



# Metatron Emerging and Frontier Fund Opportunities in CEE and Beyond

Cbonds Poland & CEE Bond Conference  
Warszawa, October 2014



## Opportunities in CEE and beyond

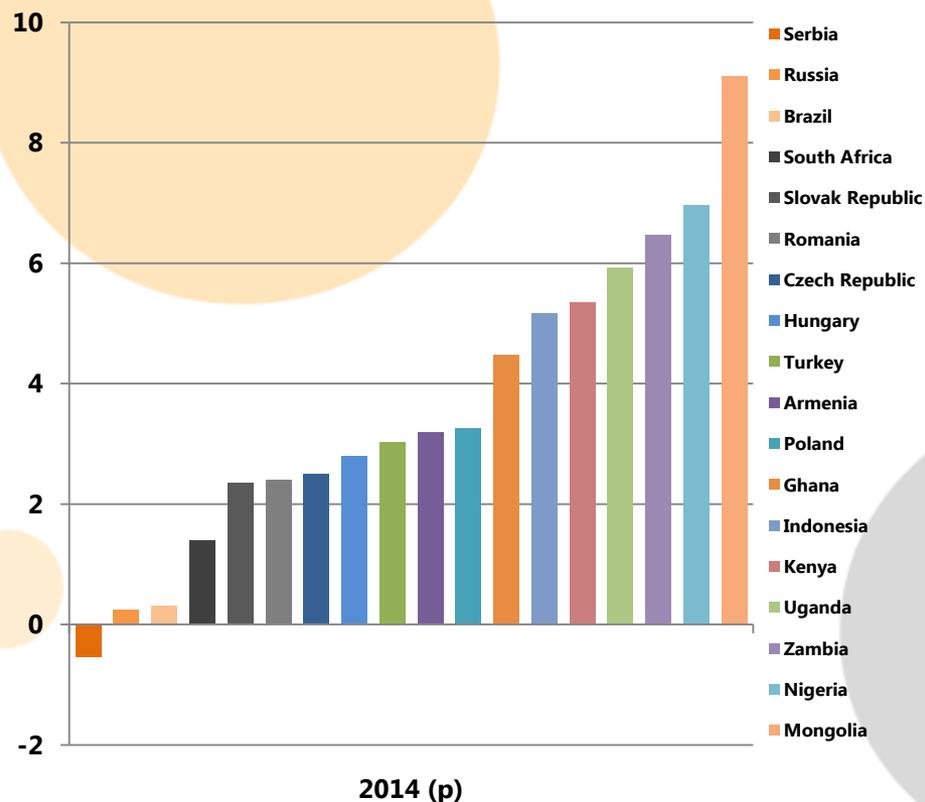
- Why Emerging and Frontier markets?
- Growth vs. indebtedness
- Twin deficits
- Change in current account vs. nominal yield
- How much is priced in?
- Selecting the best

# Why Emerging and Frontier markets?

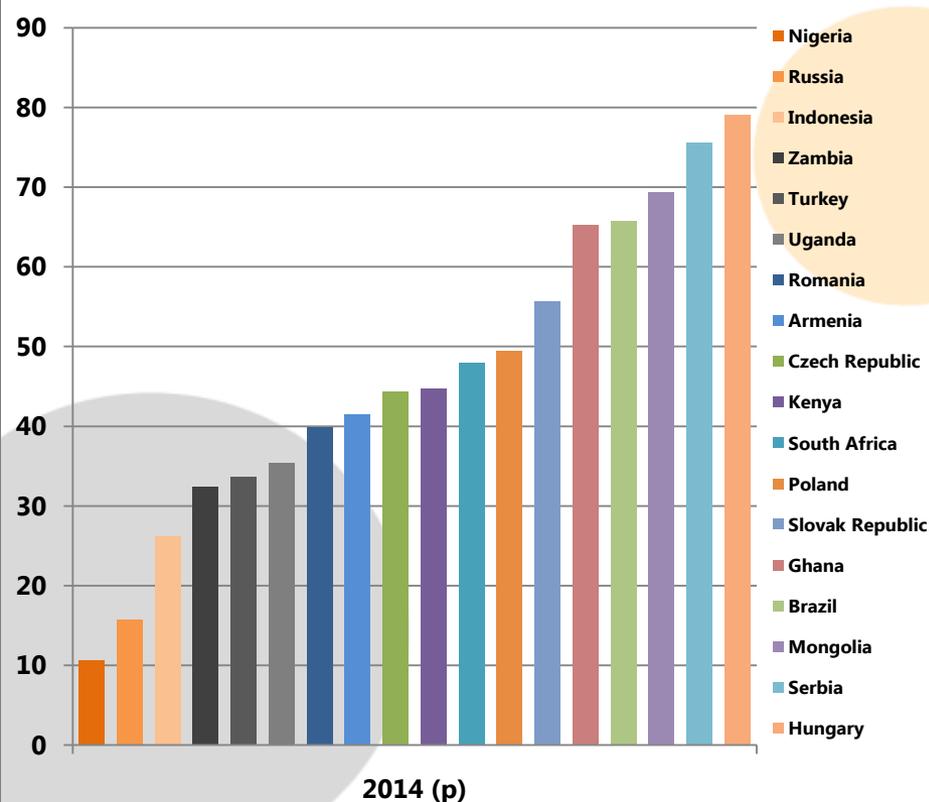


- Developed markets are indebted and do not grow
- Emerging /Frontier countries grow and have low levels of debt

### Real GDP growth, % YoY



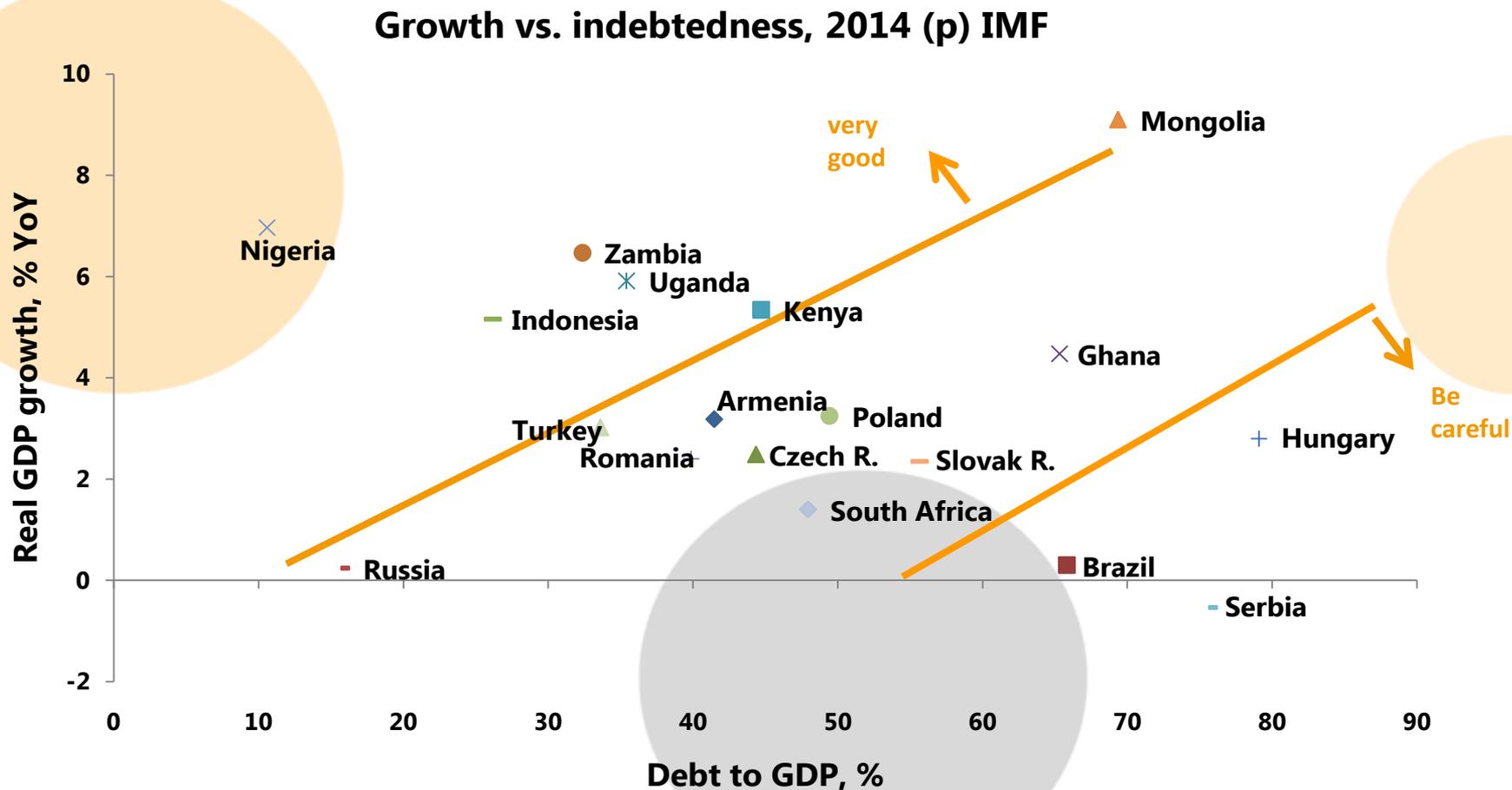
### Debt to GDP, %



# Why Emerging and Frontier markets?



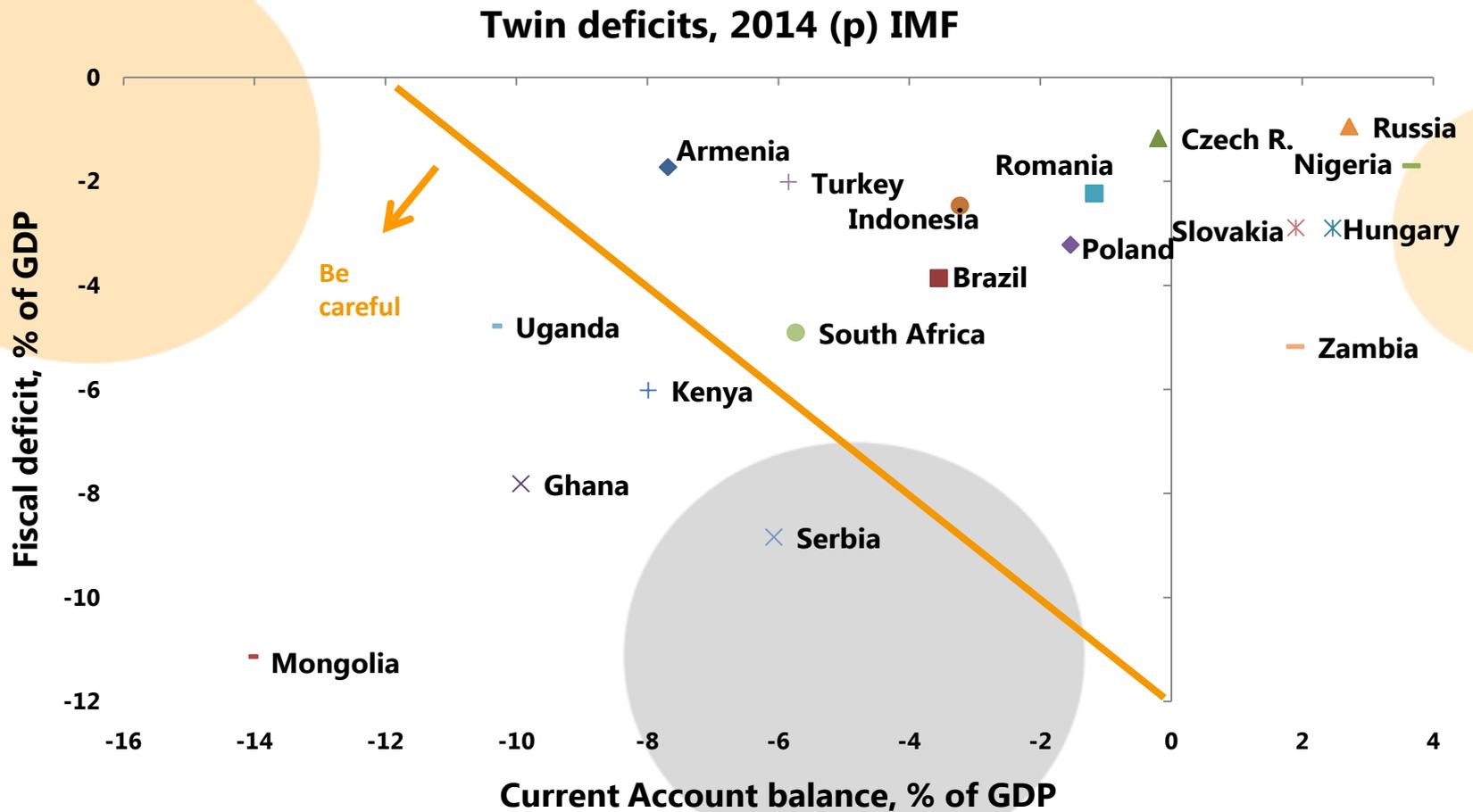
- You want to invest in country that grows and has low level of debt?



# Twin deficits



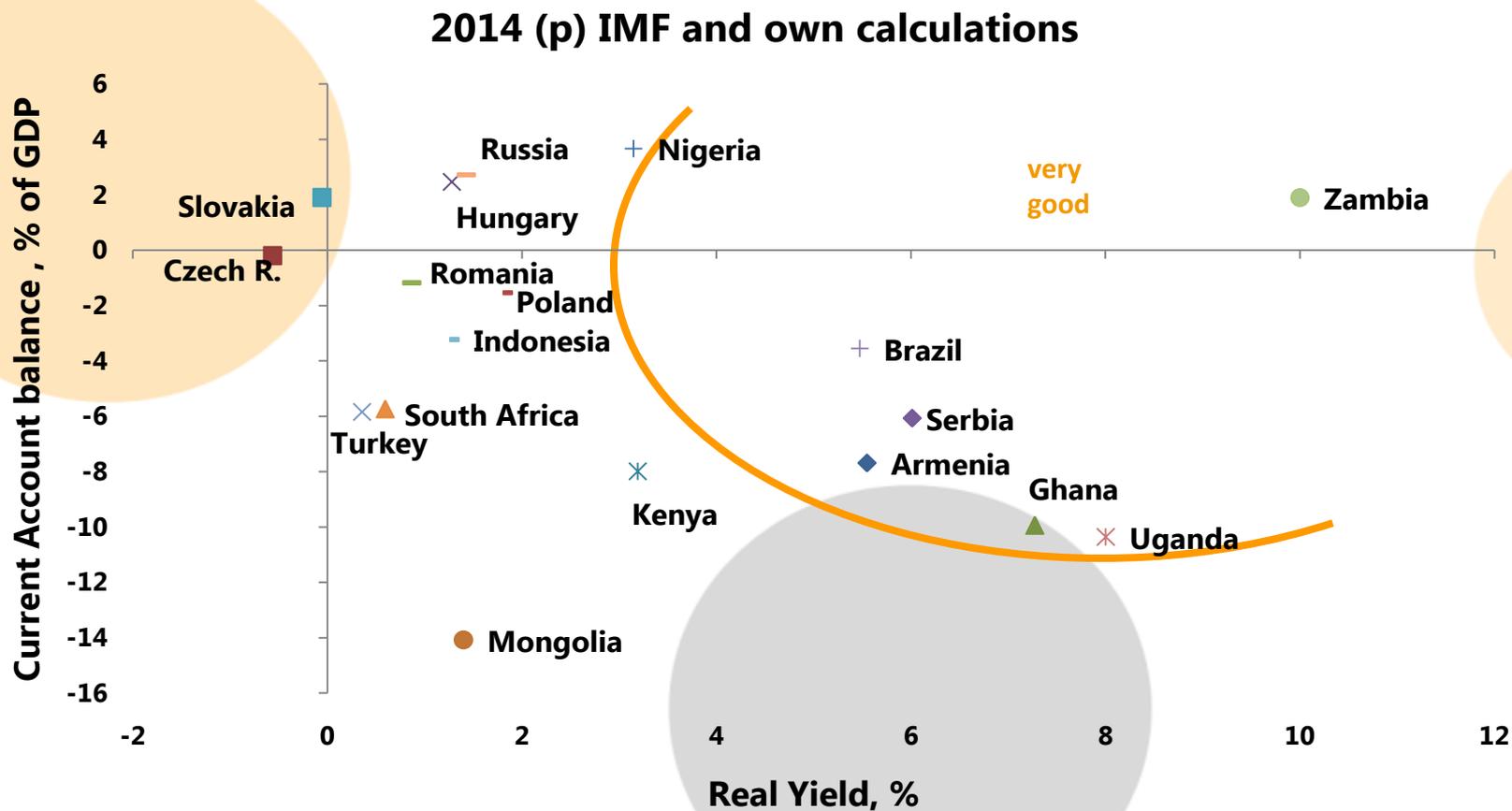
- Be careful, look at dynamics, improvements, reasons



# Current account versus real yield



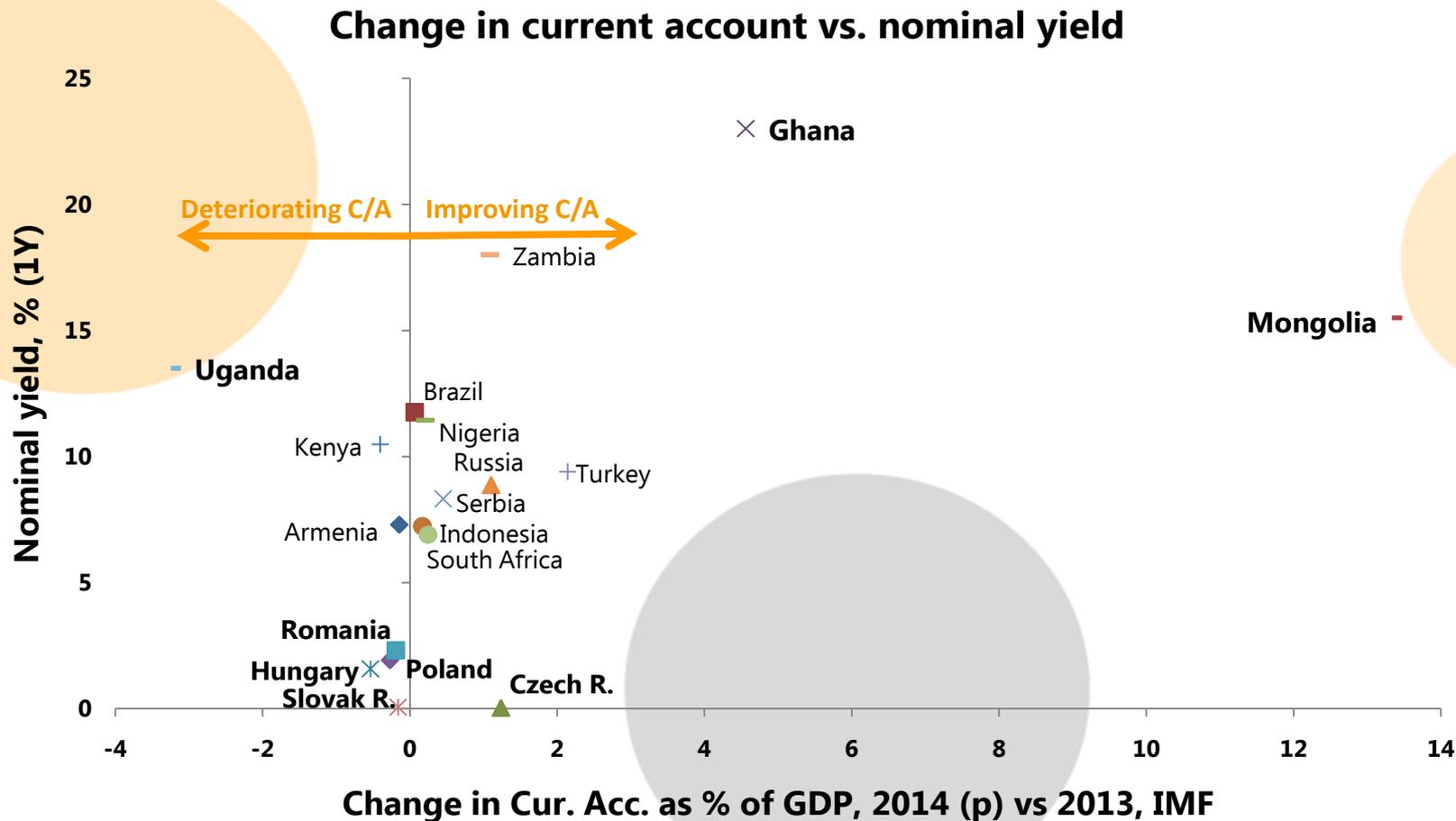
- Where you get paid for current account deficit?



# Change in current account vs. nominal yield



## Looking for improvements



# Selecting the best



	Growth	Low debt	Twin deficit	C/A vs. R. Yield	Improve ment	Nominal Yield	Priced in LCy?	5y REER*	
Mongolia	Top 2	Bad 5	Bad 2	Bad 2	Top 2	15.5%	-32%	-34%	
Zambia	Top 5	Top 5		Top 2	Top 5	18.0%	-20%	- 7%	😊
Nigeria	Top 2	Top 2	Top 2	Top 5		11.5%	-5%	Up 57%	😊
Uganda	Top 5		Bad 5	Top 5	Bad 2	13.5%	0%	0%	
Kenya	Top 5		Bad 5			10.5%	-3%	-13%	
Russia		Top 2	Top 2		Top 5	8.8%	-30%	Up 7%	?
Turkey		Top 5		Bad 2	Top 2	9.4%	-25%	-17%	
Indonesia		Top 5				7.2%	-25%	-8%	
Serbia		Bad 2	Bad 5	Top 5		8.3%	-6%	-6%	

\*CPI based REER, IMF;  
Trade weighted BIS;  
Metatron calculations



**Dziękuję bardzo za uwagę!**

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