Macro Research
Economic Forecasts

Central banks remain dependent – on data.

It could have been so simple. If the Fed had just looked at the US economy and believed in its own assessment of 5 % unemployment as full employment, its interest-rate lift-off would have been on September 17th. The Fed, however, had concerns over the state of the global economy and any further monetary policy decisions were to be "data dependent".

"Data dependency" is a synonym for great uncertainty and to some extent a guarantee for elevated volatility on financial markets. It is naïve to believe that economic indicators trickling in over weeks can present a unified positive or negative picture. In most phases positive and negative surprises alternate. However, in view of renewed confidence in the Chinese economy and the strong US labour market report for October, it now seems certain that the Fed's first interest rate hike will take place on December 16th. The first major central bank will set out on the very long road to the normalisation of monetary policy.

USA: Unemployment rate

Source: Bureau of Labor Statistics, Fed, DekaBank

To complete the overall picture it must be noted that the Bank of England will follow in the Fed's footsteps next year, whereas the ECB will wait for at least three years before raising its key rates again. At the moment discussion is rather focused on whether to lower the deposit rate further, that is to say – data dependent – to expand monetary policy even further. This would further weaken the Euro against the US dollar.

The divergence of monetary policy on the two sides of the Atlantic will determine not only prospects on the currency market in coming quarters. In Europe, the ECB has maintained its extremely supportive stance. Therefore we recommend equity investors to favour investments in Europe, as the valuations and profit expectations of European companies are better than in the USA. With respect to bonds, we expect only a very gradual rise in yields in Europe, so that discomfort due to falling prices of fixed-interest securities will be limited. However, the fact remains that the potential returns can hardly be raised by choosing longer maturities, but rather by acceptance of additional risks. This argues in favour of corporate bonds in the high yield segment and above all of equities as an asset class.

Europe now stands at a fork in the road. The currency union must decide whether in the years to come it will follow in the footsteps of the rather successful US economy or rather the Japanese way. National economic policies must make use of the time they are granted by monetary policy to implement reforms. Although in the foreseeable future the backdrop for financial market investments will continue to be supported by the ECB's constructive policy, the markets will find it harder in this environment to move in a clearly positive direction.

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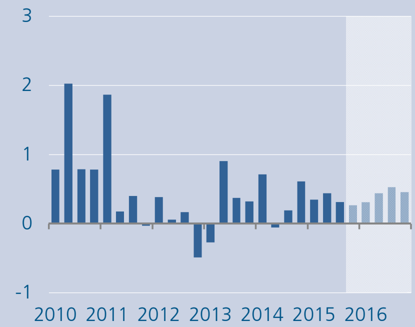
+ USA: Inflation 2015: 0.1 % (previously: 0.2 %): 2016: 2.1 % (previously: 2.2 %).
+ German equity market: upward revision of 3-month and 6-month DAX forecasts.
+ Euro-US dollar exchange rate: stronger depreciation of the Euro over 3, 6 and 12 months.
+ Downward revision of crude oil price forecasts for 2015 and 2016.

Economy: Industrial countries

Germany: GDP (% qoq, sa)



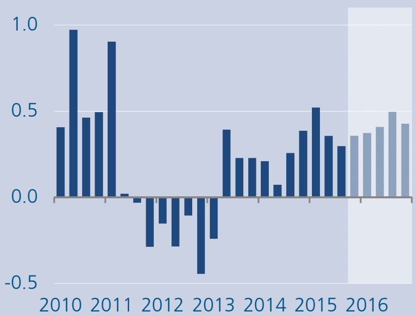
Sources: Destatis, forecast DekaBank

Germany

The third quarter proved disappointing, with falls in industrial orders, declining output and lower exports. Only domestic-oriented economic sectors – trade and construction – revealed signs of strength. In this environment corporate sentiment has remained surprisingly positive. However, the ways in which Germany perceives itself and is perceived by others differ markedly. OECD and EU Commission forecasts for Germany are much better than those of the DIHK. The coming months will show which are correct.

Forecast revision: –.

Eurozone: GDP (% qoq, sa)



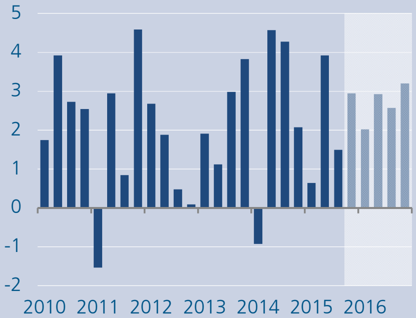
Sources: Eurostat, forecast DekaBank

Eurozone

The Eurozone remains on course for growth. In the third-quarter GDP grew by 0.3 %, whereby the growth base has widened. After stagnating in the second quarter, France has returned to the growth path. However, among the four largest Eurozone economies the strongest third-quarter growth was registered by Spain, with GDP growth of 0.8 % against the previous quarter. At the beginning of the fourth quarter indicators of market sentiment do not suggest any appreciable negative impact on the Eurozone economy due to the weakening of the emerging market countries. The weak development of inflation can be attributed primarily to falling energy prices in comparison with the previous year.

Forecast revision: –.

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



Sources: Bureau of Economic Analysis, forecast DekaBank

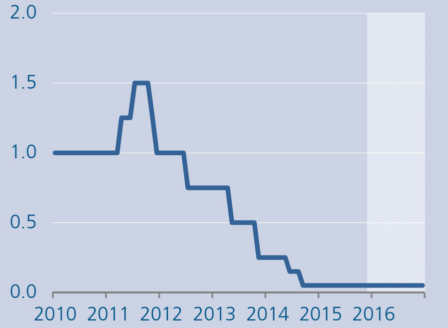
USA

As expected, the growth momentum of the US economy weakened in the third quarter, during which GDP registered growth by just 1.5% against the previous quarter (annualized). The main factor dragging down growth has been the normalization of inventory investment. Private household consumption, on the other hand, has remained strong and corporate investment has been satisfactory. Despite the continued weakness of the industrial sector, the fundamental dynamics of the US economy remained intact. This assessment was confirmed in October by another hefty increase in nonfarm payroll employment. Corrections to our energy price forecasts have resulted in a downward revision of our inflation forecast.

Forecast revision: Inflation 2015: 0.1 % % (previously: 0.2 %).2016: 2.1 % (previously: 2.2 %).

Markets: Industrial countries

ECB: Repo Rate (% p.a.)



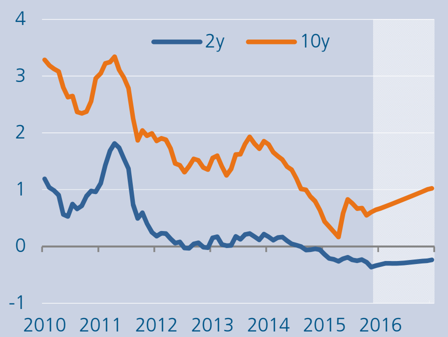
Sources: European Central Bank, forecast DekaBank

The European Central Bank / Money market

After the latest meeting of the ECB Council President Draghi announced that a decision on further easing of monetary policy would be taken in December. To our surprise he did not exclude the possibility of further lowering of the deposit rate along with the possible changes to the bond buying program. We continue to regard the scope for deposit rate cuts as limited, but we expect a cut by 10 basis points in December. In view of already high and rising surplus reserves in the banking system we expect EONIA rates to fall in the medium term to record lows of around -0.25 %. The 3-month EURIBOR rate will probably fall to around -0.15 % and remain at this level for some time, as in 2017 the ECB is unlikely either to undertake measures to lower surplus reserves or to raise its key rates.

Forecast revision: Lowering of the ECB deposit rate to -0.30%.

German Bond Yield (% p.a.)



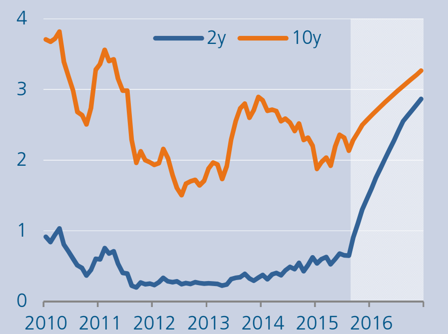
Sources: Bloomberg, forecast DekaBank

Eurozone bond market

At the meeting of the ECB Council in December the ECB will probably lower the deposit facility rate to -0.30% and also announce that it intends to prolong its bond-buying program beyond September 2016. As a result, short-term Bund yields will remain at their current very low levels for some time. However, the corresponding downward pressure on the long end of the Bund curve will probably be more than compensated by two opposing factors. On the one hand the easing of monetary policy and continuation of the economic recovery should lead to a further rise in long-term inflation expectations. On the other hand the Fed's expected interest-rate lift-off will probably result in somewhat higher long-term Bund yields

Forecast revision: –.

US Bond Yield (% p.a.)



Sources: Bloomberg, forecast DekaBank

US bond market

After the Fed's interest rate decision in September there was widespread doubt whether the interest rate turnaround would take place this year. However, the October statement on the decision contained surprisingly clear signals that the lift-off would be in December. The following very good labour market report for October convinced most investors that rates would finally be raised in December. On the capital markets the Fed's communication swing provided a substantial boost to the yields of US government bonds. Over the next months, however, there is little scope for further rises. After February 2016 the Fed will purchase substantial quantities of government bonds in the course of reinvestment. As a result, any subsequent rises in yields will be subdued until the middle of 2016.

Forecast revision: –.

Markets: Industrial countries

Equity Market Forecast

	Current Nov 13, 15	in 3 months	in 6 months	in 12 months
DAX	10 708.40	11 500	12 000	11 500
Memorandum item:				
EuroStoxx50	3 360.65	3 550	3 750	3 700
S&P 500	2 023.04	2 100	2 100	2 000
Topix	1 585.83	1 550	1 550	1 400

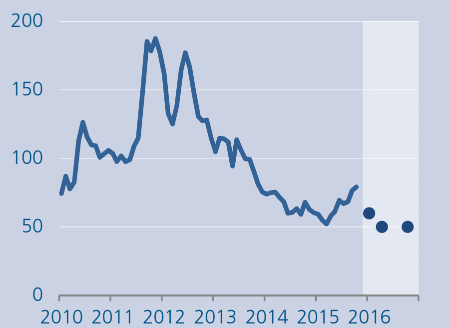
Sources: Deutsche Börse AG, forecast DekaBank

Equity market: Germany

Monetary policy remains by far the most important driver for the equity markets. It came as no surprise, therefore, that comments made by ECB President Mario Draghi raising the possibility of further easing of monetary policy in December triggered a rally in October. Apart from the ECB's very supportive stance, the overall environment for the German equity market remains mixed, albeit slightly positive. The valuation of German equities is comparatively favourable and corporate profits are on the rise. Third quarter company reports have confirmed that on the whole companies are coping well with the difficult economic environment.

Forecast revision: 3- month and 6-month forecasts have been revised upwards.

iTraxx Europe (Bp)



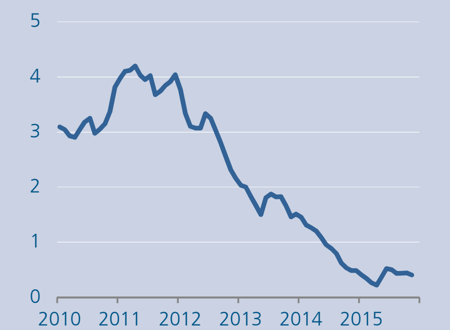
Sources: International Index Company, forecast DekaBank

Corporate bond market: Eurozone

Concerns over weakening economies in the emerging market countries and uncertainty over the Fed's interest rate turnaround have been weighing on credit markets at the beginning of autumn. Additional issues such as the VW emissions scandal and earnings problems in the energy sector have led to greater volatility and consequently higher risk premiums. Meanwhile, concerns over China have subsided. The ECB has raised the possibility of further stimulating measures, which has restored investors' faith in the European credit market. Equally helpful have been reports of the rising sales and profits of large European companies in the third quarter. Low energy prices and the weak Euro will provide further support for the market and facilitate good performance by corporate bonds.

Forecast revision: –.

Covered Bonds 5y (% p.a.)



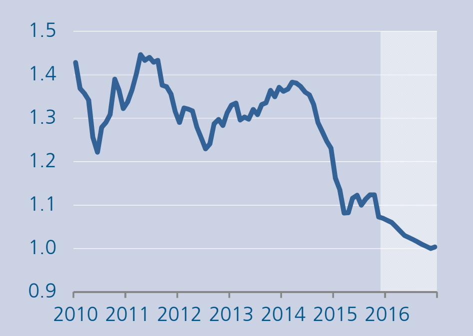
Source: Bloomberg

Covered Bonds

The ECB's bond-buying program has resulted in a massive thinning-out of the secondary market for covered bonds. Many investors have abandoned the market due to declining liquidity and lower risk premiums. As a result, central banks are having difficulty in finding sufficient supply on the secondary market, so that they are now concentrating increasingly on new issues. German mortgage bonds have enjoyed a slight revival. Due to the increase in demand for real estate, mortgage banks have increased their new issues slightly. However, the ECB's announcement that it will presumably expand its bond-buying program will ensure that liquidity on the market remains low. In this environment risk spreads will remain very low.

Markets: Industrial countries

Exchange Rate EUR-USD



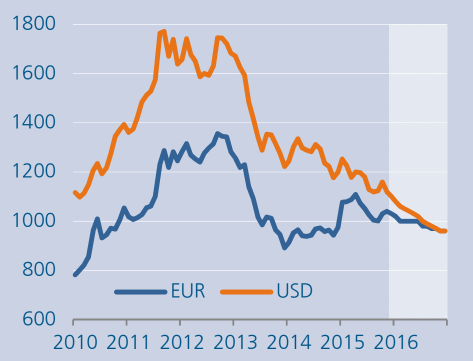
Sources: European Central Bank, forecast DekaBank

Currency market: EUR-USD

In recent weeks the Euro has weakened substantially against the US dollar. Since the middle of October it has depreciated from 1.14 EUR-USD to 1.07 EUR-USD. However, there is still some way to go before it reaches its low point for the year at 1.04 EUR-USD, which was registered in March. Positive US economic data have contributed to the Euro's latest slump. The labour market's development in October proved better than expected. The US unemployment rate has fallen to 5.0%, its lowest level since April 2008. Against the background of solid real US economic development there are increasingly signs that the Fed's interest-rate lift-off will be in December, which would strengthen the US dollar significantly.

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

Gold price (per troy ounce)



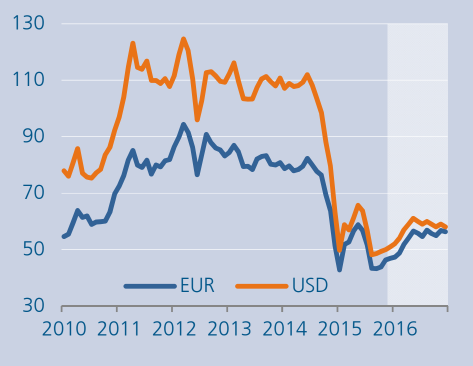
Sources: Bloomberg, forecast DekaBank

Gold

The price of gold has been on a roller coaster ride in recent weeks. Until mid-October the rise was boosted by the postponement of the Fed's interest rate hike and the resulting weakness of the US dollar. Then everything moved in the opposite direction and capital market investors rediscovered their appetite for risk. As equity markets became friendlier the gold price slumped. The Fed did the rest at the end of October by nourishing hopes of an interest rate turnaround in the nearest future. The good US labour market report for October and the stronger US dollar ensured that the gold price slumped even further in November. The current price is in line with our forecast and there is no reason for us to change our forecast of a slight downward trend of the gold price in US dollars.

Forecast revision: –.

Crude Oil Brent (per barrel)



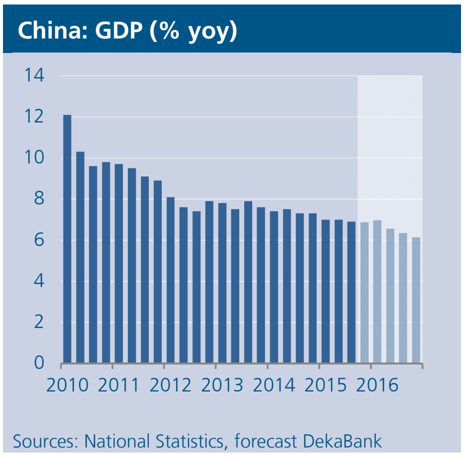
Sources: Bloomberg, forecast DekaBank

Crude oil

Against our expectations, the oversupply of crude oil has scarcely declined. The slump in US output has come to a standstill: in recent weeks US output has been moving sideways at the still very high level of more than 9 million barrels a day. Other non-OPEC countries have been increasing their output, in order to boost their oil revenues by selling larger quantities. Moreover, the OPEC countries themselves are maintaining their record output levels, so that an end to the global oversupply of crude oil has receded further into the distance and with it our long-awaited oil price rise. As a result, we have lowered our forecast substantially and forecast an average crude oil price USD 8 lower than hitherto, which is attributed solely to a reappraisal of the supply of crude oil.

Forecast revision: –.

Emerging Markets



China

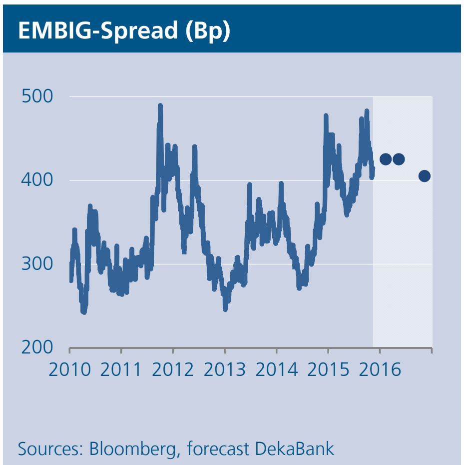
Although the Chinese economy has had to struggle with great uncertainty following the crash on the equity market and the surprising devaluation of the renminbi, GDP growth of 6.9% against the previous year proved stable. The service sector has increasingly become the main pillar supporting the economy, whereas the industrial sector is suffering from overcapacity in the heavy industries and weak demand for exports. However, the widespread concern remains that China might no longer be as capable of fulfilling its role as the engine driving the global economy, as growth is now less dependent on imports. We continue to expect GDP growth of 6.9 % this year and 6.5 % in 2016.

Forecast revision: –.

Emerging Markets: Economy

The purchasing managers' indices signal continued weak dynamics in the manufacturing sector. The weakness of global trade is reflected in many of the smaller export-dependent countries. In the major EM countries such as China, Russia and Brazil there are additional domestic impediments. With the approaching US interest rate turnaround financing conditions will worsen for most EM countries, so that the credit dynamics will likely also be a drag on the economy. However, thanks to their healthy liquidity situation most EM countries have been able to survive a phase of capital outflows without sliding into a current account crisis. Despite the Fed's interest rate turnaround most central banks will maintain their expansive course, especially those in Asia, Central and Eastern Europe.

Forecast revision: GDP forecast for Brazil 2016: -1.4 % (previously: -0.9 %).



Emerging Markets: Markets

With the latest US labour market report the probability of an interest rate hike by the Fed in December has risen. This prospect of tighter monetary policy has strengthened the US dollar and placed EM currencies under pressure. EM equities and bonds have also registered losses. However, the current situation cannot be compared with that in the middle of 2013, when the announcement of a gradual phasing-out of the US bond-buying program led to massive market turbulence. We expect the further course of US monetary policy together with the continued weakness of economic growth in EM countries to remain the dominant issues in the months to come. Capital outflows from EM countries will probably lead to further currency depreciations. Nevertheless, the markets should be sufficiently well prepared for the Fed's interest-rate lift-off, so that we do not expect any panic. However, due to the limited liquidity in some market segments a high degree of volatility is probable even in this scenario.

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	0.2	1.5	7.4	7.3	7.4	0.7	0.6	0.0
France	2.4	0.2	1.1	1.3	0.6	0.1	1.2	-1.0	-2.2	-1.9	-4.0	-3.8	-3.5
Italy	2.0	-0.4	0.7	1.3	0.2	0.2	1.2	1.9	1.8	1.8	-3.0	-2.6	-2.0
Spain	1.5	1.4	3.1	2.6	-0.2	-0.7	0.5	0.8	0.7	0.9	-5.8	-4.5	-3.5
Netherlands	0.7	1.0	1.9	1.9	0.3	0.3	1.4	10.3	7.7	7.7	-2.3	-1.7	-1.2
Eurozone	**12.2**	**0.9**	**1.5**	**1.5**	**0.4**	**0.1**	**1.2**	**2.0**	**2.6**	**2.8**	**-2.4**	**-2.1**	**-1.9**
United Kingdom	2.4	2.9	2.5	2.4	1.5	0.1	1.1	-5.5	-4.9	-4.1	-5.7	-4.5	-3.1
Sweden	0.4	2.4	3.2	2.9	0.2	0.7	1.7	5.8	5.8	5.6	-1.9	-1.5	-1.0
Denmark	0.2	1.1	1.8	2.1	0.3	0.3	1.5	6.2	6.1	6.2	1.2	-1.5	-2.6
EU-21	**15.2**	**1.2**	**1.7**	**1.7**	**0.6**	**0.1**	**1.2**	**1.0**	**1.6**	**1.8**	**-2.9**	**-2.4**	**-2.1**
Poland	0.9	3.3	3.4	2.9	0.1	-0.8	1.4	0.0	0.0	0.0	-3.3	-2.8	-2.8
Hungary	0.2	3.6	2.7	2.3	-0.2	0.0	1.9	3.9	5.2	4.7	-2.5	-2.3	-2.1
Czech Republic	0.3	2.0	4.4	2.3	0.4	0.4	1.5	0.5	1.5	1.0	-1.9	-1.9	-1.3
EU-28	**17.2**	**1.5**	**2.0**	**1.9**	**0.7**	**0.1**	**1.0**	**0.9**	**1.5**	**1.7**	**-2.9**	**-2.4**	**-2.2**
USA	16.1	2.4	2.5	2.6	1.6	0.1	2.1	-2.2	-2.5	-2.5	-5.0	-4.5	-4.0
Japan	4.4	-0.1	0.5	1.0	2.8	0.9	1.2	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	2.1	-2.1	-3.5	-3.0	-1.6	-2.0	-2.0
Australia	1.0	2.7	2.2	2.3	2.5	1.5	1.9	-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	0.9	1.3	0.0	-1.1	-0.4	16.2	16.1	16.2	0.7	0.2	-0.2
Norway	0.3	2.3	1.2	1.2	2.0	2.1	2.5	8.9	9.2	9.3	10.5	9.4	8.3
Developed Countries[4]	**39.1**	**1.7**	**1.9**	**2.1**	**1.4**	**0.3**	**1.6**	**-0.4**	**0.0**	**0.0**	**-4.1**	**-3.6**	**-3.2**
Russia	3.3	0.6	-3.7	0.5	7.8	15.4	7.4	3.1	4.8	5.0	-0.5	-3.3	-2.9
Turkey	1.4	2.9	3.5	2.4	8.9	7.5	7.0	-5.8	-5.5	-5.4	-1.3	-1.7	-2.2
Ukraine	0.3	-6.8	-11.1	1.0	12.1	49.0	14.0	-3.7	-1.3	-3.5	-4.3	-4.5	-4.3
Emerging Europe[5]	**7.4**	**1.5**	**-0.5**	**1.5**	**6.6**	**10.9**	**5.6**	**-0.4**	**-0.9**	**0.4**	**X**	**X**	**X**
South Africa	0.7	1.5	1.3	1.4	6.1	4.8	5.2	-5.4	-3.8	-4.3	-3.8	-4.2	-3.4
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	-1.4	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	1.8	4.4	4.4	4.4	-1.2	-0.4	-0.9	-1.6	-3.3	-2.9
Latin America	**8.0**	**1.2**	**-0.2**	**0.5**	**12.1**	**16.2**	**15.1**	**-1.9**	**-2.9**	**-3.0**	**X**	**X**	**X**
China	16.3	7.3	6.9	6.5	2.1	1.4	1.6	2.1	3.8	3.4	-1.8	-2.6	-3.0
India	6.8	7.1	7.1	6.8	6.7	4.9	5.4	-1.3	-1.4	-1.6	-4.0	-4.0	-3.7
South Korea	1.6	3.3	2.5	2.1	1.3	0.7	1.0	6.3	6.6	5.3	0.6	-0.2	0.1
Philippines	0.6	6.0	5.4	5.3	4.2	1.3	2.0	4.4	4.7	4.1	-0.6	-1.9	-2.3
Emerging Asia	**31.3**	**6.4**	**5.9**	**5.7**	**3.4**	**2.4**	**2.6**	**1.9**	**2.0**	**2.5**	**X**	**X**	**X**
Emerging Markets	**50.2**	**4.6**	**3.8**	**4.1**	**5.5**	**6.1**	**5.3**	**1.0**	**0.8**	**1.2**	**X**	**X**	**X**
Total[6]	**89.3**	**3.3**	**3.0**	**3.2**	**3.7**	**3.6**	**3.7**	**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		
		Nov 13 2015	3 months	6 months	12 months
Germany	Monetary policy (Refi)	0.05	0.05	0.05	0.05
	3 months (EURIBOR)	-0.08	-0.12	-0.14	-0.16
	12 months (EURIBOR)	0.08	0.08	0.07	0.07
	Bunds, 2 years	-0.37	-0.30	-0.30	-0.25
	Bunds, 5 years	-0.11	-0.05	0.05	0.20
	Bunds, 10 years	0.56	0.70	0.80	1.00
	Bunds, 30 years	1.41	1.60	1.75	2.00
USA	Monetary policy (FFR)	0.00-0.25	0.25-0.50	0.50-0.75	1.00-1.25
	3 months (LIBOR)	0.36	0.65	0.90	1.40
	12 months (LIBOR)	0.94	1.10	1.30	1.90
	US-Treasuries, 2 years	0.82	0.95	1.40	2.30
	US-Treasuries, 5 years	1.62	1.75	1.95	2.55
	US-Treasuries, 10 years	2.24	2.40	2.55	2.90
	US-Treasuries, 30 years	3.03	3.15	3.25	3.55
Japan	Monetary policy (Call)	0.10	0.10	0.10	0.10
	3 months (LIBOR)	0.07	0.10	0.10	0.10
	12 months (LIBOR)	0.23	0.25	0.20	0.20
	JGBs, 2 years	-0.01	0.05	0.05	0.05
	JGBs, 5 years	0.04	0.20	0.35	0.55
	JGBs, 10 years	0.30	0.50	0.60	0.70
	JGBs, 30 years	1.39	1.60	1.70	1.90
United Kingdom	Monetary policy (Base)	0.50	0.50	0.75	1.00
	3 months (LIBOR)	0.58	0.60	0.90	1.10
	12 months (LIBOR)	1.04	1.20	1.30	1.60
	Gilts, 2 years	0.67	0.70	0.90	1.40
	Gilts, 5 years	1.33	1.50	1.60	2.00
	Gilts, 10 years	1.98	2.20	2.30	2.50
	Gilts, 30 years	2.67	2.75	2.80	2.90
Sweden	Monetary policy (Repo)	-0.35	-0.35	-0.35	-0.35
	3 months (STIB)	-0.36	-0.35	-0.35	-0.40
	2 years	-0.42	-0.30	-0.20	0.00
	10 years	0.88	0.90	1.00	1.20
Denmark	Monetary policy (Repo)	0.05	0.05	0.05	0.05
	3 months (CIBOR)	-0.15	-0.17	-0.19	-0.21
	2 years	-0.55	-0.45	-0.45	-0.40
	10 years	0.86	1.00	1.10	1.30
Norway	Monetary policy (Deposit)	0.75	0.75	0.75	0.75
	3 months (NIBOR)	1.16	1.10	1.10	1.10
	2 years	0.67	0.70	0.70	0.80
	10 years	1.60	1.80	1.90	2.10
Switzerland	Monetary policy (LIBOR)	0.00 - 0.25	0.00 - 0.25	0.00 - 0.25	0.00 - 0.25
	3 months (LIBOR)	-0.79	-0.75	-0.75	-0.75
	2 years	-0.99	-0.95	-0.90	-0.65
	10 years	-0.30	-0.10	0.10	0.30
Canada	Monetary policy (O/N)	0.50	0.50	0.50	1.25
	3 months (CBA)	0.82	0.85	0.85	1.60
	12 months (CBA)	0.95	1.15	1.45	2.15
	2 years	0.61	0.85	1.20	1.95
	5 years	0.95	1.20	1.50	2.35
	10 years	1.65	1.85	2.10	2.70
	30 years	2.35	2.60	2.90	3.50
Australia	Monetary policy (Cash)	2.00	2.00	2.00	2.50
	3 months (ABB)	2.22	2.15	2.15	2.60
	2 years	2.00	2.20	2.40	2.85
	10 years	2.89	3.05	3.10	3.30

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Interest rates in EM countries

			Current	Forecasts		
			Nov 13 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	1.60	1.70	1.80	2.00
		10 years	2.68	3.10	3.30	3.40
	Czech Rep.	Monetary policy (Repo)	0.05	0.05	0.05	0.05
		3 months (PRIBOR)	0.29	0.25	0.25	0.30
		2 years	-0.28	-0.30	-0.30	0.00
		10 years	0.53	0.60	0.70	0.90
	Hungary	Monetary policy (Deposit)	1.35	1.35	1.35	1.50
		3 months (BUBOR)	1.35	1.40	1.50	1.70
		3 years	1.89	1.90	2.00	2.30
		10 years	3.41	3.40	3.80	4.00
Latin America	Brazil	Monetary policy (Repo)	14.25	14.25	14.25	14.00
		3 months (ABG)	14.39	14.40	14.25	13.80
		2 years	15.76	14.80	14.50	13.80
		9 years	15.54	15.00	14.80	13.00
	Mexico	Monetary policy	3.00	3.75	4.00	4.50
		3 months (Mexibor)	3.39	3.80	4.10	4.50
		2 years	4.05	4.40	4.40	4.50
		10 years	6.18	6.30	6.20	6.20
Asia	China	Monetary policy	1.50	1.50	1.50	1.50
		3 months	3.04	3.10	3.00	3.00
		2 years	2.72	2.60	2.70	2.70
		10 years	3.18	3.30	3.40	3.40
	Singapore	Monetary policy	0.70	0.50	0.75	1.25
		3 months	1.07	1.10	1.20	1.75
		2 years	1.32	1.30	1.40	2.20
		10 years	2.62	2.70	2.90	3.10
	South Korea	Monetary policy	1.50	1.50	1.25	1.25
		3 months	1.55	1.40	1.30	1.30
		2 years	1.72	1.70	1.80	1.90
		10 years	2.33	2.30	2.50	2.60

Yield spreads in basis points[1)]

			Current	Forecasts		
			Nov 13 2015	3 months	6 months	12 months
Emerging Markets, EMBIG Spreads	Central- and Eastern Europe	Russia	272	280	280	270
		Turkey	276	290	290	275
		Hungary	183	185	185	175
	Africa	South Africa	334	350	350	330
	Latin America	Brazil	427	440	440	420
		Chile	219	220	220	210
		Columbia	280	285	285	270
		Mexico	276	275	275	260
		Venezuela	2692	2760	2760	2635
	Asia	China	169	175	175	170
		Indonesia	297	310	310	295
		Philippines	111	115	115	110
	Total (EMBIG)		**415**	**425**	**425**	**405**

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.

Currencies

EURO		Current Nov 13 2015	Forecasts 3 months	6 months	12 months
Dollar-Bloc	EUR-USD	1.07	1.06	1.03	1.00
	EUR-CAD	1.43	1.39	1.37	1.29
	EUR-AUD	1.51	1.49	1.49	1.41
Japan	EUR-JPY	131.37	129.32	127.72	126.00
Euro-Outs	EUR-GBP	0.71	0.70	0.68	0.72
	EUR-DKK	7.46	7.46	7.46	7.46
	EUR-SEK	9.34	9.30	9.30	9.20
	EUR-CHF	1.08	1.08	1.10	1.12
	EUR-NOK	9.34	9.30	9.20	9.00
Central- and Eastern Europe	EUR-PLN	4.24	4.20	4.10	4.00
	EUR-HUF	311.61	310.00	300.00	290.00
	EUR-CZK	27.03	27.05	27.00	27.00
Africa	EUR-ZAR	15.43	15.11	14.83	14.50
Latin America	EUR-BRL	4.13	4.24	4.22	4.20
	EUR-MXN	17.94	17.81	17.41	17.00
Asia	EUR-SGD	1.53	1.52	1.49	1.46
	EUR-CNY	6.83	6.78	6.70	6.70
	EUR-KRW	1258	1251	1236	1240
US-Dollar		**Current Nov 13 2015**	**Forecasts 3 months**	**6 months**	**12 months**
Dollar-Bloc	USD-CAD	1.33	1.31	1.33	1.29
	AUD-USD	0.71	0.71	0.69	0.71
Japan	USD-JPY	122.44	122.00	124.00	126.00
Euro-Outs	GBP-USD	1.52	1.51	1.51	1.39
	USD-DKK	6.95	7.04	7.24	7.46
	USD-SEK	8.70	8.77	9.03	9.20
	USD-CHF	1.01	1.02	1.07	1.12
	USD-NOK	8.70	8.77	8.93	9.00
Central- and Eastern Europe	USD-PLN	3.95	3.96	3.98	4.00
	USD-HUF	290.41	292.45	291.26	290.00
	USD-CZK	25.19	25.52	26.21	27.00
Africa	USD-ZAR	14.38	14.25	14.40	14.50
Latin America	USD-BRL	3.85	4.00	4.10	4.20
	USD-MXN	16.73	16.80	16.90	17.00
Asia	USD-CNY	6.37	6.40	6.50	6.70
	USD-SGD	1.42	1.43	1.45	1.46
	USD-KRW	1172	1180	1200	1240

Commodities

Commodity	Current Nov 13 2015	Forecasts 3 months	6 months	12 months
Gold (USD per troy ounce)	1,083.32	1,060	1,030	960
Gold (EUR per troy ounce)	1,005.77	1,000	1,000	960
WTI crude (USD per Barrel)	41.75	52	59	57
WTI crude (EUR per Barrel)	38.76	49	57	57
Brent crude (USD per Barrel)	43.63	54	61	59
Brent crude (EUR per Barrel)	40.51	51	59	59

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Your contacts at Deka:

Chief Economist: Dr. Ulrich Kater: Tel. 069/7147-2381; email: ulrich.kater@deka.de
Head of Economics: Dr. Holger Bahr: Tel. -2846; email: holger.bahr@deka.de

Industrial Countries/Sector Analysis

Rudolf Besch: Tel. -5468; email: rudolf.besch@deka.de (USA, Dollarbloc, Japan)
Dr. Marina Lütje: Tel. -9474; email: marina.luetje@deka.de (Euro-Outs ex Middle and East. Europe, Currencies)
Dr. Christian Melzer: Tel. -2851; email: christian.melzer@deka.de (EMU, Currencies)
Dr. Andreas Scheuerle: Tel. -2736; email: andreas.scheuerle@deka.de (Germany, EMU, Sector Analysis)

Macro Trends/Commodities

Dr. Dora Borbély: Tel. -5027; email: dora.borbely@deka.de (Commodities, Macro Trends)
Dr. Gabriele Widmann: Tel. -2559; email: gabriele.widmann@deka.de (Macro Trends)

Emerging Markets/ Country Risk Analys

Janis Hübner: Tel. -2543; email: janis.huebner@deka.de (Asia ex Japan)
Daria Orlova: Tel. -3891; email: daria.orlova@deka.de (Middle and Eastern Europe)
Mauro Toldo: Tel. -3556; email: mauro.toldo@deka.de (Latin America, Middle East, Africa)

Central Bank Watching and Capital Markets

Michael Ramon Klawitter: Tel. -5789; email: michaelramon.klawitter@deka.de (Floor economist)
Carsten Lüdemann: Tel. -2625; email: carsten.luedemann@deka.de (Bond market strategy)
Joachim Schallmayer: Tel. -3807; email: jochim.schallmayer@deka.de (Equity market strategy)
Kristian Tödtmann: Tel. -3760; email: kristian.toedtmann@deka.de (ECB, Eurobond market)
Dr. Ulrich Weikard: Tel. -5790: email: ulrich.weikard@deka.de (Credits, Certificates)

Real Estate Research

Daniela Fischer: Tel. -7549; email: daniela.fischer@deka.de (Benelux, France, Portugal, Spain)
Gunnar Meyke: Tel. -5802; email: gunnar.meyke@deka.de (Nordics, Cross-sectional assignment/analysis)
Andreas Wellstein: Tel. -3850; email: andreas.wellstein@deka.de (Germany, EU, North-America; Asia/Pacific)

Data & Analysis

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

Internet: https://www.deka.de/deka-gruppe/research

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