

US Economics: The Week Ahead

Next Week's Highlights

Focus next week will be on September CPI, retail sales, and on the minutes from the September FOMC meeting.

We expect core CPI to remain elevated in September, slowing just slightly to 0.5% MoM. This would push the YoY reading up to 6.5%, matching its cycle high in March. Headline CPI should rise less sharply by 0.2% MoM (8.0% YoY). A sharp drop in gasoline prices earlier in the month should help with a lower headline reading. Results in-line with our forecast would be slightly higher than current consensus expectations and should strengthen the case for a 75-bp rate hike at the November meeting, instead of a 50-bp increase.

We expect nominal retail sales to be flat in September after a small rise last month. We estimate the retail deflator at -0.3% MoM, indicating real sales of +0.3%. This would be the third consecutive month of increase in real retail sales.

The FOMC raised its fed funds rate target by 75 bps at the September meeting, accompanied by a substantial hawkish shift in economic projections. We expect the minutes to also take a hawkish tone, with officials increasingly concerned about persistent inflation and showing a greater tolerance for economic weakness in order to bring inflation back down to target.

CONTRIBUTORS

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Key Data and Events	Credit Suisse estimates	Market estimates	Prior results
Wednesday, October 12			
2:00 PM FOMC Meeting Minutes			
Thursday, October 13			
8:30 AM CPI MoM (Sep)	0.2%	0.2%	0.1%
CPI Ex Food and Energy MoM (Sep)	0.5%	0.4%	0.6%
CPI YoY (Sep)	8.0%	8.1%	8.3%
CPI Ex Food and Energy YoY (Sep)	6.6%	6.5%	6.3%
Friday, October 14			
8:30 AM Retail Sales Advance MoM (Sep)	0.0%	0.2%	0.3%
Retail Sales Ex Auto MoM (Sep)	-0.8%	-0.1%	-0.3%
Retail Sales Ex Auto and Gas (Sep)	-0.2%	NA	0.3%
Retail Sales Control Group (Sep)	-0.1%	NA	0.0%
10:00 AM U. of Mich. Sentiment (Oct P)	59.5	NA	58.6

Source: Credit Suisse, the BLOOMBERG PROFESSIONAL™ service

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FOMC Meeting Minutes

Wednesday, October 12
2:00 PM

The FOMC raised its fed funds rate target by 75 bps at the September meeting, accompanied by a substantial hawkish shift in economic projections. We expect the minutes to also take a hawkish tone, with officials increasingly concerned about persistent inflation and showing a greater tolerance for economic weakness in order to bring inflation back down to target.

Fedspeak since the meeting has been resolute in the need for more aggressive hiking. Officials from both the dovish and hawkish end of the spectrum have suggested that rates have a ways to go before becoming appropriately restrictive. Although a surging dollar should help with inflation pressures and weaken export demand, officials have rarely mentioned the negative growth impact of the dollar. Instead, they continue to view the labor market as overly tight and are aiming for almost 100 bps of increase in the unemployment rate in the coming year.

We expect the Fed to continue tightening aggressively into next year. We now anticipate another 125 bps of rate hikes this year, followed by an additional 25-bp hike in Q1 of 2023. This would bring terminal rates to 4.50%-4.75%.

As we've noted in our [Global Economics Quarterly](#), our base case and market expectations have become significantly more hawkish in recent months, but in our view, risks are still skewed toward a longer tightening cycle and higher terminal rate. So long as realized inflation is far above target, the Fed will have to react aggressively to upside surprises in inflation or wage data. Meanwhile, with the Fed actively targeting a growth slowdown, there will be less room for a dovish response if growth or labor data begin to deteriorate.

CPI (Sep) Forecast: 0.2% MoM (8.0% YoY)

Ex Food and Energy: 0.5% MoM (6.6% YoY)

Thursday, October 13
8:30 AM

We expect core CPI to remain elevated in September, slowing just slightly to 0.5% MoM after printing 0.6% in August. This would push the YoY reading up to 6.5% from 6.3%, matching its cycle high in March. Headline CPI should rise less sharply by 0.2% MoM, which would bring the YoY lower to 8.0% from 8.3%. A sharp drop in gasoline prices earlier in the month should help with a lower headline reading.

Although we expect core goods inflation to slow, shelter and travel services inflation should keep the core reading elevated.

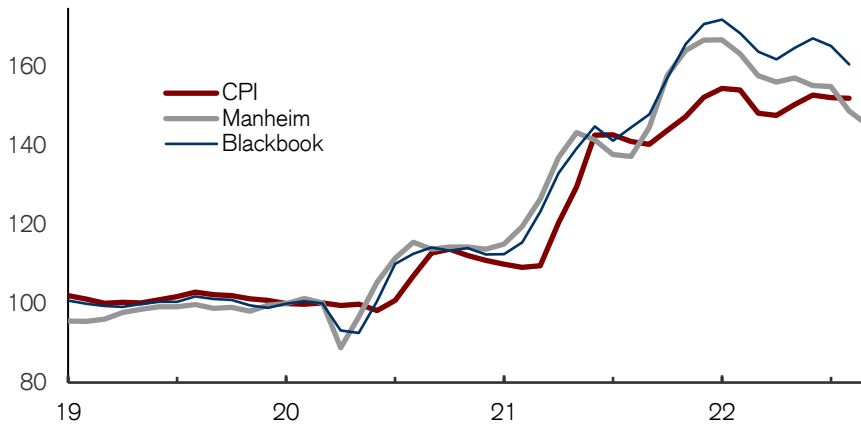
Wholesale prices for used vehicles have come down in the past few months, suggesting retail prices likely declined. Additionally, the mix of weak apparel retail sales and high inventory-to-sales ratios has created downward pressure on retail prices. Meanwhile, new vehicle prices likely continued rising.

Core services inflation should stay strong, especially in housing. We expect both rent and OER to grow 0.6% MoM, continuing their strong increases recently. Although home prices have started to decline recently as mortgage rates surged and demand slumped, this will translate into weakness in measured shelter inflation only after a significant lag. Meanwhile, prices for travel services should rebound after declining in the past few months, as industry data for airfare, hotels, and car rental all registered increases. Services inflation ex housing and travel likely remained elevated given strong wage growth.

FOMC officials have been explicit about their resolve to hike aggressively until actual inflation data start to soften. Results in-line with our forecast would be slightly higher than current consensus expectations and should strengthen the case for a 75-bp rate hike at the November meeting, instead of a 50-bp increase.

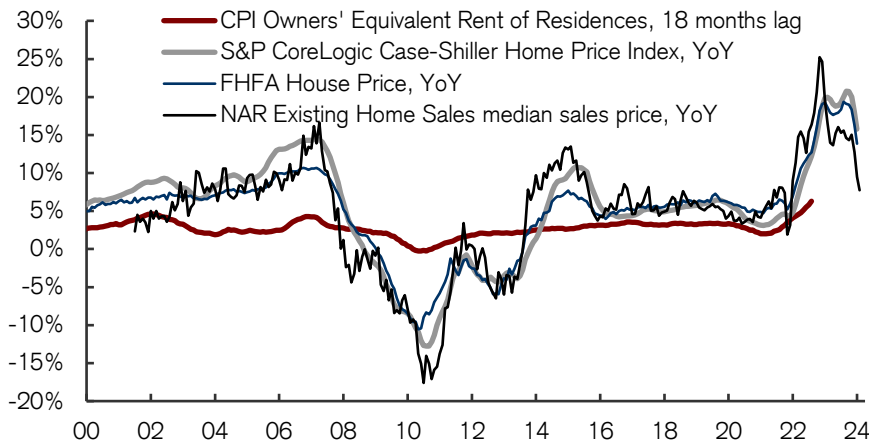
Figure 1: Prices for used vehicles have come down in the past few months, suggesting retail prices likely declined

Used vehicle prices, index; Jan. 2020 = 100



Source: Credit Suisse, Blackbook, Manheim, Bureau of Labor Statistics

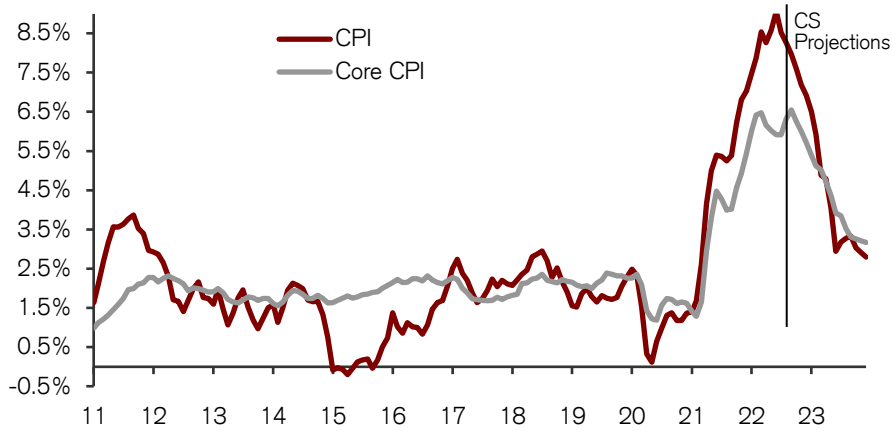
Figure 2: We expect both rent and OER to continue increasing, while home price declines will translate into weakness in measured shelter inflation only after a significant lag



Source: Credit Suisse, Bureau of Labor Statistics, Standard & Poor's, FHFA, NAR

Figure 3: Results in-line with our forecast would be slightly higher than current consensus expectations and should strengthen the case for a 75-bp rate hike at the November FOMC meeting

% YoY



Source: Credit Suisse, Bureau of Labor Statistics

Retail Sales (Sep) Forecast: 0.0% MoM

Ex Auto: -0.8%

Ex Auto and Gas: -0.2%

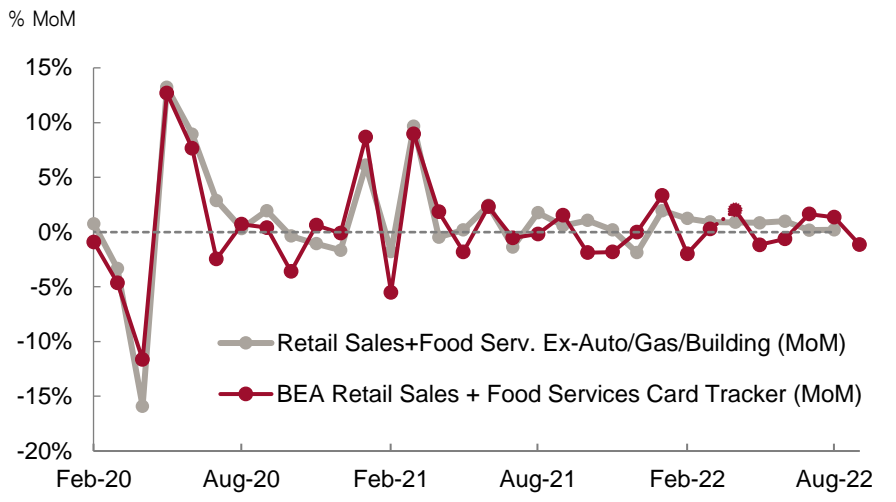
Control Group: -0.1%

We expect nominal retail sales to be flat in September after a small rise last month. We estimate the retail deflator at -0.3% MoM, indicating real sales of +0.3%. This would be the third consecutive month of increase in real retail sales. Auto spending should be a boost this month as unit vehicle sales improved. But gasoline spending will likely drag headline significantly as prices declined on average in September.

Ex auto and gas, we expect spending to contract by 0.2%. High-frequency card spending data showed a small decline in consumption in September. A slump in housing should hurt demand for large durable goods like appliances and furniture. Elevated inflation and tighter borrowing costs have led to a steep drop in sentiment, putting a ceiling on consumption growth. Meanwhile, the earlier decline in gasoline prices likely helped boost consumption on the margin. Overall, we expect real goods spending to fall toward trend through the rest of the year.

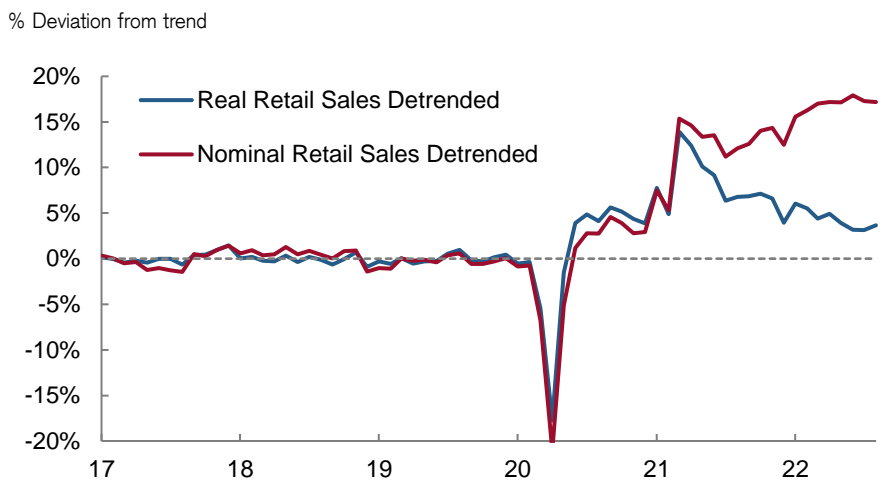
Friday, October 14
8:30 AM

Figure 4: High-frequency card spending data showed a small decline in consumption in September



Source: Credit Suisse, Census Bureau, BEA

Figure 5: We expect real goods spending to fall toward trend through the rest of the year



Source: Credit Suisse, Census Bureau

Calendar of Key Data and Events

		Credit Suisse Forecasts	Market Estimates	Prior Results
Tuesday, October 11				
6:00 AM	NFIB Small Business Optimism (Sep)	NA	91.8	91.8
Wednesday, October 12				
8:30 AM	PPI Ex Food and Energy YoY (Sep)	NA	NA	7.3%
	PPI Final Demand MoM (Sep)	NA	0.2%	-0.1%
	PPI Ex Food and Energy MoM (Sep)	NA	0.3%	0.4%
	PPI Ex Food, Energy, Trade MoM (Sep)	NA	0.2%	0.2%
	PPI Final Demand YoY (Sep)	NA	8.4%	8.7%
	PPI Ex Food, Energy, Trade YoY (Sep)	NA	NA	5.6%
2:00 PM	FOMC Meeting Minutes			
Thursday, October 13				
8:30 AM	CPI MoM (Sep)	0.2%	0.2%	0.1%
	CPI Ex Food and Energy MoM (Sep)	0.5%	0.4%	0.6%
	CPI YoY (Sep)	8.0%	8.1%	8.3%
	CPI Ex Food and Energy YoY (Sep)	6.6%	6.5%	6.3%
	CPI Index NSA (Sep)	NA	296.474	296.171
	CPI Core Index SA (Sep)	NA	NA	296.95
	Initial Jobless Claims (wk end 8-Oct)	NA	NA	NA
	Continuing Claims (wk end 1-Oct)	NA	NA	NA
Friday, October 14				
8:30 AM	Retail Sales Advance MoM (Sep)	0.0%	0.2%	0.3%
	Retail Sales Ex Auto MoM (Sep)	-0.8%	-0.1%	-0.3%
	Retail Sales Ex Auto and Gas (Sep)	-0.2%	NA	0.3%
	Retail Sales Control Group (Sep)	-0.1%	NA	0.0%
	Import Price Index MoM (Sep)	NA	-1.2%	-1.0%
	Import Price Index YoY (Sep)	NA	NA	7.8%
10:00 AM	Business Inventories (Aug)	NA	0.9%	0.6%
	U. of Mich. Sentiment (Oct P)	59.5	NA	58.6
	U. of Mich. Current Conditions (Oct P)	NA	NA	59.7
	U. of Mich. 1 Yr Inflation (Oct P)	NA	NA	4.7%
	U. of Mich. 5-10 Yr Inflation (Oct P)	NA	NA	2.7%

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
Aug-22 (Actual)	296.171	0.1	0.6	8.3	6.3	0.338
Sep-22	296.175	0.2	0.5	8.0	6.5	0.338
Oct-22	297.575	0.5	0.3	7.6	6.2	0.336
Nov-22	297.933	0.3	0.3	7.2	6.0	0.336
Dec-22	298.088	0.3	0.3	6.9	5.7	0.335

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*	Michael Barr, 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	Q2	Q3E	Q4E	Q1	Q2	Q3	Q4	20	21	22E	23E	20	21	22E	23E
Real GDP	-1.6	-0.6	1.0	1.4	0.9	0.9	0.7	0.7	-2.3	5.5	0.0	0.8	-3.4	5.7	1.6	0.9
Consumer Spending	1.8	1.5	1.0	1.8	1.5	1.5	1.5	1.5	-2.4	6.9	1.5	1.5	-3.8	7.9	2.4	1.5
Residential Investment	0.5	-16.2	-20.0	-2.0	-3.0	-3.0	-4.0	-4.0	15.7	-1.5	-9.9	-3.5	6.8	9.2	-7.1	-6.3
Business Investment	10.0	0.0	2.8	1.6	0.4	0.4	-1.2	-1.2	-3.8	6.6	3.5	-0.4	-5.3	7.4	4.2	0.6
Equipment	14.1	-2.7	2.0	-1.0	-1.0	-1.0	-2.0	-2.0	-0.3	6.5	2.9	-1.5	-8.3	13.1	4.0	-0.9
Intellectual Property	11.2	10.0	4.0	4.0	2.0	2.0	0.0	0.0	2.5	11.5	7.3	1.0	2.8	10.0	9.0	2.7
Non-Res Structures	-0.9	-13.2	2.0	2.0	0.0	0.0	-2.0	-2.0	-20.0	-2.6	-2.7	-1.0	-12.5	-8.0	-4.7	-0.7
Total Government	-2.9	-1.8	-0.2	-0.2	0.1	0.1	0.0	0.0	1.2	0.1	-1.3	0.1	2.5	0.5	-1.6	-0.1
Federal	-6.8	-3.9	-1.0	-1.0	0.0	0.0	0.0	0.0	3.1	-1.1	-3.2	0.0	5.0	0.6	-4.4	-0.6
State and Local	-0.5	-0.6	0.3	0.3	0.2	0.2	0.0	0.0	0.0	0.8	-0.1	0.1	0.9	0.4	0.1	0.1
Net Exports (contr. to GDP, %)	-3.2	1.4	0.8	0.1	0.0	0.0	0.0	0.0	-0.9	-0.8	-0.2	0.0	-0.2	-1.6	-0.8	0.2
Real Exports	-4.8	17.6	5.0	0.0	-1.0	-1.0	-1.0	-1.0	-10.7	4.9	4.1	-1.0	-13.6	4.5	6.2	1.0
Real Imports	18.9	2.8	-2.0	-0.5	-0.5	-0.5	-0.5	-0.5	0.3	9.6	4.5	-0.5	-8.9	14.0	9.0	-0.5
Inventories (contr. To GDP, %)	-0.4	-1.8	0.0	0.0	0.0	0.0	0.0	0.0	0.9	0.9	-0.6	0.0	-0.5	0.0	0.6	-0.1
Nominal GDP	6.6	8.4	5.5	4.6	3.9	4.0	3.6	3.5	-1.0	11.8	6.2	3.7	-2.2	10.1	8.7	4.5
CPI (y/y%)	8.0	8.6	8.2	7.2	5.8	3.9	3.3	2.9	1.2	6.7	7.2	2.9	1.2	4.7	8.0	3.9
Core CPI (y/y%)	6.3	6.0	6.3	6.0	5.2	4.3	3.6	3.2	1.6	5.0	6.0	3.2	1.7	3.6	6.1	4.1
Core PCE (y/y%)	5.2	4.8	5.0	4.7	4.2	3.8	3.3	3.1	1.4	4.6	4.7	3.1	1.4	3.3	4.9	3.6
Industrial Production	4.5	5.4	1.0	-2.0	-0.3	0.4	1.3	0.1	-4.5	4.5	2.2	1.0	-7.0	5.0	3.9	0.3
Unemployment Rate (qtr. Avg., %)	3.8	3.6	3.5	3.5	3.6	3.6	3.7	3.7	6.8	4.2	3.5	3.7	8.1	5.4	3.6	3.7
Fed Funds Rate (end of pd., %)	0.25-	1.50-	3.00-	4.25-	4.5-	4.5-	4.5-	4.5-	0-0.25	0-0.25	4.5	4.75	-	-	-	-

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

Selected Economic Indicators

	2022												2021													
	SEP	AUG	JUL	JUN	MAY	APR	MAR	FEB	JAN	DEC	NOV	OCT	SEP	SEP	AUG	JUL	JUN	MAY	APR	MAR	FEB	JAN	DEC	NOV	OCT	SEP
Labor																										
Non-Farm Payrolls (Chg. in thousands)		315	526	293	386	368	398	714	504	588	647	677	424													
Private Payrolls (Chg. in thousands)		308	477	346	331	368	385	704	492	561	627	694	409													
Unemployment Rate (%)		3.7	3.5	3.6	3.6	3.6	3.6	3.8	4.0	3.9	4.2	4.6	4.7													
Average Hourly Earnings (\$/Hour, SA)		32.36	32.26	32.11	31.98	31.86	31.75	31.60	31.56	31.38	31.23	31.11	30.92													
Average Hourly Earnings (YoY%)		5.2	5.2	5.2	5.3	5.5	5.6	5.2	5.4	4.9	5.3	5.4	4.8													
Aggregate Hours Worked (MoM%)		-0.1	0.6	0.0	0.3	0.3	0.0	0.9	-0.2	0.5	0.5	0.5	0.6													
Aggregate Weekly Payrolls (MoM%)		0.3	1.1	0.4	0.6	0.6	0.5	1.0	0.4	0.9	0.9	1.2	1.1													
Output																										
ISM Manufacturing Index (level)	50.9	52.8	52.8	53.0	56.1	55.4	57.1	58.6	57.6	58.8	60.6	60.8	60.5													
ISM Manufacturing New Orders (level)	47.1	51.3	48.0	49.2	55.1	53.5	53.8	61.7	57.9	61.0	61.4	60.6	64.4													
ISM Non-Manufacturing Index (level)	56.7	56.9	56.7	55.3	55.9	57.1	58.3	56.5	59.9	62.3	68.4	66.7	62.6													
Industrial Production (MoM%)		-0.2	0.5	0.0	-0.1	0.7	0.7	0.7	0.4	-0.2	0.6	1.5	-1.0													
Capacity Utilization (%)		80.0	80.2	79.9	80.0	80.2	79.8	79.4	78.9	78.7	79.0	78.6	77.4													
Trade Balance-Goods and Services (\$bn)		-67.4	-70.5	-80.9	-85.9	-86.7	-106.9	-87.8	-88.0	-78.9	-78.0	-68.2	-78.3													
Real GDP (QoQ%, AR)					-0.6		-1.6			7.0			2.7													
Nominal GDP (QoQ%, AR)				8.5		6.6				14.3			9.0													
Consumption																										
Retail Sales (MoM%)		0.3	-0.4	1.0	0.4	0.7	1.2	1.7	2.7	-1.6	0.6	1.6	0.8													
Retail Sales (YoY%)		9.1	10.1	8.8	8.7	7.8	7.1	17.7	13.7	16.8	18.6	16.5	14.3													
Retail Sales Ex. Auto (MoM%)		-0.3	0.0	1.1	1.3	0.5	2.0	1.7	1.6	-1.4	0.5	1.5	0.9													
Retail Sales Ex. Auto (YoY%)		9.7	12.1	11.0	12.0	10.5	9.5	17.7	14.0	18.9	19.8	17.9	15.8													
Vehicle Sales, domestic+import (mn, SAAR)	13.5	13.1	13.3	13.0	12.6	14.3	13.6	13.7	15.1	12.7	13.1	13.2	12.3													
Personal Consumption (MoM%)		0.4	-0.2	1.2	0.7	0.4	1.2	0.7	1.2	-0.2	0.5	1.3	0.8													
Disposable Personal Income (MoM%)		0.4	0.3	0.6	0.6	0.3	0.5	0.5	-1.7	0.2	0.3	0.6	-1.1													
Personal Saving Rate (%)		3.5	3.5	3.0	3.6	3.7	3.8	4.5	4.7	7.5	7.1	7.3	7.9													
U of Mich Consumer Sentiment (level)	58.6	58.2	51.5	50.0	58.4	65.2	59.4	62.8	67.2	70.6	67.4	71.7	72.8													
Inflation																										
PCE Price Index (MoM%)		0.3	-0.1	1.0	0.6	0.2	1.0	0.6	0.5	0.5	0.6	0.6	0.3													
PCE Price Index (YoY%)		6.2	6.4	7.0	6.5	6.4	6.8	6.4	6.1	6.0	5.9	5.2	4.7													
Core PCE Price Index (MoM%)		0.6	0.0	0.6	0.4	0.3	0.4	0.4	0.5	0.5	0.5	0.4	0.2													
Core PCE Price Index (YoY%)		4.9	4.7	5.0	4.9	5.0	5.4	5.4	5.2	5.0	4.8	4.3	3.9													
CPI (MoM%)		0.1	0.0	1.3	1.0	0.3	1.2	0.8	0.6	0.6	0.7	0.9	0.4													
CPI (YoY%)		8.3	8.5	9.1	8.6	8.3	8.5	7.9	7.5	7.0	6.8	6.2	5.4													
Core CPI (MoM%)		0.6	0.3	0.7	0.6	0.6	0.3	0.5	0.6	0.6	0.5	0.6	0.3													
Core CPI (YoY%)		6.3	5.9	5.9	6.0	6.2	6.5	6.4	6.0	5.5	4.9	4.6	4.0													
PPI (MoM%)		-0.1	-0.4	1.0	0.8	0.5	1.7	1.1	1.2	0.6	1.0	0.7	0.5													
PPI (YoY%)		8.7	9.8	11.3	11.1	11.2	11.7	10.4	10.1	10.0	9.9	8.9	8.8													
Housing																										
Housing Starts (thous, AR)		1575	1404	1575	1562	1805	1716	1777	1666	1768	1706	1563	1559													
New Home Sales (thous, AR)		685	532	582	636	619	707	790	831	839	756	671	732													
Existing Home Sales (thous, AR)		4800	4820	5110	5410	5600	5750	5930	6490	6090	6330	6190	6180													
Existing Home Sales-Median Price (YoY%)		7.7	9.5	12.8	15.0	14.3	14.6	15.6	15.3	16.0	15.3	13.6	14.0													
Profits, Productivity and Costs																										
Corp. Profits w/IVA and CCadj (YoY%)				7.7		10.9				22.3			15.3													
Non-Farm Productivity (YoY%)				-2.4		-0.6				1.9			-0.4													
Unit Labor Costs (YoY%)				9.3		8.2				4.3			6.7													
Fiscal/Monetary Conditions																										
Monthly Budget Surplus/Deficit (\$bn)		-220	-211	-89	-66	308	-193	-217	119	-21	-191	-165	-65													
Budget, 12m sum (\$bn, Sep is FY total)		-1011	-634	-476	-580	-531	-837	-702	-607	-620	-727	-630	-395													
Federal Reserve Bank Credit (\$bn)	8760	8790	8854	8877	8878	8902	8899	8890	8822	8719	8644	8517	8408													
FRBKC Financial Stress Index (Monthly Avg)		-0.2	0.1	0.1	0.0	-0.3	-0.1	-0.3	-0.4	-0.5	-0.7	-0.6	-0.6													

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

Credit Suisse House View

MSCI Regional Equity Indices

	Market on Oct 5, 2022	Expected absolute market direction	Relative view against benchmark	3M Forecast	12M Forecast
MSCI World	8925	↘	Benchmark	8270	8750
MSCI USA	16167	↘	Marketperform	15450	16350
MSCI EMU	460	↘↘	Underperform	420	445
MSCI Switzerland	5036	→	Outperform	5040	5200
MSCI UK	17517	↘	Marketperform	16550	17600
MSCI Japan	2832	↘	Marketperform	2600	2760
MSCI Emerging Markets	140069	↘	Marketperform	130000	137500

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 Oct 5, 2022	Expected absolute market direction	Relative view against benchmark	3M Forecast	12M Forecast
MSCI Emerging Markets	140069	↘	Benchmark	130000	137500
MSCI EEMEA	1005	↘	Marketperform	930	985
MSCI Latin America	30064	↘	Marketperform	27900	29400
MSCI AC APAC	305	↘	Marketperform	280	300
MSCI AC Asia ex Japan	1851	↘	Marketperform	1710	1810
MSCI Turkey	12743570	↘	Marketperform	11800000	12490000
MSCI Brazil	133402	↘	Marketperform	124000	130500
MSCI Mexico	86435	↘	Marketperform	80000	84500
MSCI China	121	↘	Marketperform	113	120

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

Local Equity Indices

	Market on Oct 5, 2022	Expected absolute market direction	Relative view against benchmark	3M Forecast	12M Forecast
S&P 500	3783	↘	Marketperform	3500	3650
EuroStoxx50	3448	↘↘	Underperform	3125	3250
SMI	10478	→	Outperform	10405	10540
FTSE 100	7053	↘	Marketperform	6605	6820
TOPIX	1913	↘	Marketperform	1760	1840
S&P ASX 200	6816	↘	Marketperform	6290	6470

Relative views are against benchmark index MSCI AC World.

Credit Suisse House View

MSCI Global Sectors (GICS)

	Market on Oct 5, 2022	Expected absolute market direction	Relative view against benchmark	3M Forecast	12M Forecast
MSCI World Energy	488	↘	Marketperform	485	515
MSCI World Materials	515	↘↘	Underperform	470	495
MSCI World Industrials	445	↘	Marketperform	438	463
MSCI World Cons Disc.	459	↘	Marketperform	432	457
MSCI World Cons Staples	459	↘	Marketperform	448	475
MSCI World Healthcare	494	→	Outperform	495	530
MSCI World Financials	241	↘	Marketperform	237	251
MSCI World IT	513	↘	Marketperform	467	494
MSCI World Comm Services	159	↘	Marketperform	159	168
MSCI World Utilities	354	↘	Marketperform	350	372
MSCI World Real Estate	1145	↘	Marketperform	1120	1180

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

10Y Government Bond Yields

	Market on Oct 5, 2022	Expected absolute direction	Relative view against global 7-10 bonds	3M Forecast	12M Forecast
USA	3.64%	→	Neutral Duration	3.90%	3.70%
Germany	2.03%	→	Neutral Duration	2.20%	2.30%
UK	4.04%	→	Neutral Duration	4.10%	4.10%
Japan	0.24%	→	Neutral Duration	0.25%	0.35%
Australia	3.78%	→	Neutral Duration	3.70%	3.60%
Switzerland	1.16%	→	Neutral Duration	1.20%	1.30%

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	0.20%	0.60%
Barclays Global IG Corp	→	Marketperform	0.35%	1.40%
Barclays Global HY Corp	→	Marketperform	0.24%	0.94%
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 Oct 5, 2022	Expected absolute direction	3M Forecast	12M Forecast
EUR/USD	1.00	→	0.97	1.00
USD/JPY	144	→	145	138
GBP/USD	1.14	→	1.07	1.12
USD/CHF	0.98	→	0.96	0.95
AUD/USD	0.65	→	0.64	0.67
USD/CAD	1.36	→	1.36	1.30
Gold (USD / oz)	1719	↘	1650	1700
WTI oil (USD / bbl)	87.96	↘	85	75

Sources: Credit Suisse, the BLOOMBERG PROFESSIONAL™ service