



Commerzbank Forecasts

Growth and inflation

	Real GDP (%)			Inflation rate (%)			
	2024	2025	2026	2024	2025	2026	
USA	2.7	2.3	2.0	2.9	2.5	3.2	<ul style="list-style-type: none"> The recent high growth rate of the US economy is likely to normalize. In Germany, we expect anemic growth at best even if other euro area countries are performing better. Because the central banks are not tackling inflation vigorously enough, it is likely to remain well above 2%. China's economy suffers from the slump in the property sector and the debt overhang. The shift to a more state-led economy and the technology decoupling with the West should also slow growth.
China	4.7	4.3	4.0	0.3	1.0	1.5	
Euro area	0.7	0.9	1.0	2.3	2.1	2.4	
- Germany	-0.2	0.2	1.0	2.2	2.1	2.1	
- France	1.1	0.8	1.0	2.0	1.8	2.0	
- Italy	0.7	0.6	0.6	1.1	1.7	1.9	
- Spain	2.7	1.6	1.2	2.7	2.0	2.0	
- Netherlands	0.2	1.3	1.2	3.2	2.5	2.2	
- Austria	-0.4	1.0	0.8	3.2	2.2	2.4	
UK	0.9	1.2	1.2	2.4	2.3	2.3	
Switzerland	1.6	1.7	1.3	1.1	0.8	1.0	
Japan	0.0	1.0	0.7	2.5	1.8	1.5	
World	3.2	3.2	3.2				

Interest rates (end-of-quarter)

	14-Nov	Q4 24	Q1 25	Q2 25	Q3 25	Q4 25	
USA							
Fed funds, upper bound	4.75	4.50	4.00	4.00	4.00	4.00	<ul style="list-style-type: none"> ECB and the Fed are likely to continue cutting rates as inflation falls. Lower key rates suggest somewhat lower bond yields by spring 2025. We expect yields to rise again over the medium term because of persistent inflation.
3-months OIS	4.45	4.25	3.90	3.90	3.90	3.90	
2 years*	4.29	4.10	4.00	3.90	4.00	4.10	
5 years*	4.32	4.20	4.00	3.90	4.00	4.10	
10 years*	4.47	4.50	4.30	4.20	4.30	4.40	
Spread 10-2 years	17	40	30	30	30	30	
Swap-Spread 10 years	-51	-50	-50	-50	-50	-50	
Euro area							
Depo rate	3.25	3.00	2.50	2.00	2.00	2.00	
3-months Euribor	3.02	2.85	2.35	2.00	2.00	2.00	
2 years*	2.13	2.00	1.90	1.80	1.90	1.90	
5 years*	2.21	2.00	1.90	1.90	2.00	2.00	
10 years*	2.40	2.20	2.10	2.20	2.30	2.40	
Spread 10-2 years	27	20	20	40	40	50	
Swap-Spread 10 years	-4	8	3	-2	-7	-7	
UK							
Bank rate	4.75	4.75	4.25	3.75	3.75	3.75	
3-months OIS	4.69	4.65	4.15	3.70	3.70	3.70	
2 years*	4.50	4.40	4.00	3.80	3.80	3.80	
10 years*	4.55	4.50	4.40	4.40	4.40	4.40	

Exchange rates (end-of-quarter)

	14-Nov	Q4 24	Q1 25	Q2 25	Q3 25	Q4 25	
EUR-USD	1.05	1.06	1.05	1.05	1.06	1.07	<ul style="list-style-type: none"> Until spring, the dollar should continue to benefit a little from the planned US tax cuts and deregulation, which should increase the profitability of real capital investments. However, when it later becomes apparent that the Federal Reserve is not unimpressed by Trump's pressure, the dollar should weaken again and EUR-USD should recover accordingly.
USD-JPY	156	150	152	154	154	155	
EUR-CHF	0.94	0.94	0.93	0.92	0.92	0.91	
EUR-GBP	0.83	0.83	0.82	0.82	0.82	0.81	
EUR-SEK	11.59	11.40	11.30	11.30	11.20	11.20	
EUR-NOK	11.75	11.60	11.40	11.20	11.00	11.00	
EUR-PLN	4.33	4.35	4.35	4.40	4.45	4.50	
EUR-HUF	408	397	405	410	415	420	
EUR-CZK	25.28	25.25	25.30	25.35	25.40	25.40	
USD-CAD	1.40	1.40	1.41	1.39	1.37	1.35	
USD-CNY	7.24	7.15	7.15	7.15	7.15	7.15	

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



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