

Both old and new clouds over the emerging markets.

In the end a (provisional) solution to the Greek crisis has been found surprisingly quickly. Agreement on a third bail-out program was reached after barely two weeks of negotiation. Although Greece has proved a significant negative factor weighing on the economy in the first half of the year, the relief provided by the agreement has been constrained and one can hardly speak of jubilation over the long-awaited solution. In the absence of a further act in the Greek tragedy attention is now turning to other issues.

The capital markets are now looking at the clouds hanging over the emerging markets. Although the recent EM data have not deteriorated significantly, the main attention is currently increasingly focussing on emerging markets problems. In the course of the last two years news from emerging-market countries were predominantly negative: for example, the corruption scandal in Brazil, the military conflict in Ukraine, recession in Russia and the marked decline in economic growth in Asia.

Most recently the markets' attention has been focused on China, where the equity market has overheated, although in the meantime the bubble may have burst. The government has intervened massively to support the markets. Widespread doubt has been expressed with respect to the growth forecast of 7 %, after disappointing purchasing managers' indices and export figures. However, with the devaluation of the yuan the government has once again shown that it still has instruments at its disposal to change the course of the economy.

Concerns over the emerging markets have very clearly been factored into commodity prices. Not only crude oil prices but also those of industrial metals have fallen in reaction to prospects of weakening demand. We do not believe that we are confronted with the danger of a global recession or a collapse of demand for commodities, but national and structural problems in different emerging-market countries allow only very modest prospects for the global economy. No more, but also no less.

This environment will dampen inflation in industrial countries. We are thus left with the prospect that a sudden rise in inflation rates is unlikely to force the major central banks to action. We continue to believe that the Fed will begin its interest-rate turnaround in September, whereas the ECB will stay on hold for at least three years. If economic developments are worse than expected, the central banks will adopt more expansionary policies again. Against this backdrop our forecast is free from any hint of euphoria. However, we still expect the European equities have the best prospects to outperform in the next twelve months. In contrast to best-rated government bonds, corporate bonds offer the prospect of quite respectable yields. Our investment forecast for the second half of the year thus remains basically unchanged.



*Total return. Source: Bloomberg, DekaBank

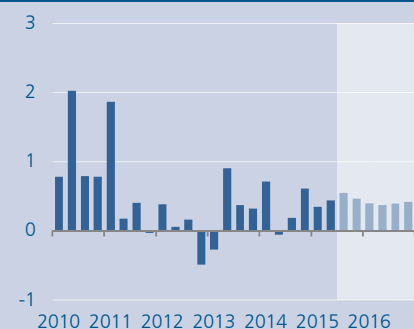
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Most important forecast revisions and changes

- + Eurozone inflation: downward revision for 2015: 0.1 % (previously 0.4 %).
- + US Inflation: downward revision for 2015: 0.3% (previously 0.5%) and for 2016: 2.5% (previously 2.6 %).
- + German equity market: higher 3-month, 6-month and 12-month price targets.
- + Crude oil price: downward revision for 2015 1nd 2016.
- + China GDP: downward revision for 2016: 6.8 % (previously 7.0%). We expect the Renminbi to weaken further against the US Dollar.

Economy: Industrial countries

Germany: GDP (% qoq, sa)



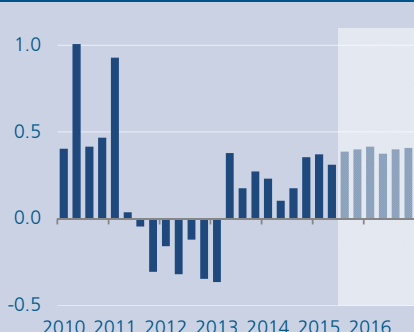
Sources: Destatis, forecast DekaBank

Germany

GDP growth in the second quarter proved slightly higher than in the first, which can be attributed in large part to stimuli provided by foreign trade. Despite the emerging markets' weak economic performance exports grew at a rate unequalled in the last four years, thanks to increased demand from industrial countries. Investment, on the other hand, has been disappointing, primarily due to inventory developments and investment in construction. Private consumption is set to provide valuable support for GDP growth thanks to favourable factors such as the labour market situation and wage developments, as well as special effects such as the unusually warm summer.

Forecast revision: –

Eurozone: GDP (% qoq, sa)



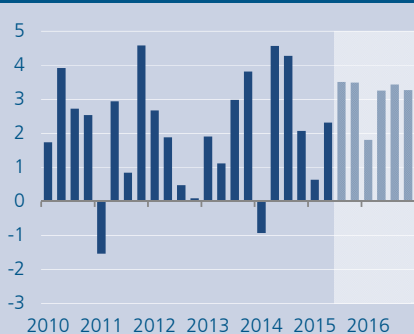
Sources: Eurostat, forecast DekaBank

Eurozone

Eurozone GDP growth in the second quarter rose by 0.3 % in comparison with the first quarter. Of the Eurozone heavyweights only France with a stagnating economy failed to contribute to growth. Spain, on the other hand, was particularly prominent, surprising everyone in the first quarter with growth of 0.9 %, which it even managed to better in the second quarter with a rate of 1.0 %. This was the highest rate of quarterly growth in Spain since the beginning of 2007. Surprisingly Greece has emerged from recession, thus leaving Finland as the only Euro zone country in recession in the second quarter. In July the inflation rate in the Euro area remained unchanged at 0.2 % in comparison with June.

Forecast revision: Eurozone inflation: downward revision for 2015: 0.1 % (previously 0.4 %).

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



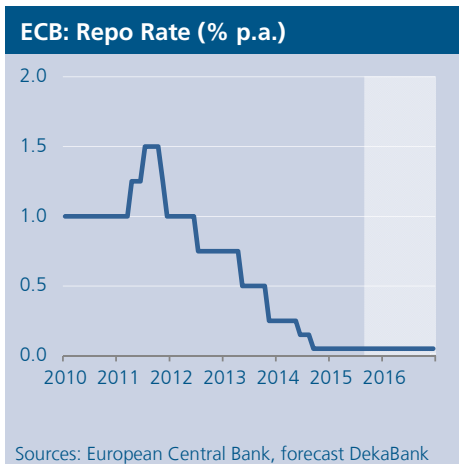
Sources: Bureau of Economic Analysis, forecast DekaBank

USA

GDP growth in the second quarter of 2015 was by annualized 2.3 % higher than in the first, thereby overcoming the first quarter's weakness. Private consumption growth improved and the contribution of foreign trade was no longer negative. However, the development of corporate investment proved restrained. In the first half of the year the labour market remained unaffected by economic volatility and almost every month employment increased by some 200,000 jobs. In June the inflation rate turned positive for the first time this year and by the end of the year will probably be around 1.5 %.

Forecast revision: Inflation rate for 2015: 0.3 % (previously 0.5 %) and for 2016: 2.5 % (previously: 2.6 %).

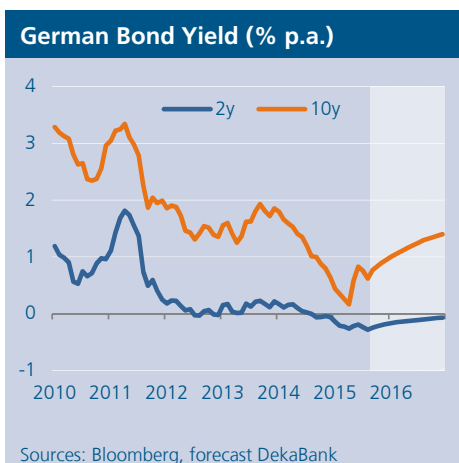
Markets: Industrial countries



The European Central Bank / Money market

The ECB's bond-buying program and its other unconventional measures have led to a rapid increase in excess liquidity within the banking system. Nevertheless, EONIA rates have not fallen further. We regard this as an indication that short-term money market rates have already fallen to their lower limits, which are slightly above the ECB's deposit rate. At the same time we do not expect rates to rise again for the time being, as excess liquidity will probably only peak in the second half of 2016. In association therewith the rates factored into EURIBOR futures have fallen again. In the case of longer-term contracts this development could continue, especially as there is once again much speculation over a prolongation of the ECB's bond-buying program.

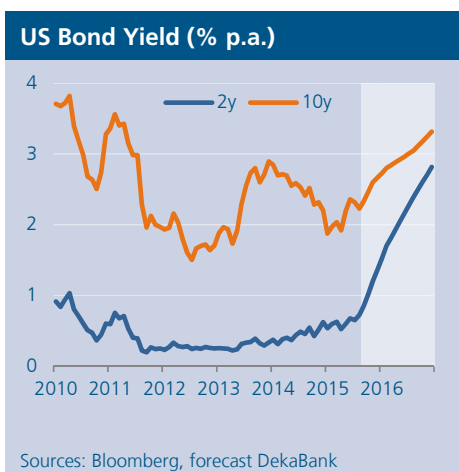
Forecast revision: –.



Eurozone bond market

After provisional agreement on a third bail-out package for Greece the risk premiums on government bonds of peripheral countries have narrowed again, without any rise in the yields of Bunds. This was underpinned by weak economic growth in the emerging markets and the marked fall in commodity prices. However, we regard an economic collapse in the emerging markets, which would have a massive negative impact on economic development in the Eurozone, as highly unlikely. Thus, inflation expectations are likely to rise again in the medium term and contribute to a steepening of the Bund curve, combined with the probable termination of the ECB's bond-buying program in September 2016 and the approaching interest-rate turnaround by the Fed.

Forecast revision: –.



US bond market

The statement issued after the FOMC meeting in July conveyed no fresh information with respect to the timing of the interest-rate turnaround. However, the publication of second-quarter GDP data and the labour market report for July together with declarations by FOMC members made it clear that the rate hike will presumably be announced in September. FOMC members point out that the interest-rate path will be very flat, so that the Fed will presumably only raise key rates by 25 basis points at every second meeting. On the basis of forward contracts the capital markets expect the interest-rate turnaround only at the beginning of 2016 and rates to be raised at only every fifth FOMC meeting. The need for correction on the US bond market thus remains high.

Forecast revision: –.

Markets: Industrial countries

Equity Market Forecast

	Current Aug 13, 15	in 3 months	in 6 months	in 12 months
DAX	11 014.63	12 000	12 500	13 000
Memorandum item:				
EuroStoxx50	3 516.15	3 750	3 900	4 000
S&P 500	2 083.39	2 050	2 100	2 150
Topix	1 667.95	1 600	1 600	1 400

Sources: Deutsche Börse AG, forecast DekaBank

Equity market: Germany

After agreement on another bail-out package the hefty discussions over Greece have subsided into the background and the market's concerns are now centered on the state of the emerging markets. In the course of these discussions export-oriented industrial and consumer goods companies have come under selling pressure. However, current data from company reports do not reflect any marked weakness. Although companies formulate their future prospects somewhat more cautiously, their fundamental assessment has not changed. DAX companies thus appear to be well on the road to raising their profits by a double-digit margin over the previous year. With a valuation that is on the whole modest, therefore, German equities remain our favoured investment market.

Forecast revision: Higher 3-month, 6-month and 12-month price targets.

iTraxx Europe (Bp)



Sources: International Index Company, forecast DekaBank

Corporate bond market: Eurozone

Sentiment on the corporate bond market has remained constructive now that the uncertainty over Greece has subsided and negotiations over a third bailout package have been concluded. We firmly believe that in the current market situation it is more attractive to collect credit premiums than to choose long duration. This assessment is underpinned by stable economies in both the USA and the Eurozone and the solid balance sheet situation in most sectors. The issuance activity has picked up slightly again since the easing of the Greek crisis, although most are USD issues. In the case of EUR issues the dominant factor is the summer slump, which is providing some support for the secondary market. We regard spread volatility, which can currently be attributed to uncertainty over China, as a clear buying opportunity.

Forecast revision: –.

Covered Bonds 5y (% p.a.)



Source: Bloomberg

Covered Bonds

As a result of the ECB's purchase of covered bonds in the monthly value of EUR 10bn this segment of the market has dried up almost completely. Since the start of its third bond-buying program the ECB has purchased covered bonds in a total value of EUR 106.6bn. Some 20 % of this volume has been purchased on the primary market and the remainder on the secondary market. In view of very limited issuance activity this constant demand has led to an extremely low level of volatility in this asset class. In principal there is still demand for German mortgage bonds, but as supply is sparse there is seldom any trading. This situation is likely to continue and the spreads of covered bonds should remain at their current low levels for the foreseeable future.

Markets: Industrial countries

Exchange Rate EUR-USD



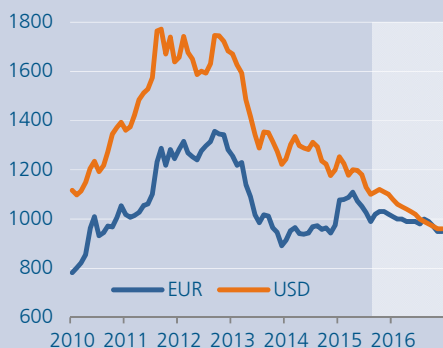
Sources: European Central Bank, forecast DekaBank

Currency market: EUR-USD

Since the beginning of July the Euro has been moving with slight fluctuations in a sideways movement. On July 1 it was at a level of 1.12 EUR-USD and on August 12 at 1.11 EUR-USD. During this period the Euro did fall temporarily to 1.08 EUR-USD. The US Dollar has been supported by good economic data. In the first quarter US GDP growth was initially recorded at -0.7 %, but this figure was revised upward in July to 0.6 %. At the same time a figure of 2.3 % was published for growth in the second quarter. The outset of the Fed's interest-rate turnaround expected in September, which together with the continuation of the ECB's extremely loose monetary policy, should increase the depreciation pressure on the Euro in the next three months.

Forecast revision: –.

Gold price (per troy ounce)



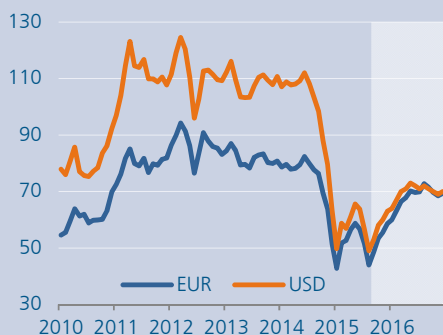
Sources: Bloomberg, forecast DekaBank

Gold

As with so many other commodities, the fall in the price of gold has accelerated in recent weeks. On the one hand, for the first time since 2006, the beginning of the data series, financial investors have been betting since mid-July on a falling gold price. They are therefore holding a net short position and have thus been contributing to the latest price falls. On the other hand, the physical demand for gold is extremely weak. The latest figures published by the World Gold Council on the global gold market in the second quarter show that the demand for jewellery, coins and bullions as well as purchases by central banks have fallen by 10 % to 15 % against the previous year. In the same period supply slumped by 5 %. In the immediate future the beginning of the US interest-rate turnaround will remain one of the most important factors impacting the gold price. We believe there will be a continued but modest fall in the price of gold.

Forecast revision: –.

Crude Oil Brent (per barrel)



Sources: Bloomberg, forecast DekaBank

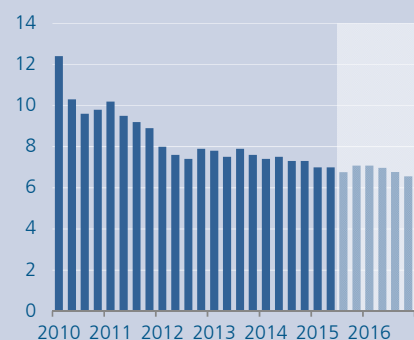
Crude oil

In recent weeks the prices of the main types of crude oil have collapsed. This can be attributed to expectations of rising oil exports from Iran after the lifting of sanctions, to the sharp rise in OPEC production and continued high levels of US production. Moreover, in view of the situation in the emerging markets, and in particular China, there are concerns over global demand. The fall in the price of oil has been enhanced by financial investors who have drastically reduced their bets on rising oil prices (net long positions). Our expectation of an upcoming fall in US production remains intact, but in view of OPEC's record level of production – which we had not expected – we have lowered our oil price forecasts for both 2015 and 2016 substantially.

Forecast revision: Downward revision for 2015 and 2016.

Emerging Markets

China: GDP (% yoy)



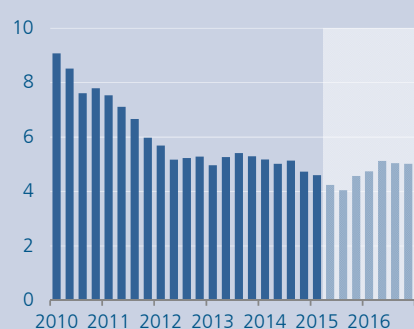
Sources: National Statistics, forecast DekaBank

China

By means of massive intervention the Chinese government has managed to stabilise the equity market. However, its growth target of 7 % is in jeopardy, as both the construction industry and exports are facing substantial problems. The central bank has reacted by devaluing the Renminbi, in the hope of stimulating exports. The Renminbi exchange rate should in future be determined more by supply and demand, which would suggest that in the months to come the Renminbi is likely to depreciate further. However, with enhanced investment in infrastructure and a revival of exports the growth target can still be attained.

Forecast revision: GDP growth forecast for 2016: 6.8 % (previously 7.0 %). We expect the Renminbi to depreciate further against the US Dollar.

Emerging Markets: GDP (% yoy)



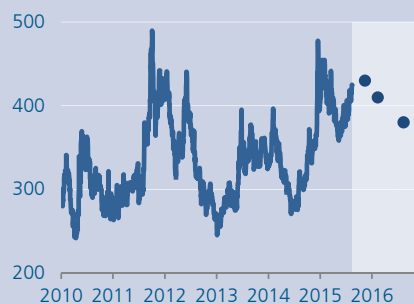
Sources: National Statistics, forecast DekaBank

Emerging Markets: Economy

The reasons for weak growth in the emerging-market countries are manifold: the growth of global trade has been lower than expected, commodity prices have slumped substantially and in many countries policy makers have been incapable of counteracting weak growth. Moreover, the approaching US interest-rate turnaround will make financing more difficult and presumably lead to a further decline in credit growth. China's decision to allow the Renminbi to depreciate has created a less friendly environment for its trading partners. We do not believe that the current situation in the emerging markets is merely an economic "dip", but regard many EM problems as structural.

Forecast revision: Downward revision of GDP growth forecasts for most Asian countries, Brazil and Russia.

EMBIG-Spread (Bp)



Sources: Bloomberg, forecast DekaBank

Emerging Markets: Markets

Poor economic data, political problems and the approaching US interest-rate turnaround are dampening EM investment. China's decision to allow the Renminbi to depreciate is another factor leading to enhanced uncertainty. However, although market sentiment is currently poor, there is no sign of panic and a rapid backlash due to speculative purchasing is unlikely. In the wake of its latest interest-rate hike to 14.25 % the Brazilian central bank has signaled the end to its hiking cycle. We don't expect that central bankers in Brazil and in other EM countries follow in the footsteps of the Fed when it finally starts its interest-rate turnaround. The decrease in the interest-rate spread should increase the pressure on EM currencies to depreciate.

Macro Research

Economic Forecasts



August / September 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	0.2	1.7	7.6	7.3	7.4	0.7	0.6	0.5
France	2.4	0.2	1.2	1.4	0.6	0.2	1.6	-1.0	-2.2	-1.9	-4.0	-3.8	-3.5
Italy	2.0	-0.4	0.7	1.2	0.2	0.2	1.3	1.9	1.8	1.8	-3.0	-2.6	-2.0
Spain	1.5	1.4	3.0	2.4	-0.2	-0.3	1.2	0.8	0.7	0.9	-5.8	-4.5	-3.5
Netherlands	0.7	1.0	2.1	1.8	0.3	0.4	2.0	10.3	7.7	7.7	-2.3	-1.7	-1.2
Eurozone	12.2	0.8	1.5	1.7	0.4	0.1	1.5	2.1	2.6	2.8	-2.4	-2.0	-1.7
United Kingdom	2.4	3.0	2.7	2.5	1.5	0.1	1.1	-5.5	-4.9	-4.1	-5.7	-4.5	-3.1
Sweden	0.4	2.4	2.9	3.4	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	0.2	1.5	1.1	1.6	1.8	-2.9	-2.4	-1.9
Poland	0.9	3.5	3.5	3.4	0.1	-0.5	2.2	-1.3	-0.8	-3.0	-3.2	-2.8	-2.6
Hungary	0.2	3.6	2.9	2.5	-0.2	0.6	2.4	4.1	4.7	4.0	-2.6	-2.5	-2.2
Czech Republic	0.3	2.0	4.4	2.6	0.4	0.6	1.7	0.6	1.0	0.8	-2.0	-2.0	-1.5
EU-28	17.2	1.5	2.0	2.0	0.7	0.2	1.3	0.9	1.4	1.6	-2.9	-2.5	-2.0
USA	16.1	2.4	2.5	2.9	1.6	0.3	2.5	-2.2	-2.5	-3.0	-5.0	-4.0	-3.0
Japan	4.4	-0.1	0.2	0.8	2.8	1.2	1.6	0.5	2.5	2.0	-7.7	-7.5	-6.5
Canada	1.5	2.4	1.4	2.4	1.9	1.0	1.9	-2.1	-3.5	-3.0	-1.6	-1.5	-1.5
Australia	1.0	2.7	2.6	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	0.9	2.7	-3.5	-5.0	-5.5	0.0	0.5	1.0
Switzerland	0.4	2.0	0.6	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	1.3	1.5	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	0.4	1.9	-0.3	-0.1	-0.2	-4.1	-3.5	-2.8
Russia	3.3	0.6	-3.9	0.5	7.8	14.5	6.5	3.2	4.9	4.2	-0.5	-3.6	-2.5
Turkey	1.4	2.9	3.6	3.2	8.9	7.4	7.1	-5.8	-5.5	-5.8	-1.3	-1.6	-1.9
Ukraine	0.3	-7.2	-11.0	1.0	12.1	51.4	14.5	-4.0	-1.7	-3.2	-4.3	-5.5	-5.1
Emerging Europe⁵⁾	7.4	1.5	-0.6	1.8	6.6	10.5	5.1	-0.4	-1.1	0.3	X	X	X
South Africa	0.7	1.5	1.9	2.5	6.1	4.8	5.1	-5.4	-5.2	-4.9	-3.8	-4.2	-3.4
Middle East, Africa	3.5	3.4	3.6	4.1	6.5	6.7	6.7	2.2	2.8	1.9	X	X	X
Brazil	3.0	0.2	-0.9	0.9	6.3	8.8	5.9	-4.5	-3.5	-3.4	-6.3	-7.2	-5.7
Mexico	2.0	2.1	2.3	3.3	4.0	2.7	3.5	-2.0	-2.1	-2.1	-3.2	-3.5	-3.1
Argentina	0.9	0.5	0.9	1.7	37.6	28.0	26.4	-0.9	-1.4	-1.5	-2.5	-4.1	-3.2
Chile	0.4	1.8	2.3	3.4	4.4	4.1	3.5	-1.2	-1.1	-1.2	-1.6	-2.0	-1.0
Latin America	8.0	1.2	0.5	1.8	12.1	14.4	11.2	-1.9	-2.9	-3.0	X	X	X
China	16.3	7.4	7.0	6.8	2.1	1.5	1.8	1.8	3.5	2.8	-1.8	-2.6	-2.9
India	6.8	7.1	7.2	7.1	6.7	5.2	5.1	-1.3	-1.5	-1.8	-4.0	-4.0	-3.8
South Korea	1.6	3.3	2.3	2.4	1.3	0.8	1.2	6.3	5.1	4.7	0.6	-0.1	0.0
Philippines	0.6	6.1	5.1	5.2	4.2	1.5	2.4	4.4	4.8	4.2	-0.6	-1.8	-2.0
Emerging Asia	31.3	6.4	6.0	6.0	3.4	2.5	2.6	1.9	2.0	2.3	X	X	X
Emerging Markets	50.2	4.7	4.0	4.6	5.5	5.9	4.7	1.0	0.8	1.1	X	X	X
Total⁶⁾	89.3	3.4	3.1	3.5	3.7	3.5	3.5	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



August / September 2015

Macro Research

Interest rates in industrialised countries

		Current	Forecasts		
		Aug 14 2015	3 months	6 months	12 months
Germany	Monetary policy (Refi)	0.05	0.05	0.05	0.05
	3 months (EURIBOR)	-0.02	-0.03	-0.03	-0.04
	12 months (EURIBOR)	0.16	0.15	0.14	0.14
	Bunds, 2 years	-0.28	-0.20	-0.15	-0.10
	Bunds, 5 years	0.02	0.15	0.25	0.40
	Bunds, 10 years	0.63	0.90	1.05	1.30
	Bunds, 30 years	1.31	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)	0.31	0.60	0.90	1.70
	12 months (LIBOR)	0.82	1.15	1.55	2.50
	US-Trasuries, 2 years	0.71	1.20	1.70	2.40
	US-Trasuries, 5 years	1.57	2.05	2.45	2.90
	US-Trasuries, 10 years	2.18	2.60	2.80	3.05
	US-Trasuries, 30 years	2.84	3.30	3.50	3.70
Japan	Monetary policy (Call)	0.10	0.10	0.10	0.10
	3 months (LIBOR)	0.09	0.10	0.10	0.10
	12 months (LIBOR)	0.24	0.25	0.25	0.20
	JGBs, 2 years	0.01	0.05	0.05	0.05
	JGBs, 5 years	0.08	0.25	0.35	0.55
	JGBs, 10 years	0.38	0.55	0.65	0.85
	JGBs, 30 years	1.41	1.50	1.60	1.80
United Kingdom	Monetary policy (Base)	0.50	0.50	0.75	1.00
	3 months (LIBOR)	0.59	0.60	0.90	1.10
	12 months (LIBOR)	1.05	1.20	1.40	1.80
	Gilts, 2 years	0.57	0.80	1.00	1.60
	Gilts, 5 years	1.42	1.60	1.90	2.30
	Gilts, 10 years	1.86	2.10	2.30	2.50
	Gilts, 30 years	2.53	2.60	2.70	2.80
Sweden	Monetary policy (Repo)	-0.35	-0.40	-0.40	-0.30
	3 months (STIB)	-0.28	-0.25	-0.25	-0.10
	2 years	-0.45	-0.40	-0.20	0.10
	10 years	0.66	0.90	1.30	1.50
Denmark	Monetary policy (Repo)	0.05	0.05	0.05	0.05
	3 months (CIBOR)	-0.06	-0.13	-0.13	-0.14
	2 years	-0.23	-0.25	-0.20	-0.15
	10 years	0.82	1.10	1.25	1.50
Norway	Monetary policy (Deposit)	1.00	1.00	1.00	1.00
	3 months (NIBOR)	1.22	1.20	1.20	1.20
	2 years	0.62	0.80	0.80	0.90
	10 years	1.44	1.80	2.00	2.20
Switzerland	Monetary policy (LIBOR)	0.00 - 0.25	0.00 - 0.25	0.00 - 0.25	0.00 - 0.25
	3 months (LIBOR)	-0.73	-0.75	-0.75	-0.75
	2 years	-0.81	-0.70	-0.60	-0.45
	10 years	-0.15	0.10	0.30	0.50
Canada	Monetary policy (O/N)	0.50	0.50	0.50	0.75
	3 months (CBA)	0.74	0.90	0.85	1.15
	12 months (CBA)	0.78	1.00	1.15	1.85
	2 years	0.42	0.75	1.05	1.65
	5 years	0.73	1.05	1.50	2.10
	10 years	1.40	1.70	2.05	2.50
	30 years	2.10	2.35	2.65	3.05
Australia	Monetary policy (Cash)	2.00	2.00	2.00	2.25
	3 months (ABB)	2.14	2.15	2.15	2.35
	2 years	1.96	2.15	2.35	2.75
	10 years	2.78	2.95	3.05	3.25

Interest rates in EM countries

			Current	Forecasts		
			Aug 14 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	1.80
		2 years	1.77	2.10	2.00	2.30
		10 years	2.80	3.20	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	0.04	0.00	0.10	0.15
		10 years	0.87	1.10	1.25	1.50
	Hungary	Monetary policy (Deposit)	1.35	1.35	1.35	1.60
		3 months (BUBOR)	1.36	1.40	1.50	1.90
		3 years	2.15	2.30	2.50	2.70
		10 years	3.48	3.70	3.80	4.10
Latin America	Brazil	Monetary policy (Repo)	14.25	14.25	14.25	14.00
		3 months (ABG)	14.27	14.25	14.25	13.80
		2 years	13.71	13.50	13.00	12.80
		9 years	13.50	12.20	12.00	11.80
	Mexico	Monetary policy	3.00	3.50	3.75	4.50
		3 months (Mexibor)	3.35	3.60	3.80	4.50
		2 years	4.33	4.20	4.30	4.50
		10 years	6.06	6.30	6.20	6.20
Asia	China	Monetary policy	2.00	1.75	1.75	1.75
		3 months	3.10	3.00	2.70	2.80
		2 years	2.59	2.60	2.50	2.70
		10 years	3.48	3.50	3.60	3.70
	Singapore	Monetary policy	0.06	0.25	0.50	1.25
		3 months	0.94	0.90	1.00	1.75
		2 years	1.04	1.00	1.30	2.20
		10 years	2.57	2.70	2.80	2.90
	South Korea	Monetary policy	1.50	1.25	1.25	1.25
		3 months	1.50	1.30	1.30	1.30
		2 years	1.65	1.60	1.70	1.90
		10 years	2.29	2.50	2.50	2.60

Yield spreads in basis points¹⁾

			Current	Forecasts			
			Aug 14 2015	3 months	6 months	12 months	
Emerging Markets, EMBIG Spreads	Central- and Eastern Europe	Russia	361	360	340	320	
		Turkey	292	300	285	260	
		Hungary	193	205	195	180	
	Africa	South Africa	300	300	285	265	
	Latin America	Brazil	340	365	350	320	
		Chile	184	185	180	165	
		Columbia	265	270	260	241	
		Mexico	248	255	245	225	
	Asia	Venezuela	3238	3200	3050	2830	
		China	173	175	170	155	
		Indonesia	294	290	280	260	
		Philippines	114	115	110	105	
	Total (EMBIG)			422	430	410	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 (EMBIG) is relevant.

Currencies

EURO		Current Aug 14 2015	Forecasts		
			3 months	6 months	12 months
Dollar-Bloc	EUR-USD	1.11	1.08	1.06	1.02
	EUR-CAD	1.46	1.43	1.39	1.30
	EUR-AUD	1.51	1.50	1.47	1.40
Japan	EUR-JPY	138.49	133.92	133.56	132.60
Euro-Outs	EUR-GBP	0.71	0.69	0.68	0.72
	EUR-DKK	7.46	7.46	7.46	7.46
	EUR-SEK	9.44	9.60	9.40	9.20
	EUR-CHF	1.09	1.09	1.10	1.12
Central- and Eastern Europe	EUR-NOK	9.15	9.00	8.70	8.50
	EUR-PLN	4.18	4.30	4.20	4.00
	EUR-HUF	309.98	315.00	310.00	300.00
Africa	EUR-CZK	27.02	27.05	27.10	27.00
	EUR-ZAR	14.30	13.50	13.25	12.75
Latin America	EUR-BRL	3.92	3.78	3.71	3.57
	EUR-MXN	18.28	17.28	16.75	16.12
Asia	EUR-SGD	1.56	1.54	1.53	1.49
	EUR-CNY	7.12	7.02	7.10	7.04
	EUR-KRW	1315	1296	1293	1265

US-Dollar		Current Aug 14 2015	Forecasts		
			3 months	6 months	12 months
Dollar-Bloc	USD-CAD	1.31	1.32	1.31	1.27
	AUD-USD	0.74	0.72	0.72	0.73
Japan	USD-JPY	124.30	124.00	126.00	130.00
Euro-Outs	GBP-USD	1.56	1.57	1.56	1.42
	USD-DKK	6.70	6.91	7.04	7.31
	USD-SEK	8.47	8.89	8.87	9.02
	USD-CHF	0.98	1.01	1.04	1.10
	USD-NOK	8.21	8.33	8.21	8.33
Central- and Eastern Europe	USD-PLN	3.75	3.98	3.96	3.92
	USD-HUF	278.25	291.67	292.45	294.12
	USD-CZK	24.25	25.05	25.57	26.47
Africa	USD-ZAR	12.83	12.50	12.50	12.50
Latin America	USD-BRL	3.51	3.50	3.50	3.50
	USD-MXN	16.41	16.00	15.80	15.80
Asia	USD-CNY	6.39	6.50	6.70	6.90
	USD-SGD	1.40	1.43	1.44	1.46
	USD-KRW	1180	1200	1220	1240

Commodities

Commodity	Current Aug 14 2015	Forecasts		
		3 months	6 months	12 months
Gold (USD per troy ounce)	1,114.72	1,110	1,060	990
Gold (EUR per troy ounce)	999.57	1,030	1,000	1,000
WTI crude (USD per Barrel)	42.23	57	65	70
WTI crude (EUR per Barrel)	37.87	53	61	71
Brent crude (USD per Barrel)	48.56	60	67	72
Brent crude (EUR per Barrel)	43.54	56	63	73

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