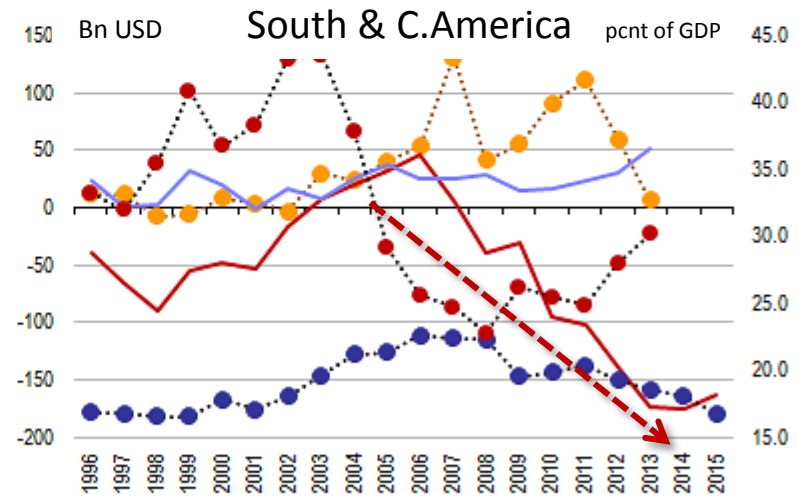
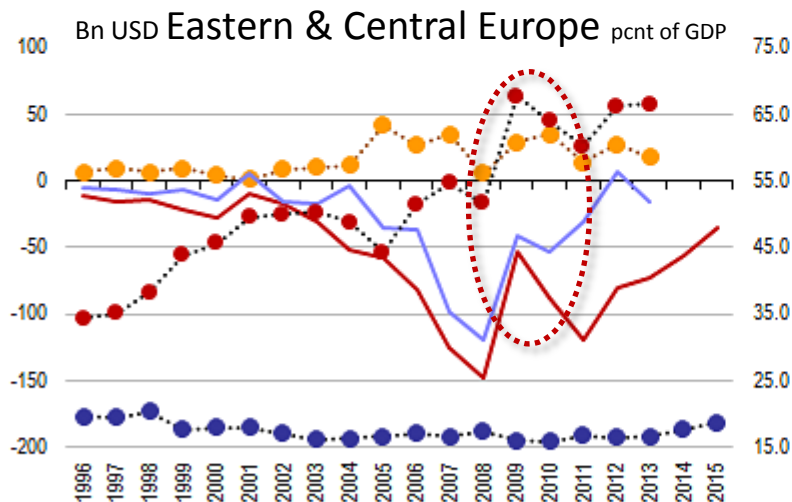
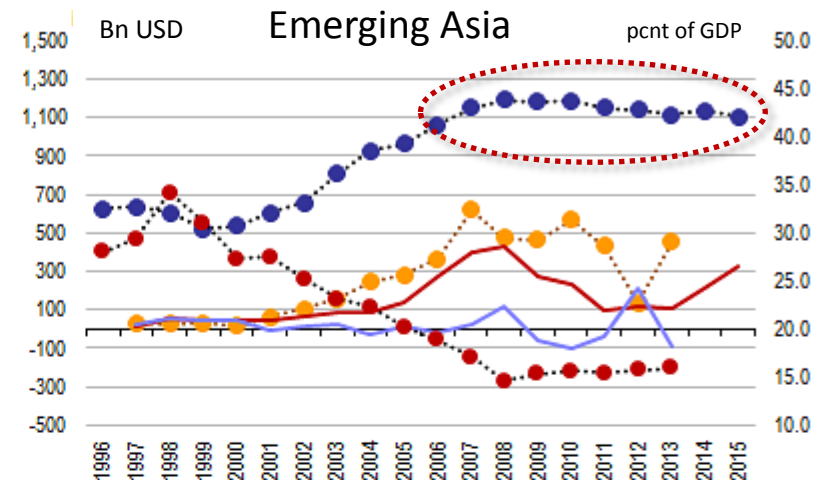
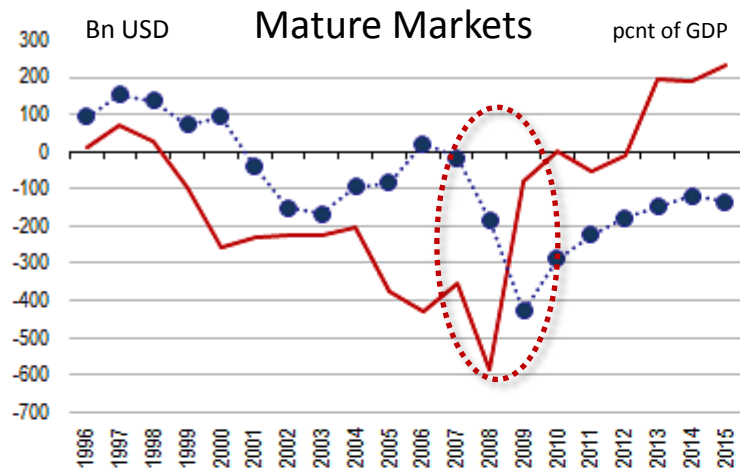


Non-convincing macro. The after-crisis correction has not been satisfactory worldwide. It took the second wave of crisis in eurozone to improve fundamentals there. Emerging Asia needs more to be done.

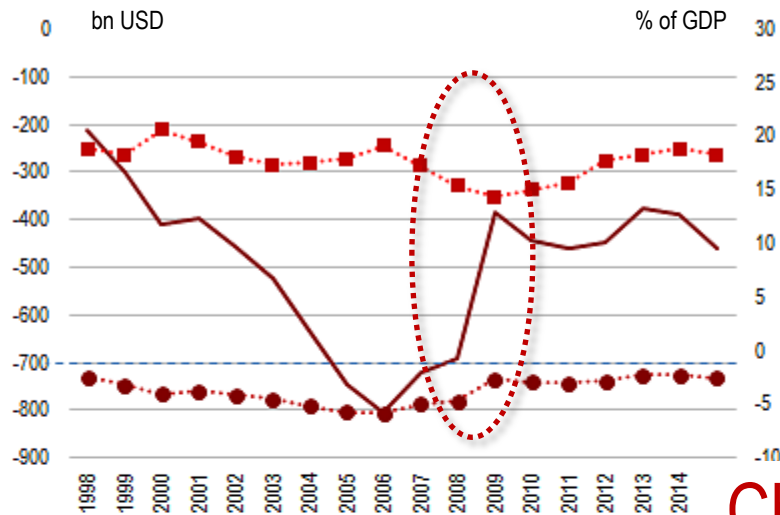


Source: World Bank

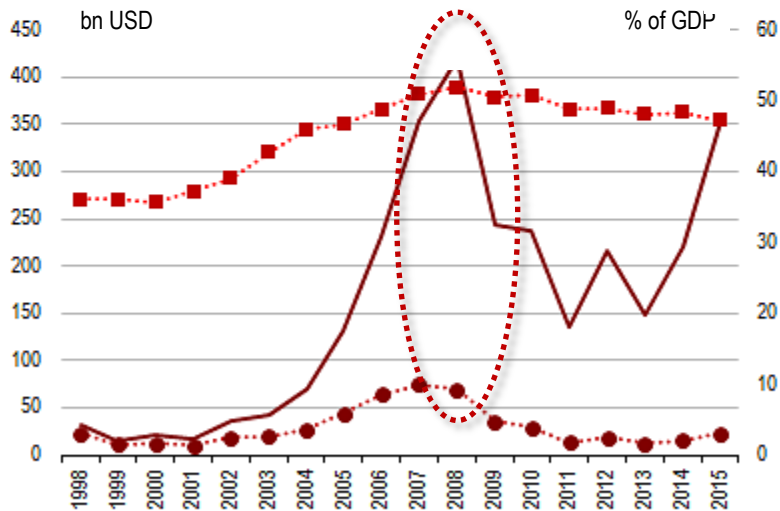
●●● Intl. Reserve Chnge, bn USD    — Current Acct Bal, bn USD    — Net Private Capital, bn USD  
 ●●● Total Savings, % of GDP    ●●● External Debt, % of GDP

Imbalances between China and USA tend to build up again. Deleveraging in China must go its course yet.

USA

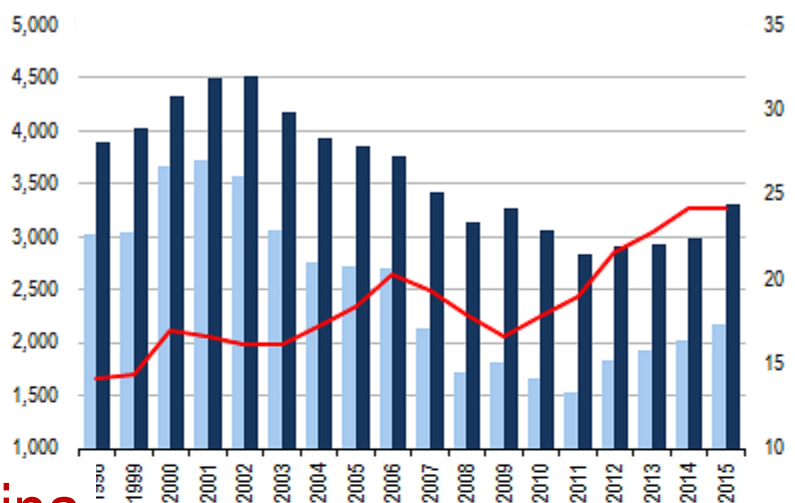


China



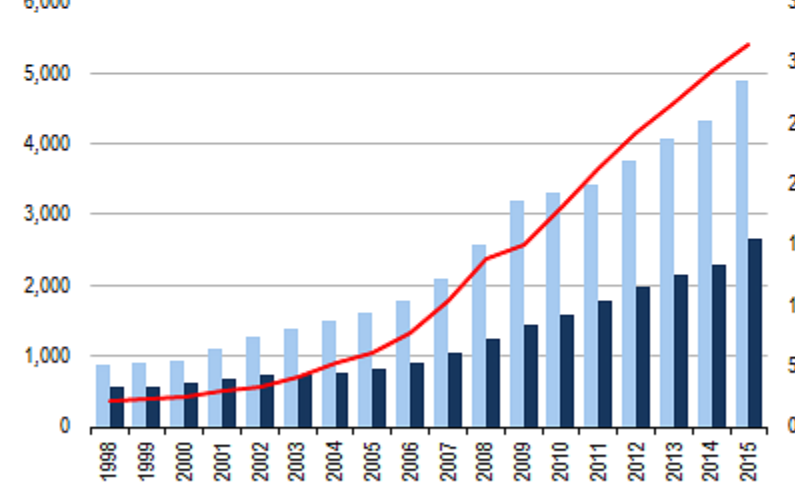
bn USD

% of total

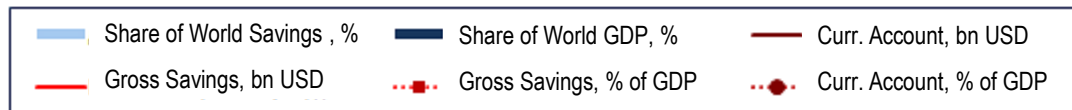


bn USD

% of total

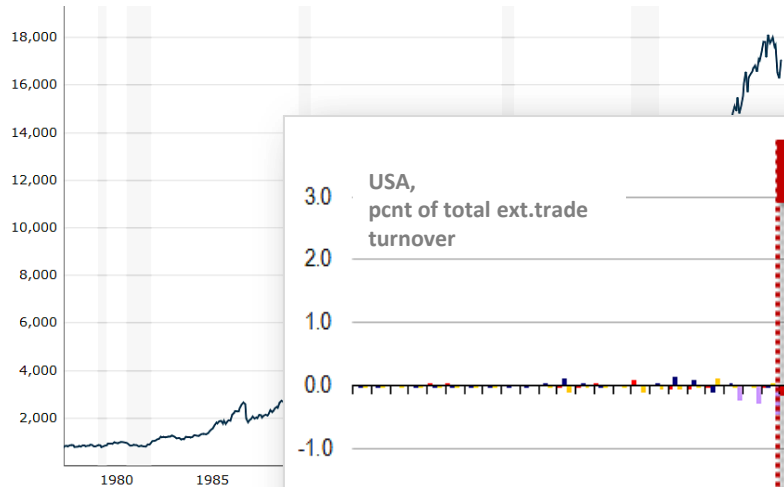


Source: World Bank

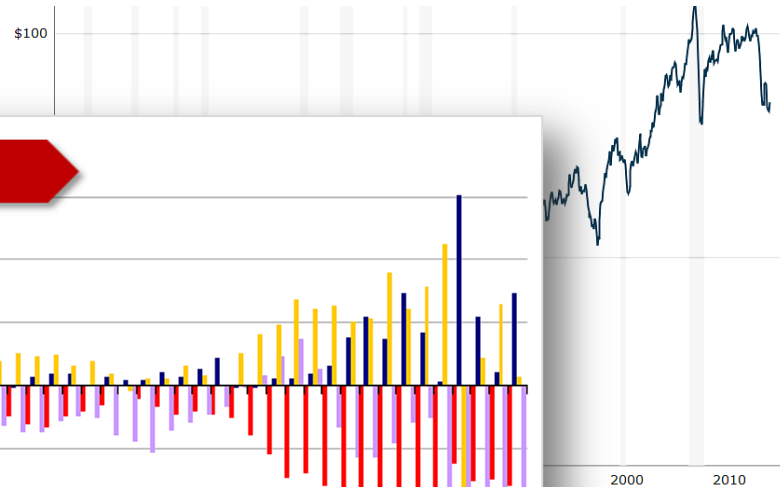


The Great Macroeconomic Volatility emerged out of the liberalized financial sector in mid-1990s. Later on, it gave place to a greater asset volatility.

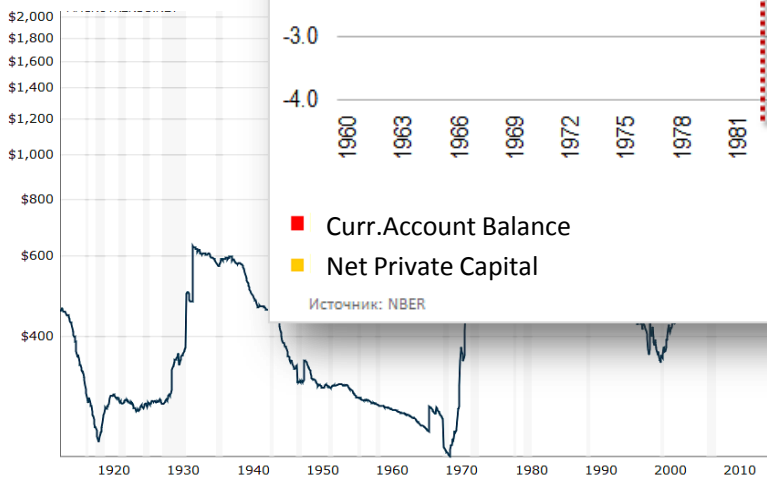
Dow Jones



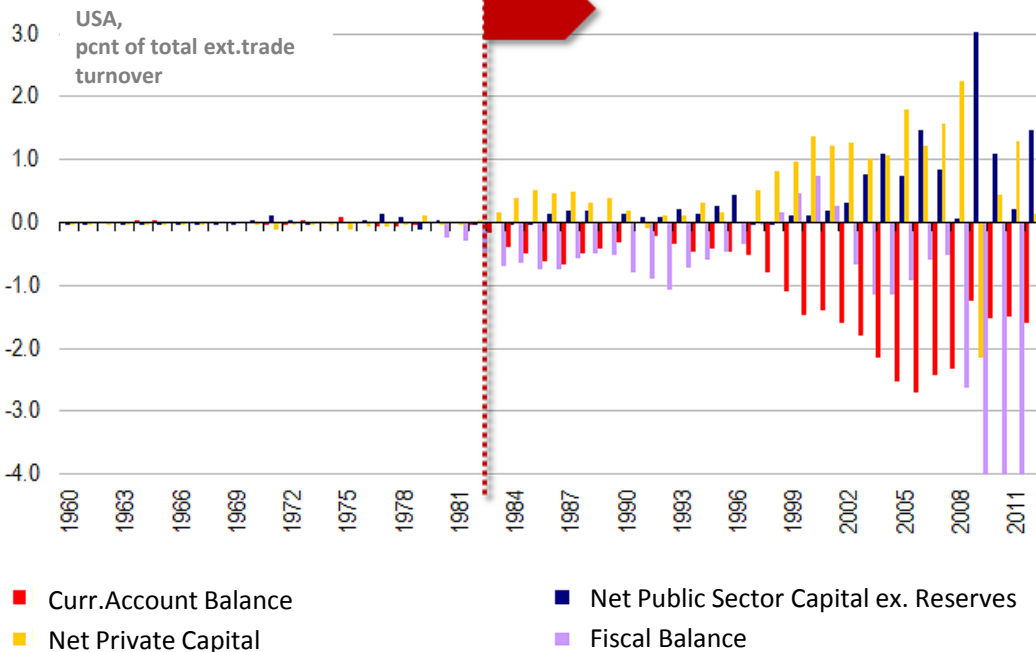
Oil



Gold



USA,  
pcnt of total ext.trade  
turnover



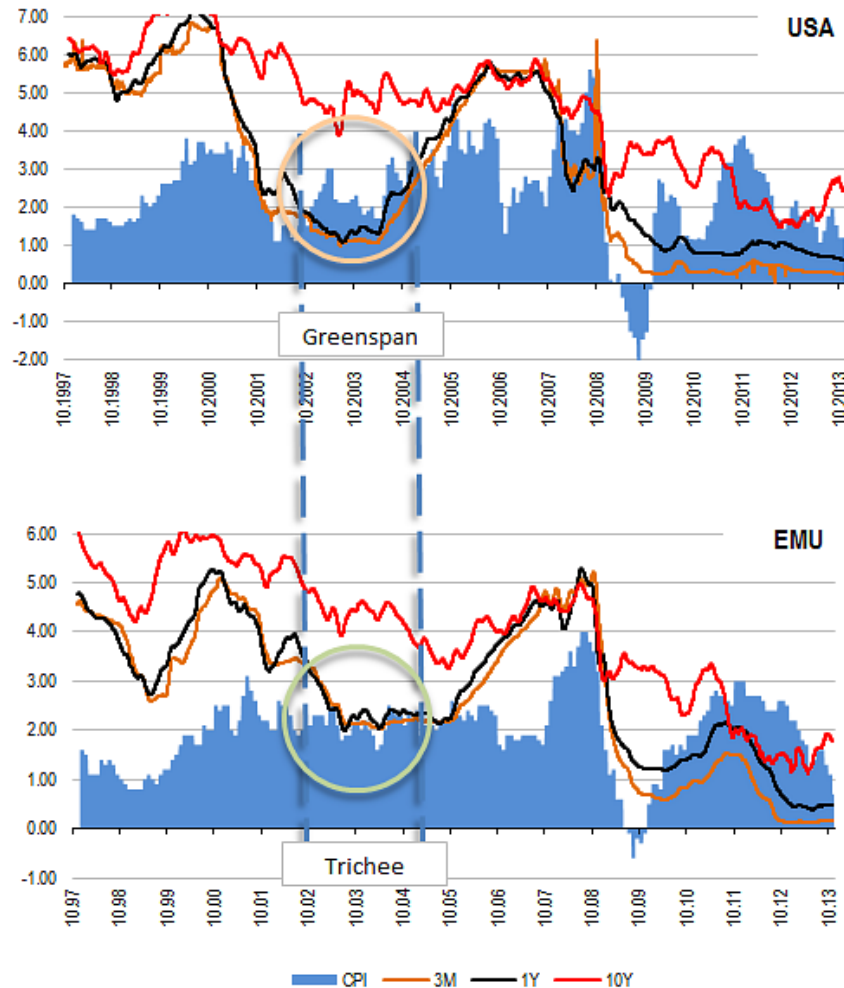
■ Curr.Account Balance  
■ Net Private Capital

■ Net Public Sector Capital ex. Reserves  
■ Fiscal Balance

Источник: NBER

Source: Macrotrends.net

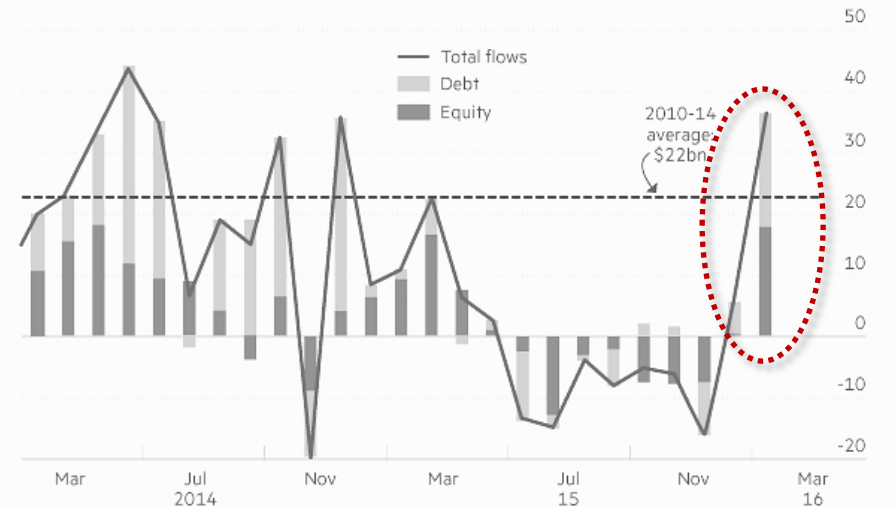
After the dismantling of Iron Curtain and China opening its markets, we have got two largest poles of capital attraction: innovation-based DMs and still largely extensive EMs. The cycle of cheap funds has had a rather long history already (of about 14 years, incl. 8 years of QE.)



Source: Reuters

### Investors surge back into EM assets

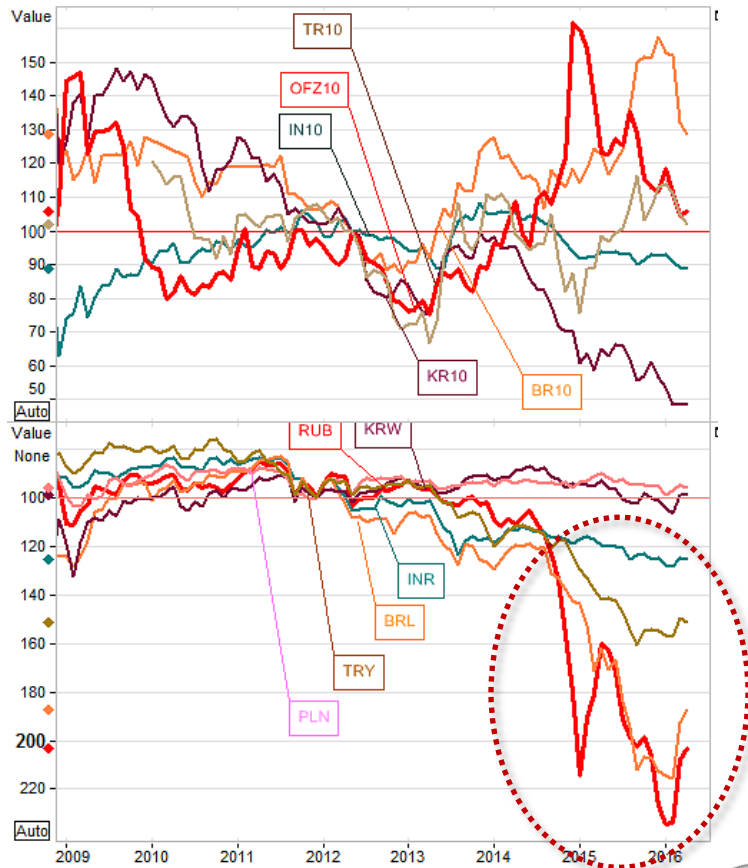
Total non-resident portfolio inflows to emerging markets (\$bn)



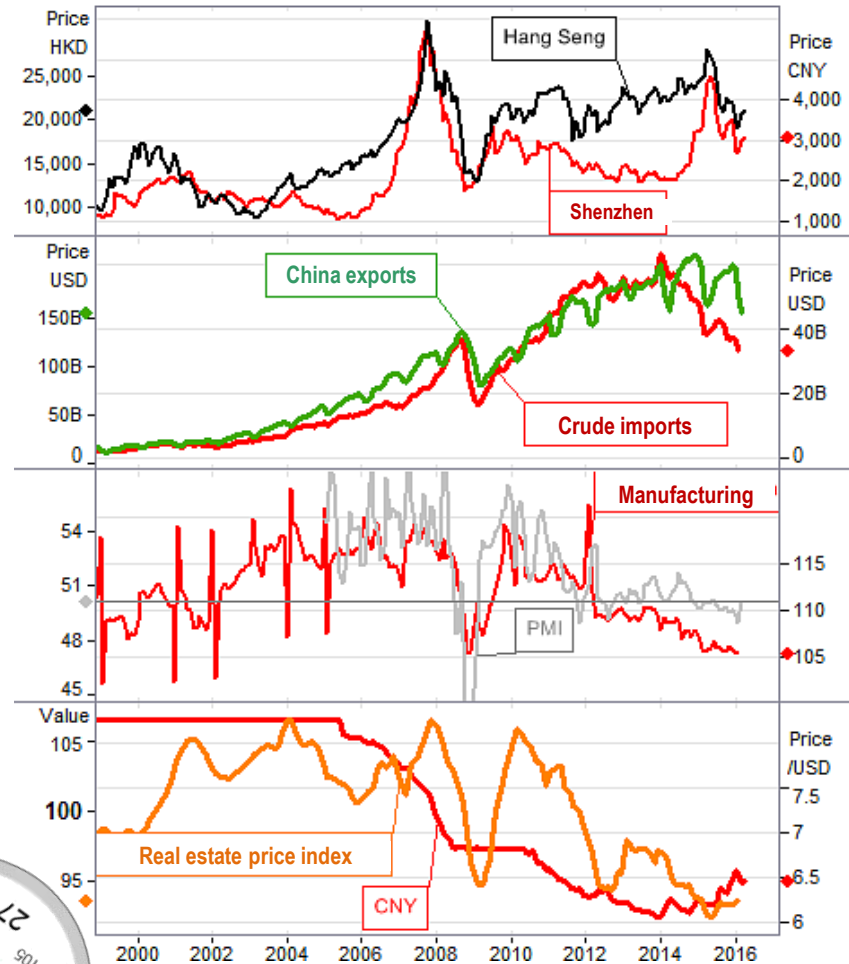
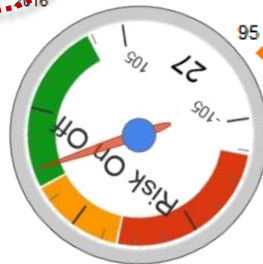
Source: Financial Times



Russia is not alone: at least of the BRIC, BR is falling very much in parallel. Given Russian stronger external balances, Russia looks undervalued. On the other hand, China that drives many markets, directly or indirectly, has been yet a new cause of doubts.

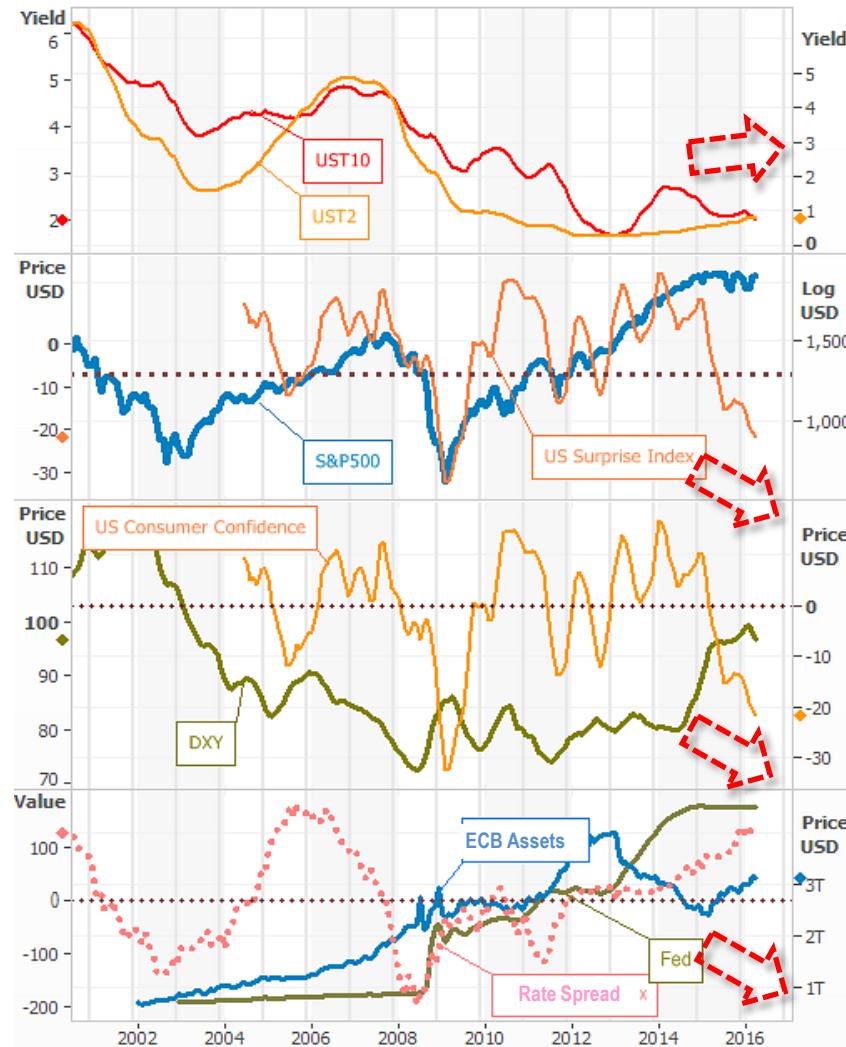


Source: Reuters

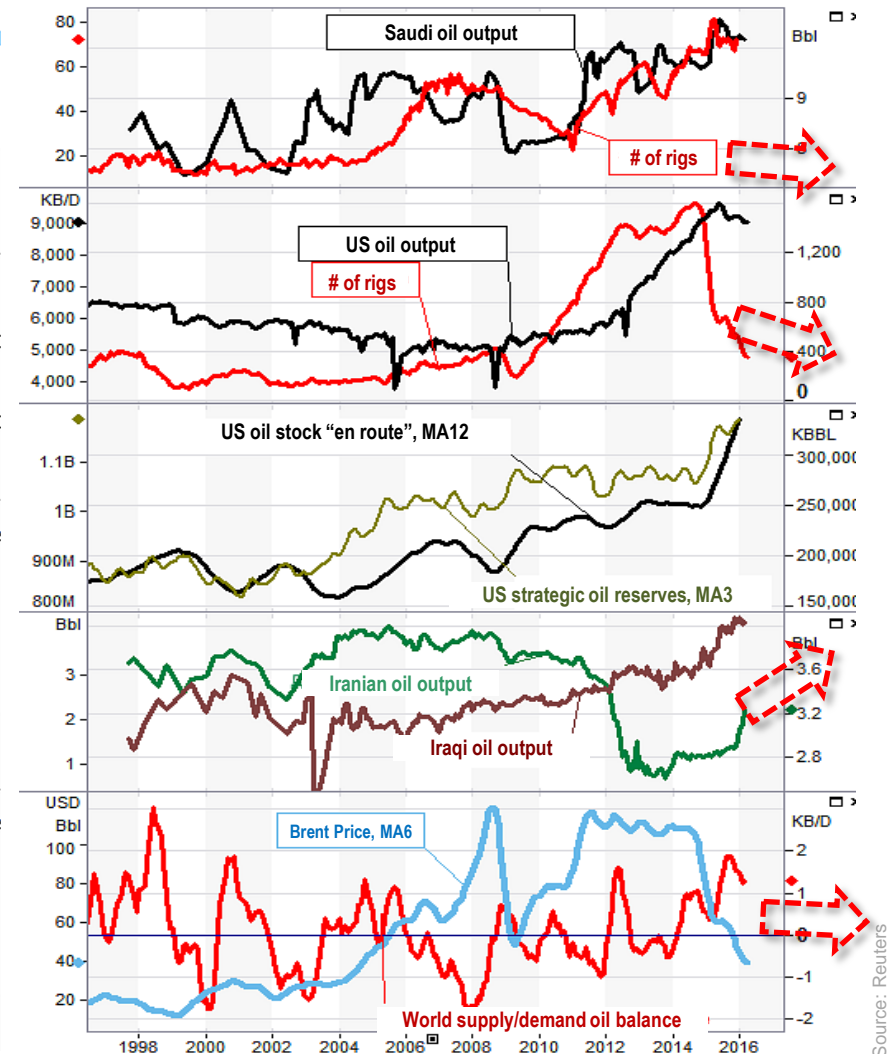


Source: Reuters

'The Great US Trade'... Is it approaching the end? If so, no matter how unfavorable the global fundamental oil picture is...



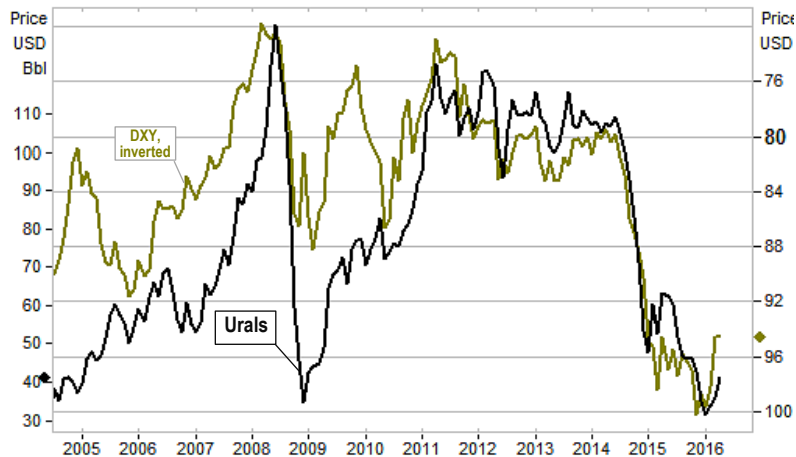
Source: Reuters



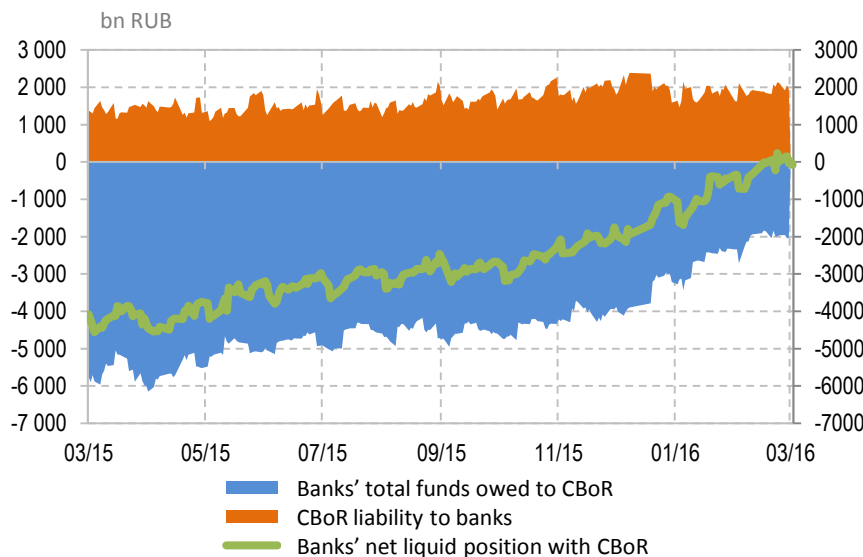
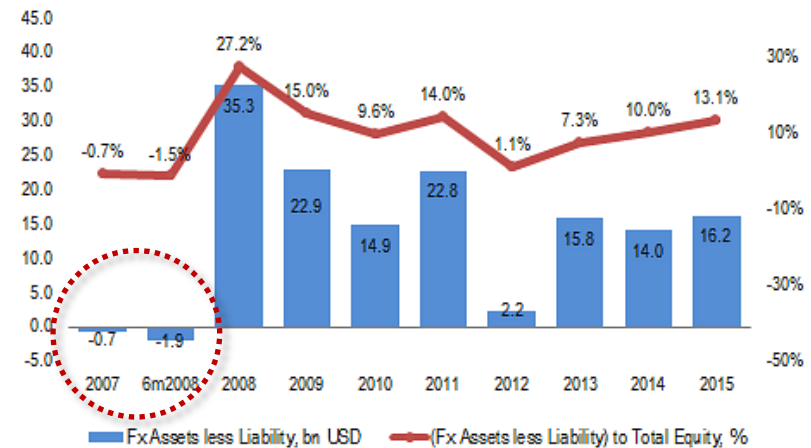
Source: Reuters



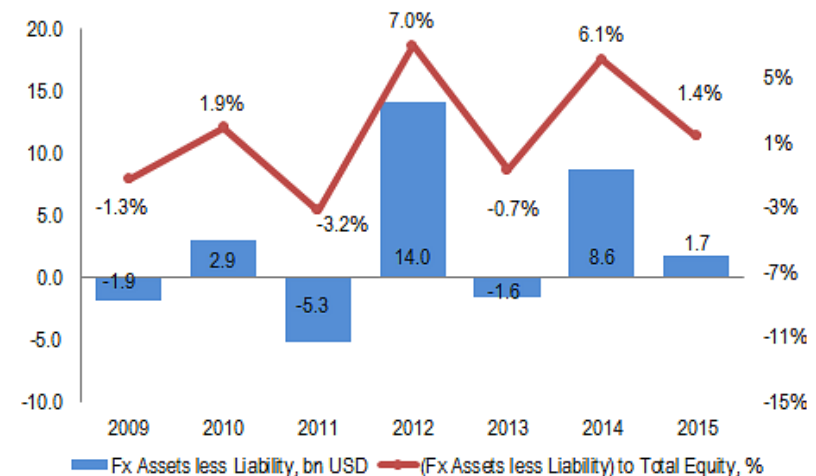
...Russia could benefit from (somewhat) recovering oil price, given in particular DXY/oil correlation. Russian banks are better positioned for taking certain risks than over any other crisis of the past.



Russian Banks' Net Foreign Assets on aggregated balance sheet



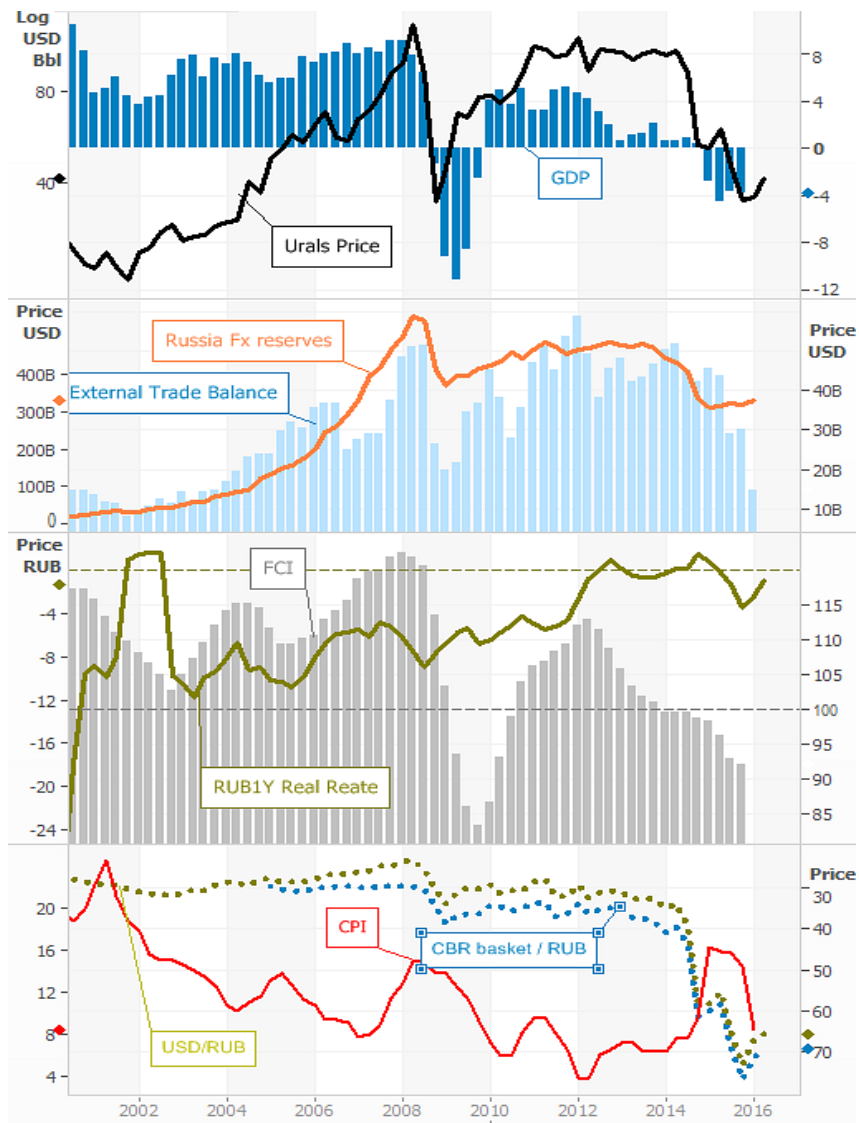
Russian Banks' Off-Balance Net Foreign Assets



Source: CB of Russia



Still, much of that macro weakness ahead.



Source: Reuters

