Market Strategy

Essential Asia: Pandanomics & Greenshoots

A macro strategist's view on Asian economies and markets

National Australia Bank

12 October 2015

Talking points

- Asian FX entered a turbulent period in late September, with the Fed's inaction and weak NFP data as the main market shakers.
- We expect markets to rebuild long USD vs Asian currencies exposure, premised on policy accommodativeness and some policy makers' preferences for a weaker currency.
- We reassess our Asian FX forecasts to reflect a relatively stable CNY through 2015, but steepen the (upward) path for the expected USD/Asia FX profile in 2016.

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Recent reports

- India Monetary Policy, 8 October 2015
- Emerging Asia, 11 September 2015
- China's currency and share market, 17 August 2015

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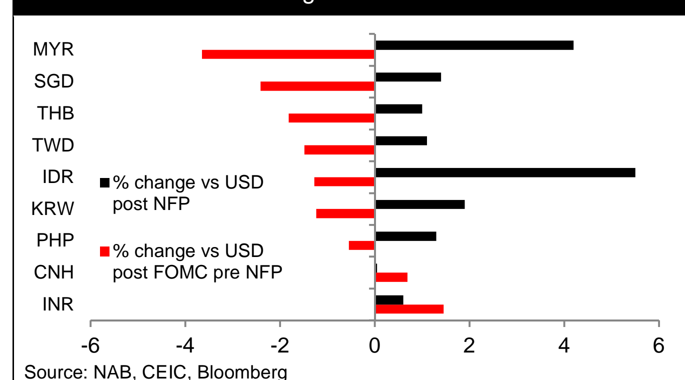
Trade recommendation

Entry Date	Recommendation	Opening level	Target	Stop
05 Oct	Long AUD/NZD	1.0925	1.135	1.075

Chart of the month – Divergence and differentiation



Source: NAB, CEIC, Bloomberg

Policy Rates

	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016
Korea	2.00	1.75	1.50	1.25	1.25	1.25	1.50	1.50	1.75
Thailand	2.00	1.75	1.50	1.50	1.50	1.75	2.00	2.00	2.00
Malaysia	3.25	3.25	3.25	3.25	3.25	3.50	3.75	3.75	3.75
India	8.00	7.50	7.25	7.25	6.75	6.75	6.50	6.25	6.25
Indonesia	7.75	7.50	7.50	7.50	7.50	7.75	7.75	7.75	7.75
China	5.60	5.35	4.85	4.60	4.35	4.35	4.35	4.35	4.35

Asian FX Forecasts

	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17
USD/CNY	6.40	6.50	6.60	6.65	6.70	6.72	6.75	6.80
USD/IDR	13500	13800	14000	14000	14100	14500	14500	14500
USD/INR	65.5	65.5	66.0	66.0	66.5	66.0	65.5	65.0
USD/KRW	1200	1220	1250	1250	1250	1200	1200	1180
USD/MYR	4.20	4.25	4.30	4.35	4.40	4.40	4.40	4.38
USD/PHP	46.2	46.5	47.0	47.5	48.0	48.0	47.5	47.5
USD/SGD	1.42	1.44	1.46	1.47	1.48	1.47	1.46	1.45
USD/THB	36.0	36.5	37.0	37.0	37.0	37.0	36.5	36.5
USD/TWD	33.0	33.5	34.0	34.5	34.8	35.0	35.0	34.8

	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17
AUD/CNY	4.48	4.42	4.55	4.66	4.69	4.77	4.86	4.96
AUD/IDR	9450	9384	9660	9800	9870	10295	10440	10585
AUD/INR	45.9	44.5	45.5	46.2	46.6	46.9	47.2	47.5
AUD/KRW	840	830	863	875	875	852	864	861
AUD/MYR	2.94	2.89	2.97	3.05	3.08	3.12	3.17	3.20
AUD/PHP	32.3	31.6	32.4	33.3	33.6	34.1	34.2	34.7
AUD/SGD	0.99	0.98	1.01	1.03	1.04	1.04	1.05	1.06
AUD/THB	25.20	24.82	25.53	25.90	25.90	26.27	26.28	26.65
AUD/TWD	23.10	22.78	23.46	24.15	24.36	24.85	25.20	25.40

Snooze on Fed alarm

- **The Fed's inaction in September, followed by disappointing non-farm payroll data triggered a fresh round of USD selling vs Asian currencies in early October.**
- **China returns from Golden Week holiday and expectations have risen that the currency will be firmly managed to display stability for the rest of the year.**
- **We see recent USD consolidation as a brief event and expect interests to rebuild long USD/Asian FX positions to re-emerge.**

Divergence and differentiation

While some did not find it surprising that the Fed held off hiking rates in September, the EM financial markets selloff that ensued was somewhat unjustifiable. The flight to USD assets would have been the rational reaction had the Fed opted to hike. Then markets went into the non-farm payroll data with an optimistic view, only to be disappointed and this time round, the global FX markets showed greater conviction in pushing out Fed hike expectations and the USD was sold off more convincingly. Asian currencies recovered strongly post the non-farm payrolls disappointment, led by IDR (+5.8%), MYR (+3.5%), and KRW (+1.6%). The IDR and the MYR have been the region's worst performers thus far this year, hence the strong rally is probably attributable to heavy position unwinding rather than a structural improvement in the overall outlook (see Chart 1)

We think that the recent turnaround in EM Asia currencies is a short term phenomenon and does not belie the start of a structural recovery. Afterall, Asia's fundamental outlook has deteriorated, not improved. The latest IMF and World Bank reports are mostly highlighting downward growth revisions, as well as a cautious outlook on Asia's ability to expand monetary and fiscal policies to shore up overall growth. In fact, we think that economies with strong linkages to commodities and China are relatively more vulnerable.

Asia stays on policy easing path

The impetus for Asian central banks to ease policy further to support growth remains high. The inflation environment will likely remain benign, with a meaningful recovery still some way off. We agree with the IMF in their assessment that the fall in commodity prices together with REER appreciations across most economies, have been pushing down inflation. In many countries, inflation is now at very low levels (China, Korea), or even negative (Thailand, Singapore, Taiwan). Core inflation has tended to move less, but generally in the same direction.

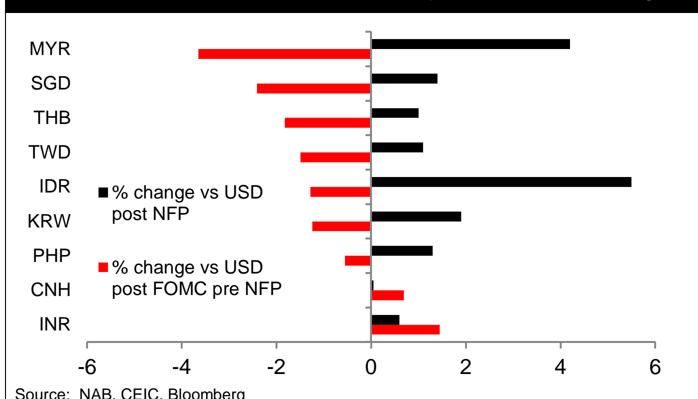
Fed's hike(s) being pushed out is more conducive to Asian central banks moving further along the policy easing path. Taiwan's CBC finally hit the rate cut button in September, citing the slow recovery in global economies and lingering uncertainties, cutting its benchmark discount rate by 12.5bp to 1.75%. India's RBI was the other surprise, as it cut 50bp instead of the usual 25bp in a move deemed as frontloading its policy easing due to heightened external uncertainties. The common external negatives cited are Fed's inaction suggesting tepid global demand and China growth risks. Singapore's MAS is expected to be the next cab off the rank with policy easing. We believe that currency adjustments will happen to align with accommodative policy direction. Some Asian central banks, like Taiwan and Korea, have lesser rooms for rate cuts and will rely heavily on pushing for weaker local currencies. We see the recent USD consolidation as a brief event and expect interests to rebuild long USD/Asian FX positions to re-emerge.

China will likely stay on an easing path as well. While the role of the currency to aid with an easier policy stance may be downplayed in the near term (until the SDR entry decision?) China has room to ease policy further via rate cuts. Our economists expect another rate cut and potentially more RRR cuts in coming months.

Stable CNY in Q4 to limit USD vigour

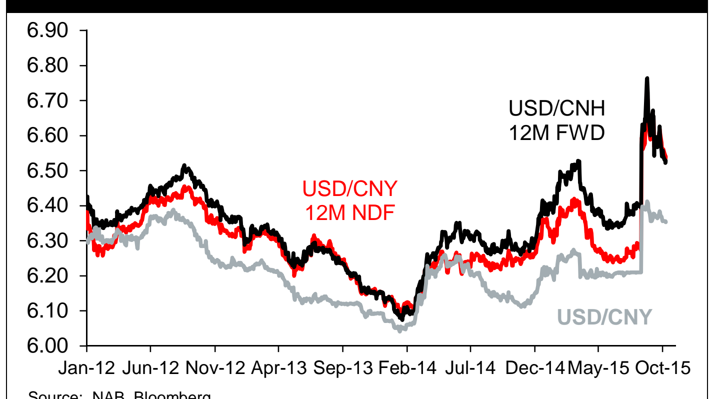
We think that China will be committed to maintain a stable currency in the near term, until the decision on the IMF SDR basket, likely around November. Accordingly, we have decided to tone down our bullish USD/CNY forecast for end 2015 to 6.40 from 6.55 previously. We still hold the view that policy accommodativeness will persist and that will entail some CNY depreciation, but that's more likely to occur in 2016. We expect a 4-5% depreciation in the CNY over 2016, to 6.70.

Chart 1: FOMC and NFP stoked volatility in Asian FX trading



Source: NAB, CEIC, Bloomberg

Chart 2: Pared depreciation expectations in CNY



Source: NAB, Bloomberg

China Spotlight: Speed-bump, no U-turn ahead

- **China's growth is standing on shaky grounds even though a hard landing is only a tail risk.**
- **Accordingly, the underlying trend for the CNY is for more depreciation ahead, though it will be gradual.**
- **In the near term, the CNY is expected to be anchored firmly around current levels.**

Growth on shaky grounds

Recent macro data performance has merely affirmed China's slower growth prospects. The latest manufacturing PMIs, both by Caixin and the official release, stayed below 50, IP growth has been hovering around 6% and property prices have not recovered convincingly. Fading profits, extensive overcapacity and high real interest rates are negative influences denting China's business investment. In addition, fixed-asset investment growth slowed to 10.9% in the first eight months of 2015, down from 15.7% in 2014. Within this, manufacturing sector investment has slowed more sharply. The overall outlook is downcast, with Bloomberg's monthly GDP tracker coming in at 6.6% yoy in August, down from 6.9% in June and below the 7% target for the year. While the collapse of the equity market will not be a disaster for the real economy, it could potentially shave as much as 0.5% points off growth in the second half, mainly by reducing financial sector value added.

More growth supportive moves underway

In China, expenditure growth has started to recover since end 2014 and outstripped revenue growth. Further targeted fiscal measures may still be implemented, after the CNY2tn local government debt swap. In fact, fiscal spending growth has outstripped revenue growth and from January to August, the government has spent 60% of its full year budget, faster than last year. In the last two months, spending growth has picked up pace and risen over 20% (see Chart 3).

FX was a tool in August, a weapon in September

However, market conviction of a faster CNY depreciation was swiftly tested as the CNY's depreciation reversed in September. Not only was this guided by the progressively lower USD/CNY central parity fix but also dominated by the heavy selling in USD/CNH by the PBoC. USD/CNY fell from the high of 6.4489 touched since the 11 August step-devaluation to 6.3561 just before the 1-7 October holidays. While this is still 2.4% weaker than pre-devaluation levels, the Chinese authorities have injected a greater level of uncertainties into global financial markets, casting doubts about their policy direction and commitment toward a more flexible FX regime. Policymakers have utilised the currency as a tool in August, by implementing a regime shift to a greater market orientation. Then in September, the CNY was used as a weapon to punish arbitrage investors and those who were ready to make one-way bets against the CNY. This was in addition to SAFE's recent actions to crack down on irregularities in onshore transactions and regulations that require onshore banks to keep 20% of short CNY forward transactions as reserves.

(Effective 15 October, onshore banks are required to hold 20% USD reserves on short USD/CNY forward position. The regulations will effectively deter banks from holding short USD positions and encourage wide bid-offer spreads.)

Managed, orderly depreciation

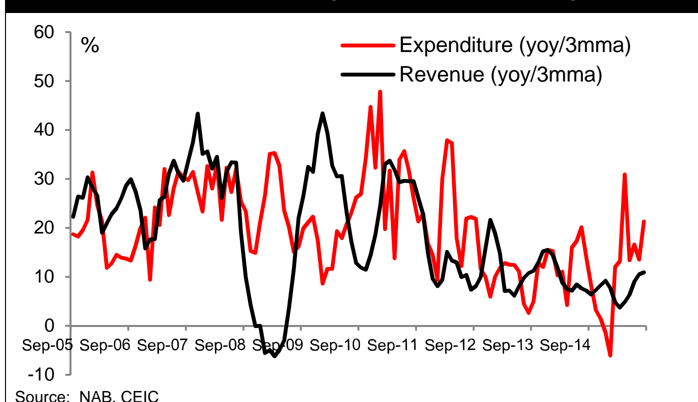
We believe that the Chinese authorities do not want CNY depreciation expectations to get overly entrenched. The commitment to deter arbitrage opportunities presented by the wide (>400 points) gap between CNY and CNH was clearly displayed during President Xi's visit to the US. The Chinese authorities are also acutely aware that the recent FX policy shift could exacerbate China's capital outflows situation. Damage control seems to have taken priority.

Looking at balance of payments data available through June, there are emerging signs of stresses in the current account, with rising deficits in the services component and largely driven by increased outbound tourism. (see Chart 4).

We also inferred this near term (stable CNY) intention from the message by US President Obama – "President Xi discussed his commitment to accelerate market reforms, avoid devaluing China's currency, and have China play a greater role in upholding the rules-based system".

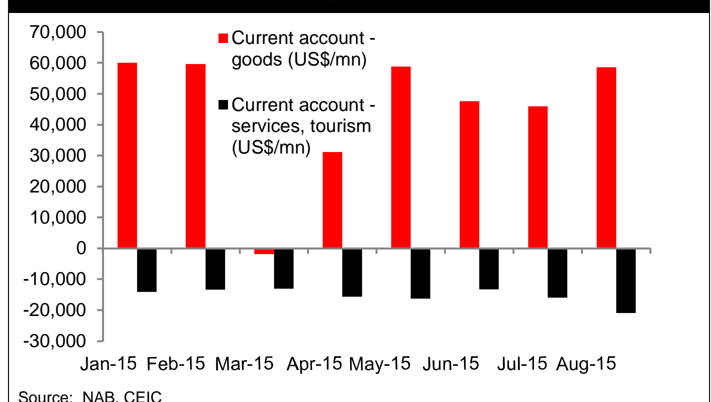
Arguably, the more stable the CNY in the near term, the greater the risk of a bigger shift next year. Potentially, another step like devaluation similar to 11 August cannot be totally ruled out.

Chart 3: Government spending outstripped revenue growth



Source: NAB, CEIC

Chart 4: Services deficits may be a source of concern for CNY



Source: NAB, CEIC

Korea Spotlight: Tentative green-shoots

- **It was relatively uneventful for Korean financial markets in September.**
- **Markets will be looking out for green-shoots in upcoming macro data.**
- **USD/KRW is still biased for higher levels, with China's growth and CNY as dominant external influences.**

Uneventful, but still vulnerable

USD/KRW has largely moved within a 1120-1200 range in Q3 and mostly within 1160-1200 in the last two months. Three attempts to break above 1200 level has proven transitory. The consolidative tone in USD/Asian currencies may temporarily expose some downside risk in USD/KRW toward its 100-day MA at 1152 in the near term. However, further out, we continue to doubt the sustainability of the recent Asian FX strength, and hence expect USD/KRW to resume its climb soon.

The macro fundamental landscape has not improved significantly for Korea. The shared opinions from a recent meeting between BoK Governor Lee and analysts were that since the uncertainties over external conditions were currently large, not only macroeconomic policy responses, but also structural reforms to strengthen Korea's economic fundamentals, were very important as well. There were concerns raised that it would be difficult for the export environment to show any improvements in the near future, due for example to changes in the global value chains and to the sluggishness of external demand in line with the Chinese economic slowdown. The participants shared the view that, the more uncertain the domestic and overseas environments get, the more important it becomes in the conduct of the monetary policy to manage economic agents' expectations through communication with the markets.

Admittedly, Korea could potentially be one of the first few economies in Asia to stage a modest recovery. Consumer confidence and business sentiment have both edged up in recent months. Industrial production has now rebounded to pre-MERS levels, while industrial usage of electricity rose 0.7% y/y in the first 29 days of September after declining the month before. Retail sales data were also encouraging. Indeed, sales in the three weeks leading up to the Chuseok holiday last month – Korea's version of Thanksgiving – rose sizeably in y/y terms across various categories ranging from large retailers (+6.7%) to convenience stores (+52.3%). Exports remain a weak spot, but even there, some signs of improvement have emerged. The decline in exports in US dollar terms slowed to 8.3% y/y in September from 14.9% the month before. In local currency terms, exports expanded by 5.1% y/y, following a 2.0% fall in August. Meanwhile, the y/y decline in tourist arrivals slowed sharply in September.

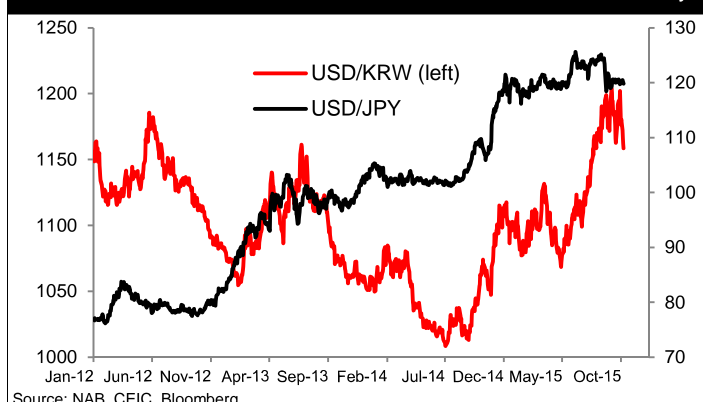
Watch Q3 GDP data for green-shoots

The Q3 GDP flash estimate to be released on 23 October may provide further encouragement. In addition, supportive policy measures have been implemented in a timely manner. The BoK has cut rates four times since last August to 1.5% record low. The government has approved a supplementary budget worth 0.8% of GDP in July. This was followed by a cut in consumption taxes on items such as cars and large electronic goods. The government also introduced a two-week shopping promotion in October, modelled after the US' "Black Friday" event.

The KRW has fallen 5.8% year-to-date and the path forward will still be influenced by China and CNY expectations. There may be some mitigating factors against significant USD/KRW upside, for instance the heavy investments in Korean bonds by Japanese investors (approximately JPY100bn in September). Nevertheless, the transmission mechanism from China's slower growth via the usual trade and also investment channels will likely be the overwhelming driver exerting more pressure on the KRW to weaken further.

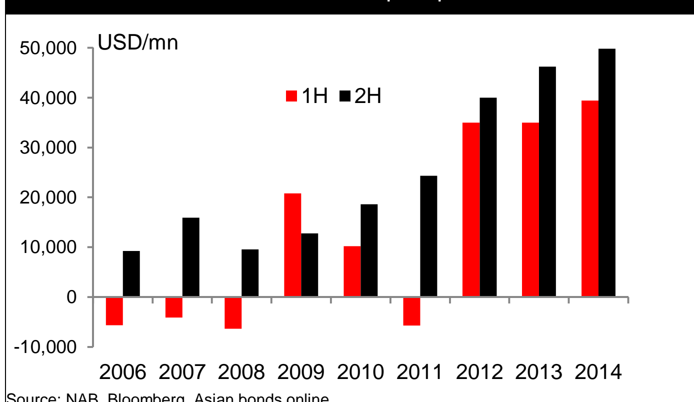
In a unanimous decision, the Bank of Korea kept its policy rate unchanged at a record low of 1.5% at its September meeting. The Bank's statement notes that while working to sustain the recovery of economic growth, the monetary board will pay attention and closely monitor external risks factors such as the US Fed and China. Domestically, increasing household debt is an ongoing concern and overall there are now two-way risks with regards to the upcoming policy decisions. A disappointment in Q3 GDP will bring rate cut expectations back to the table.

Chart 5: USD/KRW consolidated while USD/JPY moved sideways



Source: NAB, CEIC, Bloomberg

Chart 6: Firmer current account surplus performance in H2



Source: NAB, Bloomberg, Asian bonds online

India Spotlight: RBI frontloaded policy easing

- **The Indian rupee has appreciated steadily since bottoming out in early September.**
- **The RBI instilled more confidence for Indian assets with its aggressive 50bp rate cut.**
- **Further rate cut expectations sustaining will keep INR buffered from the threat of risk-off environment ahead.**

RBI delivered a 50bp surprise

The RBI delivered a surprise by cutting the repo rate by 50bp to 6.75% on 29 September. Our economist John Sharma is projecting two more rate cuts in 2016, bringing the repo rate to 6.25% by end 2016 (see India Monetary Policy report on 7 October). In addition to the 50bp cut in the repo rate, the reverse repo rate and the marginal standing facility rate have also been trimmed by 50bp each, to 5.75% and 7.75% respectively. The cash reserve ratio has been kept on hold, at 4.00%.

Mixed views about future policy directions

After the move, many industry players are more convinced that there will be no further cuts. Arguably, the accompanying statement suggests that the RBI is passing the mantle on to the government and banking sector to drive a sustained economic recovery. The statement notes that "the focus of monetary action for the near term will shift to working with the government to ensure that impediments to banks passing on the bulk of the cumulative 125 basis points cut in the policy rate are removed". Like China, commercial banks have been reluctant to pass on the rate cut moves to lending rates, for fear of rising levels of bad debt. Furthermore, the sector as a whole is in need of significant capital injections. Until this happens, there is clearly a limit to which monetary easing will have an effect on bank lending. After all, before the 50bp cut, bank lending rates had only fallen by 30bp so far this year.

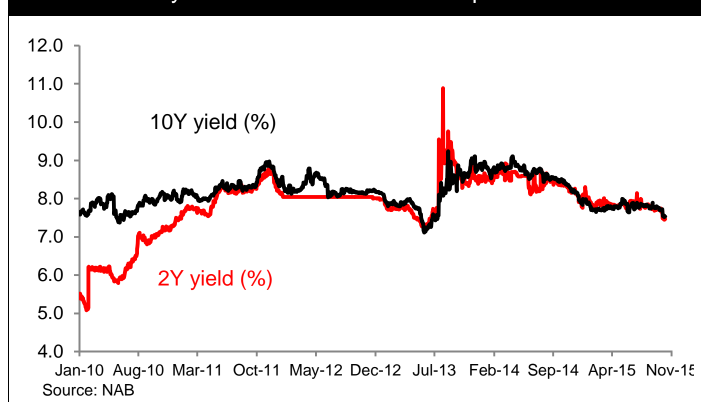
The statement also made specific reference to the RBI shifting its attention towards meeting its medium-term inflation target of "around 5%" for the end of FY16/17 (i.e. March 2017), and then keeping inflation within a range of 4±2% thereafter. This could still present a challenge going forward and the conviction is not particularly high at this juncture. Note that volatile food and fuel prices account for nearly 60% of India's CPI basket.

INR will benefit in a carry trade environment

The INR has managed to display resilience during the volatile trading environment in September. USD/INR peaked at 66.89 in early September and erased most of the gains that were built up since early August. We think that the INR will benefit in a carry trade environment or when the preference to trade policy differential dominates. Further out though, shifts in rate cut expectations may become another clear driver for USD/INR movements. Portfolio flows have been modestly constructive, with signs of returning foreign purchases in Indian equities and debt.

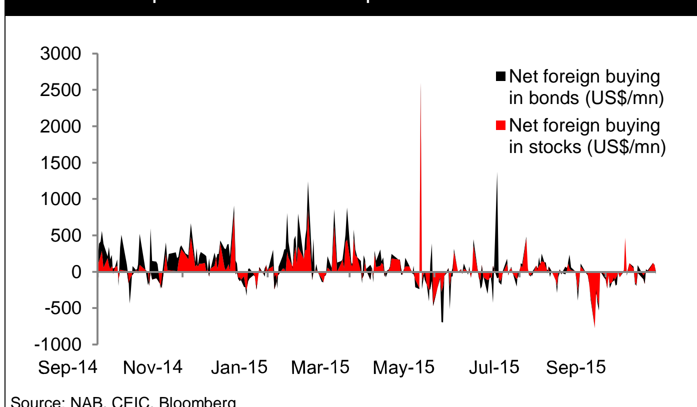
On the other hand, we are also cognizant of the twin risks from China's growth slowdown and the US Fed's eventual quantitative tightening. While the INR is relatively less sensitive to CNY movements, it may still track the general trend of Asian currency weakness.

Chart 7: Bond yields traded lower after 50bp rate cut



Source: NAB

Chart 8: INR performance tied to portfolio flows



Source: NAB, CEIC, Bloomberg

Singapore Spotlight: SGD under the (hazy) weather

- **We expect the MAS to implement a round of policy easing on the S$NEER either via a re-centring move or a reduction of the slope of the S$NEER index.**
- **A band widening move is probable to accompany a reduction in the slope of the S$NEER band, but unlikely in the event the MAS decides to re-centre.**
- **Notwithstanding the shift to a stable outlook for USD/CNY in the near term, we expect firmer USD/SGD trend ahead.**

Hazy growth conditions

Macro conditions in Singapore mimic the hazy weather conditions brought about by Indonesia's forest fires.
The table below shows the latest set of data and even though consensus have been adjusting lower, the actual data managed to disappoint further. With a technical recession in Q3 an almost certainty, the conviction of another policy easing move by the MAS has risen meaningfully.

Table 1: Macro indicators disappointment persisted

	IP	CPI	PMI	NODX
Actual	-7.0%	-0.8%	48.6	-8.4%
BBG consensus	**-5.3%**	**-0.6%**	49.4	-3.5%
Previous	-6.4%	-0.4%	49.3	-0.7%

Easing policy move 1 – Re-centre the S$NEER

One of the potential policy easing moves entails re-centring the S$NEER. This move looks feasible as the S$NEER is trading near to the lower end of the band (ie. SGD weak relative to its trading partners). Thus far, the MAS has made this move four times (April 2008, April 2009, April 2010 and April 2011). A move to re-centre the SG$NEER to "prevailing level" would mean a 150bp-200bp shift lower in the S$NEER. Based on NAB estimates, at current levels of the USD and other currencies within the basket, it will imply the nominal level of USD/SGD at the mid-band is around 1.4240-1.4310 and the +/-2% band will imply a nominal range of 1.4029-1.4590.

Easing policy move 2 – reduce policy slope to zero

The MAS may also implement a more gradual easing stance by a further reduction of the S$NEER slope. The gradient is about 1% currently based on our estimates, after the intermeeting reduction from 2% in January. The precondition for a zero gradient is the economy entering or risk entering a recession and this policy stance was last implemented in April 2008 and maintained until April 2010.

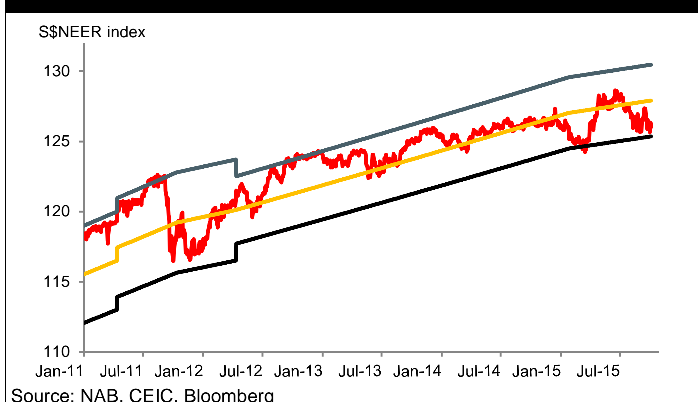
Widen the band to complement the policy easing

Taking into account heightened uncertainties in global financial markets surrounding the US Fed's tightening, risks from China's growth slowdown and the potential spillovers, the MAS may be mindful of elevated volatility in SGD trading. SGD volatility (we use 3M SGD vol as a proxy) has stayed elevated since it rose to levels last seen during the European sovereign debt crisis in 2012, and even higher than the taper tantrum in 2013 (see chart 10). The last time the MAS made a widening band move was in October 2010, when the S$NEER repeatedly tested the upper end of the band (ie. SGD strong) and maintained the wider trading band until April 2012.

We think there is a greater chance of a re-centering move as an extension of the January decision to reduce the gradient of the slope. A band widening is more likely to accompany a shift to zero gradient than if the MAS chooses to recenter. While the argument for a "dual-ease" via a re-centering combined with a zero appreciation path is present, it may be overly aggressive and leaves no further easing room in 2016. The compromise may be to re-center to less than the prevailing rate and instil the zero appreciation path. The MAS' policy statement will be closely scrutinised for any atypical policy changes.

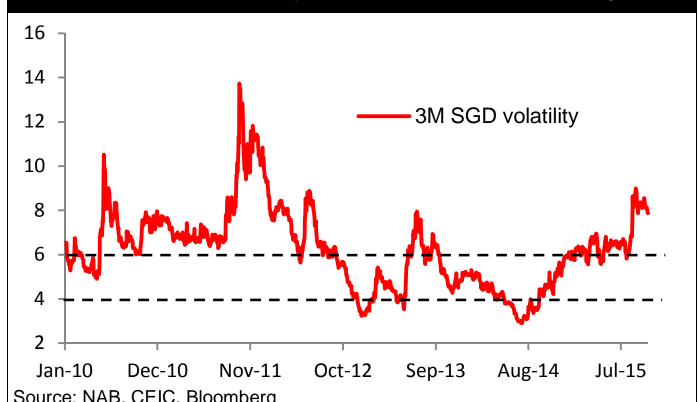
The recent consolidation in USD/SGD from the peak of 1.4366 to 1.4223 is expected to be tentative and the upside bias may re-emerge in coming sessions and may extend in reaction to an MAS policy easing. Our long USD/SGD trade recommendation initiated on 7 October was stopped out the next day but we are inclined to re-enter long USD/SGD position as the view still holds. A mere reduction in S$NEER slope to zero without a band widening or a re-centering may trigger the least upside gains in USD/SGD, as the MAS will be intervening to defend the band. Any other combination paves the way for at least another 1.0% and potentially up to 3% upside prospect in USD/SGD (from NEER perspective).

Chart 9: S$NEER trades near to weak end of the band



Source: NAB, CEIC, Bloomberg

Chart 10: Elevated volatility raises scope of wider trading band



Source: NAB, CEIC, Bloomberg

Selected Indicators

Table 1: NAB Key FX Forecasts

		Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17
Australian Dollar	AUD/USD	0.70	0.68	0.69	0.70	0.70	0.71	0.72
New Zealand Dollar	NZD/USD	0.62	0.60	0.60	0.61	0.62	0.63	0.64
Japanese yen	USD/JPY	121	122	123	124	125	127	126
Euro	EUR/USD	1.14	1.12	1.10	1.08	1.07	1.07	1.08
British Pound	GBP/USD	1.52	1.51	1.48	1.45	1.44	1.43	1.42
Swiss Franc	USD/CHF	0.97	1.00	1.02	1.05	1.07	1.06	1.06
Canadian Dollar	USD/CAD	1.34	1.38	1.37	1.36	1.37	1.35	1.32
Chinese New Yuan	USD/CNY	6.40	6.50	6.60	6.65	6.70	6.72	6.75

Table 2: NAB New vs Old Asia FX Forecasts

		Dec 15	Mar 16	Jun 16	Sep 16	Dec 16	Mar 17	Jun 17	Sep 17
New	USD/CNY	6.40	6.50	6.60	6.65	6.70	6.72	6.75	6.80
Old		6.55	6.60	6.62	6.65	6.70	6.68	6.65	6.60
New	USD/IDR	13500	13800	14000	14000	14100	14500	14500	14500
Old		14000	14200	14500	14600	14500	14300	14000	14000
New	USD/INR	65.5	65.5	66.0	66.0	66.5	66.0	65.5	65.0
Old		65.5	65.5	65.0	64.5	64.3	64.0	64.0	63.5
New	USD/KRW	1200	1220	1250	1250	1250	1200	1200	1180
Old		1200	1220	1250	1250	1250	1200	1200	1180
New	USD/MYR	4.20	4.25	4.30	4.35	4.40	4.40	4.40	4.38
Old		4.15	4.20	4.20	4.15	4.10	4.00	4.00	3.95
New	USD/PHP	46.2	46.5	47.0	47.5	48.0	48.0	47.5	47.5
Old		46.5	46.8	46.8	47.0	46.8	46.8	46.5	46.0
New	USD/SGD	1.42	1.44	1.46	1.47	1.48	1.47	1.46	1.45
Old		1.42	1.43	1.44	1.45	1.45	1.44	1.43	1.42
New	USD/THB	36.0	36.5	37.0	37.0	37.0	37.0	36.5	36.5
Old		35.6	35.8	36.0	36.2	36.2	36.0	35.8	35.5
New	USD/TWD	33.0	33.5	34.0	34.5	34.8	35.0	35.0	34.8
Old		33.0	33.3	33.5	33.5	33.5	33.0	32.8	32.5

Table 3: NAB Asia Macro Forecasts

Average annual growth in GDP (%)				
	2013	2014	2015	2016
Hong Kong	3.1	2.5	2.4	2.6
Indonesia	5.6	5.0	4.6	4.5
Singapore	4.4	2.9	2.2	3.3
Taiwan	2.2	3.8	2.1	2.8
Thailand	2.8	0.9	2.9	3.8
Malaysia	4.7	6.0	6.7	4.9
S Korea	2.9	3.3	2.2	2.5
Philippines	7.1	6.1	5.4	5.7
Total	**4.2**	**4.0**	**3.6**	**3.8**

Table 4: NAB Key Macro Forecasts

Country/region	2011	2012	2013	2014	2015	2016
			% change			
United States	1.6	2.2	2.2	2.4	2.5	2.5
Japan	-0.4	1.7	1.6	-0.1	0.7	1.2
Euro-zone	1.7	-0.7	-0.3	0.9	1.3	1.7
United Kingdom	1.6	0.7	1.7	3.0	2.6	2.4
Emerging Asia	4.4	5.4	6.4	7.4	8.4	9.4
Latin America	4.9	2.5	2.5	0.9	0.1	1.1
Canada	3.0	1.9	2.0	2.4	1.0	2.0
Australia	2.7	3.6	2.1	2.7	2.3	2.7
New Zealand	1.8	2.4	2.2	3.3	2.4	1.9
Africa	7.7	6.8	6.4	7.1	7.4	7.5
Eastern Europe	5.4	1.4	2.9	2.8	2.9	2.8
Middle East	3.9	4.8	2.4	2.7	2.8	2.5
Other advanced	3.3	2.0	2.2	2.8	2.9	2.7
World	4.37	3.51	3.35	3.32	3.11	3.25

Source all tables: National Australia Bank

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