



Commerzbank Forecasts

Growth and inflation

	Real GDP (%)			Inflation rate (%)			
	2024	2025	2026	2024	2025	2026	
USA	2.8	2.3	2.0	3.0	3.0	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	5.0	4.3	4.0	0.2	0.7	1.1	
Euro area	0.7	0.8	1.0	2.4	2.1	2.4	
- Germany	-0.2	0.2	1.0	2.2	2.5	2.5	
- France	1.1	0.6	1.0	2.0	1.8	2.0	
- Italy	0.5	0.4	0.6	1.1	1.7	1.9	
- Spain	3.0	2.0	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	1.0	1.2	2.5	2.8	2.5	
Switzerland	1.6	1.7	1.3	1.1	0.8	1.0	
Japan	-0.2	1.0	0.7	2.7	2.7	1.5	
World	3.2	3.2	3.2				

Interest rates (end-of-quarter)

	13-Feb	Q1 25	Q2 25	Q3 25	Q4 25	Q1 26		
USA								
Fed funds, upper bound	4.50	4.50	4.50	4.50	4.25	4.00	<ul style="list-style-type: none"> ECB and the Fed are likely to continue cutting rates as inflation falls. The ECB is likely to act faster, though, as economic growth in the euro area disappoints. Bond yields may continue to fall somewhat. The potential for even lower yields appears limited, however, as the bulk of the rate cuts is already behind us and the market has largely priced in the remaining moves. We expect yields to rise again over the medium term because of persistent inflation. 	
3-months OIS	4.34	4.40	4.40	4.40	4.15	3.90		
2 years*	4.33	4.30	4.30	4.20	4.00	3.80		
5 years*	4.45	4.40	4.40	4.30	4.10	4.00		
10 years*	4.60	4.60	4.50	4.50	4.60	4.70		
Spread 10-2 years	27	30	20	30	60	90		
Swap-Spread 10 years	-39	-50	-50	-50	-50	-50		
Euro area								
Depo rate	2.75	2.50	2.00	2.00	2.00	2.00		
3-months Euribor	2.55	2.35	2.00	2.00	2.00	2.00		
2 years*	2.13	2.00	1.80	1.90	2.00	2.10		
5 years*	2.26	2.15	1.90	2.10	2.20	2.30		
10 years*	2.47	2.40	2.30	2.40	2.60	2.80		
Spread 10-2 years	34	40	50	50	60	70		
Swap-Spread 10 years	-6	-15	-15	-15	-15	-15		
UK								
Bank rate	4.50	4.50	4.25	4.00	3.75	3.75		
3-months OIS	4.44	4.40	4.15	3.90	3.70	3.70		
2 years*	4.20	4.20	4.00	3.80	3.60	3.70		
10 years*	4.53	4.50	4.40	4.30	4.20	4.20		

Exchange rates (end-of-quarter)

	13-Feb	Q1 25	Q2 25	Q3 25	Q4 25	Q1 26	
EUR-USD	1.04	1.02	1.02	1.04	1.07	1.08	<ul style="list-style-type: none"> For the time being, 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 immune to Trump's pressure, the dollar should weaken again and EUR-USD should recover accordingly.
USD-JPY	154	152	154	154	155	156	
EUR-CHF	0.95	0.93	0.92	0.92	0.91	0.91	
EUR-GBP	0.83	0.83	0.83	0.83	0.82	0.82	
EUR-SEK	11.30	11.30	11.30	11.20	11.20	11.10	
EUR-NOK	11.74	11.40	11.20	11.00	11.00	10.90	
EUR-PLN	4.16	4.20	4.25	4.30	4.45	4.50	
EUR-HUF	402	405	410	415	417	420	
EUR-CZK	25.06	25.15	25.25	25.35	25.40	25.35	
USD-CAD	1.43	1.44	1.42	1.40	1.38	1.37	
USD-CNY	7.29	7.40	7.50	7.50	7.50	7.50	

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



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