February 2026

Global Macro Trends

Resilient Growth in an Era of Strategic Realignment and Elevated Uncertainty

Piraeus

Economic Research & Investment Strategy
Global Economics & ESG Research

Global macro trends

▶ The renewed role of diplomacy as a driving force in geopolitical developments and trade disputes has led to a partial easing of global uncertainty, a trend reflected in the stabilisation of gold prices and the slowdown in the depreciation of the US dollar. Nevertheless, concerns persist, as forecasts can no longer be underpinned by solid assumptions. Moreover, the long-standing relationship of trust and cooperation between the United States and its key allies - established in the aftermath of the Second World War - has been significantly undermined, prompting the latter to seek new strategic partnerships that would afford them greater autonomy and strategic flexibility. At the same time, developments in the field of artificial intelligence (AI), together with the very large-scale investments directed towards it, are raising concerns within the investment community, both regarding their returns and their potential adverse impact on the profitability of other sectors - such as providers of data collection and processing services. These concerns are fuelled by growing expectations that the integration of AI into day-to-day business operations will occur more rapidly than initially anticipated. As a result, uncertainty and volatility in international financial markets have increased noticeably in recent months. Nonetheless, economic activity in the major economies continues to expand at a broadly satisfactory pace.

▶ In the United States, economic growth in 2025 is expected to moderate to around 2.2% (2024: 2.8%), while inflation remains contained, close to the Federal Reserve's 2% target. Labour market conditions remain relatively solid, characterised by a limited pace of both job creation and layoffs. At the same time, the US President announced a preference for Kevin Warsh as the next Chair of the Federal Reserve, while a bipartisan agreement on the federal budget was reached, preventing a further shutdown of non-essential federal government services until the end of September. Finally, market participants are closely awaiting the Supreme Court's ruling on the constitutionality of the so-called "reciprocal" tariffs.

▶ In the euro area, economic growth in 2025 is projected at 1.5% (2024: 0.9%), while inflation remains broadly stable around the European Central Bank's 2% target and the unemployment rate stands at a historic low. At the same time, leading economic indicators, although still subdued, are overall showing some encouraging signs. Looking ahead, increased defence spending, efforts to restore—over the medium to long term—a greater degree of EU strategic autonomy in critical resources and technologies, as well as the expansion of economic partnerships with third countries (such as the Mercosur countries and India), are expected to be among the key issues commanding attention over the course of the year.

▶ In China, the economic data currently being released are very limited due to the Lunar New Year holiday period. Looking ahead to 2026, the challenge of maintaining a strong growth momentum is expected to hinge on a strengthening of domestic demand, as the scope for a further significant expansion in exports appears constrained by international developments—such as US tariffs and the European Union's efforts to curb Chinese exports.

Διεθνείς Μακροοικονομικές Τάσεις

▶ Η επαναφορά της διπλωματίας ως κινητήριου μοχλού στις γεωπολιτικές εξελίξεις και τις εμπορικές αντιπαραθέσεις έχει οδηγήσει σε μερική αποκλιμάκωση της διεθνούς αβεβαιότητας, εξέλιξη που αντανακλάται στην ανάσχεση της ανόδου του χρυσού και της διολίσθησης του δολαρίου. Οι ανησυχίες, ωστόσο, παραμένουν, καθώς καμία πρόβλεψη δεν μπορεί πλέον να στηρίζεται σε στέρεες βάσεις. Επιπλέον, η μακροχρόνια σχέση εμπιστοσύνης και συνεργασίας μεταξύ των ΗΠΑ και των βασικών συμμάχων τους, η οποία οικοδομήθηκε από την εποχή του Β΄ Παγκοσμίου Πολέμου και μετά, έχει κλονιστεί σημαντικά, με τους τελευταίους να αναζητούν νέες στρατηγικές συνεργασίες που θα τους παρέχουν περισσότερους βαθμούς ελευθερίας και αυτοδυναμίας. Παράλληλα, οι εξελίξεις στον τομέα της τεχνητής νοημοσύνης (AI) και οι πολύ μεγάλες επενδύσεις που κατευθύνονται σε αυτήν προβληματίζουν την επενδυτική κοινότητα, τόσο ως προς την αποδοτικότητά τους όσο και ως προς την ενδεχόμενη αρνητική επίδραση στην κερδοφορία άλλων επιχειρήσεων – όπως παρόχων υπηρεσιών συλλογής και επεξεργασίας δεδομένων – καθώς εντείνεται η ανησυχία ότι η ενσωμάτωση της AI στην καθημερινή λειτουργία των επιχειρήσεων θα πραγματοποιηθεί ταχύτερα από ό,τι αρχικά αναμενόταν. Ως αποτέλεσμα, η αβεβαιότητα και η μεταβλητότητα στις διεθνείς αγορές έχουν αυξηθεί το τελευταίο διάστημα. Παρόλα αυτά, η οικονομική δραστηριότητα στις μεγάλες οικονομίες εξακολουθεί να αναπτύσσεται με αρκετά ικανοποιητικό ρυθμό.

▶ Στις ΗΠΑ, ο ρυθμός ανάπτυξης για το 2025 αναμένεται να διαμορφωθεί γύρω στο 2,2% (2024: 2,8%), ενώ ο πληθωρισμός παραμένει συγκρατημένος, κοντά στον στόχο του 2% της Fed. Στην αγορά εργασίας, οι συνθήκες παραμένουν σχετικά καλές, με κύριο χαρακτηριστικό τον περιορισμένο αριθμό τόσο των νέων θέσεων εργασίας όσο και των απολύσεων. Παράλληλα, ο Πρόεδρος των ΗΠΑ ανακοίνωσε την επιλογή του K. Warsh για την προεδρία της Fed, ενώ υπήρξε και διακομματική συμφωνία για τον κρατικό προϋπολογισμό, η οποία αποτρέπει έως τα τέλη Σεπτεμβρίου νέα αναστολή της λειτουργίας των μη κρίσιμων ομοσπονδιακών υπηρεσιών. Τέλος, με ενδιαφέρον αναμένεται η απόφαση του Ανώτατου Δικαστηρίου σχετικά με τη συνταγματικότητα των «ανταποδοτικών» δασμών.

▶ Στην Ευρωζώνη, ο ρυθμός ανάπτυξης για το 2025 εκτιμάται στο 1,5% (2024: 0,9%), ο πληθωρισμός κινείται σταθερά γύρω από τον στόχο του 2% της ΕΚΤ και το ποσοστό ανεργίας βρίσκεται στο χαμηλότερο επίπεδο ιστορικά. Ταυτόχρονα, οι πρόδρομοι οικονομικοί δείκτες, παρότι παραμένουν συγκρατημένοι, εμφανίζουν συνολικά ορισμένες ενθαρρυντικές ενδείξεις. Οι αυξημένες αμυντικές δαπάνες, η προσπάθεια ανάκτησης, σε βάθος χρόνου, μιας - κατά το δυνατόν - μεγαλύτερης αυτάρκειας της Ε.Ε. σε κρίσιμες πλουτοπαραγωγικές πηγές και τεχνολογία, καθώς και η διεύρυνση των οικονομικών συνεργασιών με τρίτες χώρες (όπως οι χώρες της Mercosur και η Ινδία), αναμένεται να αποτελέσουν τα ζητήματα που θα αποσπάσουν τη μεγαλύτερη προσοχή εντός του έτους.

▶ Στην Κίνα, λόγω του εορτασμού της Πρωτοχρονιάς, τα οικονομικά στοιχεία που δημοσιεύονται είναι πολύ περιορισμένα. Για το 2026 εκτιμούμε ότι το στοίχημα της διατήρησης μιας ισχυρής αναπτυξιακής δυναμικής θα κριθεί από την ενίσχυση της εσωτερικής ζήτησης καθώς το περιθώριο νέας σημαντικής ανάπτυξης των εξαγωγών φαίνεται να είναι περιορισμένο λόγω των διεθνών εξελίξεων (όπως οι δασμοί ΗΠΑ και η προσπάθεια της Ε.Ε. για συγκράτηση των κινεζικών εξαγωγών).

Main Macroeconomic Indicators – Market Consensus

US											
	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 % SAAR	1.9	-0.6	3.8	4.4	2.2	2.3	2.0	2.0	2.8	2.2	2.4
Headline PCE PI % Y/Y	2.6	2.6	2.4	2.7	2.8	2.6	2.7	2.6	2.6	2.6	2.6
Core PCE % Y/Y	3.0	2.8	2.7	2.9	2.8	2.8	2.8	2.7	2.9	2.8	2.7
Unemployment Rate	4.1	4.1	4.2	4.3	4.5	4.5	4.5	4.5	4.0	4.3	4.5
Fed Policy Rate (Upper Bound)	4.50	4.50	4.50	4.25	3.75	3.68	3.43	3.29	4.50	3.75	3.24

EA											
	Actual				Estimates				% Y/Y avg		
	2025 Q1	2025 Q2	2025 Q3	2025 Q4	2026 Q1	2026 Q2	2026 Q3	2026 Q4	2024	2025	2026
Real GDP Q/Q %	0.6	0.1	0.3	0.3	0.3	0.3	0.4	0.4	0.9	1.4	1.2
CPI % Y/Y	2.3	2.0	2.1	2.1	1.7	1.9	1.8	1.8	2.4	2.1	1.8
Unemployment Rate	6.3	6.4	6.4	6.3	6.3	6.3	6.3	6.3	6.4	6.3	6.3
ECB Policy Rate (Main Refin Rate)	2.65	2.15	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	4.5	5.8	3.3	4.6	11.75	5.4	0.2	7.6	5.7	6.50
2024	4.8	6.7	3.4	4.4	12.25	5.0	0.2	9.2	5.0	6.50
2025e	4.8	3.1	2.3	5.0	15.00	5.0	0.1	6.5	2.2	5.25
2026f	4.3	2.6	1.8	4.0	12.25	4.6	0.7	7.5	2.0	5.21

Market Consensus 17.02.2026

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Source: Economic Research & Investment Strategy

Bird's Eye View

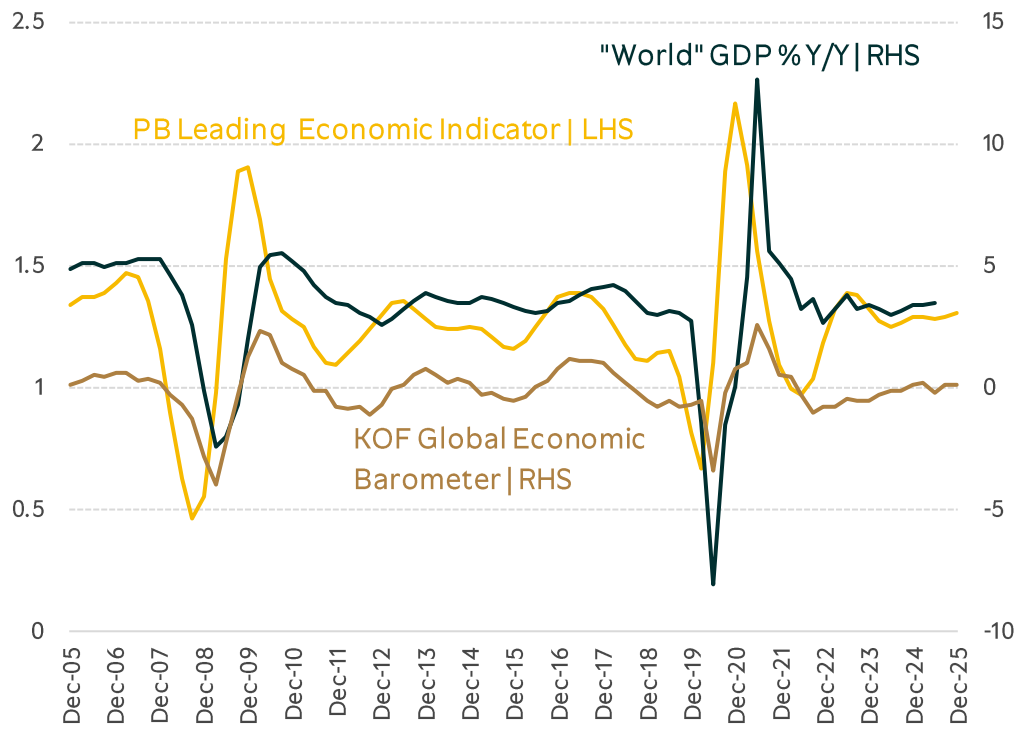
US Economy

EA Economy

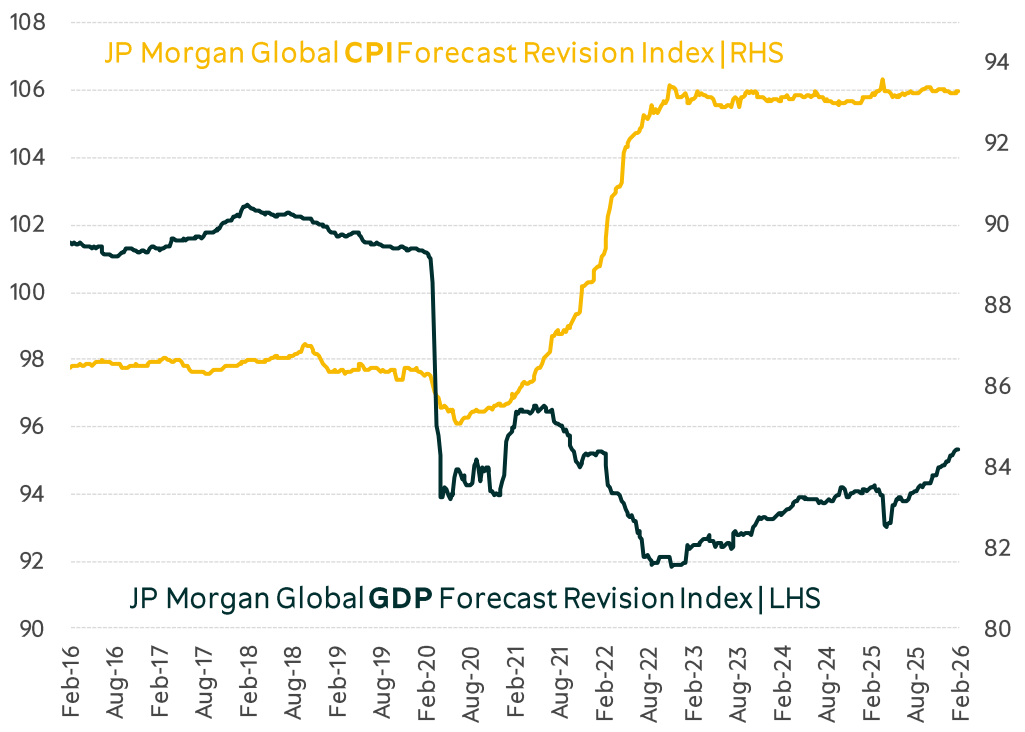
China Economy

The Global Bird's-Eye View | The easing of trade tensions has curbed upward pressure on inflation expectations, while global GDP growth has continued to hold firm and our leading indicator points to a marginal acceleration.

Piraeus Bank "World" Leading Economic Indicator & Economic Growth

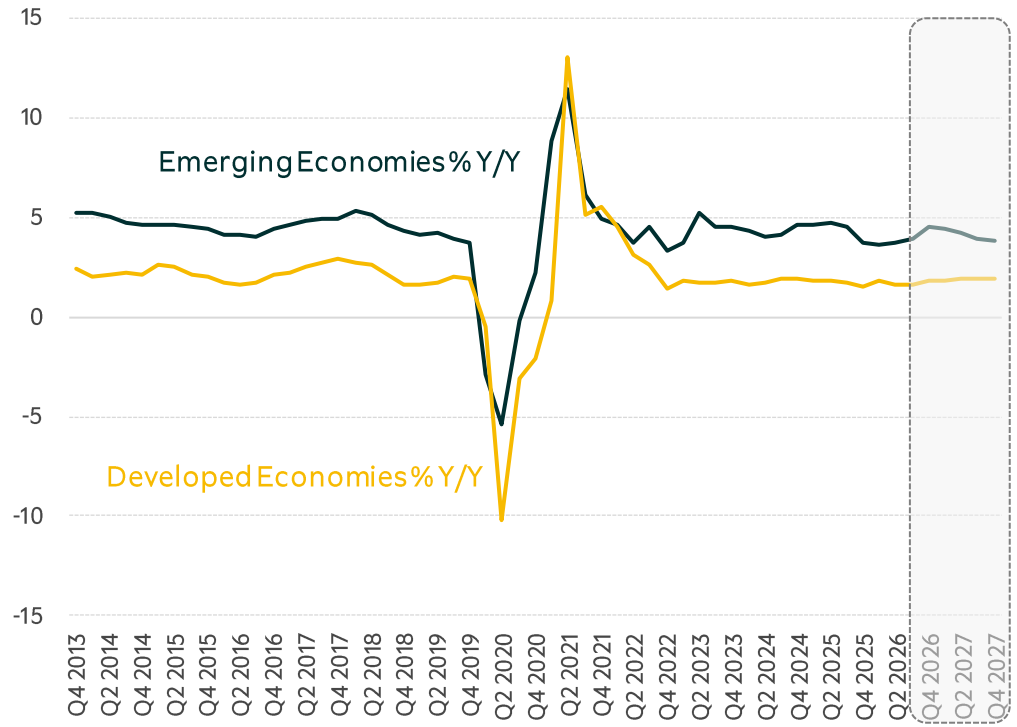


JP Morgan Global Forecast Revision Indices

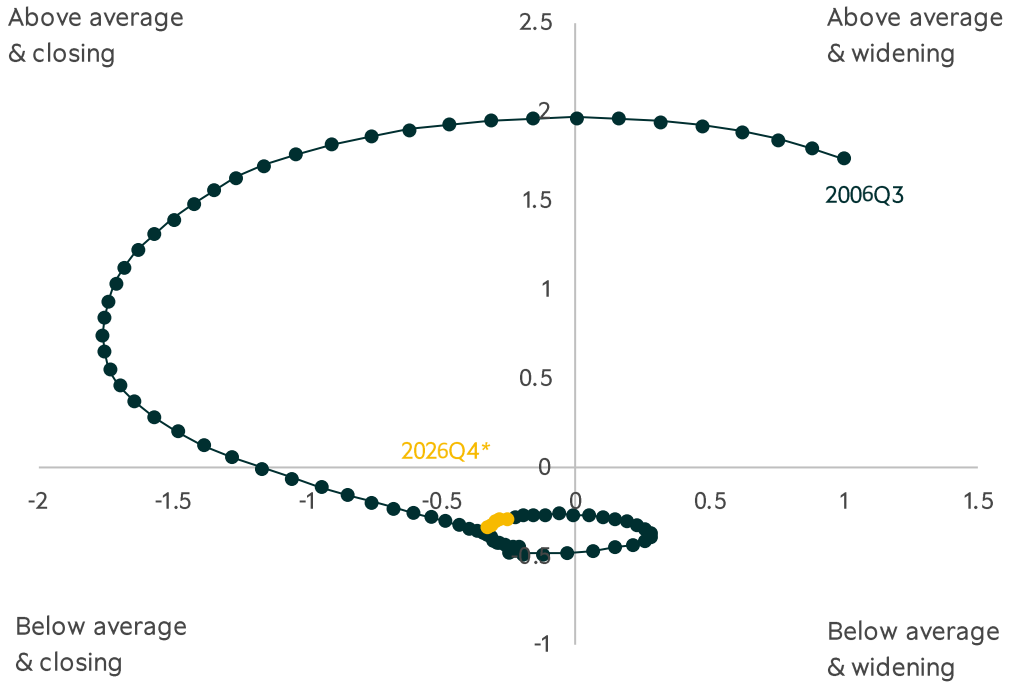


The Global Bird's-Eye View | The growth differential between emerging markets and developed markets is expected to remain at below average levels for 2025/26, with a slowdown in EM economic activity.

Real GDP Growth



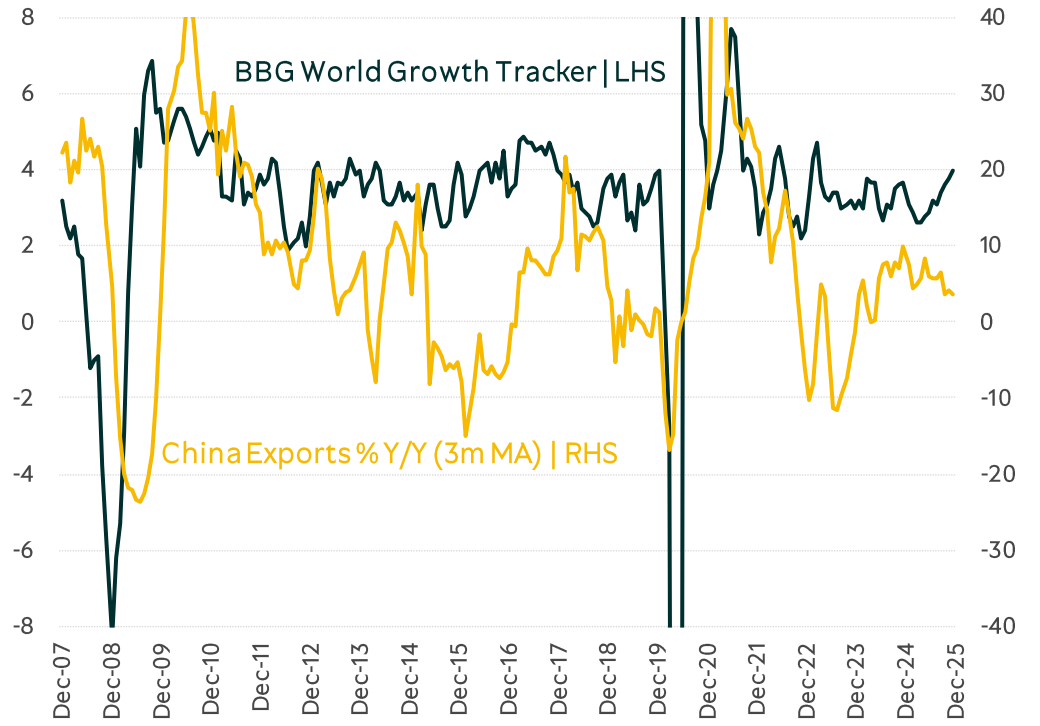
EM – DM Growth Differential



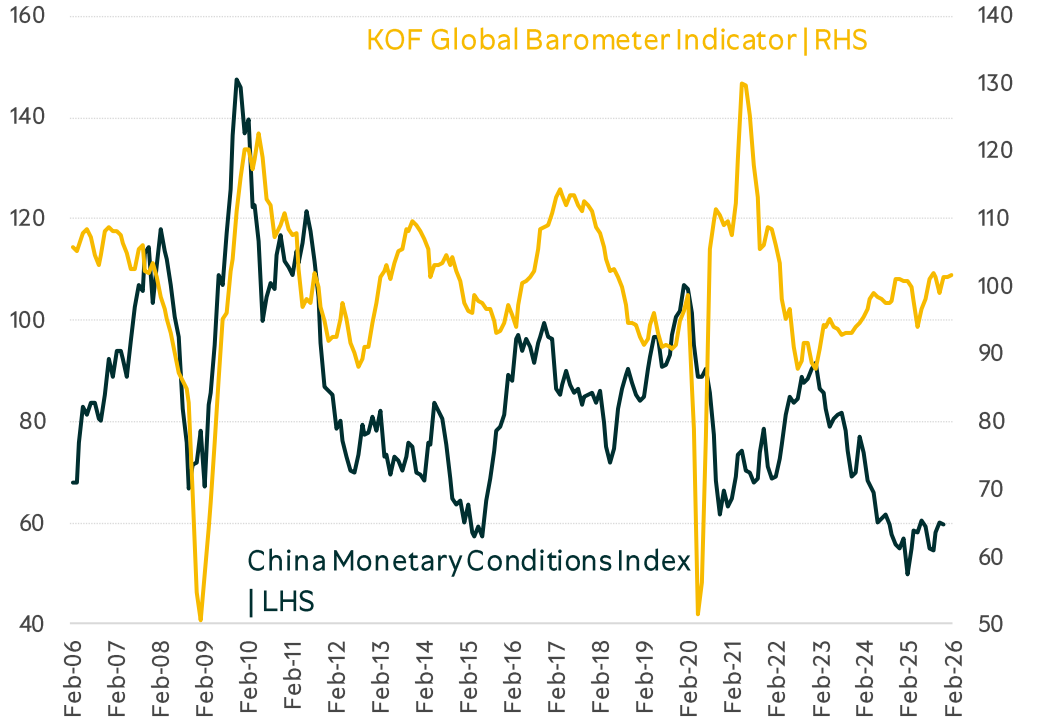
** Denotes forecasted figures from 2025Q4 up to 2026Q4*

Global Economic Activity | China's exports rebounded in November and December (+6.6% Y/Y), reversing October's decline (-1.2% Y/Y), while the global growth tracker shows signs of pick-up.

BBG World Growth Tracker & China Exports

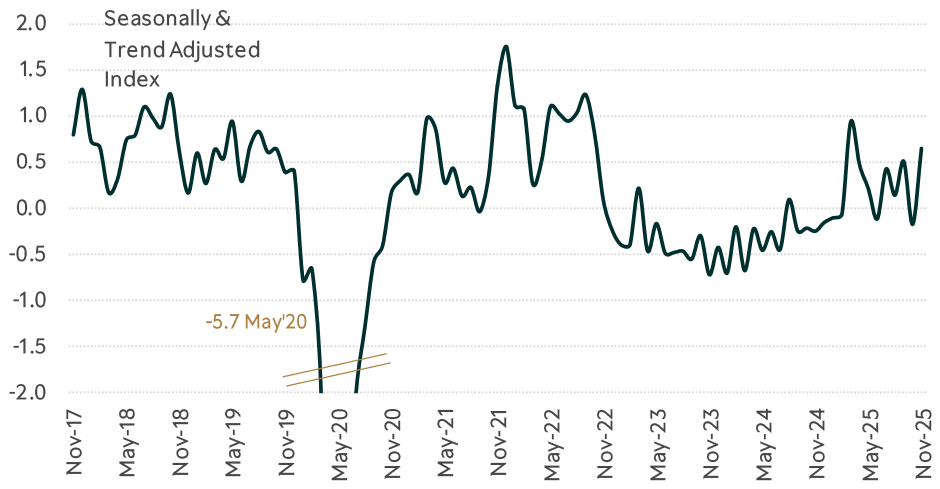


KOF Global Barometer Indicator & China Monetary Conditions

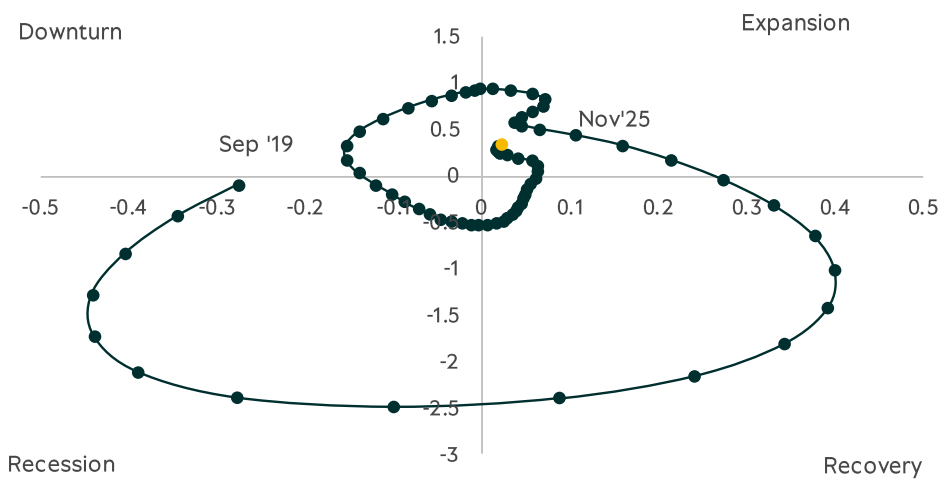


Global Trade | November saw an acceleration in global trade, mirrored by a similar growth in EM export activity after earlier losses.

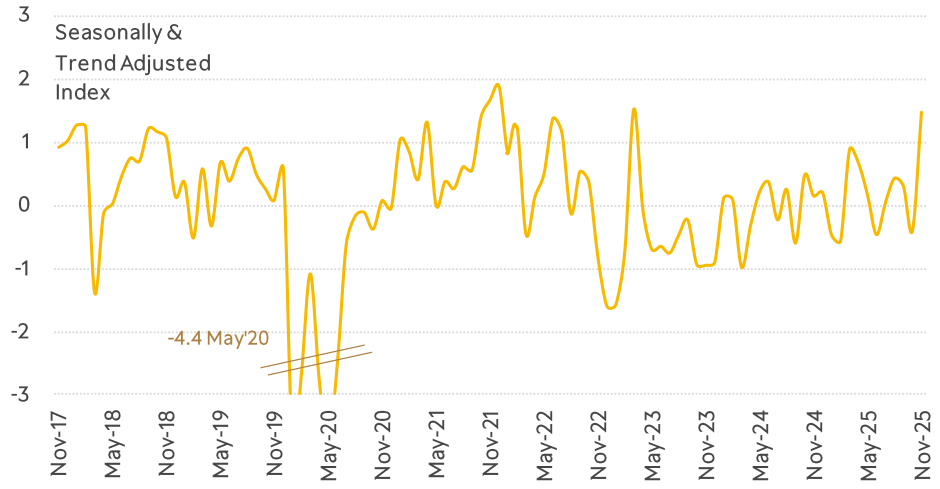
World Trade



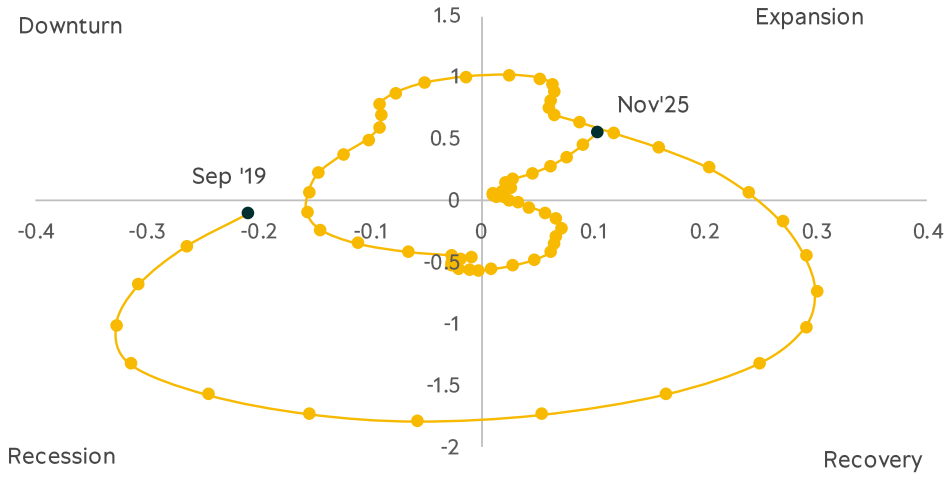
World Trade Tracer



World Exports | EM



World Exports Tracer | EM



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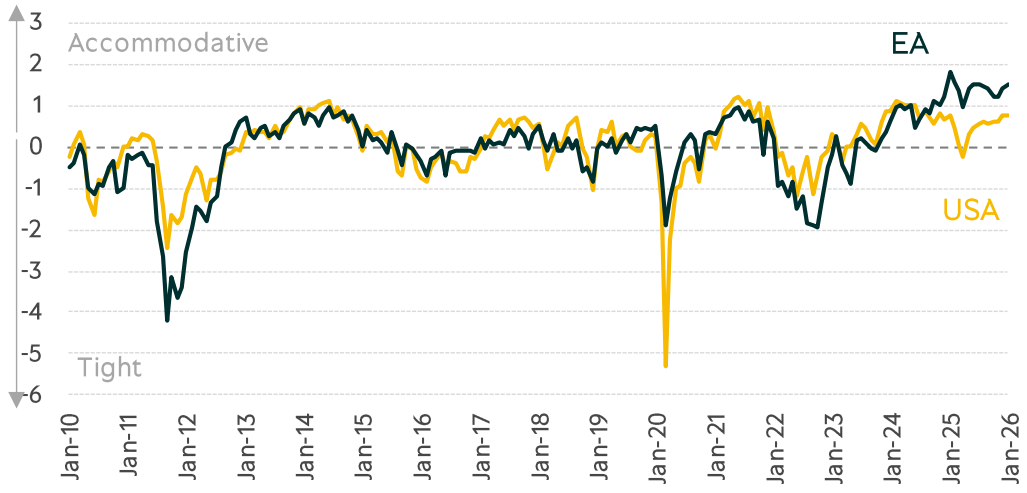
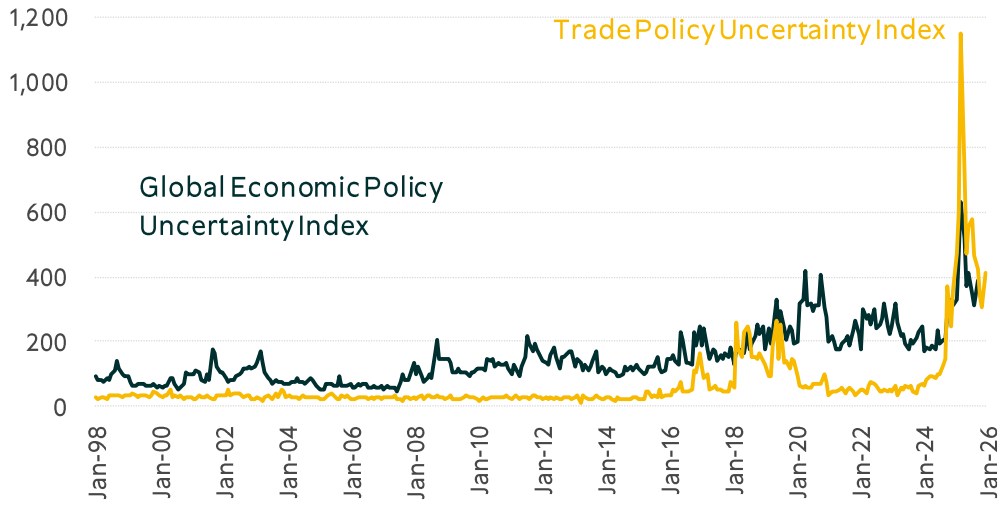
Source: Economic Research & Investment Strategy

Global Trends | Trade Policy Uncertainty increased in January following four months of consecutive decline. US and EA Financial Conditions remained accommodative in January.

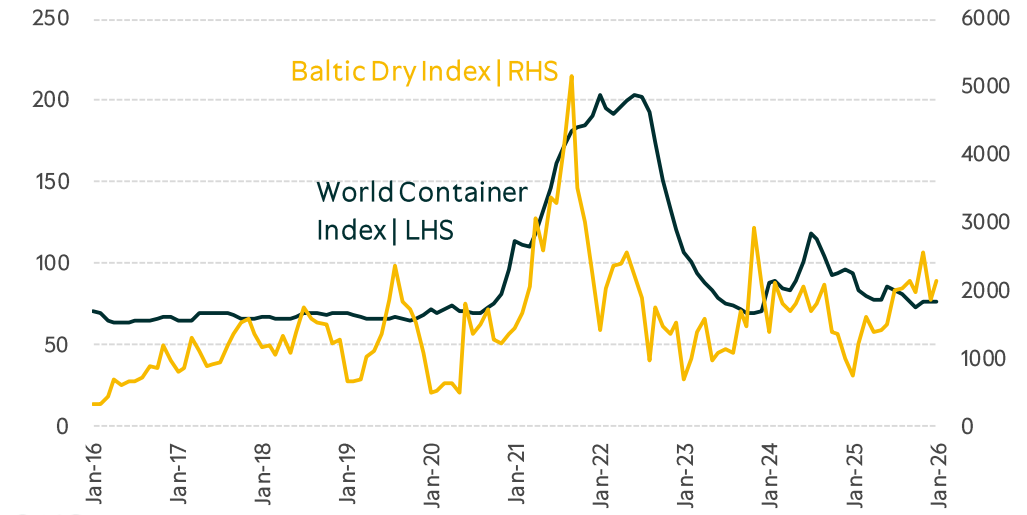
Bloomberg Financial Conditions Indices



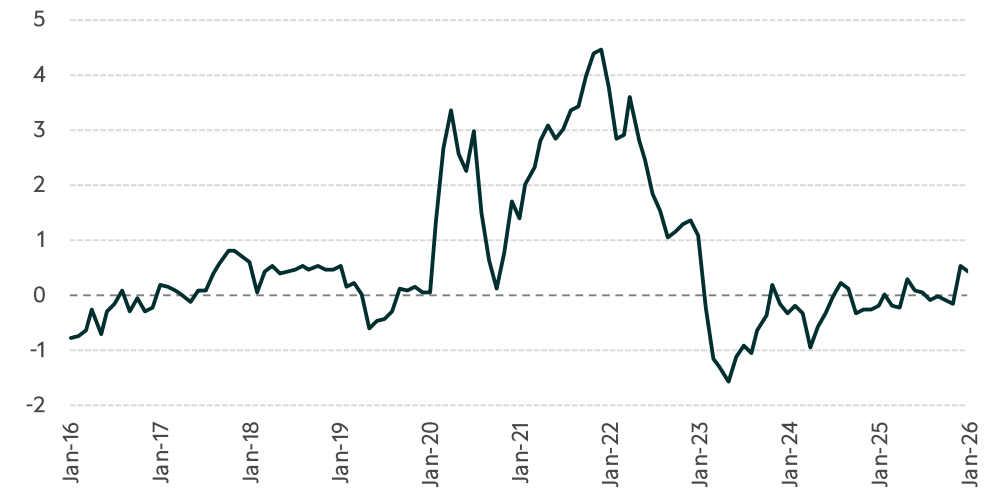
Global Economic & Trade Policy Uncertainty (Caldara & Iacoviello)



World Container and Baltic Dry Indices



Global Supply Chain Pressure (NY Fed)



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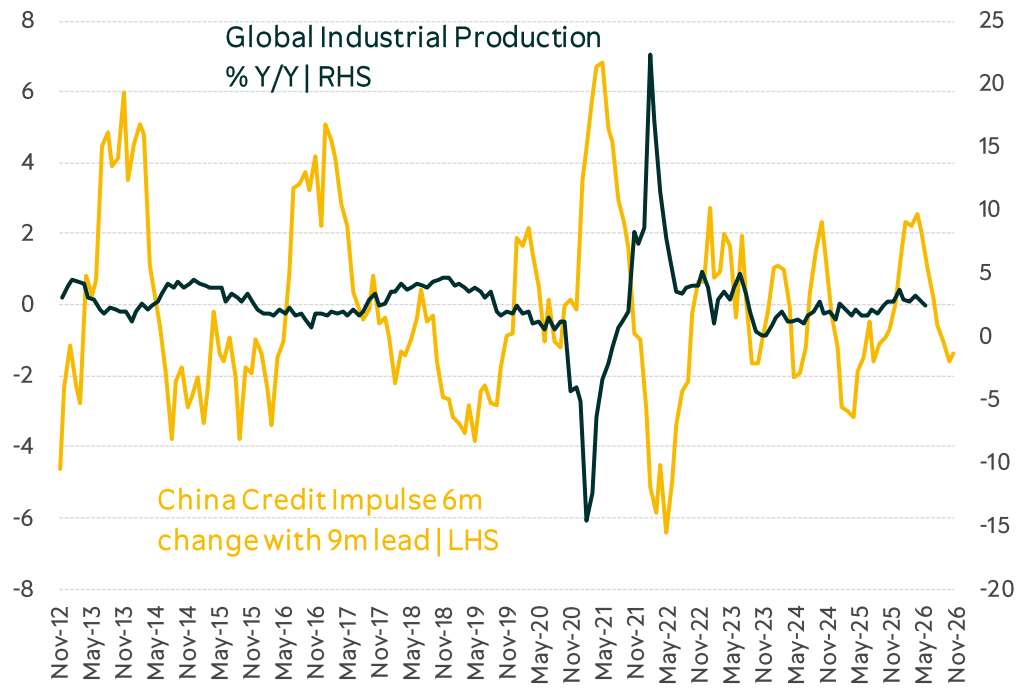
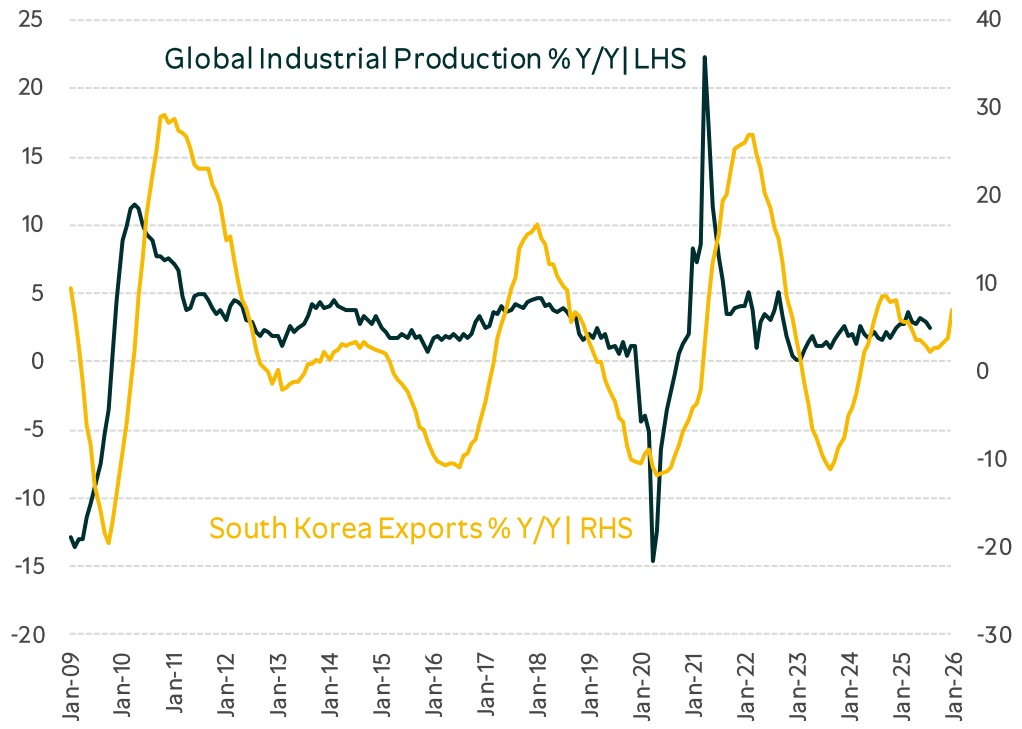
Source: Economic Research & Investment Strategy

Global Trends | China's credit marginally improved in January after steady losses in the past months. South Korea's export improvement aligns with signs of stabilizing global industrial production.

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

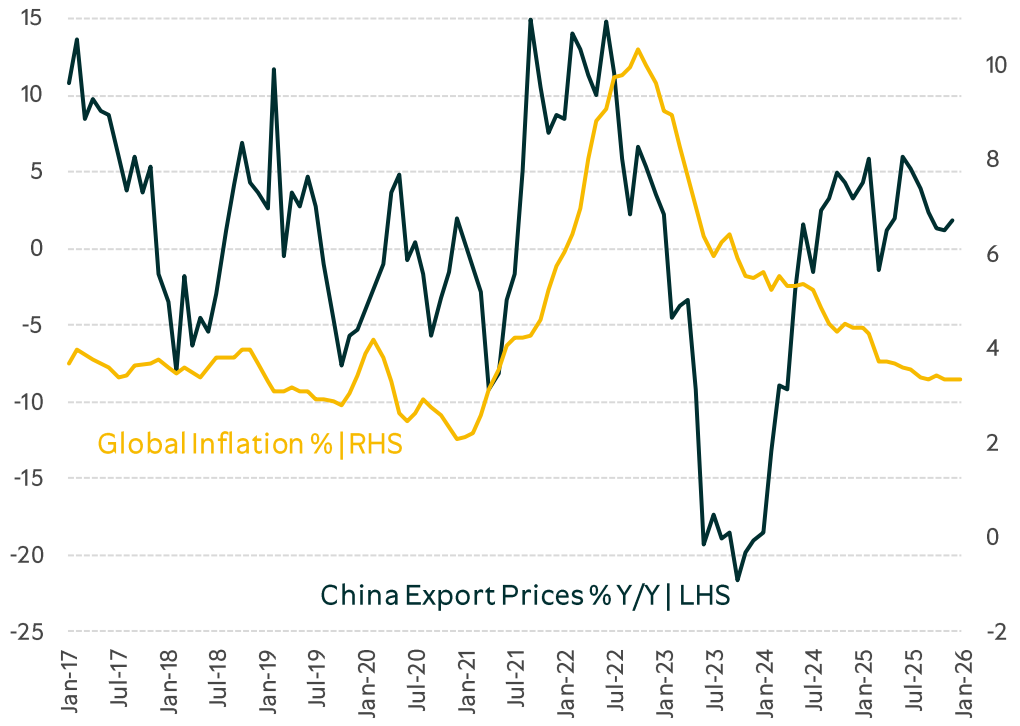


South Korean Exports & Global Industrial Production

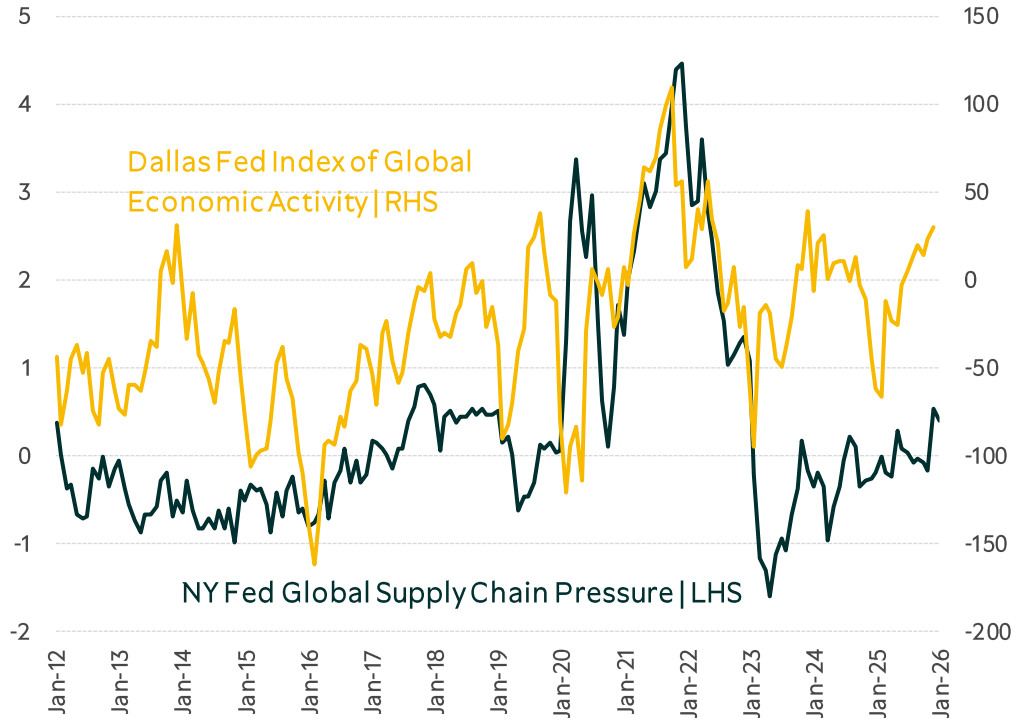


Global Trends | Global inflation remained unchanged in January, while supply chain pressures after increasing significantly in December fell marginally in January.

China Export Prices & Global Inflation

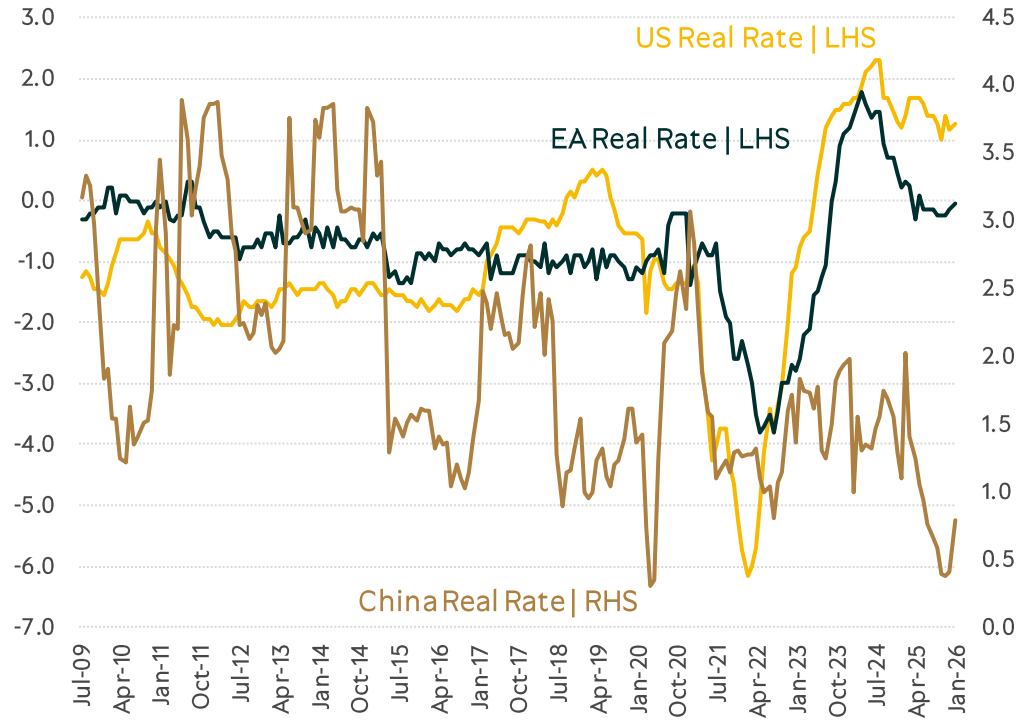


Global Economic Activity vs Global Supply Pressure

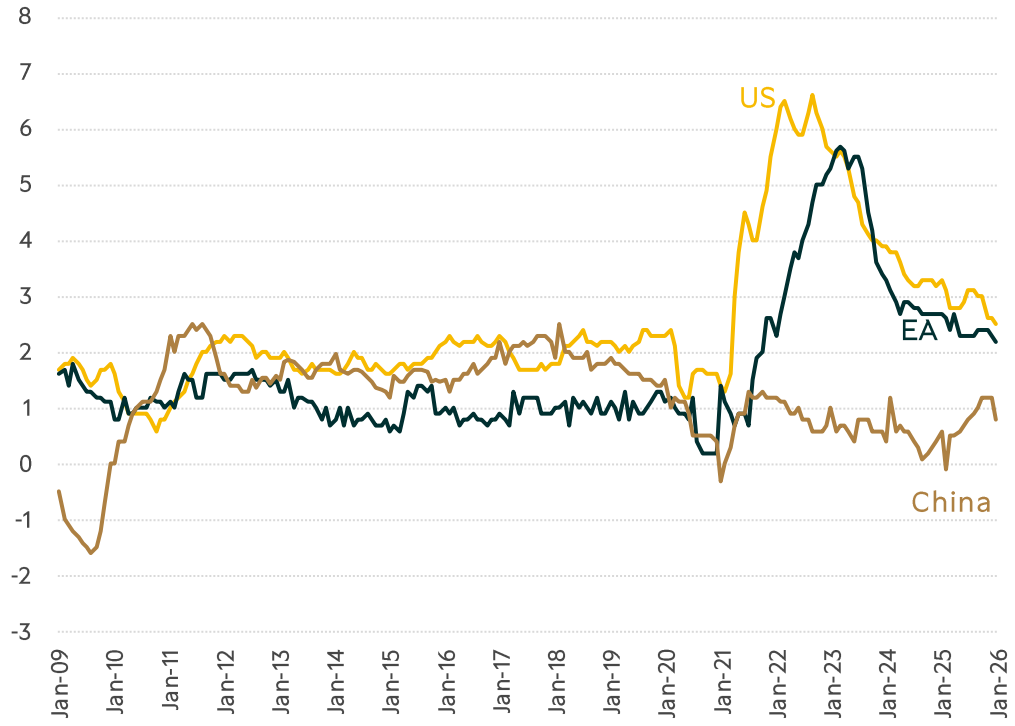


Global Trends | Real policy rates in the US, EA and China increased in January (with the most notable in China). Core CPI in January declined in all three countries.

Global Real Policy Rates US, EA, CN



US, EA, CN Core Inflation



Bird's Eye View

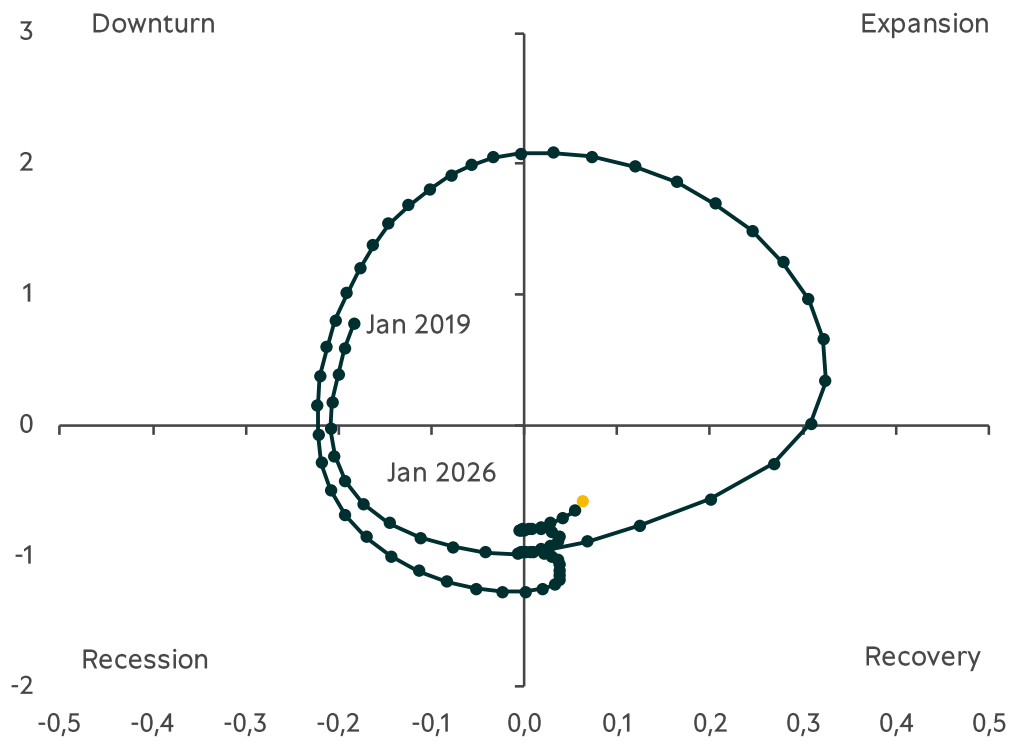
US Economy

EA Economy

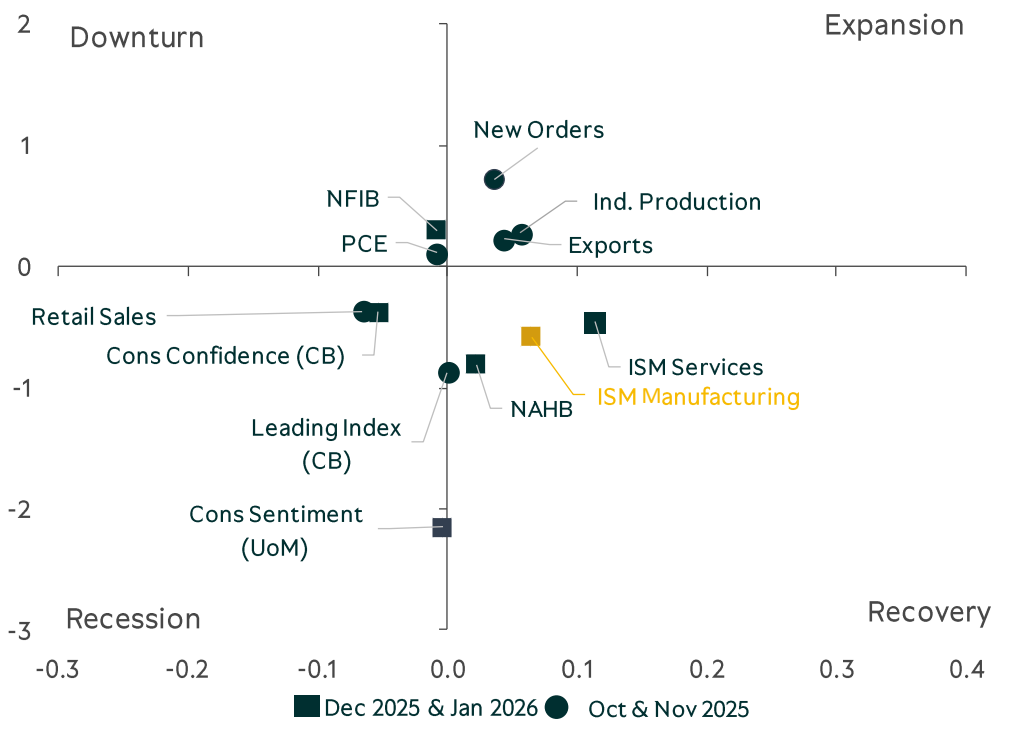
China Economy

US Business Cycle | Following IMS Manufacturing revisions, the index is now firmly in the recovery phase

US Business Cycle | Based on ISM Manufacturing Indicator

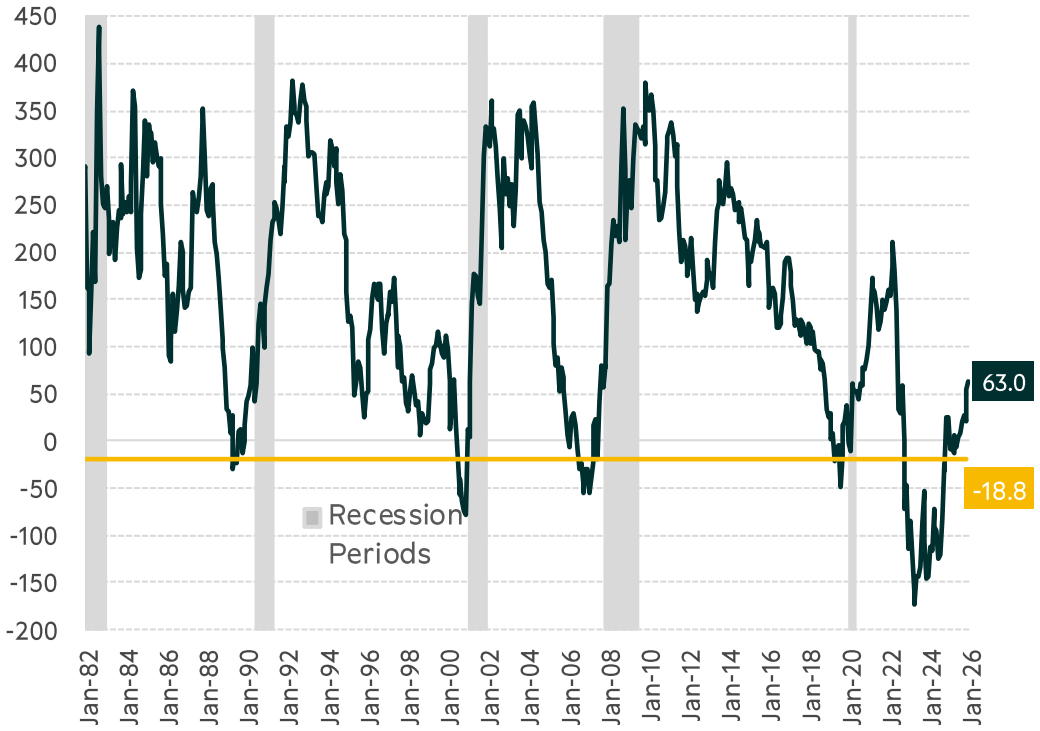


US Business Cycle | Based on Major US Economic Variables

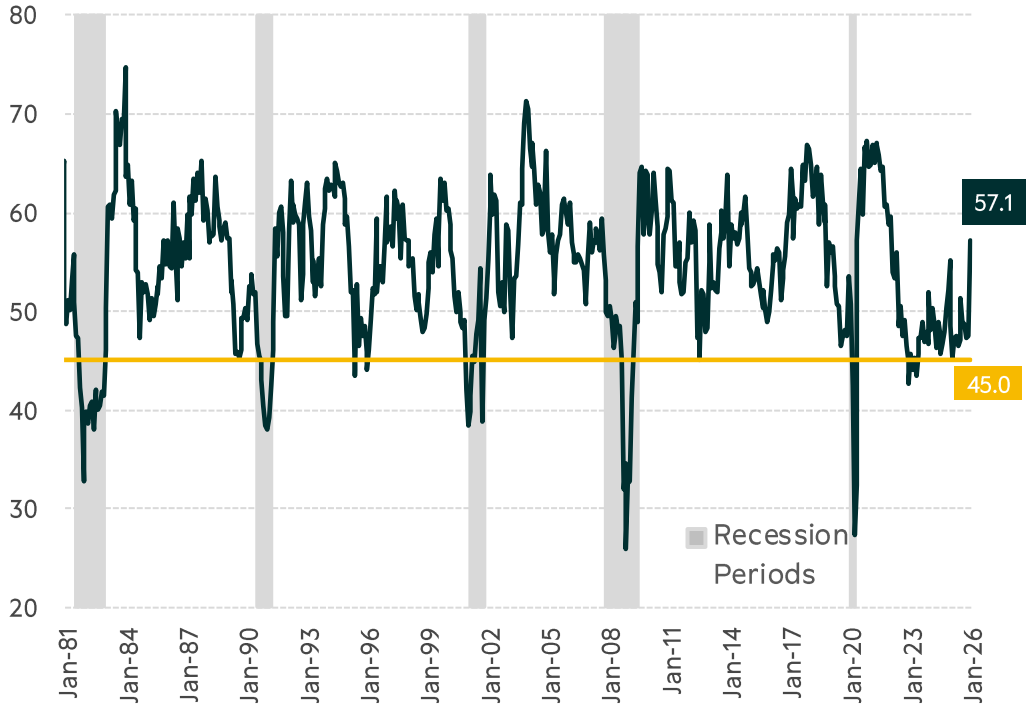


US Recession Indicators | The 10YR3M spread and the ISM New Order Index remain above the threshold levels consistent with recession periods.

10 Year and 3M US Treasury Yields Spread



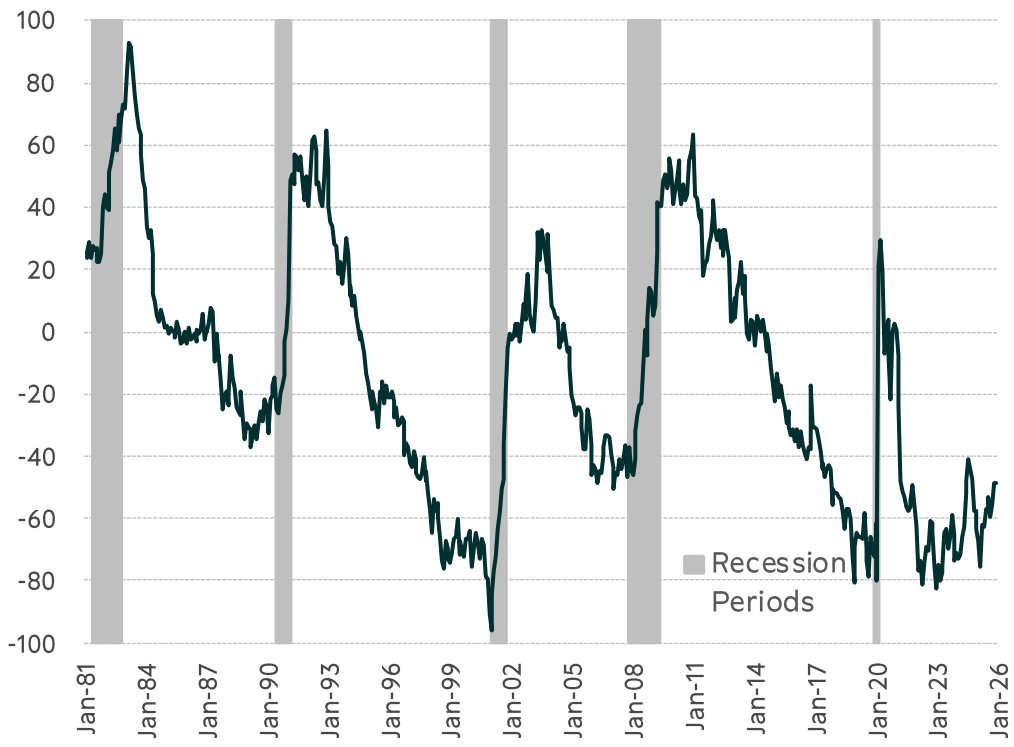
ISM Manufacturing New Order Index



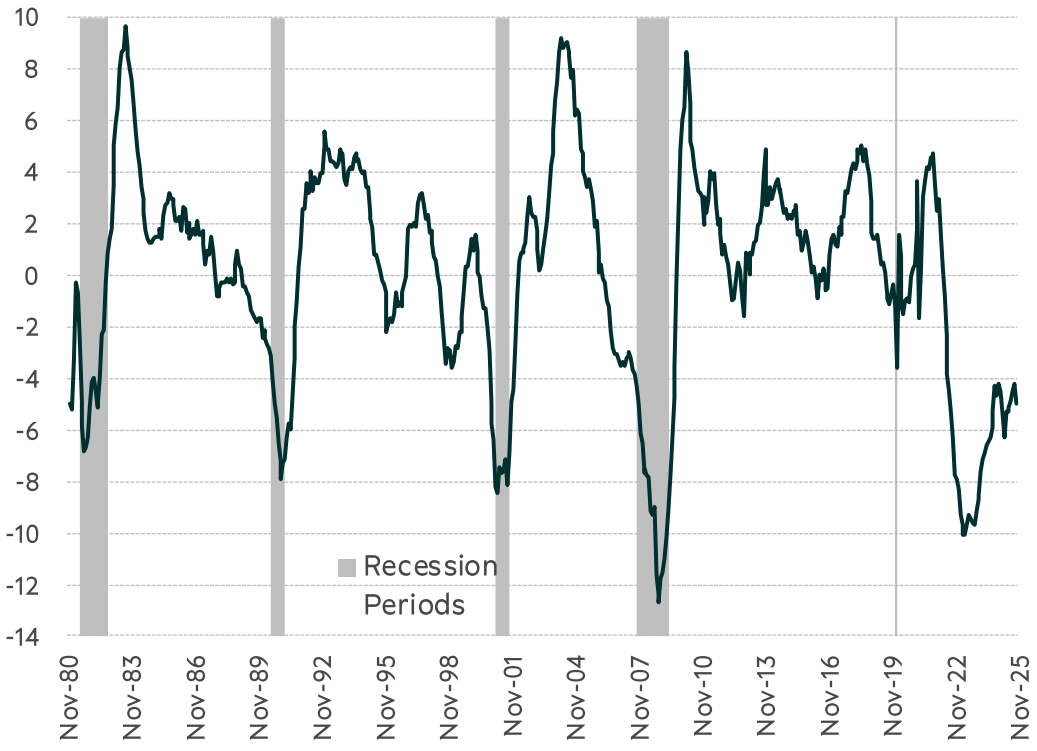
Source: Economic Research & Investment Strategy

Conference Board Survey | The difference between Consumer Expectations and Current Situation indicators held steady in January. The difference between the Leading and Coincident indicators widened marginally in November.

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



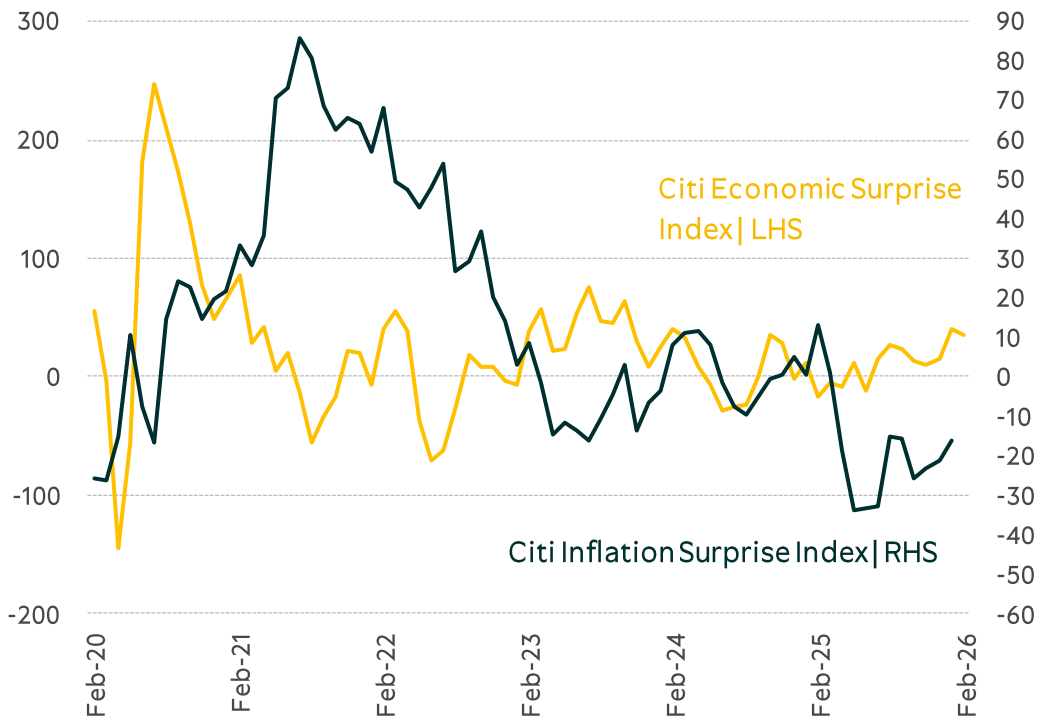
Difference between Leading & Coincident Indicators (Conference Board)



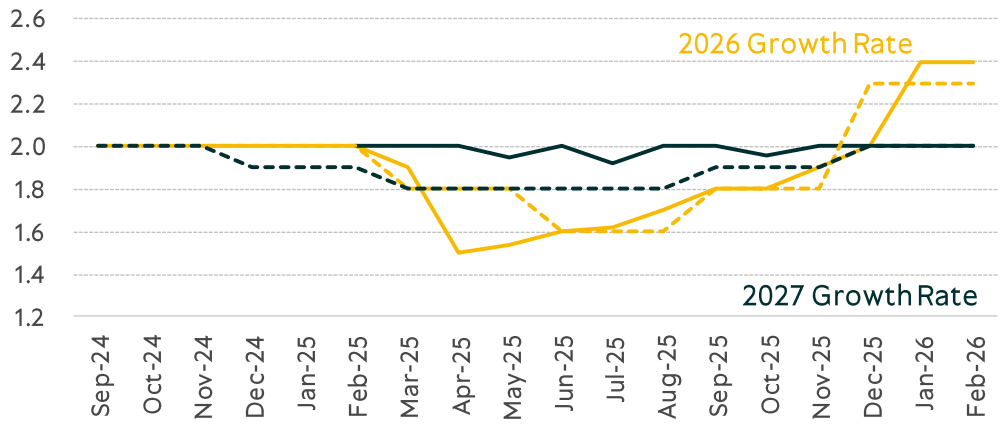
Source: Economic Research & Investment Strategy

US Macro Expectations | Economic surprises remain positive in February. Negative inflation surprises weakened in January

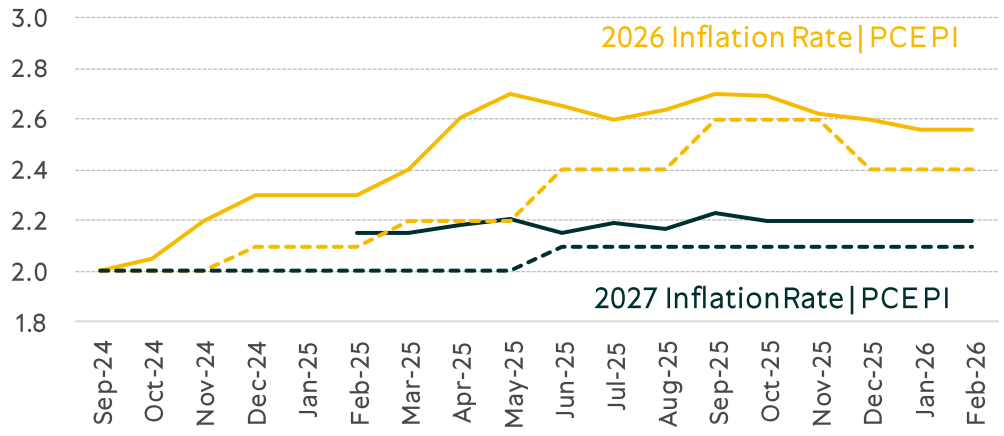
Economic & Inflation Surprises



Growth Rate Expectations*



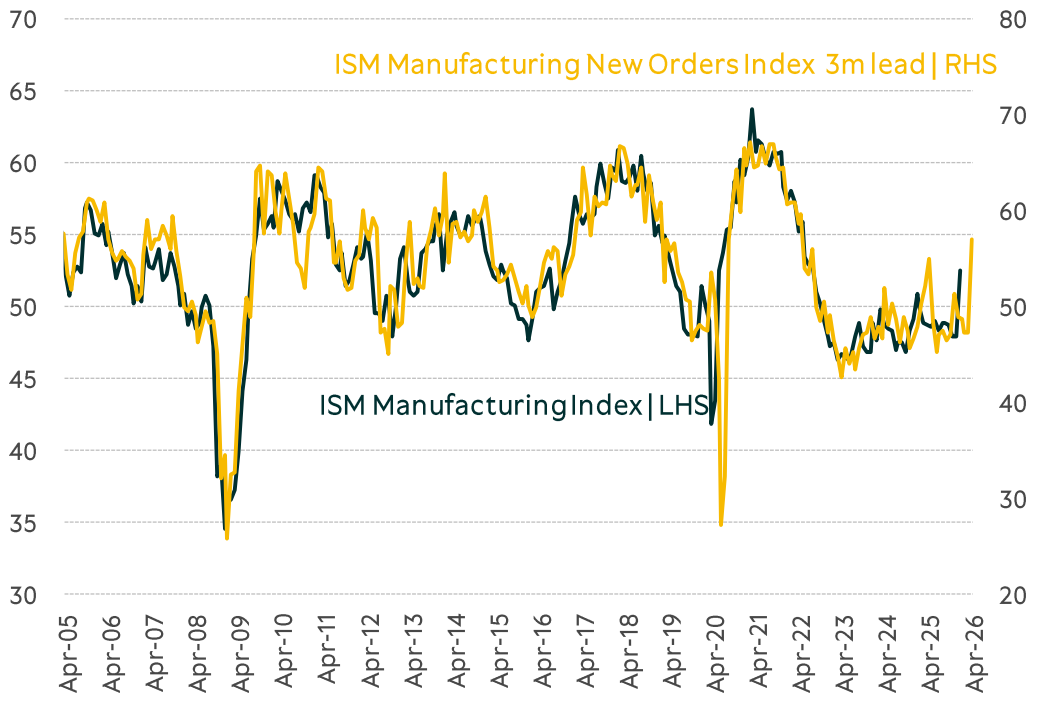
Inflation Rate Expectations*



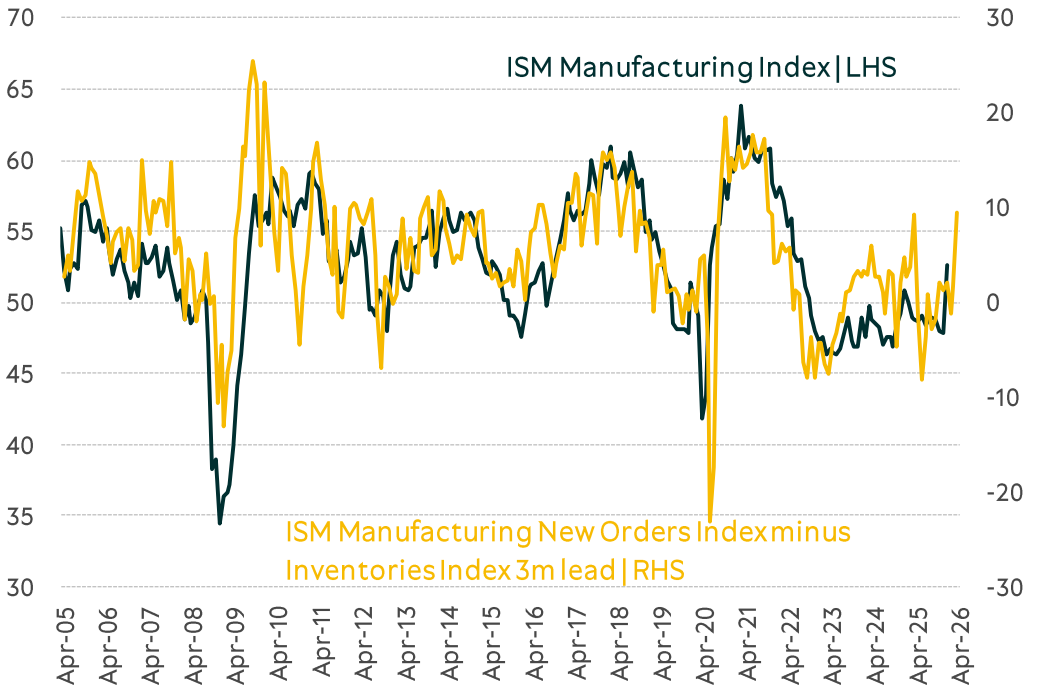
*Solid line: Consensus; Dotted line: Fed projections

US Leading Indicators | The ISM Manufacturing Index moved significantly above 50 in January as New Orders rose to 57.1 from 47.4.

ISM Manufacturing & New Orders Indices

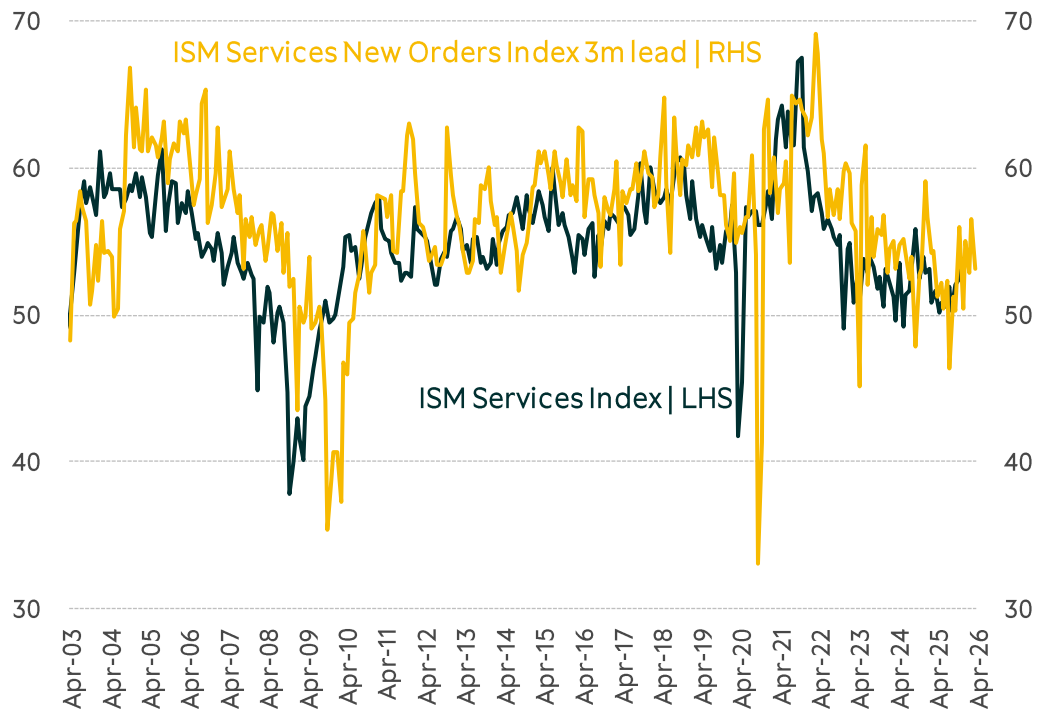


ISM Manufacturing & New Orders Index Minus Inventories Index

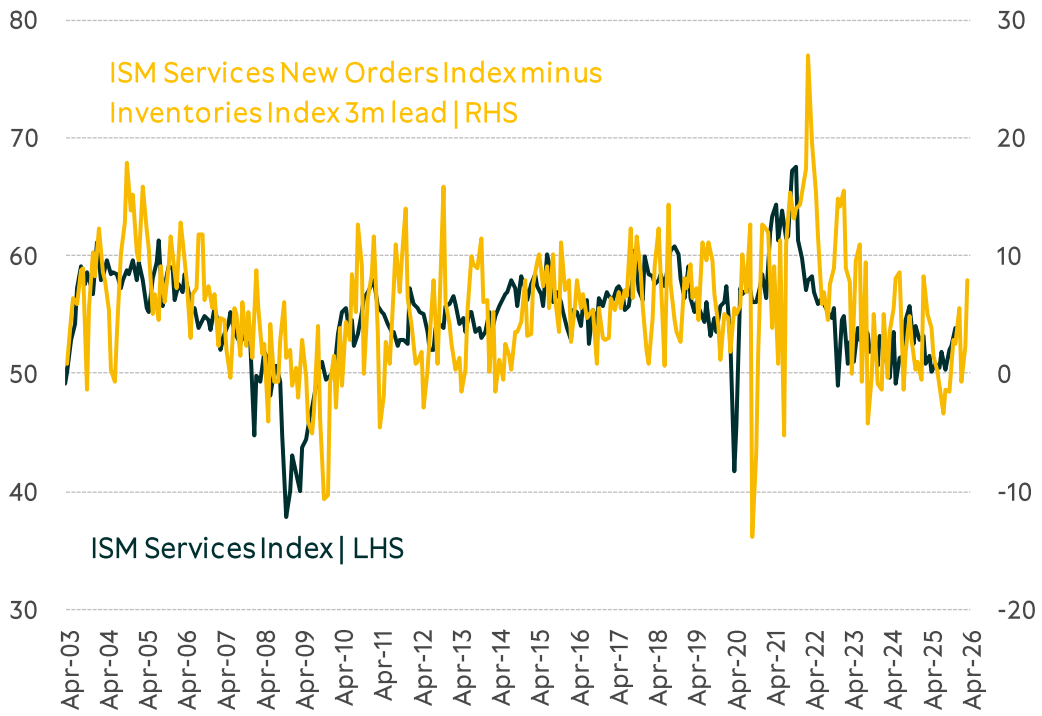


US Leading Indicators | ISM Services index stayed at 53.8 in January partly due to a drop in the new orders index

ISM Services & New Orders Indices

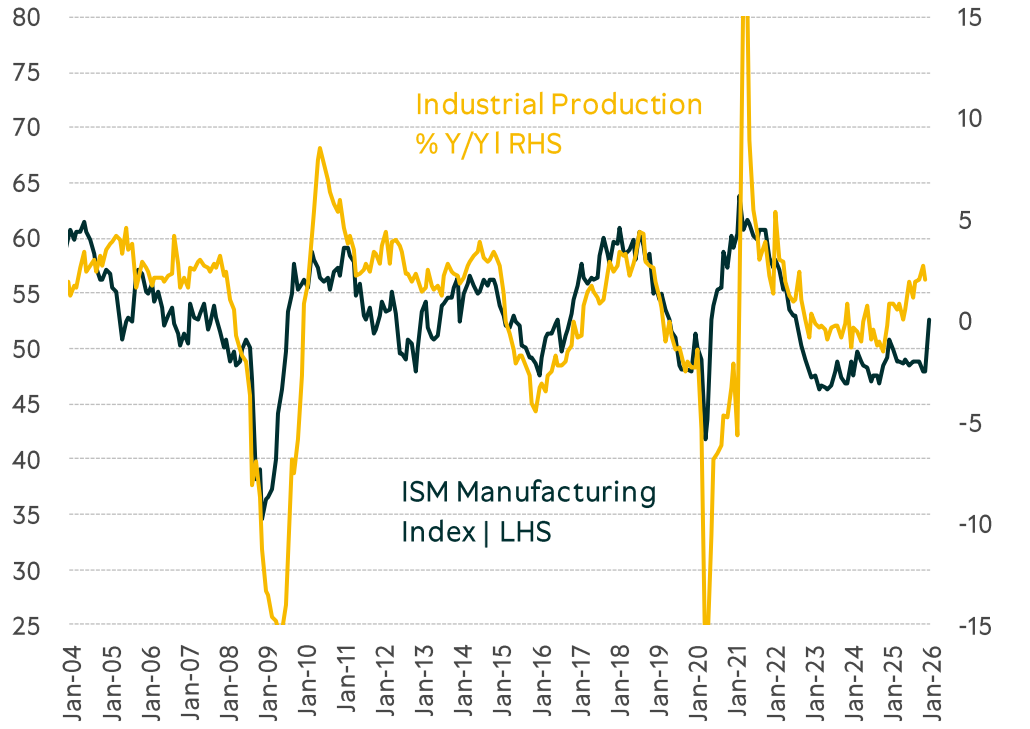


ISM Services & New Orders Index Minus Inventories Index

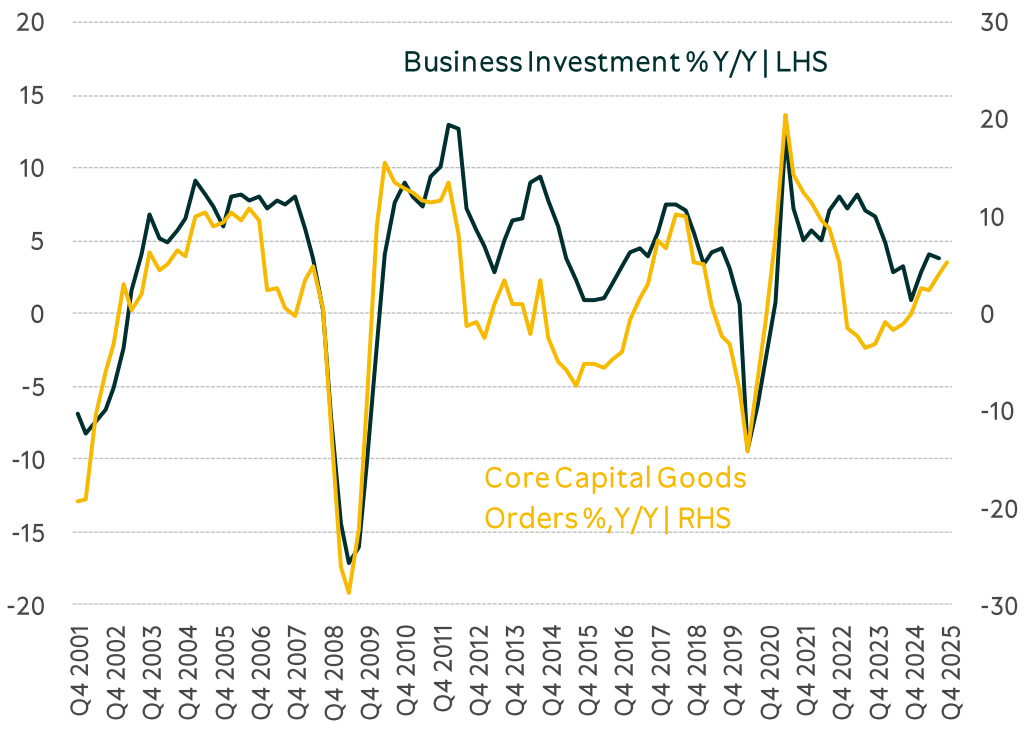


US | Industrial Production increased 0.4% in December (+2.0% yoy). Core Capital Goods extended gains in Q4.

Industrial Production & ISM Manufacturing



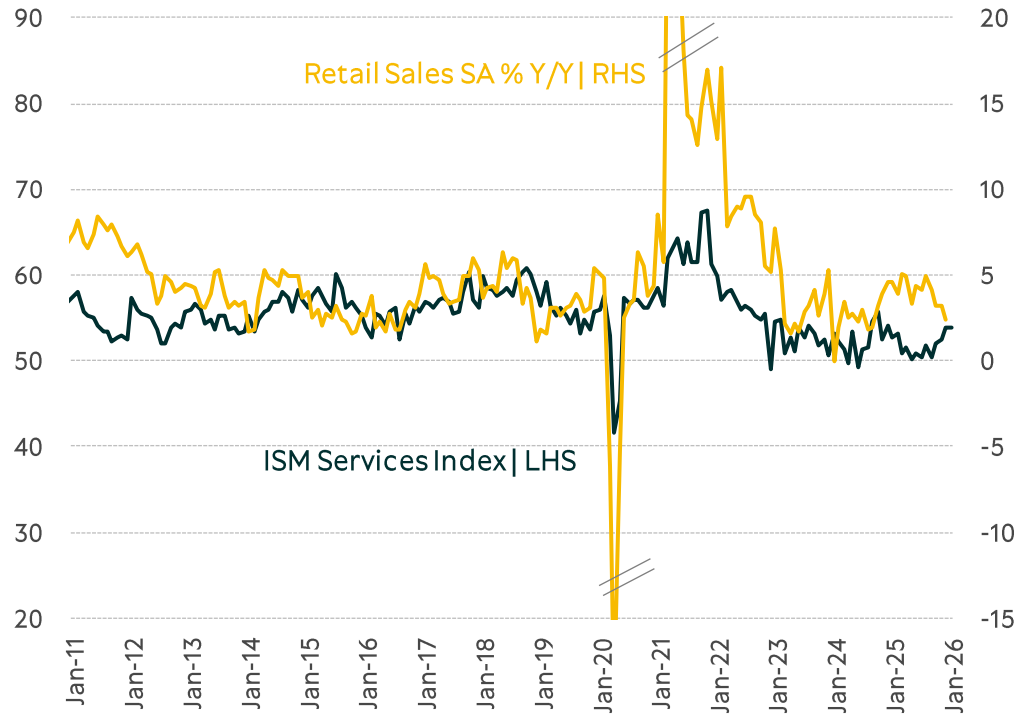
Core Capital Goods Orders & Business Investment



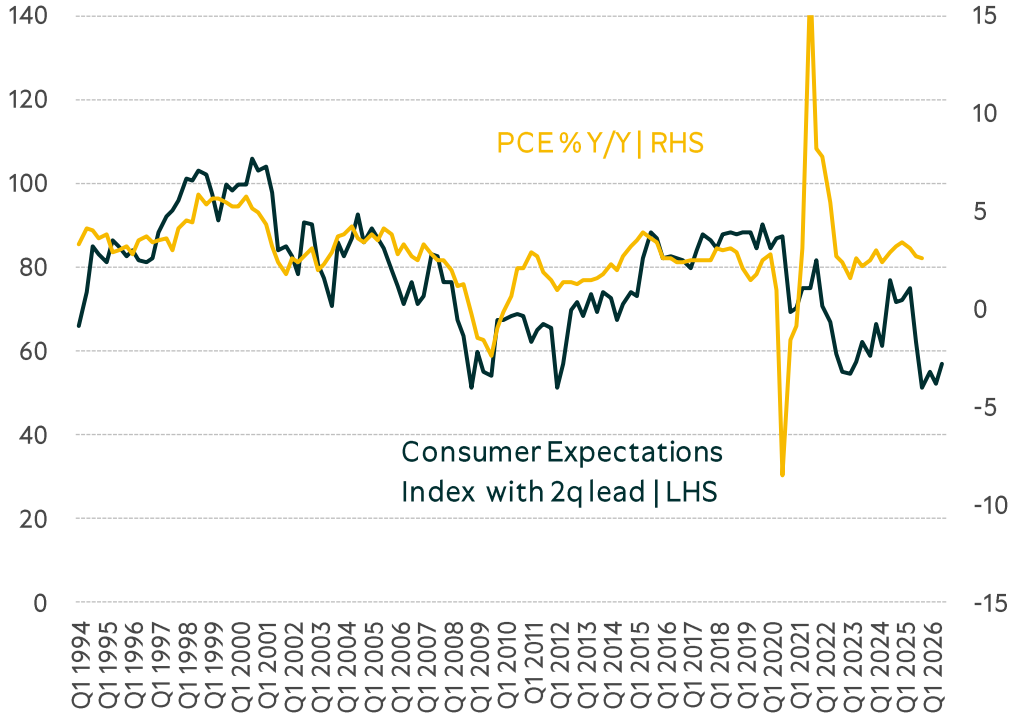
Source: Economic Research & Investment Strategy

US | Retail sales for December were largely unchanged from November on a monthly basis and ISM Services stabilised in January. Consumer expectations still point to lower consumption ahead.

Retail Sales & ISM Services

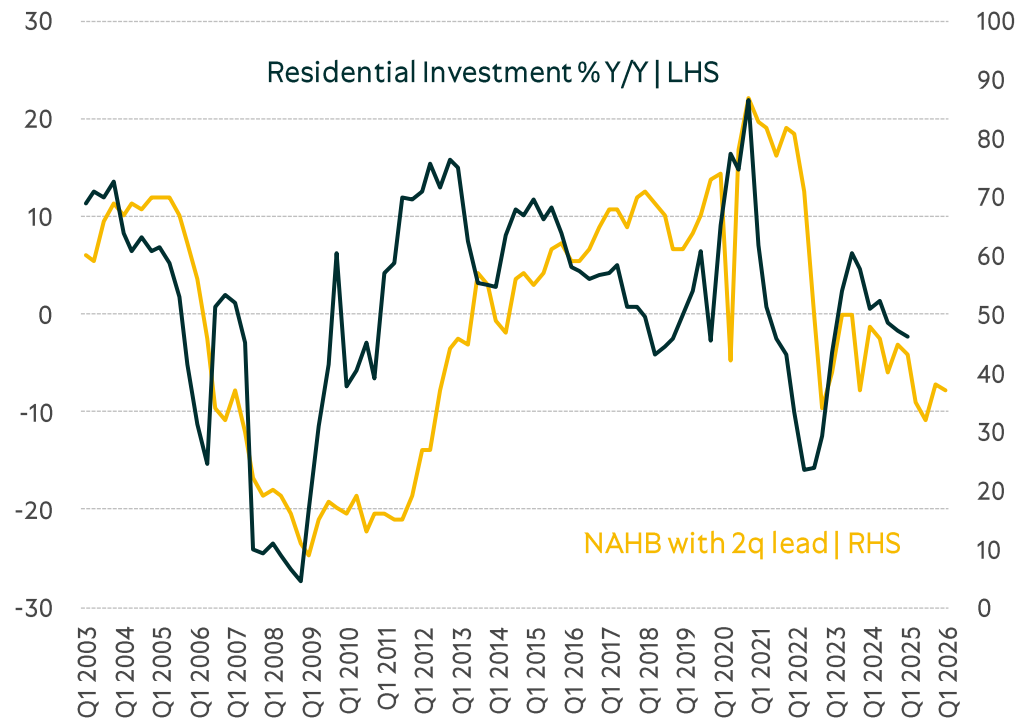


Personal Consumer Expenditure & University of Michigan Consumer Expectations Index

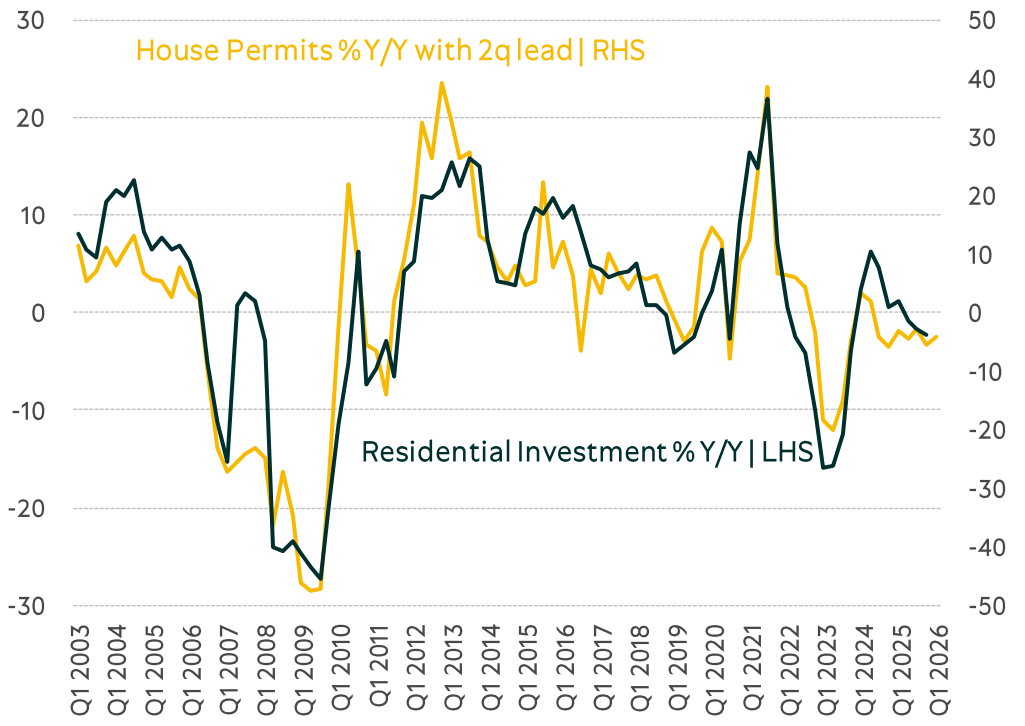


Housing Market | Residential investment declined further in Q3. Smaller decline for House Permits in Q4. Home builders' expectations fell back to 37 in January as affordability concerns continue to weigh heavily on buyers.

Residential Investment & NAHB Index



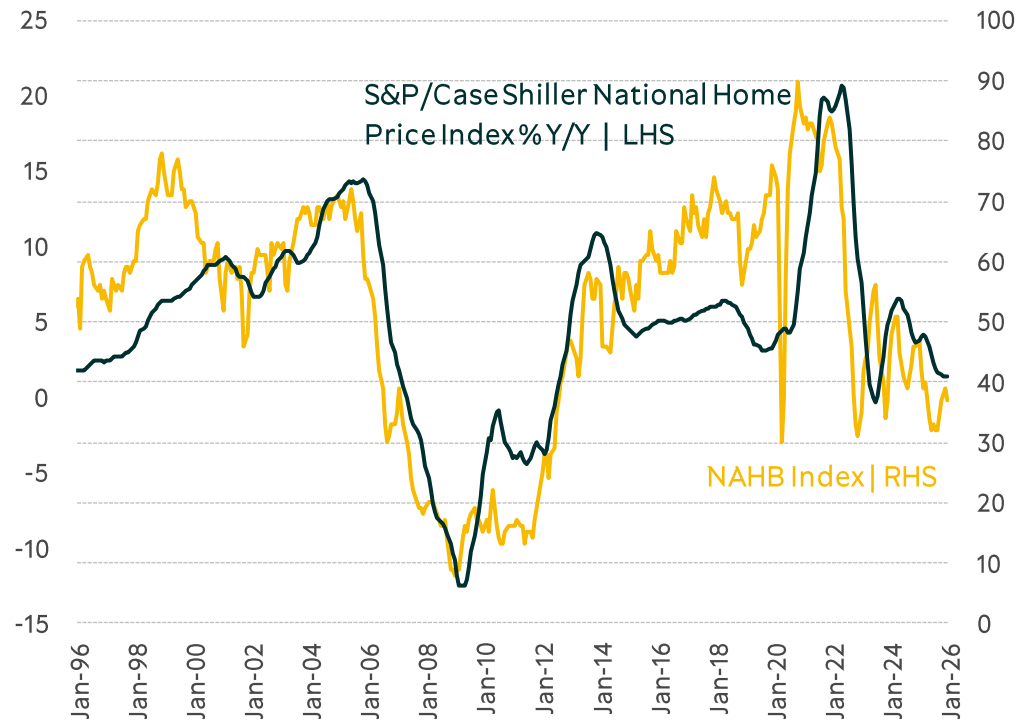
Residential Investment & House Permits



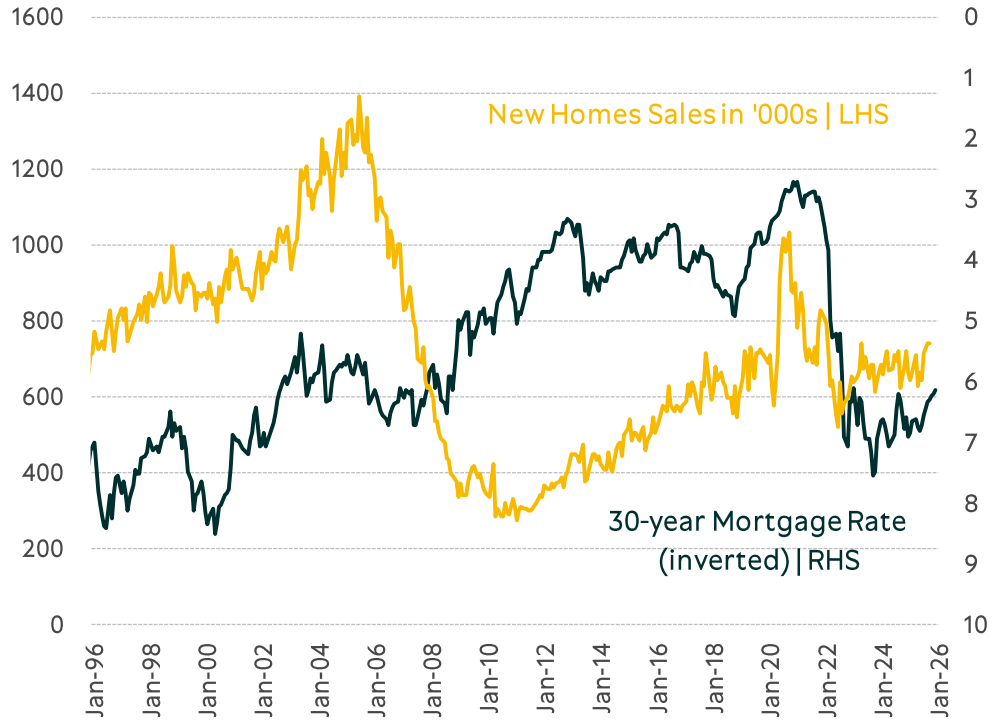
Source: Economic Research & Investment Strategy

Housing Market | New home sales have been rising partly due to the reduction in 30-year mortgage rates. The S&P/Case Shiller National Home Price Index posted a 1.4% annual gain in November.

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

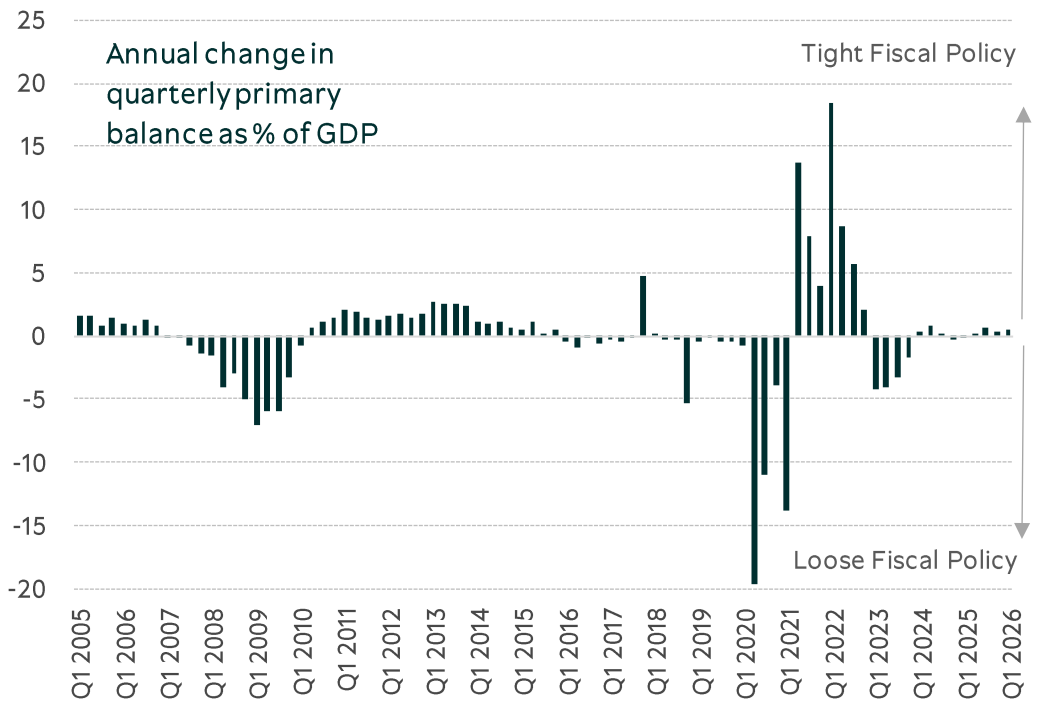


US new home sales and 30-year mortgage rates

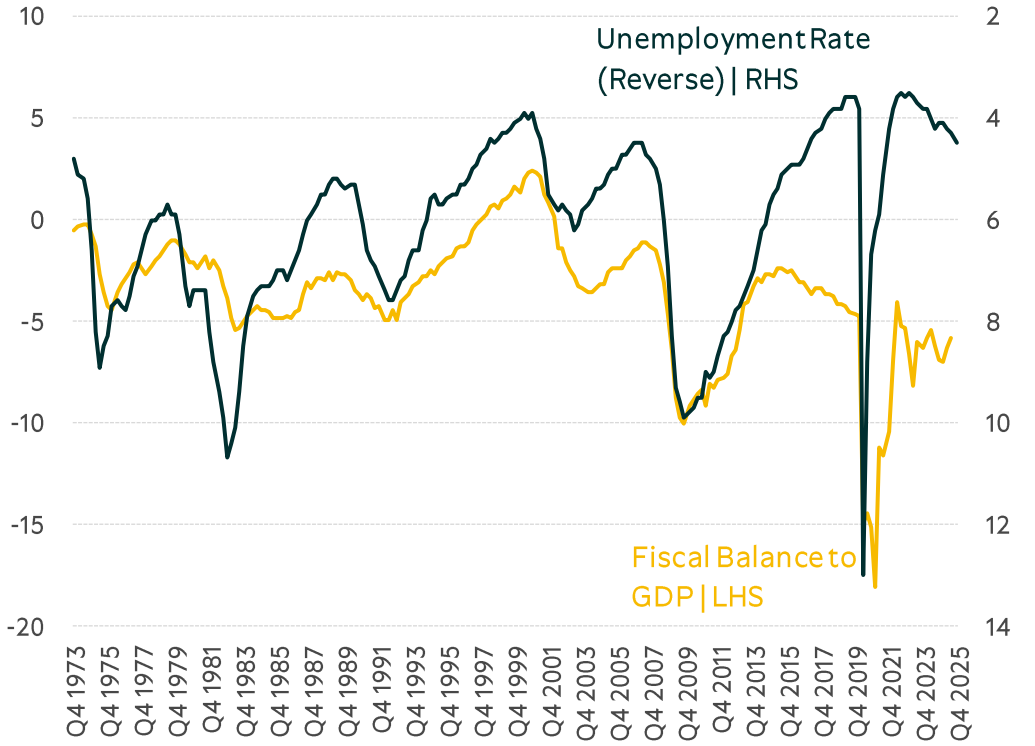


Fiscal Policy | Still too loose vs unemployment. The slight improvement in the Fiscal Balance to GDP ratio is attributed to higher revenues (which incl. tariffs) and moderated spending growth. Fiscal challenges ahead.

Fiscal Thrust

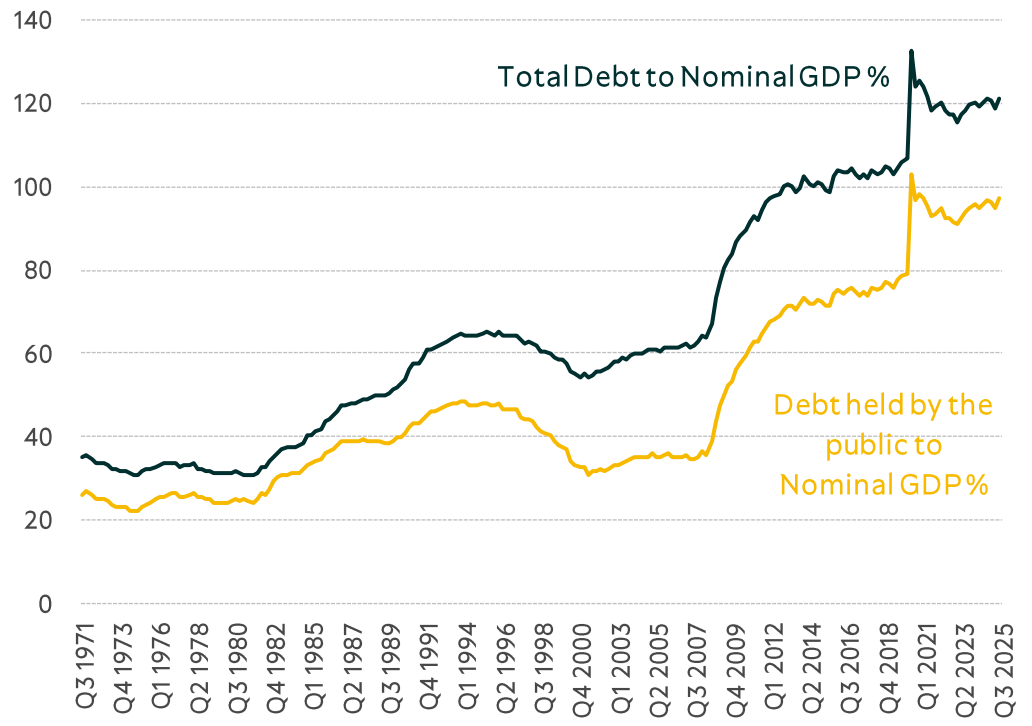


Fiscal Policy vs Unemployment

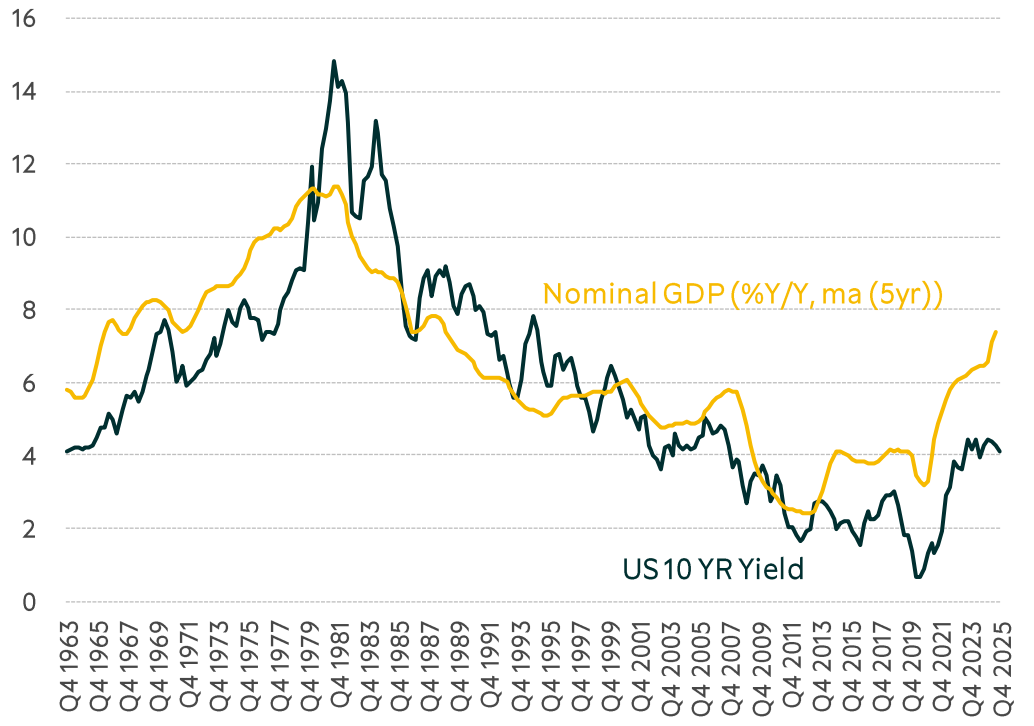


Fiscal Policy | Slight increase in the Debt/Nominal GDP ratio largely in Q3 2025. The long-term trajectory remains concerning.

Debt / Nominal GDP

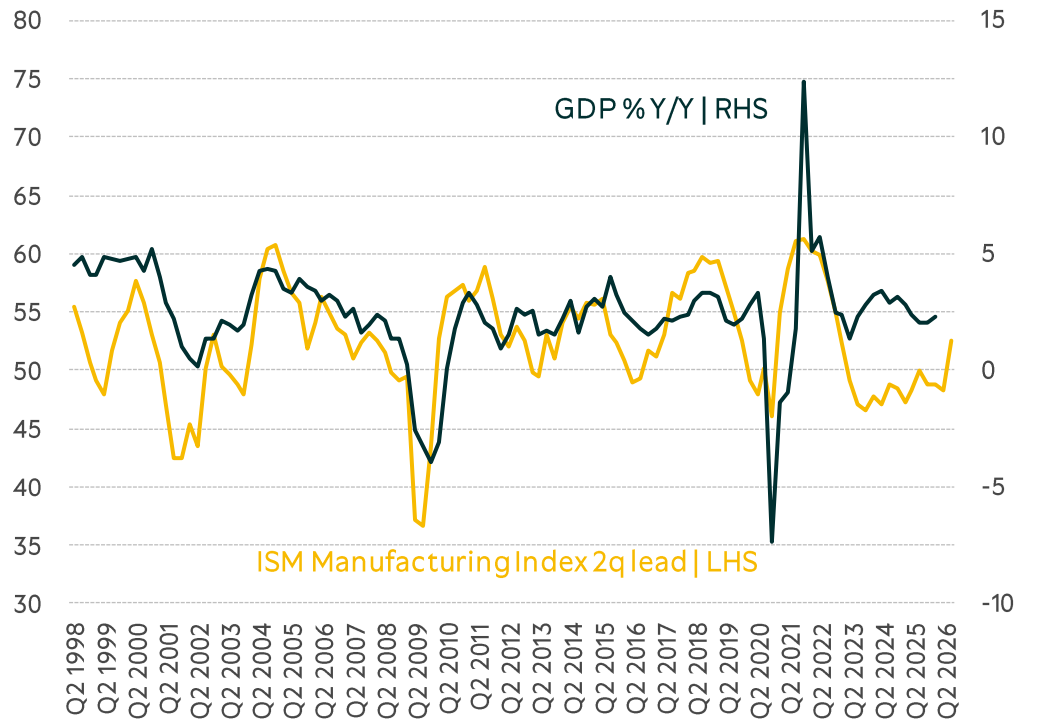


Fiscal Policy Sustainability

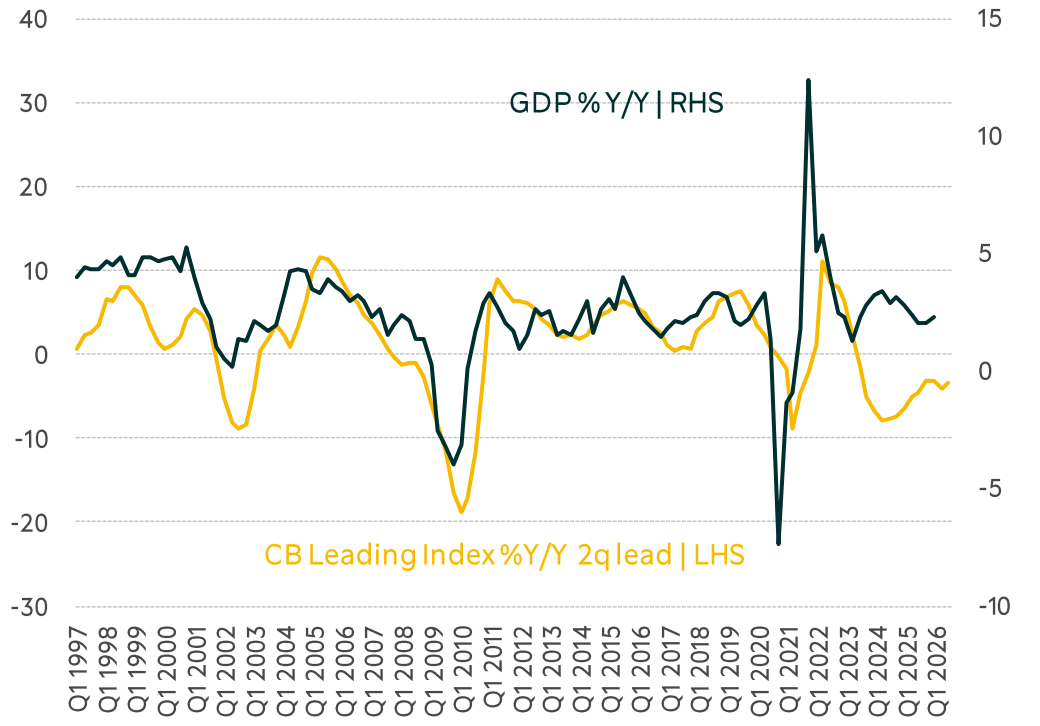


US GDP Outlook | Leading indicators point to lesser deceleration in real GDP

GDP & ISM Manufacturing Indicator

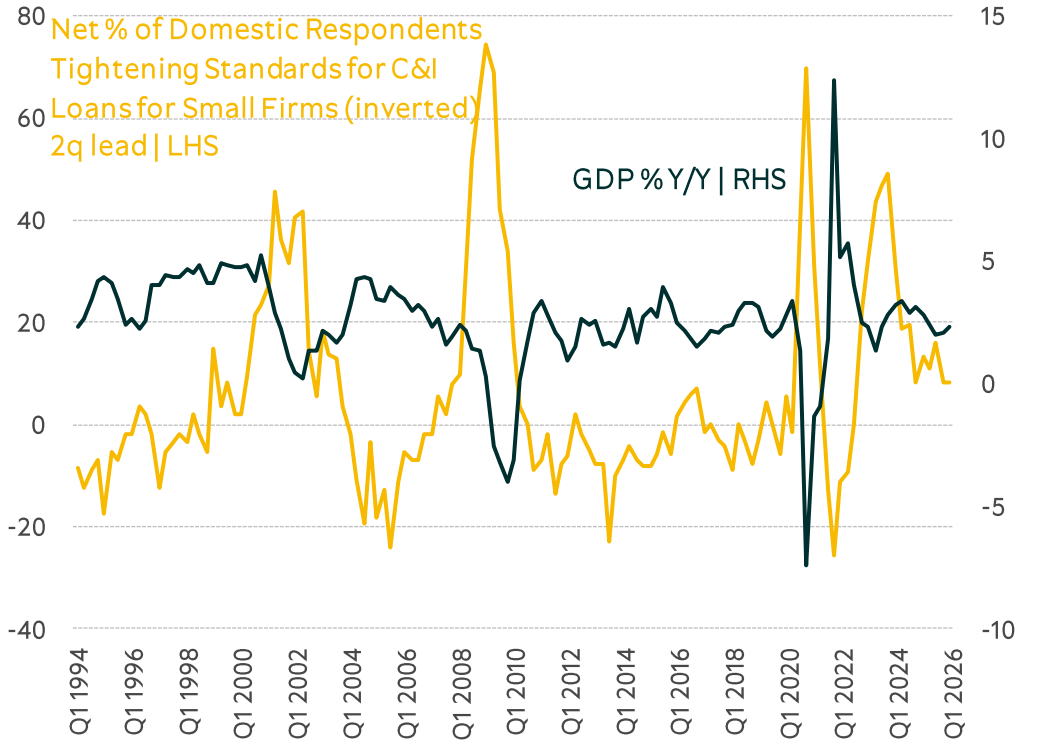


GDP & CB Leading Indicator

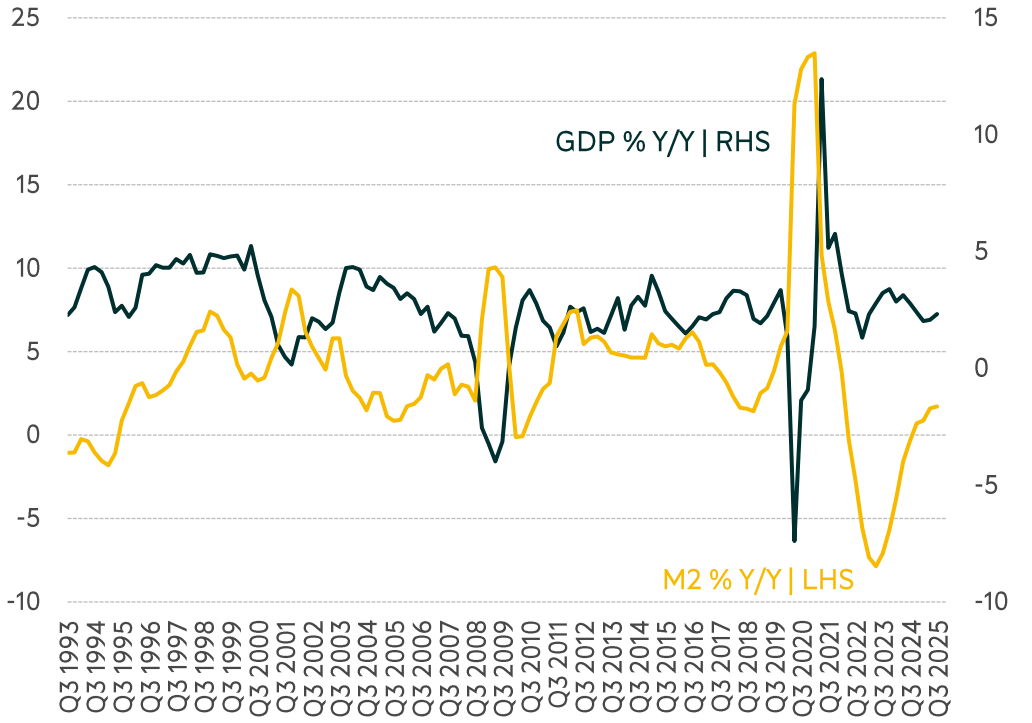


US GDP Outlook | About 8% of banks tightened lending to small businesses unchanged from previous quarter. Real M2 growth is mildly expansionary.

Senior Loan Officer Opinion Survey on Bank Lending Practices

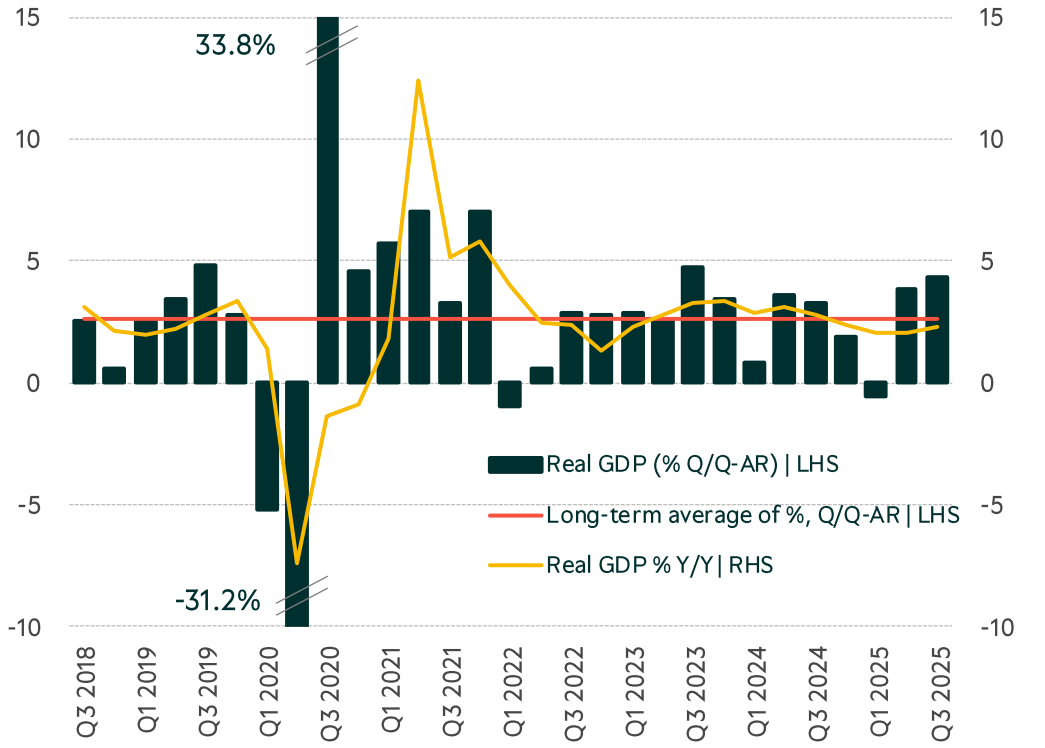


M2 growth vs GDP

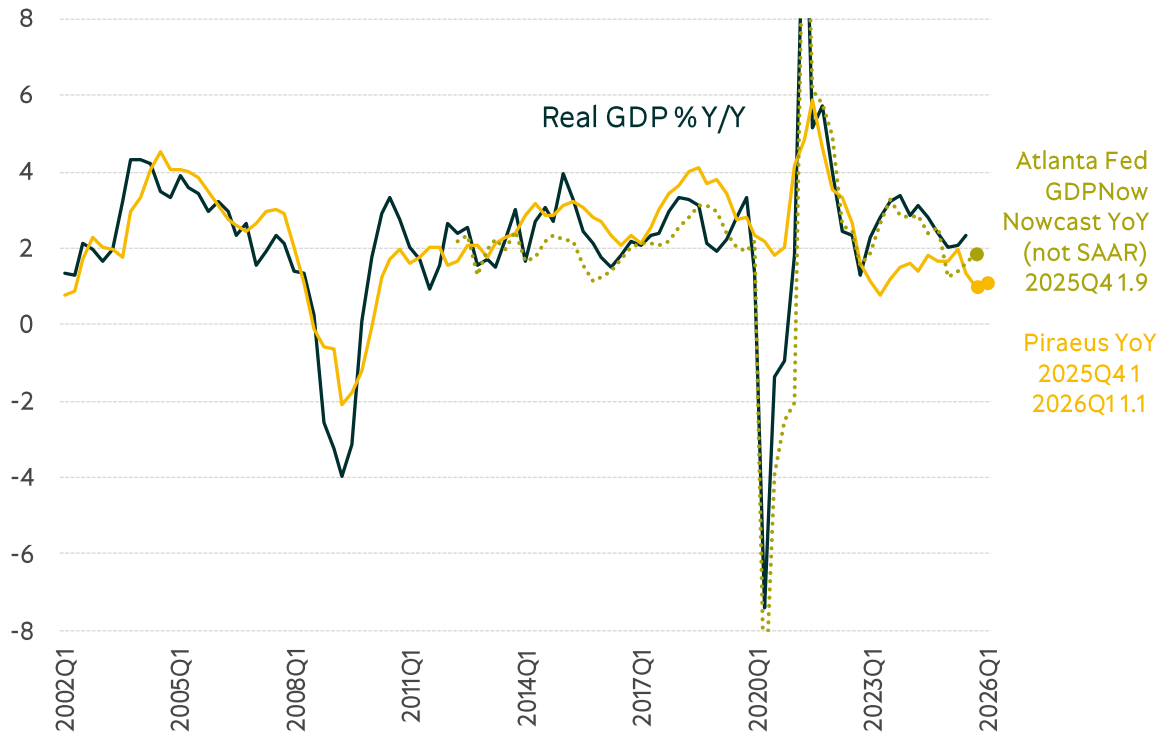


US GDP Outlook | GDP growth is projected to slow down in Q4 due to the government shutdown

Growth Rate Outlook



Growth Rate Estimate

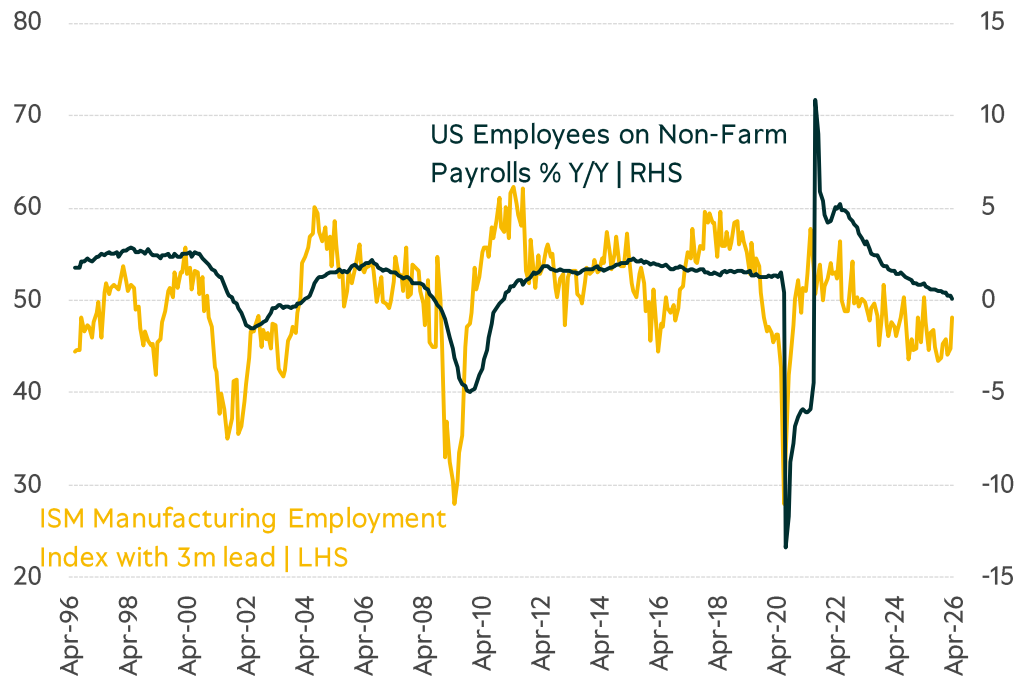


Piraeus

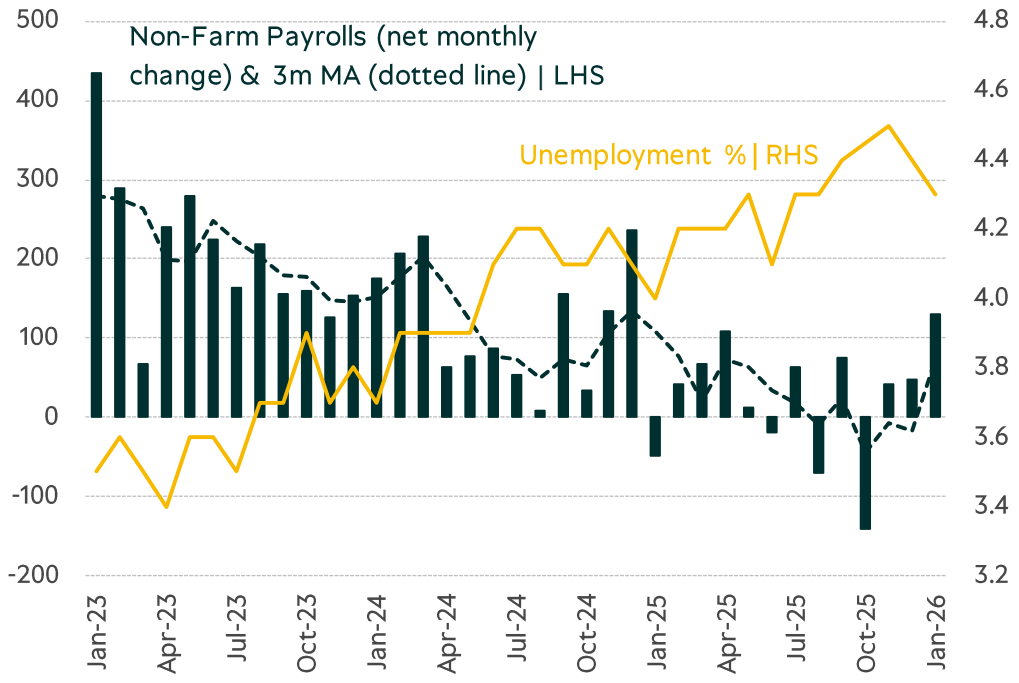
Source: Economic Research & Investment Strategy

US Labour Market | The January Jobs report was better than expected (Non-farm payrolls were higher and there was a decrease in the unemployment rate). Recent trends point to labour market stabilising.

Employment & Leading Manufacturing Indicator

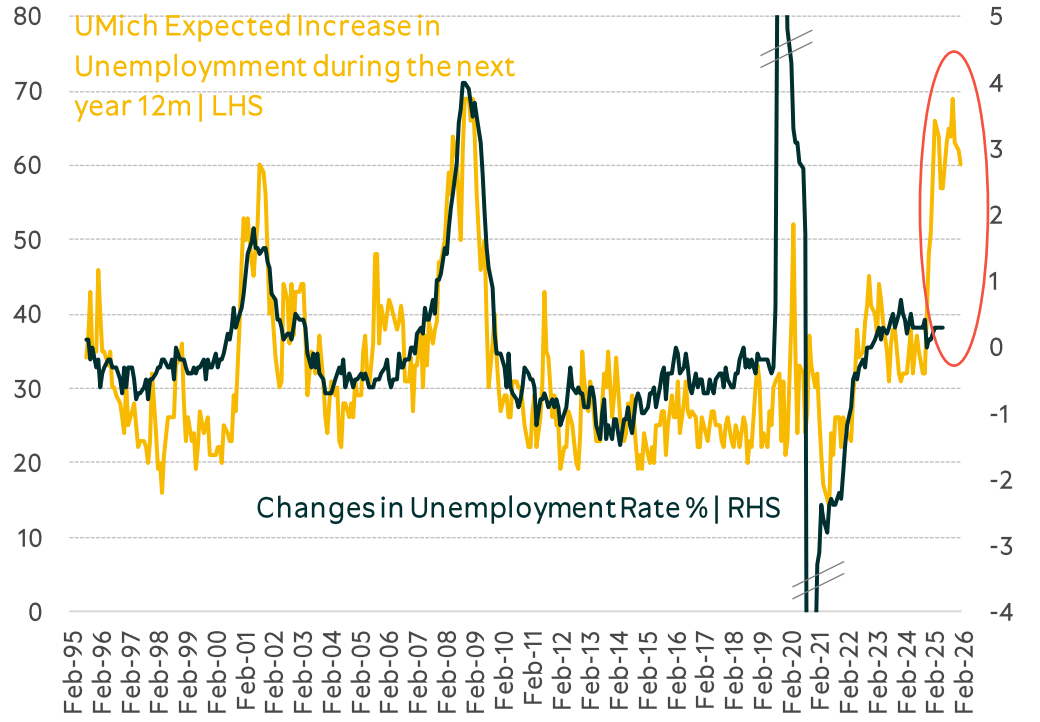


Nonfarm payrolls & Unemployment

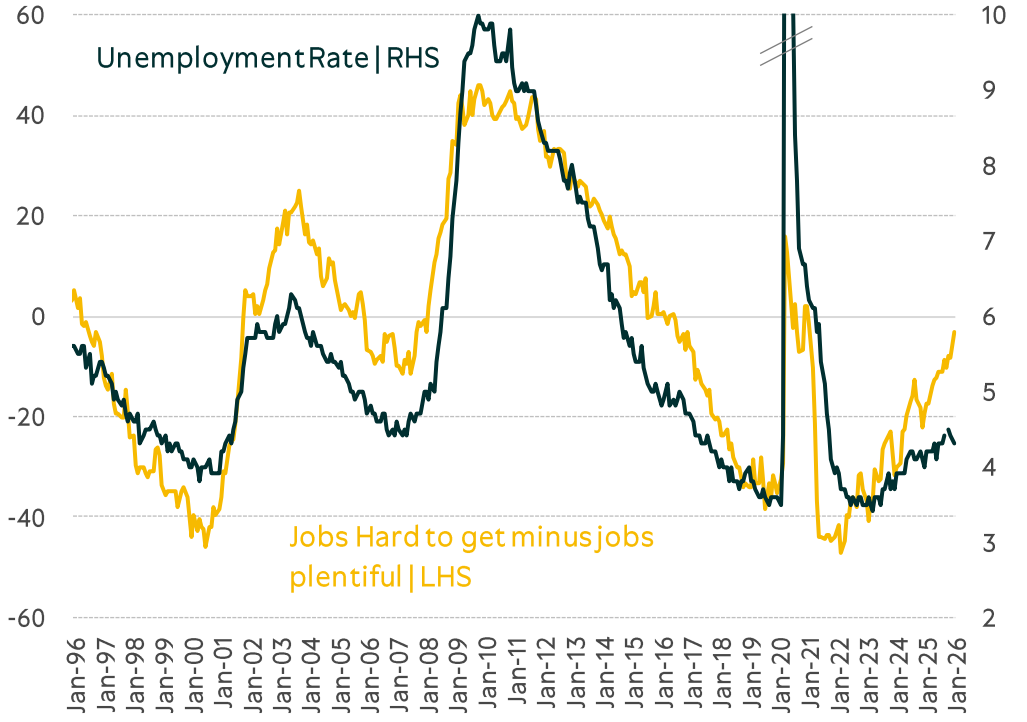


US Labour Market | Unemployment expectations fell in February. The gap between those saying jobs were hard to get and jobs are plentiful is narrowing.

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

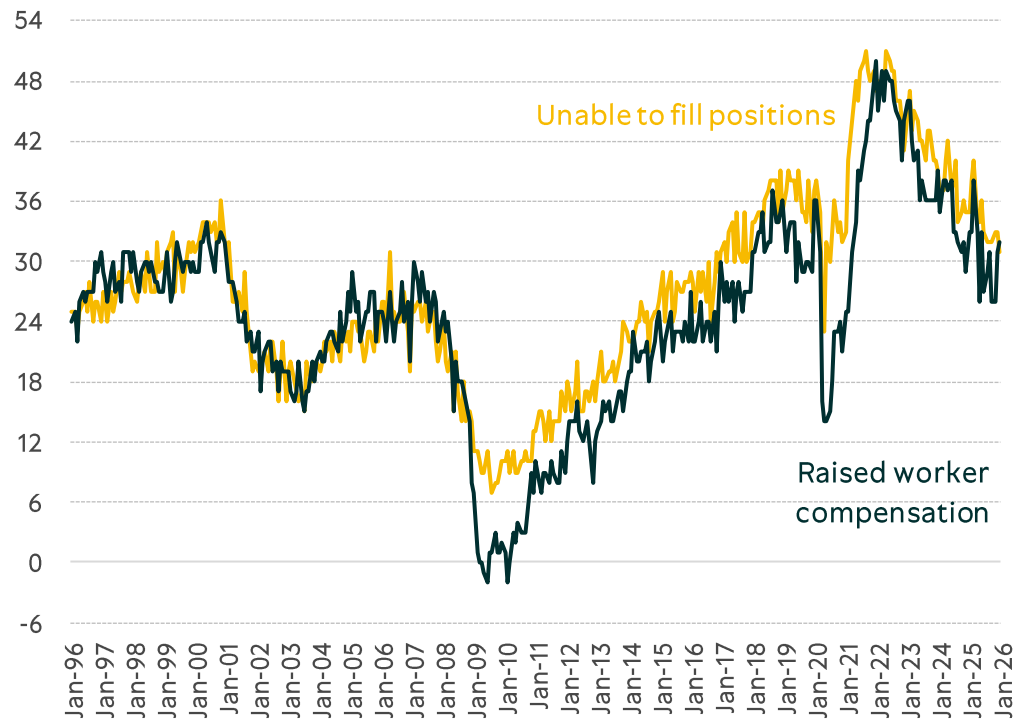


Conference Board Labor market differential & Unemployment rate

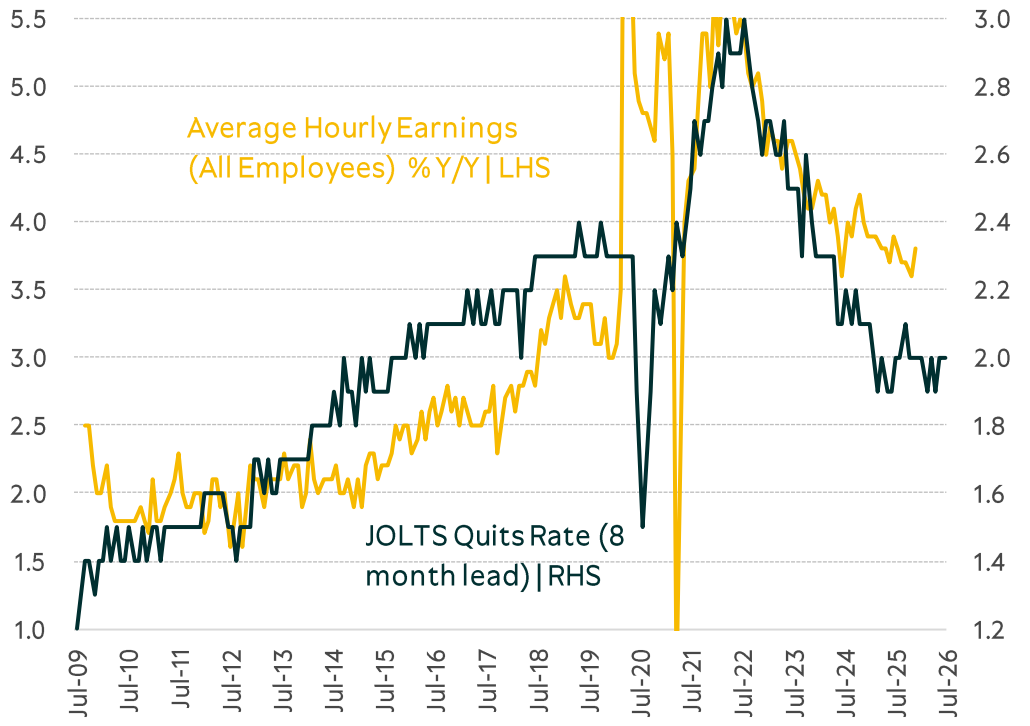


US Labour Market | According to January's NFIB survey a net 32% reported raising compensation (from 31%). The JOLTS Quits Rate back to 2%.

US NFIB small business survey

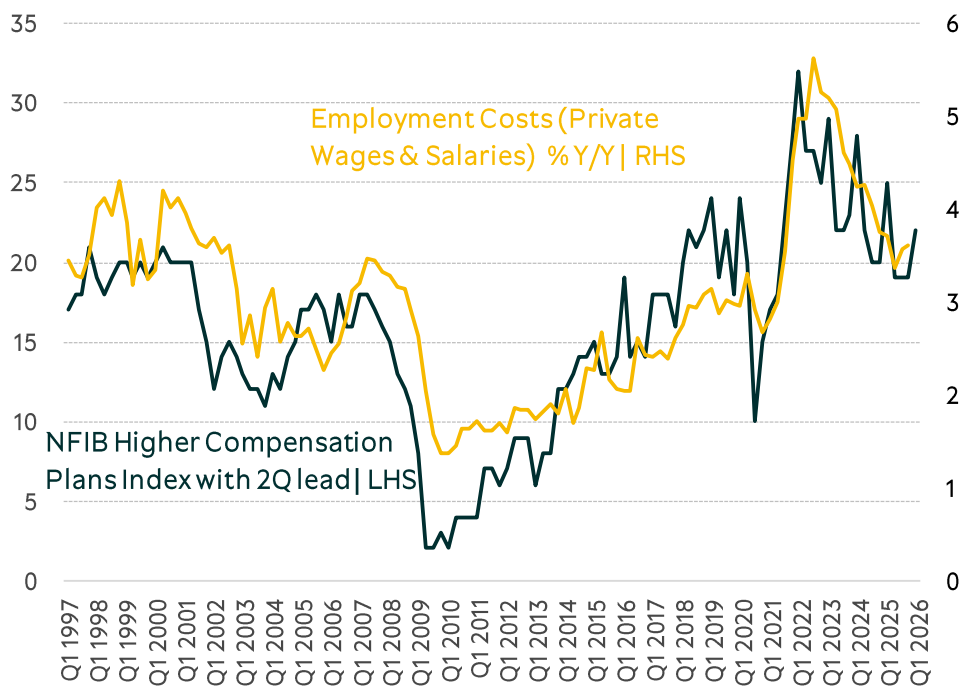


Wages & Quits Rate

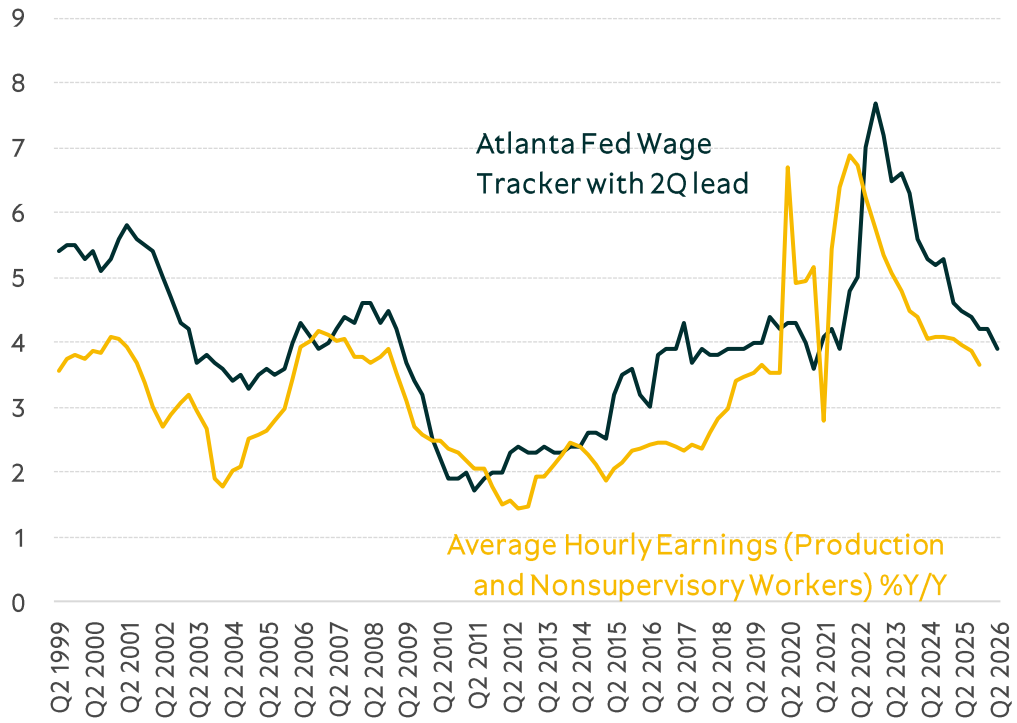


US Wage Tracker | Private employment costs ticked down in Q4 on a yoy basis to 3.3% and at the same time was also a slight decrease in Atlanta's Fed Wage Tracker.

Employment Cost & Leading Indicator

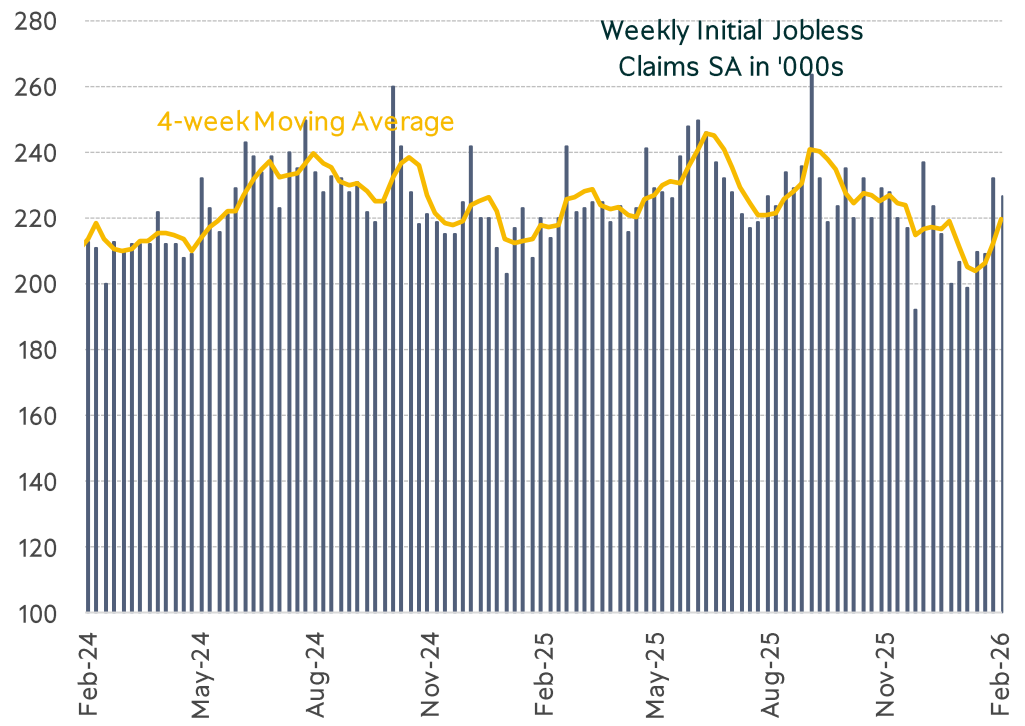


Wages & Leading Indicator

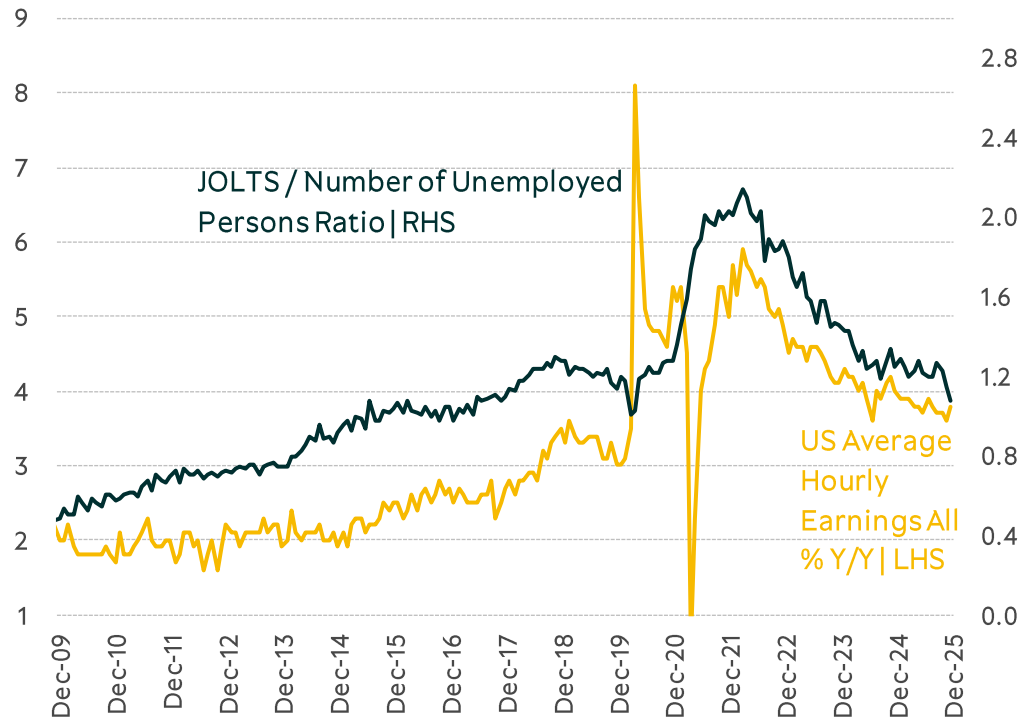


US Labour Market | Weekly Initial Jobless Claims at 227k in February and JOLTS per unemployed fell to 1.0 in December

Weekly Initial Jobless Claims



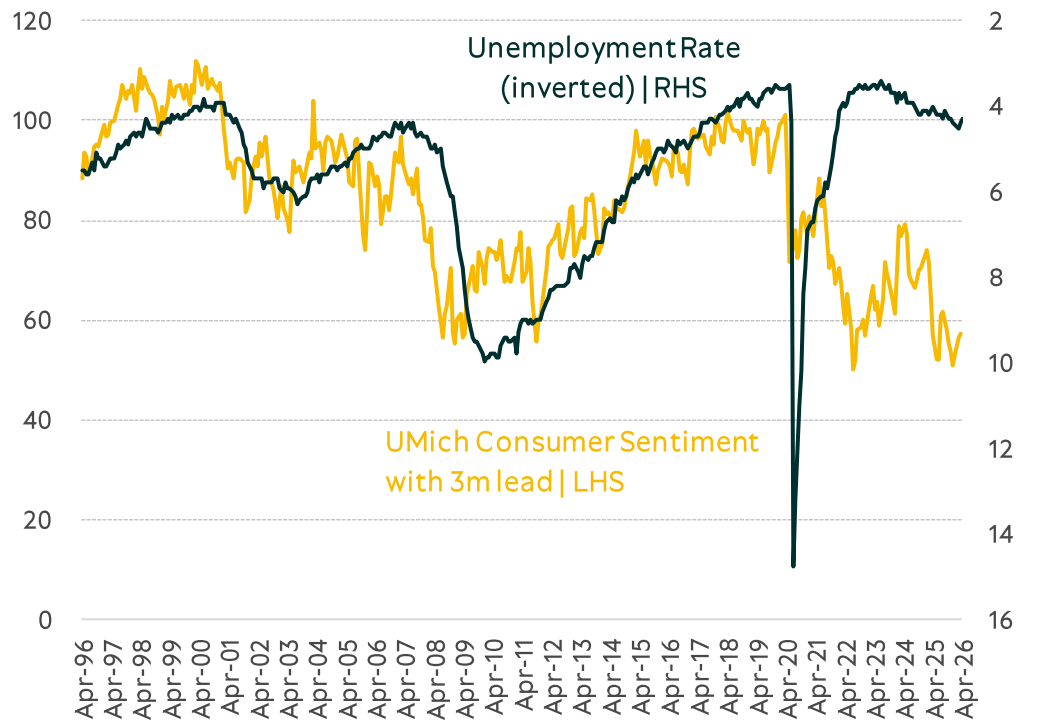
Demand & Supply in Labour Market



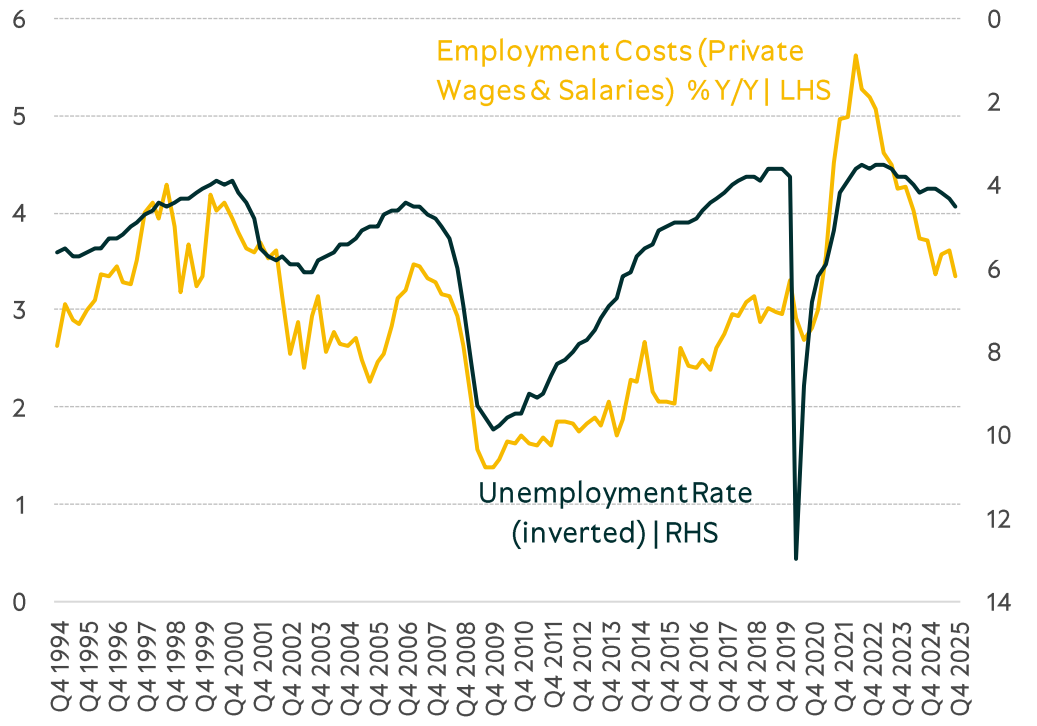
Source: Economic Research & Investment Strategy

US Labour Market | Consumer sentiment increased further in February. Private wages & salaries in Q4 continue to point to wage pressures fading

Consumer Sentiment & Unemployment Rate

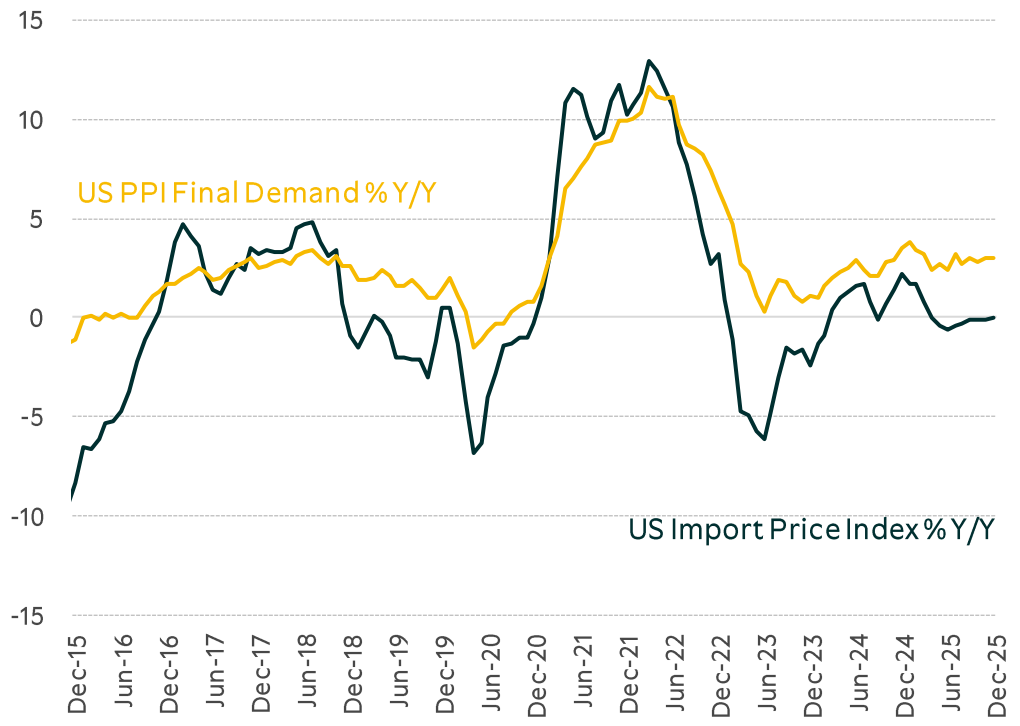


Compensation per Employee & Unemployment Rate

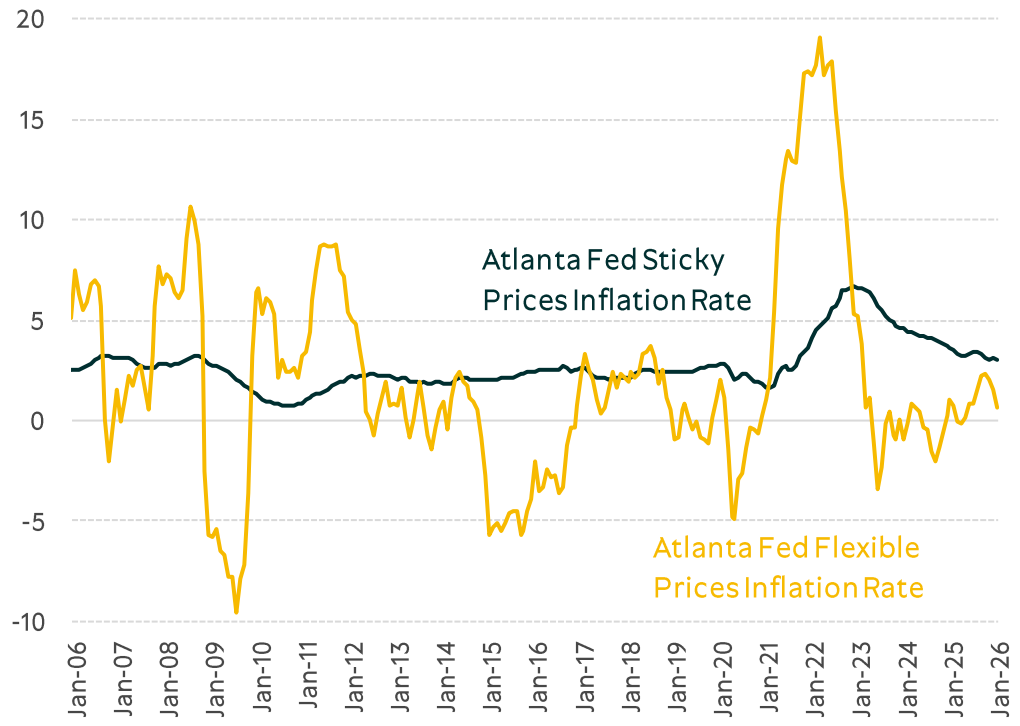


US Alternative Inflation Metrics | Sticky prices continue to be elevated but flexible prices dropped significantly in January. Producer prices were unchanged at 3% year-over-year in December.

Producers Price Index and Import prices

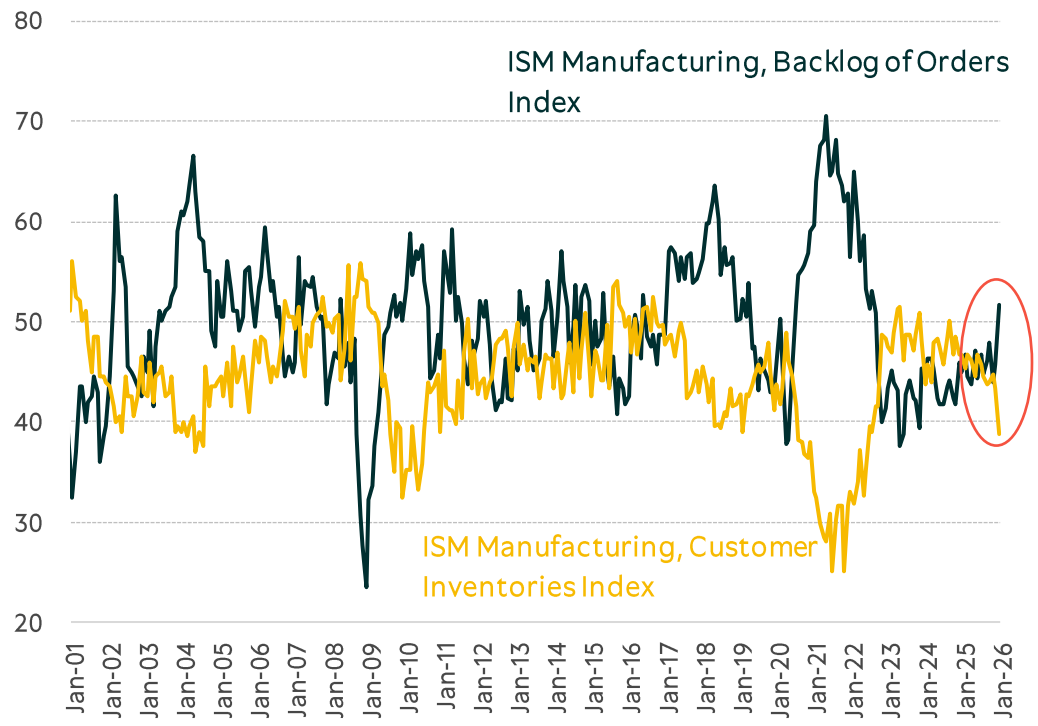


Sticky & Flexible Prices

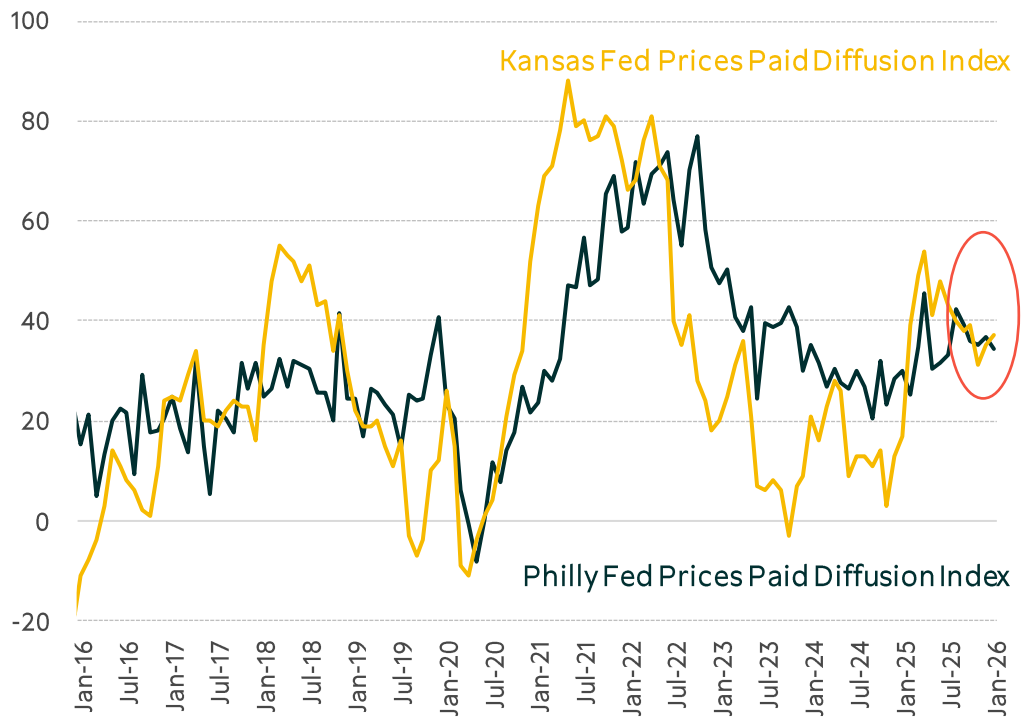


US Supply & Demand Gap | Backlog of Orders rose in January and inventories fell sharply. Price pressures from both regional Feds' surveys were mixed in January.

Backlog of Orders & Customer Inventories Relation

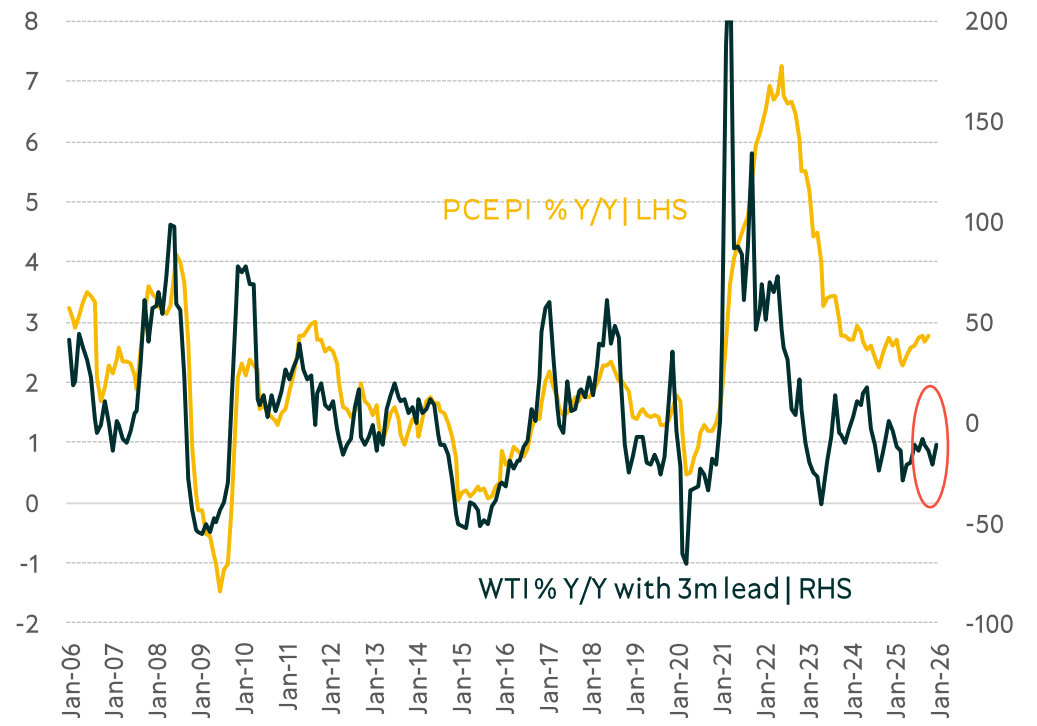


Leading Prices Indicators

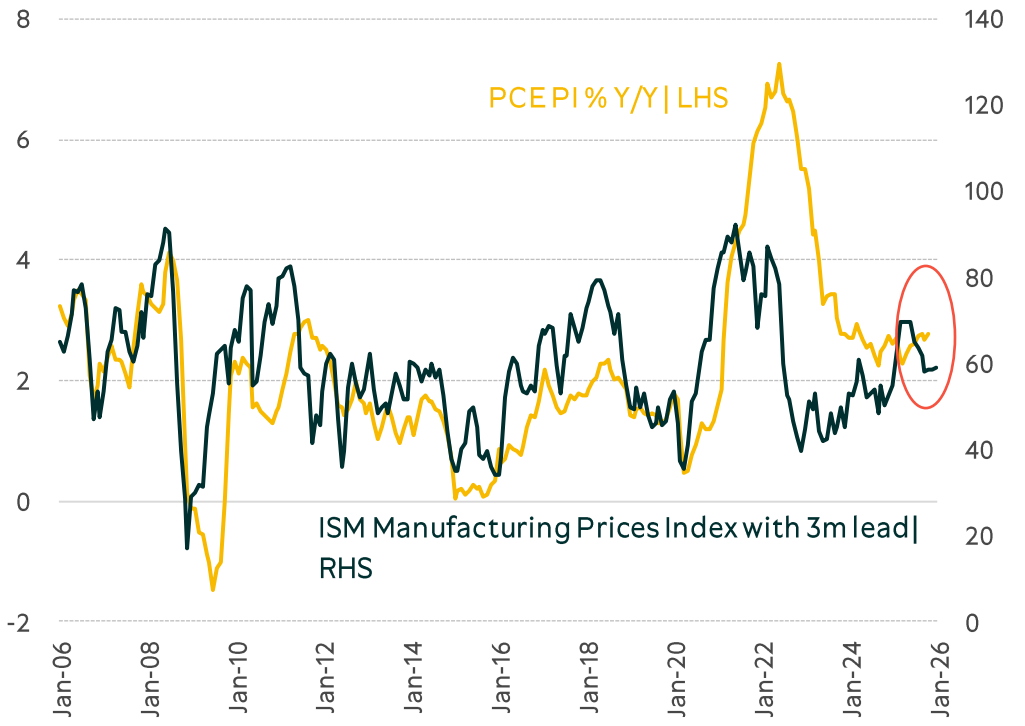


US Inflation & Energy Prices | Energy is still supportive, but the ISM Manufacturing Prices Paid index rose marginally in January

Inflation Rates & Energy Prices



Inflation Rate & Leading Prices Indicator

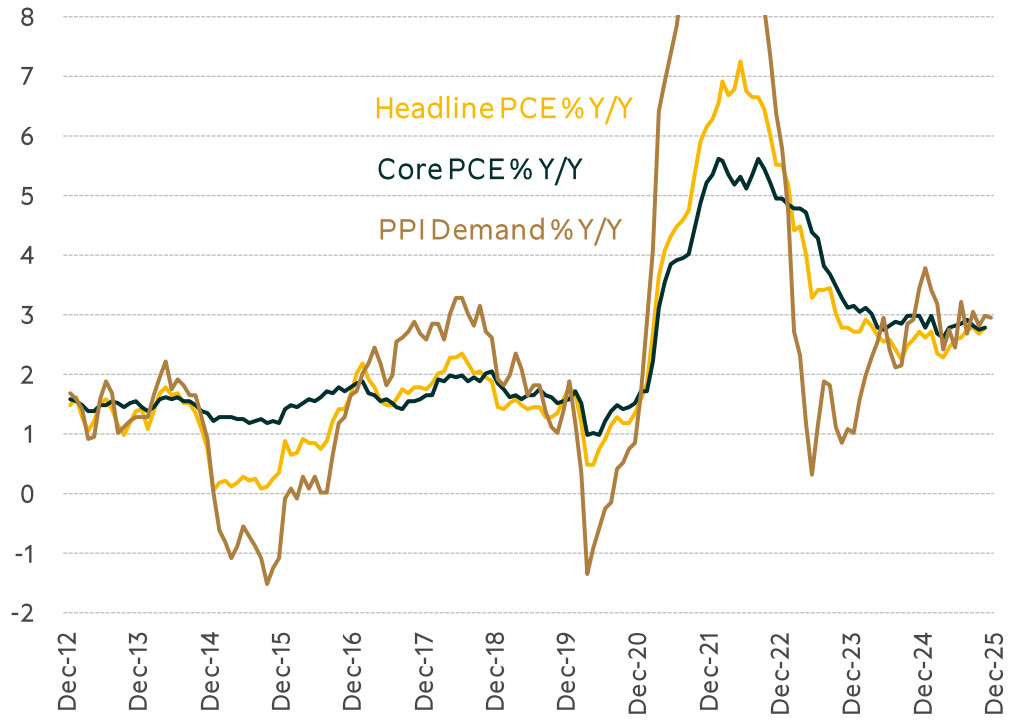


Piraeus

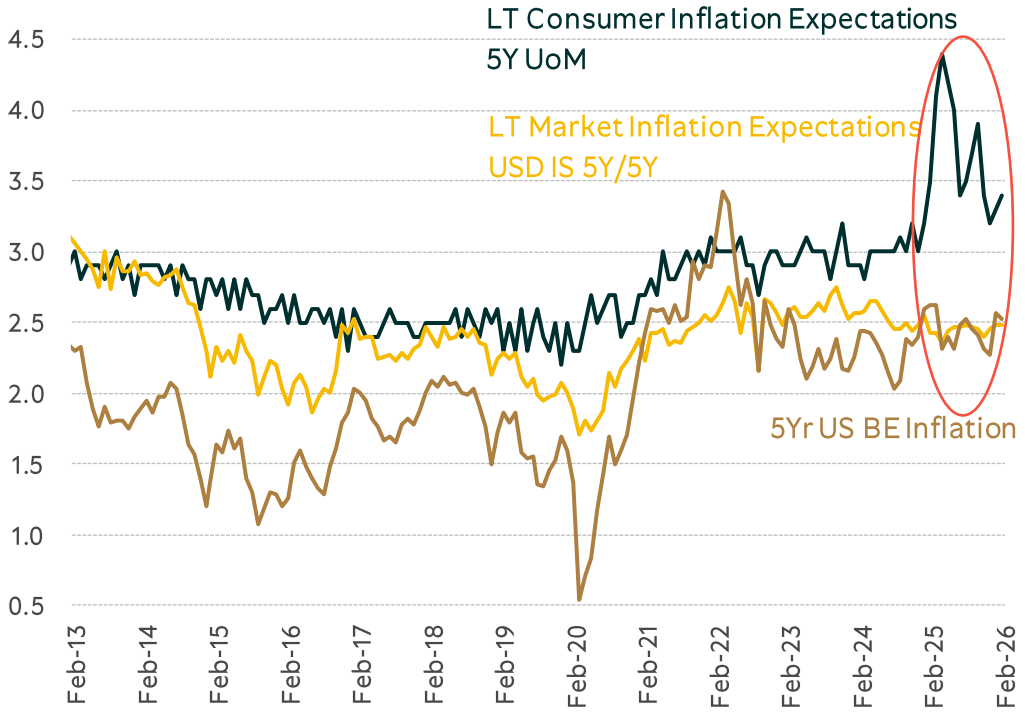
Source: Economic Research & Investment Strategy

US Headline & Core Inflation | Headline PCE inflation modestly accelerated in November. Consumers' long-term view on inflation remains higher than market's (3.4% vs 2.5%)

Inflation Rates

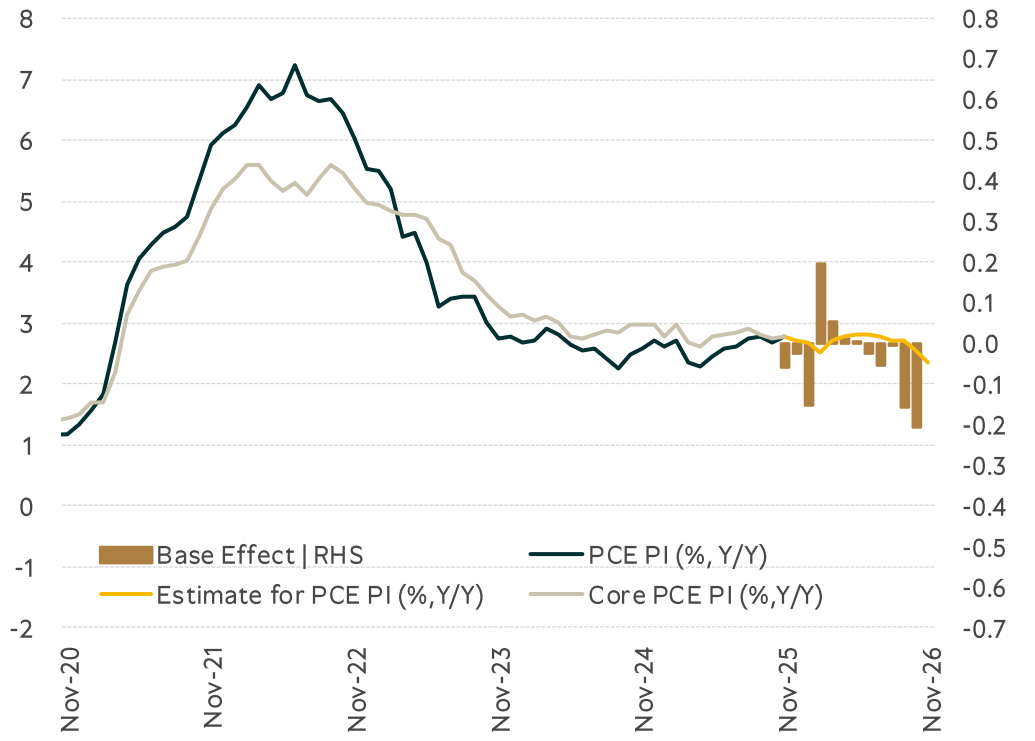


Long-Term Inflation Expectations

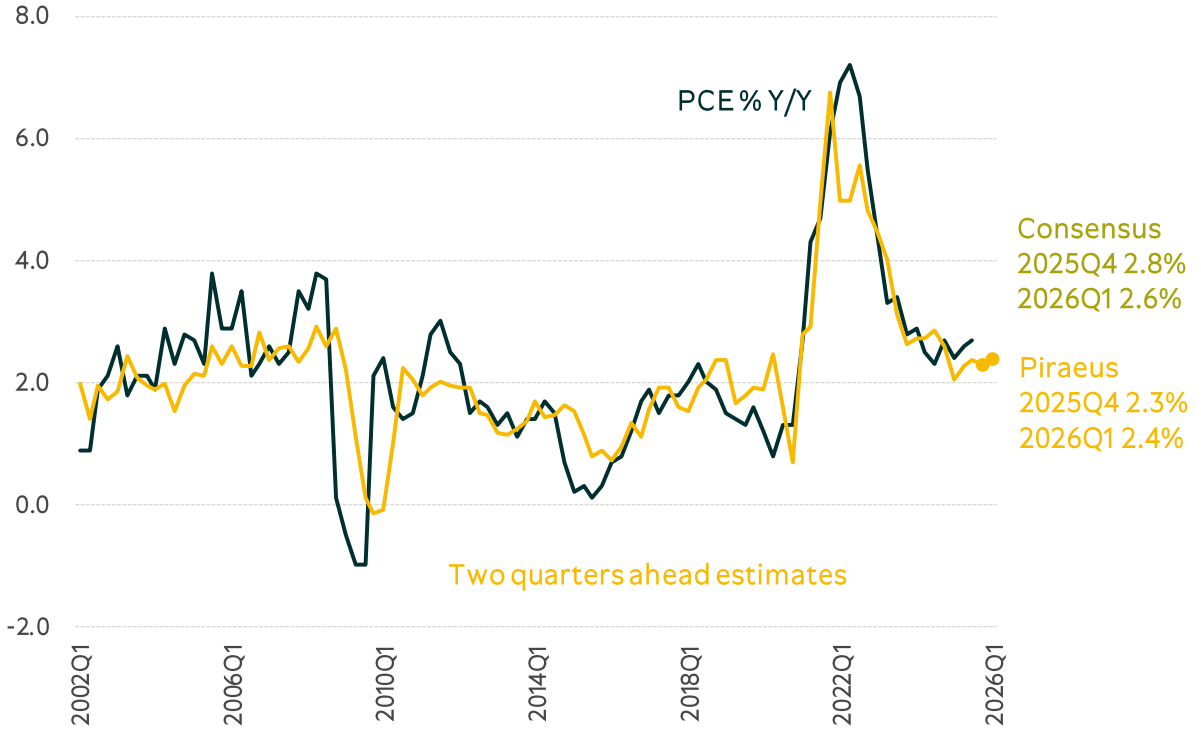


US Inflation Outlook | Both our models still point to inflation close to 2.5% for 2026

Inflation Rate Forecast | Statistical Model

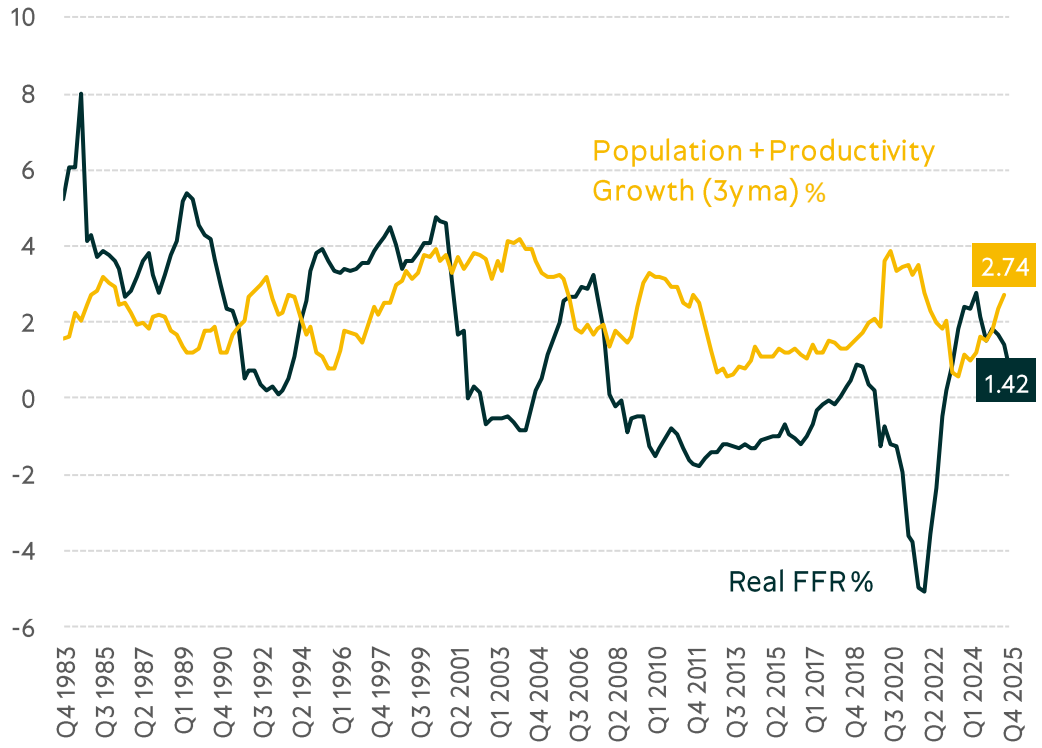


Inflation Rate Forecast | Macro Model

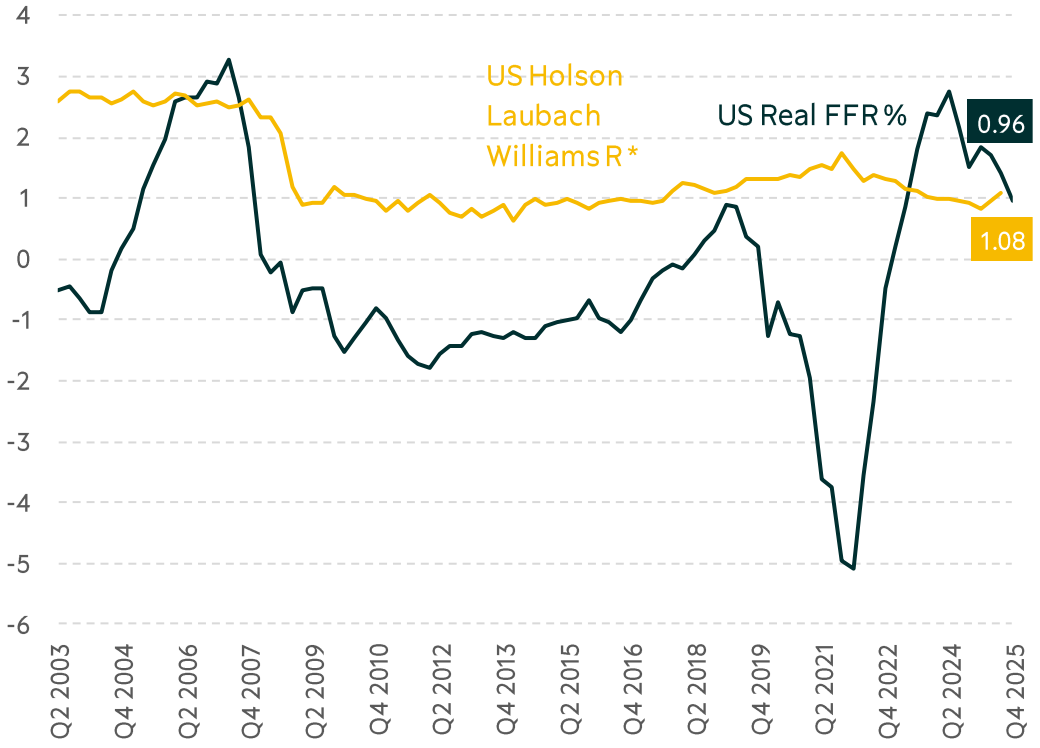


US Interest Rates | US productivity growth increased significantly in Q2 & Q3; real policy rate slightly below neutral rate HLW R*

Population + Productivity growth (3y ma) &
US Real Fed Fund Rate



US Holson Laubach Williams R* &
US Real Policy Rate (Fed Fund Rate - Core PCE)

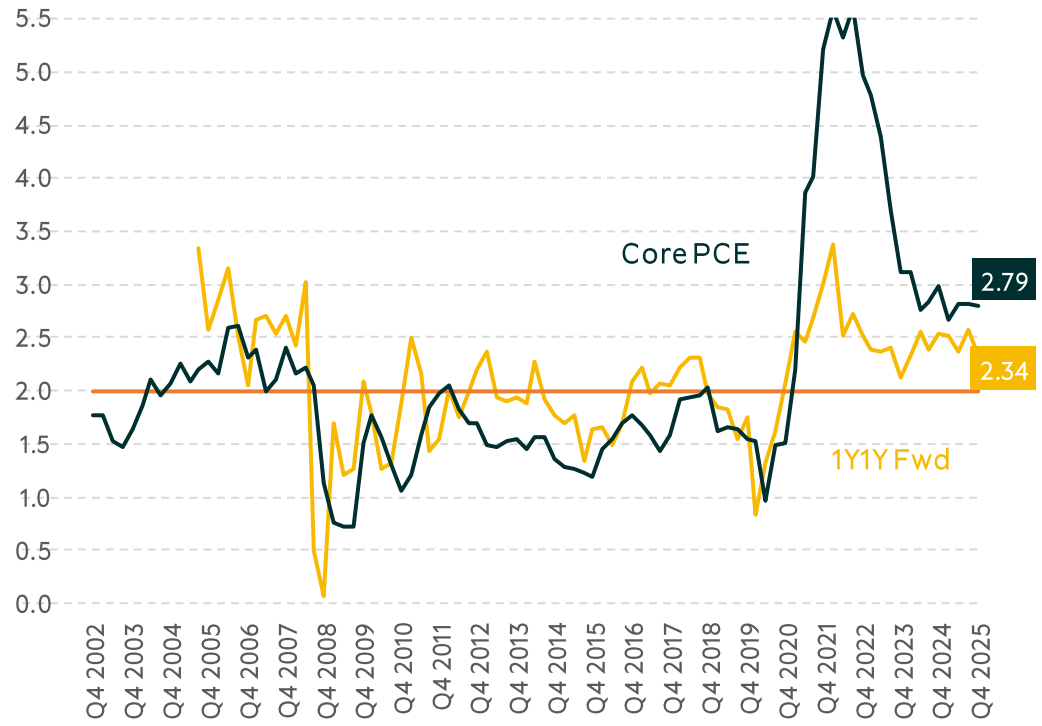


Piraeus

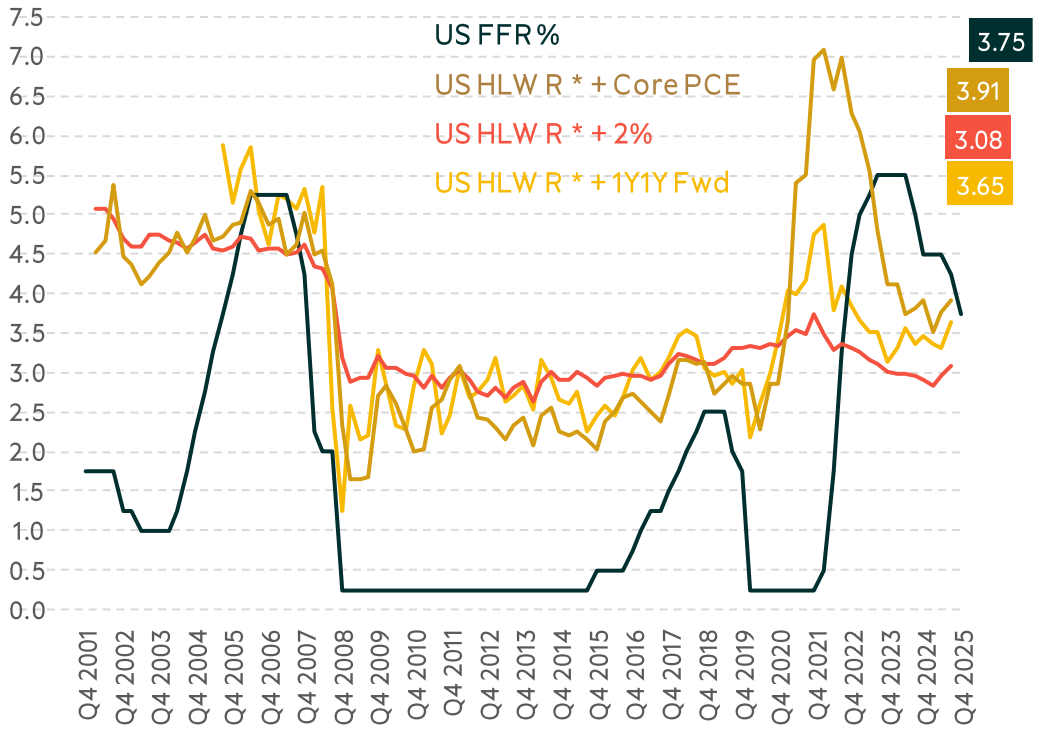
Source: Economic Research & Investment Strategy

US Interest Rates | US Inflation expectation one year ahead on a downward trend; Fed Fund Rate & Adjusted HLW R*

US Inflation & Inflation Expectations one year ahead



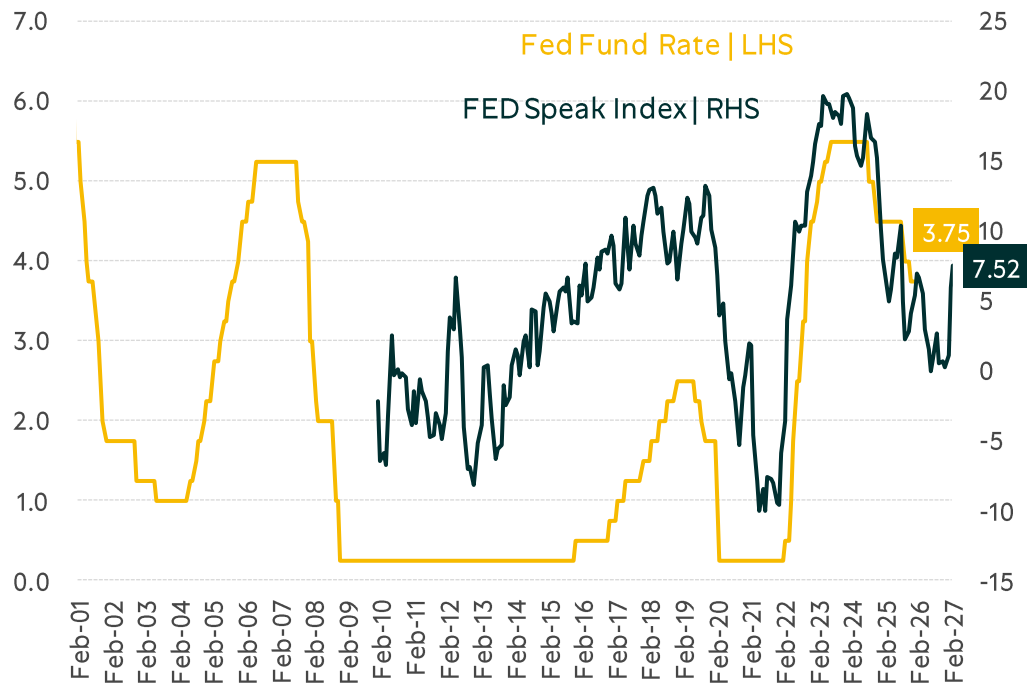
US FFR Rate & Nominal HLW R*



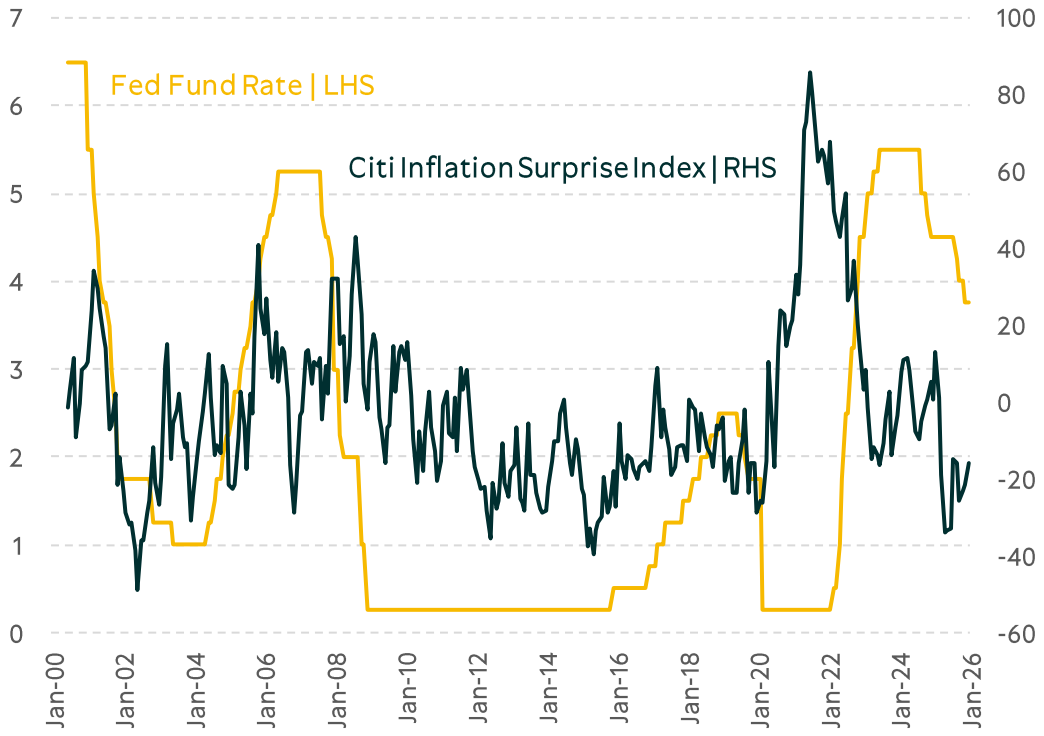
Source: Economic Research & Investment Strategy

US Interest Rates | Fed Speak Index above zero; Negative price surprises relative to market expectations

Fed Speak Index & Fed Fund Rate



Inflation Surprises & Fed Fund Rate



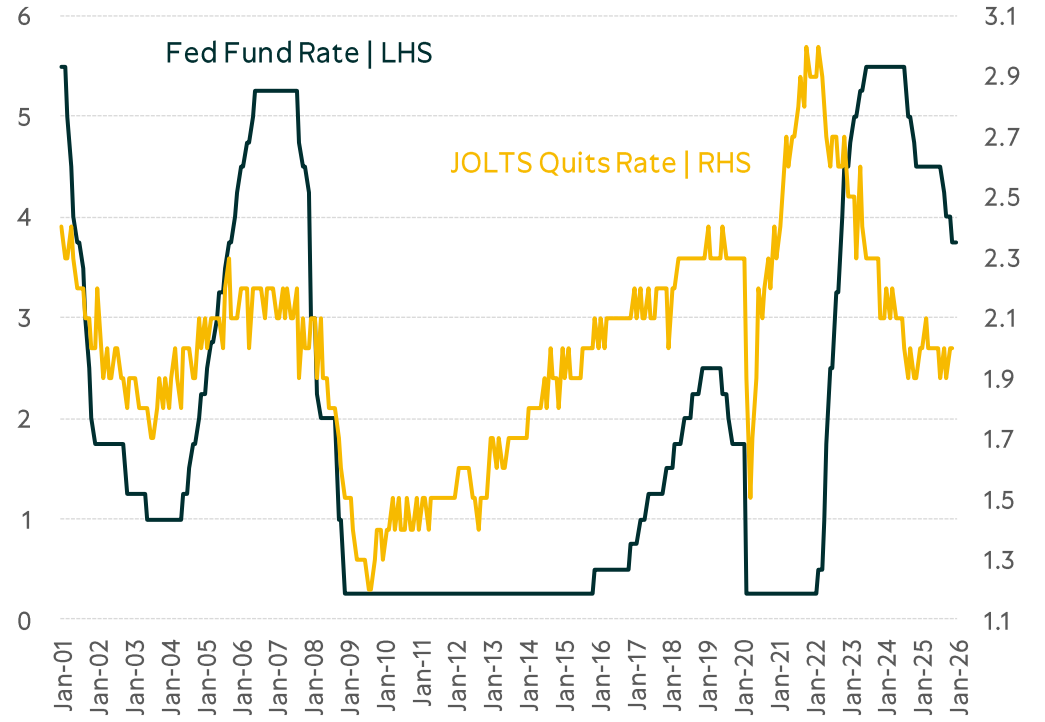
Positive index → Indicates a hawkish tone, meaning the central bank is leaning toward tightening monetary policy (raising interest rates, reducing liquidity).
Negative index → Indicates a dovish tone, meaning the central bank is inclined toward easing monetary policy (lowering rates, adding liquidity).

Positive index → Indicates that inflation has been higher than expected

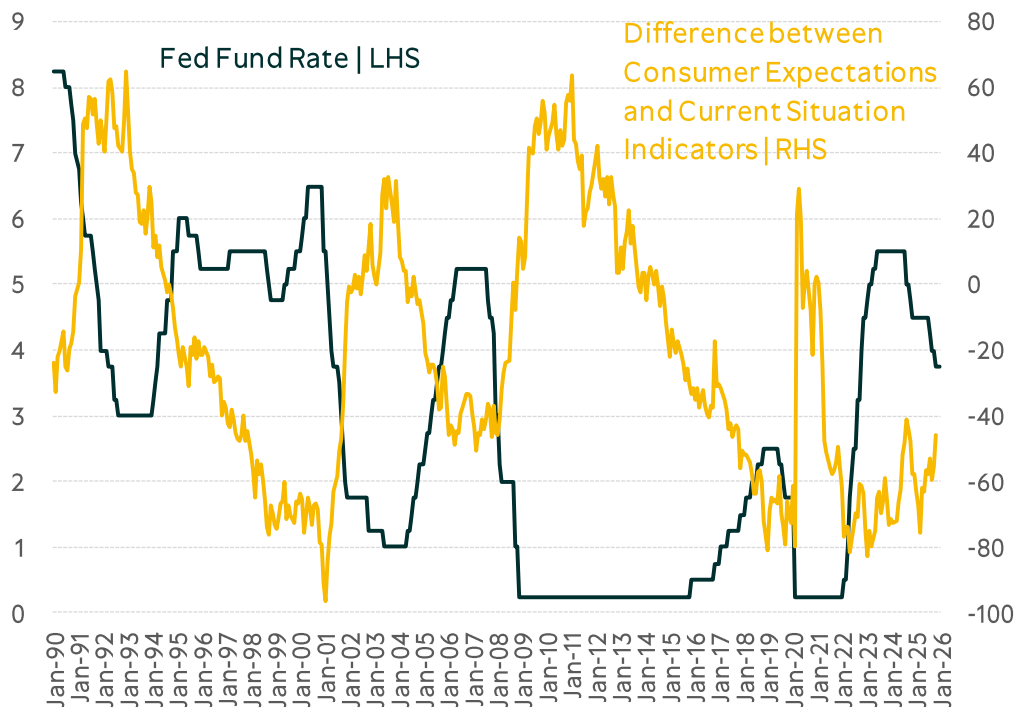
Negative index → Indicates that inflation has been lower than expected

US Interest Rates | JOLTS Quits Rate & Consumer Expectations point to lower Fed Fund Rate

Fed Fund Rate & Quits Rate



Fed Fund Rate & Difference between Consumer Expectations and Current Situation Indicators (Conference Board)

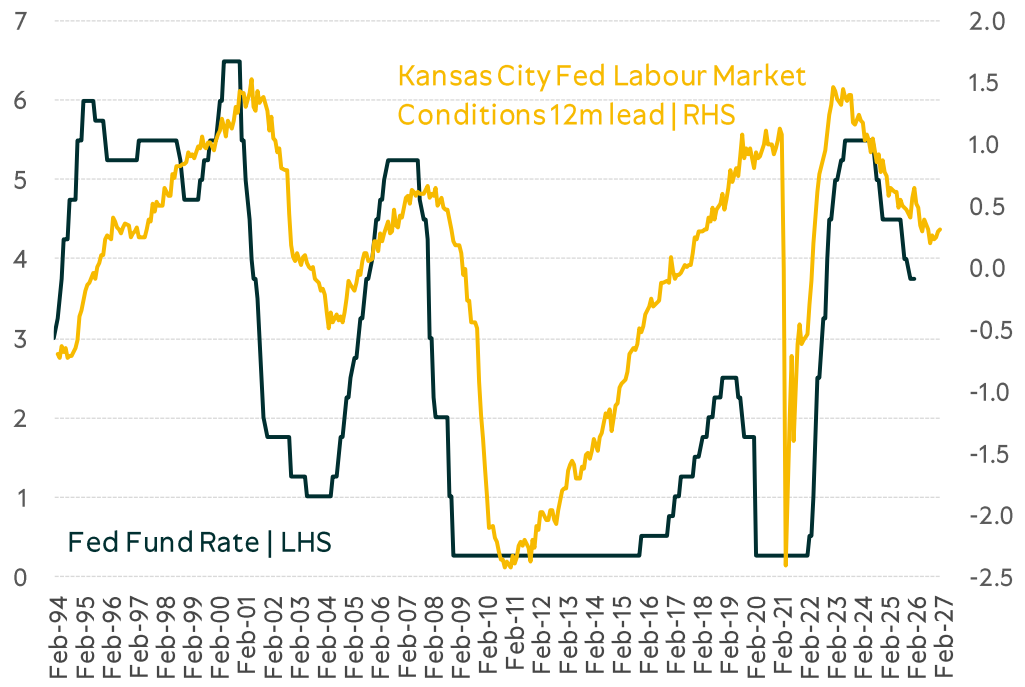


Piraeus

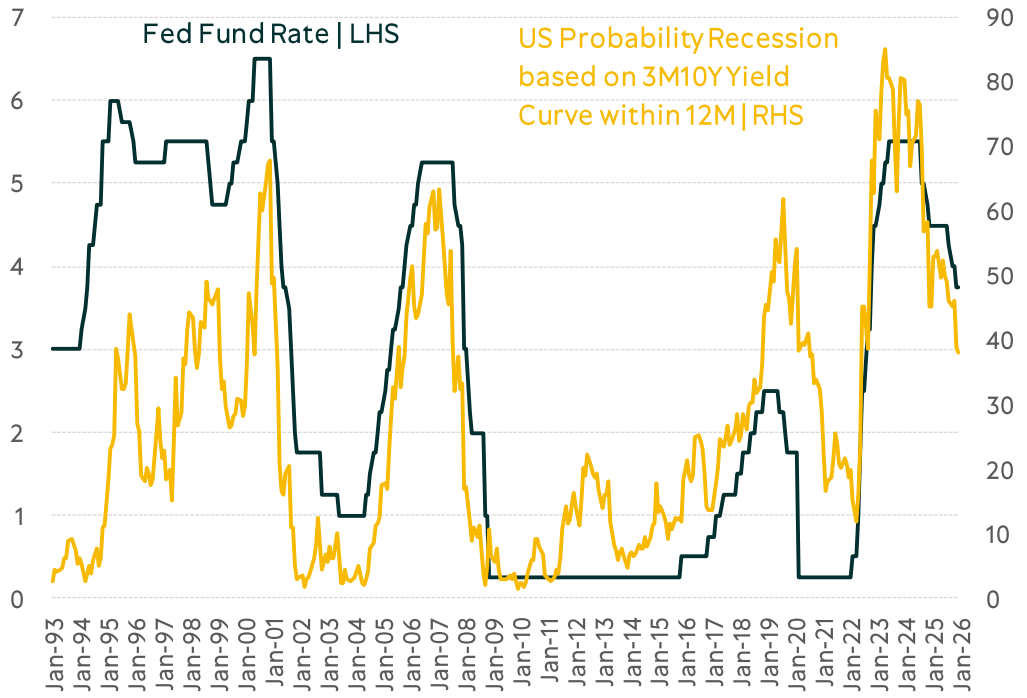
Source: Economic Research & Investment Strategy

US Interest Rates | Kansas Fed Labour Market Conditions (12m lead) & Recession probability vs policy rate

Fed Fund Rate & Kansas City Fed Labour Market Conditions

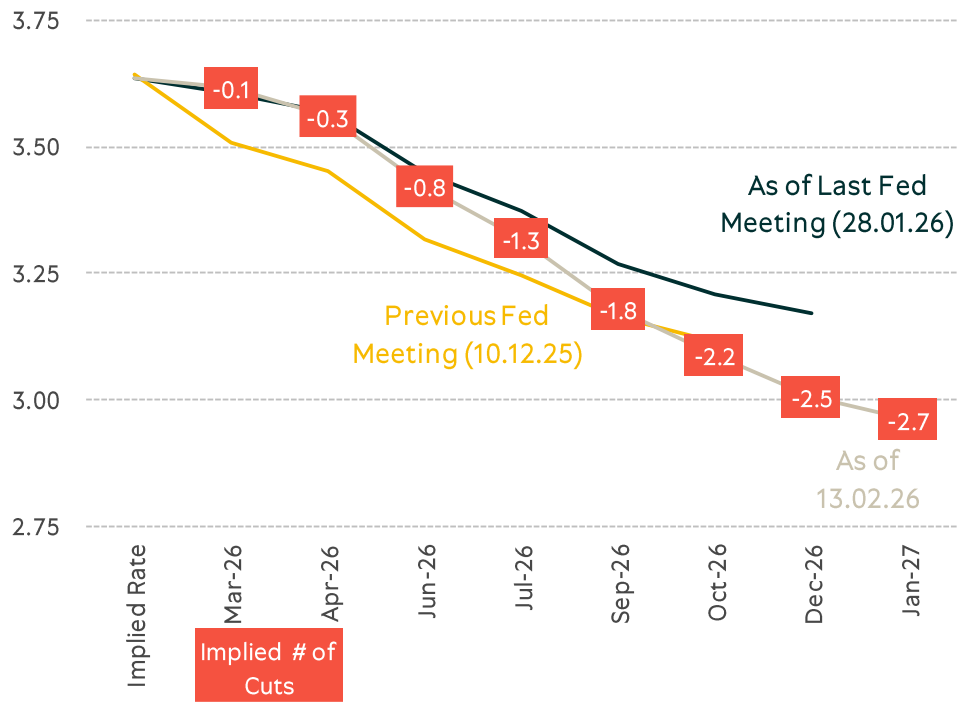


Fed Fund Rate & Probability Recession based on Yield Curve 3M10Y within 12M

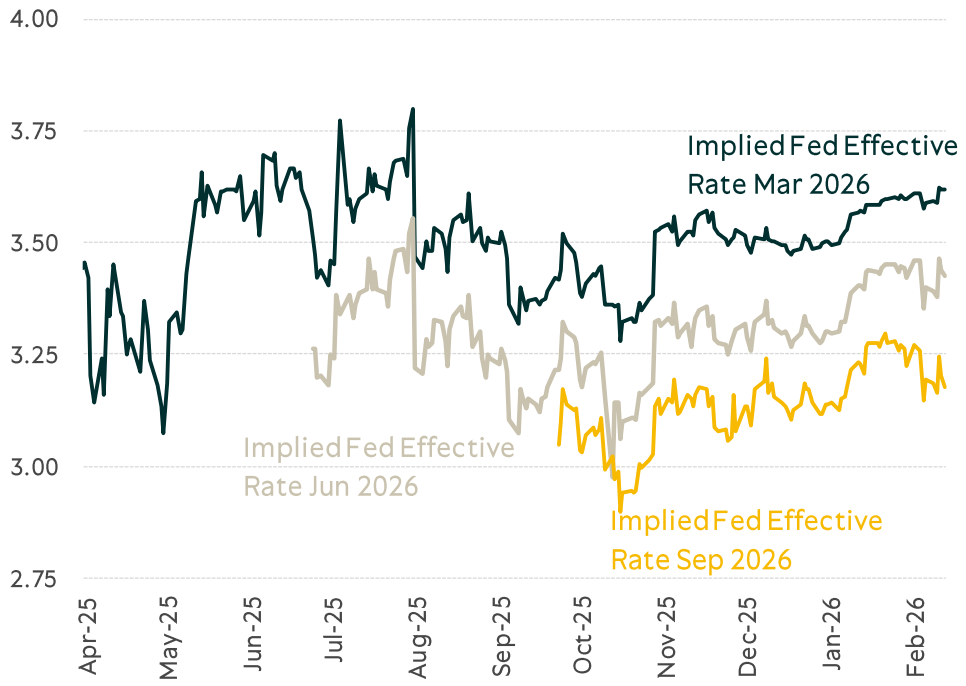


US Interest Rates | Between 2 and 3 cuts are anticipated by the markets for 2026

Implied Overnight Rate based on Overnight Index Swaps

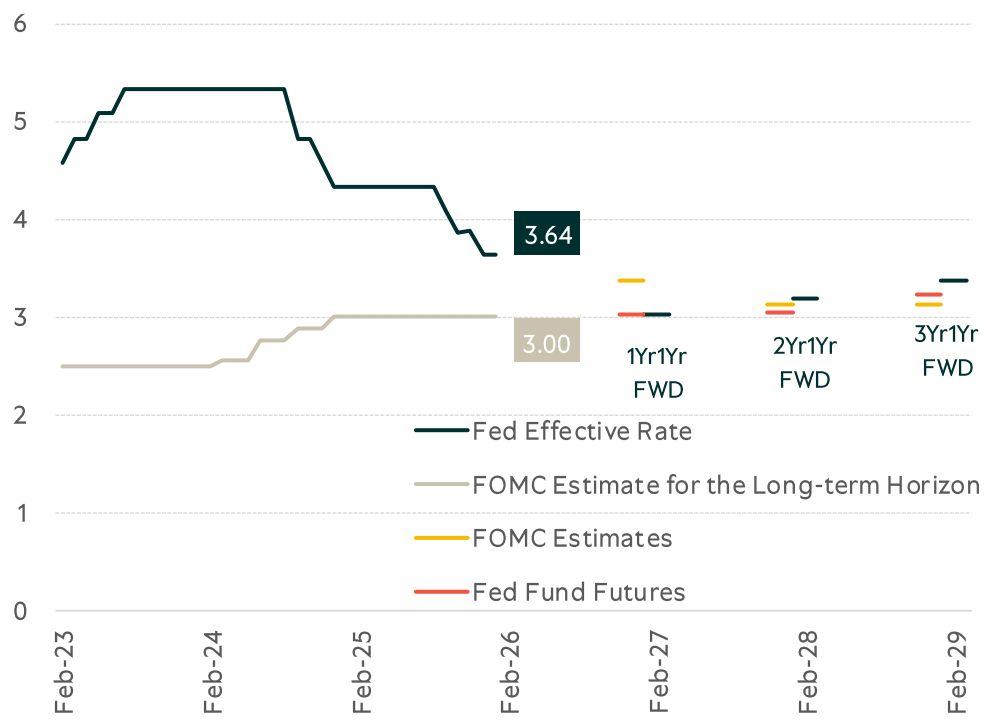


Interest Rates | Implied Fed Effective Rate

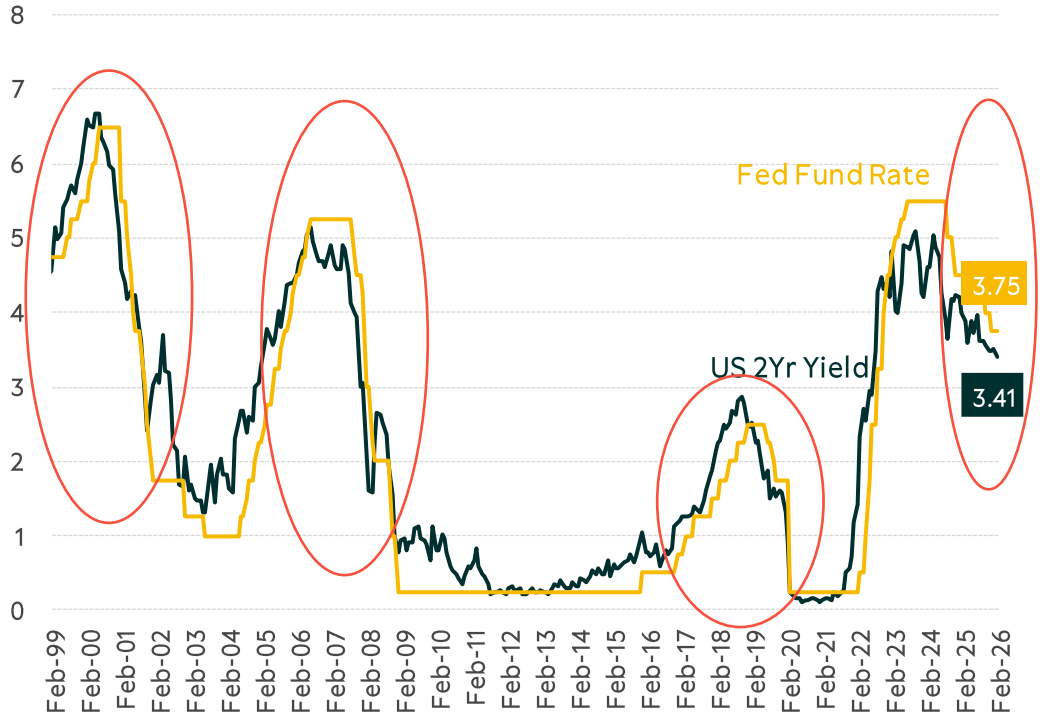


US Interest Rates | 1Y1Y Forward rates are at FOMC's long-term target

Interest Rates | Fed Effective Rate



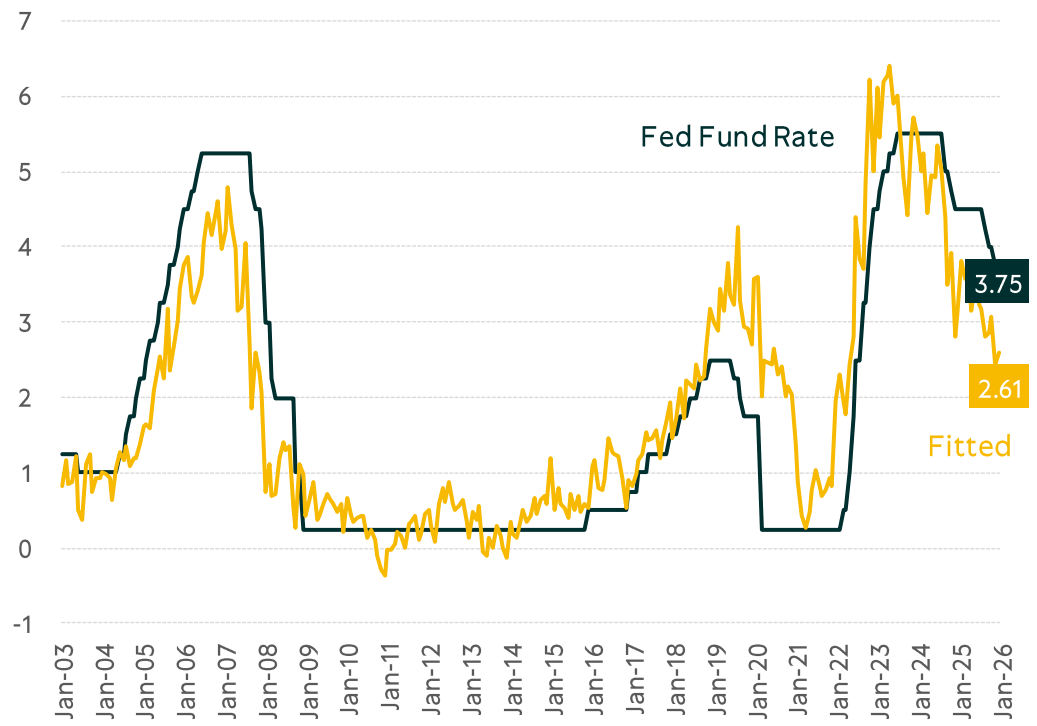
Fed Fund Rate & US Treasury Yield



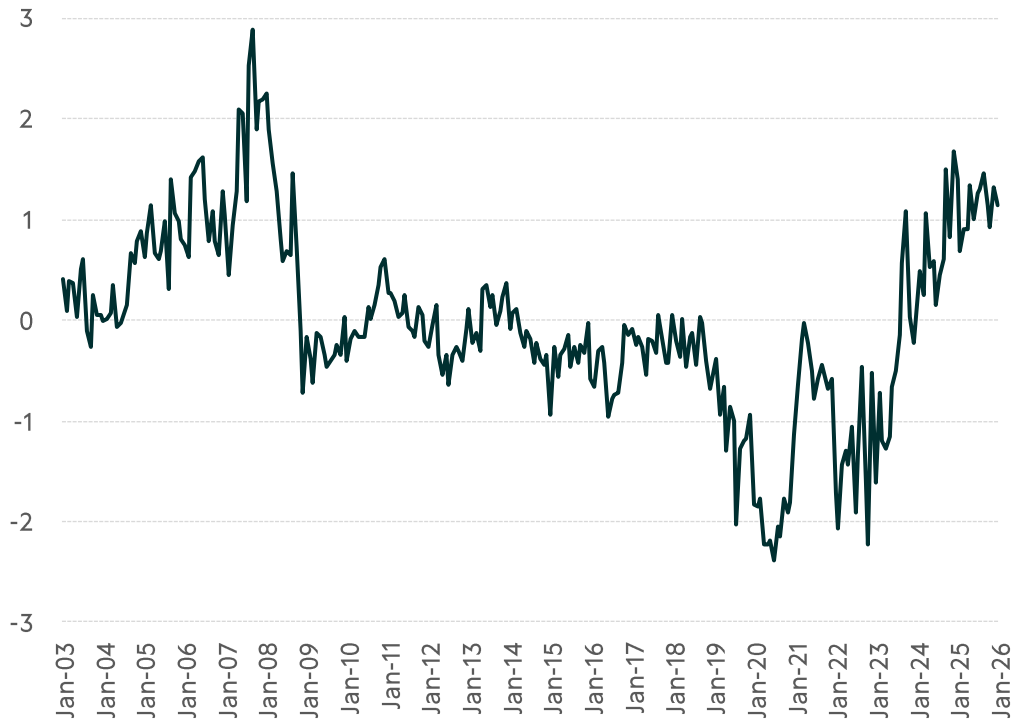
Note: Monthly data apart from the last observation which shows the latest available daily value

US Interest Rates | Taylor Rule Proxy Model & Fed Funds Rate

Fitted vs Actual

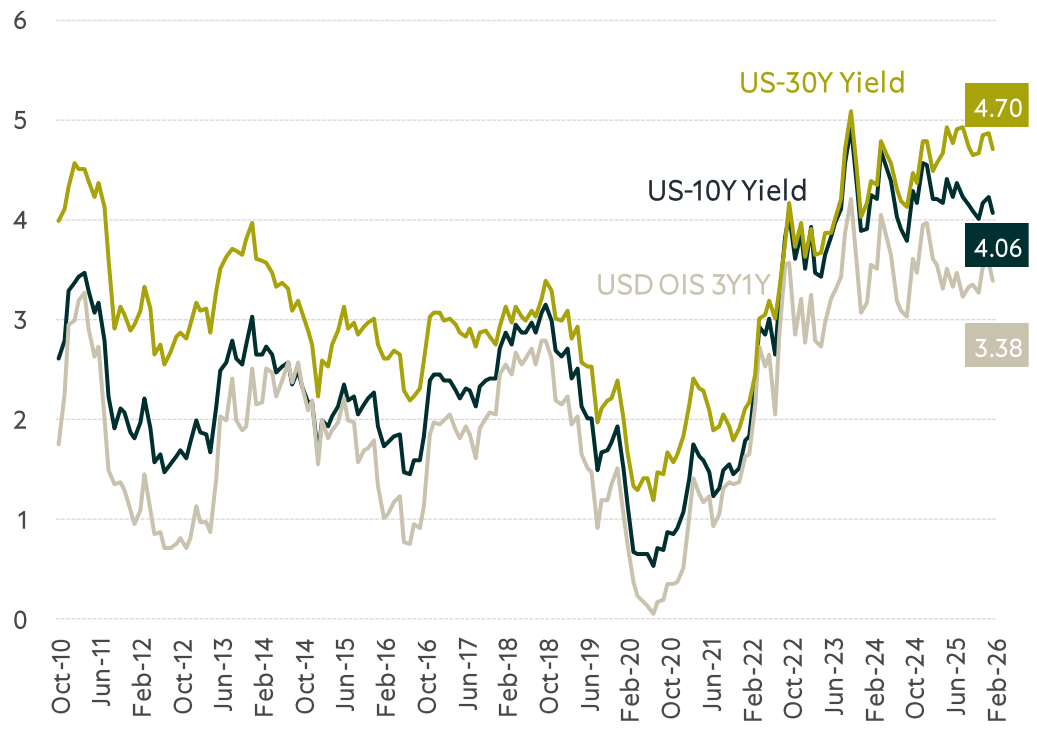


Residuals



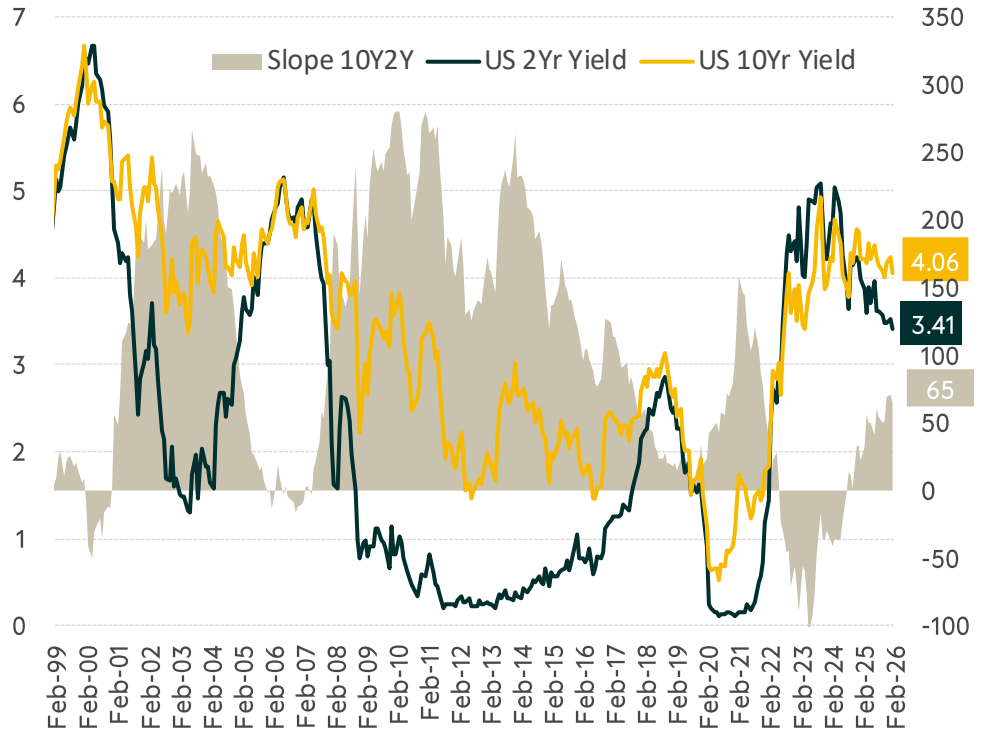
US | The Fed resumed cutting rates in 2025 by reducing its benchmark rates by 25 bps in September, October and December.

US 10-Year, US 30-Year Yield & USD OIS 3Y1Y



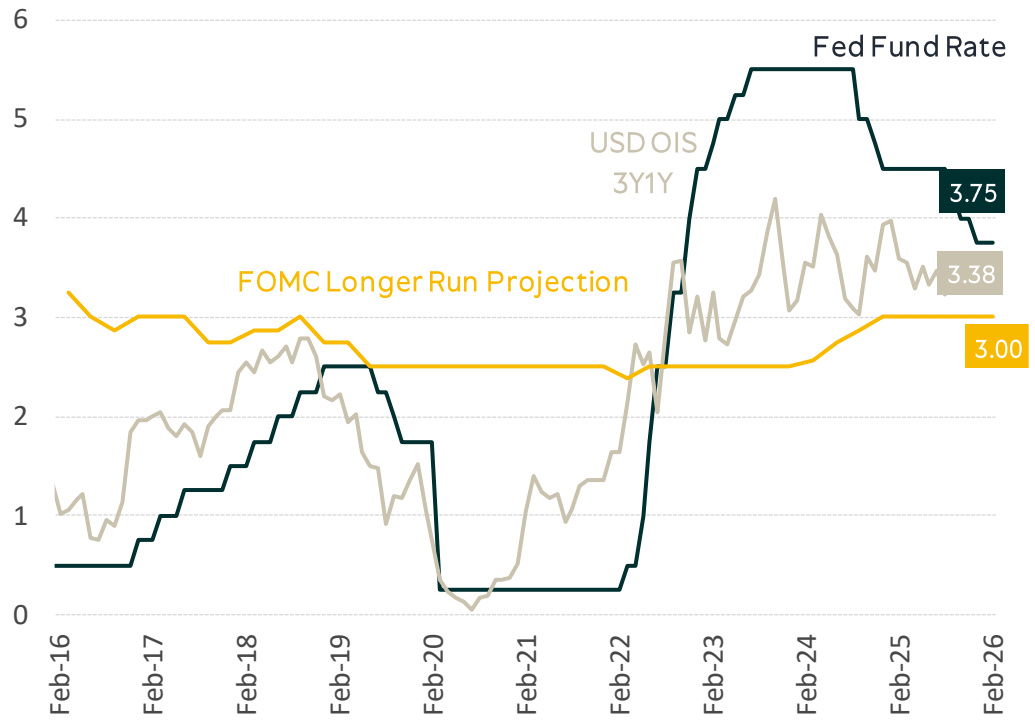
Note: Monthly data apart from the last observation which shows the latest available daily value

US Yield Curve



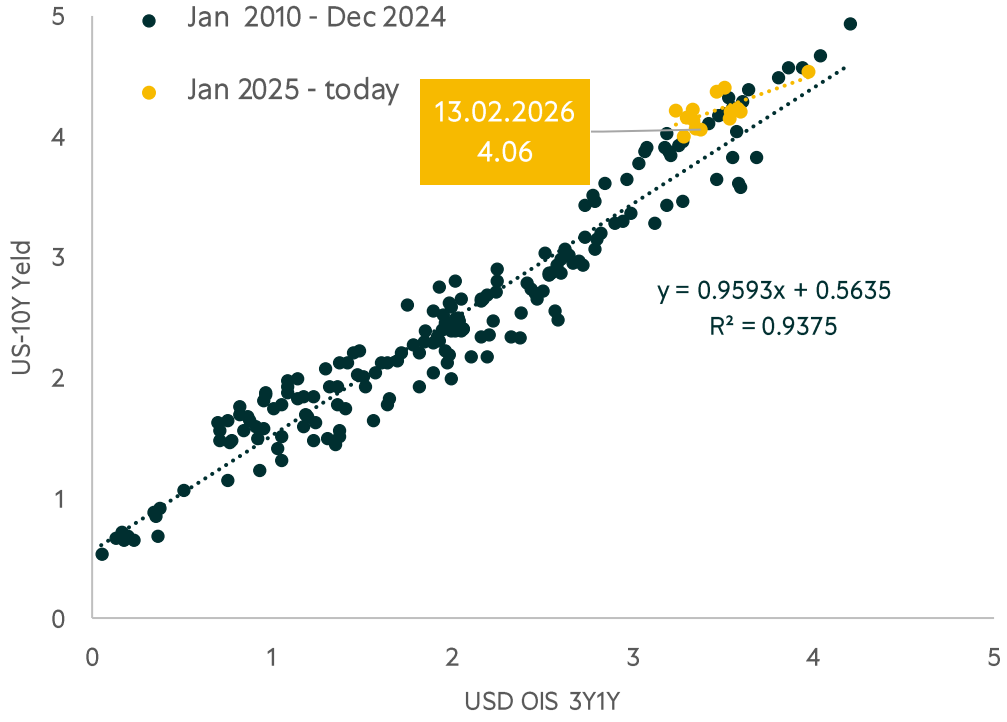
US Long-Term Rates | Short-term rates 4 years in the future above target (3%). 10- year rates above "fair" value given the current level of short-term rates.

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

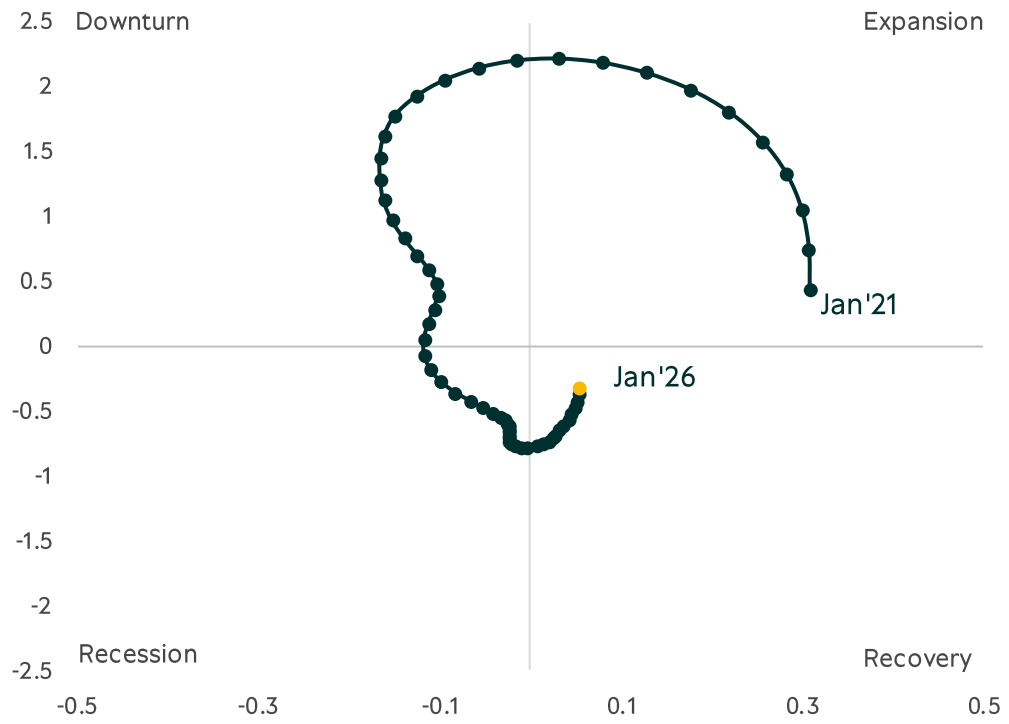
US Economy

EA Economy

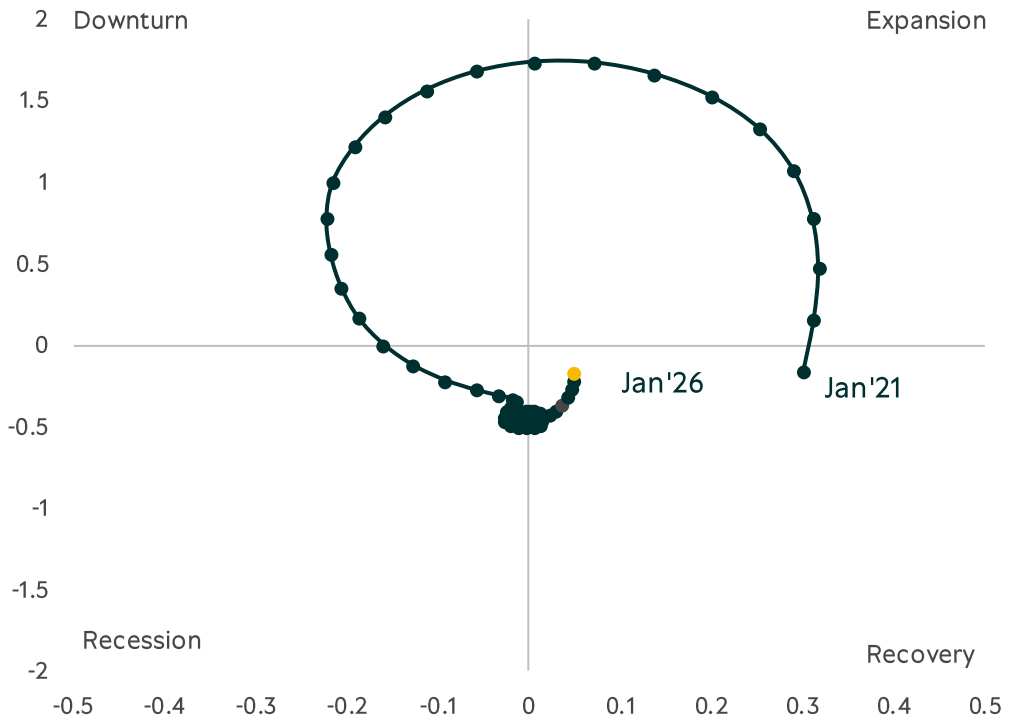
China Economy

EA Business Cycle Watch | In January, both economic sentiment and manufacturing confidence remained in the recovery phase; trending towards the expansion phase after many months near the recession phase.

EA Business Cycle | Based on Manufacturing Confidence Indicator

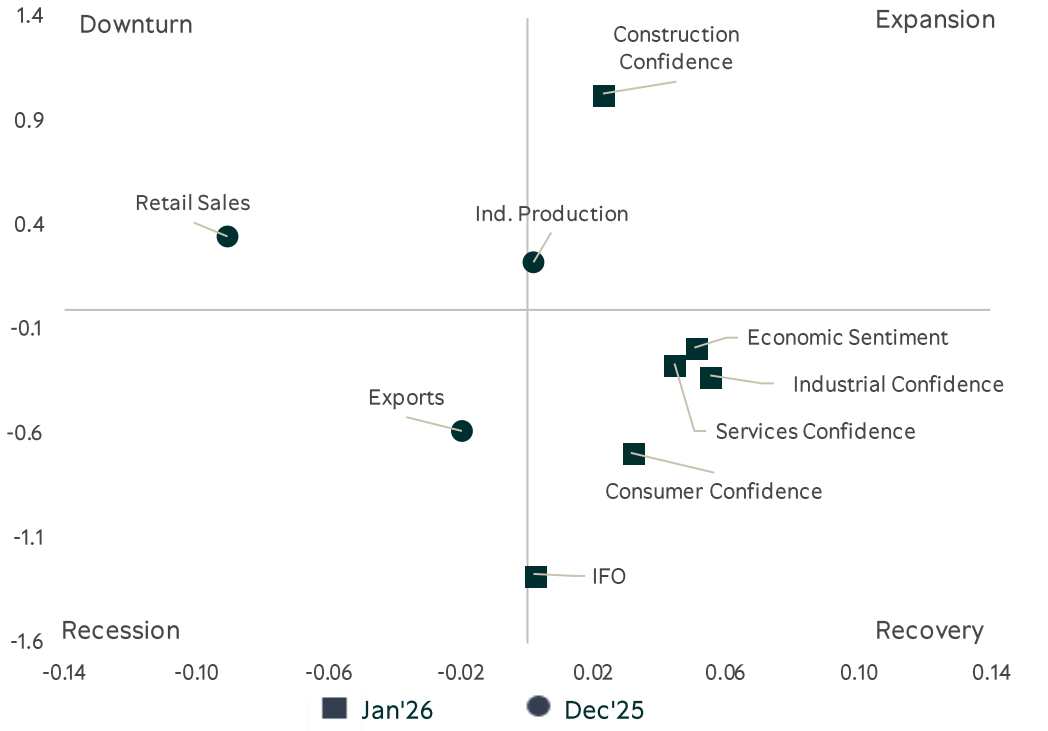


EA Business Cycle | Based on Economic Sentiment Indicator

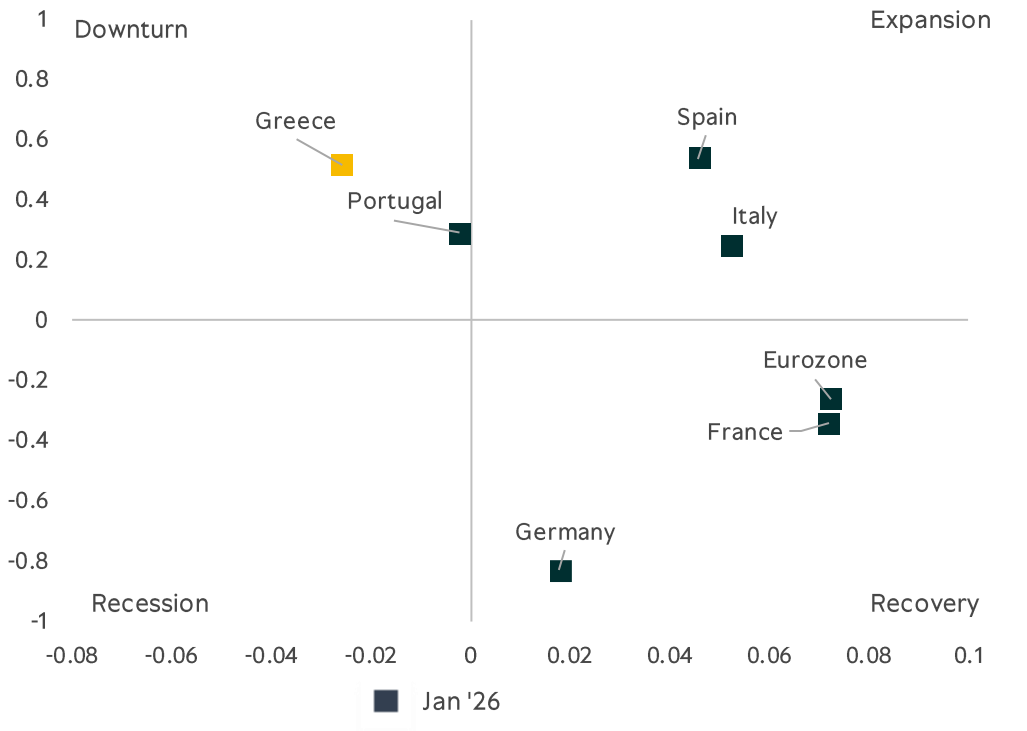


EA Business Cycle | Mixed signals are observed across major economic variables and at a country level, with ESI declining only in Greece and Portugal in January.

EA Business Cycle | Based on Major EA Economic Variables

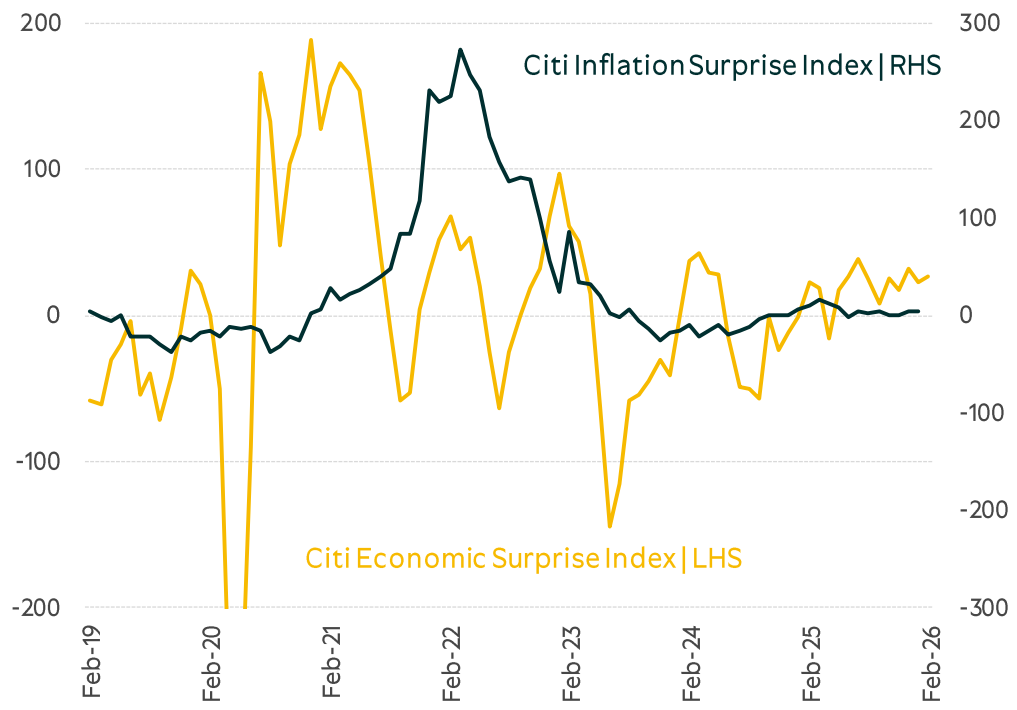


Business Cycle of EA Members | Based on Economic Sentiment Indicator

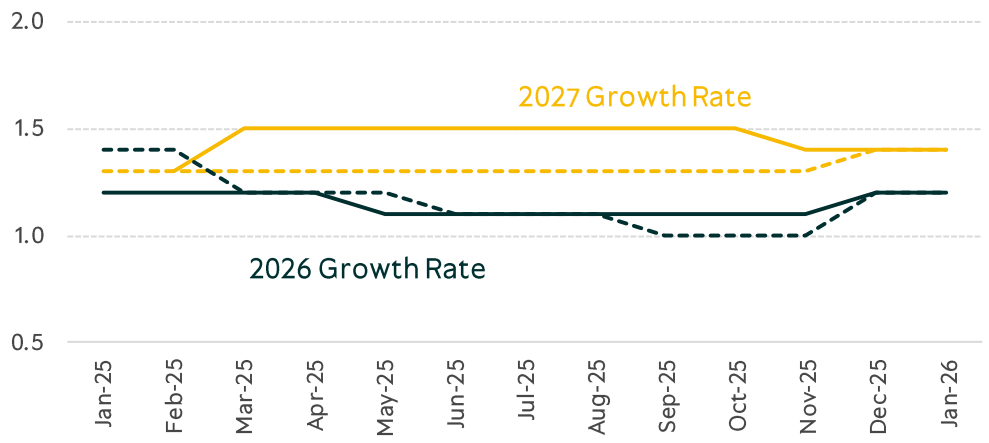


EA Macro Expectations | In February, economic surprises remained stable as consensus forecasts point to slightly stronger growth in 2026 and 2027.

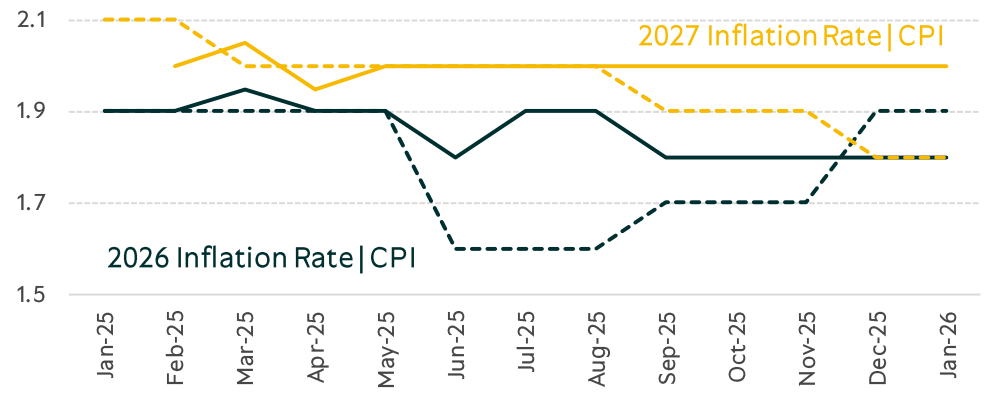
Economic & Inflation Surprises



Growth Rate Expectations*



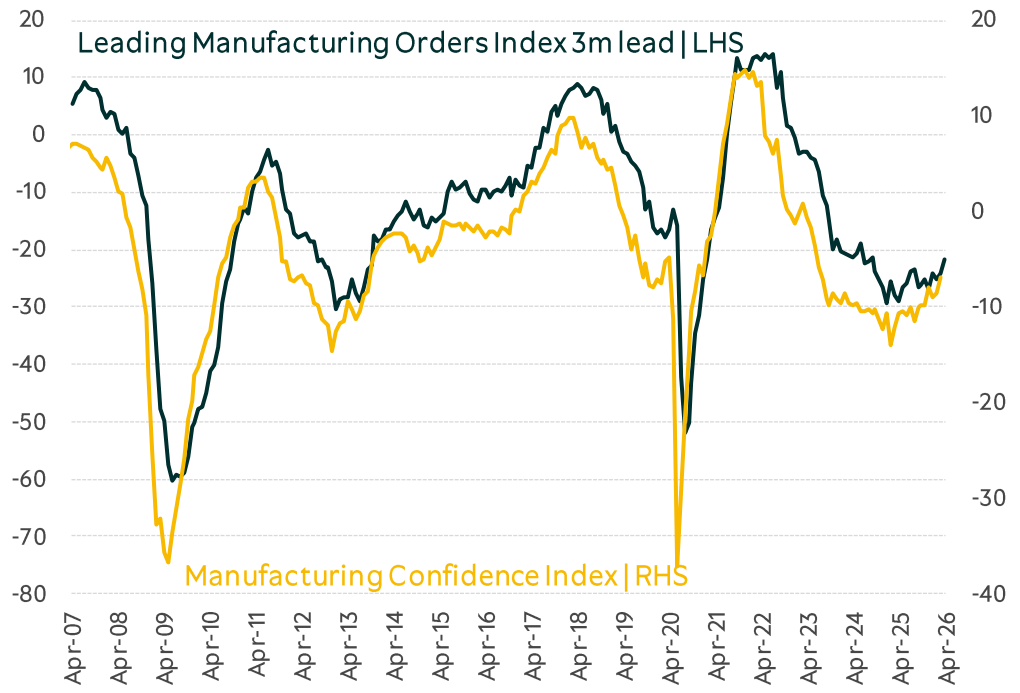
Inflation Rate Expectations*



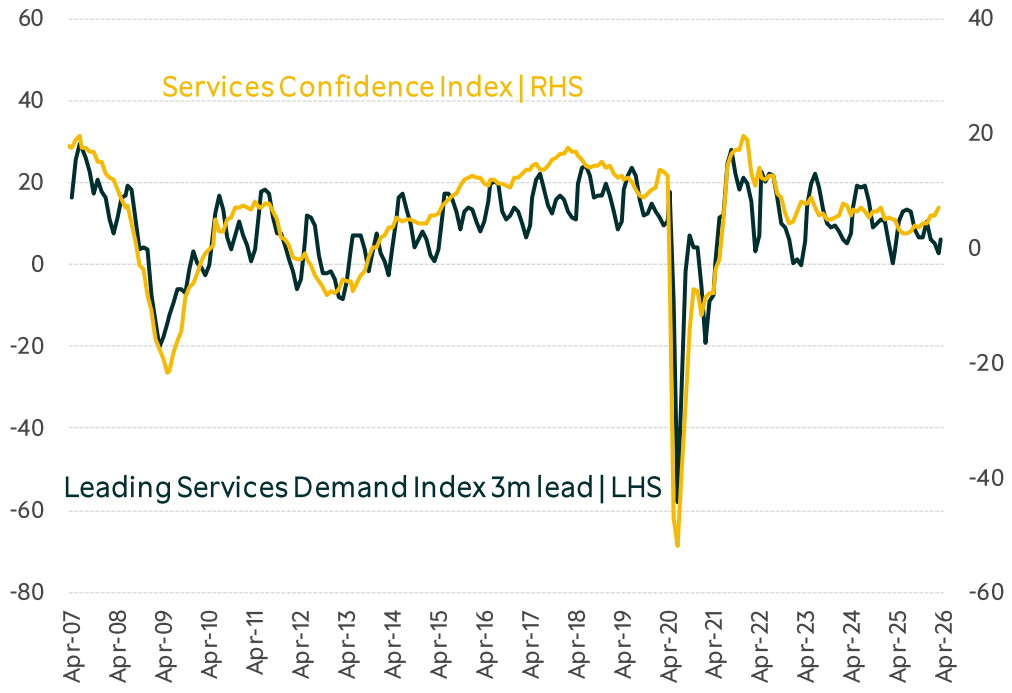
*Solid line: Consensus; Dotted line: ECB projections

EA Leading Indicators | In January, manufacturing confidence continued to weaken, though at a slower pace, while the Leading Services demand index increased after 3 months of decline.

Manufacturing Confidence Index & Leading Manufacturing Orders



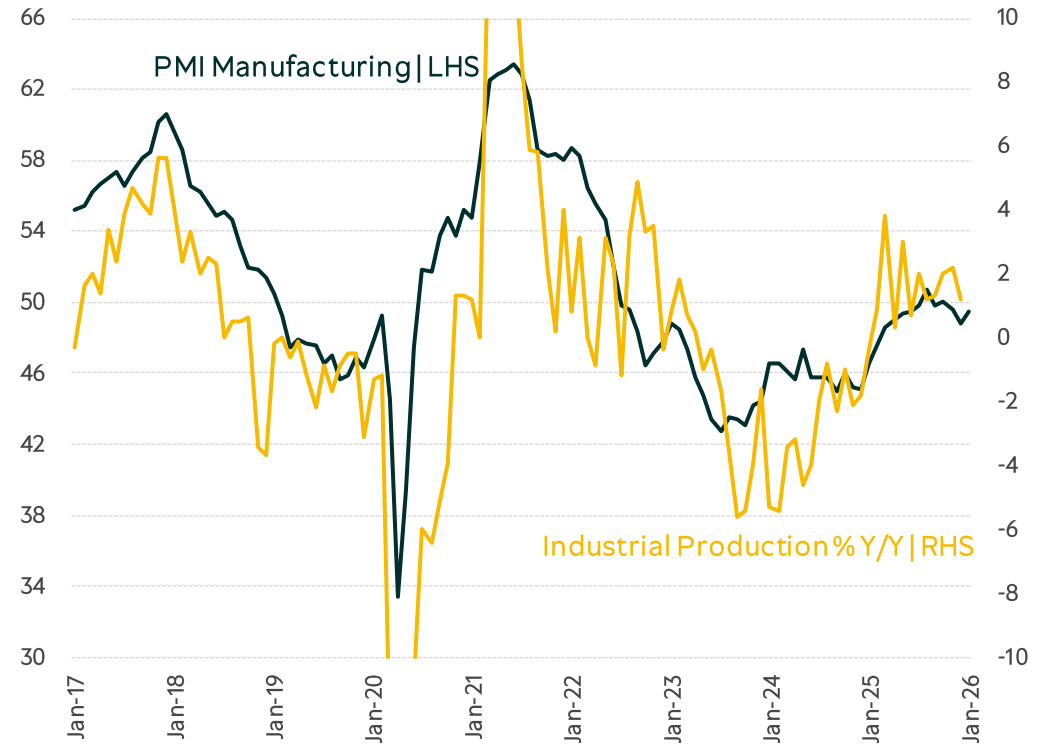
Services Confidence Index & Leading Services Demand Index



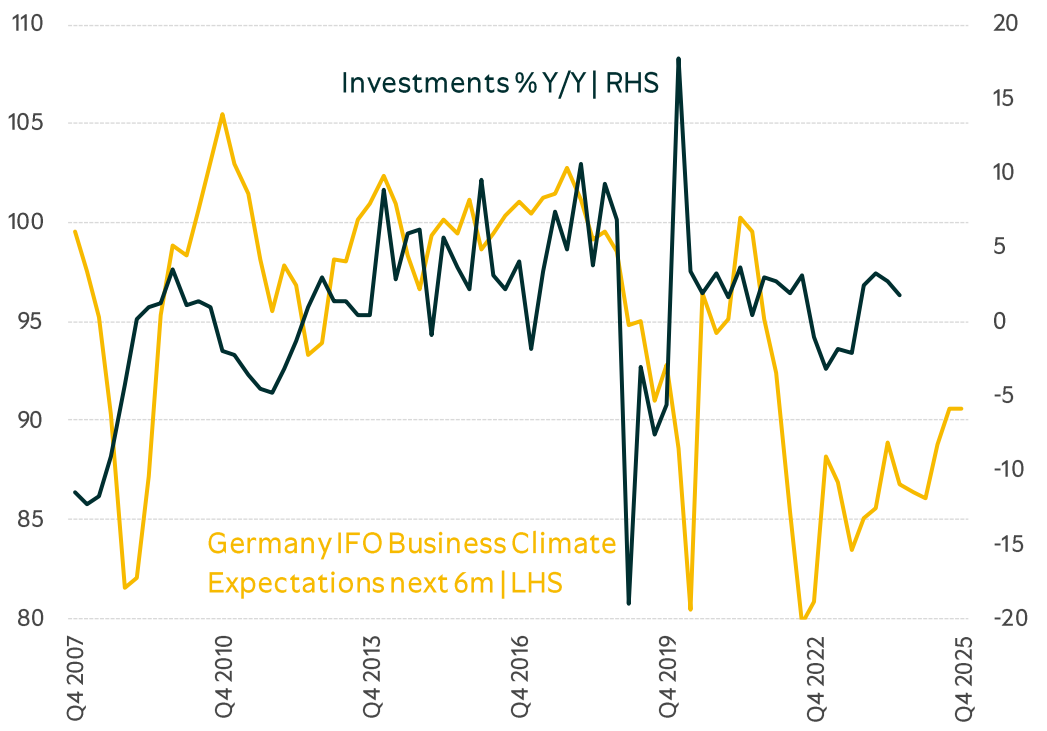
Source: Economic Research & Investment Strategy

EA Business Conditions | Industrial's output growth decelerated significantly in December (1.2% yoy), driven by a fall in energy & consumer goods. The Manufacturing Leading Indicator strengthened in January.

Industrial Production & PMI Manufacturing

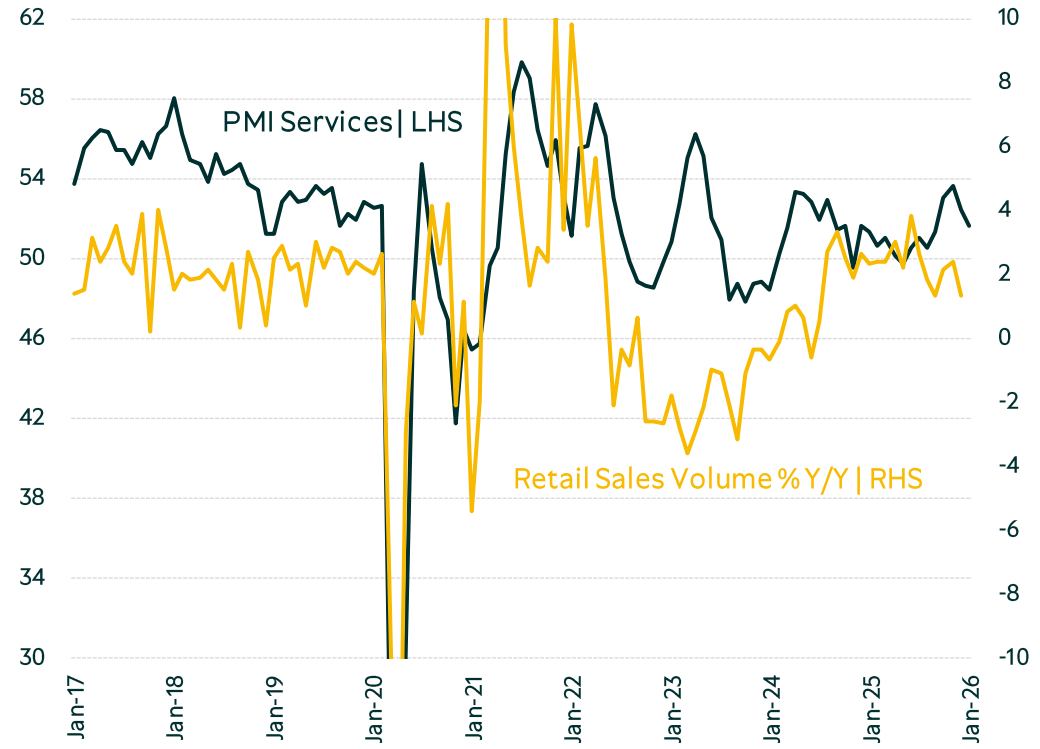


IFO Expectations & Business Investment

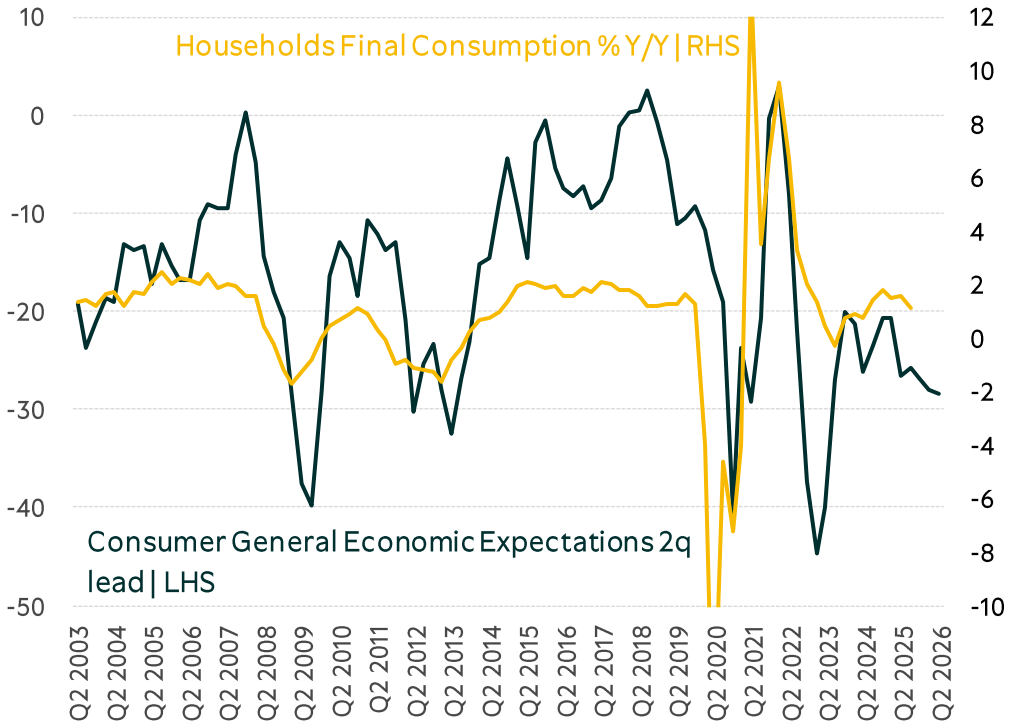


EA Business Conditions | The Services PMI eased to 51.6 in January from 52.4 in December, indicating softer GDP momentum. Retail sales rose 1.3% Y/Y in December, down from 2.4% in November.

Retail Sales Volume & PMI Services

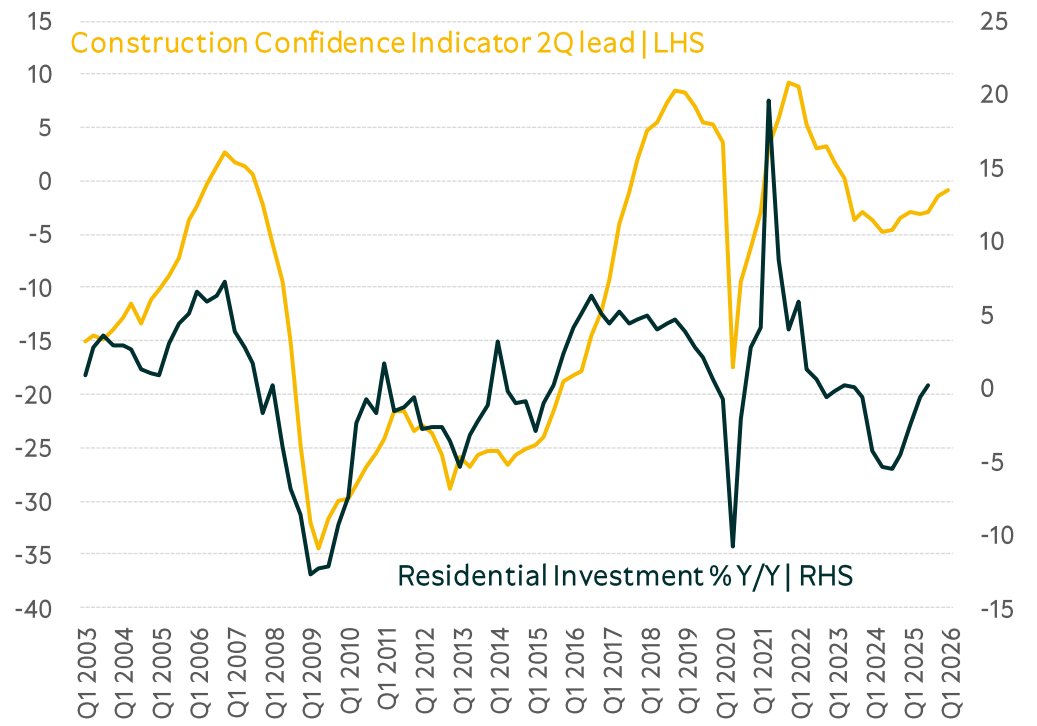


Final Consumption & Consumer Expectations Index

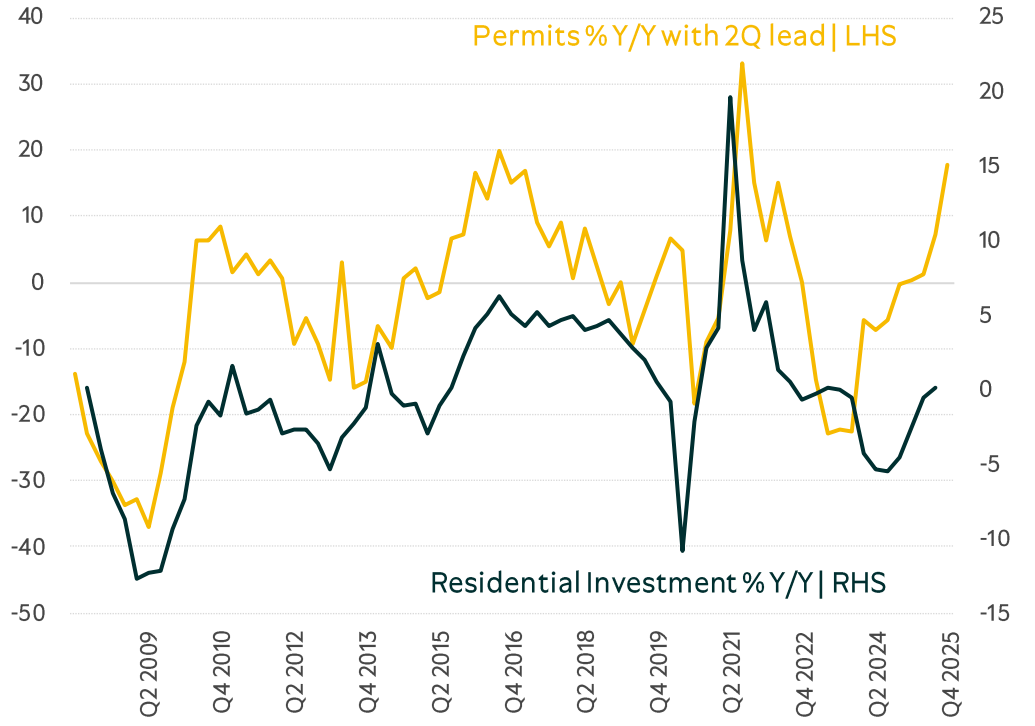


EA Construction | The residential sector is displaying positive momentum as Construction Confidence continues to rise. House permits also rose markedly in Q3.

Residential Investment & Construction Confidence

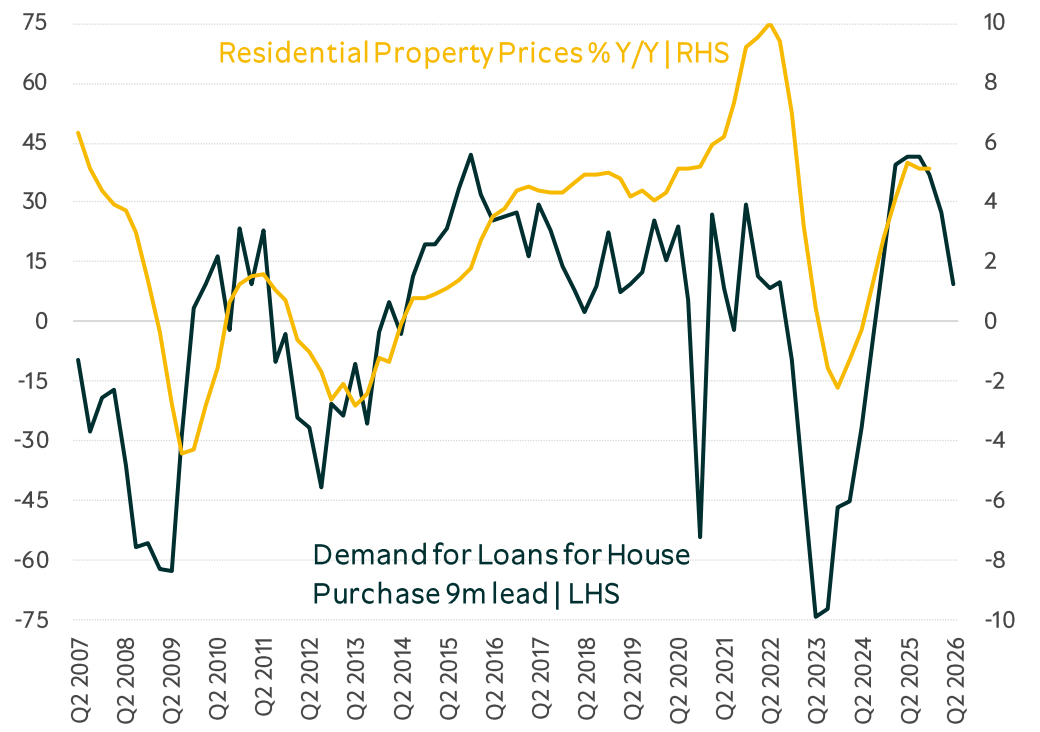


Residential Investment & House Permits

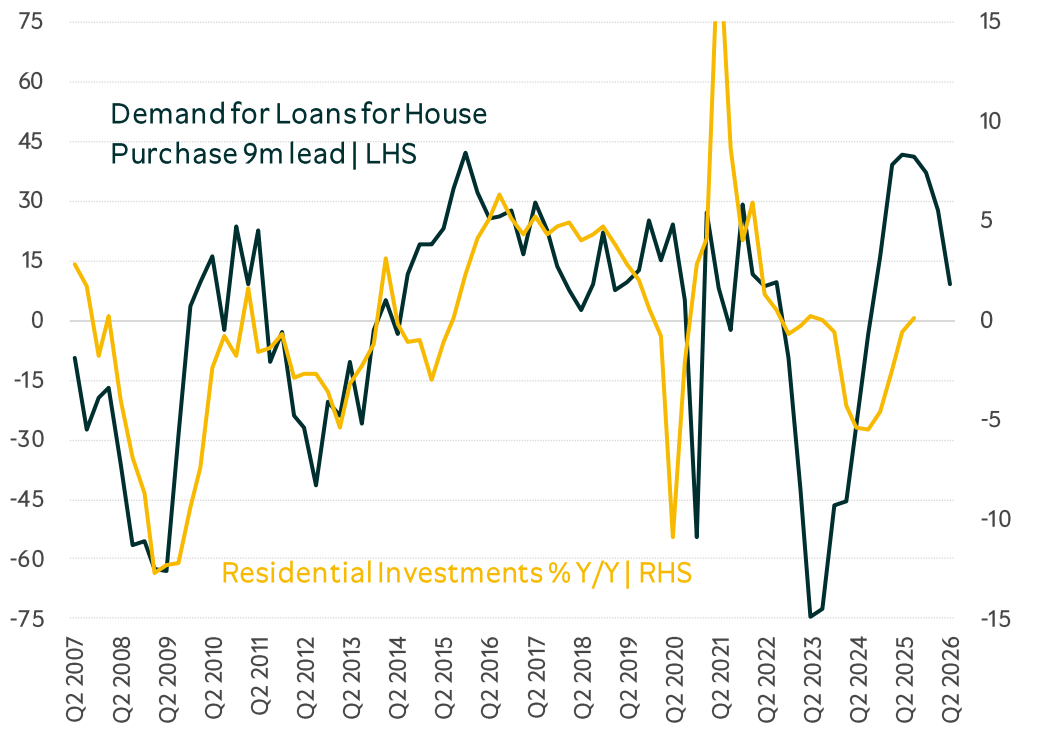


EA Construction | A stabilization in residential investments is projected over the next few months, although demand for mortgages has continues to ease.

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

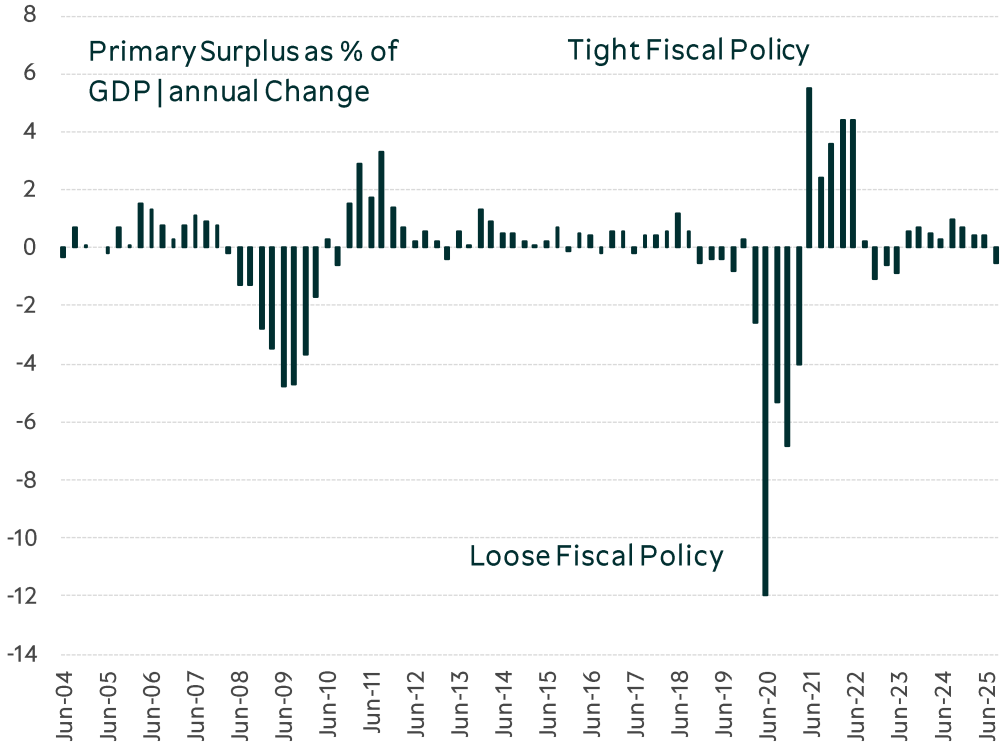


Residential Investments & Demand for loans (9m lead)

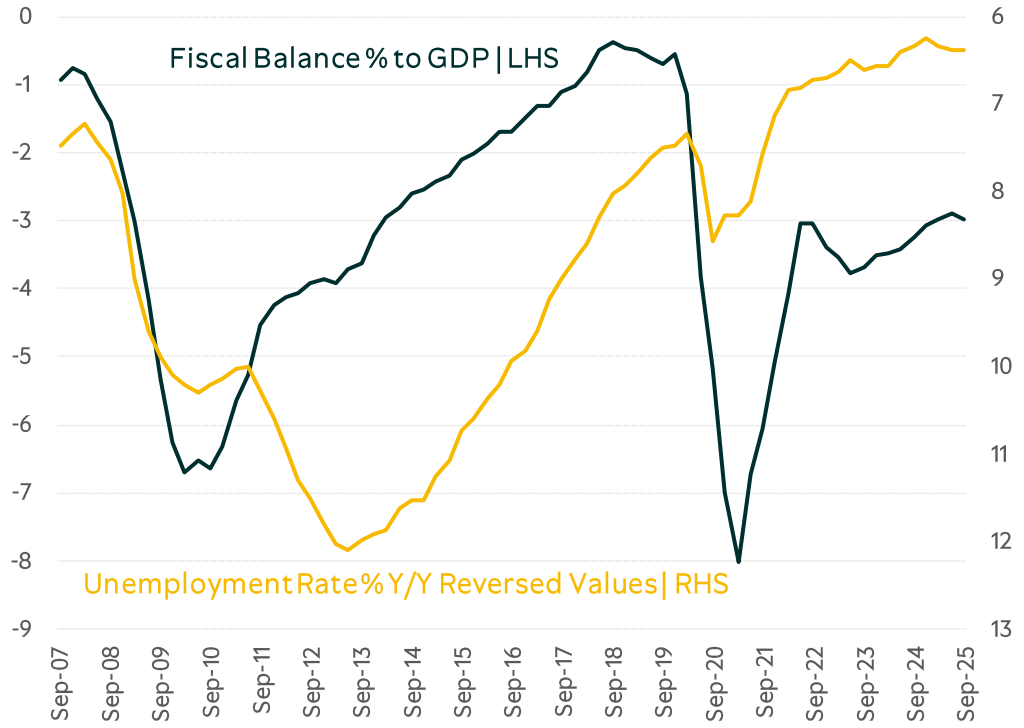


EA Fiscal Policy | The fiscal deficit is still at subdued levels, with the unemployment rate also remaining at a historic low.

Fiscal Thrust

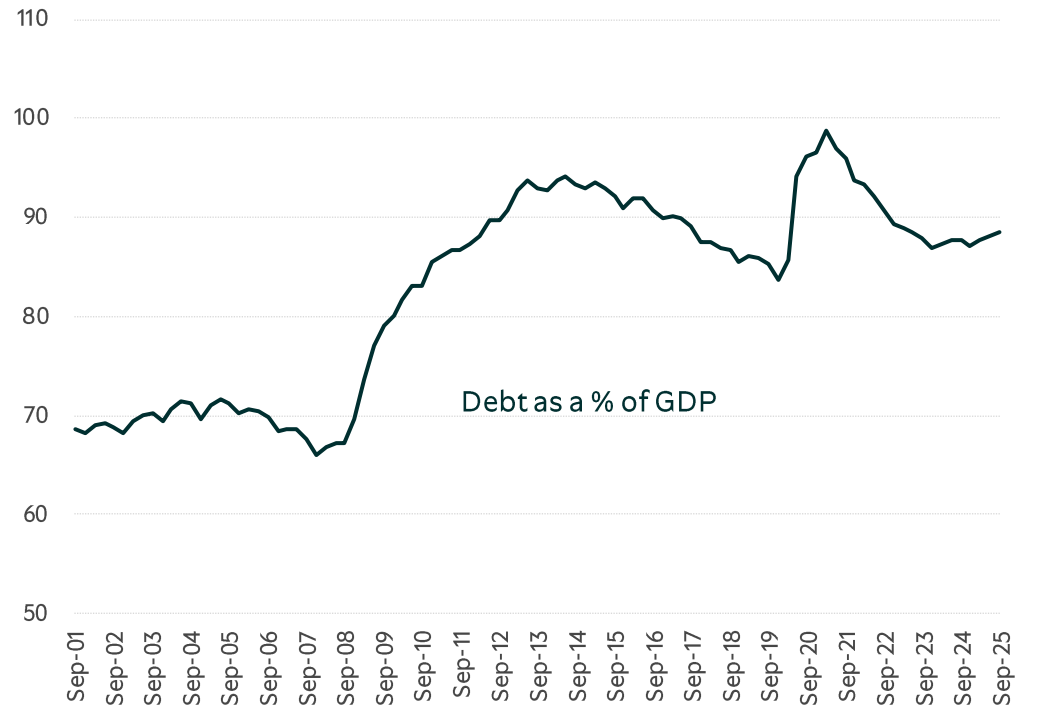


Fiscal Policy & Unemployment Rate

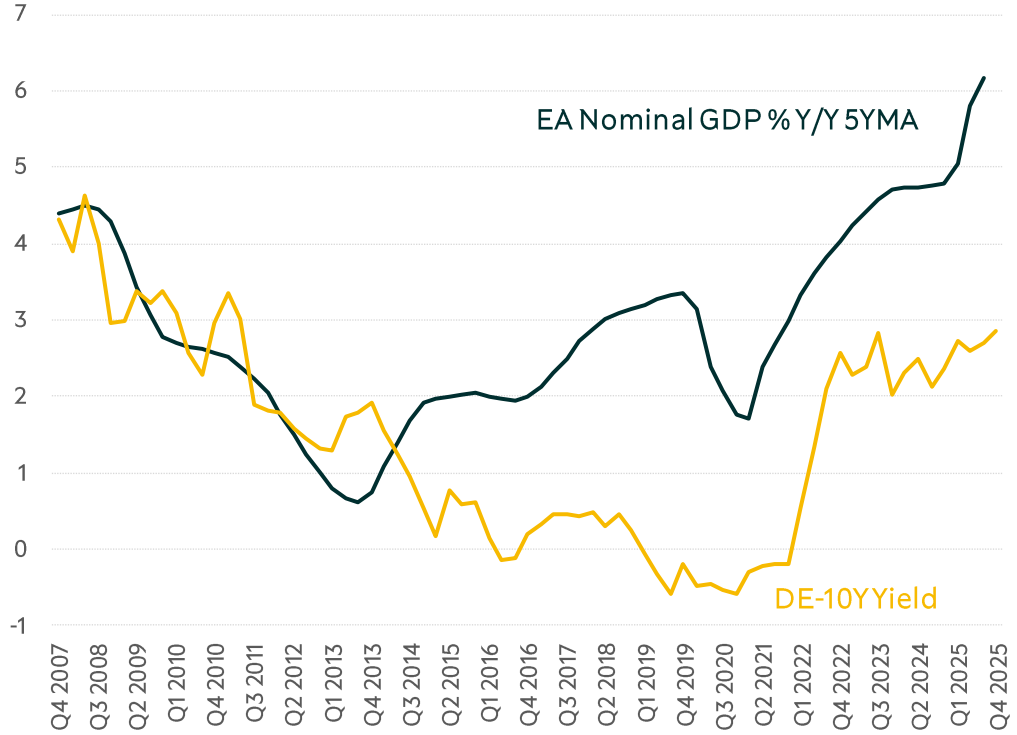


EA Fiscal Policy | Debt levels have moderated after the pandemic

Debt / GDP

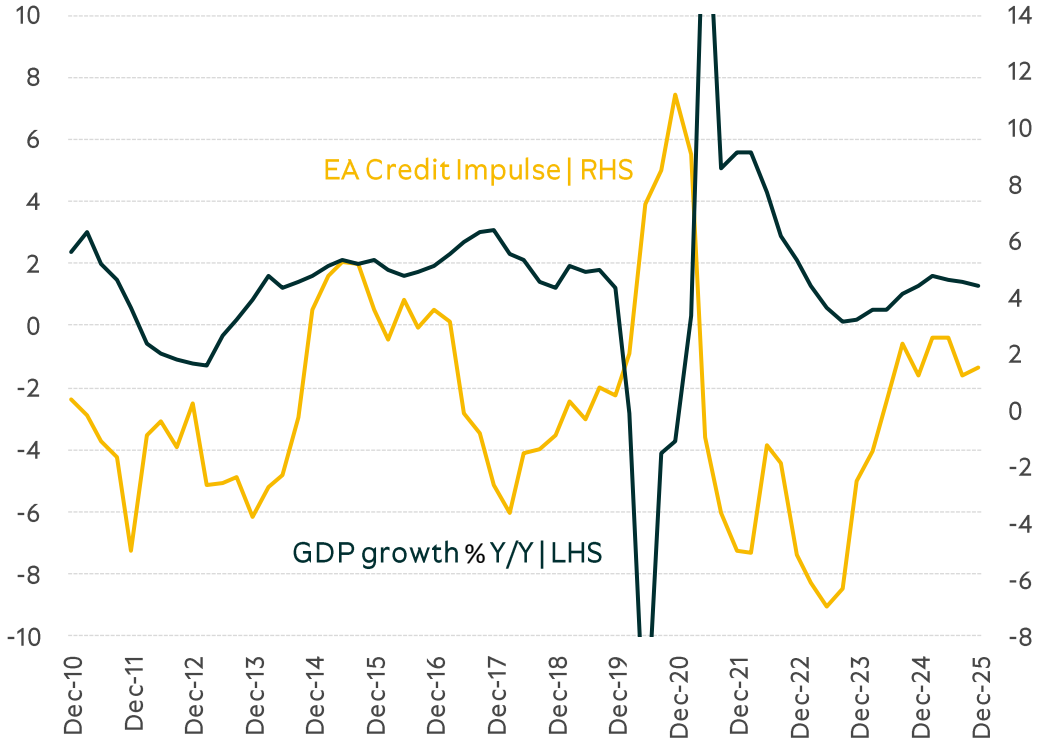


Fiscal Policy Sustainability

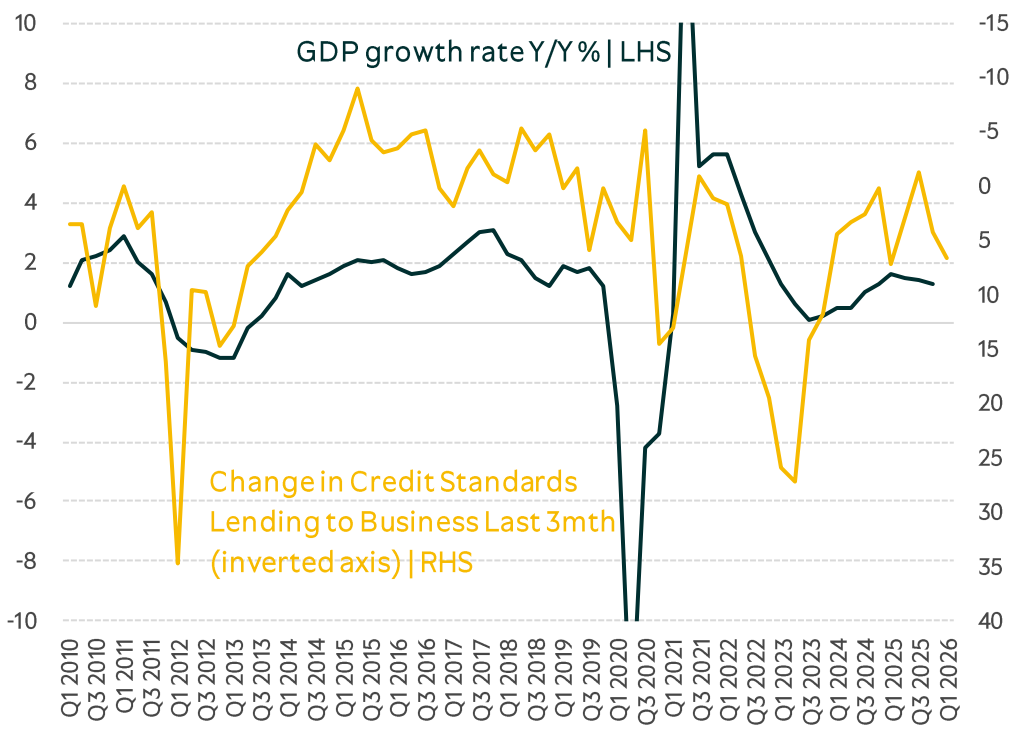


EA GDP Outlook | Credit impulse picked up slightly in Q4, while credit standards for lending to businesses tightened in Q1 2026.

EA Credit Impulse & GDP growth rate



GDP & Bank Lending Standards

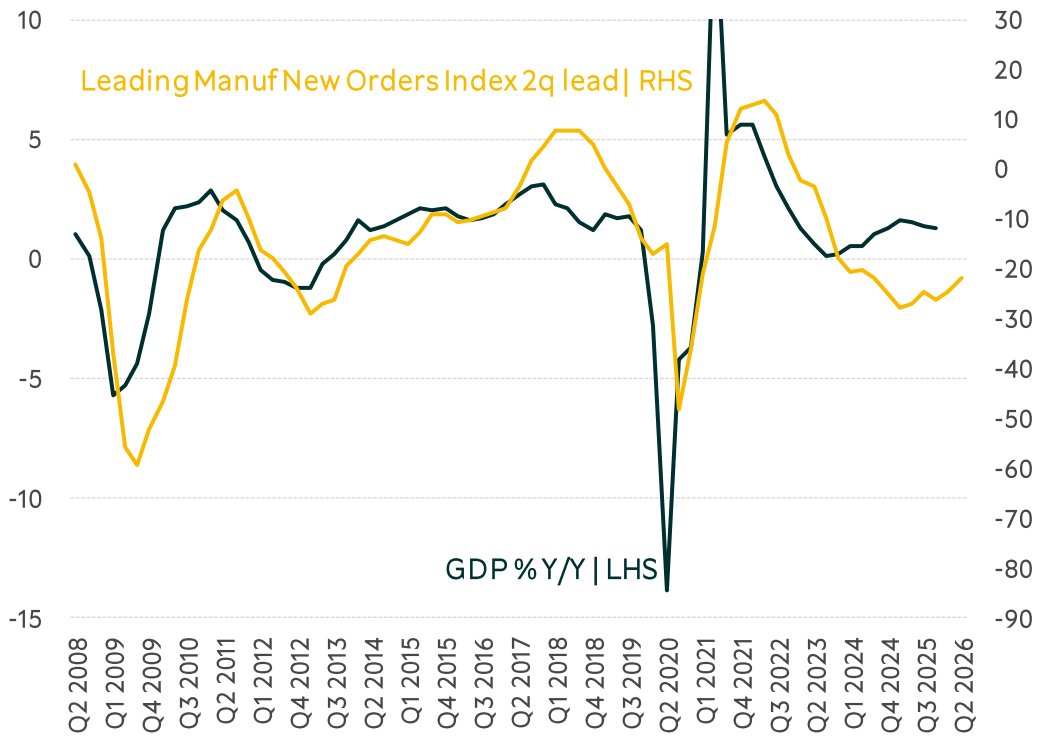


Piraeus

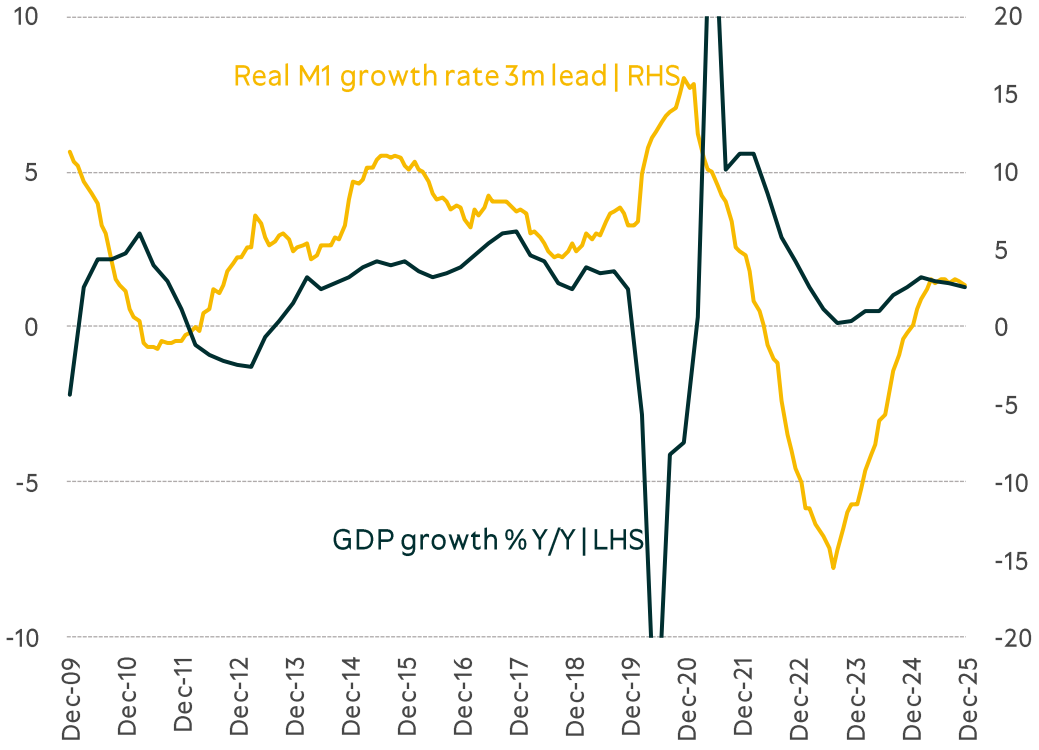
Source: Economic Research & Investment Strategy

EA | Manufacturing New Orders halted the downturn trend in Q4 2025 & Q1 2026; Real M1 improvement stabilizes however continues to provide optimism about the economic outlook.

GDP & New Orders Indices

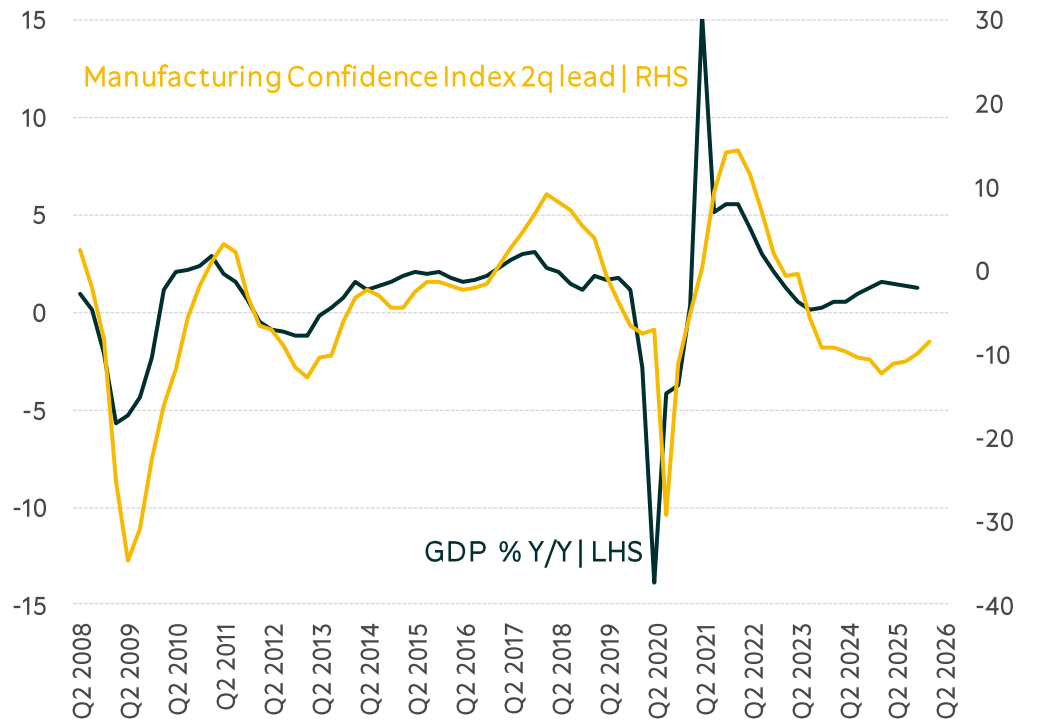


GDP & Real M1 growth rate

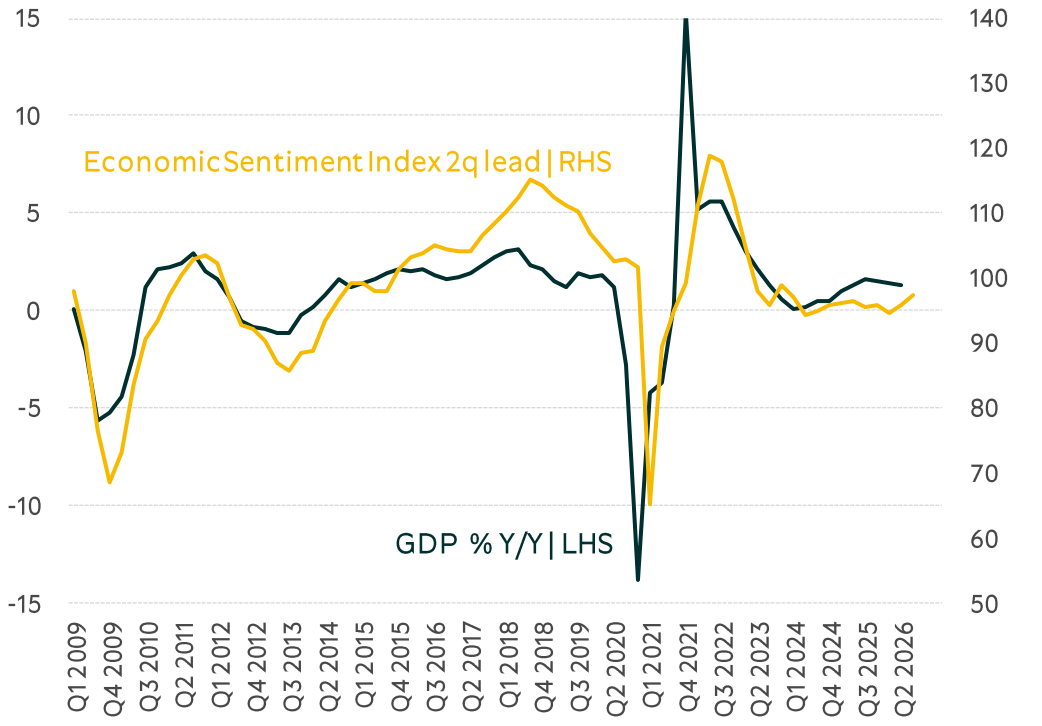


EA GDP Outlook | Economic and manufacturing sentiment picked up providing some green shoots.

GDP & Manufacturing Confidence Index



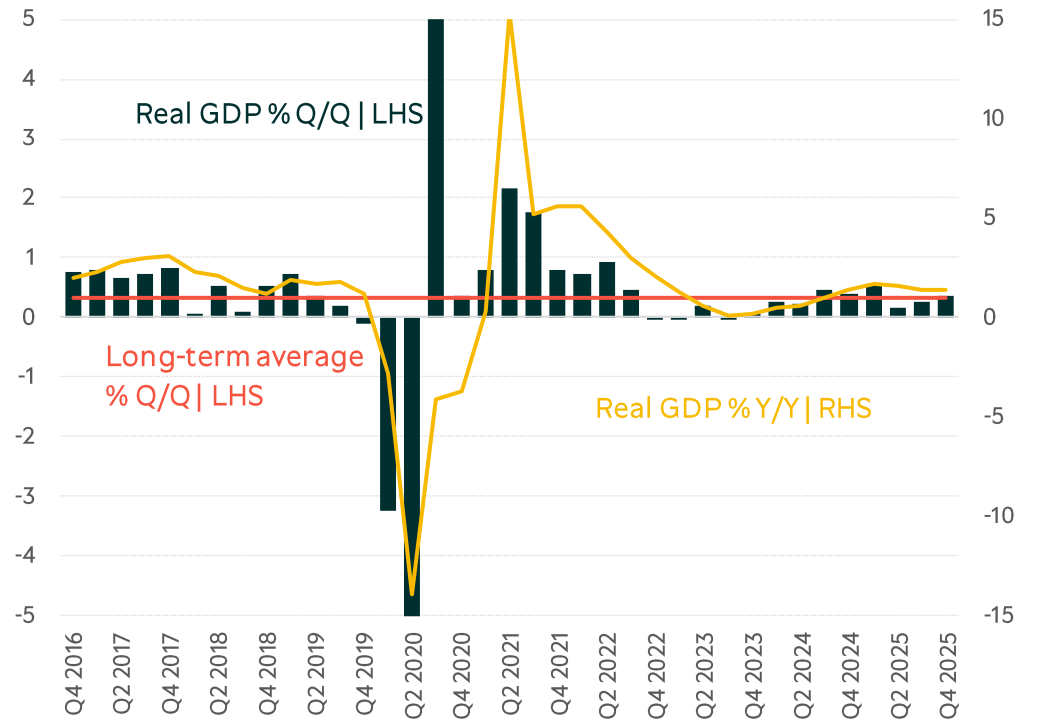
GDP & Economic Sentiment Index



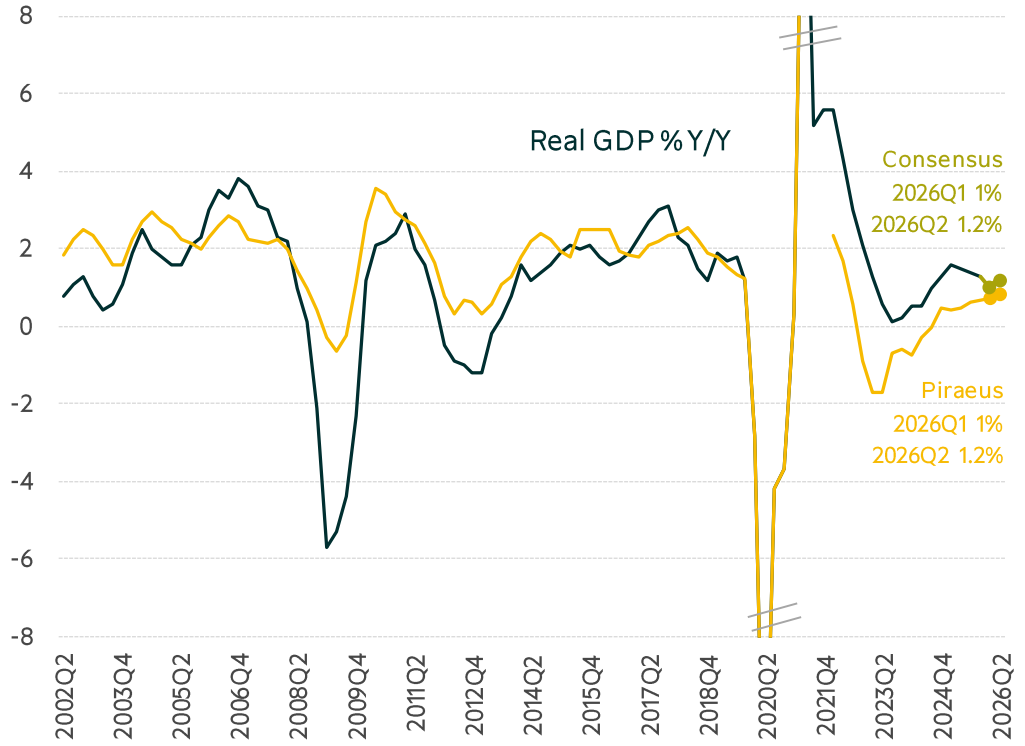
Source: Economic Research & Investment Strategy

EA GDP Outlook | Real GDP grew by 1.3% year-on-year in Q4 2025 from 1.4% in Q3 2025 (0.3% quarter-on-quarter) and is projected to grow at a slower rate.

Growth Rate Outlook



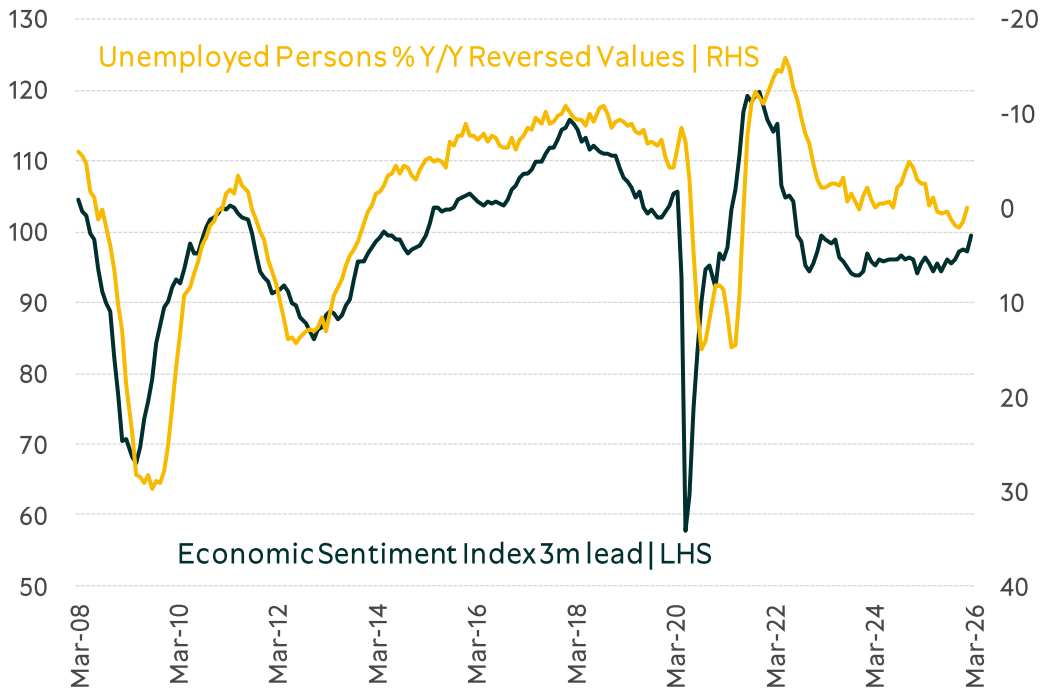
Growth Rate Estimate



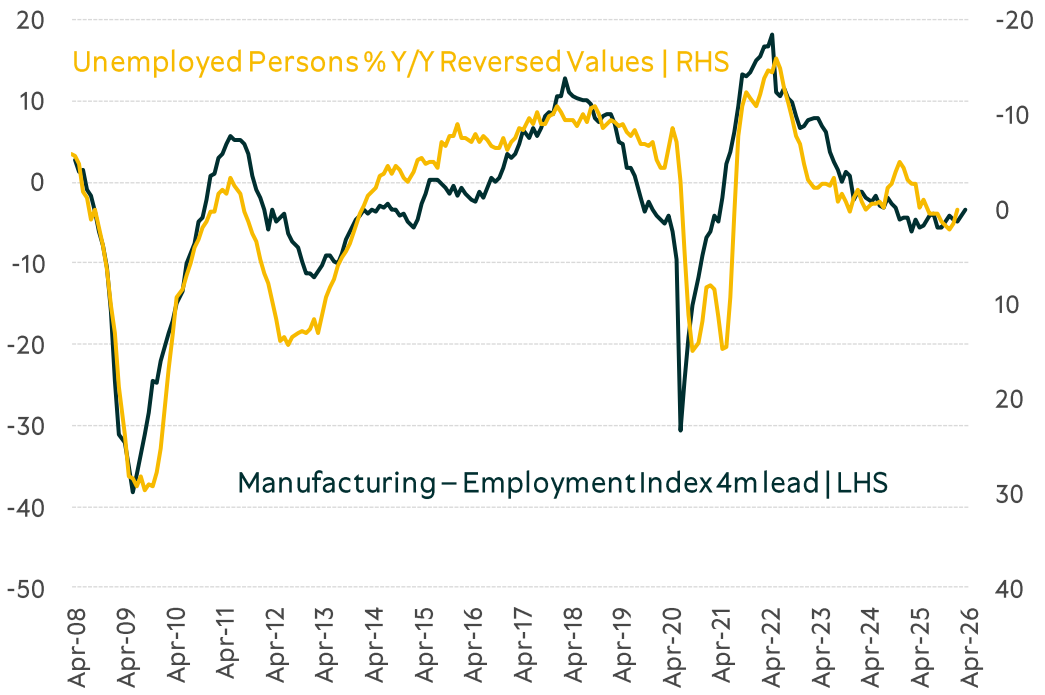
Note: Covid-19 period (Q4 2019 - Q2 2021) is excluded from the estimation

EA Labour Market | Overall labour-market conditions remain solid, while the manufacturing sector shows signs of stabilization, following an increase in the manufacturing employment index.

Unemployment & Leading Sentiment Index

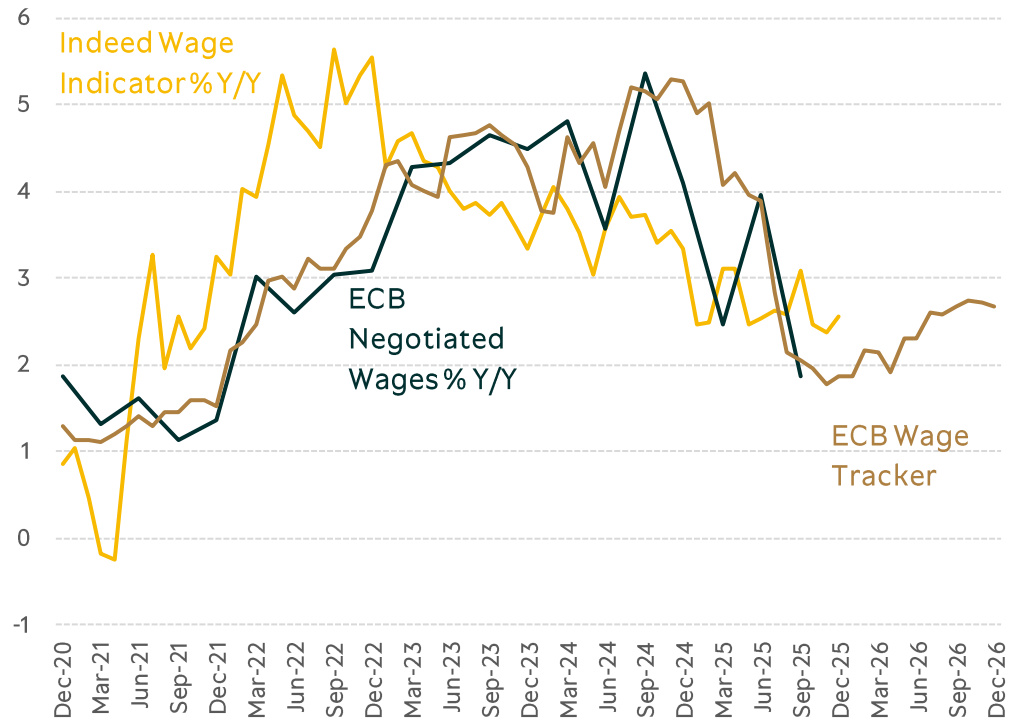


Unemployment & Leading Manufacturing Index

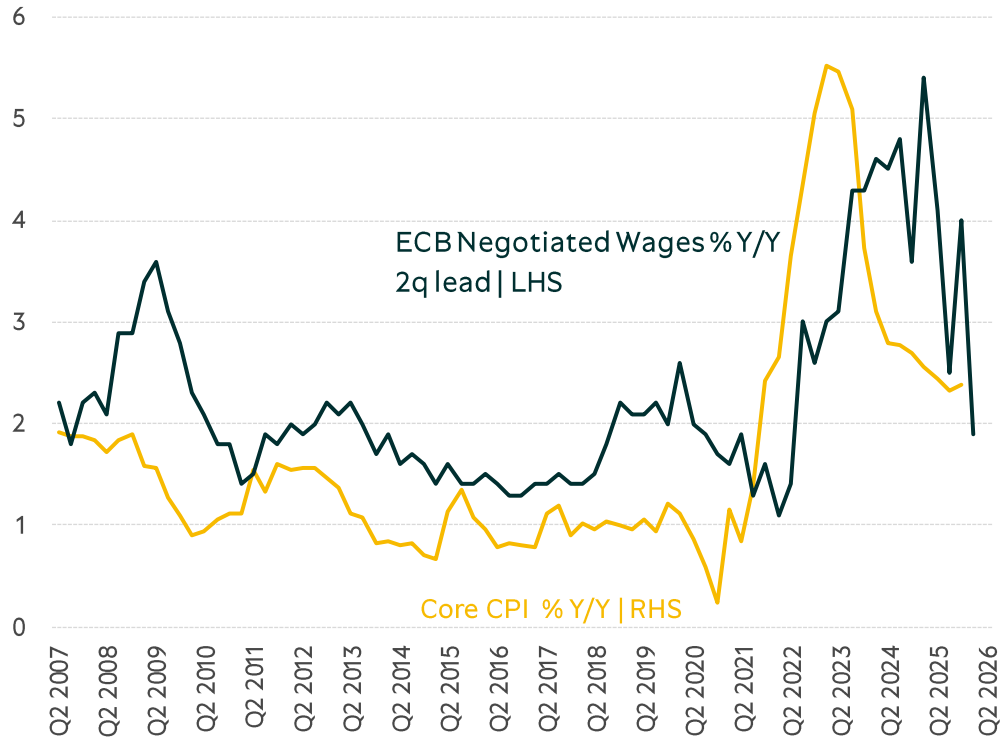


EA Wage Tracker | The Indeed wage indicator increased marginally at 2.6% in December from 2.4% in November. The ECB's Wage Tracker indicates a modest wage growth increase in 2026.

EA Wage Indicators

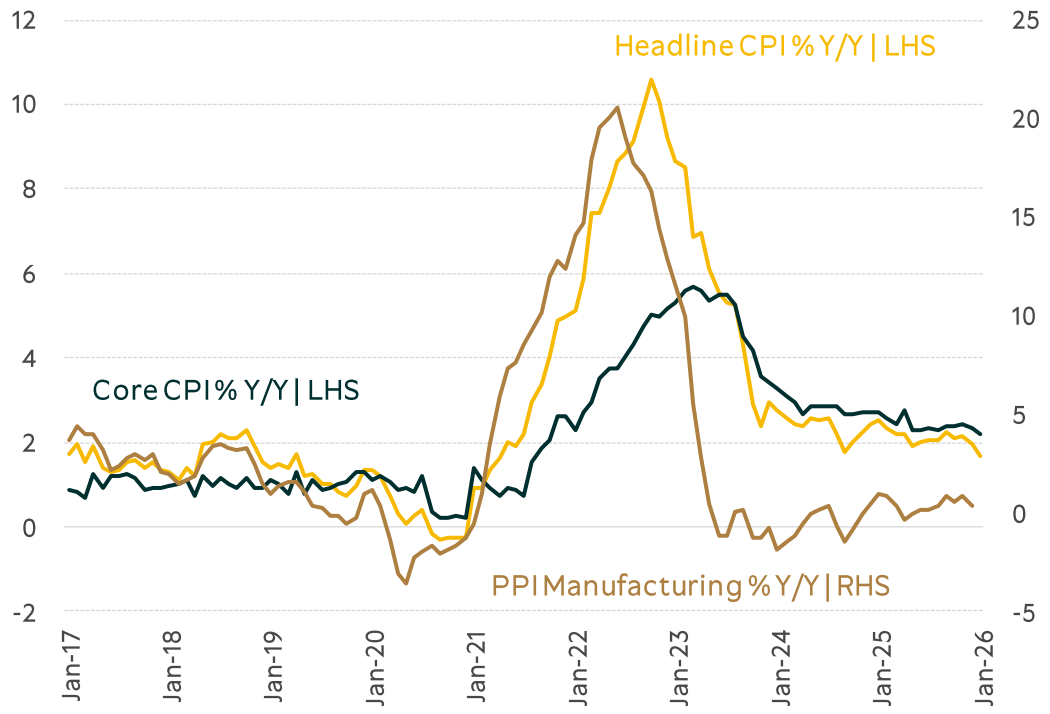


Core Inflation & Wages

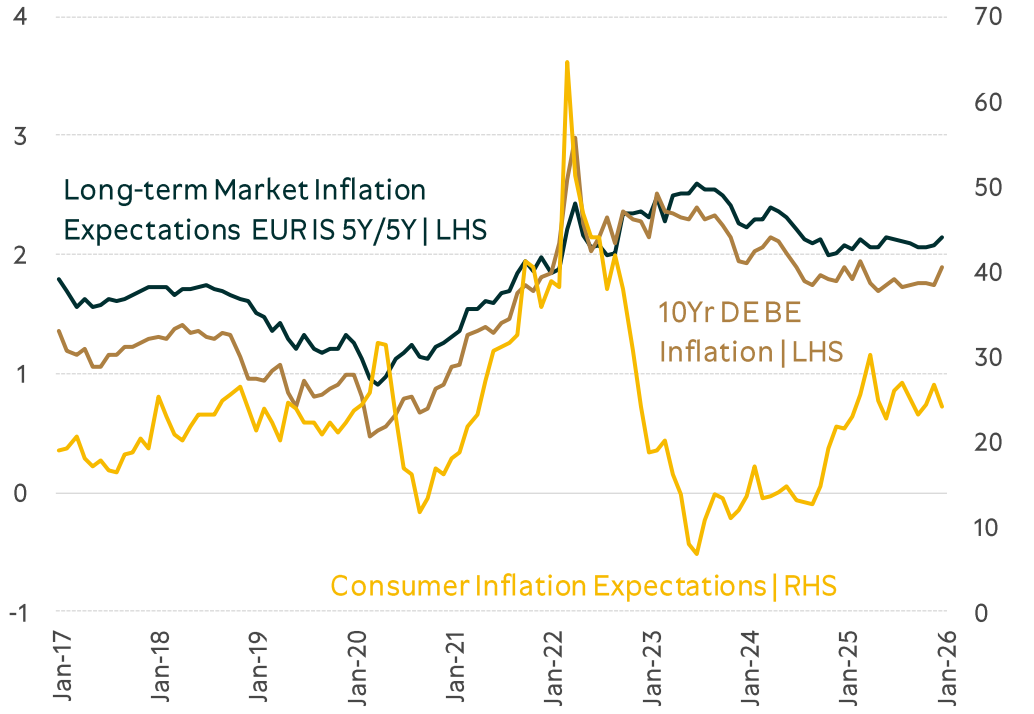


EA Inflation Pressures | Headline CPI decelerated to 1.7% in January and Core CPI decelerated respectively to 2.2% from 2.3% in December. Consumer inflation expectations ticked downwards in January.

Inflation Rate

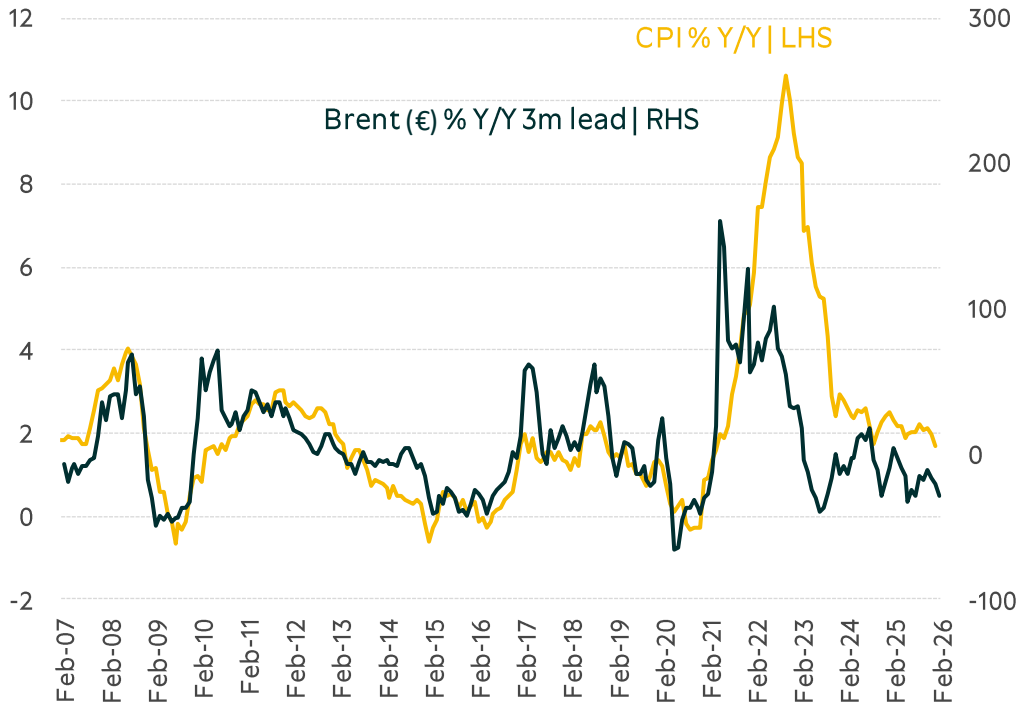


Long-term Inflation Expectations

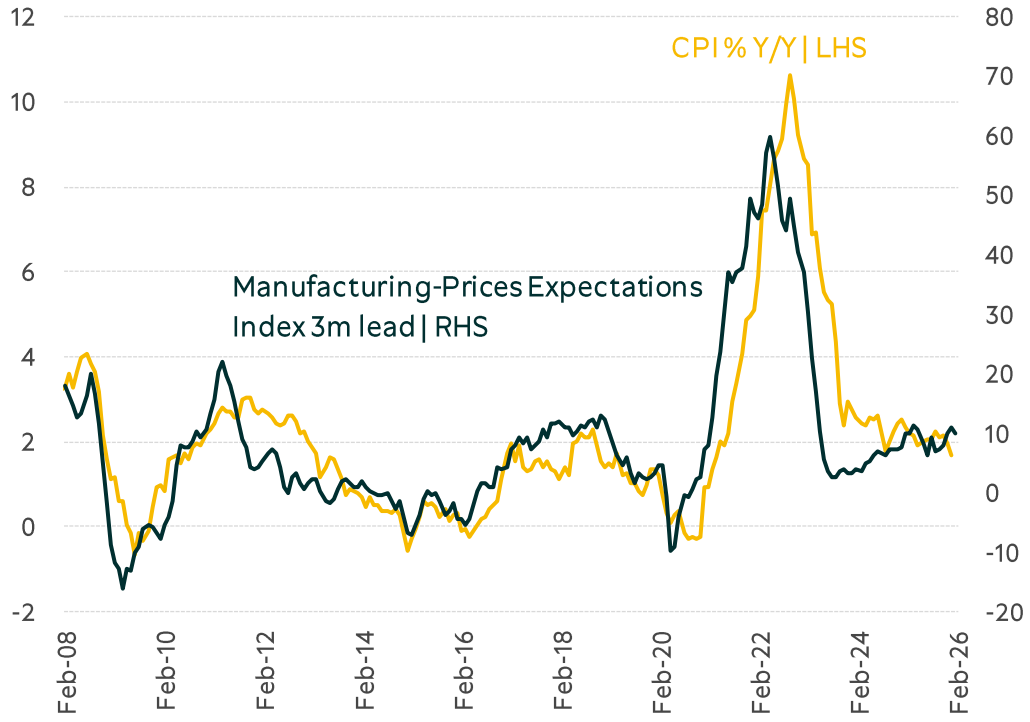


EA Inflation & Energy Prices | Manufacturing Prices Expectations may exert some upward pressure, while the likelihood of higher Brent prices following current geopolitical tensions does not prevail.

Inflation Rate & Oil Prices

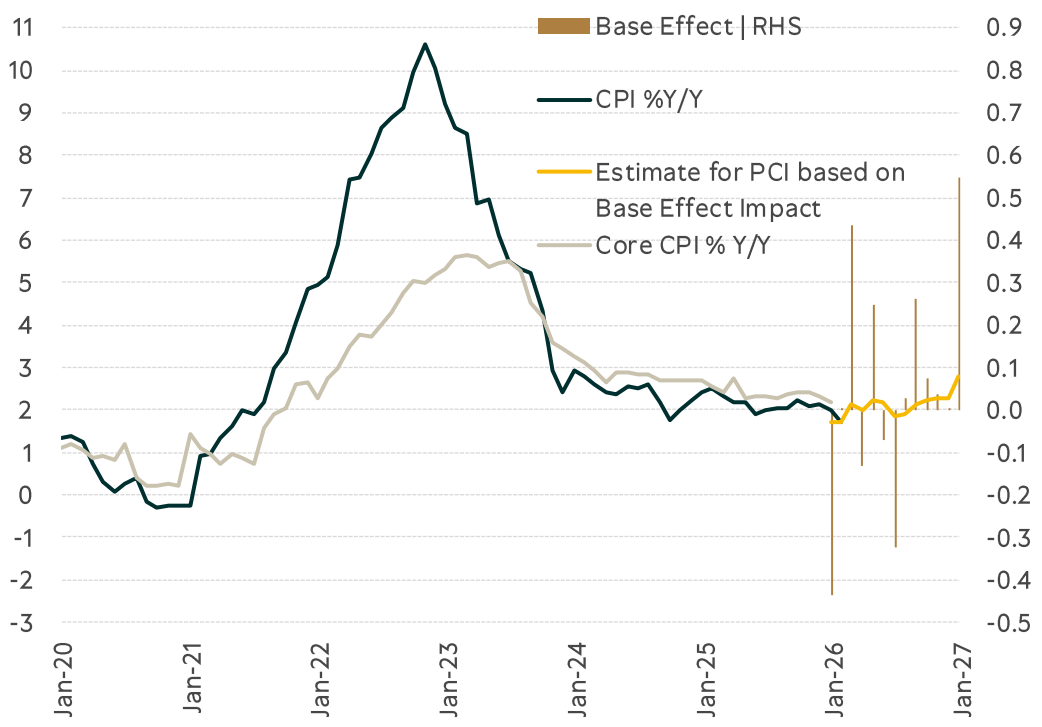


Inflation Rate & Leading Manufacturing Prices Index

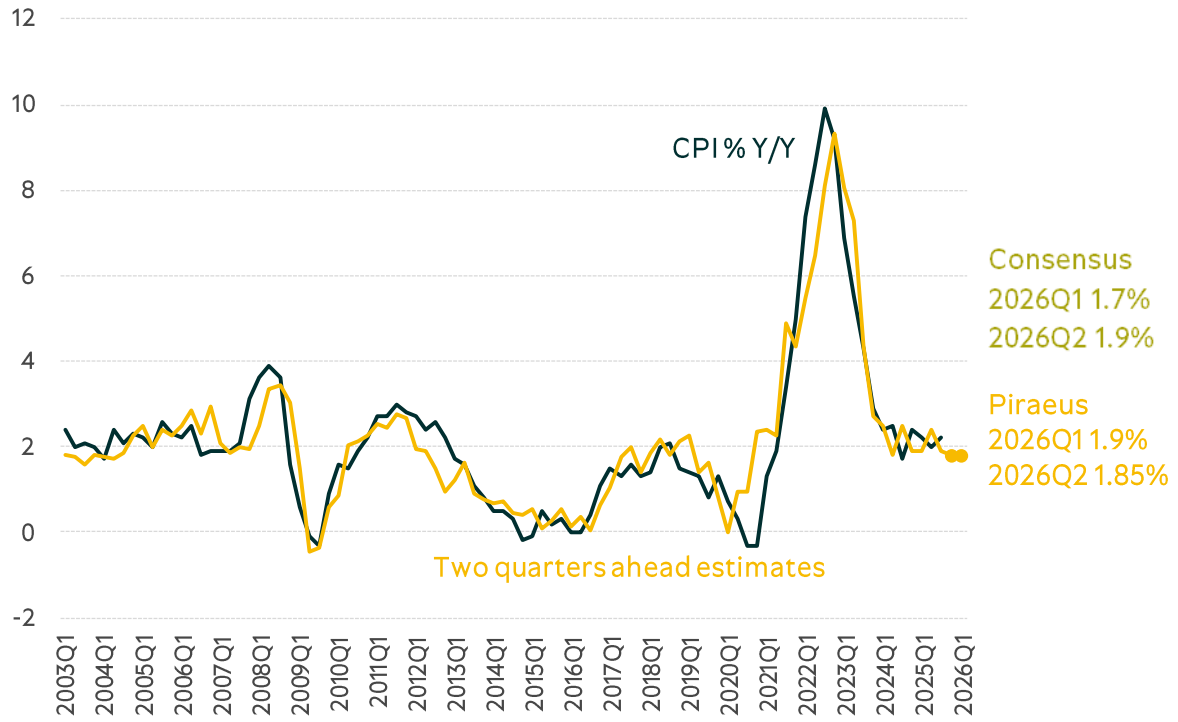


EA Inflation Outlook | The 2% target is expected to be achieved for the year

Inflation Rate Forecast | Statistical Model



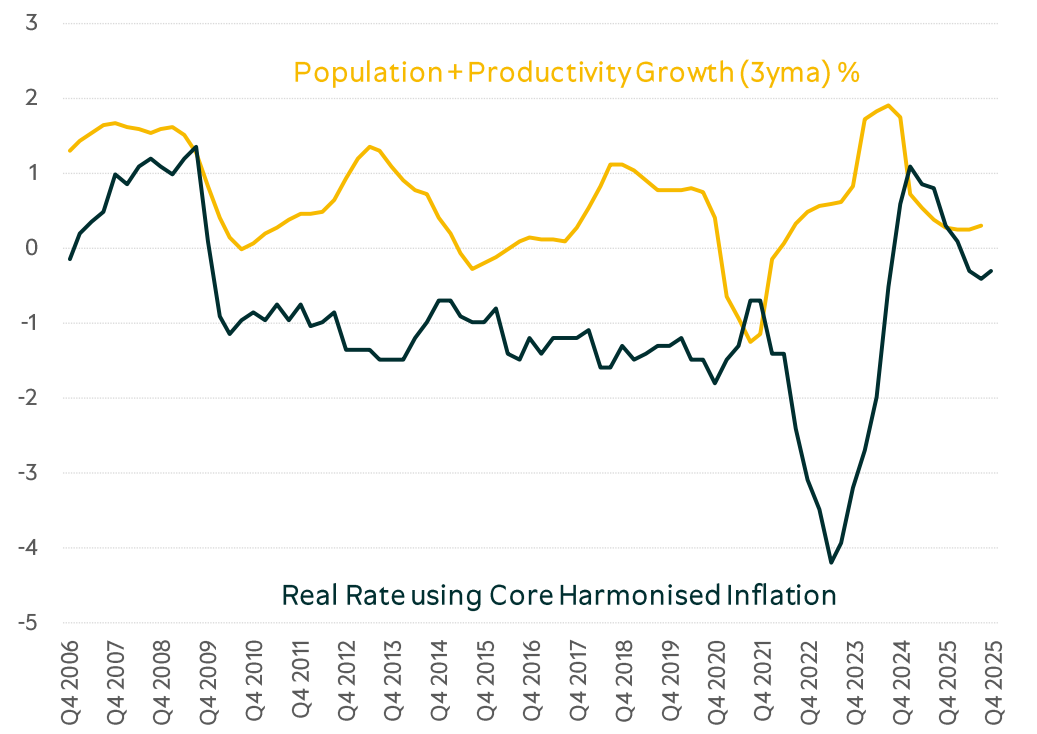
Inflation Rate Forecast | Macro Model



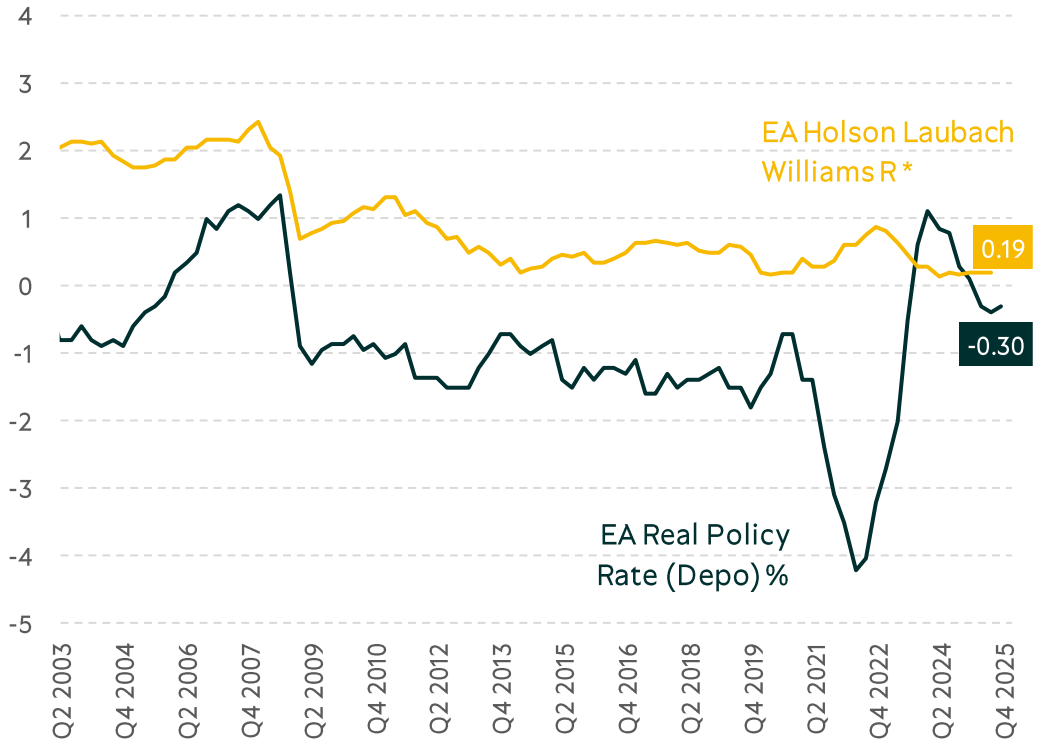
Source: Economic Research & Investment Strategy

EA Interest Rates | EA population and productivity growth has stopped falling; real policy rate below HLW neutral rate (R*)

Population + Productivity growth (3y ma) &
EA Real Policy Rate (Depo - Core HICP)



EA Holson Laubach Williams R* &
EA Real Policy Rate (Depo - Core HICP)

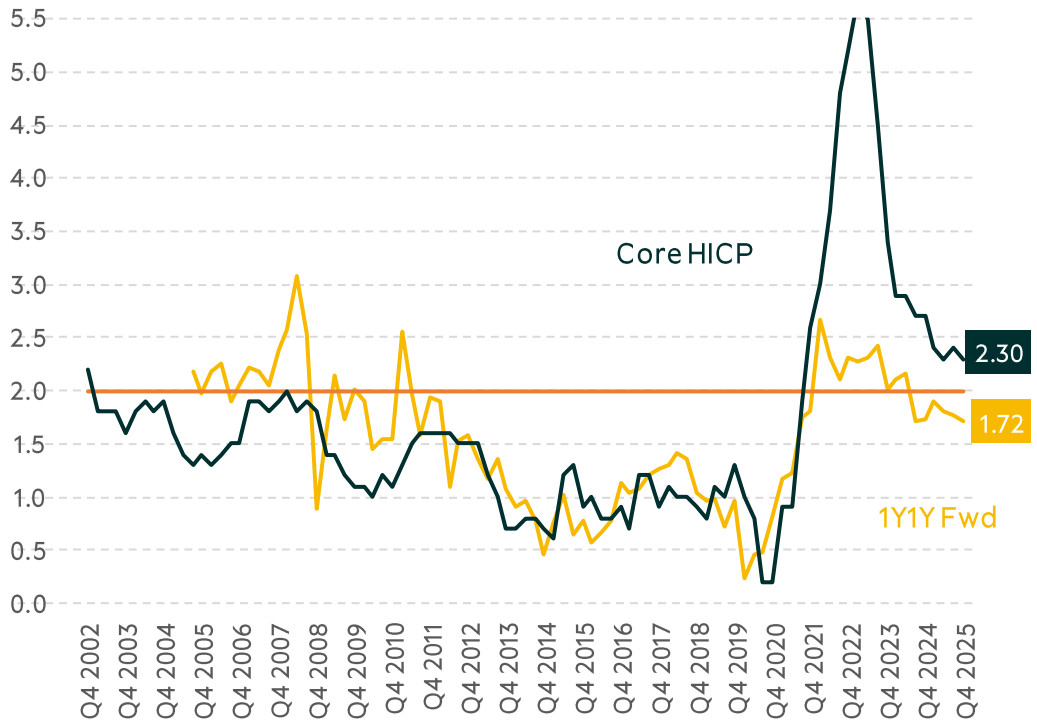


Piraeus

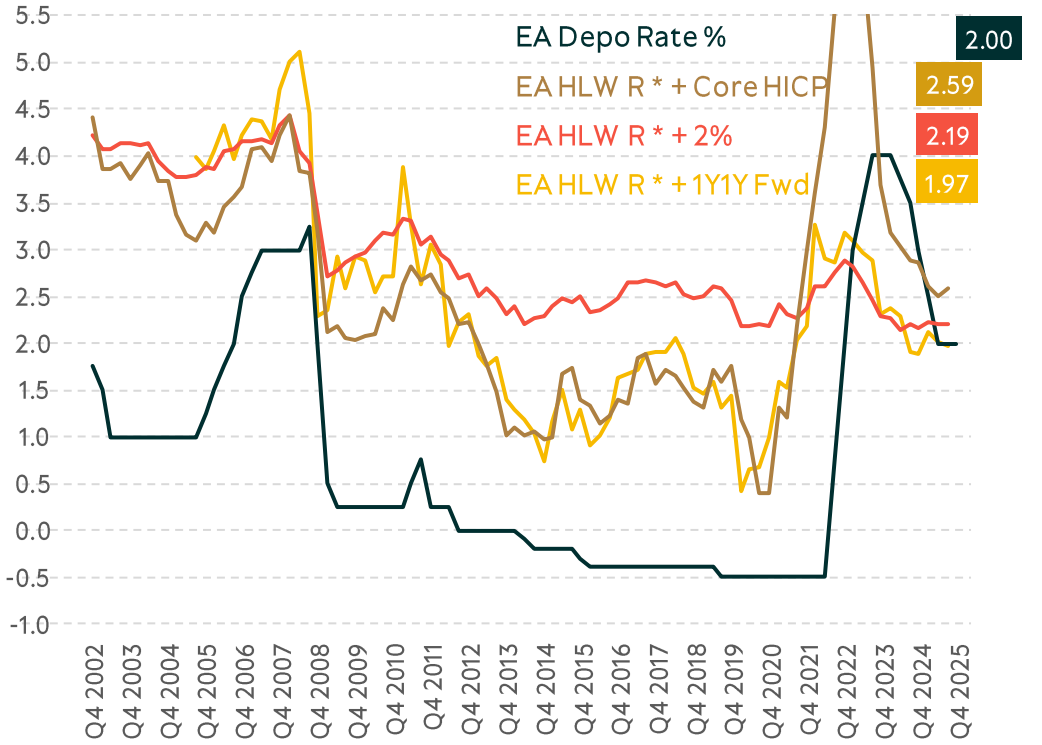
Source: Economic Research & Investment Strategy

EA Interest Rates | EA Inflation expectation one year ahead on a downward trend; Depo Rate & Adjusted HLW R*

EA Inflation & Inflation Expectations one year ahead



EA Depo & Nominal HLW R*

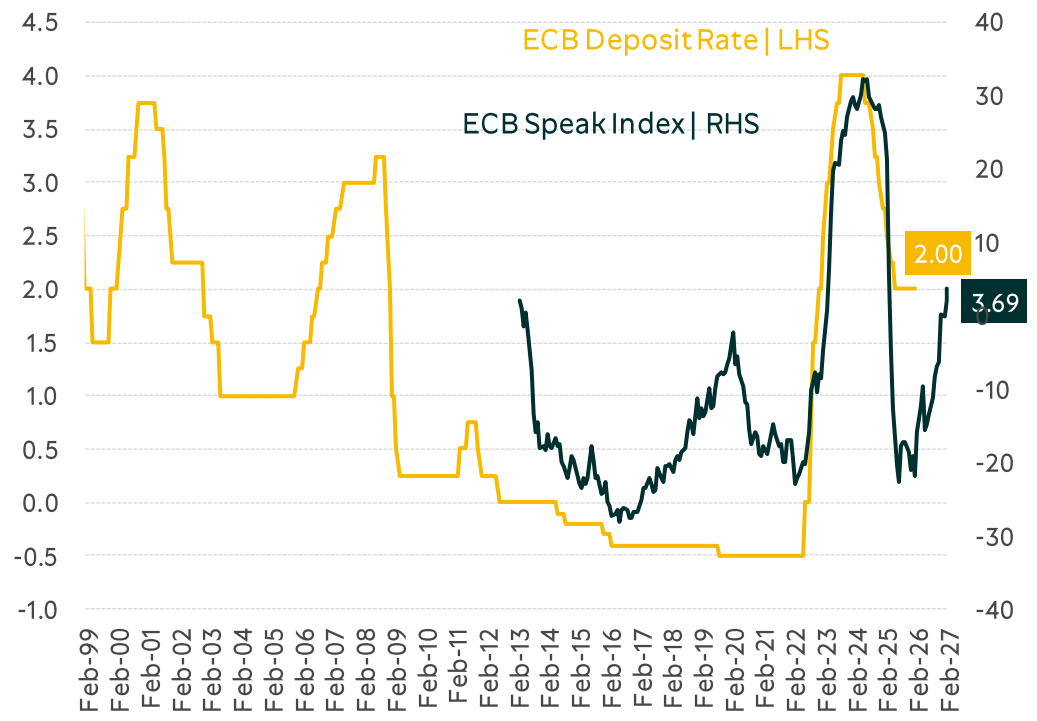


Piraeus

Source: Economic Research & Investment Strategy

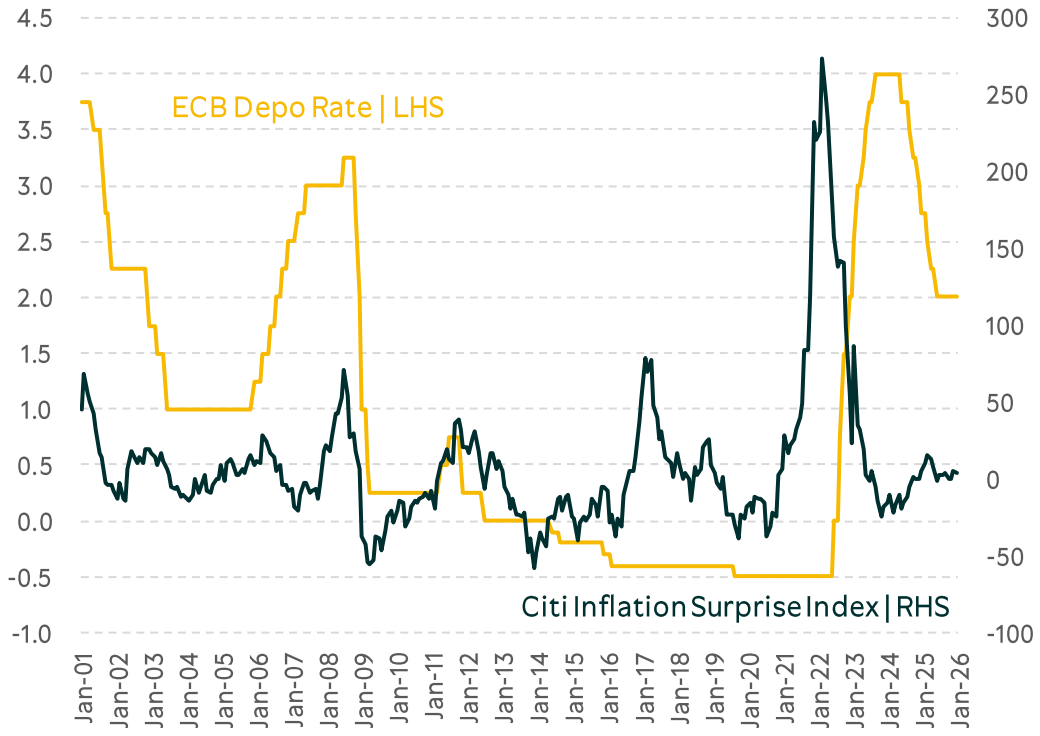
EA Interest Rates | ECB Speak Index is trending up; Inflation surprises are close to zero

ECB Speak Index & ECB Deposit Rate



Positive index → Indicates a hawkish tone, meaning the central bank is leaning toward tightening monetary policy (raising interest rates, reducing liquidity).
Negative index → Indicates a dovish tone, meaning the central bank is inclined toward easing monetary policy (lowering rates, adding liquidity).

Inflation Surprises & ECB Deposit Rate

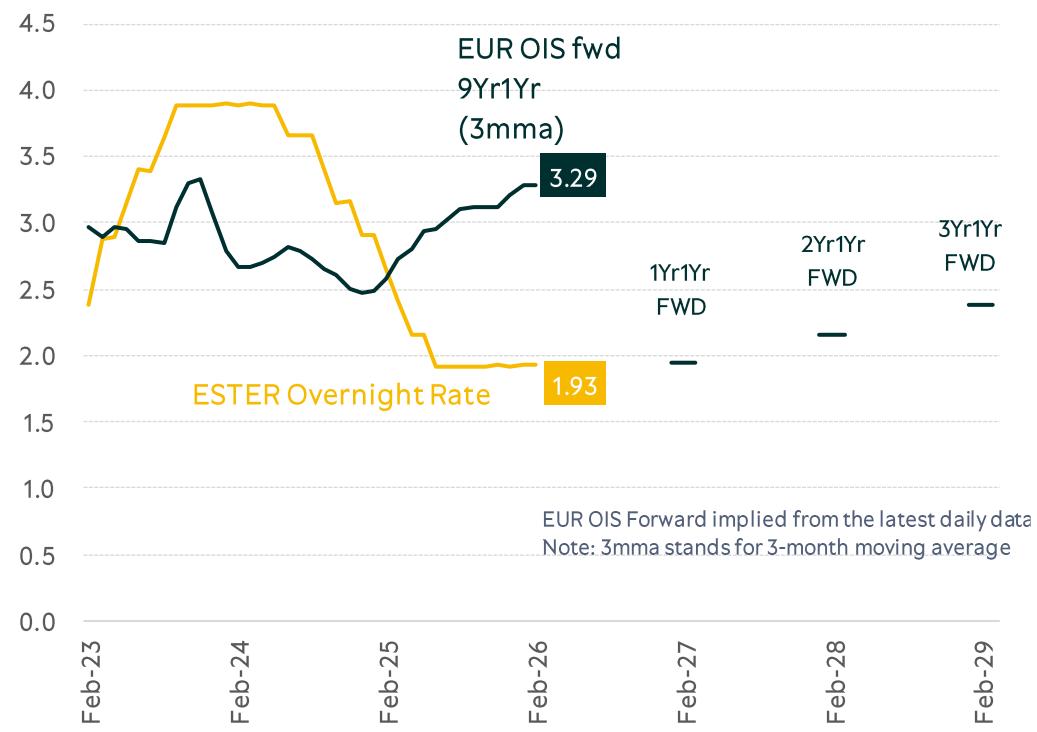


Positive index → Indicates that inflation has been higher than expected

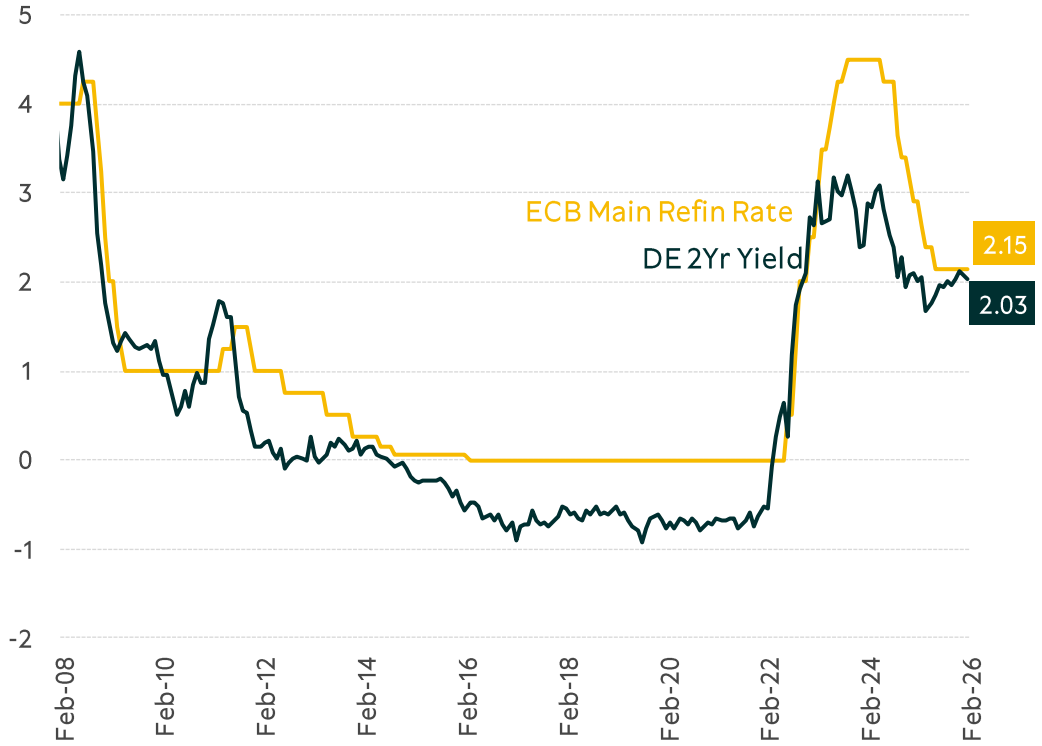
Negative index → Indicates that inflation has been lower than expected

EA Short-Term Rates | Forward rates suggest higher levels of interest rates

Interest rates | Market Expectations

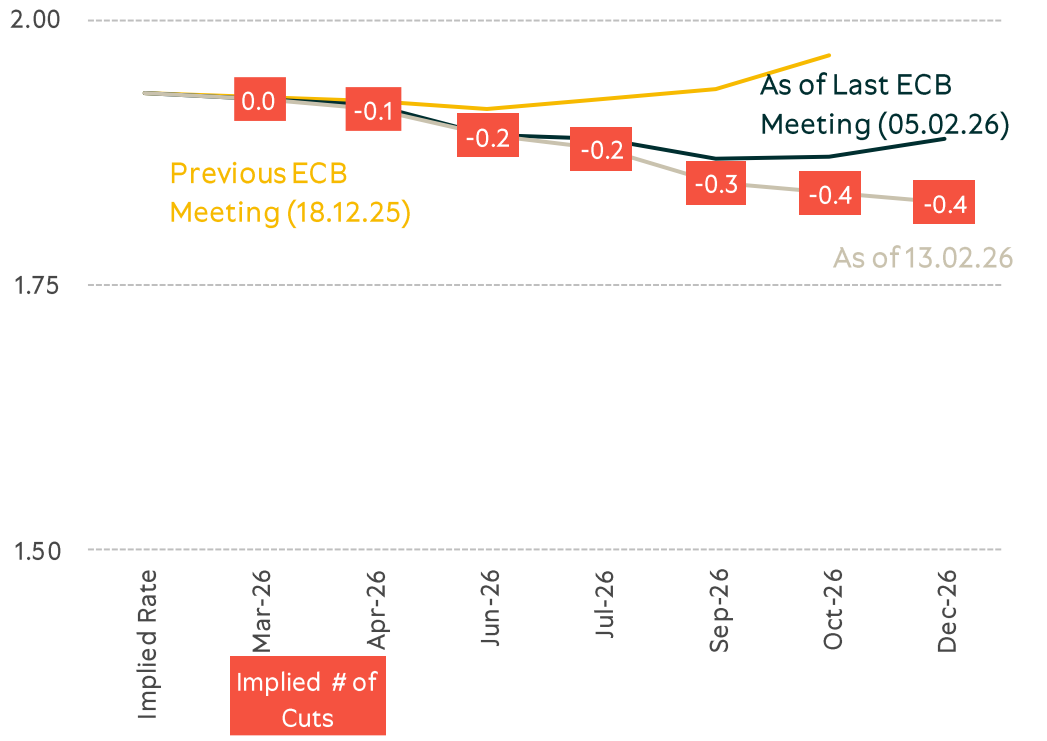


ECB Policy Rate vs German 2Yr Yield

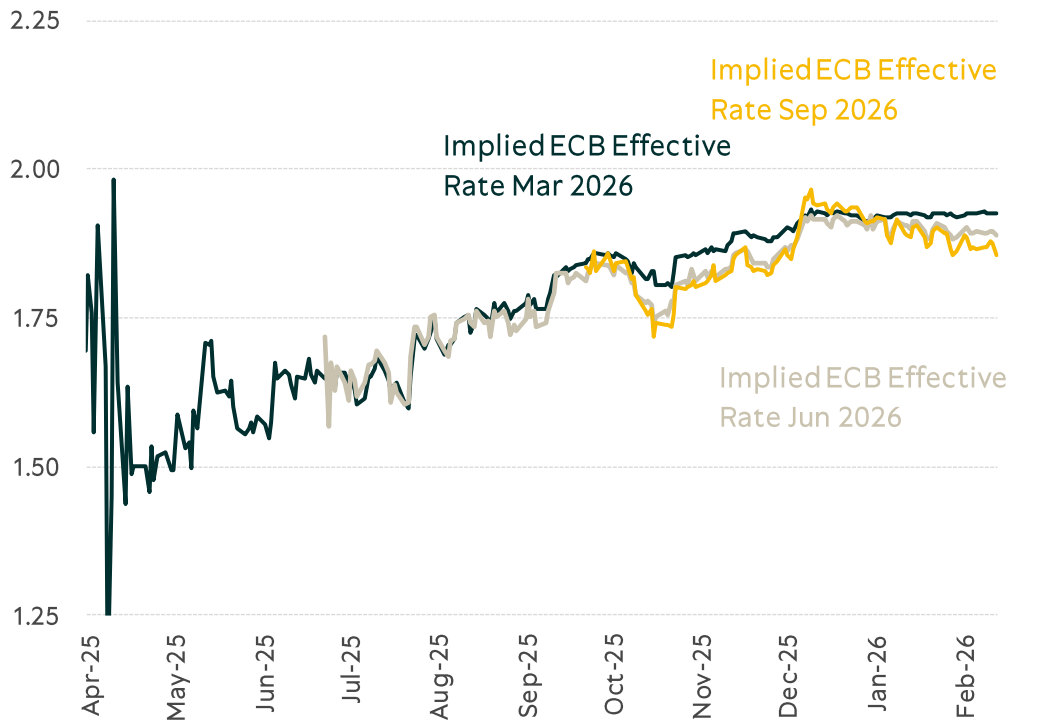


EA Short-Term Rates | No cuts are anticipated by the markets by the end of 2026

Implied Overnight Rate based on Overnight Index Swaps



Interest Rates | Implied ECB Effective Rate

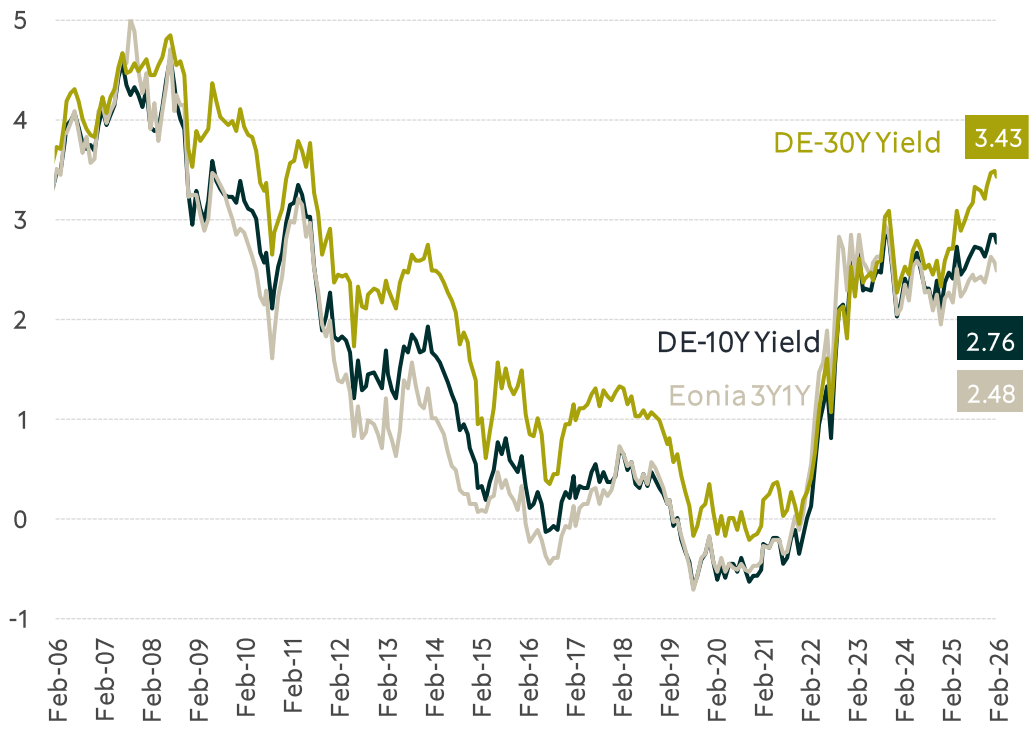


Piraeus

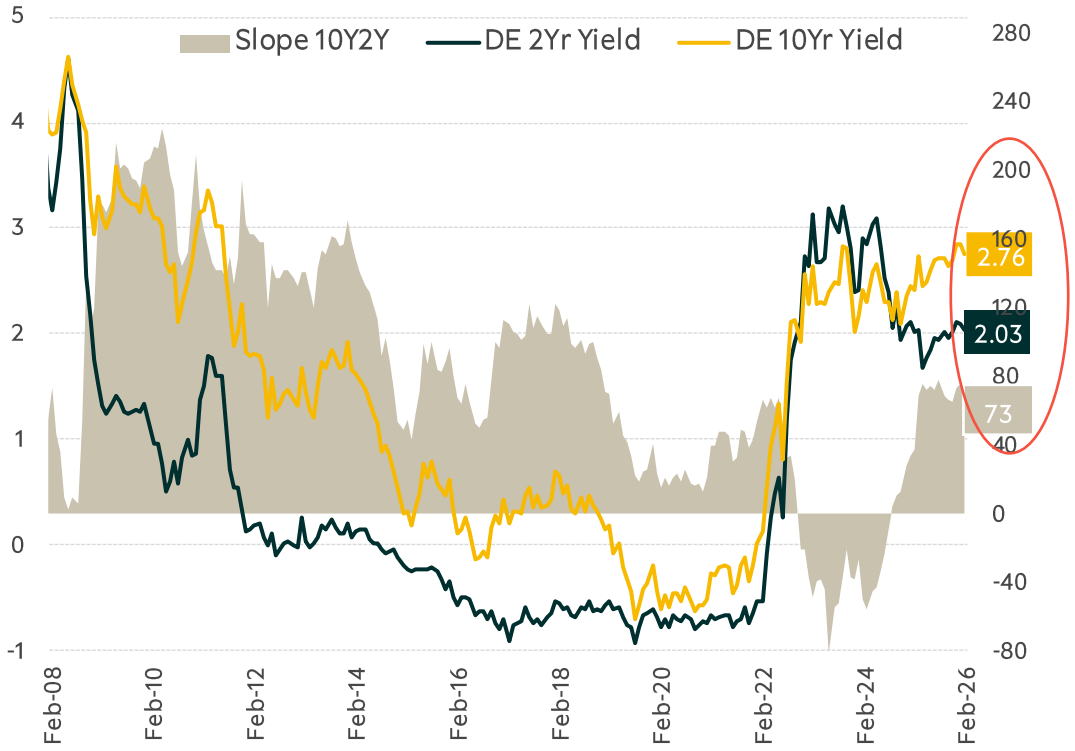
Source: Economic Research & Investment Strategy

EA Rates | After four straight cuts earlier in the year, the ECB kept its key interest rates unchanged from July to December 2025. German 10Y2Y spread turned positive at the end of Q3 2024 and has steepened since.

DE 10-Year, DE 30-Year Yield & Eonia 3Y1Y

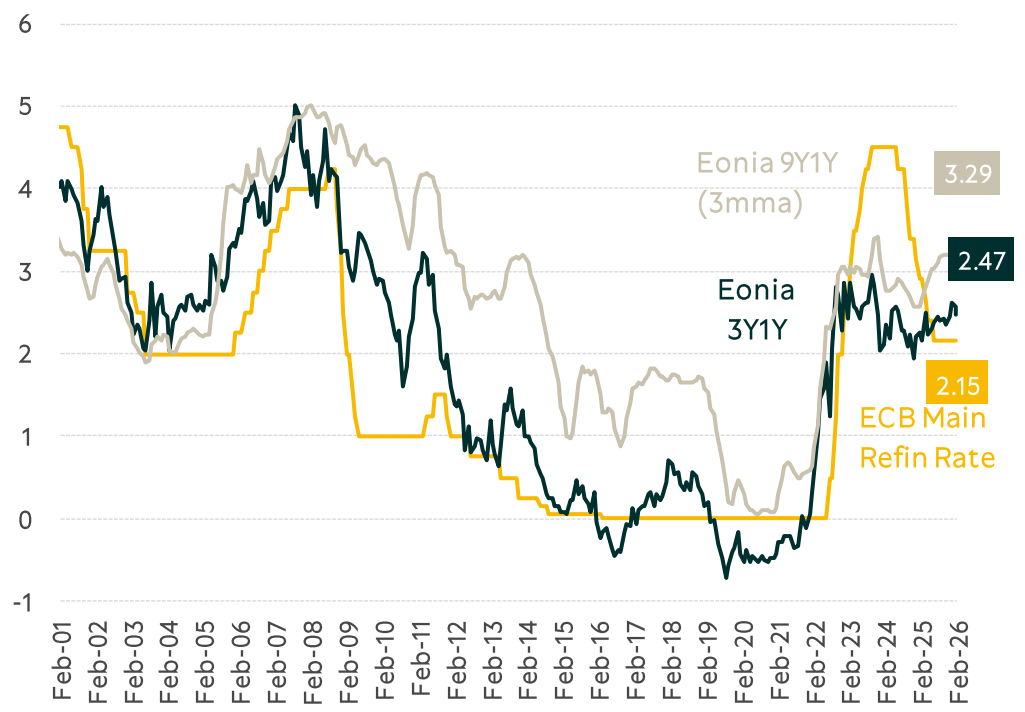


German Yield Curve

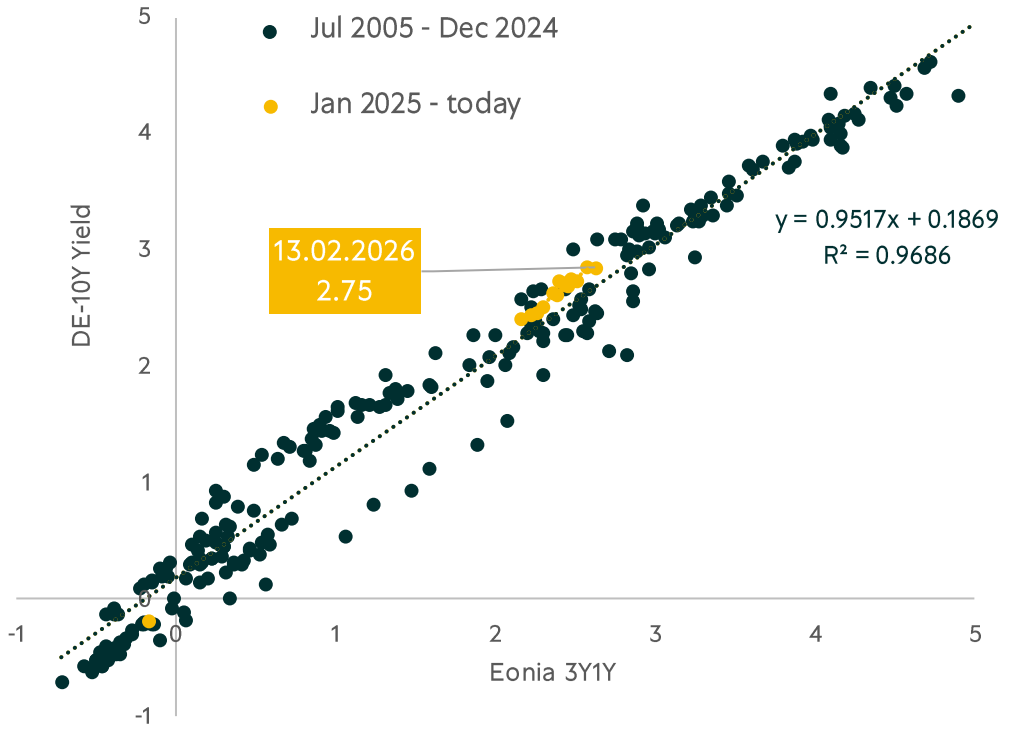


EA Long-Term Rates | Given the current level of short-term rates, long-term bonds are close to "fair value"

Long-term Interest Rate Expectations



DE Yield vs Medium-term Interest Rate Expectations



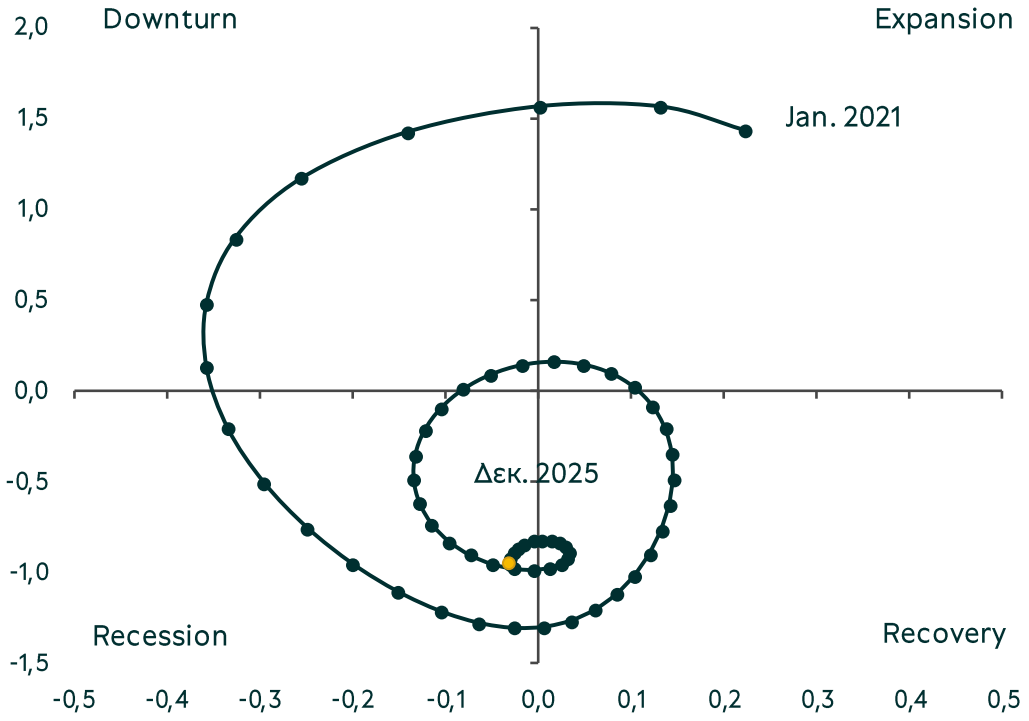
Piraeus

Source: Economic Research & Investment Strategy

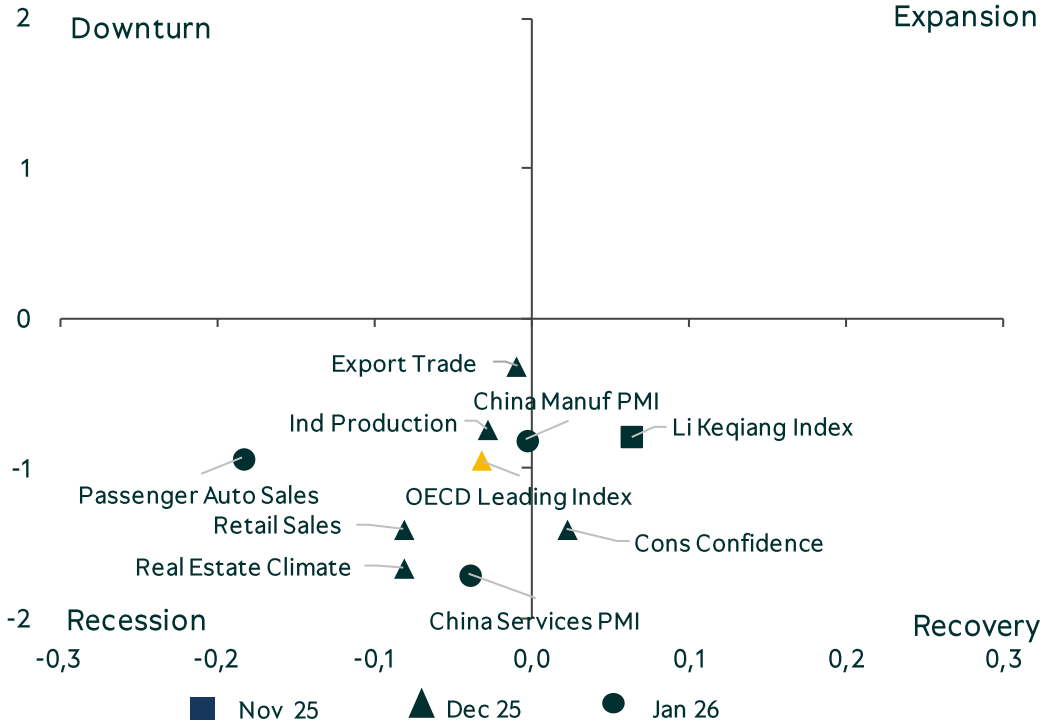
Bird's Eye View
US Economy
EA Economy
China Economy

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

CN Business Cycle | Based on China OECD Leading Indicator

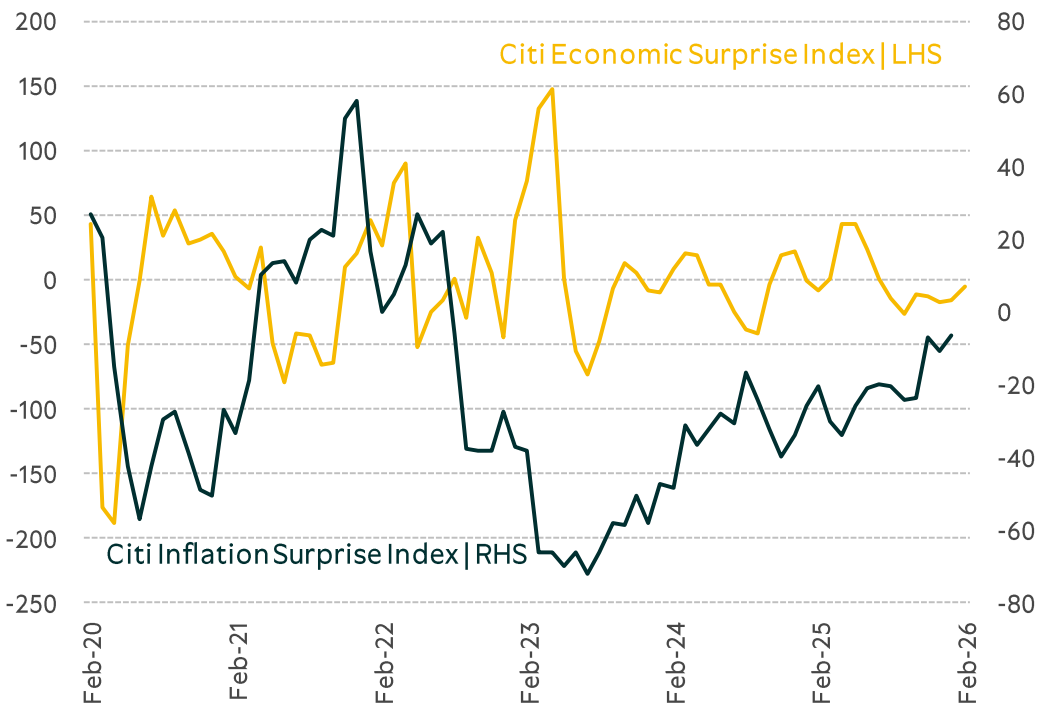


CN Business Cycle | Based on Major CN Economic Variables

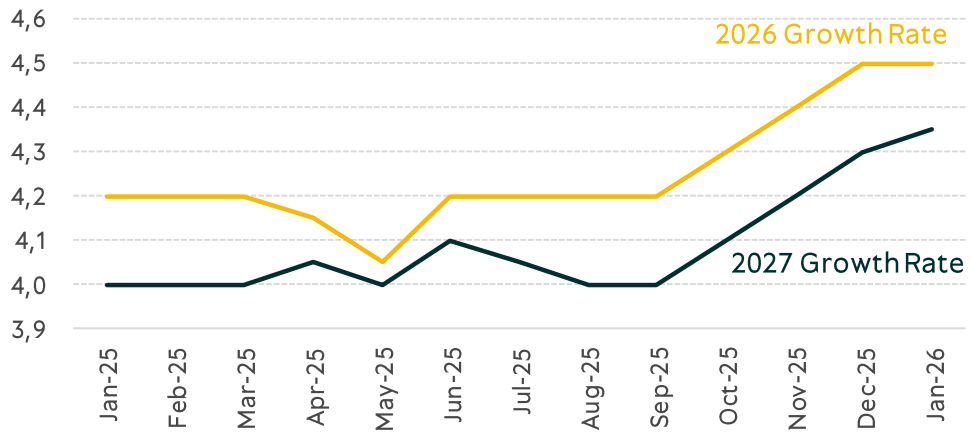


Chinese Macro Expectations | Sub 5% growth expectations for 2026 & 2027. Inflation is expected to remain too low.

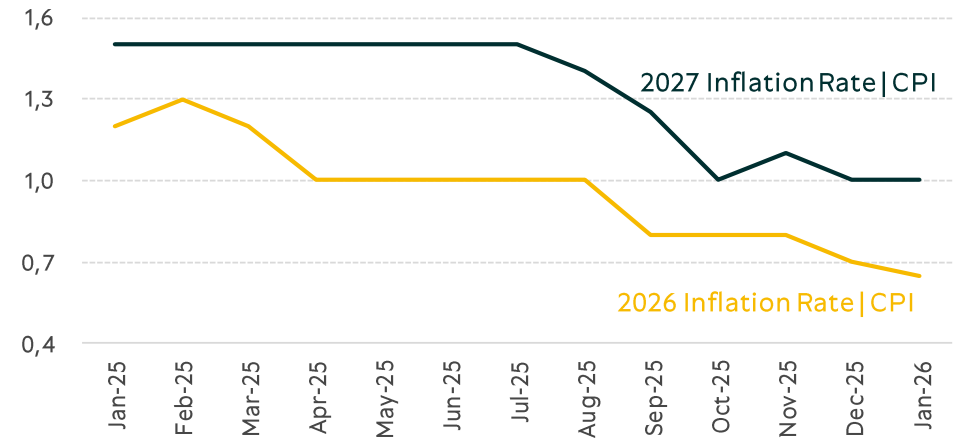
Economic & Inflation Surprises



Growth Rate Expectations (Consensus)



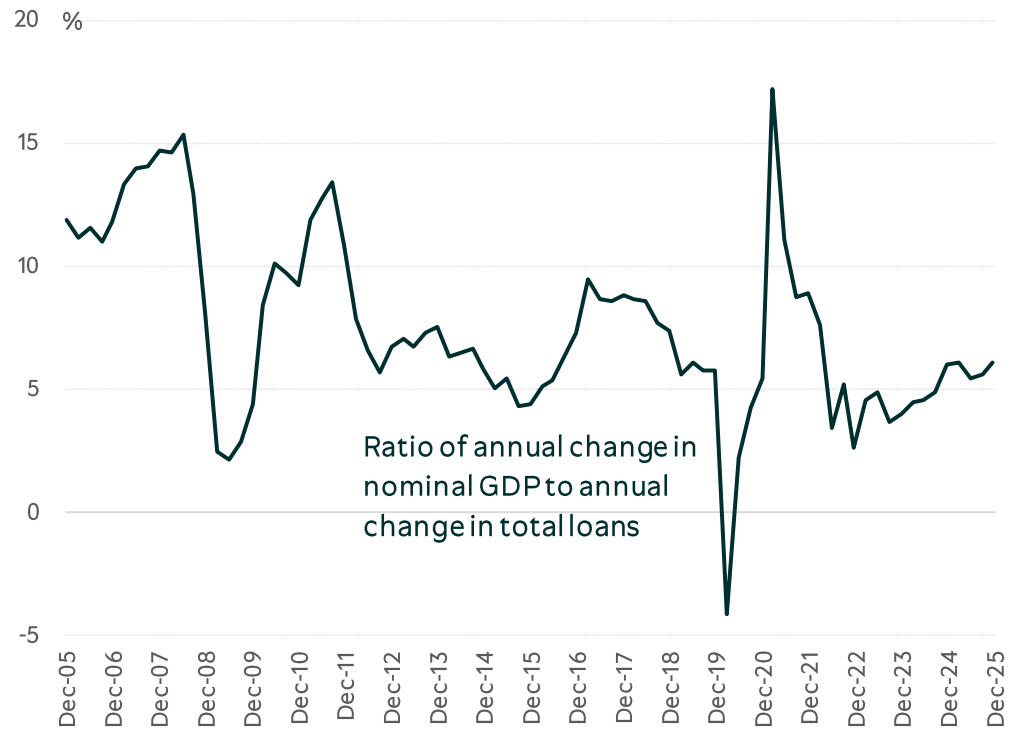
Inflation Rate Expectations (Consensus)



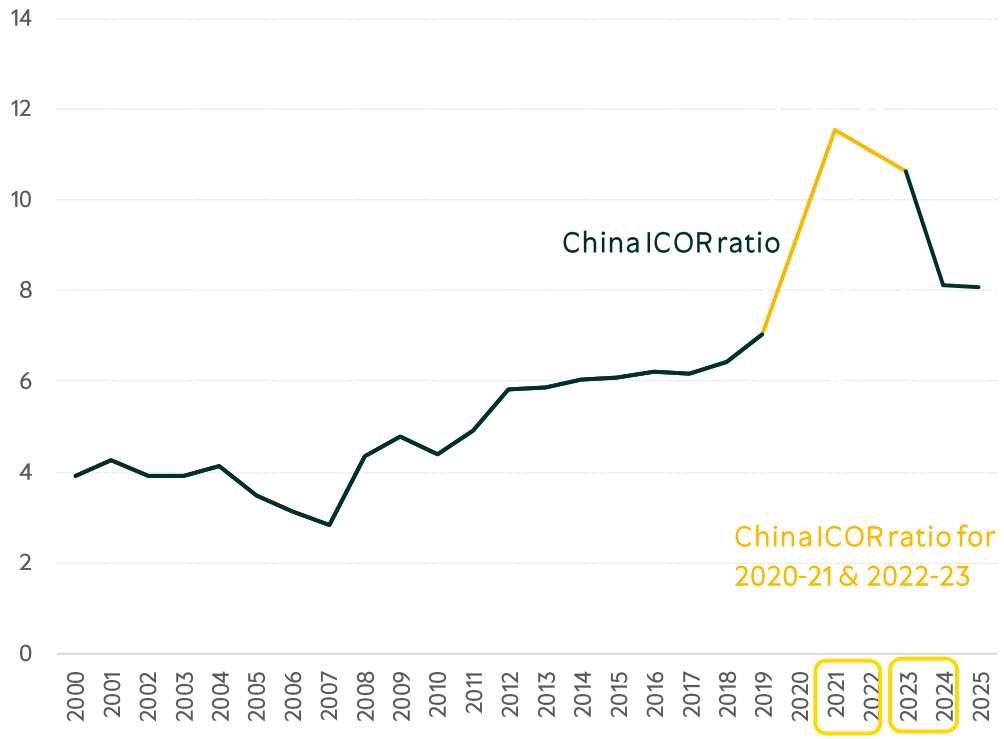
Source: Economic Research & Investment Strategy

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

China credit-efficiency ratio



China Incremental Capital Output Ratio

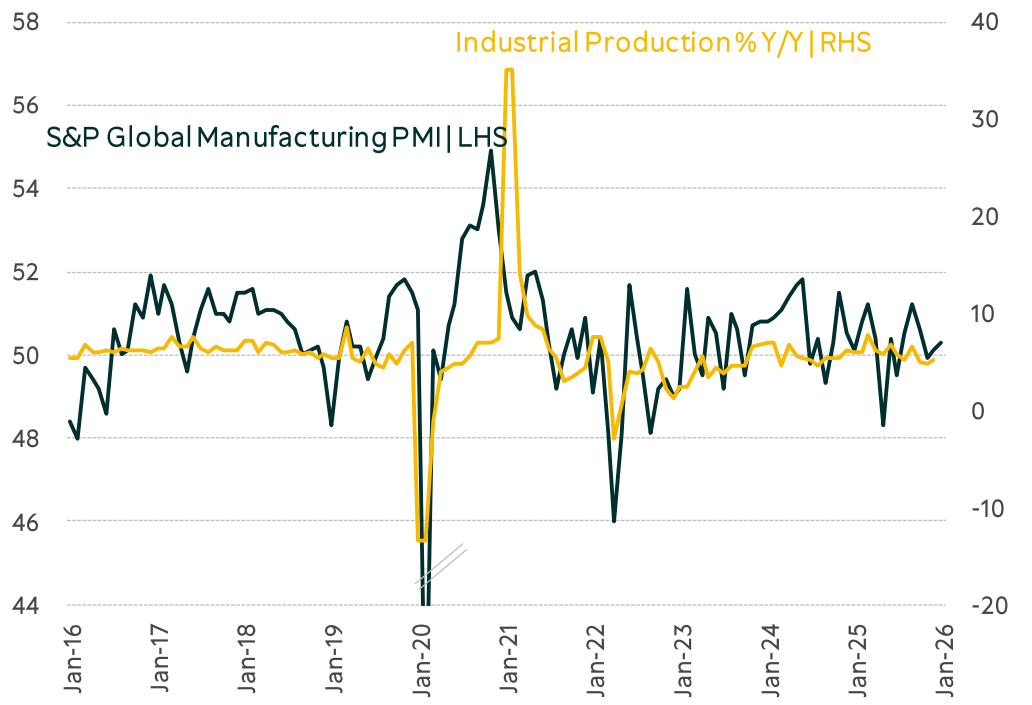


Piraeus

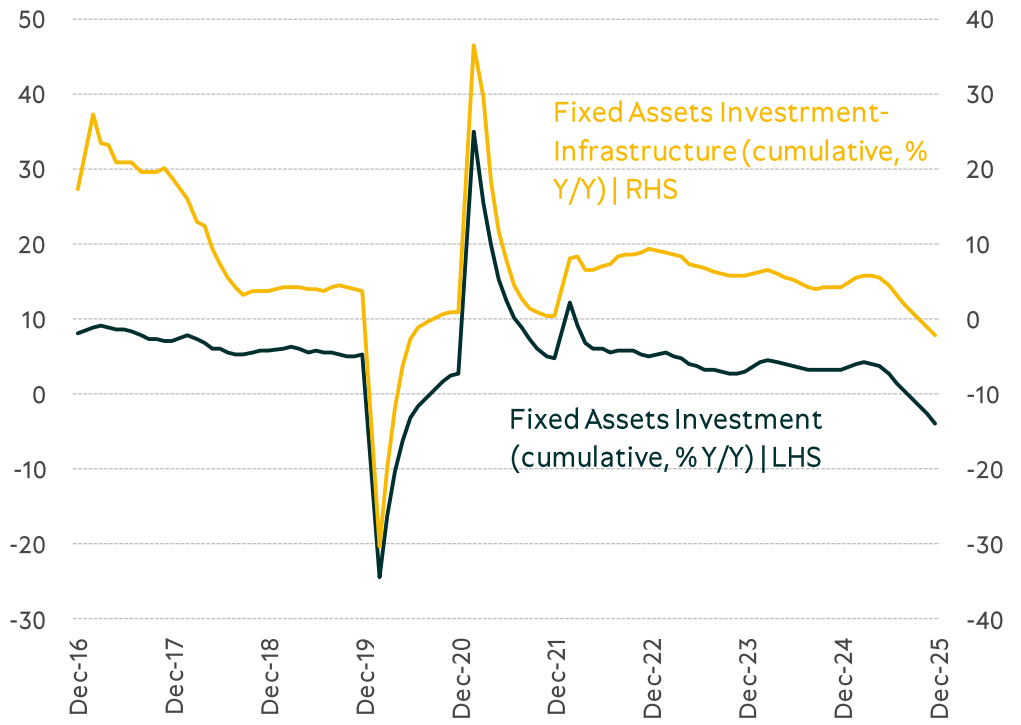
Source: Economic Research & Investment Strategy

CN | The S&P Global Manufacturing PMI increased to 50.3 in January; however, domestic demand continues to be weak.

Industrial Production & Caixin Manufacturing

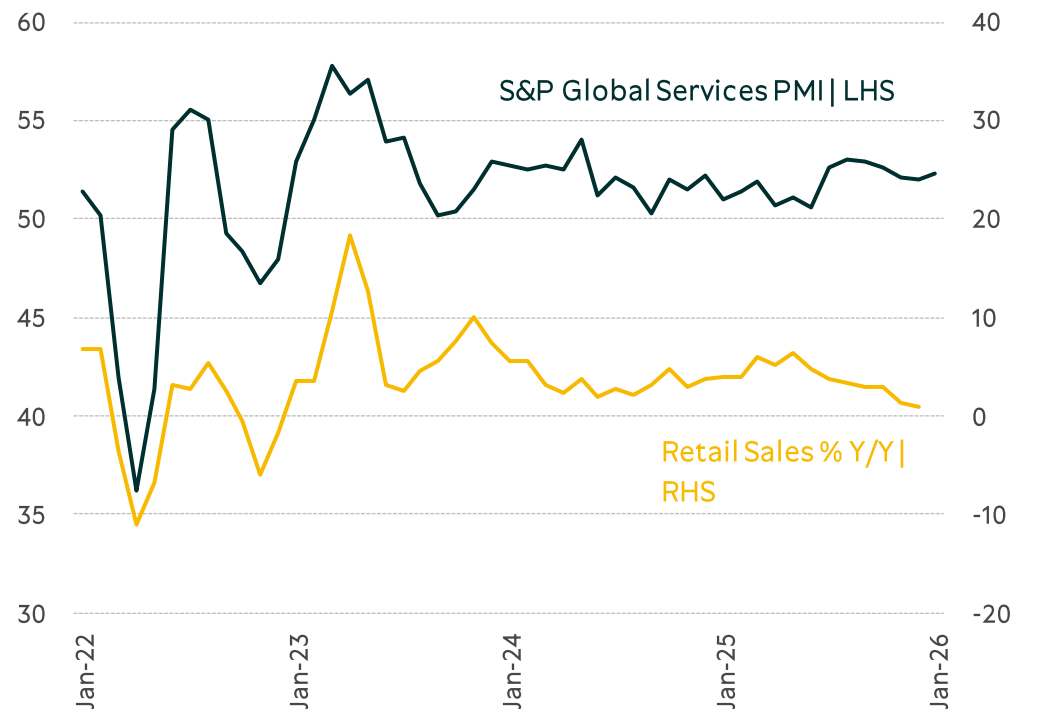


Fixed Assets Investment

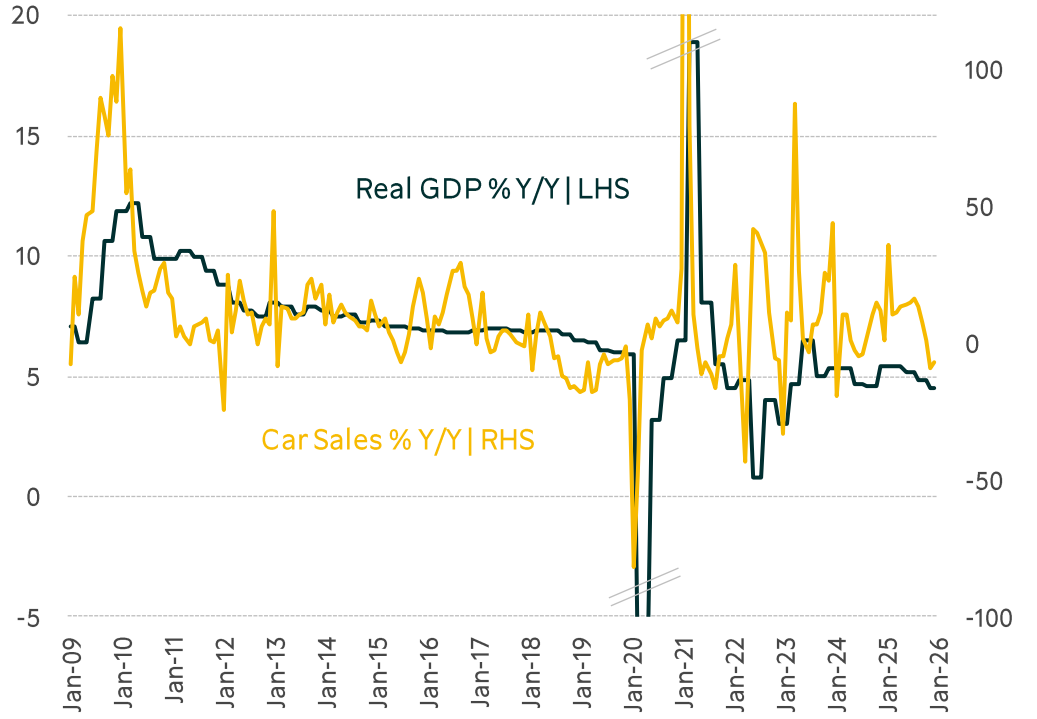


CN | Slight improvement of S&P Global Services PMI in January but domestic demand remains subdued.

Retail Sales & Caixin Services PMI

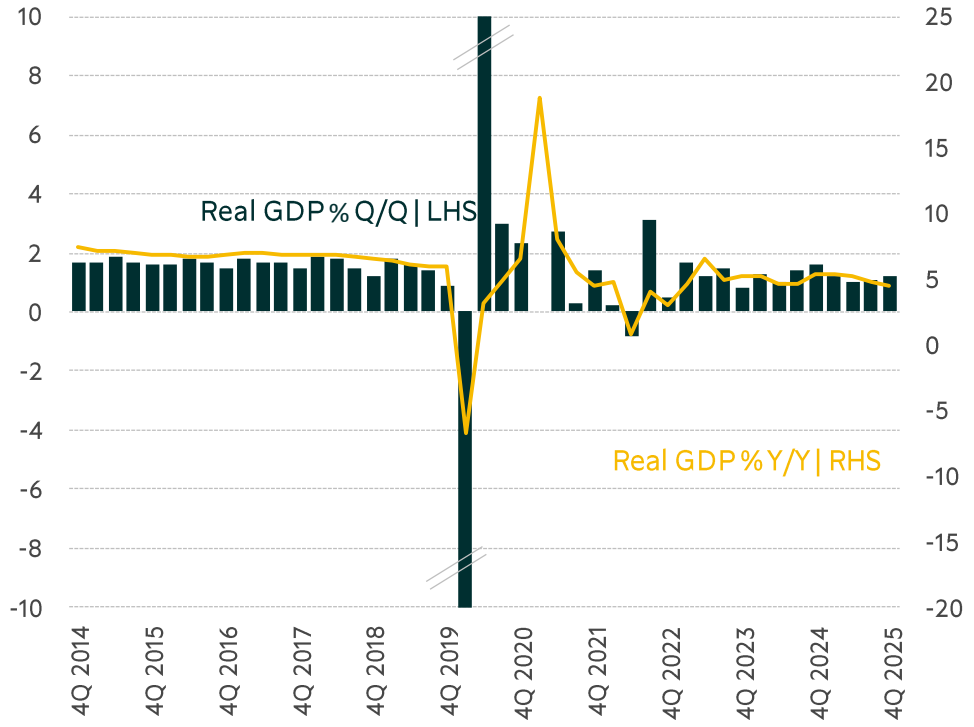


Real GDP & Car Sales

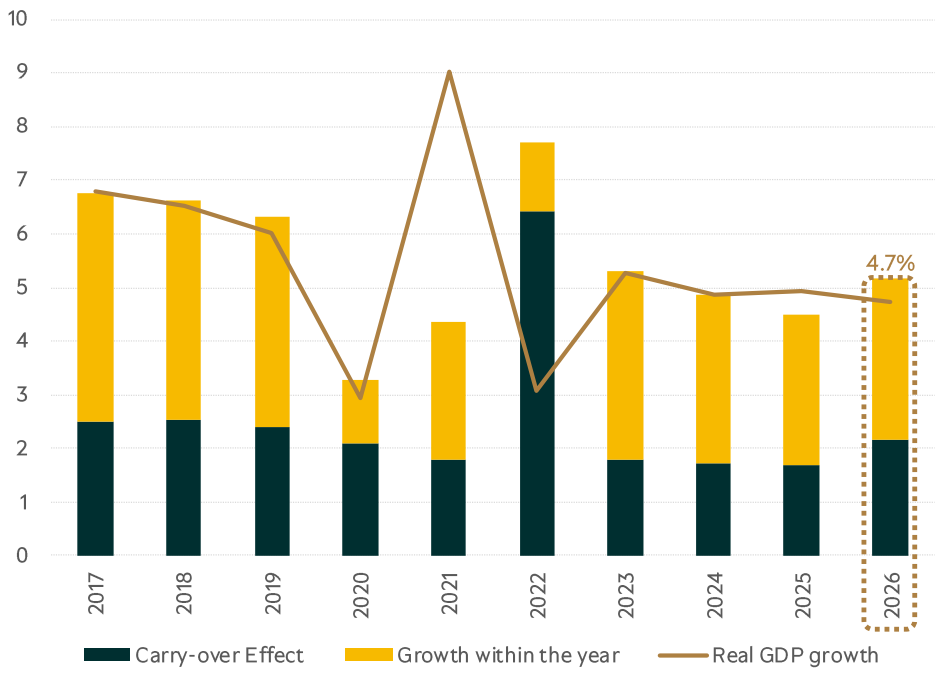


CN GDP Outlook | The government's target of approximately 5% growth rate in 2025 has been achieved.

GDP Growth Rate

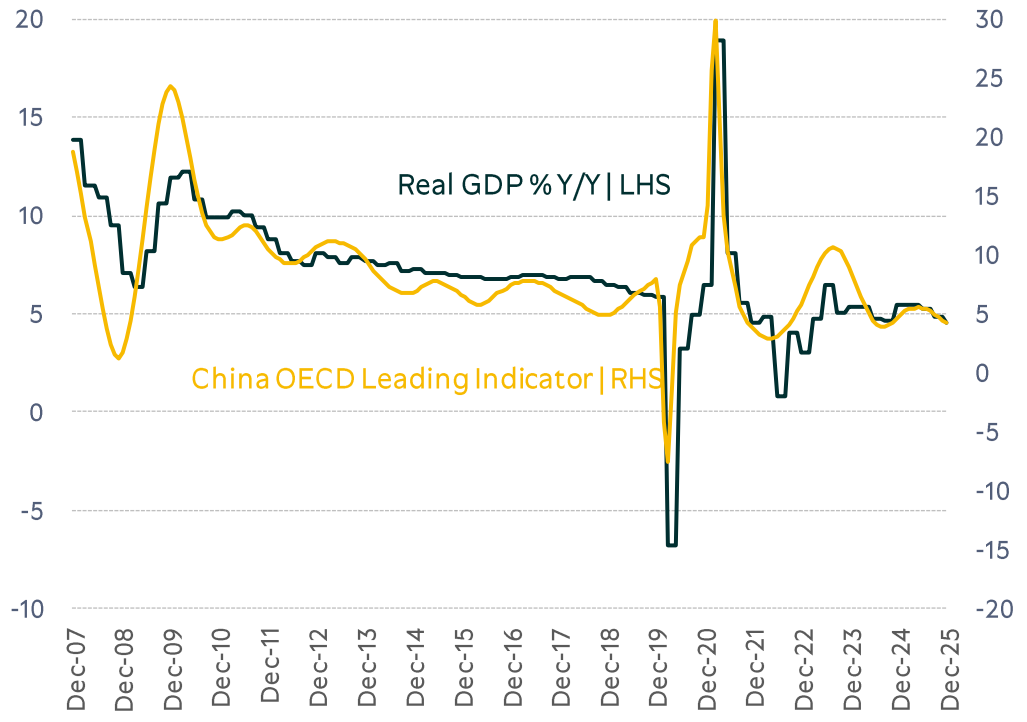


Carry Over Effect

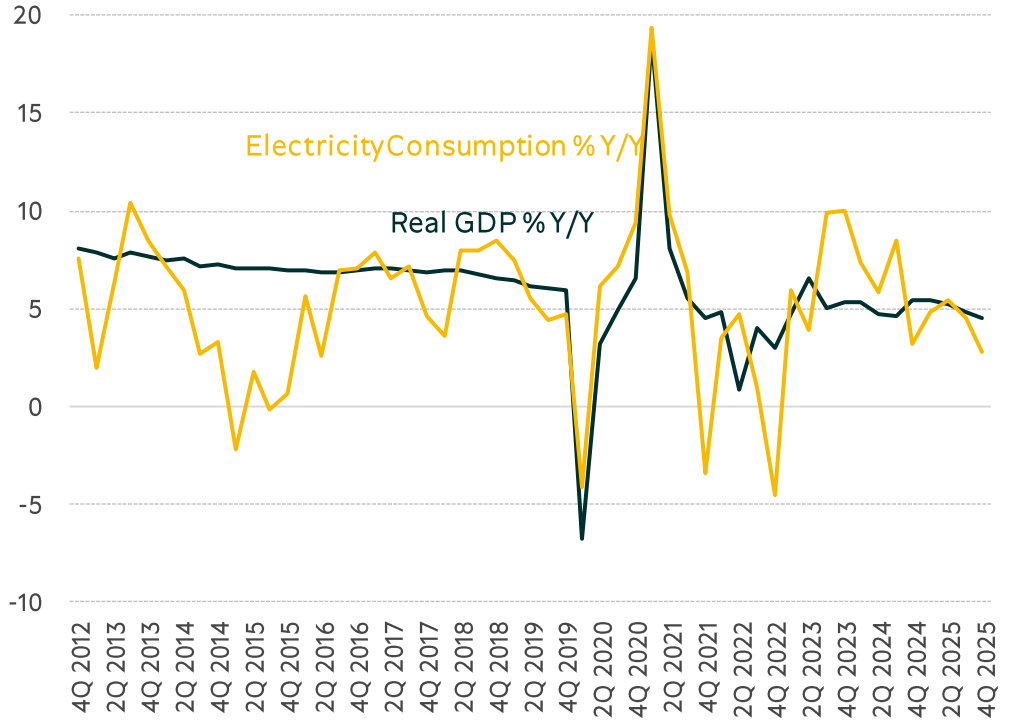


CN GDP | Trends in electricity consumption and the OECD Leading Indicator suggest that growth is likely to move slightly down from its current level.

Real GDP & China OECD Leading Indicator

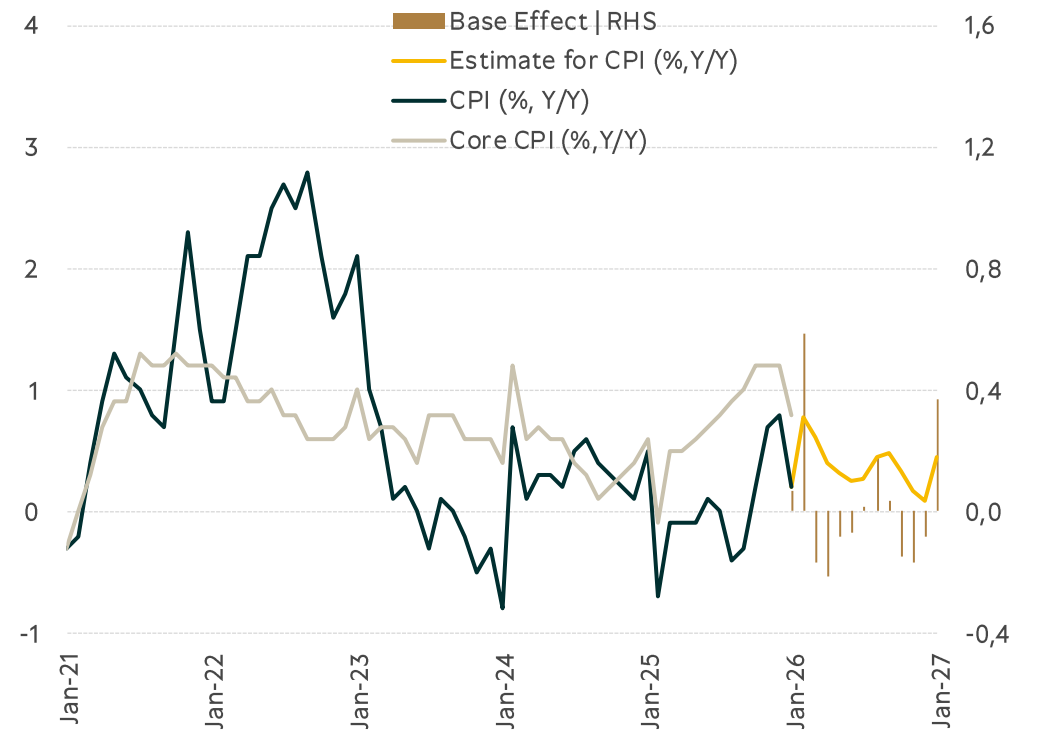


Real GDP & Electricity Consumption

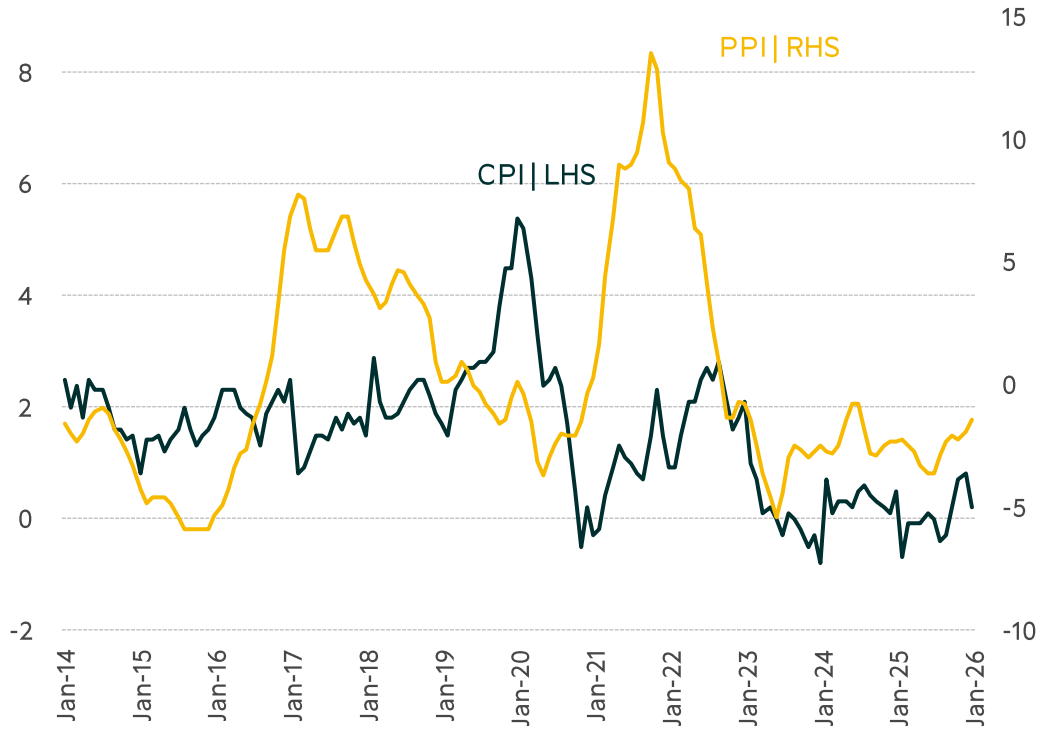


CN Inflation Outlook | A noticeable drop in inflation in January. A significant rebound is not expected in the months ahead.

Inflation Rate Forecast | Statistical Model



CPI & PPI

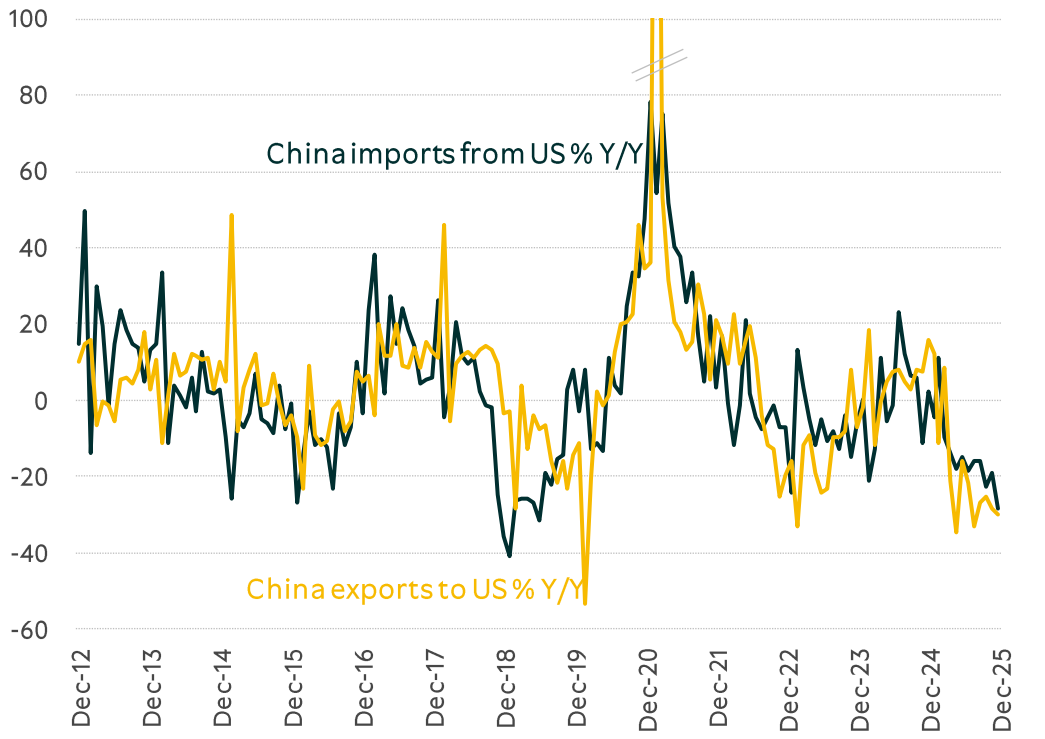


Piraeus

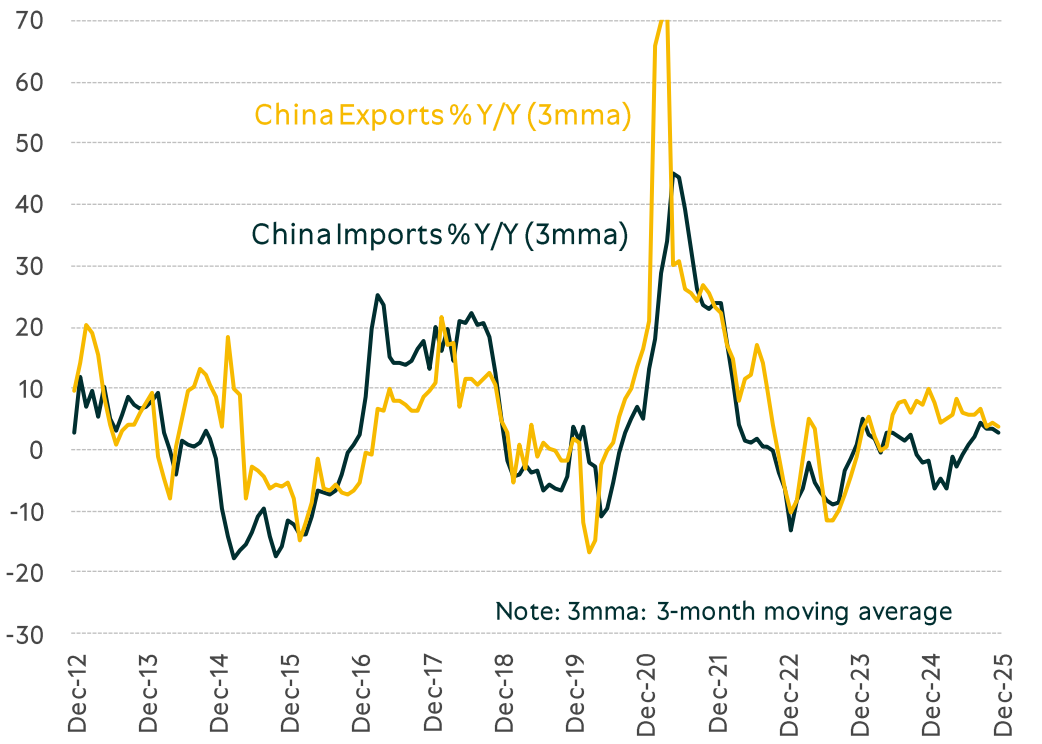
Source: Economic Research & Investment Strategy

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

Trade US – China

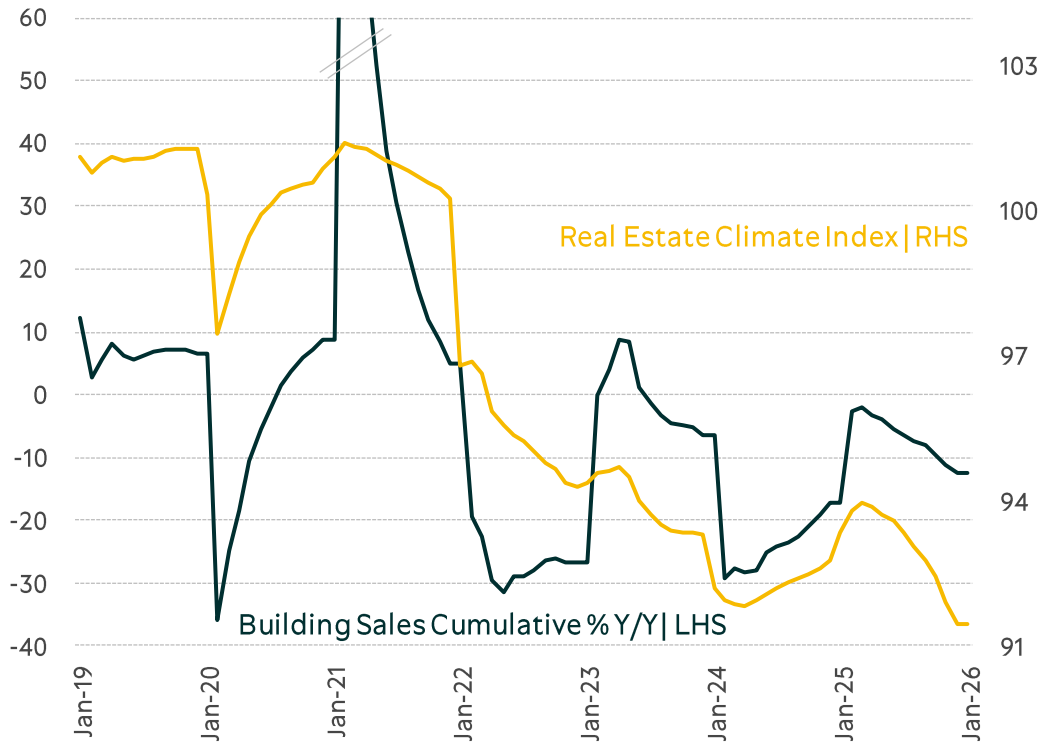


Imports & Exports

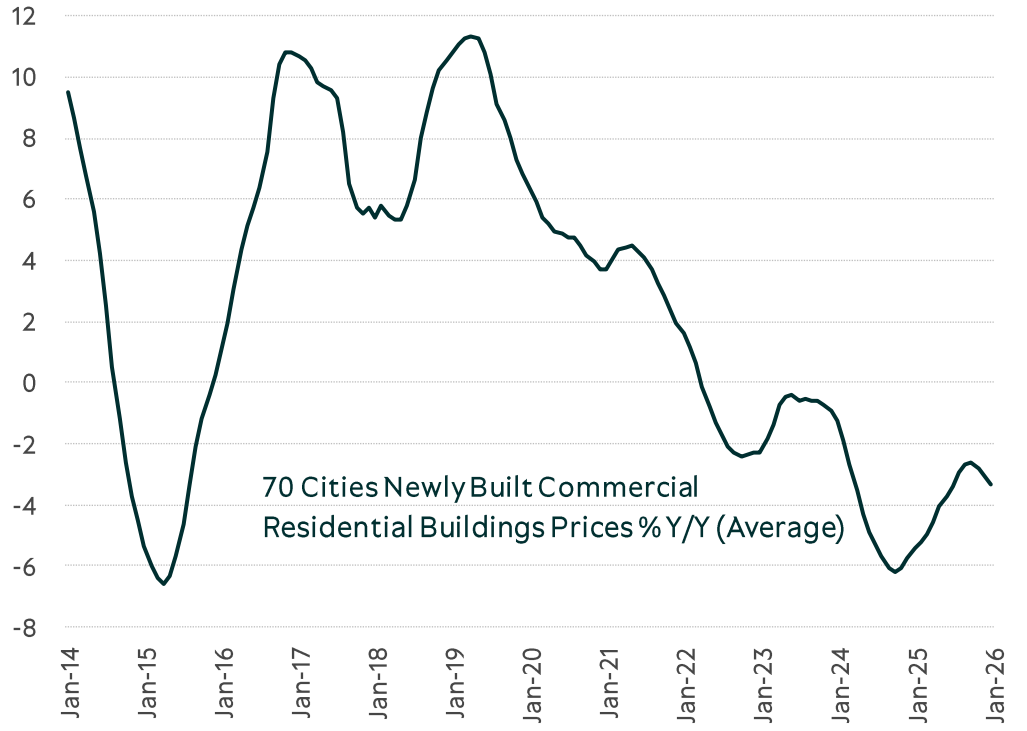


CN Real Estate | The ongoing decline in building sales and the real estate climate shows no signs of stabilisation. Prices begin to decline again.

Real Estate Climate & Building Sales

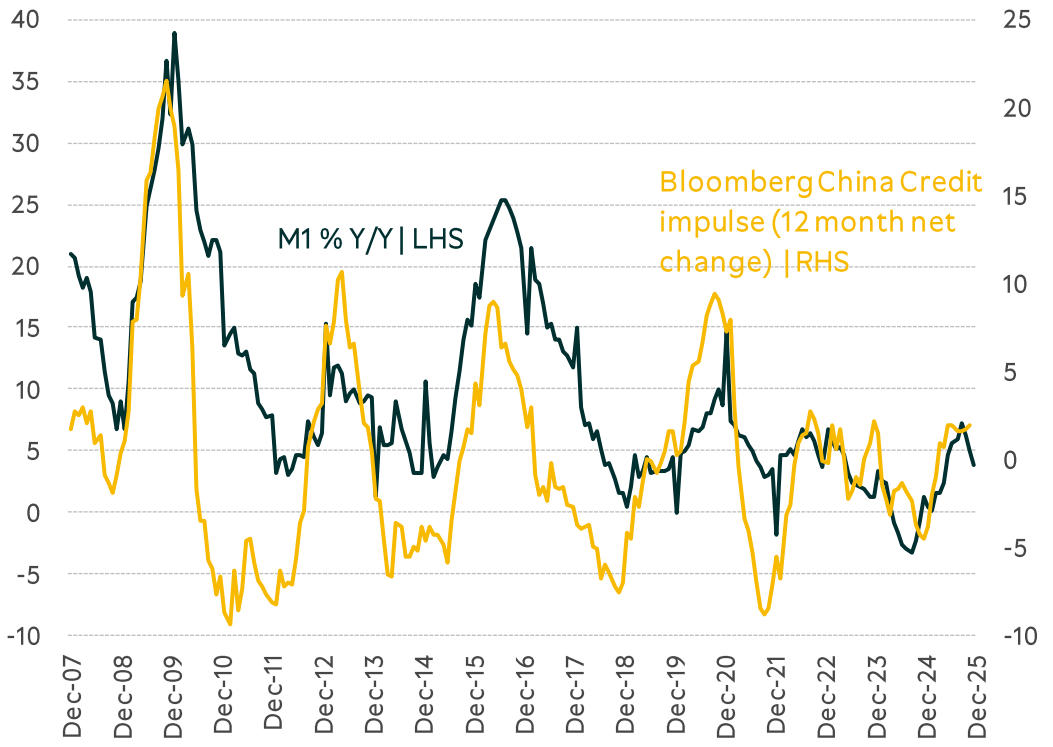


Newly Residential Buildings Prices

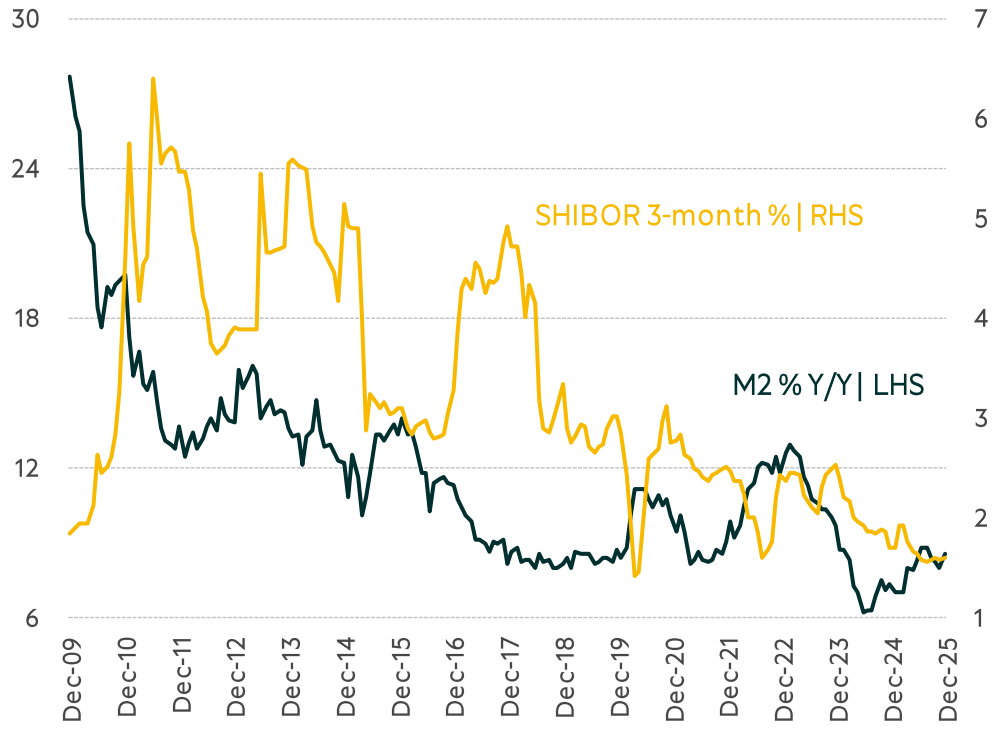


CN Money Supply | Although their growth has moderated, M1 and M2 continue to provide substantial support to economic expansion

Money Supply



Money Supply & Interbank Rate



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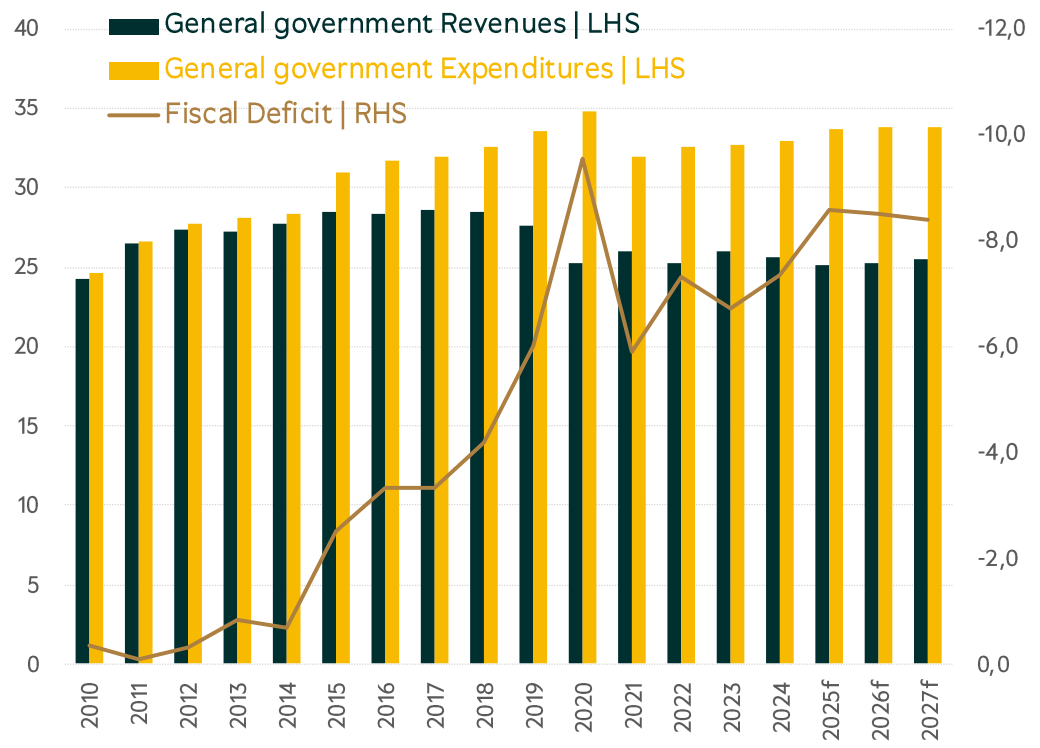
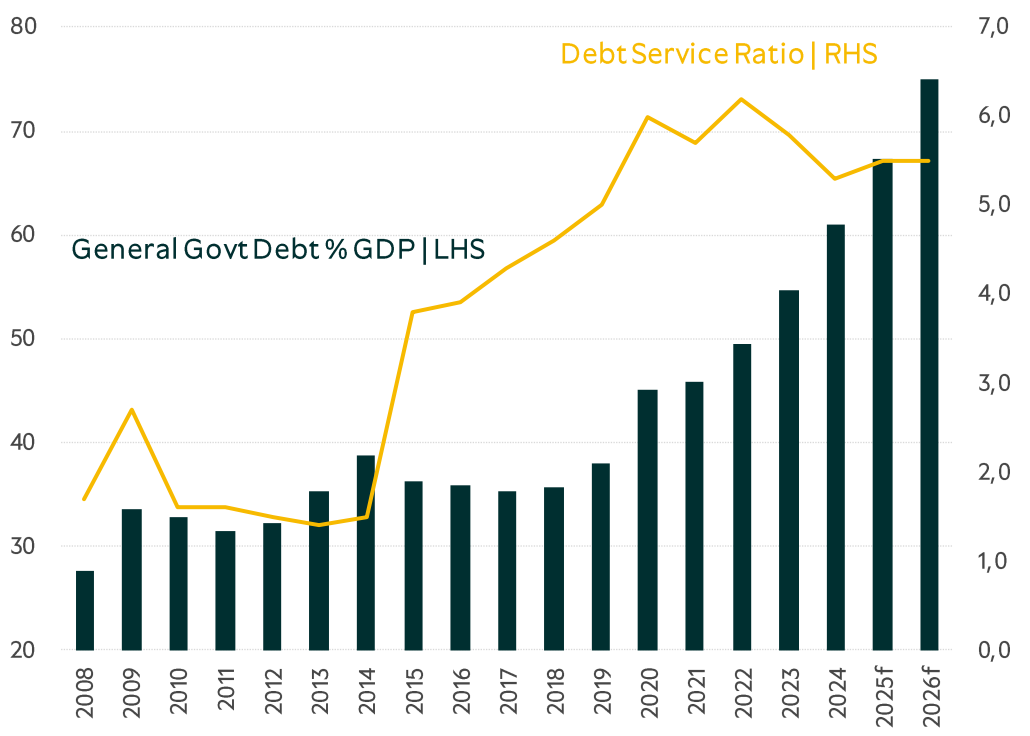
Source: Economic Research & Investment Strategy

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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