

12 May 2023

ING Economic Forecasts

May 2023

GDP forecasts: Developed Markets

(QoQ% annualised growth)	1Q23F	2Q23F	3Q23F	4Q23F	2023F	2024F	2025F
US	1.1	0.4	-1.5	-2.2	0.8	0.0	2.1
Japan	1.6	1.6	1.2	0.8	1.1	1.0	1.2
Germany	-0.2	1.2	0.2	-1.0	0.0	0.3	1.5
France	0.8	0.8	0.4	0.4	0.7	0.7	1.3
UK	0.5	-0.8	1.1	0.8	0.2	0.9	1.5
Italy	2.1	0.6	0.9	0.7	1.1	0.9	1.1
Canada	1.7	0.4	-0.8	-0.6	0.9	0.7	2.2
Australia	0.4	0.3	0.3	0.4	1.8	1.8	3.1
Eurozone	0.6	1.2	0.9	0.1	0.8	0.6	1.3
Austria	-1.2	1.2	0.8	0.4	0.6	0.8	1.4
Spain	1.9	1.2	1.0	0.5	1.9	1.0	2.0
Netherlands	1.7	0.6	1.0	0.8	1.8	0.7	1.2
Belgium	1.6	0.8	0.8	0.4	1.0	0.7	1.4
Greece	-0.8	0.7	1.5	0.9	1.7	1.3	1.5
Portugal	6.6	2.8	1.2	0.6	2.8	1.1	1.7
Switzerland	0.8	0.8	0.4	0.4	0.6	0.8	1.4

GDP forecasts: Emerging Markets

(YoY% growth)	1Q23F	2Q23F	3Q23F	4Q23F	2023F	2024F	2025F
Bulgaria	1.9	1.4	1.8	1.7	1.7	3.2	3.5
Croatia	2.0	1.1	2.3	2.0	1.9	2.7	2.5
Czech Republic	-0.2	-0.3	0.2	1.2	0.2	2.6	2.7
Hungary	-0.8	-1	0.8	2	0.2	3.3	3.9
Poland	-1.5	0.7	0.8	1.6	0.5	2.4	3.5
Romania	3.8	2.8	1.9	2.0	2.5	3.7	3.5
Turkey	3.0	4.0	2.3	1.0	2.5	4.2	4.0
Serbia	0.7	0.9	3.1	3.6	2.2	3.8	4.5
Russia	-2.5	0.0	0.5	1.0	-0.5	0.5	0.0
Kazakhstan	3.5	4.0	4.1	4.1	3.8	4.0	3.0
Azerbaijan	2.5	2.8	3.2	3.4	3.0	2.5	2.0
China	4.5	8.8	5.0	4.6	5.7	4.7	5.1
India	3.4	7.8	6.7	6.3	6	6.6	7.4
Indonesia	5.0	4.2	4.6	4.7	4.6	4.9	4.5
Korea	0.9	0.5	0.5	1.5	0.9	2.1	2.3
Philippines	6.5	5.1	5.0	4.9	5.5	6.0	5.5
Singapore	0.1	2.0	2.1	2.0	1.5	2.5	2.0
Taiwan	-3.0	-0.8	-1.0	3.8	-0.3	4.0	4.3

Source: ING estimates

Page 2	CPI Forecasts	Page 5	10Y Bond Yield Forecasts
Page 3	Central Bank Policy Rate Forecasts	Page 6	FX Forecasts
Page 4	3M Interest Rate Forecasts	Page 6	Commodities Forecasts

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CPI Forecast, pa

%YoY	1Q23F	2Q23F	3Q23F	4Q23F	2023F	2024F	2025F
US	5.8	4.1	3.3	2.7	4.0	1.9	2.1
Japan	3.6	2.9	2.4	1.7	2.6	1.8	1.5
Germany	8.7	6.9	6.6	4.4	6.2	3.1	1.8
France	7.0	7.0	5.6	4.0	5.9	2.8	1.6
UK	10.2	7.7	5.4	3.5	6.7	1.9	1.7
Italy	9.5	7.8	5.8	3.0	6.5	2.7	1.9
Canada	5.2	3.0	2.8	2.5	3.4	1.9	2.0
Australia	6.9	6.1	5.3	4.3	5.6	3.0	2.7
Eurozone	8.0	5.8	4.5	3.9	5.6	2.6	2.0
Austria	10.6	7.8	4.9	3.8	6.8	2.4	2.0
Spain	5.1	3.8	3.5	3.1	3.9	2.7	2.1
Netherlands	7.3	5.8	2.5	1.2	4.1	2.0	1.2
Belgium	7.4	6.3	4.9	3.9	5.7	2.4	2.1
Greece	6.4	4.4	3.3	3.6	4.4	2.3	2.0
Portugal	8.0	5.5	4.4	3.7	5.4	2.9	2.0
Switzerland	3.2	2.8	2.6	2.4	2.8	1.7	1.5
Sweden	8.9	7.3	5.2	3.1	5.6	2.0	1.8
Norway	6.6	5.8	4.5	3.9	5.2	3.2	2.0
Bulgaria	15.6	11.3	10.2	9.4	11.7	6.7	4.0
Croatia	11.8	7.5	5.5	4.0	7.2	4.0	3.0
Czech Republic	16.3	13.0	10.1	9.0	12.1	2.8	2.3
Hungary	25.4	22.5	17.4	11.0	19.1	5.0	3.1
Poland	17.0	12.6	11.2	9.3	12.8	6.8	4.0
Romania	14.9	10.9	10.0	7.8	10.8	5.2	3.9
Turkey	54.3	42.6	42.6	45.4	45.8	33.0	19.3
Serbia	16.0	14.2	11.0	8.0	12.3	6.4	4.1
Russia	7.7	3.4	4.1	5.3	5.4	5.5	5.5
Kazakhstan	19.0	16.1	12.7	10.0	14.5	7.7	6.8
Azerbaijan	13.8	11.5	9.1	5.5	10.2	4.9	4.5
China	1.3	2.3	1.8	2.5	2.0	2.4	3.0
India	6.2	4.2	4.3	4.4	4.8	4.2	5.0
Indonesia	5.3	4.1	3.8	3.6	4.2	3.5	3.6
Korea	4.7	3.4	2.7	2.9	3.3	1.8	2.1
Philippines	8.3	5.8	4.9	3.9	6.2	3.9	3.5
Singapore	6.3	5.4	4.8	4.3	5.2	3.2	2.8
Taiwan	2.6	2.0	2.3	2.4	2.3	2.2	2.8

*Quarterly forecasts are quarterly average; yearly forecasts are average over the year. HICP for European Union economies

Updated 15 May 2023

Source: ING estimates

Policy Rate Forecasts (end period)

(%)	2Q23F	3Q23F	4Q23F	1Q24F	2Q24F	3Q24F	4Q24F	4Q25F
US (upper bound)	5.25	5.25	4.25	3.25	3.00	3.00	3.00	3.00
Eurozone (refi rate)	4.00	4.00	4.00	4.00	3.75	3.50	3.25	3.00
Japan	-0.10	-0.10	-0.10	0.00	0.00	0.00	0.00	0.25
UK	4.50	4.50	4.50	4.50	4.00	3.50	3.00	2.50
Switzerland	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.50
Sweden	3.75	3.75	3.75	3.50	3.25	3.00	2.75	2.50
Norway	3.50	3.50	3.50	3.00	2.75	2.75	2.75	2.75
Canada	4.50	4.50	4.00	3.50	3.00	3.00	3.00	3.00
Australia	4.10	4.10	3.85	3.35	2.85	2.85	3.10	3.60
Czech Republic	7.00	6.75	6.50	5.50	5.50	5.00	4.00	3.25
Hungary	13.00	13.00	11.50	8.00	6.75	6.00	5.25	4.50
Poland	6.75	6.75	6.75	6.75	6.75	6.50	5.75	5.00
Romania	7.00	7.00	7.00	6.50	6.00	6.00	6.00	5.00
Turkey	8.50	8.50	8.50	8.50	8.50	8.50	8.50	8.50
Serbia	6.00	6.00	6.00	6.00	6.00	5.50	5.00	4.50
Russia	7.50	7.50	7.50	7.50	7.50	7.50	7.50	6.50
Kazakhstan	16.75	15.75	14.75	13.25	12.25	11.25	10.00	9.00
Azerbaijan	9.00	8.75	8.50	8.25	8.00	7.75	7.75	6.00
China*	2.00	2.00	2.00	2.00	2.00	2.10	2.20	2.40
India	6.50	6.50	6.00	5.50	5.00	5.00	5.00	5.50
Indonesia	5.75	5.50	5.25	5.25	5.25	5.00	5.00	4.50
Korea	3.50	3.50	3.25	3.00	2.75	2.50	2.50	3.00
Philippines	6.25	6.00	5.75	5.50	5.50	5.25	5.25	4.50
Taiwan	1.88	1.88	1.63	1.50	1.38	1.25	1.25	1.25

*PBOC 7-day reverse repo rate

Updated 15 May 2023

Source: ING estimates

3-month Interest Rate Forecasts (end period)

(%)	2Q23F	3Q23F	4Q23F	1Q24F	2Q24F	3Q24F	4Q24F	4Q25F
US SOFR	5.20	5.20	4.20	3.20	3.00	3.00	3.00	3.00
Eurozone	3.60	3.50	3.50	3.40	3.30	3.10	2.90	2.80
Japan	0.00	0.00	0.00	0.05	0.05	0.20	0.20	0.30
UK	4.50	4.50	4.45	4.40	3.90	3.35	2.85	2.45
Switzerland	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.50
Canada	4.60	4.60	4.10	3.60	3.10	3.10	3.10	3.20
Australia	4.15	4.15	3.80	3.25	2.90	2.90	3.20	3.70
Czech Republic	7.24	6.99	6.74	5.74	5.74	5.24	4.24	3.49
Hungary	14.50	13.00	11.00	7.50	6.25	5.50	4.75	4.50
Poland	6.95	6.95	6.95	6.95	6.95	6.45	5.95	5.20
Romania	6.80	6.85	6.85	6.75	6.50	6.25	6.25	5.25
Turkey	16.40	15.70	15.3	15.00	14.90	14.60	14.40	13.20
Serbia	5.60	5.60	5.60	5.50	5.40	5.10	4.75	4.25
Russia	8.25	8.00	8.50	8.50	8.50	8.50	8.00	7.00
Kazakhstan	17.75	16.75	15.75	14.25	13.25	12.25	11.00	10.00
China*	2.40	2.40	2.50	2.55	2.60	2.65	2.70	2.95
India	6.65	6.60	5.90	5.40	5.10	5.15	5.15	5.65
Indonesia	6.80	6.70	6.70	6.50	6.25	6.25	6.00	5.75
Korea	3.50	3.40	3.10	2.90	2.75	2.50	2.60	3.10
Philippines*	5.45	5.20	5.00	4.85	4.80	4.60	4.50	4.00
Singapore	4.10	4.00	3.90	3.60	3.55	3.50	3.00	2.00
Taiwan*	1.49	1.49	1.24	1.12	0.99	0.87	0.87	0.87

* 3-month Shanghai interbank rate for China, 3-month CD rate for Korea; 3-month BVAL rate for the Philippines and 3-month Taiwan interbank rate for Taiwan; 3-month bank acceptance futures for Canada; 3-month bank bill for Australia and 3-month interbank rates for others.

Updated 15 May 2023

Source: ING estimates

10Y Bond Yield Forecasts (end period)

(%)	2Q23F	3Q23F	4Q23F	1Q24F	2Q24F	3Q24F	4Q24F	4Q25F
US: Fed funds	5.25	5.25	4.25	3.25	3.00	3.00	3.00	3.00
3M	5.20	5.20	4.20	3.20	3.00	3.00	3.00	3.00
2Y	3.80	3.60	3.30	3.10	2.95	3.00	3.00	3.10
5Y	3.30	3.15	3.10	3.05	3.00	3.00	3.15	3.60
10Y	3.25	3.00	3.00	3.00	3.00	3.00	3.25	4.00
30Y	3.55	3.40	3.40	3.40	3.40	3.40	3.65	4.40
EU12: ECB refi*	4.00	4.00	4.00	4.00	3.75	3.50	3.25	3.00
3M	3.60	3.50	3.50	3.40	3.30	3.10	2.90	2.80
2Y	2.70	2.60	2.50	2.50	2.45	2.45	2.45	2.50
5Y	2.30	2.25	2.25	2.25	2.25	2.25	2.35	2.45
10Y	2.30	2.20	2.10	2.10	2.10	2.10	2.10	2.50
30Y	2.45	2.35	2.30	2.30	2.35	2.35	2.40	2.80
Japan	0.40	0.50	0.75	1.00	1.00	1.00	1.00	1.00
France	2.90	2.85	2.65	2.65	2.65	2.65	2.65	3.05
Italy	4.30	4.40	4.10	4.10	4.10	4.10	4.10	4.50
Spain	3.40	3.35	3.15	3.15	3.15	3.15	3.15	3.55
UK	3.50	3.10	3.00	3.00	3.00	3.00	3.10	3.50
Netherlands	2.65	2.55	2.40	2.40	2.40	2.40	2.40	2.80
Belgium	2.95	2.90	2.75	2.75	2.75	2.75	2.75	3.15
Austria	2.95	2.90	2.75	2.75	2.75	2.75	2.75	3.15
Ireland	2.80	2.70	2.55	2.55	2.55	2.55	2.55	2.95
Portugal	3.20	3.20	3.00	3.00	3.00	3.00	3.00	3.40
Switzerland	1.35	1.30	1.30	1.30	1.30	1.30	1.30	1.60
Finland	2.95	2.90	2.75	2.75	2.75	2.75	2.75	3.15
Canada	2.80	2.80	2.80	3.00	3.00	3.00	3.50	3.75
Australia	3.30	3.10	3.15	3.00	2.85	2.70	3.00	3.20
Bulgaria	5.00	5.00	5.20	5.10	4.75	4.75	4.75	4.50
Czech Republic	4.60	4.50	4.30	4.20	4.20	4.10	4.10	4.00
Hungary	7.60	7.25	7.05	7.05	7.00	6.80	6.75	6.00
Poland	6.03	6.12	5.90	5.85	5.82	5.80	5.75	5.50
Romania	7.50	7.30	7.10	7.00	7.10	7.00	6.75	6.00
Russia	11.00	10.90	10.80	11.00	11.10	11.20	11.00	9.50
Turkey	13.35	15.35	14.30	13.75	13.40	13.30	13.15	12.00
China	3.00	3.15	3.20	3.35	3.50	3.65	3.80	4.25
India	7.00	6.80	6.60	6.40	6.70	6.60	6.60	6.90
Indonesia	6.55	6.50	6.40	6.40	6.30	6.20	6.25	6.30
Korea	3.30	3.30	3.00	3.00	3.00	3.10	3.25	3.00
Philippines	6.20	6.00	5.50	5.40	5.25	4.90	5.20	5.50
Singapore	2.85	2.80	2.30	2.20	2.20	2.30	2.00	2.00
Taiwan	1.20	1.20	0.95	0.83	0.70	0.58	0.58	0.58

*Apart from ECB refi rate, all Eurozone bond yield forecasts refer to German bund yields

Updated 15 May 2023

Source: ING estimates

Foreign Exchange Forecasts

End period		2Q23F	3Q23F	4Q23F	1Q24F	2Q24F	3Q24F	4Q24F	4Q25F
Europe	EUR/USD	1.10	1.15	1.20	1.20	1.17	1.15	1.15	1.15
Japan	USD/JPY	128.00	125.00	120.00	118.00	115.00	115.00	115.00	115.00
UK	GBP/USD	1.24	1.28	1.33	1.33	1.31	1.31	1.31	1.31
Japan	EUR/JPY	140.80	143.75	144.00	141.60	134.55	132.25	132.25	132.25
UK	EUR/GBP	0.89	0.90	0.90	0.90	0.89	0.88	0.88	0.88
Canada	USD/CAD	1.35	1.30	1.28	1.26	1.25	1.25	1.25	1.25
Australia	AUD/USD	0.68	0.71	0.73	0.75	0.75	0.73	0.72	0.75
New Zealand	NZD/USD	0.63	0.65	0.66	0.67	0.68	0.69	0.70	0.68
Switzerland	EUR/CHF	0.97	0.96	0.97	1.00	1.00	1.00	1.00	1.00
Sweden	EUR/SEK	11.30	11.00	10.90	10.80	10.70	10.60	10.50	10.50
Norway	EUR/NOK	11.80	11.30	10.90	10.70	10.50	10.30	10.30	9.70
Denmark	EUR/DKK	7.45	7.46	7.46	7.46	7.46	7.46	7.46	7.46
Serbia	EUR/RSD	117.30	117.31	117.32	117.30	117.32	117.34	117.35	117.30
Czech Republic	EUR/CZK	23.70	24.10	24.10	24.20	23.80	23.70	23.60	23.40
Hungary	EUR/HUF	370.0	383.0	375.0	370.0	365.0	365.0	370.0	370.0
Poland	EUR/PLN	4.60	4.65	4.58	4.55	4.53	4.52	4.52	4.50
Romania	EUR/RON	4.94	5.07	5.07	5.05	5.18	5.17	5.17	5.25
Turkey	USD/TRY	21.22	23.06	24.00	24.96	25.86	26.70	27.50	30.00
South Africa	USD/ZAR	19.00	18.50	18.00	17.75	17.50	17.25	17.00	17.00
Israel	USD/ILS	3.60	3.50	3.40	3.20	3.10	3.10	3.00	3.00
Russia	USD/RUB	78.00	81.00	85.00	80.00	85.00	90.00	95.00	100.00
Russia	EUR/RUB	85.80	93.15	102.00	96.00	99.45	103.50	109.25	115.00
Kazakhstan	USD/KZT	455.00	460.00	465.00	475.00	475.00	485.00	485.00	500.00
Ukraine	USD/UAH	37.00	38.00	39.00	39.00	37.00	37.00	37.00	36.00
Azerbaijan	USD/AZN	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70
Brazil	USD/BRL	5.10	5.20	5.20	5.20	5.20	5.30	5.40	5.50
Mexico	USD/MXN	18.00	17.78	17.50	17.25	17.00	17.00	17.00	17.00
Chile	USD/CLP	820.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00
China	USD/CNY	6.90	6.75	6.60	6.45	6.35	6.30	6.40	6.20
India	USD/INR	82.00	81.00	80.00	82.00	83.00	84.00	84.00	85.00
Indonesia	USD/IDR	14600.00	14550.00	14300.00	14350.00	14800.00	14700.00	14300.00	14500.00
Korea	USD/KRW	1280.00	1230.00	1280.00	1200.00	1180.00	1150.00	1150.00	1150.00
Philippines	USD/PHP	55.40	54.70	54.15	53.70	53.50	53.00	53.80	52.50
Singapore	USD/SGD	1.32	1.31	1.29	1.29	1.30	1.31	1.30	1.29
Taiwan	USD/TWD	30.70	30.50	29.00	28.50	27.80	27.30	28.50	27.50

Updated 15 May 2023

Source: ING estimates

Commodities forecasts

Oil and Natural gas forecasts (avg)

	1Q23F	2Q23F	3Q23F	4Q23F	2023F	2024F	2025F
Brent (\$/bbl)	82	86	98	104	93	90	75
Dutch TTF (EUR/MWh)	53	47	45	60	51	53	50

Source: ING estimates

Metal forecasts (avg)

Metal forecasts	1Q23F	2Q23F	3Q23F	4Q23F	2023F	2024F	2025F
Copper (\$/tonne)	8950	8950	8980	9000	8970	9100	9300
Aluminium (\$/tonne)	2400	2450	2500	2550	2475	2600	2800
Nickel (\$/tonne)	2600	2450	2500	2550	2525	2300	2400
Zinc (\$/tonne)	3100	2700	2800	2900	2875	2900	2900
Lead (\$/tonne)	2150	2110	2150	2200	2150	2100	2050
Gold (\$/Oz)	1890	2000	2050	2100	2010	2100	2000
Silver (\$/Oz)	22.0	25.0	25.5	26.0	24.5	25.5	24.0
Iron Ore (\$/tonne)	120	100	105	100	106	95	90

Source: ING estimates

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