



## Commerzbank Forecasts

### Growth and inflation

	Real GDP (%)			Inflation rate (%)			
	2025	2026	2027	2025	2026	2027	
USA	2.3	<b>2.7</b>	2.0	2.7	<b>2.8</b>	2.5	<ul style="list-style-type: none"> <li>Favorable financing conditions support US economic growth.</li> <li>In Germany, the extremely expansionary fiscal policy should boost growth in 2026.</li> <li>Because the central banks are not tackling inflation vigorously enough, it is likely to remain above 2% longer term.</li> <li>China's economy suffers from the property slump, the debt overhang, the shift to a more state-led economy and the technology decoupling with the West.</li> </ul>
China	4.9	4.0	4.0	0.1	<b>0.6</b>	<b>0.8</b>	
Euro area	1.4	0.9	1.0	2.1	<b>1.8</b>	<b>2.0</b>	
- Germany	0.2	<b>0.9</b>	<b>1.2</b>	2.2	2.0	2.3	
- France	0.7	0.8	0.8	1.0	1.7	1.9	
- Italy	0.5	0.5	0.4	1.7	1.9	1.7	
- Spain	2.9	<b>2.1</b>	<b>1.3</b>	2.5	2.0	1.9	
- Netherlands	1.5	1.2	1.5	3.0	2.2	2.3	
- Austria	0.3	0.9	1.5	3.5	2.4	2.1	
UK	1.4	1.2	1.2	3.4	<b>2.5</b>	2.3	
Switzerland	1.2	1.3	1.6	0.3	0.7	0.8	
Japan	1.2	0.7	0.6	3.2	<b>1.5</b>	<b>1.5</b>	
World	3.2	<b>3.0</b>	3.0				

### Interest rates (end-of-quarter)

	15-Jan	Q1 26	Q2 26	Q3 26	Q4 26	Q1 27		
<b>USA</b>							<ul style="list-style-type: none"><li>• The ECB is probably done with rate cuts as the economy is likely to pick up and inflation should remain higher than expected by the policy makers.</li><li>• The Fed is under political pressure to cut rates. We therefore expect significantly lower key rates this year, also because of the upcoming change at the Fed's helm.</li></ul>	
Fed funds, upper bound	3.75	3.50	3.25	2.75	2.50	2.50		
3-months OIS	3.62	3.40	2.95	2.45	2.40	2.40		
2 years*	3.52	3.30	3.00	2.80	2.70	2.80		
5 years*	3.72	3.40	3.20	3.00	3.00	3.10		
10 years*	4.14	4.00	3.90	4.20	4.40	4.50		
Spread 10-2 years	62	70	90	140	170	170		
Swap-Spread 10 years	34	45	45	45	45	45		
<b>Euro area</b>								<ul style="list-style-type: none"><li>• Against the backdrop of stable ECB key rates, German Bund yields may stabilize around the current level for the time being.</li><li>• In the longer run, the governments' debt policy as well as persistent inflation are likely to result in higher bond yields.</li></ul>
Depo rate	2.00	2.00	2.00	2.00	2.00	2.00		
3-months Euribor	2.02	2.00	2.00	2.00	2.00	2.00		
2 years*	2.09	1.95	2.00	2.00	2.10	2.10		
5 years*	2.39	2.30	2.40	2.50	2.70	2.70		
10 years*	2.83	2.70	2.70	2.85	3.00	3.10		
Spread 10-2 years	74	75	70	85	90	100		
Swap-Spread 10 years	-2	5	10	15	15	20		
<b>UK</b>								
Bank rate	3.75	3.75	3.50	3.50	3.50	3.50		
3-months OIS	3.71	3.55	3.45	3.45	3.45	3.45		
2 years*	3.64	3.65	3.60	3.60	3.60	3.60		
10 years*	4.35	4.30	4.30	4.35	4.40	4.45		

### Exchange rates (end-of-quarter)

	15-Jan	Q1 26	Q2 26	Q3 26	Q4 26	Q1 27	
EUR-USD	1.16	1.19	1.20	1.22	1.22	1.21	<ul style="list-style-type: none"> <li>The dollar is likely to remain under pressure in 2026 because of pronounced and ultimately excessive US interest rate cuts, which have a lot to do with the Federal Reserve's dwindling independence. Furthermore, the dollar is vulnerable because it is more than one standard deviation above purchasing power parity against the euro and is therefore significantly overvalued.</li> </ul>
USD-JPY	159	149	145	143	142	142	
EUR-CHF	0.93	0.93	0.94	0.95	0.94	0.94	
EUR-GBP	0.87	<b>0.88</b>	<b>0.88</b>	<b>0.87</b>	0.87	0.86	
EUR-SEK	10.71	10.90	10.90	10.90	10.80	10.70	
EUR-NOK	11.73	11.50	11.50	11.40	11.40	11.30	
EUR-PLN	4.21	<b>4.20</b>	<b>4.25</b>	<b>4.25</b>	4.30	4.33	
EUR-HUF	386	395	397	400	400	405	
EUR-CZK	24.24	24.30	24.40	24.50	25.00	25.10	
USD-CAD	1.39	1.38	1.37	1.36	1.35	1.35	
USD-CNY	6.97	<b>6.95</b>	<b>6.90</b>	<b>6.85</b>	<b>6.80</b>	<b>6.75</b>	

Source: Bloomberg, Commerzbank Research; bold: change on last week; Swap spreads calculated as government bond yield minus swap rate in basis points. \* Treasuries, Bunds, Gilts



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	Covered Bonds Weekly (weekly analysis of the covered bonds markets)
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