

# Weekly Focus

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## TRENDS TO KEEP AN EYE ON

**Bahrain** – sectarian strife continues to simmer;  
**Eurozone** – a host of fresh doubts about a proposal to increase the EFSF's effectiveness; **Greece** – a political victory and a social blow; **Turkey** – the CB is struggling to support the suddenly vulnerable lira.

## BRAZIL

Developments in Europe have had much to do with the real's sudden turn from excessive strength to weakness, but so has the recent shift by Brazilian policy makers toward putting economic growth at the top of their priority list, even as inflation has risen past target levels. This has dented the credibility of the Central Bank.

## IRAN

The alleged Iranian terror plot against the Saudi Ambassador on US soil was neither as surprising nor as incredible as many reports in our parts have made it out to be. The US reaction will almost certainly be too weak to make much of an impression in Tehran.

## PORTUGAL

The government is imposing a number of harsh new austerity measures. Socio-political tensions will likely remain less acute in Portugal than in, say, Greece, but the leading labor unions are planning a general strike to protest the belt-tightening.

## RUSSIA

Business interests were encouraged by the revelation that Putin and Medvedev are planning a job swap. It is fairly clear, though, that the Kremlin will continue to drag its feet on reforms that the country urgently needs, even though the economy's dependence on energy resources is apt to become increasingly problematic.

## SINGAPORE

There are now too many adverse influences coming together for the economy to maintain the stride it showed earlier this year, let alone return to the boom of 2010. Just the same, the Monetary Authority is not yet totally abandoning its policy of keeping the Singapore dollar on a gently rising trend.

## SPAIN

The next government will face a big challenge trying to re-establish the credibility of the nation's leadership. It must reckon that economic growth will be more sluggish than anticipated and that the imposition of fiscal discipline on the 17 regional autonomous governments will continue to be an uphill battle.

## THAILAND

In its first real test since gaining office, the government is struggling to get a grip on the flood disaster and is pushing ahead with populist measures promised during the election campaign, but these now seem to be even less appropriate than before.

## VENEZUELA

The government has been issuing debt to raise money for social spending ahead of next year's presidential elections, but it is also using the courts to bar opponents from gaining traction. Much will ultimately depend on Chavez' state of health when the campaign begins in earnest.

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