

UKRAINE

Into the Turbulent Zone

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Ukraine appears to be entering a new period of economic turbulence. Though macroeconomic statistics were still positive in Q1, many indicators point to growing downturn risks. The metal markets are volatile, private investment is shallow, and relations with Russia have started to cool, threatening a large portion of exports, and higher energy costs.

Given these developments, we've lowered our 2011 GDP forecast to 5.7% from 5.9%. But even that result depends upon some lucky coincidences>>>