

Emerging Markets Strategy Dashboards

| Emerging Markets Equity Strategy Team | | | | | Country Recommendation |
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| Rajiv Batra | Emerging Markets | rajiv.j.batra@jpmorgan.com | (91-22) 6157-3568 | J.P. Morgan India Private Limited | OW cyclical, UW defensives, Buy interest-rate sensitives |
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| Global Emerging Markets Research | | | | | |
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Key Changes

Market performance to 6 March, 2012

- Year to date: MSCI Emerging Markets 13.6% outperforming MSCI World by 5.8%
- Year to date: MSCI EM EMEA 15.6% outperforming MSCI Emerging Markets by 2%
- Top three markets YTD in US\$: Egypt, Russia and Hungary
- Bottom three markets YTD in US\$: Argentina, Indonesia and Morocco

Sector performance

- Year to date: MSCI EM Industrials 18.6% outperforming MSCI Emerging Markets by 5%
- Year to date: MSCI EM Telecoms 4.7% underperforming MSCI Emerging Markets by 8.9%
- Top three key market sectors YTD in US\$: India Financials, Turkey Financials and Korea Industrials
- Bottom three key market sectors YTD in US\$: Korea Consumer Staples, South Africa Telecommunication Services and South Africa Materials

Demand classification sector performance

- YTD: Global Price Takers 16.7%, Global Capex 16.4%, Global Consumer 14.1% and Domestic Demand 11.8%

Headline inflation data published in the previous week

- **Korea:** Feb CPI 3.1%oya (J.P.Morgan 3.0%, Consensus 3.1%)
- **Philippines:** Feb CPI 2.7%oya (J.P.Morgan 3.0%, Consensus 3.2%)
- **Taiwan:** Feb CPI 0.3%oya (J.P.Morgan 1.6%, Consensus 1.3%)
- **Russia:** Feb CPI 3.7%oya (J.P.Morgan 3.9%, Consensus 3.9%)
- **Turkey:** Feb CPI 10.4%oya (J.P.Morgan 10.3%, Consensus 10.4%)

J.P. Morgan's revisions to 2011 GDP forecasts

- **Positive:** Peru 6.9% [6.7%]

J.P. Morgan's revisions to 2012 GDP forecasts

- **Positive:** DM 1.2% [1.1%], Poland 3.2% [3.0%]
- **Negative:** Thailand 5.1% [5.2%]

J.P. Morgan's revisions to central bank policy rate forecasts

- **Thailand:** 3.00%, Last change 25 Jan 12 -25bps, Next change On Hold [3Q12 -25bps], Mar 12 3.00%, Jun 12 3.00%, Sep 12 3.00% [2.75%]

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Please see **Key Trades and Risks - Emerging Markets Equity Strategy**, Mowat, et al, 16 February 2012, for our latest emerging markets equity strategy.

See page 24 for analyst certification and important disclosures, including non-US analyst disclosures.

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Summary: Regional and Countries Valuations

| | 6-Mar-12 MSCI Index | P/E (x) | | | | | | | Div. Yield (%) | | | | P/BV (x) | | | | Earnings growth (%) | | | | ROE (%) | | |
|-------------------|------------------------|------------------|-------------------|---------------------|------------|-------------|-------|-------|----------------|---------------------|-------------|-------|------------------|---------------------|-------------|-------|---------------------|-------|-------|-------|---------|-------|-------|
| | | Hist.^ Trough | P/ EPS (Trend) | Current Trailing | 12m Fwd | Prospective | | | Hist.^ Peak | Current Trailing | Prospective | | Hist.^ Trough | Current Trailing | Prospective | | 2010 | 2011E | 2012E | 2013E | 2011E | 2012E | 2013E |
| | | | | | | 2011E | 2012E | 2013E | | | 2012E | 2013E | | | 2012E | 2013E | | | | | | | |
| Global* | 339 | 13.7 | 12.9 | 12.8 | 11.5 | 13.1 | 11.8 | 10.5 | 4.1 | 2.7 | 2.9 | 3.2 | 1.3 | 1.7 | 1.6 | 1.5 | 39.6 | 8.2 | 10.9 | 12.6 | 12.7 | 13.2 | 13.9 |
| USA | 1,285 | 11.6 | 13.2 | 13.8 | 12.6 | 14.1 | 12.9 | 11.4 | 4.0 | 2.0 | 2.2 | 2.4 | 1.4 | 2.1 | 1.9 | 1.8 | 47.7 | 16.5 | 9.2 | 12.9 | 15.9 | 15.9 | 16.3 |
| Europe* | 1,078 | 7.9 | 10.2 | 11.0 | 10.2 | 11.2 | 10.4 | 9.4 | 6.1 | 3.9 | 4.2 | 4.5 | 1.1 | 1.5 | 1.4 | 1.3 | 38.9 | 1.2 | 7.3 | 11.3 | 16.4 | 17.0 | 17.7 |
| Japan* | 509 | 14.9 | 20.0 | 21.1 | 18.9 | 21.2 | 20.9 | 13.1 | 3.0 | 2.3 | 2.4 | 2.6 | 0.9 | 1.0 | 1.0 | 1.0 | NM | 18.2 | 1.5 | 59.8 | 5.0 | 4.9 | 7.5 |
| Emerging Markets* | 44,903 | 7.9 | 11.5 | 11.2 | 10.2 | 11.4 | 10.5 | 9.3 | 3.6 | 3.0 | 3.1 | 3.4 | 1.0 | 1.6 | 1.5 | 1.3 | 33.0 | 9.1 | 9.0 | 12.1 | 15.3 | 15.1 | 15.2 |
| EMF Asia | 637 | 8.5 | 14.3 | 12.8 | 11.2 | 13.2 | 11.5 | 9.9 | 3.4 | 2.6 | 2.6 | 3.0 | 1.0 | 1.8 | 1.6 | 1.5 | 37.3 | 1.9 | 14.6 | 16.0 | 14.5 | 15.1 | 15.6 |
| EMF LatAm* | 7,365,061 | 8.6 | 11.5 | 12.7 | 11.5 | 12.9 | 11.8 | 10.4 | 5.1 | 3.1 | 3.3 | 3.8 | 0.6 | 1.6 | 1.5 | 1.4 | 23.9 | 1.6 | 9.4 | 13.0 | 13.2 | 13.2 | 14.2 |
| EMF EMEA* | 426 | 6.2 | 7.6 | 8.0 | 7.8 | 8.1 | 7.9 | 7.6 | 4.9 | 3.4 | 3.9 | 4.3 | 1.2 | 1.3 | 1.2 | 1.1 | 31.5 | 22.8 | 2.5 | 3.3 | 17.5 | 15.7 | 14.6 |
| China | 59 | 7.2 | 8.5 | 10.6 | 9.6 | 10.7 | 9.8 | 8.7 | 5.7 | 3.1 | 3.4 | 4.2 | 0.5 | 1.8 | 1.6 | 1.4 | 34.3 | 11.7 | 9.8 | 12.2 | 17.6 | 17.2 | 17.1 |
| Brazil* | 221,731 | 6.5 | 7.6 | 11.2 | 10.3 | 11.4 | 10.5 | 9.5 | 7.6 | 3.3 | 3.7 | 4.1 | 0.4 | 1.4 | 1.3 | 1.2 | 29.1 | -2.3 | 7.9 | 11.4 | 13.0 | 13.0 | 13.5 |
| Korea | 571 | 7.7 | 10.2 | 11.7 | 9.8 | 12.1 | 10.1 | 8.7 | 2.9 | 1.1 | 1.1 | 1.1 | 0.5 | 1.4 | 1.2 | 1.1 | 41.6 | -2.0 | 19.5 | 16.6 | 11.9 | 12.8 | 13.3 |
| Taiwan | 281 | 11.1 | 13.4 | 17.3 | 14.7 | 17.8 | 15.3 | 12.5 | 7.8 | 4.1 | 3.8 | 4.1 | 1.2 | 1.9 | 1.8 | 1.7 | 55.8 | -22.5 | 16.2 | 22.8 | 10.6 | 11.9 | 13.8 |
| South Africa* | 871 | 9.1 | 11.0 | 13.0 | 10.7 | 13.5 | 10.9 | 9.7 | 4.7 | 3.6 | 4.0 | 4.6 | 1.4 | 2.2 | 2.0 | 1.8 | 25.2 | 20.6 | 23.7 | 13.1 | 17.9 | 19.4 | 19.5 |
| India | 678 | 9.6 | 16.0 | 15.5 | 13.3 | 15.9 | 13.7 | 11.8 | 2.6 | 1.5 | 1.6 | 1.7 | 1.4 | 2.6 | 2.3 | 2.0 | 23.0 | 13.8 | 16.1 | 16.5 | 17.7 | 18.0 | 18.4 |
| Russia* | 826 | 3.7 | 3.6 | 5.2 | 5.6 | 5.1 | 5.6 | 5.8 | 3.2 | 2.8 | 3.2 | 3.5 | 0.2 | 0.9 | 0.8 | 0.7 | 42.7 | 34.7 | -8.1 | -3.9 | 18.9 | 14.9 | 12.7 |
| Mexico* | 35,010 | 9.0 | 10.3 | 17.2 | 14.8 | 17.6 | 15.4 | 12.9 | 4.1 | 1.5 | 2.2 | 3.0 | 0.7 | 2.3 | 2.3 | 2.5 | -7.9 | 15.2 | 14.9 | 19.2 | 16.2 | 15.1 | 18.5 |
| Malaysia | 581 | 9.7 | 17.1 | 16.3 | 15.2 | 16.5 | 15.6 | 13.6 | 5.1 | 3.1 | 3.0 | 3.3 | 0.6 | 2.2 | 2.1 | 1.8 | 26.4 | 8.5 | 5.6 | 15.0 | 13.9 | 13.9 | 14.2 |
| Chile* | 5,392 | 11.4 | 20.0 | 18.2 | 15.9 | 18.7 | 16.2 | 14.8 | 8.9 | 2.6 | 2.9 | 3.6 | 0.9 | 2.2 | 2.0 | 1.9 | 28.4 | -7.8 | 15.7 | 9.5 | 12.2 | 13.1 | 13.3 |
| Indonesia | 4,815 | 4.8 | 15.0 | 14.8 | 13.4 | 15.0 | 13.8 | 12.0 | 5.9 | 2.5 | 2.9 | 3.2 | 0.9 | 3.7 | 3.2 | 2.8 | 15.5 | 20.4 | 9.0 | 14.9 | 27.2 | 25.3 | 24.7 |
| Turkey* | 835,117 | 5.1 | 5.4 | 10.3 | 9.2 | 10.5 | 9.4 | 8.3 | 4.0 | 3.0 | 3.4 | 4.0 | 1.4 | 1.6 | 1.4 | 1.3 | 18.0 | -8.0 | 11.9 | 13.4 | 15.8 | 16.1 | 16.3 |
| Thailand | 465 | 7.7 | 8.6 | 13.6 | 11.5 | 14.0 | 11.8 | 10.3 | 5.9 | 3.3 | 3.6 | 4.1 | 0.6 | 2.5 | 2.2 | 2.0 | 28.5 | 11.5 | 18.7 | 15.1 | 19.7 | 20.4 | 20.4 |
| Poland* | 1,560 | 6.4 | 10.4 | 9.0 | 9.7 | 8.9 | 9.7 | 9.8 | 7.1 | 5.2 | 5.6 | 5.6 | 1.0 | 1.2 | 1.1 | 1.1 | 34.4 | 20.6 | -8.8 | -0.8 | 14.2 | 11.9 | 11.3 |
| Czech Republic* | 331 | 7.3 | 6.2 | 11.1 | 10.9 | 11.2 | 10.9 | 10.6 | 10.0 | 6.8 | 6.5 | 6.7 | 0.5 | 1.9 | 1.8 | 1.7 | -1.3 | -12.4 | 2.2 | 2.6 | 16.9 | 16.6 | 16.1 |
| Egypt* | 1,165 | 5.5 | 4.4 | 11.2 | 7.8 | 12.2 | 8.1 | 6.7 | 8.4 | 2.8 | 3.6 | 4.9 | 1.0 | 0.7 | 0.7 | 0.6 | -2.3 | -1.6 | 49.9 | 22.0 | 8.0 | 8.6 | 10.1 |
| Philippines | 826 | 8.8 | 23.9 | 17.9 | 15.8 | 18.3 | 16.1 | 14.3 | 4.9 | 2.5 | 2.6 | 2.9 | 0.9 | 2.8 | 2.6 | 2.3 | 48.5 | 4.4 | 13.4 | 12.9 | 16.3 | 16.6 | 17.0 |
| Hungary* | 1,034 | 3.6 | 5.1 | 8.9 | 8.1 | 9.0 | 8.4 | 6.9 | 5.3 | 2.8 | 4.5 | 5.5 | 0.6 | 1.0 | 0.9 | 0.8 | 7.4 | 1.4 | 6.2 | 22.7 | 11.4 | 11.1 | 12.4 |

Source: I/B/E/S, MSCI, J.P. Morgan estimates

Updated as of 6 March 2012

* Market forecast numbers are derived from bottom-up calculations of each individual MSCI constituents using I/B/E/S estimates. IBES Estimates are not available for Morocco, Jordan, Peru and Colombia.

For all other markets, forecast numbers are derived from bottom-up calculations of each individual MSCI constituents using JPM estimates for covered stocks and I/B/E/S estimates for the rest.

Hist.^ refers to the historically lowest valuation of the MSCI indices since Jan 1991. Trough PE represents the lowest 12 month trailing PE. For dividend yield the highest values are taken to represent the best multiple.

USA, Europe and Japan PE are I/B/E/S aggregate estimates. Japan Valuation estimates are for the financial year ending March

P / EPS (Trend) uses the trend EPS for the indices calculated by the linear regression on the natural log of trailing EPS. For more, please refer to 'Mayday call for the shorts - Perspectives and Portfolios', 5 May 2009, Mowat et al.

P / EPE (Trend)' is NM for indices where the modeled relationship is weak with a less than 0.50 R-square. The start dates China and Singapore models are modified to make them more relevant. Sector indices inputs have not been altered.

Market Performance: MSCI AC Performance by Regions, Countries and Sectors

| YTD 2012 | Global | North America | Europe | Japan | EMF | EMF Asia | EMF Latin America | EMEA | EMF Asia | Korea | Taiwan | China | India | Malaysia | Thailand | Indonesia | Philippines |
|-----------------------------------|--------|---------------|--------|-------|-------|----------|-------------------|-------|----------|-------|--------|-------|-------|----------|----------|-----------|-------------|
| Consumer Discretionary | 11.4% | 10.3% | 14.2% | 17.8% | 10.4% | 7.8% | 14.2% | 19.3% | 7.8% | 1.9% | 12.3% | 10.9% | 22.8% | 0.0% | 7.8% | -6.1% | 14.4% |
| Consumer Staples | 2.6% | 1.6% | 3.2% | 6.1% | 7.6% | 3.5% | 10.8% | 12.3% | 3.5% | -2.3% | -2.4% | 1.6% | 0.0% | 1.6% | 18.5% | 1.4% | 6.3% |
| Energy | 6.3% | 4.7% | 5.9% | 8.5% | 17.1% | 15.3% | 19.7% | 17.3% | 15.3% | 25.4% | -0.1% | 14.1% | 12.4% | 3.1% | 11.7% | 11.6% | |
| Financials | 12.1% | 10.1% | 14.0% | 23.5% | 15.0% | 13.6% | 13.7% | 20.9% | 13.6% | 10.2% | 6.0% | 14.6% | 19.7% | 2.7% | 14.3% | -2.6% | 28.3% |
| Healthcare | 2.5% | 3.2% | 0.3% | 8.2% | 10.8% | 7.8% | 0.0% | 15.3% | 7.8% | 0.0% | | 6.0% | 6.9% | | | 0.0% | |
| Industrials | 8.1% | 5.8% | 8.3% | 13.8% | 18.6% | 18.3% | 18.1% | 21.9% | 18.3% | 18.8% | 11.8% | 15.3% | 22.1% | 4.8% | | 12.3% | 14.5% |
| Information Technology | 12.9% | 13.4% | 9.7% | 9.7% | 16.6% | 16.1% | 30.3% | 14.3% | 16.1% | 11.8% | 14.1% | 24.6% | 4.0% | | | | |
| Materials | 8.8% | 6.2% | 10.0% | 11.9% | 13.8% | 16.3% | 14.3% | 8.0% | 16.3% | 12.5% | 11.7% | 16.6% | 19.7% | 10.2% | 21.2% | 2.8% | |
| Telecoms | -0.2% | 0.6% | -2.9% | 2.7% | 4.7% | 2.9% | 4.5% | 8.7% | 2.9% | -6.2% | -5.5% | 2.5% | 5.2% | 4.9% | 14.2% | 0.4% | 8.4% |
| Utilities | 1.7% | -3.3% | 4.1% | 12.1% | 13.5% | 11.5% | 14.6% | 15.4% | 11.5% | -4.8% | | 7.7% | 17.8% | 8.9% | -7.0% | 18.9% | 3.2% |
| Region / Country Benchmark | 7.8% | 6.9% | 7.0% | 14.0% | 13.6% | 12.9% | 14.0% | 15.6% | 12.9% | 10.0% | 10.7% | 12.3% | 13.4% | 3.8% | 14.4% | 1.2% | 15.4% |
| Change vs dollar | | | -1.2% | -4.9% | | | | | | 2.7% | 2.6% | -0.2% | 5.3% | 4.8% | 2.4% | -1.3% | 1.9% |

| YTD 2012 | EMF Latin America | Brazil | Mexico | Chile | Argentina | Peru | Colombia | EMEA | South Africa | Russia | Turkey | Poland | Hungary | Czech Republic | Egypt | Morocco |
|-----------------------------------|-------------------|--------|--------|-------|-----------|-------|----------|-------|--------------|--------|--------|--------|---------|----------------|-------|---------|
| Consumer Discretionary | 14.2% | 26.8% | -12.1% | 14.2% | | | | 17.8% | 13.2% | | 16.2% | 3.3% | | | 0.0% | |
| Consumer Staples | 10.8% | 6.6% | 1.0% | 3.1% | | | -2.7% | 20.3% | 1.7% | 17.6% | 10.5% | 1.0% | | 0.0% | | 0.0% |
| Energy | 19.7% | 11.5% | | | -17.9% | | 22.9% | 19.1% | 2.2% | 10.4% | 8.8% | -0.6% | 6.6% | | | 0.0% |
| Financials | 13.7% | 7.6% | 10.9% | 4.1% | 9.6% | 13.5% | -1.1% | 24.0% | 10.3% | 22.8% | 16.1% | 4.3% | 17.7% | 9.7% | 44.7% | 5.5% |
| Healthcare | 0.0% | 0.0% | | | | | | 18.3% | 8.4% | | | | 9.6% | | 0.0% | |
| Industrials | 18.1% | 11.2% | 9.7% | 12.2% | | | | 26.3% | 9.9% | | 20.1% | | | | 37.0% | |
| Information Technology | 30.3% | 22.7% | | | | | | 14.3% | | | | 5.8% | | | | |
| Materials | 14.3% | 8.2% | 11.2% | 4.9% | | 4.6% | 0.1% | 20.4% | -3.3% | 6.5% | 24.6% | 24.9% | | | | 0.0% |
| Telecoms | 4.5% | 2.2% | -4.0% | -2.7% | 1.8% | | | 12.1% | -3.6% | 5.6% | 4.6% | -2.9% | 9.8% | 4.6% | 75.6% | 3.2% |
| Utilities | 14.6% | 9.1% | | 6.1% | | | 1.8% | 15.4% | | 0.0% | 0.0% | -5.1% | 3.8% | | | |
| Region / Country Benchmark | 14.0% | 9.6% | 0.6% | 6.2% | -6.7% | 7.7% | 5.9% | 19.5% | 3.9% | 11.9% | 13.9% | 4.6% | 11.4% | 5.3% | 50.2% | 4.2% |
| Change vs dollar | | 6.2% | 7.2% | 5.8% | -0.8% | 0.8% | 8.9% | | 5.7% | 8.5% | 5.6% | 8.3% | 8.1% | 4.0% | 0.0% | 1.1% |

Notes

Source: Bloomberg, MSCI.

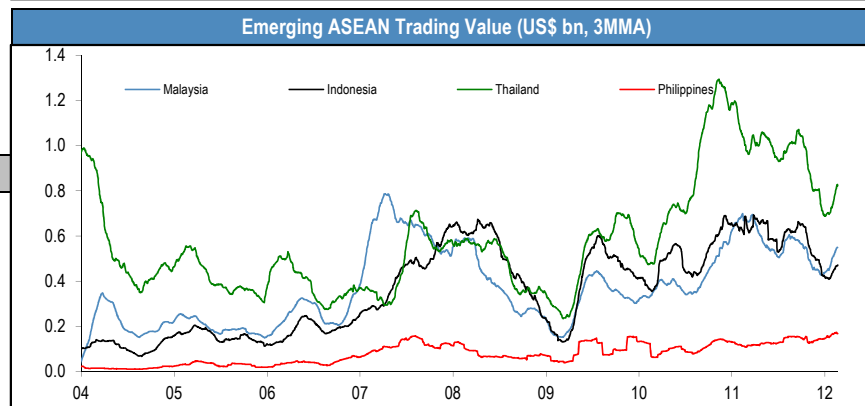
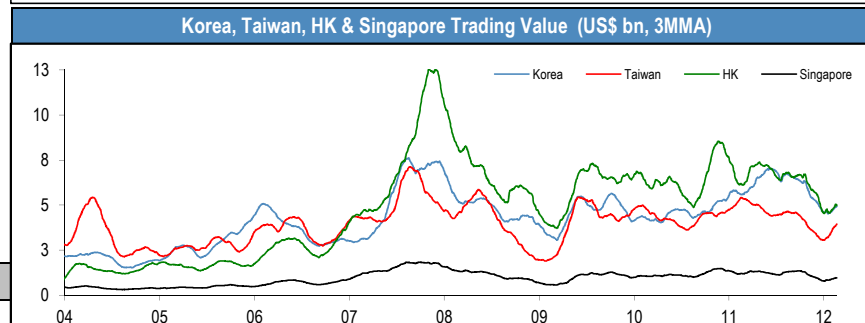
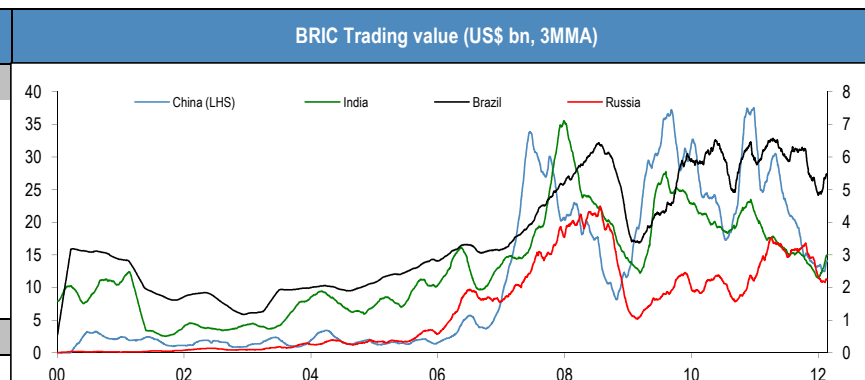
Regional headings first sorted by regional weights in the MSCI EMF and then country headings from left to right by relative weights within the MSCI EMF

Local currency movements against the dollar : appreciation / (depreciation)

Country and sector cross sections in italic blue have outperformed their indices by more than 2%. Shaded areas have underperformed their indices by more than 2%.

Equity Markets Liquidity Monitor

| Country | Stock Exchange | FF Mkt Cap (US\$ Bn) | Daily Trading Value (US\$ bn) | | | Daily Velocity Ratio (%) | | |
|--------------------------|---------------------------|----------------------|-------------------------------|-------|--------|--------------------------|--------|--------|
| | | | 1 Wk Avg | 3 MMA | 11 Avg | 1 Wk Avg | 3M Avg | 11 Avg |
| Developed Markets | | | | | | | | |
| US | NYSE + NASDAQ + AMEX | 15,556 | 36 | 35 | 44 | 0.23 | 0.24 | 0.30 |
| UK | London Stk Exchange | 3,041 | 6.7 | 5.9 | 7.2 | 0.22 | 0.21 | 0.24 |
| Japan | Tokyo Stk Exchange | 2,866 | 18 | 14 | 16 | 0.61 | 0.50 | 0.56 |
| Australia | ASX | 1,228 | 4.3 | 3.9 | 4.9 | 0.35 | 0.33 | 0.40 |
| HK | HKSE | 1,637 | 6.0 | 5.0 | 6.3 | 0.37 | 0.33 | 0.40 |
| Singapore | SSE | 312 | 1.1 | 1.0 | 1.2 | 0.34 | 0.33 | 0.38 |
| EM Asia | | | | | | | | |
| China | Shanghai & Shenzhen A | 1,739 | 22 | 14 | 21 | 1.29 | 0.87 | 1.13 |
| India | BSE & NSE | 406 | 3.3 | 3.0 | 3.0 | 0.83 | 0.81 | 0.69 |
| Indonesia | JSE | 173 | 0.5 | 0.5 | 0.6 | 0.27 | 0.28 | 0.36 |
| Korea | KSE | 715 | 5.4 | 4.9 | 6.1 | 0.77 | 0.74 | 0.88 |
| Malaysia | Bursa Malaysia | 180 | 0.7 | 0.6 | 0.6 | 0.36 | 0.33 | 0.33 |
| Philippines | PSE | 52 | 0.2 | 0.2 | 0.1 | 0.32 | 0.35 | 0.30 |
| Taiwan | TWSE & OTC | 584 | 5.0 | 3.9 | 4.3 | 0.87 | 0.76 | 0.75 |
| Thailand | TSE | 110 | 1.1 | 0.8 | 0.9 | 1.00 | 0.83 | 0.98 |
| EMEA | | | | | | | | |
| Russia | RTS + MICEX + DR | 391 | 2.8 | 2.2 | 3.1 | 0.72 | 0.63 | 0.76 |
| South Africa | Johannesburg Stk Exchange | 612 | 1.7 | 1.6 | 1.7 | 0.27 | 0.29 | 0.34 |
| Turkey | Istanbul Stk Exchange | 77 | 1.1 | 1.2 | 1.6 | 1.49 | 1.71 | 1.99 |
| Poland | Warsaw Stk Exchange | 81 | 0.7 | 0.7 | 0.7 | 0.86 | 0.95 | 0.77 |
| Egypt | Egyptian Exchange | 31 | na | na | 0.3 | na | na | 0.98 |
| LatAm | | | | | | | | |
| Brazil | Bovespa + DR | 846 | 5.8 | 5.5 | 6.0 | 0.69 | 0.72 | 0.74 |
| Mexico | Mexico Stk Exchange + DR | 249 | 1.3 | 1.1 | 1.0 | 0.53 | 0.45 | 0.43 |
| Chile | Santiago Stk Exchange | 116 | 0.22 | 0.20 | 0.22 | 0.19 | 0.19 | 0.19 |
| Colombia | Bogota Stk Exchange | 52 | 0.27 | 0.11 | 0.09 | 0.52 | 0.24 | 0.20 |
| Peru | Lima Stk Exchange | 45 | 0.03 | 0.02 | 0.03 | 0.07 | 0.06 | 0.07 |
| Argentina | Argentina Stk Exchange | 14 | 0.11 | 0.09 | 0.10 | 0.82 | 0.67 | 0.58 |



Source: Bloomberg, J.P. Morgan. Notes: Market cap uses all exchanges covered by Bloomberg for a specific country and primary security of company only.

Updated as of 6 March 2012

The latest one week average is red (gray box in B&W, dark blue in blue scale) if less than 90% of the three month average or blue (solid black box in B&W, light blue in blue scale) if greater than 110% of the three month average.

To calculate the free float we use the MSCI free float factor for all markets except for Hong Kong, Russia and South Africa where we calculate the free float for the Hong Kong Composite Index, MICEX, and JSE.

Trading value calculation for Russia, Mexico and Brazil, includes value of depository receipts traded (DR) along with local stock exchange turnover. South Africa and Australia market capitalisation and trading value includes only local listed portion of dual listed stocks.

Velocity Ratio = (Trading Value / Free float market cap) * 100

Monitoring Inflation: The real threat to EM equities

| Country | Inflation Rate | CB Inflation Target (%) | JPM f'cast CY2012 | CPI (YoY) Date | CPI (YoY) Previous | CPI (YoY) Latest | CPI (%) MoM | CPI (%) 3M ann | Food CPI (YoY) Previous | Food CPI (YoY) Latest | Core CPI (%) YoY | Core CPI (%) 3M ann | Policy Rate Current | Policy Rate Last Change | Policy Rate Next Change |
|---------------------------------------|-------------------------|-------------------------|-------------------|----------------|--------------------|------------------|-------------|----------------|-------------------------|-----------------------|------------------|---------------------|---------------------|-------------------------|-------------------------|
| Developed Markets | | | | | | | | | | | | | | | |
| United States | Chained CPI | na | 1.9 | Jan-12 | 3.0 | 2.9 | 0.2 | 1.2 | 4.6 | 4.3 | 2.3 | 2.2 | 0.13 | 16 Dec 08 (-87.5bp) | On hold |
| <i>US core PPI</i> | <i>Core PPI SA</i> | <i>na</i> | <i>na</i> | <i>Jan-12</i> | <i>3.0</i> | <i>3.0</i> | <i>0.4</i> | <i>3.2</i> | - | - | - | - | - | - | - |
| <i>US Unit Labor Cost</i> | <i>LC Nonfarm</i> | <i>na</i> | <i>na</i> | <i>Dec-11</i> | <i>0.5</i> | <i>1.3</i> | <i>NA</i> | <i>1.5</i> | - | - | - | - | - | - | - |
| Euro Area | CPI | Under 2% | 2.1 | Jan-12 | 2.7 | 2.6 | (0.8) | (1.6) | 3.0 | 2.9 | 1.5 | (5.3) | 1.00 | 8 Dec 11 (-25bp) | Jun 12 (-25bp) |
| Japan | CPI | na | -0.2 | Jan-12 | (0.2) | 0.1 | 0.2 | (1.6) | (0.1) | 1.0 | (0.8) | (2.8) | 0.05 | 5 Oct 10 (-5bp) | On hold |
| Australia | CPI | 2 - 3 | 3.3 | Dec-11 | 3.5 | 3.1 | NA | 0.0 | 6.4 | 2.5 | na | na | 4.25 | 6 Dec 11 (-25bp) | 2Q 13 (+25bp) |
| Hong Kong | CPI | na | 4.4 | Jan-12 | 5.7 | 6.1 | 0.9 | 7.2 | (10.4) | (10.5) | 6.1 | 14.4 | 0.50 | 17 Dec 08 (-100bp) | On hold |
| Singapore | CPI | 2-3% | 3.8 | Jan-12 | 5.5 | 4.8 | 0.9 | 6.0 | 3.7 | 3.9 | 5.2 | 6.4 | - | - | - |
| EM Asia | | | | | | | | | | | | | | | |
| China | CPI | 4.0% | 3.1 | Jan-12 | 4.1 | 4.5 | 0.6 | 1.6 | 9.1 | 10.5 | 1.6 | 0.3 | 6.56 | 6 Jul 11 (+25bp) | 4Q 12 (+25bp) |
| Korea | CPI | 3.0 (±1) | 3.4 | Feb-12 | 3.4 | 3.1 | 0.4 | 5.1 | 5.9 | 3.6 | 2.5 | 3.1 | 3.25 | 10 Jun 11 (+25bp) | On hold |
| Indonesia | CPI | 4 - 6% | 3.6 | Feb-12 | 3.7 | 3.6 | (0.2) | 5.6 | 3.3 | 2.9 | 4.4 | 4.4 | 5.75 | 9 Feb 12 (-25bp) | 2Q 13 (+25bp) |
| India | WPI | 7.0% | 9.6 | Jan-12 | 7.5 | 6.6 | 0.5 | 1.8 | 0.7 | (0.5) | 6.8 | 2.8 | 8.50 | 25 Oct 11 (+25bp) | 2Q 12 (-25bp) |
| <i>India (CPI)</i> | <i>CPI Ind. Workers</i> | <i>na</i> | <i>12.0</i> | <i>Jan-12</i> | <i>6.5</i> | <i>5.3</i> | <i>0.5</i> | <i>0.0</i> | <i>na</i> | <i>na</i> | - | - | - | - | - |
| Malaysia | CPI | na | 1.5 | Jan-12 | 3.0 | 2.7 | 0.3 | 1.9 | 5.1 | 4.8 | 2.0 | 0.8 | 3.00 | 5 May 11 (+25bp) | On hold |
| Philippines | CPI | 3-5% | 3.4 | Feb-12 | 3.9 | 2.7 | 0.0 | 0.9 | 4.6 | 4.0 | 2.5 | 1.2 | 4.00 | 1 Mar 12 (-25bp) | On hold |
| Thailand | CPI | 3.5 - 5.5 | 2.4 | Feb-12 | 3.4 | 3.4 | 0.0 | 1.1 | 7.7 | 7.2 | 2.9 | 2.0 | 3.00 | 30 Nov 11 (-25 bp) | On hold |
| Taiwan | CPI | 1.85 | 1.6 | Feb-12 | 2.4 | 0.3 | (1.3) | (3.0) | 4.6 | 2.1 | 3.1 | 6.5 | 1.88 | 30 Jun 11 (+12.5bp) | 3Q 13 (+12.5bp) |
| Latin America | | | | | | | | | | | | | | | |
| Argentina | CPI | na | 9.5 | Jan-12 | 9.5 | 9.7 | 0.9 | 9.8 | 7.6 | 8.1 | na | na | - | - | - |
| Brazil | CPI IPCA | 4.5 (±2) | 5.2 | Jan-12 | 6.5 | 6.2 | 0.6 | 6.5 | 7.2 | 6.9 | 6.5 | 5.6 | 11.00 | 30 Nov 11 (-50bp) | 7 Mar 12 (-50bp) |
| Colombia | CPI | 3.0 (±1) | 3.4 | Feb-12 | 3.6 | 3.6 | 0.6 | 7.3 | 4.9 | 4.7 | na | na | 5.25 | 24 Feb 12 (+25bp) | 23 Mar 12 (+25bp) |
| Mexico | CPI | 3.0 (±1) | 3.7 | Jan-12 | 3.8 | 4.1 | 0.7 | 11.0 | 6.0 | 7.2 | 3.3 | 5.2 | 4.50 | 17 Jul 09 (-25bp) | On hold |
| Peru | CPI | 2.0 (±1) | 3.1 | Feb-12 | 4.2 | 4.2 | 0.3 | 2.0 | 7.4 | 6.8 | 2.3 | 1.8 | 4.25 | 12 May 11 (+25bp) | Apr 12 (-25bp) |
| Chile | CPI NSA | 3.0 (±1) | 3.5 | Jan-12 | 4.4 | 4.2 | 0.1 | 4.1 | 8.6 | 8.9 | 3.2 | 4.8 | 5.00 | 12 Jan 12 (-25bp) | 15 Mar 12 (-25bp) |
| Europe, Middle East and Africa | | | | | | | | | | | | | | | |
| Czech Republic | CPI | 2.0 (±1) | 2.9 | Jan-12 | 2.0 | 3.5 | 0.2 | 2.4 | 5.4 | 6.9 | 1.5 | 4.6 | 0.75 | 6 May 10 (-25bp) | On hold |
| Hungary | CPI | 3% | 5.5 | Jan-12 | 3.1 | 5.5 | 0.3 | 4.1 | 4.6 | 5.5 | 3.6 | 9.5 | 7.00 | 20 Dec 11 (+50bp) | 3Q 12 (-50bp) |
| Poland | CPI | 1.5 - 3.5% | 3.5 | Jan-12 | 3.5 | 4.1 | 0.3 | 4.1 | 4.5 | 4.3 | 3.1 | 4.0 | 4.50 | 8 Jun 11 (+25bp) | 3Q 12 (-25bp) |
| Russia | CPI | 6-7% | 5.2 | Feb-12 | 8.2 | 3.7 | 0.0 | 1.6 | 2.1 | 1.6 | 5.6 | 3.6 | 5.25 | 14 Sep 11 (-25bp) | 1Q 13 (+25bp) |
| South Africa | CPI | 3-6% | 6.2 | Jan-12 | 6.1 | 6.3 | 0.6 | 4.1 | 11.6 | 10.7 | 4.2 | 4.2 | 5.50 | 18 Nov 10 (-50bp) | On hold |
| Turkey | CPI | 6.5 (±2) | 7.9 | Feb-12 | 10.6 | 10.4 | 0.6 | 7.0 | 11.7 | 11.2 | 8.1 | (1.3) | 11.50 | 21 Feb 12 (-100bp) | May-12 |

Source: J.P. Morgan Economics, Bloomberg. Note: Current inflation data for countries which outside/above target range is highlighted. MoM and 3 month annualised data is calculated from inflation indices. * under review
 # Countries where central banks target is not available. We have given J.P. Morgan Economic estimates.
 India's WPI forecast is for end March 2011; RBI forecasts inflation not target.
 In case of Taiwan, Estimate by DGBAS, CB targets M2 growth (2.5-6.5% for 2011)

Updated as of 6 March 2012

Outlook: Market Drivers

Global and developed market drivers

| Country | Positive | Negative |
|-----------|---|---|
| Global | Record low interest rate, Healthy corporate balance sheets | Higher oil prices, European stress, High fiscal deficits and sovereign debt of Developed Markets |
| US | Interest rates low for long, strong corporate profits, low corporate bond yields, attractive relative valuation of equities vs. bonds, Housing recovering | Fiscal drag, Higher oil prices |
| Europe | Cheap valuation, easing inflation, start of easing cycle by ECB & more accommodative policy stance | Intensifying political risks, weakening growth momentum, mild recession in '12 with risks to the downside |
| UK | Addition QE by BoE, weaker currency to benefit exporters | Fiscal drag due to austerity, persistently high inflation and weak consumer demand |
| Japan | Leveraged to global industrial production cycle, post earthquake rebuild spending, low valuations relative to history, extension of asset purchase program | Strong Yen, earthquake cost adding to fiscal deficit |
| Australia | Fiscal flexibility, pragmatic central bank, significant capex cycle underpinning growth | High debt levels, house price risk, exposure to bulk commodity price correction, continued dependence on wholesale funding of banks |
| Hong Kong | Recovery of property transaction, slower land sales, falling inflation rate. Casinos' revenue remains solid. | GDP growth only 2.8% (2012E). Financial sector slowing down, putting pressure on office demand. Retail sales to start from a high base. |
| Singapore | Strong hub for intra-Asia growth, significant flexibility around monetary policy, safe haven status to underpin growth in higher-value added sectors in the long-term | Slowing growth, increasing volatility of EPS given greater dominance of global price-takers in market composition |

Source: J.P. Morgan.

Emerging Market Drivers

| Country | Positive | Negative |
|----------------|---|---|
| China | A soft landing of China's economy, weaker than expected CPI , more RRR cuts, selective easing on the property front, more pro-active fiscal policy such as budgeting more fiscal deficit to boost growth | Inflation concerns and policy risks. |
| Brazil | First among BRICs to cut rates, sweet spot (rising growth, falling inflation) reasonable level valuations, closed economy and large state, resilient consumption | Commodity stocks half the market, , overvalued FX, stubborn inflation, widespread use of macroprudential measures. |
| Korea | Enhanced competitiveness of major Korean exporters (auto, IT), gradual recovery in the property market, stabilized KRW currency | Slowdown in global demand, regulatory pressure ahead of major elections this year |
| Taiwan | Companies with exposure to China to benefit from selective and gradual monetary easing , recent US macro data (such as household income growth) collectively becoming constructive to exports sectors, fundamentals of upstream tech sector to bottom out around April and downstream PC around Aug 2012, lower political risk premium and closer economic tie with the region through on-going cross-strait negotiations | EU recession to remain a concern on external demand, room for error in the US is limited (i.e. a few macro data miss could send 1Q12 growth to negative territory), worsening asset quality in the financial sector |
| South Africa | Solid earnings growth outlook; benign SA rate outlook; SA equities underowned by foreign and domestic investors | High beta currency; policy paralysis |
| India | Relatively robust economic and earnings growth outlook, Peaking out of Inflation, Start of monetary easing cycle | Policy paralysis, twin deficits, higher oil prices |
| Russia | Cheap multiples, positive secular outlook, low debt/output, Higher oil prices | Exposure to global macroeconomic risk, political risk, increased dependency on commodity prices, budget deficit |
| Mexico | Relatively defensive market, undervalued FX, underpenetrated credit sector, internal demand is driver for 2012. | Anti-trust reform bill (good for Mexico; bad for corporates), high valuations, vulnerable earnings |
| Malaysia | Positive sound bites from ETP, domestic infrastructure and oil and gas spending, M&A, GLC listings | Political uncertainties, defensive market, 3-year peak in foreign ownership |
| Indonesia | Recovery in manufacturing competitiveness, policy bias shifting to easing, strong consumption, land acquisition law and investment grade rating to boost long term growth | Uncertainty on fuel price increases and inflation, Major names well owned and discovered, bureaucratic and legislative reform momentum patchy, infrastructure bottlenecks, CA flipping to a deficit |
| Turkey | FX stabilized. Big beneficiary of risk-on trade | More vulnerable than most if risk-on turns risk-off. Stocks no longer cheap |
| Thailand | Post-flood rebuilding and recovery, policy announcements, rising domestic and foreign investment cycles, peak in monetary tightening cycle | Weaker than anticipated external demand, prolonged flood impact on GDP |
| Poland | Cheap on a forward PE basis. | Euro-zone recession; privatization overhangs |
| Czech Republic | Low rates | Euro-zone recession, dividends at risk |
| Philippines | Improved confidence and steady remittances growth leading to stronger consumption, improved fiscal position resulting in overdue investment spending, underowned market. | Global economic slowdown, fiscal deficit becoming uncontrolled |
| Hungary | Hard to find after big Jan-Feb rally. | Ongoing governance risks, delays to potential IMF/EU package. |

Source: J.P. Morgan.

Updated as of 6 March 2012

Profit Outlook: Earnings Forecasts Matrix for Countries and Sectors

| EM | Weight (%) | EPS Growth | | | Weight (%) | EPS Growth | | | Weight (%) | EPS Growth | | | | | | | | | | | | | |
|----------------------------|--------------|------------|------|-------------|-------------|------------|-------------|-------------|--------------|-------------|------------|-------------|-------------|-------------|-------------|--|--------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | | Median | 2012 | J.P. Morgan | | Median | 2012 | J.P. Morgan | | Median | 2012 | J.P. Morgan | Median | 2012 | J.P. Morgan | | | | | | | | |
| Total Market | 100.0 | - | - | - | 13.9 | 9.0 | 12.1 | | 100.0 | 15.0 | 9.8 | 12.2 | 13.3 | 10.0 | 12.8 | | 100.0 | 17.2 | 16.1 | 16.5 | 16.9 | 14.6 | 15.7 |
| Consumer Discretionary | 7.8 | - | - | - | 16.3 | 36.6 | 14.3 | | 6.0 | 20.7 | 17.0 | 8.9 | 18.8 | 16.6 | 17.1 | | 8.5 | 13.5 | 12.7 | 11.1 | 13.3 | 12.8 | 11.7 |
| Consumer Staples | 7.7 | - | - | - | 17.9 | 18.0 | 15.3 | | 5.2 | 21.2 | 19.6 | 20.9 | 21.7 | 21.1 | 23.8 | | 7.2 | 18.6 | 18.0 | 16.7 | 18.4 | 18.3 | 16.6 |
| Energy | 14.5 | - | - | - | 11.6 | 0.0 | 5.0 | | 18.8 | 11.4 | -3.4 | 2.0 | 13.4 | 7.1 | 7.4 | | 12.2 | 13.2 | 9.9 | 16.8 | 12.6 | 6.1 | 8.9 |
| Financials | 24.1 | - | - | - | 13.2 | 12.7 | 13.6 | | 36.1 | 13.6 | -14.2 | 15.1 | 12.5 | 11.4 | 13.4 | | 26.3 | 17.1 | 20.4 | 20.9 | 17.7 | 19.7 | 20.0 |
| Health Care | 1.0 | - | - | - | 19.0 | 19.4 | 16.7 | | 0.8 | 25.8 | 20.3 | 24.5 | 15.1 | 14.4 | 23.2 | | 4.9 | 20.0 | 23.8 | 10.8 | 20.0 | 23.8 | 10.8 |
| Industrials | 6.7 | - | - | - | 12.5 | 19.7 | 15.8 | | 6.9 | 9.4 | 6.7 | 17.7 | 6.4 | 6.4 | 17.9 | | 6.2 | 13.9 | 21.6 | 12.4 | 11.3 | 17.9 | 16.4 |
| Information Technology | 13.4 | - | - | - | 11.5 | 22.7 | 18.2 | | 6.1 | 18.5 | 12.9 | 27.8 | 16.6 | 12.2 | 26.4 | | 16.9 | 17.5 | 17.3 | 10.2 | 16.9 | 17.1 | 13.6 |
| Materials | 13.2 | - | - | - | 11.7 | 5.0 | 11.8 | | 5.6 | 12.9 | 9.5 | 11.6 | 11.4 | 5.1 | 12.1 | | 10.0 | 13.3 | 12.9 | 16.9 | 12.6 | 8.9 | 18.0 |
| Telecommunication Services | 7.8 | - | - | - | 11.3 | 14.0 | 11.4 | | 12.4 | 7.3 | 6.7 | 7.9 | 8.0 | 5.3 | 8.0 | | 2.5 | 36.9 | 42.2 | 55.3 | 39.3 | 35.3 | 41.0 |
| Utilities | 3.7 | - | - | - | 8.1 | 6.6 | 13.6 | | 2.2 | 29.1 | 34.6 | 13.4 | 28.1 | 36.3 | 15.6 | | 5.2 | 14.2 | 9.0 | 14.7 | 9.9 | 12.1 | 15.5 |

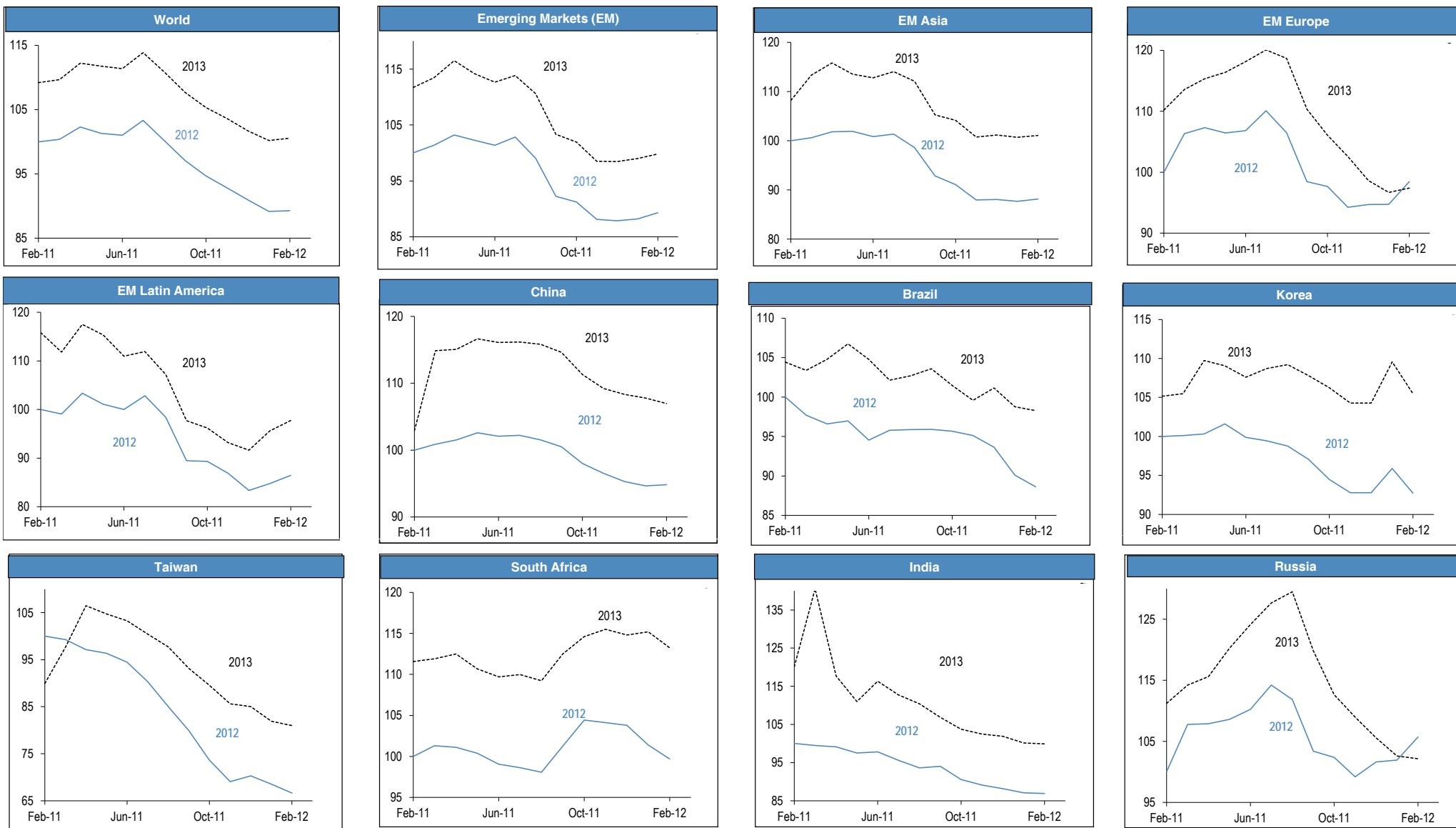
| Indonesia | Weight (%) | EPS Growth | | | Weight (%) | EPS Growth | | | Weight (%) | EPS Growth | | | | | | | | | | | | | |
|----------------------------|--------------|-------------|------------|-------------|-------------|-------------|-------------|-------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|--|--------------|------------|------------|-------------|------------|-------------|-------------|
| | | Median | 2012 | J.P. Morgan | | Median | 2012 | J.P. Morgan | | Median | 2012 | J.P. Morgan | Median | 2012 | J.P. Morgan | | | | | | | | |
| Total Market | 100.0 | 10.6 | 9.0 | 14.9 | 11.5 | 10.4 | 15.1 | | 100.0 | 11.2 | 19.5 | 16.6 | 12.1 | 21.2 | 14.8 | | 100.0 | 8.5 | 5.6 | 15.0 | 8.4 | 10.2 | 11.2 |
| Consumer Discretionary | 15.8 | 6.4 | 6.4 | 11.5 | 11.5 | 11.5 | 13.3 | | 16.5 | 12.8 | 23.3 | 14.4 | 16.9 | 26.6 | 12.2 | | 11.4 | 12.8 | 13.1 | 10.0 | 14.0 | 11.1 | 10.0 |
| Consumer Staples | 12.7 | 16.0 | 17.2 | 11.7 | 12.9 | 13.9 | 13.4 | | 4.5 | 22.4 | 7.0 | 9.7 | 21.2 | 3.4 | 12.2 | | 11.8 | 8.2 | 7.9 | 11.6 | 3.5 | 5.4 | 7.6 |
| Energy | 11.2 | 18.1 | 13.1 | 14.1 | 20.2 | 17.5 | 17.6 | | 3.2 | -14.1 | -6.7 | -2.6 | 13.9 | 15.1 | 8.1 | | 2.1 | 28.5 | 35.2 | 11.7 | 28.5 | 35.2 | 11.7 |
| Financials | 30.2 | 6.5 | 9.1 | 24.2 | 9.3 | 8.0 | 18.2 | | 13.8 | 12.5 | -5.2 | 6.6 | 12.5 | -3.5 | 7.8 | | 30.9 | 2.1 | -7.0 | 20.8 | 7.8 | 6.2 | 11.7 |
| Health Care | 1.8 | 54.0 | 54.0 | 16.4 | 11.0 | 11.0 | 16.4 | | 0.5 | NA | NA | 36.6 | NA | NA | 36.6 | | 0.0 | NA | NA | NA | NA | NA | NA |
| Industrials | 5.6 | 9.1 | 9.1 | 7.4 | 13.1 | 13.1 | 16.9 | | 15.2 | -0.2 | -13.4 | 18.8 | -1.6 | -15.9 | 18.0 | | 15.9 | 26.9 | 24.2 | 17.6 | 26.0 | 23.7 | 11.7 |
| Information Technology | 0.0 | NA | NA | NA | NA | NA | NA | | 31.1 | 29.1 | 58.5 | 27.7 | 33.1 | 60.8 | 18.8 | | 0.0 | NA | NA | NA | NA | NA | NA |
| Materials | 8.4 | 1.7 | 1.7 | 17.2 | 2.6 | 7.2 | 14.9 | | 13.1 | -2.8 | 18.5 | 16.2 | 7.6 | 13.8 | 15.5 | | 5.2 | 15.0 | 34.9 | 10.7 | 15.0 | 34.9 | 10.7 |
| Telecommunication Services | 9.8 | 19.5 | 8.9 | 8.0 | 19.5 | 8.9 | 8.0 | | 0.9 | NA | NA | 24.8 | NA | NA | 24.8 | | 11.8 | 5.7 | 1.3 | 13.5 | -1.1 | -3.0 | 13.4 |
| Utilities | 4.6 | -8.0 | -8.0 | -14.7 | 4.3 | 4.3 | 10.4 | | 1.2 | 10.6 | -115.2 | 15.1 | 64.4 | -123.2 | NM | | 10.8 | 1.3 | 23.6 | 7.5 | 1.3 | 32.8 | 11.9 |

| Philippines | Weight (%) | EPS Growth | | | Weight (%) | EPS Growth | | | Weight (%) | EPS Growth | | | | | | | | | | | | | |
|----------------------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|--|--------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | | Median | 2012 | J.P. Morgan | | Median | 2012 | J.P. Morgan | | Median | 2012 | J.P. Morgan | Median | 2012 | J.P. Morgan | | | | | | | | |
| Total Market | 100.0 | 16.0 | 13.4 | 12.9 | 13.5 | 11.5 | 11.4 | | 100.0 | 11.4 | 16.2 | 22.8 | 10.4 | 19.2 | 21.6 | | 100.0 | 23.2 | 18.7 | 15.1 | 26.1 | 22.0 | 15.3 |
| Consumer Discretionary | 3.5 | 15.8 | 15.8 | 11.6 | 15.8 | 15.8 | 11.6 | | 4.0 | 16.8 | 20.3 | -0.8 | 10.9 | 17.8 | 0.1 | | 1.9 | 23.2 | 23.2 | 13.8 | 24.5 | 24.5 | 15.3 |
| Consumer Staples | 8.4 | 28.7 | 25.6 | 17.9 | 28.7 | 25.6 | 17.9 | | 2.3 | 12.3 | 8.9 | 12.8 | 12.3 | 11.0 | 11.2 | | 11.1 | 15.1 | 12.3 | 13.0 | 20.1 | 18.3 | 15.7 |
| Energy | 0.0 | NA | NA | NA | NA | NA | NA | | 0.9 | 12.0 | 12.0 | 35.1 | 4.7 | 4.7 | 22.0 | | 31.5 | 10.2 | 12.8 | 16.4 | 15.1 | 16.3 | 13.8 |
| Financials | 34.9 | 19.5 | 19.9 | 16.9 | 15.7 | 15.3 | 16.6 | | 14.7 | 4.7 | -1.9 | 10.9 | 4.7 | 5.5 | 7.5 | | 34.9 | 22.8 | 15.8 | 15.1 | 31.7 | 18.5 | 18.7 |
| Health Care | 0.0 | NA | NA | NA | NA | NA | NA | | 0.0 | NA | NA | NA | NA | NA | NA | | 0.0 | NA | NA | NA | NA | NA | NA |
| Industrials | 25.5 | 12.4 | 11.2 | 9.9 | 11.8 | 10.7 | 9.8 | | 3.6 | 16.6 | 37.9 | 30.7 | 34.4 | 66.5 | 36.2 | | 0.0 | NA | NM | NM | NA | NA | NM |
| Information Technology | 0.0 | NA | NA | NA | NA | NA | NA | | 55.2 | 13.0 | 28.7 | 30.8 | 11.2 | 32.5 | 29.8 | | 0.0 | NA | NA | NA | NA | NA | NA |
| Materials | 0.0 | NA | NA | NA | NA | NA | NA | | 14.4 | -0.6 | -1.4 | 16.3 | -5.3 | -4.1 | 13.9 | | 13.2 | 36.3 | 55.2 | 14.0 | 35.6 | 54.8 | 14.1 |
| Telecommunication Services | 13.3 | 0.3 | -1.8 | 5.2 | 0.3 | -1.8 | 5.2 | | 4.9 | 15.4 | 2.0 | 8.2 | 15.4 | 2.0 | 8.2 | | 6.2 | 36.9 | 36.9 | 12.6 | 36.9 | 36.9 | 12.6 |
| Utilities | 14.5 | 11.8 | 15.2 | 14.8 | 5.9 | 12.3 | 7.0 | | 0.0 | NA | NA | NA | NA | NA | NA | | 1.2 | 45.4 | 45.4 | 4.7 | 95.4 | 95.4 | 20.1 |

| South Africa | Weight (%) | EPS Growth | | | Weight (%) | EPS Growth | | | Weight (%) | EPS Growth | | | | | | | | | | | | | |
|----------------------------|--------------|------------|------|-------------|-------------|-------------|-------------|-------------|--------------|------------|------|-------------|-------------|------------|-------------|--|--------------|---|---|---|-------------|-------------|-------------|
| | | Median | 2012 | J.P. Morgan | | Median | 2012 | J.P. Morgan | | Median | 2012 | J.P. Morgan | Median | 2012 | J.P. Morgan | | | | | | | | |
| Total Market | 100.0 | - | - | - | 17.3 | 23.7 | 13.1 | | 100.0 | - | - | - | 16.5 | 7.9 | 11.4 | | 100.0 | - | - | - | 18.4 | 14.9 | 19.2 |
| Consumer Discretionary | 14.2 | - | - | - | 20.8 | 19.9 | 18.8 | | 4.3 | - | - | - | 25.9 | 27.4 | 20.2 | | 11.6 | - | - | - | 4.6 | -39.0 | 19.4 |
| Consumer Staples | 6.8 | - | - | - | 21.1 | 18.3 | 17.4 | | 11.7 | - | - | - | 16.5 | 15.7 | 12.2 | | 29.5 | - | - | - | 19.8 | 18.5 | 16.6 |
| Energy | 10.1 | - | - | - | 17.7 | 17.7 | 1.8 | | 21.4 | - | - | - | 12.2 | 11.7 | 12.3 | | 0.0 | - | - | - | NA | NA | NA |
| Financials | 26.0 | - | - | - | 15.1 | 13.4 | 13.8 | | 24.9 | - | - | - | 13.4 | 9.8 | 14.3 | | 7.2 | - | - | - | 26.6 | 26.2 | 18.7 |
| Health Care | 2.8 | - | - | - | 17.7 | 16.4 | 14.1 | | 0.9 | - | - | - | 39.0 | 43.9 | 20.0 | | 0.0 | - | - | - | NA | NA | NA |
| Industrials | 4.5 | - | - | - | 16.5 | 18.6 | 14.8 | | 3.4 | - | - | - | 22.8 | 38.7 | 19.6 | | 4.5 | - | - | - | 6.3 | 31.5 | -0.5 |
| Information Technology | 0.0 | - | - | - | NA | NA | NA | | 3.1 | - | - | - | 11.5 | -0.8 | 9.7 | | 0.0 | - | - | - | NA | NA | NA |
| Materials | 22.8 | - | - | - | 45.4 | 52.2 | 17.2 | | 20.1 | - | - | - | 16.5 | -3.0 | 4.1 | | 19.0 | - | - | - | 52.3 | 14.0 | 37.7 |
| Telecommunication Services | 12.8 | - | - | - | 11.2 | 14.2 | 7.8 | | 3.4 | - | - | - | 27.9 | 16.0 | 11.2 | | 28.3 | - | - | - | 29.9 | 29.9 | 14.7 |
| Utilities | 0.0 | - | - | - | NA | NA | NA | | 6.7 | - | - | - | 5.9 | 2.2 | 11.4 | | 0.0 | - | - | - | NA | NA | NA |

| Russia | Weight (%) | EPS Growth | | | Weight (%) | EPS Growth | | | Weight (%) | EPS Growth | | | | | | | | | | | | | |
|------------------------|--------------|------------|------|-------------|------------|-------------|-------------|-------------|--------------|------------|------|-------------|------------|-------------|-------------|--|--------------|---|---|---|-------------|-------------|-------------|
| | | Median | 2012 | J.P. Morgan | | Median | 2012 | J.P. Morgan | | Median | 2012 | J.P. Morgan | Median | 2012 | J.P. Morgan | | | | | | | | |
| Total Market | 100.0 | - | - | - | 3.0 | -8.1 | -3.9 | | 100.0 | - | - | - | 1.3 | -8.8 | -0.8 | | 100.0 | - | - | - | 10.3 | 11.9 | 13.4 |
| Consumer Discretionary | 0.0 | - | - | - | NA | NA | NA | | 2.9 | - | - | - | 52.1 | 156.4 | 23.4 | | 4.6 | - | - | - | -6.7 | 3.3 | 10.7 |
| Consumer Staples | 2.8 | - | - | - | NA | NA | 32.7 | | 2.1 | - | - | - | 7.9 | 7.9 | 6.3 | | 13.3 | - | - | - | 30.9 | 27.7 | 16.4 |
| Energy | 59.8 | - | - | - | -9.4 | -9.5 | -8.2 | | 12.3 | - | - | - | 50.5 | 37.8 | 27.3 | | 6.3 | - | - | - | 0.0 | 0.0 | 6.4 |
| Financials | 15.2 | - | - | - | 32.7 | 6.1 | 10.2 | | 6.1 | - | - | - | 3.0 | 24.6 | 11.2 | | 13.3 | - | - | - | 2.0 | 0.8 | 15.0 |
| Health Care | 0.0 | - | - | - | NA | NA | NA | | 0.0 | - | - | - | NA | NA | NA | | 0.0 | - | - | - | NA | NA | NA |
| Industrials | 0.0 | - | - | - | NA | NA | NA | | 0.0 | - | - | - | NA | NA | NA | | 9.8 | - | - | - | 10.4 | 65.7 | 19.9 |
| Information Technology | 0.0 | - | - | -</ | | | | | | | | | | | | | | | | | | | |

Monitoring the Trend in Country EPS Forecasts (2012 and 2013)



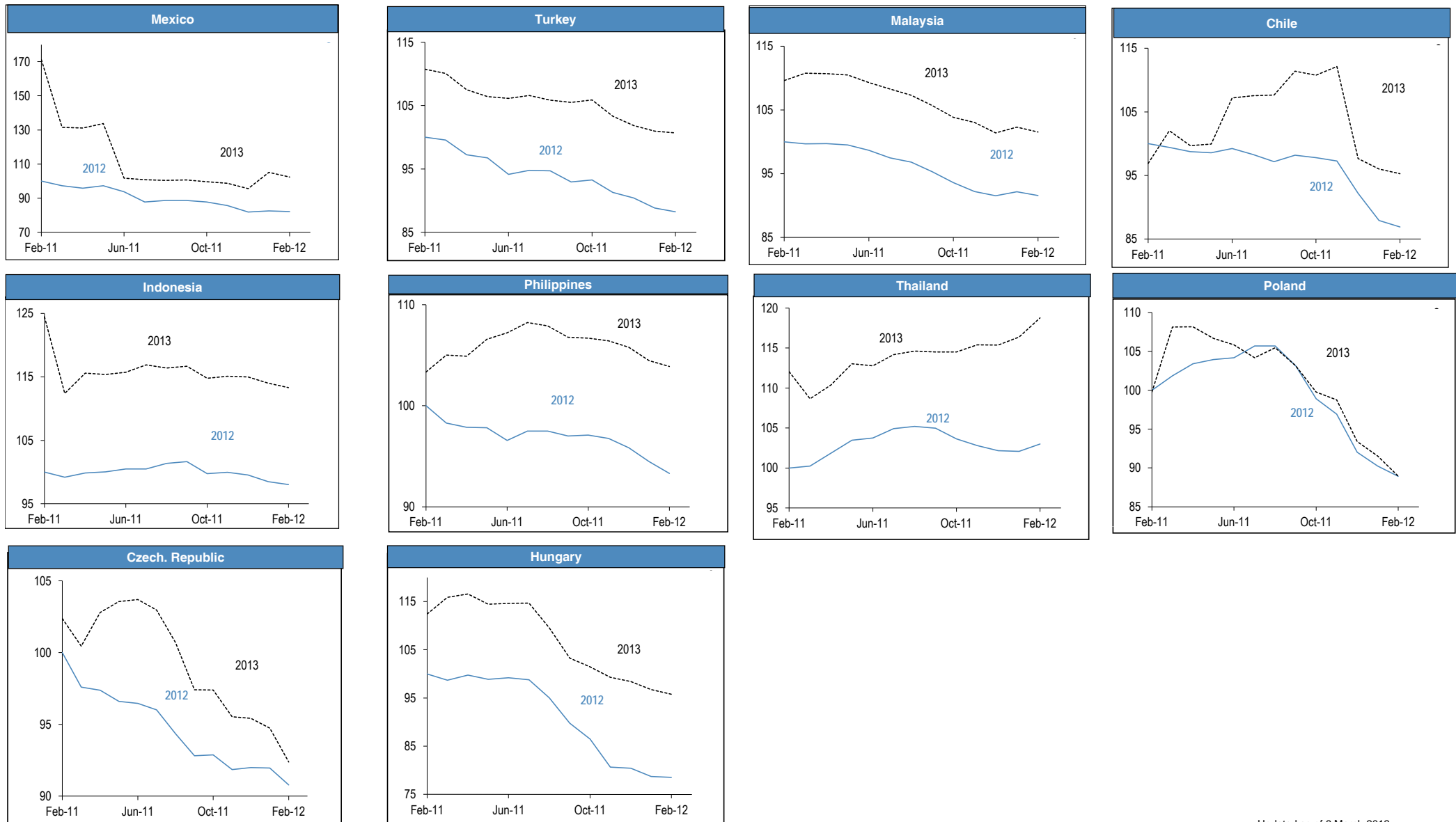
Source: I/B/E/S

Notes: The dashboard aims to show changes in earnings expectations. All year ends are for December. EPS figures are normalized, starting at 100 on base date Feb 2011 for ease of comparison.

These numbers are directly from IBES aggregate and may differ from those in the growth expectations pages where adjustments are made for exceptional items.

Updated as of 6 March 2012

Monitoring the Trend in Country EPS Forecasts (2012 and 2013)



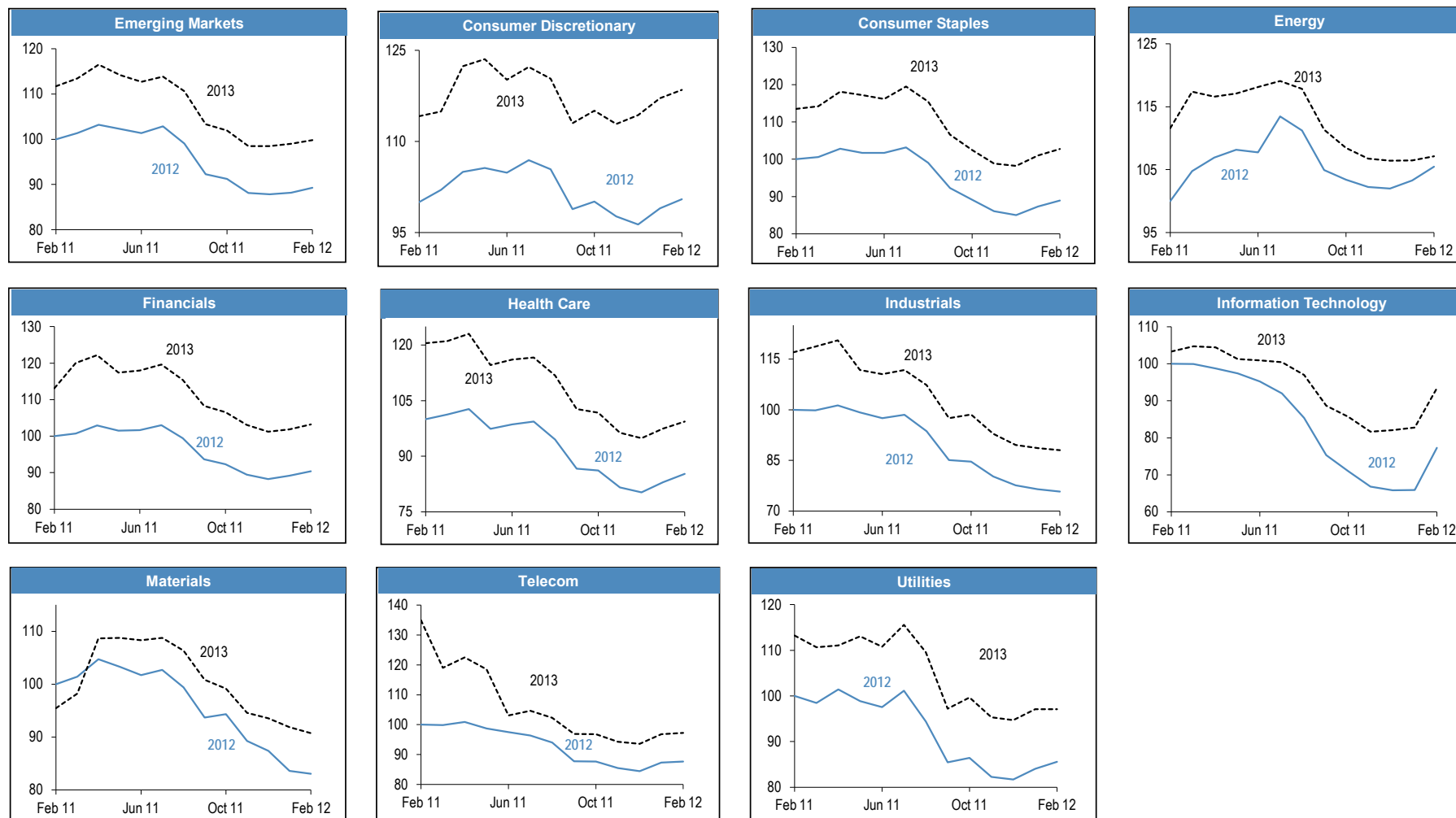
Updated as of 6 March 2012

Source: I/B/E/S

Notes: The dashboard aims to show changes in earnings expectations. All year ends are for December. EPS figures are normalized, starting at 100 on base date Feb 2011 for ease of comparison.

These numbers are directly from IBES aggregate and may differ from those in the growth expectations pages where adjustments are made for exceptional items. Countries earnings revisions are in local currencies term whereas APXJ regions earnings revisions is in US \$ term

Monitoring the Trend in Sector EPS Forecasts (2012 and 2013)



Source: I/B/E/S

Updated as of 6 March 2012

Notes: The dashboard aims to show changes in earnings expectations. All year ends are for December. EPS figures are normalized, starting at 100 on base date Feb 2011 for ease of comparison. These numbers are directly from IBES aggregate and may differ from those in the growth expectations pages where adjustments are made for exceptional items. Sector earnings revisions are in US\$

Value: PE Matrix for Countries and Sectors

| 12-month forward PE | USA* | Emerging Markets* | EMF EMEA* | EMF LATAM* | EMF Asia* | Korea | Taiwan | China | India | Malaysia | Indonesia | Thailand | Philippines |
|----------------------------|-------------|-------------------|------------|-------------|-------------|------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Consumer Discretionary | 14.6 | 10.8 | 13.7 | 14.1 | 9.9 | 8.0 | 15.1 | 11.8 | 10.8 | 12.5 | 14.7 | 21.6 | 28.3 |
| Consumer Staples | 14.7 | 18.7 | 18.2 | 19.9 | 17.8 | 13.5 | 18.9 | 20.6 | 23.7 | 16.2 | 16.8 | 21.7 | 13.9 |
| Energy | 11.8 | 7.2 | 5.0 | 9.9 | 9.7 | 9.5 | 21.6 | 10.8 | 10.3 | 18.7 | 11.0 | 9.6 | NA |
| Financials | 11.4 | 9.2 | 9.1 | 10.4 | 9.2 | 7.9 | 13.4 | 7.2 | 13.7 | 14.6 | 12.2 | 10.8 | 18.9 |
| Health Care | 12.0 | 16.8 | 14.1 | 17.7 | 18.2 | 16.9 | NA | 17.3 | 18.7 | NA | 19.8 | NA | NA |
| Industrials | 13.2 | 11.9 | 10.0 | 16.8 | 12.0 | 10.7 | 19.0 | 10.8 | 13.4 | 14.9 | 16.3 | NA | 14.5 |
| Information Technology | 12.5 | 13.1 | 10.9 | 16.3 | 13.9 | 11.6 | 14.9 | 19.3 | 17.1 | NA | NA | NA | NA |
| Materials | 12.6 | 9.7 | 8.9 | 9.2 | 10.9 | 9.6 | 14.0 | 8.6 | 9.8 | 14.3 | 15.1 | 11.5 | NA |
| Telecommunication Services | 14.9 | 11.5 | 10.5 | 10.8 | 12.8 | 7.7 | 16.4 | 11.2 | 16.9 | 19.3 | 11.6 | 15.5 | 14.5 |
| Utilities | 14.5 | 12.3 | 10.7 | 12.2 | 14.1 | NA | NA | 12.6 | 13.4 | 16.8 | 16.8 | 11.8 | 13.3 |
| Market Aggregate | 12.6 | 10.2 | 7.8 | 11.5 | 11.2 | 9.8 | 14.7 | 9.6 | 13.3 | 15.2 | 13.4 | 11.5 | 15.8 |
| Sector Neutral** | 12.7 | 10.2 | 9.0 | 11.8 | 11.1 | 9.5 | 15.5 | 10.4 | 13.0 | 15.1 | 13.3 | 12.4 | 12.7 |

| 12-month forward PE | EMF EMEA* | Russia* | South Africa* | Poland* | Turkey* | Hungary* | Czech Republic* | EMF LATAM* | Brazil* | Mexico* | Chile* |
|----------------------------|------------|------------|---------------|-------------|------------|------------|-----------------|-------------|-------------|-------------|-------------|
| Consumer Discretionary | 13.7 | NA | 14.2 | 14.7 | 8.0 | NA | NM | 14.1 | 10.8 | 21.8 | 21.7 |
| Consumer Staples | 18.2 | 25.1 | 17.5 | 6.6 | 20.7 | NA | NA | 19.9 | 19.0 | 21.4 | 18.2 |
| Energy | 5.0 | 4.5 | 8.3 | 10.2 | 9.3 | 7.2 | NA | 9.9 | 9.9 | NA | NA |
| Financials | 9.1 | 7.0 | 10.6 | 11.2 | 8.1 | 6.6 | 10.6 | 10.4 | 9.8 | 13.1 | 12.6 |
| Health Care | 14.1 | NA | 14.1 | NA | NA | 14.3 | NA | 17.7 | 17.7 | NA | NA |
| Industrials | 10.0 | NA | 10.9 | NA | 8.5 | NA | NA | 16.8 | 16.4 | 13.3 | 21.7 |
| Information Technology | 10.9 | NA | NA | 10.9 | NA | NA | NA | 16.3 | 16.3 | NA | NA |
| Materials | 8.9 | 9.4 | 9.2 | 6.7 | 8.4 | NA | NA | 9.2 | 7.1 | 15.4 | 17.5 |
| Telecommunication Services | 10.5 | 9.9 | 10.8 | 18.4 | 10.3 | 11.6 | 15.3 | 10.8 | 11.1 | 10.6 | 11.0 |
| Utilities | 10.7 | 13.3 | NA | 8.6 | NA | NA | 10.0 | 12.2 | 11.2 | NA | 13.9 |
| Market Aggregate | 7.8 | 5.6 | 10.7 | 9.7 | 9.2 | 8.1 | 10.9 | 11.5 | 10.3 | 14.8 | 15.9 |
| Sector Neutral** | 9.0 | 8.5 | 10.9 | 10.1 | 9.6 | 9.3 | 10.7 | 11.8 | 10.8 | 12.4 | 12.8 |

Source: IBES, MSCI, J.P. Morgan estimates. Note: PEs are derived from bottom-up calculations of each individual MSCI constituents using JPM estimates for covered stocks and IBES estimates for the rest.

* Market forecast numbers are derived from bottom-up calculations of each individual MSCI constituents using I/B/E/S estimates. IBES Estimates are not available for Morocco, Jordan, Peru and Colombia.

**Sector neutral PE are calculated by using sector weights of MSCI EM and sector PE of respective markets (MSCI EM sector PE used where country sector does not exist)

Updated as of 6 March 2012

Value: Distribution Tables for PE, PBR, DY and RoE

2012E: Price to Earnings Ratio (x)

| | Weighted | | Quartiles | | | |
|-------------------|----------|------|-----------|--------|--------|-------|
| | Average | Min | Lower | Median | Higher | Max |
| Global* | 11.8 | 0.0 | 10.5 | 13.4 | 17.2 | 383.8 |
| USA* | 12.9 | 0.0 | 11.4 | 14.0 | 17.7 | 383.8 |
| Europe* | 10.4 | 3.9 | 9.8 | 12.3 | 15.2 | 312.0 |
| Japan* | 20.9 | 5.4 | 12.0 | 15.2 | 18.8 | 225.8 |
| Emerging Markets* | 10.5 | 2.6 | 9.4 | 12.1 | 16.8 | 174.7 |
| China | 9.8 | 3.8 | 7.8 | 10.8 | 14.5 | 39.0 |
| Brazil* | 10.5 | 5.5 | 9.9 | 13.1 | 19.9 | 138.6 |
| Korea | 10.1 | 4.3 | 8.7 | 11.0 | 14.7 | 119.9 |
| Taiwan | 15.3 | 4.4 | 11.6 | 14.3 | 18.1 | 174.7 |
| South Africa* | 10.9 | 6.8 | 9.9 | 10.8 | 14.8 | 29.0 |
| India | 13.7 | 5.5 | 10.2 | 14.4 | 19.4 | 41.7 |
| Russia* | 5.6 | 2.6 | 5.2 | 7.3 | 10.7 | 26.3 |
| Mexico* | 15.4 | 5.6 | 12.0 | 17.7 | 20.3 | 63.0 |
| Malaysia | 15.6 | 9.5 | 13.3 | 15.4 | 20.0 | 45.1 |
| Chile* | 16.2 | 11.2 | 12.8 | 14.5 | 20.1 | 24.2 |
| Indonesia | 13.8 | 8.4 | 11.2 | 13.9 | 16.5 | 31.7 |
| Turkey* | 9.4 | 6.1 | 7.5 | 9.0 | 11.2 | 26.5 |
| Thailand | 11.8 | 8.5 | 9.8 | 11.6 | 14.5 | 30.4 |
| Poland* | 9.7 | 5.9 | 8.1 | 11.0 | 13.0 | 110.3 |
| Czech Republic* | 10.9 | 10.0 | 10.4 | 10.7 | 13.1 | 15.4 |
| Egypt* | 8.1 | 3.6 | 8.4 | 9.3 | 11.9 | 38.0 |
| Philippines | 16.1 | 11.4 | 13.3 | 15.4 | 19.3 | 31.1 |
| Hungary* | 8.4 | 6.9 | 7.3 | 9.7 | 12.6 | 14.5 |

2012E: Price to Book Value Ratio (x)

| | Weighted | | Quartiles | | | |
|-------------------|----------|-----|-----------|--------|--------|------|
| | Average | Min | Lower | Median | Higher | Max |
| Global* | 1.6 | 0.2 | 1.1 | 1.6 | 2.6 | 90.2 |
| USA* | 1.9 | 0.3 | 1.3 | 2.0 | 3.3 | 90.2 |
| Europe* | 1.4 | 0.2 | 0.9 | 1.5 | 2.6 | 15.1 |
| Japan* | 1.0 | 0.4 | 0.8 | 1.0 | 1.3 | 7.5 |
| Emerging Markets* | 1.5 | 0.2 | 1.1 | 1.6 | 2.6 | 32.4 |
| China | 1.6 | 0.4 | 1.1 | 1.4 | 2.2 | 10.3 |
| Brazil* | 1.3 | 0.4 | 1.1 | 1.6 | 3.5 | 18.1 |
| Korea | 1.2 | 0.3 | 0.8 | 1.1 | 1.9 | 6.2 |
| Taiwan | 1.8 | 0.7 | 1.2 | 1.6 | 2.6 | 11.5 |
| South Africa* | 2.0 | 0.4 | 1.4 | 2.0 | 3.3 | 13.3 |
| India | 2.3 | 0.5 | 1.3 | 2.1 | 3.8 | 19.6 |
| Russia* | 0.8 | 0.3 | 0.7 | 1.0 | 1.5 | 4.9 |
| Mexico* | 2.3 | 0.5 | 2.1 | 2.5 | 3.3 | 11.1 |
| Malaysia | 2.1 | 1.0 | 1.6 | 2.0 | 2.8 | 32.4 |
| Chile* | 2.0 | 1.1 | 1.7 | 2.4 | 3.1 | 3.4 |
| Indonesia | 3.2 | 1.5 | 2.4 | 3.5 | 4.2 | 24.5 |
| Turkey* | 1.4 | 0.7 | 1.0 | 1.4 | 2.4 | 12.2 |
| Thailand | 2.2 | 1.2 | 1.5 | 2.1 | 3.1 | 12.7 |
| Poland* | 1.1 | 0.4 | 0.8 | 1.3 | 1.7 | 2.3 |
| Czech Republic* | 1.8 | 1.7 | 1.7 | 1.7 | 1.9 | 2.0 |
| Egypt* | 0.7 | 0.2 | 0.7 | 1.2 | 1.8 | 5.5 |
| Philippines | 2.6 | 1.1 | 2.1 | 2.9 | 3.4 | 4.9 |
| Hungary* | 0.9 | 0.7 | 0.9 | 1.1 | 1.2 | 1.4 |

2012E: Dividend Yield (%)

| | Weighted | | Quartiles | | | |
|-------------------|----------|-----|-----------|--------|--------|------|
| | Average | Min | Lower | Median | Higher | Max |
| Global* | 2.9 | 0.0 | 1.3 | 2.4 | 3.9 | 17.4 |
| USA* | 2.2 | 0.0 | 0.2 | 1.7 | 3.0 | 12.0 |
| Europe* | 4.2 | 0.0 | 2.4 | 3.7 | 5.1 | 17.4 |
| Japan* | 2.4 | 0.0 | 1.5 | 2.0 | 2.6 | 6.0 |
| Emerging Markets* | 3.1 | 0.0 | 1.4 | 2.6 | 4.0 | 11.5 |
| China | 3.4 | 0.0 | 1.6 | 2.5 | 3.6 | 8.7 |
| Brazil* | 3.7 | 0.0 | 1.4 | 3.3 | 4.5 | 11.5 |
| Korea | 1.1 | 0.0 | 0.5 | 1.1 | 2.2 | 6.8 |
| Taiwan | 3.8 | 0.0 | 2.1 | 3.2 | 5.0 | 8.5 |
| South Africa* | 4.0 | 0.8 | 3.1 | 4.2 | 5.0 | 8.7 |
| India | 1.6 | 0.0 | 1.0 | 1.6 | 2.0 | 4.4 |
| Russia* | 3.2 | 0.0 | 0.9 | 2.5 | 3.6 | 10.5 |
| Mexico* | 2.2 | 0.0 | 0.7 | 1.5 | 3.0 | 4.8 |
| Malaysia | 3.0 | 0.2 | 1.7 | 3.0 | 4.0 | 6.7 |
| Chile* | 2.9 | 0.1 | 1.9 | 3.0 | 4.2 | 6.3 |
| Indonesia | 2.9 | 1.6 | 2.5 | 2.7 | 3.1 | 8.3 |
| Turkey* | 3.4 | 0.5 | 1.6 | 2.2 | 4.0 | 8.7 |
| Thailand | 3.6 | 1.9 | 3.1 | 3.6 | 4.2 | 6.3 |
| Poland* | 5.6 | 0.0 | 1.9 | 3.9 | 5.6 | 9.1 |
| Czech Republic* | 6.5 | 5.8 | 6.1 | 6.4 | 7.7 | 9.0 |
| Egypt* | 3.6 | 0.0 | 0.7 | 3.0 | 5.1 | 9.0 |
| Philippines | 2.6 | 0.8 | 1.2 | 2.3 | 3.0 | 6.6 |
| Hungary* | 4.5 | 1.8 | 3.7 | 4.7 | 6.0 | 9.0 |

2012E: Return on Equity (%)

| | Weighted | | Quartiles | | | |
|-------------------|----------|------|-----------|--------|--------|-------|
| | Average | Min | Lower | Median | Higher | Max |
| Global* | 13.2 | -3.3 | 8.2 | 13.0 | 19.1 | 359.5 |
| USA* | 15.9 | 0.3 | 9.5 | 14.7 | 21.3 | 359.5 |
| Europe* | 17.0 | 0.4 | 8.8 | 13.5 | 19.0 | 152.9 |
| Japan* | 4.9 | 0.3 | 4.8 | 7.1 | 9.8 | 48.6 |
| Emerging Markets* | 15.1 | -3.3 | 9.9 | 14.5 | 20.3 | 161.0 |
| China | 17.2 | 1.6 | 10.6 | 15.5 | 20.0 | 39.5 |
| Brazil* | 13.0 | -3.3 | 9.2 | 13.5 | 20.7 | 100.7 |
| Korea | 12.8 | 0.3 | 7.5 | 11.3 | 16.5 | 32.9 |
| Taiwan | 11.9 | 0.7 | 7.3 | 12.2 | 18.7 | 46.5 |
| South Africa* | 19.4 | 5.7 | 12.6 | 19.4 | 26.4 | 97.0 |
| India | 18.0 | 3.3 | 12.3 | 16.8 | 22.8 | 71.0 |
| Russia* | 14.9 | 0.0 | 12.6 | 14.2 | 18.3 | 39.8 |
| Mexico* | 15.1 | -0.8 | 12.2 | 14.0 | 22.8 | 62.6 |
| Malaysia | 13.9 | 2.6 | 11.1 | 13.6 | 17.8 | 164.0 |
| Chile* | 13.1 | 6.1 | 11.1 | 16.8 | 20.5 | 25.0 |
| Indonesia | 25.3 | 8.2 | 21.0 | 23.4 | 26.7 | 77.2 |
| Turkey* | 16.1 | 8.8 | 12.0 | 14.4 | 19.1 | 48.5 |
| Thailand | 20.4 | 9.1 | 15.2 | 18.6 | 22.3 | 70.6 |
| Poland* | 11.9 | 0.4 | 7.4 | 10.8 | 17.3 | 23.8 |
| Czech Republic* | 16.6 | 13.1 | 14.3 | 15.5 | 16.4 | 17.2 |
| Egypt* | 8.6 | 4.3 | 5.0 | 12.3 | 17.1 | 25.0 |
| Philippines | 16.6 | 8.1 | 12.9 | 16.1 | 20.3 | 32.9 |
| Hungary* | 11.1 | 9.5 | 9.7 | 9.8 | 10.5 | 12.5 |

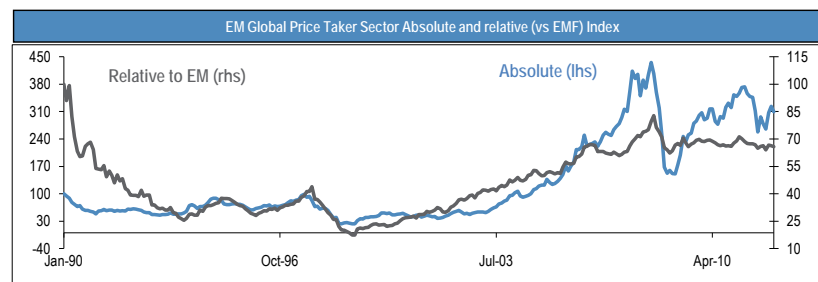
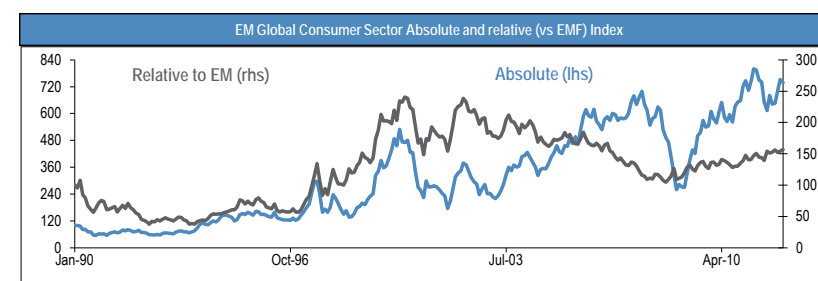
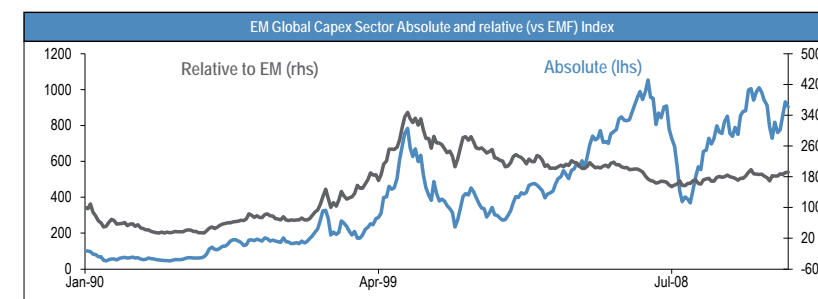
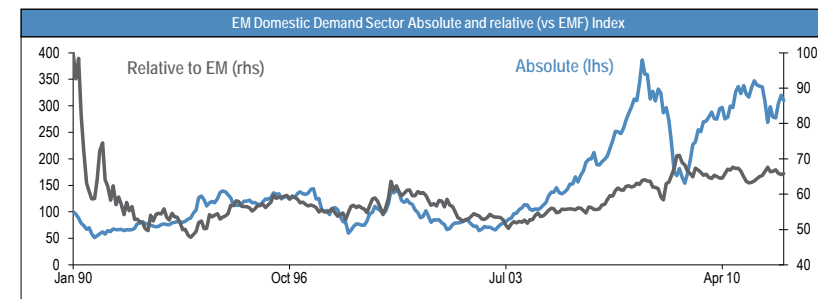
Source: Datastream, IBES, MSCI, J.P. Morgan estimates.

Note: Weighted average numbers based on aggregate of MSCI constituents. Consensus numbers are used for stocks not covered by J.P. Morgan. * only consensus numbers are used

Updated as of 6 March 2012

Demand Classification: MSCI Emerging Markets Index Composition by Country

| MSCI Emerging Markets Free Index | Domestic Demand | Global Capex | Global Consumer | Global Price Takers | Total |
|----------------------------------|-----------------|--------------|-----------------|---------------------|--------------|
| China | 13.2 | 0.4 | 0.2 | 3.8 | 17.6 |
| India | 3.8 | 1.1 | | 1.5 | 6.5 |
| Indonesia | 2.2 | | 0.1 | 0.3 | 2.6 |
| Korea | 5.5 | 2.9 | 4.4 | 2.1 | 14.9 |
| Malaysia | 2.6 | | | 0.7 | 3.4 |
| Philippines | 0.7 | | | | 0.8 |
| Taiwan | 3.3 | 3.1 | 3.0 | 1.5 | 10.9 |
| Thailand | 1.3 | | 0.1 | 0.6 | 2.0 |
| Asia | 32.7 | 7.5 | 7.8 | 10.8 | 58.7 |
| Czech Republic | 0.3 | | | | 0.3 |
| Egypt | 0.4 | | | | 0.4 |
| Hungary | 0.1 | | | 0.2 | 0.3 |
| Morocco | 0.1 | | | | 0.1 |
| Poland | 1.0 | | | 0.3 | 1.3 |
| Russia | 2.0 | 0.1 | | 4.7 | 6.8 |
| South Africa | 5.0 | | | 2.5 | 7.6 |
| Turkey | 1.2 | | | 0.1 | 1.3 |
| EMEA | 10.3 | 0.1 | 0.1 | 7.7 | 18.2 |
| Brazil | 9.1 | | | 6.2 | 15.3 |
| Chile | 1.6 | | | 0.1 | 1.8 |
| Colombia | 0.6 | | | 0.4 | 1.1 |
| Mexico | 3.7 | 0.2 | | 0.6 | 4.4 |
| Peru | 0.2 | | | 0.4 | 0.6 |
| LatAm | 15.2 | 0.3 | | 7.6 | 23.2 |
| Total | 58.1 | 7.9 | 7.9 | 26.1 | 100.0 |



Source: Datastream, MSCI. J.P. Morgan. MSCI emerging markets companies have been classified in five categories. Of the five categories, Global Consumer/Capex (Tech-Hardware) weighting equally divided between Global consumer and Global Capex. The above table contains MSCI free float market capitalization as a percentage of MSCI emerging markets. Charts show the relative absolute and relative performance of emerging markets sectors by demand classification.

Value: Equities relative to Bonds

| Relative outperformance of equities versus bonds by country (%) | | | | | | |
|---|---------|---------|---------|----------|----------|---------------------|
| Country | 1-month | 3-month | 6-month | 12-month | 36-month | 36-month annualised |
| Brazil | -2.6 | 4.2 | 10.5 | -21.0 | 48.1 | 14.0 |
| Chile | 1.8 | 7.1 | 6.9 | -2.3 | 88.4 | 23.5 |
| China | 0.0 | 7.3 | 0.5 | -15.2 | 77.2 | 21.0 |
| Colombia | 1.6 | 5.1 | -1.6 | -14.8 | 118.5 | 29.8 |
| Czech | -0.7 | 5.5 | 5.4 | -5.0 | 52.8 | 15.2 |
| Hungary | -12.1 | 5.9 | 4.5 | -24.0 | 90.5 | 24.0 |
| India | -2.9 | -1.5 | -1.1 | -13.4 | 115.8 | 29.2 |
| Indonesia | -9.7 | -7.9 | -17.6 | -28.4 | 167.3 | 38.8 |
| Malaysia | 2.1 | 5.7 | 7.7 | 1.2 | 96.2 | 25.2 |
| Mexico | -3.1 | -2.0 | 5.7 | -9.3 | 119.0 | 29.9 |
| Peru | -4.4 | 7.2 | -3.5 | -15.3 | 147.7 | 35.3 |
| Poland | -7.0 | -1.8 | -3.8 | -24.0 | 70.4 | 19.4 |
| Russia | -2.2 | 4.3 | 3.8 | -17.2 | 116.1 | 29.3 |
| South Africa | -2.6 | -0.8 | 8.4 | -1.4 | 77.6 | 21.1 |
| Thailand | 6.9 | 13.2 | 11.0 | 13.0 | 198.8 | 44.0 |
| Turkey | -6.9 | 3.0 | 3.7 | -8.3 | 140.3 | 33.9 |

| Relative value of equities versus bonds by country | | | | | | |
|--|------------------|-----------------------|------------------------|----------------|----------------|--------------------|
| Country | Generic 10 years | Bond Maturity (years) | Bond Yield To Maturity | Earnings Yield | Dividend Yield | DDM Implied Growth |
| Brazil | 12.6 | 10.5 | 8.4 | 9.7 | 3.7 | 13.4 |
| Chile | 5.3 | 5.2 | 2.4 | 6.3 | 3.0 | 7.8 |
| China | 3.6 | 7.1 | 3.5 | 10.4 | 3.5 | 5.5 |
| Colombia | 7.6 | 9.1 | 4.8 | 5.5 | 2.4 | 9.2 |
| Czech | 3.3 | 6.5 | 2.9 | 9.2 | 6.6 | 1.2 |
| Hungary | 8.6 | 4.7 | 8.2 | 12.3 | 4.7 | 9.4 |
| India | 8.2 | 7.3 | 8.3 | 7.5 | 1.6 | 11.0 |
| Indonesia | 5.8 | 12.8 | 5.6 | 7.5 | 2.9 | 8.5 |
| Malaysia | 3.5 | 5.5 | 3.3 | 6.6 | 3.1 | 5.2 |
| Mexico | 6.3 | 9.7 | 6.4 | 6.7 | 2.4 | 8.6 |
| Peru | NA | 13.5 | 6.0 | 8.3 | 2.7 | NA |
| Poland | 5.5 | 4.7 | 5.1 | 10.3 | 5.6 | 4.4 |
| Russia | 5.0 | 4.1 | 7.2 | 17.8 | 3.2 | 8.4 |
| South Africa | 8.2 | 9.4 | 7.9 | 9.3 | 4.1 | 9.7 |
| Thailand | 3.4 | 6.2 | 3.3 | 8.7 | 3.7 | 5.4 |
| Turkey | 10.1 | 2.8 | 9.2 | 10.9 | 3.5 | 11.0 |

J.P. Morgan's GBI - EM bond indices track local currency government bonds issued by emerging economies.

The indices are easily replicable and represent the local bond portfolio that can be accessed by an international investor.

For more information on these indices please visit www.morganmarkets.com or contact Gloria Kim at gloria.m.kim@jpmorgan.com

The table shows the difference between the MSCI equity benchmark returns in local currency and the GBI - EM benchmark returns for each country.

Positive numbers indicate outperformance by equities.

For 'DDM Implied Growth', we use a dividend discount model based on expected payout ratios for 2008 (except Colombia and Peru where we use current trailing payout ratio)

Perpetual Implied Growth Rates are calculated based on the Gordon Growth Model:

$$G = R - D/V$$

G= Implied Growth Rate

R= Required Growth Rate (Risk free rate + Equity Risk Premium)

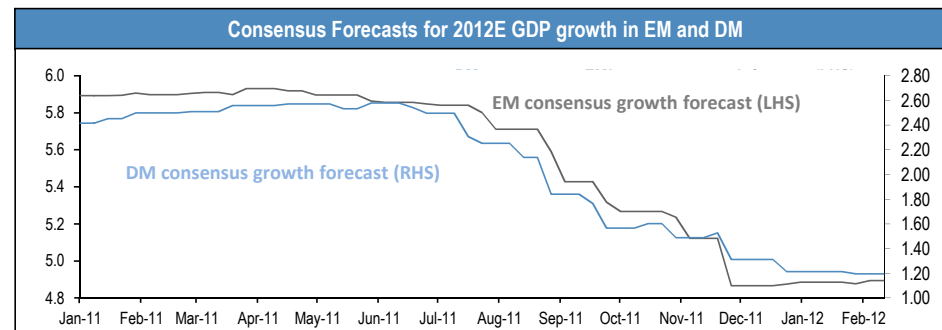
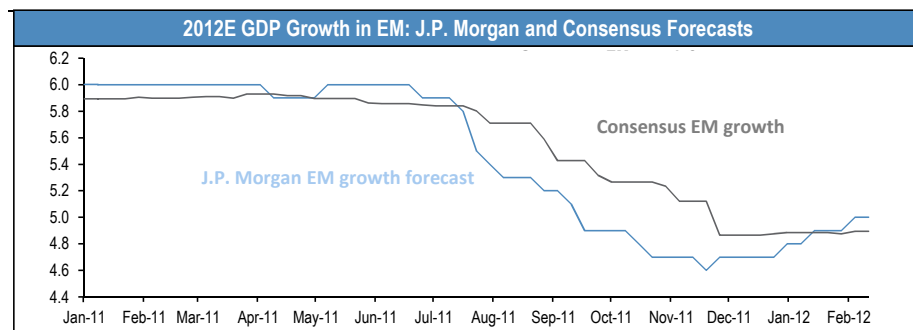
D= Index Dividend

V= Index Value

Note: Equity risk premium of 4%. Risk free rates are 10-year benchmark or nearest equivalent.

Economic Forecasts: Changes in Real GDP Forecasts

| | Real GDP Growth (% Y/Y) | | | | Change in Forecasts Past 3 months (%) | | | | Economic Momentum | | | | Inflation | |
|----------------|-------------------------|-------|-----------|-------|---------------------------------------|-------|-----------|-------|-------------------|-------|-------|-------|-----------|-------|
| | J.P. Morgan | | Consensus | | J.P. Morgan | | Consensus | | GDP SAAR | | | | (% Y/Y) | |
| | 2011E | 2012E | 2011E | 2012E | 2011E | 2012E | 2011E | 2012E | 4Q11 | 1Q12E | 2Q12E | 3Q12E | 2011E | 2012E |
| US | 1.7 | 2.3 | 1.7 | 2.2 | 0.0 | 0.6 | -0.1 | 0.0 | 3.0 | 2.0 | 2.5 | 3.0 | 3.1 | 1.9 |
| Euro | 1.5 | -0.4 | 1.5 | -0.4 | 0.0 | 0.3 | -0.1 | -0.9 | -1.1 | 0.0 | -1.5 | -0.3 | 2.7 | 2.1 |
| Japan | -0.9 | 1.4 | -0.8 | 1.5 | -0.6 | -0.7 | -0.2 | -1.0 | -2.3 | 2.2 | 1.6 | 1.2 | -0.3 | -0.2 |
| China | 9.2 | 8.4 | 9.2 | 8.5 | 0.2 | 0.1 | 0.0 | 0.0 | 9.2 | 7.2 | 7.8 | 9.5 | 5.4 | 3.1 |
| Brazil | 2.8 | 3.1 | 3.0 | 3.4 | -0.2 | 0.0 | -0.4 | -0.1 | 1.5 | 2.6 | 5.7 | 5.5 | 6.6 | 5.2 |
| S Korea | 3.6 | 3.3 | 3.6 | 3.3 | -0.2 | -0.5 | 0.0 | -0.5 | 1.4 | 3.0 | 4.0 | 4.5 | 4.0 | 3.4 |
| Taiwan | 4.0 | 2.8 | 4.0 | 3.7 | -0.7 | -0.1 | -0.5 | -0.4 | -0.6 | 3.3 | 4.8 | 5.8 | 1.4 | 1.6 |
| South Africa | 3.1 | 2.7 | 3.1 | 2.7 | 0.0 | 0.0 | 0.0 | -0.7 | 3.2 | 2.3 | 2.6 | 2.8 | 5.0 | 6.2 |
| India | 7.0 | 7.3 | 7.2 | 7.3 | -0.5 | -0.6 | -0.3 | -0.6 | 5.5 | 7.7 | 7.2 | 7.7 | 8.9 | 8.0 |
| Russia | 4.3 | 3.5 | 4.1 | 3.5 | 0.5 | 0.5 | 0.0 | -0.1 | 7.0 | 3.0 | 1.5 | 3.0 | 8.5 | 5.2 |
| Mexico | 3.9 | 3.3 | 4.0 | 3.2 | 0.0 | 0.8 | 0.3 | 0.0 | 1.7 | 2.5 | 5.5 | 0.6 | 3.4 | 3.7 |
| Malaysia | 5.1 | 3.9 | 5.0 | 4.0 | 1.1 | 2.4 | 0.3 | -1.0 | 4.8 | 5.0 | 2.0 | 2.0 | 3.2 | 1.5 |
| Chile | 6.3 | 4.5 | 6.3 | 4.0 | -0.2 | 0.4 | 0.0 | -0.2 | 3.0 | 5.0 | 5.0 | 6.0 | 3.3 | 3.5 |
| Indonesia | 6.5 | 5.2 | 6.5 | 6.3 | 0.3 | 0.0 | 0.1 | 0.1 | 9.9 | 5.0 | 4.5 | 5.0 | 5.4 | 3.6 |
| Turkey | 8.2 | 2.5 | 8.0 | 2.6 | 1.2 | 0.3 | 2.1 | -1.1 | 4.1 | -2.0 | 0.0 | 2.8 | 6.4 | 7.9 |
| Thailand | 0.1 | 5.1 | 1.0 | 4.3 | -0.9 | 3.6 | -3.1 | -0.5 | -36.4 | 45.0 | 20.0 | 2.0 | 3.8 | 2.4 |
| Poland | 4.3 | 3.2 | 4.2 | 2.8 | 0.3 | 0.5 | 0.2 | -0.4 | 4.5 | 2.8 | 2.0 | 2.5 | 4.3 | 3.5 |
| Czech Republic | 1.7 | 0.5 | 2.0 | 0.2 | -0.3 | -0.1 | 0.0 | -1.6 | -1.2 | 0.0 | 0.8 | 2.0 | 1.9 | 2.9 |
| Peru | 6.9 | 5.0 | 6.9 | 5.0 | 0.3 | 0.5 | 0.4 | 0.0 | 2.8 | 4.0 | 5.0 | 6.5 | 3.4 | 3.1 |
| Colombia | 5.8 | 4.5 | 5.3 | 4.9 | 0.5 | 0.8 | 0.3 | -0.1 | 3.7 | 4.2 | 4.5 | 3.5 | 3.4 | 3.4 |
| Philippines | 3.7 | 4.3 | 3.7 | 4.1 | -0.3 | 0.2 | -0.5 | -0.4 | 3.5 | 4.3 | 4.9 | 5.7 | 4.8 | 3.4 |
| Hungary | 1.7 | 0.5 | 1.5 | -0.2 | 0.2 | 0.0 | 0.0 | -1.3 | 1.2 | -0.3 | 0.3 | 1.0 | 3.9 | 5.5 |



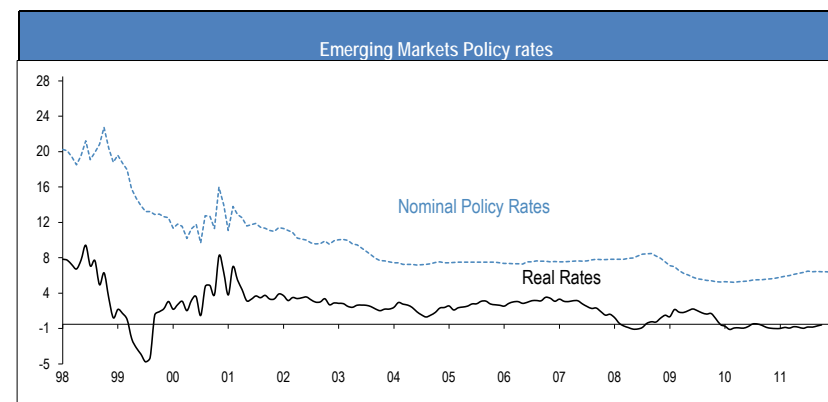
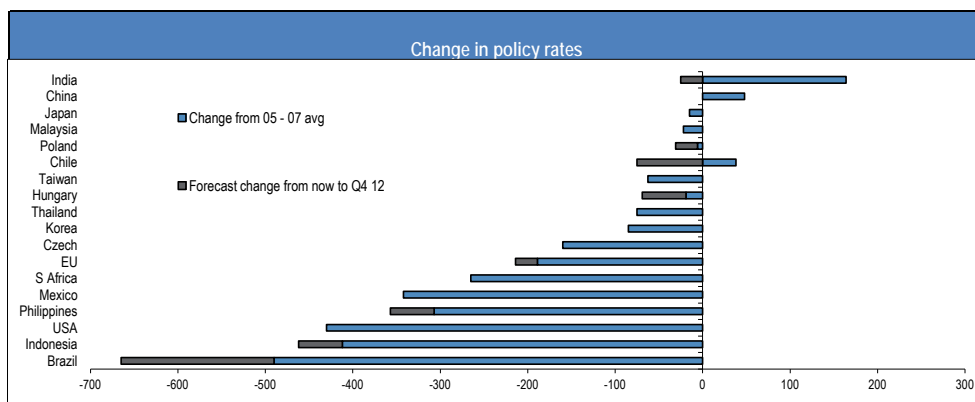
Source: J.P. Morgan estimates, Bloomberg

Note: Consensus estimates for Jordan, Egypt, Pakistan and Israel sourced from WES and Morocco from EIL

Updated as of 6 March 2012

Economic Forecasts: Policy Rate Trend and Forecasts

| Country | Official interest rate | 1Q'11 | 2Q'11 | 3Q'11 | 4Q'11 | Current | 1Q'12F | 2Q'12F | 3Q'12F | 4Q'12F | Policy Rate | | |
|---------------------------------------|-------------------------|-------|-------|-------|-------|---------|--------|--------|--------|--------|-------------|---------------------|-------------------|
| | | | | | | | | | | | Last Change | Next Change | |
| Developed Markets | | | | | | | | | | | | | |
| United States | Federal funds rate | 0.125 | 0.125 | 0.125 | 0.125 | 0.125 | 0.125 | 0.125 | 0.125 | 0.125 | 0.125 | 16 Dec 08 (-87.5bp) | On hold |
| Euro Area | Refi Rate | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 0.75 | 0.75 | 0.75 | 0.75 | 8 Dec 11 (-25bp) | Jun 12 (-25bp) |
| Japan | Overnight Call Rate | 0.05 | 0.05 | 0.05 | 0.05 | 0.05 | 0.05 | 0.05 | 0.05 | 0.05 | 0.05 | 5 Oct 10 (-5bp) | On hold |
| Latin America | | | | | | | | | | | | | |
| Brazil | SELIC overnight rate | 11.75 | 12.25 | 12.00 | 11.00 | 11.00 | 10.00 | 9.25 | 9.25 | 9.25 | 9.25 | 30 Nov 11 (-50bp) | 7 Mar 12 (-50bp) |
| Mexico | Repo rate | 4.50 | 4.50 | 4.50 | 4.50 | 4.50 | 4.50 | 4.50 | 4.50 | 4.50 | 4.50 | 17 Jul 09 (-25bp) | On hold |
| Chile | Discount rate | 4.00 | 5.25 | 5.25 | 5.25 | 5.00 | 4.75 | 4.50 | 4.50 | 4.50 | 4.50 | 12 Jan 12 (-25bp) | 15 Mar 12 (-25bp) |
| Europe, Middle East and Africa | | | | | | | | | | | | | |
| Czech Republic | 2-week repo rate | 0.75 | 0.75 | 0.75 | 0.75 | 0.75 | 0.75 | 0.75 | 0.75 | 0.75 | 0.75 | 6 May 10 (-25bp) | On hold |
| Hungary | 2-week deposit rate | 6.00 | 6.00 | 6.00 | 7.00 | 7.00 | 7.00 | 7.00 | 6.50 | 6.00 | 6.00 | 20 Dec 11 (+50bp) | 3Q 12 (-50bp) |
| Poland | 7-day intervention rate | 3.75 | 4.50 | 4.50 | 4.50 | 4.50 | 4.50 | 4.50 | 4.25 | 4.00 | 4.00 | 8 Jun 11 (+25bp) | 3Q 12 (-25bp) |
| Russia | Rep Rate | NA | NA | NA | 5.25 | 5.25 | 5.25 | 5.25 | 5.25 | 5.25 | 5.25 | 14 Sep 11 (-25bp) | 1Q 13 (+25bp) |
| South Africa | Repo rate | 5.50 | 5.50 | 5.50 | 5.50 | 5.50 | 5.50 | 5.50 | 5.50 | 5.50 | 5.50 | 18 Nov 10 (-50bp) | On hold |
| Turkey | Top of IRC | NA | NA | NA | NA | 11.50 | 11.50 | 10.00 | 9.00 | 9.00 | 9.00 | 21 Feb 12 (-100bp) | May-12 |
| EM Asia | | | | | | | | | | | | | |
| China | 1-year working capital | 6.06 | 6.31 | 6.56 | 6.56 | 6.56 | 6.56 | 6.56 | 6.56 | 6.81 | 6.81 | 6 Jul 11 (+25bp) | 4Q 12 (+25bp) |
| Korea | Overnight call rate | 3.00 | 3.25 | 3.25 | 3.25 | 3.25 | 3.25 | 3.25 | 3.25 | 3.25 | 3.25 | 10 Jun 11 (+25bp) | On hold |
| Indonesia | BI rate | 6.75 | 6.75 | 6.75 | 6.00 | 5.75 | 5.75 | 5.50 | 5.50 | 5.75 | 5.75 | 9 Feb 12 (-25bp) | 2Q 13 (+25bp) |
| India | Repo rate | 6.75 | 7.50 | 8.25 | 8.50 | 8.50 | 8.50 | 8.25 | 8.25 | 8.25 | 8.25 | 25 Oct 11 (+25bp) | 2Q 12 (-25bp) |
| Malaysia | Overnight policy rate | 2.75 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 5 May 11 (+25bp) | On hold |
| Philippines | Reverse repo rate | 4.25 | 4.50 | 4.50 | 4.50 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 1 Mar 12 (-25bp) | On hold |
| Thailand | 1-day repo rate | 2.50 | 3.00 | 3.50 | 3.25 | 3.25 | 3.25 | 3.25 | 3.25 | 3.00 | 3.00 | 30 Nov 11 (-25bp) | On hold |
| Taiwan | Official discount rate | 1.63 | 1.88 | 1.88 | 1.88 | 1.88 | 1.88 | 1.88 | 1.88 | 1.88 | 1.88 | 30 Jun 11 (+12.5bp) | 3Q 13 (+12.5bp) |

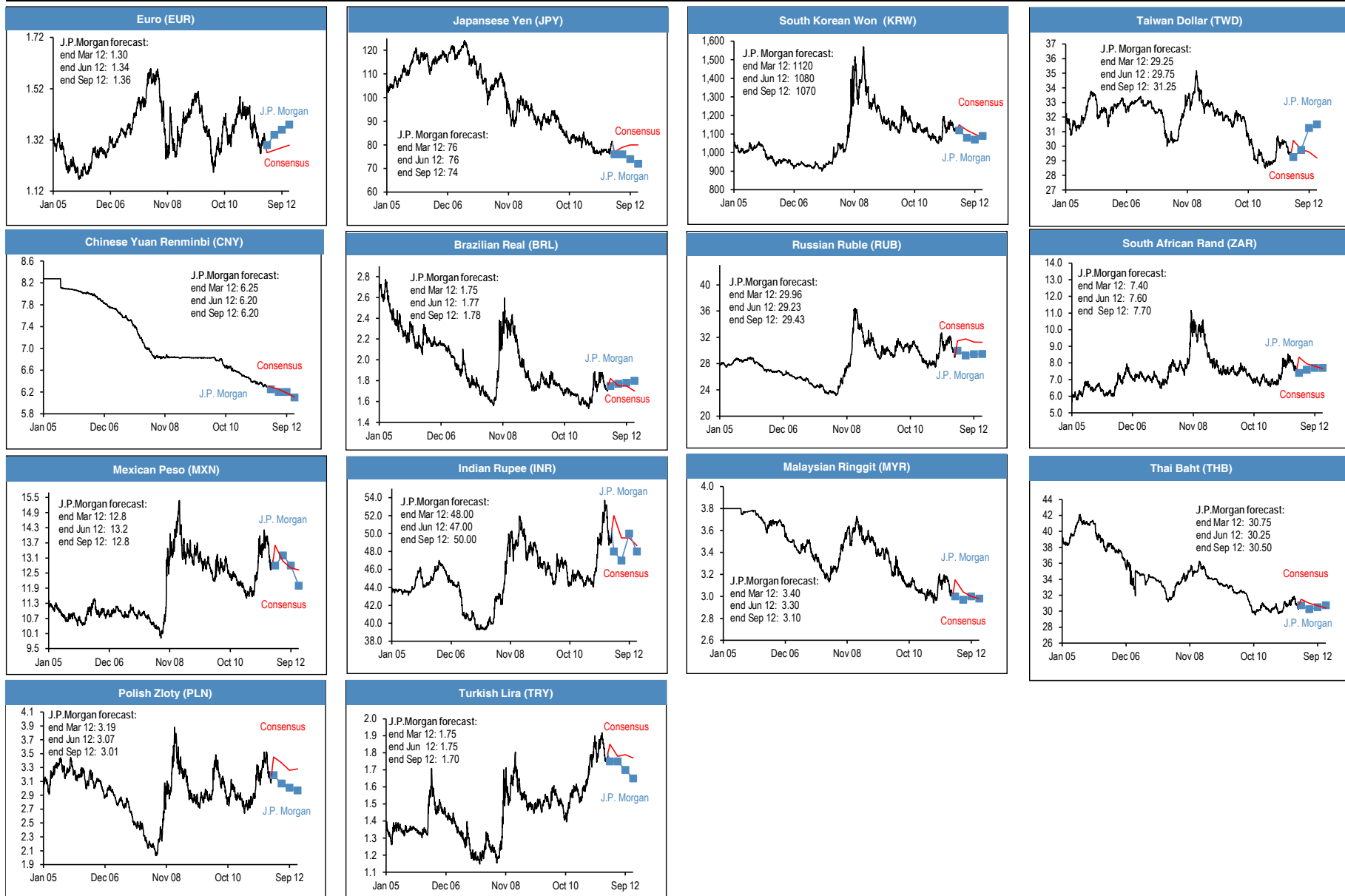


Source: J.P. Morgan Economics, Bloomberg. Bold figures on next column indicate tightening.

Updated as of 6 March 2012

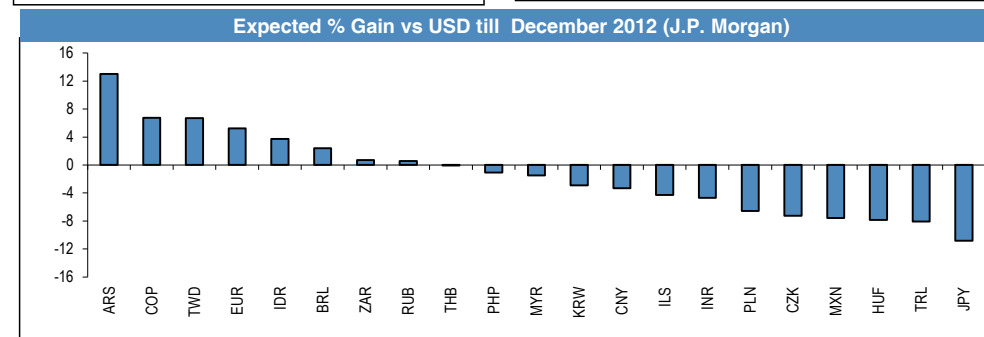
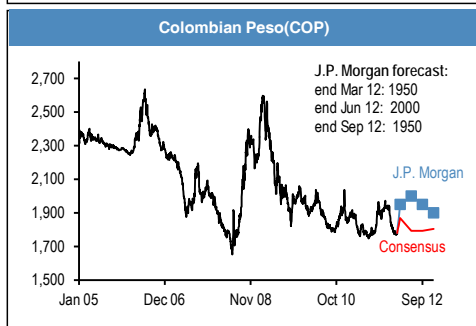
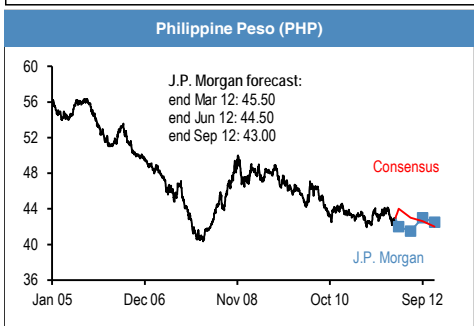
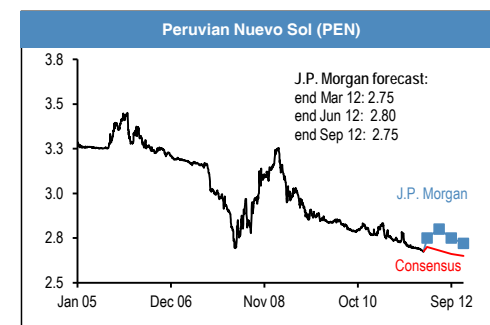
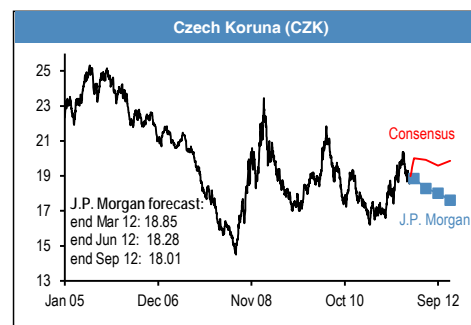
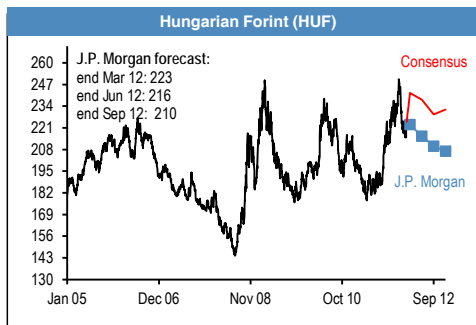
7 March 2012

Economic Forecasts: Currency Movements and Forecasts



Source: Datastream, J.P. Morgan estimates, Bloomberg.

Economic Forecasts: Currency Movements and Forecasts

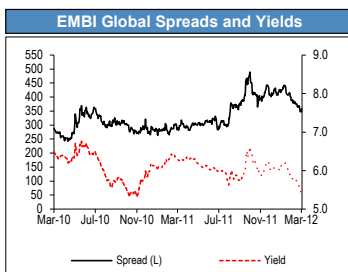


Source: Datastream, J.P. Morgan estimates, Bloomberg.

Updated as of 6 March 2012

Economic Forecasts: Credit Risk

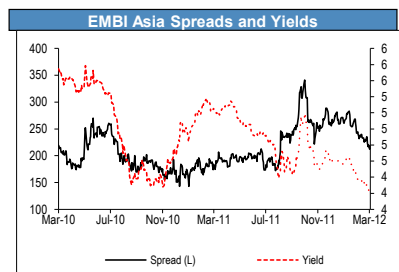
| | External (2011E) | | | | | Fiscal Position | | | | Sovereign Ratings (Long Term Foreign Debt) | | | | | |
|-----------------|----------------------------|-----------------|---------|---------------|---------|-----------------|---------|--------------------|------|--|-------------------------------|-----------|---------|-------------------------------|-----------|
| | Foreign Reserves (US\$bil) | Current Account | | External Debt | | Fiscal Deficit | | Public Sector Debt | | Moody's | | | S & P | | |
| | | 2011F** | 2012F** | 2011F** | 2011F** | 2011F** | 2012F** | 2010 | 2011 | Rating | Action | Date | Rating | Action | Date |
| China | 3181 | 4.0 | 2.7 | 626 | 9 | -1.9 | -1.8 | 19.6 | 19.0 | Aa3 (+) | Affirmed, O/L (+) | Oct-04-11 | AA- | Upgrade, O/L stable | Dec-16-10 |
| Brazil | 356 | -2.1 | -3.1 | 475 | 20 | -2.6 | -2.1 | 49.5 | 47.8 | Baa2 (+) | Upgrade, O/L (+) | Jun-20-11 | BBB | Upgrade, O/L chngd to stable | Nov-17-11 |
| Korea | 316 | 1.8 | 1.1 | 400 | 35 | 0.5 | 1.0 | 28.9 | 26.5 | A1 | Upgrade, O/L stable | Apr-14-10 | A | Affirmed, O/L stable | Jan-12-10 |
| Taiwan | 394 | 7.9 | 7.7 | 92 | 19 | -1.8 | -2.0 | na | na | Aa3 | Affirmed, O/L stable | Aug-25-11 | AA- | Affirmed, O/L stable | Aug-02-11 |
| South Africa | 42 | -3.2 | -3.4 | 79 | 20 | -5.5 | -5.2 | 33.6 | 36.3 | A3 (-) | O/L chngd to (-), Affirmed | Nov-09-11 | BBB+ | O/L chngd to stable, Affirmed | Jan-25-11 |
| India | 295 | -3.5 | -3.0 | 347 | 18 | -5.3 | -4.6 | 44.6 | 43.5 | Baa3 | Affirmed, O/L stable | Dec-20-11 | BBB- | O/L chngd to stable, Affirmed | Mar-18-10 |
| Russia | 512 | 5.2 | 2.0 | 492 | 27 | 0.3 | -1.8 | 10.8 | 9.0 | Baa1 | O/L chngd to stable, Affirmed | Dec-12-08 | BBB | Affirmed, O/L stable | Aug-31-11 |
| Mexico | 149 | -0.7 | -1.1 | 218 | 19 | -2.5 | -2.3 | 23.3 | 24.1 | Baa1 | Affirmed, O/L stable | Aug-18-11 | BBB | Upgrade, O/L stable | Dec-17-10 |
| Malaysia | 134 | 8.4 | 10.8 | 65 | 24 | -5.2 | -4.5 | 51.4 | 52.6 | A3 | Upgrade, O/L stable | Dec-16-04 | A- | Affirmed, O/L stable | Jul-27-11 |
| Chile | 39 | -0.8 | -3.8 | 91 | 37 | 1.5 | 0.5 | 9.0 | 6.7 | Aa3 | Affirmed, O/L stable | Sep-08-11 | A+ (+) | O/L chngd to (+), Affirmed | Dec-16-10 |
| Indonesia | 112 | 0.2 | -0.7 | 213 | 26 | -1.6 | -1.8 | 24.4 | 23.1 | Baa3 | Upgrade, O/L stable | Jan-18-12 | BB+ (+) | Upgrade, O/L (+) | Apr-08-11 |
| Poland | 64 | -4.8 | -4.0 | 343 | 64 | -5.6 | -4.0 | 55.6 | 57.8 | A2 | Affirmed, O/L stable | Jan-05-10 | A- | Affirmed, O/L stable | Aug-03-11 |
| Turkey | 99 | -9.7 | -7.0 | 312 | 40 | -1.5 | -1.5 | 45.7 | 41.0 | Ba2 (+) | O/L chngd to (+), Affirmed | Oct-05-10 | BB (+) | Affirmed, O/L (+) | Sep-20-11 |
| Thailand | 181 | 3.9 | -1.3 | 94 | 27 | -3.0 | -3.5 | 33.7 | 34.1 | Baa1 | Affirmed, O/L stable | Oct-14-11 | BBB+ | O/L chngd to stable, Affirmed | Dec-09-10 |
| Czech Republic | 41 | -3.5 | -3.2 | 104 | 47 | -4.0 | -3.5 | 42.1 | 44.0 | A1 | Affirmed, O/L stable | Aug-04-11 | AA- | Upgrade, O/L stable | Aug-24-11 |
| Peru | 53 | -2.8 | -3.5 | 41 | 24 | -0.3 | 0.0 | 23.4 | 21.6 | Baa3 (+) | O/L chngd to (+), Affirmed | Mar-21-11 | BBB | Upgrade, O/L chngd to stable | Aug-30-11 |
| Egypt* | 16 | na | na | na | na | na | na | na | na | B2 - | Downgrade, Review (-) | Dec-21-11 | B (-) | Downgrade, O/L (-) | Feb-10-12 |
| Colombia | 32 | -3.6 | -4.0 | 62 | 19 | -4.1 | -3.7 | 41.3 | 42.3 | Baa3 | Upgrade, O/L stable | May-31-11 | BBB- | Upgrade, O/L stable | Mar-16-11 |
| Philippines | 77 | 3.3 | 2.7 | 64 | 29 | -1.5 | -2.5 | 45.9 | 43.7 | Ba2 | Upgrade, O/L stable | Jun-16-11 | BB (+) | O/L chngd to (+), Affirmed | Dec-16-11 |
| Hungary | 34 | 2.5 | 2.8 | 173 | 124 | 2.0 | -3.2 | 73.7 | 68.5 | Ba1 (-) | Downgrade, O/L (-) | Nov-24-11 | BB+ (-) | Downgrade, O/L (-) | Dec-21-11 |
| Morocco* | na | na | na | na | na | na | na | na | na | Ba1 | O/L chngd to stable, Affirmed | Jun-18-03 | BBB- | Upgrade, O/L stable | Mar-23-10 |
| Emerging Asia | 4691 | 3.0 | 2.1 | 1900 | 15 | -2.0 | -1.8 | 27.9 | 27.0 | - | - | - | - | - | - |
| Emerging Europe | 807 | -0.5 | -1.4 | 1604 | 44 | -2.0 | -2.1 | 30.9 | 29.8 | - | - | - | - | - | - |
| Latin America | 658 | -0.8 | -1.7 | 1146 | 23 | -2.3 | -2.1 | 34.2 | 33.1 | - | - | - | - | - | - |



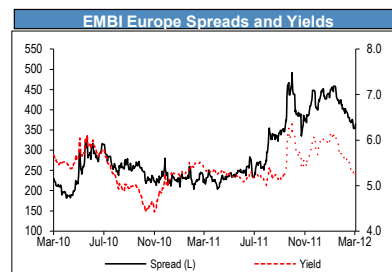
Source: Bloomberg, J.P. Morgan.

Source: CEIC, J.P. Morgan estimates, Moody's, Standard & Poor's, Bloomberg * Data from World Economic Outlook for April 2010 for Current Account data, ** F denotes forecast.

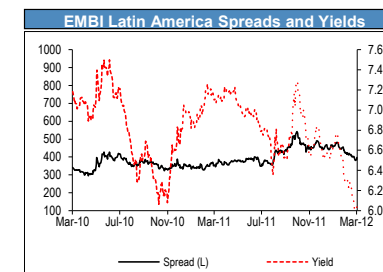
Note: Forex reserves as of February 2012 or latest available data.



Source: Bloomberg, J.P. Morgan.



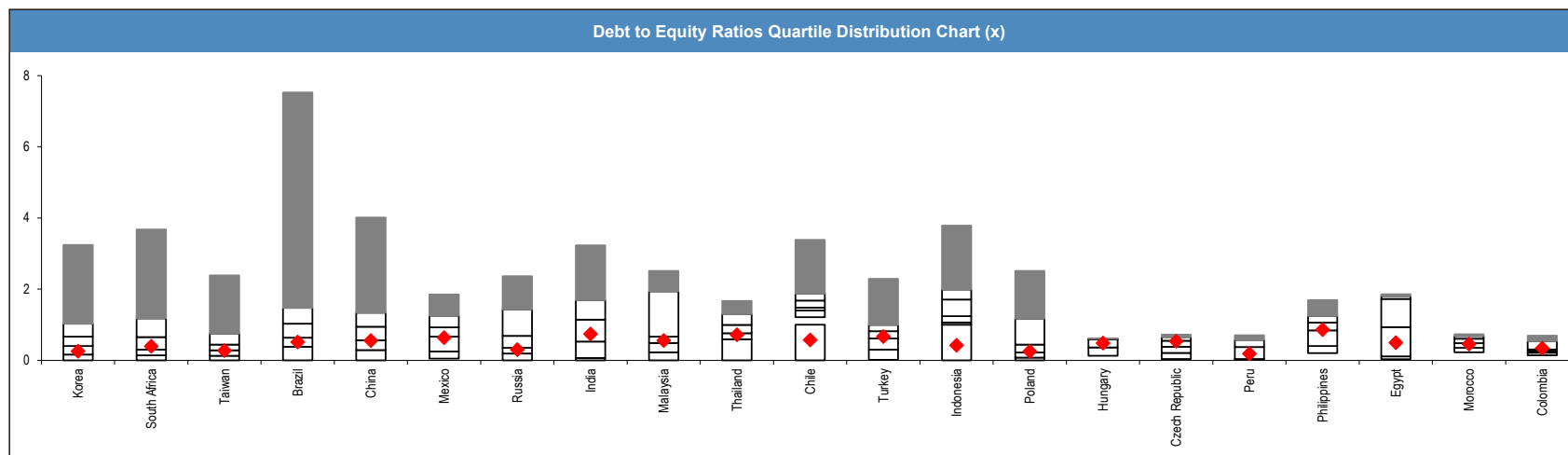
Source: Bloomberg, J.P. Morgan.



Source: Bloomberg, J.P. Morgan.

Perspective: Emerging Markets Balance Sheets

| | No. of Companies | Debt/Equity | Debt/Assets | Debt/Mkt. Cap | Asset Turnover | Current Ratio | Interest Coverage | Altman Z Score |
|----------------|------------------|-------------|-------------|---------------|----------------|---------------|-------------------|----------------|
| China | 128 | 0.56 | 0.25 | 0.68 | 0.82 | 1.09 | 12.8 | 4.1 |
| Brazil | 67 | 0.52 | 0.26 | 0.59 | 0.44 | 1.67 | 4.6 | 3.7 |
| Korea | 73 | 0.26 | 0.15 | 0.21 | 0.96 | 1.22 | 11.5 | 4.5 |
| Taiwan | 86 | 0.27 | 0.16 | 0.14 | 1.10 | 1.32 | 26.8 | 4.4 |
| South Africa | 34 | 0.40 | 0.21 | 0.14 | 0.89 | 1.35 | 6.3 | 5.1 |
| India | 54 | 0.74 | 0.31 | 0.29 | 0.69 | 1.46 | 7.5 | 5.2 |
| Russia | 23 | 0.30 | 0.20 | 0.39 | 0.44 | 1.61 | 18.3 | 4.2 |
| Mexico | 18 | 0.64 | 0.30 | 0.35 | 0.65 | 1.51 | 5.9 | 4.5 |
| Malaysia | 31 | 0.56 | 0.29 | 0.27 | 0.50 | 1.78 | 6.5 | 4.8 |
| Chile | 15 | 0.57 | 0.28 | 0.14 | 0.59 | 1.08 | 4.9 | 3.0 |
| Indonesia | 18 | 0.42 | 0.24 | 0.08 | 0.91 | 1.57 | 14.2 | 8.1 |
| Turkey | 16 | 0.67 | 0.25 | 0.32 | 0.85 | 1.13 | 6.3 | 4.4 |
| Thailand | 11 | 0.72 | 0.34 | 0.28 | 1.16 | 1.41 | 7.9 | 5.4 |
| Poland | 14 | 0.25 | 0.15 | 0.23 | 0.91 | 1.32 | 11.9 | 3.4 |
| Czech Republic | 2 | 0.54 | 0.26 | 0.31 | 0.40 | 0.97 | 11.1 | 3.3 |
| Peru | 3 | 0.19 | 0.13 | 0.04 | 0.47 | 3.17 | 22.2 | 8.6 |
| Egypt | 5 | 0.50 | 0.21 | 0.32 | 0.33 | 1.28 | 4.6 | 2.2 |
| Colombia | 5 | 0.34 | 0.25 | 0.19 | 0.43 | 0.94 | 4.7 | 3.6 |
| Philippines | 14 | 0.86 | 0.37 | 0.29 | 0.45 | 1.67 | 4.7 | 2.8 |
| Hungary | 3 | 0.48 | 0.25 | 0.46 | 0.79 | 1.35 | 6.2 | 3.2 |
| Morocco | 2 | 0.46 | 0.19 | 0.12 | 0.46 | 1.48 | 52.5 | 3.3 |



Source: Datastream, Bloomberg, J.P. Morgan.

Updated as of February-12

Note: 1. All ratios are calculated from latest financial reports available ex Banks, Insurance and Diversified financials sector and calculations are based on weighted average of companies in the MSCI EMF universe. For Altman z-score, its application on company level is such that a score of less than 1.8 indicates bankruptcy likely, between 1.8-2.7 bankruptcy likely within 2 years and more than 3 most likely safe from bankruptcy. For market as a whole, the ratio is a weighted average of companies' z-score, thereby giving a general quality of companies in the market.

2. For the debt to equity distribution chart, each box indicates quartile levels and markets with values exceeding the scale are indicated by the open-ended top box. The diamond indicates weighted average for each market.

3. Quartile Distribution Charts: each quartile is separated by a line, with the exception of the top quartile which is subdivided in order to show the top decile of companies, shaded in blue. Markets with values exceeding the scale are indicated by the open-ended top box. The diamond indicates the weighted mean for each market.

March 7, 2012

Perspective: Demographic and Key Economic Statistics

| | Population and Demographics | | | | | Nominal GDP | | | | Real GDP | |
|--------------|-----------------------------|-------------|-------------------|-----|------------------------------------|--------------|-------------------|-----------------|----------------|-----------------|----------------|
| | Population | | Age | | Gross Enrollment Ratio Secondary** | 2011 | | 10 year CAGR*** | | 10 year CAGR*** | |
| | 2011 million | Growth %YoY | Dependency Ratio* | | | US\$ billion | Per capita (US\$) | Total (%) | Per capita (%) | Total (%) | Per capita (%) |
| | | | Young | Old | | | | | | | |
| USA | 313 | 1.0 | na | na | 98 | 15,062 | 48,082 | 3.9 | 3.1 | 1.8 | 0.8 |
| China | 1362 | 0.6 | 0.3 | 0.1 | 73 | 7087 | 5204 | 18.3 | 17.3 | 10.5 | 9.8 |
| Brazil | 195 | 0.9 | 0.4 | 0.1 | 102 | 2530 | 12977 | 16.4 | 13.4 | 3.9 | 2.7 |
| India | 1229 | 1.3 | 0.5 | 0.1 | 54 | 1908 | 1552 | 14.8 | 13.5 | 8.0 | 6.4 |
| Russia | 140 | -0.3 | 0.2 | 0.2 | 93 | 1872 | 13385 | 19.9 | 19.8 | 4.7 | 5.2 |
| Mexico | 110 | 1.0 | 0.5 | 0.1 | 80 | 1203 | 10963 | 5.8 | 4.5 | 2.1 | 1.2 |
| Korea | 48 | 0.1 | 0.3 | 0.1 | 91 | 1178 | 24337 | 8.8 | 7.7 | 4.1 | 3.8 |
| Indonesia | 236 | 1.2 | 0.4 | 0.1 | 64 | 852 | 3617 | 18.2 | 16.2 | 5.4 | 4.1 |
| Turkey | 72 | 1.3 | 0.4 | 0.1 | 79 | 798 | 11031 | 15.1 | 15.0 | 4.7 | 3.4 |
| Poland | 38 | 0.0 | 0.2 | 0.2 | 97 | 549 | 14412 | 11.2 | 11.8 | 4.1 | 4.1 |
| Taiwan | 23 | 0.3 | 0.3 | 0.1 | na | 506 | 21743 | 5.6 | 5.3 | 4.5 | 4.1 |
| South Africa | 51 | 1.2 | 0.5 | 0.1 | 90 | 426 | 8426 | 13.6 | 11.5 | 3.6 | 2.4 |
| Argentina | 41 | 0.9 | 0.4 | 0.2 | 86 | 424 | 10371 | 4.7 | 3.9 | 5.1 | 4.1 |
| Thailand | 69 | 0.6 | 0.3 | 0.1 | 77 | 368 | 5363 | 12.4 | 11.8 | 4.6 | 3.7 |
| Colombia | 46 | 1.4 | 0.5 | 0.1 | 75 | 328 | 7123 | 13.5 | 11.4 | 4.3 | 3.0 |
| Malaysia | 29 | 2.0 | 0.5 | 0.1 | 76 | 276 | 9672 | 12.1 | 9.9 | 4.9 | 3.0 |
| Egypt | 80 | 2.0 | 0.5 | 0.1 | 87 | 248 | 3109 | 10.0 | 7.7 | 5.1 | 3.0 |
| Czech Rep. | 10 | 0.0 | 0.2 | 0.2 | 96 | 230 | 22021 | 14.0 | 14.1 | 3.1 | 2.9 |
| Philippines | 95 | 1.8 | 0.6 | 0.1 | 86 | 219 | 2295 | 11.9 | 10.3 | 4.9 | 3.0 |
| Chile | 17 | 1.2 | 0.4 | 0.1 | 89 | 214 | 12277 | 12.0 | 10.3 | 4.0 | 2.7 |
| Israel | 8 | 2.2 | 0.4 | 0.2 | 93 | 209 | 27579 | 5.6 | 3.5 | 3.5 | 1.4 |
| Peru | 30 | 1.5 | 0.5 | 0.1 | 92 | 174 | 5811 | 12.4 | 10.2 | 6.2 | 4.5 |
| Hungary | 10 | -0.1 | 0.2 | 0.2 | 97 | 155 | 15477 | 11.3 | 11.4 | 1.8 | 2.0 |
| Morocco | 32 | 0.9 | 0.5 | 0.1 | 48 | 100 | 3101 | 10.2 | 9.0 | 4.7 | 3.5 |
| MSCI EM | 3,977 | | | | | 22,071 | 5,502 | 14.9 | 14.3 | | |

Source: CEIC, Datastream, Bloomberg, US Census Bureau, World Bank, IMF, UNESCO, J.P. Morgan estimates

Updated as of December 2011

* Age dependency ratio defined as dependents to working-age population.

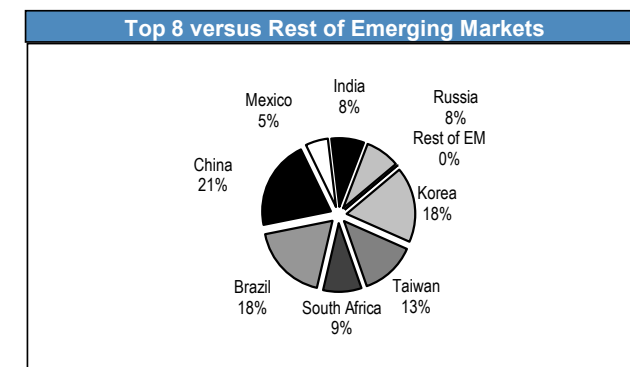
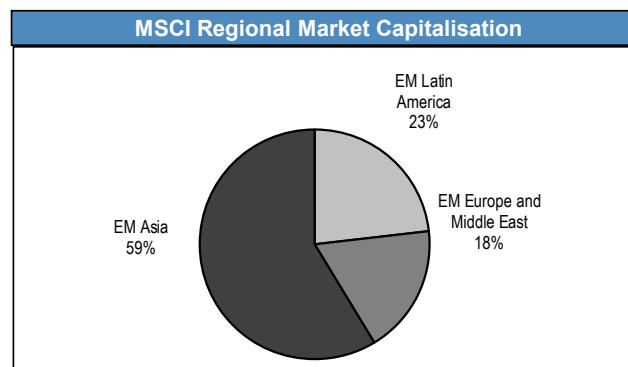
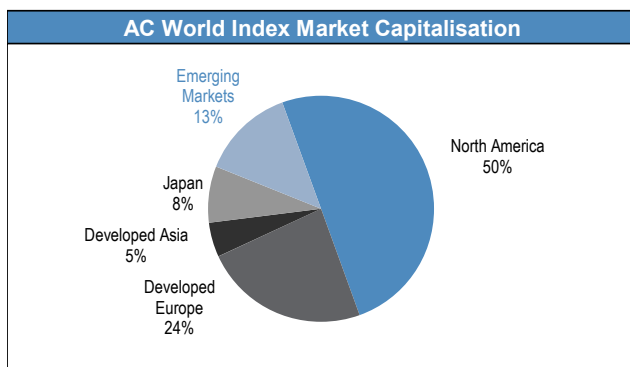
** Gross Enrollment Ratio is defined as pupils enrolled in a secondary level, regardless of age expressed as a percentage of the population in the relevant official age group

*** 10-year CAGR for period 2001-2011, in local currency.

Data for Gross enrollment is for 2004 except for Malaysia, Brazil and Argentina which is for 2003

Perspective: Global Emerging Capital Markets

| | MSCI EMF Index | | | | | Markets Concentration | | J.P. Morgan EMBI Global | | |
|----------------|------------------|----------------------|-----------|------------------------|-------------------------------------|-----------------------|---|---|-----------------------|--------|
| | Total Market Cap | Estimated Free Float | Companies | Average Daily Turnover | % of Emerging Market Trading Volume | Weighting in MSCI EMF | Stocks constituting 75% of Country Market Cap | Stocks constituting 75% of Country Market Cap | Market Capitalisation | Issues |
| | US\$ Bn | (%) | Number | US \$ Mn | % | (%) | Number | (%) | US\$ Bn | Number |
| China | 1324 | 49 | 148 | 3304 | 17.3 | 17.6 | 29 | 20 | 7.5 | 8 |
| Brazil | 1012 | 56 | 81 | 2857 | 14.9 | 15.3 | 18 | 22 | 43.7 | 20 |
| Korea | 862 | 64 | 105 | 3541 | 18.5 | 14.9 | 26 | 25 | na | na |
| Taiwan | 576 | 70 | 113 | 2371 | 12.4 | 10.9 | 30 | 27 | na | na |
| South Africa | 410 | 68 | 49 | 1015 | 5.3 | 7.6 | 17 | 35 | 12.2 | 8 |
| Russia | 679 | 37 | 26 | 1771 | 9.3 | 6.8 | 8 | 31 | 48.4 | 17 |
| India | 750 | 32 | 71 | 1595 | 8.3 | 6.5 | 22 | 31 | na | na |
| Mexico | 302 | 54 | 23 | 333 | 1.7 | 4.4 | 7 | 30 | 62.6 | 27 |
| Malaysia | 306 | 41 | 42 | 273 | 1.4 | 3.4 | 16 | 38 | 7.4 | 5 |
| Indonesia | 230 | 42 | 25 | 222 | 1.2 | 2.6 | 10 | 40 | 32.9 | 21 |
| Thailand | 209 | 35 | 20 | 414 | 2.2 | 2.0 | 10 | 50 | na | na |
| Chile | 178 | 37 | 19 | 134 | 0.7 | 1.8 | 15 | 79 | 9.5 | 13 |
| Poland | 100 | 50 | 21 | 183 | 1.0 | 1.3 | 7 | 33 | 13.3 | 6 |
| Turkey | 155 | 31 | 24 | 689 | 3.6 | 1.3 | 10 | 42 | 40.7 | 19 |
| Colombia | 174 | 23 | 10 | 64 | 0.3 | 1.1 | 4 | 40 | 16 | 8 |
| Philippines | 97 | 29 | 18 | 79 | 0.4 | 0.8 | 10 | 56 | 32.4 | 19 |
| Peru | 49 | 48 | 4 | 153 | 0.8 | 0.6 | 3 | 75 | 11.9 | 6 |
| Egypt | 31 | 46 | 10 | 37 | 0.2 | 0.4 | 5 | 50 | 2.0 | 3 |
| Czech Republic | 37 | 33 | 3 | 43 | 0.2 | 0.3 | 2 | 67 | na | na |
| Hungary | 19 | 58 | 4 | 56 | 0.3 | 0.3 | 2 | 50 | 7.4 | 4 |
| Morocco | 26 | 20 | 3 | 6 | 0.0 | 0.1 | 2 | 67 | na | na |
| Total | 7523 | 49 | 819 | 19139 | 100 | 100 | | | 348 | 184 |



Source: MSCI, J.P. Morgan.

Updated as of 6 March 2012

Perspective: MSCI Emerging Market Index Composition by Countries and Sectors

Number of Companies: 819

Total Market Capitalization (in billion US\$): 7523

Estimated Free float : 50%

| MSCI Emerging Markets Free Index | Consumer Discretionary | Consumer Staples | Energy | Financials | Health care | Industrials | Information Technology | Materials | Telecom Services | Utilities | Total |
|----------------------------------|------------------------|------------------|--------|------------|-------------|-------------|------------------------|-----------|------------------|-----------|-------|
| China | 1.1 | 0.9 | 3.3 | 6.3 | 0.1 | 1.2 | 1.1 | 1.0 | 2.2 | 0.4 | 17.6 |
| Korea | 2.5 | 0.7 | 0.5 | 2.1 | 0.1 | 2.2 | 4.7 | 1.9 | 0.1 | 0.2 | 14.9 |
| Taiwan | 0.4 | 0.3 | 0.1 | 1.6 | | 0.4 | 6.0 | 1.6 | 0.5 | | 10.9 |
| India | 0.6 | 0.5 | 0.8 | 1.7 | 0.3 | 0.4 | 1.1 | 0.6 | 0.2 | 0.3 | 6.5 |
| Malaysia | 0.4 | 0.4 | 0.1 | 1.1 | | 0.5 | | 0.2 | 0.4 | 0.4 | 3.4 |
| Indonesia | 0.4 | 0.3 | 0.3 | 0.8 | 0.0 | 0.1 | | 0.2 | 0.3 | 0.1 | 2.6 |
| Thailand | 0.0 | 0.2 | 0.6 | 0.7 | | | | 0.3 | 0.1 | 0.0 | 2.0 |
| Philippines | 0.0 | 0.1 | | 0.3 | | 0.2 | | | 0.1 | 0.1 | 0.8 |
| Asia | 5.4 | 3.4 | 5.7 | 14.4 | 0.6 | 5.1 | 12.9 | 5.7 | 4.0 | 1.5 | 58.7 |
| South Africa | 1.1 | 0.5 | 0.8 | 2.0 | 0.2 | 0.3 | | 1.7 | 1.0 | | 7.6 |
| Russia | | 0.2 | 4.1 | 1.0 | | | | 0.7 | 0.5 | 0.3 | 6.8 |
| Poland | 0.0 | 0.0 | 0.2 | 0.6 | | | 0.0 | 0.2 | 0.1 | 0.2 | 1.3 |
| Turkey | 0.1 | 0.2 | 0.1 | 0.6 | | 0.1 | | 0.1 | 0.2 | | 1.3 |
| Hungary | | | 0.1 | 0.1 | 0.1 | | | | 0.0 | | 0.3 |
| Egypt | | | | 0.1 | | 0.1 | | | 0.1 | | 0.4 |
| Czech Republic | | | | 0.1 | | | | | 0.1 | 0.2 | 0.3 |
| Morocco | | | | 0.1 | | | | | 0.1 | | 0.1 |
| EMEA | 1.2 | 0.9 | 5.2 | 4.6 | 0.3 | 0.6 | 0.0 | 2.7 | 2.0 | 0.7 | 18.2 |
| Brazil | 0.7 | 1.8 | 3.3 | 3.8 | 0.1 | 0.5 | 0.5 | 3.1 | 0.5 | 1.0 | 15.3 |
| Mexico | 0.5 | 1.3 | | 0.3 | | 0.2 | | 0.8 | 1.3 | | 4.4 |
| Chile | 0.1 | 0.2 | | 0.3 | | 0.3 | | 0.4 | 0.1 | 0.4 | 1.8 |
| Peru | | | | 0.2 | | | | 0.4 | | | 0.6 |
| Colombia | | 0.1 | 0.4 | 0.4 | | | | 0.1 | | 0.1 | 1.1 |
| LatAm | 1.3 | 3.4 | 3.7 | 5.1 | 0.1 | 1.0 | 0.5 | 4.8 | 1.8 | 1.5 | 23.2 |
| Total | 7.8 | 7.7 | 14.5 | 24.1 | 1.0 | 6.7 | 13.4 | 13.2 | 7.8 | 3.7 | 100.0 |

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