



October / November 2019

Anaemic growth

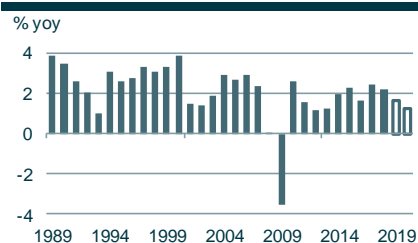
Although there are still a few glimmers of hope with respect to the two major factors generating uncertainty, Brexit and the trade war, it cannot be denied that the global economy has slipped into a slower gear. The globalisation wave, which has propelled German GDP upwards for three decades, has lost its momentum. The dynamic demand from China and other emerging-market countries has waned. The emerging markets are now proceeding at a much more modest pace than was the case a few years ago. China in particular is steering growth towards the domestic economy by focusing on private consumption and the production of services, for which it needs fewer machines from Germany. And other industrial countries are not faring much better.

This development has many root causes, for example that emerging markets are moving into a new phase of their development process or that new tariffs and other trade barriers are being introduced. Finding a way out of this world of merely anaemic growth in industrial countries is difficult. The central banks are making strenuous efforts to use easy-money policies to generate strong growth and higher rates of inflation for the west. Although they have so far been only partially successful, the US Fed and the ECB have both lowered their key rates since the middle of September. The ECB has even decided to resume asset-purchases from November 2019.

As the central banks are obviously not succeeding in stimulating growth, the focus increasingly shifts to fiscal policy. Governments are expected to stimulate growth by increasing public expenditure. However, there are justified doubts with respect to the effectiveness of this strategy. Will higher public investment generate an economic upswing, even if there is hardly any spare capacity in the labour market or the construction sector? Rather than trying to save the economy, governments should introduce reforms that stimulate both growth and the confidence of business enterprises and private households. Signs of progress with respect to Brexit and the trade war would certainly be a signal for the resumption of global growth, but reforms are even more vital.

For the time being industrial countries are left with their anaemic economic growth levels and extremely low rates of interest. In this environment the chances of gaining real returns on investments depend on whether one is prepared to accept risk in the shape of shares or higher risk bonds. The associated higher level of volatility is the price to be paid for better chances of high yields.

Industrialised countries: GDP



Source: National Statistics, forecast DekaBank

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Most important forecast revisions

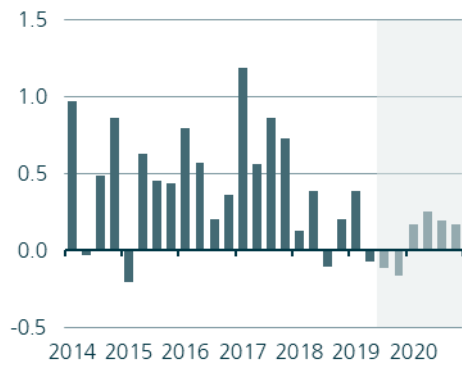
- Eurozone: inflation 2020: 1.2 % (previously 1.3 %).
- USA: inflation 2019: 1.8 % (previously 1.9 %); 2020: 2.5 % (previously 2.4 %).
- Eurozone money and bond markets: no further lowering of the deposit rate by the ECB. No further falls of short-term Bund yields.
- The GDP growth forecast for Turkey has been raised.



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Economy: Industrial countries

Germany: GDP (% qoq, sa)

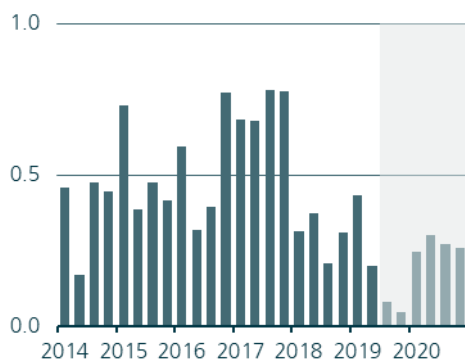


Sources: Destatis, forecast DekaBank

Germany

While indicators of market sentiment have continued to nosedive, the publication of hard indicators for August brought some light relief in October. Retail turnover and production rose. Unfortunately, this proved to be only a temporary development, as favourable factors such as unusually few holidays in August were themselves of a temporary nature, and indicators such as incoming orders and market sentiment continue to point downwards. Foreign trade data proved unpleasant, as they reflect a substantial slump in the export of goods. Nevertheless, the signs point to only a minor dip in third-quarter GDP.

Eurozone: GDP (% qoq, sa)

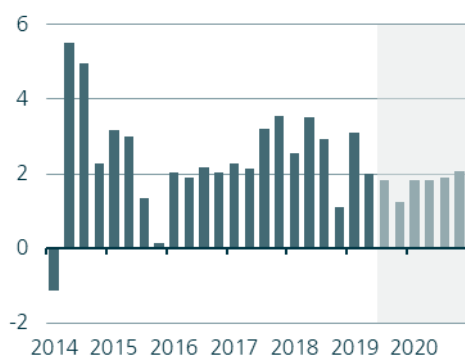


Sources: Eurostat, forecast DekaBank

Eurozone

European economic growth suffered a marked loss of momentum in the second quarter, and there are no signs of any change in the third. There are some indications that corporate and household sentiment are stabilising, but these should be interpreted with caution. The core problem for the Eurozone, i.e. the German industry, remains in the grip of a recession. Apart from that, the domestic economy is in good shape. The outstanding situation on the European labour market in particular has stabilised the economy. The Eurozone unemployment rate currently stands at 7.4%, which is close to the all-time low of 7.3% in 2007. There are, of course, huge differences between different countries. Whereas Germany has the lowest unemployment rate of 3.1%, Spain has the second highest with 13.8%. Forecast revision: inflation 2020: 1.2 % (previously 1.3 %).

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



Sources: Bureau of Economic Analysis, forecast DekaBank

USA

How robust is the US economy in view of global headwinds? The two national purchasing managers' indices from the Institute for Supply Management (ISM) point to a distinct slowdown of economic growth. The first hard economic data, on the other hand, such as the labour market report, show inconspicuous positive growth. We currently expect the US economy to have expanded in the third quarter in line with average growth levels of some 2%. In view of the uncertainty felt by companies due to the trade conflicts, in particular with China, the GDP growth rate will presumably slow for some time to come.

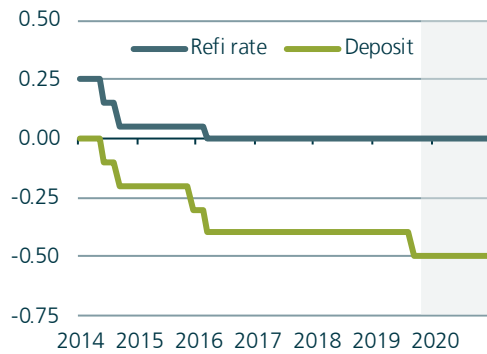
Forecast revision: inflation 2019: 1.8 % (previously 1.9 %); 2020: 2.5 % (previously 2.4 %).



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Markets: Industrial countries

ECB: Repo Rate (% p.a.)



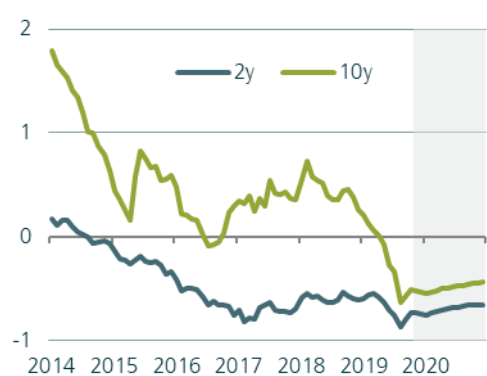
Sources: European Central Bank, forecast DekaBank

The European Central Bank / Money market

At its meeting on September 12th the ECB presented a comprehensive package of measures. At the same time, however, it left the impression that it would have difficulty in further easing its monetary policy, if this were necessary. President Draghi described the ECB’s package as “comprehensive” and argued that from now on fiscal policy would have to assume more responsibility for stabilisation of the economic environment. Moreover, the structure of the tiered deposit rate has proved disappointing, as less than half of the excess reserves in the banking system are exempt from negative interest rates. Consequently, the harmful side effects of negative interest rates are scarcely mitigated, so that this new procedure creates little scope for the ECB to further cut key rates. We assume, therefore, that the deposit rate will not be lowered again. EONIA and EURIBOR-rates should have bottomed out and will probably remain at this low level for several years to come.

Forecast revision: no further cut of the deposit rate by the ECB.

German Bond Yield (% p.a.)



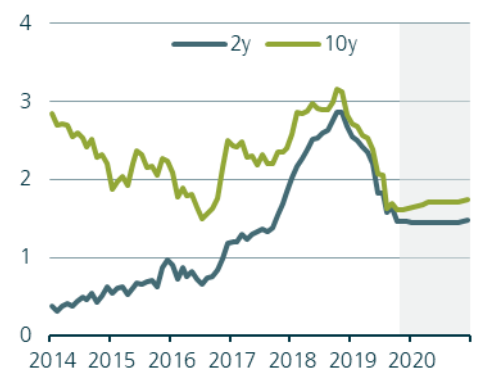
Sources: Bloomberg, forecast DekaBank

Eurozone bond market

In recent months the ECB and other central banks have reacted to the global economic slump by easing their monetary policy. Until recently investors were ready to follow this trend and anticipate further expansive measures. Meanwhile, market expectations have been slightly lowered. The ECB appears to have largely exhausted its scope for action and the broad consensus among Council members is on the wane. The Fed, on the other hand, in view of a more robust economic environment currently sees no need to adjust its approach. At the same time it is obvious that in the Eurozone in particular key rate hikes are in the very distant future. We therefore expect the yields of even long-term bonds to rise very slowly.

Forecast revision: No further falls of short-term Bund yields.

US Bond Yield (% p.a.)



Sources: Bloomberg, forecast DekaBank

US bond market

After the interest rate cut by the Fed in September there is no consensus within the FOMC on the key rate outlook. A third of FOMC members prefer raising key rates this year, while a good third regard a further cut of rates as necessary. In view of the two surprisingly weak ISM indices we continue to expect the Fed to lower key rates again in October. However, the relatively robust labour market report suggests that the current slump is not particularly pronounced. We therefore attach a high probability to a postponement of another key rate cut.



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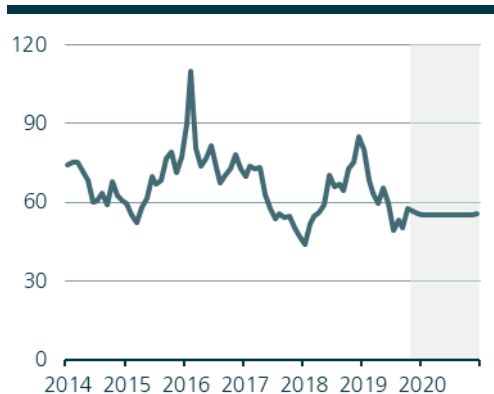
Markets: Industrial countries

Equity Market Forecast

	Current Oct 11, 19	in 3 months	in 6 months	in 12 months
DAX	12 511.65	12 200	12 700	13 000
Reporting:				
EuroStoxx50	3 569.92	3 400	3 500	3 600
S&P 500	2 970.27	2 900	3 000	3 050
Topix	1 595.27	1 600	1 550	1 600

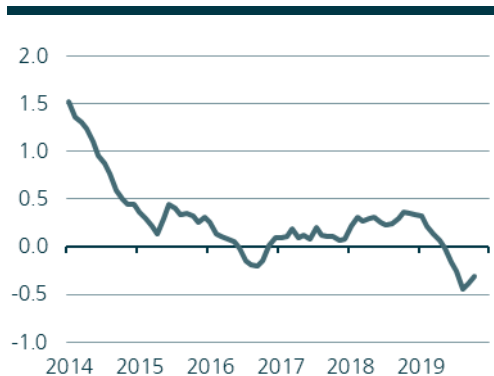
Sources: Deutsche Börse AG, forecast DekaBank

iTraxx Europe (Bp)



Sources: International Index Company, forecast DekaBank

Covered Bonds 5y (% p.a.)



Source: Bloomberg

Equity market: Germany

Once again the German purchasing managers' indices for September proved disappointing. Various risks such as Brexit and the trade war have had a negative impact on both investment and exports. The approaching company report season will provide an interesting insight into the current development of business in individual companies. The corresponding expectations have already been lowered massively in the current year. There is thus a possibility that their fulfilment together with confirmation of outlooks will lead to a friendlier price trend. For now the German equity market should remain in the sideways movement that has prevailed since February. Further progress in the talks between the USA and China or the negotiations between the USA and Europe could fuel an attempt to break out of the current equity price range.

Corporate bond market: Eurozone

The very strong wave of new issues in September has been a growing burden on the secondary market for corporate bonds. In October the flood of new issues eased somewhat and the spot market has been able to recover noticeably. CDS spreads and iTraxx indices, above all in the high-yield range, are now suffering from investors' increased risk aversion in the face of threats from the trade war, Brexit and the economic slump. The approaching quarterly results should also present investors with some bitter disappointments. Recently, however, equity prices have reacted appreciably stronger to negative surprises than bond spreads, as these have obviously benefited from the ECB's supporting measures.

Covered Bonds

The market for covered bonds is currently active exclusively in new issues. Despite largely negative yields most new bonds have been well subscribed. However, some previous buyers such as insurance companies have left the market, as yields are too low, since the number of subscribers has fallen, as has the proportion of over-subscriptions. The leading investors are banks, who hope to pass on the bonds to the ECB in November, and asset managers, as long as the margin offered is satisfactory. The secondary market has not revived since the summer pause, which can be attributed primarily to very negative yields. However, as soon as a bond registers a high spread and a positive yield, as for example the newly launched covered bonds of the Spanish Liberbank, or the Italian Monte dei Paschi, there is a marked surge in demand.



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Markets: Industrial countries

Exchange Rate EUR-USD



Sources: European Central Bank, forecast DekaBank

Currency market: EUR-USD

In recent weeks the Euro has been weak against the US dollar. At the beginning of September it stood at 1.09 EUR-USD and at the end of the month was at the same level. It received no support from the ECB. On the contrary, at its meeting on September 12th the ECB presented a comprehensive package of measures designed to ease its monetary policy. The ECB has thus opened the door for the continuation of its unconventional monetary policy. The downward movement of the EUR-USD exchange rate has been slowed by the US Fed, which again lowered its key rate band by 25 basis points to 1.75 % to 2.00 % in September. We expect the Fed to lower key rates again in October. At the moment the US Fed is the most important stabiliser for the EUR-USD exchange rate.

Gold price (per troy ounce)



Per- formance	from 30.09.13 to 30.09.14	30.09.14 30.09.15	30.09.15 30.09.16	30.09.16 30.09.17	30.09.17 30.09.18	30.09.18 30.09.19
Gold in Euro	-2.23%	4.08%	17.25%	-7.18%	-5.51%	31.03%
Gold in USD	-8.74%	-7.85%	17.73%	-2.42%	-7.02%	23.01%

Sources: Bloomberg, forecast DekaBank

Gold

Until the end of September the gold price slumped as news improved and by the end of the month it had fallen to USD1,460. In the first half of October at times it rose above the USD1,500 mark. Falling indicators of market sentiment and weak economic data raised stronger fears of a global downturn. Bond yields fell and on the equity markets there were signs of enhanced risk aversion. Worldwide stocks of securities backed by gold (gold ETFs) have continued to rise and are nearing the all-time high established at the end of 2012. Recently solutions for both the trade conflict between the USA and China and Brexit have become more probable, which has lowered the gold price again. However, uncertainty continues to plague the global economy and financial markets, from which the gold price tends to benefit.

Crude Oil Brent (per barrel)



Performance	from 30.09.13 to 30.09.14	30.09.14 30.09.15	30.09.15 30.09.16	30.09.16 30.09.17	30.09.17 30.09.18	30.09.18 30.09.19
Brent in Euro	-6.40%	-42.30%	1.01%	11.57%	46.10%	-21.73%
Brent in USD	-12.64%	-48.91%	1.43%	17.28%	43.76%	-26.52%

Sources: Bloomberg, forecast DekaBank

Crude oil

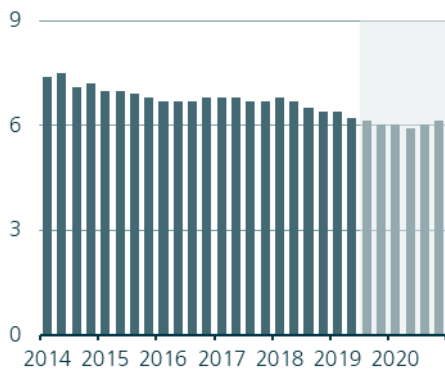
In the middle of September oil prices surged in the wake of a drone attack on the largest oil refinery in Saudi Arabia. However, the capacity of the refinery was restored surprisingly quickly and by the end of September oil prices had fallen back to their level before the drone attack. The fact that there is not even a higher risk premium on the oil price shows how strongly concerns over global demand control the oil market. Recently weak economic data and gloomy corporate sentiment have been generating fears of a global downturn. Should the global slump continue, OPEC will be under pressure in the coming year to prolong or even expand its voluntary reduction of output, in order to restore equilibrium on the global oil market in 2020.



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Emerging Markets

China: GDP (% yoy)

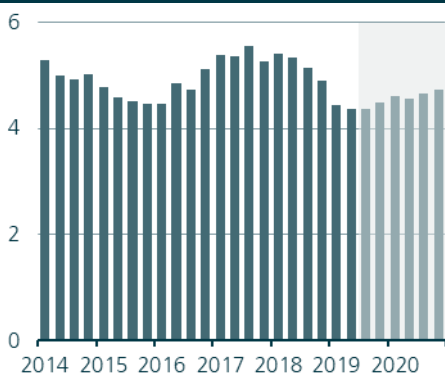


Sources: National Statistics, forecast DekaBank

China

The purchasing managers' indices for the manufacturing sector improved in September. Clearly, the weakness of the two previous months has not continued. However, the Chinese economy is far removed from a strong upswing that would also boost the global economy. The government does not regard the economic situation as problematic enough to justify abandoning its stabilisation measures. Trade talks with the USA were resumed on October 10th. As a first move, China has declared that it is prepared to increase its agricultural imports from the USA. In return, the USA will not carry out its threat to raise tariffs on October 15th. However, there is little hope that a comprehensive agreement will be reached in this trade conflict.

Emerging Markets: GDP (% yoy)



Sources: National Statistics, forecast DekaBank

Emerging Markets: Economy

Manufacturing is worldwide in a weak phase, which is especially pronounced in Europe. In Russia the purchasing managers' index for the manufacturing sector has even fallen to the lowest level since 2009. In Asia the purchasing managers' indices remained largely stable in September, but here too there are fears the weak period will persist. At the same time rates of inflation have fallen, which allows the central banks to further ease their monetary policy. The political risks continue and the police in Hong Kong are handling demonstrators with ever-increasing violence. Turkey has started a military offensive against the Kurds in North Syria, for which the USA is threatening to impose economic sanctions. Further escalation in the trade war between the USA and China has been avoided for the time being. However, there is little chance of reaching a comprehensive agreement in this conflict.

Forecast revision: the GDP growth forecast for Turkey has been raised.

EMBIG Diversified-Spread (Bp)



Sources: Bloomberg, forecast DekaBank

Emerging Markets: Markets

Hopes of an easing of the tension in the trade conflict as well as an easing of monetary policy by the major central banks have boosted EM investment in recent weeks. Growing concerns over growth and doubts about the effectiveness of monetary measures have hindered a sustainable recovery. The news that the USA would not raise its tariffs on Chinese goods in mid-October as had been announced has raised market sentiment somewhat. But scepticism as to whether a sustainable solution can be found will persist. Despite the difficult economic environment the outlook for EM equities is not bad, as weak earnings have already been factored into prices. On the bond markets rising prices are ever less likely, as the effects of easing monetary policy have long since been factored into prices. EM currencies have been able to benefit from further easing of US monetary policy, but in the medium term growing economic concerns suggest cautious positioning and weakening EM currencies.

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					
		2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
Germany	3.2	1.5	0.4	0.7	1.9	1.3	1.4	7.3	6.4	6.2	1.7	1.0	0.8
France	2.2	1.7	1.2	1.0	2.1	1.3	1.4	-0.3	-0.5	-0.6	-2.5	-3.1	-2.7
Italy	1.8	0.7	-0.1	0.1	1.2	0.7	0.8	2.5	2.5	2.5	-2.1	-2.5	-3.5
Spain	1.4	2.4	2.0	1.7	1.7	0.8	1.0	0.9	0.9	0.9	-2.5	-2.3	-2.0
Netherlands	0.7	2.5	1.6	1.1	1.6	2.6	1.8	10.8	10.0	9.3	1.5	1.4	0.8
Belgium	0.4	1.4	1.1	0.9	2.3	1.3	1.3	-1.3	0.2	0.0	-0.7	-1.3	-1.5
Eurozone	11.4	1.9	1.0	0.8	1.8	1.2	1.2	3.4	3.1	2.9	-0.6	-0.9	-1.1
United Kingdom	2.2	1.4	1.3	1.0	2.5	1.8	1.9	-3.9	-3.7	-3.4	-1.5	-1.5	-1.2
Sweden	0.4	2.4	1.3	1.6	2.0	1.6	1.7	2.0	2.6	3.1	0.9	0.4	0.4
Denmark	0.2	1.5	2.0	1.6	0.7	0.9	1.3	6.1	6.3	6.3	0.5	0.6	-0.1
EU-22	14.3	1.9	1.1	0.9	1.9	1.3	1.4	2.3	2.0	2.0	-0.7	-1.0	-1.0
Poland	0.9	5.1	4.0	3.1	1.7	2.3	2.5	-0.6	-0.6	-0.5	-0.4	-1.6	-1.4
Czech Republic	0.3	2.9	2.5	2.0	2.1	3.0	2.3	0.4	0.5	0.5	0.9	0.2	-0.2
Hungary	0.2	5.0	4.4	2.2	2.9	3.3	3.1	0.4	0.6	0.3	-2.2	-1.8	-1.6
EU-28	16.3	2.2	1.4	1.2	1.9	1.5	1.5	1.9	1.7	1.5	-1.0	-1.1	0.0
USA	15.2	2.9	2.2	1.8	2.4	1.8	2.5	-2.4	-2.5	-2.5	-6.6	-7.0	-7.5
Japan	4.1	0.8	1.0	-0.1	0.9	0.9	2.2	3.5	3.5	3.0	-2.5	-2.5	-2.0
Canada	1.4	1.9	1.6	1.9	2.2	1.9	2.2	-2.6	-2.5	-3.5	-0.4	-0.5	-1.5
Australia	1.0	2.7	1.9	2.7	1.9	1.0	3.0	-2.0	-0.5	0.0	-0.6	0.0	0.0
Switzerland	0.4	2.8	0.8	1.4	0.9	0.4	0.2	9.8	9.0	9.0	0.3	0.3	0.2
Norway	0.3	2.6	2.7	1.9	2.8	2.2	2.0	8.1	7.4	7.2	7.5	7.5	7.2
Developed Countries⁴⁾	36.8	2.2	1.6	1.3	2.0	1.5	2.0	0.3	0.2	0.1	-3.2	-3.5	-3.7
Russia	3.1	2.2	1.1	1.6	2.9	4.5	3.7	6.9	7.2	6.6	2.6	2.1	1.5
Turkey	1.7	3.0	0.2	2.8	16.3	15.6	11.0	-3.5	-0.8	-2.5	-2.0	-2.8	-2.2
Ukraine	0.3	3.3	3.0	2.9	10.9	8.6	7.7	-4.0	-4.2	-3.1	-1.6	-1.6	-1.5
Emerging Europe⁵⁾	7.5	3.1	1.8	2.3	6.3	6.8	5.3	0.9	1.3	0.9	X	X	X
South Africa	0.6	0.8	0.7	1.9	4.5	4.6	5.1	-3.6	-4.1	-4.5	-4.7	-4.8	-4.8
Middle East, Africa	3.3	2.9	3.0	3.0	8.6	6.7	6.6	-0.1	-0.5	-0.4	X	X	X
Brazil	2.5	1.1	0.9	2.3	3.7	3.8	3.7	-0.8	-1.7	-2.0	-6.9	-5.7	-4.9
Mexico	1.9	2.0	0.7	1.9	4.9	3.6	3.3	-1.8	-1.7	-1.8	-2.0	-2.7	-2.9
Argentina	0.7	-2.5	-2.9	-0.5	34.3	53.4	44.3	-5.3	-1.5	0.6	-5.0	-3.7	-4.9
Chile	0.4	4.0	2.9	3.3	2.3	2.3	2.7	-3.1	-2.6	-2.5	-1.7	-1.3	-1.2
Latin America	6.8	0.8	-0.3	1.9	6.8	8.6	7.5	-1.8	-2.1	-2.0	X	X	X
China	18.7	6.6	6.2	6.0	2.1	2.5	2.7	0.4	0.7	0.3	-4.2	-4.5	-4.5
India	7.8	7.4	5.5	6.3	4.0	3.1	3.9	-2.4	-1.7	-1.3	-6.7	-6.9	-6.6
Indonesia	2.6	5.2	5.0	4.9	3.2	3.1	3.0	-3.0	-2.6	-2.5	-1.7	-1.9	-1.9
South Korea	1.6	2.7	1.8	2.1	1.5	0.4	1.5	4.4	4.0	4.0	1.6	0.6	0.2
Emerging Asia	34.8	6.2	5.4	5.5	2.6	2.4	2.8	1.0	1.2	0.9	X	X	X
Emerging Markets	52.4	4.8	4.0	4.4	4.0	4.1	4.0	0.5	0.7	0.4	X	X	X
Total⁶⁾	89.2	3.8	3.0	3.1	3.2	3.0	3.2	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.



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Interest rates in industrialised countries

		Current	Forecasts		
		Oct 14 2019	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)	-0.42	-0.40	-0.40	-0.40
	12 months (EURIBOR)	-0.30	-0.28	-0.25	-0.25
	Bunds, 2 years	-0.71	-0.75	-0.70	-0.65
	Bunds, 5 years	-0.70	-0.75	-0.70	-0.65
	Bunds, 10 years	-0.46	-0.55	-0.50	-0.45
	Bunds, 30 years	0.07	-0.05	0.00	0.10
USA	Monetary policy (FFR)	1,75-2,00	1,50-1,75	1,50-1,75	1,50-1,75
	3 months (LIBOR)	2.00	1.85	1.80	1.80
	12 months (LIBOR)	1.96	1.95	1.95	1.95
	US-Treasuries, 2 years	1.59	1.45	1.45	1.45
	US-Treasuries, 5 years	1.55	1.45	1.50	1.50
	US-Treasuries, 10 years	1.73	1.65	1.70	1.70
	US-Treasuries, 30 years	2.19	2.10	2.15	2.15
Japan	Monetary policy (Call)	-0.10	-0.10	-0.10	-0.10
	3 months (LIBOR)	-0.11	-0.10	-0.10	-0.10
	12 months (LIBOR)	0.02	0.05	0.05	0.05
	JGBs, 2 years	-0.29	-0.25	-0.20	-0.20
	JGBs, 5 years	-0.31	-0.30	-0.25	-0.25
	JGBs, 10 years	-0.18	-0.20	-0.15	-0.10
	JGBs, 30 years	0.39	0.35	0.35	0.35
United Kingdom	Monetary policy (Base)	0.75	0.75	0.75	0.75
	3 months (LIBOR)	0.78	0.80	0.80	1.00
	12 months (LIBOR)	0.94	1.00	1.10	1.20
	Gilts, 2 years	0.50	0.60	0.70	0.80
	Gilts, 5 years	0.44	0.60	0.80	0.90
	Gilts, 10 years	0.63	0.70	0.90	1.00
	Gilts, 30 years	1.11	1.15	1.25	1.30
Sweden	Monetary policy (Repo)	-0.25	-0.25	0.00	0.00
	3 months (STIB)	-0.09	0.10	0.20	0.20
	2 years	-0.55	-0.40	-0.30	-0.20
	10 years	-0.20	0.00	0.10	0.20
Denmark	Monetary policy (Repo)	0.05	0.05	0.05	0.05
	3 months (CIBOR)	-0.44	-0.40	-0.40	-0.40
	2 years	-0.77	-0.80	-0.75	-0.65
	10 years	-0.45	-0.55	-0.45	-0.40
Norway	Monetary policy (Deposit)	1.50	1.50	1.50	1.50
	3 months (NIBOR)	1.82	1.80	1.80	1.80
	2 years	1.18	1.20	1.20	1.30
	10 years	1.22	1.30	1.40	1.50
Switzerland	Monetary policy (LIBOR)	-0.75	-0.75	-0.75	-0.75
	3 months (LIBOR)	-0.79	-0.75	-0.75	-0.75
	2 years	-0.87	-0.85	-0.85	-0.85
	10 years	-0.67	-0.60	-0.50	-0.30
Canada	Monetary policy (O/N)	1.75	1.50	1.50	1.50
	3 months (CBA)	1.98	1.85	1.80	1.80
	12 months (CBA)	2.12	2.05	2.00	2.00
	2 years	1.65	1.55	1.55	1.60
	5 years	1.53	1.40	1.40	1.55
	10 years	1.52	1.35	1.45	1.60
Australia	Monetary policy (Cash)	0.75	0.50	0.50	0.50
	3 months (ABB)	0.85	0.65	0.60	0.60
	2 years	0.70	0.60	0.60	0.60
	10 years	1.04	1.00	1.10	1.40



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Interest rates in EM countries

			Current	Forecasts		
			Oct 14 2019	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)	1.62	1.60	1.60	1.60
		2 years	1.52	1.60	1.70	1.80
		10 years	1.98	2.00	2.20	2.40
	Czech Rep.	Monetary policy (Repo)	2.00	2.00	2.00	2.00
		3 months (PRIBOR)	2.17	2.15	2.15	2.10
		2 years	1.33	1.30	1.30	1.30
	Hungary	10 years	1.30	1.20	1.20	1.50
		Monetary policy (Deposit)	0.90	0.90	0.90	0.90
3 months (BUBOR)		0.21	0.25	0.30	0.50	
3 years		0.41	0.50	0.70	1.00	
Latin America	Brazil	10 years	1.99	1.85	2.00	2.40
		Monetary policy (Repo)	5.50	4.75	4.75	5.00
		3 months (ABG)	4.93	4.88	4.93	5.50
		2 years	4.99	5.65	5.75	6.20
Mexico	10 years	6.68	6.80	6.80	6.90	
	Monetary policy	7.75	7.50	7.25	7.00	
	3 months (Mexibor)	7.58	7.40	7.00	7.10	
	2 years	6.80	7.00	7.00	6.90	
Asia	China	10 years	6.77	6.90	6.90	6.90
		Monetary policy	1.50	1.50	1.50	1.50
		3 months	2.72	2.80	2.80	2.90
		3 years	2.77	2.80	2.70	2.80
Singapore	10 years	3.17	3.20	3.30	3.30	
	Monetary policy	n.a.	n.a.	n.a.	n.a.	
	3 months	1.87	2.00	2.00	2.00	
	2 years	1.57	1.70	1.70	1.70	
South Korea	10 years	1.68	1.80	1.80	1.80	
	Monetary policy	1.50	1.25	1.25	1.25	
	3 months	1.21	1.25	1.25	1.25	
	2 years	1.30	1.25	1.30	1.30	
South Korea	10 years	1.49	1.40	1.30	1.30	

Yield spreads in basis points¹⁾

			Current	Forecasts		
			Oct 14 2019	3 months	6 months	12 months
Emerging Markets, EMBIG Div Spreads	Central- and Eastern Europe	Russia	188	200	210	215
		Turkey	485	510	540	555
		Hungary	94	100	105	110
	Africa	South Africa	320	335	355	365
	Latin America	Brazil	232	245	260	265
		Chile	133	140	150	150
		Columbia	173	180	195	200
	Asia	Mexico	309	325	340	360
		China	109	115	120	125
		Indonesia	175	185	195	200
	Asia	Philippines	70	73	78	80
		Total (EMBIG Div)	333	350	370	380

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.

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Currencies

EURO		Current Oct 14 2019	Forecasts		
			3 months	6 months	12 months
Dollar-Bloc	EUR-USD	1.10	1.10	1.11	1.12
	EUR-CAD	1.46	1.46	1.45	1.46
	EUR-AUD	1.63	1.64	1.63	1.60
Japan	EUR-JPY	119.45	118.80	118.77	120.96
Euro-Outs	EUR-GBP	0.88	0.89	0.88	0.86
	EUR-DKK	7.47	7.45	7.45	7.45
	EUR-SEK	10.85	10.70	10.60	10.50
	EUR-CHF	1.10	1.09	1.10	1.13
	EUR-NOK	10.05	9.90	9.80	9.50
Central- and Eastern Europe	EUR-PLN	4.30	4.35	4.30	4.20
	EUR-HUF	331.37	330.00	330.00	320.00
	EUR-CZK	25.80	25.80	25.70	25.60
Africa	EUR-ZAR	16.31	16.61	16.82	17.02
Latin America	EUR-BRL	4.53	4.51	4.61	4.70
	EUR-MXN	21.31	21.78	22.31	22.62
Asia	EUR-CNY	7.79	7.92	8.21	8.40
	EUR-SGD	1.51	1.53	1.55	1.58
	EUR-KRW	1307	1342	1365	1389
US-Dollar		Current Oct 14 2019	Forecasts		
			3 months	6 months	12 months
Dollar-Bloc	USD-CAD	1.32	1.33	1.31	1.30
	AUD-USD	0.68	0.67	0.68	0.70
Japan	USD-JPY	108.25	108.00	107.00	108.00
Euro-Outs	GBP-USD	1.26	1.24	1.26	1.30
	USD-DKK	6.77	6.77	6.71	6.65
	USD-SEK	9.84	9.73	9.55	9.38
	USD-CHF	1.00	0.99	0.99	1.01
	USD-NOK	9.11	9.00	8.83	8.48
Central- and Eastern Europe	USD-PLN	3.90	3.95	3.87	3.75
	USD-HUF	300.28	300.00	297.30	285.71
	USD-CZK	23.38	23.45	23.15	22.86
Africa	USD-ZAR	14.78	15.10	15.15	15.20
Latin America	USD-BRL	4.11	4.10	4.15	4.20
	USD-MXN	19.31	19.80	20.10	20.20
Asia	USD-CNY	7.06	7.20	7.40	7.50
	USD-SGD	1.37	1.39	1.40	1.41
	USD-KRW	1185	1220	1230	1240

Commodities

Commodity	Current Oct 14 2019	Forecasts		
		3 months	6 months	12 months
Gold (USD per troy ounce)	1,490.71	1,520	1,530	1,550
Gold (EUR per troy ounce)	1,350.89	1,380	1,380	1,380
WTI crude (USD per Barrel)	54.70	59	60	60
WTI crude (EUR per Barrel)	49.57	54	54	54
Brent crude (USD per Barrel)	59.77	64	65	65
Brent crude (EUR per Barrel)	54.16	58	59	58



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