



## Commerzbank Forecasts

### Growth and inflation

	Real GDP (%)			Inflation rate (%)			
	2023	2024	2025	2023	2024	2025	
USA	2.9	<b>2.7</b>	<b>2.0</b>	4.1	2.9	2.3	<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	0.4	0.7	<b>0.9</b>	5.4	<b>2.3</b>	<b>2.1</b>	
- Germany	-0.3	<b>-0.2</b>	<b>0.2</b>	5.9	<b>2.2</b>	<b>2.1</b>	
- France	0.9	1.1	<b>0.8</b>	4.9	<b>2.0</b>	<b>1.8</b>	
- Italy	0.7	0.7	<b>0.6</b>	5.6	<b>1.1</b>	<b>1.7</b>	
- Spain	2.7	<b>2.9</b>	1.6	3.5	<b>2.7</b>	<b>2.0</b>	
- Netherlands	0.1	<b>0.2</b>	1.3	3.8	<b>3.3</b>	<b>2.7</b>	
- Austria	-1.0	<b>-0.4</b>	1.0	7.8	<b>3.2</b>	<b>2.0</b>	
UK	0.3	0.9	1.2	7.3	<b>2.4</b>	<b>2.3</b>	
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)

	24-Oct	Q4 24	Q1 25	Q2 25	Q3 25	Q4 25		
<b>USA</b>								
Fed funds, upper bound	5.00	4.50	4.00	3.50	3.50	3.50	<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	4.57	4.25	3.80	3.40	3.40	3.40		
2 years*	4.06	3.60	3.50	3.40	3.50	3.60		
5 years*	4.02	3.50	3.40	3.30	3.50	3.60		
10 years*	4.22	3.80	3.70	3.80	3.90	3.90		
Spread 10-2 years	16	20	20	40	40	30		
Swap-Spread 10 years	-48	-50	-50	-50	-50	-50		
<b>Euro area</b>								
Depo rate	3.25	3.00	<b>2.50</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>		
3-months Euribor	3.07	<b>2.85</b>	<b>2.35</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>		
2 years*	2.06	<b>2.00</b>	<b>1.90</b>	<b>1.80</b>	<b>1.90</b>	<b>1.90</b>		
5 years*	2.07	<b>2.00</b>	1.90	1.90	2.00	<b>2.00</b>		
10 years*	2.26	<b>2.20</b>	2.10	2.20	2.30	2.40		
Spread 10-2 years	20	<b>20</b>	<b>20</b>	<b>40</b>	<b>40</b>	<b>50</b>		
Swap-Spread 10 years	14	8	<b>3</b>	<b>-2</b>	<b>-7</b>	<b>-7</b>		
<b>UK</b>								
Bank rate	5.00	<b>4.50</b>	<b>4.00</b>	<b>3.50</b>	<b>3.50</b>	<b>3.50</b>		
3-months OIS	4.71	<b>4.40</b>	<b>3.90</b>	<b>3.45</b>	<b>3.50</b>	<b>3.45</b>		
2 years*	4.14	<b>3.30</b>	<b>3.10</b>	<b>3.00</b>	<b>3.05</b>	<b>3.10</b>		
10 years*	4.25	<b>3.70</b>	<b>3.60</b>	<b>3.60</b>	<b>3.65</b>	<b>3.70</b>		

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

	24-Oct	Q4 24	Q1 25	Q2 25	Q3 25	Q4 25	
EUR-USD	1.08	<b>1.09</b>	<b>1.10</b>	<b>1.11</b>	<b>1.10</b>	<b>1.09</b>	<ul style="list-style-type: none"> <li>We believe a very moderate recovery in EUR-USD is likely. We do not expect the Fed and the ECB to surprise us in any significant way or to provide any strong impetus. We do not share the hope for USD strength through "Trumpflation". Therefore, the US dollar has a slight potential for setbacks. Also, because the US growth advantage is likely to shrink slightly.</li> </ul>
USD-JPY	152	143	145	146	148	150	
EUR-CHF	0.94	0.95	<b>0.97</b>	<b>0.97</b>	<b>0.96</b>	<b>0.95</b>	
EUR-GBP	0.83	<b>0.83</b>	<b>0.82</b>	<b>0.82</b>	<b>0.83</b>	<b>0.83</b>	
EUR-SEK	11.42	11.20	11.20	11.10	11.10	11.00	
EUR-NOK	11.82	11.30	11.10	11.00	10.90	10.90	
EUR-PLN	4.34	<b>4.30</b>	4.30	4.35	<b>4.40</b>	4.40	
EUR-HUF	403	395	395	400	<b>410</b>	<b>415</b>	
EUR-CZK	25.21	25.15	<b>25.25</b>	<b>25.25</b>	<b>25.30</b>	<b>25.35</b>	
USD-CAD	1.38	<b>1.38</b>	<b>1.37</b>	1.35	<b>1.35</b>	1.37	
USD-CNY	7.12	7.10	7.05	7.05	7.10	7.10	

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



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