

## Press Release

For editors  
3 March 2016

### **Commerzbank survey: world and monetary politics dulled investors' sentiment**

- **DAX, oil price and interest rates expected to be lower than in 2015**
- **Greatest risks: poor growth in China and negative interest rate policy of the ECB**
- **400 delegates surveyed at the Global Economy & Capital Markets Forum**

The crisis of the global economy and unsolved geopolitical conflicts are increasingly affecting the willingness to invest. Most decision-makers expect considerably lower stock prices, interest rates and commodity prices in 2016 compared with last year. That's the result of a survey of around 400 participants at a Commerzbank capital markets conference in Frankfurt on Wednesday.

39% of investors regard China's economic development as the greatest economic challenge for 2016. Investors see further risks in the ultra-loose monetary policy of the ECB (26%), in the possible bursting of economic bubbles due to the ongoing asset price inflation of real estate and equities, as well as the Fed policy and the possible Brexit (each at 7%). However, just one in five expects that Britain will vote to exit the European Union.

Faced with numerous geopolitical trouble spots, investors are less confident about the outlook for capital markets: 85% don't believe that the DAX will rise up to 11.000 points or higher by this time next year, while at the 2015 conference 80% expected higher share prices. When it comes to crude oil prices, most investors think prices will rise within the next 12 months. But only 11% expect prices for Brent will rise above USD 60 a barrel. Last year's survey revealed that 40% expected a price of USD 70 or more.

With regard to interest rates, 33% (2015: 27%) of conference participants believe that the yield on 10-year Bunds will be negative within the next 12 months. Just a third of the investors expect the US Federal Reserve to consequently proceed with their interest rate hikes and to raise key rates at least twice this year.

The Commerzbank Global Economy & Capital Markets Forum (GECM) is a conference for clients of Corporates & Markets, the investment banking division of Commerzbank. In addition to sessions on regulation, economics and monetary policies, the overall geopolitical environment was an important theme of the conference. Amongst the panellists taking part were the philosopher and economist Francis Fukuyama (author of the top seller "The end of history"), former NATO Secretary General Anders Fogh Rasmussen and the outgoing President of the Munich ifo institute, Hans-Werner Sinn.

The GECM was held for the fourth time this year and the conference was attended by capital market professionals from more than 50 countries.

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