

September 11, 2023

In light of the very dynamic market environment these forecasts are subject to change at any time.

## Macro / Resilient labor markets

### GDP growth (in %, year-on-year)

Region	2023F		2024F
United States	2.0	↘	0.4
Eurozone	0.8	↗	0.9
United Kingdom	0.3	↗	0.7
Japan	2.1	↘	1.1
China	4.8	↘	4.5
World	2.9	↘	2.7

### Fiscal deficit (in % of GDP)

Region	2023F		2024F
United States	5.6	→	5.6
Eurozone	3.2	↘	2.7
United Kingdom	5.8	↘	5.3
Japan	6.0	↘	4.5
China	6.9	↘	6.4

### Consumer price inflation (in %, year-on-year)

Region	2023F		2024F
United States <sup>1</sup>	4.1	↘	2.6
Eurozone	5.7	↘	2.5
United Kingdom	7.4	↘	2.6
Japan	2.9	↘	1.9
China	0.5	↗	2.0

### Unemployment Rate (annual average)

Region	2023F		2024F
United States	3.7	↗	4.3
Eurozone	6.7	→	6.7
United Kingdom	4.0	↗	4.5
Japan	2.5	↘	2.4
China	5.3	↘	5.1

### Benchmark rates (in %)

Region	Current*		Sep 24F
United States	5.25-5.50	↘	4.75-5.00
Eurozone	3.75	↘	3.50
United Kingdom	5.25	↘	5.00
Japan	-0.10	↗	0.10
China	3.45	↘	3.15

### Commodities (in dollars)

	Current*		Sep 24F
Crude oil (Brent)	89.9	↗	88
Gold	1,920	↗	2,150
Copper (LME)	8,321	↗	8,800

\* Source: Bloomberg Finance L.P. as of 9/7/23

<sup>1</sup> core rate, personal consumption expenditure Dec/Dec in % (no average as for the other figures)

F refers to our forecasts as of 9/7/23

LME = London Metal Exchange

Legend applies to this and the following page

- Macro data, exchange rates and alternative investments: The arrows signal whether we expect to see an upward trend ↗, a sideways trend → or a downward trend ↘.
- The signals' colors illustrate the return opportunities for long-only investors: ● positive return potential for long-only investors, ● limited return opportunity as well as downside risk, ● negative return potential for long-only investors.

All opinions and claims are based upon data on 9/7/23 and may not come to pass. This information is subject to change at any time, based upon economic, market and other considerations and should not be construed as a recommendation. Past performance is not indicative of future returns. Forecasts are not a reliable indicator of future performance. Forecasts are based on assumptions, estimates, opinions and hypothetical models that may prove to be incorrect. Alternative investments may be speculative and involve significant risks including illiquidity, heightened potential for loss and lack of transparency. Alternatives are not suitable for all clients.. DWS Investment GmbH

## Equities / Some growth, some value

	Current*		Sep 2024F		Total return (expected) <sup>1</sup>	Expected earnings growth	P/E impact	Dividend yield
			Forecast					
United States (S&P 500)	4,451	●	4,500		2.7%	5%	-4%	1.6%
Europe (Stoxx Europe 600)	454	●	470		7.2%	3%	0%	3.6%
Eurozone (Euro Stoxx 50)	4,221	●	4,350		6.8%	3%	0%	3.8%
Germany (Dax) <sup>2</sup>	15,719	●	16,700		6.4%	4%	-1%	3.7%
United Kingdom (FTSE 100)	7,442	●	7,400		3.7%	1%	-2%	4.3%
Switzerland (Swiss Market Index)	10,993	●	11,300		6.3%	9%	-6%	3.3%
Japan (MSCI Japan Index)	1,456	●	1,500		5.3%	5%	-2%	2.3%
MSCI Emerging Markets Index (USD)	974	●	1,010		6.6%	3%	0%	2.8%
MSCI AC Asia ex Japan Index (USD)	620	●	655		8.2%	6%	0%	2.5%

\*Sources: Bloomberg Finance L.P., FactSet Research Systems Inc. as of 9/7/23 F refers to our forecasts as of 9/7/23

<sup>1</sup> Expected total return includes interest, dividends and capital gains where applicable

<sup>2</sup> Total-return index (includes dividends)

## Fixed Income / Yields – data dependent

### United States

	Current*		Sep 2024F
U.S. Treasuries (10-year)	4.24%	●	4.20%
U.S. high-yield municipal bonds <sup>1</sup>	231 bp	●	225 bp
U.S. investment-grade corporates	111 bp	●	95 bp
U.S. high-yield corporates	376 bp	●	450 bp
Securitized: mortgage-backed securities <sup>2</sup>	54 BP	●	120 bp

### Europe

	Current*		Sep 2024F
German Bunds (10-year)	2.61%	●	2.70%
UK Gilts (10-year)	4.45%	●	4.10%
Euro investment-grade corporates <sup>3</sup>	168 bp	●	110 bp
Euro high-yield corporates <sup>3</sup>	494 bp	●	450 bp
Securitized: covered bonds <sup>3</sup>	92 bp	●	70 bp
Italy (10-year) <sup>3</sup>	173 bp	●	200 bp

### Asia-Pacific

	Current*		Sep 2024F
Japanese government bonds (10-year)	0.66%	●	0.75%
Asia credit	297 bp	●	280 bp

### Global

	Current*		Sep 2024F
Emerging-market sovereigns	425 bp	●	440 bp
Emerging-market credit	347 bp	●	325 bp

### Currencies

	Current*		Sep 2024F
EUR vs. USD	1.07	↗	1.12
USD vs. JPY	147	↘	135
EUR vs. GBP	0.86	→	0.86
GBP vs. USD	1.25	↗	1.30
USD vs. CNY	7.33	↗	7.20

\* Source: Bloomberg Finance L.P. as of 9/7/23

<sup>1</sup> Spread over U.S. Treasuries

<sup>2</sup> Bloomberg Barclays MBS Forward Index

<sup>3</sup> Spread over German Bunds

F refers to our forecasts as of 9/07/23

bp = basis points

All opinions and claims are based upon data on 9/7/23 and may not come to pass. This information is subject to change at any time, based upon economic, market and other considerations and should not be construed as a recommendation. Past performance is not indicative of future returns. Forecasts are not a reliable indicator of future performance. Forecasts are based on assumptions, estimates, opinions and hypothetical models that may prove to be incorrect. Alternative investments may be speculative and involve significant risks including illiquidity, heightened potential for loss and lack of transparency. Alternatives are not suitable for all clients.. DWS Investment GmbH

## GLOSSARY

One **basis point** equals 1/100 of a percentage point.

A **benchmark** is an index or other value against which an investment's performance is measured.

**Brent** crude is a grade of crude oil dominant in the European market.

**Bunds** is a commonly used term for bonds issued by the German federal government with a maturity of 10 years.

The **Chinese yuan (CNY)** is legal tender on the Chinese mainland and the unit of account of the currency, Renminbi (RMB).

**Covered bonds** are securities similar to asset-backed securities (ABS) which are covered with public-sector or mortgages loans and remain on the issuer's balance sheet.

The **current account** includes trade in goods and services, a net-factor-income balance (e.g. earnings on foreign investments and cash transfers from individuals working abroad) and transfers (e.g. foreign aid). It is a part of the balance of payments.

The **Dax** is a blue-chip stock-market index consisting of the 30 major German companies trading on the Frankfurt Stock Exchange.

The **dividend yield** is the dividend that a company pays out each year divided by its share price.

**Emerging markets (EM)** are economies not yet fully developed in terms of, amongst others, market efficiency and liquidity.

The **euro (EUR)** is the common currency of states participating in the Economic and Monetary Union and is the second most held reserve currency in the world after the dollar.

The **Euro Stoxx 50** is an index that tracks the performance of blue-chip stocks in the Eurozone.

The **Eurozone** is formed of 19 European Union member states that have adopted the euro as their common currency and sole legal tender.

**Fiscal policy** describes government spending policies that influence macroeconomic conditions. Through fiscal policy, the government attempts to improve unemployment rates, control inflation, stabilize business cycles and influence interest rates in an effort to control the economy.

The **FTSE 100** is an index that tracks the performance of the 100 major companies trading on the London Stock Exchange.

**Gilts** are bonds that are issued by the British Government.

**Gross national product (GNP)** is economic statistic that measures what a country's citizens produced. It includes gross domestic product (GDP) plus any income earned by residents from overseas investments, but excludes income earned within the domestic economy by overseas residents.

**High-yield bonds** are issued by below-investment-grade-rated issuers and usually offer a relatively high yield.

**Inflation** is the rate at which the general level of prices for goods and services is rising and, subsequently, purchasing power is falling.

**Investment grade (IG)** refers to a credit rating from a rating agency that indicates that a bond has a relatively low risk of default.

The **Japanese yen (JPY)** is the official currency of Japan.

A **mortgage-backed security (MBS)** is a special type of asset-backed security where the holder receives interest and redemption payments from pooled mortgage debtors, secured by the underlying mortgages.

The **MSCI AC Asia ex Japan Index** captures large- and mid-cap representation across 2 of 3 developed-market countries (excluding Japan) and 8 emerging-market countries in Asia.

The **MSCI Emerging Markets Index** captures large- and mid-cap representation across 23 emerging-market countries.

The **MSCI Japan Index** is designed to measure the performance of the large- and mid-cap segments of the Japanese market.

**Municipal bonds (Munis)** are debt securities issued by a state, municipality or country.

The **pound sterling (GBP)**, or simply the pound, is the official currency of the United Kingdom and its territories.

The **price-to-earnings (P/E) ratio** compares a company's current share price to its earnings per share.

The **S&P 500** is an index that includes 500 leading U.S. companies capturing approximately 80% coverage of available U.S. market capitalization.

**Sovereign bonds** are bonds issued by governments.

The **spread** is the difference between the quoted rates of return on two different investments, usually of different credit quality.

The **Stoxx Europe 600** is an index representing the performance of 600 listed companies across 18 European countries.

The **Swiss Market Index (SMI)** is Switzerland's most important equity index, consisting of the 20 largest and most liquid large- and mid-cap stocks.

**TINA** is the abbreviation for the term "there is no alternative".

The **total return** is a performance measure of an investment. It measures the earned income of an investment over a specific time period.

**Treasuries** are fixed-interest U.S. government debt securities with different maturities: Treasury bills (1 year maximum), Treasury notes (2 to 10 years), Treasury bonds (20 to 30 years) and Treasury Inflation Protected Securities (TIPS) (5, 10 and 30 years).

The **U.S. dollar (USD)** is the official currency of the United States and its overseas territories.

### Important Information

The brand DWS represents DWS Group GmbH & Co. KGaA and any of its subsidiaries, such as DWS Distributors, Inc., which offers investment products, or DWS Investment Management Americas Inc. and RREEF America L.L.C., which offer advisory services.

This document has been prepared without consideration of the investment needs, objectives or financial circumstances of any investor. Before making an investment decision, investors need to consider, with or without the assistance of an investment adviser, whether the investments and strategies described or provided by Deutsche Bank, are appropriate, in light of their particular investment needs, objectives and financial circumstances. Furthermore, this document is for information/discussion purposes only and does not and is not intended to constitute an offer, recommendation or solicitation to conclude a transaction or the basis for any contract to purchase or sell any security, or other instrument, or for Deutsche Bank to enter into or arrange any type of transaction as a consequence of any information contained herein and should not be treated as giving investment advice. Deutsche Bank AG, including its subsidiaries and affiliates, does not provide legal, tax or accounting advice. This communication was prepared solely in connection with the promotion or marketing, to the extent permitted by applicable law, of the transaction or matter addressed herein, and was not intended or written to be used, and cannot be relied upon, by any taxpayer for the purposes of avoiding any U.S. federal tax penalties. The recipient of this communication should seek advice from an independent tax advisor regarding any tax matters addressed herein based on its particular circumstances. Investments with Deutsche Bank are not guaranteed, unless specified. Although information in this document has been obtained from sources believed to be reliable, we do not guarantee its accuracy, completeness or fairness, and it should not be relied upon as such. All opinions and estimates herein, including forecast returns, reflect our judgment on the date of this report, are subject to change without notice and involve a number of assumptions which may not prove valid.

Investments are subject to various risks, including market fluctuations, regulatory change, counterparty risk, possible delays in repayment and loss of income and principal invested. The value of investments can fall as well as rise and you may not recover the amount originally invested at any point in time. Furthermore, substantial fluctuations of the value of the investment are possible even over short periods of time. Further, investment in international markets can be affected by a host of factors, including political or social conditions, diplomatic relations, limitations or removal of funds or assets or imposition of (or change in) exchange control or tax regulations in such markets. Additionally, investments denominated in an alternative currency will be subject to currency risk, changes in exchange rates which may have an adverse effect on the value, price or income of the investment. This document does not identify all the risks (direct and indirect) or other considerations which might be material to you when entering into a transaction. The terms of an investment may be exclusively subject to the detailed provisions, including risk considerations, contained in the Offering Documents. When making an investment decision, you should rely on the final documentation relating to the investment and not the summary contained in this document.

This publication contains forward looking statements. Forward looking statements include, but are not limited to assumptions, estimates, projections, opinions, models and hypothetical performance analysis. The forward looking statements expressed constitute the author's judgment as of the date of this material. Forward looking statements involve significant elements of subjective judgments and analyses and changes thereto and/or consideration of different or additional factors could have a material impact on the results indicated. Therefore, actual results may vary, perhaps materially, from the results contained herein. No representation or warranty is made by DWS as to the reasonableness or completeness of such forward looking statements or to any other financial information contained herein. We assume no responsibility to advise the recipients of this document with regard to changes in our views.

No assurance can be given that any investment described herein would yield favorable investment results or that the investment objectives will be achieved. Any securities or financial instruments presented herein are not insured by the Federal Deposit Insurance Corporation ("FDIC") unless specifically noted, and are not guaranteed by or obligations of Deutsche Bank AG or its affiliates. We or our affiliates or persons associated with us may act upon or use material in this report prior to publication. DB may engage in transactions in a manner inconsistent with the views discussed herein. Opinions expressed herein may differ from the opinions expressed by departments or other divisions or affiliates of Deutsche Bank. This document may not be reproduced or circulated without our written authority. The manner of circulation and distribution of this document may be restricted by law or regulation in certain countries. This document is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, including the United States, where such distribution, publication, availability or use would be contrary to law or regulation or which would subject Deutsche Bank to any registration or licensing requirement within such jurisdiction not currently met within such jurisdiction. Persons into whose possession this document may come are required to inform themselves of, and to observe, such restrictions.

Past performance is no guarantee of future results; nothing contained herein shall constitute any representation or warranty as to future performance. Further information is available upon investor's request. All third party data (such as MSCI, S&P & Bloomberg) are copyrighted by and proprietary to the provider.

Deutsche Bank AG is authorised under German Banking Law (competent authority: European Central Bank and the BaFin, Germany's Federal Financial Supervisory Authority) and by the Prudential Regulation Authority and subject to limited regulation by the Financial Conduct Authority and Prudential Regulation Authority. Details about the extent of our authorisation and regulation by the Prudential Regulation Authority, and regulation by the Financial Conduct Authority are available from us on request.

**For investors in Bermuda:** This is not an offering of securities or interests in any product. Such securities may be offered or sold in Bermuda only in compliance with the provisions of the Investment Business Act of 2003 of Bermuda which regulates the sale of securities in Bermuda. Additionally, non-Bermudian persons (including companies) may not carry on or engage in any trade or business in Bermuda unless such persons are permitted to do so under applicable Bermuda legislation.

© 2023 DWS Investment GmbH, Mainzer Landstraße 11-17, 60329 Frankfurt am Main, Germany. All rights reserved.

097580\_1 (09/2023)