

Deutsche Bank
Wealth Management

Experts In-House: CIO Outlook

June 26, 2025

Our live event will start shortly...



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Experts In-House: CIO Outlook

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Deepak Puri, CFA®

Chief Investment Officer,
Wealth Management Americas



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Experts In-House: CIO Outlook

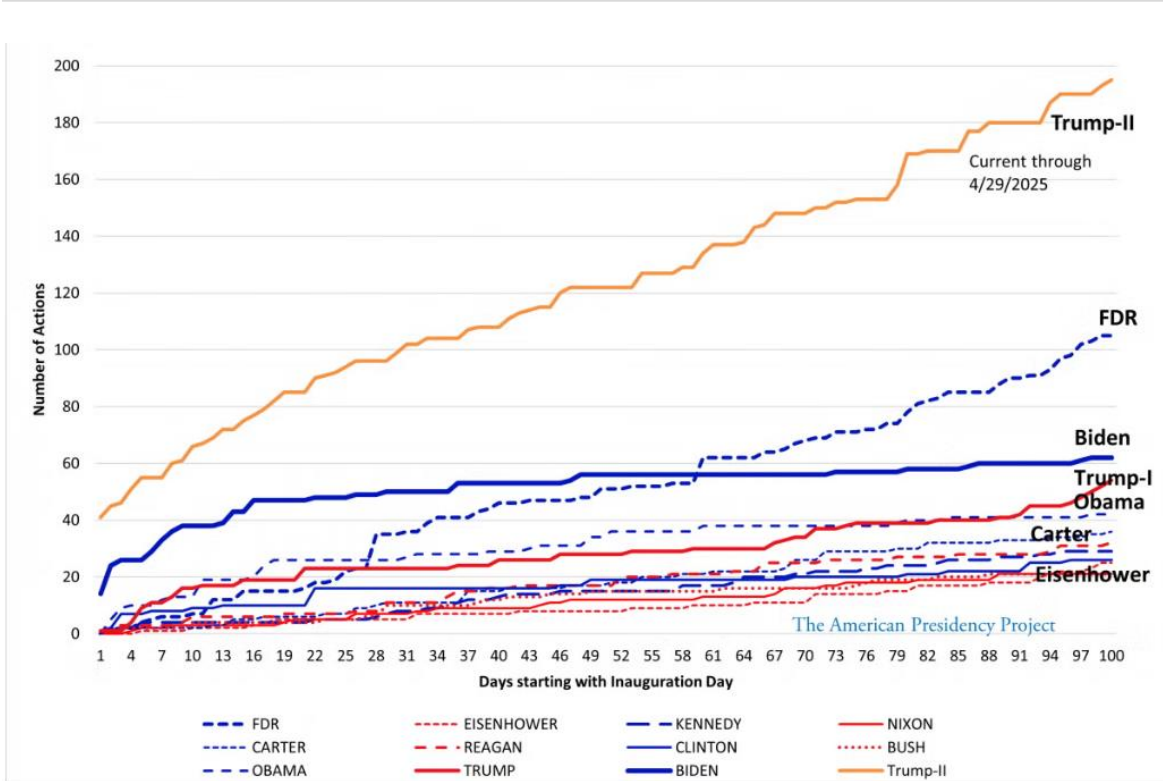
Please email questions to:
shreenidhi-a.jayaram@db.com



Elevated policy uncertainty here to stay

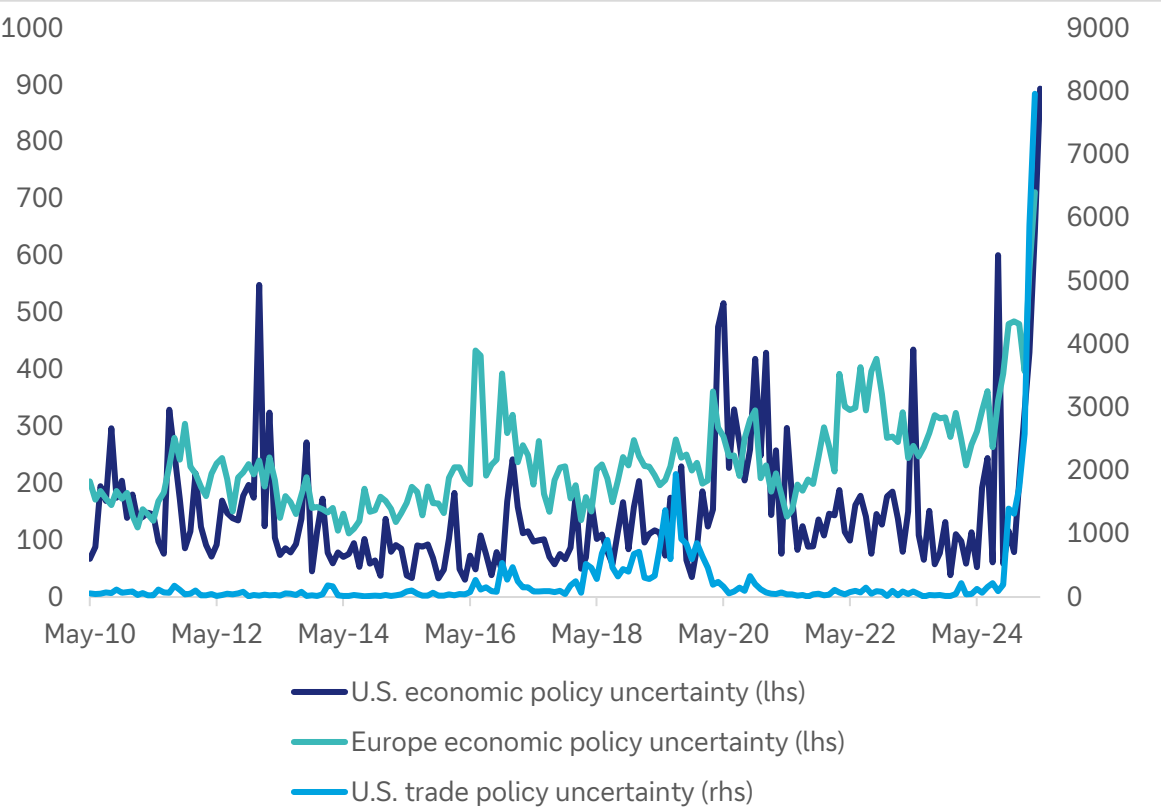


Executive orders – Most active POTUS in history



Source: The American Presidency Project, Deutsche Bank AG. Data as of May 30, 2025.

US policy uncertainty – Close to all-time high

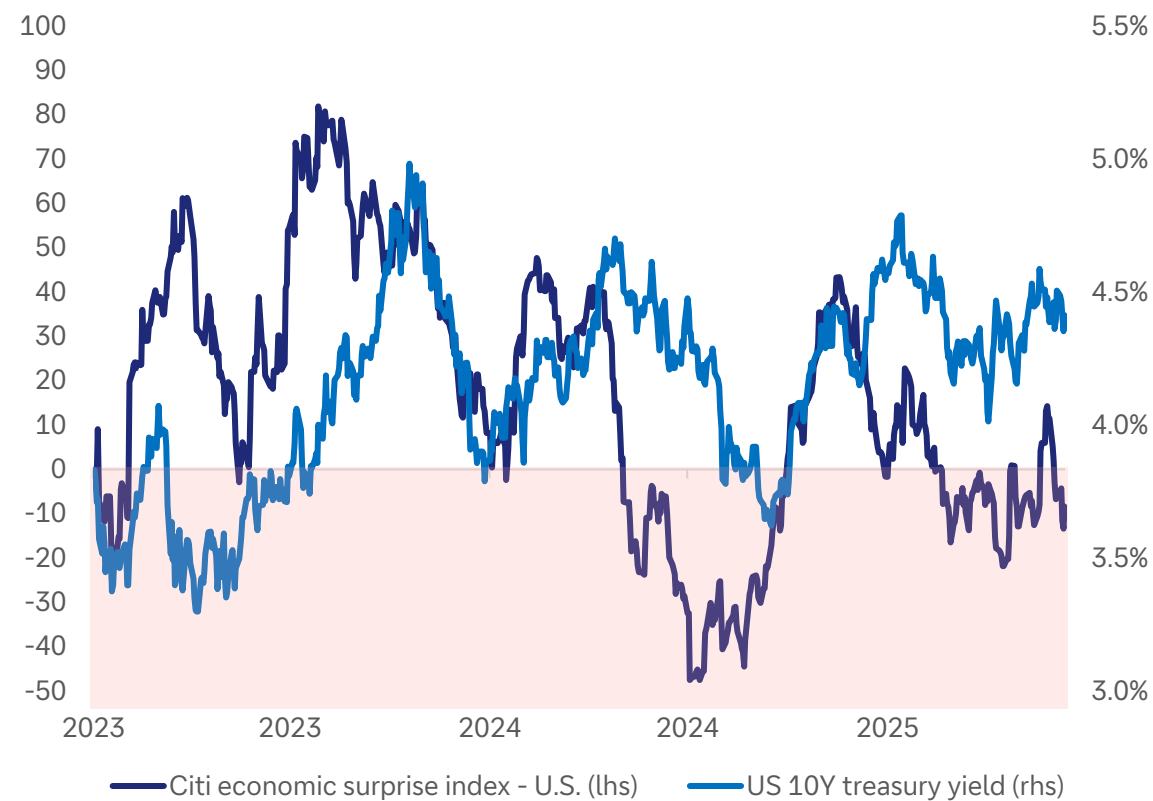


Source: LSEG Datastream, Deutsche Bank AG. Data as of May 30, 2025.

Soft patch for now, recession risks down on Geneva outcome, solid footing some time away

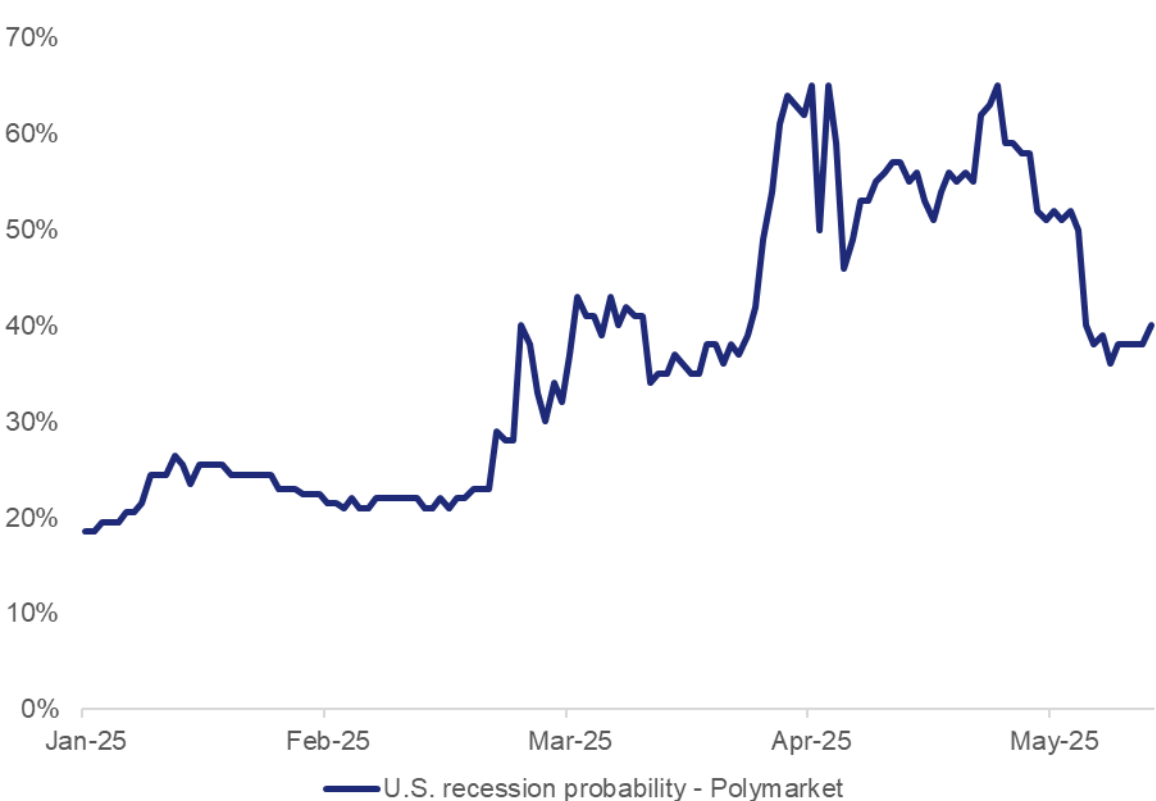


Early Trump days - Growth-negative



Source: LSEG Datastream, Deutsche Bank AG. Data as of June 16, 2025.

“Perceived” recession probability falling

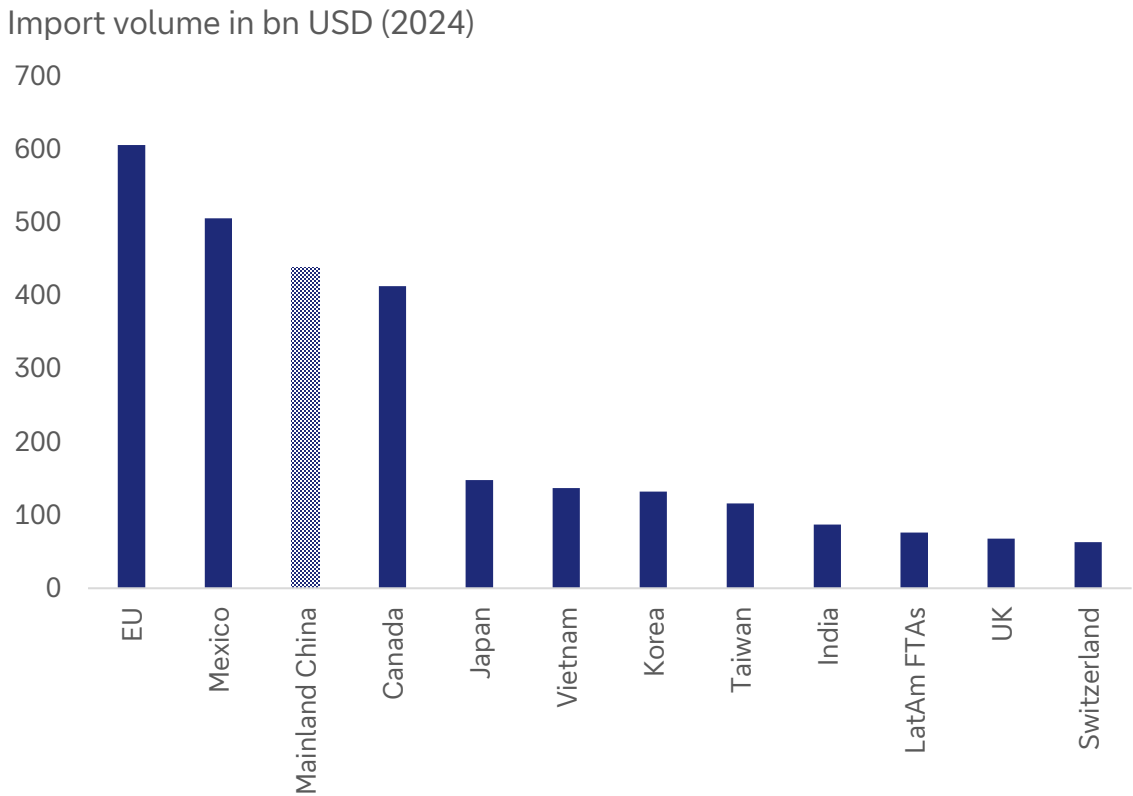


Source: Bloomberg L.P., Deutsche Bank AG. Data as of June 16, 2025.

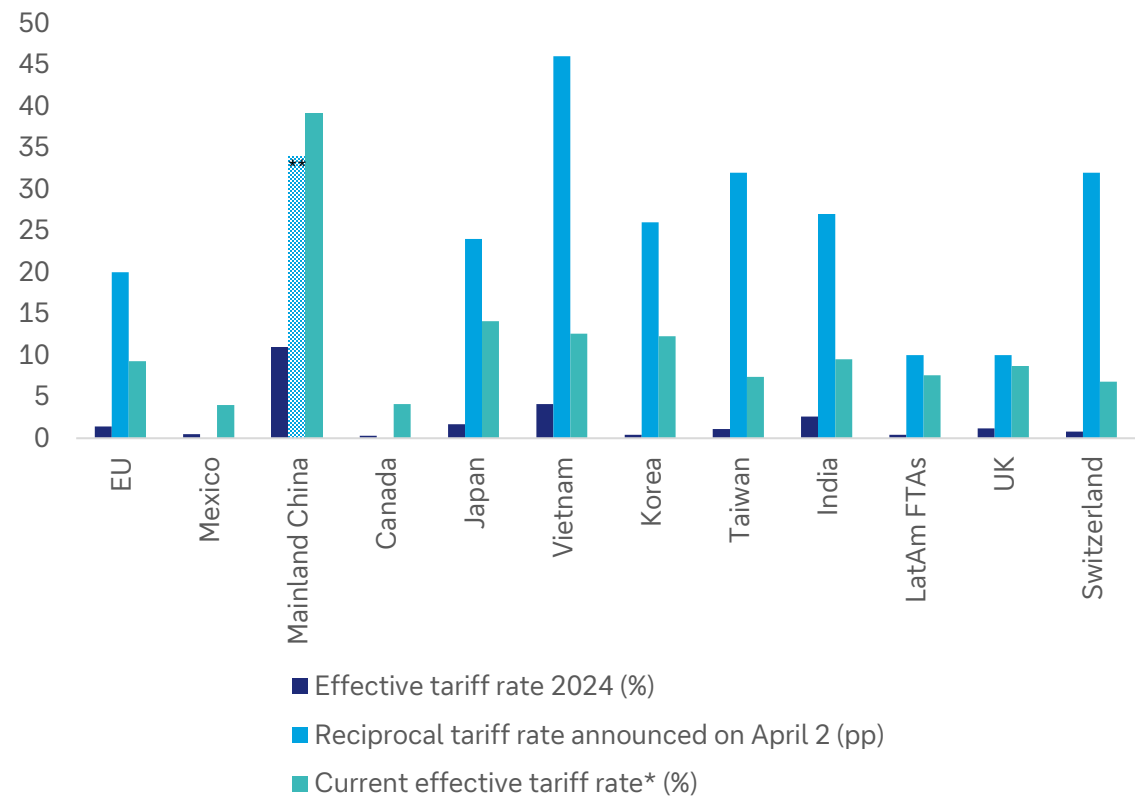
What will happen after “90 days”? Quite a few trade deals to go until July 8



Most important countries for US imports/tariff income



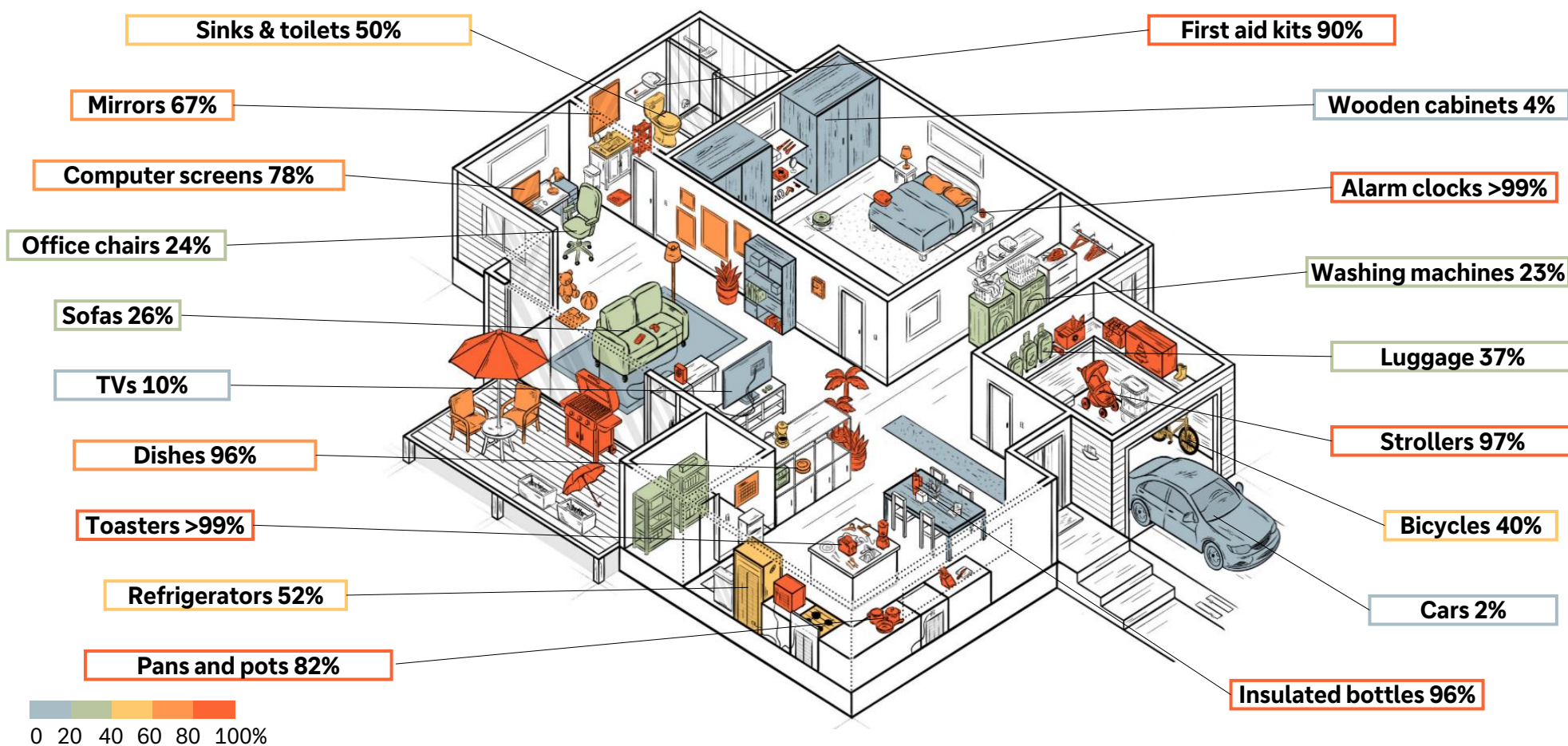
Tariff dynamics 2025 – Threaten & negotiate



Source: Goldman Sachs, Deutsche Bank AG. Data as of May 30, 2025.

Note: *Includes all announced tariffs, sectoral exemptions, the pause on the reciprocal tariffs for China and the U.S.-UK deal. **Reciprocal tariff rate was increased to 125% later. Source: White House, Goldman Sachs, Deutsche Bank AG. Data as of May 30, 2025.

Background – Your home without China



Source: LSEG Datastream, Deutsche Bank AG. Data as of May 30, 2025.

US Debt and Deficit

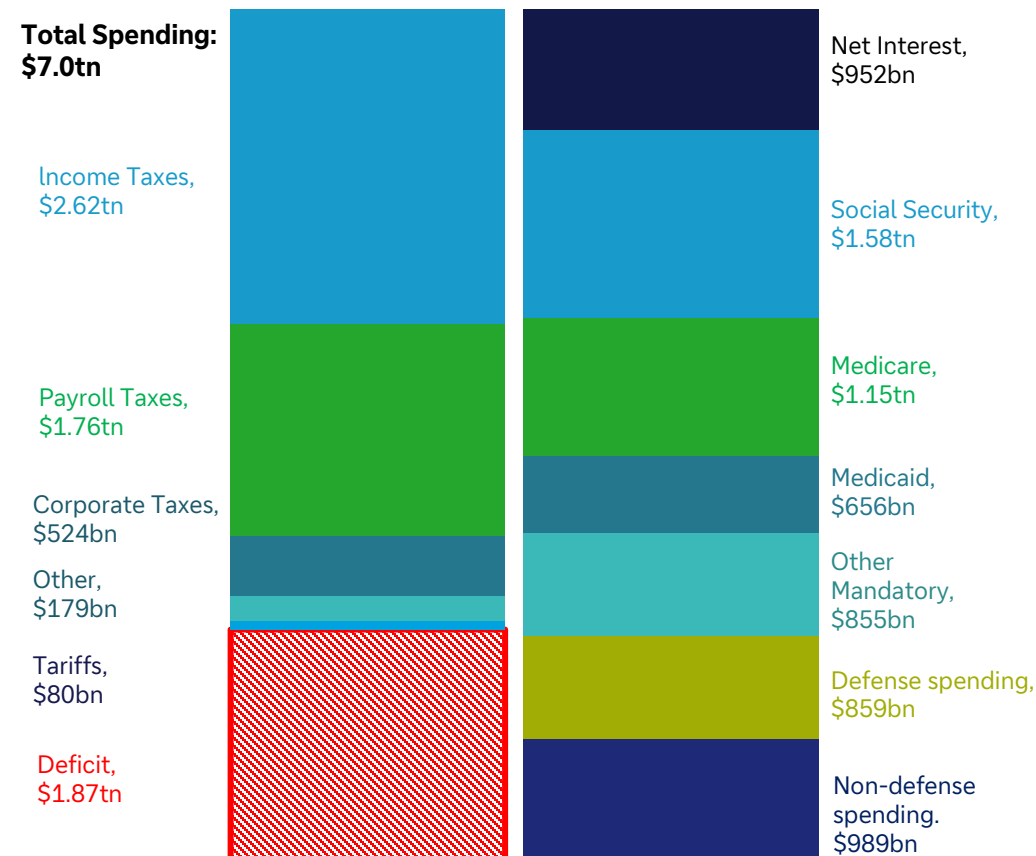


Time required to reach Total US Debt Levels

Time required to reach total US debt levels	
\$10 Trillion	232 Years
\$20 Trillion	9 Years
\$30 Trillion	4.5 Years
\$31 Trillion	8 Months
\$32 Trillion	8 Months
\$33 Trillion	3 Months
\$34 Trillion	3 Months
\$35 Trillion	7 Months
Latest level	\$36.85 Trillion

Averaging 6 months/each additional tn of debt from \$30 - \$35

US Government Income & Expenditures (FY 2025)



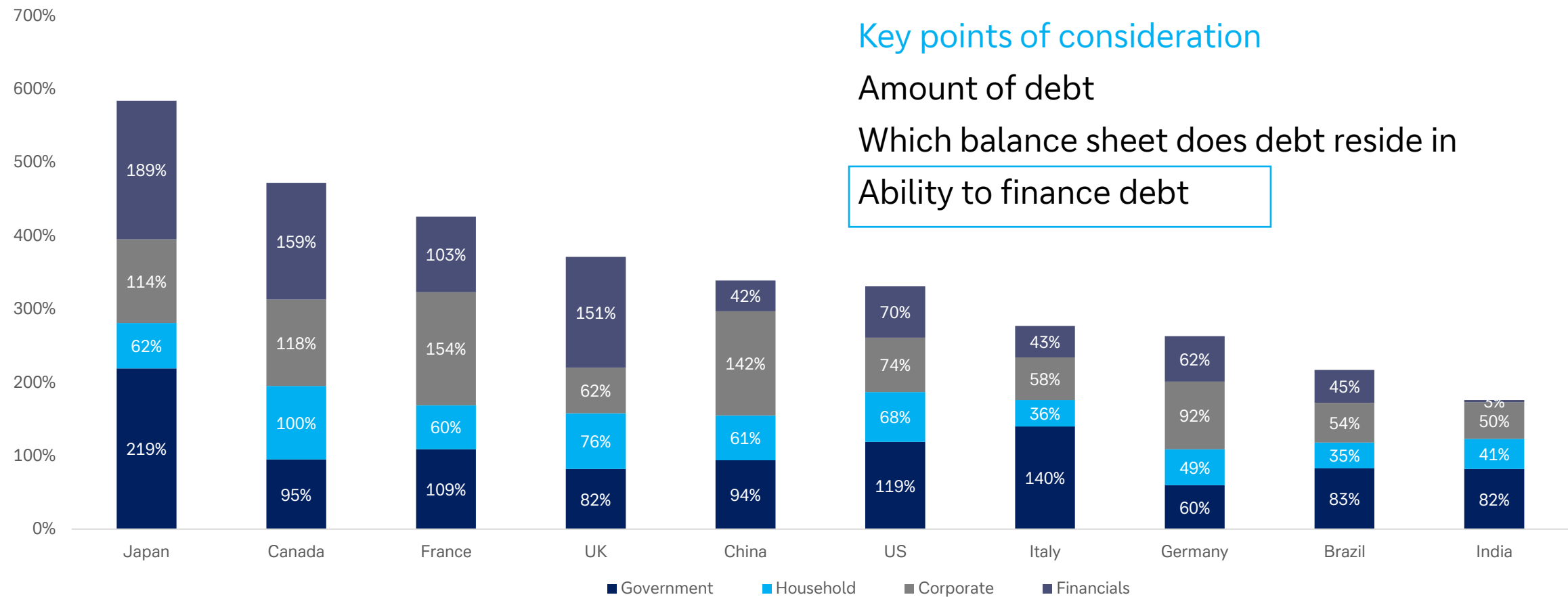
Source: The American Presidency Project, Deutsche Bank AG. Data as of May 30, 2025.

Source: LSEG Datastream, CBO. Deutsche Bank AG. Data as of May 30, 2025.

Critical Questions for Debt and Deficits



Debt to GDP by sector (2025)



Source: IIF Global Debt Monitor (Q1 2025), Deutsche Bank AG. Data as of May 30, 2025.

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Global economy at critical juncture as it readjusts to a new world trade order



Growth and inflation across the world



Germany

	GDP	CPI
2025	0.3%	2.3%
2026	1.6%	2.1%



World

	GDP
2025	2.8%
2026	2.9%



Japan

	GDP	CPI
2025	0.9%	3.0%
2026	0.7%	2.0%



Eurozone

	GDP	CPI
2025	1.1%	2.1%
2026	1.4%	2.0%



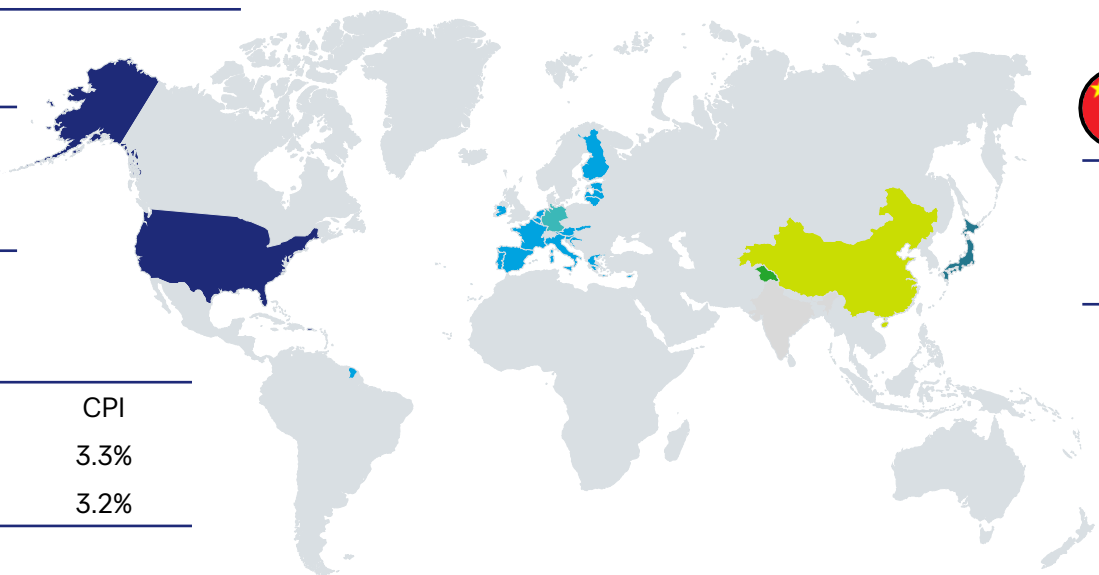
U.S.

	GDP	CPI
2025	1.2%	3.3%
2026	1.3%	3.2%



China

	GDP	CPI
2025	4.0%	0%
2026	3.8%	1%



E = Estimate (IMF).
Source: IMF, Deutsche Bank AG. Data as of May 30, 2025.

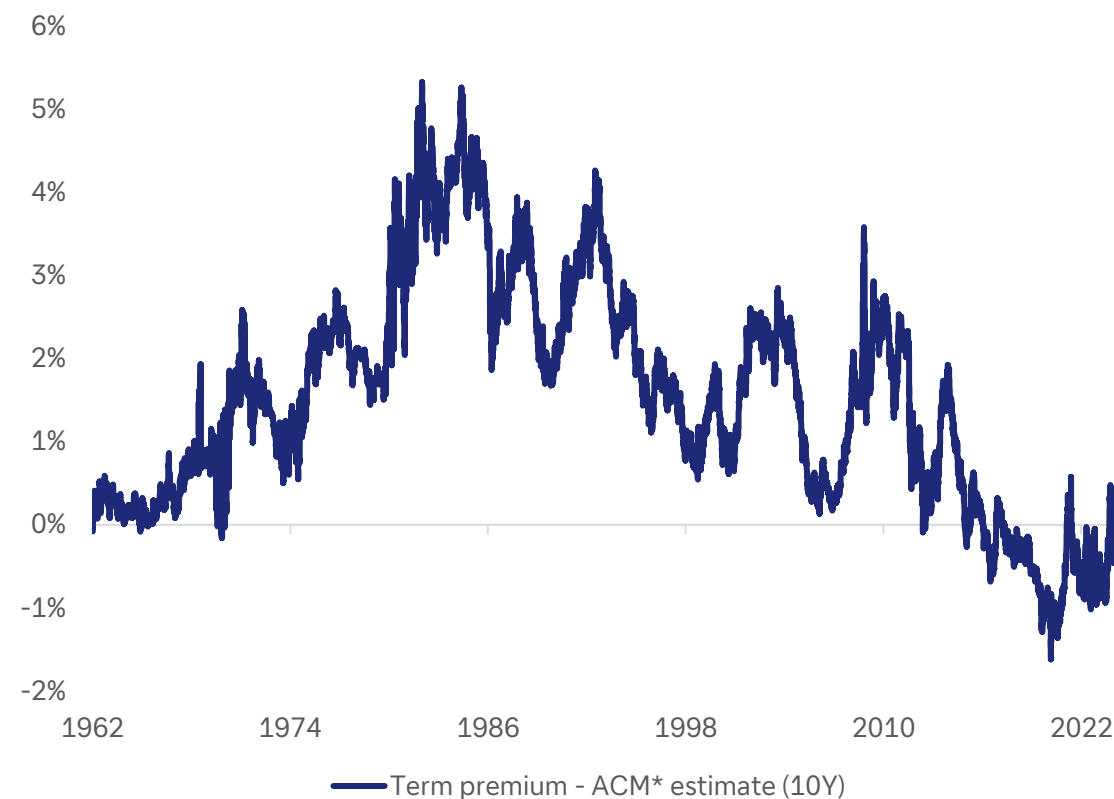
Respect the premium – “Anything goes” in the US with significant long-term risks for bonds



Bond volatility – Moderating, but definitely not low



Return of the “classic” term premium (UST 10 year)



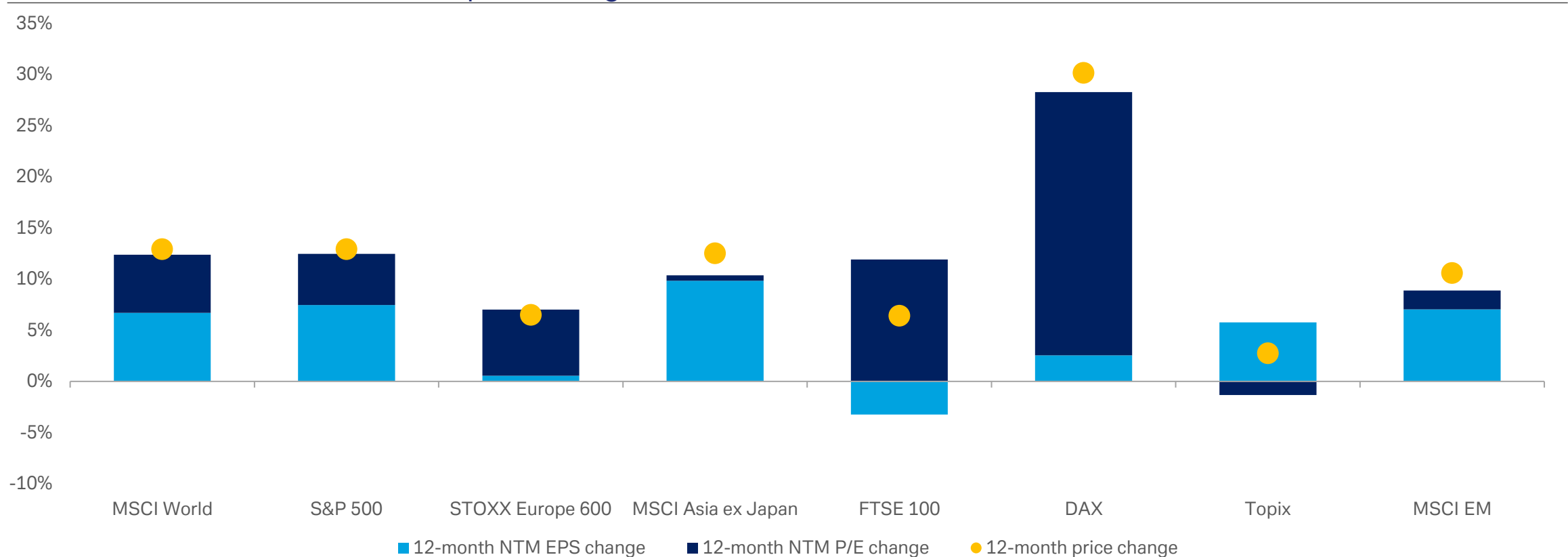
Source: LSEG Datastream, Deutsche Bank AG. Data as of June 16, 2025.

Note: *ACM estimate refers to the model described by Adrian, Crump and Moench (2013).
Source: LSEG Datastream, Deutsche Bank AG. Data as of June 16, 2025.

Valuation and earnings growth expectation developments



12-month NTM EPS, NTM P/E and price change

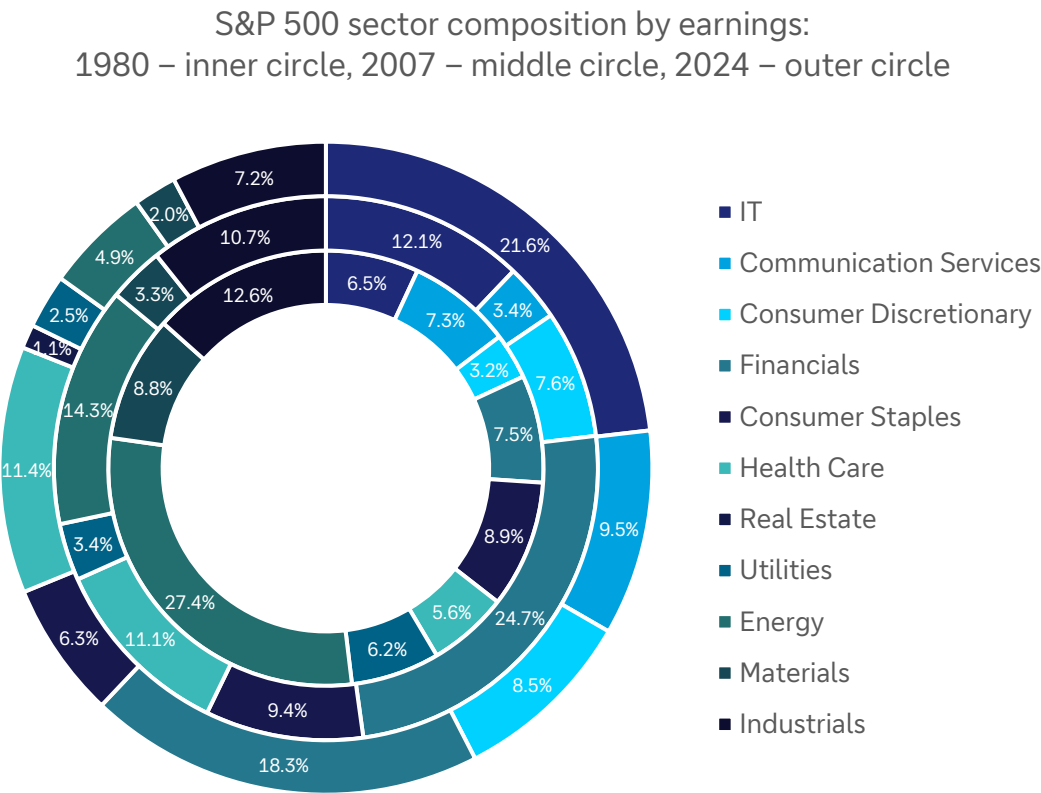


Source: LSEG Datastream, Deutsche Bank AG. Data as of May 30, 2025.

American exceptionalism reloaded – It’s all about digital earnings

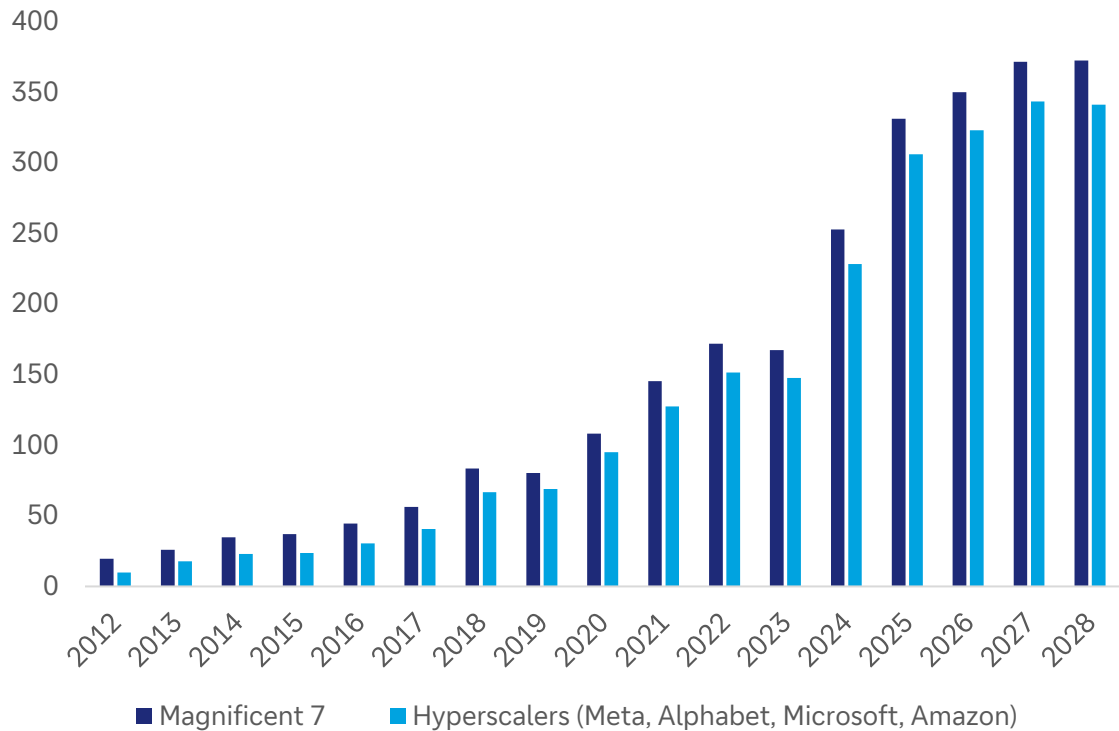


Digital earnings represent ~40% of earnings in the US



US tech companies are spending billions – especially into AI

Annual capex (bn USD, 2025-2028 consensus forecast)

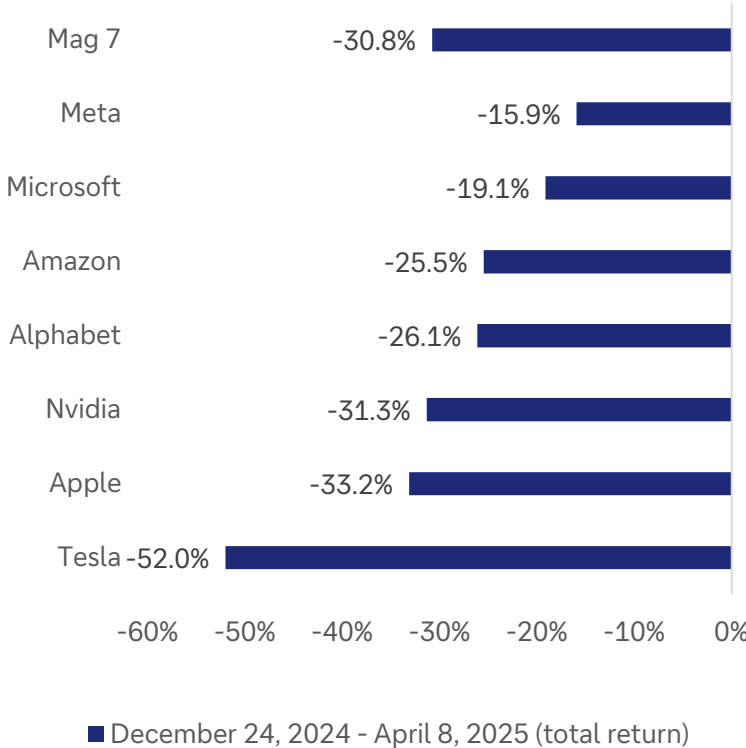


Source: Deutsche Bank AG. Data as of May 30, 2025. Note: NTM – Next 12 months

Magnificent 7 take center stage

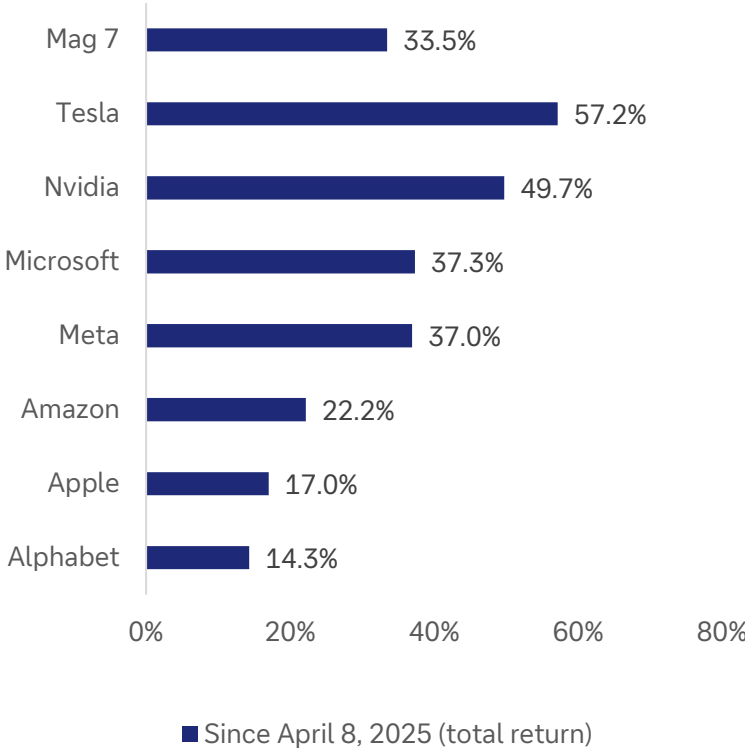


An opportunity presenting itself



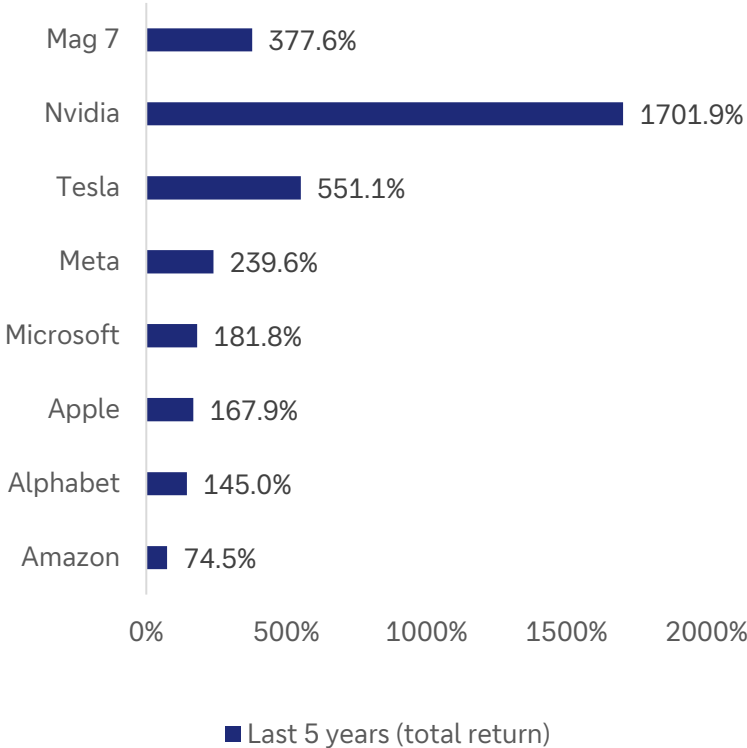
Source: LSEG Datastream, Deutsche Bank AG. Data as of June 23, 2025.

The opportunity, if availed



Source: LSEG Datastream, Deutsche Bank AG. Data as of June 23, 2025.

Only a small speed bump?



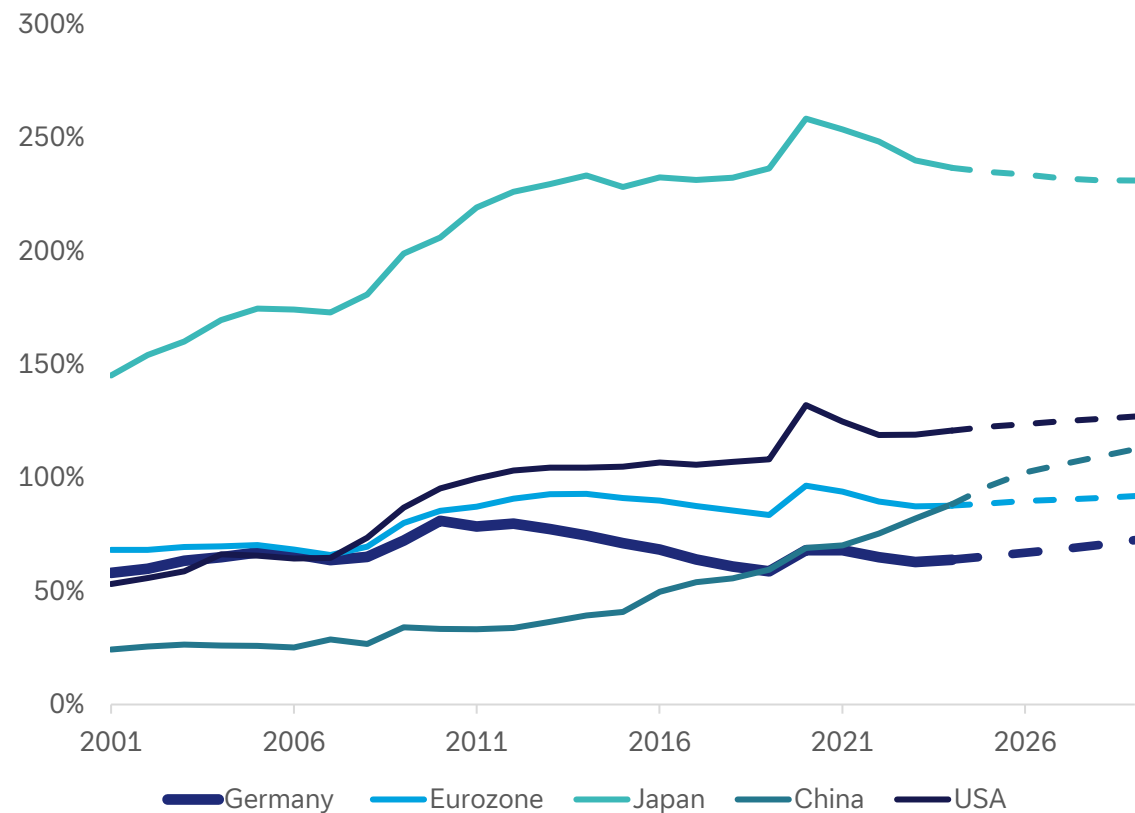
Source: LSEG Datastream, Deutsche Bank AG. Data as of June 23, 2025.

European economy - More fiscal stimulus expected



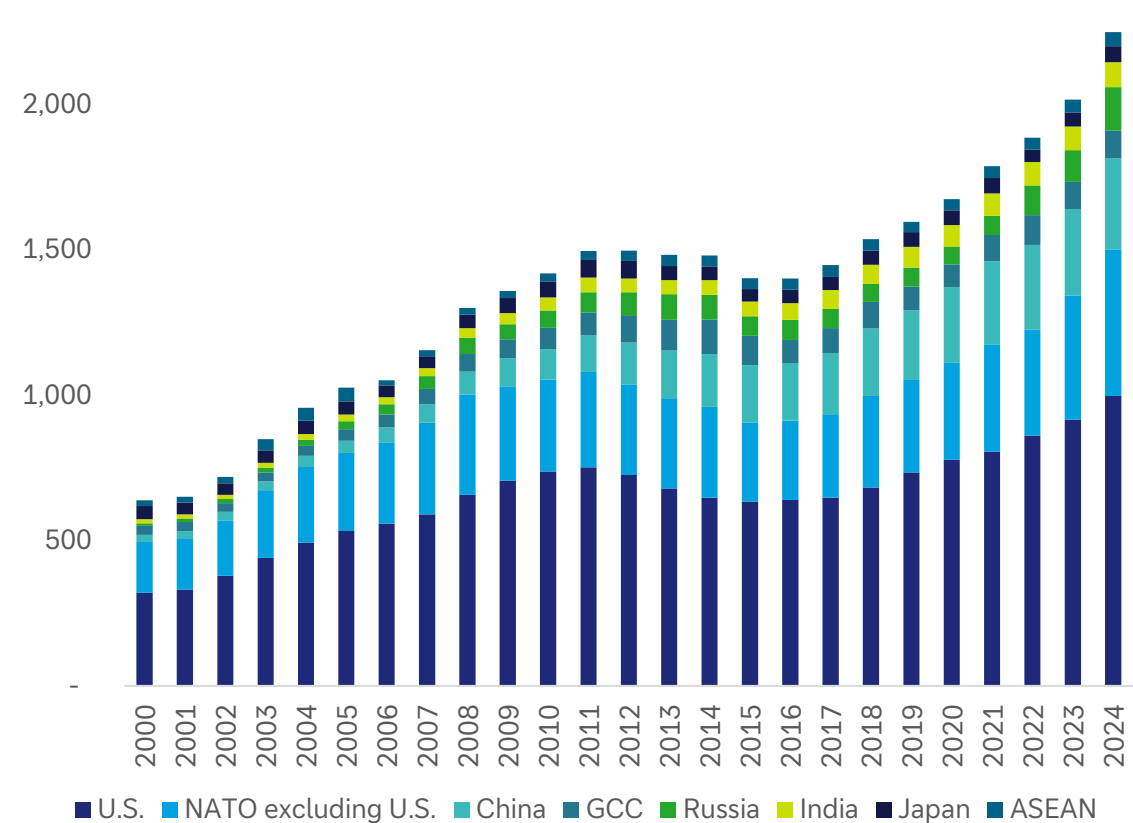
Debt – Germany has been saving for a rainy day

Gross debt/GDP, IMF forecast until 2029



Defense spending likely to go up in Europe

Top military expenditures (USD bn)

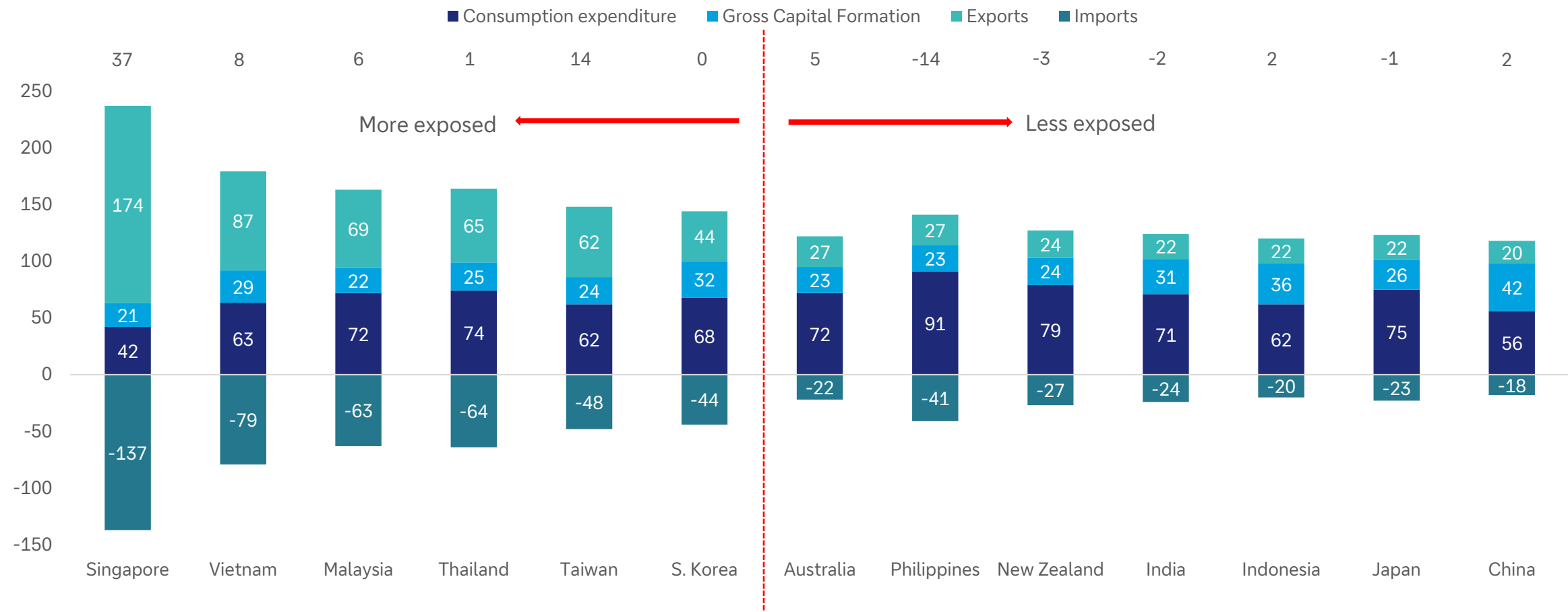


Source: SIPRI, Deutsche Bank AG. Data as of May 30, 2025.

Asian economies – which are more reliant on trade?



GDP breakdown by expenditure (2023, % of GDP)

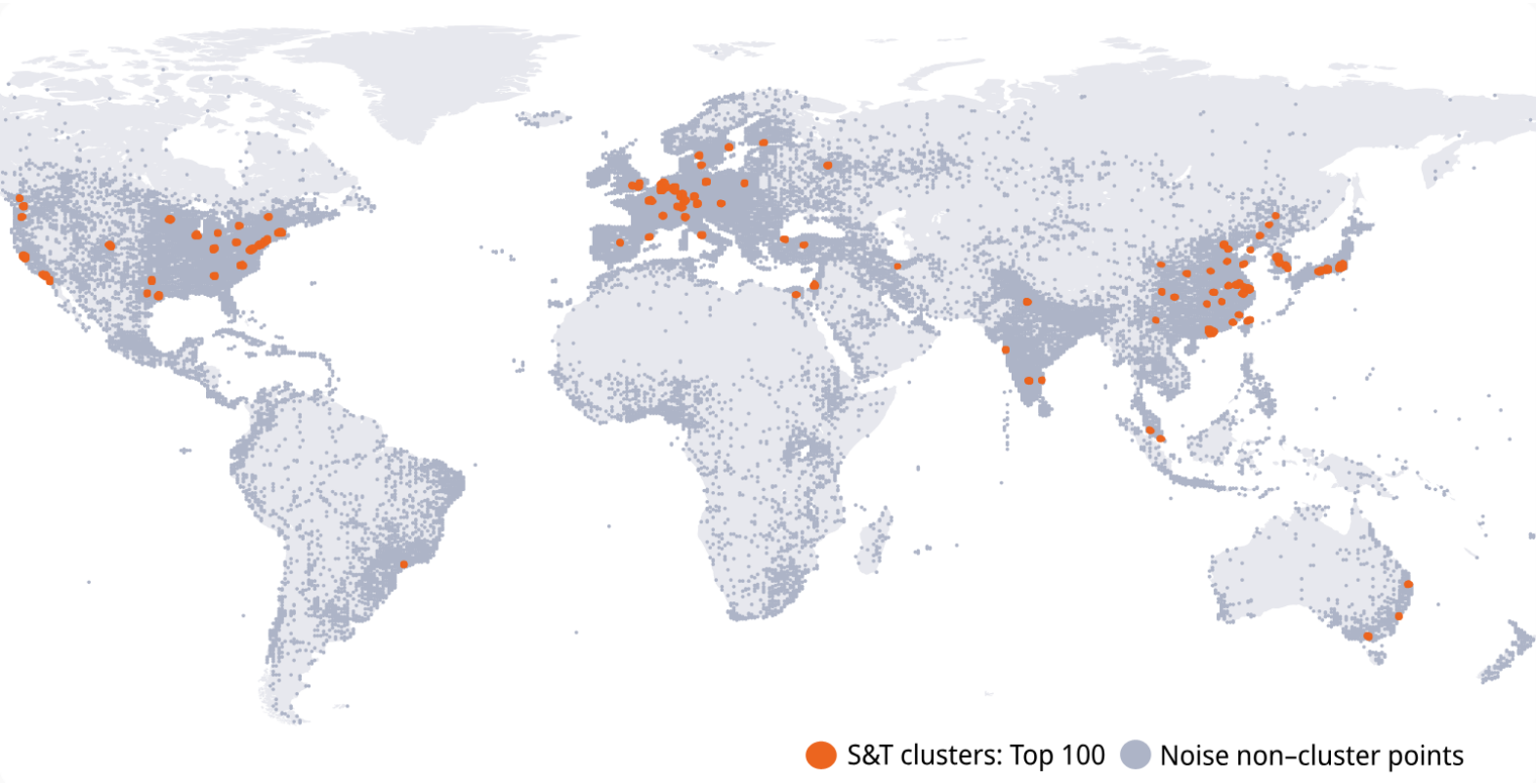


Source: World Bank, LSEG Datastream, Deutsche Bank AG. Data as of May 30, 2025.

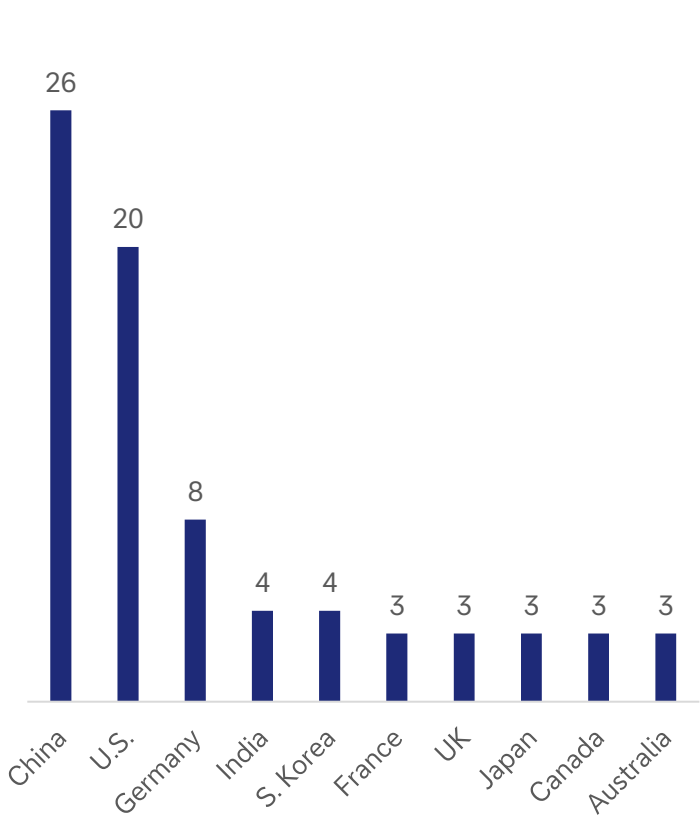
Rising technology innovations with more S&T clusters



Top 100 Science & Technology (S&T) Clusters Globally



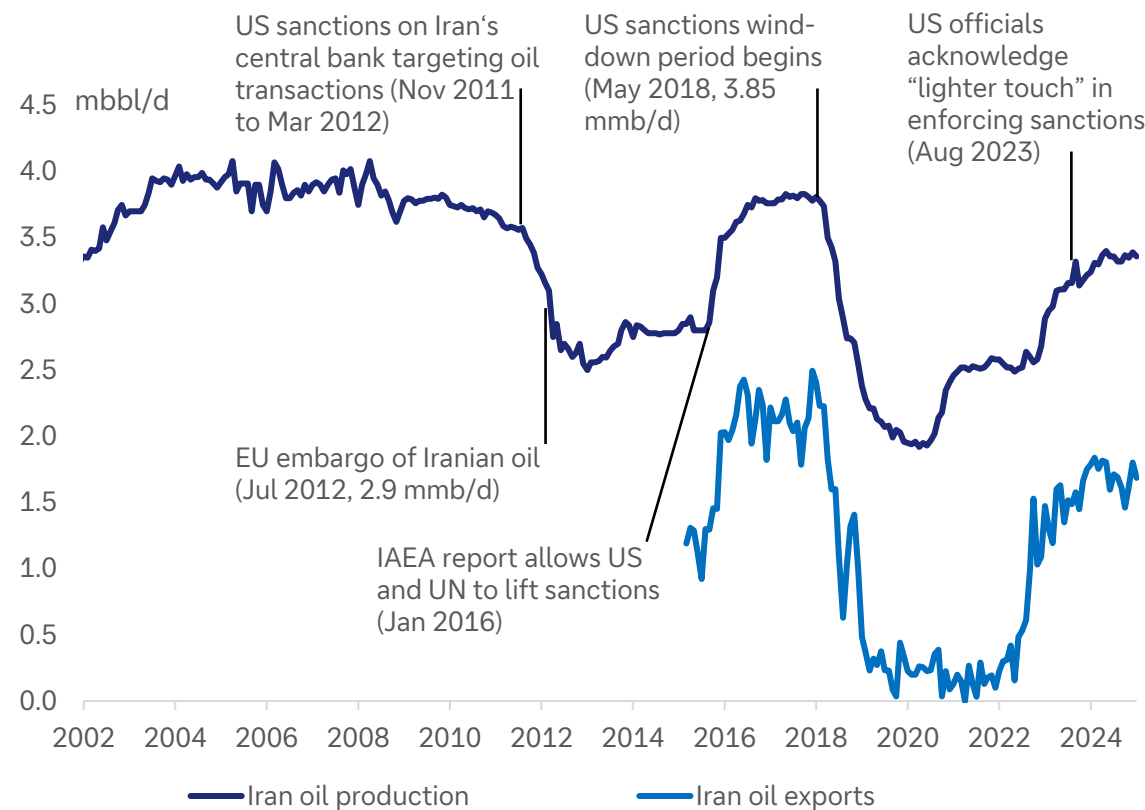
Number of Science & Technology clusters in Top 100



Note: S&T or Science & Technology cluster refers to a geographical area with a high density of inventors and scientific authors. Noise refers to the science & technology places which are not in a cluster.
Source: World Intellectual Property Organization (WIPO), Deutsche Bank AG. Data as of May 30, 2025.



Iran oil production and exports have recovered



Source: Bloomberg L.P., Deutsche Bank AG. Data as of June 16, 2025.

Oil price scenarios (USD per barrel) – June 2026 Price Target of \$60/bbl for WTI

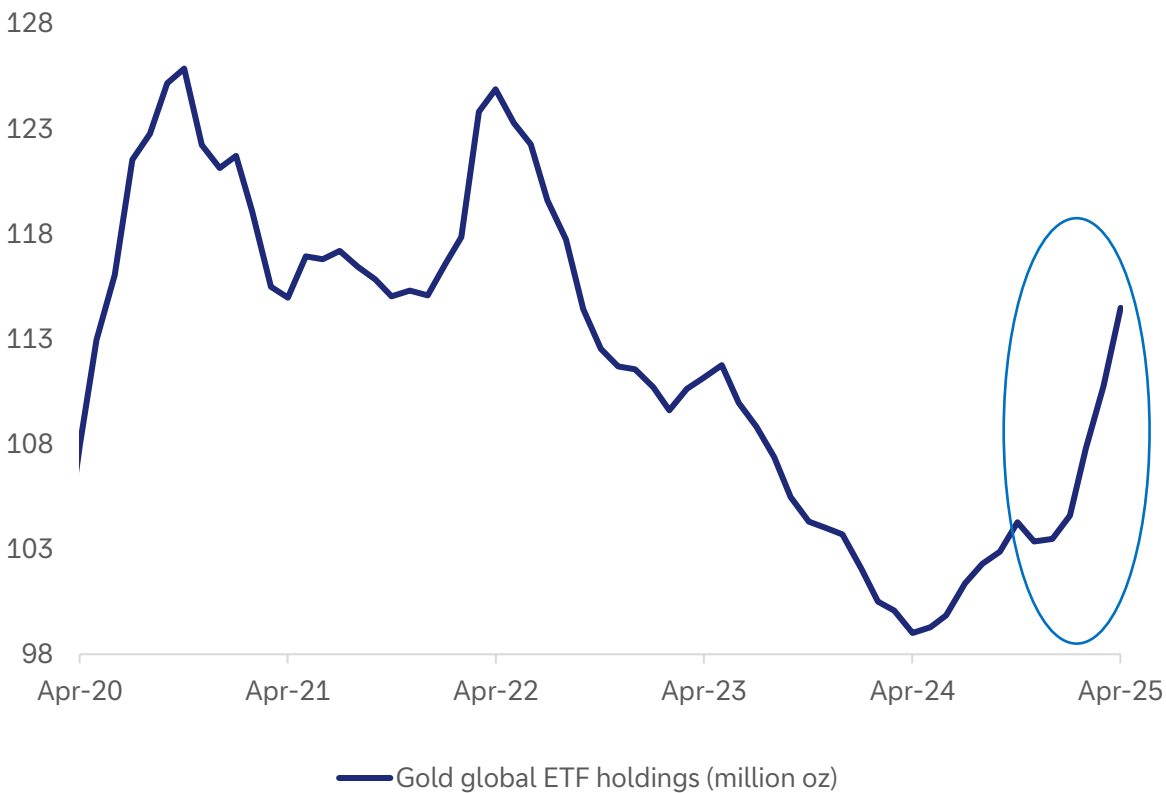
		50% reduction to Iranian exports	100% reduction to Iranian exports	-1.5 mmb/d for 2 months	Strait of Hormuz closed for 2 months
2025	Q2	74	74	74	74
	Q3	74	77	75	124
	Q4	69	75	69	113
2026	Q1	62	71	61	100
	Q2	59	70	56	93
	Q3	59	73	55	91
	Q4	57	74	52	86

Source: IEA, Deutsche Bank AG. Data as of June 16, 2025.

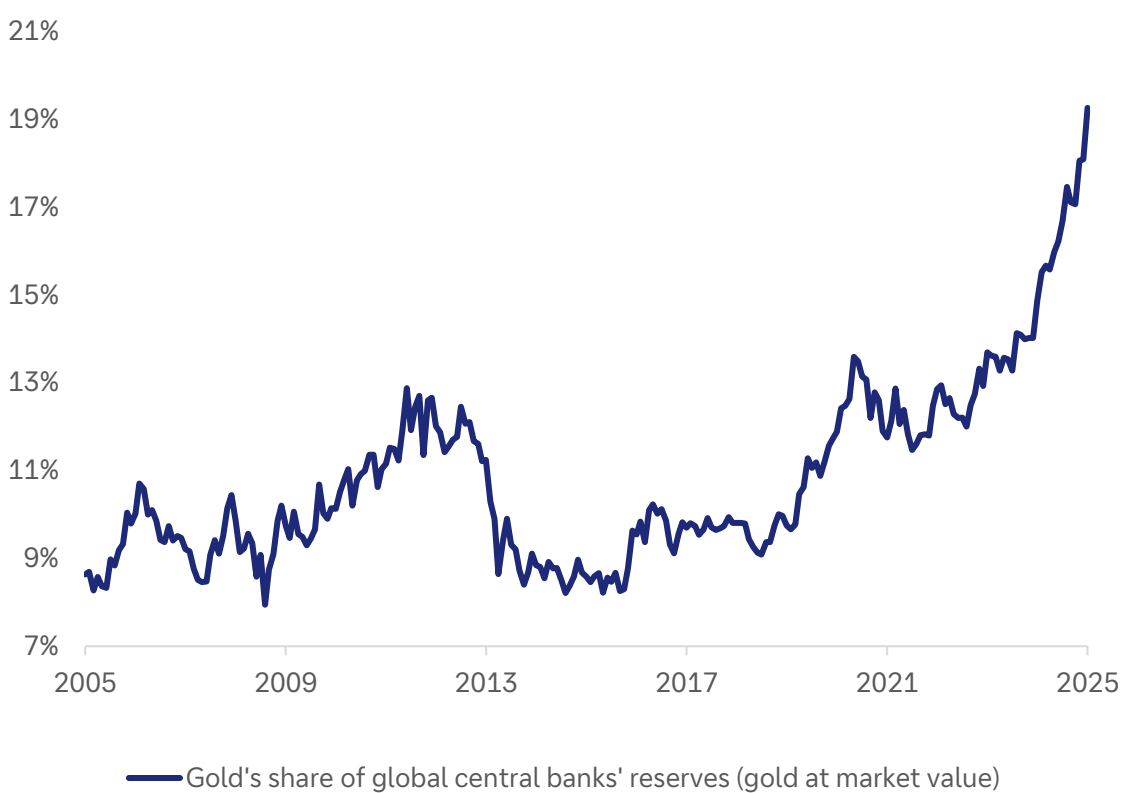
Gold – A long-term trend in the making?



Investment flows – Retail investors joining in again



Unprecedented reserve rotation – Out of FX and into gold



Source: World Gold Council, Deutsche Bank AG. Data as of June 16, 2025.

Source: LSEG Datastream, Deutsche Bank AG. Data as of June 16, 2025.

Strategy – relevant themes



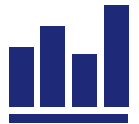
#1 Europe

European industrials, banks & small caps, DAX & MDAX, infrastructure



#2 Return of the premium (bonds & FX, manage duration)

EUR IG corporate bonds



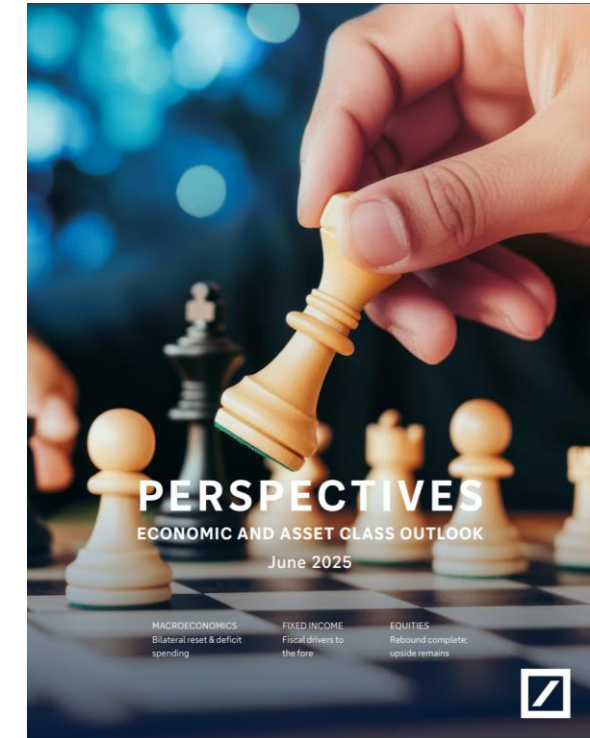
#3 Buy stocks (on weakness)

U.S. (growth) stocks amidst solid earnings outlook



Finally – Hedge your bets (political uncertainty & tariffs, mitigate risk in stocks, bonds & FX)

Diversification, active asset allocation, risk overlays, hedged solutions & gold





Appendix

Macroeconomic forecasts



GDP growth rate (%)

	2025 F	2026 F	Consensus 2025 (BBG*)
U.S. ¹	1.2	1.3	1.4
EUZ	1.1	1.4	0.8
GER	0.3	1.6	0.0
Japan	0.9	0.7	1.0
China	4.0	3.8	4.2
World	2.8	2.9	2.8

CPI inflation (%)

	2025 F	2026 F	Consensus 2025 (BBG*)
U.S.	3.3	3.2	3.2
EUZ	2.1	2.0	2.1
GER	2.3	2.1	2.2
Japan	3.0	2.0	2.7
China	0.0	1.0	0.4

Unemployment rate (%)

	2025 F	2026 F	Consensus 2025 (BBG*)
U.S.	4.4	4.7	4.4
EUZ	6.3	6.3	6.4
GER	6.1	5.8	6.3
Japan	2.4	2.4	2.5
China ²	5.3	5.1	5.1

Fiscal balance (% of GDP)

	2025 F	2026 F	Consensus 2025 (BBG*)
U.S.	-6.8	-6.8	-6.5
EUZ	-3.4	-4.0	-3.3
GER	-2.5	-3.2	-2.9
Japan	-3.5	-3.0	-3.6
China ³	-9.0	-8.0	-5.6

*Bloomberg consensus

(1) For the U.S., GDP growth Q4/Q4 % is 2.2% in 2025 and 1.7% in 2026, (2) Urban unemployment rate (end of period), not comparable to consensus data, (3) China fiscal deficit refers to IMF general public sector deficit, it's not comparable with the consensus. Source: Deutsche Bank AG, Bloomberg Finance L.P. Data as of May 27, 2025.

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Asset class forecasts



	Current level	vs. current level	Strategic forecast as of May 2025	Expected 12m total return
	May 28, 2025		Target June 2026*	
Capital market yields (sovereign bonds) in percent				
United States (2-year)	3.98	↘	3.75	4.09%
United States (10-year)	4.44	↗	4.50	4.82%
United States (30-year)	4.95	↘	4.70	9.29%
Germany (2-year)	1.79	↘	1.60	2.02%
Germany (10-year)	2.53	↘	2.50	3.58%
Germany (30-year)	3.00	→	3.00	3.49%
United Kingdom (10-year)	4.67	↘	4.20	8.10%
Japan (2-year)	0.74	↗	1.00	0.67%
Japan (10-year)	1.47	↗	1.80	-0.41%
Benchmark rates in percent				
United States (federal funds rate)	4.25-4.50	↘	3.25-3.50	
Eurozone (deposit rate)	2.25	↘	1.75	
United Kingdom (repo rate)	4.25	↘	3.50	
Japan (overnight call rate)	0.50	↗	1.00	
China (1 year lending rate)	3.00	↘	2.60	
Currencies				
EUR vs. USD	1.13	↗	1.18	
USD vs. JPY	144	↘	130	
EUR vs. JPY	164	↘	153	
EUR vs. CHF	0.94	↗	0.95	
EUR vs. GBP	0.84	→	0.84	
GBP vs. USD	1.35	↗	1.40	
USD vs. CNY	7.20	↗	7.30	

	Current level	vs. current level	Strategic forecast as of May 2025	Expected 12m total return
	May 28, 2025		Target June 2026*	
Equity indices				
United States (S&P 500)	5,922	↗	6,100	4.51%
Germany (DAX)	24,226	↗	25,600	5.67%
Eurozone (Eurostoxx 50)	5,415	↗	5,600	6.61%
Europe (Stoxx 600)	552	↗	570	6.70%
Japan (MSCI Japan)	1,694	↗	1,720	4.03%
Switzerland (SMI)	12,325	↗	12,500	4.62%
United Kingdom (FTSE 100)	8,778	↗	8,800	3.95%
Emerging Markets (MSCI EM)	1,164	↗	1,220	7.70%
Asia ex Japan (MSCI Asia ex Japan)	757	↗	790	7.10%
Australia (MSCI Australia)	1,673	↘	1,600	-0.75%
Commodities in USD				
Gold (per ounce)	3298	↗	3,700	12.19%
Crude Oil (Brent Spot)	64	↘	63	-1.70%
Copper (per tonne)	9597	↘	9,590	-0.07%
Carbon	71	↗	75	5.71%
Spreads (corporates & EM bonds) in bps				
EUR IG Corp	100	↘	90	4.44%
EUR HY	335	↗	360	4.24%
USD IG Corp	89	↗	90	5.62%
USD HY	316	↗	350	5.47%
Asia Credit	138	↗	150	5.92%
EM Sovereign	331	↗	360	5.85%

Source: Deutsche Bank AG, Bloomberg Finance L.P.; Data as of May 27, 2025.

Historical performance



Performance	9.6.2020 - 9.6.2021	9.6.2021 - 9.6.2022	9.6.2022 - 9.6.2023	9.6.2023 - 9.6.2024	9.6.2024 - 9.6.2025
S&P500	31,6%	-4,8%	7,0%	24,4%	12,3%
S&P500 Value	28,0%	-2,6%	7,0%	17,0%	4,7%
S&P500 Growth	33,0%	-7,6%	2,9%	30,9%	18,7%
DAX	23,5%	-8,9%	12,3%	16,3%	30,3%
EUROSTOXX50	23,4%	-9,1%	15,2%	17,8%	7,3%
STOXX 600	23,0%	-4,4%	5,9%	13,8%	5,7%
MSCI Japan	21,4%	1,3%	12,8%	24,6%	-0,2%
SMI index	15,7%	-4,0%	-0,6%	8,9%	0,9%
FTSE 100	11,8%	5,6%	1,2%	9,0%	7,1%
MSCI EM	36,0%	-22,3%	-6,1%	7,1%	11,2%
MSCI ex Japan	35,9%	-22,2%	-6,9%	7,9%	12,8%
MSCI Australien	18,9%	-3,0%	1,3%	11,7%	7,5%
Topix	20,2%	0,6%	13,0%	23,9%	1,1%
MOEX	29,4%	-20,3%	-8,1%	-6,8%	8,7%
CSI 300	29,2%	-7,6%	14,2%	27,6%	16,7%
FTSE MIB	18,1%	-4,9%	6,9%	22,5%	25,0%
IBEX	37,5%	-40,3%	18,0%	19,4%	-3,4%
Hang Seng	14,7%	-23,9%	-11,3%	-5,3%	31,7%
STI	12,9%	1,8%	-0,7%	4,5%	18,2%
Nifty 50	55,6%	5,4%	12,7%	25,5%	7,8%
IBOVESPA	34,3%	-17,6%	9,3%	3,2%	12,4%
MEXBOL	29,7%	-3,0%	10,6%	-2,8%	9,1%

Performance	9.6.2020 - 9.6.2021	9.6.2021 - 9.6.2022	9.6.2022 - 9.6.2023	9.6.2023 - 9.6.2024	9.6.2024 - 9.6.2025
JPM EMU 1-10	1,2%	-8,2%	-2,2%	2,5%	5,2%
iBoxx US Treasuries 1-10	-0,4%	-6,5%	-0,4%	2,4%	5,6%
iBoxx EUR Covered	0,3%	-9,6%	-3,6%	3,2%	5,4%
iBoxx EUR Corporates Overall	3,5%	-11,2%	-1,7%	5,6%	6,3%
iBoxx EUR Liquid High Yield	9,3%	-7,9%	3,6%	8,8%	7,3%
JPM EMBI Global	7,2%	-16,1%	1,6%	9,1%	8,1%
Bloomberg EM Local Currency Govt	6,6%	-20,6%	6,7%	1,8%	11,7%
Barclays US Corporate Inv. Grade	3,4%	-12,0%	-0,9%	5,2%	5,2%
Barclays US Corporate HY	12,2%	-7,4%	2,9%	10,4%	9,2%

Performance	9.6.2020 - 9.6.2021	9.6.2021 - 9.6.2022	9.6.2022 - 9.6.2023	9.6.2023 - 9.6.2024	9.6.2024 - 9.6.2025
Gold	10,1%	-2,2%	6,1%	17,0%	45,0%
Crude Oil WTI	79,7%	73,7%	-42,3%	7,6%	-13,6%
Crude Oil Brent	75,4%	70,4%	-39,2%	6,5%	-15,8%
Silver	57,8%	-21,8%	11,5%	21,0%	24,6%
Platinum	37,9%	-15,2%	3,5%	-4,2%	25,1%
Palladium	41,8%	-30,5%	-31,7%	-30,1%	17,1%
Aluminium	53,1%	12,3%	-17,9%	13,7%	-3,8%
Copper	72,8%	-3,6%	-12,9%	16,6%	0,3%
Nickel	40,4%	54,5%	-24,5%	-14,8%	-14,5%

Source: LSEG Datastream, Deutsche Bank AG. Data as of June 10, 2025.

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