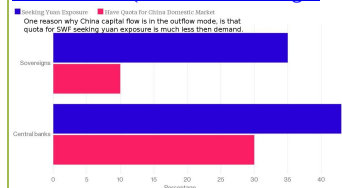


June 30, 2015

# MidLincoln Emerging Markets Chart Art

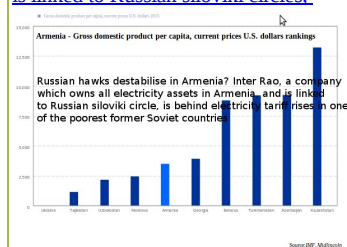
Mining for Emerging Markets Ideas

One reason why China capital flow is in the outflow mode, is that quota for SWF seeking yuan exposure is much less than demand. (Source: Bloomberg. I



Source: Thomson Reuters; national statistics; The Economist

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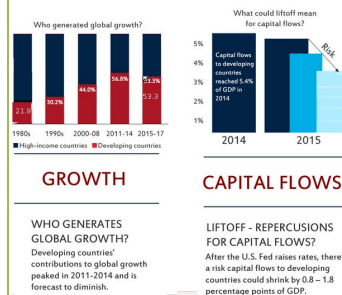
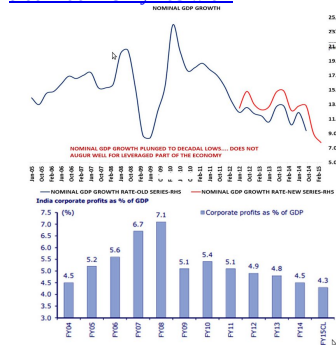
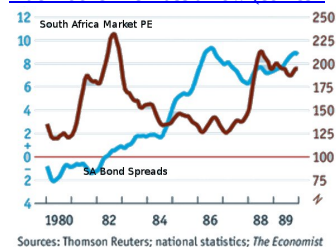


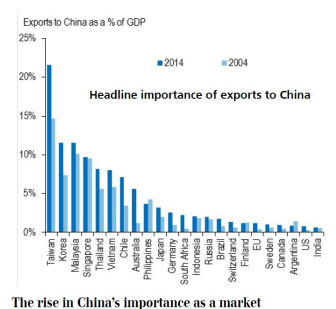
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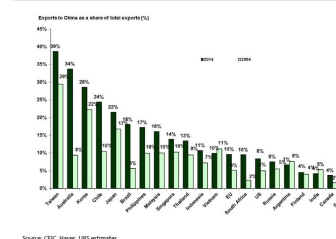
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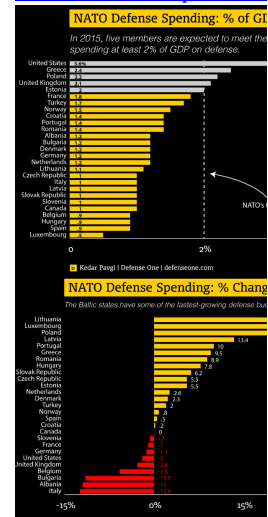
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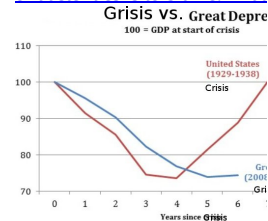
The rise in China's importance as a market



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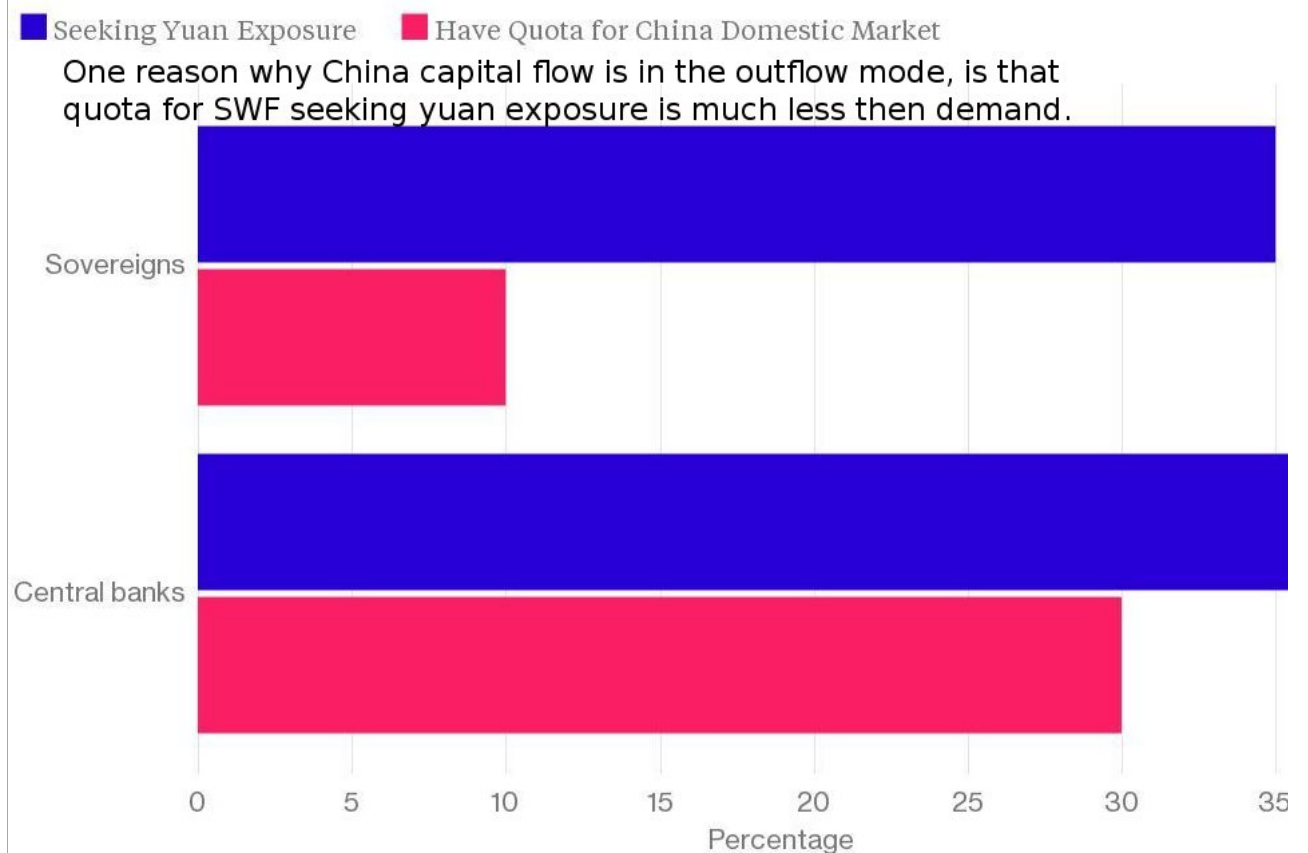
Some Popular Charts

[Charts](#)

## Charts

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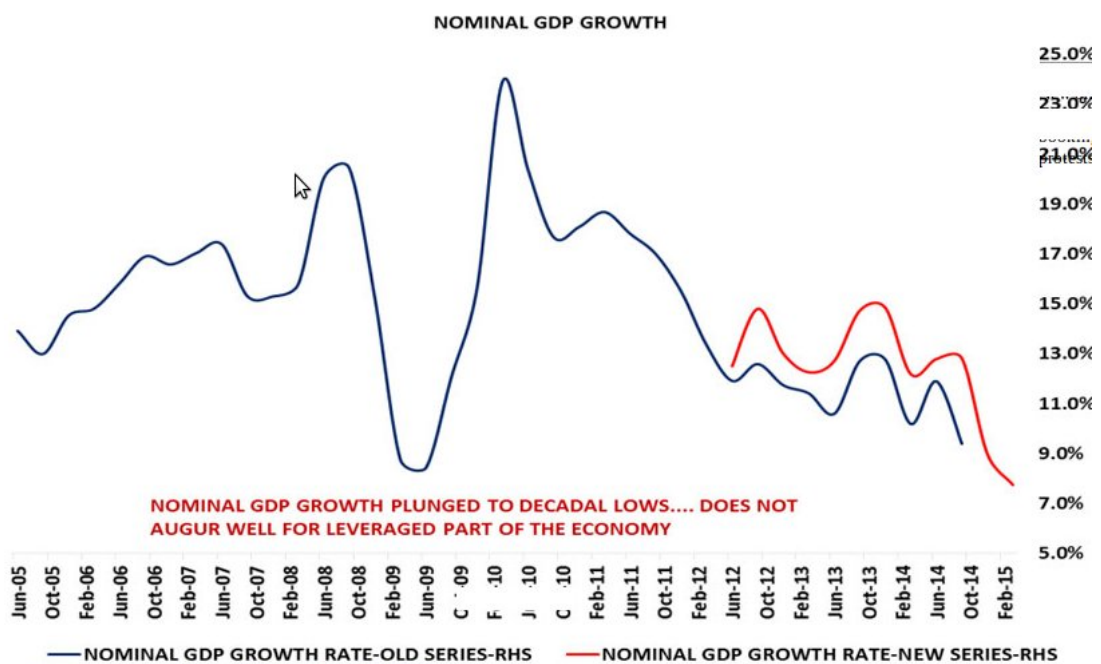
Source: Invesco Global Sovereign Asset Management Study 2015

Invesco interviewed 59 investors that oversee \$7.09 trillion of assets, including central banks, sovereign wealth funds and pension funds for the survey.

Source: MidLincoln

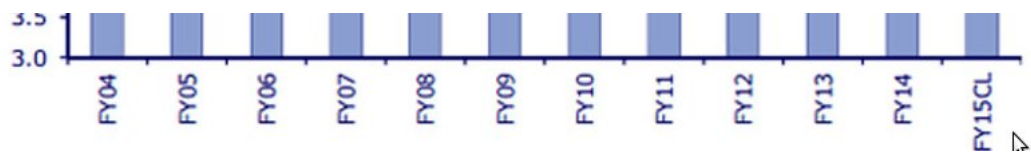
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Chart shows that Indian investment case is not as clear cut as it looks on the headline growth number. We also think that initial investment has with. Now companies need to report real profits to bring earnings numbers and earnings re GDP to meaningful levels. On the other hand, investment is picking up and companies are tempted to take investment spend out of net income - which is a bad practice. Chart from firstpost.com and gentleman named Vivek Kaul



### India corporate profits as % of GDP

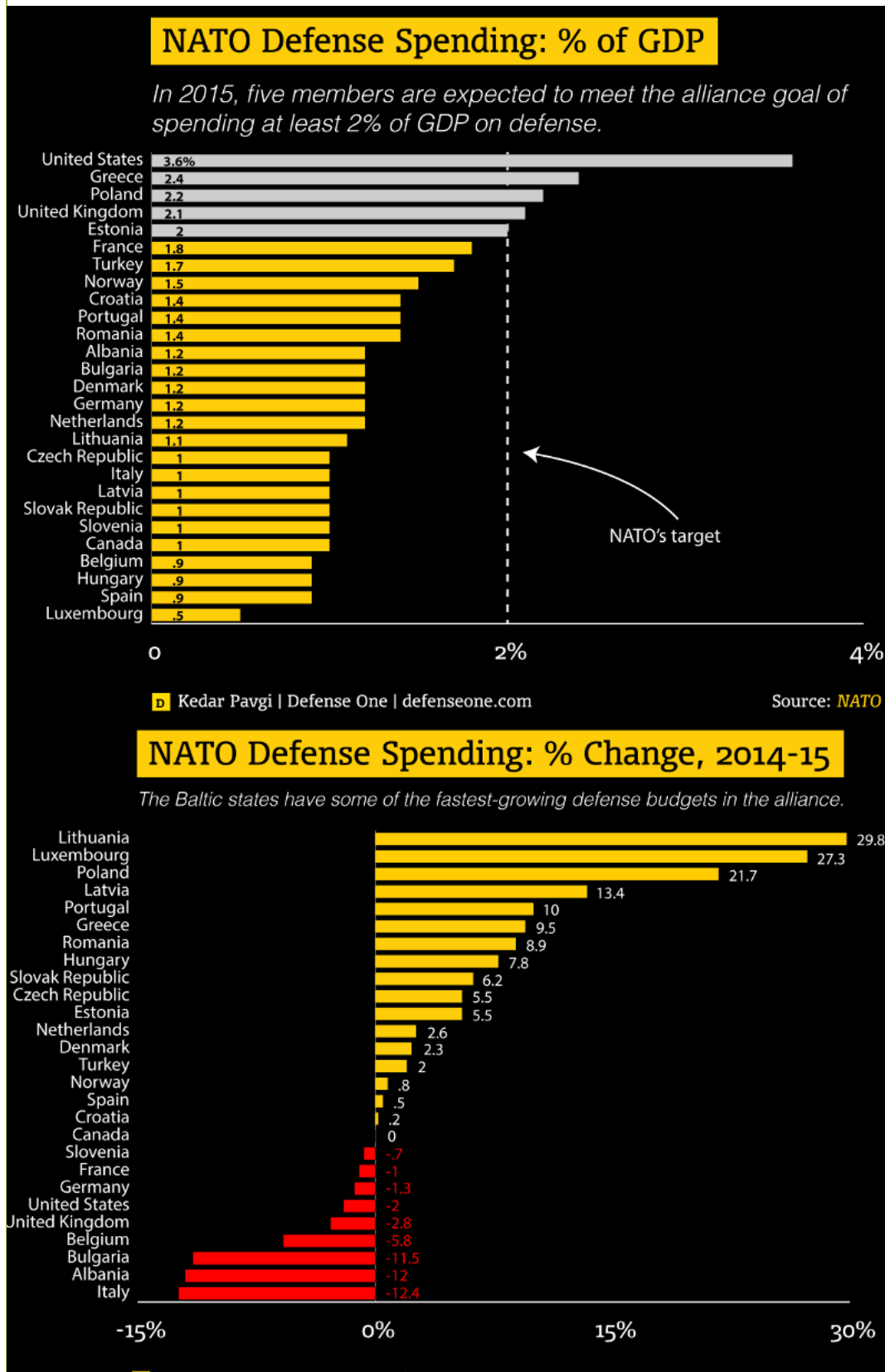




Source:MidLincoln

Greece is one of the top spenders on defence among NATO members and it has posted one of the biggest incre

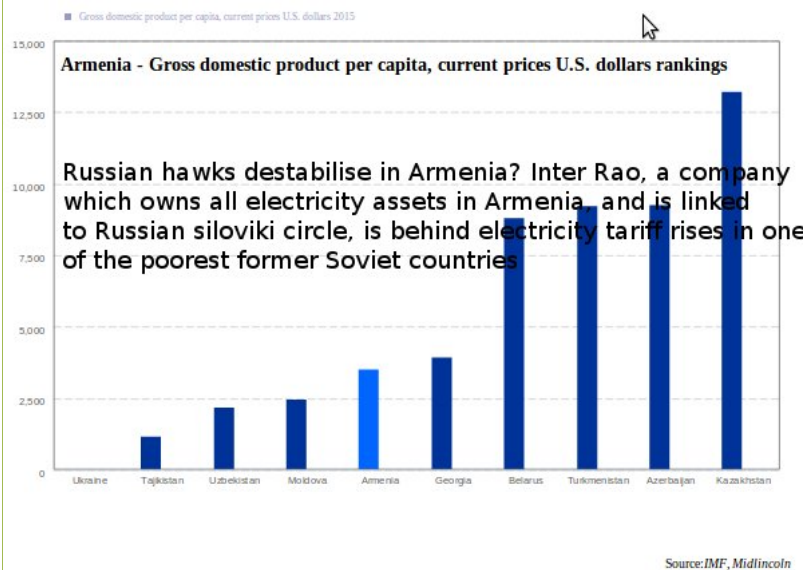
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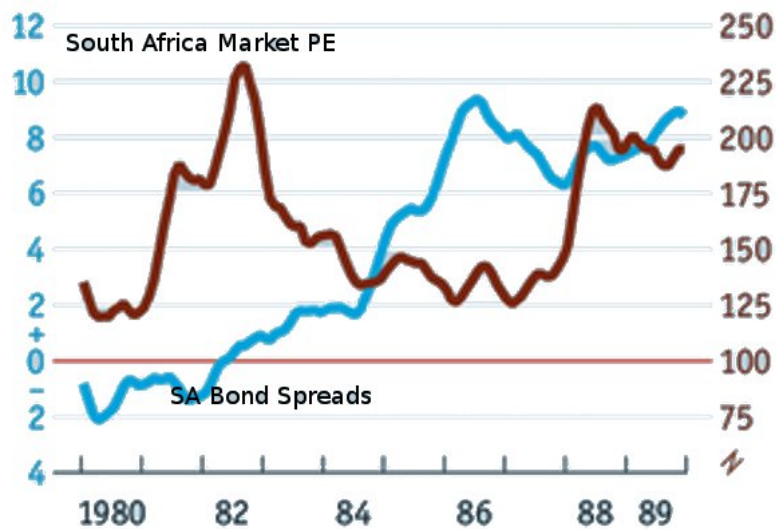
Russian hawks destabilise in Armenia? Inter Rao, a company which owns all electricity assets in Armenia, and is linked to Russia behind electricity tariff rises in one of the poorest former Soviet countries



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Sources: Thomson Reuters; national statistics; *The Economist*

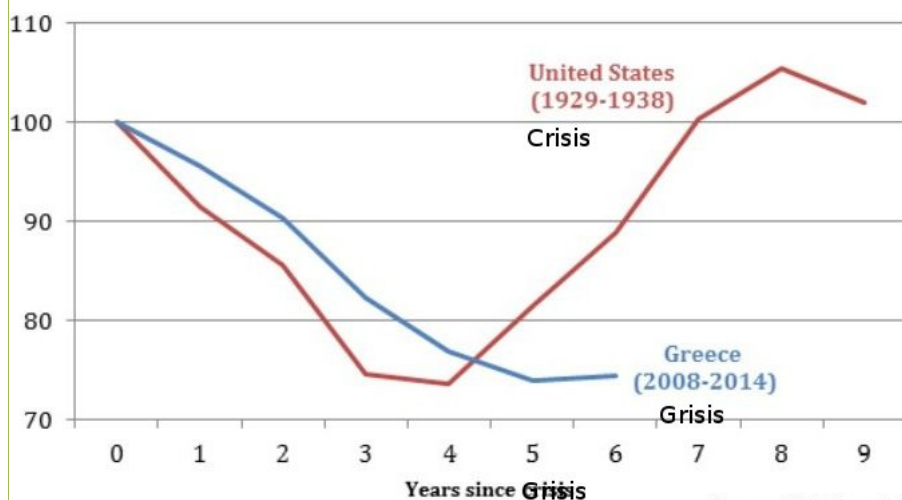
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Grisis is worst then Great Depression in terms of days. Some, like (AEI's Desmond Lachman) argue that all sorts of austerities the austerity within a Euro straitjacket public debt to GDP ratio has risen to 180 percent.

## Grisis VS. Great Depression

100 = GDP at start of crisis

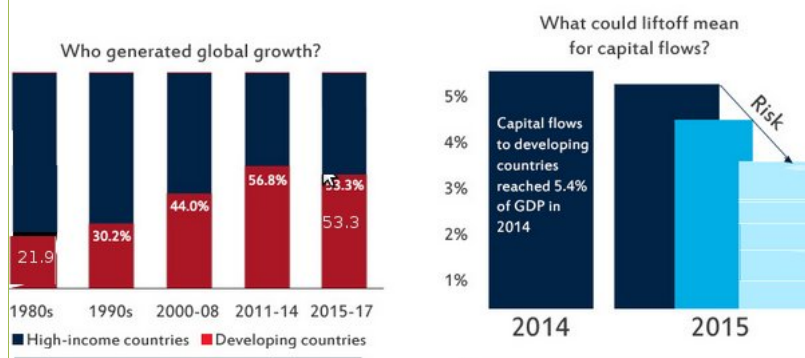


Source: BEA, Eurostat

Source:MidLincoln

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The World Bank has slashed its 2015 growth outlook for the global economy to 2.8%, citing tough economic conditions in emerging economies. Developing countries are now projected to grow by 4.4% in 2015, down from the previous projection of 5.4%. Challenges faced by these economies include impending rise in US interest rates that could reduce capital flows and increase the cost of borrowing according to the bank. (Source: World Bank, International Business Times, [ibtimes.co.uk](http://ibtimes.co.uk))



## GROWTH

### WHO GENERATES GLOBAL GROWTH?

Developing countries' contributions to global growth peaked in 2011-2014 and is forecast to diminish.

## CAPITAL FLOWS

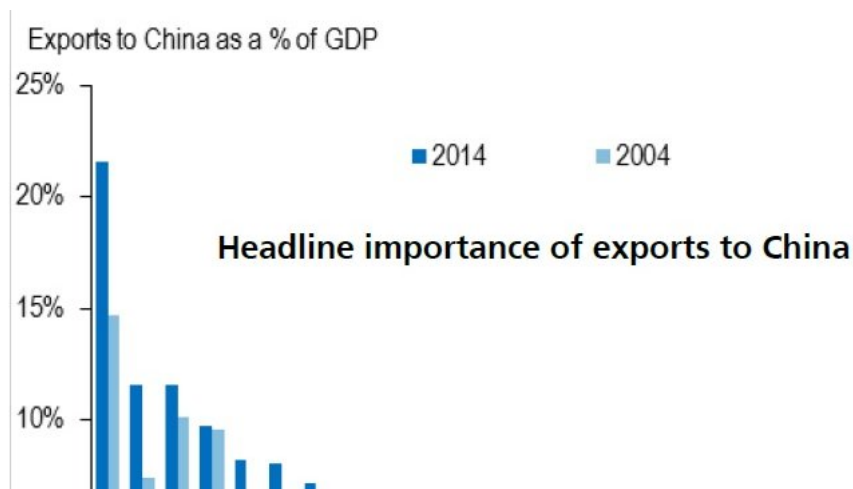
### LIFTOFF - REPERCUSSIONS FOR CAPITAL FLOWS?

After the U.S. Fed raises rates, there's a risk capital flows to developing countries could shrink by 0.8 – 1.8 percentage points of GDP.

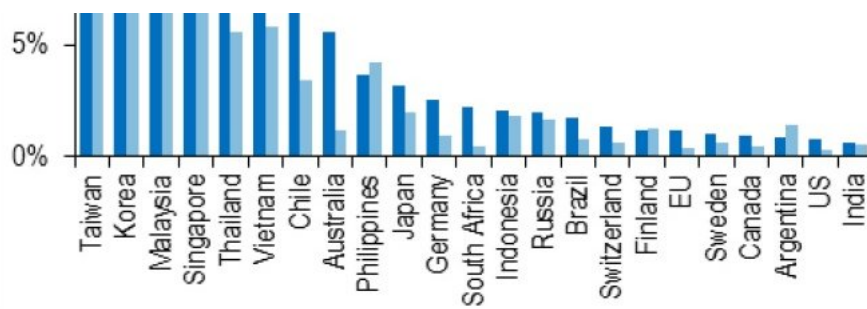
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China stock market is down 12% this week. Surely there was an excellent run so far this year, but also things are not at all smooth. Price of c. US\$100/ton. This chart shows when China sneezes who is likely to catch cold first. Importance of exports to China for commodity exporting countries: ie. Australia, Brazil and Russia are likely to suffer. Chart source: [BusinessInsider.com](http://BusinessInsider.com)

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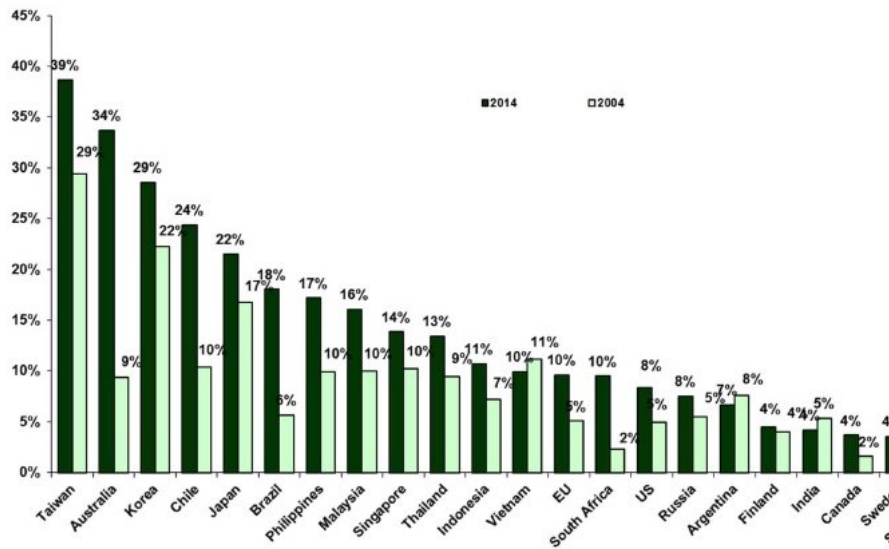






## The rise in China's importance as a market

Exports to China as a share of total exports (%)



Source: CEIC, Haver, UBS estimates

Source:MidLincoln