

Between hope and fear.

The markets are going to find events in the coming weeks hard to swallow. Not only is Greece likely to prove unable to make its repayment to the IMF that falls due at the end of June, or will make it only with great difficulty, but soon after, namely at the end of July, the Fed will raise its key rates again in a lift-off that will signal the beginning of an exit from many years of crisis policy.

As a result, market players will remain tense and extremely nervous well into the second half of the year. Torn between hope and fear they will keep a watchful eye on developments to see whether Greece manages to remain in the European league, is relegated or is forced to leave the currency union. And it is not only the fate of Greece that will be determined in the coming weeks, but also that of the entire Euro zone. If Greece is not obliged to comply with the rules of the currency union and nevertheless is allowed to remain a member, why should others be expected to obey the rules? In this case the Euro zone would degenerate sooner or later into an economic area crippled by low growth, lack of reforms and high levels of public debt - and that is what both equity markets and bond markets justifiably fear.

The markets are also torn between hope and and fear in anticipation of the Fed's expected interest-rate turnaround. There is hope that the US economic recovery will gather pace, but with every piece of good economic news it becomes more likely that the Fed will raise key rates again at the end of July and worldwide market participants are afraid the US economy might not be able to cope with interest-rate hikes. And the impact will not be limited to the USA - yields will rise worldwide, capital will flow out of the emerging markets and the global economy will have to cope with these developments.

Against this backdrop of uncertainty it comes as no surprise that the equity markets have undergone a long awaited correction. However, in this environment very few market players could have expected the yields of 10-year German Bunds to rise to almost 1 % in an incredibly short time span. It is evident that, due to the ECB's bond-buying program and more stringent regulation, the bond markets have become less liquid and more prone to price swings. Together with market participants' nervousness this was bound to lead to hefty price fluctuations. What does all this mean for the investor? (1) The phase of extremely low capital market yields has presumably now come to an end. The interest-rate turnaround is now under way, albeit very slowly and with relatively high fluctuations. (2) Interest rates will nevertheless remain low for a long time and equities remain the most attractive asset class.



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Most important forecast revisions and changes

- + Eurozone inflation: upward revision for 2015: 0.4 % (previously 0.3 %); for 2016: 1.5 % (previously 1.4 %).
- + Upward revision of long-term Bund yields.
- + USA: interest-rate turnaround postponed from June to July 2015.
- + EUR-USD exchange rate: slight upward revision of 3-month and 6-month forecasts.

Economy: Industrial countries

Germany: GDP (% qoq, sa)



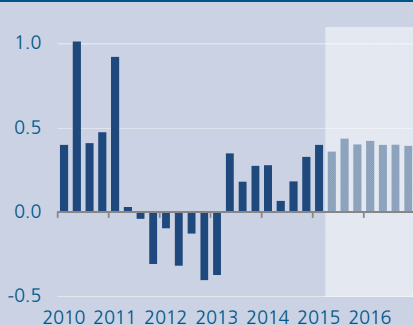
Sources: Destatis, forecast DekaBank

Germany

After disappointing economic data in the first quarter – GDP grew by „only“ 0.3 % against the last quarter of 2014 – the data for April proved very welcome. Consumption continues to provide most support for the economy, but exports have also increased further. Thanks to the depreciation of the Euro and, according to the leading indicators, a slight improvement in the global economy, this trend should continue. This underpins our confident forecast of GDP growth of around 0.5 % in the second quarter.

Forecast revision: –.

Eurozone: GDP (% qoq, sa)



Sources: Eurostat, forecast DekaBank

Eurozone

The Greek crisis is weighing heavily on economic confidence in Greece, but this does not hold for the Euro zone as a whole. In the second quarter the most important indicators of economic sentiment in the Euro zone will probably rise to their highest level in almost four years, which will be a clear signal of growth to come. In April the unemployment rate in the Euro area fell to 11.1 %, the lowest level since the spring of 2012. The situation on the labour market, however, remains critical, especially in Spain, Italy and Greece. Thanks to the weakening impact of energy prices, the inflation rate in May was for the first time since November 2014 once again positive at 0.3 %.

Forecast revision: Slight upward revision of the inflation rates for 2015 and 2016.

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



Sources: Bureau of Economic Analysis, forecast DekaBank

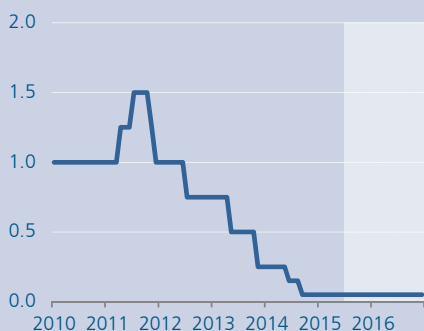
USA

The US economy's start to 2015 has proved weaker than was first reported and GDP slumped by 0.7 % (annualised) against the previous quarter. Meanwhile, it is becoming increasingly clear that this weakness can be attributed to both an inadequate seasonal adjustment and to special factors of a temporary nature. Whereas these special factors will now provide an additional stimulus in the current quarter, an adjustment of the seasonal effect will substantially boost GDP in the third quarter. Thanks to low energy prices the inflation rate was slightly negative in April, but will now have bottomed out for this year.

Forecast revision: GDP growth 2015: 2.4 % (previously: 2.5 %); inflation rate 2016: 2.7 % (previously: 2.8 %).

Markets: Industrial countries

ECB: Repo Rate (% p.a.)



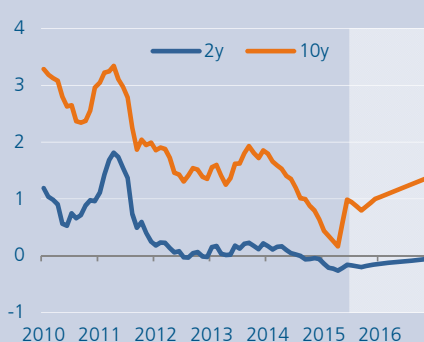
Sources: European Central Bank, forecast DekaBank

The European Central Bank / Money market

Although the banks have of late had less recourse to the ECB's refinancing operations, this has not prevented the central bank's bond buying program leading to an increase in surplus reserves within the banking system, which in turn has enhanced downward pressures on EONIA rates. This trend will probably grow stronger, as excess liquidity will only peak in the second half of 2016, when the ECB plans to bring its asset purchases to an end and will no longer offer any long-term tenders. EONIA rates will probably remain for some considerable time at a level slightly above the deposit facility rate of -0.20 % and EURIBOR rates also have scope to fall further. In our opinion, the rise of money market rates, which provide a signal for futures in the course of the next two years, has been too strong.

Forecast revision: –.

German Bond Yield (% p.a.)



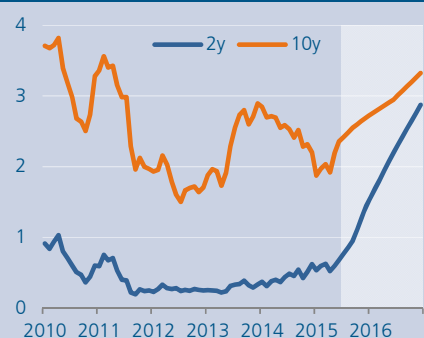
Sources: Bloomberg, forecast DekaBank

Eurozone bond market

Investors no longer regard the ECB's asset purchases as justification for long-term Bund yields near to zero. They are rather preparing themselves for the probable end of the bond-buying program in September 2016. In view of the relatively favourable development of the economy, they do not even exclude the possibility of a premature reduction in the level of monthly purchases. In the medium term we too expect higher long-term Bund yields. For some time, however, their rise is likely to be retarded by the ECB's forward guidance. Moreover, a prolongation of the bond-buying program would become more likely, if excessively high yields or risk premiums were to raise doubts with respect to the ECB's ambitious growth forecasts.

Forecast revision: A more rapid rise of long-term yields.

US Bond Yield (% p.a.)



Sources: Bloomberg, forecast DekaBank

US bond market

The differences between the probabilities for the Fed's interest-rate turnaround in June, July or September are marginal. In view of the weak growth of consumption in April, a fall in the inflation rate (core rate) according to the PCE price index to just under 1.3 %, as well as a slight rise in the unemployment rate to 5.5 %, the interest-rate turnaround is more likely to come in July than in June. The latest economic data, which have been very strong, especially from the labour market, point rather in favour of an early rate hike. This should enhance FOMC members' conviction that the Fed's inflation target will be achieved in the medium term. However, the US bond market continues to expect the turnaround at a much later point in time. The recent increase in US yields can be attributed rather to higher German Bund yields.

Forecast revision: Postponement of the interest-rate turnaround from June to July 2015.

Markets: Industrial countries

Equity Market Forecast

	Current Jun 16, 15	in 3 months	in 6 months	in 12 months
DAX	11 044.01	10 800	12 000	12 500
Memorandum item:				
EuroStoxx50	3 454.09	3 350	3 750	3 900
S&P 500	2 096.29	2 050	2 100	2 150
Topix	1 639.86	1 600	1 350	1 400

Sources: Deutsche Börse AG, forecast DekaBank

Equity market: Germany

In the wake of a wave of Bund sales sparked by panic-stricken investors, sentiment on the German capital market has deteriorated sharply and the equity market has also been affected. The consolidation movement that we believe is necessary has speeded up slightly. On the whole, however, the equity market has remained relatively sober. The fundamental conditions remain intact and the clearing of sentiment that is currently under way will prepare the ground for a new upward surge. Against this backdrop we expect the downward movement to come to an end in the weeks to come. In the third and in particular in the fourth quarter we expect a substantial rise in equity prices, once the agitation generated by the Fed's interest-rate lift-off and the Greek crisis has subsided.

Forecast revision: –.

iTraxx Europe (Bp)



Sources: International Index Company, forecast DekaBank

Corporate bond market: Eurozone

Since spring a cocktail of negative factors has been weighing on the market for credit products. The massive price swings on the Bund market in particular have had a negative impact through the evaluation factor volatility on the risk premiums of corporate and bank bonds. However, in comparison with past reactions of corporates to high volatility the behavior of credit markets has been remarkably good. Thanks to the slow economic recovery and above all to a favourable exchange rate and low energy prices the sales and profit prospects of European firms are very healthy. For the first time in years most company reports for the first quarter of 2015 have registered increased profits that in many cases have exceeded market expectations. Moreover, forecasts for the second half of the year are highly promising.

Forecast revision: –.

Covered Bonds 5y (% p.a.)



Source: Bloomberg

Covered Bonds

Developments on the market for covered bonds and mortgage bonds seem to have confirmed the fears of market participants that the ECB's bond-buying program has dried up the market completely. At the end of May the ECB purchased covered bonds in the value of EUR 87bn, and each month it buys bonds for a further EUR 11bn. On the secondary market there is little trading as an increasing number of market participants have withdrawn from covered bonds due to the lack of liquidity and lower margins. This does not hold, however, for large sales orders, and risk premiums have therefore risen only marginally. The few new issues that have come onto the market in May have received strong support from the central banks' primary purchases. In June very high maturities reach their due date, which should lower risk premiums somewhat.

Markets: Industrial countries

Exchange Rate EUR-USD



Sources: European Central Bank, forecast DekaBank

Currency market: EUR-USD

■ In recent weeks the Euro has remained in a volatile sideways movement at a level of around 1.11 EUR-USD. Economic data from the Euro zone and the USA have given no clear signals. A substantial downward revision of first-quarter US GDP at first weighed heavily on the US dollar. The US labour market report, on the other hand, proved surprisingly positive and boosted the US dollar. The most important indicators of market sentiment have provided support for the Euro. Moreover, the rising inflation rate in the Eurozone in May has put an end to discussion of any possible expansion of quantitative easing by the ECB and has thus provided additional support for the Euro.

Forecast revision: Slight upward revision of our 3-month and 6-month forecasts.

Gold price (per troy ounce)



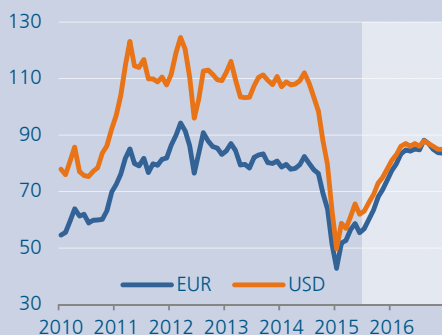
Sources: Bloomberg, forecast DekaBank

Gold

Since the middle of May the gold price in US dollars has fallen substantially. At the beginning of June the appreciation of the Euro against the US dollar constituted a marked reduction in the price of gold for European gold investors. With regard to the physical market, in the first quarter of 2015 global demand for gold must have exceeded global supply for the first time in almost two years. Investment demand in particular (especially ETFs) has increased. Due to lower output by gold mines, on the other hand, the global supply of gold has slumped. However, we do not regard this as a trend reversal resulting in a scarcity of gold in coming quarters. On the contrary, in view of the approaching US interest rate turnaround together with solid development of the global economy gold will probably become less attractive. Nevertheless, we believe there will be only a modest fall in the price of gold. At the end of 2015 we expect the price of gold to be around USD 1100 (EUR 1050) per fine ounce.

Forecast revision: –.

Crude Oil Brent (per barrel)



Sources: Bloomberg, forecast DekaBank

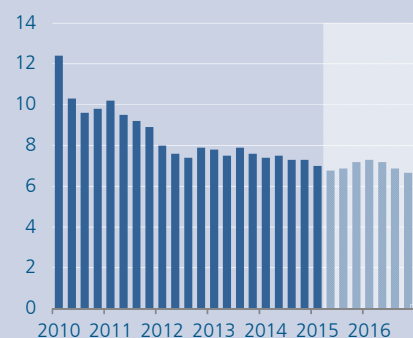
Crude oil

Global oil production has continued to rise. The OPEC countries are producing more than 31.5 million barrels of crude oil per day, which is substantially more than the self-imposed target at their last meeting of 30 million barrels. Nor has there yet been any sign of a reduction in US oil output. At the same time global demand is rising and not only for seasonal reasons. For the year as a whole an increase in global demand of some 1.5 % is expected. The increase in global supply, however, has so far been higher. Nevertheless, we believe that US output will begin to fall in the coming months. The global oversupply of oil will thus be reduced and oil prices will rise substantially and sustainably. By the end of the year both Brent and WTI should cost more than USD 75 per barrel.

Forecast revision: –.

Emerging Markets

China: GDP (% yoy)



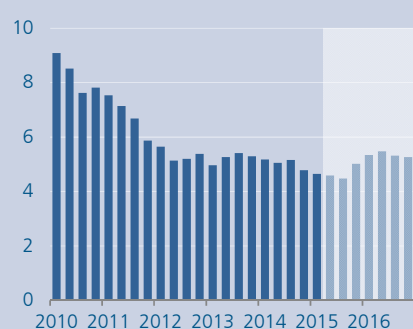
Sources: National Statistics, forecast DekaBank

China

In the course of the second quarter the Chinese economy has stabilised somewhat. In May industrial output rose by 6.1% against the previous year (April 5.9 %). Foreign trade remains a major millstone: in May exports slumped by 2.5 % against the previous year and the weak development of export orders leaves scant hope of improvement. In order to reach their growth target of 7 % for 2015, the government and central bank must continue their supporting measures. Despite the rather weak development of the economy the Chinese equity market has continued its heady flight. As the market is driven largely by speculative investors, a substantial correction would come as no surprise.

Forecast revision: –.

Emerging Markets: GDP (% yoy)

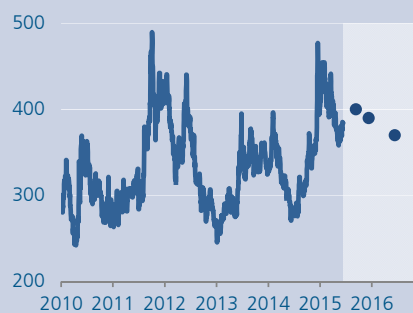


Sources: National Statistics, forecast DekaBank

Emerging Markets: Economy

In May the purchasing managers' indices rose slightly in most emerging-market countries. For the time being, however, we can only refer to stabilisation at a low level. The smaller Asian economies are waiting for stimuli from China and the USA. The situation is much healthier in the central European EM countries, which have benefited from positive developments in western Europe. The Russian economy, on the other hand, suffered an economic collapse in the first quarter and we see no hope of a genuine recovery until the end of 2016. Brazil will also have to live with low growth rates for some considerable time to come, as restrictive monetary and fiscal policies are currently holding back the economy. In the long term, however, this policy will bear fruit.

EMBIG-Spread (Bp)



Sources: Bloomberg, forecast DekaBank

Emerging Markets: Markets

In recent weeks sentiment on global financial markets has deteriorated noticeably. This development was triggered by the rising yields of government bonds with the best credit rating. The discussion of deflation has now moved into the background together with concerns over a lasting shortage of fixed-interest securities, which arose with the launch of the ECB's bond-buying program. However, the rise in yields did not go hand in hand with the publication of better economic data, so that no support has come from this side. Concerns over Chinese growth have not been dissipated and Greece's exit from the Eurozone has become more likely. We expect the endeavours of the Chinese government to bear fruit and the economy to recover in the months to come. The financial markets, however, can derive no benefit from this situation, as the Fed is acting as a killjoy. We expect the Fed to raise key rates again in July, which would be a surprise for the markets.

Macro Research

Economic Forecasts



June / July 2015

Macro Research

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	1.9	1.8	0.8	0.5	1.8	7.6	7.1	7.1	0.7	0.6	0.5
France	2.4	0.2	1.2	1.4	0.6	0.4	1.6	-1.0	-2.2	-1.9	-4.0	-3.8	-3.5
Italy	2.0	-0.4	0.8	1.2	0.2	0.4	1.3	1.9	1.8	1.8	-3.0	-2.6	-2.0
Spain	1.5	1.4	2.8	2.3	-0.2	-0.1	1.2	0.8	0.7	0.9	-5.8	-4.5	-3.5
Netherlands	0.7	0.9	1.9	1.8	0.3	0.2	1.6	10.3	7.7	7.7	-2.3	-1.7	-1.2
Eurozone	12.2	0.9	1.5	1.7	0.4	0.4	1.5	2.1	2.6	2.7	-2.4	-2.0	-1.7
United Kingdom	2.4	2.8	2.4	2.5	1.5	0.5	1.7	-5.5	-4.9	-4.1	-5.7	-4.5	-3.1
Sweden	0.4	2.4	2.6	3.3	0.2	0.6	2.1	5.8	5.8	5.6	-1.9	-1.5	-1.0
Denmark	0.2	1.1	1.8	2.0	0.3	0.8	1.7	6.2	6.1	6.2	1.2	-1.5	-2.6
EU-21	15.2	1.2	1.6	1.9	0.6	0.4	1.6	1.1	1.6	1.8	-2.9	-2.4	-1.9
Poland	0.9	3.4	3.4	3.6	0.1	0.1	2.6	-1.3	-1.1	-2.9	-3.2	-2.8	-2.6
Hungary	0.2	3.6	2.9	2.5	-0.2	0.8	2.7	4.1	4.4	4.9	-2.6	-2.5	-2.2
Czech Republic	0.3	2.0	4.2	2.6	0.4	1.0	2.3	0.5	0.2	-0.2	-2.0	-2.0	-1.5
EU-28	17.2	1.4	1.9	2.0	0.7	0.4	1.4	0.9	1.4	1.5	-2.9	-2.5	-2.0
USA	16.1	2.4	2.4	2.9	1.6	0.6	2.7	-2.4	-2.5	-3.0	-5.0	-4.0	-3.0
Japan	4.4	-0.1	0.5	1.0	2.8	1.2	1.6	0.5	1.0	0.5	-7.7	-7.5	-6.5
Canada	1.5	2.5	2.4	2.9	1.9	1.3	2.2	-2.1	-3.0	-2.0	-1.6	-1.5	-1.5
Australia	1.0	2.7	2.5	2.8	2.5	1.8	2.5	-2.8	-2.5	-2.0	-3.0	-2.0	-1.5
New Zealand	0.1	3.0	3.3	2.5	1.2	1.4	2.7	-3.5	-5.0	-5.5	0.0	0.5	1.0
Switzerland	0.4	2.0	0.2	0.8	0.0	-0.9	-0.4	16.2	16.1	16.2	0.7	0.2	-0.2
Norway	0.3	2.3	1.7	2.1	2.0	2.1	2.2	8.9	9.2	9.3	10.5	9.4	8.3
Developed Countries⁴⁾	39.1	1.7	1.9	2.3	1.4	0.6	2.1	-0.4	-0.3	-0.4	-4.1	-3.5	-2.7
Russia	3.3	0.6	-3.0	0.8	7.7	14.5	5.2	3.2	4.8	4.0	-0.5	-3.0	-1.5
Turkey	1.4	2.9	3.6	4.0	8.9	7.3	6.3	-5.7	-5.3	-5.9	-1.3	-1.7	-1.6
Ukraine	0.3	-7.2	-8.5	1.9	12.1	40.2	10.8	-4.0	-2.0	-3.5	-4.3	-4.5	-4.3
Emerging Europe⁵⁾	7.4	1.5	-0.2	2.1	6.5	10.1	4.4	-0.4	-1.1	0.3	X	X	X
South Africa	0.7	1.5	2.1	3.0	6.1	4.5	5.1	-5.4	-5.1	-4.7	-3.8	-4.2	-3.4
Middle East, Africa	3.5	3.6	3.9	4.4	6.5	6.6	6.6	2.0	2.7	1.8	X	X	X
Brazil	3.0	0.1	-0.2	1.0	6.3	8.3	5.8	-3.9	-4.2	-4.0	-6.3	-6.3	-4.2
Mexico	2.0	2.1	2.6	3.1	4.0	3.6	3.9	-2.1	-1.8	-1.7	-3.2	-3.5	-3.0
Argentina	0.9	0.5	0.8	1.9	37.6	27.7	26.3	-1.0	-1.3	-1.2	-2.5	-3.6	-2.6
Chile	0.4	1.9	3.4	3.8	4.4	4.1	3.6	-1.2	-1.2	-0.9	-1.6	-2.0	-0.9
Latin America	8.0	1.1	1.0	1.8	12.1	12.9	11.1	-1.6	-2.6	-2.7	X	X	X
China	16.3	7.4	7.0	7.0	2.1	1.3	2.1	2.1	3.1	2.4	-1.8	-2.7	-2.9
India	6.8	7.1	7.3	7.5	6.7	5.2	5.1	-1.3	-1.4	-1.8	-4.1	-4.1	-3.8
South Korea	1.6	3.3	2.7	3.0	1.3	0.9	1.8	6.3	5.6	4.6	0.6	0.7	0.7
Philippines	0.6	6.1	5.1	5.7	4.2	2.1	3.3	4.1	4.3	3.6	-0.6	-1.8	-2.2
Emerging Asia	31.3	6.4	6.2	6.4	3.4	2.4	2.9	1.9	2.0	2.5	X	X	X
Emerging Markets	50.2	4.7	4.3	4.9	5.5	5.5	4.7	1.0	0.9	1.3	X	X	X
Total⁶⁾	89.3	3.4	3.2	3.7	3.7	3.4	3.6	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 eight member countries of the EU named before and Turkey. - 6) 66 national economies covered by DekaBank.

Macro Research

Economic Forecasts



June / July 2015

Macro Research

Interest rates in industrialised countries

		Current	Forecasts		
		Jun 17 2015	3 months	6 months	12 months
Germany	Monetary policy (Refi)	0.05	0.05	0.05	0.05
	3 months (EURIBOR)	-0.01	-0.03	-0.04	-0.05
	12 months (EURIBOR)	0.17	0.13	0.12	0.10
	Bunds, 2 years	-0.20	-0.20	-0.15	-0.10
	Bunds, 5 years	0.13	0.20	0.25	0.35
	Bunds, 10 years	0.79	0.80	1.00	1.20
	Bunds, 30 years	1.50	1.50	1.70	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)	0.28	0.60	0.90	1.45
	12 months (LIBOR)	0.79	1.05	1.40	2.20
	US-Trasuries, 2 years	0.70	0.95	1.45	2.20
	US-Trasuries, 5 years	1.67	2.00	2.25	2.75
	US-Trasuries, 10 years	2.33	2.55	2.70	2.95
	US-Trasuries, 30 years	3.06	3.20	3.30	3.50
Japan	Monetary policy (Call)	0.10	0.10	0.10	0.10
	3 months (LIBOR)	0.10	0.10	0.10	0.10
	12 months (LIBOR)	0.25	0.20	0.20	0.20
	JGBs, 2 years	0.01	0.05	0.05	0.05
	JGBs, 5 years	0.11	0.20	0.30	0.50
	JGBs, 10 years	0.48	0.55	0.70	0.80
	JGBs, 30 years	1.49	1.60	1.75	1.95
United Kingdom	Monetary policy (Base)	0.50	0.50	0.75	1.00
	3 months (LIBOR)	0.57	0.60	0.90	1.30
	12 months (LIBOR)	1.00	1.20	1.40	1.70
	Gilts, 2 years	0.58	0.80	1.00	1.40
	Gilts, 5 years	1.50	1.60	1.70	1.90
	Gilts, 10 years	2.02	2.20	2.30	2.40
	Gilts, 30 years	2.74	2.80	2.85	2.90
Sweden	Monetary policy (Repo)	-0.25	-0.25	-0.25	-0.25
	3 months (STIB)	-0.21	-0.25	-0.20	-0.20
	2 years	-0.18	-0.10	0.00	0.20
	10 years	1.02	1.00	1.20	1.40
Denmark	Monetary policy (Repo)	0.05	0.05	0.05	0.05
	3 months (CIBOR)	-0.21	-0.23	-0.24	-0.25
	2 years	-0.32	-0.30	-0.25	-0.15
	10 years	0.98	0.95	1.15	1.35
Norway	Monetary policy (Deposit)	1.25	1.00	1.00	1.00
	3 months (NIBOR)	1.35	1.35	1.35	1.35
	2 years	0.87	0.80	0.90	1.00
	10 years	1.79	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)	-0.78	-0.75	-0.75	-0.75
	2 years	-0.90	-0.75	-0.70	-0.50
	10 years	0.13	0.10	0.20	0.30
Canada	Monetary policy (O/N)	0.75	0.75	0.75	1.25
	3 months (CBA)	1.00	1.00	0.95	1.50
	12 months (CBA)	1.10	1.25	1.50	2.30
	2 years	0.62	1.05	1.45	2.10
	5 years	0.96	1.45	1.75	2.30
	10 years	1.76	2.00	2.20	2.55
	30 years	2.36	2.60	2.80	3.20
Australia	Monetary policy (Cash)	2.00	2.00	2.00	2.00
	3 months (ABB)	2.16	2.25	2.20	2.25
	2 years	1.99	2.15	2.30	2.65
	10 years	2.99	3.00	3.10	3.20

Interest rates in EM countries

			Current	Forecasts		
			Jun 17 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)	1.61	1.60	1.60	1.70
		2 years	1.92	2.10	1.90	2.20
		10 years	3.30	3.30	3.20	3.40
	Czech Rep.	Monetary policy (Repo)	0.05	0.05	0.05	0.05
		3 months (PRIBOR)	0.31	0.30	0.30	0.30
		2 years	0.08	0.10	0.15	0.20
		10 years	1.20	1.10	1.25	1.45
	Hungary	Monetary policy (Deposit)	1.65	1.50	1.50	1.90
		3 months (BUBOR)	1.50	1.60	1.70	2.20
		3 years	2.18	2.10	2.20	2.80
		10 years	4.13	3.60	3.70	4.20
Latin America	Brazil	Monetary policy (Repo)	13.75	14.00	14.00	14.00
		3 months (ABG)	14.02	14.00	14.00	13.80
		2 years	13.71	13.50	13.00	12.80
		9 years	12.74	12.20	12.00	11.80
	Mexico	Monetary policy	3.00	3.50	3.75	4.00
		3 months (Mexibor)	3.32	3.60	3.80	4.05
		2 years	4.20	4.20	4.30	4.50
		10 years	6.21	6.30	6.20	6.20
Asia	China	Monetary policy	2.25	2.00	2.00	2.00
		3 months	3.00	2.80	2.70	2.80
		2 years	2.32	2.40	2.50	2.70
		10 years	3.65	3.50	3.60	3.70
	Singapore	Monetary policy	0.07	0.25	0.75	1.25
		3 months	0.82	0.90	1.00	1.75
		2 years	1.01	1.40	1.80	2.20
		10 years	2.57	2.70	2.80	2.90
	South Korea	Monetary policy	1.50	1.50	1.50	1.50
		3 months	1.55	1.60	1.60	1.60
		2 years	1.74	1.80	1.90	2.10
		10 years	2.56	2.50	2.50	2.60

Yield spreads in basis points¹⁾

			Current	Forecasts			
			Jun 17 2015	3 months	6 months	12 months	
Emerging Markets, EMBIG Spreads	Central- and Eastern Europe	Russia	353	365	360	340	
		Turkey	268	265	260	245	
		Hungary	209	190	185	175	
	Africa	South Africa	286	280	275	260	
	Latin America	Brazil	302	300	295	280	
		Chile	157	150	145	140	
		Columbia	235	240	230	210	
		Mexico	244	240	230	220	
	Asia	Venezuela	2719	2870	2800	2700	
		China	160	160	155	150	
		Indonesia	282	275	270	255	
		Philippines	121	100	100	90	
	Total (EMBIG)			401	400	390	370

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 (EMBUG) is relevant.

Currencies

EURO		Current Jun 17 2015	Forecasts		
			3 months	6 months	12 months
Dollar-Bloc	EUR-USD	1.13	1.10	1.06	1.02
	EUR-CAD	1.39	1.38	1.34	1.30
	EUR-AUD	1.47	1.47	1.43	1.38
Japan	EUR-JPY	139.73	136.40	133.56	132.60
Euro-Outs	EUR-GBP	0.72	0.71	0.69	0.72
	EUR-DKK	7.46	7.46	7.46	7.46
	EUR-SEK	9.22	9.30	9.25	9.20
	EUR-CHF	1.04	1.06	1.08	1.10
Central- and Eastern Europe	EUR-NOK	8.72	8.70	8.50	8.40
	EUR-PLN	4.16	4.20	4.10	4.00
	EUR-HUF	311.66	310.00	305.00	300.00
Africa	EUR-CZK	27.25	27.70	27.40	27.40
	EUR-ZAR	14.01	13.42	12.72	12.04
Latin America	EUR-BRL	3.49	3.41	3.29	3.16
	EUR-MXN	17.37	17.05	16.11	15.30
Asia	EUR-SGD	1.52	1.51	1.46	1.42
	EUR-CNY	7.00	6.84	6.60	6.39
	EUR-KRW	1263	1243	1208	1173

US-Dollar		Current Jun 17 2015	Forecasts		
			3 months	6 months	12 months
Dollar-Bloc	USD-CAD	1.23	1.25	1.26	1.27
	AUD-USD	0.77	0.75	0.74	0.74
Japan	USD-JPY	124.01	124.00	126.00	130.00
Euro-Outs	GBP-USD	1.57	1.55	1.54	1.42
	USD-DKK	6.62	6.78	7.04	7.31
	USD-SEK	8.18	8.45	8.73	9.02
	USD-CHF	0.93	0.96	1.02	1.08
Central- and Eastern Europe	USD-NOK	7.74	7.91	8.02	8.24
	USD-PLN	3.69	3.82	3.87	3.92
	USD-HUF	276.55	281.82	287.74	294.12
Africa	USD-CZK	24.18	25.18	25.85	26.86
	USD-ZAR	12.43	12.20	12.00	11.80
Latin America	USD-BRL	3.09	3.10	3.10	3.10
	USD-MXN	15.42	15.50	15.20	15.00
Asia	USD-CNY	6.21	6.22	6.23	6.26
	USD-SGD	1.35	1.37	1.38	1.39
	USD-KRW	1120	1130	1140	1150

Commodities

Commodity	Current Jun 17 2015	Forecasts		
		3 months	6 months	12 months
Gold (USD per troy ounce)	1,178.08	1,160	1,100	1,000
Gold (EUR per troy ounce)	1,045.51	1,070	1,040	990
WTI crude (USD per Barrel)	59.97	67	76	84
WTI crude (EUR per Barrel)	53.22	62	72	83
Brent crude (USD per Barrel)	62.61	69	78	86
Brent crude (EUR per Barrel)	55.56	63	74	85

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