



Latin America in the Year of Inflections

Alejo Czerwonko, PhD
Chief Investment Officer Emerging Markets Americas

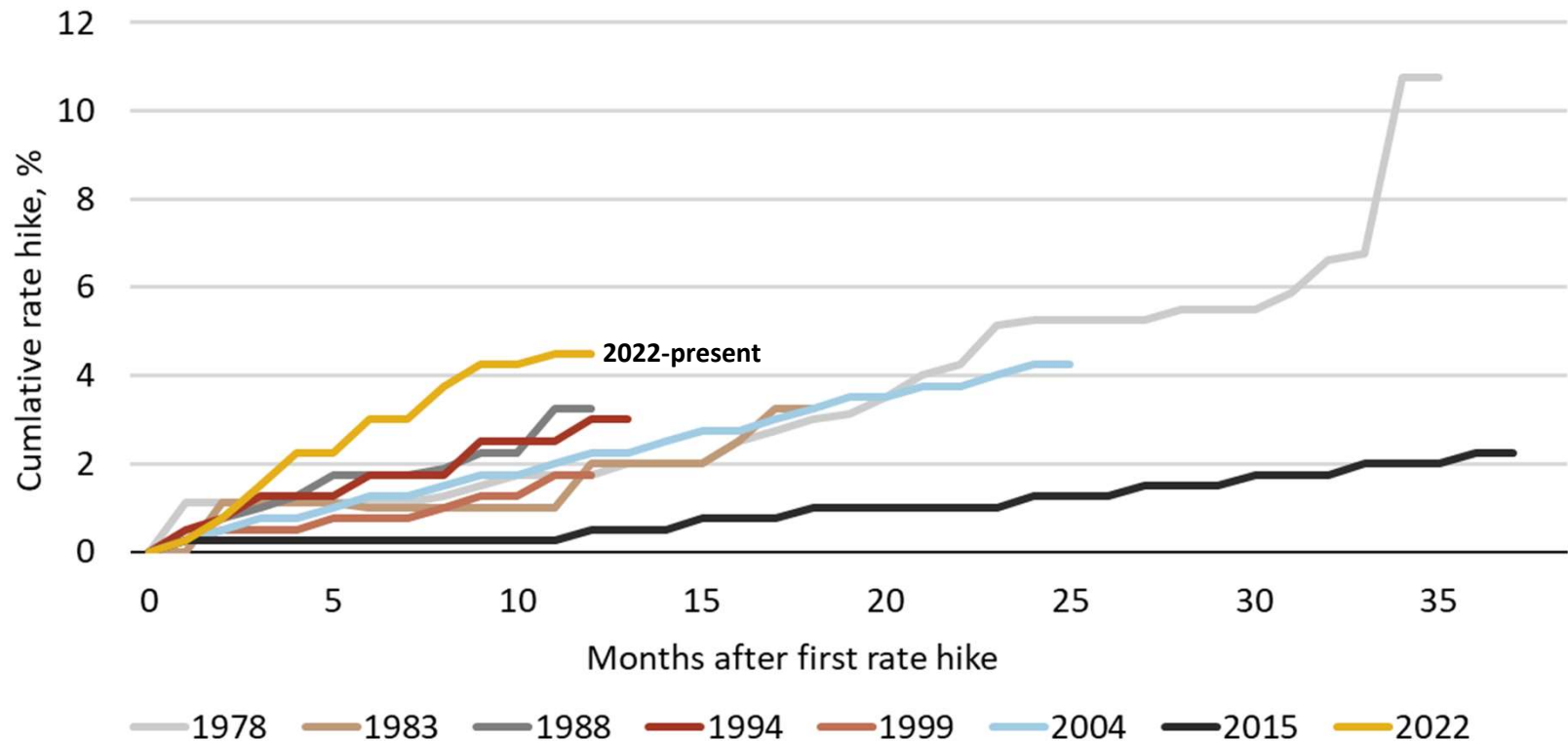
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The global liquidity tide is coming out

US Federal Reserve duration of tightening cycles and cumulative hikes, 1975–present



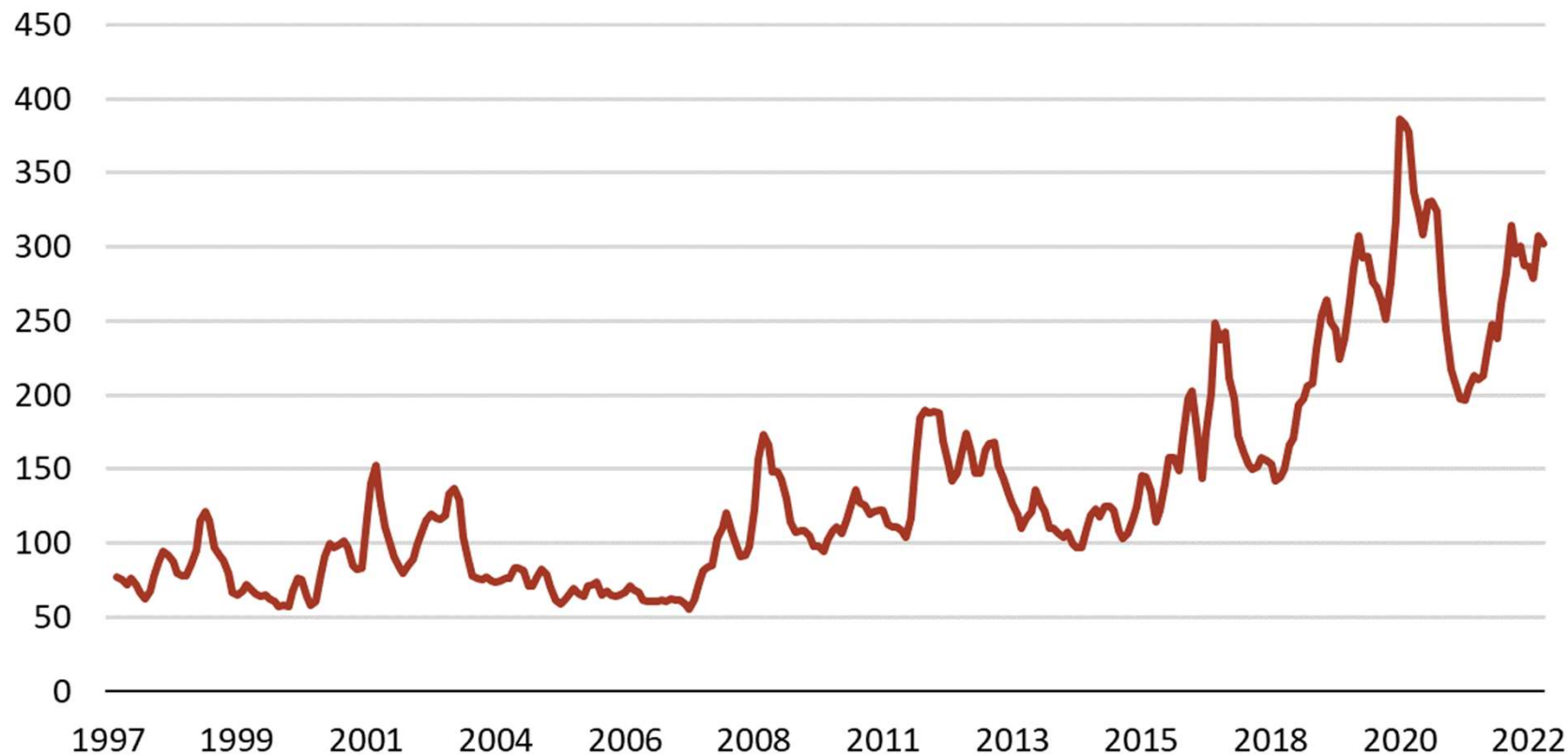
China is reawakening

China's national box office, 4-week sum vs .average of 2019 & 2021 in billion Chinese yuan



We live in a brave new (geo)political world...

Global economic policy uncertainty index*, 3m moving average, Jan 1997–Dec 2022



*with PPP-adjusted GDP weights

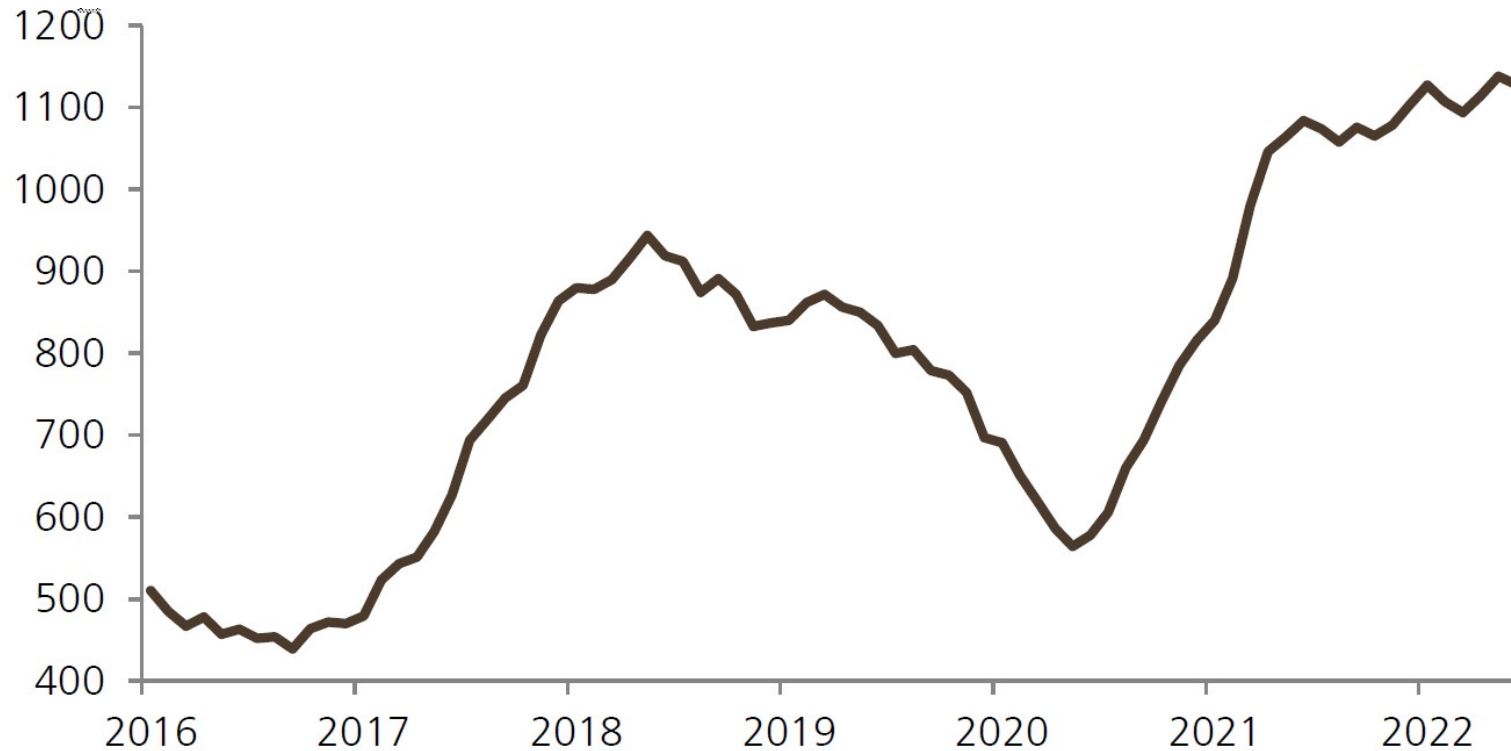
...and entering the era of security

Bloomberg commodities index (index level)



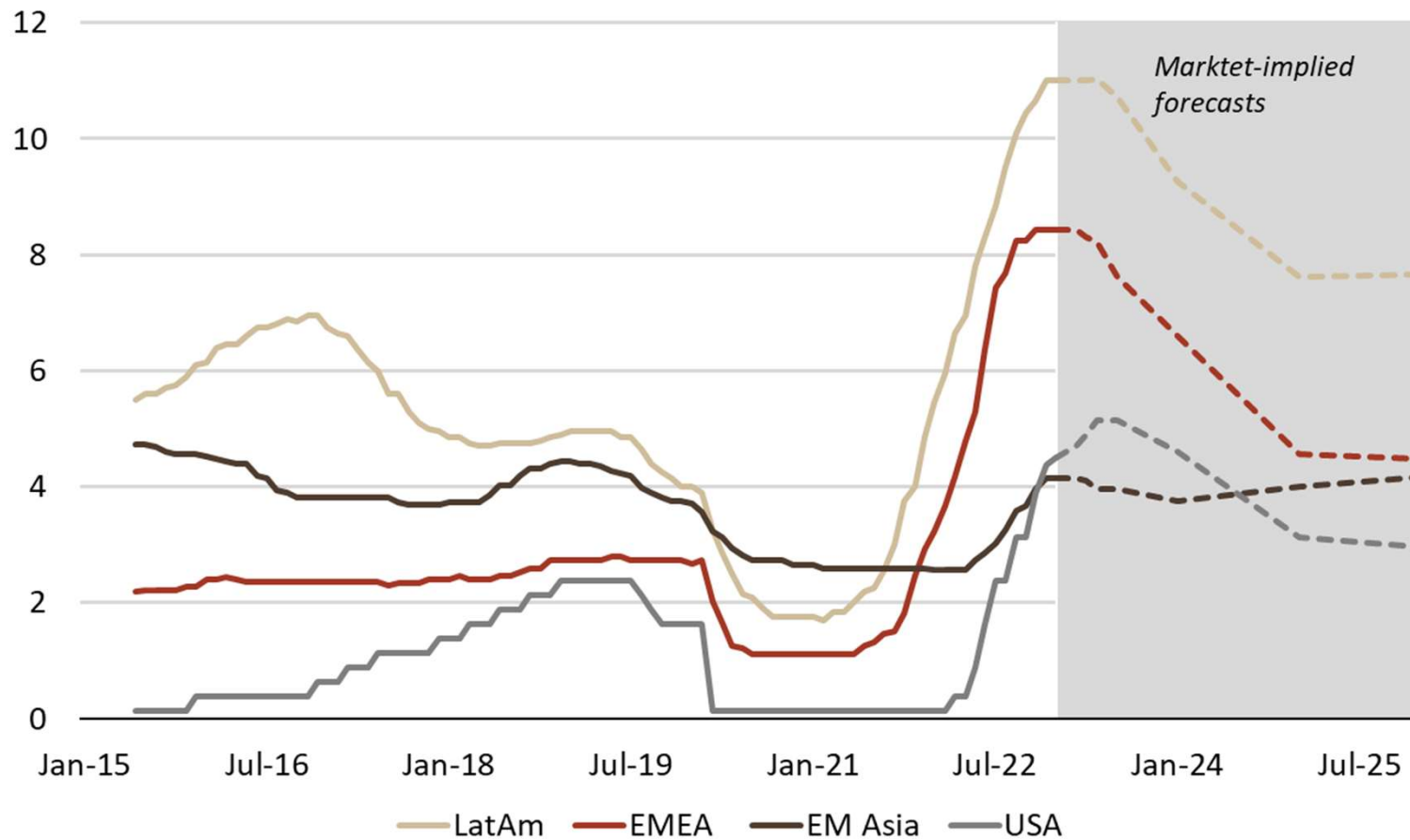
“Friendshoring” winds blowing strong

Announcements of supply chain movements to the US (12m trailing sum), global total



LatAm: We have learned from our mistakes

Policy rates, in %



Note: LatAm is simple average of Brazil, Chile, Colombia, Mexico, and Peru.

EMEA is simple average of Czech Republic, Hungary, Poland, and South Africa.

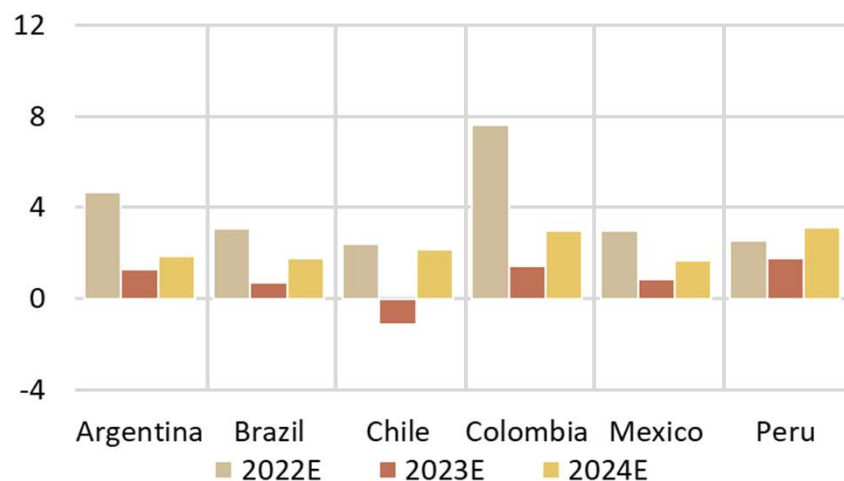
EM Asia is simple average of China, India, Indonesia, Philippines, Malaysia, and Thailand.

Forward rates used for market implied path of policy rates.

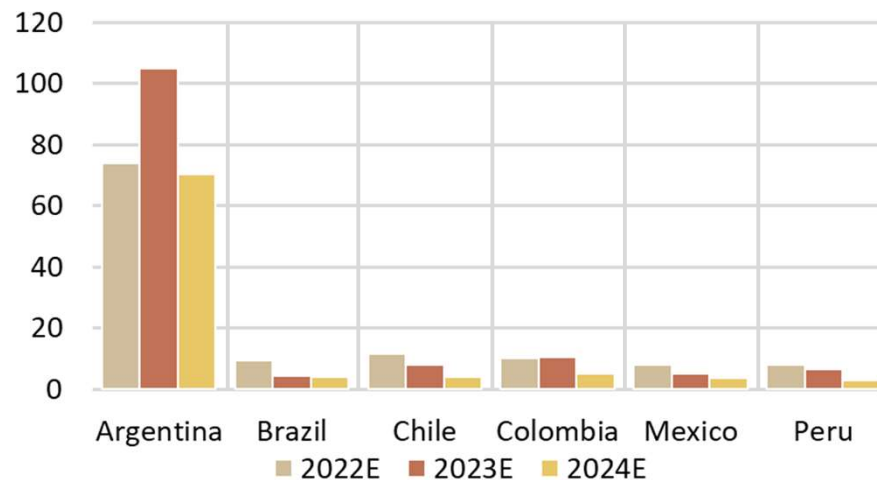
LatAm: Healthy macro picture, with some exceptions

Latin America macro indicators

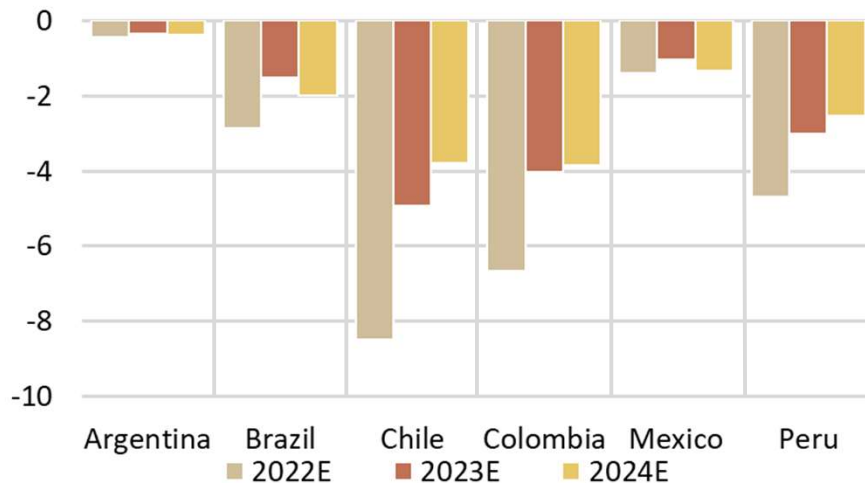
GDP, % year-over-year



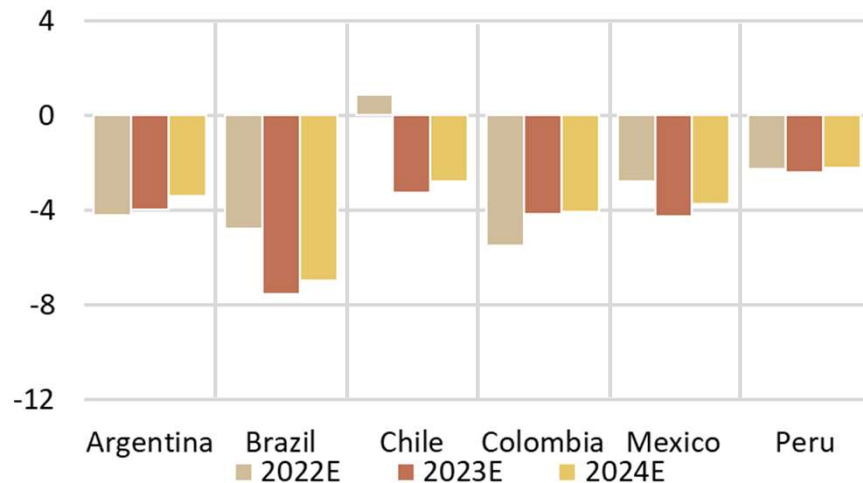
Inflation, % year-over-year



Current account, % of GDP



Budget balance, % of GDP



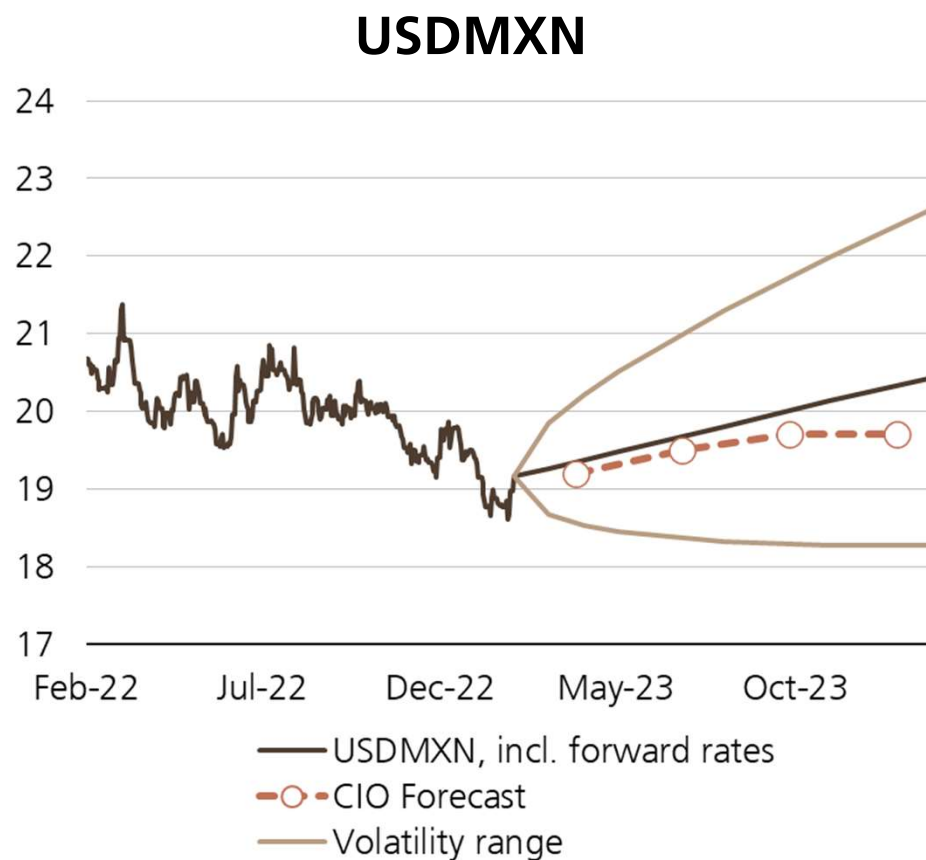
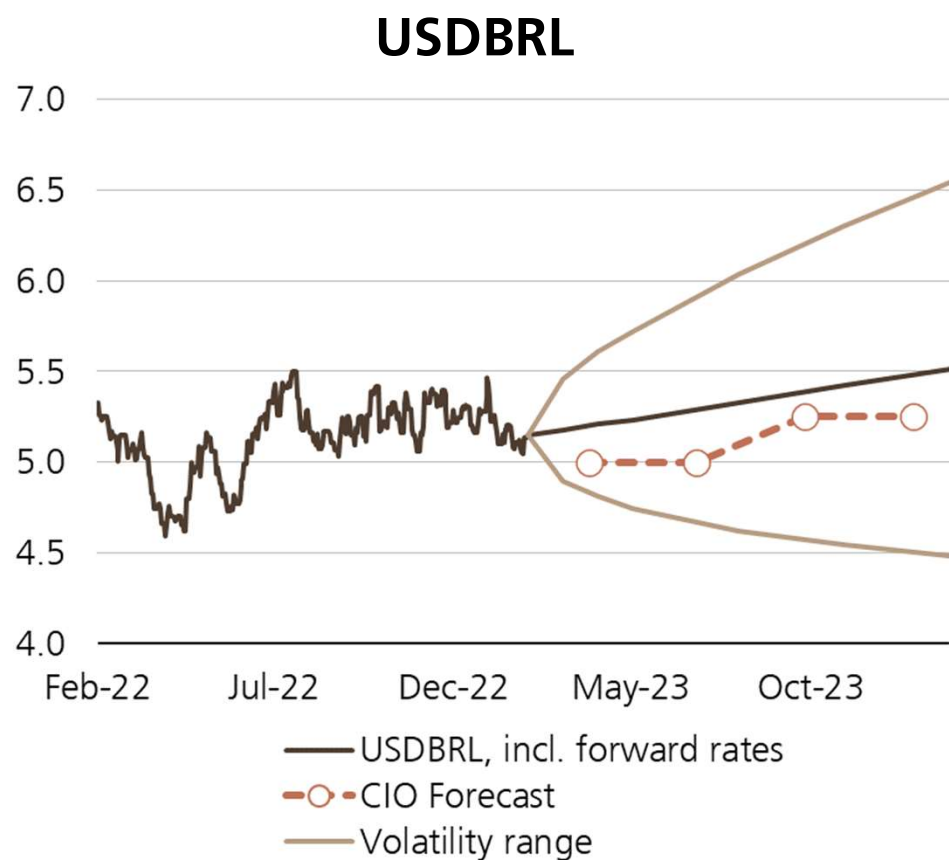
LatAm: Generalized dissatisfaction, no pink tide

Outcomes of elections in LatAm March 2020–November 2022



LatAm: Select investment opportunities

Exchange rate (incl. forward rates), CIO forecasts, and volatility range



Global forecasts: Growth and inflation

Europe - Real GDP

	2021	2022F	2023F	2024F
Eurozone	5.3	3.2	0.2	0.8
- France	6.8	2.5	0.4	0.9
- Germany	2.6	1.7	-0.5	0.7
- Italy	6.7	3.7	0.4	1.0
- Spain	5.5	4.7	1.4	2.1
Switzerland	4.2	2.0	0.4	1.0
UK	7.5	4.3	-0.5	0.6

Sources: Haver, CEIC, National Statistic, UBS

Americas - Real GDP

	2021	2022F	2023F	2024F
Brazil	5.0	3.1	0.7	1.8
Canada	4.6	3.5	-0.3	0.3
Mexico	4.7	3.0	0.8	1.7
US	5.9	2.1	0.6	0.3

Sources: Haver, CEIC, National Statistic, UBS

EMEA - Real GDP

	2021	2022F	2023F	2024F
Czech Republic	3.3	2.6	0.3	2.0
Hungary	7.3	5.4	0.4	2.3
Poland	6.8	4.9	0.9	2.0
Russia	5.6	-3.2	-3.0	0.8
South Africa	4.9	2.5	1.9	2.4
Turkey	11.4	5.5	2.5	3.0

Sources: Haver, CEIC, National Statistic, UBS

Europe - CPI

	2021	2022F	2023F	2024F
Eurozone	2.6	8.4	4.8	2.3
- France	2.1	5.9	4.3	1.6
- Germany	3.2	8.7	4.4	2.2
- Italy	1.9	8.7	6.8	1.9
- Spain	3.0	8.3	3.0	2.3
Switzerland	0.6	2.8	2.1	1.3
UK	2.6	9.1	6.5	2.4

Sources: Haver, CEIC, National Statistic, UBS

Americas - CPI

	2021	2022F	2023F	2024F
Brazil	8.3	9.3	4.4	3.8
Canada	3.4	6.8	3.1	1.6
Mexico	5.7	7.9	5.1	3.7
US	4.7	8.0	3.3	1.7

Sources: Haver, CEIC, National Statistic, UBS

EMEA - CPI

	2021	2022F	2023F	2024F
Czech Republic	3.8	15.1	8.8	3.4
Hungary	5.1	14.6	16.7	3.8
Poland	5.1	14.4	12.0	4.8
Russia	6.7	13.7	4.5	4.3
South Africa	4.6	6.9	5.7	4.5
Turkey	19.6	72.3	34.3	18.3

Sources: Haver, CEIC, National Statistic, UBS

Values are displayed as % change year-on-year

F = Forecast

■ indicates an increase from the previous week

■ indicates a decrease from the previous week

Global forecasts: Growth and inflation

Asia - Real GDP

	2021	2022F	2023F	2024F
Australia	5.2	3.6	1.4	1.7
New Zealand	6.1	2.9	1.1	0.0
China	8.4	3.0	4.9	4.8
Hong Kong	6.3	-3.2	3.2	2.2
India	8.7	6.9	5.5	6.0
Indonesia	3.7	5.5	4.9	5.3
Japan	2.1	1.2	1.1	1.2
Malaysia	3.1	8.6	4.5	4.1
Philippines	5.7	7.6	5.8	5.4
Singapore	7.6	3.8	2.0	1.7
South Korea	4.1	2.5	1.1	1.7
Taiwan	6.6	3.3	1.9	2.2
Thailand	1.5	3.3	4.0	2.3
Asia*	7.5	4.2	4.7	4.7

Sources: Haver, CEIC, National Statistic, UBS

World - Real GDP

	2021	2022F	2023F	2024F
World**	6.5	3.2	2.3	2.7

Sources: Haver, CEIC, National Statistic, UBS

Asia - CPI

	2021	2022F	2023F	2024F
Australia	2.9	6.6	5.2	2.8
New Zealand	3.9	7.1	5.6	2.2
China	0.9	2.0	3.0	2.1
Hong Kong	1.6	1.6	2.2	1.9
India	5.5	6.5	5.2	5.0
Indonesia	1.6	4.2	3.9	3.0
Japan	-0.2	2.5	2.4	1.4
Malaysia	2.5	3.4	2.9	2.0
Philippines	3.9	5.8	5.0	2.5
Singapore	2.3	6.1	4.7	2.5
South Korea	2.5	5.1	3.4	2.1
Taiwan	2.0	3.0	1.7	1.4
Thailand	1.2	6.1	2.8	1.6
Asia*	2.1	3.6	3.6	2.8

Sources: Haver, CEIC, National Statistic, UBS

World - CPI

	2021	2022F	2023F	2024F
World**	4.0	8.5	5.8	3.6

Sources: Haver, CEIC, National Statistic, UBS

Values are displayed as % change year-on-year

F = Forecast

* Excluding Japan, Australia & NZ

** Excluding Venezuela

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■ indicates a decrease from the previous week

Global forecasts: Rates

Europe

	Current	Mar 2023	Jun 2023	Sep 2023	Dec 2023
EUR ESTR	1.90	2.89	2.89	2.89	2.89
EUR 2Y Bund	2.67	2.50	2.60	2.60	2.30
EUR 5Y Bund	2.32	2.30	2.40	2.20	2.10
EUR 10Y Bund	2.28	2.10	2.20	2.10	2.00
CHF SARON	0.94	1.50	1.50	1.50	1.50
CHF 2Y Eidg.	1.02	1.10	1.20	1.20	1.20
CHF 5Y Eidg.	1.06	1.15	1.20	1.20	1.20
CHF 10Y Eidg.	1.21	1.20	1.25	1.25	1.25
GBP SONIA	3.43	4.11	4.11	4.11	3.61
GBP 2Y Gilt	3.44	3.00	3.00	2.90	2.80
GBP 5Y Gilt	3.18	3.00	3.00	2.80	2.70
GBP 10Y Gilt	3.31	3.20	3.20	3.00	2.90

Sources: Bloomberg, UBS

Americas

	Current	Mar 2023	Jun 2023	Sep 2023	Dec 2023
USD Effective FFR	4.58	4.83	4.83	4.08	3.08
USD 3M Libor	4.80	5.04	4.67	3.79	2.29
USD 2Y Treas.	4.11	4.00	4.00	3.50	3.25
USD 5Y Treas.	3.52	3.75	3.50	3.25	3.00
USD 10Y Treas.	3.42	3.50	3.50	3.25	3.00
USD 30Y Treas.	3.57	3.50	3.50	3.50	3.25
CAD 3M T-Bill	4.45	4.00	4.00	4.00	3.50
CAD 10Y GOV	2.86	3.15	3.15	2.95	2.75
MXN 3M TIIE	10.96	11.00	11.00	11.00	11.00
MXN 10Y Bono	8.67	10.00	9.75	9.50	9.25
BRL 3M Swap rate	13.68	13.75	13.00	11.00	10.00
BRL 5Y Treasury note	12.69	11.00	10.00	10.00	9.00

Sources: Bloomberg, Thomson Reuters, UBS

Asia

	Current	Mar 2023	Jun 2023	Sep 2023	Dec 2023
JPY 3M Tibor	0.07	0.05	0.05	0.05	0.05
JPY 2Y JBG	-0.01	0.05	0.05	0.05	0.05
JPY 5Y JGB	0.18	0.20	0.20	0.20	0.35
JPY 10Y JGB	0.49	0.50	0.50	0.50	0.80
AUD 3M Interest rate	3.37	3.35	3.35	3.35	3.10
AUD 10Y Gov	3.57	3.65	3.70	3.55	3.35
NZD 3M Interest rate	4.91	5.40	5.70	5.60	4.80
NZD 10Y Gov	4.17	3.90	3.85	3.60	3.30
CNY 7-day Repo	1.90	1.80	1.90	1.90	1.90
CNY 10Y Gov	2.93	3.00	3.10	3.10	3.00
HKD 3M Hibor	3.74	4.00	3.80	3.70	3.60
HKD 10Y Gov	3.16	3.20	3.20	2.95	2.70
INR 3M T Bill	6.49	6.60	6.60	6.60	6.35
INR 10Y Gov	7.39	7.50	7.00	6.75	6.50
BI 7 day repo rate	5.75	5.75	5.75	5.75	5.25
IDR 10Y Gov	6.71	7.00	6.75	6.75	6.50
MYR 3M Klibor	3.68	3.65	3.90	3.90	3.40
MYR 10Y Gov	3.81	3.80	3.75	3.50	3.50
PHP 3M Phibor	5.18	5.90	5.90	5.65	4.65
PHP 10Y Gov	6.08	6.25	6.25	6.00	5.75
SGD 3M Sibor	4.25	4.50	4.50	4.20	3.60
SGD 10Y Gov	2.93	3.25	3.00	2.80	2.80
KRW 3M CD	3.53	3.41	3.41	2.41	1.66
KRW 10Y Gov	3.29	3.30	2.50	2.25	2.00
TWD 3M CP	1.48	1.17	1.17	1.05	0.92
TWD 10Y Gov	1.22	1.50	1.00	1.00	0.80
THB 3M Bibor	1.64	2.05	2.05	2.05	2.05
THB 10Y Gov	2.47	2.75	2.50	2.00	2.00

Sources: Bloomberg, Thomson Reuters, UBS

■ indicates an increase from the previous week
 ■ indicates a decrease from the previous week

Global forecasts: Rates and credit spreads

Developed markets			
	Current	Jun 2023	Dec 2023
USD corporate	117	145	145
USD corporate (1-10 years)	103	120	120
Euro corporate	152	170	170
USD high yield	431	550	550
Euro high yield	435	550	550

Sources: Bloomberg Barclays, ICE Data Indices, UBS

Values are displayed as basis points

■ indicates an increase from the previous week

■ indicates a decrease from the previous week

Central banks

	Current	Mar 2023	Jun 2023	Sep 2023	Dec 2023
Fed	4.58	4.83	4.83	4.08	3.08
ECB	2.00	3.00	3.00	3.00	3.00
SNB	1.00	1.50	1.50	1.50	1.50
BoE	3.50	4.25	4.25	4.25	3.75
BoC	4.50	4.50	4.50	3.50	2.50
RBA	3.10	3.35	3.35	3.35	3.10
RBNZ	4.25	5.00	5.50	5.50	5.00
BoJ	-0.10	-0.10	-0.10	-0.10	-0.10
PBoC*	1.90	1.80	1.90	1.90	1.90

Sources: Haver, CEIC, National Statistic, Bloomberg, UBS

Values are displayed as %

* 7 day repo rate used as proxy for China target rate

■ indicates an increase from the previous week

■ indicates a decrease from the previous week

Emerging markets			
	Current	Jun 2023	Dec 2023
EM sovereigns in USD	444	425	425
EM corporates in USD	327	300	300
Asia	276	270	260

Sources: JP Morgan, UBS

Global forecasts: Currencies

USD

	Current	Mar 2023	Jun 2023	Sep 2023	Dec 2023
EURUSD	1.09	1.05	1.07	1.07	1.10
USDJPY	129	125	122	120	120
GBPUSD	1.23	1.19	1.23	1.24	1.30
USDCHF	0.91	0.91	0.89	0.89	0.86
USDCAD	1.33	1.35	1.36	1.38	1.38
AUDUSD	0.71	0.70	0.72	0.74	0.76
NZDUSD	0.64	0.65	0.66	0.67	0.67
USDSEK	10.42	10.95	10.47	10.19	9.64
USDNOK	9.98	10.00	9.35	9.16	8.64

Sources: SIX Financial Information, UBS

CHF

	Current	Mar 2023	Jun 2023	Sep 2023	Dec 2023
USDCHF	0.91	0.91	0.89	0.89	0.86
EURCHF	1.00	0.96	0.95	0.95	0.95
JPYCHF	0.71	0.73	0.73	0.74	0.72
GBPCHF	1.13	1.09	1.09	1.10	1.12
CADCHF	0.69	0.68	0.65	0.64	0.63
AUDCHF	0.65	0.64	0.64	0.66	0.66
NZDCHF	0.59	0.59	0.59	0.59	0.58
CHFSEK	11.40	11.98	11.79	11.47	11.16
CHFNOK	10.92	10.94	10.53	10.32	10.00

Sources: SIX Financial Information, UBS

EUR

	Current	Mar 2023	Jun 2023	Sep 2023	Dec 2023
EURUSD	1.09	1.05	1.07	1.07	1.10
EURJPY	141	131	131	128	132
EURGBP	0.89	0.88	0.87	0.86	0.85
EURCHF	1.00	0.96	0.95	0.95	0.95
EURCAD	1.46	1.42	1.46	1.48	1.52
EURAUD	1.54	1.50	1.49	1.45	1.45
EURNZD	1.70	1.62	1.62	1.60	1.64
EURSEK	11.38	11.50	11.20	10.90	10.60
EURNOK	10.90	10.50	10.00	9.80	9.50

Sources: SIX Financial Information, UBS

GBP

	Current	Mar 2023	Jun 2023	Sep 2023	Dec 2023
GBPUSD	1.23	1.19	1.23	1.24	1.30
GBPEUR	1.13	1.14	1.15	1.16	1.18
GBPCHF	1.13	1.09	1.09	1.10	1.12
GBPJPY	159	149	150	149	156
GBPCAD	1.64	1.61	1.67	1.72	1.80
GBPAUD	1.74	1.70	1.71	1.68	1.71
GBPNZD	1.91	1.84	1.86	1.86	1.94
GBPSEK	12.84	13.07	12.87	12.67	12.54
GBPNOK	12.30	11.93	11.49	11.40	11.24

Sources: SIX Financial Information, UBS

■ indicates an increase from the previous week
■ indicates a decrease from the previous week

Global forecasts: Currencies (cont.)

Asia					
	Current	Mar 2023	Jun 2023	Sep 2023	Dec 2023
USDCNY	6.74	6.60	6.60	6.50	6.50
USDHKD*	7.84	7.80	7.80	7.80	7.80
USDINR	81.9	83.0	82.0	81.0	81.0
USDIDR	14,975	15,700	15,500	15,300	15,300
USDKRW	1,231	1,400	1,360	1,320	1,280
USDMYR	4.27	4.70	4.60	4.50	4.40
USDPHP	54.51	60.00	60.00	59.00	59.00
USDSGD	1.31	1.36	1.34	1.32	1.30
USDTHB	32.83	35.50	35.00	34.00	33.50
USDTHB	29.96	31.50	31.00	30.50	30.00

Sources: SIX Financial Information, UBS

EMEA					
	Current	Mar 2023	Jun 2023	Sep 2023	Dec 2023
EURPLN	4.71	4.75	4.75	4.70	4.70
EURCZK	23.78	24.00	23.80	23.70	23.70
USDZAR	17.18	17.40	17.20	16.50	16.20

Sources: SIX Financial Information, UBS

Latin America

	Current	Mar 2023	Jun 2023	Sep 2023	Dec 2023
USDMXN	18.75	19.20	19.50	19.70	19.70
USDBRL	5.07	5.50	5.50	5.50	5.50

Sources: SIX Financial Information, UBS

* HKD is pegged to the USD

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■ indicates a decrease from the previous week

Global forecasts: Commodities

Energy					
	Current	Mar 2023	Jun 2023	Sep 2023	Dec 2023
Brent Crude Oil, USD/bbl.	84.5	110.0	110.0	110.0	110.0
WTI Crude Oil, USD/bbl.	76.4	107.0	107.0	107.0	107.0
US Natural Gas, USD/MMBtu	2.47	3.00	3.50	3.50	4.50
NW Thermal Coal (AU), USD/MT	241	350	300	300	300

Sources: Bloomberg, UBS

Precious Metals					
	Current	Mar 2023	Jun 2023	Sep 2023	Dec 2023
Gold, USD/oz	1,950	1,950	2,000	2,050	2,100
Silver, USD/oz	24.0	24.0	24.0	26.0	28.0
Platinum, USD/oz	997	1,050	1,100	1,150	1,200
Palladium, USD/oz	1,660	1,600	1,550	1,500	1,500

Sources: SIX Financial Information, UBS

Base Metals					
	Current	Mar 2023	Jun 2023	Sep 2023	Dec 2023
Copper, USD/MT	9,087	9,500	9,750	10,250	10,250
Aluminum, USD/MT	2,632	2,800	2,900	3,000	3,000
Nickel, USD/MT	29,296	25,000	25,000	25,000	25,000
Zinc, USD/MT	3,350	3,650	3,650	3,650	3,650
Lead, USD/MT	2,139	2,150	2,150	2,150	2,150

Sources: Bloomberg, UBS

Agriculture					
	Current	Mar 2023	Jun 2023	Sep 2023	Dec 2023
Corn, USD/bu.	6.81	7.25	7.25	6.75	6.50
Wheat (CBT), USD/bu.	7.60	8.25	8.25	7.75	7.50
Soybeans, USD/bu.	15.20	15.00	14.50	14.00	14.00
Crude Palm Oil, MYR/MT	3,815	4,000	4,250	3,900	3,750
Cotton, USD/lb.	0.86	0.85	0.90	0.80	0.75
Sugar, USD/lb.	0.214	0.195	0.200	0.205	0.210
Coffee, USD/lb.	1.76	1.85	1.80	1.70	1.55
Cocoa, USD/MT	2,592	2,450	2,350	2,300	2,300

Sources: Bloomberg, UBS

Livestock					
	Current	Mar 2023	Jun 2023	Sep 2023	Dec 2023
Lean Hogs, USD/lb.	0.84	0.90	0.95	0.85	0.90
Live Cattle, USD/lb.	1.62	1.65	1.70	1.60	1.75

Sources: Bloomberg, UBS

Note: Current values refer to the spot for precious metals, to the 3 month futures for base metals and to the active futures for the other sectors

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■ indicates a decrease from the previous week

Global forecasts: Equity markets

Americas			
	Current	Jun 2023	Dec 2023
S&P 500	4,119	3,700	4,000

Sources: Datastream, UBS

Europe			
	Current	Jun 2023	Dec 2023
Euro Stoxx	449	410	430
Euro Stoxx 50	4,171	3,800	4,000
FTSE 100	7,761	8,100	8,300
SMI	11,201	10,400	11,300

Sources: Datastream, UBS

Earnings per share				
	2020	2021F	2022F	2023F
S&P 500	142	210	225	215

Sources: Factset, UBS

Asia			
	Current	Jun 2023	Dec 2023
MSCI Asia ex-Japan (\$)	678	665	720
Topix (Japan)	1,972	1,950	2,100
MSCI China	74	72	75

Sources: Datastream, UBS

Emerging Markets			
	Current	Jun 2023	Dec 2023
MSCI Emerging Markets (\$)	1,043	1,050	1,100

Sources: Datastream, UBS

Global			
	Current	Jun 2023	Dec 2023
MSCI AC World (LC)	780	720	770

Sources: Datastream, UBS

Equity forecasts are based on price performance and not total expected return.

■ indicates an increase from the previous week

■ indicates a decrease from the previous week

Global forecasts: Real estate markets

Americas*

	2020	2021	2022F	2023F	LTF
Canada	3.60	3.90	3.80	4.20	4.30
US	3.90	3.90	3.60	4.00	4.10

Sources: MSCI, UBS

Europe & Africa*

	2020	2021	2022F	2023F	LTF
Belgium	4.60	4.60	4.40	4.90	4.90
France	3.40	3.30	3.00	3.70	3.60
Germany	3.50	3.20	3.10	3.50	3.50
Ireland	4.50	4.60	4.30	5.60	5.40
Italy	3.40	3.30	3.20	3.50	3.50
Netherlands	3.40	3.30	3.20	3.90	3.80
South Africa	7.00	7.90	7.10	8.50	8.60
Spain	3.50	3.50	3.20	3.90	3.90
Switzerland	3.20	3.10	3.00	3.30	3.30
UK	4.30	4.20	3.70	4.80	4.70

Sources: MSCI, UBS

Asia*

	2020	2021	2022F	2023F	LTF
Australia	4.40	4.60	4.30	5.20	5.20
China	4.30	4.50	4.70	4.80	4.80
Hong Kong	3.40	3.10	3.10	3.30	3.30
Japan	4.20	4.10	3.90	4.30	4.40
Singapore	4.50	4.20	3.80	4.50	4.60

Sources: MSCI, UBS

Dividend yields for listed real estate equities

	2020	2021	2022F	2023F	LTF
Global real estate equities	3.60	2.90	4.33	4.20	4.00

Sources: Bloomberg, FTSE EPRA NAREIT, UBS

F = Forecast

LTF = Long term forecast (15-25 years)

The value refers to the average of the reference year

* Benchmark income returns for direct real estate investments portfolios, all properties

■ indicates an increase from the previous week

■ indicates a decrease from the previous week

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