



Bank of the year winner
2005-2009



International Financial Outlook

February 2010

Corporate Markets



Lloyds TSB | for the journey...

Latest key economic and financial market data

Calendar of central bank interest rate meetings (as at 8 February 10)

Region	Current rate	Date of next meeting	LTSB forecast (rate at next meeting)
UK	0.50%	4 March 2010	0.50%
US	0.0-0.25%	16 March 2010	0.0-0.25%
Euro zone	1.00%	4 March 2010	1.00%
Japan	0.10%	18 February 2010	0.10%
Switzerland	0.25%	11 March 2010	0.25%
Norway	1.75%	24 March 2010	1.75%
Sweden	0.25%	11 February 2010	0.25%
Canada	0.25%	2 March 2010	0.25%
Australia	3.75%	2 March 2010	3.75%
New Zealand	2.50%	10 March 2010	2.50%

Key economic data releases in the month ahead (as at 8 February 10)

Region	Indicator	Previous	Indicator	Previous
UK	Trade balance (9/2)	-£6.8bn	Public finances (PSNB) (18/2)	+£15.7bn
	UK Industrial output m/m (10/2)	+0.4%	M4 money supply (y/y) (18/2)	+6.4%
	BoE Quarterly Inflation Report (10/2)		Retail sales m/m (19/2)	+0.3%
	Consumer prices index y/y (16/2)	+2.9%	GfK consumer confidence (26/2)	-17
	Consumer prices index (core) y/y (16/2)	+2.8%	GDP Q4 q/q (2nd estimate) (26/2)	+0.1%
	Retail price index y/y (16/2)	+2.4%	Mortgage approvals (1/3)	+59.0k
	BoE MPC minutes (February) (17/2)		Manufacturing PMI (1/3)	56.7
	Unemployment rate (17/2)	5.0%	Services PMI (3/3)	54.5
	Average earnings (inc. bns) y/y (17/2)	+0.7%	Producer output prices index m/m (5/3)	+0.4%
	US	Trade balance (10/2)	-\$36.4bn	New home sales (24/2)
Advance retail sales m/m (11/2)		-0.3%	Durable goods (25/2)	+0.3%
Treasury Capital Flows (16/2)		+\$126.8bn	GDP Q4 annualised (prel) (26/2)	+5.7%
Industrial production m/m (17/2)		+0.6%	Existing home sales (26/2)	5.45m
FOMC minutes (February) (17/2)			Core PCE deflator y/y (1/3)	+1.5%
Producer prices m/m (18/2)		+0.2%	ISM Manufacturing (1/3)	58.4
Consumer prices index y/y (19/2)		+2.7%	ISM Non-manufacturing (3/3)	50.5
Consumer prices index (core) y/y (19/2)		+1.8%	NFP change m/m (5/3)	-20k
Consumer confidence (23/2)		55.9	Unemployment rate (5/3)	9.7%
Euro zone		Industrial production y/y (12/2)	-7.1%	M3 money supply y/y (25/2)
	German Zew survey (16/2)	47.2	Unemployment rate (1/3)	+10.0%
	Manufacturing PMI (prel) (21-24/2)	52.4	CPI flash estimate y/y (2/3)	+1.0%
	Services PMI (prel) (21-24/2)	52.5	Retail sales m/m (3/3)	zero
	German IFO survey (23/2)	95.8	GDP Q4 q/q (2nd est) (4/3)	n/a

Summary financial data (as at 5 February 10)

Key equity market indices	Close	Monthly change
Dow Jones Industrial Average	10,012.23	-5.3%
S&P 500	1,066.19	-6.2%
Nikkei 225	10,057.09	-5.8%
FTSE 100	5,060.92	-8.4%
DAX 30	5,434.34	-9.9%
CAC 40	3,563.76	-11.2%
Bond yields	Close	Monthly change
US 2yr Treasury	0.76%	-24.5 Bps
US 10yr Treasury	3.57%	-19.5 Bps
German 2yr Schatz	0.99%	-29.7 Bps
German 10yr Bund	3.12%	-25.3 Bps
UK 2yr Gilt	1.15%	-17.7 Bps
UK 10yr Gilt	3.88%	-13.3 Bps
Japan 2yr JGB	0.17%	0.5 Bps
Japan 10yr JGB	1.37%	3.9 Bps
Commodity prices	Close	Monthly change
Brent Crude Oil (active month)	\$69.6	-13.6%
COMEX Gold (active month)	\$1,052.2	-5.9%
COMEX Silver (active month)	\$14.8	-16.6%
NYMEX Platinum (active month)	\$34.2	-16.9%
LME Aluminium (3 month)	\$1,983.0	-13.0%
LME Copper (3 month)	\$6,260.5	-16.4%
LME Lead (3 month)	\$1,937.5	-21.9%
LME Nickel (3 month)	\$17,450.0	-6.5%
CBOT Corn (active month)	\$351.50	-16.1%
CBOT Wheat (active month)	\$473.25	-14.4%
CBOT Soybean (active month)	\$913.50	-13.2%
Reuters CRB Index	258.6	-10.7%

* All data are sourced to Bloomberg. Date of next release in brackets.

Summary of main changes to exchange & interest rate forecasts

- There are few substantial changes to our exchange and interest rate forecasts this month. Of the advanced economies, the US, despite its challenges, is recovering quicker and stronger than any of its peers. This has reduced the borrowing of dollars to be reinvested in other global assets, resulting in a stronger US dollar. This trend of dollar appreciation, however, is unlikely to occur in a straight line and we expect it to remain volatile. In the meantime, interest rates will likely stay on hold in the major economies until into the second half of 2010. With interest rates likely to be higher in some of the larger emerging markets, we expect the emerging currencies to gain some traction even against a rising dollar.
- The fundamental economic drivers of exchange rates, such as productivity and interest rate differentials, appear to have taken a back-seat to shorter-term market dynamics at this time. This is the most likely explanation behind the continuing strength of the yen, in spite of the serious economic frailties facing Japan. We look for a sharp upward adjustment in \$/Y in the next 12 months, with a target of 99 at end-2010. However, although the US dollar is also likely to have benefited from rising risk aversion recently, we look for the greenback to extend its gains on the basis of US economic growth outperformance versus its main peers and an earlier resumption of monetary tightening than the markets have currently priced in. We look for €/€ at 1.33 by June 2010 and 1.27 at end-2010. £/\$ is seen at 1.53 and 1.49, respectively. Heightened sovereign risk concerns also have the potential to put further selling pressure on the euro and pound in coming months.
- The recent market uncertainty has weighed on emerging market and high yielding currencies, with the Brazilian real and New Zealand dollar bearing the brunt. The potential for further sharp declines clearly remains, particularly since the four biggest fallers last month remain still over 20% higher versus the US\$ year-to-date. Much will depend on market sentiment. However, the prospect of faster economic growth and rising interest rates suggest that certain emerging market currencies, for example the Indonesian rupiah, Turkish lira and Brazilian real, could see a strong bounce-back once confidence about the global recovery is restored. We look for \$/Brl to ease back to 1.79 by end-2010, while \$/Try is forecast at 1.42, from 1.52 currently.
- The decision by the Bank of England MPC not to extend its Asset Purchase Facility this month is unlikely to have been unanimous. We believe there are strong grounds to argue that a further extension cannot be ruled out at a later date, particularly with UK M4 money supply still contracting and economic growth likely to disappoint in H1 2010. Although CPI inflation has picked up sharply of late, potentially necessitating a formal letter from the BoE governor to the chancellor later this month, as it breaches the 3% upper limit of the target, the annual rate is likely to fall off sharply later this year. We disagree with the view that interest rates should be raised to ward off rising inflation expectations and look for the first hike in the tightening cycle in Q1 2011. However, financial market interest rates are likely to head higher well before then.
- The first dissenting vote on the FOMC last month was indicative only of the fact that US interest rates will ultimately have to be raised – even if not in the coming months. We continue to look for the start of a gradual normalisation of US monetary policy later this year, primarily reflecting the waning need for emergency levels of the fed funds rate as economic growth gains traction. We now look for the fed funds rate to end 2010 at 0.75%, rising sharply to 2.25% by Q2 2011. The ECB is likely to be under less pressure to tighten policy this year, with euro zone economic growth likely to be close to just 1% and given that the repo rate already stands at 1%. We look for the repo rate to be unchanged until Q1 2011.

Trevor Williams
Chief Economist, Corporate Markets

Contents

- 1 Forecast summary
- 2 A year of economic recovery, but potential market volatility
- 4 Weak money supply growth argues for continued stimulus
- 6 Forecast commentary on exchange rates and interest rates
- 10 Exchange rates & interest rates - forecast table

Recovery from the worst recession since the second world war is underway

A year of economic recovery, but potential market volatility

After the worst global recession since the end of the Second World War last year, the world economy is set to recover in 2010. What do consensus forecasts suggest that the pace and distribution of this recovery will look like in the year ahead.

All of the G20 economies posted positive gdp expansion in the second half of 2009. Hence it is clear that a widespread economic recovery is underway. This pick-up is a direct consequence of a massive, global co-ordinated fiscal and monetary loosening, mostly undertaken over the period between mid-2008 and mid-2009. Some of that boost was unconventional, in terms of the direct and indirect help offered to financial markets and to companies. But the economic recovery remains fragile in some countries and though the policy loosening of the past year or so will have to be withdrawn, it will have to be done carefully. This is necessary so as not to derail the hard-fought, and costly, economic and financial market recovery now underway.

Driven by exceptionally loose fiscal and monetary policy in all of the major economies which was conducted in a coordinated manner

Not all countries are in the same phase of the economic cycle, however - some have had a worse experience during this global downturn than others. Indeed, some countries like China, Poland and Indonesia did not have a recession at all. This means that the global pace and extent of policy tightening will likely be uneven. For instance, Norway, Israel and Australia have already raised official interest rates, in some cases more than once. Other countries may leave interest rates on hold all year but may withdraw other policy-loosening measures. This poses risks for the economic recovery in 2010, and implies a great deal of potential for financial market volatility during the year as policy changes unfold.

Table I shows however, that growth is expected to accelerate in all of the major economies this year and next. This is despite the rise in oil prices and the expected tightening of fiscal and monetary policy. Details of the forecast show

Table 1: Consensus forecasts for 2010/11

	GDP growth (%)			CPI inflation (%)		
	2009e	2010f	2011f	2009e	2010f	2011f
World	-2.2	3.0	3.6	1.4	2.6	3.3
UK	-4.7	1.5	2.2	2.1	2.4	1.7
US	-2.5	2.9	3.1	-0.3	2.2	1.9
Euro zone	-3.9	1.3	1.6	0.3	1.2	1.5
Japan	-5.4	1.3	1.5	-1.3	-1.0	-0.3
China	8.5	9.7	9.1	-0.7	2.8	3.2
India	6.8	7.8	7.9	10.4	7.1	5.9
Brazil	-0.1	5.1	4.2	4.3	4.5	4.4
Russia	-7.9	4.1	4.5	9.1	7.9	8.7

that the consensus expects consumer spending and industrial output to stage a recovery from the depressed levels of 2009, as world trade volume picks up strongly. Powerful forces for growth released by the cuts in policy interest rates, and unconventional measures and fiscal easing will continue to boost economies well into 2010 and 2011. Moreover, any tightening of policy in the near future will take time to impact, meaning that the impetus to growth from earlier loose policy will outweigh the effects of its reversal for some time.

The fastest growing economies in 2010 will be from the emerging markets, just as in 2009 and, indeed, over the last five years on average. Of the countries shown in table 1, China leads the way. However, India will grow quickly and some of the other large emerging economies will also post faster growth than any of the developed economies both this year and next. Brazil for instance is expected to grow by over 5% this year.

What explains this out-performance of the emerging market economies? The potential for catch-up with developed economies is large given how poor these economies still are and that, combined with the adoption of modern capitalist methods of production and large under utilised labour markets, are unleashing strong gains in productivity in emerging markets that will propel their growth rates for some time.

Chart a: Consensus expects Inflation pressure to be benign

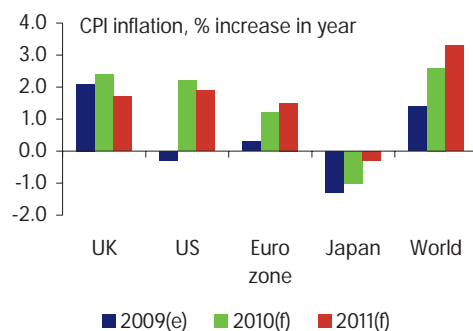
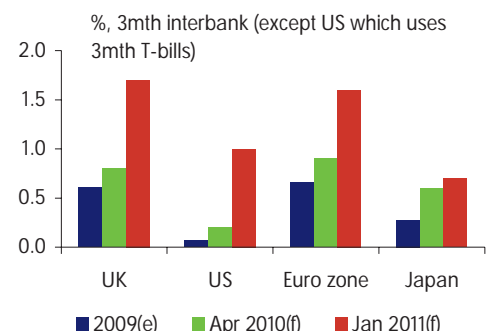


Chart b: Interest rates are expected to rise, modestly



Consensus expects a relatively smooth economic recovery through 2010 and into 2011, but the experience of the past few years suggests such forecasts are prone to very large errors

Table 2: Consensus currency forecasts

	Currency against US\$ (year-end)		
	2009	2010(f)	2011(f)
UK£/US\$	1.62	1.63	1.65
Euro/US\$	1.44	1.44	1.41
US\$/Yen	93.1	96.7	99.0
Australian \$/US\$	0.90	0.89	0.86
US\$/Canadian \$	1.05	1.06	1.06
New Zealand \$/US\$	0.73	0.70	0.67

What does this recovery mean for price inflation in the year ahead? According to the consensus, not much acceleration in inflation is expected to occur. Yes, there is some pick-up in price inflation from the low levels of 2009, but the acceleration is modest, see table 1. Indeed, Japan is expected to experience deflation this year and next. The reason for this is that the overhang of spare capacity created by the downturn will take some time to be used up. Typically, this could take 2-4 years or longer, depending on the pace of recovery from recession (since this recession is linked to a financial crisis recovery in output to pre-crisis levels could take even longer).

In addition, there are risks as policy loosening starts to be reversed and negatively impacts the recovery and create financial market volatility

But, official monetary and fiscal policy have to be tightened ahead of a sharp economic recovery to head off the return of inflation. The consensus is showing that this process gets underway this year. Chart b shows that although the consensus level of US short-term rates is expected to be the second lowest in the chart, it is starting from a lower base than even Japan and so the extent of the tightening is greater. UK and Euro zone interest rates are roughly expected by the consensus to be at the same level by early next year. Bond yields in a year's time are expected to be higher, though not by that much relative to where they are now and where they are projected to be by April 2010.

The consensus currency expectations off the back of the economic changes seem to be

pretty minor. Table 2 shows that the US dollar is expected to be weakening against the pound, slightly stronger against the euro, the Australian and New Zealand dollars, but flat against the Canadian dollar. This is remarkably stable and perhaps at odds with the implied change in short-term interest rates shown in chart b, though not with the change in longer-term rates.

Events of the past 3 years have shown that risks around forecasts of the year ahead can be very large. So what should markets be worried about this year? First, the unwinding of the extraordinary cuts in interest rates, the use of unconventional measures and the tightening of fiscal policy are all likely to be major challenges for the year ahead. Leave policy too loose for too long and there is a risk of inflation and a return of asset price bubbles. Tighten too soon and there is a risk that the recovery stalls. Second, in Europe, the higher indebted economies of Ireland, Greece, Spain and Portugal may have a major adverse market reaction in 2010 if developments through the year prove disappointing. Third, there is a risk of protectionism, from a perception that some economies are not playing fair, by allowing their currencies to depreciate sharply. Four, oil prices are rising and there is a risk that this leads to higher inflation and weaker economic growth. Five, financial markets are recovering based on the current loose monetary and fiscal stance, but once this starts to reverse there is a risk that equity, bonds and credit markets could take fright.

So this is a year in which economic forecasts are particularly prone to error. However, a durable economic recovery does appear to be underway and financial markets are still relatively stable, a much better starting point than a year ago. For that we have to thank a global, coordinated and aggressive policy response in 2009.

**Trevor Williams, Chief Economist,
Corporate Markets**

Since peaking at 9.6% in early 2008, OECD broad money supply growth has almost halved to 5.4%.

Weak money supply growth argues for continued stimulus

A notable feature of the global economic downturn over the past two years has been the marked weakening in money supply growth. Despite unprecedented policy stimulus, the deposits held by the private sector and the amount of bank borrowing undertaken have both slowed sharply. Since peaking at 9.6% in early 2008, OECD annual broad money supply growth has almost halved to 5.4%. As chart a shows, broad money supply in the US, euro zone and UK have all posted sharp slowdowns over the past year, with the annual growth of broad money (M3) in the euro zone recently dipping into negative territory for the first time ever.

The desire of monetary financial institutions to repair their balance sheets has led to a decline in the supply of credit, while uncertainty over the economic outlook has weakened demand for loans. The fall in both the supply of, and demand for, credit has contributed to a decline in the money multiplier - how quickly financial intermediaries convert deposits into new lending - and the velocity of money - how many times money is spent in the economy. These declines, in turn, have exacerbated the fall in both money supply and nominal spending growth.

The rapid slowdown has been symptomatic of the tightening in global credit conditions

That said, there is no clear hard and fast short-term relationship between the money supply and nominal gdp growth. As chart b shows, there was a clear breakdown in the link between UK broad money growth (M4) and nominal gdp from the early to mid-1990s. The breakdown in this relationship, which was also evident in other countries, was largely due to the increased instability of the velocity of money. This was partly related to the growth of debit card transactions and also to changes in the structure of financial intermediation, notably the growth of off-balance sheet vehicles and the increase in capital market funding. The impact of these changes has been to weaken the link between traditional forms of credit growth and nominal spending.

As a result, the importance central banks attach to money supply developments in setting monetary policy has declined since the 1980s. However, although the relationship may be inexact, but money supply trends can still impart useful information about the prospects for an economy. For example, the contraction in the euro zone money supply strongly suggests that nominal gdp growth across the region is likely to remain weak for some time.

More generally, with the world's central banks having embarked on an unprecedented loosening of monetary policy, money supply is once again being monitored for signs of whether the policy stimulus is working. This is particularly the case in the UK, where the Bank of England has gone a step further than most other central banks by injecting around £200bn into the economy through the purchase of financial assets (mostly gilts) from the private sector. These purchases have been financed through the creation of central bank reserves (the so-called policy of Quantitative Easing).

The Bank of England hoped that these purchases would achieve two aims: (i) boost financial asset prices, both gilts, equities and corporate bonds, and thus boost financial and economic confidence; and (ii) by raising the aggregate amount of deposits and reserves held in the banking system, encourage an increase in bank lending, thus raising money supply growth and, with a lag, nominal spending.

So far, evidence of the success of this policy has been mixed. While Quantitative Easing appears to have boosted financial asset prices - equities have risen sharply and corporate bond spreads have narrowed - traditional credit growth and nominal gdp growth have fallen further. As chart b shows, both the headline annual rates of broad money (M4) and nominal gdp growth have continued to drop sharply over the past year.

The detail of the money supply data shows an even weaker prognosis. Transfers between banks and intermediate 'other financial companies' have grown substantially over the

Chart a: Global money supply growth has fallen sharply

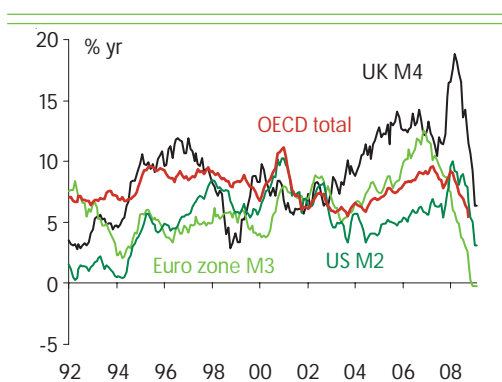
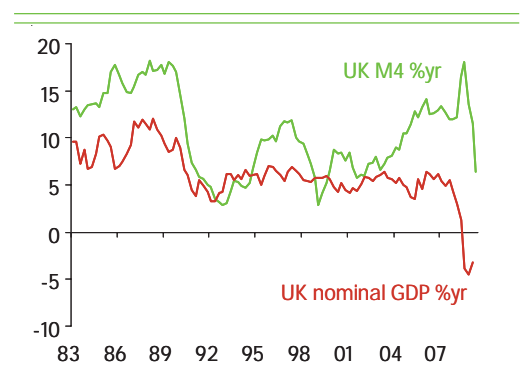
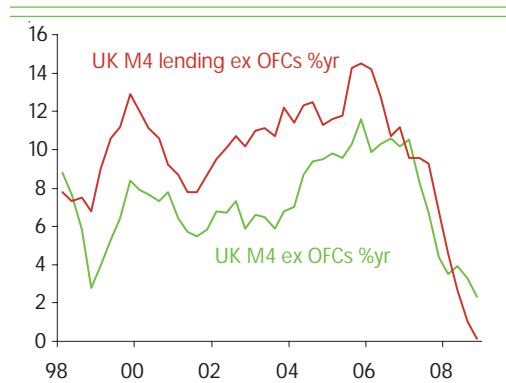


Chart b: The relationship between UK M4 & GDP is not a stable one



QE has had a more pronounced impact on asset prices than on the UK money supply

Chart c: Underlying M4 and M4 lending have slowed markedly in the UK

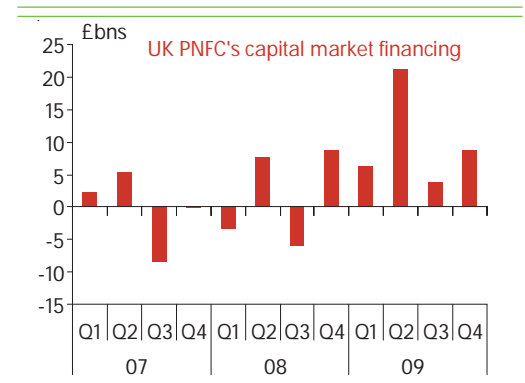


past ten years. These flows, which are captured within the OFCs component of M4, impart little information about trends in nominal spending. To get a better picture of underlying trends, the Bank of England is now publishing a measure of M4 which excludes intermediate OFCs. As chart c shows, on this measure, annual M4 growth has dropped from over 10% to less than 3% over the past two years, while M4 lending (ex OFCs) has fallen from a peak of over 14% to just 0.1%.

This weakness of money supply growth poses a risk to economic recovery

The weakness of money supply growth is partly being driven by the desire of both households and companies to pay down their loans. Over the past year, the amount of outstanding borrowing from banks and building societies by households and private non-financial companies (PNFCs) has declined by 0.8% and 2.4%, respectively (i.e. debt has been repaid). The rate of borrowing for house purchase has slowed markedly, while consumers have reduced their unsecured balances. Faced with historically high levels of indebtedness and a weak labour market, this process of balance sheet repair in the household sector is likely to continue.

Chart d: UK corporates access to capital market funding has improved



In the corporate sector, the picture is more complicated. While PNFCs have paid down bank debt over the past year, thus reducing M4, the volume of bond and equity issuance has picked up markedly (see chart d). Indeed, it appears that larger companies are actively using the proceeds of capital market financing to reduce their outstanding bank loans.

With households and companies likely to continue repairing their balance sheets, the prospect of a meaningful recovery in money supply growth in the UK and other developed economies remains remote. Although there is no automatic link between money supply and nominal GDP, a recovery in money growth (towards a more normal range of around 5-7%) is likely to be viewed by policy makers as an important objective as they seek to put nominal gdp growth on a firmer footing. Indeed, until measures of money supply start to turn higher, speculation of a reversal, or even a suspension, of policy stimulus in the UK, US or euro zone may well be premature.

Adam Chester,
Senior UK Macroeconomist

International Financial Forecast Commentary

Greek fiscal woes lead to a broader reassessment of global growth risks

Concerns about Greece's fiscal woes extend to a more general rise in financial market risk aversion and broader concerns about sovereign debt risks

The US FOMC reiterated its pledge to keep interest rates at "exceptionally low levels" for an "extended period", but the US dollar outperformed last month as risk aversion rose

The Bank of England decided to postpone its asset purchase programme, but left the door open for further quantitative easing should economic conditions warrant it.

Summary of main changes in the past month

Concerns about the economic situation in Greece has weighed on the euro over the last month and led to renewed concerns about wider sovereign debt risks, following massive increases in public debt levels in the past year. Expressions of confidence in Greece's fiscal resolve by ECB President Trichet provided only limited reassurance for financial markets. The wider negative impact on market sentiment was seen in increases in corporate and sovereign CDS spreads, a higher VIX volatility index and a sell-off in equities. The negative correlation between the US dollar and equities reasserted itself, suggesting the greenback's relatively strong performance in the past month reflected at least in part to safe-haven flows. The fall in €/ \$ has been quite dramatic in the past two months from a high of above 1.51 to around 1.36.

In the UK, the Bank of England decided to postpone its asset purchase programme at £200bn at the February MPC meeting. This was in line with market expectations, but the Committee left the door open for further quantitative easing should economic conditions warrant it. The preliminary estimate of Q4 GDP was 0.1%, confirming the UK came out of recession, but only just. Despite the weak growth figure, latest inflation indicators suggest that both headline and core price pressures may be stronger than anticipated. The medium-term outlook for growth and inflation remains highly uncertain, but potential headwinds for the growth outlook, including the need for public and private sectors to deleverage, point to downside growth risks (beyond the inventory-led rebound in growth) and moderate medium-term inflationary pressures. Overall, the pound fell to around 1.56 against the US dollar, but rose against the euro.

In the US, the FOMC reiterated its pledge to keep interest rates at "exceptionally low levels" for an "extended period", despite a slightly more positive assessment of growth prospects. The advance estimate of Q4 GDP was stronger than expected at 5.7% (annualised), while labour market statistics were mixed, with nonfarm payrolls falling 20k, but the jobless rate dropping 0.3% to 9.7%. The broader rise in risk aversion and the reassessment of global growth risks resulted in weaker commodity prices in the past month, weighing on key commodity currencies. The rise in uncertainty, however, did not provide support for gold, which fell to a low of \$1045/oz, suggesting that markets are more concerned about weaker global growth than a resurgence in inflation.

Table 1: Main currency appreciation/depreciation in the last month*, versus US\$

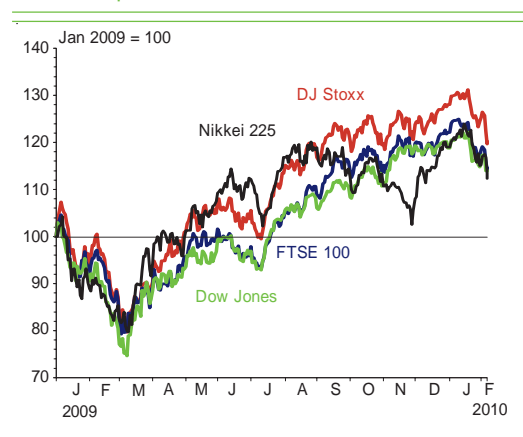
Biggest risers	Japanese yen	+2.8%
	Thai baht	+0.1%
	Saudi riyal	+0.0%
	Chinese renminbi	+0.0%
	UAE dirham	+0.0%
	Israeli shekel	-0.0%
	Vietnamese dong	-0.2%
	Hong Kong dollar	-0.2%
	Taiwanese dollar	-0.7%
	Indonesian rupiah	-1.0%
Biggest fallers	Venezuela bolivar	-50.0%
	Brazilian real	-7.9%
	Chilean peso	-6.8%
	Hungarian forint	-6.4%
	New Zealand dollar	-6.1%
	South African rand	-6.0%
	Polish zloty	-4.9%
	Danish krone	-4.8%
	Euro	-4.8%
Australian dollar	-4.8%	

* 05/01/10 - 05/02/10

Chart a: Bond yields fell last month



Chart b: Equities fell back last month



The weak Q4 GDP data have raised the chances the UK economy will experience a renewed fall in output in H1 2010

We therefore believe it is too soon to rule out a further extension of the APF in coming months

The SNB is likely to continue its policy of intervention to limit the fall and volatility of Eur/Chf

Emerging Asian currencies still look set to out-perform emerging Europe and Latin America...

IMF loan recipient countries such as Hungary and Romania have seen their currencies fall on the back of interest rate cuts...

view that economic growth will do well to exceed 1% this year after a fall of 3.9% in 2009. The weak profile is likely to leave the ECB sidelined on interest rates throughout 2010, **with the first hike coming in Q1 2011 in our view. We look for €//\$ to fall to 1.33 by June 2010, before ending the year at 1.27.**

The weak UK Q4 2009 GDP data, have raised the chances the economy will experience a renewed fall in output in Q1 2010. In fact, we have a noticeably weak UK growth profile for the first half of 2010, in large part related to the high degree of uncertainty around potential policy changes following the next General Election. However, UK economic growth could then rebound quite strongly in H2 2010. **We therefore believe it is too soon to rule out a further extension of the APF, while interest rate hikes represent more of an issue for 2011.** Our latest forecast predicts £/\$ at 1.53 by June 2010 and 1.49 at end-2010. €/£ is seen at 0.87 and 0.85, respectively. Reflecting the underlying fragility of financial markets, trends in risk appetite rather than Japan's weak economic fundamentals continue to provide the main impetus behind the performance of the yen. **However, as market confidence improves, we expect to see the yen weaken significantly. We now forecast \$/¥ at 99 at end-2010.**

After rebounding to check a declining trend since December, there is strong speculation that the Swiss central bank intervened to prop up €/Chf. **We look for €/Chf to rise back to 1.50 by end-Q3.**

Emerging market summary

Many emerging market currencies have weakened on broad-based USD strength since our last *Outlook*. But economic fundamentals still suggest relative out-performance by emerging Asian currencies compared with both emerging Europe and Latin America.

Emerging Europe

East European currencies continue to under-perform other emerging markets against a backdrop of US dollar strength. The Hungarian forint has been impacted by another cut in the central bank's base rate, to 6% from 6.25%. It has fallen by around 8.0% versus the US dollar since our last *Outlook*. By providing a 'backstop' for the economy, an IMF loan has allowed Hungary's central bank to continue cutting rates to help revive activity. A similar situation prevails in Romania, which has also received an IMF loan. Romanian interest rates have also been cut, this time by 50bp to 7%. The Romanian Leu has weakened by 6.2% against the US dollar since our January *Outlook*. We expect the Leu to weaken further during 2010. Other emerging European currencies declining over the past month include the Czech koruna (-5.8%) and the Russian rouble (-3.9%). Russia's economy contracted by almost 8% in 2009 as a whole, although prospective oil price increases and the proposed introduction of a car scrappage scheme in March, should help support overall economic activity.

Chart g: Eur/chf breaks below 1.46



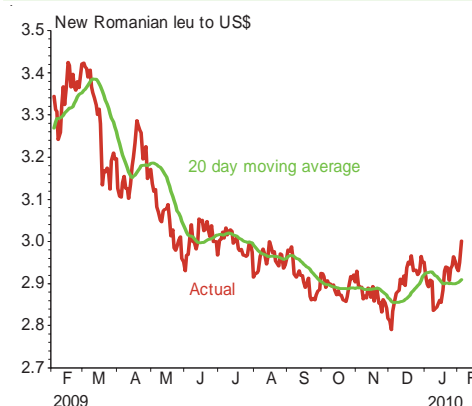
Chart h: NZD under selling pressure



Chart i: The Hungarian forint has weakened recently, partly in response to a central bank interest rate cut...



Chart j: ...as has the Romanian Leu



With Chinese renminbi appreciation sidelined for the time being, the PBoC has used other forms of monetary policy tightening...

Emerging Asia

The Chinese renminbi has been little changed since our last *Outlook*, with China's authorities still resisting international pressure for currency revaluation. The renminbi currently stands at around 6.826 versus the US dollar. But China still needs to cool the pace of its economic expansion – GDP grew by some 10.7% in 2009Q4. With currency appreciation sidelined at present, China has used other forms of monetary tightening, though falling short of an outright increase in its 1-year lending rate. It has raised bank reserve requirements to 15.5% for larger banks and to 13.5% for smaller ones, while the People's Bank of China (PBoC) has sold 3-month and 1-year bills at slightly higher interest rates in its recent money market operations. Provided that *domestic* economic expansion continues, we think that China will resume sustained renminbi appreciation by mid-2010, having made its point to the international community. But progress could be slow if the PBoC also sanctions a higher 1-year lending rate in 2010H2. Our end-2010 \$/CNY projection stands at 6.61.

Broad-based USD strength meant that no emerging Asian currency managed an outright gain over the past month...

No emerging Asian currency has registered an outright gain against the US dollar over the past month. The Thai baht and Hong Kong dollar have been broadly flat to slightly weaker during the period. The Indian rupee, however, has fallen by around 3.2%. This might reflect the Reserve Bank of India's decision to leave its repo rate on hold at its last policy meeting on 29 January. But it did raise its cash reserve ratio by 75bp (against a consensus forecast of +50bp), fuelling expectations of a rate rise in the near term. So Indian rupee weakness is probably best explained in terms of broad-based USD strength. Meanwhile, economic activity in India continues to expand at a healthy pace, with Q4 GDP data released on 26 February. Our \$/INR forecast stands at 45.35 by end-2010.

Latin America

The major Latin American currencies have weakened against the USD over the past month or so, reflecting an environment of general USD strength. The Brazilian real, for example, has declined by around 7.8% since our last *Outlook* despite the widely expected decision by Brazil's central bank to leave its key Selic interest rate on hold at 8.75%. It may be that the imposition of an IOF tax to curb capital inflows is dragging on the real, but this seems unlikely given the relatively healthy state of Brazil's economy. We look for \$/BRL to reach 1.79 by the end of 2010. The biggest faller in the Latin American region has been the Chilean peso, which has lost more than 9% versus the USD.

The Brazilian real has declined by some 5.5% versus the USD since our last *Outlook*. But we expect the real to make headway as we move further into 2010...

Hann-Ju Ho, Jeavon Loyal, Mark Miller

Chart k: The rouble has been under pressure recently, although the economic outlook seems to be improving...



Chart l: The weakness of the INR seems to reflect broad-based US dollar strength

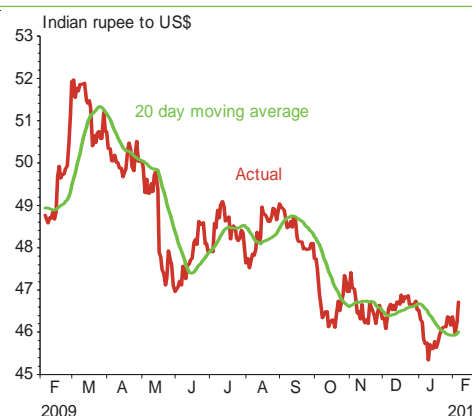


Chart m: The Chilean peso has been the biggest underperformer versus the USD over the past month...



Chart n: ...closely followed by the Brazilian real



International Financial Market Forecasts - February 2010

08 February 2010

	3.09	6.09	9.09	12.09	3.10	6.10	9.10	12.10	3.11	6.11	9.11	12.11
	actual	actual	actual	actual								
US - Fed funds (target)	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.75	1.50	2.25	2.75	3.50
US - 3-month (offer)	1.20	0.60	0.29	0.25	0.25	0.25	0.80	1.58	2.38	2.88	3.63	4.38
US - 3yr swap rate (mid)	1.69	2.12	1.88	2.07	1.70	2.10	2.70	3.20	3.90	4.50	5.00	5.60
US - 5yr swap rate (mid)	2.23	2.94	2.65	2.98	2.90	3.50	3.90	4.30	4.70	5.30	5.70	6.10
Japan - overnight call rate	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.25	0.50	0.50
Japan - 3-month (offer)	0.84	0.60	0.35	0.28	0.25	0.25	0.25	0.30	0.43	0.68	0.68	0.88
UK - Base rate	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.75	1.00	1.25	1.50
UK - 3m (offer)	1.80	1.22	0.54	0.61	0.65	0.70	0.75	0.85	1.10	1.43	1.68	1.93
UK - 3yr swap rate (mid)	2.48	2.98	2.51	2.65	2.30	2.70	3.10	3.30	3.70	4.20	4.50	4.80
UK - 5yr swap rate (mid)	3.02	3.67	3.24	3.39	3.10	3.50	3.90	4.00	4.40	4.90	5.20	5.40
Euro 16 - Repo rate	1.50	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.25	1.50	1.75	2.25
Euro 16 - 3-month (offer)	1.51	1.09	0.71	0.66	0.70	0.70	0.85	0.95	1.58	1.91	2.41	3.16
Euro-16 - 3yr swap rate (mid)	2.14	2.25	2.13	2.25	2.00	2.30	2.70	3.10	3.50	4.00	4.40	4.70
Euro-16 - 5yr swap rate (mid)	2.67	2.86	2.71	2.81	2.50	3.00	3.50	3.90	4.30	4.70	5.00	5.10

Exchange rates (mid-point):

Developed countries

\$	SDR	0.67	0.65	0.63	0.64	0.65	0.66	0.67	0.68	0.69	0.69	0.69	0.68
	Effective	92.2	86.8	82.1	83.0	84.9	86.6	87.9	90.0	91.7	92.0	92.0	91.9
	Euro	0.75	0.71	0.68	0.70	0.74	0.75	0.77	0.79	0.80	0.80	0.80	0.80
£	\$	1.43	1.65	1.60	1.61	1.55	1.53	1.51	1.49	1.47	1.49	1.49	1.49
	Effective	76.3	83.8	78.9	80.5	75.6	75.2	74.5	73.9	73.5	73.4	73.4	73.3
	Euro	1.08	1.17	1.09	1.13	1.15	1.15	1.16	1.18	1.18	1.19	1.19	1.19
Yen	\$	99	96	90	93	91	93	95	99	102	102	102	101
	£	142	159	143	150	140	142	144	148	150	152	152	150
	Euro	131.1	135.3	130.9	133.6	122.2	123.7	123.5	125.7	127.5	127.5	127.5	126.3
Euro	\$	1.33	1.40	1.46	1.43	1.35	1.33	1.30	1.27	1.25	1.25	1.25	1.25
	£	0.93	0.85	0.91	0.89	0.87	0.87	0.86	0.85	0.85	0.84	0.84	0.84
Aus \$	\$	1.44	1.24	1.13	1.11	1.16	1.16	1.18	1.19	1.20	1.20	1.23	1.25
	£	2.06	2.04	1.81	1.80	1.79	1.77	1.79	1.78	1.76	1.78	1.84	1.86
	Euro	1.91	1.74	1.66	1.60	1.56	1.54	1.54	1.51	1.50	1.50	1.54	1.56
Can \$	\$	1.26	1.16	1.07	1.05	1.08	1.10	1.10	1.11	1.12	1.14	1.14	1.15
	£	1.80	1.91	1.72	1.69	1.68	1.68	1.66	1.66	1.65	1.70	1.70	1.71
	Euro	1.67	1.63	1.57	1.50	1.46	1.46	1.43	1.41	1.40	1.43	1.43	1.44
Dkr	\$	5.61	5.31	5.09	5.19	5.51	5.60	5.73	5.87	5.96	5.96	5.96	5.96
	£	8.04	8.74	8.15	8.37	8.55	8.56	8.66	8.76	8.76	8.87	8.87	8.87
	Euro	7.45	7.45	7.45	7.44	7.44	7.45	7.45	7.45	7.45	7.45	7.45	7.45
NZ \$	\$	1.75	1.54	1.38	1.37	1.46	1.47	1.48	1.50	1.54	1.57	1.59	1.61
	£	2.51	2.54	2.21	2.22	2.27	2.25	2.23	2.24	2.26	2.34	2.36	2.39
	Euro	2.33	2.17	2.02	1.97	1.97	1.96	1.92	1.91	1.92	1.97	1.98	2.01
Nkr	\$	6.75	6.44	5.80	5.78	6.04	6.08	6.15	6.24	6.34	6.34	6.34	6.35
	£	9.68	10.60	9.28	9.33	9.37	9.30	9.30	9.32	9.32	9.43	9.43	9.45
	Euro	8.96	9.03	8.48	8.29	8.15	8.09	8.00	7.92	7.92	7.92	7.93	7.94
Skr	\$	8.27	7.75	6.99	7.14	7.50	7.59	7.42	7.57	7.56	7.37	7.35	7.17
	£	11.85	12.76	11.18	11.53	11.64	11.61	11.22	11.31	11.12	10.96	10.94	10.67
	Euro	10.98	10.87	10.22	10.24	10.13	10.10	9.65	9.61	9.45	9.21	9.19	8.96
Sfr	\$	1.14	1.09	1.04	1.03	1.09	1.12	1.15	1.20	1.24	1.25	1.24	1.25
	£	1.63	1.79	1.66	1.67	1.69	1.71	1.74	1.79	1.82	1.86	1.85	1.86
	Euro	1.51	1.53	1.52	1.48	1.47	1.49	1.50	1.52	1.55	1.56	1.56	1.56

International Financial Market Forecasts - February 2010

		3.09	6.09	9.09	12.09	3.10	6.10	9.10	12.10	3.11	6.11	9.11	12.11
		actual	actual	actual	actual								
08 February 2010													
Emerging market Europe													
Czech koruna	\$	20.67	18.55	17.32	18.40	19.40	19.54	19.91	20.17	20.28	20.13	19.99	19.86
	£	29.63	30.54	27.70	29.72	30.10	29.87	30.09	30.14	29.82	29.95	29.75	29.55
	Euro	27.45	26.01	25.31	26.41	26.19	25.99	25.88	25.62	25.35	25.16	24.99	24.82
Hungarian forint	\$	232.4	194.3	184.8	188.3	202.3	203.0	206.2	208.7	206.4	203.0	200.9	199.4
	£	333.0	319.9	295.6	304.2	314.0	310.3	311.6	311.8	303.5	302.0	298.9	296.8
	Euro	308.5	272.5	270.2	270.2	273.1	270.0	268.0	265.0	258.0	253.7	251.1	249.3
Polish zloty	\$	3.52	3.18	2.90	2.86	2.97	2.97	2.98	3.00	3.05	3.06	3.05	3.03
	£	5.05	5.24	4.64	4.62	4.61	4.53	4.51	4.48	4.49	4.55	4.54	4.51
	Euro	4.67	4.46	4.24	4.11	4.01	3.94	3.88	3.81	3.82	3.82	3.81	3.79
Romanian leu	\$	3.19	3.00	2.89	2.95	3.06	3.10	3.15	3.19	3.29	3.37	3.41	3.50
	£	4.58	4.94	4.62	4.77	4.75	4.74	4.77	4.76	4.84	5.01	5.07	5.20
	Euro	4.24	4.21	4.22	4.23	4.13	4.12	4.10	4.05	4.11	4.21	4.26	4.37
Russian rouble	\$	34.01	31.29	30.09	30.24	30.43	30.92	31.03	32.00	32.60	32.55	32.36	32.15
	£	48.13	51.68	47.73	48.04	47.22	47.27	46.91	47.81	47.94	48.44	48.15	47.84
	Euro	45.03	43.72	43.92	43.49	41.12	41.03	40.64	40.34	40.75	40.69	40.45	40.19
Emerging market Asia													
Chinese renminbi	\$	6.83	6.83	6.83	6.83	6.76	6.72	6.67	6.61	6.55	6.50	6.43	6.38
	£	9.79	11.25	10.92	11.02	10.49	10.27	10.08	9.88	9.63	9.67	9.57	9.49
	Euro	9.07	9.58	9.98	9.80	9.13	8.94	8.67	8.39	8.19	8.13	8.04	7.98
HK\$	\$	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75
	£	11.11	12.76	12.40	12.52	12.03	11.85	11.72	11.58	11.40	11.53	11.53	11.53
	Euro	10.29	10.87	11.33	11.13	10.46	10.31	10.08	9.84	9.69	9.69	9.69	9.69
Indian rupee	\$	50.74	47.91	48.11	46.54	46.55	45.99	45.70	45.35	44.05	43.86	43.78	43.69
	£	72.72	78.89	76.94	75.15	72.23	70.31	69.08	67.76	64.78	65.27	65.15	65.01
	Euro	67.36	67.19	70.32	66.77	62.84	61.17	59.41	57.59	55.06	54.83	54.73	54.61
Indonesian rupiah	\$	11555	10208	9665	9395	9390	9378	9288	9249	9229	9196	9164	9132
	£	16562	16810	15458	15172	14571	14336	14040	13819	13572	13685	13637	13589
	Euro	15342	14318	14127	13479	12677	12473	12074	11746	11536	11495	11455	11415
M ringgit	\$	3.65	3.52	3.46	3.42	3.43	3.38	3.31	3.29	3.28	3.26	3.25	3.24
	£	5.23	5.79	5.54	5.53	5.32	5.17	5.00	4.92	4.82	4.85	4.84	4.82
	Euro	4.84	4.93	5.06	4.91	4.63	4.50	4.30	4.18	4.10	4.08	4.06	4.05
Philippines peso	\$	48.33	48.13	47.38	46.23	46.81	46.90	46.93	47.25	47.77	47.88	48.12	48.15
	£	69.27	79.25	75.78	74.65	72.63	71.70	70.94	70.60	70.25	71.25	71.61	71.65
	Euro	64.16	67.50	69.26	66.33	63.19	62.38	61.01	60.01	59.71	59.85	60.15	60.19
Sing \$	\$	1.52	1.45	1.41	1.40	1.41	1.40	1.38	1.37	1.39	1.37	1.37	1.36
	£	2.18	2.38	2.25	2.27	2.18	2.14	2.08	2.05	2.04	2.03	2.04	2.02
	Euro	2.02	2.03	2.06	2.01	1.90	1.86	1.79	1.74	1.74	1.71	1.72	1.70
South Korean won	\$	1383	1274	1178	1164	1170	1163	1149	1135	1125	1107	1108	1097
	£	1983	2098	1884	1880	1816	1778	1737	1696	1654	1647	1649	1632
	Euro	1837	1787	1722	1671	1580	1547	1494	1441	1406	1384	1385	1371
Taiwan \$	\$	33.91	32.81	32.15	31.99	32.14	32.14	31.89	31.55	30.99	30.50	30.11	29.45
	£	48.61	54.03	51.42	51.65	49.86	49.13	48.21	47.14	45.57	45.39	44.80	43.82
	Euro	45.02	46.02	46.99	45.89	43.38	42.75	41.46	40.07	38.74	38.13	37.63	36.81
Thai baht	\$	35.47	34.07	33.41	33.34	33.20	33.10	32.96	32.49	32.11	32.02	31.93	31.84
	£	50.83	56.11	53.43	53.84	51.52	50.60	49.82	48.54	47.22	47.65	47.51	47.38
	Euro	47.09	47.79	48.84	47.83	44.82	44.02	42.85	41.26	40.14	40.03	39.91	39.80

International Financial Market Forecasts - February 2010

08 February 2010

		3.09	6.09	9.09	12.09	3.10	6.10	9.10	12.10	3.11	6.11	9.11	12.11
		actual	actual	actual	actual								
Vietnamese dong	\$	17797	17773	17841	18474	18474	18355	18299	18252	17709	17685	17513	17118
	£	25509	29269	28533	29833	28667	28060	27661	27271	26042	26317	26061	25473
	Euro	23629	24929	26077	26506	24940	24412	23789	23180	22136	22106	21892	21398
Emerging market Americas													
Argentinian peso	\$	3.72	3.80	3.84	3.80	3.87	3.90	3.96	4.00	4.08	4.16	4.21	4.25
	£	5.32	6.25	6.15	6.14	6.01	5.96	5.99	5.98	6.00	6.19	6.26	6.32
	Euro	4.93	5.32	5.62	5.45	5.22	5.19	5.15	5.08	5.10	5.20	5.26	5.31
Brazilian real	\$	2.30	1.96	1.78	1.74	1.88	1.83	1.81	1.79	1.78	1.78	1.76	1.80
	£	3.30	3.23	2.85	2.82	2.92	2.80	2.74	2.67	2.62	2.65	2.62	2.68
	Euro	3.06	2.75	2.60	2.50	2.54	2.43	2.35	2.27	2.23	2.23	2.20	2.25
Chilean peso	\$	582.3	531.3	550.2	507.3	541.5	540.0	535.0	540.0	541.0	542.0	544.0	548.8
	£	834.6	874.9	880.0	819.1	840.2	825.5	808.7	806.8	795.6	806.5	809.5	816.7
	Euro	773.1	745.2	804.2	727.8	731.0	718.2	695.5	685.8	676.3	677.5	680.0	686.0
Mexican peso	\$	14.10	13.17	13.51	13.06	13.10	13.01	12.96	12.85	12.89	12.93	12.90	12.91
	£	20.21	21.69	21.60	21.08	20.33	19.89	19.59	19.20	18.96	19.24	19.20	19.21
	Euro	18.72	18.47	19.74	18.73	17.69	17.30	16.85	16.32	16.11	16.16	16.13	16.14
Venezuelan bolivar	\$	2.15	2.15	2.15	2.15	4.30	4.30	4.30	4.30	4.30	4.30	4.30	4.30
	£	3.08	3.54	3.43	3.47	6.67	6.57	6.50	6.42	6.32	6.40	6.40	6.40
	Euro	2.85	3.01	3.14	3.08	5.81	5.72	5.59	5.46	5.38	5.38	5.38	5.38
Emerging markets - other majors													
Israeli shekel	\$	4.22	3.92	3.78	3.79	3.72	3.71	3.70	3.69	3.69	3.69	3.69	3.69
	£	6.05	6.46	6.04	6.12	5.77	5.67	5.59	5.51	5.42	5.49	5.49	5.49
	Euro	5.60	5.50	5.52	5.43	5.02	4.93	4.81	4.68	4.61	4.61	4.61	4.61
Saudi riyal	\$	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.76	3.75
	£	5.38	6.18	6.00	6.06	5.82	5.73	5.67	5.60	5.51	5.58	5.60	5.58
	Euro	4.98	5.26	5.48	5.38	5.06	4.99	4.88	4.76	4.69	4.69	4.70	4.69
SA rand	\$	9.51	7.72	7.58	7.36	7.58	7.35	7.25	7.35	7.38	7.55	7.69	7.82
	£	13.63	12.72	12.12	11.89	11.76	11.24	10.96	10.98	10.85	11.24	11.44	11.64
	Euro	12.63	10.83	11.08	10.57	10.23	9.78	9.43	9.33	9.23	9.44	9.61	9.78
Turkish lira	\$	1.67	1.54	1.49	1.50	1.51	1.47	1.45	1.42	1.40	1.38	1.34	1.32
	£	2.40	2.53	2.38	2.42	2.34	2.25	2.18	2.12	2.06	2.05	1.99	1.96
	Euro	2.22	2.15	2.17	2.15	2.04	1.96	1.88	1.80	1.75	1.73	1.68	1.65
UAE dirham	\$	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67
	£	5.26	6.05	5.87	5.93	5.69	5.61	5.55	5.48	5.40	5.46	5.46	5.46
	Euro	4.88	5.15	5.37	5.27	4.95	4.88	4.77	4.66	4.59	4.59	4.59	4.59

Lloyds TSB Corporate Markets provides comprehensive expert financial services to businesses ranging from privately-owned firms to multinational corporations and financial institutions.

As well as offering the expertise and capabilities our clients need to compete successfully in the marketplace, we are proud of the relationships we build with our customers. We work closely with them to understand their business and offer the best financial solutions to meet their distinctive needs.

The wide range of services and innovative solutions we can deliver includes:

- Dedicated relationship banking
- Capital market funding
- Debt and equity finance
- Treasury and risk management services
- Structured finance solutions
- Asset finance
- Leasing
- Company registration and employee share schemes
- Competitive e-trading facilities
- Import and export trade finance
- Tailored cash management solutions
- Structured credit investments and securitisation facilities

Editorial comments to:

Trevor Williams
Chief Economist
Lloyds TSB Corporate Markets
Economic Research
10 Gresham Street
London, EC2V 7AE
Tel: +44 (0)20 7158 1748

Economic Research can be accessed:

Online: <http://www.lloydstsbcorporatemarkets.com>
Bloomberg: LLOY<GO>

Corporate Customer Sales

Andrew Willett +44 (0)20 7158 1616
andrew.willett@lloydstsb.co.uk

Kathryn Ball +44 (0)20 7158 1672
kathryn.ball@lloydstsb.co.uk

Capital Markets Distribution

Ton Roeten +44 (0)20 7158 1715
ton.roeten@lloydstsb.co.uk

Commercial Sales

Matt Lawrence +44 (0)20 7158 1661
matthew.lawrence@lloydsbanking.com

Wealth Product Sales

Andrew Evans +44 (0)20 7158 1691
andrew.evans@lloydstsb.co.uk

Sarah Saigol +44 (0)20 7574 8587
Sarah.Saigol@lloydsbanking.com

Jamie Smith +44 (0)20 7158 1690
Jamie.Smith@lloydsbanking.com

Lloyds TSB Corporate Markets is a trading name of Lloyds TSB Bank plc. Any documentation, reports, correspondence or other material or information in whatever form be it electronic, textual or otherwise is based on sources believed to be reliable, however neither the Bank nor its directors, officers or employees warrant its accuracy, completeness or otherwise, or accept responsibility for any error, omission or other inaccuracy, or for any consequences arising from any reliance upon such information. The facts and data contained are not, and should under no circumstances be treated as an offer or solicitation to offer, to buy or sell any product, nor are they intended to be a substitute for commercial judgement or professional or legal advice, and you should not act in reliance upon any of the facts and data herein contained, without first obtaining professional advice relevant to your circumstances. Expressions of opinion may be subject to change without notice. Although warrants and/or derivative instruments can be utilised for the management of investment risk, some of these products are unsuitable for many investors. The facts and data contained herein are therefore not intended for the use of retail customers (as defined by the FSA Handbook) of Lloyds TSB Bank plc.

Lloyds TSB Bank plc's registered office is at 25 Gresham Street, London EC2V 7HN and it is registered in England and Wales under no. 2065. Lloyds TSB Bank is authorised and regulated by the Financial Services Authority and a signatory of the Banking Codes, and represents only the Scottish Widows and Lloyds TSB Marketing Group for life assurance, pension and investment business.



Lloyds TSB | Corporate Markets