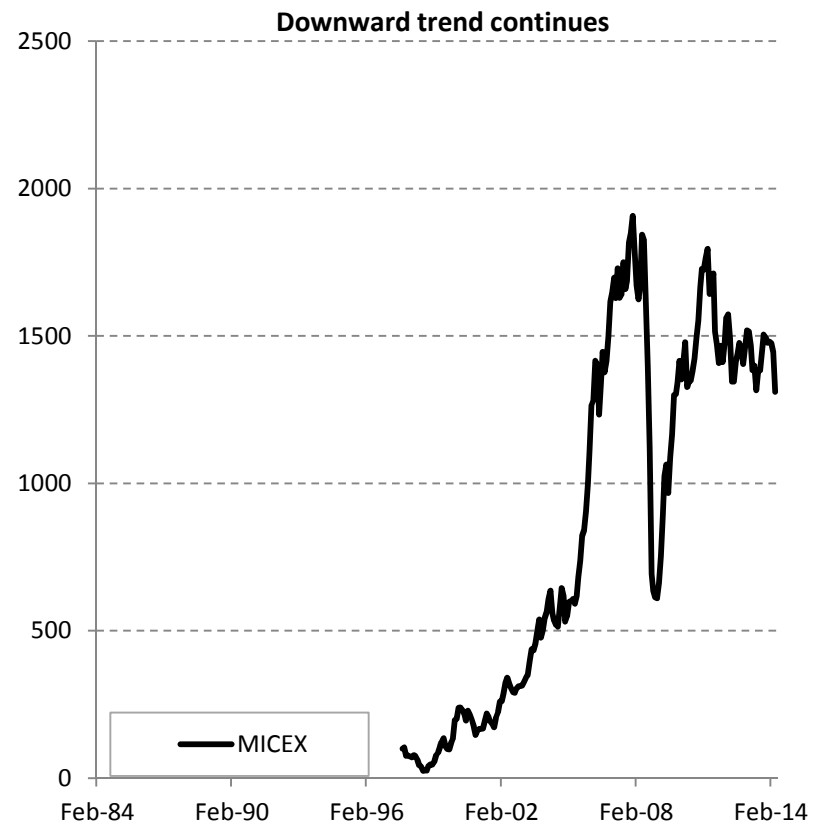
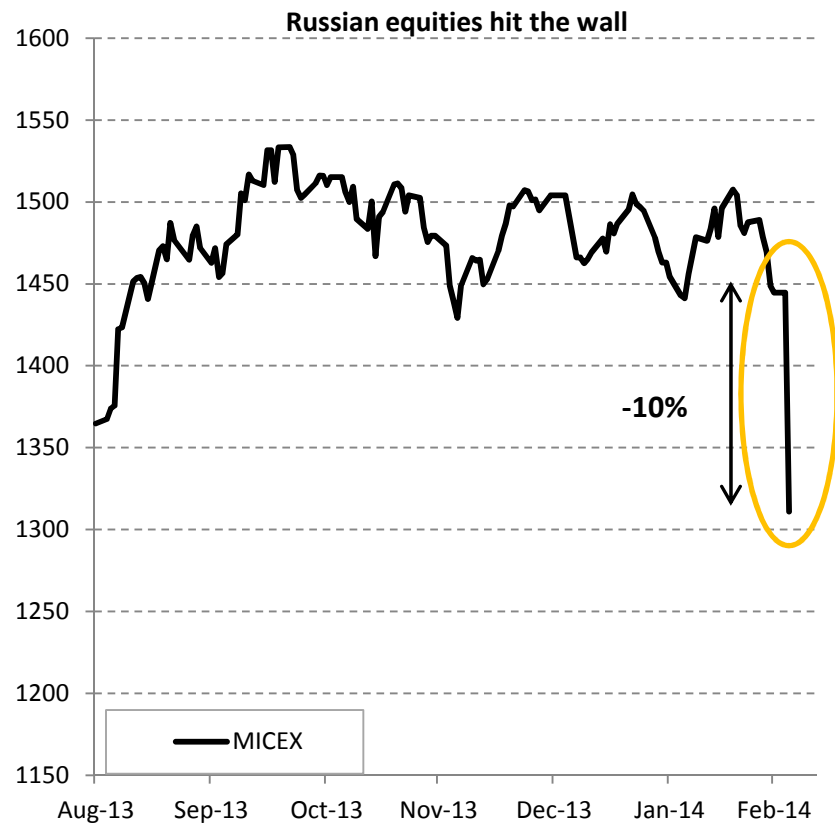


## Economic and financial situation in Russia and Ukraine

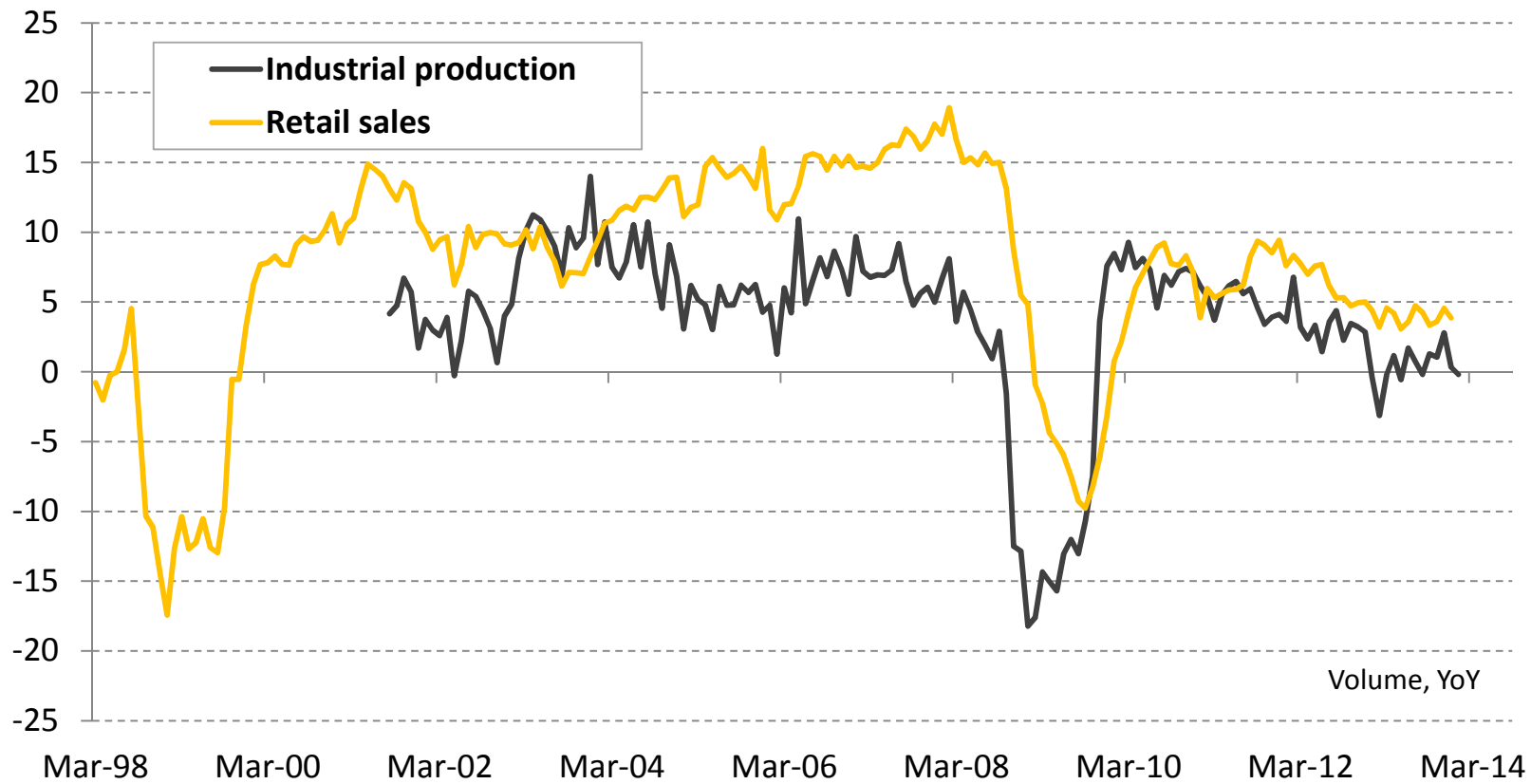
---



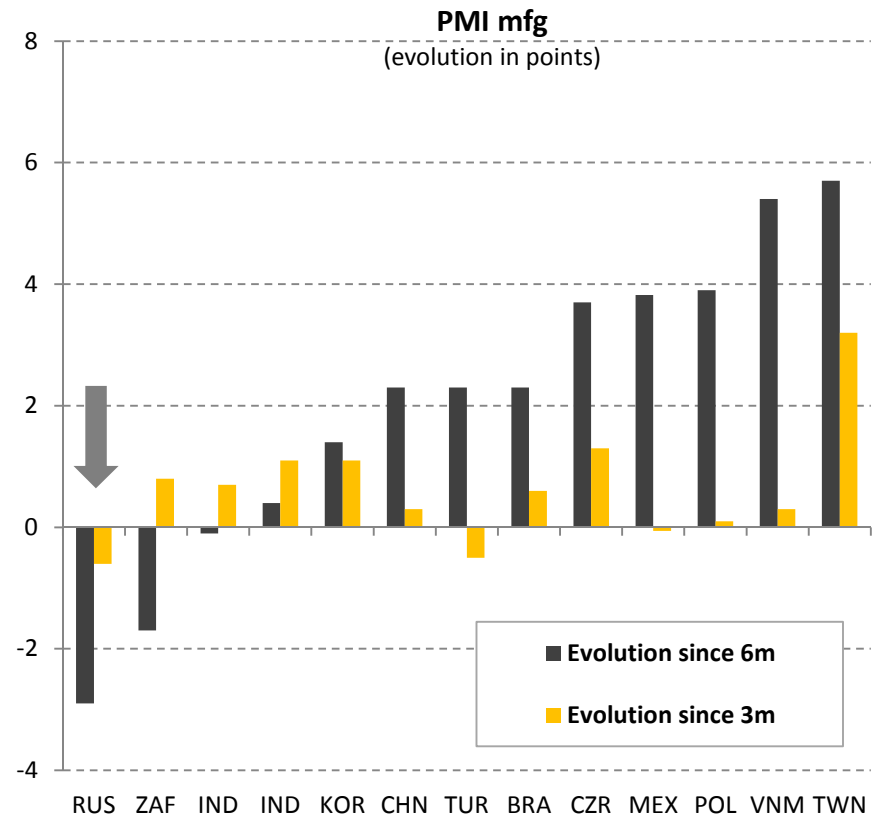
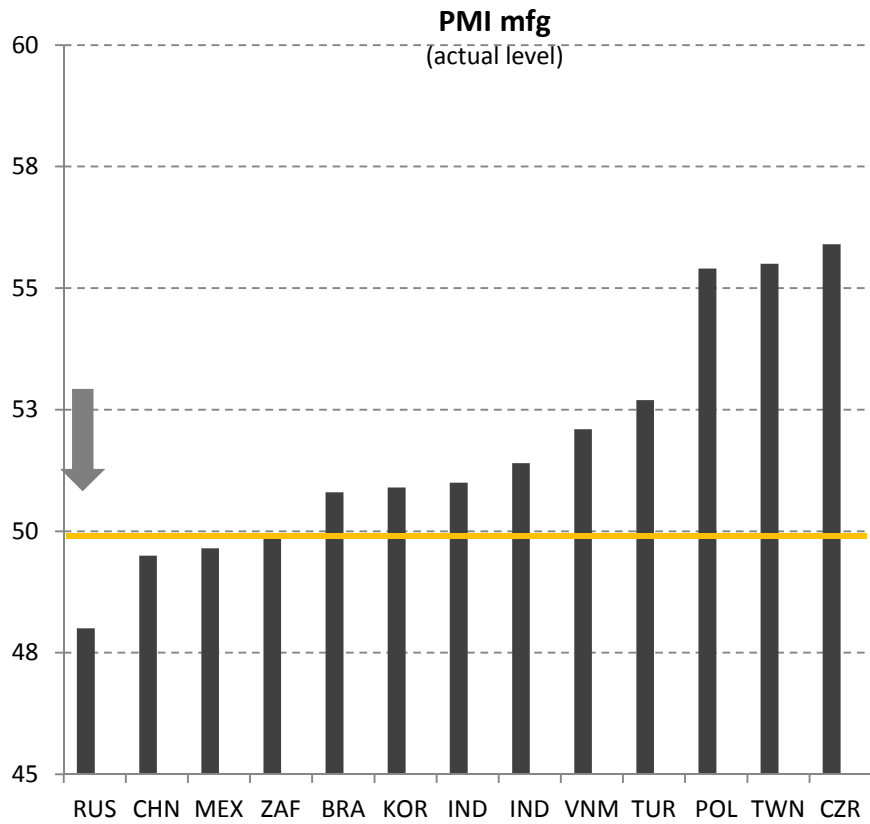
# Russian equities hit the wall



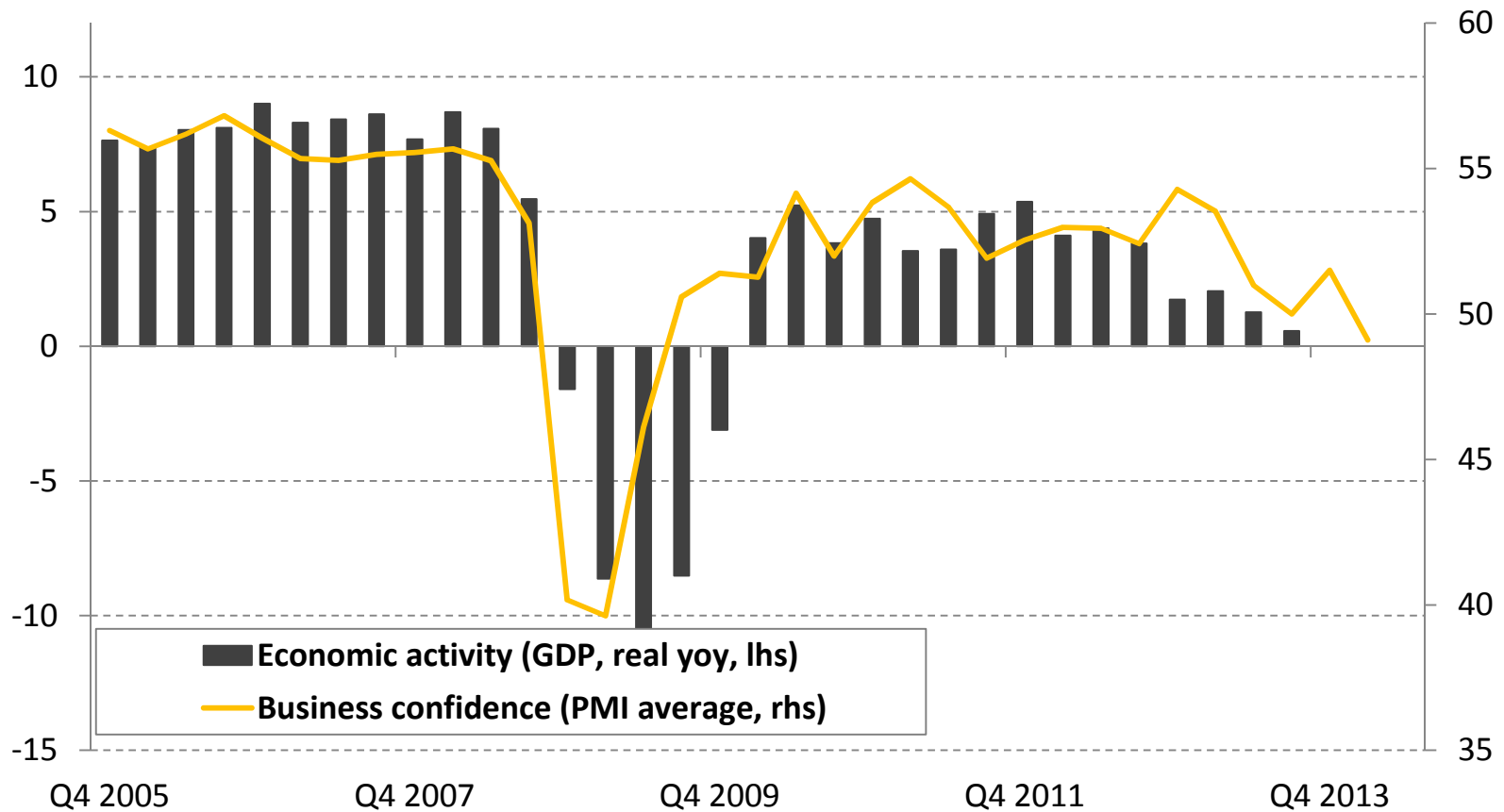
## Russian economy already struggling



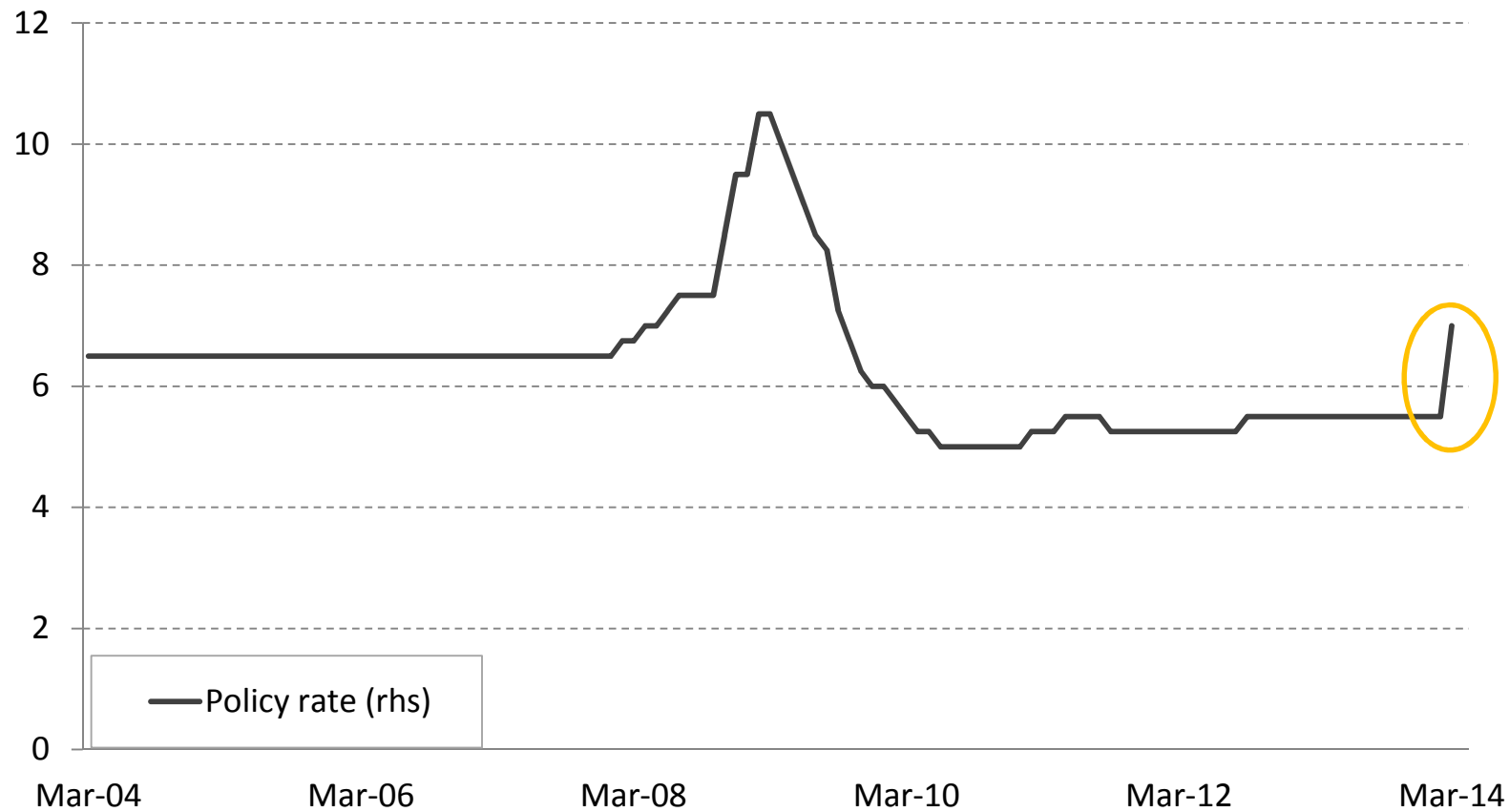
# Leading indicators point to a deteriorating evolution



## Russia economy already flirting with recession

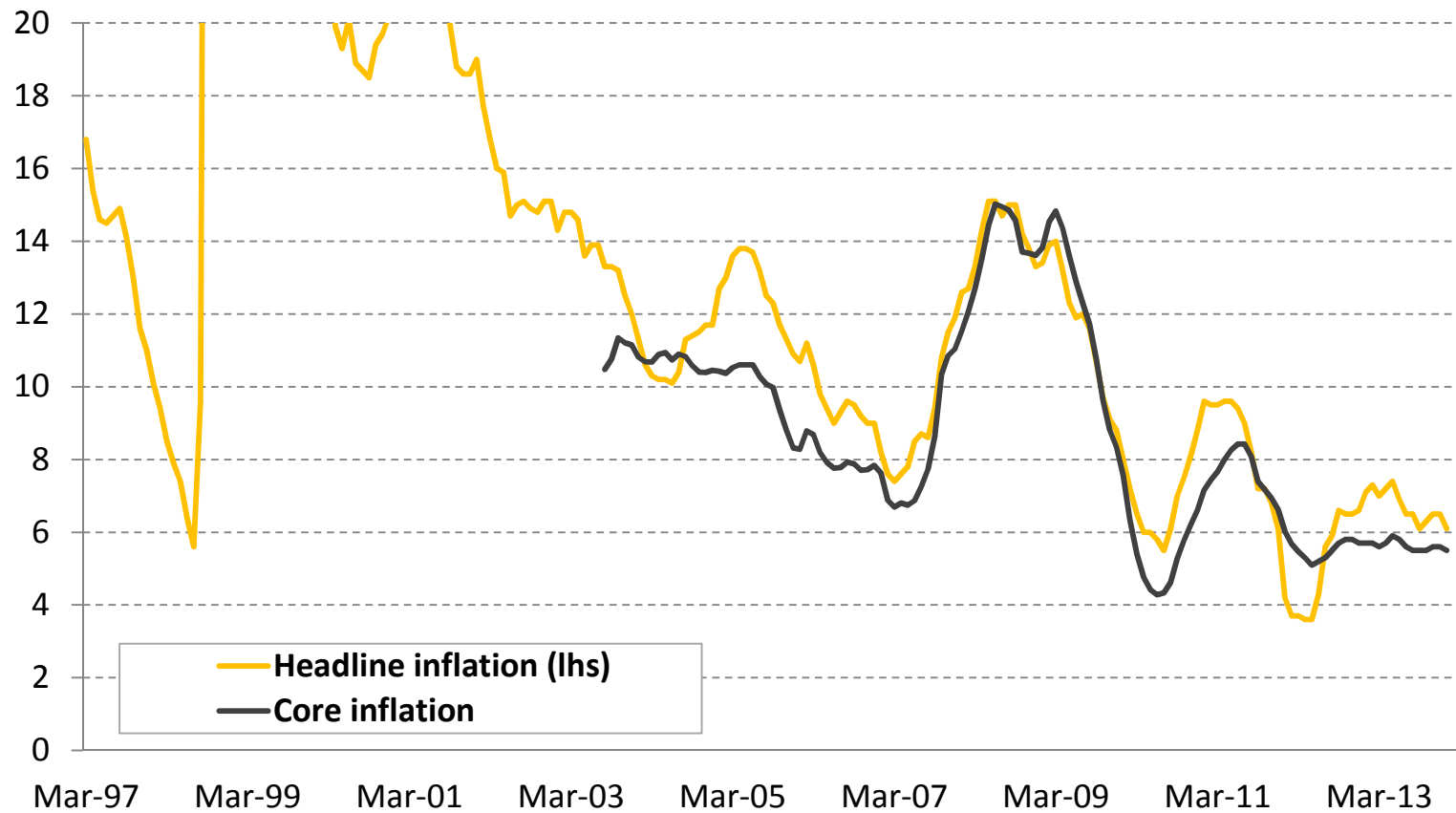


## Most recent rate hike only adds to economic weakness

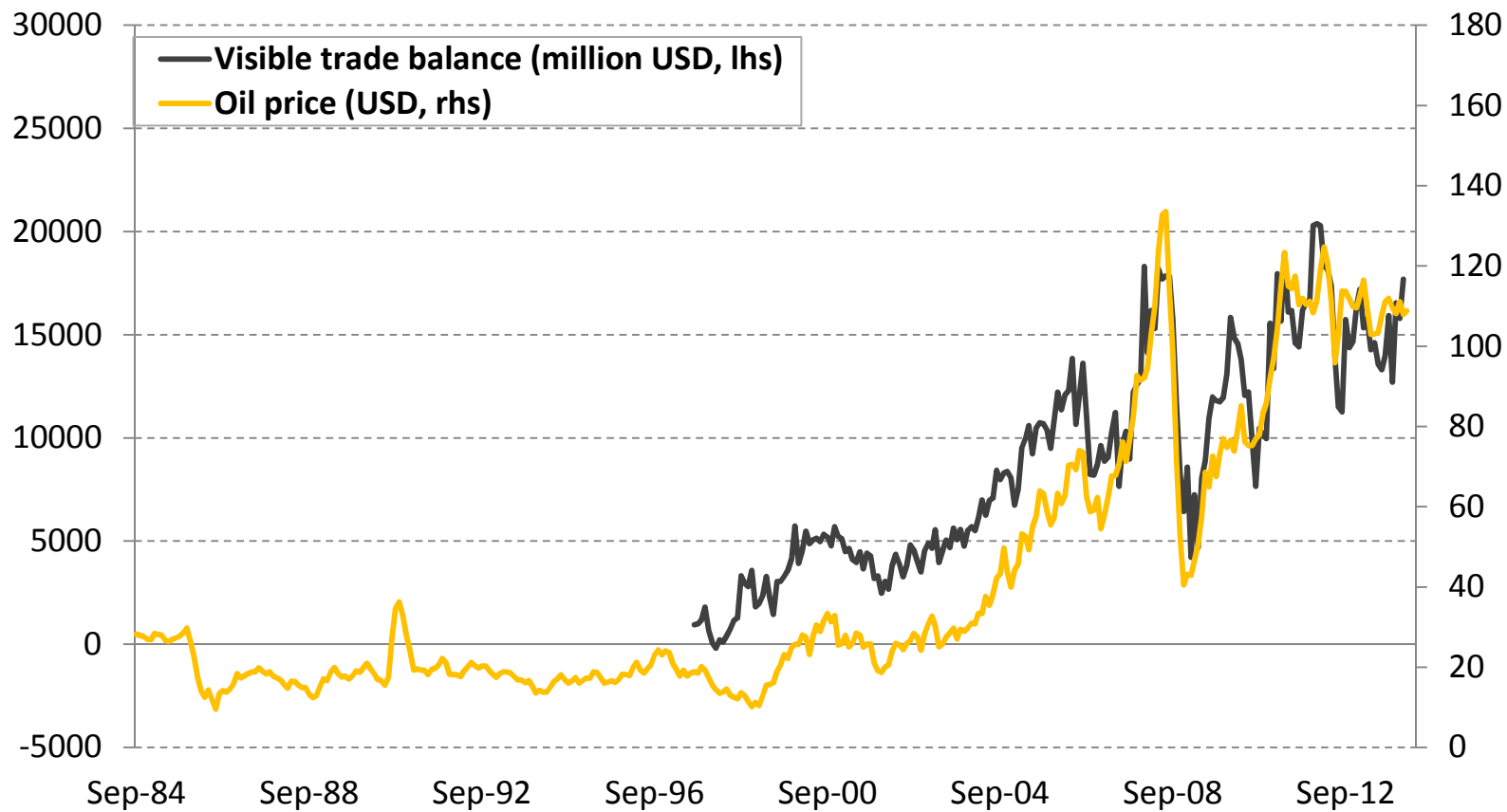


## Above target inflation but still at record lows

*CPI target at 5%*



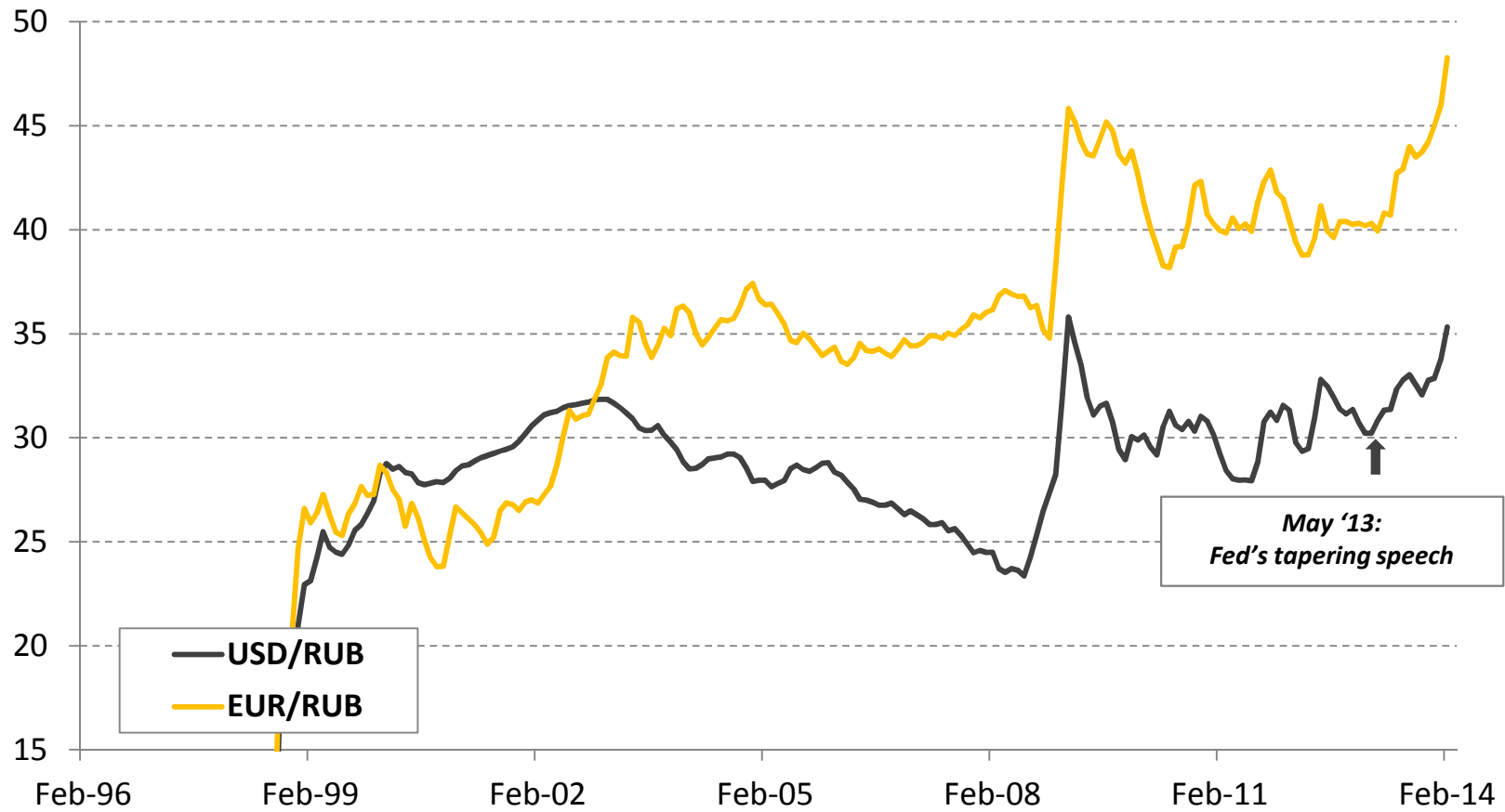
## Russia's external position highly dependent on oil prices





## RUB likely to remain vulnerable

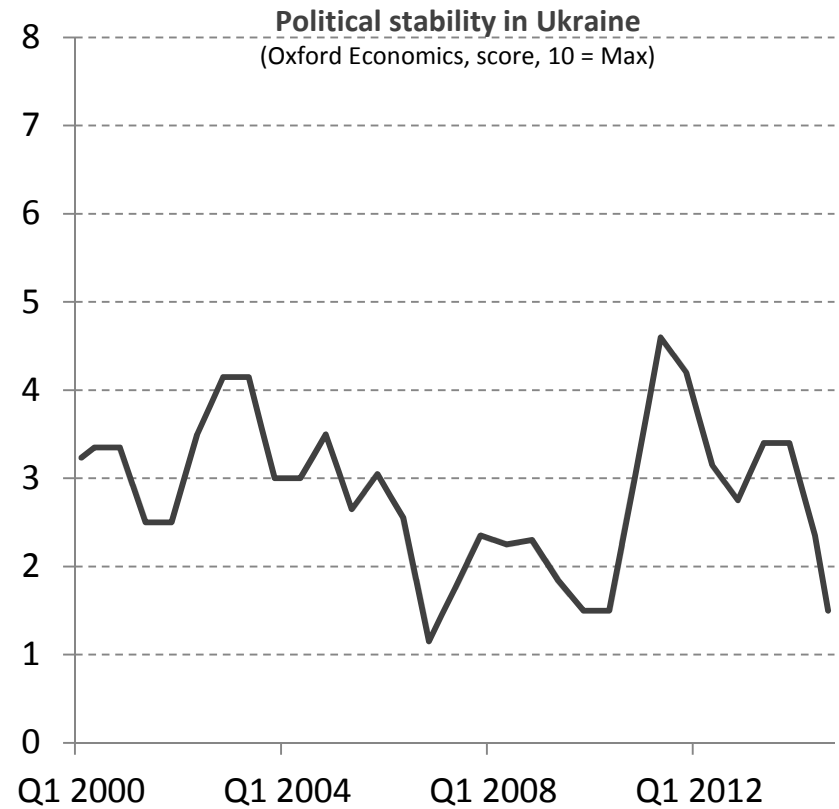
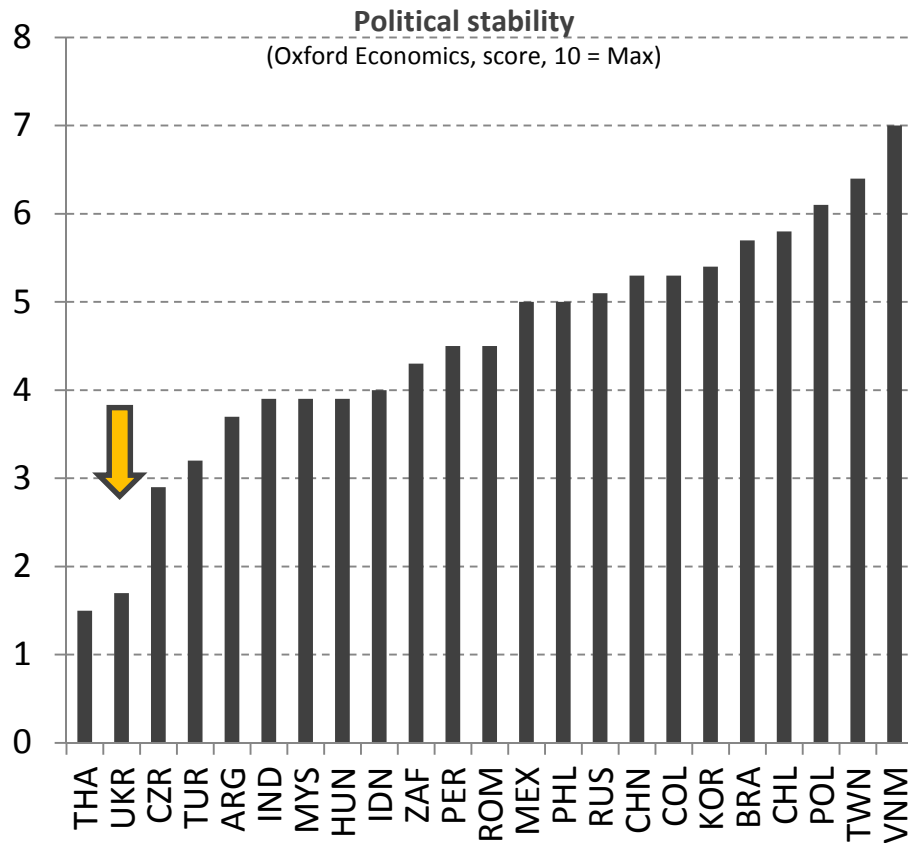
*Recently hit by tapering fears, CBR's guidance and political unrest*



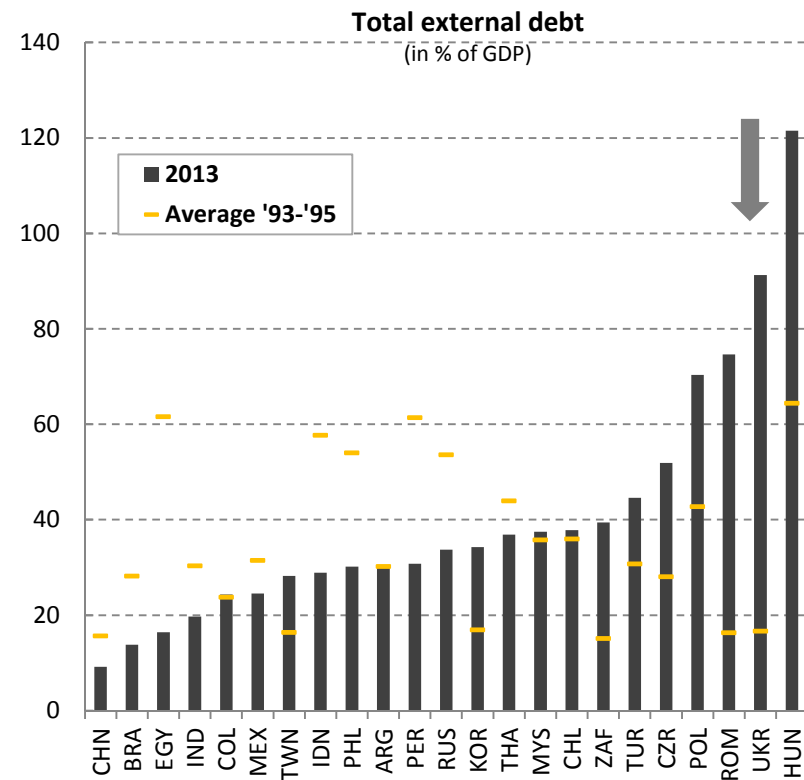
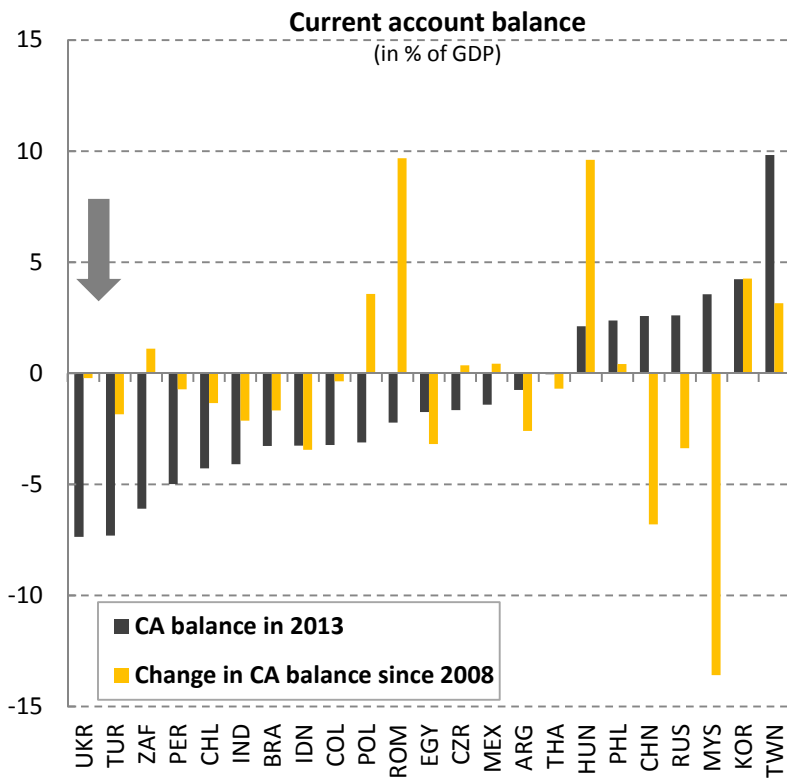
## But Russia's Financial position remains fairly strong

	Current account (% of GDP)					Short-term external debt (% of GDP)					FX reserves (% of GDP)					Net international investment position (% of GDP)			
	2013	-3y	-5y	10y-avg	94-'96	2013	-3y	-5y	10y-avg	94-'96	2013	-3y	-5y	10y-avg	94-'96	2012	-3y	-5y	10y-avg
1 CHN	2.5	4.0	9.3	5.3	0.8	6.2	5.8	4.1	5.8	3.1	39.9	48.2	43.0	41.5	10.8	21.1	28.4	33.0	26.4
2 HKG	2.3	5.4	13.4	8.2	-3.2						110.9	117.5	83.2	94.9	38.2	278.1	290.8	288.3	279.9
3 IDN	-3.4	0.7	0.0	0.4	-2.8	4.4	4.7	4.0	4.7	12.7	11.8	12.7	9.6	11.9	7.0	-41.3	-41.0	-28.9	-38.6
4 THA	0.1	3.1	0.8	1.9	-7.1	18.6	15.9	11.9	14.0	41.5	45.0	52.5	39.8	40.9	20.9	-23.7	-13.1	-4.9	-16.8
5 SGP	18.5	26.8	15.1	21.1	15.6	249.4	221.8	221.1	219.6	219.5	93.2	96.4	90.9	93.5	79.4	228.0	191.7	144.7	199.8
6 PER	-4.9	-2.5	-4.2	-1.1	-7.0						31.3	27.1	23.8	24.1	16.6	-23.7	-28.4	-23.9	-27.5
7 IND	-4.4	-2.7	-2.3	-2.5	-1.3	4.9	3.5	3.4	3.3	1.5	14.1	16.9	19.3	17.7	5.5	-16.5	-13.0	-6.9	-9.8
8 BGR	1.2	-1.5	-23.0	-9.4	-0.1	25.5	31.9	32.8	26.4	4.5	34.8	30.3	32.3	32.5	7.9	-83.7	-97.8	-94.9	-81.8
9 TWN	10.0	9.3	6.9	8.4	2.8	25.3	19.5	19.7	20.9	12.5	85.3	89.2	72.8	78.7	33.3	168.6	147.7	139.5	134.9
10 ROM	-2.0	-4.4	-11.6	-7.1	-4.3	15.5	15.8	14.1	13.5	3.3	24.8	25.5	18.1	22.4	5.5	-70.5	-63.7	-47.8	-52.9
11 MYS	3.5	10.9	17.1	12.3	-7.2	15.3	14.1	9.9	11.4	8.8	44.1	41.3	39.2	46.0	27.3	-1.6	1.7	13.1	1.5
12 PHL	2.5	4.5	2.1	3.4	-3.5	3.2	3.1	4.0	4.0	7.7	30.2	27.0	19.1	22.2	8.9	-13.6	-13.2	-17.2	-21.1
13 BRA	-3.4	-2.2	-1.7	-0.9	-1.8	1.4	1.5	1.7	1.7	4.6	17.1	13.4	11.5	12.2	6.9	-32.3	-41.5	-16.8	-33.2
14 CZR	-1.8	-3.8	-2.1	-2.8	-4.4	13.9	11.9	11.9	12.3	9.1	23.9	21.1	16.2	21.0	19.3	-51.4	-49.8	-35.2	-41.4
15 MEX	-1.3	-0.3	-1.8	-1.1	-2.2	6.0	3.7	2.6	3.6	8.6	12.8	10.9	8.5	10.0	3.5	-41.9	-40.6	-29.8	-36.4
16 KOR	4.6	2.9	0.3	2.8	-2.1	9.0	13.8	15.8	12.3	10.8	27.8	28.3	21.1	26.6	5.8	-8.6	-13.6	-6.1	-13.8
17 POL	-3.0	-5.1	-6.6	-4.5	1.3	14.8	16.4	12.3	13.1	2.2	19.5	18.4	11.0	15.9	9.1	-70.0	-66.6	-45.3	-56.1
18 TUR	-7.4	-6.2	-5.5	-5.7	-1.0	15.7	10.5	7.1	9.5	6.5	13.5	10.8	9.5	10.9	5.2	-53.4	-49.3	-27.0	-42.3
19 COL	-3.2	-3.1	-2.9	-2.4	-3.9	3.3	2.9	2.3	3.0	4.9	10.3	9.2	9.3	9.6	7.7	-24.9	-24.3	-22.2	-24.1
20 CHL	-4.6	1.5	-3.2	0.4	-2.8	6.2	6.8	7.9	7.1	6.8	15.5	12.8	12.7	14.0	22.0	-16.7	-13.6	-16.3	-13.6
21 ZAF	-6.1	-2.8	-7.2	-4.9	-0.9	8.8	5.9	9.2	7.1	6.5	10.7	9.7	11.0	9.5	1.3	-8.8	-26.4	-8.1	-19.0
22 HUN	2.2	1.1	-7.4	-3.2	-5.7	23.2	33.6	20.7	25.1	6.2	31.9	35.0	21.7	26.3	21.1	-102.4	-110.5	-95.7	-101.6
23 RUS	2.9	4.4	6.3	6.2	2.6	3.9	4.0	4.4	4.9	3.3	22.7	29.1	24.7	26.8	3.0	6.6	1.1	15.3	2.4
24 ARG	-0.8	0.3	1.8	1.3	-2.9	2.8	3.8	6.1	8.3	6.6	6.2	12.7	13.6	11.9	5.7	9.1	11.4	17.6	12.6

# Political instability in Ukraine is peaking



# Ukraine urgently needs help



# Ukraine urgently needs help

