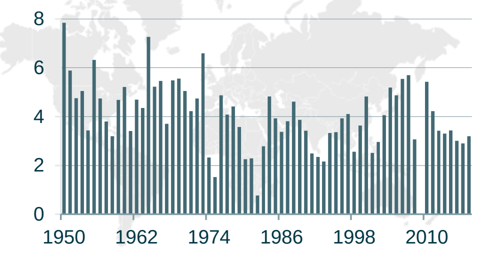
Macro Research
Economic Forecasts

April / May 2016

It's all a question of perspective

World GDP

Changes from previous year in %



Sources: IMF, forecast DekaBank

The financial markets have been doing rather well in recent weeks and the German DAX has settled at a level between 9,500 and 10,000 points. Bund yields have again moved towards zero, i.e. Bund prices have risen substantially. Prices on the commodity markets have slowly started to rise again. However, these rises are not totally convincing, as the prospects for the coming months and quarters are very modest.

In the current environment investors and analysts must learn to be satisfied with less: the situation is far from rosy, but it is not without hope. The global economy is expanding and the unemployment rate is falling. Even in Japan, which is for so many a negative example and is currently stuck in the mire of zero growth and zero inflation, affluence has been on the increase year after year when measured by the level of GDP per capita. The fact that Japan's GDP has not been rising significantly is qualified by the fact that the total number of Japanese is on the decline. It is a question of perspective.

In other industrial nations, such as Germany, populations are no longer growing, which in itself means less economic growth and less inflation. We can only expect a genuine improvement with the introduction of some new innovation (such as the steam engine, the automobile or information technology) which will raise our productivity and accelerate growth sustainably. This will undoubtedly happen one day, but certainly not in the next few months.

Until then we must adjust to the "new normality", in which the economy and capital markets take one step to the left, then one to the right. Pessimists say this is bad because we make no progress. Optimists say it is good, because we are not moving backwards. Realists feel comfortable and are satisfied. Only the central banks have proved unable to exercise restraint. The ECB has moved up another gear since March and the Fed is tensed up with its foot on the accelerator. The potential dangers are well known and with time the impact of the measures diminishes. On the other hand, without the intensive intervention of the central banks in recent years the global economy would have moved one step nearer the edge of the precipice and might even have plunged into the abyss already. That too is a question of perspective.

In this environment the motto for investors is "Be satisfied with less". Nevertheless, after a deduction for inflation "less” must remain positive. The acceptance of a certain degree of risk is thus still the best investment strategy. In the short term this might well involve substantial fluctuations in value. In the long term, however, the acceptance of this risk with a widely diversified portfolio will be rewarded – and that is not a question of perspective.

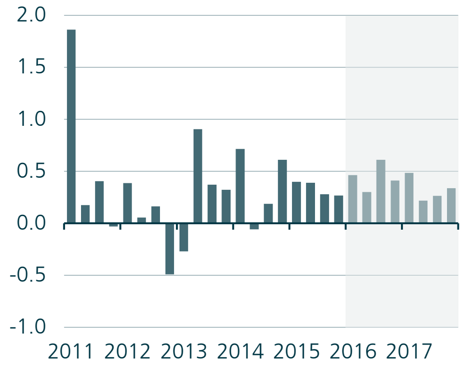
Contents

Most important forecast revisions changes

- Germany: Inflation rate 2016: 0.5 % (previously: 0.3 %).
- USA: GDP growth 2016: 2.0 % (previously: 2.2 %); inflation 2016: 1.1 % (previously: 0.9 %); 2017: 2.6 % (previously: 2.7 %).
- USA: Key rate forecast for the end of 2016: 0.50 %-0.75 % (previously: 0.75 %-1.00 %); 2017: 1.25 %-1.50 % (previously: 1.75 %-2.00 %).
- Lower depreciation of the Euro against the US dollar over 12 months.
- Gold: Upward revision for 2016 und 2017.
- Crude oil: Slight upward revision for 2016.
- Russia: Upward revision of GDP growth forecast.

Economy: Industrial countries

Germany: GDP (% qoq, sa)



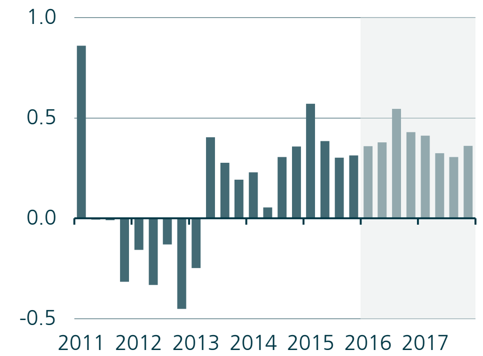
Sources: Destatis, forecast DekaBank

Germany

Strong fluctuations are currently the most characteristic features of German economic indicators. Incoming order levels have once again been at the mercy of large-scale orders: in February the latter were lacking, which was reflected in the resulting downturn. Thanks to an unusually low number of bridging days production figures rose sharply in January, to be followed in February by a slump. Moreover, the data for January later suffered an unusually strong downward revision. Retail trade also registered falling sales. Nevertheless, the momentum provided by data at the turn of the year sufficed to raise the rate of GDP growth in Germany. We expect GDP to rise by 0.5 % qoq in the first quarter of 2016.

Forecast revision: Inflation rate 2016: 0.5 % (previously: 0.3 %).

Eurozone: GDP (% qoq, sa)



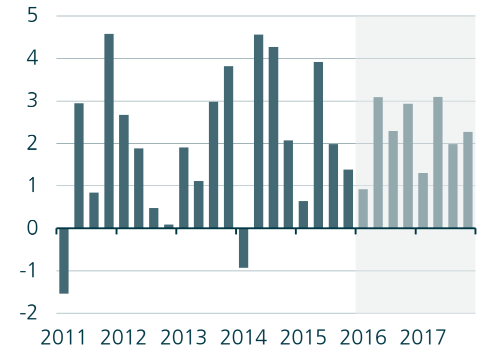
Sources: Eurostat, forecast DekaBank

Eurozone

The most important sentiment indicators for the Eurozone for the first quarter signal a stable growth rate. In view of the many uncertainties currently at play, such as the concerns over the US economy, the weakness of the emerging markets and the discussion of a possible „Brexit“, this can be seen as a positive sign. In the first quarter the Eurozone probably registered a modest growth rate of 0.4 % qoq. The unexpectedly strong surge in industrial output in January also points in this direction. This increase in output embraced intermediate goods, investment goods and consumer goods. Inflationary pressure has been dampened by the marked slump in energy prices and in March the rate of inflation was -0.15 %.

Forecast revision: –.

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



Sources: Bureau of Economic Analysis, forecast DekaBank

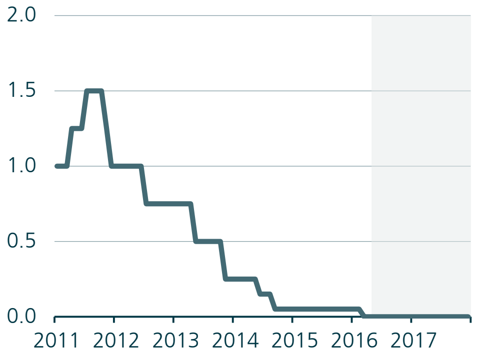
USA

As expected, private household consumption proved weak in February and the strong increase registered in January saw a surprisingly substantial downward correction. We have therefore lowered our first-quarter GDP growth forecast. However, in view of unchanged rising incomes, consumption should recover quickly. The source of this income growth has been the labour market, which has registered high monthly increases in the number of workers employed. Recent increases in the price of gasoline have obliged us to revise our inflation forecast for the current year.

Forecast revision: GDP growth 2016: 2.0 % (previously: 2.2 %); inflation 2016: 1.1 % (previously: 0.9 %) and 2017: 2.6 % (previously: 2.7 %).

Markets: Industrial countries

ECB: Repo Rate (% p.a.)



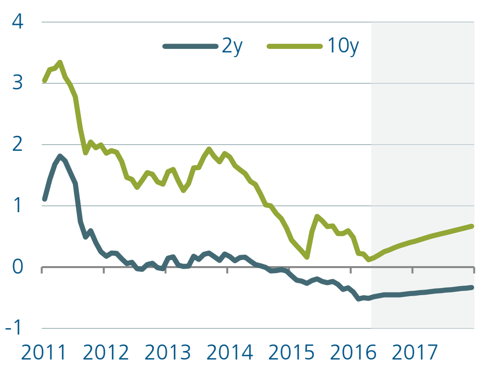
Sources: European Central Bank, forecast DekaBank

The European Central Bank / Money market

After the comprehensive measures announced in March, which included the lowering of key rates, an expansion of the ECB's asset purchases and additional long-term tenders, members of the ECB Council stressed that their room for manoeuvre has not been exhausted. However, the ECB will have recourse to its remaining options only if economic developments do not meet their expectations. Moreover, further lowering of the deposit rate facility is unlikely to be the bank's first choice, as this would have a negative impact on bank lending. The current deposit rate of -0.40 % can therefore be regarded as a relatively reliable lower limit for the money market. EONIA and EURIBOR rates are likely to fall only very slightly.

Forecast revision: –.

German Bond Yield (% p.a.)



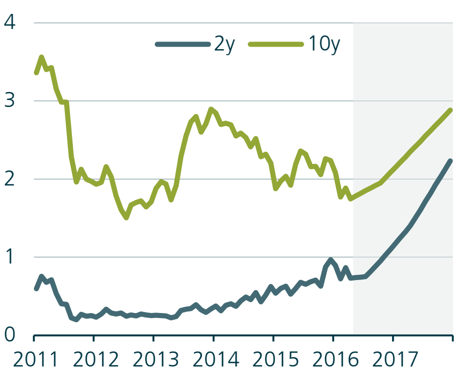
Sources: Bloomberg, forecast DekaBank

Eurozone bond market

In the wake of the ECB's lowering of its deposit rate facility by only ten basis points in March, 2-year Bunds initially underwent a strong correction. In the meantime their yields are once again reflecting expectations of further interest rate measures. Although we do not share these expectations, we assume that yields will rise only very slowly. In view of growing inflation expectations and lower downside economic risks we expect a stronger upward movement for longer maturities. However, the steepening of the Bund curve will be limited by the fact that an end to the ECB's asset purchasing programme is not in sight and market players must expect a growing shortage of Bunds.

Forecast revision: –.

US Bond Yield (% p.a.)



Sources: Bloomberg, forecast DekaBank

US bond market

In a speech at the end of March Janet Yellen made it quite clear that the Fed's current hesitant behaviour must be attributed primarily to global risks. Economic developments in the US, on the other hand, she considers to be largely positive. In the light of this assessment from Yellen, a key rate hike in June 2016 does not seem very likely. Moreover, we also expect the Fed to remain very hesitant throughout 2017. In this period, therefore, we expect only three further rate hikes. Forecasting risks, however, remain high, as the Fed currently appears to react disproportionally to the slightest changes in its macroeconomic assessment.

Forecast revision: Key rate forecast for the end of 2016: 0.50 %-0.75 % (previously: 0.75 %-1.00 %); 2017: 1.25 %-1.50 % (previously: 1.75 %-2.00 %).

Markets: Industrial countries

Equity Market Forecast

	Current Apr 11, 16	in 3	in 6 months	in 12
DAX	**9 682.99**	**10 500**	**10 000**	**10 500**
Reporting:				
EuroStoxx50	2 924.23	3 250	3 050	3 150
S&P 500	2 041.99	2 000	1 950	1 950
Topix	1 279.79	1 400	1 200	1 200

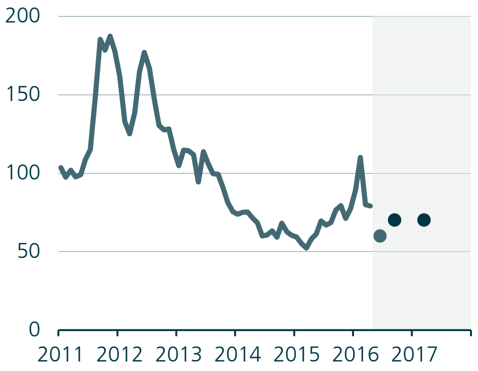
Sources: Deutsche Börse AG, forecast DekaBank

Equity market: Germany

After a disappointing start to the year the recovery of the equity markets continued in March, underpinned by a slight improvement in sentiment indicators as, for example, the German ifo business climate index, has moved upwards again. However, guarded comments by the Fed and the IMF on the development of the global economy fuelled concerns over the economic outlook, so that gains could not be sustained. Above all in the banking sector concerns over rising credit risks and falling profits have led to hefty price corrections. In view of the beginning of the quarterly reporting season smaller profit expectations have once again been factored in. However, after a very strong quarterly performance German companies in particular should be able to present respectable figures.

Forecast revision: –.

iTraxx Europe (Bp)

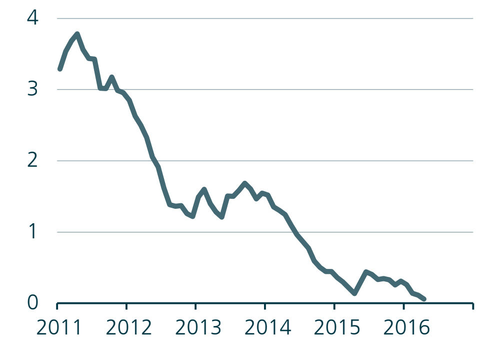


Sources: International Index Company, forecast DekaBank

Corporate bond market: Eurozone

The ECB has really stirred things up on the credit markets with its announcement of a purchasing programme for corporate bonds. Although the details still have to be worked out and purchases will begin at the earliest in June, the risk premiums for many bonds have already substantially been driven down. This also holds for high-risk companies, even if, because of their low rating classification, they will not be included in the ECB's asset-purchasing programme. However, the initial euphoria has already subsided and with a higher perception of risk several premiums have risen again. The recent development of bank securities in particular has proved rather negative. Sentiment has been dampened concerns over rising credit risks and falling returns in investment banking.

Covered Bonds 5y (% p.a.)



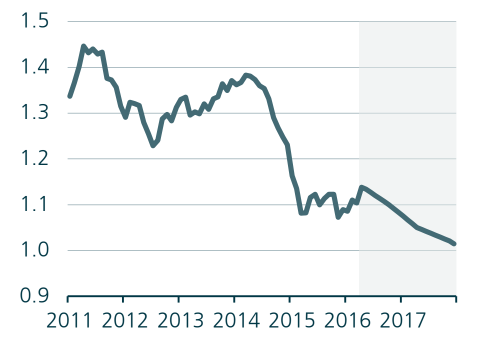
Source: Bloomberg

Covered Bonds

Since the beginning of the year covered bonds have found it increasingly difficult to keep pace with Bunds' very friendly trend, especially when the yield floor falls below zero. However, some bonds with short maturities are being successfully traded with negative yields and Berlin Hyp recently even managed to successfully place a 3-year mortgage bond with a marked negative yield on the market. In comparison with government bonds covered bonds have become more attractive as investments supporting the fulfilment of the minimum liquidity ratio. A whole series of new issues has also injected a new life into the secondary market to some extent. With the expansion of the ECB's asset-purchasing programme the share of covered bonds could increase, which would presumably push risk premiums somewhat lower.

Markets: Industrial countries

Exchange Rate EUR-USD



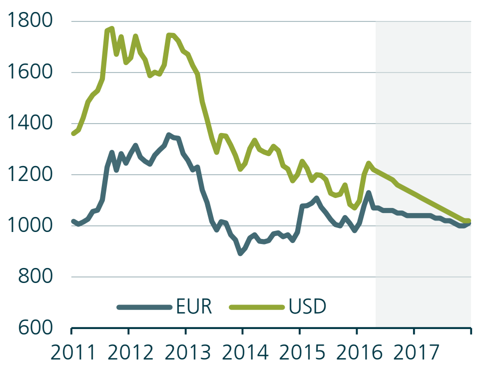
Sources: European Central Bank, forecast DekaBank

Currency market: EUR-USD

In March the Euro demonstrated its strength against the US dollar, appreciating from 1.08 EUR-USD to 1.14 EUR-USD. News from the Euro zone had at least a stabilising impact on the Euro. Sentiment indicators signal solid growth in the first quarter and the Euro-area unemployment rate has fallen to its lowest level since August 2011. However, news from the USA has been more important for the EUR-USD exchange rate. Janet Yellen, President of the Federal Reserve, has repeatedly stressed that the Fed will act very cautiously, adopting a wait-and see approach with regard to the key-rate hike path. The Euro has benefited directly from these statements.

Forecast revision: Lower Euro depreciation over 12 months.

Gold price (per troy ounce)



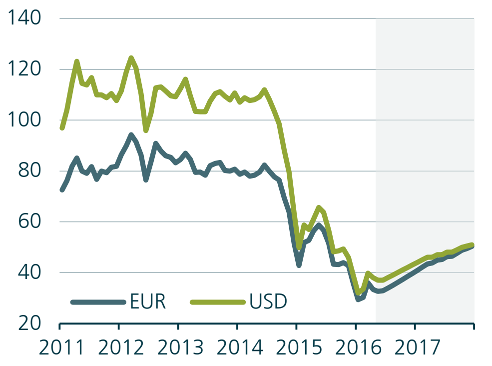
Sources: Bloomberg, forecast DekaBank

Gold

In recent weeks the gold price in US dollars has fallen slightly. However, gold investors in Euros have registered substantial losses in value, as the Euro appreciated markedly against the US dollar. The depreciation of the dollar can be attributed to lower key-rate hike expectations for the USA. Expectations of slower rate rises have underpinned the gold price: on the one hand, inflows of gold ETFs have remained strong and, on the other, speculative-oriented market players (managed money) have been busy building up their net long positions. We have revised our gold price forecast upwards and expect a weaker price fall than we forecast a month ago. For the US Fed we forecast one rate hike less both this year and in 2017. This will raise the US medium-term risk of inflation and therefore our expectations for the gold price.

Forecast revision: Upward revision for 2016 and 2017.

Crude Oil Brent (per barrel)



Sources: Bloomberg, forecast DekaBank

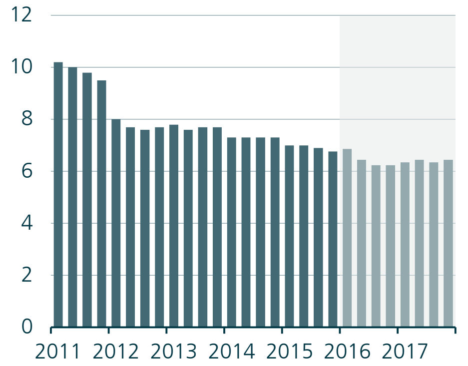
Crude oil

It is very unlikely that the oil-producing countries, which are meeting on April17th to determine a production ceiling, will in fact reach an agreement. Saudi-Arabia has linked its cooperation to Iran's participation. However, after being freed from sanctions, Iran has no interest in submitting to further limitations. In March, Russia's oil output reached a record level. The fact that US oil-production has fallen to its lowest level since November 2014 will do little to reduce the oversupply on the oil market. Global oil-storage facilities have been filled to the brim, so that in the months to come we can expect a volatile sideways movement from the oil price. Only in autumn are oversupply and the huge stocks of crude oil likely to be reduced, so that the oil price can initiate a sustained rise.

Forecast revision: Slight upward revision for 2016.

Emerging Markets

China: GDP (% yoy)



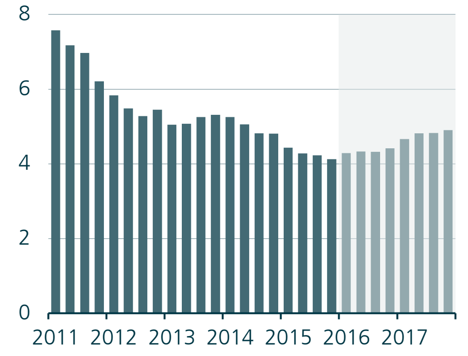
Sources: National Statistics, forecast DekaBank

China

The purchasing managers' indices rose in March. If we take into consideration the substantial investments in infrastructure and the stabilisation of the real estate market, concerns over a marked downturn of the Chinese economy now seem to have been somewhat relegated to the background, for the time being at least. We continue to expect GDP growth of 6.5% in the current year. Attention is also no longer as closely focused on currency developments, as at the beginning of the year. Since the middle of February the renminbi has even appreciated slightly against the US dollar, a development that has benefited from the general weakness of the US dollar. Capital outflows from China have slowed at least, as is reflected in the latest data on the development of currency reserves.

Forecast revision: –.

Emerging Markets: GDP (% yoy)



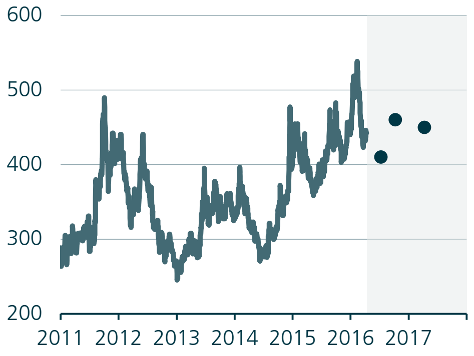
Sources: National Statistics, forecast DekaBank

Emerging Markets: Economy

With the stabilisation of commodity prices and improved sentiment on financial markets, the economic outlook for EM countries’ economic environment has brightened. A further glimmer of hope has been provided by higher purchasing managers' indices in some countries. However, neither global trade nor industrial productions are in favour of a revision of our outlook for sustained weak economic growth in the EM countries. Current political crises have opened new opportunities: in Brazil there could be a change of government if the corruption scandal becomes more acute and President Rousseff is removed from office. Russia is regarded by the West as vital in achieving a solution to the Syrian crisis and Turkey has moved closer to the EU following cooperation in the refugee crisis.

Forecast revision: Upward revision of GDP growth forecast for Russia.

EMBIG-Spread (Bp)



Sources: Bloomberg, forecast DekaBank

Emerging Markets: Markets

Driven primarily by the stabilisation of commodity prices, many EM equities and bond prices have risen sharply in recent weeks. Moreover, concerns over China have eased after capital outflows have slowed substantially and the government has promised to consider additional measures designed to underpin economic growth. The central banks have also made their contribution to raising sentiment on the capital markets. The Fed has laid such emphasis on risks to the global economy and financial markets that we now expect only one interest-rate hike in the current year. EM bond markets in addition benefited from improved sentiment in Brazil, as hopes of an early change of government have risen. However, the positive market development has not been underpinned by a sustained brightening of the economic outlook, even if the purchasing managers' indices rose in March. EM investments will probably come under pressure again in autumn at the latest, when the US Fed raises its key rate again. In the short term, however, there is still scope for price gains.

Macro Research

Economic Forecasts

April / May 2016

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					
		2015	2016	2017	2015	2016	2017	2015	2016	2017	2015	2016	2017
Germany	3.4	1.7	1.6	1.4	0.1	0.5	1.7	8.5	7.8	7.6	0.6	0.0	0.4
France	2.4	1.1	1.3	1.3	0.1	0.3	1.5	-1.6	-1.5	-2.0	-3.7	-3.4	-3.2
Italy	2.0	0.6	1.0	1.1	0.1	0.1	1.2	2.0	2.1	2.1	-2.6	-2.4	-2.0
Spain	1.4	3.2	2.8	2.2	-0.6	-0.4	1.3	1.5	1.4	1.3	-4.8	-3.6	-2.6
Netherlands	0.7	1.9	1.7	1.8	0.2	0.5	1.7	10.0	9.9	9.4	-2.2	-1.8	-1.5
Belgium	0.4	1.4	1.5	1.3	0.6	2.0	1.9	1.6	2.1	2.5	-2.9	-2.8	-2.4
Eurozone	**12.2**	**1.6**	**1.5**	**1.5**	**0.0**	**0.3**	**1.5**	**3.0**	**3.2**	**3.0**	**-2.1**	**-1.9**	**-1.5**
United Kingdom	2.4	2.3	1.7	2.3	0.0	0.3	1.6	-5.0	-4.7	-4.3	-4.4	-3.1	-2.1
Sweden	0.4	3.8	3.6	2.7	0.7	1.5	2.8	5.4	5.3	5.3	-1.0	-1.1	-1.2
Denmark	0.2	1.2	1.0	1.8	0.2	1.0	1.9	7.1	7.3	7.2	-2.0	-2.7	-1.9
EU-22	**15.2**	**1.8**	**1.5**	**1.7**	**0.1**	**0.4**	**1.6**	**1.9**	**2.1**	**2.0**	**-2.4**	**-2.1**	**-1.6**
Poland	0.9	3.6	3.3	3.0	-0.9	0.4	2.7	-0.2	-1.0	-1.3	-3.0	-3.1	-3.4
Hungary	0.2	2.9	2.4	2.2	-0.1	0.8	3.0	4.8	4.3	2.8	-2.1	-2.0	-1.9
Czech Republic	0.3	4.4	2.3	2.2	0.3	0.8	2.2	1.2	0.9	0.3	-1.6	-1.1	-1.2
EU-28	**17.1**	**2.0**	**1.8**	**1.8**	**0.0**	**0.4**	**1.7**	**1.7**	**1.8**	**1.7**	**-2.4**	**-2.2**	**-1.7**
USA	15.9	2.4	2.0	2.3	0.1	1.1	2.6	-2.7	-3.0	-3.5	-4.3	-3.5	-3.0
Japan	4.4	0.5	0.2	0.6	0.8	0.7	2.5	3.3	3.5	2.5	-7.1	-6.0	-5.0
Canada	1.5	1.2	1.8	2.1	1.1	1.2	2.1	-3.3	-2.5	-3.0	-1.7	-2.0	-2.5
Australia	1.0	2.5	2.3	2.1	1.5	1.3	2.1	-4.6	-4.5	-3.5	-2.7	-3.0	-3.0
Switzerland	0.4	0.9	1.4	1.7	-1.1	-0.8	0.1	9.8	9.9	10.4	-0.2	-0.3	-0.2
Norway	0.3	1.1	1.0	2.0	2.2	3.1	2.3	7.1	7.1	7.1	6.9	5.5	5.4
Developed Countries[4]	**38.9**	**1.9**	**1.7**	**1.9**	**0.2**	**0.8**	**2.1**	**-0.1**	**-0.1**	**-0.4**	**-3.6**	**-3.0**	**-2.5**
Russia	3.3	-3.7	-1.6	1.4	15.5	7.1	5.8	5.4	3.9	4.4	-2.6	-3.5	-2.0
Turkey	1.4	4.0	2.9	2.8	7.7	8.4	7.3	-4.8	-4.8	-4.7	-1.1	-1.7	-1.7
Ukraine	0.3	-9.8	0.0	2.8	48.7	13.5	9.5	-0.6	-1.3	-1.6	-1.5	-3.9	-3.6
Emerging Europe[5]	**7.4**	**-0.3**	**0.6**	**2.1**	**10.8**	**6.2**	**5.5**	**-0.8**	**-1.1**	**0.1**	**X**	**X**	**X**
South Africa	0.7	1.3	0.6	1.4	4.5	5.8	5.6	-4.0	-4.3	-4.6	-3.9	-3.5	-3.2
Middle East, Africa	**3.4**	**3.0**	**2.3**	**2.8**	**6.3**	**7.6**	**7.7**	**2.1**	**2.4**	**1.2**	**X**	**X**	**X**
Brazil	3.0	-3.9	-3.6	0.7	9.0	9.7	5.7	-3.3	-2.4	-2.7	-10.5	-8.4	-7.0
Mexico	2.0	2.5	2.6	2.8	2.7	3.2	3.5	-2.8	-3.0	-2.6	-3.5	-3.0	-2.5
Argentina	0.9	1.8	-0.3	3.0	27.1	35.6	19.5	-1.5	-3.5	-3.1	-5.2	-4.0	-2.5
Chile	0.4	2.1	1.8	2.7	4.3	4.1	3.5	-2.0	-2.3	-2.7	-2.2	-3.0	-1.9
Latin America	**8.0**	**-0.4**	**-1.1**	**1.4**	**15.5**	**36.9**	**31.5**	**-2.0**	**-2.5**	**-3.0**	**X**	**X**	**X**
China	16.6	6.9	6.5	6.4	1.5	2.3	2.6	2.7	2.3	1.7	-3.4	-3.5	-3.9
India	6.8	7.5	7.2	6.8	4.9	5.4	5.0	-1.0	-1.0	-1.4	-4.0	-3.8	-3.5
Indonesia	2.5	4.8	4.7	4.5	6.4	4.3	4.8	-2.1	-2.5	-2.5	-2.0	-1.8	-1.5
South Korea	1.6	2.6	2.2	2.4	0.7	1.1	2.3	7.7	7.5	6.0	-0.7	0.1	1.2
Emerging Asia	**31.7**	**6.2**	**5.9**	**5.7**	**2.5**	**2.8**	**3.1**	**1.9**	**1.8**	**2.4**	**X**	**X**	**X**
Emerging Markets	**50.4**	**3.9**	**3.8**	**4.3**	**6.0**	**9.1**	**8.3**	**0.9**	**0.7**	**1.2**	**X**	**X**	**X**
Total[6]	**89.3**	**3.0**	**2.9**	**3.2**	**3.5**	**5.5**	**5.6**	**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		
		Apr 12 2016	3 months	6 months	12 months
Germany	Monetary policy (Refi)	0.00	0.00	0.00	0.00
	3 months (EURIBOR)	-0.25	-0.26	-0.28	-0.28
	12 months (EURIBOR)	-0.01	-0.03	-0.05	-0.05
	Bunds, 2 years	-0.52	-0.45	-0.45	-0.40
	Bunds, 5 years	-0.40	-0.30	-0.25	-0.15
	Bunds, 10 years	0.11	0.25	0.35	0.50
	Bunds, 30 years	0.80	1.00	1.20	1.40
USA	Monetary policy (FFR)	0.25-0.50	0.25-0.50	0.50-0.75	0.75-1.00
	3 months (LIBOR)	0.63	0.65	0.70	0.95
	12 months (LIBOR)	1.20	1.20	1.25	1.35
	US-Treasuries, 2 years	0.71	0.75	0.95	1.40
	US-Treasuries, 5 years	1.17	1.30	1.40	1.95
	US-Treasuries, 10 years	1.74	1.85	1.95	2.35
	US-Treasuries, 30 years	2.57	2.60	2.65	3.05
Japan	Monetary policy (Call)	0.10	0.10	0.10	0.10
	3 months (LIBOR)	-0.01	0.00	0.00	0.05
	12 months (LIBOR)	0.10	0.15	0.15	0.15
	JGBs, 2 years	-0.25	-0.20	-0.15	-0.05
	JGBs, 5 years	-0.23	-0.15	-0.10	0.20
	JGBs, 10 years	-0.09	0.00	0.05	0.25
	JGBs, 30 years	0.40	0.45	0.55	0.75
United Kingdom	Monetary policy (Base)	0.50	0.50	0.50	0.75
	3 months (LIBOR)	0.59	0.60	0.60	0.90
	12 months (LIBOR)	1.00	1.10	1.20	1.50
	Gilts, 2 years	0.40	0.60	0.70	1.10
	Gilts, 5 years	0.78	1.10	1.30	1.60
	Gilts, 10 years	1.39	1.50	1.60	2.00
	Gilts, 30 years	2.29	2.35	2.40	2.60
Sweden	Monetary policy (Repo)	-0.50	-0.50	-0.50	-0.40
	3 months (STIB)	-0.44	-0.45	-0.45	-0.40
	2 years	-0.64	-0.60	-0.50	-0.20
	10 years	0.48	0.60	0.70	1.00
Denmark	Monetary policy (Repo)	0.05	0.05	0.05	0.05
	3 months (CIBOR)	-0.10	0.00	0.00	0.00
	2 years	-0.40	-0.30	-0.30	-0.25
	10 years	0.36	0.55	0.65	0.80
Norway	Monetary policy (Deposit)	0.50	0.50	0.50	0.25
	3 months (NIBOR)	0.99	1.00	0.92	0.75
	3 years	0.47	0.40	0.40	0.50
	10 years	1.25	1.40	1.50	1.70
Switzerland	Monetary policy (LIBOR)	-1.25 to -0.25	-1.25 to -0.25	-1.25 to -0.25	-1.25 to -0.25
	3 months (LIBOR)	-0.73	-0.75	-0.75	-0.75
	2 years	-0.86	-0.85	-0.85	-0.75
	10 years	-0.35	-0.20	-0.10	0.10
Canada	Monetary policy (O/N)	0.50	0.50	0.50	0.50
	3 months (CBA)	0.91	0.90	0.95	0.95
	12 months (CBA)	1.09	1.10	1.15	1.20
	2 years	0.56	0.65	0.85	1.40
	5 years	0.71	0.80	1.00	1.60
	10 years	1.24	1.35	1.55	1.95
	30 years	1.96	2.20	2.35	2.75
Australia	Monetary policy (Cash)	2.00	2.00	2.00	2.25
	3 months (ABB)	2.27	2.30	2.30	2.45
	2 years	1.88	1.90	2.00	2.45
	10 years	2.47	2.55	2.70	3.00

Interest rates in EM countries

Region	Country	Rate	Current Apr 12 2016	Forecasts 3 months	6 months	12 months
Central- and Eastern Europe	Poland	Monetary policy (Repo)	1.50	1.50	1.50	1.50
		3 months (WIB)	1.57	1.60	1.60	1.70
		2 years	1.52	1.50	1.60	1.80
		10 years	2.90	2.90	3.00	3.30
	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	-0.07	-0.05	0.00	0.10
		10 years	0.43	0.60	0.60	0.90
	Hungary	Monetary policy (Deposit)	1.20	0.80	0.80	0.80
		3 months (BUBOR)	1.20	0.90	1.00	1.10
		3 years	1.57	1.30	1.30	1.50
		10 years	2.99	2.70	2.70	2.90
Latin America	Brazil	Monetary policy (Repo)	14.25	14.25	14.00	13.75
		3 months (ABG)	14.03	14.20	13.90	13.70
		2 years	13.35	13.60	13.60	13.70
		9 years	13.68	13.70	13.70	13.20
	Mexico	Monetary policy	3.75	4.00	4.25	4.50
		3 months (Mexibor)	4.11	4.15	4.20	4.50
		2 years	4.12	4.20	4.40	4.50
		10 years	5.95	6.20	6.20	6.20
Asia	China	Monetary policy	1.50	1.50	1.25	1.00
		3 months	2.85	2.80	2.70	2.60
		2 years	2.39	2.30	2.30	2.50
		10 years	2.93	2.90	2.90	3.00
	Singapore	Monetary policy	#NV	n.a.	n.a.	n.a.
		3 months	1.06	1.10	1.20	1.25
		2 years	0.87	0.90	1.10	1.40
		10 years	1.88	1.90	2.10	2.40
	South Korea	Monetary policy	1.50	1.25	1.25	1.25
		3 months	1.49	1.40	1.30	1.30
		2 years	1.48	1.40	1.50	1.70
		10 years	1.79	1.70	1.80	2.10

Yield spreads in basis points[1)]

	Region	Country	Current Apr 12 2016	Forecasts 3 months	6 months	12 months
Emerging Markets, EMBIG Spreads	Central- and Eastern Europe	Russia	282	270	300	295
		Turkey	293	280	315	310
		Hungary	216	200	225	220
	Africa	South Africa	390	360	405	400
	Latin America	Brazil	434	425	475	465
		Chile	220	205	230	225
		Columbia	304	290	320	315
		Mexico	313	300	335	325
		Venezuela	3305	3070	3445	3375
	Asia	China	178	165	185	180
		Indonesia	304	285	320	310
		Philippines	93	90	100	95
	Total (EMBIG)		**437**	**410**	**460**	**450**

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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Economic Forecasts

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Currencies

EURO		Current	Forecasts		
		Apr 12 2016	3 months	6 months	12 months
Dollar-Bloc	EUR-USD	1.14	1.12	1.10	1.05
	EUR-CAD	1.47	1.47	1.47	1.45
	EUR-AUD	1.49	1.47	1.49	1.42
Japan	EUR-JPY	123.54	123.20	123.20	120.75
Euro-Outs	EUR-GBP	0.80	0.75	0.73	0.69
	EUR-DKK	7.44	7.46	7.46	7.46
	EUR-SEK	9.26	9.35	9.30	9.20
	EUR-CHF	1.09	1.10	1.10	1.13
	EUR-NOK	9.36	9.40	9.30	9.20
Central- and Eastern Europe	EUR-PLN	4.28	4.30	4.25	4.10
	EUR-HUF	311.65	320.00	315.00	310.00
	EUR-CZK	27.02	27.00	27.00	27.00
Africa	EUR-ZAR	16.79	17.02	17.38	17.43
Latin America	EUR-BRL	3.98	4.14	4.40	4.31
	EUR-MXN	20.11	19.49	19.25	18.38
Asia	EUR-SGD	1.54	1.53	1.54	1.49
	EUR-CNY	7.38	7.28	7.26	7.04
	EUR-KRW	1306	1299	1287	1250
US-Dollar		**Current**	**Forecasts**		
		Apr 12 2016	**3 months**	**6 months**	**12 months**
Dollar-Bloc	USD-CAD	1.29	1.31	1.34	1.38
	AUD-USD	0.76	0.76	0.74	0.74
Japan	USD-JPY	108.28	110.00	112.00	115.00
Euro-Outs	GBP-USD	1.42	1.49	1.51	1.52
	USD-DKK	6.52	6.66	6.78	7.10
	USD-SEK	8.11	8.35	8.45	8.76
	USD-CHF	0.95	0.98	1.00	1.08
	USD-NOK	8.20	8.39	8.45	8.76
Central- and Eastern Europe	USD-PLN	3.75	3.84	3.86	3.90
	USD-HUF	273.15	285.71	286.36	295.24
	USD-CZK	23.69	24.11	24.55	25.71
Africa	USD-ZAR	14.72	15.20	15.80	16.60
Latin America	USD-BRL	3.49	3.70	4.00	4.10
	USD-MXN	17.63	17.40	17.50	17.50
Asia	USD-CNY	6.47	6.50	6.60	6.70
	USD-SGD	1.35	1.37	1.40	1.42
	USD-KRW	1144	1160	1170	1190

Commodities

Commodity	Current	Forecasts		
	Apr 12 2016	3 months	6 months	12 months
Gold (USD per troy ounce)	1,254.55	1,190	1,150	1,090
Gold (EUR per troy ounce)	1,099.61	1,060	1,050	1,040
WTI crude (USD per Barrel)	40.36	37	40	45
WTI crude (EUR per Barrel)	35.38	33	36	43
Brent crude (USD per Barrel)	41.70	38	41	46
Brent crude (EUR per Barrel)	36.55	34	37	44

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