



Commerzbank Forecasts

Growth and inflation

	Real GDP (%)			Inflation rate (%)			
	2024	2025	2026	2024	2025	2026	
USA	2.8	2.0	2.0	3.0	3.5	3.2	<ul style="list-style-type: none"> The recent high growth rate of the US economy is likely to normalize. In Germany, the tariff conflict is likely to dampen the economy this year but the extremely expansionary fiscal policy should boost growth in 2026. 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, the debt overhang, the shift to a more state-led economy and the technology decoupling with the West.
China	5.0	4.3	4.0	0.2	0.7	1.1	
Euro area	0.7	0.7	1.3	2.4	2.1	2.4	
- Germany	-0.2	0.0	1.5	2.2	2.5	2.5	
- France	1.1	0.5	1.1	2.0	1.8	2.0	
- Italy	0.5	0.4	0.6	1.1	1.7	1.9	
- Spain	3.0	2.2	1.4	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	0.1	1.5	0.7	2.7	2.7	1.8	
World	3.2	3.2	3.2				

Interest rates (end-of-quarter)

	6-Mar	Q2 25	Q3 25	Q4 25	Q1 26	Q2 26		
USA								
Fed funds, upper bound	4.50	4.50	4.50	4.25	4.00	4.00	<ul style="list-style-type: none"> The ECB is likely to continue cutting rates as inflation falls in the short-term and the growth is slow. The Fed is under pressure to cut rates, too. But because of the inflationary push emanating from the tariffs policymakers are likely to wait some time before acting. In the euro area, the debt policy of the member states is likely to result in higher bond yields. Persistent inflation also argues for higher bond yields in the medium term. 	
3-months OIS	4.29	4.40	4.40	4.15	3.95	3.90		
2 years*	3.97	4.30	4.20	4.00	3.80	4.00		
5 years*	4.06	4.40	4.30	4.10	4.00	4.20		
10 years*	4.29	4.50	4.50	4.60	4.70	4.80		
Spread 10-2 years	32	20	30	60	90	80		
Swap-Spread 10 years	-43	-50	-50	-50	-50	-50		
Euro area								
Depo rate	2.50	2.00	2.00	2.00	2.00	2.00		
3-months Euribor	2.51	2.00	2.00	2.00	2.00	2.00		
2 years*	2.28	2.20	2.40	2.50	2.60	2.60		
5 years*	2.57	2.40	2.60	2.70	2.80	2.90		
10 years*	2.87	2.80	2.90	3.10	3.30	3.50		
Spread 10-2 years	60	60	50	60	70	90		
Swap-Spread 10 years	-15	-25	-30	-30	-30	-30		
UK								
Bank rate	4.50	4.25	4.00	3.75	3.75	3.75		
3-months OIS	4.41	4.15	3.90	3.70	3.70	3.70		
2 years*	4.27	4.00	3.80	3.60	3.70	3.80		
10 years*	4.69	4.40	4.30	4.20	4.20	4.30		

Exchange rates (end-of-quarter)

	6-Mar	Q2 25	Q3 25	Q4 25	Q1 26	Q2 26	
EUR-USD	1.08	1.05	1.07	1.08	1.10	1.10	<ul style="list-style-type: none"> In the coming months, the dollar should recover somewhat, as markets are pricing in Fed rate cuts too early. But if it becomes clear later in the year that Donald Trump does not want the appreciation of the dollar to partially offset the effects of his tariff increases, he is likely to publicly put the Fed under pressure. In this environment, investors are likely to increasingly doubt that the Fed will act decisively, which would weigh on the dollar.
USD-JPY	148	150	150	150	152	153	
EUR-CHF	0.96	0.92	0.92	0.91	0.91	0.92	
EUR-GBP	0.84	0.83	0.83	0.82	0.82	0.82	
EUR-SEK	10.99	11.10	11.00	11.00	10.90	10.90	
EUR-NOK	11.75	11.50	11.30	11.30	11.20	11.10	
EUR-PLN	4.17	4.15	4.20	4.20	4.25	4.25	
EUR-HUF	399	400	410	417	420	425	
EUR-CZK	25.02	25.10	25.15	25.25	25.25	25.30	
USD-CAD	1.43	1.42	1.40	1.38	1.37	1.37	
USD-CNY	7.24	7.50	7.50	7.50	7.50	7.50	

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

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This report was completed 7/3/2025 07:23 CET and disseminated 7/3/2025 07:23 CET.

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