CITY OF LONDON
Investment Management Company Limited

Emerging Markets Quarterly Outlook

July 2026*

Overview

Looking Beyond the Near-Term Volatility

Emerging Markets (EM) have continued to outperform global equities, driven by resilient earnings growth in the technology sector. While higher volatility has prompted us to temper our near-term expectations for semiconductor stocks, we continue to favour strategic exposure to AI hardware. Looking ahead, we expect opportunities to broaden beyond technology as USD weakness resumes and industrial commodity demand strengthens. This quarter, we trimmed South Korea while remaining overweight, upgraded Brazil to neutral, and downgraded the UAE to underweight.

The MSCI Emerging Markets (EM) Index has outperformed the All Country World Index (ACWI) year-to-date. Much of this strength has been driven by the EM technology sector, particularly semiconductor stocks that dominate the South Korea and Taiwan equity indices. The rapid appreciation in the tech-heavy South Korea and Taiwan indices (see Chart 1) is naturally raising questions about whether AI-related valuations have become excessive and, more specifically, whether earnings growth for these historically cyclical companies can remain sustainable.

We think some investor scepticism is healthy, and we are cognisant of the higher volatility and risks associated with these markets at the current juncture. We have therefore tempered some of our bullish expectations for EM semiconductor stocks. However, our current assessment is that the trend remains favourable into 2027, and investors should continue to maintain strategic exposure. Asian export data have accelerated this year and have historically been a reliable leading indicator for earnings growth (see Chart 2). The recent improvement in global PMI data also supports maintaining pro-cyclical exposure. Furthermore, industry reports continue to point to a memory undersupply extending into next year and potentially beyond.

While our EM view remains optimistic and has largely been driven by AI hardware over the past year, we expect future returns to broaden across other sectors. In particular, EM commodity exposure could see a re-rating if AI infrastructure investment continues to support industrial commodity prices and the USD resumes last year's downtrend. Chart 3 highlights the underperformance of EM (excluding South Korea and Taiwan) relative to US equities over the past 15 years, which has coincided with dollar strength. The USD appears to have peaked in 2025 and has traded mixed this year - USD TWI (JPMQUSD Index) is up +1.7% and EM Currency Index (vs USD, FXJPEMCS Index) is flat at +0.1%. We expect USD weakness to resume towards year-end if inflation continues to moderate (see Chart 4) and Fed rate hikes are fully priced out. Over the longer term, the USD remains expensive on a real broad effective exchange rate (REER) basis relative to its historical average (see Chart 5).

Chart 6 highlights evidence of a potential new commodity upcycle. Beyond simple trend extrapolation, we expect AI data centres and investment in new energy infrastructure to support industrial commodity demand. Citi commodity research estimates that around 20% of end-use copper consumption is now driven by data centres and the energy transition, with these sectors accounting for virtually all recent demand growth. Traditional cyclical drivers have contributed little in recent years, largely due to persistent weakness in the Chinese property market. This has also contributed to subdued mining capex, which is likely to leave industrial metals such as copper undersupplied as AI- and energy transition-related demand continues to expand. Against this backdrop, LatAm equities are beginning to present attractive value should commodity prices continue to trend higher (see Chart 7).

EM Country Allocation

	Chg	-2	-1	0	+1	+2
Asia						
Taiwan	-				■	
South Korea	↓				■	
China†	-				■	
Malaysia	-			■		
Indonesia	-			■		
Philippines	-		■			
Thailand	-		■			
Vietnam	-				■	
India	-			■		
Latin America						
Brazil	↑			■		
Mexico	-				■	
Europe, Middle East and Africa						
Turkey	-		■			
Poland	-		■			
Saudi Arabia	-		■			
South Africa	-		■			
UAE	↓		■			

Note: Up/down arrows indicate a positive/negative change in our asset allocation compared to the previous quarterly outlook. A dash indicates no change. The table shows the major Emerging Markets.
†Allocation is overweight China (via OW A-shares and N offshore stocks).

Source: CLIM

*The publication reflects asset performance up to 30 June 2026 and macro events and data releases up to 9th July 2026 unless indicated otherwise.

Market Strategy:

Looking beyond recent volatility, we believe the outlook for EM semiconductor stocks remains positive and continue to favour exposure to AI hardware via Taiwan and South Korea. However, non-technology sectors could become increasingly attractive if USD weakness resumes and commodity strength becomes a more prominent theme. This quarter, we make the following adjustments:

- Trim **South Korea** but remain *overweight*. South Korean equities, along with global technology stocks more broadly, have recently experienced some weakness. Higher volatility is a near-term headwind, and the easiest gains may now be behind us. However, we view the recent pullback as profit-taking within a longer-term uptrend supported by robust demand for inference and memory chips.
- Upgrade **Brazil** to *neutral*. Broad commodity strength favours LatAm equities, given the region's sector composition and relative geopolitical insulation from current global conflicts. Brazil, as the region's largest equity market, is well positioned to benefit from any recovery. However, we continue to favour other LatAm markets and prefer a neutral allocation to Brazil ahead of the uncertain October presidential election.
- Downgrade the **UAE** to *underweight*. We have previously favoured the UAE and continue to see an attractive long-term outlook. However, the recent US-Iran conflict may have set in motion a cyclical downturn (see Chart 8). While most countries recorded an uptick in June PMI business surveys, the UAE's data have continued to deteriorate. Residential property prices are showing signs of peaking, while weaker foreign inflows are likely to lead to downward revisions to population growth and property demand. Tourism may also be affected by the recent conflict, particularly if geopolitical tensions re-escalate, according to our geopolitical framework.

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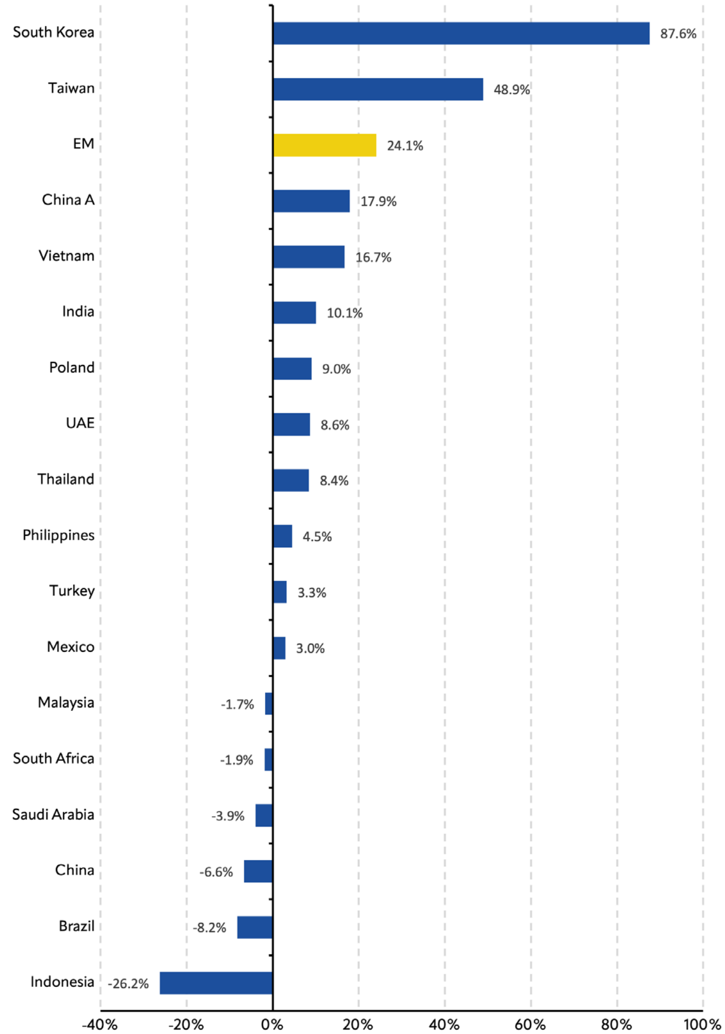
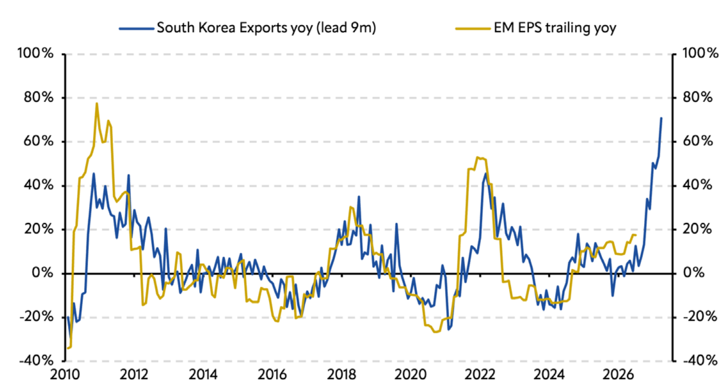
*Justin Kariya***
July 9th, 2026
***The document includes contributions from Yasemin Engin.*

Chart 1: MSCI EM Q2 2026 Performance (USD Total Return)



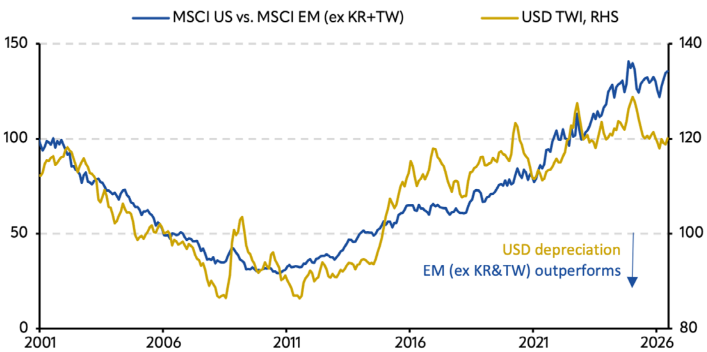
Source: Bloomberg

Chart 2: South Korea Exports and EM EPS Growth (yoy)



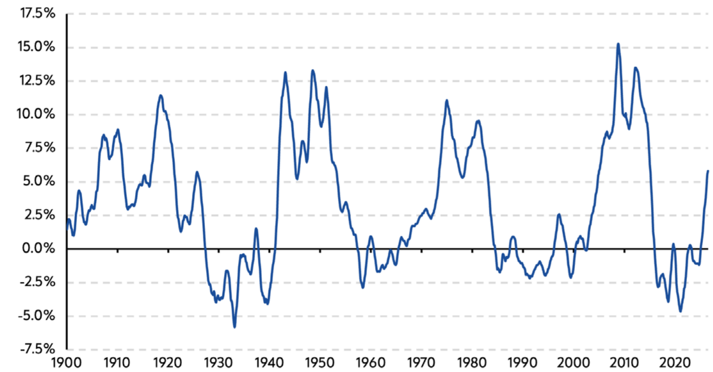
Source: Bloomberg

Chart 3: US Equity Performance vs. EM (ex. KR & TW) and the US Dollar



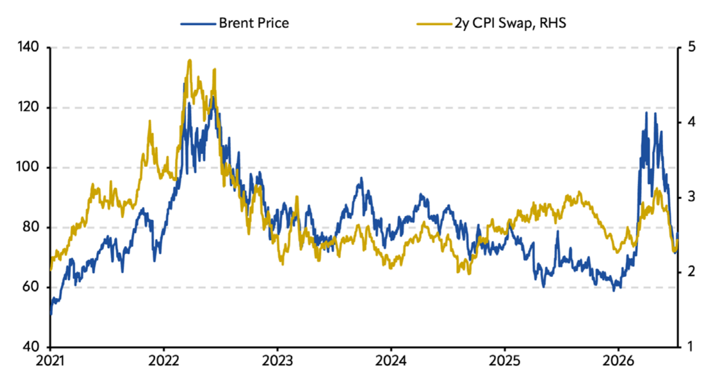
Source: Bloomberg

Chart 6: Long-term Commodity Price Trend



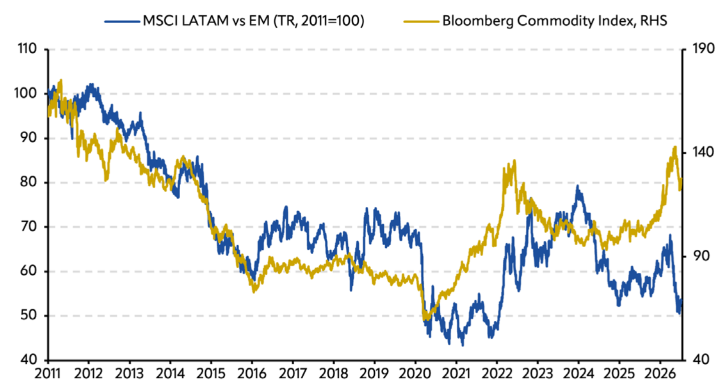
Source: AQR 1877-1969, GSCI Price Index 1970-present. 12ma of 10y annualised change

Chart 4: Brent Crude Price and 2y US CPI Swap Rate



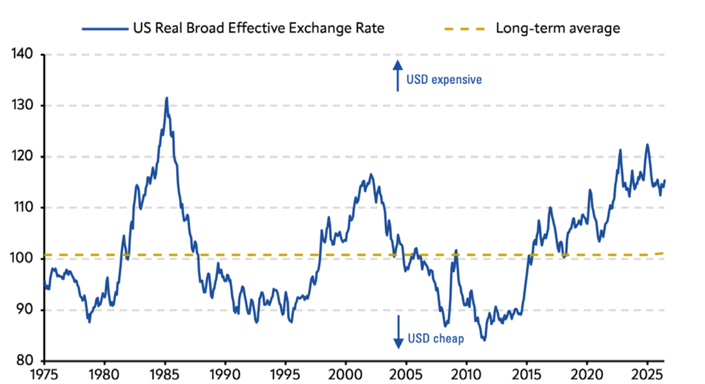
Source: Bloomberg

Chart 7: Commodity Prices and LatAm Equities



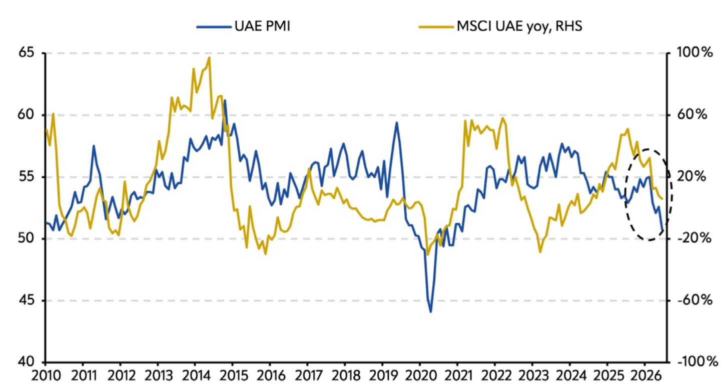
Source: Bloomberg

Chart 5: US Real Broad Effective Exchange Rate (REER)



Source: Bloomberg

Chart 8: UAE PMI and MSCI UAE (USD Index, TR yoy)



Source: Bloomberg

Asia

Taiwan

OW

	3Y history	Latest	
GDP, % yoy		14.6	Q1
PMI, index		55.2	Jun
CPI, % yoy		2.6	Jun
Policy rate, %		2.00	Jun
BIS NEER, index		102.62	May
MSCI Taiwan*		24.8%	Q2
EPS, % yoy		26.3	Jun
12M Forward P/E		22.0	Jun

**US$ total return relative to MSCI EM.*
Source: Bloomberg

- The ongoing AI-related capex buildout remains a clear tailwind for Taiwan's exports. We expect earnings growth to remain strong over the coming years, given Taiwan's dominant position in advanced semiconductor manufacturing and its competitive moat.
- The index is highly sensitive to AI hardware demand. We expect US hyperscaler capex spending to remain supportive over the coming year, while new sources of advanced semiconductor demand continue to emerge, including robotics, defence, and autonomous vehicles.
- While we expect earnings growth to drive further outperformance, geopolitical risks continue to cap long-term multiple expansion. Our current assessment is that China will avoid a costly confrontation with the US over the foreseeable future and instead seek to influence Taiwanese domestic politics in its favour.

South Korea

OW

	3Y history	Latest	
GDP, % yoy		3.8	Q1
PMI, index		52.1	Jun
CPI, % yoy		3.2	Jun
Policy rate, %		2.50	Jun
BIS NEER, index		83.69	May
MSCI South Korea*		63.5%	Q2
EPS, % yoy		77.5	Jun
12M Forward P/E		7.2	Jun

**US$ total return relative to MSCI EM.*
Source: Bloomberg

- The earnings outlook remains strong, driven by demand for memory chips used in AI-related applications. Industry reports suggest the ongoing supply shortage will persist into 2027 and potentially well beyond.
- The strength of key memory chip manufacturers has raised concerns about concentration risk. The outlook for these large firms will likely continue to drive index volatility over the foreseeable future. However, we see growth opportunities across the broader MSCI South Korea Index.
- The index also offers exposure to emerging technologies such as robotics, autonomous vehicles, and battery technology. In addition, the Value-Up programme continues to evolve.

China

OW (OW A-shares and N offshore stocks)

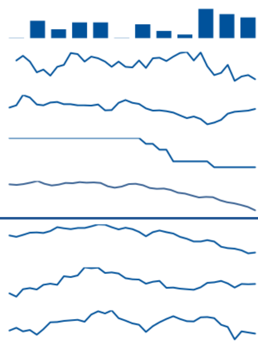
	3Y history	Latest	
GDP, % yoy		5.0	Q1
PMI, index		50.3	Jun
CPI, % yoy		1.2	May
Policy rate, %*		9.00	Jun
BIS NEER, index		111.83	May
MSCI China**		-30.7%	Q2
EPS, % yoy		-3.1	Jun
12M Forward P/E		10.1	Jun

**Required Deposit Reserve Ratio for Major Banks.*
***US$ total return relative to MSCI EM.*
Source: Bloomberg

- Chinese equities have faced several headwinds in recent years, including slowing growth, a property downturn, weak domestic consumption, deflation, and geopolitical risks. Some of these challenges are likely to persist and continue to weigh on the MSCI China Index.
- However, we continue to favour exposure to the onshore A-shares market. Additional policy measures to support growth and consumption remain a possibility. Households continue to hold substantial excess savings, while any sign of stabilisation in the housing market, following four years of contraction, would represent a meaningful positive catalyst. We currently view US–China relations as improving, while the A-share market's high domestic ownership makes it less vulnerable to geopolitical shocks. We also expect A-share technology companies to continue benefiting from demand for AI hardware.
- China's AI models, while slightly less advanced than the leading US models, appear to be more cost-effective for many global users. Any evidence that Chinese large-cap internet companies are successfully monetising their AI models would represent a meaningful positive for the earnings outlook.

India

N



	3Y history	Latest	
GDP, % yoy		7.8	Q1
PMI, index		54.2	Jun
CPI, % yoy		3.9	May
Policy rate, %		5.25	Jun
BIS NEER, index		80.39	May
MSCI India*		-14.0%	Q2
EPS, % yoy		8.0	Jun
12M Forward P/E		19.8	Jun

**US$ total return relative to MSCI EM*
Source: Bloomberg

- Our long-term outlook for India remains constructive. Strong economic and corporate earnings growth are expected to continue, supported by a relatively stable government, ongoing structural reforms, favourable demographics, and trade diversification away from China.
- However, our current allocation is more cautious despite this long-term optimism. AI remains the dominant thematic driver in markets, and other major EMs provide more direct exposure to this theme.
- Valuations have also been a headwind, with the Indian market trading at an elevated P/E multiple in recent years. The market has since de-rated to more reasonable levels, justifying a neutral allocation. However, it continues to trade at a premium to the EM benchmark on a forward P/E basis.

Malaysia

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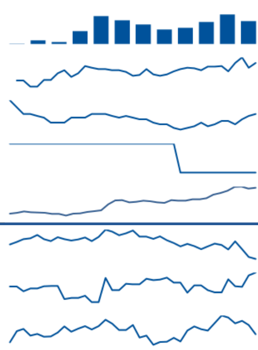

	3Y history	Latest	
GDP, % yoy		5.4	Q1
PMI, index		50.7	Jun
CPI, % yoy		2.0	May
Policy rate, %		2.75	Jul
BIS NEER, index		112.56	May
MSCI Malaysia*		-25.8%	Q2
EPS, % yoy		21.7	Jun
12M Forward P/E		13.6	Jun

**US$ total return relative to MSCI EM.*
Source: Bloomberg

- Growing data centre construction and an established downstream semiconductor sector (assembly, testing and packaging) provide exposure to the AI theme, albeit valuations are not as attractive as those of other leading semiconductor markets. Projections suggest steady earnings growth this year and next.
- Malaysia's role as a net energy exporter means that it is less vulnerable to energy price shocks emanating from the Middle East than its ASEAN peers. While a generous subsidy scheme also protects consumers from higher petrol prices, the scheme comes at a fiscal cost.
- A general election, which is not due until early 2028, could be called earlier given the fragility of the governing coalition, introducing political uncertainty and placing further strain on fiscal balances through pre-election giveaways.

Indonesia

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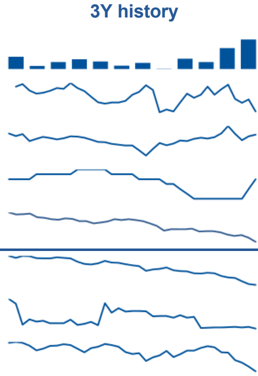

	3Y history	Latest	
GDP, % yoy		5.6	Q1
PMI, index		46.9	Jun
CPI, % yoy		3.3	Jun
Policy rate, %		5.75	Jun
BIS NEER, index		87.36	May
MSCI Indonesia*		-50.3%	Q2
EPS, % yoy		-26.1	Jun
12M Forward P/E		8.4	Jun

**US$ total return relative to MSCI EM.*
Source: Bloomberg

- Indonesia's potential to benefit from the energy transition, given its ample reserves of metals critical to electrification (nickel, bauxite, copper), has been overshadowed by ongoing governance concerns. Under Prabowo's leadership, risks to central bank independence and fiscal discipline have grown, leading to bouts of public unrest and a deterioration in investor sentiment.
- Against this backdrop, a much-awaited MSCI decision in November on Indonesia's EM status is likely to be a key driver of market direction.
- Following a market sell-off and a depreciating rupiah, valuations for MSCI Indonesia appear very cheap. We think the valuation discount is justified by the underlying risks.

Philippines

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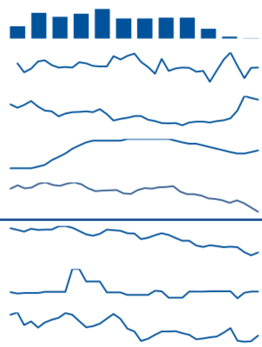


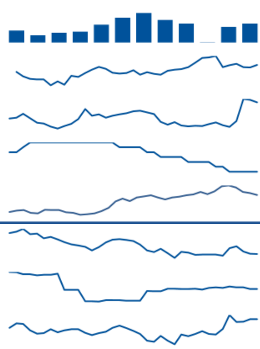
	3Y history	Latest	
GDP, % yoy		2.8	Q1
PMI, index		50.9	Jun
CPI, % yoy		6.4	Jun
Policy rate, %		4.75	Jun
BIS NEER, index		87.62	May
MSCI Philippines*		-19.5%	Q2
EPS, % yoy		11.4	Jun
12M Forward P/E		10.0	Jun

**US$ total return relative to MSCI EM.*
Source: Bloomberg

- The demand backdrop for the Philippines is weak, with infrastructure spending falling sharply in response to a corruption scandal, jeopardising President Marcos' "Build Better More" programme. Additionally, remittance flows have softened, as the Gulf region is a significant source of remittances.
- The Philippines' large current account deficit leaves the peso vulnerable to swings in investor sentiment and movements in US bond yields. The stock market is also sensitive to capital flows given its relatively low market turnover. A more hawkish Fed therefore presents a significant risk to Philippine equities.
- Reflecting this softer backdrop, earnings projections for this year are weak. The recent re-rating in valuations does not appear warranted, particularly given the market's limited exposure to key investment themes.

Thailand

UW



	3Y history	Latest	
GDP, % yoy		2.8	Q1
PMI, index		53.6	Jun
CPI, % yoy		2.4	Jun
Policy rate, %		1.00	Jun
BIS NEER, index		105.18	May
MSCI Thailand*		-15.6%	Q2
EPS, % yoy		13.2	Jun
12M Forward P/E		18.2	Jun

**US$ total return relative to MSCI EM.*
Source: Bloomberg

- Economic activity in Thailand remains subdued, with traditional growth drivers such as tourism still below their pre-pandemic trend. Monetary and fiscal policy remain accommodative to support growth, although the scope for further fiscal easing is limited by public debt approaching the legal ceiling.
- There have been a few positive developments recently. Political stability following February's general election should support business confidence and help pave the way for reforms. Meanwhile, Thailand's exposure to the AI theme has increased following a rally in a power systems provider serving AI data centres. Information Technology now accounts for around a quarter of the MSCI Thailand Index.
- However, valuations have re-rated to reflect recent optimism, while earnings forecasts have not been revised higher. We think other markets offer more attractive exposure to the AI theme without the economic risks associated with Thailand.

Vietnam

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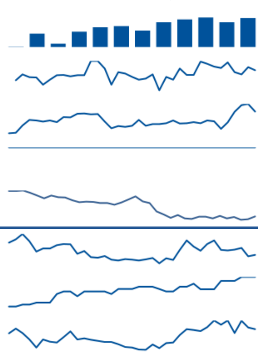

	3Y history	Latest	
GDP, % yoy		8.4	Q2
PMI, index		51.8	Jun
CPI, % yoy		4.7	Jun
Policy rate, %		4.50	Jun
Bbg NEER, index		94.45	Jun
MSCI Vietnam*		-7.4%	Q2
EPS, % yoy		37.5	Jun
12M Forward P/E		15.1	Jun

**US$ total return relative to MSCI EM.*
Source: Bloomberg

- We maintain a positive view on Vietnam, as the structural drivers of the market remain intact. The market is undergoing a period of structural reform, with the government supporting the private sector as a driver of growth while improving government efficiency. In addition, public infrastructure investment is increasing.
- These reforms, alongside the country's educated labour force and favourable geopolitical position, should help Vietnam benefit from friend-shoring. Politically, President To Lam's consolidation of power lends credibility to the government's ambitious reform agenda.
- US tariff risks remain. However, the ruling against the use of the IEEPA suggests that future tariffs may be applied more broadly, placing Vietnam on a more level playing field with other markets. Vietnam's stock market earnings growth projections remain constructive.

Latin America

Brazil

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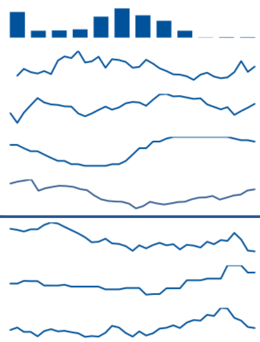

	3Y history	Latest	
GDP, % yoy		1.8	Q1
PMI, index		50.8	Jun
CPI, % yoy		4.7	May
Policy rate, %		14.25	Jun
BIS NEER, index		116.36	May
MSCI Brazil*		-32.3%	Q2
EPS, % yoy		22.5	Jun
12M Forward P/E		8.1	Jun

**US$ total return relative to MSCI EM.*
Source: Bloomberg

- The macro backdrop remains challenging over the long run. Debt metrics have deteriorated, and there is limited political appetite for fiscal austerity or productivity-enhancing structural reforms. High nominal GDP growth and currency weakness appear to be the path of least resistance.
- However, Brazil can continue to attract speculative inflows over a tactical horizon despite its macro vulnerabilities. The market tends to perform more favourably when commodities trend higher and the USD weakens. We believe these two drivers are beginning to align and therefore favour LatAm equities more broadly.
- We upgrade our allocation to neutral ahead of the presidential election in October, which may cause some market volatility. Should a right-wing candidate defeat Lula, the market could rally from its currently depressed P/E multiple.

Mexico

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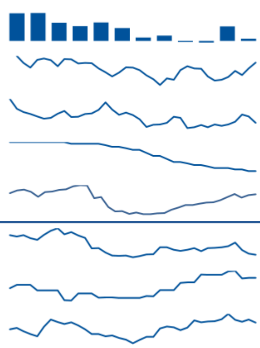


	3Y history	Latest	
GDP, % yoy		0.2	Q1
PMI, index		51.3	Jun
CPI, % yoy		3.9	May
Policy rate, %		6.50	Jun
BIS NEER, index		127.22	May
MSCI Mexico*		-21.1%	Q2
EPS, % yoy		21.5	Jun
12M Forward P/E		12.9	Jun

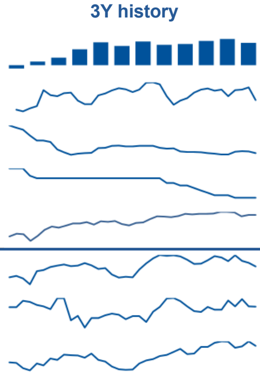
**US$ total return relative to MSCI EM.*
Source: Bloomberg

- Friend-shoring is set to support the Mexican stock market despite signs of weak domestic activity. The move to conduct annual reviews of the USMCA is likely to introduce some uncertainty, but the agreement remains in force and Mexico is still in a more favourable position than other EMs, given its close trade ties and geographical proximity to the US. Additionally, a resilient US economy provides positive spillovers through remittances and exports.
- Our constructive view on commodities also favours Mexico. While generally focused on lower value-added manufacturing, Mexico supplies hardware and materials used in US data centre construction. The presence of large mining companies means that Materials account for nearly a third of the MSCI index.
- There is scope for upward revisions to earnings once there is greater clarity around the USMCA as negotiations continue.

Europe, Middle East and Africa

Poland

UW



	3Y history	Latest	
GDP, % yoy		3.5	Q1
PMI, index		46.1	Jun
CPI, % yoy		2.5	Jun
Policy rate, %		3.75	Jun
BIS NEER, index		112.75	May
MSCI Poland*		-15.0%	Q2
EPS, % yoy		7.2	Jun
12M Forward P/E		10.4	Jun

**US$ total return relative to MSCI EM.*
Source: Bloomberg

- The macro backdrop does not appear supportive for Polish equities. The EU Recovery and Resilience Facility, which has been a driver of investment, is set to conclude at the end of the year, with fund absorption still relatively low. Meanwhile, indicators suggest softening economic activity, with eurozone weakness acting as a drag on growth.
- The fiscal picture is challenging, with the budget deficit expected to remain wide. Appetite for broad-based fiscal consolidation is limited ahead of the 2027 parliamentary elections, while scheduled tax hikes remain concentrated on the banking sector. Financials account for nearly 50% of the MSCI Poland Index.
- Earnings forecasts and share prices have moved higher in tandem, yet valuations continue to appear expensive relative to EM on a five-year basis.

Saudi Arabia

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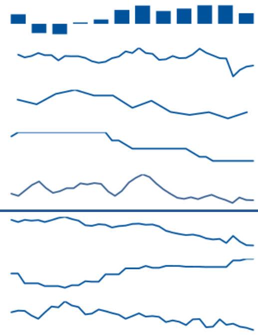


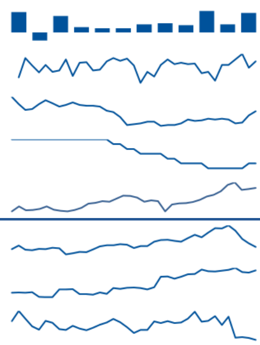
	3Y history	Latest	
GDP, % yoy		3.0	Q1
PMI, index		53.3	Jun
CPI, % yoy		1.8	May
Policy rate, %		4.25	Jun
BIS NEER, index		104.90	May
MSCI Saudi Arabia*		-28.0%	Q2
EPS, % yoy		19.8	Jun
12M Forward P/E		13.2	Jun

**US$ total return relative to MSCI EM.*
Source: Bloomberg

- The conflict in the Gulf came at a time when concerns about the feasibility of Saudi Arabia's diversification programme were growing. The truce between the US and Iran, while already proving fragile, should provide the Kingdom, and notably its coffers, some breathing space as oil flows resume through the Strait of Hormuz. However, much-needed fiscal consolidation has been pushed back by the conflict. As such, the budget is set to remain under pressure, particularly if oil prices trend lower.
- The stock market has held up relatively well, with high domestic ownership likely putting a floor under prices. Conversely, the lower-beta market tends to underperform in periods of broad EM strength.
- Over the longer term, the conflict calls into question the region's stability and security, which is likely to weigh on investor sentiment. Additionally, our view that US dollar weakness will resume represents a headwind for Saudi equities given the riyal's peg to the US dollar.

South Africa

UW



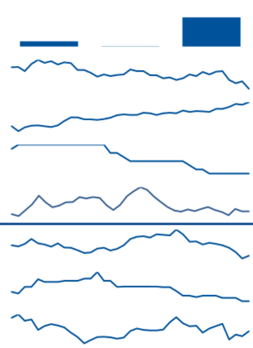
	3Y history	Latest	
GDP, % yoy		1.9	Q1
PMI, index		50.5	Jun
CPI, % yoy		4.5	May
Policy rate, %		7.00	Jun
BIS NEER, index		104.09	May
MSCI South Africa*		-25.9%	Q2
EPS, % yoy		35.8	Jun
12M Forward P/E		8.3	Jun

**US$ total return relative to MSCI EM.*
Source: Bloomberg

- The near-term economic outlook has improved. The prospect of lower oil prices is a positive for a large importer such as South Africa, while improving global growth has historically supported high-beta equity markets like South Africa.
- Despite these short-term tailwinds, we think the lack of progress on the ambitious reform agenda and political risk ahead of the November local government elections will weigh on the market. While loadshedding no longer appears to be an issue, constraints on ports and freight remain. Productivity gains are needed to stabilise South Africa's rising public debt-to-GDP ratio.
- The MSCI South Africa Index has de-rated following the conflict and softer precious metals prices. We think the upside for precious metals prices is limited in the near-term, removing a key support for South African equities.

United Arab Emirates

UW (↓)



	3Y history	Latest	
GDP*, % yoy		5.8	2025
PMI, index		50.8	Jun
CPI, % yoy		2.0	Dec
Policy rate, %		3.65	Jun
BIS NEER, index		108.27	May
MSCI United Arab Emirates**		-15.4%	Q2
EPS, % yoy		-5.3	Jun
12M Forward P/E		9.0	Jun

** Annual series.*
***US$ total return relative to MSCI EM.*
Source: Bloomberg

- The outlook for UAE equities has deteriorated despite tentative signs of de-escalation in the regional conflict. One positive is that oil output is likely to increase, particularly as the UAE is no longer constrained by OPEC production limits following its departure from the group.
- However, higher oil output is likely to be offset by the hit to sectors such as tourism and real estate. The latter accounts for around 20% of the MSCI index, and indicators suggest that the real estate market might be past its peak.
- The MSCI UAE Index has higher foreign ownership than Saudi Arabia and is therefore more vulnerable to capital outflows, with the recent conflict likely to have a bearing on the market's perceived safe-haven status. As a result, we downgrade our allocation to underweight.

KEY ECONOMIC AND FINANCIAL INDICATORS

		Macroeconomic Data											Market Data							
		% change on year ago			Latest 12 months								Performance				Forecast (Bloomberg)†			
Allocation	Emerging Markets	Annual GDP Growth	Industrial Production	Consumer Price Index	Trade Balance	Current Account Balance	Foreign Reserves 2026 Latest	Foreign Reserves 2025 Year Ago	Currency vs $ 2026 Latest	Currency vs $ 2025 Year Ago	Short-Term Interest Rates	Sovereign Rating S&P	% S&P/EM Frontier Super Composite BMI	Stock Market Index S&P/EM Front. Super Comp. BMI US$	Change Since 12/31/25 US$	Change Since 12/31/25 Local Currency	Trailing P/E	EBIT Margin 2026 Forecast	6 Month Stock Market Index Estimate (Front. Super Comp. BMI) US$	3 Month Currency vs $ +/-
		%	%	%	$ Bn	$ Bn	$ Bn	$ Bn			%		June 30, 2026	June 30, 2026	%	%		%		
Overweight	SOUTH KOREA	3.8	-0.9	3.2	188.3	230.4	402.8	379.7	1502.8	1372.3	2.9	AA	20.1	1805.3	98.0	113.0	24.4	34.6	1833.6	-
	MEXICO	0.2	2.3	3.9	5.6	-35.7	230.4	214.0	17.5	18.7	6.8	BBB	1.5	884.8	11.1	8.1	14.7	20.2	954.4	-
	VIETNAM	8.4	12.7	4.7	-2.8	31.6	83.6	81.2	26294.0	26130.0	3.5	BB+	0.5	398.8	9.3	9.3	19.5	21.1	412.3	-
	CHINA*	5.0	4.5	1.2	1172.6	755.7	3410.5	3281.7	6.8	7.2	1.1	A+	20.4	917.0	-11.0	-11.2	12.7	13.2	945.6	+
	CHILE	-0.5	-7.5	3.9	29.5	-2.2	45.4	41.0	929.0	940.2	5.4	A	0.4	668.0	0.2	2.5	13.6	16.6	717.4	+
	TAIWAN	14.6	11.8	2.6	198.0	212.6	597.2	598.4	32.1	29.0	1.7	AA+	25.5	1544.1	60.9	63.1	32.6	15.9	1591.7	+
Neutral	ARGENTINA	2.3	-13.3	33.2	21.2	-4.3	34.4	31.7	1491.9	1253.9	20.3	B-	0.7	1686.8	-12.4	-10.6	27.1	27.5	1737.4	-
	BRAZIL	1.8	0.2	4.7	80.2	-64.1	322.0	304.3	5.2	5.5	8.8	BB	3.3	988.9	7.3	2.2	10.6	22.2	1066.1	-
	COLOMBIA	2.2	3.0	6.1	-16.5	-10.9	61.4	57.8	3335.1	4059.5	10.3	BB-	0.2	13722.3	33.1	23.8	11.9	36.7	14954.2	-
	CZECH REP.	2.2	1.5	1.5	9.1	-0.6	166.4	148.4	21.2	21.1	3.7	AA-	0.1	2197.4	-19.2	-16.7	16.3	n.a.	2320.5	+
	EGYPT	4.4	-10.1	14.6	-54.6	-13.9	30.1	32.5	49.2	49.7	19.0	B	0.1	2615.5	20.6	24.3	7.0	n.a.	2858.8	n.a.
	GREECE	2.0	2.1	5.2	-38.4	-17.3	4.1	4.0	1.1	1.2	0.0	BBB	0.6	119.0	14.7	17.6	11.5	32.9	124.8	+
	HUNGARY	1.7	5.4	1.7	7.9	3.3	52.5	37.6	311.3	341.9	5.5	BBB-	0.3	1977.9	37.9	31.3	11.1	n.a.	2075.0	+
	INDIA	7.8	5.1	3.9	-335.1	-25.2	546.9	584.9	95.2	85.8	6.0	BBB	12.4	2146.9	-7.4	-2.5	23.8	14.3	2211.9	+
	INDONESIA	5.6	-1.7	3.3	29.7	-5.4	126.8	141.0	17998.0	16277.0	4.2	BBB	0.7	848.3	-41.2	-37.0	10.0	27.2	876.0	+
	MALAYSIA	5.4	8.2	2.0	59.1	8.3	117.0	108.7	4.1	4.2	1.9	A-	1.3	516.3	2.1	2.6	13.9	26.3	540.5	+
	MOROCCO	4.6	4.0	1.2	-37.9	-4.6	45.3	37.6	9.4	9.0	2.8	BBB-	0.2	1059.1	-4.3	-1.6	18.9	17.0	1093.2	n.a.
	PERU	3.5	3.7	4.0	41.4	15.4	86.9	76.0	3.4	3.6	0.2	BBB-	0.3	6243.8	31.9	31.9	16.2	n.a.	6608.8	+
	ROMANIA	-1.2	-3.1	10.9	-37.2	-33.5	70.8	59.3	4.6	4.3	5.7	BBB-	0.2	602.0	28.8	36.1	14.8	24.3	639.2	+
Underweight	SAUDI ARABIA	3.0	n.a.	1.8	-152.6	-25.8	471.8	429.6	3.8	3.8	4.8	A+	2.2	170.0	3.9	4.1	14.8	33.1	177.5	uc
	SOUTH AFRICA	1.9	-2.9	4.5	13.4	6.4	51.2	47.9	16.3	17.8	7.0	BB	2.4	1274.2	-3.6	-4.6	13.7	30.4	1352.9	-
	THAILAND	2.8	-0.8	2.4	2.1	-5.5	246.3	226.0	33.4	32.6	1.7	BBB+	1.2	1550.4	26.0	32.8	18.2	12.6	1554.4	+
	UAE	5.8	n.a.	2.0	79.0	48.0	261.8	247.4	3.7	3.7	n.a.	NR	1.2	248.5	1.5	1.4	9.1	n.a.	259.3	uc
	POLAND	3.5	4.1	2.5	-14.1	-8.1	202.0	181.4	3.8	3.6	4.0	A-	1.0	734.8	10.2	15.2	11.0	24.0	769.8	+
	KUWAIT	-4.8	n.a.	2.5	n.a.	35.5	33.7	42.5	0.3	0.3	n.a.	AA-	0.6	177.0	-3.9	-3.1	18.2	n.a.	185.5	n.a.
	TURKEY	2.5	6.0	32.1	-93.7	-37.0	45.5	62.4	46.9	40.0	34.5	BB-	0.8	555.0	19.8	30.1	13.4	5.6	562.4	-
	QATAR	2.0	n.a.	2.2	58.4	33.3	37.4	41.5	3.6	3.6	n.a.	AA	0.5	349.9	-1.9	-1.9	10.7	n.a.	346.9	uc
	PHILIPPINES	2.8	10.3	6.4	-54.9	-17.8	81.8	89.4	61.5	56.6	4.8	BBB+	0.3	602.7	-12.4	-8.6	10.4	31.2	618.2	-

Note: All data shown are as at 8 July 2026 unless stated otherwise. UC is unchanged (currency versus US dollar). S&P sovereign rating shown is long-term foreign currency rating. Data for countries in the Middle East and North Africa region are the latest available, but in certain cases relate to periods more than one year ago. The 28 countries shown in the table accounted for 98.9% of the S&P/EM Frontier Super Composite BMI on 30 June 2026.
†Any forecasts are based on Bloomberg consensus forecasts, where available, and assumptions. Actual results may vary from any such statements or forecasts. Past performance is no guarantee of future results.
**Allocation is overweight China (via OW A-shares and N offshore stocks).*

Source: Bloomberg, CLIM

CITY OF LONDON
Investment Management Company Limited

Contacts

Information/Queries

Philadelphia Office
17 East Market Street
West Chester, PA 19382
United States
Phone: 610 380 2110
Fax: 610 380 2116
E-Mail: usclientservicing@citlon.com

London Office
77 Gracechurch Street
London EC3V 0AS
United Kingdom
Phone: 011 44 20 7711 0771
Fax: 011 44 20 7711 0774
E-Mail: info@citlon.co.uk

City of London Investment Management (Singapore) Pte. Ltd. Office
20 Collyer Quay
10-04
Singapore 049319
Phone: 011 65 6236 9136
Fax: 011 65 6532 3997

Website

www.citlon.com