Emerging Market Weekly Pulse

14:22 CET
28 October 2026

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Politics in the driver's seat

Overview

The global picture for EMs remains anchored around: (1) some confirmed macroeconomic resilience partly related to strong international trade and the AI/semiconductor boom; and (2) persisting challenges, first of which oil prices and the level of hawkishness of the US Fed. But, these days, on top of this backdrop, politics is generating volatility. In Brazil, the surprise victory of Lula sent the BRL dropping like a stone, before it stabilised. In Israel, the post-election outcome may influence the geopolitical situation in the Middle East. Next week, the US mid-term election will be the key focus. On the economic side, the impact of the outcome on EMs may be limited. This may alter the AI narrative, but only in a limited way, as the AI/semiconductor boost is likely here to stay. The backlog books of chipmakers are quite full, sometimes for the next year and beyond. This week, for instance, SK Hynix reported that its DRAM and HBM chips are sold out until 2029, suggesting strong chip demand. The swing factor may be President Donald Trump's assertiveness vis-à-vis Iran, post-election, with an intensification of the military strikes being a possibility. Should this materialise, an increase in the oil price could challenge the resilience of EM FX, at least temporarily.

Main strategies

Trade ideas page 9

- Asia: strong growth may keep BOK hawkish; CBC signals caution
- China: watch fiscal spending and the 5th Plenum
- Poland: NBP to sound hawkish even if inflation moderates
- Egypt: too soon to resume monetary easing
- Brazil: Lula returns for the fourth (non-consecutive) term

Main changes to our forecasts

- South Korea: we revise lower our USD/KRW forecasts
- Philippine: expect two more hikes by Q127

Performance of the main EM asset classes

	Current	1W change	1M change	1Y change
EM FX vs USD*	86.9	-0.5%	0.1%	1.9%
EM FX vs EUR*	81.7	0.5%	2.2%	5.5%
MSCI EM USD	1579	-2.3%	-7.7%	12.5%
MSCI EM LC	98216	-1.9%	-7.6%	13.3%

** EM FX vs the USD and vs the EUR measure the performance of our in-house weighted indices for the largest EM currencies vs the USD and EUR, respectively. Both EM FX vs the USD and EM FX vs the EUR = 100 on 01/01/03*

Source: Bloomberg, Datastream, Crédit Agricole CIB



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EMEA: no so dovish

- **Egypt: too soon to resume monetary easing**
- **Poland: NBP to sound hawkish even if inflation moderates**

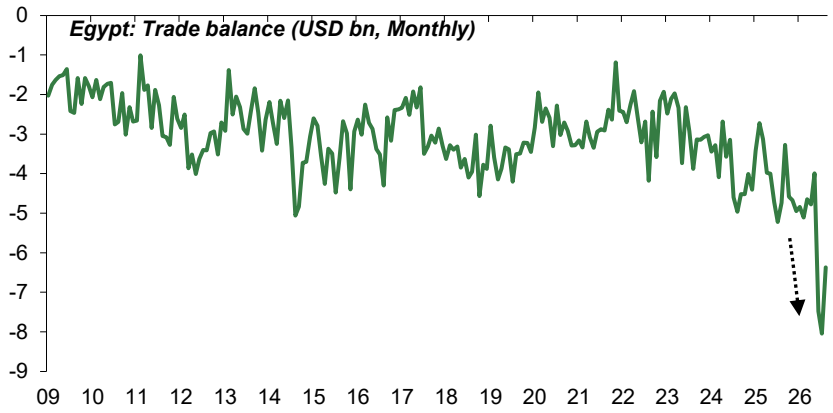
Egypt: monetary policy to remain on pause

The CBE will decide on rates tomorrow. In our view this is not the right time to resume monetary easing. We expect stable rates at 19% (deposit rate).

Inflation has moderated slightly from July to September (from 14.9% to 13.9%). However, it remains higher than at the beginning of the year. The uncertainty over global energy prices fuels a risk for inflation in Egypt looking forward. Global food prices, against a backdrop of El Nino, is another risk. Egypt is a significant net importer of both fuel and food.

Besides inflation, the trade balance has also deteriorated due to higher oil prices. The trade deficit widened strongly during the summer. For the moment, FX reserves have not been eroded, as external financing and remittances have remained rather strong, but the final impact will depend on how the oil price stays high, and whether food prices increase in the coming months.

Egypt: trade balance



Source: Bloomberg, Crédit Agricole CIB

Bottom line, the pause in the monetary easing process that was initiated in February should continue for the time being. It may resume when the oil price decreases and when the CBE has more clarity about both the war in the Middle East and the impact of El Nino on food prices.

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Poland: NBP to sound hawkish even if inflation moderates

Poland's flash CPI inflation figure will be released on Friday. We expect inflation to have eased to 3.8% YoY in October from 4.1% in September. The main factor behind the decline in inflation was the renewed government intervention in the fuel market, including lower VAT and excise duty rates as well as the reintroduction of caps on retail fuel prices. Driven primarily by last year's low base effects, an increase in core inflation to 3.3% YoY in October from 3.1% in September had the opposite impact in our view. Higher heating fuel prices also added to inflationary pressures. Our headline inflation forecast is above the market consensus (3.7% YoY), so if it materialises, it will support a slight appreciation of the PLN and a rise in Polish bond yields.

An October flash CPI reading in line with our forecast would mean that headline inflation has remained above the upper bound of the MPC's inflation target

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tolerance band (2.5% ±1ppt) for the second consecutive month. Against this backdrop, we expect the MPC to adopt a more hawkish tone at next week's meeting, placing greater emphasis on upside risks to inflation, while keeping interest rates unchanged. Nevertheless, the key determinant of the MPC's decision will be the new inflation projection, which will incorporate a markedly higher starting point for headline inflation and a marginally higher starting point for core inflation. We expect the projection to indicate that headline inflation will return to the MPC's tolerance band in H227, giving the Council room to keep interest rates on hold for some time before the second-round effects of the commodity price shock become more widespread and pronounced. We maintain our forecast of a single 25bp rate hike in January 2027, driven primarily by core inflation exceeding 3.5% YoY in December 2026. Developments in the Middle East remain the key source of uncertainty surrounding our interest rate outlook.

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Asia: trading volatility

- **Asia: strong growth may keep BOK hawkish; CBC signals caution**
- **China: watch fiscal spending and the 5th Plenum**

China: watch fiscal spending and the 5th Plenum

Following the positive macro data surprises in Q3/September, we nudged up our GDP growth forecast to 4.6% in 2026 (from 4.5% previously). The September industrial profit data released this Tuesday also showed an acceleration, with growth remaining concentrated in those industries that are driven by AI infrastructure related demand, while those energy-intensive mid-to-downstream sectors as well as those targeted consumer demand continued seeing sluggish profit growth. We think the positive policy impact would become more visible with the expected acceleration in fiscal spending in Q4. We note that broad fiscal expenditure remained in YoY contraction in September while the fiscal deficit continued undershooting budget YTD. Looking ahead, the net issuance of government bonds could increase to RMB4.0trn in Q426 vs RMB2.3trn in Q425, if the budgeted quota is fully utilised. Policy banks have started deploying funds under the new policy financing tools to support key investment projects, with RMB700bn expected in Q4. Furthermore, the YoY comparison base would be more favourable. That said, high-frequency data so far in October has shown little sign of domestic demand growth improvement, with a 17.2% decline in new home sales and a 26.0% decline in auto sales, while container throughput volume growth still points to resilient external trade flows.

The 5th Plenum of the 20th CPC opened in Beijing on Monday. The primary focus is on strengthening Party governance, improving efficiency of policy execution and enhancing disciplinary enforcement. This political event prepares for the upcoming political transition and government reshuffling next year as the 21st Party Congress will be held in October 2027. As it is not a venue featuring an economic and macro policy agenda, its direct impact on near-term growth and financial markets would likely be limited.

For the CNY, USD/CNY has slipped below 6.67 at the beginning of this week, marking a new 2026 low as the CNY extends its steady gains. China's net FX settlement rose to USD56bn in September from USD48bn in August, the third strongest print so far this year and a new high for the month of September. Demand for FX settlement for goods trade was the primarily lead, backed by China's strong trade surplus and a higher FX settlement ratio among exporters. We expect this to remain supportive to CNY appreciation into year-end, particularly as repatriation inflows pick up seasonally. The US Fed meeting today is unlikely to shift CNY trends materially, with no rate move expected and the CNY still shrugging off USD strength.

On the rates front, we continue to expect the bull-run to cool not pause, as the repricing following the PBoC's announcement of monetary policy framework reform has largely run its course. Risk sentiment will likely play a stronger role in rates this week with rising volatility in onshore equities. Overall, we expect a bull-run in China rates into year-end. We prefer the 5-10Y tenor of CGBs over 30Y, and favour cash bonds over IRS. With 1Y1Y repo NDIRS now trading at around 1.33% vs FR007 at 1.38% today, we think the short end of the swap curve has largely priced in the flush liquidity interbank conditions, and the negative carry for receiving positions could lead to some profit-taking flows in the near term.

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Korea: strong data may keep the BOK tightening

Korea's Q3 GDP grew by 3.4% YoY, slowing from 3.7% in Q2 but presenting stronger growth than the market expectations of 3.1%. The main YoY growth contribution came from net exports (+1.2ppt, continuing strong contribution of +1.6ppt in Q2) and facilities investment (+0.8ppt from +0.6ppt in Q2) thanks to strong semiconductor sector. The private consumption contribution slowed to

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+0.5ppt in Q3 from +1.2ppt in Q2, but the government consumption contribution of +0.4ppt, the same as Q2, offset private sector softening. In terms of QoQ growth, Korea's GDP growth was 1.0% in Q326, up from 0.6% in Q2, as the domestic demand contribution rebounded to +0.9ppt from +0.3ppt in Q2 while the net exports contribution slowed to +0.1ppt from +0.3ppt with import growth partially offsetting strong growth. Meanwhile, Korea's October consumer sentiment slightly softened to 105.4, from 106.6 in September with the equity market decline and continued geopolitical uncertainties in the Middle East. Consumer inflation expectations stayed unchanged at 2.7%.

Considering strong Q3 GDP, we think Korea's annual 2026 GDP growth could be revised higher than our current forecast of 3.5%. Q4 growth may slow in QoQ terms with softer consumer sentiment but is likely to remain strong, supported by exports and facilities investment. The BOK showed strong confidence in Korea's GDP growth and signalled some positive momentum in Q4. Overall strong growth in Q3 and the BOK's comments support our view that the BOK is likely to hike by 25bp on 26 November, after staying unchanged in October.

Looking ahead, we will focus on Korea data releases including September economic data such as industrial production, retail sales and investment (30 October), October trade (1 November) and October CPI inflation (3 November). For September economic data, we note that there could be a base impact with fewer working days compared to a year ago. It would be interesting to see if construction investment is continuing to recover and if there are some weaknesses in retail sales despite relatively solid industrial production.

Meanwhile, we expect October monthly exports and imports to increase by 86.0% YoY and 38.1% YoY respectively. This would lead the October trade balance to record USD36.8bn. The overall trade balance from January to October is likely to be USD289.3bn, more than five times larger than USD55.8bn from the same period in 2025. A wide trade balance surplus is likely to support the KRW with exporters selling USD. We think Korea's annual exports are likely to exceed USD1trn this year for the first time, following the US, China and Germany. Considering strong exports and facilities investment, we expect GDP growth to show strong growth.

October CPI inflation is likely to be a key interest for the BOK. We expect October CPI inflation to rise by 2.7% YoY, from 2.9% in September, thanks to limited change in local fuel prices and softer import price inflation. But as the BOK is more focused on core CPI inflation, the BOK may sound hawkish, if core CPI inflation accelerates from 2.8% in September.

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Taiwan: CBC signals caution for December

In a report to the Legislative Yuan, the Taiwan central bank (CBC) commented on the state of the economy and monetary policy. The CBC noted that economic growth has accelerated though inflation remains moderate, given that government price control measures have slowed the pass-through of energy prices. In terms of monetary policy, the CBC said it has been injecting liquidity amid a rise in funding demand and that M2 is a key reference for formulating monetary policy. Since climbing to almost 8% in June, M2 growth slowed to 6.9% in August before rebounding to 7.5% in September. The rebound potentially complicates the CBC's monetary policy decision as it balances the need to maintain tight monetary conditions while also addressing concerns about funding demand gaps.

Governor Yang Chin-long's subsequent comments to the Legislative Yuan confirmed this cautious stance. He said the central bank can tolerate a temporary overshoot of inflation above 2%, though he referenced 2022 as a cautionary precedent: when inflation reached 2.95%, the CBC had to raise rates. Yang indicated the central bank will monitor inflation trends next year as a major consideration, implying that upcoming oil price projections and inflation prints for the next two months will be important inputs into the rate decision. For the moment, the absence of inflation exceeding 2.95% before a potential December rate decision could support the CBC remaining on hold. The CBC's confidence in moderate inflation also rests on continued government price support measures.

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The current policy rate stands at 2% with the CBC due to hold its rate decision on 17 December.

Beyond the rate decision, the currency was also a topic for discussion. Governor Yang attributed recent TWD depreciation to foreign profit-taking on equity positions rather than monetary policy divergence. He noted the CBC will continue to lean against the wind on excessive FX moves, citing Taiwan's large number of SMEs as a constraint on the central bank's tolerance of FX volatility. In our view, the TWD has underperformed and has room to reverse some of this as foreign outflows slow. We continue to hold an EM Trade idea to short USD/TWD.

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Thailand: a non-event pause from the BoT

The BoT voted unanimously to keep the policy rate unchanged at 1% today, in line with our expectations and broad market consensus. BoT officials have previously suggested that 1% could be the current policy rate floor, while the pace of monetary policy normalisation (normal rate of 1.5-2.0%) would depend on economic recovery. The updated growth (2.4% in 2026, 2.1% in 2027) and inflation (2.1% in 2026, 1.3% in 2027) projections from the BoT should indicate that the central bank continues to expect an output gap throughout next year while supply-side driven inflation eases. These are the key arguments from the BoT for keeping the policy rate at the low level of 1% and maintaining an accommodative monetary policy stance without any urgency to tighten in sight.

The expected BoT pause today was a non-event, with minimal reaction in rates and FX markets. The volatility of both THOR swap rates and the THB has reduced recently despite persistent swings in oil prices and global yields, as domestic fundamental factors have likely returned as key drivers.

Regarding Thailand swap rates, we have already shifted our preference to pay-on-dip from receive-on-spike, with emerging evidence suggesting that the tightening cycle from the BoT could be late but will not be absent despite growth weakness. The THOR swap market is pricing a 25bp hike from the BoT no earlier than August 2027 and a 38bp hike by end-2027, vs our current call of the hiking cycle beginning in Q327. With likely faster pass-through of energy inflation to households to balance the Oil Fuel Fund's wide deficit and gradual increases in food and core inflation, Thailand's headline inflation will likely move above 3% (BoT's target) in Q426 and remain elevated in Q127, which could be triggers of repricing in the rates market.

Regarding the THB, we are not overly bearish on currency despite the deteriorating current account balance due to a widening trade deficit and sluggish tourism recovery. Portions of the rising import demand are backed by strong FDI in AIDC infrastructure, which has been supporting the growth story. Meanwhile, although Thailand would remain one of the Asian economies most severely impacted by global oil shocks, reduced FX volatility alongside relatively anchored policy expectations have been helping to stabilise foreign investment interest in Thailand assets. The relatively wide Fed-BoT rate gap has been negatively impacting the yield attractiveness of the THB, but convenient hedging methods with currently low costs and a relatively steep curve vs peers in Asia could still attract foreign investment despite relatively low nominal yields.

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Malaysia: BNM to tap on brakes

We expect BNM to raise its OPR from 2.75% to 3.00% at its meeting on 5 November. At its September meeting, BNM removed the word “appropriate” from its policy statement when referring to its current policy setting, signalling that the current 2.75% OPR is no longer suitable for the economy. This marked a clear shift toward potential tightening. Malaysian GDP growth is significantly exceeding BNM’s forecast for 2026, driven by strong energy, palm oil and electronics exports. BNM Governor Abdul Rasheed Ghaffour recently signalled that the central bank has “greater room to act” if inflation pressures intensify, citing elevated energy prices from the Middle East conflict.

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While the economy is running strong, it is not running hot. Current headline and core inflation remain below 2% and near the centre of BNM's 2026 forecast band. Inflation pressures are building, however, due to strong growth and sustained increases in global commodity prices linked to the Strait of Hormuz closure as well as AI-driven demand for Malaysia's electronics exports. There also appears little chance of a resolution to the conflict in the Middle East in the near term, especially if oil prices continue rising post the US midterms next Tuesday and there is increased risk of escalation in the Gulf. A weak MYR is also significantly contributing to inflation pressures in the economy. It is notable that the MYR started 2026 as an outperformer but has reversed course in H226 in part due to BNM remaining on hold while other central banks were raising rates which eroded the MYR's rate gap with EM Asia. So along with higher oil prices, the weak MYR is also nudging BNM to raise rates next week.

An OPR at 3.00% would reverse the one-off rate cut from a year ago and represent a light tap on the brakes rather than a full hiking cycle. Future policy moves will depend on events in the Middle East and the sustainability of the AI boom. Admittedly, a one-off 25bp rate increase is unlikely to significantly affect the MYR in the medium term, but we are in the minority of economists looking for a BNM rate hike in November. Malaysia's OIS and KLIBOR futures markets are also pricing in a hold at 2.75% as a near-certainty. So, a move by BNM next week would be a shock to the market and lead to a spike in the MYR and MYR volatility.

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Brazil: Lula returns for the fourth (non-consecutive) term

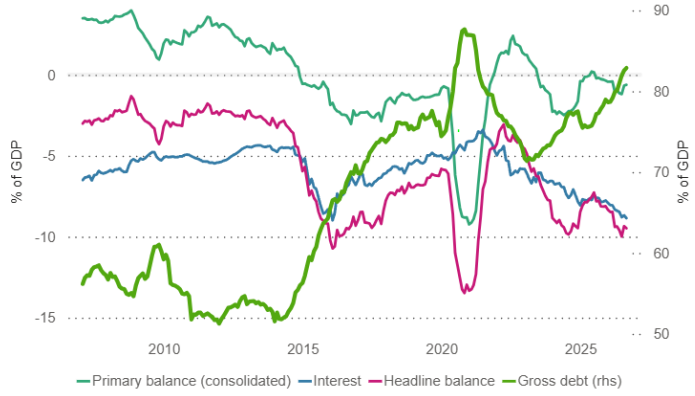
- **The negative market reaction to the re-election of Luis Inacio Lula da Silva (Lula) has been primarily a reflection of the market's assessment of how the incumbent president would handle Brazil's unravelling debt dynamics during his next term.**
- **We believe Lula's plan for a gradual fiscal adjustment is realistically achievable, albeit still relatively optimistic.**
- **Using this scenario, we forecast USD/BRL at 5.45 by the end of 2027. Should the fiscal proposals required to achieve these targets gain traction in Q227, that would create an opening for modest rate cuts to the Selic rate from then on with the terminal rate at 12.50% by the end of 2027.**
- **The risks to our forecasts are to the downside, if the fiscal efforts are deemed insufficient by the market or delayed.**

Brazil fiscal: no easy fix

In an unprecedented development, the incumbent president Luis Inacio Lula da Silva was re-elected as the president of Brazil. Lula made history as no previous presidential candidate achieved victory after coming in second in the first round.

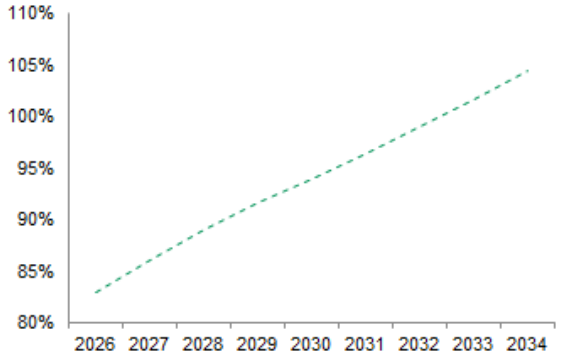
The Brazilian markets sold off sharply the day after the election, reflecting investors' concerns about how Lula would manage Brazil's government debt. Lula's team has proposed a gradual fiscal adjustment, targeting a surplus of 1.3% of GDP by 2030. If successfully executed, the plan would keep the debt ratio rising to 94% by the end of the next presidential term and 104.4% by 2034, provided the surplus is maintained at the same level thereafter. For more details and assumptions, see EM Focus Brazil fiscal: no easy fix.

Gross debt rising with primary deficits and interest costs



Source: BCB, RMA by Credit Agricole CIB

The base case under Lula would still see a steep rise of the debt ratio



Source: Ministry of Planning 2027-2030 primary balance assumptions as of April 2026, Credit Agricole CIB

We view Lula's targets as achievable, yet still admittedly relatively optimistic. Provided Lula's government finds common ground with the right-leaning congress and pursues a modest consolidation, we forecast USD/BRL at 5.45 by the end of 2027. Should the fiscal proposals gain traction in Q227, that would create an opening for modest rate cuts to the Selic rate from then on with the terminal rate at 12.50% by the end of 2027. The risks to our forecasts are to the downside, if the fiscal efforts are deemed insufficient by the market or be delayed. For more, follow our new Brazil dashboard at Red Mount Analytics.

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Trade ideas

- **EMEA: Still receiving PLN swaps**
- **Asia: Short PHP against G3, sell USD/TWD 3M NDF and buy 2Y KTB**

EMEA

Recommendation	Entry date/time	Entry level	Target	Stop loss	Now	Performance
Receive PLN 1Y IRS	09 Oct 26 (11:08 CET)	4.4250%	4.00%	4.64%	4.4450%	-2bp
sebastien.barbe@ca-cib.com	*Receive PLN 1Y IRS*					
	Rationale: inflation is on the rise, but we believe too many rate hikes are priced in.					

NEW *Trade ideas opened since the previous EM Pulse*
For NDFs: target, stop-loss and current level (now) calculated on the basis of the remaining maturity
Performance for FX trades is carry-adjusted

Source: Crédit Agricole CIB

Asia

Recommendation	Entry date/time	Entry level	Target	Stop loss	Now	Performance
Short PHP against G3 basket	09 Oct 26 (10:03 CET)	63.17/71.18/ 0.4019	3%	1%	64.27/71.69/0.4096	+1.5%
eddie.cheung@ca-cib.com *yeonjin.kim@ca-cib.com*	*Trail stop short PHP* *Short PHP against G3 basket* ***Rationale***: We entered a short PHP against G3 basket on 9 October given multiple headwinds on the PHP, including higher oil prices and easing overseas remittances widening the current account deficit. The PHP has declined despite a surprise 50bp rate hike by the BSP as higher oil prices and the USD continue to weigh. We think the room for further BSP rate hikes is limited as the economy weakens. With our assumptions playing out, we trail the stop on the trade and lock in 1% profit.					
Sell USD/TWD	21 Oct 26 (09:35 HKT)	32.68	31.20	33.45	32.44	+0.7%
eddie.cheung@ca-cib.com	*Sell USD/TWD again* ***Rationale***: USD/TWD has climbed to new 2026 highs on the back of the sell-off in chip stocks and outflows from Taiwan. The consolidation in the TWD has the currency looking undervalued at current levels. We look for a rebound in the TWD given still-resilient fundamentals and favourable seasonality.					
Buy 2Y KTB	23 Sep 26 (11:39 HKT)	3.99%	3.58%	4.26%	3.75%	+24bp
eddie.cheung@ca-cib.com *yeonjin.kim@ca-cib.com*	*Buy 2Y KTB* ***Rationale***: *KTB yields have risen sharply since H225, but we think the sell-off could be maturing and shift to a more constructive outlook on short-dated KTBs. We believe the BOK is nearing the end of its rate hike cycle and the market is overpricing US Fed rate hikes. Less supply burden, potential incremental demand from new funds and corporates are supportive of KTB yields.*					

NEW *Trade ideas opened since the previous EM Pulse*
For NDFs: target, stop-loss and current level (now) calculated on the basis of the remaining maturity
Performance for FX trades is carry-adjusted

Source: Crédit Agricole CIB

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Interest rates: what's priced in vs our forecasts

		1M view			3M view			6M view		
	Spot	Our forecasts	Market	Gap	Our forecasts	Market	Gap	Our forecasts	Market	Gap
Asia										
India (repo)	5.50%	0	0	0	25	0	25	50	0	50
Korea (7D repo)	3.00%	0	17	-17	25	33	-8	50	50	0
Taiwan (rediscount)	2.00%	0	2	-2	13	6	6	13	21	-8
Thailand (repo)	1.00%	0	0	0	0	1	-1	0	12	-12
Latam										
Brazil (selic)	13.75%	0	-9	9	0	33	-33	0	79	-79
Mexico (overnight)	6.50%	0	5	-5	0	-4	4	0	12	-12
EMEA										
Czech Rep. (14D repo)	3.75%	25	16	9	25	33	-8	25	68	-43
Hungary (2W repo)	5.50%	0	0	0	0	1	-1	0	7	-7
Poland (7D repo)	3.75%	0	6	-6	25	33	-8	25	69	-44
South Africa (repo)	7.25%	0	7	-7	0	33	-33	0	48	-48

Legend:

The main divergence between our view and the market that we want to highlight:

Where we are more hawkish than the market

Where we are more dovish than the market

nm No monetary policy meeting during that period

Source: Bloomberg, Reuters, Crédit Agricole CIB

The above table illustrates how many basis points rate markets are pricing in over the next 1M, 3M and 6M (cumulative) for the movements of benchmark money market rates, while our calls are on policy rates. Interpretation of the above should take into account the possibly varying spreads between money market rates. In particular, INR and RUB rates reflect, to a large part, expectations regarding the liquidity situation. However, in the current form it gives a relevant proxy for the next rate move from EM central banks.

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FX: what's priced in vs our forecasts

			3M view			6M view		
		Spot	Our forecasts*	3M NDF/FWD	Gap	Our forecasts*	6M NDF/FWD	Gap
Asia	USD/CNY	6.67	6.61	6.67	0.9 %	6.60	6.61	0.2 %
	USD/HKD	7.85	7.81	7.82	0.1 %	7.82	7.80	-0.3 %
	USD/INR	95.13	95.40	96.36	1.0 %	94.00	97.44	3.7 %
	USD/IDR	18155.00	17570.00	18266.00	4.0 %	17500.00	18371.00	5.0 %
	USD/MYR	4.09	4.01	4.08	1.7 %	3.99	4.07	2.0 %
	USD/PHP	63.97	61.14	64.31	5.2 %	60.94	64.61	6.0 %
	USD/SGD	1.28	1.27	1.27	0.2 %	1.27	1.26	-0.2 %
	USD/KRW	1326.65	1317.00	1324.60	0.6 %	1308.57	1321.30	1.0 %
	USD/TWD	32.44	31.57	32.44	2.7 %	31.50	32.42	2.9 %
	USD/THB	33.80	33.00	33.71	2.2 %	32.94	33.59	2.0 %
Latam	USD/BRL	5.35	5.27	5.44	3.4 %	5.31	5.54	4.2 %
	USD/CLP	984.95	954.00	984.98	3.2 %	934.29	984.23	5.3 %
	USD/COP	3155.00	3565.00	3207.84	-10.0 %	3614.29	3270.73	-9.5 %
	USD/MXN	18.68	18.08	18.78	3.9 %	18.32	18.89	3.1 %
	USD/PEN	3.45	3.47	3.51	1.2 %	3.51	3.52	0.0 %
EMEA	USD/RUB	80.55	77.90	82.98	6.5 %	80.29	85.47	6.5 %
	USD/TRY	49.81	51.80	53.76	3.8 %	52.79	57.88	9.6 %
	USD/ZAR	16.64	16.04	16.73	4.3 %	15.84	16.84	6.3 %
	EUR/CZK	24.36	24.04	24.37	1.4 %	23.81	24.44	2.6 %
	EUR/HUF	368.67	363.40	369.09	1.6 %	361.43	371.41	2.8 %
	EUR/PLN	4.40	4.32	4.41	2.1 %	4.32	4.43	2.5 %
	EUR/RON	5.35	5.28	5.40	2.2 %	5.29	5.44	2.9 %

** We extrapolate from our end-of-quarter forecasts to produce extrapolated forecasts in exactly three months and six months from now, in order to compare them to the 3M and 6M FWD/NDF outright*

Legend:

The main divergence between our view and the market that we want to highlight:

Where we are more bullish than the market

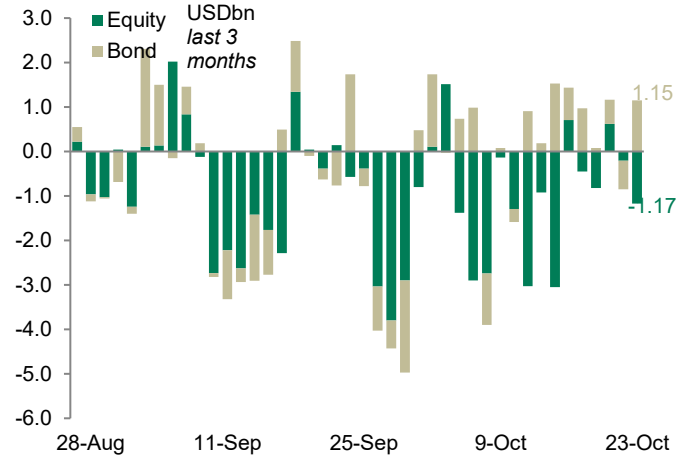
Where we are more bearish than the market

Source: Crédit Agricole CIB

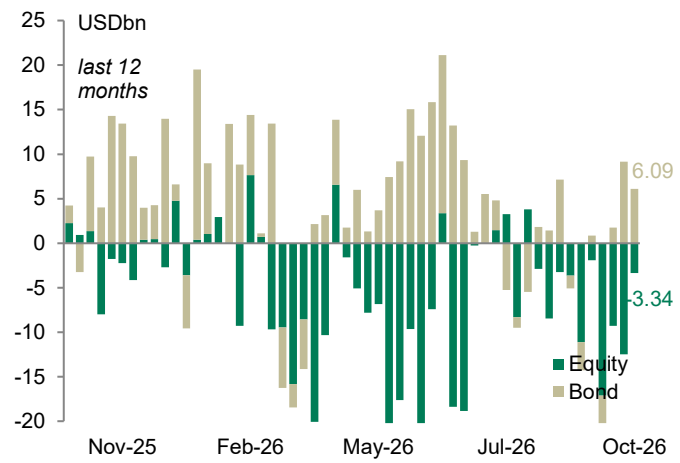
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CACIB EM portfolio flow indexes

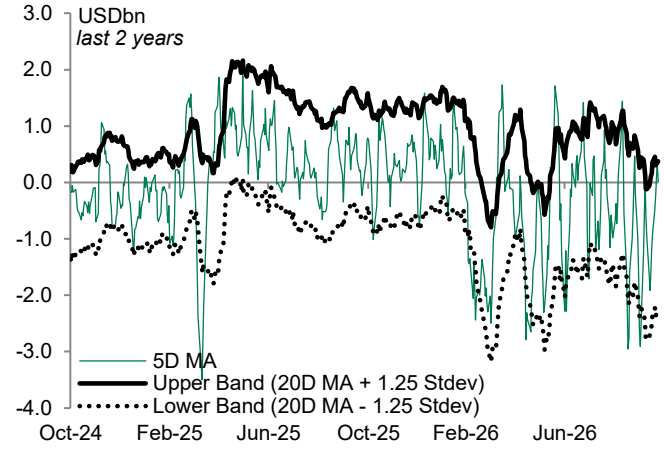
Daily portfolio flows – eight countries, debt and equity



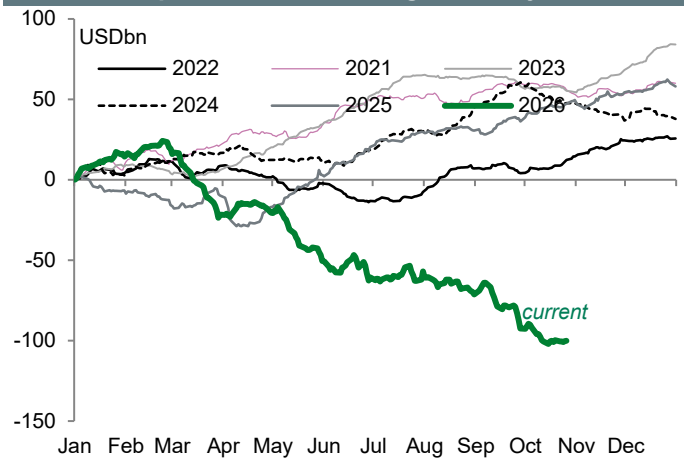
Weekly portfolio flows – 27 EMs, debt and equity



Portfolio flow warning – eight countries, debt and equity



Cumulative portfolio flows throughout the year



Eight countries = the BRL, HUF, INR, IDR, KRW, PHP, THB and ZAR
The 'EM group' refers to the 25 countries on the equity side and the 27 on the bond side for which we have weekly, monthly or quarterly equity and debt portfolio flow data
Full details regarding the construction of the indexes and our methodology can be found in EM portfolio flows: introducing our in-house flows indexes

Source all charts: local treasuries, Bloomberg, Crédit Agricole CIB

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Calendar

Main data/event calendar

	Asia	EMEA	Latam	G10
Weds, 28 Oct		**TRY – Trade balance** (Sep) **RUB – Retail sales**, industrial production (Sep)		**USD – FOMC Rate Decision (28 Oct)**: we still lean towards a skip in October followed by a hike in December, though the upside surprise in September inflation data makes this a closer call
Thurs, 29 Oct	**SGD – Unemployment rate** (Sep)	**EGP – CBE rate decision:** likely status quo (depo rate at 19%) as inflation uncertainty still looms and given the recent EGP depreciation	**CLP – Unemployment Rate** (Sep)	**EUR – ECB rate decision (Oct):** we expect the ECB to stay on hold and prepare the December hike. We expect the ECB to hike again once in Q127 to a 3.00% terminal rate. **USD – PCE Inflation (Sep)**: stronger-than-expected CPI and PPI data suggests a MoM core print on the cusp of rounding between 0.3-0.4%, with the YoY pace edging up to 3.1% from 3.0% **USD – GDP (Q3 A)**: we are currently tracking another quarter of strong growth, with headline accelerating to around 3.0% or slightly above, with solid advances in both consumption and non-residential investment
Fri, 30 Oct	**HKD – Money Supply** (Sep) **INR – Fiscal Deficit YTD INR** (Sep) **INR – Bank Credit YoY** (Sep) **INR – Foreign Reserves** (23-Oct) **KRW – Industrial Production** (Sep) **KRW – Cyclical Leading Index** (Sep) **PHP – Bank Lending** (Sep) **PHP – Money Supply** (Sep) **PHP – Trade** (Sep) **SGD – Money Supply** (Sep) **TWD – GDP YoY** (Q3 A): +11.8% YoY as AI continues to power the Taiwan economy **THB – BoP Current Account Balance** (Sep) **THB – Trade** (Sep) **THB – BoP Overall Balance** (Sep)	**HUF, CZK – Flash GDP** (Q3): subdued growth **HUF, CZK – Flash GDP** (Q3): stabilization of growth **PLN – Flash CPI** (Oct): to decline slightly **ZAR – Trade balance** (Sep)	**BRL – Budget Balance** (Sep) **BRL – Unemployment Rate** (Sep) **MXN – GDP** (Q3) **COP – Overnight Lending Rate:** we expect a hold at 12.25% **COP – Unemployment Rate** (Sep) **CLP – Retail Sales** (Sep)	**JPY – BoJ rate decision (Oct)** **EUR – France, Germany, Italy and Eurozone GDP growth (Q3-P)** **USD – ECI (Q3)**: the Fed's preferred wage metric has slowly ground lower, but remains modestly above pre-Covid levels on a YoY basis
Weekend	**CNY – Manufacturing PMI** (Oct) 31 Oct: 49.8 **CNY – Non-manufacturing PMI** (Oct) 31 Oct **CNY – Composite PMI** (Oct) 31 Oct **KRW – Trade** (Oct) 01 Nov: 86.0% YoY export growth and 38.1% YoY import growth		**PEN – CPI** (Oct)	
Mon, 2 Nov	**CNY – RatingDog China PMI Mfg** (Oct) **INR/IDR/KRW/SGD/TWD/THB/VND – PMI Mfg** (Oct F) **IDR – Trade** (Sep) **IDR – CPI** (Oct) **SGD – Foreign Reserves** (Oct)	**PLN, HUF, CZK – PMI** (Oct): mixed sentiment **RUB, TRY, ZAR – PMI manuf.** (Oct)	**CLP – Economic Activity** (Sep)	
Tues, 3 Nov	**HKD – Retail Sales** (Sep) **HKD – GDP YoY** (Q3 A): 3.6% YoY as Q3 growth remains resilient and strengthens QoQ vs Q2 **KRW – CPI** (Oct): 2.7%YoY **PHP – PMI Mfg** (Oct) **VND – CPI** (Oct) **VND – Trade** (Oct) **VND – Industrial Production** (Oct) **VND – Retail Sales** (Oct)	**TRY – CPI** (Oct): inflation has likely continued to decrease, at a gradual pace: we expect 29.0% YoY (after 29.7% in September)	**BRL – S&P Global Manufacturing PMI** (Oct) **MXN – S&P Global Manufacturing PMI** (Oct)	**USD – JOLTS report (Sep)**

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	Asia	EMEA	Latam	G10
Weds, 4 Nov	**CNY – RatingDog China PMI Composite** (Oct) **CNY – RatingDog China PMI Services** (Oct) **HKD – PMI** (Oct) **INR – PMI** (Oct F) **KRW – Foreign Reserves** (Oct) **SGD – Automobile COE Open Bid** (04-Nov)	**PLN – NBP rate decision**: rates unchanged, new projection focus on the (more hawkish) tone **CZK – Flash CPI** (Oct): again above the central bank's target **HUF – Industrial production** (Sep)	**BRL – Selic rate:** we expect a hold given inflation running above target band and the increase in fiscal risk premium following the election **COP – Quarterly Monetary Policy Report** **CLP – BCCh Meeting Minutes**	**USD – ISM services (Oct)**
Thurs, 5 Nov	**IDR – GDP QoQ** (Q3) **IDR – GDP YoY** (Q3) **KRW – BoP** (Sep) **MYR – BNM Overnight Policy Rate** (05-Nov) **PHP – Bank Lending** (Sep) **PHP – CPI** (Oct): 7.5% YoY **PHP – Core CPI YoY 2018=100** (Oct) **SGD – Retail Sales** (Sep) **TWD – CPI** (Oct): 2.1% YoY as inflationary pressures remain moderate **TWD – PPI** (Oct) **THB – CPI (Oct)**	**CZK – CNB rate decision**: elevated inflation and new projection will likely justify a 25bp hike **CZK – Retail sales** (Sep) **ZAR – Electricity production and consumption** (Sep)	**BRL – Industrial Production** (Sep) **BRL – S&P Global Services and Composite PMI** (Oct) **MXM – Gross Fixed Investment** (Aug) **COP – BanRep Meeting Minutes**	**GBP – BoE rate decision (5 Nov)**
Fri, 6 Nov	**HKD/INR/IDR/MYR/PHP – Foreign Reserves** (Oct) **PHP – Unemployment Rate** (Sep)	**CZK – Industrial production** (Sep) **HUF – Retail sales** (Sep)	**BRL** – Trade Balance (Oct) **MXN – Overnight Rate:** we expect a hold at 6.50% as inflation and tighter external financing conditions prevent easing despite weak economy **CLP – CPI** (Oct)	**USD – Job report (Oct)**

Key: **Main market movers** *highlighted in gold*

Source: Bloomberg, Crédit Agricole CIB

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Economic forecasts

	Real GDP (YoY. %)			CPI (YoY. %)			Current Account (% GDP)		
	25	26	27	25	26	27	25	26	27
USA	**2.1**	**2.1**	**2.0**	**2.7**	**3.4**	**2.4**	**-3.8**	**-3.5**	**-3.4**
JAPAN	**1.2**	**0.8**	**0.6**	**3.0**	**2.1**	**1.1**	**4.8**	**4.0**	**3.0**
EUROZONE	**1.3**	**1.0**	**1.1**	**2.1**	**3.1**	**3.0**	**1.7**	**1.3**	**1.2**
Belgium	1.0	0.6	0.7	3.0	3.6	2.8	-1.9	-0.1	-0.1
France	0.9	0.4	0.7	0.9	2.4	2.4	-0.4	-1.2	-0.6
Germany	0.3	1.0	1.1	2.3	2.8	3.7	4.5	4.2	3.7
Italy	0.7	0.9	0.5	1.6	3.1	2.4	1.1	1.0	1.2
Netherlands	1.6	1.3	1.1	3.0	2.9	3.4	7.6	7.7	7.9
Spain	2.8	2.4	1.7	2.7	3.9	3.4	2.9	1.7	1.5
Other developed countries									
Australia	2.1	2.2	2.3	3.3	3.0	2.6	-2.1	-2.3	-2.6
Canada	1.1	1.5	1.8	2.0	2.1	2.0	-0.8	-1.0	-1.7
New Zealand	1.9	2.4	2.6	2.2	2.1	2.1	-3.6	-3.4	-3.4
Norway	1.1	1.1	0.8	3.1	3.2	2.5	14.2	20.2	18.9
Sweden	1.4	2.8	2.6	2.6	1.4	2.1	6.1	4.7	4.3
Switzerland	1.0	1.3	1.1	0.1	0.6	0.7	7.0	7.0	7.1
United Kingdom	1.3	1.4	1.1	3.4	3.2	2.9	-3.1	-3.7	-3.5
Asia	**5.2**	**5.1**	**4.8**	**1.0**	**2.4**	**2.3**	**3.1**	**3.4**	**3.6**
China	5.0	4.6	4.5	0.0	1.0	1.2	3.7	4.0	3.9
Hong Kong	3.2	4.1	3.0	1.4	2.0	2.0	12.3	11.2	9.5
India	7.0	6.5	6.7	2.6	5.2	4.5	-1.0	-2.9	-2.1
Indonesia	5.0	5.2	5.0	2.0	3.2	2.8	-0.1	-1.9	-1.7
Korea	1.0	3.5	2.7	2.1	2.7	2.4	6.6	22.0	23.4
Malaysia	4.2	4.5	4.3	2.0	2.2	2.0	1.9	1.8	1.8
Philippines	4.7	2.8	4.1	1.7	5.8	5.3	-2.3	-5.3	-4.8
Singapore	5.0	5.5	3.0	0.9	2.0	2.0	16.7	17.2	17.0
Taiwan	8.4	11.3	3.8	1.7	2.2	1.8	20.0	23.6	22.5
Thailand	2.0	2.1	2.0	-0.1	2.6	2.4	2.8	-4.5	-3.5
Vietnam	6.9	6.9	6.6	3.3	3.5	3.3	5.1	5.3	6.0
Latin America	**2.5**	**1.6**	**2.0**	**3.4**	**3.8**	**3.3**	**-0.5**	**-0.5**	**-0.8**
Brazil	2.3	1.9	1.6	5.0	4.5	4.1	-3.0	-2.2	-2.0
Chile	2.3	0.5	2.1	4.2	3.8	3.5	-2.3	-1.2	-1.5
Colombia	2.6	2.5	1.9	5.1	5.6	4.8	-2.4	-2.6	-2.2
Mexico	0.6	1.1	1.2	3.8	3.9	3.5	-0.5	-0.5	-0.4
Peru	3.4	2.7	2.4	1.5	3.3	2.5	3.1	1.5	0.6
Emerging Europe	**1.5**	**1.8**	**1.8**	**7.0**	**5.2**	**4.9**	**0.4**	**0.2**	**0.3**
Czech Republic	2.6	2.1	2.3	2.5	1.9	2.5	0.7	0.4	0.3
Hungary	0.4	2.0	2.5	4.4	1.8	3.0	1.5	-0.3	0.4
Poland	3.6	3.7	3.0	3.6	3.3	3.7	-0.8	-1.3	-1.3
Romania	0.7	-0.1	1.5	7.3	8.1	4.4	-8.0	-6.8	-5.6
Russia	1.0	1.4	1.4	8.7	6.0	5.8	1.8	1.7	1.6
Turkey	3.4	3.4	3.7	36.0	24.0	19.0	-1.5	-1.5	-2.0
Africa & Middle East	**3.3**	**-0.2**	**4.0**	**4.9**	**4.4**	**4.4**	**1.0**	**-0.3**	**0.0**
Algeria	3.8	3.1	2.9	1.5	6.5	5.5	-3.0	-3.0	-3.8
Egypt	4.4	4.6	4.0	20.9	13.3	14.0	-4.4	-4.6	-5.0
Iran	-	-	-	-	-	-	-	-	-
Kuwait	2.5	-13.5	15.0	2.3	2.4	2.3	22.6	17.0	19.0
Morocco	4.6	4.4	4.2	0.7	0.8	2.0	-2.5	-2.6	-2.6
Qatar	2.9	-14.5	12.0	0.6	2.6	2.6	15.5	8.0	10.0
Saudi Arabia	4.5	-2.5	5.0	2.1	2.3	2.4	-2.6	-2.0	-1.7
South Africa	1.1	1.2	1.2	3.2	4.4	4.2	-0.5	-1.5	-1.2
Tunisia	2.5	1.8	2.0	5.4	5.8	6.0	-2.8	-3.5	-3.2
United Arab Emirates	6.2	0.0	6.0	1.3	3.0	1.8	15.3	7.5	9.0
Total	**3.1**	**2.8**	**2.9**	**3.1**	**3.5**	**3.1**	**0.9**	**0.9**	**0.9**
Industrialised countries	**1.6**	**1.5**	**1.5**	**2.5**	**3.0**	**2.5**	**-0.5**	**-0.6**	**-0.8**
Emerging countries	**4.3**	**3.7**	**4.1**	**3.6**	**3.9**	**3.5**	**2.0**	**2.0**	**2.2**

Notes:
(1) CPI – for UK: HICP; for Brazil: IPCA
(2) India – fiscal year ending in March

Source: Crédit Agricole CIB

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Exchange rate forecasts

		27-Oct	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27
USD Exchange rate							
Industrialised countries							
Euro	EUR/USD	1.11	1.13	1.13	1.14	1.16	1.17
Japan	USD/JPY	157.9	156.0	155.0	154.0	152.0	150.0
United Kingdom	GBP/USD	1.33	1.31	1.32	1.34	1.37	1.39
Switzerland	USD/CHF	0.83	0.84	0.84	0.83	0.81	0.80
Canada	USD/CAD	1.40	1.38	1.36	1.34	1.33	1.32
Australia	AUD/USD	0.70	0.69	0.70	0.70	0.72	0.73
New Zealand	NZD/USD	0.57	0.58	0.60	0.61	0.62	0.63
Euro Cross rates							
Industrialised countries							
Australia	EUR/AUD	1.58	1.64	1.61	1.63	1.61	1.60
Canada	EUR/CAD	1.6	1.559	1.537	1.528	1.543	1.544
Japan	EUR/JPY	175.70	176.28	175.15	175.56	176.32	175.50
New Zealand	EUR/NZD	2.0	1.948	1.883	1.869	1.871	1.857
Norway	EUR/NOK	10.38	10.70	10.50	10.40	10.30	10.20
Singapore	EUR/SGD	1.4	1.435	1.435	1.436	1.462	1.463
Sweden	EUR/SEK	11.08	10.60	10.50	10.60	10.50	10.40
Switzerland	EUR/CHF	0.92	0.95	0.95	0.95	0.94	0.94
United Kingdom	EUR/GBP	0.84	0.86	0.86	0.85	0.84	0.84
Asia							
China	USD/CNY	6.67	6.62	6.60	6.60	6.55	6.50
Hong Kong	USD/HKD	7.84	7.81	7.82	7.82	7.82	7.80
India	USD/INR	95.11	96.00	94.00	94.00	92.00	92.00
Indonesia	USD/IDR	18145	17600	17500	17500	17250	17250
Malaysia	USD/MYR	4.09	4.02	4.00	3.98	3.96	3.95
Philippines	USD/PHP	63.9	61.2	61.0	60.8	60.5	60.0
Singapore	USD/SGD	1.28	1.27	1.27	1.26	1.26	1.25
South Korea	USD/KRW	1326	1320	1310	1305	1290	1270
Taiwan	USD/TWD	32.4	31.6	31.5	31.5	31.4	31.2
Thailand	USD/THB	33.8	33.0	33.0	32.8	32.5	32.0
Vietnam	USD/VND	25832	26250	26200	26200	26100	26000
Latin America							
Brazil	USD/BRL	5.35	5.25	5.30	5.35	5.40	5.45
Chile	USD/CLP	984.12	960.00	940.00	920.00	900.00	890.00
Colombia	USD/COP	3150.00	3550.00	3600.00	3650.00	3700.00	3750.00
Mexico	USD/MXN	18.67	18.00	18.25	18.50	18.75	19.00
Peru	USD/PEN	3.44	3.45	3.50	3.55	3.60	3.65
Africa							
South Africa	USD/ZAR	16.63	16.10	15.90	15.70	15.50	15.50
Emerging Europe							
Poland	USD/PLN	3.95	3.82	3.82	3.79	3.72	3.68
Russia	USD/RUB	80.55	77.00	80.00	81.00	82.00	83.00
Turkey	USD/TRY	49.80	51.50	52.50	53.50	54.10	55.00
Central Europe							
Czech Rep.	EUR/CZK	24.32	24.10	23.90	23.60	23.30	23.10
Hungary	EUR/HUF	365	364	362	360	358	357
Poland	EUR/PLN	4.40	4.32	4.32	4.32	4.31	4.30
Romania	EUR/RON	5.35	5.28	5.28	5.30	5.30	5.30

Source: Crédit Agricole CIB

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Policy rate forecasts

		27-Oct	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27
Asia							
China	7d reverse repo rate	1.40	1.40	1.30	1.30	1.30	1.30
Hong Kong	Base rate	4.25	4.50	4.75	4.75	4.75	4.25
India	Repo rate	5.50	5.75	6.00	6.00	6.00	6.00
Indonesia	7D (reverse) repo rate	5.75	5.75	6.00	6.00	6.00	6.00
Korea	Base rate	3.00	3.25	3.50	3.50	3.50	3.50
Malaysia	OPR	3.00	3.00	3.00	3.00	3.00	3.00
Philippines	Repo rate	5.50	5.75	6.00	6.00	6.00	6.00
Singapore	O/N SORA	1.28	1.50	1.80	1.80	1.85	1.65
Taiwan	Redisc	2.00	2.13	2.13	2.13	2.13	2.13
Thailand	Repo	1.00	1.00	1.00	1.00	1.25	1.25
Vietnam	Refinancing rate	4.50	4.50	4.50	4.50	4.50	4.50
Latin America							
Brazil	Overnight/Selic	13.75	13.75	13.75	13.25	12.75	12.50
Chile	o/n lending rate	4.50	4.50	4.50	4.50	4.50	4.50
Colombia	o/n lending rate	12.25	12.25	12.25	12.25	11.75	11.25
Mexico	Overnight rate	6.50	6.50	6.50	6.50	6.50	6.50
Peru	o/n lending rate	4.25	4.25	4.25	4.25	4.25	4.25
EMEA							
Czech Rep.	14D repo	3.75	4.00	4.00	4.00	4.00	3.75
Hungary	Base rate	5.50	5.50	5.50	5.50	5.25	5.00
Poland	7D repo	3.75	4.00	4.00	4.00	3.75	3.50
Romania	2W repo	6.50	6.50	6.00	5.50	5.00	4.50
Russia	1W auction rate	14.00	13.50	12.50	11.50	10.50	10.00
South Africa	Repo	7.25	7.25	6.75	6.25	6.00	6.00
Turkey	1W repo rate	36.00	35.00	32.00	29.00	27.00	25.00

Source: Crédit Agricole CIB

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Source: RMA by Crédit Agricole CIB

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