



## Commerzbank Forecasts

### Growth and inflation

	Real GDP (%)			Inflation rate (%)			
	2023	2024	2025	2023	2024	2025	
USA	2.5	2.5	1.5	4.1	2.9	<b>2.3</b>	<ul style="list-style-type: none"> <li>The US economy is likely to slow on high interest rates but avoid a recession.</li> <li>In Germany, we expect anemic growth at best even if the other euro area countries are performing better.</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	0.6	0.7	1.1	5.4	<b>2.4</b>	<b>2.4</b>	
- Germany	-0.3	0.0	0.5	5.9	<b>2.1</b>	<b>2.1</b>	
- France	1.1	1.1	0.9	4.9	2.2	2.6	
- Italy	1.0	0.7	0.9	5.6	1.3	2.5	
- Spain	2.5	2.7	1.6	3.5	2.6	2.5	
- Netherlands	0.1	0.0	1.3	3.8	2.5	2.0	
- Austria	-0.7	0.2	1.0	7.8	3.0	2.7	
UK	0.1	0.9	1.2	7.3	2.8	2.8	
Switzerland	0.7	1.4	1.4	2.1	1.2	0.8	
Japan	1.7	0.0	1.0	3.3	2.5	1.7	
World	3.2	3.1	3.1				

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

	19-Sep	Q4 24	Q1 25	Q2 25	Q3 25	Q4 25		
<b>USA</b>								
Fed funds, upper bound	5.00	<b>4.50</b>	<b>4.00</b>	<b>3.50</b>	<b>3.50</b>	<b>3.50</b>	<ul style="list-style-type: none"> <li>ECB and the Fed are likely to cut rates slowly as inflation falls.</li> <li>The size of the rate cuts seems limited as the inflation problem is unlikely to 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	4.67	<b>4.25</b>	<b>3.80</b>	<b>3.40</b>	<b>3.40</b>	<b>3.40</b>		
2 years*	3.58	3.60	3.50	3.40	3.50	<b>3.60</b>		
5 years*	3.48	3.50	3.40	3.30	3.50	3.60		
10 years*	3.72	3.80	3.70	3.80	3.90	3.90		
Spread 10-2 years	14	20	20	40	40	20		
Swap-Spread 10 years	-45	-50	-50	-50	-50	-50		
<b>Euro area</b>								
Depo rate	3.50	3.25	3.00	2.75	2.75	2.75		
3-months Euribor	3.46	3.25	3.00	2.75	2.75	2.75		
2 years*	2.23	2.20	2.10	2.00	2.20	2.30		
5 years*	2.05	1.90	1.90	2.00	2.30	2.40		
10 years*	2.19	2.20	2.30	2.40	2.50	2.60		
Spread 10-2 years	-4	0	20	40	30	30		
Swap-Spread 10 years	25	25	25	25	25	25		
<b>UK</b>								
Bank rate	5.00	4.75	4.50	4.25	4.25	4.25		
3-months OIS	4.85	4.65	4.40	4.20	4.15	4.20		
2 years*	3.92	3.40	3.30	3.20	3.40	3.50		
10 years*	3.88	3.80	3.80	3.90	4.00	4.10		

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

	19-Sep	Q4 24	Q1 25	Q2 25	Q3 25	Q4 25	
EUR-USD	1.12	<b>1.12</b>	<b>1.13</b>	<b>1.15</b>	1.13	1.12	<ul style="list-style-type: none"> <li>We expect an appreciation of the euro versus the dollar over the coming quarters as the Fed should cut interest rates more than the ECB. In addition, the euro is already cheap in terms of purchasing power parity. A stronger US economy in the second half of 2025 should then support the dollar.</li> </ul>
USD-JPY	143	143	145	<b>146</b>	<b>148</b>	<b>150</b>	
EUR-CHF	0.95	<b>0.95</b>	<b>0.96</b>	0.98	0.97	0.96	
EUR-GBP	0.84	0.84	0.83	0.83	0.84	0.84	
EUR-SEK	11.32	11.20	11.20	11.10	11.10	11.00	
EUR-NOK	11.66	11.30	11.10	11.00	10.90	10.90	
EUR-PLN	4.27	<b>4.27</b>	<b>4.30</b>	<b>4.35</b>	<b>4.35</b>	<b>4.40</b>	
EUR-HUF	394	395	395	400	405	410	
EUR-CZK	25.08	25.15	25.20	25.20	25.25	25.25	
USD-CAD	1.35	<b>1.36</b>	<b>1.35</b>	<b>1.35</b>	1.36	<b>1.37</b>	
USD-CNY	7.07	<b>7.10</b>	<b>7.05</b>	7.05	7.10	7.10	

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

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In accordance with ESMA MAR requirements this report was completed 20/9/2024 07:15 CEST and disseminated 20/9/2024 07:15 CEST.

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