



## Nemzetközi áttekintés

**Folytatódik a feltörekvő országok részvénypiacainak konszolidálódása**

**Kína növekedési kilátásai továbbra is a pénzügyi piacok érdeklődésének középpontjában állnak**

**Az euróövezetben egyre fokozódik a politikai bizonytalanság**

Áprilisban a legtöbb feltörekvő ország részvénypiacán folytatódott a márciusban elkezdődött konszolidálódási folyamat. A befektetők érdeklődésének középpontjában elsősorban a kínai gazdaság alakulása áll. Bár az ázsiai ország növekedésének komolyabb visszaesése miatti aggodalmak újra csökkenni látszanak, a helyzet egyik pillanatról a másikra változhat, ezért az elkövetkező hónapok Pekingben közzétett új konjunktúramutatóit árgus szemekkel figyeli a piac. A helyzet ugyanakkor némi iróniát is hordoz, hiszen a „szocialista tábor” – így Kína – hivatalos bejelentéseit a nyugati világ hajdan szinte mindig propagandának tekintette. Jelentős változások sem Kína politikai vagy hatalmi berendezkedésében, sem pedig a vezetői elit politikai eszköztárában nem következtek be, de a pekingi pozitív mutatók hallatán manapság mégis megkönnyebbült sóhaj szakad fel a nemzetközi pénzügyi piacokon befektetők ajkáról. A hivatalos statisztikák megbízhatóságának problémája azonban nemcsak Kína esetében merül fel. Manapság, amikor a „pénzügyi piacok bizalma” olyan fontos a politikusoknak és a jegybankoknak, érdemes (és ajánlatos) utánajárni a hivatalos statisztikák valóságtartalmának, és megbízhatóságának – az USA-ban és az euróövezetben egyaránt. Emlékezzünk csak vissza: Görögország beismerő vallomása – miszerint manipulálta az adósságadatokat – nem tekinthető ugyan az euróövezeti adósságválság kiváltó okának, viszont nagyban hozzájárult annak elhatalmasodásához. Azóta csak romlott a helyzet: a kormányok és a jegybankok azon vannak, hogy minden eszközzel és ameddig csak lehet, elfedjék a valóságot. A kínai mutatók megbízhatóságától függetlenül azonban el kell ismernünk, hogy sikerült visszaszorítaniuk a kínai gazdaság fenyegető „kemény landolása” miatt kialakult félelmeket. Az USA konjunktúramutatói szintén kedvezően alakultak. Az első negyedév előzetesen számított (éves) 2,2%-os növekedése komoly eredménynek számít, még ha el is maradt a legutóbbi elemzői várakozások mögött.

Az euróövezeti adósságválság továbbra is meghatározó negatív tényező, bár az EKB beavatkozása nyomán egyelőre jelentősen csökkent annak a veszélye, hogy újabb államok jelentsenek államcsődöt. Természetesen ezzel hosszú távon nem ellensúlyozhatók az euró alapvető konstrukciós hibái. Az elkövetkező hónapokban vélhetően főleg az egyes euróövezeti országokban bekövetkező politikai változások határozzák majd meg a pénzügyi piacok alakulását. Míg Sarkozy francia elnök leváltása aligha okozott meglepetést, és egyelőre a hatásai is jelentéktelennek mondhatók, a görög parlamenti választások eredményei azért egy ideig még bizonyára foglalkoztatni fogják a piacokat.

A növekedést tekintve több feltörekvő országban is némi élénkülés figyelhető meg, amiből az elkövetkező hónapokban könnyen válhat kellemes (konjunkturális) meglepetés is. Az infláció szinte mindenütt csökken, és ebben a trendben várhatóan nem is lesz változás.



## Country focus

### China

**Chinese growth likely to slow mildly in the coming months**

China's economy grew at an annualised rate of 8.1% in Q1 2012, a rate which was slower than most observers had anticipated. The simultaneously released data on industrial production (+11.9% yoy) and retail sales (+15.2% yoy), however, suggest accelerating growth. The very positive official purchasing managers' index result for April was also warmly welcomed, as this indicator came in at 53.3 points, signalling strong expansion. At the same time, it must be noted that this index almost always hits its annual peak in April. Viewed in this light, there are not really any grounds for being overjoyed, as the 53.3 reading was also the worst outcome for April in the last several years, aside from the crisis-stricken year of 2009. Another positive aspect was that private consumption was the strongest demand component this time, contributing around 75% to GDP expansion in Q1. The price component was just 3.7% yoy, down from 7.2% in Q1 2011. Services grew at a rate of 7.5% yoy, signalling relatively weak domestic demand. From Q2 we expect to see a mild acceleration in growth on the whole, accompanied by a slow easing of monetary policy. During the second half of the year, economic activity should pick up even more. For 2012 as a whole, it is possible that real growth of 8% or slightly higher will be achieved.

Following sharp losses in March, the Chinese stock markets bucked the general trend in the Emerging Markets and closed the month of April with gains between 4% (H-shares in Hong Kong) and 7% (A-shares in Shanghai). The mood, however, tends to still be dominated by caution.

### India

**Weaker economic data weigh on the Indian stock market; initial rate cut by the RBI**

In the review period, industrial production only expanded at a rate of 4.1%, instead of the anticipated 6.8%. This, however, was likely due to a slump in the production of durable consumer goods. On the other hand, production of capital goods reversed its recent downtrend. The reliability of the data, however, is coming under increasing scrutiny. For instance, the original January reading of +6.8% was subsequently revised back to just +1.1%, allegedly due to erroneous data on sugar production. This unusually strong revision actually even prompted the Finance Ministry to launch an investigation. A negative reaction was also seen for the consumer price index for March, which increased by 9.5% (year-on-year), mainly due to rising food prices. In this environment, India's central bank (RBI) moved to lower interest rates for the first, cutting the key rate by the unexpectedly large amount of 50bp. The RBI, however, indicated that it would not move ahead with further rate cuts for the time being. The central bank projects real economic growth of 7.3% and price increases (wholesale prices) of 6.5% for March 2012, the end of India's fiscal year. The rating agency Standard&Poor's lowered the outlook for India's credit rating to negative, and thus over the medium term the country may be faced with the loss of its investment grade rating.



Indian stock prices dropped yet again. In particular, investors' mood was soured by the weaker economic data and developments in the field of market regulation. Turnover on the exchanges dropped steeply. The long-awaited rate cut by the RBI was also not able to improve the mood much. At the same time, the key technical support zones for the stock indices have held up well so far, and accordingly May may be decisive for the future direction of stock prices in India.

### **Brazil**

As expected, the Brazilian central bank lowered the key rate by another 75 basis points at mid-April. The main arguments for this move were weak industrial production and falling rates of inflation. It was surprising, however, that further cuts in interest rates were not ruled out, even though the level of 9% which was reached was described as being the lower limit for 2012 just one month ago. The Brazilian real weakened in response, with bond and equity prices rising somewhat by contrast. Brazil's current account deficit doubled in March compared to February, but is still easy to finance with foreign direct investment. During Q1 2012, portfolio inflows were rather subdued, with the additional taxes on foreign purchases of Brazilian fixed income securities obviously having an impact. Nevertheless, the central bank intervened almost every time there were any signs of BRL appreciation.

The Brazilian equity market closed April with a decline of around 4%. President Rousseff upped the pressure on banks towards the end of the month, calling on them to pass on the lower interest rates to consumers and companies and reduce their lending rates.

### **Russia**

In economic terms, the situation for Russia has not changed much recently. The oil price – the biggest factor influencing the development of Russian financial markets and the Russian economy – edged slightly lower in April. Despite this, the rouble remained relatively stable against the EUR-USD currency basket. In a surprising development, however, industrial production slowed significantly compared to the previous month, but on the other hand private consumption remained strong. Consumption is being supported by higher real wages (+12.6% yoy) and relatively low unemployment (6.5%). Due to the government delaying energy price hikes, the rate of inflation is lower than it ever has been since the collapse of the Soviet Union, as the current year-on-year rate is at just +3.7%. But inflation will likely pick up as the year progresses, in line with the current economic development. Russian bonds posted mild gains for the month. The Russian government bond market is to be liberalised and access for investors made easier in the future. The target for this is the second half of the year, but it is still uncertain whether the necessary preparations will have been made by July 1. Russia's equity market corrected lower in April, moving in harmony with most of the other EM equity markets. The MICEX index fell around 3%, accompanied by a sharp decline in trading volumes.

#### **Plans for liberalisation of the Russian bond market**



**Inflation remains in double-digit territory in Turkey**

**Turkey**

Growth remains robust in the Turkish economy, but the pace is far from the high double-digit increases seen last year. Industrial production was surprisingly positive during the previous month. The purchasing managers' index increased to over 50, thus pointing to more expansion in the economy. Inflation remains in double-digit territory and was higher than market participants had expected in April, with prices increasing by 11.1% compared to the same month of last year. Even the core rate of inflation (excluding food and energy prices) is over 8%, well higher than the central bank's target of 5%. As expected, the central bank left rates unchanged and also did not alter the interest rate corridor. The Turkish lira appreciated over the month, along with Turkish bonds. On the other hand, the stock exchange in Istanbul saw negative performance, with the ISE-100 index dropping by around 4%.

**Polish economy still looking strong; central bank decides not to raise rates for now**

**Poland**

While the latest economic data in Poland are suggesting a mild slowdown in growth, the overall economic situation remains quite strong. The Polish economy continues to be driven by robust gains in domestic consumption, with retail sales turnover rising slightly more strongly than analysts' projections in March. Industrial sales, on the other hand, were weaker than anticipated (most likely due to weaker exports to Western Europe). Consequently, the Polish economy may manage real growth of up to 3% in 2012. Annual inflation fell to 3.9% (from the previous rate of 4.3%). The relatively strong appreciation of the zloty at the beginning of the year should continue to dampen inflation in the months ahead. Due to the high inflation (well over the target level of 2.5%) and the strong economic growth environment, the central bank raised the prospects of a rate hike at its next rate-setting meeting. The latest data, however, do not necessarily support such a move (anymore). The zloty weakened somewhat in April, whereas Polish bonds were able to post gains for the month. Poland's WIG-20 stock index edged 2% lower in April. Losers mostly included construction industry companies, along with IT and real estate, whereas chemicals and oil&gas stocks remained quite stable.

**Czech economic activity remains sluggish: possibility of more rate cuts in the months to come?**

**Czech Republic**

Czech economic data, in particular the purchasing managers' index, signalled more doldrums for the economy, which has been in a mild recession for the last two quarters. Looking at the prospective development of the Czech economy, Western Europe (especially in Germany) will be the key. Inflation accelerated sharply to 3.8% yoy, mainly due to the VAT hikes and higher energy prices. The recently stronger Czech koruna should help to contain inflation in the coming months however. There is still no demand-side inflationary pressure in sight and thus inflation should soon fall back to below 2% again. As generally expected, interest rates were left on hold. One interesting aspect, however, was that two council members actually voted for more rate cuts. In the months ahead, it may be possible that interest rates in the Czech Republic will decline again. Immediately prior to the budget vote, the governing Czech coalition was faced with collapse, but in the end the differences were settled in time. The conflicts flared up again at



the end of the month, but the government survived a no-confidence vote in parliament, thus averting new elections for the time being. Czech government bonds closed the month marginally stronger, even though the koruna depreciated slightly. The Czech equity market was one of the weakest of the CE3 markets in April, posting a loss of around 3.5%.

### Hungary

In light of the latest data (industrial production, retail sales, purchasing managers' index), the growth situation in Hungary has deteriorated even more. Nevertheless, the newsflow in April was dominated by political developments. The main topic was the negotiations on financial aid between Hungary on the one hand and the EU and the IMF on the other. In the second half of April, the EU toned down its threats of proceedings before the European Court of Justice and gave a green light for talks on financial assistance with the Hungarian government. It appears that in return PM Orbán is going to retract the disputed legal amendments (mainly in relation to the Hungarian central bank). This spurred very strong performance by Hungarian stocks, the forint and Hungarian bonds. The IMF, however, has not commented much on the situation and still wishes to see deeds and not words alone before it commences the direct negotiations. Without the prospect of an agreement with the EU and the IMF, Hungary's refinancing is in grave danger. So far, however, this has not stopped the country's right-wing, conservative government from going head to head with the EU, and the EU has actually shown a very muted reaction to this so far. In light of the debt crisis in the peripheral countries, the EU certainly does not need another crisis situation and thus the Hungarian government's negotiating position is not as weak as it may appear at first glance. Accordingly, there are grounds for some scepticism as to whether the Hungarian government will actually keep its promises and do what it has said it will.

The Hungarian stock market weakened mildly in April, falling by around 2%. Magyar Telekom suffered the largest losses, after the government raised the prospects of a tax on Internet use and telephone calls.

**Hungary's government continues to play cat-and-mouse with the EU and IMF on the issue of financial assistance**

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