# Global Macro Trends

**Η Fed μείωσε τα επιτόκια για τρίτη φορά φέτος και ανακοίνωσε επιπλέον αγορές $40 δισ. πρωτίστως σε έντοκα γραμμάτια προκειμένου να διατηρήσει επαρκές επίπεδο διαθέσιμων κεφαλαίων**

Economic Research & Investment Strategy
Global Economics & ESG Research

# Διεθνείς Μακροοικονομικές Τάσεις

- Η υλοποίηση της συμφωνίας ΗΠΑ-Κίνας για την παράταση της εμπορικής εκεχειρίας για έναν χρόνο, η ολοκλήρωση γενικότερα των αλλαγών στη δασμολογική πολιτική των ΗΠΑ (με κυριότερη εκκρεμότητα την έλλειψη συμφωνίας με την Ινδία) και οι προσπάθειες ειρήνευσης στα ανοιχτά μέτωπα (Ουκρανία, Γάζα) έχουν περιορίσει σε μεγάλο βαθμό την αβεβαιότητα σε παγκόσμιο επίπεδο. Ανησυχία εξακολουθεί να δημιουργεί το ζήτημα της ανεξαρτησίας της Fed στην άσκηση της νομισματικής πολιτικής και οι μεγάλες προσδοκίες από την πρόοδο στον τομέα της τεχνητής νοημοσύνης (AI).

- Στις ΗΠΑ, η ανακοίνωση των οικονομικών στοιχείων εξακολουθεί να μην έχει ομαλοποιηθεί και πιθανότατα για αρκετά από αυτά να μην καταστεί εφικτός ο υπολογισμός τους για τον Οκτώβριο. Γενικότερα, ο ρυθμός ανάπτυξης κατά το τελευταίο τρίμηνο του 2025 αναμένεται να εμφανίσει αξιοσημείωτη επιβράδυνση, κυρίως λόγω της αναστολής λειτουργίας (shutdown) των μη κρίσιμων ομοσπονδιακών υπηρεσιών από την 1η Οκτωβρίου έως και την 12η Νοεμβρίου. Ωστόσο, η εν λόγω συγκράτηση εκτιμάται ότι θα είναι πρόσκαιρη και ο ρυθμός ανάπτυξης θα ανακάμψει κατά το Α΄ Τρίμηνο του 2026. Ταυτόχρονα, οι πληθωριστικές πιέσεις λόγω των δασμών παραμένουν απρόσμενα περιορισμένες. Τέλος, η ήπια χειροτέρευση των συνθηκών στην αγορά εργασίας φαίνεται να συνεχίζεται υποχρεώνοντας τη Fed στην τελευταία συνεδρίασή της (στις 10/12) να προβεί στην τρίτη –και διαδοχική- μείωση για φέτος του παρεμβατικού επιτοκίου της κατά 25 μ.β. Επιπλέον, αποφάσισε την αγορά εντός του Δεκεμβρίου βραχυπρόθεσμων αμερικανικών κρατικών τίτλων (κυρίως εντόκων γραμματίων) ύψους $40 δισ. και εκτιμά ότι σε ανάλογου ύψους αγορές θα προβεί και κατά τους επόμενους μήνες.

- Στην Ευρωζώνη, ο ρυθμός ανάπτυξης παραμένει αρκετά συγκρατημένος, ελάχιστα ενισχυμένος σε σχέση με την αρχή του έτους. Ο πληθωρισμός παραμένει πλησίον του 2%, ωθώντας την ΕΚΤ να κρατά αμετάβλητη τη νομισματική πολιτική της ενώ διατηρούνται και οι ιδιαίτερα καλές συνθήκες στην αγορά εργασίας επηρεάζοντας θετικά την ιδιωτική κατανάλωση. Ωστόσο, οι τελευταίοι πρόδρομοι δείκτες καταδεικνύουν ότι η στασιμότητα στον τομέα της μεταποίησης και η σχετική απαισιοδοξία των καταναλωτών παραμένουν, ενώ και η ανάπτυξη στον τομέα των υπηρεσιών φαίνεται να μετριάζεται. Βασική εξαίρεση αποτελεί η ταχεία ανάπτυξη των δραστηριοτήτων που σχετίζονται με τον τομέα της άμυνας, καθώς η Ευρώπη έχει θέσει ως στόχο να αποκτήσει αυτεξούσια αποτρεπτική ικανότητα ανάλογη με το μέγεθός της.

- Στην Κίνα, οι πρόδρομοι επιχειρηματικοί δείκτες και τα πιο πρόσφατα οικονομικά στοιχεία υποδηλώνουν αξιοσημείωτη επιβράδυνση του ρυθμού ανάπτυξης κατά το τελευταίο δίμηνο. Η συγκρατημένη εσωτερική ζήτηση, ένδειξη της οποίας αποτελεί και ο πολύ χαμηλός πληθωρισμός, αποτελεί τον βασικότερο παράγοντα. Από την άλλη, η μεγαλύτερη εξαγωγική διείσδυση σε υπάρχουσες ή και νέες αγορές επέτρεψε την πλήρη αντιστάθμιση των εξαγωγικών απωλειών στην αγορά των ΗΠΑ. Συνεπώς, ο στόχος του «περίπου 5%» συνολικά για το 2025 φαίνεται μεν πως θα επιτευχθεί, αλλά η αβεβαιότητα για τη δυνατότητα διατήρησης μίας ισχυρής αναπτυξιακής δυναμικής μεσοπρόθεσμα παραμένει.

# Global macro trends

- The extension of the trade truce agreement between the United States and China for an additional year, the near-completion of US tariff policy adjustments (pending a final agreement with India) and ongoing peace initiatives in conflict regions such as Ukraine and Gaza have contributed to a reduction in global uncertainty. However, there are ongoing concerns about the Federal Reserve's ability to maintain its independence while conducting monetary policy and heightened expectations related to developments in artificial intelligence (AI).

- In the US, the release of economic data has not yet returned to regular reporting, with several metrics not being calculated or reported for the month of October. Economic growth for the fourth quarter of 2025 is expected to slow due to the federal government shutdown from 1 October to 12 November; however, a recovery is anticipated in the first quarter of 2026. Meanwhile, tariff-driven inflation remains moderate. As the labour market experiences gradual deterioration, the Federal Reserve cut rates by 25 basis points for the third time this year on 10 December. It also announced $40 billion in short-term Treasury bill purchases during December, with similar purchases planned for coming months.

- In the Eurozone, economic growth remains subdued, showing only slight improvement compared to the beginning of the year. Inflation remains close to 2%, prompting the ECB to keep its monetary policy unchanged. The particularly favourable conditions in the labour market continue, positively influencing private consumption. However, the latest leading indicators show that stagnation in the manufacturing sector and relative consumer pessimism persist, and growth in the services sector also appears to be moderating. A notable exception is the rapid expansion of activities related to the defence sector, as Europe aims to develop an autonomous deterrent capability proportionate to its size.

- In China, recent leading business indicators and economic data point to a marked deceleration in growth over the past two months. The main contributing factor is muted domestic demand, as reflected by persistently low inflation. Conversely, increased export penetration into existing and new markets has fully offset export losses in the US market. As a result, achieving the overall growth target of "around 5%" for 2025 remains attainable; nevertheless, uncertainties persist on the sustainability of robust growth momentum over the medium term.

# Main Macroeconomic Indicators – Market Consensus

| US | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Actual | | | | Estimates | | | | % Y/Y avg | | |
| | 2024 Q3 | 2024 Q4 | 2025 Q1 | 2025 Q2 | 2025 Q3 | 2025 Q4 | 2026 Q1 | 2026 Q2 | 2024 | 2025 | 2026 |
| Real GDP Q/Q % SAAR | 3,3 | 1,9 | -0,6 | 3,8 | 2,9 | 1,0 | 2,1 | 1,9 | 2,8 | 2,0 | 2,0 |
| Headline PCE PI % Y/Y | 2,4 | 2,6 | 2,6 | 2,4 | 2,7 | 2,8 | 2,8 | 2,8 | 2,6 | 2,6 | 2,7 |
| Core PCE % Y/Y | 2,8 | 3,0 | 2,8 | 2,7 | 2,9 | 3,0 | 3,0 | 3,0 | 2,9 | 2,9 | 2,8 |
| Unemployment Rate | 4,2 | 4,1 | 4,1 | 4,2 | 4,3 | 4,4 | 4,5 | 4,5 | 4,0 | 4,3 | 4,4 |
| Fed Policy Rate (Upper Bound) | 5,00 | 4,50 | 4,50 | 4,50 | 4,25 | 3,75 | 3,63 | 3,43 | 4,50 | 3,75 | 3,25 |

| EA | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Actual | | | | Estimates | | | | % Y/Y avg | | |
| | 2024 Q4 | 2025 Q1 | 2025 Q2 | 2025 Q3 | 2025 Q4 | 2026 Q1 | 2026 Q2 | 2026 Q3 | 2024 | 2025 | 2026 |
| Real GDP Q/Q % | 0.4 | 0.6 | 0.1 | 0.3 | 0.2 | 0.3 | 0.4 | 0.4 | 0.9 | 1.4 | 1.1 |
| CPI % Y/Y | 2.2 | 2.3 | 2.0 | 2.1 | 2.1 | 1.7 | 1.9 | 1.8 | 2.4 | 2.1 | 1.8 |
| Unemployment Rate | 6.3 | 6.3 | 6.4 | 6.4 | 6.3 | 6.3 | 6.3 | 6.3 | 6.4 | 6.3 | 6.3 |
| ECB Policy Rate (Main Refin Rate) | 3.15 | 2.65 | 2.15 | 2.15 | 2.15 | 2.15 | 2.15 | 2.15 | 3.15 | 2.15 | 2.15 |

| | **Emerging Markets** | | **Brazil** | | | **China** | | **India** | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Real GDP | Inflation | Real GDP | Inflation | Key Rate | Real GDP | Inflation | Real GDP | Inflation | Key Rate |
| 2022 | 3.9 | 6.4 | 3.0 | 9.3 | 13.75 | 3.1 | 2.0 | 9.7 | 6.7 | 6.25 |
| 2023 | 4.4 | 5.8 | 3.3 | 4.6 | 11.75 | 5.4 | 0.2 | 7.6 | 5.7 | 6.50 |
| 2024 | 4.8 | 6.8 | 3.37 | 4.4 | 12.25 | 5.0 | 0.2 | 9.2 | 5.0 | 6.50 |
| 2025f | 4.1 | 3.0 | 2.2 | 5.0 | 15.00 | 4.9 | 0.0 | 6.4 | 4.6 | 5.29 |
| 2026f | 4.1 | 2.7 | 1.7 | 4.2 | 12.25 | 4.5 | 0.7 | 6.8 | 2.3 | 5.21 |

**Market Consensus 10.12.2025**

Bird's Eye View

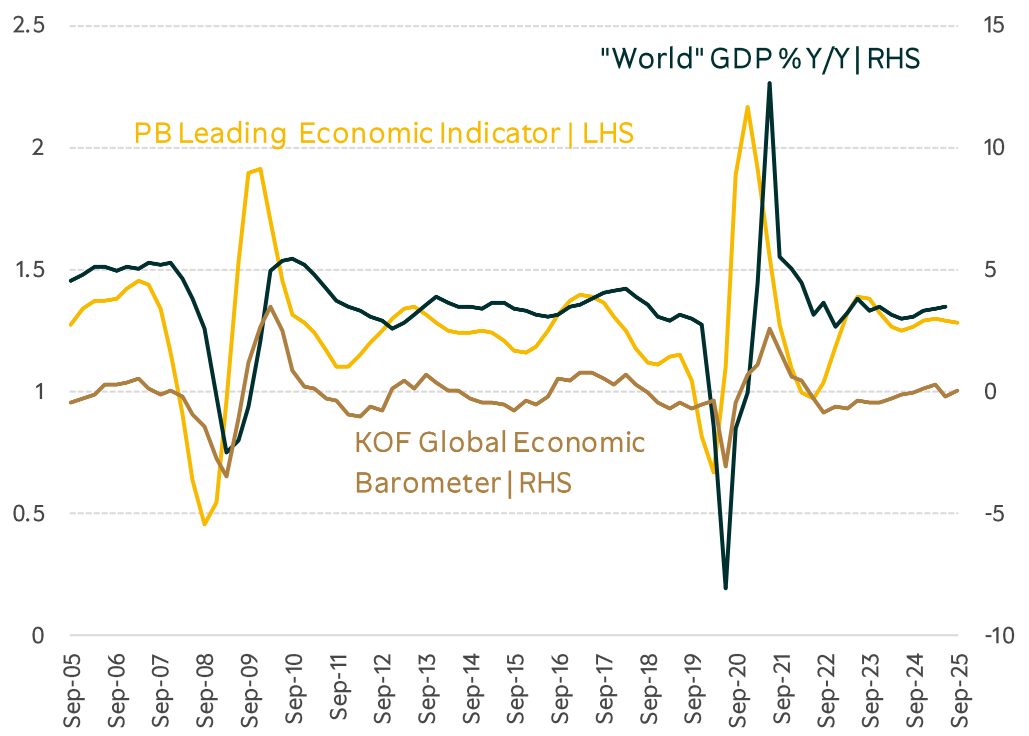
US Economy

EA Economy

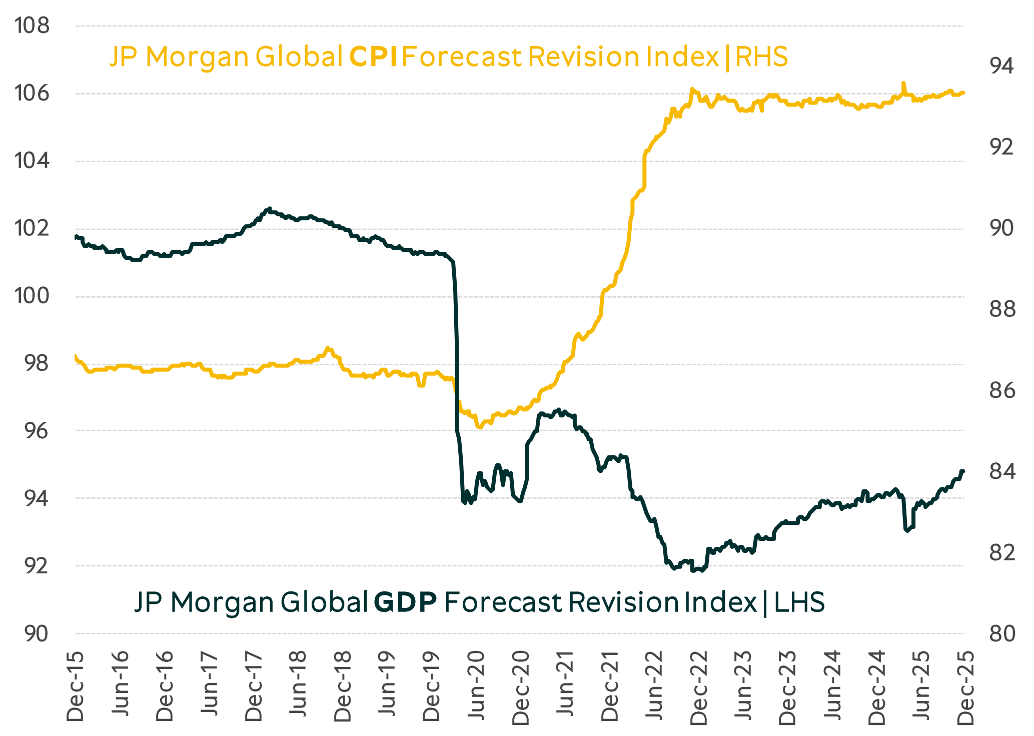
China Economy

## The Global Bird's-Eye View | The de-escalation of the trade war has halted the rise in inflation forecasts and at the same time global GDP growth has remained resilient.

### Piraeus Bank "World" Leading Economic Indicator & Economic Growth



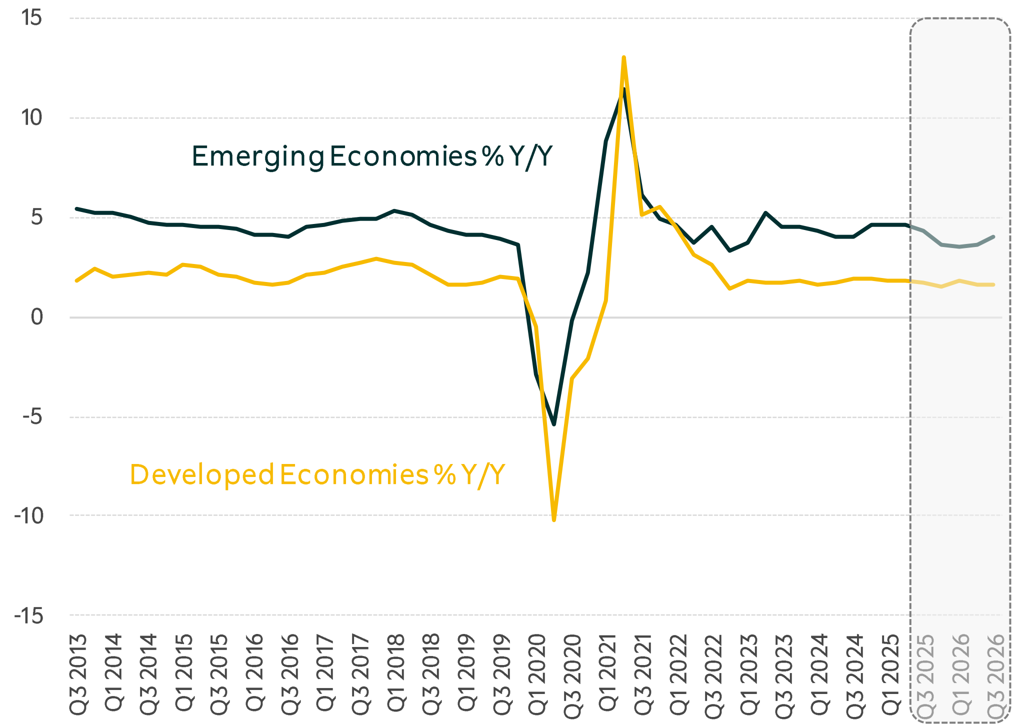

### JP Morgan Global Forecast Revision Indices



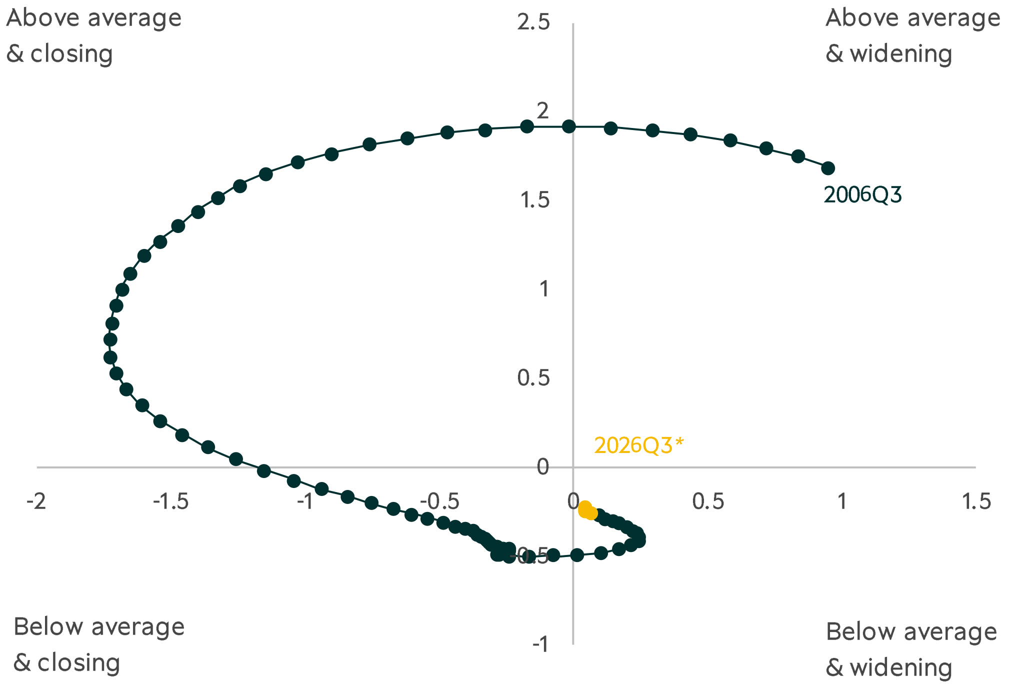

Source: Economic Research & Investment Strategy

# The Global Bird's-Eye View | The growth differential between emerging markets and developed markets is expected to remain at below average levels for 2025/26, but improvement in EM economic activity is expected.

## Real GDP Growth




## EM – DM Growth Differential



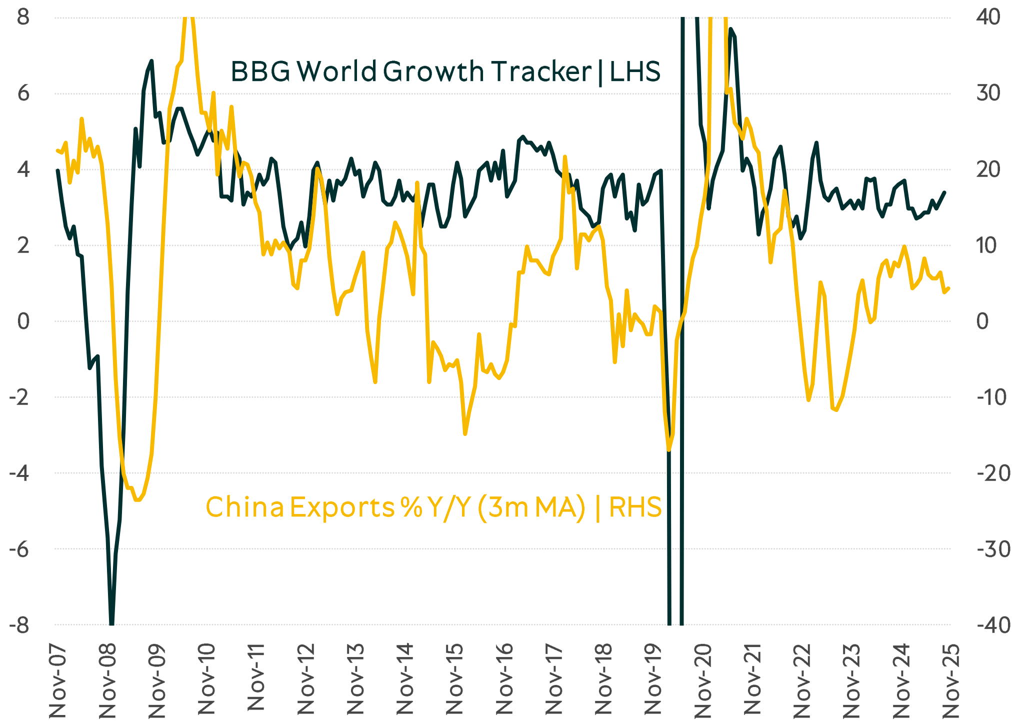

* Denotes forecasted figures from 2025Q3 up to 2026Q3



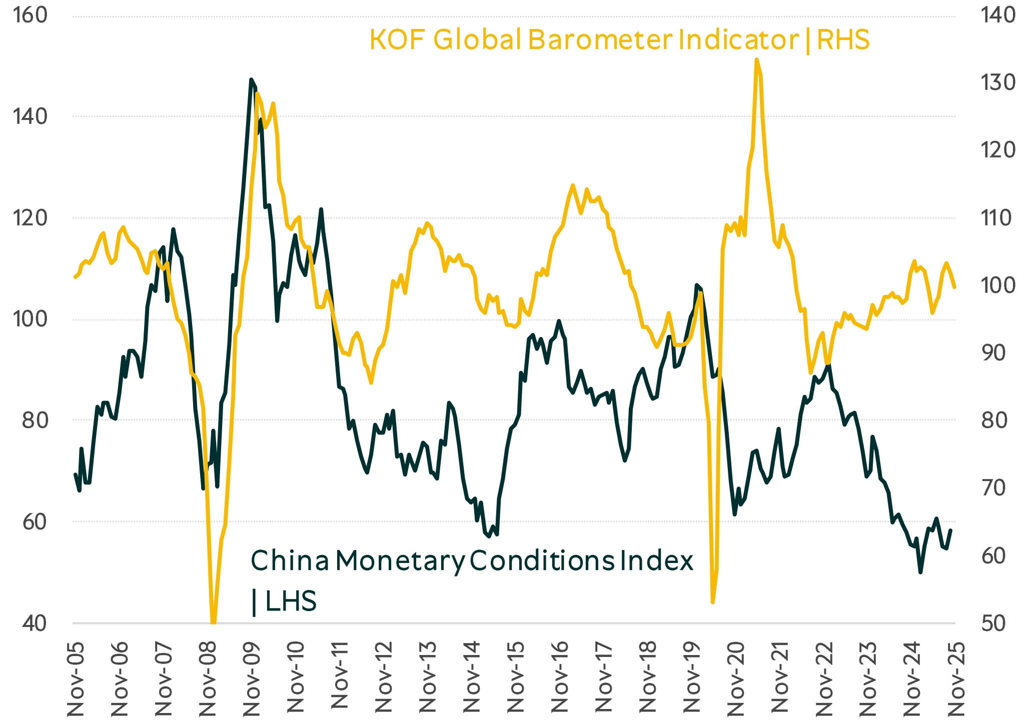
Source: Economic Research & Investment Strategy

# Global Economic Activity | China's exports rose in November (+5.9% Y/Y) after October's decline (-1.2% Y/Y)

BBG World Growth Tracker & China Exports



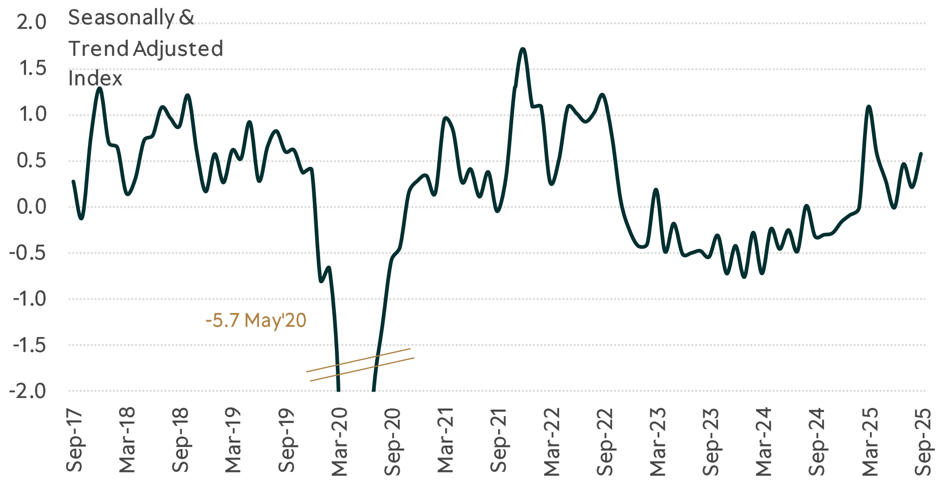

KOF Global Barometer Indicator & China Monetary Conditions



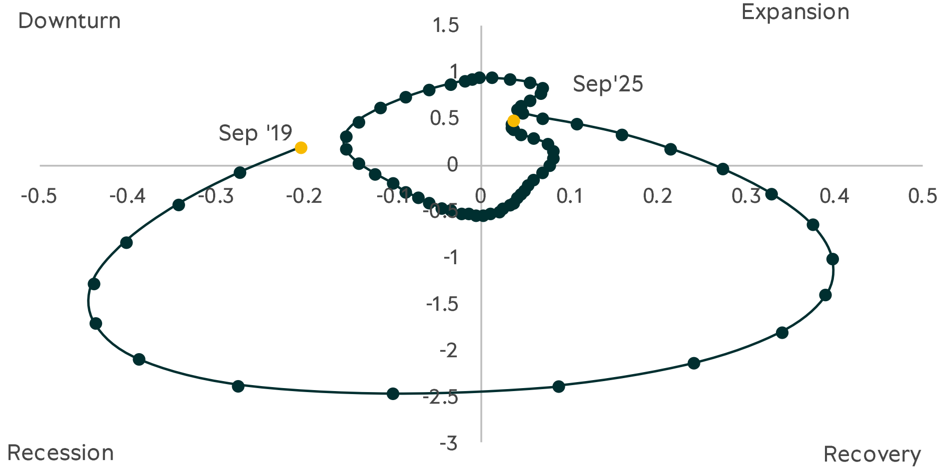

Source: Economic Research & Investment Strategy

# Global Trade | World trade accelerated in September but EM Exports decelerated following the growth of the past months

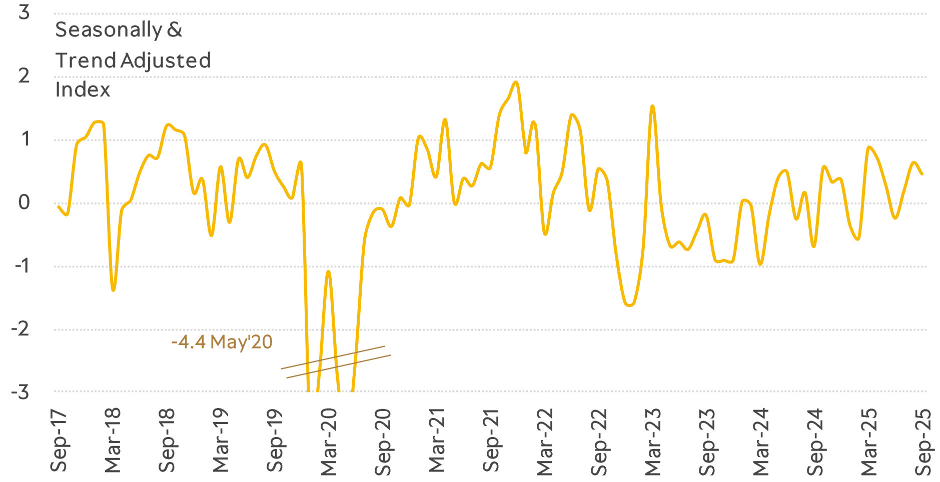
## World Trade



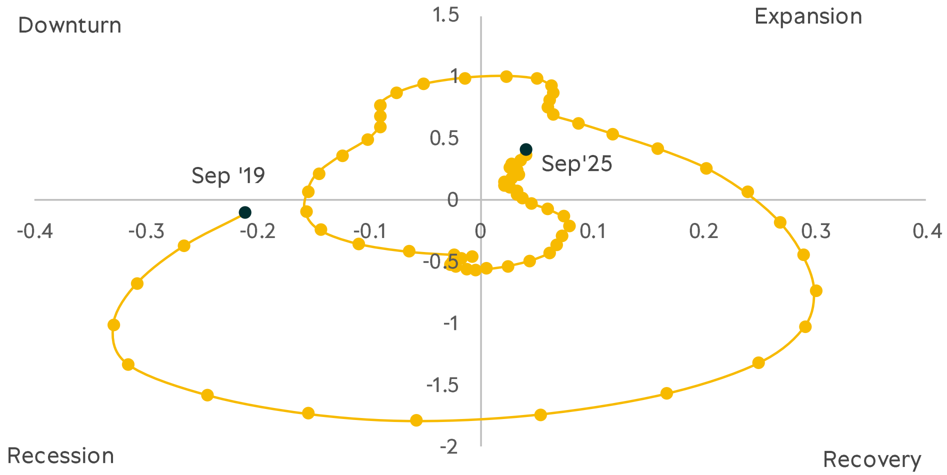

## World Trade Tracer




## World Exports | EM



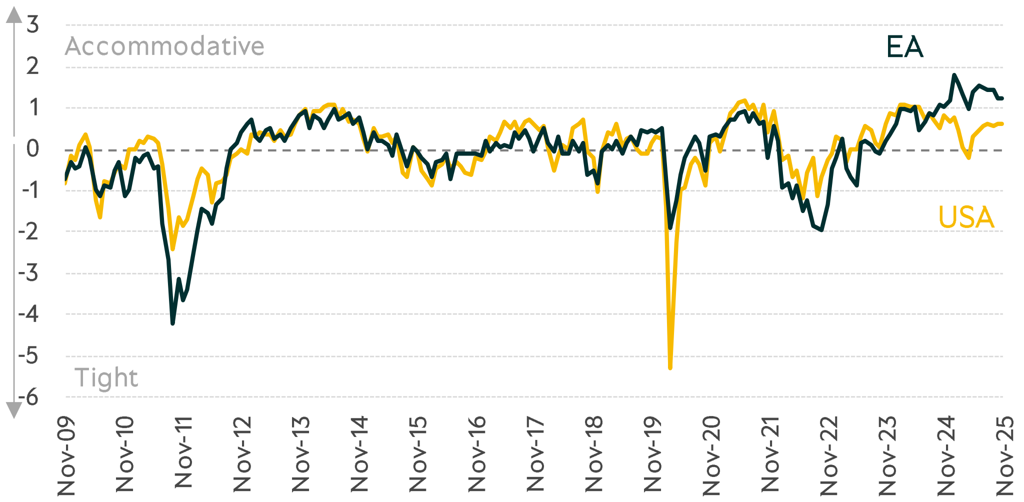

## World Exports Tracer | EM



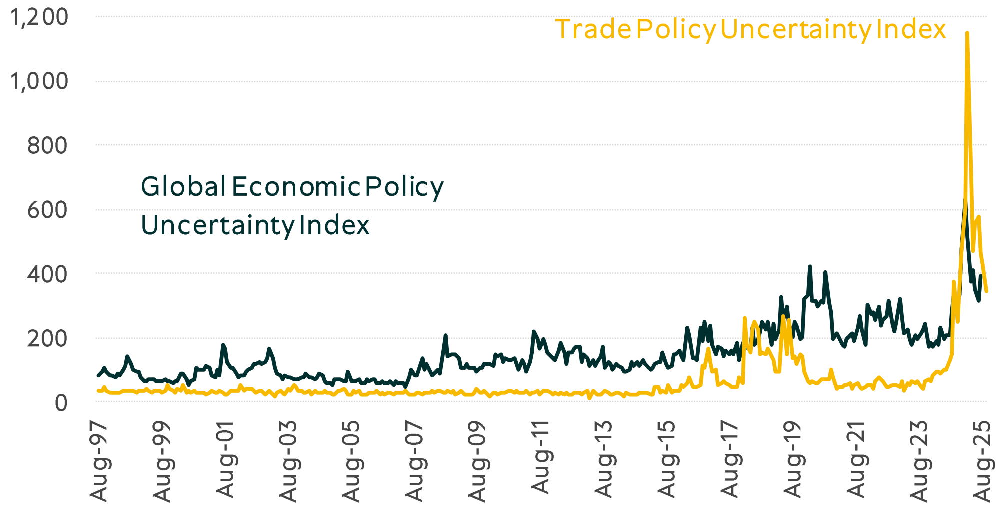

Source: Economic Research & Investment Strategy

# Global Trends | Trade Policy Uncertainty continued its decline but remains elevated. US Financial Conditions remained accommodative in November. There was a notable jump in the Baltic Dry Index.

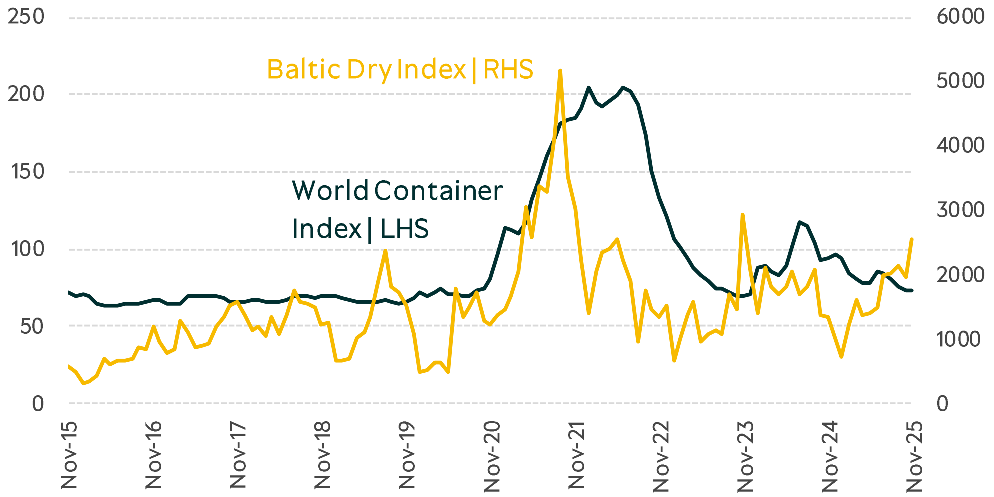
## Bloomberg Financial Conditions Indices



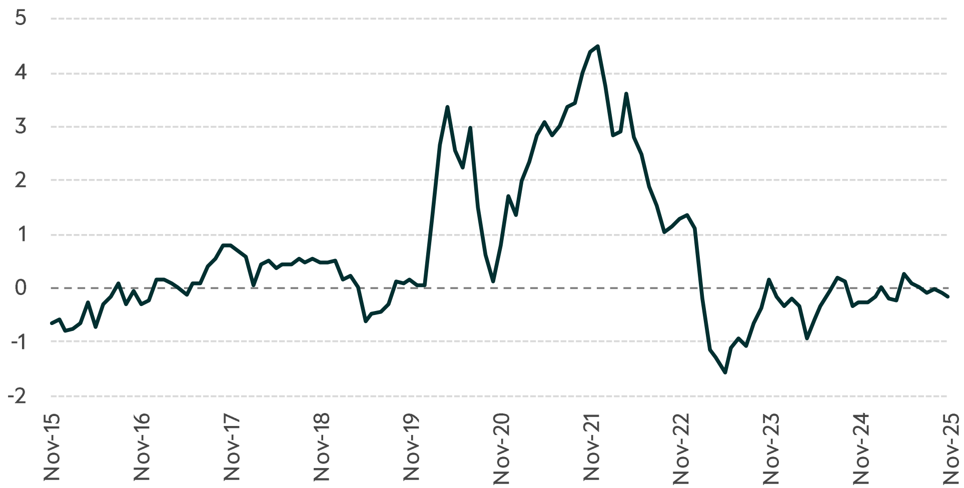

## Global Economic & Trade Policy Uncertainty (Caldara & Iacoviello)




## World Container and Baltic Dry Indices



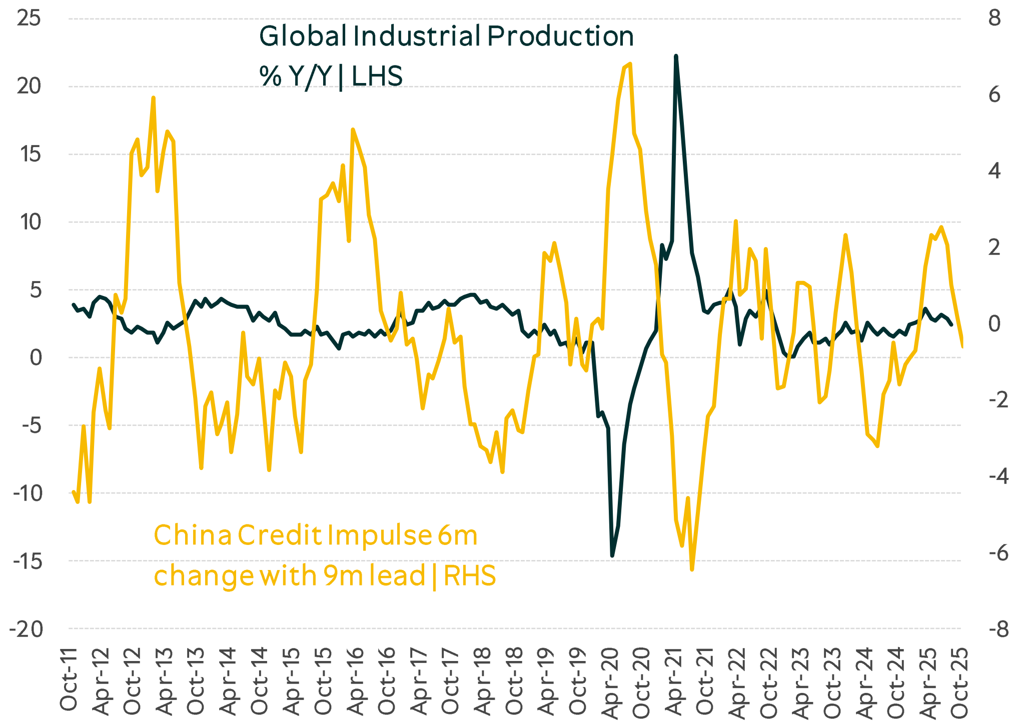

## Global Supply Chain Pressure (NY Fed )



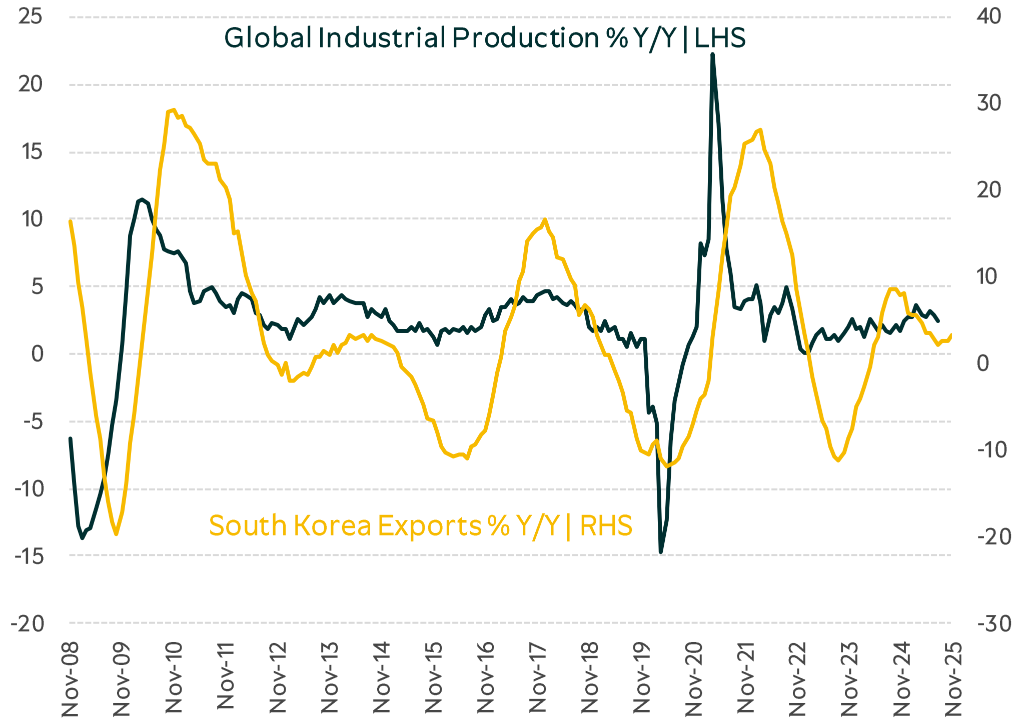

Source: Economic Research & Investment Strategy

# Global Trends | Momentum in China's credit impulse moderated further in October after steady gains. South Korea's export uptick is consistent with global industrial production stabilisation.

## China Credit Impulse (9m lead) & Global industrial production



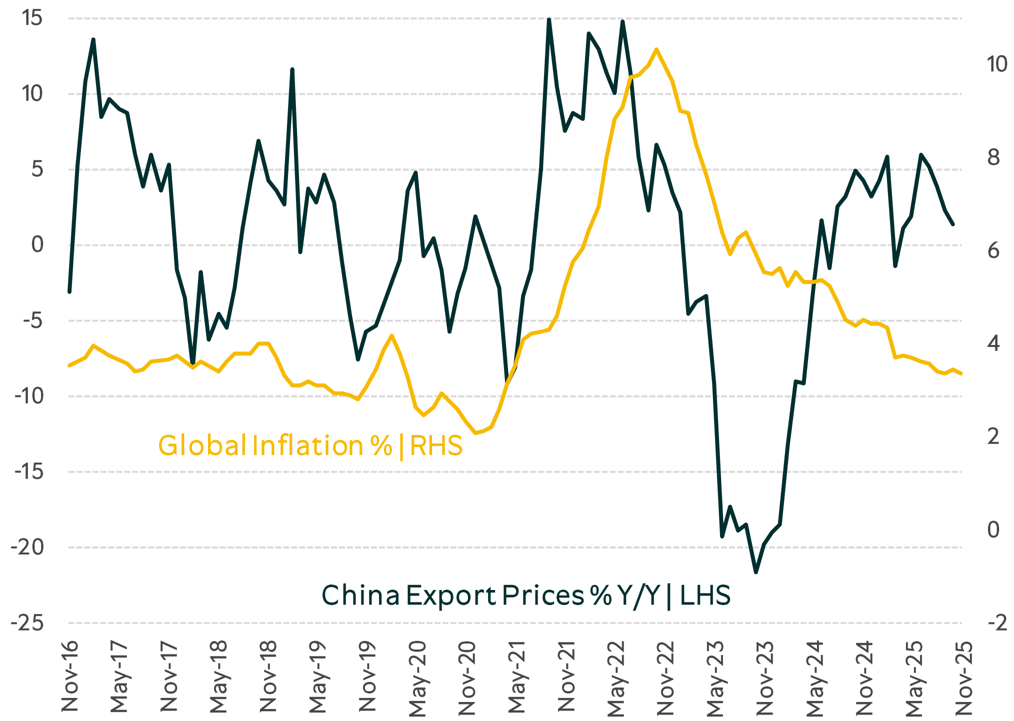

## South Korean Exports & Global Industrial Production



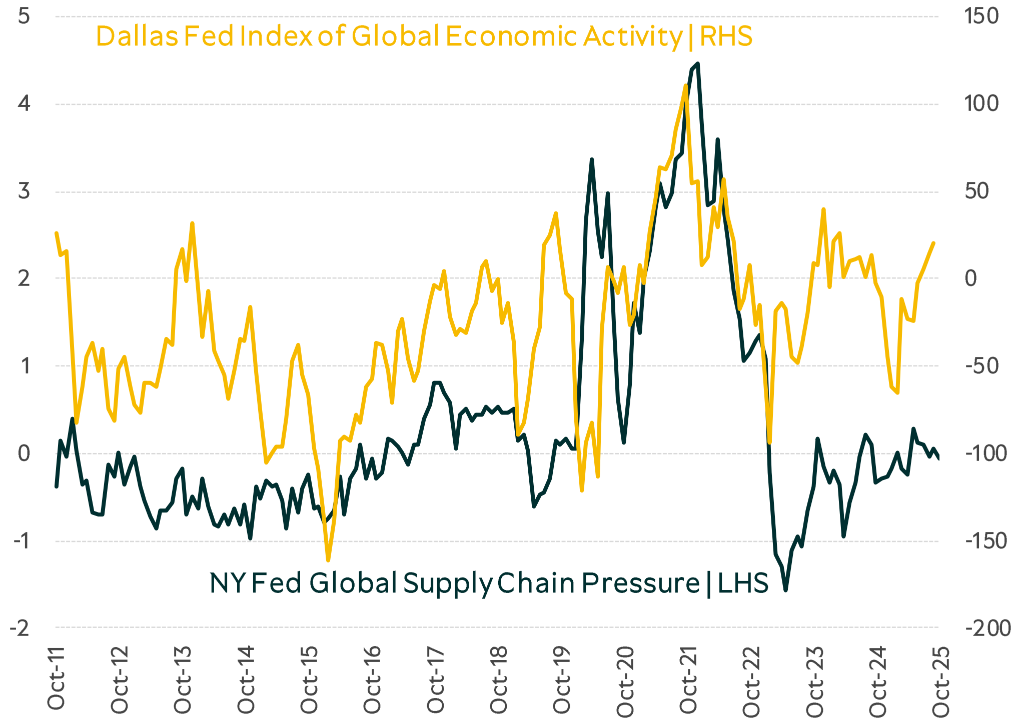

Source: Economic Research & Investment Strategy

# Global Trends | Global inflation moderated marginally in November. Supply chain pressures have eased and are now close to their historical average as economic activity is improving.

## China Export Prices & Global Inflation

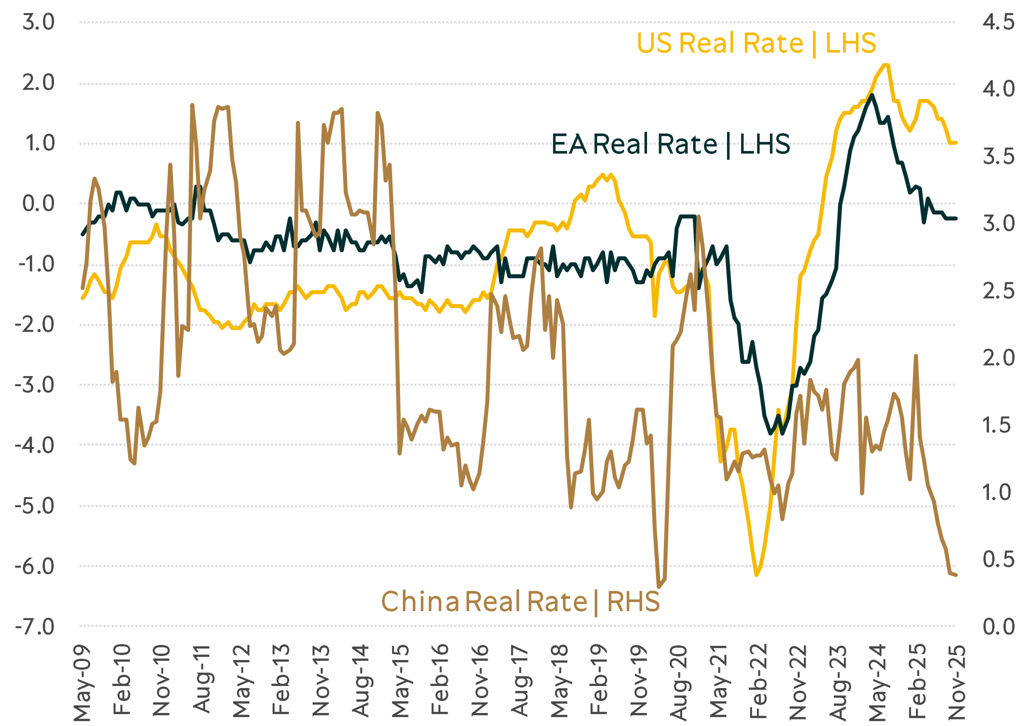



## Global Economic Activity vs Global Supply Pressure

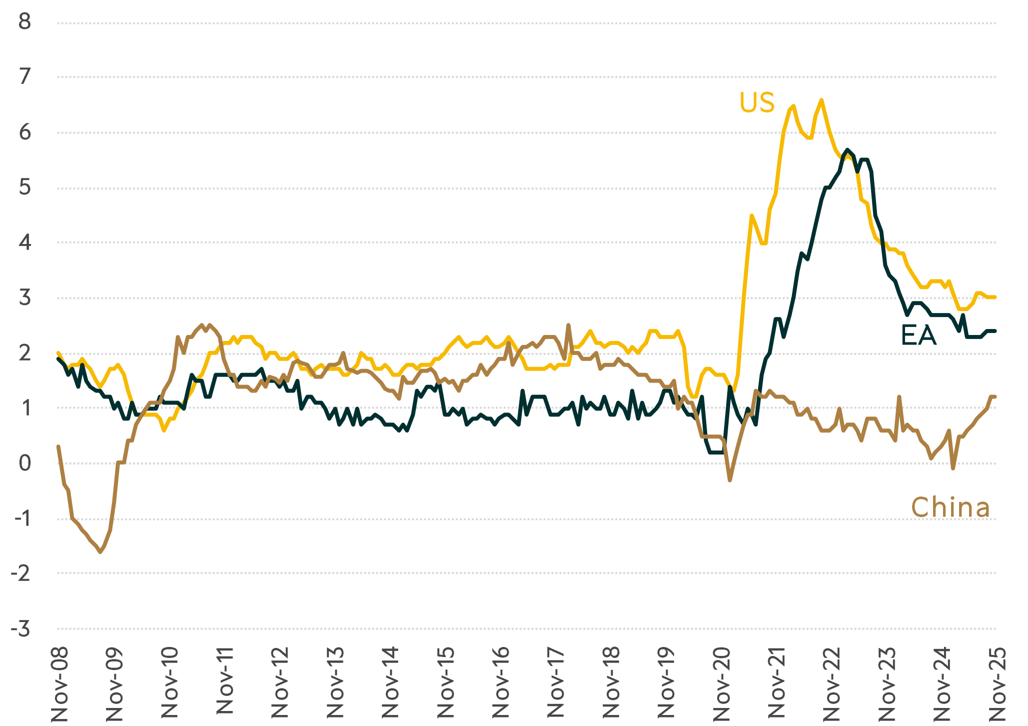


# Global Trends | Real policy rates in the US, EA and China stabilized in November. China's core CPI in November remained unchanged after sixth consecutive months of increase.

Global Real Policy Rates US, EA, CN




US, EA, CN Core Inflation



Bird’s Eye View

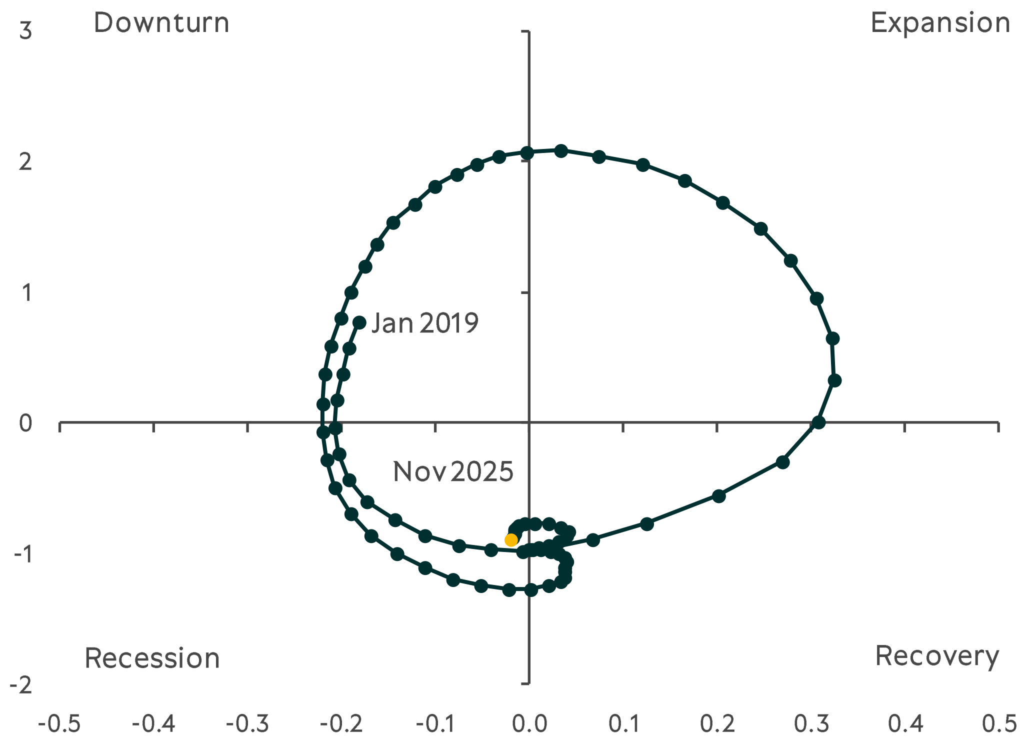
US Economy

EA Economy

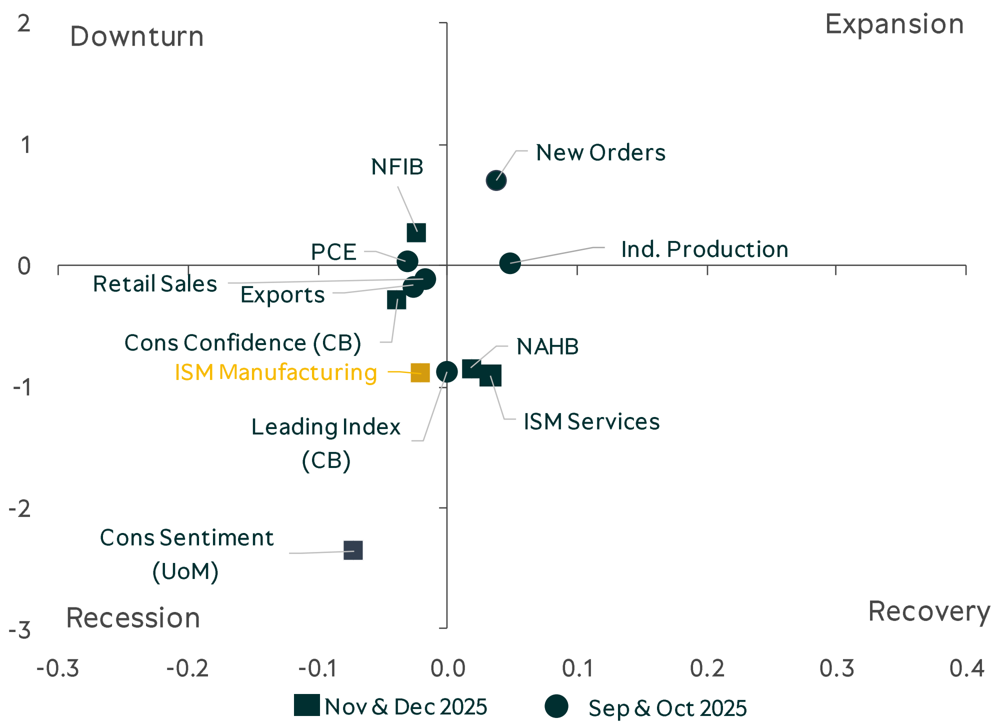
China Economy

# US Business Cycle | Most leading economic indicators are moving closer to the axes

US Business Cycle | Based on ISM Manufacturing Indicator



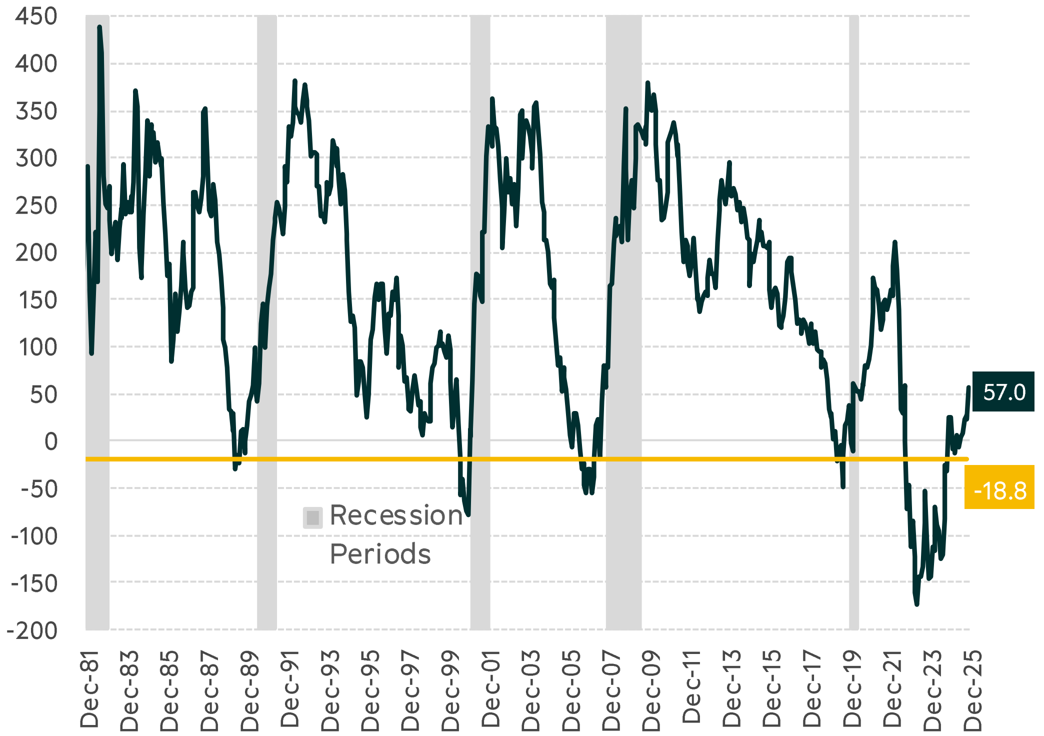

US Business Cycle | Based on Major US Economic Variables



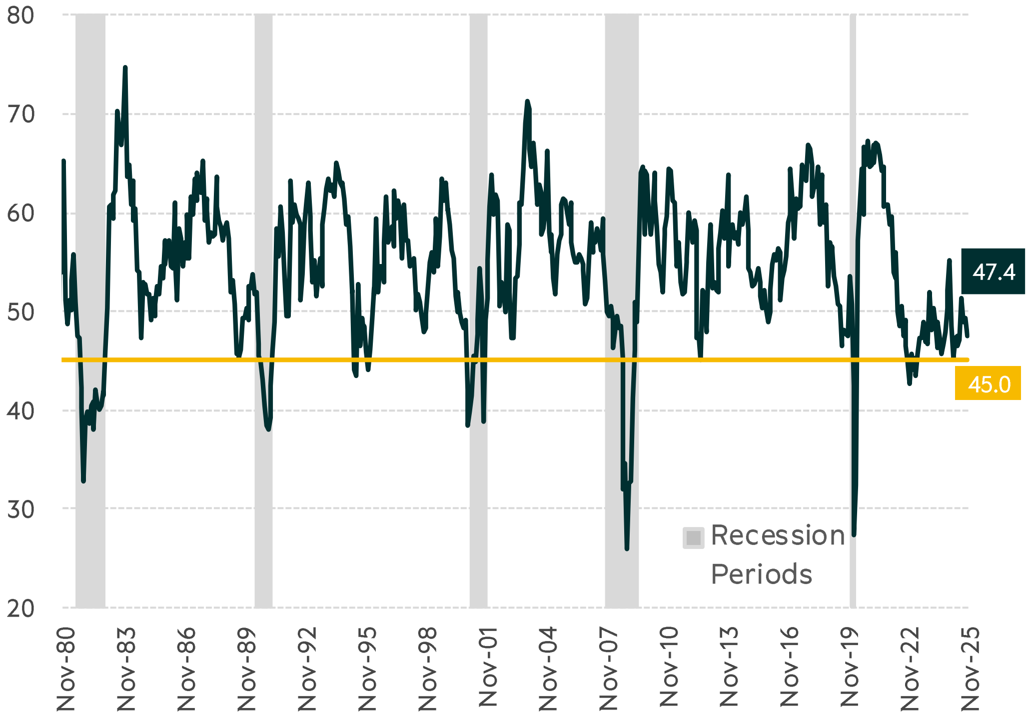

Source: Economic Research & Investment Strategy

## US Recession Indicators | The 10YR3M spread and the ISM New Order Index remain above the threshold levels consistent with recession periods.

### 10 Year and 3M US Treasury Yields Spread

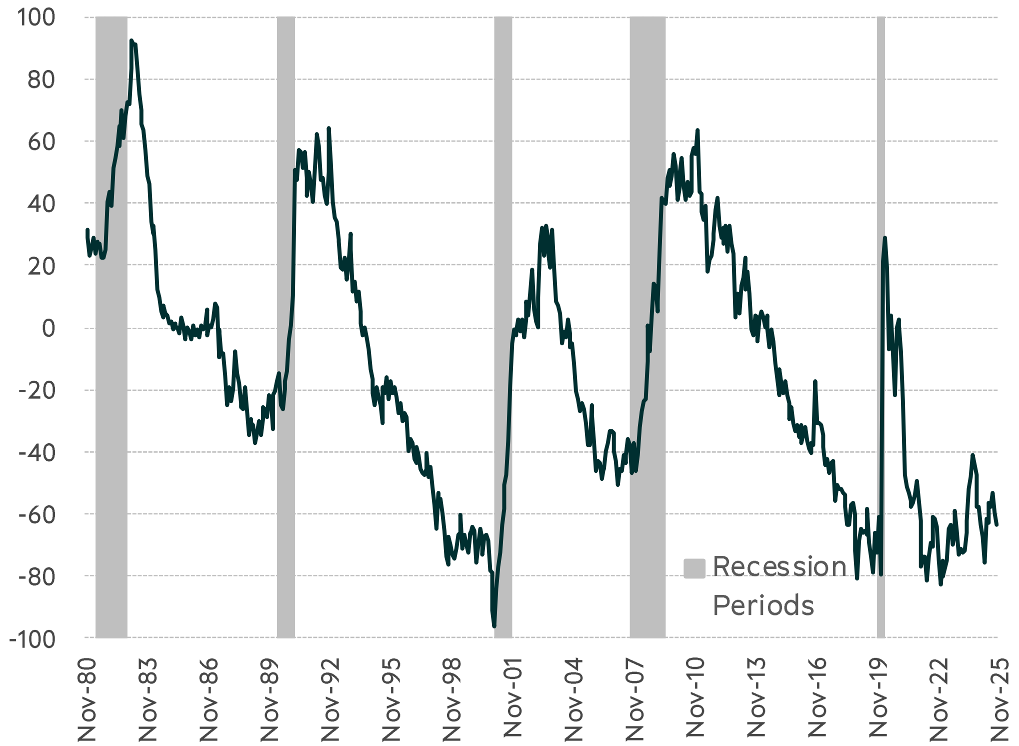



### ISM Manufacturing New Order Index

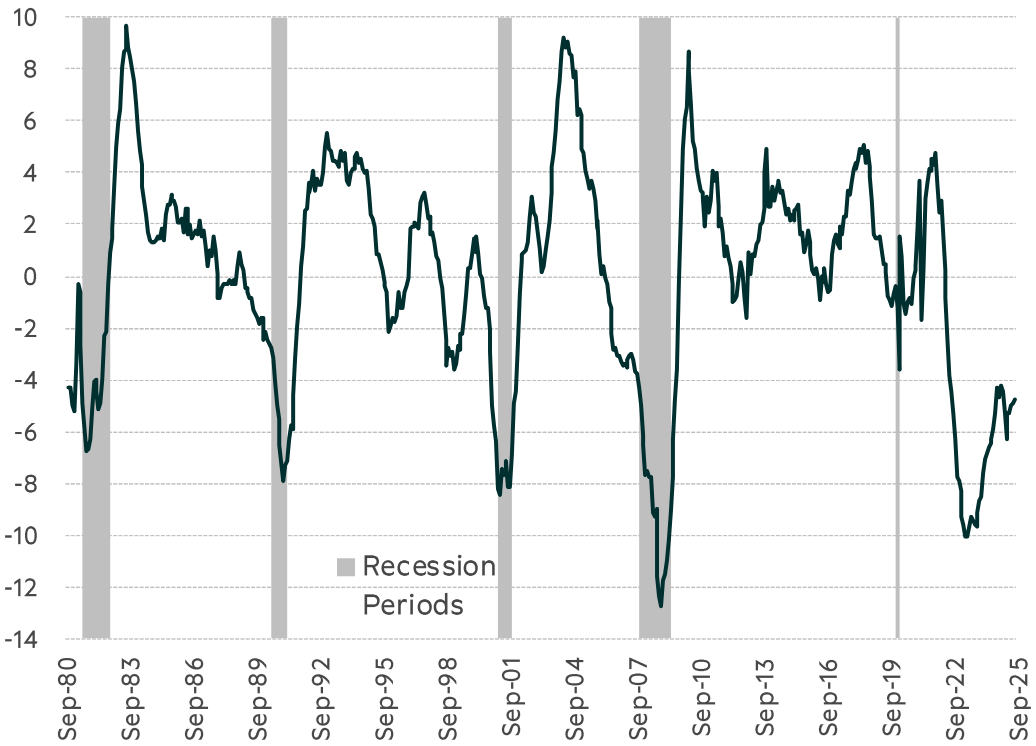


# Conference Board Survey | The difference between Consumer Expectations and Current Situation indicators widened further in November. A different shift occurred between the Leading and Coincident indicators in Sept.

Difference between Consumer Expectations and Current Situation Indicators (Conference Board)

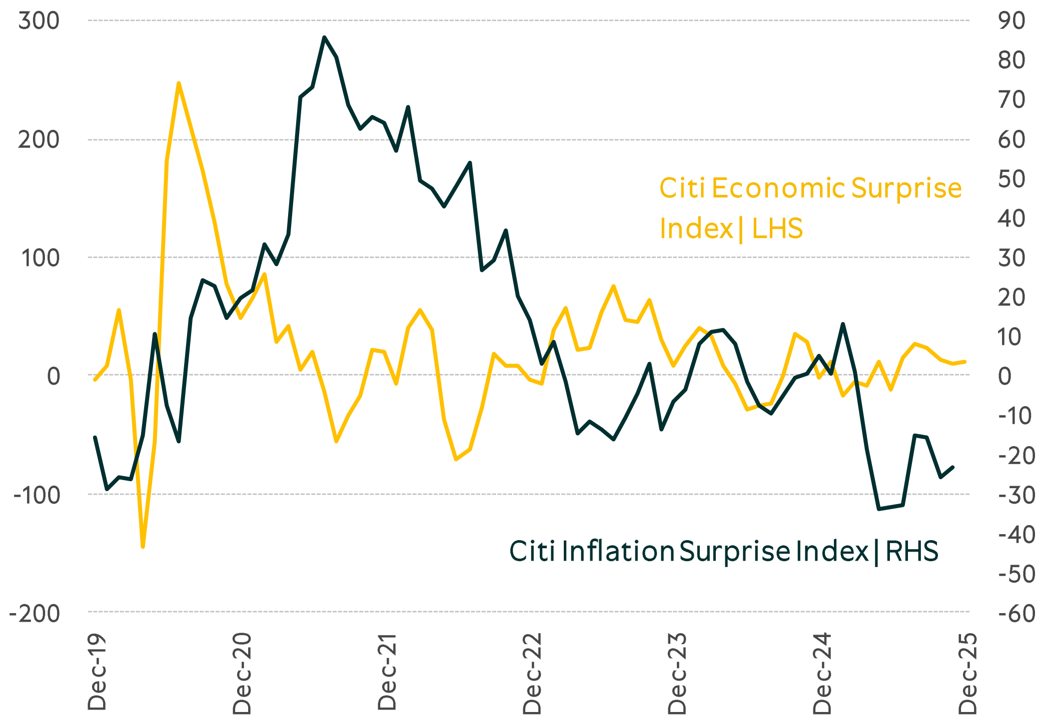



Difference between Leading & Coincident Indicators (Conference Board)

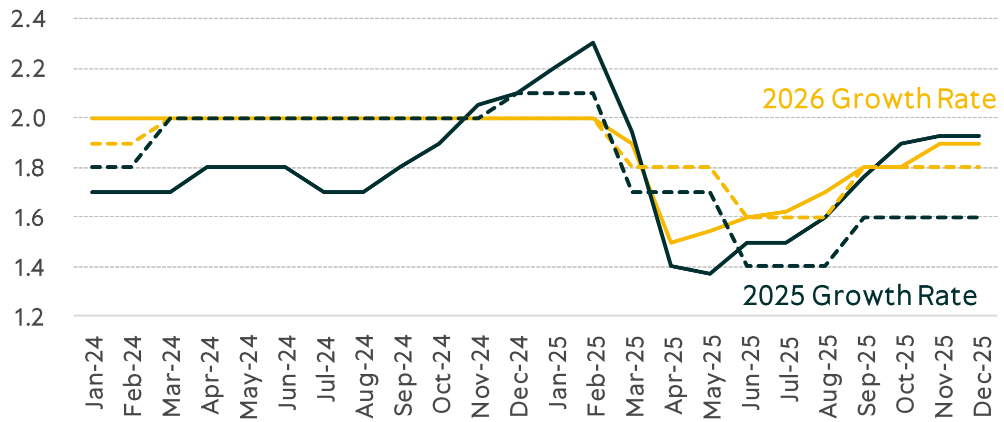


# US Macro Expectations | Economic surprises remain favourable. Negative inflation surprises have weakened (Sept CPI), although due to the shutdown, data collection and reporting delays may be distorting underlying trends

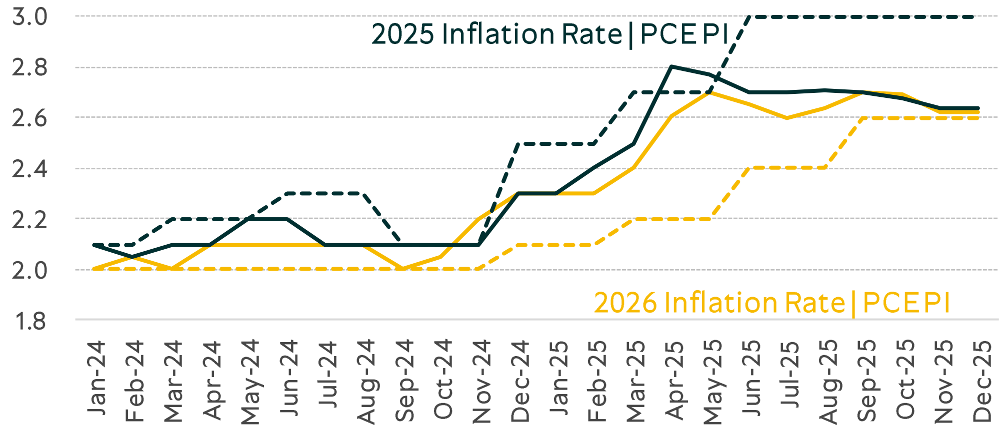
## Economic & Inflation Surprises




## Growth Rate Expectations*




## Inflation Rate Expectations*

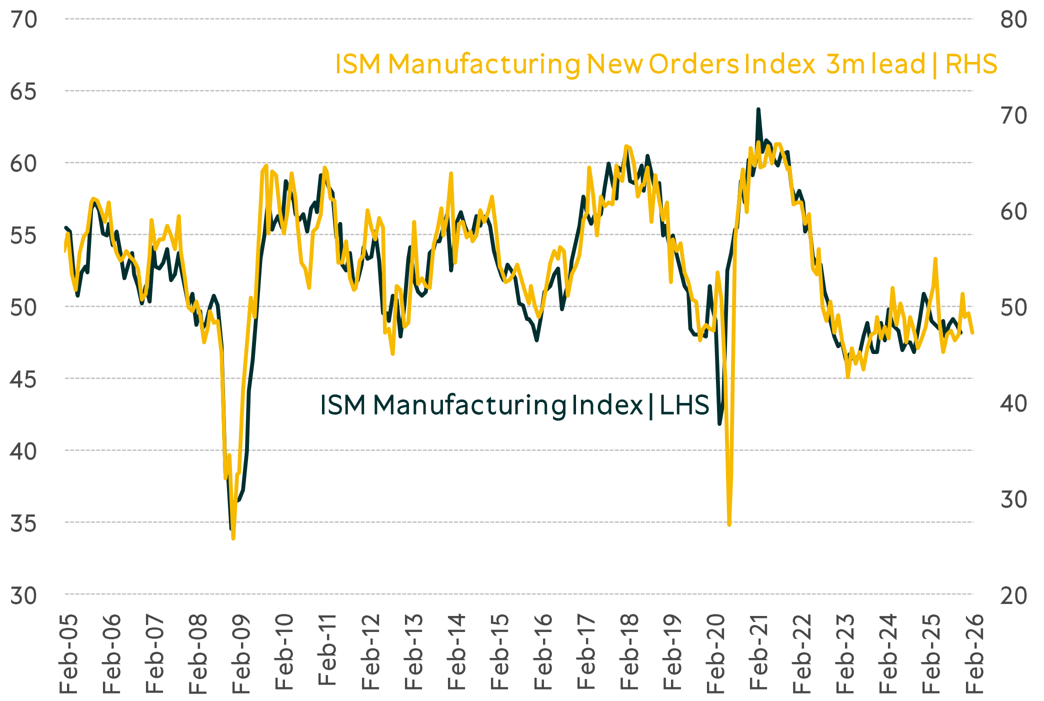



*Solid line: Consensus; Dotted line: Fed projections

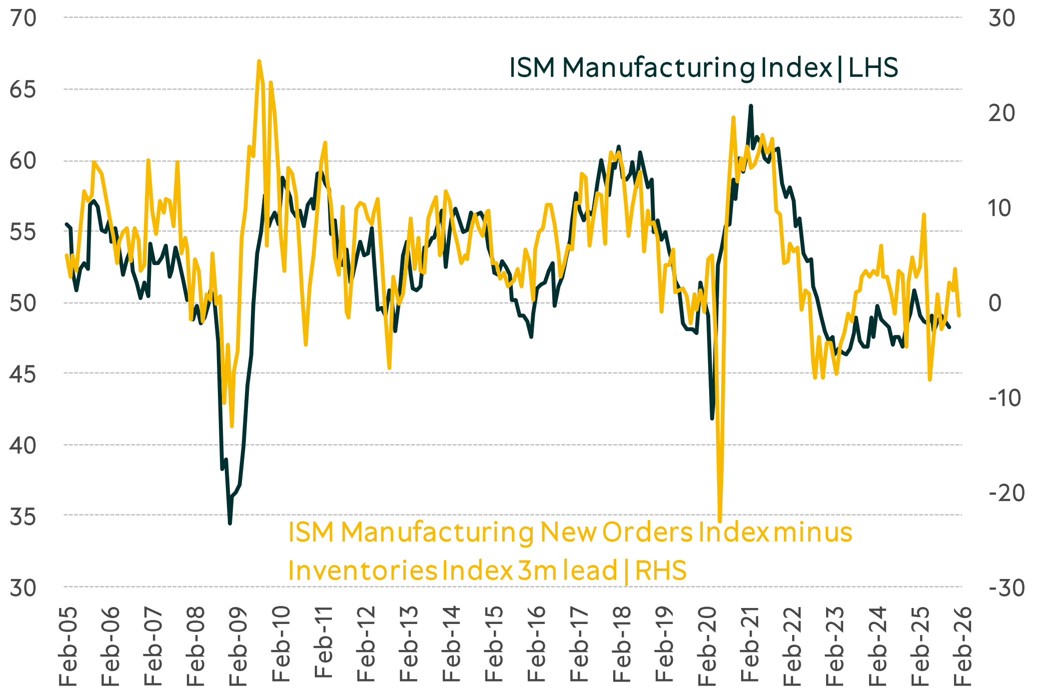
Source: Economic Research & Investment Strategy

# US Leading Indicators | The ISM Manufacturing Index stayed below 50 in November for the ninth consecutive month. New Orders dropped to 47.4 and Inventories rose to 48.9.

ISM Manufacturing & New Orders Indices




ISM Manufacturing & New Orders Index Minus Inventories Index

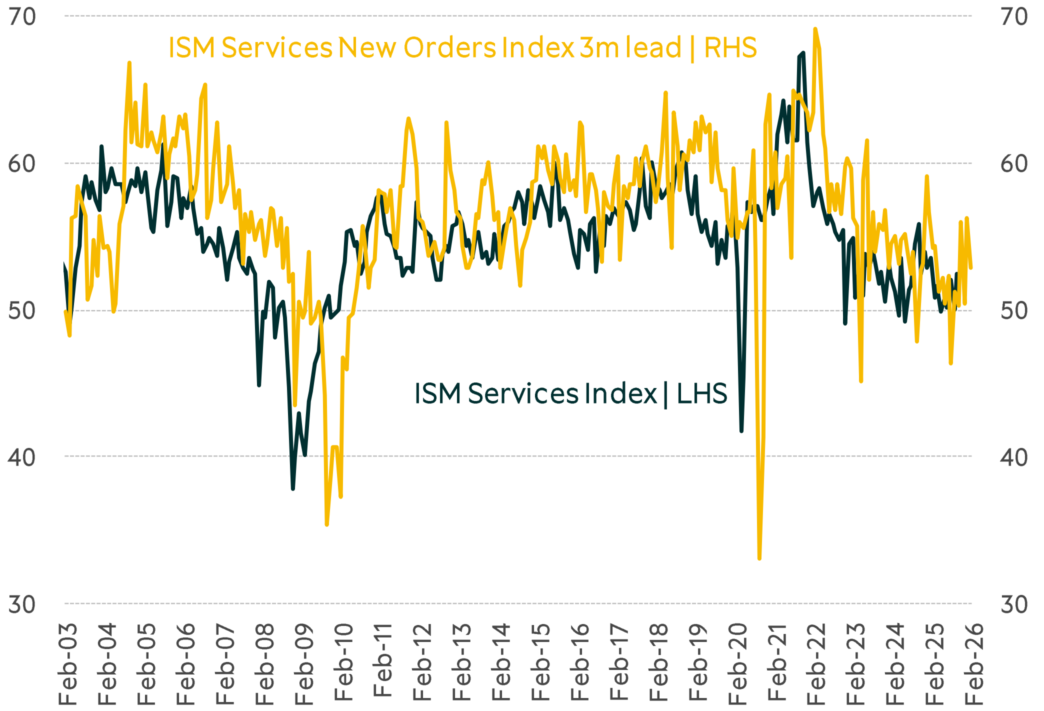



Piraeus

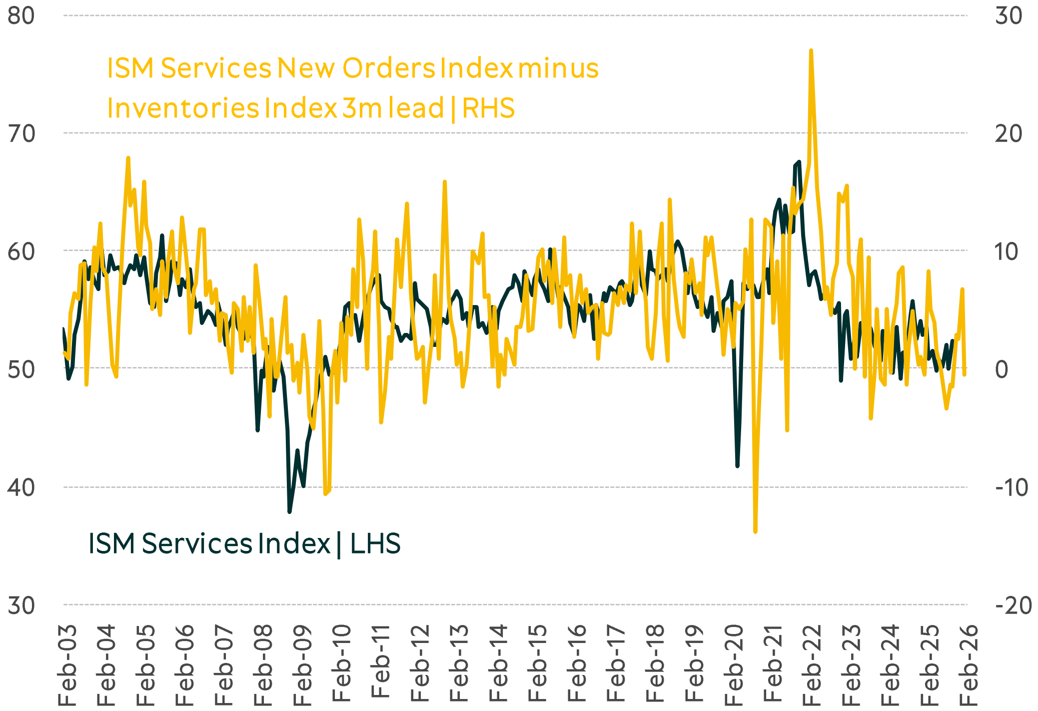
Source: Economic Research & Investment Strategy

# US Leading Indicators | ISM Services index rose to 52.6 in November though there was a big drop in new orders and an increase in the inventories index.

ISM Services & New Orders Indices

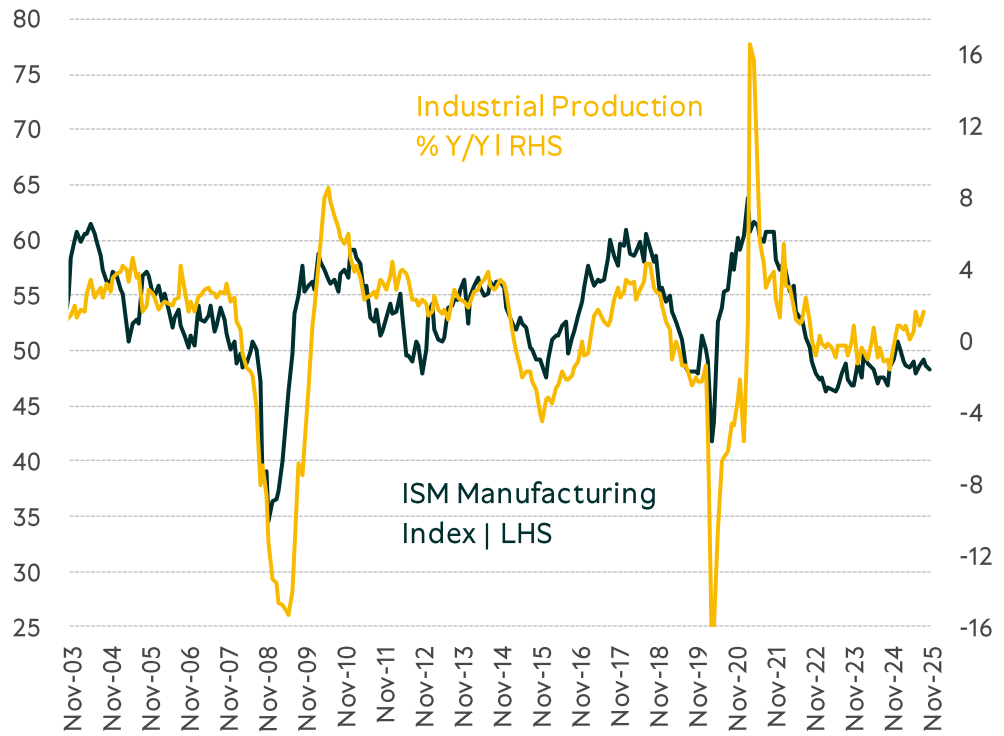



ISM Services & New Orders Index Minus Inventories Index

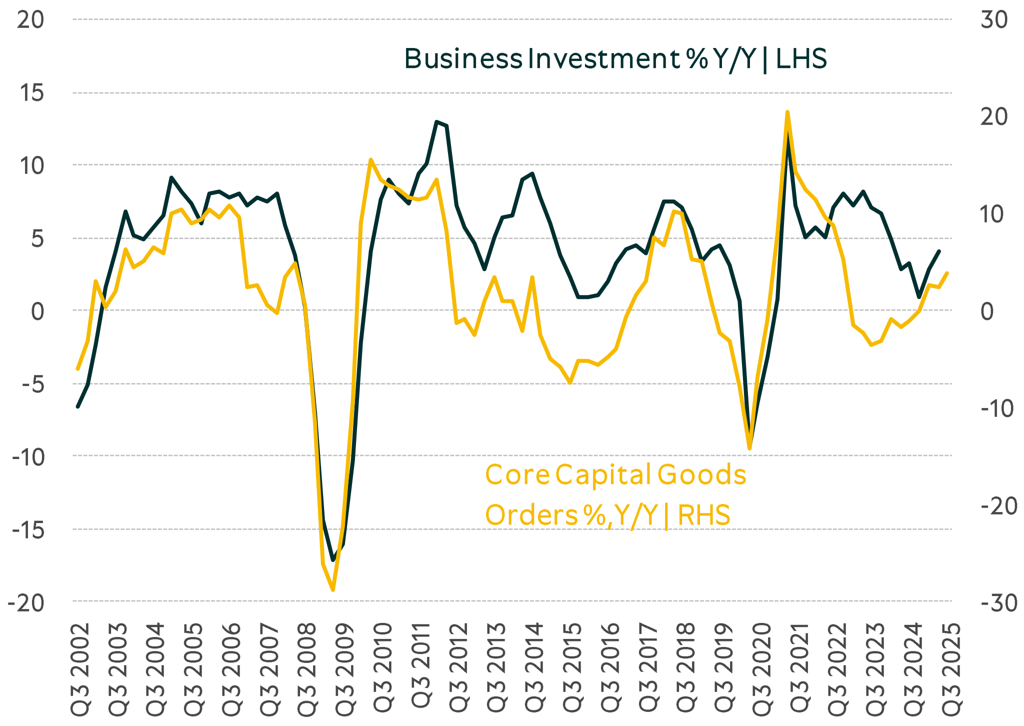


# US | Industrial Production rose only marginally in September (+0.1% mom, +1.6% yoy). Business investments and Core Capital Goods extended gains supporting growth momentum into Q3.

Industrial Production & ISM Manufacturing




Core Capital Goods Orders & Business Investment

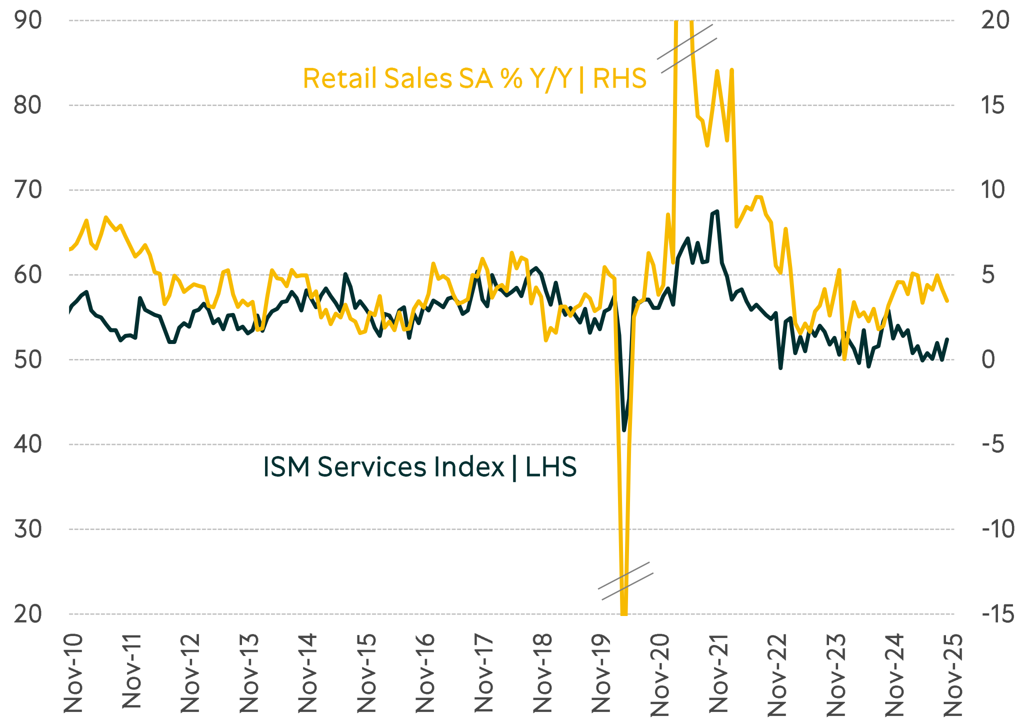



Piraeus

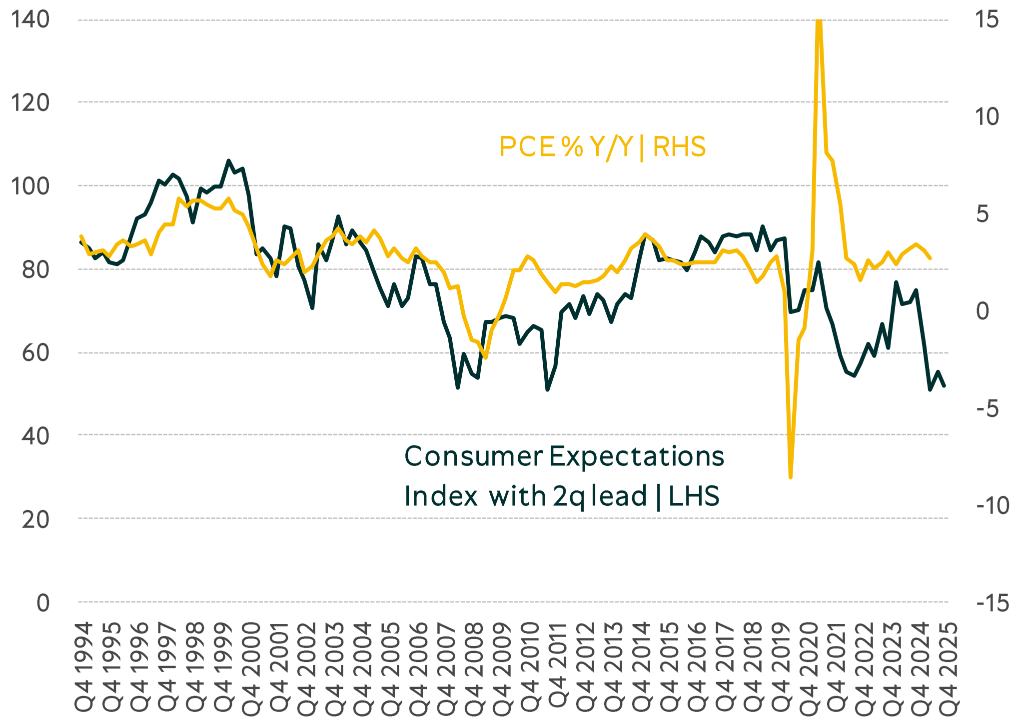
Source: Economic Research & Investment Strategy

# US | The US consumer has been the main "growth driver" so far but retail sales slowed further in October. November ISM Services rose but Consumer expectations point to lower consumption ahead.

Retail Sales & ISM Services

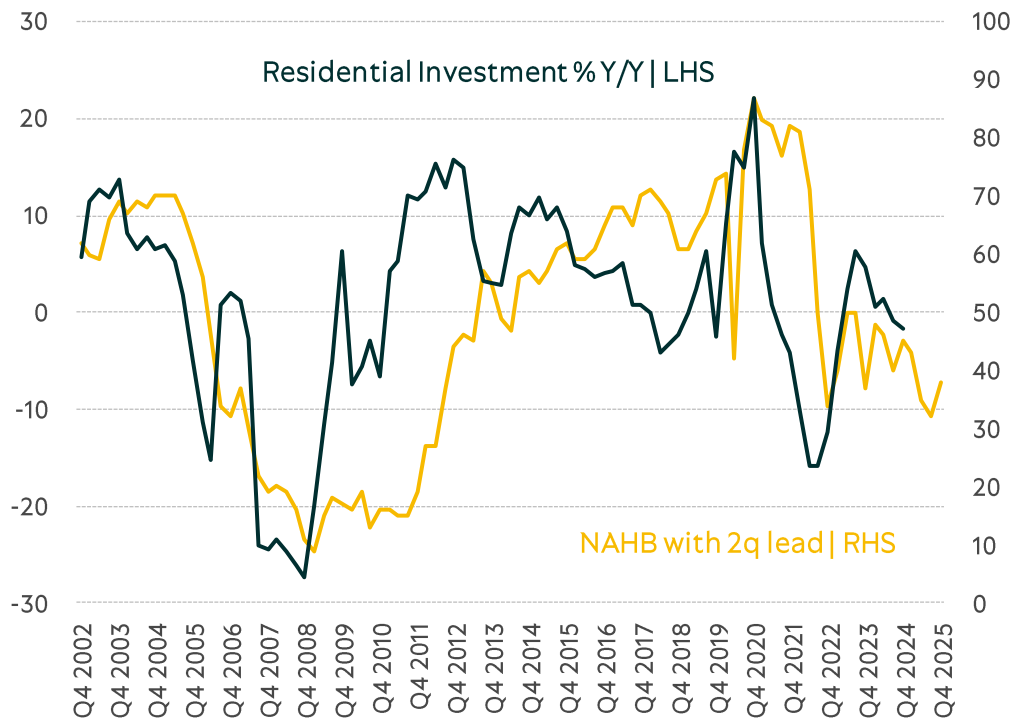



Personal Consumer Expenditure & University of Michigan Consumer Expectations Index

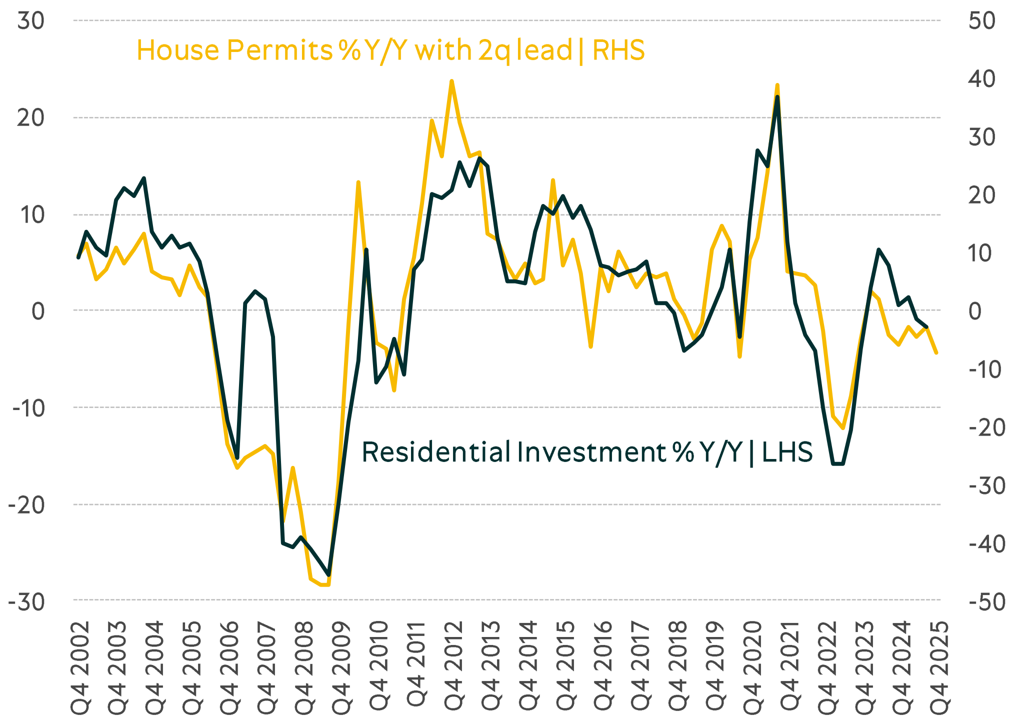


# Housing Market | Residential investment declined further in Q2 and House Permits in Q3. Home builders' expectations nudged up to 39 in December amid sluggish demand.

## Residential Investment & NAHB Index

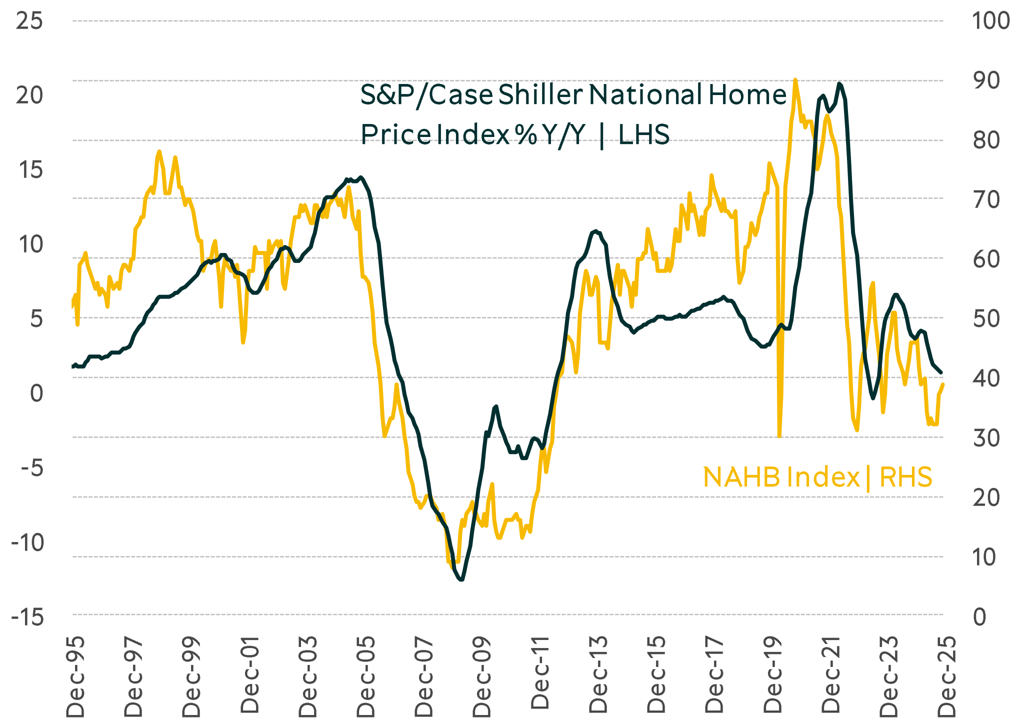



## Residential Investment & House Permits

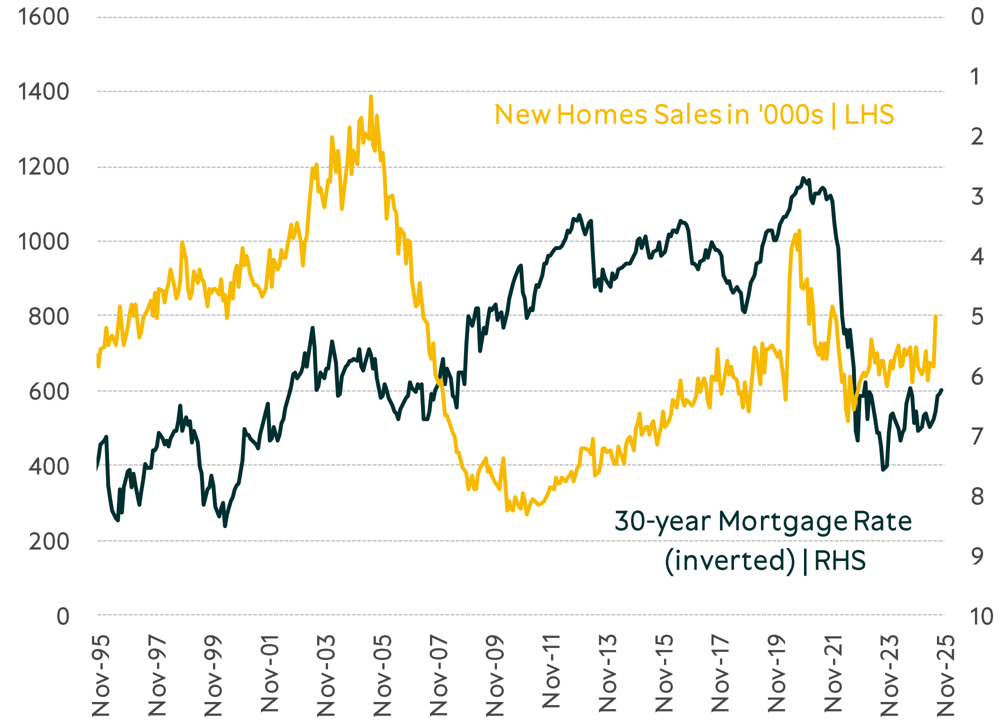


# Housing Market | The S&P/Case Shiller National Home Price Index posted a 1.3% annual gain in September, the weakest performance since mid-2023.

NAHB Index & S&P/Case Shiller Home Price Index

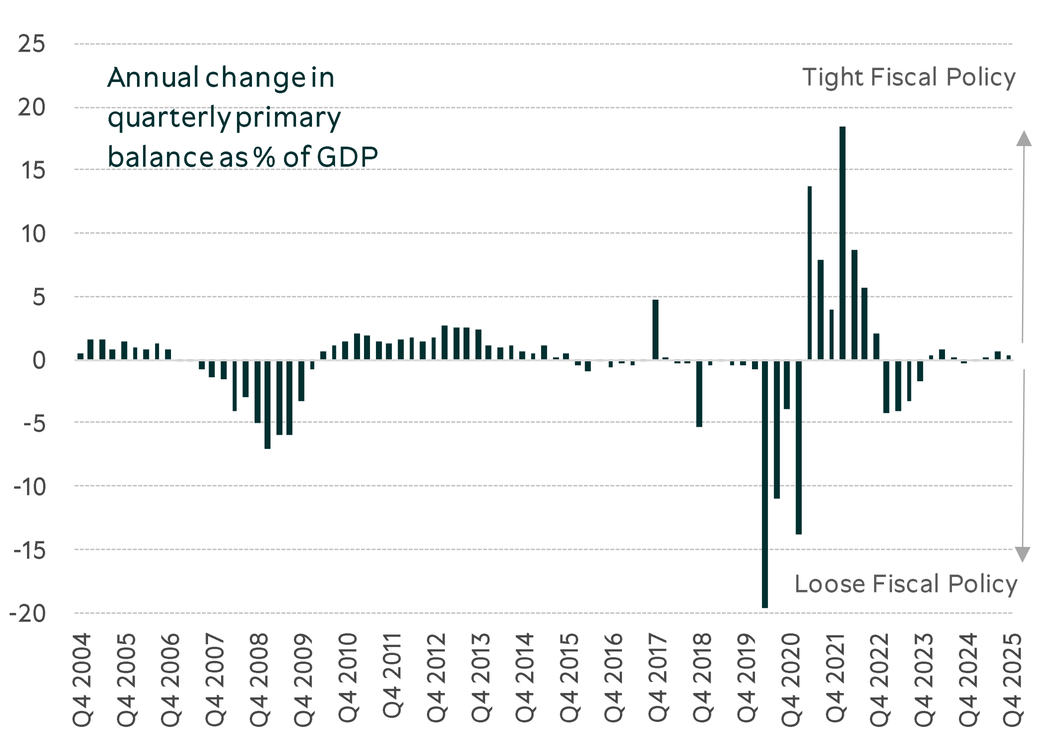



US new home sales and 30-year mortgage rates

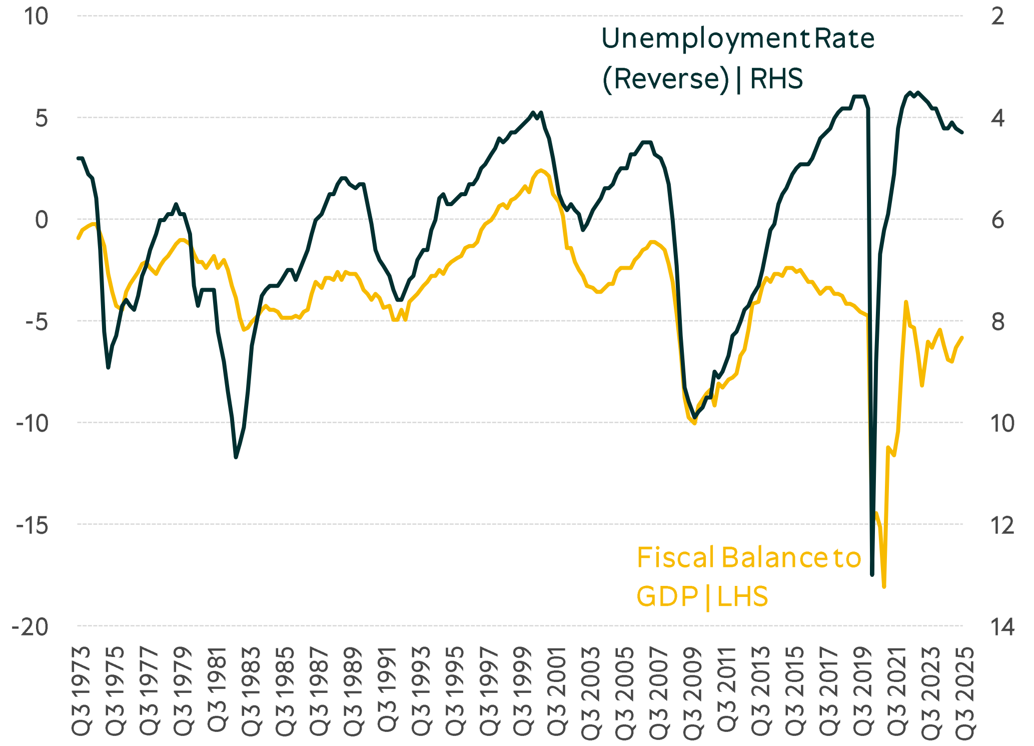


# Fiscal Policy | Still too loose vs unemployment. The slight improvement in the Fiscal Balance to GDP ratio is attributed to higher revenues (which incl. tariffs) and moderated spending growth. Fiscal challenges ahead.

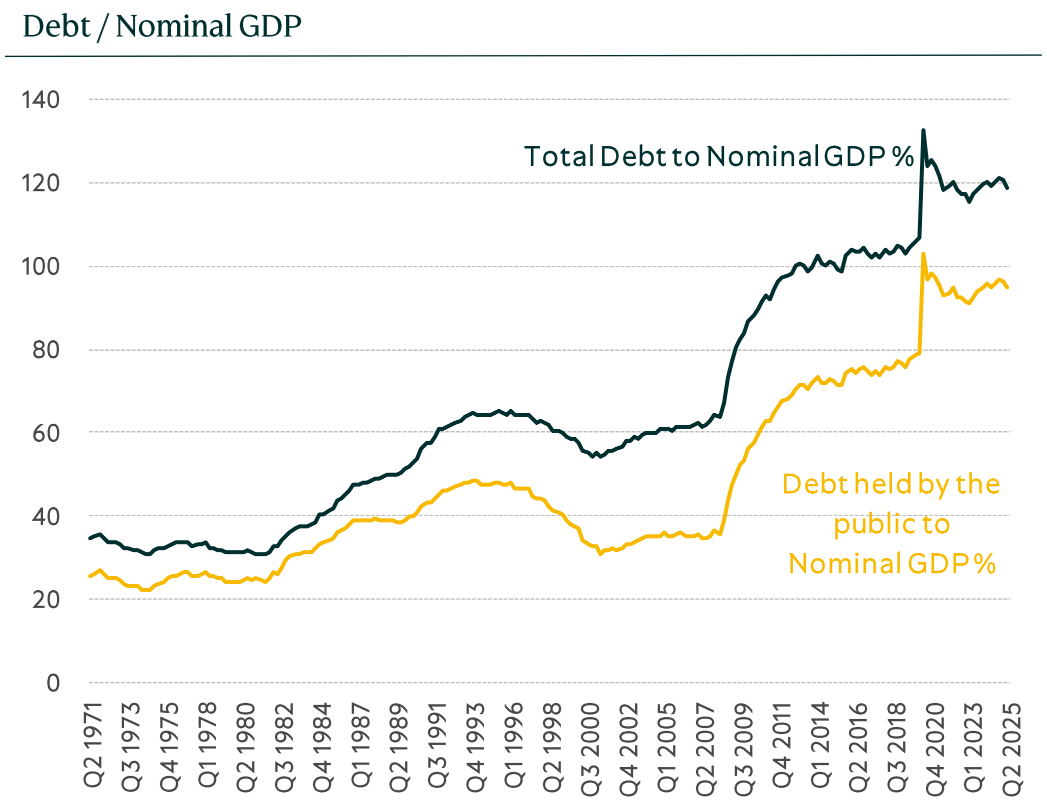
## Fiscal Thrust

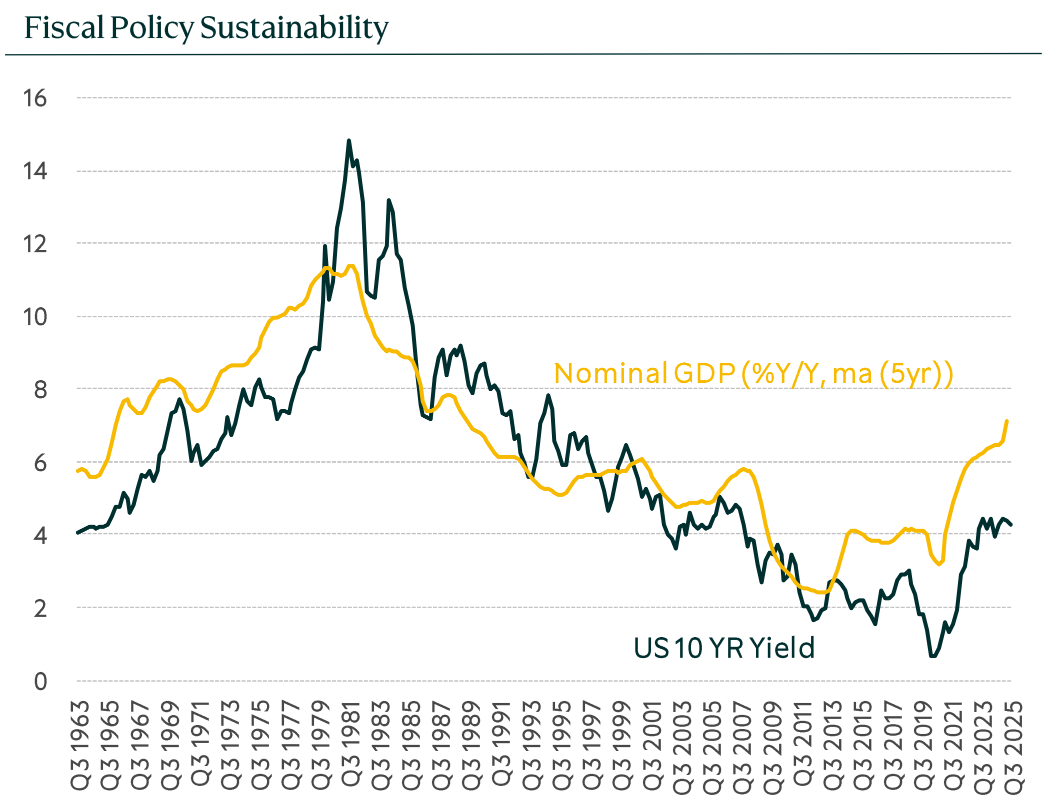



## Fiscal Policy vs Unemployment



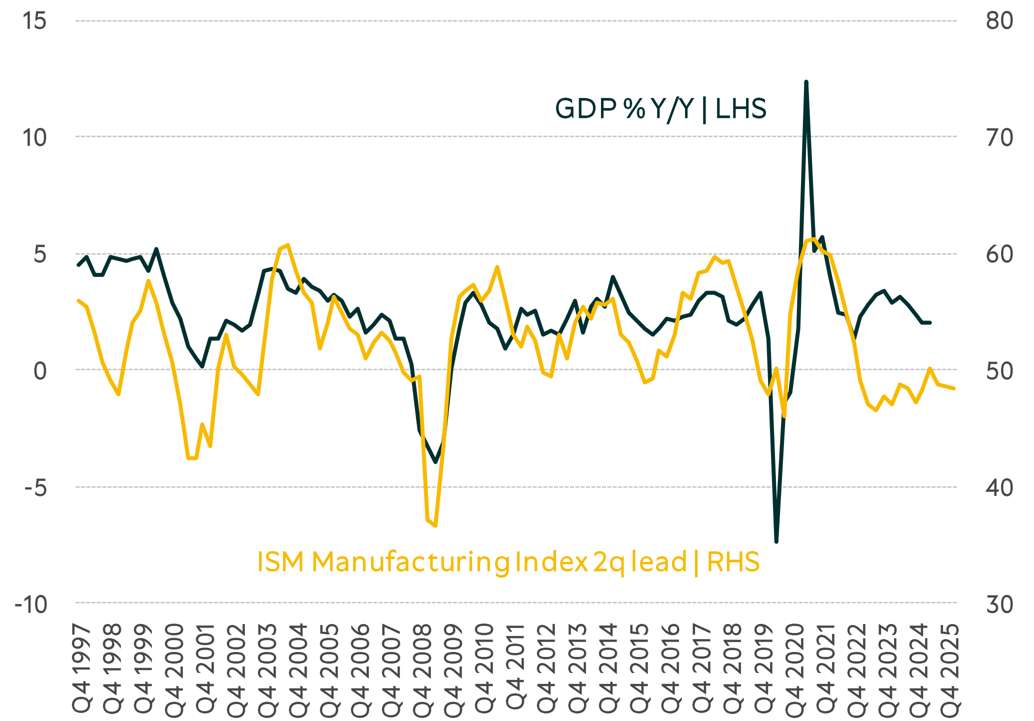
# Fiscal Policy | Slight improvement in the Debt/Nominal GDP ratio largely due to nominal GDP growth outpacing the rate of debt accumulation in recent quarters. The long-term trajectory remains concerning.



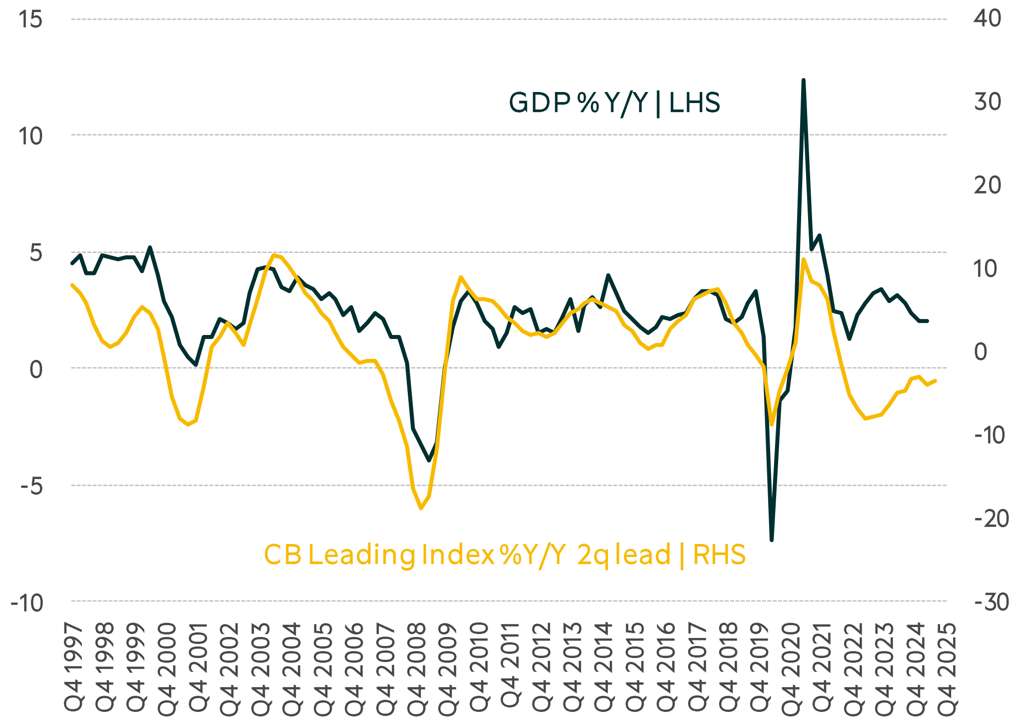



# US GDP Outlook | Leading indicators point to deceleration in real GDP

## GDP & ISM Manufacturing Indicator




## GDP & CB Leading Indicator

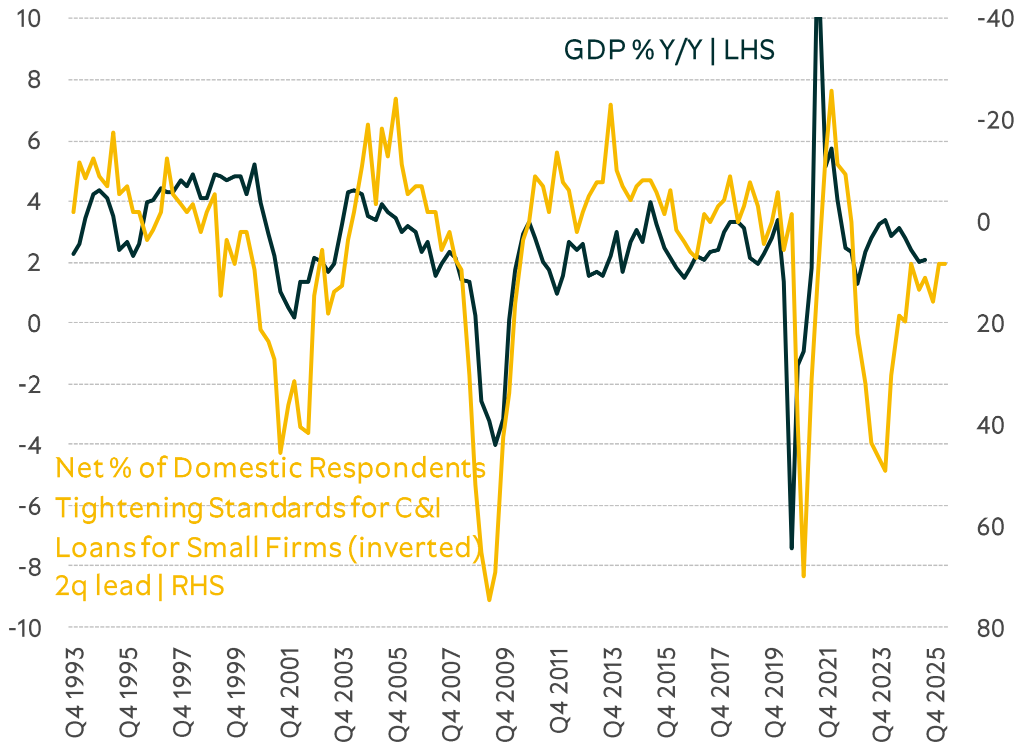




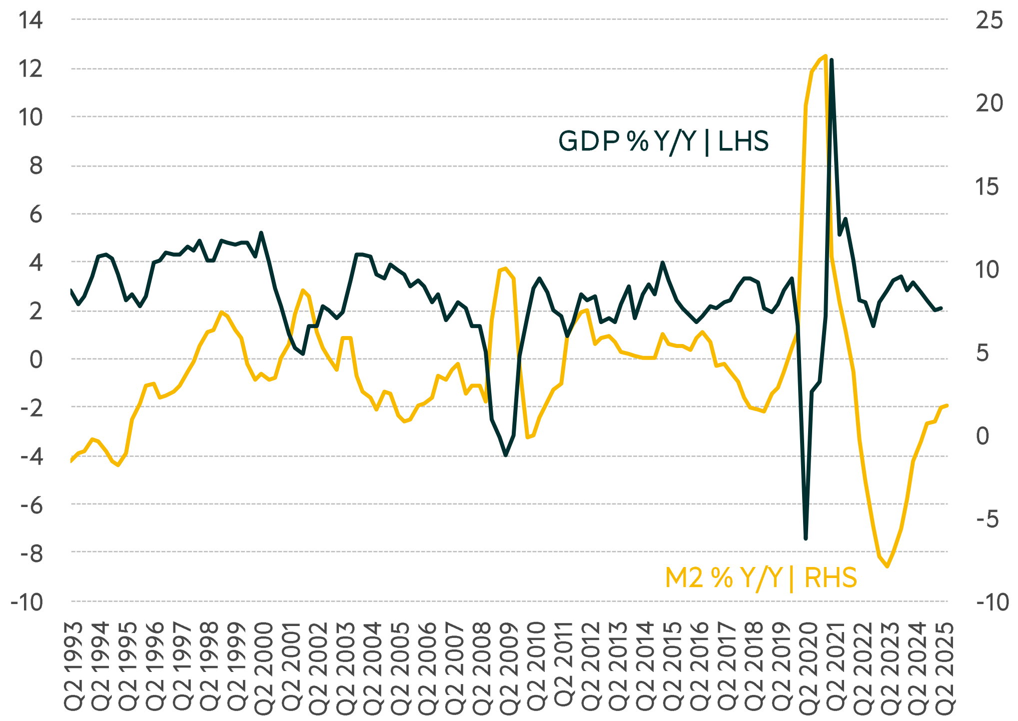

Source: Economic Research & Investment Strategy

# US GDP Outlook | About 8% of banks tightened lending to small businesses unchanged from previous quarter. Real M2 growth is mildly expansionary.

Senior Loan Officer Opinion Survey on Bank Lending Practices




M2 growth vs GDP

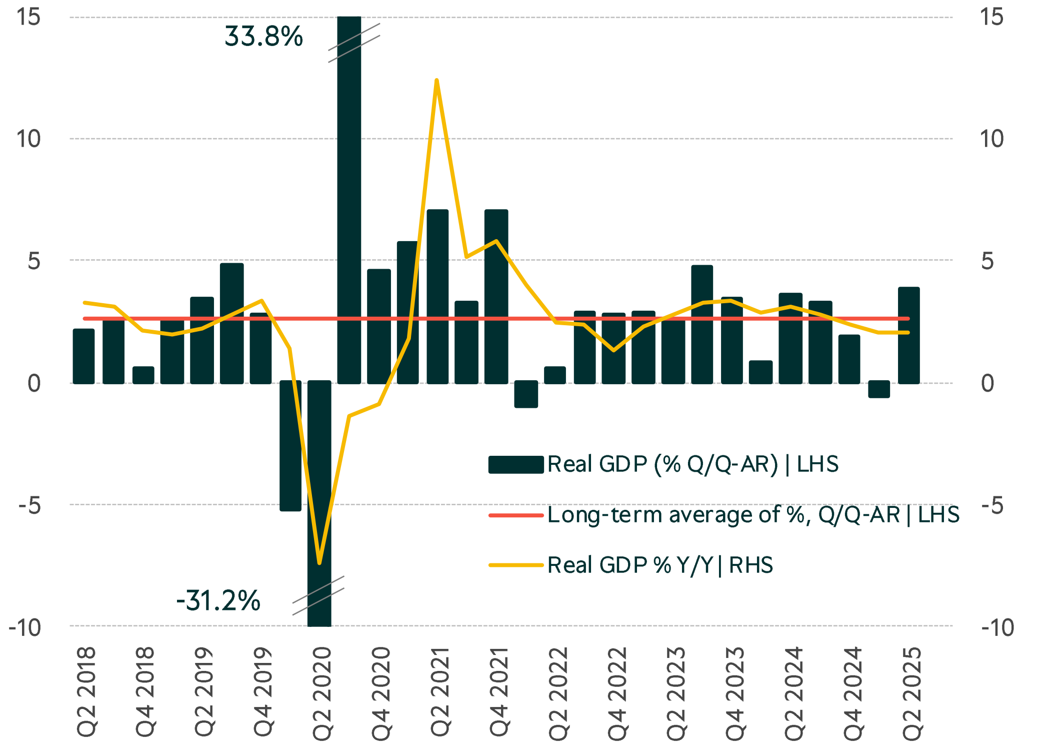




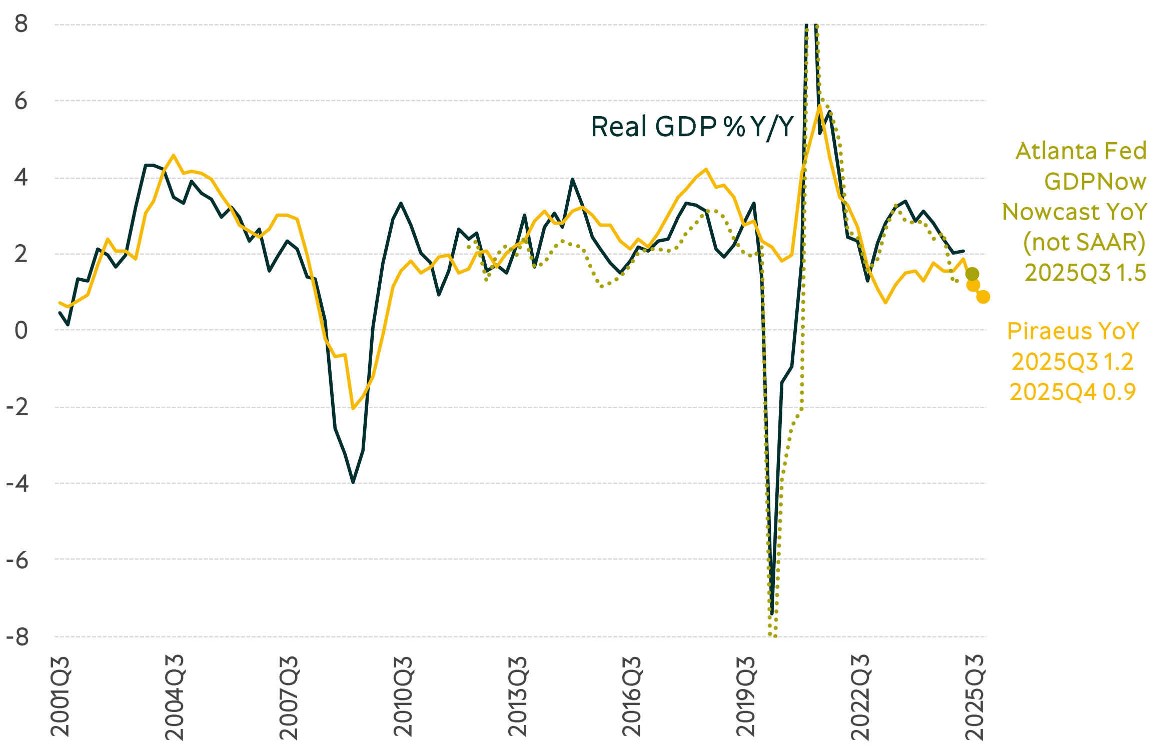

Source: Economic Research & Investment Strategy

# US GDP Outlook | GDP growth is projected to slow down as elevated uncertainty is likely to weigh on growth (Q3 advanced reading was originally scheduled for late October but has been delayed due to the government shutdown).

## Growth Rate Outlook

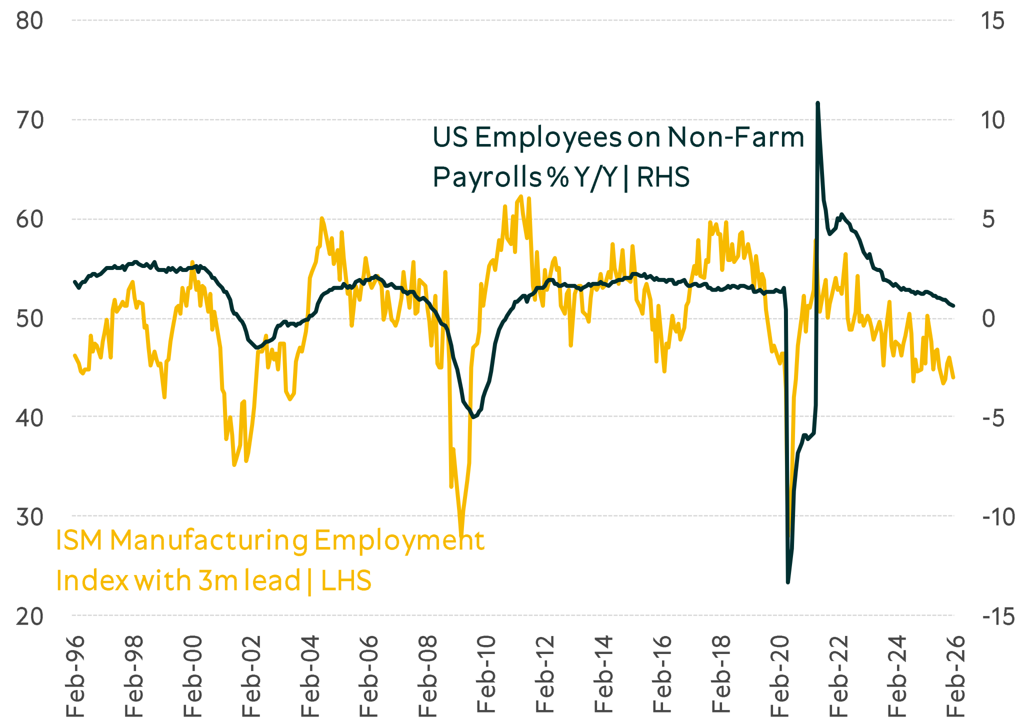



## Growth Rate Estimate

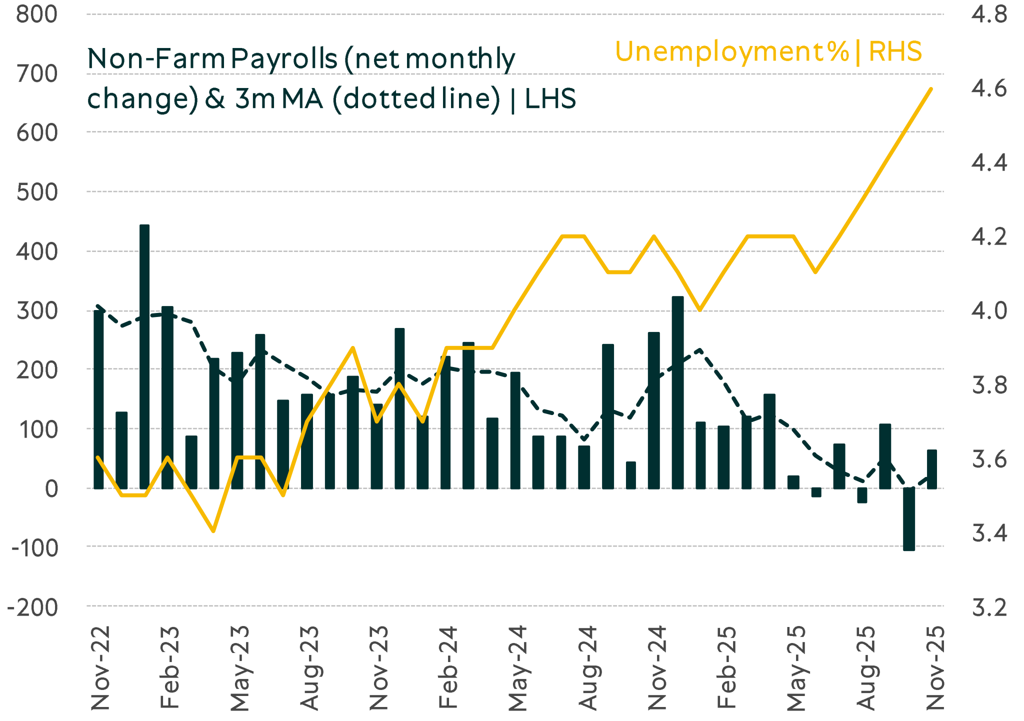


# US Labour Market | The November Jobs report was mixed (Non-farm payrolls were higher than expected but there was an increase in the unemployment rate). Recent trends point to labour market softening.

### Employment & Leading Manufacturing Indicator



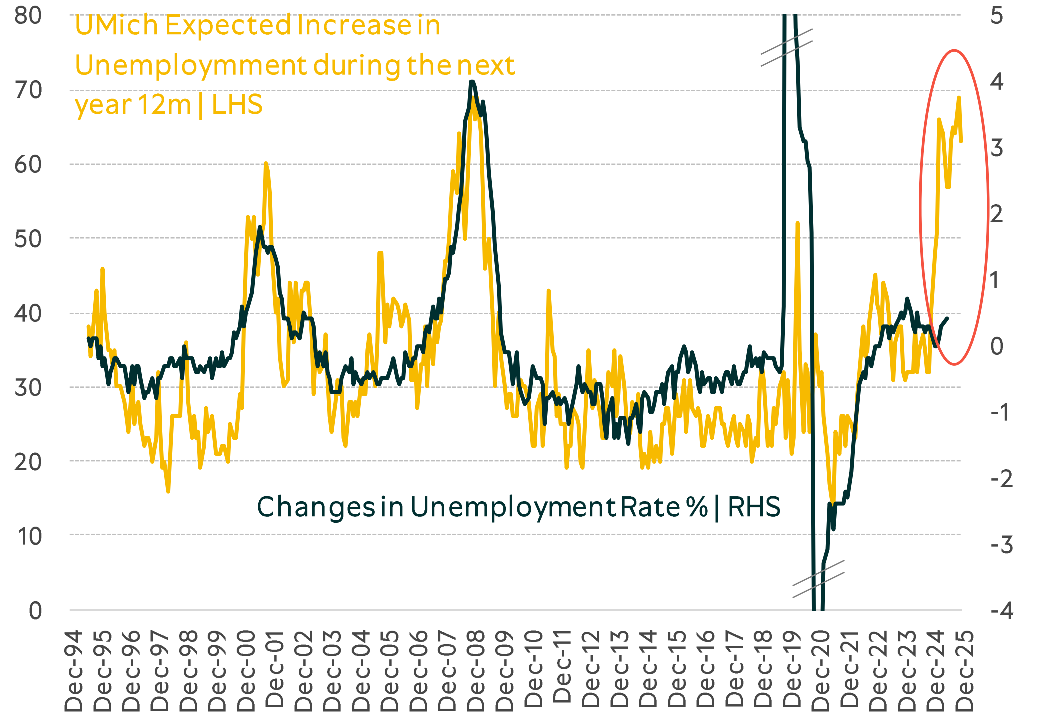

### Nonfarm payrolls & Unemployment



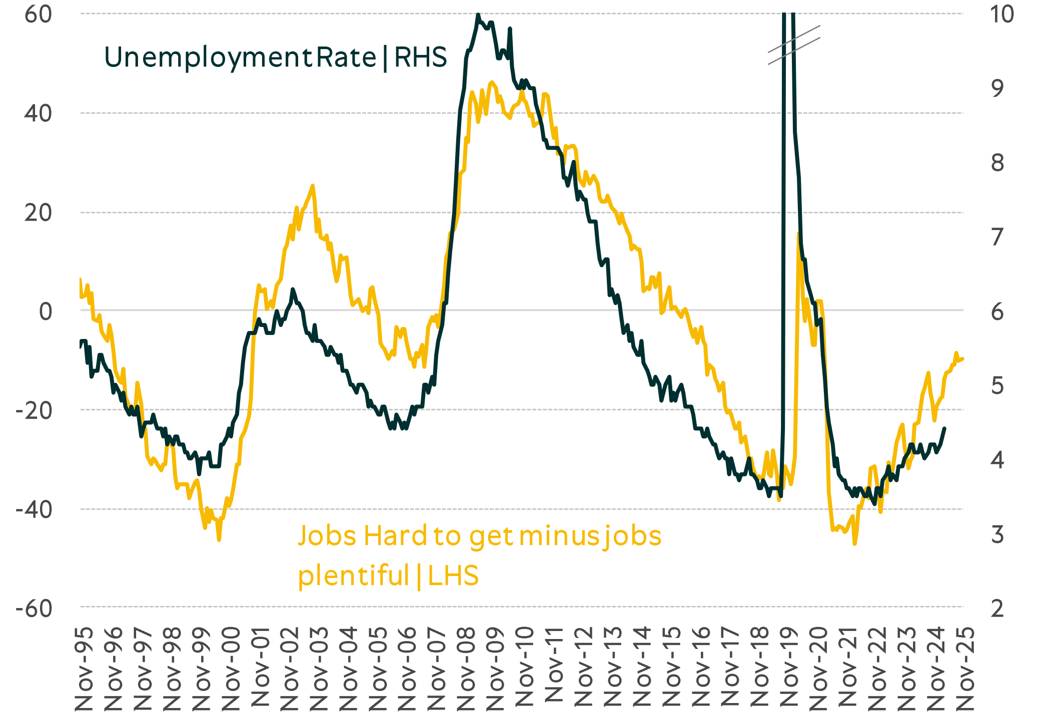

Source: Economic Research & Investment Strategy

# US Labour Market | Unemployment expectations fell in December but remain elevated. The gap between those saying jobs were hard to get and jobs are plentiful is narrowing.

Unemployment Rate & expected increase in unemployment 1yr ahead (UMich)

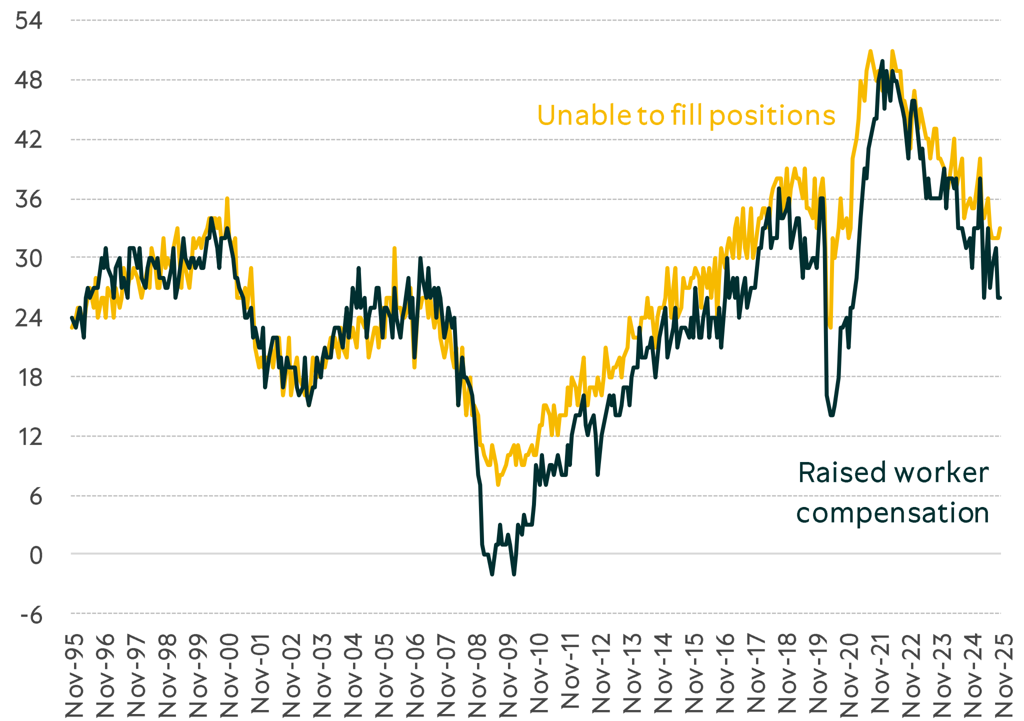



Conference Board Labor market differential & Unemployment rate

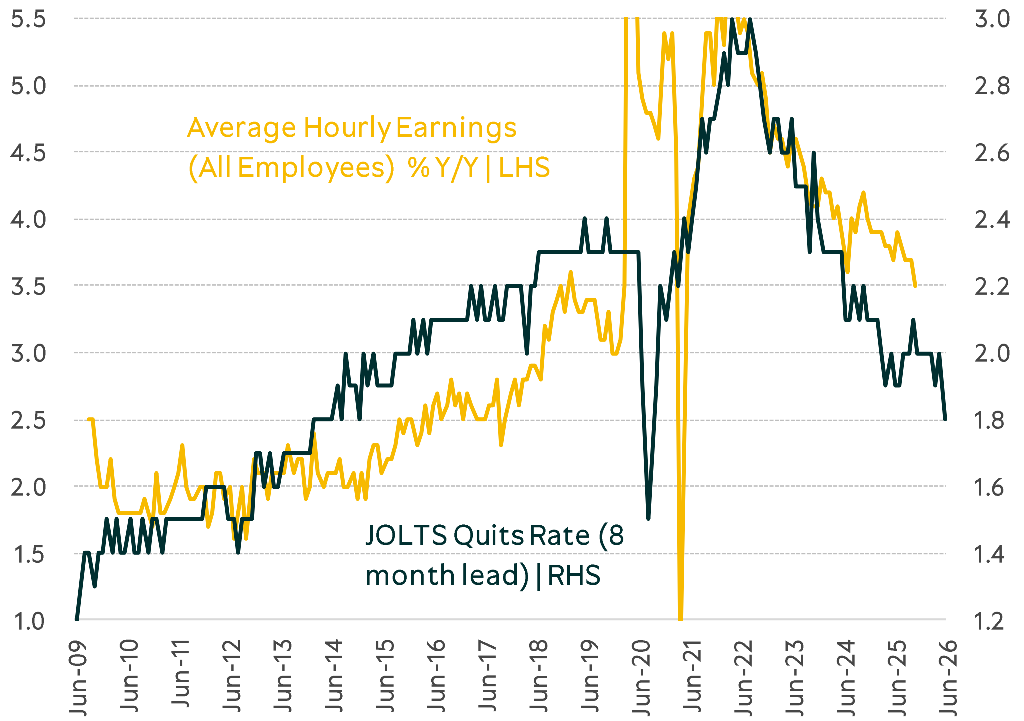


# US Labour Market | According to November's NFIB survey a net 26% reported raising compensation, unchanged from October. The JOLTS Quits Rate fell to a 5-year low of 1.8% indicating workers' caution.

## US NFIB small business survey




## Wages & Quits Rate

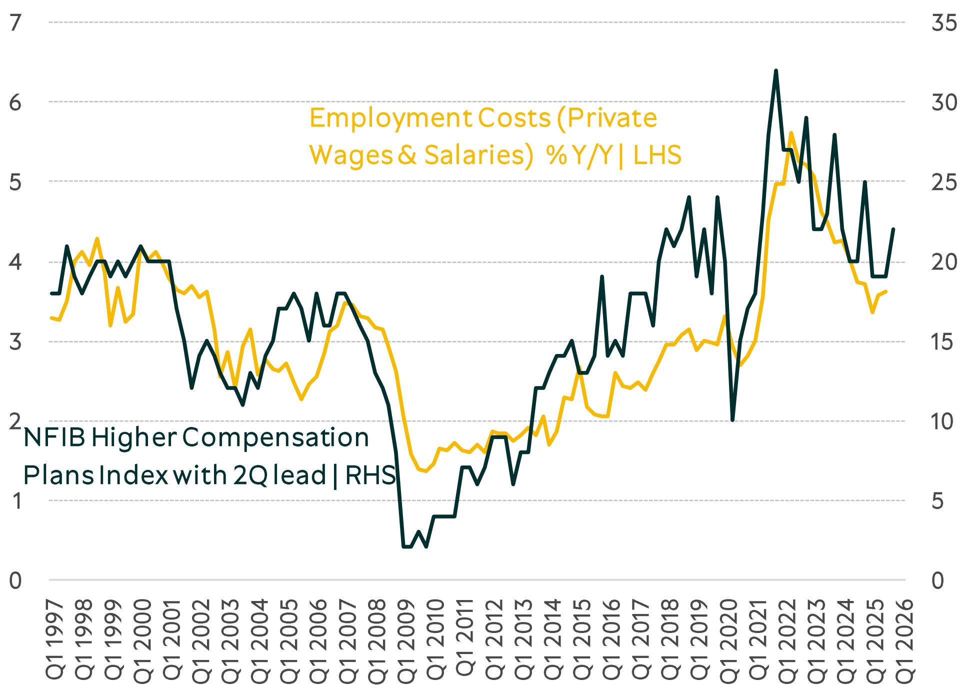




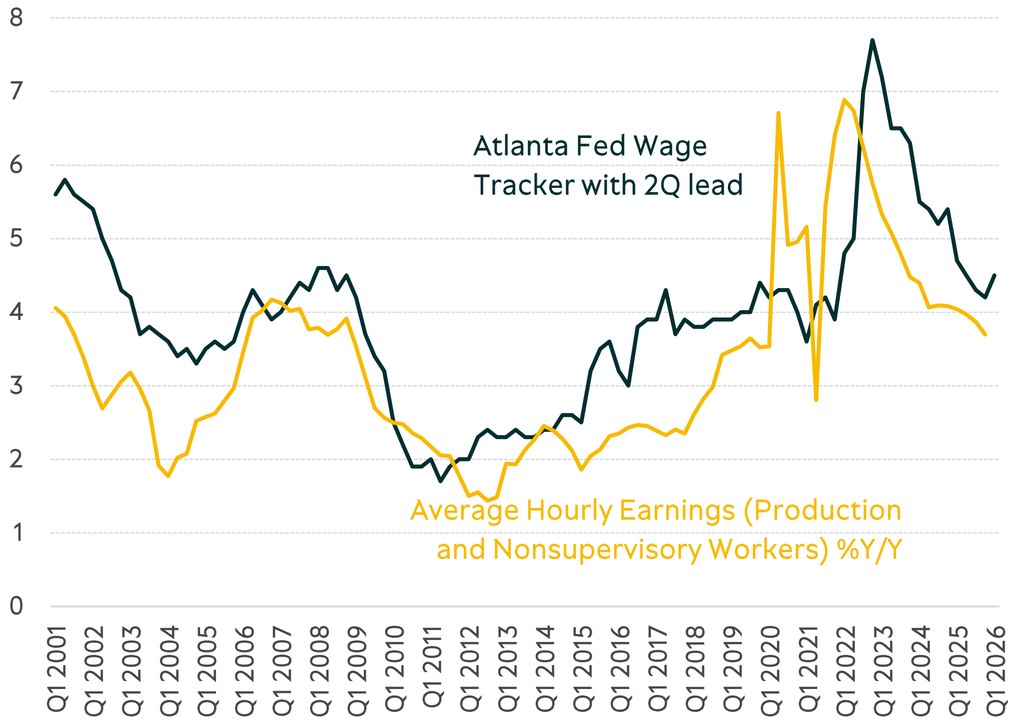

Source: Economic Research & Investment Strategy

# US Wage Tracker | Worsening labour conditions have resulted in lower wage pressures. Private employment costs ticked up on a yoy basis to 3.6%.There was also a slight increase in Atlanta's Fed Wage Tracker in Q3.

## Employment Cost & Leading Indicator

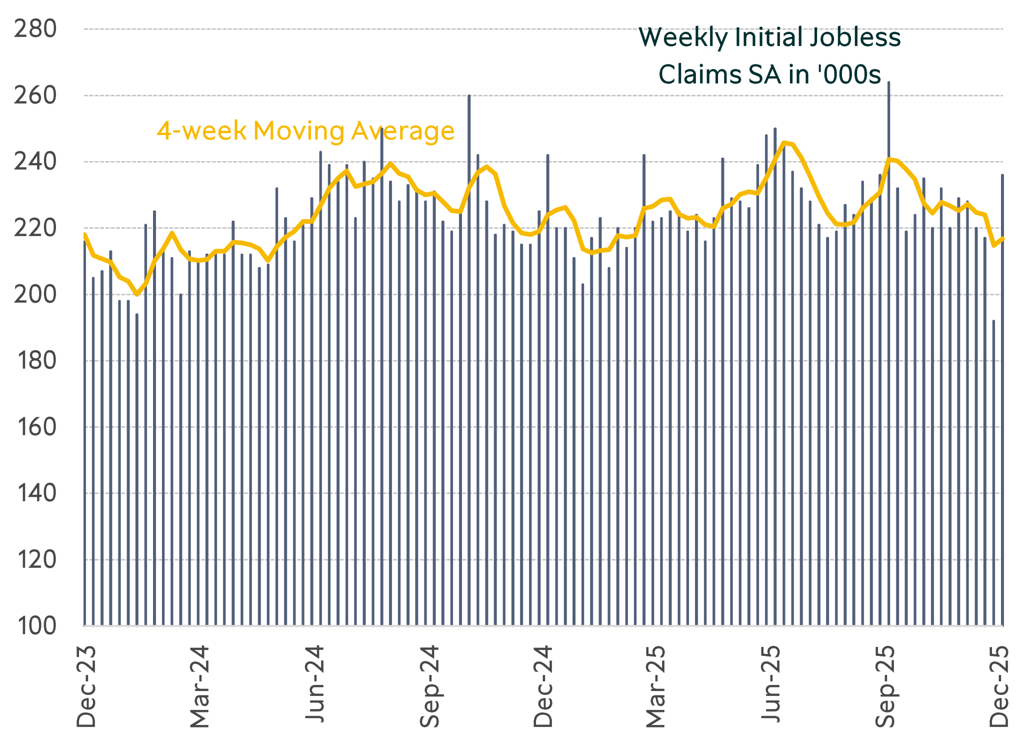



## Wages & Leading Indicator

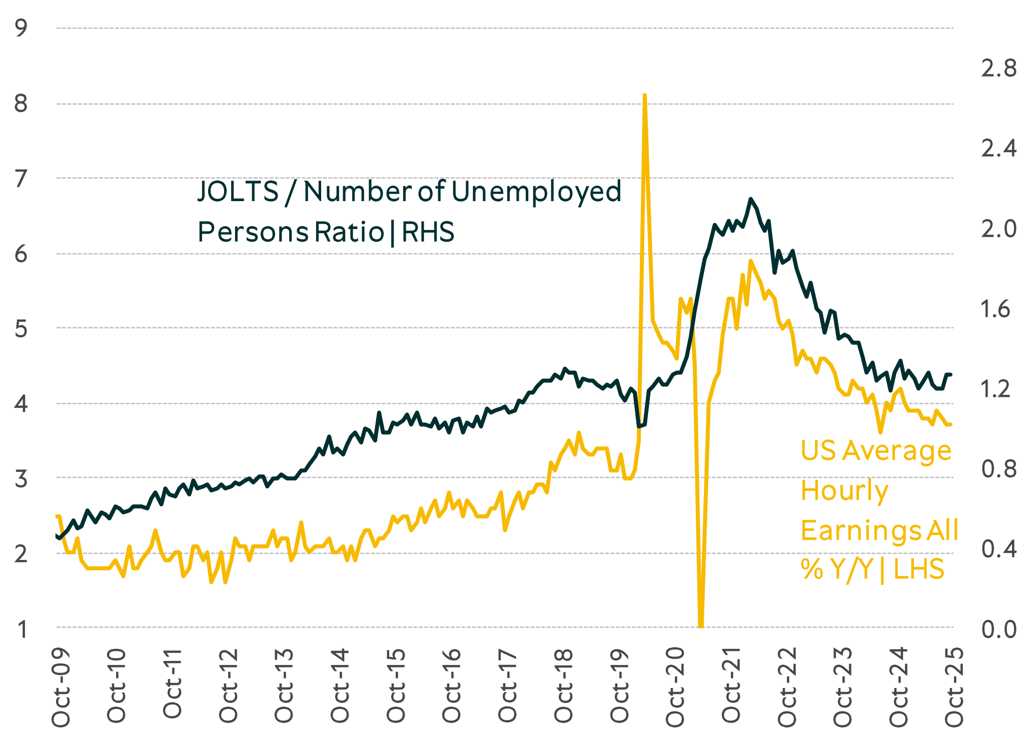


# US Labour Market | Weekly Initial Jobless Claims rose to 236k in week ending December 9 and JOLTS per unemployed rose to 1.3 in October implying that although the labour market is softening it is not collapsing.

## Weekly Initial Jobless Claims




## Demand & Supply in Labour Market

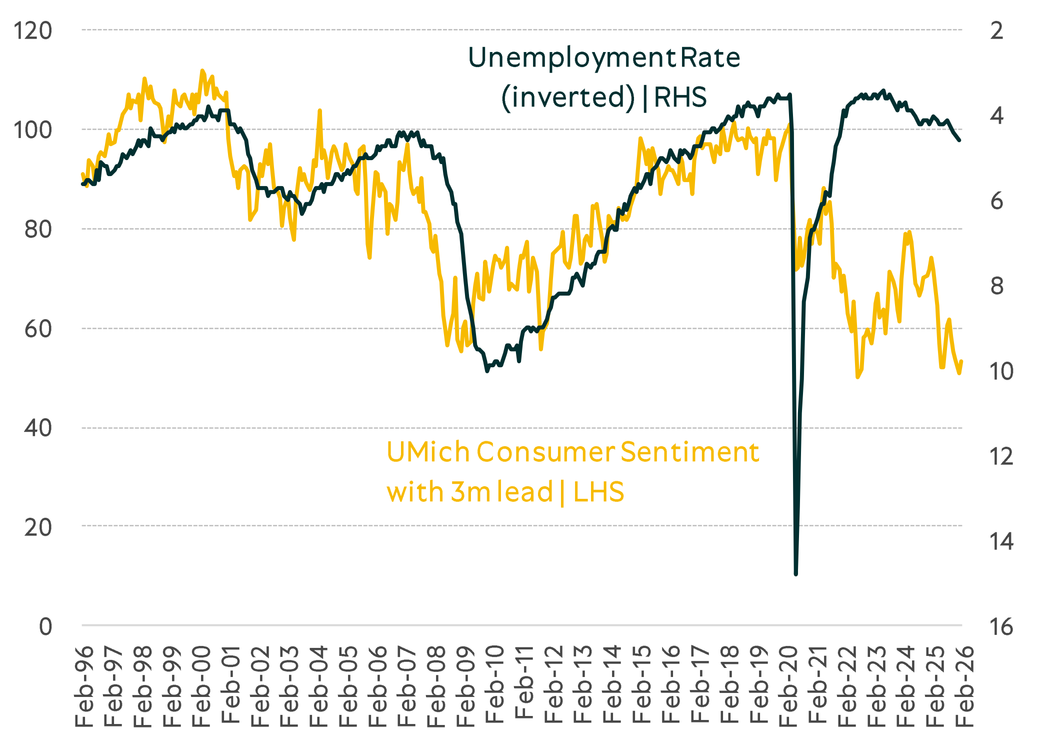




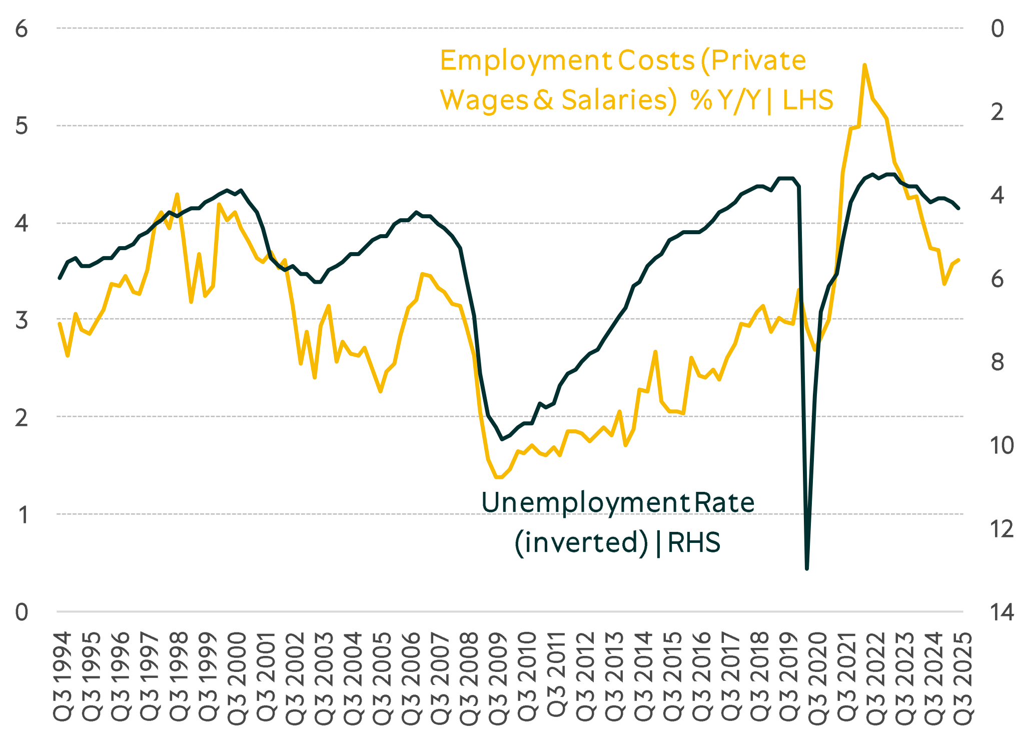

Source: Economic Research & Investment Strategy

# US Labour Market | Consumer sentiment rose for the first time in five months in December and Private wages & salaries rose marginally.

## Consumer Sentiment & Unemployment Rate

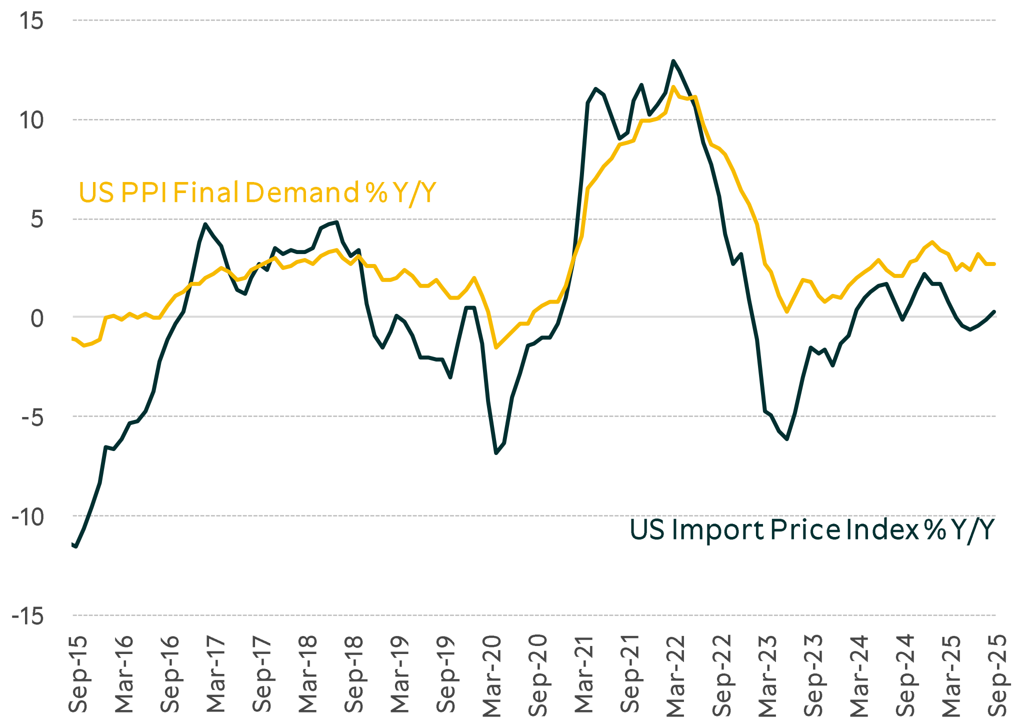



## Compensation per Employee & Unemployment Rate

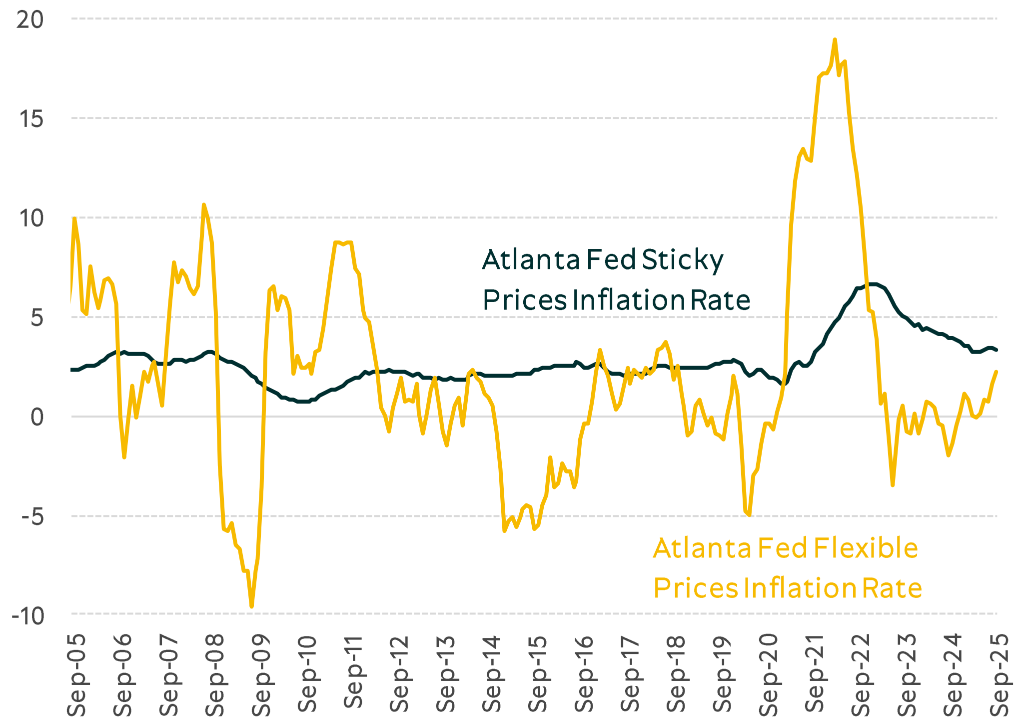


# US Alternative Inflation Metrics | Sticky prices continue to be elevated while rising flexible prices suggest upward pressure on headline inflation.

## Producers Price Index and Import prices

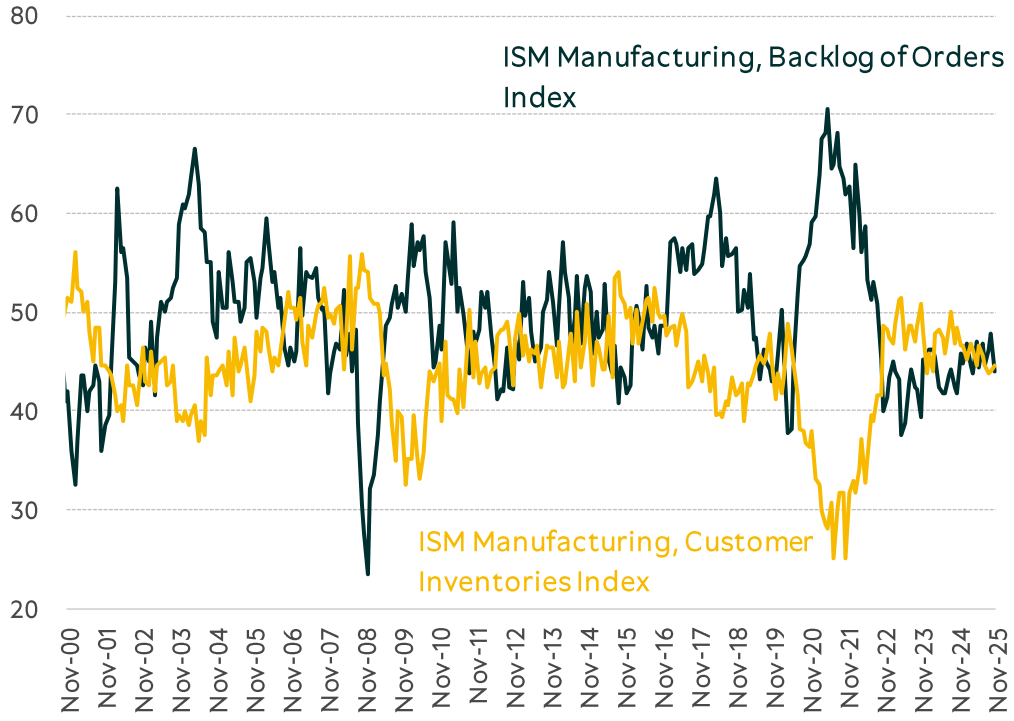



## Sticky & Flexible Prices

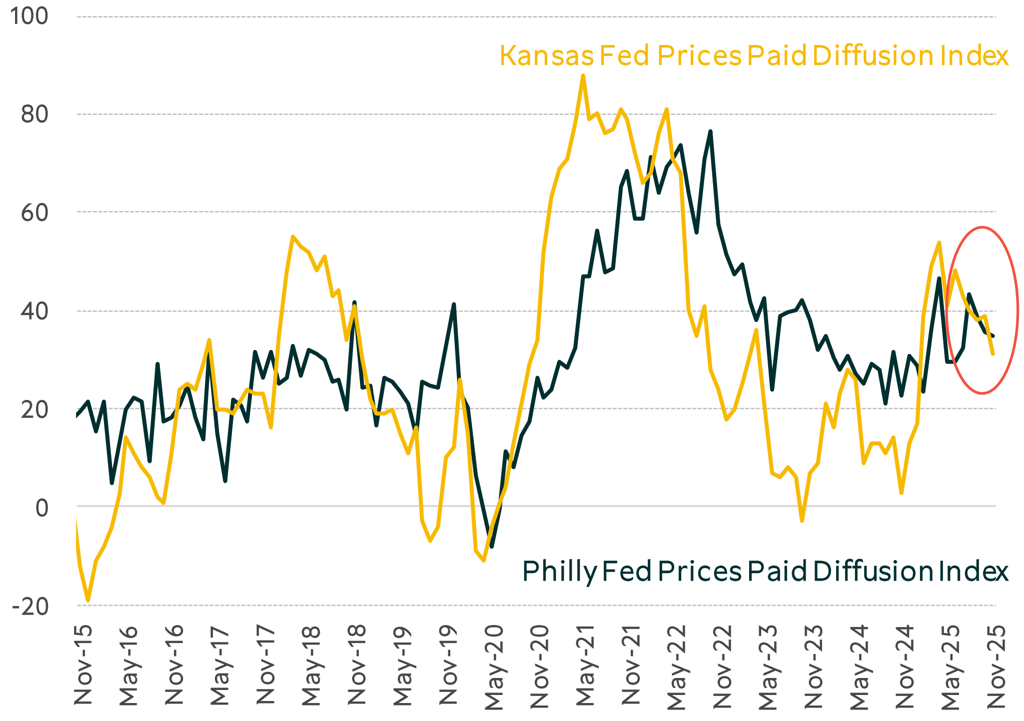


# US Supply & Demand Gap | Backlog of Orders fell in November and inventories rose slightly. Price pressures from both regional Feds' surveys were lower in November.

Backlog of Orders & Customer Inventories Relation

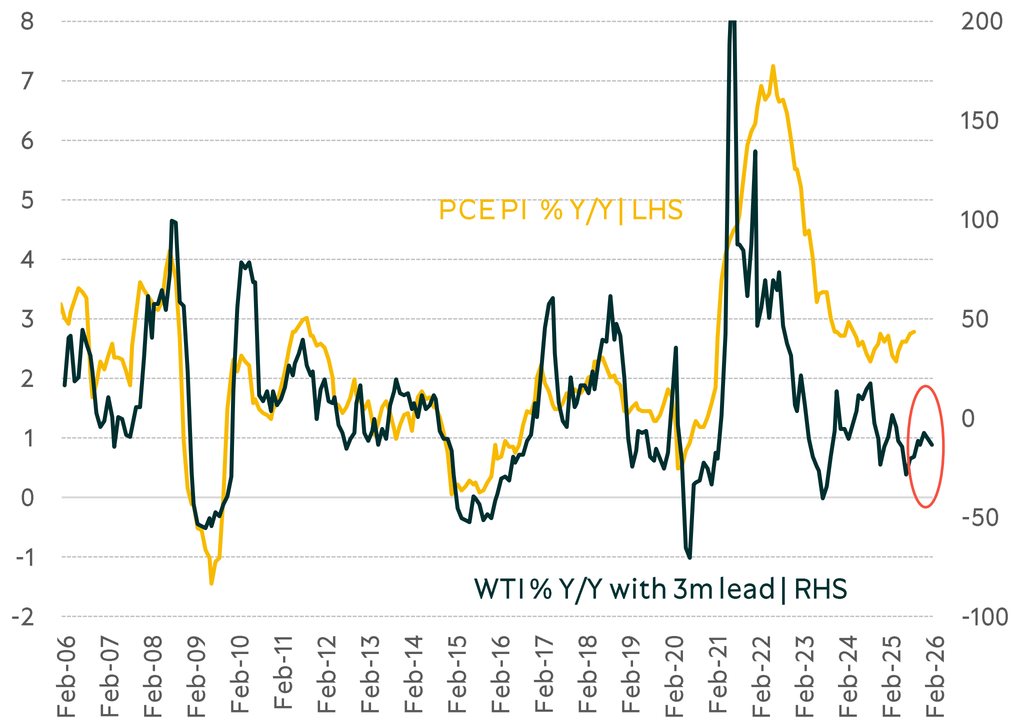



Leading Prices Indicators

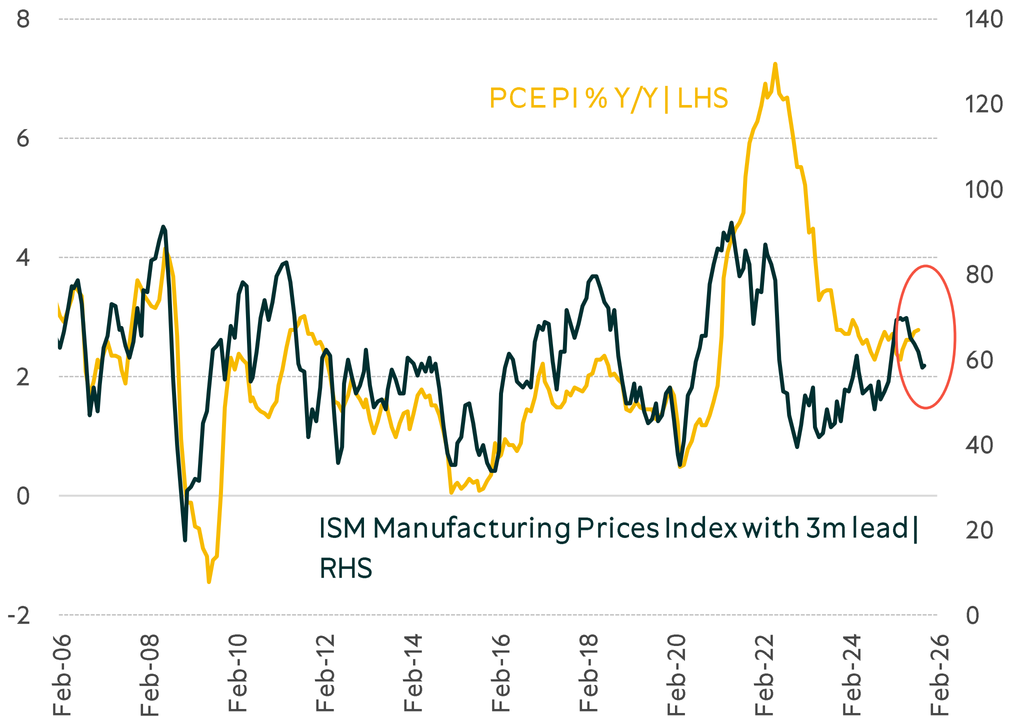


# US Inflation & Energy Prices | Energy and ISM Manufacturing Prices Paid index are both supportive. The Manufacturing Price Paid component rose modestly in November (but fell significantly for services).

Inflation Rates & Energy Prices



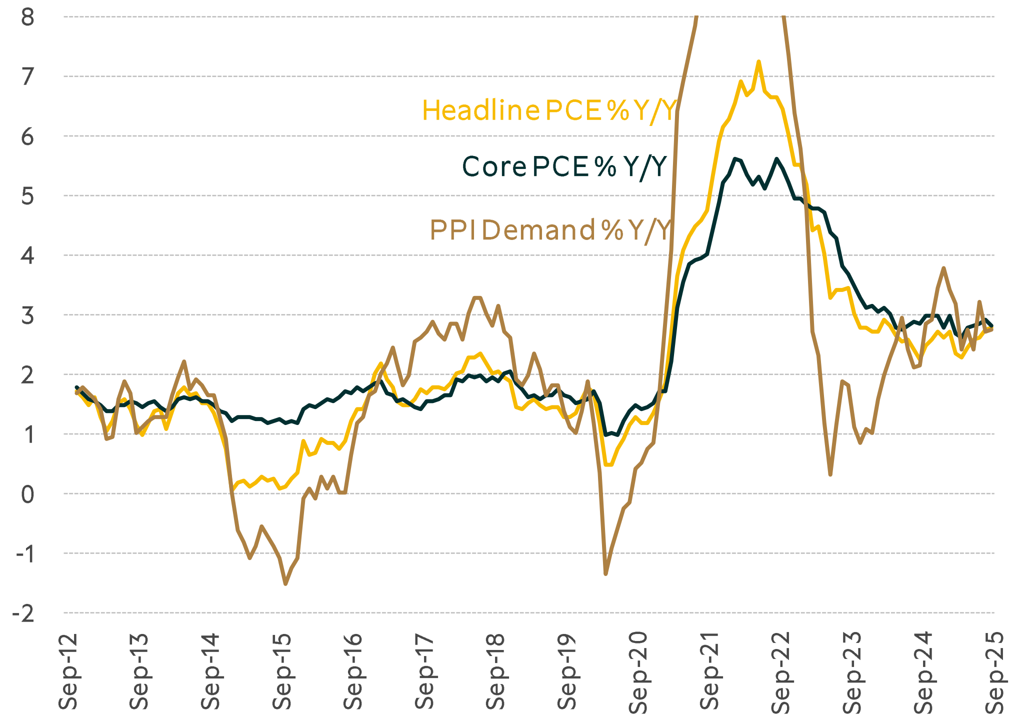

Inflation Rate & Leading Prices Indicator



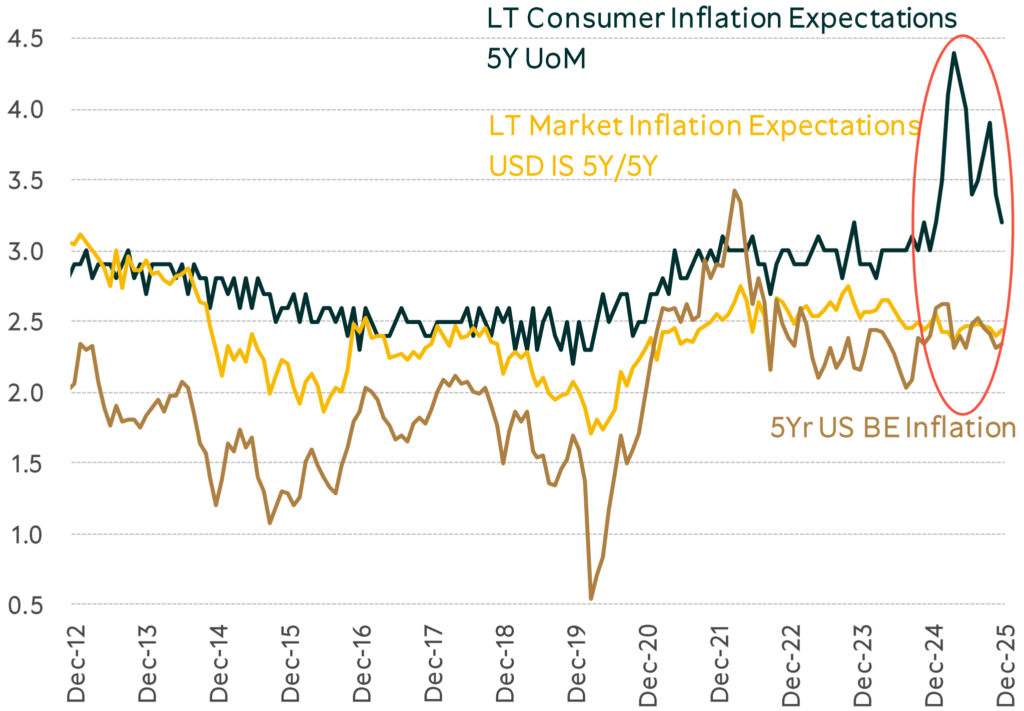

Source: Economic Research & Investment Strategy

# US Headline & Core Inflation | Headline PCE inflation modestly accelerated in September. Consumers' long-term view on inflation remains higher than market's but less than before (3.2% vs 2.5%)

Inflation Rates



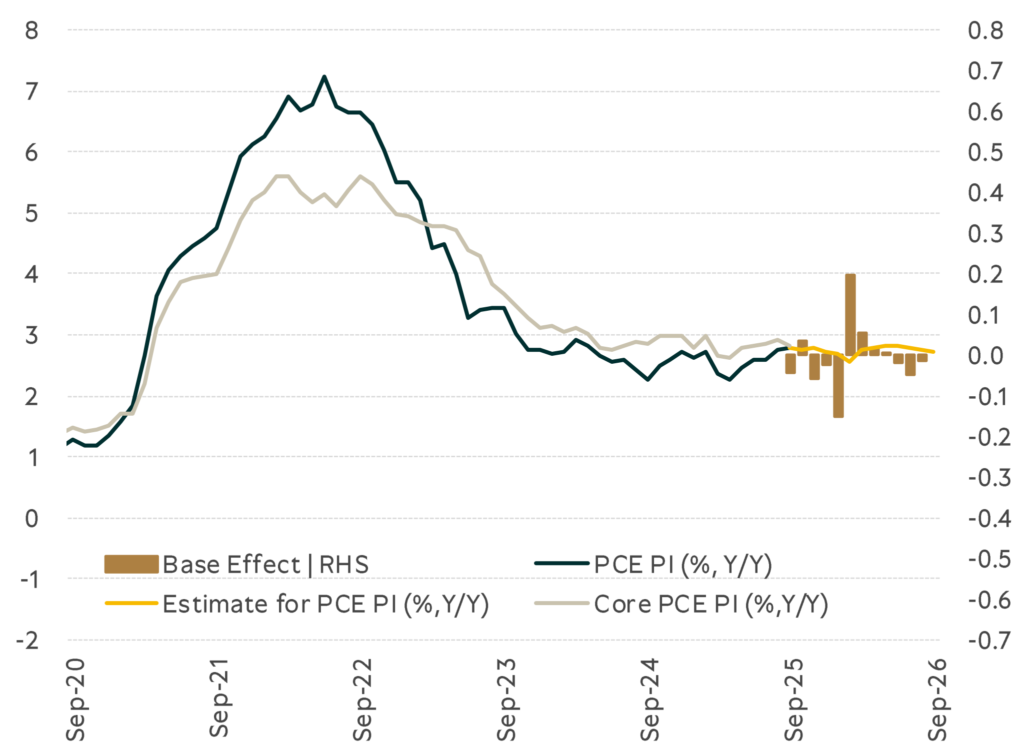

Long-Term Inflation Expectations



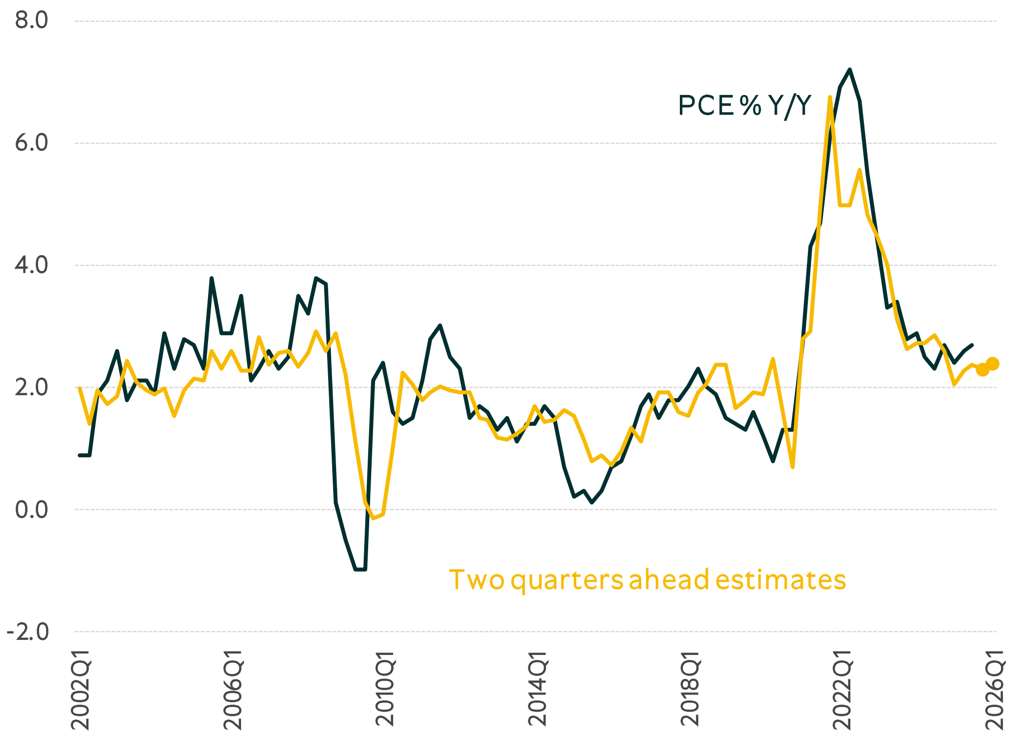

Source: Economic Research & Investment Strategy

# US Inflation Outlook | Both our models still point to inflation above 2.5% for 2025 & 2026

## Inflation Rate Forecast | Statistical Model

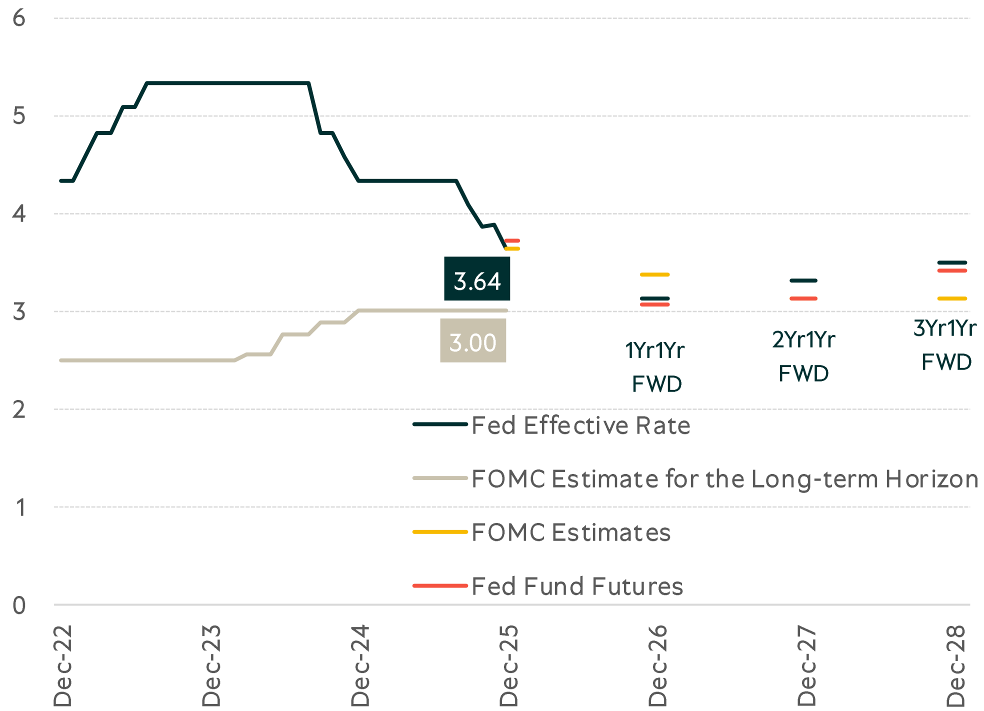



## Inflation Rate Forecast | Macro Model

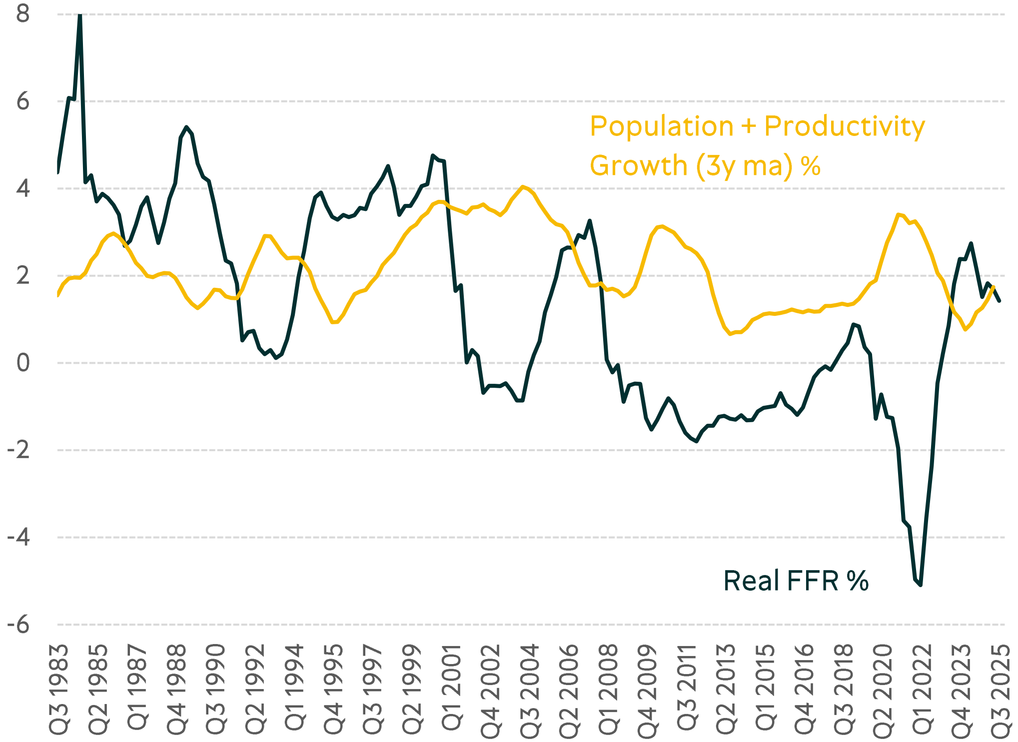


# US Interest Rates | Forward rates remain above to FOMC's long-term target

## Interest Rates | Fed Effective Rate




## Real FFR (FFR – Core PCE) & Population + Productivity growth

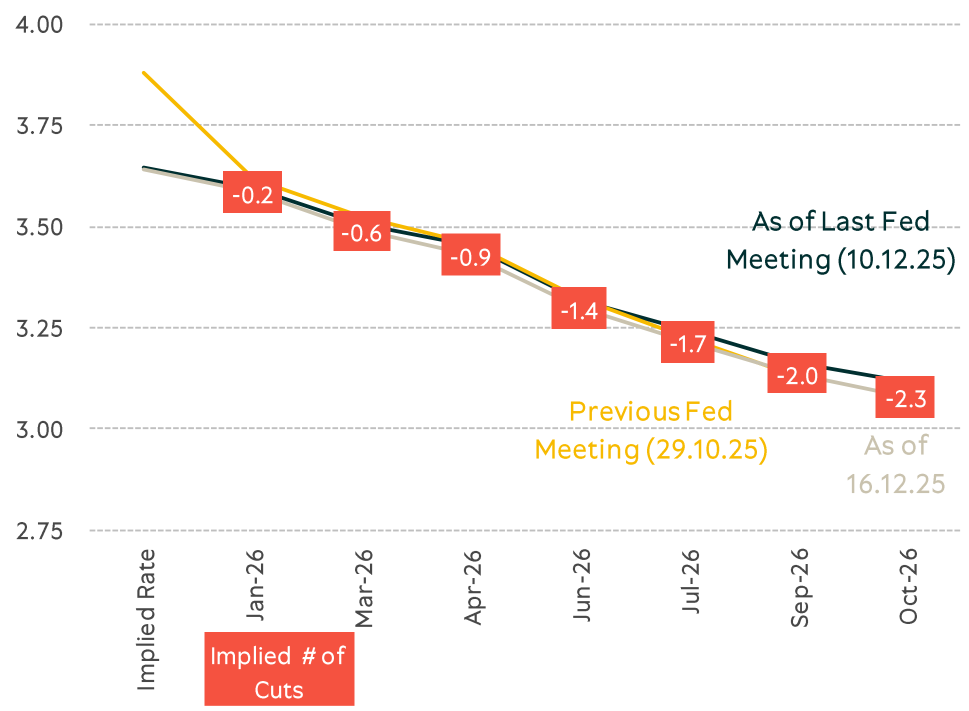




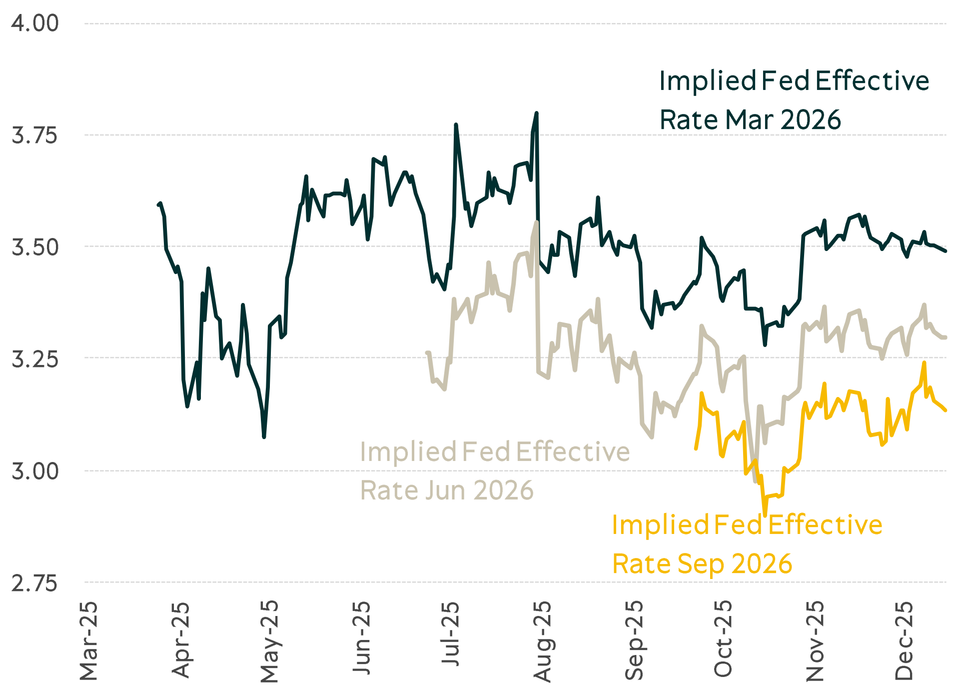

Source: Economic Research & Investment Strategy

# US Interest Rates | At least two cuts are anticipated by the markets for 2026

## Implied Overnight Rate based on Overnight Index Swaps



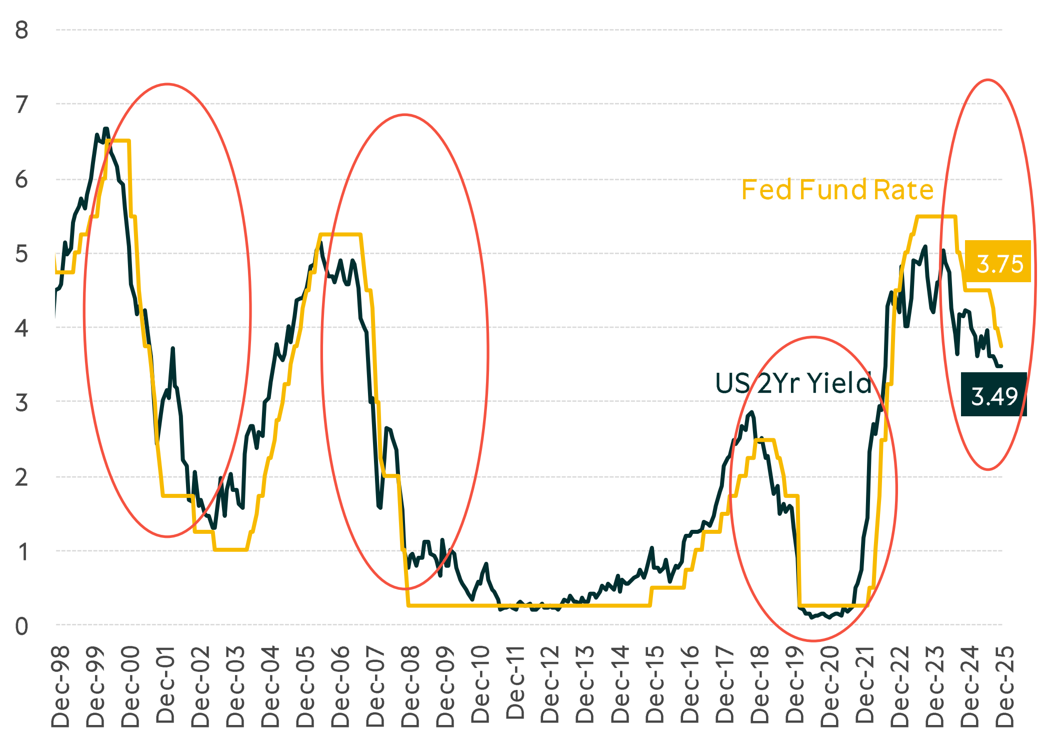

## Interest Rates | Implied Fed Effective Rate




Source: Economic Research & Investment Strategy

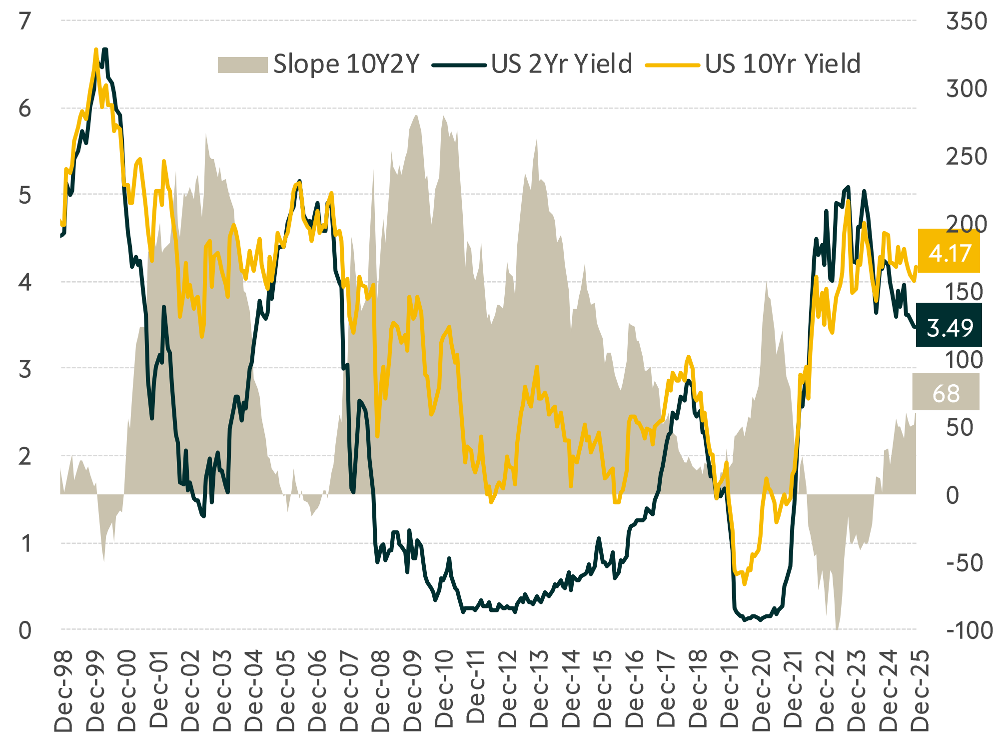
# US | The Fed resumed cutting rates in 2025 by reducing its benchmark rates by 25 bps in September, October and December amid downside risks to employment

## Fed Fund Rate & US Treasury Yield



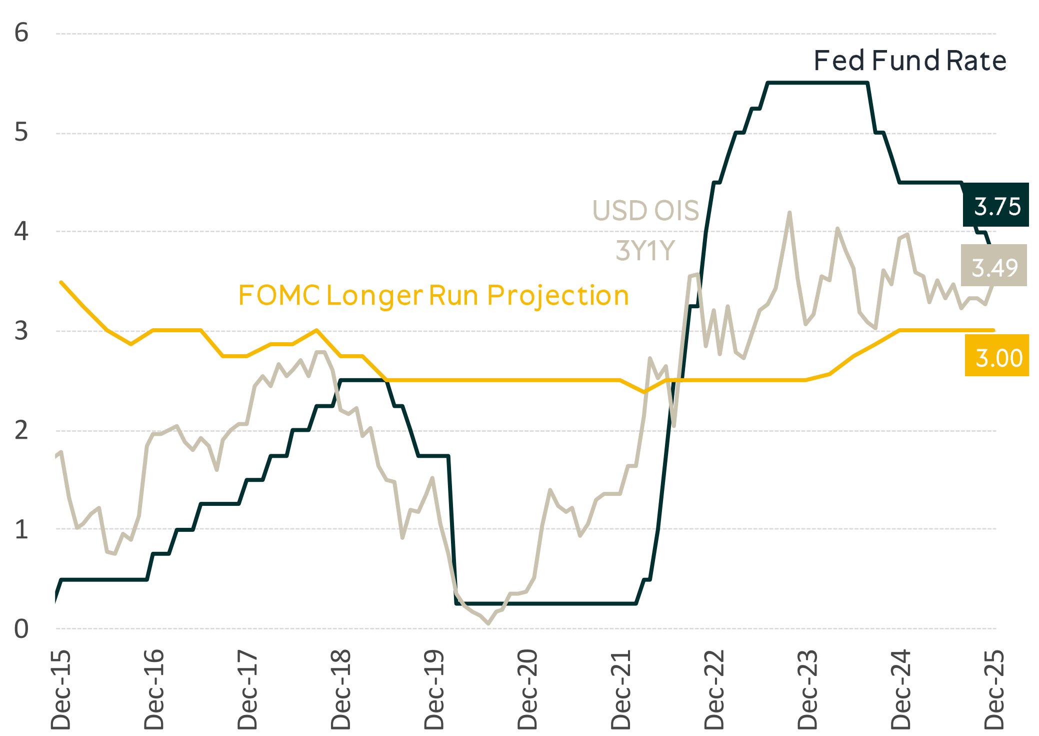

Note: Monthly data apart from the last observation which shows the latest available daily value

## US Yield Curve



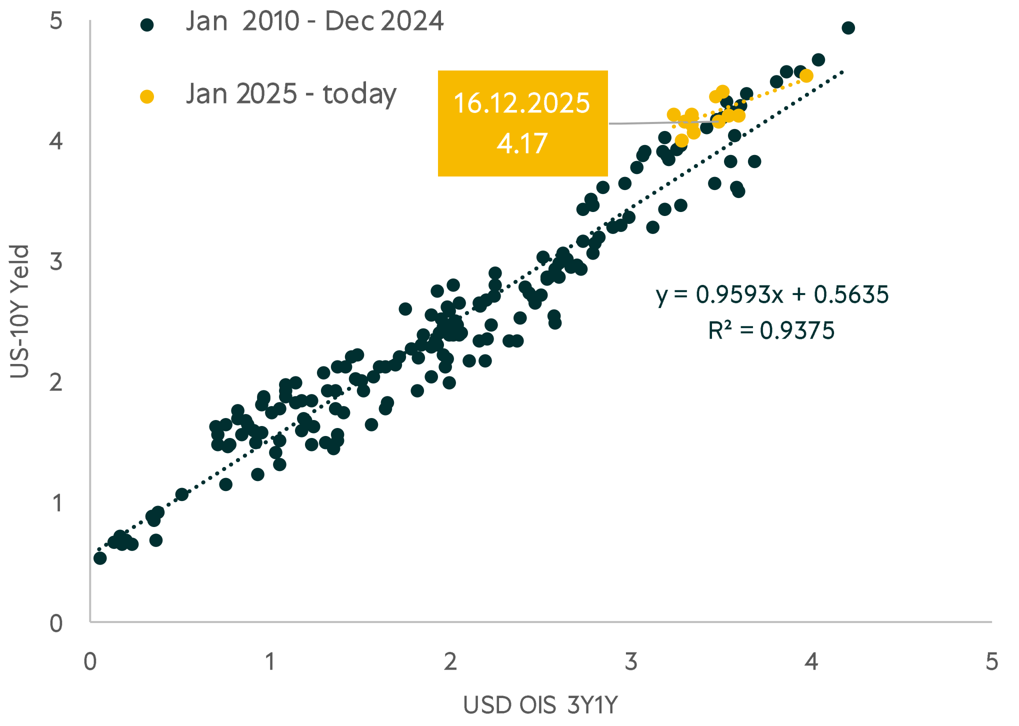
# US Long-Term Rates | Short-term rates 4 years in the future above target (3%). 10- year rates above "fair" value given the current level of short-term rates.

## LT Interest Rate Expectations




Note: Monthly data apart from the last observation which shows the latest available daily value

## US Yield vs Medium-Term Interest Rate Expectations



Bird’s Eye View

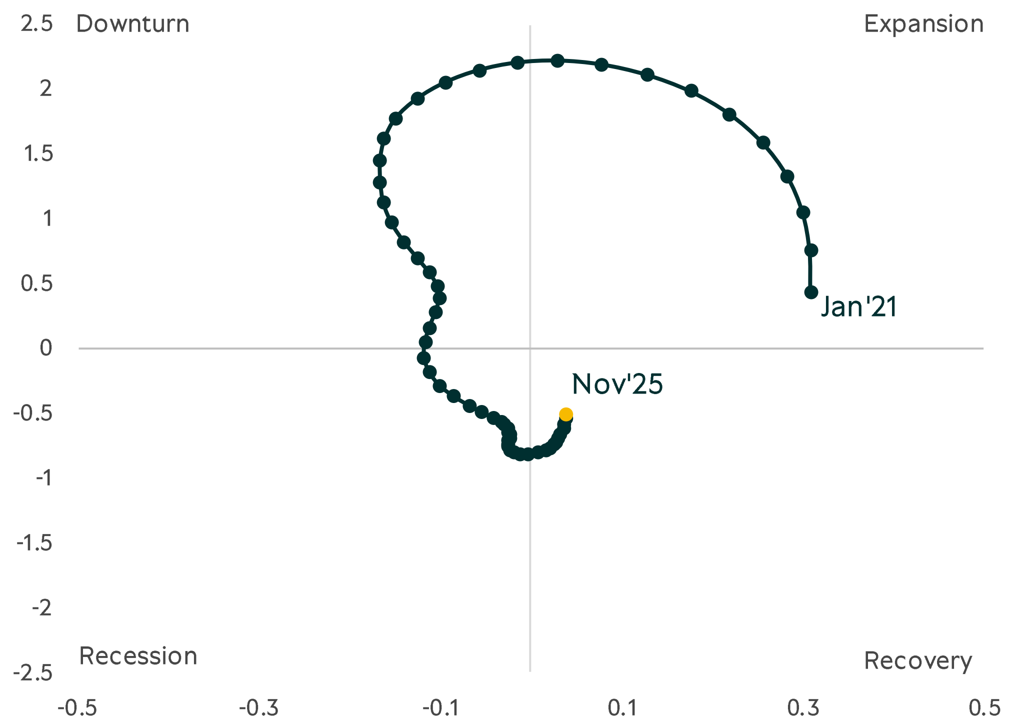
US Economy

EA Economy

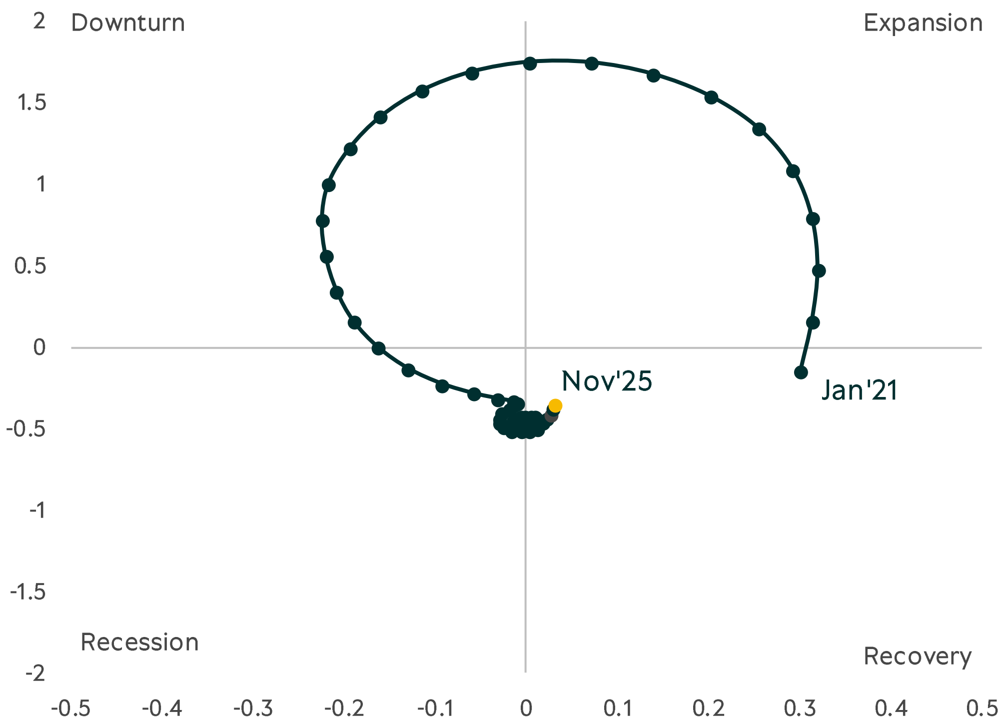
China Economy

# EA Business Cycle Watch | In November, economic sentiment remained near the threshold between recovery and recession, whereas manufacturing confidence remains in the recovery phase.

EA Business Cycle | Based on Manufacturing Confidence Indicator



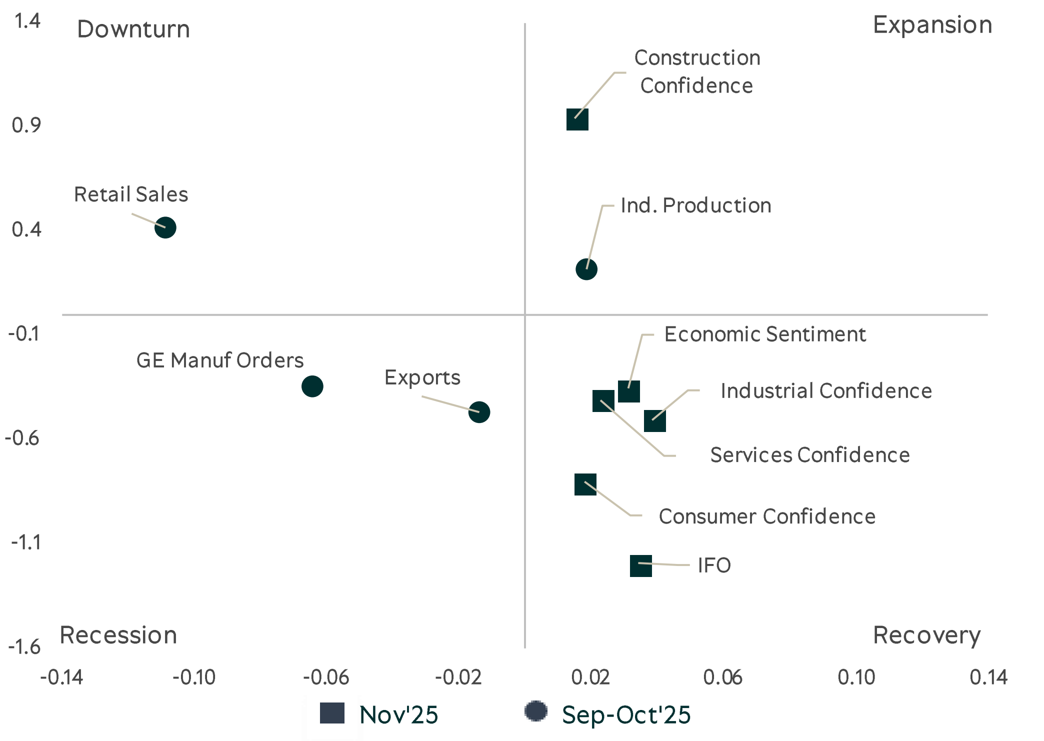

EA Business Cycle | Based on Economic Sentiment Indicator



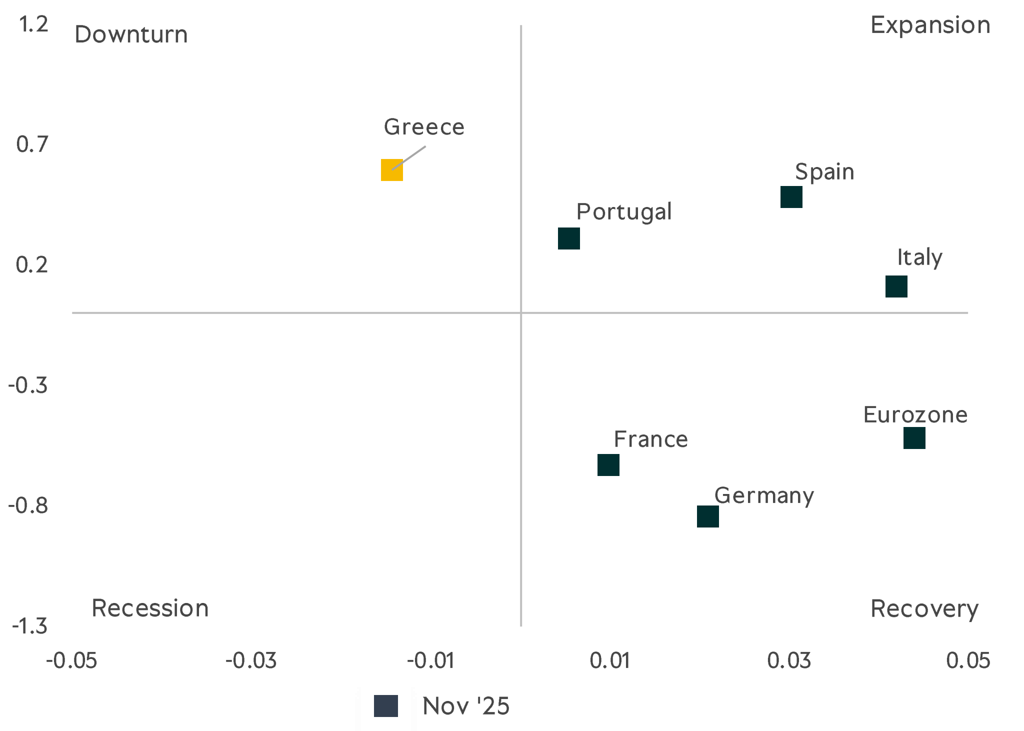

Source: Economic Research & Investment Strategy

# EA Business Cycle | Mixed signals are observed across major economic variables and at a country level, with ESI rising in EA, France, Italy, Portugal and Spain in November.

## EA Business Cycle | Based on Major EA Economic Variables

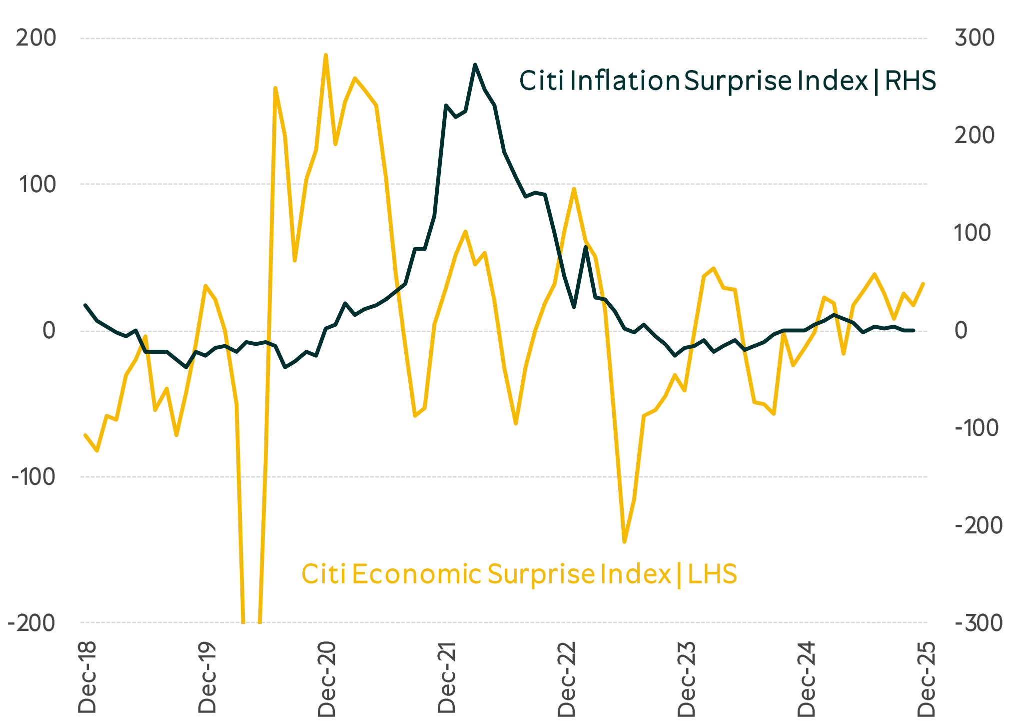



## Business Cycle of EA Members | Based on Economic Sentiment Indicator

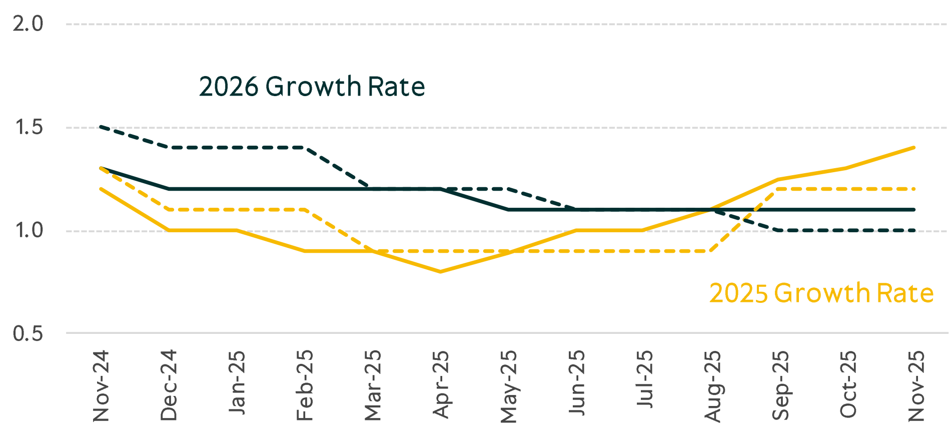


# EA Macro Expectations | During November and December economic surprises have been positive and current consensus expectations anticipate modestly higher growth in 2025.

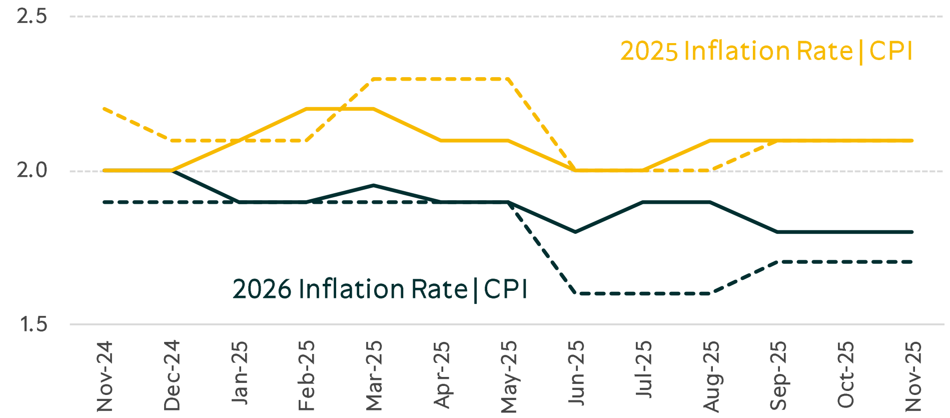
## Economic & Inflation Surprises




## Growth Rate Expectations*




## Inflation Rate Expectations*

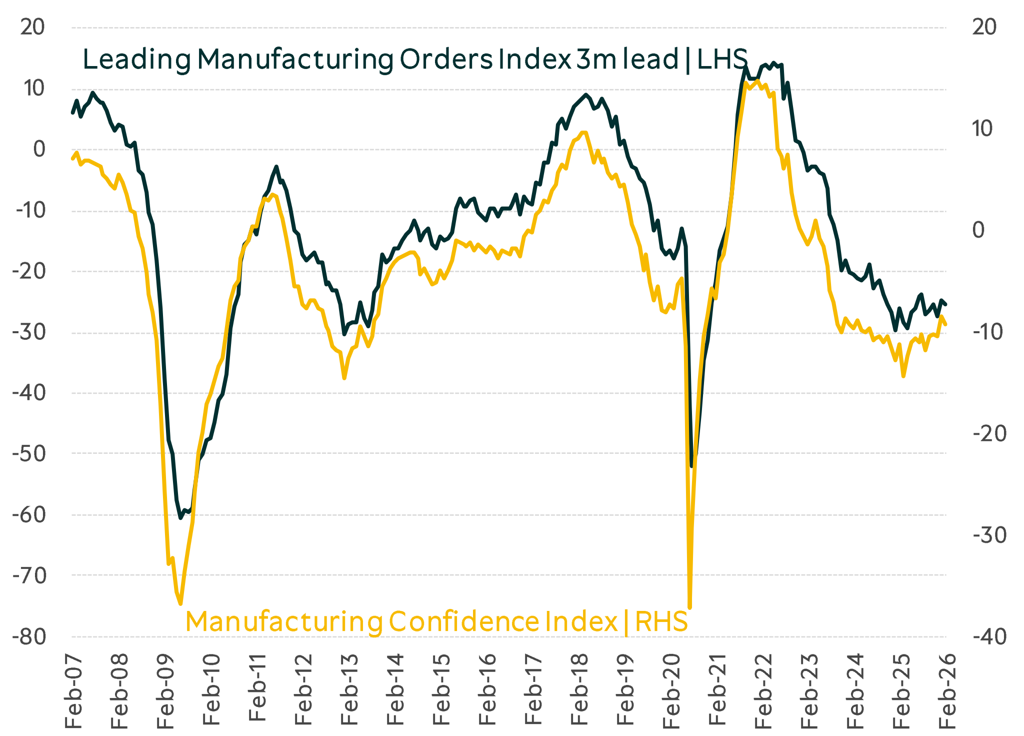



*Solid line: Consensus; Dotted line: ECB projections

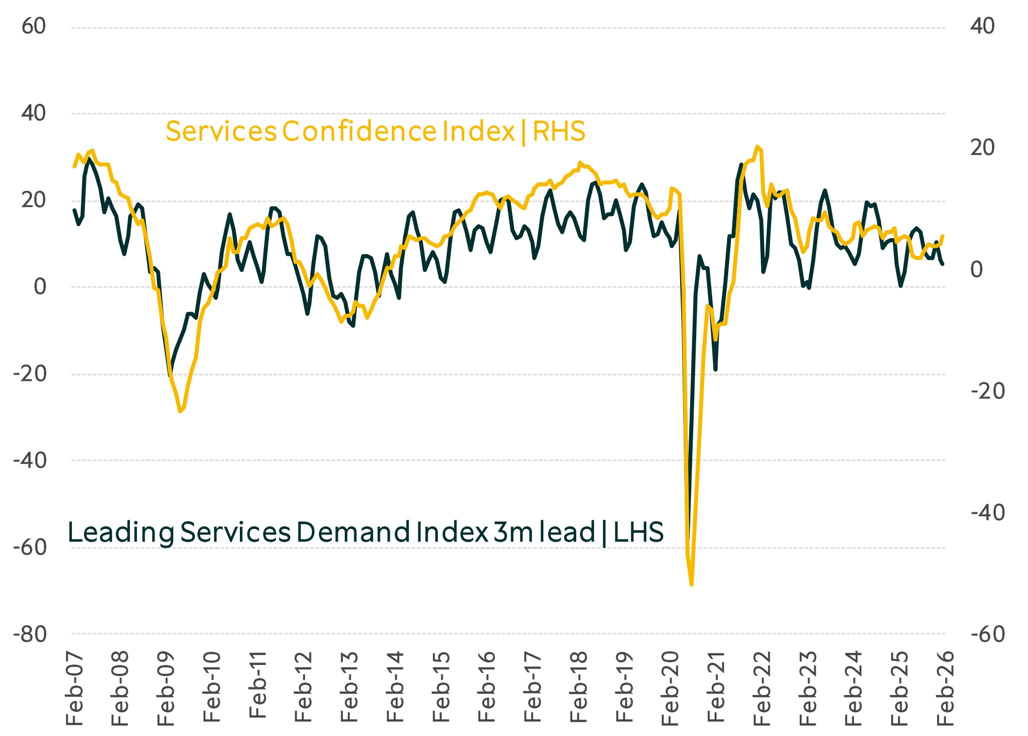
Source: Economic Research & Investment Strategy

# EA Leading Indicators | In November, the Manufacturing confidence indicator deteriorated slightly whereas the Services Confidence improved considerably.

Manufacturing Confidence Index & Leading Manufacturing Orders

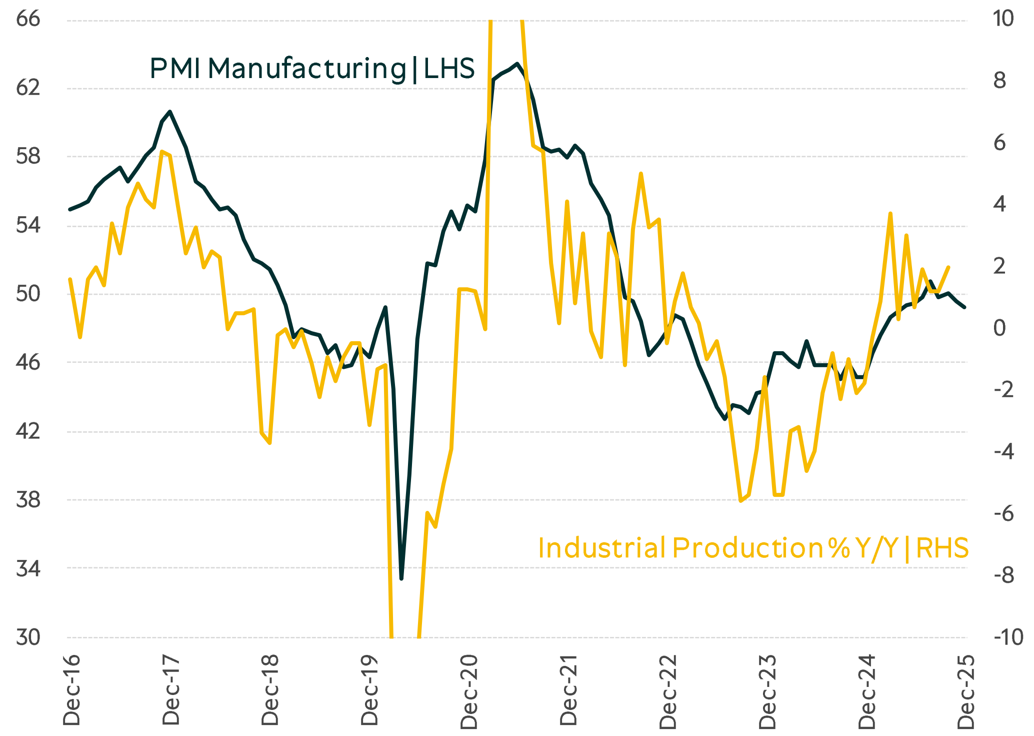



Services Confidence Index & Leading Services Demand Index

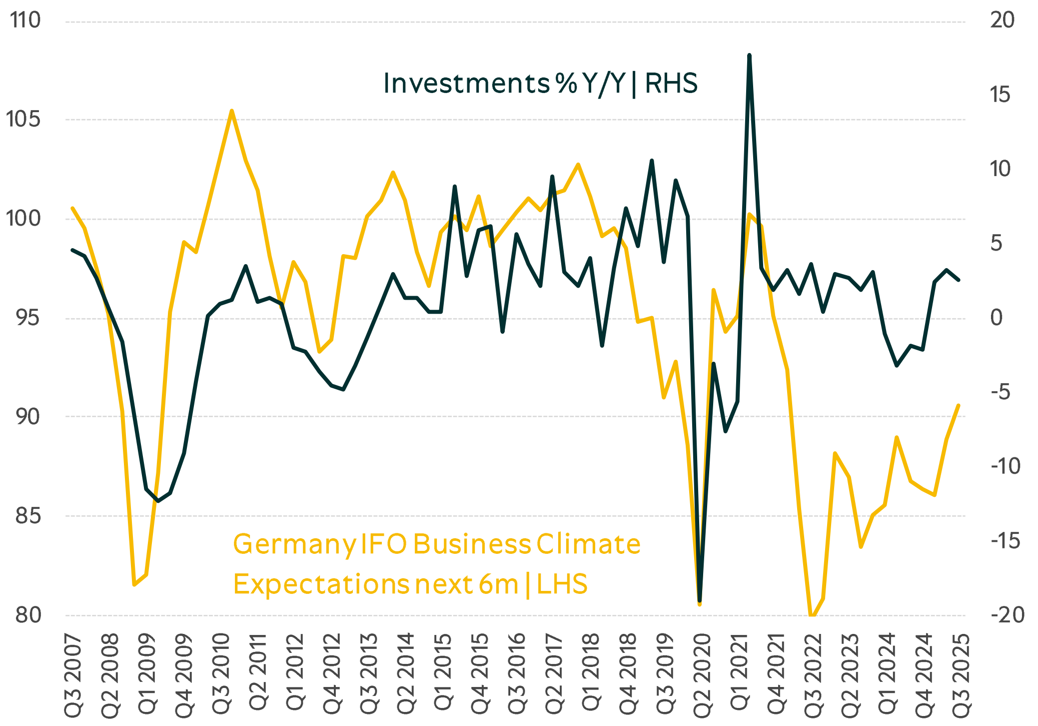


# EA Business Conditions | Industrial production grew 2% year on year in October while the Manufacturing Leading Indicator moderated in December. Germany's IFO business climate expectations on an upward trend.

Industrial Production & PMI Manufacturing




IFO Expectations & Business Investment

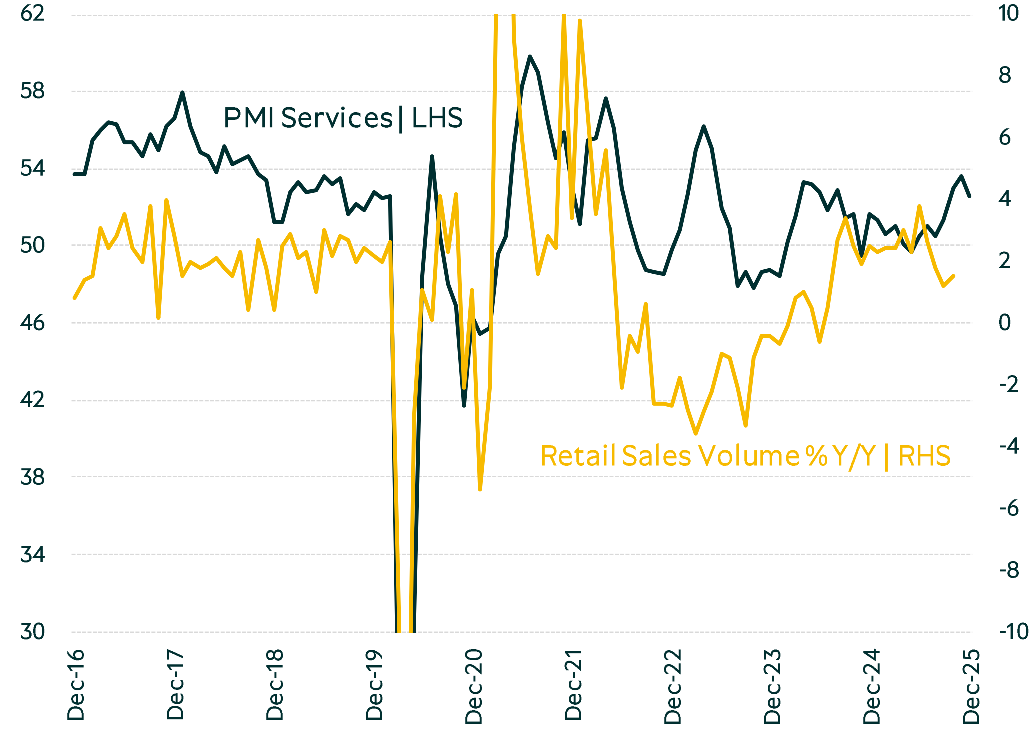



Piraeus

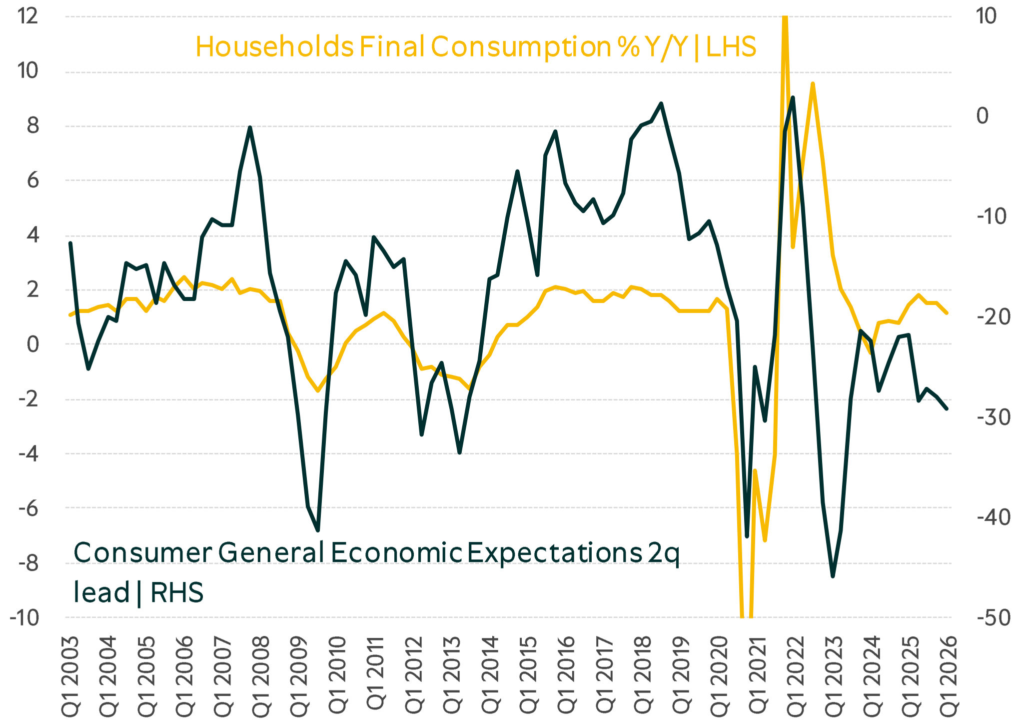
Source: Economic Research & Investment Strategy

# EA Business Conditions | Services PMI fell to 52.6 in December from 53.6 in November signaling slower GDP growth momentum. Retail sales grew 1.5% Y/Y in October (from +1.2% in the previous month)

Retail Sales Volume & PMI Services



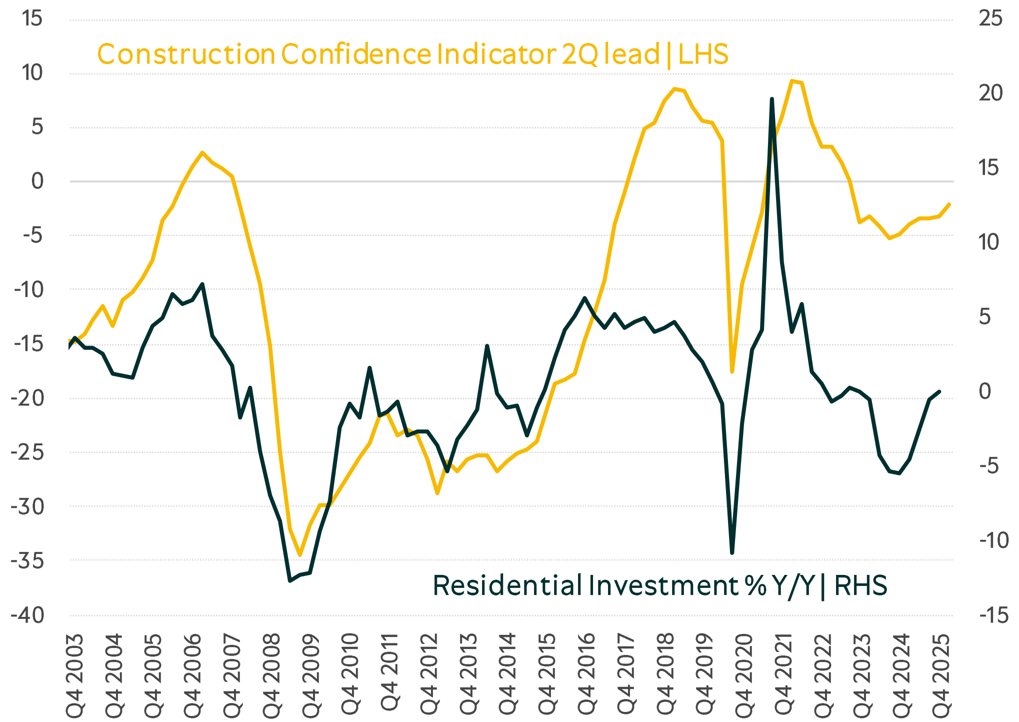

Final Consumption & Consumer Expectations Index



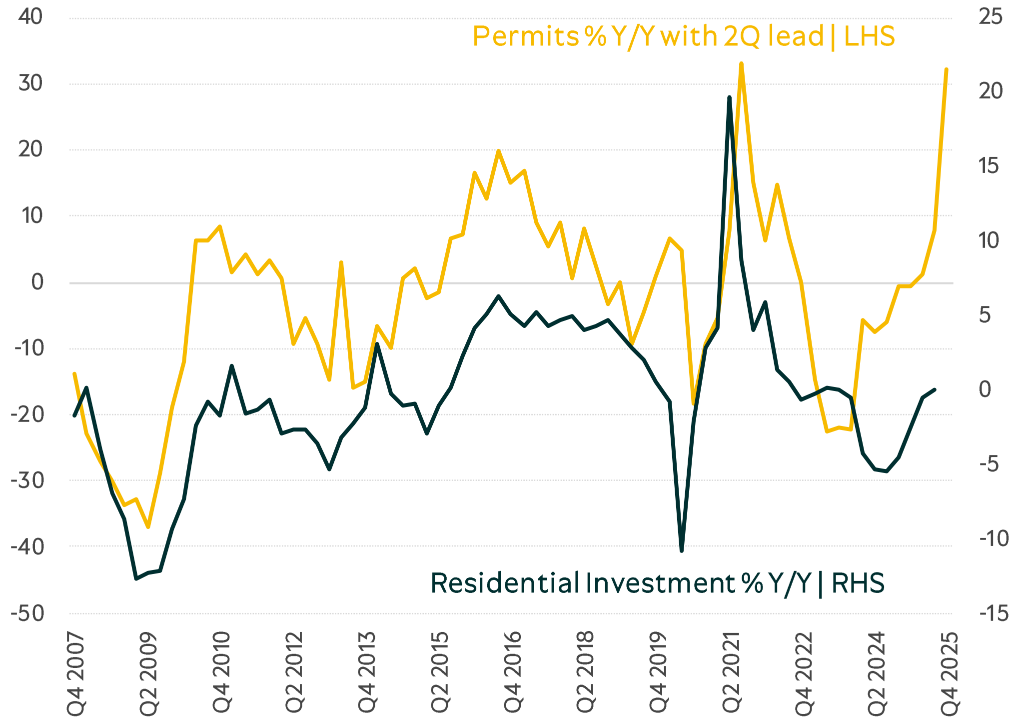

Source: Economic Research & Investment Strategy

# EA Construction | Residential activity is sending positive signals as Construction Confidence is on an upward trend. House Permits increased significantly in Q3.

Residential Investment & Construction Confidence

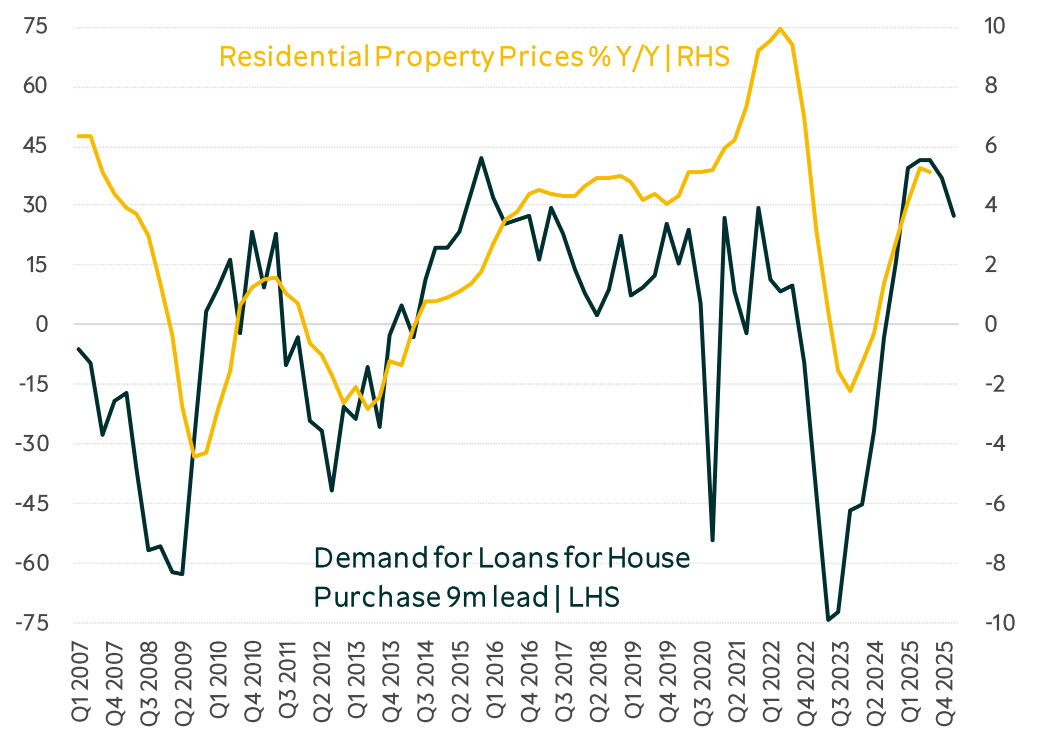



Residential Investment & House Permits

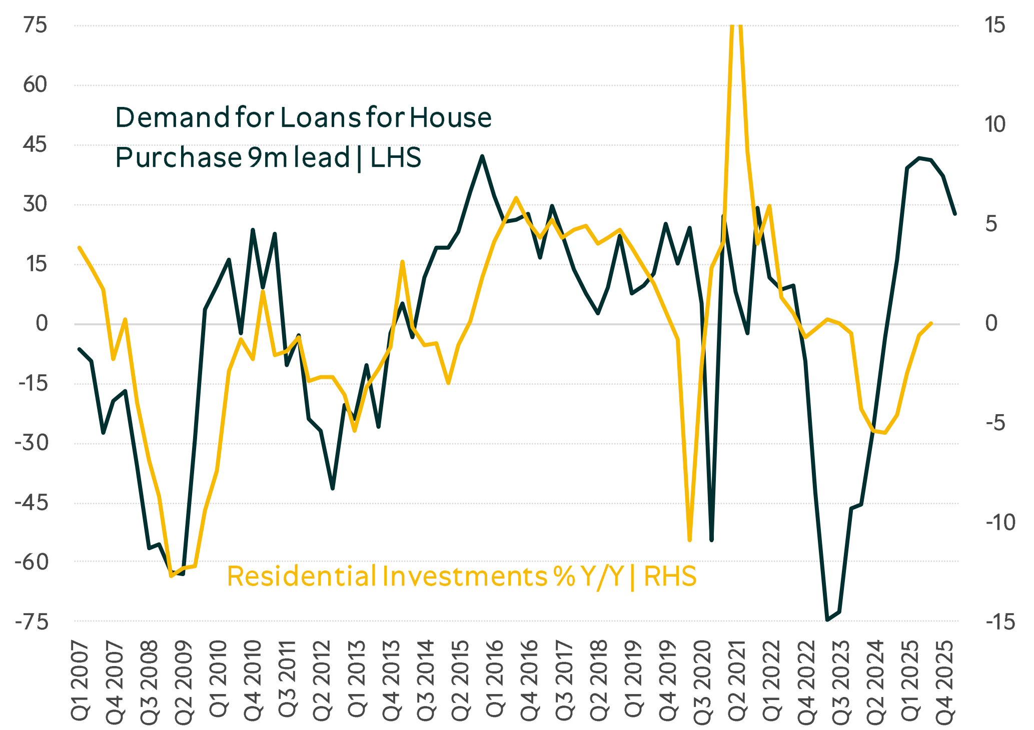


# EA Construction | A pick up in residential investments is expected in the coming months, although demand for mortgages has moderated.

## Residential Property Prices & Demand for loans (9m lead)

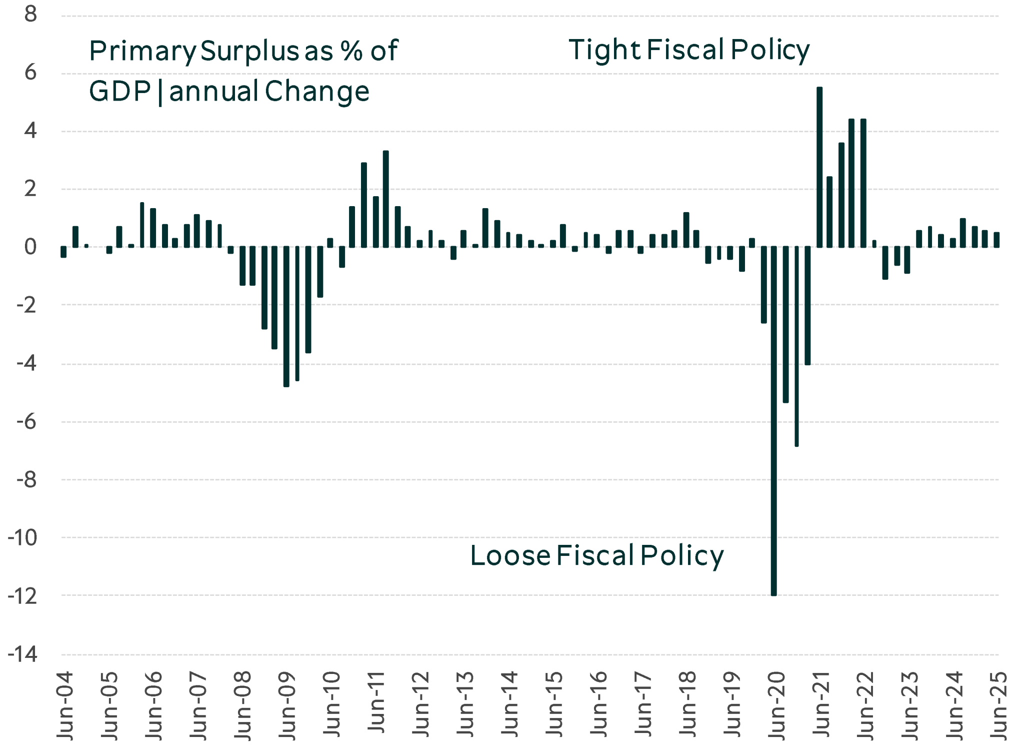



## Residential Investments & Demand for loans (9m lead)

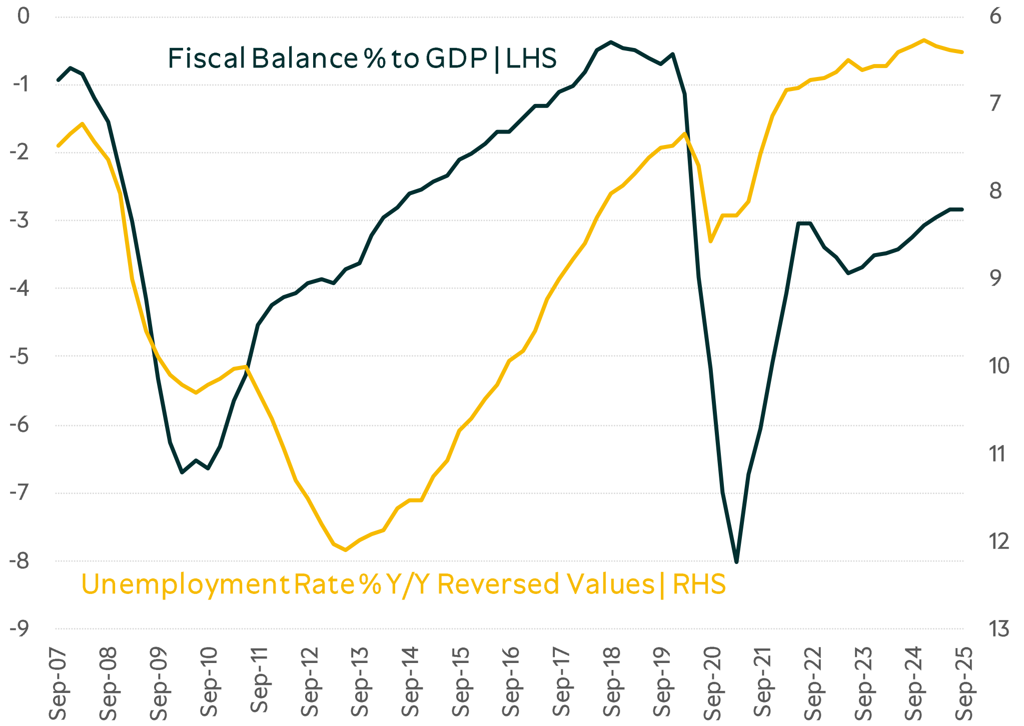


# EA Fiscal Policy | Fiscal Deficit remains at low levels while the Unemployment Rate remains at a historic low

Fiscal Thrust



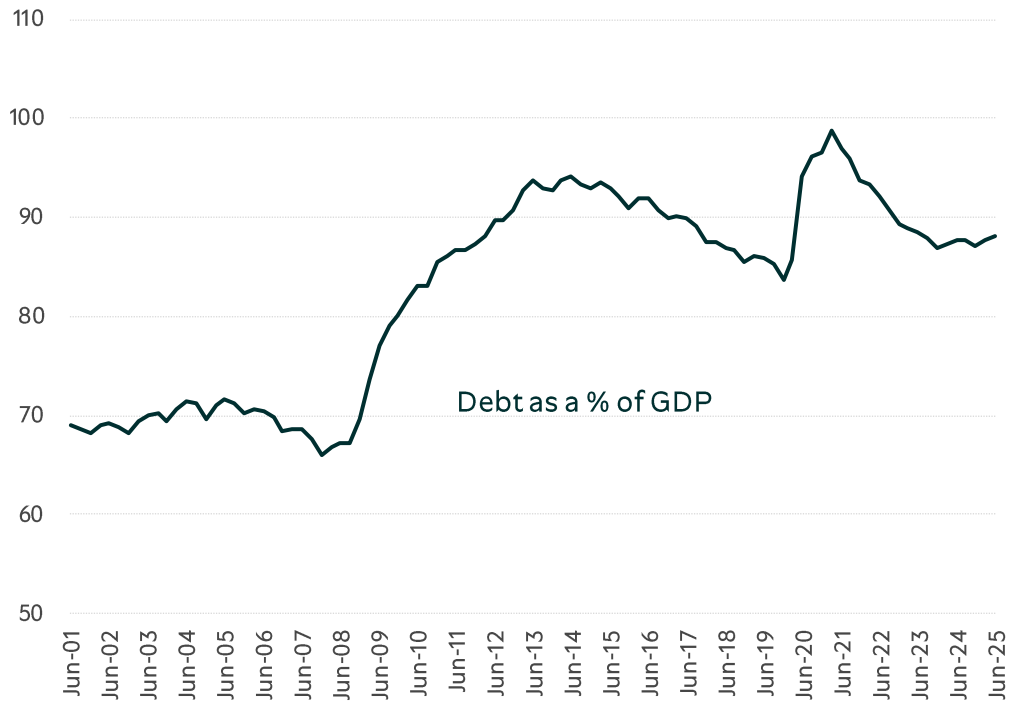

Fiscal Policy & Unemployment Rate



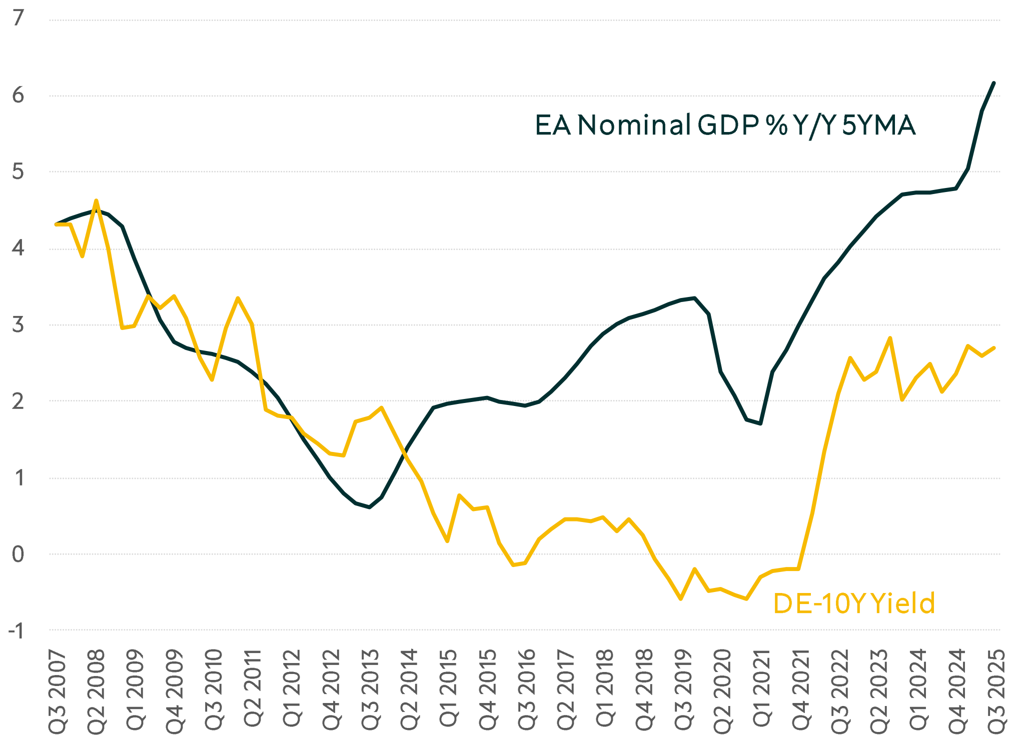

Source: Economic Research & Investment Strategy

# EA Fiscal Policy | Debt levels have moderated after the pandemic

## Debt / GDP



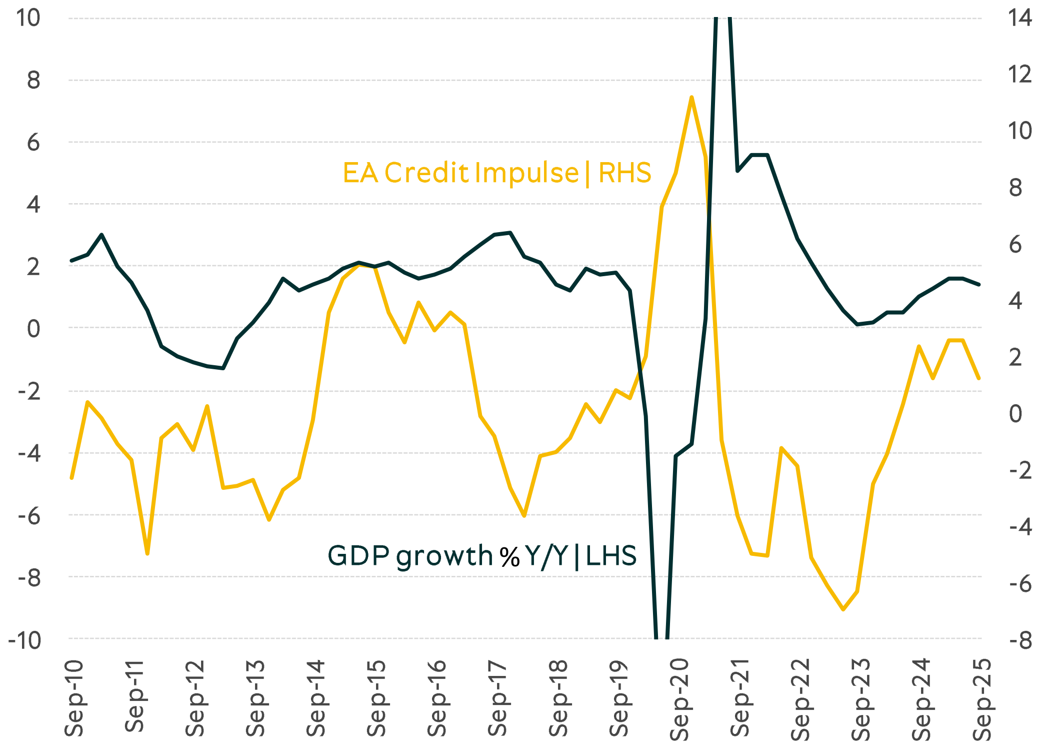

## Fiscal Policy Sustainability



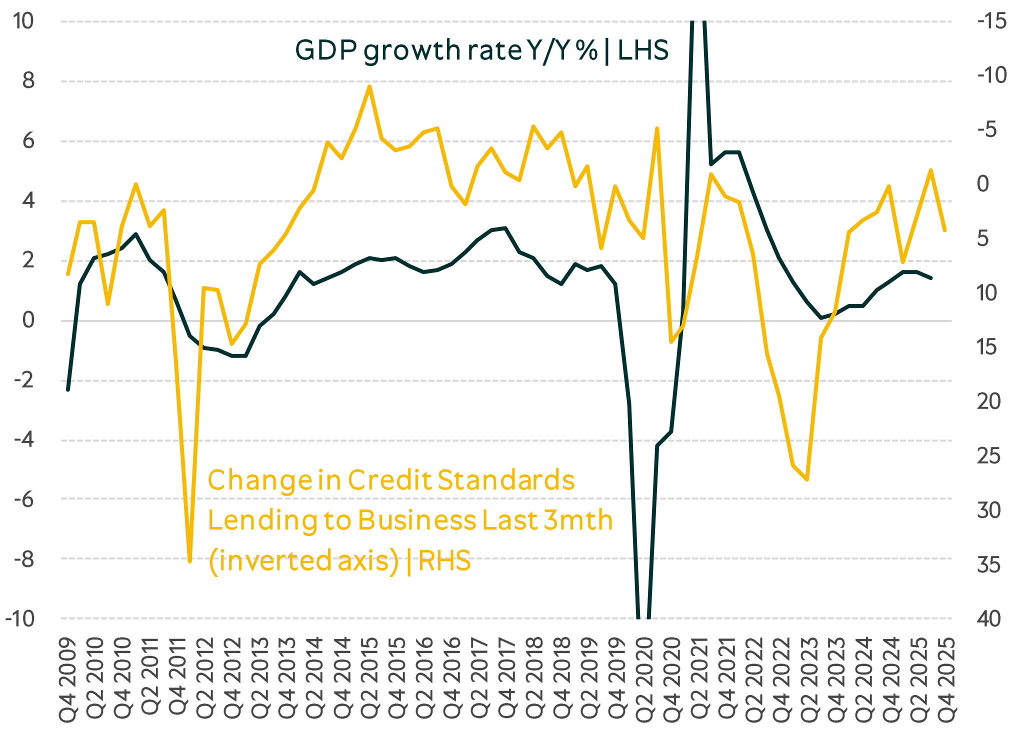

Source: Economic Research & Investment Strategy

# EA GDP Outlook | Credit impulse decelerated in Q3, while credit standards for loans or credit lines to enterprises tightened in the fourth quarter of 2025.

EA Credit Impulse & GDP growth rate

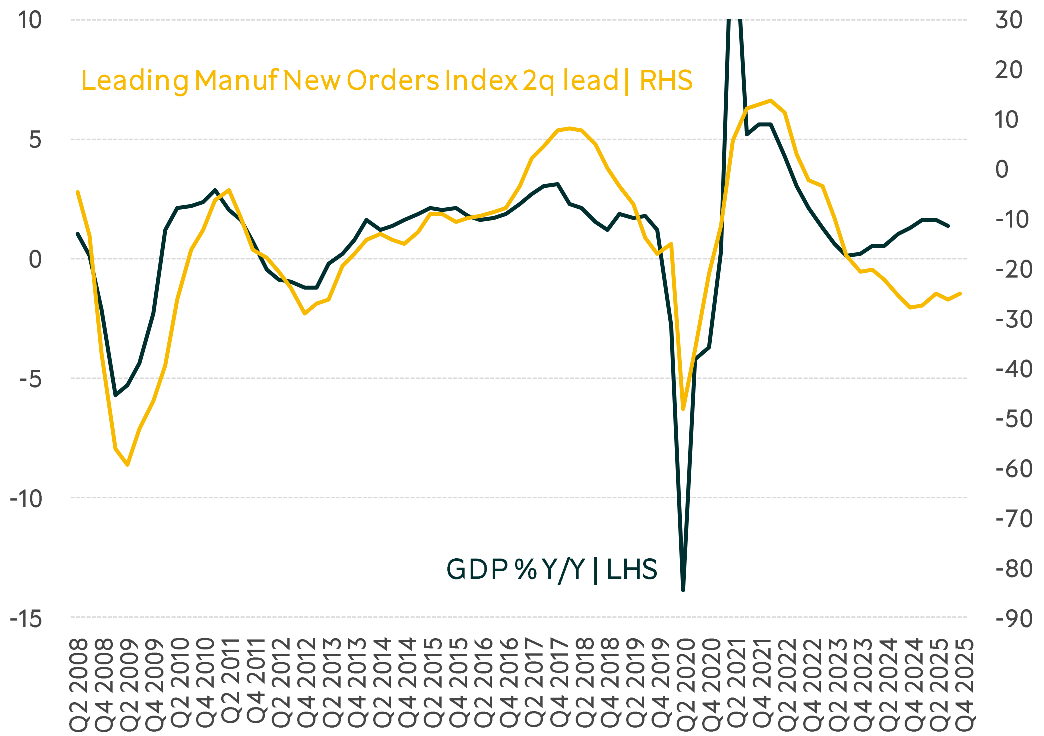



GDP & Bank Lending Standards

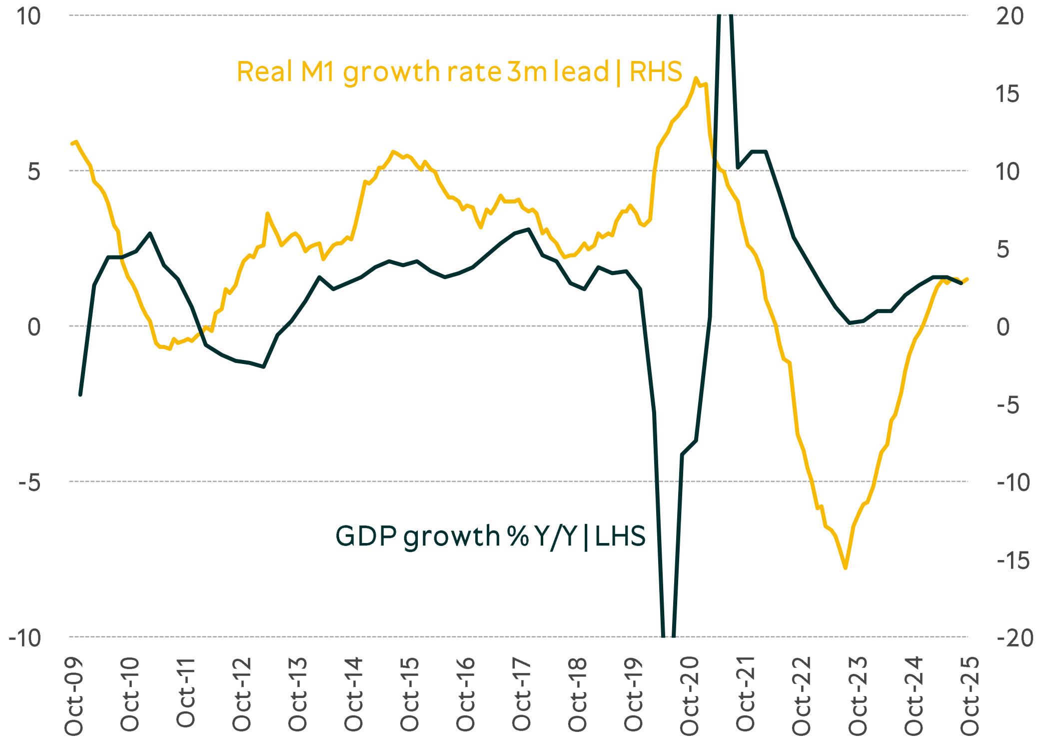


# EA | Manufacturing New Orders halted the downturn trend in Q4 2025; Real M1 improvement somewhat reduces concerns about the economic outlook.

GDP & New Orders Indices



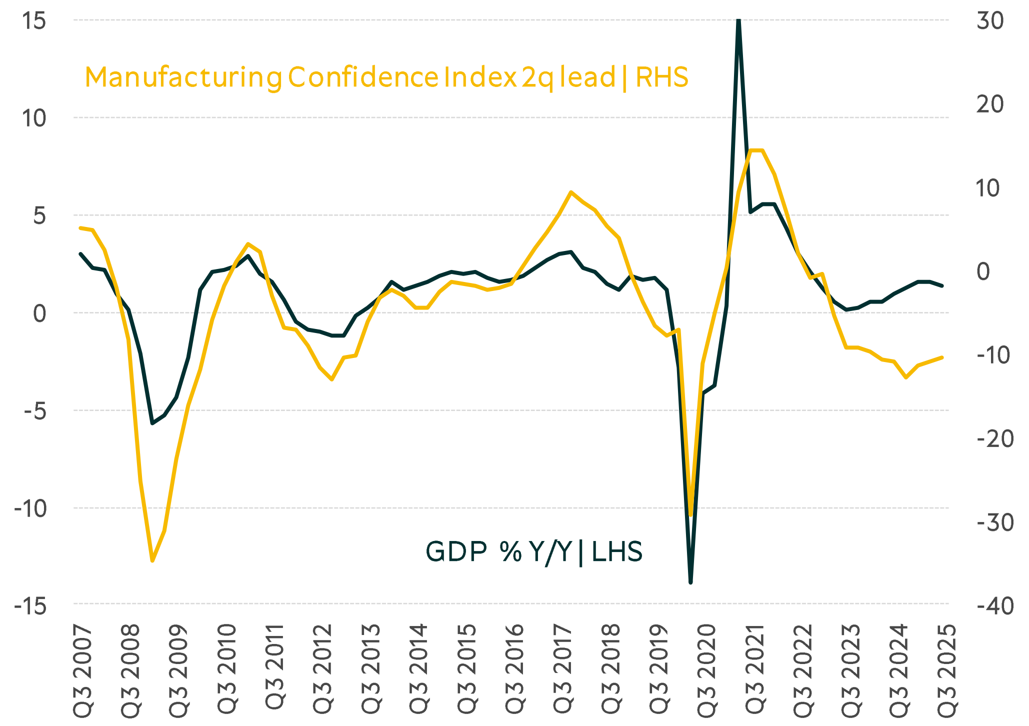

GDP & Real M1 growth rate



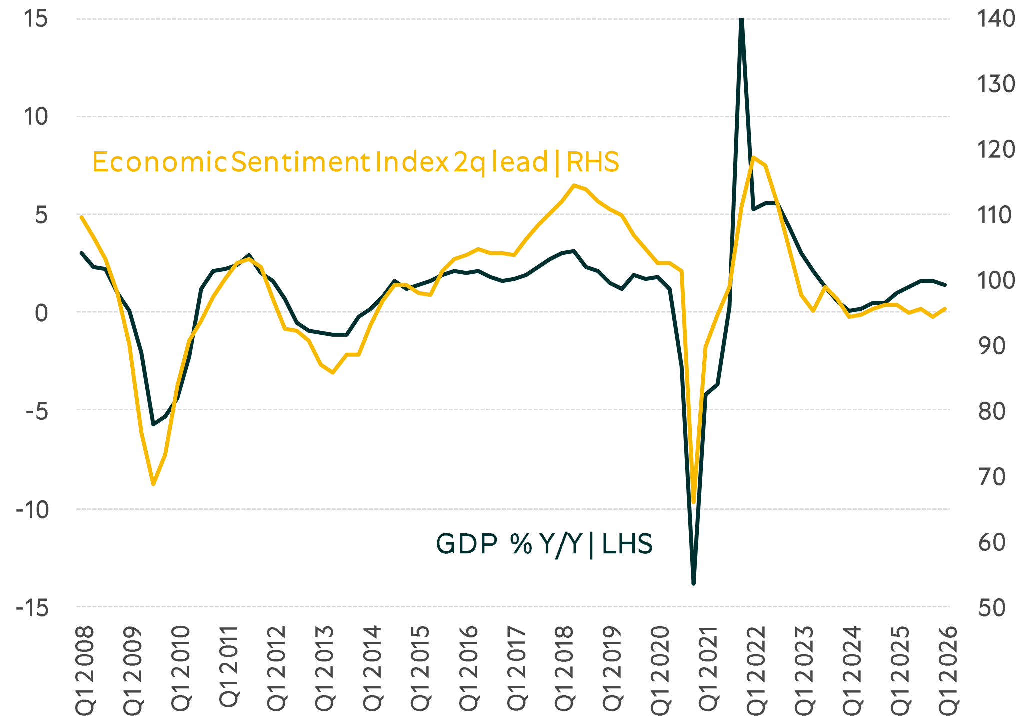

Source: Economic Research & Investment Strategy

# EA GDP Outlook | Economic sentiment still points to a marginal slowdown, while manufacturing picked up providing some green shoots.

GDP & Manufacturing Confidence Index



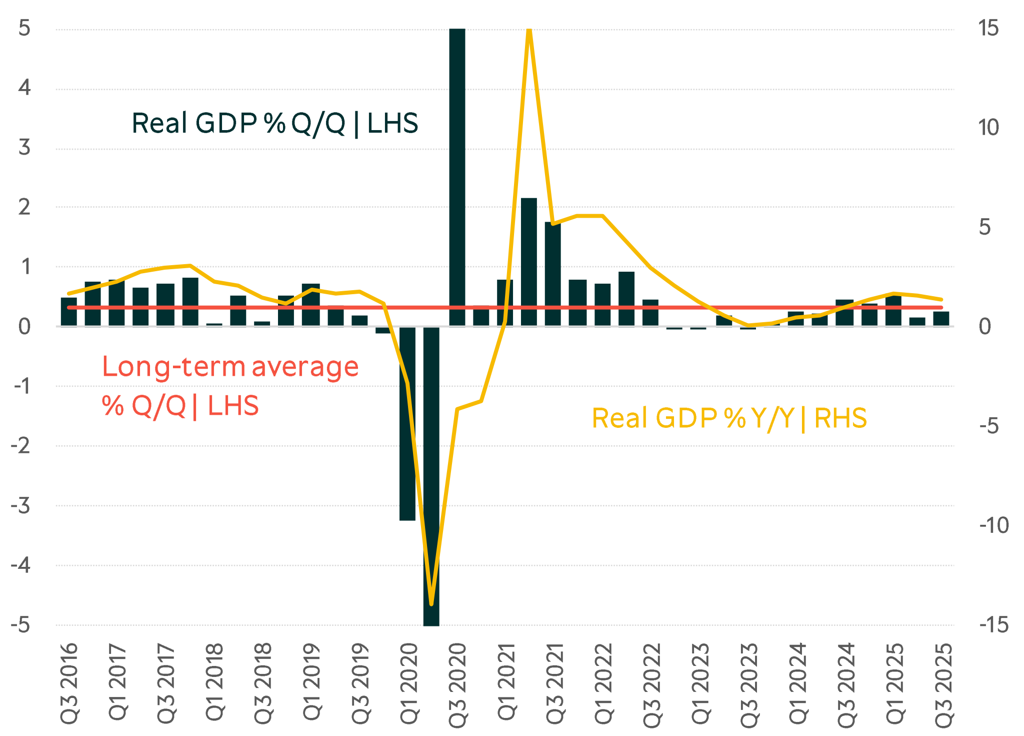

GDP & Economic Sentiment Index



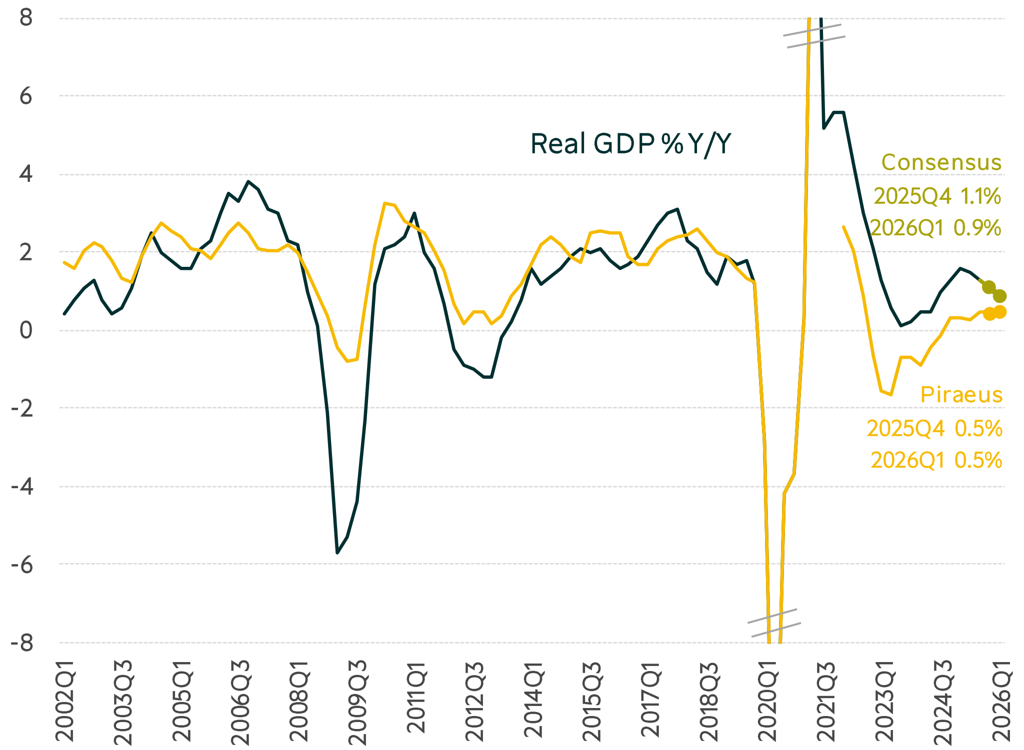

Source: Economic Research & Investment Strategy

# EA GDP Outlook | Real GDP grew by 1.4% year-on-year in Q3 2025 (0.3% quarter-on-quarter) but is projected to grow at a slower rate

## Growth Rate Outlook



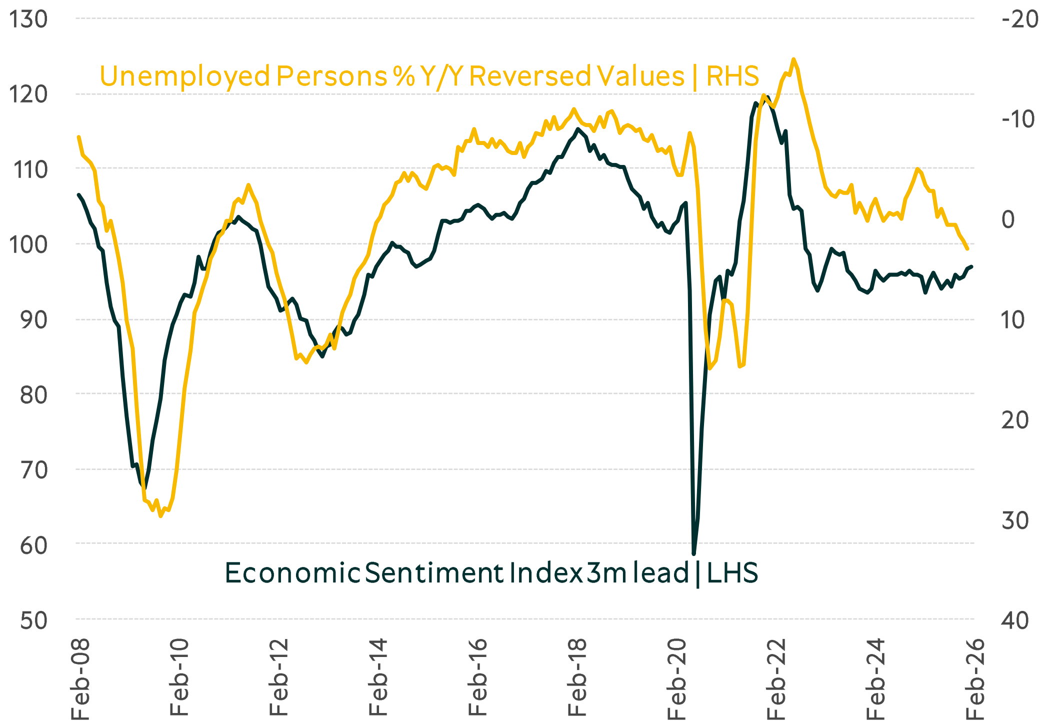

## Growth Rate Estimate



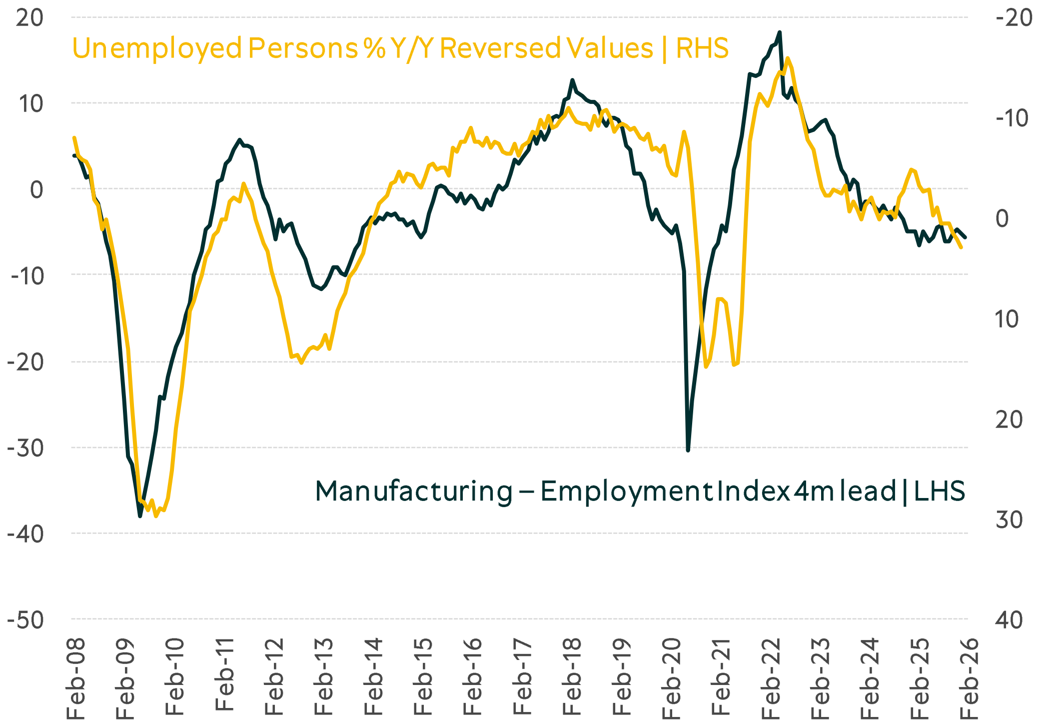

Note: Covid-19 period (Q4 2019 - Q2 2021) is excluded from the estimation

# EA Labour Market | Labour market is still in good shape with some deterioration in the Manufacturing sector, with the Manufacturing employment index declining.

Unemployment & Leading Sentiment Index

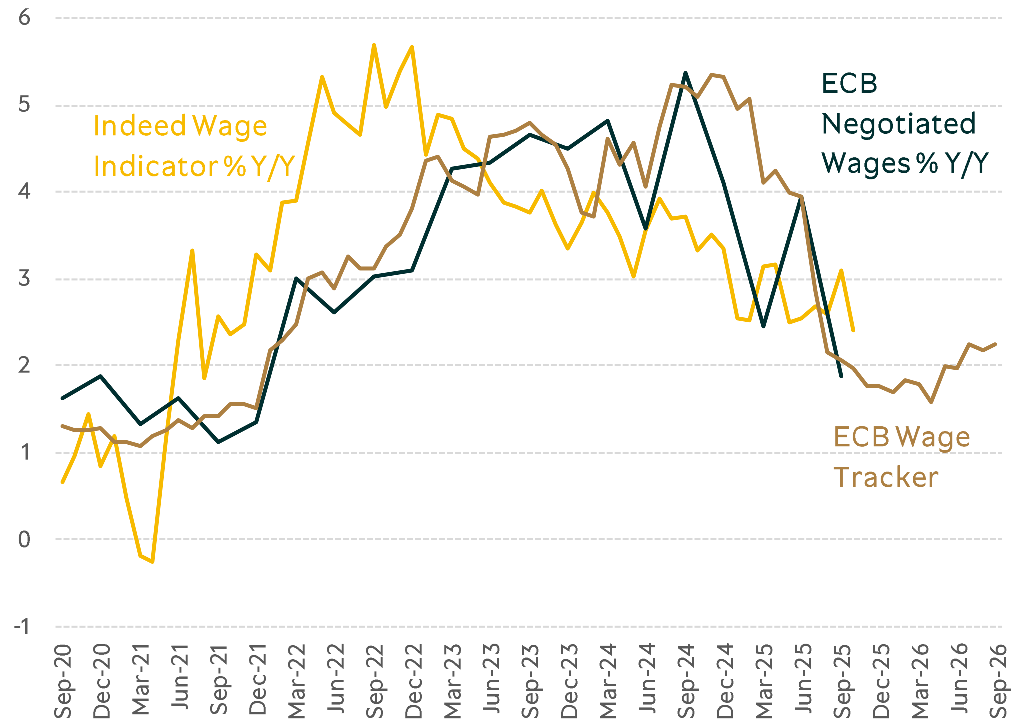



Unemployment & Leading Manufacturing Index

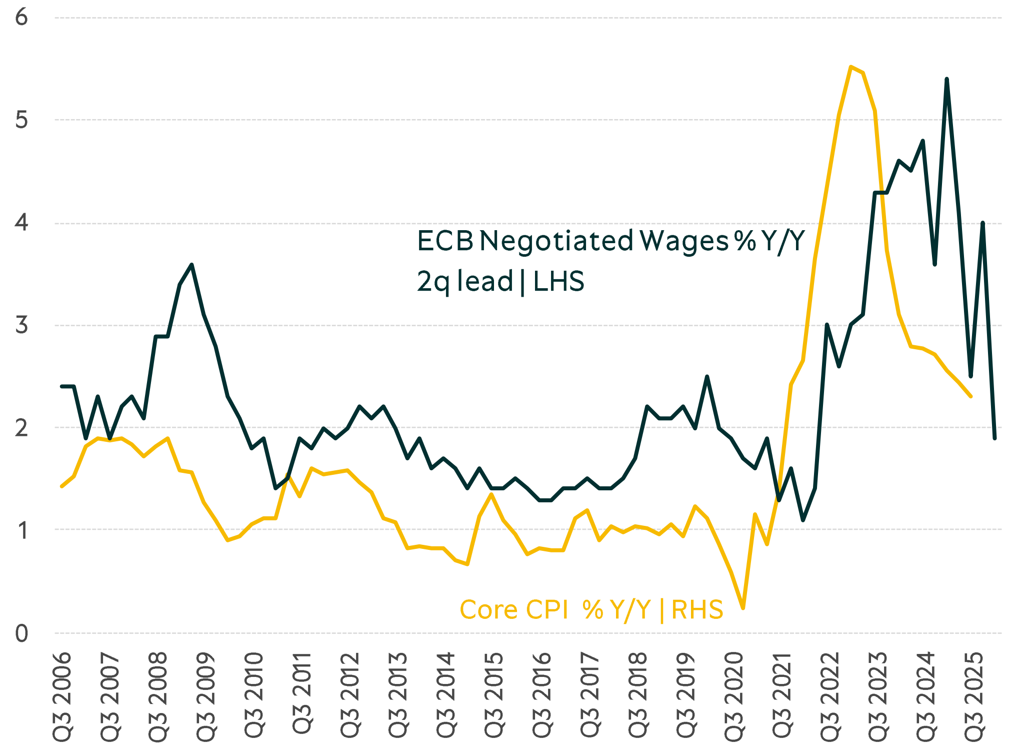


# EA Wage Tracker | The Indeed wage indicator declined to 2.4% in October from a notable increase in the previous month. The ECB's Wage Tracker indicates slower wage growth in 2025 and a modest increase in 2026.

EA Wage Indicators

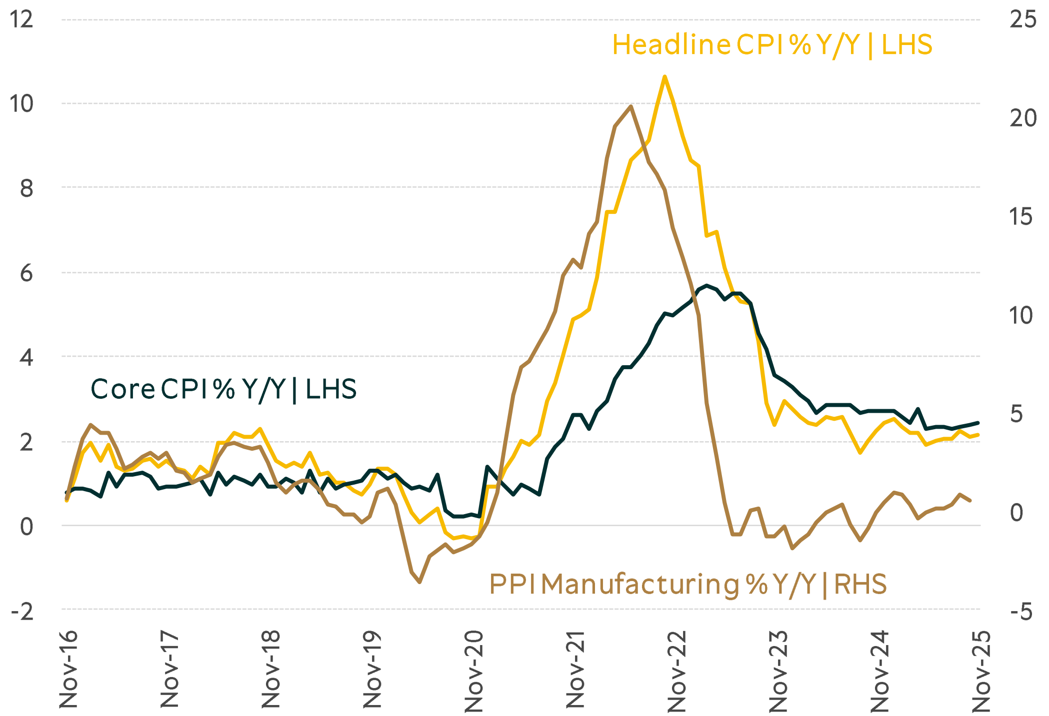



Core Inflation & Wages

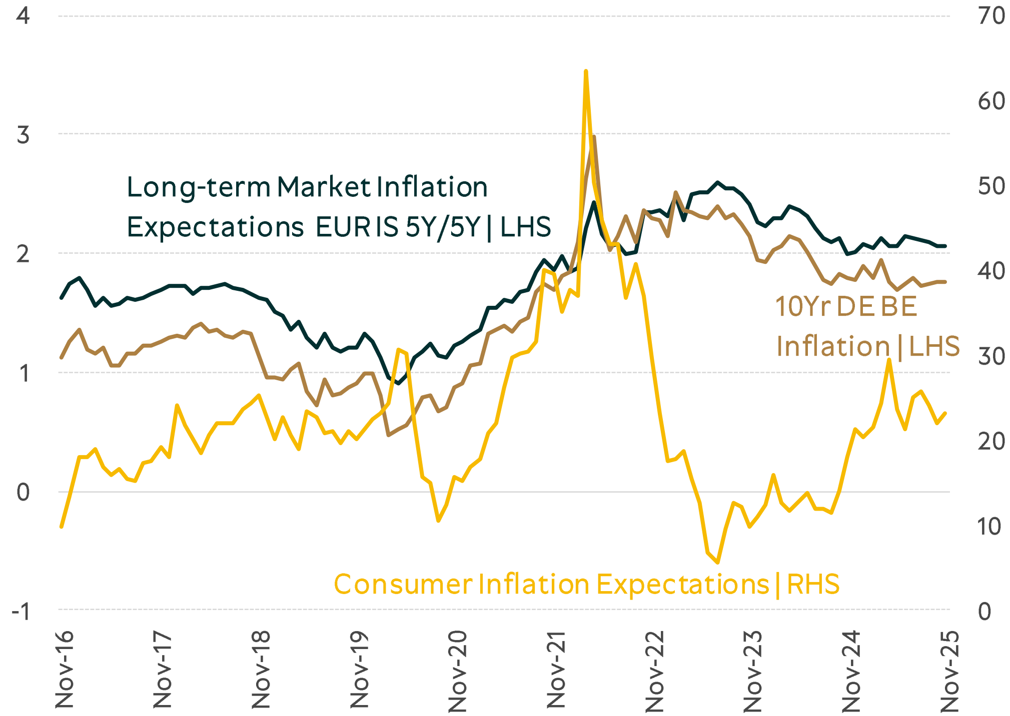


# EA Inflation Pressures | Headline CPI accelerated to 2.2% in November, while Core CPI remained at 2.4%. Consumer inflation expectations ticked upwards in November.

## Inflation Rate

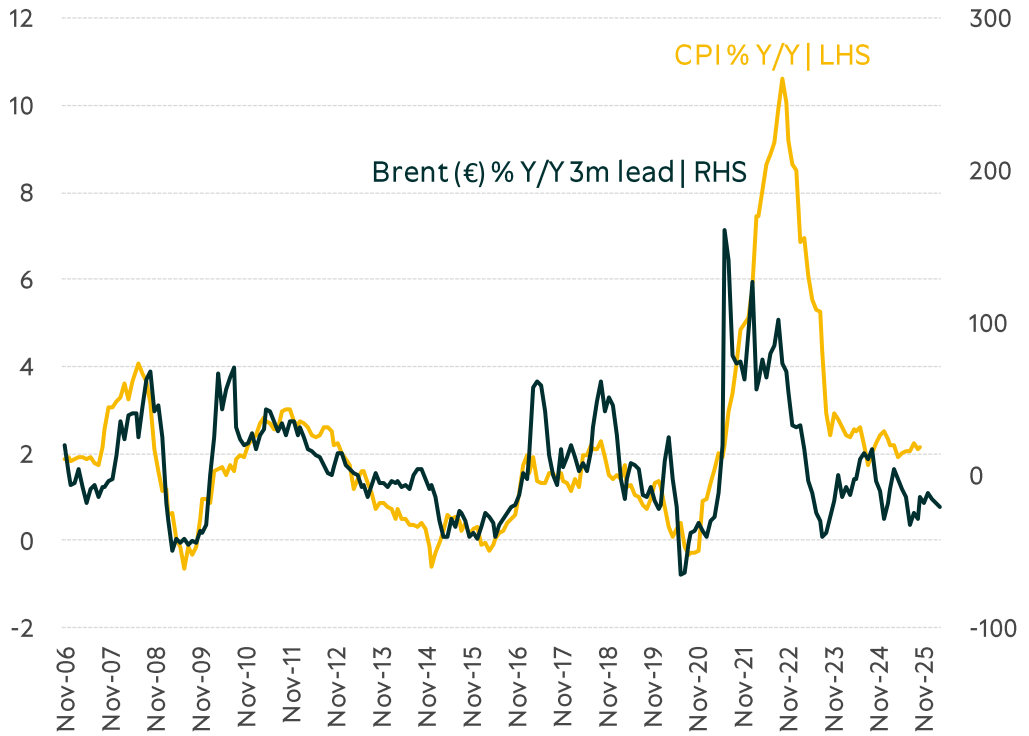



## Long-term Inflation Expectations

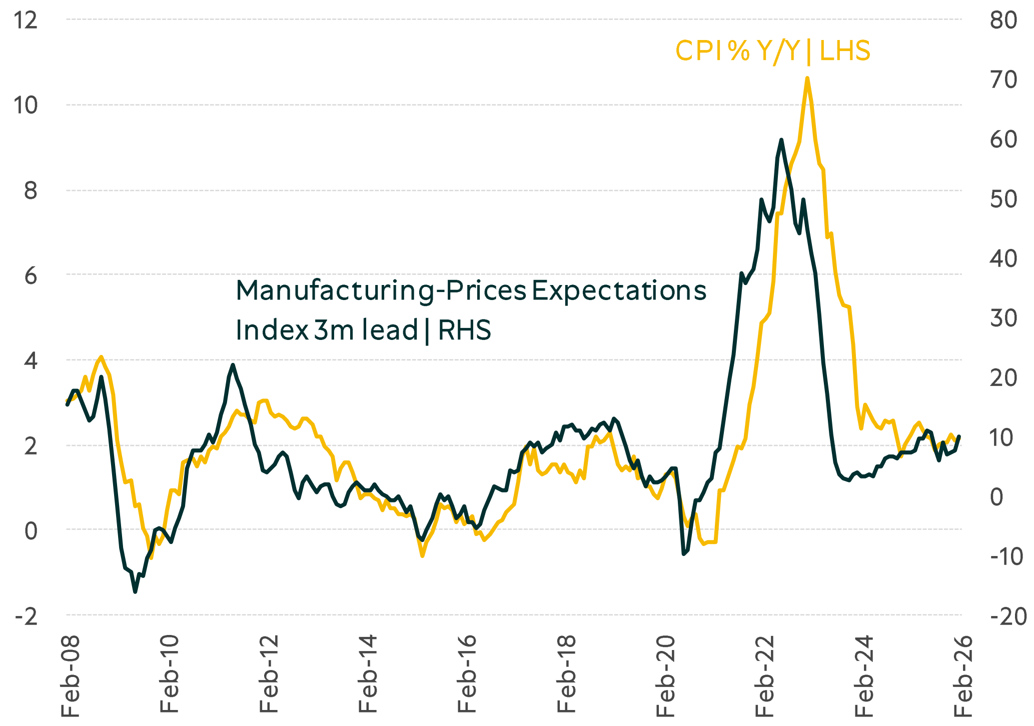


# EA Inflation & Energy Prices | Manufacturing Prices Expectations may exert some upward pressure, while the likelihood of higher Brent prices following the Middle East peace deal and the Russia-Ukraine talks has diminished.

Inflation Rate & Oil Prices



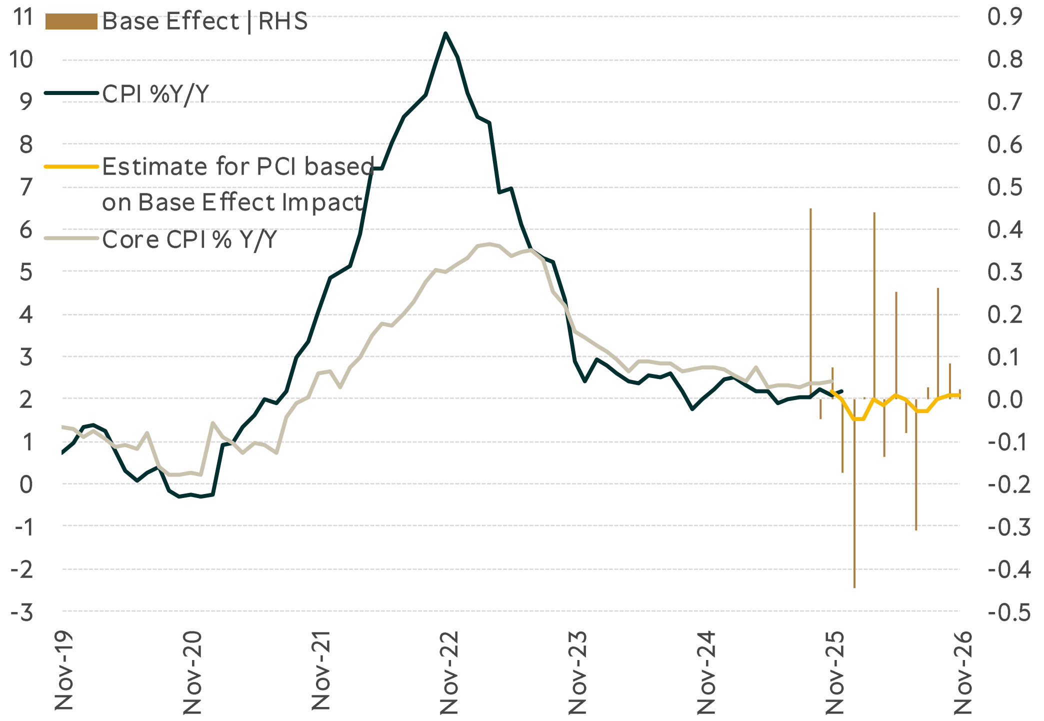

Inflation Rate & Leading Manufacturing Prices Index



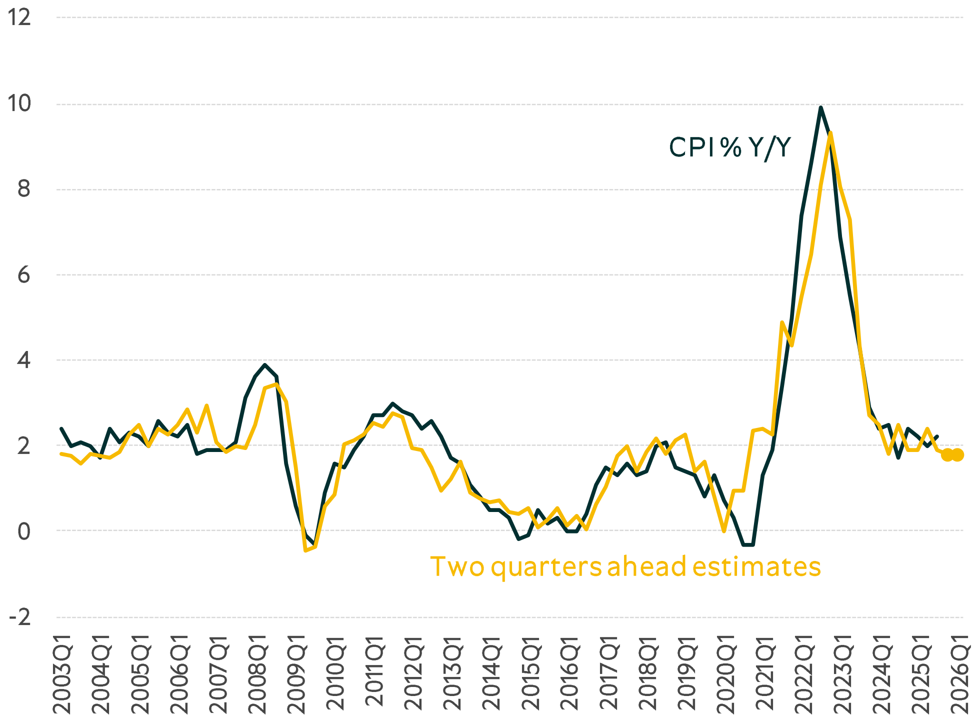

Source: Economic Research & Investment Strategy

# EA Inflation Outlook | The 2% target is expected to be achieved for the year

## Inflation Rate Forecast | Statistical Model



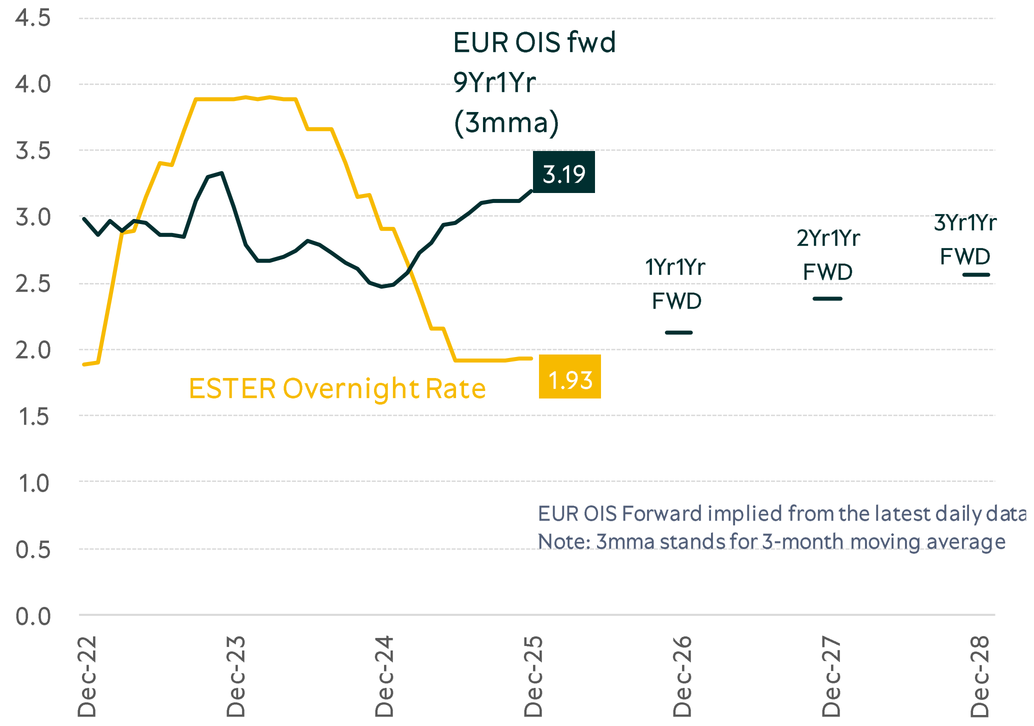

## Inflation Rate Forecast | Macro Model



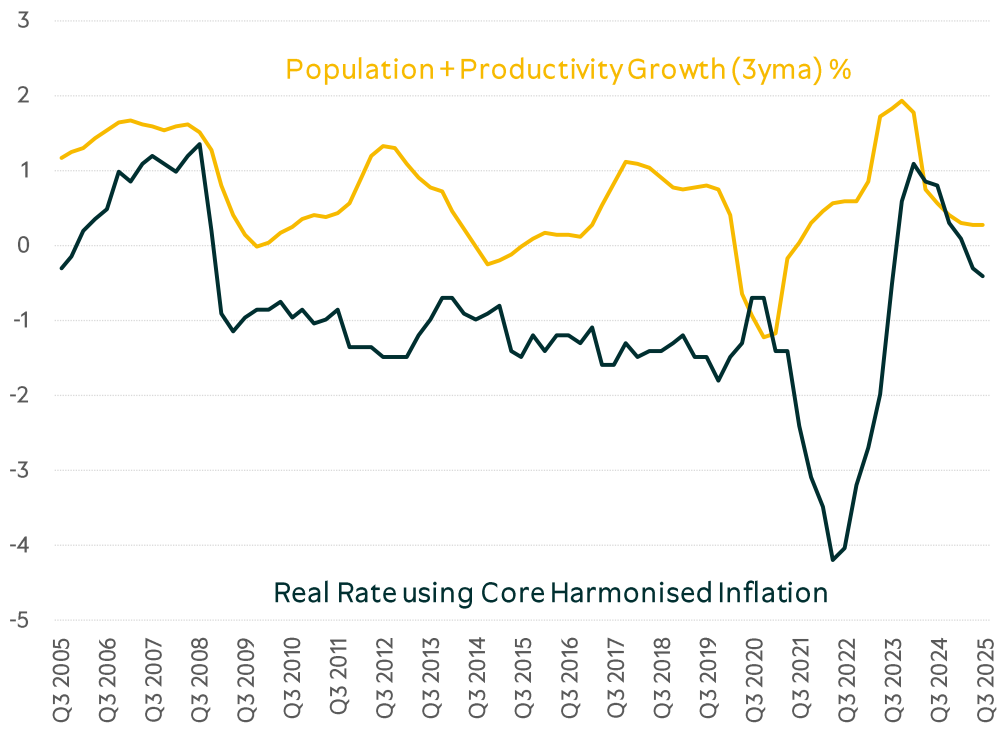

Source: Economic Research & Investment Strategy

# EA Short-Term Rates | 3Yr1Yr forward rates suggest higher levels of interest rates

Interest rates | Market Expectations




Real Depo Rate (Depo - Core CPI) & Population + Productivity growth

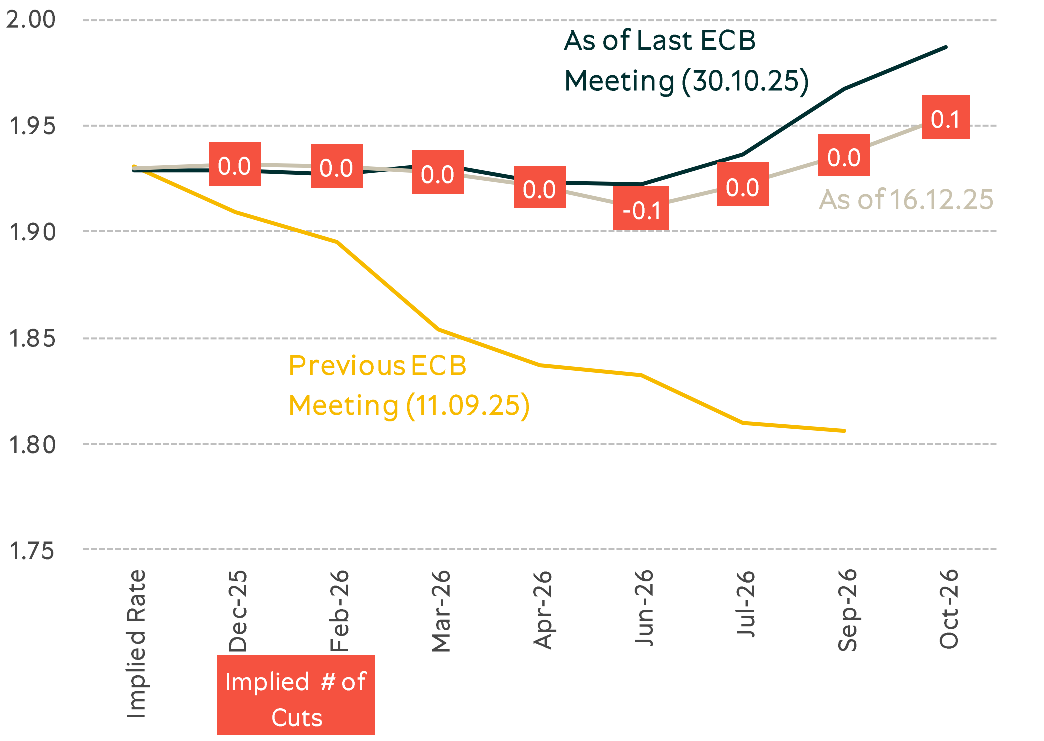




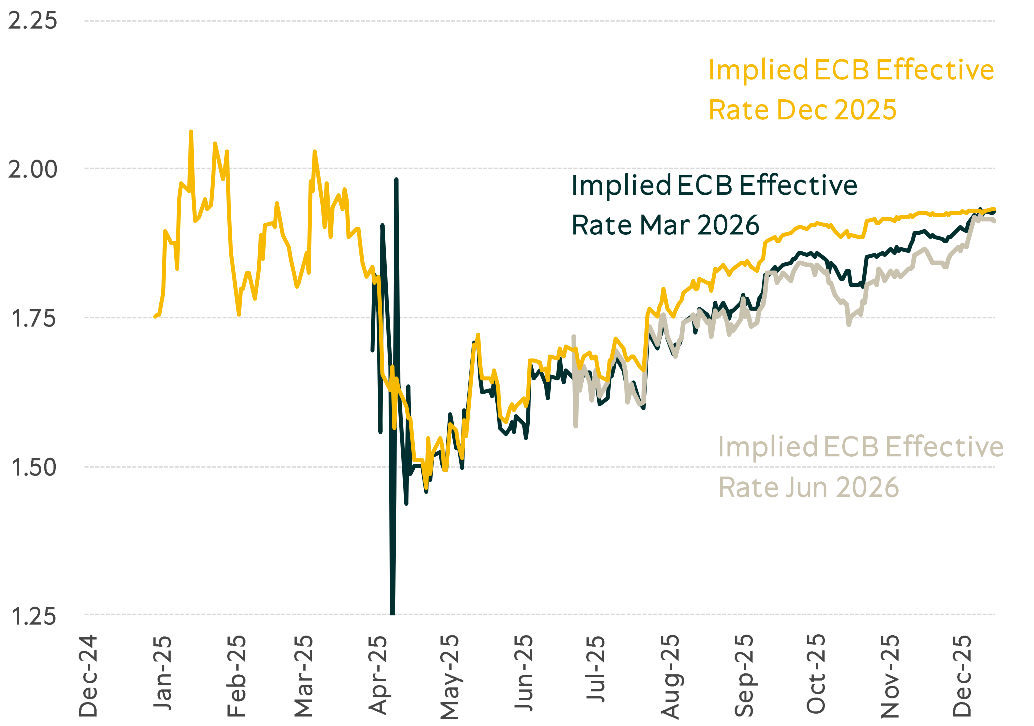

Source: Economic Research & Investment Strategy

# EA Short-Term Rates | No cuts are anticipated by the markets for 2026

## Implied Overnight Rate based on Overnight Index Swaps

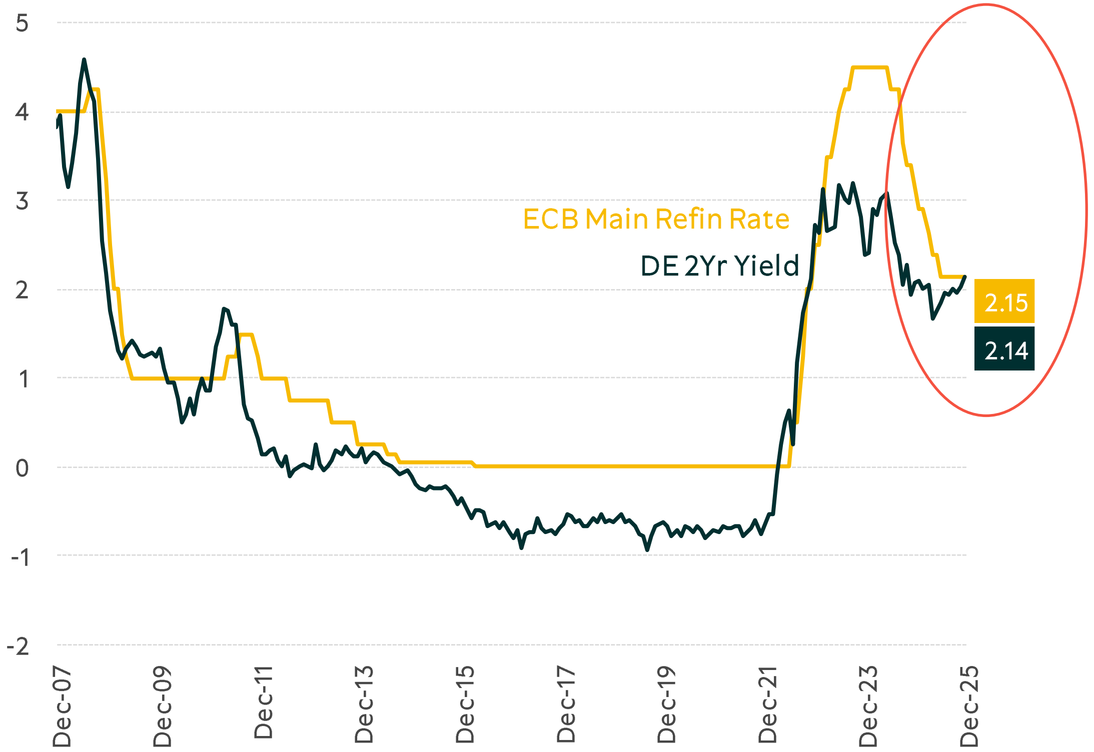



## Interest Rates | Implied ECB Effective Rate

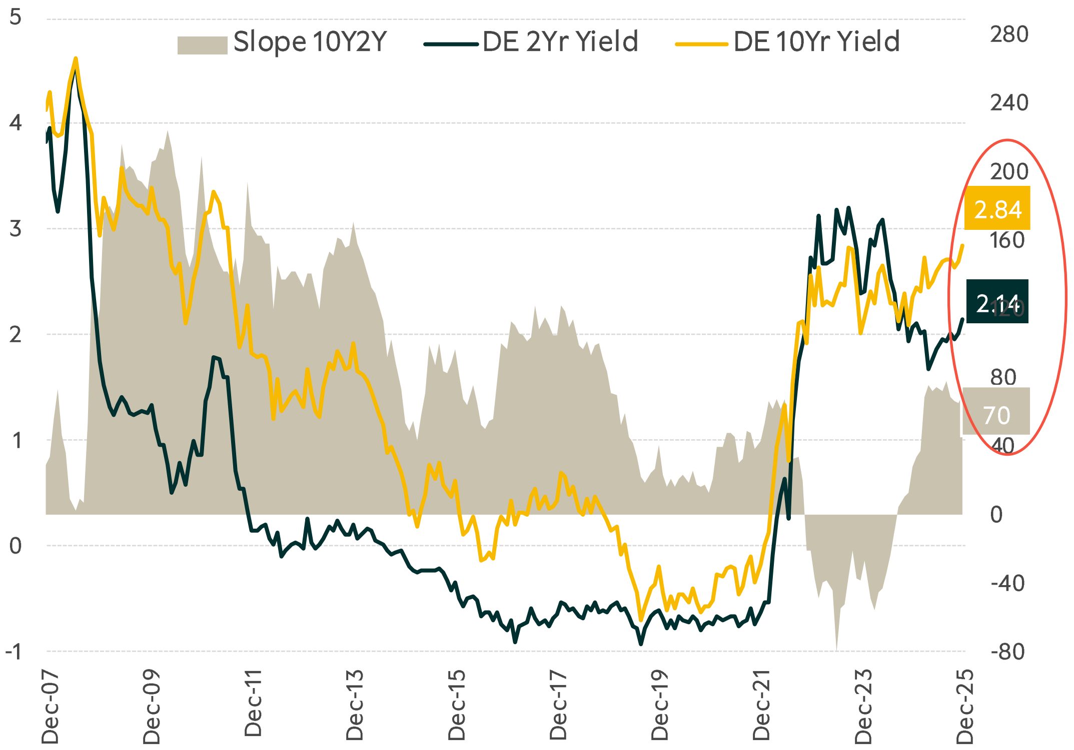


# EA Rates | After four straight cuts earlier in the year, the ECB kept its key interest rates unchanged in July, September & October. German 10Y2Y spread turned positive at the end of Q3 2024 and has steepened since.

ECB Policy Rate vs German 2Yr Yield

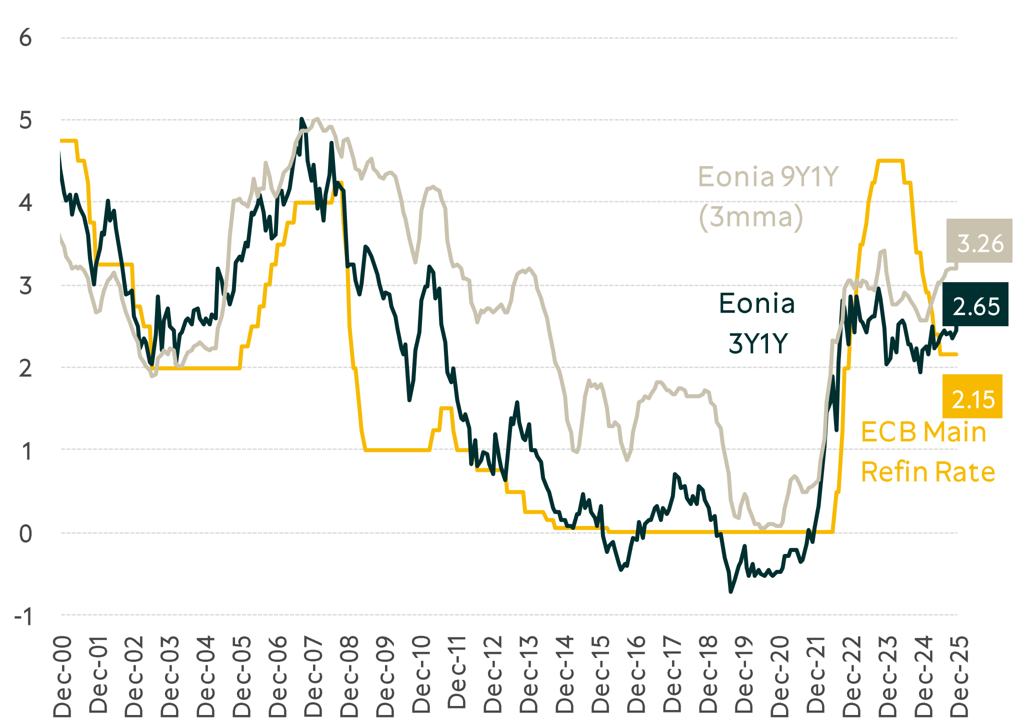



German Yield Curve

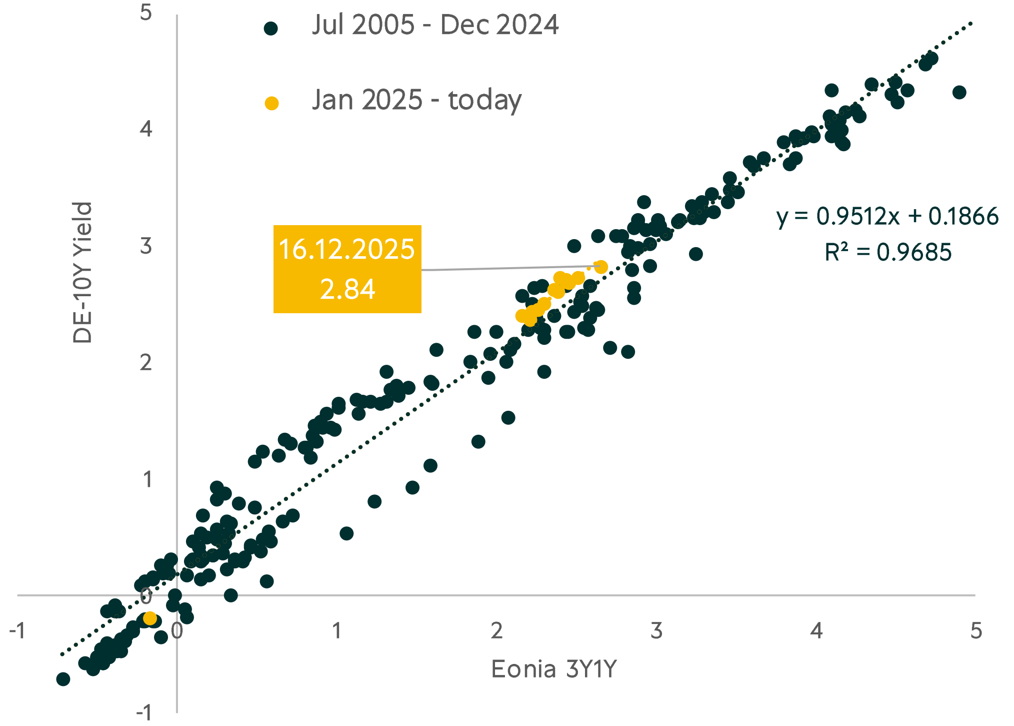


# EA Long-Term Rates | Given the current level of short-term rates, long-term bonds are close to "fair value"

## Long-term Interest Rate Expectations




## DE Yield vs Medium-term Interest Rate Expectations



Bird's Eye View

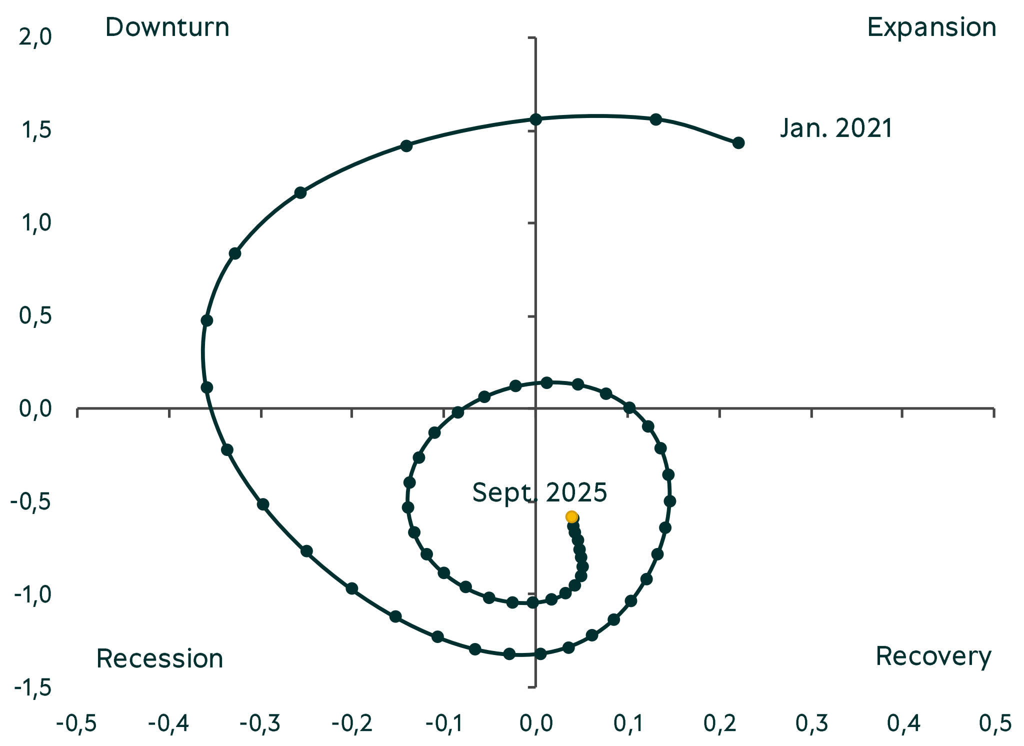
US Economy

EA Economy

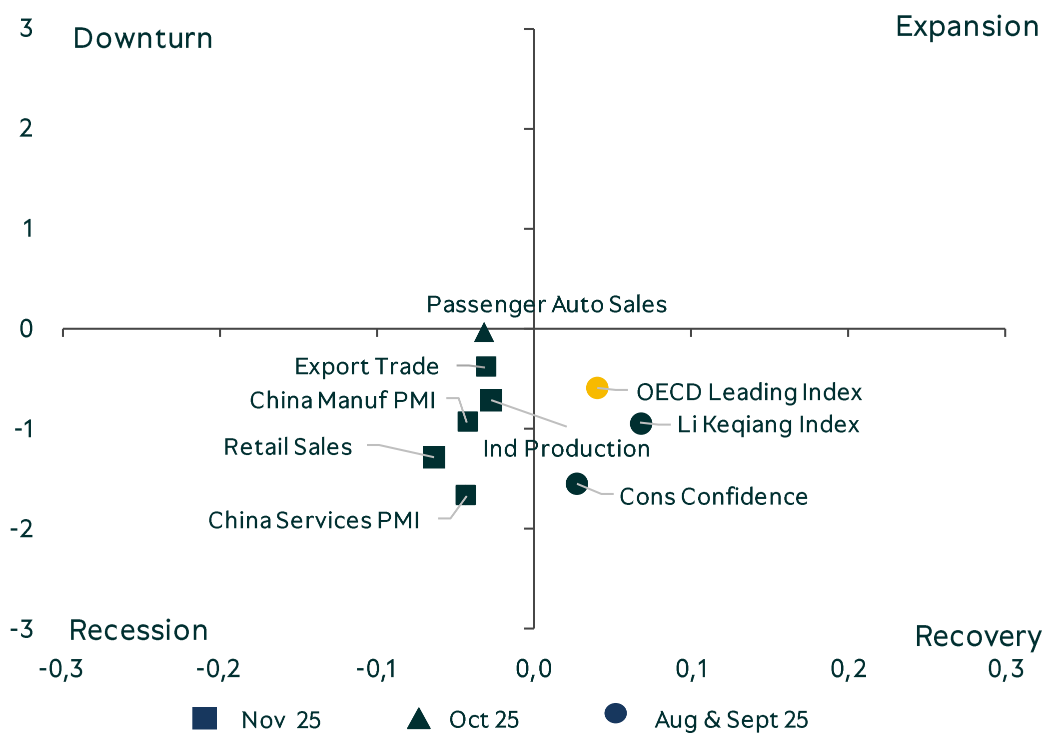
China Economy

# Chinese Business Cycle | Most economic variables are positioned between the recession and the recovery phases

CN Business Cycle | Based on China OECD Leading Indicator

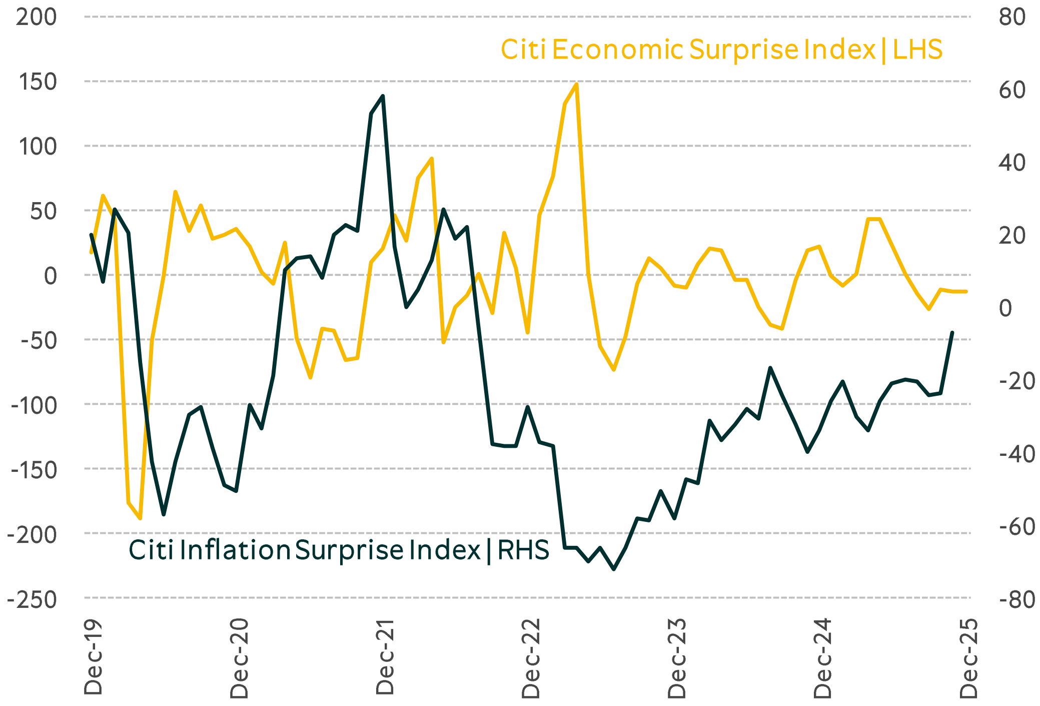



CN Business Cycle | Based on Major CN Economic Variables

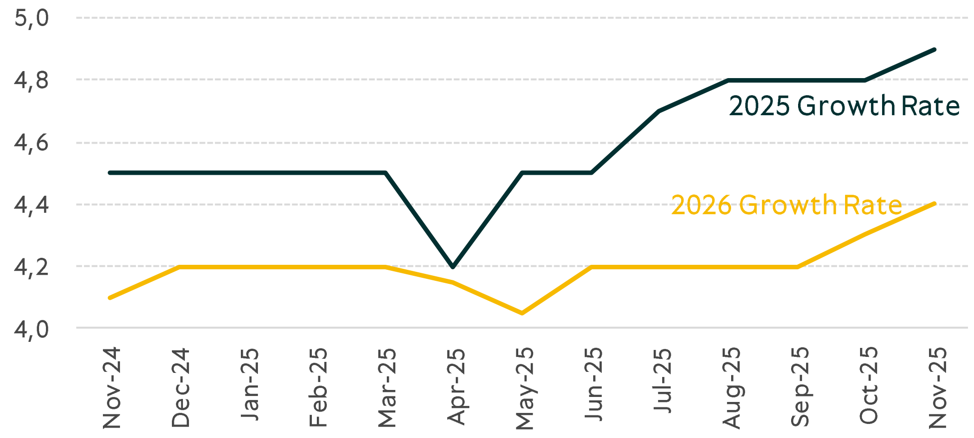


# Chinese Macro Expectations | Sub 5% growth expectations for 2025 & 2026

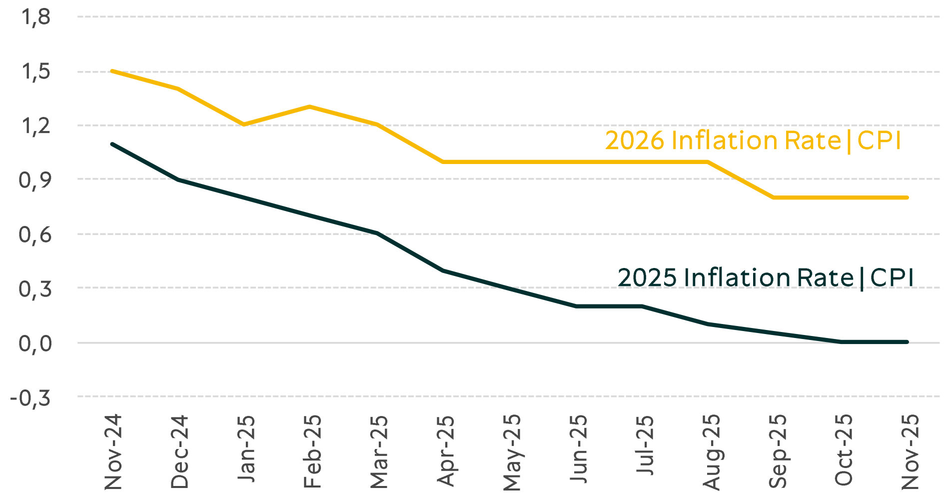
## Economic & Inflation Surprises




## Growth Rate Expectations (Consensus)




## Inflation Rate Expectations (Consensus)

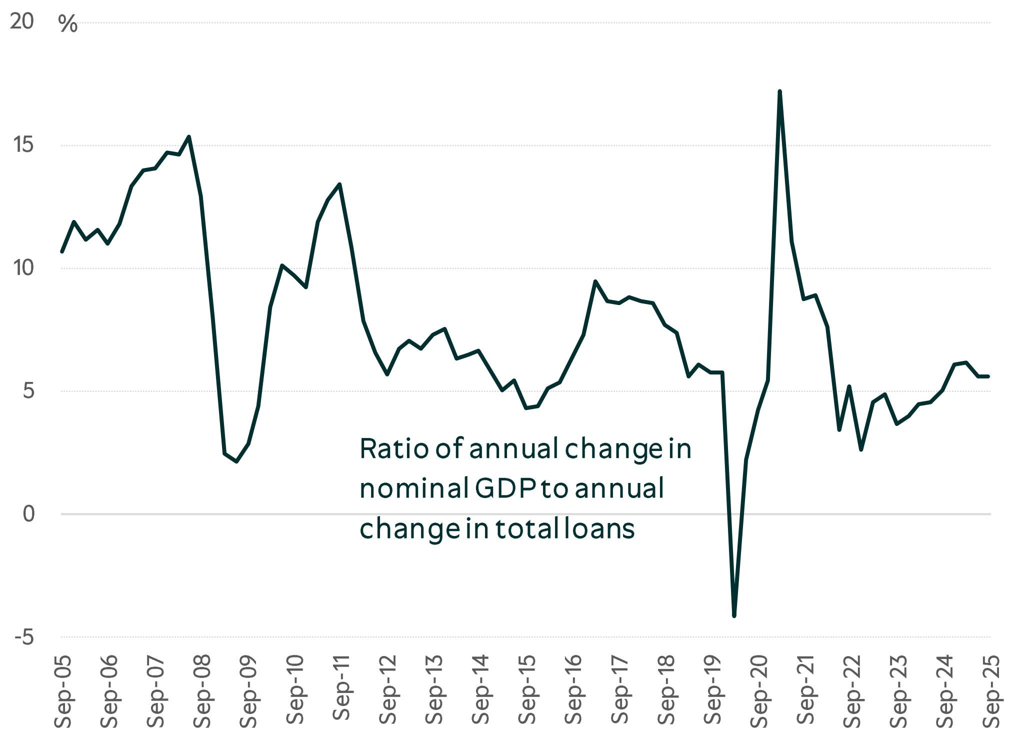



Piraeus

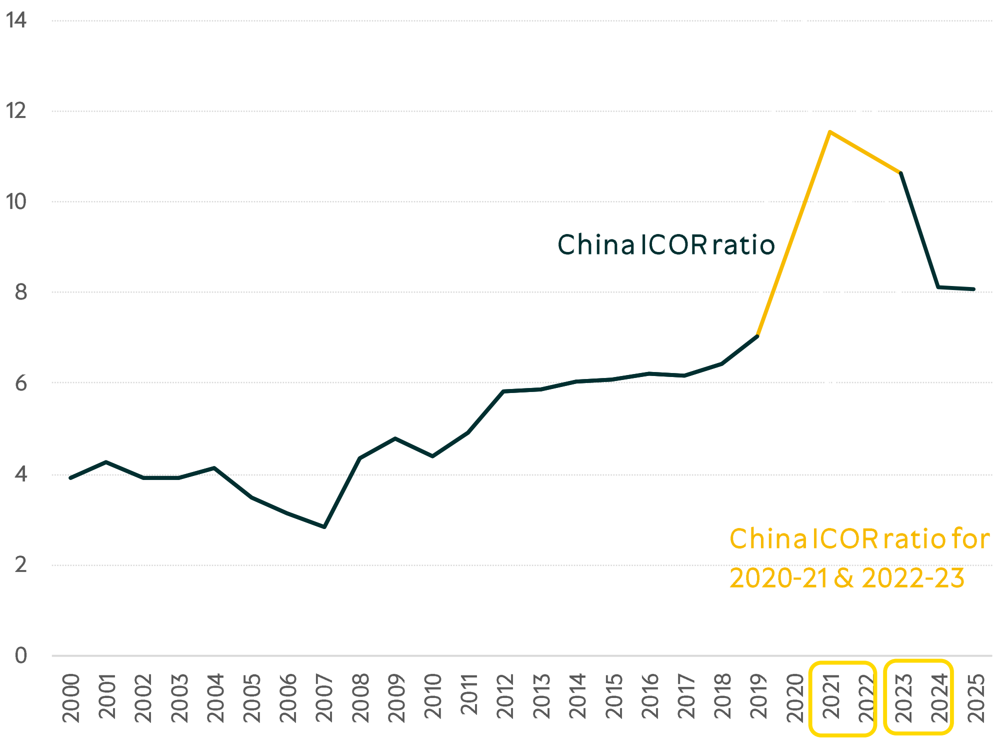
Source: Economic Research & Investment Strategy

# Chinese Investment Capacity | There is significant potential for more efficient capital allocation

## China credit-efficiency ratio



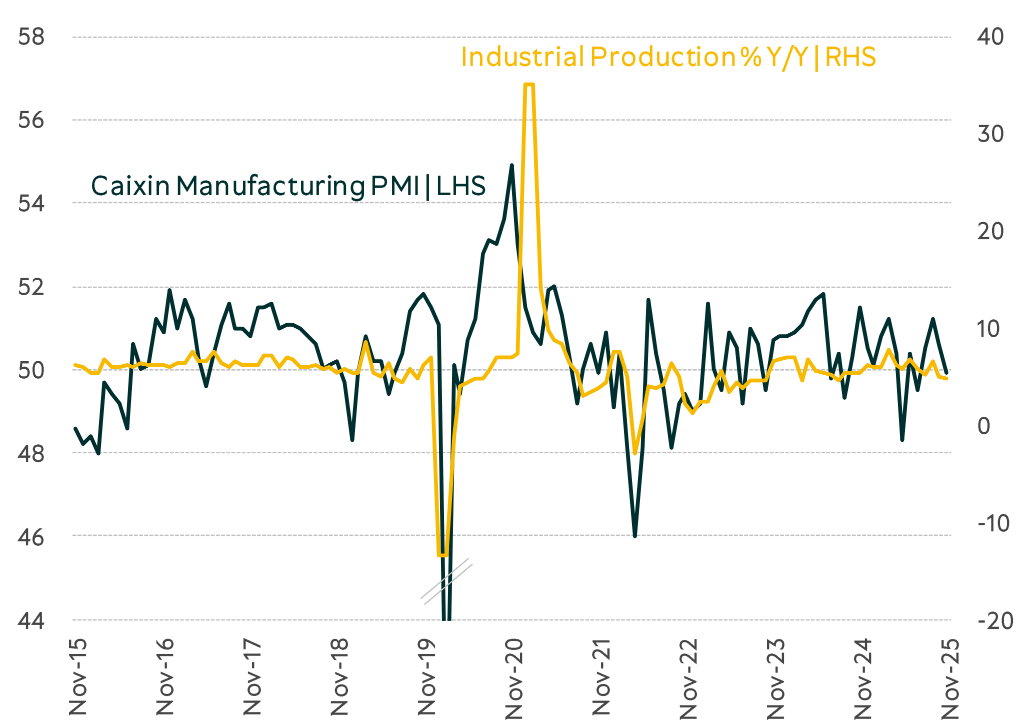

## China Incremental Capital Output Ratio



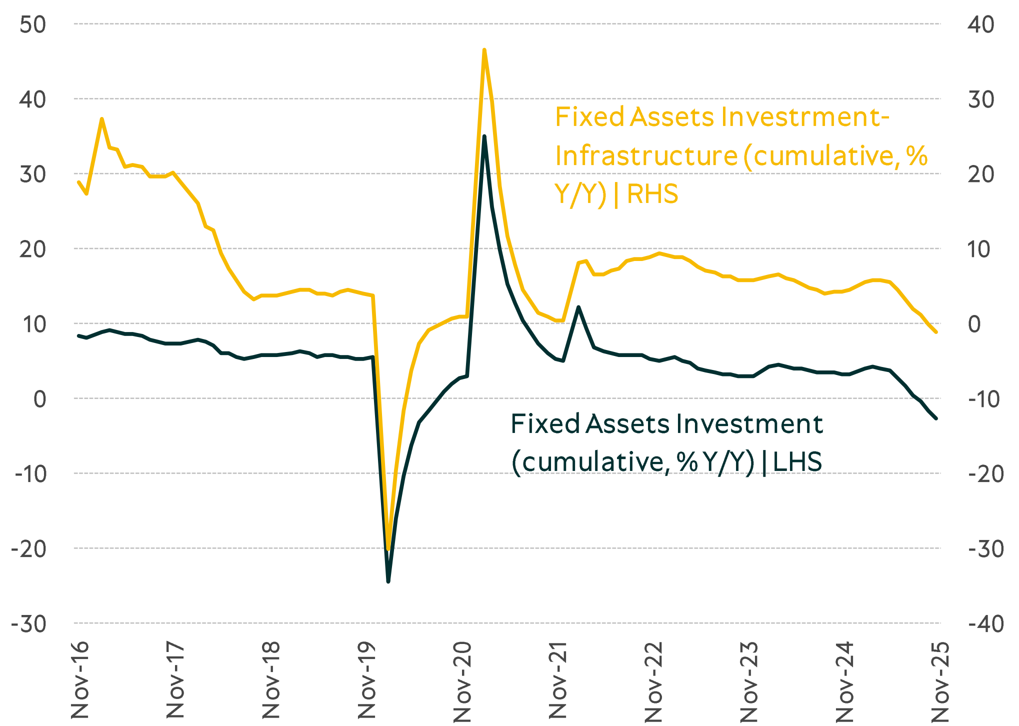

Source: Economic Research & Investment Strategy

# CN | The Caixin Manufacturing PMI decreased to 49.9 in November, partly due to weak domestic demand.

Industrial Production & Caixin Manufacturing




Fixed Assets Investment

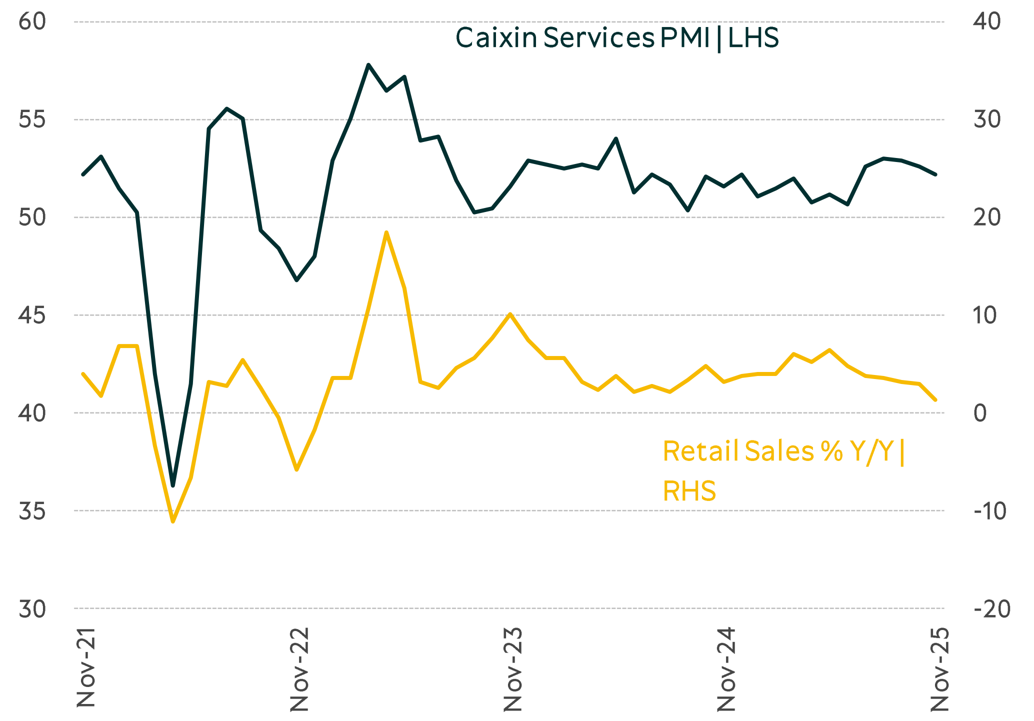



/// Piraeus

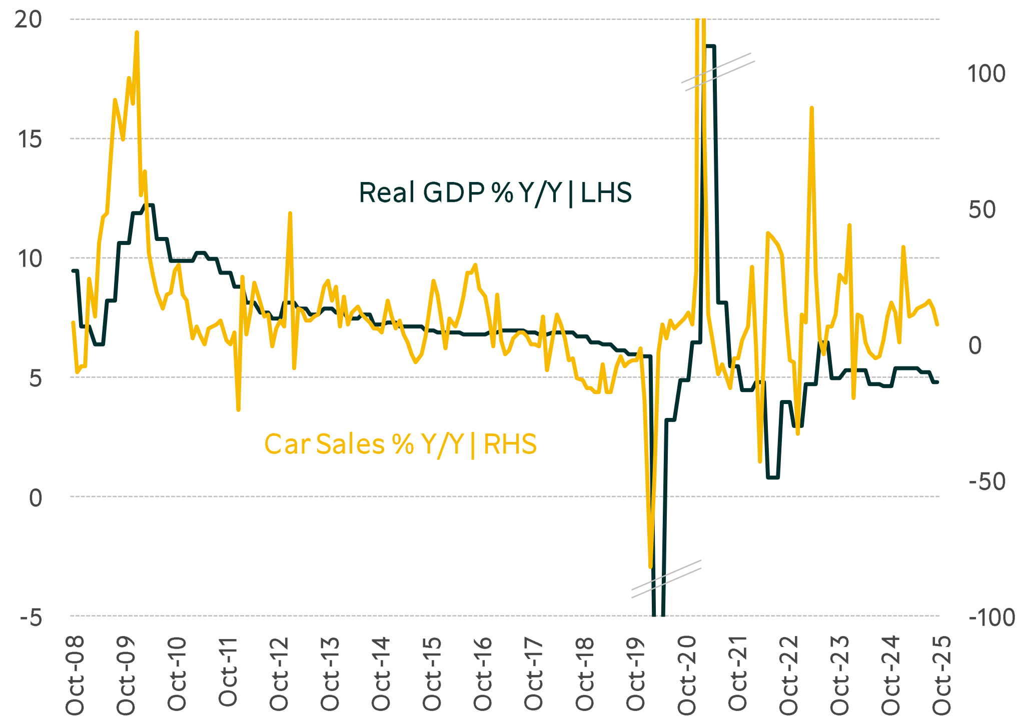
Source: Economic Research & Investment Strategy

# CN | Retail Sales growth rate slows further, though the relative elevated level of the Services PMI is giving a favourable signal.

Retail Sales & Caixin Services PMI




Real GDP & Car Sales

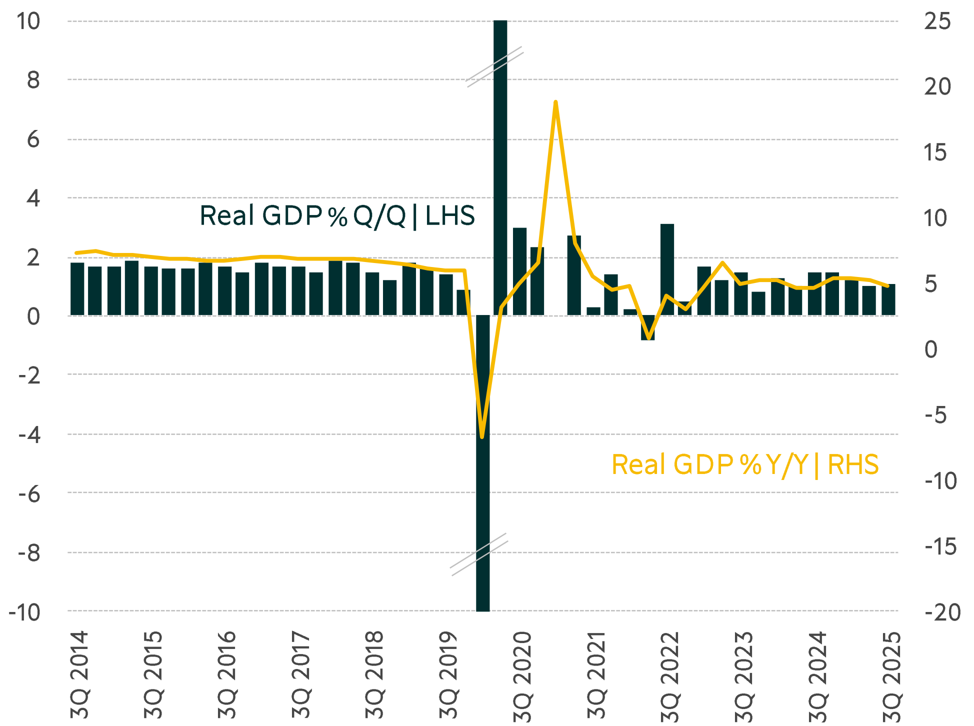




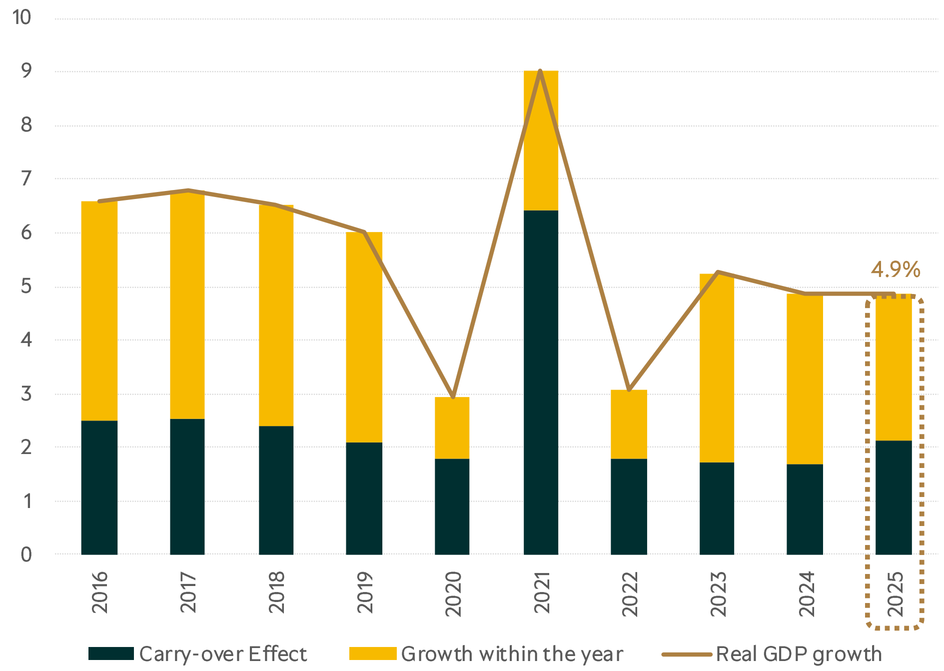

Source: Economic Research & Investment Strategy

# CN GDP Outlook | Achieving the government's target of approximately 5% growth rate in 2025 appears quite likely.

## GDP Growth Rate




## Carry Over Effect

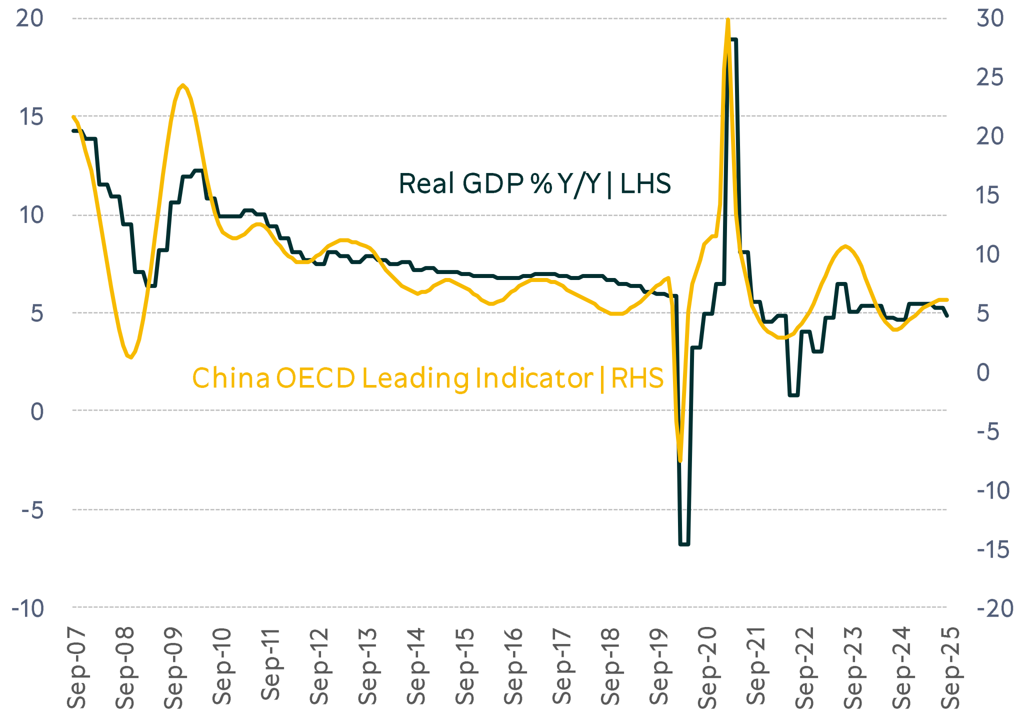



Piraeus

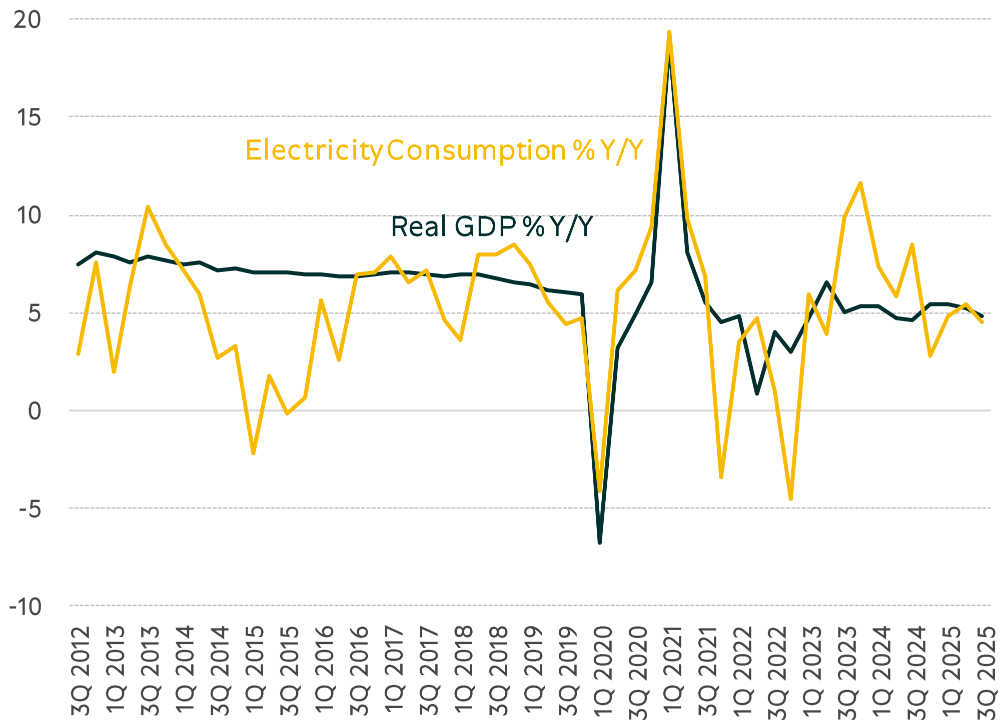
Source: Economic Research & Investment Strategy

# CN GDP | Trends in electricity consumption and the OECD Leading Indicator point to slightly lower GDP levels.

## Real GDP & China OECD Leading Indicator

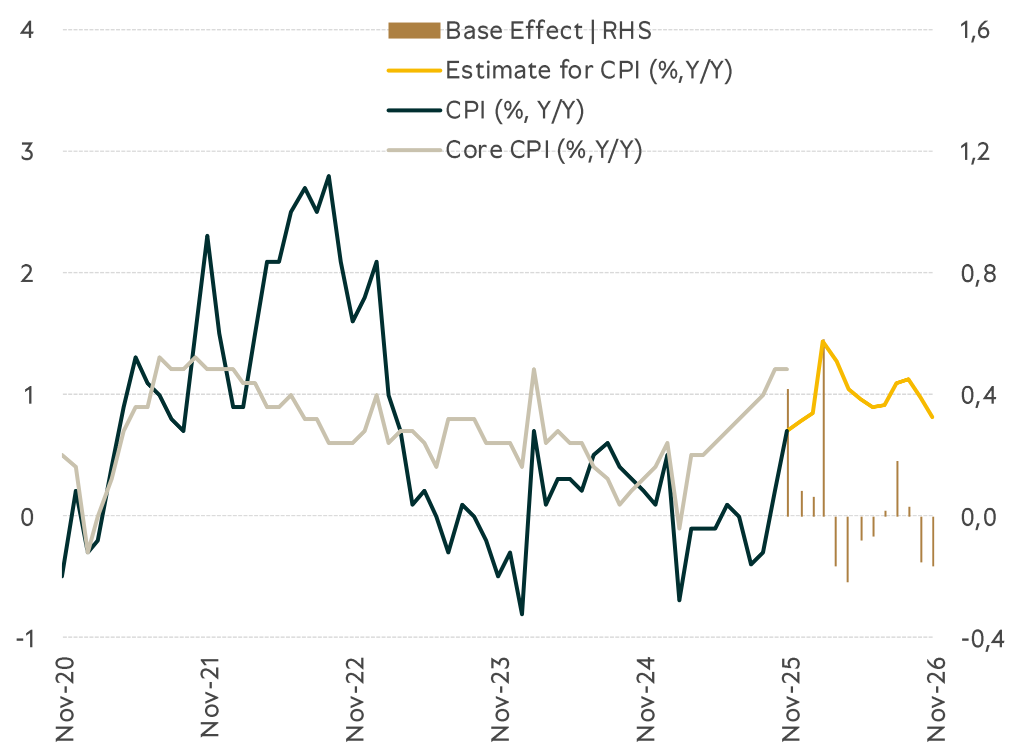



## Real GDP & Electricity Consumption

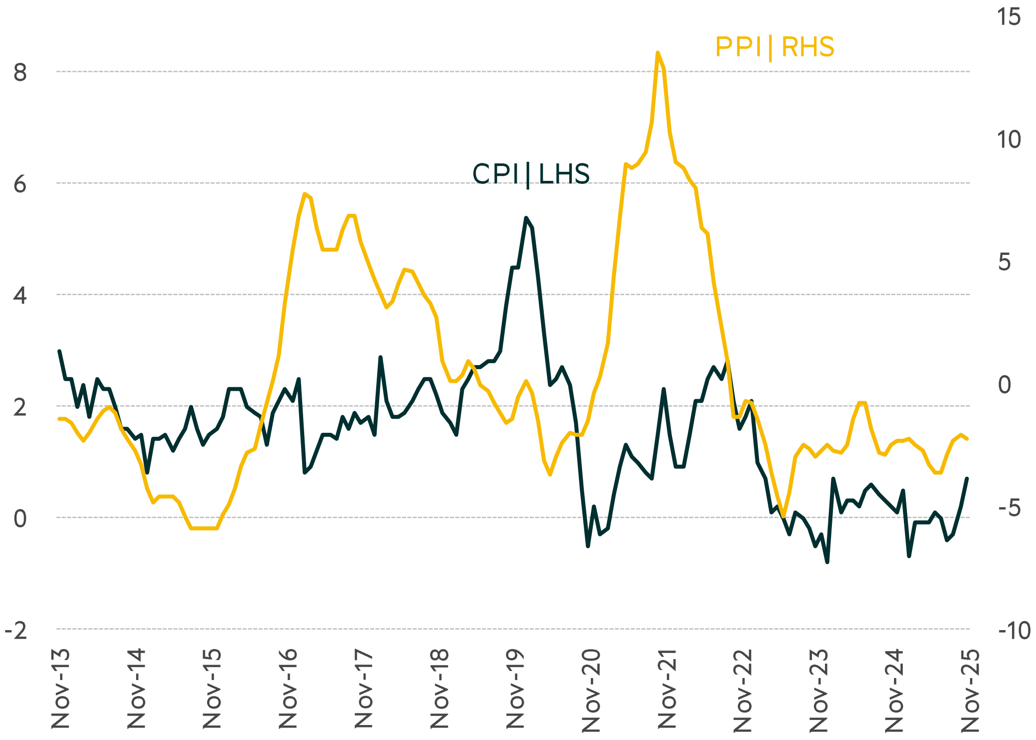


# CN Inflation Outlook | Base effects are pointing to slightly higher inflation in the next 12 months

## Inflation Rate Forecast | Statistical Model



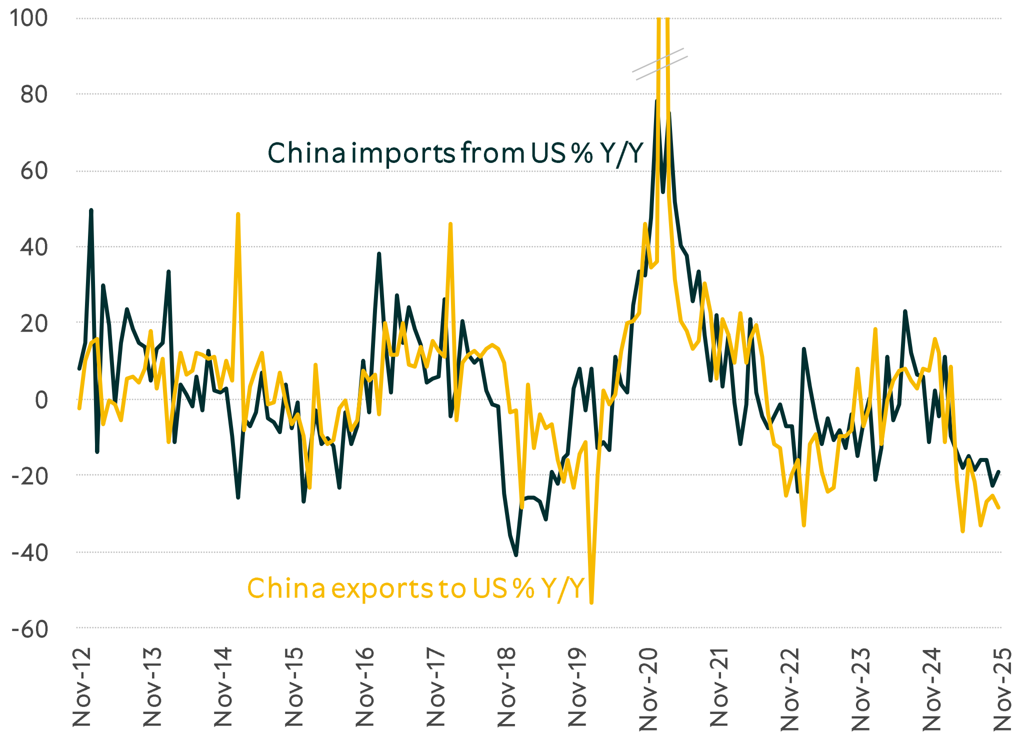

## CPI & PPI



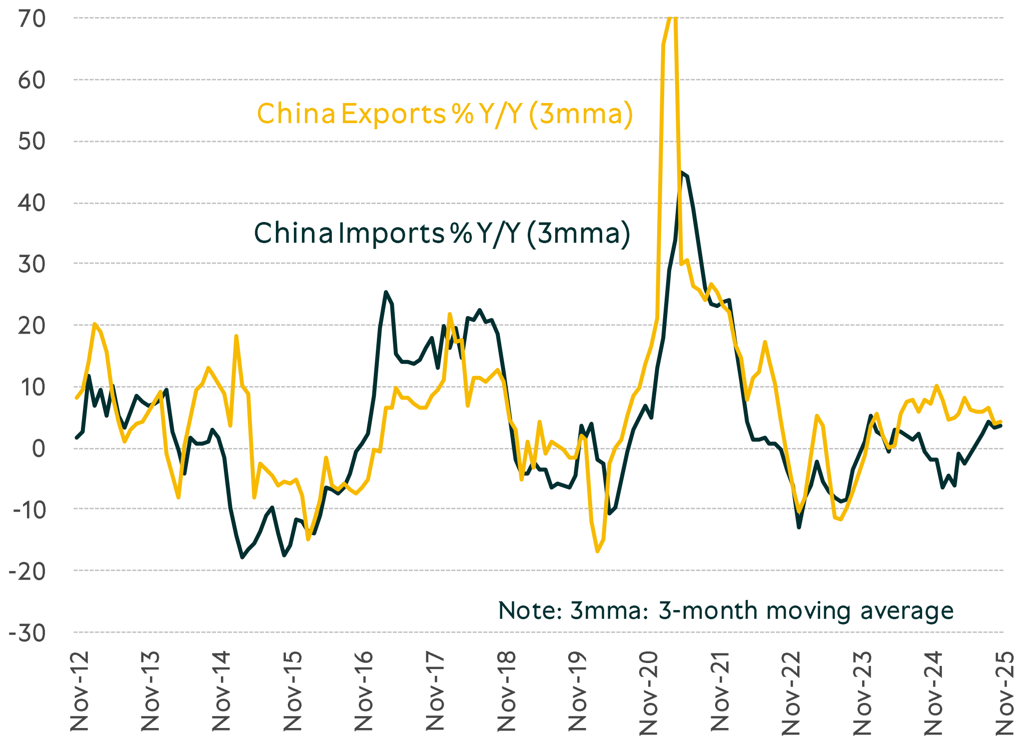

Source: Economic Research & Investment Strategy

# CN Trade | The trade truce with the USA and the successful redirection of exports helped minimize trade losses

Trade US – China

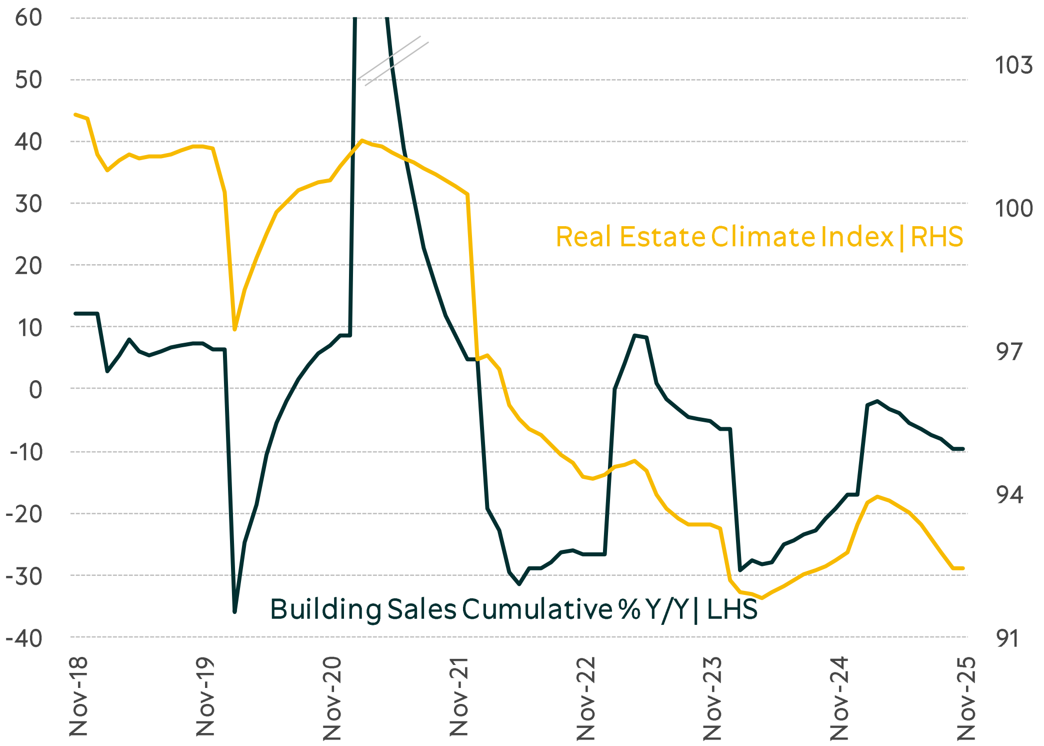



Imports & Exports

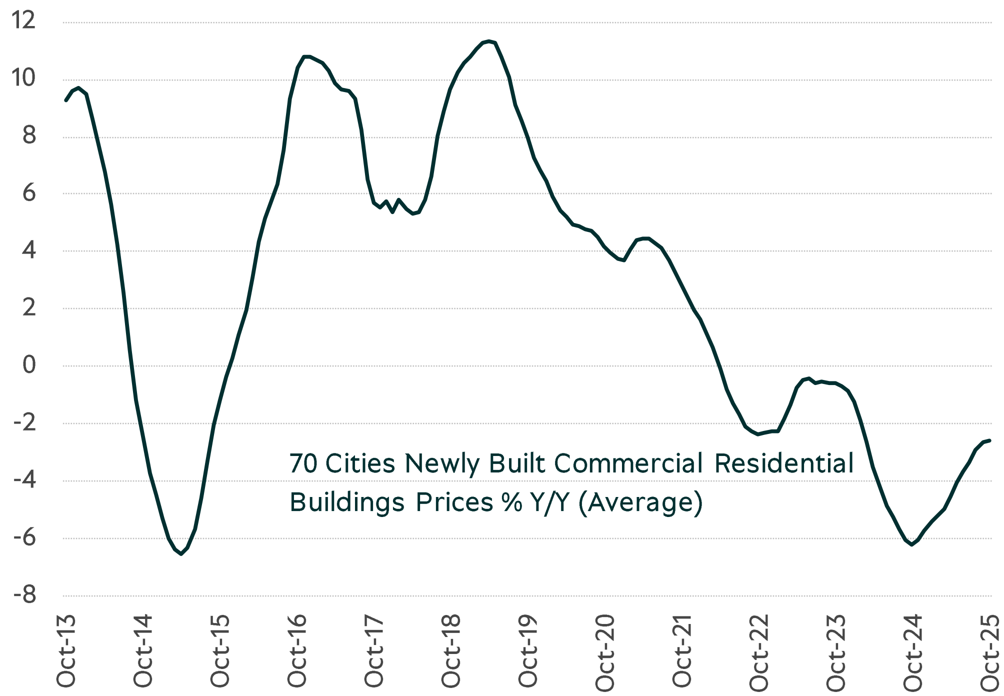


# CN Real Estate | Building sales and the Real Estate climate are still declining, but there are signs of stabilisation. Prices still very subdued.

Real Estate Climate & Building Sales

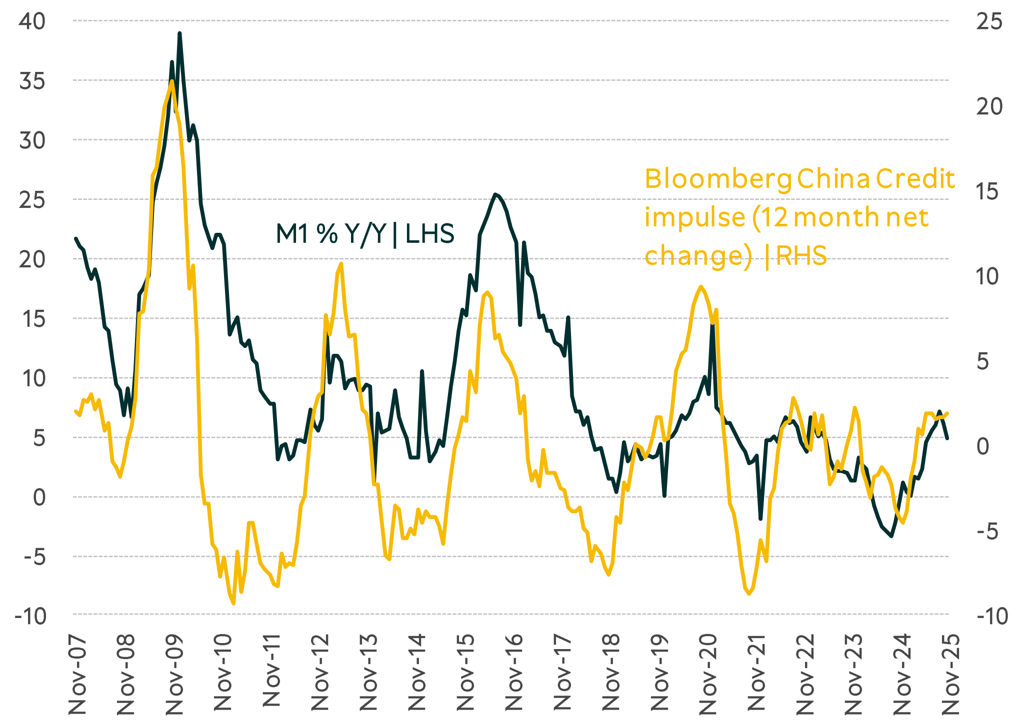



Newly Residential Buildings Prices

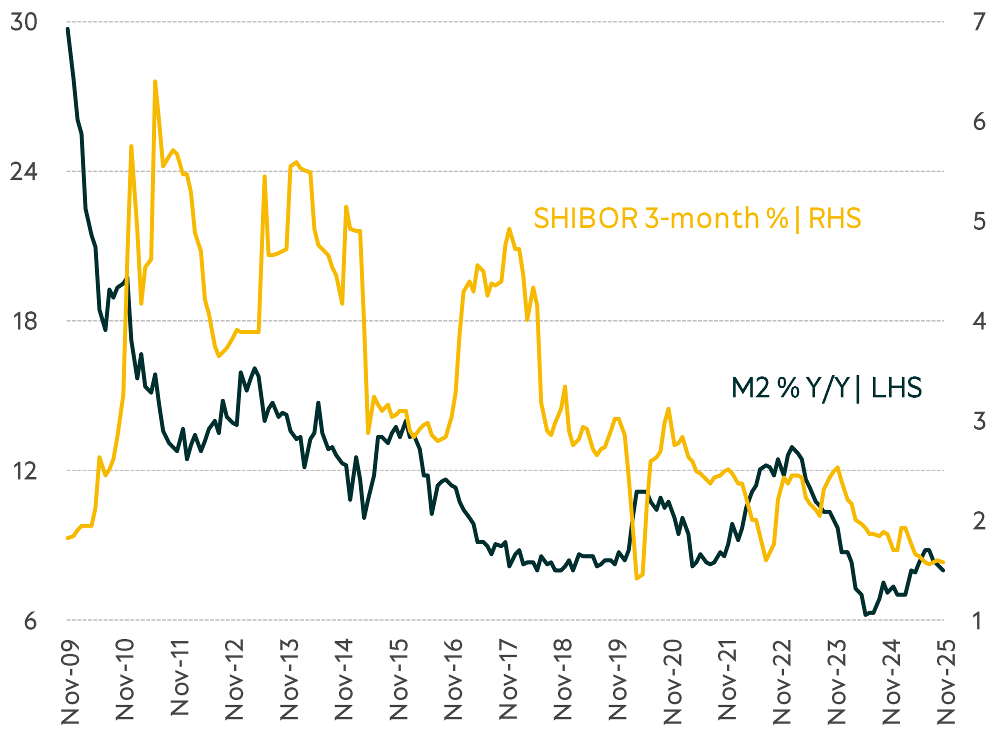


# CN Money Supply | M1 and M2 are offering more growth support than before

## Money Supply



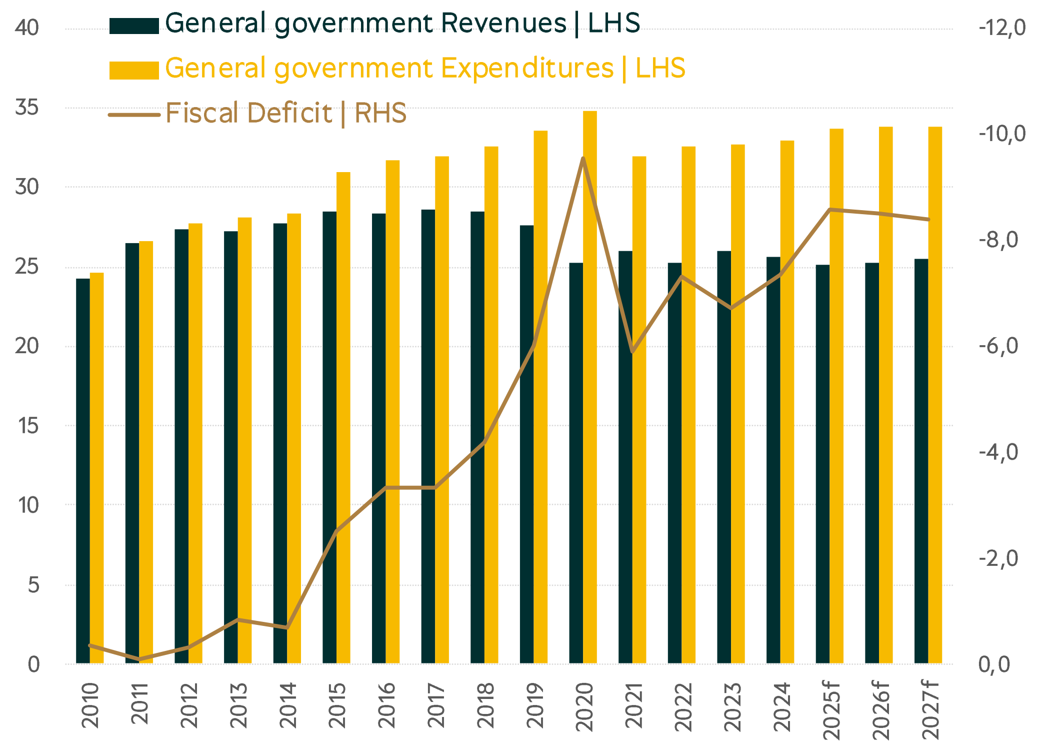

## Money Supply & Interbank Rate



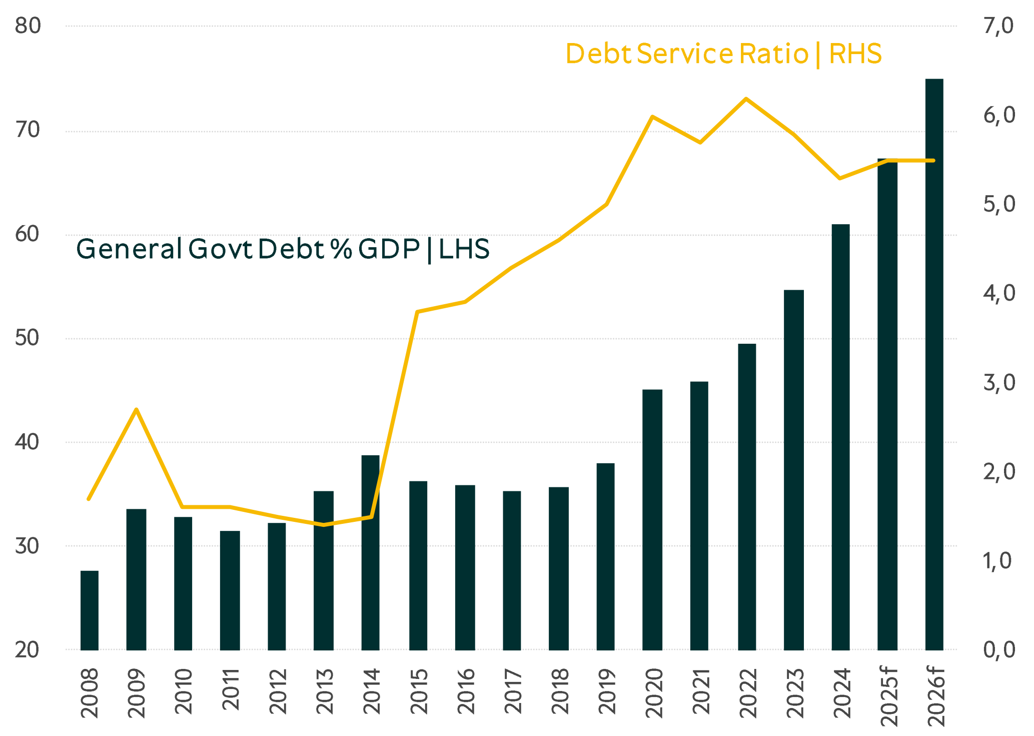

Source: Economic Research & Investment Strategy

# CN Fiscal | Expansionary Fiscal policy is expected to continue

## Government Balance




## General Government Debt & Debt Service Ratio




Debt Service Ratio = (Interest + Current-year repayment of principal) / Current-account receipts

| | | |
|---|---|---|
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Bloomberg Ticker: {PBGR<GO>}

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