[i-XPM]

GLOBAL MARKETS FORECASTS 2025

NEWSLETTER

#06/25

W22
31.05.2025

Dear Esteemed Readers,

In view of the previously outlined market volatility and the external factors beyond the control of principal market participants—namely, sustained financial and geopolitical instability—it is apparent that the prevailing market narrative established in recent months is likely to endure in the near term. While sporadic episodes of volatility and occasional bursts of optimism may arise, the former remain largely unpredictable, and the latter regrettably infrequent.

The continued proliferation of market commentary and expert analysis, alongside ongoing market developments, serves to substantiate our initial projections and strengthen confidence in our current outlook. It is acknowledged that the materialisation of these forecasts may not be immediately observable, necessitating both patience and conviction in light of the inherent margin of variability.

Our sustained efforts to discern underlying trends and sentiment within the financial markets have culminated in the publication of a considerable number of forward-looking projections for the year. With 4 more forecasts confirmed in May, we now have a total of 81 accurate forecasts and just 2 incorrect ones for 2025.

This translates to a **hit ratio of 98% for our forecasts:**

GROUPS								LATEST…	
	DETAIL	REF	RELEASED	FINISHED	CORRECT	WRONG	RATIO	RELEASE	FINISHED
			#	#	#	#	%	23rd May '25	
1	CURRENCIES	CUR-	25	16	15	1	94%	28th May '25	23rd May '25
2	FIXED INCOME	BND-	7	5	5		100%	24th Mar '25	21st May '25
3	COMMODITIES	COM-	10	8	7	1	88%	29th May '25	4th Apr '25
4	EQUITIES	EQT-	22	21	21		100%	24th Mar '25	15th May '25
5	INDICES	IND-	47	33	33		100%	30th May '25	20th May '25
1	TOTALS in 2025	(31.05.25)	111	83	81	2	98%	30th May '25	23rd May '25

Forecast Performance by the end of May 2025

With extracts from https://i-xpm.com/ratio-samples/25-results

As visible above, at the end of May, our forecasting accuracy for 2025 stands at an exceptional and rarely achieved 98%—a figure which will be examined in further detail later in this report.

After a comprehensible hiatus during April, further forecasts were also released during the month of May, bringing it to a total of 111 forecasts covering Q1, Q2 and Q3. The next paper will bring the remaining results for the Q2 forecasts (and longer ones that may have be confirmed), but for this paper, we'll concentrate now on the 4 results from May.

In light of current conditions, where jokers are playing an exceptionally prominent role, all long-term forecasts should be subject to regular scrutiny and cross-verification.

DATE		POSITIONS		FORECAST		VALUES			RIGHT	WRONG
RELEASE	DEADL	Sat, 31 - V - 2025 Week 22.2025		YES	NO	RELEASE	MARK	CONFIRMED		
9 May '25	30.06	GBP/USD, by the end of Q2 2025, above 1.3500	▲	✓		1.3247	1.3500	23. May	✓	

Currencies: Of the 25 currency forecasts issued for 2025, including those published in May, an additional projection was confirmed towards the end of the month. This pertained to the *GBP/USD* currency pair, anticipating an appreciation of sterling relative to the US dollar, with expectations

Hallerstr. 70
D - 49326 Melle

i-XPM.com

+49 (0)163 733 9218
info@*i*-XPM.com

that the exchange rate would surpass the 1.3500 threshold.

This constituted a twofold forecast, issued alongside a second projection stating that the pair would breach the upper bound but not the lower one by the end of Q2.
Although the currency initially moved contrary to the prediction, it subsequently reversed course and aligned with the forecast, confirming the upper bound. It remains to be seen if the second half of the forecast will also be correct.

Forecasts that specify both upper and lower thresholds, and suggest the potential for a breach of one without the other, remain relatively uncommon. For Q2, only one other such forecast remains active, concerning a different currency pair.

As of today, nine currency forecasts remain outstanding, all of which are valid until the end of Q2 or Q3.

DATE		POSITIONS	FORECAST		VALUES				
RELEASE	DEADL	Sat, 31 - V - 2025 Week 22.2025	YES	NO	RELEASE	MARK	CONFIRMED	RIGHT	WRONG
24 Mar '25	30.06	T-Bond Future, by the end of Q2 2025, below 111 ▼	✓		117.38	111	21. May	✓	

<u>Fixed Income:</u> Of the three fixed income forecasts outstanding at the end of April, one has been validated this month. As anticipated in late March and subsequently observed by many market participants since mid-April, the *T-Bond Future* entered a downward trajectory, ultimately breaching the lower threshold of the 111 margin range. This movement, driven by a confluence of factors, is consistent with our broader outlook for Q1 2025 (released at the end of 2024), which has gained further momentum since mid-February and reached a notable landmark in early April.

The remaining forecasts in this asset class pertain to the *Euro-Bund* and *Gilt* futures. The *Euro-Bund Future* forecast is valid until the end of Q2, while the *Gilt Future* forecast extends to the end of Q3.

<u>Commodities:</u> The month commenced without any notable forecasts for this asset class. Two new projections concerning oil prices—specifically B*rent Crude* and *WTI Crude*—were only issued at the end of May, with validity extending until to the end of Q3.

Geopolitical and macroeconomic dynamics appear to be the primary drivers influencing the market, with jokers playing a significant role in shaping price movements. Nevertheless, a balance of opposing forces has thus far resulted in relative price stability during the last weeks, aside from minor fluctuations. We expect that the influence of these actors will ultimately lead market makers to price movements in direction to the forecasted thresholds.

DATE		POSITIONS	FORECAST		VALUES				
RELEASE	DEADL	Sat, 31 - V - 2025 Week 22.2025	YES	NO	RELEASE	MARK	CONFIRMED	RIGHT	WRONG
27 Feb '25	30.06	NatWest Group PLC, by the end of Q2 2025, above GBP 500 ▲	✓		466.70	500	15. May	✓	

<u>Equities:</u> Of the two outstanding forecasts within this asset class as at the end of April, one was validated in May.

As anticipated since February, *NatWest Group* surpassed the 500 threshold, notwithstanding a marked decline in early April. The stock staged a notable recovery within the space of a month.

The remaining equity forecast, pertaining to one of the so-called *"Magnificent Seven,"* exhibited a narrowing of the projected threshold over several weeks. However, the reversal in trend suggests

Hallerstr. 70
D - 49326 Melle
i-XPM.com
+49 (0)163 733 9218
info@*i*-XPM.com

that the forecast—predicting the threshold would not be breached—remains accurate.

Assessing the interplay between proactive and reactive market participants under current conditions necessitates a broader analytical lens, focusing on systemic dynamics rather than isolated factors. Further equity forecasts will be issued in due course, subject to market demand and analytical capacity.

DATE		POSITIONS		FORECAST		VALUES				
RELEASE	DEADL	Sat, 31 - V - 2025 Week 22.2025		YES	NO	RELEASE	MARK	CONFIRMED	RIGHT	WRONG
26 Mar '25	30.09	DAX Index, by the end of Q3 2025, above 24,000	▲	✓		23,202.25	24,000	20. May	✓	

<u>Indices:</u> Following the general market turbulence observed in early April, the German *DAX* index — one of the ten outstanding index forecasts at the beginning of the month — confirmed the projection issued at the end of March in mid-May. This indicated that it would surpass the 24,000 level by the end of the second quarter.

During the month, an additional forecast was introduced for the same index but with a different threshold, extending the projection horizon to the end of the third quarter. This was preceded by further forecasts covering European, Asian and global indices.

Overall, the outlook remains mixed, primarily due to the differing time horizons of the forecasts — some of which expire at the end of Q2, while others extend to the end of Q3. While the aim is to achieve forecast accuracy or confirm previously issued projections, some uncertainty lingers.
In particular, forecasts relating to US indices suggest that the specified thresholds will not be breached, though the indices may approach these levels. Should any of these thresholds be surpassed, it would constitute a forecasting error.
With respect to European indices, there is a possibility that at least one forecast may not be realised by the end of Q2. In other regions, the probability of forecast confirmation remains comparatively high.

Currently, there are fourteen active index forecasts across various regions, with target dates set for the ends of the second and third quarters.

ACTUAL HIGH-RATIO

As we have been reminding our readers for several weeks, the exceptionally high hit ratio recorded thus far in 2025 may understandably lead to some scepticism regarding the assessment of our results.

The objective of any forecasting effort, irrespective of the field, is to deliver the most accurate outcomes possible using traditional or purpose-built methodologies. While no forecasting method can guarantee perfect accuracy, forecasts of prospective events are expected to maintain a hit ratio above a certain minimum threshold. This threshold indicates forecast quality and practical applicability, typically ranging from 55% to 66% depending on the methodological standards applied (with some demanding a slightly higher minimum margin).

As a former member of a now-inactive private research collective, the lead analyst of this project has historically adopted significantly higher standards, consistently targeting hit ratios between 70% and 80%. In some instances, particularly within specific asset classes, even higher ratios were

Hallerstr. 70
D - 49326 Melle
i-XPM.com
+49 (0)163 733 9218
info@*i*-XPM.com

achieved. These levels have since been regarded internally as minimum benchmark of quality.

However, past performance is not a guarantee of future results.

This principle has been clearly demonstrated in our final outcomes over the past three years.

Forecast accuracy is influenced not only by the methodology applied, its rigour and analyst experience with it, but also by exogenous events that can impact virtually all forecasting teams. Notably, during Q1 and especially from early Q2 onwards, market makers were affected by an unusual and unpredictable pattern of so-called "joker" activity, leading to significant disarray across various levels and sectors.

In summary, while the current strong results reflect both the robustness of our forecasting approach and the dedication of our small team, they have also been partially shaped by exceptional macroeconomic and geopolitical conditions.

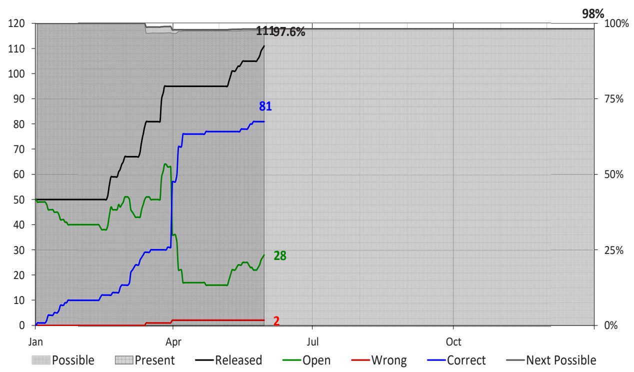
As the year progresses and challenges evolve, sentiments shift and potentially unforeseen developments occur (even from our perspective), it is reasonable to anticipate that some forecasts may no longer hold, thereby leading to a more typical hit ratio consistent with our historical averages.

CURRENT FORECASTS & LATEST RESULTS

The complete and regularly updated list of our 2025 forecasts is available exclusively to readers with access to the reserved area of our website:
https://i-xpm.com/current

All future fulfilments of our forecasts—whether correct or incorrect—are documented in our weekly updated results list, which is freely accessible to all readers:
https://i-xpm.com/ratio-samples/25-results

Could further turbulence lie ahead? Quite possibly. Several events on the horizon have the potential to significantly impact markets. Furthermore, with each passing week, we witness new developments that challenge previously held assumptions and add to the growing unpredictability of the financial landscape.



Left is the latest chart illustrating the evolution of our forecasts since the start of 2025.

Please note that while our historical track record is strong, past performance is not indicative of future results.
Subscribers use our forecasts at their own risk.

For further reading, see
https://i-xpm.com

Hallerstr. 70
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