

Overview

- In August the financial markets, especially those in the Euro zone and the USA, experienced a massive flight into safety. Equity markets were on the retreat again and Bund yields slumped to new all-time lows. This could be attributed in part to persistent fears with respect to the economy. These, however, were increasingly overshadowed by a further lack of investor confidence in the stability of the European Monetary Union and growing doubts over foot-dragging in implementing structural reforms by some of the countries most affected by the debt crisis.
- The global purchasing managers' index fell slightly in August from 50.9 to 50.3 points, thus signalling a further weakening of global growth from a level that was already low. Against this background, the longer the turmoil on financial markets persists, the more likely another recession becomes. Fortunately, the upswing has so far proved strong enough to withstand these pressures. Economic indicators tend to confirm our assessment that the current weakening of growth will not lead to a recession. After global growth of 5.1 % in 2010, we expect growth of 3.7 % in both 2011 and 2012.
- In the European debt crisis different developments can be observed. Whereas Ireland has made progress with its consolidation efforts, which has been duly recognised by the financial markets, the performance of southern European countries has proved disappointing. However, with its program for the purchase of bonds the ECB has managed to hold the yields of Italian and Spanish government bonds within acceptable limits. However, it is becoming increasingly evident that there is a long hard road to be travelled before the debts of crisis countries can be reduced to acceptable levels.
- In view of the extreme uncertainty prevailing on the capital markets with regard to the economy and financial stability, the ECB will consequently interrupt its planned series of interest rate hikes for the time being on the justifiable grounds that inflationary pressures have lessened. Should economic activity increase, we expect key rates to be raised again but not, however, before the end of 2012.
- Our most important forecast revisions are as follows: we have substantially lowered our GDP growth forecasts for Germany and the USA. We now expect the ECB to raise key rates again only at the end of 2012. We have also lowered our interest rate forecasts and raised our gold price forecast.

Contents	Page
Financial markets gripped by fears of crisis and recession	2
Regions	3
Markets.....	5
Global economic developments.....	7
Interest rates in industrialised countries.....	8
Interest rates in EM countries / Yield spreads	9
Currencies / Commodities	10
Contact	11

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.

Financial markets gripped by fears of crisis and recession

■ In September distrust spread throughout the financial sector, especially within the European Monetary Union. This could be attributed to both foot-dragging by Greece in implementing structural reforms on the one hand and, on the other, conflicting signals with regard to the consolidation efforts of other Euro-zone countries. However, the resultant fears of recession have not been fanned by data published in recent weeks.

■ Concern about the economy is by no means unjustified: the global purchasing managers' index is currently signalling a much weaker global economy. There are widespread fears that in the case of another recession fiscal policy would no longer dispose of the necessary scope to counterbalance an economic downturn. On the contrary, due to their parlous financial situation governments would rather be compelled to engage in pro-cyclical saving. In conjunction with the high debt burdens of governments, private households and companies this would jeopardise the financial stability of some countries.

■ The situation is aggravated by the fact that in the Euro zone, despite many decisions taken at many different summits, some countries have still not managed to bring the liquidity crisis under control. At the last summit, for example, a vital instrument designed to stem market turbulence (the purchase of government bonds by the EFSF) was approved, but unfortunately the necessary measures were not undertaken to ensure its immediate application. In Germany the Federal Constitutional Court has stressed the need for parliamentary approval, which could hinder further flexibilisation of the EFSF beyond those measures currently under debate by Euro zone parliaments.

■ Due to both this accumulation of negative influences and the proximity in time of the last financial crisis the reaction of market participants has been nervous in the extreme. Besides the strain of current developments on the equity markets the financial market is also showing signs of substantial stress on the money and bond markets, as well as on the markets for government bonds. Past experience has shown that such developments can lead to a worsening of the situation, especially as positive external influences (decisions by political leaders and central banks) cannot be expected in the immediate future.

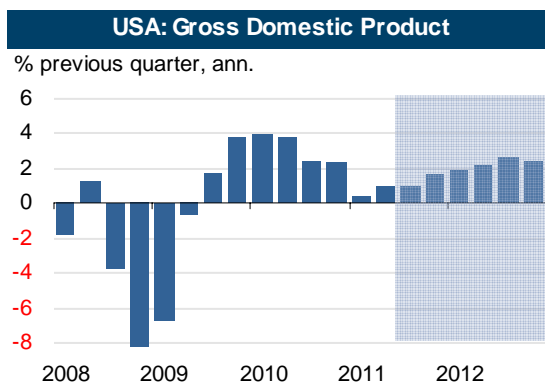
■ Where do we go from here? The latest economic indicators to be published are consistent with a short-lived economic dip, which the equity markets have already more than adequately factored into their prices in recent corrections. In the near future we can expect more or less haphazard volatility on the markets, depending on the latest news with regard to the economy or the political situation. In the medium term share prices will depend on which picture of the economy proves valid, that of anew recession or that of a more friendly end to the year. We continue to believe that in the light of the available indicators the latter scenario is more likely and a stabilisation of the markets is to be expected.

■ In the weeks to come two risks must be borne in mind. The first is the situation on markets for government bonds issued by Euro zone peripheral countries: should further speculative waves continue to meet with no resistance on the markets and swell, fears of financial instability will grow and the reaction of equity markets will be negative. The second risk is that of nervousness on the financial markets passing to the real economy, as happened in the wake of the Lehman debacle. Although these risks cannot be ignored, from today's standpoint we consider it to be the least likely of the variants.

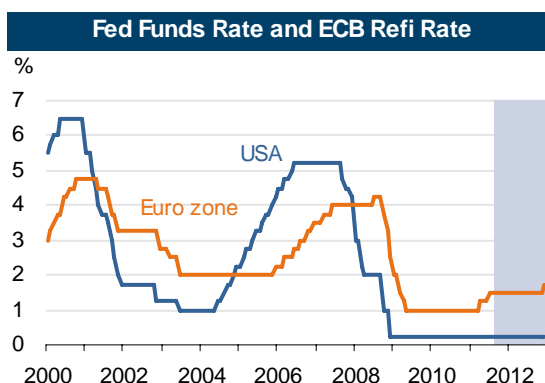
Regions

USA:

Surprisingly strong real economic data for July have confirmed that the US economy is recovering from the pressures experienced during a limited period of the first six months of the year. The latest turmoil on the financial markets due to current debt problems is a fresh burden that we had not expected on this scale. The danger we fear is that in reaction companies will be more reticent in their investment activity and private households will be more reluctant to spend. We have therefore revised our general economic outlook down to a relatively weak growth path and in the short term even the possibility of recessive trends cannot be excluded.



The inflation rate will probably remain above 3 % until the end of the year, but then we can expect a sharp fall, providing there is not another marked rise in the price of crude oil. With food and energy excluded from the calculation the rate of inflation has remained relatively stable in recent months. However, in view of the weak economic environment the rate of core inflation is unlikely to rise above 2 %.

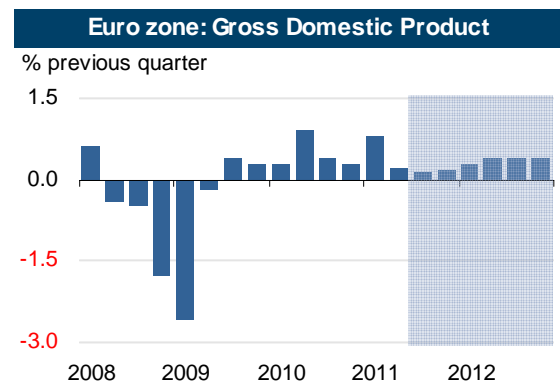


In order to create a financial environment that favours growth, the Fed has declared its intention to hold key rates at a very low level at least until the middle of 2013. Moreover, at their last meeting the central bankers discussed further monetary stimuli. We assume that the Fed will soon switch its security holdings into longer maturities in order to hold long-term interest rates at a low level. We believe further purchases of government bonds are only likely in the case of increased dangers of deflation.

Revisions: We have lowered our GDP forecast for 2011 to 1.5 % and for 2012 to 1.9 %.

Euro zone:

GDP growth in the second quarter proved on the whole weaker than expected. Moreover, the turmoil on the capital markets is bound to leave its mark. Although companies remain confident, they have postponed investment projects due to the uncertainty generated by recent market developments. We therefore expect growth to be very weak in the remainder of the year.

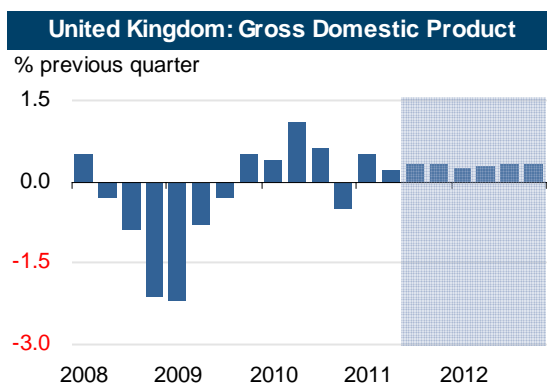


Inflationary pressures have fallen in the Euro zone and will be further dampened by slower economic growth in the second half of the year. Together with the financial markets' extremely pessimistic assessment of the economic outlook these developments have undermined the ECB's justification for its decision to raise key rates again. As soon as the current excessively negative reactions of the capital market have subsided, the discussion of key rate hikes will be resumed, but only in 2012. In the meantime we expect the ECB to hold its fire.

Revisions: We have lowered our GDP forecasts for the Euro zone and Germany for 2011 by 0.4 Bp and 0.3 Bp and for 2012 by 0.6 Bp and 0.7 Bp respectively. We have also lowered our inflation forecast for the Euro zone in 2012 by 0.1 Bp to 2.3 %.

United Kingdom:

After a surprisingly weak second quarter there has so far been no sign of recovery. In reaction to the turmoil on the financial markets the two most important purchasing managers' indices have registered substantial falls. Although the industrial sector has moved into recession, the performance of the construction industry and the service sector is still acceptable. In the course of the government's five-year austerity plan designed to balance the budget we expect British GDP growth to move in a corridor between 1 % and 2 %.



Inflation has remained at around 4.5 % for some months and will undoubtedly rise temporarily due to suppliers' higher prices. Economic growth, however, is far too weak for sustained high inflation. As the impact of special effects – VAT increases, energy price rises and the weak pound – weakens, inflation is bound to fall well below the Bank of England's (BoE) inflation target of 2 %. The BoE is therefore not likely to raise key rates again until the middle of 2013.

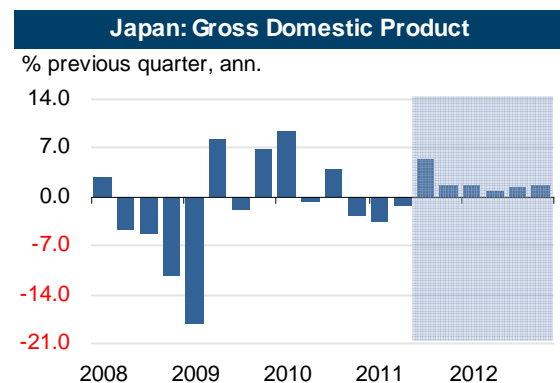
Revisions: We have lowered our GDP growth forecast for 2011 to 1.0 % and for 2012 to 1.1 %.

Japan:

The Japanese economy is recovering from the impact of the natural disaster more rapidly than expected, which prevented a more substantial slump in economic activity in the second quarter. However, the outlook for future growth has been dimmed by transatlantic debt problems and the resultant turmoil on financial markets. Prime minister designate Noda has planned measures to support the economy, but taxes will be raised in the coming year.

Following a change in the calculation of the consumer price index the latest inflation figures show inflation to be lower than before. For this reason we have had to adjust our inflation forecasts, but this has had little or

no impact on our fundamental assessments. Japan's economy was in need of stimuli from the world economy, instead of which the global economy is weakening and the yen is appreciating. Consequently, there is no prospect of an end to the BoJ's ultra expansive monetary policy.



Revisions: We have lowered our GDP forecast for 2012 to 1.7 %. Moreover, we expect consumer prices to stagnate in both 2011 and 2012.

Emerging Markets:

The economic environment in the industrial countries has deteriorated and the sovereign debt crisis in the Euro zone will weigh upon sentiment in the financial markets for some considerable time to come and, as a consequence, upon the confidence of both investors and consumers. Against this background we have been obliged to revise downwards our GDP growth forecasts for almost all emerging-market countries. Hardest hit have been the countries of Central and Eastern Europe, where the economic downturn has already been reflected in their macroeconomic data. The economies of Asia and Latin America have proved robust and any revisions have been modest. In China's case, for example, we have lowered our GDP forecast for 2011 from 9.5 % to 9.2 % and for 2012 from 8.8 % to 8.5 %. After Turkey Brazil was the second country to lower key rates surprisingly due to concern about economic growth. Other central banks are unlikely to follow their example, unless the crisis on the capital markets becomes more acute in the months to come. With the exception of India and Thailand further interest rate hikes are also unlikely.

Markets

Equities:

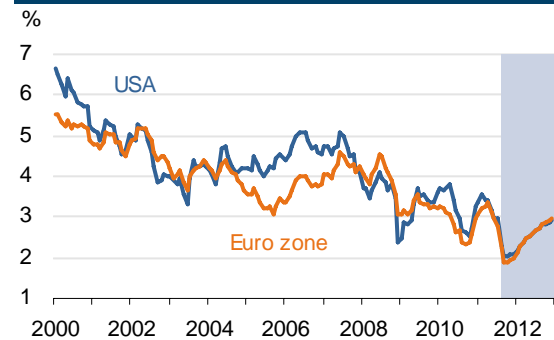
At the beginning of September the equity markets became disengaged from fundamental factors. Although economic indicators failed to provide confirmation for fears of recession, share prices plunged even further on world markets. The root cause of this development is a renewed loss of investor confidence within the financial system, in particular with respect to the European Monetary Union. Valuation ratios compared to price-earnings ratios are well below their averages over many years and clearly show that an economic downswing has already been factored into prices. Should there be no global recession, there will once again be potential scope for the equity markets. Nevertheless, the strains resulting from the malfunctioning of the Euro will remain.

	Equity Markets			
	Actual Sep 08, 11	3 months	6 months	12 months
DAX	5 408.46	5 800	6 000	6 500
EuroStoxx50	2 163.40	2 330	2 400	2 600
S&P 500	1 185.90	1 300	1 350	1 450
Topix	757.22	820	850	920

Bonds:

In the course of the summer months Bund yields have nose-dived to all-time lows for almost all maturities. Although this development has been underpinned by weak economic data, it has been driven primarily by investors' extreme risk aversion, which has been mirrored in their flight from government bonds issued by countries of the Euro zone periphery. In the wake of negative headlines reporting lack of progress in the consolidation process and burgeoning doubts with respect to early ratification of the second bail-out package in Euro zone parliaments risk premiums have soared to almost abstruse all-time highs. Although the ECB has bought Italian government bonds worth billions of Euros on the market, Italian risk premiums have also risen to all-time highs due to fierce disputes over the government's austerity measures. In view of the many unresolved issues a speedy end to the Euro zone crisis is not to be expected. In the months to come, therefore, we expect extremely volatile markets and unusually low Bund yields to persist.

Yields on 10-year Government Bonds



The spreads of **emerging-market bonds** have not escaped the impact and rose last month by some 70 basis-points. Although the emerging markets are fundamentally in a healthier state than the industrial countries, the bond markets lack the momentum required in order to withstand the global wave of risk aversion, for here too economies are steadily weakening. A further increase in the EBIG spread can therefore be expected.

Emerging Markets Yield Spreads



The risk premiums on **Corporate and bank bonds** have suffered substantial rises in recent weeks, which have been driven by both gloomy economic prospects and investors' risk aversion. Hardest hit by this development have been companies from the Euro zone periphery and financial securities. Premiums on the yields of the latter, driven by concerns about the high level of bank holdings in peripheral countries, have risen to new all-time highs, well above levels reached in period of stress following the Lehmann collapse. In this market environment, companies do not dare to launch new issues on the market.

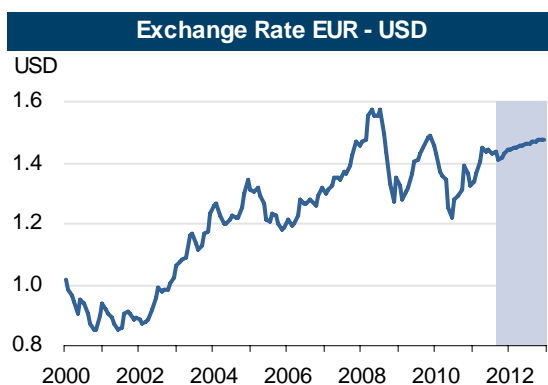
In the case of **mortgage and covered bonds** on the other hand new issues have been successfully launched on the market. Covered bonds from Scandinavia and Germany have aroused investors' interest and smoothed

the way for new issues from other (core) countries in the Euro zone. However, the successful placing of these bonds had to be paid for with relatively high risk premiums, which has resulted in a widening of the spreads of already existing bonds.



Currencies:

Last week's sensation was the Swiss National Bank's decision to set a CHF 1.20 floor versus the Euro. Should the Swiss franc rise above this level, the central bank will intervene. This move will provide some relief for Swiss exporters and will lessen the risk of deflation. Otherwise, the Euro has remained surprisingly stable in the midst of the current financial turmoil. As the tension on financial markets eases, the Euro can be expected to appreciate in the medium term against other major currencies.

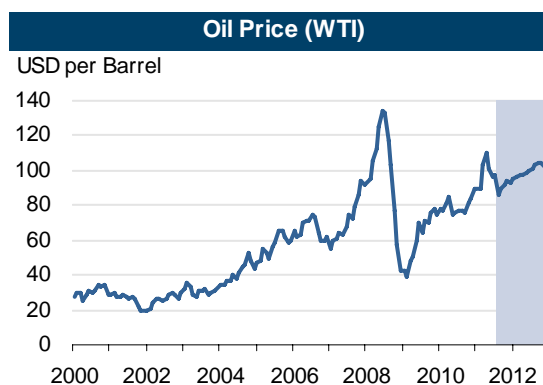


Revisions: In view of the establishment of a CHF 1.20 floor versus the Euro we have raised our forecast for the EUR-CHF exchange rate.

Commodities:

After a hefty slump at the beginning of August commodity prices have recovered in the course of the last month. Precious metals and agricultural commodities even closed the month of August at higher price levels. However, there is widespread concern over the state of the global economy and fears of recession have increased in recent weeks. As a result, downward and sideways trends will predominate on the commodity markets with the sole exception of precious metals.

Revisions: We have raised our gold price forecast for 2011 to USD 1625 (previously USD 1540) per fine ounce and for 2012 to USD 1860 (previously USD 1660) per fine ounce.



Annual average oil price

USD per Barrel

Year	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	95.0	110.0
2012	100.0	109.0

Global economic developments

Country/ Country Group	GDP- Weights ¹⁾	GDP			Consumer Prices ²⁾			Current Account			General Government Balance ³⁾		
		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	1.1	1.2	2.4	2.4	5.7	5.3	4.9	-4.3	-1.7	-1.7
France	2.9	1.4	1.7	1.6	1.7	2.2	2.3	-3.5	-3.9	-4.2	-7.0	-5.8	-5.3
Italy	2.4	1.2	0.6	0.4	1.6	2.4	2.6	-4.2	-3.5	-3.3	-4.6	-4.0	-3.2
Spain	1.8	-0.1	0.8	1.0	2.0	2.8	2.0	-4.5	-4.1	-4.1	-9.2	-6.3	-5.2
Netherlands	0.9	1.6	1.8	1.5	0.9	2.5	2.6	6.7	7.7	8.3	-5.4	-3.7	-2.3
Euro zone	14.6	1.8	1.6	1.1	1.6	2.5	2.3	-0.4	-0.2	-0.2	-6.3	-4.3	-3.7
United Kingdom	2.9	1.4	1.0	1.1	3.3	4.3	1.6	-2.5	-1.2	-0.1	-10.4	-8.6	-7.0
Sweden	0.5	5.4	4.4	2.5	1.9	1.5	2.1	6.3	6.2	5.9	0.0	2.0	0.1
Denmark	0.3	1.7	1.6	1.7	2.2	2.8	2.0	5.4	5.2	5.1	-2.7	-4.1	-3.2
Poland	1.0	3.8	4.0	3.0	2.6	4.2	3.2	-4.5	-5.3	-5.4	-7.9	-5.8	-4.2
Hungary	0.3	1.2	1.2	2.0	4.9	4.2	3.7	2.4	1.9	0.3	-4.2	1.6	-2.9
Czech Republic	0.4	2.3	2.0	1.8	1.5	2.0	2.4	-3.7	-3.1	-3.3	-4.7	-4.4	-3.6
EU-27	20.5	1.8	1.7	1.3	2.0	2.9	2.3	-0.7	-0.4	-0.3	-6.7	-4.7	-4.1
USA	19.7	3.0	1.5	1.9	1.6	3.2	2.0	-3.3	-3.5	-4.0	-10.7	-10.0	-9.0
Japan	5.8	4.0	-0.6	1.7	-0.7	-0.0	0.1	3.6	2.5	2.6	-8.1	-11.5	-8.5
Canada	1.8	3.2	2.1	2.4	1.8	2.8	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	2.3	1.7	0.7	0.3	0.2	14.6	9.1	9.5	-1.0	-0.9	0.1
Norway	0.3	0.3	0.9	2.1	2.4	1.6	2.3	12.9	16.3	16.0	9.7	10.9	11.1
Developed Countries⁴⁾	47.8	2.6	1.3	1.7	1.5	2.6	1.9	-1.1	-1.2	-1.3	-8.3	-7.5	-6.4
Russia	3.0	4.2	4.0	3.6	6.9	8.7	7.5	4.8	4.9	3.3	-4.0	-1.5	-1.9
Turkey	1.3	8.9	5.7	3.4	6.5	6.0	5.9	-6.5	-8.8	-8.0	-3.6	-1.5	-1.2
Ukraine	0.4	4.2	4.5	3.0	9.4	10.9	8.9	-2.1	-3.3	-3.6	-7.0	-4.1	-3.0
Emerging Europe⁵⁾	7.2	4.5	4.1	3.4	5.8	6.9	5.9	-0.1	-0.2	-0.4	X	X	X
South Africa	0.7	2.8	3.2	2.9	4.1	5.1	5.3	-2.7	-4.8	-5.3	-5.3	-5.3	-4.8
Middle East, Africa	2.8	5.4	4.3	4.1	6.7	7.7	7.0	0.3	0.9	2.2	X	X	X
Brazil	2.9	7.5	3.6	3.6	5.0	6.6	5.1	-2.3	-2.5	-3.1	-2.2	-2.8	-2.6
Mexico	2.1	5.4	3.7	3.4	4.2	3.5	3.9	-0.5	-1.4	-1.8	-2.9	-2.5	-1.1
Argentina	0.9	9.2	8.3	5.7	10.5	9.8	9.5	0.8	0.1	-0.4	0.2	-2.0	-0.8
Chile	0.3	5.2	6.4	4.4	3.5	3.3	3.7	1.9	0.2	-0.9	-0.3	0.4	1.0
Latin America	7.9	6.2	4.5	4.0	6.3	6.8	6.6	-0.3	-1.1	-1.3	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	5.4	8.9	7.5	8.0	12.0	8.0	7.0	-3.0	-3.5	-2.6	-5.0	-4.7	-4.7
South Korea	2.0	6.2	3.7	4.0	3.0	4.8	3.4	2.8	3.2	1.7	1.3	1.6	1.9
Philippines	0.5	7.6	4.7	5.0	3.8	5.2	4.5	4.2	2.5	3.0	-3.5	-2.0	-2.4
Emerging Asia	26.1	9.3	7.7	7.3	5.0	5.7	4.5	4.7	4.0	3.1	X	X	X
Total⁶⁾	91.8	5.1	3.7	3.7	3.4	4.3	3.5	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 Sep 9 2011	Forecasts		
			3 months	6 months	12 months
Germany	Monetary policy (Refi)	1.50	1.50	1.50	1.50
	3 months (EURIBOR)	1.53	1.55	1.60	1.80
	12 months (EURIBOR)	2.07	1.90	2.10	2.30
	2 years	0.44	0.60	0.80	1.20
	5 years	0.96	1.30	1.70	2.20
	10 years	1.87	2.00	2.40	2.80
	30 years	2.82	2.90	3.40	3.50
USA	Monetary policy (FFR)	0.25	0.25	0.25	0.25
	3 months (LIBOR)	0.34	0.30	0.30	0.30
	12 months (LIBOR)	0.82	0.80	0.80	0.90
	2 years	0.19	0.30	0.40	0.50
	5 years	0.88	1.00	1.20	1.40
	10 years	2.00	2.10	2.40	2.80
	30 years	3.33	3.40	3.60	3.90
Japan	Monetary policy (Call)	0.08	0.08	0.10	0.10
	3 months (LIBOR)	0.19	0.20	0.20	0.20
	12 months (LIBOR)	0.55	0.60	0.60	0.60
	2 years	0.14	0.17	0.22	0.30
	5 years	0.34	0.40	0.55	0.80
	10 years	1.00	1.10	1.25	1.45
	30 years	1.98	2.00	2.10	2.25
United Kingdom	Monetary policy (Base)	0.50	0.50	0.50	0.50
	3 months (LIBOR)	0.90	0.85	0.80	0.85
	12 months (LIBOR)	1.66	1.60	1.55	1.70
	2 years	0.55	0.65	0.70	1.00
	5 years	1.22	1.35	1.50	2.00
	10 years	2.35	2.85	3.10	3.30
	30 years	3.69	3.75	3.90	4.00
Sweden	Monetary policy (Repo)	2.00	2.00	2.00	2.25
	3 months (STIB)	2.57	2.65	2.75	2.95
	5 years	1.52	1.75	2.00	2.60
	10 years	1.89	2.10	2.30	2.80
Denmark	Monetary policy (Repo)	1.55	1.55	1.55	1.65
	3 months (CIBOR)	1.49	1.60	1.65	2.00
	5 years	1.30	1.60	2.00	2.55
	10 years	2.08	2.25	2.65	3.10
Norway	Monetary policy (Deposit)	2.25	2.50	2.50	2.50
	3 months (NIBOR)	3.15	3.25	3.30	3.55
	5 years	1.85	2.00	2.40	3.00
	10 years	2.18	2.50	3.00	3.50
Switzerland	Monetary policy (LIBOR)	0,00 - 0,25	0,00 - 0,25	0,00 - 0,25	0,00 - 0,25
	3 months (LIBOR)	0.01	0.05	0.05	0.20
	5 years	0.54	0.50	0.60	0.90
	10 years	1.04	1.10	1.20	1.40
Canada	Monetary policy (O/N)	1.00	1.00	1.00	1.00
	3 months (LIBOR)	1.16	1.20	1.20	1.30
	12 months (LIBOR)	1.67	1.70	1.90	2.20
	2 years	0.89	1.00	1.20	1.60
	5 years	1.41	1.50	1.80	2.10
	10 years	2.21	2.30	2.60	2.80
	30 years	2.89	3.00	3.20	3.40
Australia	Monetary policy (Cash)	4.75	4.75	4.75	5.00
	3 months (LIBOR)	4.85	5.00	5.00	5.20
	5 years	3.83	4.40	4.70	5.00
	10 years	4.24	4.70	4.90	5.20

Interest rates in EM countries

			Actual Sep 9 2011	Forecasts		
				3 months	6 months	12 months
Central- and Eastern Europe	Poland	Monetary policy (Repo)	4.50	4.50	4.50	4.75
		3 months (WIB)	4.63	4.65	4.70	5.00
		5 years	4.89	4.85	4.90	5.00
		10 years	5.57	5.50	5.60	5.60
	Czech Rep.	Monetary policy (Repo)	0.75	0.75	0.75	0.75
		3 months (PRIBOR)	1.16	1.15	1.20	1.20
		5 years	1.97	1.95	1.90	2.00
		10 years	3.06	2.80	2.75	2.80
	Hungary	Monetary policy (Deposit)	6.00	6.00	6.00	6.00
		3 months (BUBOR)	6.08	6.10	6.15	6.15
		5 years	6.51	6.80	6.85	6.90
		10 years	6.92	7.00	7.05	7.10
Latin America	Brazil	Monetary policy (Repo)	12.00	12.50	12.50	12.50
		3 months (ABG)	11.65	12.50	12.50	12.25
		4 years	12.82	12.60	11.80	11.60
	Mexico	10 years	12.61	12.50	11.90	11.70
		Monetary policy	4.50	4.50	4.50	4.50
		3 months (Mexibor)	4.79	4.90	4.90	4.90
Asia	Singapore	5 years	4.92	5.30	5.00	5.20
		10 years	6.01	6.70	6.30	6.10
		Monetary policy	0.09	0.25	0.25	0.25
		3 months	0.34	0.50	0.50	0.50
	South Korea	5 years	0.50	0.60	0.70	0.90
		10 years	1.53	1.80	2.00	2.20
		Monetary policy	3.25	3.25	3.25	3.50
		3 months	3.25	3.30	3.50	3.70
		5 years	3.48	3.60	3.80	4.00
		10 years	3.64	3.90	4.00	4.10

Yield spreads in basis points¹⁾

Emerging Markets, EMBIG Spreads	Central- and Eastern Europe	Bulgaria	278	320	310	300	
		Poland	236	280	270	260	
		Russia	290	345	330	310	
		Turkey	298	345	330	320	
		Ukraine	598	685	665	640	
	Africa	South Africa	205	245	235	225	
	Latin America	Argentina	795	900	890	835	
		Brazil	219	250	240	230	
		Mexico	214	250	240	230	
		Venezuela	1 312	1 520	1 465	1 410	
	Asia	China	216	250	240	230	
		Philippines	229	265	250	240	
	Total (EMBIG)			374	430	415	400

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 Sep 9 2011	Forecasts		
			3 months	6 months	12 months
Dollar-Bloc	EUR-USD	1.39	1.44	1.45	1.47
	EUR-CAD	1.37	1.40	1.42	1.46
	EUR-AUD	1.31	1.33	1.32	1.36
Japan	EUR-JPY	107.6	113	117	125
Euro-Outs	EUR-GBP	0.87	0.90	0.91	0.90
	EUR-DKK	7.45	7.45	7.45	7.45
	EUR-SEK	8.94	8.90	8.70	8.40
	EUR-CHF	1.21	1.20	1.22	1.27
Central- and Eastern Europe	EUR-NOK	7.52	7.50	7.40	7.30
	EUR-PLN	4.26	4.10	4.00	3.90
	EUR-HUF	277.2	275	275	270
Africa	EUR-CZK	24.32	24.30	24.30	24.50
	EUR-ZAR	9.96	9.79	10.15	10.44
Latin America	EUR-BRL	2.31	2.30	2.39	2.50
	EUR-MXN	17.36	16.99	17.11	17.35
Asia	EUR-SGD	1.69	1.73	1.71	1.71
	EUR-KRW	1497.4	1512	1486	1470
US-DOLLAR					
Dollar-Bloc	USD-CAD	0.99	0.97	0.98	0.99
	AUD-USD	1.06	1.08	1.10	1.08
Japan	USD-JPY	77.5	79	81	85
Euro-Outs	GBP-USD	1.60	1.60	1.59	1.63
	USD-DKK	5.36	5.17	5.14	5.07
	USD-SEK	6.44	6.18	6.00	5.71
	USD-CHF	0.87	0.83	0.84	0.86
Central- and Eastern Europe	USD-NOK	5.41	5.21	5.10	4.97
	USD-PLN	3.07	2.85	2.76	2.65
	USD-HUF	199.5	191.0	189.7	183.7
Africa	USD-CZK	17.51	16.88	16.76	16.67
	USD-ZAR	7.17	6.8	7.0	7.1
Latin America	USD-BRL	1.66	1.60	1.65	1.70
	USD-MXN	12.50	11.8	11.8	11.8
Asia	USD-SGD	1.22	1.20	1.18	1.16
	USD-KRW	1078.1	1050	1025	1000

Commodities

Commodity	Ø 08 2011	Forecasts		
		3 months	6 months	12 months
Gold (USD per troy ounce)	1760.53	1860.0	1855.0	1866.0
WTI crude (USD per Barrel)	86.34	94.0	96.0	105.0
Brent crude (USD per Barrel)	109.93	109.0	106.0	113.0

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>