

The big picture

Our strategic forecasts

/// Just as in 2015, capital markets are under the spell of central banks. But 2016 will be the year of reckoning. The Fed will have to lead the way and demonstrate that monetary policy can indeed be normalized. ///

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Economic data

GDP growth in percent (year-on-year)		
	2015F	2016F
United States	2.2 ↗	2.4
Eurozone	1.4 ↗	1.6
United Kingdom	2.5 ↘	2.2
Japan	0.8 ↗	1.2
China	6.8 ↘	6.0
World	3.2 ↗	3.5



We expect U.S. GDP growth to pick up only slightly, to 2.4%. Following declines in unemployment, the United States are now operating close to full capacity.

Inflation in percent (year-on-year)



China's growth is slowing. Especially in manufacturing, it will take time for overcapacity to be reduced, maintaining downward pressure on prices.

Capital markets

Equity markets (index value in points)			
	Current*	Dec 2015F	Δ%#**
United States (S&P 500 Index)	2,075 ↗	2,170	7
Europe (STOXX Europe 600 Index)	379 ↗	390	6
Eurozone (EURO STOXX 50 Index)	3,448 ↗	3,600	8
Germany (DAX)	10,908 ↗	11,700	7
United Kingdom (FTSE 100 Index)	6,297 ↗	6,400	5
Japan (MSCI Japan Index)	972 ↗	1,030	8
MSCI Emerging Markets Index (USD)	833 →	830	2
MSCI AC Asia ex Japan Index (USD)	512 →	510	2
MSCI EM Latin America Index (USD)	2,029 ↘	1,800	-8



Commodity-producing countries in Latin America remain exposed to China's slowdown. Political risks, especially in Brazil, are another area of concern.

F refers to our forecasts. Our forecasts are as of 11/11/2015.

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