

Deutsche Asset & Wealth Management Multi Asset Investment Committee (MIC) forecasts

Equity indices	Forecasts		Key sovereign bond yields (10-year, %)	Forecasts		Forecasts	
	June 2016	June 2016		June 2016	Currencies	June 2016	
USA (S&P 500)	2,160	USA	2.50	EUR/USD	1.00		
Eurozone (Euro STOXX 50)	3,850	Germany	1.00	USD/JPY	130		
Germany (DAX)	12,400	UK	2.15	EUR/JPY	130		
UK (FTSE 100)	6,800	Japan	0.45	EUR/GBP	0.67		
Japan (MSCI Japan))	1,050	Commodities	June 2016	USD/GBP	1.49		
Asia ex Japan (MSCI in USD)	630						
Latin America (MSCI in USD)	2,300	Oil (WTI)	70				
		Gold in USD	1,250				

Forecasts are from the DeAWM Quarterly Chief Investment Office (CIO) Day on June 16, 2015.

Facts and Figures

Rates										Equities									
	Current	1-Wk	MTD	QTD	YTD	12 Mo	2 Year	3 Year	5 Year		Current	1-Wk	MTD	QTD	YTD	12	2 Year	3 Year	5 Year
	Return		Return	Return	Return	Return	Return	Month	Return	Return	Return								
	(in bps)		(in bps)																
2-Year Treasury	0.7%	0.1%	0.0%	0.0%	0.6%	0.9%	0.7%	0.6%	0.7%	S&P 500	2093.3	-0.4%	1.6%	1.6%	2.8%	8.0%	13.6%	17.2%	16.0%
10-Year Treasury	2.3%	0.3%	0.9%	0.9%	0.4%	4.3%	4.1%	0.7%	4.3%	MSCI World (USD)	422.3	-1.1%	-0.2%	-0.2%	2.8%	0.4%	8.8%	13.1%	10.6%
30-Year Treasury	3.0%	0.4%	3.0%	3.0%	-3.1%	8.4%	9.3%	0.7%	7.4%	MSCI Europe ex UK (USD)	1892.3	-1.7%	2.2%	2.2%	7.7%	-1.8%	8.3%	15.6%	8.6%
Barclays TIPS (1-10 YR)	1.8%	-0.1%	-0.4%	-0.4%	0.7%	-2.3%	0.2%	-0.9%	2.3%	MSCI UK (USD)	1245.2	-1.2%	-0.6%	-0.6%	1.4%	-9.0%	3.9%	8.4%	7.9%
Barclays Credit	3.3%	-0.1%	0.3%	0.3%	-0.5%	0.9%	3.8%	2.4%	4.7%	MSCI Japan (USD)	2901.4	-1.8%	-1.2%	-1.2%	12.4%	6.0%	6.6%	14.8%	7.9%
Barclays U.S. High Yield	7.0%	-0.4%	-1.3%	-1.3%	1.2%	-1.2%	3.8%	5.9%	7.6%	MSCI Latam (USD)	2251.7	-3.2%	-10.5%	-10.5%	-16.0%	-34.7%	-13.6%	-12.2%	-6.2%
Barclays Emerging Market	5.4%	-0.4%	-0.3%	-0.3%	2.6%	-0.3%	4.1%	3.3%	6.0%	MSCI Asia ex Jpn (USD)	545.4	-3.1%	-6.6%	-6.6%	-1.6%	-6.4%	4.7%	7.3%	5.0%

Rates Valuations										Equity Valuations									
	1 Wk	MTD	QTD	YTD	12 Mo	2 Year	3 Year	5 Year		Current	1 Wk	MTD	QTD	YTD	12	2 Year	3 Year	5 Year	
	Change		Change	Change	Change	Change	Change	Change	Change	Change	Change								
	(in bps)		(in bps)	(in bps)	(in bps)	(in bps)	(in bps)	(in bps)	(in bps)	(in bps)	(in bps)								
Investment Grade Spreads	146	5.0	9.0	9	21.0	52.0	15.0	-21.0	-12.0	S&P 500 P/E (LTM)	17.9	-0.22	0.26	0.26	0.18	0.53	2.07	4.10	2.67
High Yield Spreads	524	40.0	48	48	41	160.0	75.0	-65.0	-106.0	MSCI World P/E (LTM)	16.7	-0.36	-0.05	-0.05	0.47	0.79	1.95	3.98	1.95
Emerging Market Spreads	363	18.0	19.0	19	-25	85.0	31.0	-12.0	62.0	MSCI Europe ex UK P/E (LTM)	17.2	-0.33	0.59	0.59	1.54	1.21	3.38	5.74	3.31
Fed Funds Rate	0.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	MSCI UK P/E (LTM)	9.8	-0.32	0.02	0.02	0.81	-0.45	1.80	3.00	1.81
										MSCI Japan P/E (LTM)	17.4	-0.50	-0.29	-0.29	1.48	-36.32	-55.17	-55.55	-71.24
										MSCI Latam P/E (LTM)	19.8	0.00	4.61	4.61	6.86	5.21	6.49	7.80	6.32
										MSCI Asia ex Jpn P/E (LTM)	12.5	-0.54	-0.51	-0.51	-0.36	-0.75	0.14	0.76	-2.45

Commodities & Alternatives										Equity Technicals and Fundamentals				
	Current	1-Wk	MTD	QTD	YTD	12 Mo	2 Year	3 Year	5 Year		Div Yld	Relative Strength Index	Next 12 Mo Earnings Growth Est (NTM)	3 Mo Change in Earnings Est (NTM)
	Return													
	(in bps)													
Light Crude Oil Futures	\$50.9	-0.1%	-14.5%	-14.5%	-4.5%	-51.4%	-31.3%	-17.9%	-7.9%	S&P 500	1.9%	49.12	7.6%	-0.7%
Gold Futures	\$1,104	-3.5%	-5.8%	-5.8%	-5.8%	-16.0%	-7.6%	-11.3%	-1.5%	MSCI World	2.5%	44.71	8.3%	-1.1%
Baltic Dry Index	1,113	10.3%	42.9%	39.1%	42.3%	53.7%	-1.1%	2.4%	-9.0%	MSCI Europe ex UK	3.1%	49.79	10.4%	-0.1%
Regular Unleaded Gas Price	2.75	-0.9%	-1.5%	-0.6%	22.6%	-22.8%		-7.4%	0.2%	MSCI UK	3.8%	39.59	1.6%	-2.9%
Trade Weighted Dollar Index	97.5	0.7%	1.9%	1.9%	7.8%	20.8%	8.5%	5.2%	3.1%	MSCI Latam	2.7%	34.26	8.6%	-4.2%
VIX Index	12.1	-6.6%	-33.0%	-33.0%	-36.4%	-4.6%	-1.3%	-9.1%	-13.8%	MSCI Asia ex Jpn	2.5%	32.00	9.9%	-2.6%
										MSCI Japan	1.6%	71.21	15.4%	0.1%

Current data as of July 29, 2015. Data source: FactSet, negative numbers are in red.

No assurance can be given that any forecast or target can be achieved. Forecasts are based on assumptions, estimates, opinions and hypothetical models which may prove to be incorrect. Past performance is not indicative of future returns. Investments come with risk. The value of an investment can fall as well as rise and you might not get back the amount originally invested at any point in time. Your capital may be at risk.