

### Overview

- November opened with one of the most turbulent trading weeks of the year. The Euro-zone sovereign debt crisis is evolving more and more into a political crisis in both individual countries and the European Union as a whole. Such crises cannot easily be resolved quickly, as new orientations must be found for the decades to come. Nevertheless, we still expect the Euro zone to make slow but steady progress in the coming year – with Greece as a member.
- The relief provided for markets by the decisions taken at the EU summit on October 26<sup>th</sup> 2011 have proved short-lived. On the one hand, it has already become all too clear that the agreed enhancement of the resources of the European Financial Stability Facility (EFSF) is far from guaranteed and is in fact largely dependent on the good will and trust of potential private and government investors. On the other hand, the voluntary rescheduling of Greek debt is not without catches: could this prove such a burden for the banks that they are forced to restrict their lending? As if existing fears were not enough, the Greeks and Italians are now adding to doubts about their ability to implement reforms or even to respond at all to the current situation. In view of all these imponderables any forecasts of future economic or market developments are bound to prove uncertain in the extreme.
- However, there are some glimmers of hope: the cooling of the global economy has slowed. In October the global purchasing managers' index fell only slightly from 50.0 to 49.9 points and thus remains close to the growth threshold of 50 points. Although there are signs of a slight recession in Western Europe, growth in other regions is slowly accelerating. Surprisingly, global manufacturing output has proved higher than levels predicted by leading indicators. Nevertheless, these developments should be regarded with caution. After global growth of 5.1 % in 2010, we expect growth of 3.7 % in 2011 and 3.6 % in 2012.
- The weaker economic outlook and falling inflation rates have induced the ECB under its new president to start to lower key rates again, as we had expected. They are unlikely to remain for long at the current level of 1.25 % and we believe they will fall to 1 % in December.
- We have raised our GDP growth forecast for the USA and adjusted Euro zone inflation rates, which has lowered the values for 2012. We have also lowered our yield forecasts for the United Kingdom, Germany and the USA.

<b>Contents .....</b>	<b>Page</b>
<b>Regions .....</b>	<b>2</b>
<b>Markets.....</b>	<b>4</b>
<b>Global economic developments.....</b>	<b>6</b>
<b>Interest rates in industrialised countries.....</b>	<b>7</b>
<b>Interest rates in EM countries / Yield spreads .....</b>	<b>8</b>
<b>Currencies / Commodities .....</b>	<b>9</b>
<b>Contact .....</b>	<b>10</b>

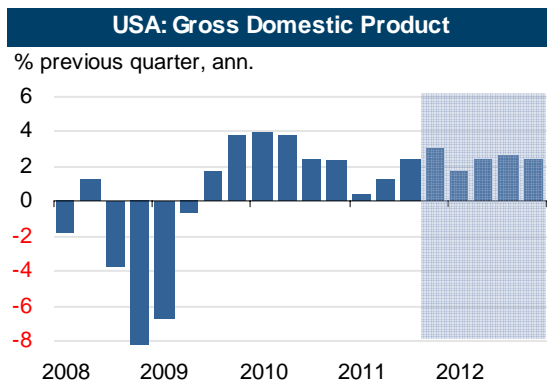
Editor: Chief Economist Dr. Ulrich Kater, +49 (0)69/7147-2381

**Disclaimer:** These presentations including assessments have been drawn up by the DekaBank with the sole purpose of providing the respective recipient with information. Such information does not constitute an offer, an invitation to the subscription or the acquisition of financial instruments or a recommendation of such acquisition. The information or documents are not intended to serve as the basis for any contractual or other obligation, nor are they intended to replace legal and/or tax consultation; the transfer to other parties of the information or documents also does not constitute any form of the afore-mentioned consultation. The assessments presented here are sound to the best of our knowledge and belief but are based in part on information acquired from sources which are open to the general public and the correctness of which we cannot verify. We accept no responsibility and disclaim any liability for the completeness, relevance to the current situation or accuracy of the information provided and assessments, including legal explanations. Each recipient should make his or her own independent judgement, his or her own assessment and his or her own decision. In particular, each recipient is requested to undertake an independent verification and/or to seek independent expert advice and to draw his or her own conclusions with respect to the economic advantages and risks after taking into consideration all legal, regulatory, financial, taxation and accounting aspects. Should rates/prices be quoted, these are subject to alteration and should not be taken as an indication of trading rates/prices.

### Regions

#### USA:

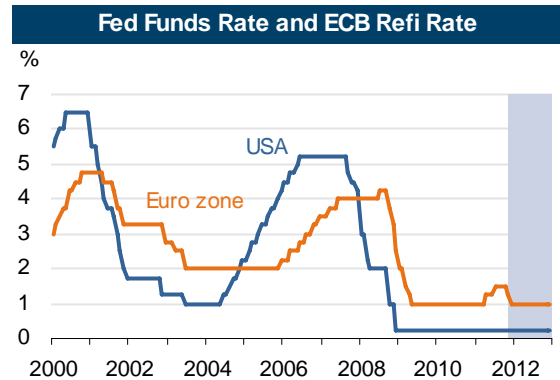
After a weak start in the first half of the year the US economy made a surprising recovery in the third quarter despite turbulence on the financial markets. A marked fall in the savings rate has compensated for companies' cautious recruiting behaviour and the associated weak development of incomes with the result that private consumption has remained relatively unaffected. The extremely strong growth of investment is evidence that companies are not currently plagued by fears with regard to their immediate future. In the absence of political agreement, it is still unclear how fiscal policy is likely to develop in the year to come.



In spite of recent high inflation rates there are signs that upward pressures will soon ease. The Fed is likely to regard this as confirmation of its decision to further ease monetary policy should this prove necessary, although for the time being it appears less prepared to undertake further quantitative easing. We thus believe that additional purchases of government bonds are only likely if there is again a growing risk of deflation.

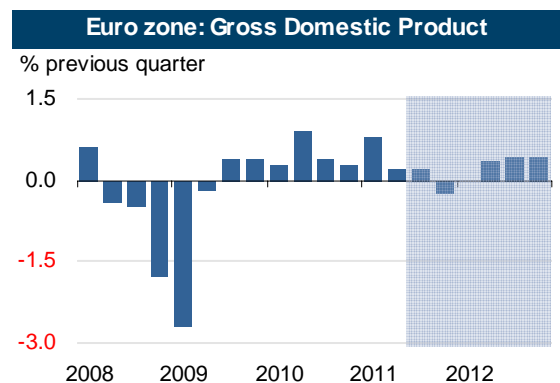
The central bankers are now discussing further purchases of mortgage-based bonds, as they regard the weakness of the housing market as a major obstacle to recovery of the economy as a whole. However, here too we expect no developments in the immediate future. Instead we expect the Fed to focus on better communication of its objectives and estimates in the attempt to create more confidence and a more stimulating financial environment.

*Revisions: We have raised our GDP growth forecast for 2011 to 1.8 % and for 2012 to 2.4 %.*



#### Euro zone:

The uncertainty currently prevailing on financial markets is undoubtedly constraining growth. Leading indicators point to a strong downturn, but not to an economic crash in the Euro zone. Recession, however, is not limited to small countries like Greece and Portugal. In the second half of the year two of the monetary union's heavyweights, Italy and Spain, will also have slipped into recession.

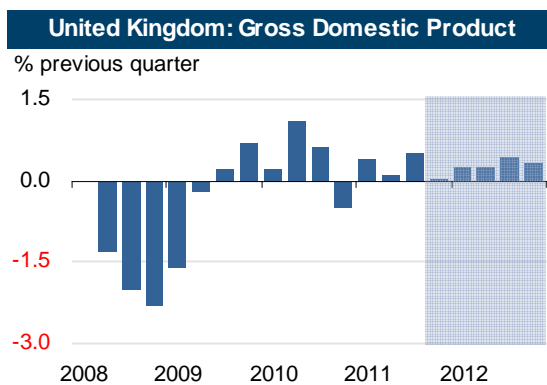


Although in October the rate of inflation in the Euro zone remained at 3 %, well above the ECB's target rate, it will fall again below 2 % in the course of the coming year as the Euro zone economy heads towards a "mild recession". According to Mario Draghi, the ECB's new president, this was the motive for lowering key rates to 1.25 % in November, a month earlier than we had expected. We believe the ECB will lower key rates again to 1 % in December due to weakening economy and lower medium-term inflation risks.

*Revisions: We have revised our inflation forecast for the Euro zone for 2012 to 2.0 %.*

**United Kingdom:**

Although GDP growth of 0.5 % in the third quarter came as a welcome surprise, there are ever more signs of a marked weakening beginning in the fourth quarter – at least in the manufacturing sector. In October the purchasing managers' index for the manufacturing sector fell clearly into the contraction zone. The service sector appears to be more robust at the moment. Seen from the expenditure side private consumption is suffering from the weak growth of incomes. The recovery of net exports is currently threatened by the economic slowdown experienced by the UK's trading partners.



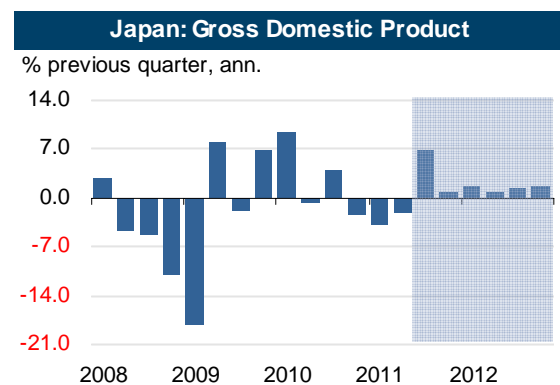
Already in October the Bank of England somewhat surprisingly announced its intention to purchase government bonds again in order to reduce the risk of deflation in an ailing economy. Under the new program bonds in the nominal value of 75bn pounds are to be taken onto the central bank's books between October and January. In September inflation rose to a new high of 5.2 %, but is now expected to fall.

*Revisions: We have raised our inflation forecasts for 2011 and 2012 by 0.1 % to 4.5 % and 1.7 % respectively.*

**Japan:**

Contradictory reports have emerged from Japan in recent weeks. In September there was an extremely strong increase in employment, which more or less matched the loss in spring due to Japan's natural disaster. The recent growth of exports has also proved unusually strong. The development of retail trade and manufacturing, on the other hand, has been disappointing. All in all, economic activity in the third quarter should prove to have been stronger than we had expected. However, this will probably turn out to have been at the cost of a weaker performance in the final quarter of 2011.

At the end of October the Bank of Japan decided to purchase additional Japanese government bonds in the value of 5bn yen, thus raising its total purchase of securities to 20bn yen. However, the impact of this measure is questionable. With interest rates at an all-time low, the risk of deflation is scarcely diminished. Apparently monetary policy should be used to underpin fiscal policy. Meanwhile, the rate of inflation remains just below zero.



*Revisions: We have slightly lowered our inflation forecasts for both 2011 and 2012.*

**Emerging Markets:**

The economies of most emerging-market countries are currently weakening, which comes as no surprise in view of the negative impact of global factors. However, China registered GDP growth of 9.1 % yoy (2.3 % qoq) in the third quarter, which perfectly fits the picture of a „soft landing“. In Asia and Latin America we believe domestic demand will be robust enough to allow the economy to grow close to its potential path. In Central Europe, which is closely integrated with Western Europe, we expect weak GDP growth, but no recession. In all regions inflationary pressures have eased, which on the one hand offers some relief for consumers and on the other provides central banks with additional scope for action. In Indonesia key rates have already been lowered, while the Indian central bank has undertaken what was probably the last interest rate hike in the current cycle. Key rates should be lowered further in Brazil. In Thailand monetary policy will be eased in order to provide support for reconstruction in the wake of recent floods.

### Markets

#### Equities:

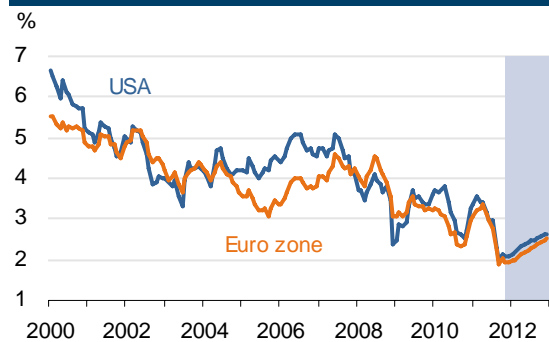
Recent weeks have seen great volatility on equity markets due to persistent financing uncertainties in the Euro zone and concerns with respect to the further development of global economic growth. More recently political events have had the greatest impact, but on the whole the market has performed well, which speaks volumes for its robustness. However, a further weakening of economic growth will enhance risks for the equity markets. Should we experience no more than a „mild recession“, there will still be considerable potential on the equity markets. In comparison with price-earnings ratios valuation ratios are clearly below their long-run averages and in the reporting season that has just come to an end companies have exceeded expectations.

	Equity Markets			
	Actual Nov 03, 11	3 months	6 months	12 months
DAX	6 133.18	5 800	6 000	6 500
EuroStoxx50	2 347.94	2 330	2 400	2 600
S&P 500	1 261.15	1 300	1 350	1 450
Topix	752.02	820	850	920

#### Bonds:

Extreme swings in the news with respect to the Euro zone crisis have resulted in equally extreme swings in the yields of government bonds. Here the previous pattern has been continued: the more uncertain the situation, the stronger is the demand for Bunds. As a mirror image thereto the risk premiums of the bonds of Euro zone peripheral countries have been soaring. Of particular concern in this context is the fact that despite supporting purchases by the ECB the yields of Italian government bonds have rocketed to new peaks since the introduction of the Euro. The yields of French government bonds have also risen sharply to a new high against those of German Bunds. As consolidation in crisis countries and engineering the Euro zone bailout fund are proving to be both complicated and long winded processes, we must expect capital markets to be plagued by volatility and uncertainty for some considerable time to come. We assume the ECB will hold key rates at a very low level for a long time.

Yields on 10-year Government Bonds



The volatility of **emerging-market bonds** has increased sharply in recent months. As so often happens, uncertainty on global capital markets has led to a sharp fall in market liquidity. Although such an environment may well favour a rally, as we have seen in recent weeks. But in view of the persistent Euro zone crisis we expect spreads to widen again.

Two positive aspects to the situation remain: the good fundamental state of the emerging markets and in particular their insignificant dependence on international capital markets.

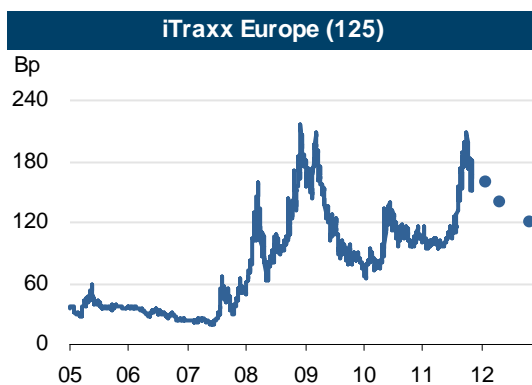
Emerging Markets Yield Spreads



**Corporate and bank bonds** remain at the mercy of the hefty swings in market sentiment that the Euro zone crisis brings with it in a rhythm that changes almost every day. At least until the bombshell that came with the announcement of a referendum in Greece, corporate bonds had enjoyed one of the most credit-friendly months for a long time. Even some new issues could be placed successfully, although issuers often had to offer very high premiums.

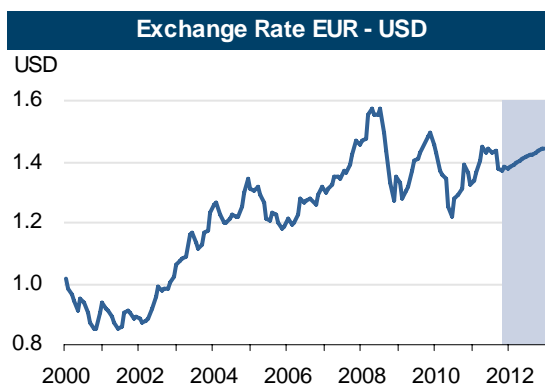
**Mortgage and covered bonds** have performed relatively well in expectation of the ECB's new purchasing program. In contrast to their governments' bonds, the spreads of French and in part Spanish issues have nar-

rowed. However, most new issues have been held back for the time being in the hope that in future the ECB will increase the share of purchases in the primary market in comparison with its last purchasing measure. Bonds that had already been issued to finance the EFSF suffered a substantial widening of spreads.



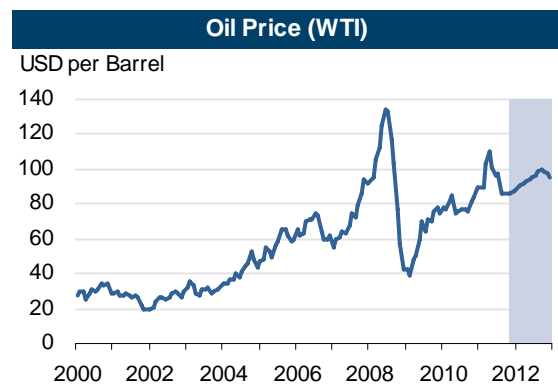
**Currencies:**

The EUR-USD exchange rate has been leaping backwards and forwards. The decisions taken at the Euro zone summit at the end of October gave the Euro a short-lived boost. However, it then suffered the negative impact of the confusion created by the possibility of a referendum in Greece. We continue to believe that the Euro zone's political leaders will eventually resolve the crisis, even if it takes time to find a solution. This means that there is every prospect of a stronger Euro, but it will undoubtedly continue to be buffeted by the twists and turns of the crisis.



**Commodities:**

October finally brought the countermovement on the commodities market that we had expected: after prices had fallen sharply in September they tended to rise again in October. However, the basic forces driving these commodity price changes have scarcely changed. There continues to be great uncertainty over the European sovereign debt crisis. Nevertheless, concern with respect to a possible global recession has probably diminished somewhat in recent weeks. We continue to believe that in the months to come commodity prices will first fall further or move sideways.



**Annual average oil price**

Year	USD per Barrel	
	WTI	Brent Blend
2000	30.2	28.4
2001	25.9	24.9
2002	26.1	25.0
2003	31.0	28.8
2004	41.4	38.3
2005	56.6	55.1
2006	66.2	66.1
2007	72.3	72.7
2008	99.6	98.4
2009	61.8	62.5
2010	79.5	80.5
2011	93.0	110.0
2012	95.0	106.0

### Global economic developments

Country/ Country Group	GDP- Weights <sup>1)</sup>	GDP			Consumer Prices <sup>2)</sup>			Current Account			General Government Balance <sup>3)</sup>		
		percentage change on previous year						as a percentage of nominal GDP					
		2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012
Germany	4.0	3.7	2.9	0.5	1.2	2.4	2.1	5.7	5.3	4.9	-4.3	-0.5	-0.5
France	2.9	1.4	1.7	0.8	1.7	2.2	1.8	-3.5	-3.9	-4.2	-7.1	-5.8	-5.3
Italy	2.4	1.2	0.6	-0.4	1.6	2.8	2.9	-4.2	-3.5	-3.3	-4.6	-4.0	-3.2
Spain	1.8	-0.1	0.7	0.3	2.0	3.1	1.9	-4.5	-4.1	-4.1	-9.3	-6.3	-5.2
Netherlands	0.9	1.6	1.8	1.0	0.9	2.4	2.3	6.7	7.7	8.3	-5.1	-3.7	-2.4
<b>Euro zone</b>	<b>14.6</b>	<b>1.8</b>	<b>1.6</b>	<b>0.5</b>	<b>1.6</b>	<b>2.6</b>	<b>2.0</b>	<b>-0.4</b>	<b>-0.2</b>	<b>-0.1</b>	<b>-6.2</b>	<b>-3.9</b>	<b>-3.4</b>
United Kingdom	2.9	1.8	0.9	1.1	3.3	4.5	1.7	-2.5	-1.2	-0.1	-10.3	-8.6	-7.0
Sweden	0.5	5.4	4.1	0.7	1.9	1.5	2.0	6.3	6.2	5.9	0.2	2.0	0.1
Denmark	0.3	1.7	0.8	0.4	2.2	2.6	1.8	5.4	5.2	5.1	-2.6	-4.1	-3.2
Poland	1.0	3.8	4.0	2.8	2.6	4.0	3.0	-4.5	-5.3	-5.8	-7.8	-5.8	-4.2
Hungary	0.3	1.2	1.0	0.6	4.9	3.7	4.3	2.3	1.3	0.9	-4.2	1.6	-3.0
Czech Republic	0.4	2.3	2.0	1.0	1.5	1.9	2.8	-3.1	-2.9	-2.2	-4.8	-4.4	-3.6
<b>EU-27</b>	<b>20.4</b>	<b>1.9</b>	<b>1.6</b>	<b>0.6</b>	<b>2.0</b>	<b>3.0</b>	<b>2.2</b>	<b>-0.7</b>	<b>-0.4</b>	<b>-0.3</b>	<b>-6.6</b>	<b>-4.5</b>	<b>-3.9</b>
USA	19.5	3.0	1.8	2.4	1.6	3.2	2.0	-3.3	-3.1	-3.0	-10.7	-9.7	-8.5
Japan	5.8	4.0	-0.5	1.7	-0.7	-0.2	-0.1	3.6	2.0	3.5	-8.1	-10.0	-8.5
Canada	1.8	3.2	2.4	2.6	1.8	2.9	2.1	-3.1	-3.0	-3.0	-5.6	-4.5	-3.0
Australia	1.2	2.7	1.4	3.5	2.9	3.4	2.8	-2.6	-3.0	-2.0	-4.3	-2.5	-2.0
Switzerland	0.4	2.7	1.9	1.1	0.7	0.4	0.4	14.6	9.1	9.5	-1.0	-0.9	0.1
Norway	0.3	0.3	0.9	2.1	2.4	1.4	2.0	12.9	16.3	16.0	9.7	10.9	11.1
<b>Developed Countries<sup>4)</sup></b>	<b>47.5</b>	<b>2.7</b>	<b>1.4</b>	<b>1.6</b>	<b>1.5</b>	<b>2.6</b>	<b>1.8</b>	<b>-1.0</b>	<b>-1.1</b>	<b>-0.7</b>	<b>-8.2</b>	<b>-7.1</b>	<b>-6.1</b>
Russia	3.0	4.2	4.0	3.2	6.9	8.7	7.5	4.8	3.0	3.3	-4.0	0.0	-1.6
Turkey	1.3	9.0	7.3	3.6	6.5	5.9	6.2	-6.5	-9.7	-7.9	-3.6	-1.7	-1.9
Ukraine	0.4	4.2	4.2	3.0	9.4	9.3	8.9	-2.1	-3.7	-4.0	-7.0	-4.1	-3.0
<b>Emerging Europe<sup>5)</sup></b>	<b>7.3</b>	<b>4.6</b>	<b>4.4</b>	<b>3.0</b>	<b>5.8</b>	<b>6.7</b>	<b>6.0</b>	<b>-0.1</b>	<b>-0.2</b>	<b>-1.3</b>	X	X	X
South Africa	0.7	2.8	3.2	2.9	4.1	5.0	5.2	-2.8	-4.1	-4.6	-3.9	-5.2	-4.4
<b>Middle East, Africa</b>	<b>2.8</b>	<b>5.5</b>	<b>4.1</b>	<b>3.9</b>	<b>6.7</b>	<b>7.5</b>	<b>6.7</b>	<b>0.4</b>	<b>2.5</b>	<b>3.4</b>	X	X	X
Brazil	2.9	7.5	3.5	3.3	5.0	6.5	5.1	-2.3	-2.5	-3.1	-2.2	-3.0	-2.9
Mexico	2.1	5.4	3.7	3.4	4.2	3.5	3.9	-0.5	-1.6	-2.2	-2.9	-2.5	-1.0
Argentina	0.9	9.2	8.3	5.4	10.5	9.8	9.5	0.8	-0.1	-0.5	0.2	-2.0	-0.8
Chile	0.3	5.2	6.4	4.4	3.5	3.3	3.6	1.9	-0.5	-1.1	-0.3	0.6	1.1
<b>Latin America</b>	<b>8.0</b>	<b>6.2</b>	<b>4.5</b>	<b>3.9</b>	<b>6.3</b>	<b>6.7</b>	<b>6.5</b>	<b>-0.3</b>	<b>-1.1</b>	<b>-1.4</b>	X	X	X
China	13.6	10.3	9.2	8.5	3.2	5.4	4.0	5.2	4.0	3.4	-1.6	-1.8	-1.9
India	5.5	8.9	7.5	8.0	12.0	8.0	7.0	-3.0	-3.2	-2.5	-5.0	-4.7	-4.8
South Korea	2.0	6.2	3.7	4.0	3.0	4.8	3.1	2.8	2.4	3.5	1.3	1.5	1.9
Philippines	0.5	7.6	4.3	4.5	3.8	5.3	4.5	4.2	2.9	3.5	-3.5	-2.0	-2.6
<b>Emerging Asia</b>	<b>26.2</b>	<b>9.3</b>	<b>7.6</b>	<b>7.3</b>	<b>5.0</b>	<b>5.6</b>	<b>4.5</b>	<b>4.7</b>	<b>4.0</b>	<b>3.1</b>	X	X	X
<b>Total<sup>6)</sup></b>	<b>91.7</b>	<b>5.1</b>	<b>3.7</b>	<b>3.6</b>	<b>3.4</b>	<b>4.3</b>	<b>3.4</b>	X	X	X	X	X	X

1) Of 2010, recalculated with purchasing power parities. Source: IMF. - 2) Euro zone, United Kingdom, Sweden and Denmark = Harmonized Index of Consumer Prices. - 3) According to National Accounting Standards. - 4) Without Bulgaria, Czech Republic, Estonia, Latvia, Hungary, Lithuania, Poland, Romania. - 5) Including the eight member countries of the EU named before and Turkey. - 6) 66 national economies covered by DekaBank.

Interest rates in industrialised countries

		Actual	Forecasts		
		Nov 4 2011	3 months	6 months	12 months
<b>Germany</b>	Monetary policy (Refi)	1.25	1.00	1.00	1.00
	3 months (EURIBOR)	1.58	1.30	1.30	1.25
	12 months (EURIBOR)	2.11	1.90	1.80	1.70
	2 years	0.39	0.50	0.50	0.90
	5 years	1.02	1.10	1.20	1.60
	10 years	1.91	2.00	2.20	2.50
	30 years	2.72	2.80	2.90	3.20
<b>USA</b>	Monetary policy (FFR)	0.25	0.25	0.25	0.25
	3 months (LIBOR)	0.44	0.40	0.35	0.30
	12 months (LIBOR)	0.94	0.90	0.80	0.60
	2 years	0.23	0.30	0.30	0.40
	5 years	0.92	1.00	1.10	1.40
	10 years	2.08	2.20	2.40	2.60
	30 years	3.13	3.10	3.20	3.40
<b>Japan</b>	Monetary policy (Call)	0.08	0.08	0.09	0.10
	3 months (LIBOR)	0.19	0.20	0.20	0.20
	12 months (LIBOR)	0.55	0.55	0.60	0.60
	2 years	0.14	0.17	0.20	0.25
	5 years	0.35	0.45	0.55	0.70
	10 years	0.99	1.05	1.10	1.20
	30 years	1.94	2.00	2.05	2.15
<b>United Kingdom</b>	Monetary policy (Base)	0.50	0.50	0.50	0.50
	3 months (LIBOR)	0.99	0.95	0.90	0.90
	12 months (LIBOR)	1.77	1.75	1.70	1.70
	2 years	0.55	0.50	0.50	0.60
	5 years	1.24	1.20	1.30	1.60
	10 years	2.38	2.20	2.35	2.50
	30 years	3.38	3.20	3.30	3.40
<b>Sweden</b>	Monetary policy (Repo)	2.00	2.00	2.00	2.00
	3 months (STIB)	2.58	2.60	2.60	2.60
	5 years	1.40	1.50	1.65	1.80
	10 years	1.78	1.90	2.15	2.50
<b>Denmark</b>	Monetary policy (Repo)	1.20	0.95	0.95	0.95
	3 months (CIBOR)	1.45	1.25	1.25	1.20
	5 years	1.24	1.30	1.45	1.95
	10 years	2.15	2.25	2.45	2.80
<b>Norway</b>	Monetary policy (Deposit)	2.25	2.00	2.00	2.00
	3 months (NIBOR)	3.14	3.00	3.00	3.00
	5 years	2.15	2.00	2.10	2.50
	10 years	2.63	2.60	2.80	3.20
<b>Switzerland</b>	Monetary policy (LIBOR)	0,00 - 0,25	0,00 - 0,25	0,00 - 0,25	0,00 - 0,25
	3 months (LIBOR)	0.04	0.03	0.05	0.10
	5 years	0.29	0.40	0.50	0.80
	10 years	0.93	0.95	1.05	1.25
<b>Canada</b>	Monetary policy (O/N)	1.00	1.00	1.00	1.00
	3 months (LIBOR)	1.27	1.20	1.20	1.20
	12 months (LIBOR)	1.71	1.60	1.50	1.80
	2 years	1.00	1.00	1.10	1.40
	5 years	1.48	1.50	1.70	2.00
	10 years	2.21	2.30	2.50	2.70
	30 years	2.86	2.90	3.00	3.20
<b>Australia</b>	Monetary policy (Cash)	4.50	4.25	4.25	4.25
	3 months (LIBOR)	4.71	4.50	4.40	4.40
	5 years	3.85	4.00	4.20	4.40
	10 years	4.31	4.50	4.70	4.90

**Interest rates in EM countries**

			Actual	Forecasts		
			Nov 4 2011	3 months	6 months	12 months
Central- and Eastern Europe	Poland	Monetary policy (Repo)	4.50	4.50	4.00	4.00
		3 months (WIB)	4.81	4.70	4.30	4.25
		5 years	5.02	5.00	4.90	4.90
		10 years	5.74	5.70	5.65	5.65
	Czech Rep.	Monetary policy (Repo)	0.75	0.75	0.75	0.75
		3 months (PRIBOR)	1.15	1.15	1.15	1.20
		5 years	2.08	2.05	2.00	2.10
		10 years	3.37	3.30	3.25	3.25
	Hungary	Monetary policy (Deposit)	6.00	6.00	6.00	6.00
		3 months (BUBOR)	6.20	6.20	6.15	6.15
		5 years	7.95	8.00	8.00	6.90
		10 years	8.16	8.15	8.20	8.20
Latin America	Brazil	Monetary policy (Repo)	11.50	11.00	10.50	10.50
		3 months (ABG)	11.00	10.90	10.50	10.60
		4 years	12.82	12.60	11.60	11.00
		10 years	12.61	12.50	11.70	11.00
	Mexico	Monetary policy	4.50	4.25	4.25	4.25
		3 months (Mexibor)	4.80	4.50	4.50	4.50
		5 years	4.94	5.10	5.10	5.20
		10 years	6.09	6.20	6.00	5.90
Asia	Singapore	Monetary policy	0.02	0.25	0.25	0.25
		3 months	0.38	0.50	0.50	0.50
		5 years	0.59	0.60	0.70	0.90
		10 years	1.68	1.80	1.90	2.00
	South Korea	Monetary policy	3.25	3.25	3.25	3.50
		3 months	3.34	3.30	3.50	3.70
		5 years	3.55	3.60	3.80	4.00
		10 years	3.83	3.90	4.00	4.10

**Yield spreads in basis points<sup>1)</sup>**

Emerging Markets, EMBIG Spreads	Central- and Eastern Europe	Bulgaria	320	375	360	350	
		Poland	267	340	325	320	
		Russia	304	380	365	345	
		Turkey	319	390	375	365	
		Ukraine	795	950	910	890	
	Africa	South Africa	223	290	280	270	
	Latin America	Argentina	809	1 000	990	970	
		Brazil	217	275	260	255	
		Mexico	210	270	260	250	
		Venezuela	1 256	1 530	1 475	1 440	
	Asia	China	253	300	285	280	
		Philippines	234	280	270	265	
	<b>Total (EMBIG)</b>			390	480	460	450

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 (EMBUG) is relevant.

**Currencies**

EURO		Actual Nov 4 2011	Forecasts		
			3 months	6 months	12 months
Dollar-Bloc	EUR-USD	1.38	1.39	1.41	1.44
	EUR-CAD	1.39	1.42	1.42	1.43
	EUR-AUD	1.33	1.36	1.37	1.38
Japan	EUR-JPY	107.3	109	113	120
Euro-Outs	EUR-GBP	0.86	0.90	0.90	0.90
	EUR-DKK	7.44	7.44	7.45	7.45
	EUR-SEK	9.05	8.95	8.75	8.40
	EUR-CHF	1.21	1.22	1.23	1.27
Central- and Eastern Europe	EUR-NOK	7.73	7.70	7.55	7.30
	EUR-PLN	4.35	4.30	4.20	4.00
	EUR-HUF	304.4	300	295	290
Africa	EUR-CZK	24.95	24.70	24.50	24.50
	EUR-ZAR	10.85	11.12	11.28	11.23
Latin America	EUR-BRL	2.38	2.29	2.40	2.59
	EUR-MXN	18.46	18.77	18.68	18.72
Asia	EUR-SGD	1.75	1.74	1.69	1.70
	EUR-KRW	1550.9	1564	1551	1548
<b>US-DOLLAR</b>					
Dollar-Bloc	USD-CAD	1.01	1.02	1.01	0.99
	AUD-USD	1.03	1.02	1.03	1.04
Japan	USD-JPY	78.0	79	80	84
Euro-Outs	GBP-USD	1.60	1.54	1.57	1.60
	USD-DKK	5.41	5.35	5.28	5.17
	USD-SEK	6.58	6.44	6.21	5.83
	USD-CHF	0.88	0.88	0.87	0.88
Central- and Eastern Europe	USD-NOK	5.62	5.54	5.35	5.07
	USD-PLN	3.17	3.09	2.98	2.78
	USD-HUF	221.4	215.8	209.2	201.4
Africa	USD-CZK	18.14	17.77	17.38	17.01
	USD-ZAR	7.89	8.0	8.0	7.8
Latin America	USD-BRL	1.73	1.65	1.70	1.80
	USD-MXN	13.42	13.5	13.3	13.0
Asia	USD-SGD	1.27	1.25	1.20	1.18
	USD-KRW	1127.6	1125	1100	1075

**Commodities**

Commodity	Ø 10 2011	Forecasts		
		3 months	6 months	12 months
Gold (USD per troy ounce)	1668.74	1858.0	1845.0	1885.0
WTI crude (USD per Barrel)	86.43	88.0	93.0	98.0
Brent crude (USD per Barrel)	108.79	106.0	108.0	103.0

### Your contacts at Deka:

**Chief Economist:** Dr. Ulrich Kater: +49 (0) 69/7147-2381; email: ulrich.kater@deka.de

**Head of Economics:** Dr. Holger Bahr: -2846; email: holger.bahr@deka.de

### Industrial Countries/Sector Analysis

Rudolf Besch: -5468; email: rudolf.besch@deka.de	(USA, CAN, AUS, NZL)
Klaus-Ulrich Braun: -2427; email: klaus-ulrich.braun@deka.de	(GBR, IRL, SWE, DNK, FIN, SVN, NOR, ISL)
Dr. Christian Melzer: -2851; email: christian.melzer@deka.de	(EMU)
Dr. Andreas Scheuerle: -2736; email: andreas.scheuerle@deka.de	(EMU, CHE; Sector Analysis)

### Macro Trends/Commodities

Dr. Dora Borbély: -5027; email: dora.borbely@deka.de	(Commodities)
Dr. Gabriele Widmann: -2559; email: gabriele.widmann@deka.de	(Macro Trends)

### Emerging Markets/Country Risk Analysis

Janis Hübner: -2543; email: janis.huebner@deka.de	(Asia ex Japan, Central and Eastern Europe)
Daria Orlova: -3891; email: daria.orlova@deka.de	(Central and Eastern Europe)
Mauro Toldo: -3556; email: mauro.toldo@deka.de	(Latin America, Middle East, Africa)

### Central Bank Watching and Capital Markets

Carsten Lüdemann: -2625; email: carsten.luedemann@deka.de	(Bond market strategy)
Dr. Marina Nikiforow: -3832; email: marina.nikiforow@deka.de	(ECB, SRB, Norges Bank, DNB)
Kristian Tödtmann: -3760; email: kristian.toedtmann@deka.de	(Fed, Dollar-Bloc)
Dr. Sebastian Wanke: -7272; email: sebastian.wanke@deka.de	(Major currencies, BoE, BoJ, SNB)

### Real Estate Research

Dr. Claus Becher: -1137; email: claus.becher@deka.de	(All countries ex Europe)
Jael Miriam Dumm: -3595; email: jael-miriam.dumm@deka.de	(DEU, EMU)
Daniela Fischer: -7549; email: daniela.fischer@deka.de	(EMU ex DEU, CAN)
Gunnar Meyke: -5802; email: gunnar.meyke@deka.de	(Cross-sectional assignment/analysis)
Andreas Wellstein: -3850; email: andreas.wellstein@deka.de	(DEU, EMU, USA, JPN, KOR)

### Research Support

Peter Leonhardt: -2842; email: peter.leonhardt@deka.de

**Internet:** <http://www.deka.de/economics>