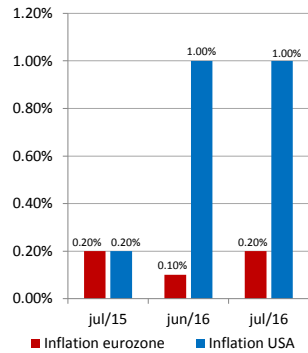
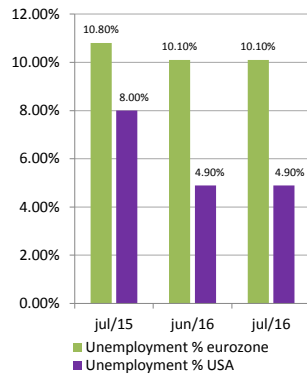


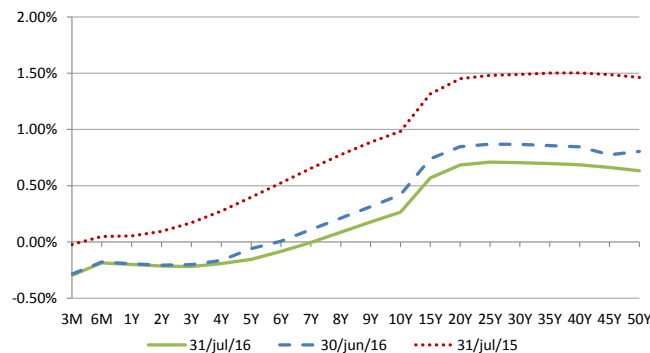
## Inflation eurozone & USA



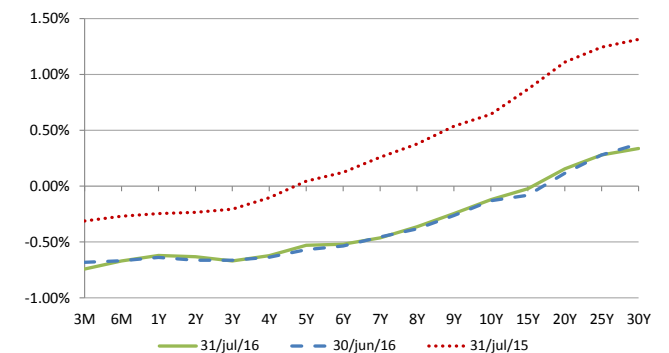
## Unempl. rate eurozone & USA



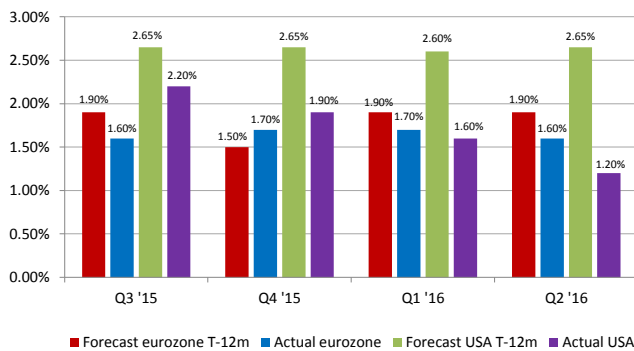
## Euro Swaps Curve



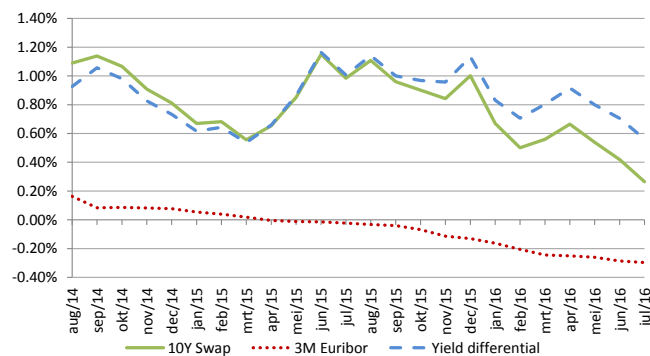
## German Government Bond Curve



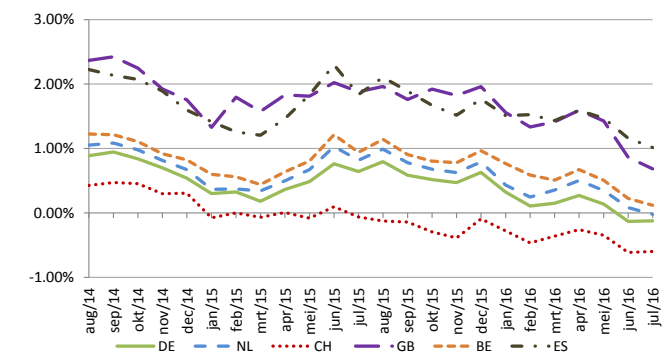
## Forecast vs actual GDP growth Eurozone & USA



## 10Y swap +/- 3M Euribor



## Yields 10Y Government Bonds



## Macro-economic Development

- The IMF lowered the expectations for the global economic growth with 0.10%. In 2016 and 2017 the IMF expects an economic growth of 3.10% and 3.40%, respectively. The revised forecast is partly caused by the Brexit.
- The Bank of Japan (BoJ) decided to further stimulate the Japanese economy. The BoJ will increase its purchase program of exchange-traded funds to JPY 6,000 billion on an annual basis and double its US dollar credit facility for Japanese companies to USD 24 billion.
- Germany has issued a 10Y bond with a negative yield of -0.05%. It is the first time in history that a country in the Eurozone issued a government bond with a negative yield. The negative yield is partly caused by the Brexit vote, high savings and low investments worldwide, and the asset purchase program of the European Central Bank (ECB).
- Please note that the information does not refer to the graphs above.

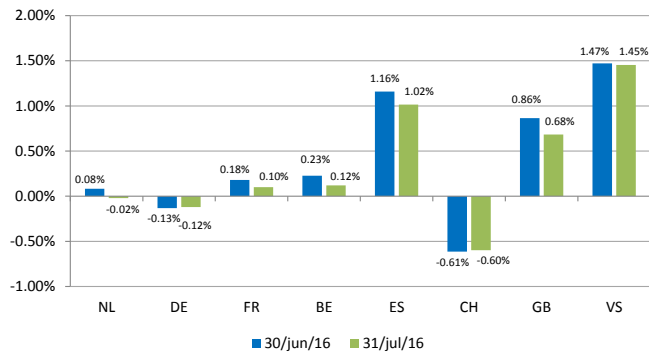
## Interest Rates

- The Euro swap curve decreased in July compared to June 2016. The swap rates for tenors up to and including 7 years are at the end of July below 0.00%.
- The longer tenors had relatively the sharpest decline over the last month. For example, the 20-year swap declined with 16 basis points and closed at 0.68% in July.
- The 10-year swap decreased to 0.27% in July. This is a decrease of 15 basis points compared to the end of June, when the 10-year swap closed at 0.42%.
- The 3-month Euribor closed at -0.30%. This is a decrease of 1 basis point compared to last month (-0.29%).
- Please note that the interest rates shown in the graphs above do not include liquidity and credit spreads (as are applicable on loans).

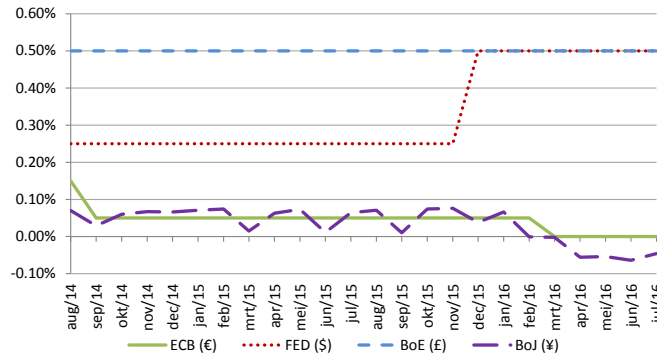
## Government Yields

- Yields on Dutch government bond are lower in July for all tenors over 2 years compared to June 2016.
- The yield on a Dutch 10-year government bond turned negative in July. The yield decreased with 10 basis points to -0.02% last month.
- At the end of July, all bonds with a tenor up to and including 10 years have a negative yield. At the end of June, bonds with a tenor up to and including 9 years had a negative yield.
- The yield on 10-year government bond for all countries in the graph decreased in July 2016 compared to July 2015.

## Yields 10Y Government Bonds



## Official Policy Rates



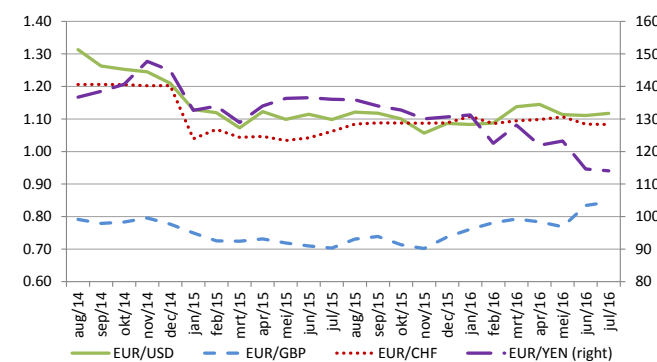
## Credit Ratings Banks

Long term Foreign Currency Rating	S&P	Moody's	Fitch
Deutsche Bank	BBB+	Baa2	A-
BNP Paribas	A	A1	A+
RBS plc.	BBB+	A3	BBB+
HSBC Bank plc.	A	A1	AA-
UBS AG	A+	Aa3	A+
CitiGroup Inc.	BBB+	Baa1	A
ING Bank	A	A1	A+
UniCredit SpA	BBB-	Baa1	BBB+

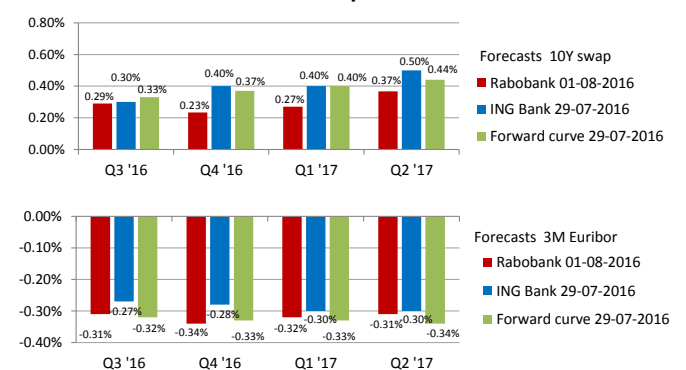
## Credit Ratings Sovereigns

Long Term Foreign Currency Rating	S&P	Moody's	Fitch
The Netherlands	AAAu	Aaa	AAA
Germany	AAAu	Aaa	AAA
France	AAu	Aa2	AA
Belgium	AAu	Aa3	AA
Spain	BBB+	Baa2	BBB+
Switzerland	AAAu	Aaa	AAA
Great Britain	AAu	Aa1	AA
United States	AA+u	Aaa	AAA

## Currencies



## Interest Rate Forecasts 10Y Swap and 3M Euribor



## Yields 10Y Government Bonds

- The yields on the Dutch, French, Belgian, Spanish, British and American 10-year government bonds decreased compared to previous month.
- In absolute terms, the decline of the 10-year yield on British and Spanish government bond was sharpest. Over the last month the yield decreased with 18 basis points and 14 basis points for Great Britain and Spain, respectively.

## Credit Rating Sovereigns

- Credit rating agencies Standard & Poor's (S&P's), Moody's and Fitch have not changed the credit ratings of the countries in the table above.
- S&P lowered Turkey's credit rating from BB+ to BB with a negative outlook. The downgrade is caused by the attempted coup in July, which has created political turmoil and uncertainties.

## Official Policy Rates

- In July, the European Central Bank (€) left its policy interest rate unchanged as well as the Federal Reserve (\$), the Bank of England (£) and the Bank of Japan (¥).
- The U.S. Federal Reserve (Fed) decided to keep its benchmark interest rate unchanged at 0.25% to 0.5%. Policy makers are expecting an interest rate hike at the next meeting, if economic indicators will be positive the next weeks.
- Note that the BoJ interest rate fluctuates within an bandwidth between 0.00% and -0.10%.

## Currencies

- At the end of July, the EUR/USD exchange rate closed at EUR/USD 1.1174, an increase of 0.0068 US Dollar compared to the end of last month, when the EUR/USD exchange rate closed at EUR/USD 1.1106.

## Credit Ratings Banks

- Credit rating agencies Standard & Poor's, Moody's and Fitch have not changed the credit ratings of all the banks mentioned in the table above.

## Interest Rate Forecasts Banks

- Both Rabobank and ING Bank expect that the 3-month Euribor decreases during the remainder of this year. Rabobank even predicts a decrease to -0.34% at the end of this year.
- ING Bank expects an increase of 10 basis points of the 10-year swap to a level of 0.50% in the second quarter of 2017 compared to the first quarter of 2017. In the same period Rabobank also expects an increase of 10 basis points to a level of 0.37%.
- Please note that the interest rates shown in the graphs above do not include liquidity and credit spreads (as are applicable on loans).