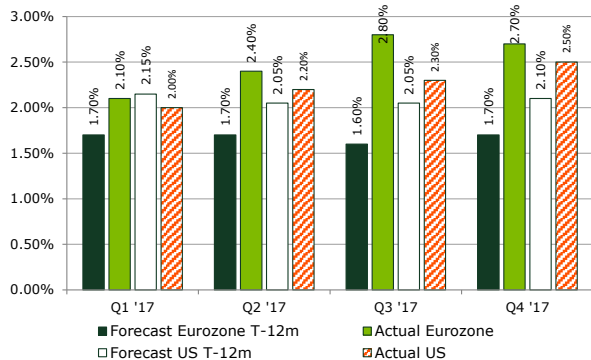
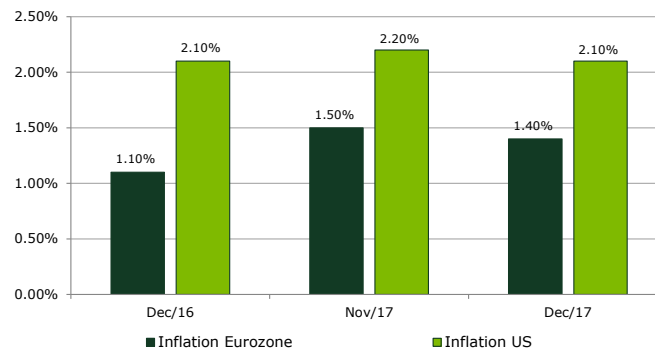


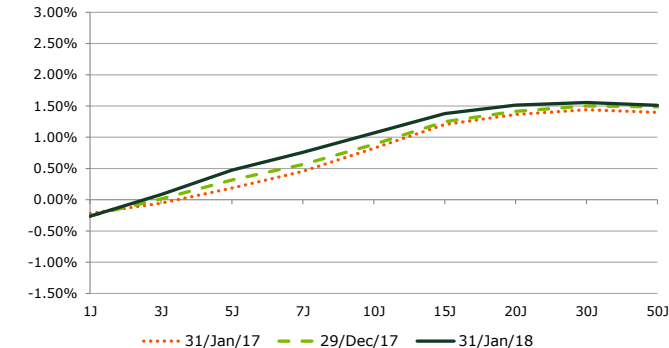
## Forecast vs Actual GDP Growth Eurozone & US (YoY)



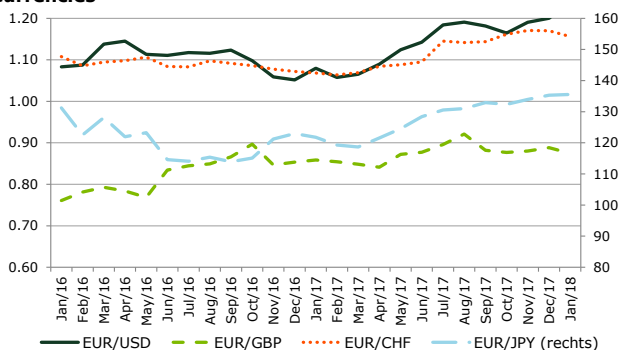
## Inflation Rates Eurozone & US



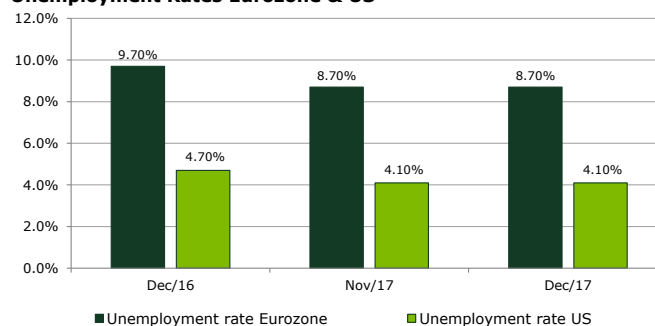
## Euro Swap Curve



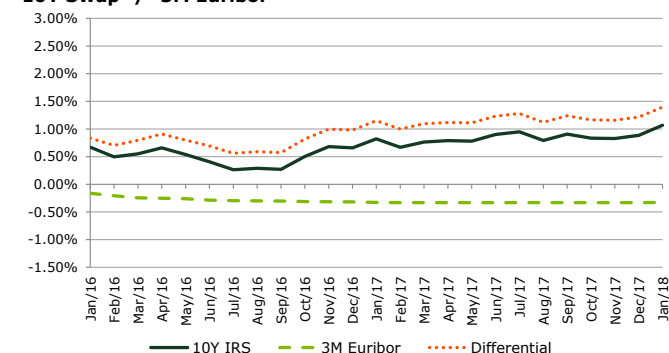
## Currencies



## Unemployment Rates Eurozone & US



## 10Y Swap -/- 3M Euribor



## Macroeconomic Developments

- In January, the Netherlands Bureau for Economic Policy Analysis (CPB) announced that world trade increased by 2.4% in November 2017, compared to October 2017. The growth rate follows a decline of worldwide trade volume by 1.2% in October 2017.
- The International Monetary Fund (IMF) published an update of its World Economic Outlook. For 2017, the IMF estimates global economic growth at 3.7%, compared to 3.2% in 2016. The expected global economic growth for 2018 and 2019 increased from 3.7% to 3.9%.
- Yesterday, the European statistical office Eurostat reported that the budgetary deficits in the Eurozone reduced to 0.3% of the GDP in the third quarter of 2017, compared to 1.0% in the second quarter of 2017. For the European Union, budgetary deficits decreased to 0.6% in the third quarter of 2017, compared to 1.2% the previous quarter.

## Inflation

- In December 2017 the yearly inflation rate in the eurozone decreased by 0.1% to 1.4%.
- Preliminary figures published by Eurostat show an even further decrease of the inflation rate in the eurozone in January 2018. According to Eurostat the inflation rate will decrease to 1.3%.
- Inflation in the United States decreased to 2.1% in December 2017. In November 2017 the price increase was 2.2% compared to November 2016. The inflation decrease is primarily caused by lower costs for energy.

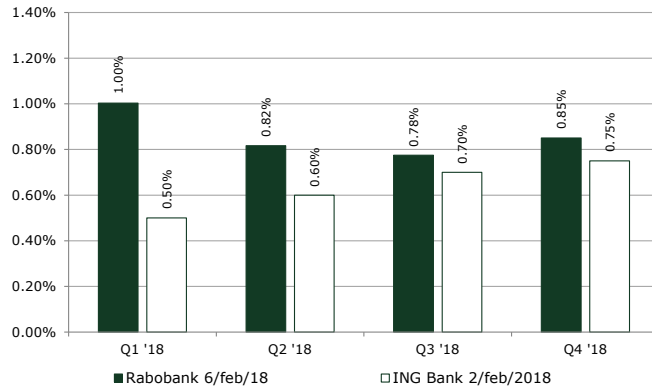
## Unemployment Rates

- Unemployment in the eurozone remained stable in December 2017 at 8.7% of the labor force. In total 14.1 million people were unemployed in December 2017.
- Unemployment in the United States remained stable at 4.1% of the labor force in December 2017. Economists expected unemployment to decrease to 4.0%.

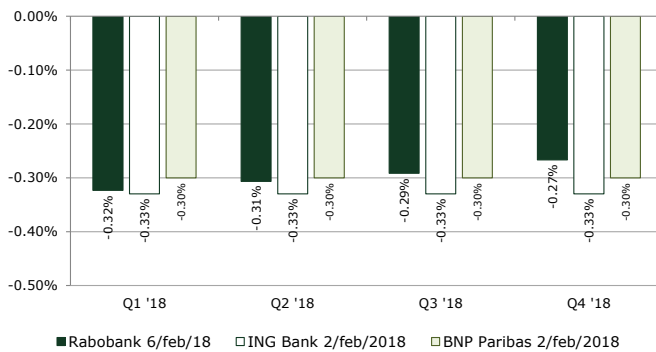
## Interest Rates

- Compared to December 2017, the euro swap curve decreased for 1 year tenors in January 2018. For tenors upwards of 1 year, the swap curve increased compared to the previous month. The swap curve was above zero for tenors of 3 years and upwards as of the end of January.
- Compared to December 2017, the 10-year euro swap rate increased by 18 basis points to 1.07% at the end of January 2018.
- The 3-month Euribor remained stable at -0.33% at the end of January 2018.
- The increase in the 10-year interest rate swap and the stable 3-month Euribor rate resulted in a 12 basis point increase in the spread between the 3-month Euribor and the 10-year interest rate swap. The spread was 140 basis points at the end of January 2018.
- Please note: The interest rates presented above do not take into account any liquidity and credit spreads charged by banks and other lenders.*

## Interest Rate Forecasts 10Y Swap



## Interest Rate Forecasts 3M Euribor



## Interest Rate Forecasts

- ING Bank expects the 10-year swap rate to decrease to 0.75% in Q4 2018. Rabobank expects the 10-year swap rate to decrease to 0.85% in Q4 2018.
- ING Bank expects the 3-month Euribor to remain stable at -0.33% until Q4 2018. Rabobank expects that the 3-month Euribor will increase by 6 basis points to -0.27%. BNP expects the 3-month Euribor to decrease slightly to -0.30%.
- Please note that these interest rate forecasts are based on predictions and are therefore uncertain. Taking financial actions based on the forecasts above may be considered speculative trading.

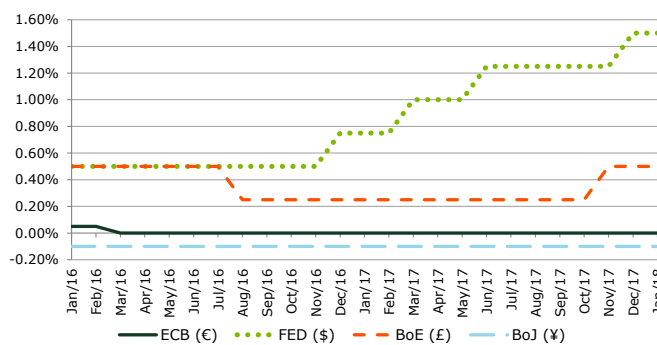
## Ratings

- In January 2018, the credit ratings of the banks listed in the table above remained unchanged.

## Bank Ratings

	S&P	Moody's	Fitch
Rabobank	A+	Aa2	AA-
ING Bank	A+	Aa3	A+
ABN AMRO	A	A1	A+
BNG Bank	AAA	Aaa	AA+
NWB Bank	AAA	Aaa	N.a.
Deutsche Bank	A-	Baa2	BBB+
BNP Paribas	A	Aa3	A+
Barclays Bank	A	A1	A
Credit Suisse Int.	A	A1	A-

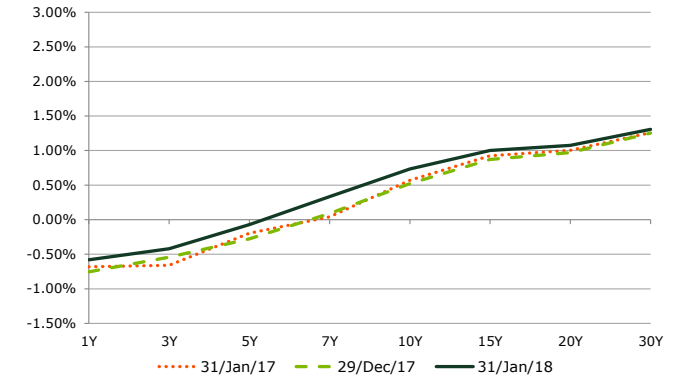
## Central Bank Policy Rates



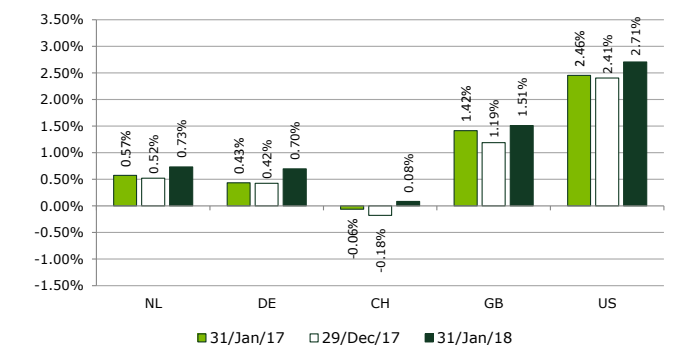
## Central Bank Policy Rates

- The Federal Reserve (Fed) left its benchmark policy rate (the Federal Funds Rate) unchanged in January 2018. The Fed's outlook remains positive, setting the stage for a possible rate hike in the March policy meeting.
- The European Central Bank, the Bank of Japan and the Bank of England decided to leave their benchmark policy rates unchanged in the January policy meetings.
- Please note: The interest rate as set by the Bank of Japan fluctuates between 0.00% and -0.10%. In the graph, the lower bound is shown. Furthermore, the graph displays the upper bound of the federal funds rate bandwidth of 1.00% to 1.25%.

## Dutch Government Bond Curve



## Yields 10Y Government Bonds



## Dutch Government Bond Curve

- Compared to December 2017, yields on Dutch government bonds have increased in January 2018 for all maturities. The curve is below zero for tenors up to and including 5 years on 31 January 2018.

## Government Bond Yields

- Yields on German, British, Swiss and American 10-year government bonds increased in January 2018 compared to December 2017.
- In January 2018 British government bonds showed the largest yield increase. Yields on British government bonds increased from 1.118% to 1.520%.
- The yields on German, British, Swiss, Dutch and American government bonds increased in January 2018 compared to January 2017.