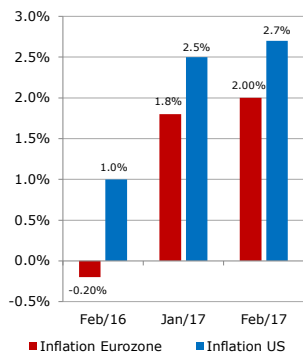
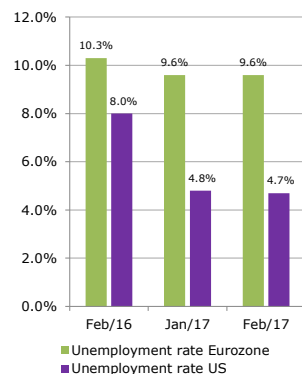


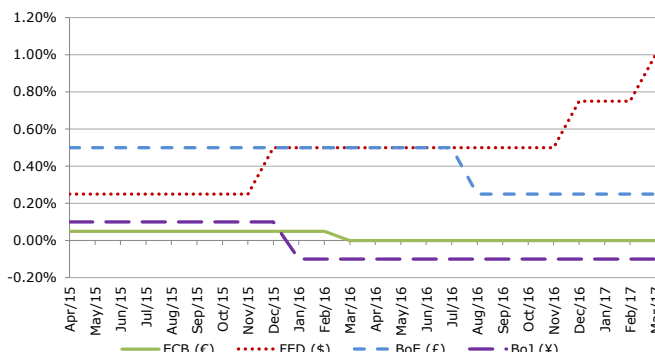
## Inflation Eurozone & US



## Unempl. rate Eurozone & US



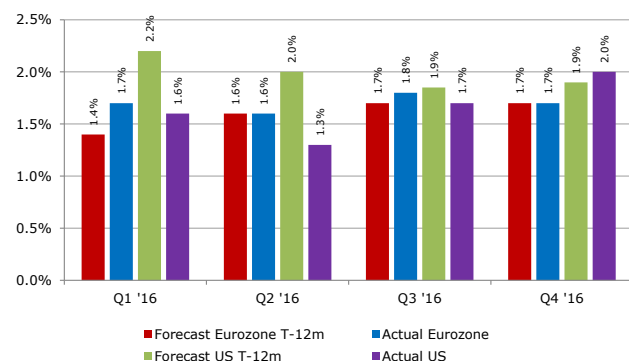
## Official Policy Rates Central Banks



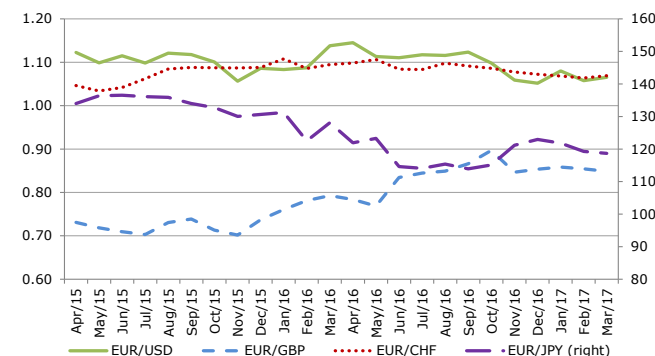
## Credit Ratings Banks

	S&P	Moody's	Fitch
Deutsche Bank	A-	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+

## Forecast vs actual GDP growth Eurozone & US



## Currencies



## Credit Ratings Sovereigns

	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

## Macroeconomic Developments

- The industrial activity of the Eurozone has grown sharply in March 2017 compared to February 2017. Figures published by Markit show an increase of the index from 55.4 to 56.2. The increase is in line with previous estimates.
- Eurostat reported that year-on-year inflation in the Eurozone decreased in March 2017 to 1.5%. This is the lowest rate since the end of 2016. In February 2017, the annual inflation rate was 2.0% on a yearly basis.
- Consumer confidence in the United States recovered slightly in March 2017. The index increased from 96.3 in February 2017 to 96.6 in March 2017. The consumer confidence index in the Eurozone has increased as well, from -6.2 in February 2017 to -5.0 in March 2017.
- Please note that the information does not necessarily refer to the graphs above.

## Official Policy Rates Central Banks

- In March 2017, The Federal Reserve (Fed) increased its benchmark interest rate by 25 basis points to a bandwidth of 0.75% to 1.00%. Stanley Fischer, vice-chairman of the Fed, stated that the Fed is likely to increase its key interest rate twice more later this year.
- In March 2017 the European Central Bank decided to leave its policy interest rate unchanged to further stimulate the recovery of the European economy.
- Please note that the BoJ interest rate fluctuates within a bandwidth of 0.00% and -0.10%.

## Currencies

- In March 2017 the exchange rates EUR/JPY and EUR/GBP decreased compared to February 2017. The EUR/USD and EUR/CHF rates increased in March 2017 compared to previous month.
- At the end of March 2017 the EUR/USD exchange rate showed the strongest increase of 0.72% to EUR/USD 1.0652.

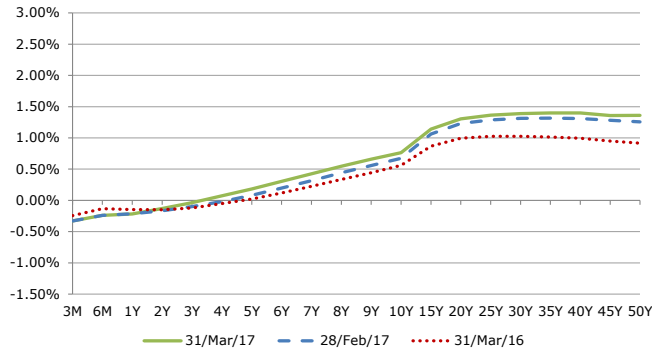
## Credit Ratings Banks

- Credit rating agency Standard & Poor's upgraded the credit ratings of German banks Deutsche Bank and Commerzbank from BBB+ to A-, as changes in German law have significantly increased the additional loss absorbing capacity (ALAC) buffer of banks. Therefore, senior creditors of German banks are better protected.
- In March 2017, credit rating agencies Standard & Poor's, Moody's and Fitch did not change the credit ratings of other banks listed in the table above.

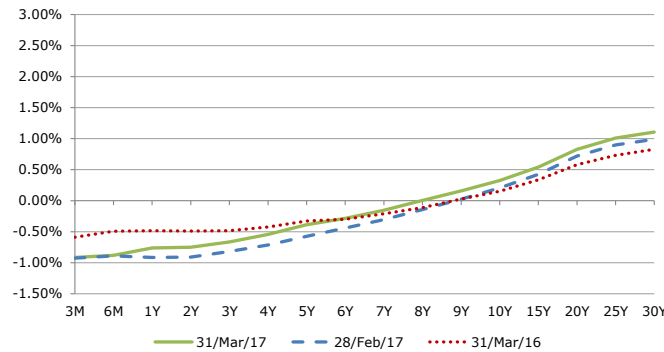
## Credit Ratings Sovereigns

- The credit ratings of the countries listed above have not been changed in March 2017 by the three major credit agencies.
- Standard & Poor's upgraded the outlook for Spain from stable to positive in March 2017. The agency expects to upgrade the country's rating within the next two years if it continues its strong economic performance and stable budgetary consolidation.

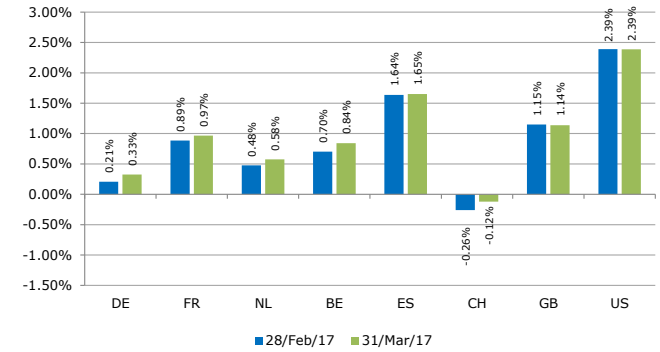
## Euro Swap Curve



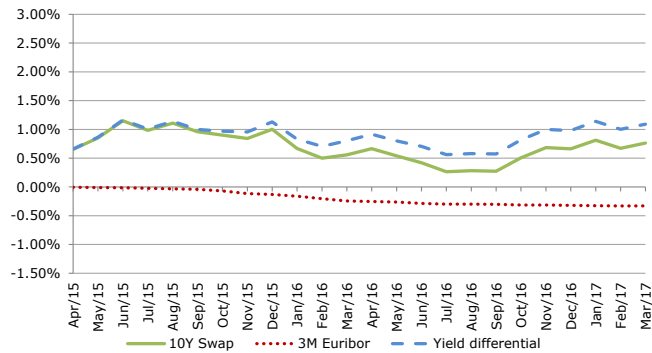
## German Government Bond Curve



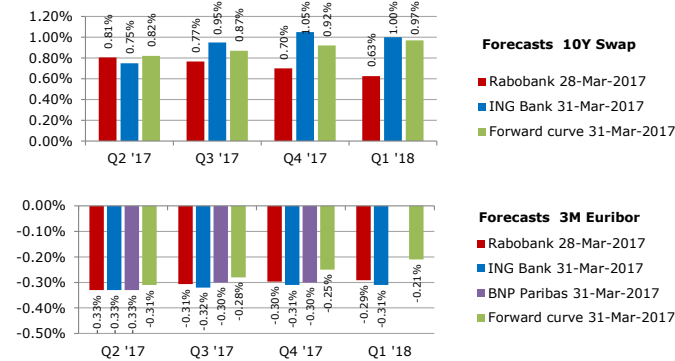
## Yields 10Y Government Bonds



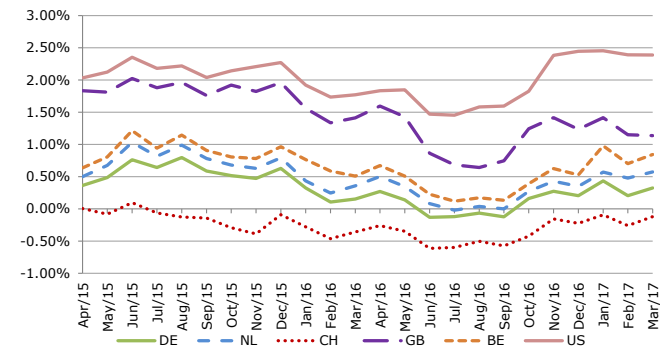
## 10Y Swap +/- 3M Euribor



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



## Yields 10Y Government Bonds



## Interest Rates

- During March 2017, the Euro swap curve increased slightly compared to February 2017. Swap rates up to and including the 3-year point are negative on 31 March 2017.
- The 10-year Euro swap curve increased by 9 basis points to 0.76% on 31 March 2017. In February 2017, the 10-year rate closed at 0.67%.
- During March 2017 the 3-month Euribor remained unchanged compared to February 2017. On 31 March 2017 the 3-month Euribor closed at -0.33%.
- Please note that the interest rate forecasts and the interest rates shown in the graphs above do not include liquidity and credit spreads (as are applicable on loans).

## Interest Rate Forecasts

- ING Bank expects an increase of the 10-year swap to a level of 1.00% in Q1 2018. Rabobank expects the 10-year swap to decrease to 0.63% in Q1 2018.
- ING Bank expects the 3-month Euribor to increase to from -0.33% in the second quarter of 2017 to -0.31% in Q1 2018. BNP Paribas forecasts the 3-month Euribor to increase to -0.30% at the end of 2017. Rabobank expects an increase from -0.33% in Q2 2017 to -0.29% in Q1 2018.
- The 3-month Euribor forward rate exceeds the forecasts of ING Bank and Rabobank in the last 3 quarters of 2017. The 10-year IRS forward rate is lower than expectations of ING Bank but exceeds Rabobank's expectations. In Q1 2018 the 3-month Euribor is expected to be -0.21%. The 10-year IRS is expected to increase to 0.97% in Q1 2018.
- Please note that these interest rate forecasts are based on predictions and are therefore by definition uncertain. Taking financial actions based on the forecasts above may be considered speculative trading, especially in (semi) public institutions.

## German Government Bond Curve

- German government bond yields have increased for all tenors up to and including the 30-year point in March 2017 compared to February 2017.

## Government Bond Yields

- In March 2017, yields on most European 10-year government bonds shown in the graph above have slightly increased compared to February 2017. However, the yield on 10-year British government bonds decreased by 1 basis point.
- The yield on an American 10-year government bond remained unchanged in March 2017 at a level of 2.39%.
- The yields on Swiss and Belgian 10-year bonds increased the most in March 2017. Both government bond yields increased 14 basis points. The yield on a Swiss 10-year bond increased to -0.12%. The yield on a Belgian 10-year bond increased to 0.84%.