

# Global Forecasts

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*CIO Forecast Tables reflect UBS CIO's view on growth, inflation, interest rates, and currencies for key countries and markets, real estate, as well as commodities. The publication is updated every Tuesday, unless developments require an intra-week forecast change, resulting in a mid-week update.*

*This list is not a template for the construction of your personal portfolio and you should discuss investment decisions with your client advisor. Current prices are indicative.*


## Economic Growth & Inflation

Economic Growth Forecasts (Real GDP; % change yoy)					
Europe	2010	2011	2012F	2013F	2014F
Eurozone	1.9	1.5	-0.4	0.1	0.9
France	1.6	1.7	0.2	0.4	0.9
Germany	4.0	3.1	0.9	0.8	1.3
Italy	1.8	0.5	-2.3	-0.4	0.6
Spain	-0.3	0.4	-1.6	-1.7	0.0
Sweden	6.3	3.9	1.2	1.6	1.8
Norway	1.8	2.5	3.8	2.8	2.7
Switzerland	3.0	1.9	1.1	0.9	1.3
UK	1.8	0.9	0.0	1.1	1.2
Americas	2010	2011	2012F	2013F	2014F
Brazil	7.5	2.7	1.5	4.5	3.6
Canada	3.2	2.6	2.2	2.2	2.9
Mexico	5.5	3.9	3.8	3.6	4.0
US	2.4	1.8	2.1	2.3	3.0
EMEA	2010	2011	2012F	2013F	2014F
Czech Republic	2.7	1.7	-0.8	1.3	2.0
Hungary	1.3	1.6	-0.9	0.6	1.5
Poland	3.9	4.3	2.5	2.5	3.0
Russia	4.3	4.3	3.6	3.5	4.0
South Africa	2.8	3.3	2.4	2.9	3.4
Turkey	9.2	8.5	3.0	4.0	4.8

Sources: Thomson Reuters, UBS

F = Forecasts

For Asia and Multinational please see next page.

 Indicates decrease in forecasts from previous week

 Indicates increase in forecasts from previous week

**Past performance is no indication of future performance. The market prices provided are closing prices on the respective principal exchange.**

This applies to all performance charts and tables in this publication.

In developing the Chief Investment Office economic forecasts, CIO economists worked in collaboration with economists employed by UBS Investment Research. Forecasts and estimates are current only as of the date of this publication and may change without notice.

Inflation Forecasts (CPI; % change yoy)					
Europe	2010	2011	2012F	2013F	2014F
Eurozone	1.6	2.7	2.5	2.1	1.8
France	1.5	2.1	2.0	1.3	1.5
Germany	2.2	0.2	1.3	2.1	2.5
Italy	1.6	2.9	3.4	2.6	2.1
Spain	1.5	3.1	2.5	3.2	1.4
Sweden	1.2	3.0	1.0	1.0	1.4
Norway	2.4	1.3	0.6	1.5	2.1
Switzerland	0.7	0.2	-0.6	0.6	1.1
UK	3.3	4.5	2.7	2.3	1.8
Americas	2010	2011	2012F	2013F	2014F
Brazil	5.9	6.5	5.5	6.2	6.5
Canada	1.8	2.9	2.0	2.3	2.1
Mexico	4.4	3.8	4.3	3.7	3.5
US	1.6	3.1	2.1	1.8	2.5
EMEA	2010	2011	2012F	2013F	2014F
Czech Republic	1.5	1.9	3.4	2.7	1.9
Hungary	4.9	3.9	5.6	4.5	3.0
Poland	2.6	4.3	3.9	3.0	2.5
Russia	6.8	8.5	5.1	6.8	5.6
South Africa	4.3	5.2	5.6	5.7	5.3
Turkey	8.6	6.5	9.1	6.6	6.3


Sources: Thomson Reuters, UBS


## Economic Growth & Inflation

Economic Growth Forecasts (Real GDP; % change yoy)					
Asia	2010	2011	2012F	2013F	2014F
Australia	2.5	2.1	3.7	3.2	3.4
New Zealand	1.7	1.3	2.6	3.3	3.1
China	10.4	9.3	7.6	8.0	8.0
Hong Kong	7.1	5.0	1.6	4.1	4.5
India	8.4	6.5	5.5	6.5	7.0
Indonesia	6.2	6.5	6.0	6.1	6.2
Japan	4.5	-0.7	1.7	1.3	1.8
Malaysia	7.2	5.1	4.9	4.5	5.0
Philippines	7.6	3.9	5.8	4.5	4.9
Singapore	14.8	4.9	2.0	3.5	4.5
South Korea	6.3	3.6	2.2	2.9	3.5
Taiwan	10.7	4.0	1.4	4.0	4.2
Thailand	7.8	0.1	5.5	4.5	4.7
Asia*	8.7	6.7	5.7	6.2	6.5
	2010	2011	2012F	2013F	2014F
World	4.2	3.2	2.6	3.0	3.4

Sources: Thomson Reuters, UBS

F = Forecasts

 Indicates decrease in forecasts from

 Indicates increase in forecasts from

\* Excluding Japan, including Australia &amp; NZ

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Inflation Forecasts (CPI; % change yoy)					
Asia	2010	2011	2012F	2013F	2014F
Australia	2.9	3.3	1.8	2.7	2.7
New Zealand	2.3	4.0	1.2	2.0	2.9
China	3.3	5.4	2.7	3.5	4.0
Hong Kong	2.3	5.3	4.0	3.9	4.1
India	12.2	8.0	7.5	6.8	7.0
Indonesia	5.1	5.4	4.4	6.7	6.3
Japan	-1.0	-0.3	0.0	0.3	2.3
Malaysia	1.7	3.2	1.7	2.9	3.9
Philippines	3.8	4.4	3.3	4.5	4.1
Singapore	2.8	5.3	4.7	3.7	2.8
South Korea	2.9	4.0	2.3	2.1	2.5
Taiwan	1.0	1.4	2.0	1.5	1.5
Thailand	3.3	3.8	3.0	3.5	3.1
Asia*	4.9	5.3	3.6	4.1	4.3
	2010	2011	2012F	2013F	2014F
World	3.0	3.9	2.9	2.9	3.1


Sources: Thomson Reuters, UBS

## Target Rates Overview

Central Banks: Target Rates Overview										
end of:	tdy	2012	2013				2014			
		Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Fed	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13
ECB	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
SNB	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BoE	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
BoC	1.00	1.00	1.00	1.00	1.25	1.50	1.75	2.00	2.00	2.00
Norges Bank	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Riksbank	1.25	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
RBA	3.25	3.00	3.00	3.00	3.00	3.50	3.50	3.50	4.00	4.00
RBNZ	2.50	2.50	2.50	2.75	3.00	3.25	3.50	3.50	3.50	3.50
BoJ	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
PBoC	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00

Sources: Bloomberg, UBS

 Indicates decrease in forecasts from previous week

 Indicates increase in forecasts from previous week

## Interest Rates

Major Markets					
Europe	20-Nov-12	3mths	6 mths	12 mths	End 12
EUR 3M Libor	0.1	0.3	0.4	0.5	0.2
EUR 2Y Bund	0.0	0.2	0.2	0.3	0.1
EUR 5Y Bund	0.4	0.7	0.7	0.7	0.5
EUR 10Y Bund	1.4	1.8	1.8	2.0	1.6
CHF 3M Libor	0.0	0.0	0.0	0.0	0.0
CHF 2Y Eidg.	-0.2	0.1	0.1	0.2	0.0
CHF 5Y Eidg.	0.0	0.3	0.3	0.6	0.2
CHF 10Y Eidg.	0.5	0.7	0.9	1.1	0.6
GBP 3M Libor	0.5	0.5	0.5	0.5	0.5
GBP 2Y Gilt	0.3	0.4	0.4	0.5	0.3
GBP 5Y Gilt	0.8	1.0	1.0	1.2	0.9
GBP 10Y Gilt	1.8	2.0	2.0	2.3	1.9
Americas	20-Nov-12	3mths	6 mths	12 mths	End 12
USD 3M Libor	0.3	0.5	0.5	0.5	0.4
USD 2Y Treas.	0.2	0.4	0.4	0.5	0.3
USD 5Y Treas.	0.6	0.9	0.9	1.2	0.8
USD 10Y Treas.	1.6	2.0	2.0	2.3	1.8
USD 30Y Treas.	2.8	3.0	3.0	3.5	2.9
Asia	20-Nov-12	3mths	6 mths	12 mths	End 12
JPY 3M Libor	0.2	0.2	0.3	0.3	0.2
JPY 2Y JGB	0.1	0.2	0.2	0.2	0.2
JPY 5Y JGB	0.2	0.3	0.3	0.4	0.2
JPY 10Y JGB	0.7	0.9	0.9	1.2	0.8


Sources: Thomson Reuters, UBS

Diversification Markets					
Europe	20-Nov-12	3mths	6 mths	12 mths	End 12
SEK 3M Stibor	1.4	1.2	1.2	1.2	1.4
SEK 10Y Gov	1.5	1.7	1.7	2.1	1.6
NOK 3M Nibor	2.0	1.8	1.8	1.8	1.8
NOK 10Y Gov	2.1	2.1	2.1	2.5	2.1
CZK 3M Pribor	0.5	0.3	0.3	0.3	0.4
CZK 10Y Gov	2.0	2.0	2.0	2.0	1.8
HUF 3M Bubor	6.3	6.4	5.9	5.9	6.3
HUF 10Y Gov	7.0	7.0	6.5	6.5	6.8
PLN 3M Wibor	4.6	4.6	4.6	4.6	4.6
PLN 10Y Gov	4.2	4.8	4.8	4.8	4.4
RUB 1-day fixed repo rate	5.6	6.5	6.8	7.0	6.1

Sources: Thomson Reuters, UBS

Diversification Markets				
Americas	20-Nov-12	6 mths	12 mths	End 12
CAD 3M Libor	1.2	1.0	1.3	1.2
CAD 10Y Gov	1.7	2.0	2.3	1.8
MXN 3M Libor	4.3	4.5	4.8	4.4
MXN 10Y Bono	5.4	6.2	6.8	5.5
BRL 3M Libor	7.0	7.5	7.8	7.1
BRL 5Y Treasury note	8.8	10.2	10.4	9.1
Asia	20-Nov-12	6 mths	12 mths	End 12
AUD 3M Libor	3.5	3.2	3.2	3.4
AUD 10Y Gov	3.2	3.3	3.7	3.1
NZD 3M Libor	2.8	3.1	3.5	2.9
NZD 10Y Gov	3.5	3.8	4.1	3.6
CNY 3M Shibor	3.8	4.2	4.2	3.9
CNY 10Y Gov	3.5	3.5	3.5	3.6
HKD 3M Hibor	0.4	0.4	0.4	0.4
HKD 10Y Gov	0.6	1.0	1.5	0.7
INR 3M Mibor	8.7	8.5	8.5	8.5
INR 10Y Gov	8.2	7.8	7.8	8.1
IDR 3M JIBOR	4.9	5.1	5.8	5.0
IDR 10Y Gov	5.4	6.1	6.9	5.6
MYR 3M Klibor	3.2	3.2	3.5	3.2
MYR 10Y Gov	3.5	3.7	3.8	3.5
PHP 3M Phibor	1.0	3.5	4.0	1.5
PHP 10Y Gov	5.1	6.0	6.5	5.3
SGD 3M Sibor	0.4	0.4	0.4	0.4
SGD 10Y Gov	1.3	1.6	2.1	1.4
KRW 3M CD	2.8	3.1	3.4	2.9
KRW 10Y Gov	3.0	3.3	3.6	3.1
TWD 3M Taibor	0.9	1.1	1.5	0.9
TWD 10Y Gov	1.1	1.3	1.6	1.2
THB 3M Bibor	2.9	3.4	3.7	3.0
THB 10Y Gov	3.5	3.5	3.8	3.5

Sources: Thomson Reuters, UBS

 Indicates decrease in forecasts from previous week

 Indicates increase in forecasts from previous week

## Major Currencies

USD					
	20-Nov-12	3 mths	6 mths	12 mths	equil.*
EURUSD	1.28	1.30	1.32	1.34	1.29
USDJPY	81	82	84	86	78
GBPUSD	1.59	1.65	1.68	1.70	1.67
USDCHF	0.94	0.93	0.92	0.92	1.02
USDCAD	1.00	0.94	0.94	0.92	0.94
AUDUSD	1.04	1.02	1.02	1.02	0.75
NZDUSD	0.82	0.82	0.82	0.82	0.60
USDSEK	6.73	6.31	6.06	5.97	6.71
USDNOK	5.74	5.62	5.45	5.37	6.60

CHF					
	20-Nov-12	3 mths	6 mths	12 mths	equil.*
USDCHF	0.94	0.93	0.92	0.92	1.02
EURCHF	1.21	1.21	1.21	1.23	1.31
JPYCHF	1.16	1.14	1.09	1.07	1.30
GPBCHF	1.50	1.54	1.54	1.56	1.70
CADCHF	0.94	0.99	0.98	1.00	1.08
AUDCHF	0.98	0.95	0.94	0.94	0.76
NZDCHF	0.77	0.76	0.75	0.75	0.61
CHFSEK	7.15	6.78	6.61	6.50	6.60
CHFNOK	6.10	6.03	5.95	5.85	6.49

EUR					
	20-Nov-12	3 mths	6 mths	12 mths	equil.*
EURUSD	1.28	1.30	1.32	1.34	1.29
EURJPY	104	107	111	115	101
EURGBP	0.80	0.79	0.79	0.79	0.77
EURCHF	1.21	1.21	1.21	1.23	1.31
EURCAD	1.28	1.22	1.24	1.23	1.21
EURAUD	1.23	1.27	1.29	1.31	1.71
EURNZD	1.57	1.59	1.62	1.63	2.13
EURSEK	8.62	8.20	8.00	8.00	8.63
EURNOK	7.35	7.30	7.20	7.20	8.49

GBP					
	20-Nov-12	3 mths	6 mths	12 mths	equil.*
GBPUSD	1.59	1.65	1.68	1.70	1.67
GBPEUR	1.24	1.27	1.27	1.27	1.30
GPBCHF	1.50	1.54	1.54	1.56	1.70
GBPJPY	129	135	141	146	131
GBPCAD	1.59	1.55	1.58	1.56	1.57
GBPAUD	1.53	1.62	1.65	1.67	2.22
GBPNZD	1.95	2.01	2.06	2.07	2.77
GBPSEK	10.72	10.41	10.18	10.15	11.19
GBPNOK	9.13	9.27	9.16	9.13	11.01

Sources: Thomson Reuters, UBS

\* Estimates of equilibrium exchange rates based on Purchasing Power Parity (PPP) calculations

 Indicates decrease in forecasts from previous week

 Indicates increase in forecasts from previous week

## Emerging Market Currencies

Asia				
	20-Nov-12	3 mths	6 mths	12 mths
USDCNY	6.23	6.30	6.30	6.20
USDHKD*	7.75	7.75	7.75	7.75
USDINR	55.09	53.00	54.00	55.00
USDIDR	9,628	9,400	9,400	9,400
USDKRW	1,083	1,100	1,080	1,050
USDMYR	3.06	3.02	3.00	2.96
USDPHP	41.13	41.00	40.80	40.50
USDSGD	1.22	1.21	1.20	1.19
USDTWD	29.12	29.20	29.20	29.00
USDTHB	30.67	30.50	30.30	30.00


\* HKD is pegged to the USD

EMEA				
	20-Nov-12	3 mths	6 mths	12 mths
EURPLN	4.13	4.30	4.15	3.90
EURHUF	281.0	290.0	300.0	300.0
EURCZK	25.35	26.00	25.00	24.25
USDTRY	1.80	1.75	1.75	1.72
USDZAR	8.88	8.20	7.90	7.80
USDRUB	31.35	33.00	32.00	31.00

Americas				
	20-Nov-12	3 mths	6 mths	12 mths
USDMXN	13.08	12.70	12.50	12.00
USDBRL	2.08	2.00	1.95	1.90

Sources: Thomson Reuters, UBS

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 Indicates increase in forecasts from previous week

## Commodities

Market Data					
Energy	Units	Imp. Vol.	YoY%	YTD%	Spot
Crude Oil (WTI)	US\$/bbl	29.2	-8.5	-9.9	89.0
Crude Oil (Brent)	US\$/bbl	28.1	4.0	4.3	110.0
US Natural Gas	US\$/mmbtu	36.8	11.5	16.8	3.63

Precious Metals	Units	Imp. Vol.	YoY%	YTD%	Spot
Gold	US\$/oz	12.2	0.9	10.0	1,732
Silver	US\$/oz	27.9	3.5	17.7	33.1
Platinum	US\$/oz	18.1	-0.5	13.0	1,572
Palladium	US\$/oz	25.0	6.8	-1.4	638

Base Metals	Units	Imp. Vol.	YoY%	YTD%	Spot
Copper	US\$/mt	20.0	3.9	2.7	7,793
Aluminum	US\$/mt	19.1	-6.4	-2.0	1,955
Nickel	US\$/mt	24.1	-7.2	-12.4	16,410
Zinc	US\$/mt	20.8	-2.2	4.8	1,914
Lead	US\$/mt	26.6	8.0	9.3	2,198
Tin	US\$/mt	31.5	-1.9	8.9	20,855

Agriculture	Units	Imp. Vol.	YoY%	YTD%	Active F.
Corn	US\$/bu	20.3	20.7	13.9	7.37
Soybeans	US\$/bu	20.2	19.1	16.1	13.92
Wheat	US\$/bu	18.6	40.7	28.9	8.42
Sugar	US\$/lb	12.2	-16.8	-14.4	0.200
Cotton	US\$/lb	29.0	-23.9	-21.4	0.72
Coffee	US\$/lb	22.7	-35.3	-33.2	1.52
Cocoa	US\$/mt	31.2	7.5	17.6	2,481

Sources: Bloomberg, UBS

**CIO View:** Bullish = we target the upper range, Sideways = we expect a sideways move, Bearish = we target the lower range**Abbreviations:** Imp. Vol. = Implied Volatility, YoY% = Year over year in %, YTD% = Year to date in %, Active F. = Active Future, Lower R. = Lower range, Upper R. = Upper range
 Indicates decrease in forecasts from previous week

 Indicates increase in forecasts from previous week

3 months view		
View	Lower R.	Upper R.
Bearish	78.0	95.0
Bearish	95.0	110.5
Sideways	2.90	3.90

View	Lower R.	Upper R.
Bullish	1,675	1,950
Bullish	29.8	40.0
Bullish	1,500	1,800
Bullish	604	741

View	Lower R.	Upper R.
Bullish	7,300	9,000
Sideways	1,890	2,305
Bullish	15,200	19,200
Sideways	1,790	2,175
Sideways	1,902	2,400
Sideways	18,500	22,850

View	Lower R.	Upper R.
Bullish	7.05	9.00
Bearish	13.20	16.60
Bullish	8.10	10.50
Sideways	0.180	0.220
Sideways	0.64	0.79
Sideways	1.47	1.75
Bullish	2,222	2,750

12 months view	
View	Target
Sideways	105.0
Sideways	115.0
Sideways	3.70

View	Target
Bullish	1,875
Sideways	37.5
Bullish	1,820
Bullish	850

View	Target
Sideways	8,400
Bullish	2,350
Bullish	20,500
Bullish	2,250
Sideways	2,400
Bullish	24,500

View	Target
Sideways	7.00
Bearish	12.80
Sideways	7.80
Bullish	0.250
Bullish	0.85
Bullish	2.00
Bullish	2,750

Yearly Average		
2011	2012E	2013E
95.1	93.0	100.0
111.9	110.0	110.0
4.00	2.60	3.60

2011	2012E	2013E
1,573	1,710	1,875
35.3	32.0	38.0
1,720	1,590	1,800
733	645	770

2011	2012E	2013E
8,816	8,150	8,300
2,401	2,050	2,300
22,867	18,200	20,000
2,192	2,000	2,125
2,396	2,100	2,275
26,004	21,500	23,000

2011	2012E	2013E
6.80	7.15	6.80
13.17	15.40	13.00
7.09	7.70	7.60
0.271	0.21	0.225
1.37	0.78	0.80
2.53	1.78	1.95
2,921	2,450	2,750




## Equity Markets

Past Equity Market Performance (%) and 12 Month Return Forecasts							
Americas	2007	2008	2009	2010	2011	YTD	12 mths F
MSCI USA*	6.0	-37.1	27.1	15.4	2.0	10.3	8.0
S&P 500**	3.5	-38.5	23.5	12.8	0.0	8.1	6.0
Dow Jones Industrial**	6.4	-33.8	18.8	11.0	5.5	3.0	6.0
Nasdaq**	9.8	-40.5	43.9	16.9	-1.8	9.5	8.0
Europe	2007	2008	2009	2010	2011	YTD	12 mths F
MSCI EMU*	8.5	-44.3	28.7	3.3	-14.1	11.0	7.0
Euro Stoxx 50**	6.8	-44.4	21.1	-5.8	-17.1	4.8	4.0
MSCI Germany*	22.6	-42.7	22.6	16.9	-14.7	18.8	7.0
Dax 30*	22.3	-40.4	23.8	16.1	-14.7	17.8	6.0
MSCI France*	2.8	-39.7	29.1	3.5	-13.2	11.3	5.0
CAC 40**	1.3	-42.7	22.3	-3.3	-17.0	5.8	2.0
MSCI UK*	6.6	-28.5	27.7	12.2	-1.8	4.4	6.0
FTSE 100**	3.8	-31.3	22.1	9.0	-5.6	0.6	2.5
MSCI Switzerland*	-1.6	-34.1	23.0	1.8	-5.7	13.4	7.0
SMI**	-3.4	-34.8	18.3	-1.7	-7.8	9.6	4.0
Asia	2007	2008	2009	2010	2011	YTD	12 mths F
MSCI Japan*	-10.1	-42.5	9.3	0.7	-18.6	5.9	5.0
Nikkei 225**	-11.1	-42.1	19.0	-3.0	-17.3	6.7	3.0
Hang Seng**	39.3	-48.3	52.0	5.3	-20.0	14.8	6.0
Emerging Markets	2007	2008	2009	2010	2011	YTD	12 mths F
MSCI Em Markets*	39.8	-53.2	79.0	19.2	-18.2	8.9	8.0

Sources: Thomson Reuters, UBS

\*Total return indices (incl. dividends), \*\* capital gain (change in price index), F = Forecasts

 Indicates decrease in forecasts from previous week


 Indicates increase in forecasts from previous week


## Real Estate Markets

Benchmark income returns for direct real estate investments portfolios, all properties											
Americas	Volatility*	Average return *	2005	2006	2007	2008	2009	2010	2011	YTD**	2013 F
US	0.7	6.1	6.9	6.3	5.5	5.2	6.5	6.9	6.1	5.6	5.5
Canada	0.5	6.8	8.1	7.5	6.8	6.3	6.4	6.9	6.6	6.1	6.0
Europe & Africa	Volatility*	Average return*	2005	2006	2007	2008	2009	2010	2011	YTD**	2013 F
UK	1.1	5.8	5.7	4.9	4.6	5.6	7.4	6.4	5.8	5.9	6.1
Ireland	2.2	5.7	5.3	4.4	3.9	4.2	7.0	8.8	9.4	9.8	9.0
France	0.3	5.7	6.1	5.7	5.4	5.4	6.1	5.8	5.6	-	5.8
Germany	0.3	4.9	4.6	4.6	4.7	5.0	5.2	5.1	5.3	-	5.0
Switzerland	0.1	4.8	5.0	4.9	4.8	4.9	4.8	4.6	4.6	-	4.5
Netherlands	0.2	5.3	5.8	5.6	5.2	5.1	5.3	5.4	5.4	5.5	5.6
Spain	0.7	5.0	6.0	5.0	4.8	4.4	4.6	6.2	5.6	-	6.5
Sweden	0.2	5.1	5.4	5.1	4.8	4.9	5.4	5.2	-	-	5.0
South Africa	0.3	8.7	10.2	9.1	8.6	8.5	8.5	8.9	8.9	-	8.7
Asia	Volatility*	Average return*	2005	2006	2007	2008	2009	2010	2011	YTD**	2013 F
Australia	0.4	6.9	7.5	7.2	6.6	6.4	6.8	7.4	7.5	7.5	7.3
Japan	0.2	5.1	5.9	5.4	5.1	4.8	5.2	5.2	5.3	5.3	5.2
South Korea	1.0	5.9	-	7.1	6.5	4.5	5.7	5.9	6.8	-	6.5
Dividend yields for listed real estate***											
Global	Volatility*	Average return*		2006	2007	2008	2009	2010	2011	YTD**	2013 F
Global real estate equities	1.4	4.0		3.0	3.2	6.4	3.7	3.5	4.2	3.6	3.6

Sources: Bloomberg, IPD, NAREIT, UBS IB, UBS

\*5y average 2006-2010; \*\* Annualized; \*\*\* End of year.

 Indicates decrease in forecasts from previous week

 Indicates increase in forecasts from previous week

## Political calendar

Selected political dates a year ahead		
2012-Q4		
2H - 2012	EU	Cyprus assumes presidency of European Council
Nov 2012	Eurozone	Troika Report on Greece
22-23 Nov-12	EU	European Council
03-04 Dec-12	EU	Eurogroup-/ECOFIN-Meeting
13-14 Dec-12	EU	European Council
16-Dec-12	Japan	Parliamentary elections (House of Representatives, early election)
19-Dec-12	South Korea	Presidential elections

Sources: Official government sites, media reports

- Indicates new dates from previous week
- Indicates amendments of dates from previous week

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(continued)		
2013-Q1		
1H - 2013	EU	Ireland assumes presidency of the European Council
22-Jan-13	Israel	Parliamentary elections (early elections)
23-Jan-13	Jordan	Parliamentary elections
20-21 Mar-13	Tunisia	Presidential and parliamentary elections (prov.)
Mar 2013	China	1. session of the 12th National Congress

2013-Q2		
Apr 2013	Italy	Parliamentary elections
May-13	Italy	Presidential elections
Jun 2013	Iran	Presidential elections

2013-Q3		
2H-2013	EU	Lithuania assumes Presidency of European Council
11-Jul-13	Japan	Parliamentary elections (House of Councillors)
Sep 2013	Austria	Parliamentary elections
Sep 2013	Germany	Parliamentary elections

2013-Q4		
Nov 2013	Australia	Parliamentary elections
Dec 2013	WTO	Ministerial Conference in Bali, Indonesia
Dec 2013	Chile	Presidential Election

## Appendix: How to interpret the currency pages

Two currency conventions are used in the foreign exchange markets.

- **The European convention**, also called the direct quotation or price quotation, expresses a foreign currency in units of the home currency, i.e., 0.80 Euro for one US-Dollar or 120 Japanese Yen for one US-Dollar. This is the most widely used currency convention in the world and also the one usually used in the US.
- **The British convention**, also called the indirect quotation or quantity quotation, expresses the home currency in units of a foreign currency, i.e., 1.25 US-Dollars for one Euro or 0.83 US-Dollar for 100 Japanese Yen. This convention is usually used in the UK and is also common in Australia, Canada and New Zealand.

In the foreign exchange markets, some currencies have become "pairs". When a trader or an analyst refers to these pairs, it is almost always in the same convention. From a US-centric perspective:

- The US-Dollar exchange rate with the Australian Dollar (the "Aussie"), the New Zealand Dollar (the "Kiwi"), the British Pound (the "Cable", when related to the US-Dollar, because the US-Dollar/British Pound exchange rate was the first traded through the transatlantic cable) and the Euro is expressed in the British convention, i.e., 1.20 US-Dollars for one Euro.
- All other exchange rates of the US-Dollar with a major currency—the Japanese Yen, Swiss Franc, Canadian Dollar (the "Loonie", named after the Canadian bird on the one dollar coin) and the Scandinavian currencies—are expressed in the European convention, i.e., 1.25 Swiss Francs for one US-Dollar.

Currencies are usually referred to by acronyms or special signs, i.e., \$ for US-Dollar, £ for British Pound (the "L" comes from the French translation of the British Pound or Pound Sterling, "Livre Sterling"), SFr. for Swiss Franc, etc. To avoid confusion about which dollar, franc or krona we are referring to in today's globalized economy, currencies are defined by an acronym of three capital letters, a system developed by the International Organization for Standardization and called ISO 4217. In general, the first two letters refer to the country and the third, to the name of the currency.

**USD** = US-Dollar, **AUD** = Australian Dollar, **BRL** = Brazilian Real, **CAD** = Canadian Dollar, **CHF** = Swiss Franc (the CH is based on the Latin translation of Swiss Confederation, "Confederatio Helvetica"), **CNY** = Chinese Yuan Renminbi (this currency is sometimes abbreviated RMB, which is not an ISO standard), **COP** = Colombian Peso, **CZK** = Czech Koruna, **DKK** = Danish Krona, **EUR** = Euro, **GBP** = British Pound or Pound Sterling, **HKD** = Hong Kong Dollar, **HUF** = Hungarian Forint, **IDR** = Indonesian Rupiah, **INR** = Indian Rupee, **JPY** = Japanese Yen, **MXN** = Mexican Peso, **MYR** = Malaysian Ringgit, **NOK** = Norwegian Krona, **NZD** = New Zealand Dollar, **PHP** = Philippines Peso, **PLN** = Polish Zloty, **RUB** = Russian Ruble, **SEK** = Swedish Krona, **SGD** = Singapore Dollar, **SKK** = Slovak Koruna, **KRW** = South Korean Won, **THB** = Thai Bath, **TWD** = Taiwan Dollar, **TRY** = Turkish Lira, and **ZAR** = South African Rand (the ZA refers to Zuid-Afrika, i.e., South Africa in Dutch).

The format used to show currency pairs or exchange rates is either XXX/YYY or, the even simpler, XXXYYY, where XXX stands for the base currency and YYY for the counter currency. The format reads "units of YYY for one unit of XXX". For example, EUR/USD or EURUSD at 1.20 means that you have to pay 1.20 US-Dollars for one Euro, while USD/EUR or USDEUR at 1.20 means that you have to pay 1.20 Euros for one US-Dollar.

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## Appendix: How to interpret the commodity page

The commodity page is split into two major sections:

- **Market Data:** This section gives the reader an overview of key figures for individual commodities. We believe these figures are important when analyzing our forecasts.

In the market data section, we give an indication of the units that the commodity price refers to. Through the implied volatility figures we like investors to consider the volatility of the commodity. This can vary significantly across different commodities. Looking at the historical performance of the spot market provides a reference point and allows a comparison to be made. The last two columns highlight the spot and futures market. Since transactions involving the physical exchange of commodities are rare, the futures markets are the most relevant for most of our clients.

- **UBS CIO View:** This section is split into a short-term and a long-term view. The shorter term view is for active investors with a target horizon of 1-3 months. The long-term view is for strategic investments with a time horizon of 12 months and more.

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