

Perspectives from the Franklin Templeton Fixed Income Group



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- U.S. HAS BEEN FINDING STEADIER FOOTING
- EMERGING MARKET SLOWDOWN MAY BE TEMPORARY
- EUROPEAN OUTLOOK

U.S. HAS BEEN FINDING STEADIER FOOTING

Prospects for a continuation of the moderate expansion of the U.S. economy would seem to have improved in recent weeks, and talk of a return to recession—so prevalent in mid-2011—has receded. Job creation has improved, while the four-week average of initial jobless benefit claims fell to its lowest level in three-and-a-half years in December. Retail sales figures suggested that households have regained some confidence and inflation has remained low, giving a boost to real incomes. Indexes of manufacturing activity have also perked up—an Institute of Supply Management (ISM) report showed that factory activity accelerated at the fastest pace in six months in December, with gains seen in production, new orders and employment. ISM figures for the service sector have also been robust, pointing to a sustained recovery. Sales reports from U.S. auto companies show that 2011 was the best since 2008. Although the figures tend to be volatile, especially when it comes to transportation, business equipment spending has also been improving, and an increase in commercial vehicle sales may prove to be a useful indicator of U.S. corporations' new willingness to invest.



Michael Materasso



Roger Bayston



Michael Hasenstab



John Beck

Chart 1: U.S. Initial Jobless Claims

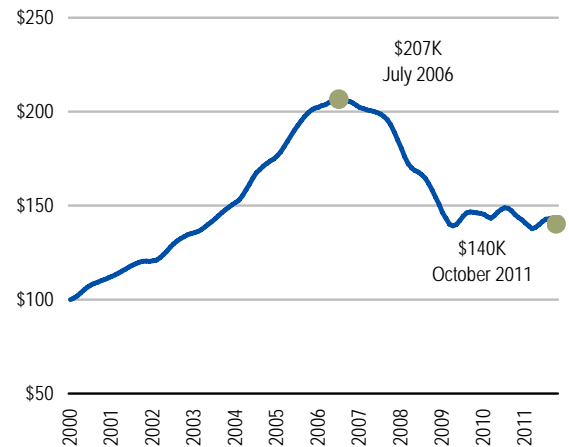
4-week moving average, to 31 December 2011



Source: Department of Labor, as of 31/12/11. As determined by the National Bureau of Economic Research, there were two recessionary periods from 01/99 to 11/11; the first was from 03/01 to 11/01; the second was from 12/07 to 06/09. Shaded areas represent approximate recessionary periods.

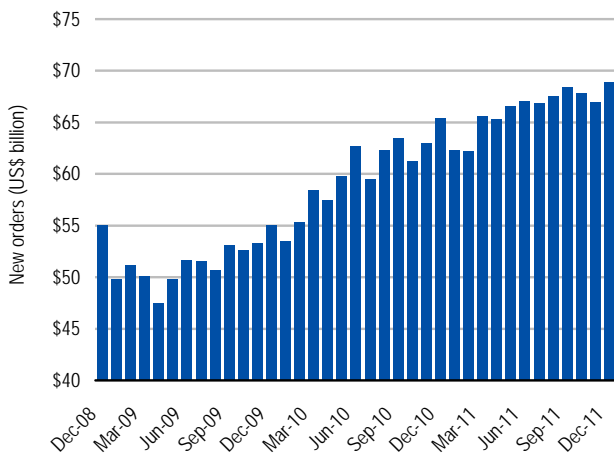
Chart 2: U.S. Home Prices

S&P/Case-Shiller Composite Index



Source: S&P/Case-Shiller Composite (20 Metro Area); through 11/11, as of 29/12/11.

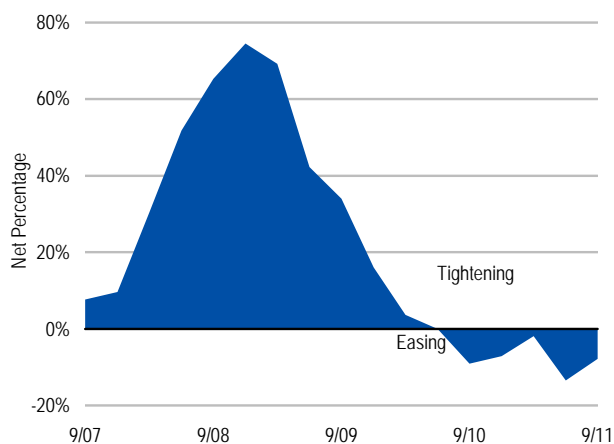
Chart 3: U.S. Corporate Spending (Billions)
Non-Defence Capital Goods Orders, Excluding Aircraft



Source: U.S. Census Bureau, through 31/12/11, as of 31/01/12.

We are conscious that the uptick in economic indicators could remain fragile, but we may actually begin to see a virtuous circle being formed, with an improving job market leading to greater consumer confidence and higher consumer spending, which in turn could incite corporations to stop hoarding cash and increase their levels of investment, including new hiring, in our view. Banks may also be starting to play their bit in this virtuous recovery by lending more: According to the U.S. Federal Reserve report on the assets and liabilities of commercial banks in the United States, banks increased their commercial and industrial lending at an average annual rate of almost 10% in the third quarter of 2011, the fastest pace in three years. The upward trend in banks' lending is particularly important for small businesses and could set them up to contribute strongly to growth in the coming months.

Chart 4: Improvement in U.S. Small-Business Credit
A Greater Percentage of Lenders Eased Standards



Source: Federal Reserve, Senior Loan Officer Opinion Survey on Bank Lending Practices, through 30/09/11, as of 24/10/11.

However, the U.S. is not likely to be immune to the kind of events elsewhere that held back recovery in 2011, such as the flare-up in the eurozone sovereign debt crisis, the geopolitical turmoil produced by the Arab Spring, and natural disasters like the tsunami and nuclear scare in Japan last March. At home, the U.S. economy currently still finds itself dealing with the lasting effects of the credit bubble that burst in 2008, long-term unemployment figures have continued to be disturbing, and, despite tentative signs of improvement, the housing market has remained mired in difficulty. Home prices, as measured by the Case-Shiller Index, are still near the post-financial crisis lows reached in 2009, and millions of American homeowners remain in a negative-equity trap, owing more on their homes than they are worth.

Soon, the contentious debate over renewing payroll-tax holidays and extended unemployment benefits will likely restart, after having been suspended in December. Preoccupied by events in Europe, financial markets have been willing to overlook the U.S.'s own deep fiscal problems, as suggested by the recent relative performance of U.S. risk assets, but this could quickly change. Political grandstanding ahead of presidential elections in November could contribute to bringing the U.S.'s fiscal challenges back into focus.

Nevertheless, for the moment, the U.S. economy seems to be finding steadier footing. U.S. Treasuries have, for some time, been benefitting from a flight to perceived safety by investors, and yields on 10-year Treasuries were still stuck below 2% in early January. But we are not convinced that the U.S. faces years of stagnation of the kind seen in Japan, where 10-year government bonds have for a long time yielded less than 1%. While volatility is to be expected, in our view, even unspectacular improvements in the real economy, including a progressive strengthening of the recapitalised U.S. banking sector and further signs that the private sector is spending again, could well contribute to a moderate rise in yields. From a global perspective, we believe the ongoing improvement seen in the U.S. should help to mitigate the effects of what we think is a likely temporary slowdown in Asia and a potential recession in parts of Europe.

EMERGING MARKET SLOWDOWN MAY BE TEMPORARY

Emerging markets have been going through a soft patch, in large part resulting from earlier policy actions and in part because of the sluggishness of developed market demand. While the gross domestic product (GDP) growth of 8%–8.5% this year for China predicted by a number of forecasters still looks strong, it will likely be lower than growth of 9.2% in 2011 and 10.4% in 2010, and will likely edge closer to the 7% annual growth the Chinese authorities believe is necessary for social stability.

As a result of government policies to rein in the frothy Chinese real estate sector, confidence in the sector has diminished, with negative effects for sectors connected with construction. China's unregulated "shadow lending" system has also become a source of disquiet. Elsewhere in Asia, Singapore's economy shrank in the final three months of 2011 by an annualised 4.9% from the previous quarter (albeit after growing at an extraordinary 22% annualised rate in the first quarter). Business conditions for South Korean manufacturers hit a three-year low in December, according to the HSBC Purchasing Managers' Index, and in India, slowing growth, together with still-elevated inflation, has even generated fears among some observers of a period of "stagflation" for that country.

However, we continue to believe that slowdowns in most emerging markets will likely be measured and temporary. In our view, quarter-over-quarter comparisons cannot conceal the fact that growth in many emerging markets in 2011 remained quite strong, with GDP growth of about 4.8% in Singapore, about 3% in Brazil, and 3.8% in South Korea, according to those countries' central banks. Signs are also beginning to emerge that the growth slowdown might not actually turn out to be as sharp as some had predicted. China posted 8.9% GDP growth in the last quarter of 2011 compared with a year earlier. While slower than in previous quarters, such a performance was stronger than expected by most observers. In addition, a closely watched Chinese purchasing managers' index (PMI) actually improved slightly in December from November. Manufacturing PMIs for other Asian countries, including India, have also been showing signs of stabilisation.

With solid current account surpluses and reasonably tight fiscal and monetary policies, we believe many Asian countries still have the fiscal and monetary wherewithal to cushion the effects of even a prolonged weakness in developed countries and to rebalance their own economies toward intraregional or domestic growth. In our opinion, Indonesia is a good example of emerging markets' relative strength: Having been awarded an investment-grade rating by Fitch in December, its benchmark 10-year bonds have lately been offering lower yields than Italy's.

In China, the fallout from a potential bursting of a real-estate bubble may well be mitigated by a massive social housing program that aims to construct 36 million affordable apartments by the end of 2015. The People's Bank of China recently eased monetary conditions by relaxing reserve requirements for banks, while tax cuts and salary increases will likely also go a long way to supporting Chinese domestic growth and lessening

further the country's exposure to weakness in Europe and North America. A recent indication that the trend toward building a sturdy domestic economy in China has continued apace was contained in data for retail sales, which rose at a hefty annual rate of 18.1% in 2011, according to the National Bureau of Statistics.

As for other countries in the Brazil, Russia, India and China grouping, policy stasis has remained a concern in India, but the recent slowdown in Brazil has prompted budgetary stimulus measures and a cut in Brazil's high base interest rates. Even after successive cuts in base rates since August, Brazil's benchmark Selic rate still stood at 11% at the end of December—several percentage points higher than its inflation and indicative of the flexibility some emerging-market central banks have when it comes to dealing with slowing growth.

In January, the World Bank cut its forecast for 2012 growth in emerging markets to 5.4% from its previous forecast of 6.0%. However, we believe that some slowdown in emerging-market economies may actually be welcome, as it will likely temper the risk of overheating. Positive output gaps are still to be seen in a number of economies, meaning that they are operating above potential, suggesting that inflationary pressures could start to build again as factors of production put upward pressure on prices. In addition, substantive easing of monetary policy in the U.S. and Europe could continue to contribute to strong capital inflows. We therefore believe that concerns about growth will likely again give way to worries about inflation in a number of emerging markets over the course of the coming year.

EUROPEAN OUTLOOK

Ten years after euro bank notes and coins replaced national currencies on 1 January 2002, the currency's long-term viability is now being called into question as countries are hit by credit downgrades, there are splits among European Union (EU) member states and a potential recession looms.

Of most immediate concern is the high volume of sovereign debt that is arriving at maturity and that will need to be paid down or rolled over. Much of the bond activity will likely be focused on Italy and Spain, seen as the most fragile of the large European states. Italy alone plans to issue around €145 billion in Treasury bills and bonds over the first six months of 2012.

However, sentiment seemed to improve somewhat in financial markets after the European Central Bank (ECB) made liquidity available, providing €489 billion in cheap, three-year loans to European banks in early December. The ECB is expected to launch another liquidity operation for European banks in February, further easing their funding concerns. The bulk of the money being made available is likely to be used to replace maturing bank debt rather than to buy sovereign bonds, but the hope among market participants is that enough will be left for banks to invest these loans (which carry an interest rate of around 1%) in higher-yielding Italian and Spanish bonds (whose 10-year bonds were still yielding around 7% and 5% at end-December) and to avoid the threat of a "credit crunch" in Europe. Indeed, recent short-term debt auctions organised by Spain and Italy have gone reasonably well. At the end of

December, Rome paid a sharply lower yield for borrowings due in 2014 compared with an auction in the previous month, and also a lower yield for six-month bills. Auctions organised by Spain and Italy in January also went off successfully.

Nonetheless, we believe there is still a long way to go before investor appetite for longer-term Italian bonds revives significantly. It is perhaps worrying that yields on 10-year Italian paper fell only modestly in the wake of the ECB's intervention before climbing again above 7% in early January. The stresses pervading European bond markets were further brought home by the negative yields drawn by an auction of German six-month bills in early January.

It would thus seem safe to us to assume that tensions are likely to remain high in European markets, exacerbated by headline news such as the announcement by Spain's new centre-right government that the country's fiscal deficit may have exceeded 8% of GDP in 2011, well above the 6% target agreed between the EU and the previous Socialist government. At the same time, Greece has remained a running sore, Portugal's sovereign debt rating has been cut to "junk" status by two ratings agencies, and ratification of the new "fiscal compact" sketched out in Brussels in December may well prove problematic in several countries. Outside the eurozone but inside the EU, storm clouds have gathered over Hungary again, which already had to be bailed out by the International Monetary Fund just over three years ago.

The economic picture is not much more appealing to us. Business and consumer sentiment readings in Germany improved in December, and consumer spending there has proven relatively resilient thanks to healthy falls in unemployment, although the economy slowed significantly in the last quarter of 2011. The economies of other northern European countries (notably the Netherlands) have also held up well. But conditions in the eurozone as a whole have remained poor. A sign that activity in the eurozone is likely to remain muted in the months ahead came from figures released by the ECB showing lending to the eurozone's private sector fell in November to its lowest level in over a year. For its part, the Bank of Spain reported that the Spanish economy likely contracted in the last three months of 2011 on a quarter-over-quarter basis after stagnation in the previous quarter. Italy's economy ministry estimates that Italian GDP will decline by 0.5% in 2012.

However, the worst-case scenarios being envisaged in some quarters may not turn into reality. The mapping out of a path toward a more-disciplined fiscal framework for the eurozone does mark progress toward addressing longer-term issues. The loss of sovereignty that the acceptance of new fiscal constraints involves is a powerful demonstration of European leaders' resolve to keep the currency area together. Furthermore, technocratic governments in Italy and Greece and the fresh centre-right government in Spain all seem to be intent on improving the core competitiveness issues facing their nations.

More immediately, the decision by the ECB to make available significant volumes of three-year loans at very low interest rates, together with the lowering of collateral requirements, has reduced the liquidity risk facing eurozone banks. In addition, prolonged weakness of the euro—of the sort seen in recent weeks—could help at least the more-competitive European economies to export their way to recovery. It may thus turn out that so much bad news has been priced into financial markets that participants may be pleasantly surprised, especially if central banks and governments become increasingly aggressive in their attempts to stabilise economies and if the U.S. economy continues to recover. In addition, while painful for a country on the cusp of recession, rates of around 7% for 10-year money could potentially be sustained by Italy for some time because of the long average maturity of its debts.

Yet we remain conscious that risks abound, in light of the possibility of stagnation or recession in Europe and the high volume of sovereign bonds that markets are expected to absorb in the months ahead. The efforts to restore competitiveness in Spain and Italy will likely take years, and there is still no clear commitment to a pooled eurozone bond issuance or to fiscal transfers from relatively strong northern European countries to their southern neighbors. While Spain and Italy have been dangerously exposed to the fickleness of investor confidence in recent months, the spotlight may turn increasingly to France, the eurozone's second-largest economy, which faces uncertain presidential and legislative elections starting in April and whose "AAA" sovereign rating was cut by Standard & Poor's in January.

All investments involve risk. Special risks are associated with foreign investing, including currency fluctuations, economic instability and political developments. Investments in emerging markets involve heightened risks related to the same factors, in addition to those associated with their small size, lesser liquidity, and lack of established legal, political, business and social frameworks to support securities markets.

EUROLAND MACROECONOMIC DATA

FINAL OUTPUT				
Gross Domestic Product (GDP) ¹	4Q10	1Q11	2Q11	3Q11
GDP, Y/Y (%)	2.0	2.4	1.6	1.3
Private Consumption, Y/Y (%)	1.1	0.9	0.2	0.0
Gross Fixed Capital Formation, Y/Y (%)	1.3	3.6	1.6	1.3
ECONOMIC INPUTS ¹				
	AUG 11	SEP 11	OCT 11	NOV 11
Retail Sales, Y/Y (%)	-0.1	-1.2	-0.7	-2.5
Unemployment Rate (%)	10.1	10.2	10.3	10.3
Industrial Production, Y/Y (%)	6.0	2.2	1.0	-0.3
INFLATION & WAGE PRESSURE				
Inflation Indicators ¹	AUG 11	SEP 11	OCT 11	NOV 11
Consumer Price Index (CPI), Y/Y (%)	2.5	3.0	3.0	3.0
Core CPI, Y/Y (%)	1.2	1.6	1.6	1.6
FINANCIAL MARKETS				
	SEP 11	OCT 11	NOV 11	DEC 11
Dow Jones EURO STOXX 50 Price Index EUR, Trailing P/E Ratio ²	8.86	9.70	9.84	10.31
ECB Refinance Rate (%) ³	1.50	1.50	1.25	1.00
10-Year Yield—German Bunds (%) ⁴	1.89	2.03	2.28	1.83
BALANCE OF PAYMENTS ¹				
Trade Balance	AUG 11	SEP 11	OCT 11	NOV 11
Billion Euro	-4.80	2.50	1.00	6.90
Current Account Balance	4Q10	1Q11	2Q11	3Q11
% GDP	0.1	-1.3	-0.9	-0.5

JAPAN MACROECONOMIC DATA

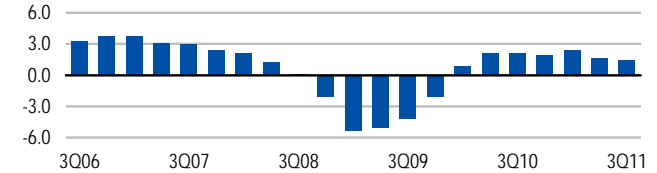
FINAL OUTPUT				
Gross Domestic Product (GDP) ⁴	4Q10	1Q11	2Q11	3Q11
GDP, Q/Q ar (%)	0.1	-6.6	-2.0	5.6
Private Consumption, Q/Q ar (%)	1.0	-8.0	0.2	4.4
Fixed Capital Formation, Q/Q ar (%)	-2.8	-3.5	-2.1	-1.6
ECONOMIC INPUTS				
	AUG 11	SEP 11	OCT 11	NOV 11
Unemployment Rate (%) ⁵	4.3	4.1	4.5	4.5
Industrial Production, Y/Y (%) ⁶	0.4	-3.3	0.1	0.4
Tertiary Index, Y/Y (%) ⁶	0.2	-0.6	0.2	—
CORPORATE ACTIVITIES				
	1Q11	2Q11	3Q11	4Q11
Corporate Profit Growth (%) ⁷	11.4	-14.6	-8.5	—
Tankan Quarterly Survey (index level) ⁸	6	-9	2	-4
INFLATION				
Inflation Indicators ⁵	AUG 11	SEP 11	OCT 11	NOV 11
Consumer Price Index (CPI), Y/Y (%)	0.2	0.0	-0.2	-0.5
CPI ex-Fresh Food, Y/Y (%)	0.2	0.2	-0.1	-0.2
FINANCIAL MARKETS ²				
	SEP 11	OCT 11	NOV 11	DEC 11
Nikkei 225, Trailing P/E Ratio	17.1	17.6	16.5	16.5
3-Month Yield—JGBs (%)	0.100	0.100	0.100	0.100
10-Year Yield—JGBs (%)	1.032	1.047	1.072	0.988
BALANCE OF PAYMENTS				
Monthly Trade Balance ⁷	AUG 11	SEP 11	OCT 11	NOV 11
Billion Yen	-690	372	-206	-585
Current Account Balance ⁹	4Q10	1Q11	2Q11	3Q11
% GDP	3.6	3.4	3.0	2.6

Abbreviations: Q/Q ar: Quarter-over-quarter annualised rate. Y/Y: Year-over-year.

- Source: © European Union 1995–2012.
- Source: Bloomberg. P/E ratios of Dow Jones EURO STOXX 50 Price Index and Nikkei-225 Stock Average as calculated by Bloomberg.
- Source: European Central Bank.
- Source: Economic and Social Research Institute, Cabinet Office, Government of Japan.
- Source: Ministry of Internal Affairs and Communications, Japan.
- Source: Ministry of Economy, Trade and Industry, Japan.
- Source: Ministry of Finance, Japan.
- Source: Bank of Japan.
- Source: Bloomberg Indices.

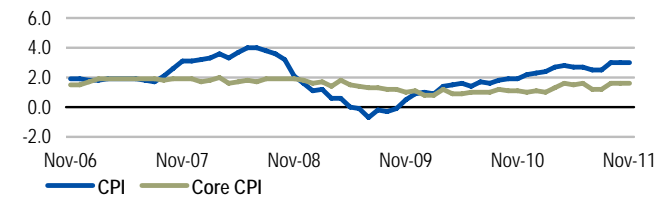
Past performance does not guarantee future results and results may differ over future time periods.

Eurozone Real GDP, Y/Y (%)



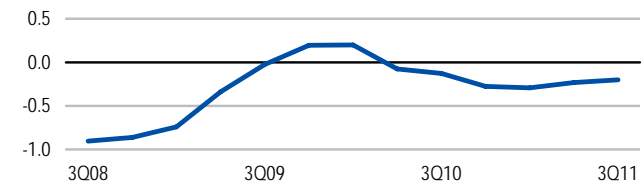
Source: © European Union 1995–2012, as of September 2011. Past performance does not guarantee future results and results may differ over future time periods.

Consumer Price Index, Y/Y (%)



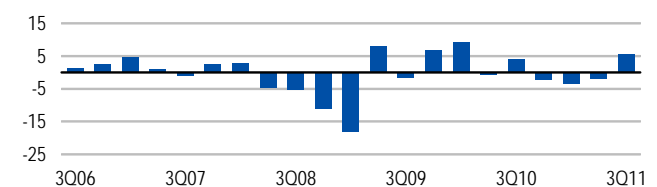
Source: © European Union 1995–2012, as of November 2011. Past performance does not guarantee future results and results may differ over future time periods.

External Trade Balance, GDP (%)



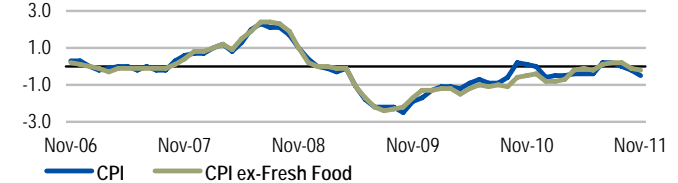
Source: © European Union 1995–2012, as of September 2011. Past performance does not guarantee future results and results may differ over future time periods.

Japan Real GDP, Q/Q ar (%)



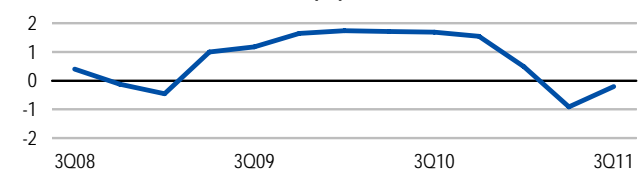
Source: ESRI, Cabinet Office, Government of Japan, September 2011. Past performance does not guarantee future results and results may differ over future time periods.

Consumer Price Index, Y/Y (%)



Source: Ministry of Internal Affairs and Communications, November 2011. Past performance does not guarantee future results and results may differ over future time periods.

Visible Trade Balance, GDP (%)



Source: Ministry of Finance, Japan and Economic and Social Research Institute, Cabinet Office, Government of Japan, as of 30 September 2011. Past performance does not guarantee future results and results may differ over future time periods.

U.S. MACROECONOMIC DATA

FINAL OUTPUT

Gross Domestic Product (GDP) ¹	2Q11	3Q11	4Q11E ²	1Q12E ²
Q/Q ar (%)	1.3	1.8	3.0	2.0

ECONOMIC INPUTS

CONSUMPTION/FINAL DEMAND

Income/Savings¹	AUG 11	SEP 11	OCT 11	NOV 11
Consumer Spending, Y/Y (%)	4.6	5.1	4.6	4.3
Personal Income, Y/Y (%)	4.0	4.1	3.9	3.9
Savings Rate (%)	4.1	3.5	3.6	3.5
Employment	SEP 11	OCT 11	NOV 11	DEC 11
Unemployment Rate (%) ²	9.0	8.9	8.7	8.5
Participation Rate (%) ²	64.1	64.1	64.0	64.0
Nonfarm Payrolls (in thousands) ²	210	112	100	200
Jobless Claims, 4-wk average (in thousands) ⁴	415	405	396	374
Housing⁵	AUG 11	SEP 11	OCT 11	NOV 11
Existing Home Sales (in millions)	4.32	4.19	4.25	4.42
Y/Y Change (%)	19.3	11.1	13.6	12.2

INVESTMENT

Corporate Earnings⁶	3Q11	4Q11	1Q12E	2Q12E
Earnings, Y/Y (%)	18.24	12.33	3.7	1.9
Production & Utilisation⁷	AUG 11	SEP 11	OCT 11	NOV 11
Industrial Production, Y/Y (%)	3.8	3.5	4.3	3.7
Capacity Utilisation (%)	77.7	77.6	78	77.8
Nonresidential Fixed Investment¹	4Q10	1Q11	2Q11	3Q11
Y/Y (%)	11.1	10.0	8.0	9.1

INFLATION & PRODUCTIVITY

Inflation Indicators	AUG 11	SEP 11	OCT 11	NOV 11
Personal Consumption Expenditure (PCE), Y/Y (%) ¹	2.9	2.9	2.7	2.5
Core PCE, Y/Y (%) ¹	1.7	1.6	1.7	1.7
Consumer Price Index (CPI), Y/Y (%) ¹	3.8	3.9	3.5	3.4
Core CPI, Y/Y (%) ³	2.0	2.0	2.1	2.2
Producer Price Index (PPI), Y/Y (%) ³	6.5	6.9	5.9	5.7
Core Producer Prices, Y/Y (%) ³	2.5	2.5	2.8	2.9
Productivity³	4Q10	1Q11	2Q11	3Q11
Productivity, Q/Q ar (%)	2.2	-0.6	-0.1	2.3
Unit Labour Costs, Q/Q ar (%)	-1.6	6.2	-0.1	-2.5

FINANCIAL MARKETS

Valuation	NOV 11	DEC 11	JAN 12E	FEB 12E
P/E S&P 500 ⁶	13.11	13.25	—	—
Fed Funds Rate ^{7,8}	0.25	0.25	0.08	0.09

BALANCE OF PAYMENTS

U.S. Monthly Trade Deficit^{1,9}	AUG 11	SEP 11	OCT 11	NOV 11
Billion USD	-45.3	-44.2	-43.3	-47.8
U.S. Current Account Deficit	4Q10	1Q11	2Q11	3Q11
Quarterly (in USD billion) ¹	-112.2	-119.6	-124.7	-110.3
Annualised (% GDP) ¹⁰	-3.2	-3.2	-3.2	-3.1

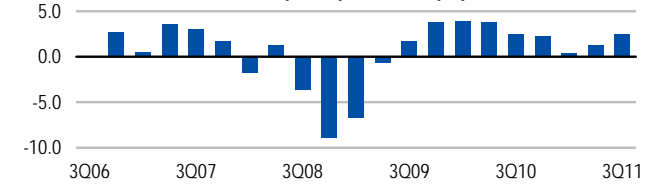
Abbreviations: Q/Q ar: Quarter-over-quarter annualised rate. Y/Y: Year-over-year.

E: Estimate

1. Source: Bureau of Economic Analysis, as of 31/12/11.
2. Source: Bloomberg Economic Forecasts, as of 31/12/11.
3. Source: Bureau of Labor Statistics.
4. Source: Department of Labor.
5. Source: Copyright National Association of REALTORS®. Reprinted with permission.
6. Source: Bloomberg. Corporate Earnings and P/E S&P 500 represented by Bloomberg's calculation of the earnings of S&P 500 Index components, as of 31/12/11. STANDARD & POOR'S®, S&P® and S&P 500® are registered trademarks of Standard & Poor's Financial Services LLC. Standard & Poor's does not sponsor, endorse, sell or promote any S&P index-based product.
7. Source: Federal Reserve. At the 16 December 2008 meeting, the Federal Reserve cut the main U.S. interest rate to "a target rate" between zero and 0.25.
8. Source: Chicago Board of Trade (30-Day Federal Funds Futures Rate for December 2011 and January 2012), as of 31/12/11.
9. Source: U.S. Census Bureau.
10. Source: Bloomberg Indices.

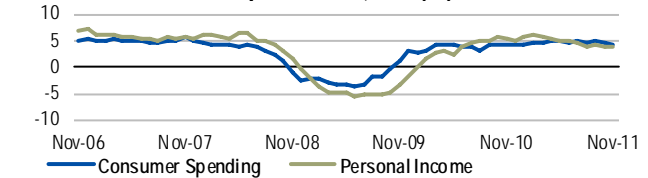
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Gross Domestic Product (GDP), Q/Q ar (%)



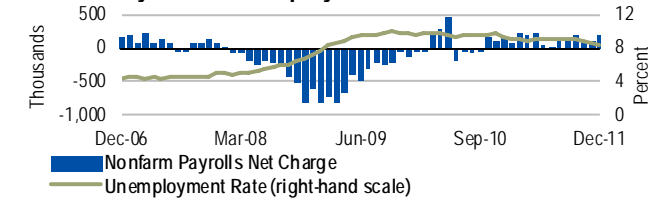
Source: Bureau of Economic Analysis, September 2011. Past performance does not guarantee future results and results may differ over future time periods.

Personal Income & Expenditures, Y/Y (%)



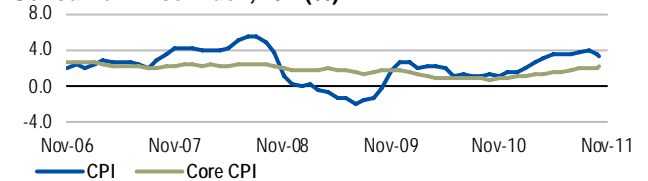
Source: Bureau of Economic Analysis, November 2011. Past performance does not guarantee future results and results may differ over future time periods.

Nonfarm Payrolls & Unemployment Rate



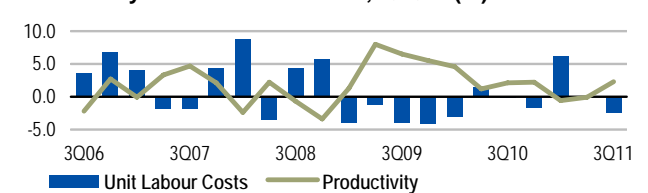
Source: Bureau of Labor Statistics, December 2011. All figures seasonally adjusted. Past performance does not guarantee future results and results may differ over future time periods.

Consumer Price Index, Y/Y (%)



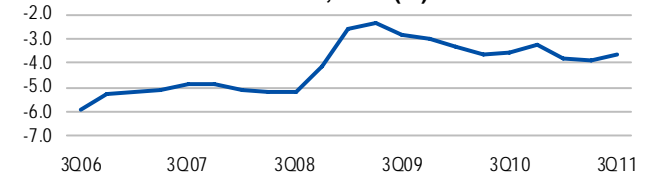
Source: Bureau of Labor Statistics, November 2011. Past performance does not guarantee future results and results may differ over future time periods.

Productivity & Unit Labour Costs, Q/Q ar (%)



Source: Bureau of Labor Statistics, September 2011. Past performance does not guarantee future results and results may differ over future time periods.

U.S. Annualised Trade Deficit, GDP (%)



Sources: U.S. Census Bureau and Bureau of Economic Analysis, September 2011. Past performance does not guarantee future results and results may differ over future time periods.

Important Legal Information

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