



## ECONOMIC SITUATION AND STRATEGY November 23, 2018

# Outlook for 2019 (I): Trade dispute, other political imponderables are negative factors

We begin to present our economic and capital market outlook for 2019 today and will continue in the weeks ahead. Our first topic is the economic outlook for the world and particularly for emerging markets and the United States. We expect global growth to slow from 3.7% to 3.4% mainly due to significantly cooling economic activity in industrialized countries. The Brexit and Trump decisions will take their eventual toll.

Economic policy uncertainty index 350 Trump Trade/ 300 Brexit 250 FU debt crisis 9/11 Lehman bankruptcy 200 150 100 50 0 Jan. 15 Jan. 07 66 03 05 60 17 19 97 Jan. 11 Jan. 13 0 Jan. Jan. Jan. Jan. Jan. Jan.

After a promising start, economic momentum has gradually ebbed in 2018. In particular, political issues, such as the trade dispute between the United States and China, the Brexit negotiations, and the budget dispute between the new Italian government and the EU, have substantially burdened business and household sentiment and led to a slowing of capital investment growth, exports, and private consumption. This has affected most industrialized and emerging markets by now. Only the United States has managed to avoid it. The slowing may still be interpreted as cyclical normalization, but if the dispute between the United States and China esca-

lates, there may be a greater economic setback in 2019. Because of their export dependence, euro zone member states are especially vulnerable.

Global leading indicators weakening...

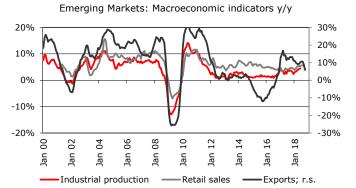


After surprisingly strong world economic growth in 2017, we expected that this positive trend to continue in 2018, at least at the same pace. But we were far off. Having run smoothly until then, the economic engine began to sputter already at the beginning of the year. It first appeared that special factors were responsible for the weaker economic growth. But eventually it became clear that this was more than a temporary phenomenon, and a noticeable recovery did not ensue. Instead, tough talk from the White House on trade has made for increasing uncertainty among globally operating businesses. Consequently, important leading indicators, such as that of the OECD and global purchasing manager indexes from the manufacturing and services sectors, have been weakening since the beginning of the year.

...but little chance of recession if political risks do not gain the upper hand

The greatest risk for the world economy next year, with unforeseeable consequences, would be an expansion of the trade dispute into a trade war. The result might be a significantly stronger downswing or even a new global recession. However, that need not happen if political leaders allow reason to prevail. More than ever, political developments are thus the key factor influencing the world economic trend. This means greater forecasting uncertainty than usual regarding next year.

Emerging markets: Heterogeneous economic development continues



There have been many crises in various emerging markets in 2018. Negative headlines have come mainly from Argentina and Turkey, but also from South Africa, Venezuela, Brazil, and Iran. The International Monetary Fund (IMF) expects stable growth of 4.7% in the emerging markets next year. That is because it assumes somewhat higher growth rates in 2019 for India, Brazil, Russia, and Mexico, the largest emerging markets after China. Whether that is realistic will also crucially depend on how the trade conflict develops. We expect that also to burden the exports of other emerging markets as long as there is no agreement between the United States and China. Even though the data from most national economies, apart from the above-mentioned crisis countries, have been comparatively robust so far, growth of exports has slowed almost everywhere.

China: No deal will mean a significant slowdown

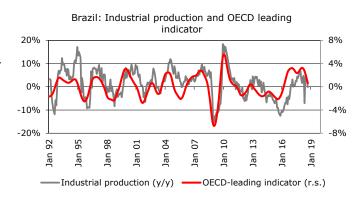


Chinese economic growth has slowed somewhat this year. Real GDP is forecast to increase by 6.6% year-on-year (2017: 6.9%). However, there have been mounting signs recently that the country might face a more severe economic slowdown. Above all, the impending trade war with the United States might cause growth to dip more sharply than expected next year. Declining foreign orders, as reflected in the Chinese purchasing manager index, already previews what could happen to the country's exports next year: stagnation or even contraction. Although the Chinese government would counter such a development with more expansionary fiscal policy and the central bank would loosen monetary policy, we expect that growth of the Chinese economy will slow to somewhat less than 6% in 2019.

#### Good outlook in India

Among the large emerging countries, India has the best growth prospects for the coming year. That is because the country has implemented important economic reforms in recent years that have improved its economic stability. Moreover, with its young and growing population of 1.3 billion, India is less dependent on foreign trade than on domestic demand. Since per capita income has already risen in the past years and still has huge catch-up potential, consumption is likely to remain the most important engine of growth in the foreseeable future. In addition, the inflation rate will decline in the coming year if the oil price stays at roughly the current level, as we expect. The associated improvement of purchasing power suggests that the Indian economy will grow by 7.5% next year and hence even somewhat more strongly than the 7.3% forecast for 2018.

Brazil and Russia suffering from lower commodity prices and homemade problems



On the other hand, we see a more difficult environment for Brazil and Russia, two countries that depend heavily on commodity price development. Both the sharp oil price decline and slowing economic growth in China are

burdens in that respect. The two countries have delayed implementing necessary economic reforms in the past, so no growth impetus may be expected from that angle. Even though business and consumer sentiment has improved since his victory, newly elected Brazilian President Jair Bolsonaro did not campaign on an express desire to distinguish himself as a great reformer.

However, it remains to be seen whether this improvement will last. After all, there is hardly room for more expansionary fiscal policy in view of the increased national debt. But support may come from the Brazilian central bank, which could still lower its key interest rate somewhat if the Brazilian currency continues to recover. In contrast to the IMF, which expects Brazilian growth to accelerate from 1.4% to 2.4%, our estimate of real GDP growth remains more cautious at 1.8%. Unlike the IMF, we expect a slight decline in economic momentum for Russia in the coming year. The Russian economy will show 1.7% growth in 2018, and we expect that to slow to 1.5% for 2019 (IMF: 1.8%). That is mainly due to the oil price decline and continuing economic sanctions.

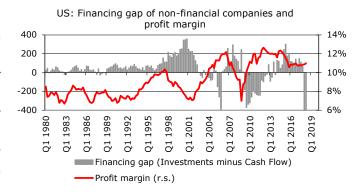
United States: Length of upswing will set new record in 2019...

The US economy will show about 3% growth for 2018, which is somewhat stronger than what we forecast last year. US President Trump thus appears to have kept his promise to lift the economy to a "sustainable" higher growth level with the help of tax cuts and deregulation. The strong growth impetus is coming from consumer spending, which is benefiting from the good labor market situation. The official unemployment rate is lower than at any time in the last 50 years, while wages are rising somewhat more strongly than in the past. Consequently, the national wage and salary total, which is the key figure for consumption, has increased by almost 5% this year. Since no trend reversal on the labor market is in sight, the upswing should continue next year. It will set a new record of more than 120 months if it lasts until June 2019.



...but economic momentum will weaken

However, we expect that US economic growth will slow next year to 2.3%. The positive effects of the tax cut are fading, and increased US interest rates are dampening growth. In addition, potential growth, which means growth expected on normal utilization of production capacities, may be estimated at only about 2%. Sustained growth of 3% is not in sight, at least not now. That could change if US companies increase their capital spending and hence productivity. But there has been little sign of that so far. Businesses have expanded their capital investments significantly since 2017, but there is still no evidence that the tax cuts at the beginning of 2018 have resulted in additional positive impetus. On the contrary, capital spending hardly increased at all in the third quarter. That may be a temporary effect, as capital expenditures tend to fluctuate greatly from quarter to quarter. Moreover, the tax reform has left so much money in the hands of companies that they certainly have the means for additional capital investment. But it remains to be seen whether they will use them. As long as demands for higher US tariffs are on the table, the associated economic uncertainties are likely to cause businesses to refrain from new capital spending.

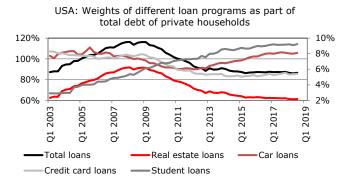


Household debt not excessively high

The real estate market currently poses the biggest problem for the US economy. Prices have risen significantly faster than disposable incomes in recent years because the supply of homes and apartments is too low or unsuitable. Moreover, the Fed's tighter monetary policy has caused mortgage interest rates to rise sharply. Because of these two factors, properties have become increasingly unaffordable, and the real estate market has cooled. This trend will continue in 2019. However, we do not expect a real estate market crash with similarly devastating effects on the overall economy as occurred during the financial crisis of 2007-2008. That is because the total of currently outstanding mortgage loans is, at

## **Economic Situation and Strategy**

about USD 10.2 trillion, somewhat lower than it was ten years ago, and the ratio of debt to disposable income is significantly lower than it was then. In our opinion, US households do not have a general debt problem, even though automobile and student loans have risen to a record level. Their total is not comparable to that of real estate loans, so the risk they pose to the US economy should be manageable. The risk of recession in 2019 therefore remains low.



Next week, we will consider the economic outlook for the euro zone and Germany. If the trade dispute between the United States and China escalates, there may be a greater economic setback in 2019. Because of their export dependence, euro zone countries are especially vulnerable.

	Weekly	outlook /	for	November	26-30,	2018
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	July	Aug.	Sept.	Oct.	Nov.	Dec.	Release
DE: Ifo business climate index		103.9	103.7	102.8	102.7		November 26
DE: Ifo business expectations		101.1	100.9	99.8	100.1		November 26
DE: Ifo current conditions		106.7	106.6	105.9	105.5		November 26
DE: GfK consumer climate		10.6	10.5	10.6	10.6	10.5	November 28
DE: Inflation rate, m/m - flash		0.1%	0.4%	0.2%	0.2%		November 29
DE: Inflation rate, y/y – flash		2.0%	2.3%	2.5%	2.4%		November 29
DE: Unemployed, change in 000s	-7	-10	-23	-11	-14		November 29
DE: Unemployment rate	5.2%	5.2%	5.1%	5.1%	5.1%		November 29
DE: Retail sales, m/m		-0.3%	0.1%	0.4%			November 30
DE: Import prices, m/m		0.0%	0.4%	0.2%			November 30
EUR19: M3 money supply, y/y		3.5%	3.5%	3.6%			November 28
EUR19: Business climate		1.21	1.21	1.01	1.09		November 29
EUR19: Economic confidence	112.1	111.6	110.9	109.8	109.2		November 29
EUR19: Consumer confidence, final		-1.9	-2.9	-2.7	-3.0		November 29
EUR19: Industrial confidence		5.6	4.7	3.0	2.7		November 29
EUR19: Inflation rate, y/y – flash		2.0%	2.1%	2.2%	2.3%		November 30
EUR19: Core inflation rate, y/y - flash		0.9%	0.9%	1.1%	1.3%		November 30
EUR19: Unemployment rate, s.a.	8.1%	8.1%	8.1%	8.0%			November 30

MMWB estimates in red

### Chart of the Week: Hidden potential on labor market



The unemployment rate in Germany has been declining for years. It was still near 10% before the "Agenda 2010" social reform package, but has fallen almost continuously in the subsequent years. In contrast to other developed countries, unemployment in Germany only increased slightly during the 2008-2009 economic crisis. At a current rate of 5.1%, the country has attained nearly full employment. That raises the question where it will obtain labor for future economic growth. Many now complain of an insufficient supply of skilled workers in Germany. The German Economic Institute (IDW) estimates this insufficiency in

the industrial sector at about 220,000 persons. However, the real problem is not the lack, but rather the waste of these valuable resources. A significant share of the labor performed by skilled workers goes into activities that do not contribute to value creation. Their share is especially high in large enterprises due to organizational inefficiencies. It has been shown that reducing such activities by 10% can more than offset the insufficiency of skilled labor (Weber et al.). Implementing more efficient organizational models is thus a promising way of countering insufficiency of skilled labor and thus creating room for more growth.

#### Market data overview

Stock marktes		As of			Change versus		
Dow Jones			16.11.2018	22.10.2018		22.11.2017	29.12.2017
SRP 500	Stock marktes						
SRP 500	Dow lones	24465	-3 7%	-3 4%	-4 9%	4 0%	-1.0%
Nasdaq			,	,		,	•
DAX			•	·	•	•	•
MDAX							
TecDAX   2506   -2,5%   -5,1%   -14,7%   -2,3%   -0,9%   EuroStox 50   3127   -1,7%   -2,0%   -8,6%   -12,2%   -10,8%   Stox 50   2882   -1,1%   -1,16%   -6,3%   -9,1%   -9,1%   -9,3%   Stox 50   2882   -1,1%   -1,16%   -1,6%   -6,3%   -9,1%   -9,3%   Stox 50   2882   -1,1%   -1,1%   -3,1%   -5,6%   -6,5%   Nikkel 225   21,647   -0,2%   -4,3%   -3,2%   -3,9%   -4,9%   Brasilien BOVESPA   86539   -2,2%   1,1%   12,5%   16,1%   13,3%   Russland RTS   1116   -1,7%   -0,1%   4,7%   -3,8%   -3,4%   Indien BSE 30   34981   -1,3%   -2,8%   -5,0%   -24,8%   -2,2,0%   MSCI Welt (in C)   1984   -2,4%   -2,2%   -5,5%   -6,6%   4,2%   2,7%   MSCI Emerging Markets (in C)   976   -1,1%   0,5%   -5,0%   -24,8%   -22,0%   -1,1,0%    Bund-Future   160,63   -2   129   -237   -225   -105   Bund-Future   131,78   8   71   -43   13   17   Schatz-Future   111,98   -1   7   -1   -22   1   31 Monats Euribor   -0,32   0   0   0   1   1   1   31 Monats Euribor   -0,32   0   0   0   1   1   1   31 Monats Euribor   -0,32   0   0   7   53   0   31 Monats Sulbor Future, Dec 2017   -0,31   0   -1   -2   -4   0   31 Monats Sulbor   -2,69   4   20   38   123   99   Fed Funds Future, Dec 2017   2,28   0   0   7   53   0   10 year Us Treasuries   3,04   -4   -16   21   72   63   10 year Sulso Government   -0,07   -4   -6   0   7   5   10 year Sulso Government   -0,07   -4   -16   0   7   5   10 year Sulso Government   -0,07   -4   -16   0   7   5   10 year Sulso Fovernmenc   619,61   0,0%   0,8%   -0,1%   0,4%   1,0%   US Treas 107 Performance   619,61   0,0%   0,8%   -0,1%   0,4%   -1,0%   -2,0%   US Treas 107 Performance   619,61   0,0%   0,8%   -0,1%   0,7%   -3,5%   -3,5%   EDROX AA, €   0,92   5   10   22   24   25   1BOXX BB, €   2,02   8   24   42   85   78   1BU US High Yield   7,33   5   54   83   118   118   1PM EMBH, Index   775   -0,7%   -0,1%   -0,9%   -1,1,0%   -1,6%   -1,5%   -1,2%   EDROX ABS   €   2,02   8   24   42   85   78   EDROX ABS   €   2,02   8   24   42   85   78   EDROX ABS   €   2,02   8   24   42   85   78   EDROX							
EuroStox 50   3127   -1,7%   -2,0%   -8,6%   -12,2%   -10,8%   Stox 50   2882   -1,1%   -1,6%   -6,3%   -9,1%   -9,3%   SMI (Swiss Market Index)   8772   -1,5%   -1,1%   -3,2%   -3,2%   -6,5%   -6,5%   Brasillen BOVESPA   86539   -2,2%   1,1%   12,5%   16,1%   13,3%   Russian RTS   1116   -1,7%   -0,1%   4,7%   -3,8%   -3,4%   -3,4%   -3,4%   -3,4%   -3,4%   -3,4%   -3,4%   -3,4%   -3,4%   -3,4%   -3,4%   -3,4%   -3,4%   -3,4%   -3,4%   -3,4%   -3,4%   -3,4%   -3,4%   -3,4%   -3,4%   -3,4%   -3,4%   -3,4%   -3,4%   -3,4%   -3,4%   -3,4%   -2,4%   -2,2%   -5,8%   -2,48%   -2,2%   -2,8%   -5,0%   -24,8%   -22,0%   -3,6%   -22,0%   -3,6%   -22,0%   -3,6%   -22,0%   -3,6%   -22,0%   -3,6%   -22,0%   -3,6%   -2,2%   -5,8%   -2,2%   -5,8%   -2,2%   -5,8%   -2,2%   -5,8%   -2,2%   -5,8%   -2,2%   -5,8%   -2,2%   -5,8%   -2,2%   -5,8%   -2,2%   -5,8%   -2,2%   -5,8%   -2,2%   -5,8%   -2,2%   -5,8%   -2,2%   -5,8%   -2,2%   -5,8%   -2,2%   -5,8%   -2,2%   -5,8%   -2,2%   -1,1%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,4%   -2,				·	•	•	·
Stoxx 50   2882					,	•	•
SMI (Swiss Market Index)			,	•	,	•	•
Brasilien BOVESPA   86539   -2,2%   1,1%   12,5%   16,1%   13,3%   13,3%   1116   -1,7%   -0,1%   4,7%   -3,8%   -3,4%   1,4%   1,2%   2,7%   16,1%   34981   -1,3%   2,5%   -8,6%   4,2%   2,7%   2,8%   -5,0%   -24,8%   -22,0%   -2,2%   -2,2%   -2,2%   -5,6%   0,2%   -0,4%   MSCI Welt (in €)   1984   -2,4%   -2,2%   -2,2%   -5,6%   0,2%   -0,4%   MSCI Welt (in €)   976   -1,1%   0,5%   -5,0%   -12,7%   -11,0%   MSCI Emerging Markets (in €)   976   -1,1%   0,5%   -5,0%   -12,7%   -11,0%   MSCI Emerging Markets   160,63   -2   129   -237   -235   -105   MSCI Tuture   131,78   8   71   -43   13   17   Schatz-Future   111,98   -1   7   -1   -22   1   3   Monats Euribor   -0,32   0   0   0   0   1   1   1   3   M Euribor Future, Dec 2017   -0,31   0   -1   -2   -4   0   3   Monats Stuture, Dec 2017   2,28   0   0   7   53   0   0   1   0   4   20   38   123   99   Fed Funds Future, Dec 2017   2,28   0   0   7   53   0   0   1   0   4   20   38   123   99   10   year US Treasuries   3,04   -4   -16   21   72   63   10   year Bunds   0,34   -3   -11   -1   -1   -1   -8   10   year Swiss Government   -0,07   -4   -10   5   7   6   0   7   5   10   year Swiss Government   -0,07   -4   -10   5   7   6   0   0   0   0   0   0   0   0   0	SMI (Swiss Market Index)	8772		·		•	
Brasilien BOVESPA   86539   -2,2%   1,1%   12,5%   16,1%   13,3%   11.16   -1,7%   -0,1%   4,7%   -3,8%   -3,4%   1.16   -1,7%   -0,1%   4,7%   -3,8%   -3,4%   1.16   -1,7%   -2,5%   -8,6%   4,2%   2,7%   -2,4%   -2,2%   -5,0%   -24,8%   -22,0%   -2,48%   -2,2,4%   -2,2%   -5,5%   0,2%   -0,4%   MSCI Welt (in €)   1984   -2,4%   -2,2%   -5,5%   0,2%   -0,4%   MSCI Emerging Markets (in €)   976   -1,1%   0,5%   -5,0%   -12,7%   -11,0%     11,0%     11,0%     12,5%   12,7%   -11,0%     12,5%   -10,5%   -5,0%   -12,7%   -11,0%     11,0%     12,5%   -10,5%   -12,7%   -11,0%     12,5%   -10,5%   -12,7%   -11,0%     12,5%   -10,5%   -12,7%   -11,0%     12,5%   -10,5%   -12,7%   -11,0%     12,5%   -12,7%   -11,0%     12,5%   -12,7%   -11,0%     12,5%   -12,7%   -11,0%     12,5%   -12,7%   -11,0%     12,5%   -12,7%   -11,0%     12,5%   -12,7%   -11,0%     12,5%   -12,7%   -11,0%     12,5%   -12,7%   -11,0%     12,5%   -12,7%   -11,0%     12,5%   -12,7%   -11,0%     12,5%   -12,7%   -11,0%     12,5%   -12,7%   -11,0%     12,5%   -12,7%   -11,0%     12,5%   -12,7%   -11,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%   -12,0%	Nikkei 225	21647	-0,2%	-4,3%	-3,2%	-3,9%	-4,9%
Indian BSE 30   34981   -1,3%   2,5%   -8,6%   4,2%   2,7%     China Shanghai Composite   2579   -3,7%   -2,8%   -5,0%   -24,8%   -22,0%     MSCI Welt (in C)   1984   -2,4%   -2,2%   -5,5%   0,2%   -0,4%     MSCI Emerging Markets (in C)   976   -1,1%   0,5%   -5,0%   -12,7%   -11,0%     Bond markets	Brasilien BOVESPA	86539		·			
China Shanghai Composite         2579         -3,7%         -2,8%         -5,0%         -24,8%         -22,0%           MSCI Welt (in €)         1984         -2,4%         -2,2%         -5,8%         0,2%         -0,4%           MSCI Emerging Markets (in €)         976         -1,1%         0,5%         -5,0%         -12,7%         -11,0%           Bond markets           Bund-Future         160,63         -2         129         -237         -235         -105           Bohl-Future         131,78         8         71         -43         13         17           Schatz-Future         111,98         -1         7         -1         -22         1           3 Monats Euribor         -0,32         0         0         0         1         1         1           3 Monats \$ Libor         2,69         4         20         38         123         99         9         Fed Funds Future, Dec 2017         2,28         0         0         7         53         0         0         1         1         1         1         1         1         1         1         1         1         1         1         1         2         2         4	Russland RTS	1116	-1,7%	-0,1%	4,7%	-3,8%	-3,4%
MSCI Welt (in €)         1984         -2,4%         -2,2%         -5,8%         0,2%         -0,4%           MSCI Emerging Markets (in €)         976         -1,1%         0,5%         -5,0%         -12,7%         -11,0%           Bond markets         Send markets         Send markets         Send markets         Send markets         Send markets           Bund-Future         160,63         -2         129         -237         -235         -105           Bobl-Future         111,98         8         71         -43         13         17           Schatz-Future         111,98         -1         7         -1         -22         1           3 Monats Euribor         -0,32         0         0         0         1         1         1           3 Monats \$Libor         2,69         4         20         38         123         99           Fed Funds Future, Dec 2017         2,28         0         0         7         53         0           10 year US Treasuries         3,04         -4         -16         21         72         63           10 year Bunds         0,34         -3         -11         -1         -1         -8           10 year S	Indien BSE 30	34981	-1,3%	2,5%	-8,6%	4,2%	2,7%
MSCI Emerging Markets (in €)         976         -1,1%         0,5%         -5,0%         -12,7%         -11,0%           Bond markets         Bund-Future         160,63         -2         129         -237         -235         -105           Bobl-Future         131,78         8         71         -43         13         17           Schatz-Future         111,98         -1         7         -1         -22         1           3 Monats Euribor         -0,32         0         0         0         1         1           3 Meuribor Future, Dec 2017         -0,31         0         -1         -2         -4         0           3 Monats \$ Libor         2,69         4         20         38         123         99           Fed Funds Future, Dec 2017         2,28         0         0         7         53         0           10 year US Treasuries         3,04         -4         -16         21         72         63           10 year Bunds         0,34         -3         -11         -1         -1         -8           10 year Swiss Government         -0,07         -4         -10         5         7         6           US Treas 107 Perfo	China Shanghai Composite	2579	-3,7%	-2,8%	-5,0%	-24,8%	-22,0%
Bund-Future 160,63 -2 129 -237 -235 -105 Bobl-Future 131,78 8 71 -43 13 17 Schatz-Future 111,98 -1 7 -1 -22 1 3 Monats Euribor -0,32 0 0 0 0 1 1 1 3M Euribor Future, Dec 2017 -0,31 0 -1 -2 -4 0 3 Monats Euribor 2,69 4 20 38 123 99 Fed Funds Future, Dec 2017 2,28 0 0 0 7 7 53 0 10 year US Treasuries 3,04 -4 -16 21 72 63 10 year Bunds 0,34 -3 -11 -1 -1 -1 -8 10 year JGB 0,10 -1 -6 0 7 7 5 10 year Swiss Government -0,07 -4 -100 5 7 6 US Treas 107 Performance 558,18 0,2% 1,1% -1,6% -4,5% -4,0% Bund 107 Performance 619,61 0,0% 0,8% -0,1% 1,4% 2,0% Bund 107 Performance Index 485,47 0,0% 0,5% -0,1% 0,4% 1,0% US mortgage rate 0,00 0 0 0 0 0 0 IBOXX AA, € 0,292 5 10 22 24 25 IBOXX BBB, € 0,202 8 24 42 85 78 ML US High Yield 7,33 5 5 4 83 118 118 JPM EMBL+, Index 775 -0,7% -0,7% -0,7% -1,4% -6,7% -7,3% Convertible Bonds, Exane 25 Commodities  Commodities  CRB Spot Index 416,45 -0,1% -0,1% 0,7% -3,5% -3,7% Gold Giber 14,52 1,1% -0,4% -1,6% -1,5% -5,4% -10,4% Gold Silver 14,52 1,1% -0,4% -1,6% -5,1% -7,3% -14,2% Gold Aluminium 1936,75 0,8% -2,9% -5,1% -7,3% -7,3% -14,2% Copper	MSCI Welt (in €)	1984	-2,4%	-2,2%	-5,8%	0,2%	-0,4%
Bund-Future	MSCI Emerging Markets (in €)	976	-1,1%	0,5%	-5,0%	-12,7%	-11,0%
Bobl-Future	Bond markets						
Bobl-Future		160.63	<u>-</u> 2	120	- 227	-225	-105
Schatz-Future         111,98         -1         7         -1         -22         1           3 Monats Euribor         -0,32         0         0         0         1         1           3M Euribor Future, Dec 2017         -0,31         0         -1         -2         -4         0           3 Monats \$ Libor         2,69         4         20         38         123         99           Fed Funds Future, Dec 2017         2,28         0         0         7         53         0           10 year US Treasuries         3,04         -4         -16         21         72         63           10 year Bunds         0,34         -3         -11         -1         -1         -8           10 year Swiss Government         0,10         -1         -6         0         7         5           10 year Swiss Government         -0,07         -4         -10         5         7         6           US Treas 10Y Performance         558,18         0,2%         1,1%         -1,6%         -4,5%         -4,0%           Bund 10Y Performance         619,61         0,0%         0,8%         -0,1%         0,4%         1,0%           US mortgage rate <t< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td></t<>							
3 Monats Euribor       -0,32       0       0       0       1       1         3M Euribor Future, Dec 2017       -0,31       0       -1       -2       -4       0         3 Monats \$ Libor       2,69       4       20       38       123       99         Fed Funds Future, Dec 2017       2,28       0       0       7       53       0         10 year US Treasuries       3,04       -4       -16       21       72       63         10 year Bunds       0,34       -3       -11       -1       -1       -8         10 year Swiss Government       -0,07       -4       -10       5       7       6         US Treas 10Y Performance       558,18       0,2%       1,1%       -1,6%       -4,5%       -4,0%         Bund 10Y Performance       619,61       0,0%       0,8%       -0,1%       1,4%       2,0%         REX Performance Index       485,47       0,0%       0,5%       -0,1%       0,4%       1,0%         US mortgage rate       0,00       0       0       0       0       0       0       0         ML US High Yield       7,33       5       54       83       118       118							
3M Euribor Future, Dec 2017         -0,31         0         -1         -2         -4         0           3 Monats \$ Libor         2,69         4         20         38         123         99           Fed Funds Future, Dec 2017         2,28         0         0         7         53         0           10 year US Treasuries         3,04         -4         -16         21         72         63           10 year Bunds         0,34         -3         -11         -1         -1         -1         -1         -8           10 year JGB         0,10         -1         -6         0         7         5         5           10 year Swiss Government         -0,07         -4         -10         5         7         6           US Treas 10Y Performance         558,18         0,2%         1,1%         -1,6%         -4,5%         -4,0%           Bund 10Y Performance         619,61         0,0%         0,8%         -0,1%         1,4%         2,0%           REX Performance Index         485,47         0,0%         0,5%         -0,1%         0,4%         1,0%           US mortgage rate         0,00         0         0         0         0         0 <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>							
3 Monats \$ Libor   2,69   4   20   38   123   99   Fed Funds Future, Dec 2017   2,28   0   0   0   7   53   0   10 year US Treasuries   3,04   -4   -16   21   72   63   10 year Bunds   0,34   -3   -11   -1   -1   -1   -8   10 year JGB   0,10   -1   -6   0   7   5   10 year Swiss Government   -0,07   -4   -10   5   7   6   US Treas 10Y Performance   558,18   0,2%   1,1%   -1,6%   -4,5%   -4,0%   Bund 10Y Performance   619,61   0,0%   0,8%   -0,1%   1,4%   2,0%   REX Performance Index   485,47   0,0%   0,5%   -0,1%   0,4%   1,0%   US mortgage rate   0,00   0   0   0   0   0   IBOXX AA, €   0,92   5   10   22   24   25   IBOXX BBB, €   2,02   8   24   42   85   78   ML US High Yield   7,33   5   54   83   118   118   JPM EMBI+, Index   775   -0,7%   -0,7%   -1,4%   -6,7%   -7,3%   Convertible Bonds, Exane 25   7010   0,0%   -2,6%   -5,1%   -4,9%   -5,2%    Commodities   CRB Spot Index   416,45   -0,1%   -0,1%   -0,8%   -11,0%   -14,6%   Gold   1221,25   0,0%   0,0%   2,2%   -5,3%   -6,3%   Silver   14,52   1,1%   -0,4%   -1,6%   -15,3%   -14,6%   Copper   6286,25   1,0%   0,7%   5,1%   -9,2%   -12,8%		-					
Fed Funds Future, Dec 2017  2,28  0  0  7  53  0  10 year US Treasuries  3,04  -4  -16  21  72  63  10 year Bunds  10 year JGB  0,10  -1  -6  0  7  5  10 year Swiss Government  -0,07  -4  -10  5  7  6  US Treas 10Y Performance  558,18  0,2%  1,1%  -1,6%  -4,5%  -4,5%  -4,0%  Bund 10Y Performance  619,61  0,0%  0,8%  -0,1%  1,4%  2,0%  REX Performance Index  485,47  0,0%  0,5%  -0,1%  0,4%  1,0%  US mortgage rate  0,00  0  0  0  0  0  1BOXX AA, €  1BOXX AB, €  2,02  8  2,02  8  24  42  85  78  ML US High Yield  7,33  5  54  83  118  118  118  JPM EMBI+, Index  775  -0,7%  -0,7%  -1,4%  -6,7%  -7,3%  Convertible Bonds, Exane 25  7010  0,0%  -2,6%  -5,1%  -4,9%  -5,2%  -11,0%  -14,6%  -10,4%  Gold  1221,25  0,0%  0,7%  -1,6%  -15,3%  -14,6%  Alurninium  1936,75  0,8%  -2,9%  -5,1%  -7,3%  -12,8%  -9,2%  -12,8%  -9,2%  -12,8%  -9,2%  -12,8%							
10 year US Treasuries 3,04 -4 -16 21 72 63 10 year Bunds 0,34 -3 -11 -1 -1 -1 -8 10 year JGB 0,10 -1 -6 0 77 5 10 year Swiss Government -0,07 -4 -10 5 7 6 US Treas 10Y Performance 558,18 0,2% 1,1% -1,6% -4,5% -4,0% Bund 10Y Performance 619,61 0,0% 0,8% -0,1% 1,4% 2,0% REX Performance Index 485,47 0,0% 0,5% -0,1% 0,4% 1,0% US mortgage rate 0,00 0 0 0 0 0 0 BOXX AA, € 0,92 5 10 22 24 25 IBOXX BBB, € 2,02 8 24 42 85 78 ML US High Yield 7,33 5 54 83 118 118 JPM EMBI+, Index 775 -0,7% -0,7% -1,4% -6,7% -7,3% Convertible Bonds, Exane 25 7010 0,0% -2,6% -5,1% -4,9% -5,2%  Commodities  CRB Spot Index 416,45 -0,1% -0,1% 0,7% -3,5% -3,7% Gold 1221,25 0,0% 0,0% -2,4% -0,8% -11,0% -14,6% Gold 1221,25 0,0% 0,0% 2,2% -5,3% -16,3% -14,6% Aluminium 1936,75 0,8% -2,9% -5,1% -7,3% -7,3% -14,2% Copper 6286,25 1,0% 0,7% 5,1% -9,2% -12,8%		· ·					
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10 year Swiss Government         -0,07         -4         -10         5         7         6           US Treas 10Y Performance         558,18         0,2%         1,1%         -1,6%         -4,5%         -4,0%           Bund 10Y Performance         619,61         0,0%         0,8%         -0,1%         1,4%         2,0%           REX Performance Index         485,47         0,0%         0,5%         -0,1%         0,4%         1,0%           US mortgage rate         0,00         0         0         0         0         0         0         0           IBOXX AA, €         0,92         5         10         22         24         25           IBOXX BBB, €         2,02         8         24         42         85         78           ML US High Yield         7,33         5         54         83         118         118           JPM EMBI-, Index         775         -0,7%         -0,7%         -1,4%         -6,7%         -7,3%           Convertible Bonds, Exane 25         7010         0,0%         -2,6%         -5,1%         -3,5%         -3,7%           MG Base Metal Index         306,37         0,6%         -2,4%         -0,8%         -11,0%	,	· ·					
US Treas 10Y Performance 558,18 0,2% 1,1% -1,6% -4,5% -4,0% Bund 10Y Performance 619,61 0,0% 0,8% -0,1% 1,4% 2,0% REX Performance Index 485,47 0,0% 0,5% -0,1% 0,4% 1,0% US mortgage rate 0,00 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	,	· ·					
Bund 10Y Performance         619,61         0,0%         0,8%         -0,1%         1,4%         2,0%           REX Performance Index         485,47         0,0%         0,5%         -0,1%         0,4%         1,0%           US mortgage rate         0,00         0         0         0         0         0         0         0           IBOXX AA, €         0,92         5         10         22         24         25         180XX BBB, €         2,02         8         24         42         85         78         ML US High Yield         7,33         5         54         83         118         118         118         118         118         118         118         118         118         118         118         118         118         118         118         118         118         118         118         118         118         118         118         118         118         118         118         118         118         118         118         118         118         118         118         118         118         118         118         118         118         118         118         118         118         128         128         128         128 </td <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>							
REX Performance Index				•	,	•	•
US mortgage rate		,	,				
IBOXX AA, €         0,92         5         10         22         24         25           IBOXX BBB, €         2,02         8         24         42         85         78           ML US High Yield         7,33         5         54         83         118         118           JPM EMBI+, Index         775         -0,7%         -0,7%         -1,4%         -6,7%         -7,3%           Convertible Bonds, Exane 25         7010         0,0%         -2,6%         -5,1%         -4,9%         -5,2%           Commodities           CRB Spot Index         416,45         -0,1%         -0,1%         0,7%         -3,5%         -3,7%           MG Base Metal Index         306,37         0,6%         -2,4%         -0,8%         -11,0%         -14,6%           Crude oil Brent         59,67         -11,2%         -25,3%         -19,7%         -5,4%         -10,4%           Gold         1221,25         0,0%         0,0%         2,2%         -5,3%         -6,3%           Silver         14,52         1,1%         -0,4%         -1,6%         -15,3%         -14,6%           Aluminium         1936,75         0,8%         -2,9%         -5,1% <td< td=""><td></td><td>,</td><td></td><td>•</td><td>•</td><td>•</td><td>•</td></td<>		,		•	•	•	•
IBOXX BBB, €         2,02         8         24         42         85         78           ML US High Yield         7,33         5         54         83         118         118           JPM EMBI+, Index         775         -0,7%         -0,7%         -1,4%         -6,7%         -7,3%           Convertible Bonds, Exane 25         7010         0,0%         -2,6%         -5,1%         -4,9%         -5,2%           Commodities           CRB Spot Index         416,45         -0,1%         -0,1%         0,7%         -3,5%         -3,7%           MG Base Metal Index         306,37         0,6%         -2,4%         -0,8%         -11,0%         -14,6%           Crude oil Brent         59,67         -11,2%         -25,3%         -19,7%         -5,4%         -10,4%           Gold         1221,25         0,0%         0,0%         2,2%         -5,3%         -6,3%           Silver         14,52         1,1%         -0,4%         -1,6%         -15,3%         -14,6%           Aluminium         1936,75         0,8%         -2,9%         -5,1%         -7,3%         -14,2%           Copper         6286,25         1,0%         0,7%         <							
ML US High Yield 7,33 5 54 83 118 118  JPM EMBI+, Index 775 -0,7% -0,7% -1,4% -6,7% -7,3% Convertible Bonds, Exane 25 7010 0,0% -2,6% -5,1% -4,9% -5,2%  Commodities  CRB Spot Index 416,45 -0,1% -0,1% 0,7% -3,5% -3,7% MG Base Metal Index 306,37 0,6% -2,4% -0,8% -11,0% -14,6% Crude oil Brent 59,67 -11,2% -25,3% -19,7% -5,4% -10,4% Gold 1221,25 0,0% 0,0% 2,2% -5,3% -6,3% Silver 14,52 1,1% -0,4% -1,6% -15,3% -14,6% Aluminium 1936,75 0,8% -2,9% -5,1% -7,3% -14,2% Copper 6286,25 1,0% 0,7% 5,1% -9,2% -12,8%							
JPM EMBI+, Index         775         -0,7%         -0,7%         -1,4%         -6,7%         -7,3%           Convertible Bonds, Exane 25         7010         0,0%         -2,6%         -5,1%         -4,9%         -5,2%           Commodities           CRB Spot Index         416,45         -0,1%         -0,1%         0,7%         -3,5%         -3,7%           MG Base Metal Index         306,37         0,6%         -2,4%         -0,8%         -11,0%         -14,6%           Crude oil Brent         59,67         -11,2%         -25,3%         -19,7%         -5,4%         -10,4%           Gold         1221,25         0,0%         0,0%         2,2%         -5,3%         -6,3%           Siliver         14,52         1,1%         -0,4%         -1,6%         -15,3%         -14,6%           Aluminium         1936,75         0,8%         -2,9%         -5,1%         -7,3%         -14,2%           Copper         6286,25         1,0%         0,7%         5,1%         -9,2%         -12,8%							
Convertible Bonds, Exane 25         7010         0,0%         -2,6%         -5,1%         -4,9%         -5,2%           Commodities           CRB Spot Index         416,45         -0,1%         0,7%         -3,5%         -3,7%           MG Base Metal Index         306,37         0,6%         -2,4%         -0,8%         -11,0%         -14,6%           Crude oil Brent         59,67         -11,2%         -25,3%         -19,7%         -5,4%         -10,4%           Gold         1221,25         0,0%         0,0%         2,2%         -5,3%         -6,3%           Silver         14,52         1,1%         -0,4%         -1,6%         -15,3%         -14,6%           Aluminium         1936,75         0,8%         -2,9%         -5,1%         -7,3%         -14,2%           Copper         6286,25         1,0%         0,7%         5,1%         -9,2%         -12,8%	_						
Commodities           CRB Spot Index         416,45         -0,1%         -0,1%         0,7%         -3,5%         -3,7%           MG Base Metal Index         306,37         0,6%         -2,4%         -0,8%         -11,0%         -14,6%           Crude oil Brent         59,67         -11,2%         -25,3%         -19,7%         -5,4%         -10,4%           Gold         1221,25         0,0%         0,0%         2,2%         -5,3%         -6,3%           Silver         14,52         1,1%         -0,4%         -1,6%         -15,3%         -14,6%           Aluminium         1936,75         0,8%         -2,9%         -5,1%         -7,3%         -14,2%           Copper         6286,25         1,0%         0,7%         5,1%         -9,2%         -12,8%	*			,		,	
CRB Spot Index         416,45         -0,1%         -0,1%         0,7%         -3,5%         -3,7%           MG Base Metal Index         306,37         0,6%         -2,4%         -0,8%         -11,0%         -14,6%           Crude oil Brent         59,67         -11,2%         -25,3%         -19,7%         -5,4%         -10,4%           Gold         1221,25         0,0%         0,0%         2,2%         -5,3%         -6,3%           Silver         14,52         1,1%         -0,4%         -1,6%         -15,3%         -14,6%           Aluminium         1936,75         0,8%         -2,9%         -5,1%         -7,3%         -14,2%           Copper         6286,25         1,0%         0,7%         5,1%         -9,2%         -12,8%	,	7010	0,0%	-2,6%	-5,1%	-4,9%	-5,2%
MG Base Metal Index     306,37     0,6%     -2,4%     -0,8%     -11,0%     -14,6%       Crude oil Brent     59,67     -11,2%     -25,3%     -19,7%     -5,4%     -10,4%       Gold     1221,25     0,0%     0,0%     2,2%     -5,3%     -6,3%       Silver     14,52     1,1%     -0,4%     -1,6%     -15,3%     -14,6%       Aluminium     1936,75     0,8%     -2,9%     -5,1%     -7,3%     -14,2%       Copper     6286,25     1,0%     0,7%     5,1%     -9,2%     -12,8%	Commodities						
Crude oil Brent         59,67         -11,2%         -25,3%         -19,7%         -5,4%         -10,4%           Gold         1221,25         0,0%         0,0%         2,2%         -5,3%         -6,3%           Silver         14,52         1,1%         -0,4%         -1,6%         -15,3%         -14,6%           Aluminium         1936,75         0,8%         -2,9%         -5,1%         -7,3%         -14,2%           Copper         6286,25         1,0%         0,7%         5,1%         -9,2%         -12,8%					,		
Gold         1221,25         0,0%         0,0%         2,2%         -5,3%         -6,3%           Silver         14,52         1,1%         -0,4%         -1,6%         -15,3%         -14,6%           Aluminium         1936,75         0,8%         -2,9%         -5,1%         -7,3%         -14,2%           Copper         6286,25         1,0%         0,7%         5,1%         -9,2%         -12,8%			,	,	,		
Silver     14,52     1,1%     -0,4%     -1,6%     -15,3%     -14,6%       Aluminium     1936,75     0,8%     -2,9%     -5,1%     -7,3%     -14,2%       Copper     6286,25     1,0%     0,7%     5,1%     -9,2%     -12,8%		· ·	•	•	•	•	·
Aluminium         1936,75         0,8%         -2,9%         -5,1%         -7,3%         -14,2%           Copper         6286,25         1,0%         0,7%         5,1%         -9,2%         -12,8%				•	•		
Copper 6286,25 1,0% 0,7% 5,1% -9,2% -12,8%				·			
	Iron ore	74,86	-0,3%	4,4%	10,6%	18,8%	5,0%
Freight rates Baltic Dry Index 1018 -1,3% -35,5% -41,3% -28,0% -25,5%	Freight rates Baltic Dry Index	1018	-1,3%	-35,5%	-41,3%	-28,0%	-25,5%
Currencies	Currencies						
EUR/ USD 1,1353 0,1% -1,2% -2,3% -3,4% -5,3%	EUR/ USD	1,1353	0,1%	-1,2%	-2,3%	-3,4%	-5,3%
EUR/ GBP 0,8850 -0,3% 0,1% -1,5% -0,3% -0,3%	EUR/ GBP						•
EUR/ JPY 127,99 -0,3% -1,3% -0,1% -2,8% -5,2%							
EUR/ CHF 1,1308 -1,1% -1,3% -0,8% -2,6% -3,4%							
USD/ CNY 6,9474 0,2% 0,0% 1,5% 5,1% 6,8%	USD/ CNY	6,9474	0,2%	0,0%	1,5%	5,1%	6,8%
USD/ JPY 112,95 0,1% 0,1% 2,2% 1,6% 0,2%		112,95	0,1%	0,1%	2,2%	1,6%	
USD/ GBP 0,78 0,1% 1,1% 0,6% 3,6% 5,5%	USD/ GBP	0,78	0,1%	1,1%	0,6%	3,6%	5,5%

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