

US Economics: The Week Ahead

Next Week's Highlights

Focus next week will be on PCE, durable goods orders, ISM manufacturing, and consumer confidence.

Core PCE inflation continued to moderate in May, with MoM growth just rounding up to 0.4%. Headline inflation should continue to outperform, driven by ongoing strength in energy prices.

We expect core capital goods shipments to fall in May by 0.1% MoM. We expect headline durable goods orders declined by 0.5%, with ex-transportation orders down a more-modest 0.1%.

We expect headline ISM manufacturing to fall sharply in June to 52.0, the lowest reading since summer 2020. Rapid tightening in financial conditions and ongoing disruptions to supply chains are leading to a prolonged slump in global and US manufacturing.

We expect consumer confidence to decline for a second consecutive month to 104.0. This would be the lowest level since 2017 but still a more sanguine measure than UMich consumer sentiment, which has fallen to a historical low.

Key Data and Events

	Credit Suisse estimates	Market estimates	Prior results
Monday, June 27			
8:30 AM Durable Goods Orders (May P)	-0.5%	0.4%	0.5%
Durables Ex Transportation	-0.1%	0.4%	0.4%
Cap Goods Ship Nondef Ex Air	-0.1%	NA	0.8%
Tuesday, June 28			
10:00 AM Conf. Board Consumer Confid. (Jun)	104.0	100	106.4
Wednesday, June 29			
11:30 AM Fed's Mester Speaks on Panel at ECB Forum in Sintra			
Thursday, June 30			
8:30 AM Personal Income (May)	0.5%	0.5%	0.4%
Personal Spending	0.3%	0.8%	0.9%
Real Personal Spending	-0.3%	NA	0.7%
PCE Deflator MoM / YoY	0.6% / 6.3%	NA / NA	0.2% / 6.3%
PCE Core Deflator MoM / YoY	0.4% / 4.7%	0.5% / NA	0.3% / 4.9%
Friday, July 1			
10:00 AM ISM Manufacturing (Jun)	52.0	55.8	56.1

Source: Credit Suisse, the BLOOMBERG PROFESSIONAL™ service

Important Information

THIS IS NOT RESEARCH. PLEASE REFER TO THE IMPORTANT DISCLOSURES AND CONTACT YOUR CREDIT SUISSE REPRESENTATIVE FOR MORE DETAILS. This report represents the views of the Investment Strategy Department of Credit Suisse and has not been prepared in accordance with the legal requirements designed to promote the independence of investment research. It is not a product of the Credit Suisse Research Department and the view of the Investment Strategy Department may differ materially from the views of the Credit Suisse Research Department and other divisions at Credit Suisse, even if it references published research recommendations. Credit Suisse has a number of policies in place to promote the independence of Credit Suisse's Research Departments from Credit Suisse's Investment Strategy-and other departments and to manage conflicts of interest, including policies relating to dealing ahead of the dissemination of investment research. These policies do not apply to the views of Investment Strategists contained in this report.

CONTRIBUTORS

Jeremy Schwartz

Xiao Cui

Charlie Landry

Justin Guo

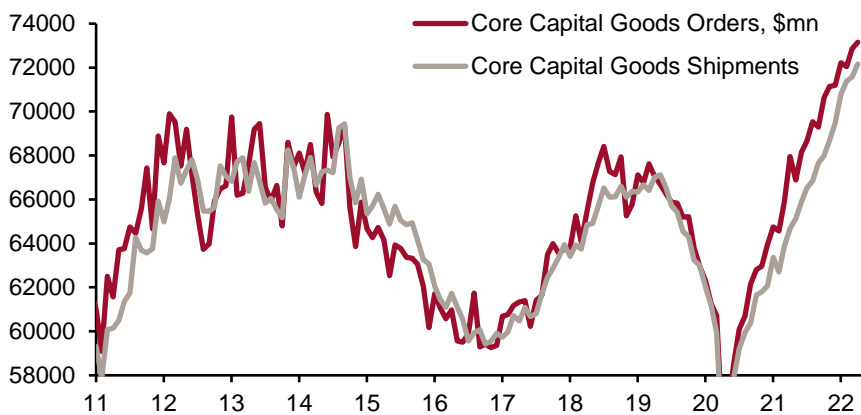
Durable Goods Orders (May) Forecast: -0.5% MoM**Ex Transportation: -0.1%****Core Capital Goods Shipments: -0.1%**

We expect core capital goods shipments, a proxy for business equipment investment, to fall in May by 0.1% MoM. This would be the first decline in shipments in 14 months. Business sentiment has deteriorated amid tightening financial conditions, and business surveys point to a slowdown in capital expenditure intentions. We expect headline durable goods orders to fall by 0.5% and ex transportation orders to decline more modestly by 0.1%.

Stress in financial markets, a rising dollar, and global growth weakness are all clear headwinds to business capex. Sentiment is declining and we expect some pullback in investment plans in the coming quarters.

Figure 1: We expect core capital goods shipments, a proxy for business equipment investment, to fall in May by 0.1% MoM

SA, USD mil.



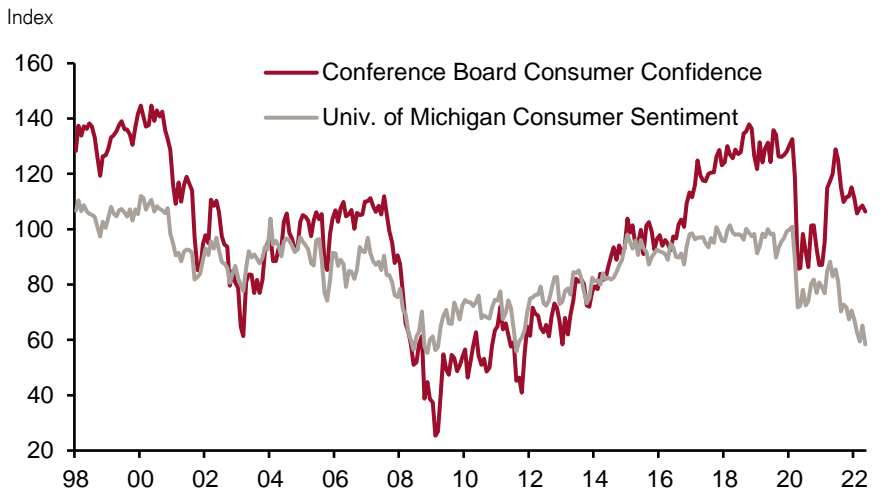
Source: Credit Suisse, Census Bureau

Conf. Board Consumer Confidence (Jun) Forecast: 104.0

We expect consumer confidence to fall for the second consecutive month to 104.0. This would be the lowest level since 2017 but still a more sanguine measure than UMich consumer sentiment, which has dropped to a historical low. Compared to the UMich measure, the Conference Board measure is less sensitive to inflation and more correlated with labor market conditions. We expect the labor market differential (% of respondents who think jobs are plentiful – jobs hard to get) to continue to fall, as news about hiring freezes and recession risks likely dampened households' perception about the health of the labor market.

Monday, June 27
8:30 AMTuesday, June 28
10:00 AM

Figure 2: We expect consumer confidence to fall for the second consecutive month to 104.0

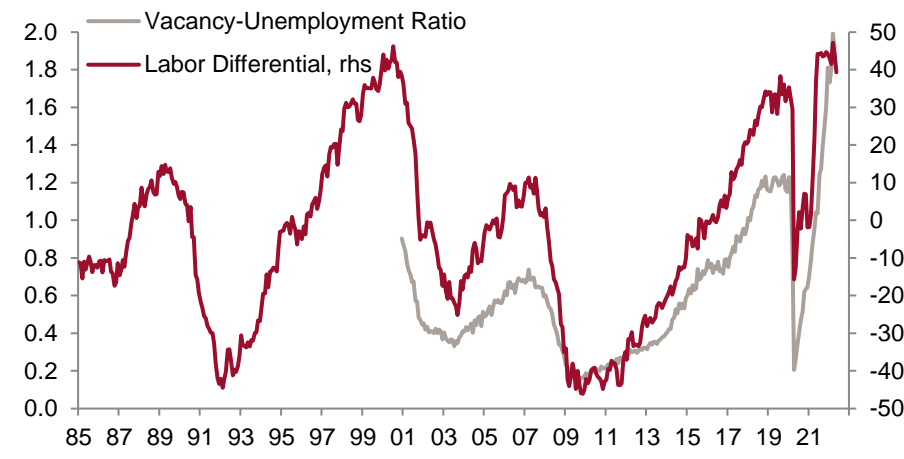


Source: Credit Suisse, Conference Board, U. of Mich.

Figure 3: We expect the labor market differential to continue to fall, as news about hiring freezes and recession risks likely dampened households' perception about the health of the labor market

Vacancy to unemployment ratio is the number of job openings per unemployed worker

Labor differential is the percentage of respondents who think that jobs are plentiful – jobs are hard to get



Source: Credit Suisse, Bureau of Labor Statistics, Conference Board

Personal Income (May) Forecast: 0.5% MoM

Personal Spending: 0.3%

Real Personal Spending: -0.3%

PCE Deflator: 0.6% MoM / 6.3% YoY

Core PCE Deflator: 0.4% MoM / 4.7% YoY

We expect core PCE inflation continued to moderate in May, with MoM growth just rounding up to 0.4%. CPI inflation picked up sharply this month, but most of the upside surprise was concentrated in components that don't factor into PCE

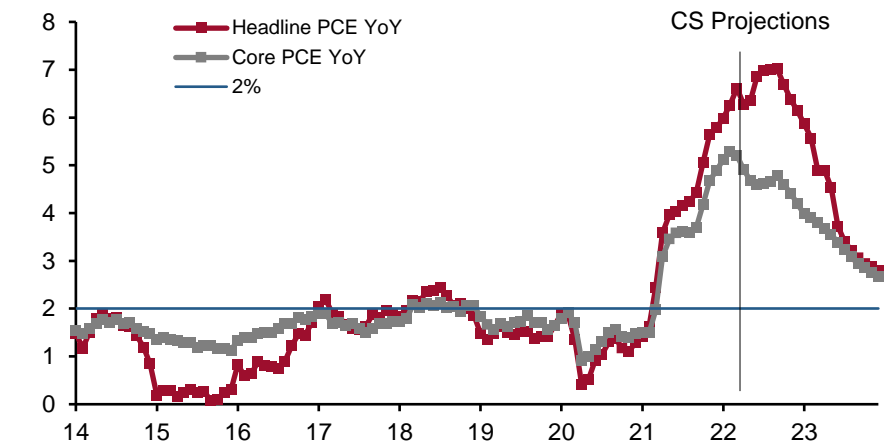
Thursday, June 30
8:30 AM

estimates. Headline inflation should continue to outperform, driven by ongoing strength in energy prices.

Core PCE has likely already peaked for this cycle, and we expect ongoing moderation in the second half of the year. However, the near-term outlook for headline inflation is less certain. The Fed has indicated that it will be especially responsive to realized headline inflation as it considers easing the path of rate hikes later this year.

Consumer spending likely contracted in May, with a large decline in real retail sales only partly offset by ongoing recovery in discretionary services. We expect goods spending to remain under pressure as tighter financial conditions and worsening sentiment cause households to reconsider large durable goods purchases.

Figure 4: Core PCE has likely already peaked for this cycle, and we expect ongoing moderation in the second half of the year



Source: Credit Suisse, Bureau of Economic Analysis

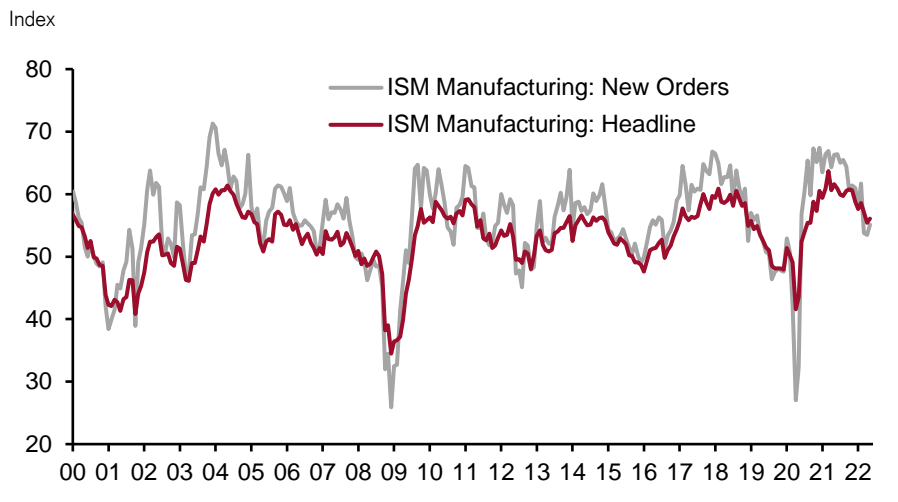
ISM Manufacturing (Jun) Forecast: 52.0

We expect headline ISM manufacturing to fall sharply in June to 52.0, the lowest reading since summer 2020. Regional manufacturing surveys and the Markit PMI have moved lower, with a number of key indicators dropping into negative territory. Measures of supply chain stress have eased across a range of surveys, but we expect slow supplier deliveries to continue to support the headline ISM measure despite a worse downturn in new orders and production.

Global growth momentum is picking up modestly, but in our view, this is mostly a technical bounce amid a broader slump. Rapid tightening in financial conditions and ongoing disruptions to supply chains should lead to weakening goods demand. A recession is not our base case, but prolonged below-trend growth will leave the global economy increasingly vulnerable to new negative shocks.

Friday, July 1
10:00 AM

Figure 5: We expect headline ISM manufacturing to fall sharply in June to 52.0, the lowest reading since summer 2020



Source: Credit Suisse, ISM

Calendar of Key Data and Events

		Credit Suisse Forecasts	Market Estimates	Prior Results
Monday, June 27				
8:30 AM	Durable Goods Orders (May P)	-0.5%	0.4%	0.5%
	Durables Ex Transportation (May P)	-0.1%	0.4%	0.4%
	Cap Goods Orders Nondef Ex Air (May P)	NA	NA	0.4%
	Cap Goods Ship Nondef Ex Air (May P)	-0.1%	NA	0.8%
10:00 AM	Pending Home Sales MoM (May)	NA	NA	-3.9%
10:30 AM	Dallas Fed Manf. Activity (Jun)	NA	NA	-7.3
Tuesday, June 28				
8:30 AM	Advance Goods Trade Balance (May)	NA	-\$102.0b	-\$106.7b
	Wholesale Inventories MoM (May P)	NA	NA	2.2%
	Retail Inventories MoM (May)	NA	NA	0.7%
9:00 AM	FHFA House Price Index MoM (Apr)	NA	NA	1.5%
	S&P CoreLogic CS 20-City MoM SA (Apr)	NA	NA	2.4%
	S&P CoreLogic CS 20-City YoY NSA (Apr)	NA	NA	21.2%
	S&P CoreLogic CS US HPI YoY NSA (Apr)	NA	NA	20.6%
10:00 AM	Conf. Board Consumer Confidence (Jun)	104.0	100	106.4
	Richmond Fed Manufact. Index (Jun)	NA	NA	-9
Wednesday, June 29				
8:30 AM	GDP Annualized QoQ (1Q T)	NA	-1.4%	-1.5%
	Personal Consumption (1Q T)	NA	NA	3.1%
	GDP Price Index (1Q T)	NA	NA	8.1%
	Core PCE QoQ (1Q T)	NA	NA	5.1%
11:30 AM	Fed's Mester Speaks on Panel at ECB Forum in Sintra			
Thursday, June 30				
8:30 AM	Initial Jobless Claims (wk end 25-Jun)	NA	NA	NA
	Continuing Claims (wk end 18-Jun)	NA	NA	NA
	Personal Income (May)	0.5%	0.5%	0.4%
	Personal Spending (May)	0.3%	0.8%	0.9%
	Real Personal Spending (May)	-0.3%	NA	0.7%
	PCE Deflator MoM (May)	0.6%	NA	0.2%
	PCE Deflator YoY (May)	6.3%	NA	6.3%
	PCE Core Deflator MoM (May)	0.4%	0.5%	0.3%
	PCE Core Deflator YoY (May)	4.7%	NA	4.9%
Friday, July 1				
10:00 AM	Construction Spending MoM (May)	NA	0.7%	0.2%
	ISM Manufacturing (Jun)	52.0	55.8	56.1
	ISM Prices Paid (Jun)	NA	NA	82.2
	ISM New Orders (Jun)	NA	NA	55.1
	ISM Employment (Jun)	NA	NA	49.6
PM	Wards Total Vehicle Sales (Jun)	NA	13.70m	12.68m

Source: the BLOOMBERG PROFESSIONAL™ service, Credit Suisse

US Monthly CPI Forecast

	CPI NSA Index	CPI SA, MoM%	Core CPI SA, MoM%	CPI YoY%	Core CPI YoY%	Purchasing power of a 1982-84 consumer dollar
May-22 (Actual)	292.296	1.0	0.6	8.6	6.0	0.342
Jun-22	295.575	1.1	0.5	8.8	5.7	0.338
Jul-22	297.487	0.6	0.4	9.0	5.8	0.336
Aug-22	298.564	0.5	0.4	9.1	6.0	0.335
Sep-22	299.528	0.5	0.4	9.2	6.2	0.334
Oct-22	300.690	0.4	0.4	8.7	5.9	0.333
Nov-22	301.219	0.4	0.4	8.4	5.7	0.332
Dec-22	301.568	0.4	0.4	8.2	5.5	0.332

2022 FOMC Meetings	2022 FOMC Voting Members	2022 FOMC Minutes
January 25-26	Jerome Powell, Board of Governors, Chair	January 5
March 15-16*	Lael Brainard, Board of Governors, Vice Chair	February 16
May 3-4	John Williams, New York Fed Pres., FOMC Vice Chair	April 6
June 14-15*	Christopher Waller, Board of Governors	May 25
July 26-27	Michelle Bowman, Board of Governors	July 6
September 20-21*	Lisa Cook, Board of Governors	August 17
November 1-2	Philip Jefferson, Board of Governors	October 12
December 13-14*	Vacant, Board of Governors	November 22
	Loretta J. Mester, Cleveland Fed President	January 4
	Patrick Harker, Philadelphia Fed President	
	James Bullard, St. Louis Fed President	
	Esther L. George, Kansas City Fed President	

Source: Federal Reserve, Credit Suisse. * includes updated FOMC projections

US Forecasts Detail

Quarter-to-Quarter % Changes at annual rates	2022				2023E				Q4/Q4				Annual Average			
	Q1	Q2E	Q3E	Q4E	Q1	Q2	Q3	Q4	20	21	22E	23E	20	21	22E	23E
Real GDP	-1.5	3.2	2.7	2.1	2.0	2.2	2.2	2.2	-2.3	5.5	1.6	2.2	-3.4	5.7	2.6	2.3
Consumer Spending	3.1	3.5	2.0	1.5	2.3	2.3	2.3	2.3	-2.4	6.9	2.5	2.3	-3.8	7.9	3.2	2.2
Residential Investment	0.4	-6.0	4.0	2.0	2.0	0.0	-1.0	-1.0	15.7	-1.5	0.0	0.0	6.8	9.2	-1.8	0.8
Business Investment	9.2	5.2	5.2	5.2	4.3	4.3	4.3	4.3	-3.8	6.6	6.2	4.3	-5.3	7.4	5.5	4.6
Equipment	13.2	6.0	6.0	6.0	3.0	3.0	3.0	3.0	-0.3	6.5	7.8	3.0	-8.3	13.1	6.4	4.1
Intellectual Property	11.6	6.0	6.0	6.0	7.0	7.0	7.0	7.0	2.5	11.5	7.4	7.0	2.8	10.0	8.7	6.6
Non-Res Structures	-3.6	2.0	2.0	2.0	1.5	1.5	1.5	1.5	-20.0	-2.6	0.6	1.5	-12.5	-8.0	-2.5	1.7
Total Government	-2.7	-0.4	1.4	1.4	1.2	1.2	1.2	1.2	1.2	0.1	-0.1	1.2	2.5	0.5	-1.0	1.1
Federal	-6.0	-1.0	2.0	2.0	1.5	1.5	1.5	1.5	3.1	-1.1	-0.8	1.5	5.0	0.6	-3.2	1.5
State and Local	-0.6	0.0	1.0	1.0	1.0	1.0	1.0	1.0	0.0	0.8	0.3	1.0	0.9	0.4	0.3	0.9
Net Exports (contr. to GDP, %)	-3.2	1.9	0.3	0.3	-0.1	-0.1	-0.1	-0.1	-0.9	-0.8	-0.1	-0.1	-0.2	-1.9	-0.9	0.2
Real Exports	-5.4	3.1	7.0	7.0	3.0	3.0	3.0	3.0	-10.7	4.9	2.8	3.0	-13.6	4.5	4.1	4.2
Real Imports	18.3	-7.7	2.5	2.5	2.5	2.5	2.5	2.5	0.3	9.6	3.5	2.5	-8.9	14.0	7.5	1.8
Inventories (contr. To GDP, %)	-1.1	-1.1	-0.2	-0.3	-0.4	-0.1	-0.1	-0.1	0.9	0.9	-0.7	-0.2	-0.6	0.1	0.6	-0.4
Nominal GDP	6.5	5.4	8.1	5.7	5.1	5.3	5.0	4.9	-1.0	11.8	6.4	5.1	-2.2	10.1	8.5	5.6
CPI (y/y%)	8.0	8.5	8.9	8.3	6.8	5.1	3.6	3.0	1.2	6.7	8.3	3.0	1.2	4.7	8.4	4.6
Core CPI (y/y%)	6.3	5.9	6.0	5.7	5.0	4.2	3.6	3.3	1.6	5.0	5.7	3.3	1.7	3.6	6.0	4.0
Core PCE (y/y%)	5.2	4.7	4.7	4.4	3.9	3.5	3.1	2.8	1.4	4.6	4.4	2.8	1.4	3.3	4.8	3.3
Industrial Production	7.7	8.7	4.1	2.0	--	--	--	--	-4.3	4.4	5.6	--	-7.2	5.5	5.7	--
Unemployment Rate (qtr. Avg., %)	3.8	3.6	3.5	3.4	3.4	3.4	3.4	3.4	6.8	4.2	3.4	3.4	8.1	5.4	3.6	3.4
Fed Funds Rate (end of pd., %)	0.25-	1.50-	2.75-	3.50-	3.75-	3.75-	3.75-	3.75-	0-0.25	0-0.25	3.50-	3.75-	-	-	-	-
	0.50	1.75	3.00	3.75	4.00	4.00	4.00	4.00			3.75	4.00				

Source: BEA, CBO, Credit Suisse, Federal Reserve, Haver Analytics®

Selected Economic Indicators

	2022												2021
	MAY	APR	MAR	FEB	JAN	DEC	NOV	OCT	SEP	AUG	JUL	JUN	MAY
Labor													
Non-Farm Payrolls (Chg. in thousands)	390	436	398	714	504	588	647	677	424	517	689	557	447
Private Payrolls (Chg. in thousands)	333	405	385	704	492	561	627	694	409	497	638	508	381
Unemployment Rate (%)	3.6	3.6	3.6	3.8	4.0	3.9	4.2	4.6	4.7	5.2	5.4	5.9	5.8
Average Hourly Earnings (\$/Hour, SA)	31.95	31.85	31.75	31.60	31.56	31.38	31.23	31.11	30.92	30.76	30.67	30.52	30.36
Average Hourly Earnings (YoY%)	5.2	5.5	5.6	5.2	5.4	4.9	5.3	5.4	4.8	4.3	4.3	4.0	2.2
Aggregate Hours Worked (MoM%)	0.3	0.3	0.0	0.9	-0.2	0.5	0.5	0.5	0.6	0.1	0.6	0.1	0.3
Aggregate Weekly Payrolls (MoM%)	0.6	0.6	0.5	1.0	0.4	0.9	0.9	1.2	1.1	0.4	1.0	0.6	0.8
Output													
ISM Manufacturing Index (level)	56.1	55.4	57.1	58.6	57.6	58.8	60.6	60.8	60.5	59.7	59.9	60.9	61.6
ISM Manufacturing New Orders (level)	55.1	53.5	53.8	61.7	57.9	61.0	61.4	60.6	64.4	65.5	65.0	66.4	66.3
ISM Non-Manufacturing Index (level)	55.9	57.1	58.3	56.5	59.9	62.3	68.4	66.7	62.6	62.2	64.1	60.7	63.2
Industrial Production (MoM%)	0.2	1.4	0.5	1.0	0.8	-0.2	0.7	1.4	-1.2	-0.1	0.7	0.5	0.7
Capacity Utilization (%)	79.0	78.9	77.9	77.6	76.9	76.4	76.6	76.1	75.1	76.1	76.2	75.7	75.3
Trade Balance-Goods and Services (\$bn)		-87.1	-107.7	-88.1	-88.0	-78.9	-78.0	-68.2	-78.3	-71.4	-69.4	-71.4	-66.6
Real GDP (QoQ%, AR)			-1.5			6.9			2.3			6.7	
Nominal GDP (QoQ%, AR)			6.5			14.5			8.4			13.4	
Consumption													
Retail Sales (MoM%)	-0.3	0.7	1.2	1.7	2.7	-1.6	0.6	1.6	1.0	0.7	-1.0	0.7	-0.5
Retail Sales (YoY%)	8.1	7.8	7.1	17.7	13.7	16.8	18.6	16.5	14.3	15.7	15.8	19.4	28.9
Retail Sales Ex. Auto (MoM%)	0.5	0.4	2.0	1.7	1.6	-1.4	0.5	1.5	1.0	1.2	-0.1	1.8	-0.2
Retail Sales Ex. Auto (YoY%)	11.2	10.5	9.5	17.7	14.0	18.9	19.8	17.9	15.8	16.8	16.2	19.6	27.6
Vehicle Sales, domestic+import (mn, SAAR)	12.7	14.5	13.4	14.0	15.0	12.5	13.0	13.0	12.3	13.1	14.7	15.5	16.9
Personal Consumption (MoM%)		0.9	1.4	0.6	2.1	-0.9	0.5	1.4	0.6	1.1	0.1	1.1	0.0
Disposable Personal Income (MoM%)		0.3	0.4	0.5	-0.9	0.3	0.6	0.7	-1.3	0.3	1.2	0.1	-2.4
Personal Saving Rate (%)		4.4	5.0	5.9	6.0	8.7	7.6	7.5	8.1	9.8	10.5	9.5	10.4
U of Mich Consumer Sentiment (level)	58.4	65.2	59.4	62.8	67.2	70.6	67.4	71.7	72.8	70.3	81.2	85.5	82.9
Inflation													
PCE Price Index (MoM%)		0.2	0.9	0.5	0.5	0.5	0.6	0.6	0.3	0.4	0.4	0.5	0.5
PCE Price Index (YoY%)		6.3	6.6	6.3	6.0	5.8	5.6	5.1	4.4	4.2	4.2	4.0	4.0
Core PCE Price Index (MoM%)		0.3	0.3	0.3	0.4	0.5	0.5	0.5	0.2	0.3	0.3	0.5	0.6
Core PCE Price Index (YoY%)		4.9	5.2	5.3	5.1	4.9	4.7	4.2	3.7	3.6	3.6	3.6	3.5
CPI (MoM%)	1.0	0.3	1.2	0.8	0.6	0.6	0.7	0.9	0.4	0.3	0.5	0.9	0.7
CPI (YoY%)	8.6	8.3	8.5	7.9	7.5	7.0	6.8	6.2	5.4	5.3	5.4	5.4	5.0
Core CPI (MoM%)	0.6	0.6	0.3	0.5	0.6	0.6	0.5	0.6	0.3	0.2	0.3	0.8	0.7
Core CPI (YoY%)	6.0	6.2	6.5	6.4	6.0	5.5	4.9	4.6	4.0	4.0	4.3	4.5	3.8
PPI (MoM%)	0.8	0.4	1.6	1.1	1.2	0.6	1.0	0.7	0.5	0.9	0.9	0.8	1.0
PPI (YoY%)	10.8	10.9	11.5	10.4	10.1	10.0	9.9	8.9	8.8	8.7	8.0	7.6	7.0
Housing													
Housing Starts (thous, AR)	1549	1810	1716	1777	1666	1768	1706	1563	1559	1576	1573	1664	1605
New Home Sales (thous, AR)		591	709	792	831	839	756	671	732	686	726	714	740
Existing Home Sales (thous, AR)	5410	5600	5750	5930	6490	6090	6330	6190	6180	5990	6030	5970	5920
Existing Home Sales-Median Price (YoY%)	14.8	14.3	14.6	15.6	15.3	16.0	15.3	13.6	14.0	16.5	19.3	24.6	25.2
Profits, Productivity and Costs													
Corp. Profits w/IVA and CCadj (YoY%)			12.5			21.0			19.7			45.1	
Non-Farm Productivity (YoY%)			-0.6			1.9			-0.4			2.2	
Unit Labor Costs (YoY%)			8.2			4.3			6.7			1.2	
Fiscal/Monetary Conditions													
Monthly Budget Surplus/Deficit (\$bn)	-66	308	-193	-217	119	-21	-191	-165	-65	-171	-302	-174	-132
Budget, 12m sum (\$bn, Sep is FY total)	-1138	-1204	-1355	-1216	-1191	-1328	-1304	-1170	-1127	-956	-914	-706	-462
Federal Reserve Bank Credit (\$bn)	8878	8902	8899	8890	8822	8719	8644	8517	8408	8294	8182	8039	7864
FRBKC Financial Stress Index (Monthly Avg)	0.0	-0.3	-0.1	-0.3	-0.4	-0.5	-0.7	-0.7	-0.7	-0.7	-0.6	-0.7	-0.8

Source: BEA, Census, BLS, NAR, Federal Reserve, US Treasury, Univ. of Michigan, Credit Suisse

Credit Suisse House View

MSCI Regional Equity Indices

	Market on Jun 22, 2022	Expected absolute market direction	Relative view against benchmark	3M Forecast	12M Forecast
MSCI World	8828	↗	Benchmark	9820	10380
MSCI USA	16442	↗↗	Outperform	18500	19600
MSCI EMU	468	↗	Marketperform	518	548
MSCI Switzerland	5088	↗	Marketperform	5570	5900
MSCI UK	17408	↗	Marketperform	18800	20000
MSCI Japan	2727	↗	Marketperform	2940	3110
MSCI Emerging Markets	145322	↗	Marketperform	157500	166500

Arrows refer to expected absolute market direction, double arrow indicates stronger upside. Relative views are against benchmark index MSCI World. All indices are total return in local currency.

MSCI Regional Equity Indices (Emerging Markets)

	Market on Jun 22, 2022	Expected absolute market direction	Relative view against benchmark	3M Forecast	12M Forecast
MSCI Emerging Markets	145322	↗	Benchmark	157500	166500
MSCI EEMEA	985	↗	Marketperform	1060	1125
MSCI Latin America	26932	↗	Marketperform	29300	31000
MSCI AC APAC	311	↗	Marketperform	335	355
MSCI AC Asia ex Japan	1967	↗↗	Outperform	2140	2260
MSCI Turkey	9635235	↗	Marketperform	9650000	10220000
MSCI Brazil	111643	↗	Marketperform	122500	130000
MSCI Mexico	88264	↗	Marketperform	94000	99500
MSCI China	143	↗↗	Outperform	152	162

Relative views are against benchmark index MSCI EM. All indices are total return in local currency.

Local Equity Indices

	Market on Jun 22, 2022	Expected absolute market direction	Relative view against benchmark	3M Forecast	12M Forecast
S&P 500	3760	↗↗	Outperform	4210	4400
EuroStoxx50	3465	↗	Marketperform	3820	3970
SMI	10528	↗	Marketperform	11520	11970
FTSE 100	7089	↗	Marketperform	7610	7880
TOPIX	1853	↗	Marketperform	1980	2065
S&P ASX 200	6509	↗	Marketperform	7180	7410

Relative views are against benchmark index MSCI AC World.

Credit Suisse House View

MSCI Global Sectors (GICS)

	Market on Jun 22, 2022	Expected absolute market direction	Relative view against benchmark	3M Forecast	12M Forecast
MSCI World Energy	452	↗	Marketperform	582	615
MSCI World Materials	543	↗	Marketperform	628	664
MSCI World Industrials	445	↗	Marketperform	516	545
MSCI World Cons Disc.	446	↗	Marketperform	495	520
MSCI World Cons Staples	472	→	Underperform	503	530
MSCI World Healthcare	499	↗↗	Outperform	550	590
MSCI World Financials	244	↗	Marketperform	276	292
MSCI World IT	512	↗	Marketperform	566	598
MSCI World Comm Services	175	↗	Marketperform	205	217
MSCI World Utilities	362	↗	Marketperform	424	448
MSCI World Real Estate	1256	↗	Marketperform	1410	1490

Relative views are against benchmark index MSCI World. All indices are total return in local currency.

10Y Government Bond Yields

	Market on Jun 22, 2022	Expected absolute direction	Relative view against global 7-10 bonds	3M Forecast	12M Forecast
USA	3.25%	→	Neutral Duration	3.40%	3.50%
Germany	1.64%	→	Neutral Duration	1.80%	1.90%
UK	2.50%	→	Neutral Duration	2.60%	2.70%
Japan	0.24%	→	Neutral Duration	0.25%	0.35%
Australia	3.99%	→	Neutral Duration	3.70%	3.60%
Switzerland	1.38%	→	Neutral Duration	1.50%	1.60%

Relative views are the preferred positioning against the 1-10 year LC Index of the respective country.

Fixed Income Total Return Indices

	Expected absolute direction	Relative view against benchmark	3M exp. Return	12M exp. Return
Barclays Global Aggregate	→	Benchmark	0.00%	0.10%
Barclays Global IG Corp	→	Marketperform	0.08%	0.31%
Barclays Global HY Corp	→	Marketperform	-0.91%	-3.65%
JPM EMBI Global Diversified HC	↗	Outperform		
JPM GBI-EM Global Divers. LC	→	Marketperform		

Relative views are against benchmark index Barclays Global Aggregate. All indices are total return hedged in USD.

FX & Commodities

	Market on Jun 22, 2022	Expected absolute direction	3M Forecast	12M Forecast
EUR/USD	1.05	→	1.03	1.07
USD/JPY	136	→	138	135
GBP/USD	1.22	→	1.21	1.25
USD/CHF	0.97	→	0.99	0.95
AUD/USD	0.69	→	0.73	0.75
USD/CAD	1.30	↘	1.20	1.18
Gold (USD / oz)	1829	→	1850	1750
WTI oil (USD / bbl)	103.52	→	120	100

Sources: Credit Suisse, the BLOOMBERG PROFESSIONAL™ service