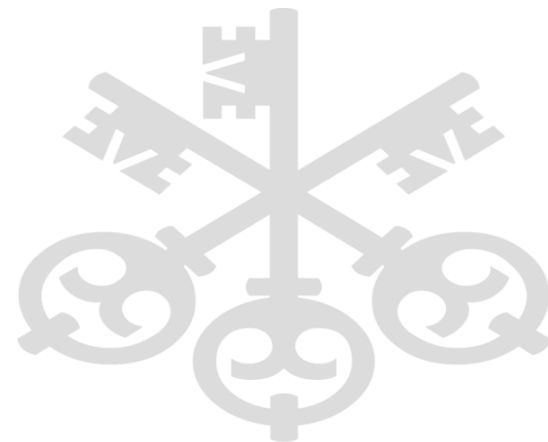


# Latin America

## In control of its own destiny, mostly

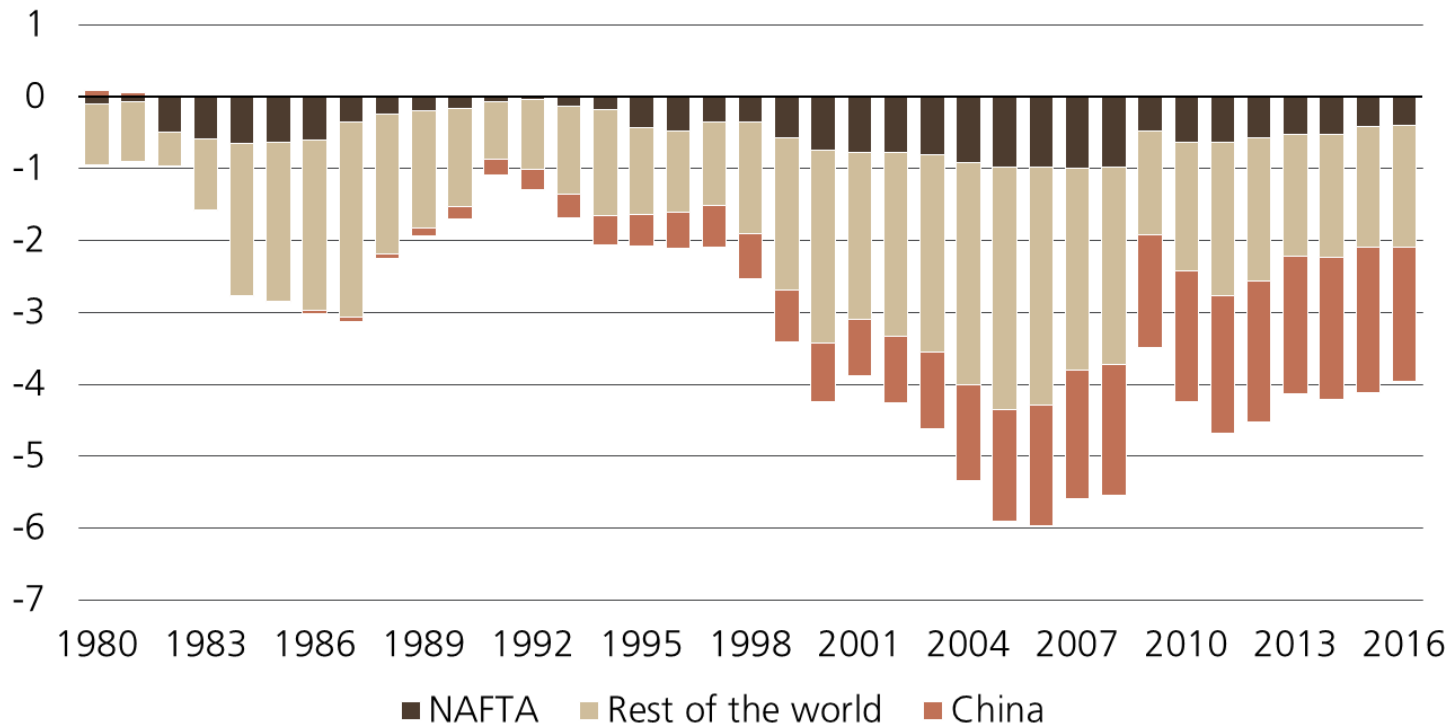
Some thoughts on implication of US policies and other factors on Latin American markets and performance

Dr. Michael Bolliger  
Head Asset Allocation Emerging Markets



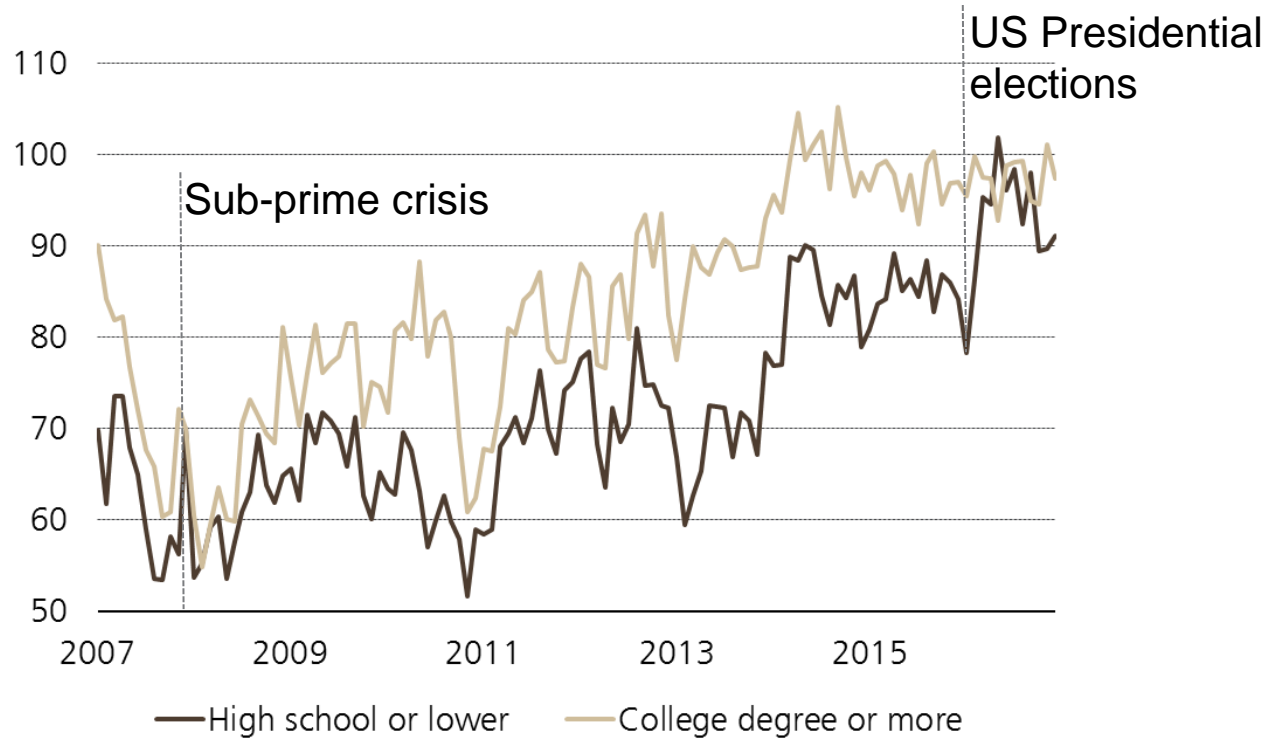
# This is not about NAFTA

## US trade balance as % of GDP



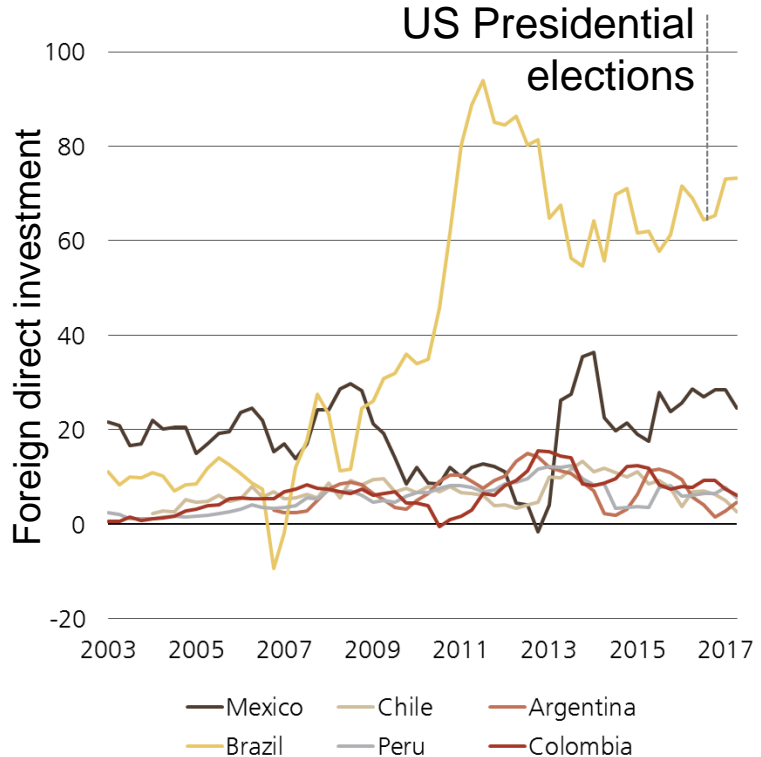
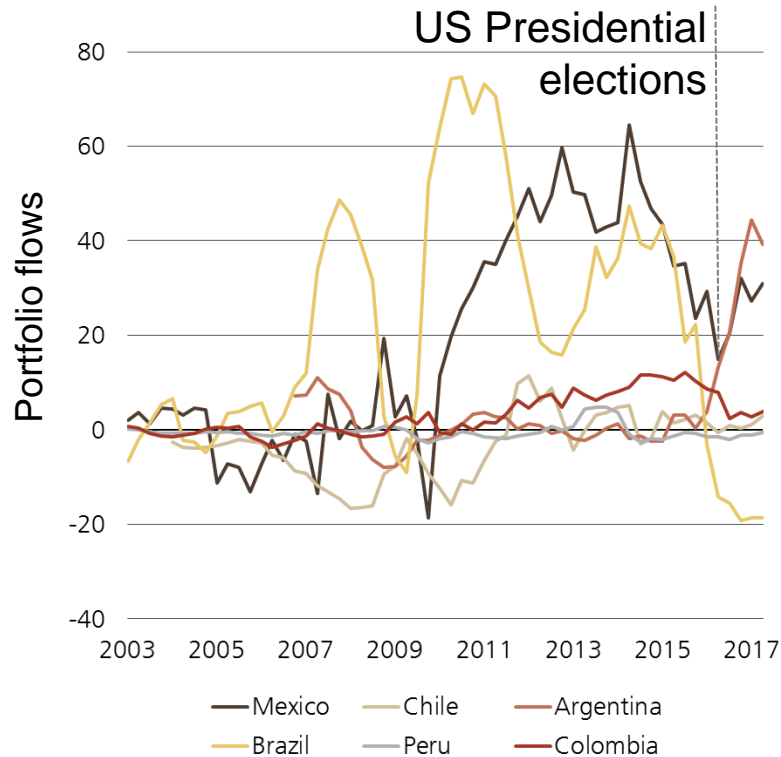
# Households with limited education losing confidence

## Consumer sentiment



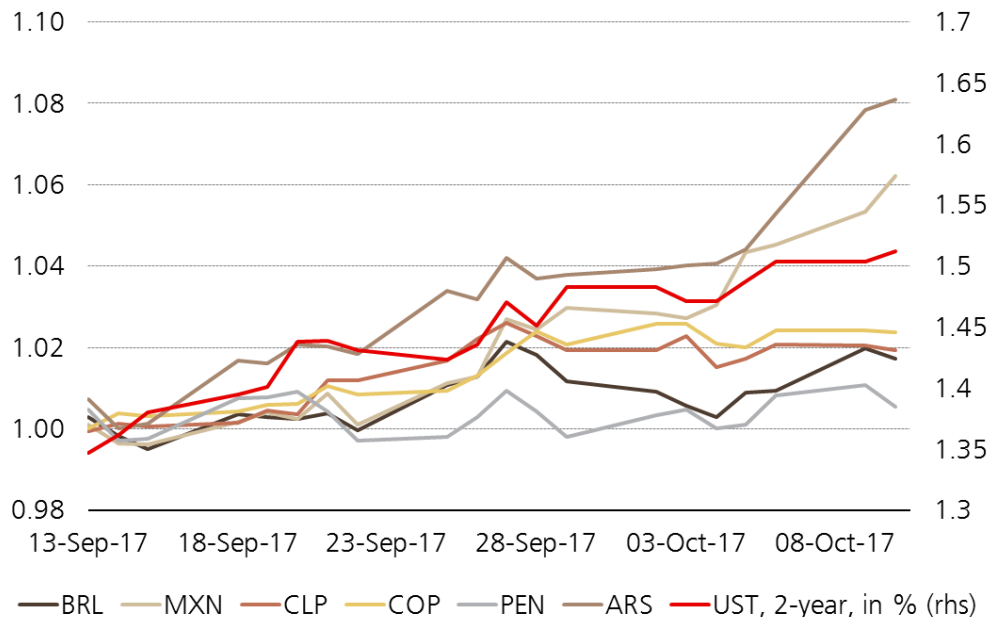
# Investment flows sticky, portfolio flows choppy

Foreign direct and portfolio investment (net numbers, in USD bn, 12-month rolling)



# What happens in the US doesn't stay in the US

Sensitivities of Latin American currencies (indexed) versus US Treasury rates, global commodity prices, and market sentiment



	Volatility Score	Sensitivity Score*
MXN	13.6	0.24
CLP	11.1	0.23
BRL	8.6	0.21
COP	11.9	0.20
PEN	4.4	0.16
ARS	16.1	0.11

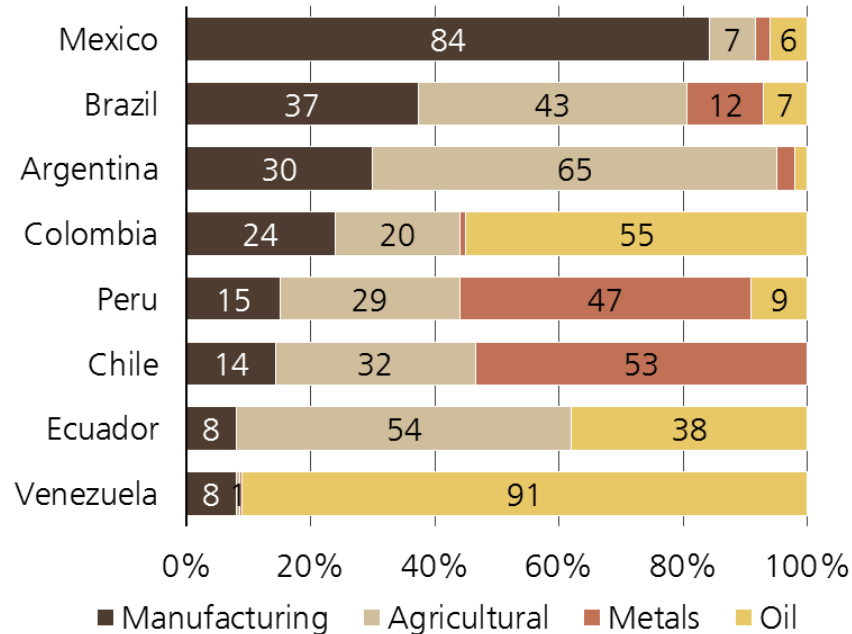
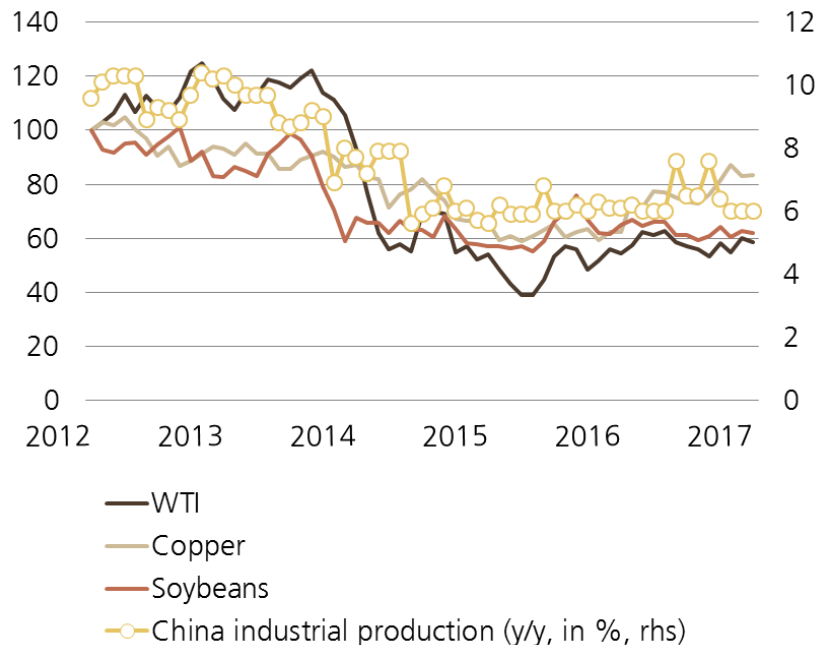


Source: UBS, Bloomberg as of 10 October 2017

\* Average correlation coefficient between the exchange rate (versus USD) and market sentiment (VIX), commodity prices,<sup>4</sup> and US interest rates, respectively.

# China remains a key driver for commodity prices

Commodity prices, China industrial production growth and LatAm export composition (%)



# Contact information

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