

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

September 11, 2024

Macro / Still waiting for U.S. slowdown

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

	2024F		2025F
United States	2.4	↘	1.7
Eurozone	0.7	↗	1.0
United Kingdom	1.0	↗	1.2
Japan	0.0	↗	1.2
China	4.8	↘	4.4
World	3.1	↗	3.2

Fiscal deficit (in % of GDP)

	2024F		2025F
United States	6.0	↘	5.9
Eurozone	2.8	↘	2.7
United Kingdom	4.0	↘	3.7
Japan	4.5	↘	3.0
China	13.3	↘	13

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

	2024F		2025F
United States ¹	2.9	↘	2.3
Eurozone	2.5	↘	2.3
United Kingdom	2.6	↘	2.4
Japan	2.5	↘	2.0
China	0.5	↗	1.7

Unemployment Rate (annual average)

	2024F		2025F
United States	4.3	↘	4.1
Eurozone	6.6	→	6.6
United Kingdom	4.4	↗	4.5
Japan	2.5	↘	2.4
China	5.0	→	5.0

Benchmark rates (in %)

	Current*		Sep 25F
United States	5.25-5.50	↘	3.50-3.75
Eurozone	3.75	↘	2.25
United Kingdom	5.00	↘	3.75
Japan	0.25	↗	0.75
China	3.35	↘	3.10

Commodities (in dollars)

	Current*		Sep 25F
Crude oil (Brent)	73.0	↗	80
Gold	2,484	↗	2,810
Copper (LME)	9,000	↗	10,000
Carbon	67	↗	80

* Source: Bloomberg Finance L.P. as of 9/5/24

¹ core rate, personal consumption expenditure as end of Dec 2024/Dec 2025 in % (no average as for the other figures in the table)

F refers to our forecasts as of 9/5/24 | 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 9/5/24 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 / No recession no correction?

	Current*		Sep 2025F		Forecast	Total return (expected) ¹	Expected earnings growth	P/E impact	Dividend yield
United States (S&P 500)	5,503	●	5,800		5,800	6.1%	10.7%	-6.0%	1.5%
Europe (Stoxx Europe 600)	512	●	540		540	8.6%	4.9%	0.2%	3.5%
Eurozone (Euro Stoxx 50)	4,815	●	5,100		5,100	9.0%	4.1%	1.5%	3.5%
Germany (Dax) ²	18,577	●	20,000		20,000	7.3%	7.8%	-3.7%	3.2%
United Kingdom (FTSE 100)	8,242	●	8,350		8,350	4.8%	2.4%	-1.5%	3.8%
Switzerland (Swiss Market Index)	12,031	●	12,350		12,350	5.3%	9.7%	-7.5%	3.1%
Japan (MSCI Japan Index)	1,608	●	1,760		1,760	11.8%	8.4%	1.0%	2.4%
MSCI Emerging Markets Index (USD)	1,076	●	1,140		1,140	8.8%	13.0%	-7.1%	2.9%
MSCI AC Asia ex Japan Index (USD)	687	●	740		740	10.2%	12.7%	-5.2%	2.7%

* Sources: Bloomberg Finance L.P., FactSet Research Systems Inc. as of 9/5/24
¹ Expected total return includes interest, dividends and capital gains where applicable
² Total-return index (includes dividends)
 F refers to our forecasts as of 9/5/24

Fixed Income / 6 cuts in next 12 months

United States

	Current*		Sep 2025F
U.S. Treasuries (10-year)	3.73%	●	4.05%
U.S. municipal bonds ¹	71 bp	●	75 bp
U.S. investment-grade corporates ¹	92 bp	●	85 bp
U.S. high-yield corporates ¹	315 bp	●	375 bp
Securitized: mortgage-backed securities ¹	132 bp	●	120 bp

Europe

	Current*		Sep 2025F
German Bunds (10-year)	2.21%	●	2.25%
UK Gilts (10-year)	3.92%	●	4.00%
Euro investment-grade corporates ²	115 bp	●	95 bp
Euro high-yield corporates ²	365 bp	●	400 bp
Securitized: covered bonds ²	62 bp	●	50 bp
Italy (10-year) ²	143 bp	●	180 bp

* Source: Bloomberg Finance L.P. as of 9/5/24
¹ Spread over U.S. Treasuries
² Spread over German Bunds

Asia-Pacific

	Current*		Sep 2025F
Japanese government bonds (10-year)	0.88%	●	1.40%
Asia credit	224 bp	●	125 bp

Global

	Current*		Sep 2025F
Emerging-market sovereigns	388 bp	●	390 bp

Currencies

	Current*		Sep 2025F
EUR vs. USD	1.11	↘	1.08
USD vs. JPY	143	↘	140
EUR vs. GBP	0.84	→	0.84
GBP vs. USD	1.32	↘	1.29
USD vs. CNY	7.09	↗	7.15

F refers to our forecasts as of 9/5/24
 bp = basis points

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 9/5/24 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 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 mortgage 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

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 DWS, 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 DWS 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. DWS, 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 DWS 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 re-payment 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. Further-more, 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. Opinions expressed herein may differ from the opinions expressed by departments or other divisions or affiliates of DWS. 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 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.

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.

For Investors in Canada: No securities commission or similar authority in Canada has reviewed or in any way passed upon this document or the merits of the securities described herein and any representation to the contrary is an offence. This document is intended for discussion purposes only and does not create any legally binding obligations on the part of DWS Group. Without limitation, this document does not constitute an offer, an invitation to offer or a recommendation to enter into any transaction. When making an investment decision, you should rely solely on the final documentation relating to the transaction you are considering, and not the information contained herein. DWS Group is not acting as your financial adviser or in any other fiduciary capacity with respect to any transaction presented to you. Any transaction(s) or products(s) mentioned herein may not be appropriate for all investors and before entering into any transaction you should take steps to ensure that you fully understand such transaction(s) and have made an independent assessment of the appropriateness of the transaction(s) in the light of your own objectives and circumstances, including the possible risks and benefits of entering into such transaction. You should also consider seeking advice from your own advisers in making this assessment. If you decide to enter into a transaction with DWS Group you do so in reliance on your own judgment. The information contained in this document is based on material we believe to be reliable; however, we do not represent that it is accurate, current, complete, or error free. Assumptions, estimates and opinions contained in this document constitute our judgment as of the date of the document and are subject to change without notice. Any projections are based on a number of assumptions as to market conditions and there can be no guarantee that any projected results will be achieved. Past performance is not a guarantee of future results. The distribution of this document and availability of these products and services in certain jurisdictions may be restricted by law. You may not distribute this document, in whole or in part, without our express written permission.

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.

© 2024 DWS Investment GmbH, Mainzer Landstraße 11-17, 60329 Frankfurt am Main, Germany.

All rights reserved. 102642_1 (09/2024)