

hi did u get some of his views when u last spoke? high level is good, thx

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From: Tazia Smith/db/dbcom
To: Paul Morris,
Cc: Vahe Stepanian/db/dbcom@DBAmericas
Date: 12/18/2013 10:15 AM
Subject: Fw: Into FOMC...

PM - JE does not like firm views so we do not send him commentary like the below. Harry is on our distribution list (requested to be), however.

----- Forwarded by Tazia Smith/db/dbcom on 12/18/2013 10:14 AM -----

From: Tazia Smith/db/dbcom
To:
Cc: Joseph Cothron/db/dbcom@DBAMERICAS, Vahe Stepanian/db/dbcom@DBAmericas
Date: 12/18/2013 10:14 AM
Subject: Into FOMC...

Good Morning -

Ahead of today's FOMC announcement at 2pm, please see DB Global Markets' Chief Economist, Peter Hooper expectations (ie. \$5-15bn of tapering, skewed toward Treasuries + dovish commentary) below. Please take a look through Hopper's quick pros/cons, which outline the knife-edge decision on hand. He shows that each input (unemployment, GDP growth, asset valuations, Bernanke's succession, etc) is only very marginally signalling to taper, or not to taper. Inflation is an exception to that as Hooper points out "Core PCE inflation is now uncomfortably low;" a factor reinforced by yesterday's benign CPI data.

Also included here is a replay of yesterday morning's client call, "Positioning ahead of the FOMC" with Dan Orlando (US Government Trading) and Oleg Melentyev (US Credit Strategy). Note that the traders' view is that QE tapering does not happen today due, in part, to the low/inline CPI data as well as supply-uptake concerns.

1 Week REPLAY:
U.S.: [REDACTED]
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Access Code: 25749500

As you know, DB House Outlook for 2014 continues to favor developed markets equities (highlighting Germany, as well as upside in the US and Japan) and is above consensus on expectations Chinese GDP growth (+8.6%).