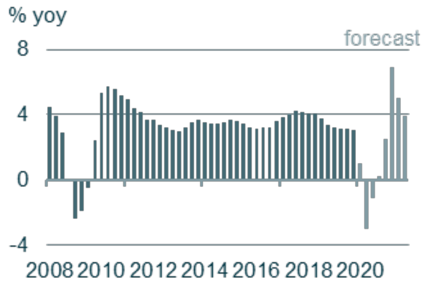
Macro Research
Economic Forecasts

April 2020

A unique recession in many ways.

World: Gross domestic product



Source: National Statistics, forecast DekaBank.

In the last four weeks the invisible coronavirus pandemic has inflicted enormous visible damage on the economy and markets. Some 180 countries have now reported infections. It is a global challenge. The virus has spread much more rapidly than we could have wished from China to Europe and the USA causing fear everywhere. The governments of industrial countries have been following the motto „Health before Economy", so that public life has been brought to a standstill to varying degrees.

As a result, there have been movements on the capital markets and with economic indicators that deserve the designation „historic". If at the moment we can say anything with certainty, it is that we are in a recession. But it is not a „normal" recession. This economic crash is unique in five ways: (1) It is at the same time a supply and a demand shock. Due to the interruption of the supply chains in China the production of goods is stalling and consumer demand slumping. (2) the approach aiming to at least contain the coronavirus pandemic has in a way „ ordered" the recession. (3) This recession has hit economies more suddenly and rapidly than any other before. (4) This recession is not the result of an economic imbalance as was the case in 2008/2009 with an excess of credit, but it has impaced almost all sectors of the economy with unmitigated force. (5) The economic collapse has impacted almost all regions of the world simultaneously.

The reaction of governments and central banks to the economic collapse has also been unique: their „Whatever is needed"has been uniquely convincing in both speed of response and content. The negative impacts of the economic stillstand for both the population at large and companies should be cushioned on a broad basis. Financial aid packages (direct payments or granting of credit) and an easing of monetary policy (enhanced asset purchasing, lowering key rates, etc.) in hitherto unequalled volumes have been launched.

Despite the uncertainty with respect to the further development of new infections and the time path of the restoration of public life and the start-up of production, we do not expect a global depression, but rather a marked recovery in the second half of the year. There are, however, doubts over both the beginning and speed of this recovery. The financial markets have absorbed the first shock and have already priced in the deep recession, but there are still plenty of reasons for unusually high volatility in the weeks to come.

Contents

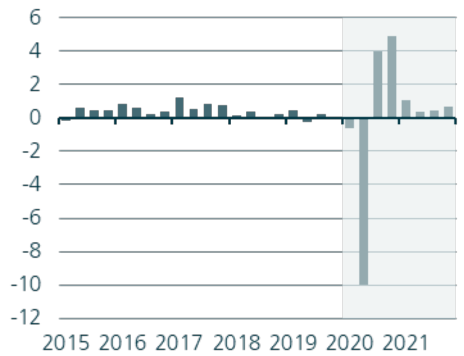
Most important forecast revisions

- Eurozone/USA/China: appreciable downward revisions of GDP growth forecasts for 2020, upward revisions for 2021.
- Eurozone/USA: downward revision of the inflation forecasts for2020 and 2021.
- Eurozone/USA: downward revision of the yield forecasts for all maturities. Postponement of key-rate hikes.
- Downward revision of global equity market forecasts.
- Upward revision of the gold price forecast. Marked downward revision of the oil price forecast.

April 2020

Economy: Industrial countries

Germany: GDP (% qoq, sa)



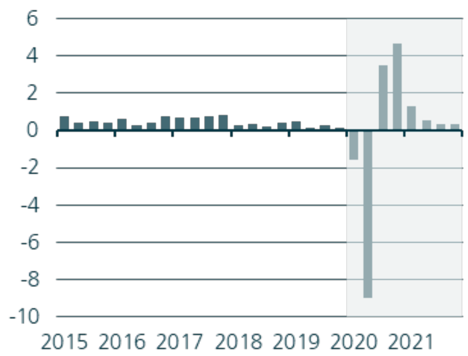
Sources: Destatis, forecast DekaBank

Germany

What began as an economic cold has since developed into global pneumonia. Almost all over Europe lockdowns habe been implemented which have paralysed economic life. Unlike earlier crises this has first and foremost impacted service providers: trade, hospitality, transport services, business services and many other sectors of the economy are almost at a standstill. In mid-March industrial production was also suspended. This historically unique paralysis is leading Germany into a recession that resembles the global financial crisis in its scale and, depending on how long quarantine measures will remain in place, could prove to be even greater in its impact.

Forecast revision: GDP growth 2020 and 2021: -4.7 % and 4.8 % (previously 0.5 % and 1.3 %). Inflation 2020 and 2021: 1.2 % and 1.4 % (previously 1.4 % and 1.6 %).

Eurozone: GDP (% qoq, sa)



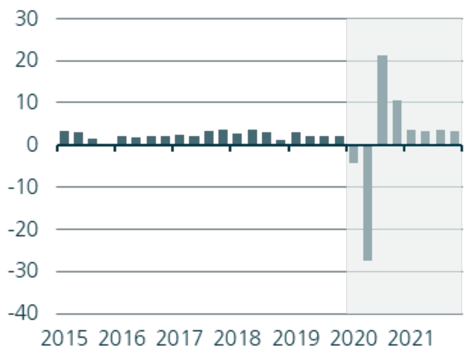
Sources: Eurostat, forecast DekaBank

Eurozone

The key leading indicators for March already show the enormous force of the impact of the corona crisis on the European economy even though we are likely to feel the brunt of the shock only in Q2. Whilst in Q1, January and Feburary were not yet impacted by corona, early signs for the second quarter are indicating the deepest quarterly contraction in the history of the European Monetary Union (EMU). None of the big four EMU economies will be able to avoid a recession. The inflation rate in the Eurozone has dropped from 1.2% to 0.7% in March. The decline was mainly due to the sharp fall in energy prices.

Forecast revision: GDP growth 2020 and 2021: -5.3 % and 4.9 % (previously 0.4 % and 1.4 %). Inflation 2020 and 2021: 0.7 % and 1.2 % (previously 1.1 % and 1.4 %).

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



Sources: Bureau of Economic Analysis, forecast DekaBank

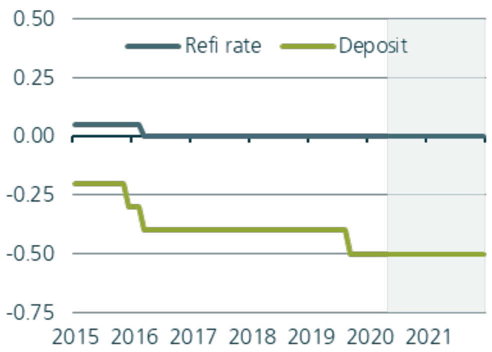
USA

After China and Europe the number of people infected by the coronavirus is now rising substantially in the USA. Here too quarantine measures and lock-downs have been imposed which have significantly restricted public life. We assume there will be a substantial fall in GDP growth in the second quarter. It is quite possible that the current negative record for the 3rd quarter of 1893 of -29.5% (qoq, ann.) will be broken. In the second half of the year we expect unusually high rates of growth. However, overall GDP will shrink in 2020. The economic downturn may be brief, but it still has a deflationary impact. The economic package of USD 2.2tn approved by Congress has been included in our forecast.

Forecast revision: GDP growth 2020 and 2021: -3.1 % and 4.5 % (previously 1.6 % and 2.2 %). Inflation 2020 and 2021: 1.4 % and 1.7 % (previously 2.1 % and 2.4 %).

Markets: Industrial countries

ECB: Repo Rate (% p.a.)



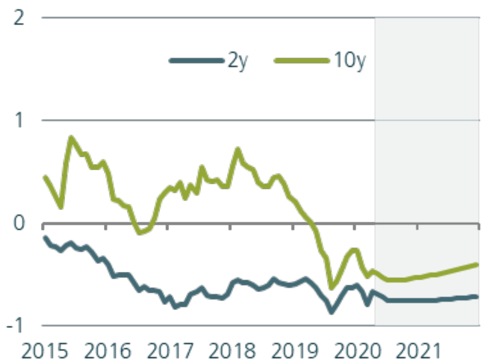
Sources: European Central Bank, forecast DekaBank

The European Central Bank / Money market

The ECB has reacted to the worsening of the coronavirus crisis in several stages. At its usual meeting in March it first stepped up its asset purchase programme and improved the conditions of its TLTRO-III. This was followed soon after by a new and much bigger asset-purchase programme. Furthers cuts of the key rates are obviously not in the central bank's plans and have now been reduced in market expectations. We expect an unchanged deposit rate for some years, but for the time being EONIA-Forwards are likely to price in some probability of a further rate cut. Due to doubts over the stability of the banking system and many market players' increased demand for liquidity, EURIBOR rates are currently struggling to follow key-rate expectations. However, thanks to the comprehensive measures adopted by the ECB we assume that these disturbances on the money market will be resolved in the months to come.

Forecast revision: First key rate hikes in 2025.

German Bond Yield (% p.a.)



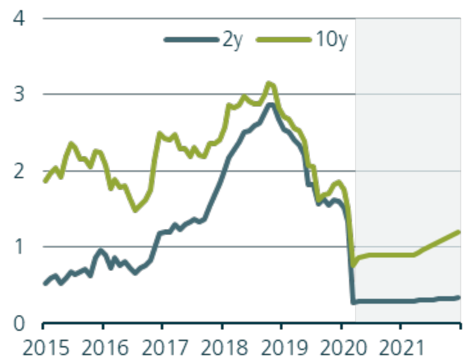
Sources: Bloomberg, forecast DekaBank

Eurozone bond market

The macroeconomic impact of the coronavirus pandemic has affected bond markets via various channels. On the one hand, low inflation expectations, expansive monetary policy and flight into quality all dampen yields. On the other hand, the supply of government bonds will rise appreciably and some market players will have to reduce their positions in order to boost their liquidiity. We assume that in the long run private demand for credit will fall by more than public demand rises, which will result in lower real interest rates. In the short term, the huge volume of bonds purchased by the ECB should compensate for the rising public debt. Only after the end of its Pandemic Emergency Purchase Programme will the yields of long-term Bunds slowly rise again.

Forecast revision: Lower yield forecasts in all maturities.

US Bond Yield (% p.a.)



Sources: Bloomberg, forecast DekaBank

US bond market

The Fed has reacted to the economic impact of the coronavirus pandemic with a whole range of monetary measures. Besides cutting the key-rate interval to near zero it has purchased government bonds in the value of USD 500bn as well as mortgage backed securities (MBS) worth USD 200bn. In addition, it has provided various areas of the financial system with much needed liquidity. Whereas we expect a rapid economic recovery in the second half of the year, the price-dampening effect of the crisis will only be felt with a substantial time lag. This ensures that any monetary tightening will be delayed. We expect this delay to last until the middle of 2023.

Forecast revision: Yield forecasts for the coming 12 months lowered in all maturities.

Markets: Industrial countries

Equity Market Forecast

	Current Apr 1, 20	in 3	in 6 months	in 12
DAX	**9 544.75**	**10 500**	**11 000**	**11 500**
Reporting:				
EuroStoxx50	2 680.30	2 900	3 000	3 100
S&P 500	2 470.50	2 600	2 700	2 800
Topix	1 351.08	1 400	1 450	1 450

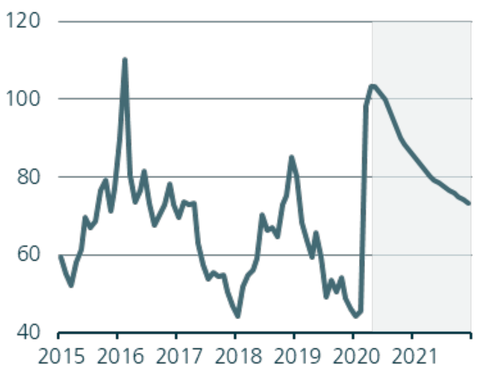
Sources: Deutsche Börse AG, forecast DekaBank

Equity market: Germany

The spread of the coronavirus and the associated containment measures have thrown both the German economy and the global economy into a deep recession. We expect corporate profits to have fallen substantially in the first quarter of 2020 and it will not be possible to make up for these losses in the rest oft the year. We therefore expect company profits for the whole year 2020 to fall substantially. With the stock-market crash in March a deep recession scenario was priced in at record speed and in March the DAX fell below its book value. This has previously happened only in times of absolute crisis for a short period of time. This will probably be repeated in this crisis, so that the prices registered in March will be record lows for the year.

Forecast revision: 3-, 6- and 12-month target price forecasts revised down.

iTraxx Europe (Bp)



Sources: International Index Company, forecast DekaBank

Corporate bond market: Eurozone

The corona crisis has caused massive upheavals on the credit markets. The increase in the rates of infection caused a dramatic rise in risk aversion. With governments' aggressive countermeasures, but above all with the expansion of the ECB's asset-purchase programme, there was a sudden rush for corporate bonds, which increased the pressure on spreads. Liquidity on the markets, however, has collapsed dramatically. Investors have therefore rushed to subscribe to a flood of attractive new issues that have been placed on the market with high premiums. The secondary market, on the other hand, is suffering from excess supply. Companies have to bin their annual forecasts by the dozen, which in turn triggers credit downgrades from the rating agencies.

Covered Bonds 5y (% p.a.)

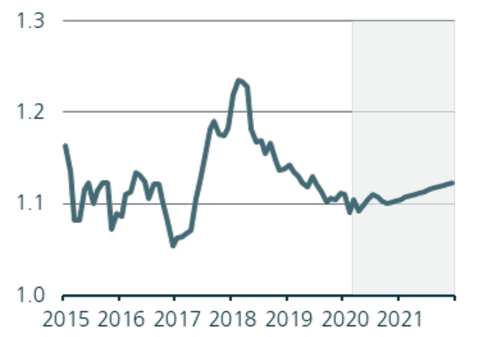
Source: Bloomberg

Covered Bonds

Despite their reputation as safe havens, covered bonds and even bonds issued by the federal German states have suffered in the panic phase of the corona crisis and spreads have widened by up to 30bp. Following the news of the ECB's new asset-purchase programme calm was quickly restored to the market, but initially liquidity remained in very short supply. Due to their very generous premiums there was great demand for the first new issues by the German federal states but the spreads soon narrowed. Issuing houses for covered bonds from the Euro area have limited themselves to issuing bonds only to be delivered to the ECB, albeit in huge quantities. At the end of March, the French issuing houses AXA and BPCE placed bonds of average maturity on the market. As these were able to offer positive yields thanks to their high premiums, they were well received. Otherwise, only Canadian issuers have appeared on the market, for which they have had to offer very high premiums of up to 50bp over Mid Swap.

Markets: Industrial countries

Exchange Rate EUR-USD

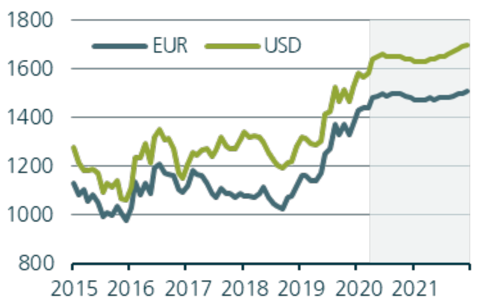


Sources: European Central Bank, forecast DekaBank

Currency market: EUR-USD

At the beginnig of March the Euro stood at 1.11 EUR-USD and at the end of the month was at the same level. However, March was not as quiet as might have been expected, for the corona crisis shook the EUR-USD exchange rate quite severely. In the first half of March the Euro rose to 1.14 EUR-USD, only to slump to 1.06 EUR-USD soon after. However, the Euro was able to recover from this low level. In the following weeks the EUR-USD exchange rate was to-ing and fro-ing in the wake of the measures adopted by the Fed and the ECB. Both central banks have eased their monetary policy several times.

Gold price (per troy ounce)



Per-formance	from 31.03.14 to 31.03.15	31.03.15 31.03.16	31.03.16 31.03.17	31.03.17 31.03.18	31.03.18 31.03.19	31.03.19 31.03.20
Gold in Euro	18.34%	-1.67%	7.52%	-7.70%	7.07%	25.25%
Gold in USD	-7.82%	4.32%	1.06%	6.05%	-2.25%	22.46%

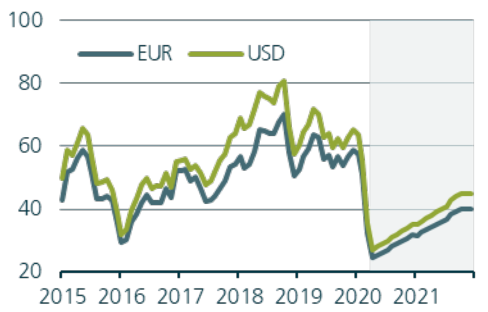
Sources: Bloomberg, forecast DekaBank

Gold

In the last few weeks the prospects for gold have improved substantially. The corona crisis has impelled centralbanks and governments worldwide to implement support measures for the economy. These have loosened the monetary policy stance massively and extended the duration of the low-interest phase. Moreover, the level of public debt is rising in many countries. With the exception of a slight dip in the middle of March, which could be attributed to a short-term rise in the need for liquidity, the gold price has risen. Recently stocks of physically backed gold funds (ETFs) have risen substantially. In the wake of the Fed's substantial cut key rates US real interest rates have also fallen substantially. Once the corona crisis has peaked, we expect there to be a short pause in the rise of the gold price. All in all, however, the long-term prospects for the gold price have improved substantially.

Forecast revision: Upward revision of the gold price forecast.

Crude Oil Brent (per barrel)



Performance	from 31.03.14 to 31.03.15	31.03.15 31.03.16	31.03.16 31.03.17	31.03.17 31.03.18	31.03.18 31.03.19	31.03.19 31.03.20
Brent in Euro	-34.35%	-32.27%	41.94%	15.76%	6.61%	-65.99%
Brent in USD	-48.86%	-28.14%	33.41%	33.01%	-2.68%	-66.75%

Sources: Bloomberg, forecast DekaBank

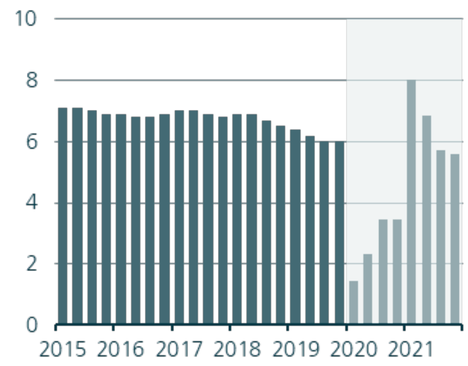
Crude oil

Oil prices have suffered a massive collapse after being attacked from two sides at the same time. Global demand for crude oil will fall this year for the first time since 2009 because the global economy is falling into recession due to the coronavirus crisis. At the same time, global supply is increasing because the alliance between OPEC and Russia collapsed at the beginning of March. Since then there has been a massive price war on the global oil market, as producers offer huge discounts in an attempt to defend their share of the market. In the foreseeable future the low oil prices will put huge pressure on US fracking companies, so that US oil output will suffer the impact in our forecasting period. However, producers' oil stocks are overflowing, so that we believe a recovery of oil prices is highly unlikely.

Forecast revision: Marked downward revision of the oil price forecast.

Emerging Markets

China: GDP (% yoy)



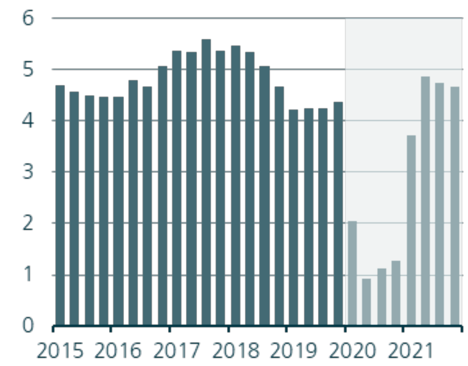
Sources: National Statistics, forecast DekaBank

China

According to official statistics, the Chinese government has largely succeeded in containing the spread of the coronavirus. This has enabled it to remove most of the restrictions it had imposed on free movement. Companies have been resuming production since the middle of February. However, due to interrupted supply chains and delays in the return of migrant workers this process is taking longer than we had expected four weeks ago. Moreover, China's export prospects have worsened significantly. As the global economy is sliding into recession, the government is now focussing its efforts on containing the rise in unemployment. Both loose monetary policy and a widening of the public deficit are used to achieve this goal. However, the risk remains that a second wave of infection will force a second lockdown.

Forecast revision: GDP gowth 2020: 2.7 % (previously 4.3 %).

Emerging Markets: GDP (% yoy)



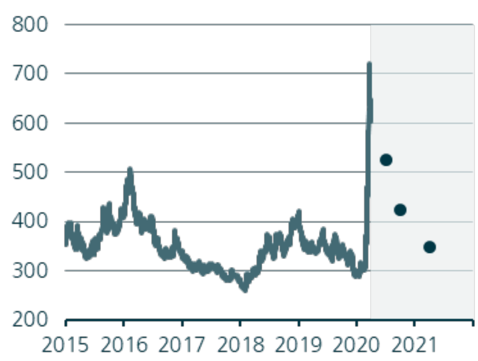
Sources: National Statistics, forecast DekaBank

Emerging Markets: Economy

The emerging-market economies are severely impacted in several different ways. The spread of the coronavirus has led to a substantial decline in economic activity. The industrial countries are already in recession and will reduce their imports from the EM countries. Oil-exporting countries are already losing valuable income due to the slumping oil prices. Finally, the uncertainty prevailing on financial markets is making it more difficult to raise capital. This means that most EM countries will experience a significant fall in GDP growth in the second quarter. They are reacting by cutting key rates and implementing fiscal packages, but this only helps by limiting the number of company insolvencies. An economic upswing will only be possible once the pandemic has been brought under control.

Forecast revision: Downward revision of the GDP growth forecast for most EM countries fo 2020.

EMBIG Diversified-Spread (Bp)



Sources: Bloomberg, forecast DekaBank

Emerging Markets: Markets

The coronavirus pandemic and the collapse of oil prices have led to huge losses in the emerging-market countries. There is great uncertainty with respect to the further spread of the pandemic and the consequences for economic growth and creditworthiness. After China has succeeded in bringing the infection under control with quarantine measures, other countries will also be successful sooner or later. Governments and central banks are doing everything in their power to prevent a wave of insolvencies and have managed to stabilise the markets somewhat. We expect further development to remain volatile, as EM economies will remain plagued by downgrades by the rating agencies and poor economic data for months to come. However, the uncertainty with respect to the current situation is already reflected in current valuations. At the end of the year, we expect a substantial narrowing of the spreads of hard-currency bonds and we also see a potential for recovery with EM equities. However, in view of the lack of monetary policy support, the prospects for EM currencies are very uncertain.

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					
		2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
Germany	3.2	0.6	-4.7	4.8	1.4	1.2	1.4	7.2	6.6	6.2	1.2	-4.7	-3.7
France	2.2	1.2	-4.8	4.0	1.3	0.6	1.1	-0.5	-0.6	-0.7	-3.1	-4.5	-3.8
Italy	1.8	0.3	-8.8	7.7	0.6	0.3	0.9	2.9	2.9	2.9	-2.2	-4.7	-3.5
Spain	1.4	2.0	-6.3	5.1	0.8	0.4	1.1	2.4	2.5	2.6	-2.3	-4.5	-3.8
Netherlands	0.7	1.8	-4.7	3.2	2.7	0.5	1.4	9.5	8.6	8.2	1.5	-3.0	-2.9
Belgium	0.4	1.4	-4.7	3.8	1.2	0.9	1.6	-0.8	-0.9	-1.0	-1.7	-3.9	-3.5
Eurozone	**11.4**	**1.2**	**-5.3**	**4.9**	**1.2**	**0.7**	**1.2**	**3.3**	**3.0**	**2.9**	**-0.8**	**-4.5**	**-3.6**
Sweden	0.4	1.3	-3.9	4.1	1.7	1.0	1.7	3.0	3.4	3.9	0.3	-2.0	-1.0
Denmark	0.2	2.4	-4.1	2.1	0.7	1.0	1.2	6.9	6.5	6.5	2.2	-1.0	0.0
EU-21	**12.0**	**1.3**	**-5.2**	**4.8**	**1.2**	**0.7**	**1.2**	**3.3**	**3.1**	**3.0**	**-0.7**	**-4.3**	**-3.5**
Poland	0.9	4.2	-2.0	4.6	2.3	3.6	2.3	1.1	-0.3	-0.4	-1.2	-3.8	-1.0
Czech Republic	0.3	2.4	-4.0	4.5	2.8	3.2	2.0	0.1	0.3	0.5	0.2	-3.0	-0.3
Hungary	0.2	4.4	-3.2	4.4	3.4	3.6	3.1	-0.3	-0.7	-0.8	-1.8	-4.0	-0.8
EU-27	**14.0**	**1.6**	**-4.9**	**4.7**	**1.5**	**1.2**	**1.4**	**2.6**	**2.5**	**2.2**	**-0.8**	**-4.3**	**-3.2**
USA	15.2	2.3	-3.3	4.5	1.8	1.4	1.7	-2.3	-2.0	-2.0	-7.2	-17.0	-12.0
Japan	4.1	0.7	-2.4	1.8	0.5	0.4	0.2	3.6	4.0	3.5	-2.3	-6.0	-2.5
United Kingdom	2.2	1.4	-4.5	4.9	1.8	1.4	1.9	-4.3	-4.2	-4.2	-2.2	-9.1	-7.7
Canada	1.4	1.6	-2.5	4.0	2.0	1.6	1.9	-2.0	-2.5	-2.5	-0.4	-6.0	-3.0
Australia	1.0	1.8	-1.6	3.8	1.6	1.6	2.1	0.5	0.0	0.5	-0.4	-6.0	-2.5
Switzerland	0.4	0.9	-2.5	3.1	0.4	-0.3	0.3	9.6	9.0	10.1	1.0	-1.0	-0.5
Norway	0.3	2.4	-2.5	2.7	2.2	1.4	3.0	6.9	7.2	6.9	7.6	3.0	5.0
Developed Countries[4]	**36.8**	**1.7**	**-3.8**	**4.2**	**1.5**	**1.1**	**1.4**	**0.4**	**0.4**	**0.4**	**-3.6**	**-10.0**	**-7.0**
Russia	3.1	1.3	-1.8	2.6	4.5	3.7	3.5	4.2	1.5	3.5	1.8	-3.0	0.0
Turkey	1.7	0.8	1.4	3.0	15.5	10.0	9.7	0.2	-1.9	-3.5	-3.4	-4.5	-4.0
Ukraine	0.3	3.6	-2.0	5.0	7.9	6.7	5.7	-3.5	-3.5	-3.2	-1.8	-3.0	-1.9
Emerging Europe[5]	**7.5**	**2.1**	**-1.3**	**3.3**	**6.7**	**5.5**	**4.9**	**0.5**	**-0.6**	**-0.5**	**X**	**X**	**X**
South Africa	0.6	0.2	-1.5	0.7	4.1	4.5	5.0	-3.8	-4.1	-4.5	-6.4	-6.9	-6.1
Middle East, Africa	**3.3**	**2.8**	**0.2**	**3.1**	**6.6**	**6.0**	**5.8**	**-0.9**	**-0.4**	**0.2**	**X**	**X**	**X**
Brazil	2.5	1.1	-0.5	1.6	3.7	4.2	3.9	-2.7	-2.9	-3.1	-5.9	-5.3	-4.9
Mexico	1.9	-0.1	-2.9	0.6	3.6	3.1	2.9	-0.2	-2.5	-2.3	-1.7	-3.0	-2.4
Argentina	0.7	-2.2	-2.3	1.0	53.5	47.3	29.4	-1.6	0.3	0.2	-3.8	-4.2	-2.9
Chile	0.4	1.0	-1.1	2.7	2.3	2.7	2.5	-3.0	-3.2	-3.2	-2.8	-4.7	-4.1
Latin America	**6.8**	**-0.6**	**-2.0**	**1.3**	**8.5**	**7.9**	**5.9**	**-1.7**	**-2.3**	**-2.2**	**X**	**X**	**X**
China	18.7	6.1	2.7	6.6	2.9	3.9	2.7	1.5	2.1	1.5	-6.1	-7.5	-6.3
India	7.7	5.3	0.9	6.0	3.7	5.2	3.9	-1.2	-1.1	-1.0	-7.5	-10.0	-8.0
Indonesia	2.6	5.0	3.8	4.6	3.0	2.1	2.9	-2.7	-2.2	-2.0	-1.6	-5.0	-3.0
South Korea	1.7	2.0	0.8	2.3	0.4	0.7	1.3	3.7	3.9	4.3	-0.3	-3.0	-2.0
Emerging Asia	**34.8**	**5.3**	**1.8**	**5.7**	**2.8**	**3.5**	**2.8**	**1.9**	**2.2**	**1.7**	**X**	**X**	**X**
Emerging Markets	**52.4**	**3.9**	**0.8**	**4.6**	**4.3**	**4.5**	**3.7**	**1.0**	**1.0**	**0.8**	**X**	**X**	**X**
Total[6]	**89.2**	**2.9**	**-1.0**	**4.4**	**3.1**	**3.0**	**2.7**	**X**	**X**	**X**	**X**	**X**	**X**

1) Of 2018, 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.

Interest rates in industrialised countries

		Current	Forecasts		
		Apr 1 2020	3 months	6 months	12 months
Germany	Monetary policy (Refi rate)	0.00	0.00	0.00	0.00
	Monetary policy (Deposit)	-0.50	-0.50	-0.50	-0.50
	3 months (EURIBOR)	-0.34	-0.38	-0.40	-0.40
	12 months (EURIBOR)	-0.17	-0.20	-0.25	-0.27
	Bunds, 2 years	-0.64	-0.75	-0.75	-0.75
	Bunds, 5 years	-0.61	-0.70	-0.70	-0.65
	Bunds, 10 years	-0.46	-0.55	-0.55	-0.50
	Bunds, 30 years	-0.02	-0.05	-0.05	0.00
USA	Monetary policy (FFR)	0,00-0,25	0,00-0,25	0,00-0,25	0,00-0,25
	3 months (LIBOR)	1.45	0.90	0.60	0.40
	12 months (LIBOR)	1.00	0.80	0.55	0.45
	US-Treasuries, 2 years	0.21	0.30	0.30	0.30
	US-Treasuries, 5 years	0.35	0.50	0.50	0.65
	US-Treasuries, 10 years	0.58	0.90	0.90	0.90
	US-Treasuries, 30 years	1.22	1.35	1.35	1.35
Japan	Monetary policy (Call)	-0.10	-0.10	-0.10	-0.10
	3 months (LIBOR)	-0.05	-0.05	-0.05	-0.05
	12 months (LIBOR)	0.10	0.10	0.10	0.10
	JGBs, 2 years	-0.11	-0.20	-0.20	-0.20
	JGBs, 5 years	-0.10	-0.10	-0.10	-0.10
	JGBs, 10 years	0.01	0.05	0.05	0.05
	JGBs, 30 years	0.42	0.35	0.35	0.35
United Kingdom	Monetary policy (Base)	0.10	0.10	0.10	0.10
	3 months (LIBOR)	0.60	0.55	0.50	0.40
	12 months (LIBOR)	0.86	0.80	0.70	0.70
	Gilts, 2 years	0.13	0.20	0.20	0.30
	Gilts, 5 years	0.18	0.30	0.30	0.40
	Gilts, 10 years	0.31	0.40	0.40	0.60
	Gilts, 30 years	0.77	0.85	0.85	0.95
Sweden	Monetary policy (Repo)	0.00	0.00	0.00	0.00
	3 months (STIB)	0.33	0.30	0.20	0.20
	2 years	-0.27	-0.30	-0.30	-0.20
	10 years	-0.14	0.00	0.10	0.20
Denmark	Monetary policy (Repo)	0.05	0.05	0.05	0.05
	3 months (CIBOR)	-0.12	-0.18	-0.30	-0.35
	2 years	-0.46	-0.55	-0.65	-0.70
	10 years	-0.17	-0.25	-0.35	-0.40
Norway	Monetary policy (Deposit)	0.25	0.25	0.25	0.25
	3 months (NIBOR)	1.05	0.90	0.80	0.65
	2 years	0.38	0.40	0.50	0.60
	10 years	0.82	1.00	1.10	1.20
Switzerland	Monetary policy (LIBOR)	-0.75	-0.75	-0.75	-0.75
	3 months (LIBOR)	-0.66	-0.75	-0.75	-0.75
	2 years	-0.60	-0.75	-0.75	-0.75
	10 years	-0.33	-0.20	-0.20	0.00
Canada	Monetary policy (O/N)	0.25	0.25	0.25	0.25
	3 months (CBA)	1.23	1.40	1.05	0.45
	12 months (CBA)	1.21	1.35	1.05	0.45
	2 years	0.40	0.60	0.60	0.60
	5 years	0.54	0.75	0.75	0.75
	10 years	0.62	0.85	0.85	0.95
	30 years	1.21	0.95	0.95	1.05
Australia	Monetary policy (Cash)	0.25	0.25	0.25	0.25
	3 months (ABB)	0.32	0.45	0.45	0.45
	2 years	0.21	0.30	0.30	0.30
	10 years	0.68	0.90	0.90	0.90

Interest rates in EM countries

			Current	Forecasts		
			Apr 1 2020	3 months	6 months	12 months
Central- and Eastern Europe	Poland	Monetary policy (Repo)	1.00	0.50	0.50	0.50
		3 months (WIB)	1.07	1.10	1.10	1.20
		2 years	0.93	0.90	1.00	1.40
		10 years	1.73	1.80	1.80	2.00
	Czech Rep.	Monetary policy (Repo)	1.00	0.50	0.50	0.75
		3 months (PRIBOR)	1.02	0.90	1.00	1.30
		2 years	0.99	0.80	1.00	1.50
		10 years	1.58	1.40	1.40	1.80
	Hungary	Monetary policy (Deposit)	0.90	0.90	0.90	0.90
		3 months (BUBOR)	0.47	0.40	0.50	0.60
		3 years	1.34	1.00	1.00	1.10
		10 years	2.67	2.50	2.50	2.60
Latin America	Brazil	Monetary policy (Repo)	3.75	4.00	3.75	4.00
		3 months (ABG)	3.54	4.00	3.78	4.05
		2 years	4.62	4.90	5.00	5.15
		10 years	8.62	6.50	6.40	6.40
	Mexico	Monetary policy	6.50	6.50	6.25	6.25
		3 months (Mexibor)	6.41	6.40	6.30	6.20
		2 years	6.16	6.70	6.60	6.60
		10 years	7.15	6.60	6.50	6.50
Asia	China	Monetary policy	1.50	1.25	1.25	1.25
		3 months	1.92	2.10	2.30	2.50
		3 years	1.97	2.20	2.40	2.60
		10 years	2.55	2.70	2.80	2.90
	Singapore	Monetary policy	n.a.	n.a.	n.a.	n.a.
		3 months	1.00	1.00	1.00	1.00
		2 years	0.73	1.00	1.00	1.00
		10 years	1.29	1.50	1.50	1.50
	South Korea	Monetary policy	0.75	0.50	0.50	0.50
		3 months	0.81	0.60	0.60	0.60
		2 years	1.07	1.20	1.30	1.30
		10 years	1.56	1.60	1.60	1.60

Yield spreads in basis points[1)]

			Current	Forecasts		
			Apr 1 2020	3 months	6 months	12 months
Emerging Markets, EMBIG Div Spreads	Central- and Eastern Europe	Russia	313	253	205	169
		Turkey	770	624	505	416
		Hungary	257	209	169	139
	Africa	South Africa	761	617	499	411
	Latin America	Brazil	417	338	273	225
		Chile	322	261	211	174
		Columbia	405	328	266	219
		Mexico	702	569	460	379
	Asia	China	182	147	119	98
		Indonesia	365	296	239	197
		Philippines	226	183	148	122
	Total (EMBIG Div)		**648**	**525**	**425**	**350**

1) The yield spread is calculated as the market weighted sum of the spreads between the respective USD-bonds and the US-treasuries of corresponding maturity. The Emerging Markets Bond Index Global Div (EMBIG Div) is relevant.

Currencies

EURO		Current	Forecasts		
		Apr 1 2020	3 months	6 months	12 months
Dollar-Bloc	EUR-USD	1.09	1.11	1.10	1.11
	EUR-CAD	1.55	1.55	1.54	1.53
	EUR-AUD	1.79	1.79	1.77	1.76
Japan	EUR-JPY	116.99	120.99	119.90	122.10
Euro-Outs	EUR-GBP	0.88	0.90	0.87	0.90
	EUR-DKK	7.47	7.47	7.47	7.47
	EUR-SEK	10.99	10.80	10.50	10.40
	EUR-CHF	1.06	1.06	1.07	1.08
	EUR-NOK	11.48	11.40	11.00	10.70
Central- and Eastern Europe	EUR-PLN	4.59	4.50	4.40	4.30
	EUR-HUF	363.16	350.00	340.00	330.00
	EUR-CZK	27.56	27.00	26.50	26.00
Africa	EUR-ZAR	19.83	17.76	17.60	17.65
Latin America	EUR-BRL	5.75	5.33	5.06	4.66
	EUR-MXN	26.78	23.31	22.55	22.20
Asia	EUR-CNY	7.76	7.88	7.70	7.88
	EUR-SGD	1.57	1.63	1.60	1.58
	EUR-KRW	1352	1376	1353	1354
US-Dollar		**Current**	**Forecasts**		
		Apr 1 2020	**3 months**	**6 months**	**12 months**
Dollar-Bloc	USD-CAD	1.42	1.40	1.40	1.38
	AUD-USD	0.61	0.62	0.62	0.63
Japan	USD-JPY	107.08	109.00	109.00	110.00
Euro-Outs	GBP-USD	1.24	1.23	1.26	1.23
	USD-DKK	6.83	6.73	6.79	6.73
	USD-SEK	10.06	9.73	9.55	9.37
	USD-CHF	0.97	0.95	0.97	0.97
	USD-NOK	10.51	10.27	10.00	9.64
Central- and Eastern Europe	USD-PLN	4.20	4.05	4.00	3.87
	USD-HUF	332.44	315.32	309.09	297.30
	USD-CZK	25.23	24.32	24.09	23.42
Africa	USD-ZAR	18.15	16.00	16.00	15.90
Latin America	USD-BRL	5.25	4.80	4.60	4.20
	USD-MXN	24.52	21.00	20.50	20.00
Asia	USD-CNY	7.10	7.10	7.00	7.10
	USD-SGD	1.44	1.47	1.45	1.42
	USD-KRW	1231	1240	1230	1220

Commodities

Commodity	Current	Forecasts		
	Apr 1 2020	3 months	6 months	12 months
Gold (USD per troy ounce)	1,583.23	1,660	1,650	1,630
Gold (EUR per troy ounce)	1,449.18	1,500	1,500	1,470
WTI crude (USD per Barrel)	20.31	24	27	32
WTI crude (EUR per Barrel)	18.59	22	25	29
Brent crude (USD per Barrel)	20.44	29	32	37
Brent crude (EUR per Barrel)	18.71	26	29	33

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