

# 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	2012	2013F	2014F
Eurozone	1.9	1.5	-0.5	-0.7	0.8
France	1.6	2.0	0.0	-0.3	0.7
Germany	4.0	3.1	0.9	0.4	1.5
Italy	1.7	0.5	-2.4	-1.8	0.4
Spain	-0.3	0.4	-1.4	-1.6	0.2
Sweden	6.3	3.8	1.1	0.9	1.7
Norway	1.5	2.6	3.3	2.3	2.8
Switzerland	3.0	1.9	1.0	0.9	1.3
UK	1.7	1.1	0.2	1.1	1.8
Americas	2010	2011	2012	2013F	2014F
Brazil	7.5	2.7	0.9	2.3	3.2
Canada	3.2	2.6	2.0	2.0	2.9
Mexico	5.3	3.9	3.9	2.5	3.8
US	2.4	1.8	2.2	2.0	3.0
EMEA	2010	2011	2012	2013F	2014F
Czech Republic	2.5	1.9	-1.3	-1.0	2.0
Hungary	1.3	1.6	-1.7	0.0	1.5
Poland	3.9	4.5	1.9	1.3	3.0
Russia	4.5	4.3	3.4	3.0	4.0
South Africa	2.8	3.1	2.5	2.4	3.5
Turkey	9.2	8.8	2.2	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	2012	2013F	2014F
Eurozone	1.6	2.7	2.5	1.5	1.5
France	1.5	2.1	2.0	0.9	1.0
Germany	1.2	2.5	2.1	1.8	1.6
Italy	1.6	2.9	3.3	1.8	1.8
Spain	2.0	3.1	2.4	1.8	1.7
Sweden	1.3	2.6	0.9	0.1	1.2
Norway	2.4	1.3	0.7	1.9	1.6
Switzerland	0.7	0.2	-0.7	-0.3	0.7
UK	3.3	4.5	2.8	2.8	2.9
Americas	2010	2011	2012	2013F	2014F
Brazil	5.9	6.5	5.8	6.2	6.5
Canada	1.8	2.9	1.6	1.9	2.5
Mexico	4.4	3.8	3.6	3.9	3.3
US	1.6	3.1	2.1	1.5	1.8
EMEA	2010	2011	2012	2013F	2014F
Czech Republic	1.5	1.9	3.3	1.4	1.5
Hungary	4.9	3.9	5.6	1.6	2.0
Poland	2.6	4.3	3.9	1.1	2.2
Russia	6.8	8.5	5.1	6.5	5.6
South Africa	4.3	5.2	5.7	5.9	5.8
Turkey	8.6	6.5	8.9	6.9	6.2


Sources: Thomson Reuters, UBS

## Economic Growth &amp; Inflation

Economic Growth Forecasts (Real GDP; % change yoy)					
Asia	2010	2011	2012	2013F	2014F
Australia	2.6	2.4	3.6	2.8	3.5
New Zealand	1.8	1.4	2.5	3.1	3.4
China	10.4	9.3	7.8	7.5	7.8
Hong Kong	6.8	4.9	1.5	3.0	4.0
India	9.3	6.2	5.0	6.5	7.0
Indonesia	6.2	6.5	6.2	6.0	5.9
Japan	4.7	-0.6	1.9	1.6	1.6
Malaysia	7.4	5.1	5.6	4.7	5.0
Philippines	7.6	3.6	6.8	7.0	6.0
Singapore	14.8	5.2	1.3	2.5	4.5
South Korea	5.8	3.7	2.1	2.3	3.0
Taiwan	10.8	4.1	1.3	3.0	4.2
Thailand	7.8	0.1	6.5	4.0	4.5
Asia*	8.8	6.7	5.8	5.9	6.3
	2010	2011	2012	2013F	2014F
World	4.3	3.2	2.6	2.6	3.4

Sources: Thomson Reuters, UBS

F = Forecasts

 Indicates decrease in forecasts from previous week

 Indicates increase in forecasts from previous week

\* Excluding Japan, including Australia &amp; NZ

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Inflation Forecasts (CPI; % change yoy)					
Asia	2010	2011	2012	2013F	2014F
Australia	2.9	3.3	1.8	2.3	2.4
New Zealand	2.3	4.0	1.1	1.1	2.5
China	3.3	5.4	2.6	2.7	3.5
Hong Kong	2.3	5.3	4.1	3.9	4.1
India	10.6	9.7	10.2	8.1	7.2
Indonesia	5.1	5.4	4.3	6.3	5.8
Japan	-0.7	-0.3	0.0	0.0	1.9
Malaysia	1.7	3.2	1.7	2.7	3.8
Philippines	3.8	4.7	3.1	2.7	3.8
Singapore	2.8	5.3	4.6	3.5	2.8
South Korea	2.9	4.0	2.2	1.4	2.4
Taiwan	1.0	1.4	1.9	1.2	1.6
Thailand	3.3	3.8	3.0	2.4	2.7
Asia*	4.6	5.7	4.1	3.8	4.1
	2010	2011	2012	2013F	2014F
World	2.9	4.0	3.0	2.6	2.9

Sources: Thomson Reuters, UBS

## Target Rates Overview

Central Banks: Target Rates Overview							
end of:	tdy	2013		2014			
		Q3	Q4	Q1	Q2	Q3	Q4
Fed	0.13	0.13	0.13	0.13	0.13	0.13	0.13
ECB	0.50	0.50	0.50	0.50	0.50	0.50	0.50
SNB	0.02	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
BoC	1.00	1.00	1.25	1.50	1.75	2.00	2.00
Norges Bank	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Riksbank	1.00	1.00	1.00	1.00	1.00	1.00	1.00
RBA	2.75	2.50	2.50	2.50	2.50	2.75	3.00
RBNZ	2.50	2.75	3.00	3.25	3.50	3.75	4.00
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	11-Jul-13	3mths	6 mths	12 mths	End 13
EUR 3M Libor	0.1	0.2	0.2	0.2	0.2
EUR 2Y Bund	0.1	0.2	0.4	0.6	0.3
EUR 5Y Bund	0.6	0.8	0.9	0.9	0.9
EUR 10Y Bund	1.7	1.6	1.9	2.5	1.8
CHF 3M Libor	0.0	0.0	0.0	0.0	0.0
CHF 2Y Eidg.	-0.1	0.1	0.2	0.3	0.2
CHF 5Y Eidg.	0.3	0.3	0.4	0.7	0.4
CHF 10Y Eidg.	1.0	0.9	1.0	1.3	1.0
GBP 3M Libor	0.5	0.5	0.5	0.5	0.5
GBP 2Y Gilt	0.4	0.5	0.8	1.0	0.7
GBP 5Y Gilt	1.4	1.1	1.2	1.5	1.2
GBP 10Y Gilt	2.5	2.2	2.4	2.7	2.3
Americas	11-Jul-13	3mths	6 mths	12 mths	End 13
USD 3M Libor	0.3	0.3	0.3	0.5	0.3
USD 2Y Treas.	0.4	0.3	0.6	0.8	0.5
USD 5Y Treas.	1.5	1.2	1.3	1.6	1.3
USD 10Y Treas.	2.6	2.3	2.5	2.8	2.4
USD 30Y Treas.		3.4	3.6	3.8	3.5
Asia	11-Jul-13	3mths	6 mths	12 mths	End 13
JPY 3M Libor	0.2	0.2	0.3	0.3	0.3
JPY 2Y JGB	0.1	0.2	0.3	0.5	0.3
JPY 5Y JGB	0.3	0.5	0.6	0.8	0.6
JPY 10Y JGB	0.9	1.0	1.2	1.5	1.1

Sources: Thomson Reuters, UBS

Diversification Markets					
Europe	11-Jul-13	3mths	6 mths	12 mths	End 13
SEK 3M Stibor	1.2	1.3	1.3	1.4	1.3
SEK 10Y Gov	2.2	2.0	2.2	2.3	2.1
NOK 3M Nibor	1.7	1.5	1.5	1.5	1.5
NOK 10Y Gov	2.6	2.3	2.5	2.7	2.4
CZK 3M Pribor	0.5	0.8	0.6	0.6	0.7
CZK 10Y Gov	2.2	2.0	1.8	1.8	1.8
HUF 3M Bubor	4.2	3.8	3.5	3.5	3.6
HUF 10Y Gov	5.7	5.3	5.0	5.0	5.1
PLN 3M Wibor	2.7	2.4	2.5	2.5	2.4
PLN 10Y Gov	3.9	3.8	3.5	3.5	3.6
RUB 1-day fixed repo rate	5.6	5.3	5.0	5.0	5.1

Sources: Thomson Reuters, UBS

Diversification Markets				
Americas	11-Jul-13	6 mths	12 mths	End 13
CAD 3M Libor	1.3	1.3	1.7	1.2
CAD 10Y Gov	2.5	2.6	2.9	2.6
MXN 3M Libor	3.9	4.0	4.3	4.0
MXN 10Y Bono	6.1	5.2	5.8	5.2
BRL 3M Libor	8.4	7.8	8.0	7.7
BRL 5Y Treasury note	11.1	10.0	10.3	9.9
Asia	11-Jul-13	6 mths	12 mths	End 13
AUD 3M Libor	2.9	2.8	2.6	2.9
AUD 10Y Gov	3.9	3.7	3.8	3.7
NZD 3M Libor	2.6	3.3	3.6	3.1
NZD 10Y Gov	4.4	4.6	4.9	4.4
CNY 3M Shibor	4.7	4.2	4.2	4.3
CNY 10Y Gov	3.5	3.7	3.7	3.6
HKD 3M Hibor	0.4	0.4	0.4	0.4
HKD 10Y Gov	2.5	1.5	1.5	1.7
INR 3M Mibor	8.3	8.5	8.5	8.5
INR 10Y Gov	7.5	7.5	7.7	7.5
IDR 3M JIBOR	5.4	5.0	4.5	5.1
IDR 10Y Gov	7.3	5.7	5.7	6.0
MYR 3M Klibor	3.2	3.2	3.2	3.2
MYR 10Y Gov	3.7	4.0	4.0	3.9
PHP 3M Phibor	2.2	3.0	3.0	2.6
PHP 10Y Gov	4.3	4.5	4.8	4.5
SGD 3M Sibor	0.4	0.4	0.4	0.4
SGD 10Y Gov	2.6	2.1	2.2	2.2
KRW 3M CD	2.7	3.2	2.6	3.0
KRW 10Y Gov	3.6	3.2	3.5	3.3
TWD 3M Taibor	0.9	0.8	0.9	0.8
TWD 10Y Gov	1.5	1.5	1.5	1.5
THB 3M Bibor	2.6	2.8	2.8	2.8
THB 10Y Gov	3.7	3.8	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					
	11-Jul-13	3 mths	6 mths	12 mths	equil.*
EURUSD	1.31	1.28	1.30	1.34	1.31
USDJPY	99	98	98	105	80
GBPUSD	1.51	1.50	1.59	1.68	1.69
USDCHF	0.95	0.95	0.93	0.92	1.01
USDCAD	1.04	1.00	0.98	0.96	0.97
AUDUSD	0.93	0.85	0.88	0.88	0.76
NZDUSD	0.79	0.75	0.75	0.75	0.61
USDSEK	6.63	6.56	6.31	5.97	6.55
USDNOK	6.03	6.09	6.00	5.82	6.45

CHF					
	11-Jul-13	3 mths	6 mths	12 mths	equil.*
USDCHF	0.95	0.95	0.93	0.92	1.01
EURCHF	1.24	1.21	1.21	1.23	1.32
JPYCHF	0.96	0.96	0.95	0.87	1.27
GPBCHF	1.43	1.42	1.48	1.54	1.71
CADCHF	0.91	0.95	0.95	0.96	1.05
AUDCHF	0.88	0.80	0.82	0.81	0.76
NZDCHF	0.75	0.71	0.70	0.69	0.61
CHFSEK	7.00	6.94	6.78	6.50	6.47
CHFNOK	6.37	6.45	6.45	6.34	6.37

EUR					
	11-Jul-13	3 mths	6 mths	12 mths	equil.*
EURUSD	1.31	1.28	1.30	1.34	1.31
EURJPY	129	125	127	141	105
EURGBP	0.87	0.85	0.82	0.80	0.77
EURCHF	1.24	1.21	1.21	1.23	1.32
EURCAD	1.36	1.28	1.27	1.29	1.27
EURAUD	1.41	1.51	1.48	1.52	1.73
EURNZD	1.65	1.71	1.73	1.79	2.15
EURSEK	8.69	8.40	8.20	8.00	8.56
EURNOK	7.90	7.80	7.80	7.80	8.43

GBP					
	11-Jul-13	3 mths	6 mths	12 mths	equil.*
GBPUSD	1.51	1.50	1.59	1.68	1.69
GBPEUR	1.15	1.17	1.22	1.25	1.29
GPBCHF	1.43	1.42	1.48	1.54	1.71
GBPJPY	149	147	156	176	135
GBPCAD	1.57	1.50	1.56	1.61	1.63
GBPAUD	1.63	1.76	1.81	1.91	2.23
GBPNZD	1.91	2.00	2.12	2.24	2.78
GBPSEK	10.03	9.84	10.03	10.03	11.05
GBPNOK	9.11	9.14	9.54	9.78	10.87

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				
	11-Jul-13	3 mths	6 mths	12 mths
USDCNY	6.13	6.20	6.15	6.10
USDHKD*	7.76	7.75	7.75	7.75
USDINR	59.78	56.00	55.00	55.00
USDIDR	9,980	9,800	9,750	9,750
USDKRW	1,124	1,110	1,100	1,080
USDMYR	3.16	3.06	3.05	3.03
USDPHP	43.27	41.80	41.50	41.00
USDSGD	1.26	1.25	1.24	1.22
USDTWD	29.89	29.70	29.50	29.00
USDTHB	31.04	30.00	29.80	29.50


EMEA				
	11-Jul-13	3 mths	6 mths	12 mths
EURPLN	4.31	4.20	4.10	4.00
EURHUF	292.8	295.0	300.0	305.0
EURCZK	25.86	26.00	25.50	25.00
USDTRY	1.93	1.85	1.85	1.92
USDZAR	9.87	9.30	9.00	9.00
USDRUB	32.97	32.50	31.50	31.00

\* HKD is pegged to the USD

Americas				
	11-Jul-13	3 mths	6 mths	12 mths
USDMXN	12.81	12.50	12.20	12.00
USDBRL	2.27	2.05	2.05	2.12

Sources: Thomson Reuters, UBS

 Indicates decrease in forecasts from previous week

 Indicates increase in forecasts from previous week

## Commodities

Market Data					
Energy	Units	Imp. Vol.	YoY%	YTD%	Spot
Crude Oil (WTI)	US\$/bbl	23.5%	22.1	12.3	106.4
Crude Oil (Brent)	US\$/bbl	23.0%	7.2	-4.2	108.5
US Natural Gas	US\$/mmbtu	31.5%	24.5	6.4	3.69

Precious Metals	Units	Imp. Vol.	YoY%	YTD%	Spot
Gold	US\$/oz	23.9%	-20.9	-25.0	1,284
Silver	US\$/oz	30.7%	-29.1	-35.8	19.9
Platinum	US\$/oz	25.2%	-5.0	-10.5	1,392
Palladium	US\$/oz	34.1%	20.6	0.2	720

Base Metals	Units	Imp. Vol.	YoY%	YTD%	Spot
Copper	US\$/mt	23.4%	-9.5	-13.7	6,950
Aluminum	US\$/mt	20.7%	-5.7	-13.9	1,830
Nickel	US\$/mt	25.0%	-17.1	-21.4	13,760
Zinc	US\$/mt	19.6%	0.3	-9.9	1,903
Lead	US\$/mt	23.2%	11.2	-11.3	2,086
Tin	US\$/mt	20.9%	4.8	-17.1	19,699

Agriculture	Units	Imp. Vol.	YoY%	YTD%	Active F.
Corn	US\$/bu	29.5%	-10.4	-0.5	7.24
Soybeans	US\$/bu	21.3%	-2.8	14.1	15.92
Wheat	US\$/bu	27.3%	-18.6	-15.2	6.78
Sugar	US\$/lb	18.2%	-26.6	-16.3	0.170
Cotton	US\$/lb	21.5%	18.8	12.0	0.87
Coffee	US\$/lb	27.8%	-29.9	-14.3	1.21
Cocoa	US\$/mt	22.5%	-2.9	-2.5	2,196

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.
Sideways	87.0	101.0
Sideways	98.0	115.0
Bearish	3.70	4.50

View	Lower R.	Upper R.
Bearish	1,150	1,425
Bearish	17.0	22.5
Sideways	1,250	1,550
Sideways	550	730

View	Lower R.	Upper R.
Sideways	6,600	8,000
Sideways	1,800	2,000
Bullish	14,750	17,750
Bullish	1,750	2,100
Sideways	1,950	2,250
Sideways	19,000	23,000

View	Lower R.	Upper R.
Sideways	5.80	7.50
Bearish	11.80	15.50
Bearish	5.95	7.50
Bearish	0.160	0.190
Bearish	0.71	0.87
Sideways	1.25	1.50
Sideways	2,100	2,450

12 months view	
View	Target
Sideways	100.0
Sideways	105.0
Sideways	4.40

View	Target
Bearish	1,050
Bearish	19.0
Bullish	1,650
Bullish	750

View	Target
Bearish	6,300
Sideways	2,050
Bullish	18,250
Bullish	2,175
Bullish	2,300
Bullish	24,000

View	Target
Bearish	5.90
Bearish	12.00
Sideways	6.65
Sideways	0.18
Sideways	0.90
Bullish	1.70
Sideways	2,600

Yearly Average		
2011	2012	2013E
95.1	94.1	95.0
111.9	112.8	109.0
4.00	2.76	4.00

2011	2012	2013E
1,573	1,669	1,350
35.3	31.2	23.0
1,720	1,552	1,500
733	645	725

2011	2012	2013E
8,816	7,954	7,600
2,401	2,021	2,025
22,867	17,522	18,000
2,192	1,948	2,050
2,396	2,062	2,200
26,004	21,100	24,000

2011	2012	2013E
6.80	6.94	6.20
13.17	14.64	12.50
7.09	7.50	6.50
0.271	0.216	0.175
1.37	0.80	0.80
2.53	1.75	1.50
2,921	2,346	2,400



## Equity Markets

Past Equity Market Performance (%) and 12 Month Return Forecasts							
Americas	2008	2009	2010	2011	2012	YTD	12 mths F
MSCI USA*	-37.1	27.1	15.4	2.0	16.1	16.2	8.0
S&P 500**	-38.5	23.5	12.8	0.0	13.4	15.0	6.0
Dow Jones Industrial**	-33.8	18.8	11.0	5.5	7.3	16.2	6.0
Nasdaq**	-40.5	43.9	16.9	-1.8	15.9	15.4	7.0
Europe	2008	2009	2010	2011	2012	YTD	12 mths F
MSCI EMU*	-44.3	28.7	3.3	-14.1	20.6	5.7	6.0
Euro Stoxx 50**	-44.4	21.1	-5.8	-17.1	13.8	0.6	3.0
MSCI Germany*	-42.7	22.6	16.9	-14.7	30.1	5.3	7.0
Dax 30*	-40.4	23.8	16.1	-14.7	29.1	4.7	7.0
MSCI France*	-39.7	29.1	3.5	-13.2	20.9	8.2	6.0
CAC 40**	-42.7	22.3	-3.3	-17.0	15.2	5.0	3.0
MSCI UK*	-28.5	27.7	12.2	-1.8	10.2	11.6	7.0
FTSE 100**	-31.3	22.1	9.0	-5.6	5.8	9.4	3.0
MSCI Switzerland*	-34.1	23.0	1.8	-5.7	18.9	18.3	6.0
SMI**	-34.8	18.3	-1.7	-7.8	14.9	15.3	3.0
Asia	2008	2009	2010	2011	2012	YTD	12 mths F
MSCI Japan*	-42.5	9.3	0.7	-18.6	21.8	38.4	13.0
Nikkei 225**	-42.1	19.0	-3.0	-17.3	22.9	35.7	11.0
Hang Seng**	-48.3	52.0	5.3	-20.0	22.9	-9.2	6.0
Emerging Markets	2008	2009	2010	2011	2012	YTD	12 mths F
MSCI Em Markets*	-53.2	79.0	19.2	-18.2	18.6	-12.6	7.0

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*	Expected return *	2006	2007	2008	2009	2010	2011	2012	2013 F
US	0.7	6.0	6.3	5.5	5.2	6.5	6.9	6.1	5.7	5.5
Canada	0.2	6.6	7.5	6.8	6.3	6.4	6.9	6.6	6.2	5.8
Europe & Africa	Volatility*	Expected return*	2006	2007	2008	2009	2010	2011	2012	2013 F
UK	1.0	6.0	4.9	4.6	5.6	7.4	6.4	5.8	5.8	5.8
Ireland	2.6	6.7	4.4	3.9	4.2	7.0	8.8	9.5	9.8	9.5
France	0.3	5.6	5.7	5.4	5.4	6.1	5.8	5.6	-	5.5
Germany	0.2	5.1	4.6	4.7	5.0	5.2	5.1	5.3	5.2	5.0
Switzerland	0.1	4.7	4.9	4.8	4.9	4.8	4.6	4.6	4.4	4.3
Netherlands	0.1	5.3	5.6	5.2	5.1	5.3	5.4	5.4	5.4	5.5
Spain	0.7	5.1	5.0	4.8	4.4	4.6	6.2	5.6	5.7	5.5
Denmark	0.2	5.0	5.1	4.8	5.2	5.3	5.0	4.9	4.8	4.8
South Africa	0.2	8.7	9.1	8.6	8.5	8.5	8.9	8.7	8.9	8.8
Asia	Volatility*	Expected return*	2006	2007	2008	2009	2010	2011	2012	2013 F
Australia	0.5	6.9	7.2	6.6	6.4	6.8	7.4	7.5	7.4	7.0
Japan	0.2	5.1	5.4	5.1	4.8	5.2	5.2	5.3	5.3	5.0
South Korea	0.8	5.8	7.1	6.5	4.5	5.7	5.9	6.5	6.0	5.8
Dividend yields for listed real estate***										
Global	Volatility*	Expected return*	2006	2007	2008	2009	2010	2011	2012	2013 F
Global real estate equities	1.3	4.2	3.0	3.2	6.4	3.7	3.5	4.2	3.6	3.1

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

\*5y average 2007-2011; \*\* 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

#### 2013-Q3

2H-2013	EU	Lithuania assumes Presidency of European Council
19-20 Jul-13	G-20	Finance ministers' meeting
21-Jul-13	Japan	Parliamentary elections (House of Councillors)
5-6 Sep-13	G-20	Summit
14-Sep-13	Australia	Parliamentary elections
22-Sep-13	Germany	Parliamentary elections
29-Sep-13	Austria	Parliamentary elections

#### 2013-Q4

Oct-13	Egypt	Parliamentary elections (early elections) (prov.)
10-11 Oct-13	G-20	Finance ministers' meeting
24-25 Oct-13	EU	European Council
27-Oct-13	Tunisia	Presidential and parliamentary elections (prov.)
17-Nov-13	Chile	Presidential Election (1st round)
3-6 Dec-13	WTO	Ministerial Conference in Bali, Indonesia
13-Dec-13	Chile	Presidential Election (2nd round)
19-20 Dec-13	EU	European Council

### (continued)

#### 2014-Q1



Mar-14	Colombia	Parliamentary elections
Mar-14	Iraq	Parliamentary elections
Mar-14	North Korea	Parliamentary elections
Mar-14	Thailand	Parliamentary elections

#### 2014-Q2

09-Apr-14	Indonesia	Parliamentary elections
Apr-14	Algeria	Presidential Election
Apr-14	Hungary	Parliamentary elections
Apr-14	South Africa	Parliamentary elections (prov.)

Sources: Official government sites, media reports

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

## 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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