Macro Research
Economic Forecasts

The effect of loose monetary policy is on the wane.

Sources: Fotalia, DekaBank

The idea still appears captivating. Central banks boost economic growth with their cheap money policies. Low interest rates on credit enable private households to step up their expenditure. Companies obtain investment credit on favourable conditions and can thus create many new jobs.

Unfortunately, low interest rates alone are no guarantee for strong economic growth and more jobs. What use is the cheapest investment credit, if companies see little prospect of higher demand and therefore hardly any grounds for investment? And what good is cheap consumer credit, if many private households prefer to save their money to make financial provisions for the future?

The strongest stimulating impact of low interest rates does indeed now lie in the past. There is, it is true, still a residual positive effect, but it is growing weaker. Economists like to refer to the declining marginal benefit of expansive monetary policy. Accordingly, global economic growth has weakened, the prospect of stagnation has drawn closer and the buffer has disappeared that provided protection against those disturbances commonly referred to as "exogenous shocks", all of which has left financial markets increasingly nervous and share prices fluctuating strongly.

One consequence of sluggish global economic growth has been that company profits are no longer gushing as they have done in recent years. This is particularly true of the USA, as has been confirmed by the current reporting season. The air is growing thinner there for both equities and corporate bonds. The prospects are better for European equities, which we believe still have sufficient potential. All in all, the valuation of equities as an asset class remains attractive, especially in comparison with low-yielding government bonds and fixed-interest bank deposits.

What is currently lacking is a substantial boost for the global economy, which would inspire speculative hopes for shares. Unfortunately, there is little sign of such a development in either the emerging markets or the industrial countries. In the medium and long term a recovery could be driven by reforms, such as combating corruption, more flexible labour markets, better education or more efficient bureaucracies. However, such reforms must first be implemented and their impact will be felt only after a considerable time lag. Until then for better or for worse we must make do with weak growth and with low yields from our investments. Under these circumstances and in view of the extreme nervousness on the markets and the consequent risks arising therefrom, investments should more than ever be spread as widely as possible.

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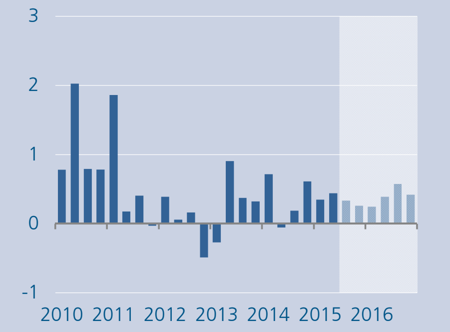
+ Euro-US dollar exchange rate: smaller depreciation of Euro over 3, 6 and 12 months.
+ Brazil: GDP 2016: -0.9 % (previously: -0.2 %).

Economy: Industrial countries

Germany: GDP (% qoq, sa)



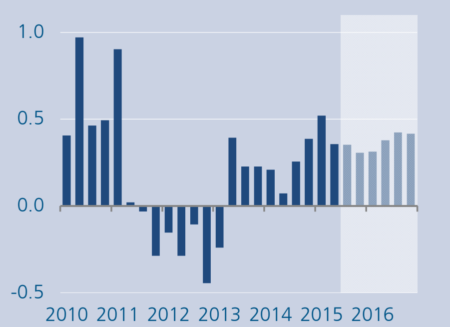
Sources: Destatis, forecast DekaBank

Germany

Indicators of market sentiment are currently clearly divided. Whereas corporate sentiment is robust and expectations are even improving, financial market analysts are substantially scaling back their expectations. Hard economic data covering the period to August appear to support the latter. Only domestic demand has been running smoothly. Exports and export orders from outside the Euro zone, on the other hand, have proved very weak. The school-holiday period may well have had a minor impact on growth, but the marked slump cannot be attributed to this alone. Even if the economy rebounds in September, the third quarter will undoubtedly prove weaker than expected.

Forecast revision: GDP 2015: 1.7 % (previously: 1.8 %).

Eurozone: GDP (% qoq, sa)



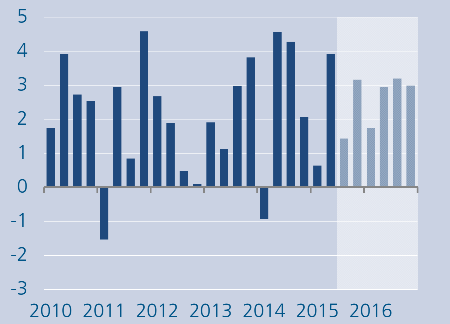
Sources: Eurostat, forecast DekaBank

Eurozone

In the third-quarter indicators of market sentiment there are no visible signs of a slowdown of the Euro zone economy due to the weakening of the emerging markets. Economic confidence as reflected by the EU Commission Economic Sentiment Indicator rose in September to its highest level in four years and in the third quarter on average also registered a four-year high. Moreover, the growth base presumably widened in the third quarter. Although France's second-quarter performance with its stagnating economy proved disappointing, the EU Economic Sentiment Indicator is also predicting growth here. However, the current economic recovery does not suffice to compensate for the weak development of energy prices and for the first time since March the inflation rate turned negative in September.

Forecast revision: –.

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



Sources: Bureau of Economic Analysis, forecast DekaBank

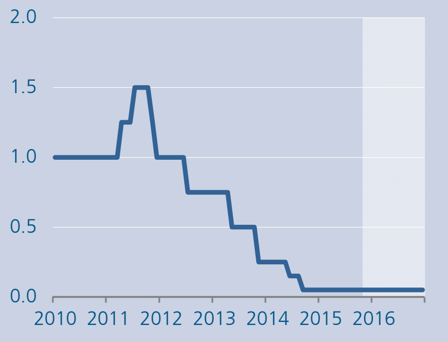
USA

Economic data for the third quarter signal a weakening of GDP growth. The otherwise strong development in this period was slowed by previous excessively high inventory activity together with a special effect in the case of government expenditures. Private consumption expenditure in particular appears to have increased surprisingly strong. A disappointingly weak labour market report for September showed that the increase in the number of jobs created in the current year has slowed. In view of the diminishing supply of potential labour this development is hardly surprising. Minor adjustments to our energy price forecasts have led us to revise our inflation forecast down.

Forecast revision: Inflation 2016: 2.2 % (previously: 2.4 %).

Markets: Industrial countries

ECB: Repo Rate (% p.a.)

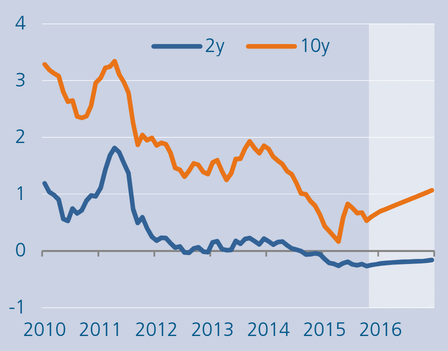


Sources: European Central Bank, forecast DekaBank

The European Central Bank / Money market

Since the ECB's meeting at the beginning of September the EURIBOR fixings and, above all, the expected EONIA and EURIBOR rates factored into futures have fallen further. Market participants now expect a renewed easing of monetary policy and do not exclude the possibility of a lowering of the already negative deposit rate. In our opinion, however, the ECB will leave the deposit rate facility as it is believing that excessively negative money market rates would have a negative impact. In the case of EONIA and EURIBOR rates, therefore, we see little scope for downward movement. Instead we expect the ECB to announce its intention to extend its bond-buying program beyond September 2016. As a consequence of the resulting further increase in surplus liquidity EONIA and EURIBOR rates will probably remain negative for longer than is currently reflected by futures.

German Bond Yield (% p.a.)



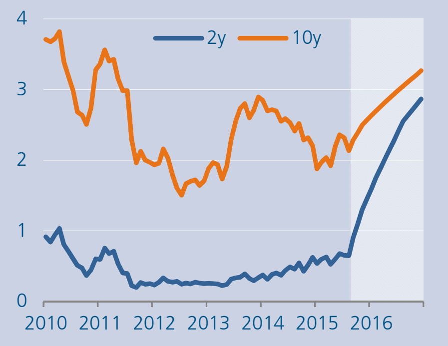
Sources: Bloomberg, forecast DekaBank

Eurozone bond market

The renewed slump in Bund yields since the beginning of September reflects expectations that the ECB will ease its monetary policy further, whilst the Fed is preparing to raise its key rates. The expected extension of the ECB's bond-buying program beyond September 2016 should not therefore result in a sustained lowering of yields. This would call for more comprehensive measures by the ECB, in particular a substantial increase in its monthly purchases. However, the ECB would only be likely to have recourse to such options if the economic situation were to worsen dramatically. A continuation of moderate growth with a somewhat higher rate of inflation should therefore result in a slight rise in the yields of long-term Bunds.

Forecast revision: –.

US Bond Yield (% p.a.)



Sources: Bloomberg, forecast DekaBank

US bond market

The Fed did not raise its key rates in September. Both the statement issued at the end of the meeting and the minutes published later indicate that the FOMC members believe current global developments raise risks of a weaker price development. These risks are unlikely to be overcome in the immediate future, so that the interest-rate turnaround can only be expected in December at the earliest. In view of the beginning reinvestment of government bonds in February the scope of the ECB's expansive monetary policy will remain largely unchanged until the middle of 2016 and therefore the potential for rising yields will also be limited in this period.

Forecast revision: Postponement of interest rate turnaround from September to December 2015. Lower yield forecasts for government bonds.

Markets: Industrial countries

Equity Market Forecast

	Current Oct 15, 15	in 3 months	in 6 months	in 12 months
DAX	**10 064.80**	**10 500**	**11 000**	**11 500**
Memorandum item:				
EuroStoxx50	3 238.81	3 350	3 450	3 700
S&P 500	2 023.86	1 950	2 000	1 950
Topix	1 490.72	1 500	1 450	1 400

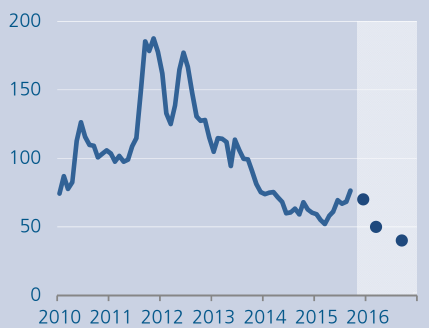
Sources: Deutsche Börse AG, forecast DekaBank

Equity market: Germany

Uncertainty on the equity market has increased noticeably in recent weeks and this can be attributed not only to the VW scandal. Numerous profit warnings from the corporate side have prevented concerns over the current state of the emerging markets from easing. However, these issues are now reflected in the market. It should not be forgotten that despite the difficult environment many German companies will still be able to increase their earnings this year against last year's performance. Moreover, valuations have slumped substantially since April. In the weeks to come investors will need strong nerves, as equity prices are likely to fluctuate to an unusual degree. Long-term prospects, however, remain positive.

Forecast revision: –.

iTraxx Europe (Bp)



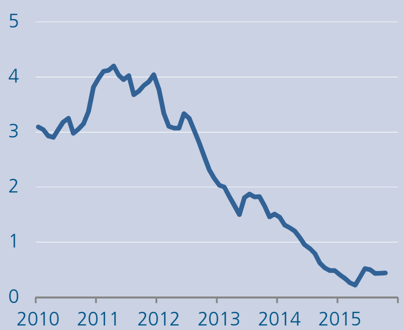
Sources: International Index Company, forecast DekaBank

Corporate bond market: Eurozone

The attention of the credit markets has been occupied by a whole range of issues in recent weeks. First and foremost has been the VW emissions scandal, which has driven the risk premiums of VW bonds sharply upwards and has also placed a significant strain on other companies in the sector. German suppliers have been suffering from uncertainty over the high costs of phasing out nuclear energy and the energy sector as a whole from very low energy costs. Some of the negative factors have in the meantime been put into perspective, but on balance risk aversion has been enhanced. Anyway, investors have now become somewhat more cautious, after concerns over the economic weakening of the emerging markets, above all in China, had preoccupied the markets. The current quarterly reporting season should underpin corporate bonds with slightly positive reports.

Forecast revision: –.

Covered Bonds 5y (% p.a.)



Source: Bloomberg

Covered Bonds

Despite some market turbulence due to increased concern over the weakening economy in the emerging markets, September proved to be one of the strongest months in recent years for new issues of covered bonds. New issues were launched above all in Euro zone peripheral countries. However, given investors' enhanced risk aversion it was more difficult to place these bonds and risk premiums widened. Meanwhile, at the higher spread level buyers have appeared from Treasury departments and asset-management enterprises. Issuers have also adapted to the situation and are offering investors more attractive new-issue premiums. With slightly higher premiums new issues of German mortgage bonds are also attracting buyers other than the Bundesbank.

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DekaBank

Markets: Industrial countries

Exchange Rate EUR-USD

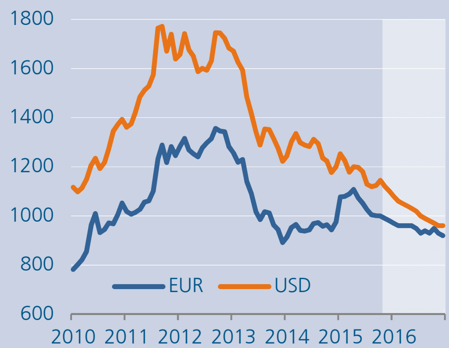
Sources: European Central Bank, forecast DekaBank

Currency market: EUR-USD

In recent weeks the Euro has performed well against the US dollar. Since the beginning of September it has appreciated from 1.12 EUR-USD to 1.14 EUR-USD. The prime stimulus came from the USA. At its meeting in September the Fed surprisingly decided not to launch its interest-rate turnaround and therewith dragged down the value of the US dollar. To make matters worse, at the beginning of October the US labour market report for September proved disappointing. The number of new jobs created was substantially lower than had been expected and the already weak performance in the previous month was again revised downwards. A stronger appreciation of the Euro was hindered by the weak development of inflation in the Euro zone and the associated higher probability of an extension of the ECB's bond-buying program.

Forecast revision: Lower Euro depreciation against the US dollar over the next 3, 6 and 12 months.

Gold price (per troy ounce)



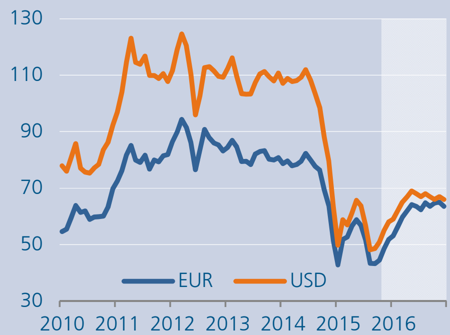
Sources: Bloomberg, forecast DekaBank

Gold

The price of gold has risen and in US dollars has reached its highest level in three months. The recent depreciation of the US dollar against the most important world trading currencies undoubtedly contributed to this development, for this boosted the purchasing power of purchasers from regions outside the USA. At the same time, however, the depreciation of the US dollar against the Euro meant that those in Europe wishing to invest in gold did not benefit, as measured in Euros very little remains of the increase in the gold price. Another factor contributing to recent gold price developments has been the Fed's reluctance to launch its interest-rate turnaround, which could continue to provide support for the gold price in the course of the current year. Nevertheless, in the medium term we expect higher interest rates and sustained low inflation in the absence of fresh crises on the financial markets will result in a slight downward trend in the price of gold.

Forecast revision: –.

Crude Oil Brent (per barrel)



Sources: Bloomberg, forecast DekaBank

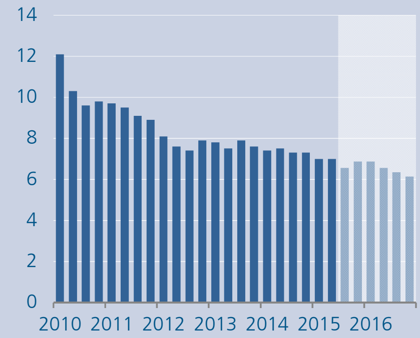
Crude oil

At the beginning of October the oil price rose again very briefly above the USD 50 mark. However, if our forecasts are correct, we may not have seen the last of up-ward trends. The attention of market participants has been focused increasingly on the supply side. Investors are increasingly coming to believe that investment in oil is something of a white elephant. Due to the low price of oil investment has been drastically slashed, which is bound to have a negative impact on the future supply of oil. The International Energy Agency has referred to this year's slump as the greatest investment downturn in the history of the oil sector. In the medium term only a modest increase in global demand will suffice to bring the oversupply of oil to an end. The Americans have already taken the first step in this direction and US oil output is already 0.5 million barrels per day below its peak in June 2015.

Forecast revision: –.

Emerging Markets

China: GDP (% yoy)



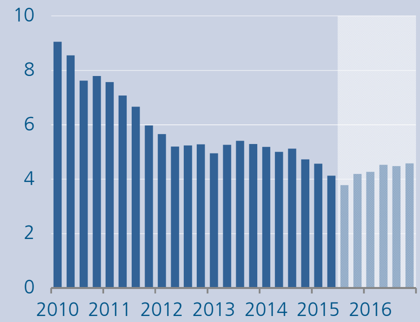
Sources: National Statistics, forecast DekaBank

China

In recent weeks there has been hardly any fresh negative news from China. After the devaluation of the renminbi in August and the equity market crash there was widespread concern that the government could lose control of the situation. However, it has succeeded – for the time being at least – in establishing a degree of stability on both equity and currency markets. The modest fall in currency reserves has shown that the timely intervention on the currency markets held the situation in check. With respect to the real economy all the indicators are signaling a weakening. We expect GDP growth of 6.9 % this year and 6.5 % in 2016.

Forecast revision: –.

Emerging Markets: GDP (% yoy)



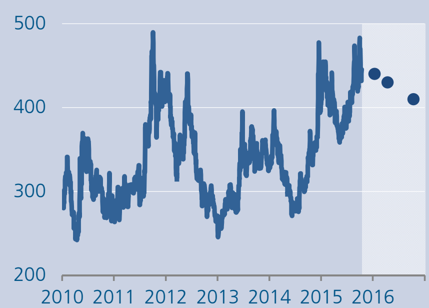
Sources: National Statistics, forecast DekaBank

Emerging Markets: Economy

In some of the major EM countries there has been a flood of negative headlines in recent weeks: Russia's air raids in Syria have raised the spectre of another confrontation with the West; after the terrorist bombing in Turkey fears are growing that that there could be a further escalation of violence; in Brazil a tribunal has judged the government budget to be unlawful. In Asia the purchasing managers' indices continue to signal a weak economy. However, the turbulence experienced in the summer did not lead to an economic collapse, which in itself offers some reassurance. Market sentiment has also been lifted by the recovery of commodity prices and the Fed's cautious approach with regard to its interest-rate turnaround.

Forecast revision: GDP forecast for Brazil 2016: -0.9 % (previously: -0.2 %).

EMBIG-Spread (Bp)



Sources: Bloomberg, forecast DekaBank

Emerging Markets: Markets

In recent weeks EM equities and bonds have staged a recovery after a long period of weakness. The ground for this recovery had already been prepared by the extremely pessimistic sentiment that had led to one-sided positioning. The recovery was also helped by the Fed's cautious approach to its interest-rate turnaround and the recovery of commodity prices. At the end of September a counter movement was triggered by the Chinese government's intervention to boost growth (lowering equity requirements for house buyers, lowering VAT on passenger cars). However, we do not believe the current environment is conducive to sustained recovery: economic data from EM countries will almost certainly remain weak and the Fed will probably raise its key rates again in December. On the political side there is no sign of any easing of tension: Russia's air raids in Syria have raised the spectre of another diplomatic confrontation with the West and in Brazil the pressure is increasing on President Rousseff.

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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					
		2014	2015	2016	2014	2015	2016	2014	2015	2016	2014	2015	2016
Germany	3.4	1.6	1.7	1.5	0.8	0.1	1.5	7.4	7.3	7.4	0.7	0.6	0.5
France	2.4	0.2	1.1	1.3	0.6	0.2	1.4	-1.0	-2.2	-1.9	-4.0	-3.8	-3.5
Italy	2.0	-0.4	0.8	1.3	0.2	0.1	1.0	1.9	1.8	1.8	-3.0	-2.6	-2.0
Spain	1.5	1.4	3.1	2.2	-0.2	-0.7	0.5	0.8	0.7	0.9	-5.8	-4.5	-3.5
Netherlands	0.7	1.0	2.1	1.8	0.3	0.3	1.6	10.3	7.7	7.7	-2.3	-1.7	-1.2
Eurozone	**12.2**	**0.9**	**1.5**	**1.4**	**0.4**	**0.1**	**1.3**	**2.0**	**2.6**	**2.8**	**-2.4**	**-2.1**	**-1.7**
United Kingdom	2.4	2.9	2.5	2.4	1.5	0.1	1.2	-5.5	-4.9	-4.1	-5.7	-4.5	-3.1
Sweden	0.4	2.4	3.1	2.8	0.2	0.6	2.0	5.8	5.8	5.6	-1.9	-1.5	-1.0
Denmark	0.2	1.1	1.7	1.8	0.3	0.4	1.3	6.2	6.1	6.2	1.2	-1.5	-2.6
EU-21	**15.2**	**1.2**	**1.7**	**1.6**	**0.6**	**0.1**	**1.3**	**1.0**	**1.6**	**1.8**	**-2.9**	**-2.4**	**-1.9**
Poland	0.9	3.4	3.4	2.9	0.1	-0.8	2.2	0.0	0.0	0.0	-3.2	-2.8	-2.6
Hungary	0.2	3.6	2.7	2.3	-0.2	0.6	2.4	3.9	4.5	4.0	-2.6	-2.5	-2.2
Czech Republic	0.3	2.0	4.4	2.3	0.4	0.5	1.6	0.5	1.0	0.6	-2.0	-2.0	-1.5
EU-28	**17.2**	**1.5**	**2.0**	**1.8**	**0.7**	**0.1**	**1.1**	**0.9**	**1.4**	**1.6**	**-2.9**	**-2.5**	**-2.0**
USA	16.1	2.4	2.5	2.6	1.6	0.2	2.2	-2.2	-2.5	-2.5	-5.0	-4.0	-3.0
Japan	4.4	-0.1	0.5	1.0	2.8	1.0	1.4	0.5	3.5	3.0	-7.7	-7.0	-6.0
Canada	1.5	2.4	1.2	2.3	1.9	1.1	1.8	-2.1	-3.5	-3.0	-1.6	-2.0	-2.0
Australia	1.0	2.7	2.3	2.5	2.5	1.8	2.4	-3.0	-4.0	-4.0	-3.0	-1.5	-2.0
New Zealand	0.1	3.0	2.4	2.4	1.2	0.4	2.2	-3.5	-5.0	-5.5	0.0	0.5	1.0
Switzerland	0.4	1.9	1.0	1.0	0.0	-1.2	-0.5	16.2	16.1	16.2	0.7	0.2	-0.2
Norway	0.3	2.3	1.2	1.5	2.0	2.0	2.2	8.9	9.2	9.3	10.5	9.4	8.3
Developed Countries[4]	**39.1**	**1.7**	**1.9**	**2.0**	**1.4**	**0.3**	**1.7**	**-0.4**	**0.0**	**0.0**	**-4.1**	**-3.4**	**-2.7**
Russia	3.3	0.6	-3.9	0.3	7.8	15.2	7.8	3.1	5.2	5.5	-0.5	-2.9	-2.5
Turkey	1.4	2.9	3.5	2.3	8.9	7.4	7.2	-5.8	-5.8	-6.0	-1.3	-1.7	-2.2
Ukraine	0.3	-7.2	-11.0	0.9	12.1	51.4	13.5	-4.3	-1.5	-3.0	-4.3	-4.8	-4.7
Emerging Europe[5]	**7.4**	**1.5**	**-0.7**	**1.4**	**6.6**	**10.9**	**5.8**	**-0.4**	**-0.9**	**0.3**	**X**	**X**	**X**
South Africa	0.7	1.5	1.4	1.7	6.1	4.8	5.1	-5.4	-3.7	-4.0	-3.8	-4.2	-3.5
Middle East, Africa	**3.5**	**3.4**	**3.0**	**3.4**	**6.5**	**6.6**	**6.5**	**2.1**	**2.5**	**1.4**	**X**	**X**	**X**
Brazil	3.0	0.2	-2.7	-0.9	6.3	8.8	6.6	-4.4	-3.7	-3.7	-6.3	-7.7	-7.8
Mexico	2.0	2.1	2.3	2.6	4.0	2.7	3.7	-2.1	-2.2	-2.2	-3.2	-3.5	-3.0
Argentina	0.9	0.5	1.8	1.4	37.6	27.6	25.9	-0.9	-1.6	-2.2	-2.5	-4.5	-3.1
Chile	0.4	1.8	2.1	1.9	4.4	4.4	4.4	-1.2	-0.4	-0.9	-1.6	-3.0	-2.2
Latin America	**8.0**	**1.2**	**-0.2**	**0.7**	**12.1**	**16.2**	**15.2**	**-1.9**	**-2.9**	**-3.0**	**X**	**X**	**X**
China	16.3	7.3	6.9	6.5	2.1	1.6	1.9	2.1	3.8	3.4	-1.8	-2.6	-3.0
India	6.8	7.1	7.1	6.8	6.7	5.2	5.1	-1.3	-1.4	-1.6	-4.0	-4.0	-3.7
South Korea	1.6	3.3	2.2	2.0	1.3	0.7	1.0	6.3	6.2	5.1	0.6	-0.2	0.1
Philippines	0.6	6.0	5.4	5.3	4.2	1.4	2.3	4.4	4.7	4.1	-0.6	-1.9	-2.3
Emerging Asia	**31.3**	**6.4**	**5.9**	**5.7**	**3.4**	**2.6**	**2.7**	**1.9**	**2.0**	**2.5**	**X**	**X**	**X**
Emerging Markets	**50.2**	**4.6**	**3.8**	**4.1**	**5.5**	**6.2**	**5.4**	**1.0**	**0.8**	**1.2**	**X**	**X**	**X**
Total[6]	**89.3**	**3.3**	**3.0**	**3.2**	**3.7**	**3.6**	**3.8**	**X**	**X**	**X**	**X**	**X**	**X**

1) Of 2014, 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		
		Oct 16 2015	3 months	6 months	12 months
Germany	Monetary policy (Refi)	0.05	0.05	0.05	0.05
	3 months (EURIBOR)	-0.05	-0.05	-0.06	-0.05
	12 months (EURIBOR)	0.13	0.14	0.13	0.14
	Bunds, 2 years	-0.27	-0.22	-0.20	-0.18
	Bunds, 5 years	-0.03	0.05	0.10	0.20
	Bunds, 10 years	0.57	0.70	0.80	1.00
	Bunds, 30 years	1.33	1.50	1.70	1.90
USA	Monetary policy (FFR)	0.00-0.25	0.25-0.50	0.50-0.75	1.00-1.25
	3 months (LIBOR)	0.32	0.55	0.80	1.30
	12 months (LIBOR)	0.83	1.00	1.25	1.80
	US-Treasuries, 2 years	0.61	0.85	1.25	2.15
	US-Treasuries, 5 years	1.36	1.65	1.85	2.50
	US-Treasuries, 10 years	2.04	2.25	2.40	2.85
	US-Treasuries, 30 years	2.89	3.00	3.10	3.40
Japan	Monetary policy (Call)	0.10	0.10	0.10	0.10
	3 months (LIBOR)	0.08	0.10	0.10	0.10
	12 months (LIBOR)	0.24	0.25	0.20	0.20
	JGBs, 2 years	0.01	0.05	0.05	0.05
	JGBs, 5 years	0.07	0.20	0.30	0.55
	JGBs, 10 years	0.33	0.50	0.55	0.70
	JGBs, 30 years	1.36	1.50	1.60	1.80
United Kingdom	Monetary policy (Base)	0.50	0.50	0.75	1.00
	3 months (LIBOR)	0.58	0.80	1.00	1.30
	12 months (LIBOR)	1.03	1.20	1.50	1.90
	Gilts, 2 years	0.56	0.90	1.20	1.70
	Gilts, 5 years	1.17	1.50	1.70	2.00
	Gilts, 10 years	1.83	2.00	2.20	2.40
	Gilts, 30 years	2.59	2.65	2.75	2.85
Sweden	Monetary policy (Repo)	-0.35	-0.35	-0.35	-0.20
	3 months (STIB)	-0.30	-0.35	-0.35	-0.20
	2 years	-0.46	-0.40	-0.20	0.20
	10 years	0.66	0.80	0.90	1.20
Denmark	Monetary policy (Repo)	0.05	0.05	0.05	0.05
	3 months (CIBOR)	-0.06	-0.05	-0.06	-0.05
	2 years	-0.23	-0.12	-0.10	-0.08
	10 years	0.87	1.00	1.10	1.30
Norway	Monetary policy (Deposit)	0.75	0.75	0.75	0.75
	3 months (NIBOR)	1.12	1.10	1.10	1.10
	2 years	0.65	0.70	0.70	0.80
	10 years	1.56	1.70	1.90	2.20
Switzerland	Monetary policy (LIBOR)	0.00 - 0.25	0.00 - 0.25	0.00 - 0.25	0.00 - 0.25
	3 months (LIBOR)	-0.72	-0.75	-0.75	-0.75
	2 years	-0.77	-0.75	-0.75	-0.60
	10 years	-0.22	-0.10	0.10	0.40
Canada	Monetary policy (O/N)	0.50	0.50	0.50	1.25
	3 months (CBA)	0.80	0.85	0.85	1.45
	12 months (CBA)	0.90	1.05	1.35	2.05
	2 years	0.54	0.75	1.05	1.80
	5 years	0.85	1.20	1.50	2.30
	10 years	1.49	1.75	2.05	2.60
	30 years	2.28	2.45	2.70	3.30
Australia	Monetary policy (Cash)	2.00	2.00	2.00	2.25
	3 months (ABB)	2.14	2.10	2.15	2.55
	2 years	1.77	2.10	2.35	2.80
	10 years	2.60	2.85	3.00	3.20

Interest rates in EM countries

			Current	Forecasts		
			Oct 16 2015	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	1.60	1.80
		2 years	1.72	1.90	2.00	2.30
		10 years	2.67	2.90	3.10	3.40
	Czech Rep.	Monetary policy (Repo)	0.05	0.05	0.05	0.05
		3 months (PRIBOR)	0.29	0.30	0.30	0.30
		2 years	-0.19	-0.15	-0.10	0.10
		10 years	0.60	0.75	0.85	1.10
	Hungary	Monetary policy (Deposit)	1.35	1.35	1.35	1.65
		3 months (BUBOR)	1.35	1.40	1.60	1.90
		3 years	1.73	1.60	2.00	2.30
		10 years	3.28	3.40	3.80	4.00
Latin America	Brazil	Monetary policy (Repo)	14.25	14.25	14.25	14.00
		3 months (ABG)	14.38	14.40	14.25	13.80
		2 years	15.69	14.80	14.50	13.80
		9 years	15.76	14.60	14.50	13.00
	Mexico	Monetary policy	3.00	3.75	4.00	4.50
		3 months (Mexibor)	3.31	3.80	4.10	4.50
		2 years	3.91	4.40	4.40	4.50
		10 years	5.97	6.30	6.20	6.20
Asia	China	Monetary policy	1.75	1.50	1.50	1.50
		3 months	3.18	3.10	3.00	3.00
		2 years	2.71	2.60	2.70	2.70
		10 years	3.09	3.30	3.40	3.40
	Singapore	Monetary policy	0.25	0.50	0.75	1.25
		3 months	1.01	1.10	1.20	1.75
		2 years	0.99	1.20	1.30	2.20
		10 years	2.35	2.70	2.90	3.10
	South Korea	Monetary policy	1.50	1.25	1.25	1.25
		3 months	1.50	1.30	1.30	1.30
		2 years	1.58	1.70	1.80	1.90
		10 years	2.06	2.30	2.50	2.60

Yield spreads in basis points[1)]

			Current	Forecasts		
			Oct 16 2015	3 months	6 months	12 months
Emerging Markets, EMBIG Spreads	Central- and Eastern Europe	Russia	307	320	310	300
		Turkey	284	305	300	285
		Hungary	191	200	195	185
	Africa	South Africa	307	330	320	310
	Latin America	Brazil	450	435	425	405
		Chile	218	220	215	205
		Columbia	268	280	275	260
		Mexico	269	280	275	260
		Venezuela	2731	2900	2800	2700
	Asia	China	185	190	185	175
		Indonesia	301	315	305	290
		Philippines	122	130	125	120
	Total (EMBIG)		**428**	**440**	**430**	**410**

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 (EMBIG) is relevant.

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Currencies

EURO		Current Oct 16 2015	Forecasts 3 months	6 months	12 months
Dollar-Bloc	EUR-USD	1.14	1.11	1.08	1.05
	EUR-CAD	1.47	1.45	1.44	1.35
	EUR-AUD	1.56	1.56	1.57	1.48
Japan	EUR-JPY	135.60	135.42	133.92	132.30
Euro-Outs	EUR-GBP	0.74	0.70	0.68	0.72
	EUR-DKK	7.46	7.46	7.46	7.46
	EUR-SEK	9.37	9.30	9.30	9.20
	EUR-CHF	1.08	1.10	1.11	1.12
	EUR-NOK	9.20	9.30	9.20	9.00
Central- and Eastern Europe	EUR-PLN	4.23	4.30	4.20	4.10
	EUR-HUF	309.48	315.00	310.00	300.00
	EUR-CZK	27.06	27.10	27.10	27.00
Africa	EUR-ZAR	14.94	15.32	15.12	15.02
Latin America	EUR-BRL	4.33	4.33	4.27	4.20
	EUR-MXN	18.68	18.65	18.14	17.64
Asia	EUR-SGD	1.57	1.59	1.57	1.53
	EUR-CNY	7.24	7.10	7.02	7.04
	EUR-KRW	1284	1310	1296	1302
US-Dollar		**Current Oct 16 2015**	**Forecasts 3 months**	**6 months**	**12 months**
Dollar-Bloc	USD-CAD	1.29	1.31	1.33	1.29
	AUD-USD	0.73	0.71	0.69	0.71
Japan	USD-JPY	119.09	122.00	124.00	126.00
Euro-Outs	GBP-USD	1.55	1.59	1.59	1.46
	USD-DKK	6.55	6.72	6.91	7.10
	USD-SEK	8.23	8.38	8.61	8.76
	USD-CHF	0.95	0.99	1.03	1.07
	USD-NOK	8.08	8.38	8.52	8.57
Central- and Eastern Europe	USD-PLN	3.72	3.87	3.89	3.90
	USD-HUF	271.80	283.78	287.04	285.71
	USD-CZK	23.79	24.41	25.09	25.71
Africa	USD-ZAR	13.12	13.80	14.00	14.30
Latin America	USD-BRL	3.80	3.90	3.95	4.00
	USD-MXN	16.41	16.80	16.80	16.80
Asia	USD-CNY	6.36	6.40	6.50	6.70
	USD-SGD	1.38	1.43	1.45	1.46
	USD-KRW	1127	1180	1200	1240

Commodities

Commodity	Current Oct 16 2015	Forecasts 3 months	6 months	12 months
Gold (USD per troy ounce)	1,177.70	1,080	1,040	970
Gold (EUR per troy ounce)	1,034.25	970	960	950
WTI crude (USD per Barrel)	46.38	57	65	64
WTI crude (EUR per Barrel)	40.73	51	60	63
Brent crude (USD per Barrel)	48.82	59	67	66
Brent crude (EUR per Barrel)	42.87	53	62	65

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