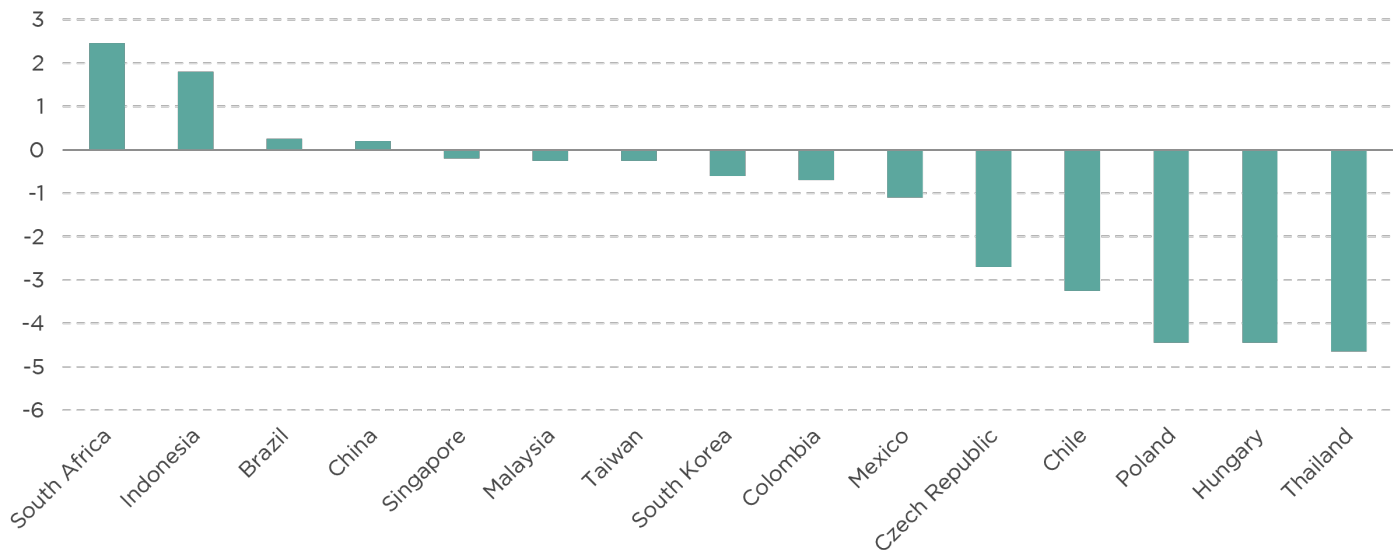


Chart of the Moment: Commodities Drive Emerging Market Winners and Losers

In our recent [podcast](#), Senior Research Analyst Alberto Boquin and Senior Vice President – Investment Specialist Katie Klingensmith discuss the differentiated impact that rising commodity prices and supply scarcities have had on emerging markets. As this chart shows, there have been winners and losers. Some net commodity exporters, like Brazil and South Africa, have seen current accounts improve as commodity prices and revenues have surged. However, for many emerging markets, food security is a growing concern, and net importers are particularly at risk. Furthermore, developing countries also tend to have less competitive market structures, allowing supermarkets and farmers to pass on price increases faster. Many emerging markets must import most of their fuel as well. Therefore, one issue that virtually all emerging markets are facing is inflation, and unchecked inflationary pressures run the risk of negating even the most positive fiscal balance or current account balance improvement.

Change in 2022 Current Account Forecasts

% points of Gross Domestic Product (GDP), June 2021 - June 2022



Source: Bloomberg (©2022 Bloomberg Finance LP)

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