

# Weekly Focus

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## TRENDS TO KEEP AN EYE ON

**Greece** – the debt restructuring is nearly complete; **India** – S&P's has good reason to put the country on negative watch; **Myanmar** – sanctions are coming off, little by little; **United Kingdom** – a double-dip recession, and what to expect.

## ARGENTINA

Pres. Fernandez may enjoy a short-lived popularity boost at home from her abrupt nationalization of YPF, but in the longer run the move will be seen even there as what it is – stupid and counterproductive. Meanwhile, there is not much outside powers can, or will, do to “punish” Argentina, and Spain's Repsol is being hard hit.

## BAHRAIN

The Island was under the spotlight during last Sunday's Grand Prix Race, an event that came off without a hitch. The government declared the day a success. Opponents have a different point of view, but they are, at this point, only one hindrance to a much-needed restoration of peace. Sunni hardliners are another.

## CHINA

There is growing evidence that the economy is headed for nothing worse than a soft landing. In the latest stage of progressive currency reforms, the authorities are boosting the scope for foreign investors and are increasing the volatility in the yuan's daily trading.

## FRANCE

A run-off election victory by Hollande is not as inevitable as some make it out to be. But if he wins this would be a debacle for business and investment in France as well as for the cohesion of the Eurozone. And there is room for misgivings also if Nicolas Sarkozy gains re-election.

## HUNGARY

In an historic standoff over democratic standards and fiscal rules between the Orban government and the EU it appears that both sides blinked, opening the path to an accommodation. For now, at least, the markets have reacted with enthusiasm.

## MALI

A rebellion by junior officers that turned into a full-fledged coup has wound up splitting the nation into two and exposing it to punishing sanctions. The interim government has pledged to hold elections shortly and return Mali to civilian rule, but reunifying the country will prove to be a near-impossible task without outside help.

## NETHERLANDS

Holland's Eurozone partners have reason to be worried about the collapse of the government over when and how to bring the fiscal deficit to within Maastricht limits. The dispute is fundamental. That it can be resolved by a caretaker government must be doubted. The resulting uncertainty could last well into the Fall.

## SPAIN

New rules reining in spending by the autonomous regions are about to become law in the latest effort to convince international credit markets that the country's problems are being resolved. The focus now is on the nation's banks, however, and on what the EU's contingency plans are.

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