

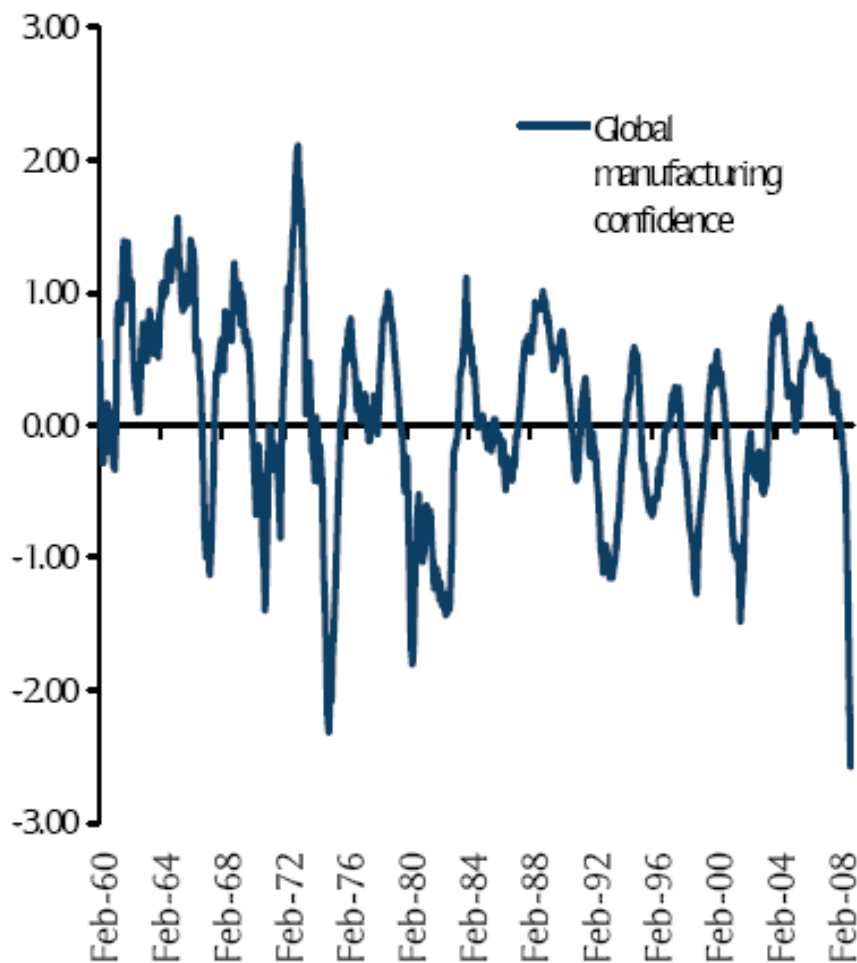
Challenging times

48th ACI World Congress

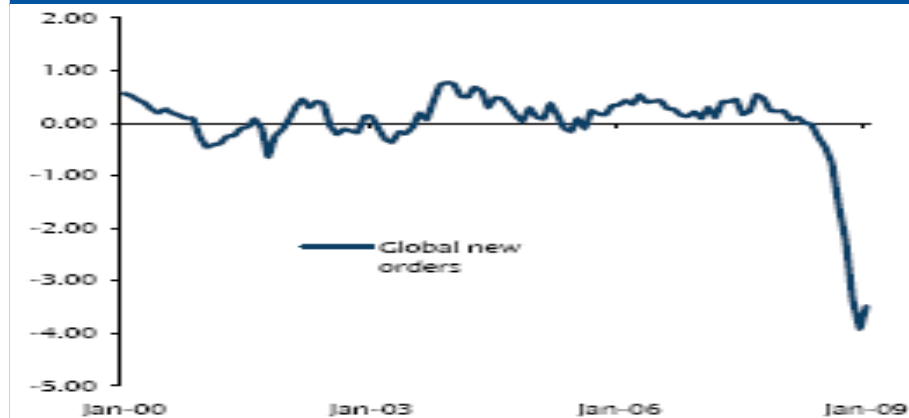
Jeff Gable
Head of Research
Absa Capital

Core markets in the worst recession in 50 years

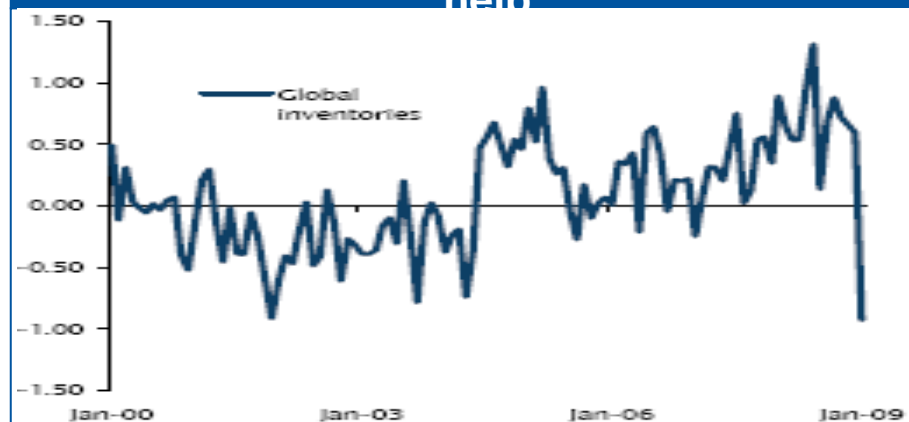
Global PMIs sharply lower



Global new orders dismal



Global inventories are at least beginning to help



EM decoupled no longer as exports collapse

Asian pain



EEur "super-synched" with western Europe

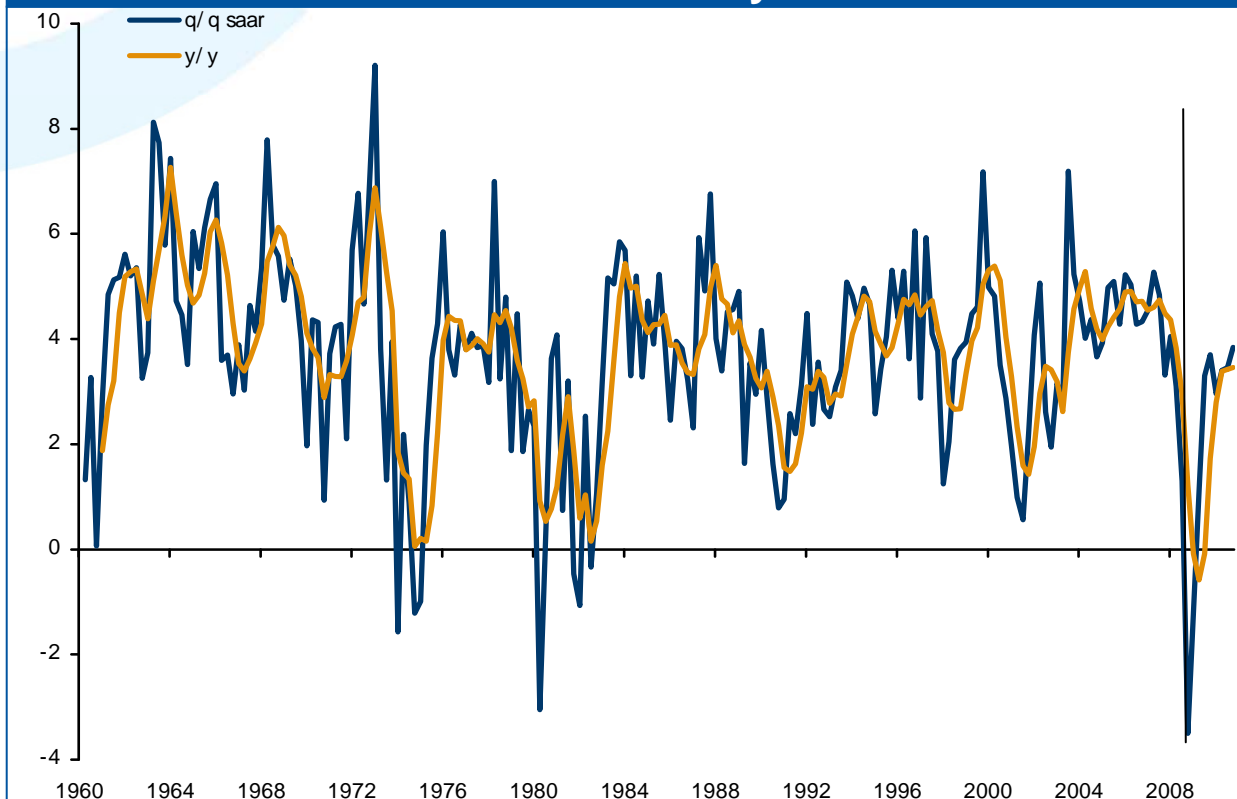


LatAm no different



Global growth slowdown striking

'09 growth now projected at -1%, the weakest in more than half a century



Absa/Barclays forecasts

	08	09	10
World	2.8	-1.0	3.1
Dev	0.7	-3.0	1.7
EM	5.8	2.0	5.1
BRIC	7.6	3.9	6.3
US	1.1	-2.9	2.3
Japan	-0.7	-5.9	1.1
Euro	0.7	-2.3	1.1
UK	0.7	-3.4	0.7
LatAM	4.1	-1.5	2.7
Brazil	5.3	-0.5	3.1
EEMEA	3.8	-1.7	1.6
Russia	5.6	-3.2	0.0
Turkey	0.6	-1.3	2.5
EM Asia	6.9	4.3	7.0
China	9.0	6.7	8.5
India	7.0	5.2	7.0

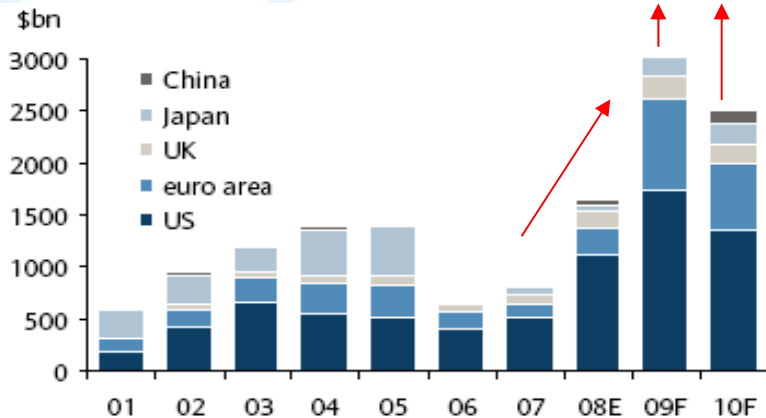
IMF view for 09 growth

	Apr-08	Oct-08	Dec-08	Current
%	3.8	3.0	0.5	-0.5

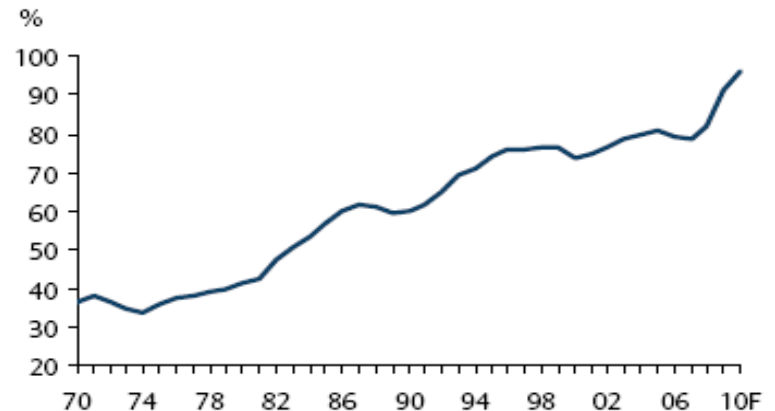


The “unpleasant arithmetic” of the fiscal plans

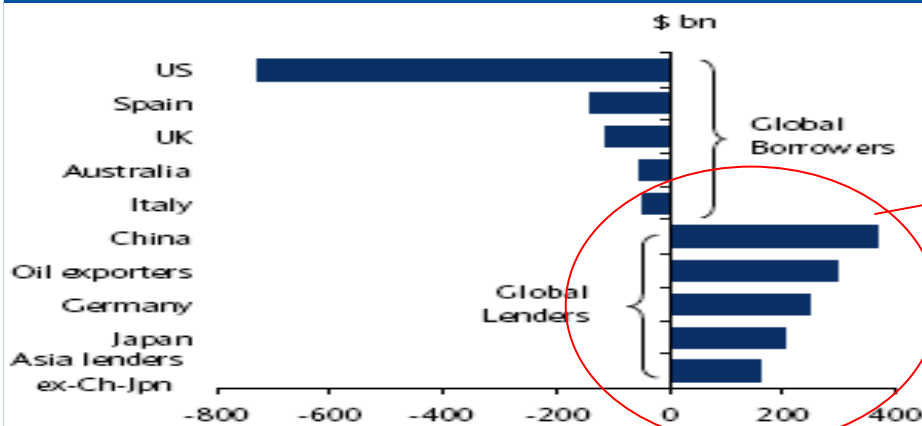
Massive increase in issuance across the G5



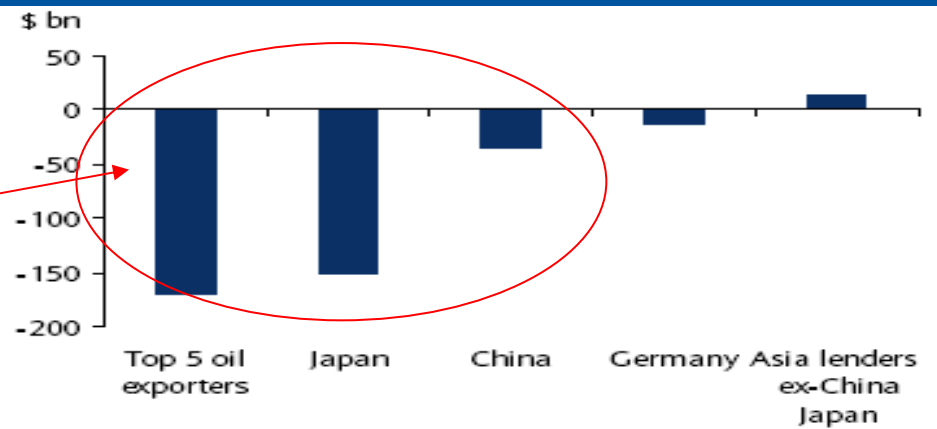
G4 debt levels to approach 100% of GDP



The savers from before...

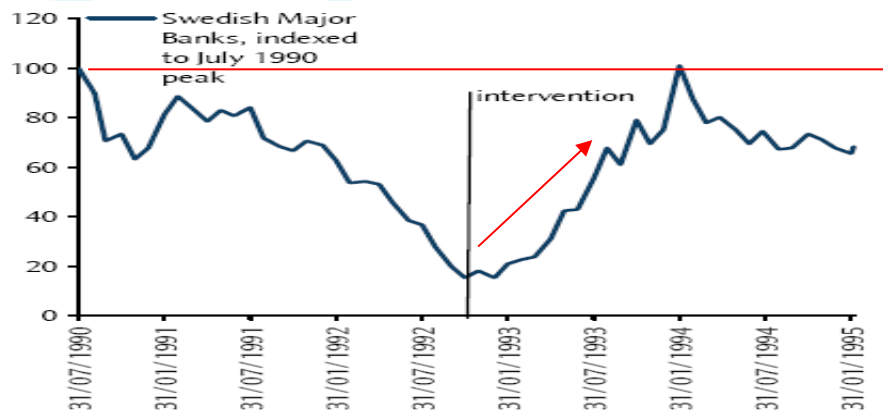


... Are not as deep pocketed now

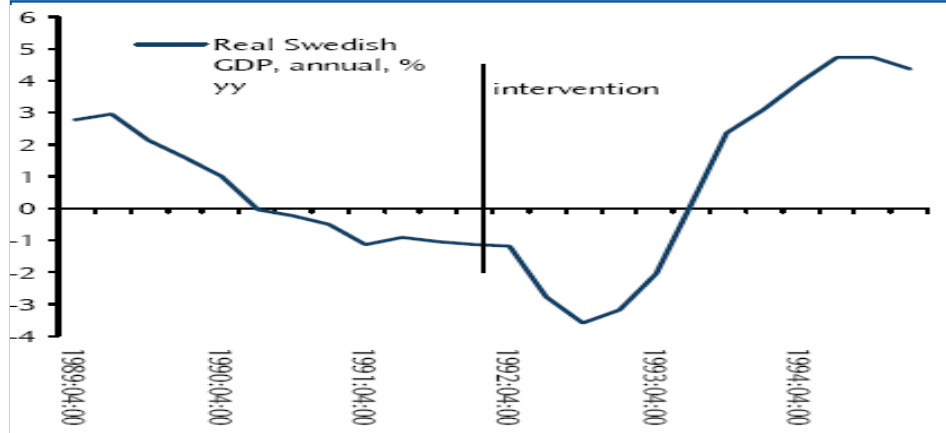


The experience of Sweden 1990-1993

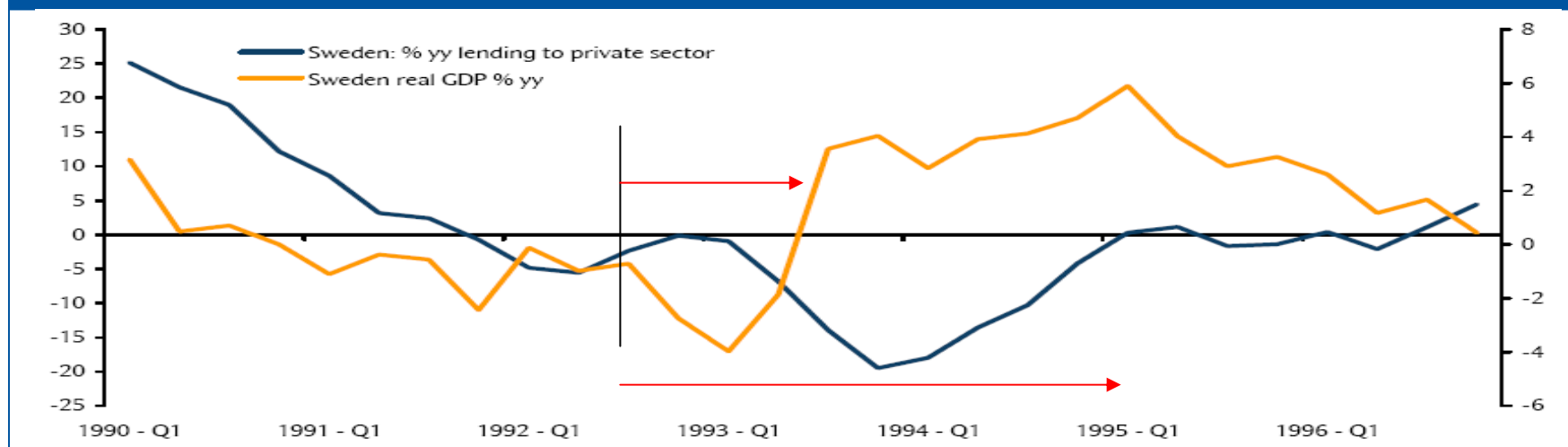
Bank equity and broader mkt can recover...



... Even as the economy continues to falter

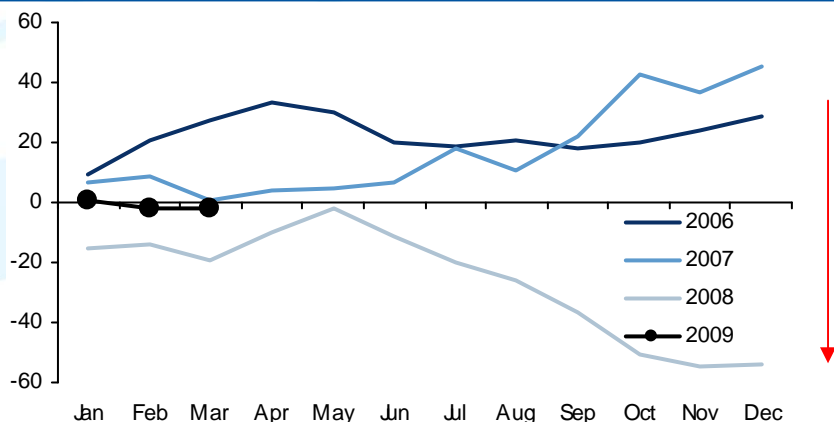


Swedish economy recovered 6 quarters before private credit stopped contracting

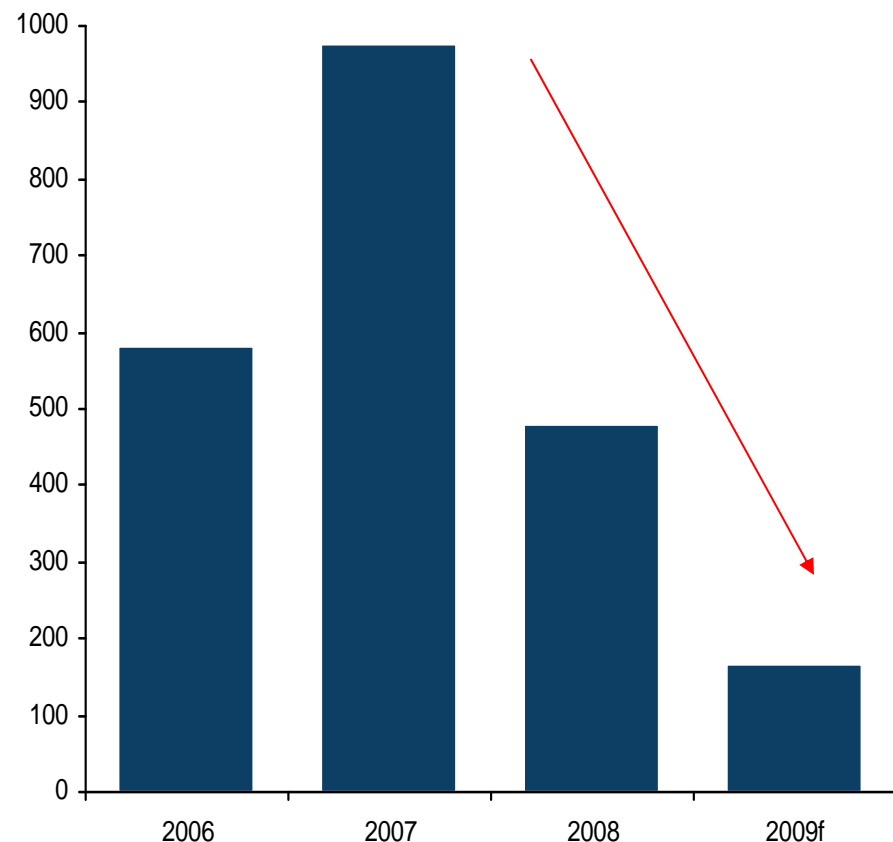


IIF estimates on portfolio flows signal trouble for EM deficit countries

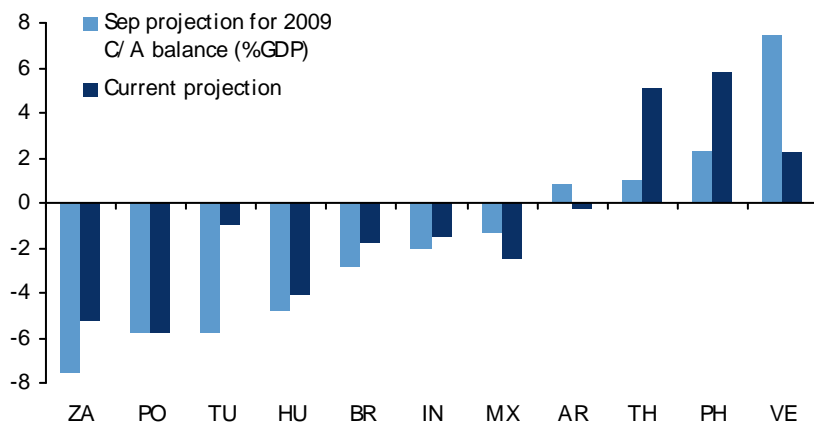
EM portfolio flows hit hardest in 2008



EM financing from private sector set to plummet (iif)



C/A deficit everywhere forced to adjust



Challenging times

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