

Into the second half of the year with the hand brake on.

Of course, it was pure coincidence that on the morning after the Greek referendum the Euro sculpture in front of the former ECB headquarters in Frankfurt am Main was partly dismantled. However, the mind of anyone who may be tempted to attribute symbolic meaning to this event should be set at rest: the sculpture was only given a facelift and has now been restored in all its glory to its former site. Unfortunately, the restructuring of the Greek economy will be a much more long-winded affair. Even after the Euro summit on July 12th a Grexit remains a possibility. We can, however, be certain of two things: (1) Whatever may happen in Greece, international financial markets will react with composure. Significant contagion effects on other Euro zone crisis countries are not to be expected. (2) Greece will continue to cost the European taxpayer a lot of money, whether it remains a member of the Euro zone or not.

In the weeks to come Greece will become less important as an issue, as did the Ukraine conflict. Does this mean that the stage is set for a final spurt at the end of the year on financial markets? Will the economy recover appreciably thanks to the diminished psychological burden, will corporate investment finally pick up, will private consumption take off again? – No, that cannot be expected. The current economic cycle remains hampered by substantial structural burdens, which is why the global economy continues to move with the hand brake on. Global growth has been hindered by countries' debt reduction and the continued consolidation of bank balance sheets. Moreover, emerging-market countries have switched to a slower, more sustainable growth path and they too no longer function as engines of global growth.

As a result, investors may rest assured that, despite the current turmoil, our broad forecasts with regard to financial markets remain valid - notwithstanding recent violent fluctuations on Chinese stock markets. In the latter case we assume that neither global financial markets nor the Chinese economy will suffer any sustained impact. With respect to stock markets in industrial countries, we expect prices to recover in the wake of the recent correction and to stage a modest rise, albeit with substantial fluctuations. In a low-interest rate environment equities remain fundamentally attractive, also thanks to the sustained growth of the global economy. On the bond markets on the other hand there will be little movement and high volatility. Yields will continue to rise but very slowly. There are, therefore, grounds neither for fear of dramatic losses on equity and bond markets nor for hopes of staggering gains. What should an investor do with his money in times like these? Spread your investments as widely as possible with a healthy share of equities.

Euro-sculpture was redeveloped



Source: Carsten Lüdemann

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Most important forecast revisions and changes

- + GDP growth USA: upward revision for 2015: 2.5 % (previously 2.4 %).
- + Inflation USA: downward revision for 2015: 0.5 % (previously 0.6 %) and for 2016: 2.6 % (previously 2.7 %).
- + USA: interest rate turnaround postponed from July to September 2015.

Economy: Industrial countries

Germany: GDP (% qoq, sa)



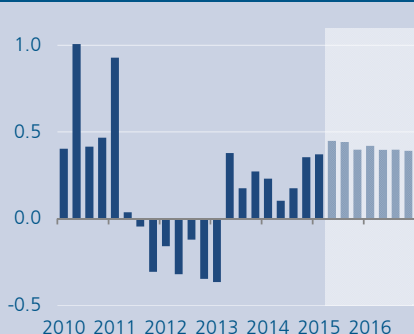
Sources: Destatis, forecast DekaBank

Germany

Second-quarter GDP should register solid growth of 0.5 % against the previous quarter. As in preceding quarters, economic growth has been founded on robust consumption. Thanks to a growing inflow of orders, especially from abroad, industrial output has been on the rise again. The construction industry, on the other hand, after a very active mild winter has shifted into a lower gear. Corporate sentiment has clouded somewhat in recent months, but this can be attributed less to economic factors and rather to the political uncertainty generated by the Greek crisis. Once this has been settled, sentiment will undoubtedly improve.

Forecast revision: –.

Eurozone: GDP (% qoq, sa)



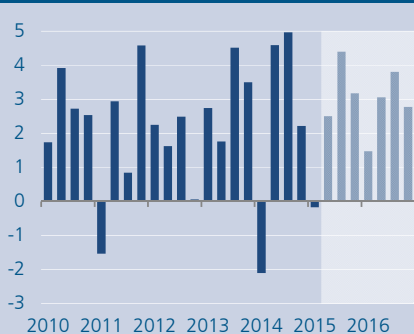
Sources: Eurostat, forecast DekaBank

Eurozone

The Euro zone economy remains on a growth path. On average, in the second quarter the most important Euro zone indicators of market sentiment registered their highest values in four years. After GDP growth of 0.4 % in the first quarter, this seems set to accelerate slightly. Besides Germany, the other three major countries in the currency union, France, Italy and Spain have also registered very respectable growth rates. The Greek crisis is primarily a burden for Greece itself and so far there does not appear to have been any contagion of other crisis countries. In June the inflation rate was slightly positive at 0.2 %. The very low rate of inflation can be attributed to low energy prices, but their braking effect on prices is already beginning to wane.

Forecast revision: –.

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



Sources: Bureau of Economic Analysis, forecast DekaBank

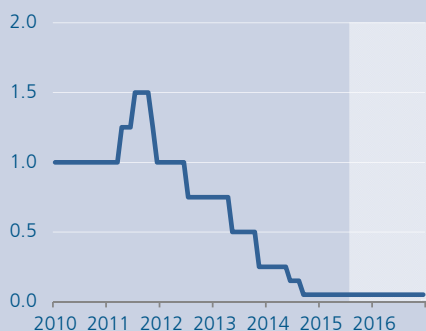
USA

Unofficial calculations of GDP growth show that in April the US economy registered its strongest monthly growth since June 2013. The backdrop to this development has been the normalisation of foreign trade. Available data for May point to further, albeit modest, GDP growth. After a weak start at the beginning of the year the steady economic recovery has now been accompanied by the sustained strong development of the labour market. The monthly growth in jobs has almost always been over 200,000. Thanks to energy prices, the inflation rate was no longer negative in May and will probably rise further in the months to come.

Forecast revision: GDP growth 2015: 2.5 % (previously: 2.4 %); Inflation 2015: 0.5 % (previously: 0.6 %) and 2016: 2.6 % (previously: 2.7 %).

Markets: Industrial countries

ECB: Repo Rate (% p.a.)



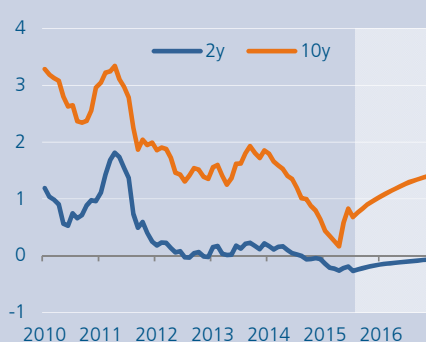
Sources: European Central Bank, forecast DekaBank

The European Central Bank / Money market

The ECB's bond-buying program and strong recourse to long-term refinancing (TLTRO) in June have further increased surplus reserves in the banking system. At the same time the downward movement of EONIA rates has not continued. We interpret this as a sign that short-term money interest rate-market rates have already neared their virtual lower limits, which are determined by the ECB's deposit rate. However, excess liquidity will only peak in the second half of 2016, as the ECB plans to continue its asset purchases and long-term refinancing operations. EONIA and EURIBOR rates thus have scope to fall a few basis points 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.)



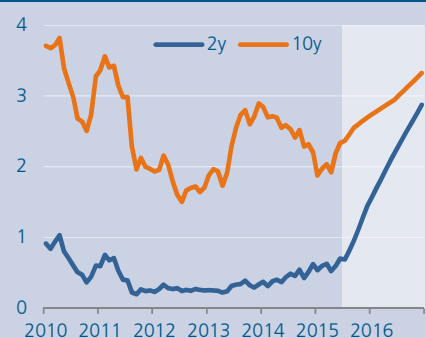
Sources: Bloomberg, forecast DekaBank

Eurozone bond market

In the wake of provisional agreement on a third very comprehensive aid package for Greece risk aversion on the sovereign bond markets has diminished appreciably. Nevertheless, substantial uncertainty remains with respect to the implementation of individual measures. However, investors seem able to live with this better than with the constant threat of an imminent Grexit from the currency union. Investors should therefore now be more conscious of the probable termination of the ECB's bond-buying program in September 2016, so that in the medium term the yields of long-term Bunds should rise further. The risk premiums of government bonds issued by peripheral countries should tend to narrow without, however, sinking to the levels registered in spring.

Forecast revision: –.

US Bond Yield (% p.a.)



Sources: Bloomberg, forecast DekaBank

US bond market

After the interest rate turnaround failed to materialise in June, declarations by FOMC members do not allow us to conclude that they could vote for an interest-rate hike at their meeting at the end of July. We therefore now expect the first rate hike in September. In view of the recent very strong economic data it is difficult to explain from a macroeconomic standpoint why the Fed did not raise key rates already in spring. At 5.3 % the unemployment rate had already fallen in June to a level that FOMC members only expected at the end of the year and the inflation rate (core rate of the PCE deflator) at 1.3 % was in May only marginally lower (Fed projection for the end of 2015: 1.4 %).

Forecast revision: Interest rate turnaround postponed from July to September 2015.

Markets: Industrial countries

Equity Market Forecast

	Current Jul 10, 15	in 3 months	in 6 months	in 12 months
DAX	11 315,63	10 800	12 000	12 500
Memorandum item:				
EuroStoxx50	3 528,81	3 350	3 750	3 900
S&P 500	2 076,62	2 050	2 100	2 150
Topix	1 583,55	1 600	1 350	1 400

Sources: Deutsche Börse AG, forecast DekaBank

Equity market: Germany

Political developments related to the Greek crisis have been responsible for a large part of the volatility on the German equity market. A decision in favour of a Grexit could make matters even worse in the short term, although it would not establish a new trend downwards. We believe that the correction that has been taking place since mid-April is now more or less complete and that in the summer months the market will first consolidate sideways. The fundamental conditions for German equities remain intact. This holds for both the economic environment and for the development of profits and corporate valuation. The cyclical and export-oriented DAX in particular should benefit from the expected recovery late in the second half of the year.

Forecast revision: –.

iTraxx Europe (Bp)



Sources: International Index Company, forecast DekaBank

Corporate bond market: Eurozone

On the whole, reaction to the Greek drama on European stock markets has been very relaxed. Nevertheless, the widening of spreads on credit markets has resulted in appreciable losses. Uncertainty over Greece's continued membership of the currency union and the resulting volatility have raised investors' requirements with regard to risk premiums for corporate and bank bonds. The market for new issues has also suffered as a result. Very few companies have dared to launch new and in most cases very small issues on the market. The approaching season for quarterly reports should strengthen the fundamentally constructive sentiment towards corporate bonds. With the support provided by low energy prices and the Euro exchange rate most company reports should prove positive.

Forecast revision: –.

Covered Bonds 5y (% p.a.)



Source: Bloomberg

Covered Bonds

The ECB's steady purchasing of covered bonds at the rate of EUR 10bn per month has almost dried up this market segment completely. There continues to be demand for German mortgage bonds, but as they are in short supply there is rarely any trading. New issues from good addresses are usually hugely oversubscribed – on the one hand directly by the Bundesbank or by market makers who wish to sell the assets they have acquired to the central bank, or on the other hand by genuine customers who can find no other offers on the secondary market. In the case of covered bonds from other core countries the situation is similar. The spreads of covered bonds from peripheral countries have widened due to enhanced risk aversion, but here too there is rarely any trading.

Markets: Industrial countries

Exchange Rate EUR-USD



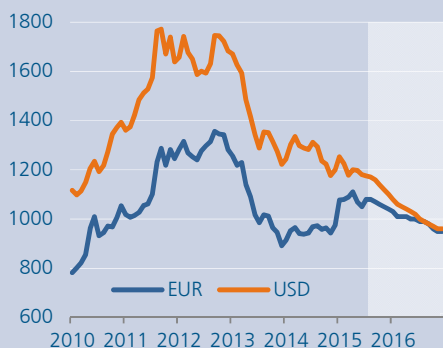
Sources: European Central Bank, forecast DekaBank

Currency market: EUR-USD

In the last three weeks the Euro has depreciated against the US dollar from 1.13 EUR-USD to 1.10 EUR-USD. This, however, is still well above the lowest level to which it had fallen in mid-March this year at 1.04 EUR-USD. The latest depreciation came against the backdrop of an escalation of the crisis in Greece, which culminated in the referendum on July 5th. The US dollar on the other hand has been boosted by US economic data, which included an unexpected marked fall in the unemployment rate to 5.3 %, the lowest level since May 2008. Moreover the GDP growth rate for the first quarter was revised upwards from -0.7 % to -0.2 %.

Forecast revision: –.

Gold price (per troy ounce)



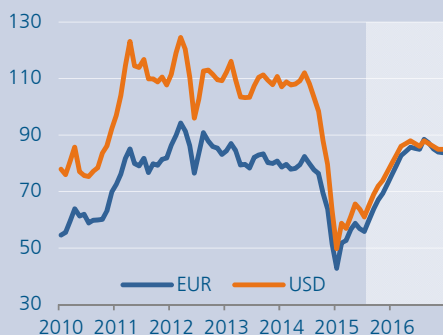
Sources: Bloomberg, forecast DekaBank

Gold

What on earth has happened to the gold price? Greece is (and has been for a few years) on the way to achieving the impossible by leaving the European Monetary Union. Moreover, there are increasingly grave concerns over the Chinese economy and its stock markets – and in these times the gold price has fallen almost to its lowest level in four months! Since mid-May gold speculators (managed money) have been wagering ever less on rising gold prices. Greece and China are apparently not important issues for the gold market. This composure is quite compatible with the modest fluctuations in the EUR-USD exchange rate and on stock markets in the industrial countries. Our main scenario includes no event in the next twelve months that could lead to a sustained rise in the price of gold. On the contrary, in view of the approaching interest rate turnaround we rather expect the gold price to fall slightly.

Forecast revision: –.

Crude Oil Brent (per barrel)



Sources: Bloomberg, forecast DekaBank

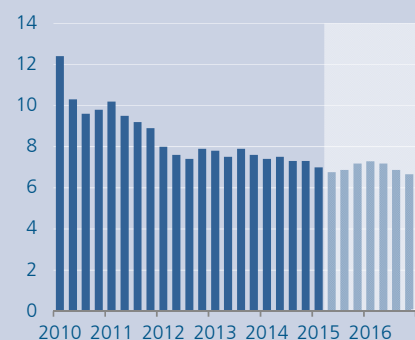
Crude oil

After 29 weeks with a falling number of active US drilling rigs (-60%), an increase was registered again at the beginning of July. But what has happened to output? Although US oil production increased in May, it has probably already peaked. In the further course of the year we expect US oil output to fall and thereby the global oversupply of crude oil to be diminished. Assuming that OPEC does not increase its output significantly, the prices of Brent and WTI will probably rise in the second half of the year. This rise could be halted, however, by the agreement in the Iran nuclear conflict. In view of the expected easing of sanctions Iran will undoubtedly supply global markets with more oil next year.

Forecast revision: –.

Emerging Markets

China: GDP (% yoy)



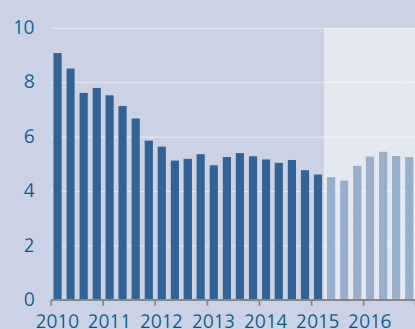
Sources: National Statistics, forecast DekaBank

China

The latest massive slump on Chinese stock markets constitutes an additional economic risk. Nevertheless, prices are still some 80% above last year's level, so that most investors are still in the profit zone. We expect the impact on consumption to be moderate. Nevertheless, private investment is bound to have been dampened for the time being, as uncertainty has grown and some flotations will have been postponed. The government and central bank have reacted by lowering key rates and announcing the purchase of shares of public institutions. We expect the government to increase its endeavours to stabilise the economy and to achieve its growth target of "about 7%" in the current year.

Forecast revision: –.

Emerging Markets: GDP (% yoy)

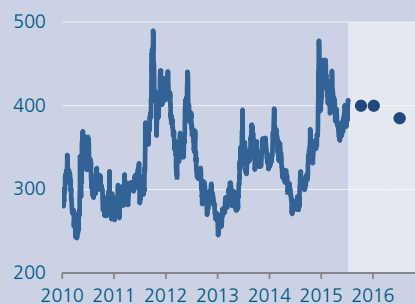


Sources: National Statistics, forecast DekaBank

Emerging Markets: Economy

Although the US economy is recovering after a very weak first quarter and the Chinese economy at least appears to be stabilising, there is no sign of global trade reviving. GDP of the two heavyweights Brazil and Russia will also have shrunk in the second quarter. In both countries we expect the very negative impact of special factors to diminish, so that the recession will come to an end, but any recovery is bound to be weak. Concerns over poorer financing conditions in the wake of the US interest rate turnaround could mean that with the exception of China hardly any government is prepared to implement fiscal stimuli. Sustained low rates of inflation should allow governments to continue their low-interest policies for some time to come.

EMBIG-Spread (Bp)



Sources: Bloomberg, forecast DekaBank

Emerging Markets: Markets

Investors have been unsettled by concerns over a Grexit, as well as by the massive slump in Chinese equity prices. The strongest price fluctuations occurred when the best ratings among bonds were sought, whilst yields rose on bonds with weaker ratings. It is still far from certain that a Grexit can be avoided. Should it come to a Grexit, this would undoubtedly have a negative impact on market sentiment, whereby we could expect the opposite effect if Greece were to give a clear signal of its will to co-operate. After massive intervention by the government, the Chinese equity market has now stabilised. However, developments in China will continue to weigh upon sentiment on global financial markets. Should concerns over Greece and China subside, this would increase the likelihood of a US interest rate hike in September, which would result at least in temporary price falls on equity and bond markets.

Macro Research

Economic Forecasts



July / August 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	0.4	1.7	7.6	7.1	7.1	0.7	0.6	0.5
France	2.4	0.2	1.2	1.4	0.6	0.5	1.6	-1.0	-2.2	-1.9	-4.0	-3.8	-3.5
Italy	2.0	-0.4	0.8	1.3	0.2	0.3	1.2	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	1.3	0.8	0.7	0.9	-5.8	-4.5	-3.5
Netherlands	0.7	1.0	2.2	1.8	0.3	0.4	1.8	10.3	7.7	7.7	-2.3	-1.7	-1.2
Eurozone	12.2	0.8	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	3.0	2.5	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	0.8	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	0.6	1.6	6.2	6.1	6.2	1.2	-1.5	-2.6
EU-21	15.2	1.2	1.7	1.9	0.6	0.4	1.6	1.1	1.6	1.8	-2.9	-2.4	-1.9
Poland	0.9	3.5	3.4	3.6	0.1	0.1	2.6	-1.3	-1.2	-2.8	-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	1.5	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	2.5	2.9	1.6	0.5	2.6	-2.4	-2.5	-3.0	-5.0	-3.5	-2.5
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	2.4	1.5	2.5	1.9	1.2	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	-2.0
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	0.4	1.3	0.0	-0.9	-0.4	16.2	16.1	16.2	0.7	0.2	-0.2
Norway	0.3	2.3	1.5	1.8	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	2.2	1.4	0.6	2.0	-0.4	-0.3	-0.4	-4.1	-3.3	-2.6
Russia	3.3	0.6	-3.4	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	3.3	8.9	7.5	6.6	-5.7	-5.1	-5.7	-1.3	-1.5	-1.8
Ukraine	0.3	-7.2	-8.5	1.8	12.1	48.0	11.0	-4.0	-2.0	-3.5	-4.3	-4.7	-4.3
Emerging Europe⁵⁾	7.4	1.5	-0.3	1.9	6.5	10.4	4.4	-0.4	-1.1	0.3	X	X	X
South Africa	0.7	1.5	1.9	3.0	6.1	4.7	5.1	-5.4	-5.2	-4.8	-3.8	-4.2	-3.4
Middle East, Africa	3.5	3.6	3.9	4.3	6.5	6.7	6.8	2.0	2.7	1.7	X	X	X
Brazil	3.0	0.2	-0.2	1.0	6.3	8.3	5.5	-4.5	-4.4	-4.1	-6.3	-6.4	-4.4
Mexico	2.0	2.1	2.6	3.0	4.0	3.2	3.8	-2.1	-2.0	-1.9	-3.2	-3.5	-3.0
Argentina	0.9	0.5	0.8	1.9	37.6	27.9	26.4	-0.9	-1.2	-1.1	-2.5	-3.6	-2.6
Chile	0.4	1.9	3.4	3.5	4.4	4.0	3.4	-1.2	-0.8	-0.5	-1.6	-1.9	-0.9
Latin America	8.0	1.2	0.9	1.8	12.1	14.3	11.2	-1.9	-2.9	-3.0	X	X	X
China	16.3	7.4	7.0	7.0	2.1	1.3	2.1	2.1	3.3	2.8	-1.8	-2.5	-2.8
India	6.8	7.1	7.3	7.5	6.7	5.2	5.1	-1.3	-1.5	-1.9	-4.0	-4.0	-3.8
South Korea	1.6	3.3	2.7	3.0	1.3	0.9	1.9	6.3	5.3	4.6	0.6	0.7	0.8
Philippines	0.6	6.1	5.1	5.7	4.2	2.1	3.3	4.4	4.3	3.4	-0.6	-1.8	-2.2
Emerging Asia	31.3	6.4	6.2	6.3	3.4	2.5	2.9	1.9	2.0	2.5	X	X	X
Emerging Markets	50.2	4.7	4.2	4.8	5.5	5.8	4.7	1.0	0.8	1.2	X	X	X
Total⁶⁾	89.3	3.4	3.2	3.7	3.7	3.5	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



July / August 2015

Macro Research

Interest rates in industrialised countries

		Current	Forecasts		
		Jul 10 2015	3 months	6 months	12 months
Germany	Monetary policy (Refi)	0.05	0.05	0.05	0.05
	3 months (EURIBOR)	-0.02	-0.02	-0.03	-0.04
	12 months (EURIBOR)	0.16	0.15	0.14	0.13
	Bunds, 2 years	-0.25	-0.20	-0.15	-0.10
	Bunds, 5 years	0.15	0.20	0.30	0.40
	Bunds, 10 years	0.80	0.90	1.05	1.30
	Bunds, 30 years	1.59	1.70	1.90	2.30
USA	Monetary policy (FFR)	0,00-0,25	0,25-0,50	0,50-0,75	1,25-1,50
	3 months (LIBOR)	0.28	0.55	0.80	1.55
	12 months (LIBOR)	0.75	1.05	1.45	2.35
	US-Trasuries, 2 years	0.60	1.05	1.55	2.30
	US-Trasuries, 5 years	1.61	2.05	2.35	2.80
	US-Trasuries, 10 years	2.34	2.55	2.75	3.00
	US-Trasuries, 30 years	3.15	3.25	3.35	3.55
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)	0.24	0.20	0.20	0.20
	JGBs, 2 years	0.01	0.05	0.05	0.05
	JGBs, 5 years	0.10	0.25	0.35	0.55
	JGBs, 10 years	0.45	0.60	0.70	0.85
	JGBs, 30 years	1.45	1.65	1.80	2.00
United Kingdom	Monetary policy (Base)	0.50	0.50	0.75	1.25
	3 months (LIBOR)	0.58	0.80	0.90	1.40
	12 months (LIBOR)	1.02	1.20	1.40	1.80
	Gilts, 2 years	0.53	0.90	1.10	1.60
	Gilts, 5 years	1.46	1.80	2.00	2.40
	Gilts, 10 years	1.95	2.30	2.30	2.50
	Gilts, 30 years	2.70	2.90	2.90	3.00
Sweden	Monetary policy (Repo)	-0.35	-0.40	-0.40	-0.30
	3 months (STIB)	-0.25	-0.30	-0.30	-0.20
	2 years	-0.42	-0.30	-0.20	0.10
	10 years	0.79	1.10	1.30	1.50
Denmark	Monetary policy (Repo)	0.05	0.05	0.05	0.05
	3 months (CIBOR)	-0.18	-0.22	-0.23	-0.24
	2 years	-0.29	-0.25	-0.20	-0.15
	10 years	1.07	1.10	1.25	1.50
Norway	Monetary policy (Deposit)	1.00	1.00	1.00	1.00
	3 months (NIBOR)	1.26	1.30	1.30	1.30
	2 years	0.69	0.80	0.90	1.00
	10 years	1.66	2.00	2.10	2.30
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	-0.92	-0.75	-0.70	-0.45
	10 years	0.06	0.30	0.30	0.50
Canada	Monetary policy (O/N)	0.75	0.75	0.75	1.50
	3 months (CBA)	0.97	0.95	0.95	1.65
	12 months (CBA)	0.98	1.30	1.60	2.40
	2 years	0.46	1.00	1.45	2.20
	5 years	0.73	1.30	1.70	2.25
	10 years	1.59	2.05	2.25	2.65
	30 years	2.25	2.60	2.80	3.20
Australia	Monetary policy (Cash)	2.00	2.00	2.00	2.00
	3 months (ABB)	2.15	2.25	2.20	2.35
	2 years	1.93	2.20	2.35	2.70
	10 years	2.95	3.00	3.10	3.20

Interest rates in EM countries

			Current	Forecasts		
			Jul 10 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)	1.62	1.60	1.60	1.70
		2 years	1.84	2.10	1.90	2.20
		10 years	2.99	3.40	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	-0.02	0.10	0.15	0.20
		10 years	1.16	1.25	1.25	1.45
	Hungary	Monetary policy (Deposit)	1.50	1.30	1.30	1.50
		3 months (BUBOR)	1.41	1.40	1.50	1.80
		3 years	2.03	2.10	2.20	2.40
		10 years	3.78	4.00	4.20	4.40
Latin America	Brazil	Monetary policy (Repo)	13.75	14.00	14.00	14.00
		3 months (ABG)	13.95	14.00	14.00	13.80
		2 years	13.31	13.50	13.00	12.80
		9 years	12.68	12.20	12.00	11.80
	Mexico	Monetary policy	3.00	3.50	3.75	4.50
		3 months (Mexibor)	3.31	3.60	3.80	4.50
		2 years	4.16	4.20	4.30	4.50
		10 years	6.03	6.30	6.20	6.20
Asia	China	Monetary policy	2.00	1.75	1.75	1.75
		3 months	3.18	3.00	2.70	2.80
		2 years	2.51	2.40	2.50	2.70
		10 years	3.46	3.50	3.60	3.70
	Singapore	Monetary policy	0.10	0.25	0.75	1.25
		3 months	0.82	0.90	1.00	1.75
		2 years	0.73	1.00	1.30	2.20
		10 years	2.51	2.70	2.80	2.90
	South Korea	Monetary policy	1.50	1.50	1.50	1.50
		3 months	1.52	1.60	1.60	1.60
		2 years	1.71	1.80	1.90	2.10
		10 years	2.49	2.50	2.50	2.60

Yield spreads in basis points¹⁾

			Current	Forecasts			
			Jul 10 2015	3 months	6 months	12 months	
Emerging Markets, EMBIG Spreads	Central- and Eastern Europe	Russia	331	340	340	330	
		Turkey	247	255	255	245	
		Hungary	199	210	210	200	
	Africa	South Africa	268	280	280	270	
	Latin America	Brazil	308	310	310	300	
		Chile	165	170	170	160	
		Columbia	240	245	245	235	
		Mexico	232	235	235	230	
	Asia	Venezuela	2874	2930	2930	2820	
		China	168	170	170	165	
		Indonesia	266	275	275	260	
		Philippines	112	115	115	115	
	Total (EMBIG)			395	400	400	385

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.

Macro Research

Economic Forecasts



July / August 2015

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Currencies

EURO		Current Jul 10 2015	Forecasts		
			3 months	6 months	12 months
Dollar-Bloc	EUR-USD	1.11	1.08	1.06	1.02
	EUR-CAD	1.41	1.35	1.34	1.30
	EUR-AUD	1.49	1.44	1.43	1.38
Japan	EUR-JPY	135.56	133.92	133.56	132.60
Euro-Outs	EUR-GBP	0.72	0.70	0.69	0.72
	EUR-DKK	7.46	7.46	7.46	7.46
	EUR-SEK	9.37	9.30	9.25	9.20
	EUR-CHF	1.05	1.06	1.08	1.10
	EUR-NOK	8.99	8.70	8.50	8.40
Central- and Eastern Europe	EUR-PLN	4.20	4.25	4.15	4.00
	EUR-HUF	314.64	320.00	310.00	300.00
	EUR-CZK	27.11	27.50	27.40	27.40
Africa	EUR-ZAR	13.83	13.39	12.93	12.24
Latin America	EUR-BRL	3.58	3.35	3.29	3.16
	EUR-MXN	17.52	16.74	16.11	15.30
Asia	EUR-SGD	1.50	1.48	1.46	1.42
	EUR-CNY	6.90	6.72	6.60	6.39
	EUR-KRW	1254	1220	1208	1173

US-Dollar		Current Jul 10 2015	Forecasts		
			3 months	6 months	12 months
Dollar-Bloc	USD-CAD	1.27	1.25	1.26	1.27
	AUD-USD	0.75	0.75	0.74	0.74
Japan	USD-JPY	121.98	124.00	126.00	130.00
Euro-Outs	GBP-USD	1.54	1.54	1.54	1.42
	USD-DKK	6.71	6.91	7.04	7.31
	USD-SEK	8.43	8.61	8.73	9.02
	USD-CHF	0.95	0.98	1.02	1.08
	USD-NOK	8.08	8.06	8.02	8.24
Central- and Eastern Europe	USD-PLN	3.78	3.94	3.92	3.92
	USD-HUF	283.10	296.30	292.45	294.12
	USD-CZK	24.39	25.46	25.85	26.86
Africa	USD-ZAR	12.44	12.40	12.20	12.00
Latin America	USD-BRL	3.22	3.10	3.10	3.10
	USD-MXN	15.77	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	1128	1130	1140	1150

Commodities

Commodity	Current Jul 10 2015	Forecasts		
		3 months	6 months	12 months
Gold (USD per troy ounce)	1,162.30	1,140	1,080	1,000
Gold (EUR per troy ounce)	1,046.65	1,060	1,020	990
WTI crude (USD per Barrel)	52.78	70	78	84
WTI crude (EUR per Barrel)	47.53	65	74	83
Brent crude (USD per Barrel)	58.34	72	80	86
Brent crude (EUR per Barrel)	52.53	67	76	85

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