.6	20.9	-0.0	12.9
Basic Materials	491	4.9	51.3	3.1	33.6	-0.7	30.2
Communications	86	3.1	14.2	2.9	10.3	-0.1	9.2
Consumer Cyclical	79	2.2	17.1	1.4	18.5	-0.2	5.6
Consumer Non-cyclical	213	1.9	32.7	2.1	19.9	-0.1	19.9
Diversified	8	4.1	5.1	2.3	3.3	-0.1	2.9
Energy	149	8.9	46.5	6.3	35.0	-1.4	31.6
Industrial	100	4.1	40.8	2.9	26.1	-0.7	33.4
Technology	85	2.6	19.1	2.1	17.3	0.0	18.2
Utilities	11	5.0	14.7	4.5	9.2	-0.5	8.3



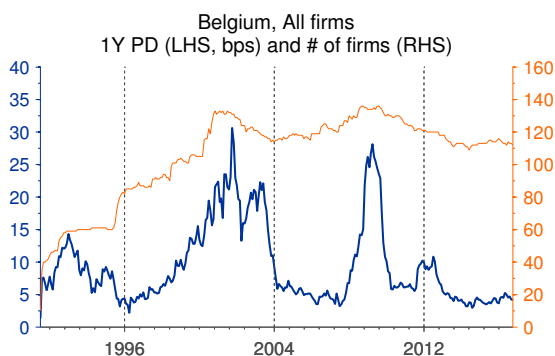
Austria	2016Q2			2016Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	20	7.1	21.3	4.7	15.4	-1.1	7.7
Basic Materials	3	2.3	5.7	1.5	5.0	-0.7	0.8
Communications	1	4.6	-	4.3	-	-0.4	-
Consumer Cyclical	11	13.7	597.2	9.6	362.0	-3.6	236.2
Consumer Non-cyclical	8	8.9	9.6	9.3	9.5	-0.2	4.4
Energy	4	9.1	3.9	9.3	2.5	0.7	2.2
Industrial	17	11.9	22.9	10.4	27.5	-0.4	9.6
Technology	3	5.0	10.1	4.2	8.2	-1.5	1.9
Utilities	2	2.9	3.0	2.0	1.9	-0.8	1.1



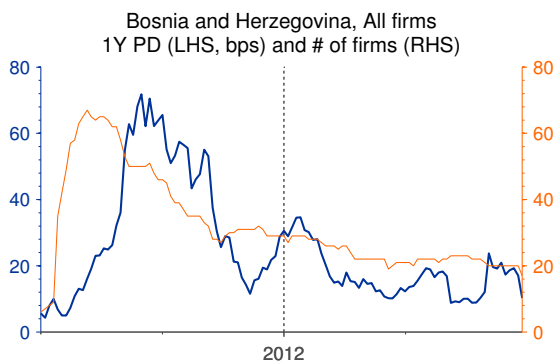
Bahrain	2016Q2			2016Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	10	38.4	95.8	48.3	96.5	0.4	18.7
Basic Materials	1	6.6	-	9.2	-	2.6	-
Communications	1	0.6	-	0.7	-	0.1	-
Consumer Cyclical	2	0.3	0.4	0.6	0.8	0.3	0.4
Industrial	1	15.3	-	14.0	-	-1.3	-



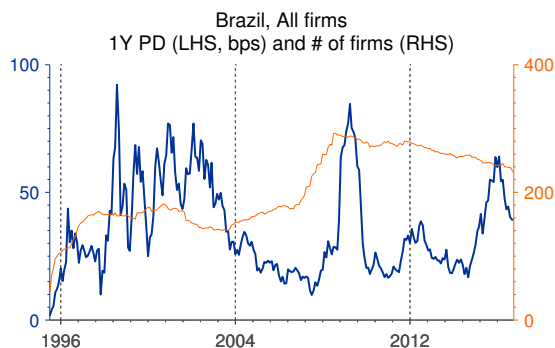
Bangladesh	2016Q2			2016Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	98	21.3	57.7	21.9	48.9	-0.4	15.5
Basic Materials	15	3.6	13.5	2.2	13.0	-0.0	2.4
Communications	7	1.5	12.2	1.2	13.3	-0.0	1.1
Consumer Cyclical	58	12.1	30.4	10.5	31.0	-0.3	10.9
Consumer Non-cyclical	43	5.1	44.4	4.5	25.9	-0.0	24.5
Diversified	1	36.0	-	39.8	-	3.8	-
Energy	5	9.1	9.5	5.2	10.6	-0.7	2.2
Industrial	29	5.2	30.6	5.1	19.8	-0.4	18.8
Technology	1	1.9	-	1.5	-	-0.4	-
Utilities	7	3.2	8.8	3.0	8.9	-0.0	1.1



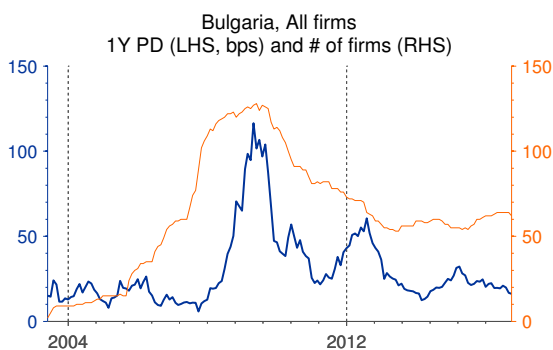
Belgium	2016Q2			2016Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	32	2.1	130.9	1.7	98.3	-0.3	33.0
Basic Materials	8	7.4	10.3	7.0	12.9	-0.9	5.8
Communications	6	9.5	12.1	7.2	59.5	-1.8	48.3
Consumer Cyclical	6	4.5	2.4	4.1	2.3	-0.8	1.1
Consumer Non-cyclical	25	5.8	19.1	5.4	10.4	-1.1	10.6
Diversified	6	1.4	7.7	0.7	6.6	-0.6	1.2
Energy	2	37.5	24.4	57.1	51.8	19.5	27.4
Industrial	20	8.9	24.1	6.2	20.6	-1.2	6.8
Technology	5	3.0	2.1	2.4	4.1	-0.4	4.4
Utilities	2	1.6	1.1	1.1	0.0	-0.5	1.1



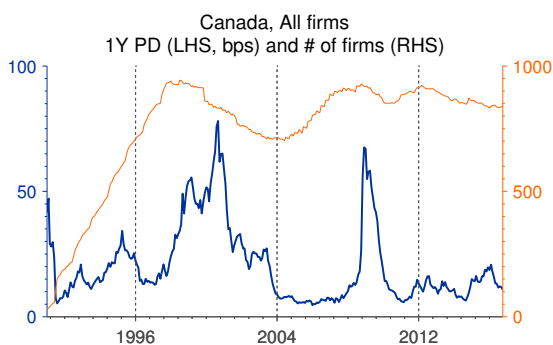
Bosnia and Herzegovina	2016Q2			2016Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	2	21.3	6.2	26.8	6.9	5.5	13.0
Basic Materials	1	10.4	-	10.1	-	-0.3	-
Communications	2	2.7	2.4	4.9	4.4	2.1	2.0
Consumer Cyclical	1	17.4	-	7.0	-	-10.4	-
Consumer Non-cyclical	3	6.2	4.9	7.9	4.8	-2.8	2.6
Energy	3	29.3	64.3	9.2	14.4	-1.3	70.3
Utilities	4	66.3	84.5	25.9	66.3	-33.5	36.6



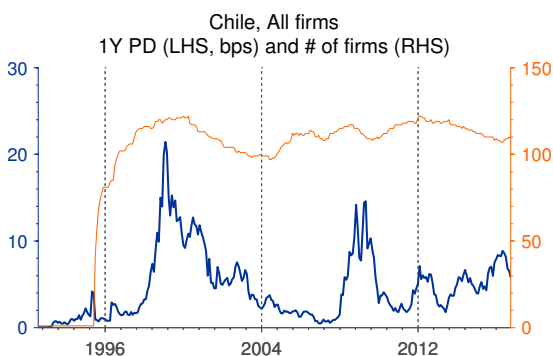
Brazil	2016Q2			2016Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	55	74.0	230.7	55.1	277.4	-8.9	80.0
Basic Materials	17	67.4	300.0	42.1	177.5	-15.0	129.8
Communications	6	25.0	82.6	8.2	54.6	-16.8	39.0
Consumer Cyclical	45	46.5	450.9	23.8	404.6	-7.3	137.1
Consumer Non-cyclical	41	21.1	111.7	23.2	106.4	-1.6	74.3
Diversified	6	104.6	99.0	83.7	86.4	-6.4	41.4
Energy	7	29.6	838.8	29.0	1146.3	-0.6	1274.1
Industrial	25	86.0	489.9	85.5	319.8	-13.8	179.4
Technology	4	3.6	55.5	3.7	16.4	-0.2	39.3
Utilities	24	29.8	74.9	15.4	77.5	-3.9	36.9



Bulgaria	2016Q2			2016Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	15	22.8	26.2	16.2	31.8	-2.6	29.4
Basic Materials	3	11.5	4.6	9.8	5.9	-3.1	6.1
Communications	2	37.1	21.5	31.4	33.8	-5.8	12.3
Consumer Cyclical	2	19.3	2.6	12.6	2.1	-6.7	4.7
Consumer Non-cyclical	10	33.1	201.1	27.6	442.9	-1.2	243.3
Diversified	10	39.3	25.9	33.6	22.7	-3.0	7.9
Energy	2	200.9	262.4	66.8	70.2	-134.1	192.2
Industrial	16	10.3	18.2	8.9	19.5	0.3	3.2
Utilities	1	7.6	-	6.6	-	-1.0	-



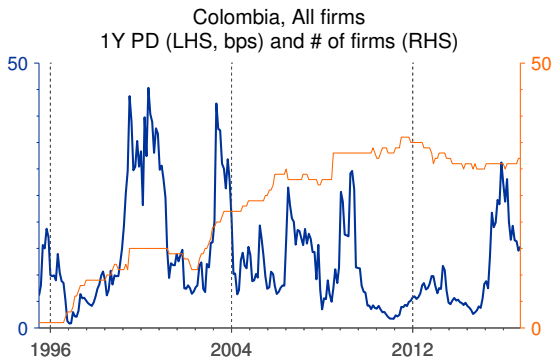
Canada	2016Q2			2016Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	133	5.1	147.7	3.9	152.3	-0.0	71.9
Basic Materials	229	12.4	216.9	13.8	132.4	-0.1	129.1
Communications	43	10.2	169.8	8.7	479.9	-0.0	372.7
Consumer Cyclical	61	6.1	130.8	4.2	167.5	-0.7	53.6
Consumer Non-cyclical	101	17.9	148.3	15.5	557.4	-0.1	476.1
Diversified	5	12.3	129.3	9.9	73.0	-2.4	102.4
Energy	126	22.4	173.1	19.8	179.6	-0.6	131.6
Industrial	66	7.4	161.3	6.8	182.0	0.0	42.0
Technology	34	27.1	193.9	26.2	477.2	-0.1	313.7
Utilities	13	3.5	9.1	9.0	13.4	0.0	6.0



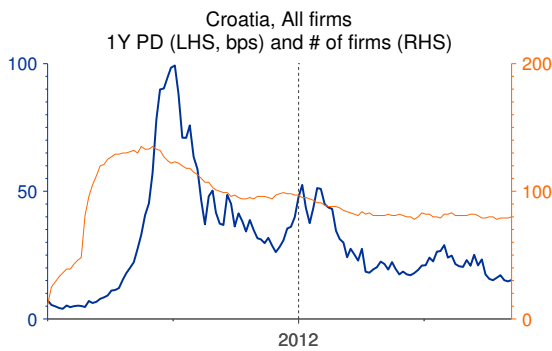
Chile	2016Q2			2016Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	23	13.8	19.0	9.9	27.9	-0.7	20.8
Basic Materials	13	8.2	23.3	5.7	9.3	-2.5	14.9
Communications	3	24.5	11.6	23.2	14.3	-1.5	9.2
Consumer Cyclical	12	10.5	21.0	6.9	23.2	-1.8	4.4
Consumer Non-cyclical	22	2.5	31.5	1.6	34.3	-0.8	21.5
Diversified	5	4.7	21.2	3.5	6.0	-0.3	15.8
Energy	1	161.0	-	131.3	-	-29.7	-
Industrial	18	6.8	8.3	4.8	7.9	-1.4	4.9
Technology	1	1.1	-	0.6	-	-0.5	-
Utilities	10	2.3	98.1	7.8	79.9	1.9	21.0



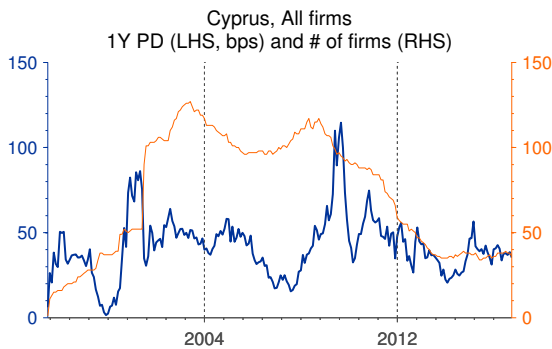
China	2016Q2			2016Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	231	65.2	128.8	53.0	106.2	-6.3	53.6
Basic Materials	337	139.9	130.3	131.7	118.0	-3.7	63.7
Communications	167	50.9	136.3	49.0	99.3	-2.3	92.2
Consumer Cyclical	517	90.1	131.3	92.6	141.8	-2.0	87.2
Consumer Non-cyclical	502	78.2	156.3	82.0	125.9	-1.0	62.8
Diversified	31	185.1	111.1	142.7	102.4	-10.1	38.4
Energy	95	116.7	120.0	116.5	108.5	-7.6	54.7
Industrial	823	115.9	152.6	121.5	119.6	1.9	83.7
Technology	173	65.0	69.4	69.6	74.6	4.5	41.0
Utilities	74	154.5	133.1	150.0	131.1	-11.1	35.1



Colombia	2016Q2			2016Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	9	28.2	39.8	31.3	32.3	-2.3	13.1
Basic Materials	2	7.4	4.2	7.8	0.7	0.4	4.9
Communications	1	10.5	-	8.8	-	-1.8	-
Consumer Cyclical	2	100.9	83.7	99.6	73.1	-1.3	10.7
Consumer Non-cyclical	1	0.9	-	0.5	-	-0.5	-
Diversified	2	11.6	7.0	11.5	7.5	-0.1	0.5
Energy	3	29.8	10.2	30.9	12.8	1.0	2.6
Industrial	7	19.8	12.8	12.8	11.5	-4.8	2.2
Utilities	4	9.5	13.5	9.3	9.1	-3.9	8.5



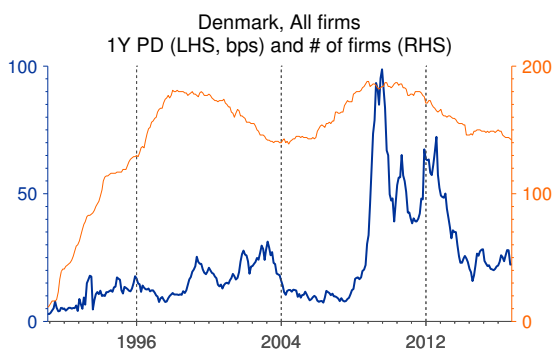
Croatia	2016Q2			2016Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	8	14.7	60.2	12.5	43.3	-3.4	39.0
Basic Materials	3	30.6	38.0	36.1	19.1	-3.9	21.7
Communications	3	0.9	37.8	1.5	14.2	-0.1	23.6
Consumer Cyclical	26	8.7	133.5	7.1	100.5	-1.1	35.1
Consumer Non-cyclical	21	32.3	41.5	18.1	23.4	-4.3	27.3
Diversified	1	23.5	-	19.1	-	-4.5	-
Energy	2	2.3	3.0	0.6	0.7	-1.7	2.3
Industrial	15	55.2	69.6	35.4	39.2	-15.7	39.3



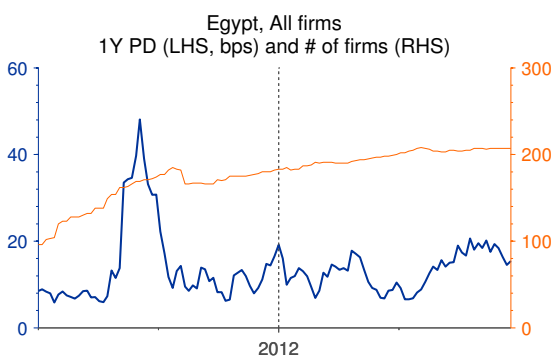
Cyprus	2016Q2			2016Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	12	32.6	317.7	35.9	216.8	-1.2	107.4
Basic Materials	3	42.0	28.3	25.7	24.4	-13.2	8.1
Consumer Cyclical	5	19.6	25.8	18.2	23.6	4.4	4.9
Consumer Non-cyclical	5	37.9	32.9	34.6	24.3	-17.8	14.1
Energy	4	306.6	491.8	393.6	1174.9	-57.5	1160.6
Industrial	5	16.9	482.6	19.5	196.8	-2.4	290.0
Technology	2	56.3	65.9	42.8	45.6	-13.5	20.3



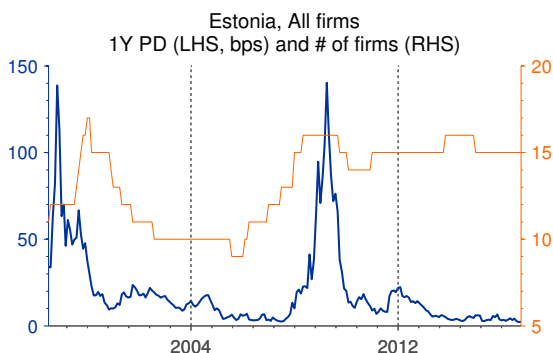
Czech Republic	2016Q2			2016Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	1	17.2	-	21.9	-	4.7	-
Communications	1	30.3	-	6.5	-	-23.8	-
Consumer Cyclical	2	7.2	1.7	6.6	1.2	-0.6	0.5
Consumer Non-cyclical	2	4.6	4.1	2.8	1.9	-1.8	2.3
Diversified	1	1.1	-	1.2	-	0.1	-
Energy	2	7.2	0.2	5.6	2.9	-1.6	2.7
Utilities	1	10.4	-	10.6	-	0.2	-



Denmark	2016Q2			2016Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	43	62.8	94.2	35.2	79.2	-8.6	36.4
Basic Materials	1	1.6	-	1.5	-	-0.1	-
Communications	8	26.3	17.2	18.6	17.0	-2.9	7.2
Consumer Cyclical	16	36.0	101.1	27.5	56.5	-9.2	59.4
Consumer Non-cyclical	28	7.5	49.0	6.5	37.8	-0.9	15.5
Diversified	2	5.9	8.0	4.0	5.6	-1.9	2.4
Energy	1	14.2	-	6.8	-	-7.4	-
Industrial	32	30.7	42.6	22.6	38.9	-5.7	34.1
Technology	9	15.5	70.9	8.6	113.1	1.9	60.3
Utilities	1	38.9	-	26.1	-	-12.8	-



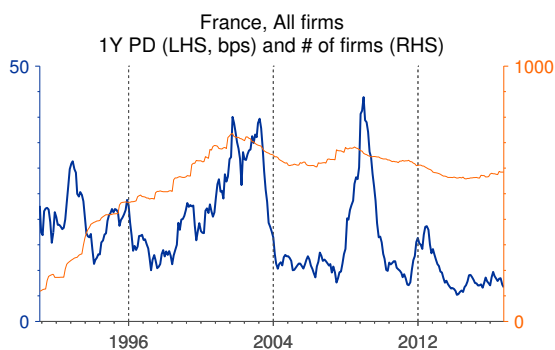
Egypt	2016Q2			2016Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	67	26.8	87.7	17.1	92.0	-3.1	55.4
Basic Materials	22	20.6	42.2	15.8	43.1	-0.6	19.2
Communications	6	21.4	52.1	9.6	49.1	-7.0	15.6
Consumer Cyclical	23	27.2	28.5	27.6	22.6	-4.5	14.1
Consumer Non-cyclical	49	8.3	37.6	8.2	33.0	-0.9	12.3
Diversified	1	8.9	-	6.6	-	-2.3	-
Energy	1	131.2	-	111.1	-	-20.1	-
Industrial	36	11.2	45.6	11.7	60.8	-0.9	30.9
Technology	1	17.6	-	15.5	-	-2.1	-
Utilities	1	44.8	-	43.8	-	-1.1	-



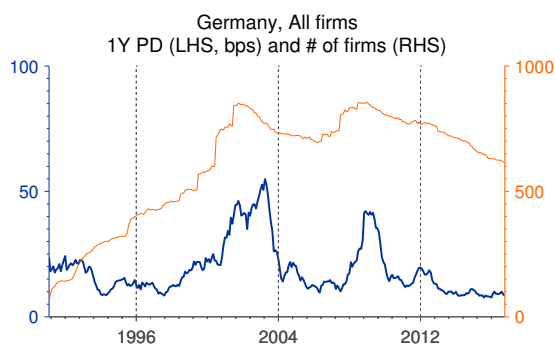
Estonia	2016Q2			2016Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	3	13.1	8.0	20.9	12.7	6.6	5.2
Communications	1	4.8	-	3.6	-	-1.2	-
Consumer Cyclical	5	0.8	27.6	1.1	25.0	-0.3	6.0
Consumer Non-cyclical	1	22.9	-	17.2	-	-5.7	-
Industrial	4	1.4	2.4	1.5	3.2	0.2	0.8
Utilities	1	0.2	-	0.3	-	0.1	-



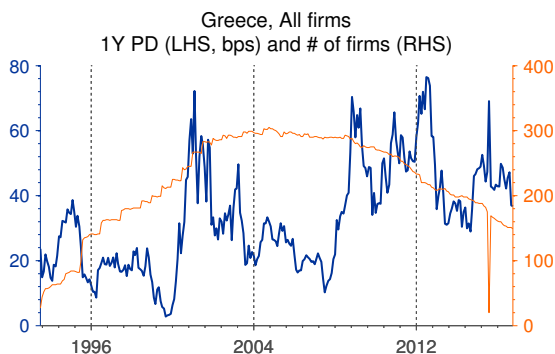
Finland	2016Q2			2016Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	18	10.5	13.0	7.6	10.9	-1.9	10.9
Basic Materials	8	9.9	6.7	6.8	2.6	-3.1	4.9
Communications	14	12.6	17.9	6.2	13.0	-1.2	9.5
Consumer Cyclical	12	5.2	9.3	4.4	8.8	-0.6	5.4
Consumer Non-cyclical	22	8.4	45.9	5.7	156.2	-0.9	118.2
Energy	2	25.6	31.9	33.2	44.7	7.6	12.8
Industrial	37	6.7	38.0	5.8	36.0	-1.6	25.1
Technology	15	11.5	13.6	6.2	14.2	-2.3	3.8
Utilities	1	7.1	-	3.8	-	-3.3	-



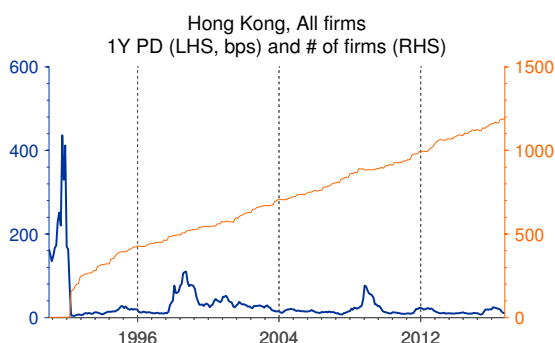
France	#	2016Q2		2016Q3		Q3-Q2	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	86	6.0	37.8	4.5	28.2	-0.3	17.4
Basic Materials	19	11.9	34.2	10.8	49.7	-1.0	19.3
Communications	63	13.2	61.7	11.1	139.0	-0.7	121.2
Consumer Cyclical	78	8.7	42.6	7.2	31.8	-1.4	17.9
Consumer Non-cyclical	128	7.3	13.3	5.4	11.8	-1.2	8.6
Diversified	8	21.9	41.4	12.0	45.0	-4.1	12.8
Energy	13	23.4	31.9	12.9	22.0	-2.2	12.3
Industrial	110	8.0	33.2	6.9	24.4	-1.7	14.3
Technology	66	7.8	23.9	5.9	16.1	-1.2	11.1
Utilities	10	6.7	9.4	4.9	10.9	-1.7	2.4



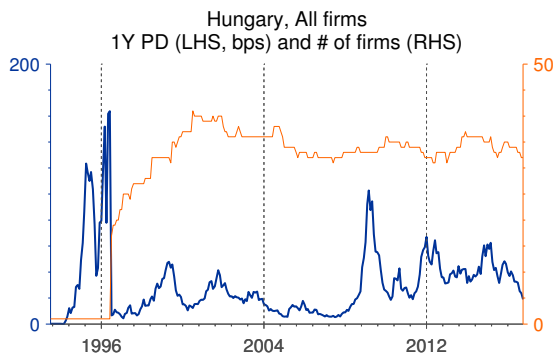
Germany	#	2016Q2		2016Q3		Q3-Q2	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	142	10.2	70.0	9.9	44.9	-0.1	42.0
Basic Materials	23	6.9	69.0	4.3	32.1	-1.3	37.2
Communications	59	10.4	164.6	9.1	50.2	-0.8	121.9
Consumer Cyclical	75	9.8	29.3	8.4	214.0	-1.1	212.0
Consumer Non-cyclical	96	8.4	64.4	7.6	45.3	-0.8	47.0
Diversified	2	64.0	54.8	56.0	14.2	-8.1	40.7
Energy	14	12.3	75.6	11.6	337.2	-0.2	264.5
Industrial	120	8.7	247.7	8.0	190.6	-1.0	166.0
Technology	68	7.1	109.5	6.3	23.8	-0.8	105.3
Utilities	9	4.6	8.3	5.6	15.9	-0.4	11.8



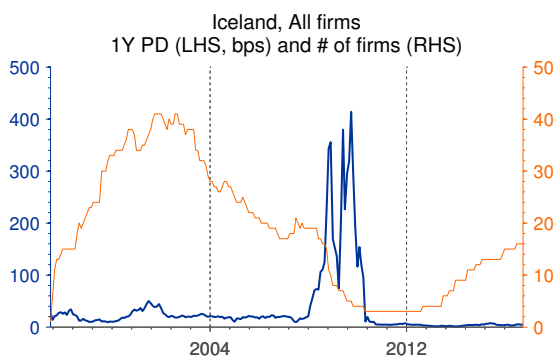
Greece	#	2016Q2		2016Q3		Q3-Q2	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	17	36.8	34.5	39.9	44.2	3.6	29.7
Basic Materials	9	24.9	46.7	21.9	42.4	-3.3	10.6
Communications	7	71.0	74.1	81.7	98.9	7.6	30.8
Consumer Cyclical	27	22.1	69.4	28.6	54.0	-2.9	30.9
Consumer Non-cyclical	29	45.1	100.4	35.2	142.8	-1.2	65.0
Diversified	1	21.8	-	36.7	-	14.9	-
Energy	5	44.3	29.8	29.2	19.1	-12.6	17.4
Industrial	43	87.7	302.4	62.1	228.0	-13.8	138.2
Technology	7	24.1	21.3	20.6	28.1	-0.5	10.3
Utilities	4	17.8	37.4	9.8	21.3	-8.0	16.2



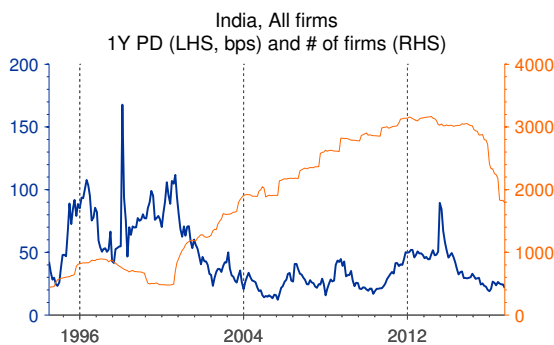
Hong Kong	#	2016Q2		2016Q3		Q3-Q2	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	266	22.1	54.4	10.6	41.1	-4.9	43.9
Basic Materials	59	29.5	227.1	13.9	128.8	-13.9	151.1
Communications	78	18.7	47.0	10.2	42.9	-2.6	39.5
Consumer Cyclical	258	15.4	54.9	7.9	128.2	-4.1	113.4
Consumer Non-cyclical	148	15.4	126.3	9.1	91.6	-3.5	64.0
Diversified	38	16.2	45.5	7.4	37.2	-4.3	33.6
Energy	42	53.3	98.3	30.0	75.0	-8.9	56.3
Industrial	218	20.6	106.7	13.6	76.7	-6.5	41.8
Technology	53	18.3	55.5	14.3	49.8	-2.6	42.6
Utilities	20	15.7	39.6	15.0	18.1	-6.0	23.6



Hungary	2016Q2			2016Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	10	25.0	59.0	18.4	114.6	-6.3	61.8
Communications	2	125.4	167.5	129.8	176.6	4.5	9.1
Consumer Cyclical	3	38.3	22.7	35.1	19.3	-3.2	5.4
Consumer Non-cyclical	7	51.6	53.1	18.5	20.9	-13.0	37.2
Diversified	2	102.2	95.5	43.7	28.2	-58.4	67.3
Energy	2	97.5	122.5	82.1	102.4	-15.4	20.1
Industrial	1	27.9	-	27.6	-	-0.4	-
Technology	2	30.7	11.1	29.4	23.9	-1.3	12.8
Utilities	2	2.8	2.0	1.3	0.7	-1.5	1.3



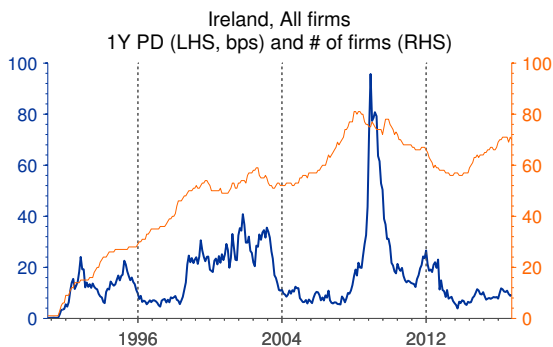
Iceland	2016Q2			2016Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	5	8.1	3.8	5.6	2.5	-0.9	1.5
Communications	2	2.9	1.9	2.7	0.4	-0.2	1.5
Consumer Cyclical	2	3.2	3.5	7.0	9.2	3.8	5.7
Consumer Non-cyclical	2	33.3	42.4	42.0	52.3	8.7	9.8
Energy	1	4.0	-	3.2	-	-0.8	-
Industrial	3	5.6	4.4	5.6	5.9	-0.0	1.5
Technology	1	9.3	-	9.9	-	0.7	-



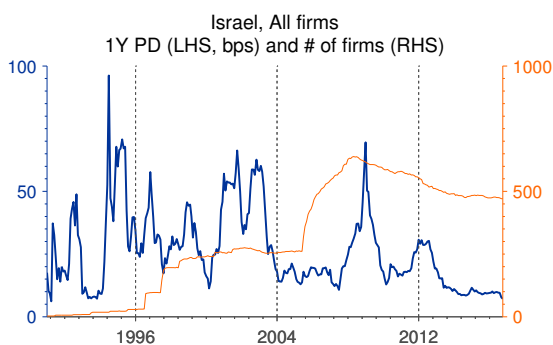
India	2016Q2			2016Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	240	36.7	163.0	26.7	226.4	-1.3	106.6
Basic Materials	234	29.2	98.5	22.0	114.5	-1.0	48.5
Communications	74	26.6	76.2	21.2	92.6	-0.1	31.0
Consumer Cyclical	359	25.2	100.8	21.1	163.2	-1.2	104.6
Consumer Non-cyclical	277	14.8	112.0	15.0	177.3	-0.2	88.0
Diversified	19	36.1	76.6	36.1	73.5	-4.5	20.6
Energy	33	37.5	81.2	31.6	97.0	-1.1	33.2
Industrial	400	24.5	98.9	22.8	121.9	-0.6	53.0
Technology	87	9.5	153.6	11.1	130.7	0.1	51.0
Utilities	34	74.3	119.8	73.7	131.5	0.9	33.9



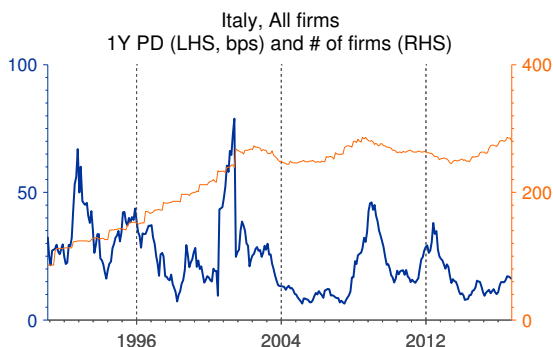
Indonesia	2016Q2			2016Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	121	27.6	50.0	24.3	39.4	-2.3	22.6
Basic Materials	40	29.1	65.9	22.1	55.1	-4.5	17.9
Communications	25	23.1	66.7	25.4	80.9	0.3	54.9
Consumer Cyclical	64	14.8	48.6	14.8	34.9	-0.2	19.7
Consumer Non-cyclical	75	13.8	57.8	12.3	38.3	-0.7	34.0
Diversified	1	87.9	-	78.3	-	-9.5	-
Energy	26	21.3	78.8	19.5	67.2	-3.4	30.9
Industrial	65	23.0	69.4	18.1	76.0	-0.6	25.6
Technology	7	5.3	46.4	8.0	36.7	-0.3	10.1
Utilities	1	71.2	-	41.3	-	-29.9	-



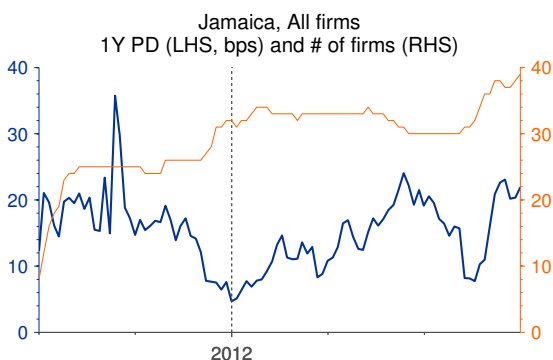
Ireland	2016Q2			2016Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	9	32.0	46.4	14.1	24.4	-4.8	24.5
Basic Materials	10	29.8	109.4	13.1	21.7	-8.8	114.8
Communications	4	21.9	26.4	39.9	43.4	15.1	18.2
Consumer Cyclical	5	23.7	24.8	14.5	58.9	-2.0	41.8
Consumer Non-cyclical	26	4.8	179.6	4.3	73.8	-0.5	106.7
Energy	6	55.8	47.2	24.4	12.6	-21.7	42.8
Industrial	6	7.6	22.5	5.9	15.1	-1.7	7.4
Technology	2	0.1	0.1	0.1	0.2	0.0	0.1



Israel	2016Q2			2016Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	118	9.8	184.3	7.4	93.0	-1.7	101.2
Basic Materials	14	9.7	41.3	7.7	35.3	-1.7	16.1
Communications	33	14.9	109.9	11.4	77.7	-3.2	45.2
Consumer Cyclical	47	8.7	39.0	6.7	28.0	-2.6	29.5
Consumer Non-cyclical	104	11.0	104.0	9.2	61.4	-1.3	48.8
Diversified	10	11.0	22.2	9.3	15.9	-0.9	12.5
Energy	29	8.2	77.1	6.8	40.1	-1.6	62.4
Industrial	81	9.6	50.7	6.6	96.3	-1.3	52.0
Technology	33	4.6	27.1	2.8	24.6	-1.7	20.0



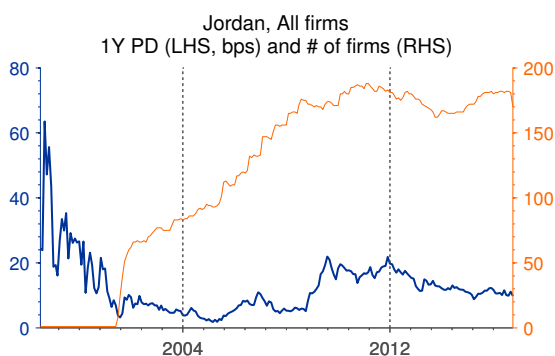
Italy	2016Q2			2016Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	55	41.1	84.9	40.7	121.2	-0.7	54.1
Basic Materials	4	9.8	6.2	10.1	6.1	0.6	2.0
Communications	36	22.3	40.0	21.4	36.7	-0.5	11.9
Consumer Cyclical	48	14.3	39.3	11.6	53.7	-0.9	21.5
Consumer Non-cyclical	40	9.7	54.4	9.7	48.4	-0.1	16.7
Diversified	3	24.1	10.8	30.7	17.9	6.6	7.7
Energy	16	20.5	49.5	17.3	71.4	0.8	23.6
Industrial	48	14.7	96.5	13.3	78.2	-0.2	51.4
Technology	15	16.3	41.1	14.1	25.1	-2.4	17.6
Utilities	12	7.3	98.3	7.8	53.4	-0.4	45.1



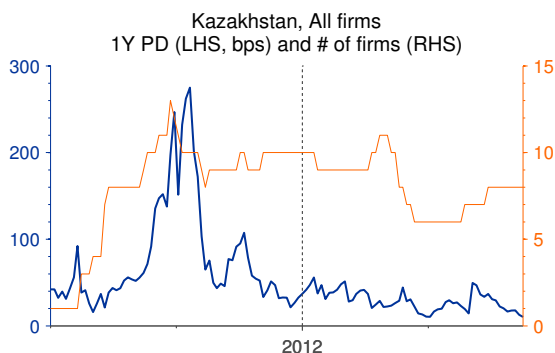
Jamaica	2016Q2			2016Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	11	27.8	22.5	24.4	23.5	-1.7	7.8
Basic Materials	2	11.9	16.2	9.1	11.7	-2.8	4.5
Communications	3	137.8	25.7	120.9	24.8	-45.6	24.5
Consumer Cyclical	5	4.0	11.2	4.9	8.5	-1.0	3.2
Consumer Non-cyclical	10	20.5	15.0	22.4	24.6	0.3	15.3
Diversified	3	40.1	20.9	47.3	5.9	12.3	15.8
Industrial	3	3.0	1.9	0.8	1.1	-0.5	1.9



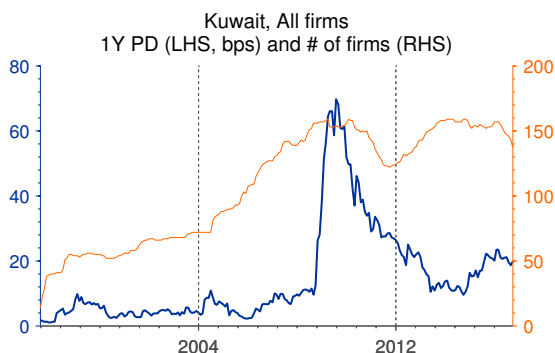
Japan	2016Q2			2016Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	334	13.4	58.0	10.5	26.6	-1.9	45.0
Basic Materials	239	6.6	12.8	3.7	7.6	-1.8	6.9
Communications	268	3.0	15.2	1.8	11.0	-0.7	6.1
Consumer Cyclical	853	4.7	16.5	3.3	16.1	-1.3	12.1
Consumer Non-cyclical	609	1.7	11.0	1.0	29.4	-0.4	26.3
Diversified	3	29.3	25.9	26.0	12.9	-3.3	13.8
Energy	17	9.4	15.4	5.9	13.6	-3.1	4.2
Industrial	962	5.8	12.3	3.3	10.5	-1.9	7.2
Technology	295	2.7	11.5	1.6	13.0	-0.7	10.0
Utilities	21	10.3	19.5	8.0	14.9	-2.9	6.3



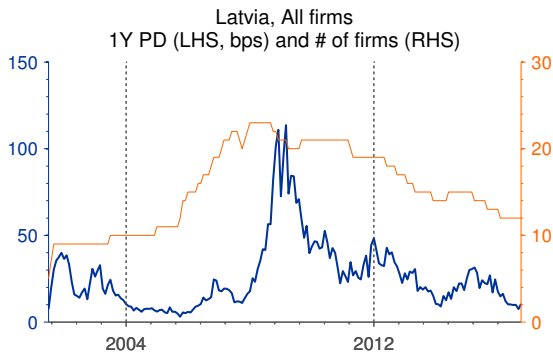
Jordan	2016Q2			2016Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	89	9.3	32.4	8.1	30.2	0.0	14.0
Basic Materials	15	23.0	46.6	23.4	28.2	-0.3	40.5
Communications	2	33.7	12.3	35.5	6.3	1.8	6.0
Consumer Cyclical	14	13.6	53.0	14.1	48.4	-0.0	24.6
Consumer Non-cyclical	20	7.3	23.9	7.1	27.8	-0.3	20.4
Diversified	2	41.0	54.4	29.9	40.2	-11.1	14.1
Energy	2	4.7	6.4	4.4	5.9	-0.4	0.5
Industrial	22	11.4	113.4	14.1	129.2	-0.4	19.5
Technology	1	55.0	-	53.5	-	-1.5	-
Utilities	2	35.1	5.0	34.2	2.7	-0.9	2.3



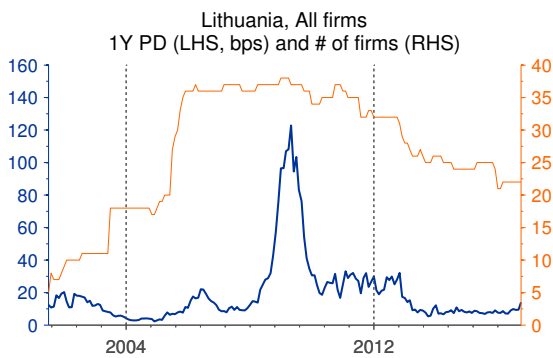
Kazakhstan	2016Q2			2016Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	3	132.6	73.7	119.9	72.7	-12.6	1.0
Basic Materials	1	19.3	-	12.3	-	-7.1	-
Communications	1	8.8	-	5.3	-	-3.5	-
Energy	2	5.4	6.4	3.3	3.6	-2.2	2.8
Utilities	1	16.1	-	8.4	-	-7.8	-



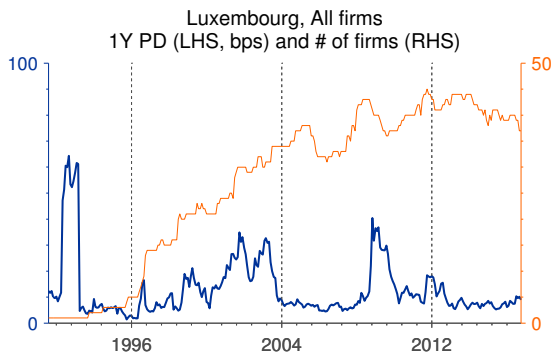
Kuwait	2016Q2			2016Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	74	22.9	40.2	23.3	35.1	-0.9	24.1
Basic Materials	4	3.9	12.6	3.4	19.5	0.9	7.2
Communications	6	13.3	27.6	8.3	32.0	0.7	5.8
Consumer Cyclical	12	38.7	29.9	33.6	29.8	0.2	11.7
Consumer Non-cyclical	11	9.4	44.8	7.8	31.4	0.1	27.7
Diversified	5	44.1	22.9	13.0	14.4	-11.2	17.4
Energy	5	24.4	37.0	31.9	42.6	7.6	6.4
Industrial	20	15.3	20.3	20.2	22.8	0.1	6.7



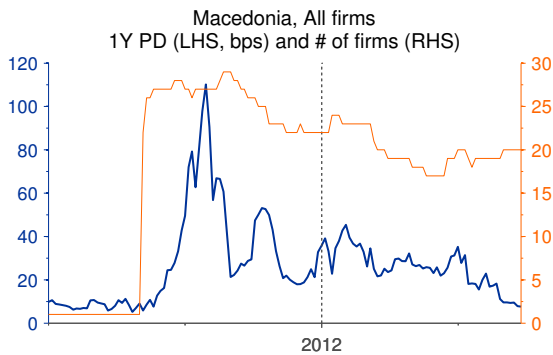
Latvia	2016Q2			2016Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Communications	1	2.5	-	2.2	-	-0.2	-
Consumer Cyclical	2	122.7	142.1	110.0	121.5	-12.8	20.6
Consumer Non-cyclical	4	9.8	4.7	9.6	4.9	0.6	1.3
Industrial	4	15.0	11.0	12.9	8.9	-1.6	11.5
Utilities	1	0.4	-	2.6	-	2.3	-



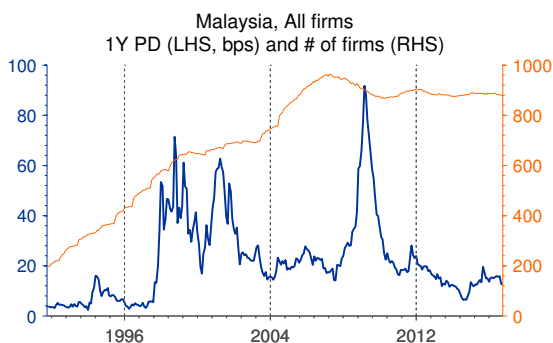
Lithuania	2016Q2			2016Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	5	8.3	56.8	7.6	27.6	-2.7	29.7
Basic Materials	1	1.8	-	0.9	-	-0.9	-
Communications	1	5.2	-	7.9	-	2.7	-
Consumer Cyclical	3	43.1	25.4	35.8	28.7	0.0	11.8
Consumer Non-cyclical	6	15.2	15.5	17.9	15.4	-0.5	3.4
Energy	1	0.5	-	1.0	-	0.5	-
Industrial	2	46.6	14.6	39.6	17.3	-7.0	31.8
Utilities	3	11.3	15.3	20.0	20.8	8.7	6.5



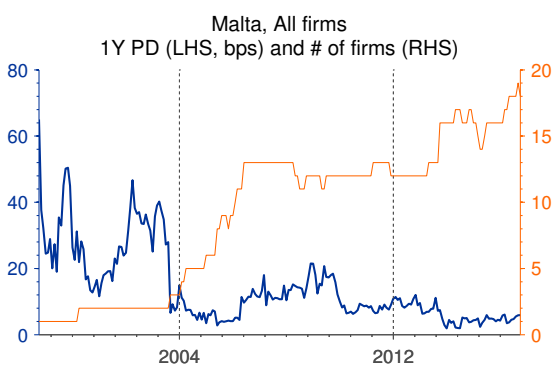
Luxembourg	2016Q2			2016Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	11	9.8	232.0	12.5	150.5	-0.0	81.6
Basic Materials	5	12.7	25.6	13.0	20.4	-2.9	6.9
Communications	4	19.4	844.4	9.3	698.0	-10.1	146.5
Consumer Cyclical	2	206.2	285.6	141.9	194.5	-64.3	91.1
Consumer Non-cyclical	5	10.1	21.4	6.8	20.2	-0.1	4.7
Industrial	7	13.5	22.3	10.3	23.0	-0.2	5.7
Technology	3	1.3	2.8	1.4	1.6	-0.2	1.3



Macedonia	2016Q2			2016Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	7	14.5	76.4	10.8	70.2	-3.7	11.6
Basic Materials	3	20.1	39.4	25.3	18.6	-1.6	23.9
Communications	1	2.7	-	2.8	-	0.1	-
Consumer Cyclical	2	8.1	11.4	4.6	6.4	-3.5	5.0
Consumer Non-cyclical	5	2.1	2.4	2.8	1.5	-0.3	1.3
Industrial	1	38.8	-	44.6	-	5.8	-
Utilities	1	51.7	-	21.8	-	-29.9	-



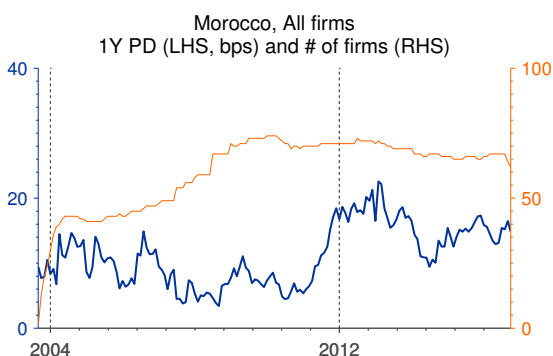
Malaysia	2016Q2			2016Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	128	12.8	71.2	11.4	89.3	-0.5	40.6
Basic Materials	65	23.3	258.3	18.3	246.2	-1.8	59.0
Communications	35	10.2	77.0	8.5	75.8	0.0	43.9
Consumer Cyclical	109	16.0	39.5	11.8	37.1	-0.7	17.0
Consumer Non-cyclical	146	6.4	192.7	5.7	259.2	-0.1	101.4
Diversified	27	10.3	77.4	6.7	176.2	-0.1	106.6
Energy	31	46.6	338.4	47.0	406.0	-0.0	149.7
Industrial	271	19.0	93.0	16.3	98.5	-0.5	43.9
Technology	57	22.9	84.7	20.9	62.6	-0.0	70.6
Utilities	5	14.9	6.7	5.6	2.5	-8.8	5.0



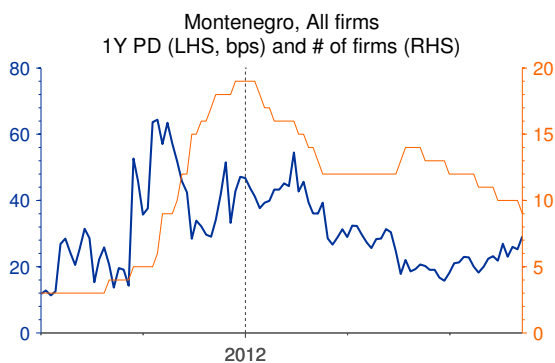
Malta	2016Q2			2016Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	8	4.9	15.2	6.0	9.0	0.9	11.7
Communications	1	3.9	-	4.5	-	0.6	-
Consumer Cyclical	4	8.8	5.9	8.7	5.9	1.2	3.1
Consumer Non-cyclical	2	5.8	7.6	3.2	4.1	-2.6	3.5
Energy	1	32.7	-	49.0	-	16.3	-
Industrial	1	0.1	-	0.0	-	-0.0	-



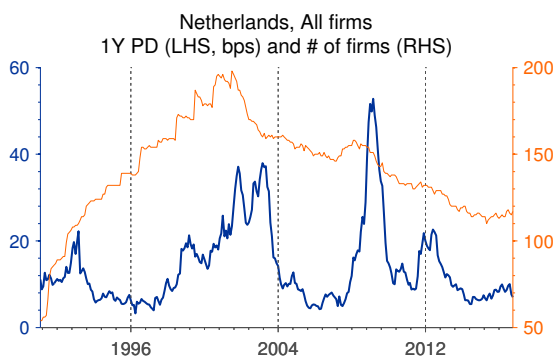
Mexico	2016Q2			2016Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	28	1.7	26.5	2.1	27.9	0.2	9.3
Basic Materials	11	3.1	12.2	3.2	14.3	0.1	3.7
Communications	5	23.9	70.7	28.3	61.9	-1.0	16.4
Consumer Cyclical	20	2.2	53.5	1.8	43.7	-0.2	11.7
Consumer Non-cyclical	16	1.5	7.8	2.0	6.5	0.0	2.2
Diversified	5	7.2	5.4	7.2	7.1	-0.1	1.9
Industrial	15	1.5	48.9	1.7	28.8	0.0	23.0
Utilities	2	0.5	0.6	0.6	0.8	0.1	0.1



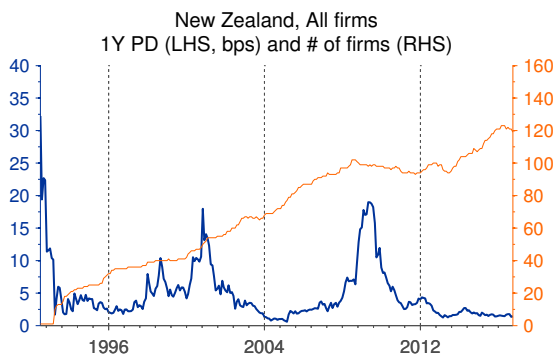
Morocco	2016Q2			2016Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	17	15.4	18.8	14.8	18.3	-1.4	3.6
Basic Materials	10	40.8	30.0	39.4	22.7	-1.4	11.5
Communications	1	0.9	-	0.1	-	-0.7	-
Consumer Cyclical	6	51.8	40.2	47.7	47.4	-1.6	10.7
Consumer Non-cyclical	10	4.2	7.7	8.7	10.2	0.9	4.4
Energy	1	5.0	-	2.4	-	-2.6	-
Industrial	9	30.5	96.7	32.9	69.8	-2.6	33.4
Technology	5	10.8	15.5	14.8	20.8	6.0	6.7
Utilities	3	8.8	9.0	6.1	13.3	0.8	5.2



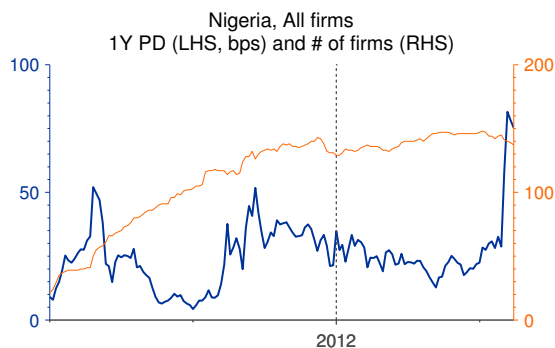
Montenegro	#	2016Q2		2016Q3		Q3-Q2	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Communications	1	3.0	-	4.5	-	1.5	-
Consumer Cyclical	2	11.9	14.3	15.4	19.7	3.5	5.4
Consumer Non-cyclical	3	37.9	2.2	36.0	5.7	-3.0	4.1
Energy	1	38.9	-	33.2	-	-5.7	-
Utilities	2	13.3	13.4	11.9	12.2	-1.4	1.1



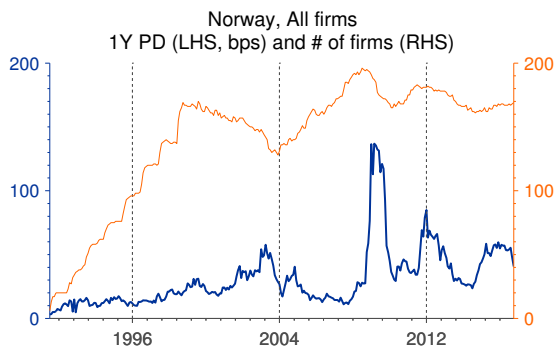
Netherlands	#	2016Q2		2016Q3		Q3-Q2	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	20	25.0	52.3	19.9	43.8	-2.1	18.0
Basic Materials	6	4.4	155.4	2.2	50.6	-2.4	105.1
Communications	12	13.6	126.3	12.1	127.1	-1.7	127.6
Consumer Cyclical	11	7.3	11.3	5.9	59.3	-0.1	50.1
Consumer Non-cyclical	28	3.6	37.4	3.8	35.4	-0.4	8.0
Energy	7	11.4	15.5	13.1	14.4	-1.6	5.0
Industrial	18	14.9	155.5	11.2	100.4	-2.8	56.9
Technology	13	4.7	64.3	4.7	38.9	-1.4	26.8



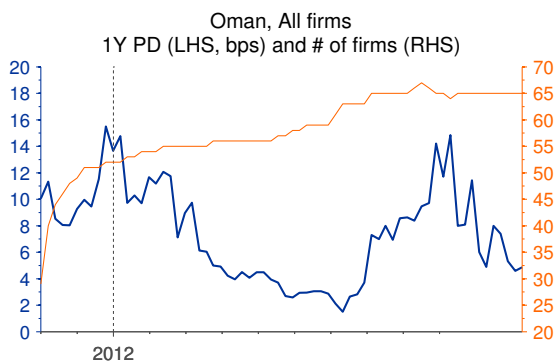
New Zealand	#	2016Q2		2016Q3		Q3-Q2	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	17	0.8	26.5	0.3	64.6	0.0	41.1
Basic Materials	2	30.9	15.0	41.8	2.7	10.9	17.6
Communications	7	7.3	75.3	9.1	40.1	-0.0	35.5
Consumer Cyclical	18	2.2	79.1	1.6	47.6	-0.3	32.2
Consumer Non-cyclical	32	2.4	69.2	1.3	194.6	-0.1	126.4
Diversified	2	130.0	181.3	111.4	156.2	-18.6	25.1
Energy	4	4.1	4.7	3.3	12.4	0.5	8.1
Industrial	18	1.8	23.8	1.6	48.3	-0.3	27.6
Technology	12	1.5	8.4	1.8	31.3	0.6	27.2
Utilities	7	0.8	0.5	0.6	0.8	-0.1	0.5



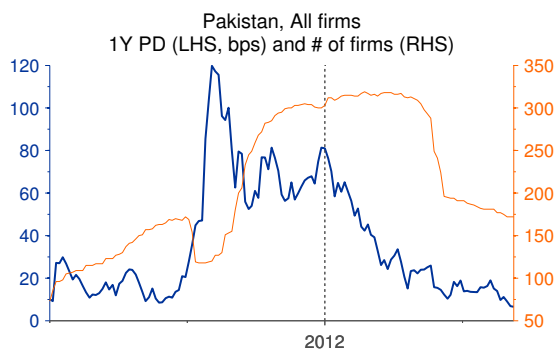
Nigeria	#	2016Q2		2016Q3		Q3-Q2	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	49	110.2	191.6	105.7	231.1	9.3	101.2
Basic Materials	10	51.6	140.8	66.6	128.3	5.0	24.4
Communications	5	49.3	75.4	66.9	129.0	17.6	58.4
Consumer Cyclical	13	149.5	223.5	136.0	220.0	-4.4	36.5
Consumer Non-cyclical	30	41.1	136.2	50.1	155.0	4.5	53.9
Energy	9	50.5	94.2	42.2	288.3	-12.6	203.8
Industrial	18	64.8	223.2	75.9	216.3	6.9	58.8
Technology	3	93.1	495.9	89.6	347.9	-3.5	148.7



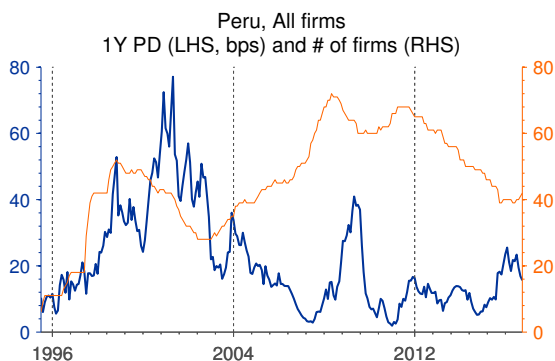
Norway	#	2016Q2		2016Q3		Q3-Q2	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	39	70.7	145.4	55.7	217.0	-13.6	235.7
Basic Materials	5	19.1	109.2	14.7	49.7	-4.9	60.2
Communications	7	20.4	51.3	14.5	42.6	-8.7	15.5
Consumer Cyclical	6	17.2	28.9	11.2	26.9	-5.7	6.2
Consumer Non-cyclical	23	11.2	78.0	7.6	46.4	-0.4	48.9
Diversified	1	268.4	-	870.2	-	601.8	-
Energy	28	124.3	1016.0	120.4	373.5	2.8	714.6
Industrial	47	80.9	129.6	70.1	142.2	-9.1	70.0
Technology	8	23.9	47.6	18.5	10.6	-0.8	54.4
Utilities	2	17.0	19.9	6.0	5.4	-11.0	14.4



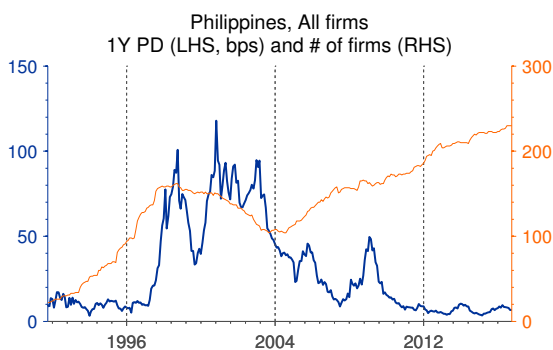
Oman	#	2016Q2		2016Q3		Q3-Q2	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	25	27.0	19.4	25.6	16.2	-1.0	9.6
Basic Materials	4	5.0	9.9	7.0	11.8	1.8	2.4
Communications	2	0.3	0.4	0.2	0.2	-0.1	0.1
Consumer Cyclical	1	1.7	-	1.3	-	-0.4	-
Consumer Non-cyclical	7	7.4	11.6	2.6	11.4	-1.5	2.2
Diversified	1	0.0	-	0.0	-	-0.0	-
Energy	5	1.8	99.8	1.2	111.1	-0.4	11.2
Industrial	12	2.3	24.0	1.7	33.8	-0.1	11.6
Utilities	8	2.4	1.5	2.3	0.8	-0.7	1.2



Pakistan	#	2016Q2		2016Q3		Q3-Q2	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	36	70.1	101.3	43.0	75.0	-20.3	47.5
Basic Materials	21	21.5	97.7	7.8	50.7	-2.4	54.3
Communications	3	26.6	133.1	11.7	75.7	-14.9	57.4
Consumer Cyclical	36	12.6	91.5	9.8	52.1	-2.3	46.9
Consumer Non-cyclical	29	1.3	12.9	2.3	10.2	-0.2	6.2
Energy	10	5.4	27.6	3.4	13.3	-2.2	14.6
Industrial	28	4.7	21.6	2.5	11.8	-0.9	15.3
Technology	1	10.9	-	5.3	-	-5.6	-
Utilities	8	28.1	54.1	11.8	21.9	-6.4	33.7



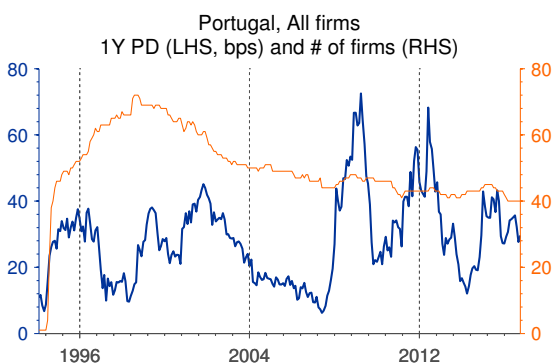
Peru	#	2016Q2		2016Q3		Q3-Q2	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	8	23.7	11.5	16.9	13.2	-7.3	7.5
Basic Materials	11	20.6	24.2	11.4	15.7	-7.4	9.0
Communications	1	28.2	-	11.3	-	-17.0	-
Consumer Cyclical	2	18.8	19.6	9.1	9.4	-9.7	10.2
Consumer Non-cyclical	8	25.9	21.0	16.0	19.8	-3.5	6.5
Diversified	2	41.3	8.0	19.8	2.5	-21.5	5.5
Energy	1	100.1	-	90.6	-	-9.5	-
Industrial	2	32.1	10.8	19.0	3.0	-13.1	7.8
Utilities	5	2.9	15.0	1.3	8.9	-1.6	6.1



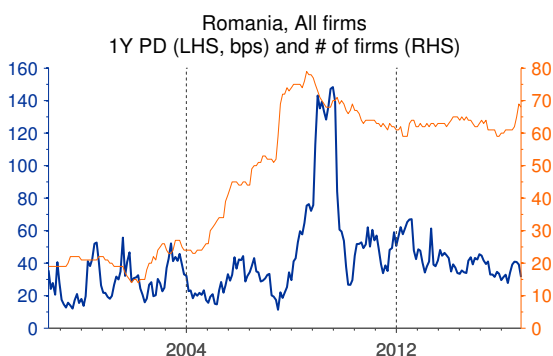
Philippines	2016Q2			2016Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	74	10.7	33.1	9.5	26.4	-1.1	14.3
Basic Materials	26	11.8	31.3	9.5	34.1	-0.0	10.6
Communications	16	5.5	28.2	5.3	23.6	-0.2	8.4
Consumer Cyclical	29	6.0	25.7	7.2	15.5	-0.3	14.2
Consumer Non-cyclical	32	5.8	36.5	5.4	34.3	-0.1	12.9
Diversified	16	1.7	19.2	1.4	19.3	-0.1	2.6
Energy	11	7.3	19.4	5.5	14.4	-0.4	7.5
Industrial	10	23.2	44.0	10.6	31.2	-8.4	14.3
Technology	4	4.1	4.2	2.1	2.5	-1.2	2.0
Utilities	12	3.5	12.5	3.7	11.4	-0.2	3.5



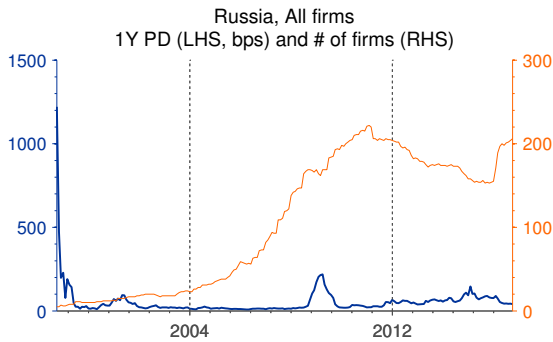
Poland	2016Q2			2016Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	81	32.8	159.8	27.9	291.0	-1.8	239.2
Basic Materials	27	20.0	19.5	11.3	17.9	-2.7	10.3
Communications	33	32.9	161.5	27.2	197.4	-1.3	61.9
Consumer Cyclical	55	25.4	73.7	20.2	138.9	-2.9	105.0
Consumer Non-cyclical	60	28.8	103.2	19.3	55.4	-4.7	68.7
Energy	13	63.8	41.7	45.0	73.6	-0.3	50.7
Industrial	118	29.0	140.1	24.3	131.7	-0.8	72.1
Technology	39	15.6	98.8	12.0	93.6	-1.0	71.8
Utilities	9	33.0	27.9	30.3	26.6	0.3	8.1



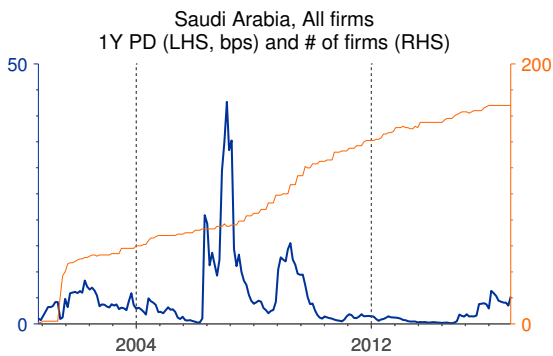
Portugal	2016Q2			2016Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	3	65.5	89.6	99.2	71.8	-2.6	31.7
Basic Materials	6	15.7	33.1	10.8	16.9	-4.6	17.0
Communications	5	23.6	40.2	16.4	25.1	-7.2	20.6
Consumer Cyclical	5	105.3	114.7	87.0	57.9	-18.3	66.4
Consumer Non-cyclical	6	22.8	77.4	31.2	63.4	2.3	18.6
Diversified	2	62.0	71.5	56.8	72.3	-5.1	0.8
Energy	1	4.5	-	4.6	-	0.1	-
Industrial	8	68.4	374.1	61.0	67.5	-15.8	311.3
Technology	2	16.7	13.9	20.4	21.0	3.6	7.1
Utilities	2	7.9	3.2	6.0	2.7	-1.9	0.6



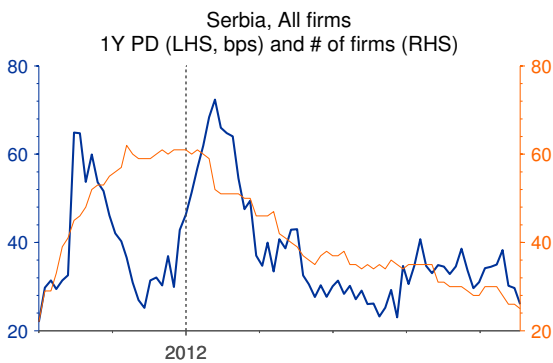
Romania	2016Q2			2016Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	6	20.6	33.9	20.6	28.3	-0.5	14.9
Basic Materials	6	58.7	26.7	47.0	21.0	-14.0	10.8
Communications	1	26.9	-	11.9	-	-15.0	-
Consumer Cyclical	7	25.3	16.6	21.6	21.0	-0.9	15.2
Consumer Non-cyclical	10	8.1	32.4	5.6	28.3	-3.2	7.5
Energy	7	13.7	315.6	16.5	313.9	-2.4	6.3
Industrial	21	74.5	53.6	48.9	42.3	-18.6	29.4
Utilities	4	3.1	2.7	3.6	2.6	0.1	0.5



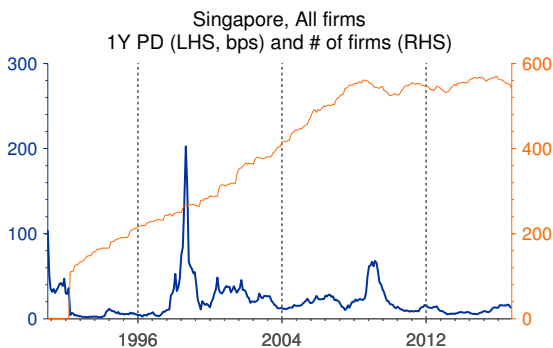
Russia	#	2016Q2		2016Q3		Q3-Q2	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	18	79.4	52.3	55.8	39.4	-8.5	22.1
Basic Materials	35	20.5	45.8	24.6	30.3	-3.4	24.7
Communications	12	30.8	32.8	23.4	29.6	-2.9	19.5
Consumer Cyclical	18	54.6	56.2	65.0	56.7	2.1	64.9
Consumer Non-cyclical	26	28.2	39.4	31.4	40.3	-1.3	33.6
Diversified	2	81.2	61.5	63.3	40.9	-17.9	20.6
Energy	20	32.3	184.1	24.9	159.2	-3.0	28.7
Industrial	19	44.5	26.0	34.5	83.8	-2.0	70.8
Technology	2	60.0	9.2	70.4	19.5	10.4	28.7
Utilities	49	79.3	47.8	53.1	44.6	-11.1	30.1



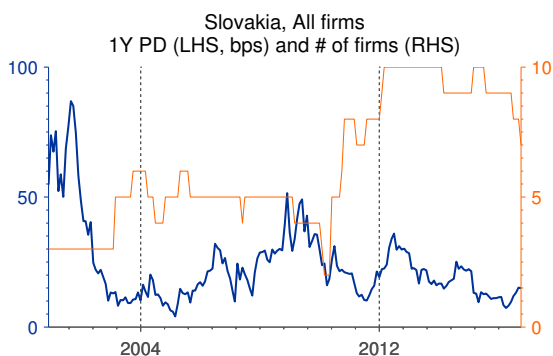
Saudi Arabia	#	2016Q2		2016Q3		Q3-Q2	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	60	1.5	12.2	1.8	13.1	-0.0	4.8
Basic Materials	19	19.5	24.3	21.4	32.8	2.0	11.8
Communications	7	36.6	18.9	48.0	31.6	10.1	26.4
Consumer Cyclical	18	3.4	10.4	6.9	15.5	2.8	7.0
Consumer Non-cyclical	24	3.8	8.2	6.1	12.1	1.5	7.7
Diversified	3	21.4	8.1	21.9	0.8	1.5	8.4
Energy	2	11.4	0.3	9.6	0.8	-1.8	1.2
Industrial	34	4.4	22.3	4.2	33.2	0.2	14.0
Utilities	1	20.6	-	32.4	-	11.8	-



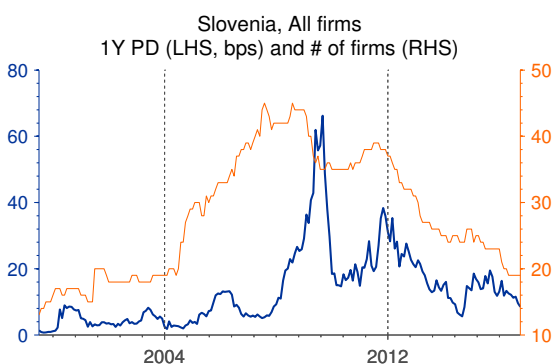
Serbia	#	2016Q2		2016Q3		Q3-Q2	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	3	65.5	9.9	26.0	16.9	-33.7	14.1
Basic Materials	3	9.0	14.3	4.5	12.2	-6.8	2.6
Consumer Cyclical	3	6.7	72.7	9.3	52.1	0.0	20.8
Consumer Non-cyclical	5	42.0	26.1	39.1	55.9	3.4	38.7
Diversified	1	10.3	-	8.1	-	-2.2	-
Energy	1	7.1	-	13.0	-	5.9	-
Industrial	8	28.1	62.0	33.0	72.2	4.5	33.2



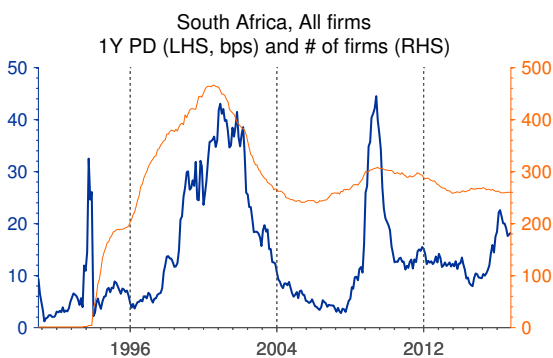
Singapore	#	2016Q2		2016Q3		Q3-Q2	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	109	3.2	97.1	2.4	54.0	-0.3	63.4
Basic Materials	29	19.3	91.6	20.2	88.3	-0.7	28.7
Communications	21	15.9	196.9	10.3	127.3	-0.0	102.7
Consumer Cyclical	73	15.9	64.0	16.9	57.7	-0.4	40.7
Consumer Non-cyclical	76	11.5	207.0	10.0	243.0	-0.2	64.8
Diversified	13	11.5	77.0	9.7	70.2	-0.1	33.0
Energy	26	92.3	252.9	76.7	217.6	0.4	174.2
Industrial	164	25.4	173.8	24.7	233.6	-0.8	84.4
Technology	23	11.9	113.3	7.0	108.6	-0.6	60.2
Utilities	3	68.6	48.6	62.0	59.2	0.5	43.1



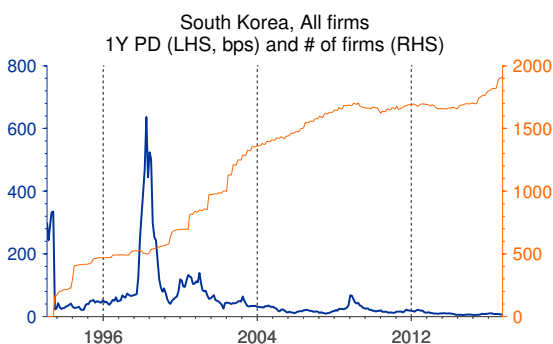
Slovakia	#	2016Q2		2016Q3		Q3-Q2	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	2	35.0	14.5	36.0	17.8	1.1	3.3
Consumer Cyclical	2	5.1	7.1	7.7	10.3	2.6	3.3
Consumer Non-cyclical	1	12.4	-	20.8	-	8.4	-
Energy	1	8.0	-	9.9	-	1.9	-
Technology	1	11.4	-	5.3	-	-6.0	-



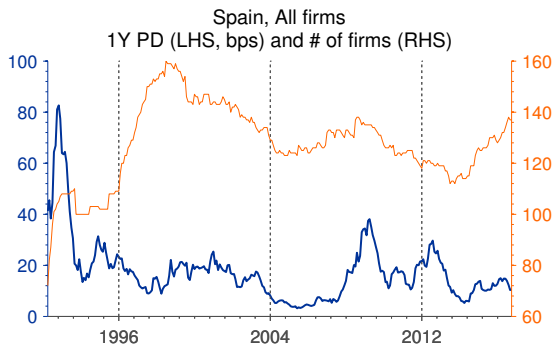
Slovenia	#	2016Q2		2016Q3		Q3-Q2	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	3	8.4	36.6	6.3	27.6	-2.1	9.0
Basic Materials	2	10.5	0.9	5.4	5.6	-5.2	6.5
Communications	1	22.0	-	16.4	-	-5.6	-
Consumer Cyclical	3	11.9	15.0	7.6	17.9	-3.7	2.9
Consumer Non-cyclical	5	10.2	10.8	8.5	6.1	-1.1	5.5
Diversified	1	16.7	-	23.6	-	6.9	-
Energy	1	1.7	-	1.3	-	-0.4	-
Industrial	2	25.2	16.4	15.8	10.5	-9.4	5.9
Technology	1	9.9	-	10.9	-	1.0	-



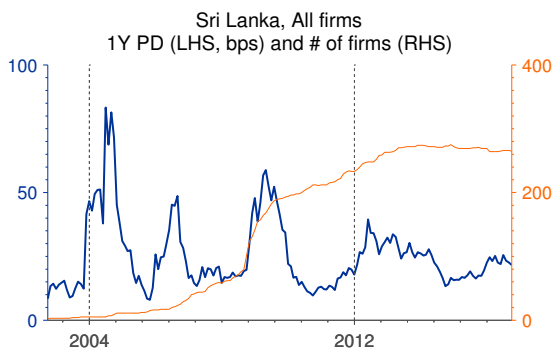
South Africa	#	2016Q2		2016Q3		Q3-Q2	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	71	18.2	87.5	19.3	83.3	-0.6	19.8
Basic Materials	37	28.8	129.6	28.3	123.8	-1.3	52.6
Communications	13	8.8	58.3	9.3	490.4	-0.1	443.4
Consumer Cyclical	32	8.9	26.5	9.9	82.7	-0.1	63.3
Consumer Non-cyclical	34	6.6	55.9	5.8	40.2	-0.4	33.9
Diversified	7	54.6	39.2	42.3	35.4	-12.4	6.2
Energy	8	43.0	200.3	26.7	154.7	-6.7	66.7
Industrial	43	42.3	188.4	37.7	166.1	-2.5	45.5
Technology	9	7.6	37.4	4.2	28.4	-2.4	12.3



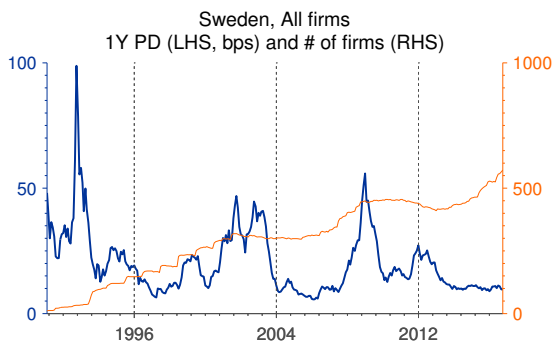
South Korea	#	2016Q2		2016Q3		Q3-Q2	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	94	25.5	67.7	19.4	77.1	-1.0	41.9
Basic Materials	182	9.4	16.5	7.1	24.5	-1.6	18.3
Communications	189	5.1	20.1	5.0	45.1	-0.4	35.8
Consumer Cyclical	287	10.0	35.0	8.8	27.7	-1.1	22.3
Consumer Non-cyclical	302	5.1	20.5	3.9	21.8	-0.6	16.4
Diversified	43	0.0	11.9	0.0	11.4	0.0	1.9
Energy	12	13.8	35.3	9.2	59.3	-1.9	27.3
Industrial	506	10.2	49.5	7.9	41.4	-1.1	36.7
Technology	240	7.1	33.5	5.9	37.8	-0.5	32.6
Utilities	17	15.6	15.5	15.2	10.5	-5.1	10.0



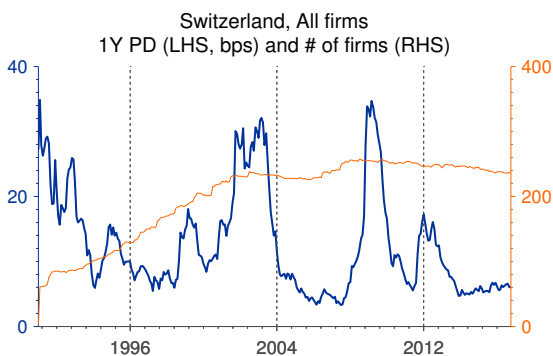
Spain	2016Q2			2016Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	28	31.3	217.1	24.4	181.9	-6.7	65.2
Basic Materials	8	9.3	14.7	6.4	9.2	-1.2	8.4
Communications	15	11.5	21.4	7.0	11.3	-2.7	13.7
Consumer Cyclical	10	9.7	12.2	7.1	22.8	-1.1	13.8
Consumer Non-cyclical	30	9.0	22.8	7.1	18.7	-0.3	16.0
Energy	3	13.2	3.1	10.9	5.9	-1.9	3.5
Industrial	29	14.1	33.8	10.7	19.5	-2.3	15.9
Technology	3	1.1	8.9	0.7	3.7	-0.3	5.3
Utilities	8	3.9	62.8	3.0	41.8	-1.2	21.0



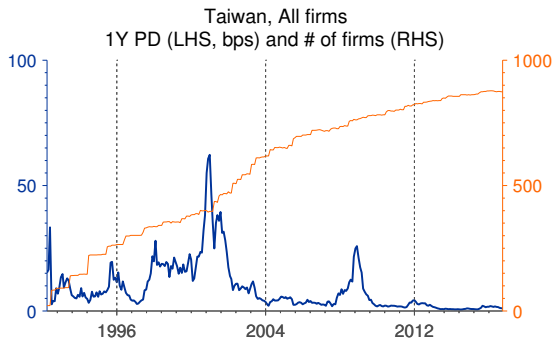
Sri Lanka	2016Q2			2016Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	83	56.7	96.6	50.7	87.0	-3.7	28.8
Basic Materials	14	20.9	43.3	20.0	53.6	-0.2	12.5
Communications	4	6.5	7.3	5.8	7.7	-0.1	0.9
Consumer Cyclical	61	13.1	41.3	13.6	38.5	-0.5	15.5
Consumer Non-cyclical	54	24.8	70.8	18.4	86.9	0.2	37.5
Diversified	14	18.2	34.7	13.2	34.0	-3.1	16.3
Energy	3	2.3	3.1	1.5	3.9	0.0	1.0
Industrial	24	9.6	74.4	8.3	68.4	-1.6	10.8
Technology	2	13.8	4.1	13.5	4.4	-0.3	0.2
Utilities	5	10.6	22.0	10.2	34.2	0.0	12.6



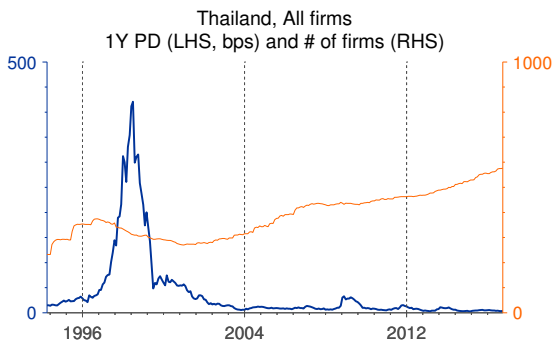
Sweden	2016Q2			2016Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	72	9.1	32.5	6.9	33.1	-1.0	12.8
Basic Materials	27	21.9	26.7	15.2	20.5	-2.2	23.6
Communications	52	14.8	43.1	11.7	37.6	-2.3	40.3
Consumer Cyclical	63	8.3	31.4	8.0	32.8	-0.9	16.1
Consumer Non-cyclical	161	11.1	47.1	8.9	21.2	-1.1	36.3
Diversified	7	22.3	72.6	14.3	158.6	-0.1	90.2
Energy	15	15.4	53.8	10.0	33.2	-4.7	31.9
Industrial	109	10.7	34.5	10.2	31.9	-0.7	23.0
Technology	44	10.6	29.4	6.7	22.6	-1.1	15.5
Utilities	2	8.2	4.8	6.7	4.7	-1.6	0.0



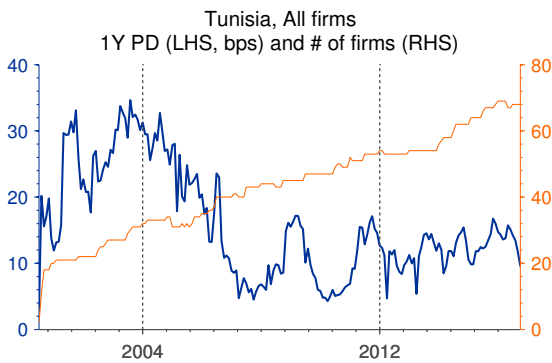
Switzerland	2016Q2			2016Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	67	12.0	102.3	10.7	61.8	-0.3	45.5
Basic Materials	15	4.8	152.7	3.0	179.6	-1.6	39.9
Communications	10	5.8	11.3	5.4	5.6	-1.1	6.9
Consumer Cyclical	20	7.3	35.8	5.7	27.2	-2.5	11.6
Consumer Non-cyclical	37	2.8	30.3	2.4	30.7	-0.2	27.2
Diversified	5	44.9	109.7	63.6	107.9	-0.0	10.1
Energy	5	88.4	91.4	103.4	85.4	1.9	17.8
Industrial	60	4.4	69.9	4.0	44.3	-0.2	27.9
Technology	10	9.1	16.6	6.3	20.5	-1.1	11.6
Utilities	5	6.5	15.6	4.2	13.1	-2.4	4.1



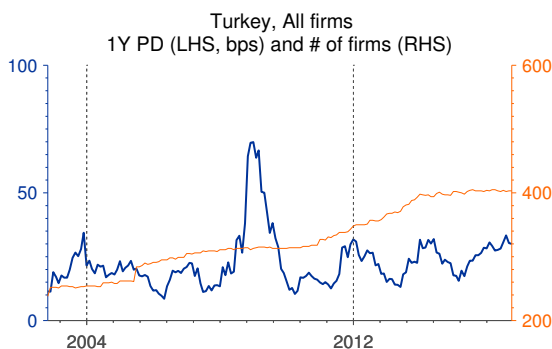
Taiwan	#	2016Q2		2016Q3		Q3-Q2	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	79	4.6	9.4	3.6	8.0	-0.5	3.3
Basic Materials	76	1.0	6.4	0.5	5.7	-0.1	2.2
Communications	42	2.2	6.8	1.5	6.4	-0.1	1.3
Consumer Cyclical	147	1.2	11.6	0.8	8.7	-0.3	4.2
Consumer Non-cyclical	60	0.4	2.6	0.3	2.7	-0.0	1.8
Diversified	1	0.0	-	0.0	-	0.0	-
Energy	7	5.0	3.0	6.9	3.8	0.0	3.1
Industrial	308	1.6	24.2	1.2	9.7	-0.3	17.4
Technology	148	1.5	6.9	0.9	6.0	-0.1	3.4
Utilities	6	0.1	0.2	0.1	0.1	0.0	0.2



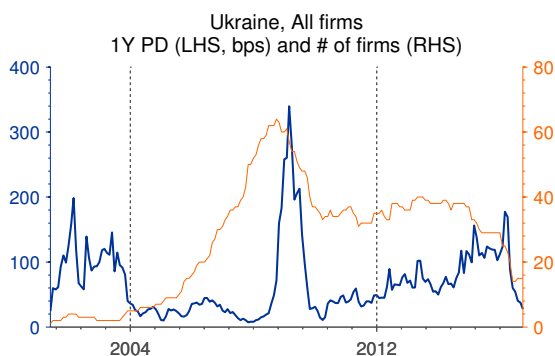
Thailand	#	2016Q2		2016Q3		Q3-Q2	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	100	7.7	18.2	7.1	19.4	-0.0	9.2
Basic Materials	55	5.6	30.3	4.3	28.1	-0.0	11.5
Communications	40	4.1	22.7	5.5	21.0	0.0	8.6
Consumer Cyclical	126	3.6	18.3	3.4	18.0	-0.0	6.7
Consumer Non-cyclical	89	0.8	11.4	1.2	8.6	0.0	5.5
Diversified	5	0.9	1.3	0.8	0.3	0.1	1.3
Energy	17	7.2	27.4	5.6	28.2	-1.3	5.8
Industrial	114	4.3	22.4	4.7	21.1	-0.0	5.6
Technology	11	7.2	51.5	5.3	97.3	-0.5	67.1
Utilities	15	0.8	4.2	1.2	7.1	0.1	5.2



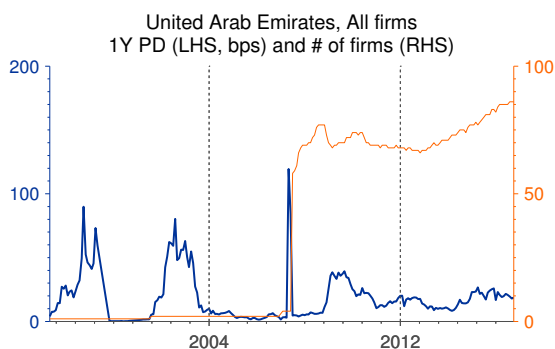
Tunisia	#	2016Q2		2016Q3		Q3-Q2	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	24	31.3	59.8	15.7	40.0	-5.7	31.9
Basic Materials	4	7.6	8.1	5.2	5.4	-2.1	2.8
Communications	5	31.4	28.9	26.9	28.6	-1.1	18.7
Consumer Cyclical	10	0.7	68.2	0.4	79.9	0.0	11.9
Consumer Non-cyclical	10	13.1	45.7	9.2	55.0	-2.2	15.7
Diversified	1	5.3	-	1.9	-	-3.4	-
Energy	1	0.1	-	0.5	-	0.3	-
Industrial	12	19.6	73.2	15.6	92.7	0.3	22.4
Technology	1	53.0	-	90.0	-	37.0	-



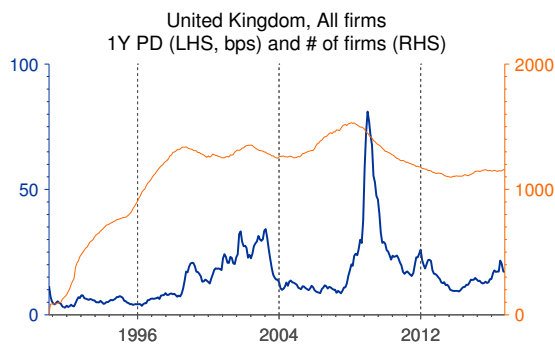
Turkey	#	2016Q2		2016Q3		Q3-Q2	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	98	34.7	59.6	33.8	48.5	-0.0	23.2
Basic Materials	37	22.8	45.3	19.6	32.3	-2.2	24.4
Communications	13	28.1	24.7	21.6	16.0	-3.7	19.4
Consumer Cyclical	93	38.8	72.5	37.7	56.1	0.9	38.0
Consumer Non-cyclical	60	28.5	129.1	30.4	79.2	-0.2	107.4
Diversified	11	58.2	47.7	46.4	39.4	-5.7	19.6
Energy	5	76.0	71.4	22.9	42.5	-38.2	33.8
Industrial	72	20.7	48.0	21.8	38.4	0.2	21.6
Technology	4	19.3	13.9	36.2	22.8	13.1	10.2
Utilities	8	29.0	26.0	25.7	28.0	0.9	8.6



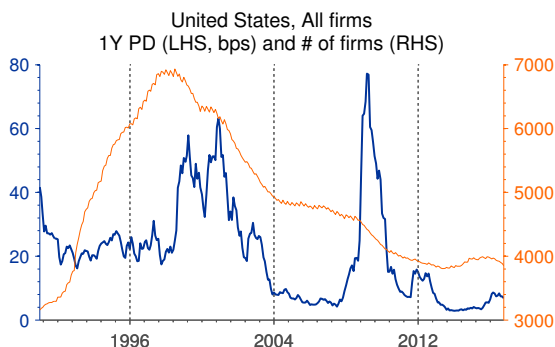
Ukraine	2016Q2			2016Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Consumer Non-cyclical	8	90.5	108.8	53.6	111.3	-3.0	37.0
Diversified	1	20.1	-	15.0	-	-5.1	-
Energy	2	266.5	18.9	158.6	166.7	-107.9	147.9
Industrial	2	17.8	21.0	14.3	18.7	-3.5	2.3
Utilities	1	22.6	-	14.7	-	-7.8	-



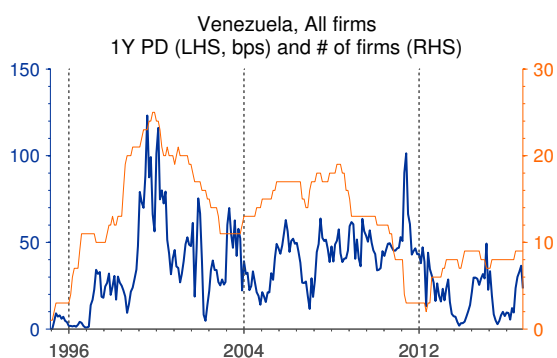
United Arab Emirates	2016Q2			2016Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	44	23.6	24.0	20.6	20.8	-1.9	11.8
Communications	3	0.5	9.2	0.2	10.8	-0.0	1.6
Consumer Cyclical	5	4.8	10.2	4.1	12.1	0.3	6.4
Consumer Non-cyclical	11	10.4	52.5	8.5	32.6	-0.4	22.4
Energy	3	62.5	56.6	55.3	32.2	-7.1	27.9
Industrial	18	16.2	90.2	16.5	49.3	-0.8	66.8
Utilities	1	226.3	-	201.7	-	-24.7	-



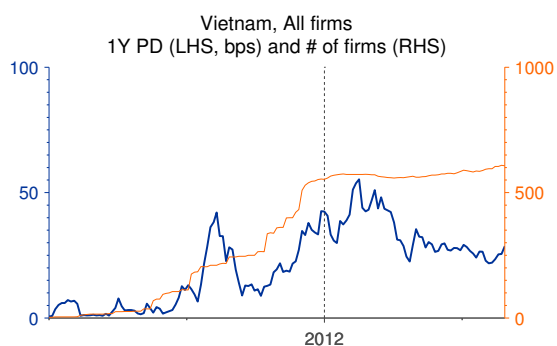
United Kingdom	2016Q2			2016Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	204	18.5	108.5	15.4	124.0	-1.0	71.0
Basic Materials	91	33.8	75.5	25.2	87.1	-1.1	43.9
Communications	93	24.0	105.9	20.5	107.7	-1.3	74.5
Consumer Cyclical	144	19.9	211.7	16.6	134.7	-1.4	120.1
Consumer Non-cyclical	227	18.0	126.3	13.5	49.9	-1.8	107.0
Diversified	5	11.9	79.1	34.4	43.6	-1.9	40.7
Energy	85	51.7	90.4	40.4	81.6	-4.2	63.9
Industrial	171	21.3	82.5	17.3	73.7	-2.9	43.4
Technology	93	15.3	63.6	11.3	42.9	-1.3	50.2
Utilities	11	5.3	79.8	2.8	39.1	-0.3	41.2



United States	2016Q2			2016Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	898	7.9	160.0	7.0	75.7	-0.6	110.1
Basic Materials	129	6.7	115.3	5.0	88.2	-0.3	61.1
Communications	286	9.4	202.3	7.8	139.0	-0.8	102.9
Consumer Cyclical	453	6.5	140.7	6.2	132.9	-0.2	111.0
Consumer Non-cyclical	894	11.0	331.8	8.5	218.6	-0.5	297.6
Diversified	7	38.0	32.1	18.4	12.8	-14.6	20.5
Energy	269	37.6	371.4	27.0	310.9	-1.8	283.8
Industrial	472	5.7	208.5	4.5	190.1	-0.2	99.6
Technology	330	5.2	66.0	3.5	169.6	-0.4	151.1
Utilities	86	0.5	41.4	0.7	46.3	0.1	25.5



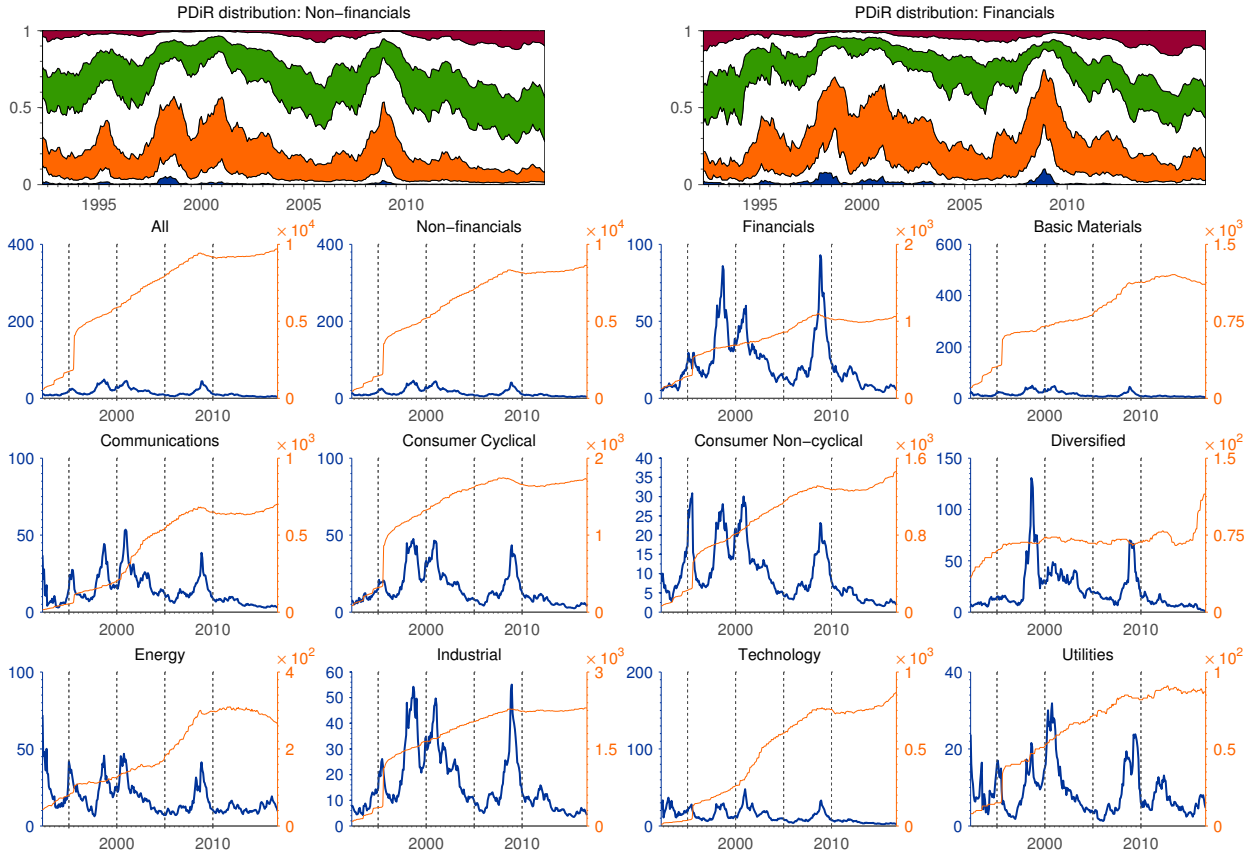
Venezuela	2016Q2			2016Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	6	28.0	12.9	24.0	11.6	-2.7	10.1
Basic Materials	1	189.4	-	149.1	-	-40.3	-
Industrial	2	23.5	30.3	12.5	15.1	-11.0	15.2



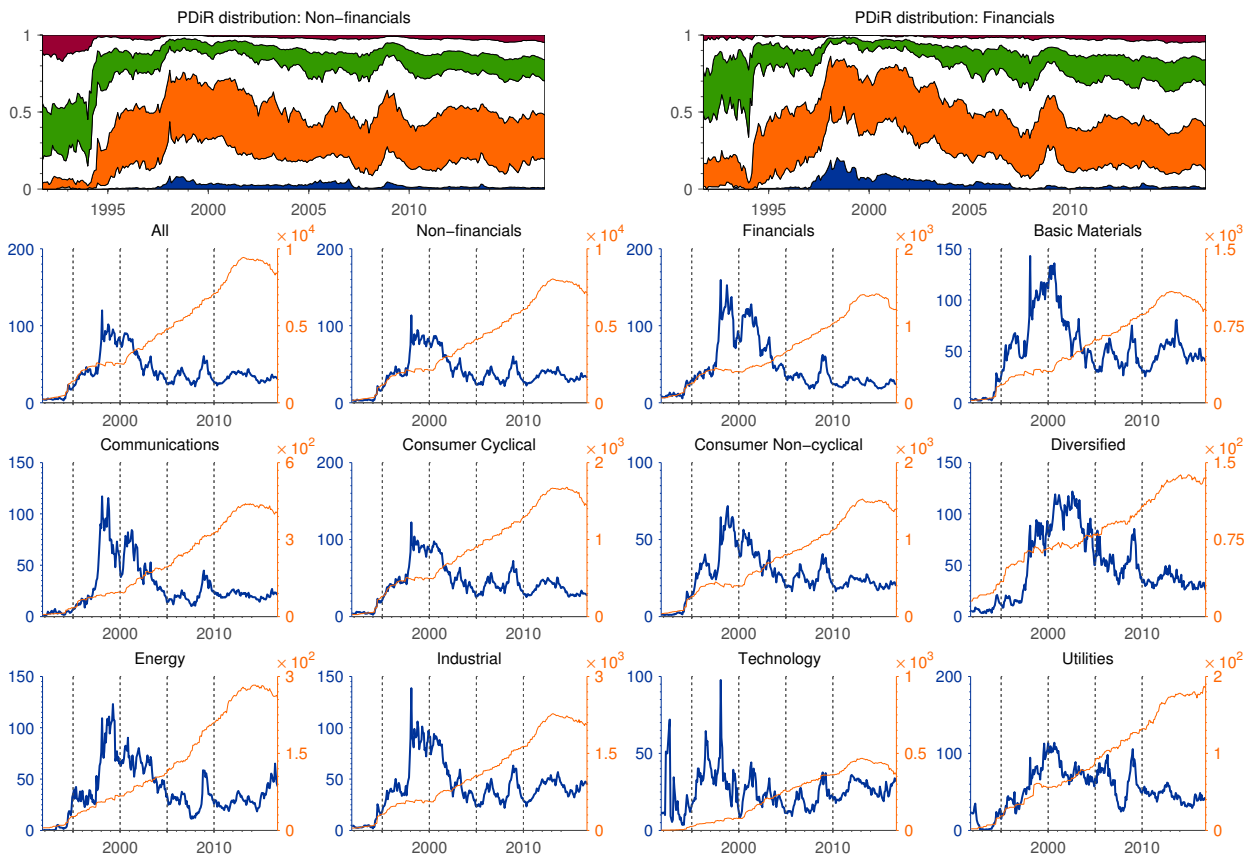
Vietnam	2016Q2			2016Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	78	23.1	64.4	32.7	101.7	1.2	77.2
Basic Materials	60	15.0	63.9	17.5	95.4	1.0	57.8
Communications	18	21.9	38.6	20.1	38.4	-0.5	19.0
Consumer Cyclical	54	26.8	42.2	32.7	149.9	2.9	147.7
Consumer Non-cyclical	93	14.4	112.2	20.9	121.3	0.1	78.3
Diversified	17	11.9	35.8	6.0	36.4	-0.1	21.0
Energy	21	71.9	108.7	80.4	100.6	1.5	54.7
Industrial	233	32.7	71.7	37.5	85.9	0.9	44.0
Technology	6	21.8	70.1	17.5	41.9	-13.4	31.2
Utilities	18	5.9	18.3	9.0	18.8	0.4	5.8

B PD by regions

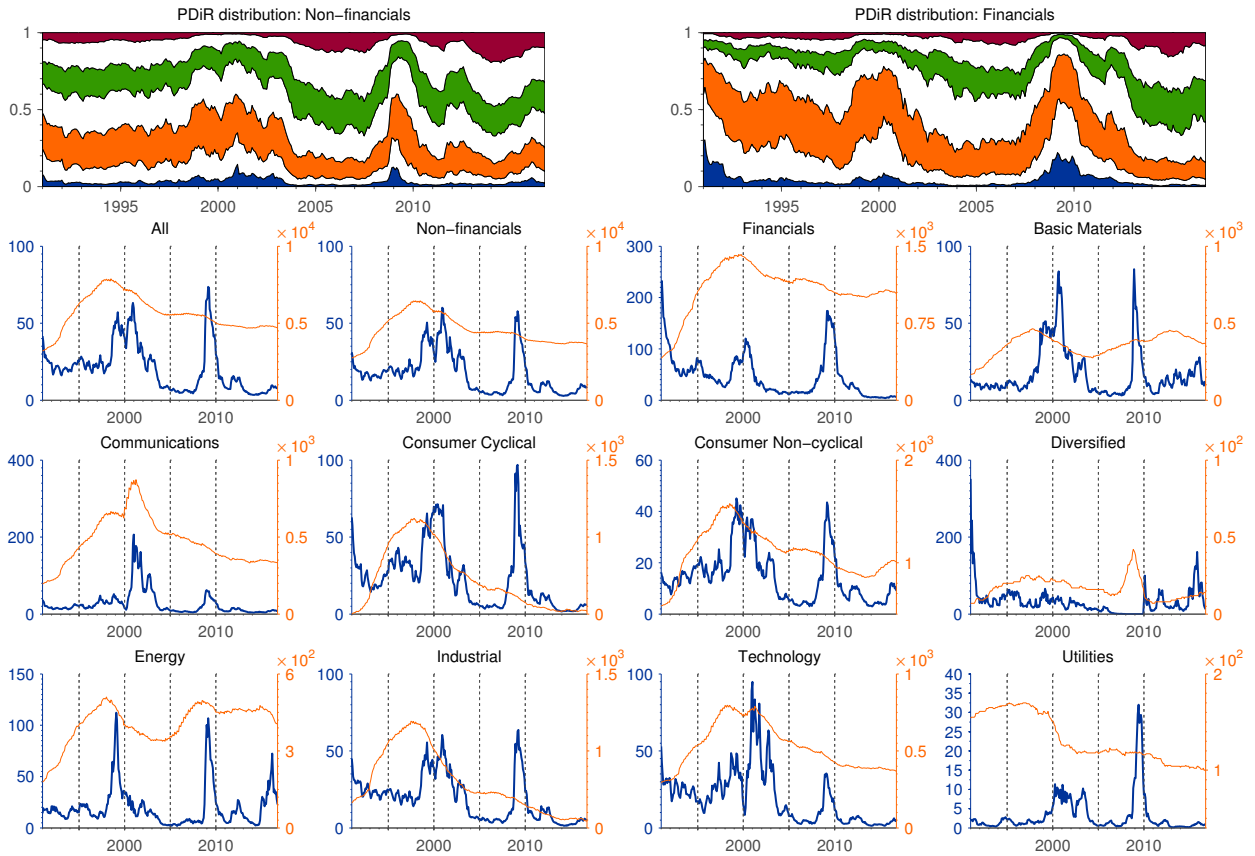
Asia Pacific - developed economies



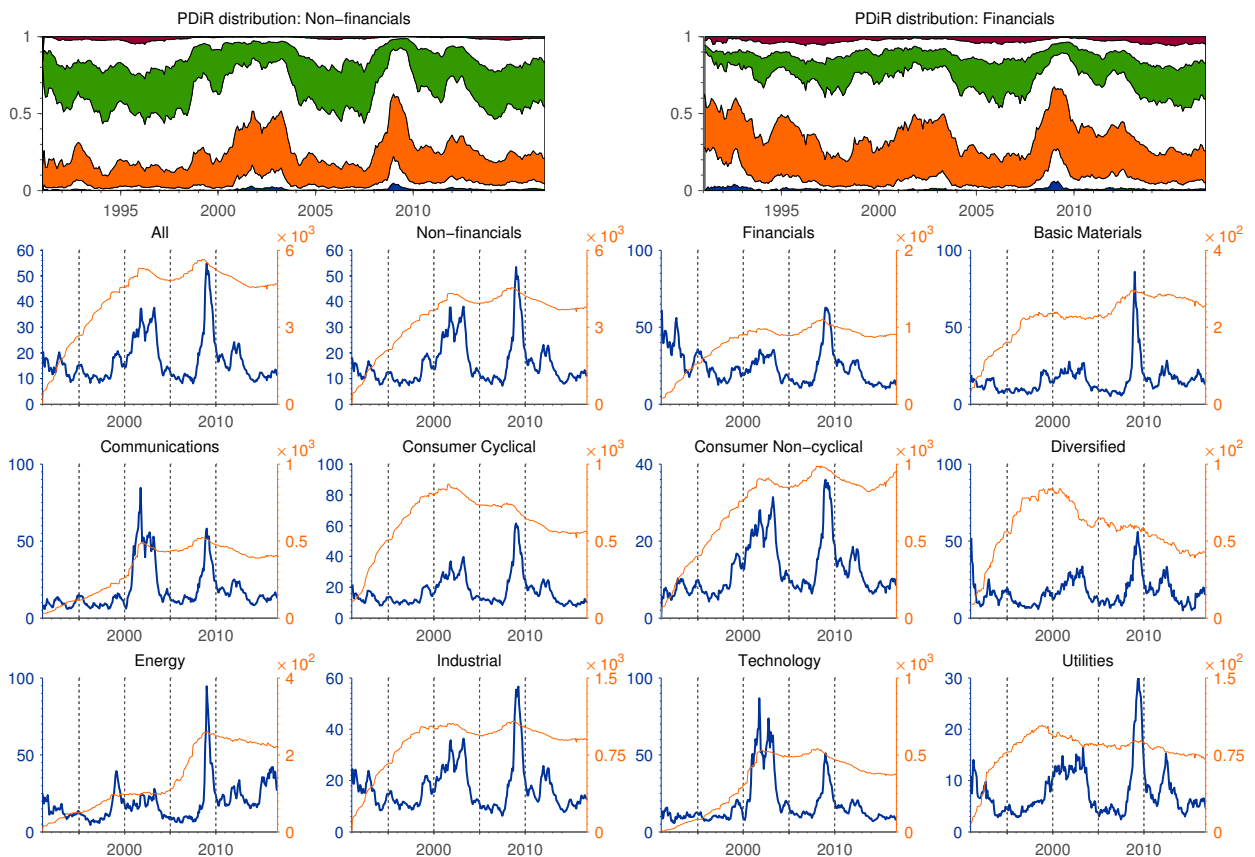
Asia Pacific - emerging economies



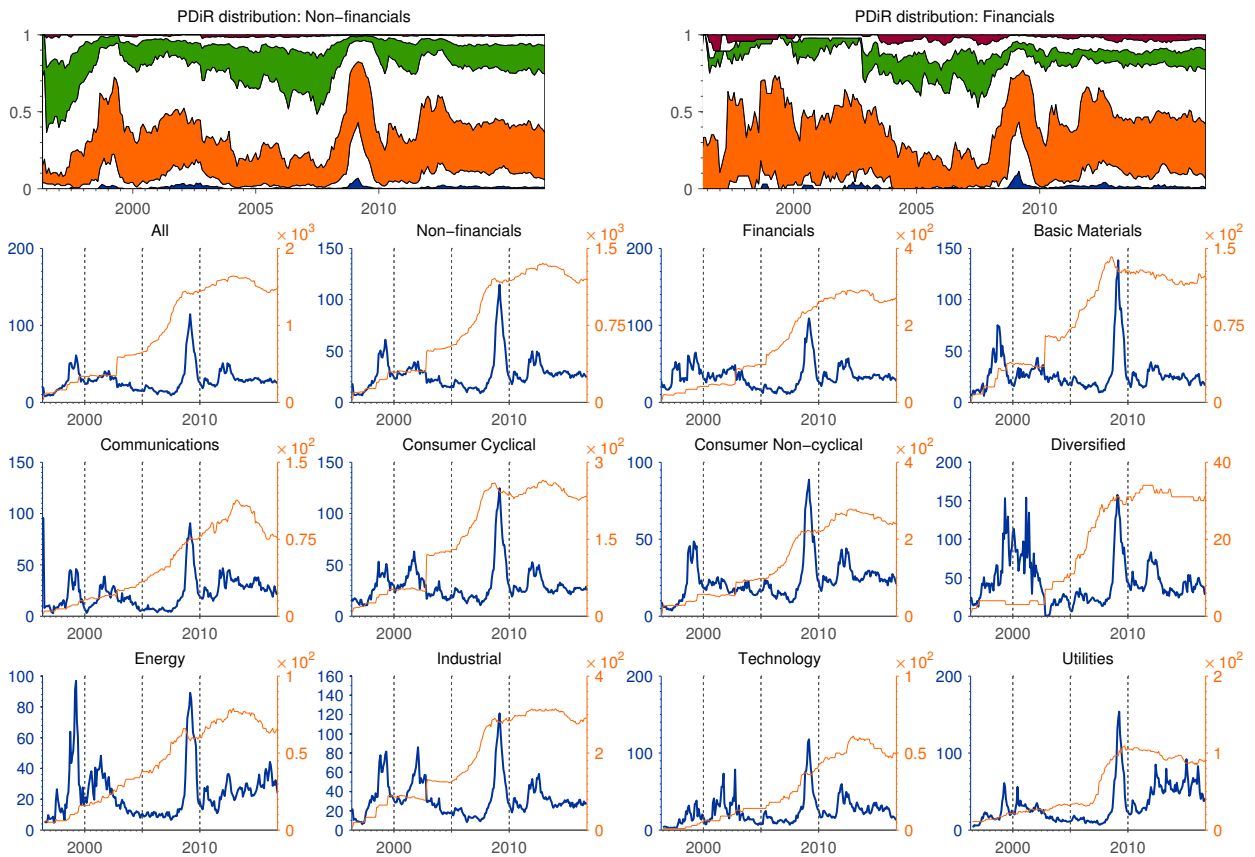
North America



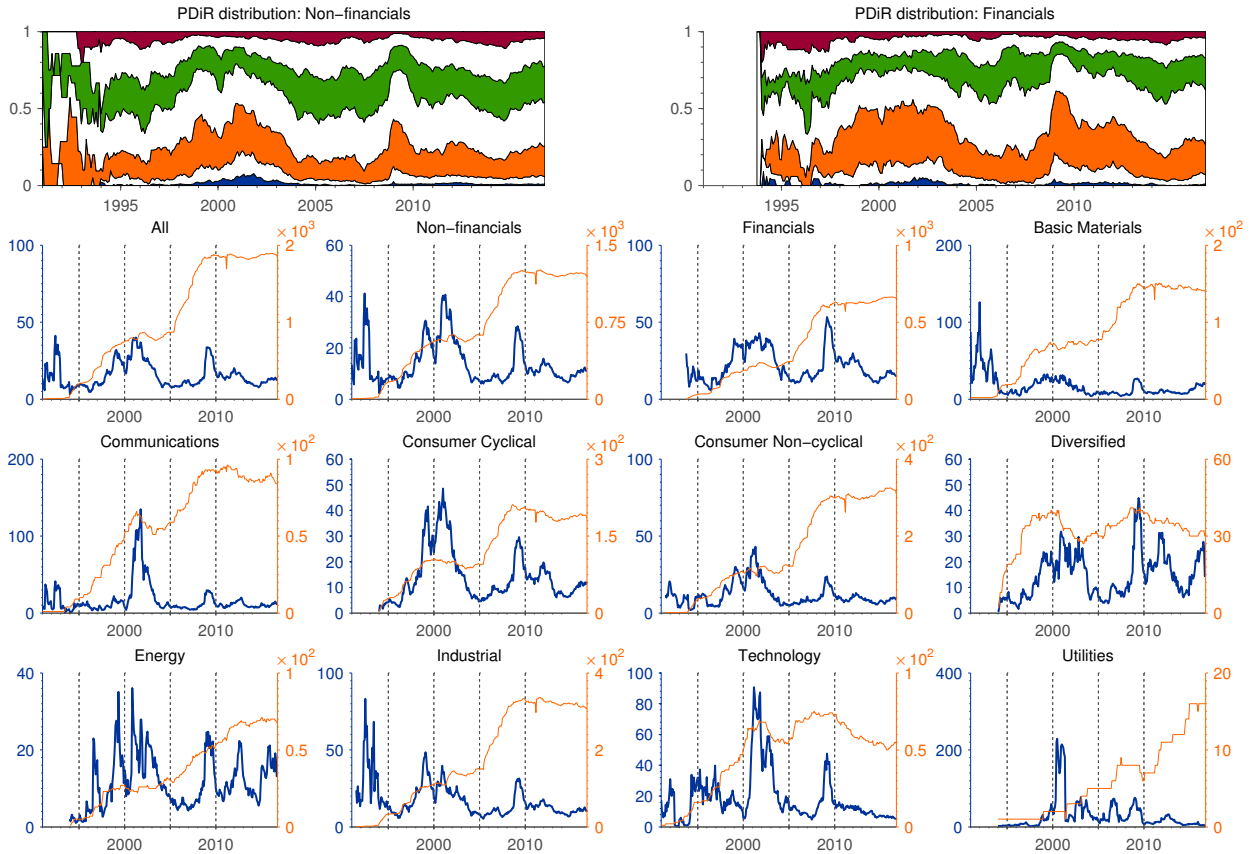
Western Europe



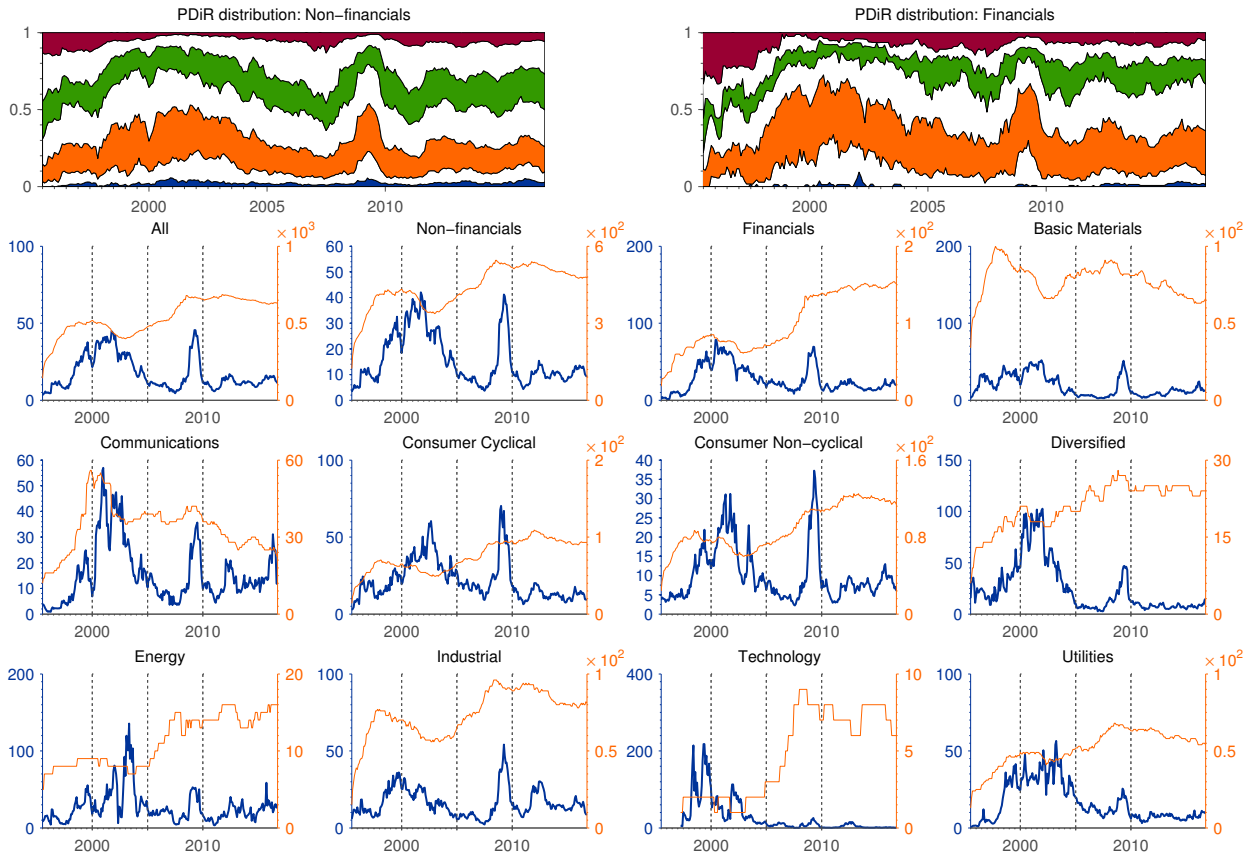
Eastern Europe



Africa ME

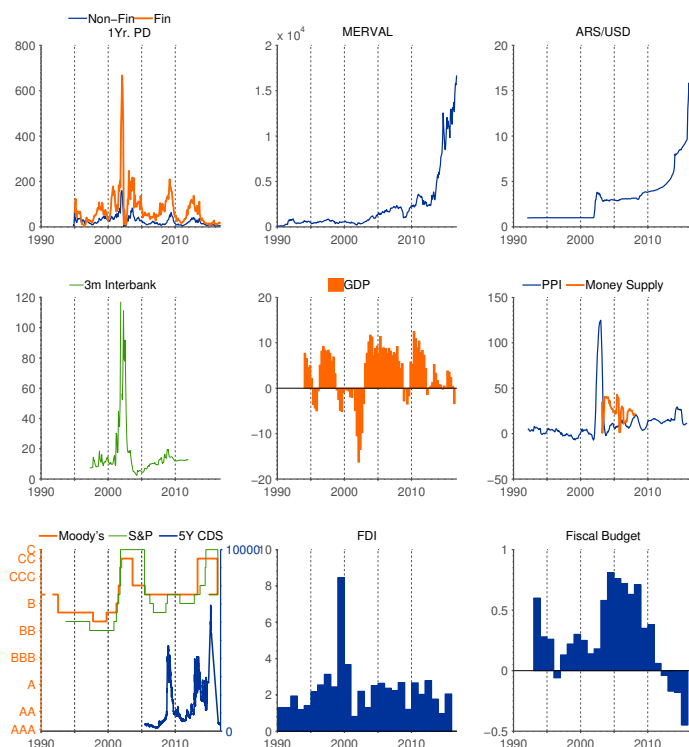


Latin America

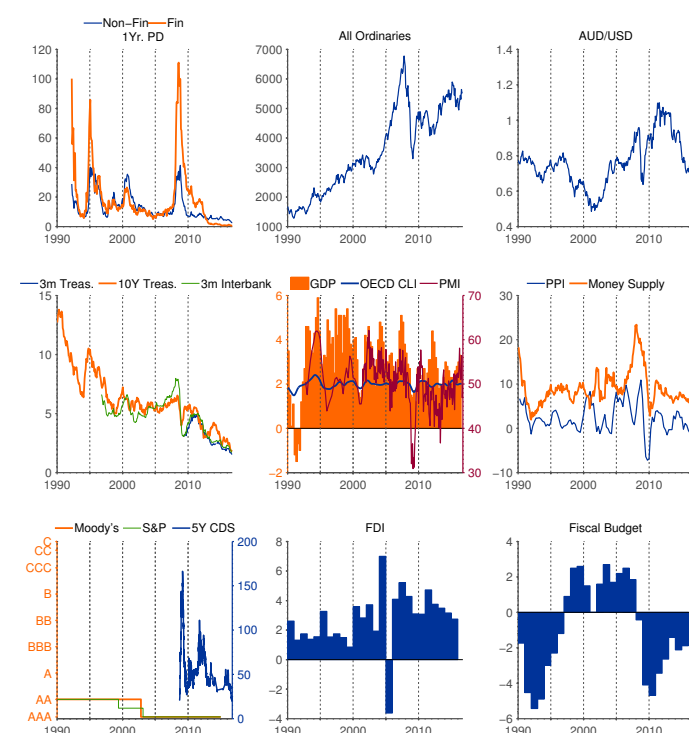


C Macroeconomic Indicators

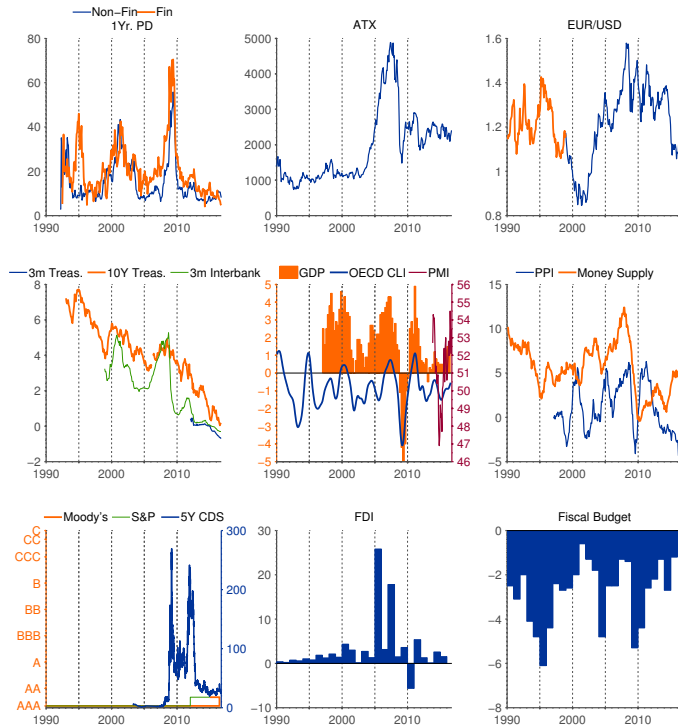
Descriptions of the data contained in this section are provided in Appendix D.



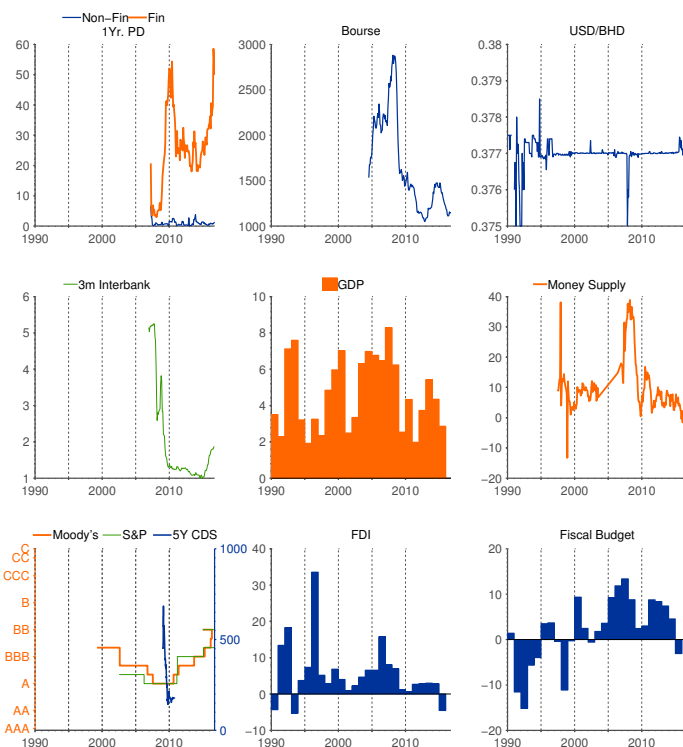
Argentina	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	10.64	3.88	4.13	5.33	5.09
1Yr. PD, Fin.	28.26	11.83	13.79	19.74	17.33
MERVAL	9815	11675	12992	14683	16676
ARS/USD	9.42	12.93	14.70	15.05	15.31
GDP (YoY%)	3.5	2.3	0.4	-3.4	-
PPI (YoY%)	11.1	11.5*	-	-	-
Sov. Rating, Moody's	B3	B3	B3	B3	B3
Sov. Rating, S&P	B-	B-	B-	B-	B-
5Y CDS (bps)	-	-	-	419.70	381.72
FDI (%GDP)	-	2.05	-	-	-
Fiscal Budget (%GDP)	-	-0.45	-	-	-



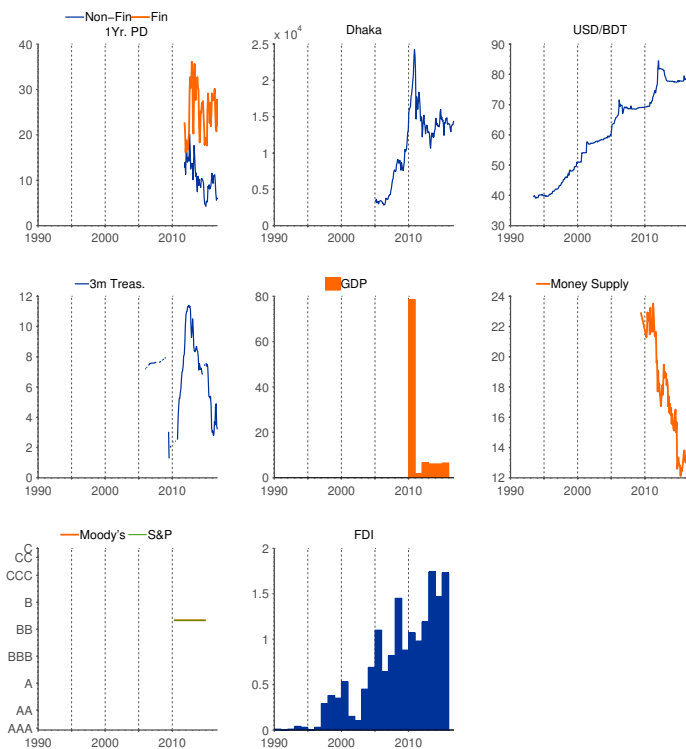
Australia	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	4.52	4.65	4.74	3.72	2.70
1Yr. PD, Fin.	0.86	0.79	1.26	0.77	0.64
All Ordinaries	5059	5345	5152	5310	5525
AUD/USD	0.70	0.73	0.77	0.75	0.77
3m Treas. Yield (%)	2.01	2.02	2.04	1.69	1.53
10Y Treas. Yield (%)	2.61	2.88	2.49	1.98	1.91
3m Interbank (%)	2.16	2.33	2.27	1.94	1.72
GDP (YoY%)	2.6	2.8	3.0	3.3	-
OECD CLI	99.96	99.88	100.02	100.07	100.09*
PMI	52.1	51.9	58.1	51.8	49.8
PPI (YoY%)	0.7	-0.5	-1.1	-1.6	-
Money Supply (YoY%)	6.2	5.9	6.2	6.0	6.3*
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
5Y CDS (bps)	55.55	38.70	35.01	35.00	25.66
FDI (%GDP)	-	2.75	-	-	-
Fiscal Budget (%GDP)	-	-1.89	-	-	-



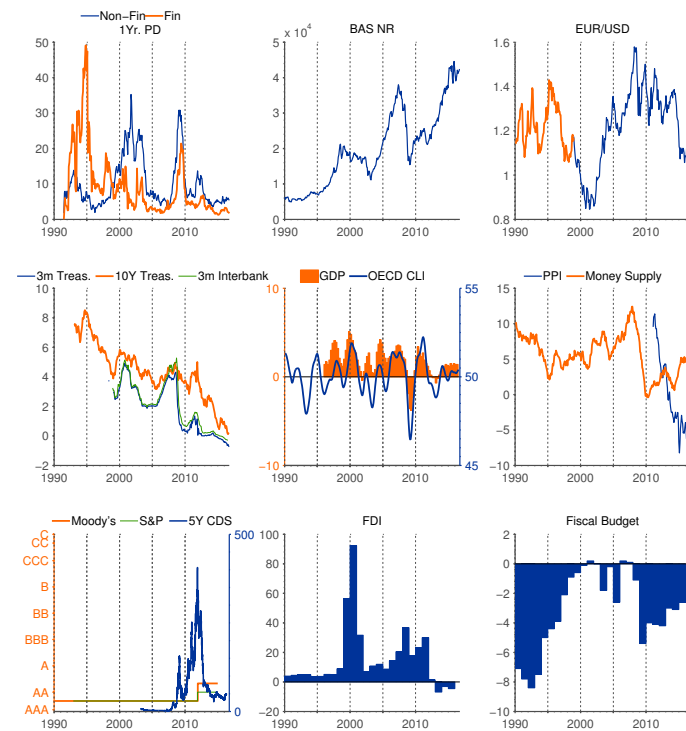
Austria	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	8.96	7.95	11.25	10.72	8.14
1Yr. PD, Fin.	8.70	7.74	8.75	7.14	4.70
ATX	2229	2397	2270	2096	2405
EUR/USD	1.12	1.09	1.14	1.11	1.12
3m Treas. Yield (%)	-0.27	-0.41	-0.53	-0.61	-0.70
10Y Treas. Yield (%)	0.89	0.90	0.35	0.20	0.10
3m Interbank (%)	-0.04	-0.13	-0.24	-0.29	-0.30
GDP (YoY%)	1.0	1.3	1.5	1.4	-
OECD CLI	100.05	100.12	100.13	100.37	100.46*
PMI	52.5	50.6	52.8	54.5	53.5
PPI (YoY%)	-2.5	-2.6	-4.0	-3.0	-2.4*
Money Supply (YoY%)	4.5	4.6	5.0	4.9	4.9*
Sov. Rating, Moody's	Aa1	Aa1	Aa1	Aa1	Aa1
Sov. Rating, S&P	AA+	AA+	AA+	AA+	AA+
5Y CDS (bps)	26.5	22.2	29.4	31.0	25.9
FDI (%GDP)	-	1.54	-	-	-
Fiscal Budget (%GDP)	-	-1.20	-	-	-



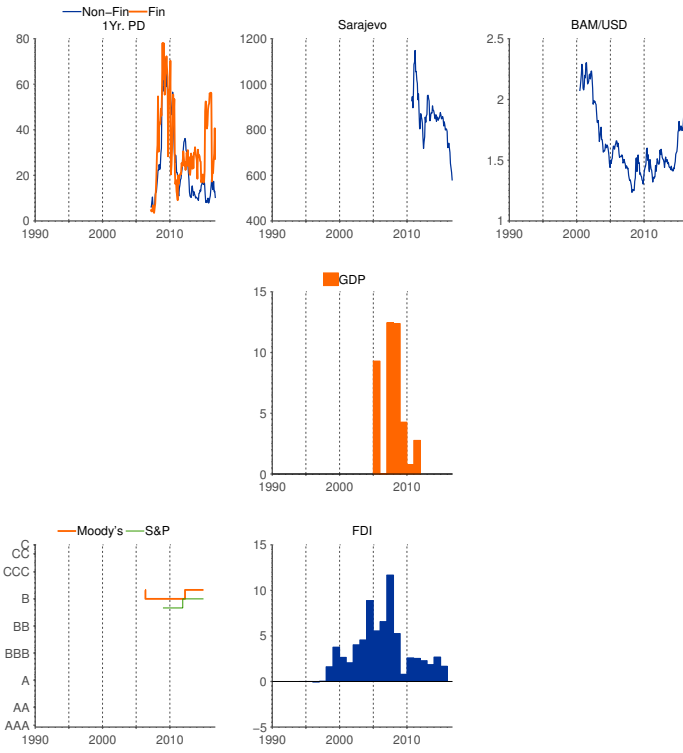
Bahrain	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	0.24	0.58	0.75	0.65	1.31
1Yr. PD, Fin.	31.99	33.90	40.59	39.55	49.94
Bourse	1276	1216	1131	1118	1150
USD/BHD	0.38	0.38	0.38	0.38	0.38
3m Interbank (%)	1.37	1.63	1.76	1.80	1.88
GDP (YoY%)	-	2.86	-	-	-
Money Supply (YoY%)	2.72	2.24	1.96	2.69*	-
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)	-	-3.10	-	-	-



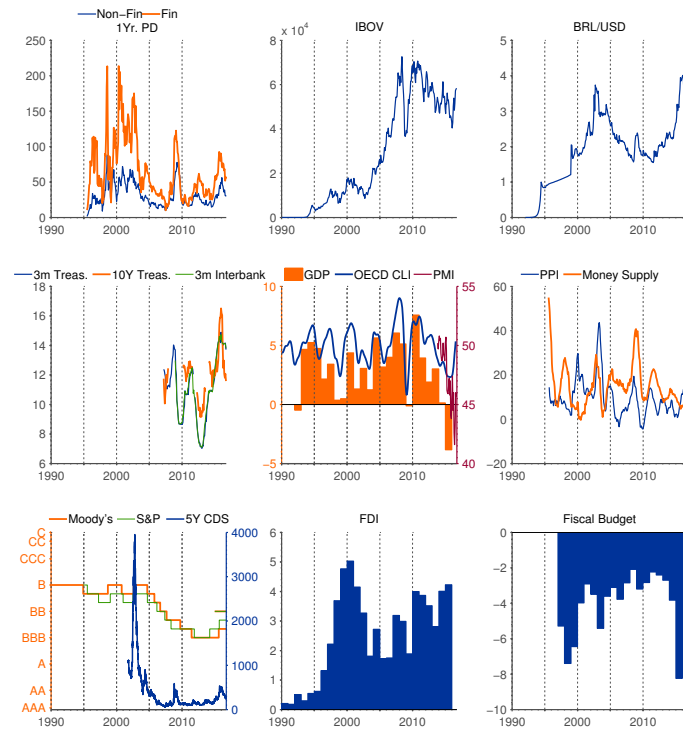
Bangladesh	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	8.64	10.55	11.06	7.04	5.87
1Yr. PD, Fin.	21.89	28.15	28.83	21.26	21.86
Dhaka	14845	14090	13407	13803	14429
USD/BDT	77.78	78.25	78.38	78.33	78.38
3m Treas. Yield (%)	5.39	3.00	2.83	4.75	3.20
GDP (YoY%)	-	6.5	-	-	-
Money Supply (YoY%)	13.3	13.1	13.6	16.4	13.5*
Sov. Rating, Moody's	Ba3	Ba3	Ba3	Ba3	Ba3
Sov. Rating, S&P	BB-	BB-	BB-	BB-	BB-
FDI (%GDP)	-	1.73	-	-	-



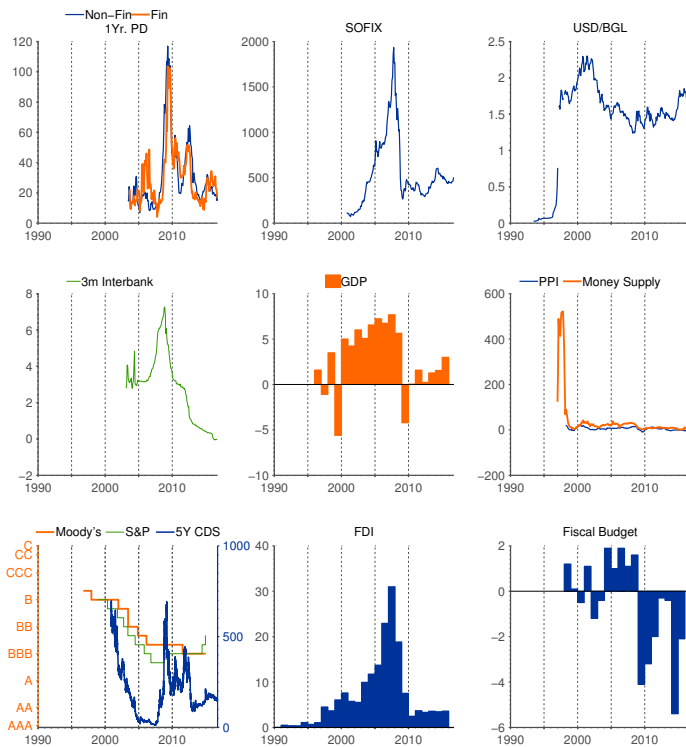
Belgium	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	6.47	4.53	5.13	5.75	5.37
1Yr. PD, Fin.	2.70	2.43	3.23	2.13	1.70
BAS NR	38414.7	42529.7	39614.7	41164.2	42424.0
EUR/USD	1.12	1.09	1.14	1.11	1.12
3m Treas. Yield (%)	-0.25	-0.43	-0.43	-0.65	-0.75
10Y Treas. Yield (%)	0.91	0.97	0.51	0.23	0.14
3m Interbank (%)	-0.04	-0.13	-0.24	-0.29	-0.29*
GDP (YoY%)	1.3	1.5	1.4	1.4	-
OECD CLI	100.26	100.25	100.21	100.37	100.40*
PPI (YoY%)	-5.3	-4.0	-6.5	-3.4	-0.6*
Money Supply (YoY%)	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)	39.05	32.50	45.57	49.22*	-
FDI (%GDP)	-	-4.56	-	-	-
Fiscal Budget (%GDP)	-	-2.60	-	-	-



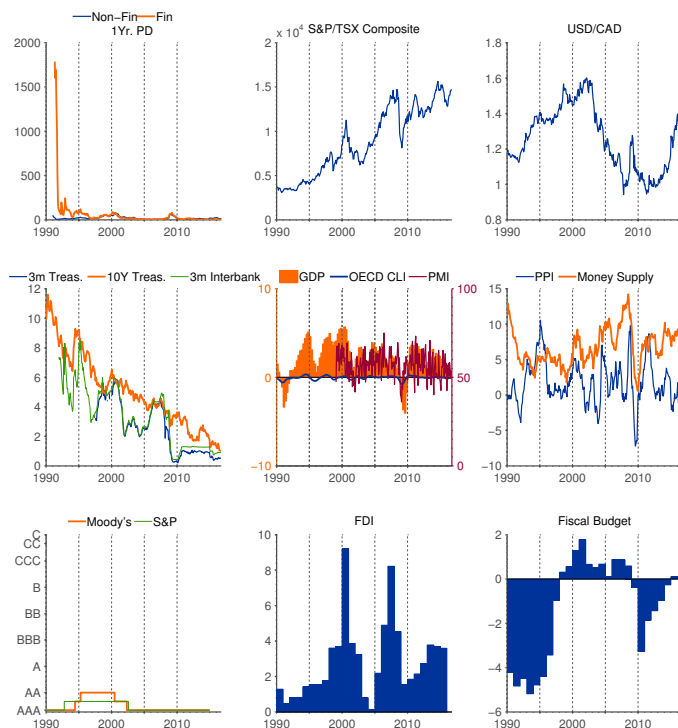
Bosnia and Herzegovina	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	7.83	10.97	21.08	17.37	10.05
1Yr. PD, Fin.	50.76	54.83	17.26	25.70	26.84
Sarajevo	799	792	741	652	577
BAM/USD	1.75	1.80	1.72	1.76	1.74
Sov. Rating, Moody's	B3	B3	B3	B3	B3
Sov. Rating, S&P	B	B	B	B	B
FDI (%GDP)	-	1.67	-	-	-



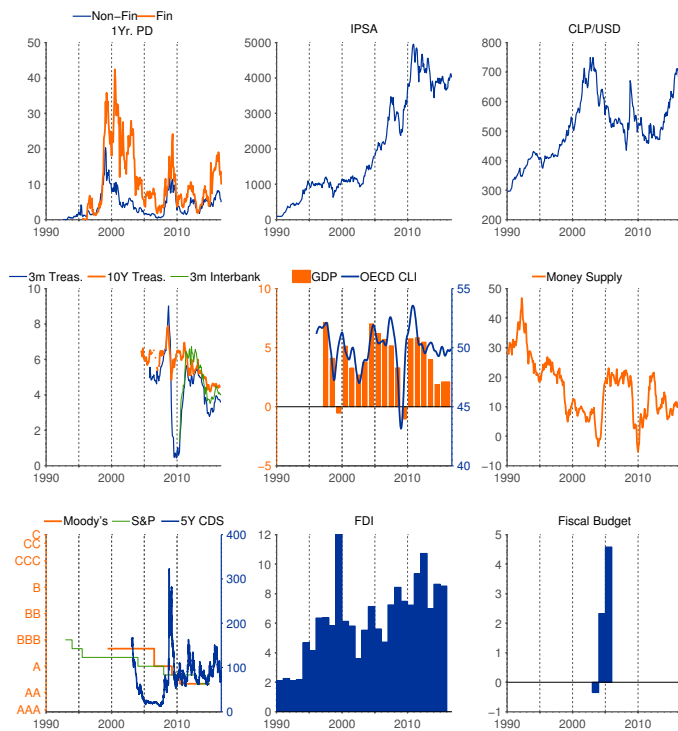
Brazil	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	45.51	48.74	43.94	38.86	29.99
1Yr. PD, Fin.	88.61	84.35	76.53	68.35	55.09
IBOV	45059	43350	50055	51527	58367
BRL/USD	3.95	3.96	3.59	3.21	3.26
3m Treas. Yield (%)	14.47	14.89	13.99	14.14	13.72
10Y Treas. Yield (%)	15.40	16.51	13.97	12.07	11.58
3m Interbank (%)	14.62	14.73	14.12	14.13	13.80
GDP (YoY%)	-	-3.8	-	-	-
OECD CLI	97.32	97.39	98.22	99.84	100.34*
PMI	47.0	45.6	46.0	43.2	46.0
PPI (YoY%)	8.1	11.2	13.0	14.6	12.3
Money Supply (YoY%)	4.7	6.3	5.6	5.2	5.4*
Sov. Rating, Moody's	Ba2	Ba2	Ba2	Ba2	Ba2
Sov. Rating, S&P	BB	BB	BB	BB	BB
5Y CDS (bps)	476.43	494.95	365.74	316.92	272.81
FDI (%GDP)	-	4.23	-	-	-
Fiscal Budget (%GDP)	-	-8.24	-	-	-



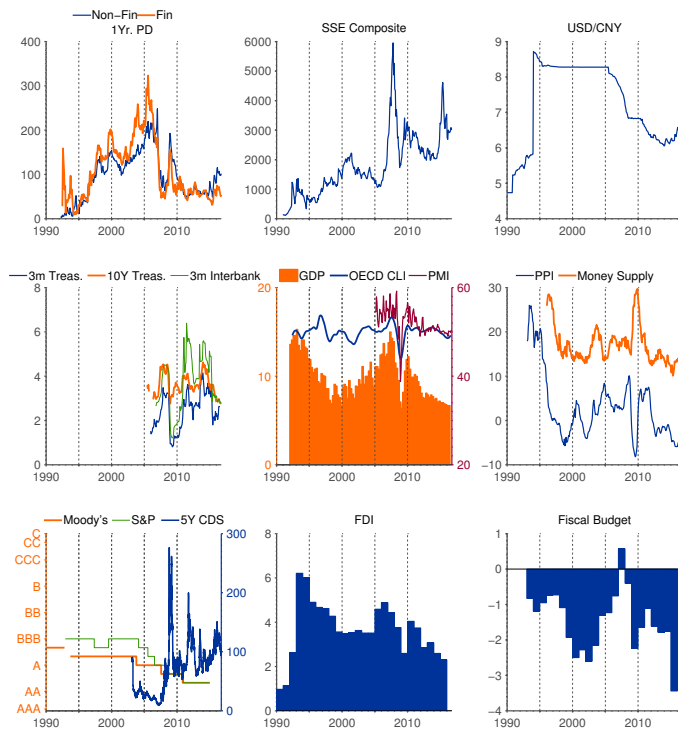
Bulgaria	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	23.68	19.09	19.54	17.73	16.19
1Yr. PD, Fin.	32.60	27.01	27.06	22.78	16.17
SOFIX	442.3	460.9	446.4	455.6	504.6
USD/BGL	1.75	1.80	1.72	1.76	1.74
3m Interbank (%)	0.33	0.26	-0.02	-0.04	-0.05
GDP (YoY%)	-	3.0	-	-	-
PPI (YoY%)	-2.1	-3.2	-4.1	-4.2	-2.7*
Money Supply (YoY%)	2.1	8.8	6.0	8.9	8.9*
Sov. Rating, Moody's	Baa2	Baa2	Baa2	Baa2	Baa2
Sov. Rating, S&P	BB+	BB+	BB+	BB+	BB+
5Y CDS (bps)	179.52	171.99	161.42	162.71	142.88*
FDI (%GDP)	-	3.62	-	-	-
Fiscal Budget (%GDP)	-	-2.10	-	-	-



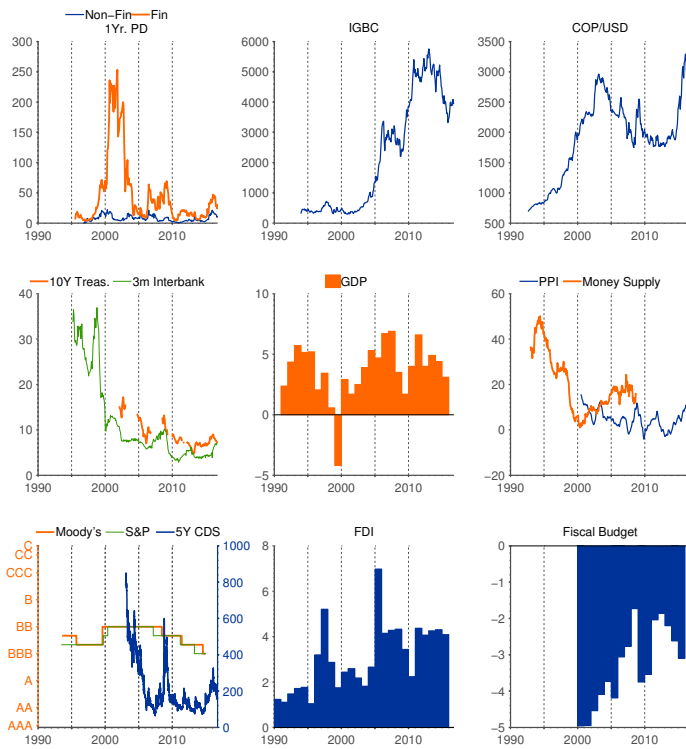
Canada	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	23.57	24.04	19.18	14.64	13.26
1Yr. PD, Fin.	4.87	6.42	5.32	5.06	3.88
S&P/TSX Composite	13307	13010	13494	14065	14726
USD/CAD	1.33	1.38	1.30	1.29	1.31
3m Treas. Yield (%)	0.44	0.51	0.45	0.49	0.53
10Y Treas. Yield (%)	1.43	1.39	1.23	1.06	1.00
3m Interbank (%)	0.79	0.87	0.90	0.88	0.90
GDP (YoY%)	1.0	0.3	1.2	0.9	-
OECD CLI	99.52	99.34	99.42	99.74	99.81*
PMI	63.3	42.5	57.9	54.7	53.8*
PPI (YoY%)	-0.5	1.0	-1.9	-0.7	-1.4*
Money Supply (YoY%)	9.0	9.1	8.1	10.5	8.5*
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
FDI (%GDP)	-	3.59	-	-	-
Fiscal Budget (%GDP)	-	0.10	-	-	-



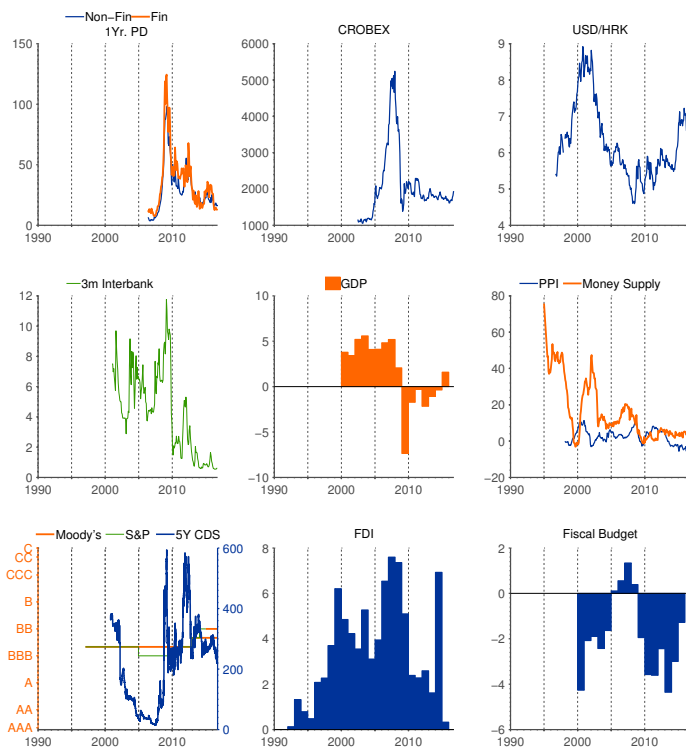
Chile	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	6.21	7.14	7.77	7.75	4.95
1Yr. PD, Fin.	14.55	16.46	16.55	13.79	9.91
IPSA	3685	3680	3937	3996	4015
CLP/USD	696.20	707.80	667.74	663.26	657.32
3m Treas. Yield (%)	3.56	3.95	3.81	3.73	3.61
10Y Treas. Yield (%)	4.61	4.63	4.44	4.55	4.41*
3m Interbank (%)	3.98	4.49	4.23	4.12	4.04
GDP (YoY%)	-	2.1	2.1	-	-
OECD CLI	99.31	99.63	99.77	99.76	99.90*
Money Supply (YoY%)	11.4	9.8	12.5	9.2	7.0*
Sov. Rating, Moody's	Aa3	Aa3	Aa3	Aa3	Aa3
Sov. Rating, S&P	AA-	AA-	AA-	AA-	AA-
5Y CDS (bps)	145.03	128.65	95.00	94.50	86.43
FDI (%GDP)	-	8.52	-	-	-



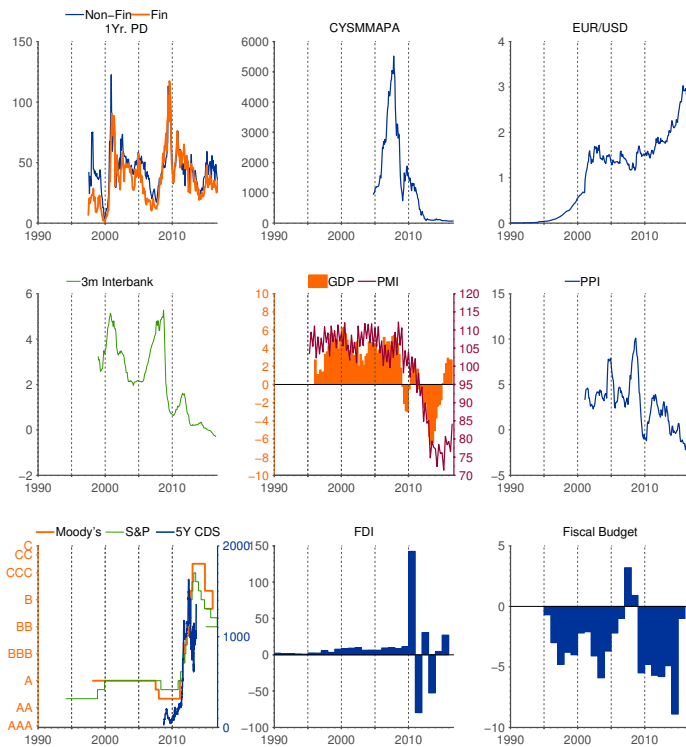
China	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	97.35	80.92	103.33	98.37	101.77
1Yr. PD, Fin.	66.31	51.69	65.61	63.20	53.03
SSE Composite	3052.8	3539.2	3003.9	2929.6	3004.7
USD/CNY	6.4	6.5	6.5	6.6	6.7
3m Treas. Yield (%)	2.19	2.18	2.05	2.63	2.63*
10Y Treas. Yield (%)	3.27	2.86	2.89	2.86	2.74
3m Interbank (%)	3.15	3.09	2.82	2.97	2.80
GDP (YoY%)	6.9	6.8	6.7	6.7	-
OECD CLI	98.88	98.63	98.64	99.02	99.22*
PMI	49.8	49.7	50.2	50.0	50.4
PPI (YoY%)	-5.90	-5.90	-4.30	-2.60	-0.80*
Money Supply (YoY%)	13.10	13.30	13.40	11.80	11.40*
Sov. Rating, Moody's	Aa3	Aa3	Aa3	Aa3	Aa3
Sov. Rating, S&P	AA-	AA-	AA-	AA-	AA-
5Y CDS (bps)	128.17	109.28	120.83	122.23	106.50
FDI (%GDP)	-	2.30	-	-	-
Fiscal Budget (%GDP)	-	-3.44	-	-	-



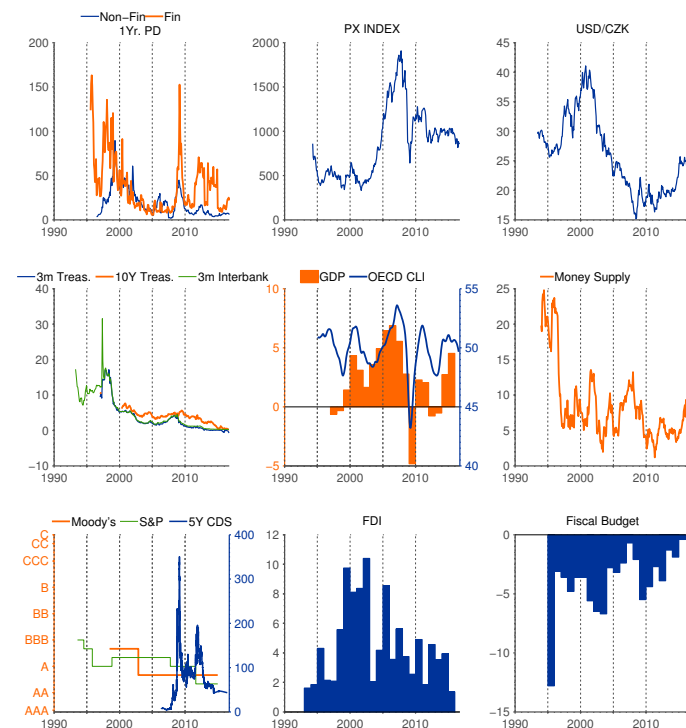
Colombia	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	16.56	20.98	15.29	14.06	11.47
1Yr. PD, Fin.	38.99	42.16	45.59	28.17	31.26
IGBC	3623	3440	3979	3925	3939
COP/USD	3087.42	3174.50	3002.14	2920.46	2881.30
10Y Treas. Yield (%)	8.47	8.66	8.20	7.59	7.00
3m Interbank (%)	4.40	3.86	6.30	6.95	6.97
GDP (YoY%)	-	3.1	-	-	-
PPI (YoY%)	8.70	9.57	8.56	9.64	3.38
Sov. Rating, Moody's	Baa2	Baa2	Baa2	Baa2	Baa2
Sov. Rating, S&P	BBB	BBB	BBB	BBB	BBB
5Y CDS (bps)	249.30	244.76	215.66	205.42	169.93
FDI (%GDP)	-	4.09	-	-	-
Fiscal Budget (%GDP)	-	-3.09	-	-	-



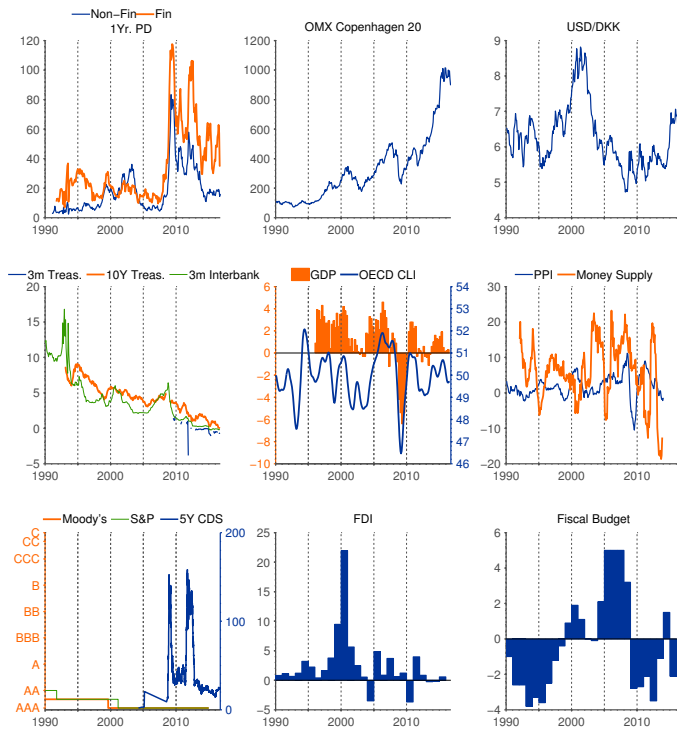
Croatia	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	22.77	20.96	16.41	18.31	16.56
1Yr. PD, Fin.	33.14	25.72	13.04	14.68	12.48
CROBEX	1686	1690	1670	1676	1941
USD/HRK	7	7	7	7	7
3m Interbank (%)	1.65	0.92	0.58	0.55	0.61
GDP (YoY%)	-	1.6	-	-	-
PPI (YoY%)	-4.80	-4.00	-5.50	-5.50	-5.10*
Money Supply (YoY%)	4.64	5.15	3.41	4.60	7.01*
Sov. Rating, Moody's	Ba2	Ba2	Ba2	Ba2	Ba2
Sov. Rating, S&P	BB	BB	BB	BB	BB
5Y CDS (bps)	290.2	298.9	270.0	253.3	225.9
FDI (%GDP)	-	0.33	-	-	-
Fiscal Budget (%GDP)	-	-1.28	-	-	-



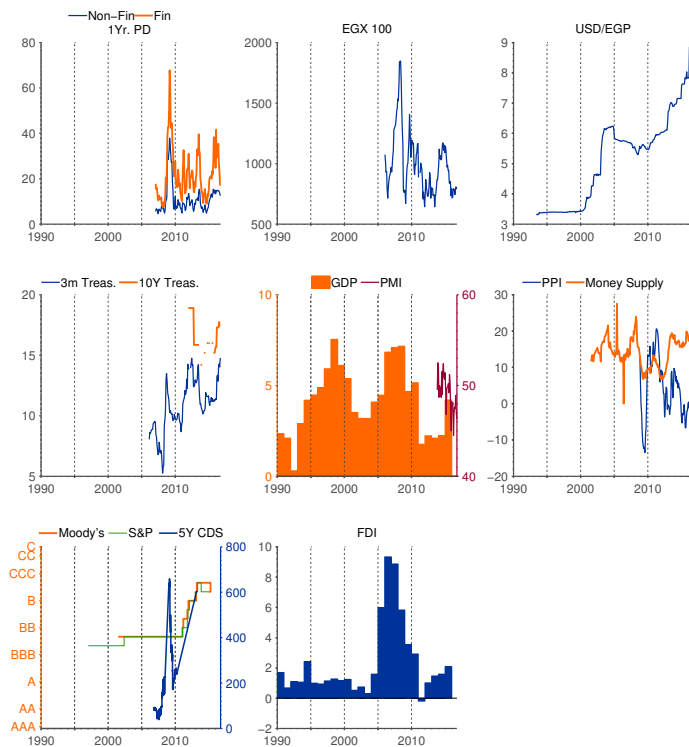
Cyprus	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	43.56	45.57	47.27	48.46	35.37
1Yr. PD, Fin.	35.69	32.52	35.24	28.48	35.94
CYMMAPA	75	68	68	66	66
EUR/USD	3.03	2.92	2.82	2.88	3.00
3m Interbank (%)	-0.04	-0.13	-0.24	-0.29	-0.29*
GDP (YoY%)	2.3	2.9	2.7	2.7	-
PMI	78.4	79.3	76.5	84.2	-
PPI (YoY%)	-1.5	-1.9	-1.2	-0.8	-0.1*
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	-	-	-



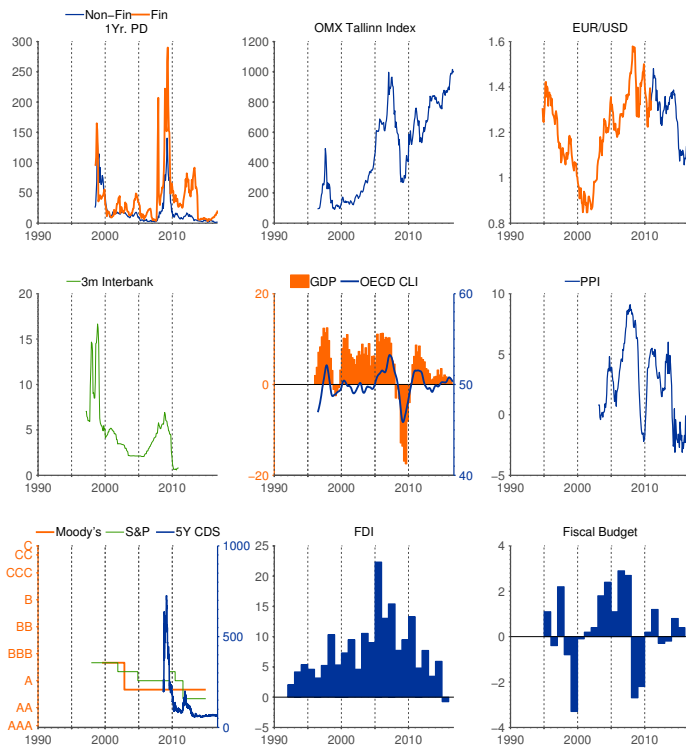
Czech Republic	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	6.49	7.36	6.85	7.37	5.82
1Yr. PD, Fin.	12.43	15.03	11.74	23.18	21.86
PX INDEX	971.1	956.3	899.9	816.9	863.6
USD/CZK	24.33	24.87	23.76	24.39	24.04
3m Treas. Yield (%)	-0.31	-0.60	-0.00	-0.07	-0.72
10Y Treas. Yield (%)	0.68	0.54	0.44	0.46	0.29
3m Interbank (%)	0.29	0.29	0.29	0.29	0.29
GDP (YoY%)	-	4.53	-	-	-
OECD CLI	100.61	100.64	100.40	99.91	99.66*
Money Supply (YoY%)	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	-	-	-



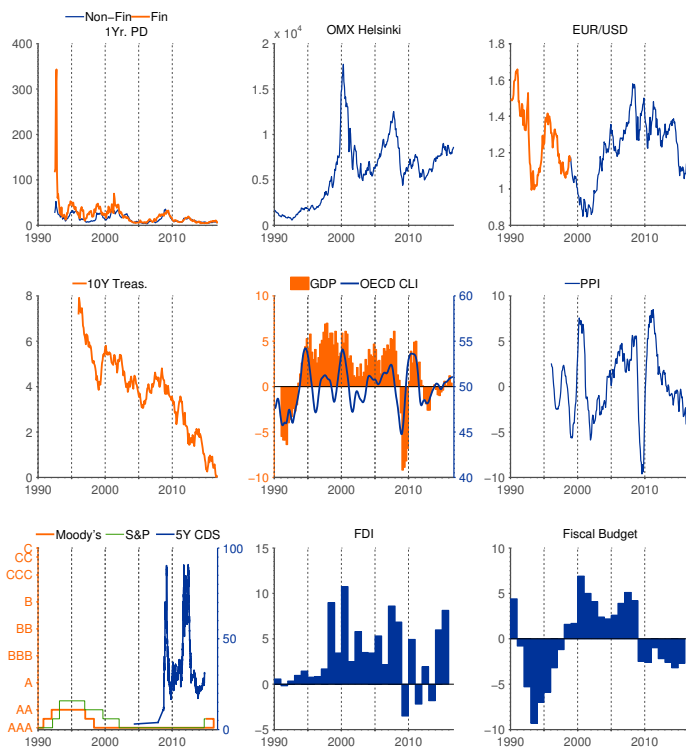
Denmark	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	18.18	14.99	18.90	19.16	16.14
1Yr. PD, Fin.	32.87	38.45	47.88	62.82	35.19
OMX Copenhagen 20	922	1014	948	958	897
USD/DKK	6.68	6.87	6.55	6.70	6.63
3m Treas. Yield (%)	-0.43	-0.49	-0.48	-0.50*	-0.66
10Y Treas. Yield (%)	0.86	0.97	0.44	0.09	0.01
3m Interbank (%)	-0.05	-0.09	-0.08	-0.21	-0.19
GDP (YoY%)	0.5	0.1	0.2	0.3	-
OECD CLI	100.53	100.08	99.68	99.70	99.71*
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
5Y CDS (bps)	16.72	14.33	21.68	23.16	23.69
FDI (%GDP)	-	0.57	-	-	-
Fiscal Budget (%GDP)	-	-2.10	-	-	-



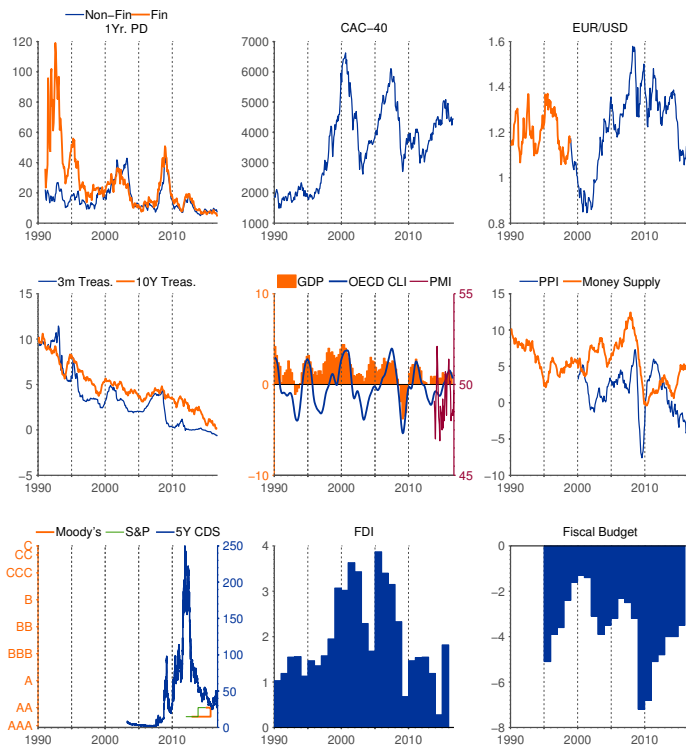
Egypt	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	14.75	13.29	14.97	14.70	12.58
1Yr. PD, Fin.	38.33	24.75	33.65	26.77	17.11
EGX 100	844.6	790.6	792.2	743.7	790.3
USD/EGP	7.80	7.83	8.85	8.88	8.88
3m Treas. Yield (%)	11.24	11.34	13.22	13.96	14.78
10Y Treas. Yield (%)	15.20	15.50	17.30	17.30	17.40*
GDP (YoY%)	-	4.2	-	-	-
PMI	50.2	48.2	44.5	47.5	46.3
PPI (YoY%)	-4.0	0.1	0.5	5.7	10.7*
Money Supply (YoY%)	19.9	18.6	18.2	18.6	17.9*
Sov. Rating, Moody's	B3	B3	B3	B3	B3
Sov. Rating, S&P	B-	B-	B-	B-	B-
FDI (%GDP)	-	2.08	-	-	-



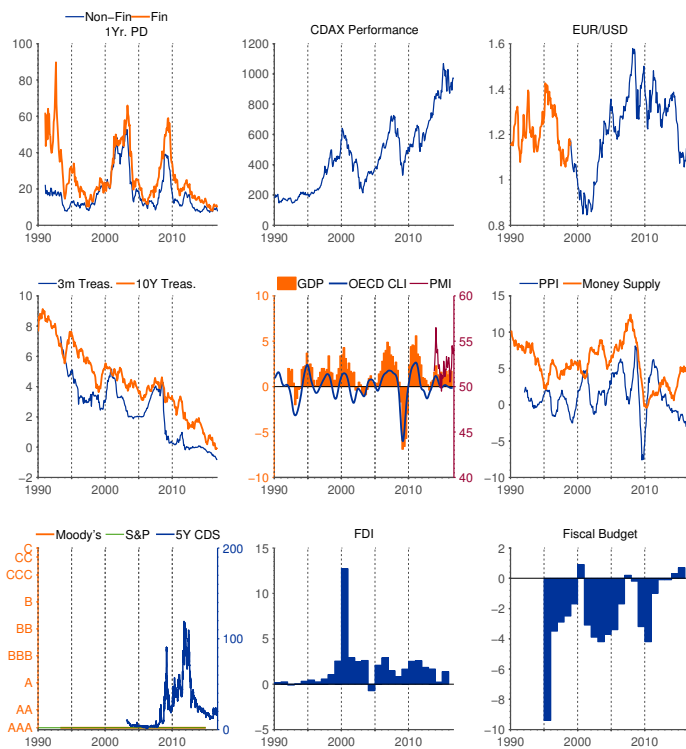
Estonia	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	4.88	2.75	1.43	1.35	1.50
1Yr. PD, Fin.	5.07	8.54	9.64	13.06	20.87
OMX Tallinn Index	863.2	899.0	970.6	985.6	1001.3
EUR/USD	1.12	1.09	1.14	1.11	1.12
GDP (YoY%)	1.7	0.9	1.5	0.6	-
OECD CLI	100.42	100.78	100.68	100.42	100.30*
PPI (YoY%)	-2.8	-2.3	-2.0	-1.4	-1.3*
Sov. Rating, Moody's	A1	A1	A1	A1	A1
Sov. Rating, S&P	AA-	AA-	AA-	AA-	AA-
5Y CDS (bps)	67.53	64.81	66.32	64.12	65.66*
FDI (%GDP)	-	-0.77	-	-	-
Fiscal Budget (%GDP)	-	0.40	-	-	-



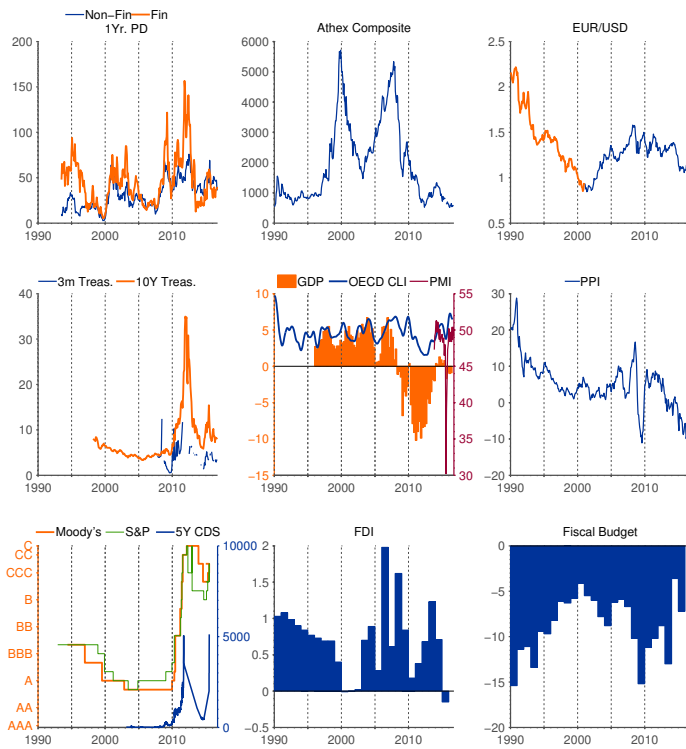
Finland	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	6.28	5.74	7.36	7.08	5.84
1Yr. PD, Fin.	8.58	7.90	9.08	10.46	7.61
OMX Helsinki	7682	8596	8000	7904	8626
EUR/USD	1.12	1.09	1.14	1.11	1.12
10Y Treas. Yield (%)	0.87	0.92	0.44	0.15	0.03
GDP (YoY%)	0.1	0.6	1.2	0.4	-
OECD CLI	100.58	100.80	100.96	101.05	101.13*
PPI (YoY%)	-3.3	-2.5	-4.1	-3.4	-2.6*
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	-	-	-



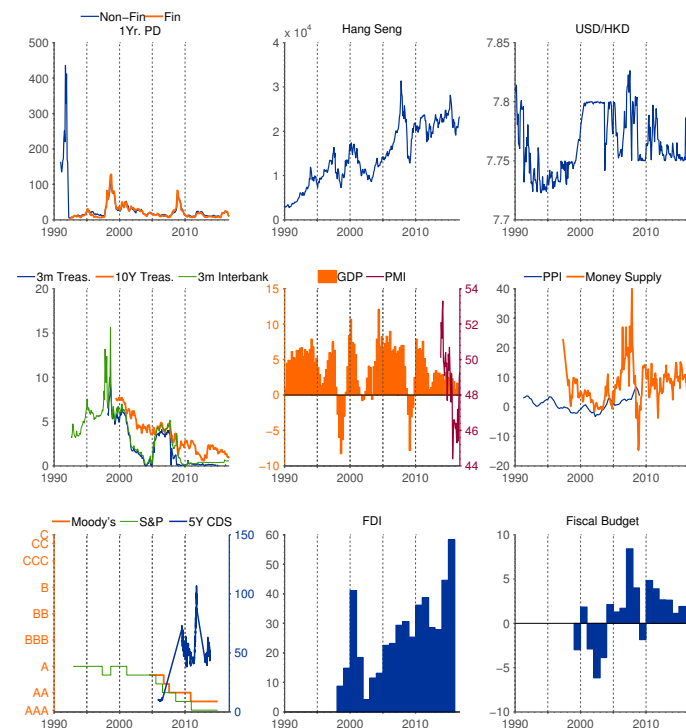
France	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	8.83	7.07	9.24	8.53	7.29
1Yr. PD, Fin.	7.47	6.26	7.39	6.26	4.45
CAC-40	4455	4637	4385	4237	4448
EUR/USD	1.12	1.09	1.14	1.11	1.12
3m Treas. Yield (%)	-0.20	-0.45	-0.42	-0.57	-0.69
10Y Treas. Yield (%)	0.98	0.99	0.49	0.18	0.19
GDP (YoY%)	1.1	1.3	1.4	1.3	-
OECD CLI	100.50	100.75	100.70	100.44	100.33*
PMI	50.6	51.4	49.6	48.3	49.7
PPI (YoY%)	-2.6	-2.7	-3.9	-3.1	-2.0*
Money Supply (YoY%)	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)	32.2	26.4	33.3	50.5	29.2
FDI (%GDP)	-	1.82	-	-	-
Fiscal Budget (%GDP)	-	-3.50	-	-	-



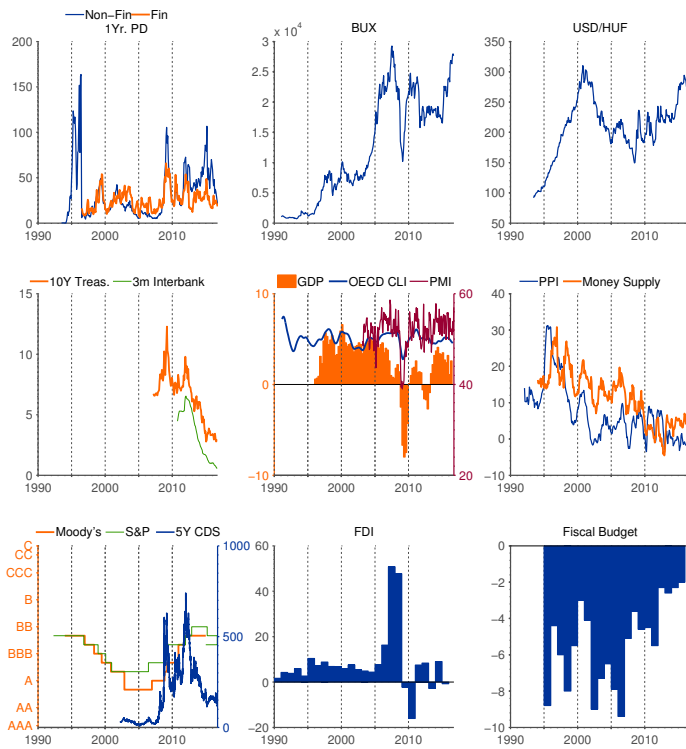
Germany	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	8.28	7.49	8.82	9.14	7.68
1Yr. PD, Fin.	8.13	7.92	11.51	10.73	9.87
CDAX Performance	886	979	915	893	971
EUR/USD	1.12	1.09	1.14	1.11	1.12
3m Treas. Yield (%)	-0.38	-0.54	-0.59	-0.68	-0.80
10Y Treas. Yield (%)	0.59	0.63	0.15	-0.13	-0.12
GDP (YoY%)	1.7	1.3	1.8	1.7	-
OECD CLI	100.06	99.96	99.85	99.84	99.82*
PMI	52.3	53.2	50.7	54.5	54.3
PPI (YoY%)	-2.1	-2.3	-3.0	-2.2	-1.7*
Money Supply (YoY%)	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)	14.44	12.87	18.69	22.27	19.18
FDI (%GDP)	-	1.38	-	-	-
Fiscal Budget (%GDP)	-	0.70	-	-	-



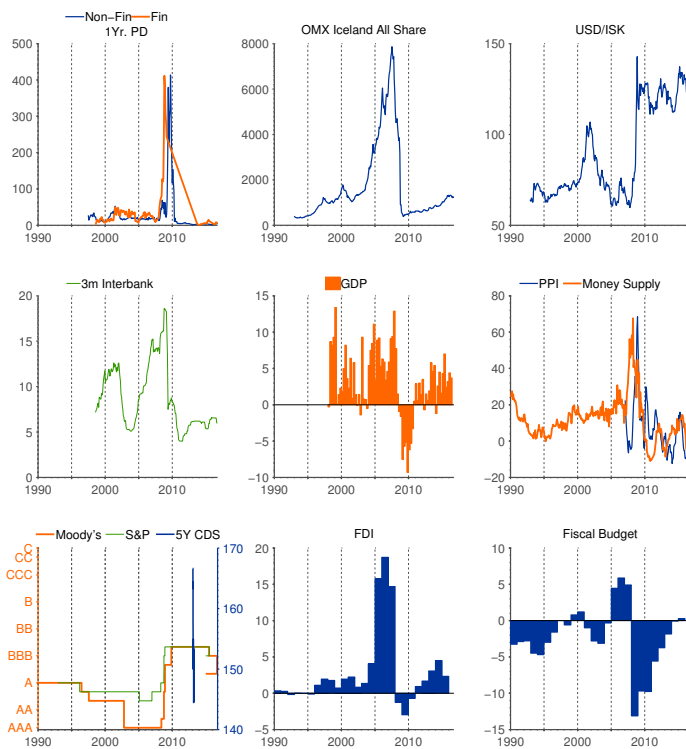
Greece	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	42.92	46.85	50.09	46.13	36.69
1Yr. PD, Fin.	37.91	28.63	39.44	36.77	39.87
Athex Composite	654	631	577	542	566
EUR/USD	1	1	1	1	1
3m Treas. Yield (%)	4.79	4.02	3.28	3.38	3.34
10Y Treas. Yield (%)	8.28	8.29	8.59	8.29	8.28
GDP (YoY%)	-1.7	-0.8	-1.0	-0.9	-
OECD CLI	99.51	101.66	102.21	101.54	101.48*
PMI	43.3	50.2	49.0	50.4	49.2
PPI (YoY%)	-8.8	-5.7	-9.0	-7.3	-4.1*
Sov. Rating, Moody's	Caa3	Caa3	Caa3	Caa3	Caa3
Sov. Rating, S&P	CCC+	CCC+	CCC+	CCC+	CCC+
5Y CDS (bps)	5124.7*	-	-	-	-
FDI (%GDP)	-	-0.15	-	-	-
Fiscal Budget (%GDP)	-	-7.20	-	-	-



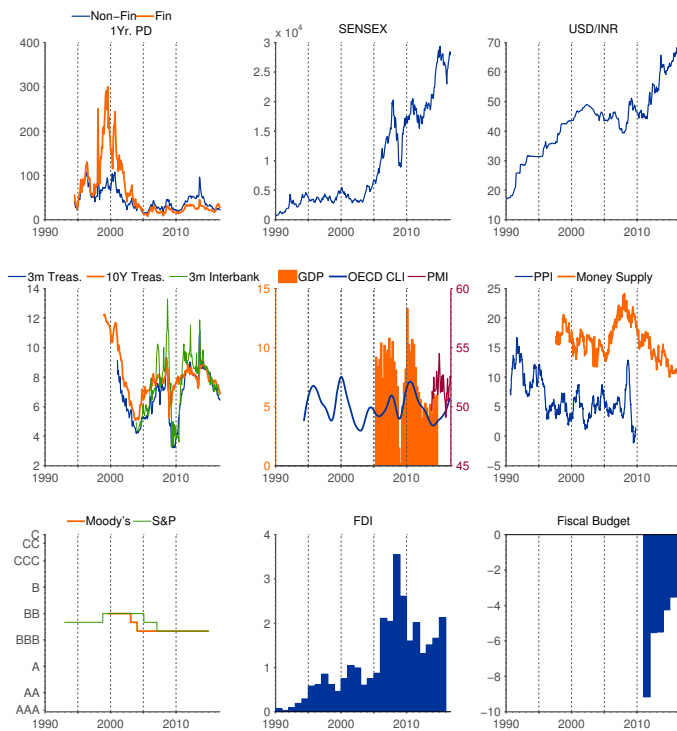
Hong Kong	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	19.58	19.38	22.86	18.57	10.31
1Yr. PD, Fin.	18.23	19.25	23.98	22.02	10.56
Hang Seng	20846	21914	20777	20794	23297
USD/HKD	7.75	7.75	7.76	7.76	7.76
3m Treas. Yield (%)	-	-	0.05	0.10*	-
10Y Treas. Yield (%)	1.56	1.58	1.28	1.02	1.06
3m Interbank (%)	0.40	0.39	0.56	0.57	0.59
GDP (YoY%)	2.3	1.9	0.8	1.7	-
PMI	45.7	46.4	45.5	45.4	49.3
Money Supply (YoY%)	10.1	10.4	3.6	2.1	6.3*
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	-	-	-



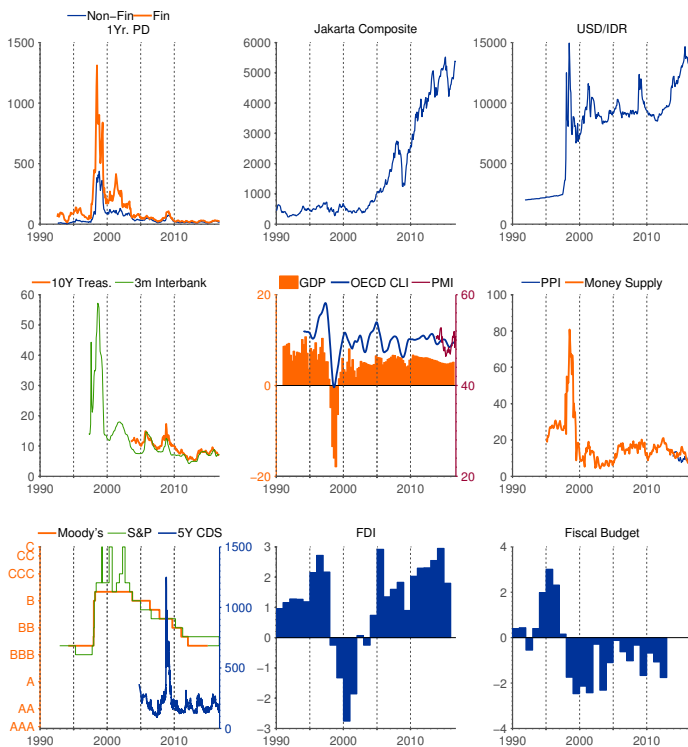
Hungary	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	59.65	58.67	47.94	34.65	21.16
1Yr. PD, Fin.	17.32	16.24	20.74	25.01	18.38
BUX	20894.0	23920.7	26451.0	26325.6	27664.3
USD/HUF	280.46	290.44	275.92	284.23	274.35
10Y Treas. Yield (%)	3.31	3.31	2.95	3.03	2.88
3m Interbank (%)	0.98	1.01	0.91	0.76	0.59
GDP (YoY%)	2.4	3.2	1.1	2.6	-
OECD CLI	100.30	100.13	99.71	99.25	99.08*
PMI	55.8	49.9	51.7	50.9	57.0
PPI (YoY%)	-1.5	-1.3	-1.6	-2.6	-2.8*
Money Supply (YoY%)	4.07	6.30	5.03	5.36	4.26*
Sov. Rating, Moody's	Ba1	Ba1	Ba1	Ba1	Ba1
Sov. Rating, S&P	BBB-	BBB-	BBB-	BBB-	BBB-
5Y CDS (bps)	169.51	164.52	151.84	158.69	115.11
FDI (%GDP)	-	-0.80	-	-	-
Fiscal Budget (%GDP)	-	-2.00	-	-	-



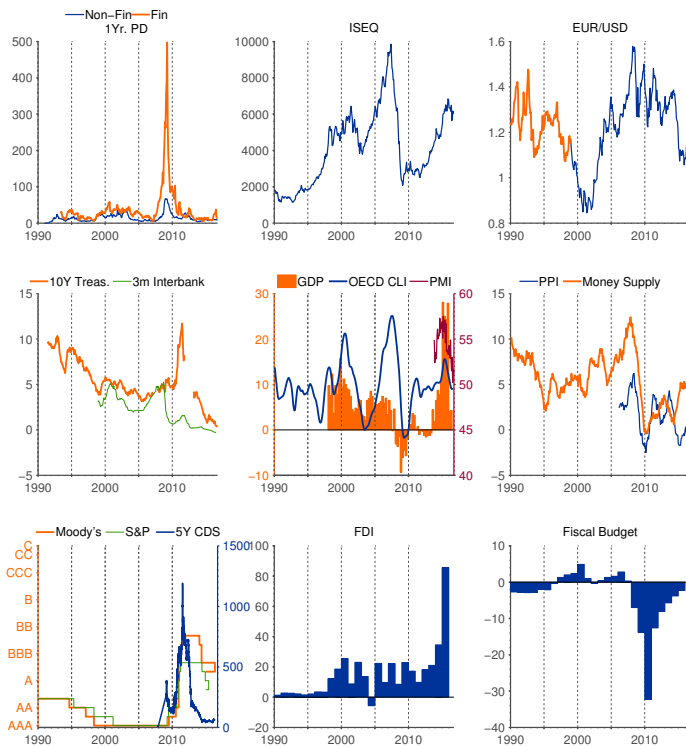
Iceland	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	1.77	1.46	2.21	4.22	5.09
1Yr. PD, Fin.	8.24	4.50	3.14	8.12	5.57
OMX Iceland All Share	1215	1320	1321	1245	1209
USD/ISK	127.62	130.18	123.42	123.18	113.82
3m Interbank (%)	6.40	6.55	6.55	6.55	5.95
GDP (YoY%)	2.4	3.2	4.4	3.7	-
PPI (YoY%)	-2.9	-9.4	-10.7	-9.3	-6.2*
Money Supply (YoY%)	11.36	5.57	-5.65	-6.98	-8.21*
Sov. Rating, Moody's	A3	A3	A3	A3	A3
Sov. Rating, S&P	BBB	BBB	BBB	BBB	BBB
FDI (%GDP)	-	2.33	-	-	-
Fiscal Budget (%GDP)	-	0.29	-	-	-



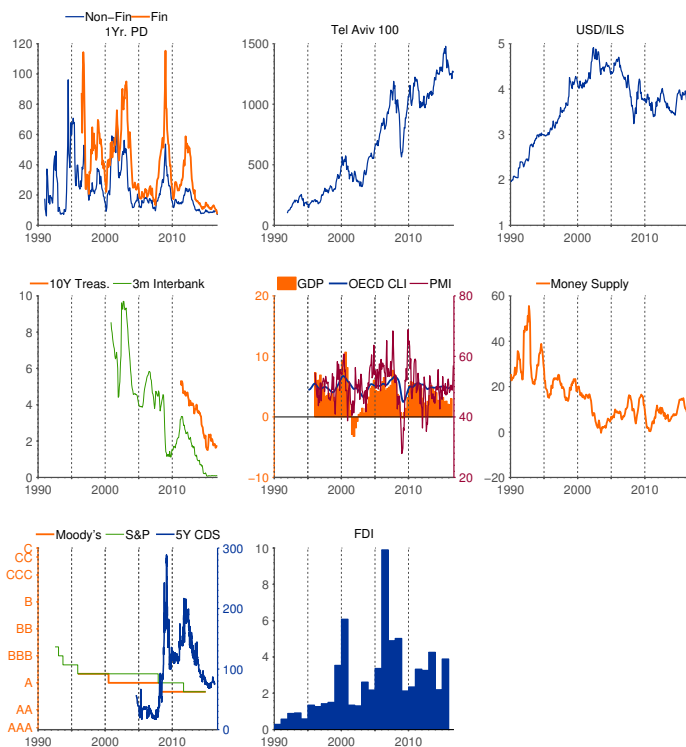
India	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	23.98	18.78	25.20	24.59	20.89
1Yr. PD, Fin.	17.07	21.10	32.94	35.93	26.25
SENSEX	26155	26118	25342	27000	27866
USD/INR	65.59	66.15	66.25	67.53	66.61
3m Treas. Yield (%)	7.04	7.15	7.13	6.65	6.42
10Y Treas. Yield (%)	7.54	7.76	7.46	7.45	6.82
3m Interbank (%)	7.38	7.25	7.50	6.75	6.75*
OECD CLI	99.42	99.68	100.05	100.56	100.75*
PMI	51.2	49.1	52.4	51.7	52.1
Money Supply (YoY%)	10.70	11.00	10.30	10.40	10.90
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	-	-	-



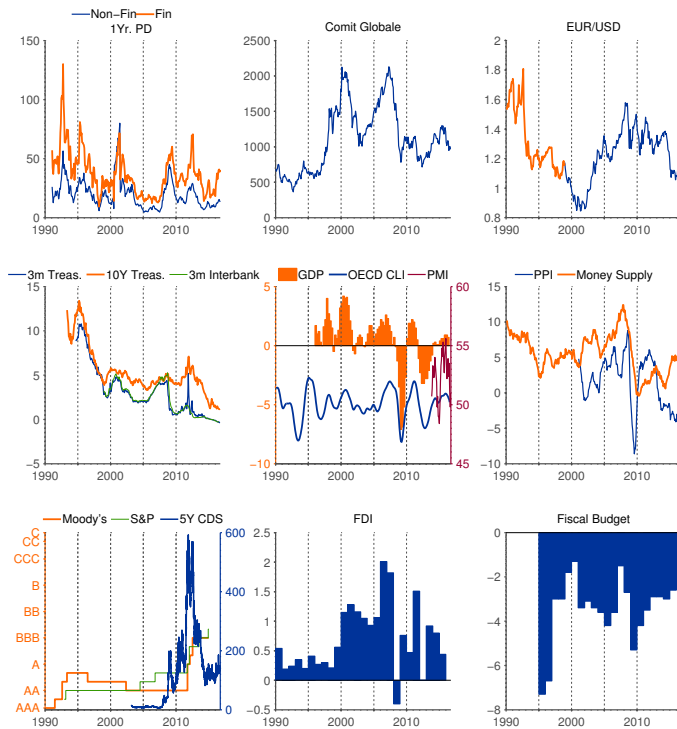
Indonesia	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	22.89	27.90	25.78	19.52	16.19
1Yr. PD, Fin.	28.34	28.11	28.39	26.86	24.69
Jakarta Composite	4224	4593	4845	5017	5365
USD/IDR	14653.00	13788.00	13239.00	13210.00	13042.00
10Y Treas. Yield (%)	9.60	8.74	7.67	7.45	7.06
3m Interbank (%)	8.21	8.86	6.73	7.23	7.10
GDP (YoY%)	4.8	4.9	5.0	5.1	-
OECD CLI	98.47	98.69	99.36	99.41	99.26*
PMI	47.4	47.8	50.6	51.9	50.9
PPI (YoY%)	10.38	8.44	11.10	11.54	10.96
Money Supply (YoY%)	12.68	9.00	7.41	8.69	7.74*
Sov. Rating, Moody's	Baa3	Baa3	Baa3	Baa3	Baa3
Sov. Rating, S&P	BBB-	BBB-	BBB-	BBB-	BBB-
5Y CDS (bps)	276.3	229.9	198.3	185.2	152.1
FDI (%GDP)	-	1.80	-	-	-



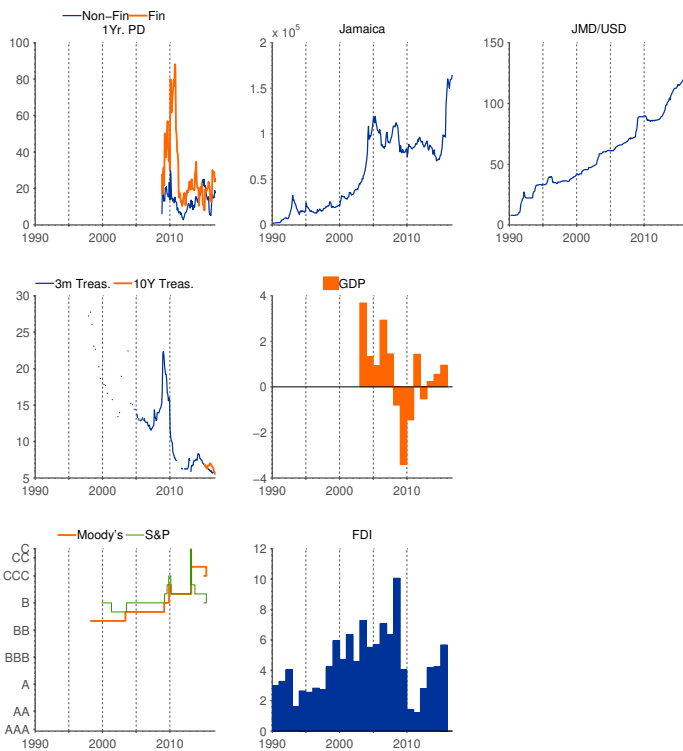
Ireland	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	8.55	7.66	9.74	9.99	9.00
1Yr. PD, Fin.	8.20	7.71	25.09	37.42	14.05
ISEQ	6167	6792	6309	5642	6035
EUR/USD	1.12	1.09	1.14	1.11	1.12
10Y Treas. Yield (%)	1.24	1.15	0.73	0.52	0.33
3m Interbank (%)	-0.04	-0.13	-0.24	-0.29	-0.29*
GDP (YoY%)	24.3	27.9	4.0	4.3	-
OECD CLI	101.82	100.81	99.88	99.51	99.60*
PMI	53.8	54.2	54.9	53.0	51.3
PPI (YoY%)	-0.6	0.0	-0.5	-0.4	-1.1*
Money Supply (YoY%)	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)	50.06	39.27	57.81	64.71*	-
FDI (%GDP)	-	85.48	-	-	-
Fiscal Budget (%GDP)	-	-2.30	-	-	-



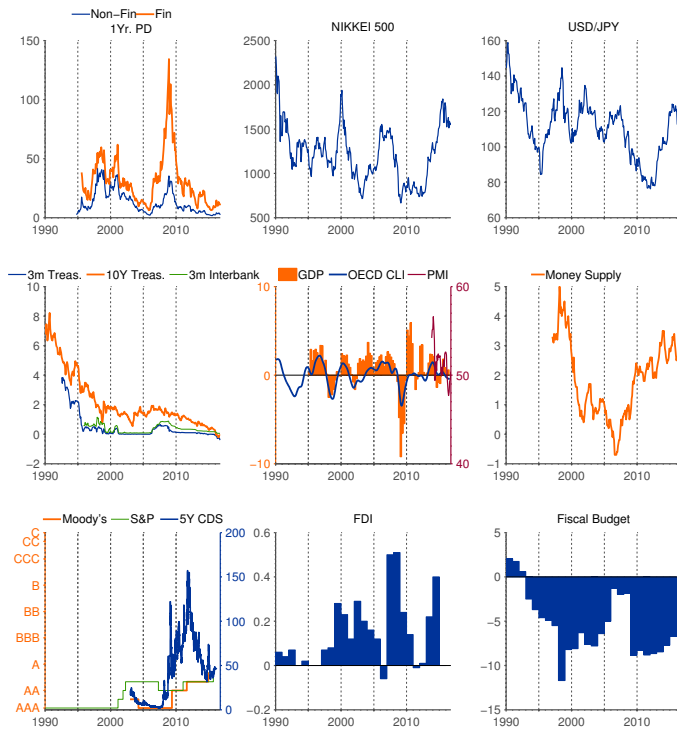
Israel	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	8.64	8.38	8.64	9.40	6.89
1Yr. PD, Fin.	11.39	12.40	12.29	9.85	7.40
Tel Aviv 100	1300	1315	1250	1211	1262
USD/ILS	3.92	3.89	3.76	3.86	3.76
10Y Treas. Yield (%)	2.36	2.10	1.85	1.63	1.73
3m Interbank (%)	0.08	0.10	0.10	0.08	0.10
GDP (YoY%)	2.6	2.1	2.0	3.0	-
OECD CLI	99.58	99.50	99.82	99.96	99.98*
PMI	47.5	50.7	49.0	48.8	57.0*
Money Supply (YoY%)	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)	72.95	79.41	79.59	75.72*	-
FDI (%GDP)	-	3.89	-	-	-



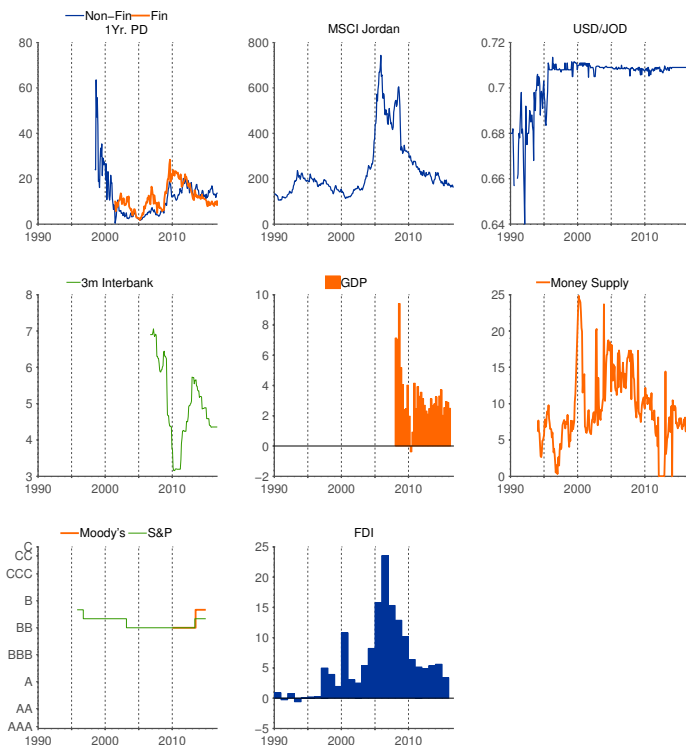
Italy	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	11.00	9.13	12.62	14.72	13.48
1Yr. PD, Fin.	24.11	18.23	37.52	40.18	40.36
Comit Globale	1179	1218	1056	949	965
EUR/USD	1.12	1.09	1.14	1.11	1.12
3m Treas. Yield (%)	-0.03	-0.09	-0.21	-0.28	-0.39
10Y Treas. Yield (%)	1.73	1.60	1.22	1.26	1.19
3m Interbank (%)	-0.04	-0.13	-0.24	-0.29	-0.29*
GDP (YoY%)	0.6	0.9	0.9	0.7	-
OECD CLI	100.83	100.94	100.76	100.43	100.21*
PMI	52.7	55.6	53.5	53.5	51.0
PPI (YoY%)	-3.9	-3.9	-3.9	-3.4	-1.1*
Money Supply (YoY%)	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)	121.62	97.23	126.70	152.05	150.82
FDI (%GDP)	-	0.44	-	-	-
Fiscal Budget (%GDP)	-	-2.60	-	-	-



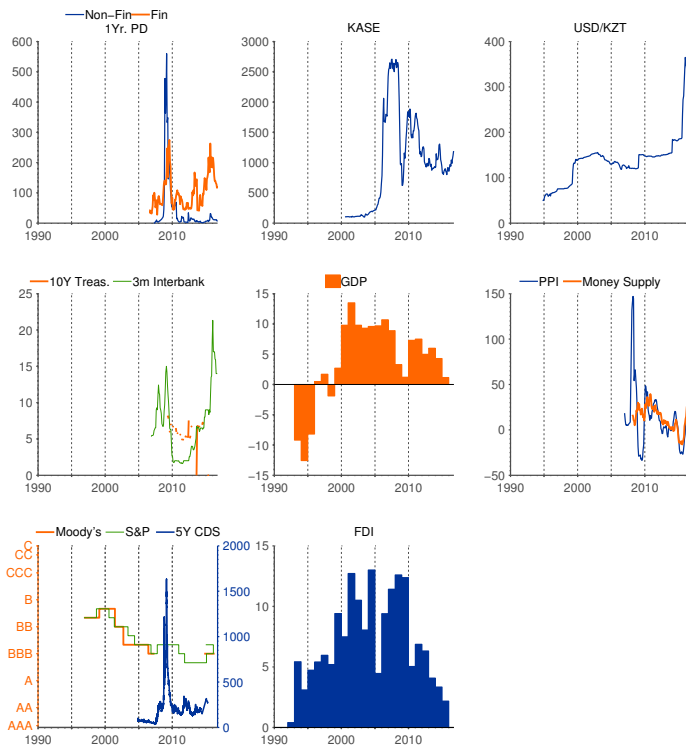
Jamaica	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	15.41	6.09	15.25	14.71	17.37
1Yr. PD, Fin.	23.68	13.39	16.77	27.80	25.77
Jamaica	96295	150692	153911	159717	164474
JMD/USD	118.12	119.97	121.56	126.55	127.58
3m Treas. Yield (%)	6.20	5.96	5.75	5.86	5.86
10Y Treas. Yield (%)	6.69	7.00	6.66	6.35	5.45
GDP (YoY%)	-	0.9	-	-	-
Sov. Rating, Moody's	Caa2	Caa2	Caa2	Caa2	Caa2
Sov. Rating, S&P	B	B	B	B	B
FDI (%GDP)	-	5.67	-	-	-



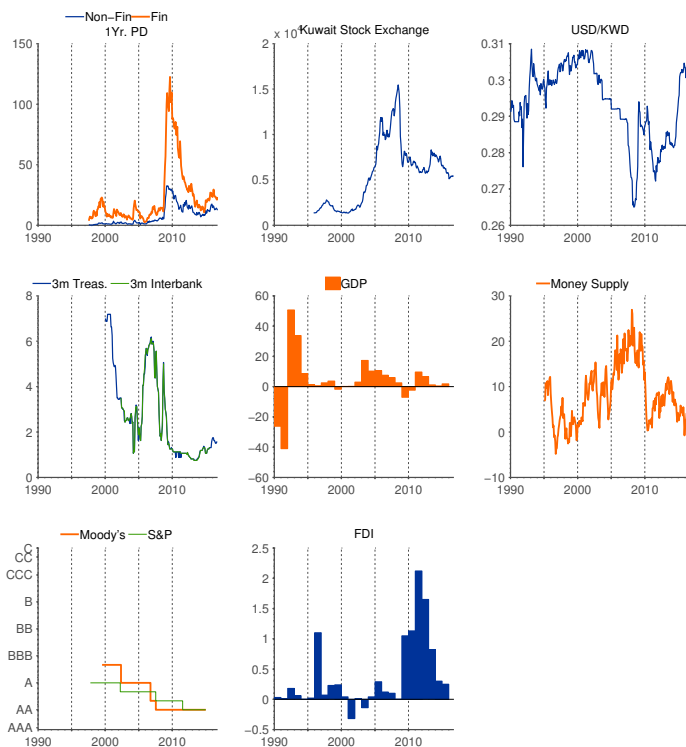
Japan	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	2.88	2.38	3.79	3.95	2.46
1Yr. PD, Fin.	10.03	8.87	10.29	13.36	10.46
NIKKEI 500	1574	1754	1590	1513	1572
USD/JPY	119.88	120.22	112.57	103.20	101.35
3m Treas. Yield (%)	-0.02	-0.04	-0.12	-0.27	-0.40
10Y Treas. Yield (%)	0.36	0.27	-0.03	-0.22	-0.09
3m Interbank (%)	0.17	0.17	0.10	0.06	0.06
GDP (YoY%)	1.8	0.8	0.1	0.6	-
OECD CLI	100.13	99.82	99.67	99.57	99.55*
PMI	51.0	52.6	49.1	48.1	50.4
Money Supply (YoY%)	3.10	2.50	2.60	2.90	2.80*
Sov. Rating, Moody's	A1	A1	A1	A1	A1
Sov. Rating, S&P	A+	A+	A+	A+	A+
5Y CDS (bps)	45.61	46.74	45.76	-	-
FDI (%GDP)	-	0.00	-	-	-
Fiscal Budget (%GDP)	-	-6.70	-	-	-



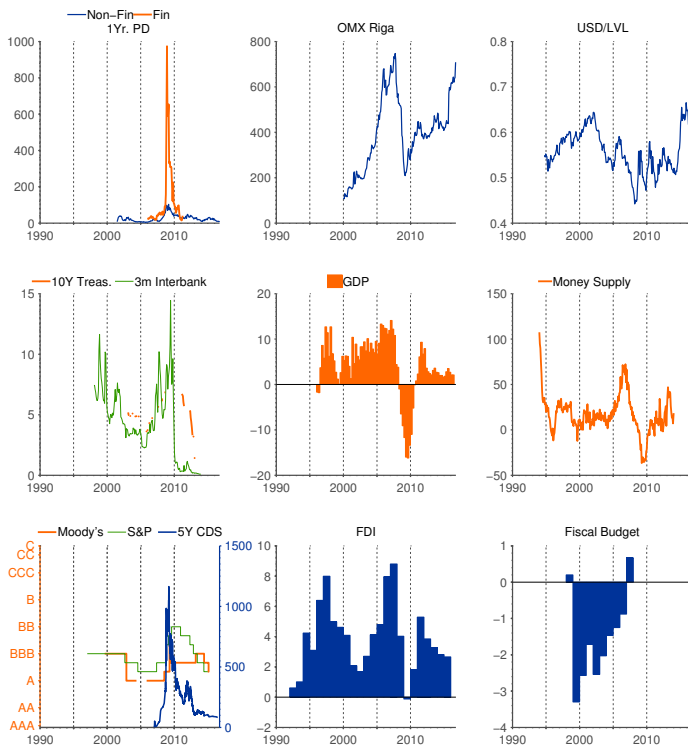
Jordan	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	15.34	15.50	12.82	11.74	13.65
1Yr. PD, Fin.	9.11	8.62	7.96	9.68	8.08
MSCI Jordan	178	180	170	166	163
USD/JOD	0.71	0.71	0.71	0.71	0.71
3m Interbank (%)	4.39	4.36	4.36	4.36	4.36
GDP (YoY%)	2.9	2.9	2.5	-	-
Money Supply (YoY%)	6.90	8.09	6.85	4.58	3.97*
Sov. Rating, Moody's	B1	B1	B1	B1	B1
Sov. Rating, S&P	BB-	BB-	BB-	BB-	BB-
FDI (%GDP)	-	3.40	-	-	-



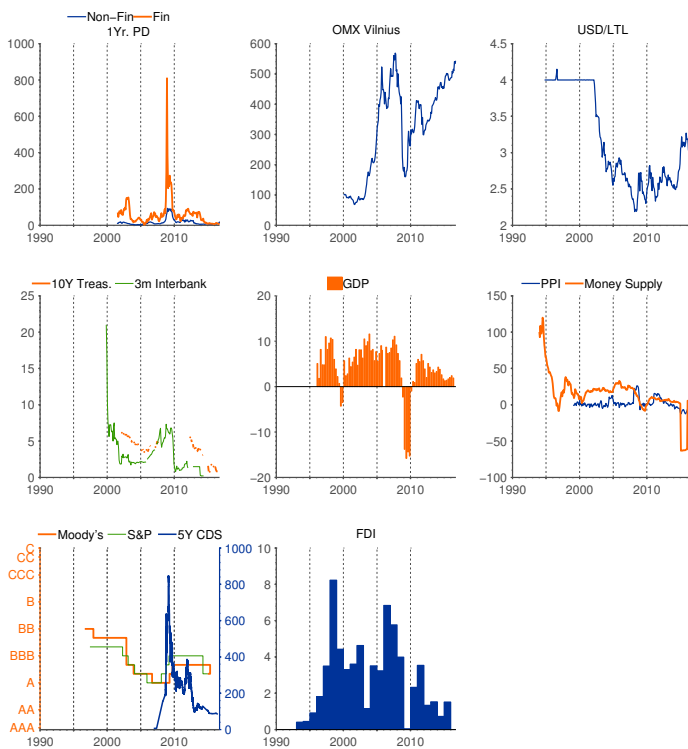
Kazakhstan	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	30.09	14.56	10.35	9.95	5.79
1Yr. PD, Fin.	209.79	183.77	156.18	132.55	119.91
KASE	800	859	971	985	1191
USD/KZT	272.00	340.60	344.59	339.18	335.84
3m Interbank (%)	11.00	18.67	17.00	15.92	14.00
GDP (YoY%)	-	1.2	-	-	-
PPI (YoY%)	-23.7	-4.8	8.2	18.7	26.1
Money Supply (YoY%)	-11.72	7.94	24.94	25.16	32.60*
Sov. Rating, S&P	BBB-	BBB-	BBB-	BBB-	BBB-
FDI (%GDP)	-	2.18	-	-	-



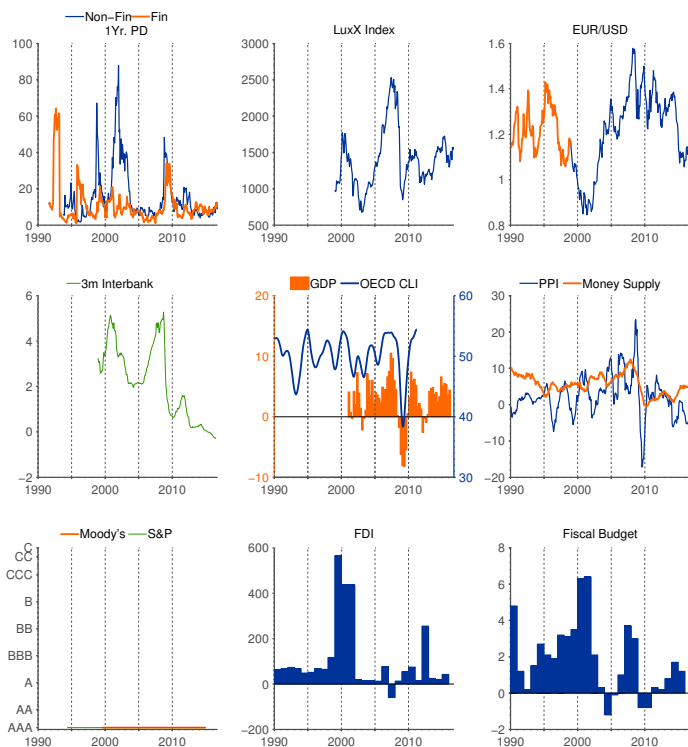
Kuwait	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	15.86	14.60	14.06	13.64	12.40
1Yr. PD, Fin.	26.85	23.32	24.94	23.23	23.30
Kuwait Stock Exchange	5726	5615	5229	5365	5398
USD/KWD	0.30	0.30	0.30	0.30	0.30
3m Treas. Yield (%)	1.31	1.69	1.63	1.50	1.56
3m Interbank (%)	1.31*	-	-	-	-
GDP (YoY%)	-	1.9	-	-	-
Money Supply (YoY%)	5.47	1.72	4.16	1.67	0.91*
Sov. Rating, Moody's	Aa2	Aa2	Aa2	Aa2	Aa2
Sov. Rating, S&P	AA	AA	AA	AA	AA
FDI (%GDP)	-	0.25	-	-	-



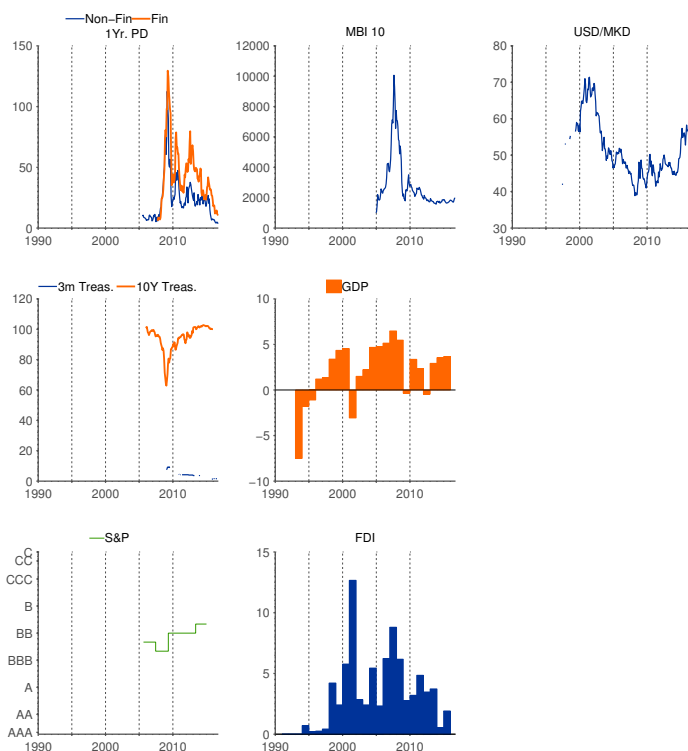
Latvia	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	26.95	17.57	12.03	9.86	10.53
OMX Riga	571	594	616	621	709
USD/LVL	0.63	0.65	0.62	0.63	0.63
GDP (YoY%)	3.5	2.7	2.1	2.1	-
Sov. Rating, Moody's	A3	A3	A3	A3	A3
Sov. Rating, S&P	A-	A-	A-	A-	A-
5Y CDS (bps)	90.30	90.26*	88.57	81.82	-
FDI (%GDP)	-	2.66	-	-	-



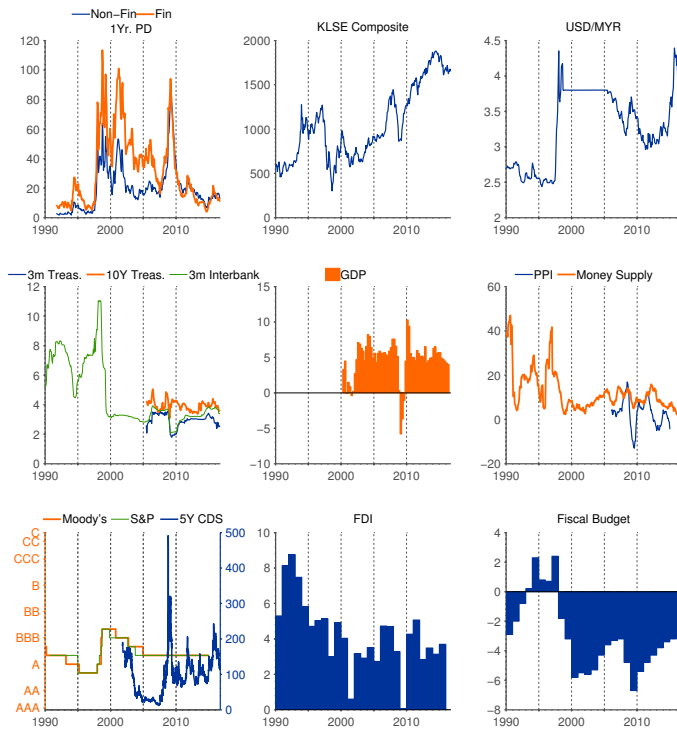
Lithuania	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	7.98	7.61	6.30	11.32	20.04
1Yr. PD, Fin.	8.10	7.00	13.41	8.33	7.64
OMX Vilnius	480	486	508	511	544
USD/LTL	3.09	3.18	3.03	3.11	3.07
10Y Treas. Yield (%)	1.74*	1.49*	1.06	0.79	-
GDP (YoY%)	1.7	2.0	2.4	1.9	-
PPI (YoY%)	-12.5	-7.9	-10.0	-6.9	-3.1*
Money Supply (YoY%)	-62.40	-61.50	5.30	5.10	5.20*
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	-	-	-



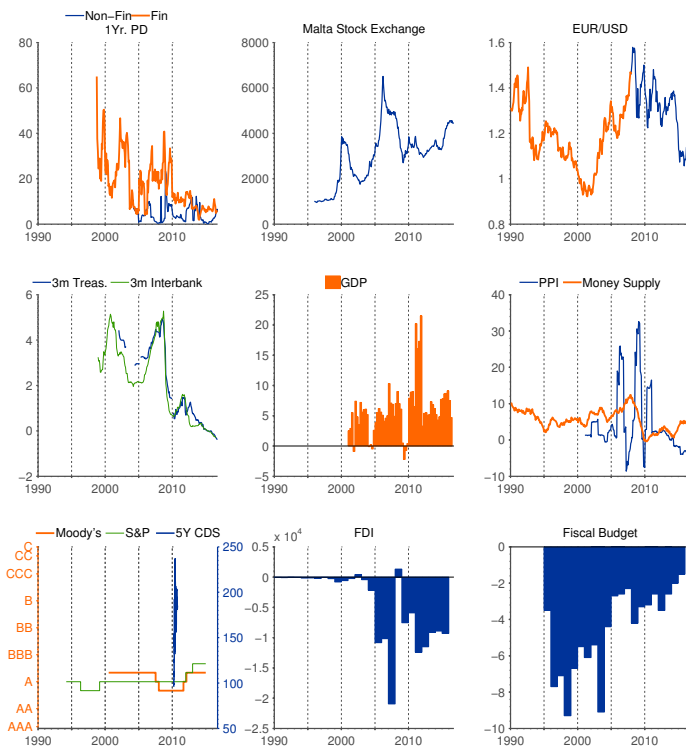
Luxembourg	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	7.34	5.46	7.53	10.31	8.77
1Yr. PD, Fin.	6.91	7.38	8.58	11.22	12.50
LuxX Index	1361	1391	1451	1399	1578
EUR/USD	1.12	1.09	1.14	1.11	1.12
3m Interbank (%)	-0.04	-0.13	-0.24	-0.29	-0.29*
GDP (YoY%)	5.3	3.6	4.4	-	-
PPI (YoY%)	-1.6	-3.0	-5.2	-4.6	-7.1*
Money Supply (YoY%)	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	-	-	-



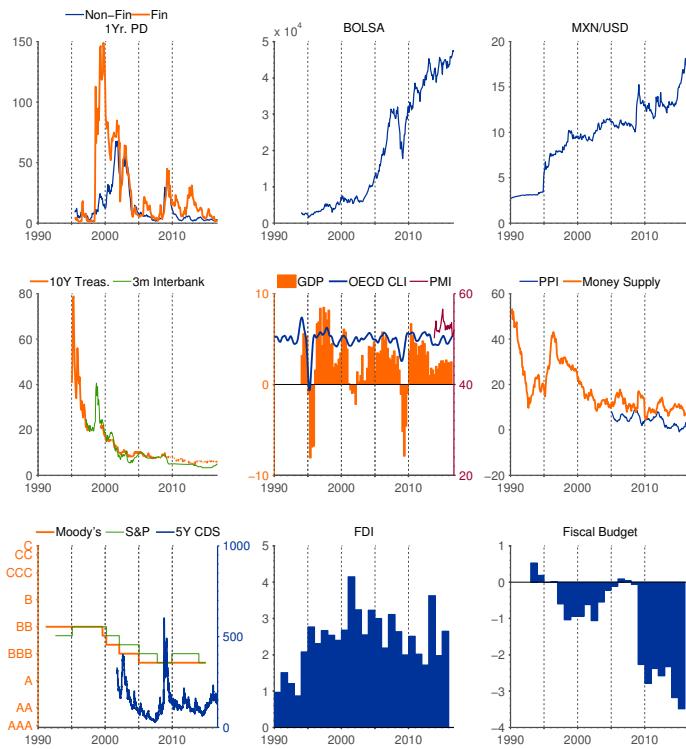
Macedonia	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	6.58	6.72	5.27	4.80	3.76
1Yr. PD, Fin.	27.06	17.91	11.96	14.49	10.75
MBI 10	1704	1833	1781	1707	1954
USD/MKD	52.77	56.65	54.15	55.48	54.69
3m Treas. Yield (%)	-	1.35	1.60*	1.60	1.60*
10Y Treas. Yield (%)	100.10	100.05	-	-	-
GDP (YoY%)	-	3.7	-	-	-
Sov. Rating, S&P	BB-	BB-	BB-	BB-	BB-
FDI (%GDP)	-	1.91	-	-	-



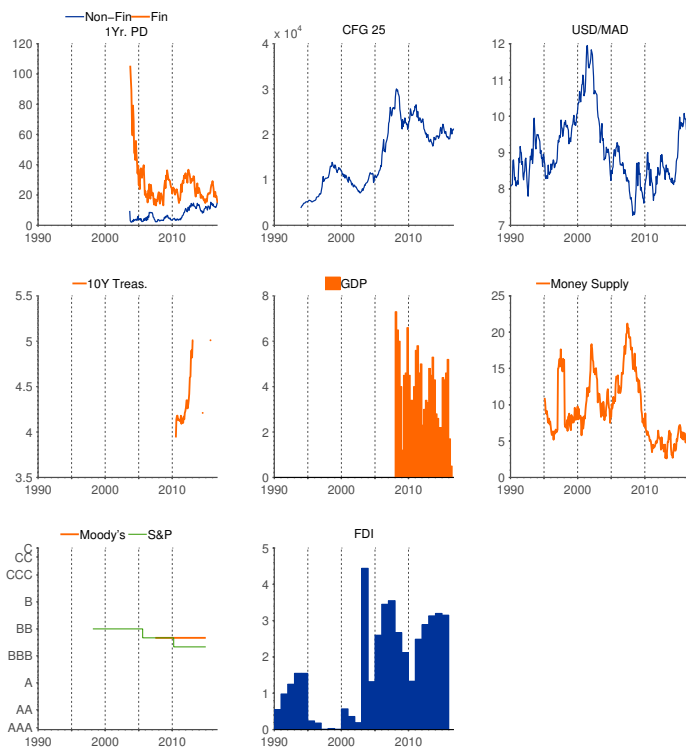
Malaysia	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	16.86	13.07	15.22	16.07	12.95
1Yr. PD, Fin.	20.04	16.67	13.08	13.38	11.43
KLSE Composite	1621	1693	1718	1654	1653
USD/MYR	4.39	4.29	3.90	4.03	4.14
3m Treas. Yield (%)	3.14	2.74	2.39	2.69	2.58
10Y Treas. Yield (%)	4.15	4.19	3.80	3.74	3.55
3m Interbank (%)	3.74	3.84	3.71	3.65	3.40
GDP (YoY%)	4.7	4.5	4.2	4.0	-
Money Supply (YoY%)	5.20	2.60	0.90	1.90	2.40*
Sov. Rating, Moody's	A3	A3	A3	A3	A3
Sov. Rating, S&P	A-	A-	A-	A-	A-
5Y CDS (bps)	238.82	180.22	153.00	154.51	120.84
FDI (%GDP)	-	3.70	-	-	-
Fiscal Budget (%GDP)	-	-3.20	-	-	-



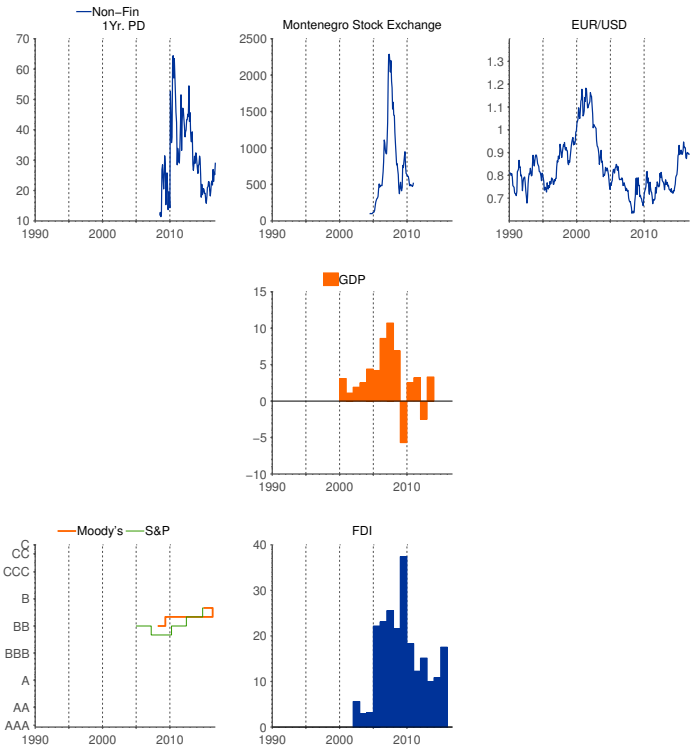
Malta	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	1.11	1.62	2.58	4.54	5.28
1Yr. PD, Fin.	6.61	5.61	11.07	4.87	5.96
Malta Stock Exchange	4334	4431	4563	4561	4467
EUR/USD	1.12	1.09	1.14	1.11	1.12
3m Treas. Yield (%)	-0.00	-0.10	-0.14	-0.28	-0.39
3m Interbank (%)	-0.04	-0.13	-0.24	-0.29	-0.29*
GDP (YoY%)	8.7	9.1	7.5	4.7	-
PPI (YoY%)	-3.4	-2.9	-3.3	0.9	1.0*
Money Supply (YoY%)	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+
FDI (%GDP)	-	-9297.70	-	-	-
Fiscal Budget (%GDP)	-	-1.50	-	-	-



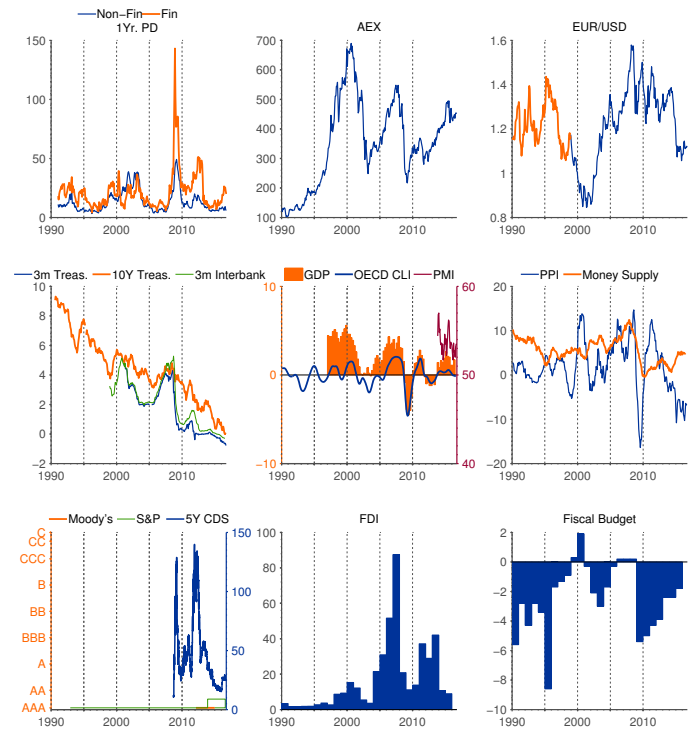
Mexico	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	3.27	2.56	2.15	2.69	2.31
1Yr. PD, Fin.	6.17	4.16	5.22	1.70	2.08
BOLSA	42633	42978	45881	45966	47246
MXN/USD	16.92	17.21	17.28	18.28	19.39
10Y Treas. Yield (%)	6.07	6.18*	6.03	6.08	6.01*
3m Interbank (%)	3.33	3.59	4.12	4.23	5.15
GDP (YoY%)	2.7	2.4	2.4	2.5	-
OECD CLI	98.95	99.21	99.90	100.62	100.77*
PMI	52.1	52.4	53.2	51.1	51.9
PPI (YoY%)	0.8	1.3	2.9	4.9	5.6*
Money Supply (YoY%)	8.80	7.20	7.70	8.40	8.70*
Sov. Rating, Moody's	Baa1	Baa1	Baa1	Baa1	Baa1
Sov. Rating, S&P	BBB+	BBB+	BBB+	BBB+	BBB+
5Y CDS (bps)	175.99	170.13	162.36	159.12	166.81
FDI (%GDP)	-	2.65	-	-	-
Fiscal Budget (%GDP)	-	-3.49	-	-	-



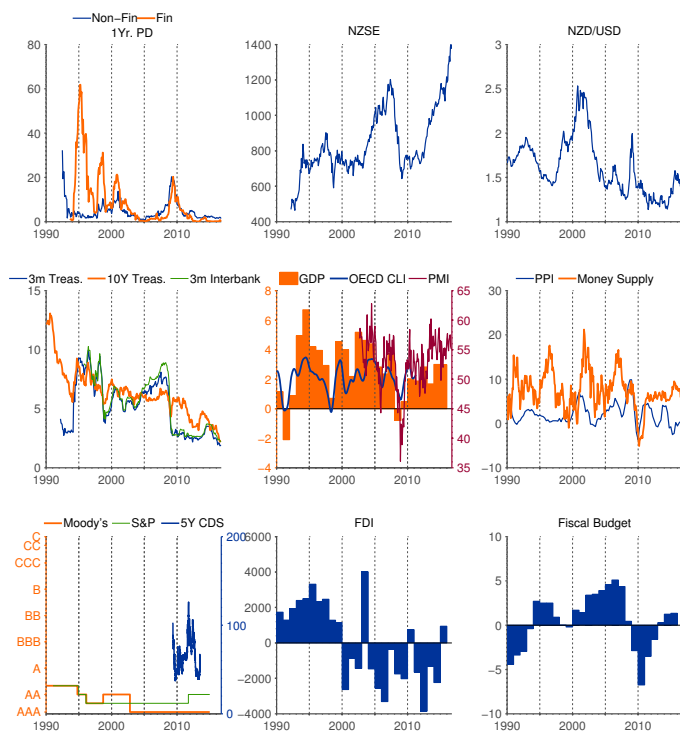
Morocco	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	15.22	12.91	12.34	11.73	15.78
1Yr. PD, Fin.	24.66	29.20	18.81	18.59	14.75
CFG 25	19457	19002	19872	20098	21282
USD/MAD	9.73	9.93	9.63	9.79	9.73
10Y Treas. Yield (%)	5.01	-	-	-	-
GDP (YoY%)	4.6	5.2	1.7	0.5	-
Money Supply (YoY%)	5.20	5.70	5.50	4.70	5.50*
Sov. Rating, Moody's	Ba1	Ba1	Ba1	Ba1	Ba1
Sov. Rating, S&P	BBB-	BBB-	BBB-	BBB-	BBB-
FDI (%GDP)	-	3.15	-	-	-



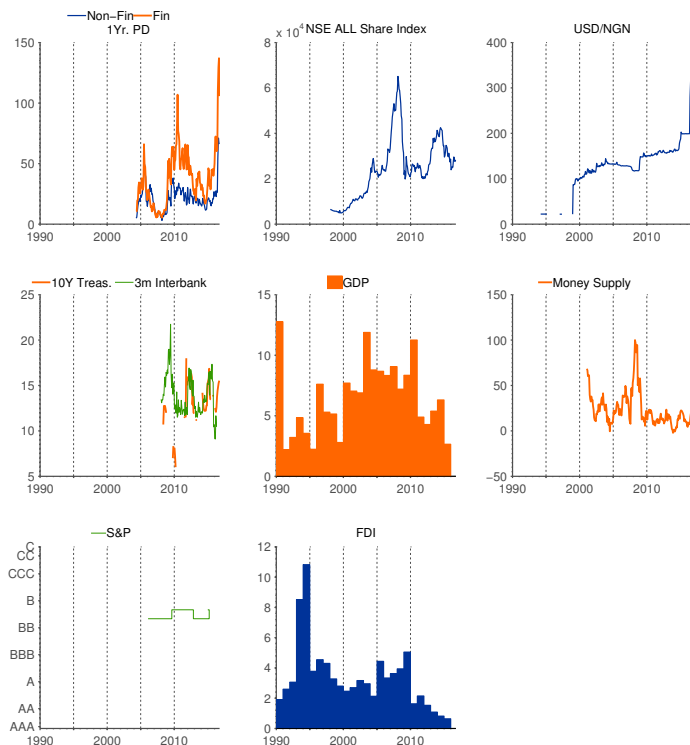
Montenegro	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	22.95	18.19	23.15	23.00	29.18
EUR/USD	0.89	0.92	0.88	0.90	0.89
Sov. Rating, Moody's	B1	B1	B1	B1	B1
Sov. Rating, S&P	B+	B+	B+	B+	B+
FDI (%GDP)	-	17.53	-	-	-



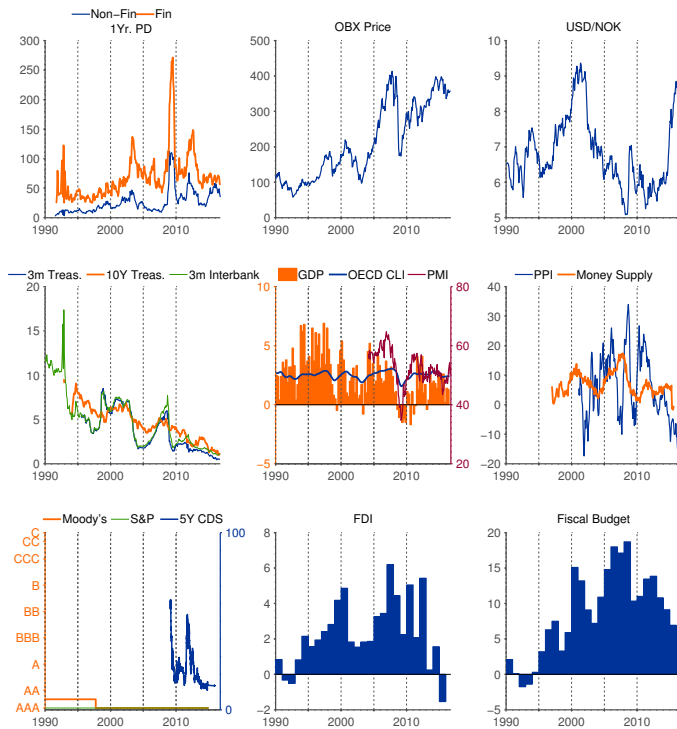
Netherlands	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	8.12	7.46	7.93	8.21	5.94
1Yr. PD, Fin.	10.98	12.55	18.77	24.98	19.93
AEX	421	442	440	436	452
EUR/USD	1.12	1.09	1.14	1.11	1.12
3m Treas. Yield (%)	-0.28	-0.50	-0.53	-0.66	-0.78
10Y Treas. Yield (%)	0.78	0.79	0.36	0.09	0.00
3m Interbank (%)	-0.04	-0.13	-0.24	-0.29	-0.29*
GDP (YoY%)	2.0	1.1	1.1	1.7	-
OECD CLI	100.39	100.11	99.93	99.88	99.81*
PMI	53.0	53.4	53.6	52.0	53.4
PPI (YoY%)	-8.2	-7.2	-9.5	-6.4	-6.6*
Money Supply (YoY%)	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)	17.16	15.88	25.60	26.67	25.11
FDI (%GDP)	-	8.96	-	-	-
Fiscal Budget (%GDP)	-	-1.80	-	-	-



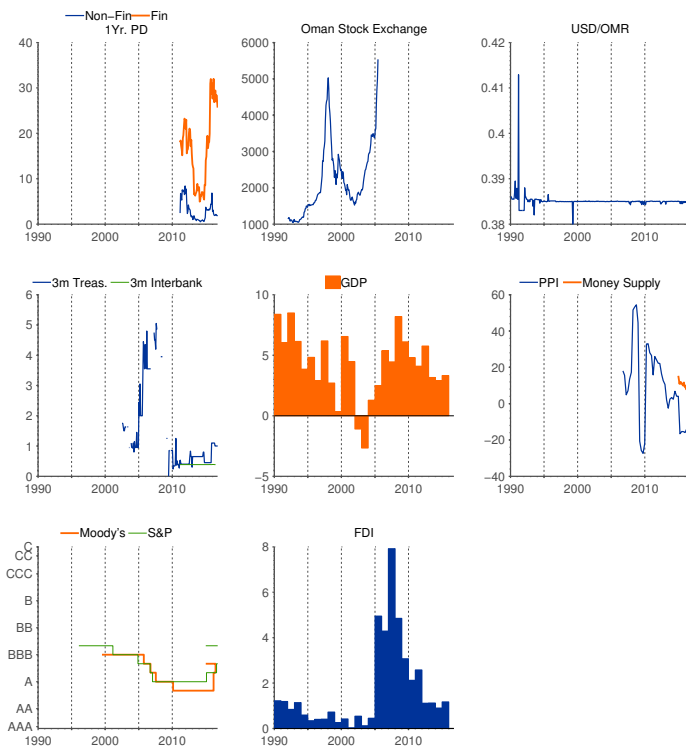
New Zealand	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	1.76	1.73	1.57	1.96	1.63
1Yr. PD, Fin.	0.20	0.19	0.19	0.52	0.25
NZSE	1081	1217	1283	1305	1375
NZD/USD	1.56	1.46	1.45	1.40	1.37
3m Treas. Yield (%)	2.50	2.50	1.94	2.09	1.91
10Y Treas. Yield (%)	3.28	3.57	2.93	2.35	2.27
3m Interbank (%)	2.86	2.75	2.35	2.42	2.20
GDP (YoY%)	-	3.0	-	-	-
PMI	55.0	56.8	54.8	57.5	55.1*
PPI (YoY%)	0.2	-0.6	0.1	0.5	-
Money Supply (YoY%)	8.50	8.10	7.80	5.90	5.30*
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AA	AA	AA	AA	AA
FDI (%GDP)	-	942.00	-	-	-
Fiscal Budget (%GDP)	-	1.35	-	-	-



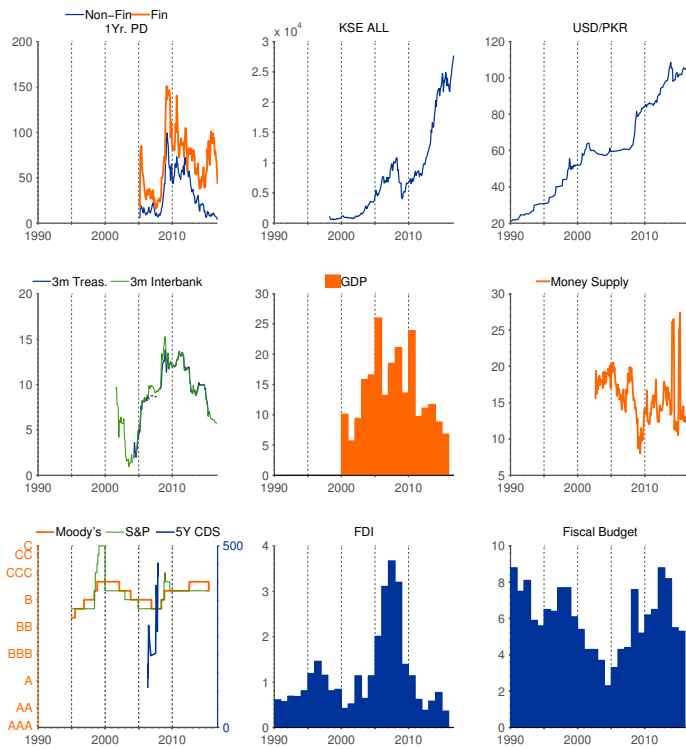
Nigeria	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	21.00	23.13	22.72	54.84	66.44
1Yr. PD, Fin.	45.45	49.94	62.80	110.23	105.70
NSE ALL Share Index	31218	28642	25306	29598	28335
USD/NGN	199.26	199.30	199.05	280.50	315.00
10Y Treas. Yield (%)	-	13.87*	12.09	14.40	15.54
3m Interbank (%)	15.55	10.68	11.66	10.45*	-
GDP (YoY%)	-	2.6	-	-	-
Money Supply (YoY%)	11.32	5.82	6.94	15.28	17.10*
Sov. Rating, S&P	B+	B+	B+	B+	B+
FDI (%GDP)	-	0.64	-	-	-



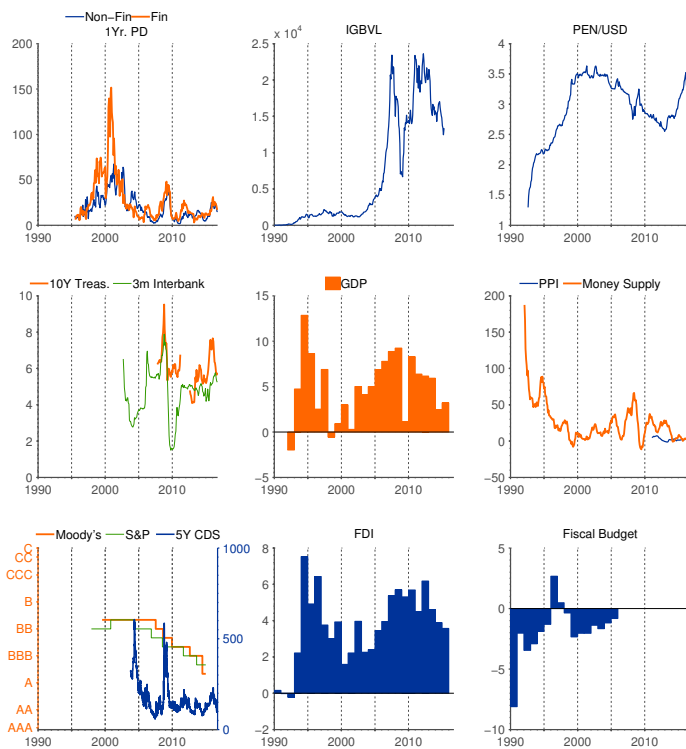
Norway	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	52.38	50.43	50.54	45.58	34.84
1Yr. PD, Fin.	63.65	68.68	64.14	70.74	55.67
OBX Price	350	362	346	353	358
USD/NOK	8.52	8.84	8.27	8.36	7.98
3m Treas. Yield (%)	0.62	0.57	0.44	0.54	0.48
10Y Treas. Yield (%)	1.47	1.48	1.21	1.01	1.21
3m Interbank (%)	1.12	1.13	1.00	1.01	1.15
GDP (YoY%)	2.6	0.2	1.4	1.3	-
OECD CLI	99.47	99.57	99.61	99.66	99.67*
PMI	47.7	47.2	47.2	53.3	52.6
PPI (YoY%)	-10.1	-10.8	-14.9	-9.7	-4.7*
Money Supply (YoY%)	-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)	-	-1.54	-	-	-
Fiscal Budget (%GDP)	-	6.94	-	-	-



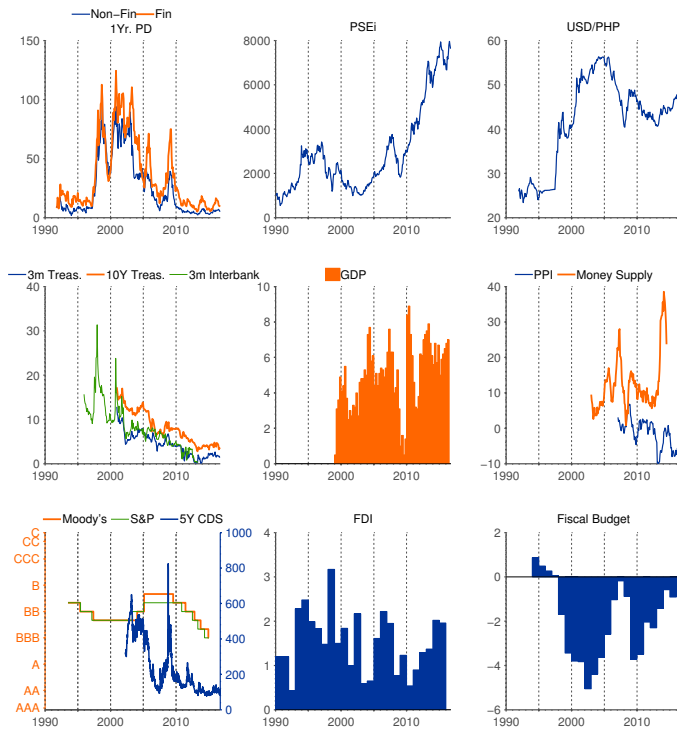
Oman	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	4.40	2.79	1.95	2.15	1.92
1Yr. PD, Fin.	31.98	27.66	26.87	27.02	25.65
USD/OMR	0.38	0.39	0.39	0.38	0.39
3m Treas. Yield (%)	0.45	1.10	1.10	1.00	1.00
3m Interbank (%)	0.39	0.39	0.39	0.39	-
GDP (YoY%)	-	3.3	-	-	-
PPI (YoY%)	-15.4	-15.9	-13.9	-	-
Money Supply (YoY%)	11.09	10.02	7.89	5.35	7.00*
Sov. Rating, Moody's	Baa1	Baa1	Baa1	Baa1	Baa1
Sov. Rating, S&P	BBB-	BBB-	BBB-	BBB-	BBB-
FDI (%GDP)	-	1.17	-	-	-



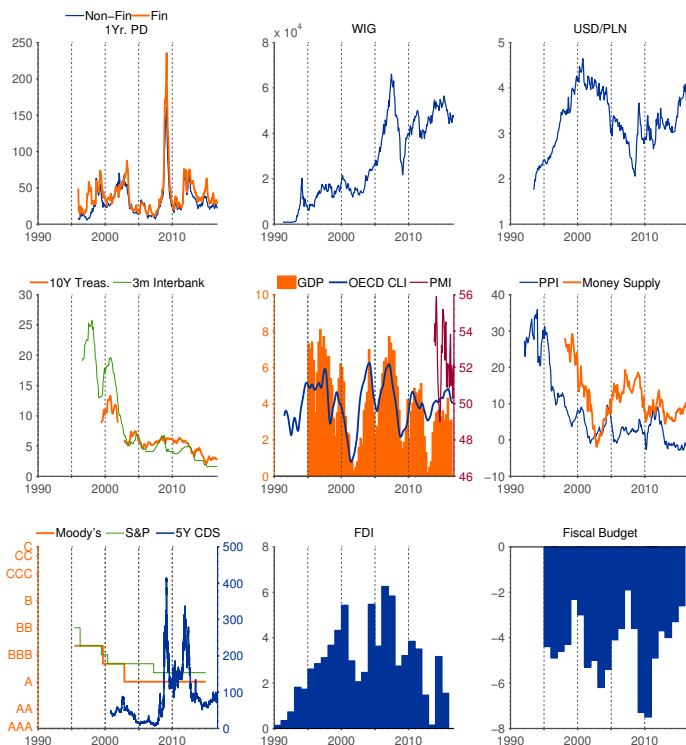
Pakistan	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	9.12	9.10	8.80	7.16	3.94
1Yr. PD, Fin.	101.29	87.80	93.55	74.28	42.97
KSE ALL	22709	22937	22897	25313	27682
USD/PKR	104.51	104.74	104.75	104.73	104.66
3m Treas. Yield (%)	6.95*	-	-	-	-
3m Interbank (%)	6.35	6.24	6.10	5.80	5.79
GDP (YoY%)	-	6.8	-	-	-
Money Supply (YoY%)	14.50	13.00	13.50	13.70	13.10*
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	-	-	-



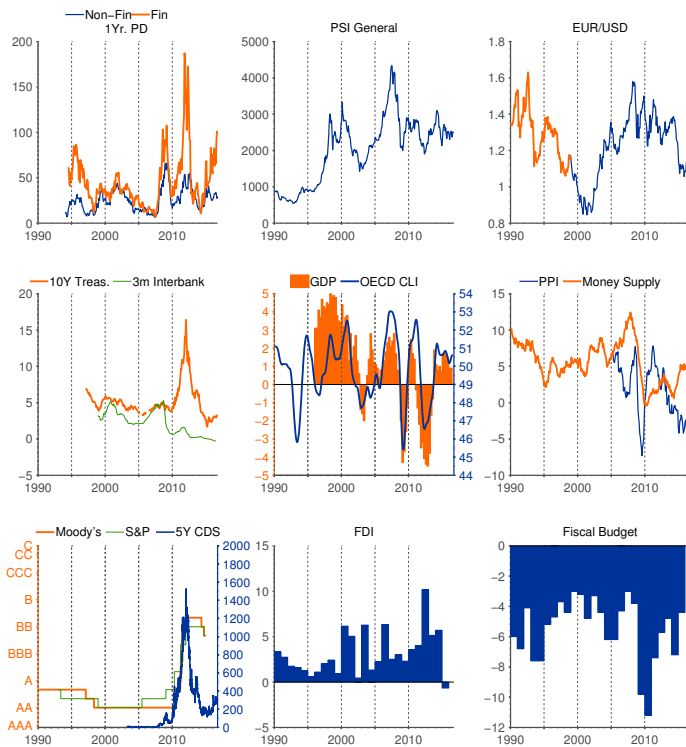
Peru	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	20.05	20.66	18.23	23.36	14.72
1Yr. PD, Fin.	15.15	28.97	22.47	23.68	16.88
PEN/USD	3.23	3.41	3.31	3.29	3.38
10Y Treas. Yield (%)	7.58	7.31	6.95	6.08	5.77
3m Interbank (%)	5.22	5.16	5.59	5.76	5.24
GDP (YoY%)	-	3.2	-	-	-
PPI (YoY%)	1.9	2.6	1.8	1.0	1.5
Money Supply (YoY%)	1.40	3.40	4.00	8.60	17.90*
Sov. Rating, Moody's	A3	A3	A3	A3	A3
Sov. Rating, S&P	BBB+	BBB+	BBB+	BBB+	BBB+
5Y CDS (bps)	195.73	187.66	162.62	138.66	102.69
FDI (%GDP)	-	3.57	-	-	-



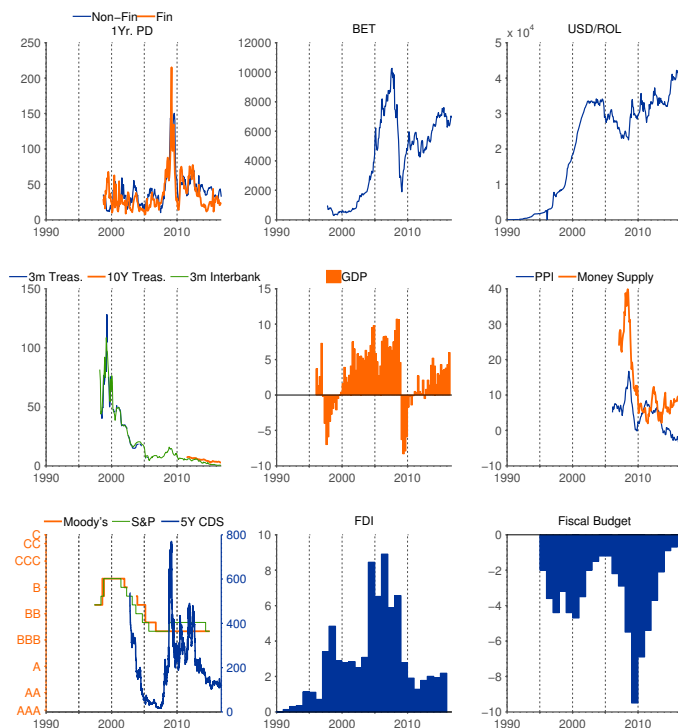
Philippines	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	6.61	5.27	6.31	7.07	5.55
1Yr. PD, Fin.	10.68	12.06	14.82	10.73	9.47
PSEI	6894	6952	7262	7796	7630
USD/PHP	46.73	46.91	45.97	47.16	48.47
3m Treas. Yield (%)	1.69	2.67	1.76	1.76	1.59
10Y Treas. Yield (%)	3.80	4.10	4.71	4.22	3.65
GDP (YoY%)	6.2	6.5	6.8	7.0	-
PPI (YoY%)	-7.9	-7.4	-6.8	-4.1	-4.5*
Sov. Rating, Moody's	Baa2	Baa2	Baa2	Baa2	Baa2
Sov. Rating, S&P	BBB	BBB	BBB	BBB	BBB
5Y CDS (bps)	134.65	107.67	105.32	114.17	116.82
FDI (%GDP)	-	1.96	-	-	-
Fiscal Budget (%GDP)	-	-0.91	-	-	-



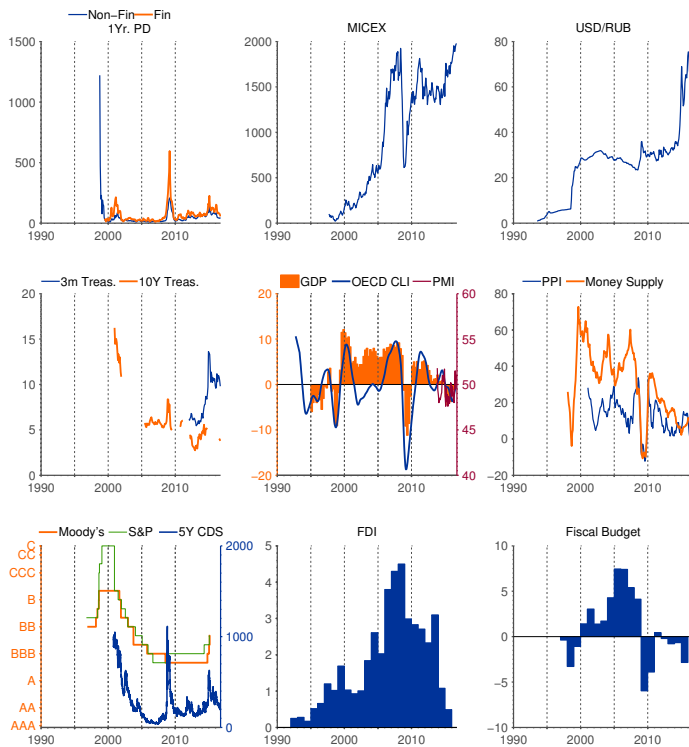
Poland	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	23.84	24.17	21.97	27.34	21.70
1Yr. PD, Fin.	31.64	33.08	28.02	32.75	27.53
WIG	49825	46467	49017	44749	47085
USD/PLN	3.80	3.92	3.73	3.94	3.82
10Y Treas. Yield (%)	2.84	2.94	2.84	2.91	2.92
3m Interbank (%)	1.63	1.62	1.57	1.61	1.61
GDP (YoY%)	3.4	4.3	3.0	3.1	-
OECD CLI	100.76	100.76	100.30	100.06	100.00*
PMI	50.9	52.1	53.8	51.8	52.2
PPI (YoY%)	-2.8	-0.8	-1.9	-0.8	-0.1*
Money Supply (YoY%)	8.29	9.06	9.06	11.43	10.04*
Sov. Rating, Moody's	A2	A2	A2	A2	A2
Sov. Rating, S&P	A-	A-	A-	A-	A-
5Y CDS (bps)	79.67	74.17	87.14	85.92	70.50
FDI (%GDP)	-	1.55	-	-	-
Fiscal Budget (%GDP)	-	-2.60	-	-	-



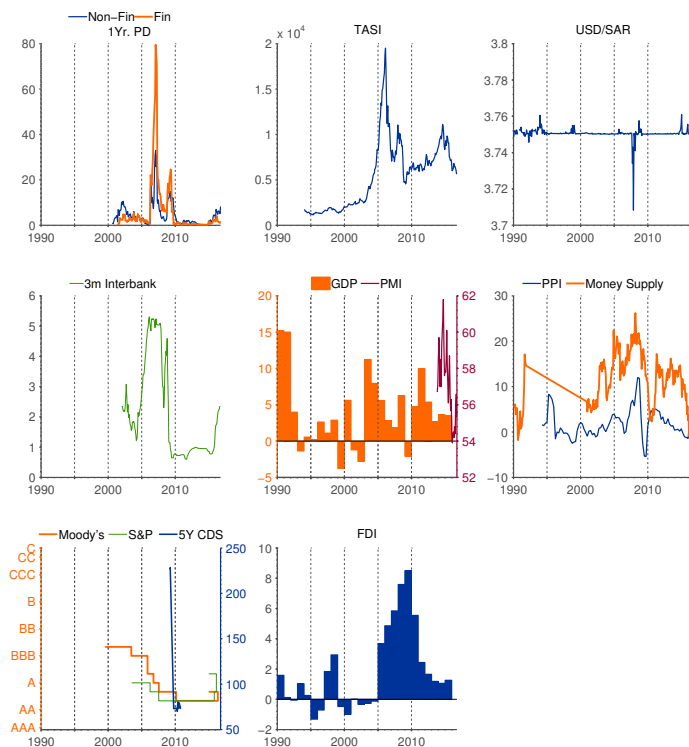
Portugal	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	28.97	25.34	32.21	33.63	29.09
1Yr. PD, Fin.	83.00	54.51	82.44	65.52	99.16
PSI General	2331	2524	2466	2370	2481
EUR/USD	1.12	1.09	1.14	1.11	1.12
10Y Treas. Yield (%)	2.39	2.52	2.94	3.01	3.33
3m Interbank (%)	-0.04	-0.13	-0.24	-0.29	-0.29*
GDP (YoY%)	1.6	1.4	0.9	0.9	-
OECD CLI	100.62	100.19	100.32	100.61	100.64*
PPI (YoY%)	-4.2	-2.7	-3.9	-3.2	-3.0*
Money Supply (YoY%)	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)	173.17	170.51	264.40	310.71	302.70
FDI (%GDP)	-	-0.66	-	-	-
Fiscal Budget (%GDP)	-	-4.40	-	-	-



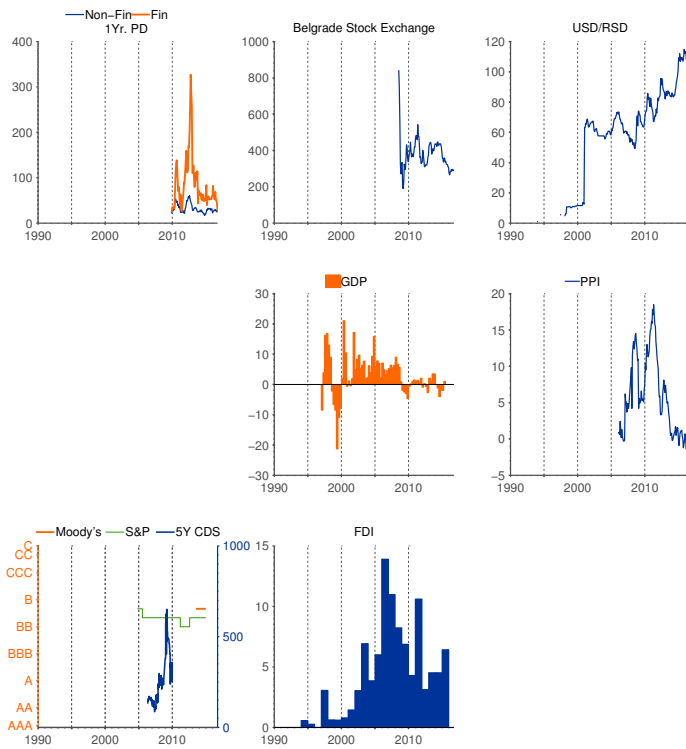
Romania	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	32.23	29.50	28.06	42.34	32.58
1Yr. PD, Fin.	28.73	30.46	23.39	20.59	24.23
BET	6982	7004	6738	6473	6937
USD/ROL	39542.00	41634.01	39272.91	40746.75	39525.00
10Y Treas. Yield (%)	3.62	3.71	3.32	3.40	2.84
3m Interbank (%)	1.27	0.81	0.57	0.61	0.50
GDP (YoY%)	3.6	3.8	4.3	6.0	-
PPI (YoY%)	-2.8	-1.7	-3.4	-2.3	-1.9*
Money Supply (YoY%)	8.40	9.39	9.94	13.08	12.75*
Sov. Rating, Moody's	Baa3	Baa3	Baa3	Baa3	Baa3
Sov. Rating, S&P	BBB-	BBB-	BBB-	BBB-	BBB-
5Y CDS (bps)	135.11	131.19	117.02	150.07	111.85*
FDI (%GDP)	-	2.19	-	-	-
Fiscal Budget (%GDP)	-	-0.70	-	-	-



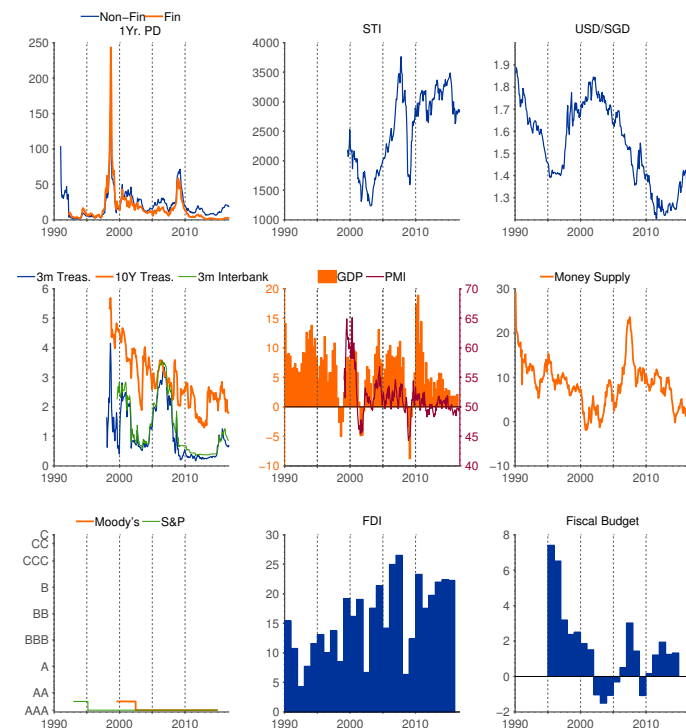
Russia	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	86.75	74.53	47.66	42.83	40.31
1Yr. PD, Fin.	104.97	113.93	92.58	79.43	55.33
MICEX	1643	1761	1871	1891	1978
USD/RUB	65.43	73.59	67.05	63.97	62.85
3m Treas. Yield (%)	10.53	9.88	11.17	10.99	9.80
10Y Treas. Yield (%)	-	-	-	-	3.79
GDP (YoY%)	-3.7	-3.8	-1.2	-0.6	-
OECD CLI	98.94	98.21	98.50	99.48	99.87*
PMI	49.1	48.7	48.3	51.5	51.1
PPI (YoY%)	12.7	10.7	0.8	5.1	3.1*
Money Supply (YoY%)	7.50	11.50	12.00	12.30	11.50*
Sov. Rating, Moody's	Ba1	Ba1	Ba1	Ba1	Ba1
Sov. Rating, S&P	BB+	BB+	BB+	BB+	BB+
5Y CDS (bps)	361.13	308.97	283.19	232.87	219.66
FDI (%GDP)	-	0.49	-	-	-
Fiscal Budget (%GDP)	-	-2.85	-	-	-



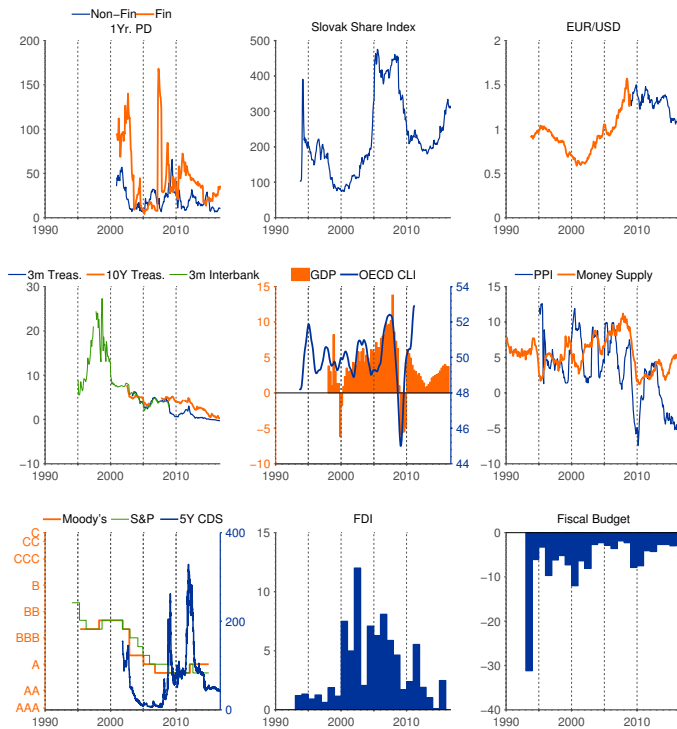
Saudi Arabia	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	4.47	3.06	5.87	6.07	8.27
1Yr. PD, Fin.	2.38	1.61	2.83	1.46	1.76
TASI	7404	6912	6223	6500	5623
USD/SAR	3.75	3.76	3.75	3.75	3.75
3m Interbank (%)	0.90	1.55	1.80	2.22	2.36
GDP (YoY%)	-	3.5	-	-	-
PMI	56.5	54.4	54.5	54.4	55.3
PPI (YoY%)	-1.2	-1.4	2.7	4.0	-
Money Supply (YoY%)	8.50	2.60	-0.40	-2.60	-2.50*
Sov. Rating, Moody's	A1	A1	A1	A1	A1
Sov. Rating, S&P	A-	A-	A-	A-	A-
FDI (%GDP)	-	1.26	-	-	-



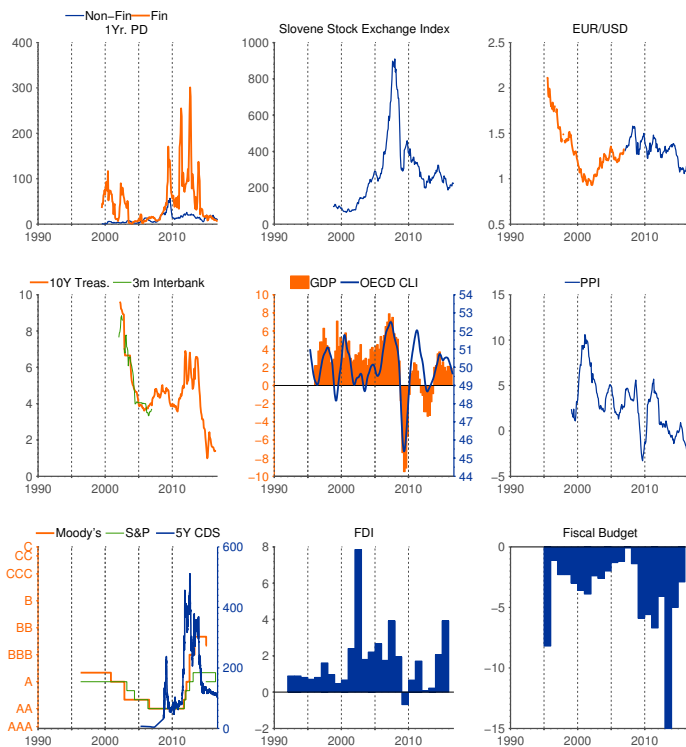
Serbia	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	28.12	22.25	28.55	29.82	25.55
1Yr. PD, Fin.	54.07	62.55	55.32	50.76	25.99
Belgrade Stock Exchange	323	306	283	288	294
USD/RSD	107.11	111.89	107.89	111.02	109.49
PPI (YoY%)	-1.2	0.7	-1.5	-1.6	0.2
Sov. Rating, Moody's	B1	B1	B1	B1	B1
Sov. Rating, S&P	BB-	BB-	BB-	BB-	BB-
FDI (%GDP)	-	6.42	-	-	-



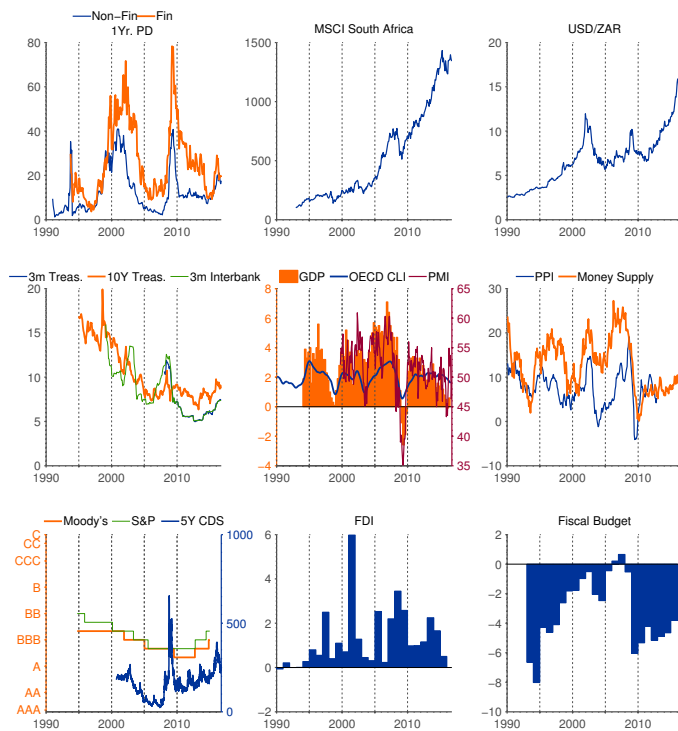
Singapore	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	17.23	17.50	21.03	19.71	18.65
1Yr. PD, Fin.	1.33	2.00	2.50	3.19	2.41
STI	2791	2883	2841	2841	2869
USD/SGD	1.42	1.42	1.35	1.35	1.36
3m Treas. Yield (%)	1.25	0.89	0.76	0.66	0.71
10Y Treas. Yield (%)	2.54	2.60	1.84	1.91	1.78
3m Interbank (%)	1.14	1.19	1.06	0.93	0.87
GDP (YoY%)	1.8	1.8	1.8	2.1	-
PMI	48.6	49.5	49.4	49.6	50.1
Money Supply (YoY%)	3.30	1.70	2.20	4.20	6.20*
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
FDI (%GDP)	-	22.29	-	-	-



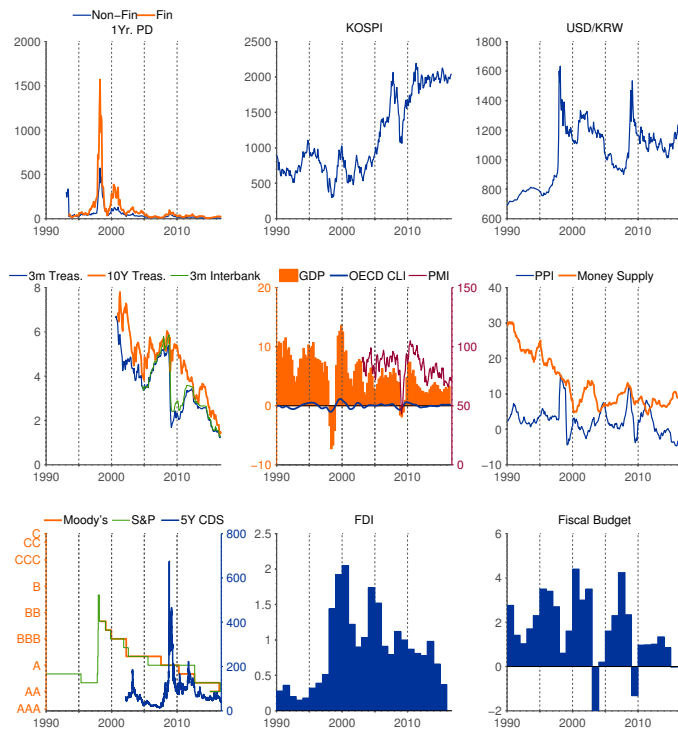
Slovakia	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	10.68	7.63	6.49	10.70	9.90
1Yr. PD, Fin.	27.07	24.42	26.34	34.95	36.02
Slovak Share Index	269	292	325	313	309
EUR/USD	1.12	1.09	1.14	1.11	1.12
3m Treas. Yield (%)	-0.07	-0.13	-0.17	-0.20	-0.29
10Y Treas. Yield (%)	0.79	0.73	0.36	0.59	0.27
GDP (YoY%)	3.8	4.0	3.7	3.7	-
PPI (YoY%)	-5.2	-4.5	-6.0	-4.5	-4.8*
Money Supply (YoY%)	4.80	5.10	5.30	4.80	4.90*
Sov. Rating, Moody's	A2	A2	A2	A2	A2
Sov. Rating, S&P	A+	A+	A+	A+	A+
5Y CDS (bps)	50.46	48.49	45.56	43.91	44.21
FDI (%GDP)	-	2.48	-	-	-
Fiscal Budget (%GDP)	-	-3.00	-	-	-



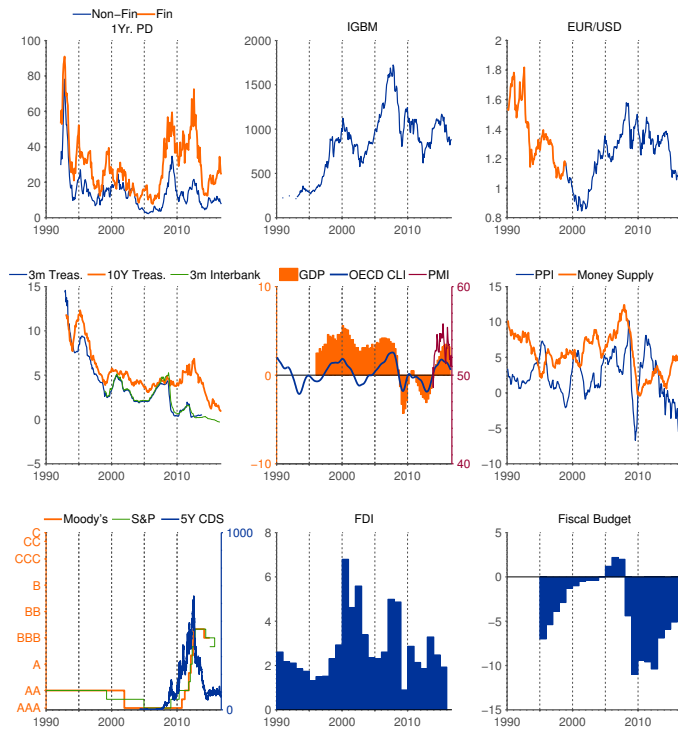
Slovenia	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	16.60	12.74	15.62	11.31	8.90
1Yr. PD, Fin.	18.08	13.13	8.60	8.39	6.27
Slovene Stock Exchange Index	214	201	216	210	227
EUR/USD	1.12	1.09	1.14	1.11	1.12
10Y Treas. Yield (%)	2.07	1.61	1.48	1.36	-
GDP (YoY%)	1.6	2.1	2.1	1.9	-
OECD CLI	100.54	100.38	100.09	99.74	99.62*
PPI (YoY%)	-1.0	-1.4	-2.2	-2.0	-1.4*
Sov. Rating, Moody's	Baa3	Baa3	Baa3	Baa3	Baa3
Sov. Rating, S&P	A	A	A	A	A
5Y CDS (bps)	119.51	113.95	115.22	115.14	102.37*
FDI (%GDP)	-	3.93	-	-	-
Fiscal Budget (%GDP)	-	-2.90	-	-	-



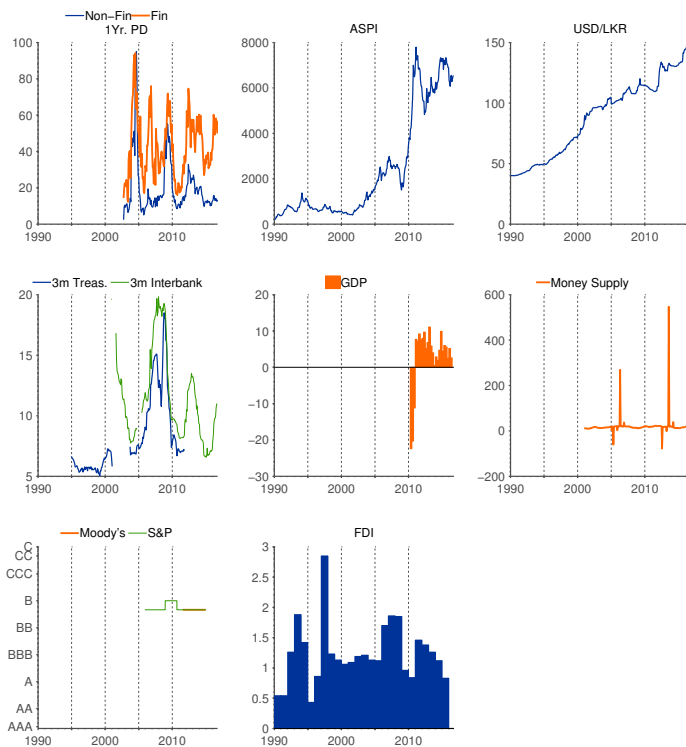
South Africa	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	15.30	16.05	19.81	19.31	17.61
1Yr. PD, Fin.	21.53	24.55	27.57	18.90	19.25
MSCI South Africa	1260	1256	1347	1355	1343
USD/ZAR	13.85	15.47	14.77	14.73	13.72
3m Treas. Yield (%)	6.29	7.01	7.24	7.35	7.36
10Y Treas. Yield (%)	8.45	9.78	9.18	8.90	8.73
3m Interbank (%)	6.31	6.63	7.23	7.36	7.36
GDP (YoY%)	0.8	0.5	-0.1	0.6	-
OECD CLI	99.95	99.76	99.44	99.11	99.02*
PMI	49.9	45.5	50.5	53.7	49.5
Money Supply (YoY%)	8.47	10.46	8.74	5.58	5.48*
Sov. Rating, Moody's	Baa2	Baa2	Baa2	Baa2	Baa2
Sov. Rating, S&P	BBB-	BBB-	BBB-	BBB-	BBB-
5Y CDS (bps)	292.50	335.84	298.90	281.04	256.33
FDI (%GDP)	-	0.50	-	-	-
Fiscal Budget (%GDP)	-	-3.81	-	-	-



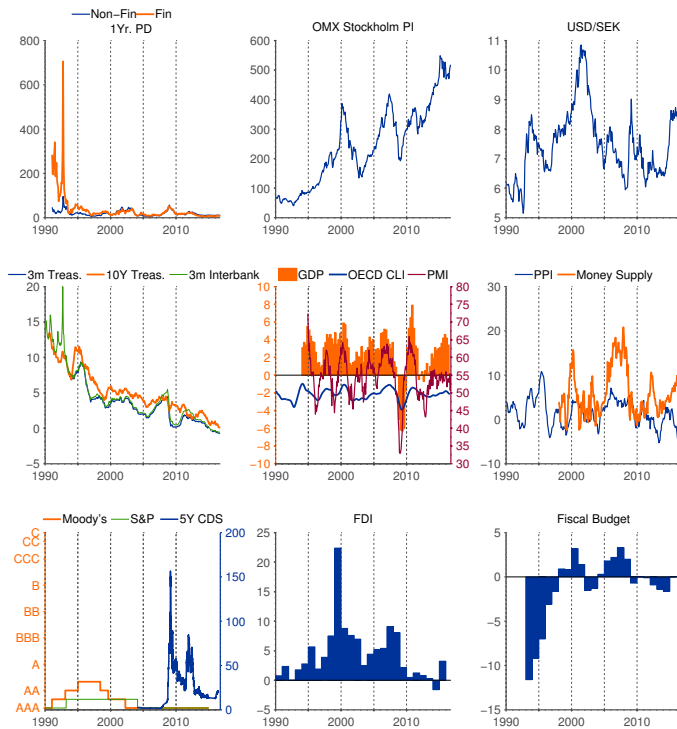
South Korea	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	8.11	8.81	8.30	7.87	6.04
1Yr. PD, Fin.	18.43	21.93	23.04	25.45	19.42
KOSPI	1963	1961	1996	1970	2044
USD/KRW	1185.39	1175.06	1143.42	1151.80	1101.13
3m Treas. Yield (%)	1.50	1.55	1.50	1.27	1.26
10Y Treas. Yield (%)	2.06	2.09	1.79	1.47	1.42
3m Interbank (%)	1.55	1.66	1.56	1.30	1.32
GDP (YoY%)	2.8	3.1	2.8	3.3	-
OECD CLI	100.81	100.83	100.83	100.81	100.80*
PMI	71.0	69.0	66.0	74.0	74.0
PPI (YoY%)	-4.6	-4.0	-3.3	-2.7	-1.7*
Money Supply (YoY%)	10.50	8.90	8.60	7.90	7.60*
Sov. Rating, Moody's	Aa2	Aa2	Aa2	Aa2	Aa2
Sov. Rating, S&P	AA	AA	AA	AA	AA
5Y CDS (bps)	78.50	56.56	64.00	56.13	41.84
FDI (%GDP)	-	0.37	-	-	-
Fiscal Budget (%GDP)	-	-0.03	-	-	-



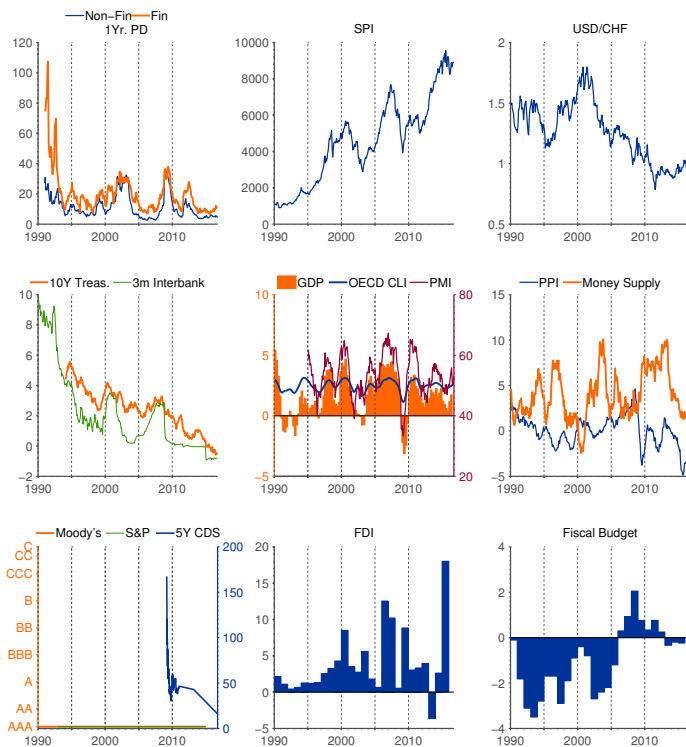
Spain	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	11.17	9.85	10.28	10.69	7.69
1Yr. PD, Fin.	19.20	22.11	26.48	34.45	24.44
IGBM	966	965	880	821	884
EUR/USD	1.12	1.09	1.14	1.11	1.12
10Y Treas. Yield (%)	1.89	1.77	1.44	1.16	0.88
3m Interbank (%)	-0.04	-0.13	-0.24	-0.29	-0.29*
GDP (YoY%)	3.4	3.5	3.4	3.2	-
OECD CLI	101.49	101.41	101.13	100.73	100.59*
PMI	51.7	53.0	53.4	52.2	52.3
PPI (YoY%)	-3.6	-2.2	-5.4	-4.5	-3.1*
Money Supply (YoY%)	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)	109.25	89.88	94.56	111.30	83.61
FDI (%GDP)	-	1.93	-	-	-
Fiscal Budget (%GDP)	-	-5.10	-	-	-



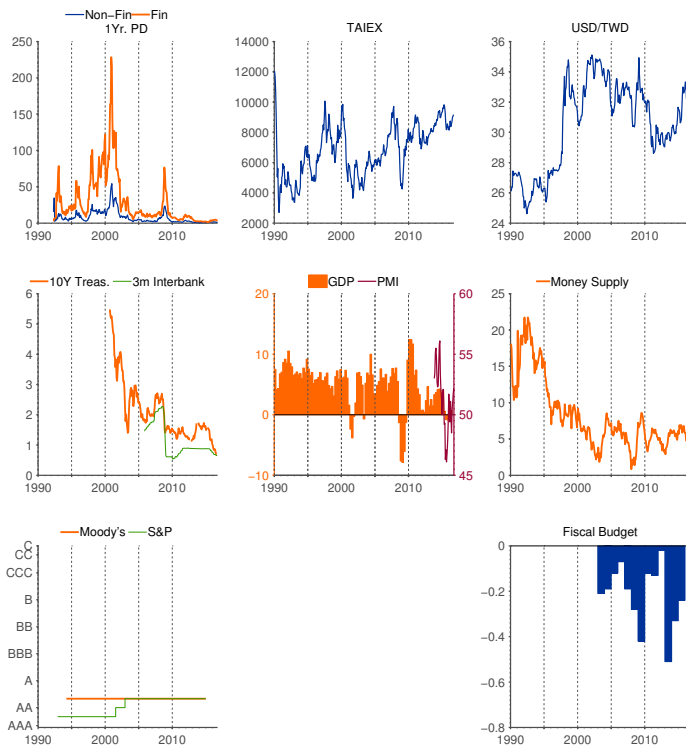
Sri Lanka	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	11.33	12.90	15.59	14.13	13.40
1Yr. PD, Fin.	39.27	41.05	56.72	58.23	49.90
ASPI	7051	6895	6072	6283	6535
USD/LKR	141.30	144.25	146.05	145.70	146.67
3m Interbank (%)	7.11	7.18	9.33	9.88	11.00
GDP (YoY%)	5.6	2.5	5.2	2.6	-
Money Supply (YoY%)	15.20	17.20	18.40	17.20	-
Sov. Rating, Moody's	B1	B1	B1	B1	B1
Sov. Rating, S&P	B+	B+	B+	B+	B+
FDI (%GDP)	-	0.83	-	-	-



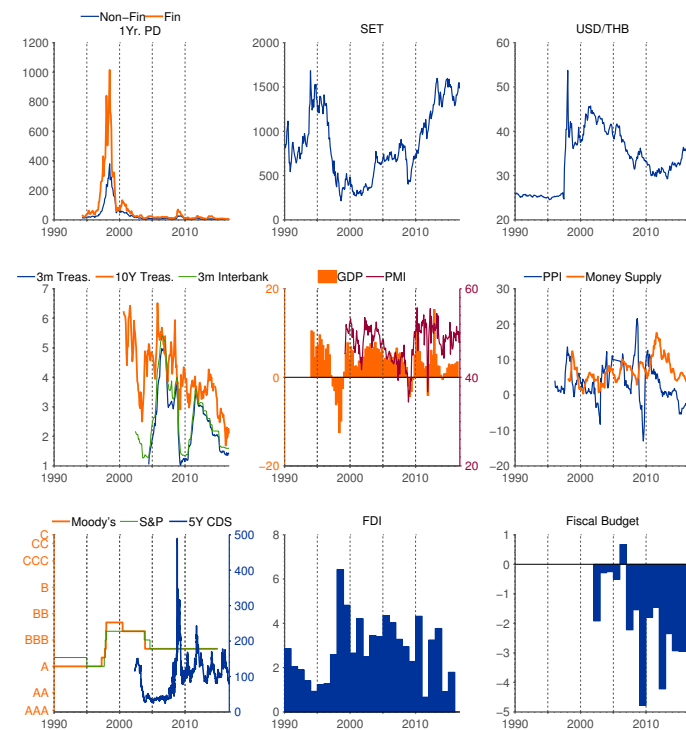
Sweden	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	10.57	9.80	11.14	11.59	9.79
1Yr. PD, Fin.	7.58	5.45	8.85	9.06	7.74
OMX Stockholm PI	476	505	483	471	518
USD/SEK	8.37	8.44	8.12	8.46	8.57
3m Treas. Yield (%)	-0.48	-0.45	-0.61	-0.65	-0.75
10Y Treas. Yield (%)	0.73	1.00	0.53	0.26	0.17
3m Interbank (%)	-0.29	-0.29	-0.45	-0.53	-0.51
GDP (YoY%)	4.2	4.6	4.2	3.4	-
OECD CLI	100.27	100.51	100.22	99.74	99.59*
PMI	53.3	56.0	53.3	52.9	54.9
PPI (YoY%)	-1.4	-1.9	-3.7	-1.9	-0.3*
Money Supply (YoY%)	6.34	7.64	8.68	6.74	8.53*
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	-	-	-



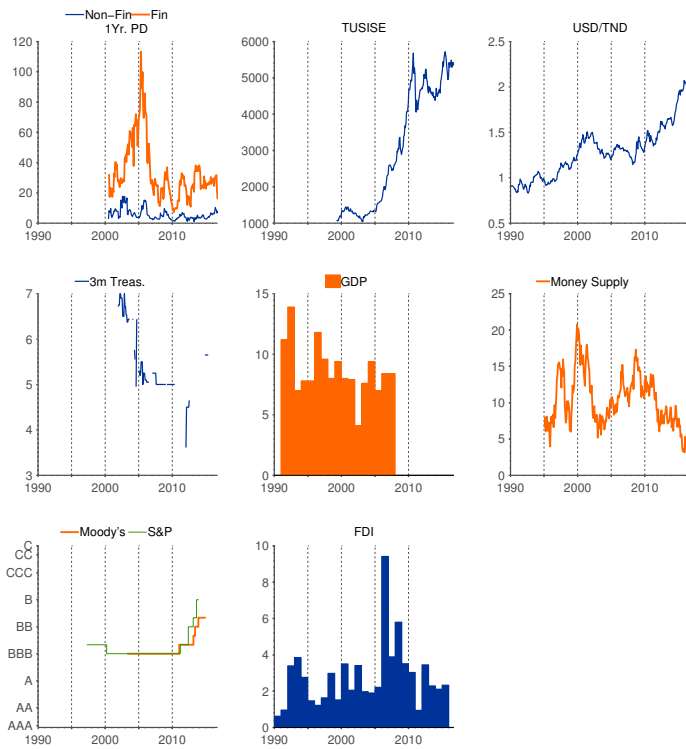
Switzerland	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	6.25	5.19	4.97	5.61	4.22
1Yr. PD, Fin.	8.50	8.25	8.66	12.14	10.72
SPI	8680	9094	8317	8660	8883
USD/CHF	0.97	1.00	0.96	0.98	0.97
10Y Treas. Yield (%)	-0.12	-0.06	-0.34	-0.57	-0.55
3m Interbank (%)	-0.80	-0.82	-0.79	-0.84	-0.81
GDP (YoY%)	0.6	0.4	1.2	1.7	-
OECD CLI	99.28	99.42	99.69	100.14	100.33*
PMI	47.0	50.4	53.2	51.6	53.2
PPI (YoY%)	-4.8	-3.6	-3.5	-0.6	-0.1*
Money Supply (YoY%)	1.29	1.63	1.71	2.31	2.80*
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
5Y CDS (bps)	-	-	-	-	17.01
FDI (%GDP)	-	18.01	-	-	-
Fiscal Budget (%GDP)	-	-0.24	-	-	-



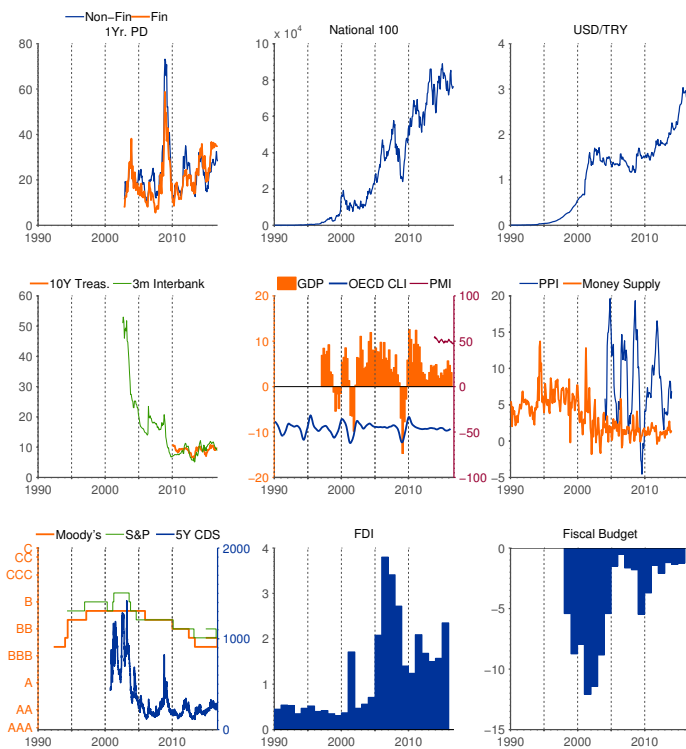
Taiwan	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	1.59	1.54	1.48	1.34	0.91
1Yr. PD, Fin.	3.81	3.44	4.30	4.61	3.65
TAIEX	8181	8338	8745	8667	9167
USD/TWD	32.99	32.86	32.21	32.26	31.36
10Y Treas. Yield (%)	1.15	1.03	0.84	0.77	0.69*
3m Interbank (%)	0.82	0.75	0.69	0.69	0.66
GDP (YoY%)	-0.8	-0.9	-0.3	0.7	-
PMI	46.9	51.7	51.1	50.5	52.2
Money Supply (YoY%)	6.78	5.80	4.70	4.65	4.24*
Sov. Rating, Moody's	Aa3	Aa3	Aa3	Aa3	Aa3
Sov. Rating, S&P	AA-	AA-	AA-	AA-	AA-
Fiscal Budget (%GDP)	-	-0.24	-	-	-



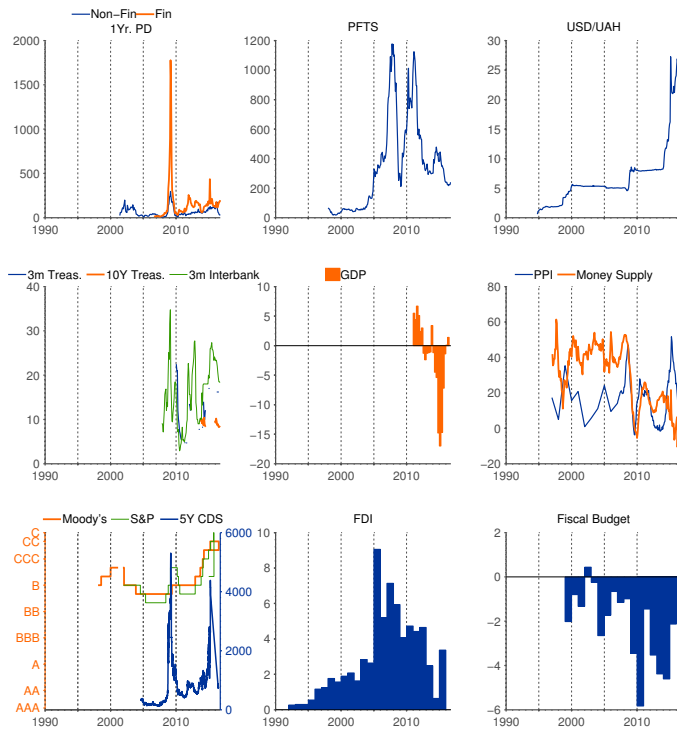
Thailand	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	4.60	4.38	3.98	3.44	3.04
1Yr. PD, Fin.	10.10	7.09	6.07	7.71	7.12
SET	1349	1288	1408	1445	1483
USD/THB	36.37	36.03	35.13	35.12	34.59
3m Treas. Yield (%)	1.50	1.50	1.38	1.36	1.45
10Y Treas. Yield (%)	2.77	2.50	1.69	1.95	2.10
3m Interbank (%)	1.64	1.63	1.60	1.59	1.59
GDP (YoY%)	2.9	2.8	3.2	3.5	-
PMI	47.3	49.9	51.5	50.4	50.3
PPI (YoY%)	-3.6	-2.7	-2.4	-1.4	-0.7
Money Supply (YoY%)	5.43	4.42	3.75	4.29	4.33*
Sov. Rating, Moody's	Baa1	Baa1	Baa1	Baa1	Baa1
Sov. Rating, S&P	BBB+	BBB+	BBB+	BBB+	BBB+
5Y CDS (bps)	168.00	136.84	131.34	114.50	86.68
FDI (%GDP)	-	1.79	-	-	-
Fiscal Budget (%GDP)	-	-2.95	-	-	-



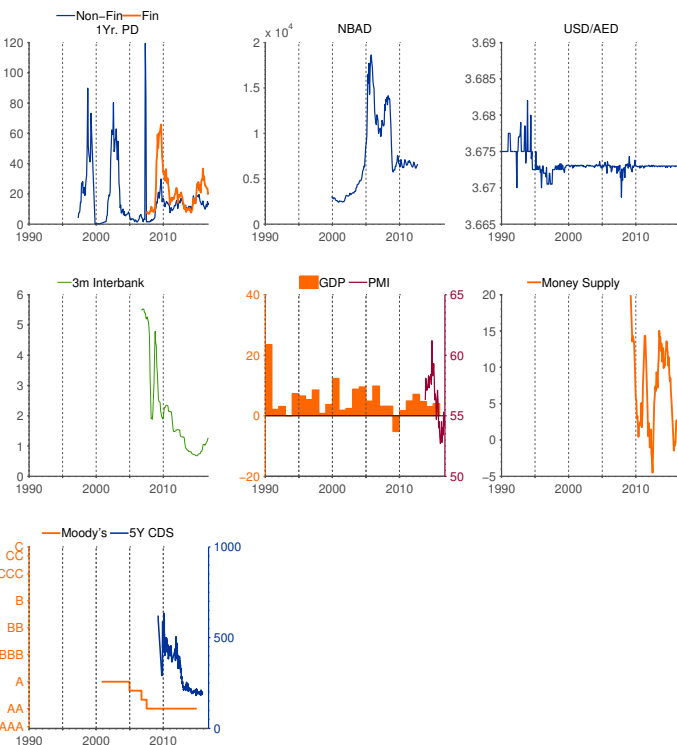
Tunisia	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	6.81	5.44	6.12	9.09	7.92
1Yr. PD, Fin.	30.43	27.30	24.48	31.30	15.72
TUSISE	5275	5042	5421	5290	5342
USD/TND	1.97	2.04	2.02	2.20	2.20
Money Supply (YoY%)	3.42	5.27	5.81	7.24	7.21*
Sov. Rating, Moody's	Ba3	Ba3	Ba3	Ba3	Ba3
FDI (%GDP)	-	2.33	-	-	-



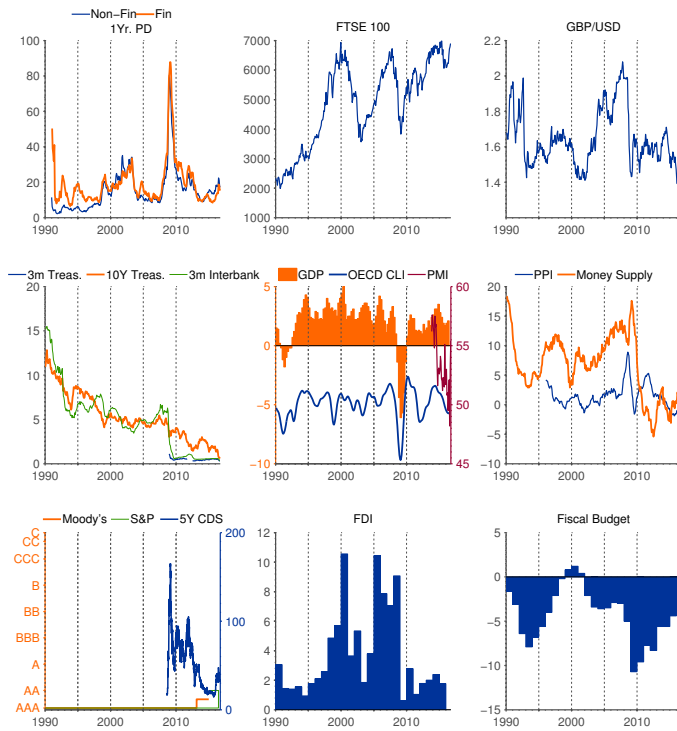
Turkey	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	23.40	27.63	26.56	29.25	28.20
1Yr. PD, Fin.	31.09	33.73	34.31	35.25	35.04
National 100	74205	71727	83268	76817	76488
USD/TRY	3.03	2.93	2.82	2.88	3.00
10Y Treas. Yield (%)	10.74	10.46	9.71	9.03	9.52
3m Interbank (%)	11.89	11.47	11.07	9.50	8.91
GDP (YoY%)	3.9	5.7	4.7	3.1	-
OECD CLI	1.54	2.23	3.43	-	-
PMI	48.8	52.2	49.2	47.4	48.3
Sov. Rating, Moody's	Ba1	Ba1	Ba1	Ba1	Ba1
Sov. Rating, S&P	BB	BB	BB	BB	BB
5Y CDS (bps)	312.40	273.56	254.58	242.87	261.62
FDI (%GDP)	-	2.35	-	-	-
Fiscal Budget (%GDP)	-	-1.24	-	-	-



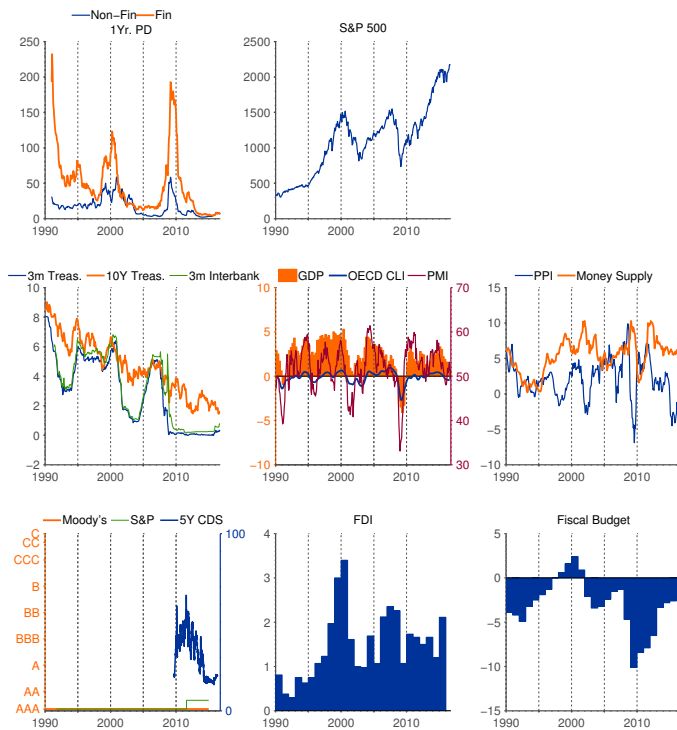
Ukraine	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	114.28	99.95	175.60	53.99	26.91
1Yr. PD, Fin.	130.86	116.91	145.77	115.25*	197.50
PFTS	301	241	226	223	240
USD/UAH	21.20	24.03	26.20	24.83	25.93
3m Treas. Yield (%)	-	-	-	16.20	-
10Y Treas. Yield (%)	-	9.75	9.54	8.50	8.56
3m Interbank (%)	25.00	23.75	23.00	19.58	18.33
GDP (YoY%)	-7.2	-1.4	0.1	1.4	-
PPI (YoY%)	32.5	25.4	10.5	15.7	18.9*
Money Supply (YoY%)	-5.80	3.90	-1.70	6.20	10.40*
Sov. Rating, Moody's	Caa3	Caa3	Caa3	Caa3	Caa3
Sov. Rating, S&P	B-	B-	B-	B-	B-
5Y CDS (bps)	-	-	-	761.68	757.10*
FDI (%GDP)	-	3.37	-	-	-
Fiscal Budget (%GDP)	-	-2.13	-	-	-



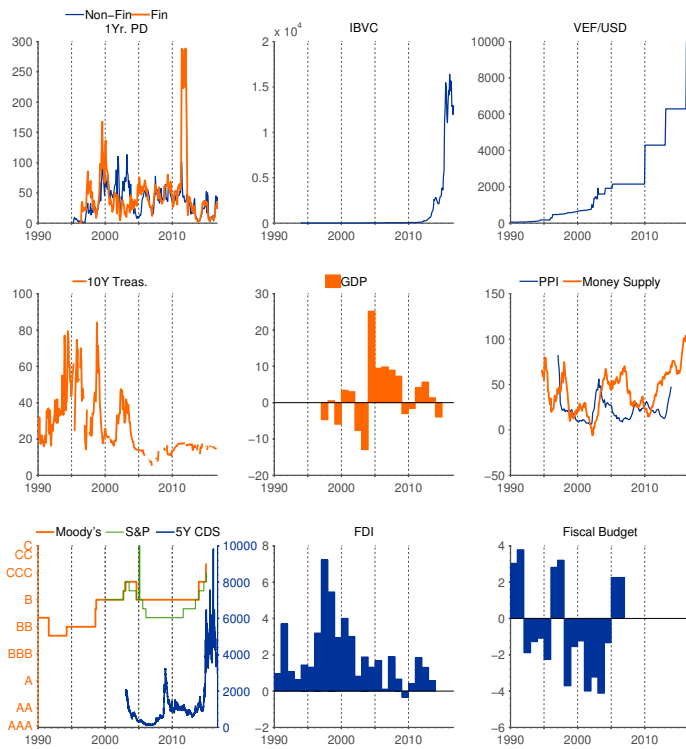
United Arab Emirates	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	12.72	12.26	9.84	11.39	14.11
1Yr. PD, Fin.	29.41	28.97	25.27	23.65	20.63
USD/AED	3.67	3.67	3.67	3.67	3.67
3m Interbank (%)	0.82	1.05	1.03	1.13	1.27
GDP (YoY%)	-	4.0	-	-	-
PMI	56.0	53.3	54.5	53.4	54.1
Money Supply (YoY%)	-0.35	2.15	2.07	2.03	3.28*
Sov. Rating, Moody's	Aa2	Aa2	Aa2	Aa2	Aa2
5Y CDS (bps)	196.94	197.92*	-	-	-



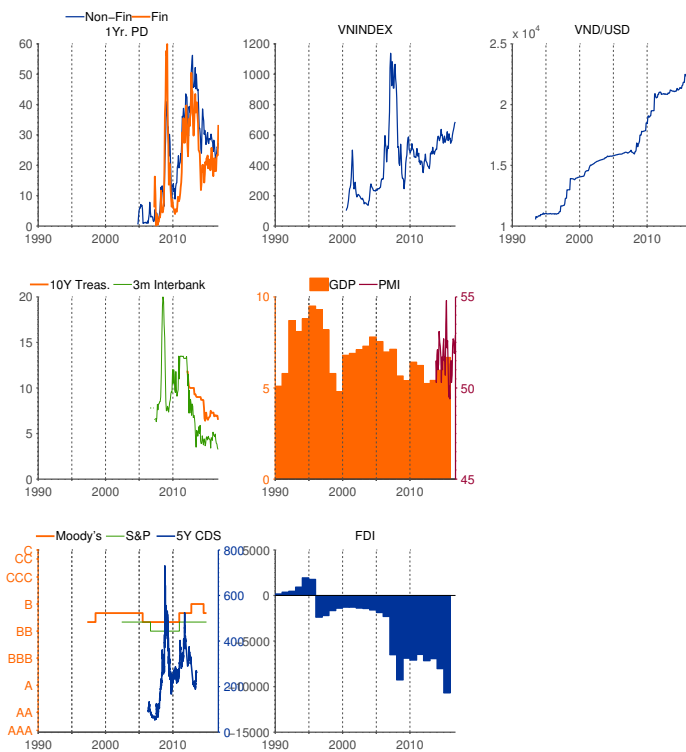
United Kingdom	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	13.34	14.98	17.49	22.45	17.19
1Yr. PD, Fin.	9.63	10.30	13.67	18.76	15.31
FTSE 100	6062	6242	6175	6504	6899
GBP/USD	1.51	1.47	1.44	1.33	1.30
3m Treas. Yield (%)	0.55	0.55	0.51	0.46	0.32
10Y Treas. Yield (%)	1.76	1.96	1.42	0.87	0.75
3m Interbank (%)	0.58	0.59	0.59	0.56	0.38
GDP (YoY%)	1.9	1.7	1.9	2.1	-
OECD CLI	100.05	99.57	99.31	99.29	99.32*
PMI	51.5	51.7	51.0	52.1	55.4
PPI (YoY%)	-1.8	-1.4	-0.7	-0.2	0.8*
Money Supply (YoY%)	-0.60	0.30	1.50	3.60	5.40*
Sov. Rating, Moody's	Aa1	Aa1	Aa1	Aa1	Aa1
Sov. Rating, S&P	AA	AA	AA	AA	AA
5Y CDS (bps)	15.33	19.11	38.81	43.25	32.45
FDI (%GDP)	-	1.77	-	-	-
Fiscal Budget (%GDP)	-	-4.40	-	-	-



United States	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	5.64	6.77	8.39	8.53	6.73
1Yr. PD, Fin.	5.28	5.86	8.03	8.08	6.98
S&P 500	1920	2044	2060	2099	2168
3m Treas. Yield (%)	-0.02	0.16	0.20	0.26	0.27
10Y Treas. Yield (%)	2.04	2.27	1.77	1.47	1.59
3m Interbank (%)	0.26	0.63	0.57	0.55	0.78
GDP (YoY%)	2.2	1.9	1.6	1.3	-
OECD CLI	99.68	99.30	99.16	99.10	99.03*
PMI	50.0	48.0	51.8	53.2	51.5
PPI (YoY%)	-4.1	-2.7	-2.3	-2.0	-2.1*
Money Supply (YoY%)	5.90	5.70	6.20	7.00	7.50*
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AA+	AA+	AA+	AA+	AA+
5Y CDS (bps)	15.66	17.56	19.83	19.89*	-
FDI (%GDP)	-	2.11	-	-	-
Fiscal Budget (%GDP)	-	-2.60	-	-	-



Venezuela	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	8.77	11.09	13.61	44.92	23.24
1Yr. PD, Fin.	8.00	9.53	12.10	27.95	24.00
IBVC	11873	14588	14575	12851	12961
VEF/USD	6292.10	6292.10	9987.50	9987.50	9987.50
10Y Treas. Yield (%)	16.09*	15.65	15.49	14.77	14.63*
Money Supply (YoY%)	97.40	97.70	103.40	96.40	104.60
Sov. Rating, Moody's	Caa3	Caa3	Caa3	Caa3	Caa3
Sov. Rating, S&P	CCC	CCC	CCC	CCC	CCC
5Y CDS (bps)	5715.58	4867.88	5180.28	3892.00	2946.27



Vietnam	2015		2016		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	29.33	24.56	24.46	23.90	27.32
1Yr. PD, Fin.	25.76	16.43	18.09	22.92	33.30
VNINDEX	563	579	561	632	686
VND/USD	22478.00	22485.00	22293.00	22304.00	22296.00
10Y Treas. Yield (%)	7.30	7.30	6.90	6.94	6.50
3m Interbank (%)	4.55	5.15	4.65	3.95	3.25
GDP (YoY%)	-	6.7	-	-	-
PMI	49.5	51.3	50.7	52.6	52.9
Sov. Rating, Moody's	B1	B1	B1	B1	B1
Sov. Rating, S&P	BB-	BB-	BB-	BB-	BB-
FDI (%GDP)	-	-10700.00	-	-	-

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 October 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	–

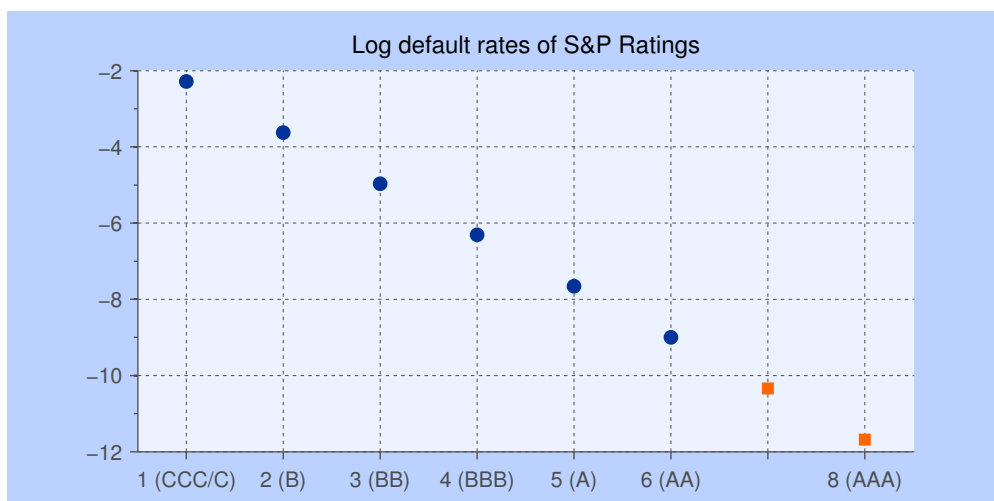
Computing the boundaries between different PDiR classes: The blue circles in the graph below indicate the logarithm of the observed ADR for firms rated by S&P with ratings from AA down to CCC/C.

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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