

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	2009	2010	2011	2012F	2013F
Eurozone	-4.4	1.9	1.5	-0.4	0.2
France	-3.1	1.6	1.7	0.2	0.4
Germany	-5.1	4.0	3.1	0.9	1.1
Italy	-5.5	1.8	0.5	-2.4	-0.2
Spain	-3.7	-0.3	0.4	-1.6	-1.7
Sweden	-5.0	5.9	4.0	1.8	1.2
Norway	-1.6	1.8	2.5	3.2	2.1
Switzerland	-1.9	3.0	1.9	1.1	1.4
UK	-4.0	1.8	0.8	-0.5	0.8
Americas	2009	2010	2011	2012F	2013F
Brazil	-0.3	7.5	2.7	1.6	4.8
Canada	-2.8	3.2	2.4	2.0	2.3
Mexico	-6.0	5.5	3.9	3.7	3.4
US	-3.1	2.4	1.8	2.2	2.3
EMEA	2009	2010	2011	2012F	2013F
Czech Republic	-4.7	2.7	1.7	-0.8	1.3
Hungary	-6.8	1.3	1.6	-0.9	0.8
Poland	1.6	3.9	4.3	2.5	2.5
Russia	-7.8	4.3	4.3	3.8	3.7
South Africa	-1.7	2.8	3.3	2.4	2.9
Turkey	-4.8	9.2	8.5	3.0	4.0

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	2009	2010	2011	2012F	2013F
Eurozone	0.3	1.6	2.7	2.4	1.9
France	0.1	1.5	2.1	2.0	1.3
Germany	0.2	1.1	2.5	1.7	1.5
Italy	0.8	1.6	2.9	3.3	2.7
Spain	-0.2	1.5	3.1	2.4	2.7
Sweden	-0.5	1.2	3.0	1.2	1.4
Norway	2.2	2.4	1.3	0.9	0.9
Switzerland	-0.5	0.7	0.2	-0.5	1.2
UK	2.2	3.3	4.5	2.7	2.1
Americas	2009	2010	2011	2012F	2013F
Brazil	4.3	5.9	6.5	5.3	6.5
Canada	0.3	1.8	2.9	2.0	2.3
Mexico	3.6	4.4	3.8	4.3	3.7
US	-0.3	1.6	3.1	2.1	1.7
EMEA	2009	2010	2011	2012F	2013F
Czech Republic	1.0	1.5	1.9	3.4	2.7
Hungary	4.2	4.9	3.9	5.3	3.5
Poland	3.5	2.6	4.3	3.9	2.7
Russia	11.6	6.8	8.5	5.0	6.6
South Africa	7.3	4.3	5.2	5.6	5.7
Turkey	6.3	8.6	6.5	8.9	6.3

Sources: Thomson Reuters, UBS


Economic Growth & Inflation

Economic Growth Forecasts (Real GDP; % change yoy)					
Asia	2009	2010	2011	2012F	2013F
Australia	1.4	2.5	2.1	3.7	3.2
New Zealand	-2.4	1.8	1.3	2.8	3.5
China	9.2	10.4	9.3	7.5	7.8
Hong Kong	-2.6	7.1	5.0	1.6	4.2
India	8.4	8.4	6.5	5.5	6.5
Indonesia	4.6	6.2	6.5	6.0	6.1
Japan	-5.5	4.5	-0.8	2.3	2.0
Malaysia	-1.5	7.2	5.1	4.9	4.5
Philippines	1.1	7.6	3.9	5.8	4.5
Singapore	-1.0	14.8	4.9	2.0	4.5
South Korea	0.3	6.3	3.6	2.6	3.2
Taiwan	-1.8	10.7	4.0	1.4	4.0
Thailand	-2.3	7.8	0.1	5.5	4.5
Asia*	5.7	8.7	6.7	5.7	6.2
	2009	2010	2011	2012F	2013F
World	-0.9	4.2	3.2	2.7	3.1

Sources: Thomson Reuters, UBS

F = Forecasts

 Indicates decrease in forecasts from previous week

 Indicates increase in forecasts from previous week

* Excluding Japan, including Australia & NZ

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Inflation Forecasts (CPI; % change yoy)					
Asia	2009	2010	2011	2012F	2013F
Australia	1.8	2.8	3.4	1.7	2.5
New Zealand	2.1	2.3	4.0	1.4	2.4
China	-0.7	3.3	5.4	2.8	3.6
Hong Kong	0.6	2.3	5.3	4.8	3.8
India	9.6	12.2	8.0	7.5	7.0
Indonesia	4.8	5.1	5.4	4.5	7.0
Japan	-1.3	-1.0	-0.3	0.0	0.3
Malaysia	0.6	1.7	3.2	1.8	2.6
Philippines	3.2	3.8	4.4	3.3	4.6
Singapore	0.6	2.8	5.3	4.3	2.7
South Korea	2.8	2.9	4.0	2.1	2.3
Taiwan	-0.9	1.0	1.4	2.0	1.5
Thailand	-0.8	3.3	3.8	2.7	3.5
Asia*	2.2	4.9	5.3	3.7	4.2
	2009	2010	2011	2012F	2013F
World	1.5	3.0	3.9	2.9	2.9

Sources: Thomson Reuters, UBS

Target Rates Overview

Central Banks: Target Rates Overview							
end of:	tdy	2012		2013			
		Q3	Q4	Q1	Q2	Q3	Q4
Fed	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
SNB	0.05	0.00	0.00	0.00	0.00	0.00	0.00
BoE	0.50	0.50	0.25	0.25	0.25	0.25	0.25
BoC	1.00	1.00	1.00	1.00	1.00	1.25	1.50
Norges Bank	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Riksbank	1.25	1.25	1.00	1.00	1.00	1.00	1.00
RBA	3.50	3.50	3.00	3.00	3.00	3.00	3.75
RBNZ	2.50	2.50	2.50	2.75	3.00	3.25	3.50
BoJ	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

Sources: Bloomberg, UBS

 Indicates decrease in forecasts from previous week

 Indicates increase in forecasts from previous week

Interest Rates

Major Markets					
Europe	25-Sep-12	3mths	6 mths	12 mths	End 12
EUR 3M Libor	0.2	0.3	0.4	0.5	0.3
EUR 2Y Bund	0.0	0.2	0.2	0.3	0.2
EUR 5Y Bund	0.6	0.7	0.7	0.7	0.7
EUR 10Y Bund	1.6	1.8	1.8	2.0	1.8
CHF 3M Libor	0.0	0.0	0.0	0.0	0.0
CHF 2Y Eidg.	-0.1	0.1	0.1	0.2	0.1
CHF 5Y Eidg.	0.0	0.3	0.3	0.6	0.3
CHF 10Y Eidg.	0.6	0.7	0.9	1.1	0.7
GBP 3M Libor	0.6	0.5	0.5	0.3	0.5
GBP 2Y Gilt	0.2	0.4	0.4	0.5	0.4
GBP 5Y Gilt	0.8	1.0	1.0	1.2	1.0
GBP 10Y Gilt	1.8	2.0	2.0	2.3	2.0
Americas	25-Sep-12	3mths	6 mths	12 mths	End 12
USD 3M Libor	0.4	0.5	0.5	0.5	0.5
USD 2Y Treas.	0.3	0.4	0.4	0.5	0.4
USD 5Y Treas.	0.7	0.9	0.9	1.2	0.9
USD 10Y Treas.	1.7	2.0	2.0	2.3	2.0
USD 30Y Treas.	2.9	3.0	3.0	3.5	3.0
Asia	25-Sep-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	0.3
JPY 10Y JGB	0.8	0.9	0.9	1.2	0.9


Sources: Thomson Reuters, UBS


Diversification Markets					
Europe	25-Sep-12	3mths	6 mths	12 mths	End 12
SEK 3M Stibor	1.6	1.2	1.2	1.2	1.2
SEK 10Y Gov	1.6	1.7	1.7	2.1	1.7
NOK 3M Nibor	1.9	1.8	1.8	1.8	1.8
NOK 10Y Gov	2.2	2.1	2.1	2.5	2.1
CZK 3M Pribor	0.8	1.0	1.0	0.9	1.0
CZK 10Y Gov	2.5	2.6	2.5	2.4	2.6
HUF 3M Bubor	6.9	7.3	7.2	6.6	7.3
HUF 10Y Gov	7.4	7.5	5.5	5.4	7.3
PLN 3M Wibor	4.9	5.0	5.0	4.9	4.9
PLN 10Y Gov	4.9	5.0	4.7	4.6	5.0
RUB 1-day fixed repo rate	5.8	6.5	6.8	7.0	6.5

Sources: Thomson Reuters, UBS

Diversification Markets					
Americas	25-Sep-12	6 mths	12 mths	End 12	
CAD 3M Libor	1.3	1.0	1.3	1.1	
CAD 10Y Gov	1.8	2.0	2.3	1.9	
MXN 3M Libor	4.3	4.5	4.8	4.4	
MXN 10Y Bono	5.4	6.2	6.8	5.8	
BRL 3M Libor	7.2	7.5	7.8	7.4	
BRL 5Y Treasury note	9.2	10.2	10.4	9.8	
Asia	25-Sep-12	6 mths	12 mths	End 12	
AUD 3M Libor	3.9	3.1	3.1	3.5	
AUD 10Y Gov	3.2	3.3	3.7	3.3	
NZD 3M Libor	2.9	3.1	3.5	3.0	
NZD 10Y Gov	3.6	3.8	4.1	3.7	
CNY 3M Shibor	3.7	4.2	4.2	4.0	
CNY 10Y Gov	3.5	3.5	3.5	3.5	
HKD 3M Hibor	0.4	0.4	0.4	0.4	
HKD 10Y Gov	0.8	1.0	1.5	0.9	
INR 3M Mibor	8.9	8.5	8.5	8.7	
INR 10Y Gov	8.2	7.8	7.8	8.0	
IDR 3M JIBOR	4.9	5.1	5.8	5.0	
IDR 10Y Gov	6.0	6.1	6.9	6.0	
MYR 3M Klibor	3.2	3.2	3.5	3.2	
MYR 10Y Gov	3.5	3.7	3.8	3.6	
PHP 3M Phibor	1.4	3.5	4.0	2.5	
PHP 10Y Gov	4.9	6.0	6.5	5.5	
SGD 3M Sibor	0.4	0.4	0.4	0.4	
SGD 10Y Gov	1.5	1.6	2.1	1.5	
KRW 3M CD	3.1	3.1	3.4	3.1	
KRW 10Y Gov	3.0	3.3	3.6	3.2	
TWD 3M Taibor	0.9	1.1	1.5	1.0	
TWD 10Y Gov	1.2	1.3	1.6	1.2	
THB 3M Bibor	3.1	3.4	3.7	3.3	
THB 10Y Gov	3.8	3.5	3.8	3.8	

Sources: Thomson Reuters, UBS

 Indicates decrease in forecasts from previous week

 Indicates increase in forecasts from previous week

Major Currencies

USD					
	25-Sep-12	3 mths	6 mths	12 mths	equil.*
EURUSD	1.29	1.30	1.32	1.34	1.30
USDJPY	78	80	82	86	79
GBPUSD	1.62	1.65	1.68	1.70	1.69
USDCHF	0.94	0.93	0.92	0.92	1.03
USDCAD	0.98	0.94	0.94	0.92	0.98
AUDUSD	1.04	0.97	1.00	1.05	0.74
NZDUSD	0.82	0.78	0.80	0.83	0.60
USDSEK	6.58	6.31	6.06	5.97	6.83
USDNOK	5.75	5.62	5.45	5.37	6.58


CHF					
	25-Sep-12	3 mths	6 mths	12 mths	equil.*
USDCHF	0.94	0.93	0.92	0.92	1.03
EURCHF	1.21	1.21	1.21	1.23	1.33
JPYCHF	1.20	1.16	1.12	1.07	1.30
GPBCHF	1.52	1.54	1.54	1.56	1.73
CADCHF	0.96	0.99	0.98	1.00	1.05
AUDCHF	0.98	0.90	0.92	0.96	0.76
NZDCHF	0.77	0.73	0.73	0.76	0.62
CHFSEK	7.02	6.78	6.61	6.50	6.65
CHFNOK	6.14	6.03	5.95	5.85	6.41


EUR					
	25-Sep-12	3 mths	6 mths	12 mths	equil.*
EURUSD	1.29	1.30	1.32	1.34	1.30
EURJPY	100	104	108	115	102
EURGBP	0.80	0.79	0.79	0.79	0.77
EURCHF	1.21	1.21	1.21	1.23	1.33
EURCAD	1.26	1.22	1.24	1.23	1.27
EURAUD	1.24	1.34	1.32	1.28	1.75
EURNZD	1.57	1.67	1.65	1.61	2.16
EURSEK	8.49	8.20	8.00	8.00	8.86
EURNOK	7.42	7.30	7.20	7.20	8.53

GBP					
	25-Sep-12	3 mths	6 mths	12 mths	equil.*
GBPUSD	1.62	1.65	1.68	1.70	1.69
GBPEUR	1.26	1.27	1.27	1.27	1.30
GPBCHF	1.52	1.54	1.54	1.56	1.73
GBPJPY	126	132	138	146	133
GBPCAD	1.59	1.55	1.58	1.56	1.65
GBPAUD	1.56	1.70	1.68	1.62	2.27
GBPNZD	1.97	2.12	2.10	2.05	2.81
GBPSEK	10.67	10.41	10.18	10.15	11.52
GBPNOK	9.33	9.27	9.16	9.13	11.10

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				
	25-Sep-12	3 mths	6 mths	12 mths
USDCNY	6.30	6.30	6.30	6.20
USDHKD*	7.75	7.75	7.75	7.75
USDINR	53.54	53.00	54.00	55.00
USDIDR	9,570	9,400	9,400	9,400
USDKRW	1,119	1,100	1,080	1,050
USDMYR	3.07	3.02	3.00	2.96
USDPHP	41.74	41.00	40.80	40.50
USDSGD	1.23	1.21	1.20	1.19
USDTWD	29.34	29.20	29.20	29.00
USDTHB	30.91	30.50	30.30	30.00


* HKD is pegged to the USD

EMEA				
	25-Sep-12	3 mths	6 mths	12 mths
EURPLN	4.14	4.30	4.15	3.90
EURHUF	282.3	290.0	300.0	300.0
EURCZK	24.90	26.00	25.00	24.25
USDTRY	1.80	1.75	1.75	1.72
USDZAR	8.24	8.10	7.90	7.70
USDRUB	31.16	33.00	32.00	31.00

Americas				
	25-Sep-12	3 mths	6 mths	12 mths
USDMXN	12.91	12.70	12.50	12.30
USDBRL	2.03	1.95	1.90	1.85

Sources: Thomson Reuters, UBS


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 Indicates increase in forecasts from previous week

Commodities

Market Data						3 months view			12 months view		Yearly Average		
Energy	Units	Imp. Vol.	YoY%	YTD%	Spot	View	Lower R.	Upper R.	View	Target	2011	2012E	2013E
Crude Oil (WTI)	US\$/bbl	31.8	14.6	-7.7	91.2	Bearish	78.0	95.0	Sideways	95.0	95.1	90.0	95.0
Crude Oil (Brent)	US\$/bbl	32.3	1.3	2.7	110.5	Bearish	95.0	110.5	Sideways	110.0	111.9	106.0	105.0
US Natural Gas	US\$/mmbtu	75.0	-26.1	-6.0	2.80	Sideways	2.40	3.45	Sideways	3.50	4.00	2.60	3.60
Precious Metals	Units	Imp. Vol.	YoY%	YTD%	Spot	View	Lower R.	Upper R.	View	Target	2011	2012E	2013E
Gold	US\$/oz	17.2	6.7	11.8	1,762	Bullish	1,635	1,950	Bullish	1,820	1,573	1,650	1,675
Silver	US\$/oz	30.1	7.1	20.4	33.9	Bullish	29.8	39.0	Sideways	33.0	35.3	28.0	28.0
Platinum	US\$/oz	23.4	0.0	15.3	1,612	Bullish	1,485	1,800	Bullish	1,820	1,720	1,550	1,675
Palladium	US\$/oz	24.1	-0.5	-2.7	640	Bullish	604	741	Bullish	850	733	650	750
Base Metals	Units	Imp. Vol.	YoY%	YTD%	Spot	View	Lower R.	Upper R.	View	Target	2011	2012E	2013E
Copper	US\$/mt	20.1	11.1	7.5	8,156	Sideways	7,125	8,450	Sideways	8,400	8,816	8,150	7,800
Aluminum	US\$/mt	20.6	-5.3	3.2	2,059	Sideways	1,890	2,305	Sideways	2,350	2,401	2,100	2,300
Nickel	US\$/mt	26.7	-2.4	-4.9	17,810	Bullish	15,100	18,850	Bullish	20,000	22,867	18,200	20,000
Zinc	US\$/mt	24.0	8.4	12.0	2,046	Sideways	1,745	2,040	Bullish	2,200	2,192	2,000	2,125
Lead	US\$/mt	26.1	13.4	11.5	2,242	Sideways	1,620	2,200	Bullish	2,300	2,396	2,025	2,100
Tin	US\$/mt	32.2	1.1	6.6	20,410	Sideways	17,150	22,850	Bullish	22,500	26,004	21,500	22,500
Agriculture	Units	Imp. Vol.	YoY%	YTD%	Active F.	View	Lower R.	Upper R.	View	Target	2011	2012E	2013E
Corn	US\$/bu	26.7	16.8	15.4	7.46	Bullish	7.00	10.00	Sideways	7.00	6.80	7.60	6.80
Soybeans	US\$/bu	24.4	27.7	34.0	16.06	Bullish	15.10	19.00	Bearish	13.80	13.17	15.90	13.00
Wheat	US\$/bu	29.4	39.3	36.8	8.93	Bullish	7.70	10.50	Sideways	7.80	7.09	8.00	7.60
Sugar	US\$/lb	27.2	-21.6	-16.4	0.195	Sideways	0.189	0.240	Bullish	0.280	0.271	0.23	0.250
Cotton	US\$/lb	36.4	-28.4	-22.1	0.72	Sideways	0.66	0.81	Bullish	0.90	1.37	0.78	0.80
Coffee	US\$/lb	31.7	-26.7	-25.2	1.70	Sideways	1.60	2.10	Bullish	2.30	2.53	1.80	2.00
Cocoa	US\$/mt	29.6	-6.2	17.2	2,471	Bullish	1,885	2,750	Bullish	2,750	2,921	2,320	2,700

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


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	17.9	7.5
S&P 500**	3.5	-38.5	23.5	12.8	0.0	16.1	5.5
Dow Jones Industrial**	6.4	-33.8	18.8	11.0	5.5	11.1	5.5
Nasdaq**	9.8	-40.5	43.9	16.9	-1.8	22.1	8.0
Europe	2007	2008	2009	2010	2011	YTD	12 mths F
MSCI EMU*	8.5	-44.3	28.7	3.3	-14.1	17.3	7.0
Euro Stoxx 50**	6.8	-44.4	21.1	-5.8	-17.1	11.2	3.0
MSCI Germany*	22.6	-42.7	22.6	16.9	-14.7	26.8	6.0
Dax 30*	22.3	-40.4	23.8	16.1	-14.7	26.3	6.0
MSCI France*	2.8	-39.7	29.1	3.5	-13.2	16.8	7.0
CAC 40**	1.3	-42.7	22.3	-3.3	-17.0	11.7	4.0
MSCI UK*	6.6	-28.5	27.7	12.2	-1.8	8.6	7.0
FTSE 100**	3.8	-31.3	22.1	9.0	-5.6	5.0	4.0
MSCI Switzerland*	-1.6	-34.1	23.0	1.8	-5.7	15.0	7.0
SMI**	-3.4	-34.8	18.3	-1.7	-7.8	11.3	4.0
Asia	2007	2008	2009	2010	2011	YTD	12 mths F
MSCI Japan*	-10.1	-42.5	9.3	0.7	-18.6	5.5	7.0
Nikkei 225**	-11.1	-42.1	19.0	-3.0	-17.3	7.7	5.0
Hang Seng**	39.3	-48.3	52.0	5.3	-20.0	12.5	5.0
Emerging Markets	2007	2008	2009	2010	2011	YTD	12 mths F
MSCI Em Markets*	39.8	-53.2	79.0	19.2	-18.2	12.7	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**	2012 F
US	0.7	6.1	6.9	6.3	5.5	5.2	6.5	6.9	6.1	5.7	5.8
Canada	0.5	6.8	8.1	7.5	6.8	6.3	6.4	6.9	6.6	6.2	6.4
Europe & Africa	Volatility*	Average return*	2005	2006	2007	2008	2009	2010	2011	YTD**	2012 F
UK	1.1	5.8	5.7	4.9	4.6	5.6	7.4	6.4	5.8	5.8	6.0
Ireland	2.2	5.7	5.3	4.4	3.9	4.2	7.0	8.8	9.4	9.8	9.8
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	5.5
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	-	-	5.1
South Africa	0.3	8.7	10.2	9.1	8.6	8.5	8.5	8.9	8.9	-	8.5
Asia	Volatility*	Average return*	2005	2006	2007	2008	2009	2010	2011	YTD**	2012 F
Australia	0.4	6.9	7.5	7.2	6.6	6.4	6.8	7.4	7.5	7.5	7.5
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**	2012 F
Global real estate equities	1.4	4.0		3.0	3.2	6.4	3.7	3.5	4.2	3.7	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-Q3

2H - 2012	EU	Cyprus assumes presidency of European Council
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2012-Q4

Oct 2012	Eurozone	Troika Report on Greece
Oct/Nov 2012	China	18. National Congress of Chinese Communist Party
07-Oct-12	Venezuela	Presidential elections
08-09 Oct-12	EU	Eurogroup-/ECOFIN-Meeting
18-19 Oct-12	EU	European Council
28-Oct-12	Ukraine	Parliamentary elections
04-05 Nov-12	G-20	Finance Mnister & Central Bank Governor's meeting
06-Nov-12	USA	congressional and presidential elections
12-13 Nov-12	EU	Eurogroup-/ECOFIN-Meeting
22-23 Nov-12	EU	European Council
03-04 Dec-12	EU	Eurogroup-/ECOFIN-Meeting
13-14 Dec-12	EU	European Council
19-Dec-2012	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
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 2013	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)
30-Aug-13	Japan	Parliamentary elections (House of Representative)
Sep 2013	Austria	Parliamentary elections
Sep 2013	Germany	Parliamentary elections

2013-Q4

Nov 2013	Australia	Parliamentary elections
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.

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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