

Uncertainties bounce off the global economy.

If the German DAX is nearing an all-time high of 13,000 points, one would assume that the situation could not be better. That, however, is not the case. How can it be that once again innumerable political risks arise and at the same time the economy remains stable and sentiment on the capital markets is at a peak? Evidently the positive factors continue to outweigh very many unsettling issues.

Let us first take a look at the political risks: in addition to the tension between North Korea and the USA we now have fresh discord between the European Union and the United Kingdom in Brexit negotiations that are far from constructive whilst forthcoming elections in Austria and Italy are already casting populist shadows. Currently Spain has been dominating political risk headlines following Catalonia's attempts to secure independence. The referendum did in fact take place and a clear majority of those who voted were in favour of sovereignty for Catalonia. However, almost all the opponents of independence stayed at home, which means that this majority is based on very low overall participation in the referendum. As the central government in Madrid has adopted a very hard position on this issue, there seems to be little room for compromise. Nevertheless, we think Catalonia is unlikely to leave Spain and therewith the European Union. In the final analysis the only sensible solution can be negotiations on an extension of Catalonian autonomy. With the exception of Spanish equities and bonds, events in Catalonia have hardly had any negative impact on European financial markets.

Financial markets have maintained their traditional stance towards political risk: as long as conflicts remain regional and the global economy remains open, market players focus their attention on fundamental data. Global economic activity is on the rise, more or less in all regions. The bond markets, on the other hand, expect the central banks to affect only a very gentle exit from their ultra-loose monetary policy: in January the ECB will probably reduce the volume of its monthly asset purchases. The US Fed is planning a further rate hike and will already begin to reduce its balance sheet this month. At some time a price will have to be paid for this turnaround, but prospects for equity markets in the current year remain good.



Source: Adobe Stock, DekaBank

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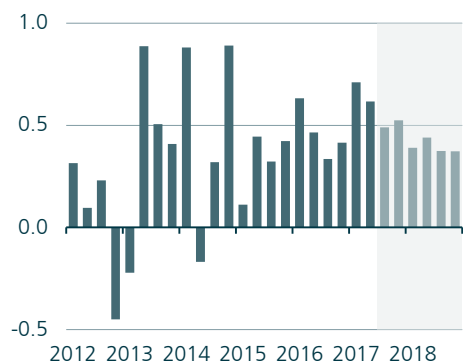
Most important forecast revisions changes

- Germany: GDP 2018: 1.8 % (previously 1.7 %); inflation 2018: 1.6 % (previously 1.7 %).
- USA: Inflation 2018: 2.2 % (previously 2.1 %).
- Eurozone: Slightly stronger rise of Bund yields.

October / November 2017

Economy: Industrial countries

Germany: GDP (% qoq, sa)



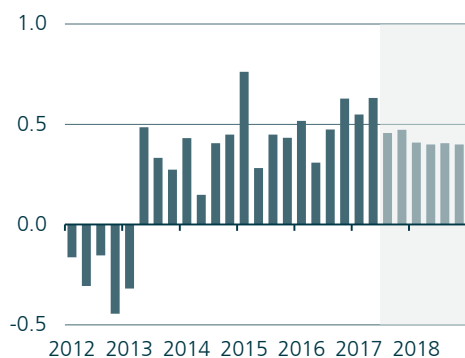
Sources: Destatis, forecast DekaBank

Germany

In the third quarter the economy showed little sign of momentum. Retail sales fell for the second time in a row and the indicators that have been published to date signal no more than meagre GDP growth. The ifo Business Climate Index has also registered two falls in recent months. However, there are no grounds for gloom: the favourable environment for the German economy has remained intact. Moreover, the degree of global political uncertainty has been diminishing for some months. Another positive factor is that although there will soon be a new government in Germany, very little is likely to change.

Forecast revision: GDP 2018: 1.8 % (previously 1.7 %); inflation 2018: 1.6 % (previously 1.7 %).

Eurozone: GDP (% qoq, sa)



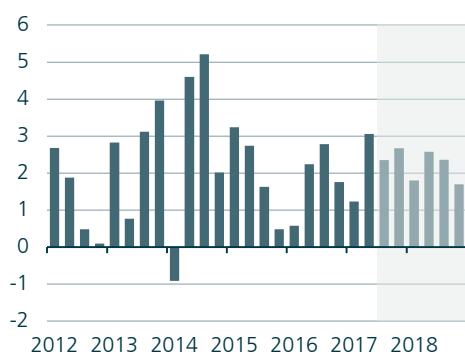
Sources: Eurostat, forecast DekaBank

Eurozone

From an economic standpoint the Eurozone had a successful first half-year and is now heading towards achieving the highest GDP growth rate recorded since 2007. European indicators of market sentiment have also been clearly signalling growth in the third quarter. The EU Commission's third-quarter indicator of Eurozone economic confidence rose to its highest level in ten years. Moreover, this very positive sentiment is widespread among both companies and households in the four largest Eurozone economies. An escalation in the dispute over Catalanian independence is, however, a risk for the Spanish economy. As expected, the rate of Eurozone inflation remains modest and in September was at 1.5%, the same as in the previous month.

Forecast revision: –.

USA: GDP (% qoq, ann., sa)



Sources: Bureau of Economic Analysis, forecast DekaBank

USA

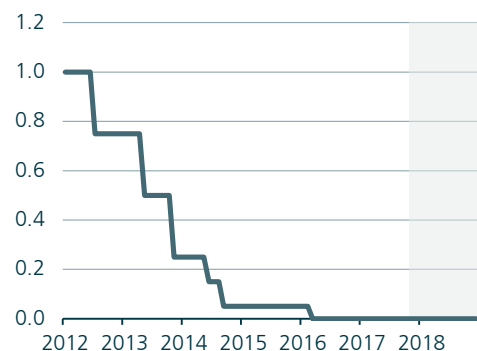
The latest economic data for industrial output and retail trade (in both cases for August), as well as for the development of employment (September) have been turned upside down by the impact of Hurricane Harvey. In addition general activity in the construction sector will have suffered in the third quarter. Slumps in output will presumably be reported in both housing and commercial construction. First applications for unemployment benefits, on the other hand, have recovered relatively quickly. Gasoline prices have remained at a high level throughout the country for somewhat longer than we had expected, so that we have revised our inflation forecast for 2018 slightly upwards. The White House has announced details of its planned income and corporate tax reform, although political agreement has yet to be reached.

Forecast revision: Inflation 2018: 2.2 % (previously 2.1 %).

October / November 2017

Markets: Industrial countries

ECB: Repo Rate (% p.a.)



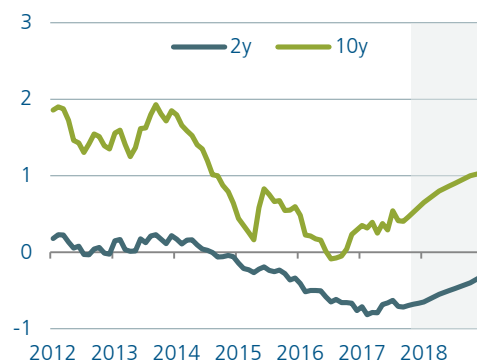
Sources: European Central Bank, forecast DekaBank

The European Central Bank / Money market

At the ECB press conference on October 26th President Draghi will probably announce that the ECB will reduce its monthly asset purchases to EUR 40bn with effect from January. Once again, however, this message is likely to be dovish in tone. First, we assume that the ECB will not say exactly when it will bring quantitative easing to an end. It will not commit itself and will only decide when the next tapering step is to be taken when inflation is clearly on the rise. Secondly, Draghi will again make it clear that the ECB does not intend to raise key rates in the foreseeable future. We do not expect the deposit rate to be raised before the middle of 2019, which is later than has currently been factored into long-term money-market futures. As long as the normalisation of monetary policy only affects the purchase of securities, but does not bring about a reduction of surplus liquidity or the raising of key rates, it is unlikely to have any appreciable impact on EONIA and EURIBOR rates.

Forecast revision: –.

German Bond Yield (% p.a.)



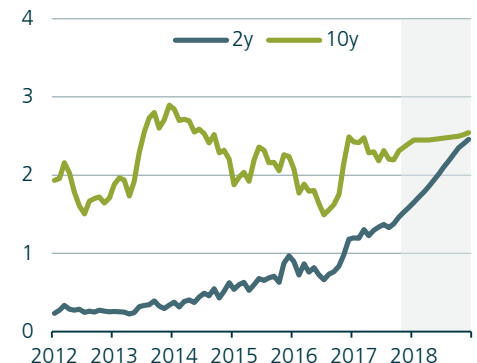
Sources: Bloomberg, forecast DekaBank

Euro zone bond market

Since the ECB meeting on September 7th the yields of long-term Bunds in particular have slightly risen again. The ECB's references to a slow exit from its current monetary policy have been met by sound economic data and slightly rising inflation expectations. We continue to assume that the ECB will reduce its monthly asset purchases to EUR 40bn with effect from January, but will not say exactly when it intends to bring its asset purchases to an end. This should keep any further rise in the yields of long-term Bunds within limits. At the same time the short end of the Bund curve should remain underpinned by the prospect of key rates remaining low for some considerable time, as well as of comprehensive reinvestment by the German Bundesbank.

Forecast revision: Slightly stronger rise of Bund yields.

US Bond Yield (% p.a.)



Sources: Bloomberg, forecast DekaBank

US bond market

As expected, at its September meeting the Fed announced its decision to start reducing its balance sheet. A surprisingly large majority of FOMC members continue to prefer a third key-rate hike in the current year, which will probably be decided at the December meeting. The financial markets' key-rate expectations have been corrected upwards. Further out, the key-rate path will be determined in coming months by inflation developments. It cannot be ruled out that a new Fed Chairman will be appointed at the beginning of 2018 and currently Kevin Warsh seems to have the best chance of being appointed. In 2018 he might well prefer a slightly tighter key-rate path. President Trump has promised a decision on this issue in the second half of October.

Forecast revision: –.

October / November 2017

Markets: Industrial countries

Equity Market Forecast

	Current Oct 6, 17	in 3 months	in 6 months	in 12 months
DAX	12 955.94	13 000	11 500	11 800
Reporting:				
EuroStoxx50	3 603.32	3 650	3 200	3 300
S&P 500	2 549.33	2 450	2 300	2 400
Topix	1 687.16	1 700	1 600	1 550

Sources: Deutsche Börse AG, forecast DekaBank

Equity market: Germany

Companies in Germany are benefiting from continued robust global economic growth, which in combination with stable growth and low inflation offers an excellent environment for corporate activity. This is also reflected in the purchasing managers' indices, which show operative sentiment remaining at a high level. Third-quarter company reports are expected to show a substantial increase in profits against the previous year. A high level of confidence is also reflected in the increase in the number of mergers and acquisitions, which have a positive impact on company valuation. During the reporting season the favourable price momentum should continue so that equities are likely to exceed our price targets, before some profit-taking later in the year that should however remain within average ranges.

Forecast revision: —.

iTraxx Europe (Bp)

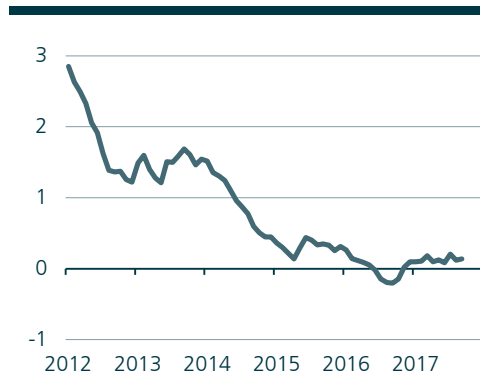


Sources: International Index Company, forecast DekaBank

Corporate bond market: Euro zone

Despite various geopolitical risks, credit markets have not been unsettled and have remained at a low spread level. The latest slight rise in the iTraxx indices can be attributed to the half-yearly rolling date, at which the composition of the indices is revised and maturity extended by six months. There has been a flood of new issues since the end of the summer break, but almost without exception they have been easily placed on the market. Together with ECB purchases investor demand is very substantial, so that most issues are oversubscribed and often come onto the market with low risk premiums. Most third-quarter company reports are likely to be positive and will provide the market with further support.

Covered Bonds 5y (% p.a.)



Source: Bloomberg

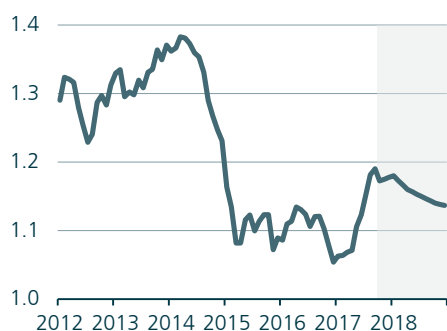
Covered Bonds

After a very quiet summer break new issues began to flow again in September, although the volume has been appreciably lower than in the previous year. The slump in new issues has been particularly noticeable in Spain, where there have been hardly any new issues. This can be attributed on the one hand to favourable refinancing through ECB funding and on the other hand to enhanced issuance of unsecured senior bonds. One piece of good news is that German mortgage banks' downward trend in recent years has apparently come to an end and the market can very slowly begin to grow again. Among other factors, this can be attributed to extremely low interest rates, which have strongly underpinned the German property market. Nevertheless, the ECB is quick to seize any opportunity to acquire new issues, so that hardly any tradeable material has been left for the secondary market. Subsequently risk premiums have been lowered further.

October / November 2017

Markets: Industrial countries

Exchange Rate EUR-USD



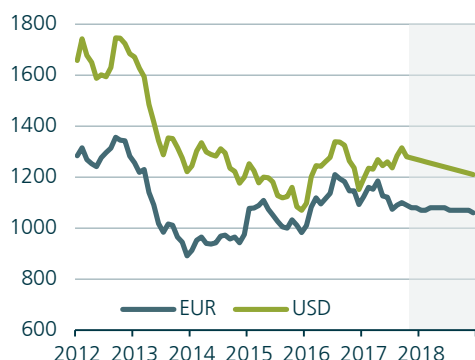
Sources: European Central Bank, forecast DekaBank

Currency market: EUR-USD

At the beginning of September the Euro stood against the US dollar at 1.19 EUR-USD and has since risen to just under 1.21 EUR-USD. Recently, however, it fell back again to 1.17 EUR-USD. The bottom line is that in September the Euro posted a minus against the US dollar. However, this could be attributed less to data from Europe that brought the Euro under pressure and far more to news from the USA that boosted the US dollar. With the Fed's interest-rate decision on September 20th the EUR-USD exchange rate fell from 1.20 EUR-USD to 1.18 EUR-USD. Key rates have been left on hold, but the Fed has signalled a further key-rate hike this year and has announced that it will start to reduce its balance sheet in October.

Forecast revision: —.

Gold price (per troy ounce)



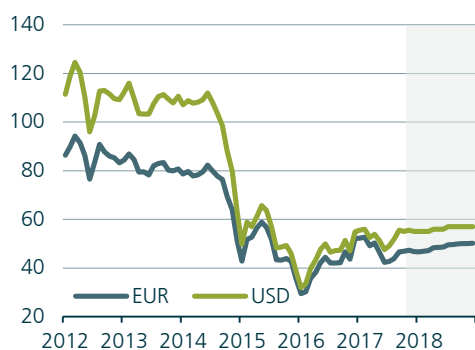
Sources: Bloomberg, forecast DekaBank

Gold

Easy come, easy go: the substantial rise in the price of gold in the second half of August has in the meantime almost completely disappeared. Gold-market players have apparently quickly grown accustomed to the uncertainties generated by the North Korea conflict. The conflict over the independence of Catalonia and bumpy Brexit negotiations are too regional to sway the global gold market. Recently gold speculators have lowered their bets on rising prices from high levels. There were significant inflows of exchange-traded bonds backed by physical metal (ETFs) throughout the months of August and September. However, the downward pressure on the gold price from the stronger US dollar and rising US yields has proved decisive. In coming quarters further implementation of the US exit from its ultra-loose monetary policy will be a stress test for the financial markets and at the same time for gold.

Forecast revision: Upward revision of the forecasts for 2017 and 2018.

Crude Oil Brent (per barrel)



Sources: Bloomberg, forecast DekaBank

Crude oil

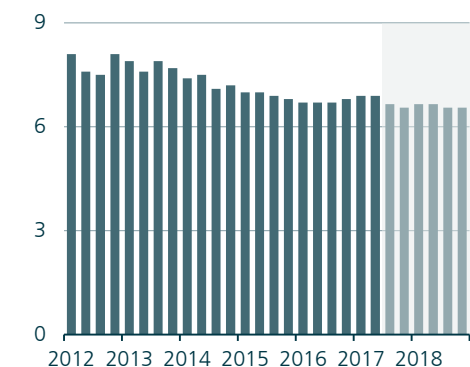
European Brent crude oil currently costs USD 6 more than US WTI, the largest price difference in two and a half years. At the same time both types of oil have become more expensive in recent weeks, whereby in the case of Brent the price hike has been more substantial as speculators on the oil market wagered heavily on rising Brent prices. The Turkish prime minister unsettled the market with his threat to block oil supplies from Iraqi Kurdistan. Both types of oil are currently receiving fundamental support as OECD and US-inventories are being reduced, albeit from very high levels. This should suffice to stabilise the oil price at a level of USD 50-55, but will not bring about a substantial price rise.

Forecast revision: —.

October / November 2017

Emerging Markets

China: GDP (% yoy)



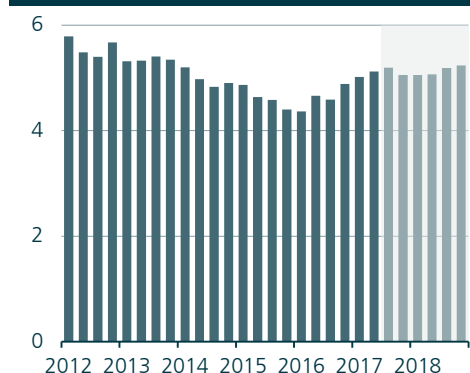
Sources: National Statistics, forecast DekaBank

China

The 19th National Congress of the Communist Party of China will be held in Beijing on October 18th. This Congress should stand for continuity: President Xi Jinping will be granted a further five years in office and no significant economic policy changes are expected. In an atmosphere of great suspense attention is now focused on upcoming personnel changes, especially on new appointments to the Politburo, the most important decision-making organ. The million-dollar question is whether a potential successor to President Xi Jinping will emerge. Against this backdrop, the publication of GDP growth data for the third quarter on October 19th has almost been pushed into the background. We expect a slight weakening of the growth rate from 6.9% to 6.7% against the previous year. The growth target for 2017 of 6.5% is thus not in danger.

Forecast revision: –.

Emerging Markets: GDP (% yoy)



Sources: National Statistics, forecast DekaBank

Emerging Markets: Economy

In September the purchasing managers' indices moved largely sideways in most emerging-market countries, so that our picture of stable economic development remains intact. Somewhat surprisingly, in central Europe the PMIs have risen significantly. This can be attributed primarily to investment financed by EU structural funds and favourable developments on the labour market. The number of countries suffering from excessively high inflation rates has been further reduced in recent months. Among the major countries only Mexico and Turkey remain, whereby in Mexico it is already evident that the inflation rate will fall substantially in January thanks to a base effect. On the whole, monetary policy is being eased, which means that the expected reduction of the Fed's balance sheet is not regarded as a serious risk for financial market stability.

Forecast revision: –.

EMBIG-Spread (Bp)



Sources: Bloomberg, forecast DekaBank

Emerging Markets: Markets

The rise of yields on the US bond market has also slightly increased the pressure on EM bonds. In this environment the US dollar has been able to regain ground against almost all EM currencies. Although a key-rate hike by the Fed in December is generally regarded as highly likely, favourable market sentiment in EM countries remains intact. This is reflected in falling risk premiums for hard-currency bonds and in largely stable equity prices. In the months to come both the US Fed and the ECB will probably slowly reduce their monetary stimulus, which can always prove unsettling for global financial markets. However, we consider the risks for emerging-market countries to be manageable. On the one hand, the economic environment is stable and on the other, the central banks have always stressed that their monetary policy turnaround will be implemented very slowly.

October / November 2017

Global economic developments

Country / Country Group	GDP- Weights ¹⁾	GDP			Consumer Prices ²⁾			Current Account			General Government Balance ³⁾		
		percentage change on previous year						as a percentage of nominal GDP					
		2016	2017	2018	2016	2017	2018	2016	2017	2018	2016	2017	2018
Germany	3.3	1.9	1.9	1.8	0.4	1.7	1.7	8.3	8.3	8.0	0.8	0.4	0.4
France	2.3	1.1	1.7	1.5	0.3	1.1	1.3	-0.9	-1.0	-1.1	-3.4	-2.9	-3.1
Italy	1.9	1.0	1.5	1.1	-0.1	1.4	1.3	2.6	1.9	1.7	-2.4	-2.4	-2.4
Spain	1.4	3.2	3.0	2.3	-0.3	2.1	1.5	2.0	1.6	1.6	-4.5	-3.5	-2.9
Netherlands	0.7	2.1	3.2	2.1	0.1	1.3	1.8	8.4	7.9	7.6	0.4	0.2	0.3
Belgium	0.4	1.2	1.6	1.5	1.8	2.3	2.1	-0.4	0.1	0.2	-2.6	-2.2	-2.3
Eurozone	11.8	1.8	2.2	1.7	0.2	1.5	1.5	3.3	3.2	3.1	-1.5	-1.5	-1.4
United Kingdom	2.3	1.8	1.4	1.1	0.7	2.6	2.6	-4.4	-3.9	-3.2	-3.0	-3.0	-2.3
Sweden	0.4	3.1	2.8	2.5	1.1	2.0	1.8	4.9	5.2	5.4	0.9	0.4	0.7
Denmark	0.2	1.7	2.2	1.6	0.0	1.2	1.9	8.1	7.8	7.7	-0.9	-1.3	-0.9
EU-22	14.7	1.8	2.1	1.7	0.3	1.7	1.7	2.2	2.2	2.2	-1.7	-1.7	-1.5
Poland	0.9	2.7	4.2	3.2	-0.6	1.9	2.1	-0.2	-0.4	-0.5	-2.4	-2.9	-2.9
Hungary	0.3	2.5	4.1	2.9	0.7	2.3	2.3	1.1	0.9	0.5	0.6	0.3	0.1
Czech Republic	0.2	1.9	3.6	3.1	0.4	2.4	3.2	5.4	3.4	2.5	-1.8	-2.3	-2.4
EU-28	16.7	2.0	2.3	1.9	0.2	1.7	1.8	1.9	1.9	1.9	-1.7	-1.8	-1.6
USA	15.5	1.5	2.2	2.3	1.3	2.1	2.2	-2.4	-2.5	-2.5	-5.0	-4.5	-4.0
Japan	4.4	1.0	1.6	1.2	-0.1	0.4	1.1	3.7	3.5	3.0	-4.2	-5.0	-5.0
Canada	1.4	1.5	3.1	2.3	1.4	1.6	2.0	-3.3	-3.0	-3.5	-1.9	-2.0	-2.0
Australia	1.0	2.5	2.2	2.4	1.3	2.1	1.9	-2.6	-2.0	-1.5	-2.4	-2.5	-2.5
Switzerland	0.4	1.4	0.8	1.7	-0.4	0.4	0.5	12.7	12.6	12.9	0.2	0.4	0.5
Norway	0.3	0.9	2.0	2.0	3.6	1.9	1.3	4.9	4.6	4.3	3.1	3.6	4.0
Developed Countries ⁴⁾	37.8	1.6	2.1	1.9	0.7	1.7	1.8	0.3	0.3	0.2	-3.3	-3.2	-2.9
Russia	3.2	-0.2	1.8	1.7	7.0	3.8	3.9	2.0	3.5	2.3	-3.4	-2.1	-1.3
Turkey	1.7	3.3	5.7	3.5	7.8	10.6	7.7	-3.8	-4.2	-4.0	-1.1	-2.0	-2.3
Ukraine	0.3	2.3	1.7	2.5	13.9	14.3	10.6	-1.5	-2.1	-1.9	-2.2	-2.6	-2.5
Emerging Europe ⁵⁾	7.5	1.6	3.4	2.6	5.9	5.4	4.7	-0.6	-0.2	-0.8	X	X	X
South Africa	0.6	0.3	0.7	1.3	6.6	5.6	5.4	-3.3	-3.8	-4.4	-3.4	-3.2	-2.9
Middle East, Africa	3.4	1.4	2.1	2.7	9.6	12.2	10.0	-2.5	-1.1	-0.7	X	X	X
Brazil	2.6	-3.6	0.9	2.1	8.7	3.6	4.0	-1.3	-0.6	-1.4	-6.4	-8.1	-7.1
Mexico	1.9	2.0	2.4	2.2	2.8	5.7	3.6	-2.1	-1.8	-2.3	-2.6	-1.9	-2.4
Argentina	0.7	-2.2	2.7	3.3	42.0	26.0	14.6	-2.7	-3.3	-3.9	-5.9	-6.1	-5.6
Chile	0.4	1.5	1.4	2.5	3.8	2.4	3.1	-1.4	-1.3	-0.4	-2.7	-3.1	-2.5
Latin America	7.2	-1.2	1.2	1.9	9.7	6.4	4.7	-1.9	-1.5	-2.2	X	X	X
China	17.8	6.7	6.8	6.6	2.1	1.6	2.7	1.7	1.1	1.3	-3.8	-3.9	-4.3
India	7.2	7.9	6.4	7.5	4.9	3.3	4.3	-0.5	-1.0	-1.1	-3.5	-3.2	-3.2
Indonesia	2.5	5.0	5.1	5.7	3.5	3.8	3.3	-1.8	-1.6	-1.8	-2.5	-2.4	-2.3
South Korea	1.6	2.8	2.8	2.6	1.0	2.1	2.1	7.0	5.6	4.7	1.0	0.9	-0.6
Emerging Asia	33.2	6.2	6.0	6.2	2.7	2.2	2.9	2.6	1.9	1.9	X	X	X
Emerging Markets	51.3	4.2	4.7	4.8	4.6	3.9	3.9	1.1	0.9	0.7	X	X	X
Total ⁶⁾	89.1	3.1	3.6	3.6	2.9	3.0	3.0	X	X	X	X	X	X

1) Of 2016, recalculated with purchasing power parities. Source: IMF. - 2) Eurozone, United Kingdom, Sweden and Denmark = Harmonized Index of Consumer Prices. -

3) According to National Accounting Standards. - 4) Without Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania. - 5) Including the six member countries of the EU named before and Turkey. - 6) 66 national economies covered by DekaBank.

October / November 2017

Interest rates in industrialised countries

		Current Oct 9 2017	Forecasts		
			3 months	6 months	12 months
Germany	Monetary policy (Refi)	0.00	0.00	0.00	0.00
	3 months (EURIBOR)	-0.33	-0.33	-0.33	-0.31
	12 months (EURIBOR)	-0.17	-0.16	-0.15	-0.10
	Bunds, 2 years	-0.70	-0.65	-0.55	-0.40
	Bunds, 5 years	-0.27	-0.20	-0.05	0.15
	Bunds, 10 years	0.46	0.65	0.80	1.00
	Bunds, 30 years	1.29	1.45	1.55	1.70
USA	Monetary policy (FFR)	1.00-1.25	1.25-1.50	1.25-1.50	1.50-1.75
	3 months (LIBOR)	1.35	1.50	1.65	1.90
	12 months (LIBOR)	1.80	2.00	2.10	2.40
	US-Treasuries, 2 years	1.50	1.65	1.85	2.35
	US-Treasuries, 5 years	1.96	2.05	2.15	2.30
	US-Treasuries, 10 years	2.36	2.45	2.45	2.50
	US-Treasuries, 30 years	2.89	2.90	2.90	2.90
Japan	Monetary policy (Call)	-0.10	-0.10	-0.10	-0.10
	3 months (LIBOR)	-0.05	0.00	0.00	0.00
	12 months (LIBOR)	0.10	0.15	0.15	0.15
	JGBs, 2 years	-0.14	-0.10	-0.10	-0.10
	JGBs, 5 years	-0.09	-0.05	-0.05	0.00
	JGBs, 10 years	0.06	0.15	0.15	0.25
	JGBs, 30 years	0.89	0.85	0.85	0.85
United Kingdom	Monetary policy (Base)	0.25	0.50	0.50	0.50
	3 months (LIBOR)	0.34	0.50	0.60	0.90
	12 months (LIBOR)	0.73	0.80	1.00	1.20
	Gilts, 2 years	0.43	0.50	0.70	1.00
	Gilts, 5 years	0.77	0.90	1.20	1.50
	Gilts, 10 years	1.36	1.50	1.60	1.90
	Gilts, 30 years	1.95	2.00	2.05	2.20
Sweden	Monetary policy (Repo)	-0.50	-0.50	-0.50	-0.30
	3 months (STIB)	-0.48	-0.40	-0.30	-0.10
	2 years	-0.67	-0.60	-0.30	0.10
	10 years	0.92	1.00	1.20	1.40
Denmark	Monetary policy (Repo)	0.05	0.05	0.05	0.05
	3 months (CIBOR)	-0.31	-0.28	-0.23	-0.21
	2 years	-0.58	-0.55	-0.45	-0.25
	10 years	0.57	0.80	0.95	1.15
Norway	Monetary policy (Deposit)	0.50	0.50	0.50	0.50
	3 months (NIBOR)	0.79	0.85	0.90	1.00
	3 years	0.53	0.60	0.80	0.90
	10 years	1.63	1.70	1.80	2.00
Switzerland	Monetary policy (LIBOR)	-1.25 to -0.25	-1.25 to -0.25	-1.25 to -0.25	-1.25 to -0.25
	3 months (LIBOR)	-0.73	-0.75	-0.75	-0.75
	2 years	-0.81	-0.70	-0.70	-0.55
	10 years	-0.03	0.00	0.20	0.30
Canada	Monetary policy (O/N)	1.00	1.25	1.50	2.00
	3 months (CBA)	1.41	1.55	1.75	2.10
	12 months (CBA)	1.85	2.05	2.25	2.55
	2 years	1.55	1.80	2.05	2.55
	5 years	1.78	1.80	1.95	2.25
	10 years	2.13	2.15	2.20	2.30
	30 years	2.49	2.45	2.45	2.45
Australia	Monetary policy (Cash)	1.50	1.50	1.50	1.75
	3 months (ABB)	1.70	1.70	1.70	1.95
	2 years	1.91	2.00	2.05	2.40
	10 years	2.82	2.90	2.90	3.05

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Interest rates in EM countries

			Current Oct 9 2017	Forecasts		
				3 months	6 months	12 months
Central- and Eastern Europe	Poland	Monetary policy (Repo)	1.50	1.50	1.50	1.50
		3 months (WIB)	1.63	1.60	1.70	2.00
		2 years	1.78	1.80	1.90	2.20
		10 years	3.50	3.40	3.50	3.70
	Czech Rep.	Monetary policy (Repo)	0.25	0.50	0.75	1.00
		3 months (PRIBOR)	0.49	0.70	1.00	1.20
		2 years	0.18	0.30	0.60	1.00
		10 years	1.46	1.70	1.90	2.00
	Hungary	Monetary policy (Deposit)	0.90	0.90	0.90	0.90
		3 months (BUBOR)	0.03	0.05	0.05	0.40
		3 years	0.57	0.60	0.70	0.90
		10 years	2.70	2.80	3.00	3.30
Latin America	Brazil	Monetary policy (Repo)	8.25	7.00	7.00	7.00
		3 months (ABG)	7.35	7.00	7.10	7.30
		2 years	8.06	8.20	7.95	8.20
		9 years	9.73	9.50	9.00	9.00
	Mexico	Monetary policy	7.00	7.00	7.00	6.75
		3 months (Mexibor)	7.38	7.00	7.00	6.60
		2 years	6.85	6.50	6.50	6.50
		10 years	7.09	6.50	6.50	6.50
Asia	China	Monetary policy	1.50	1.50	1.50	1.50
		3 months	4.35	4.20	4.10	4.00
		2 years	2.75	2.90	3.00	3.10
		10 years	3.62	3.70	3.70	3.80
	Singapore	Monetary policy	n.a.	n.a.	n.a.	n.a.
		3 months	1.12	1.20	1.30	1.60
		2 years	1.35	1.40	1.60	2.00
		10 years	2.15	2.20	2.30	2.50
	South Korea	Monetary policy	1.25	1.25	1.25	1.50
		3 months	1.28	1.30	1.30	1.50
		2 years	1.79	1.80	1.90	2.00
		10 years	2.37	2.40	2.50	2.60

Yield spreads in basis points¹⁾

			Current Oct 9 2017	Forecasts		
				3 months	6 months	12 months
Emerging Markets, EMBIG Div Spreads	Central- and Eastern Europe	Russia	184	185	200	195
		Turkey	283	280	210	300
		Hungary	88	90	100	95
	Africa	South Africa	265	260	285	275
	Latin America	Brazil	234	235	260	250
		Chile	125	125	140	135
		Columbia	187	180	200	195
		Mexico	234	225	250	245
		Venezuela	3074	3050	3370	3265
	Asia	China	106	105	115	110
		Indonesia	165	165	185	180
		Philippines	89	90	100	95
	Total (EMBIG Div)		284	280	310	300

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Currencies

EURO		Current Oct 9 2017	Forecasts		
			3 months	6 months	12 months
Dollar-Bloc	EUR-USD	1.17	1.18	1.16	1.14
	EUR-CAD	1.47	1.45	1.44	1.43
	EUR-AUD	1.51	1.48	1.47	1.46
Japan	EUR-JPY	132.06	133.34	132.24	133.38
Euro-Outs	EUR-GBP	0.89	0.88	0.89	0.88
	EUR-DKK	7.44	7.44	7.44	7.44
	EUR-SEK	9.52	9.50	9.40	9.20
	EUR-CHF	1.15	1.16	1.15	1.15
	EUR-NOK	9.37	9.30	9.20	9.00
Central- and Eastern Europe	EUR-PLN	4.31	4.30	4.25	4.20
	EUR-HUF	312.04	310.00	310.00	305.00
	EUR-CZK	25.89	25.80	25.80	25.70
Africa	EUR-ZAR	16.09	15.81	16.24	16.53
Latin America	EUR-BRL	3.70	3.78	3.83	3.88
	EUR-MXN	21.78	21.24	21.46	21.66
Asia	EUR-CNY	7.78	7.91	7.83	7.75
	EUR-SGD	1.60	1.60	1.59	1.58
	EUR-KRW	1344	1333	1322	1311
US-Dollar		Current Oct 9 2017	Forecasts		
			3 months	6 months	12 months
Dollar-Bloc	USD-CAD	1.25	1.23	1.24	1.25
	AUD-USD	0.78	0.80	0.79	0.78
Japan	USD-JPY	112.60	113.00	114.00	117.00
Euro-Outs	GBP-USD	1.31	1.34	1.30	1.30
	USD-DKK	6.35	6.31	6.41	6.53
	USD-SEK	8.12	8.05	8.10	8.07
	USD-CHF	0.98	0.98	0.99	1.01
	USD-NOK	7.99	7.88	7.93	7.89
Central- and Eastern Europe	USD-PLN	3.68	3.64	3.66	3.68
	USD-HUF	266.05	262.71	267.24	267.54
	USD-CZK	22.06	21.86	22.24	22.54
Africa	USD-ZAR	13.72	13.40	14.00	14.50
Latin America	USD-BRL	3.16	3.20	3.30	3.40
	USD-MXN	18.57	18.00	18.50	19.00
Asia	USD-CNY	6.64	6.70	6.75	6.80
	USD-SGD	1.36	1.36	1.37	1.39
	USD-KRW	1143	1130	1140	1150

Commodities

Commodity	Current Sep 11 2017	Forecasts		
		3 months	6 months	12 months
Gold (USD per troy ounce)	1,335.22	1,270	1,255	1,225
Gold (EUR per troy ounce)	1,112.59	1,080	1,090	1,090
WTI crude (USD per Barrel)	47.48	51	53	55
WTI crude (EUR per Barrel)	39.56	43	46	49
Brent crude (USD per Barrel)	53.70	52	54	56
Brent crude (EUR per Barrel)	44.75	44	47	50

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Your contacts at Deka:

Chief Economist: Dr. Ulrich Kater: +49 69 7147-2381; email: ulrich.kater@deka.de

Head of Economics: Dr. Holger Bahr: -2846; email: holger.bahr@deka.de

Head of Capital Markets and Strategy: Joachim Schallmayer: -3807; email: jochim.schallmayer@deka.de

Industrial Countries/Sector Analysis

Rudolf Besch: -5468; email: rudolf.besch@deka.de

Dr. Christian Melzer: -2851; email: christian.melzer@deka.de

Dr. Andreas Scheuerle: -2736; email: andreas.scheuerle@deka.de

Nikola Stephan: -1023; email: nikola.stephan@deka.de

(USA, Dollarbloc, Japan)

(EMU, Currencies)

(Germany, EMU, Sector Analysis)

(Euro-Outs ex Middle and East. Europe, Currencies)

Macro Trends/Commodities

Dr. Dora Borbély: -5027; email: dora.borbely@deka.de

Dr. Gabriele Widmann: -2559; email: gabriele.widmann@deka.de

(Commodities, Macro Trends)

(Macro Trends; Commodities)

Emerging Markets/ Country Risk Analysis

Janis Hübner: -2543; email: janis.huebner@deka.de

Daria Orlova: -3891; email: daria.orlova@deka.de

Mauro Toldo: -3556; email: mauro.toldo@deka.de

(Asia ex Japan, Middle East)

(Middle and Eastern Europe)

(Latin America, Africa)

Central Bank Watching and Capital Markets

Sandra Ebner: -5036; email: sandra.ebner@deka.de

Michael Ramon Klawitter: -5789; email: michael.klawitter@deka.de

Carsten Lüdemann: -2625; email: carsten.luedemann@deka.de

Kristian Tödtmann: -3760; email: kristian.toedtmann@deka.de

Dr. Ulrich Weikard: -5790; email: ulrich.weikard@deka.de

(Market-based approach)

(Floor economist)

(Bond market strategy)

(ECB, Eurobond market)

(Credits, Certificates)

Real Estate Research

Daniela Fischer: -7549; email: daniela.fischer@deka.de

Gunnar Meyke: -5802; email: gunnar.meyke@deka.de

Andreas Wellstein: -3850; email: andreas.wellstein@deka.de

(Benelux, France, Portugal, Spain)

(Nordics, Cross-sectional assignment/analysis)

(Germany, EU, North-America; Asia/Pacific)

Data & Analysis

Peter Leonhardt: -2842; email: peter.leonhardt@deka.de

Internet: <https://deka.de/deka-gruppe/research>

Impressum: <https://deka.de/deka-gruppe/impressum>

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