October 2026

Global Macro Trends

Global economy turns its focus to the US midterms and their implications

Piraeus

Economic Research & Investment Strategy
Global Economics & ESG Research

Global Macro Trends

▶ The ongoing wars in the Middle East and Ukraine continue to weigh on the global energy market, particularly ahead of the winter season. Higher costs of insuring vessels and shipping crude oil add to the pressure, as does severe damage to energy infrastructure, which has sharply reduced refining capacity. Europe faces the greatest risk, given its heavy reliance on energy imports and the unusually low seasonal fill levels of its natural gas storage. The outcome of the US midterm elections could also have a material bearing on both conflicts. Against this backdrop, the Fed and the ECB are likely to keep policy on hold at their upcoming meetings, waiting for a clearer view of the inflation outlook before making any adjustments.

▶ In the US, economic data and leading indicators remain fairly solid, suggesting the economy is proving unexpectedly resilient despite a challenging global environment. However, the path of inflation in the coming months, and how broadly it spreads across the economy, will inevitably affect household purchasing power and the level of interest rates, and in turn consumer demand. The steady rise in public debt, with no corrective measures in prospect, has also begun to push up government bond yields. On the positive side, stronger corporate investment, particularly in AI, continues to support growth, as do fairly favourable labour market conditions, with labour demand and supply broadly in balance.

▶ In the Eurozone, growth remains stronger than expected, supported by favourable labour market conditions, rising exports, higher defence and infrastructure spending, and investment in high technology. Challenges nevertheless remain. Managing the already high and rising public debt of some countries, such as France, requires difficult fiscal choices that balance debt containment against the need to preserve social cohesion. Meanwhile, negotiations on the allocation of funds under the new EU budget are under way and have once again exposed the divide between northern and southern member states. There is also still no agreement on a common approach to securing energy supply or shielding businesses from very high energy prices.

▶ In China, growth remains solid, although the underlying trend continues to soften gradually. Real GDP grew by 4.5% year-on-year in Q3, up from 4.3% in Q2. The full-year target of "around 4.5%–5%" therefore appears achievable, though growth is more likely to come in at the lower end of the range. Exports remain the main driver of growth, supporting strong industrial production against a backdrop of very low inflation and weak retail sales. By contrast, long-standing problems in the property market continue to weigh on momentum. On a more positive note, the US–China trade truce has been extended until 10 January 2027.

Διεθνείς Μακροοικονομικές Τάσεις

▶ Η συνέχιση της εμπόλεμης κατάστασης στη Μέση Ανατολή και την Ουκρανία σε συνδυασμό με το αυξημένο κόστος για την ασφάλιση των πλοίων και τη μεταφορά του αργού πετρελαίου και τις σοβαρές ζημιές στις ενεργειακές υποδομές (που έχουν περιορίσει δραστικά τη δυνατότητα διύλισής του) εξακολουθούν να δημιουργούν πιέσεις στην παγκόσμια αγορά ενέργειας, ιδιαίτερα ενόψει της χειμερινής περιόδου. Οι κίνδυνοι είναι εντονότεροι για την Ευρώπη λόγω της υψηλής εξάρτησής της από τις εισαγωγές ενέργειας και των ιδιαίτερα χαμηλών, για την εποχή, επιπέδων πλήρωσης των ευρωπαϊκών αποθηκών φυσικού αερίου. Επιπρόσθετα, το αποτέλεσμα στις ενδιάμεσες εκλογές στις ΗΠΑ ενδέχεται να επηρεάσει σημαντικά τις εξελίξεις στα πολεμικά μέτωπα. Στο πλαίσιο αυτό, η Fed και η ΕΚΤ στις προσεχείς συνεδριάσεις τους είναι πολύ πιθανό να τηρήσουν στάση αναμονής, προκειμένου να έχουν μία σαφέστερη εικόνα για την εκτιμώμενη πορεία του πληθωρισμού προτού μεταβάλουν την πολιτική τους.

▶ Στις ΗΠΑ, τα οικονομικά στοιχεία και οι πρόδρομοι δείκτες παραμένουν αρκετά καλά, υποδηλώνοντας τη διατήρηση της απρόσμενης ανθεκτικότητας της οικονομίας στο διεθνώς δύσκολο περιβάλλον. Ωστόσο, η εξέλιξη του πληθωρισμού το επόμενο διάστημα και το εύρος της διάχυσής του θα επηρεάσουν αναπόφευκτα την αγοραστική δύναμη των νοικοκυριών, το ύψος των επιτοκίων και, εν τέλει, την καταναλωτική ζήτηση. Επίσης, η συνεχής άνοδος του δημόσιου χρέους χωρίς να προωθείται η λήψη διορθωτικών μέτρων έχει αρχίσει να αντανακλάται στην αύξηση των αποδόσεων των κρατικών ομολόγων. Από την άλλη, θετικά συνεχίζουν να επιδρούν οι αυξημένες εταιρικές επενδύσεις, ιδίως οι σχετιζόμενες με την τεχνητή νοημοσύνη και οι αρκετά καλές συνθήκες στην αγορά εργασίας που συνηγορούν ότι η ζήτηση και η προσφορά βρίσκονται γενικά σε ισορροπία.

▶ Στην Ευρωζώνη, η ανάπτυξη παραμένει ισχυρότερη των εκτιμήσεων, ωθούμενη από τις ευνοϊκές συνθήκες στην αγορά εργασίας, την άνοδο των εξαγωγών, τις αυξημένες δαπάνες σε άμυνα και υποδομές και τις επενδύσεις στον τομέα της υψηλής τεχνολογίας. Ωστόσο, οι προκλήσεις παραμένουν. Η διαχείριση του αυξανόμενου (και ήδη υψηλού) δημόσιου χρέους ορισμένων χωρών, όπως της Γαλλίας, απαιτεί δύσκολες δημοσιονομικές αποφάσεις που να συνδυάζουν τη συγκράτησή του με τη, κατά το δυνατόν, διατήρηση της κοινωνικής συνοχής. Παράλληλα, σε εξέλιξη βρίσκονται οι διαπραγματεύσεις για τα κονδύλια του νέου κοινοτικού προϋπολογισμού που έχουν αναδείξει, για άλλη μία φορά, τη διαφορά αντιλήψεων μεταξύ των χωρών του ευρωπαϊκού βορρά και νότου, ενώ συμφωνία δεν υπάρχει ακόμη ούτε για τον τρόπο της συλλογικής αντιμετώπισης του ζητήματος της ενεργειακής επάρκειας και της στήριξης του ιδιωτικού τομέα από τις ιδιαίτερα αυξημένες τιμές της ενέργειας.

▶ Στην Κίνα, ο ρυθμός ανάπτυξης παραμένει ισχυρός, αν και εξακολουθεί να εμφανίζει διαχρονικά τάση ελαφράς συγκράτησης. Σύμφωνα με τα τελευταία στοιχεία, κατά το Γ΄ Τρίμηνο το πραγματικό ΑΕΠ αυξήθηκε 4,5% σε ετήσια βάση (από 4,3% το Β΄ Τρίμηνο). Συνεπώς, κρίνεται εφικτή η επίτευξη του στόχου του «περίπου 4,5%-5%» που είχε τεθεί για το σύνολο του έτους, αν και πιο πιθανή είναι η διαμόρφωσή του στο χαμηλότερο άκρο του. Οι εξαγωγές εξακολουθούν να συνιστούν τον ισχυρότερο προωθητικό παράγοντα, στηρίζοντας έναν υψηλό ρυθμό αύξησης της βιομηχανικής παραγωγής σε ένα περιβάλλον ιδιαίτερα χαμηλού πληθωρισμού και ρυθμού ανόδου των λιανικών πωλήσεων. Αντίθετα, τα χρόνια προβλήματα στην αγορά ακινήτων εξακολουθούν να αποτελούν τροχοπέδη στην αναπτυξιακή δυναμική. Τέλος, θετικά επιδρά η παράταση της εμπορικής εκεχειρίας με τις ΗΠΑ έως τις 10/1/27.

Main Macroeconomic Indicators – Market Consensus

US	Actual				Estimates				% Y/Y avg		
	2025 Q3	2025 Q4	2026 Q1	2026 Q2	2026 Q3	2026 Q4	2027 Q1	2027 Q2	2025	2026	2027
Real GDP Q/Q % SAAR	3.9	0.2	2.5	2.2	2.8	2.1	2.1	2.1	2.3	2.2	2.2
Headline PCE PI % Y/Y	2.7	2.8	3.1	3.9	3.7	3.6	3.1	2.3	2.6	3.6	2.5
Core PCE % Y/Y	2.8	2.8	3.0	3.1	3.3	3.3	2.8	2.6	2.8	3.3	2.6
Unemployment Rate	4.3	4.5	4.3	4.3	4.1	4.2	4.2	4.2	4.3	4.2	4.2
Fed Policy Rate (Upper Bound)	4.25	3.75	3.75	3.75	4.00	4.25	4.28	4.25	3.75	4.25	4.08

EA	Actual				Estimates				% Y/Y avg		
	2025 Q3	2025 Q4	2026 Q1	2026 Q2	2026 Q3	2026 Q4	2027 Q1	2027 Q2	2025	2026	2027
Real GDP Q/Q %	0.3	0.2	0.0	0.6	0.2	0.3	0.3	0.3	1.2	1.0	1.3
CPI % Y/Y	2.1	2.1	2.1	3.0	3.3	3.6	3.3	2.6	2.1	3.0	2.6
Unemployment Rate	6.3	6.3	6.4	6.4	6.4	6.3	6.3	6.3	6.3	6.4	6.3
ECB Policy Rate	2.00	2.00	2.00	2.25	2.50	2.70	2.70	2.67	2.00	2.70	2.53

	Emerging Markets		Brazil			China		India		
	Real GDP	Inflation	Real GDP	Inflation	Key Rate	Real GDP	Inflation	Real GDP	Inflation	Key Rate
2023	4.5	5.7	3.3	4.6	11.75	5.4	0.2	9.2	5.7	6.50
2024	4.6	6.7	3.4	4.4	12.25	5.0	0.2	7.3	5.0	6.50
2025	4.6	3.1	2.3	5.0	15.00	5.0	0.1	7.2	2.2	5.25
2026f	3.7	3.4	1.9	4.5	13.50	4.6	1.0	7.5	2.0	5.67
2027f	4.4	3.2	1.5	4.3	11.80	4.4	1.1	7.1	5.1	5.80

Market Consensus 13.10.2026

Bird's Eye View

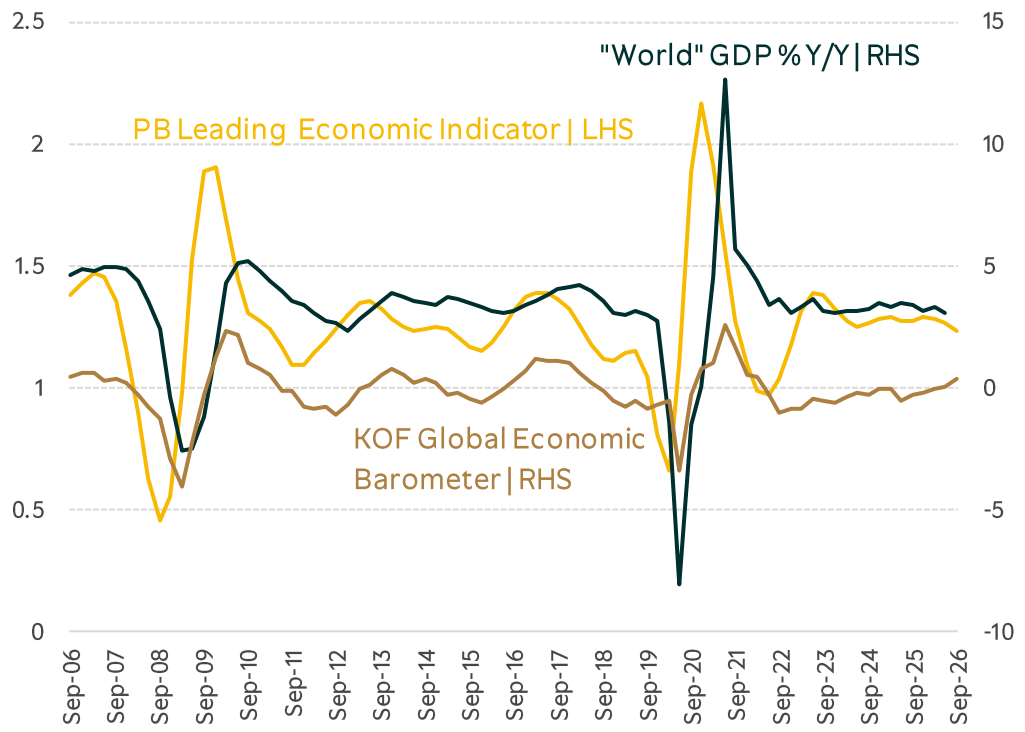
US Economy

EA Economy

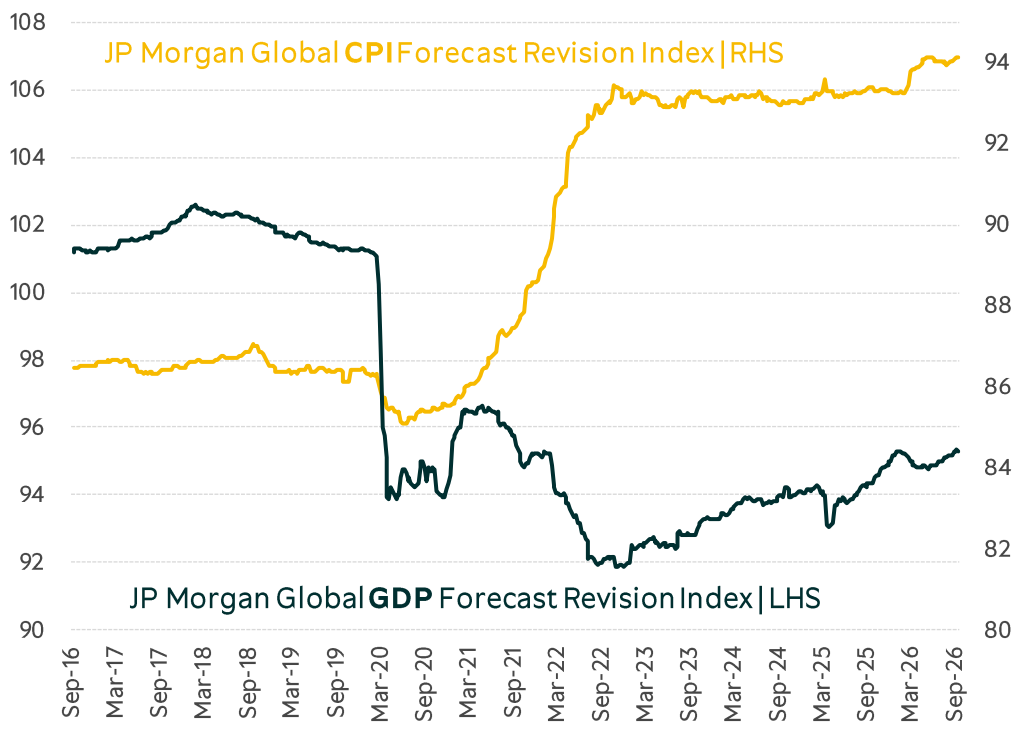
China Economy

The Global Bird's-Eye View | Global growth has remained resilient, though both Global GDP and our leading indicator signal a modest slowdown as geopolitical tensions persist.

Piraeus Bank "World" Leading Economic Indicator & Economic Growth

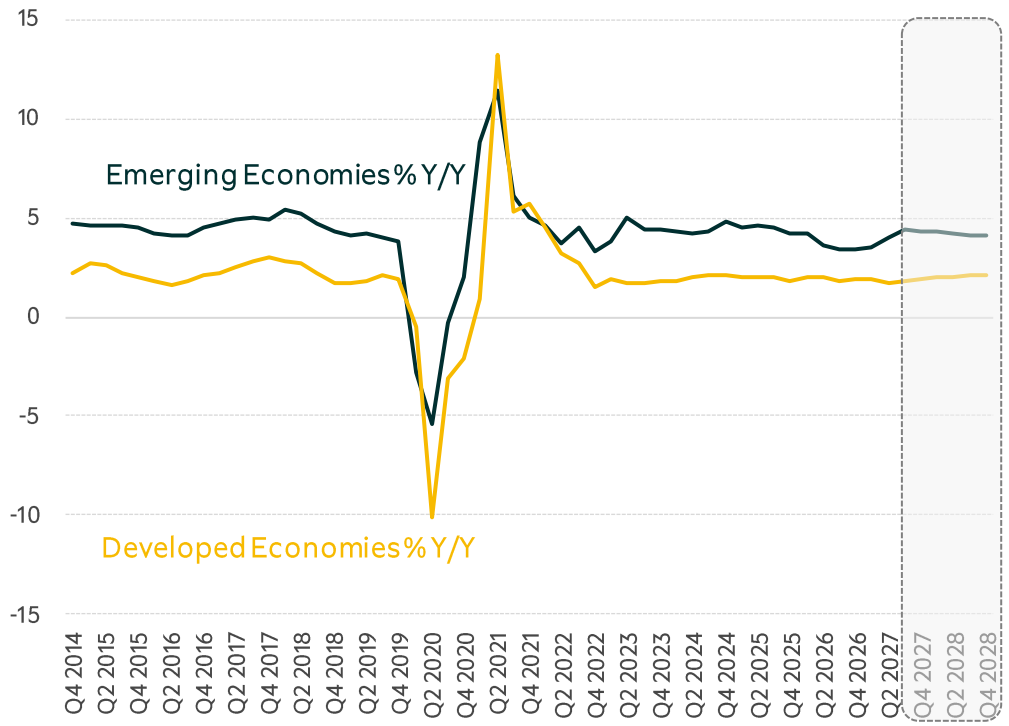


J.P. Morgan Global Forecast Revision Indices

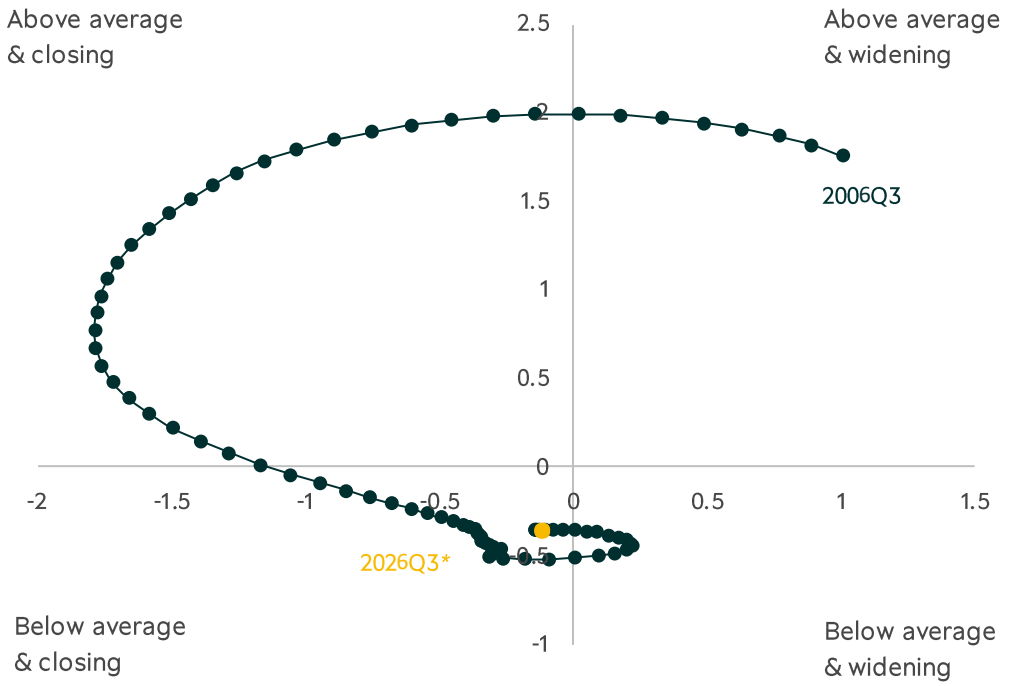


The Global Bird's-Eye View | The growth differential between emerging markets and developed markets is expected to stay below average levels through 2026-28.

Real GDP Growth



EM – DM Growth Differential



** Denotes forecasted figures from 2026Q3 up to 2028Q4*

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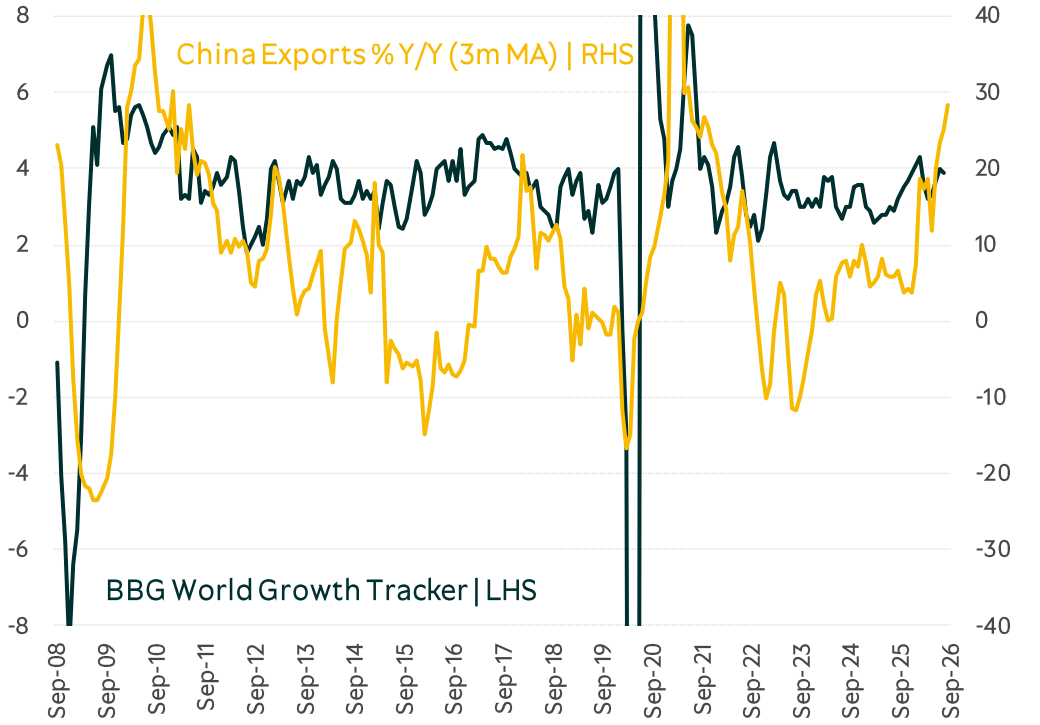
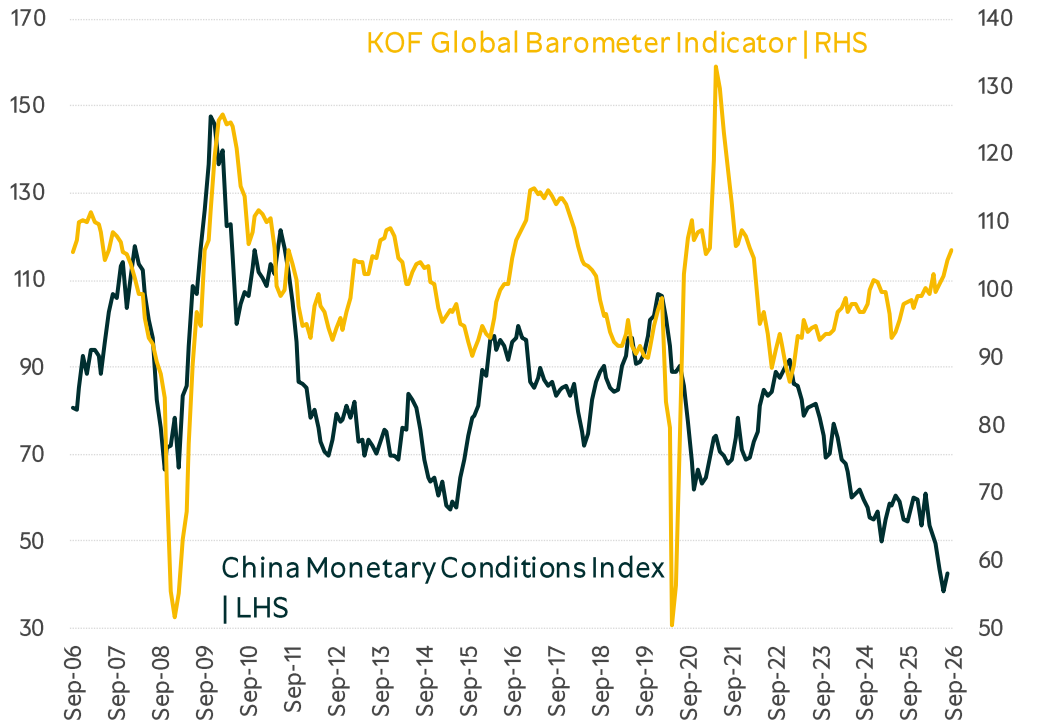
Source: Economic Research & Investment Strategy

Global Economic Activity | China's exports accelerated in September, rising 36.3% y/y after 25% in August, on strong demand for tech and AI-related goods and higher car shipments.

BBG World Growth Tracker & China Exports

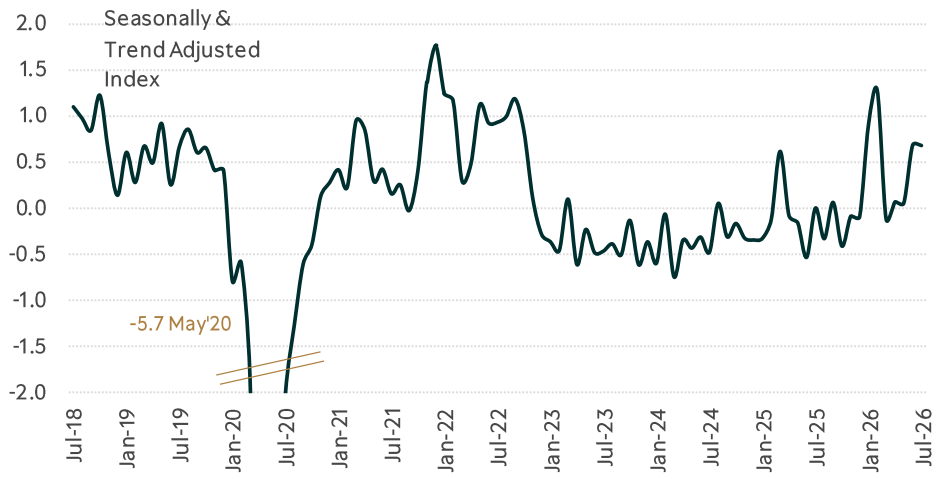


KOF Global Barometer Indicator & China Monetary Conditions

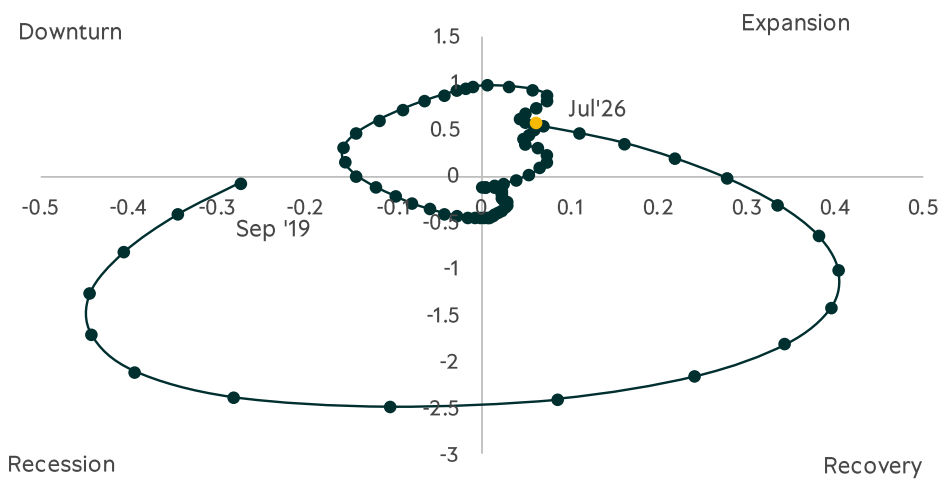


Global Trade | World trade rose modestly in July after June's rebound, as imports increased and exports stayed broadly flat.

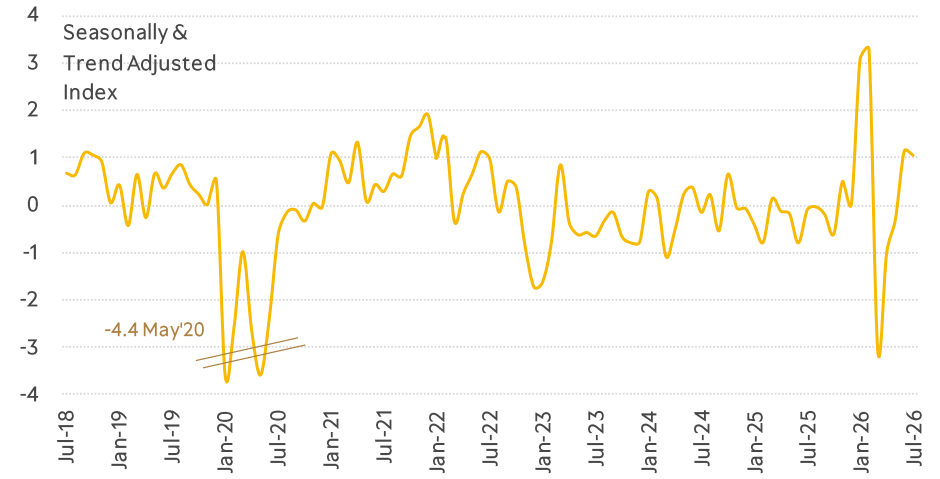
World Trade



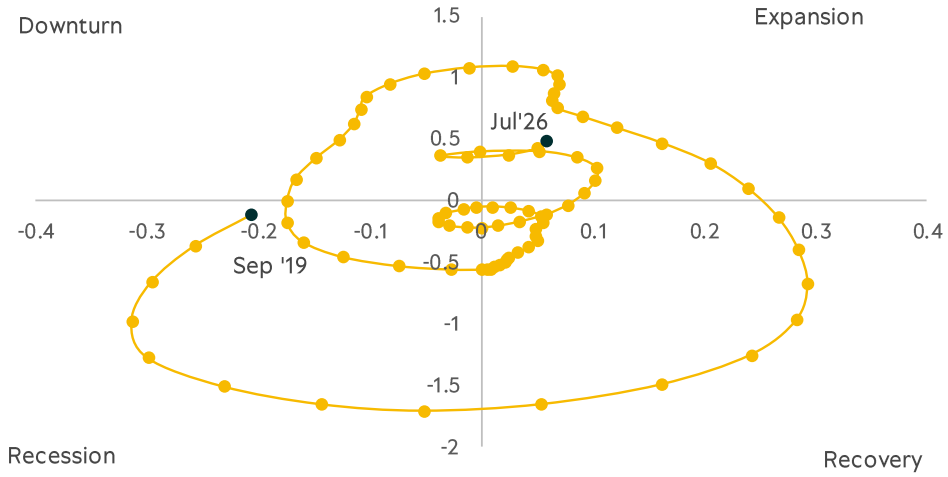
World Trade Tracer



World Exports | EM



World Exports Tracer | EM



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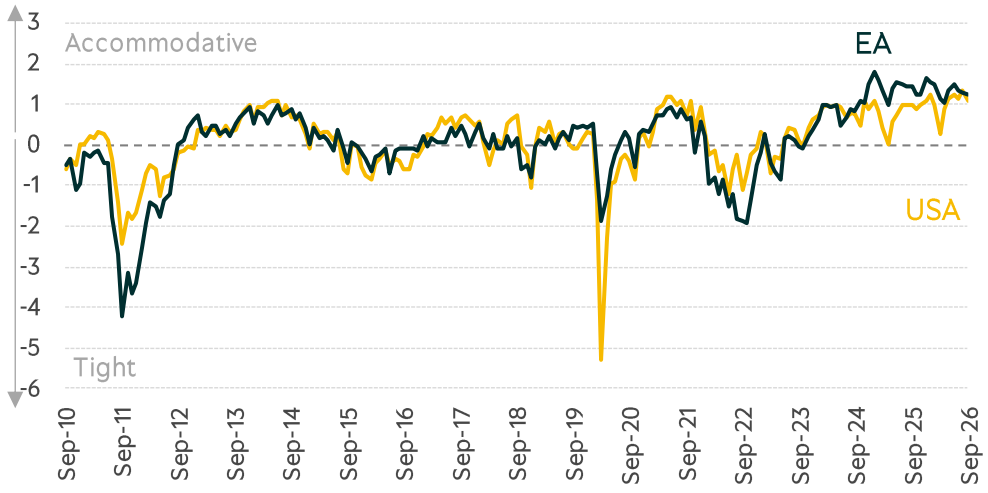
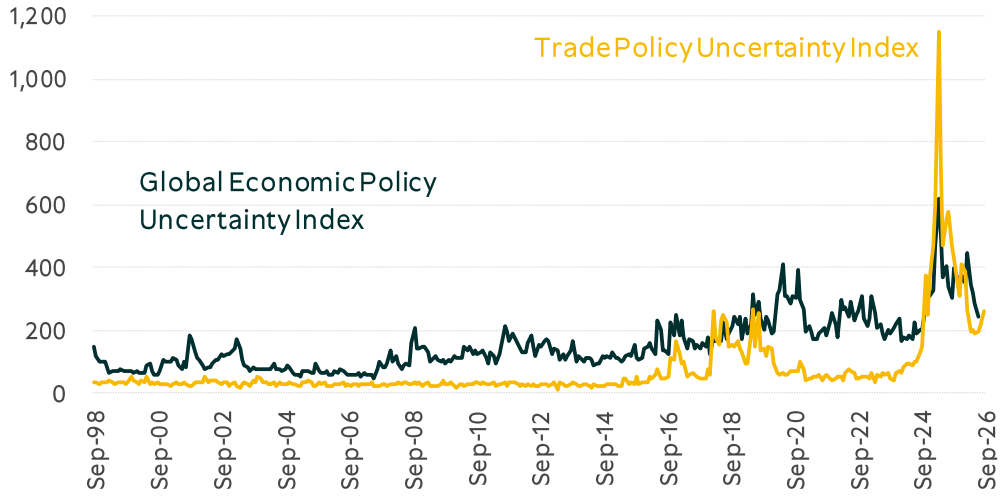
Source: Economic Research & Investment Strategy

Global Trends | The Trade Policy Uncertainty Index rose again in September after several months of easing.

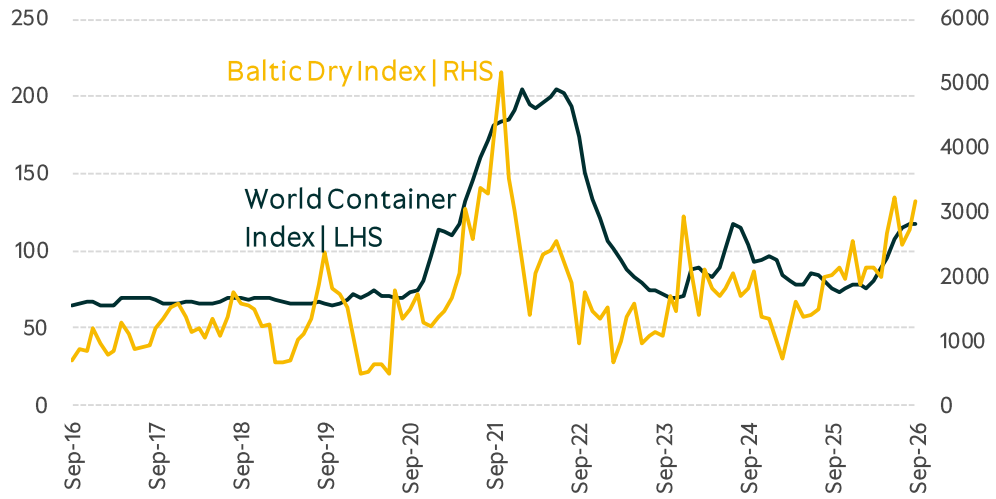
Bloomberg Financial Conditions Indices



Global Economic & Trade Policy Uncertainty (Caldara & Iacoviello)



World Container and Baltic Dry Indices



Global Supply Chain Pressure (NY Fed)

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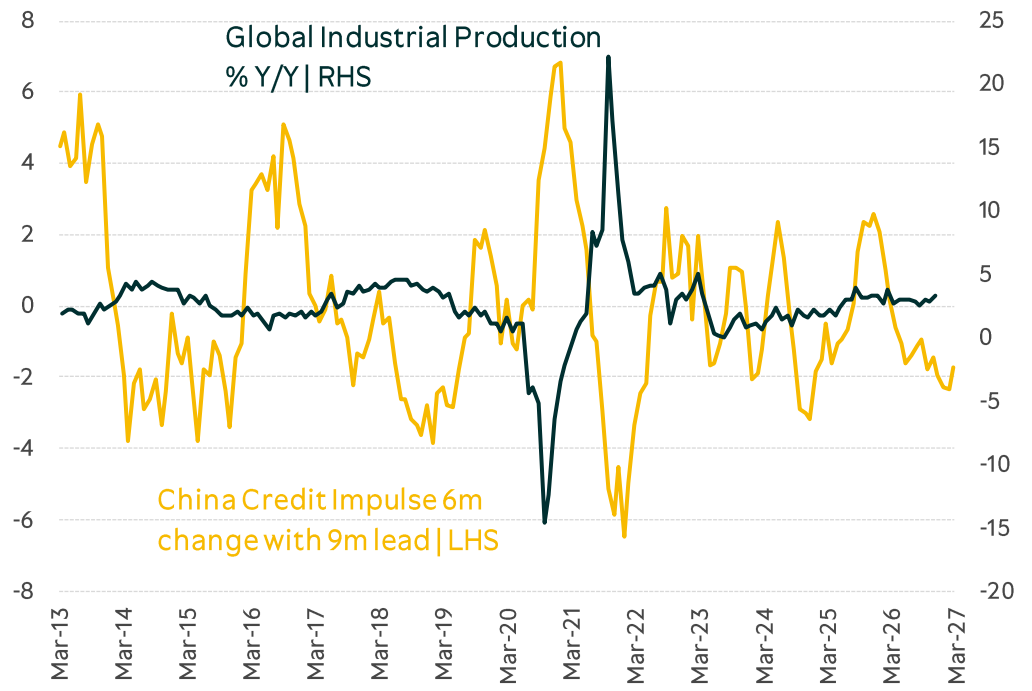
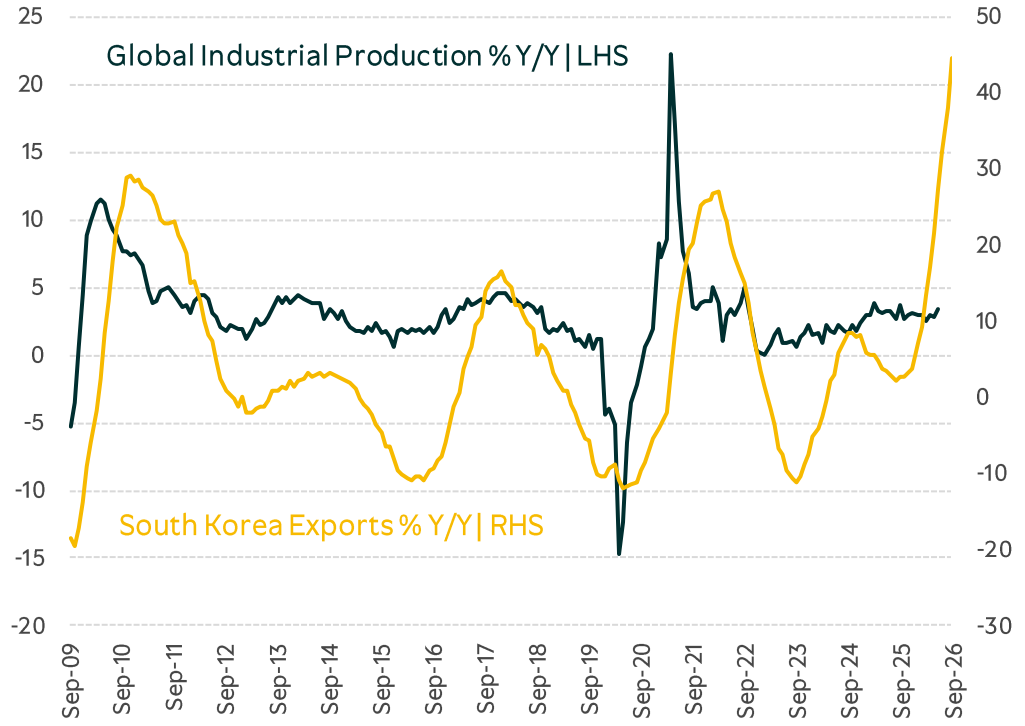
Source: Economic Research & Investment Strategy

Global Trends | South Korea's exports hit a record high in September, driven by semiconductors and rising demand from China and the US.

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

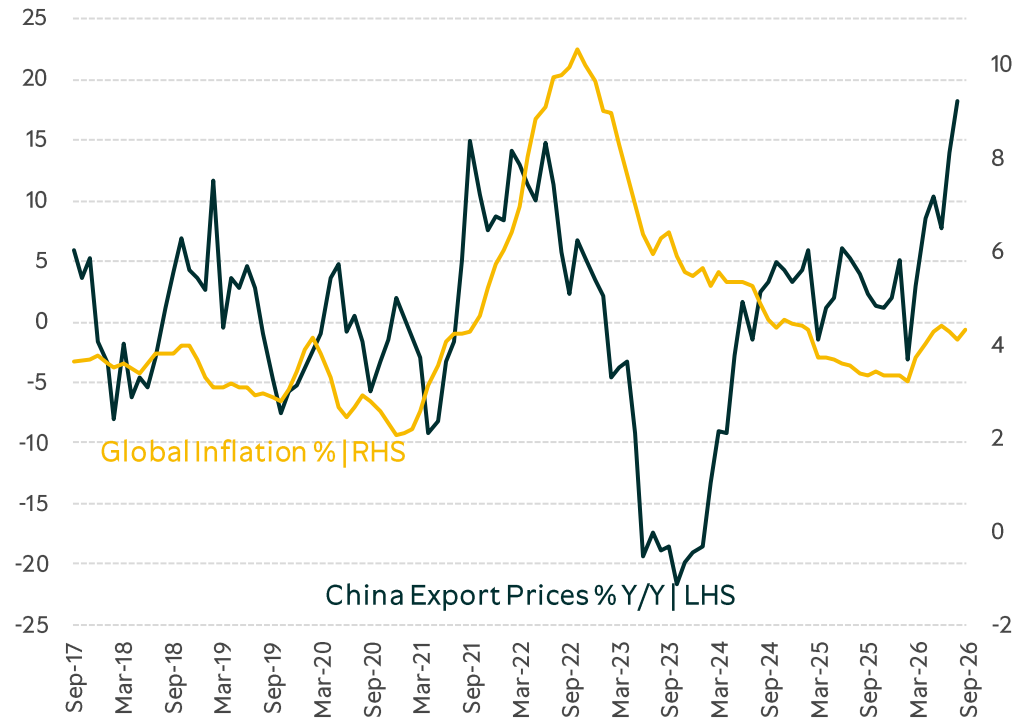


South Korean Exports & Global Industrial Production

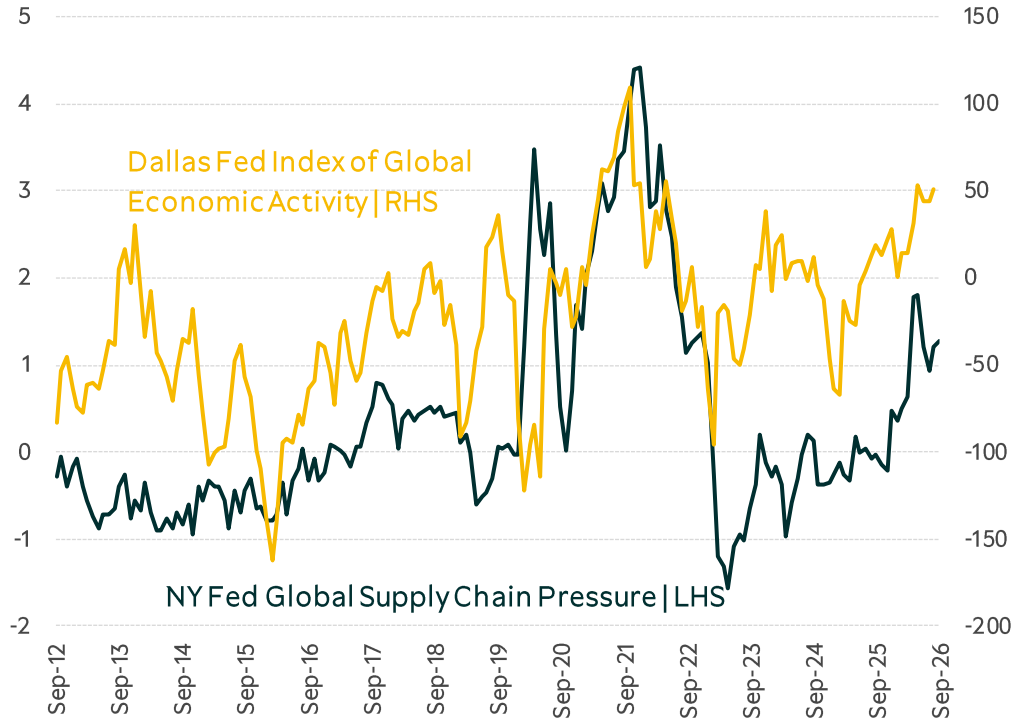


Global Trends | Global inflation rose in September, while China's export prices spiked in August.

China Export Prices & Global Inflation

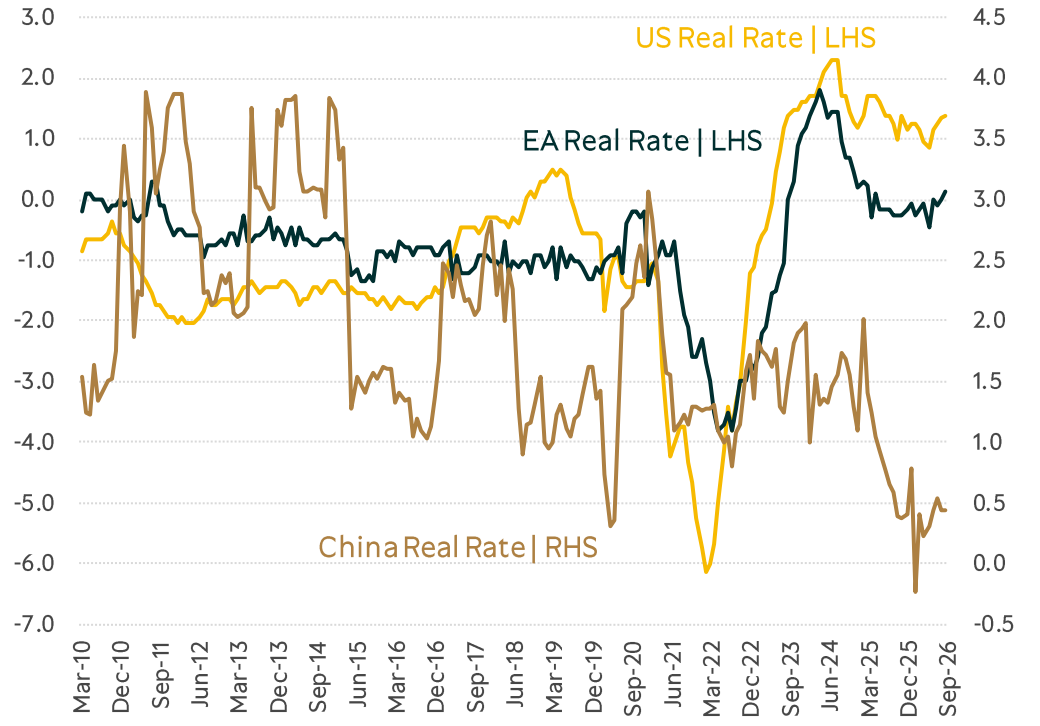


Global Economic Activity & Global Supply Pressure

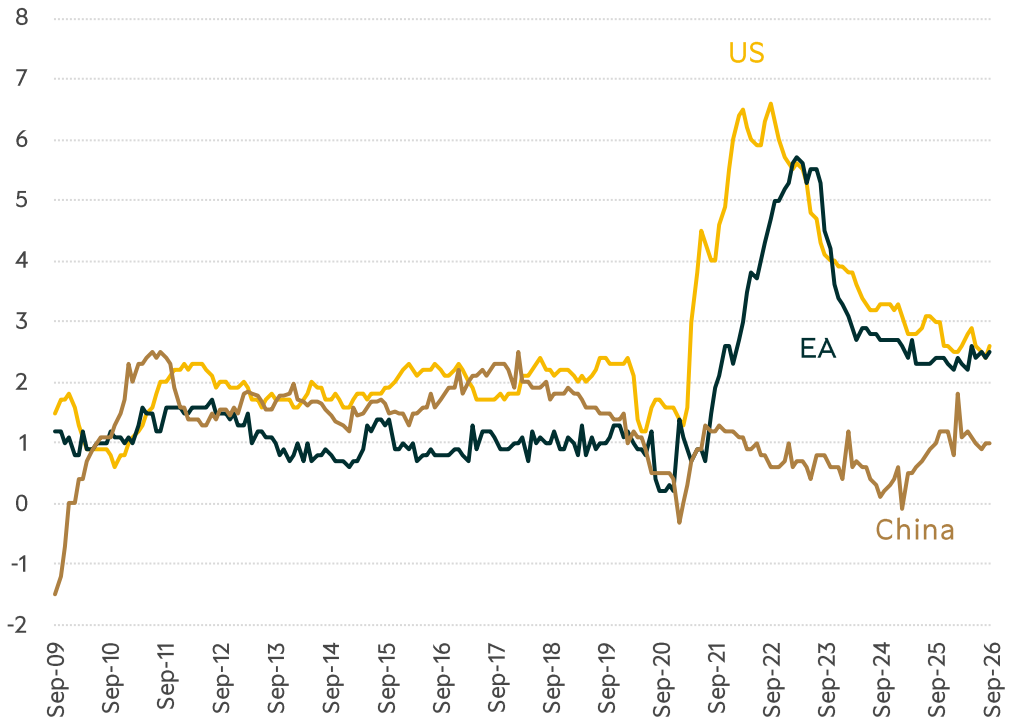


Global Trends | Real policy rates rose in the US and EA in September, while China's fell.

Global Real Policy Rates US, EA, CN



US, EA, CN Core Inflation



Bird's Eye View

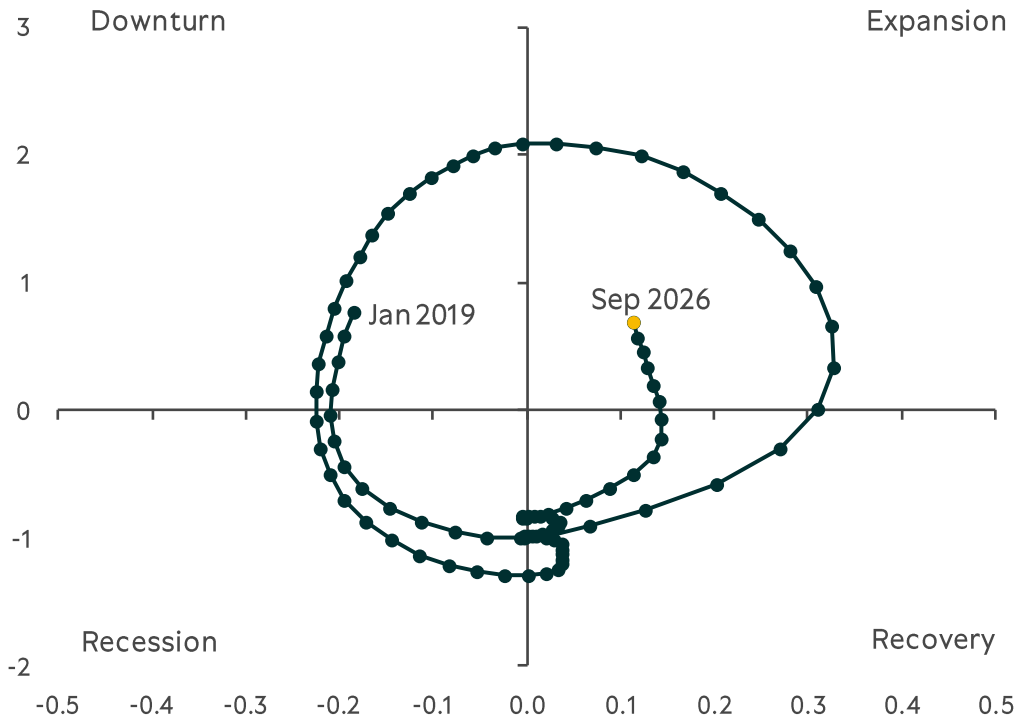
US Economy

EA Economy

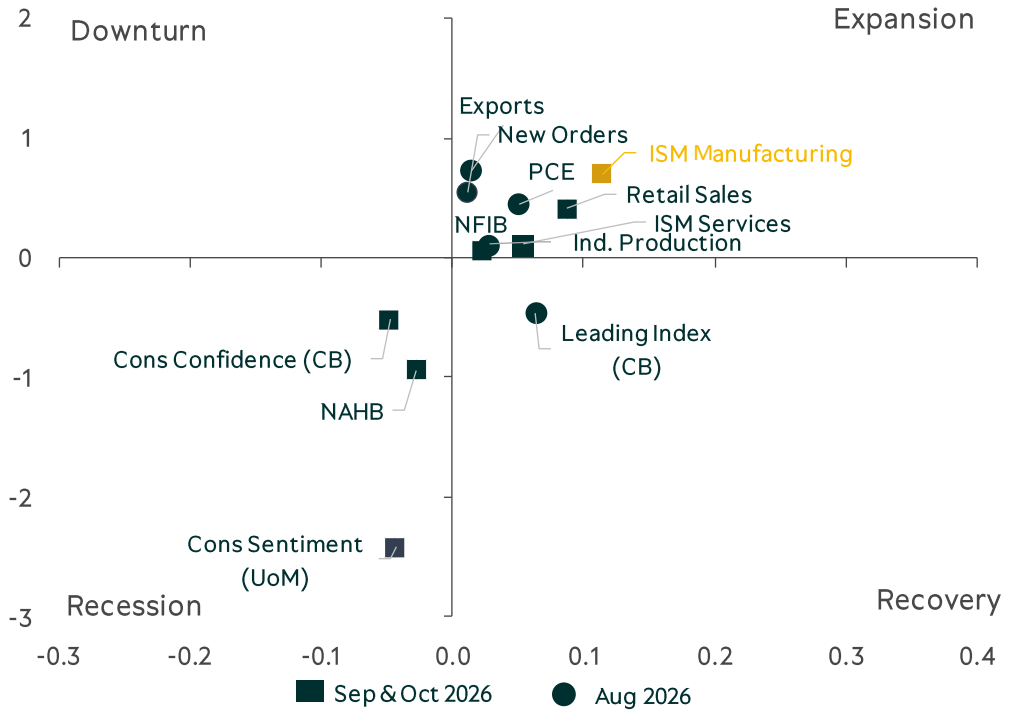
China Economy

US Business Cycle | ISM Manufacturing remains firmly in expansion territory.

US Business Cycle | Based on ISM Manufacturing Indicator



US Business Cycle | Based on Major US Economic Variables



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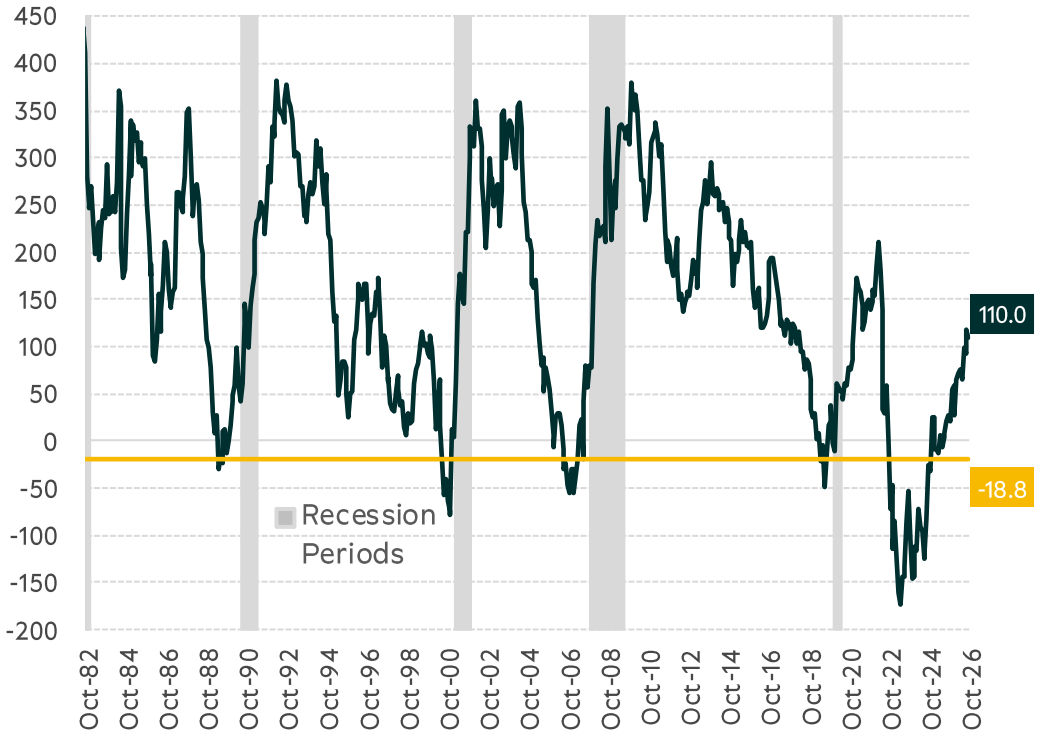
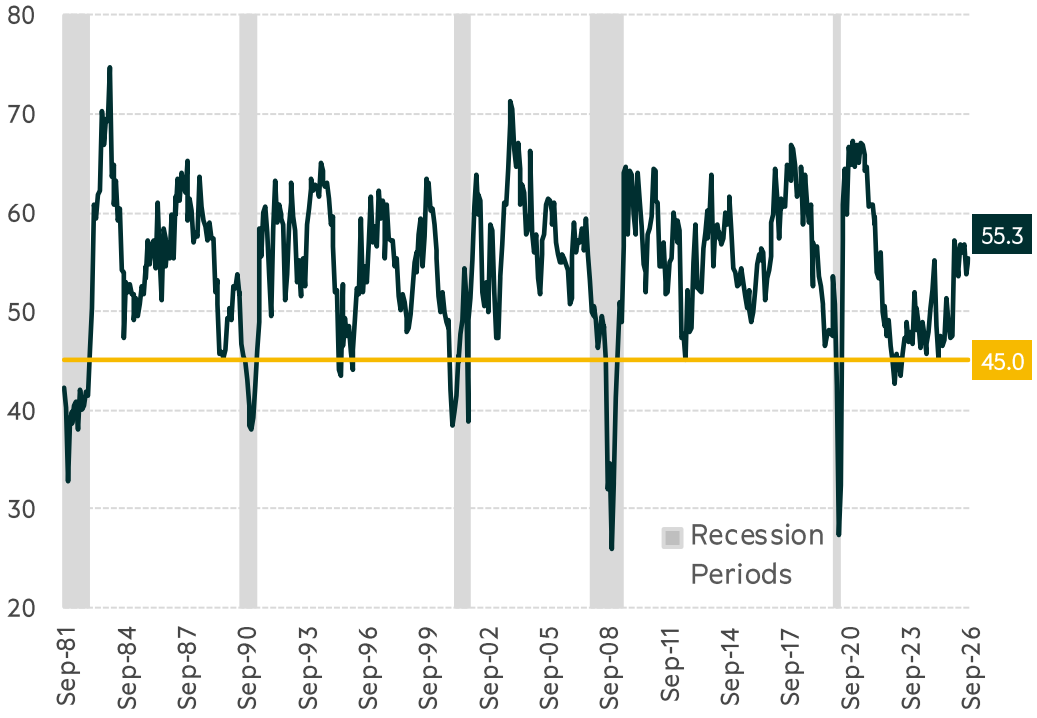
Source: Economic Research & Investment Strategy

US Recession Indicators | The 10Y3M spread and the ISM Manufacturing New Order Index remain firmly above the threshold levels associated with recession periods.

10Y and 3M US Treasury Yields Spread

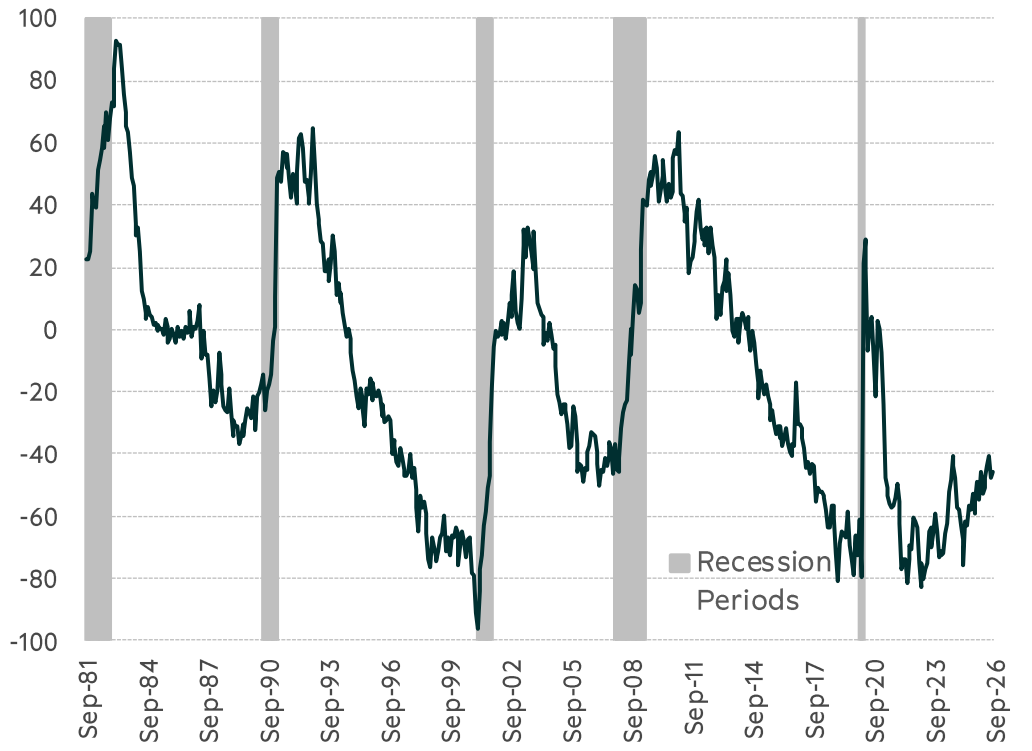


ISM Manufacturing New Order Index

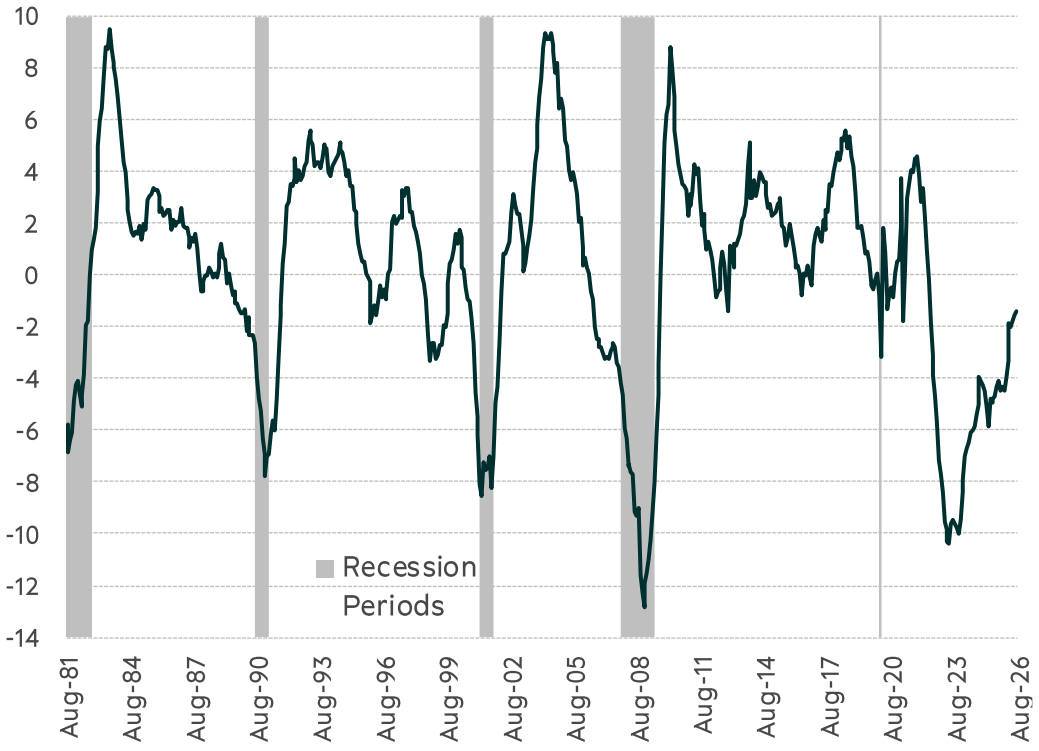


Conference Board Survey | Consumer confidence fell further in September. The gap between the Leading and Coincident indicators narrowed marginally in August.

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

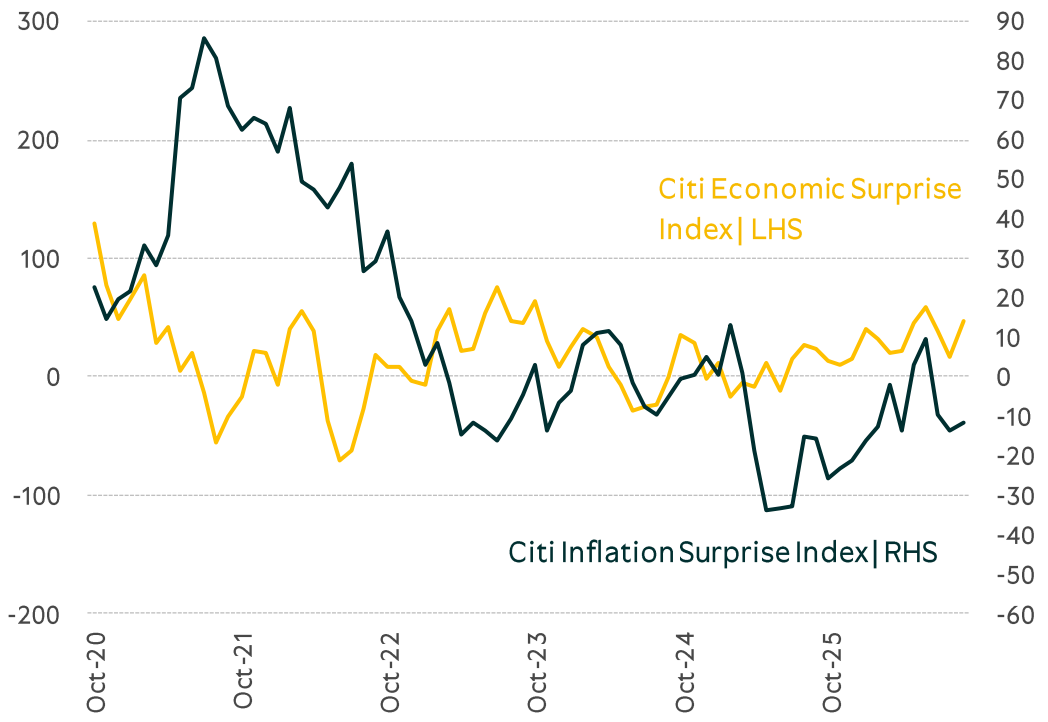


Difference between Leading & Coincident Indicators (Conference Board)

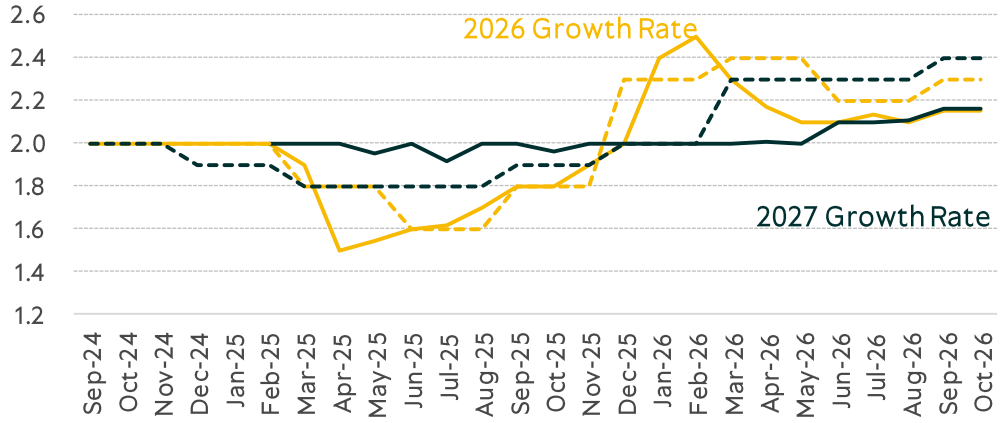


US Macro Expectations | Economic data continue to surprise to the upside. Inflation surprises remain negative. Consensus growth and inflation expectations have stabilised.

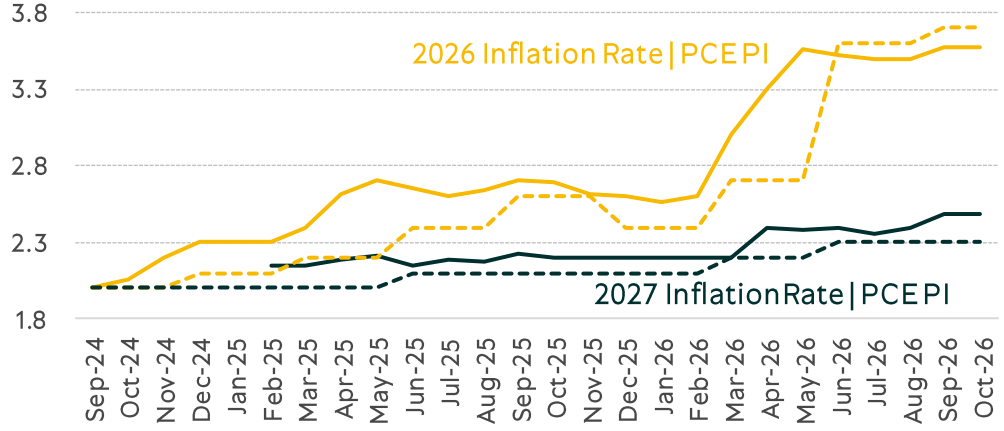
Economic & Inflation Surprises



Growth Rate Expectations*



Inflation Rate Expectations*



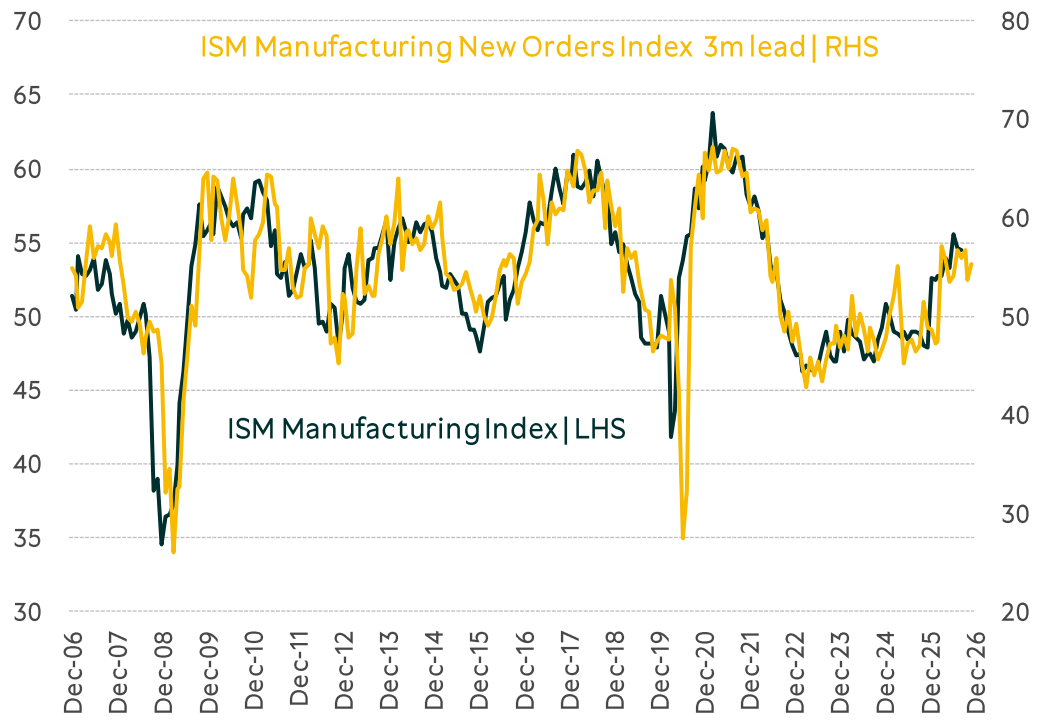
*Solid line: Consensus; Dotted line: Fed projections

Piraeus

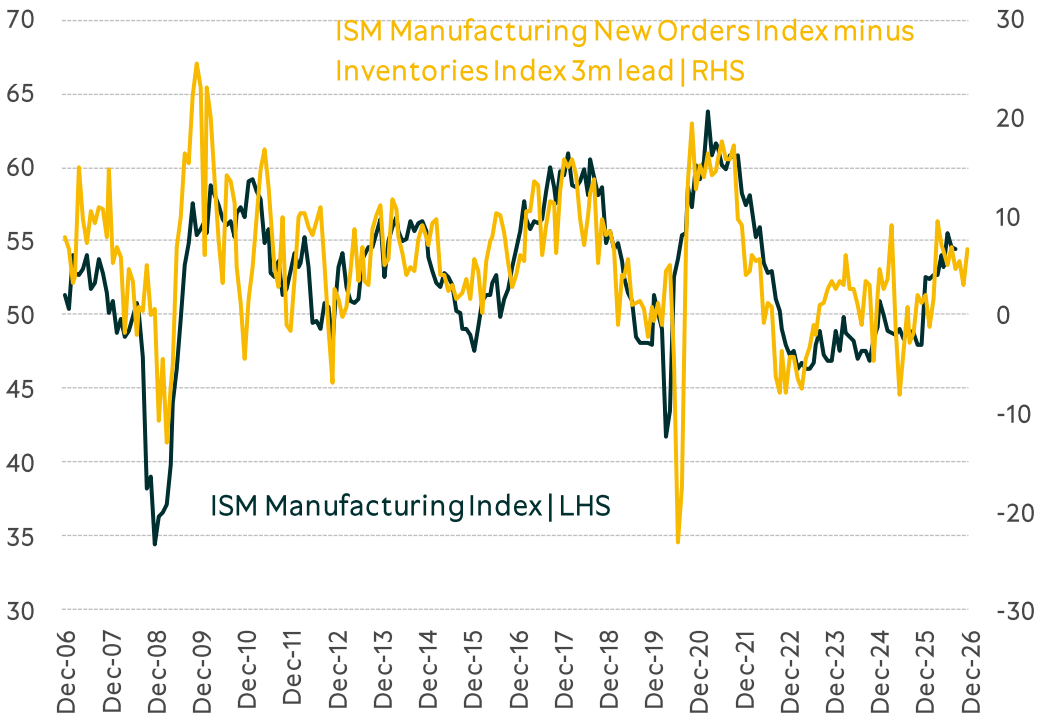
Source: Economic Research & Investment Strategy

US Leading Indicators | US manufacturing momentum weakened marginally in September. New orders rose to 55.3 from 53.7 and continue to outpace inventories.

ISM Manufacturing & New Orders Indices

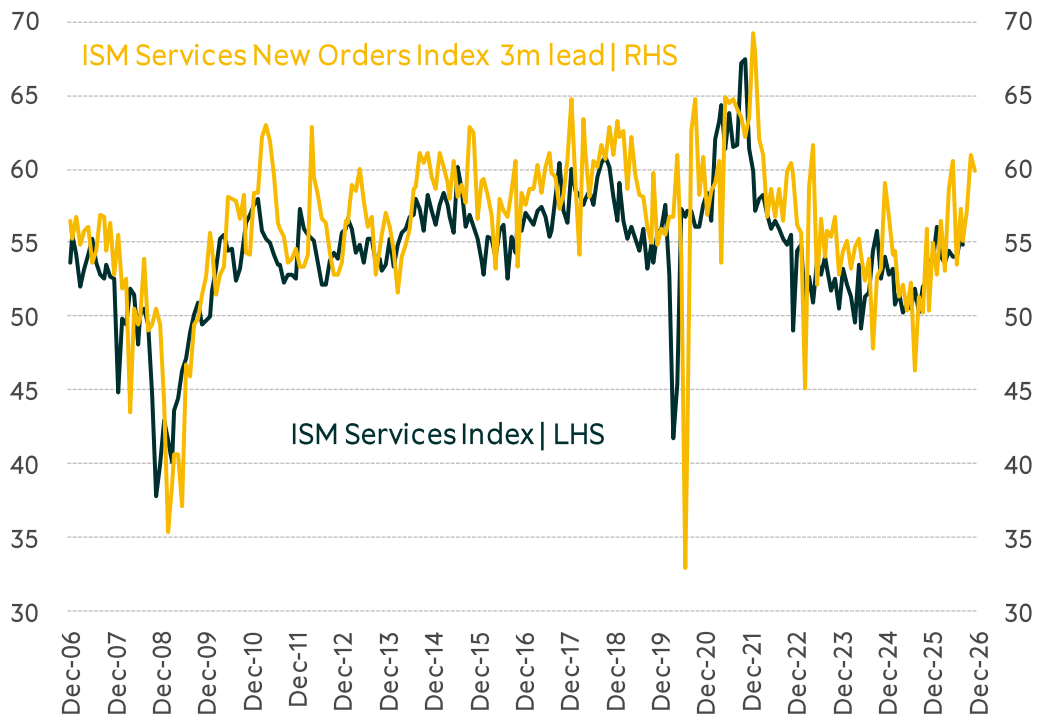


ISM Manufacturing & New Orders Index Minus Inventories Index

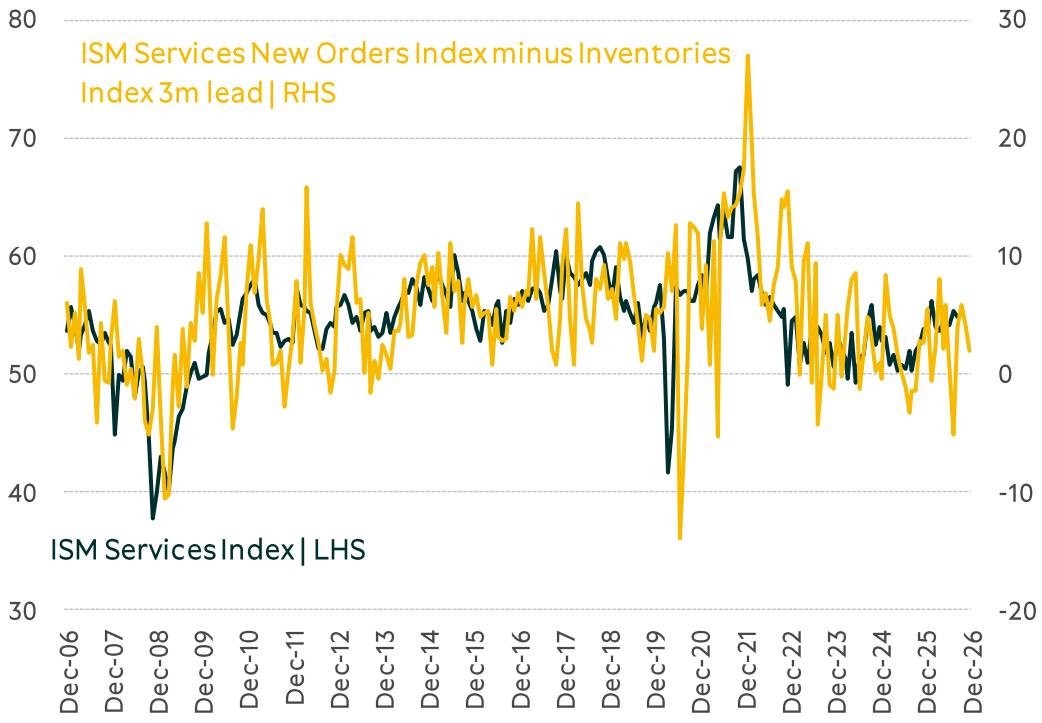


US Leading Indicators | The ISM Services index fell to 54.9 in September but still signals resilience.

ISM Services & New Orders Indices

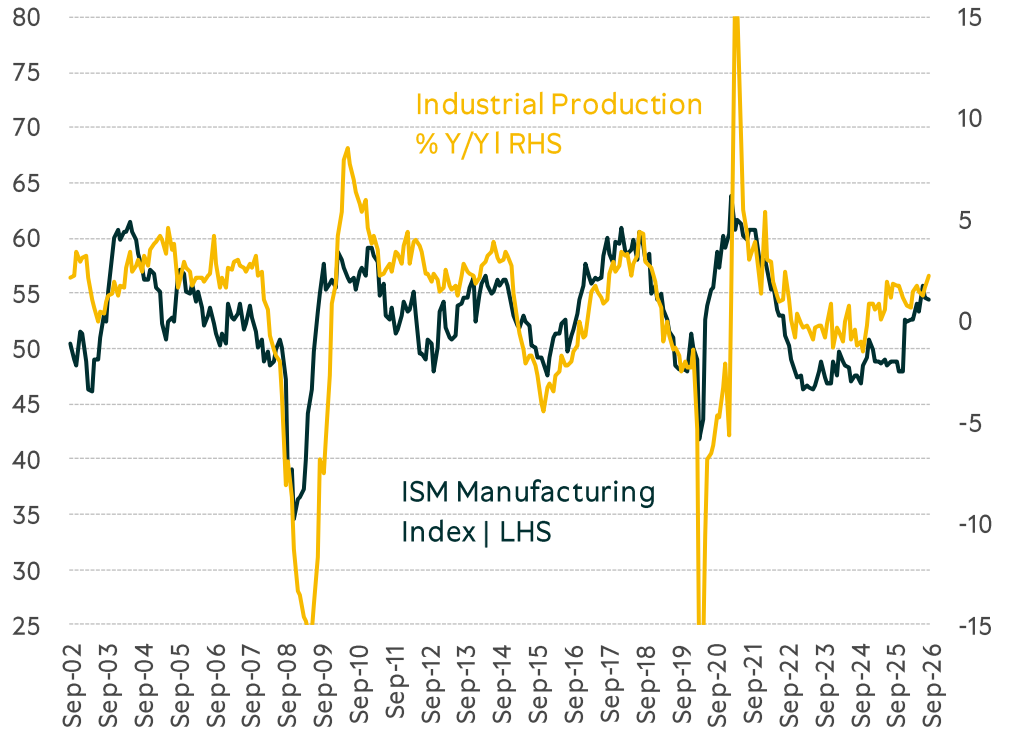


ISM Services & New Orders Index Minus Inventories Index

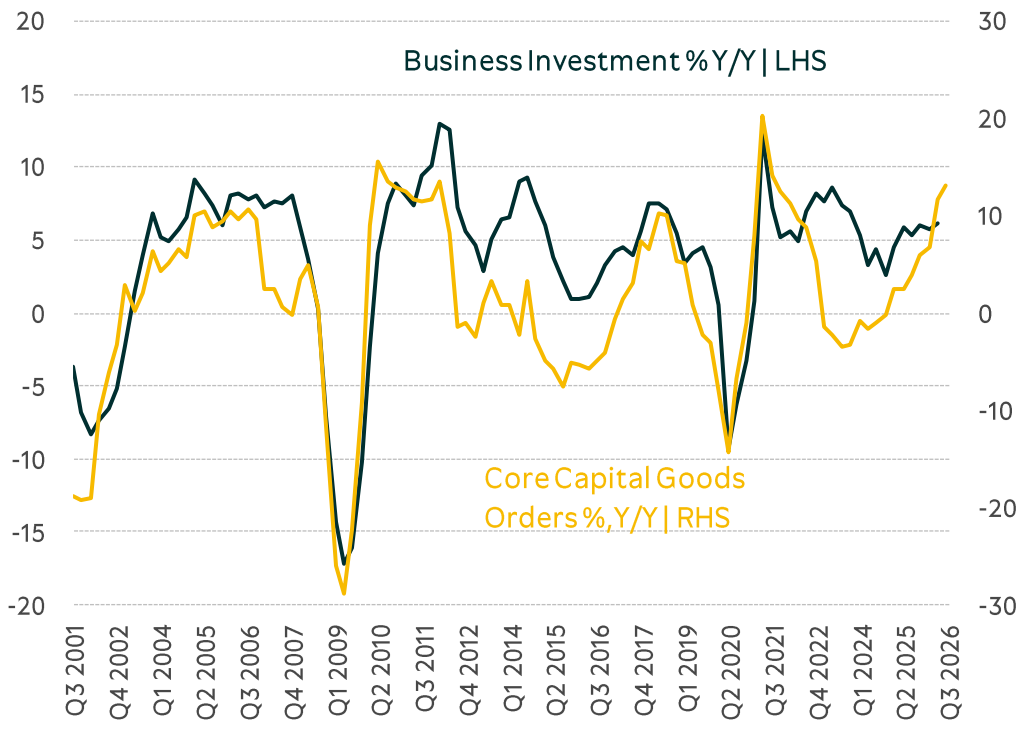


US | Industrial production rose 0.7% m/m and 2.3% y/y in September, and business investment picked up in Q2. Core capital goods orders accelerated further in Q3 2026.

Industrial Production & ISM Manufacturing



Core Capital Goods Orders & Business Investment



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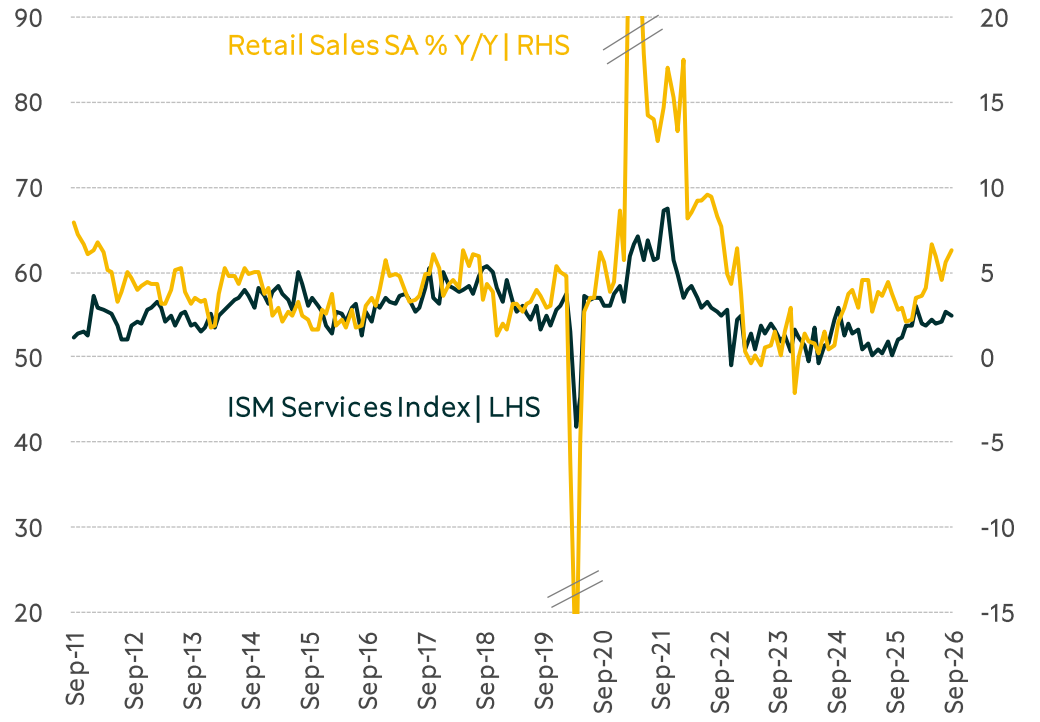
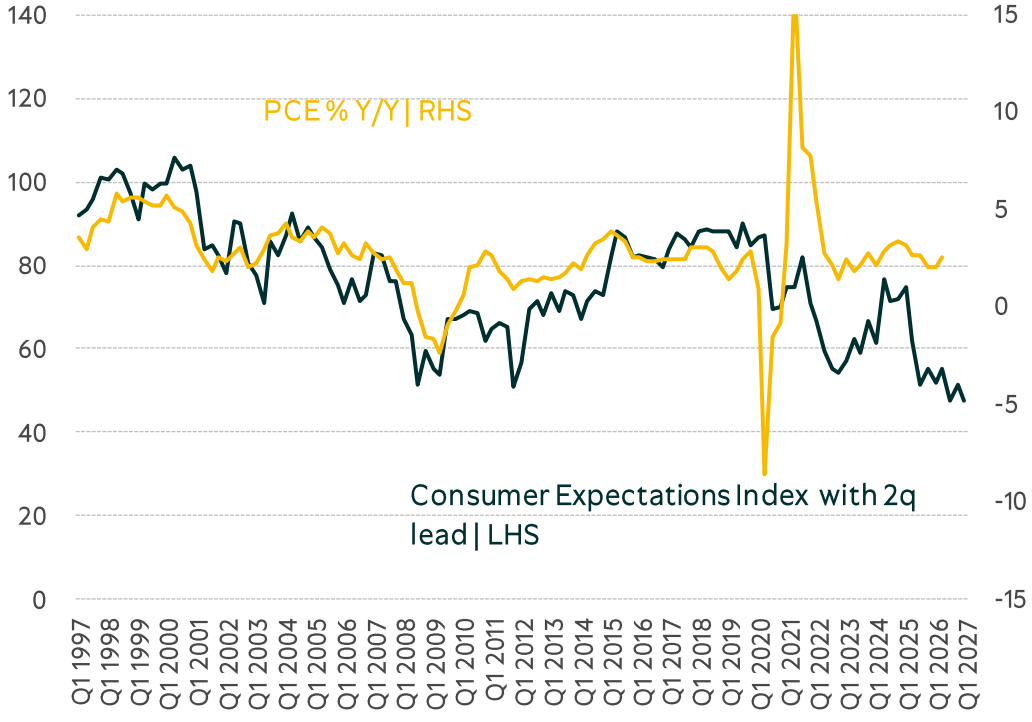
Source: Economic Research & Investment Strategy

US | Retail sales rose 0.8% m/m and 6.3% y/y in September, partly boosted by higher fuel prices, while University of Michigan consumer expectations declined for a third consecutive month in October.

Retail Sales & ISM Services

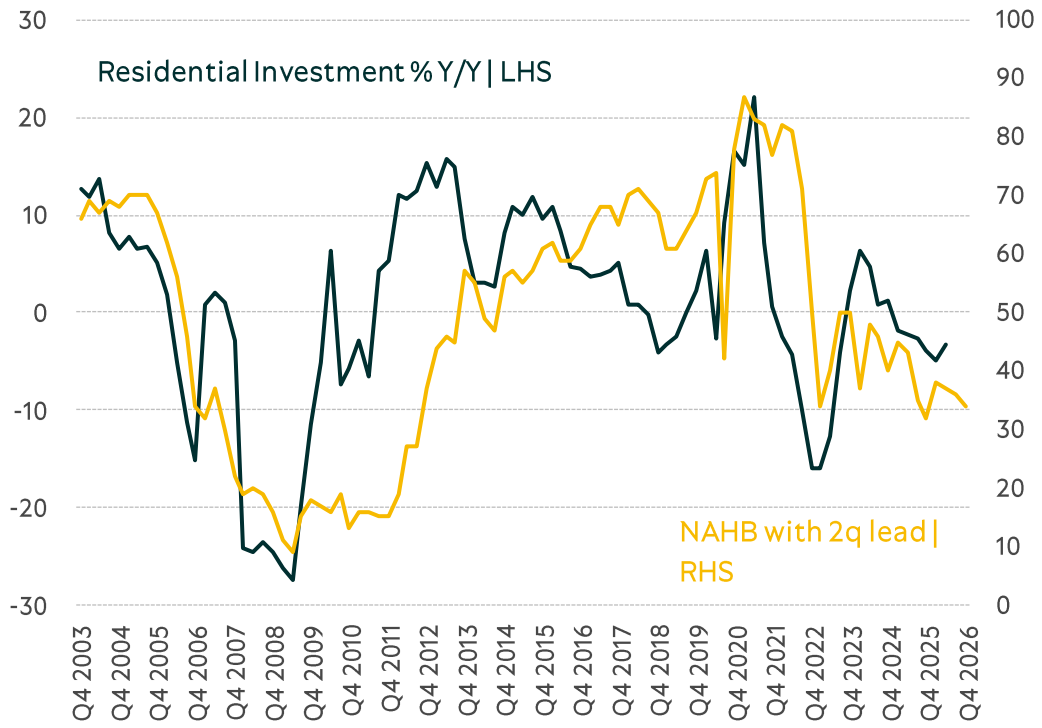


Personal Consumer Expenditure & University of Michigan Consumer Expectations Index

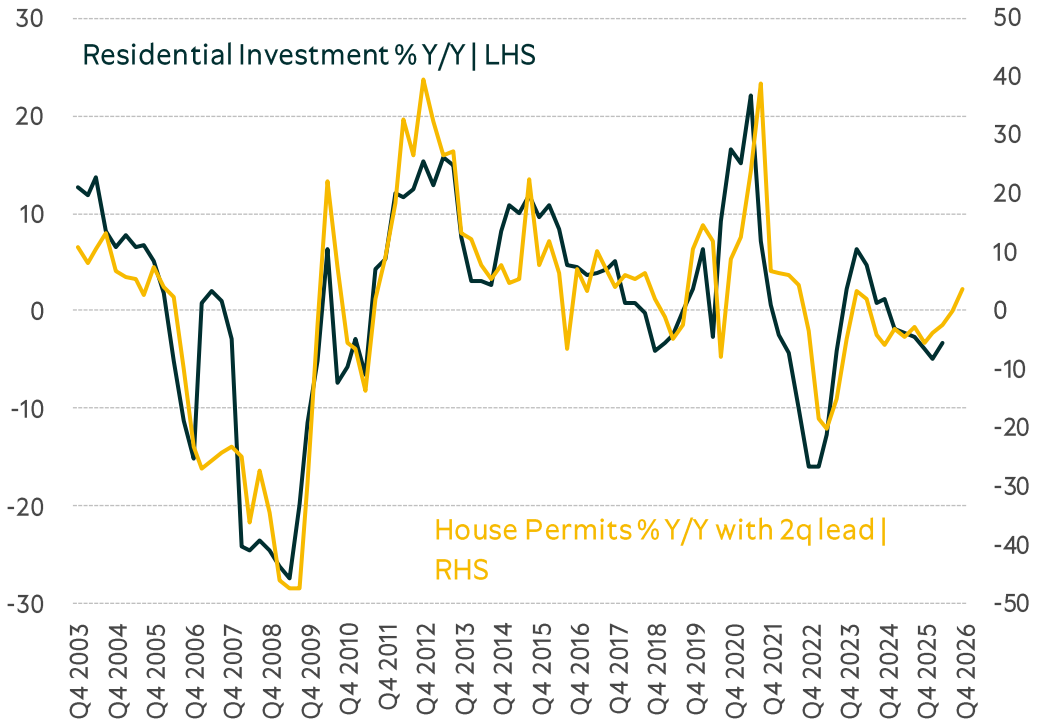


Housing Market | Residential investment rose in Q2 (still negative y/y), while house permits turned positive y/y in Q3. Home builders' expectations fell further in September as affordability concerns continued to weigh on buyers.

Residential Investment & NAHB Index

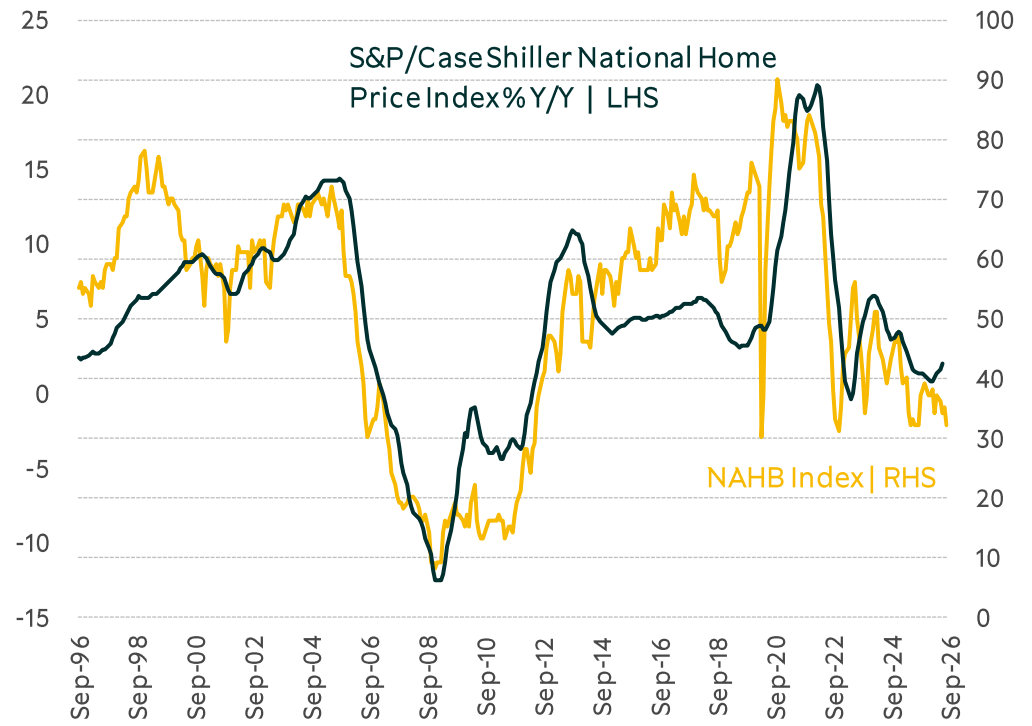


Residential Investment & House Permits

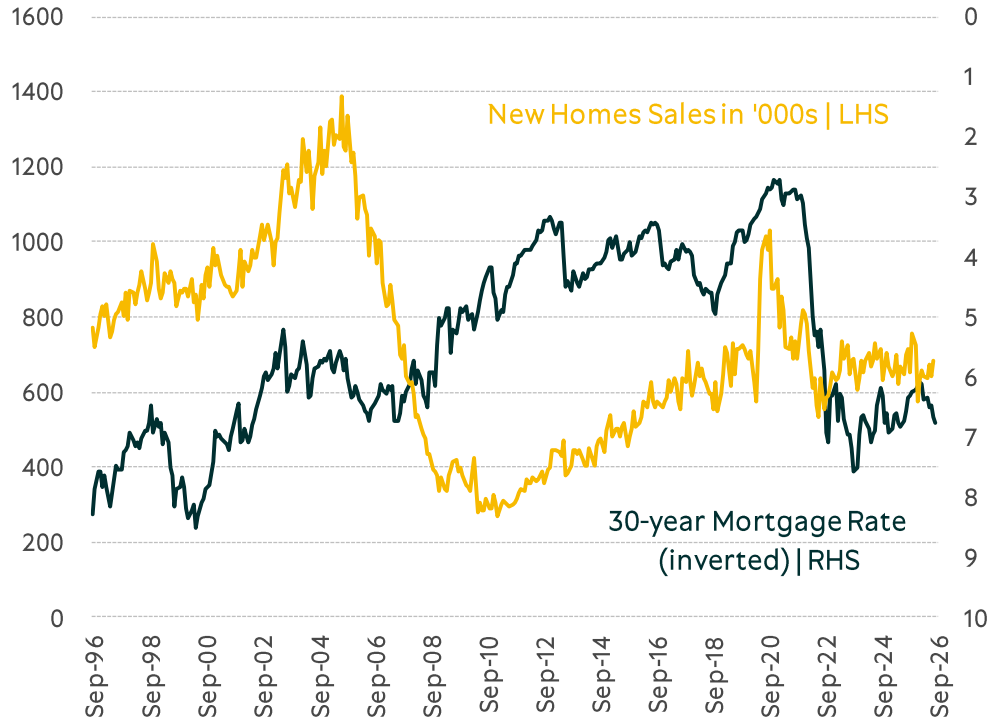


Housing Market | The S&P/Case-Shiller National Home Price Index posted a 1.9% annual gain in July. New home sales rose in August, even as 30-year mortgage rates reached 6.8% in September.

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

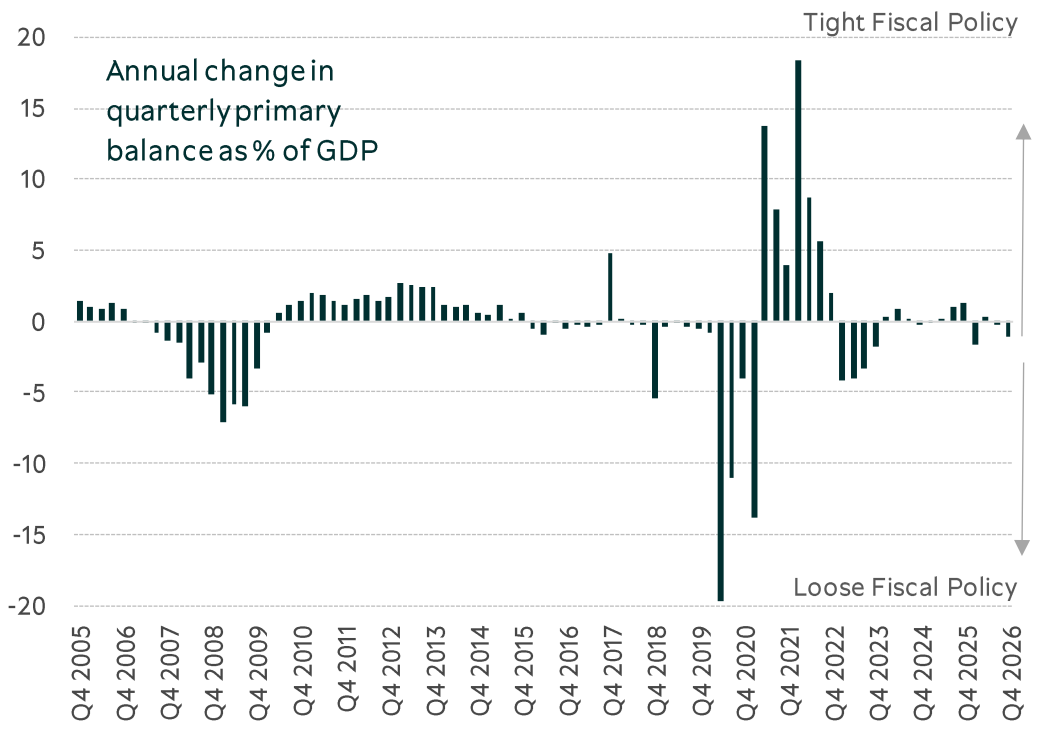


US new home sales and 30-year mortgage rates

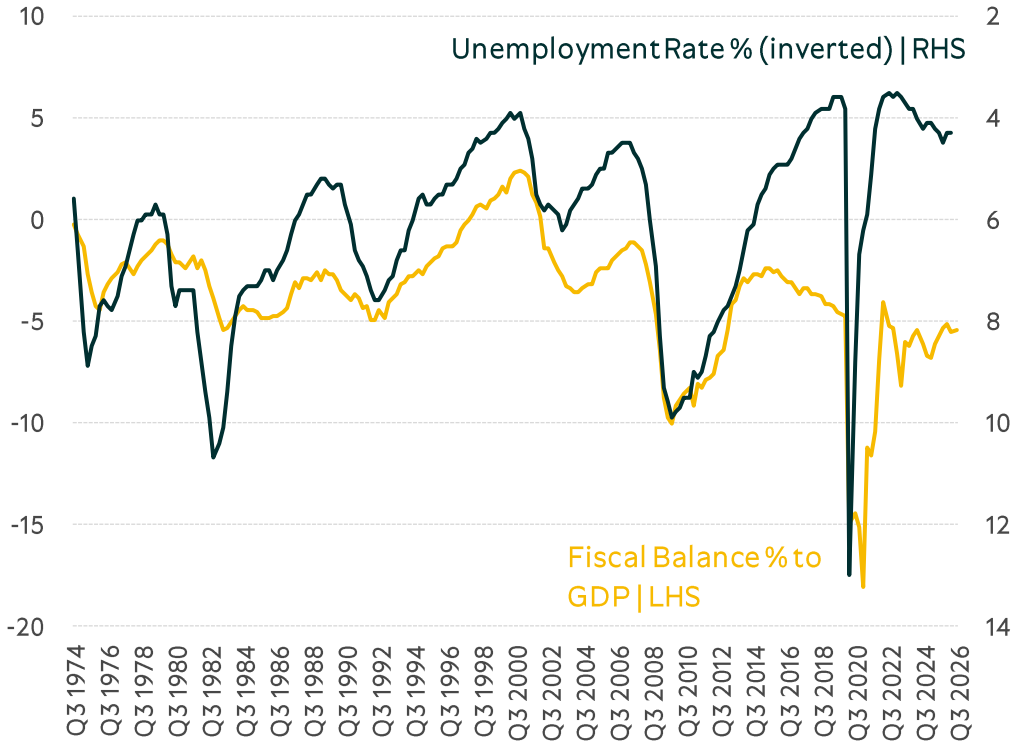


Fiscal Policy | Policy remains too loose given low unemployment. The fiscal balance-to-GDP ratio improved slightly in Q3, but challenges ahead remain.

Fiscal Thrust

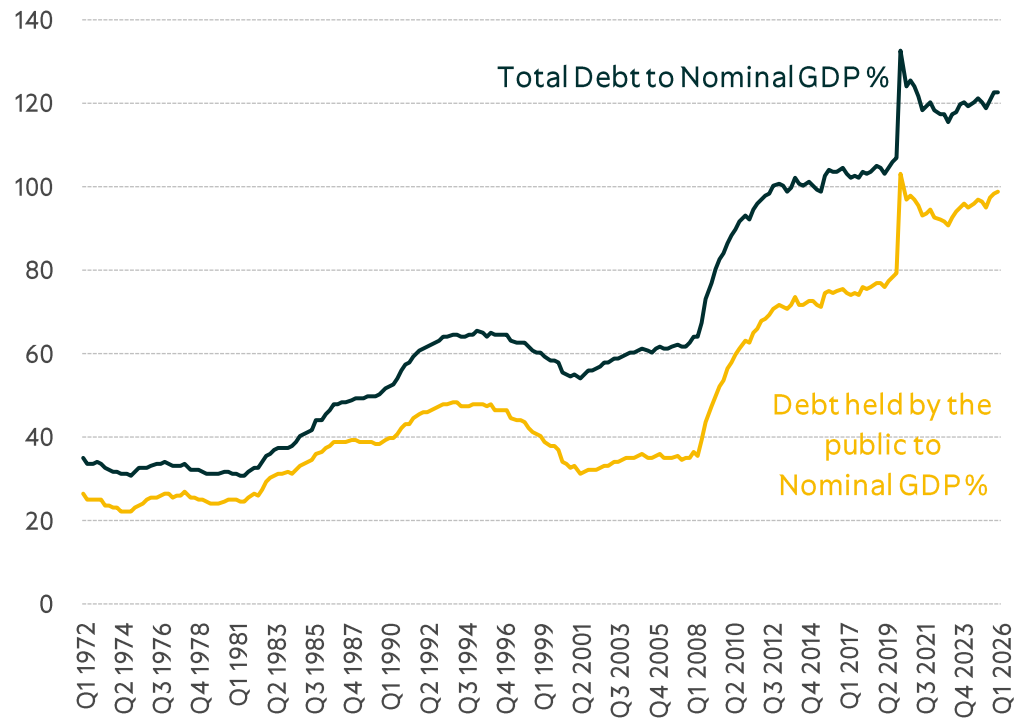


Fiscal Policy vs Unemployment

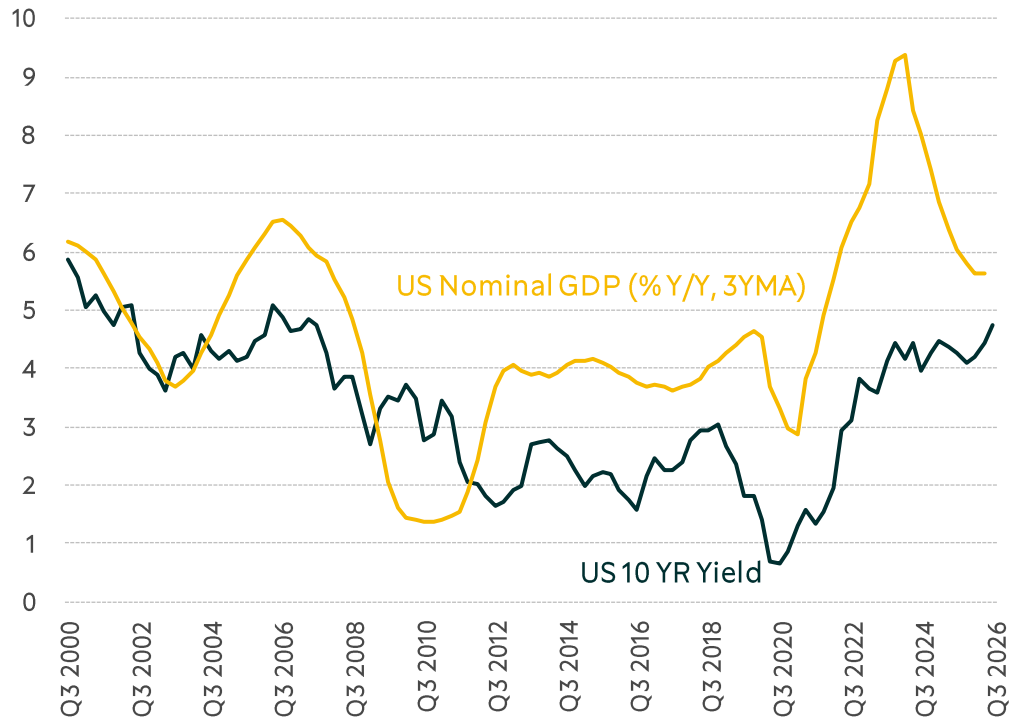


Fiscal Policy | The debt-to-GDP ratio was broadly unchanged in Q1 2026 but the long-term trajectory remains concerning.

Debt / Nominal GDP

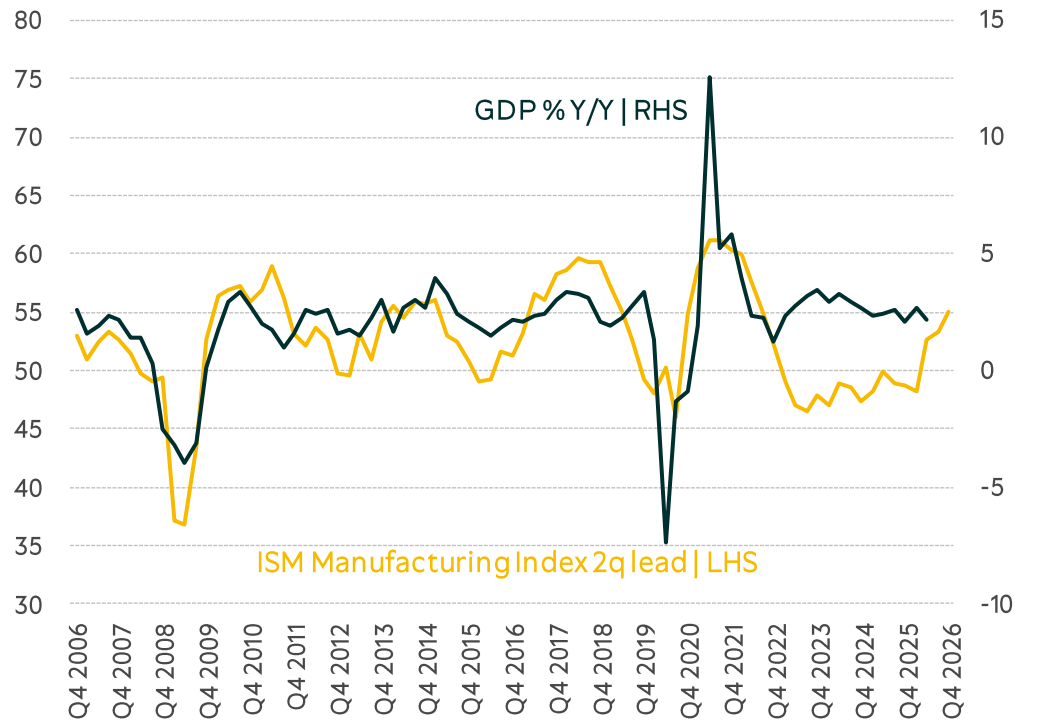


Fiscal Policy Sustainability

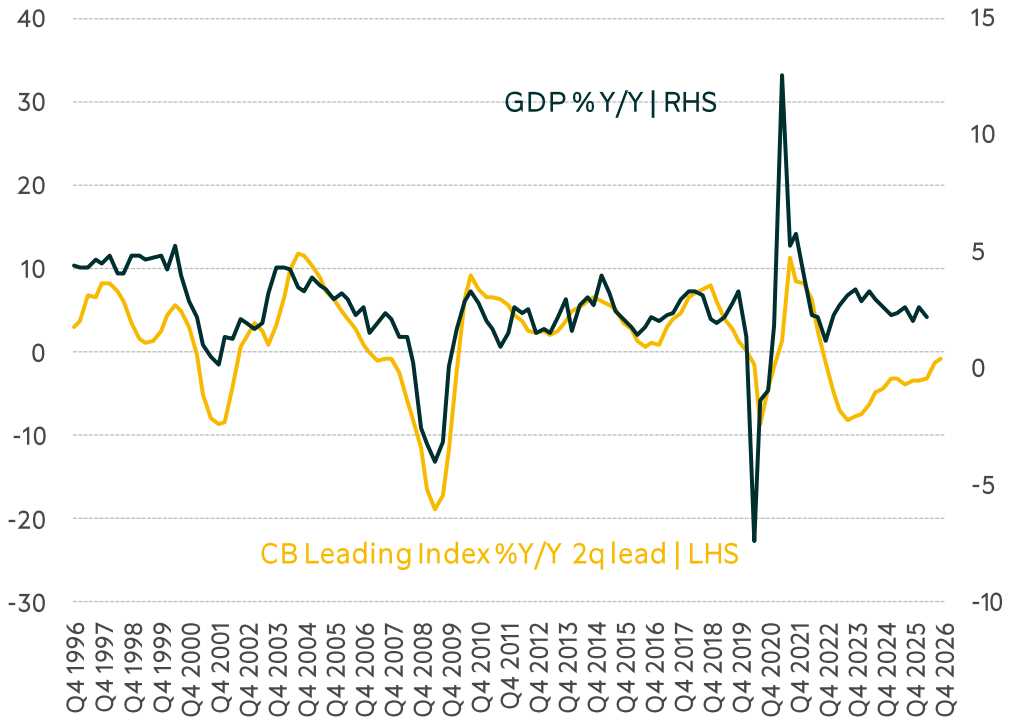


US GDP Outlook | Leading indicators point to resilient growth in real GDP.

GDP & ISM Manufacturing Indicator

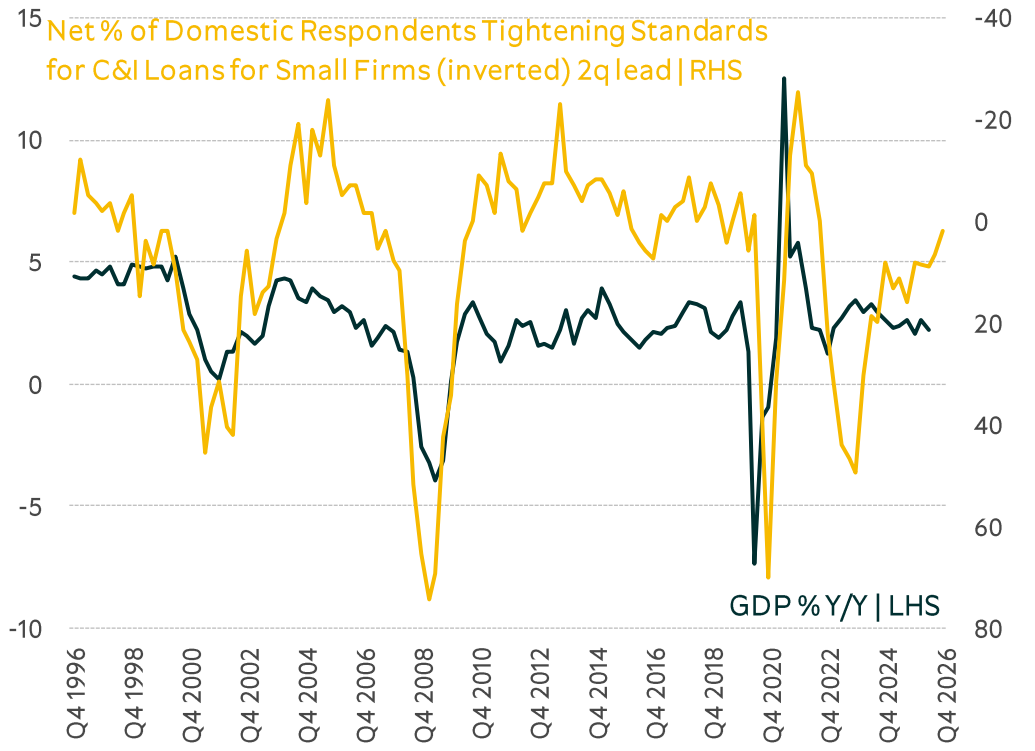


GDP & CB Leading Indicator

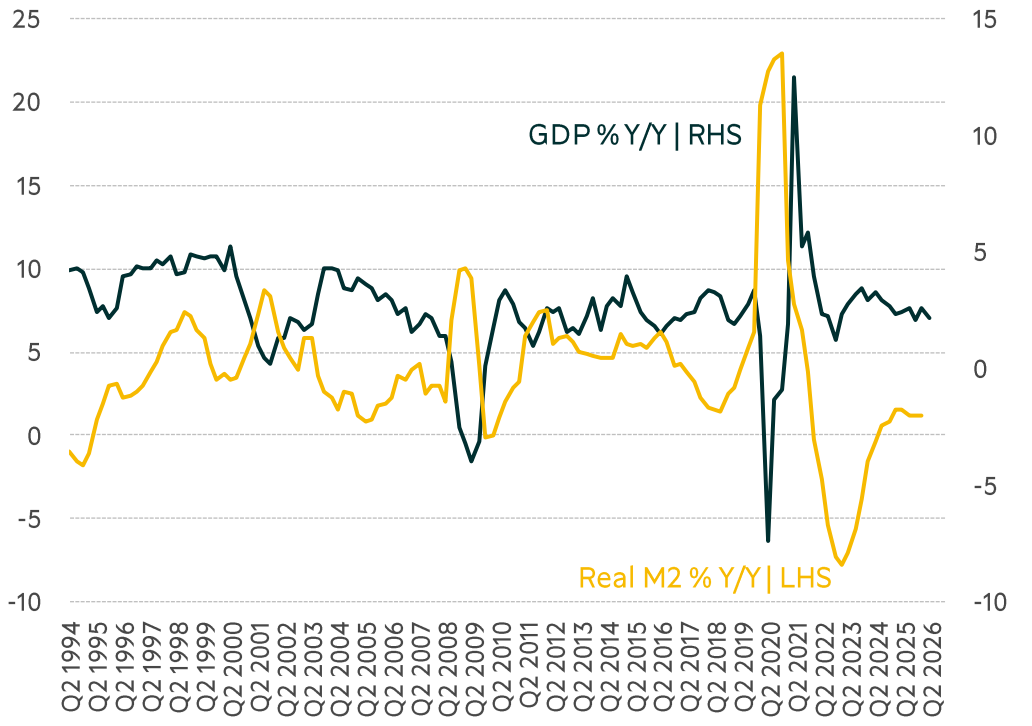


US GDP Outlook | A net of 2% of banks tightened lending for small businesses. Real M2 remains marginally supportive of growth.

Senior Loan Officer Opinion Survey on Bank Lending Practices

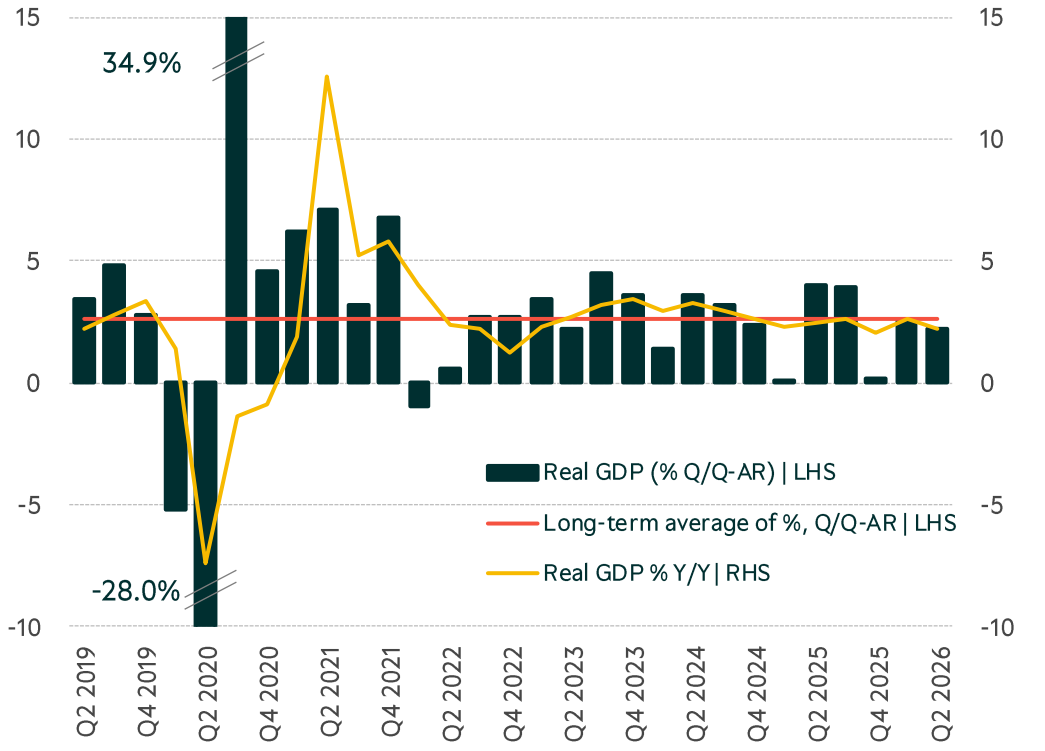


Real M2 growth vs GDP

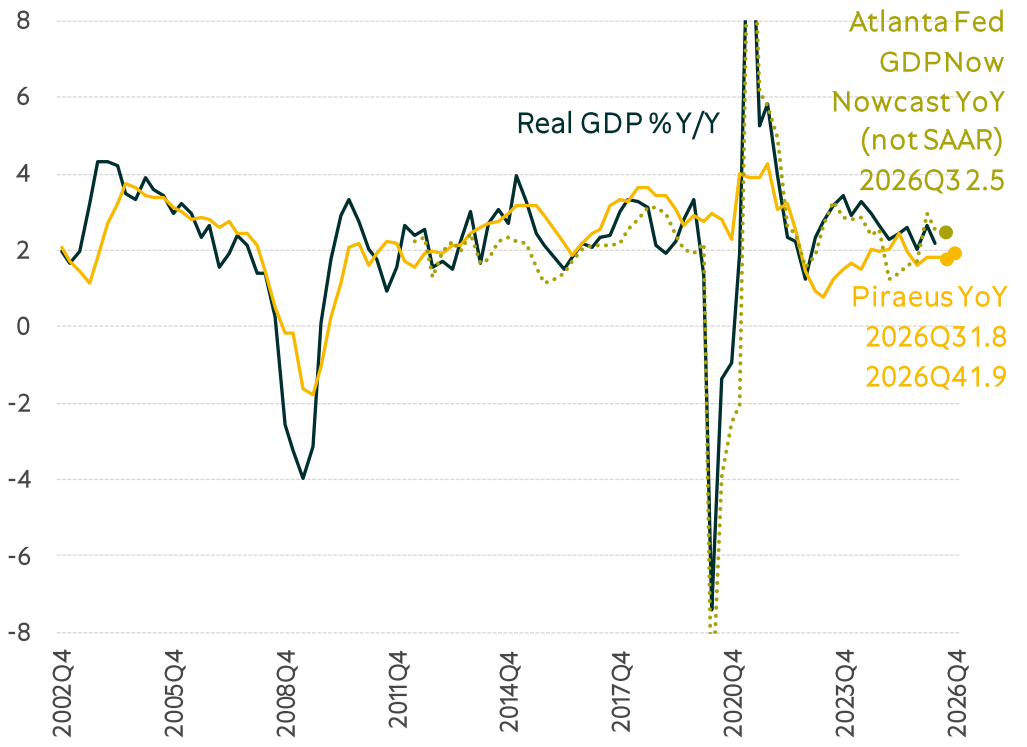


US GDP Outlook | GDP growth slowed to 2.2% in Q2 2026 from 2.5% in Q1 and is expected to remain near 2% until year end.

Growth Rate Outlook



Growth Rate Estimate



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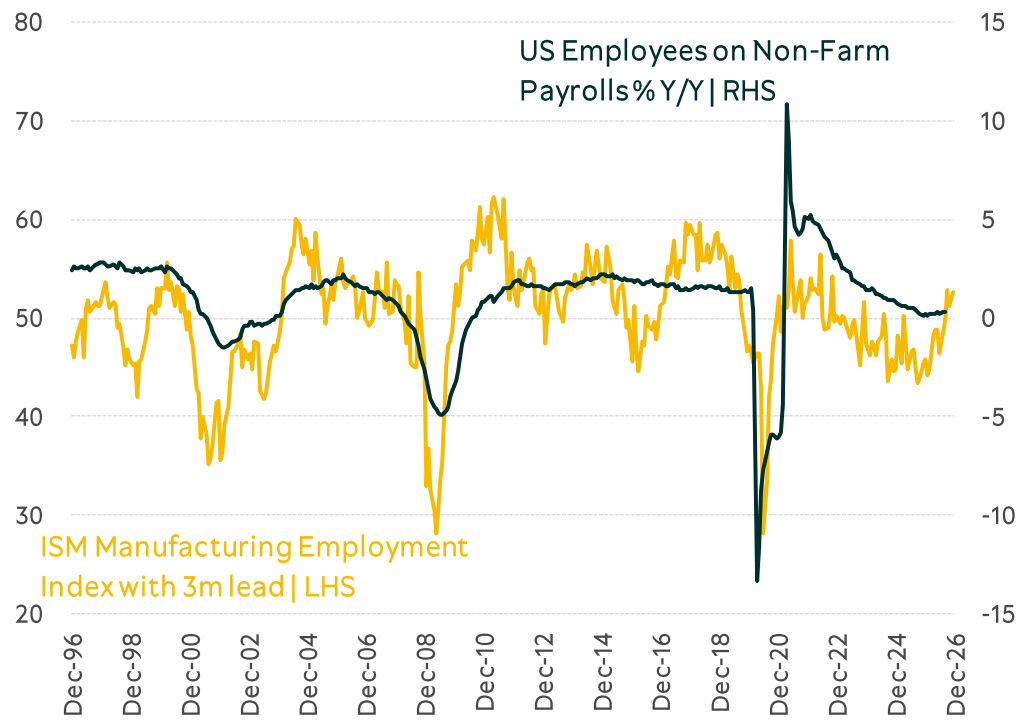
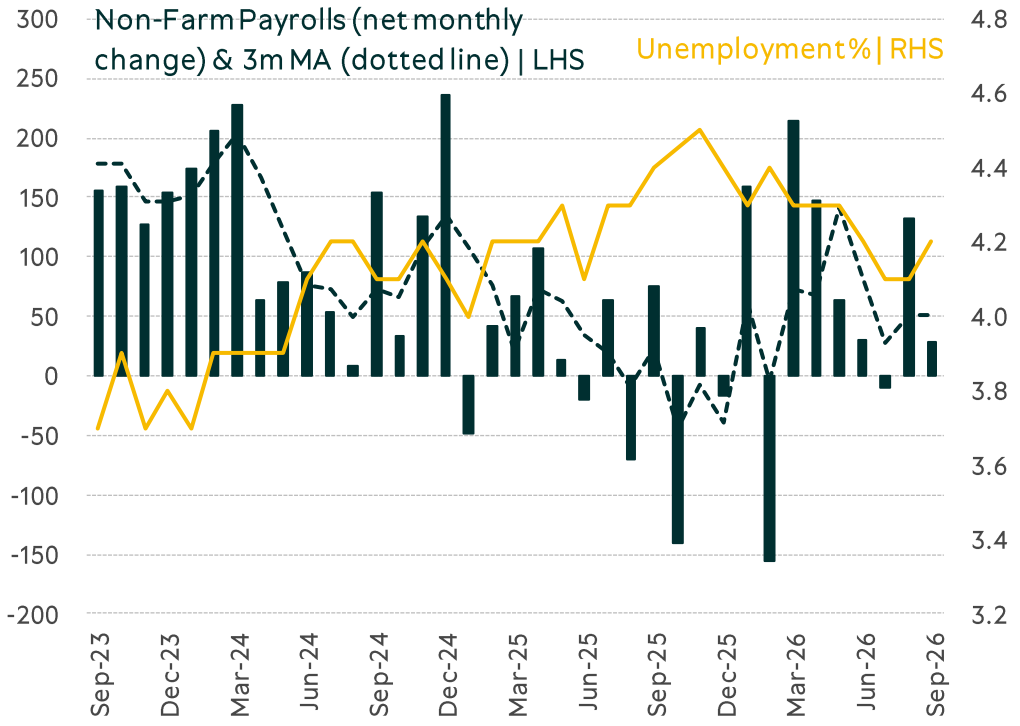
Source: Economic Research & Investment Strategy

US Labour Market | The September jobs report was weaker than expected, with payrolls up just 29k; the unemployment rate rose to 4.2%.

Employment & Leading Manufacturing Indicator

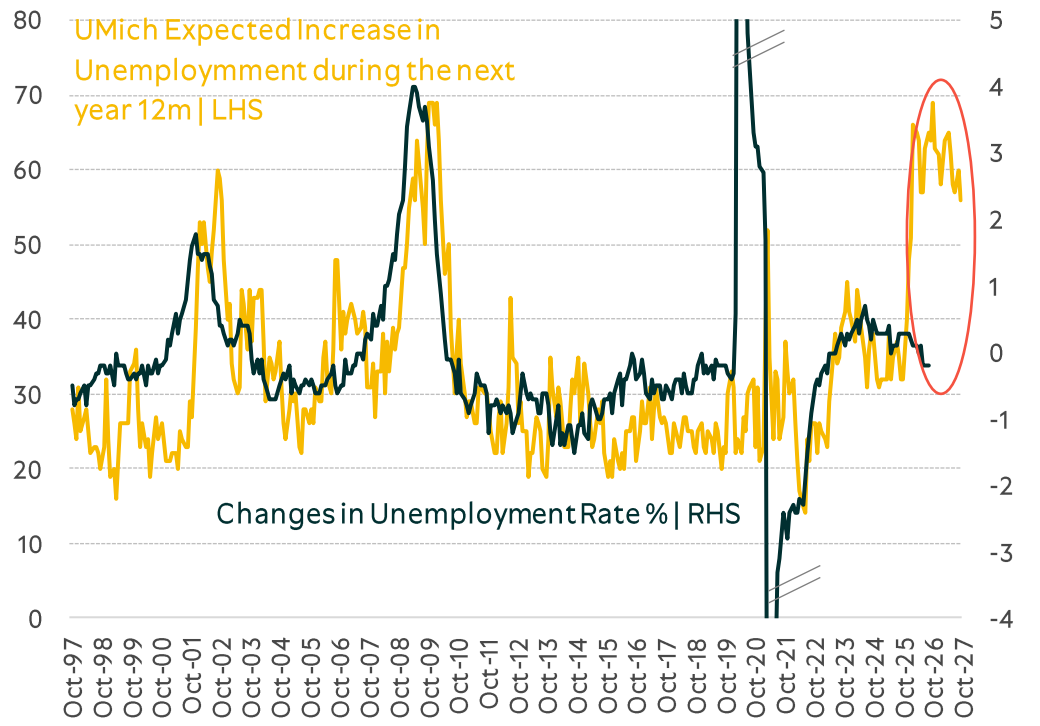


Nonfarm payrolls & Unemployment

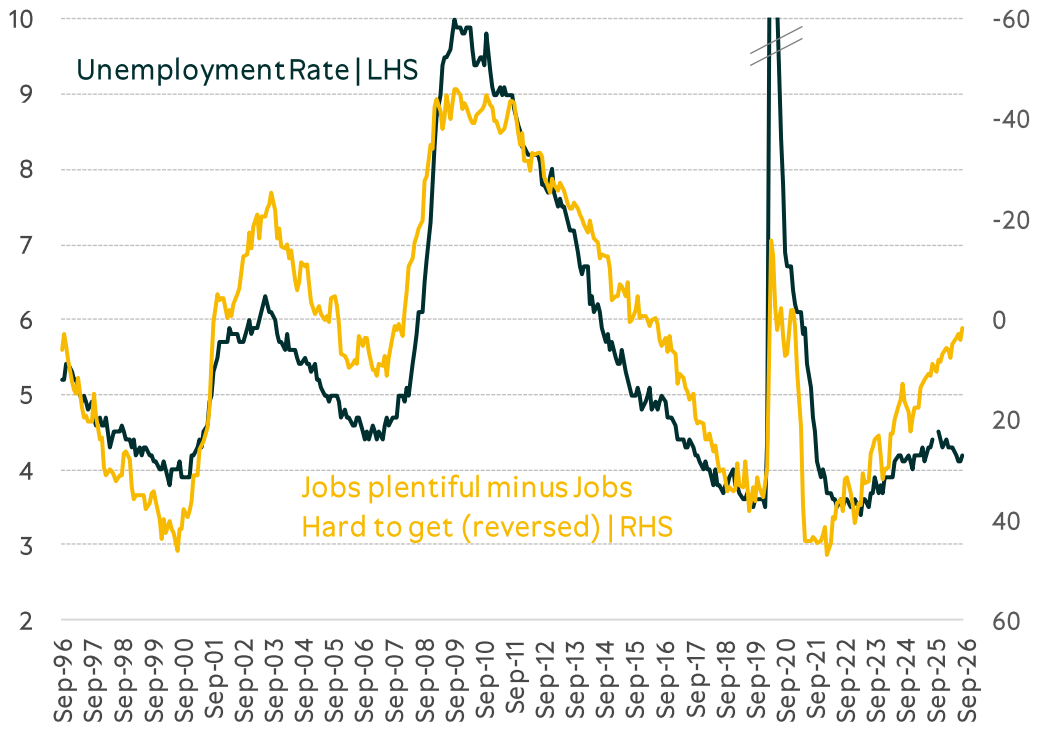


US Labour Market | Labour market perceptions worsened as the jobs 'plentiful' minus 'hard to get' differential narrowed to +1.7, but unemployment expectations fell in October.

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

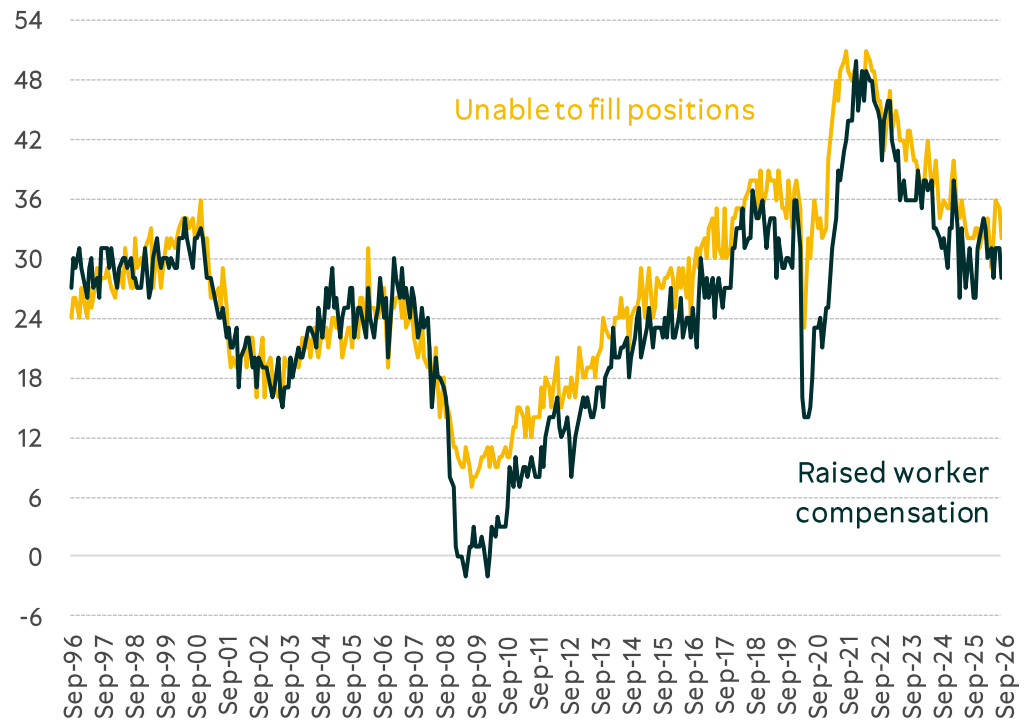


Conference Board Labour market differential & Unemployment rate

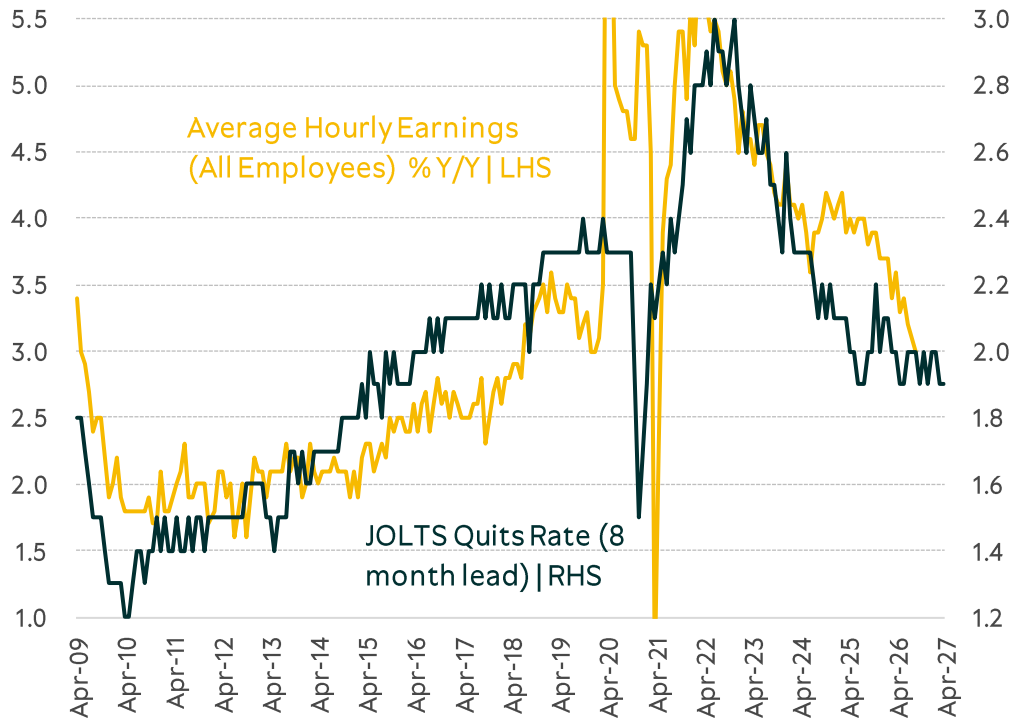


US Labour Market | NFIB's September survey showed a net 28% of firms raising compensation (down from August). The JOLTS quits rate stayed at 1.9% in August, and average hourly earnings slowed to 3.0% y/y in September.

US NFIB small business survey

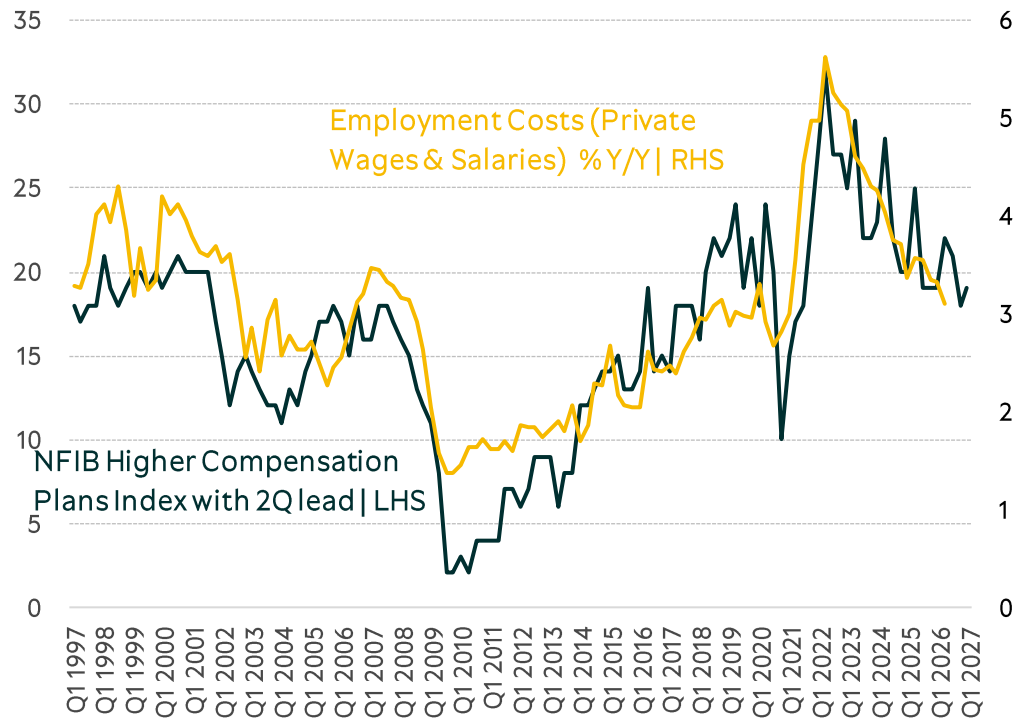


Wages & Quits Rate

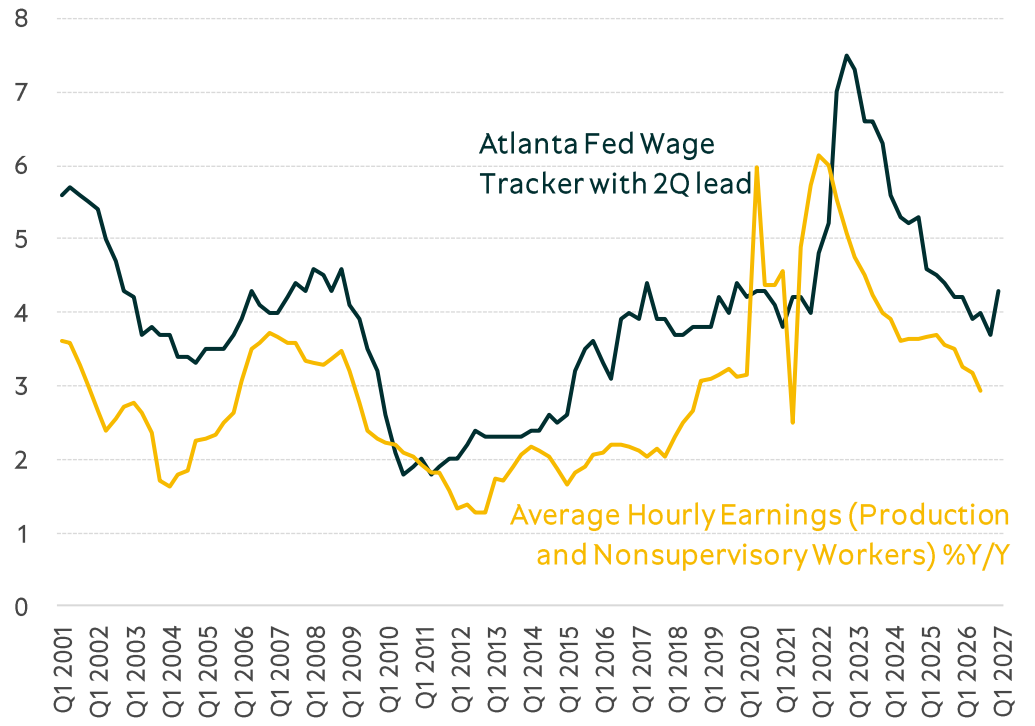


US Wage Tracker | Private employment costs and average hourly earnings are trending lower, but the Atlanta Fed's wage tracker and NFIB compensation plans edged up in Q3.

Employment Cost & Leading Indicator



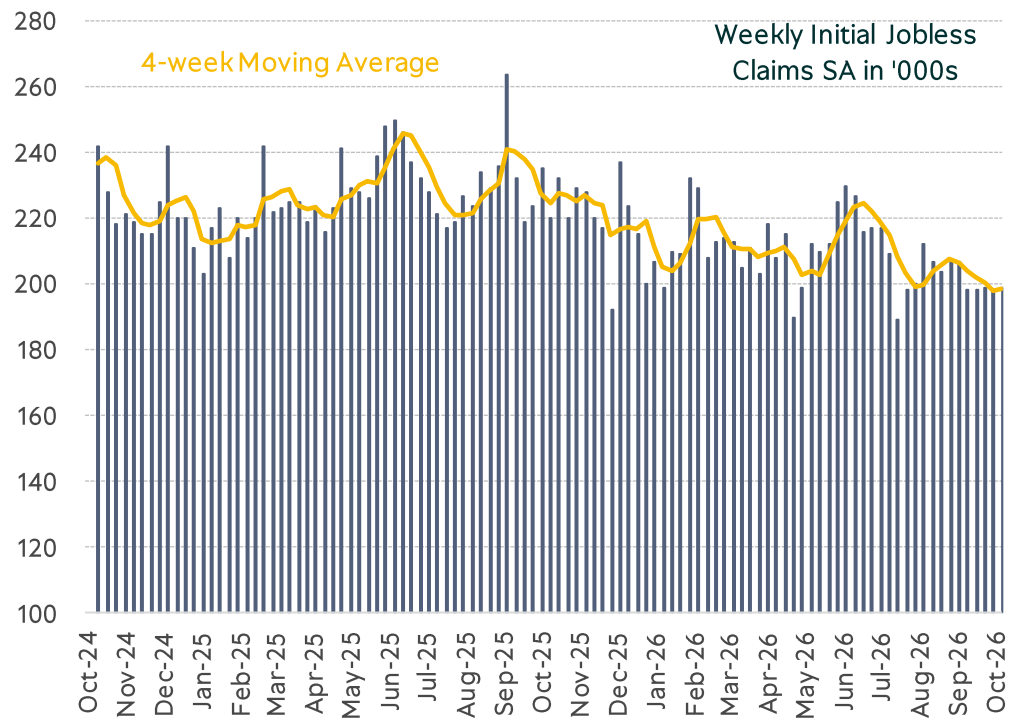
Wages & Leading Indicator



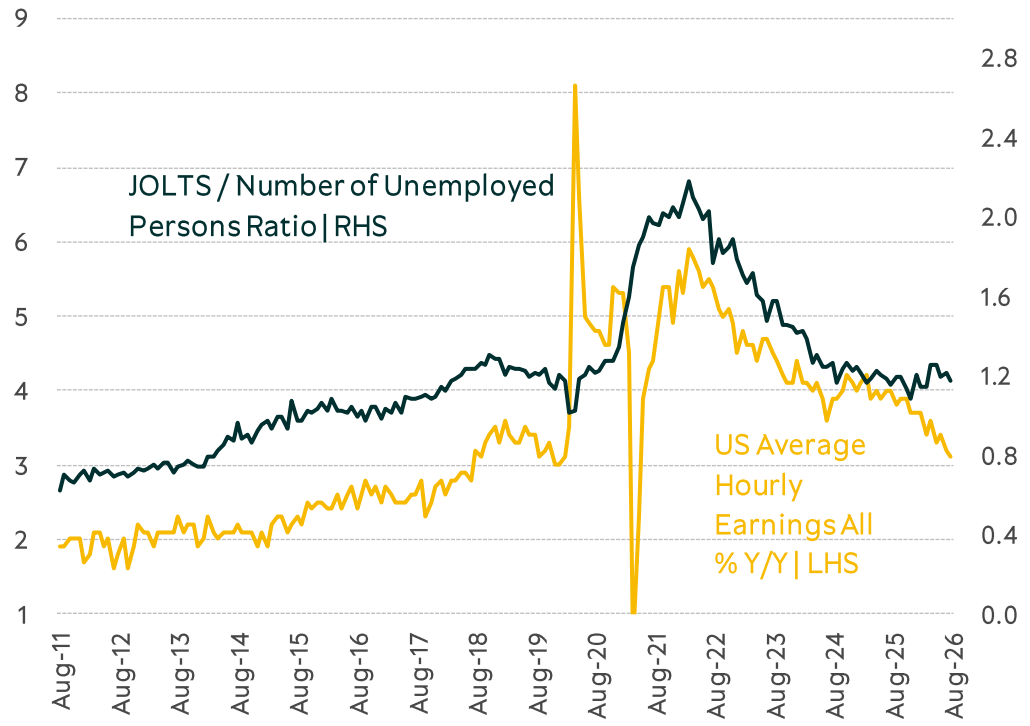
Source: Economic Research & Investment Strategy

US Labour Market | Weekly initial jobless claims rose to 199k in mid-October. With 1.2 job openings per unemployed person, labour market tightness is close to pre-pandemic norms.

Weekly Initial Jobless Claims



Demand & Supply in Labour Market

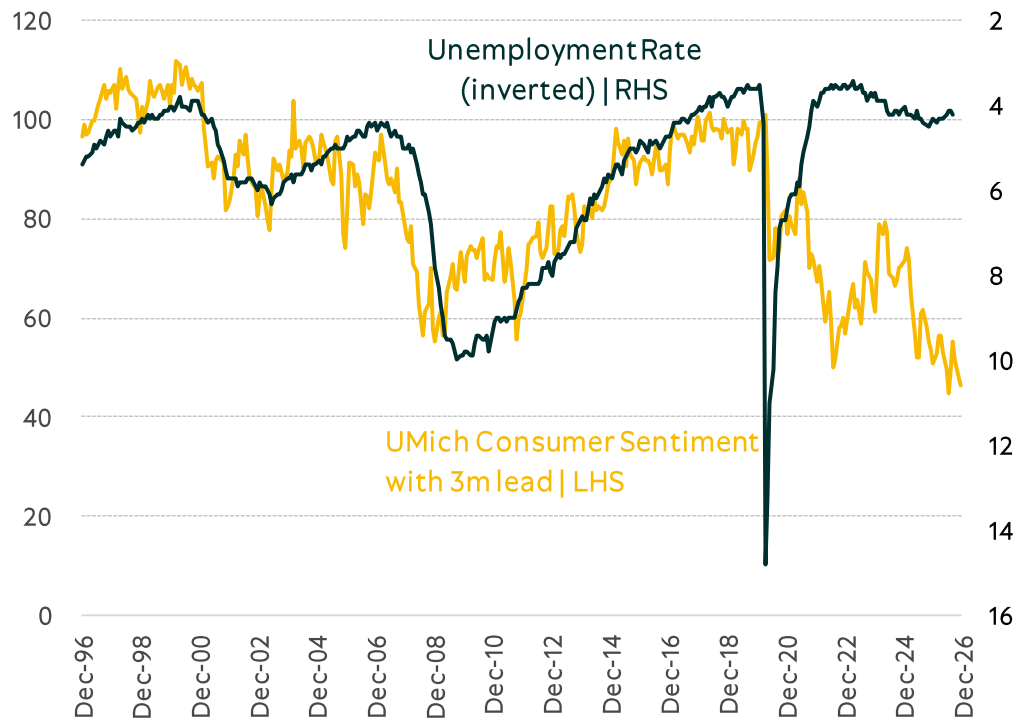


Piraeus

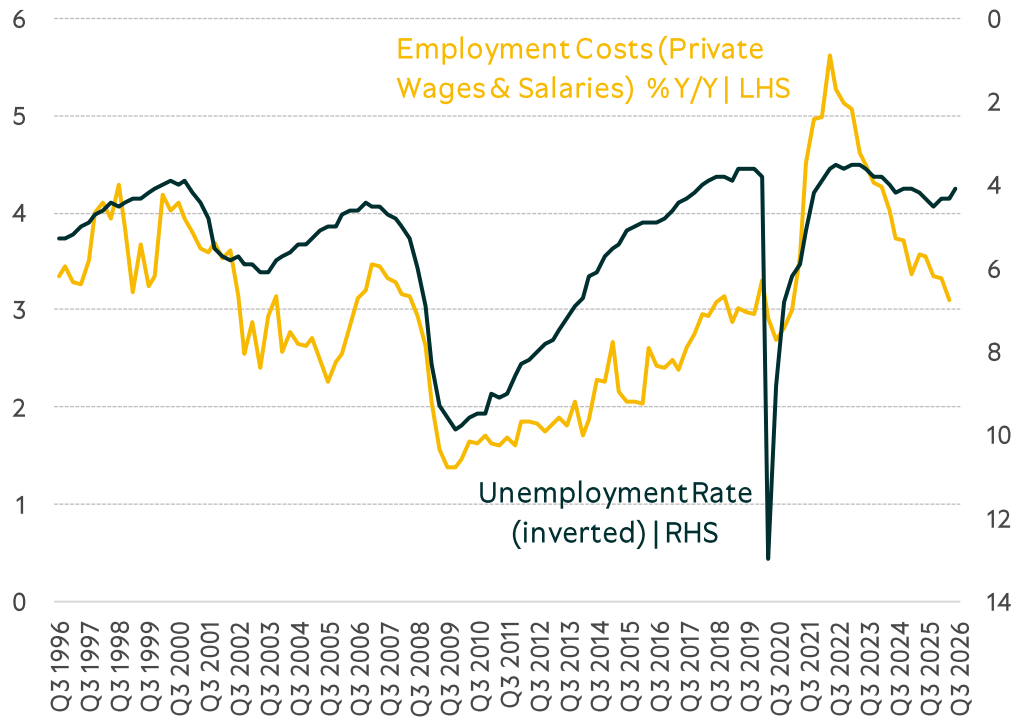
Source: Economic Research & Investment Strategy

US Labour Market | Consumer sentiment fell further in October; Q2 private wages and salaries point to easing wage growth.

Consumer Sentiment & Unemployment Rate



Compensation per Employee & Unemployment Rate

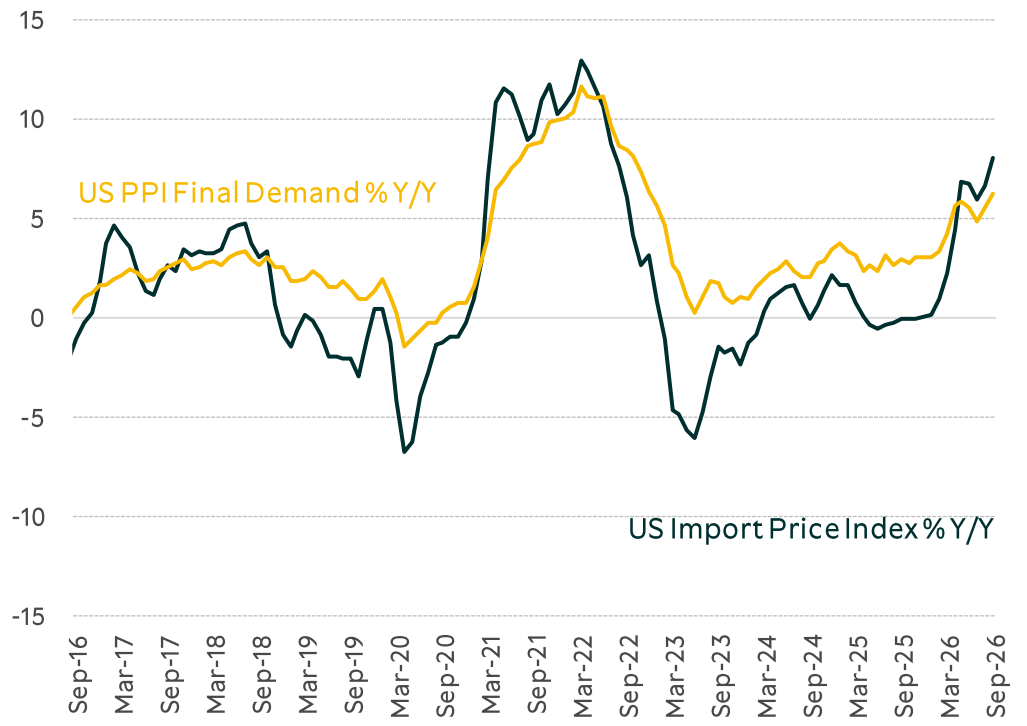


Piraeus

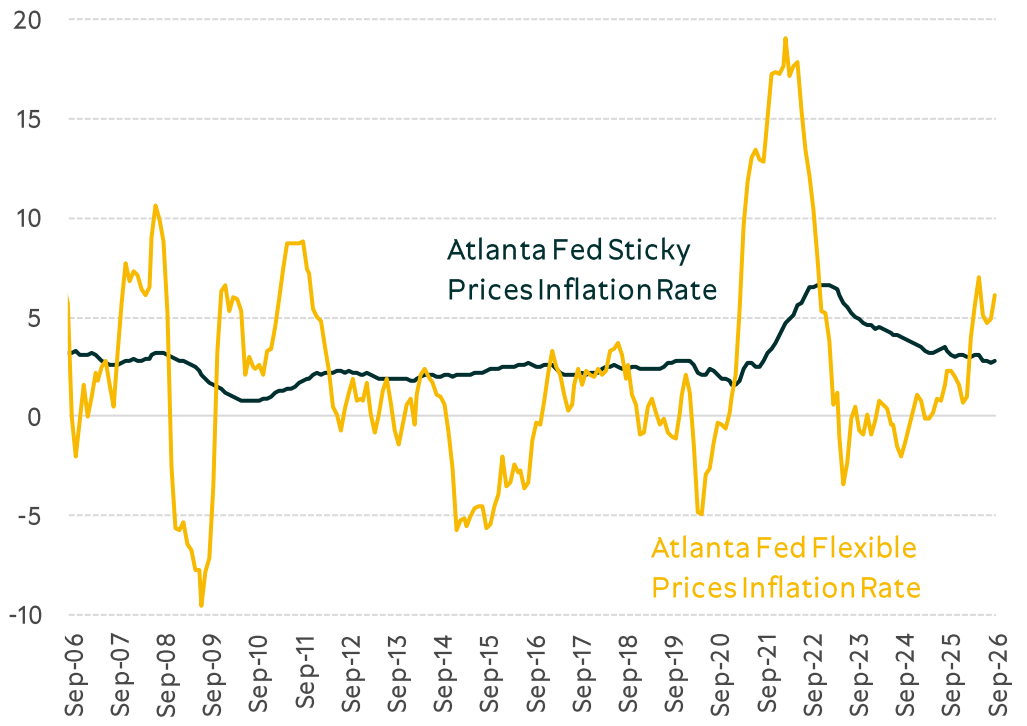
Source: Economic Research & Investment Strategy

US Alternative Inflation Metrics | Producer and import price inflation accelerated further in September and flexible price inflation rose to 6.1%.

Producers Price Index and Import prices

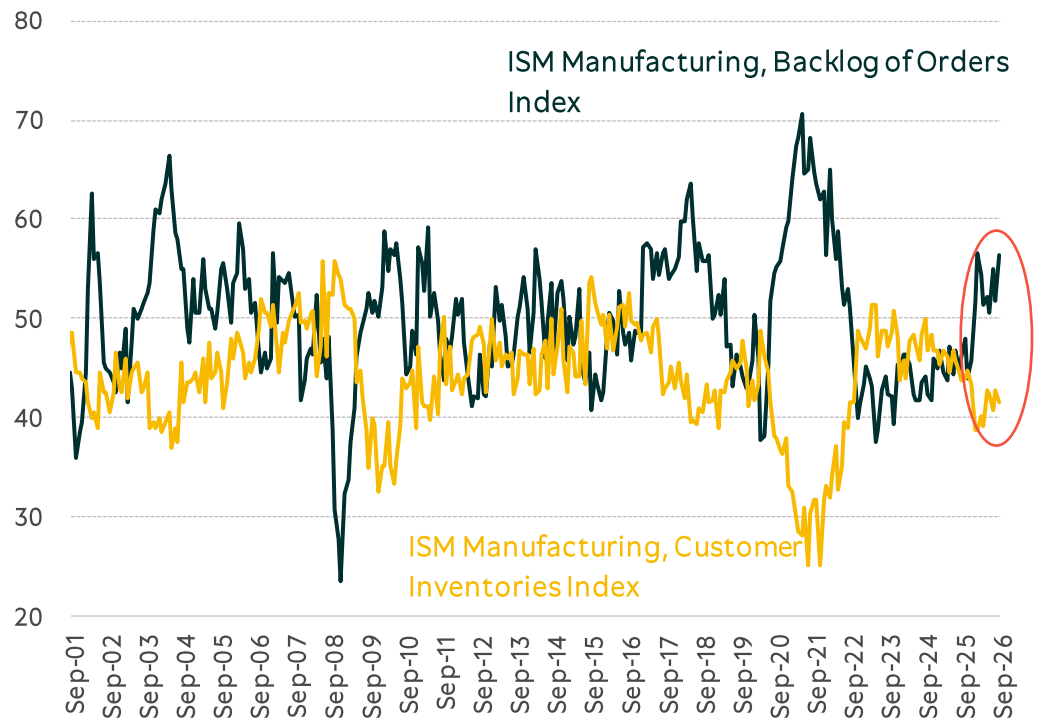


Sticky & Flexible Prices

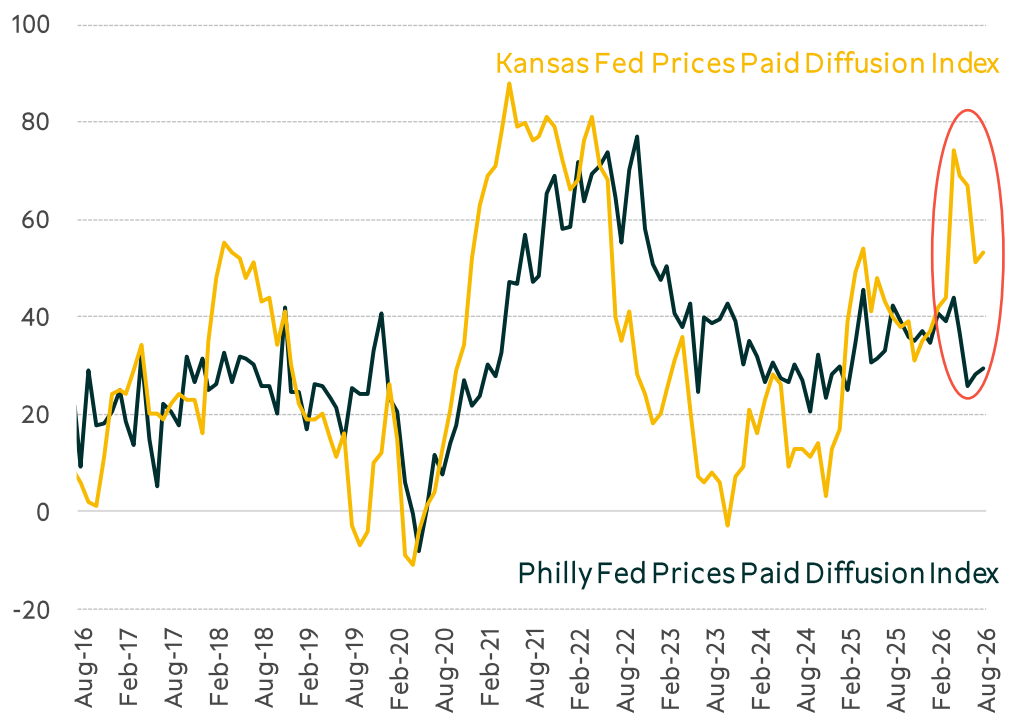


US Supply & Demand Gap | Regional Fed surveys show renewed price pressures.

Backlog of Orders & Customer Inventories Relation

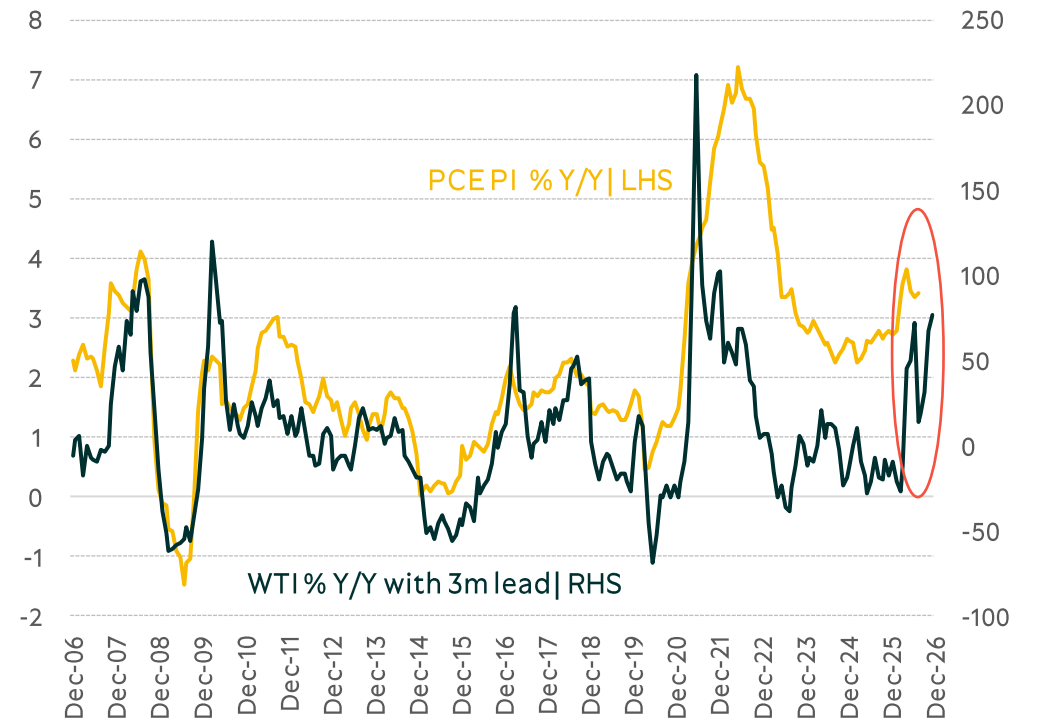


Leading Prices Indicators

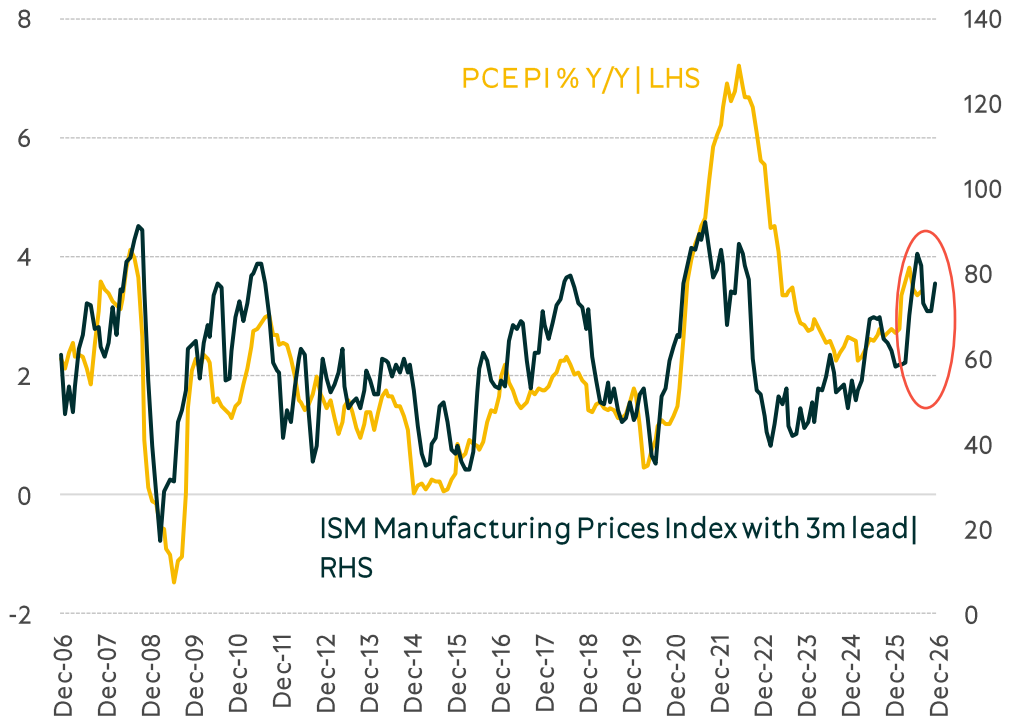


US Inflation & Energy Prices | Energy prices are up 77% y/y. The ISM Manufacturing Prices Paid Index rose to 77.9 in September from 71.1 in August.

Inflation Rates & Energy Prices

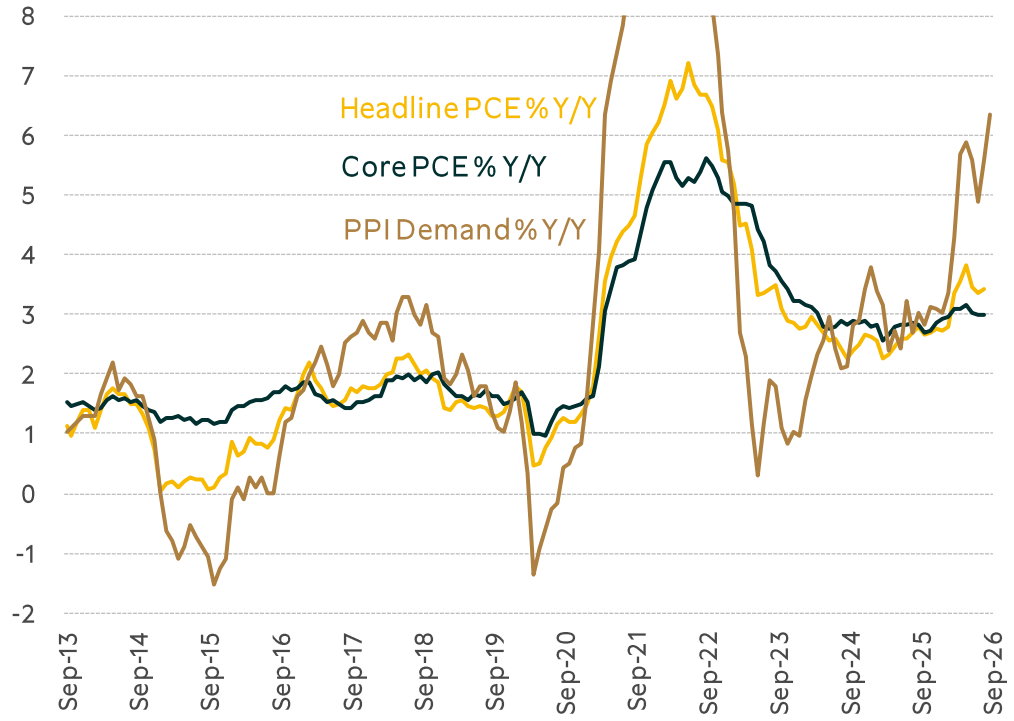


Inflation Rate & Leading Prices Indicator

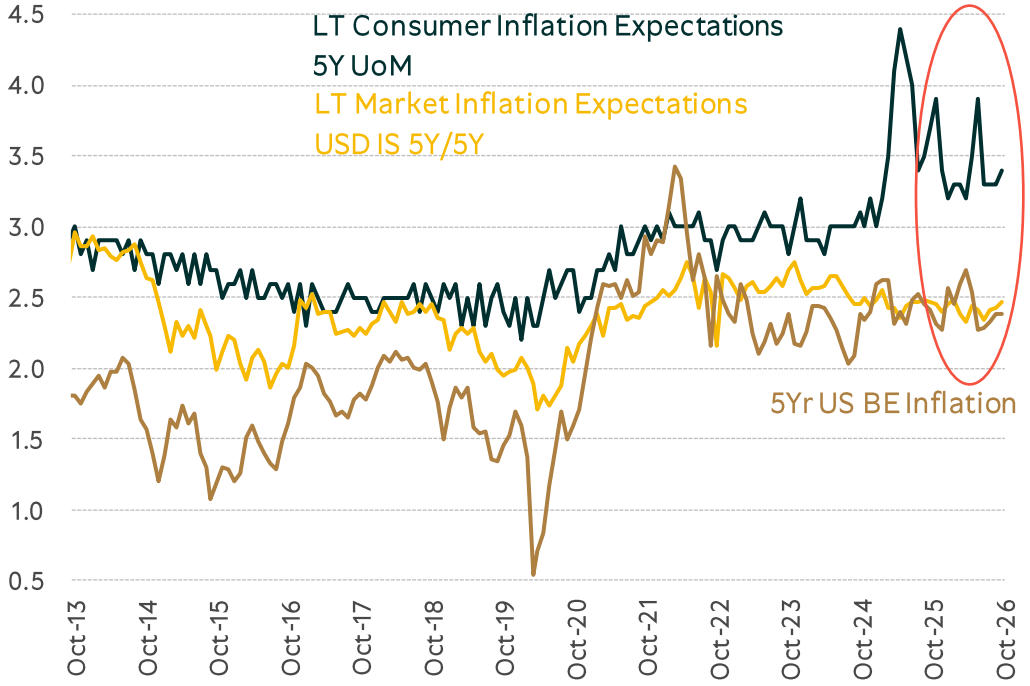


US Headline & Core Inflation | September PPI points to firmer PCE inflation, while University of Michigan consumers' long-term inflation expectations remain well above market pricing (3.5% vs 2.5%) in October.

Inflation Rates

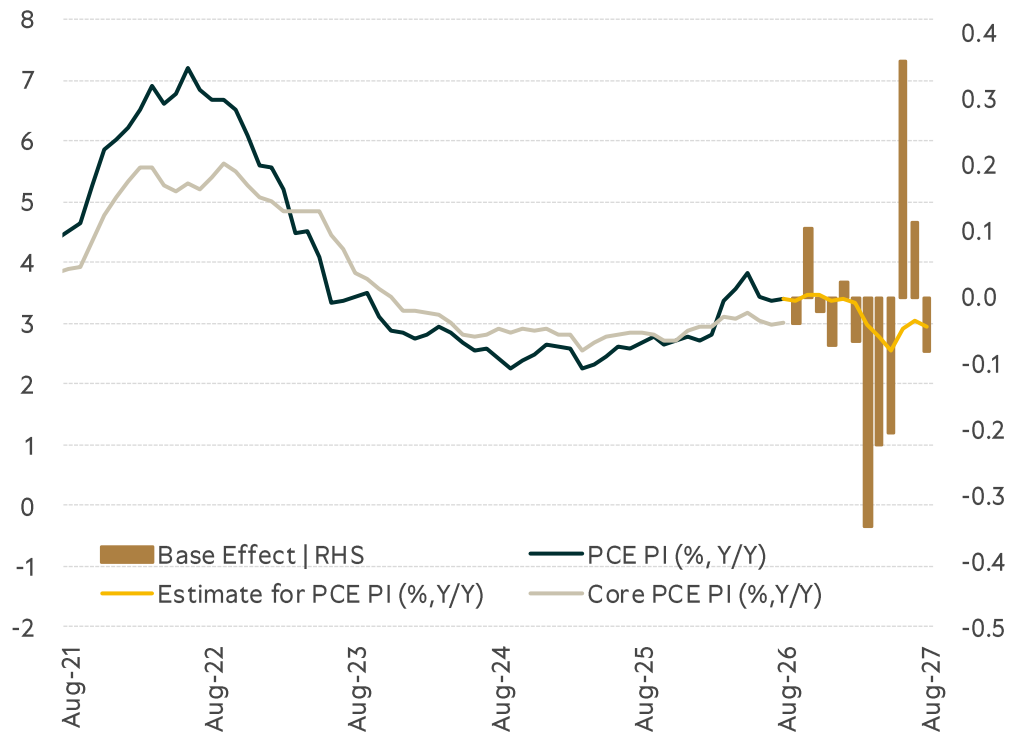


Long-Term Inflation Expectations

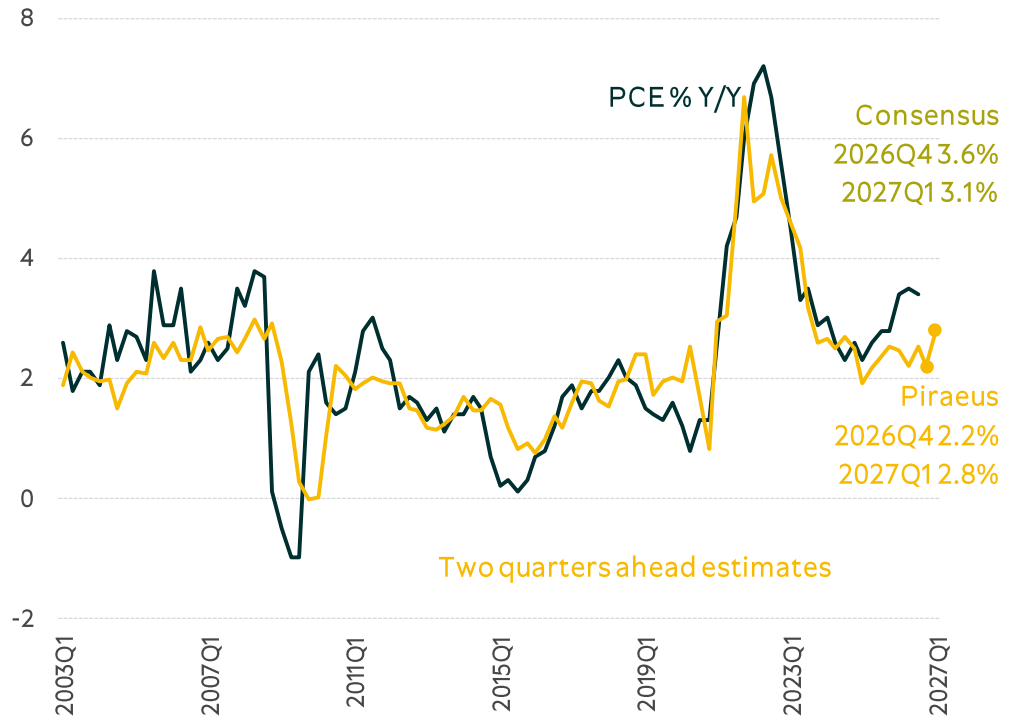


US Inflation Outlook | Our macro and statistical models both show PCE inflation staying elevated through 2026, before base effects pull it lower from March 2027.

Inflation Rate Forecast | Statistical Model



Inflation Rate Forecast | Macro Model

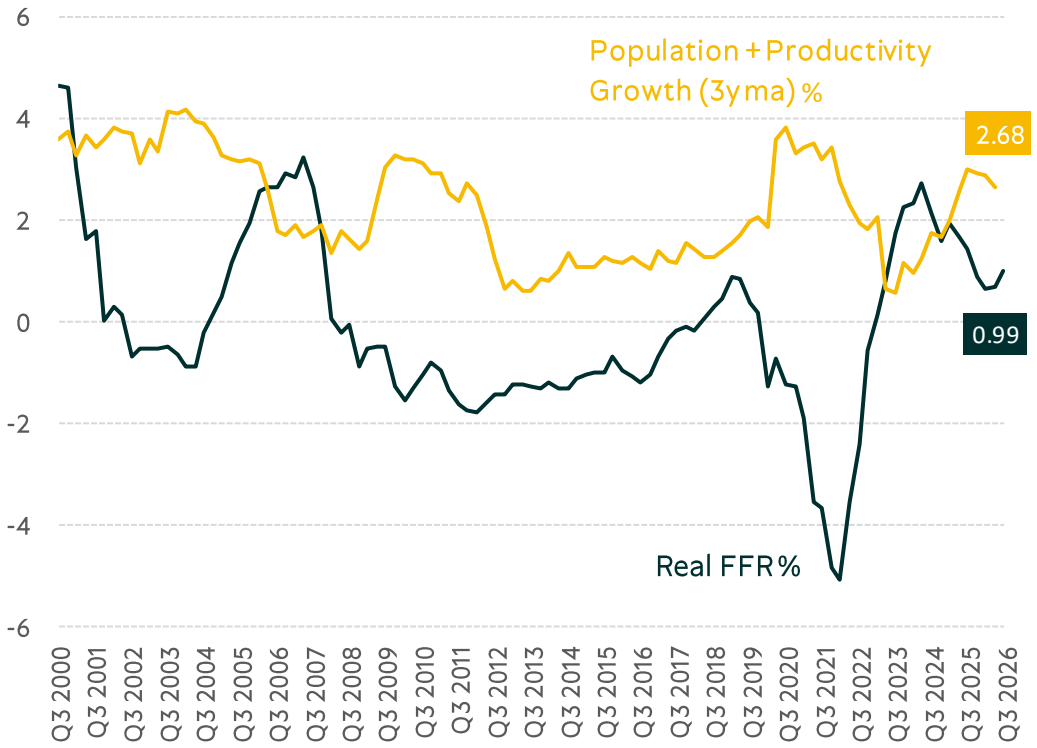


Piraeus

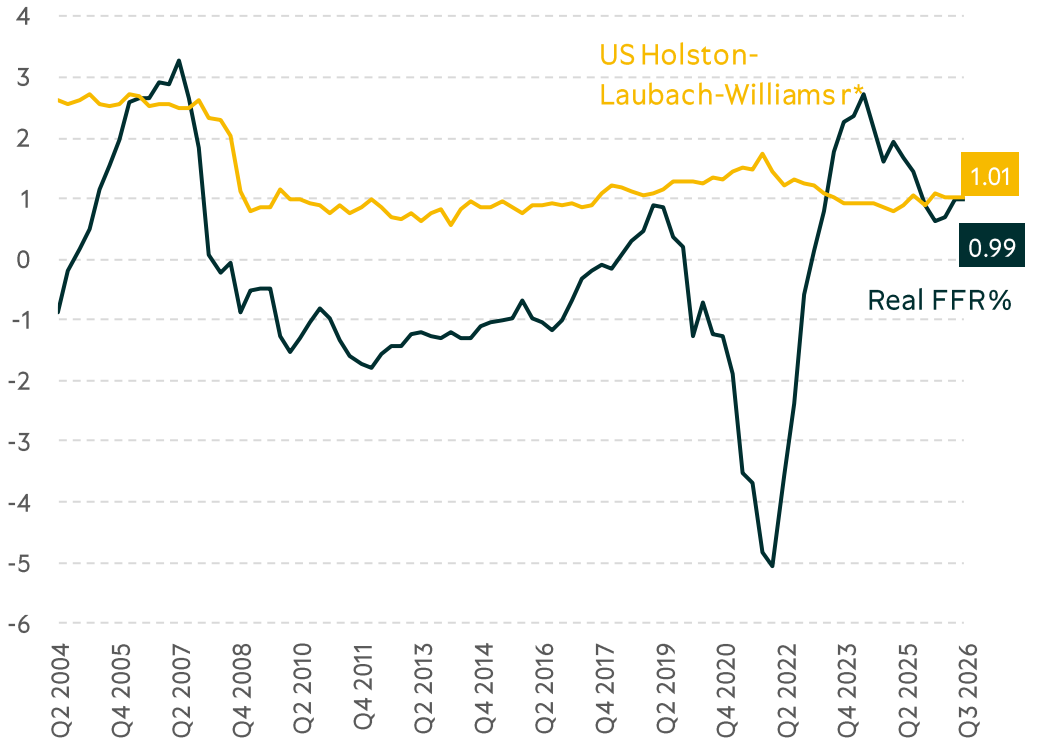
Source: Economic Research & Investment Strategy

US Interest Rates | US productivity growth slowed in early 2026 from its strong 2024–25 pace, then rebounded in Q2. The ex-post real policy rate now sits at the HLW estimate of the neutral rate (r*).

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

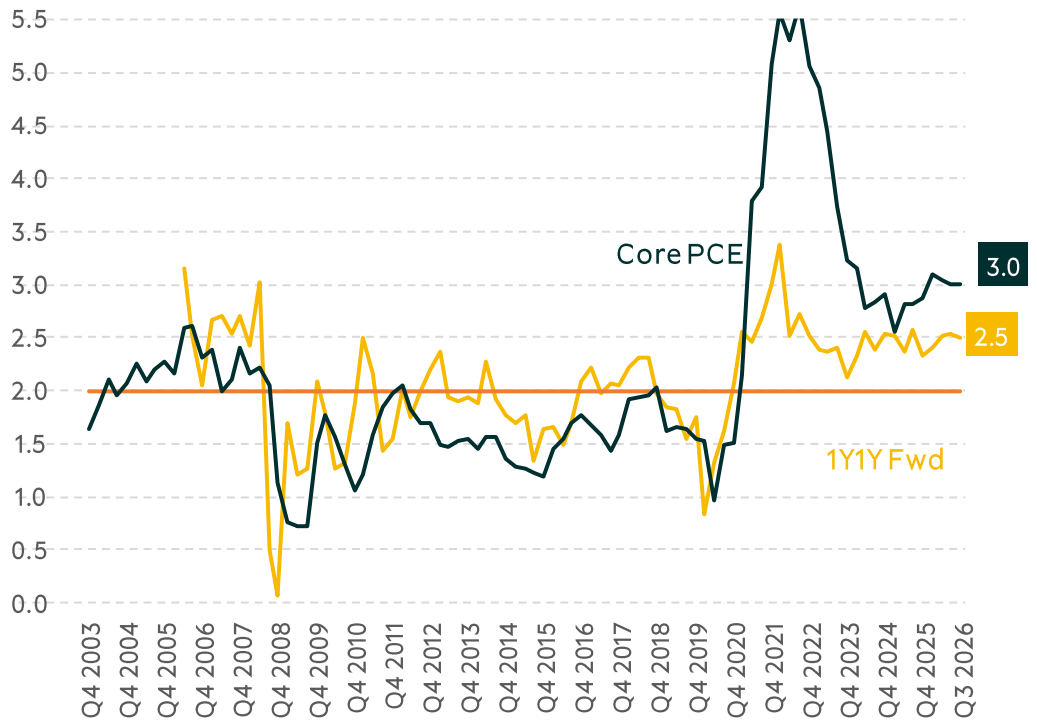


US Holston-Laubach Williams r* &
US Real Policy Rate (Fed Fund Rate - Core PCE)

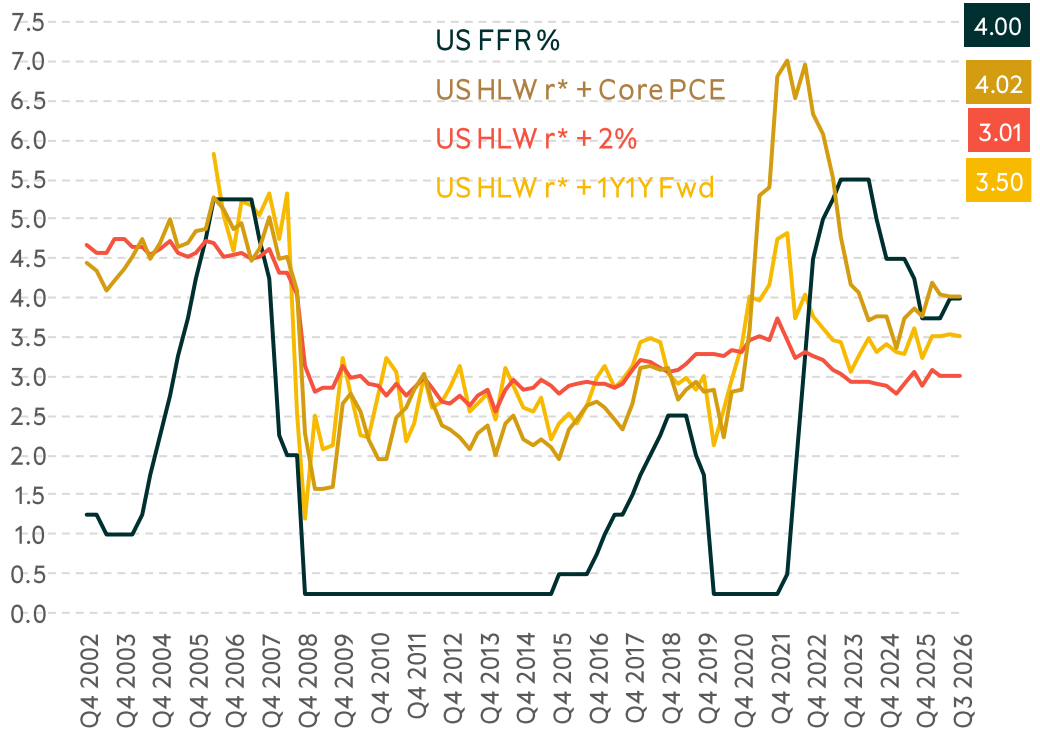


US Interest Rates | US Inflation expectations remain near 2.5% (1Y1Y); Fed funds rate & Adjusted HLW r*.

US Inflation & Inflation Expectations one year ahead

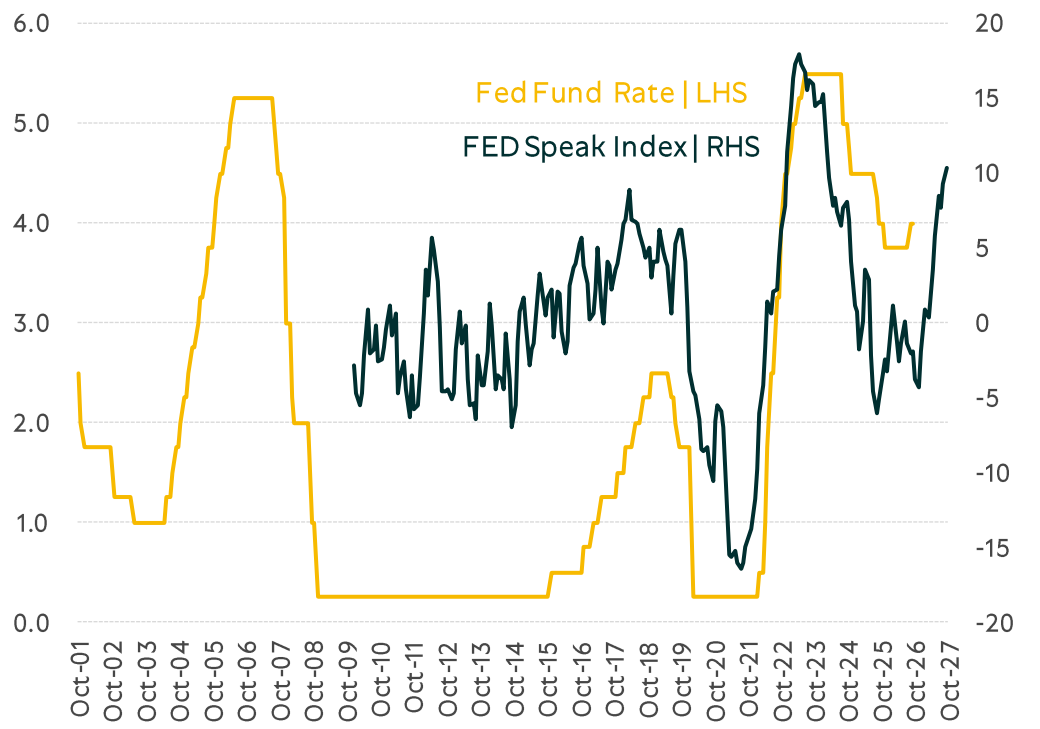


US FFR Rate & Nominal HLW R*

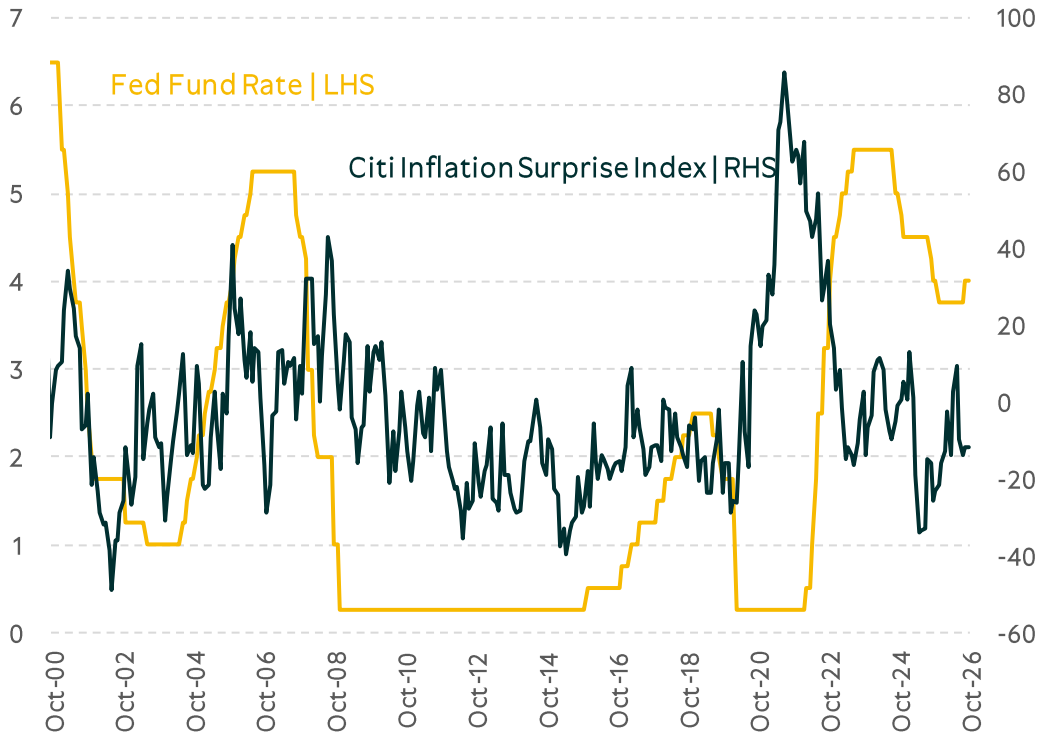


US Interest Rates | The Fed Speak Index remains elevated, while price surprises are negative.

Fed Speak Index & Fed Fund Rate



Inflation Surprises & Fed Fund Rate



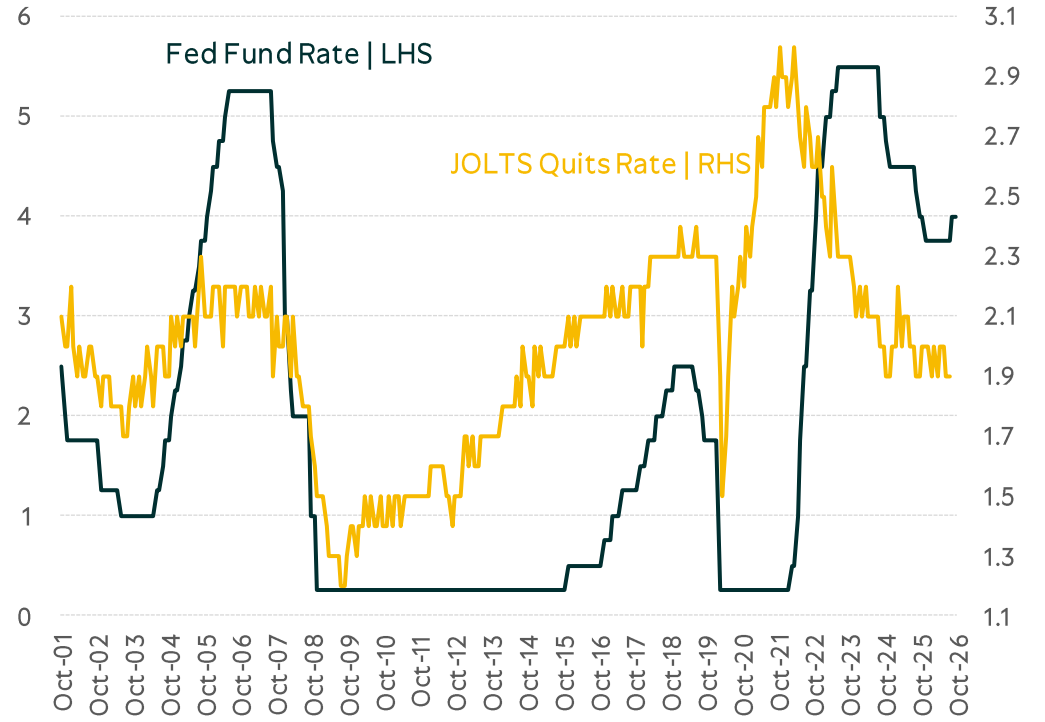
Positive index → Indicates a hawkish tone, meaning the central bank is leaning toward tightening monetary policy (raising interest rates, reducing liquidity).
Negative index → Indicates a dovish tone, meaning the central bank is inclined toward easing monetary policy (lowering rates, adding liquidity).

Positive index → Indicates that inflation has been higher than expected

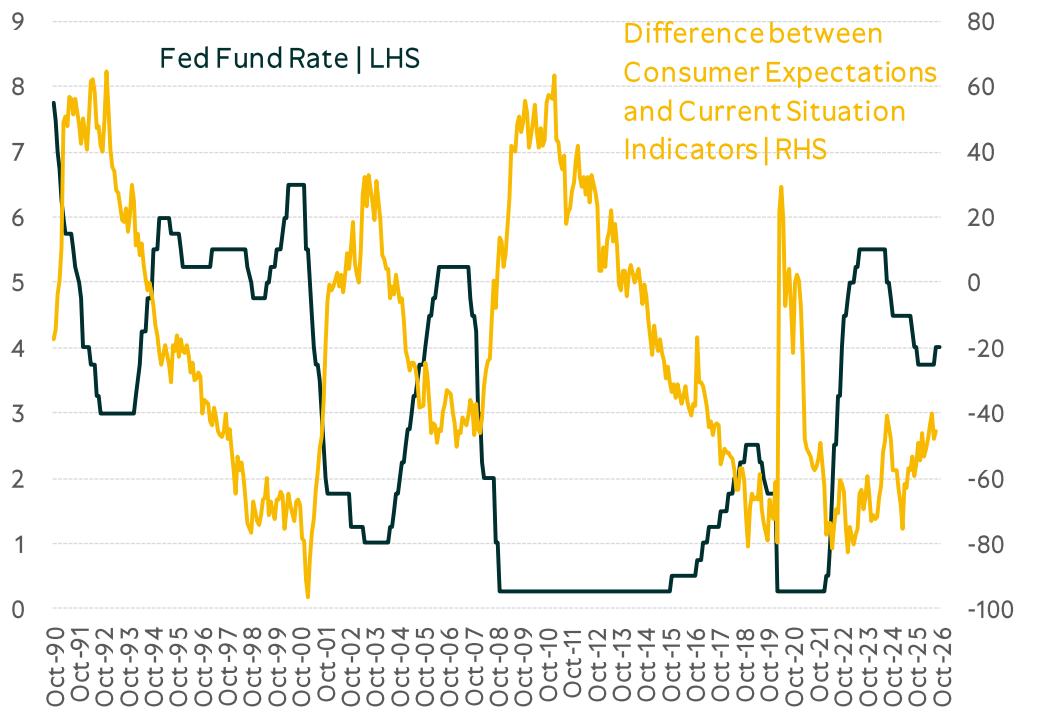
Negative index → Indicates that inflation has been lower than expected

US Interest Rates | The JOLTS quits rate & consumer expectations point to a lower Fed funds rate.

Fed Fund Rate & Quits Rate

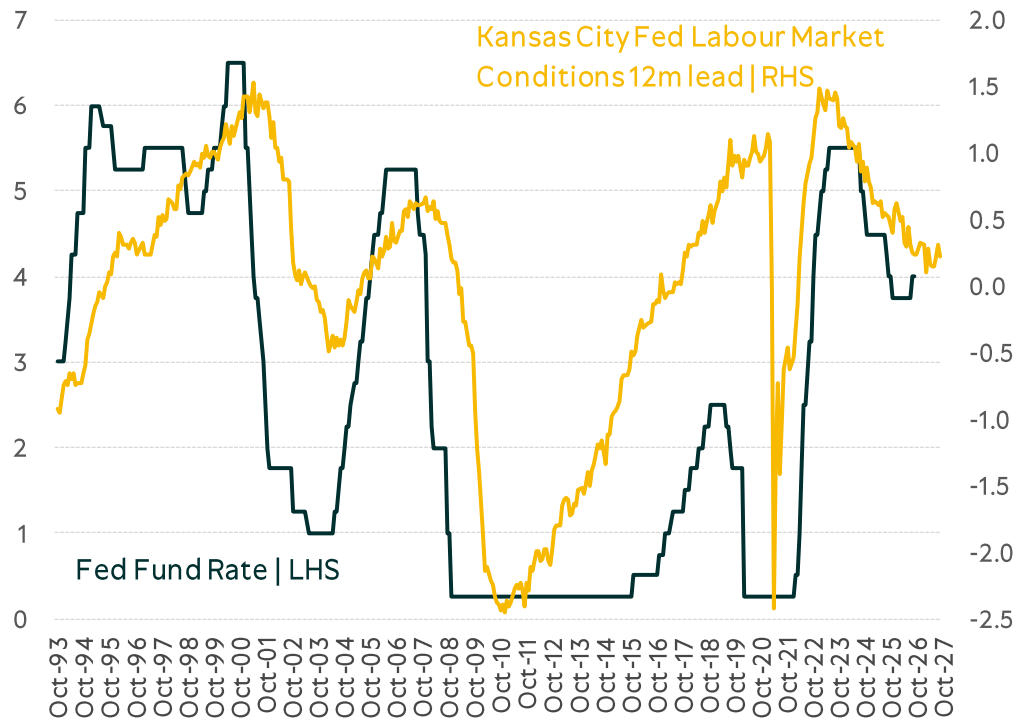


Fed Fund Rate & Difference between Consumer Expectations and Current Situation Indicators (Conference Board)

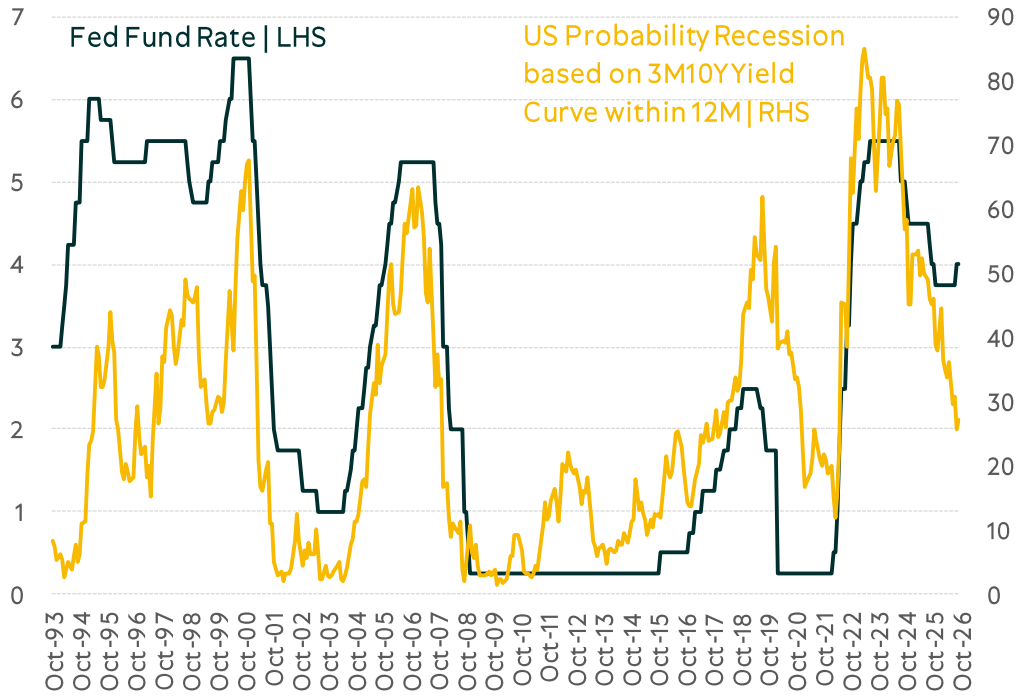


US Interest Rates | The Kansas City Fed Labour Market Conditions Indicator fell in September but remains above its historical average. The model-implied probability of a US recession has stayed below 30%.

Fed Fund Rate & Kansas City Fed Labour Market Conditions



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

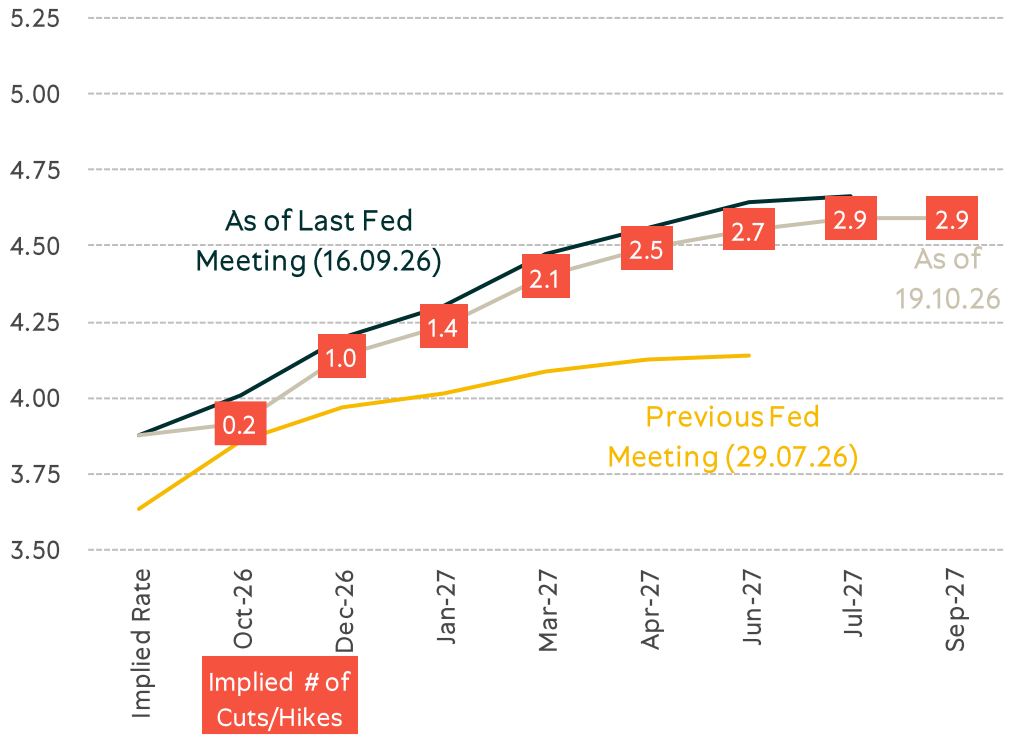


Piraeus

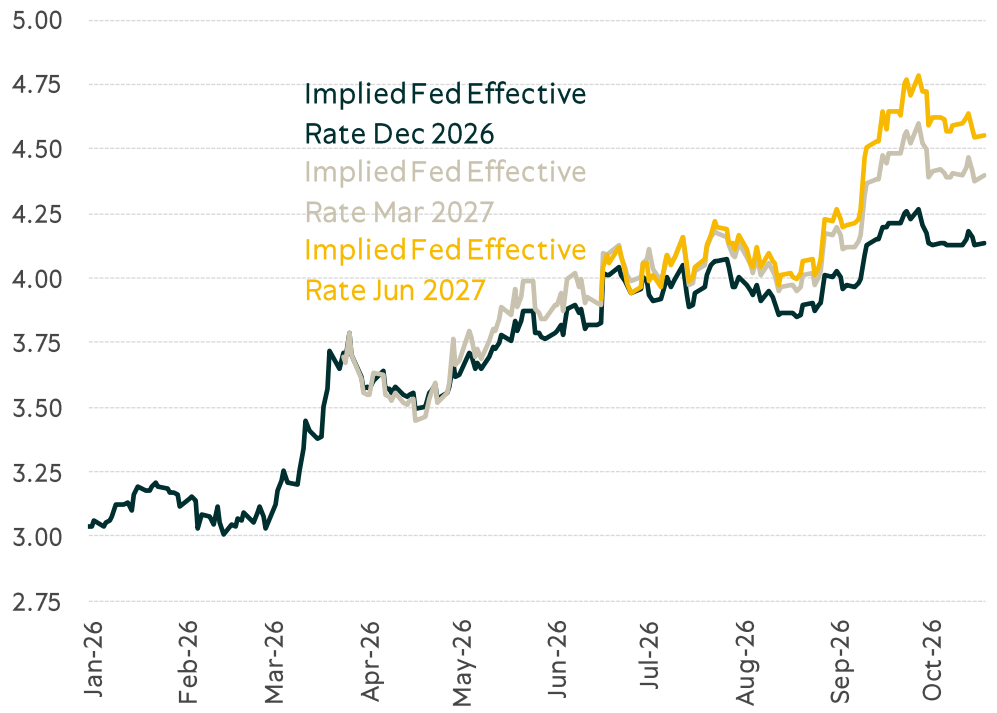
Source: Economic Research & Investment Strategy

US Interest Rates | Markets price one more hike in 2026 and two more by September 2027.

Implied Overnight Rate based on Overnight Index Swaps

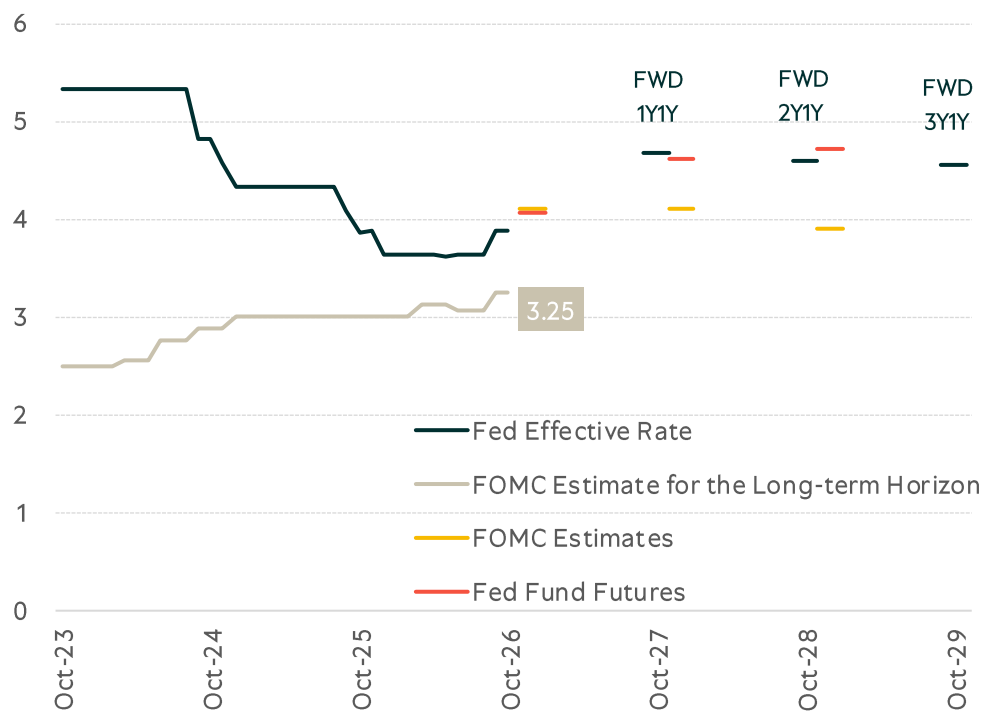


Interest Rates | Implied Fed Effective Rate

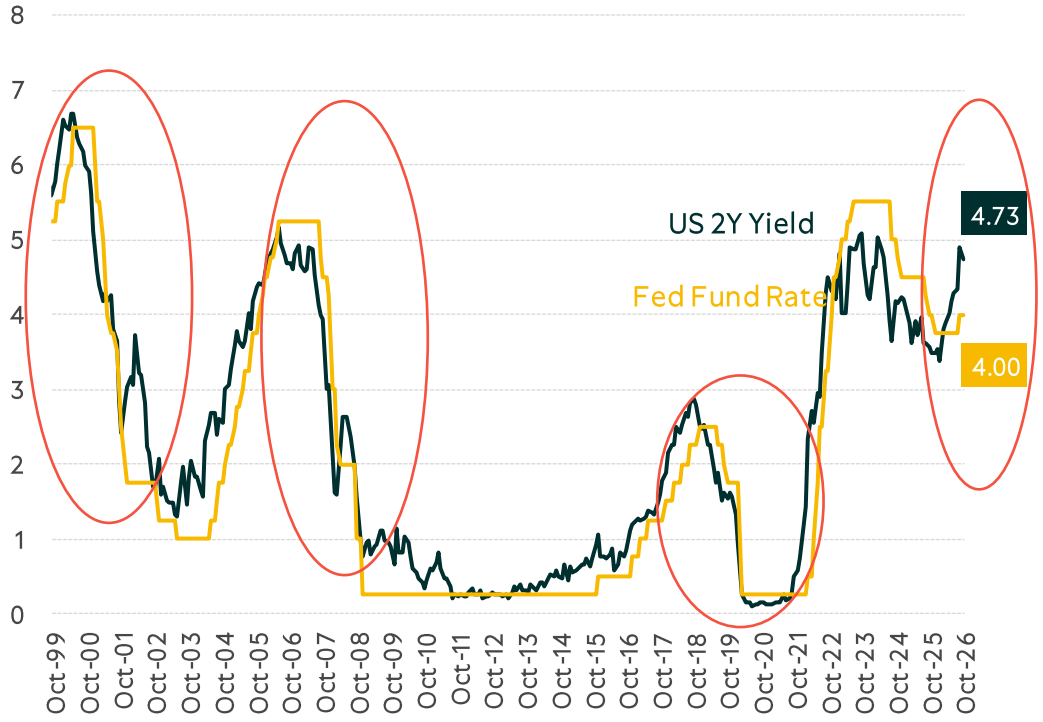


US Interest Rates | Forward rates remain firmly above the FOMC's longer-term estimate (3.25%).

Interest Rates | Fed Effective Rate



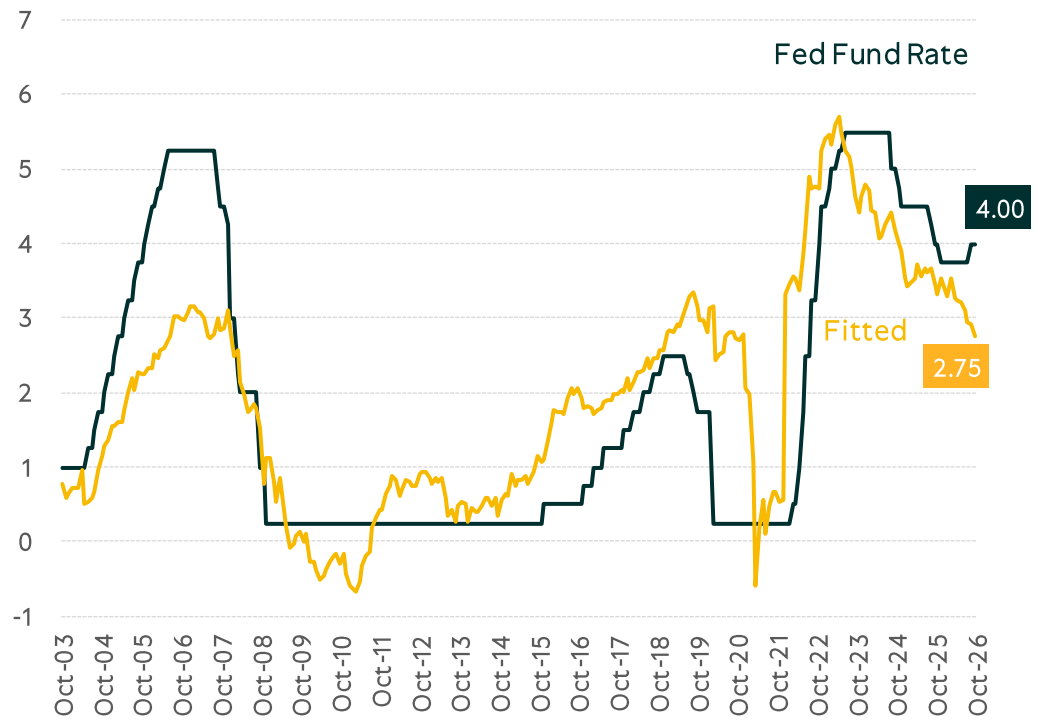
Fed Fund Rate & US Treasury Yield



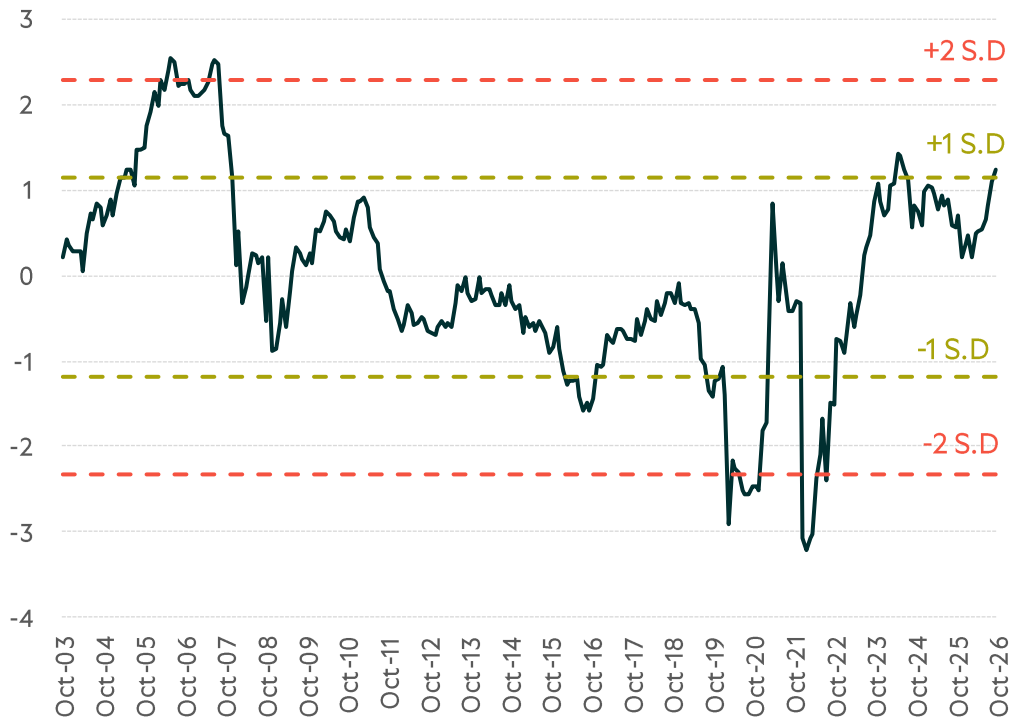
Note: Monthly data apart from the last observation which shows the latest available daily value

US Interest Rates | Our Taylor Rule Proxy Model implies policy is 125 bps too tight.

Fitted vs Actual

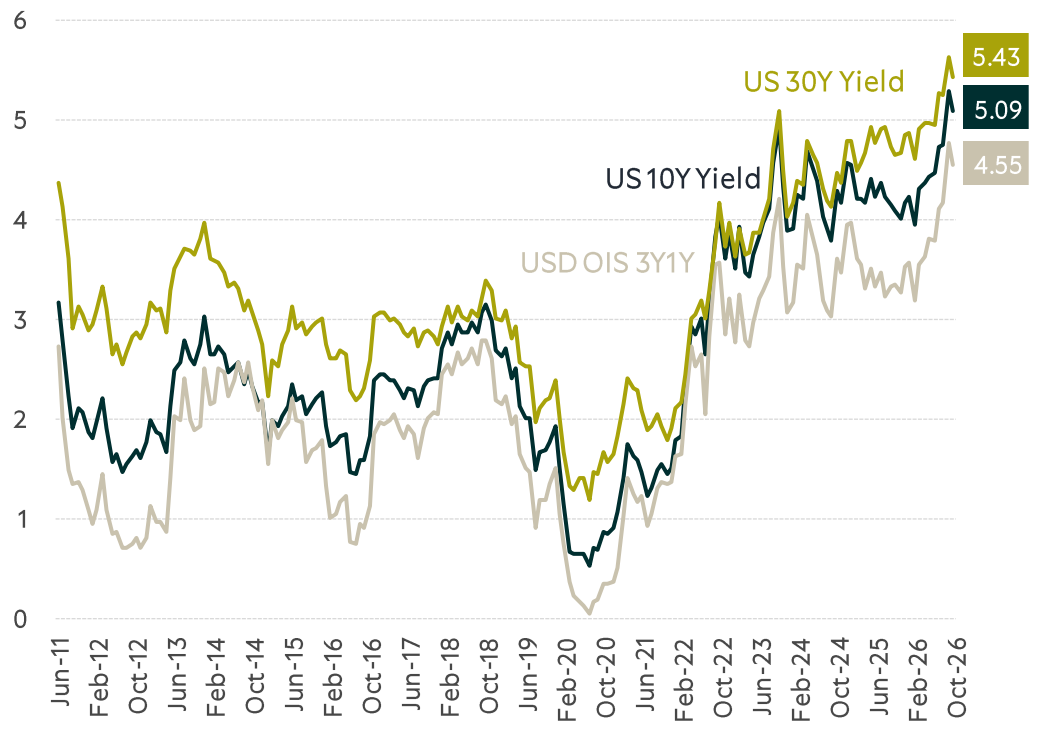


Residuals



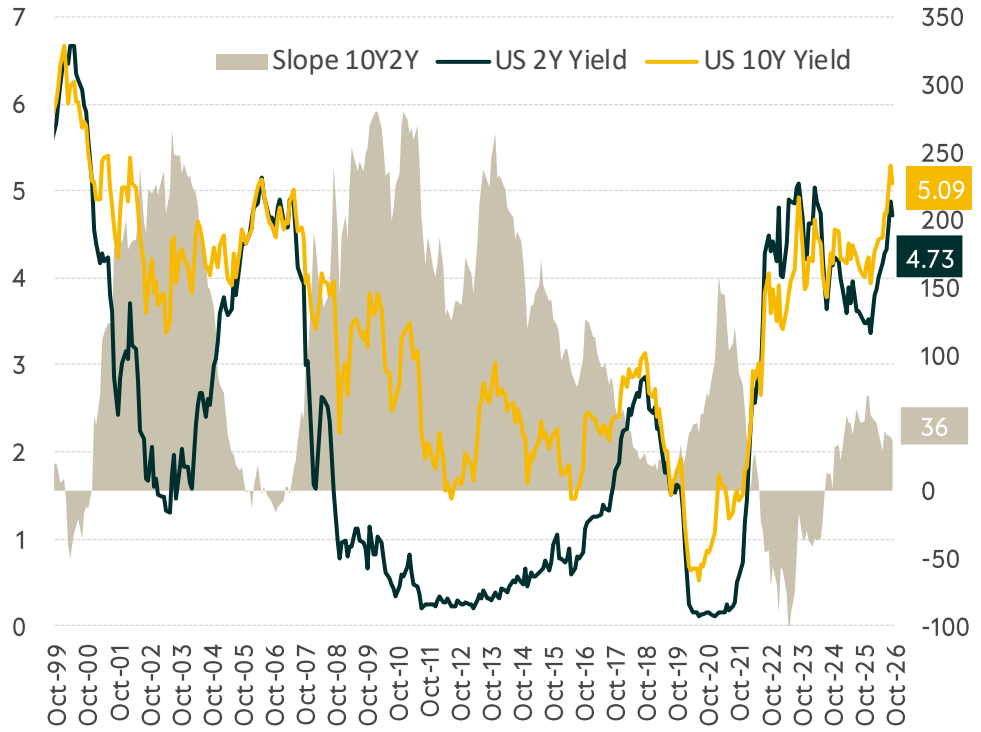
US Interest Rates | The Fed raised its benchmark rate by 25 bps in September, its first hike since July 2023.

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



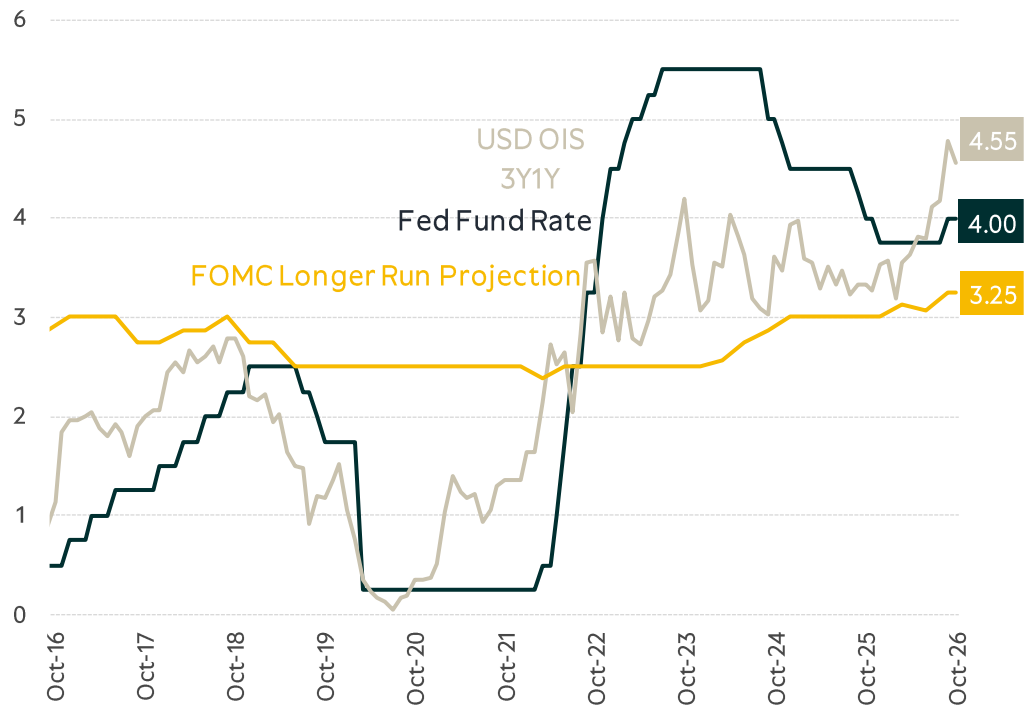
Note: Monthly data apart from the last observation which shows the latest available daily value

US Yield Curve



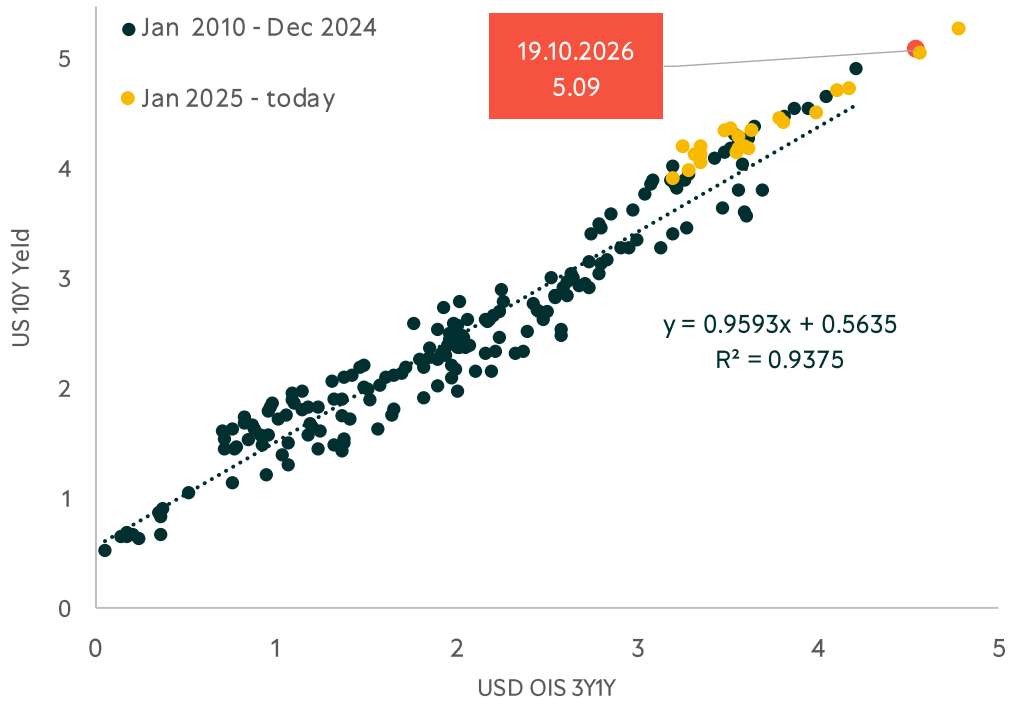
US Long-Term Rates | Short-term rates 4 years in the future are priced above target (3.25%) and 10-year yields sit above 'fair' value given the current level of short-term rates.

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

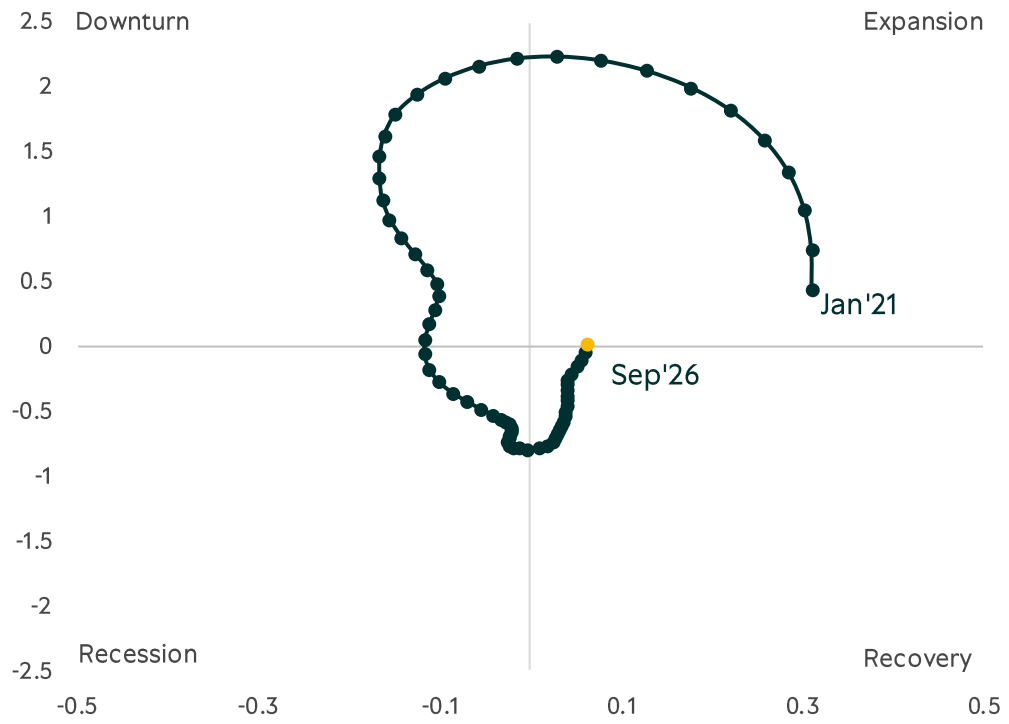
US Economy

EA Economy

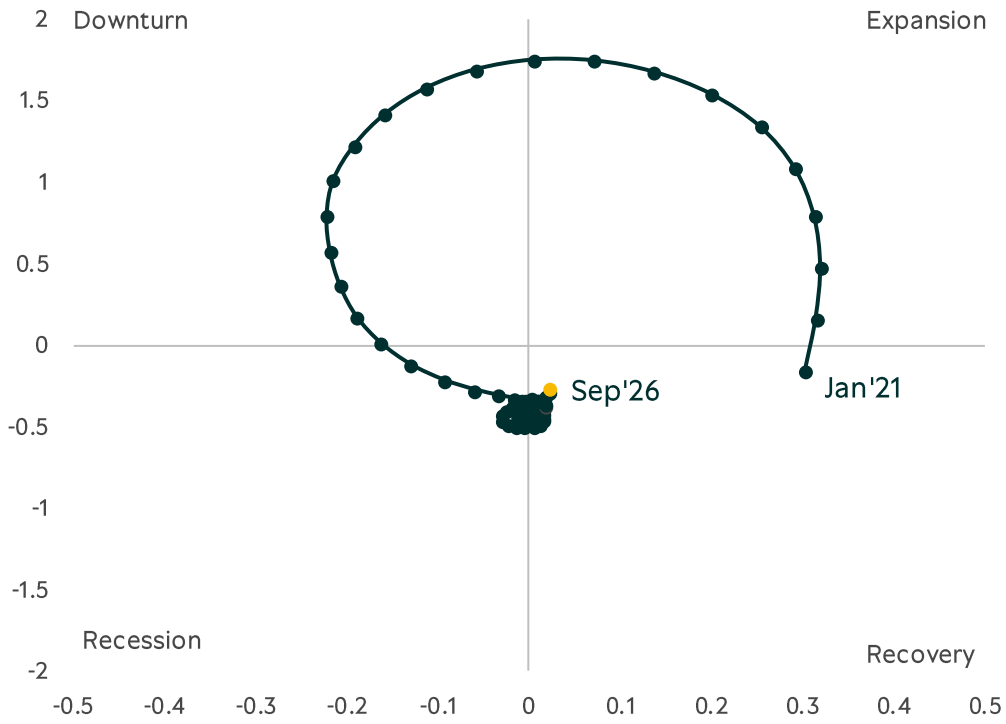
China Economy

EA Business Cycle Watch | In September, economic sentiment stayed in the recovery phase but remained stubbornly close to the axis, while manufacturing confidence moved to the expansion quadrant.

EA Business Cycle | Based on Manufacturing Confidence Indicator

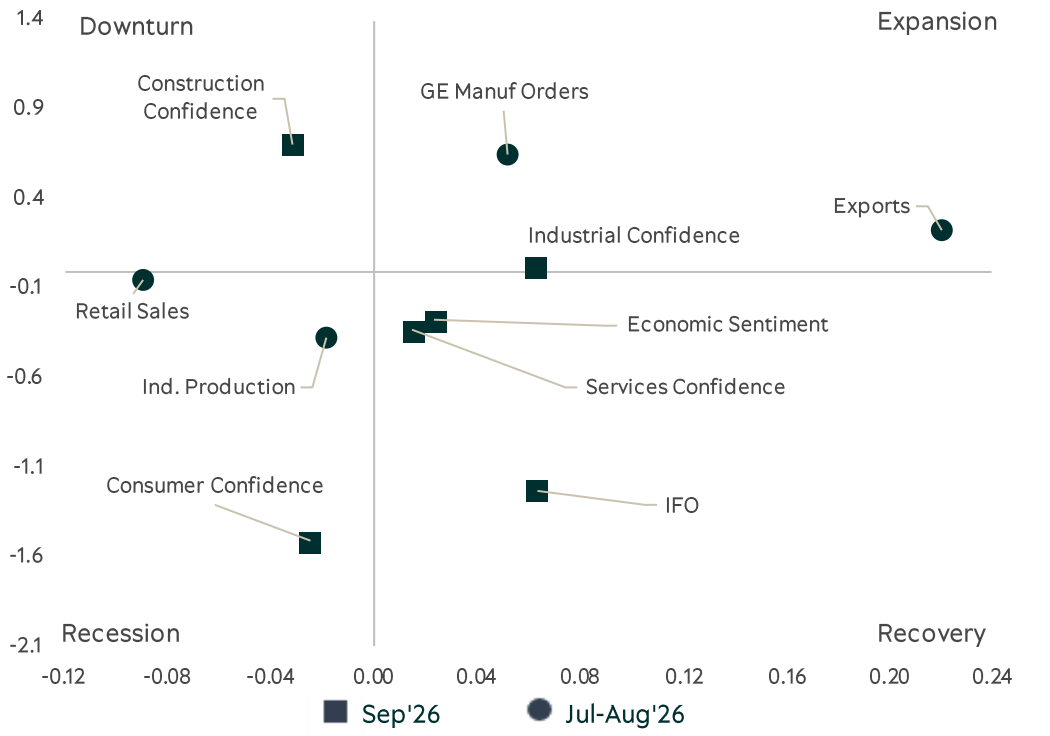


EA Business Cycle | Based on Economic Sentiment Indicator

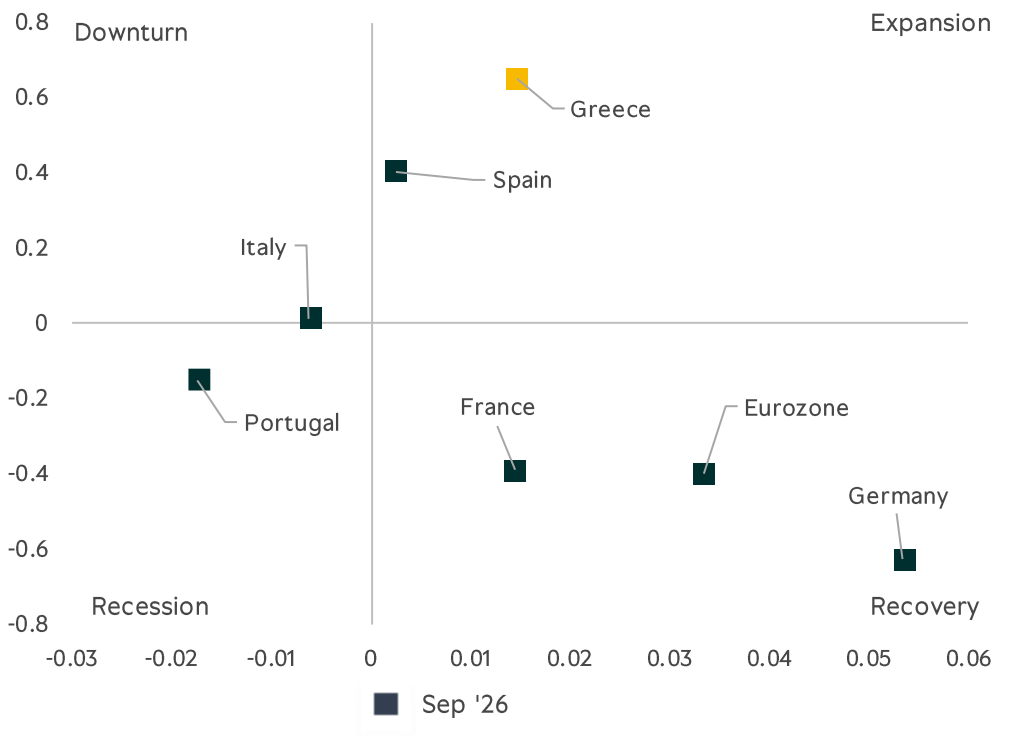


EA Business Cycle | Most key economic indicators now signal a recovery phase. The ESI rose in September in Spain, Germany, Greece and Portugal.

EA Business Cycle | Based on Major EA Economic Variables



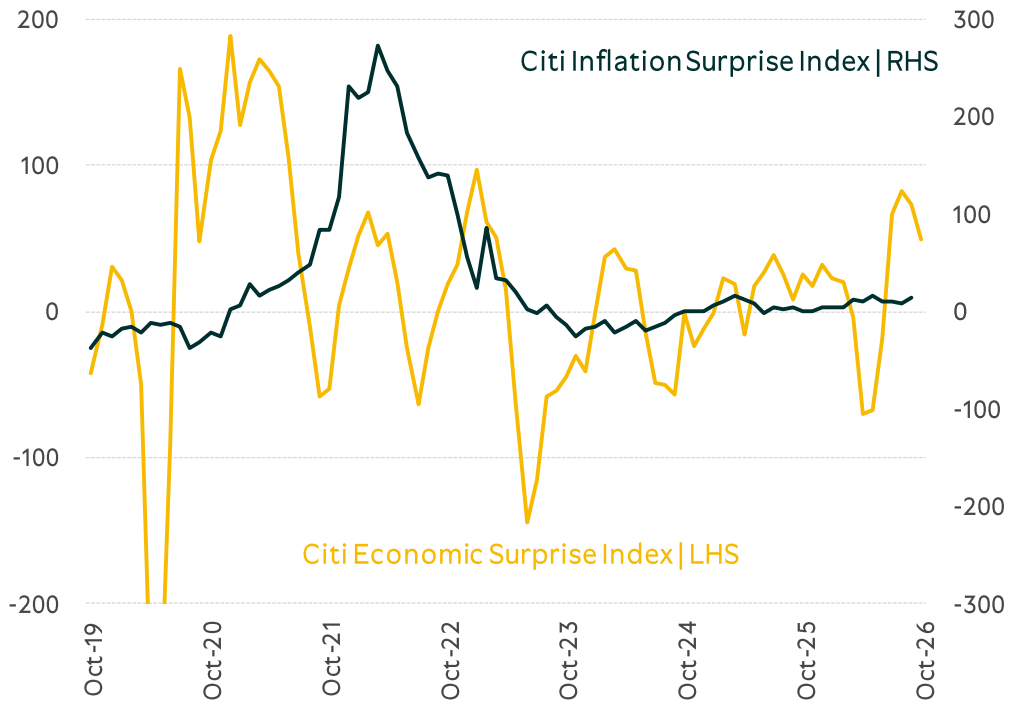
Business Cycle of EA Members | Based on Economic Sentiment Indicator



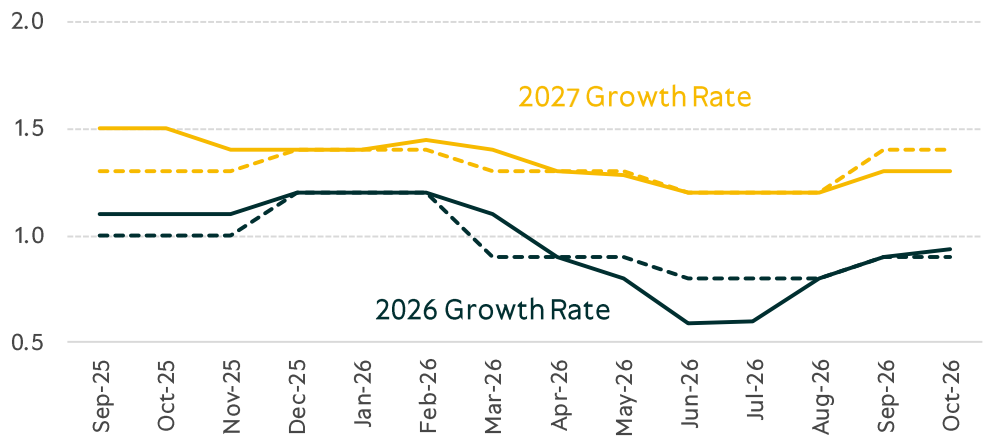
Source: Economic Research & Investment Strategy

EA Macro Expectations | In October, economic surprises declined but remained positive. Consensus growth and price expectations for 2027 did not change materially.

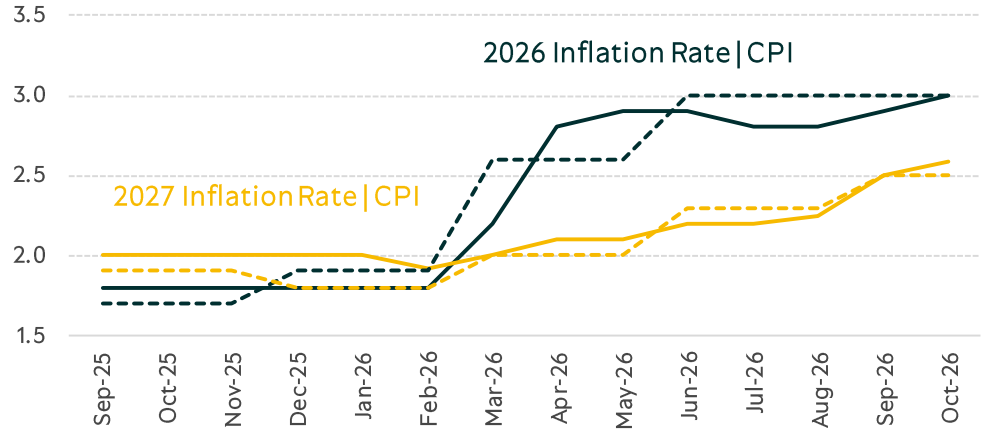
Economic & Inflation Surprises



Growth Rate Expectations*



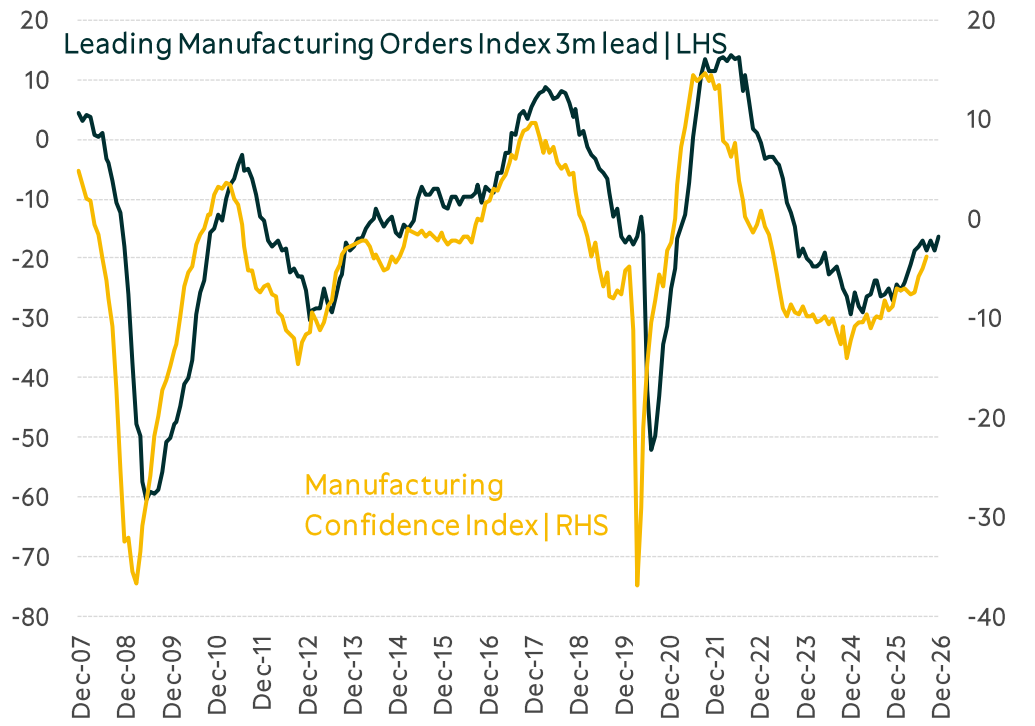
Inflation Rate Expectations*



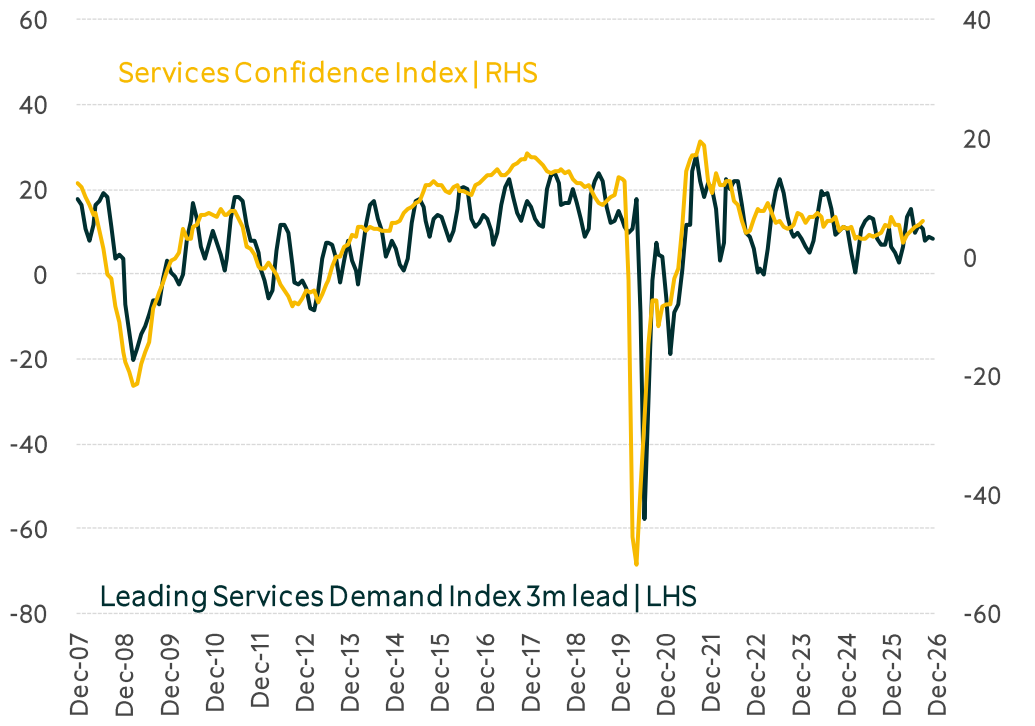
*Solid line: Consensus; Dotted line: ECB projections

EA Leading Indicators | Manufacturing and services confidence improved further in September.

Manufacturing Confidence Index & Leading Manufacturing Orders

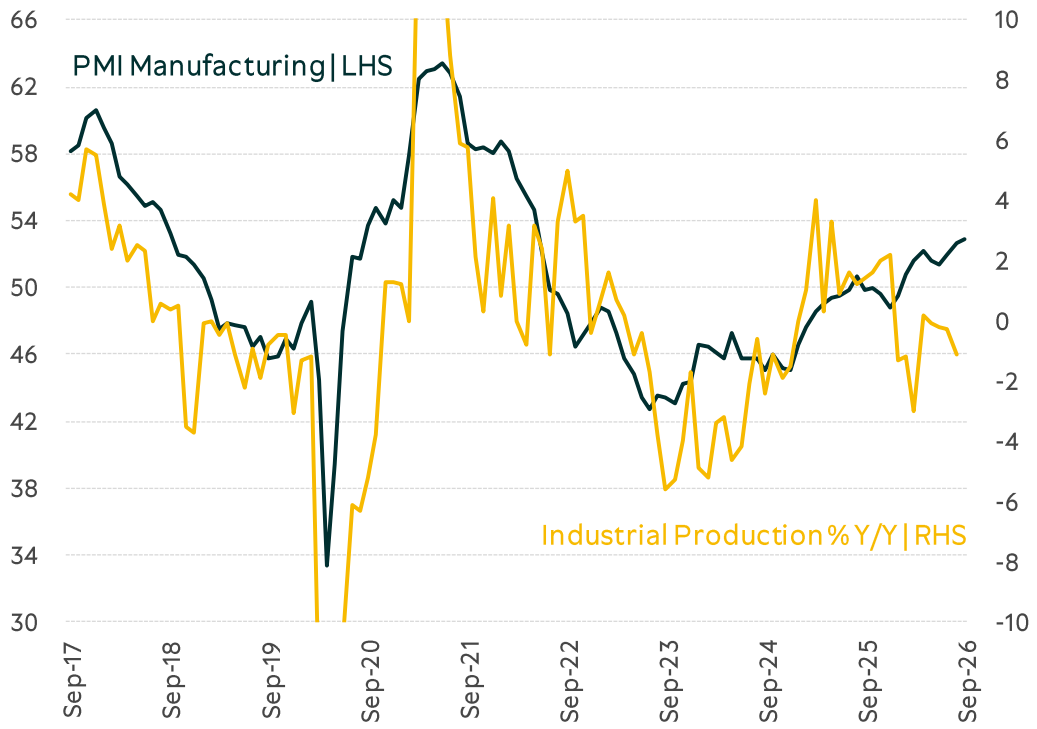


Services Confidence Index & Leading Services Demand Index

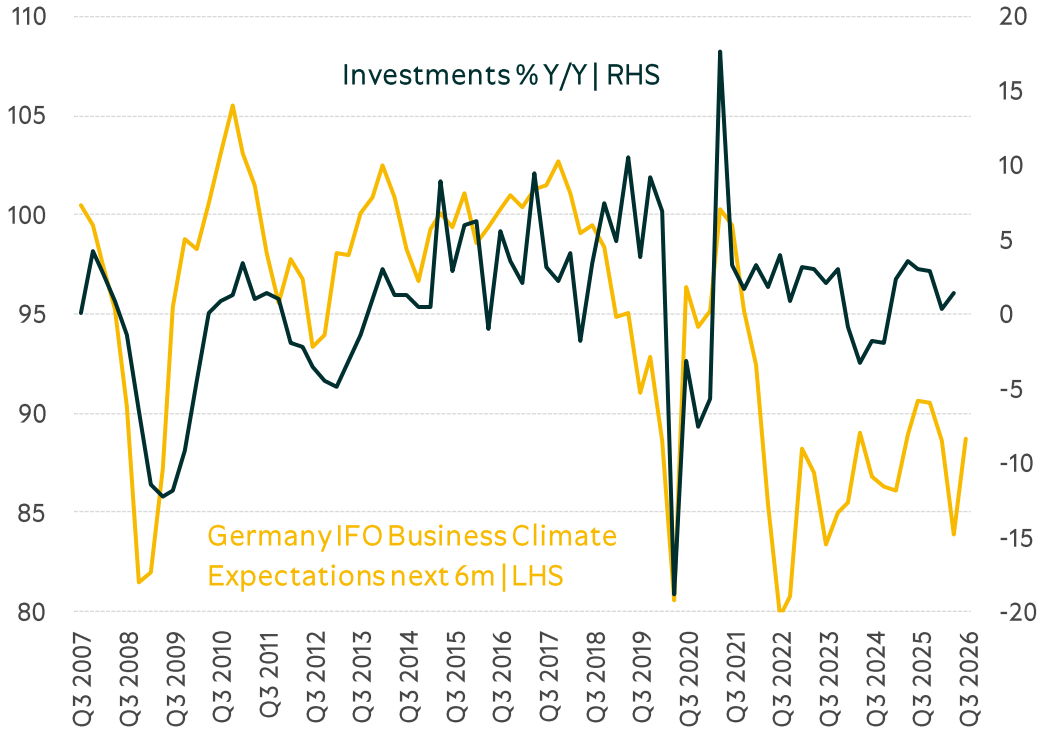


EA Business Conditions | The Manufacturing PMI held at 52.9 in September, its highest since May 2022; investment rose in Q2.

Industrial Production & PMI Manufacturing

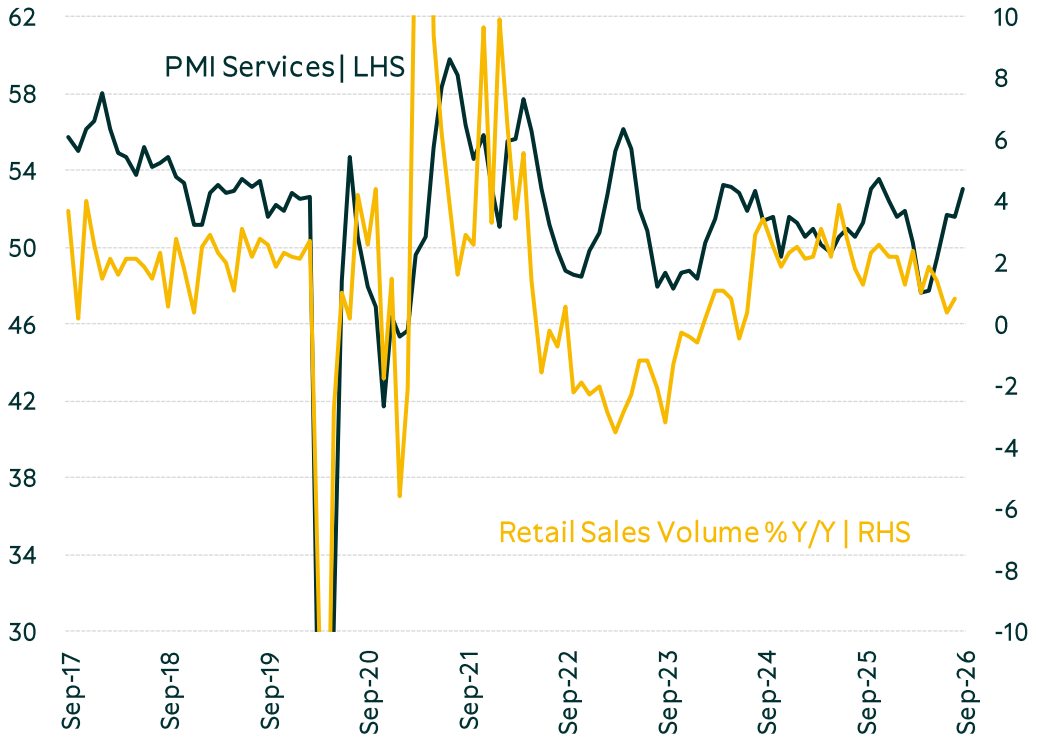


IFO Expectations & Business Investment

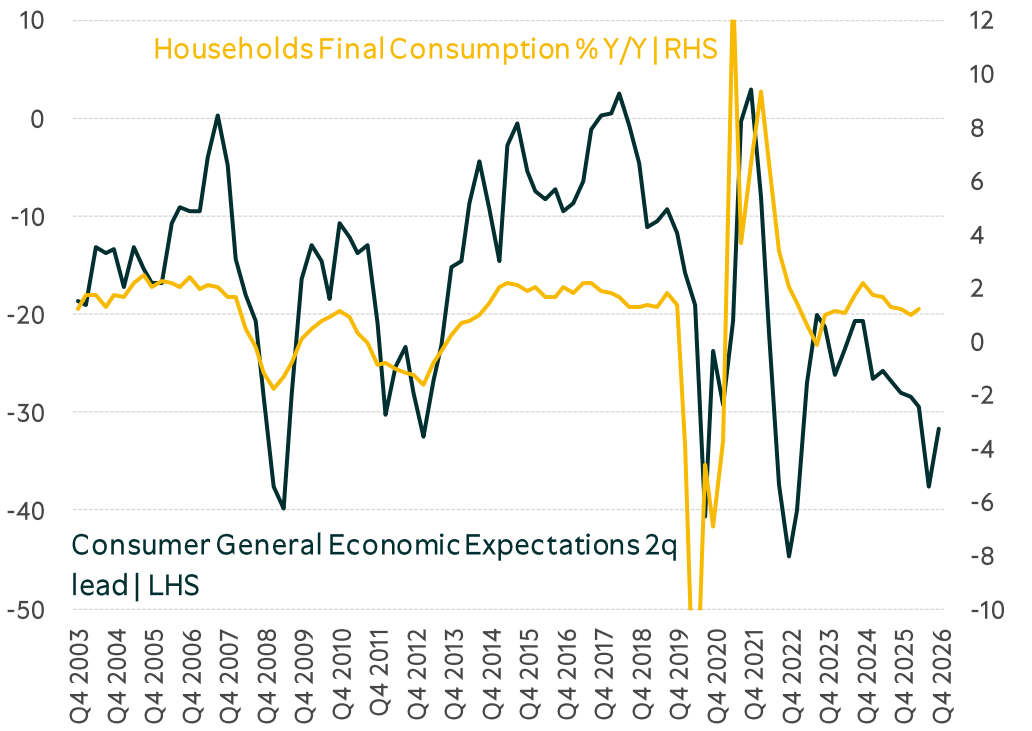


EA Business Conditions | The Services PMI improved in September to 53.0 from 51.6 in August and remained above the 50 threshold. Retail sales grew 0.8% y/y in August.

Retail Sales Volume & PMI Services

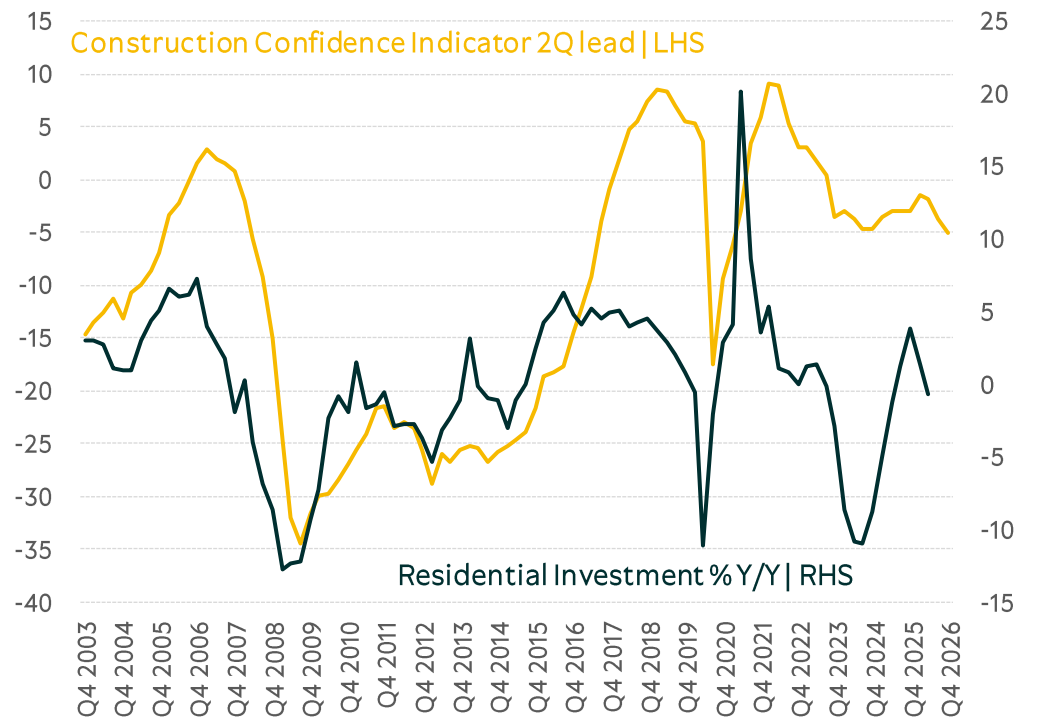


Final Consumption & Consumer Expectations Index

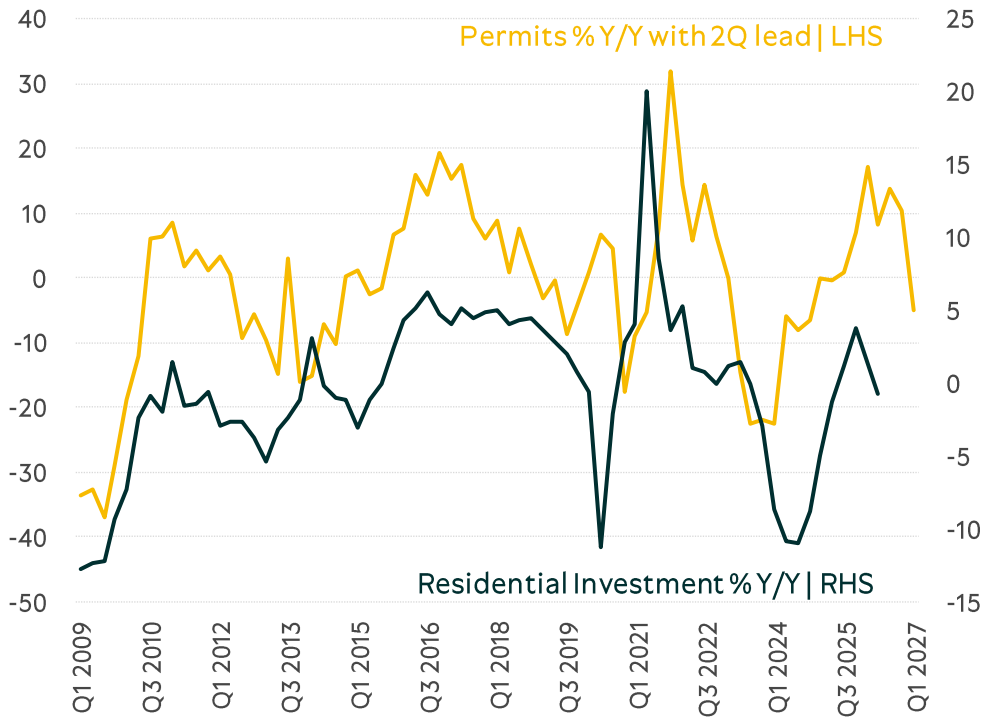


EA Construction | The residential sector is showing signs of slowing as investments and permits decline.

Residential Investment & Construction Confidence

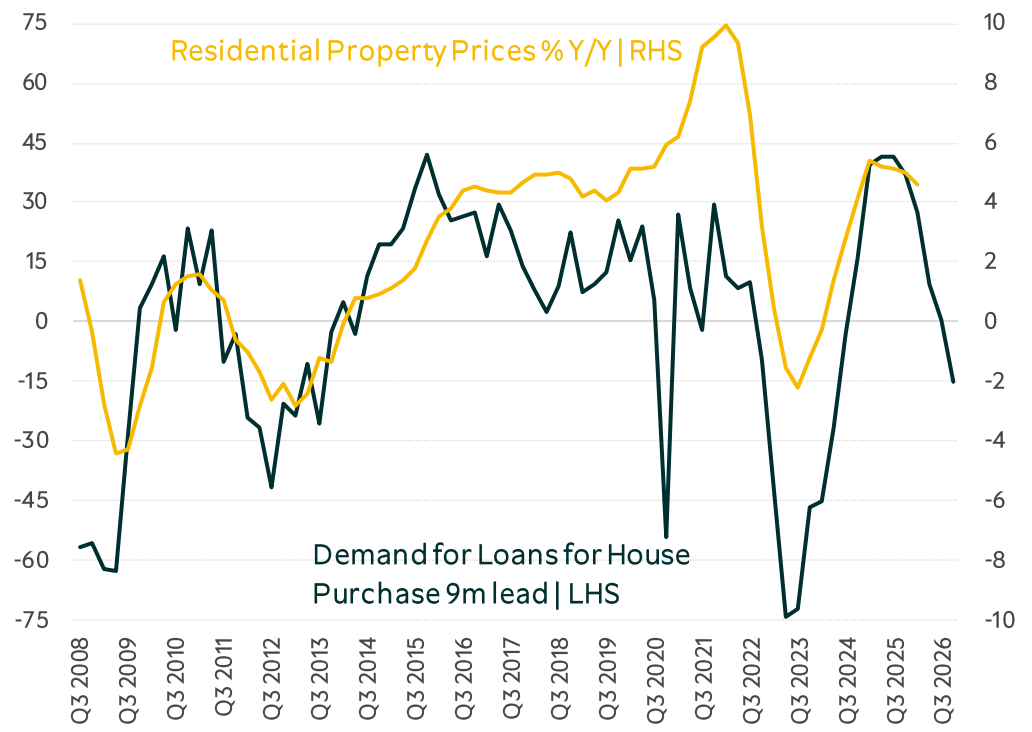


Residential Investment & House Permits

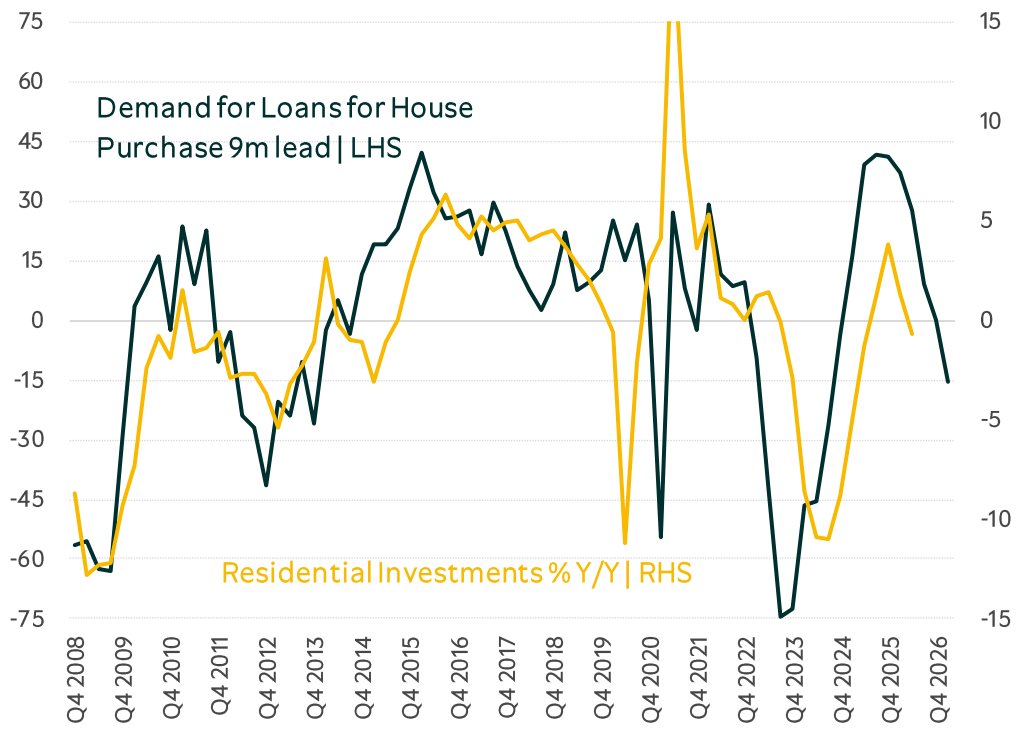


EA Construction | Residential investment is set to slow, as mortgage demand fell further in Q3 2026.

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

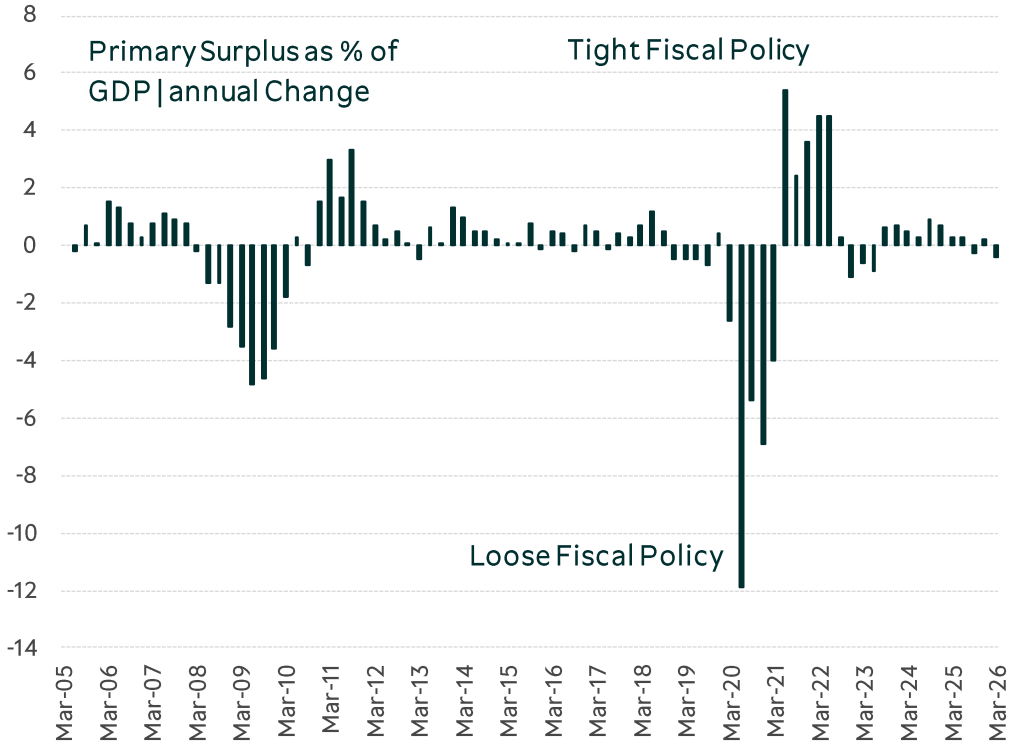


Residential Investments & Demand for loans (9m lead)

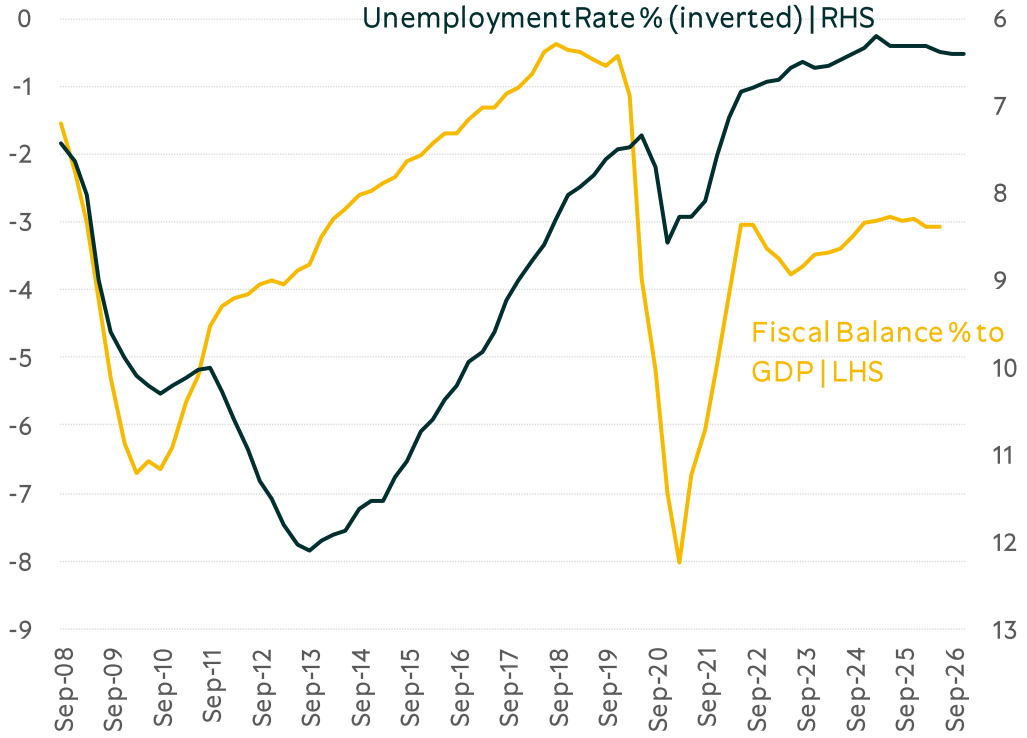


EA Fiscal Policy | The fiscal deficit remains near 3% of GDP, while unemployment stays at historic lows.

Fiscal Thrust

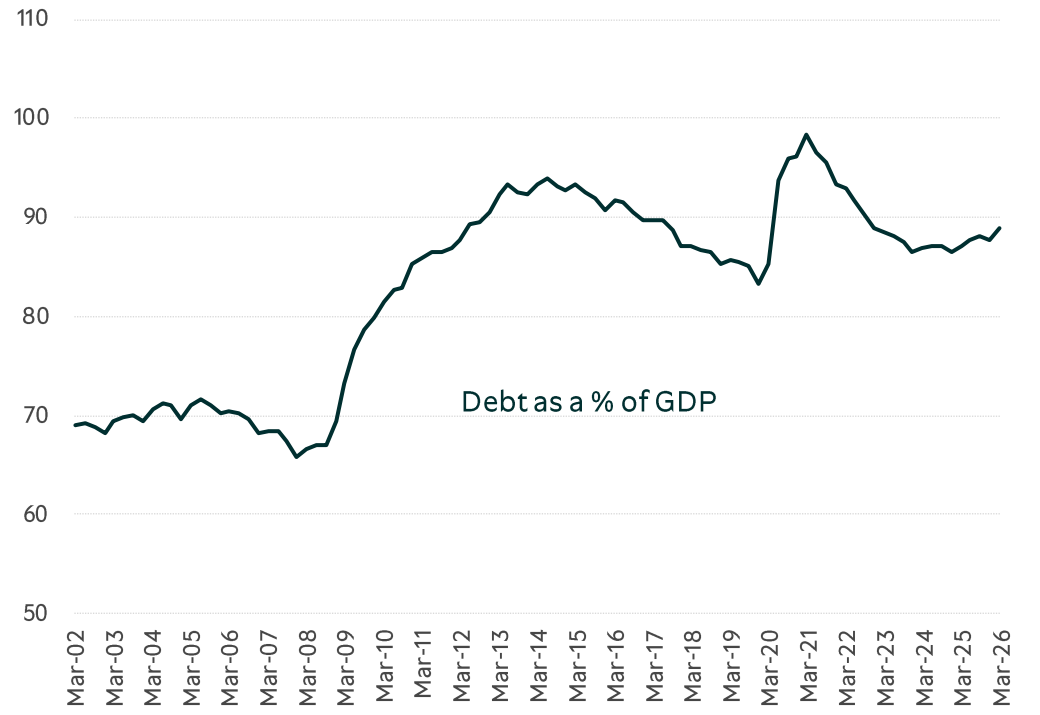


Fiscal Policy & Unemployment Rate

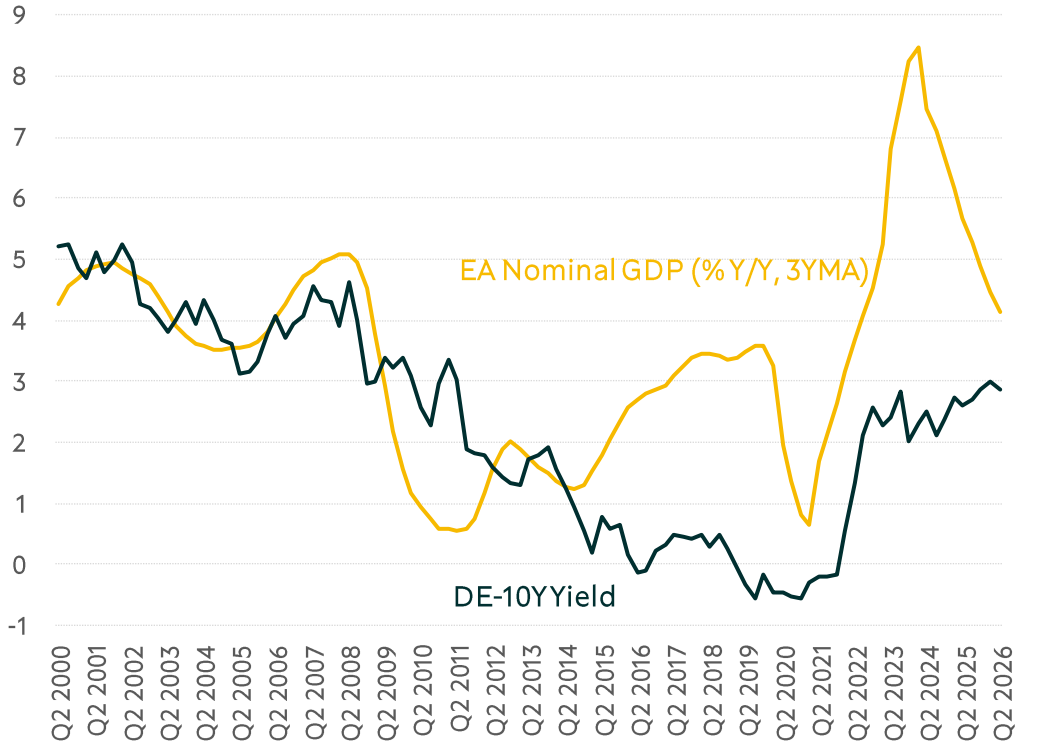


EA Fiscal Policy | Debt levels have moderated since the pandemic but are trending up again.

Debt / GDP

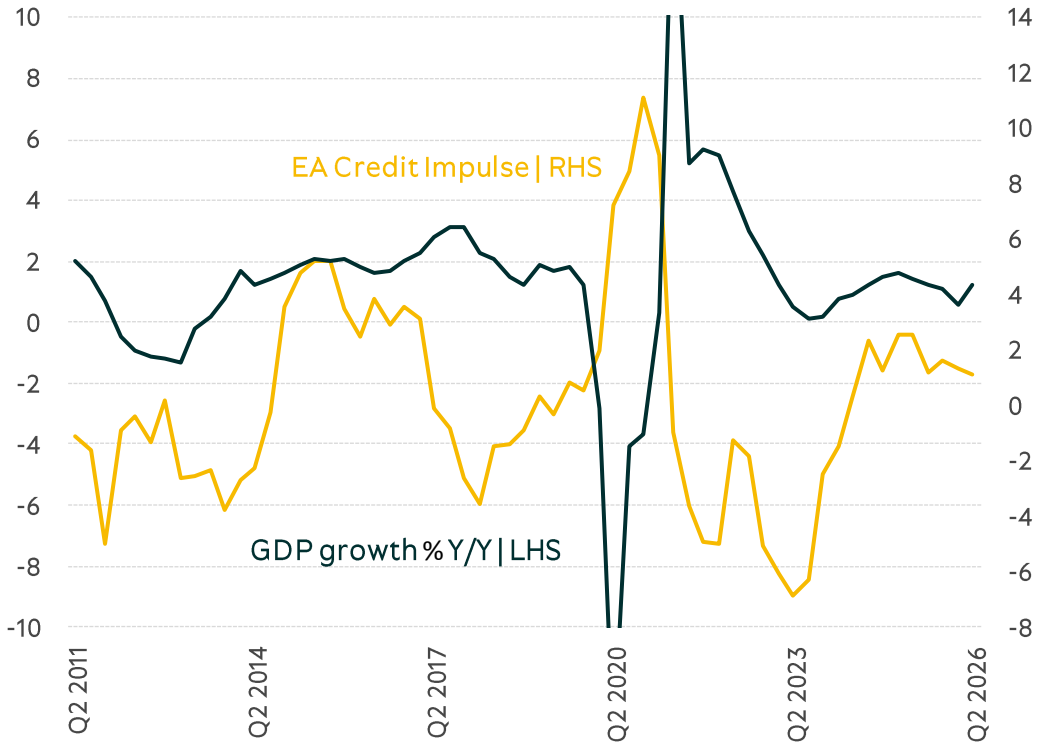


Fiscal Policy Sustainability

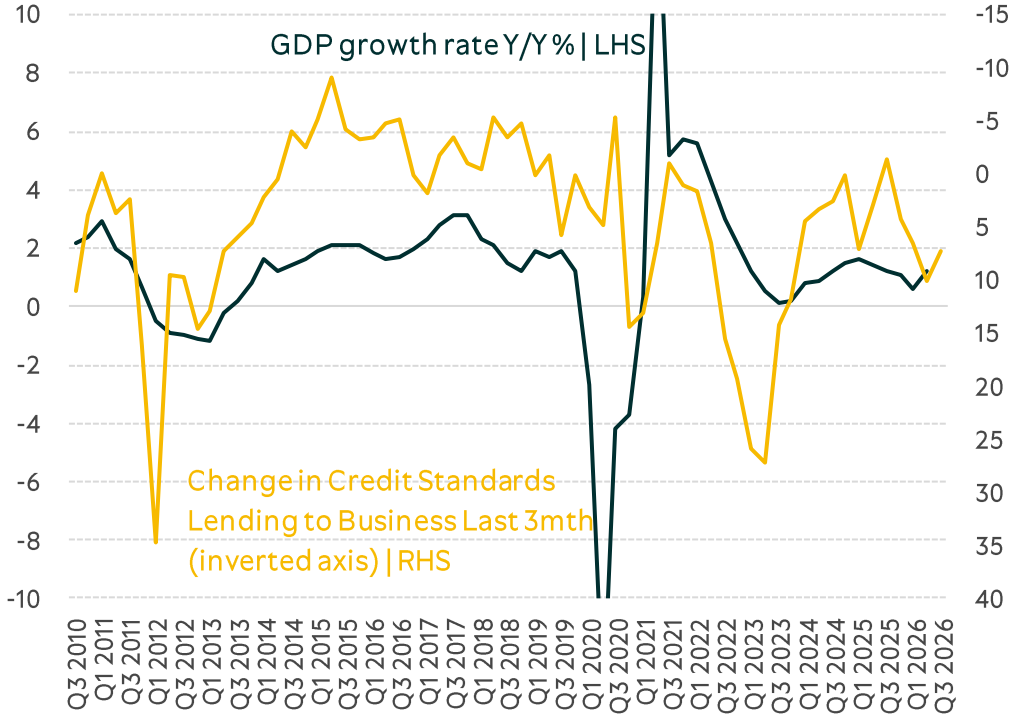


EA GDP Outlook | Credit impulse weakened further in Q2 2026; banks tightened business lending standards moderately in Q3, by less than expected, citing energy-market risks.

EA Credit Impulse & GDP growth rate

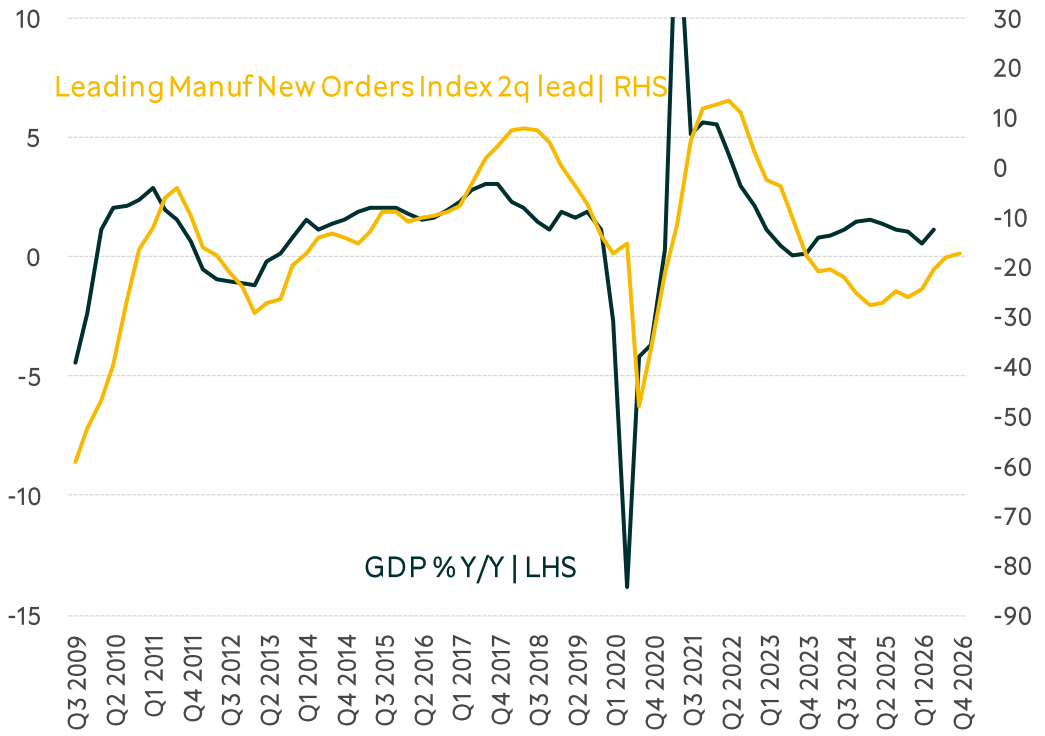


GDP & Bank Lending Standards

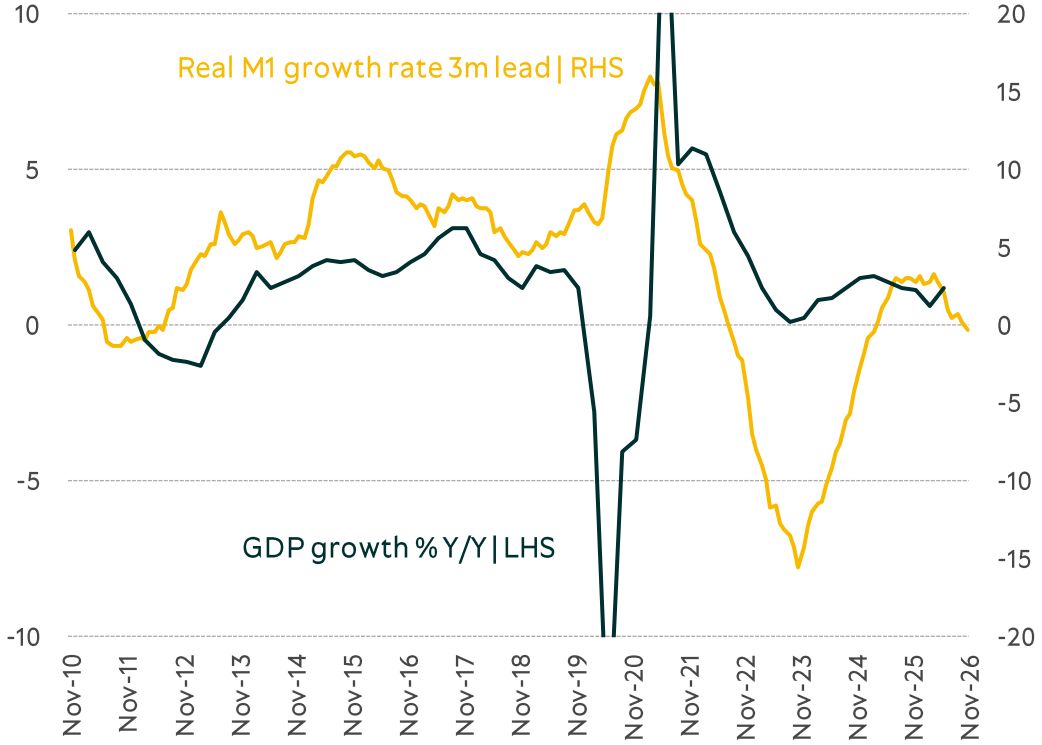


EA GDP Outlook | Manufacturing new orders contracted less in Q3 2026, while slowing real M1 growth points to slightly tighter liquidity conditions.

GDP & New Orders Indices

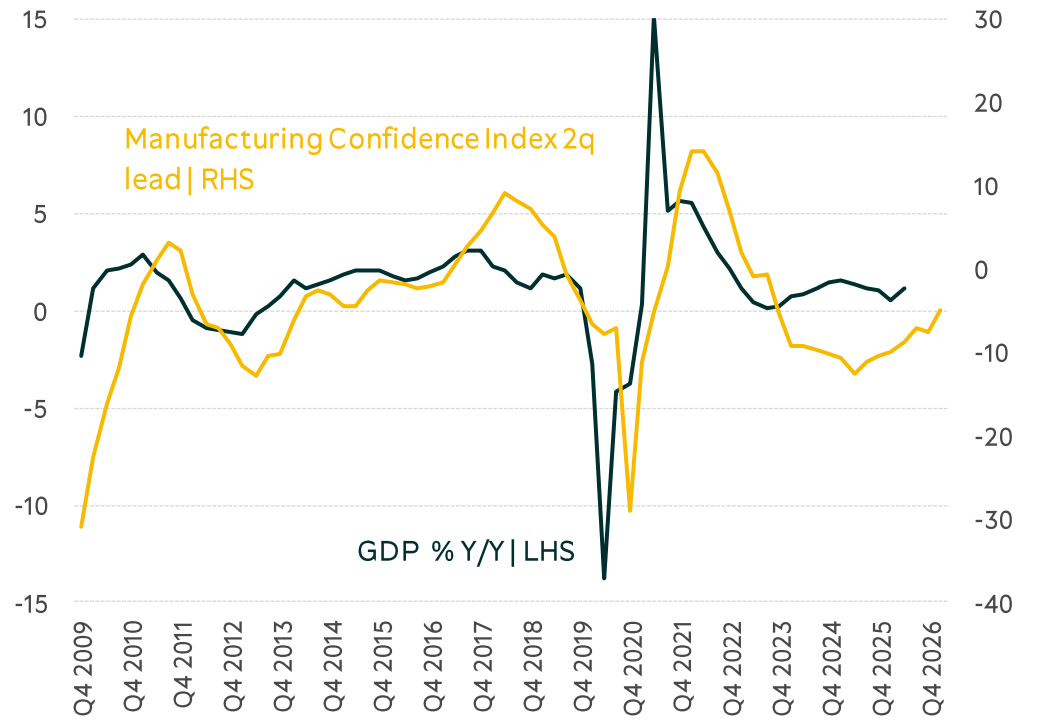


GDP & Real M1 growth rate

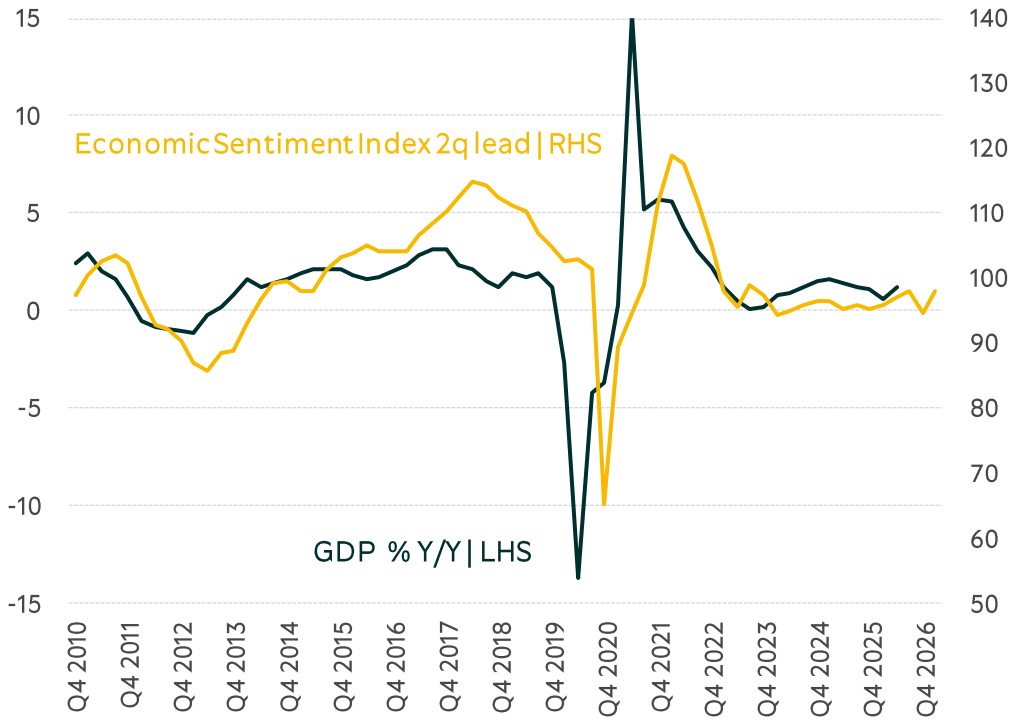


EA GDP Outlook | Economic and manufacturing sentiment improved in Q3, providing some green shoots.

GDP & Manufacturing Confidence Index

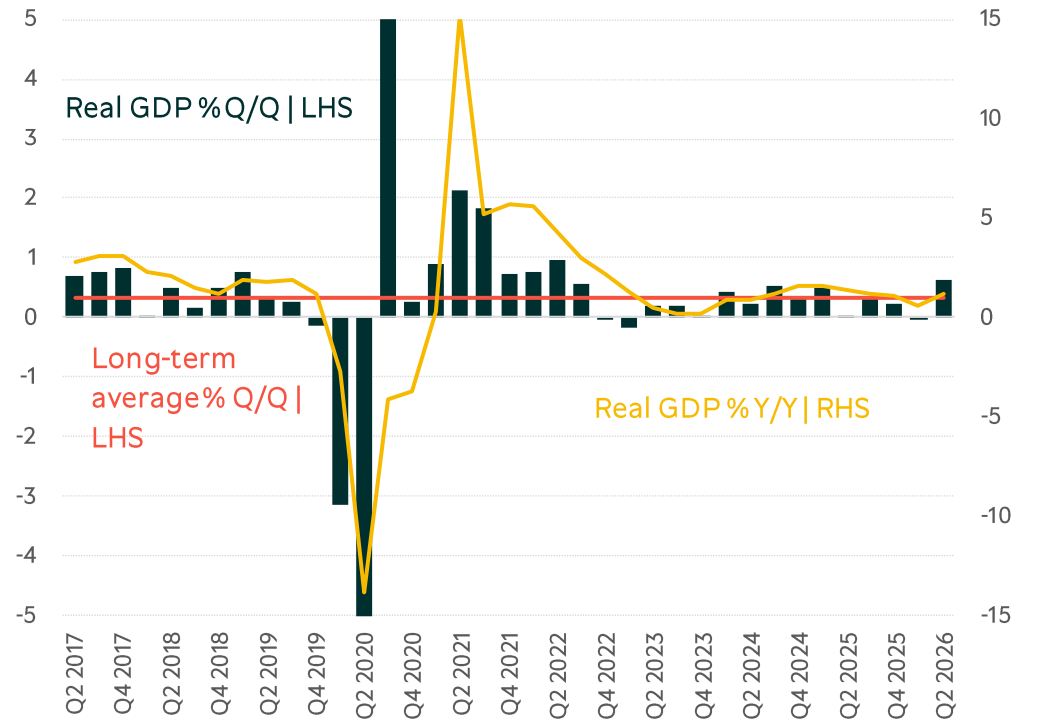


GDP & Economic Sentiment Index

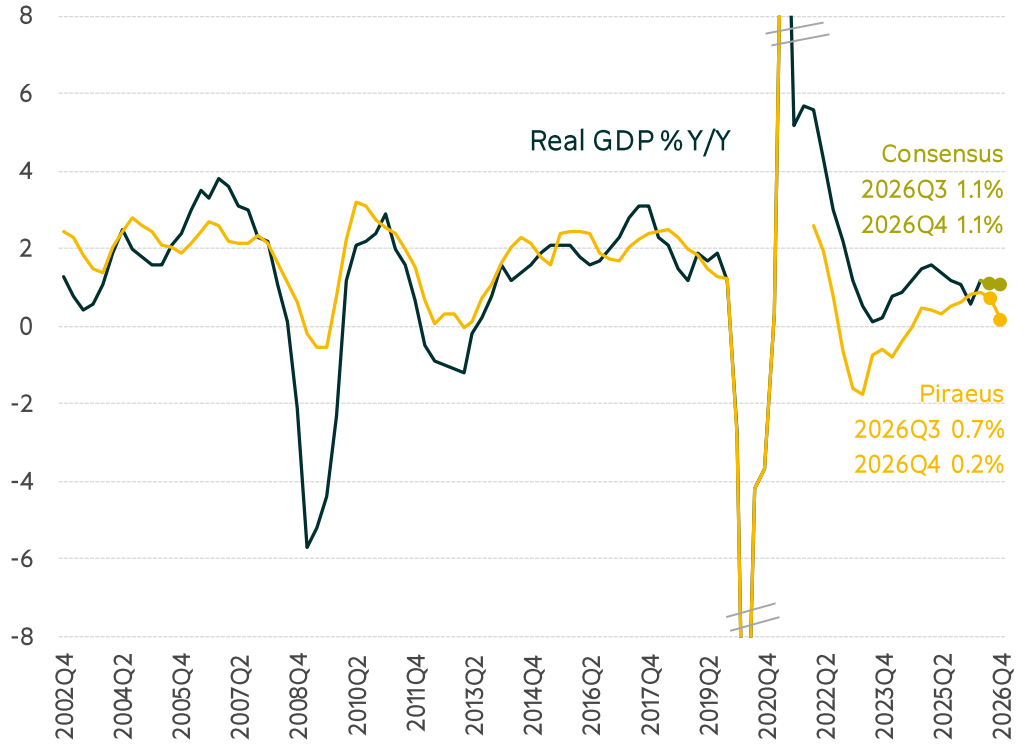


EA GDP Outlook | Real GDP growth accelerated to 1.2% y/y in Q2 (0.6% q/q), up from 0.6% y/y in Q1.

Growth Rate Outlook



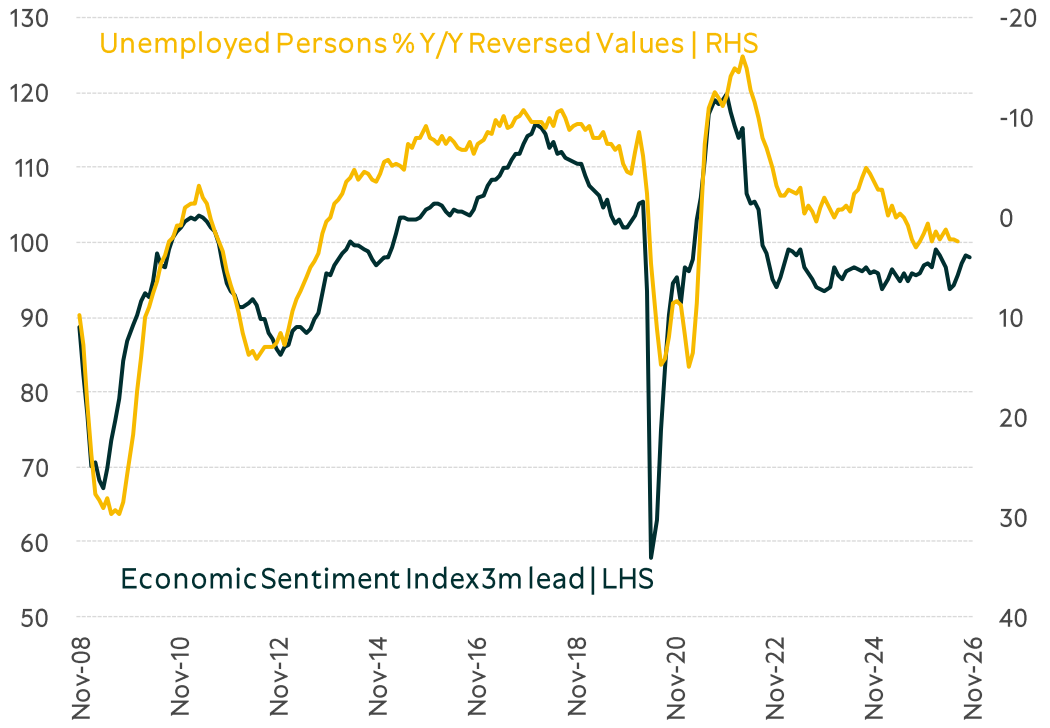
Growth Rate Estimate



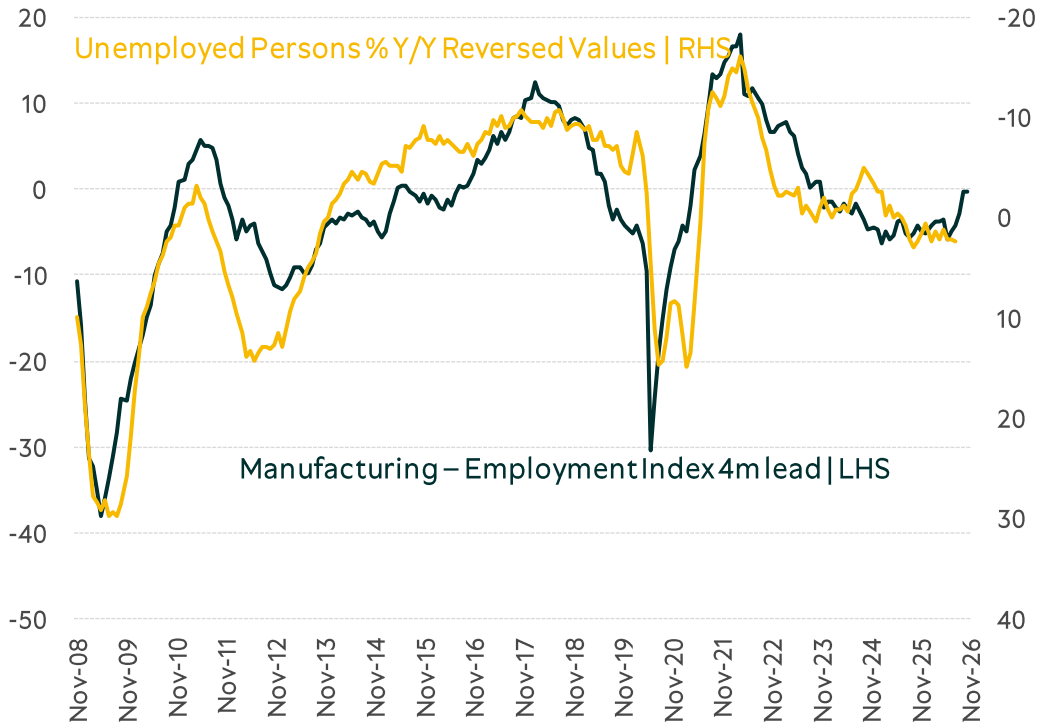
Note: Covid-19 period (Q4 2019 - Q2 2021) is excluded from the estimation

EA Labour Market | The number of unemployed persons rose in August. Sentiment and manufacturing indicators in the euro area have recovered in recent months.

Unemployment & Leading Sentiment Index

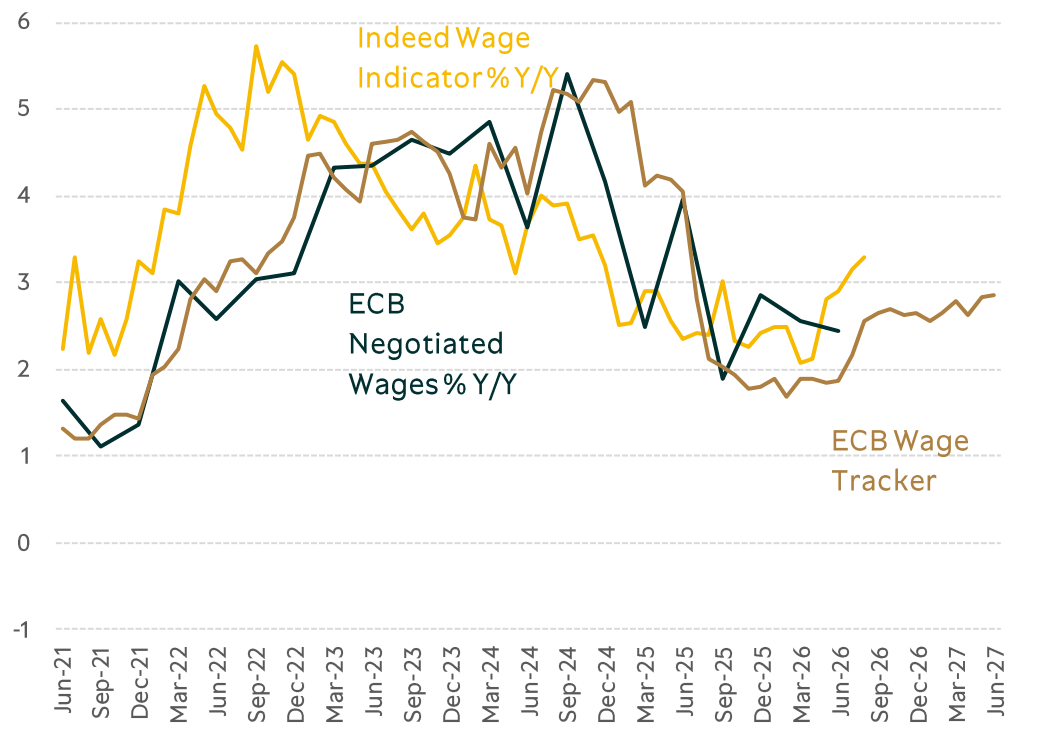


Unemployment & Leading Manufacturing Index

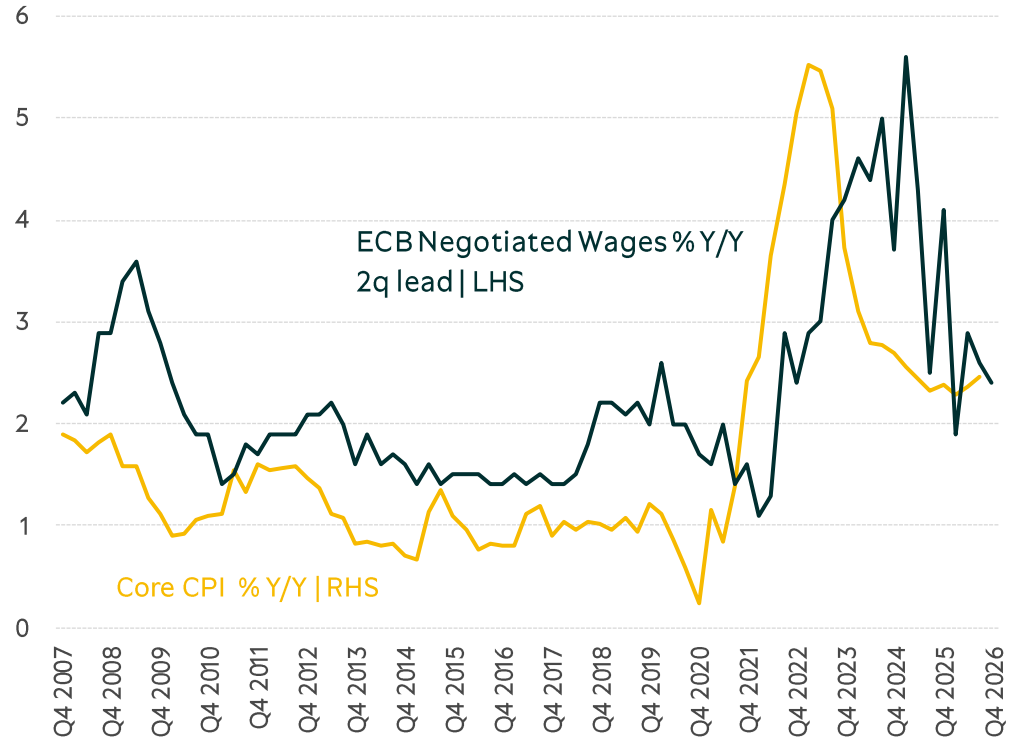


EA Wage Tracker | The Indeed wage tracker hit a 21-month high of 3.3% in August. The ECB's wage tracker points to rising wage growth until Q2 2027, though negotiated wage growth moderated in Q2 2026.

EA Wage Indicators

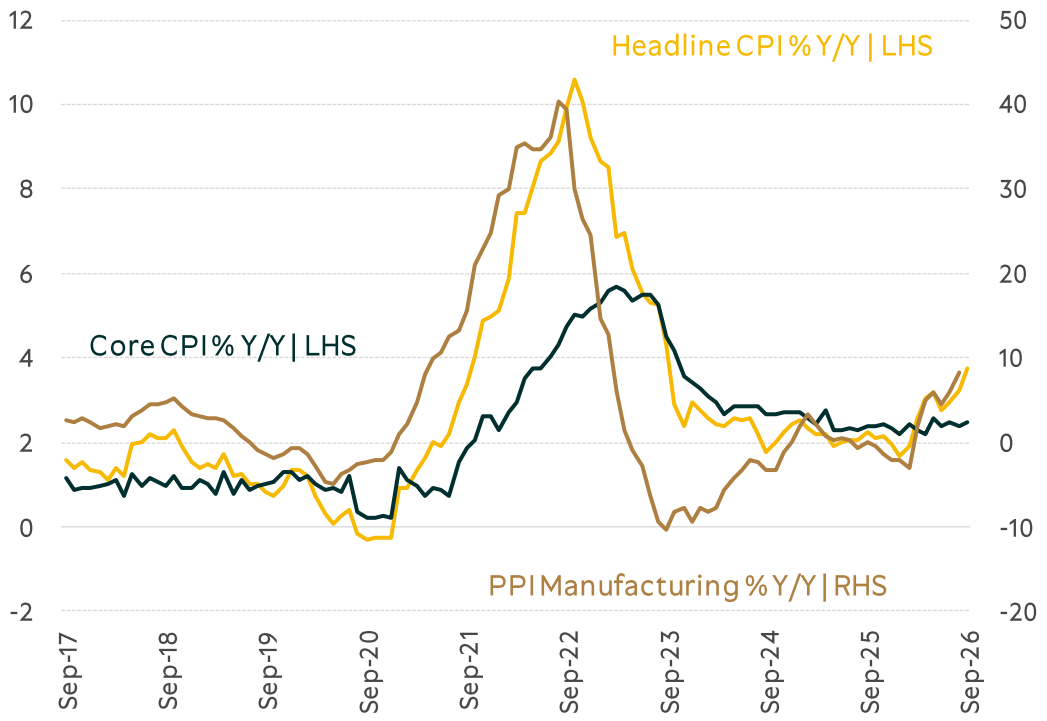


Core Inflation & Wages

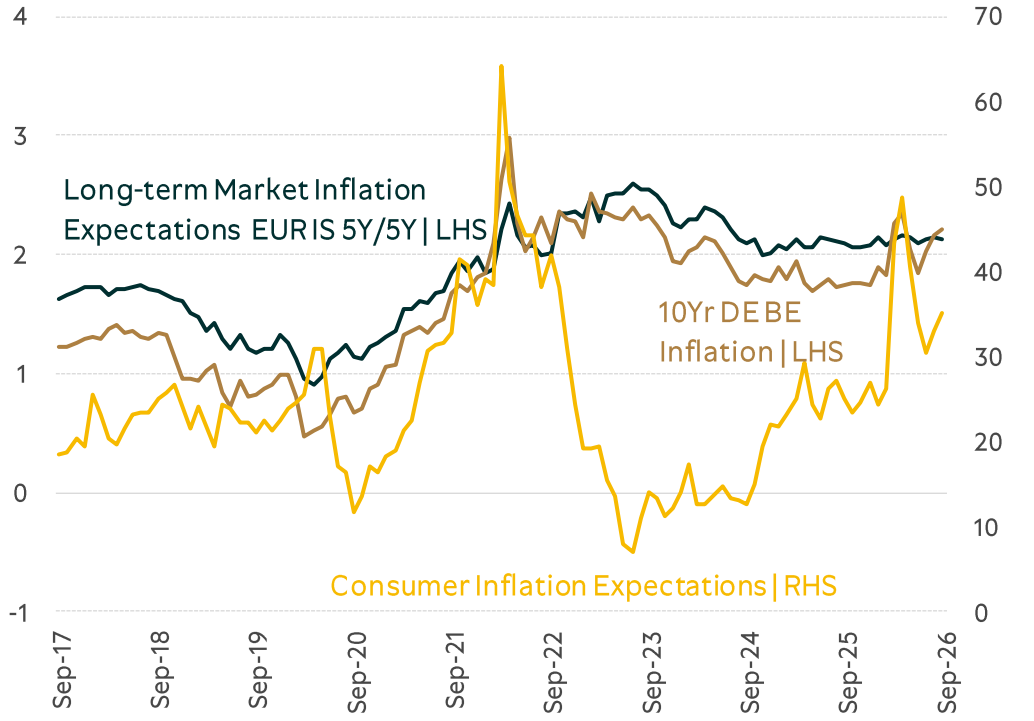


EA Inflation Pressures | Headline CPI rose to 3.8% in September from 3.2% in August and core CPI edged up to 2.5% from 2.4%. Consumer inflation expectations increased in September.

Inflation Rate

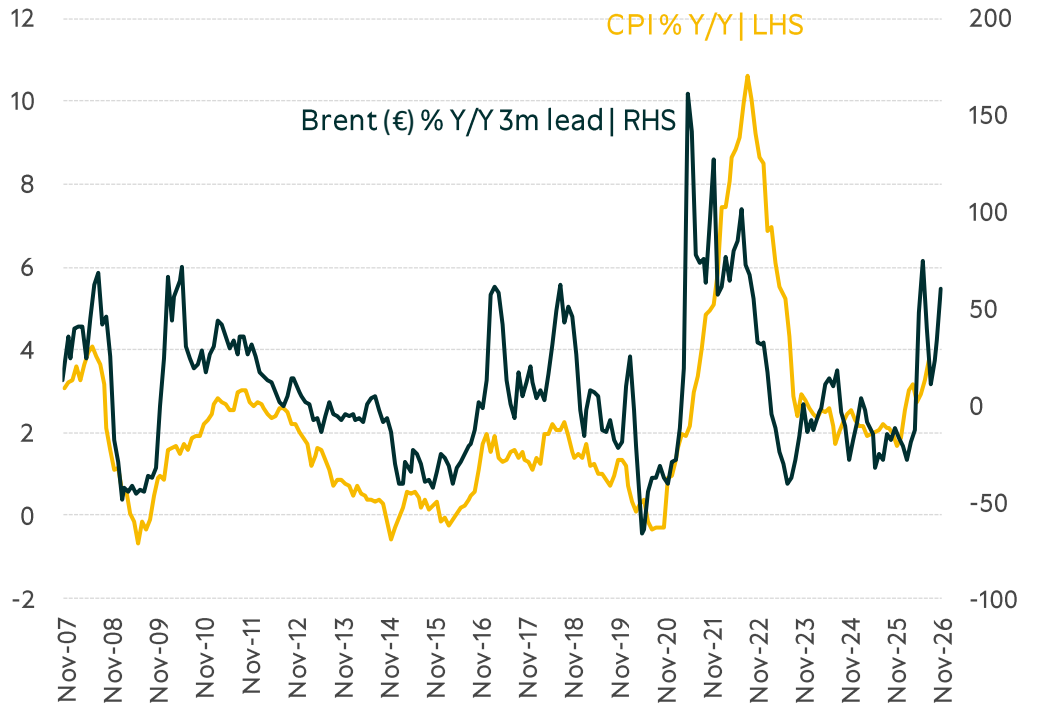


Long-term Inflation Expectations

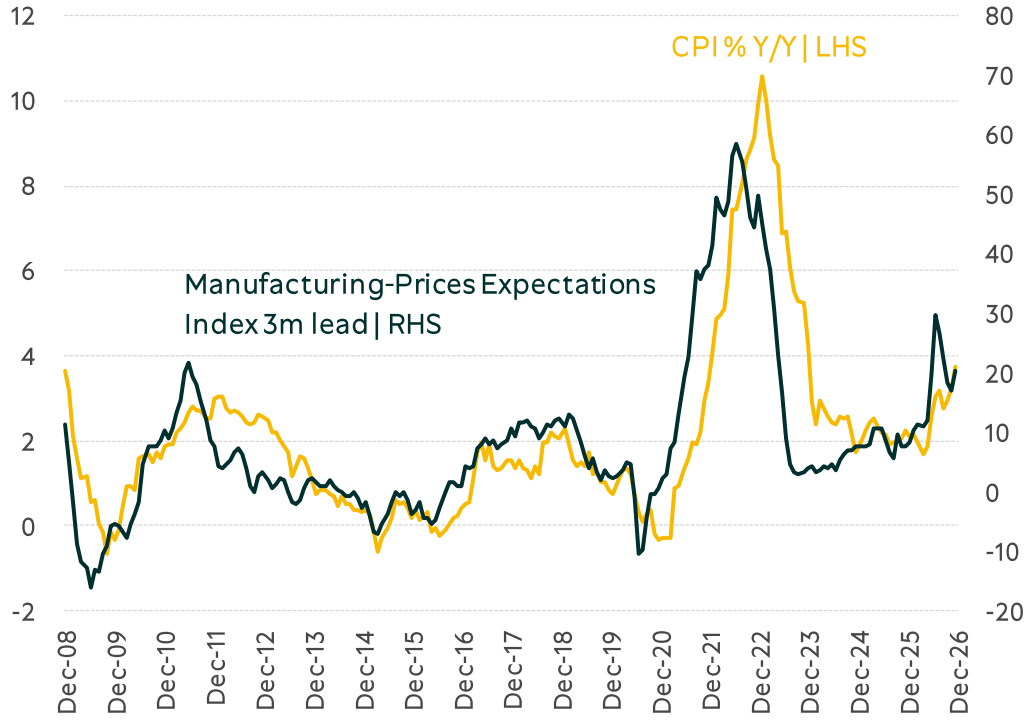


EA Inflation & Energy Prices | Brent's sharp jump keeps oil prices biased to the upside amid geopolitical tensions.

Inflation Rate & Oil Prices

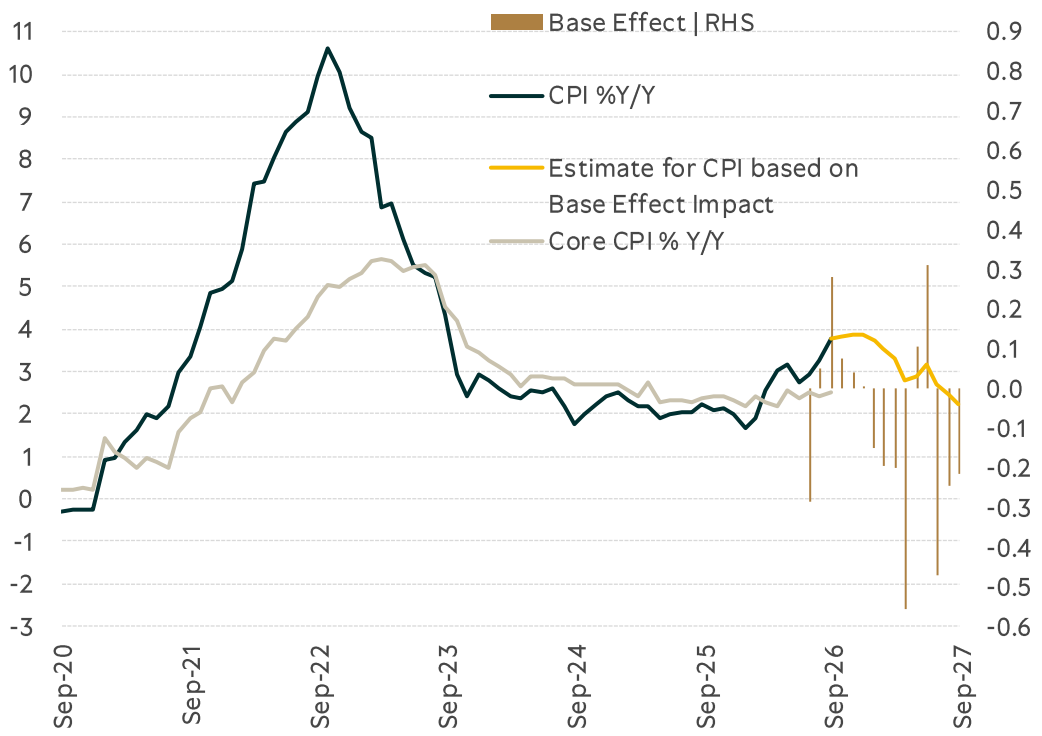


Inflation Rate & Leading Manufacturing Prices Index

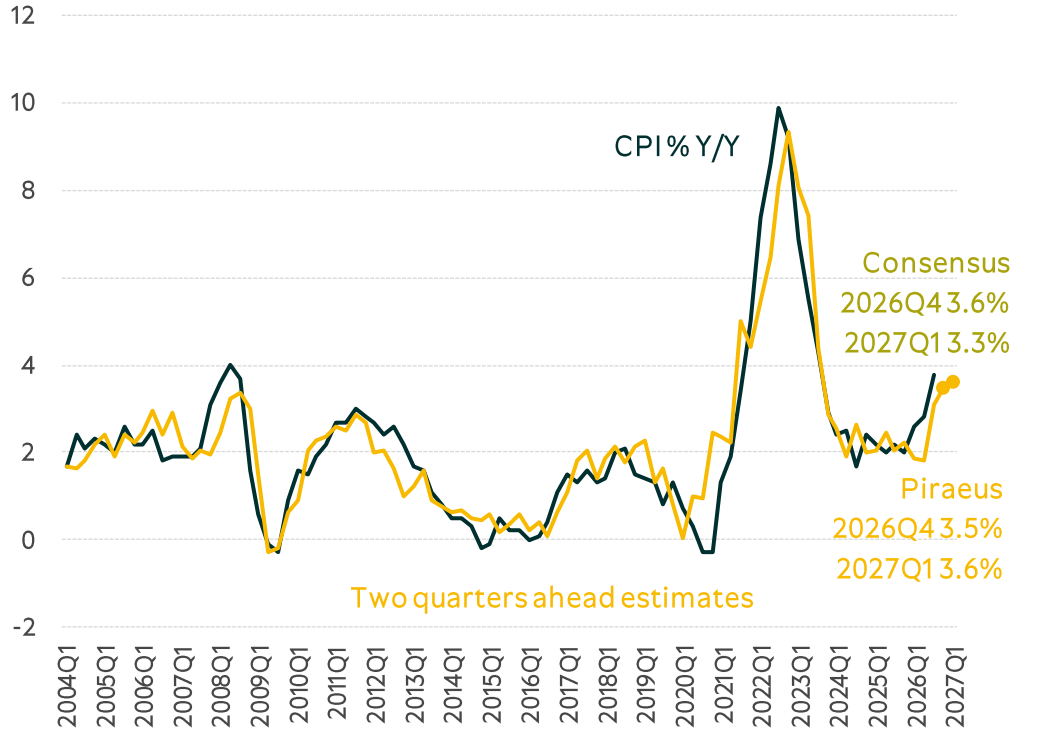


EA Inflation Outlook | Our statistical model sees inflation missing the 2% target this year. The macro model, which includes Brent prices, points to higher inflation ahead.

Inflation Rate Forecast | Statistical Model



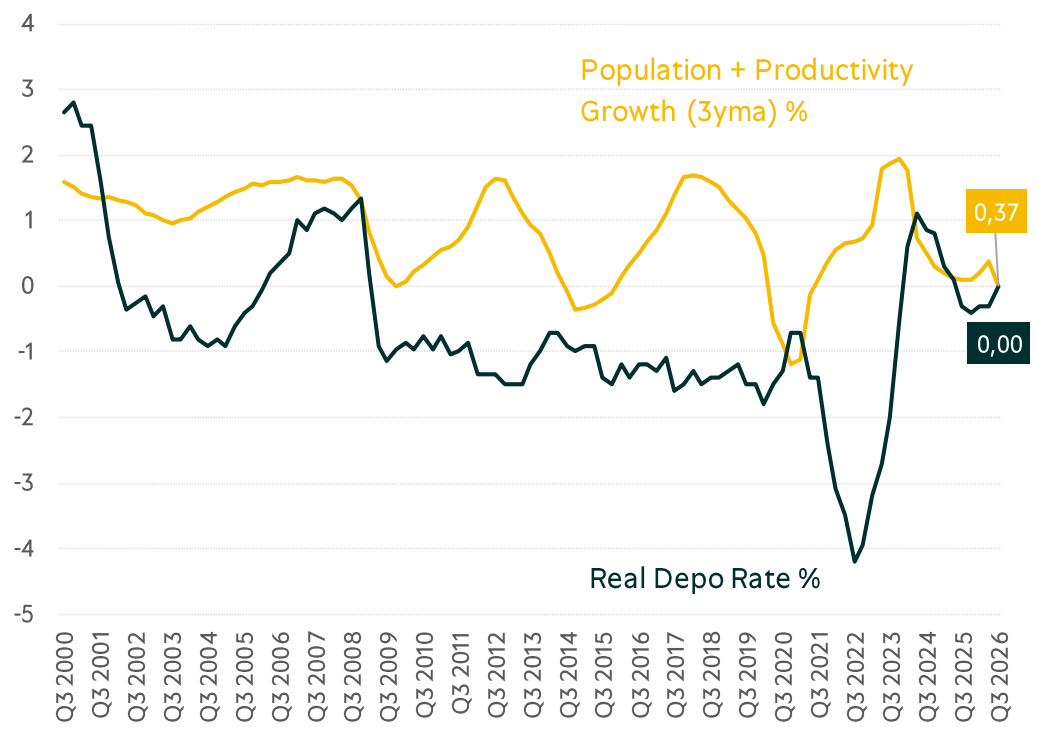
Inflation Rate Forecast | Macro Model



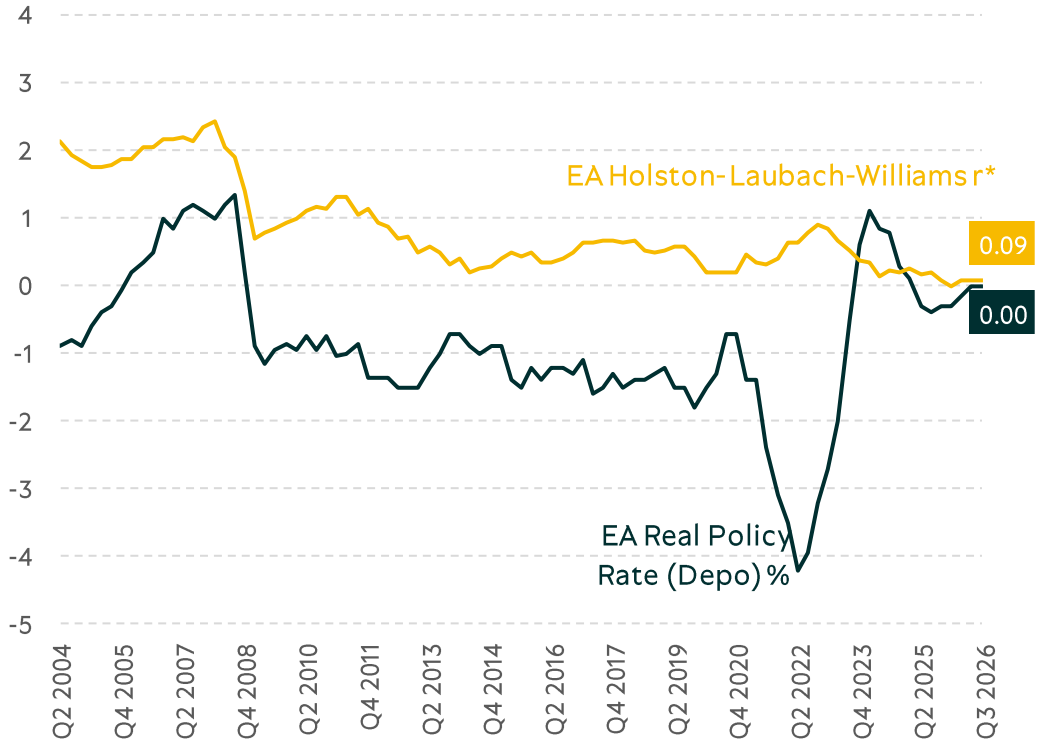
Source: Economic Research & Investment Strategy

EA Interest Rates | EA population and productivity growth is near zero and the real policy rate sits at the HLW neutral rate (r*).

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

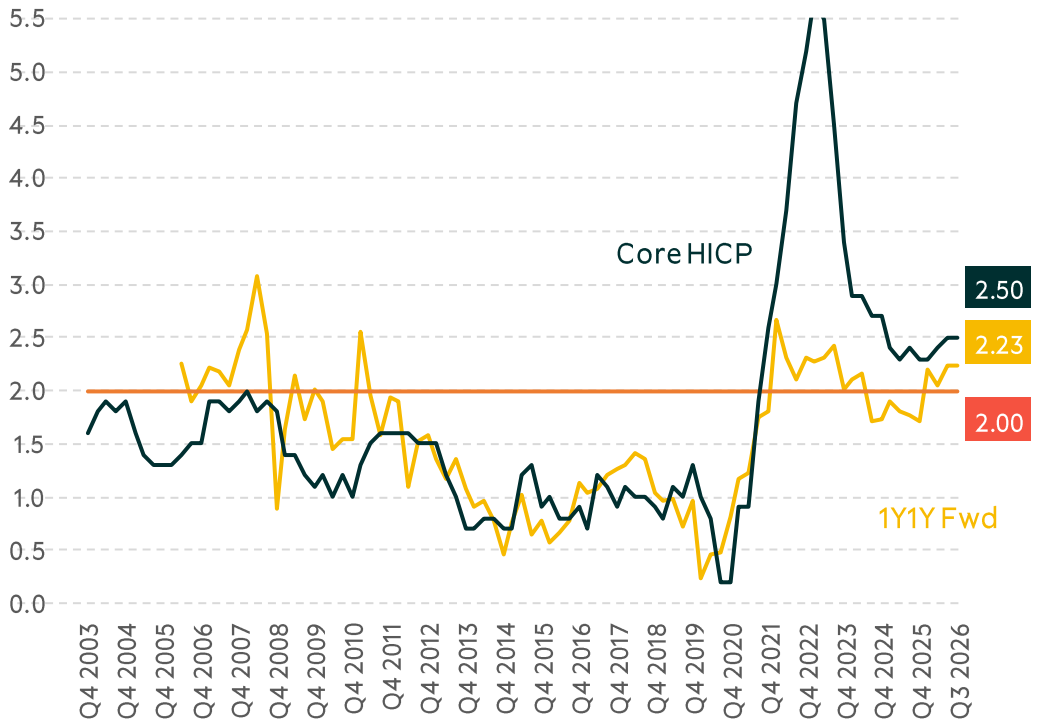


EA Holston-Laubach Williams r* &
EA Real Policy Rate (Depo - Core HICP)

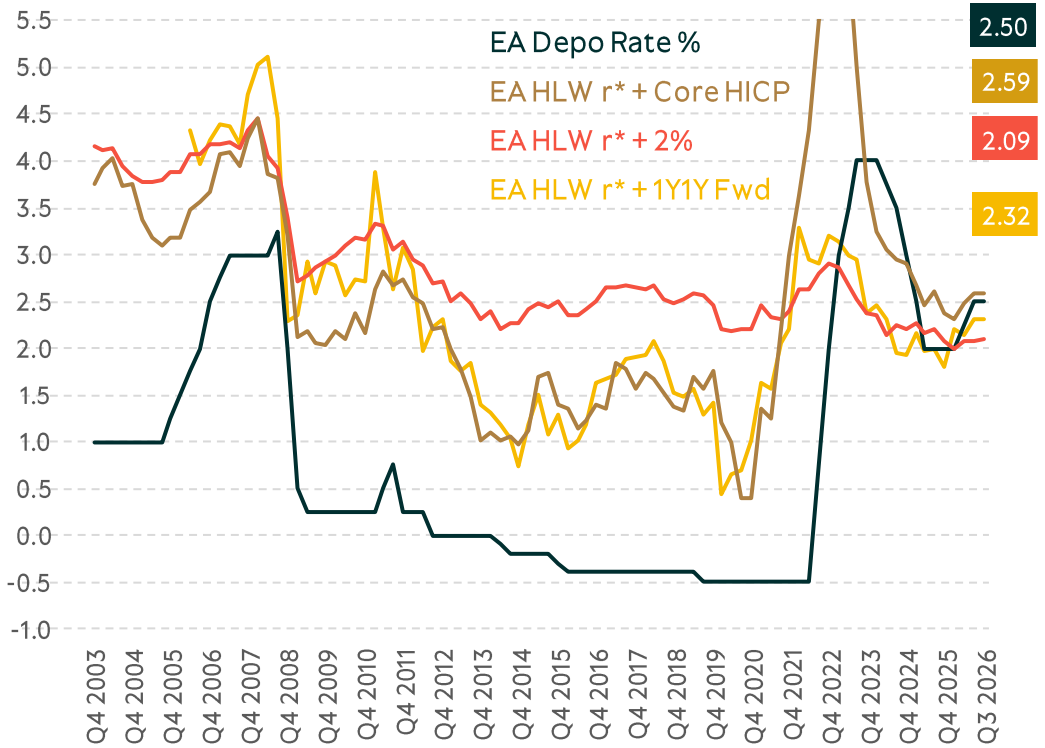


EA Interest Rates | EA Inflation expectations one year ahead are stabilising; Depo Rate & Adjusted HLW r*

EA Inflation & Inflation Expectations one year ahead



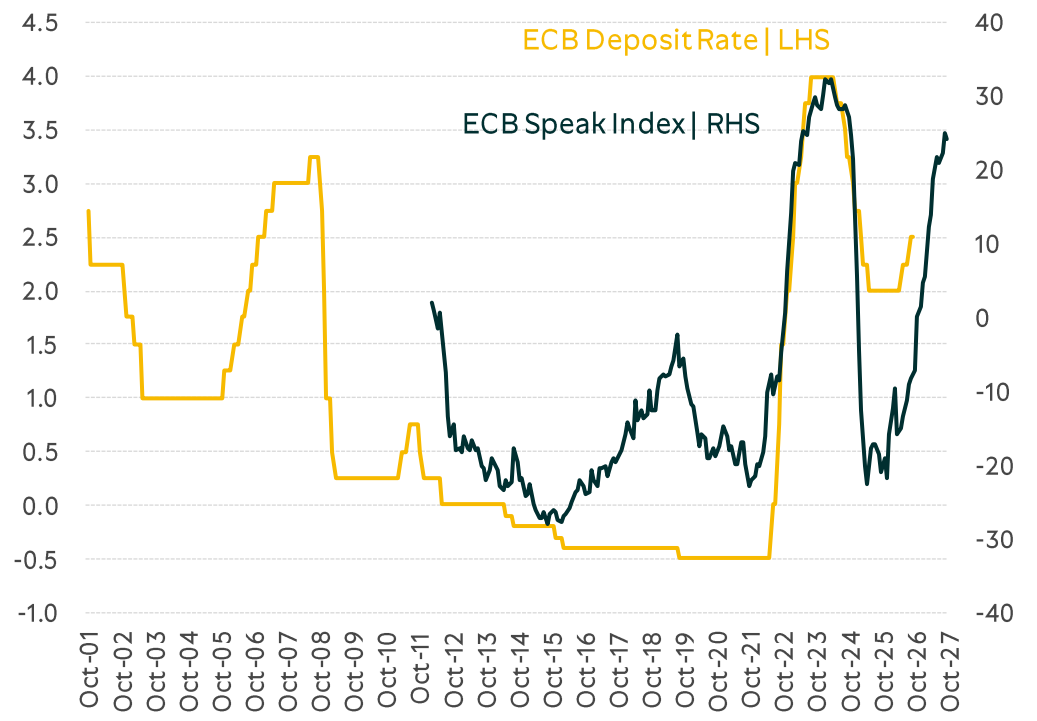
EA Depo & Nominal HLW r*



Source: Economic Research & Investment Strategy

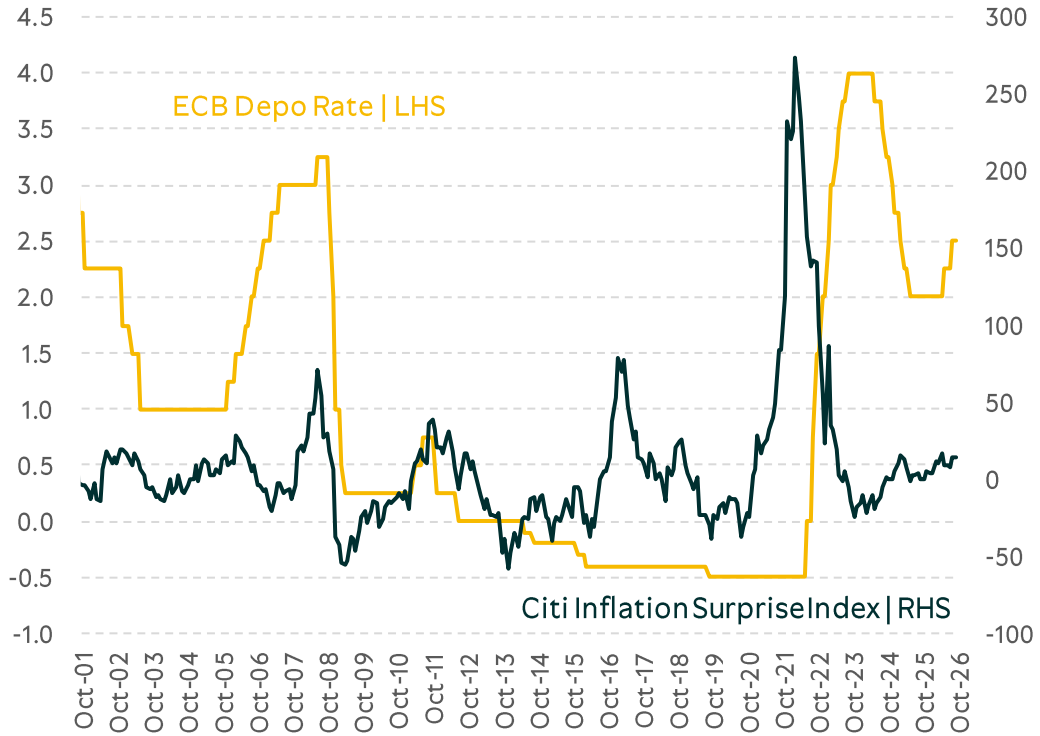
EA Interest Rates | The ECB Speak Index is trending up; inflation surprises are close to zero.

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

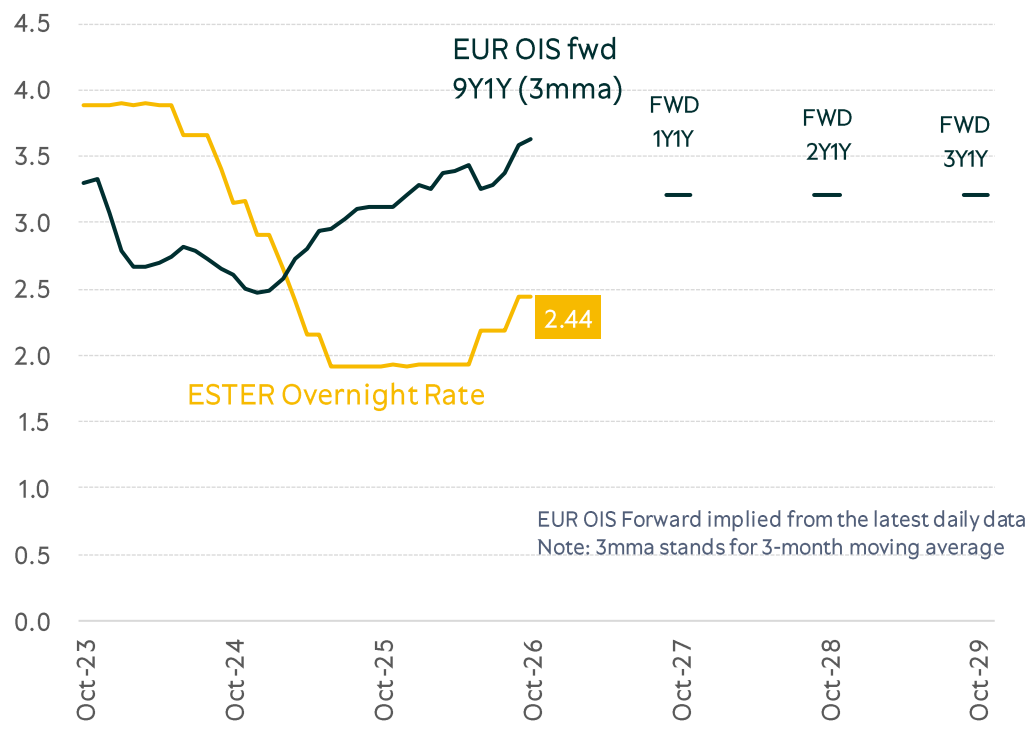


Positive index → Indicates that inflation has been higher than expected

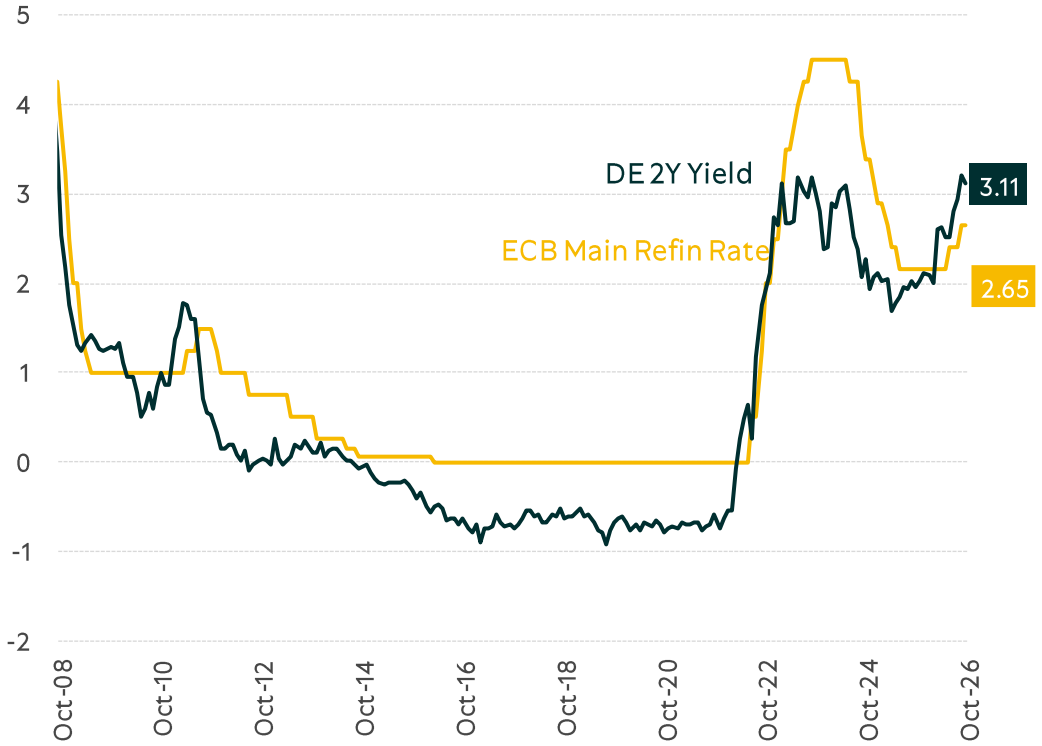
Negative index → Indicates that inflation has been lower than expected

EA Short-Term Rates | Forward rates point to higher interest rates ahead.

Interest rates | Market Expectations



ECB Policy Rate vs German 2Yr Yield

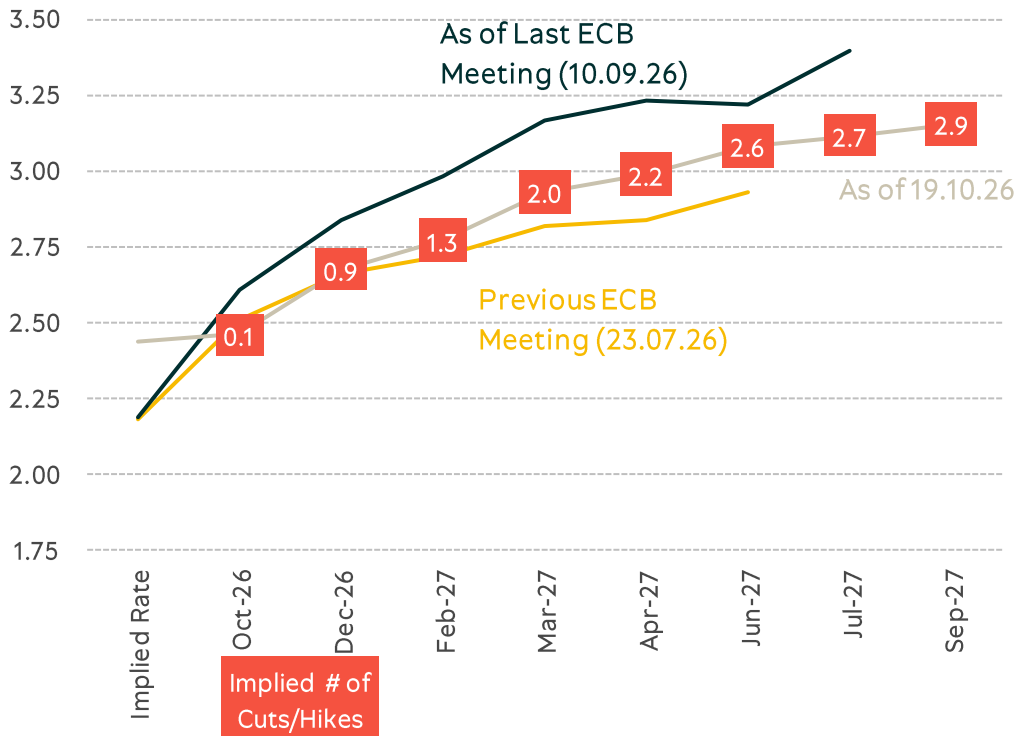


Piraeus

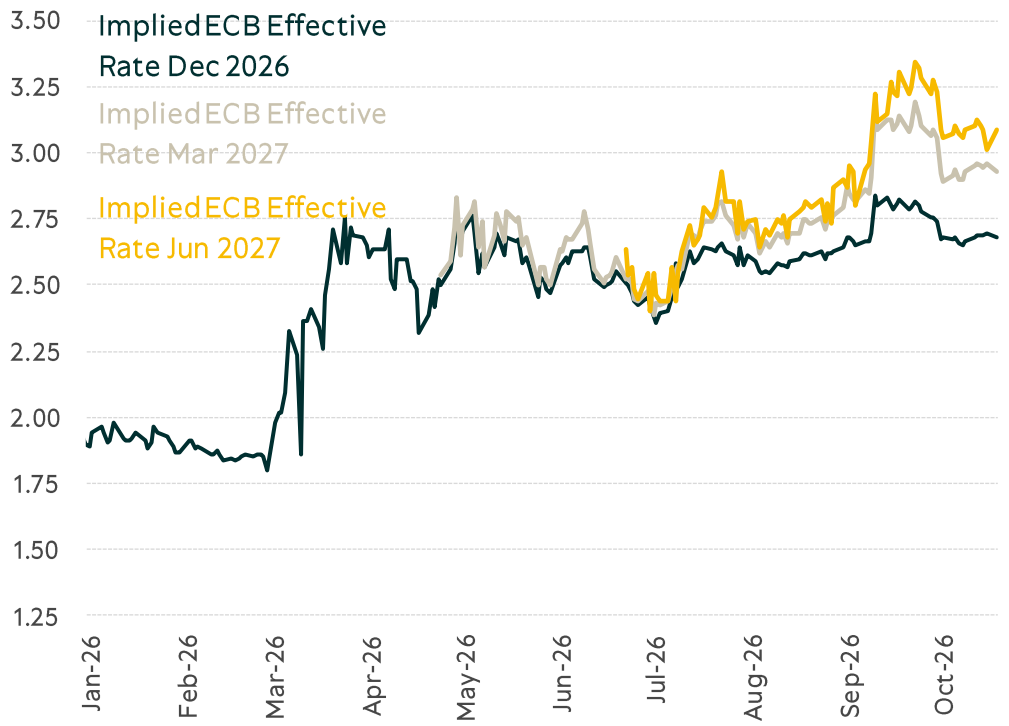
Source: Economic Research & Investment Strategy

EA Short-Term Rates | Markets price one more hike by end-2026 and about three by September 2027.

Implied Overnight Rate based on Overnight Index Swaps



Interest Rates | Implied ECB Effective Rate

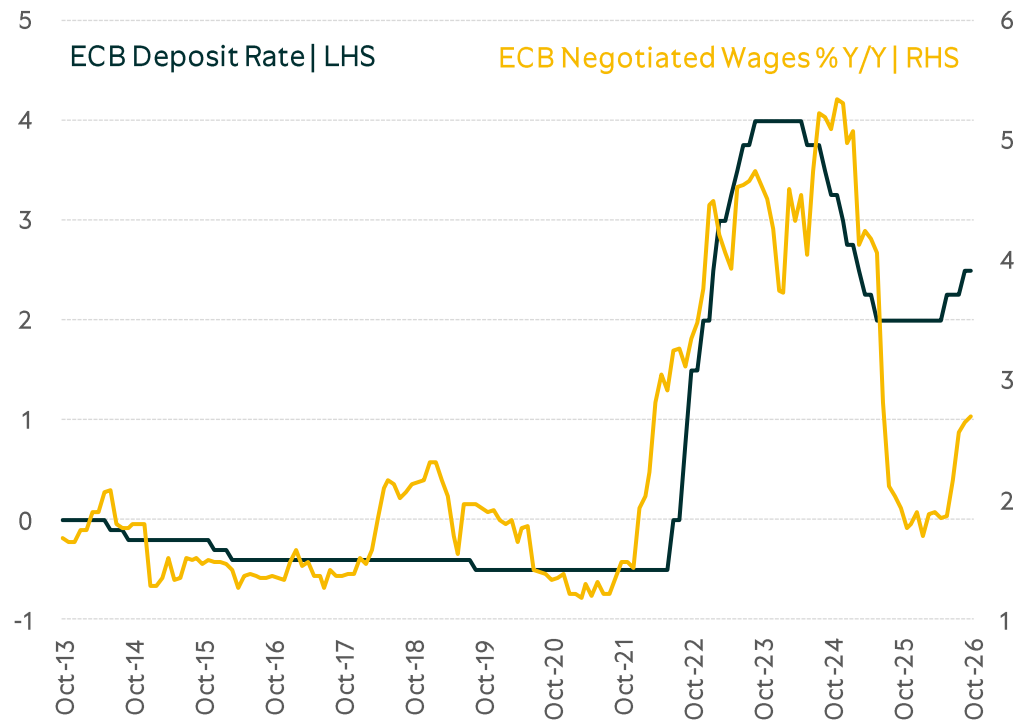


Piraeus

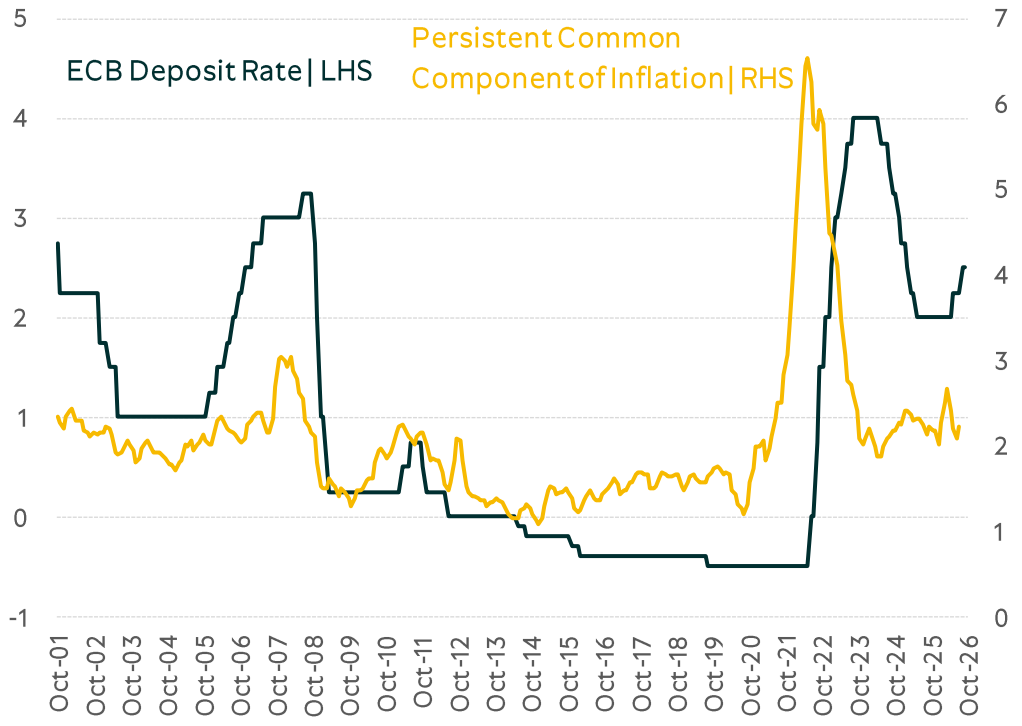
Source: Economic Research & Investment Strategy

EA Interest Rates | The ECB raised the deposit rate to 2.50% amid rising negotiated wages and persistent inflation.

ECB Depo Rate & Negotiated Wages

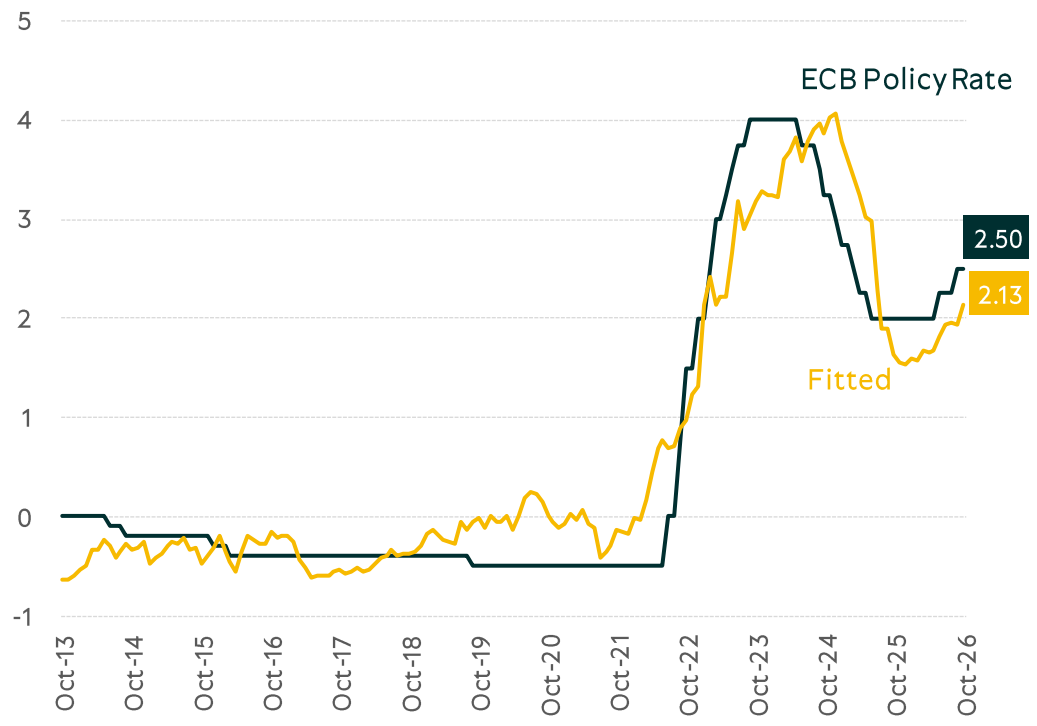


ECB Depo Rate & Persistent Common Component of Inflation

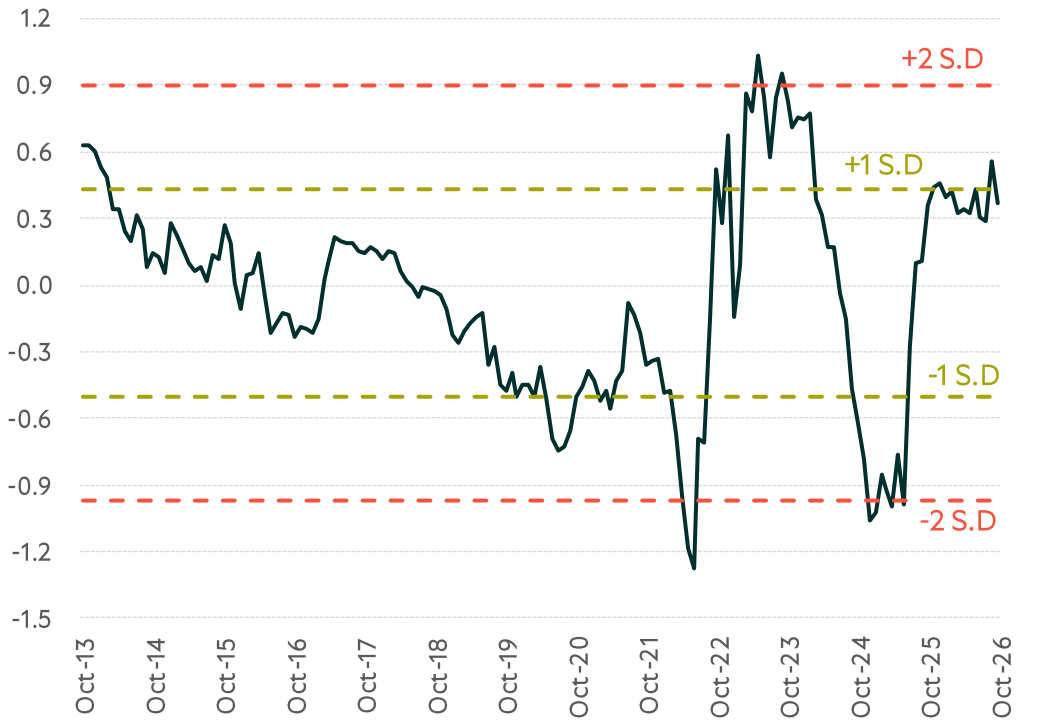


EA Interest Rates | Our Taylor Rule Proxy Model implies the ECB rate is close to 'fair' value.

Fitted vs Actual

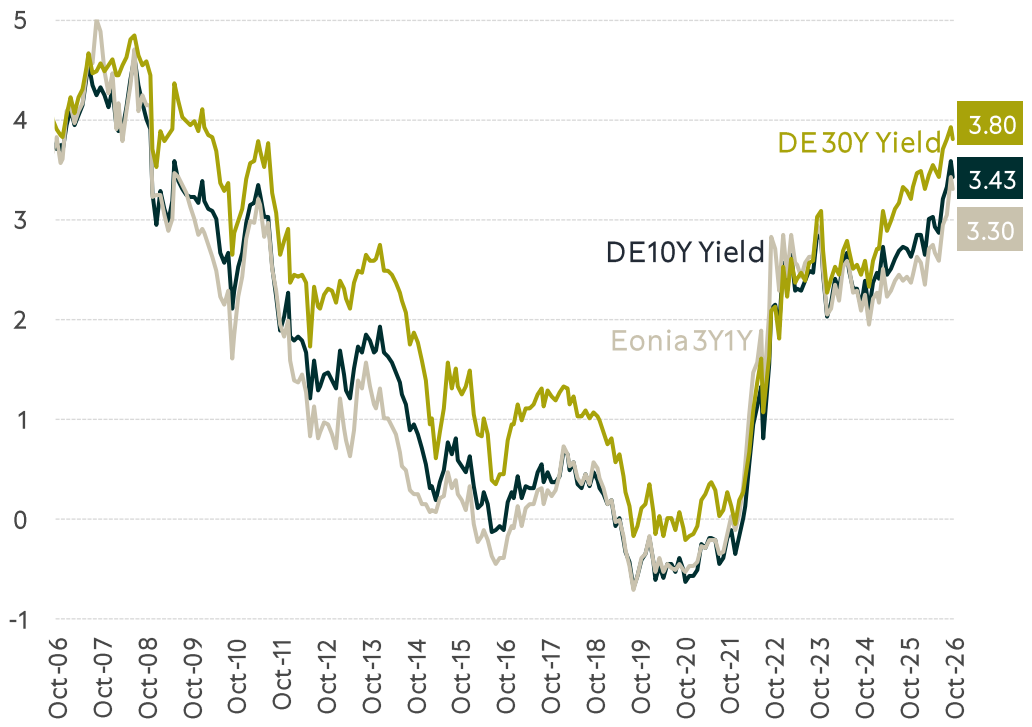


Residuals

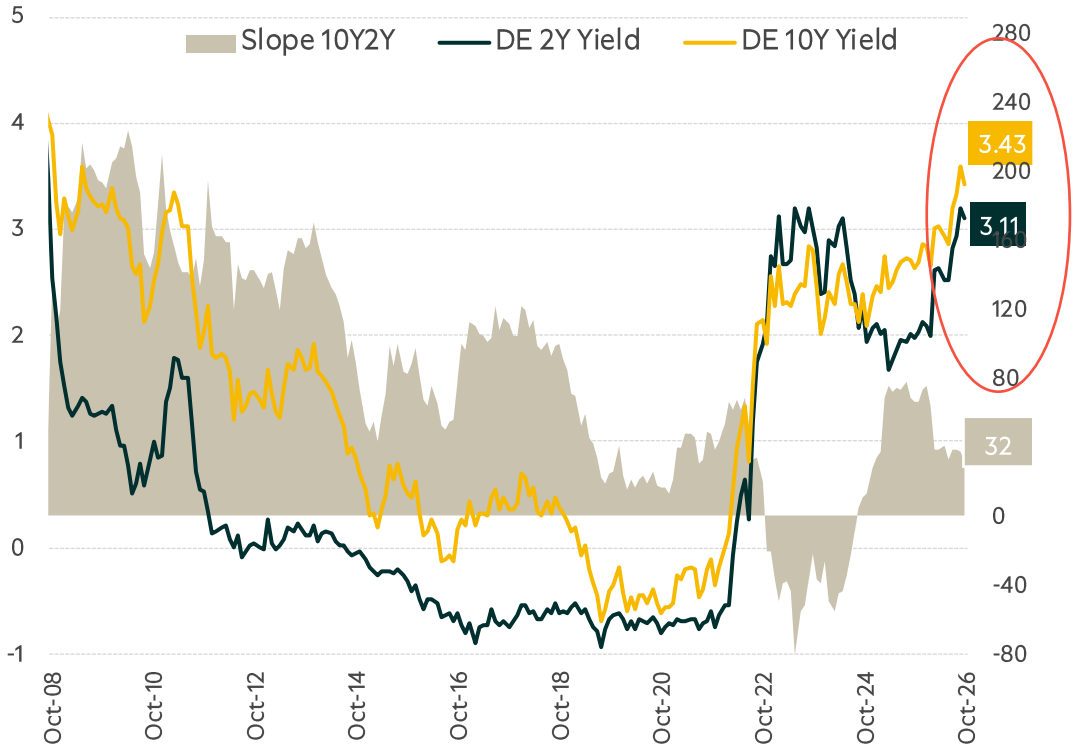


EA Interest Rates | The ECB hiked 25 bps in June, held in July and hiked again in September (+50 bps YTD).

DE 10Y, DE 30Y Yields & Eonia 3Y1Y



German Yield Curve

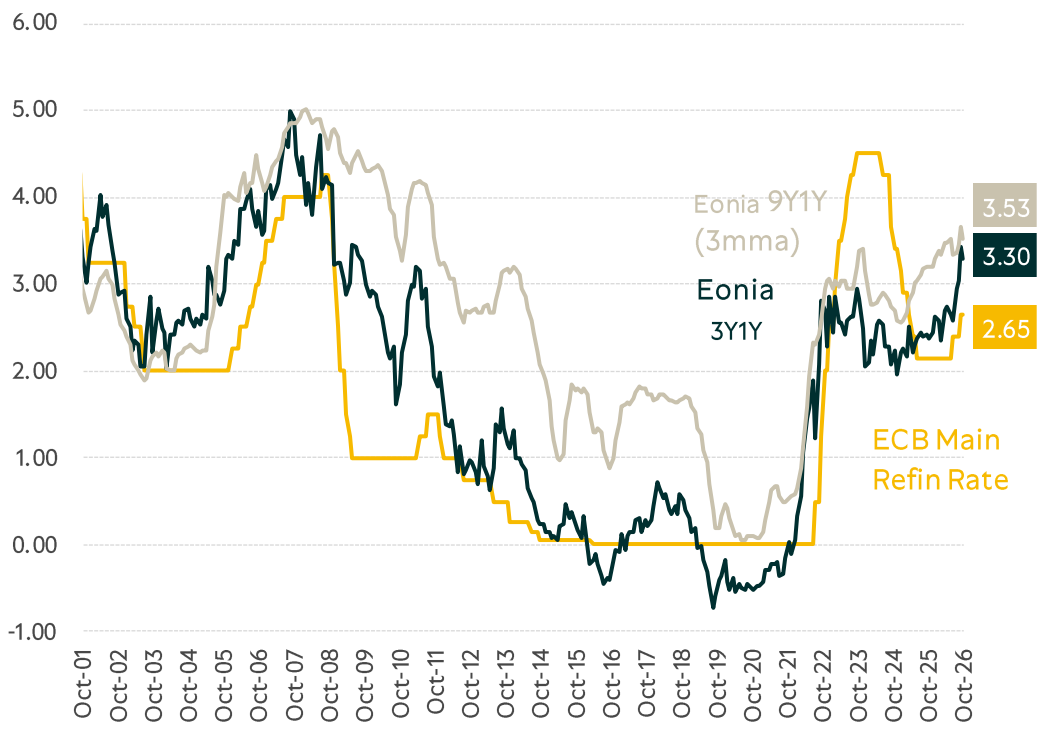


Piraeus

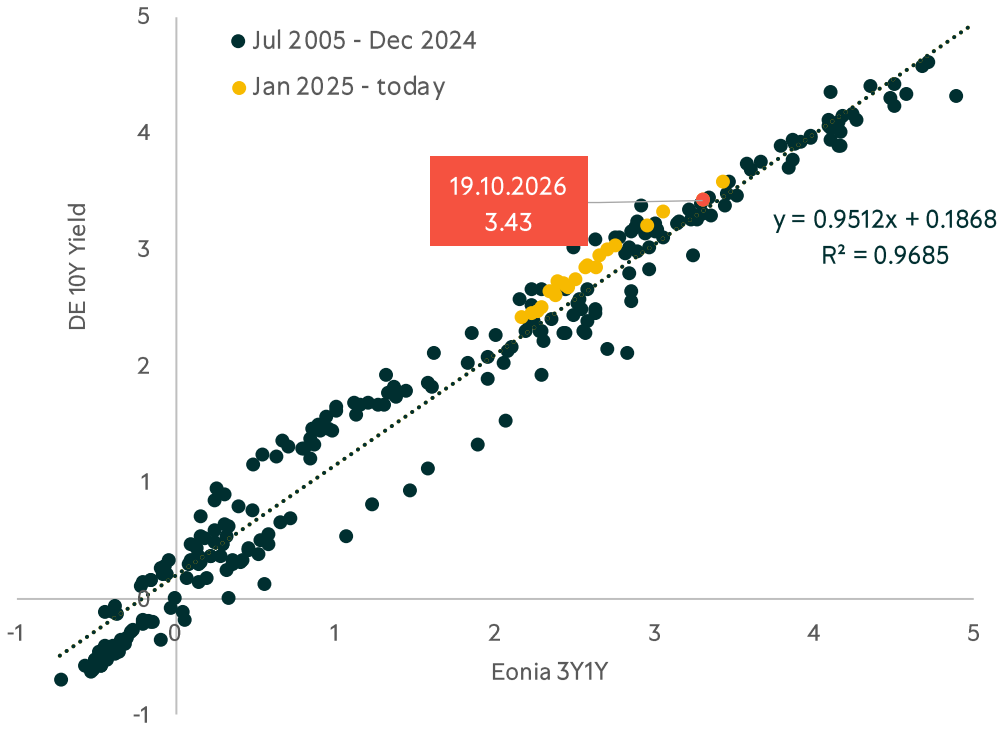
Source: Economic Research & Investment Strategy

EA Long-Term Rates | Given the current level of short-term rates, long-term bonds are near 'fair' value.

Long-term Interest Rate Expectations



DE Yield vs Medium-term Interest Rate Expectations



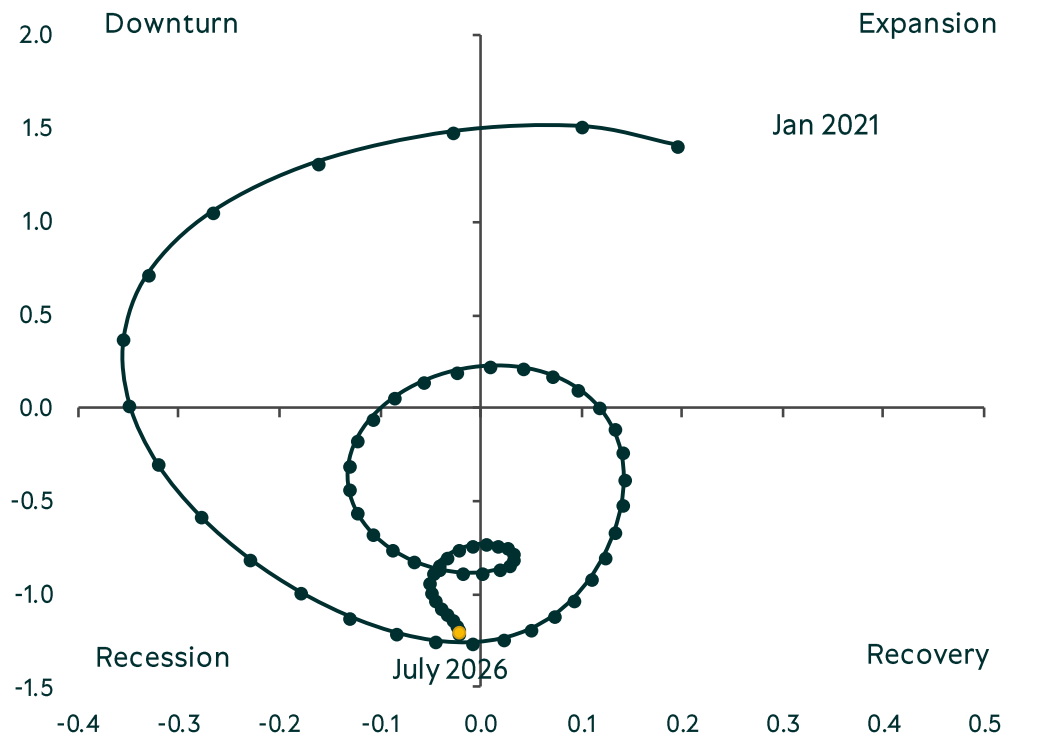
Piraeus

Source: Economic Research & Investment Strategy

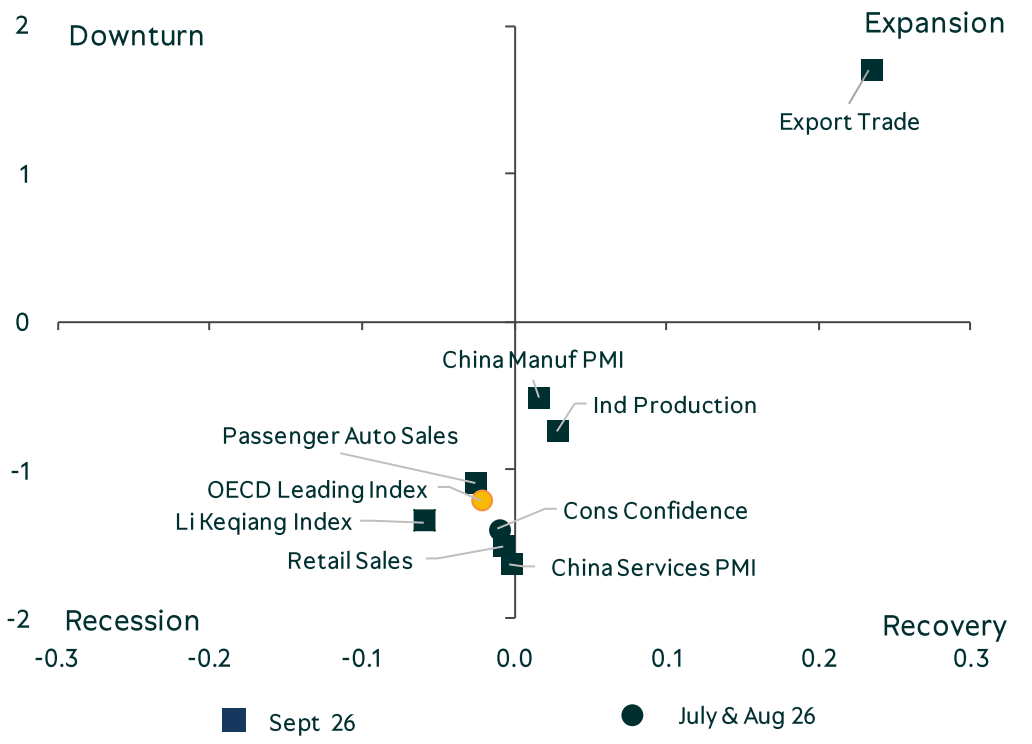
Bird's Eye View
US Economy
EA Economy
China Economy

Chinese Business Cycle | The majority of economic variables now sit between the recession and recovery phases.

CN Business Cycle | Based on China OECD Leading Indicator

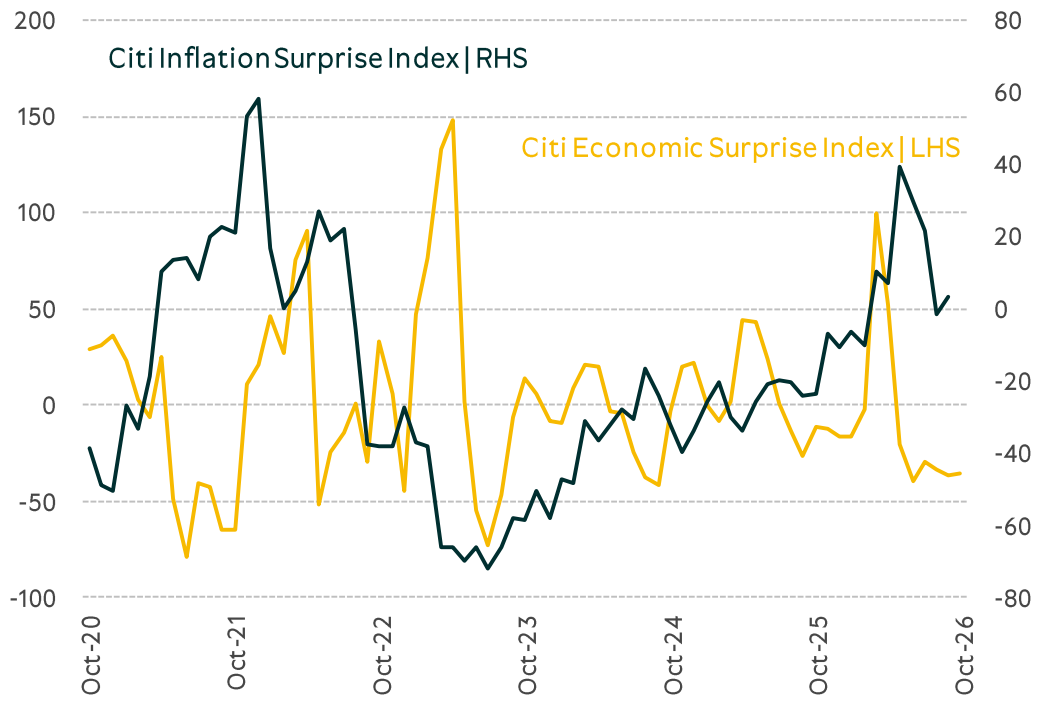


CN Business Cycle | Based on Major CN Economic Variables

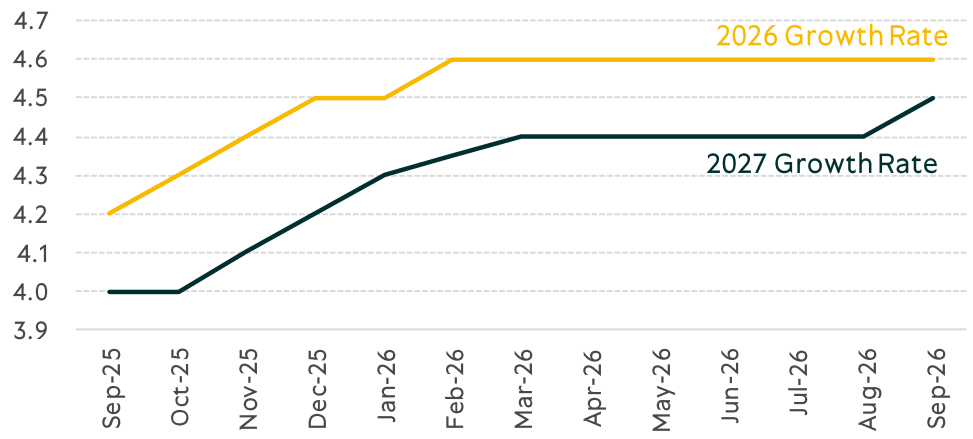


Chinese Macro Expectations | Consensus expects growth below 5% in 2026–27 and very low inflation.

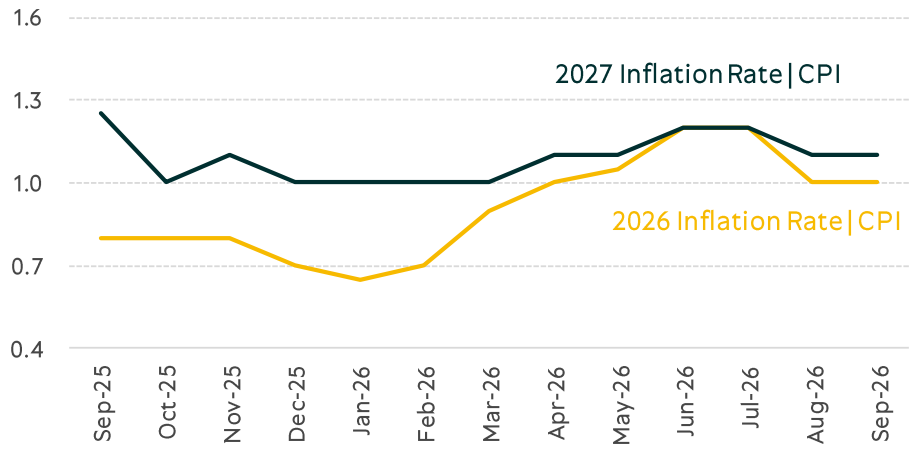
Economic & Inflation Surprises



Growth Rate Expectations (Consensus)



Inflation Rate Expectations (Consensus)

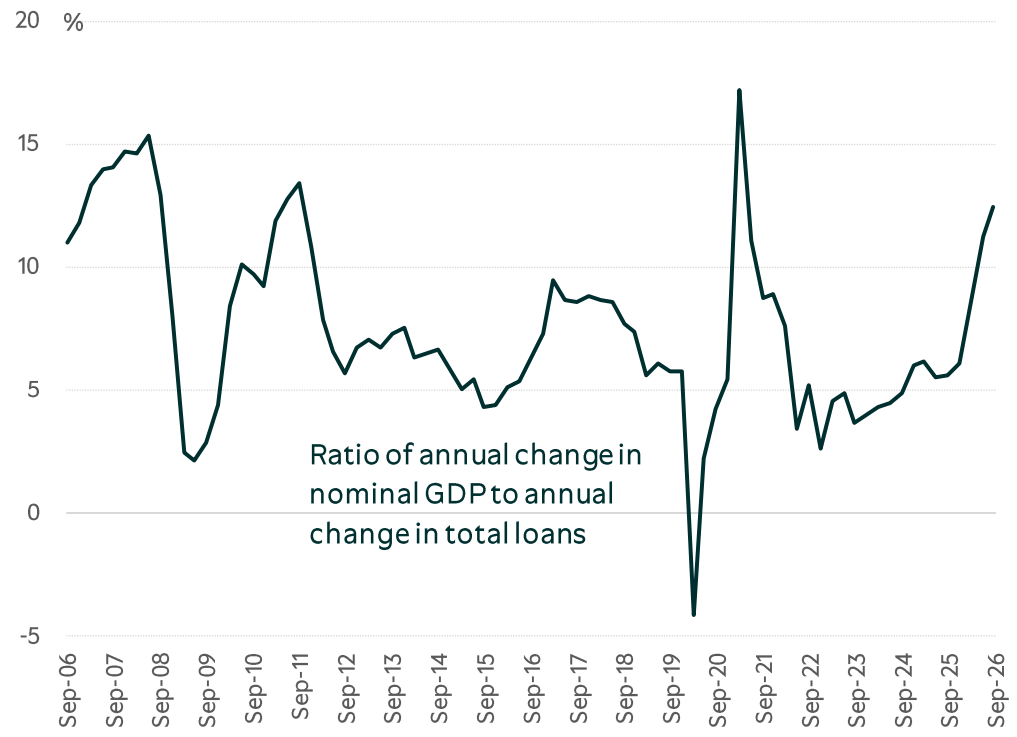


Piraeus

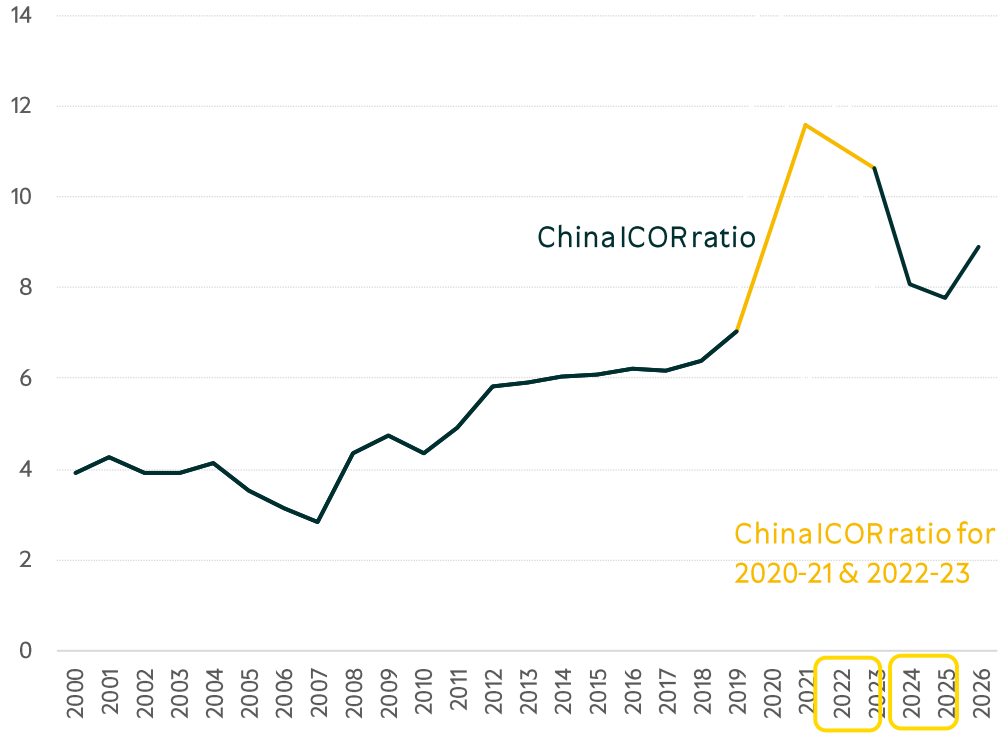
Source: Economic Research & Investment Strategy

Chinese Investment Capacity | China still has scope for more efficient capital allocation, although progress has been made in redirecting investment towards high-productivity sectors.

China credit-efficiency ratio



China Incremental Capital Output Ratio

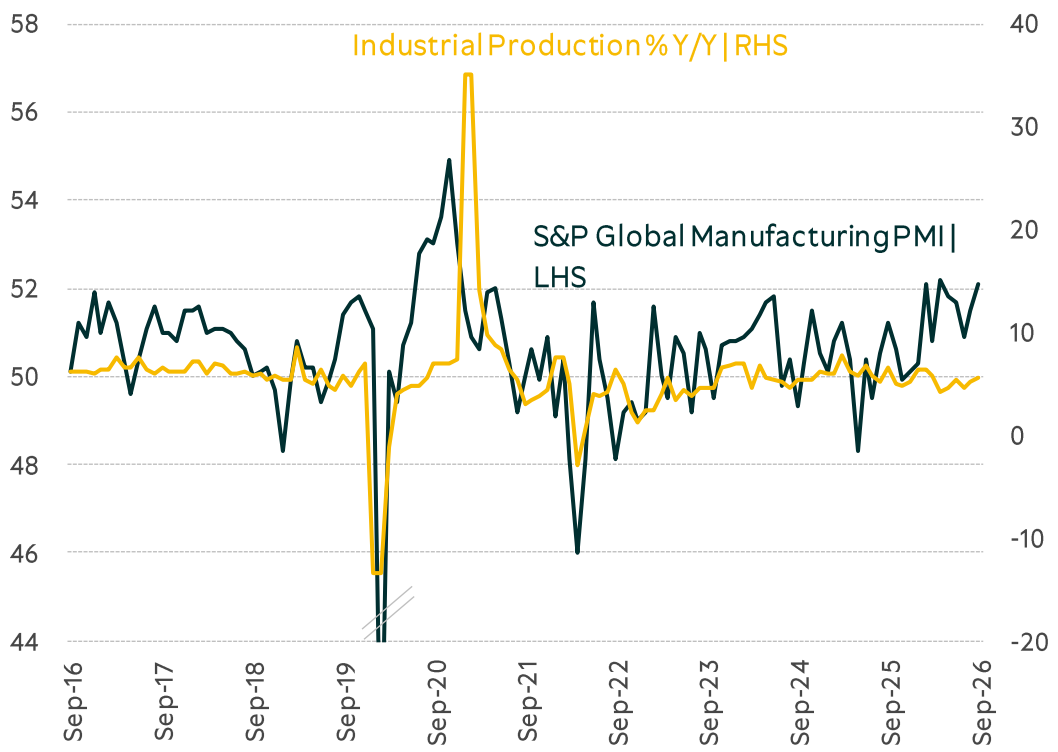


Piraeus

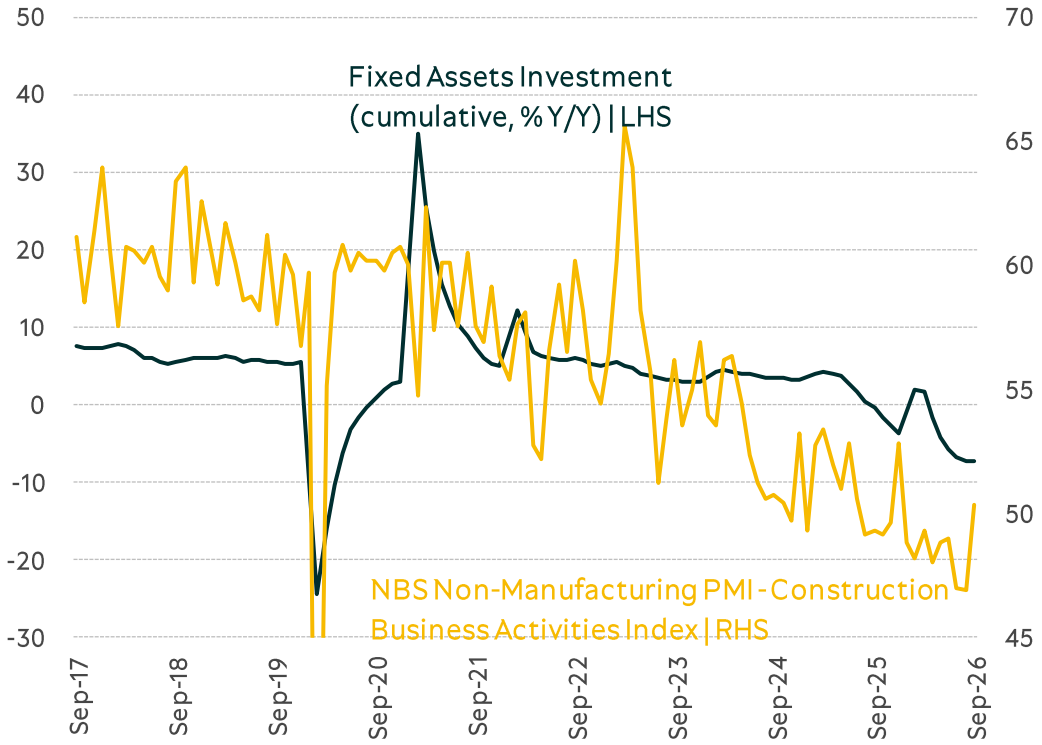
Source: Economic Research & Investment Strategy

CN | The S&P Global Manufacturing PMI increased to 52.1 in September, while fixed asset investment contracted at the same pace as in August.

Industrial Production & S&P Global Manufacturing PMI

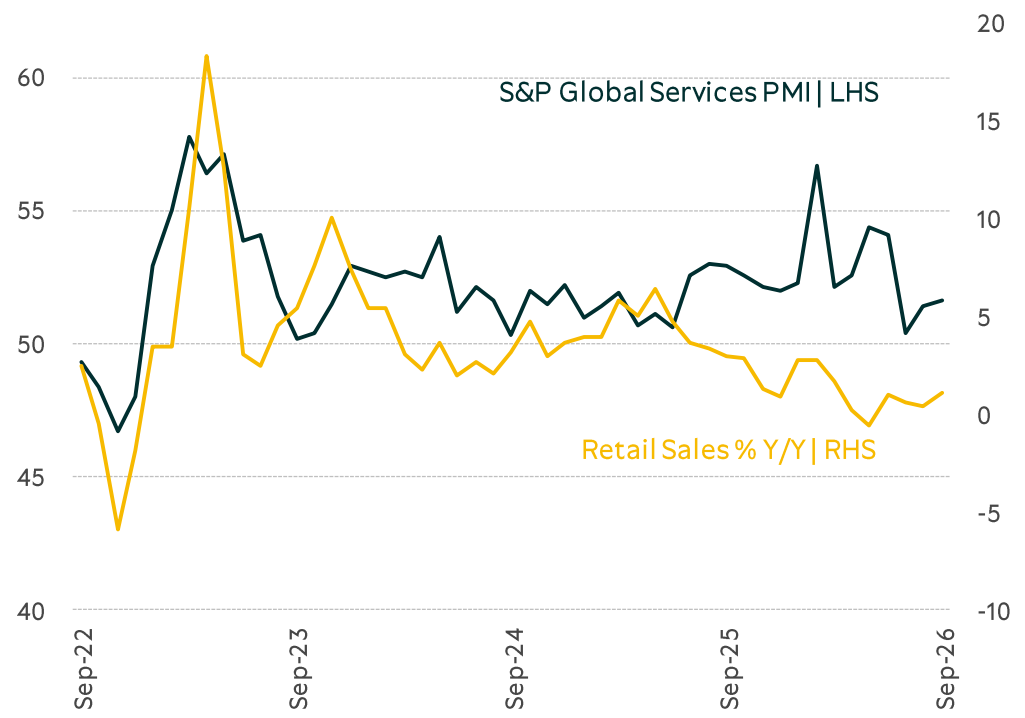


Fixed Assets Investment & NBS Construction Business Activity Index

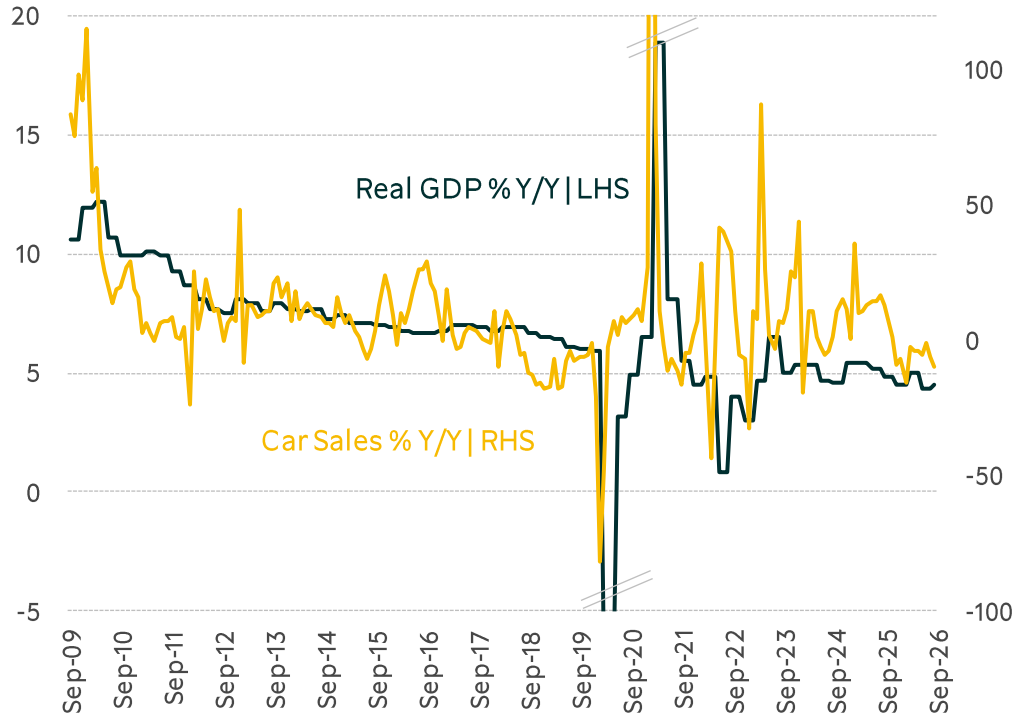


CN | The S&P Global Services PMI rose in September, but domestic demand remains subdued.

Retail Sales & S&P Global Services PMI

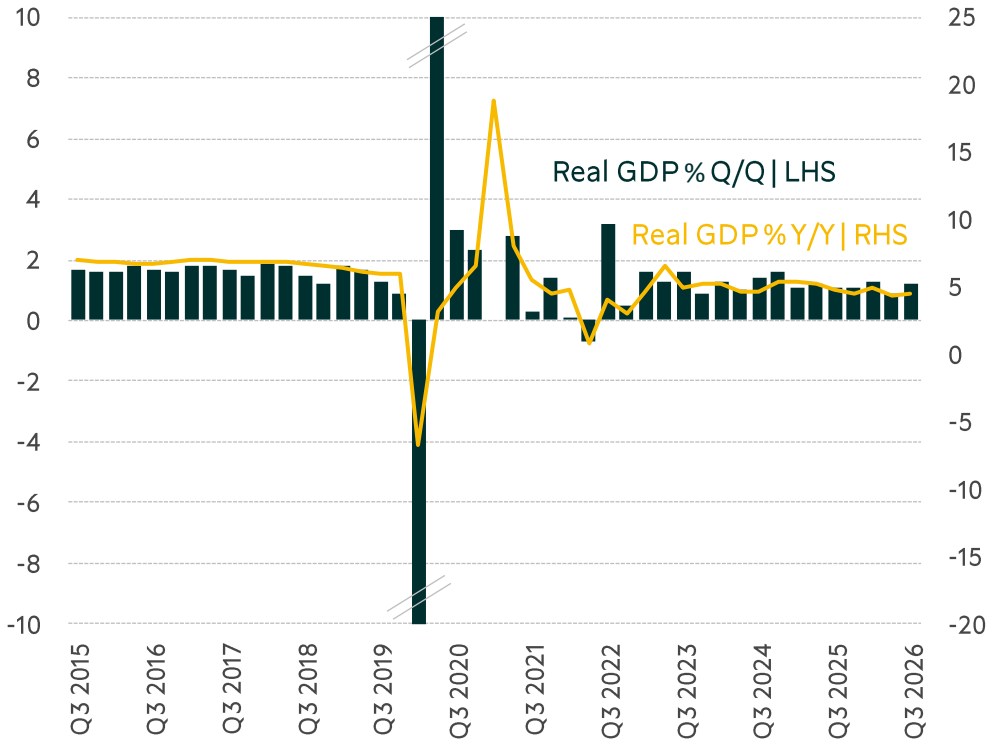


Real GDP & Car Sales

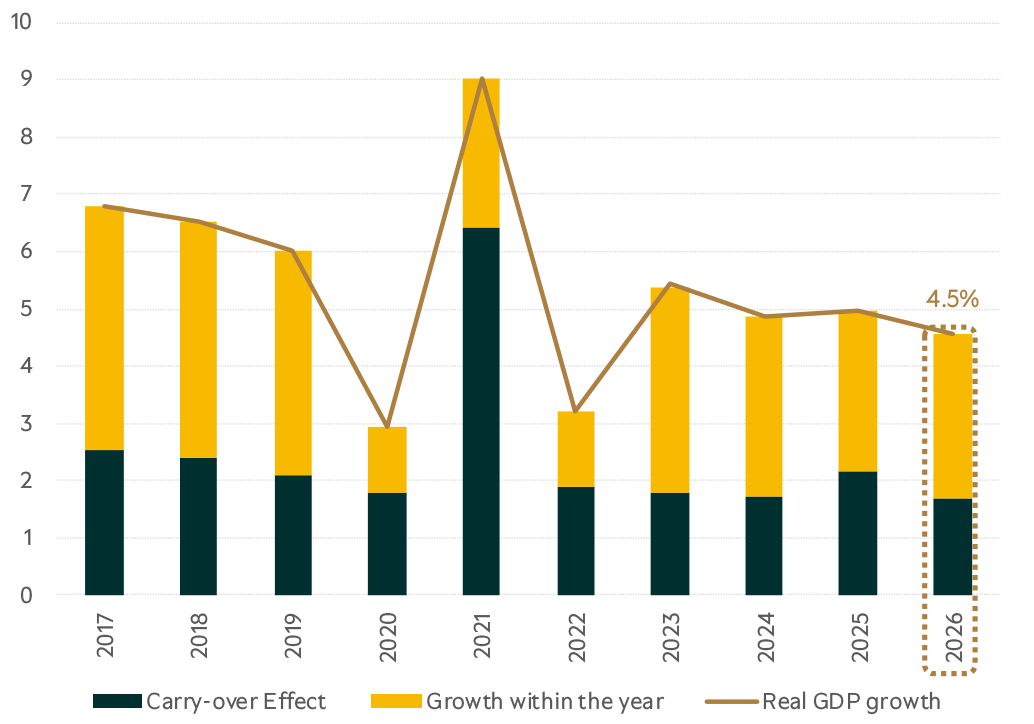


CN GDP Outlook | Economic growth accelerated to 4.5% in Q3 26, with 9M 26 growth reaching 4.6%. The government's 2026 target range is 4.5%–5%.

GDP Growth Rate



Carry Over Effect

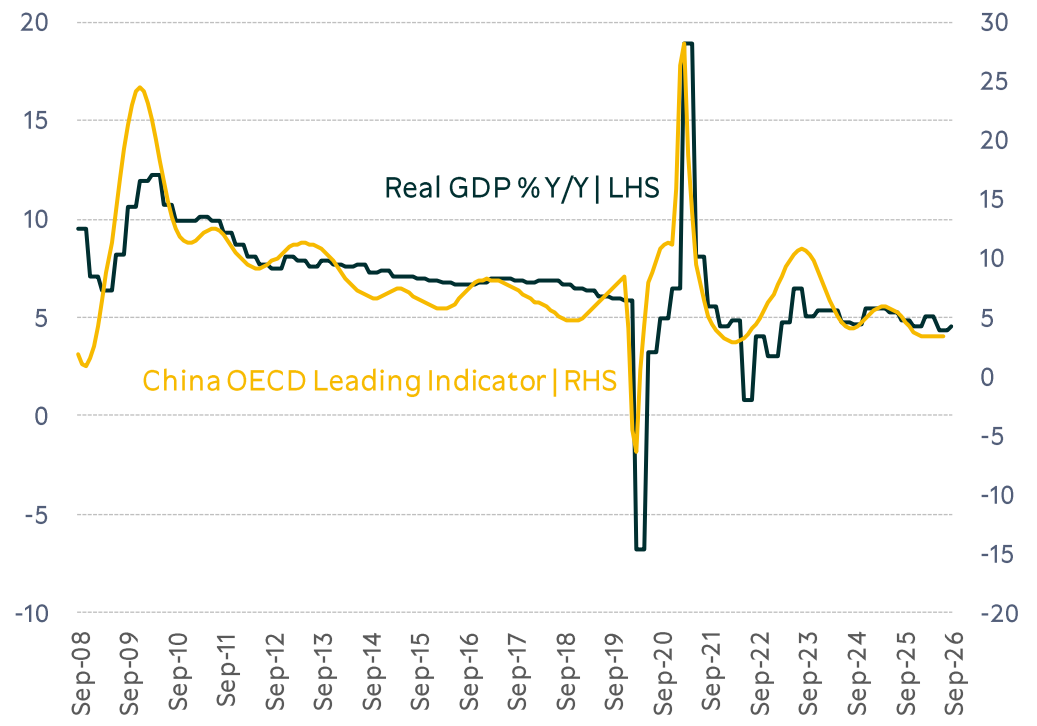


Piraeus

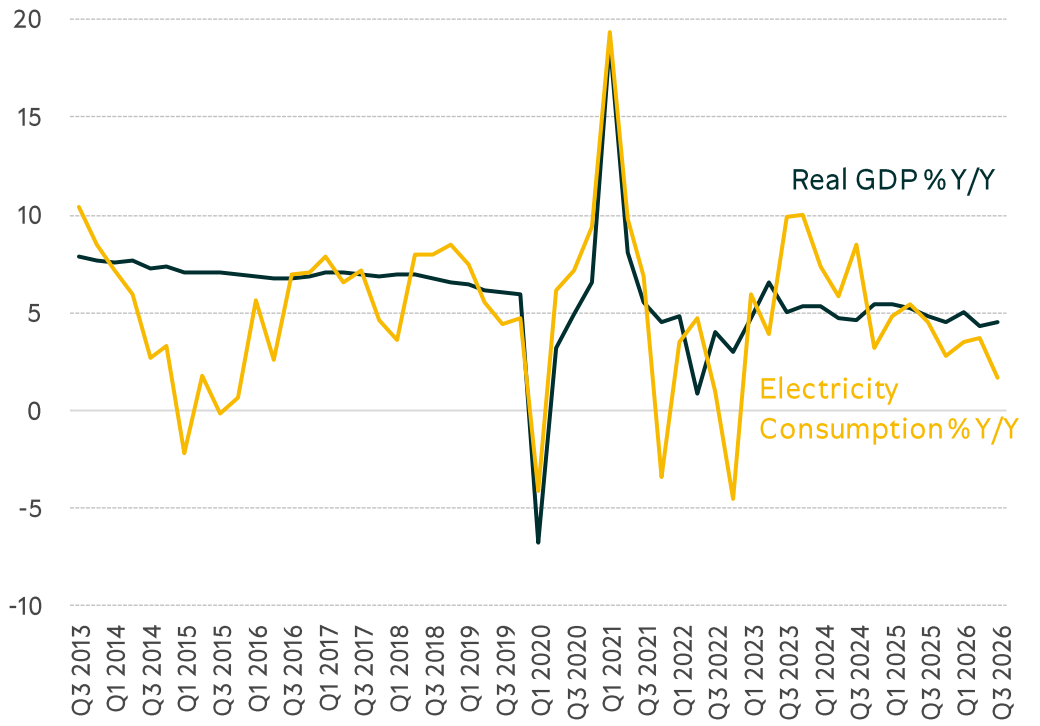
Source: Economic Research & Investment Strategy

CN GDP | Trends in electricity consumption and the OECD Leading Indicator suggest that growth is likely to remain around the current level.

Real GDP & China OECD Leading Indicator



Real GDP & Electricity Consumption

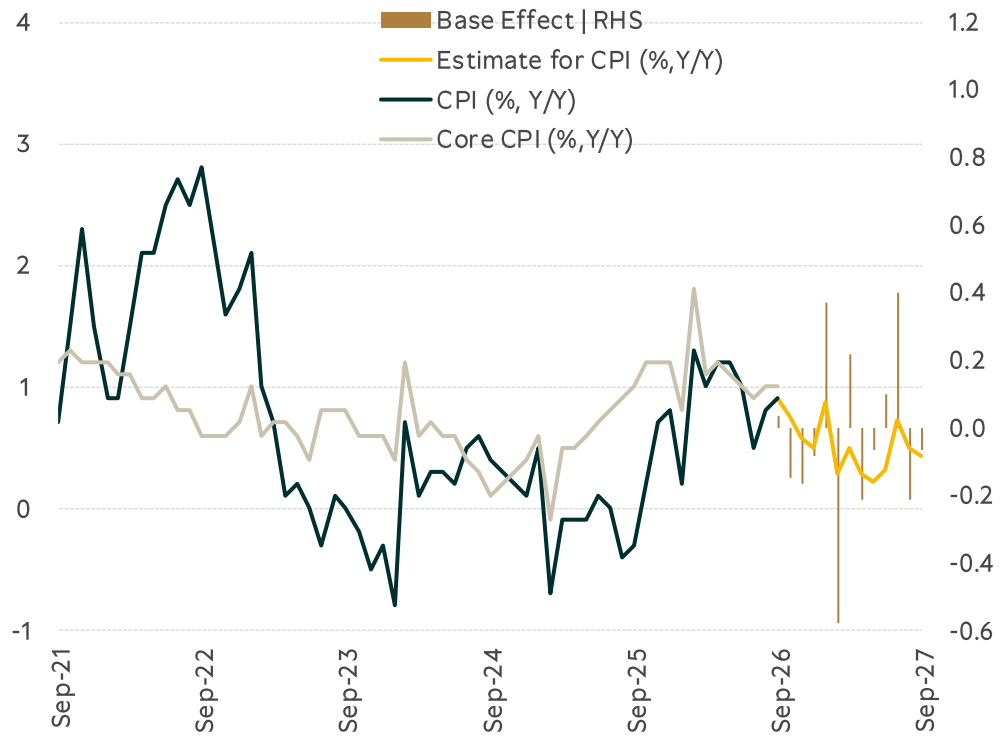


Piraeus

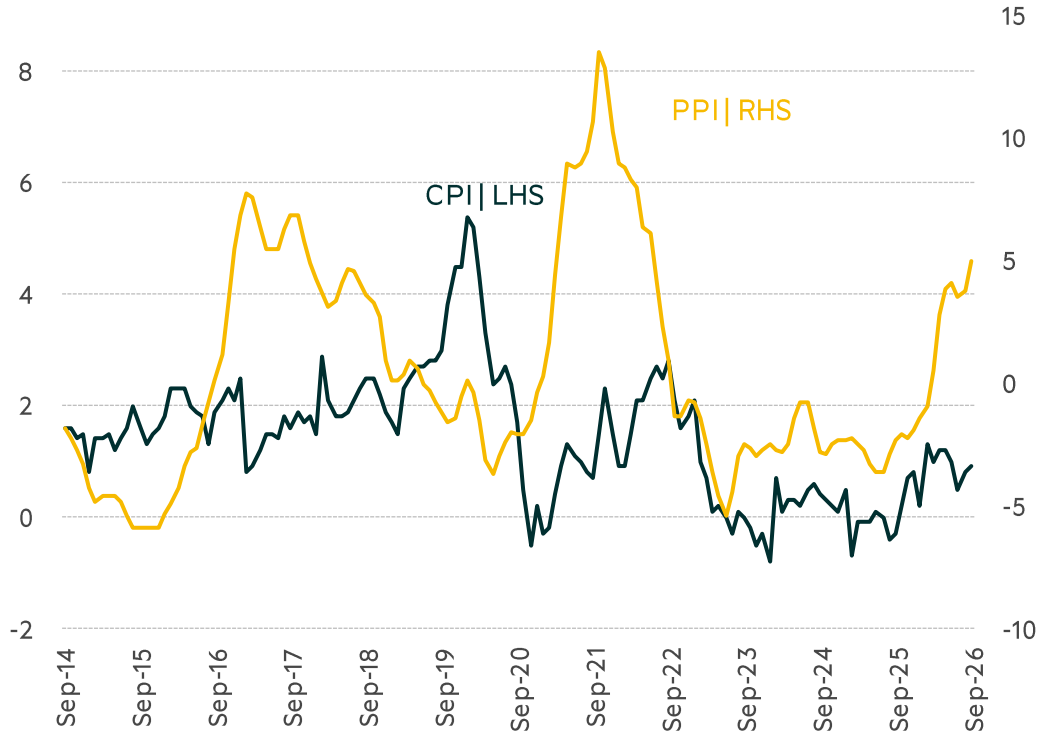
Source: Economic Research & Investment Strategy

CN Inflation Outlook | Inflation increased to 0.9% in September (from 0.8%) and is expected to remain subdued in the coming period.

Inflation Rate Forecast | Statistical Model



CPI & PPI

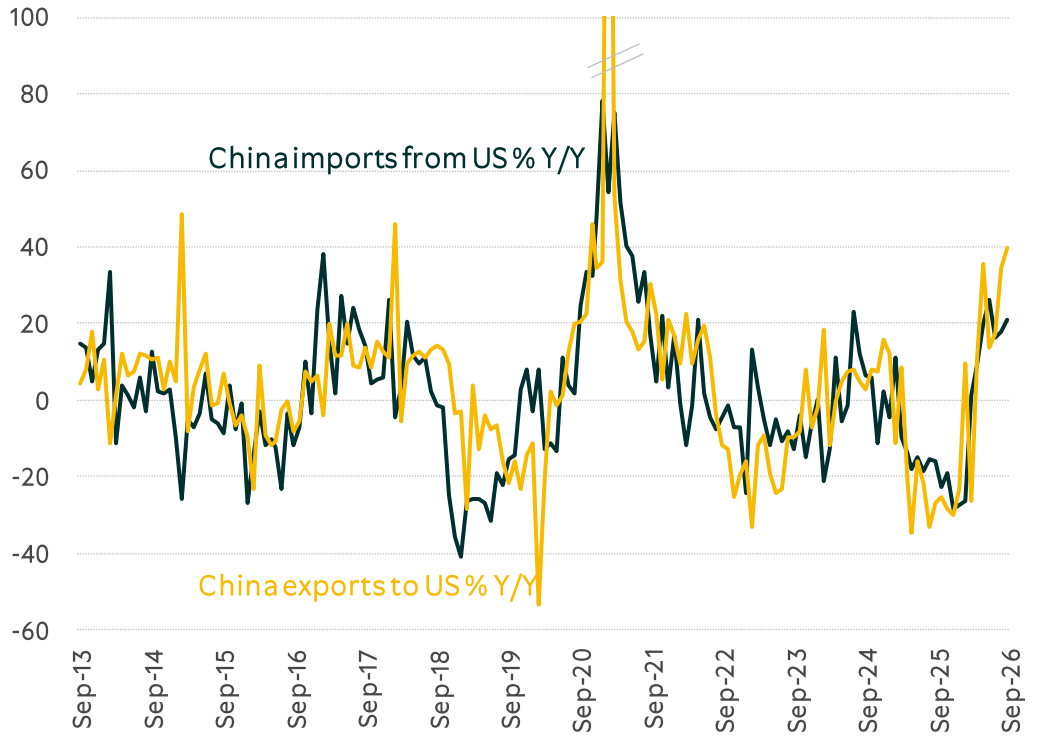


Piraeus

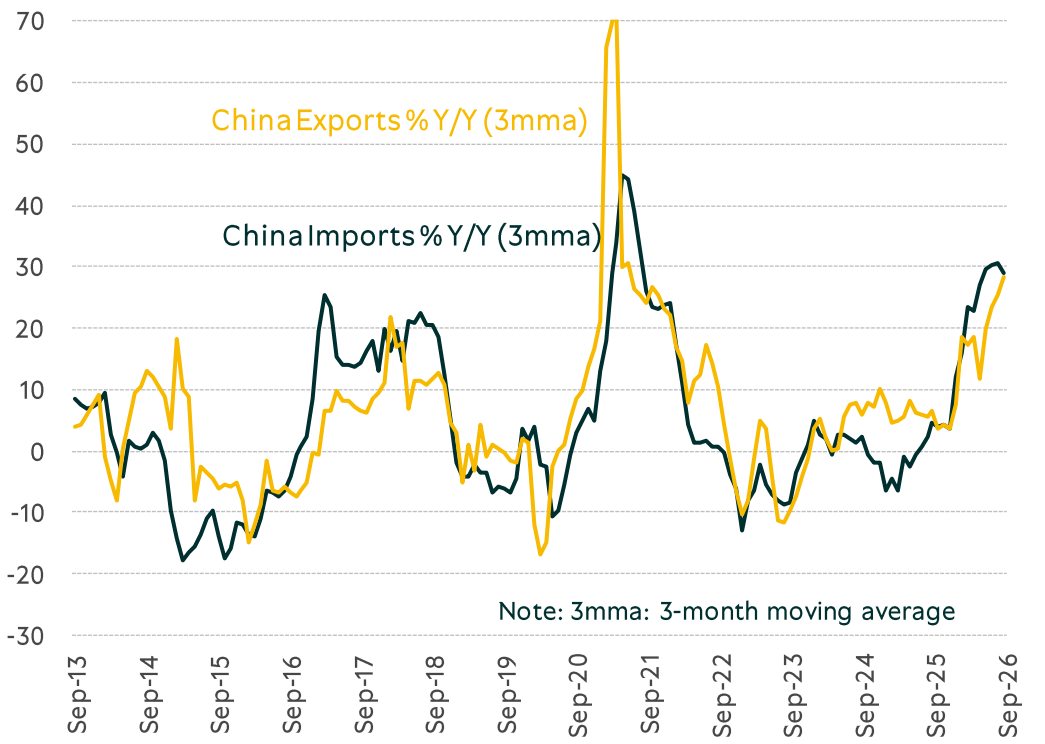
Source: Economic Research & Investment Strategy

CN Trade | Exports, driven by high-tech products, constitute the main component of growth.

Trade US – China

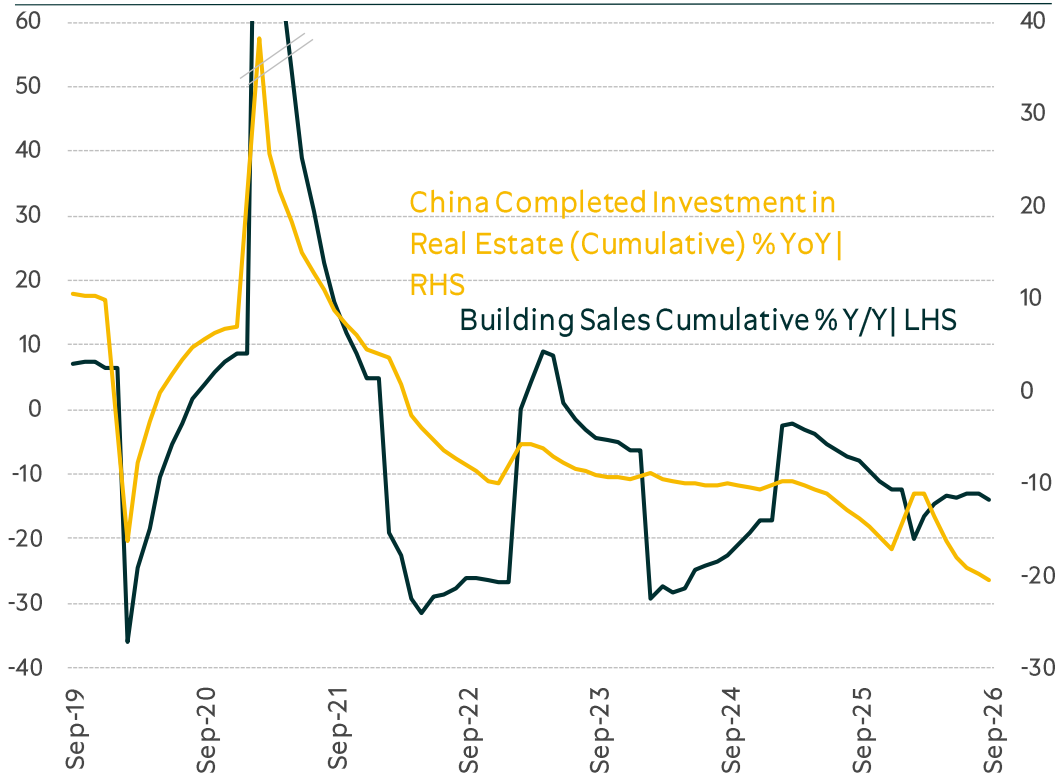


Imports & Exports

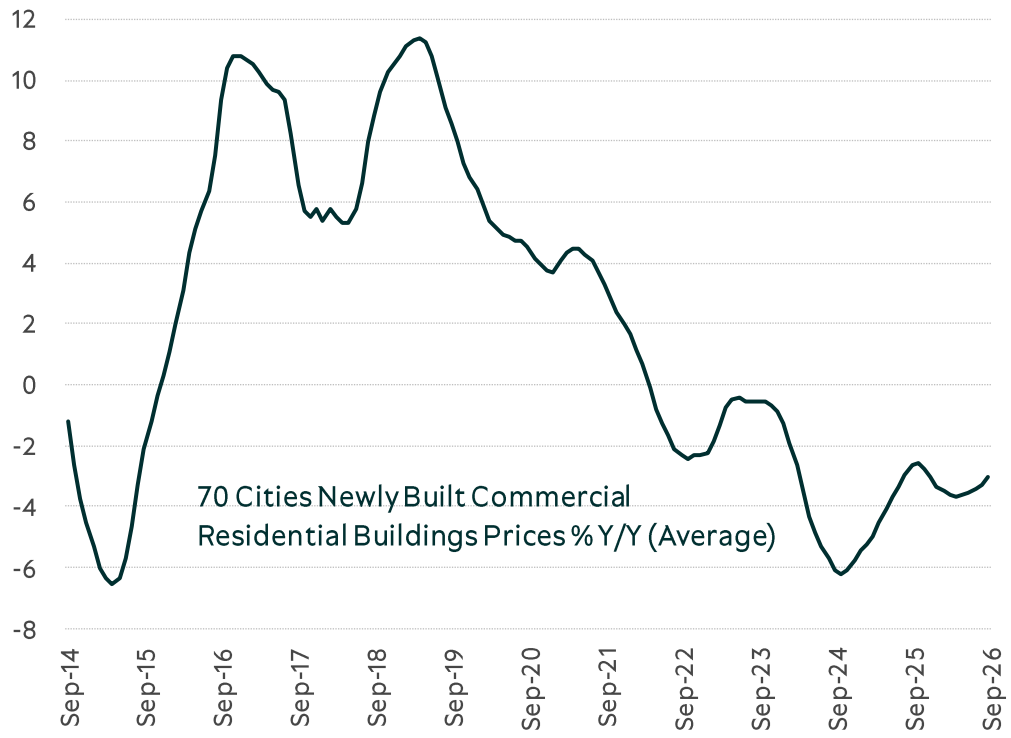


CN Real Estate | Property prices, investment and sales are still contracting.

Real Estate Development Investment & Building Sales

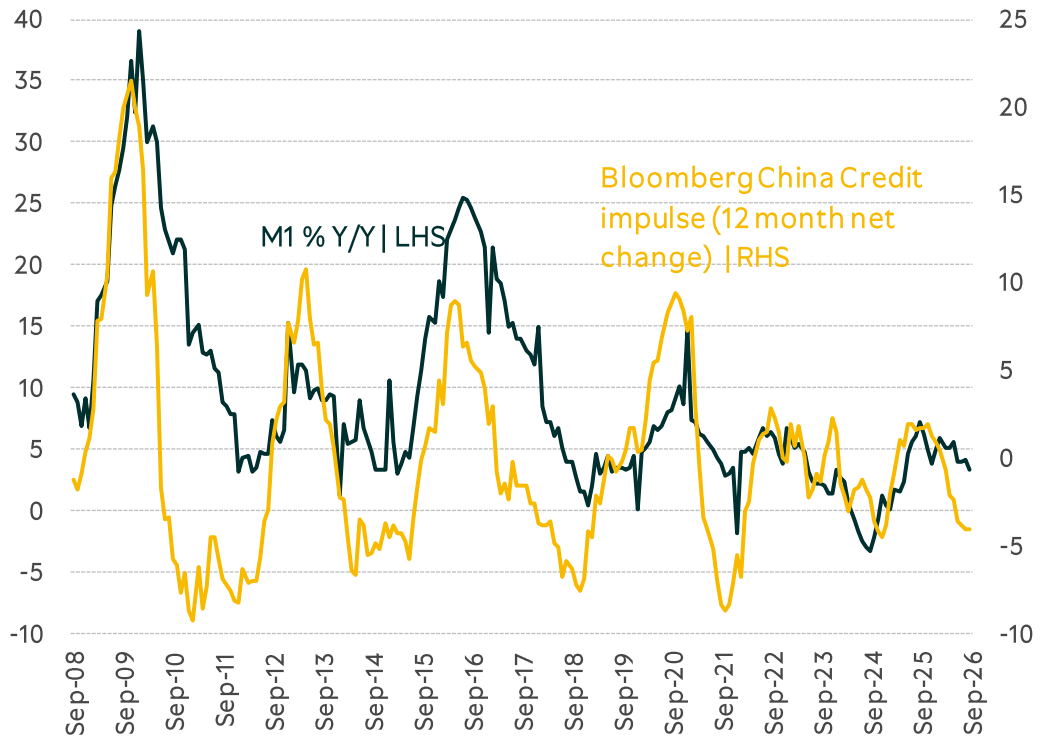


New Residential Building Prices

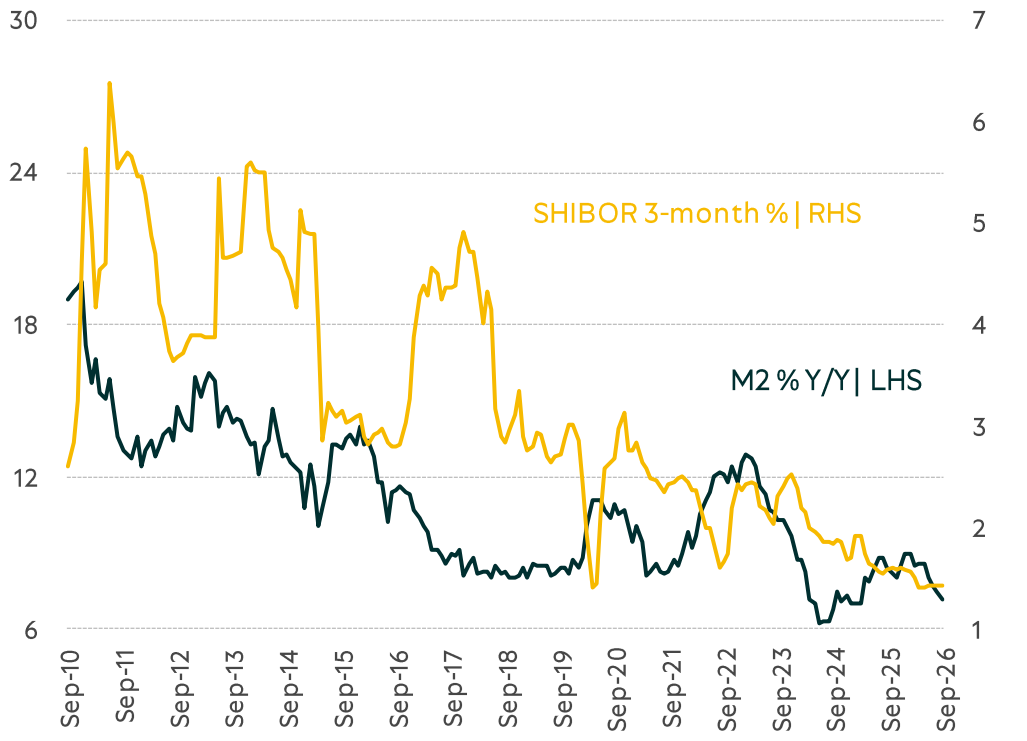


CN Money Supply | The boost to economic activity provided by the expansion of monetary aggregates (M1 and M2) has become more subdued.

Money Supply



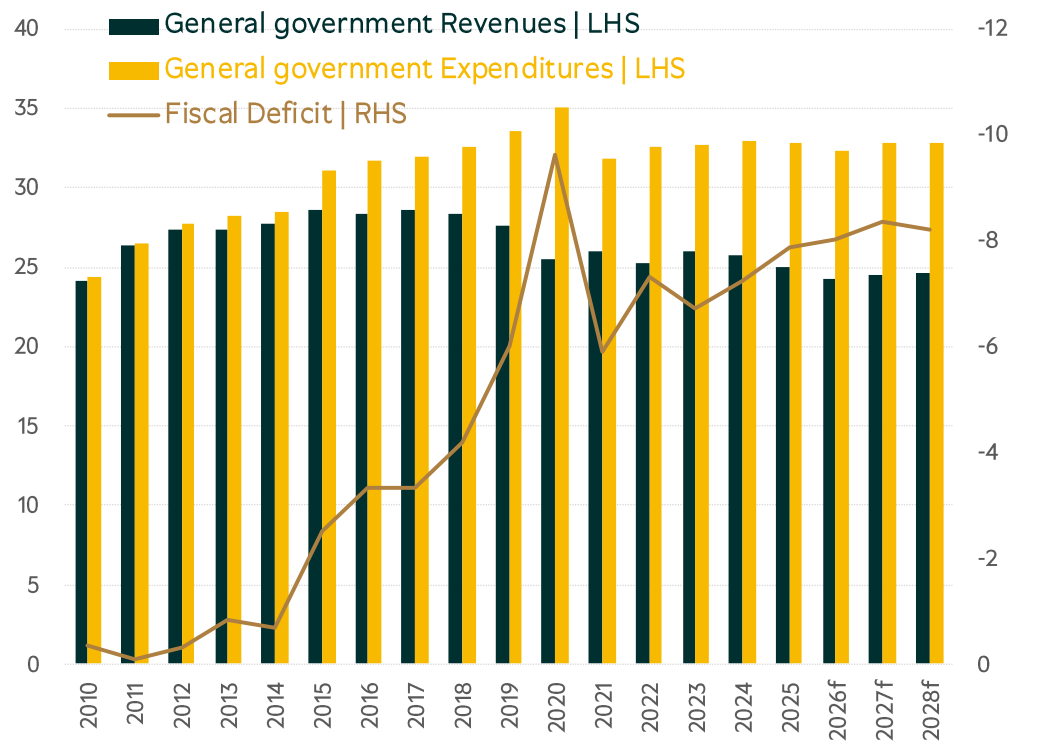
Money Supply & Interbank Rate



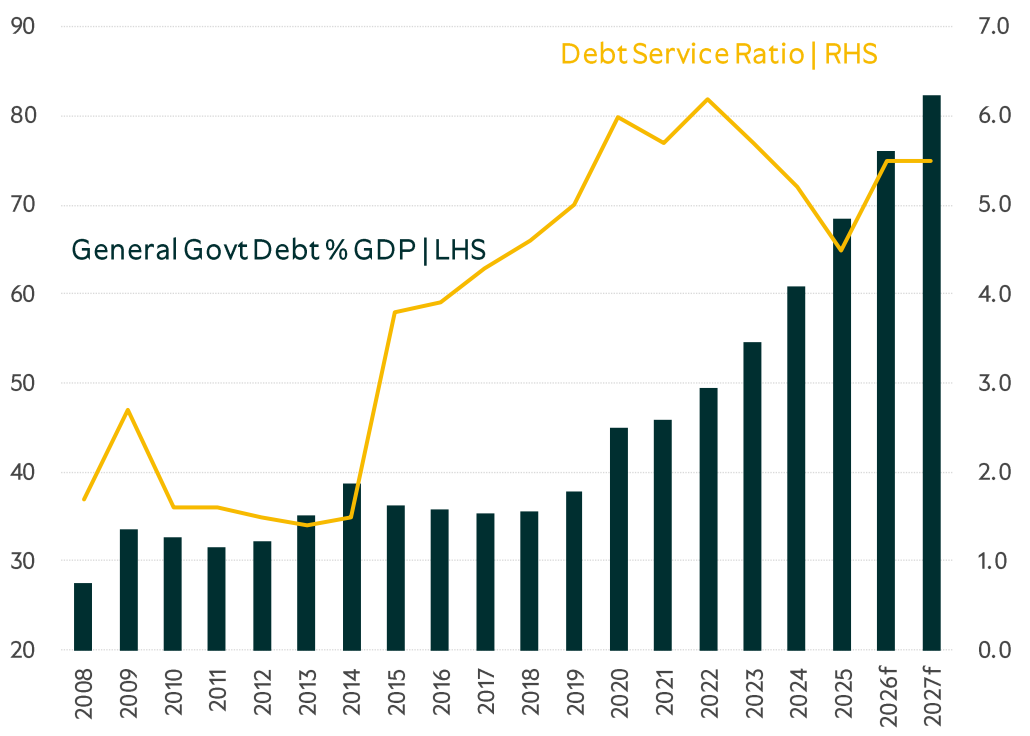
Source: Economic Research & Investment Strategy

CN Fiscal | Fiscal policy is expected to stay expansionary.

Government Balance



General Government Debt & Debt Service Ratio



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

Economic Research & Investment Strategy		
Lekkos, Ilias	Lekkosi@piraeusbank.gr	Group Chief Economist
Papioti, Liana	Papiotie@piraeusbank.gr	Executive Secretary
Global Economics & ESG Research (GLEC)		
Stefanou, Katerina	Stefanoua@piraeusbank.gr	Director, Global Economics & ESG Research Head
Rotsika, Dimitria	Rotsikad@piraeusbank.gr	Senior Manager, Economist
Papakostas, Valandis	Papakostasc@piraeusbank.gr	Manager, Economist
Oikonomou, Akrivi	Oikonomouak@piraeusbank.gr	Senior Officer, Analyst
Spertos, Dimosthenis	Spertosd@piraeusbank.gr	Senior Officer, Analyst

Contact details:

Tel.: +30 2103288187

Website: https://www.piraeusholdings.gr/el/oikonomiki-analisi-ependitiki-stratigiki

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