



## Commerzbank Forecasts

### Growth and inflation

	Real GDP (%)			Inflation rate (%)			
	2023	2024	2025	2023	2024	2025	
USA	2.5	2.5	1.5	4.1	<b>3.2</b>	<b>2.8</b>	<ul style="list-style-type: none"> <li>The US economy is likely to slow on high interest rates and less fiscal stimulus.</li> <li>In the euro area, leading indicators suggest a gradual recovery is underway.</li> <li>Because the central banks are not tackling inflation vigorously enough, it is likely to remain well above 2%.</li> <li>China's economy suffers from the slump in the property sector and the debt overhang. The shift to a more state-led economy and the technology decoupling with the West should also slow growth.</li> </ul>
China	5.2	4.7	4.0	0.2	0.5	1.5	
Euro area	0.5	0.7	1.1	5.4	2.5	3.0	
- Germany	-0.2	0.0	0.8	5.9	2.5	2.8	
- France	0.9	0.8	1.1	4.9	2.2	2.8	
- Italy	1.0	0.7	0.9	5.6	1.3	2.5	
- Spain	2.5	2.3	1.8	3.5	2.8	2.7	
- Netherlands	0.2	<b>0.0</b>	1.3	3.8	2.5	2.0	
- Austria	-0.7	0.2	1.0	7.8	3.2	2.9	
UK	0.1	<b>0.9</b>	1.2	7.3	2.8	2.8	
Switzerland	0.7	1.4	1.4	2.1	1.2	0.8	
Japan	1.8	<b>0.0</b>	1.0	3.3	<b>2.5</b>	<b>1.7</b>	
World	3.2	3.1	3.1				

### Interest rates (end-of-quarter)

	4-Jul	Q3 24	Q4 24	Q1 25	Q2 25	Q3 25		
<b>USA</b>								
Fed funds, upper bound	5.50	5.50	5.25	5.00	4.75	4.75	<ul style="list-style-type: none"> <li>ECB and the Fed are likely to cut rates slowly as inflation falls.</li> <li>However, we expect only few rate cuts as the inflation problem will probably not be solved.</li> <li>While the prospect of rate cuts suggests that bond yields could fall this year, the market has already anticipated this backdrop by and large.</li> <li>We expect yields to rise again over the medium term because of persistent inflation.</li> </ul>	
3-months OIS	5.31	5.45	5.20	<b>4.90</b>	4.70	4.70		
2 years*	4.71	4.50	4.20	4.00	3.90	4.00		
5 years*	4.32	4.30	4.10	4.00	4.00	4.10		
10 years*	4.36	4.80	4.70	4.60	4.60	4.70		
Spread 10-2 years	-35	30	50	60	70	70		
Swap-Spread 10 years	-42	<b>-40</b>	<b>-40</b>	<b>-40</b>	<b>-40</b>	<b>-40</b>		
<b>Euro area</b>								
Depo rate	3.75	3.50	3.25	3.00	3.00	3.00		
3-months Euribor	3.71	3.50	3.25	3.00	3.00	3.00		
2 years*	2.92	2.40	2.20	2.40	2.60	2.70		
5 years*	2.57	2.20	2.00	2.20	2.50	2.60		
10 years*	2.60	2.50	2.40	2.50	2.60	2.70		
Spread 10-2 years	-32	10	20	10	0	0		
Swap-Spread 10 years	24	25	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>		
<b>UK</b>								
Bank rate	5.25	5.00	4.75	4.50	4.25	4.25		
3-months OIS	5.11	4.90	4.65	<b>4.40</b>	<b>4.05</b>	4.20		
2 years*	4.19	4.10	3.90	3.70	3.60	3.70		
10 years*	4.19	4.10	4.00	4.10	4.20	4.20		

### Exchange rates (end-of-quarter)

	4-Jul	Q3 24	Q4 24	Q1 25	Q2 25	Q3 25	
EUR-USD	1.08	1.04	1.04	1.04	1.04	1.05	<ul style="list-style-type: none"> <li>The US growth advantage and the fact that the Fed should cut interest rates later and less than the ECB suggest a strengthening of the dollar versus the euro. That said, the potential for an appreciation of the dollar seems limited as much of this is already priced in. For example, the euro is already cheap on the basis of the purchasing power parity.</li> </ul>
USD-JPY	161	165	<b>162</b>	<b>160</b>	158	157	
EUR-CHF	0.97	<b>0.97</b>	<b>0.98</b>	<b>0.97</b>	<b>0.96</b>	<b>0.95</b>	
EUR-GBP	0.85	<b>0.84</b>	<b>0.83</b>	<b>0.82</b>	<b>0.82</b>	<b>0.83</b>	
EUR-SEK	11.32	11.30	11.10	11.00	11.00	11.00	
EUR-NOK	11.39	11.20	11.10	11.00	10.90	10.80	
EUR-PLN	4.30	<b>4.30</b>	<b>4.40</b>	<b>4.45</b>	<b>4.50</b>	<b>4.55</b>	
EUR-HUF	394	390	<b>400</b>	410	415	<b>415</b>	
EUR-CZK	25.17	<b>25.00</b>	<b>25.25</b>	25.25	<b>25.40</b>	25.50	
USD-CAD	1.36	1.38	1.39	1.38	1.37	1.37	
USD-CNY	7.27	<b>7.30</b>	<b>7.25</b>	<b>7.25</b>	<b>7.20</b>	<b>7.20</b>	

Source: Bloomberg, Commerzbank Research; bold: change on last week; \* Treasuries, Bunds, Gilts

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