



DB Inflation Report

Weekly Inflation Update

Global

Swap-cash B/E spreads have recently diverged across markets, widening in EUR and especially GBP, and tightening in USD, despite B/E's selling off. We would prefer bonds over swaps in EUR and swaps over TIPS in USD.

EUR inflation watch

Food and energy inflation fell in December, while the trend in core inflation remains subdued. We expect headline inflation to fall to -0.5% y/y in January.

EUR

1y1y and 2y1y have recently stabilized and continue to look attractive against baseline HICP forecasts, especially after the recent weakening in the currency.

GBP

The trend in spot inflation is expected to remain weak, RPI could fall towards 1% in the coming months. With long-end valuations at relatively low levels, we continue to like 10y30y B/E steepeners.

USD

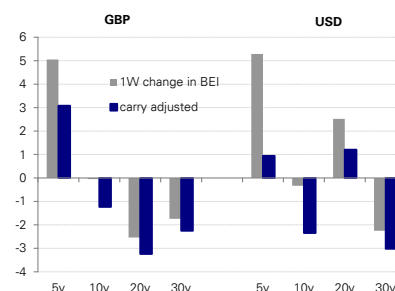
We like real yield curve steepeners, either 10s-30s or 5s-30s. Possibly delayed first Fed rate hike is likely to help intermediate sector outperform in real yields, steepening the real yield curve.

Inflation Markets

| Bond | Yld | BEI | 1M fwd | ASW | ASW discnt | ZC | Rate | Sprd ZC-BEI | CPI/RPI | fcst |
|------------------|-------|------|--------|-----|------------|-----|------|-------------|---------|------|
| US CPI | | | | | | | | | | |
| TIIJan20 | -0.04 | 1.30 | 1.44 | 1 | 14 | 5y | 1.47 | 17 | spot | 0.8 |
| TIIJan24 | 0.25 | 1.49 | 1.57 | 14 | 23 | 10y | 1.80 | 31 | Jun-15 | -0.7 |
| TIIFeb44 | 0.62 | 1.79 | 1.82 | 36 | 28 | 30y | 2.11 | 32 | Dec-15 | 1.0 |
| EA HICPxt | | | | | | | | | | |
| OATei20 | -0.36 | 0.44 | 0.47 | 0 | 23 | 5y | 0.54 | 10 | spot | -0.2 |
| OATei24 | -0.27 | 0.83 | 0.86 | 11 | 18 | 10y | 1.04 | 21 | Jun-15 | -0.3 |
| OATei40 | 0.18 | 1.26 | 1.27 | 79 | 42 | 30y | 1.61 | 35 | Dec-15 | 0.5 |
| FR CPIxt | | | | | | | | | | |
| OATi19 | -0.47 | 0.46 | 0.47 | 2 | 26 | 5y | 0.68 | 22 | spot | 0.0 |
| OATi23 | -0.42 | 0.88 | 0.89 | 17 | 29 | 10y | 1.20 | 32 | Jun-15 | -0.1 |
| OATi29 | -0.15 | 1.15 | 1.16 | 63 | 45 | 20y | 1.60 | 44 | Dec-15 | 0.5 |
| UK RPI | | | | | | | | | | |
| UKTi19 | -1.43 | 2.42 | 2.46 | 4 | 26 | 5y | 2.76 | 34 | spot | 1.6 |
| UKTi24 | -1.06 | 2.58 | 2.60 | 23 | 30 | 10y | 2.97 | 39 | Jun-15 | 1.4 |
| UKTi44 | -0.88 | 3.12 | 3.13 | 57 | 28 | 30y | 3.32 | 20 | Dec-15 | 2.2 |

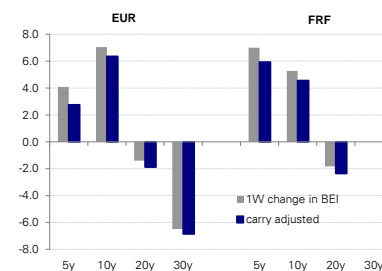
Source: Deutsche Bank

Change in breakevens, US & UK



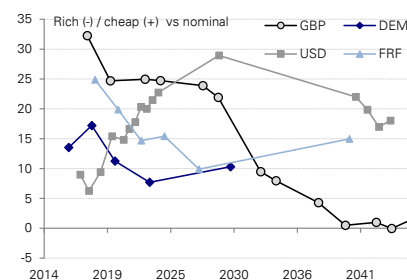
Source: Deutsche Bank

Change in breakevens, EUR & FRF



Source: Deutsche Bank

ILB rich/cheap v nominals



Source: Deutsche Bank



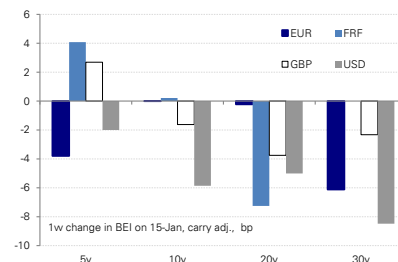
Global

B/E performance was mixed this week (chart 1). The recent inflation unfriendly global market trends remained in place, at least when seen over the whole week, with commodities (especially base metal) prices declining further, risk assets struggling and implied volatility rising. Commodities showed some signs of stabilization in the second half of the week however, which triggered a strong rebound in B/Es, highlighting the fact that front-end valuations price downside risks relative to baseline CPI forecasts (1y swaps remain about 40bp cheap v CPI predictions, see last week's update). EUR B/Es were supported by a broad-based move lower in the currency. Long-end B/Es continue weaken (chart 1). Spot inflation is expected to decline to lows below -0.5% y/y in EUR and close to -1% in USD in the coming months; after news about utility bill cuts a negative print in UK CPI looks possible as well. In this context, inflation sentiment could remain negative and some stabilization in commodities is likely to be required for a meaningful rebound in B/Es, despite some cheapness in valuations in many cases. In USD, 1y1y is broadly in line with our CPI forecasts, and we see most value further out on the curve, which remains unusually flat relative to CPI forecasts (i.e. prices little risk premia); 2y2y, 5y5y, 10y10y and 20y10y are below 2.30% (i.e. below the Fed's PCE target implied CPI value). In GBP we find the B/E curve too flat. In EUR, 1y1y or 2y1y in our view look attractive, given valuations and given the recent trend in the currency. Across markets, 5y and 10y GBP/USD B/E spreads continue to look too wide on the basis of our models.

Swap-cash B/E spreads have recently diverged across markets. In EUR and especially GBP, bonds have generally underperformed swaps, while in USD the opposite is true (chart 3). While not at extremes, swap – TIPS B/E spreads are close to the lower end of their two year range (chart 2). The recent tightening has occurred at a time when B/Es were selling off, which is unusual (chart 4). We prefer bonds over swaps in EUR given the possibility of ECB purchases of ILBs, and would be short TIPS v swaps in USD, especially in 5y, where spreads have been at tighter levels than in the past since spring 2014 (chart 2).

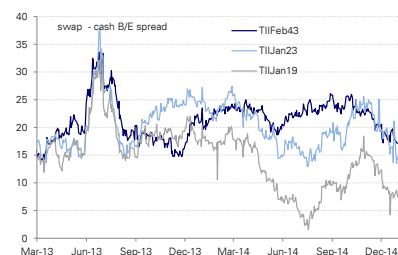
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1. B/Es mixed



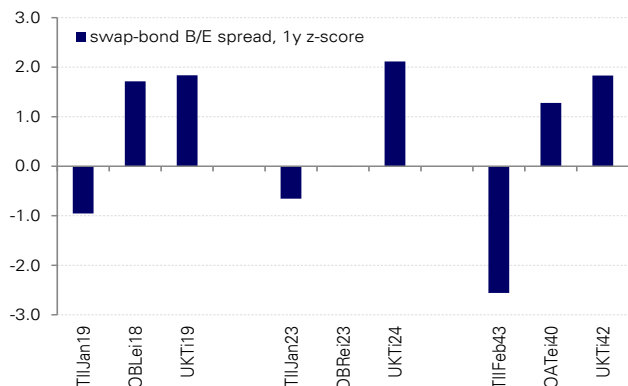
Source: Deutsche Bank

2. USD swap – TIPS B/E spreads



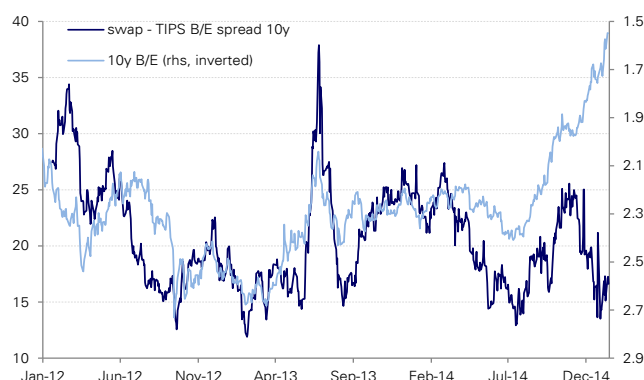
Source: Deutsche Bank

3. Swap – cash B/E spreads across markets



Source: Deutsche Bank

4. USD swap-TIPS spreads tighten despite sell-off in B/Es



Source: Deutsche Bank



EUR inflation watch

Euro area inflation fell to -0.16% y/y in December (from 0.28% in November), which was in line with expectations. The main driver of the slowdown was energy, which fell to -6.3% y/y, and is currently subtracting close to 0.7pp from headline inflation. Energy prices are likely to decline further in January as petrol prices can be expected to fall by another 7% m/m or more (chart 1). Energy prices fell in all larger euro area countries in 2014 (chart 4) and could decline more in 2015 than in 2009.

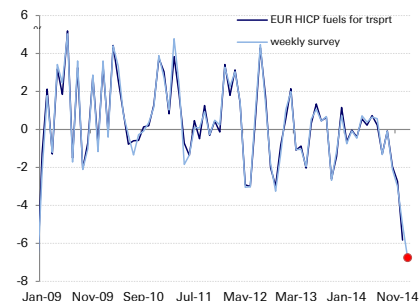
Food inflation eased as well in December, and this is the main reason for the about 0.05pp downside surprise relative to our end November expectations. Unprocessed food inflation was down 0.4% m/m (seasonally adjusted), which was the first monthly drop since May, and the y/y rate fell back into negative territory. Selling price expectations in the food sector remain subdued (see last week's update) and we see food inflation staying low in Q1. Food inflation slowed between 0.5pp (Greece) and 3.1pp (Germany) through 2014 (chart 4).

Core inflation rose marginally in December, to 0.74% y/y, from 0.67% in November. The trend has been broadly sideways through H1, but both core goods as well as services inflation momentum unexpectedly slowed again in September and October, with seasonally-adjusted % m/m core inflation falling to zero (chart 2). Momentum picked up marginally in November/December (chart 2), and the 'rising less falling' component count has shown similar trends in recent months (chart 3). Still, in December % y/y inflation stood at about the same level as in December 2013 (chart 4). Greece, Portugal and Germany recorded the strongest increase in core inflation through last year, the Netherlands, Austria and Finland the strongest declines (chart 4).

We see headline inflation falling to -0.5% y/y in January, and -0.6% in February, with some potential for volatility in clothing prices.

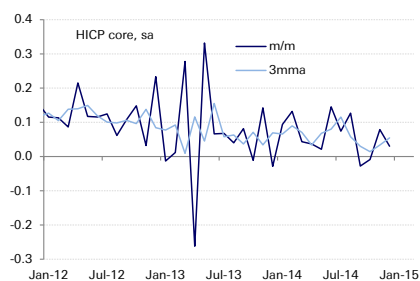
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1. HICP energy to fall further



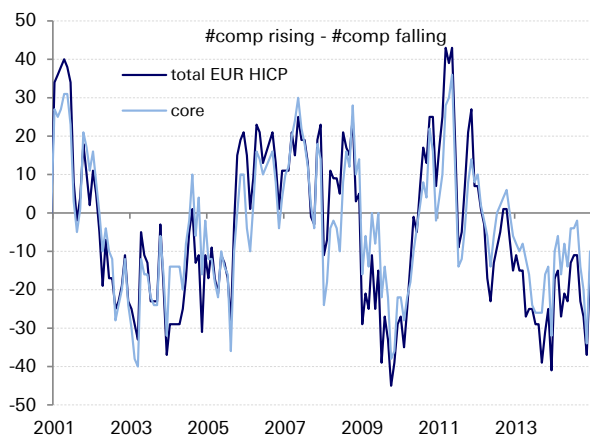
Source: Haver, Deutsche Bank

2. Core inflation trend still subdued



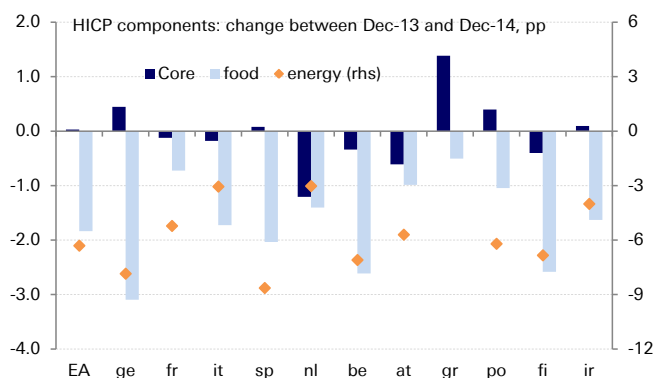
Source: Haver, Deutsche Bank

3. 'Rising – falling' component count up in December



Source: Haver, Deutsche Bank

4. Food and energy down in 2014, core mixed



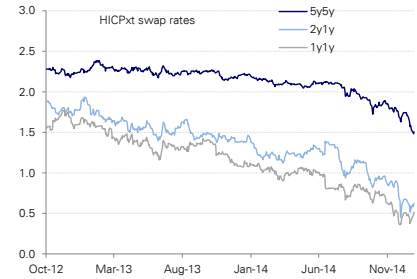
Source: Haver, Deutsche Bank



EUR

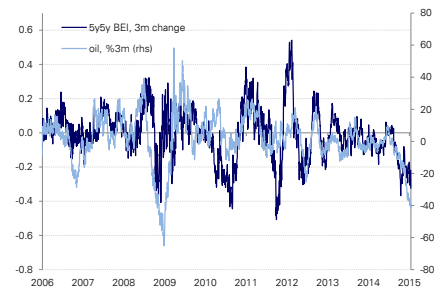
Core EUR B/E weakness this week was limited to the very front-end and the long-end. 1y swaps were down as oil prices fell further from last week, but 1y1y and 2y1y increased. In fact, the latter two have trended broadly sideways since mid-December, while 1y is down by 60bp and 5y5y fell by 25bp or more over the same period (chart 1). Support has come from somewhat better economic data (Q4 GDP tracker estimates have moved up to 0.3% q/q after this week's production data), expectations about further ECB action and the related renewed FX weakness, which has accelerated this week on the back of the SNB's decision to abandon the EURCHF floor. In trade-weighted terms, the exchange rate is down by more than 4% since mid-December and by more than 8% from the highs seen in spring 2014. This will mean some support for inflation over the coming two years, and 1y1y swaps, at 50bp, remain close to 80bp below our HICP forecasts. If commodities could stabilize, we would see upside in the short-end which remain our favorite sector on the curve. That said, the 5y10y B/E curve has recently flattened more than usual taking into account the sell-off in B/Es (charts 4 & 5), which reflects the fact that 5y5y has fallen in line with oil prices (chart 2). With valuations at 1.50%, 5y5y may find some support into next week's ECB meeting, given the possibility of central bank purchases of ILBs. In this context, we would have a preference for bond over swap B/Es. BTPei B/Es (with the exception of the BTPei16) have risen strongly this week, with the BTPei18 & -24, i.e. the issues with an embedded floor relatively close to the money, as well as the BTPei35 & -41 outperforming. Still, BTPei18 & -24 remain cheap on the curve when taking into account the option market implied value of the floor, while the BTPei35 & -41 appear rich (charts 5 & 6). Elsewhere, OATei18 and OATei30 look cheap, while DBRei20 and SPGei24 seem somewhat rich.

1. 1y1y & 2y1y have stabilized



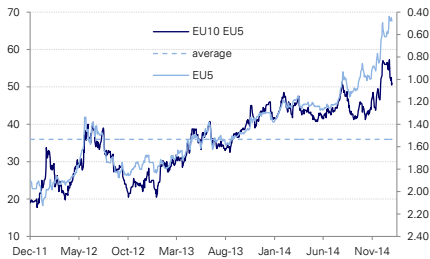
Source: Deutsche Bank

2. 5y5y down in line with oil



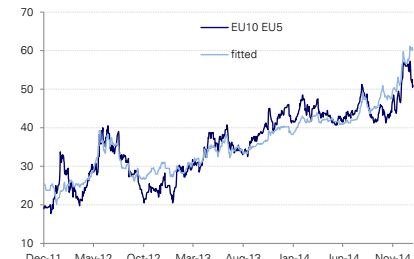
Source: Deutsche Bank

3. 5y10y flattened,...



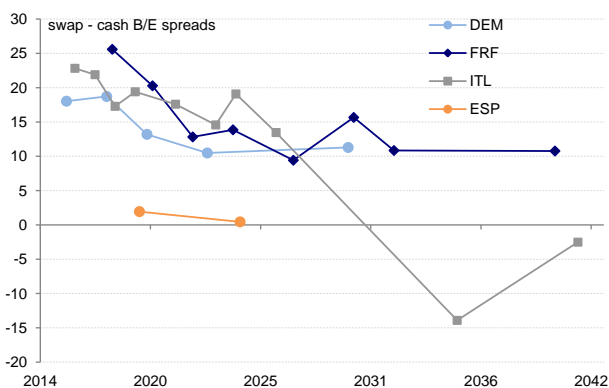
Source: Deutsche Bank

4. ...despite sell-off in B/Es



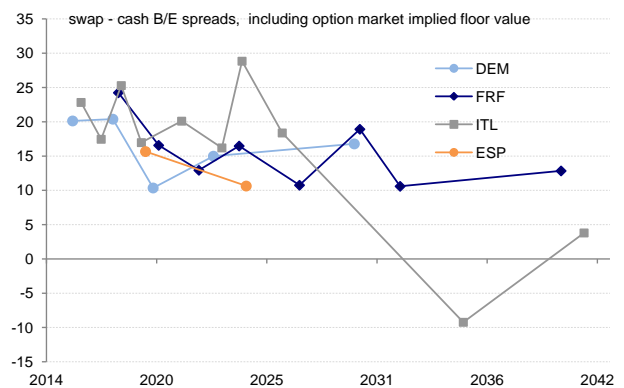
Source: Deutsche Bank

5. RV of cash B/Es v swaps



Source: Deutsche Bank

6. BTPei18 & -24 floor value still underpriced



Source: Deutsche Bank

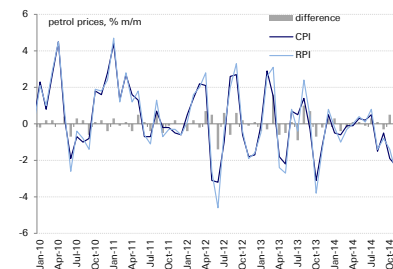


GBP

UK B/E's declined further this week, with the short-end outperforming despite another weak inflation print in December. RPI was in line with consensus expectations (and slightly above ours), although this resilience seems to be not least due to a surprisingly limited fall in petrol prices. The latter were down 2.4% m/m, which compares to a 4.5% fall in CPI (chart 1) and a similar decline had been signaled by the weekly petrol surveys. Some catch-up can be expected in January, and petrol prices could be down another 7% m/m or more. Moreover, one utility company has announced a 3.5% cut in retail gas prices. This could subtract another 15bp from RPI forecasts for the coming months should the other providers follow suit and we expect energy inflation to fall well below the 2009 lows in the coming months. Food inflation stayed close to the November low (-1.5% y/y, from -1.7%), and renewed declines look possible in the coming months. Supermarket discounting appears to have continued in January, and the trend in agricultural prices has remained subdued (chart 2). We project food inflation to start recovering gradually from Q2. Core inflation rose marginally in December (to 1.27% y/y in CPI, from 1.25%), but this follows downside surprises in September to November. Core goods inflation rose slightly from November, but stayed below the October level and well below Q3 levels. Weakness in core goods prices has been the main reason behind the slowdown in core inflation in H2 last year, and current levels are below those recorded in the euro area (chart 3) and the lowest since 2009. The trend in domestic producer output prices of manufactured goods (excluding food & petrol) has been sideways to marginally higher since the start of last year, so the weakness in consumer core goods inflation may have been related to a strong currency (imported inflation of core consumer goods has indeed been slowing through H114) and aggressive retail pricing. We project core goods inflation to decline again in H1 this year. Services inflation has remained broadly stable in December, and the trend has been sideways through the year despite strong growth. Rising labour costs and ongoing robust demand could put some upward pressure on prices in the coming quarters, but indirect effects from lower commodity costs as well as in RPI slowing house price inflation (chart 4) could work against a strong pick-up. We see RPI inflation falling to close to 1% y/y (CPI close to 0%) in the coming months, before rising gradually from Q2. In that environment, and with long-end valuations low against the BoE target, we continue to like B/E steepeners.

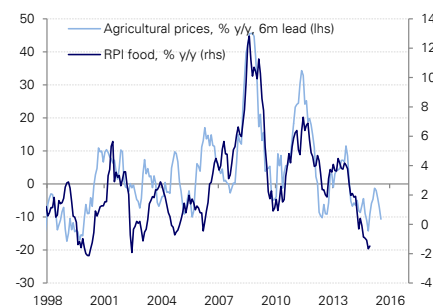
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1. Petrol prices in RPI & CPI



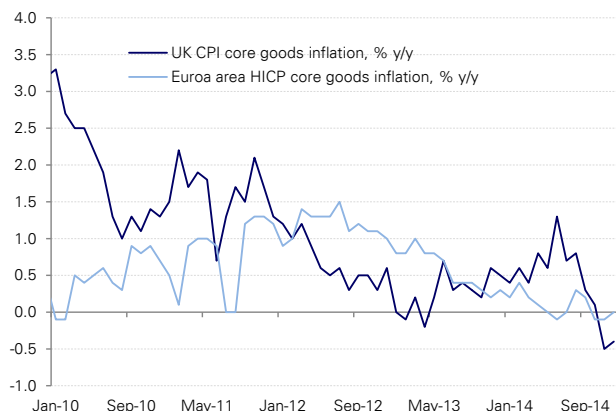
Source: Deutsche Bank

2. Food inflation to stay low for now



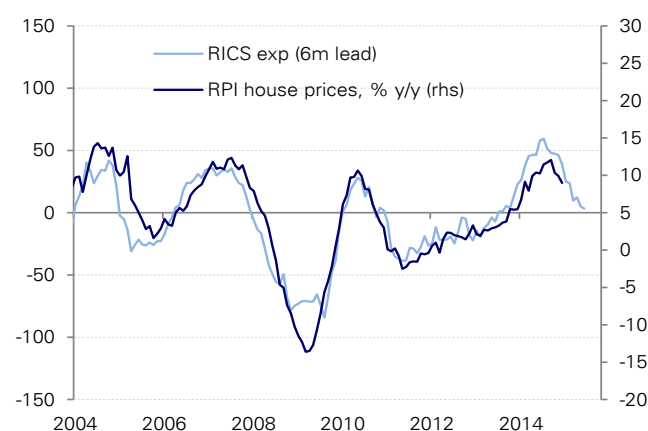
Source: Deutsche Bank

3. CPI core goods inflation lower in the UK than in EUR



Source: Deutsche Bank

4. House price inflation slowing



Source: Deutsche Bank



USD

- We like real yield curve steepeners, either 10s-30s or 5s-30s. Possibly delayed first Fed rate hike is likely to help intermediate sector outperform in real yields, steepening the real yield curve.
- The spread between 10yr inflation swaps and TIPS breakevens is too tight. We like being long inflation swaps outright or against TIPS breakevens.
- Treasury will sell \$15 billion new ten-year TIPS on Thursday, January 22. Indirect bidders have increased their participations since February 2011.

Real yield curve steepener

We like real yield curve steepeners, either 10s-30s or 5s-30s on a possibly delayed first Fed rate hike. Treasuries have rallied in the New Year on lower energy prices and their implications for global growth. The December non-farm payroll report raised concerns on wage related disinflation. The Fed has introduced volatility to the markets, which makes risk assets vulnerable. Treasuries have benefited this year from the global hunt for yields on high quality liquid fixed income assets, as the five-year rates in Germany now trade in negative territory.

10s-30s real yield curve is too flat



Source: Bloomberg Finance LP and Deutsche Bank

5s-30s real yield curve is too flat



Source: Bloomberg Finance LP and Deutsche Bank

We think the curve flattening that occurred in most of 2014 probably has probably run its course. The intermediate sector in inflation markets offers better value than the long end. TIPS supply in the long end is heavy in the first quarter, starting with the \$15 billion new ten-year TIPS auction next Thursday, January 22. We expect \$9 billion new 30-year TIPS to be auctioned in February. The Fed was a large buyer of 30-year TIPS during QE. With the Fed out of the market, long end TIPS could become vulnerable. The risk in the steepener is a sell-off in rates led by the intermediate sector if the market brings forward the expected timing of the first rate hike.

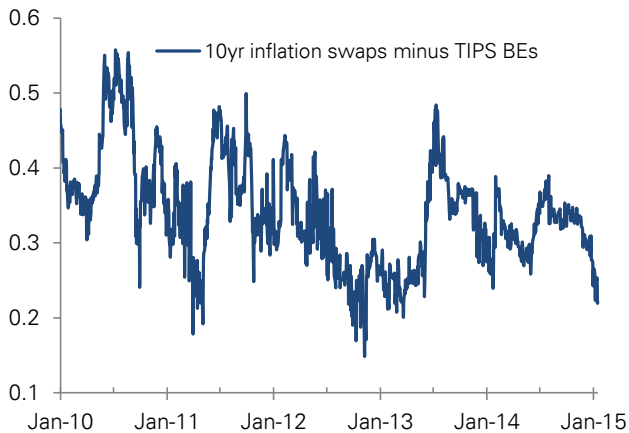
Inflation swaps to TIPS breakeven basis trade

The spread or basis between 10yr inflation swaps and TIPS breakevens is too tight. The recent compression in the basis has correlated with the decline in breakevens. When energy prices drop, inflation swaps tend to decline more than TIPS breakevens. The spread has correlated with oil prices with an R of 88%, and an R-squared at 78% during the past six months.



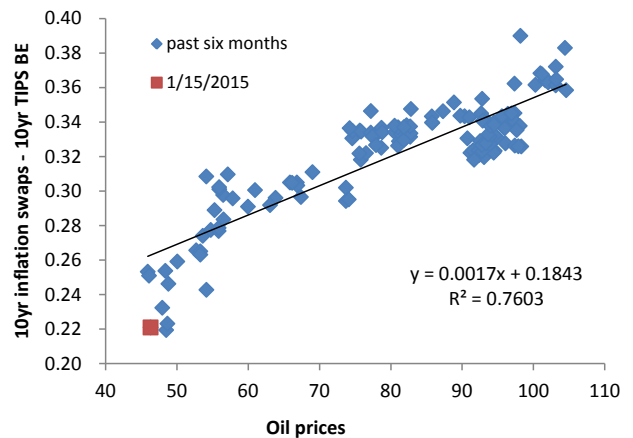
The recent drop in inflation swaps appears to have reached an extreme. The spread between 10yr inflation swaps and TIPS breakevens is low compared to the level of oil prices.

10yr inflation swaps to TIPS breakeven spread is tight



Source: Bloomberg Finance LP and Deutsche Bank

When energy prices drop, inflation swaps tend to decline more than TIPS breakevens



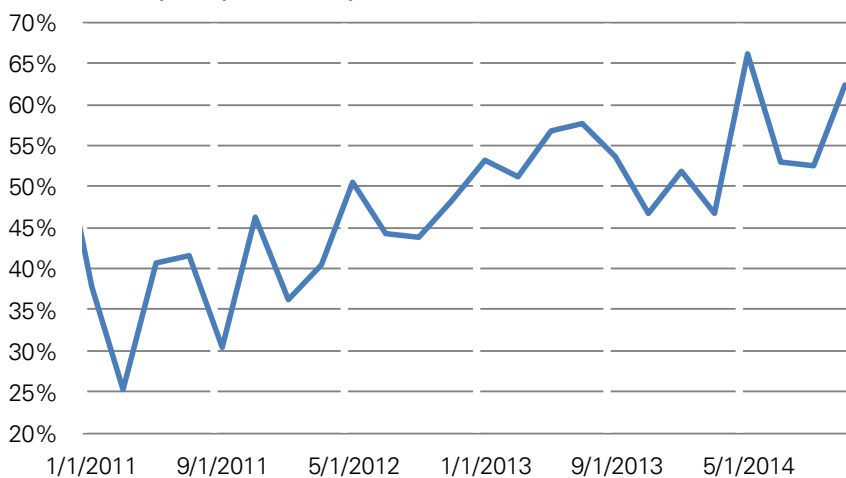
Source: Bloomberg Finance LP and Deutsche Bank

Ten-year auction

Treasury will sell \$15 billion new ten-year TIPS on Thursday, January 22. Indirect bidders have increased their participations since February 2011.

Indirect bidders have increased their participations since February 2011

Indirect bidder participation in 10y TIPS auctions



Source: US Treasury



Ten-year TIPS auction statistics

| | Size (\$bn) | Primary Dealers | Direct Bidders | Indirect Bidders | Cover Ratio | Stop-out Yield | 1PM WI Bid | BP Tail |
|----------------|----------------|-----------------|----------------|------------------|-------------|----------------|---------------|-------------|
| <i>1yr Avg</i> | \$13.67 | 37.2% | 10.0% | 52.8% | 2.50 | | | 0.0 |
| Nov-14 | \$13.00 | 29.5% | 8.1% | 62.4% | 2.57 | 0.497 | 0.503 | -0.6 |
| Sep-14 | \$13.00 | 41.7% | 5.7% | 52.7% | 2.20 | 0.610 | 0.565 | 4.5 |
| Jul-14 | \$15.00 | 36.6% | 10.3% | 53.1% | 2.49 | 0.249 | 0.252 | -0.3 |
| May-14 | \$13.00 | 27.5% | 6.3% | 66.3% | 2.91 | 0.339 | 0.360 | -2.1 |
| Mar-14 | \$13.00 | 45.4% | 7.9% | 46.6% | 2.48 | 0.659 | 0.650 | 0.9 |
| Jan-14 | \$15.00 | 39.9% | 8.3% | 51.8% | 2.31 | 0.661 | 0.650 | 1.1 |
| Nov-13 | \$13.00 | 31.8% | 21.5% | 46.7% | 2.59 | 0.560 | 0.600 | -4.0 |
| Sep-13 | \$13.00 | 44.6% | 1.6% | 53.8% | 2.38 | 0.500 | 0.470 | 3.0 |
| Jul-13 | \$15.00 | 35.4% | 6.9% | 57.7% | 2.44 | 0.384 | 0.404 | -2.0 |
| May-13 | \$13.00 | 30.9% | 12.4% | 56.8% | 2.52 | -0.225 | -0.240 | 1.5 |
| Mar-13 | \$13.00 | 43.0% | 5.7% | 51.3% | 2.74 | -0.602 | -0.600 | -0.2 |
| Jan-13 | \$15.00 | 35.4% | 11.3% | 53.3% | 2.71 | -0.630 | -0.620 | -1.0 |

Source: US Treasury and Deutsche Bank

December CPI weak as expected

The headline CPI declined by 0.6% in December for the third straight month, in line with our expectations. The index gained 0.8% on a year-over-year basis, down from 1.3% in November. Falling gasoline prices shaved -5.4% in the energy index over the month, and was the driving factor in the headline index reversion. The core index also recorded a monthly decline of 0.2%, as compared to -0.1% in November. The core index grew by 1.6% on a year-on-year basis, down from 1.7% in the previous month. Core commodities prices fell by 0.9%, likely reflecting the strengthening of the US dollar. The gains in shelter and medical care services was offset by a drop of 0.6% in transportation services, and kept the core services prices flat over the month.

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DB Inflation Forecasts

| | Euro area | | | | | | | | | France | | | UK | | |
|--------|---------------|-------|-------|--------------------|-------|-------|-------------|-------|-------|-------------------|-------|-------|-------|-------|-------|
| | Headline HICP | | | HICP excl. tobacco | | | HICP xefat* | | | CPI excl. tobacco | | | RPI | | |
| | Index | % m/m | % y/y | Index | % m/m | % y/y | Index | % m/m | % y/y | Index | % m/m | % y/y | Index | % m/m | % y/y |
| Mar-14 | 118.0 | 0.9 | 0.47 | 117.39 | 1.0 | 0.38 | 113.2 | 1.5 | 0.7 | 126.29 | 0.5 | 0.5 | 254.8 | 0.2 | 2.5 |
| Apr-14 | 118.2 | 0.2 | 0.72 | 117.57 | 0.2 | 0.63 | 113.5 | 0.3 | 1.0 | 126.24 | 0.0 | 0.6 | 255.7 | 0.4 | 2.5 |
| May-14 | 118.1 | -0.1 | 0.49 | 117.44 | -0.1 | 0.42 | 113.4 | -0.1 | 0.7 | 126.27 | 0.0 | 0.6 | 255.9 | 0.1 | 2.4 |
| Jun-14 | 118.2 | 0.1 | 0.50 | 117.57 | 0.1 | 0.43 | 113.5 | 0.1 | 0.8 | 126.22 | 0.0 | 0.3 | 256.3 | 0.2 | 2.6 |
| Jul-14 | 117.4 | -0.7 | 0.38 | 116.78 | -0.7 | 0.34 | 112.6 | -0.8 | 0.8 | 125.81 | -0.3 | 0.4 | 256.0 | -0.1 | 2.5 |
| Aug-14 | 117.6 | 0.1 | 0.37 | 116.91 | 0.1 | 0.33 | 112.9 | 0.3 | 0.9 | 126.38 | 0.5 | 0.4 | 257.0 | 0.4 | 2.4 |
| Sep-14 | 118.1 | 0.4 | 0.31 | 117.43 | 0.4 | 0.27 | 113.5 | 0.5 | 0.8 | 125.88 | -0.4 | 0.2 | 257.6 | 0.2 | 2.3 |
| Oct-14 | 118.0 | -0.1 | 0.38 | 117.35 | -0.1 | 0.33 | 113.6 | 0.0 | 0.7 | 125.92 | 0.0 | 0.4 | 257.7 | 0.0 | 2.3 |
| Nov-14 | 117.8 | -0.2 | 0.28 | 117.12 | -0.2 | 0.22 | 113.5 | -0.1 | 0.7 | 125.70 | -0.2 | 0.3 | 257.1 | -0.2 | 2.0 |
| Dec-14 | 117.7 | -0.1 | -0.16 | 117.01 | -0.1 | -0.23 | 113.9 | 0.4 | 0.7 | 125.81 | 0.1 | 0.0 | 257.5 | 0.2 | 1.6 |
| Jan-15 | 116.0 | -1.5 | -0.53 | 115.22 | -1.5 | -0.61 | 111.9 | -1.7 | 0.8 | 124.60 | -1.0 | -0.4 | 255.6 | -0.7 | 1.2 |
| Feb-15 | 116.2 | 0.2 | -0.60 | 115.49 | 0.2 | -0.68 | 112.3 | 0.3 | 0.6 | 124.84 | 0.2 | -0.7 | 256.9 | 0.5 | 1.1 |
| Mar-15 | 117.6 | 1.1 | -0.40 | 116.84 | 1.2 | -0.47 | 114.1 | 1.6 | 0.8 | 125.76 | 0.7 | -0.4 | 257.8 | 0.4 | 1.2 |
| Apr-15 | 117.7 | 0.1 | -0.41 | 117.01 | 0.1 | -0.48 | 114.3 | 0.2 | 0.7 | 125.80 | 0.0 | -0.3 | 259.1 | 0.5 | 1.3 |
| May-15 | 117.8 | 0.1 | -0.21 | 117.10 | 0.1 | -0.29 | 114.4 | 0.0 | 0.9 | 125.93 | 0.1 | -0.3 | 259.7 | 0.2 | 1.5 |
| Jun-15 | 117.9 | 0.1 | -0.24 | 117.20 | 0.1 | -0.31 | 114.5 | 0.1 | 0.8 | 126.10 | 0.1 | -0.1 | 259.9 | 0.1 | 1.4 |
| Jul-15 | 117.1 | -0.7 | -0.25 | 116.40 | -0.7 | -0.33 | 113.5 | -0.8 | 0.9 | 125.69 | -0.3 | -0.1 | 259.8 | 0.0 | 1.5 |
| Q1 15 | 116.6 | -1.1 | -0.5 | 115.9 | -1.1 | -0.6 | 112.8 | -0.8 | 0.7 | 125.1 | -0.6 | -0.5 | 256.8 | -0.3 | 1.1 |
| Q2 15 | 117.8 | 1.1 | -0.3 | 117.1 | 1.1 | -0.4 | 114.4 | 1.4 | 0.8 | 125.9 | 0.7 | -0.2 | 259.6 | 1.1 | 1.4 |
| Q3 15 | 117.4 | -0.3 | -0.2 | 116.7 | -0.3 | -0.3 | 113.9 | -0.4 | 0.8 | 125.9 | 0.0 | -0.1 | 260.8 | 0.5 | 1.5 |
| Q4 15 | 118.1 | 0.6 | 0.2 | 117.4 | 0.6 | 0.2 | 114.7 | 0.7 | 0.95 | 126.1 | 0.2 | 0.3 | 262.6 | 0.7 | 2.0 |
| Q1 16 | 117.8 | -0.3 | 1.0 | 117.0 | -0.3 | 1.0 | 113.9 | -0.7 | 0.97 | 126.4 | 0.2 | 1.1 | 264.1 | 0.6 | 2.9 |
| Q2 16 | 119.1 | 1.1 | 1.1 | 118.3 | 1.1 | 1.0 | 115.4 | 1.4 | 0.9 | 127.3 | 0.7 | 1.1 | 267.4 | 1.2 | 3.0 |
| 2013 | 117.2 | | 1.4 | 116.6 | | 1.3 | 112.1 | | 1.1 | 125.4 | | 0.7 | 250.1 | | 3.0 |
| 2014 | 117.7 | | 0.4 | 117.1 | | 0.4 | 113.0 | | 0.8 | 125.9 | | 0.4 | 256.0 | | 2.4 |
| 2015 | 117.5 | | -0.2 | 116.8 | | -0.3 | 113.9 | | 0.8 | 125.8 | | -0.1 | 259.9 | | 1.5 |
| 2016 | 118.9 | | 1.2 | 118.1 | | 1.2 | 115.1 | | 1.0 | 127.2 | | 1.1 | 267.9 | | 3.1 |

Next release

*HICP excluding energy, food, alcohol and tobacco
Source: Deutsche Bank

Jan (flash): 30-Jan

Jan: 19-Feb

Jan: 17-Feb



DB Inflation Forecasts

| | US | | | Japan | | | Sweden | | | Australia | | |
|--------------|-------------|-------|-------|-------------|-------|-------|-------------|-------|-------|-----------|-------|-------|
| | CPI-U nsa | | | Core CPI | | | CPI | | | CPI | | |
| | Index | % m/m | % y/y | Index | % m/m | % y/y | Index | % m/m | % y/y | Index | % m/m | % y/y |
| Mar-14 | 236.29 | 0.6 | 1.5 | 100.8 | 0.3 | 1.3 | 312.7 | 0.0 | -0.6 | | | |
| Apr-14 | 237.07 | 0.3 | 2.0 | 103.0 | 2.2 | 3.2 | 313.9 | 0.4 | 0.0 | | | |
| May-14 | 237.90 | 0.3 | 2.1 | 103.4 | 0.4 | 3.4 | 314.1 | 0.1 | -0.2 | | | |
| Jun-14 | 238.34 | 0.2 | 2.1 | 103.4 | 0.0 | 3.4 | 314.7 | 0.2 | 0.2 | | | |
| Jul-14 | 238.25 | 0.0 | 2.0 | 103.5 | 0.1 | 3.4 | 313.7 | -0.3 | 0.0 | | | |
| Aug-14 | 237.85 | -0.2 | 1.7 | 103.5 | 0.0 | 3.1 | 313.4 | -0.1 | -0.2 | | | |
| Sep-14 | 238.03 | 0.1 | 1.7 | 103.5 | 0.0 | 3.0 | 313.9 | 0.2 | -0.4 | | | |
| Oct-14 | 237.43 | -0.3 | 1.7 | 103.6 | 0.1 | 2.9 | 314.0 | 0.1 | -0.1 | | | |
| Nov-14 | 236.15 | -0.5 | 1.3 | 103.4 | -0.2 | 2.7 | 313.6 | -0.1 | -0.2 | | | |
| Dec-14 | 234.81 | -0.6 | 0.8 | | | | 314.1 | 0.2 | -0.3 | | | |
| Jan-15 | 233.27 | -0.7 | -0.3 | | | | 310.2 | -1.2 | -0.4 | | | |
| Feb-15 | 233.68 | 0.2 | -0.5 | | | | 311.8 | 0.5 | -0.3 | | | |
| Mar-15 | 234.44 | 0.3 | -0.8 | | | | 313.3 | 0.5 | 0.2 | | | |
| Apr-15 | 235.64 | 0.5 | -0.6 | | | | 314.2 | 0.3 | 0.1 | | | |
| May-15 | 236.33 | 0.3 | -0.7 | | | | 314.7 | 0.2 | 0.2 | | | |
| Jun-15 | 236.77 | 0.2 | -0.7 | | | | 315.1 | 0.1 | 0.1 | | | |
| Jul-15 | 237.00 | 0.1 | -0.5 | | | | 314.6 | -0.2 | 0.3 | | | |
| Q1 15 | 233.8 | -1.0 | -0.5 | | | | 311.8 | -0.7 | -0.2 | | | |
| Q2 15 | 236.2 | 1.0 | -0.6 | | | | 314.7 | 0.9 | 0.1 | | | |
| Q3 15 | 237.4 | 0.5 | -0.3 | | | | 315.3 | 0.2 | 0.5 | | | |
| Q4 15 | 237.4 | 0.0 | 0.5 | | | | 317.5 | 0.7 | 1.2 | | | |
| Q1 16 | 238.5 | 0.5 | 2.0 | | | | 316.8 | -0.2 | 1.6 | | | |
| Q2 16 | 241.0 | 1.0 | 2.0 | | | | 319.7 | 0.9 | 1.6 | | | |
| 2013 | 233.0 | | 1.5 | 100.1 | | 0.4 | 314.1 | | 0.0 | | | |
| 2014 | 236.7 | | 1.6 | 102.6 | | 2.6 | 313.5 | | -0.2 | | | |
| 2015 | 236.2 | | -0.2 | | | | 314.8 | | 0.4 | | | |
| 2016 | 240.8 | | 1.9 | | | | 319.9 | | 1.6 | | | |
| Next release | Jan: 26-Feb | | | Dec: 29-Jan | | | Jan: 17-Feb | | | | | |

Source: Deutsche Bank



DB Inflation Forecasts

| | Hong Kong | | | Korea | | | Thailand | | |
|--------------|-----------|--------------|-------|-------|-------------|-------|----------|-------------|-------|
| | CPI | | | CPI | | | CPI | | |
| | Index | % m/m | % y/y | Index | % m/m | % y/y | Index | % m/m | % y/y |
| Mar-14 | 118.5 | -0.3 | 3.9 | 109.0 | 0.2 | 1.3 | 106.9 | 0.2 | 2.1 |
| Apr-14 | 119.3 | 0.7 | 3.7 | 109.1 | 0.1 | 1.5 | 107.5 | 0.5 | 2.4 |
| May-14 | 119.2 | -0.1 | 3.7 | 109.2 | 0.2 | 1.7 | 107.9 | 0.4 | 2.6 |
| Jun-14 | 119.3 | 0.1 | 3.6 | 109.1 | -0.1 | 1.7 | 107.8 | -0.1 | 2.4 |
| Jul-14 | 120.5 | 1.0 | 4.0 | 109.3 | 0.1 | 1.6 | 107.7 | -0.1 | 2.2 |
| Aug-14 | 117.6 | -2.4 | 3.9 | 109.5 | 0.2 | 1.4 | 107.6 | -0.1 | 2.1 |
| Sep-14 | 121.2 | 3.1 | 6.6 | 109.4 | -0.1 | 1.1 | 107.4 | -0.2 | 1.8 |
| Oct-14 | 122.9 | 1.4 | 5.2 | 109.1 | -0.3 | 1.2 | 107.3 | -0.1 | 1.5 |
| Nov-14 | 123.1 | 0.2 | 5.1 | 108.8 | -0.2 | 1.0 | 107.2 | -0.1 | 1.3 |
| Dec-14 | 121.5 | -1.3 | 3.2 | 108.8 | 0.0 | 0.8 | 106.7 | -0.5 | 0.6 |
| Jan-15 | 123.0 | 1.3 | 4.0 | 109.7 | 0.8 | 1.1 | 107.0 | 0.3 | 0.5 |
| Feb-15 | 123.6 | 0.4 | 4.0 | 110.0 | 0.3 | 1.1 | 107.0 | 0.0 | 0.3 |
| Mar-15 | 123.2 | -0.3 | 4.0 | 110.5 | 0.5 | 1.4 | 107.2 | 0.1 | 0.2 |
| Apr-15 | 124.1 | 0.7 | 4.0 | 110.5 | 0.0 | 1.3 | 107.4 | 0.2 | -0.1 |
| May-15 | 124.1 | 0.0 | 4.1 | 110.8 | 0.3 | 1.4 | 107.8 | 0.4 | -0.1 |
| Jun-15 | 124.2 | 0.1 | 4.1 | 110.7 | 0.0 | 1.5 | 107.9 | 0.1 | 0.1 |
| Jul-15 | 124.5 | 0.2 | 3.3 | 111.0 | 0.2 | 1.6 | 108.0 | 0.1 | 0.3 |
| Q1 15 | 123.3 | 0.6 | 4.0 | 110.1 | 1.1 | 1.2 | 107.1 | 0.0 | |
| Q2 15 | 124.1 | 0.7 | 4.1 | 110.7 | 0.5 | 1.4 | 107.7 | 0.6 | |
| Q3 15 | 123.4 | -0.5 | 3.1 | 111.5 | 0.7 | 1.9 | 108.2 | 0.4 | |
| Q4 15 | 125.9 | 2.0 | 2.8 | 111.4 | -0.1 | 2.3 | 108.2 | 0.1 | |
| Q1 16 | 126.7 | 0.6 | 2.8 | 112.5 | 0.9 | 2.2 | 108.9 | 0.6 | |
| Q2 16 | 127.7 | 0.7 | 2.9 | 113.0 | 0.5 | 2.1 | 110.2 | 1.1 | |
| 2013 | 115.1 | | 4.3 | 107.7 | | 1.3 | 105.3 | | 2.2 |
| 2014 | 120.0 | | 4.3 | 109.0 | | 1.3 | 107.3 | | 1.9 |
| 2015 | 124.2 | | 3.5 | 110.9 | | 1.7 | 107.8 | | 0.5 |
| 2016 | 128.2 | | 3.2 | 113.2 | | 2.1 | 110.1 | | 2.1 |
| Next release | | Dec: 22 -Jan | | | Jan: 3- Feb | | | Jan: 2- Feb | |

Source: Deutsche Bank



CPI data calendar

| Date | Time (GMT) | Country | Indicator | Forecast | Consensus | Previous |
|--------|------------|---------|----------------|----------|-----------|----------|
| 23-Jan | 13:30 | Canada | CPI Dec, % mom | | | -0.4 |
| | | | CPI Dec, % yoy | | | 2.0 |

Source: Deutsche Bank

Wed, 21

Bank of England to publish minutes of its Jan 06-07 Monetary Policy Committee meeting – 09:30 GMT.

Bank of Japan to hold monetary policy announcement - 03:00 GMT.

Bank of Canada key policy interest rate announcement. - 15:00 GMT.



Inflation linked bonds auction calendar

| Date | Country | Bond | Volume |
|----------------------|---------|-------------------------------------|------------------|
| 22-Jan-15 | US | TII – 01/25 | USD 15 bn |
| 22-Jan-15 | SE | SGBi – 06/22 & 06/25 | SEK 1 bn |
| 22-Jan-15 | FR | OATi – 07/21, OATei – 07/18 & 07/24 | EUR 1.0 – 1.5 bn |
| Week Starting 26-Jan | UK | UKTI - 03/58 | |
| 27-Jan-15 | IT | BTPSi | |
| 04-Feb-15 | UK | UKTI – 03/24 | |
| 05-Feb-15 | SE | SGBi | SEK 1 bn |
| 05-Feb-15* | ES | SPGBei | |
| 10-Feb-15 | DE | OBLi/DBRi | |
| 10-Feb-15 | AU | ACGBi | |
| 19-Feb-15 | US | 30y TIPS | |
| 19-Feb-15 | SE | SGBi | |
| 19-Feb-15 | FR | OATi/OATei | |
| 24-Feb-15 | IT | BTPSi | |
| 05-Mar-15* | ES | SPGBei | |
| 05-Mar-15 | SE | SGBi | |
| 10-Mar-15 | DE | OBLi/DBRi | |
| 11-Mar-15 | CA | 30Y RRB | |
| 12-Mar-15 | UK | UKTI – 11/37 | |
| 19-Mar-15 | US | 10y TIPS | |
| 19-Mar-15 | SE | SGBi | |
| 19-Mar-15 | FR | OATi/OATei | |
| 26-Mar-15 | IT | BTPSi | |
| 07-Apr-15 | DE | OBLi/DBRi | |
| 09-Apr-15* | ES | SPGBei | |

Source: Deutsche Bank

Gross sovereign inflation supply

| | US | UK | France | Germany | Italy | Japan | Spain | Sweden | Australia | Canada |
|----------|---------|---------|---------|---------|---------|---------|---------|---------|-----------|---------|
| | USD, bn | GBP, bn | EUR, bn | EUR, bn | EUR, bn | JPY, bn | EUR, bn | SEK, bn | AUD, bn | CAD, bn |
| 2007 | 65 | 14.5 | 18 | 6 | 16.1 | 3040 | - | 5 | 0 | 2.2 |
| 2008 | 62 | 16.1 | 15.5 | 7 | 18 | 2095 | - | 2.6 | 0 | 2.2 |
| 2009 | 59.4 | 28.2 | 12.3 | 5 | 17.3 | 0 | - | 3 | 4.3 | 2.2 |
| 2010 | 87.8 | 30.7 | 20.4 | 11 | 16.3 | 0 | - | 7.7 | 3.9 | 2.2 |
| 2011 | 134.6 | 33 | 20 | 8 | 15.5 | 0 | - | 6 | 1.8 | 2.2 |
| 2012 | 135.8 | 27.2 | 17.1 | 9 | 9.9 | 0 | - | 6.5 | 0.50 | 1.5 |
| 2013 | 155 | 32.6 | 16.8 | 10.0 | 10.8 | 344 | - | 11.5 | 4.6 | 2.2 |
| 2014 | 155 | 29.3 | 17.6 | 11 | 14.5 | 1657.4 | 12.4 | 16.8 | 4.1 | 2.2 |
| 2015 ytd | 0 | 1.04 | 0 | 1 | 0 | 559.1 | 0 | 0 | 0 | 0 |

Source: Deutsche Bank * indicates respective fiscal year estimates. Figures are either official debt advisory or management agencies' estimates or DB forecasts. All figures indicate nominal amount issued.

*As per Spanish Treasury, Indexed Linked bonds could be auctioned on these dates.



USD inflation-linked bonds

| | size | | price | | risk | | real-yield | | | breakeven | | | ASW | | | | comparator |
|-------------------------|----------|--|------------|-----------|-----------|------|------------|-------|-------|-----------|-------|-------|------------|--------|-------------|-----------|---------------|
| | Local bn | | real clean | nom dirty | mod durat | dv01 | spot % | 1W bp | 1M bp | spot % | 1W bp | 1M bp | Net-prcnds | z sprd | z-sprd diff | Rich-ness | |
| US CPI Urban NSA | | | | | | | | | | | | | | | | | |
| TII Apr 0.50 Apr-15 | 21.2 | | 98.8 | 108.0 | 0.2 | 0.2 | 5.68 | -7 | 194 | -5.63 | 8 | -197 | | | | | T 2.50 Apr-15 |
| TII Jul 1.88 Jul-15 | 17.0 | | 100.2 | 122.0 | 0.5 | 0.6 | 1.41 | -8 | 64 | -1.28 | 8 | -67 | | | | | T 4.25 Aug-15 |
| TII Jan 2.00 Jan-16 | 17.0 | | 101.5 | 121.1 | 1.0 | 1.2 | 0.47 | -12 | 16 | -0.24 | 8 | -24 | -8 | -8 | 10 | 10 | T 4.50 Feb-16 |
| TII Apr 0.13 Apr-16 | 38.4 | | 100.0 | 107.2 | 1.2 | 1.3 | 0.13 | -18 | -4 | 0.14 | 13 | -5 | -9 | -9 | 11 | 10 | T 2.00 Apr-16 |
| TII Jul 2.50 Jul-16 | 20.0 | | 104.5 | 122.5 | 1.5 | 1.8 | -0.49 | -16 | -5 | 0.83 | 8 | -5 | -20 | -20 | 2 | 0 | T 4.88 Aug-16 |
| TII Jan 2.38 Jan-17 | 17.2 | | 105.4 | 123.7 | 2.0 | 2.4 | -0.32 | -19 | -12 | 0.83 | 9 | -1 | -18 | -18 | 3 | 3 | T 4.63 Feb-17 |
| TII Apr 0.13 Apr-17 | 44.4 | | 100.7 | 105.0 | 2.2 | 2.3 | -0.21 | -18 | -16 | 0.78 | 6 | -1 | -13 | -13 | 9 | 9 | T 0.88 Apr-17 |
| TII Jul 2.63 Jul-17 | 14.0 | | 108.0 | 123.3 | 2.4 | 3.0 | -0.56 | -19 | -25 | 1.22 | 5 | 5 | -20 | -20 | 1 | 2 | T 4.75 Aug-17 |
| TII Jan 1.63 Jan-18 | 16.4 | | 105.8 | 119.5 | 2.9 | 3.5 | -0.30 | -20 | -27 | 1.14 | 5 | 6 | -13 | -13 | 4 | 6 | T 3.50 Feb-18 |
| TII Apr 0.13 Apr-18 | 50.0 | | 100.9 | 103.3 | 3.2 | 3.3 | -0.14 | -20 | -27 | 1.04 | 4 | 3 | -4 | -4 | 13 | 13 | T 0.63 Apr-18 |
| TII Jul 1.38 Jul-18 | 15.0 | | 106.0 | 116.4 | 3.4 | 4.0 | -0.35 | -18 | -29 | 1.28 | 4 | 7 | -6 | -6 | 12 | 10 | T 4.00 Aug-18 |
| TII Jan 2.13 Jan-19 | 14.7 | | 109.1 | 120.3 | 3.9 | 4.6 | -0.16 | -20 | -32 | 1.26 | 5 | 6 | -3 | -3 | 10 | 9 | T 2.75 Feb-19 |
| TII Apr 0.13 Apr-19 | 50.0 | | 100.8 | 101.8 | 4.2 | 4.3 | -0.06 | -21 | -34 | 1.21 | 5 | 7 | 0 | 0 | 13 | 13 | T 1.63 Apr-19 |
| TII Jul 1.88 Jul-19 | 15.2 | | 109.3 | 121.2 | 4.3 | 5.3 | -0.20 | -21 | -34 | 1.40 | 7 | 9 | -1 | -1 | 10 | 13 | T 3.63 Aug-19 |
| TII Jan 1.38 Jan-20 | 19.0 | | 107.1 | 117.2 | 4.8 | 5.7 | -0.04 | -19 | -30 | 1.30 | 3 | 3 | 1 | 1 | 15 | 15 | T 3.63 Feb-20 |
| TII Jul 1.25 Jul-20 | 32.4 | | 107.3 | 116.4 | 5.3 | 6.2 | -0.07 | -19 | -28 | 1.46 | 3 | 0 | 3 | 3 | 12 | 15 | T 2.63 Aug-20 |
| TII Jan 1.13 Jan-21 | 36.7 | | 106.2 | 114.9 | 5.8 | 6.7 | 0.09 | -18 | -23 | 1.38 | 2 | -4 | 7 | 7 | 15 | 15 | T 3.63 Feb-21 |
| TII Jul 0.63 Jul-21 | 35.8 | | 103.7 | 108.9 | 6.4 | 6.9 | 0.06 | -18 | -22 | 1.48 | 2 | -5 | 9 | 9 | 16 | 17 | T 2.13 Aug-21 |
| TII Jan 0.13 Jan-22 | 41.3 | | 99.8 | 104.3 | 7.0 | 7.3 | 0.16 | -16 | -22 | 1.42 | 0 | -5 | 9 | 9 | 18 | 18 | T 2.00 Feb-22 |
| TII Jul 0.13 Jul-22 | 41.0 | | 100.0 | 102.9 | 7.4 | 7.7 | 0.13 | -16 | -21 | 1.49 | 1 | -7 | 11 | 11 | 21 | 20 | T 1.63 Aug-22 |
| TII Jan 0.13 Jan-23 | 41.0 | | 99.4 | 101.9 | 7.9 | 8.1 | 0.21 | -15 | -21 | 1.46 | 0 | -5 | 11 | 11 | 20 | 20 | T 2.00 Feb-23 |
| TII Jul 0.38 Jul-23 | 41.0 | | 101.7 | 103.4 | 8.4 | 8.6 | 0.18 | -16 | -22 | 1.53 | 0 | -4 | 13 | 12 | 21 | 21 | T 2.50 Aug-23 |
| TII Jan 0.63 Jan-24 | 41.0 | | 103.3 | 104.8 | 8.7 | 9.2 | 0.25 | -15 | -21 | 1.49 | 0 | -5 | 14 | 14 | 23 | 23 | T 2.75 Feb-24 |
| TII Jul 0.13 Jul-24 | 41.0 | | 99.3 | 99.0 | 9.4 | 9.3 | 0.20 | -15 | -22 | 1.59 | 0 | -4 | 13 | 12 | 21 | 21 | T 2.38 Aug-24 |
| TII Jan 2.38 Jan-25 | 28.0 | | 120.7 | 151.6 | 9.0 | 13.7 | 0.27 | -16 | -21 | 1.47 | 1 | -5 | 15 | 15 | 24 | 24 | T 7.63 Feb-25 |
| TII Jan 2.00 Jan-26 | 20.0 | | 118.1 | 140.8 | 10.0 | 14.1 | 0.32 | -15 | -19 | 1.54 | 2 | -6 | 18 | 19 | 24 | 24 | T 6.00 Feb-26 |
| TII Jan 2.38 Jan-27 | 16.5 | | 123.2 | 144.7 | 10.7 | 15.4 | 0.39 | -14 | -14 | 1.52 | 1 | -10 | 24 | 24 | 29 | 29 | T 6.63 Feb-27 |
| TII Jan 1.75 Jan-28 | 15.6 | | 116.8 | 131.9 | 11.8 | 15.5 | 0.42 | -14 | -13 | 1.54 | 1 | -10 | 25 | 25 | 28 | 30 | T 6.13 Nov-27 |
| TII Apr 3.63 Apr-28 | 16.8 | | 141.4 | 208.4 | 11.0 | 23.0 | 0.41 | -13 | -12 | 1.61 | 1 | -10 | 21 | 23 | 24 | 28 | T 5.50 Aug-28 |
| TII Jan 2.50 Jan-29 | 14.2 | | 128.0 | 141.2 | 12.2 | 17.2 | 0.43 | -13 | -12 | 1.59 | 1 | -10 | 25 | 25 | 27 | 29 | T 5.25 Nov-28 |
| TII Apr 3.88 Apr-29 | 19.5 | | 147.4 | 213.6 | 11.6 | 24.8 | 0.44 | -13 | -12 | 1.60 | 2 | -10 | 23 | 25 | 26 | 29 | T 5.25 Feb-29 |
| TII Apr 3.38 Apr-32 | 5.0 | | 146.9 | 197.1 | 13.9 | 27.4 | 0.52 | -13 | -13 | 1.57 | 3 | -9 | 28 | 29 | 32 | 33 | T 5.38 Feb-31 |
| TII Feb 2.13 Feb-40 | 15.2 | | 135.9 | 149.8 | 20.3 | 30.4 | 0.58 | -8 | -14 | 1.75 | -1 | -11 | 31 | 29 | 23 | 19 | T 4.63 Feb-40 |
| TII Feb 2.13 Feb-41 | 24.0 | | 137.3 | 149.3 | 21.0 | 31.3 | 0.58 | -9 | -15 | 1.73 | -1 | -11 | 31 | 29 | 25 | 22 | T 4.75 Feb-41 |
| TII Feb 0.75 Feb-42 | 23.1 | | 103.0 | 108.2 | 24.4 | 26.5 | 0.63 | -9 | -15 | 1.76 | -2 | -12 | 39 | 32 | 24 | 20 | T 3.13 Feb-42 |
| TII Feb 0.63 Feb-43 | 23.0 | | 100.0 | 103.2 | 25.6 | 26.5 | 0.62 | -9 | -15 | 1.79 | -2 | -13 | 39 | 31 | 22 | 17 | T 3.13 Feb-43 |
| TII Feb 1.38 Feb-44 | 23.0 | | 120.1 | 122.5 | 24.4 | 29.9 | 0.62 | -9 | -16 | 1.79 | -2 | -11 | 36 | 31 | 22 | 18 | T 3.63 Feb-44 |

valuation date: 16-Jan-15

*Net-prcnds is the net proceeds ASW margin vs 3M Libor in bp; z-sprd is the z-spread of the linker vs 3M Libor in bp; z-sprd diff is the z-spread of the linker and that of its nominal comparator; richness is the "CPI swap richness or the cheapness (+) or richness (-) of the linker relative to the underlying nominal government bond curve
Source: Bloomberg Finance LP, Deutsche Bank



EUR inflation-linked bonds

| | size | | price | | risk | | real-yield | | | breakeven | | | ASW | | | | comparator |
|------------------------------|----------|--|------------|-----------|-----------|------|------------|-------|-------|-----------|-------|-------|---------|--------|-------------|-----------|--------------------|
| | Local bn | | real clean | nom dirty | mod durat | dv01 | spot % | 1W bp | 1M bp | spot % | 1W bp | 1M bp | Par/par | z sprd | z-sprd diff | Rich-ness | |
| euro-zone HICP ex-tob | | | | | | | | | | | | | | | | | |
| DBRei 1.50 Apr-16 | 15.0 | | 100.6 | 118.3 | 1.2 | 1.4 | 0.97 | -5 | 3 | -1.17 | -1 | -17 | | | | | DBR 3.50 Jan-16 |
| OBLLei 0.75 Apr-18 | 15.0 | | 102.4 | 109.4 | 3.2 | 3.5 | 0.02 | -7 | -9 | -0.18 | 2 | -2 | -12 | -2 | 19 | 17 | DBR 4.00 Jan-18 |
| DBRei 1.75 Apr-20 | 15.0 | | 110.9 | 122.9 | 5.0 | 6.2 | -0.32 | -8 | -9 | 0.26 | 4 | -2 | -23 | -11 | 11 | 11 | DBR 3.25 Jan-20 |
| DBRei 0.10 Apr-23 | 16.0 | | 104.9 | 108.7 | 8.2 | 8.9 | -0.48 | -13 | -19 | 0.69 | 7 | 2 | -27 | -15 | 8 | 8 | DBR 1.50 Feb-23 |
| DBRei 0.50 Apr-30 | 5.0 | | 112.8 | 114.3 | 14.7 | 16.8 | -0.32 | -12 | -23 | 1.01 | 5 | -1 | -6 | 1 | 14 | 10 | DBR 6.25 Jan-30 |
| OATei 1.60 Jul-15 | 11.6 | | 100.3 | 120.9 | 0.5 | 0.6 | 0.91 | 10 | 39 | -1.09 | -15 | -56 | | | | | OAT 3.50 Apr-15 |
| OATei 0.25 Jul-18 | 10.1 | | 101.6 | 105.8 | 3.5 | 3.7 | -0.21 | -8 | -14 | 0.16 | 4 | 4 | 4 | 14 | 25 | 25 | OAT 4.00 Apr-18 |
| OATei 2.25 Jul-20 | 20.0 | | 114.6 | 141.1 | 5.2 | 7.4 | -0.36 | -16 | -22 | 0.44 | 5 | 2 | 0 | 9 | 20 | 20 | OAT 3.50 Apr-20 |
| OATei 1.10 Jul-22 | 17.1 | | 111.2 | 121.1 | 7.3 | 8.8 | -0.36 | -16 | -22 | 0.67 | 4 | 3 | 2 | 11 | 16 | 15 | OAT 3.00 Apr-22 |
| OATei 0.25 Jul-24 | 8.6 | | 105.0 | 106.7 | 9.4 | 10.1 | -0.27 | -13 | -23 | 0.83 | 1 | 1 | 11 | 20 | 17 | 15 | OAT 2.25 May-24 |
| OATei 1.85 Jul-27 | 9.9 | | 125.1 | 134.7 | 11.4 | 15.3 | -0.14 | -16 | -28 | 0.93 | 1 | 3 | 26 | 28 | 16 | 10 | OAT 3.50 Apr-26 |
| OATei 0.70 Jul-30 | 3.9 | | 110.8 | 111.5 | 14.8 | 16.4 | 0.00 | -19 | -28 | 1.11 | 1 | 0 | 38 | 41 | 18 | 16 | OAT 2.50 May-30 |
| OATei 3.15 Jul-32 | 9.6 | | 154.6 | 193.0 | 14.4 | 27.8 | 0.02 | -16 | -24 | 1.15 | -1 | -4 | 64 | 41 | 16 | 14 | OAT 5.75 Oct-32 |
| OATei 1.80 Jul-40 | 9.4 | | 140.5 | 161.9 | 21.4 | 34.6 | 0.18 | -12 | -25 | 1.26 | -6 | -5 | 79 | 53 | 18 | 15 | OAT 4.00 Oct-38 |
| French CPI ex tob | | | | | | | | | | | | | | | | | |
| BTPei 2.10 Sep-16 | 9.1 | | 102.3 | 110.2 | 1.6 | 1.8 | 0.72 | -10 | -19 | -0.37 | 2 | -7 | | | | | BTP 3.75 Aug-16 |
| BTPei 2.10 Sep-17 | 13.8 | | 104.0 | 121.7 | 2.6 | 3.1 | 0.56 | -22 | -23 | -0.03 | 10 | -6 | 69 | 67 | 18 | 18 | BTP 3.50 Nov-17 |
| BTPei 1.70 Sep-18 | 10.0 | | 104.4 | 106.1 | 3.5 | 3.7 | 0.47 | -30 | -36 | 0.16 | 14 | 2 | 63 | 71 | 15 | 14 | BTP 4.50 Aug-18 |
| BTPei 2.35 Sep-19 | 17.3 | | 108.5 | 121.0 | 4.4 | 5.3 | 0.49 | -28 | -32 | 0.27 | 7 | -3 | 83 | 81 | 19 | 18 | BTP 4.25 Sep-19 |
| BTPei 2.10 Sep-21 | 16.4 | | 109.2 | 119.0 | 6.2 | 7.3 | 0.69 | -26 | -30 | 0.50 | 6 | -4 | 113 | 109 | 19 | 18 | BTP 3.75 Aug-21 |
| BTPei 2.60 Sep-23 | 16.5 | | 114.6 | 131.8 | 7.7 | 10.2 | 0.85 | -21 | -30 | 0.67 | 2 | -3 | 147 | 126 | 19 | 17 | BTP 4.75 Aug-23 |
| BTPei 2.35 Sep-24 | 8.2 | | 113.2 | 114.5 | 8.6 | 9.9 | 0.92 | -28 | -38 | 0.73 | 7 | 3 | 136 | 133 | 22 | 21 | BTP 3.75 Sep-24 |
| BTPei 3.10 Sep-26 | 6.6 | | 121.5 | 130.0 | 9.9 | 12.8 | 1.13 | -24 | -35 | 0.77 | 2 | -2 | 176 | 151 | 26 | 17 | BTP 4.50 Mar-26 |
| BTPei 2.35 Sep-35 | 13.1 | | 114.6 | 137.9 | 16.4 | 22.7 | 1.53 | -19 | -23 | 1.27 | 6 | -2 | 260 | 186 | 5 | -9 | BTP 5.00 Aug-34 |
| BTPei 2.55 Sep-41 | 6.9 | | 115.6 | 126.5 | 19.6 | 24.8 | 1.82 | -27 | -30 | 1.25 | 13 | 5 | 290 | 214 | 17 | 5 | BTP 5.00 Sep-40 |
| SPGei 0.55 Nov-19 | 5.0 | | 101.4 | 101.6 | 4.8 | 4.9 | 0.26 | -25 | -36 | 0.45 | 9 | 6 | 50 | 60 | 5 | 3 | SPG 4.30 Oct-19 |
| SPGei 1.80 Nov-24 | 7.4 | | 111.7 | 112.1 | 9.1 | 10.2 | 0.58 | -26 | -33 | 0.93 | 5 | 4 | 98 | 99 | 6 | 3 | SPG 2.75 Oct-24 |
| French CPI ex tob | | | | | | | | | | | | | | | | | |
| BTANi 0.45 Jul-16 | 12.1 | | 101.0 | 106.1 | 1.5 | 1.6 | -0.21 | -17 | -22 | 0.07 | 13 | 8 | | | | | OAT 3.25 Apr-16 |
| OATi 1.00 Jul-17 | 20.2 | | 103.4 | 117.5 | 2.5 | 2.9 | -0.34 | -17 | -30 | 0.24 | 13 | 21 | -2 | 7 | 19 | 19 | OAT 3.75 Apr-17 |
| OATi 1.30 Jul-19 | 10.8 | | 108.1 | 115.8 | 4.4 | 5.1 | -0.47 | -15 | -29 | 0.46 | 7 | 13 | 2 | 11 | 25 | 25 | OAT 4.25 Apr-19 |
| OATi 0.10 Jul-21 | 5.1 | | 104.0 | 104.9 | 6.5 | 6.8 | -0.51 | -19 | -29 | 0.68 | 7 | 8 | 3 | 13 | 23 | 22 | OAT 3.75 Apr-21 |
| OATi 2.10 Jul-23 | 12.9 | | 121.8 | 134.8 | 7.9 | 10.7 | -0.42 | -18 | -23 | 0.88 | 5 | 1 | 17 | 22 | 23 | 23 | OAT 4.25 Oct-23 |
| OATi 3.40 Jul-29 | 8.0 | | 152.2 | 192.4 | 12.2 | 23.4 | -0.15 | -15 | -20 | 1.15 | -2 | -6 | 63 | 42 | 21 | 19 | OAT 5.50 Apr-29 |
| CADESi 1.85 Jul-17 | 2.0 | | 105.4 | 117.9 | 2.5 | 2.9 | -0.28 | -26 | -54 | 0.24 | 22 | 46 | | | | | CADESi 4.13 Apr-17 |
| CADESi 1.85 Jul-19 | 2.4 | | 109.8 | 127.3 | 4.4 | 5.5 | -0.30 | -13 | -31 | 0.36 | 2 | 12 | | | | | CADESi 4.00 Oct-19 |
| CADESi 1.50 Jul-21 | 3.3 | | 112.2 | 118.4 | 6.2 | 7.4 | -0.35 | -19 | -34 | 0.57 | 7 | 13 | | | | | CADESi 3.38 Apr-21 |

valuation date: 16-Jan-15

*Par/par is the par/par ASW margin vs 6M Libor in bp; z-sprd is the z-spread of the linker vs 3M Libor in bp; z-sprd diff is the z-spread of the linker and that of its nominal comparator; richness is the "CPI swap richness or the cheapness (+) or richness (-) of the linker relative to the underlying nominal government bond curve
Source: Bloomberg Finance LP, Deutsche Bank



GBP inflation-linked bonds

| | size | | price | | risk | | real-yield | | | breakeven | | | ASW | | | | comparator |
|-------------------|-------------|--|---------------|--------------|--------------|------|------------|----------|----------|-----------|----------|----------|----------------|-----------|----------------|---------------|-----------------|
| | Local bn | | real clean | nom dirty | mod durat | dv01 | spot % | 1W bp | 1M bp | spot % | 1W bp | 1M bp | Net- prcnds | z sprd | z-sprd diff | Rich- ness | |
| UK RPI | | | | | | | | | | | | | | | | | |
| UKTi8 2.50 Jul-16 | 7.9 | | 329.0 | 328.8 | 1.5 | 5.0 | -1.49 | -6 | -4 | 1.89 | 7 | -2 | | | | | UKT 4.00 Sep-16 |
| UKTi8 2.50 Apr-20 | 6.6 | | 369.8 | 371.8 | 5.0 | 18.5 | -1.38 | -1 | -11 | 2.44 | -1 | -7 | 8 | 20 | 29 | 28 | UKT 4.75 Mar-20 |
| UKTi8 2.50 Jul-24 | 6.8 | | 352.7 | 352.8 | 8.7 | 30.8 | -1.10 | -3 | -17 | 2.61 | -2 | -6 | 23 | 37 | 29 | 27 | UKT 5.00 Mar-25 |
| UKTi8 4.13 Jul-30 | 4.8 | | 348.7 | 348.7 | 12.9 | 44.8 | -1.00 | -5 | -15 | 2.89 | -4 | -11 | 28 | 43 | 18 | 18 | UKT 4.75 Dec-30 |
| UKTi8 2.00 Jan-35 | 9.1 | | 240.8 | 240.7 | 17.6 | 42.3 | -0.95 | -7 | -14 | 3.06 | -2 | -12 | 39 | 47 | 11 | 8 | UKT 4.25 Mar-36 |
| UKTi 1.25 Nov-17 | 11.8 | | 108.0 | 143.7 | 2.8 | 4.0 | -1.50 | -4 | -13 | 2.12 | 7 | 2 | 0 | 9 | 33 | 32 | UKT 1.00 Sep-17 |
| UKTi 0.13 Nov-19 | 8.2 | | 107.8 | 111.1 | 4.9 | 5.4 | -1.43 | -5 | -18 | 2.42 | 5 | 0 | 4 | 15 | 26 | 25 | UKT 3.75 Sep-19 |
| UKTi 1.88 Nov-22 | 15.7 | | 125.6 | 157.5 | 7.4 | 11.7 | -1.22 | -4 | -20 | 2.58 | 1 | -2 | 14 | 27 | 26 | 25 | UKT 1.75 Sep-22 |
| UKTi 0.13 Mar-24 | 13.1 | | 111.5 | 118.4 | 9.2 | 10.9 | -1.06 | -5 | -21 | 2.58 | 0 | -3 | 23 | 34 | 26 | 25 | UKT 5.00 Mar-25 |
| UKTi 1.25 Nov-27 | 14.2 | | 130.8 | 173.7 | 12.1 | 21.0 | -0.99 | -5 | -16 | 2.71 | -2 | -9 | 32 | 43 | 26 | 24 | UKT 4.25 Dec-27 |
| UKTi 0.13 Mar-29 | 14.2 | | 116.0 | 125.8 | 14.1 | 17.8 | -0.93 | -6 | -17 | 2.82 | -3 | -9 | 39 | 46 | 22 | 22 | UKT 4.75 Dec-30 |
| UKTi 1.25 Nov-32 | 12.8 | | 143.3 | 170.1 | 16.5 | 28.0 | -0.97 | -6 | -15 | 2.95 | -3 | -10 | 36 | 44 | 15 | 9 | UKT 4.25 Jun-32 |
| UKTi 0.75 Mar-34 | 14.6 | | 134.9 | 149.7 | 18.2 | 27.2 | -0.91 | -6 | -16 | 2.97 | -3 | -10 | 42 | 46 | 13 | 8 | UKT 4.50 Sep-34 |
| UKTi 1.13 Nov-37 | 12.1 | | 152.6 | 194.4 | 20.9 | 40.6 | -0.93 | -8 | -16 | 3.07 | -1 | -10 | 44 | 47 | 10 | 4 | UKT 4.75 Dec-38 |
| UKTi 0.63 Mar-40 | 12.4 | | 143.8 | 171.1 | 23.8 | 40.7 | -0.92 | -7 | -17 | 3.11 | -2 | -10 | 47 | 47 | 7 | 0 | UKT 4.25 Dec-40 |
| UKTi 0.63 Nov-42 | 11.9 | | 149.4 | 181.0 | 26.2 | 47.4 | -0.93 | -8 | -16 | 3.11 | -2 | -11 | 50 | 47 | 8 | 1 | UKT 4.50 Dec-42 |
| UKTi 0.13 Mar-44 | 15.7 | | 133.6 | 141.9 | 28.9 | 40.9 | -0.88 | -8 | -16 | 3.12 | -2 | -11 | 57 | 49 | 7 | 0 | UKT 3.25 Jan-44 |
| UKTi 0.75 Nov-47 | 11.7 | | 163.4 | 202.6 | 30.3 | 61.3 | -0.90 | -8 | -15 | 3.11 | -2 | -12 | 54 | 49 | 8 | 3 | UKT 4.25 Dec-46 |
| UKTi 0.50 Mar-50 | 12.2 | | 157.5 | 190.1 | 33.1 | 63.0 | -0.89 | -8 | -15 | 3.09 | -2 | -12 | 58 | 49 | 9 | 4 | UKT 4.25 Dec-49 |
| UKTi 0.25 Mar-52 | 12.0 | | 149.7 | 159.2 | 36.0 | 57.4 | -0.88 | -7 | -15 | 3.10 | -2 | -12 | 63 | 50 | 8 | 3 | UKT 3.75 Jul-52 |
| UKTi 1.25 Nov-55 | 10.2 | | 206.2 | 276.3 | 35.3 | 97.5 | -0.90 | -8 | -14 | 3.09 | -2 | -12 | 57 | 49 | 10 | 8 | UKT 4.25 Dec-55 |
| UKTi 0.13 Mar-58 | 5.0 | | 151.5 | 152.4 | 42.5 | 64.7 | -0.86 | -8 | -14 | 3.06 | -2 | -12 | 73 | 52 | 12 | 10 | UKT 4.00 Jan-60 |
| UKTi 0.38 Mar-62 | 12.5 | | 173.2 | 189.1 | 44.6 | 84.3 | -0.87 | -7 | -14 | 3.08 | -2 | -12 | 73 | 52 | 12 | 8 | UKT 4.00 Jan-60 |
| UKTi 0.13 Mar-68 | 9.8 | | 167.4 | 172.5 | 52.2 | 90.0 | -0.87 | -8 | -14 | 3.09 | -2 | -12 | 85 | 53 | 12 | 9 | UKT 3.50 Jul-68 |

valuation date: 16-Jan-15

*Net-procnds is the net proceeds ASW margin vs 6M Libor in bp; z-sprd is the z-spread of the linker vs 3M Libor in bp; z-sprd diff is the z-spread of the linker and that of its nominal comparator; richness is the 'CPI swap richness or the cheapness (+) or richness (-) of the linker relative to the underlying nominal government bond curve
Source: Bloomberg Finance LP, Deutsche Bank



Other inflation-linked bonds

| | size | | price | | risk | | real-yield | | | breakeven | | | ASW | | | | comparator |
|-------------------|----------|--|------------|-----------|-----------|------|------------|-------|-------|-----------|-------|-------|------------|--------|-------------|-----------|-----------------|
| | Local bn | | real clean | nom dirty | mod durat | dv01 | spot % | 1W bp | 1M bp | spot % | 1W bp | 1M bp | Net-prc ds | z sprd | z-sprd diff | Rich-ness | |
| JPY CPI | | | | | | | | | | | | | | | | | |
| JGBi 0.50 Jun-15 | 54.8 | | 101.1 | 105.4 | 0.4 | 0.4 | -2.37 | -3 | 65 | 2.37 | 2 | -67 | | | | | JGB 1.30 Jun-15 |
| JGBi 0.80 Sep-15 | 61.5 | | 102.0 | 106.1 | 0.6 | 0.7 | -2.34 | -3 | 39 | 2.34 | 2 | -38 | | | | | JGB 1.40 Sep-15 |
| JGBi 0.80 Dec-15 | 93.8 | | 102.7 | 106.3 | 0.9 | 0.9 | -2.23 | -2 | 22 | 2.22 | 1 | -24 | | | | | JGB 1.50 Dec-15 |
| JGBi 0.80 Mar-16 | 52.5 | | 104.1 | 108.0 | 1.1 | 1.2 | -2.80 | -2 | 19 | 2.77 | 2 | -21 | | | | | JGB 1.60 Mar-16 |
| JGBi 1.00 Jun-16 | 203.4 | | 105.2 | 109.2 | 1.4 | 1.5 | -2.72 | -3 | 9 | 2.69 | 3 | -12 | | | | | JGB 1.90 Jun-16 |
| JGBi 1.10 Sep-16 | 141.3 | | 106.2 | 110.0 | 1.6 | 1.8 | -2.64 | -2 | 12 | 2.61 | 3 | -14 | | | | | JGB 1.70 Sep-16 |
| JGBi 1.10 Dec-16 | 249.4 | | 107.0 | 110.3 | 1.9 | 2.1 | -2.54 | -2 | 7 | 2.52 | 2 | -10 | | | | | JGB 1.70 Dec-16 |
| JGBi 1.20 Mar-17 | 128.3 | | 108.7 | 112.7 | 2.1 | 2.4 | -2.77 | -2 | 8 | 2.74 | 2 | -9 | | | | | JGB 1.70 Mar-17 |
| JGBi 1.20 Jun-17 | 277.4 | | 108.6 | 112.9 | 2.4 | 2.7 | -2.32 | -1 | 6 | 2.29 | 1 | -10 | | | | | JGB 1.80 Jun-17 |
| JGBi 1.30 Sep-17 | 113.0 | | 109.6 | 113.6 | 2.6 | 3.0 | -2.23 | -1 | 8 | 2.21 | 2 | -9 | | | | | JGB 1.70 Sep-17 |
| JGBi 1.20 Dec-17 | 381.3 | | 109.7 | 113.1 | 2.9 | 3.2 | -2.05 | -1 | 6 | 2.03 | 1 | -9 | | | | | JGB 1.50 Dec-17 |
| JGBi 1.40 Mar-18 | 134.3 | | 111.2 | 114.4 | 3.1 | 3.5 | -2.05 | -1 | 7 | 2.04 | 1 | -9 | | | | | JGB 1.30 Mar-18 |
| JGBi 1.40 Jun-18 | 431.3 | | 111.2 | 114.2 | 3.3 | 3.8 | -1.81 | 0 | 6 | 1.80 | 0 | -8 | | | | | JGB 1.80 Jun-18 |
| JGBi 0.10 Sep-23 | 646.7 | | 106.0 | 109.7 | 8.6 | 9.5 | -0.58 | 0 | -1 | 0.75 | -1 | -8 | | | | | JGB 0.80 Sep-23 |
| JGBi 0.10 Mar-24 | 821.7 | | 106.0 | 109.1 | 9.1 | 9.9 | -0.55 | 0 | 1 | 0.74 | -3 | -12 | | | | | JGB 0.60 Mar-24 |
| JGBi 0.10 Sep-24 | 1091.8 | | 106.5 | 106.6 | 9.6 | 10.2 | -0.56 | 0 | 6 | 0.78 | -3 | -17 | | | | | JGB 0.50 Sep-24 |
| SEK CPI | | | | | | | | | | | | | | | | | |
| SGBi 3.50 Dec-15 | 23.3 | | 126.2 | 126.8 | 0.9 | 1.1 | -0.02 | -14 | 4 | 0.07 | 11 | -7 | | | | | SGB 4.50 Aug-15 |
| SGBi 0.50 Jun-17 | 38.3 | | 105.8 | 106.1 | 2.4 | 2.5 | -0.40 | -17 | -8 | 0.32 | 13 | 1 | | | | | SGB 3.75 Aug-17 |
| SGBi 4.00 Dec-20 | 29.4 | | 160.8 | 161.5 | 5.4 | 8.7 | -0.33 | -12 | -7 | 0.61 | 6 | -3 | | | | | SGB 5.00 Dec-20 |
| SGBi 0.25 Jun-22 | 28.3 | | 105.2 | 105.4 | 7.3 | 7.7 | -0.34 | -11 | -12 | 0.80 | 5 | -1 | | | | | SGB 3.50 Jun-22 |
| SGBi 1.00 Jun-25 | 15.3 | | 113.2 | 113.9 | 9.9 | 11.3 | -0.27 | -11 | -16 | 1.02 | 3 | -1 | | | | | SGB 2.50 May-25 |
| SGBi 3.50 Dec-28 | 43.4 | | 186.8 | 187.4 | 11.8 | 22.1 | -0.23 | -9 | -19 | 1.41 | 0 | -3 | | | | | SGB 2.25 Jun-32 |
| CAD CPI | | | | | | | | | | | | | | | | | |
| CANi 4.25 Dec-21 | 5.2 | | 130.7 | 198.5 | 6.1 | 12.2 | -0.19 | -15 | -22 | 1.33 | 0 | 0 | | | | | CAN 9.75 Jun-21 |
| CANi 4.25 Dec-26 | 5.3 | | 149.2 | 214.1 | 9.9 | 21.2 | 0.08 | -14 | -28 | 1.60 | -1 | 4 | | | | | CAN 8.00 Jun-27 |
| CANi 4.00 Dec-31 | 5.8 | | 162.0 | 223.4 | 13.4 | 30.0 | 0.24 | -14 | -20 | 1.71 | 0 | -2 | | | | | CAN 5.75 Jun-33 |
| CANi 3.00 Dec-36 | 5.9 | | 156.6 | 191.5 | 17.4 | 33.4 | 0.32 | -14 | -20 | 1.72 | 0 | -2 | | | | | CAN 5.00 Jun-37 |
| CANi 2.00 Dec-41 | 6.6 | | 141.5 | 160.1 | 21.9 | 35.1 | 0.37 | -14 | -21 | 1.70 | 0 | -2 | | | | | CAN 4.00 Jun-41 |
| CANi 1.50 Dec-44 | 7.7 | | 131.1 | 142.7 | 25.0 | 35.6 | 0.39 | -14 | -20 | 1.68 | 0 | -1 | | | | | CAN 3.50 Dec-45 |
| CANi 1.25 Dec-47 | 2.9 | | 126.1 | 126.3 | 27.7 | 35.7 | 0.40 | -14 | -20 | 1.68 | 0 | -1 | | | | | CAN 3.50 Dec-45 |
| AUD CPI | | | | | | | | | | | | | | | | | |
| ACGBi 4.00 Aug-15 | 1.2 | | 176.5 | 177.7 | 0.6 | 1.0 | 1.37 | 2 | -5 | 1.08 | -3 | 6 | | | | | ACG 6.25 Apr-15 |
| ACGBi 1.00 Nov-18 | 3.8 | | 104.6 | 104.8 | 3.8 | 3.9 | 0.50 | -3 | -13 | 1.61 | -4 | -6 | | | | | ACG 3.25 Oct-18 |
| ACGBi 4.00 Aug-20 | 5.0 | | 192.8 | 193.9 | 5.1 | 9.8 | 0.41 | -8 | -21 | 1.79 | -2 | -5 | | | | | ACG 4.50 Apr-20 |
| ACGBi 1.25 Feb-22 | 4.3 | | 113.2 | 113.4 | 6.8 | 7.7 | 0.37 | -10 | -27 | 2.02 | -2 | -4 | | | | | ACG 5.75 Jul-22 |
| ACGBi 3.00 Sep-25 | 5.5 | | 146.5 | 146.8 | 9.3 | 13.7 | 0.36 | -17 | -35 | 2.22 | 3 | -1 | | | | | ACG 3.25 Apr-25 |
| ACGBi 2.50 Sep-30 | 3.3 | | 145.5 | 145.8 | 13.4 | 19.5 | 0.51 | -23 | -42 | 2.26 | 7 | 3 | | | | | ACG 3.25 Apr-29 |
| ACGBi 2.00 Aug-35 | 2.7 | | 131.3 | 131.6 | 17.3 | 22.8 | 0.63 | -24 | -48 | 2.14 | 7 | 9 | | | | | ACG 3.25 Apr-29 |

Source: Bloomberg Finance LP, Deutsche Bank



TIPS forwards

| | Real yield | | | | | | | | Breakeven | | | | | | | | | | | |
|---------------------|------------|------------|------|------|------|------|------------|-----------|---------------------|-----|------|------|------|------|-----|-----|--|--|--|--|
| | spot | carry (bp) | | | | | | spot | B/E protection (bp) | | | | | | | | | | | |
| | (%) 02-Feb | 1M 02-Mar | 2M | 3M | 6M | 9M | (%) 02-Feb | 1M 02-Mar | 2M | 3M | 6M | 9M | | | | | | | | |
| US CPI-U NSA | | | | | | | | | | | | | | | | | | | | |
| TIIApr15 | 5.68 | -18 | -88 | -153 | | | | | -5.63 | -16 | -83 | -146 | | | | | | | | |
| TIIJul15 | 1.41 | -41 | -122 | -177 | -303 | | | | -1.28 | -41 | -122 | -176 | | | | | | | | |
| TIIJan16 | 0.47 | -23 | -63 | -88 | -138 | -170 | -19 | 174 | -0.24 | -23 | -64 | -89 | -139 | -172 | -25 | 184 | | | | |
| TIIApr16 | 0.13 | -19 | -52 | -72 | -111 | -135 | -35 | 32 | 0.14 | -20 | -53 | -73 | -112 | -138 | -43 | 32 | | | | |
| TIIJul16 | -0.49 | -18 | -47 | -64 | -98 | -121 | -59 | -43 | 0.83 | -18 | -48 | -66 | -100 | -125 | -67 | -49 | | | | |
| TIIJan17 | -0.32 | -13 | -34 | -46 | -70 | -84 | -33 | -15 | 0.83 | -14 | -36 | -48 | -73 | -89 | -45 | -29 | | | | |
| TIIApr17 | -0.21 | -11 | -29 | -40 | -60 | -71 | -25 | -6 | 0.78 | -12 | -31 | -42 | -63 | -76 | -36 | -21 | | | | |
| TIIJul17 | -0.56 | -11 | -28 | -38 | -57 | -69 | -31 | -21 | 1.22 | -11 | -30 | -40 | -61 | -74 | -44 | -39 | | | | |
| TIIJan18 | -0.30 | -9 | -22 | -30 | -45 | -54 | -20 | -8 | 1.14 | -9 | -24 | -33 | -49 | -60 | -33 | -27 | | | | |
| TIIApr18 | -0.14 | -8 | -20 | -27 | -40 | -47 | -14 | -2 | 1.04 | -8 | -22 | -29 | -44 | -53 | -28 | -21 | | | | |
| TIIJul18 | -0.35 | -7 | -19 | -26 | -39 | -46 | -17 | -8 | 1.28 | -8 | -21 | -29 | -43 | -52 | -31 | -27 | | | | |
| TIIJan19 | -0.16 | -6 | -16 | -22 | -33 | -39 | -12 | -2 | 1.26 | -7 | -19 | -25 | -37 | -45 | -26 | -22 | | | | |
| TIIApr19 | -0.06 | -6 | -15 | -20 | -30 | -35 | -9 | 1 | 1.21 | -7 | -17 | -23 | -34 | -41 | -23 | -19 | | | | |
| TIIJul19 | -0.20 | -6 | -15 | -20 | -30 | -35 | -11 | -2 | 1.40 | -7 | -17 | -23 | -34 | -41 | -25 | -22 | | | | |
| TIIJan20 | -0.04 | -5 | -13 | -17 | -26 | -30 | -8 | 1 | 1.30 | -6 | -15 | -20 | -30 | -36 | -21 | -18 | | | | |
| TIIJul20 | -0.07 | -4 | -12 | -16 | -24 | -27 | -7 | 0 | 1.46 | -5 | -14 | -19 | -28 | -33 | -20 | -19 | | | | |
| TIIJan21 | 0.09 | -4 | -10 | -14 | -21 | -24 | -5 | 2 | 1.38 | -5 | -13 | -17 | -25 | -30 | -18 | -16 | | | | |
| TIIJul21 | 0.06 | -4 | -10 | -13 | -19 | -22 | -5 | 2 | 1.48 | -4 | -12 | -16 | -23 | -28 | -17 | -16 | | | | |
| TIIJan22 | 0.16 | -3 | -9 | -12 | -17 | -20 | -4 | 3 | 1.42 | -4 | -11 | -14 | -21 | -25 | -15 | -14 | | | | |
| TIIJul22 | 0.13 | -3 | -8 | -11 | -16 | -19 | -4 | 2 | 1.49 | -4 | -10 | -13 | -20 | -24 | -15 | -14 | | | | |
| TIIJan23 | 0.21 | -3 | -8 | -10 | -15 | -17 | -3 | 3 | 1.46 | -4 | -9 | -12 | -18 | -22 | -14 | -13 | | | | |
| TIIJul23 | 0.18 | -3 | -7 | -10 | -14 | -16 | -3 | 3 | 1.53 | -3 | -9 | -12 | -18 | -21 | -14 | -13 | | | | |
| TIIJan24 | 0.25 | -3 | -7 | -9 | -14 | -15 | -2 | 3 | 1.49 | -3 | -8 | -11 | -17 | -20 | -13 | -12 | | | | |
| TIIJul24 | 0.20 | -2 | -6 | -9 | -13 | -14 | -3 | 2 | 1.59 | -3 | -8 | -11 | -16 | -19 | -13 | -12 | | | | |
| TIIJan25 | 0.27 | -2 | -7 | -9 | -13 | -15 | -2 | 3 | 1.47 | -3 | -8 | -11 | -16 | -20 | -13 | -12 | | | | |
| TIIJan26 | 0.32 | -2 | -6 | -8 | -12 | -13 | -2 | 3 | 1.54 | -3 | -8 | -10 | -15 | -18 | -12 | -12 | | | | |
| TIIJan27 | 0.39 | -2 | -5 | -7 | -11 | -12 | -1 | 4 | 1.52 | -3 | -7 | -10 | -14 | -17 | -11 | -11 | | | | |
| TIIJan28 | 0.42 | -2 | -5 | -7 | -10 | -11 | -1 | 3 | 1.54 | -3 | -7 | -9 | -13 | -16 | -11 | -11 | | | | |
| TIIApr28 | 0.41 | -2 | -5 | -7 | -11 | -12 | -1 | 3 | 1.61 | -3 | -7 | -9 | -13 | -16 | -11 | -10 | | | | |
| TIIJan29 | 0.43 | -2 | -5 | -6 | -9 | -11 | -1 | 3 | 1.59 | -2 | -6 | -8 | -12 | -15 | -10 | -10 | | | | |
| TIIApr29 | 0.44 | -2 | -5 | -7 | -10 | -11 | -1 | 3 | 1.60 | -3 | -6 | -9 | -13 | -16 | -10 | -10 | | | | |
| TIIApr32 | 0.52 | -2 | -4 | -5 | -8 | -9 | -1 | 3 | 1.57 | -2 | -5 | -7 | -11 | -13 | -9 | -9 | | | | |
| TIIFeb40 | 0.58 | -1 | -3 | -4 | -5 | -6 | 0 | 3 | 1.75 | -2 | -4 | -5 | -8 | -9 | -7 | -7 | | | | |
| TIIFeb41 | 0.58 | -1 | -3 | -4 | -5 | -6 | 0 | 2 | 1.73 | -1 | -4 | -5 | -7 | -9 | -7 | -7 | | | | |
| TIIFeb42 | 0.63 | -1 | -2 | -3 | -5 | -5 | 0 | 2 | 1.76 | -1 | -3 | -4 | -6 | -8 | -6 | -6 | | | | |
| TIIFeb43 | 0.62 | -1 | -2 | -3 | -4 | -5 | 0 | 2 | 1.79 | -1 | -3 | -4 | -6 | -8 | -6 | -6 | | | | |
| TIIFeb44 | 0.62 | -1 | -2 | -3 | -5 | -5 | 0 | 2 | 1.79 | -1 | -3 | -4 | -6 | -8 | -6 | -6 | | | | |

Source: Bloomberg Finance LP, Deutsche Bank



EUR/FRF forwards

| | Real yield | | | | | | | | Breakeven | | | | | | | |
|------------------------------|------------|------------|-----|-----|------|------|------------|-----------|-----------|---------------------|----|-----|-----|------|----|-----|
| | spot | carry (bp) | | | | | | | spot | B/E protection (bp) | | | | | | |
| | (%) 02-Feb | 1M 02-Mar | 2M | 3M | 6M | 9M | (%) 02-Feb | 1M 02-Mar | 2M | 3M | 6M | 9M | | | | |
| euro-zone HICP ex-tob | | | | | | | | | | | | | | | | |
| DBRei16 | 0.97 | -3 | -5 | -9 | -104 | -134 | 54 | 38 | -1.17 | -3 | -3 | -7 | | | | |
| OBLei18 | 0.02 | -2 | -4 | -7 | -41 | -52 | -2 | -21 | -0.18 | -2 | -4 | -6 | -40 | -51 | -1 | -19 |
| DBRei20 | -0.32 | -2 | -3 | -5 | -27 | -34 | -5 | -18 | 0.26 | -2 | -3 | -5 | -27 | -34 | -6 | -19 |
| DBRei23 | -0.48 | -1 | -2 | -3 | -16 | -21 | -4 | -12 | 0.69 | -1 | -3 | -4 | -17 | -22 | -6 | -15 |
| DBRei30 | -0.32 | -1 | -1 | -2 | -9 | -11 | -2 | -5 | 1.01 | -1 | -2 | -2 | -10 | -13 | -5 | -11 |
| OATei15 | 0.91 | -9 | -14 | -27 | -320 | | | | -1.09 | -7 | -7 | -18 | | | | |
| OATei18 | -0.21 | -2 | -5 | -7 | -38 | -49 | -6 | -25 | 0.16 | -2 | -5 | -7 | -38 | -49 | -6 | -26 |
| OATei20 | -0.36 | -2 | -3 | -5 | -26 | -32 | -5 | -17 | 0.44 | -2 | -4 | -5 | -26 | -33 | -7 | -21 |
| OATei22 | -0.36 | -1 | -2 | -3 | -18 | -23 | -4 | -12 | 0.67 | -1 | -3 | -4 | -19 | -25 | -7 | -17 |
| OATei24 | -0.27 | -1 | -2 | -3 | -14 | -17 | -2 | -8 | 0.83 | -1 | -2 | -3 | -15 | -19 | -6 | -15 |
| OATei27 | -0.14 | -1 | -1 | -2 | -11 | -14 | -1 | -6 | 0.93 | -1 | -2 | -3 | -13 | -16 | -6 | -13 |
| OATei30 | 0.00 | 0 | -1 | -1 | -9 | -11 | 0 | -4 | 1.11 | -1 | -2 | -2 | -10 | -13 | -5 | -11 |
| OATei32 | 0.02 | 0 | -1 | -1 | -9 | -11 | 0 | -4 | 1.15 | -1 | -2 | -2 | -10 | -13 | -5 | -11 |
| OATei40 | 0.18 | 0 | -1 | -1 | -6 | -7 | 0 | -2 | 1.26 | -1 | -1 | -2 | -7 | -9 | -4 | -9 |
| BTPei16 | 0.72 | -3 | -5 | -9 | -78 | -99 | 25 | 0 | -0.37 | -4 | -7 | -12 | -83 | -107 | 3 | -44 |
| BTPei17 | 0.56 | -2 | -4 | -6 | -48 | -60 | 10 | -6 | -0.03 | -3 | -6 | -8 | -52 | -66 | -4 | -31 |
| BTPei18 | 0.47 | -2 | -3 | -5 | -35 | -43 | 5 | -6 | 0.16 | -2 | -5 | -7 | -38 | -49 | -8 | -28 |
| BTPei19 | 0.49 | -1 | -2 | -4 | -27 | -34 | 4 | -4 | 0.27 | -2 | -4 | -6 | -31 | -39 | -7 | -23 |
| BTPei21 | 0.69 | -1 | -1 | -2 | -19 | -23 | 5 | 0 | 0.50 | -1 | -3 | -5 | -22 | -28 | -7 | -19 |
| BTPei23 | 0.85 | -1 | -1 | -1 | -14 | -18 | 5 | 1 | 0.67 | -1 | -3 | -4 | -18 | -23 | -7 | -17 |
| BTPei24 | 0.92 | 0 | -1 | -1 | -13 | -15 | 5 | 2 | 0.73 | -1 | -3 | -4 | -16 | -21 | -7 | -16 |
| BTPei26 | 1.13 | 0 | 0 | -1 | -11 | -13 | 5 | 3 | 0.77 | -1 | -2 | -3 | -15 | -18 | -6 | -15 |
| BTPei35 | 1.53 | 0 | 0 | 0 | -6 | -7 | 4 | 4 | 1.27 | -1 | -2 | -3 | -10 | -12 | -7 | -13 |
| BTPei41 | 1.82 | 0 | 0 | 0 | -5 | -6 | 4 | 4 | 1.25 | -1 | -2 | -2 | -8 | -11 | -6 | -11 |
| SPGei19 | 0.26 | -1 | -2 | -4 | -26 | -32 | 2 | -8 | 0.45 | -2 | -4 | -6 | -29 | -37 | -9 | -25 |
| SPGei24 | 0.58 | -1 | -1 | -2 | -13 | -16 | 3 | -1 | 0.93 | -1 | -3 | -4 | -16 | -20 | -7 | -16 |
| French CPI ex-tob | | | | | | | | | | | | | | | | |
| BTANi16 | -0.21 | -4 | -1 | -2 | -51 | -67 | 3 | 12 | 0.07 | -4 | 0 | -1 | -50 | -65 | 6 | 17 |
| OATi17 | -0.34 | -3 | -1 | -2 | -30 | -39 | -2 | -1 | 0.24 | -3 | -1 | -1 | -30 | -39 | -2 | -1 |
| OATi19 | -0.47 | -2 | -1 | -1 | -17 | -22 | -3 | -3 | 0.46 | -2 | -1 | -1 | -17 | -22 | -4 | -5 |
| OATi21 | -0.51 | -1 | -1 | -1 | -12 | -15 | -2 | -2 | 0.68 | -1 | -1 | -1 | -12 | -16 | -5 | -6 |
| OATi23 | -0.42 | -1 | 0 | -1 | -9 | -12 | -1 | -1 | 0.88 | -1 | -1 | -1 | -10 | -13 | -5 | -7 |
| OATi29 | -0.15 | -1 | 0 | 0 | -6 | -7 | 0 | 1 | 1.15 | -1 | -1 | -1 | -7 | -9 | -5 | -7 |
| CADESi17 | -0.28 | -3 | -1 | -1 | -30 | -39 | 0 | 2 | 0.24 | -3 | -1 | -1 | -30 | -39 | -2 | -1 |
| CADESi19 | -0.30 | -2 | 0 | -1 | -17 | -21 | 0 | 1 | 0.36 | -2 | -1 | -1 | -17 | -22 | -2 | -3 |
| CADESi21 | -0.35 | -1 | 0 | -1 | -12 | -15 | -1 | 0 | 0.57 | -1 | -1 | -1 | -12 | -16 | -4 | -5 |

Source: Bloomberg Finance LP, Deutsche Bank



UKTi forwards

| | Real yield | | | | | | | | Breakeven | | | | | | | |
|---------------|------------|--------|------------|--------|-----|-----|----|-----|-----------|--------|---------------------|--------|-----|-----|-----|-----|
| | spot | | carry (bp) | | | | | | spot | | B/E protection (bp) | | | | | |
| | (%) | 02-Feb | 1M | 02-Mar | 2M | 3M | 6M | 9M | (%) | 02-Feb | 1M | 02-Mar | 2M | 3M | 6M | 9M |
| UK RPI | | | | | | | | | | | | | | | | |
| UKTi816 | -1.49 | 3 | 6 | 8 | 12 | 20 | | | 1.89 | 3 | 6 | 9 | 13 | 21 | | |
| UKTi820 | -1.38 | 1 | 2 | 3 | 4 | 6 | 12 | 18 | 2.44 | 0 | 1 | 1 | 2 | 2 | 5 | 8 |
| UKTi824 | -1.10 | 1 | 1 | 2 | 3 | 4 | 8 | 13 | 2.61 | 0 | 0 | 0 | 1 | 1 | 2 | 3 |
| UKTi830 | -1.00 | 0 | 1 | 1 | 2 | 3 | 6 | 9 | 2.89 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| UKTi835 | -0.95 | 0 | 1 | 1 | 1 | 2 | 4 | 7 | 3.06 | 0 | 0 | 0 | 0 | -1 | -1 | -2 |
| UKTi17 | -1.50 | -6 | -6 | -7 | -26 | -34 | -8 | -16 | 2.12 | -6 | -7 | -8 | -27 | -35 | -11 | -20 |
| UKTi19 | -1.43 | -4 | -3 | -4 | -15 | -18 | -3 | -7 | 2.42 | -4 | -4 | -5 | -17 | -22 | -10 | -16 |
| UKTi22 | -1.22 | -2 | -2 | -2 | -9 | -11 | -1 | -2 | 2.58 | -3 | -3 | -4 | -11 | -14 | -7 | -11 |
| UKTi24 | -1.06 | -2 | -1 | -2 | -7 | -8 | 1 | 0 | 2.58 | -2 | -2 | -3 | -9 | -12 | -6 | -10 |
| UKTi27 | -0.99 | -1 | -1 | -1 | -5 | -6 | 1 | 1 | 2.71 | -2 | -2 | -3 | -7 | -9 | -5 | -9 |
| UKTi29 | -0.93 | -1 | -1 | -1 | -4 | -5 | 1 | 1 | 2.82 | -1 | -2 | -2 | -6 | -8 | -5 | -8 |
| UKTi32 | -0.97 | -1 | -1 | -1 | -4 | -4 | 1 | 0 | 2.95 | -1 | -2 | -2 | -6 | -7 | -5 | -8 |
| UKTi34 | -0.91 | -1 | -1 | -1 | -3 | -4 | 1 | 1 | 2.97 | -1 | -2 | -2 | -5 | -7 | -5 | -8 |
| UKTi37 | -0.93 | -1 | -1 | -1 | -3 | -3 | 1 | 1 | 3.07 | -1 | -1 | -2 | -5 | -6 | -5 | -7 |
| UKTi40 | -0.92 | -1 | -1 | -1 | -3 | -3 | 1 | 1 | 3.11 | -1 | -1 | -2 | -4 | -6 | -4 | -7 |
| UKTi42 | -0.93 | -1 | 0 | 0 | -2 | -3 | 0 | 0 | 3.11 | -1 | -1 | -2 | -4 | -5 | -4 | -7 |
| UKTi44 | -0.88 | 0 | 0 | 0 | -2 | -2 | 0 | 1 | 3.12 | -1 | -1 | -1 | -4 | -5 | -4 | -6 |
| UKTi47 | -0.90 | 0 | 0 | 0 | -2 | -2 | 0 | 0 | 3.11 | -1 | -1 | -1 | -3 | -5 | -4 | -6 |
| UKTi50 | -0.89 | 0 | 0 | 0 | -2 | -2 | 0 | 0 | 3.09 | -1 | -1 | -1 | -3 | -4 | -4 | -6 |
| UKTi52 | -0.88 | 0 | 0 | 0 | -2 | -2 | 0 | 0 | 3.10 | -1 | -1 | -1 | -3 | -4 | -4 | -5 |
| UKTi55 | -0.90 | 0 | 0 | 0 | -2 | -2 | 0 | 0 | 3.09 | -1 | -1 | -1 | -3 | -4 | -3 | -5 |
| UKTi58 | -0.86 | 0 | 0 | 0 | -1 | -2 | 0 | 0 | 3.06 | -1 | -1 | -1 | -3 | -3 | -3 | -5 |
| UKTi68 | -0.87 | 0 | 0 | 0 | -1 | -1 | 0 | 0 | 3.09 | -1 | -1 | -1 | -2 | -3 | -3 | -4 |

Source: Bloomberg Finance LP, Deutsche Bank



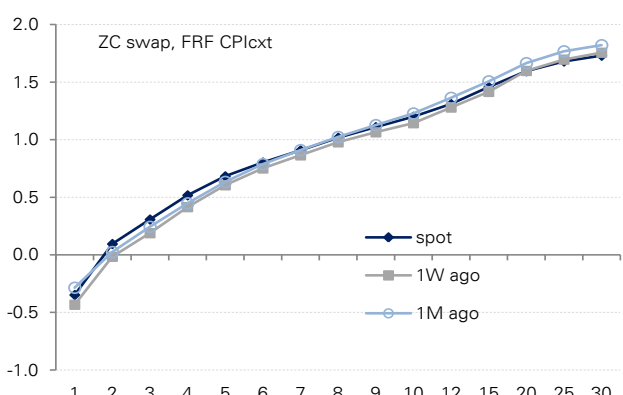
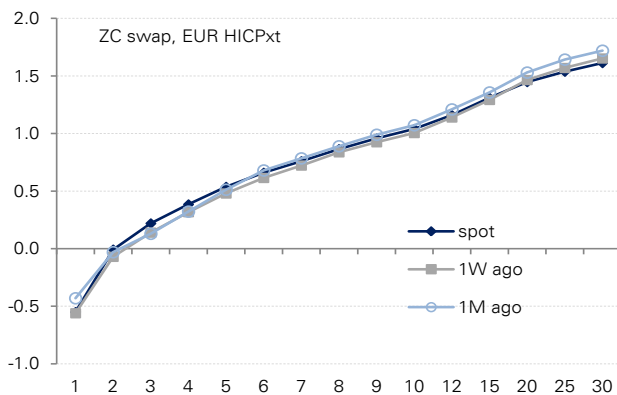
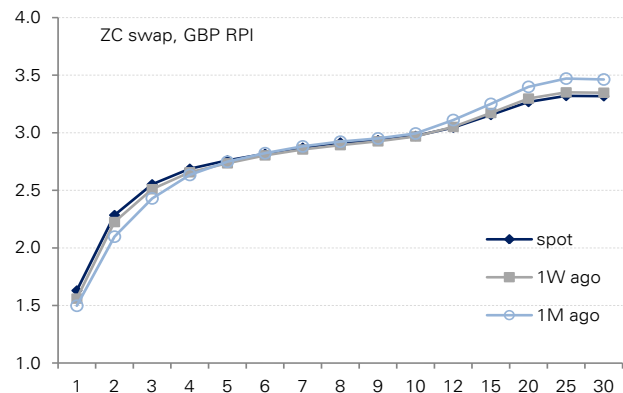
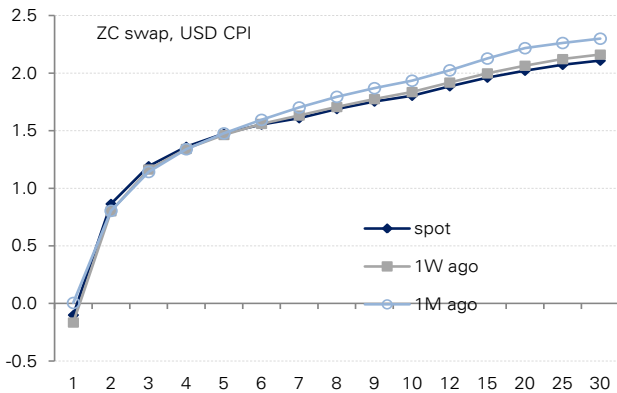
Zero-coupon swap B/Es

| level | US CPI | | | | EUR HICPxt | | | | FR CPIxt | | | | UK RPI | | | |
|-------|--------|----|----|-----|------------|-------|-------|-------|----------|-------|-------|-------|--------|-------|-------|-------|
| | spot | 1D | 1W | 1M | spot % | 1D bp | 1W bp | 1M bp | spot % | 1D bp | 1W bp | 1M bp | spot % | 1D bp | 1W bp | 1M bp |
| 2 | 0.87 | | 6 | 6 | -0.01 | | 6 | 2 | 0.10 | | 11 | 7 | 2.29 | | 6 | 19 |
| 3 | 1.19 | | 3 | 5 | 0.22 | | 8 | 9 | 0.31 | | 12 | 6 | 2.55 | | 4 | 12 |
| 4 | 1.36 | | 2 | 2 | 0.39 | | 7 | 6 | 0.52 | | 10 | 7 | 2.69 | | 3 | 5 |
| 5 | 1.48 | | 1 | 0 | 0.54 | | 6 | 3 | 0.68 | | 8 | 5 | 2.76 | | 2 | 1 |
| 6 | 1.55 | | -1 | -4 | 0.66 | | 4 | -2 | 0.80 | | 5 | 1 | 2.82 | | 1 | -1 |
| 7 | 1.61 | | -2 | -9 | 0.76 | | 4 | -3 | 0.91 | | 4 | 0 | 2.87 | | 2 | -1 |
| 8 | 1.69 | | -2 | -11 | 0.87 | | 3 | -3 | 1.02 | | 4 | -1 | 2.92 | | 2 | -1 |
| 9 | 1.75 | | -2 | -12 | 0.96 | | 3 | -3 | 1.11 | | 4 | -2 | 2.94 | | 1 | -2 |
| 10 | 1.80 | | -3 | -13 | 1.04 | | 4 | -3 | 1.20 | | 6 | -3 | 2.97 | | 0 | -2 |
| 12 | 1.89 | | -3 | -14 | 1.16 | | 2 | -5 | 1.31 | | 3 | -5 | 3.05 | | -1 | -7 |
| 15 | 1.96 | | -4 | -17 | 1.31 | | 2 | -5 | 1.46 | | 4 | -5 | 3.16 | | -2 | -10 |
| 20 | 2.02 | | -4 | -20 | 1.45 | | -2 | -8 | 1.60 | | 0 | -7 | 3.27 | | -3 | -13 |
| 25 | 2.07 | | -5 | -19 | 1.54 | | -3 | -11 | 1.68 | | -2 | -9 | 3.32 | | -3 | -15 |
| 30 | 2.11 | | -5 | -19 | 1.61 | | -4 | -11 | 1.73 | | -3 | -9 | 3.32 | | -3 | -15 |

valuation date: 16-Jan-15

Source: Bloomberg Finance LP, Deutsche Bank

Zero-coupon swap B/Es



Source: Bloomberg Finance LP, Deutsche Bank



Appendix 1

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