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HORIZON *handout*

The Berenberg Capital Markets Outlook • Wealth and Asset Management

April | 2023

Horizon Handout – Capital Market Outlook
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Date 30/03/2023.

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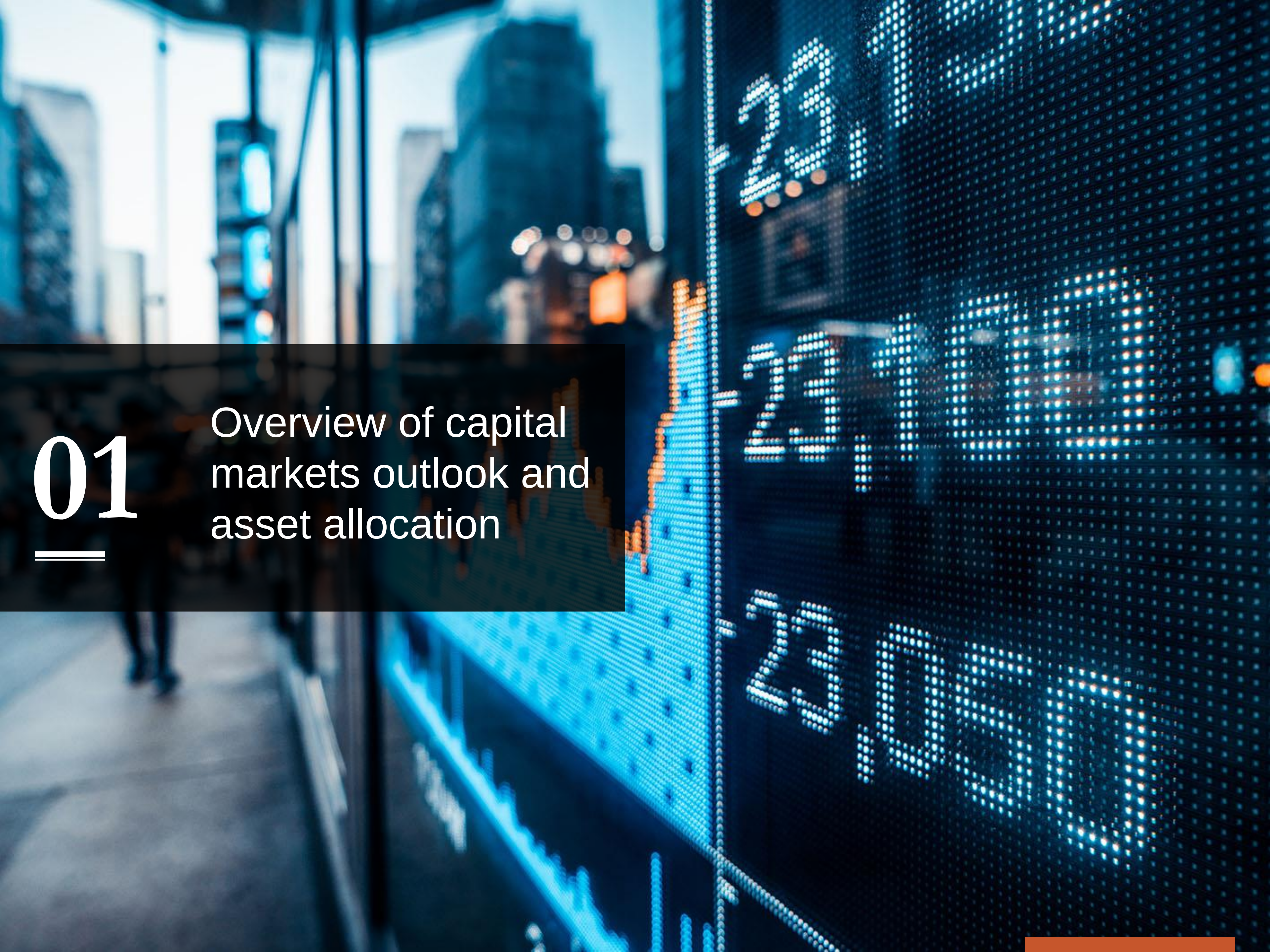
An online glossary with definitions of technical terms is available at www.berenberg.de/en/glossary



01 Overview of capital markets outlook and asset allocation

Overview of capital markets
Performance review

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Performance of selected asset classes

Total return of asset classes in the last 4 weeks, year-to-date and over 5 years (%, EUR)

	4-week & YTD		12-month periods over that last 5 years				
	4W (28/02/23 - 28/03/23)	YTD (30/12/22 - 28/03/23)	28/03/22 28/03/23	28/03/21 28/03/22	28/03/20 28/03/21	28/03/19 28/03/20	28/03/18 28/03/19
Gold	5.5	6.8	3.9	19.2	0.9	26.6	6.8
EUR Sovereign Debt	2.0	2.0	-6.9	-4.5	1.4	1.9	1.4
EUR Coporates	0.8	1.4	-7.7	-6.2	9.0	-3.5	2.3
Euro overnight deposit	0.2	0.5	0.6	-0.6	-0.5	-0.4	-0.4
MSCI Emerging Markets	-1.3	0.6	-9.9	-5.7	49.2	-16.3	1.3
MSCI Frontier Markets	-2.1	0.7	-16.4	16.5	28.5	-16.5	-6.2
MSCI World	-2.4	3.0	-8.9	18.3	47.2	-10.1	14.7
USDEUR	-2.5	-1.3	1.3	7.3	-5.6	0.8	9.7
Industrial Metals	-2.5	-3.3	-21.6	57.2	49.1	-21.4	5.1
Global Convertibles	-4.4	0.6	-13.5	0.2	64.2	-7.8	11.3
Brent	-7.2	-8.4	-10.2	108.3	78.8	-49.7	11.2
REITs	-8.9	-5.3	-24.1	24.0	21.3	-17.8	24.7

MSCI World: MSCI World Net Return; MSCI Emerging Markets: MSCI EM Net Return; MSCI Frontier Markets: MSCI Frontier Markets Net Return; REITs: MSCI World REITs Index; EUR Sovereign Debt: IBOXX Eurozone Sovereign 1-10Y TR; EUR Corporates: IBOXX Euro Corporates Overall TR; Global Convertibles: SPDR Convertible Securities ETF; Gold: Gold US Dollar Spot; Brent Crude: Bloomberg Brent Crude Subindex TR; Industrial Metals: Bloomberg Industrial Metals Subindex TR; Euro overnight deposit: ICE BofA Euro Overnight Deposit Rate Index; USDEUR: Price of 1 USD in EUR.

Sources: Bloomberg, Berenberg.
Note: The historical performance presented here is not a reliable indicator of future performance.

Time period: 28/03/2018 – 28/03/2023.

Overview of capital markets
Outlook by asset class

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Economics

- The economic slump has failed to materialise. The focus is now on the recovery.
- Stubborn inflation: Even if the peak has been passed, it is still too early to sound the all-clear.
- The further course of action by the central banks now also depends to a large extent on the problems in the financial sector.

Equities

- Profit expectations came down as we expected. In the meantime, hardly any growth is expected globally for 2023.
- Valuations have consequently risen across the board, also because of the equity rally. US stocks remain the most expensive.
- We do not see much upside or downside potential for Q2, with risks clearly pointing downwards.

Bonds

- Government bonds benefit as safe havens due to recession fears and turbulences in the banking sector.
- Financial bonds suffer from banking turmoil. Notable rise in risk premiums. EM local currency bonds favoured.
- After reducing the underweight, we currently feel well positioned. Increasing duration increasingly sensible.

Alternative investments / commodities

- Speculative investors bring oil price down. Fundamental supply-demand dynamics remains solid.
- Gold is a big beneficiary of banking sector worries. Fundamental potential is limited.
- Slow recovery in China dampens industrial metals. Supply remains tight and long-term trends intact.

Currencies

- The ECB has remained unimpressed by bank turbulence. The EUR should appreciate against the USD in the medium term.
- The US Federal Reserve is now acting more cautiously in view of the problems in the banking sector.
- Limited upside potential against the CHF, provided there are no negative surprises from the Swiss banks.

Overview of Berenberg's asset allocation
Current positioning within asset classes

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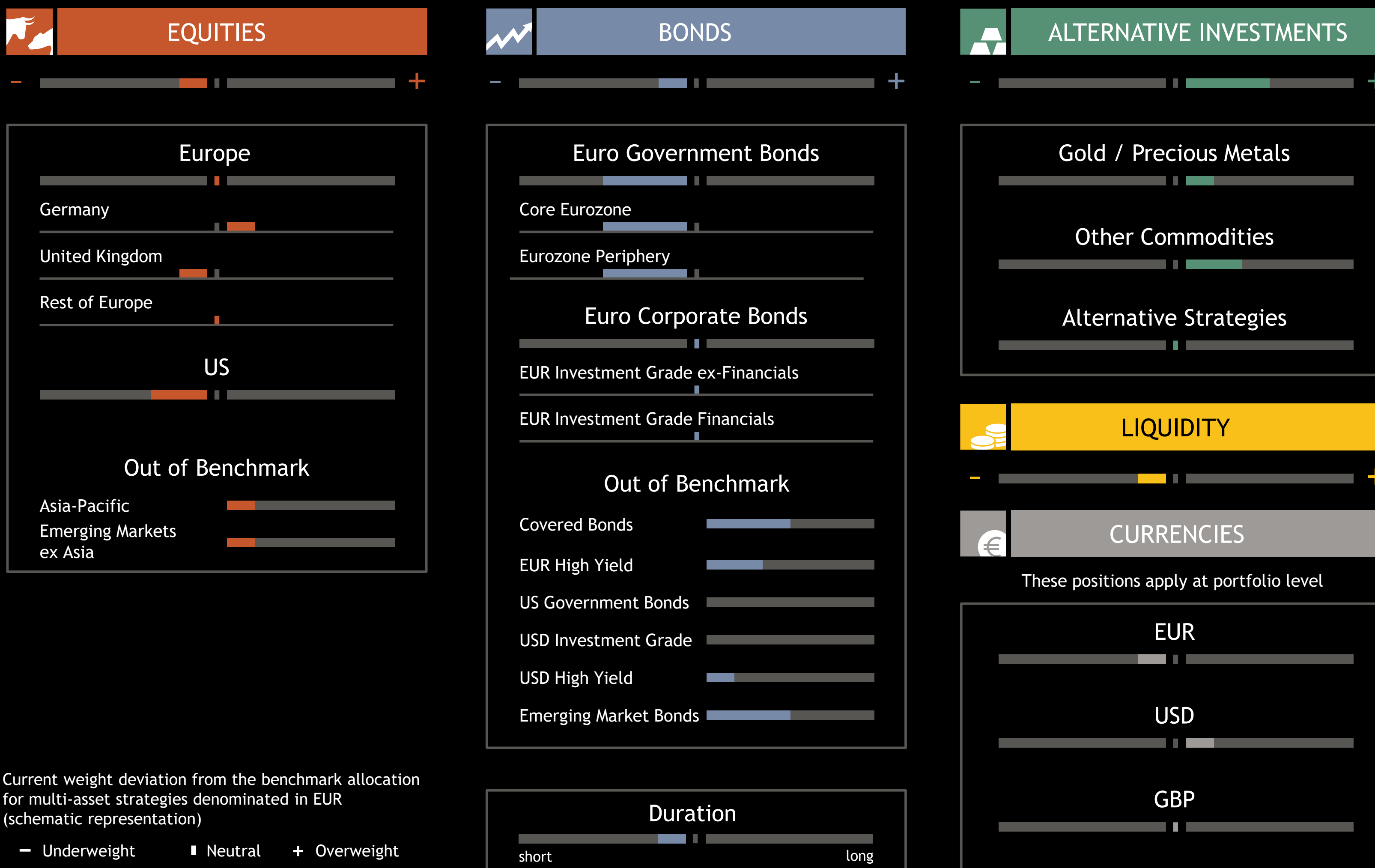
Portfolio positioning of a balanced mandate at a glance



Current weight deviation from the benchmark allocation for multi-asset strategies denominated in EUR (schematic representation)

− Underweight ▮ Neutral + Overweight

Overview of Berenberg's asset allocation
Review of Core Strategy 3

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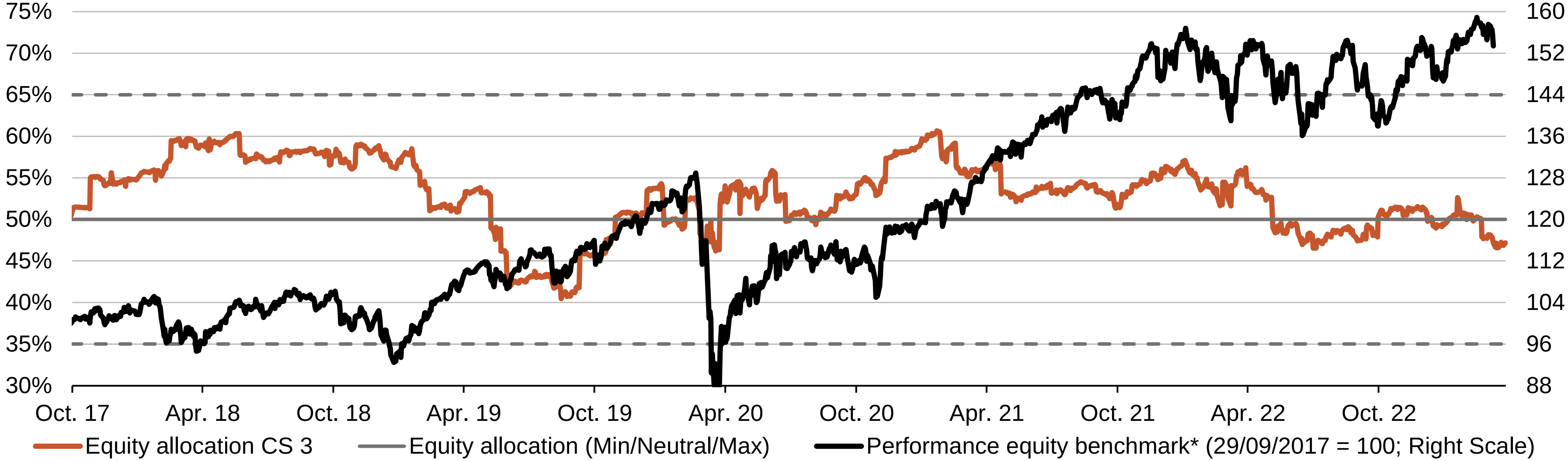
Management of the equity allocation of a balanced multi-asset mandate since inception

Performance equity benchmark	27/03/18 - 27/03/19	27/03/19 - 27/03/20	27/03/20 - 27/03/21	27/03/21 - 27/03/22	27/03/22 - 27/03/23
	12.54%	-10.41%	34.26%	17.59%	1.63%



Sources: SimCorp, Bloomberg, Berenberg. *The "equity benchmark" is 70% STOXX Europe Net Return Index and 30% S&P 500 Net Return Index. Time period: 29/09/2017 – 27/03/2023.
Note: The historical performance presented here is not a reliable indicator of future performance.

- Due to our equity focus on Europe and the emerging markets, we participated in the rally at the beginning of the year. However, we did not chase this development, but repeatedly reduced the equity quota towards neutral in several steps. Later in February, we finally took equities to a slight underweight by further reducing comparatively expensive US equities. In return, we increased short-dated euro bonds in order to also reduce our exposure to the resurgent US dollar. In bonds, we had positioned the duration only slightly below neutral after the yield increases in February. The focus remains on corporate bonds and emerging market bonds.
- Our portfolios have a clear focus on commodities. In our view, industrial metals and energy commodities in particular have gained in relative attractiveness since the beginning of the year. For diversification purposes, we have also built up a position in many strategies that benefits from a steepening of the US yield curve after it has inverted significantly.

02 Economics

Eurozone
GDP and inflation

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Economic outlook improves

- The Eurozone has weathered the energy shock better than anticipated. The Purchasing Managers' Index (PMI) rose to 54.1 in March from 52.0 in February, significantly exceeding Bloomberg's expectation of 52.0. The service sector was primarily supportive with an increase from 52.7 to 55.6. However, the numbers for the manufacturing sector decreased from 48.5 to 47.7.
- Overall, the number of new orders and employment has increased. The decreased waiting time for inputs reflects an easing of supply chain troubles.

Base effects are likely to lower inflation rate

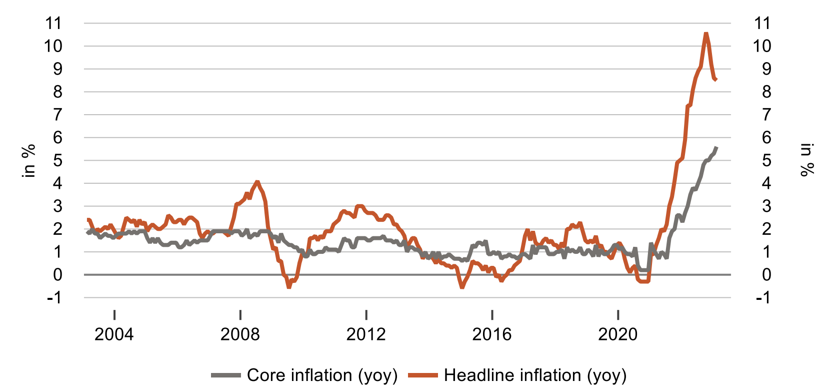
- Inflation rates are coming down from record levels. Base effects in particular are responsible for the decline. However, the core rate, i.e. excluding energy and food prices, remains at a high level of over five percent. The ECB therefore remains challenged.
- After the ECB raised the key interest rate by 50 basis points in March, we expected that the ECB will continue to tighten monetary policy. However, if the turmoil in the banking sector worsens, an early pause in tightening can be expected.

Eurozone GDP growth and industrial confidence

Source: Macrobond

Period: 02/2003 - 02/2023

Eurozone Inflation



Source: Macrobond

Period: 02/2003 - 02/2023

United Kingdom
GDP and inflation

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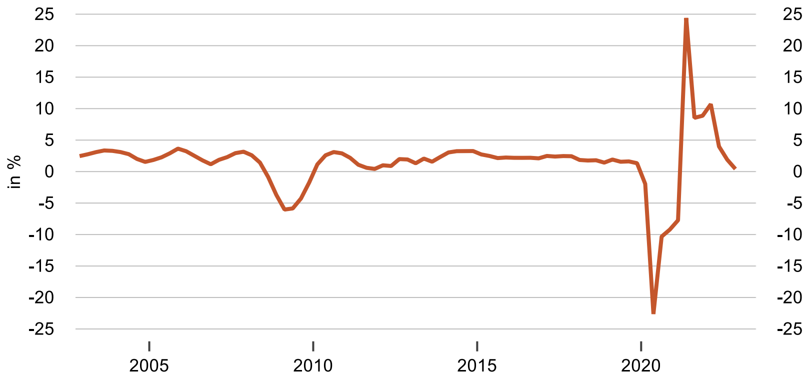
Inflation surprises to the upside

- The purchasing managers' index decreased to 52.2 in March from 53.1 in February, while consumer confidence increased from –38 to –36. These data are consistent with our expectation of economic stagnation in the first half of the year.
- In February, inflation increased to 10.4 % (from 10.1 % in January), which is higher than we expected (10.1 %). Additionally, core inflation also increased from 5,8 % to 6.2 % in February. However, inflationary pressures are expected to ease over the next 12 months due to base effects and inflation should fall to the BoE's target of 2 %.

Bank of England raises interest rate

- Given the large financial sector in the UK (as a share of GDP), the Bank of England (BoE) will likely proceed cautiously in view of the problems in the banking sector.
- In its March meeting, the BoE raised interest rates by another 25 basis points to 4.25 %, which is likely to be its peak for the time being. With ongoing tight financing conditions, less monetary action is required by the Bank of England to contain demand growth and reduce inflation.

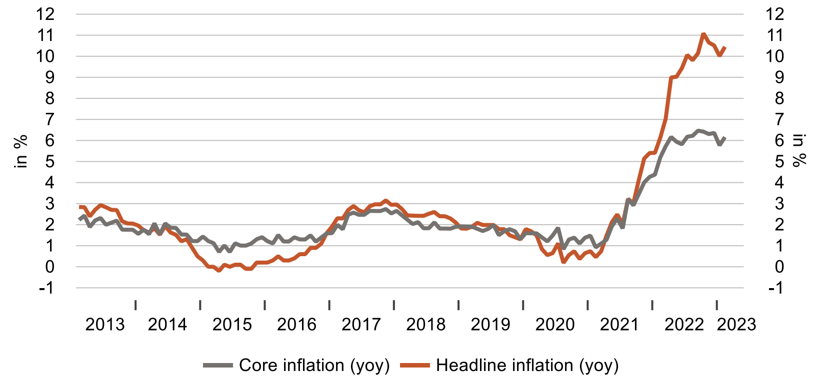
United Kingdom GDP growth (yoy)



Source: Macrobond

Period: 12/2002 - 12/2022

United Kingdom Inflation



Source: Macrobond

Period: 02/2013 - 02/2023

USA
GDP and inflation

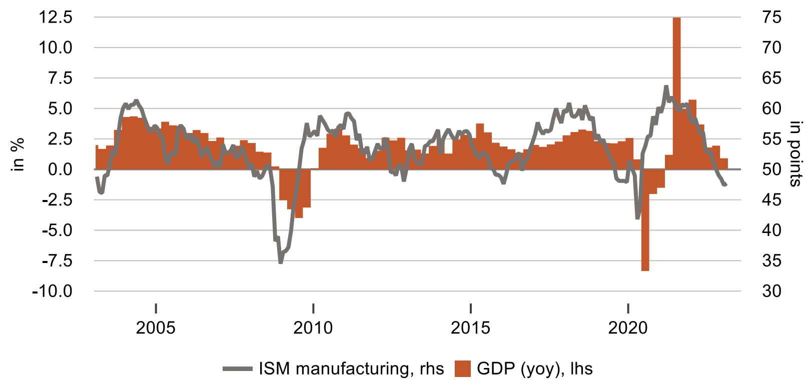
Small interest rate hike

- On March 21-22, during its meeting, the Federal Reserve (Fed) raised the expected interest rate by 25 basis points to 4.75-5.00 %. Fed Chair Powell emphasized that the Fed is willing to continue increasing interest rates if necessary to achieve the inflation target of 2 %. In addition to inflation data, monetary policy will keep an eye on the stability of the financial sector.
- The Fed has revised downward the forecast for real GDP to 0.4 % in 2023 and 1.2% in 2024. The central bank expects an increase in unemployment to 4.6 % in the fourth quarter of 2023, compared to 3.6 % in February.

Continued price pressure

- In February, the Consumer Price Index (CPI) increased by 0.4 % compared to the previous month, which was slightly slower than in January (0.5 %). However, the underlying data reflects continued strong price pressure.
- The core inflation rate increased by 0.5 % compared to the previous month. The increase was driven by rising prices for housing, goods and services, as well as an increase in airfares of 6.4 %. Additionally, the core inflation in the services sector increased by 0.5 %, which represents the strongest increase since September.

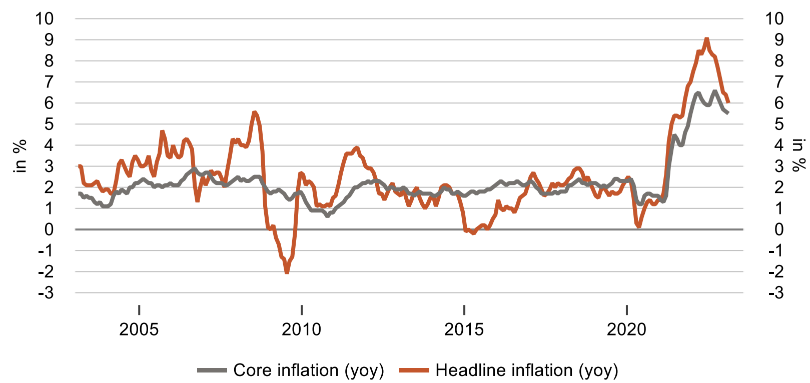
US GDP growth and Purchasing Managers Index



Source: Macrobond

Period: 02/2002 - 02/2023

USA Inflation



Source: Macrobond

Period: 02/2003 - 02/2023

Economic forecasts

Key estimates at a glance

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	GDP growth (in %)						Inflation (in %)					
	2023		2024		2025		2023		2024		2025	
		Ø**		Ø**		Ø**		Ø**		Ø**		Ø**
USA	0.6	1.0	0.7	1.0	2.2	2.0	4.3	4.3	2.6	2.6	2.4	2.4
Eurozone	0.7	0.5	1.6	1.2	1.5	1.6	5.7	5.7	2.4	2.4	2.5	2.2
Germany	0.1	0.0	1.6	1.1	1.6	1.6	5.9	6.1	2.4	2.6	2.5	2.1
France	0.7	0.5	1.7	1.0	1.7	1.4	5.6	5.2	2.3	2.4	2.5	2.0
Italy	0.6	0.5	1.1	0.9	1.1	1.3	6.4	6.6	2.3	2.2	2.5	2.0
Spain	1.2	1.3	1.8	1.6	2.0	2.1	4.8	4.3	2.5	2.5	2.5	2.0
United Kingdom	0.0	-0.4	1.5	0.9	1.7	1.7	6.6	6.5	2.0	2.4	2.3	2.1
Japan	1.3	1.1	1.2	1.1	1.6	1.0	2.1	2.3	1.1	1.2	0.8	1.1
China	4.7	5.3	4.2	5.0	3.9	4.7	1.9	2.3	2.4	2.3	2.3	2.3
World*	1.8	-	2.3	-	2.5	-	-	-	-	-	-	-

Source: Bloomberg. Berenberg as of 28/03/2023.
* At actual exchange rates. not purchasing power parity; PPP would give more weight to the fast-growing emerging-market countries.
** Average of estimates of other experts (Bloomberg); consensus.

03 Equities

Market developments
Equities less attractive

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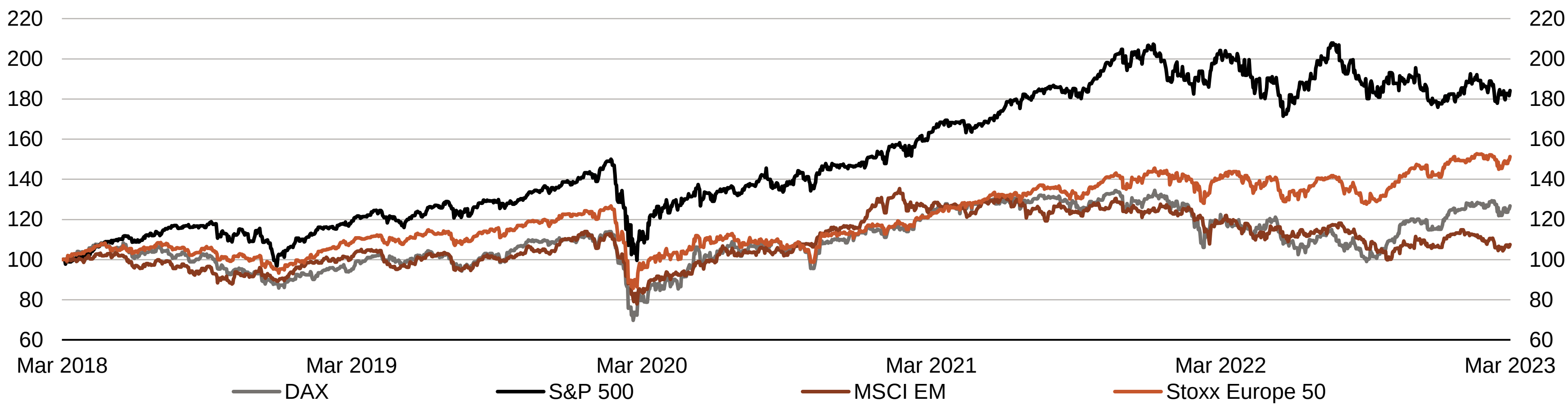
Risks remain

- Despite the banking risks, the US Federal Reserve raised the key interest rate in March and held out the prospect of further rate hikes, but the market assumes a "policy error" and is pricing in three US rate cuts by the end of the year. The even tighter monetary policy increases the likelihood of further turmoil and thus the risk of recession. Global equities performed only slightly negatively in March despite the increased risks. Under the surface, however, cyclical segments suffered disproportionately. Defensive and technology shares were the winners.
- After the good start to the year on the markets, the classic seasonal pattern with a weaker summer could occur, especially as equity valuations have risen - also because earnings expectations have been reduced - and sentiment and positioning are less pessimistic. The Q1 reporting season, which starts soon, will show how companies are doing fundamentally. It should be particularly exciting to see how much growth impetus China actually provides and how companies see the outlook for the rest of the year.

Performance of selected equity indices



Source: Bloomberg; performance in EUR scaled to 100.

Time period: 28/03/2018 – 28/03/2023.

Corporate earnings
2023 earnings growth almost gone

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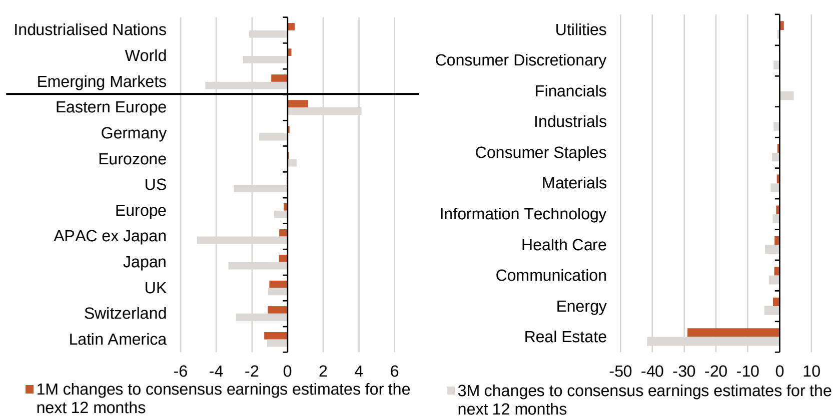
Negative forecast trend stopped for the time being

- After several weeks of negative earnings revisions, analysts have not lowered earnings estimates on the globale base further in the last four weeks. Earnings growth in the industrialised nations is seen marginally more positively. In emerging markets, however, analysts remain rather pessimistic.
- Within the European sectors, negative earnings revisions were strongest for the real estate sector. Positive earnings revisions were seen by companies in the utilities sector.

Profit expectations now somewhat more realistic

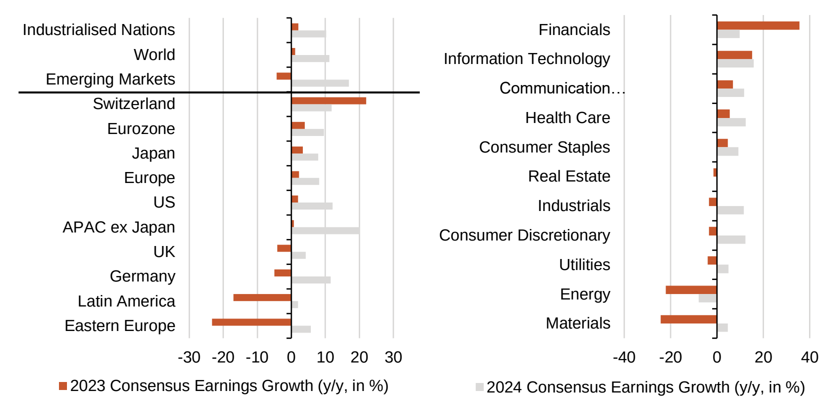
- Analysts have revised Q1 earnings estimates further downwards, as we expected. Rising wages, higher refinancing costs and increased uncertainty about the economic outlook are weighing.
- At the moment, the market is assuming 2023 earnings growth of just under 1% for the industrialised nations and a year-on-year earnings recession for the emerging markets. Accordingly, we think there should only be moderate earnings reductions from here. The Q1 reporting season, which is about to start, should bring more clarity.

Fewer negative profit revisions recently



Source: Bloomberg, MSCI Europe sectors. As of 28/03/2023.

Global 2023 earnings growth as good as gone



Source: Bloomberg, MSCI European sectors. As of 28/03/2023.

Valuation & Positioning

Equities supported on the valuation side

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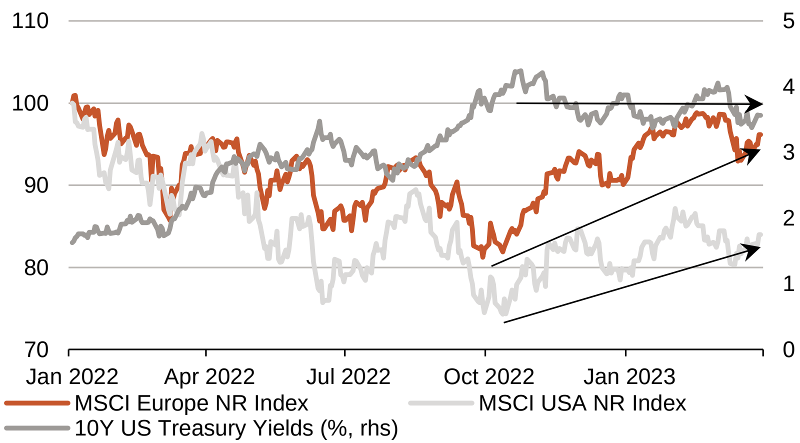
Economic downturn no longer priced in

- Despite increasing quantitative easing by central banks, there has recently been a valuation expansion. The forward P/E ratio for the S&P 500 has risen from 16 to 18 since October last year, with volatile but still high 10Y Treasury yields.
- This means that US equities are now once again priced above average compared to their own history. European equities are now also more expensive than in October after the significant rally, but still cheap compared to their own history.

Sideways phase probably into the summer

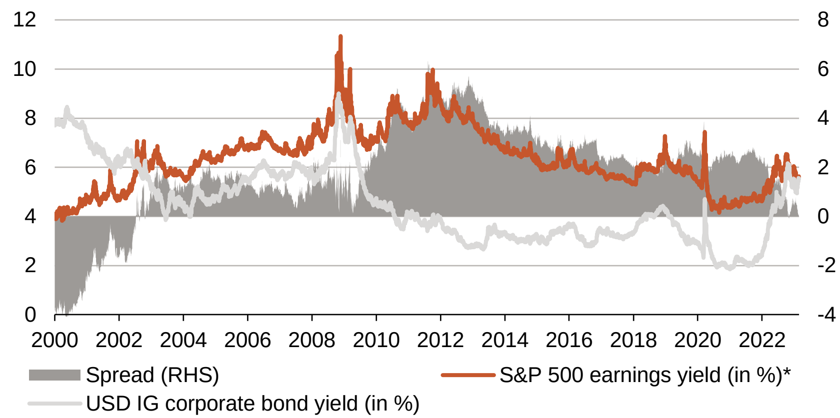
- The relative attractiveness of bonds compared to equities has increased with the rise in interest rates - and should encourage pension funds and insurance companies in particular to reduce their holdings in equities and increase their holdings in bonds. Therefore, the upside potential of equities should be clearly limited for the time being.
- The typical seasonality also speaks for this. A good start to the year is often followed by a tough summer. On the other hand, most investors are aware of these points, so they are already cautiously positioned.

Rising share (valuations) despite high interest rates



Source: Bloomberg, own calculations. Time period: 01/01/2022 – 28/03/2023.

Equities are less attractive compared to bonds



Source: Factset, *1/(P/E). Time period: 01/01/2000 – 28/03/2023.

Equity allocation
Cheaper regions preferred

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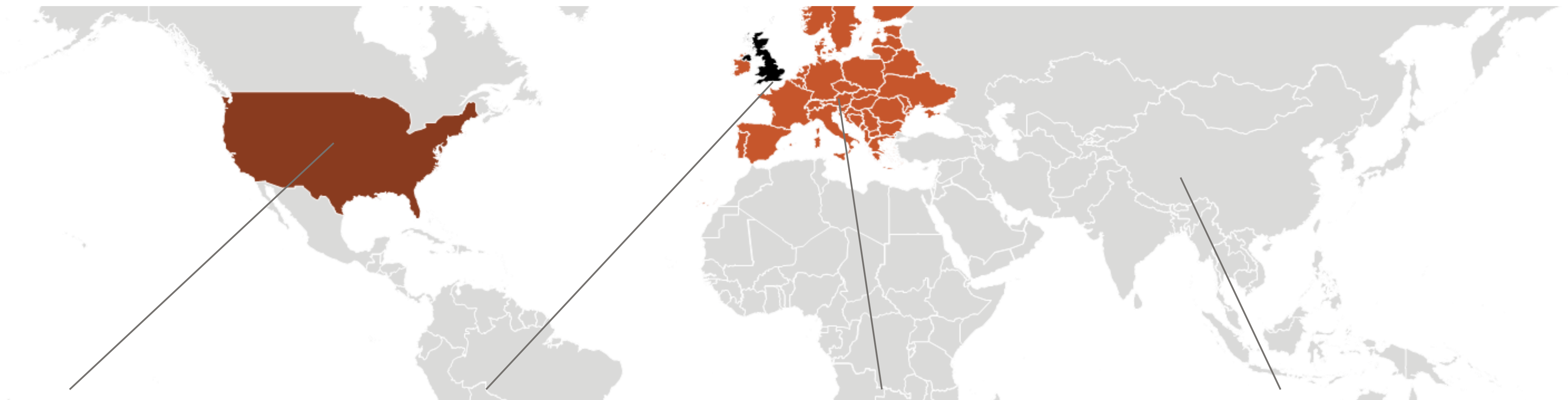

US
Underweight
- Rising earnings pressure and the continued high valuation of US equities make the region less attractive compared to more favourable regions such as Europe or emerging markets.
- Within equity regions, we are underweight US equities.

United Kingdom
Underweight
- UK equities are cheap compared to many other regions. At the index level, UK equities have a rather defensive as well as commodity-rich profile, which should pay off in an environment of high inflation and geopolitical risks.
- However, we remain slightly underweight as we see greater opportunities in other regions.

Europe ex. UK
Overweight
- The war and the comparatively high energy costs are weighing less heavily on European companies than in the previous year. In addition, they are likely to benefit significantly from China's opening up.
- European equities are favourably valued relative to their own history and relative to the US. We are slightly overweight Europe ex UK.

Emerging markets
Overweight
- Latin American equities should continue to benefit from the positive commodity price outlook and represent a value-heavy addition to the portfolio.
- The tailwind in Chinese equities due to the China reopening should continue. In addition, local investors should still have significant investment potential. We remain actively positioned.

Equity market forecasts
Estimates for selected indices

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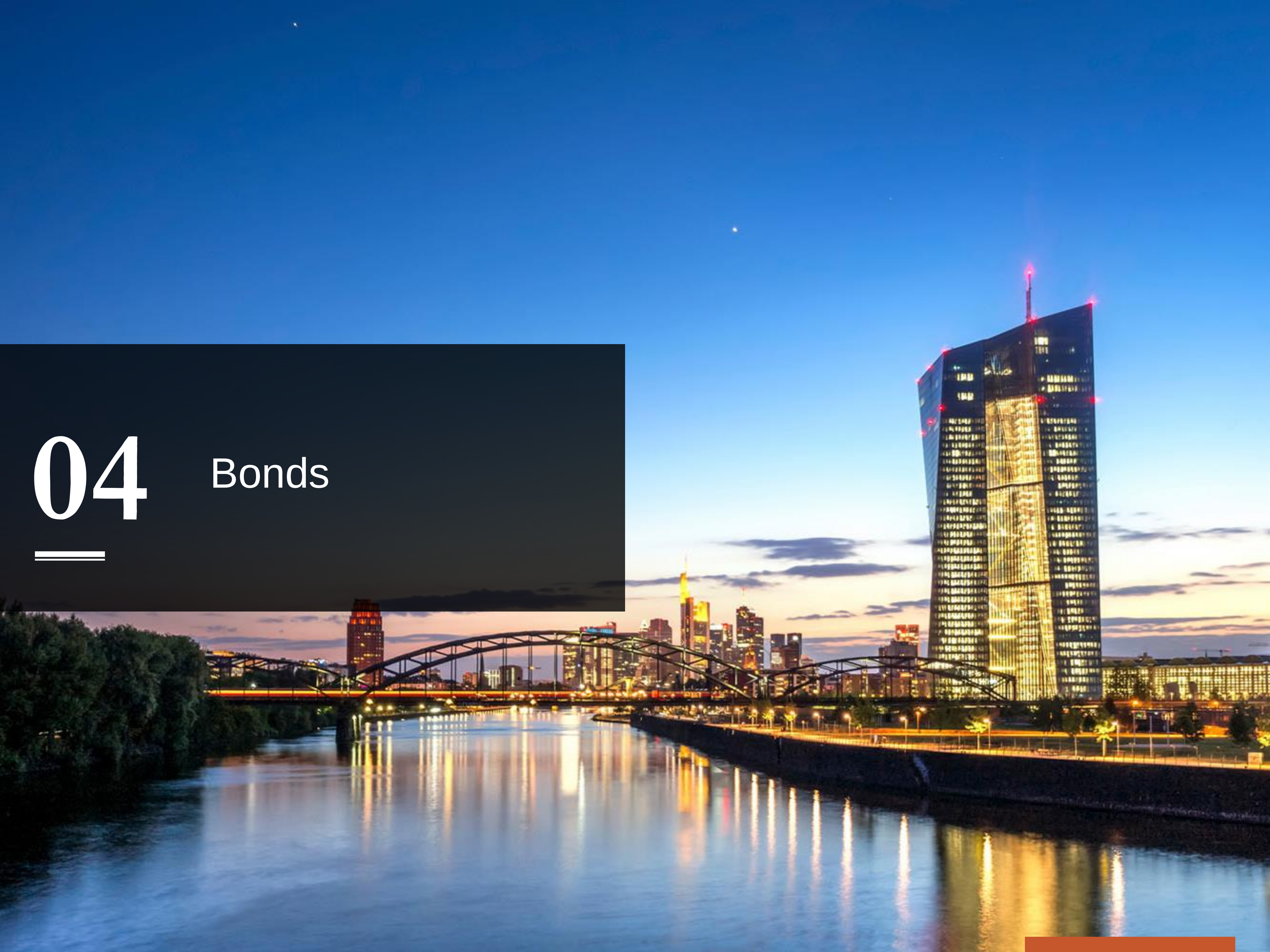
	Current			Ø*
Index forecasts	**28/03/2023**	**31/12/2023**	**30/06/2024**	**in 12 months**
S&P 500	3,971	4,150	4,350	4,615
Dax	15,142	16,200	17,300	18,555
Euro Stoxx 50	4,168	4,350	4,700	4,914
MSCI UK	2,148	2,350	2,500	2,599

Index potential (in %)				
S&P 500	-	4.5	9.5	16.2
Dax	-	7.0	14.3	22.5
Euro Stoxx 50	-	4.4	12.8	17.9
MSCI UK	-	9.4	16.4	21.0

Source: Bloomberg. Berenberg. as of 28/03/2023.
*Average based on bottom-up estimates.



04 Bonds

Government bonds
Government bonds benefit as safe havens

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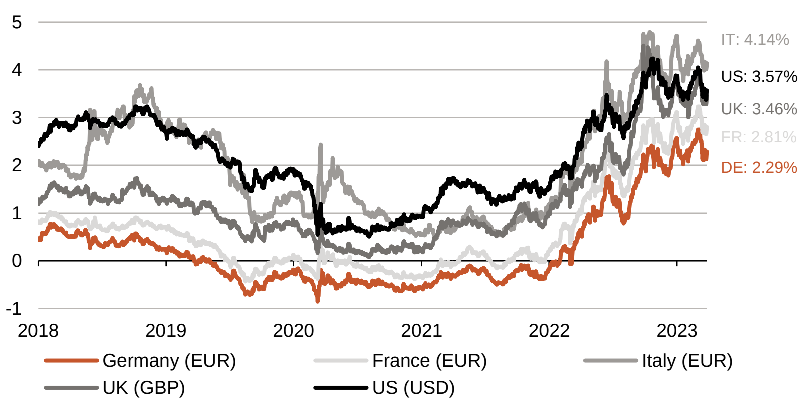
Uncertainty around recession and banking sector support

- Fears of recession and worries about the banking sector increased demand for safe havens and boosted safe government bonds. For example, US government bonds have gained 1% since the beginning of the year, German government bonds even managed more than 2%.
- As a result, government bond yields have fallen broadly recently. Ten-year US and German government bonds are thus both trading below 3.6% and 2.3% again.
- Our base scenario is that the situation surrounding the banks' problems will ease and that the Fed will follow with another interest rate move. Accordingly, we expect a trend reversal in bonds.

Government bonds under the spell of central banks

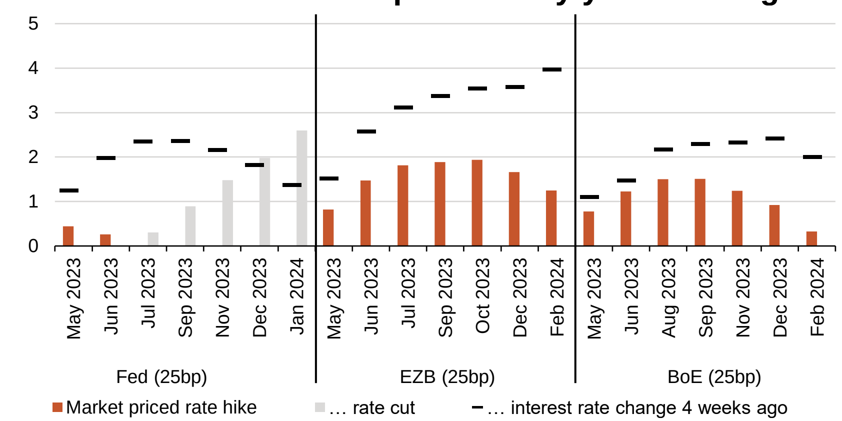
- The market, however, continues to assume a "policy error" and is pricing in more and more rate cuts by the Fed in view of increasing recession concerns, although the Fed even raised the key interest rate by 25 bps last week.
- This is because the still restrictive interest rate policy increases the probability of further turmoil, as recently in the banking sector, and thus also the risk of recession.
- The market is pricing in a 50% probability of a 25 bps US interest rate hike in May and three cuts by January. In comparison: 4 weeks ago the market was still expecting three rate hikes by the end of the year. For the ECB, the market expects another 25 to 50 bp by the end of the year.

Renewed slide in government bond yields



Source: Bloomberg. Time period: 01/01/2018 – 28/03/2023.

Almost three US rate cuts priced in by year-ends ago



Source: Bloomberg, own calculations. Time period: 28/02/2023 – 28/03/2023.

Corporate & EM bonds
Bank turmoil sends financial bonds reeling

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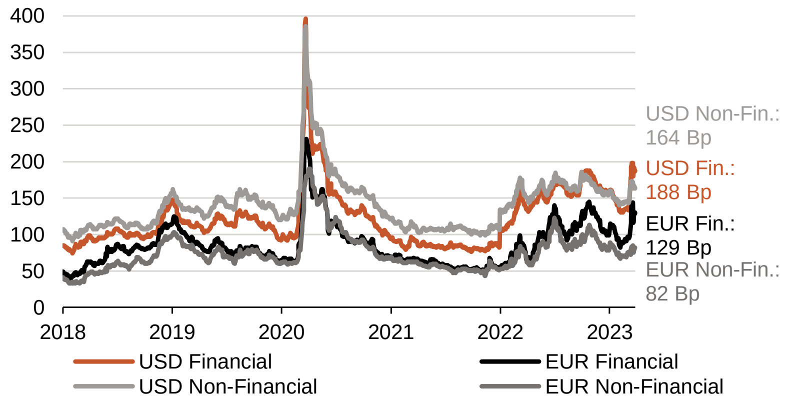
Financial bonds suffer from turmoil in banking sector

- While government bonds benefited from the recent uncertainties, the turmoil in the banking sector made financial bonds the underperformers and caused risk premiums to rise.
- Especially for US investment grade bonds, risk premia increased. With a widening of more than 50 basis points, US financial bonds in particular meanwhile reached the level of summer 2020 again.
- Fundamentally, corporate balance sheets are robust. After the long period of low interest rates, we see the relative attractiveness compared to equities significantly higher and are constructive for corporate bonds.

High yield and EM bonds: Significant spread widening

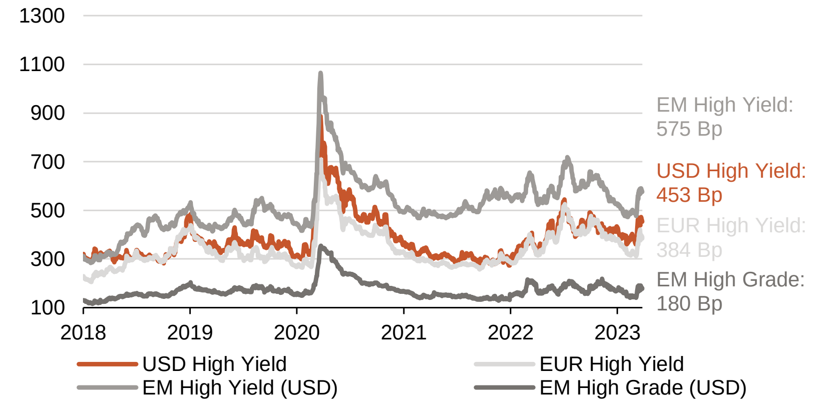
- Riskier bond segments also lagged behind: Emerging markets in the hard currency segment and high-yield bonds declined noticeably over the last four weeks. Risk premiums have also climbed: over 70 bps for US high yield and over 80 bps for emerging market high yield.
- However, despite concerns about an economic slowdown, we are still far from the extreme levels of the Corona crisis, even if these concerns limit the possibility of a significant spread tightening.
- In emerging markets, we continue to find local currency bonds the most attractive from a EUR investor perspective.

EUR and US risk premia increased recently



Source: Factset. Time period: 01/01/2018 – 28/03/2023.

EM high-yield risk premiums as high as October '22



Source: Factset. Time period: 01/01/2018 – 28/03/2023.

Capital market strategy
Bonds

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Core segments

Government bonds
Underweight

- In the case of high credit ratings, safe government bonds remain fundamentally in demand during risk-off phases. We take a regionally differentiated view and see clear advantages for US over German government bonds in local currency. With the rise in yields and in view of the threat of recession, the segment is somewhat more attractive again, despite continued high inflation.
- Even though we do not expect interest rates to fall significantly at the long end, the situation is now more symmetrical than it was a year ago. Accordingly, we consider a reduction of our duration underweight to be sensible..

Corporate bonds
Overweight

- Corporate bonds remain attractive compared to government bonds and equities.
- Within the corporate bond segment, we prefer securities with short maturities.

Other segments

Emerging market bonds
Overweight

- Attractive yield levels and a shortage of supply speak in favour of emerging market securities. We continue to favour the local currency segment and find entry into selected high-yield countries interesting.

High yield bonds
Overweight

- At now elevated yield levels, corporate bonds in the high-yield segment have become attractive again. In particular, we like the financial sector and subordinated issues from first-class borrowers.

Forecasts

Estimates for selected bond markets

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Base interest rates and government bond yields (in %)	28/03/2023	31/12/2023		30/06/2024	
	Current		Ø*		Ø*
US					
Base interest rate	4.75-5.00	4.75-5.00	5.06	4.00-4.25	4.20
10Y US yield	3.57	3.50	3.49	3.70	3.35
Eurozone					
Base interest rate	3.50	4.00	4.10	3.75	3.85
10Y Bund yield	2.29	2.70	2.33	2.80	2.20
United Kingdom					
Base interest rate	4.25	3.75	4.25	3.00	3.80
10Y Gilt yield	3.45	3.50	3.15	3.60	3.03

Source: Bloomberg. Berenberg as of 28/03/2023.
*Average of estimates by other experts (Bloomberg) consensus.

05 Commodities

Crude oil

Tailwinds as demand recovers

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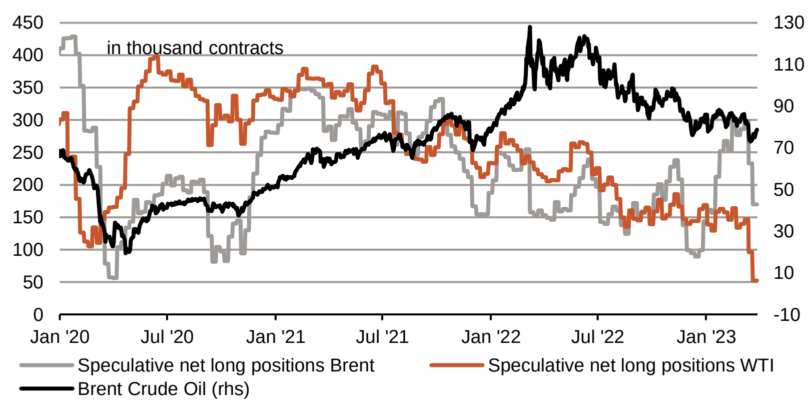
Oil market is on more solid footing than the news suggests

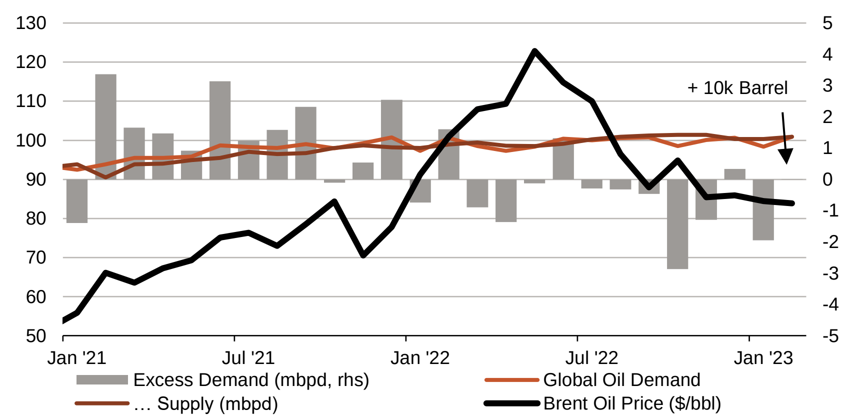
- Crude oil initially continued its sideways movement in the first quarter. The price of Brent fluctuated in a wide range around the 80 US dollar per barrel mark, driven by the news. The slower than expected recovery in demand in China, the milder winter in the West and the further release of strategic oil reserves in the USA dampened price fantasies. Then, in March, recession concerns in the wake of banking sector problems weighed heavily on the energy market and Brent fell to $73 a barrel - its lowest level since late 2021. However, much of the sell-off is unlikely to be fundamentally driven. Indeed, speculative investors' positioning in WTI fell below the levels seen at the outbreak of the COVID-19 pandemic.
- The recent rally in the absence of bad news shows that the oil market is fundamentally solid. Producers are keeping supply tight: Russia's planned cut of 0.5 million barrels per day from March adds up to OPEC cuts by the end of the year and US producers' drilling activity has fallen by about 5% since the beginning of the year. If there is no severe recession in the US, the driving season there and the catch-up effects in Asia should give the oil price a tailwind towards the summer.

Speculative long positioning in oil has collapsed



Source: Bloomberg, CFTC. Time period: 01/01/2020 – 28/03/2023.

Global supply-demand dynamics in equilibrium



Source: Bloomberg, EIA, own calculations. Time period: 01/01/2021 – 28/02/2023.

Precious and industrial metals
Gold as a beneficiary of risks

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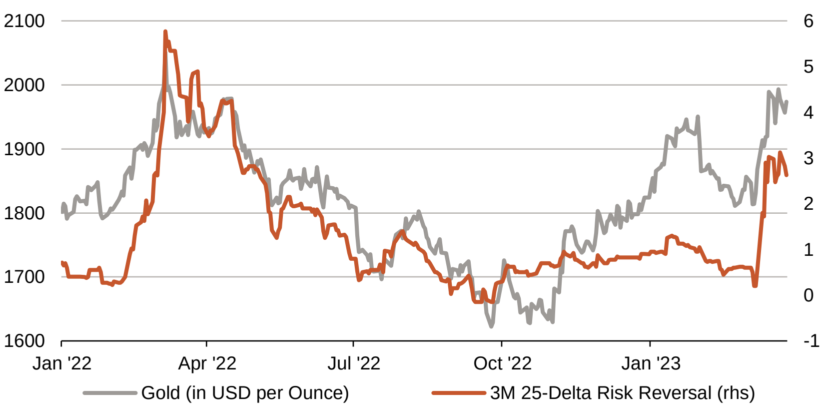
Gold benefits from risks, but fundamentally the air is thin

- After more robust economic data initially strengthened expectations of a "higher for longer" scenario and gold fell, it gained strongly again with the recently emerging concerns in the banking sector and once again proved its diversification properties. The discussion about the US debt ceiling and geopolitical tensions pose further risks.
- Fundamentally, however, the upside potential is likely to remain limited. As a non-yielding investment, gold is losing relative attractiveness in the environment of higher real interest rates compared to other safe havens such as government bonds. In the medium term, a clear signal from the Fed for a sustained turnaround in interest rates would be needed to boost gold further..

Investors are increasingly looking for gold as a safe haven

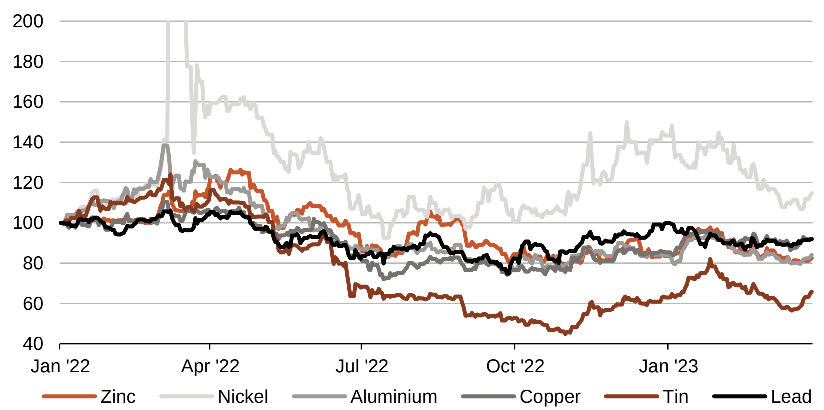


Source: Bloomberg. Time period: 01/01/2022 – 28/03/2023.

Metals demand: postponed is not abandoned

- After the initial euphoria surrounding the recovery in China at the start of the year, industrial metals gave up (some of) the gains following signs of a tighter Fed and weaker demand in China in the short term. Meanwhile, the problems in the banking sector affected industrial metals much less than the energy sector.
- Currently, the markets are waiting for more concrete signs of a recovery in demand in China. The rule here is: postponed is not abandoned. The latest PMI already signals rising activity. At the same time, supply continues to struggle with production difficulties and inventories remain very low by historical standards.

Industrial metals only temporarily weaker



Source: Bloomberg, own calculations. Time period: 01/01/2022 – 28/03/2023.

06 Currencies

Market Development
FX markets

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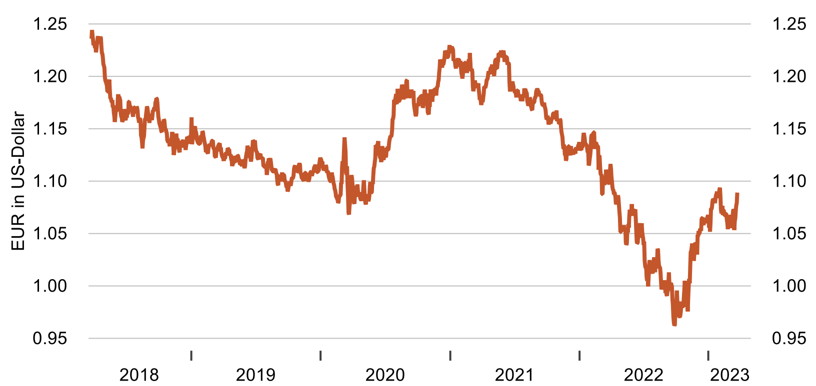
Fluctuations in the foreign exchange market

- The turbulence in the banking sector on both sides of the Atlantic and the associated re-evaluations of current monetary policies dominate the current market developments. The future actions of the Fed and the ECB will likely depend heavily on whether they can successfully nip the banking crisis in the bud.
- Exchange rates have reacted with more volatility to the banking crisis and central bank decisions. However, there have been no new trends as a result. Currently, the euro is trading close to the levels from before the banking turbulence against the US dollar, Swiss franc, and pound.

Exchange rate: Euro/US-Dollar



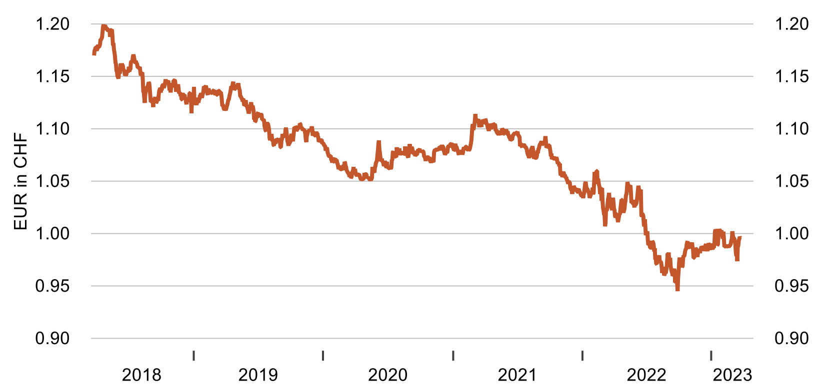
Source: Macrobond

Period: 03/2018 - 03/2023

Banking crisis should weigh on the dollar

- The banking crisis has an ambivalent effect on the US dollar. As a safe haven, the US currency usually benefits from increased uncertainty. In the past, this was often true even when the problems originated in the US. Consequently, the US dollar could also appreciate this time.
- However, we expect the problems in the banking sector to affect the U.S. Fed in its monetary policy decisions more than the ECB. The resulting effect should be stronger than the safe haven aspect and tend to support the moderate euro appreciation we expect.

Exchange rate: EUR/CHF



Source: Macrobond

Period: 03/2018 - 03/2023

Forecasts

Estimates of key currencies

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Exchange rate forecasts	28/03/2023 Current	31/12/2023	31/12/2023 Ø*	30/06/2024	30/06/2024 Ø*
EUR/USD	1.08	1.15	1.12	1.17	-
EUR/GBP	0.88	0.85	0.90	0.85	-
EUR/CHF	1.00	1.02	1.02	1.02	-
EUR/JPY	142	144	139	147	-

Change against the Euro (in %)					
USD	-	-5.7	-3.2	-7.3	-
GBP	-	3.4	-2.4	3.4	-
CHF	-	-2.2	-2.2	-2.2	-
JPY	-	-1.4	2.1	-3.4	-

*Source: Bloomberg. Berenberg as of 28/03/2023.
*Average of estimates of other experts (Bloomberg); consensus.

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