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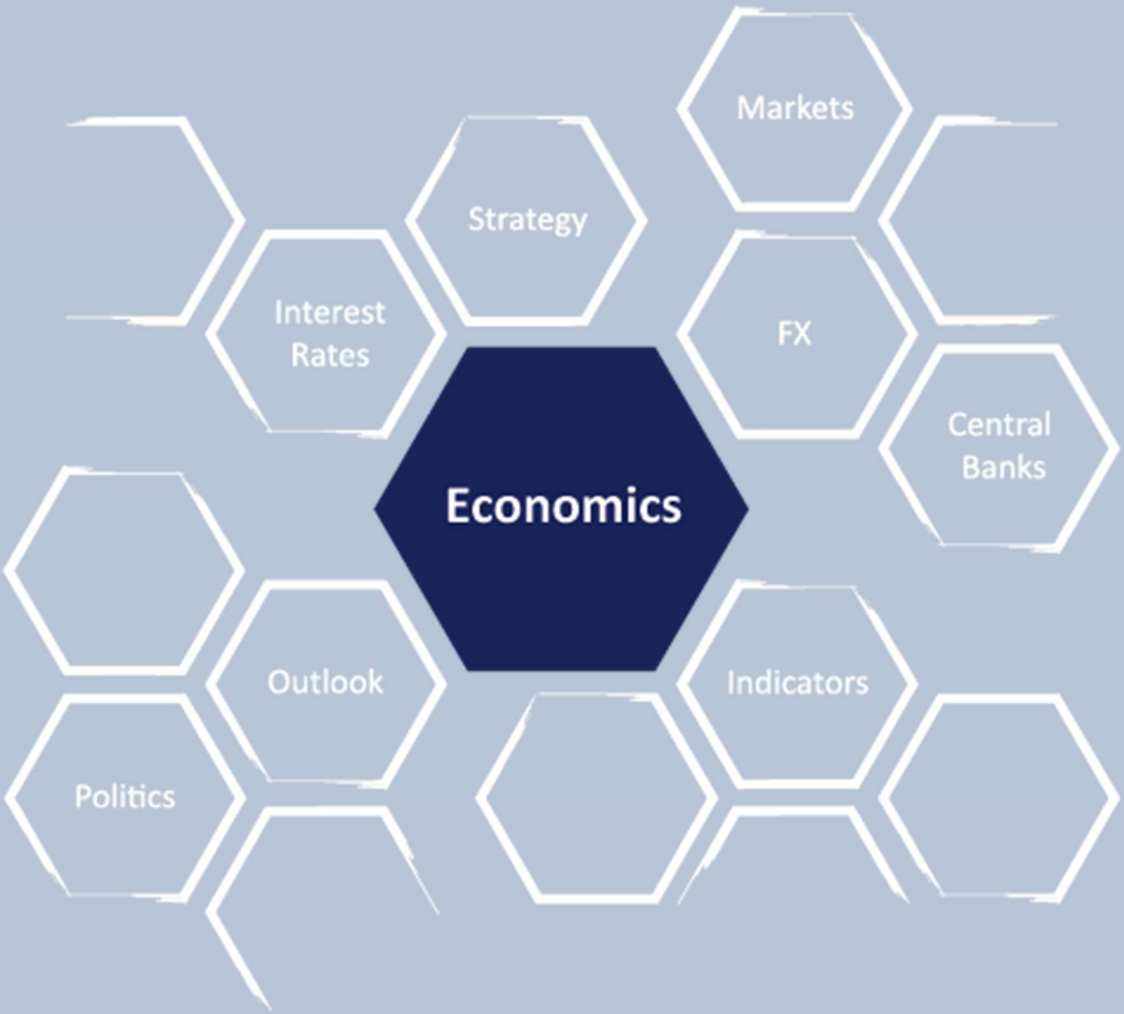

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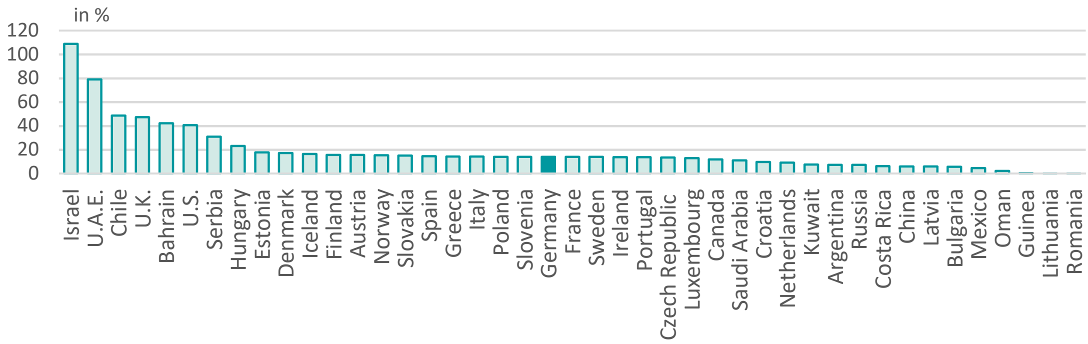
Special
One year of corona – vaccinations light up the end of the tunnel

Analyst: Christian Lips, Chief Economist

Vaccinations are the game changer – critical phase in overcoming the pandemic

The coronavirus crisis has had the world in its grip for over a year now. High infection rates and lockdown measures caused an unprecedented slump in global economic output in 2020. Many companies have in the meantime succeeded in adapting to the specific pandemic conditions. However, there are still major problems in those areas of the economy that are dependent on social contact. Moreover, constant new waves of infection are having a gruelling effect on populations globally. For all understandable signs of fatigue, however, the great progress made in this relatively short time towards overcoming the pandemic ought not to be overlooked. Just one year after the initial outbreak there are already several highly effective vaccines available and vaccination campaigns are now in progress, at least in the developed economies. The individual campaigns varied considerably in the first quarter of the year in terms of coverage, predominantly due to the prevailing shortage of vaccine doses. Some smaller countries – and especially Israel – have already made considerable progress and are now close to achieving the objective of adequate vaccination coverage for the entire population (herd immunity). There is already an extreme decline in the infection rates among the population groups in Israel with high vaccination coverage. This naturally gives reason for hope and ought to be an incentive for other countries to achieve similar success as swiftly as possible. Having already achieved high paces of vaccination in the past months, the USA and the United Kingdom are by international comparison at the forefront in terms of vaccination coverage (see chart) and the populations there can justifiably hope for a return to some kind of normality in the near future. Slight differences between the countries, especially within Europe, can also be explained by, among other things, varying vaccination strategies, but the reason for the large gap between the EU states and the USA and UK is primarily attributable to differing ordering policies and more favourable contracts with the manufacturers. It comes as no surprise that the forecasts and the light in which the financial markets are seeing the USA and the UK are significantly more positive than where the eurozone is concerned. It should not be forgotten, however, that the fight against the pandemic is currently in a critical phase. The collision of as yet inadequate vaccination coverage on the one hand and high new infection rates on the other implies a veritable risk of new mutations.

Chart: Vaccination jabs per capita by country (in %, as at 26 March 2021)

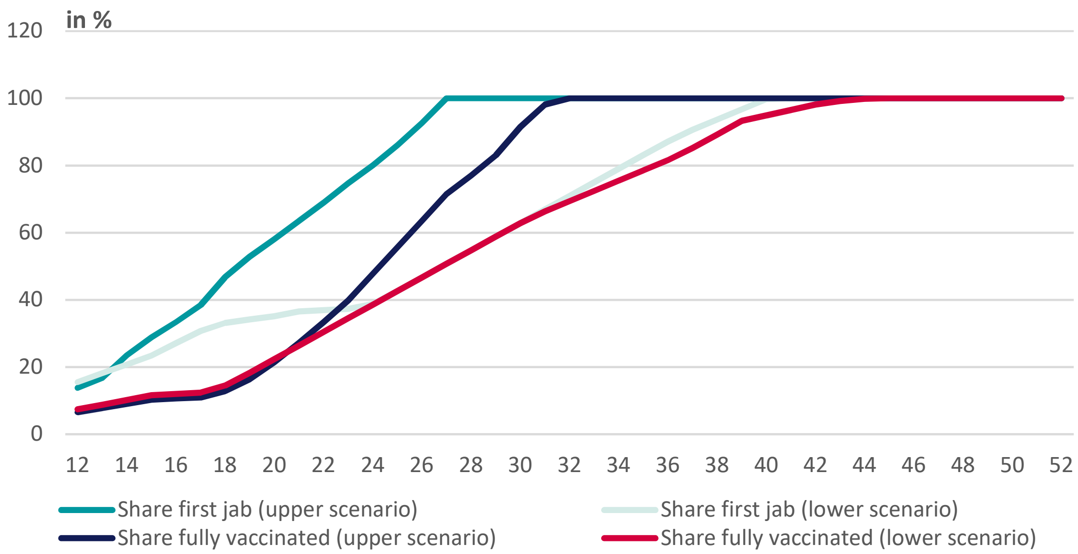


Sources: Bloomberg, NORD/LB Macro Research

A look at Germany: Renewed lockdown extension due to third wave

The current lockdown in Germany has already been in place since as far back as November (!) and thus now for the sixth consecutive month. It was undoubtedly a mistake that inadequately rigorous action was taken – and then too late and especially at the outset – against the rising caseloads in autumn last year. In the meantime, the significantly more contagious and also more dangerous virus mutant B.1.1.7 has spread more widely in Germany. New infections have been slowly increasing since mid-February, but the pace has speeded up again significantly in the past few days. Besides the new virus mutant, this is also likely due to the number of contacts having risen again in the wake of the recent relaxation of some Covid-induced restrictions. Many of the country's regions have now exceeded the 7-day incidence threshold of 100, as from which an “emergency brake” is planned and a return to stricter contact restrictions is to be expected. It is uncertain whether the more favourable weather conditions in spring will be of assistance against the infection rates. What seems clear, however, is that the third wave and ongoing restrictions will delay the expected sharp acceleration in economic activity. Despite the robust state of the overall economy during the lockdown we have therefore adjusted our growth forecast for 2021 downwards to 3.2 percent.

Chart: Simulations relating to the German vaccination campaign (progress per calendar week)



Sources: BMG, RKI, Central Research Institute of Ambulatory Health Care in Germany (ZI); NORD/LB Macro Research. Own scenarios. Upper scenario: Increase of the previous vaccination rate by approx. 50%, all ordered vaccines are administered, participation of general practitioners, vaccination take-up 90%. Lower scenario: present vaccination rate maintained, only the vaccines approved so far are administered, no involvement of general practitioners, reserve of doses for the second vaccination, vaccination take-up at 80%.

Acceleration of vaccinations crucial for the economic catch-up process

Prerequisite for a strong economic recovery is a significantly increased vaccination rate. Vaccinations are the key to overcoming the pandemic and limiting consequential damage, including that of an economic nature. Already for Q2, Germany is contractually guaranteed almost 80 million vaccine doses, and then significantly more in the summer (> 120 million doses). In contrast to the first few months of the year, the availability of the vaccine will then no longer be the problem, but rather the likelihood of the capacities for administering vaccinations becoming a bottleneck factor. In a pessimistic scenario, achieving vaccination coverage of the relevant population could drag on well into autumn, with a correspondingly longer-lasting dampening of economic activity (see chart, lower scenario). In an upper scenario, which is still achievable and quite realistic, the successes of the vaccination campaign manifest themselves almost three months earlier in comparison. It is therefore important now to focus all efforts on the vaccination campaign, to use the existing structures of the general practitioners and company physicians and – since vaccine deliveries can in the meantime quite well be relied upon – to max out the vaccination intervals between the first and second jabs within the permissible framework. Germany must finally get into 24/7 mode in this context. Significant easing of restrictions as early as in summer will then become a realistic possibility and the brake on economic activity will be released. Despite all the optimism, however, the further developments remain highly uncertain. There are also risks with regard to the desired vaccination success, crucial factors in this context primarily being virus mutations, the effectiveness and safety of the vaccines and the vaccination take-up. It is precisely the aspect of mutations that makes it clear that the pandemic must be defeated worldwide and that the vaccine quantities that have so far been on the cards for emerging and developing countries are completely inadequate. For this reason, and because further vaccinations will probably be necessary in the future, capacities and production must be ramped up further. Vaccine protectionism, of which there are initial signs, unfortunately, must be avoided at all costs. It would in any case be unnecessary in light of the massive expansion of supplies already imminent in the short term and would have unforeseeable consequences for the future, for example with regard to the choice of location and the willingness to innovate on the part of the manufacturing companies. Moreover, practicing vaccination nationalism would be to completely ignore the global dimension of the crisis. The pandemic will not be completely defeated anywhere until it is defeated everywhere.

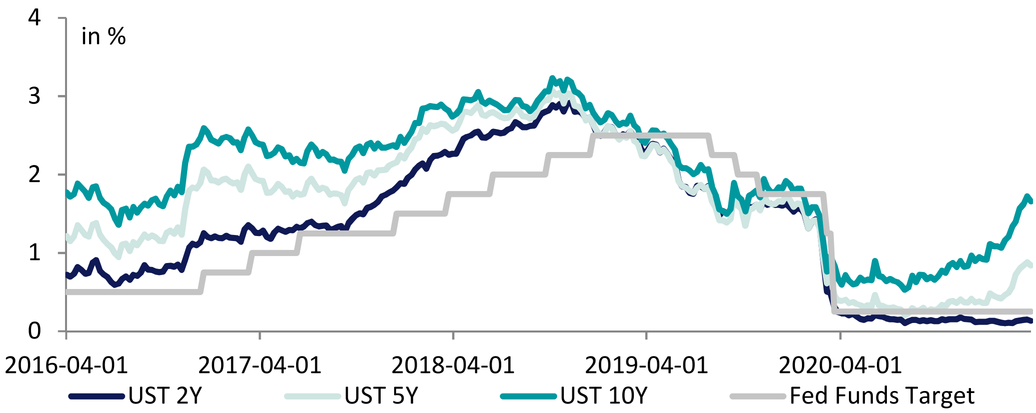
USA
Dollar only briefly impacted by the FOMC meeting

Analysts: Tobias Basse // Bernd Krampen

US consumers take a well-deserved break

With retail sales in January having been marked by a veritable consumption binge, February saw a slowdown which, especially at first glance, came as very bad news. The still provisional figures reveal a month-on-month decline of 3.0 percent for this time series. The cold spell certainly didn't help; even more important, however, were the revisions of the data for January, with the already considerable month-on-month rate of change of +5.3 percent adjusted upwards to an extremely pleasing figure of 7.6 percent mom. This pronounced strength in January naturally puts the supposed weakness in February into perspective and indicates that the US consumer is for the time being taking a short, well-deserved break after the exhausting consumption binge in January. The new economic policy measures in the meantime already being implemented will help as early as March. It could thus be said that Washington is already planning the next party for US consumers. Indeed, the government is currently busy sending out the invitations for the renewed consumerism festival. The consumer can therefore be expected to remain a reliable mainstay of the North American economy in the future a well – after the consumption binge is consequently before the consumption binge, so to speak. The outlook for the US economy is thus positive. Indeed, it currently appears quite possible that the US economy could even be over-stimulated by the current monetary and fiscal policy in Washington. This could well – especially in conjunction with the country's national debt – become a problem in the future. In the short term, however, the traffic light for US economic growth is clearly on green!

Chart: Interest rates in the USA



Sources: Bloomberg, NORD/LB Macro Research

A look at the US real estate market

Said to be well-suited as leading indicator for US real estate prices, the NAHB homebuilders' index weakened slightly in March as month under review. While this sentiment indicator is still at a very high level of 82 points, the fact is that the combination of rising mortgage rates, increased construction costs and high property prices appears to be beginning to slowly put a strain on construction activity in the land of unlimited opportunity. The weaker figures for housing starts and building permits for February could also be a further indication in this direction. These figures should be interpreted with a great deal of caution, however. Besides the strength in the previous month, the cold spell in February undoubtedly had a negative impact as well. The anticipated developments in the US real estate market are at any rate an important reason why we no longer belong to the group of the greatest optimists in terms of the GDP forecast for the USA.

Dollar only briefly impacted by the FOMC meeting

In the immediate wake of the most recent FOMC meeting the euro appreciated for a while against the US currency. The FX market interpreted the signals from the Fed as dovish. That said, it was actually to be reckoned with that the Fed would provide clear indications of a prospectively looser US monetary policy in the future. Long-term bond yields after a while rose swiftly further. It is precisely this movement in the US bond market that should in our view clearly help the currency of the United States, seeing as investments in fixed-income securities from the US dollar zone are becoming increasingly attractive for international investors.

Fundamental forecasts, USA

	2020	2021	2022
GDP	-3.5	4.9	3.1
Private consumption	-3.9	4.5	2.5
Govt. consumption	0.3	2.2	2.0
Fixed investment	-0.8	8.5	7.0
Exports	-12.9	7.0	5.0
Imports	-9.3	6.0	5.0
Inflation	1.2	2.6	2.4
Unemployment rate [1]	8.1	6.0	5.0
Budget balance [2]	-15.7	-11.6	-8.3
Current acc. balance [2]	-3.1	-2.6	-2.6

Change vs previous year as percentage; [1] as percentage of the labour force; [2] as percentage of GDP

Sources: Feri, NORD/LB Macro Research

Quarterly forecasts, USA

	II/20	III/20	IV/20	I/21	II/21
GDP qoq ann.	-31.4	33.4	4.3	3.8	5.3
GDP yoy	-9.0	-2.8	-2.4	-0.3	11.0
Inflation yoy	0.4	1.2	1.2	1.8	3.3

Change as percentage

Sources: Feri, NORD/LB Macro Research

Interest and exchange rates, USA

	25.03.	3M	6M	12M
Fed funds target rate	0.25	0.25	0.25	0.25
3M rate	0.19	0.20	0.25	0.30
10Y Treasuries	1.63	1.50	1.60	1.80
Spread 10Y Bund	202	180	180	210
EUR in USD	1.18	1.17	1.17	1.16

Sources: Bloomberg, NORD/LB Macro Research

Euroland
ECB ramps up PEPP purchases to avert excessive yield rise

Analyst: Christian Lips, Chief Economist

High infection rates dampen economic performance in Q1 as well
Q1 saw a sluggish pace of vaccination in the eurozone, primarily due to an inadequate supply of vaccine doses. Moreover, many member states are currently battling a third wave of infections, also attributable to the spread of the virus mutant B.1.1.7. Italy and France have tightened their pandemic-induced restrictions, and in Germany, too, there are indications that the measures taken to date will be inadequate to contain the present high pace of infection. The relaxation of restrictions hoped for in spring will therefore not be possible everywhere or only with a delay. There are signs of a renewed decline in economic output in Q1, though likely of a relatively mild nature. Surveys are revealing a highly optimistic mood, especially among industrial companies, with the PMI Manufacturing climbing to an all-time high of 62.4 points in March. The service sector remains in the contraction zone, however. The marked improvement in consumer confidence was all the more unexpected. We have only marginally adjusted our GDP forecast and expect growth of around 4 percent for 2021.

ECB to temporarily accelerate PEPP purchases significantly
The rise in yields since the turn of the year has rung alarm bells with the European Central Bank. Various high-ranking ECB officials had initially reacted with verbal interventions, with the option of accelerating the pace of PEPP bond purchases explicitly discussed many times over. Already in January, we drew attention to the enormous flexibility of the PEPP and the possibility of a front loading. At its regular March meeting the ECB's Governing Council resolved to "significantly accelerate" the pace of PEPP bond purchases during the following quarter – as compared to the first two months of the year when the purchase rate lay between EUR 53bn and EUR 60bn. In the meantime, the initial data from the week after the ECB meeting provide an impression of what the ECB specifically means by a “significant” acceleration in net purchases: the first seven days after the decision saw around 50 percent more bonds purchased (EUR 21.05bn net) than in the previous week (EUR 14.01bn). Council member Isabel Schnabel reaffirmed the ECB's commitment to significantly accelerate the rate of bond purchases. We anticipate monthly purchases in a volume of EUR 80 to 90bn, which means that the central bankers would position themselves between the extremely high pace of purchasing at the beginning of the crisis and the more moderate pace from August to February. According to Christine Lagarde, the ECB is not pursuing explicit yield targets nor even yield curve control (YCC), the resistance to which is likely too massive among the Governing Council's members. That said, the resolution is to be understood as a clear stop signal, in line with which a further significant increase in yields is not to be tolerated, at least for the moment. Otherwise, according to ECB president Lagarde, there would be a risk of a premature tightening of the financing conditions, which would have a negative impact on the medium-term inflation path. This means that the ECB remains ready to adjust all instruments where necessary – explicitly including the option of further expanding the PEPP programme. Nonetheless, following the resolution it was reported from ECB circles that the March resolution ought not to be construed as signalling an additional expansion of monetary policy. This is not necessary either, seeing as the additional expansion measures were already pushed into the pipeline by way of the December resolutions, in which the extremely favourable conditions were extended within the framework of the TLTRO III programme and a decision on three further tranches for 2021 was adopted. March saw the

banks take up liquidity in a total volume of EUR 330.5bn under the TLTRO III programme. This was well above market expectations. With its March projections, moreover, the ECB also sent a clear signal to the markets that it will see through the significant rise in the inflation rate in the current year and that its monetary policy will remain highly expansionary for some time to come. The central bank now also expects a significantly higher average annual inflation rate (1.5 percent) for 2021 in light of various factors. The medium-term inflation forecast remained unchanged, however, according to which inflation will be below the central bankers' targeted level of below but close to the mark of 2.0 percent in 2023 as well.

Capital market rate rises interrupted for the time being – moderate inflation expectations
With its crisis measures the ECB will continue to support a sustainable overcoming of the crisis and use its instruments to counter any undesired tightening of the financing conditions. Further easing measures are explicitly not ruled out either, despite the current inflation discussion and the somewhat more balanced economic risks. The ECB is seeing through the largely temporary rise in inflation in 2021 caused by distortions and special effects. The rise in long-term government bond yields has been interrupted for the time being by the most recent measures and resolutions. Late March saw the yield on ten-year Bunds fall back in the direction of -0.40 percent, and that on the Italian counterparts to below the 0.60 percent mark. The reaction of the markets suggests that the reasons given by the ECB are seen as credible and that the influence on the yield curve will therefore remain strong for the time being. That said, an adverse inflation trend could put the balance of power to the test.

Fundamental forecasts, Euroland

	2020	2021	2022
GDP	-6.8	4.1	4.6
Private consumption	-8.1	2.9	4.7
Govt. consumption	1.1	3.9	1.2
Fixed investment	-8.5	7.2	6.3
Net exports [1]	-0.6	0.3	0.1
Inflation	0.3	1.6	1.3
Unemployment rate [2]	7.9	8.0	7.6
Budget balance [3]	-7.8	-6.1	-4.2
Current acc. balance [3]	2.3	2.3	2.3

Change vs previous year as percentage; [1] as contribution to GDP growth; [2] as percentage of the labour force; [3] as percentage of GDP

Sources: Feri, NORD/LB Macro Research

Quarterly forecasts, Euroland

	II/20	III/20	IV/20	I/21	II/21
GDP sa qoq	-11.6	12.5	-0.7	-1.2	1.4
GDP sa yoy	-14.6	-4.2	-4.9	-2.4	12.0
Inflation yoy	0.2	0.0	-0.3	1.0	1.4

Change as percentage

Sources: Feri, NORD/LB Macro Research

Interest rates, Euroland

	25.03.	3M	6M	12M
Repo rate ECB	0.00	0.00	0.00	0.00
3M rate	-0.54	-0.53	-0.52	-0.50
10Y Bund	-0.38	-0.30	-0.20	-0.30

Sources: Bloomberg, NORD/LB Macro Research

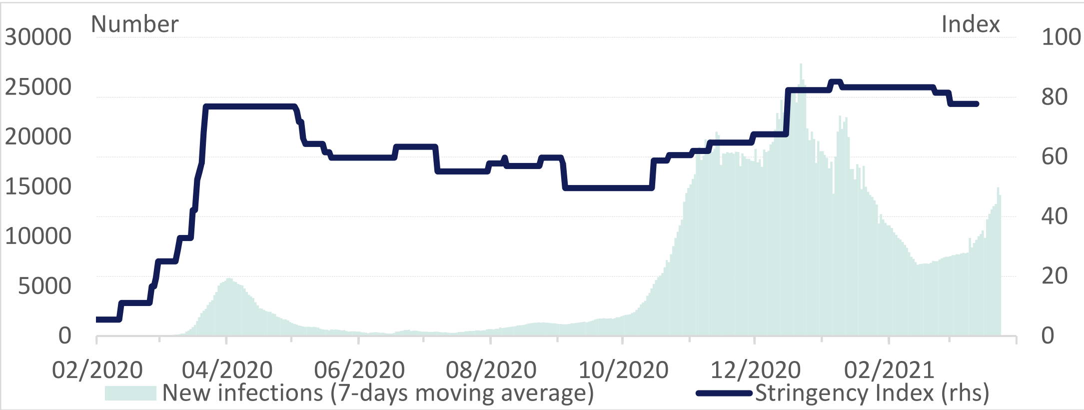
Germany
Third wave delays economic recovery

Analyst: Christian Lips, Chief Economist

High infection rates and lockdown dampen economic performance in Q1

The start into 2021 was impacted by the lockdown and in part rather high infection rates. There are also some special factors to be taken into account, such as the return to the normal VAT rates which is likely to have prompted many households to bring forward purchases of consumer durables last year. The new vehicle registrations confirm this effect, but in this context there were also the lockdown-induced difficulties for vehicle dealers. And, last but not least, the onset of winter undoubtedly put the brakes on construction activity temporarily. The result is that, in contrast to year-end 2020, Q1 is showing signs of a decline in economic output. Activity indicators, which take high-frequency data into account and can thus provide near-term assessments of the effects of lockdown measures, are also indicating a contraction in the first quarter. Overall, however, German industry is continuing to give a highly robust showing. High foreign demand means that orders on hand in January were 5.0 percent up on the pre-crisis level, with the order range increasing to 6.9 months.

Chart: Trend in new infections and Stringency Index



Sources: Bloomberg, NORD/LB Macro Research

Financial experts and industrial companies remain highly optimistic

Financial experts and an ever-growing number of companies are counting on progress in vaccination coverage of the population enabling gradual easing of the Covid-19 restrictions and paving the way for a strong economic catch-up process. Despite the sharp rise in the number of new infections for some time now and the extension of the lockdown, the latest surveys reflect what is in some cases a remarkably high degree of optimism. In particular the financial market experts regularly surveyed by the Centre for European Economic Research (ZEW) almost unanimously anticipate an improvement in the overall economic situation in the six months ahead; March saw ZEW's economic expectations sub-index rise once again, this time to 76.6 balance points, though the current situation is still described as all in all poor by the majority of respondents despite a slight improvement (-61.0 points). The sentiment among Germany's companies brightened unexpectedly markedly in March, with the ifo Business Climate index jumping to 96.6 points and thus for the first time above its pre-crisis level. Above all the vastly improved business expectations reflect marked optimism among the German companies, and the current situation too is again seen somewhat less pessimistically. Fanned by strong foreign demand, there is an almost euphoric mood spreading in the industrial sector, with expectations there higher than they have been for over ten years. The crisis is not over yet, however, and the improvements in the business climate are still primarily driven by the expectations at the moment. Admittedly, the surveyed business leaders also see the current business situation in March as having improved, with the situation component rising from 90.6 to 93.0 points. However, this level is still quite a bit short of the pre-crisis mark (98.7 points). It should also be noted that the surveys are more of a snapshot nature than usual. Attention must be paid to the precise survey period in order to be able to assess which part of the – to put it cautiously – recently rather erratic crisis communication on the part of the politicians could be taken into account and what might first be reflected in the follow-up survey. The same applies to the current significant increase in new infections, which will at the least likely further delay the rapid relaxation of containment measures and new opening steps. The survey results also show how differently the individual sectors have been hit by the pandemic and the containment measures. While industrial companies are seeing the future in an almost euphoric light (highest business expectations for over ten years), the mood in the service sector, in the hospitality industry and in the retail sector remains subdued in spite of recent improvements. The ifo survey thus essentially confirms the latest results from the purchasing manager surveys. Even if the sentiment indicators in aggregate surprised on the upside in March, they will likely have exaggerated the current macroeconomic activity somewhat. Despite the extremely robust state of the economy as a whole during the lockdown, also in international comparison, we have lowered our growth forecast for 2021 to 3.2 percent, in particular because of the weak start to the year.

Fundamental forecasts, Germany

	2020	**2021**	**2022**
GDP	-4.9	3.2	4.3
Private consumption	-6.1	1.8	5.2
Govt. consumption	3.3	2.1	1.3
Fixed investment	-3.1	2.4	5.5
Exports	-9.4	11.7	5.8
Imports	-8.5	8.8	5.8
Net exports [1]	-0.9	1.7	0.4
Inflation [2]	0.4	2.5	1.4
Unemployment rate [3]	5.9	5.9	5.4
Budget balance [4]	-4.2	-5.0	-1.2
Current acc. balance [4]	6.8	7.0	6.8

Change vs previous year as percentage; [1] as contribution to GDP growth; [2] HICP; [3] as percentage of the civil labour force (Federal Employment Office definition); [4] as percentage of GDP

Sources: Feri, NORD/LB Macro Research

Quarterly forecasts, Germany

	II/20	**III/20**	**IV/20**	**I/21**	**II/21**
GDP sa qoq	-9.7	8.5	0.3	-1.3	1.0
GDP nsa yoy	-11.3	-3.9	-2.7	-3.4	9.0
Inflation yoy	0.7	-0.2	-0.6	1.7	1.9

Change as percentage

Sources: Feri, NORD/LB Macro Research

Switzerland
SNB maintains its highly expansionary monetary policy stance

Analyst: Christian Lips, Chief Economist

Swiss government stops planned relaxation of Covid-19 restrictions
Q4/2020 saw Switzerland's real GDP grow faster than expected (+0.3 percent qoq) despite the second pandemic wave, indicating that the economic meltdown there in 2020 as a whole was significantly less severe than in the neighbouring European countries. The latest economic indicators suggest that the downward trend has likely come to an end for the time being, with the important KOF economic barometer recently climbing to 102.7 balance points (+6.2) and the SECO's index of weekly economic activity also indicating an upward trend in economic momentum. However, the Swiss government has put the planned relaxation of Covid-19 restrictions on hold in view of the renewed increase in new infections, and this will likely dampen the recently more positive outlook for contact-intensive sectors of the economy again. GDP growth can be expected to pick up again more strongly in the wake of the progress made in the vaccination campaign and a gradual opening of the economy. We are therefore maintaining our GDP forecast of 3.1 percent for 2021 as a whole.

Temporarily weakened Swiss franc due to market rotation
The Swiss National Bank is maintaining its expansionary monetary policy stance, and it came as no great surprise that it left the key rates unchanged at its last interest rate meeting. Though the SNB did adjust its conditional inflation forecast for the years 2021 and 2022 slightly upwards this time, this was primarily attributable to a higher oil price and a somewhat weaker Swiss franc. Overall, inflation in Switzerland will remain too low in the medium term as well, given forecasted price increase rates of 0.2 percent in 2021, 0.4 percent in 2022 and 0.5 percent in 2023. Declining demand for safe-haven assets, rotation on the stock markets into cyclical values and globally rising capital market yields have weakened the Swiss franc somewhat in recent weeks. The emerging global recovery will likely further ease the appreciation pressure on the CHF, allowing the SNB to take this as an opportunity to scale back its extensive FX market interventions. These had reached a crisis-induced record volume CHF 110bn in 2020. We are therefore not anticipating any great depreciation of the franc, especially since a favourable development of the interest rate spread to the eurozone is not to be reckoned with in the foreseeable future. On the other hand, no one should doubt the SNB's determination to intervene massively in the event of new flights to the franc – despite the somewhat toned-down wording in the March monetary policy assessment which primarily takes into account the recent favourable CHF exchange rate trend.

Fundamental forecasts*, Switzerland

	2020	2021	202“
GDP	-2.9	3.1	3.4
Inflation (CPI)	-0.7	0.1	0.4
Unemployment rate [1]	3.1	3.5	3.3
Budget balance [2]	-4.0	-2.2	-0.6
Current acc. balance [2]	4.1	7.0	7.5

Interest and exchange rates, Switzerland

	25.03.	3M	6M	12M
SNB key rate	-0.75	-0.75	-0.75	-0.75
3M rate	-0.76	-0.75	-0.75	-0.75
10Y	-0.36	-0.30	-0.20	-0.30
Spread 10Y Bund	3	0	0	0
EUR in CHF	1.11	1.11	1.12	1.10

* Change vs previous year as percentage; [1] as percentage of the labour force; [2] as percentage of GDP

Sources: Feri, Bloomberg, NORD/LB Macro Research

Japan
Bank of Japan aims for greater transparency

Analysts: Tobias Basse // Bernd Krampen

Bank of Japan aims for greater transparency

At its last monetary policy meeting the Bank of Japan resolved to leave its interest rate policy unchanged, meaning that the traditional key interest rate and the target yield on 10-year government bonds will be held at their present levels. Having reviewed the Japanese monetary policy framework, however, the BoJ has now also put the JGB target band in precise figures, intending to permit yield fluctuations between plus and minus 0.25 percent from the target level. Some observers appear to diagnose that, in doing so, the central bankers have widened the JGB target band. However, the Bank of Japan emphasized that the move is merely for the purpose of specifying a precise value in the interests of greater transparency. In addition, measures towards buttressing bank lending to the economy were announced and the officials have tabled a number of ideas as to how the Japanese financial sector can be supported in the event of possible renewed rate cuts. These policy adjustments are aimed at giving the central bank more flexibility and thus help to cushion the negative impacts of the interest rate policy on the country's commercial banks. In addition, the central bankers in Tokyo have abandoned the minimum target for ETF purchases and are now focusing on the broader-based Topix index (and no longer on the Nikkei) where this programme is concerned. The main aim behind this is to mitigate the effects of the purchases on individual securities. In this context the central bank emphasized that the abandonment of the minimum target for ETF purchases ought not to be seen as a signal for an imminent end to this programme. All in all, therefore, the central bankers have merely announced adjustments of a more technical nature which appear to be aimed primarily at increasing the effectiveness of the previous measures.

Waiting for the Summer Olympics in Tokyo

The Tokyo conurbation has been the only area still subject to the COVID-induced state of emergency since the beginning of March – a state of affairs that already ought to be helping the country's economy. The Tokyo Olympics could still be cancelled, however, and remain a factor of uncertainty for all growth forecasts. The opening ceremony is currently scheduled for 23 July. Extensive plans for hygiene measures have been drawn up, subject to which athletes, coaches, team officials and media representatives will have to be quarantined before the Games, as was already the case at the Australian Open tennis tournament. Overseas spectators will not be allowed into Japan to attend the Games, which, in itself, can already be expected to curb the anticipated positive economic effects of the event.

Fundamental forecasts*, Japan

	2020	2021	2022
GDP	-4.8	2.8	2.1
Inflation	0.0	0.1	0.5
Unemployment rate [1]	2.8	3.0	2.8
Budget balance [2]	-12.7	-8.0	-5.4
Current acc. balance [2]	3.2	3.5	3.5

* Change vs previous year as percentage

Interest and exchange rates, Japan

	25.03.	3M	6M	12M
Key rate	-0.10	-0.10	-0.10	-0.10
3M rate	-0.08	0.05	0.05	0.10
10Y	0.09	0.10	0.15	0.20
Spread 10Y Bund	47	40	35	50
EUR in JPY	128	128	129	128
USD in JPY	109	109	110	110

[1] as percentage of the labour force; [2] as percentage of GDP

Sources: Feri, Bloomberg, NORD/LB Macro Research

China
Sentiment damper, Chinese New Year and five-year plan!

Analysts: Tobias Basse // Bernd Krampen

Travel restrictions over the New Year celebrations with merely short-term impact
Having been quite positive up to now, the economic picture in China has suffered a slight setback as result of the latest series of sentiment indicators. While having remained above the expansion threshold of 50 points for the past eleven months now, the business surveys are showing an increasingly marked downward tendency, however. The past three months have seen a gradually declining degree of optimism in the Middle Kingdom, as reflected by the official CFLP PMI polled by the China Federation of Logistics and Purchasing for the manufacturing sector which fell from 51.3 to 50.6 points – its lowest level since May. The somewhat more export-oriented Caixin PMI registered similar tendencies, as did the CFLP Non-Manufacturing PMI with a drop from 52.4 to 51.4 points. Imposed due to the fears of a renewed corona outbreak, the travel restrictions for the Chinese New Year celebrations from 12 February onwards are undoubtedly playing a major role behind these downward trends. The restrictions are weighing on the service sector, and the nosedives of the CFLP export component from 50.2 to 48.8 points and of the construction component from 60.0 to 54.7 points are also worthy of note. We expect the pace of growth to slow somewhat again over the course of the year, but that GDP growth of just over 8 percent will nevertheless be achievable. It can safely be assumed that the renewed slight downturn in sentiment reflected in the February figures is primarily attributable to seasonal effects. Of crucial interest for China could be the extent to which other countries ramp up their production output again in the wake of the global vaccination campaigns and gain strength as competitors – though in which case consumer spending will likely pick up as well in those countries.

Fiscal and monetary policymakers remain in wait mode – 14th five-year plan in focus
Given the sound economic outlook, the monetary and fiscal policymakers can remain in wait mode. While the key interest rates will likely be held at the current level, we can expect to see an attempt at consolidating government spending. The brightening situation in the USA due to the fast-moving vaccination campaign there, together with the brief phase of weaker data in China, made for some pressure on the renminbi, with the US dollar rising above the mark of CNY 6.53. This trend will likely continue. Unlike its predecessors, the adopted 14th five-year plan set no explicit growth target but instead provides for more flexible rates of expansion for each year. Growth of 6 percent is targeted in 2021. The unfavourable demography remains a challenge: indeed, the average age in China is already higher than in the USA. This fact can prospectively be expected to dampen the economy's growth potential.

Fundamental forecasts*, China

	2020	2021	2022
GDP	2.3	8.5	5.5
Inflation	1.6	1.6	2.3
Unemployment rate [1]	3.8	3.8	3.6
Budget balance [2]	-7.0	-5.7	-4.3
Current acc. balance [2]	1.5	1.5	1.1

* Change vs previous year as percentage

Interest and exchange rates, China

	25.03.	3M	6M	12M
Deposit rate	1.50	1.50	1.50	1.50
3M SHIBOR	2.67	2.80	2.90	2.90
10Y	3.19	3.30	3.30	3.40
Spread 10Y Bund	357	360	350	370
EUR in CNY	7.70	7.72	7.78	7.77
USD in CNY	6.55	6.60	6.65	6.70

[1] as percentage of the labour force; [2] as percentage of GDP

Sources: Feri, Bloomberg, NORD/LB Macro Research

Britain
Vaccination leader with good prospects of near-term normalization

Analysts: Tobias Basse // Bernd Krampen

Virus vs. vaccination race could be won – but Q1/2021 still weak

While the somewhat unexpected quarter-on-quarter GDP growth of +1.0 percent in Q4/2020 probably averted a double-dip recession, the economic data available for January suggest that Q1/2021 will likely register a downturn in gross domestic product. The continuingly high COVID-19 infection rates at the turn of the year had necessitated a lockdown – a measure that took its toll on the UK economy. Retail sales fell significantly and industrial output logged a month-on-month drop of 1.5 percent. As expected, a race is looming between the more contagious virus variant B.1.1.7 and the vaccination campaign, the latter of which is proceeding at a far greater pace than in the EU. With half of the (adult) population already vaccinated, Britain appears to have good prospects of a near-term normalization.

BoE in wait mode in light of vaccination successes – rising gilt yields and pound

The BoE decided against taking any new measures despite the UK economy's slowdown at the beginning of the year. This was hardly surprising, since the progress in the fight against Covid-19 suggests a near-term improvement in economic activity. The successful vaccination campaign will likely allow the government to gradually relax the lockdown measures in line with its 4-stage plan. That said, the central bankers continued to emphasize that they stand ready to intervene if the economic crisis should worsen. Though probably not completely off the table, interest rate cuts now appear highly unlikely. The concerns within the BoE about putting negative interest rates in place are in any case no secret: on the one hand, lower interest rates could help the economy but, on the other, negative interest rates imply an elevated stress factor for the banking system. The BoE sees its monetary policy measures as "appropriate" and indeed that the outlook has brightened. Nevertheless, the central bankers will only then take a less expansionary monetary policy stance against the background of a sustainable economic recovery and higher inflation. The marked upturn in yields on 10-year gilts from 0.20 percent at the beginning of the year to over 0.90 percent at times is primarily due to the brighter economic prospects in the opinion of the BoE, which is in any case not pursuing any yield target. They reflect higher inflation expectations, which, however, appear to chime with the central bank's assessments. The pound's strength is also to be seen in connection with the divergent vaccination successes on the two sides of the English Channel. A slight countermovement is accordingly to be expected in the course of 2021.

Fundamental forecasts*, Britain

	2020	2021	2022
GDP	-9.9	4.7	5.7
Inflation (CPI)	0.9	1.6	1.9
Unemployment rate [1]	4.5	6.0	5.4
Budget balance [2]	-17.3	-10.0	-5.2
Current acc. balance [2]	-2.3	-3.8	-3.6

* Change vs previous year as percentage

Interest and exchange rates, Britain

	25.03.	3M	6M	12M
Repo rate	0.10	0.10	0.10	0.10
3M	0.09	0.10	0.10	0.10
10Y	0.73	0.75	0.85	1.10
Spread 10Y Bund	111	105	105	140
EUR in GBP	0.86	0.90	0.90	0.90
GBP in USD	1.37	1.30	1.30	1.29

[1] as percentage of the labour force as per ILO concept; [2] as percentage of GDP

Sources: Feri, Bloomberg, NORD/LB Macro Research

Canada
BoC to cut its bond purchases in April already?

Analysts: Tobias Basse // Bernd Krampen

Rising new infections again in Canada as well

The spread of the virus remains the biggest headwind to growth, with new infections currently rising again in parts of Canada. The race between the vaccination campaign and the spread of Covid-19 and its mutations will play a crucial role in how quickly the economy recovers. One bright spot on this front is that the Canadian vaccine deliveries are currently speeding up.

Growing likelihood of QE tapering

A closer look of the press release on the last interest rate meeting reveals that there were already minor indications that the BoC could well start cutting its bond purchases earlier than had previously been expected. The central bankers appear to have growing confidence in the economic recovery and are therefore likely to feel less committed to the purchasing programme. This assessment was fuelled only recently by a speech from the BoC's deputy governor Gravelle, in which he explicitly referred to the implication in the January statement to the effect that the Canadian economy will no longer need as much QE stimulus over time if the economy develops in line with or even stronger than the BoC forecast. In this respect it should be kept in mind that in particular the Canadian central bank's Q4 GDP projection had significantly underestimated the extent of real economic growth. The output gap is apparently closing faster than the BoC had anticipated, so that the restoration of the pandemic-induced shortfall in GDP could already be within reach by the summer. Canada's central bankers would probably prefer to wait for the US Fed to take action before reacting itself but, given the aforementioned exceeding of expectations, the likelihood of QE tapering could have grown significantly. Indeed, as early as April we could well see the BoC reducing its bond purchases to CAD 3bn per week from the current weekly level of CAD 4bn. Market participants ought to keep a close eye on statements from central bank officials in the run-up to the next BoC interest rate meeting on April 21. Any QE tapering would also increase the probability of the central bankers in Ottawa tending to give greater consideration to interest rate hikes. Gravelle's prediction was that an interest rate hike would come "some time" after the reinvestment phase of QE is reached.

Fundamental forecasts*, Canada

	2020	2021	2022
GDP	-5.4	5.4	4.0
Inflation	0.7	2.0	2.0
Unemployment rate [1]	9.6	7.8	6.3
Budget balance [2]	-16.0	-6.0	-2.7
Current acc. balance [2]	-1.9	-1.8	-1.6

* Change vs previous year as percentage

Interest and exchange rates, Canada

	25.03.	3M	6M	12M
O/N target rate	0.25	0.25	0.25	0.25
3M	0.09	0.15	0.20	0.20
10Y	1.47	1.40	1.55	1.70
Spread 10Y Bund	185	170	175	200
EUR in CAD	1.48	1.51	1.52	1.51
USD in CAD	1.26	1.29	1.30	1.30

[1] as percentage of the labour force; [2] as percentage of GDP

Sources: Feri, Bloomberg, NORD/LB Macro Research

NORD/LB

Australia
Growth could now imply an earlier rate hike after all

Analysts: Tobias Basse // Bernd Krampen

Robust GDP growth in Q4/20 – floods could somewhat dampen the outlook for Q1/21
The closing quarter of 2020 saw Australia deliver impressive proof that low new COVID case counts are the key to a return to solid growth data, with GDP up by an unexpectedly robust quarter-on-quarter figure of 3.1 percent (after 3.4 percent qoq in Q3). Particularly decisive impetus came from private consumption but also residential construction as well. The second wave of COVID infections in July and August was broken by restrictive measures, and the summer in the southern hemisphere has also bought the country some time to make for a further easing of the situation. Indeed, just five fatalities have been reported since mid-October! The surveys on corporate sentiment are in the meantime registering an ongoingly optimistic outlook among the respondent companies, as reflected in the AiG PMIs for both the manufacturing (58.8 points) as well as service (55.8 points) sectors. The labour market registered significant growth in employment from October to February, so that the unemployment rate fell rapidly from 7.0 to 5.8 percent in that period. By contrast, retail sales are on a veritable zigzag path – a trend undoubtedly attributable not only to monthly countermovements but also to inflation concerns. The increased savings among private households and the government's fiscal policy measures are at any rate buttressing consumption. China's recovery is also playing a key role in Australia. Stable raw material prices are bolstering Australia's (mining) economy, whereas the persistently strong Australian dollar is quite adversely impacting the export sector. Problems recently arose with the vaccination campaign, which in any case started quite late, with adverse weather conditions making for a further delay in the roll-out. This means it will take even longer before an adequate number of Australians are vaccinated, besides which the floods in the south-east of the country could also weigh somewhat on the economy in Q1.

RBA curbs Australian dollar's surge with QE adjustment
The RBA's decision in early February to extend its bond purchasing programme came unexpectedly and was undoubtedly also taken in light of the Australian currency's strength. This measure at least curbed the AUD's s surge that had briefly propelled it to over USD 0.80. The RBA will also be looking to break the surge in house prices. Given a continuation of the economic recovery and the absence of a third COVID wave, we actually see the likelihood of a rate hike earlier than 2024 as previously reckoned with. On the other hand, the RBA has repeatedly referred to the low wage increases and thus to subdued inflation for years to come.

Fundamental forecasts*, Australia

	2020	2021	2022
GDP	-2.4	4.2	3.1
Inflation	0.8	1.8	1.7
Unemployment rate [1]	6.5	6.0	5.3
Budget balance [2]	-8.0	-9.8	-5.0
Current acc. balance [2]	2.5	1.3	0.5

* Change vs previous year as percentage

Interest and exchange rates, Australia

	25.03.	3M	6M	12M
Cash target rate	0.10	0.10	0.10	0.10
3M	0.03	0.05	0.10	0.15
10Y	1.67	1.70	1.80	2.00
Spread 10Y Bund	205	200	200	230
EUR in AUD	1.55	1.56	1.58	1.58
USD in AUD	0.76	0.75	0.74	0.74

[1] as percentage of the labour force; [2] as percentage of GDP

Sources: Feri, Bloomberg, NORD/LB Macro Research

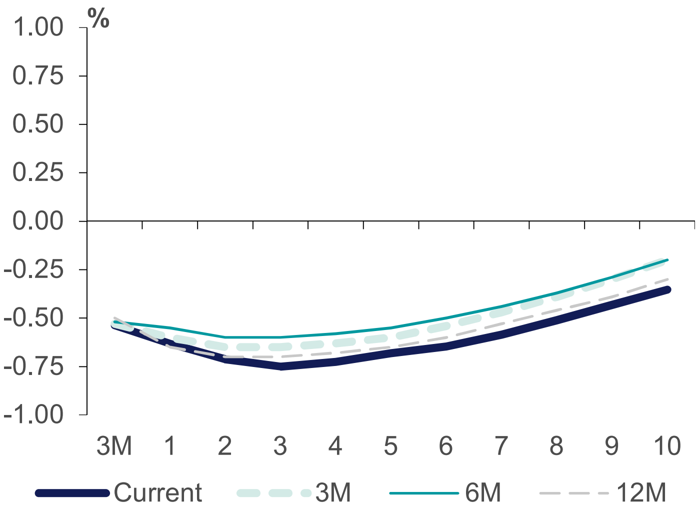
Portfolio strategies
Yield curve, Euroland

Yields and forecasts (Bunds/Swap)

Yields (in %)		NORD/LB forecast for horizons		
	Current	3M	6M	12M
3M	-0.54	-0.53	-0.52	-0.50
1Y	-0.63	-0.60	-0.55	-0.65
2Y	-0.71	-0.65	-0.60	-0.70
3Y	-0.75	-0.65	-0.60	-0.70
4Y	-0.73	-0.63	-0.58	-0.68
5Y	-0.68	-0.60	-0.55	-0.65
6Y	-0.65	-0.54	-0.50	-0.60
7Y	-0.59	-0.47	-0.44	-0.53
8Y	-0.51	-0.39	-0.37	-0.46
9Y	-0.43	-0.30	-0.29	-0.39
10Y	-0.35	-0.20	-0.20	-0.30
2Y (Swap)	-0.51	-0.45	-0.40	-0.50
5Y (Swap)	-0.37	-0.30	-0.25	-0.35
10Y (Swap)	-0.01	0.15	0.15	0.05

Sources: Bloomberg, NORD/LB Macro Research

Yield curve forecasts (Bunds)



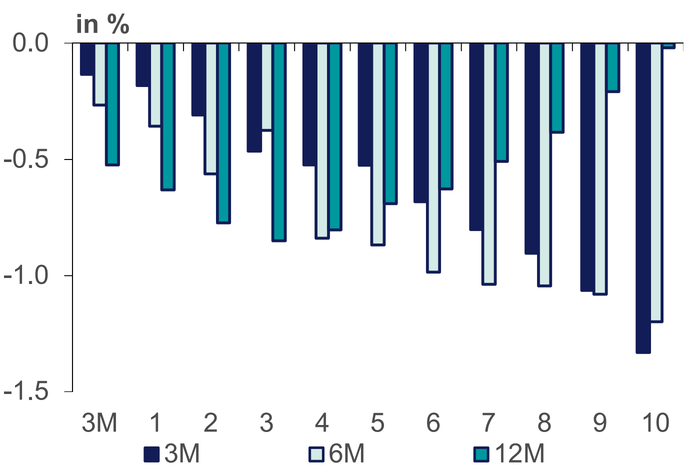
Sources: Bloomberg, NORD/LB Macro Research

Forecasts and total returns

	Total returns (in %) for horizons...		
	3M	6M	12M
3M	-0.13	-0.27	-0.52
1Y	-0.18	-0.36	-0.63
2Y	-0.31	-0.56	-0.77
3Y	-0.46	-0.38	-0.85
4Y	-0.52	-0.84	-0.80
5Y	-0.53	-0.87	-0.69
6Y	-0.68	-0.99	-0.63
7Y	-0.80	-1.04	-0.51
8Y	-0.90	-1.04	-0.38
9Y	-1.06	-1.08	-0.21
10Y	-1.33	-1.20	-0.02

Sources: Bloomberg, NORD/LB Macro Research

Expected total returns



Sources: Bloomberg, NORD/LB Macro Research

A total return is the absolute profit from an investment in the time period under consideration, with account being taken of the pro-rata yields plus the price gains or losses to be anticipated on the basis of the forecast yield curve change.

Portfolio strategies
International yield curve: 3-month & 12-month horizons

3-month horizon

Expected total returns (as %) in euro

	EUR	USD	GBP	JPY	CHF
1Y	-0.2	0.5	-4.9	0.2	-0.6
2Y	-0.3	0.5	-4.9	0.2	-0.6
3Y	-0.5	0.6	-4.9	0.2	-0.6
4Y	-0.5	0.9	-4.9	0.1	-0.6
5Y	-0.5	1.2	-4.8	0.0	-0.6
6Y	-0.7	1.8	-4.5	-0.1	-0.7
7Y	-0.8	2.1	-4.4	-0.1	-0.9
8Y	-0.9	2.2	-3.9	-0.1	-1.0
9Y	-1.1	2.1	-3.7	0.0	-0.9
10Y	-1.3	2.1	-4.7	0.3	-0.9

Sources: Bloomberg, NORD/LB Macro Research

Expected total returns (as %) in national currencies

	USD	GBP	JPY	CHF
1Y	0.0	-0.1	-0.1	-0.2
2Y	-0.1	-0.1	-0.2	-0.3
3Y	0.1	-0.1	-0.2	-0.3
4Y	0.4	-0.1	-0.3	-0.3
5Y	0.6	0.0	-0.4	-0.3
6Y	1.2	0.3	-0.4	-0.3
7Y	1.5	0.4	-0.5	-0.6
8Y	1.7	0.9	-0.5	-0.6
9Y	1.5	1.2	-0.3	-0.6
10Y	1.5	0.2	-0.1	-0.5

Sources: Bloomberg, NORD/LB Macro Research

12-month horizon

Expected total returns (as %) in euro

	EUR	USD	GBP	JPY	CHF
1Y	-0.6	1.5	-4.9	0.2	-0.3
2Y	-0.8	1.4	-4.9	0.0	-0.3
3Y	-0.8	1.7	-5.0	0.1	-0.2
4Y	-0.8	1.9	-5.2	-0.1	0.0
5Y	-0.7	2.1	-5.2	-0.2	0.1
6Y	-0.6	2.4	-5.1	-0.3	0.0
7Y	-0.5	2.7	-5.3	-0.5	-0.2
8Y	-0.4	2.7	-5.0	-0.5	-0.2
9Y	-0.2	2.5	-5.1	-0.5	0.0
10Y	0.0	2.1	-6.1	-0.3	0.1

Sources: Bloomberg, NORD/LB Macro Research

Expected total returns (as %) in national currencies

	USD	GBP	JPY	CHF
1Y	0.1	0.0	-0.1	-0.8
2Y	0.0	-0.1	-0.3	-0.8
3Y	0.3	-0.2	-0.3	-0.7
4Y	0.5	-0.4	-0.4	-0.6
5Y	0.7	-0.4	-0.6	-0.4
6Y	1.0	-0.3	-0.7	-0.6
7Y	1.2	-0.5	-0.8	-0.8
8Y	1.3	-0.2	-0.9	-0.7
9Y	1.1	-0.3	-0.8	-0.6
10Y	0.7	-1.3	-0.7	-0.5

Sources: Bloomberg, NORD/LB Macro Research

A total return is the absolute profit from an investment in the time period under consideration, with account being taken of the pro-rata yields plus the price gains or losses to be anticipated on the basis of the forecast yield curve and exchange rate change.

Portfolio strategies
Stock market strategy; 3-month, 6-month & 12-month horizons

Levels and performance

Index	Level as at 25.03.2021	Status		Performance since	
		Prev. month	Start of year	Prev. month	Start of year
DAX	14,610.39	13,786.29	13,718.78	5.98%	6.50%
MDAX	31,511.15	31,270.86	30,796.26	0.77%	2.32%
EuroSTOXX50	3,832.55	3,636.44	3,552.64	5.39%	7.88%
STOXX50	3,274.22	3,124.51	3,108.30	4.79%	5.34%
STOXX600	423.39	404.99	399.03	4.54%	6.10%
Dow Jones	32,420.06	30,932.37	30,606.48	4.81%	5.93%
S&P 500	3,889.14	3,811.15	3,756.07	2.05%	3.54%
Nikkei	28,729.88	28,966.01	27,444.17	-0.82%	4.68%

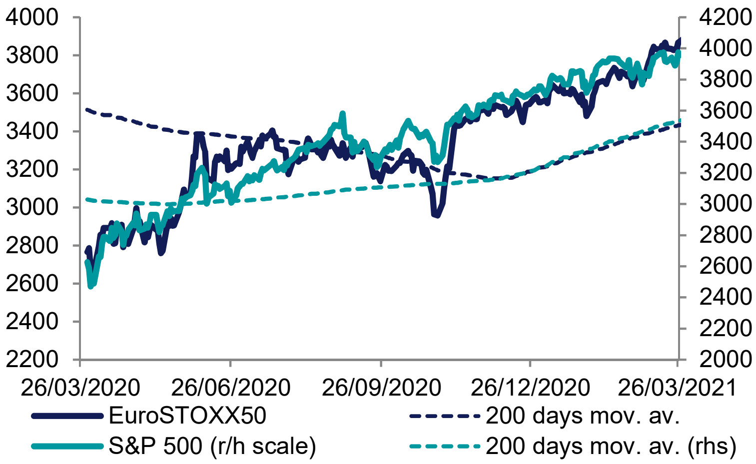
Sources: Bloomberg, NORD/LB Macro Research

Index forecasts

Index	NORD/LB forecast for horizons ...		
	3M	6M	12M
DAX	13,800	14,600	15,500
MDAX	30,200	32,000	33,900
EuroSTOXX50	3,580	3,825	4,000
STOXX50	3,075	3,275	3,400
STOXX600	400	425	440
Dow Jones	31,500	32,500	33,000
S&P 500	3,850	3,950	4,000
Nikkei	28,250	29,500	30,250

Sources: Bloomberg, NORD/LB Macro Research

EuroSTOXX50 and S&P500



Sources: Bloomberg, NORD/LB Macro Research

Date of going to press for data, forecasts and texts was **Friday, 26 March 2021**.

The next English issue of Economic Adviser will be appearing on **26 April 2021**.

Overview of forecasts

Fundamental forecasts

in %	GDP growth			Rate of inflation			Unemployment rate[1]			Budgetary balance [2]		
	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022
USA	-3.5	4.9	3.1	1.2	2.6	2.4	8.1	6.0	5.0	-15.7	-11.6	-8.3
Euroland	-6.8	4.1	4.6	0.3	1.6	1.3	7.9	8.0	7.6	-7.8	-6.1	-4.2
Germany	-4.9	3.2	4.3	0.4	2.5	1.4	5.9	5.9	5.4	-4.2	-5.0	-1.2
Japan	-4.8	2.8	2.1	0.0	0.1	0.5	2.8	3.0	2.8	-12.7	-8.0	-5.4
Britain	-9.9	4.7	5.7	0.9	1.6	1.9	4.5	6.0	5.4	-17.3	-10.0	-5.2
Switzerland	-2.9	3.1	3.4	-0.7	0.1	0.4	3.1	3.5	3.3	-4.0	-2.2	-0.6
China	2.3	8.5	5.5	1.6	1.6	2.3	3.8	3.8	3.6	-7.0	-5.7	-4.3
Canada	-5.4	5.4	4.0	0.7	2.0	2.0	9.6	7.8	6.3	-16.0	-6.0	-2.7
Australia	-2.4	4.2	3.1	0.8	1.8	1.7	6.5	6.0	5.3	-8.0	-9.8	-5.0

Change vs previous year as percentage; [1] as percentage of the labour force (Germany: as per Federal Employment Office definition); [2] as percentage of GDP

Sources: Feri, NORD/LB Macro Research

Key rates

In %	25.03.21	3M	6M	12M
USD	0.25	0.25	0.25	0.25
EUR	0.00	0.00	0.00	0.00
JPY	-0.10	-0.10	-0.10	-0.10
GBP	0.10	0.10	0.10	0.10
CHF	-0.75	-0.75	-0.75	-0.75
CNY	1.50	1.50	1.50	1.50
CAD	0.25	0.25	0.25	0.25
AUD	0.10	0.10	0.10	0.10

Sources: Bloomberg, NORD/LB Macro Research

Exchange rates

EUR in…	25.03.21	3M	6M	12M
USD	1.18	1.17	1.17	1.16
JPY	128	128	129	128
GBP	0.86	0.90	0.90	0.90
CHF	1.11	1.11	1.12	1.10
CNY	7.70	7.72	7.78	7.77
CAD	1.48	1.51	1.52	1.51
AUD	1.55	1.56	1.58	1.58

Sources: Bloomberg, NORD/LB Macro Research

Interest rates (government bonds)

	3M rates				Yields 2Y				Yields 5Y				Yields 10Y			
	25.03.	3M	6M	12M	25.03.	3M	6M	12M	25.03.	3M	6M	12M	25.03.	3M	6M	12M
USD	0.19	0.20	0.25	0.30	0.14	2.60	0.25	0.30	0.83	0.80	0.90	1.10	1.63	1.50	1.60	1.80
EUR	-0.54	-0.53	-0.52	-0.50	-0.72	-0.65	-0.60	-0.70	-0.70	-0.60	-0.55	-0.65	-0.38	-0.30	-0.20	-0.30
JPY	-0.08	0.05	0.05	0.10	-0.14	-0.10	-0.05	-0.05	-0.09	-0.03	0.03	0.04	0.09	0.10	0.15	0.20
GBP	0.09	0.10	0.10	0.10	0.05	0.10	0.15	0.30	0.32	0.34	0.41	0.60	0.73	0.75	0.85	1.10
CHF	-0.76	-0.75	-0.75	-0.75	-0.81	-0.80	-0.75	-0.80	-0.64	-0.60	-0.55	-0.60	-0.36	-0.30	-0.20	-0.30

Sources: Bloomberg, NORD/LB Macro Research

Spreads (bp)

	3M EURIBOR				2Y Bunds				5Y Bunds				10Y Bunds			
	25.03.	3M	6M	12M	25.03.	3M	6M	12M	25.03.	3M	6M	12M	25.03.	3M	6M	12M
USD	73	73	77	80	85	85	85	100	153	140	145	175	202	180	180	210
JPY	46	58	57	60	58	55	55	65	61	58	58	69	47	40	35	50
GBP	63	63	62	60	76	75	75	100	101	94	96	125	111	105	105	140
CHF	-22	-22	-23	-25	-9	-15	-15	-10	6	0	0	5	3	0	0	0

Sources: Bloomberg, NORD/LB Macro Research

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