

## Quarterly CIO View | Forecasts

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

## Macro | Looking through the Strait of Hormus

### GDP GROWTH (IN %, YEAR-ON-YEAR)

	2026F		2027F
United States	2.0	→	2.0
Eurozone	0.9	↗	1.3
United Kingdom	0.8	↗	1.2
Japan	0.7	↗	0.9
China	4.7	↘	4.4
World	3.1	↗	3.3

### FISCAL DEFICIT (IN % OF GDP)

	2026F		2027F
United States	6.6	↗	6.8
Eurozone	3.4	→	3.4
United Kingdom	3.8	↘	3.0
Japan	3.0	↗	3.2
China	8.5	↘	8.4

### CONSUMER PRICE INFLATION (IN %, YEAR-ON-YEAR)

	2026F		2027F
United States <sup>1</sup>	3.2	↘	2.3
Eurozone	3.1	↘	2.5
United Kingdom	3.1	↘	2.4
Japan	2.3	↗	2.4
China	0.8	↗	1.0

### UNEMPLOYMENT RATE (ANNUAL AVERAGE)

	2026F		2027F
United States	4.7	↘	4.5
Eurozone	6.3	↘	6.1
United Kingdom	5.4	↘	5.3
Japan	2.5	→	2.5
China	5.1	→	5.1

### BENCHMARK RATES (IN %)

	Current*		June 27F
United States	3.50-3.75	↘	3.00-3.25
Eurozone	2.00	↗	2.50
United Kingdom	3.75	↗	4.00
Japan	0.75	↗	1.25
China	3.00	↘	2.80

### COMMODITIES (IN DOLLARS)

	Current*		June 27F
Crude oil (Brent)	111.3	↘	82
Gold	4,483	↗	5,400

\*Source: Bloomberg Finance L.P. as of 5/19/26 | <sup>1</sup> core rate, personal consumption expenditure as end of Dec 2026/Dec 2027 in % (no average as for the other figures in the table) | F refers to our forecasts as of 5/19/26 | 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

- ↗ Upward trend
- Sideways trend
- ↘ 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 5/19/26 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 | AI is driving almost everything

	Current (as of 5/19/26)		June 2027F	Total return (expected) <sup>1</sup>	Expected earnings growth	P/E impact	Dividend yield
United States (S&P 500)	7,347	●	8,200	13.1%	14.8%	-3.1%	1.5%
Europe (Stoxx Europe 600)	611	●	650	9.9%	9.5%	-3.1%	3.5%
Eurozone (Euro Stoxx 50)	5,853	●	6,250	10.2%	10.0%	-3.2%	3.4%
Germany (Dax) <sup>2</sup>	24,387	●	26,300	7.8%	10.1%	-5.1%	2.9%
United Kingdom (FTSE 100)	10,337	●	10,800	8.7%	9.4%	-4.4%	3.7%
Switzerland (Swiss Market Index)	13,365	●	13,850	6.8%	6.0%	-2.4%	3.1%
Japan (MSCI Japan Index)	2,367	●	2,660	14.6%	12.5%	-0.1%	2.2%
MSCI Emerging Markets Index (USD)	1,637	●	1,870	17.4%	27.2%	-13.0%	3.2%
MSCI AC Asia ex Japan Index (USD)	1,082	●	1,245	17.8%	29.0%	-13.9%	2.7%

Source: Bloomberg Finance L.P., FactSet Research Systems Inc. as of 5/19/26 | <sup>1</sup>Expected total return includes interest, dividends and capital gains where applicable | <sup>2</sup>Total-return index (includes dividends) | F refers to our forecasts as of 5/19/26

## Fixed Income | (Temporary?) Inflation and growth scares

### UNITED STATES

	Current*		June2027F
U.S. Treasuries (2-year)	4.12%	●	3.40%
U.S. Treasuries (10-year)	4.67%	●	4.20%
U.S. municipal bonds <sup>1</sup>	67 bp	●	65 bp
U.S. investment-grade corporates <sup>1</sup>	70 bp	●	85 bp
U.S. high-yield corporates <sup>1</sup>	273 bp	●	300 bp
Securitized: mortgage-backed securities <sup>1</sup>	118 bp	●	100 bp

### EUROPE

	Current*		June2027F
German Bunds (2-year)	2.76%	●	2.30%
German Bunds (10-year)	3.19%	●	2.90%
UK Gilts (10-year)	5.13%	●	4.40%
Euro investment-grade corporates <sup>2</sup>	78 bp	●	65 bp
Euro high-yield corporates <sup>2</sup>	256 bp	●	280 bp
Securitized: covered bonds <sup>2</sup>	37 bp	●	30 bp
Italy (10-year) <sup>2</sup>	77 bp	●	60 bp

### ASIA-PACIFIC

	Current*		June2027F
Japanese government bonds (10-year)	2.79%	●	2.40%
Asia credit	108 bp	●	125 bp

### GLOBAL

	Current*		June2027F
Emerging-market sovereigns	242 bp	●	240 bp

### CURRENCIES

	Current*		June2027F
EUR vs. USD	1.16	↗	1.22
USD vs. JPY	159	↘	145
EUR vs. GBP	0.87	↘	0.85
GBP vs. USD	1.34	↗	1.44
USD vs. CNY	6.81	↘	6.60

\*Source: Bloomberg Finance L.P. as of 5/19/26 | <sup>1</sup>Spread over U.S. Treasuries | <sup>2</sup>Spread over German Bunds | F refers to our forecasts as of 5/19/26 | bp = Basis point

Index returns do not reflect fees or expenses, and it is not possible to invest directly in an index. All opinions and claims are based upon data on 5/19/26 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.

**Carbon price** refers to the EU emissions trading systems (ETS) market, which caps the total level of greenhouse gas emissions. By creating supply and demand for emissions allowances, EU ETS establishes a market price for greenhouse gas emissions.

The **Chinese yuan (CNY)** is legal tender on the Chinese main land 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.

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

DWS is the brand name of DWS Group GmbH & Co. KGaA and its subsidiaries under which they do business. The DWS legal entities offering products or services are specified in the relevant documentation. DWS, through DWS Group GmbH & Co. KGaA, its affiliated companies and its officers and employees (collectively "DWS") are communicating this document in good faith and on the following basis.

This document is for information/discussion purposes only and does not constitute an offer, recommendation or solicitation to conclude a transaction and should not be treated as investment advice.

This document is intended to be a marketing communication, not a financial analysis. Accordingly, it may not comply with legal obligations requiring the impartiality of financial analysis or prohibiting trading prior to the publication of a financial analysis.

This document contains forward looking statements. Forward looking statements include, but are not limited to assumptions, estimates, projections, opinions, models and hypothetical performance analysis. No representation or warranty is made by DWS as to the reasonableness or completeness of such forward looking statements. Past performance is no guarantee of future results.

The information contained in this document is obtained from sources believed to be reliable. DWS does not guarantee the accuracy, completeness or fairness of such information. All third party data is copyrighted by and proprietary to the provider. DWS has no obligation to update, modify or amend this document or to otherwise notify the recipient in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate.

Investments are subject to various risks. Detailed information on risks is contained in the relevant offering documents.

No liability for any error or omission is accepted by DWS. Opinions and estimates may be changed without notice and involve a number of assumptions which may not prove valid.

DWS does not give taxation or legal advice.

This document may not be reproduced or circulated without DWS's written authority.

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 DWS 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.

© 2025 DWS Investment GmbH

Issued in the UK by DWS Investments UK Limited which is authorised and regulated in the UK by the Financial Conduct Authority.

© 2026 DWS Investments UK Limited

In Hong Kong, this document is issued by DWS Investments Hong Kong Limited. The content of this document has not been reviewed by the Securities and Futures Commission.

© 2026 DWS Investments Hong Kong Limited

In Singapore, this document is issued by DWS Investments Singapore Limited. The content of this document has not been reviewed by the Monetary Authority of Singapore.

© 2026 DWS Investments Singapore Limited

In Australia, this document is issued by DWS Investments Australia Limited (ABN: 52 074 599 401) (AFSL 499640). The content of this document has not been reviewed by the Australian Securities and Investments Commission.

© 2026 DWS Investments Australia Limited

For institutional / professional investors in Taiwan:

This document is distributed to professional investors only and not others. Investing involves risk. The value of an investment and the income from it will fluctuate and investors may not get back the principal invested. Past performance is not indicative of future performance. This is a marketing communication. It is for informational purposes only. This document does not constitute investment advice or a recommendation to buy, sell or hold any security and shall not be deemed an offer to sell or a solicitation of an offer to buy any security. The views and opinions expressed herein, which are subject to change without notice, are those of the issuer or its affiliated companies at the time of publication. Certain data used are derived from various sources believed to be reliable, but the accuracy or completeness of the data is not guaranteed and no liability is assumed for any direct or consequential losses arising from their use. The duplication, publication, extraction or transmission of the contents, irrespective of the form, is not permitted.

RBA 0086\_102641\_8 (05/2026)

DWS Investment GmbH as of 05/19/26