

Global Macro Trends

Between Growth and Inflation: Heightened Uncertainty and Energy Shocks Are Complicating Central Bank Policy Decisions

Global macro trends

- ▶ Peace initiatives in the Middle East remain tenuous, due to contradictory remarks from US President Donald Trump and an apparent absence of consensus among Iranian officials. Consequently, uncertainty regarding future developments has intensified once again. With the war in its second month, its effects are increasingly evident in business operations. Companies are facing rising energy and commodity prices, higher transport expenses, and disruptions in global supply chains. Furthermore, should hostilities cease immediately, normal conditions are unlikely to be restored for several months due to extensive damage requiring repair of the region's energy and other critical infrastructure. Within this context, central banks face heightened complexity as they must keep inflationary pressures at reasonable levels while simultaneously supporting economic growth, which remains under strain.
- ▶ In the United States, economic activity continues to expand at a satisfactory pace, and labour-market conditions remain relatively favourable. One significant contributor to this performance is the United States' robust domestic production of oil and natural gas, which serves to alleviate inflationary concerns and strengthens the competitiveness of American products. According to recent data, headline inflation has increased as a result of rising energy prices, while consumer sentiment has declined. This trend is expected to have a negative impact on private consumption in the coming period.
- ▶ In the euro area, the most recent data and leading indicators generally point to some moderation in economic activity and only a limited (so far) increase in inflationary pressures. This outcome is anticipated, considering that the euro area faces the most complex circumstances among leading economies due to its significant reliance on imported energy products. The increased cost of energy and transportation exacerbates the difficulties faced by European products in maintaining international competitiveness and may even threaten the sustainability of businesses. This situation has led to considerations/discussions on funding strategies and potential support mechanisms at the European level. Labour-market conditions continue to be favourable, as the unemployment rate is near its historical low, which supports household consumption and contributes positively to economic growth.
- ▶ In China, growth accelerated to 5% in Q1 2026 (Q4 2025: 4.5%), partly due to stronger exports. The war's impact is expected to slow growth slightly over the coming quarters, as subdued global demand will limit export growth. This year, the government target has been set at 4.5%–5.0%, marginally below the 5% achieved in the past two years. Exports will likely continue as the primary growth factor since domestic demand is unlikely to increase significantly at this time. At the same time, higher strategic oil reserves and greater geographic diversification of imports provide increased flexibility in managing energy-related challenges.

Διεθνείς Μακροοικονομικές Τάσεις

- ▶ Με τις προσπάθειες ειρήνευσης στη Μέση Ανατολή να ακροβατούν σε τεντωμένο σχοινί εν μέσω αντικρουόμενων δηλώσεων του Προέδρου των ΗΠΑ Ντ. Τραμπ και τη διαφαινόμενη έλλειψη ενιαίας φωνής από πλευράς Ιράν, η αβεβαιότητα για την επόμενη μέρα έχει και πάλι αυξηθεί. Παράλληλα, οι επιπτώσεις του πολέμου - που διαρκεί ήδη σχεδόν δύο μήνες - αποτυπώνονται όλο και εντονότερα στο κόστος λειτουργίας των επιχειρήσεων μέσα από τις αυξημένες τιμές της ενέργειας, των πρώτων υλών, του μεταφορικού κόστους και τις διαταραχές στις διεθνείς εφοδιαστικές αλυσίδες. Επιπλέον, ακόμη και αν υποθεθεί ότι τελειώνει άμεσα η πολεμική σύρραξη, εκτιμάται ότι η επιστροφή στην κανονικότητα θα απαιτήσει αρκετούς μήνες καθώς θα πρέπει πρώτα να αποκατασταθούν σε κάποιο βαθμό οι σοβαρές ζημιές στις ενεργειακές (και όχι μόνο) υποδομές των χωρών της περιοχής. Στο πλαίσιο αυτό, το έργο των κεντρικών τραπεζών καθίσταται ακόμη πιο δύσκολο καθώς καλούνται να συγκρατήσουν τις πληθωριστικές πιέσεις χωρίς, από την άλλη, να πλήξουν την ήδη χαμηλότερη ανάπτυξη.
- ▶ Στις ΗΠΑ, η οικονομική δραστηριότητα συνεχίζει να αναπτύσσεται με ικανοποιητικό ρυθμό και οι συνθήκες στην αγορά εργασίας παραμένουν σχετικά καλές. Στην εξέλιξη αυτή σημαντική συμβολή έχει η μεγάλη εγχώρια παραγωγή πετρελαίου και φυσικού αερίου που περιορίζει σε ένα βαθμό την ανησυχία για έντονες πληθωριστικές πιέσεις και ενισχύει την ανταγωνιστικότητα των αμερικανικών προϊόντων. Βάσει των τελευταίων στοιχείων, ωστόσο, καταγράφεται ενίσχυση του γενικού πληθωρισμού λόγω των αυξημένων τιμών της ενέργειας και μεγαλύτερη απαισιοδοξία των καταναλωτών, εξέλιξη που είναι πιθανό να επηρεάσει αρνητικά κατά το επόμενο διάστημα την ιδιωτική κατανάλωση.
- ▶ Στην Ευρωζώνη, τα πιο πρόσφατα στοιχεία και οι πρόδρομοι δείκτες εμφανίζουν γενικά κάποια συγκράτηση της οικονομικής δραστηριότητας και περιορισμένη (ακόμη) ενίσχυση των πληθωριστικών πιέσεων. Η εξέλιξη αυτή είναι αναμενόμενη καθώς η Ευρωζώνη βρίσκεται σε δυσχερέστερη θέση μεταξύ των μεγάλων οικονομιών εξαιτίας της μεγάλης εξάρτησης σε εισαγωγές ενεργειακών προϊόντων. Το αρκετά υψηλότερο κόστος ενέργειας και μεταφοράς αυξάνουν τις προκλήσεις διεθνούς ανταγωνιστικότητας των ευρωπαϊκών προϊόντων, αν όχι και βιωσιμότητας των επιχειρήσεων, ανοίγοντας τη συζήτηση για την εύρεση κεφαλαίων και τους πιθανούς τρόπους στήριξής τους σε ευρωπαϊκό επίπεδο. Ενθαρρυντική, ωστόσο, για την ανάπτυξη είναι η εικόνα στην αγορά εργασίας καθώς το ποσοστό ανεργίας βρίσκεται πολύ κοντά στο ιστορικά χαμηλό του, ωθώντας ανοδικά την ιδιωτική κατανάλωση.
- ▶ Στην Κίνα, τέλος, ο ρυθμός ανάπτυξης επιταχύνθηκε στο 5% κατά το Α' Τρίμηνο του 2026 (Δ' Τρίμ. 25: 4,5%), εν μέρει ως αποτέλεσμα των υψηλότερων εξαγωγών. Οι επιπτώσεις του πολέμου εκτιμάται ότι θα επιβραδύνουν ελαφρά τον ρυθμό ανάπτυξης κατά τα επόμενα τρίμηνα καθώς η συγκρατημένη ζήτηση σε παγκόσμιο επίπεδο θα περιορίσει την άνοδο των εξαγωγών. Φέτος, ο κυβερνητικός στόχος έχει τεθεί στο 4,5%-5,0%, ελαφρά χαμηλότερα του 5% που επιτεύχθηκε τα δύο τελευταία χρόνια. Κινητήριοι μοχλός εκτιμούμε ότι θα παραμείνουν οι εξαγωγές, καθώς σημαντική ανάπτυξη της εσωτερικής ζήτησης δεν φαίνεται ακόμη εφικτή. Παράλληλα, τα αυξημένα στρατηγικά αποθέματα πετρελαίου και η γεωγραφική διαφοροποίηση των εισαγωγών της προσδίδει μεγαλύτερη ευελιξία στη διαχείριση των ενεργειακών προκλήσεων.

Main Macroeconomic Indicators – Market Consensus

US											
	Actual				Estimates				% Y/Y avg		
	2025 Q1	2025 Q2	2025 Q3	2025 Q4	2026 Q1	2026 Q2	2026 Q3	2026 Q4	2025	2026	2027
Real GDP Q/Q % SAAR	-0.6	3.8	4.4	0.5	2.3	1.8	1.9	2.0	2.1	2.2	2.0
Headline PCE PI % Y/Y	2.6	2.4	2.7	2.8	2.9	3.2	3.0	2.9	2.6	3.0	2.2
Core PCE % Y/Y	2.8	2.7	2.9	2.9	3.0	3.0	2.9	2.8	2.8	2.9	2.4
Unemployment Rate	4.1	4.2	4.3	4.5	4.3	4.5	4.5	4.5	4.3	4.5	4.3
Fed Policy Rate (Upper Bound)	4.50	4.50	4.25	3.75	3.75	3.70	3.55	3.38	3.75	3.38	3.25

EA											
	Actual				Estimates				% Y/Y avg		
	2025 Q1	2025 Q2	2025 Q3	2025 Q4	2026 Q1	2026 Q2	2026 Q3	2026 Q4	2025	2026	2027
Real GDP Q/Q %	0.6	0.1	0.3	0.2	0.2	0.2	0.3	0.3	1.4	0.9	1.3
CPI % Y/Y	2.3	2.0	2.1	2.1	2.1	3.0	2.8	3.0	2.1	2.7	2.0
Unemployment Rate	6.3	6.3	6.3	6.3	6.2	6.3	6.3	6.2	6.3	6.3	6.1
ECB Policy Rate	2.50	2.00	2.00	2.00	2.00	2.17	2.27	2.27	2.00	2.27	2.21

	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	9.2	5.7	6.50
2024	4.6	6.7	3.4	4.4	12.25	5.0	0.2	7.2	5.0	6.50
2025e	4.6	3.1	2.3	5.0	15.00	5.0	0.1	7.1	2.2	5.25
2026f	4.3	3.0	1.8	4.1	12.28	4.6	1.0	7.5	2.1	5.29

Market Consensus 17.04.2026

Bird's Eye View

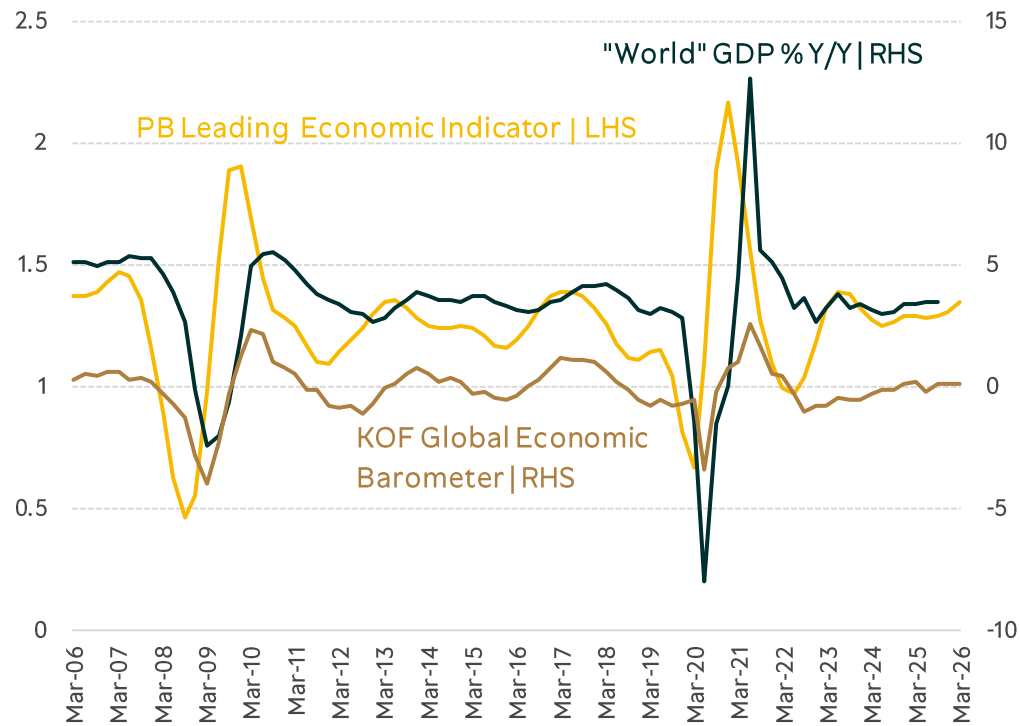
US Economy

EA Economy

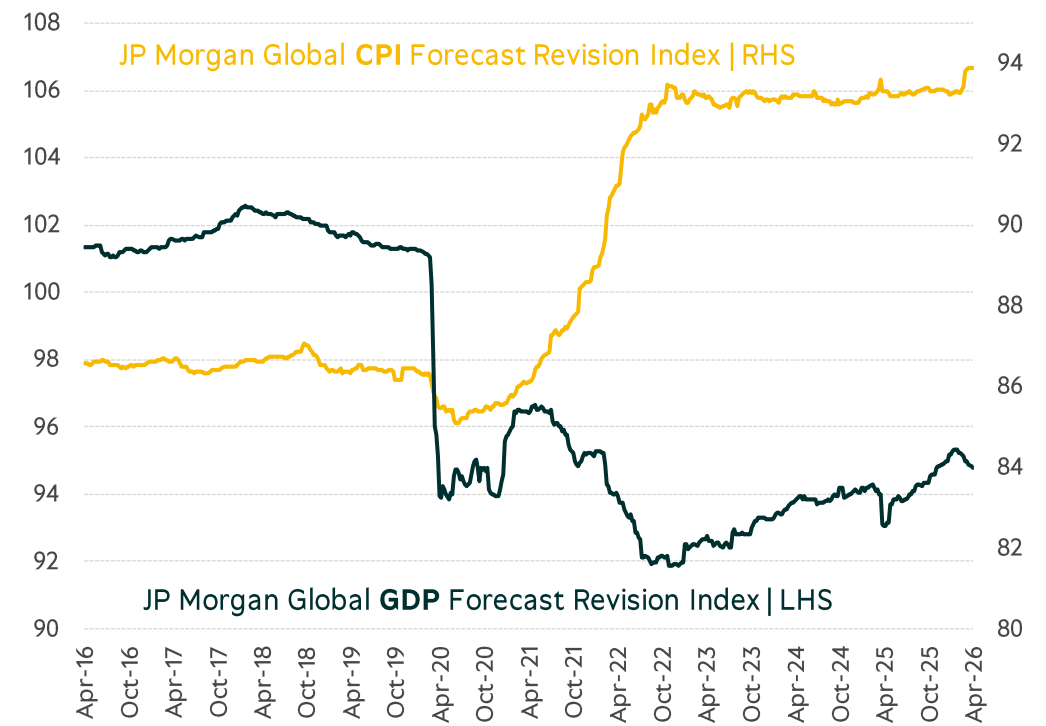
China Economy

The Global Bird's-Eye View | Global GDP growth has remained resilient, with our leading indicator signaling a modest acceleration; however, this momentum is likely to fade if current geopolitical tensions persist.

Piraeus Bank "World" Leading Economic Indicator & Economic Growth

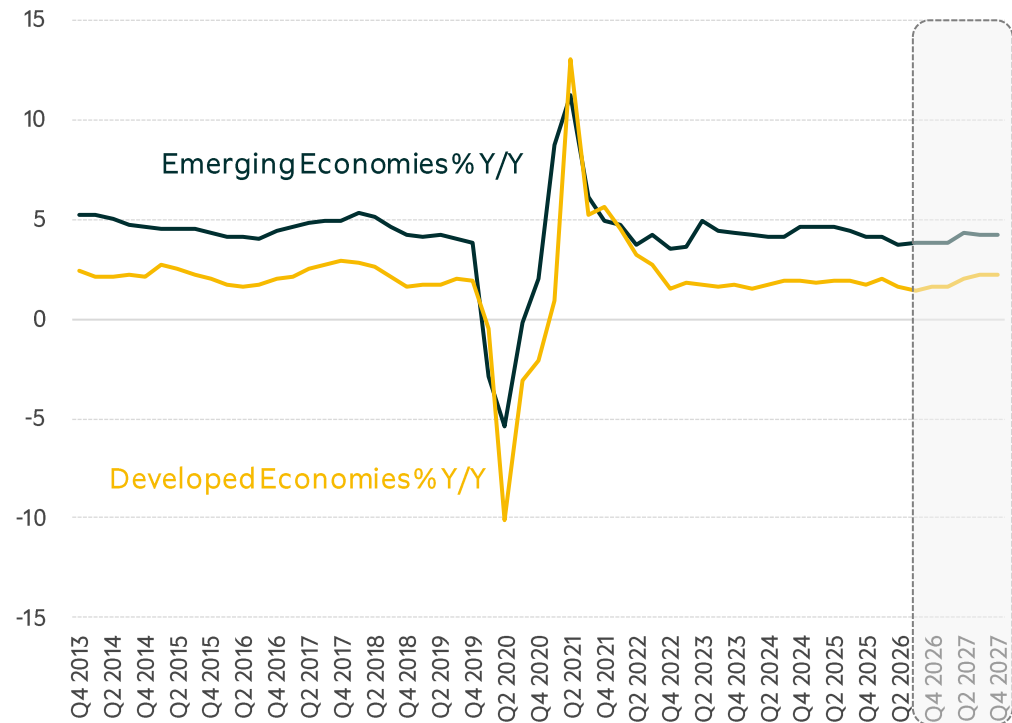


JP Morgan Global Forecast Revision Indices

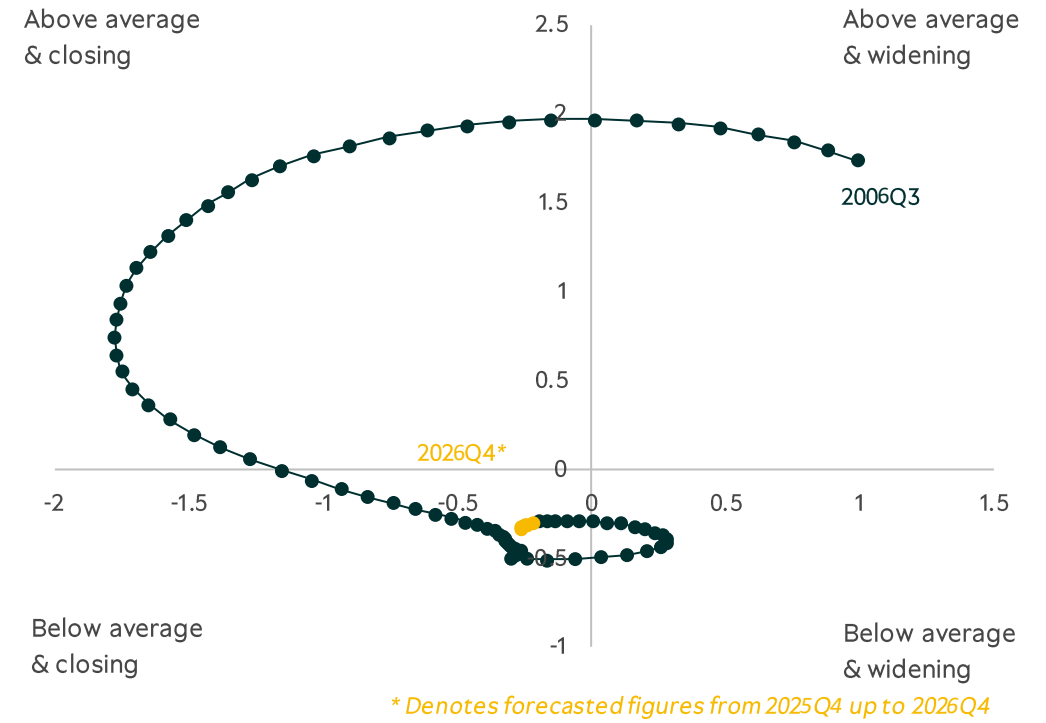


The Global Bird's-Eye View | The growth differential between emerging markets and developed markets is expected to remain at below average levels for 2026/27.

Real GDP Growth

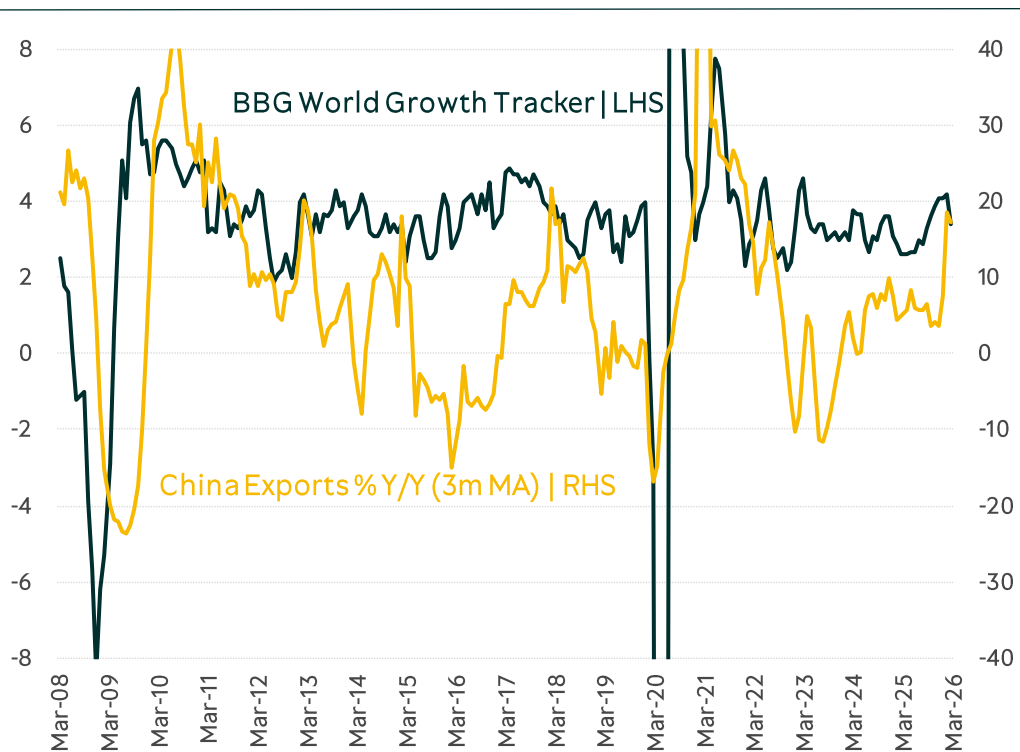


EM – DM Growth Differential

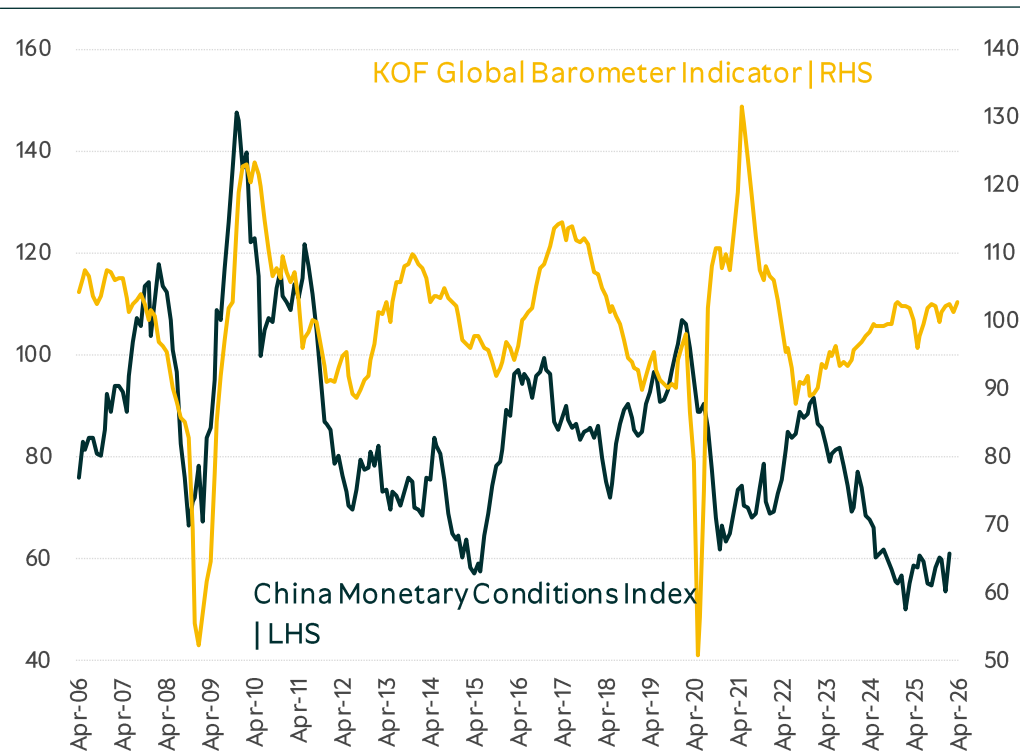


Global Economic Activity | China's export momentum eased in March and global growth is moderating, but leading indicators and monetary conditions are turning more supportive.

BBG World Growth Tracker & China Exports

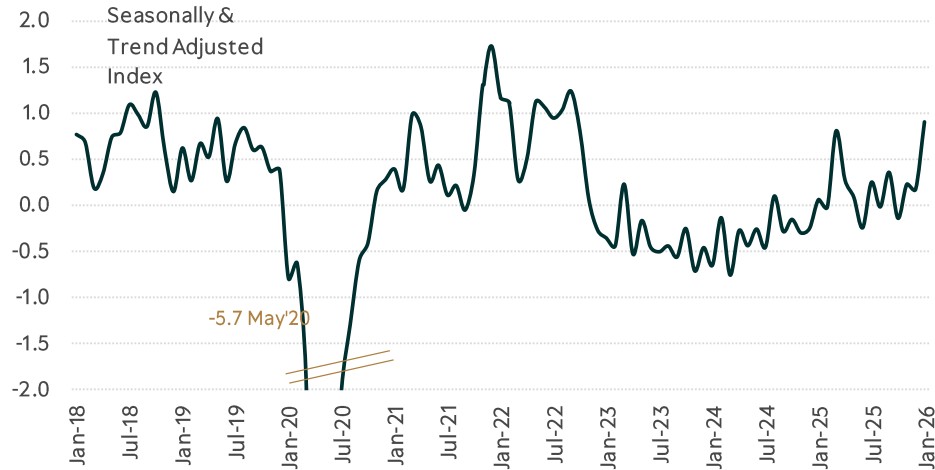


KOF Global Barometer Indicator & China Monetary Conditions

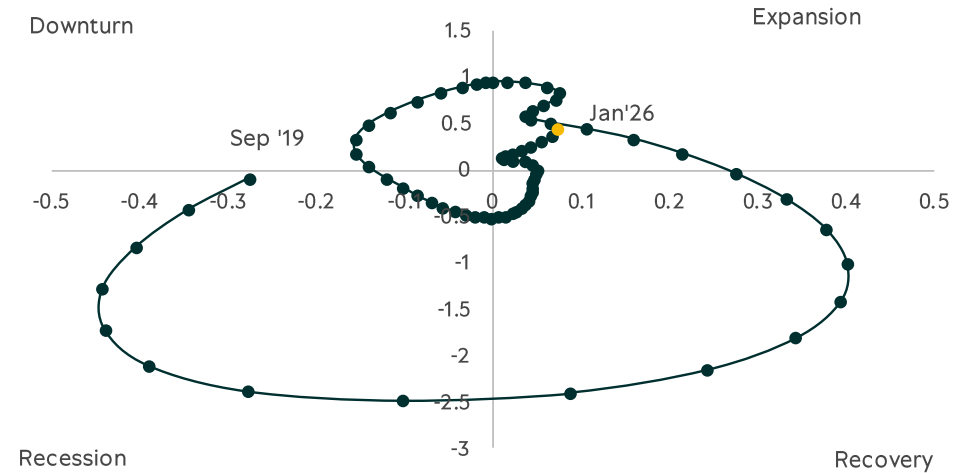


Global Trade | A rebound was recorded in January, with both world trade and exports in the Expansion phase.

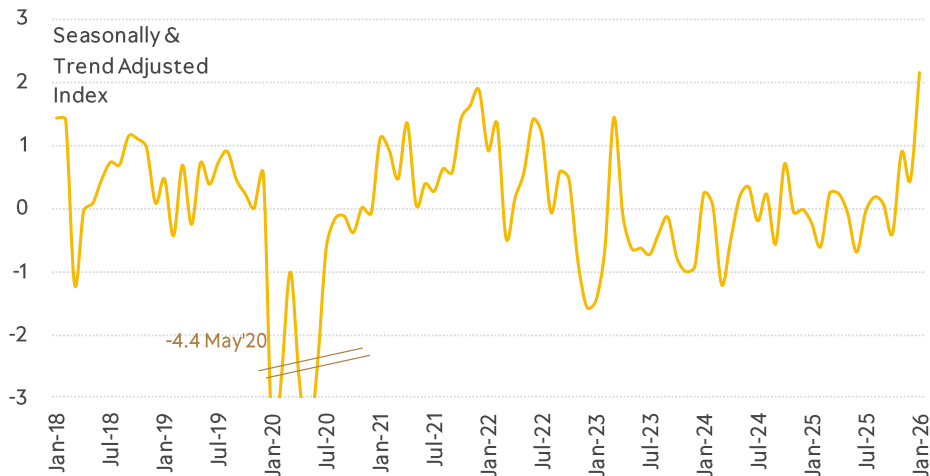
World Trade



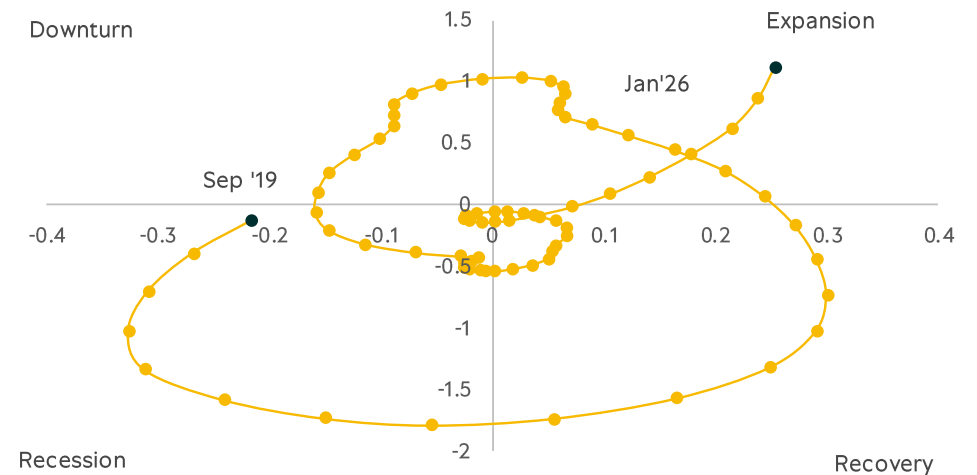
World Trade Tracer



World Exports | EM

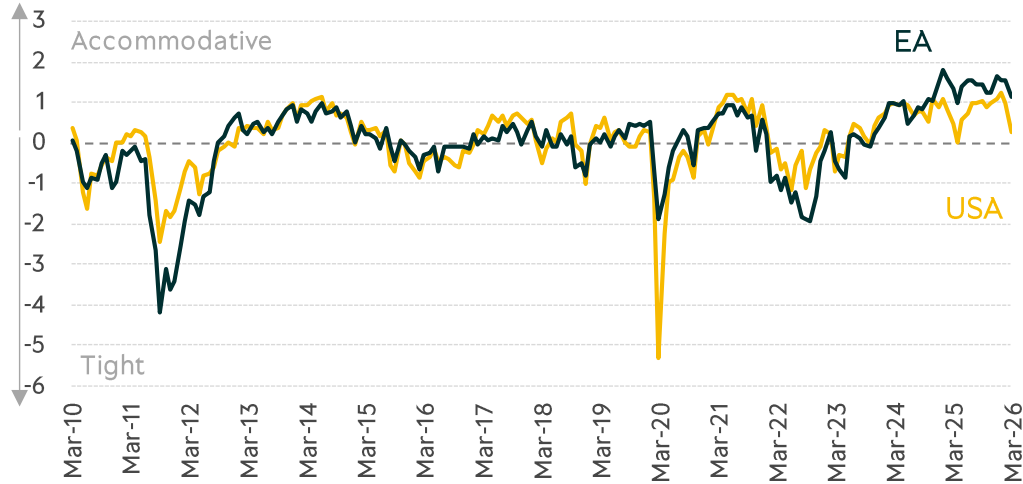


World Exports Tracer | EM

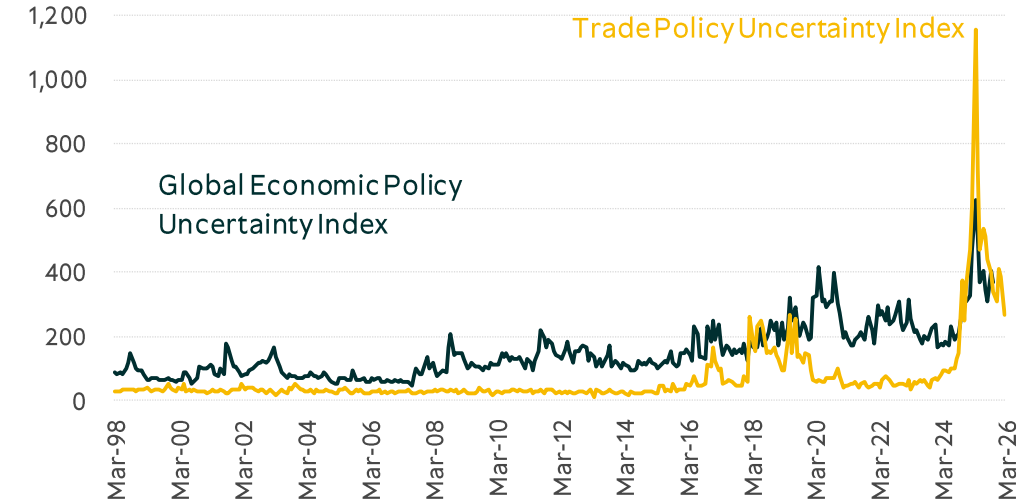


Global Trends | Trade policy uncertainty remained below the past two-year average in March, while U.S. financial conditions stayed accommodative but showed signs of gradual tightening.

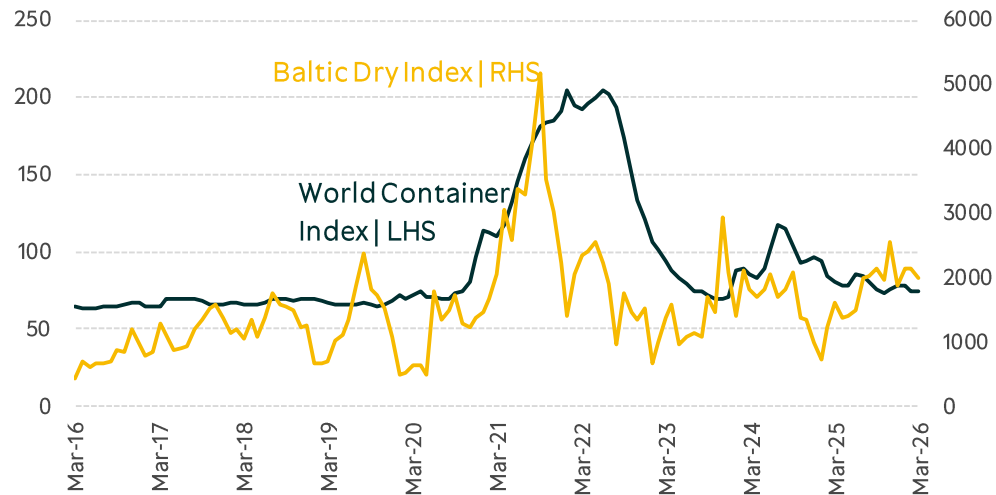
Bloomberg Financial Conditions Indices



Global Economic & Trade Policy Uncertainty (Caldara & Iacoviello)



World Container and Baltic Dry Indices

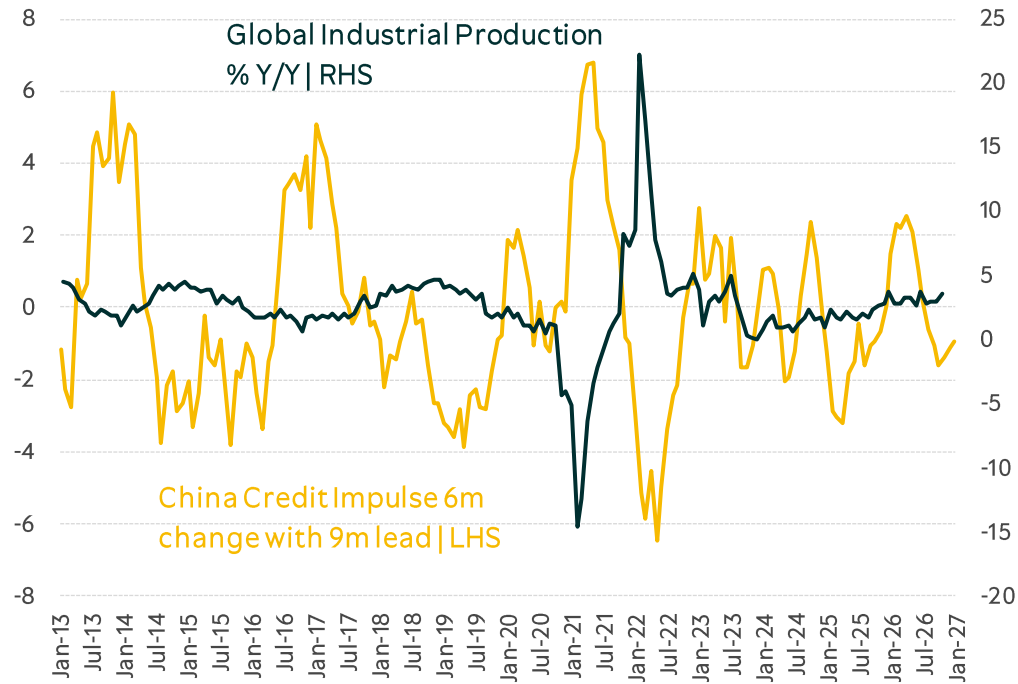


Global Supply Chain Pressure (NY Fed)

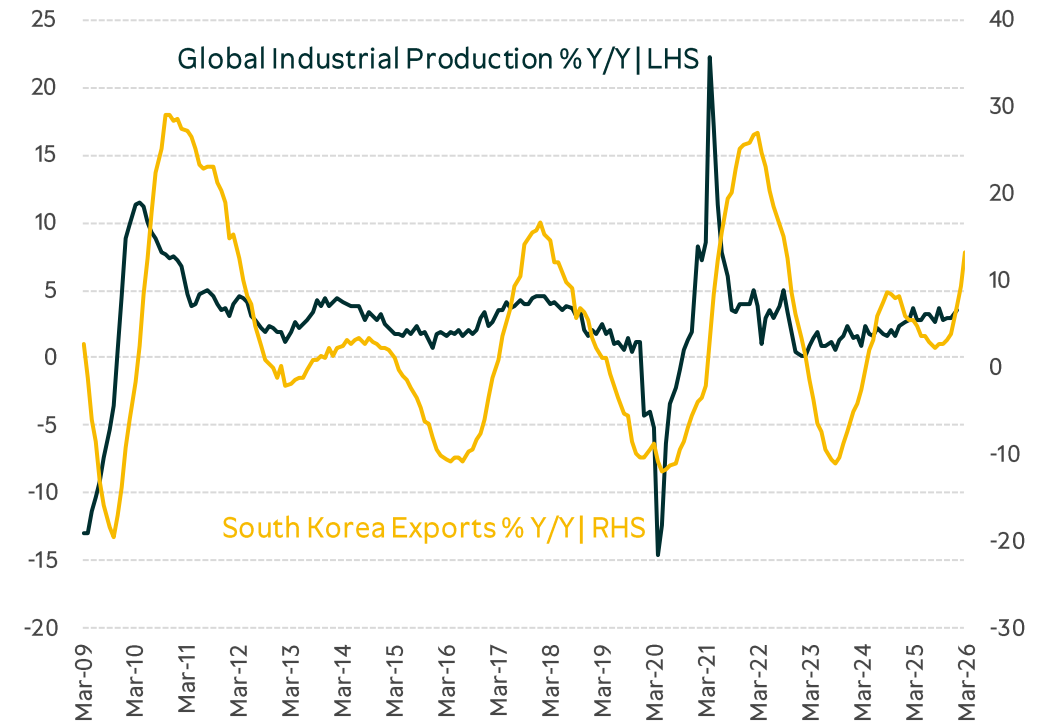


Global Trends | China's credit further improved in March after steady losses in the last months of 2025. South Korea's export improvement aligns with signs of stabilizing global industrial production.

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

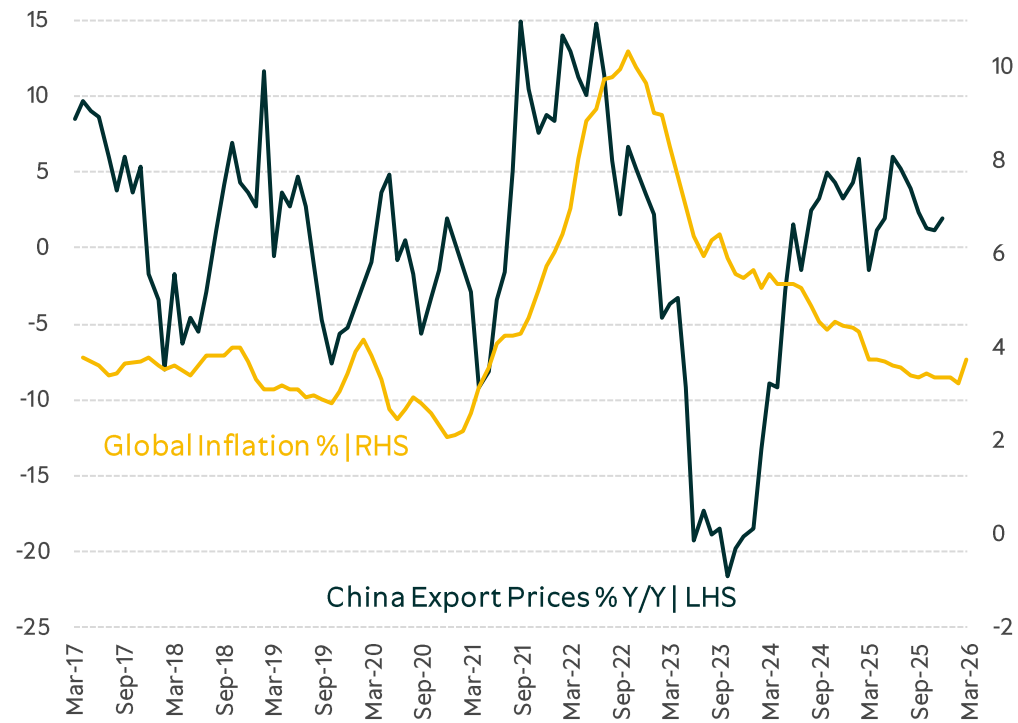


South Korean Exports & Global Industrial Production

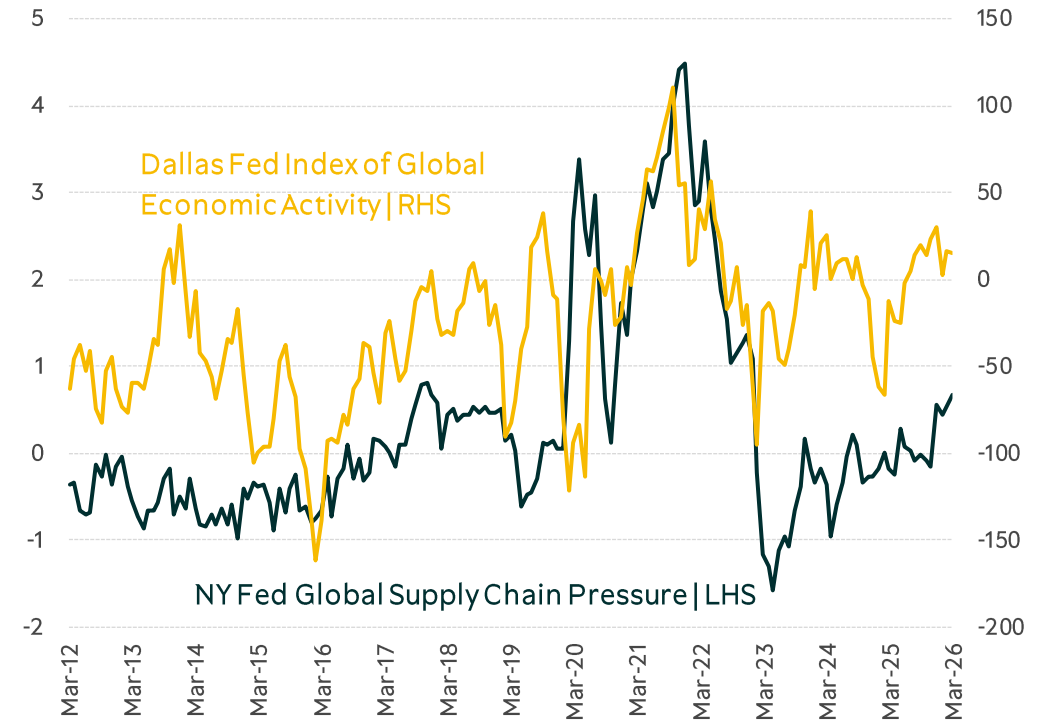


Global Trends | Global inflation edged higher in March, while the Dallas Fed Index of Global Economic Activity remained broadly unchanged.

China Export Prices & Global Inflation

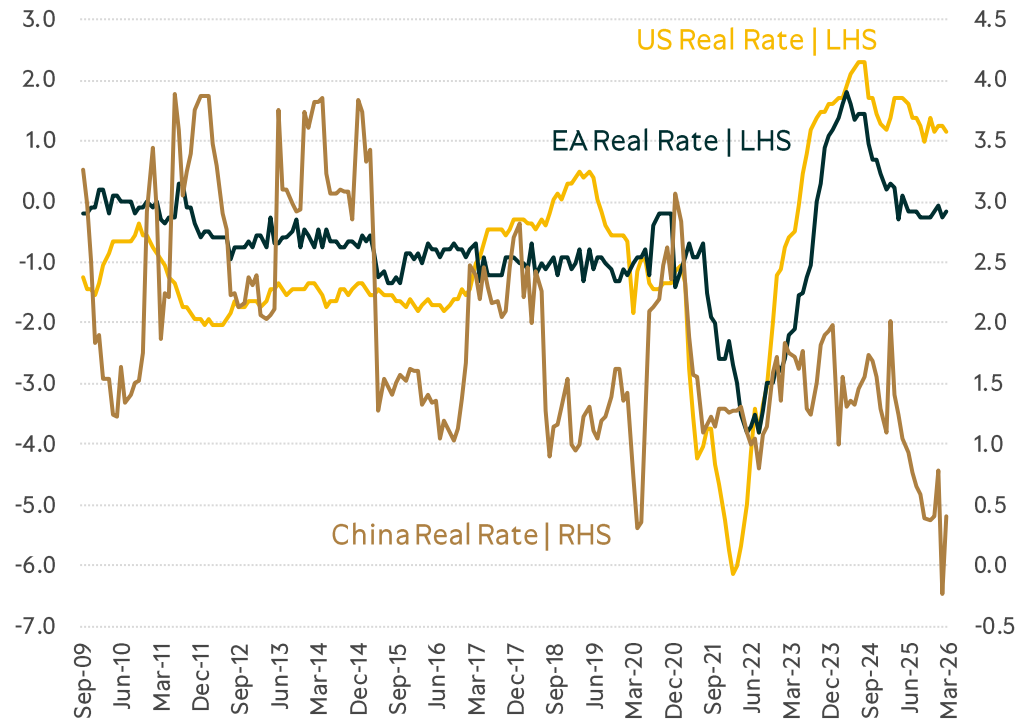


Global Economic Activity vs Global Supply Pressure

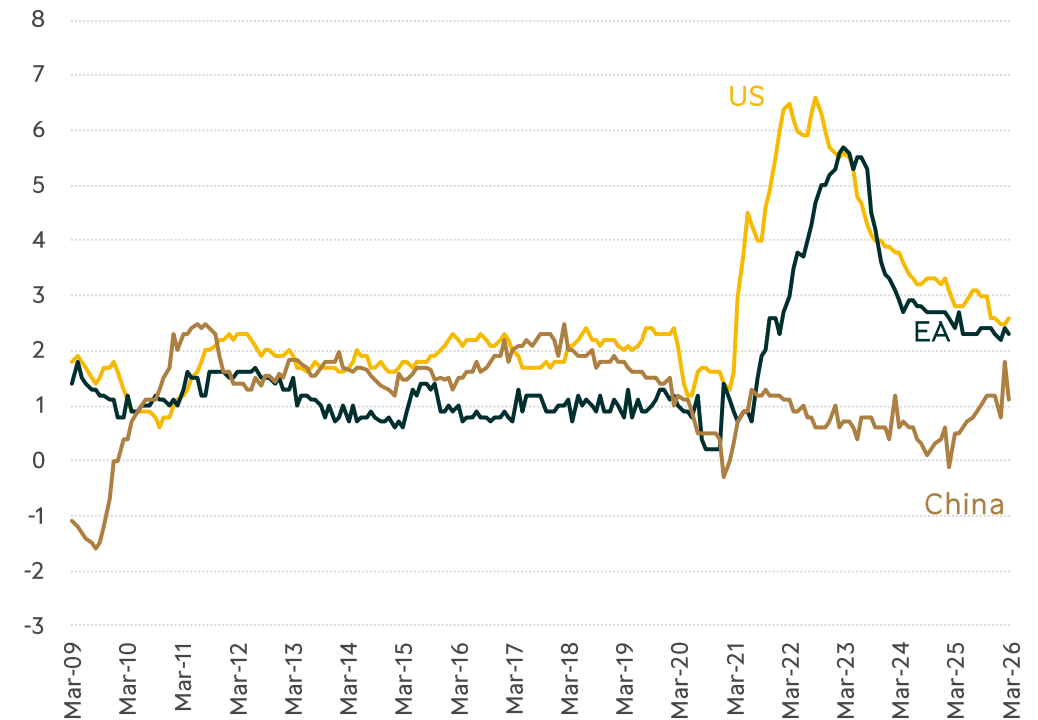


Global Trends | China's real policy rate turned positive in March. Core CPI eased in the EA and China, while edging slightly higher in the US.

Global Real Policy Rates US, EA, CN



US, EA, CN Core Inflation



Bird's Eye View

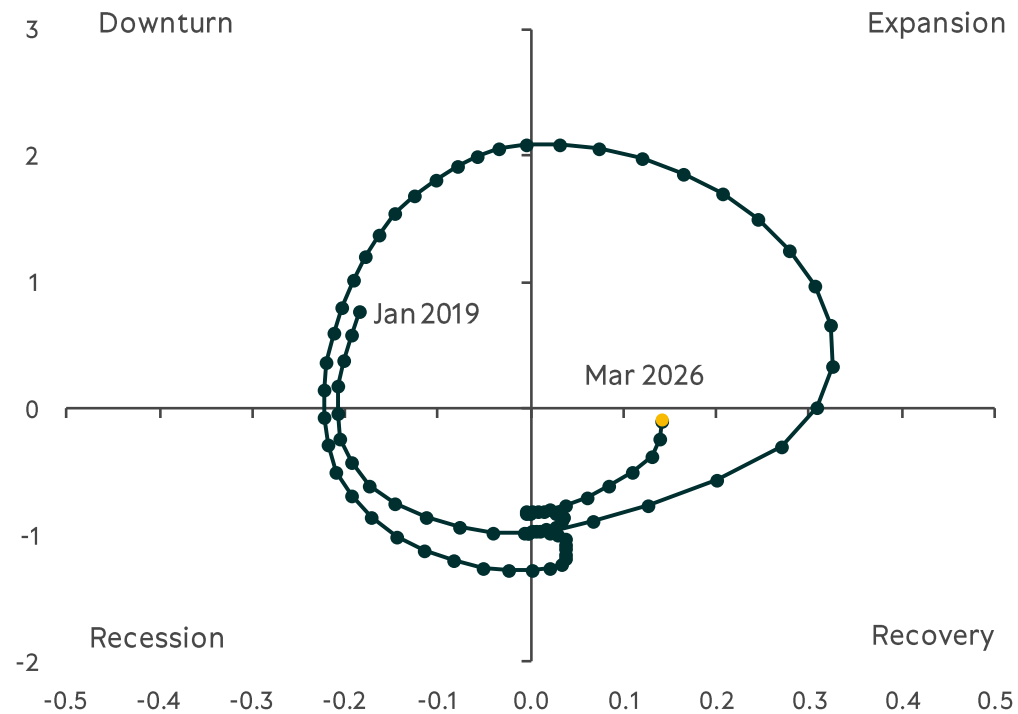
US Economy

EA Economy

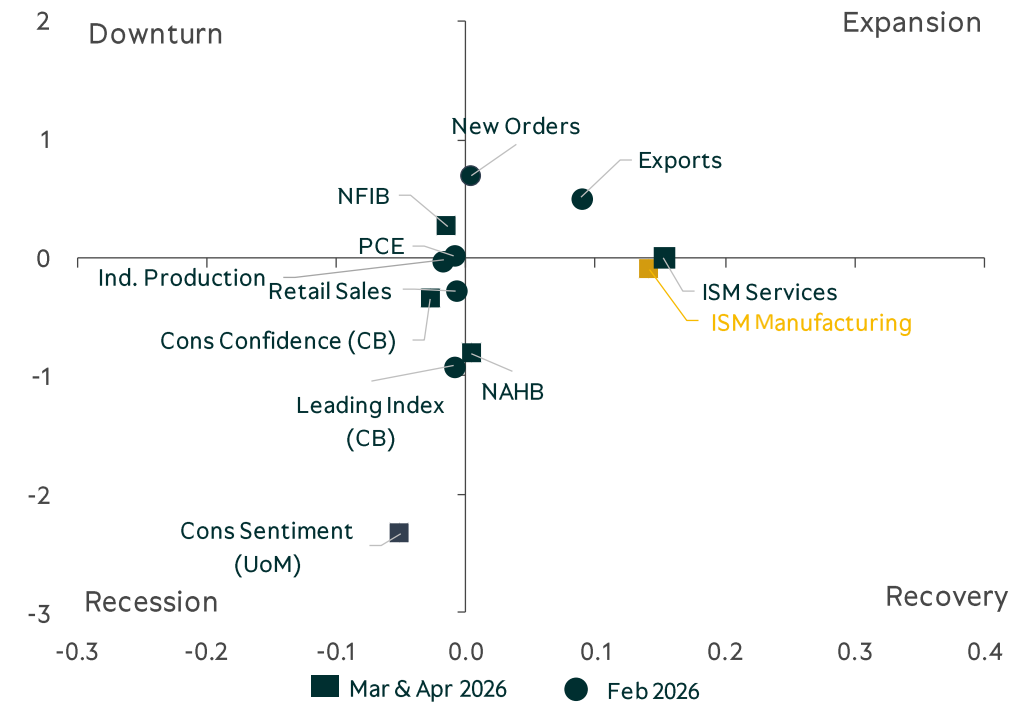
China Economy

US Business Cycle | ISM Manufacturing and ISM Services are moving to towards the expansion phase

US Business Cycle | Based on ISM Manufacturing Indicator

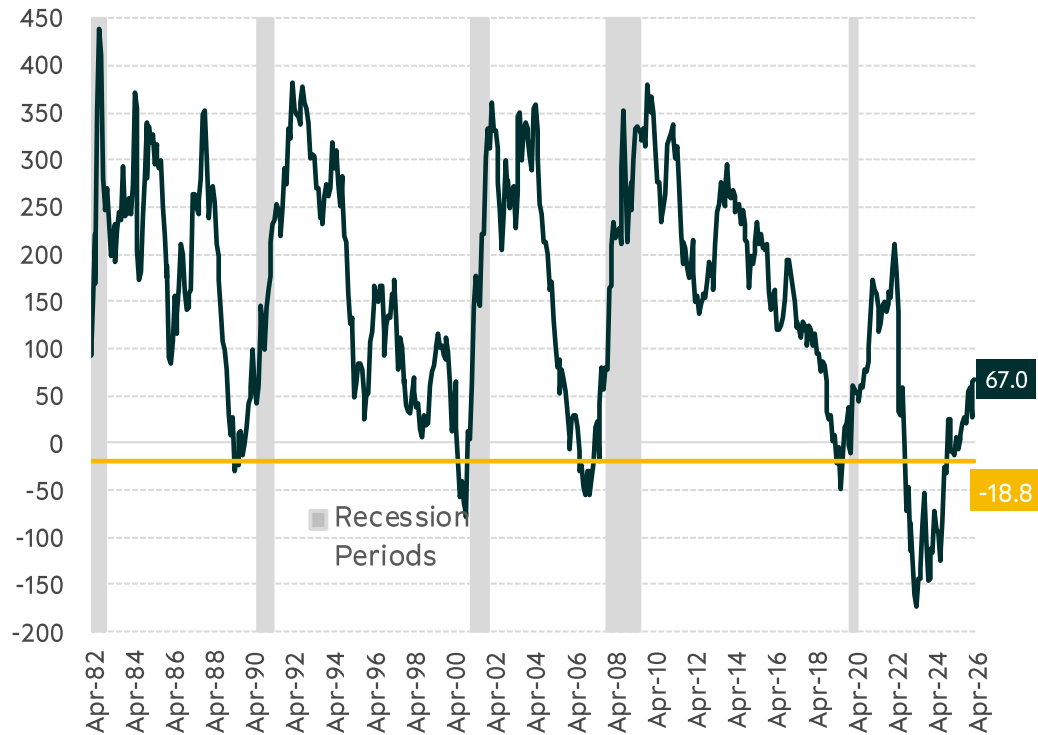


US Business Cycle | Based on Major US Economic Variables

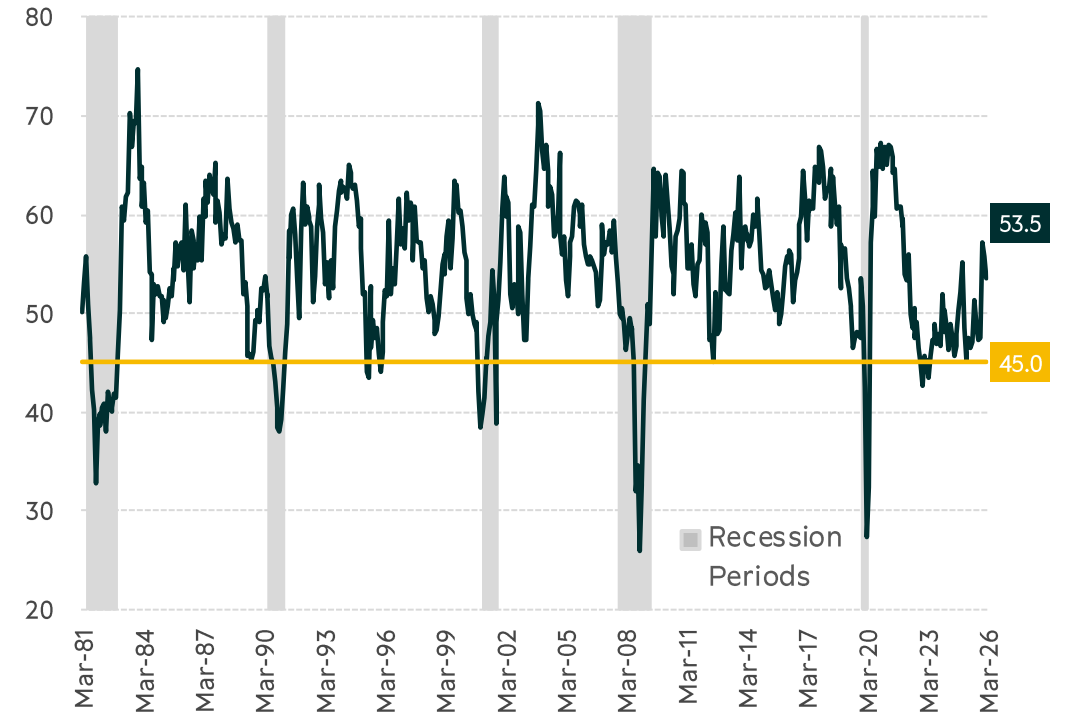


US Recession Indicators | The 10YR3M spread and the ISM New Order Index remain firmly above the threshold levels consistent with recession periods.

10 Year and 3M US Treasury Yields Spread

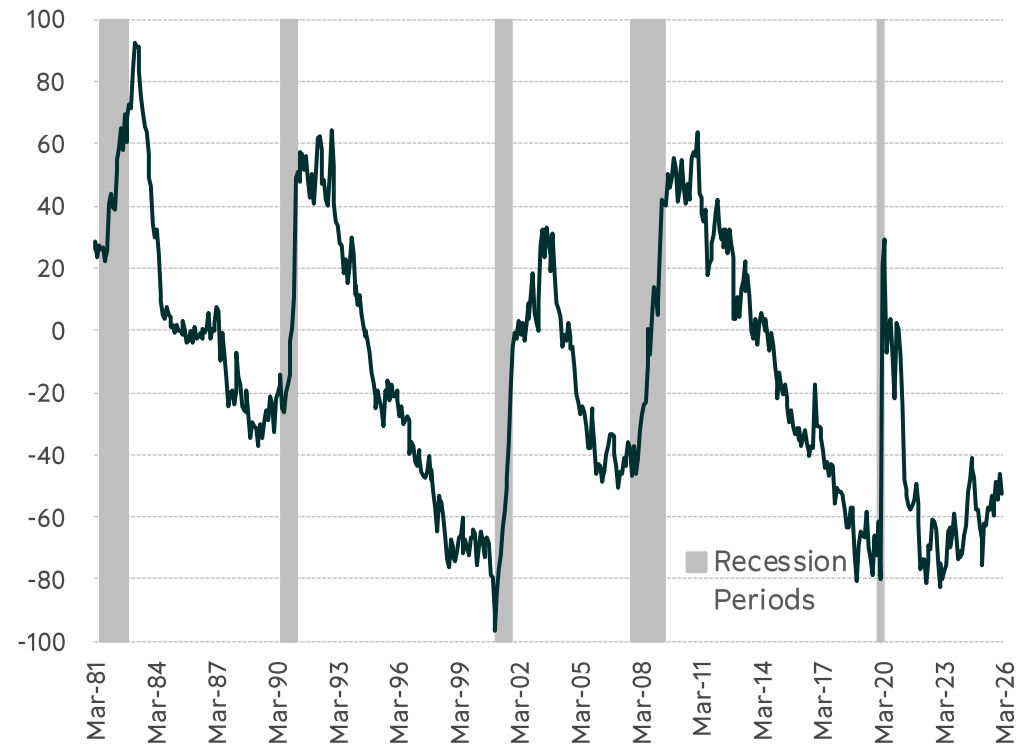


ISM Manufacturing New Order Index

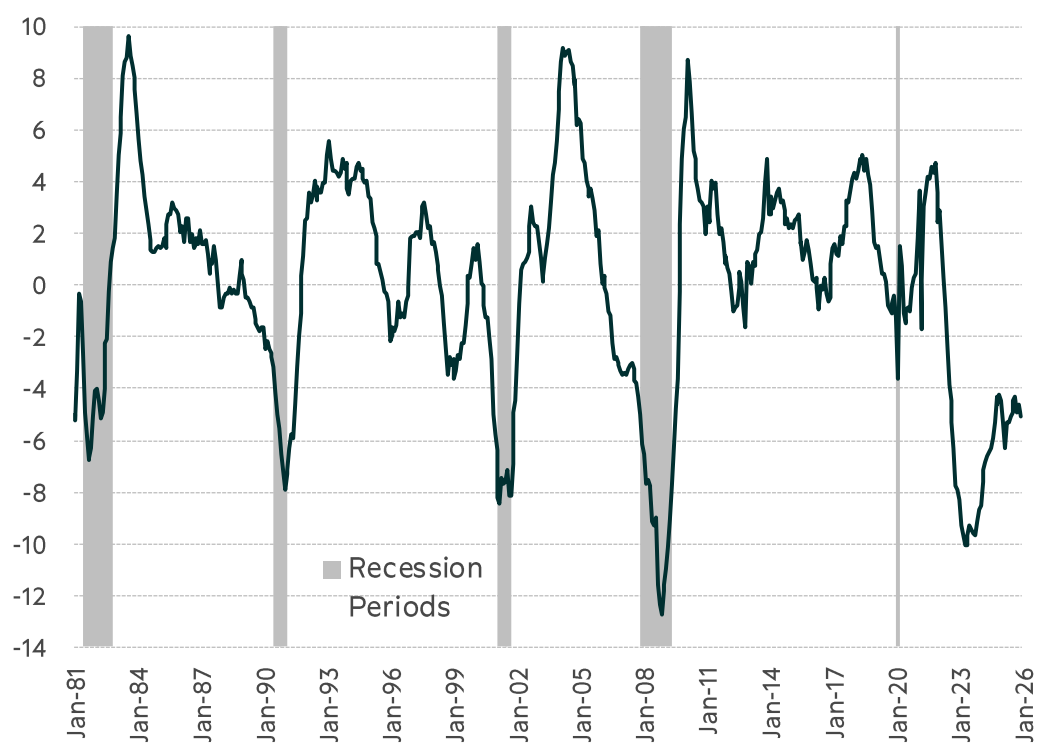


Conference Board Survey | Consumer Expectations fell in March partially offsetting an increase in the Current Situation component. The difference between the Leading and Coincident indicators widened in January.

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

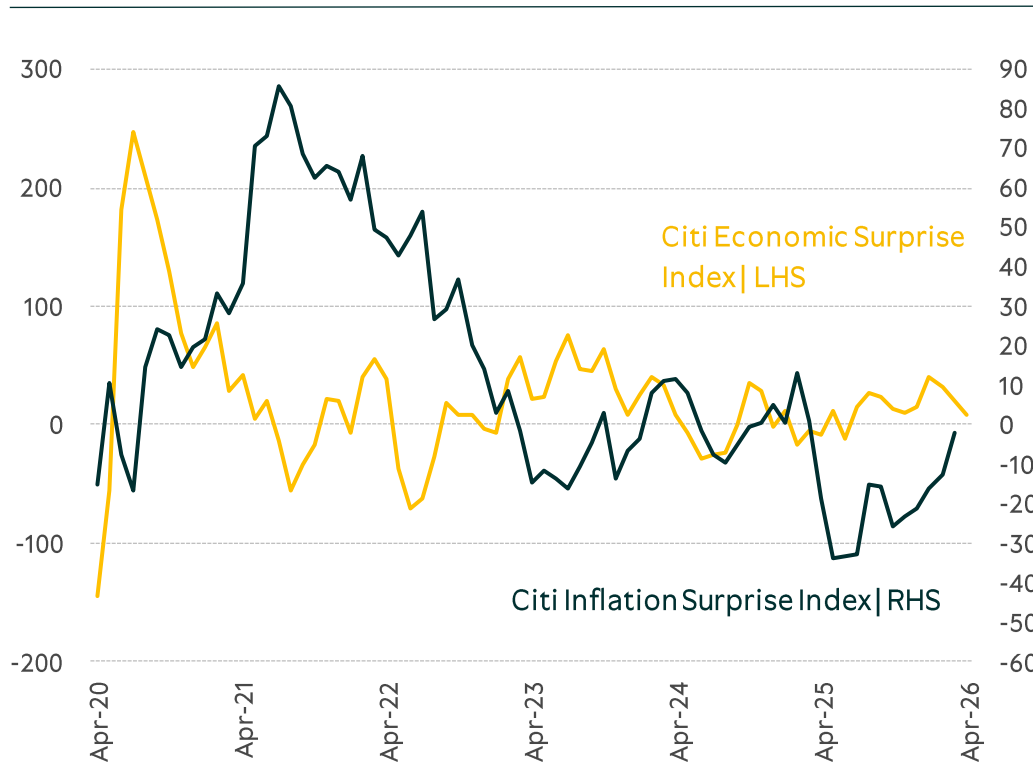


Difference between Leading & Coincident Indicators (Conference Board)

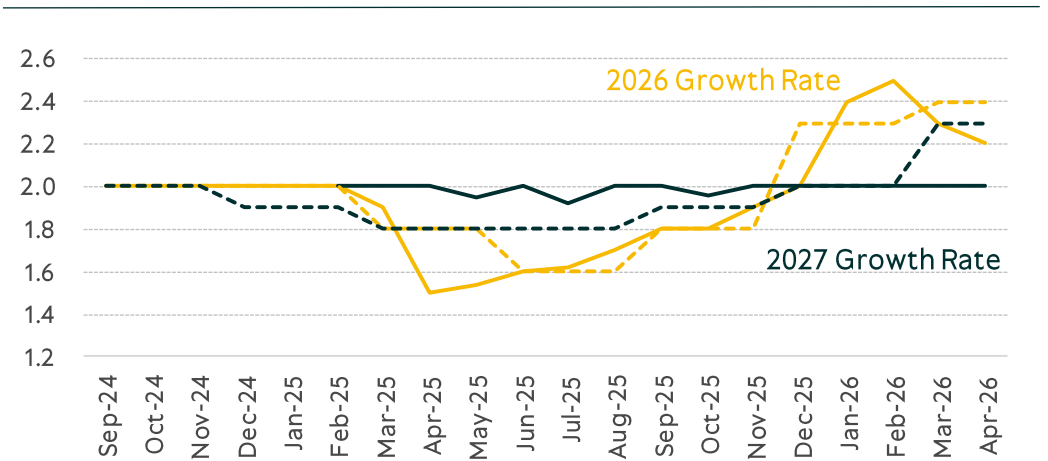


US Macro Expectations | Economic surprises on a downward trend. Negative inflation surprises weakened further in March. Growth expectations are being revised lower and inflation expectations higher for 2026.

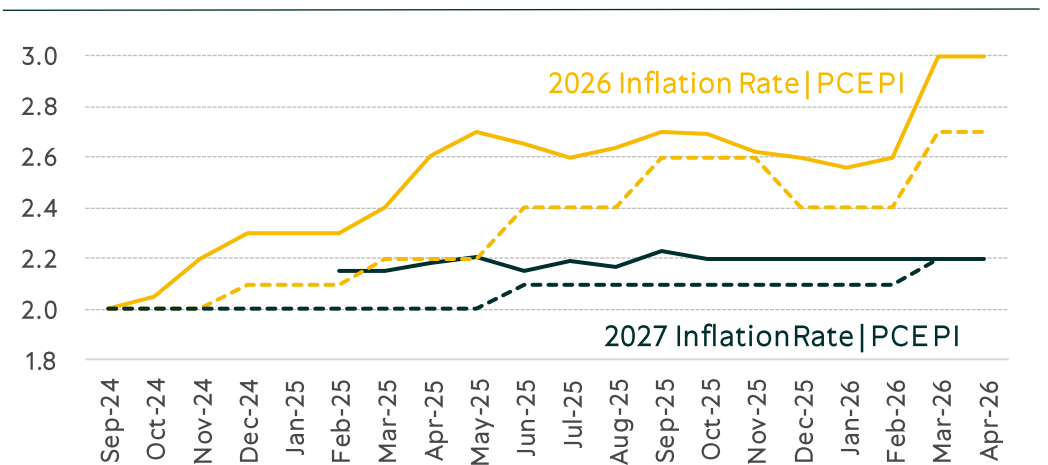
Economic & Inflation Surprises



Growth Rate Expectations*



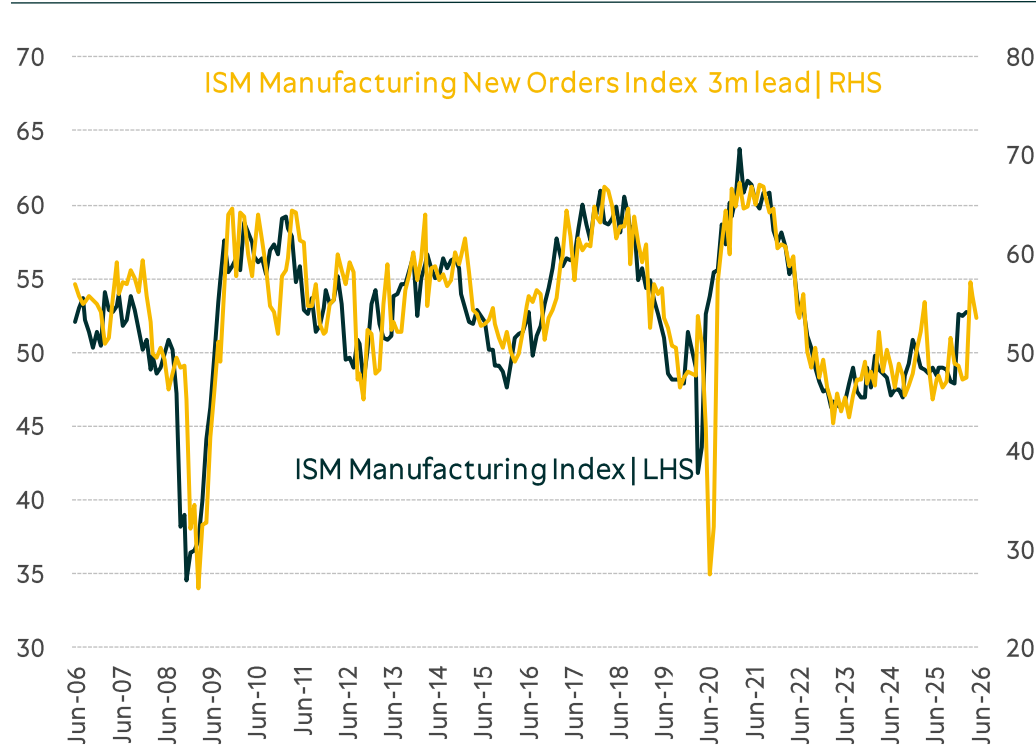
Inflation Rate Expectations*



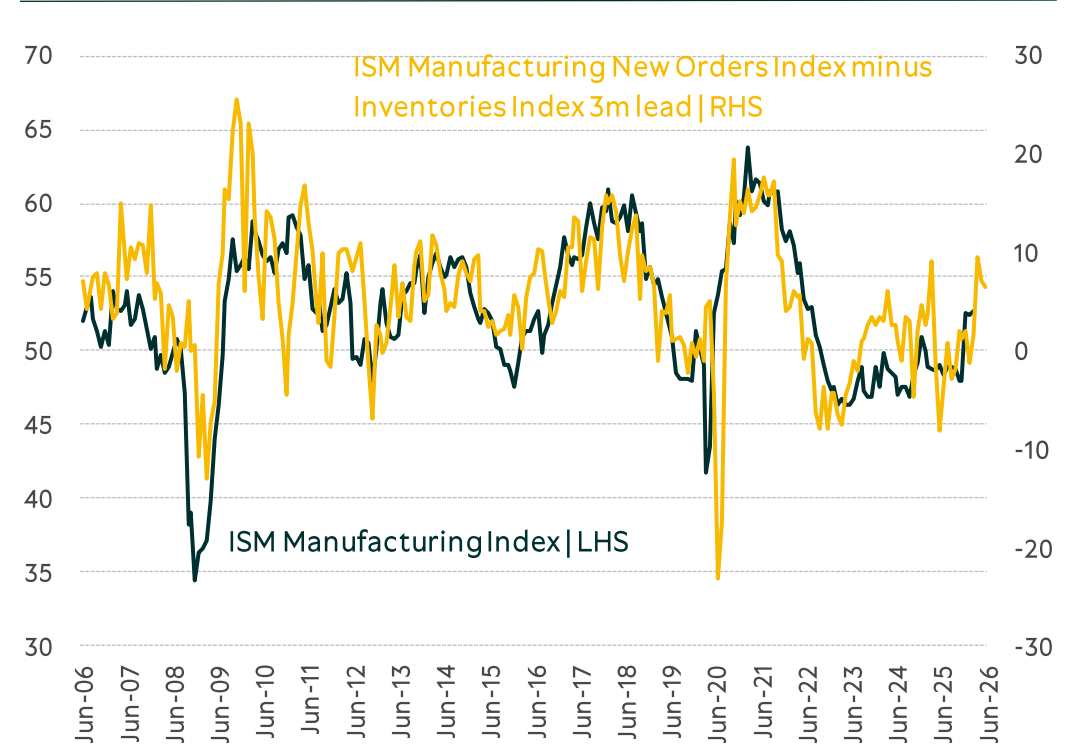
*Solid line: Consensus; Dotted line: Fed projections

US Leading Indicators | The ISM Manufacturing Index rose further in March although New orders dropped significantly while inventories remain unusually low.

ISM Manufacturing & New Orders Indices

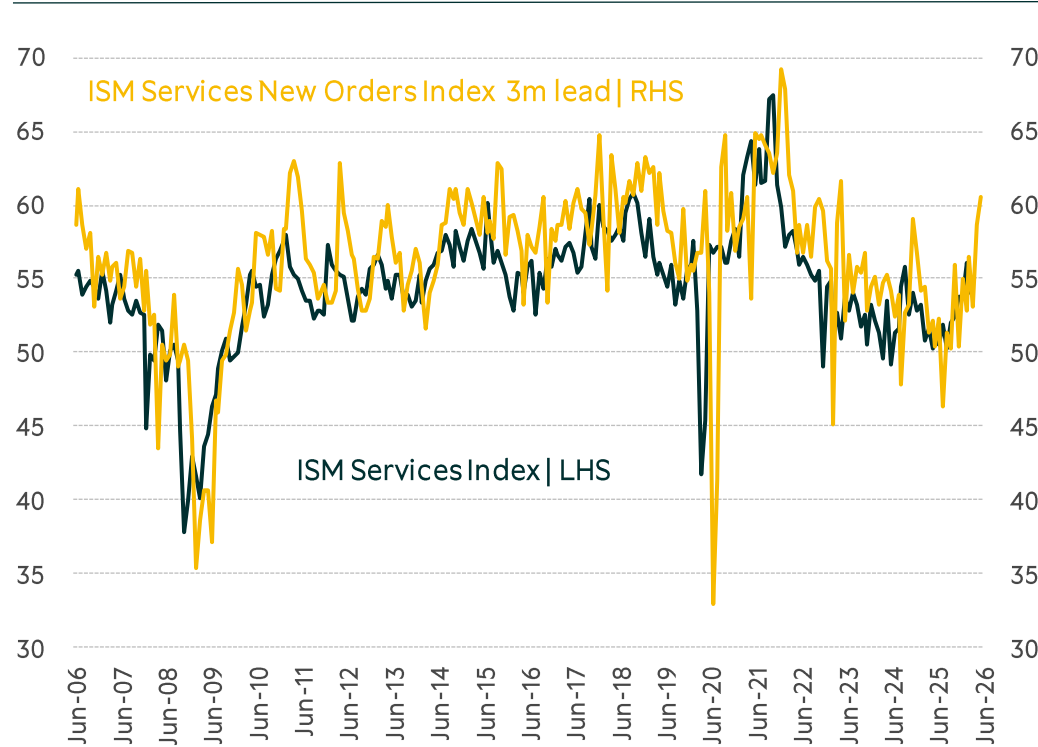


ISM Manufacturing & New Orders Index Minus Inventories Index

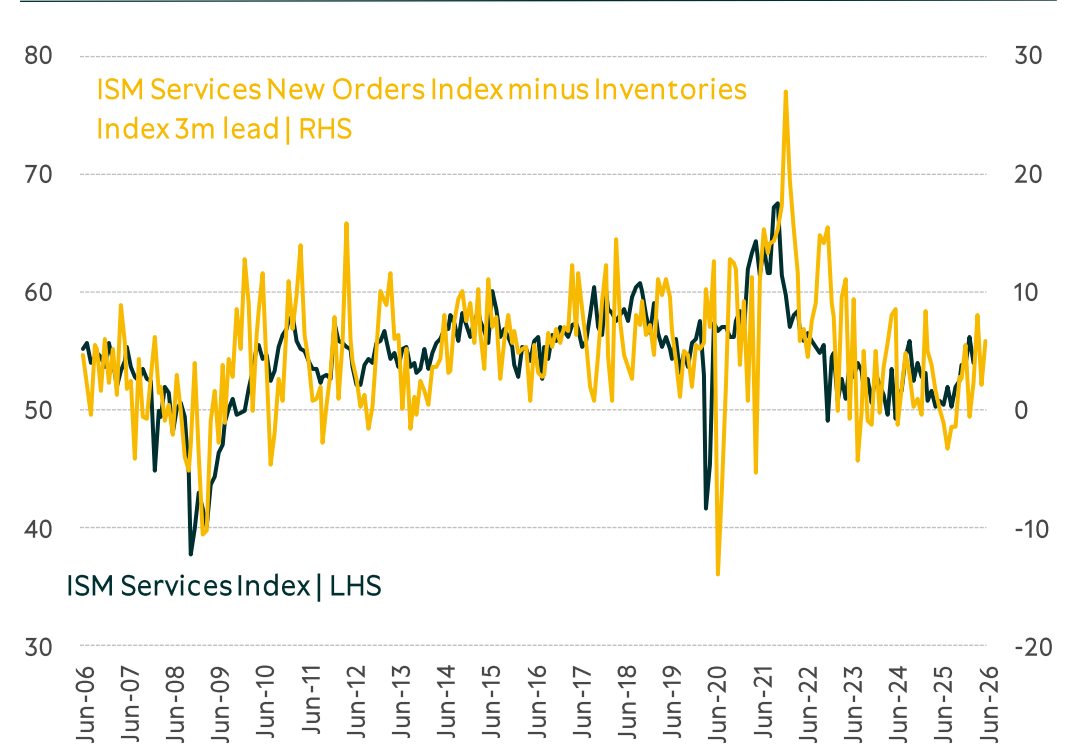


US Leading Indicators | ISM Services index fell to 54 in March although there was a significant increase in the new orders index

ISM Services & New Orders Indices

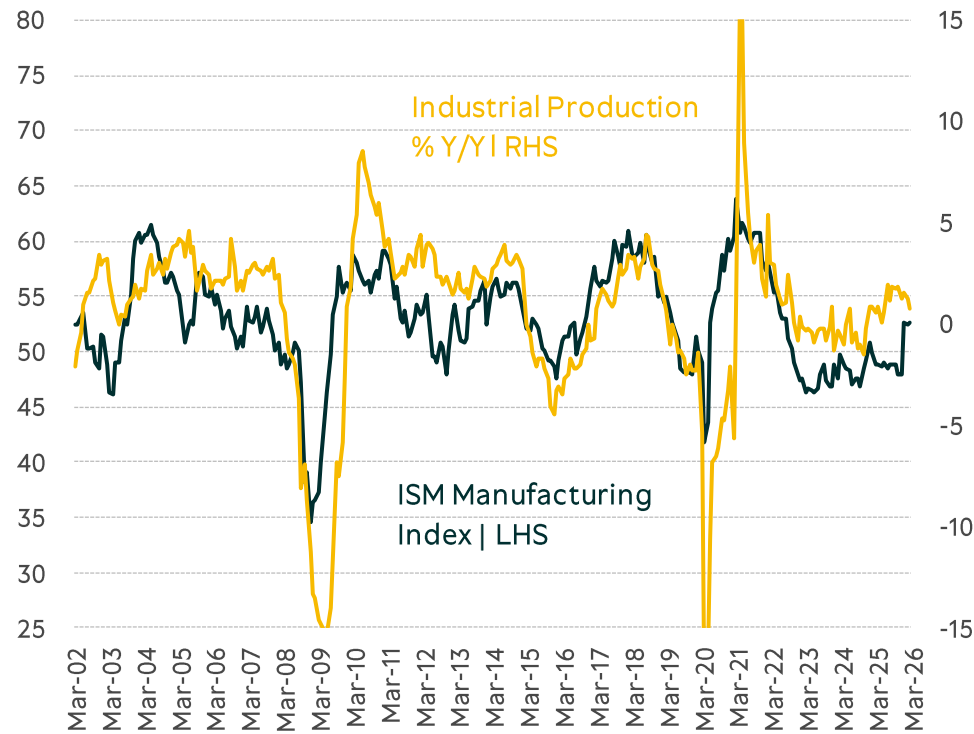


ISM Services & New Orders Index Minus Inventories Index

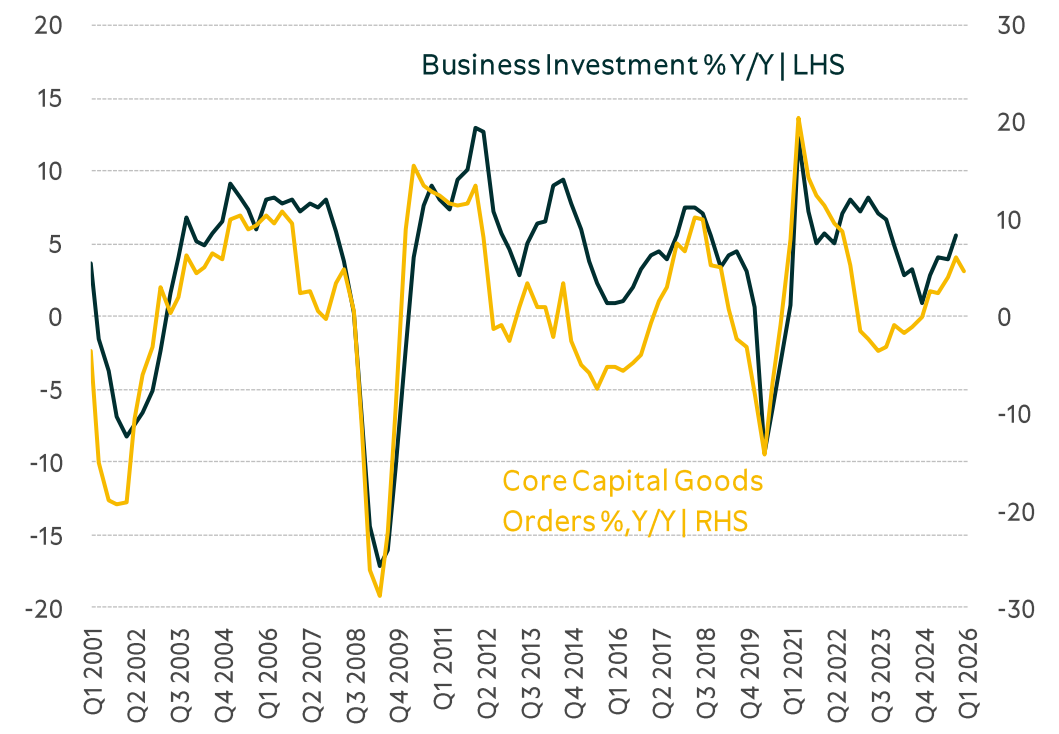


US | Industrial Production fell 0.5% in March (+0.7% yoy) unwinding much of February's surge. Small slowdown in Core Capital Goods expected in Q1 26.

Industrial Production & ISM Manufacturing

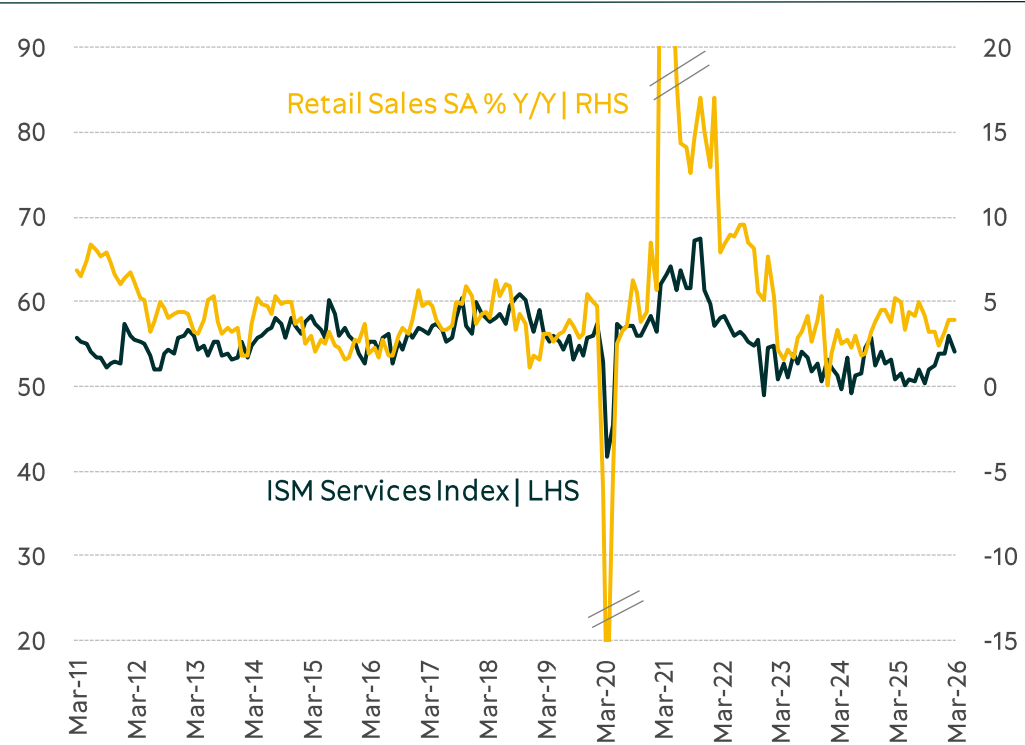


Core Capital Goods Orders & Business Investment

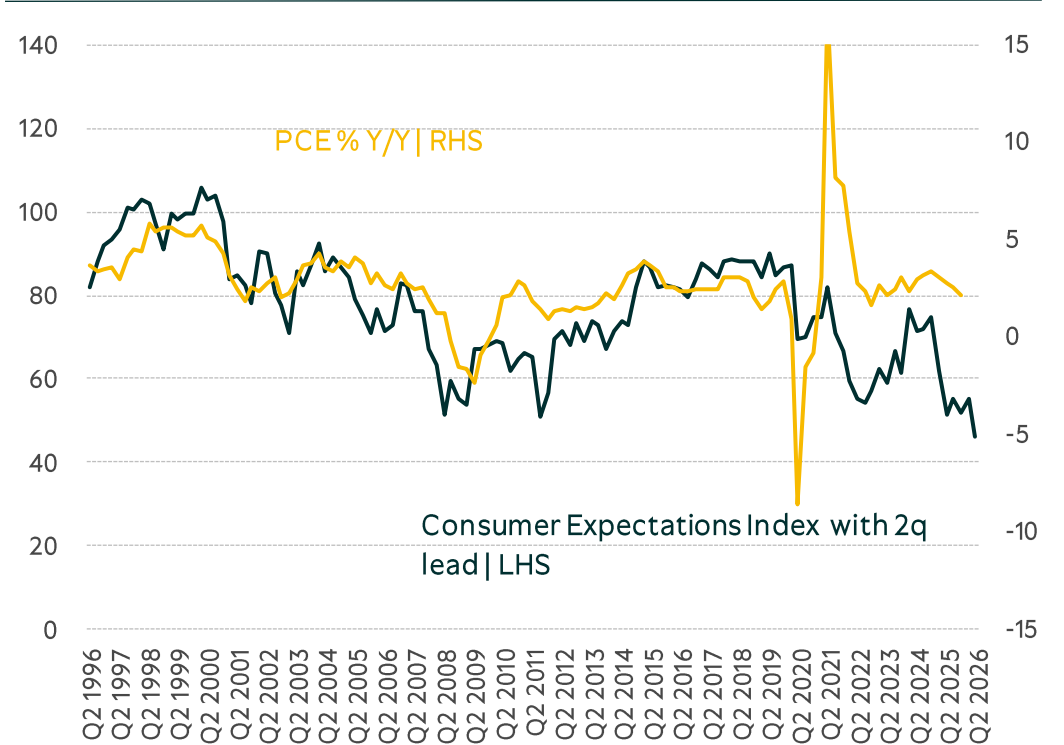


US | ISM Services decreased in March, but advance Retail sales rose 1.7% (+0.6% excluding Auto and Gas) on a monthly basis. Consumer expectations have fell further in April.

Retail Sales & ISM Services

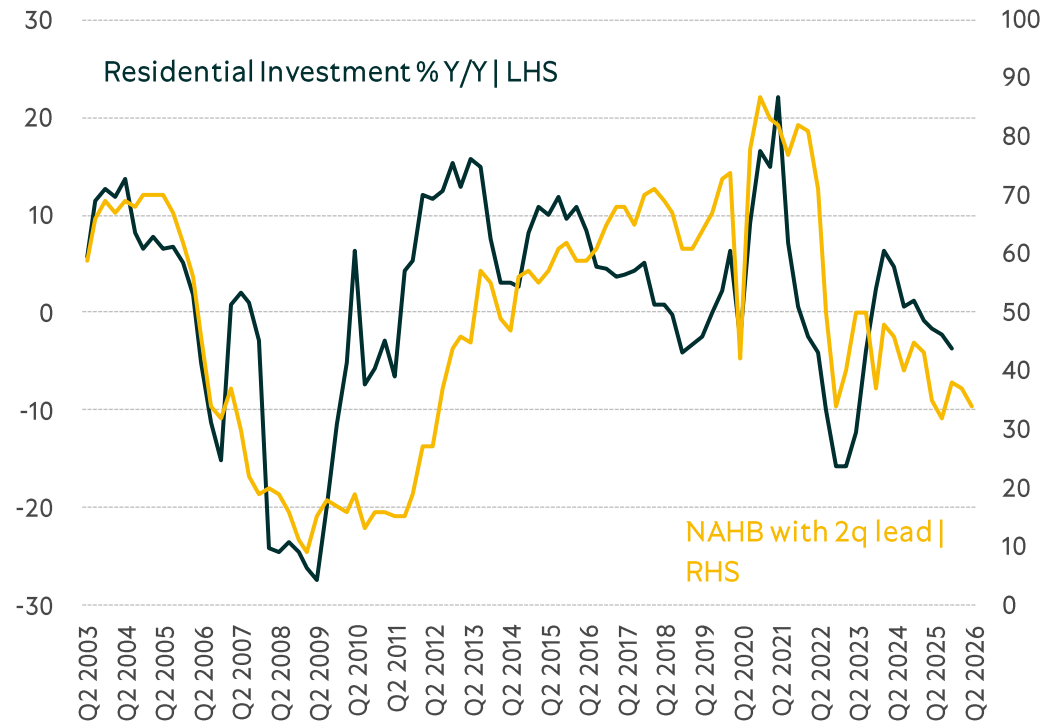


Personal Consumer Expenditure & University of Michigan Consumer Expectations Index

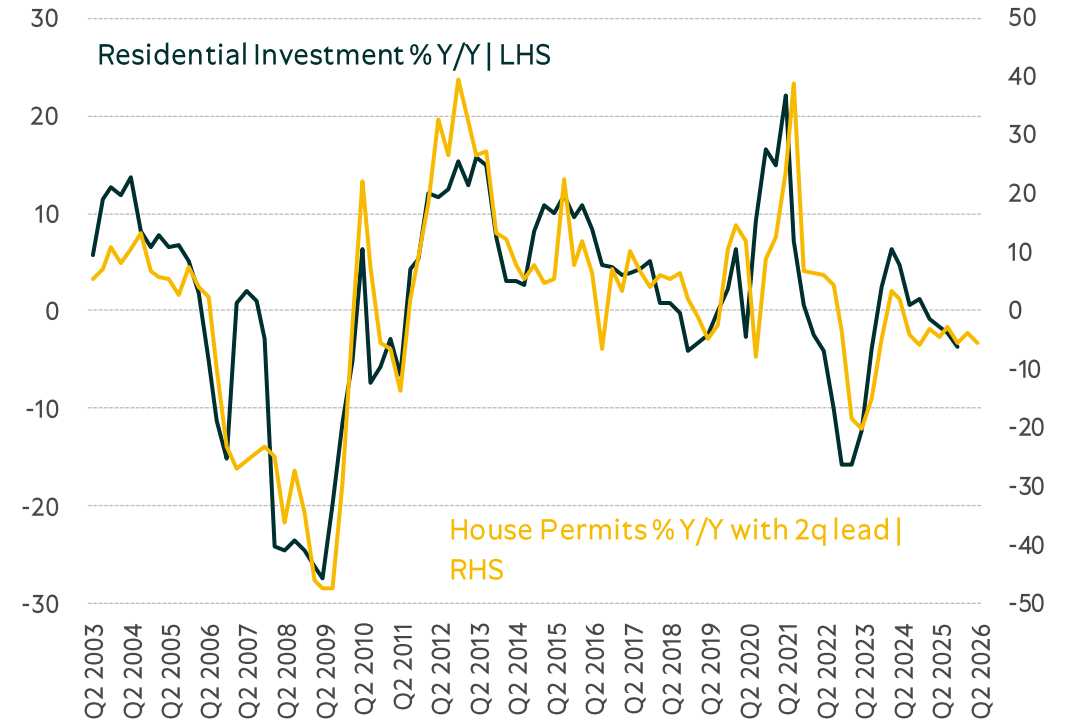


Housing Market | Residential investment declined further in Q4. Decline in House Permits in Q1. Home builders' expectations fell in April as affordability concerns continue to weigh heavily on buyers.

Residential Investment & NAHB Index

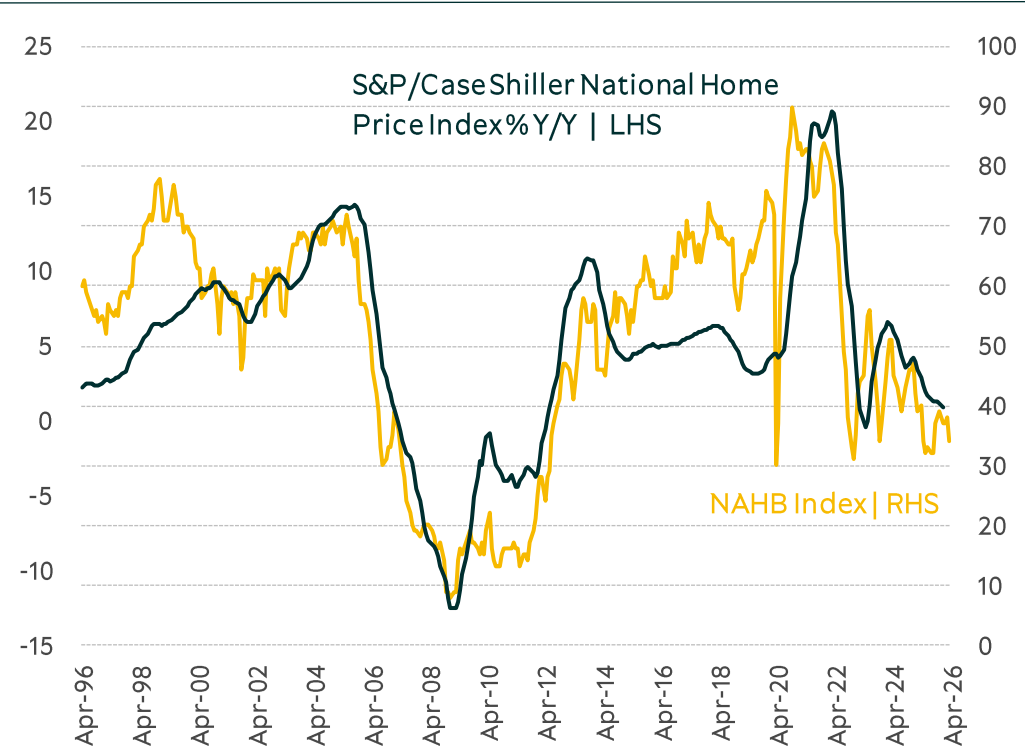


Residential Investment & House Permits

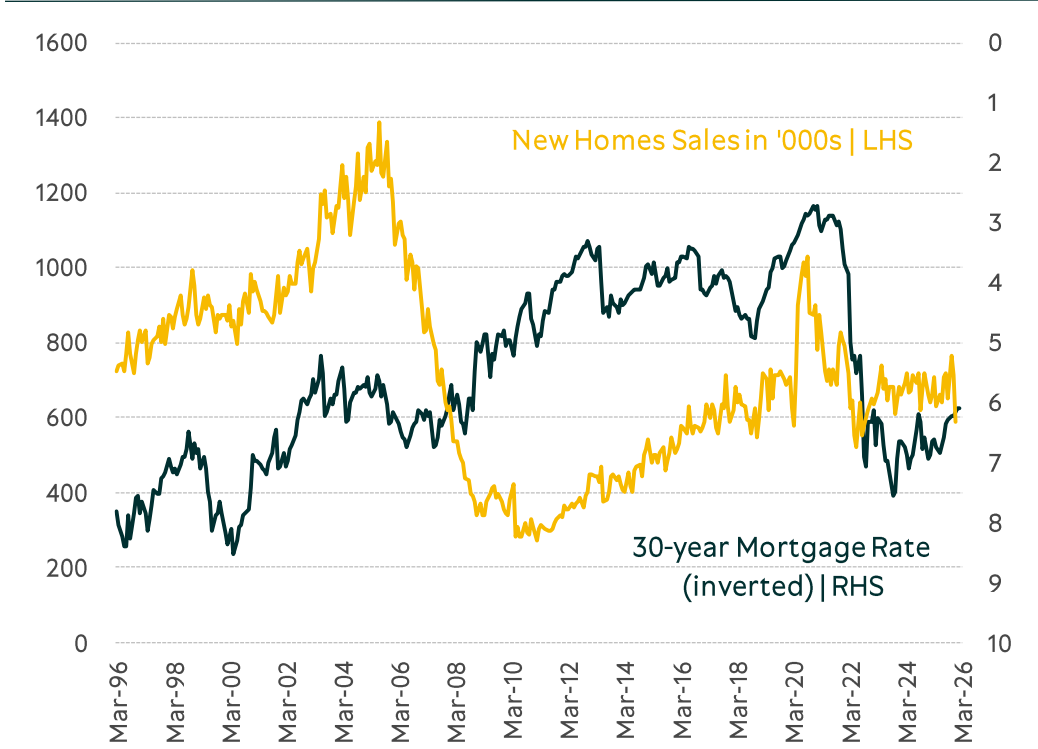


Housing Market | New home sales fell sharply in Jan as 30-year mortgage rates remain above 6 percent. The S&P/Case Shiller National Home Price Index posted a modest 0.9% annual gain in January.

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

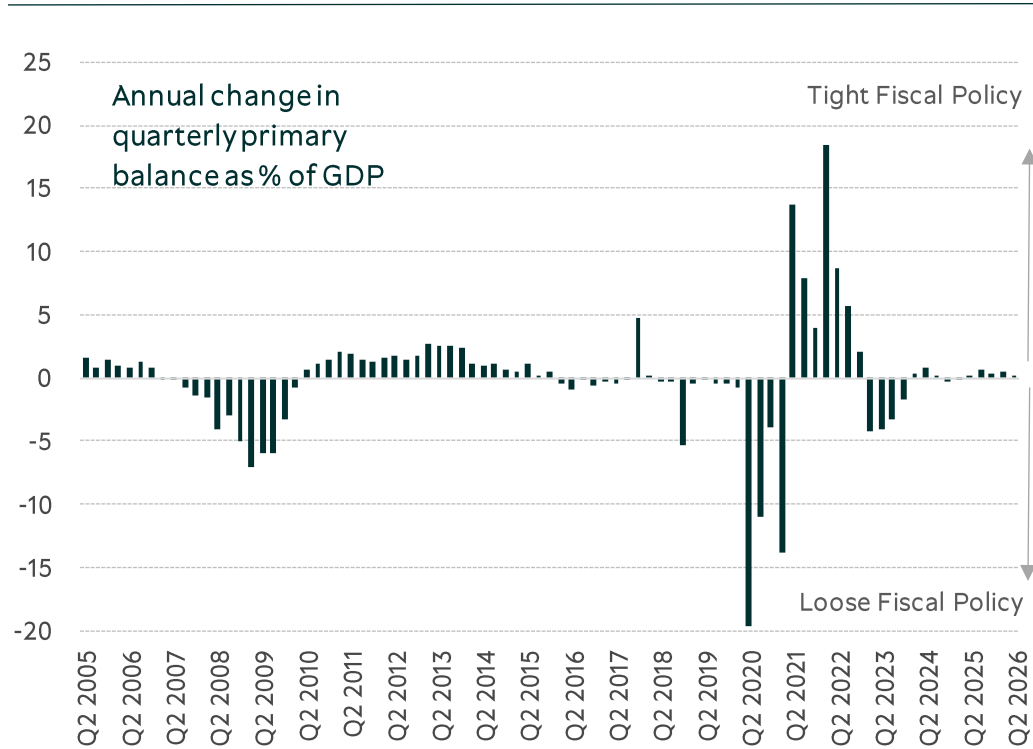


US new home sales and 30-year mortgage rates

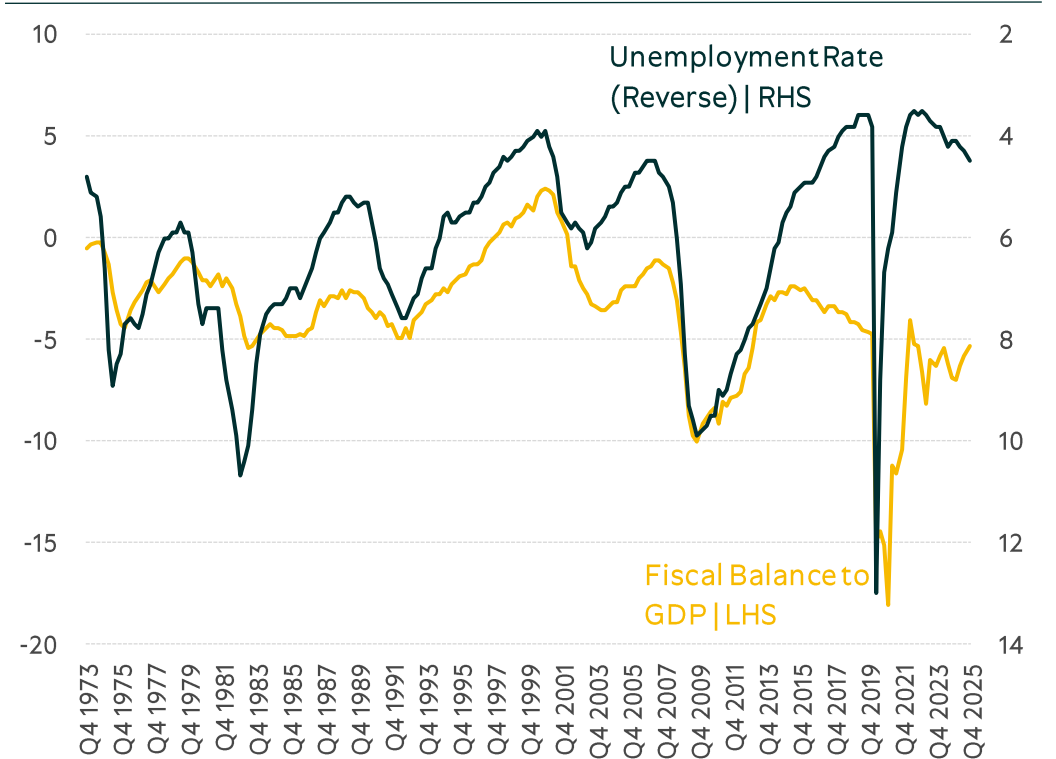


Fiscal Policy | Still too loose vs unemployment. The slight improvement in the Fiscal Balance to GDP ratio is attributed to higher revenues (which incl. tariffs) and moderated spending growth. Fiscal challenges ahead.

Fiscal Thrust

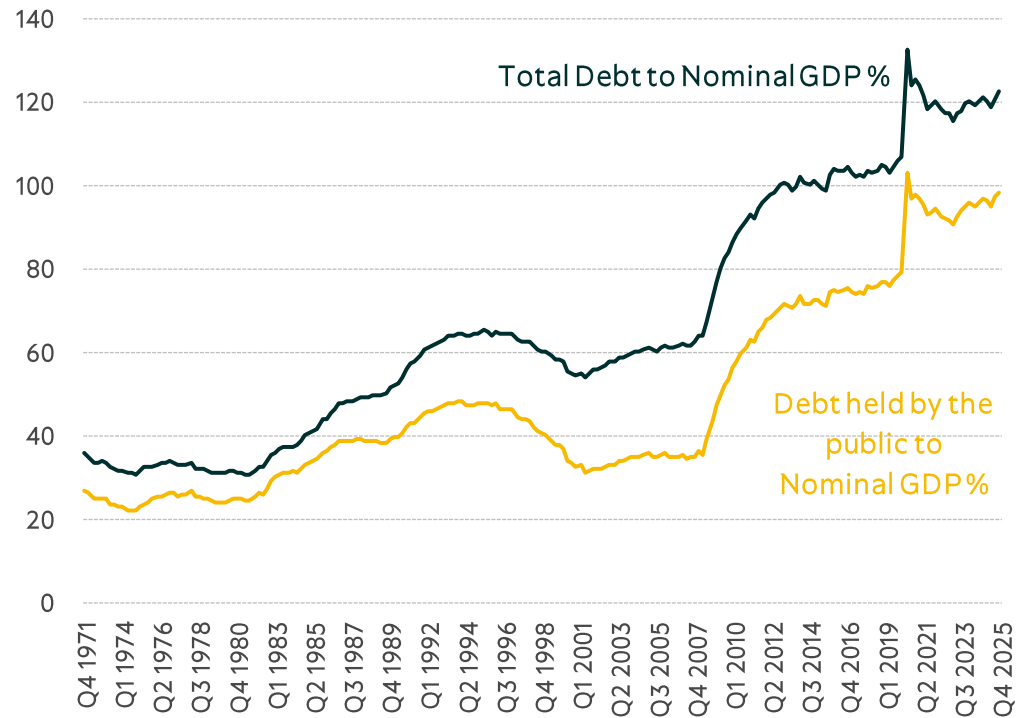


Fiscal Policy vs Unemployment

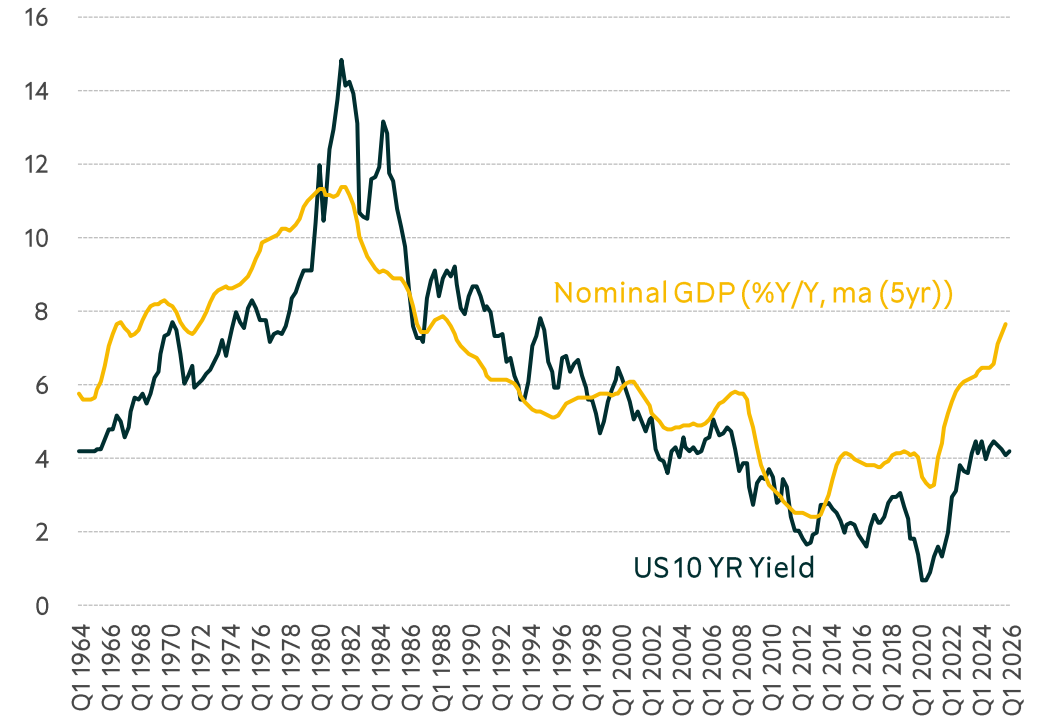


Fiscal Policy | Slight increase in the Debt/Nominal GDP ratios in Q4 2025. The long-term trajectory remains concerning.

Debt / Nominal GDP

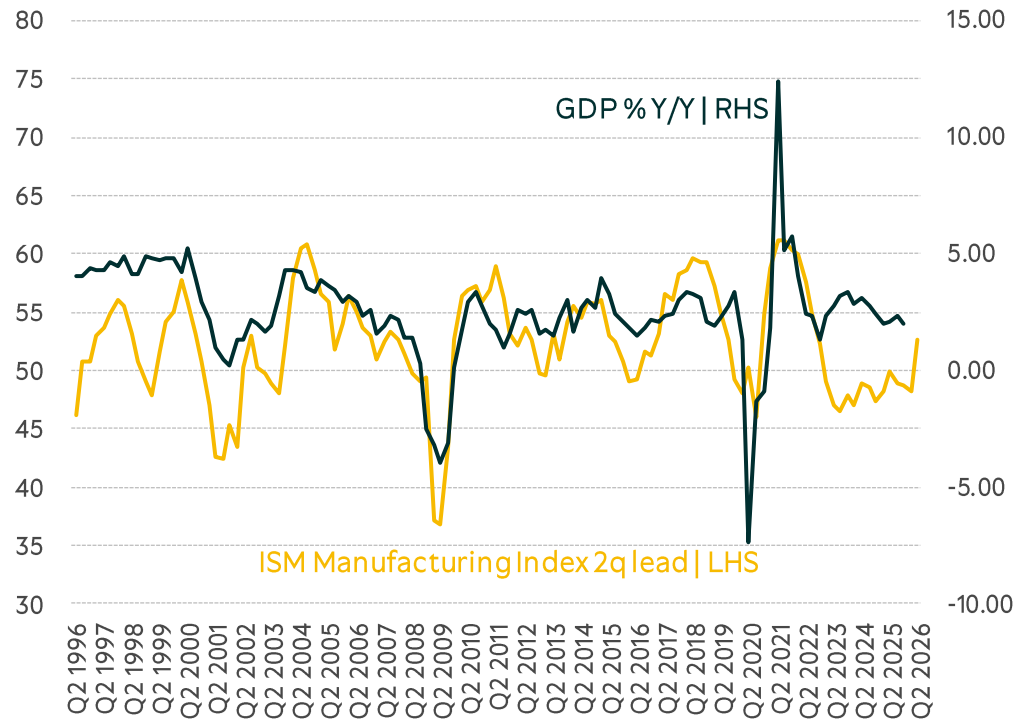


Fiscal Policy Sustainability

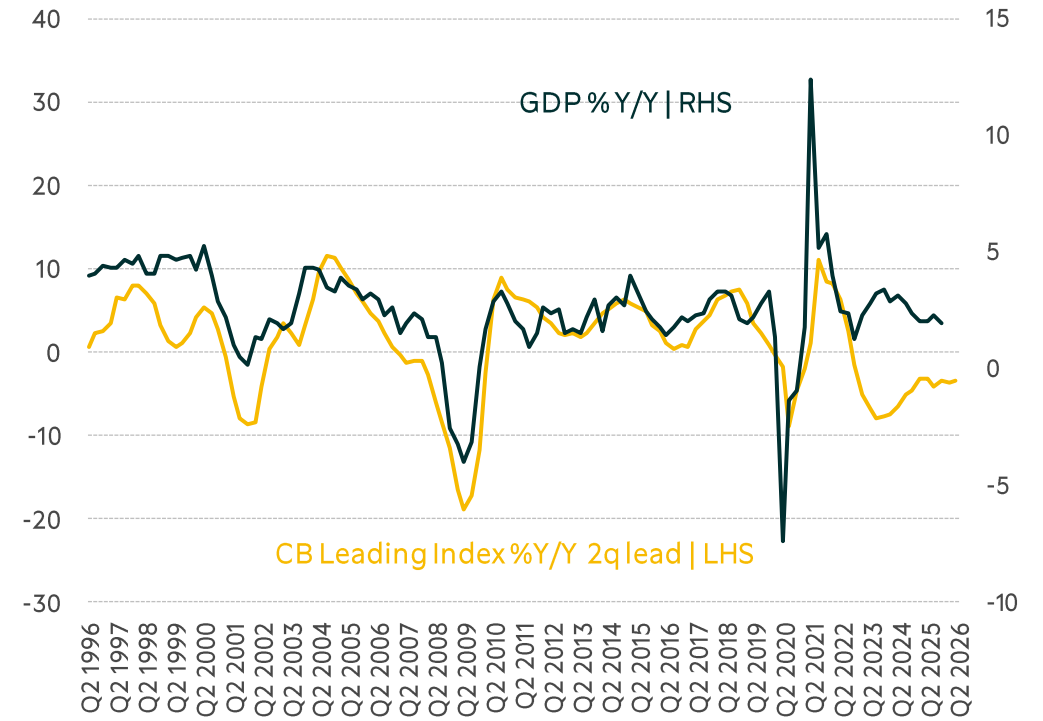


US GDP Outlook | Leading indicators point to only gradual deceleration in real GDP

GDP & ISM Manufacturing Indicator

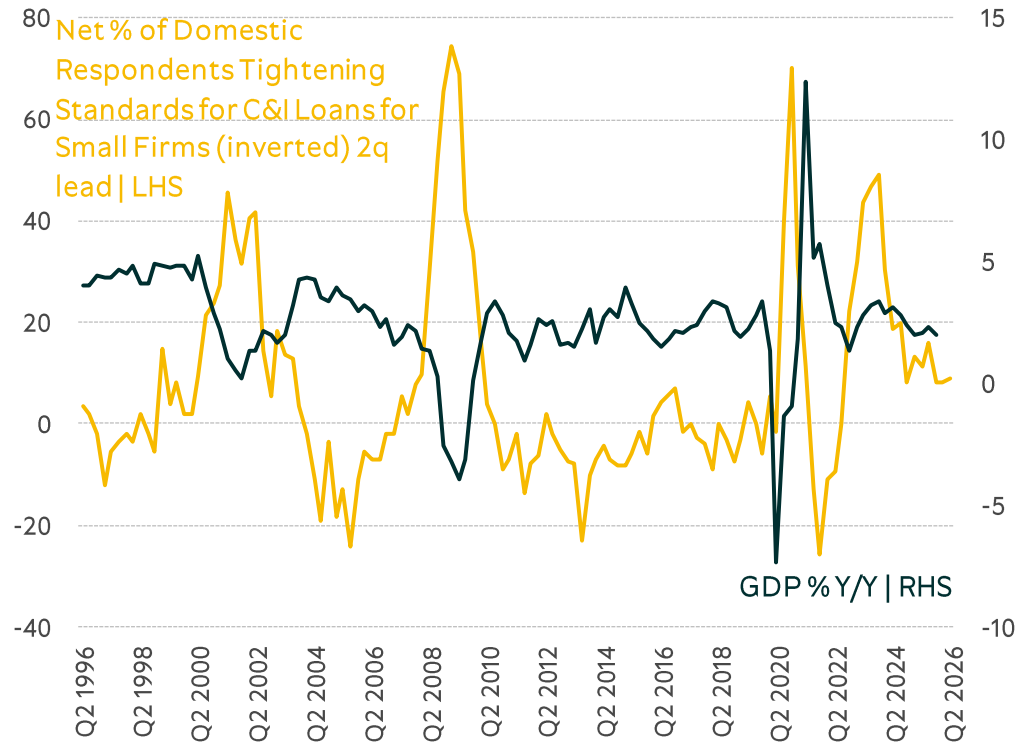


GDP & CB Leading Indicator

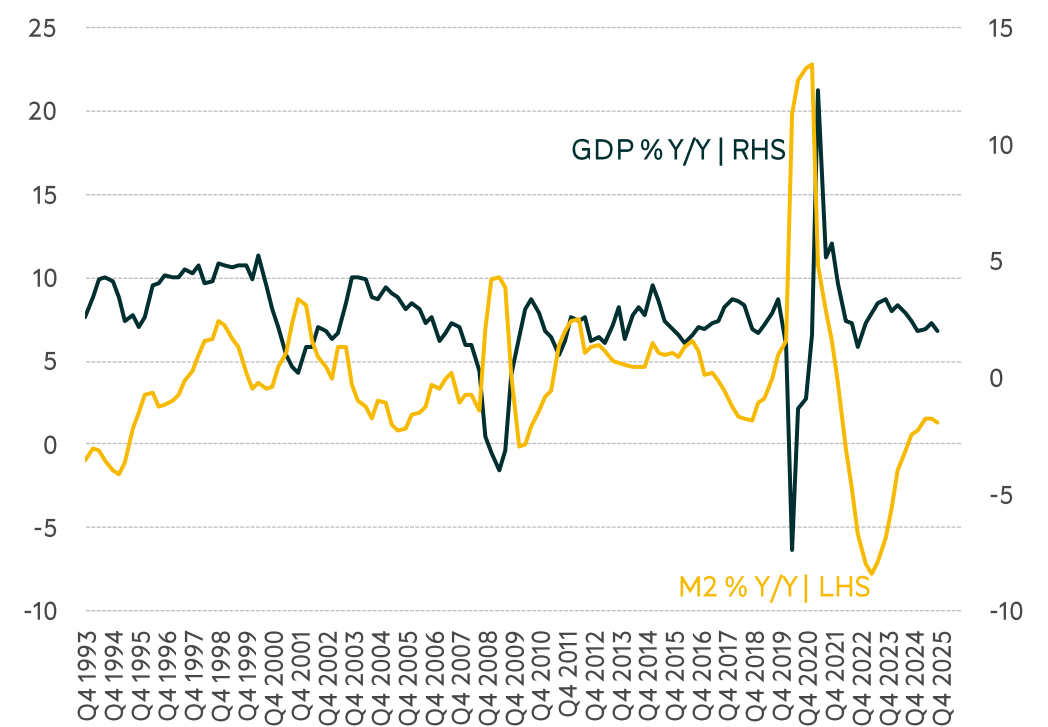


US GDP Outlook | About 9% of banks tightened lending to small businesses. Real M2 growth is mildly expansionary.

Senior Loan Officer Opinion Survey on Bank Lending Practices

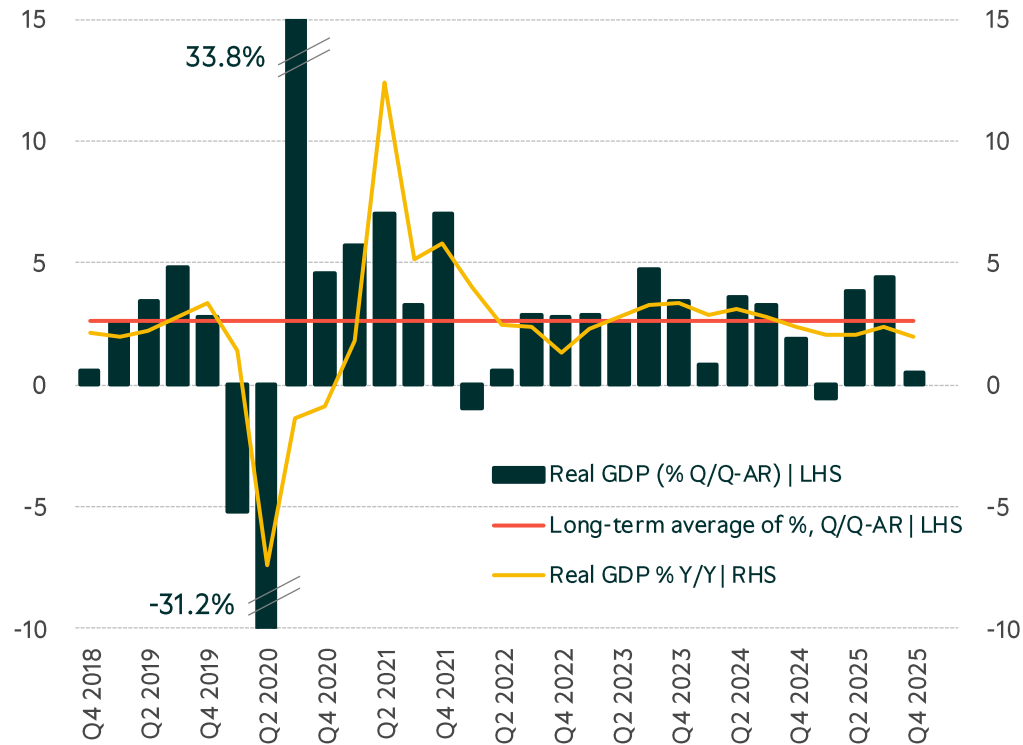


M2 growth vs GDP

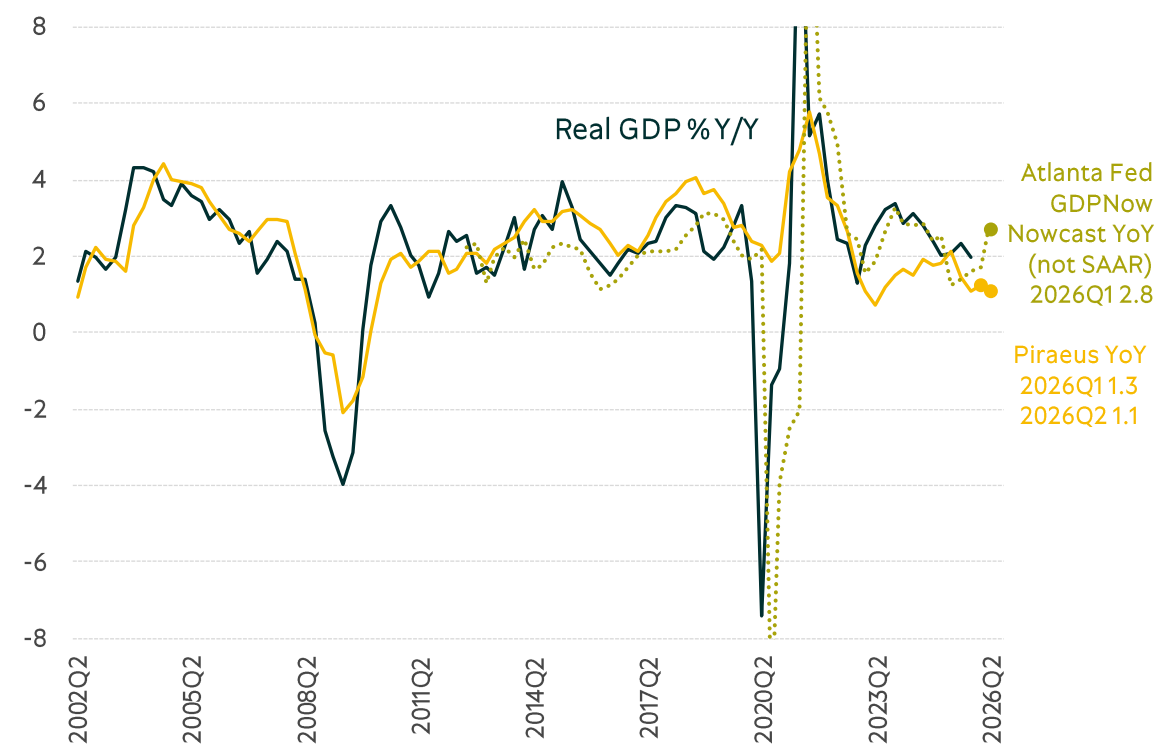


US GDP Outlook | GDP growth slowed down in Q4 due to the government shutdown

Growth Rate Outlook

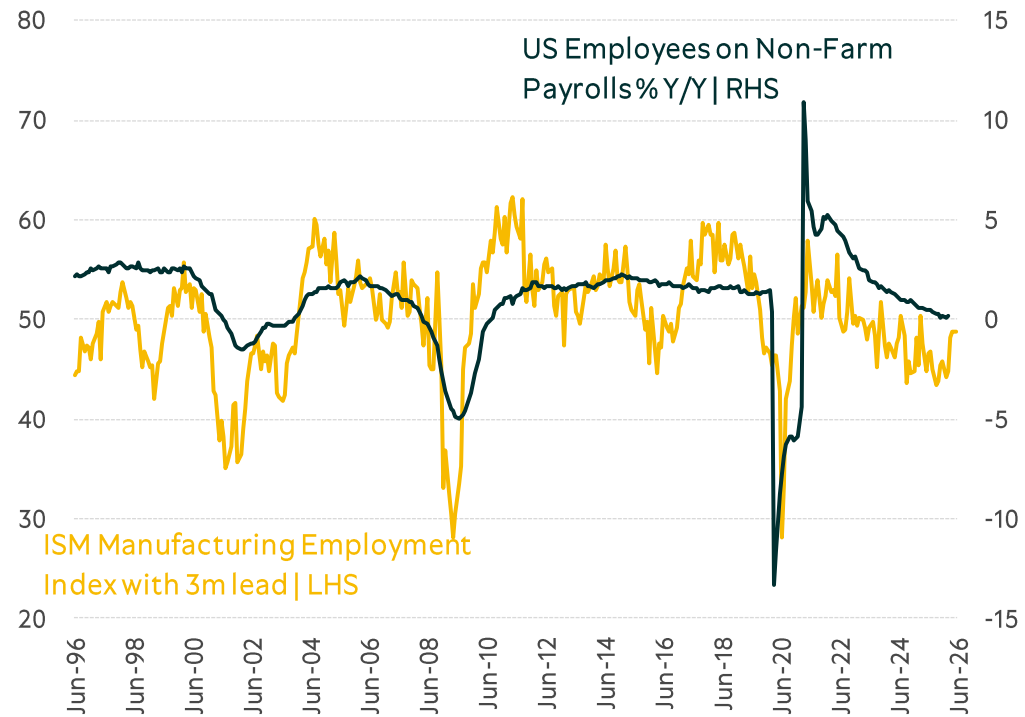


Growth Rate Estimate

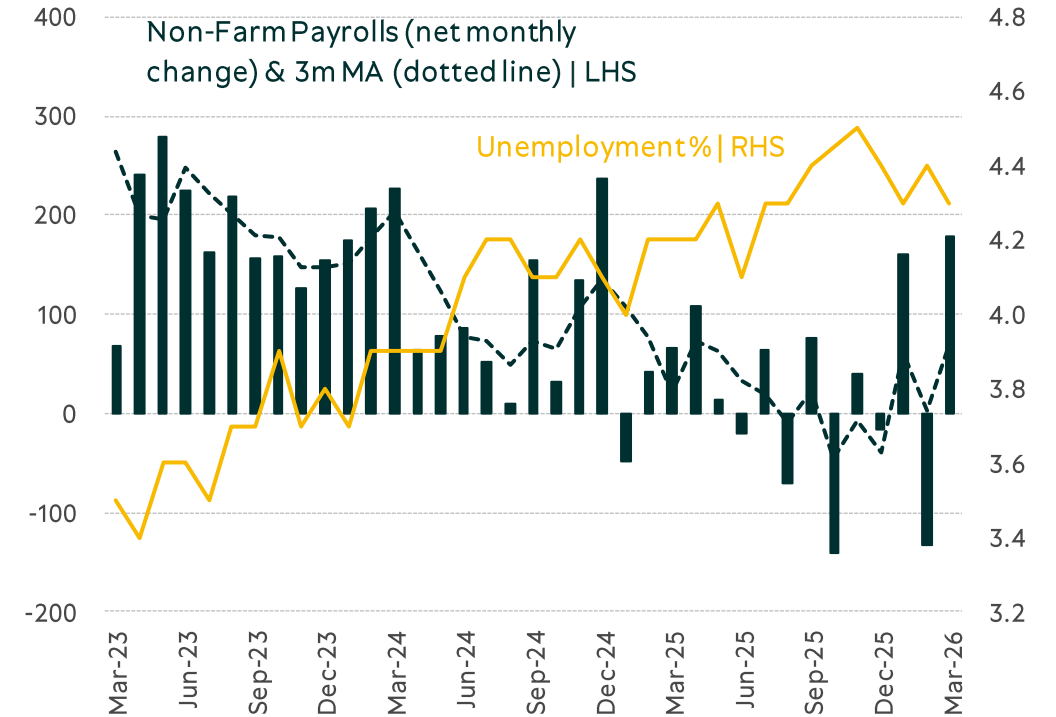


US Labour Market | The March Jobs report surprised positively (Non-farm payrolls were higher and there was a decrease in the unemployment rate).

Employment & Leading Manufacturing Indicator

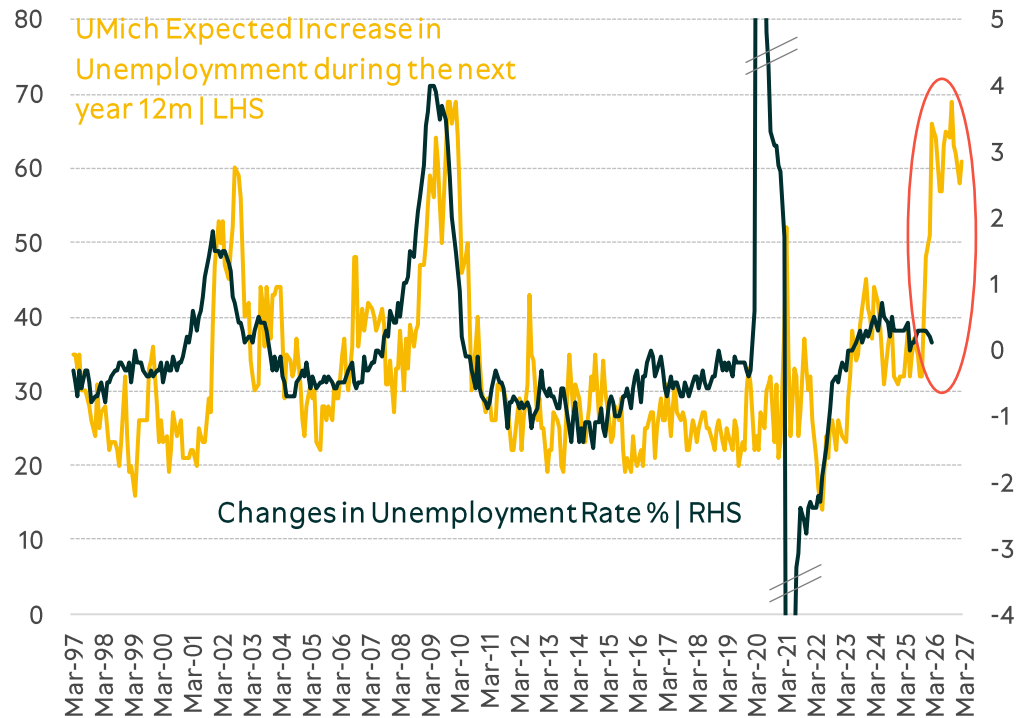


Nonfarm payrolls & Unemployment

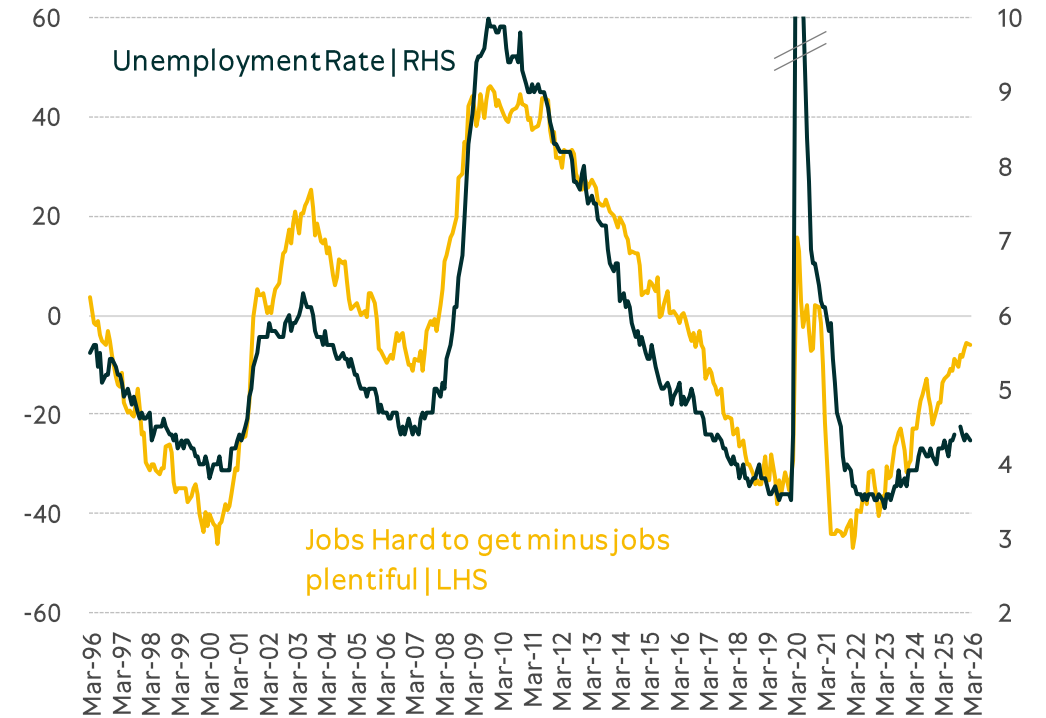


US Labour Market | Unemployment expectations rose marginally in March. The gap between those saying jobs were hard to get and jobs was virtually unchanged in March.

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

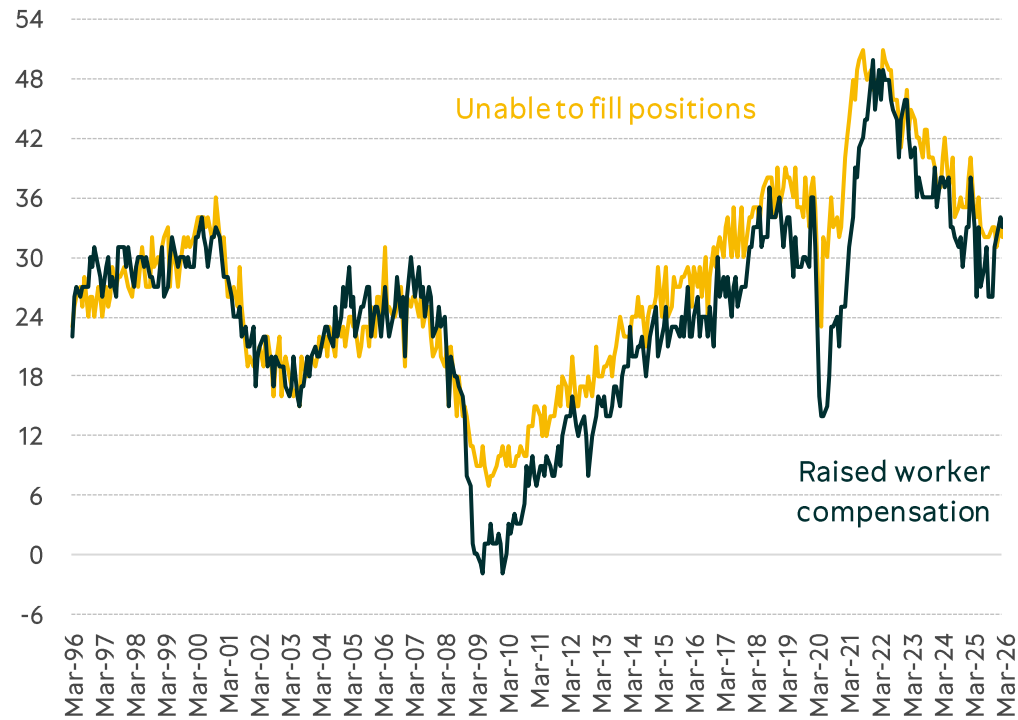


Conference Board Labor market differential & Unemployment rate

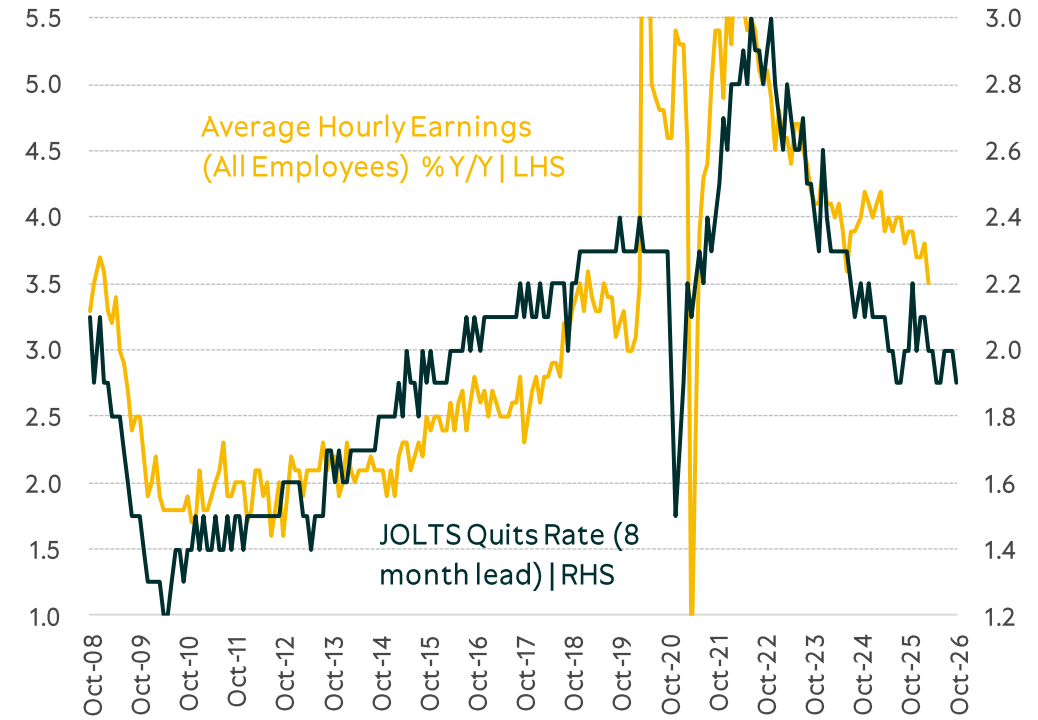


US Labour Market | According to March's NFIB survey a net 33% reported raising compensation (from 34%). The JOLTS Quits Rate fell to 1.9% in February and Avg Hourly Earnings to 3.5% in March.

US NFIB small business survey

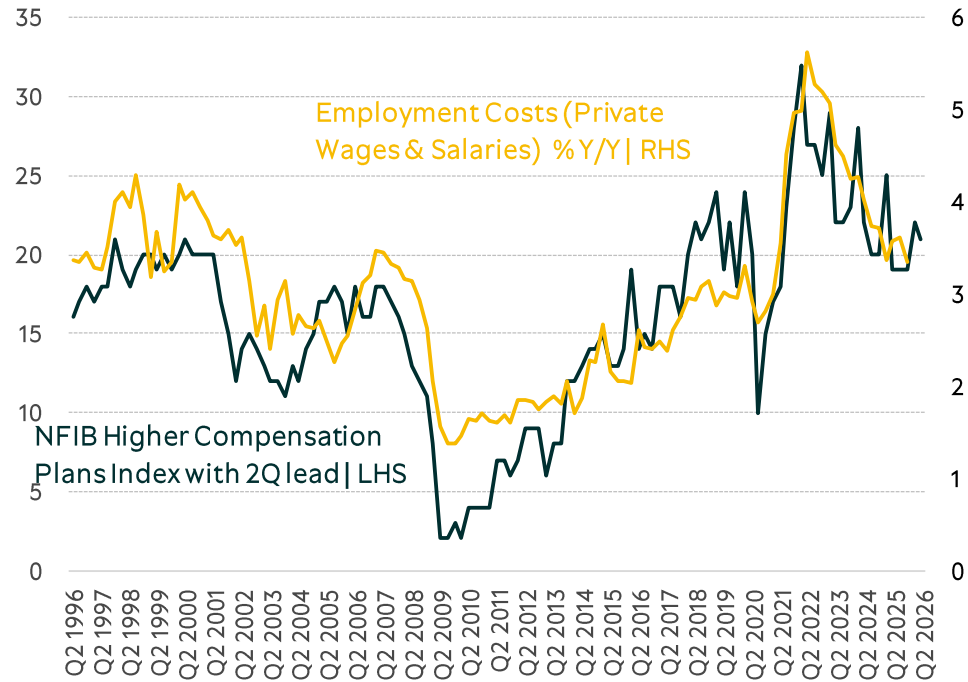


Wages & Quits Rate

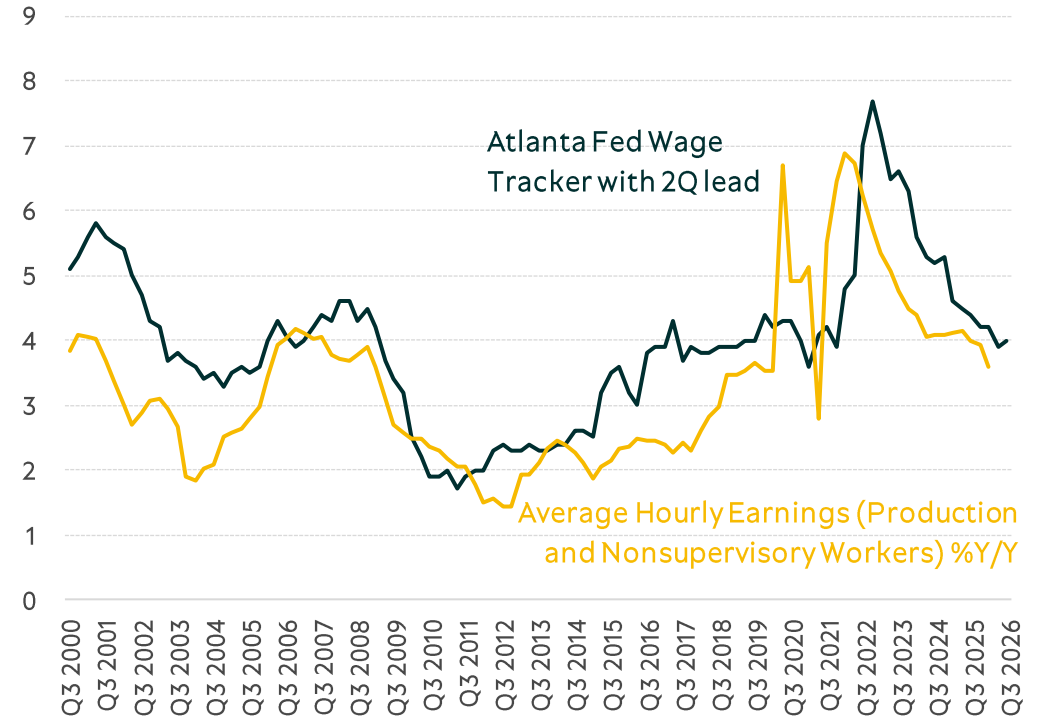


US Wage Tracker | Private employment costs ticked down in Q4 on a yoy basis to 3.3% and at the same time there is a stabilization in Atlanta's Fed Wage Tracker in Q1 2026.

Employment Cost & Leading Indicator

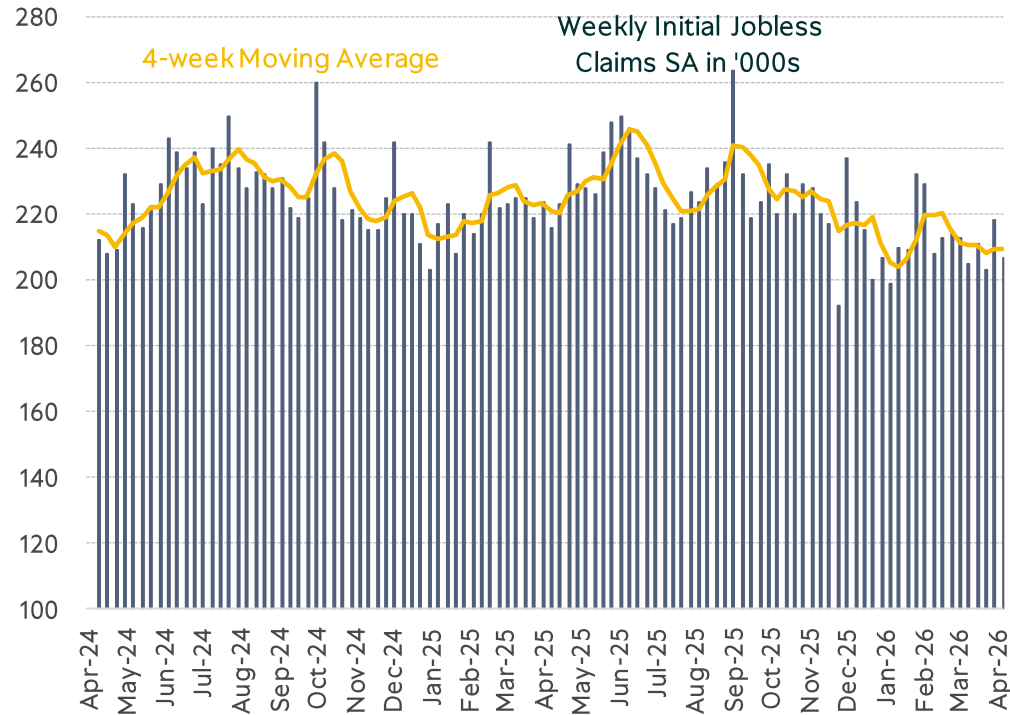


Wages & Leading Indicator

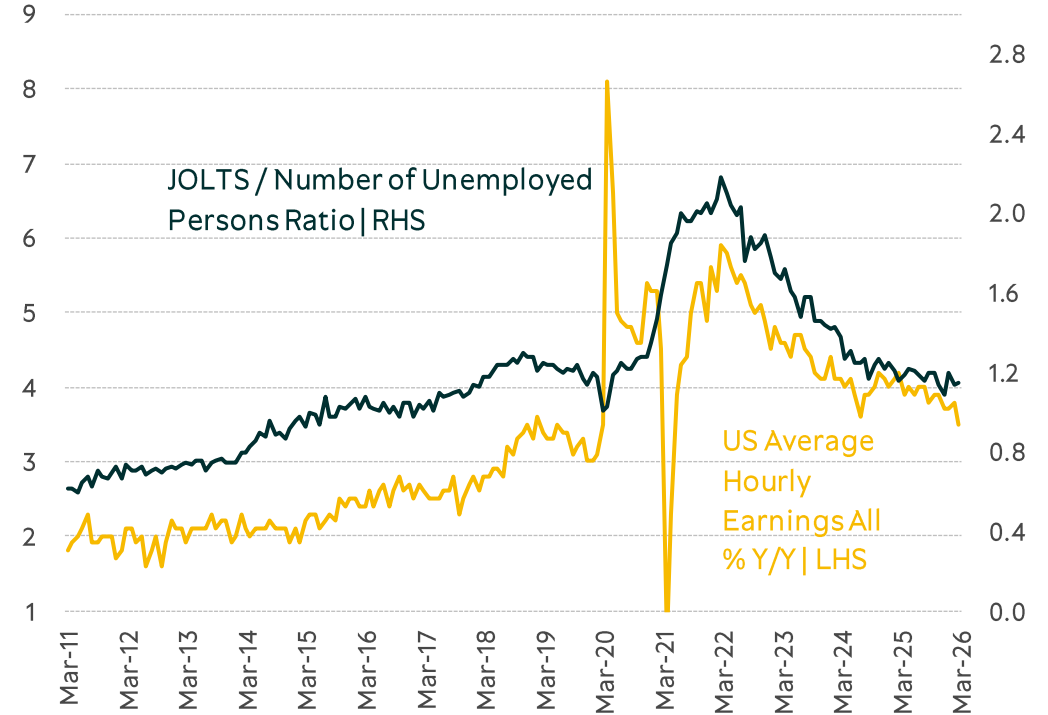


US Labour Market | Weekly Initial Jobless Claims down to 207k in April. With job openings per unemployed at 1.14x, labour market tightness appears to have returned to more typical levels after the post-pandemic surge

Weekly Initial Jobless Claims

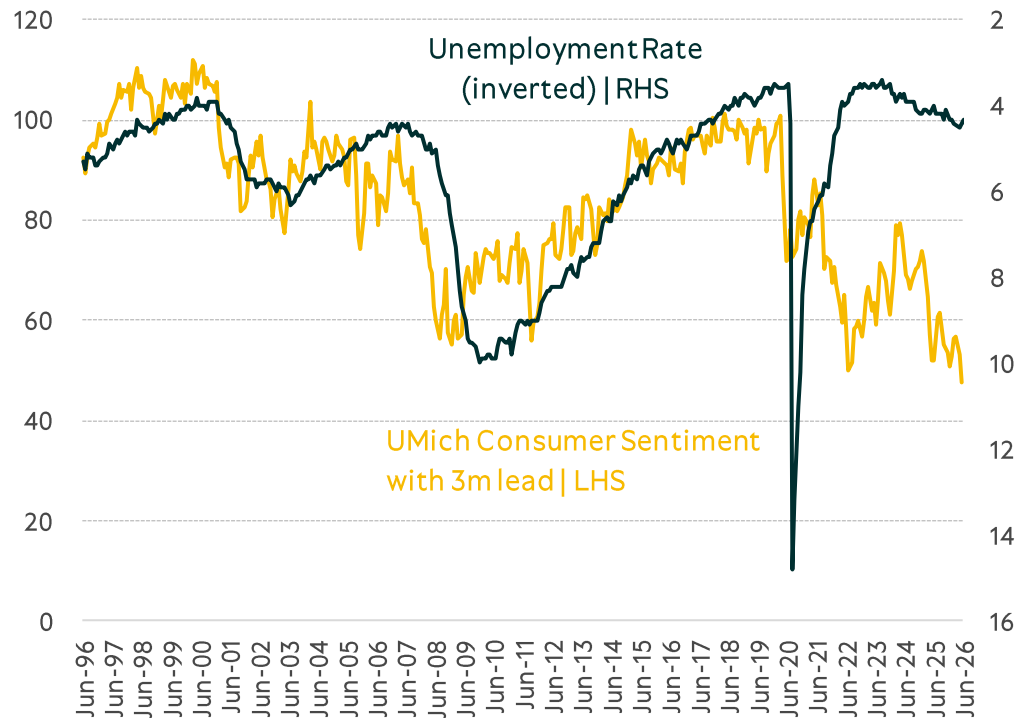


Demand & Supply in Labour Market

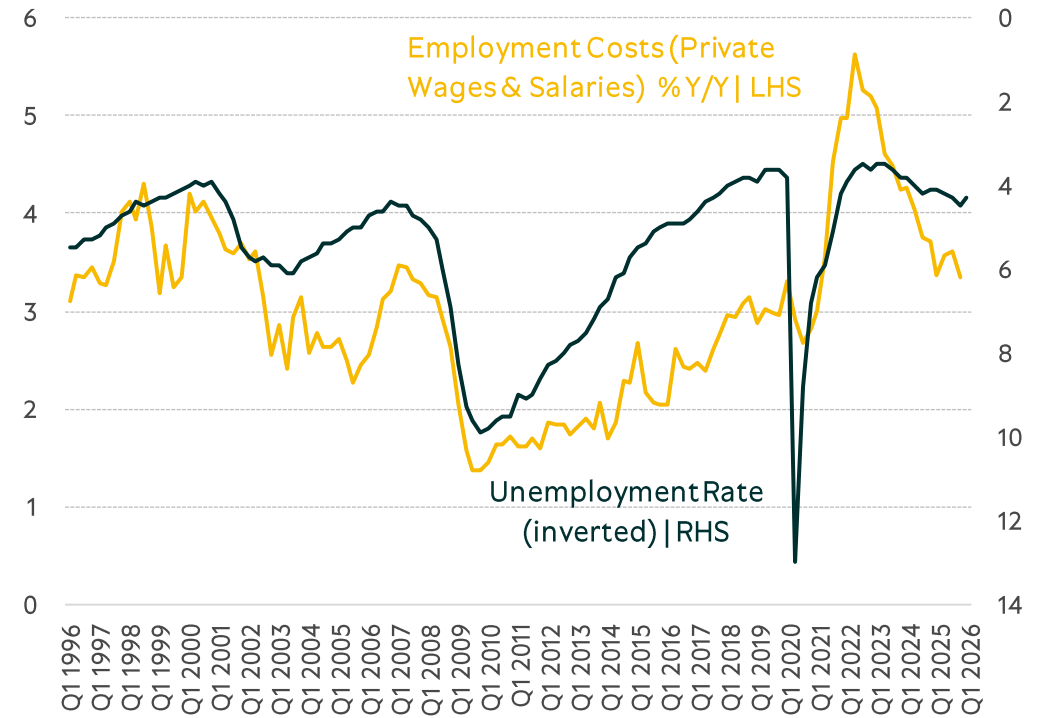


US Labour Market | Consumer sentiment fell significantly in April. Private wages & salaries in Q4 continue to point to fading wage pressures.

Consumer Sentiment & Unemployment Rate

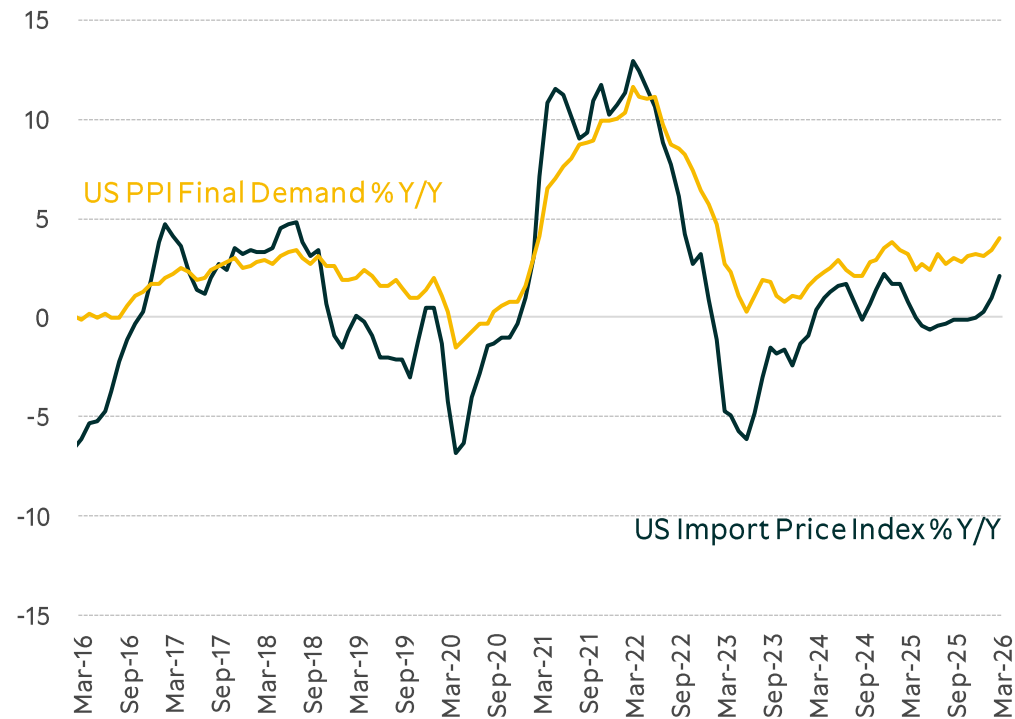


Compensation per Employee & Unemployment Rate

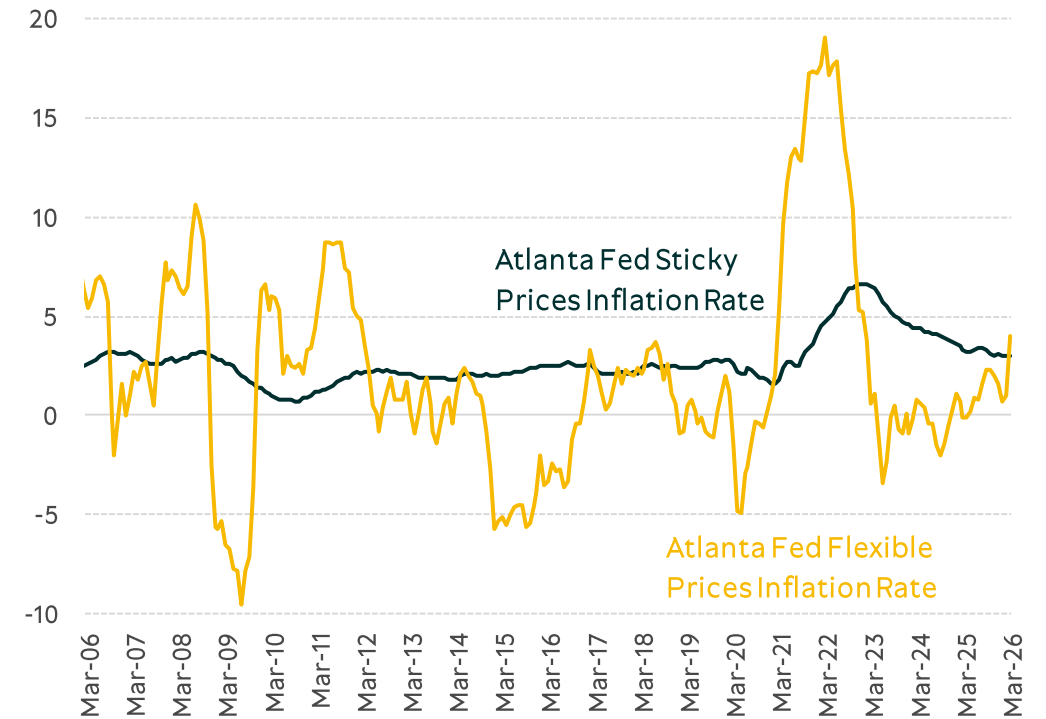


US Alternative Inflation Metrics | Flexible prices rose significantly in March while sticky prices continue to be elevated. Producer prices rose to 4.0% year-over-year. Import prices to 2.1% in March from 1%.

Producers Price Index and Import prices

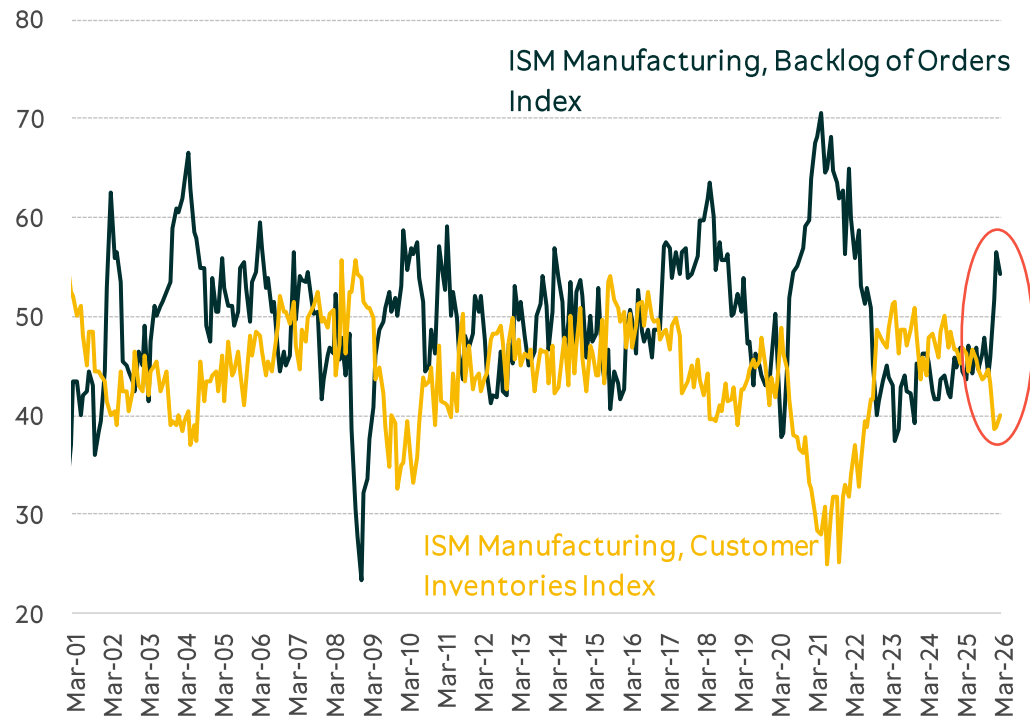


Sticky & Flexible Prices

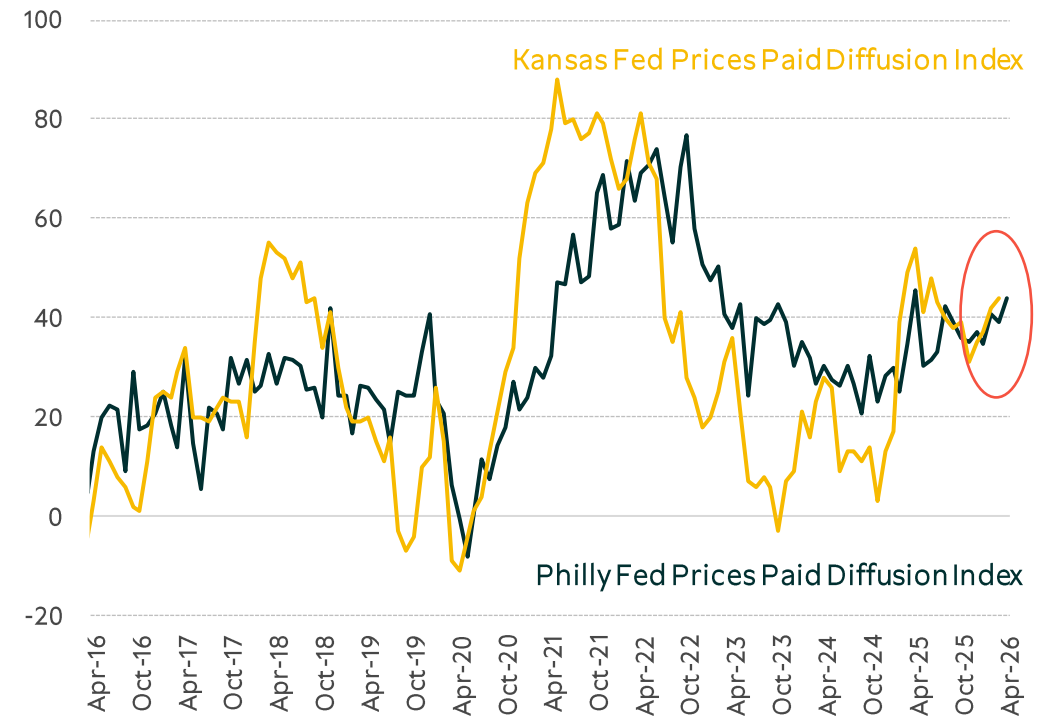


US Supply & Demand Gap | Price pressures are evident across regional Fed surveys (and ISM).

Backlog of Orders & Customer Inventories Relation

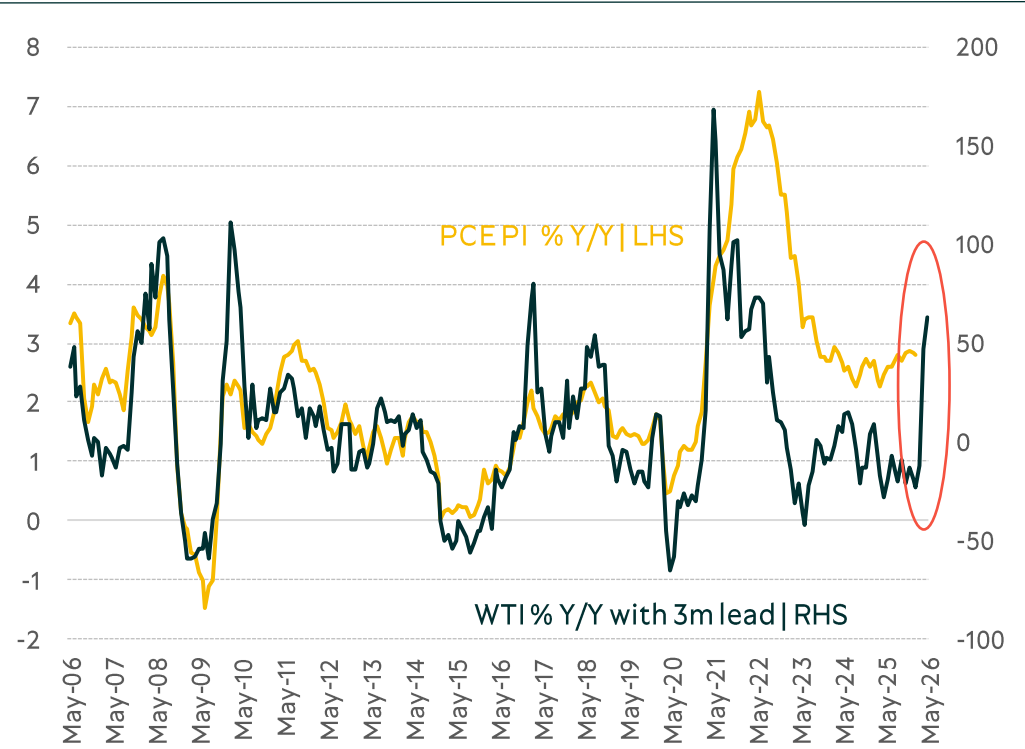


Leading Prices Indicators

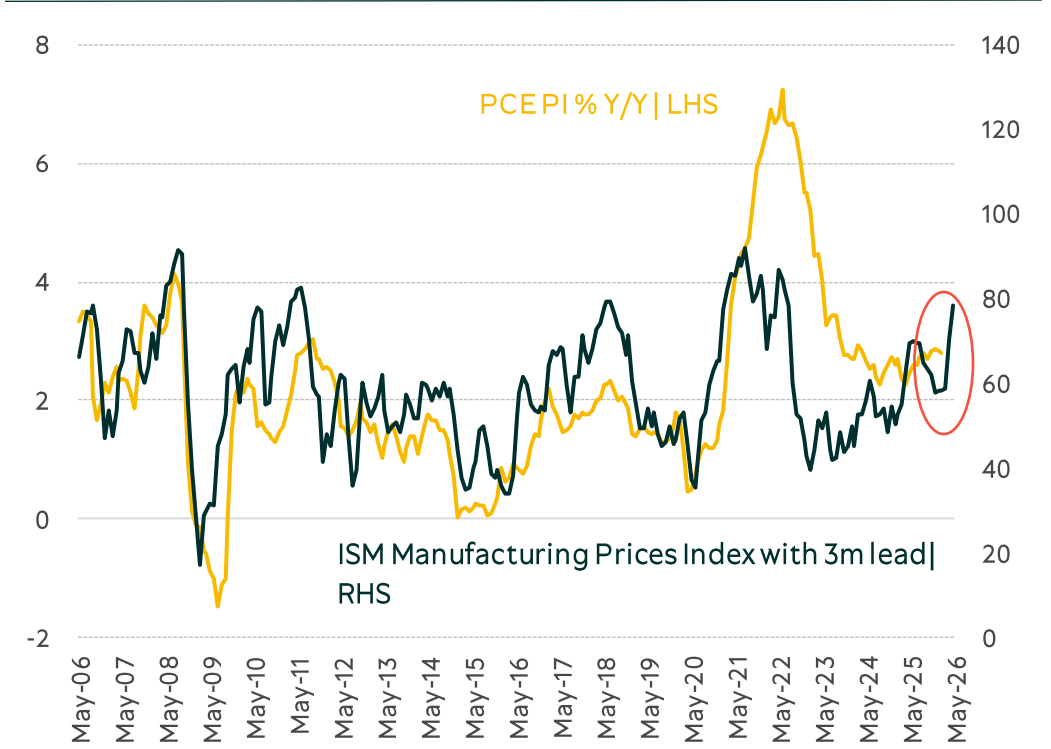


US Inflation & Energy Prices | Elevated energy prices pose an upside risk to PCE inflation. At the same time the ISM Manufacturing Prices Paid index rose significantly in March

Inflation Rates & Energy Prices

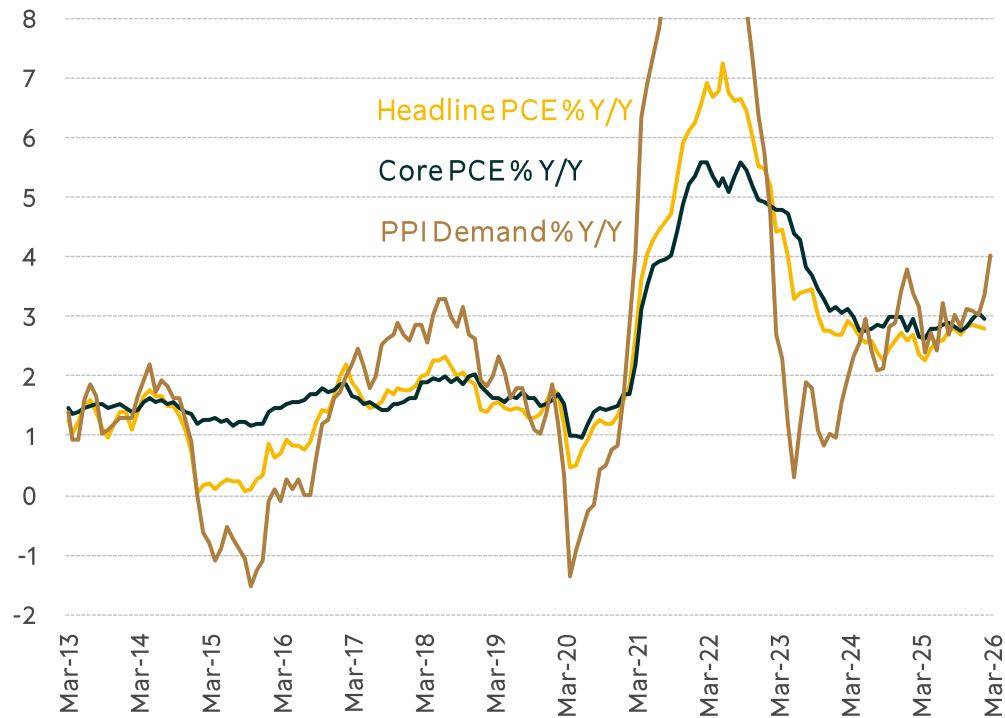


Inflation Rate & Leading Prices Indicator

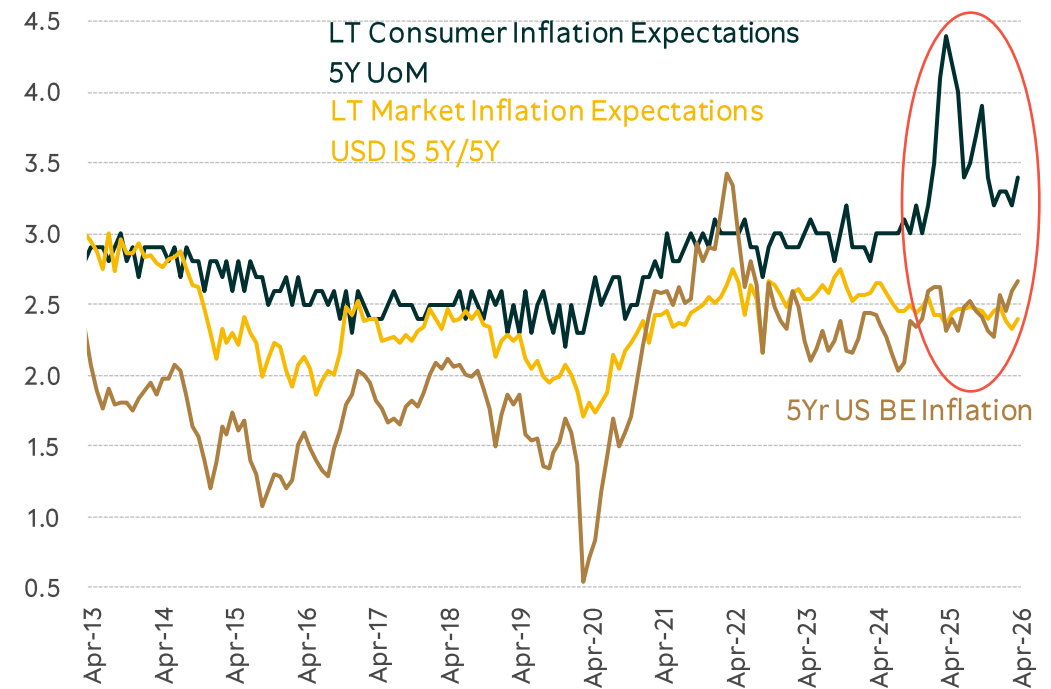


US Headline & Core Inflation | February data pre-dates the Iran conflict. Upside risks to future headline - and potentially core PCE. Consumers' long-term view on inflation remains higher than market's (3.2% vs 2.4%)

Inflation Rates

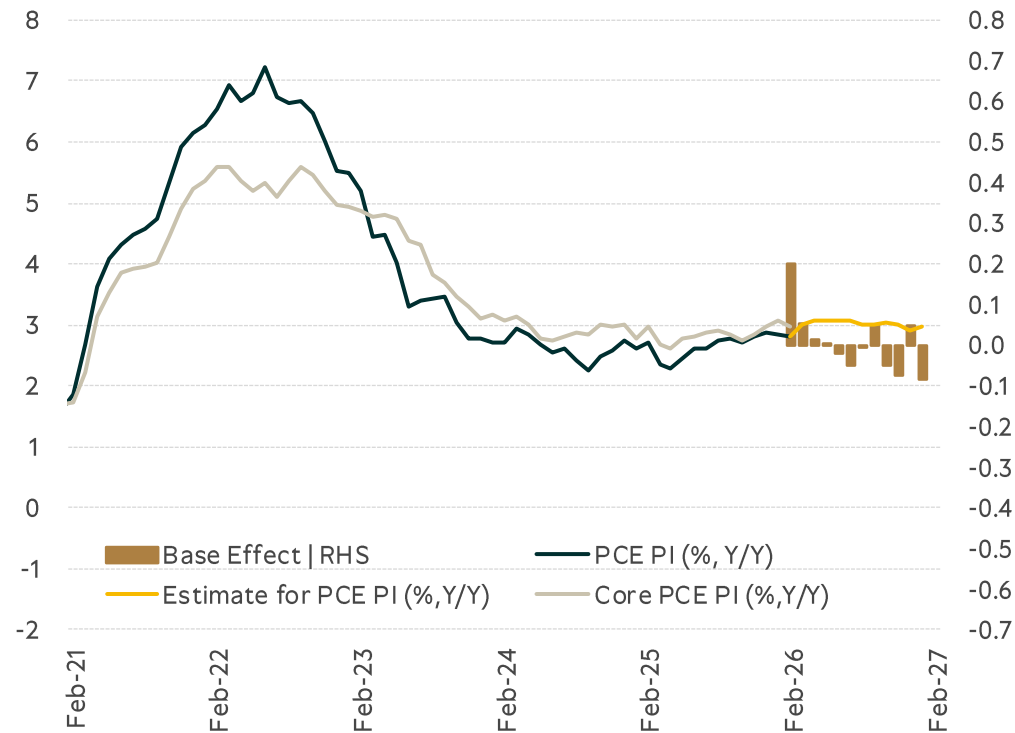


Long-Term Inflation Expectations

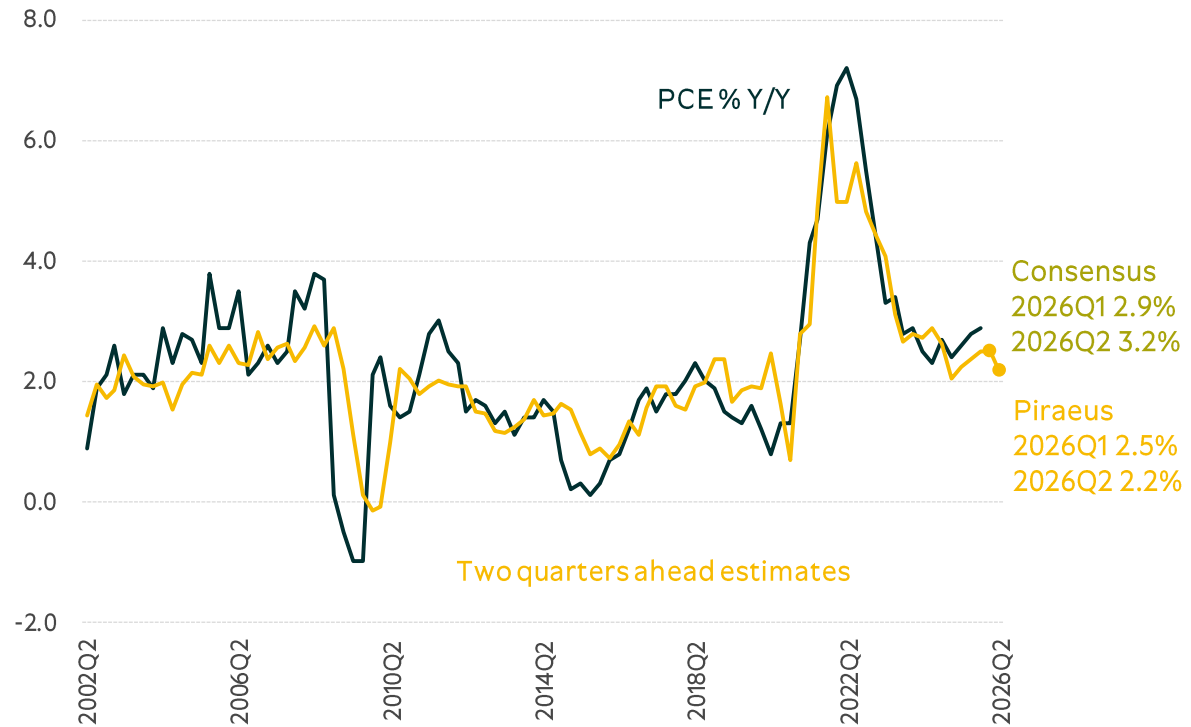


US Inflation Outlook | Our statistical model points to elevated PCE inflation through 2026. Our macro model has not yet captured the recent oil price increase.

Inflation Rate Forecast | Statistical Model

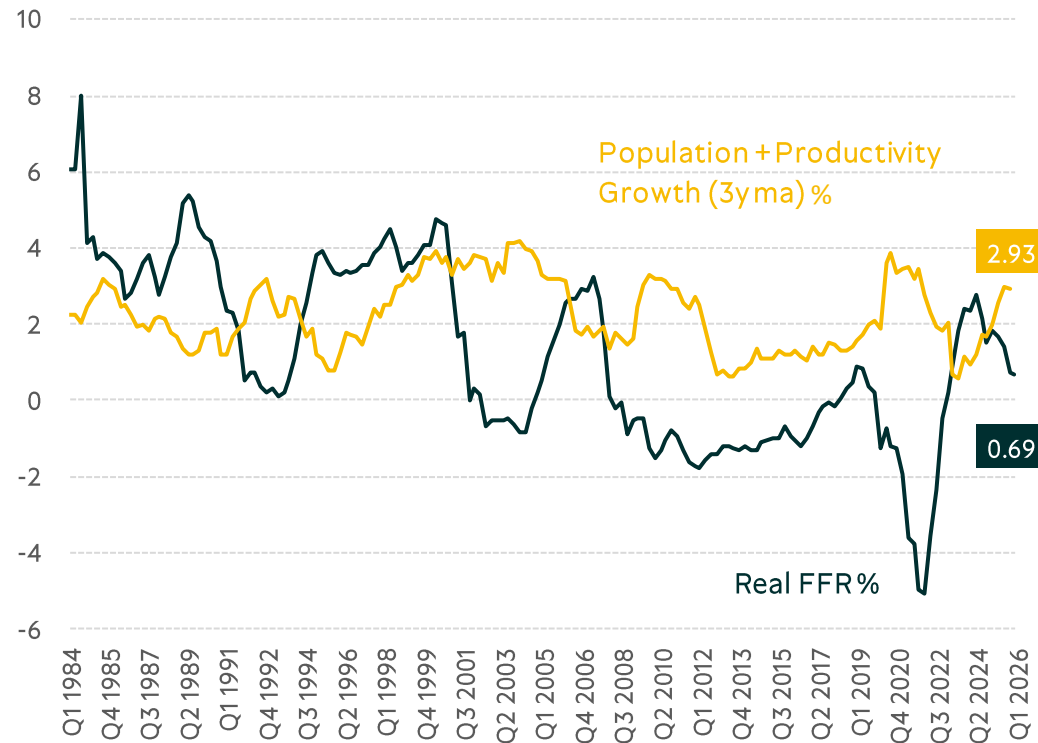


Inflation Rate Forecast | Macro Model

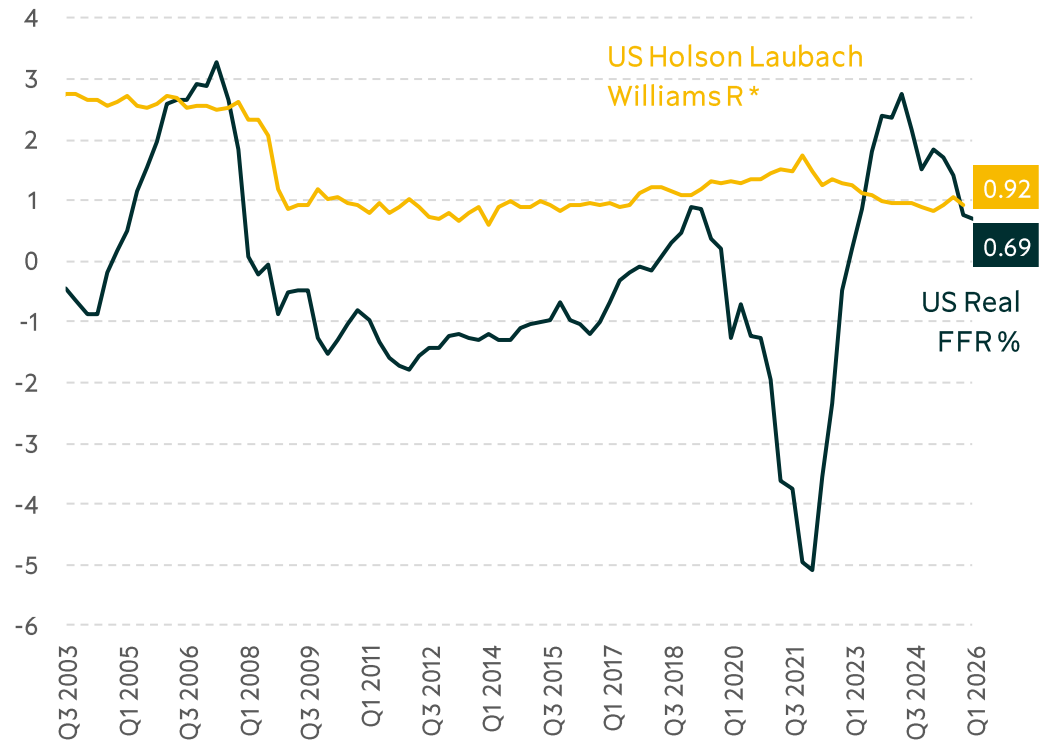


US Interest Rates | After a strong increase in Q2 and Q3, US productivity growth decelerated in Q4; real policy rate is currently above neutral rate HLW R*

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

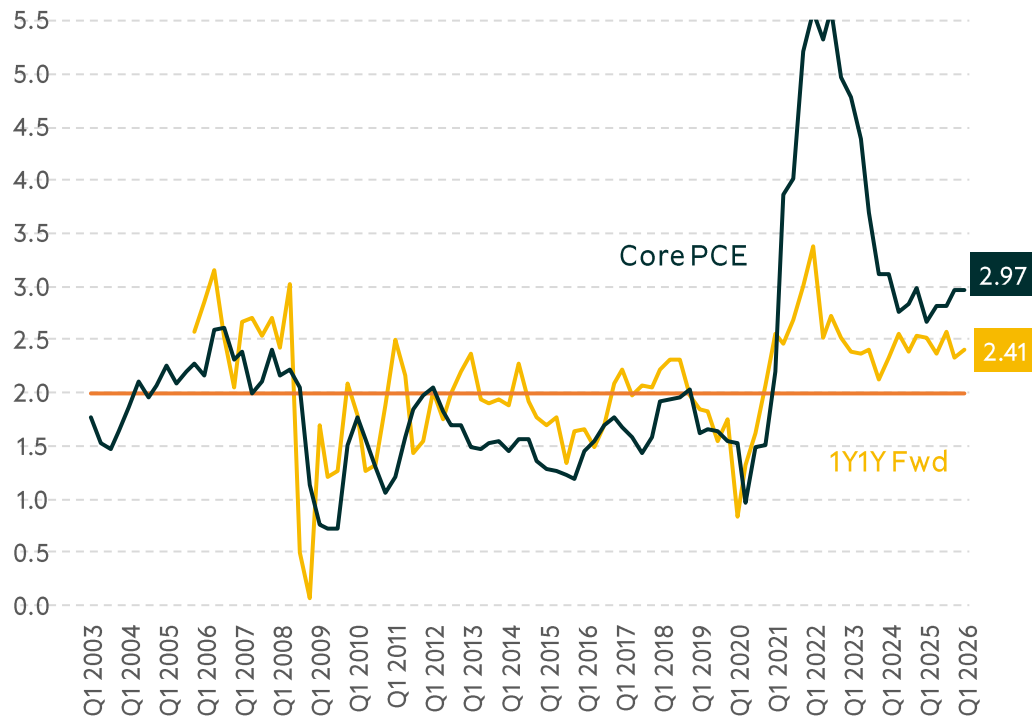


US Holson Laubach Williams R* & US Real Policy Rate (Fed Fund Rate - Core PCE)

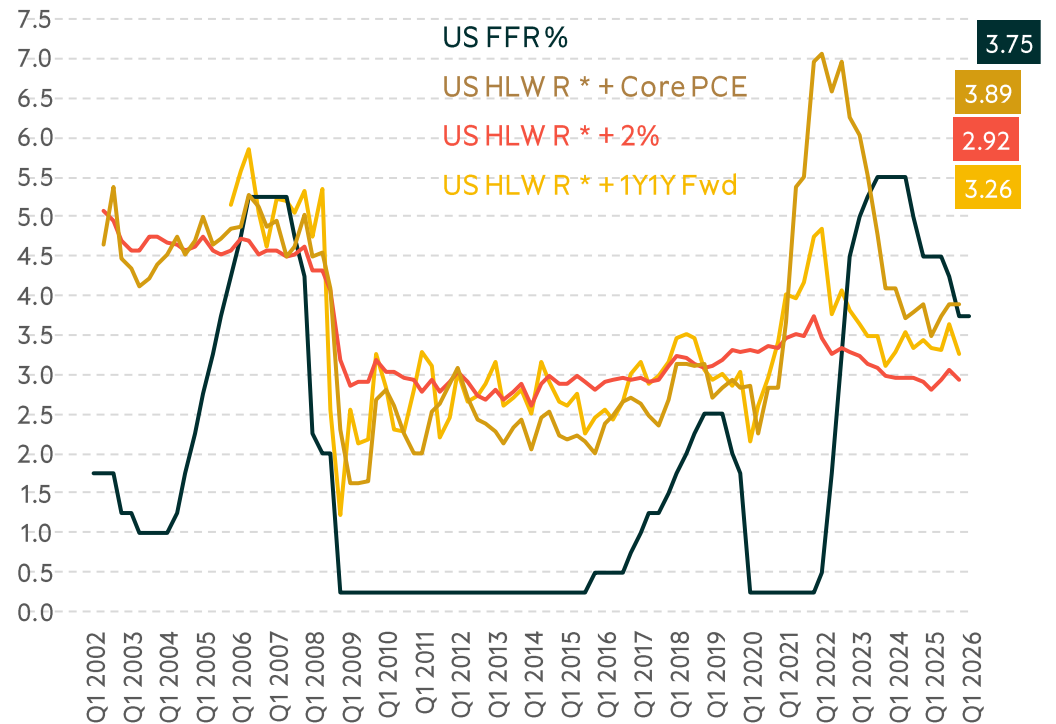


US Interest Rates | US Inflation expectation pick-up at the beg of 2026; Fed Fund Rate & Adjusted HLW R*

US Inflation & Inflation Expectations one year ahead

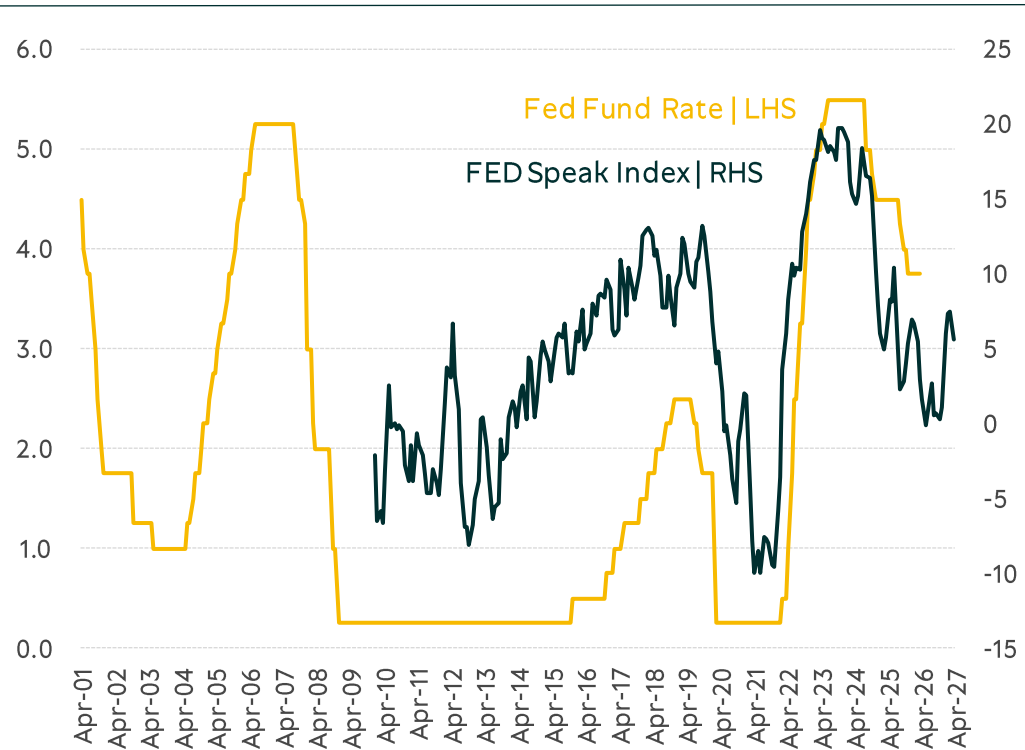


US FFR Rate & Nominal HLW R*

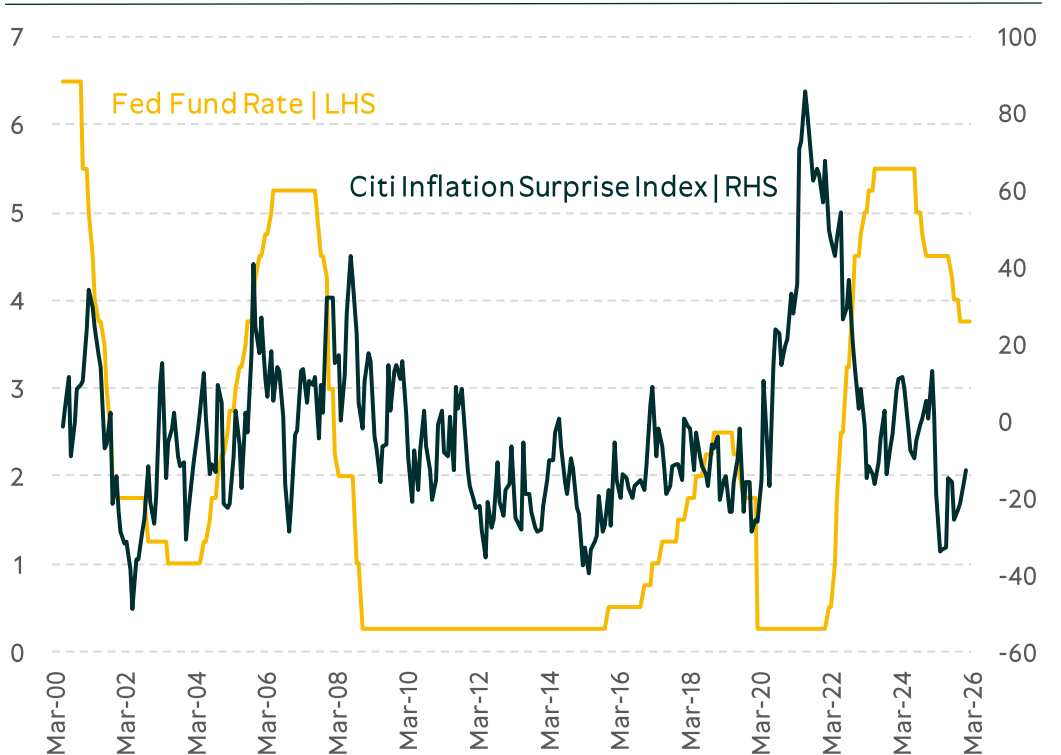


US Interest Rates | Fed Speak Index above zero; Negative price surprises relative to market expectations

Fed Speak Index & Fed Fund Rate



Inflation Surprises & Fed Fund Rate

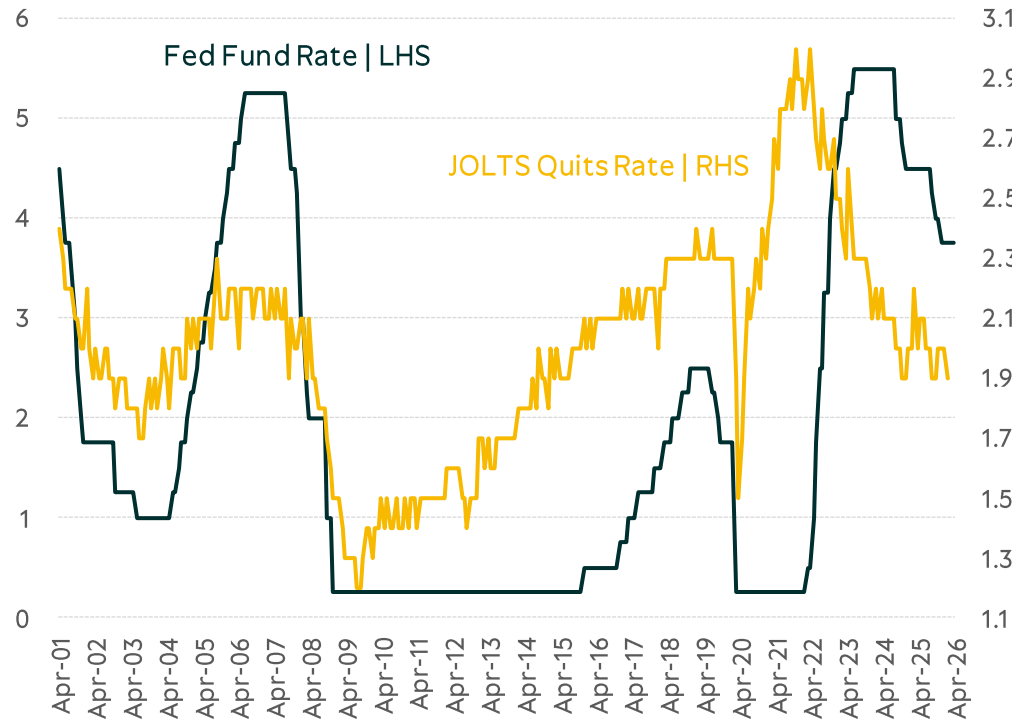


Positive index → Indicates a hawkish tone, meaning the central bank is leaning toward tightening monetary policy (raising interest rates, reducing liquidity).
 Negative index → Indicates a dovish tone, meaning the central bank is inclined toward easing monetary policy (lowering rates, adding liquidity).

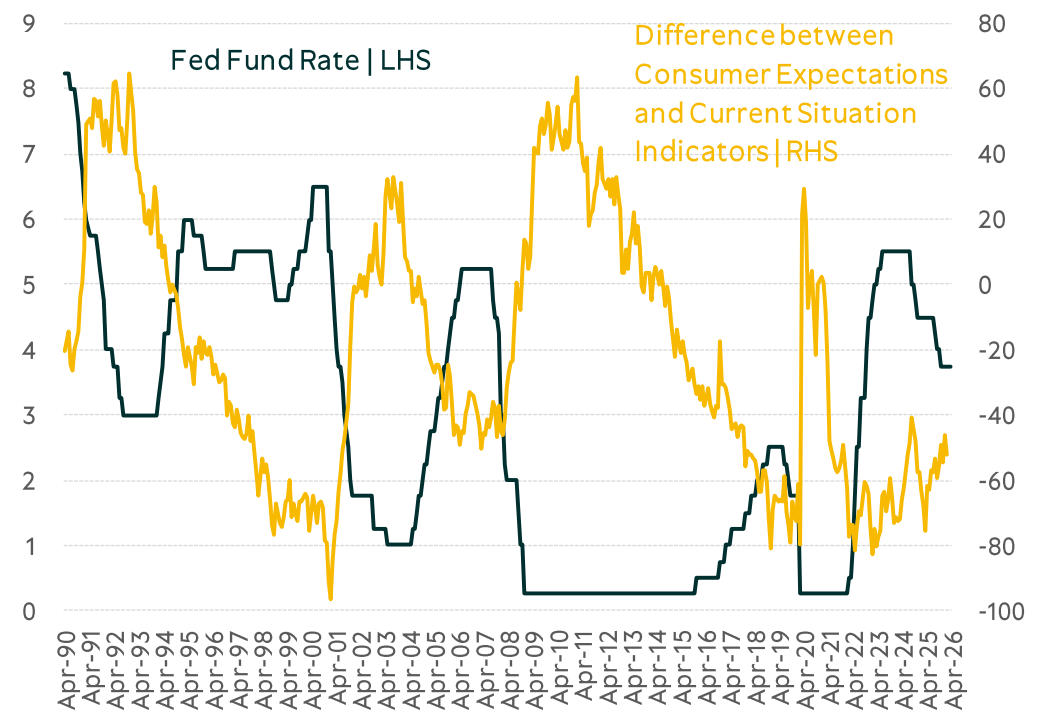
Positive index → Indicates that inflation has been higher than expected
 Negative index → Indicates that inflation has been lower than expected

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

Fed Fund Rate & Quits Rate

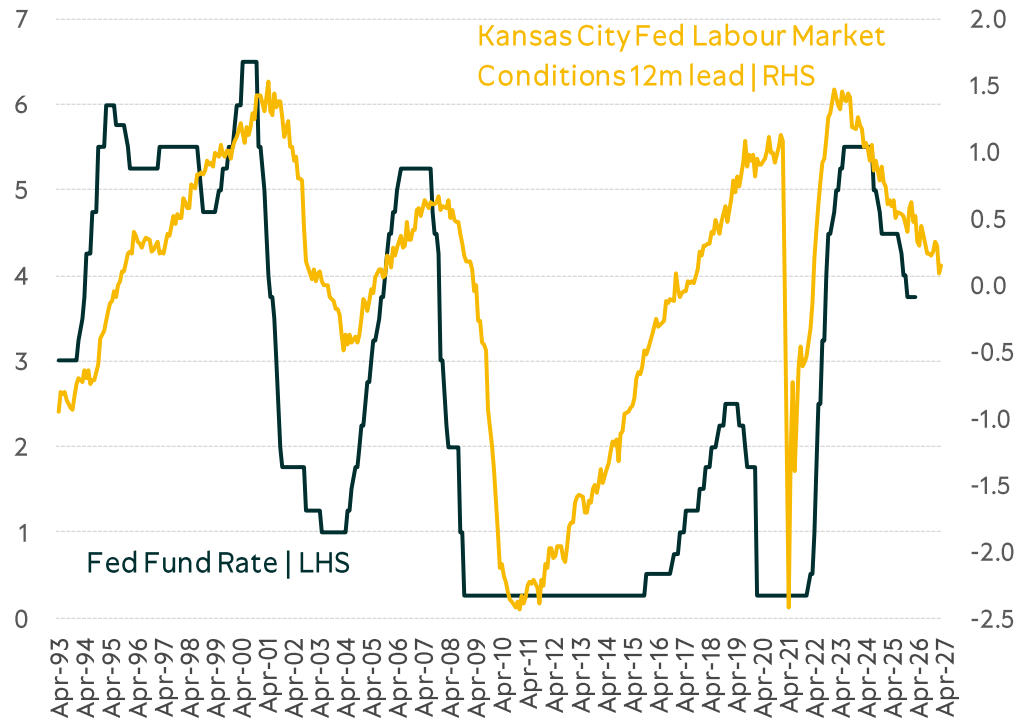


Fed Fund Rate & Difference between Consumer Expectations and Current Situation Indicators (Conference Board)

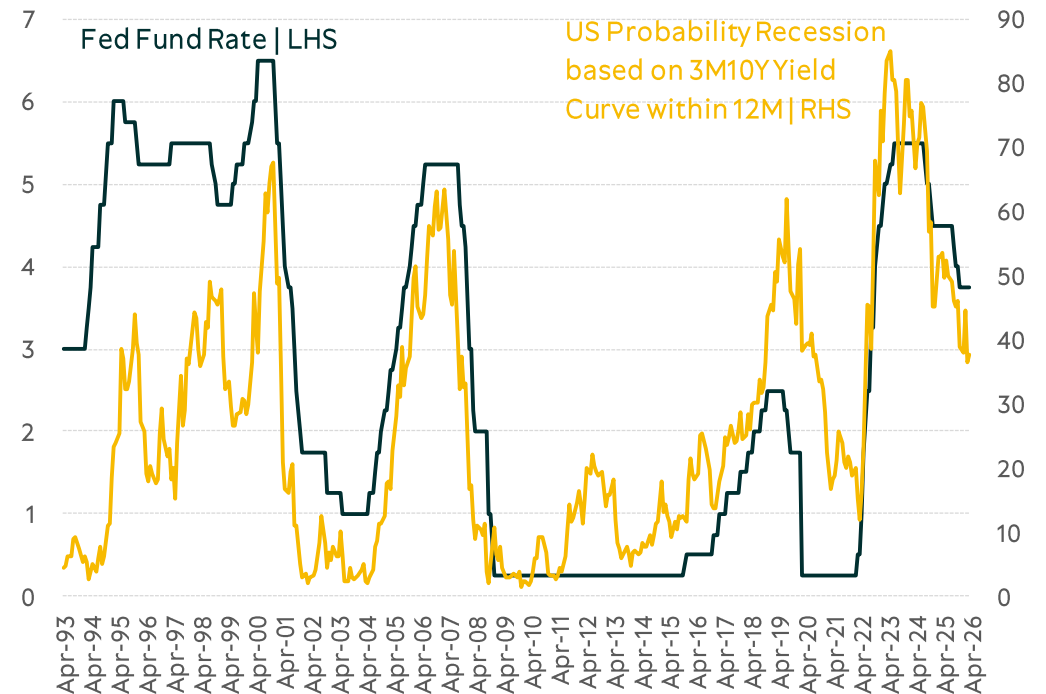


US Interest Rates | Kansas Fed Labour Market Conditions (12m lead) & Recession probability vs policy rate

Fed Fund Rate & Kansas City Fed Labour Market Conditions

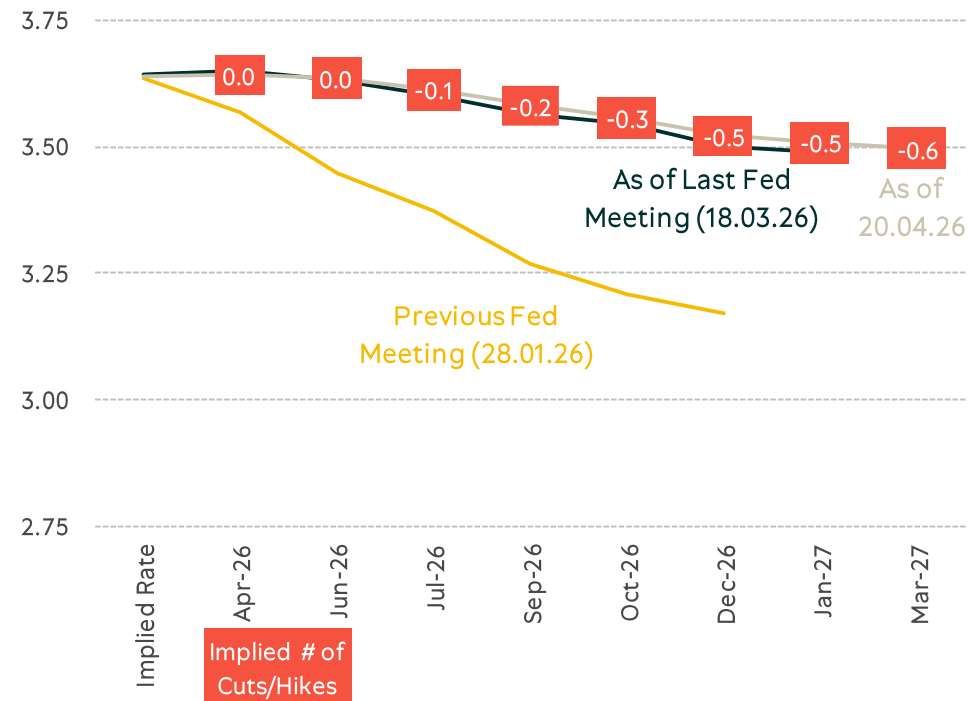


Fed Fund Rate & Probability Recession based on Yield Curve 3M10Y within 12M

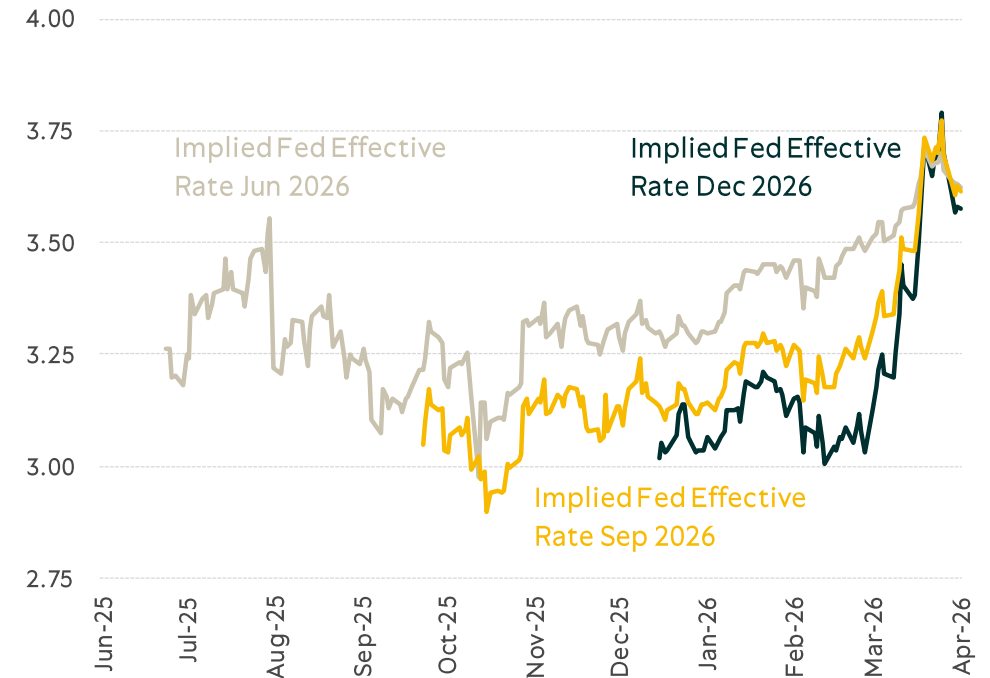


US Interest Rates | Only one rate cut is priced by markets for 2026, with a 50% probability.

Implied Overnight Rate based on Overnight Index Swaps

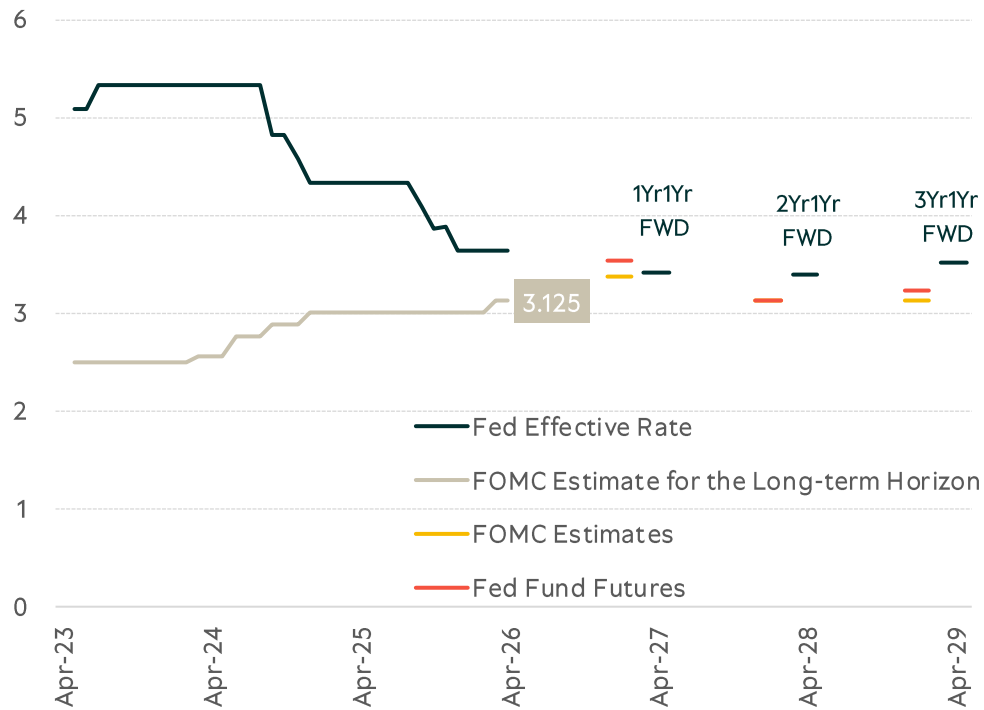


Interest Rates | Implied Fed Effective Rate

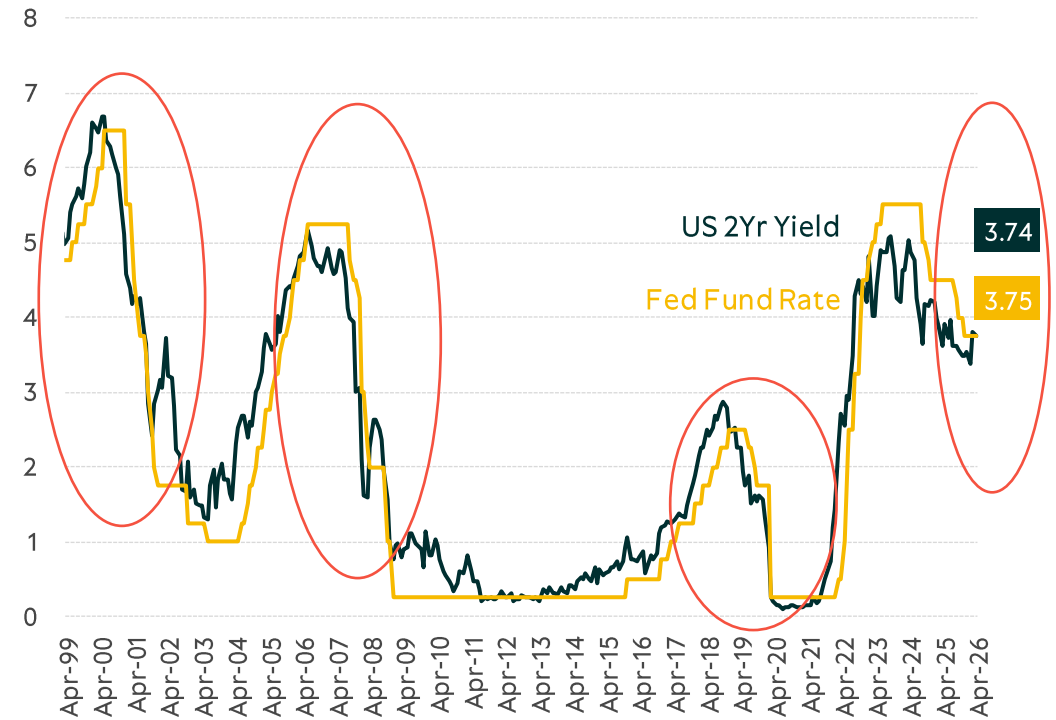


US Interest Rates | Forward rates are above FOMC's long-term target

Interest Rates | Fed Effective Rate



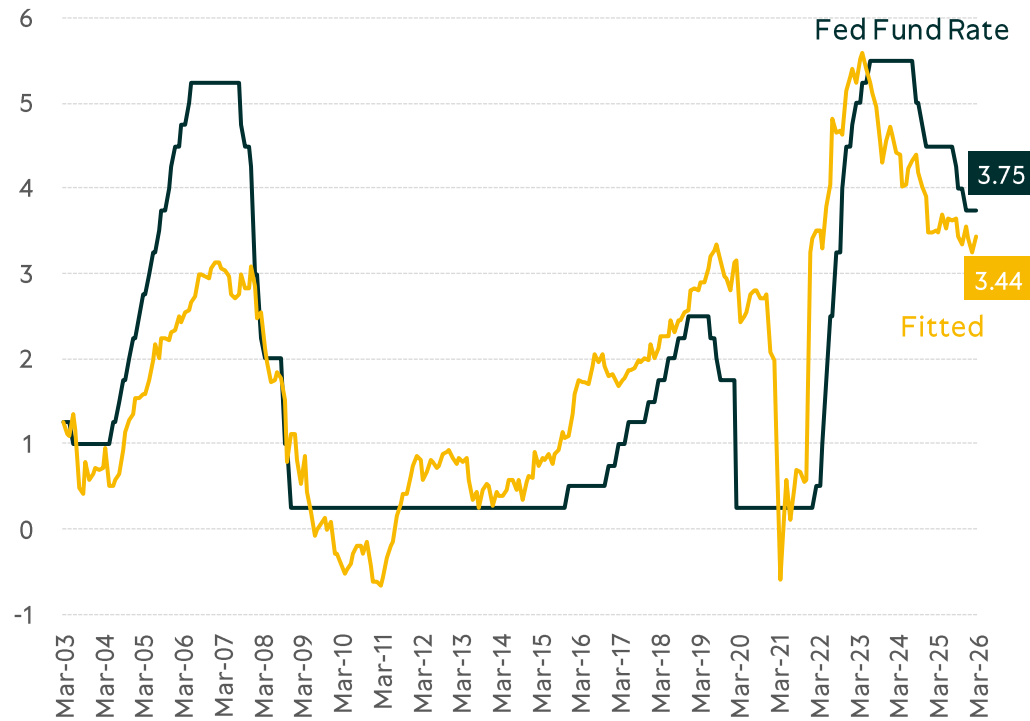
Fed Fund Rate & US Treasury Yield



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

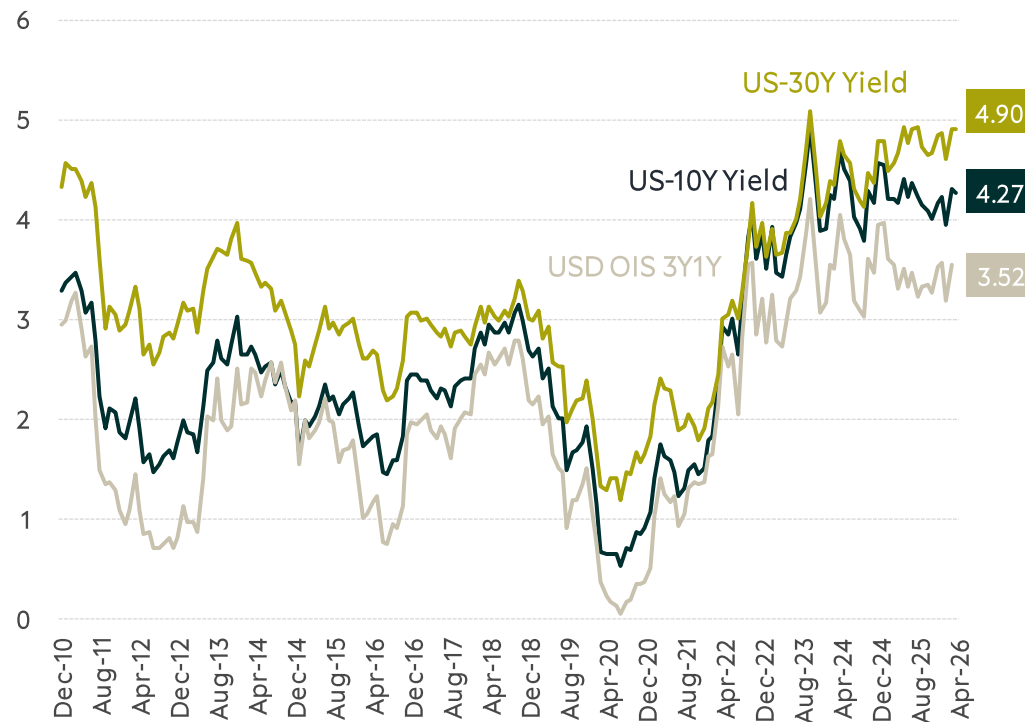


Residuals



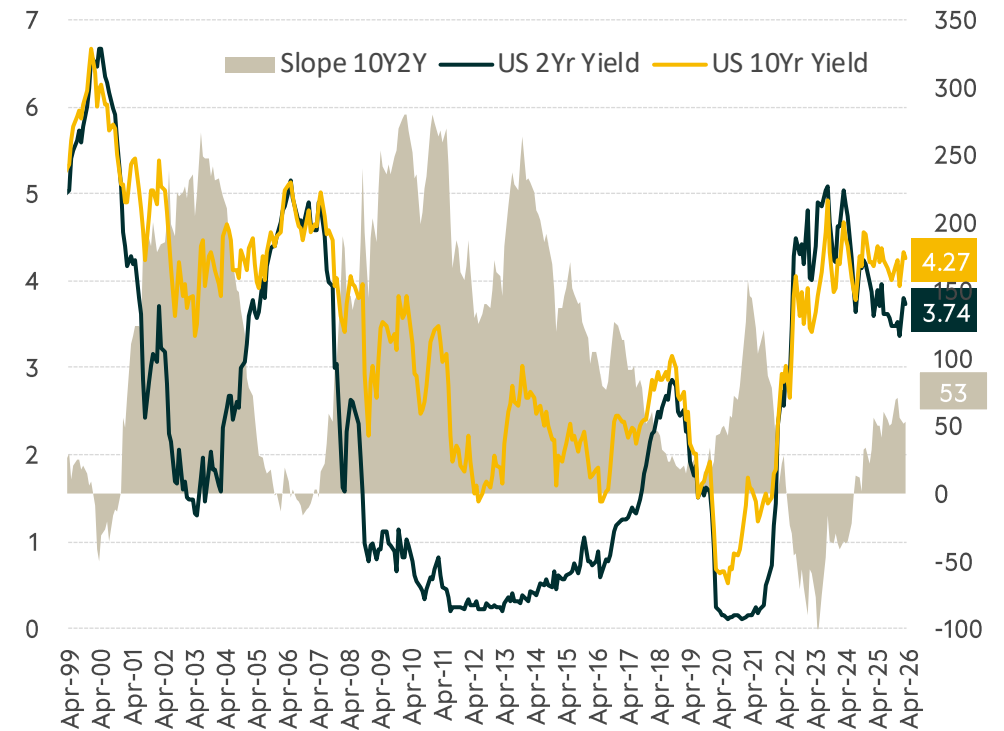
US | The Fed resumed cutting rates in 2025 by reducing its benchmark rates by 25 bps in September, October and December. Kept them on hold in 2026 so far.

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



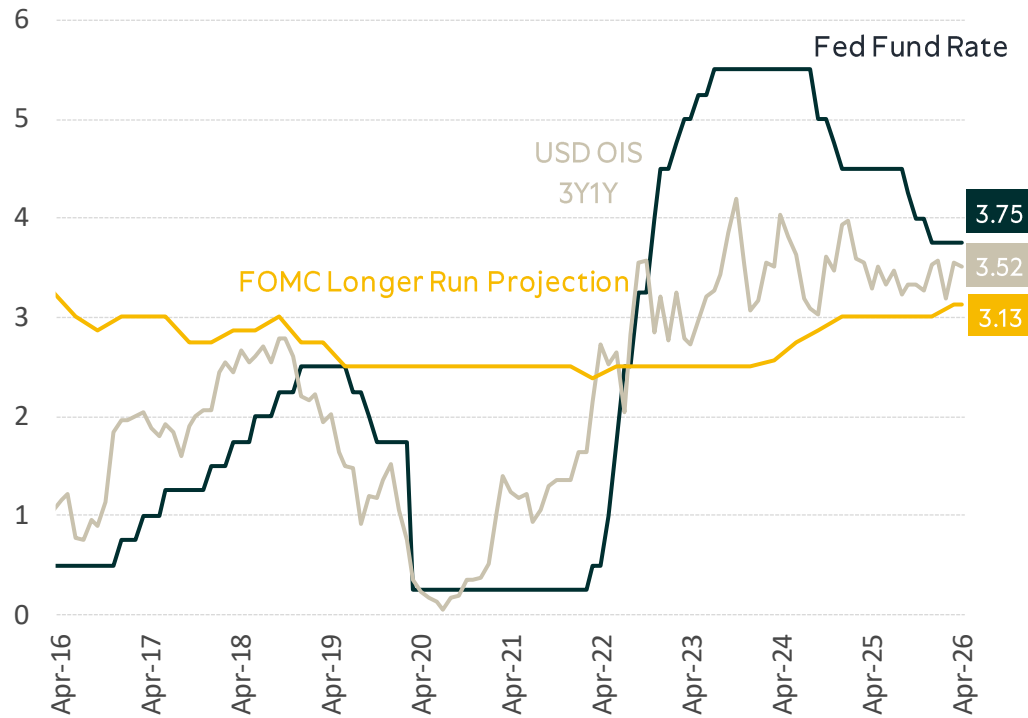
Note: Monthly data apart from the last observation which shows the latest available daily value

US Yield Curve



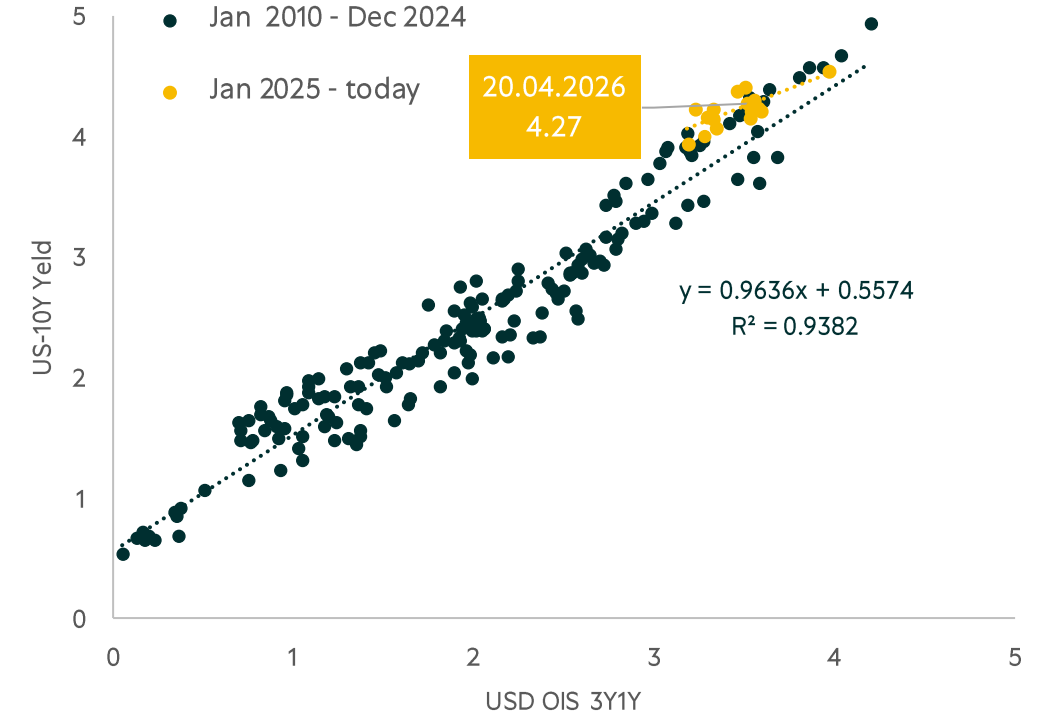
US Long-Term Rates | Short-term rates 4 years in the future above target (3.125%). 10- year rates above “fair” value given the current level of short-term rates.

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

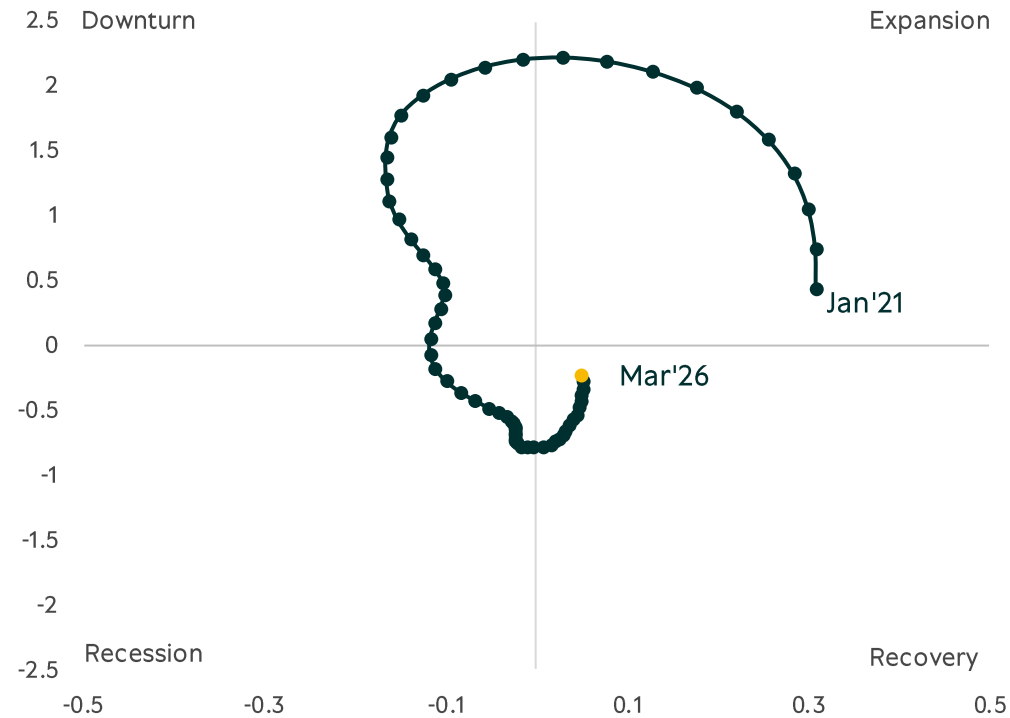
US Economy

EA Economy

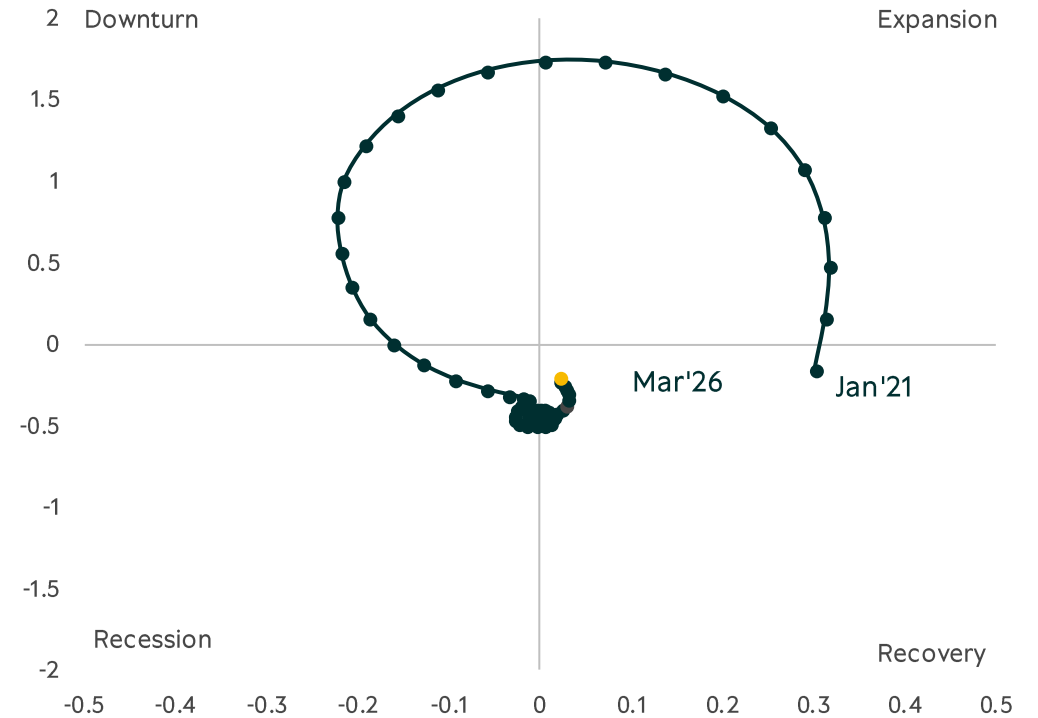
China Economy

EA Business Cycle Watch | In March, 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

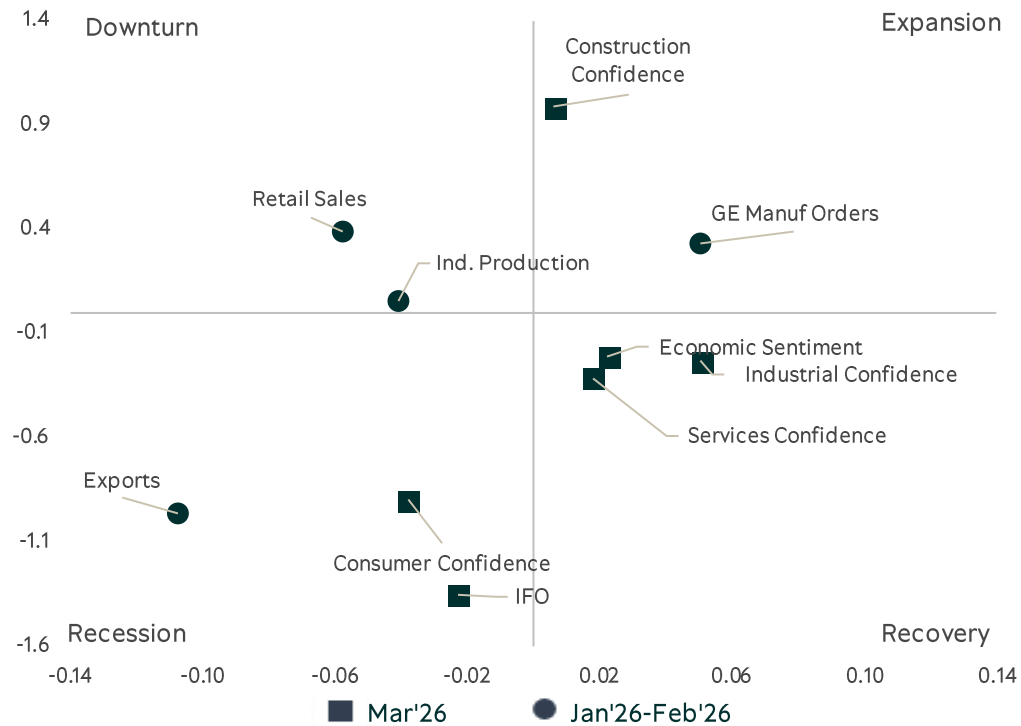


EA Business Cycle | Based on Economic Sentiment Indicator

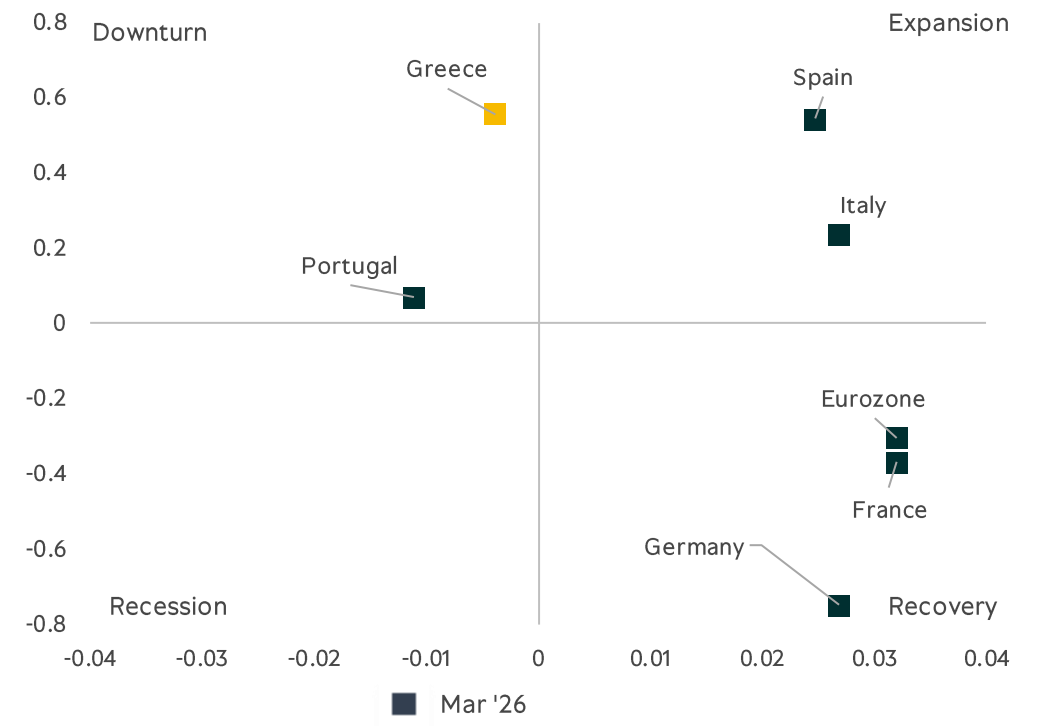


EA Business Cycle | Mixed signals are observed across major economic variables and uneven across countries, as the ESI weakened in March.

EA Business Cycle | Based on Major EA Economic Variables

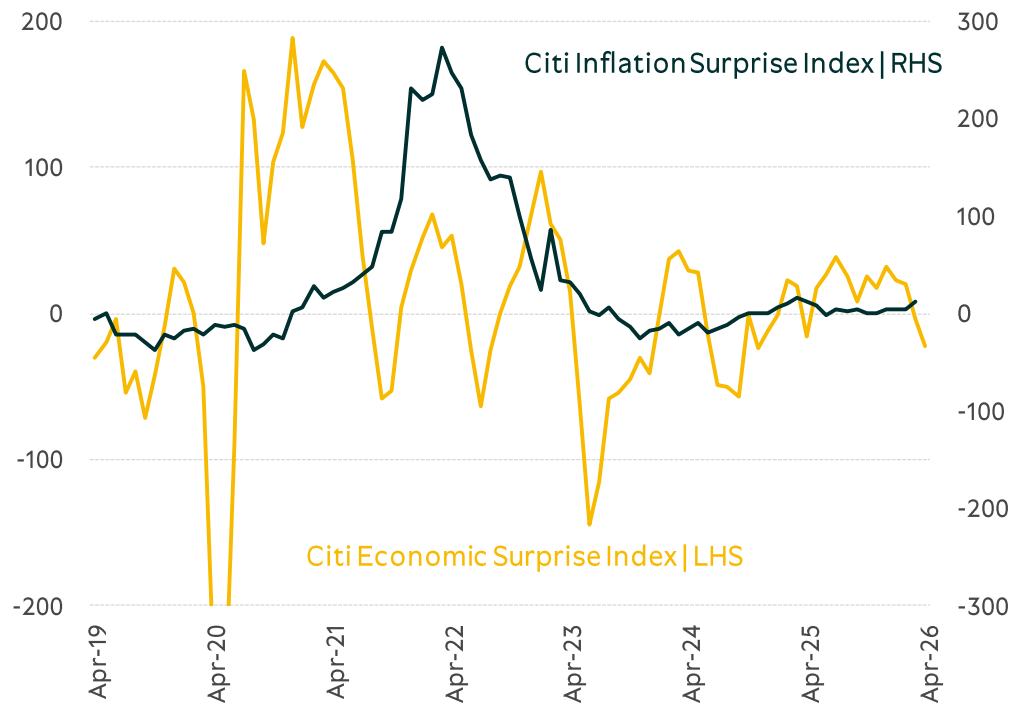


Business Cycle of EA Members | Based on Economic Sentiment Indicator

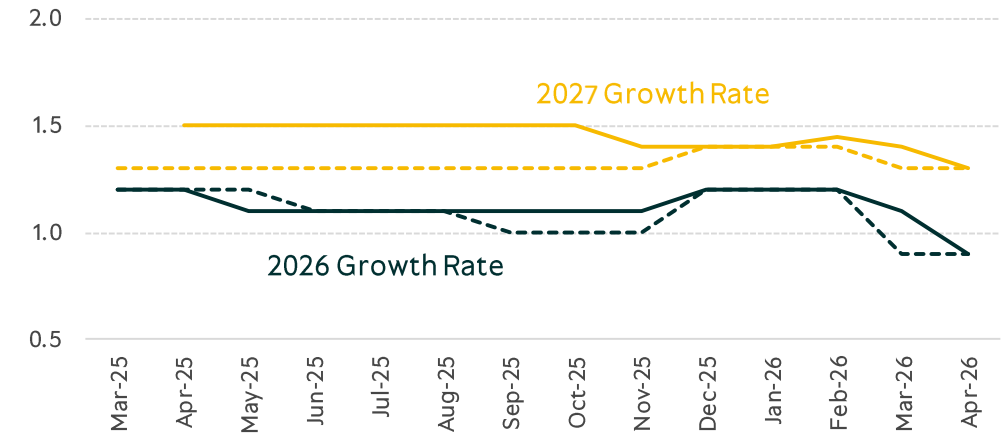


EA Macro Expectations | In April, economic surprises deteriorated further. Consensus growth expectations for 2026 moved lower and inflation expectations higher.

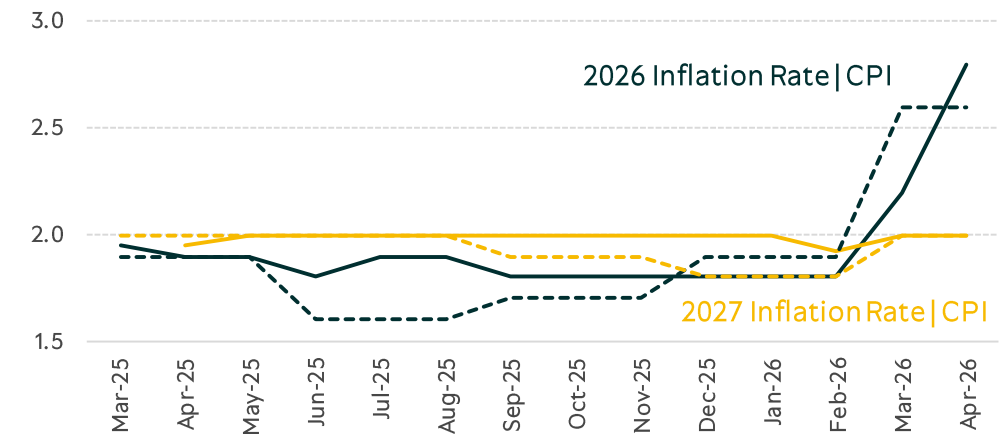
Economic & Inflation Surprises



Growth Rate Expectations*



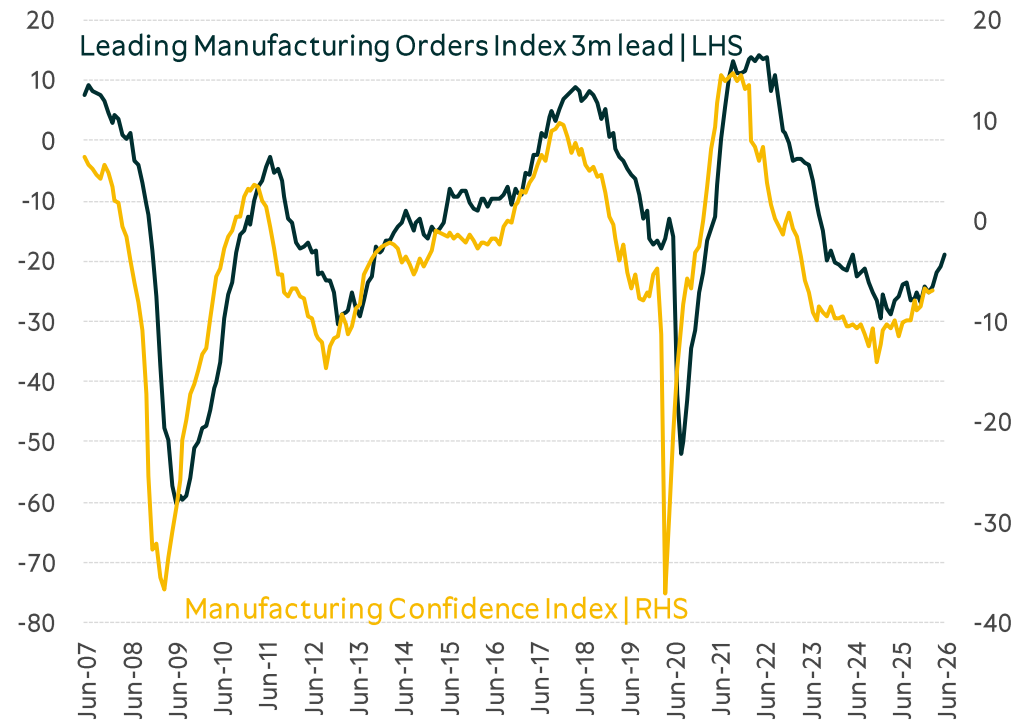
Inflation Rate Expectations*



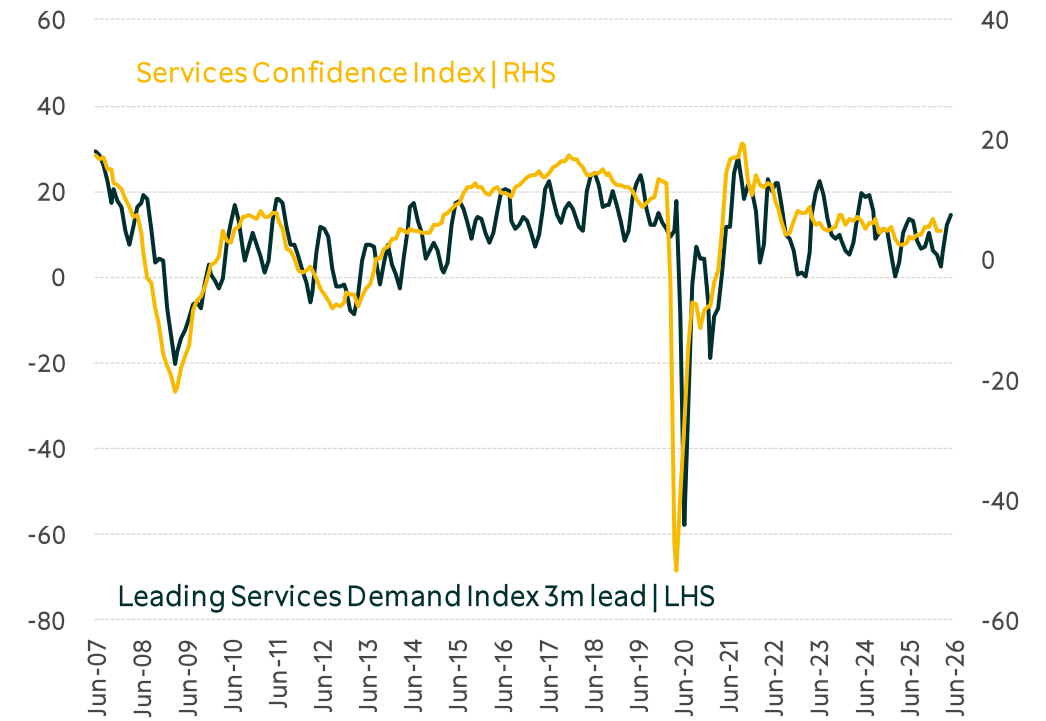
*Solid line: Consensus; Dotted line: ECB projections

EA Leading Indicators | In March, manufacturing & services confidence remained broadly stable, while the Leading Services demand index maintained an upward trend.

Manufacturing Confidence Index & Leading Manufacturing Orders

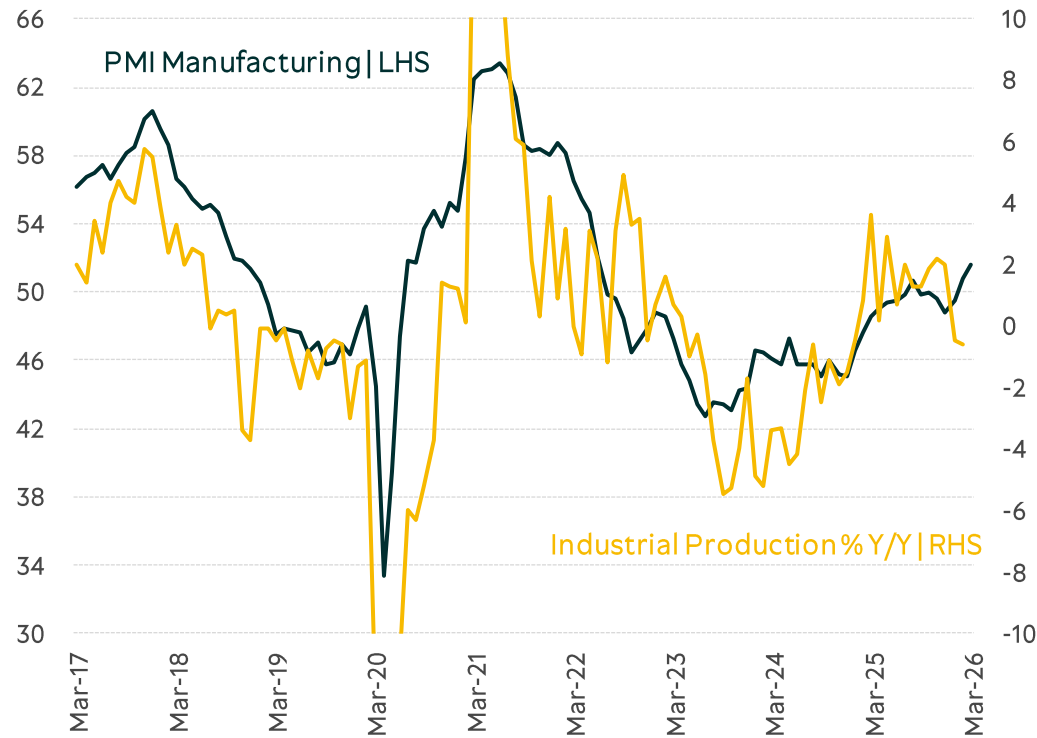


Services Confidence Index & Leading Services Demand Index

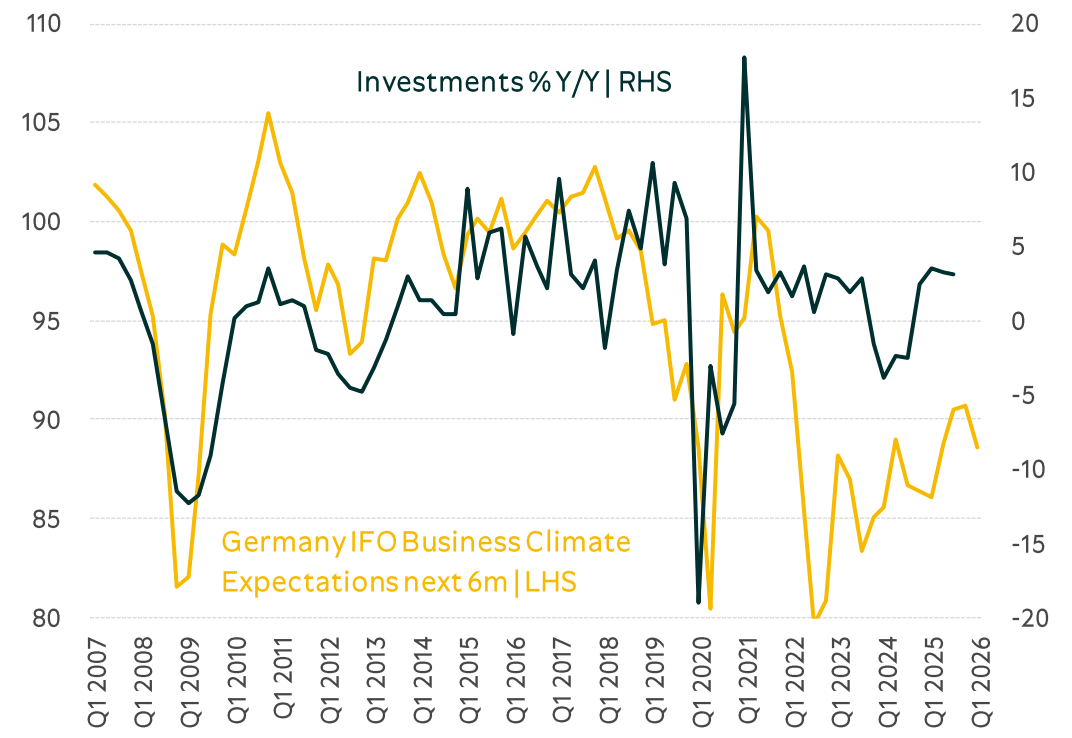


EA Business Conditions | Industrial production contracted by 0.6% YoY in January and February, driven mainly by declines in intermediate goods as well as durable and non-durable consumer goods.

Industrial Production & PMI Manufacturing

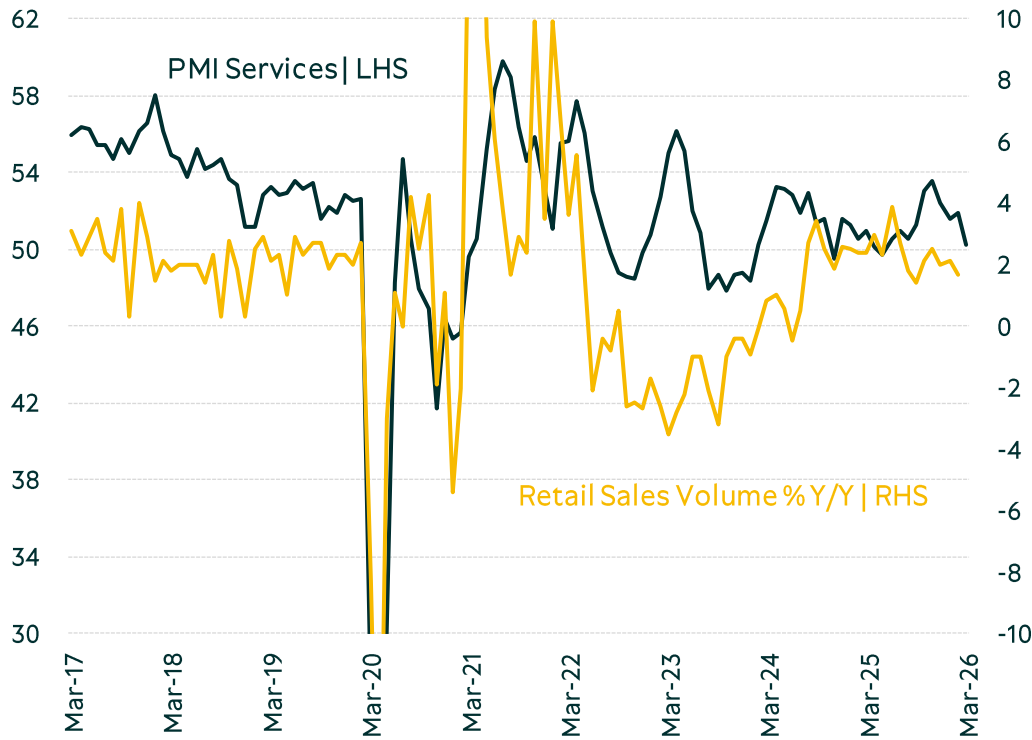


IFO Expectations & Business Investment

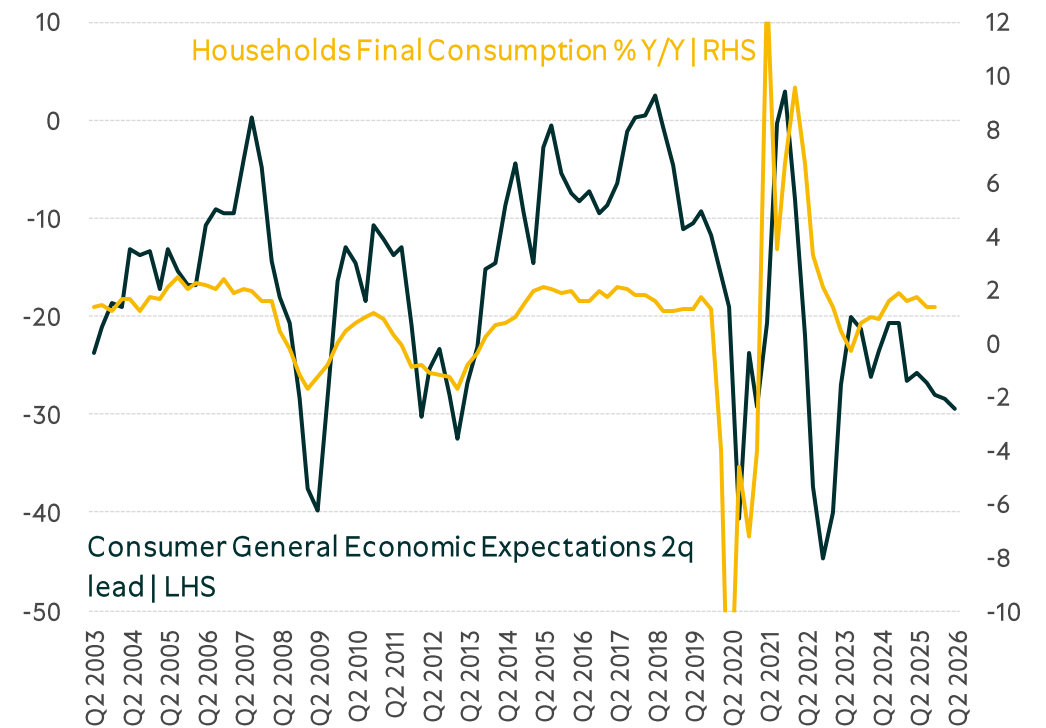


EA Business Conditions | Services PMI eased to 50.2 in March from 51.9 in February, its weakest level since May 2025, pointing to softer consumer activity and GDP momentum.

Retail Sales Volume & PMI Services

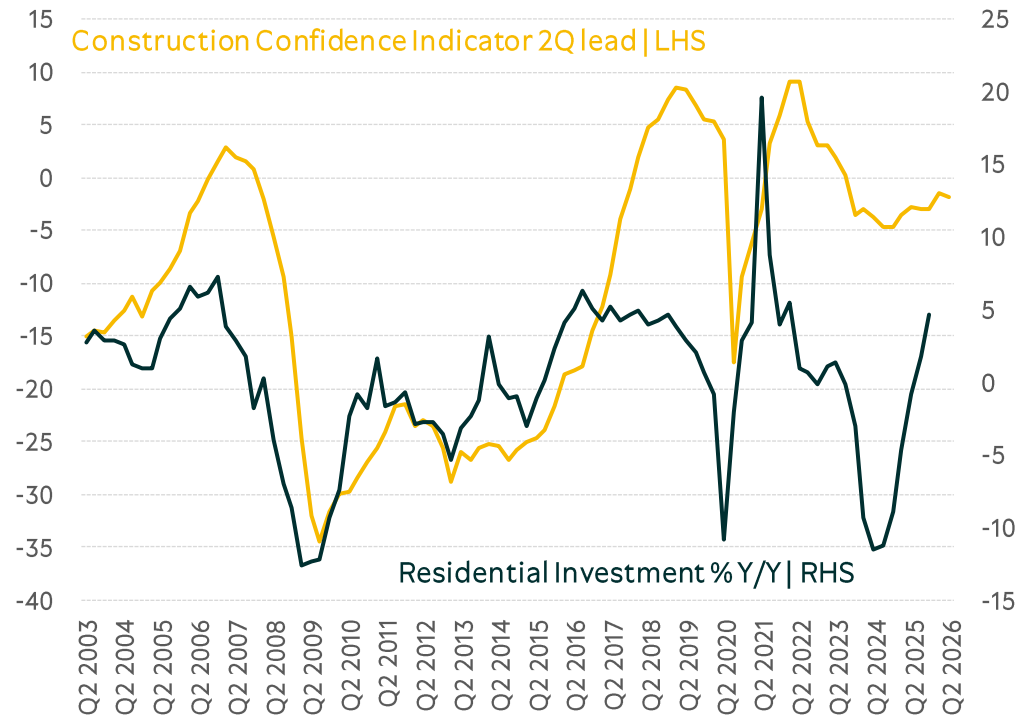


Final Consumption & Consumer Expectations Index

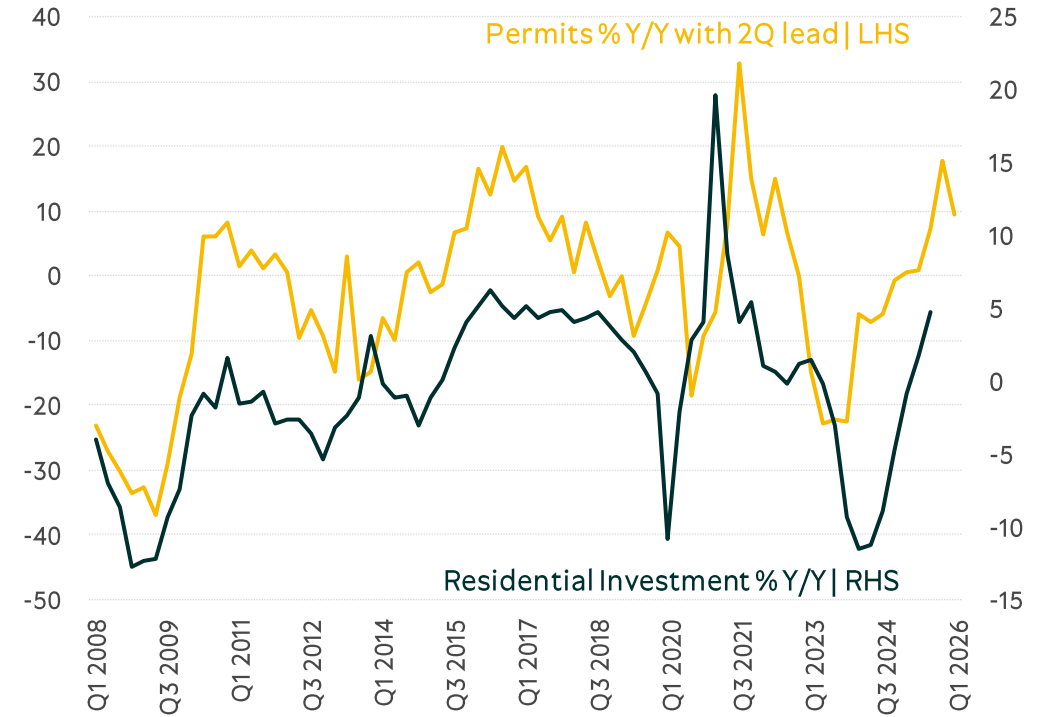


EA Construction | Resilience in the residential sector persists, underpinned by growing residential investment, despite softer construction confidence and tentative stabilisation in housing permits (qoq).

Residential Investment & Construction Confidence

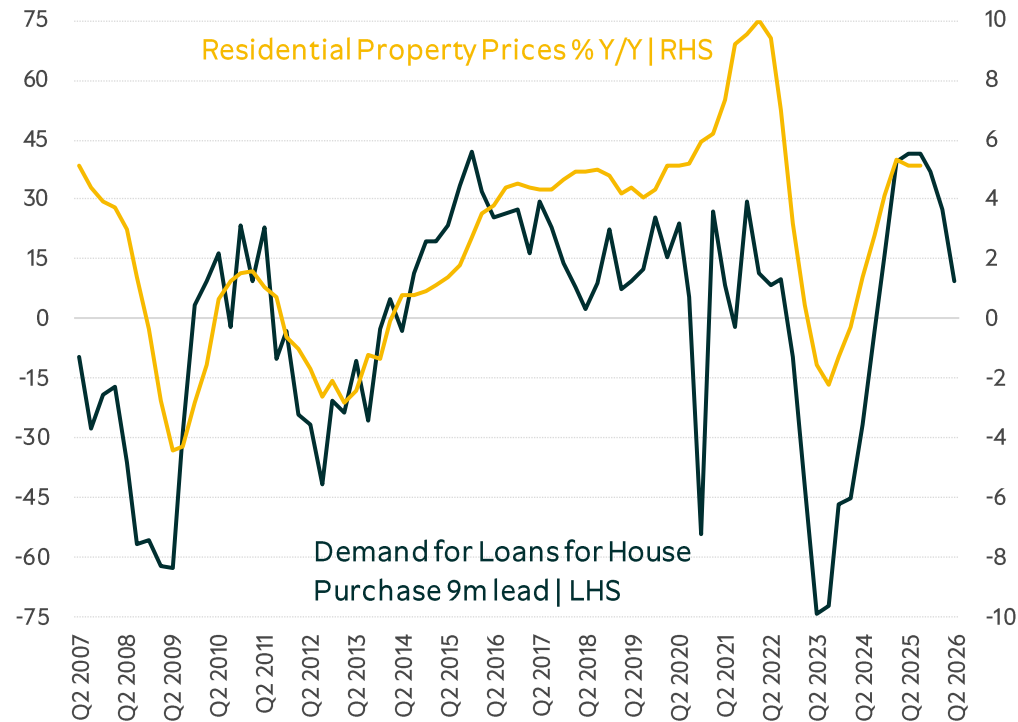


Residential Investment & House Permits

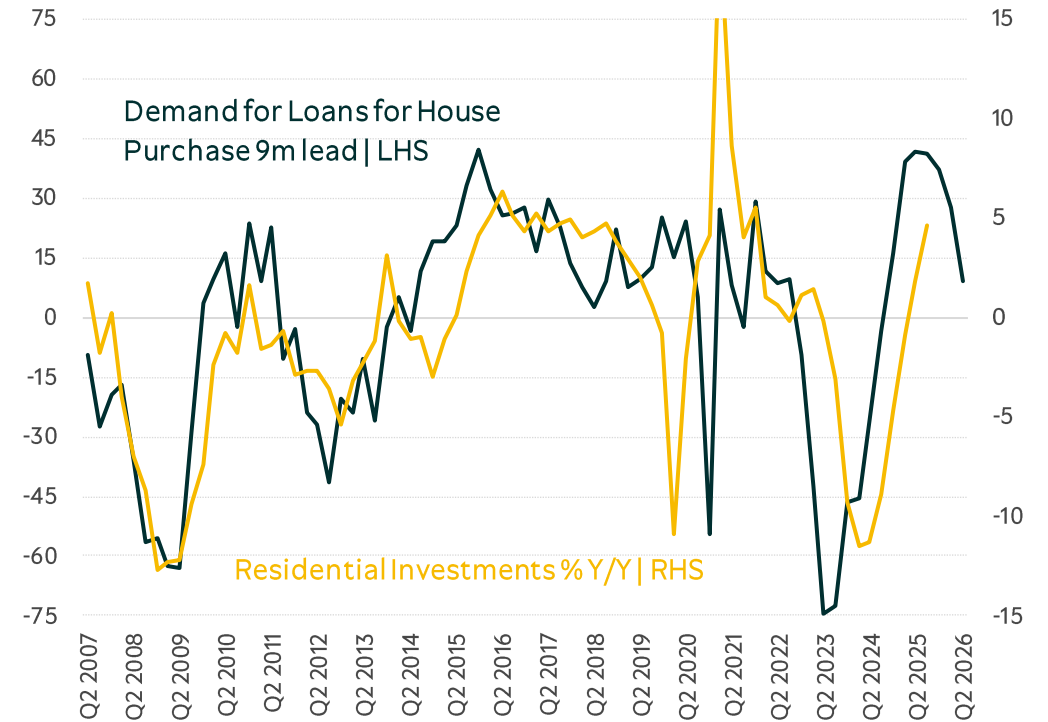


EA Construction | A stabilization in residential investments is projected over the next few months, as demand for mortgages decreases.

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

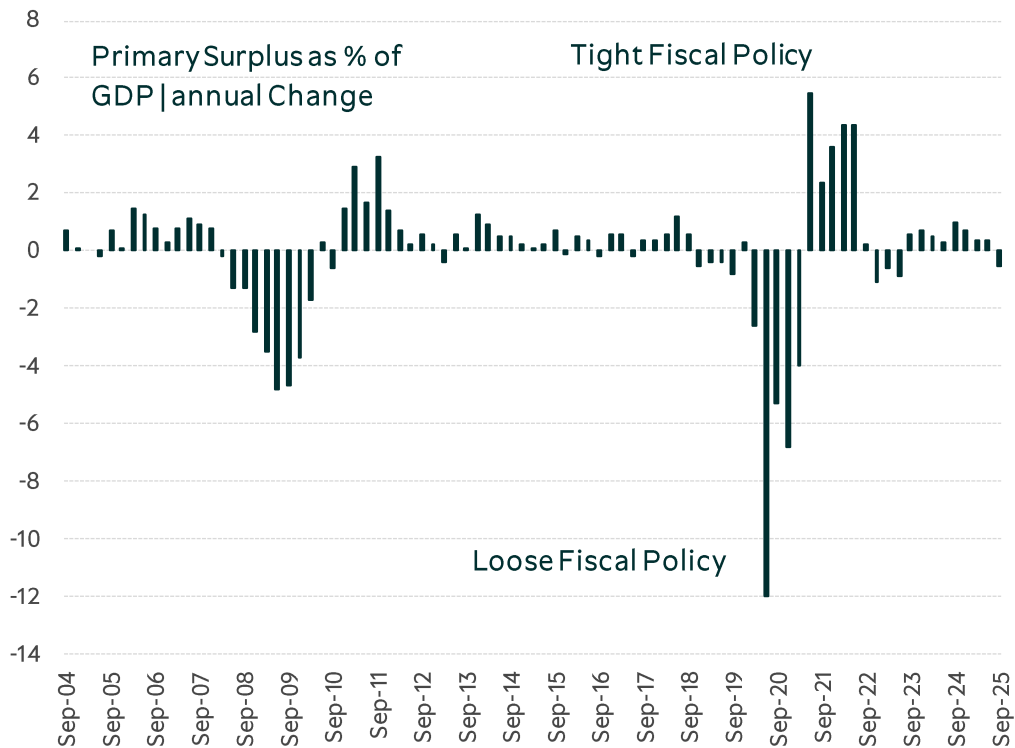


Residential Investments & Demand for loans (9m lead)

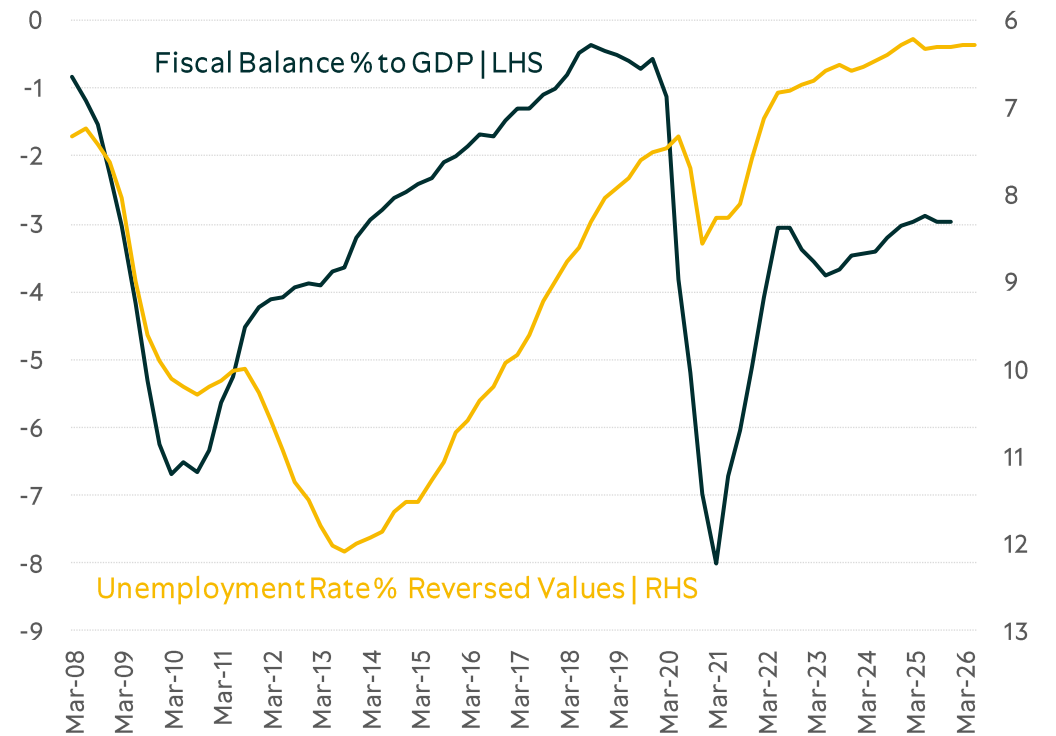


EA Fiscal Policy | The fiscal deficit has moderated, with the unemployment rate remaining at historic lows.

Fiscal Thrust

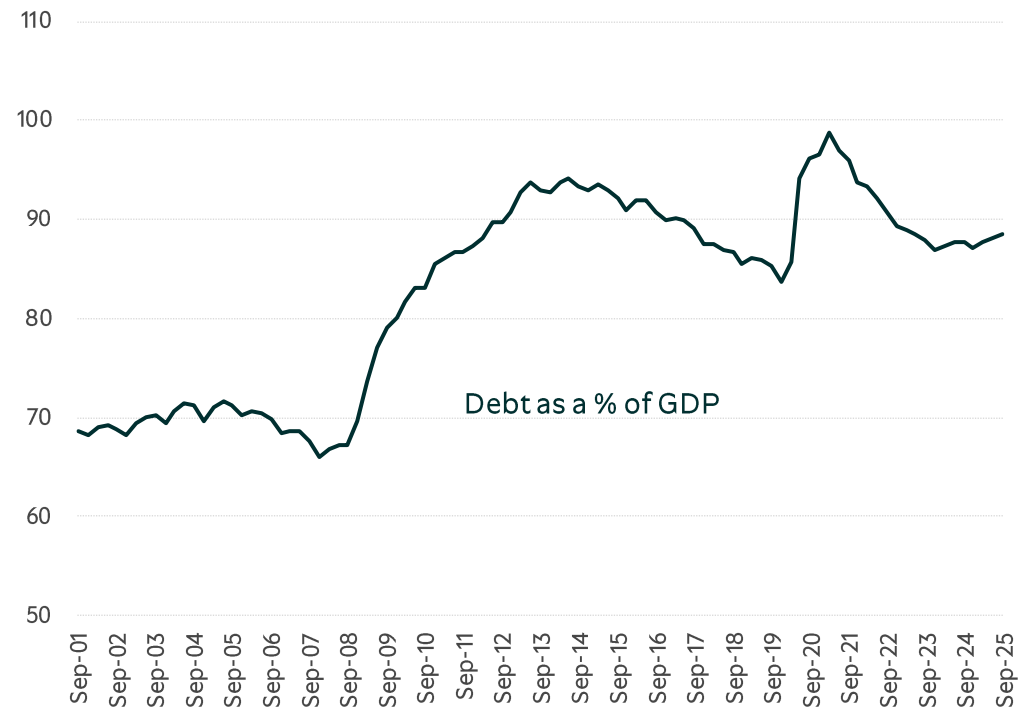


Fiscal Policy & Unemployment Rate

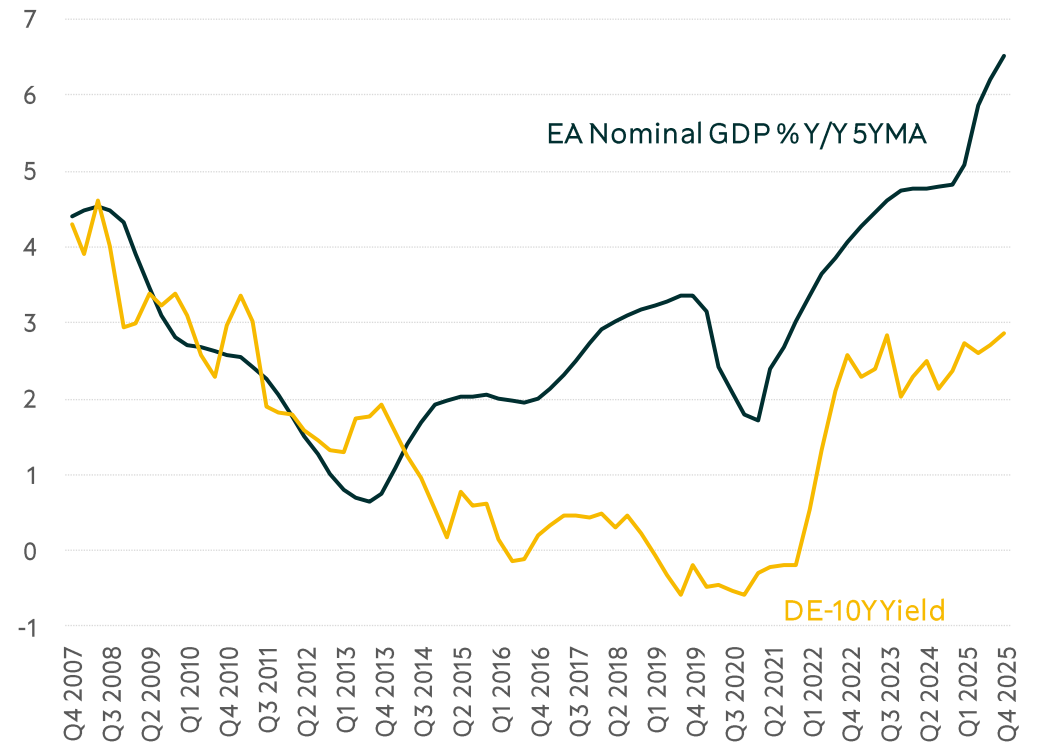


EA Fiscal Policy | Debt levels have moderated after the pandemic

Debt / GDP

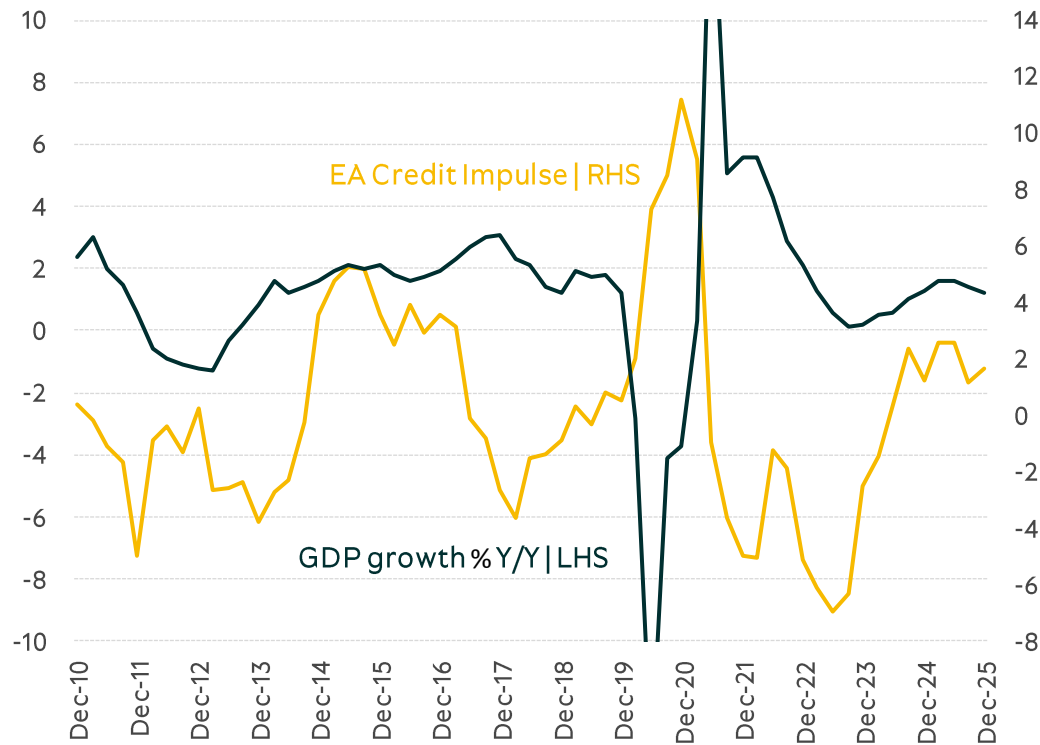


Fiscal Policy Sustainability

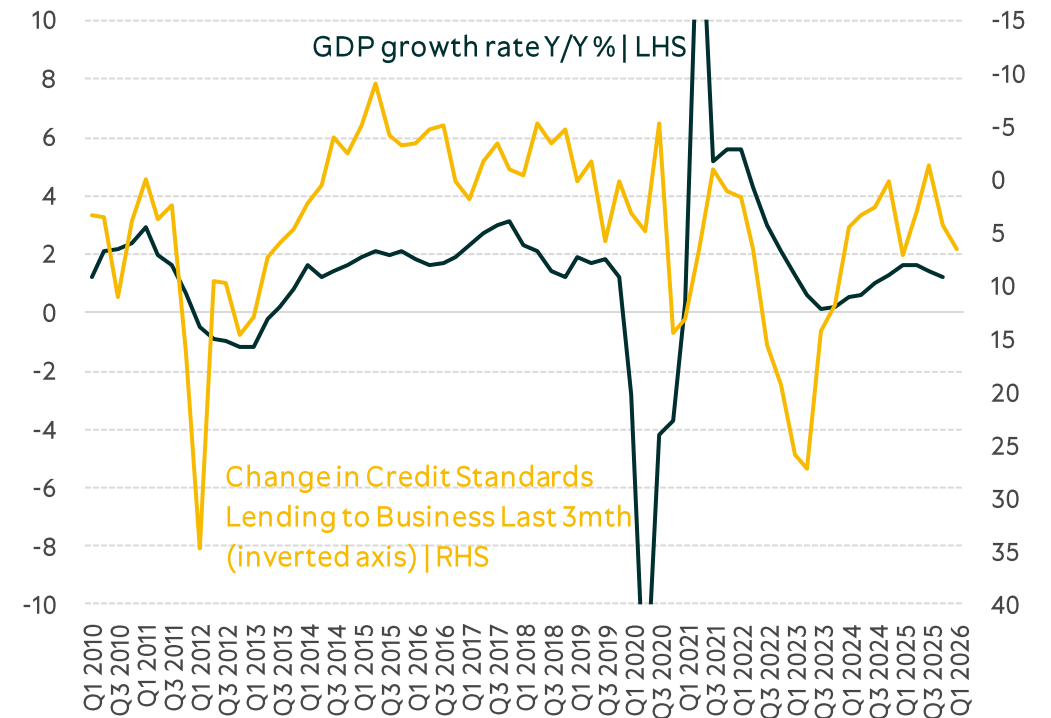


EA GDP Outlook | Credit impulse picked up slightly in Q4 2025, while credit standards for lending to businesses tightened in Q1 2026.

EA Credit Impulse & GDP growth rate

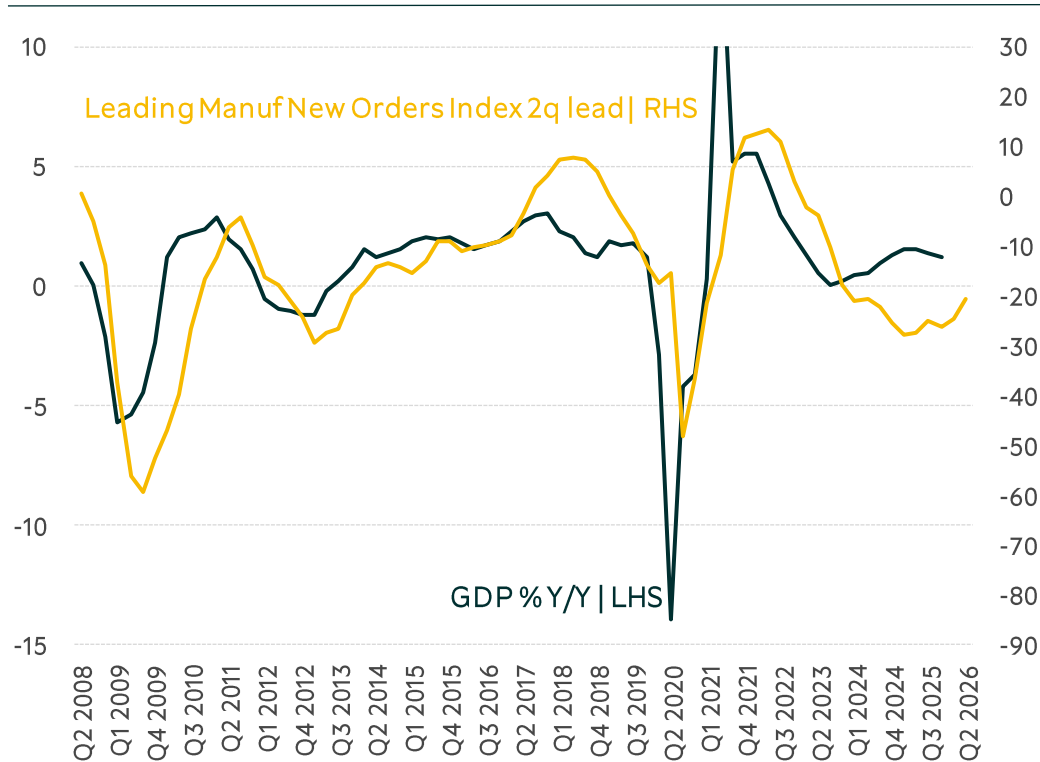


GDP & Bank Lending Standards

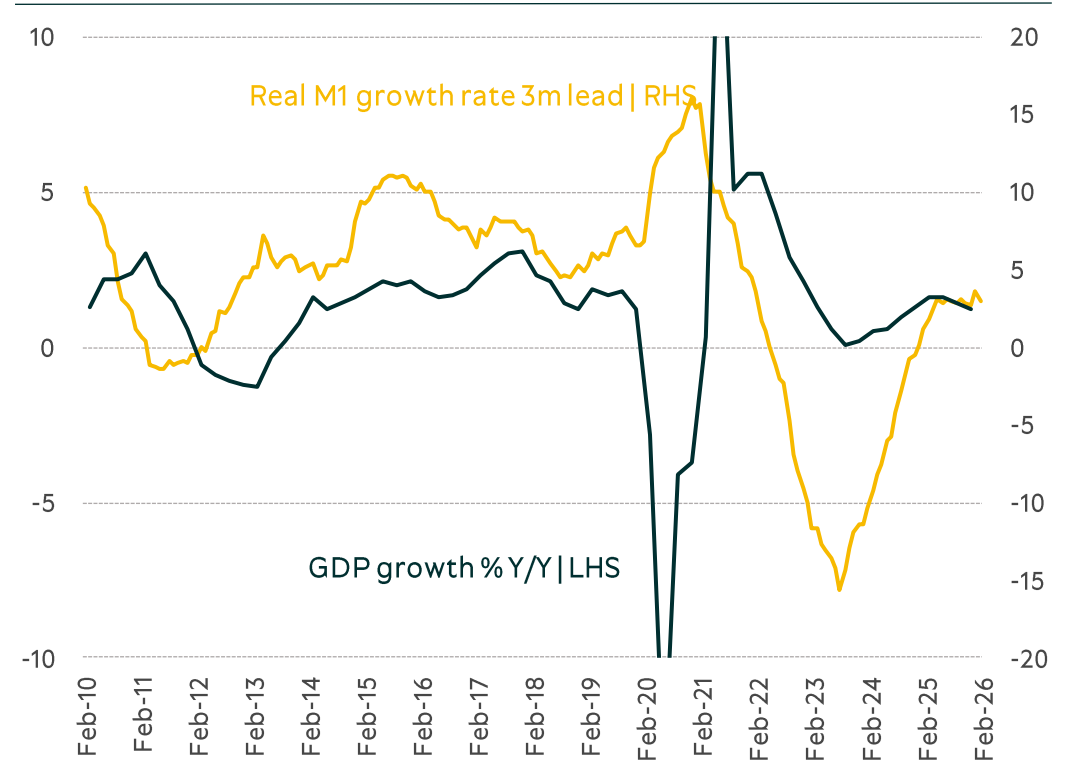


EA | The contraction in manufacturing new orders eased in Q4 2025 and Q1 2026, whereas the small deterioration in real M1 points to slightly tighter liquidity conditions.

GDP & New Orders Indices

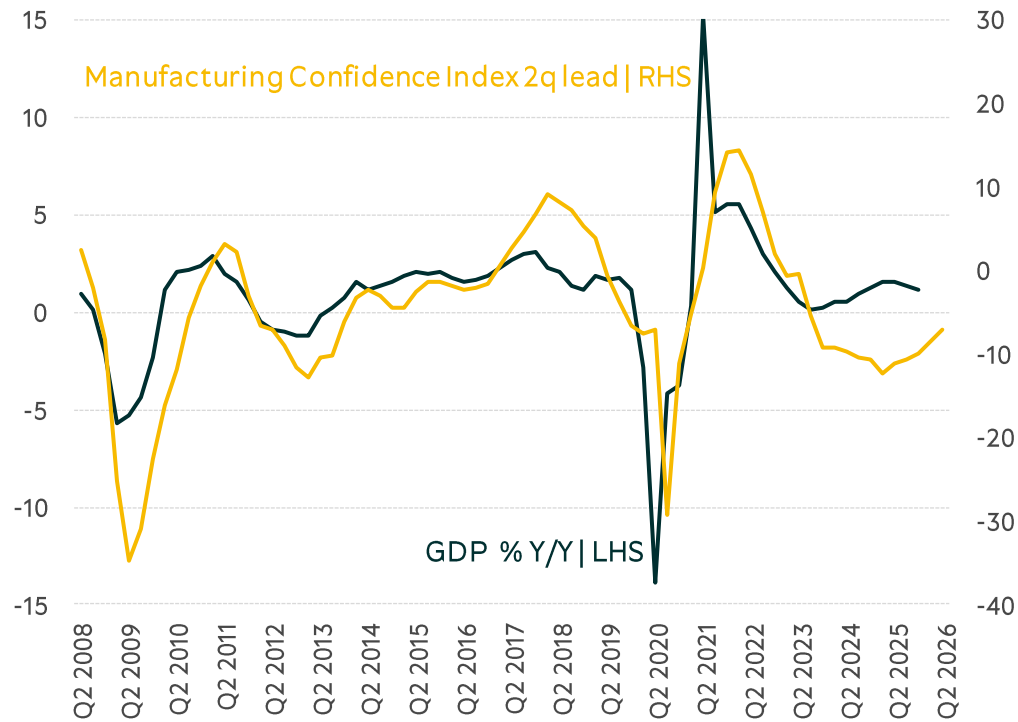


GDP & Real M1 growth rate

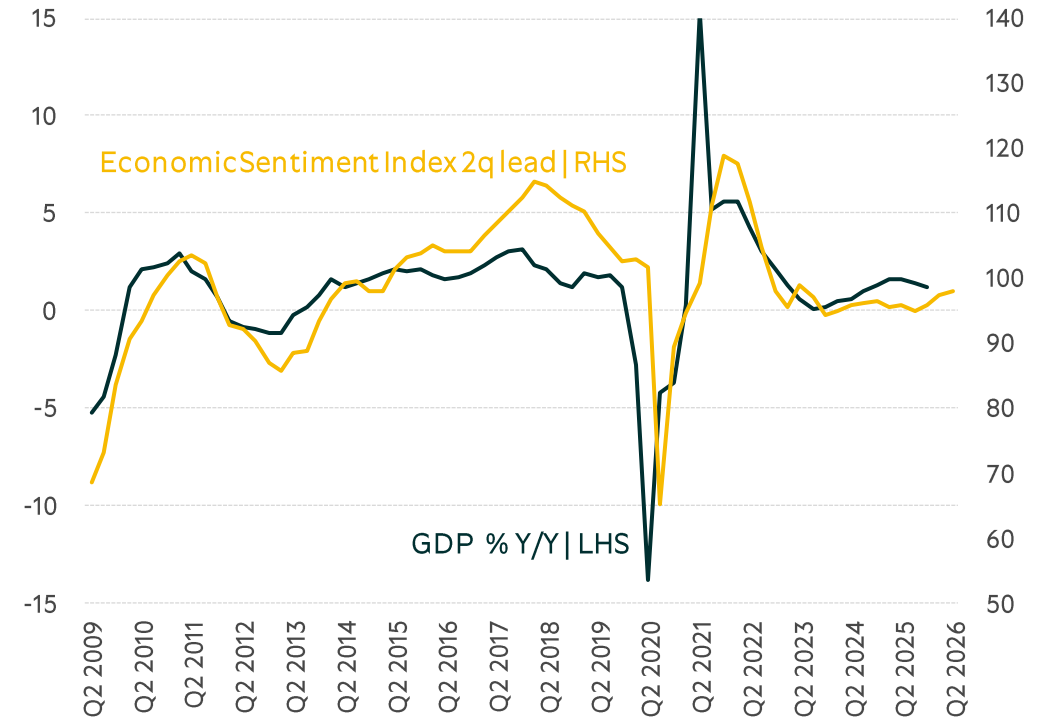


EA GDP Outlook | Economic and manufacturing sentiment picked up providing some green shoots.

GDP & Manufacturing Confidence Index

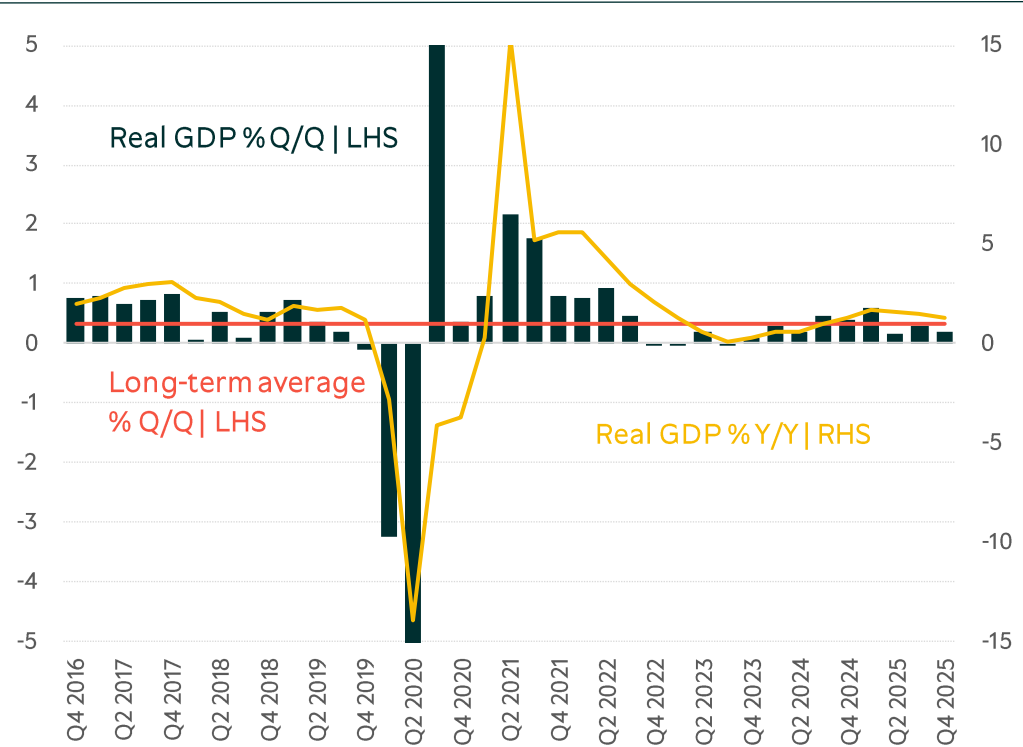


GDP & Economic Sentiment Index

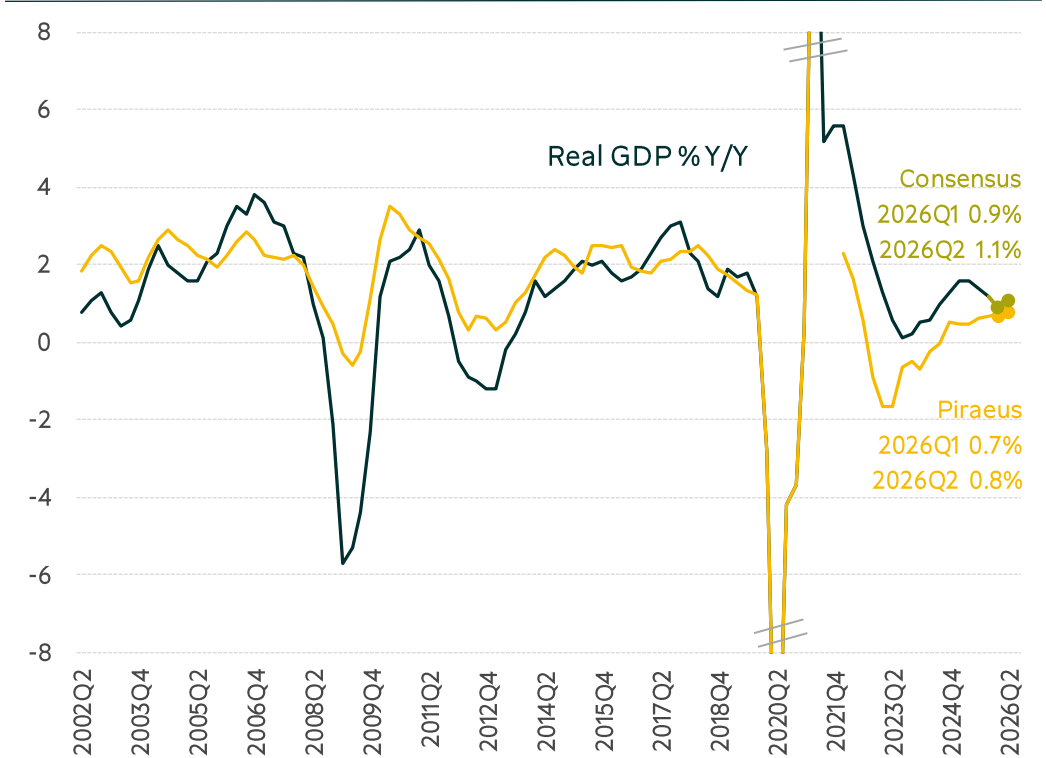


EA GDP Outlook | Real GDP grew by 1.2% year-on-year in Q4 2025 from 1.4% in Q3 2025 (0.2% quarter-on-quarter) and is projected to grow at a slower rate.

Growth Rate Outlook



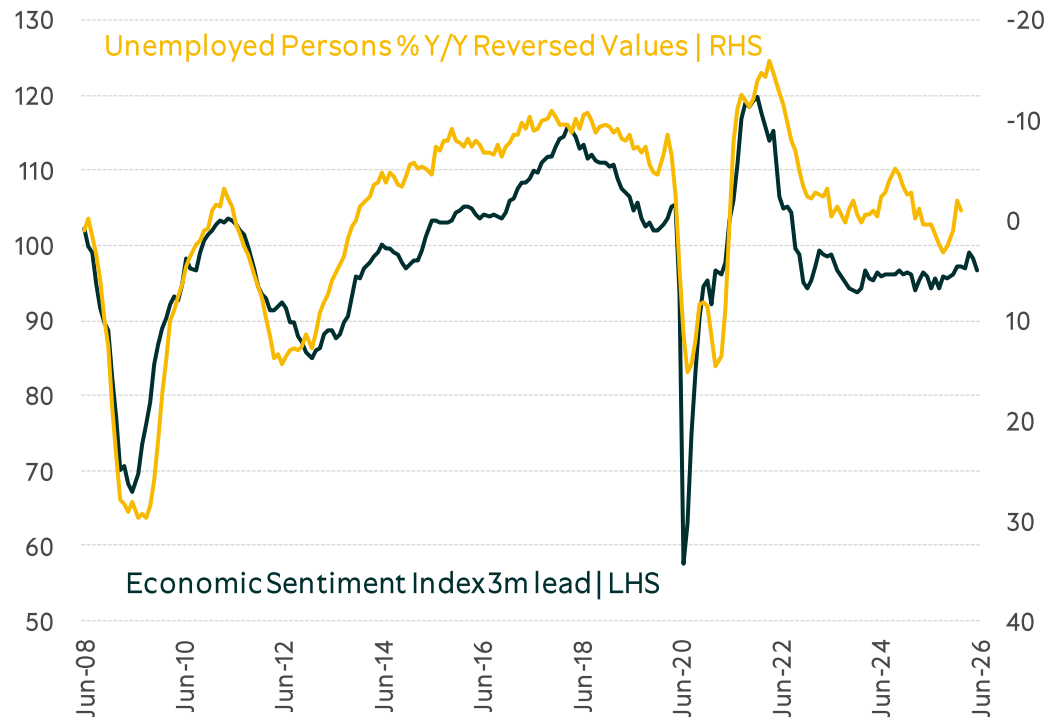
Growth Rate Estimate



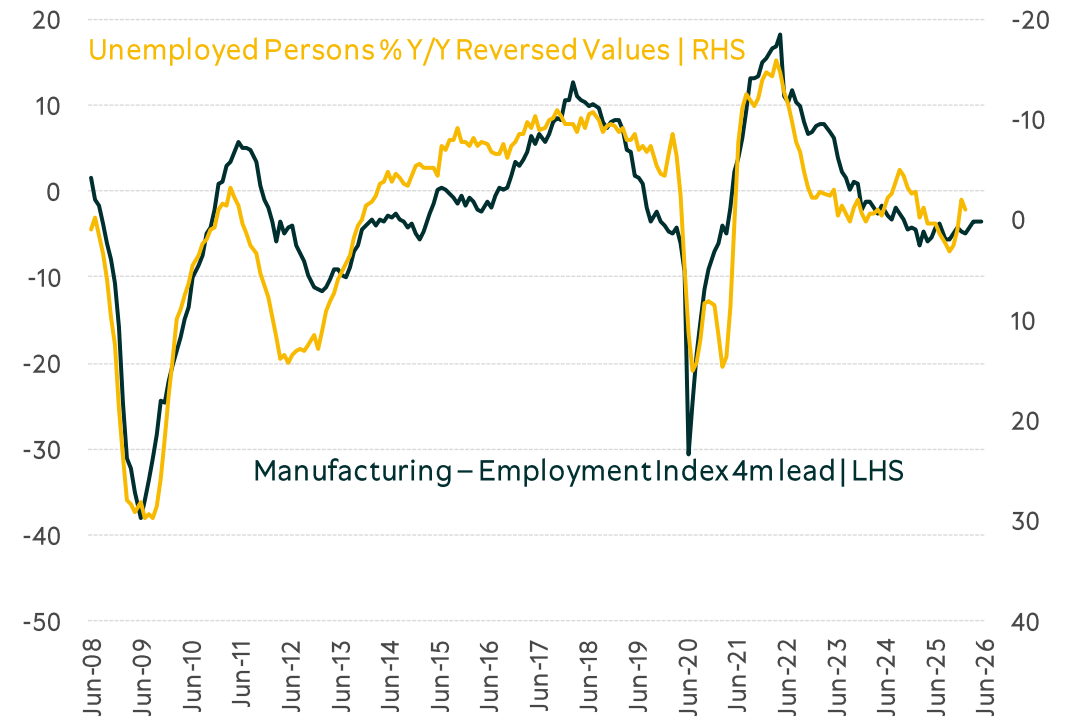
Note: Covid-19 period (Q4 2019 - Q2 2021) is excluded from the estimation

EA Labour Market | Number of unemployed persons decreased at a smaller rate, while sentiment and manufacturing indicators point to early signs of stabilization across the euro area.

Unemployment & Leading Sentiment Index

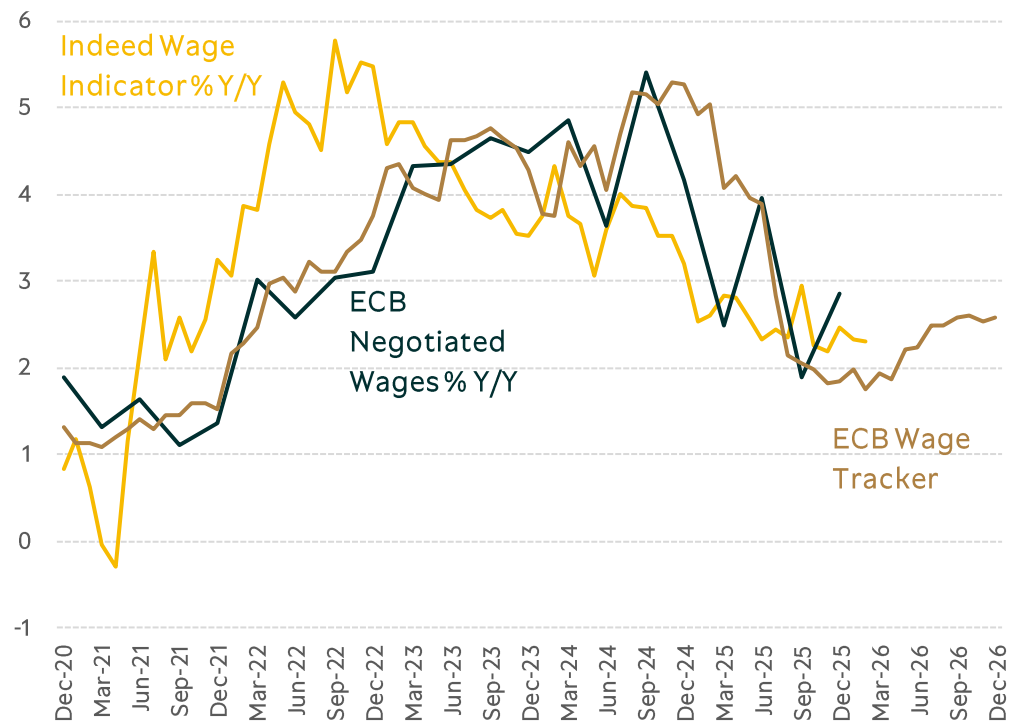


Unemployment & Leading Manufacturing Index

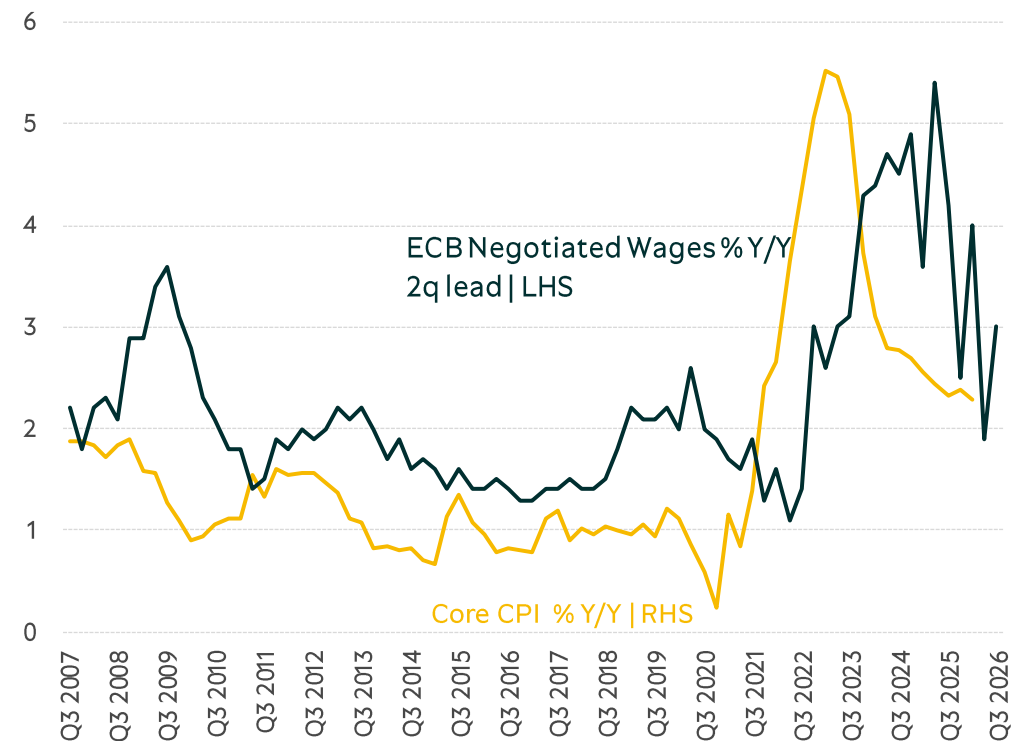


EA Wage Tracker | The Indeed wage indicator increased at 2.31% in February from 2.34% in January. The ECB's Wage Tracker indicates a modest wage growth increase in 2026, as negotiated wages spiked in Q4 2025.

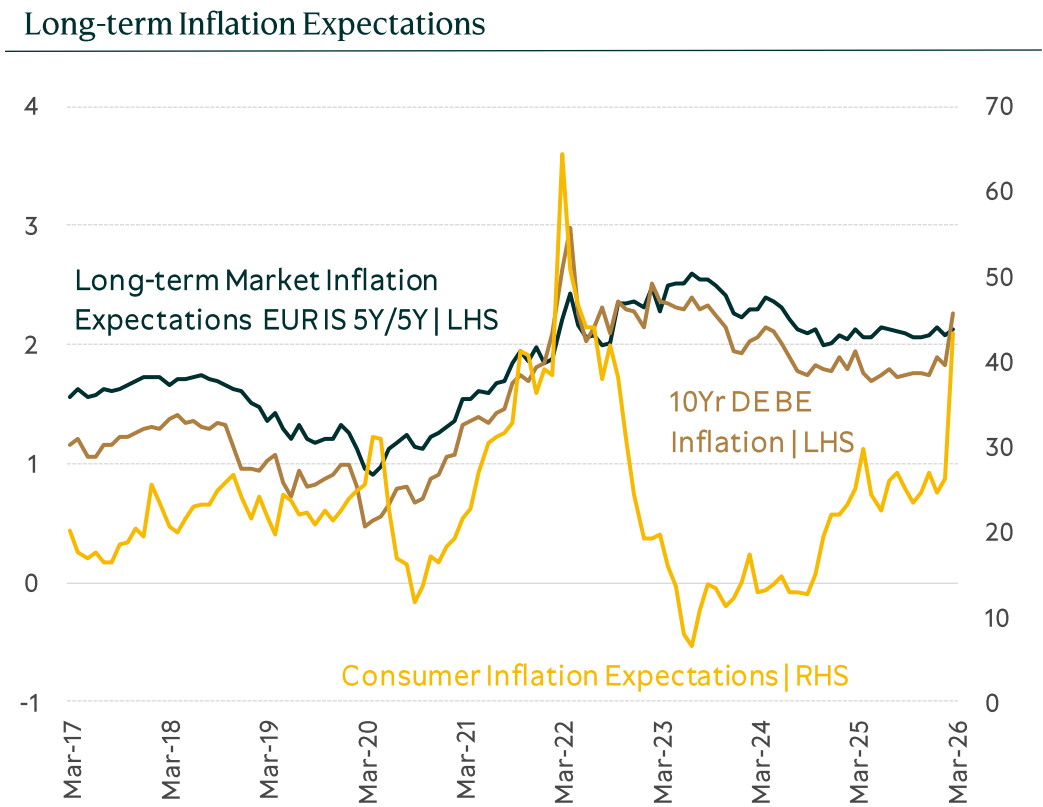
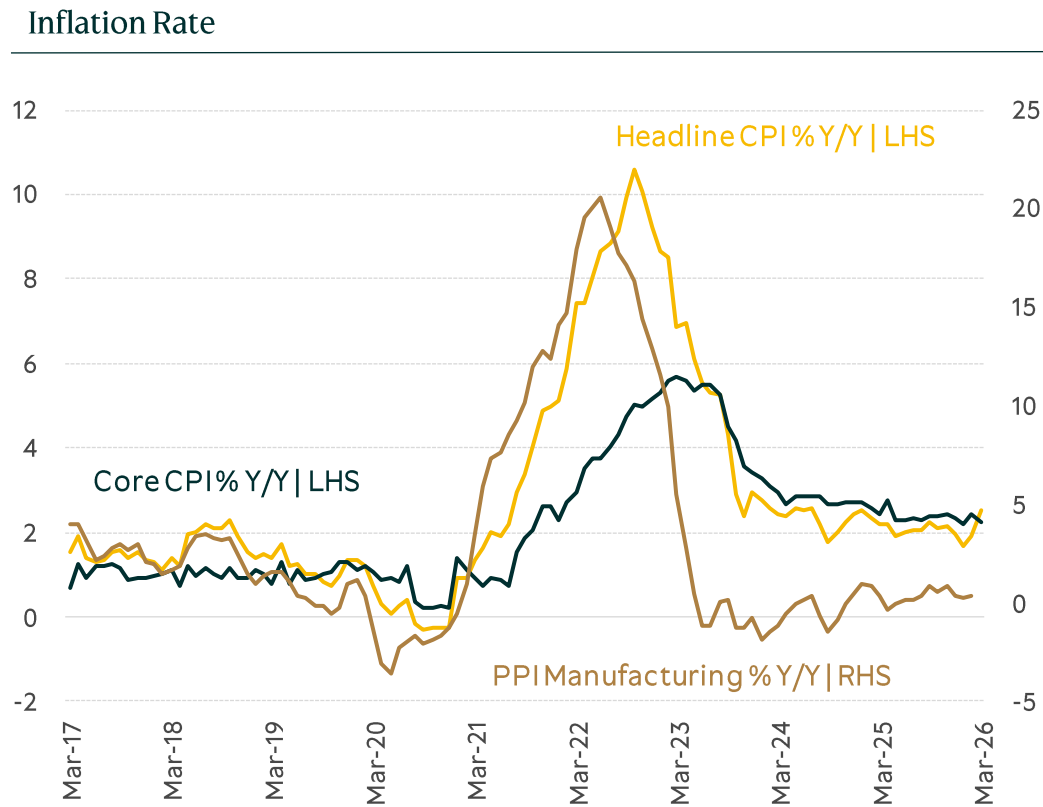
EA Wage Indicators



Core Inflation & Wages

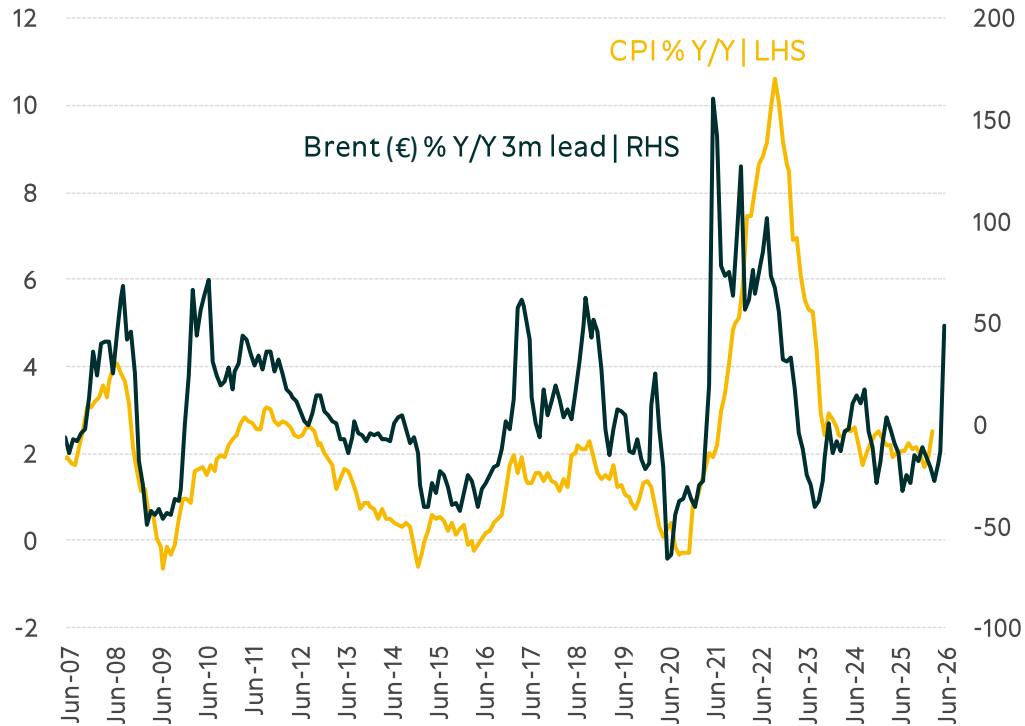


EA Inflation Pressures | Headline CPI accelerated to 2.6% in March from 1.9% in February, while Core CPI decreased to 2.3% from 2.4%. Consumer inflation expectations surged in March driven by the outbreak of war.

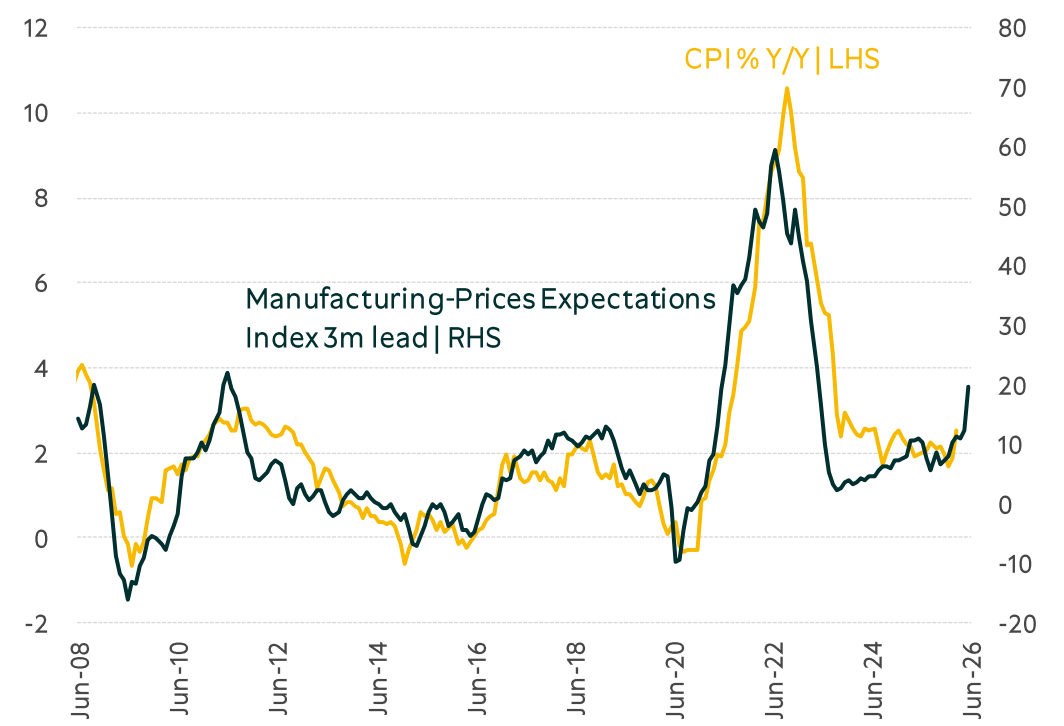


EA Inflation & Energy Prices | Brent's sharp jump keeps oil prices biased to the upside amid geopolitical tensions, while manufacturing price expectations remain elevated.

Inflation Rate & Oil Prices

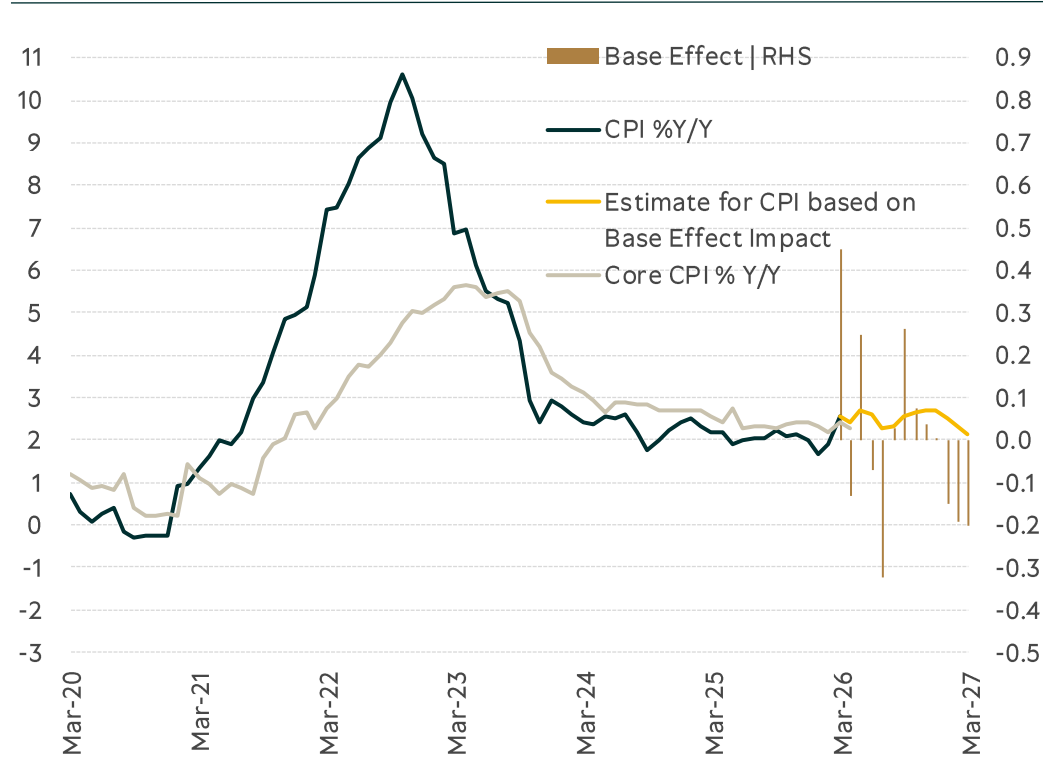


Inflation Rate & Leading Manufacturing Prices Index

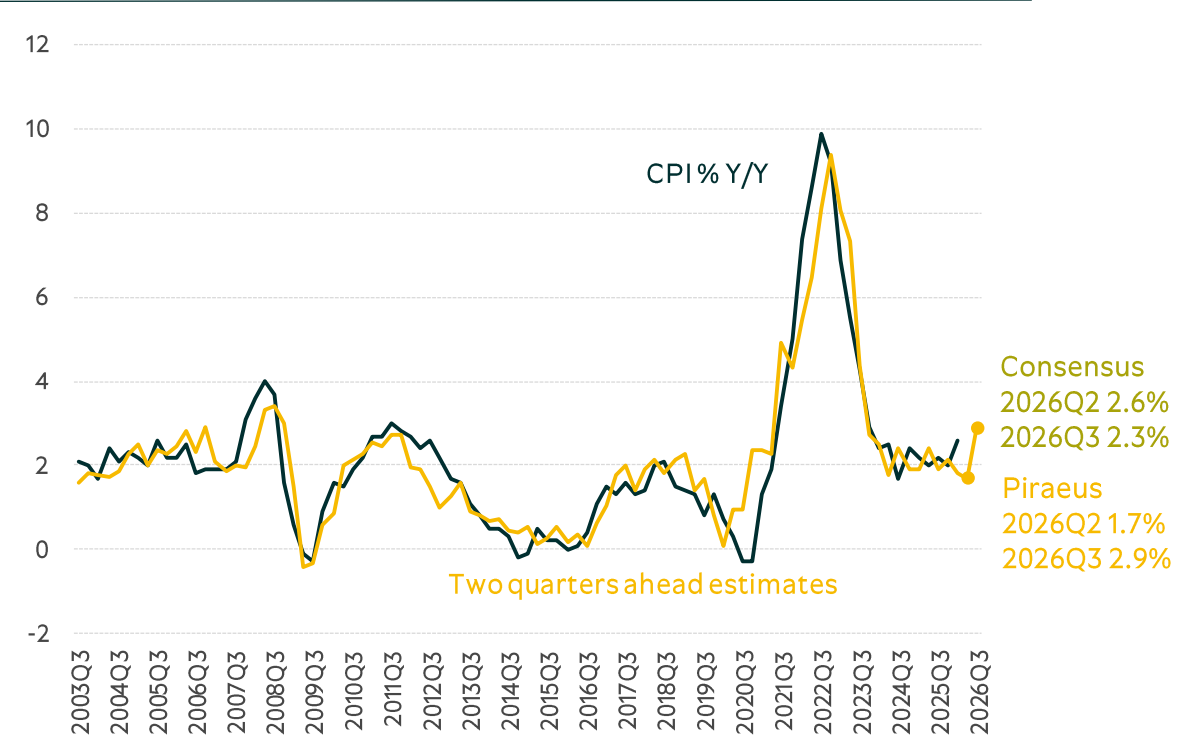


EA Inflation Outlook | The 2% target is expected to be achieved for the year according to our statistical model. The Macro model that includes the price of Brent points to higher inflation ahead.

Inflation Rate Forecast | Statistical Model

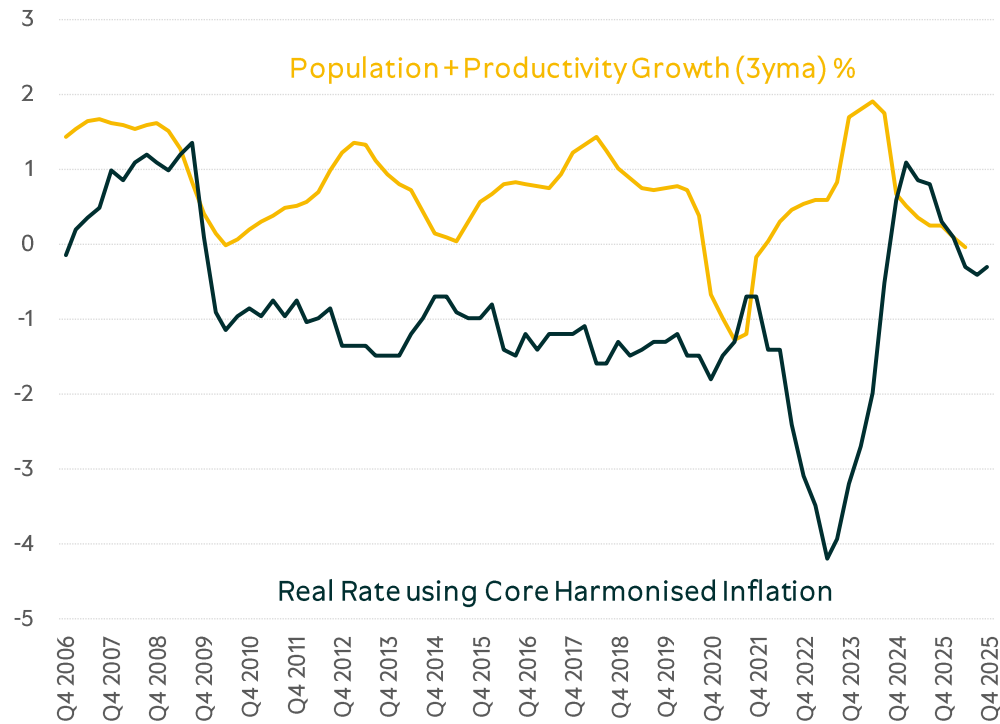


Inflation Rate Forecast | Macro Model

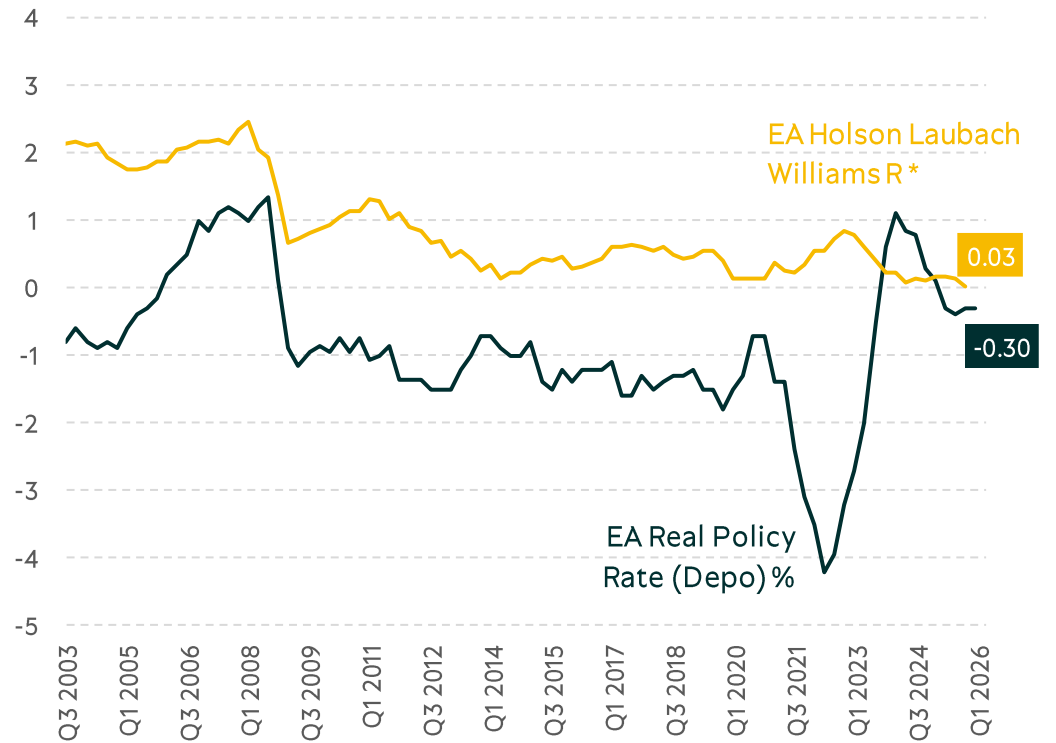


EA Interest Rates | EA population and productivity growth has stopped falling; real policy rate below HLW neutral rate (R*)

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

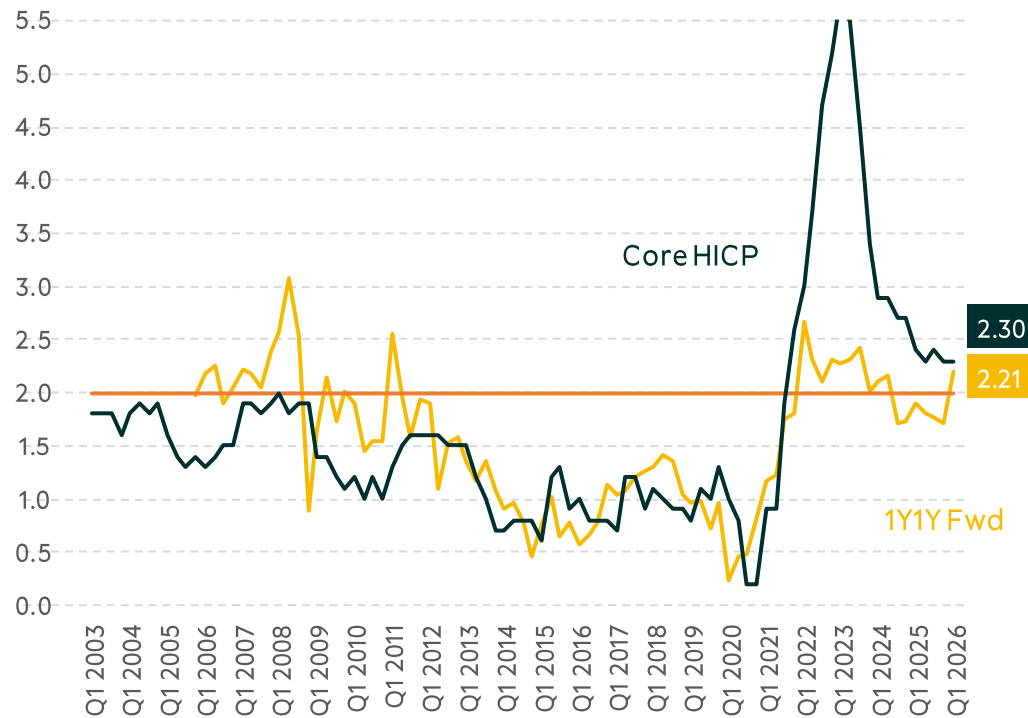


EA Holson Laubach Williams R* & EA Real Policy Rate (Depo - Core HICP)

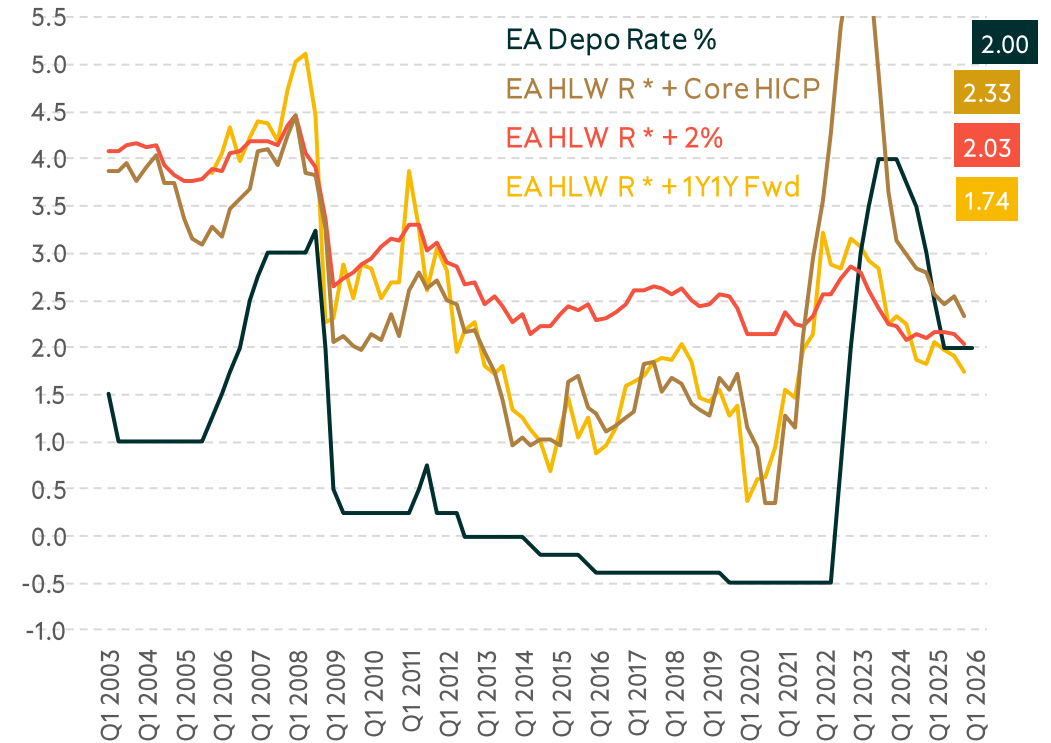


EA Interest Rates | EA Inflation expectation one year ahead on an upward trend; Depo Rate & Adjusted HLW R*

EA Inflation & Inflation Expectations one year ahead

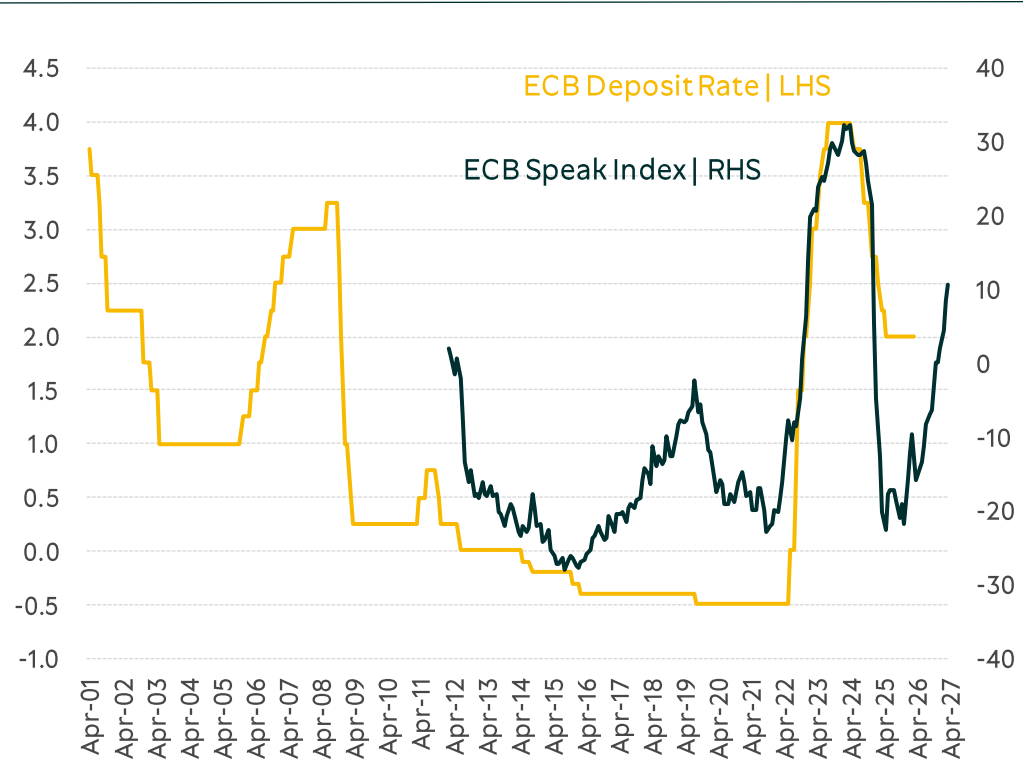


EA Depo & Nominal HLW R*

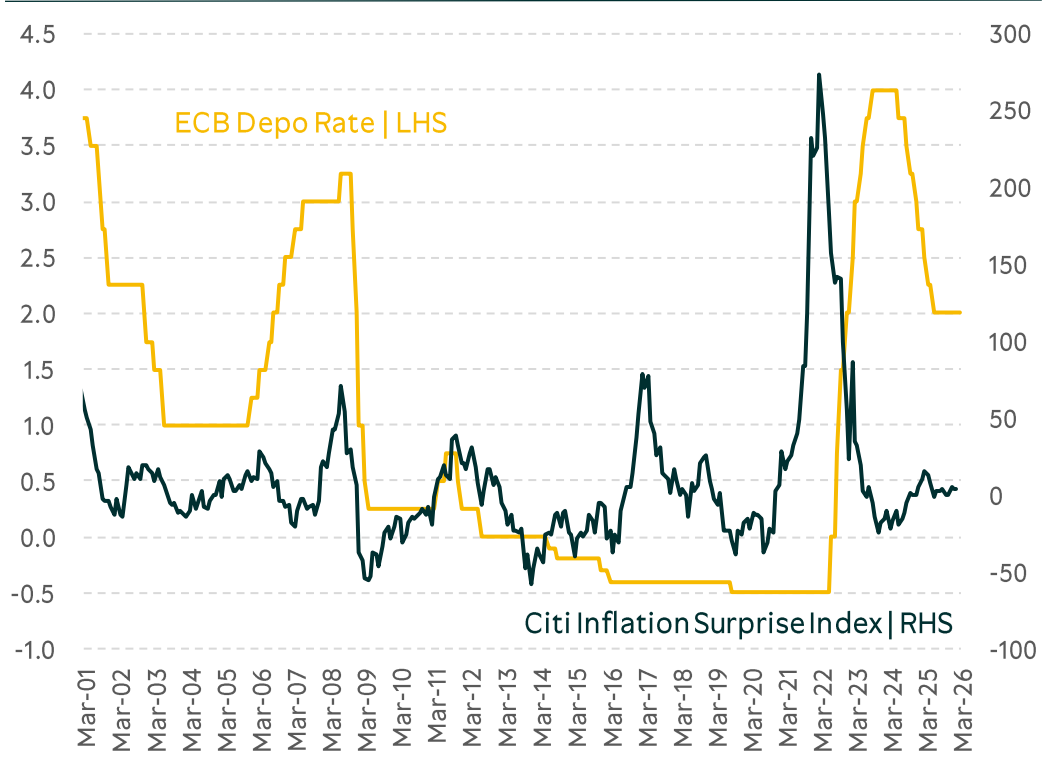


EA Interest Rates | ECB Speak Index is trending up; Inflation surprises are close to zero

ECB Speak Index & ECB Deposit Rate



Inflation Surprises & ECB Deposit Rate



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

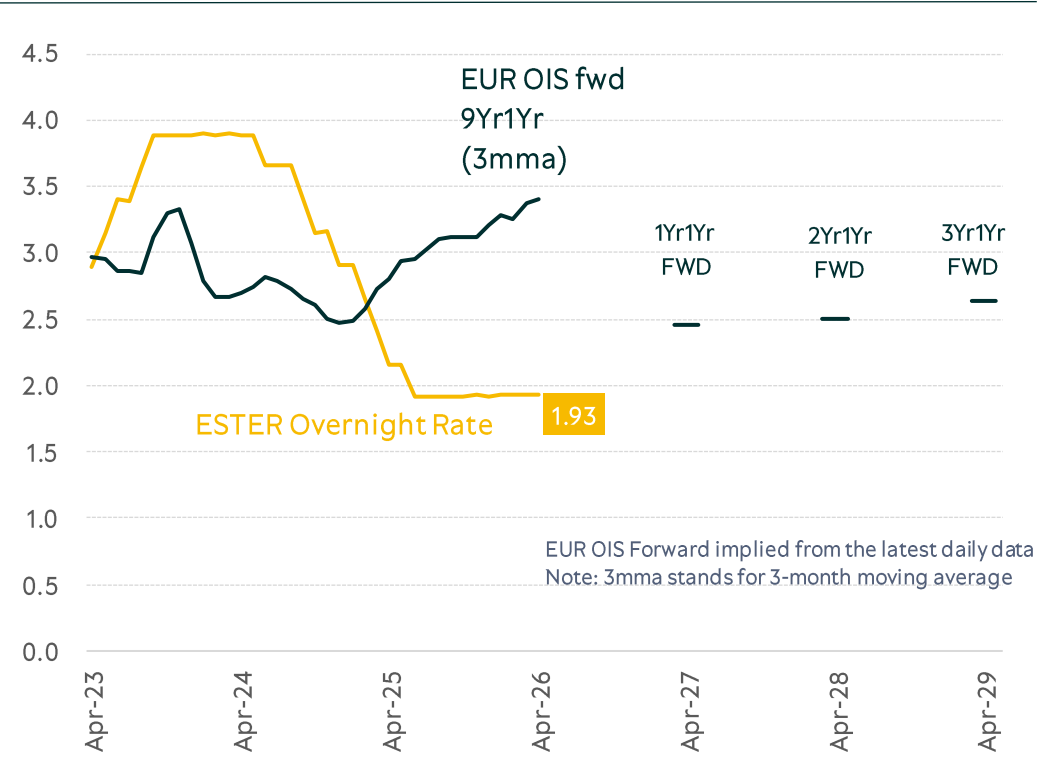
Negative index → Indicates a dovish tone, meaning the central bank is inclined toward easing monetary policy (lowering rates, adding liquidity).

Positive index → Indicates that inflation has been higher than expected

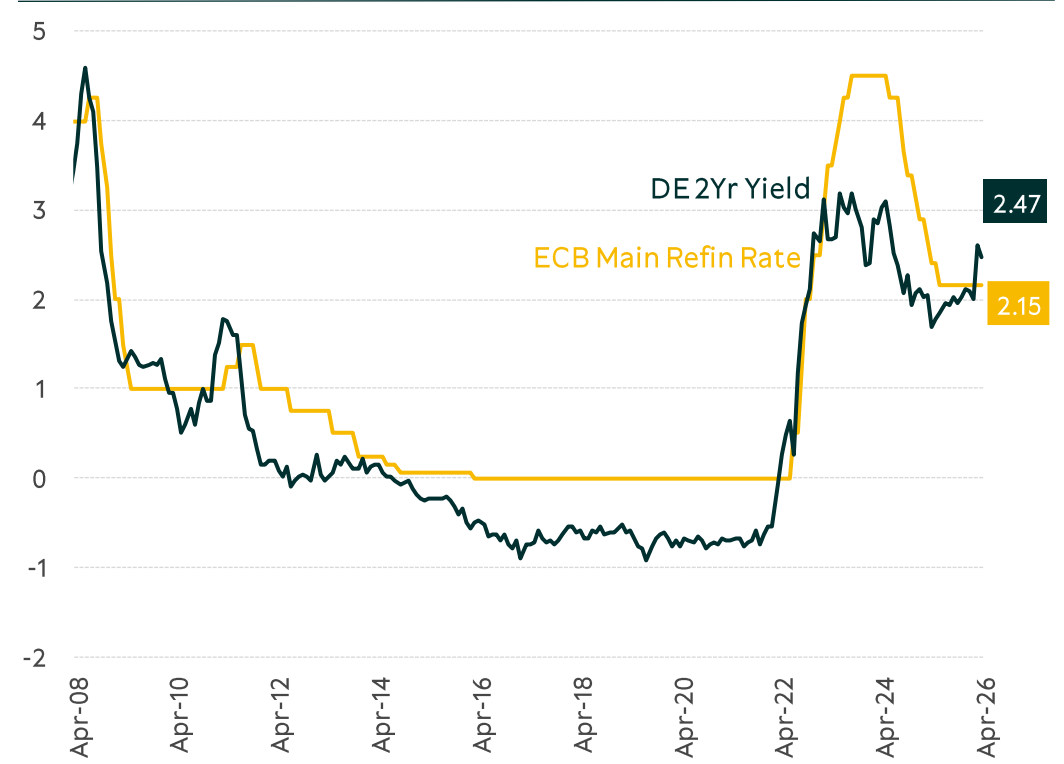
Negative index → Indicates that inflation has been lower than expected

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

Interest rates | Market Expectations

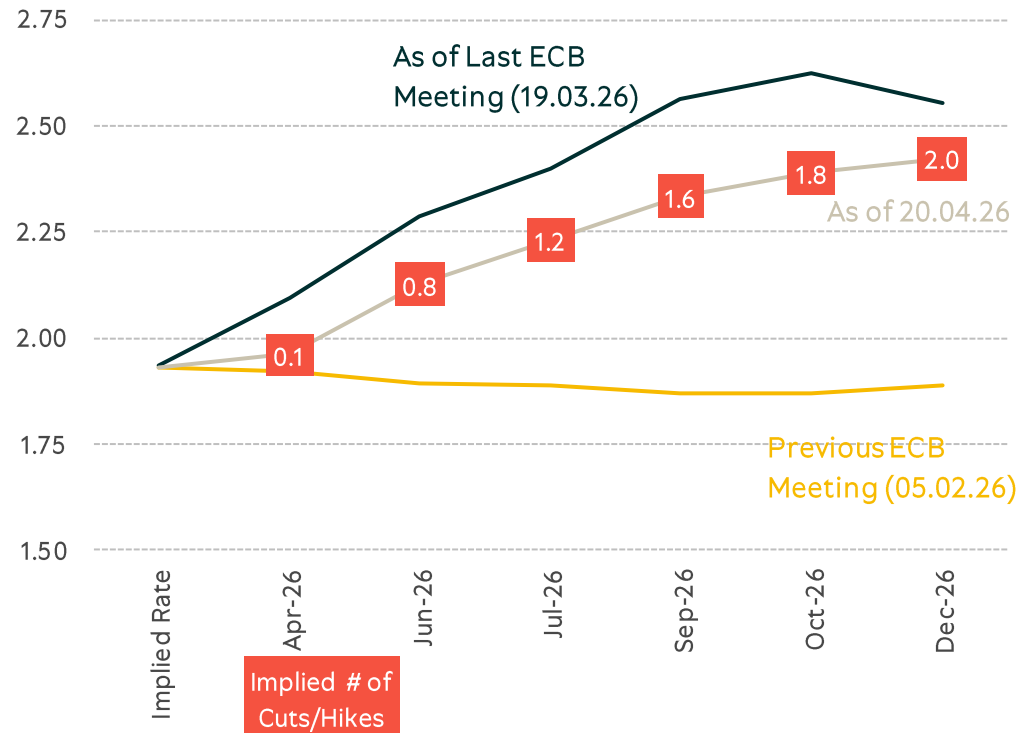


ECB Policy Rate vs German 2Yr Yield

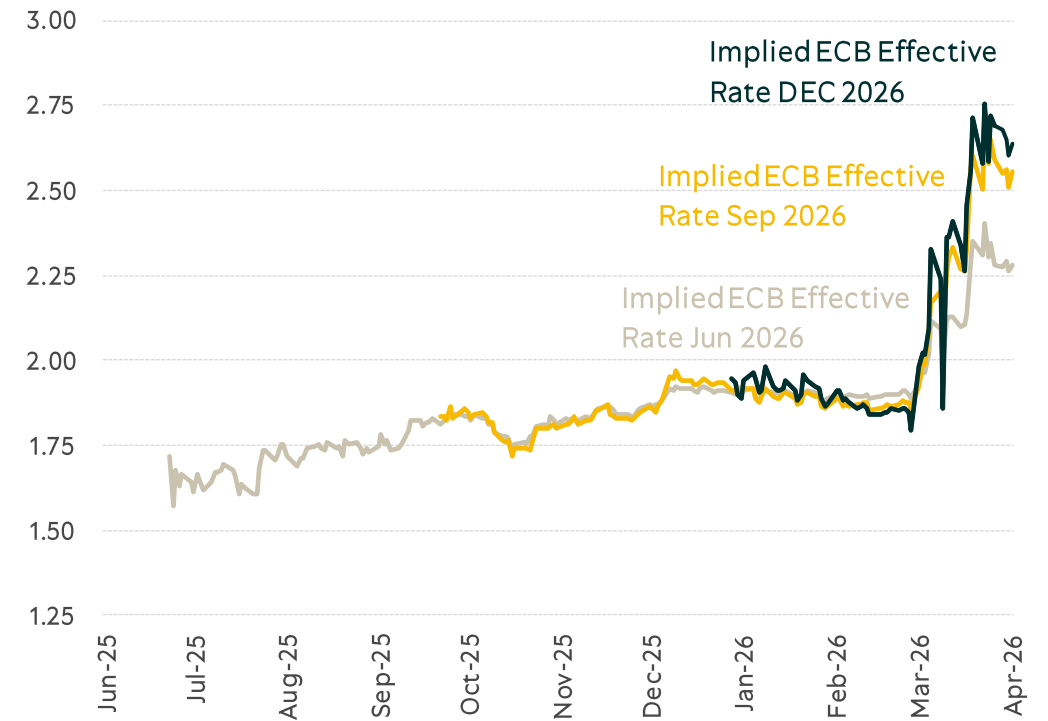


EA Short-Term Rates | 2 hikes are anticipated by the markets by the end of 2026

Implied Overnight Rate based on Overnight Index Swaps

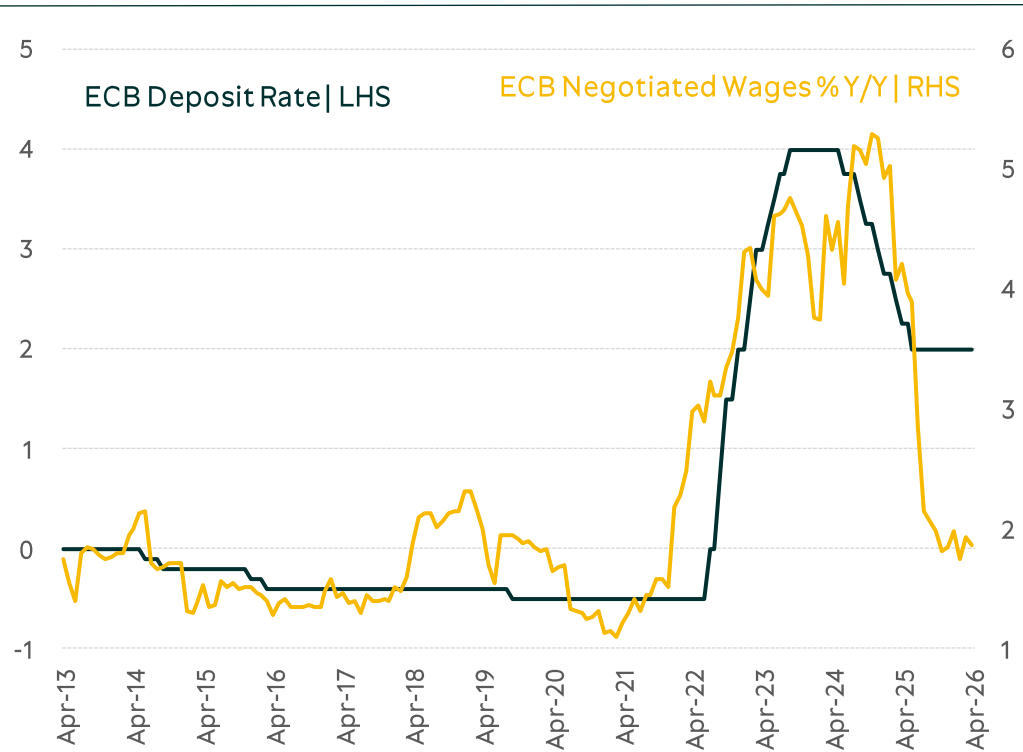


Interest Rates | Implied ECB Effective Rate

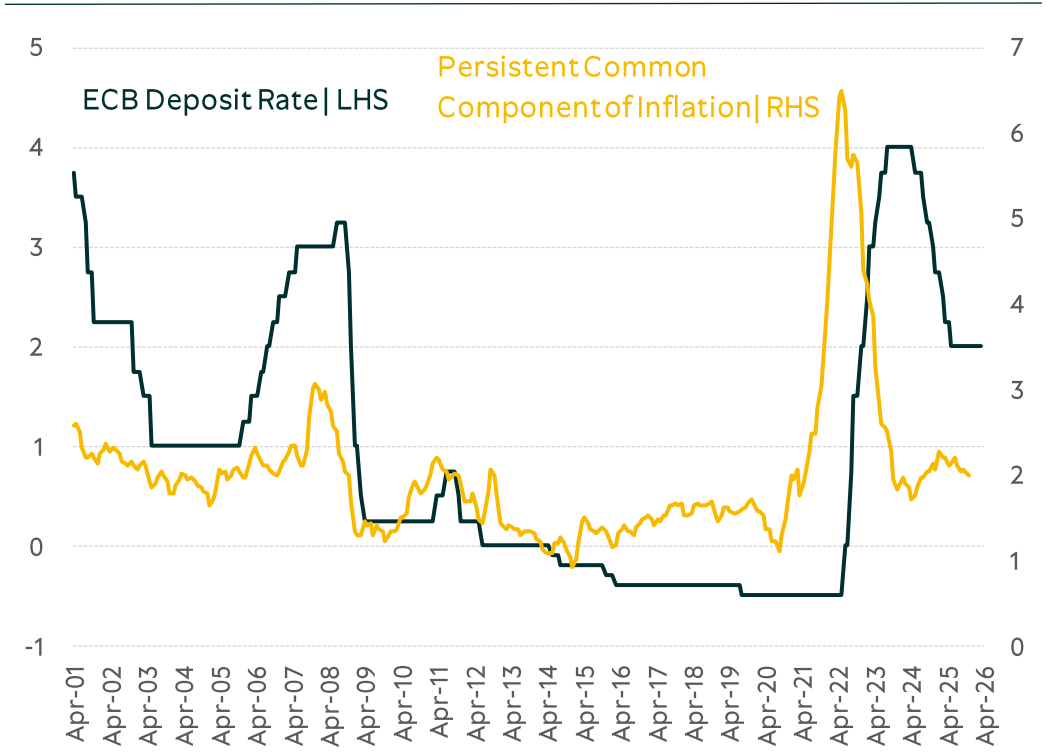


EA Interest Rates | ECB Depo Rates, Negotiated Wages & Persistent common component of Inflation

ECB Depo Rate & Negotiated Wages

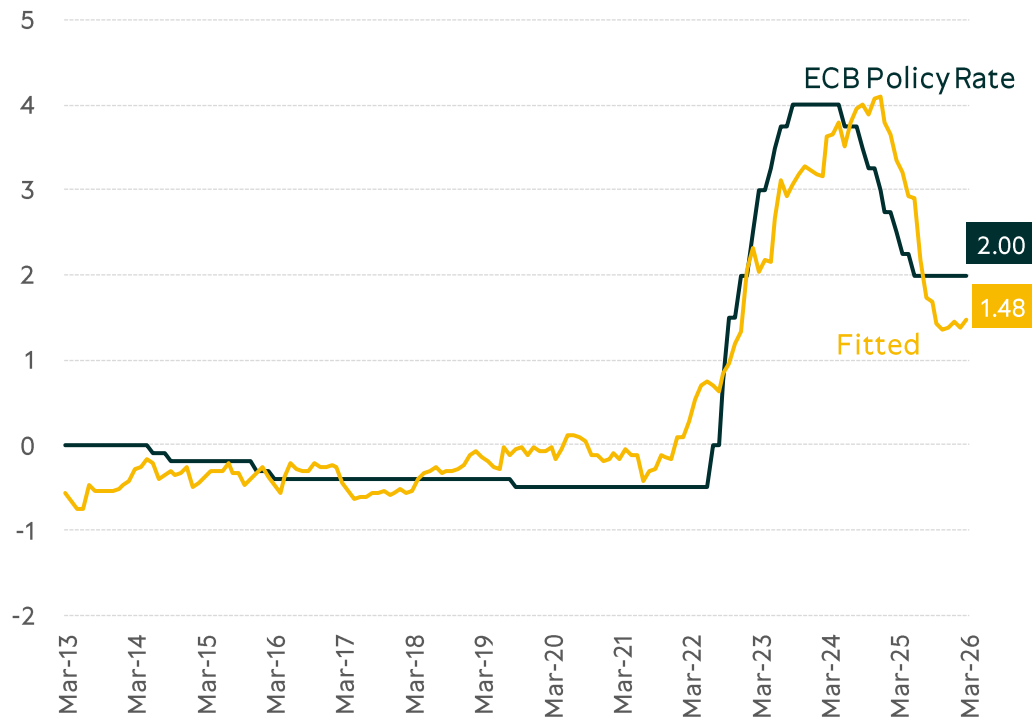


ECB Depo Rate & Persistent Common Component of Inflation



EA Interest Rates | Taylor Rule Proxy Model & ECB Rate

Fitted vs Actual

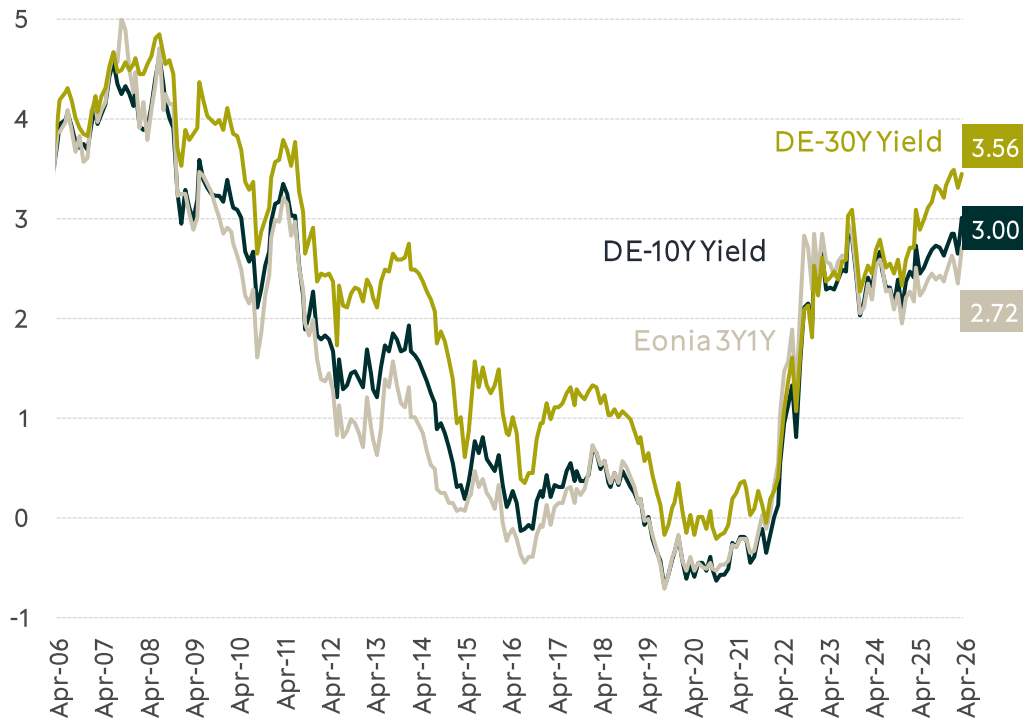


Residuals

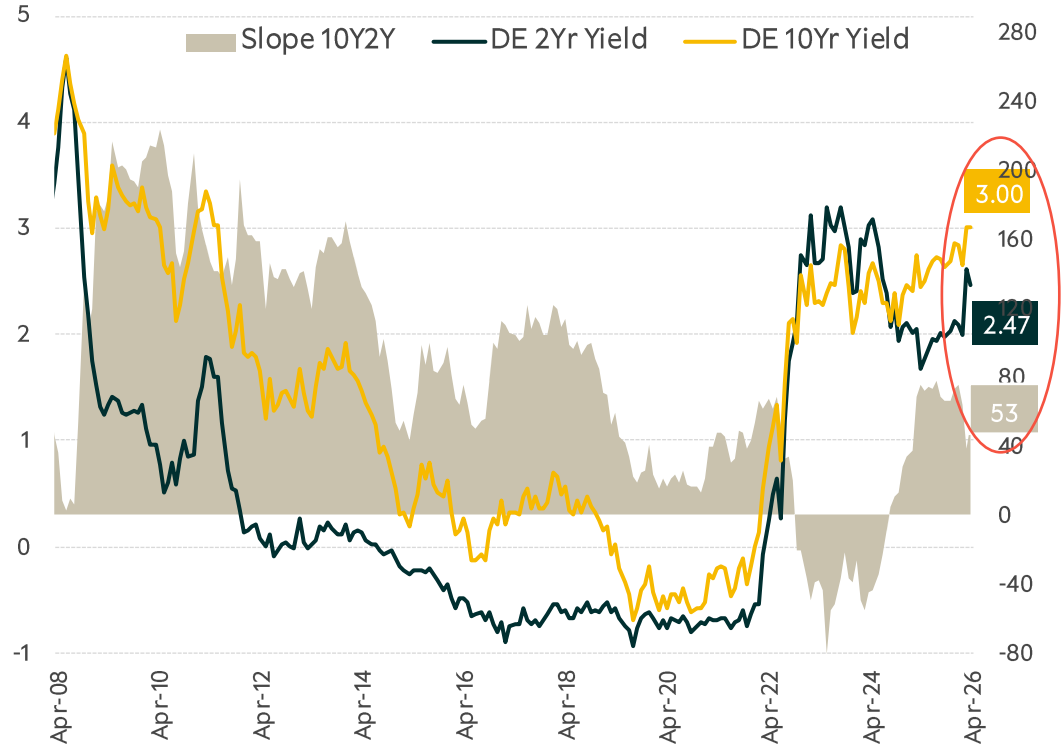


EA Rates | After four straight cuts in 2025, the ECB kept its key interest rates unchanged. German 10Y2Y spread turned positive at the end of Q3 2024 and has steepened since.

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

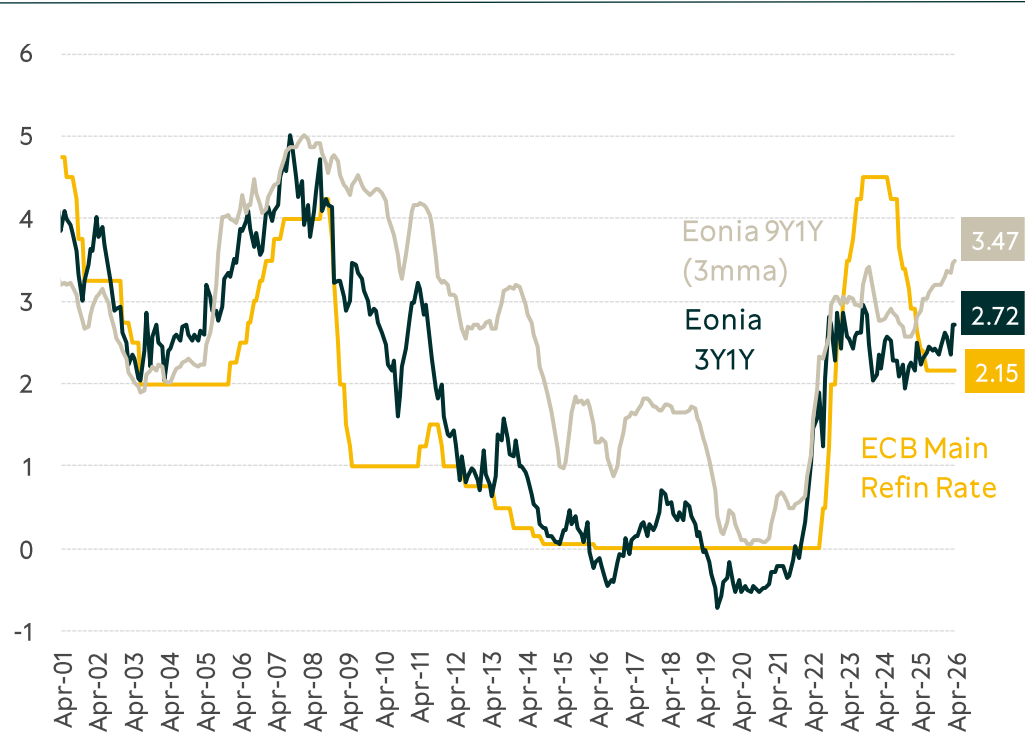


German Yield Curve

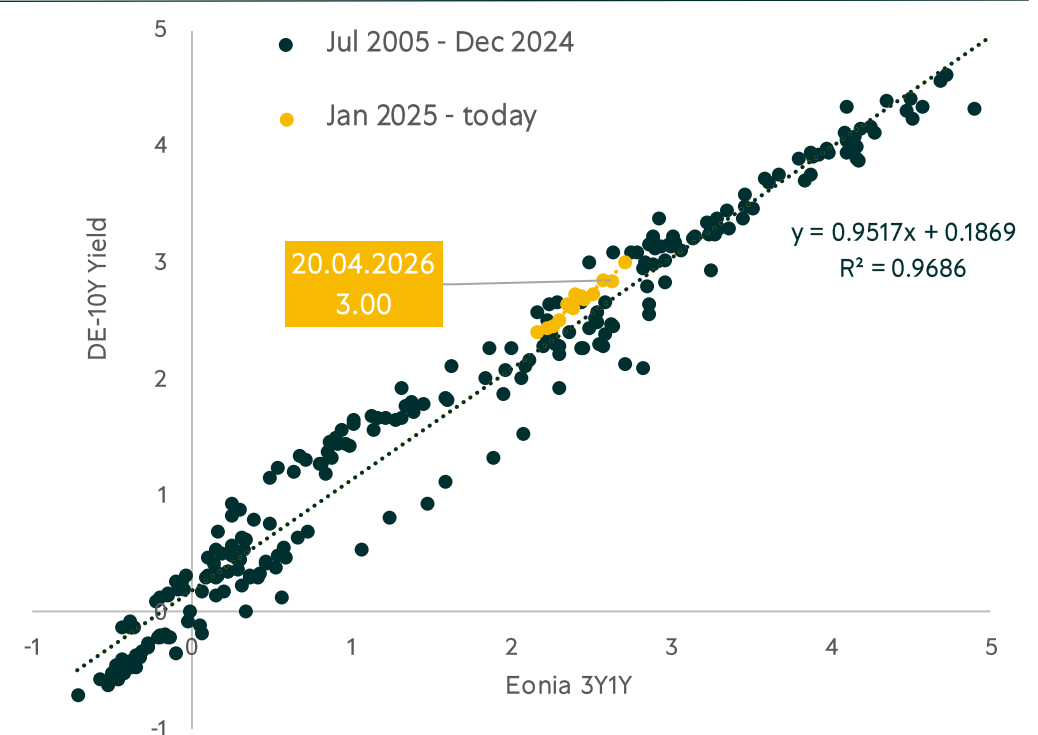


EA Long-Term Rates | Given the current level of short-term rates, long-term bonds are close to “fair value”

Long-term Interest Rate Expectations



DE Yield vs Medium-term Interest Rate Expectations



Bird's Eye View

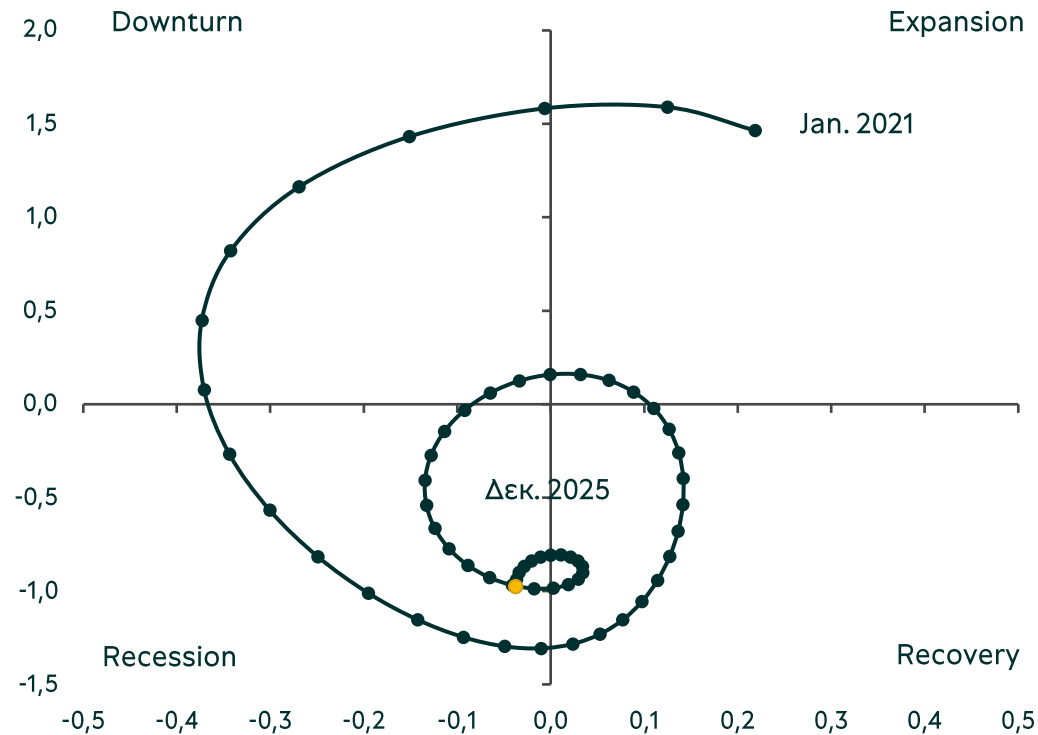
US Economy

EA Economy

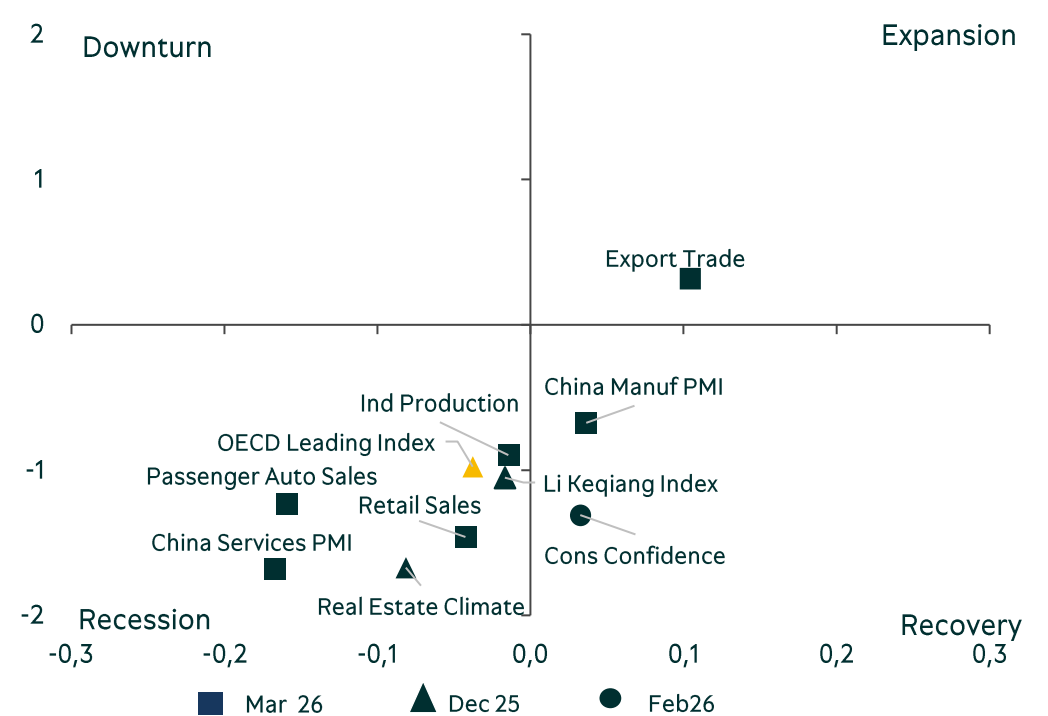
China Economy

Chinese Business Cycle | The majority of economic variables are positioned in the recession phase

CN Business Cycle | Based on China OECD Leading Indicator

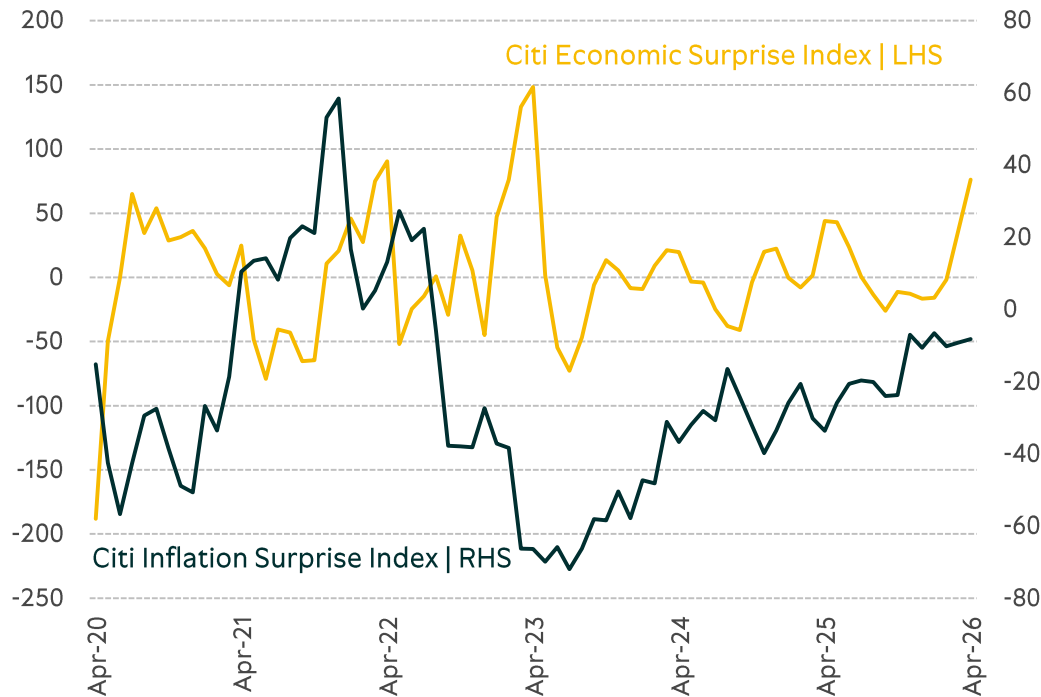


CN Business Cycle | Based on Major CN Economic Variables

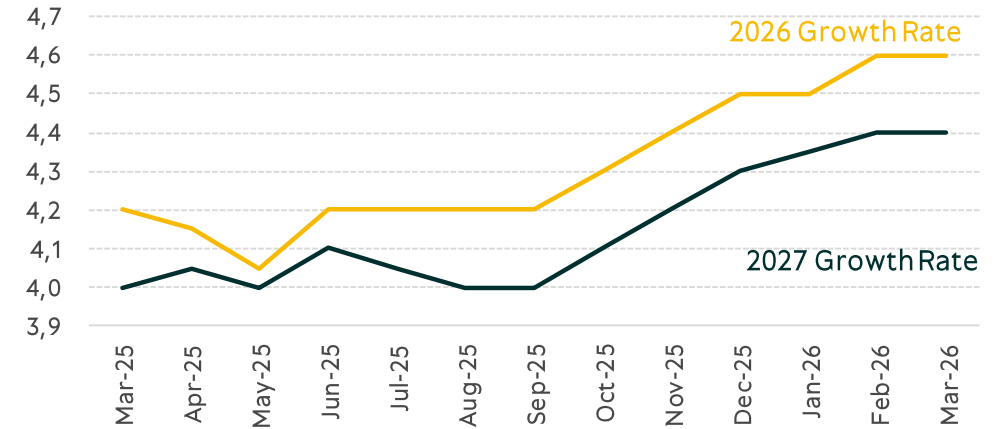


Chinese Macro Expectations | Sub 5% growth expectations for 2026 & 2027. Inflation is expected to remain too low.

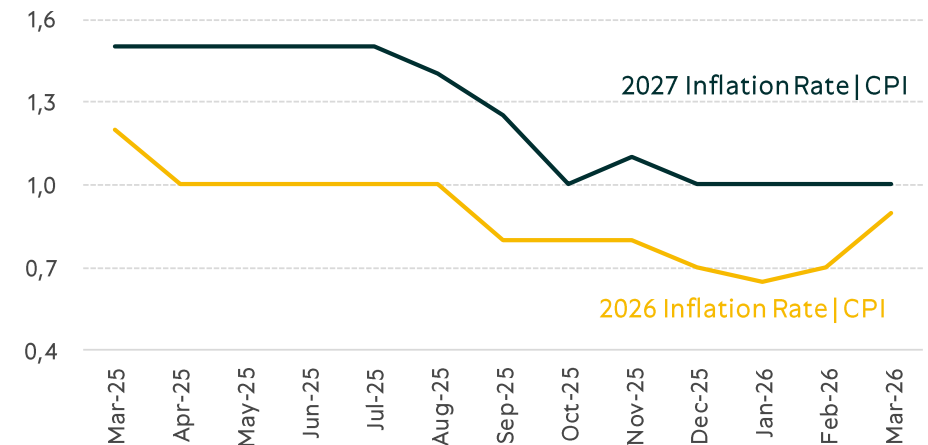
Economic & Inflation Surprises



Growth Rate Expectations (Consensus)

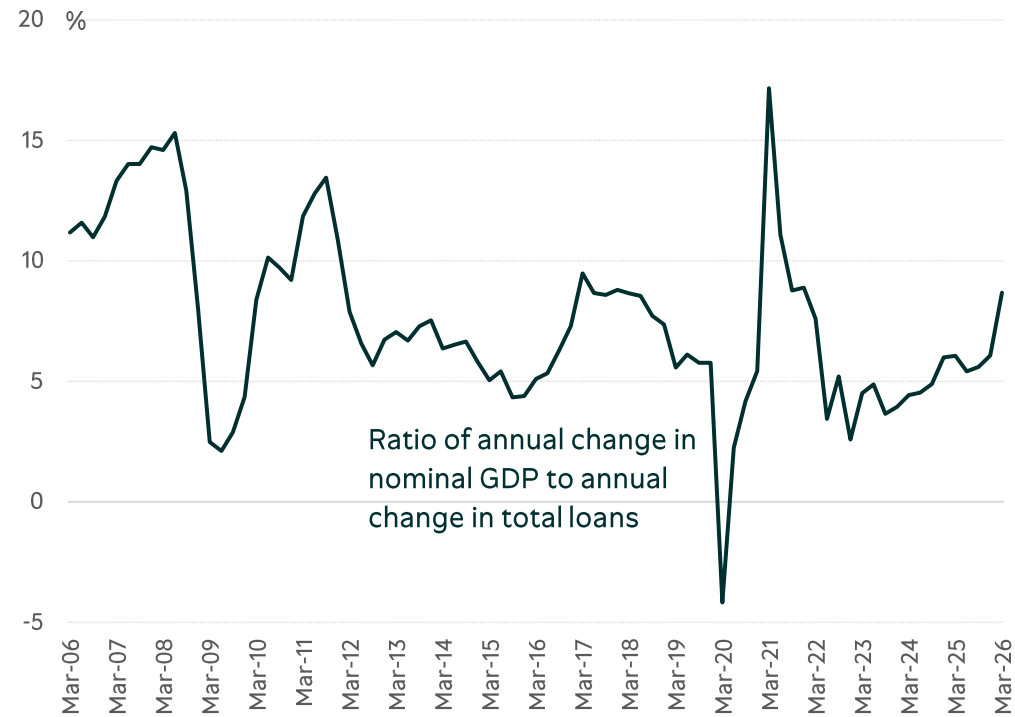


Inflation Rate Expectations (Consensus)

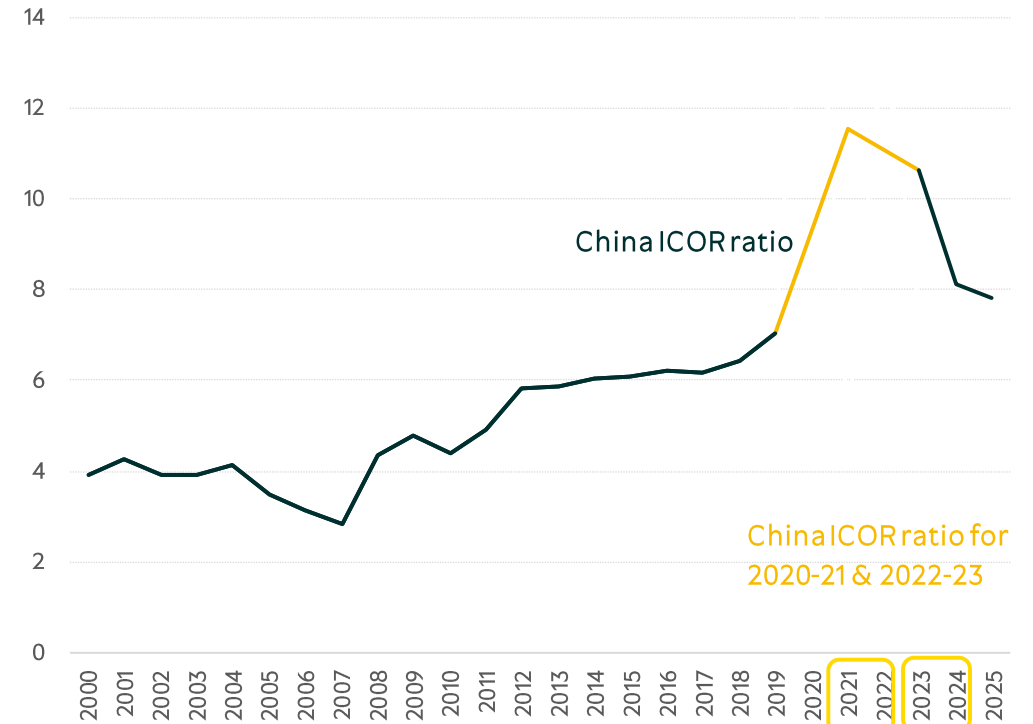


Chinese Investment Capacity | There is significant potential for more efficient capital allocation

China credit-efficiency ratio

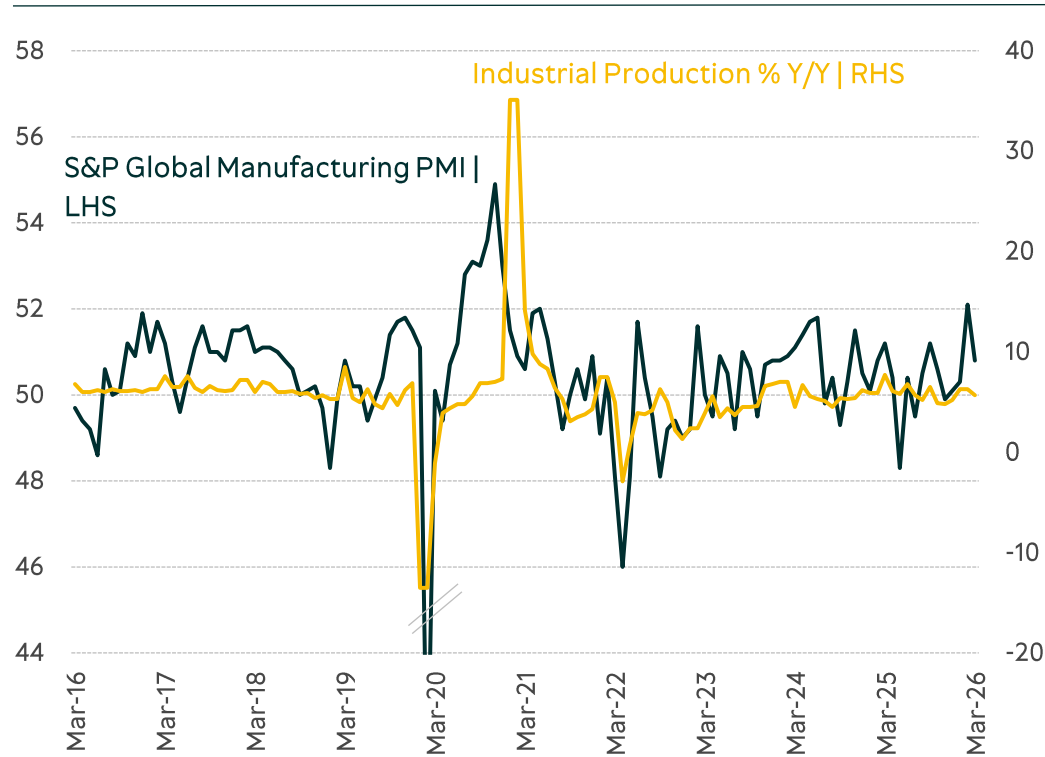


China Incremental Capital Output Ratio

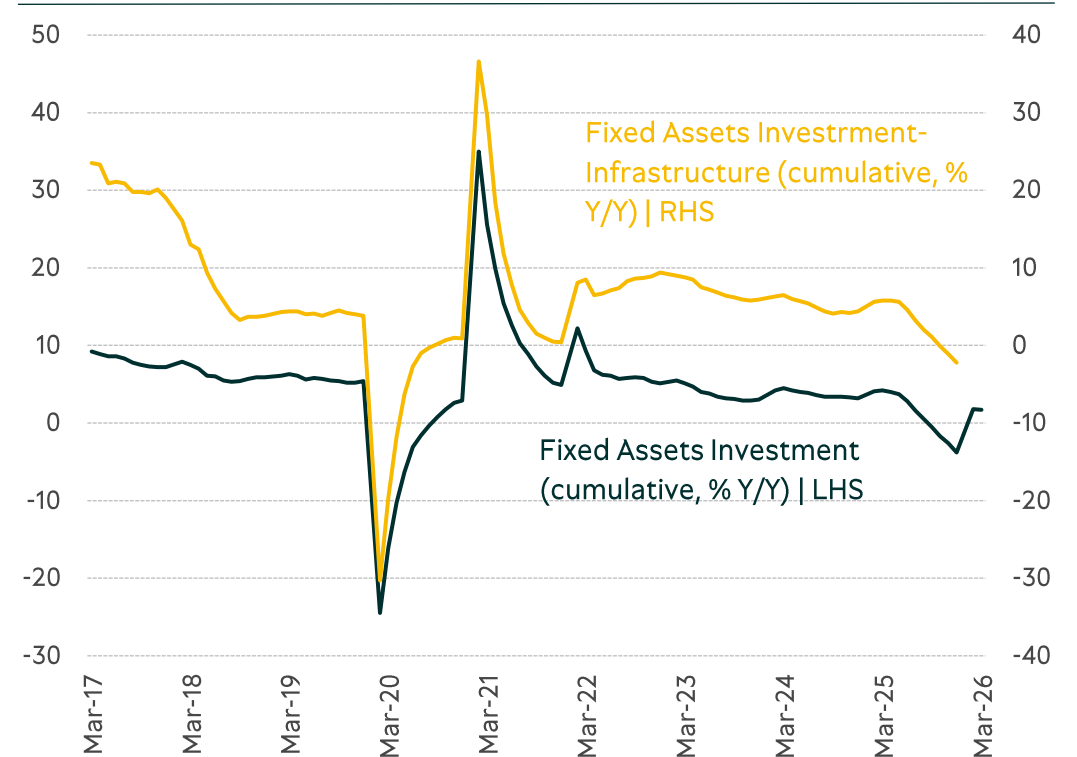


CN | The S&P Global Manufacturing PMI decreased to 50.8 in March

Industrial Production & Caixin Manufacturing

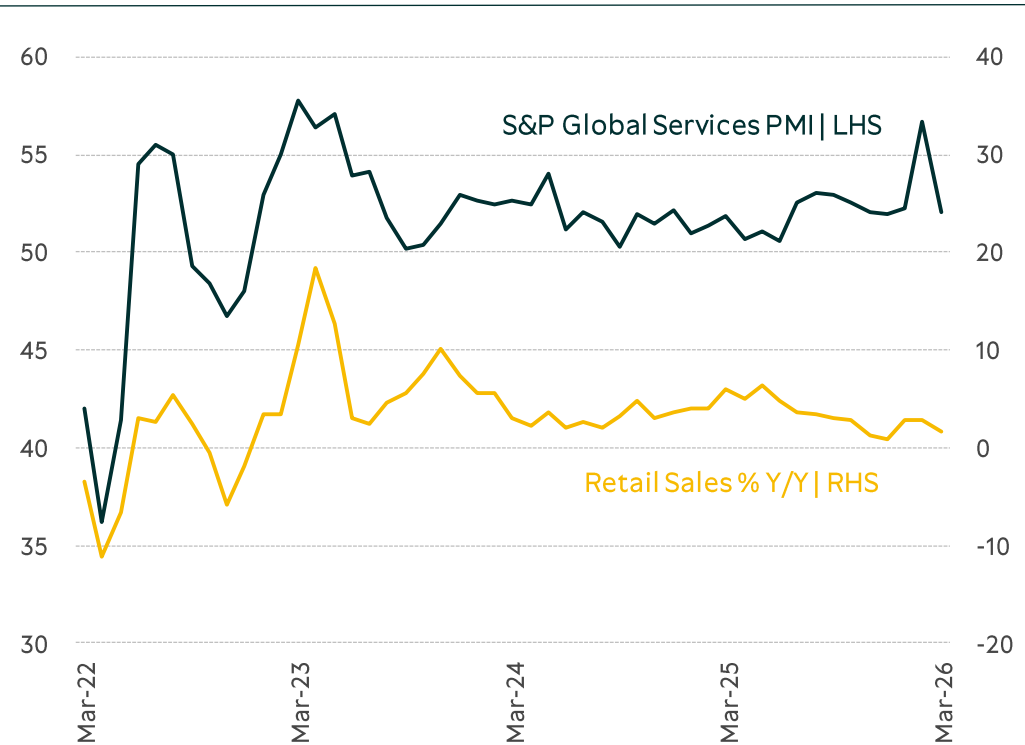


Fixed Assets Investment

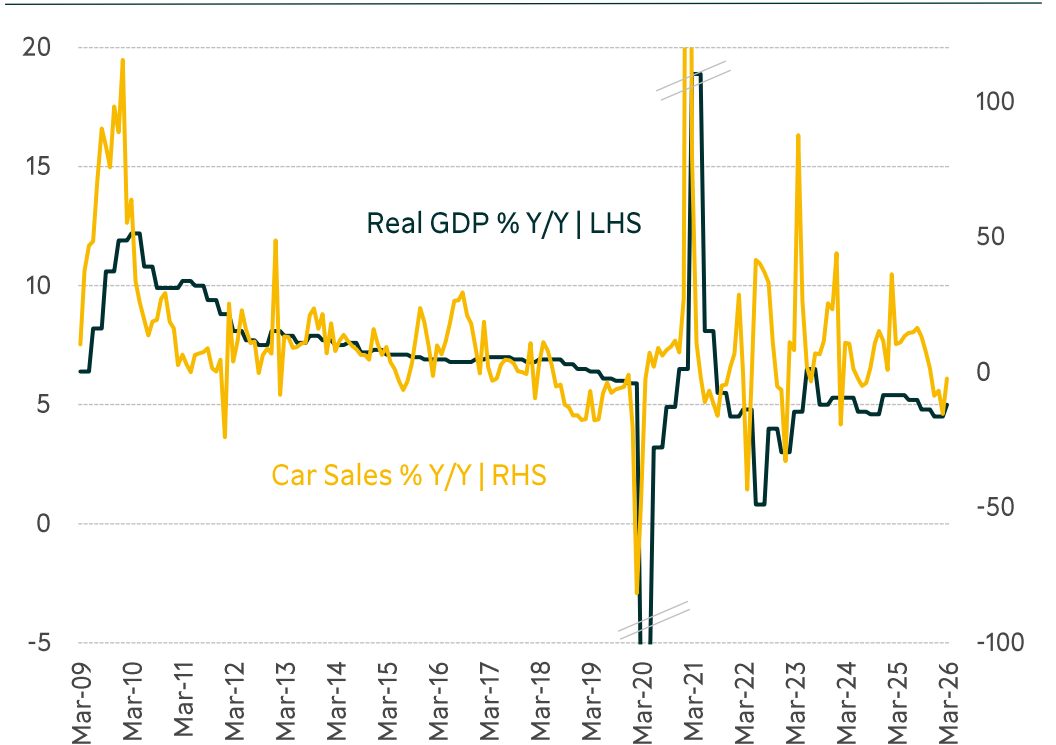


CN | March saw a substantial decrease in the S&P Global Services PMI. Domestic demand remains subdued

Retail Sales & Caixin Services PMI

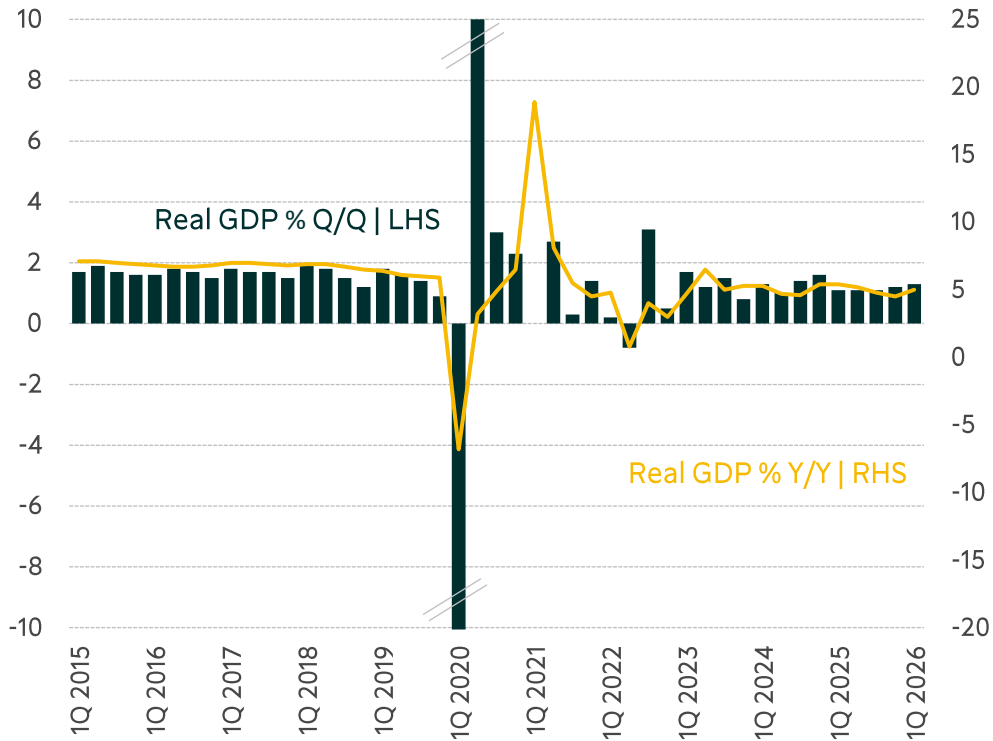


Real GDP & Car Sales

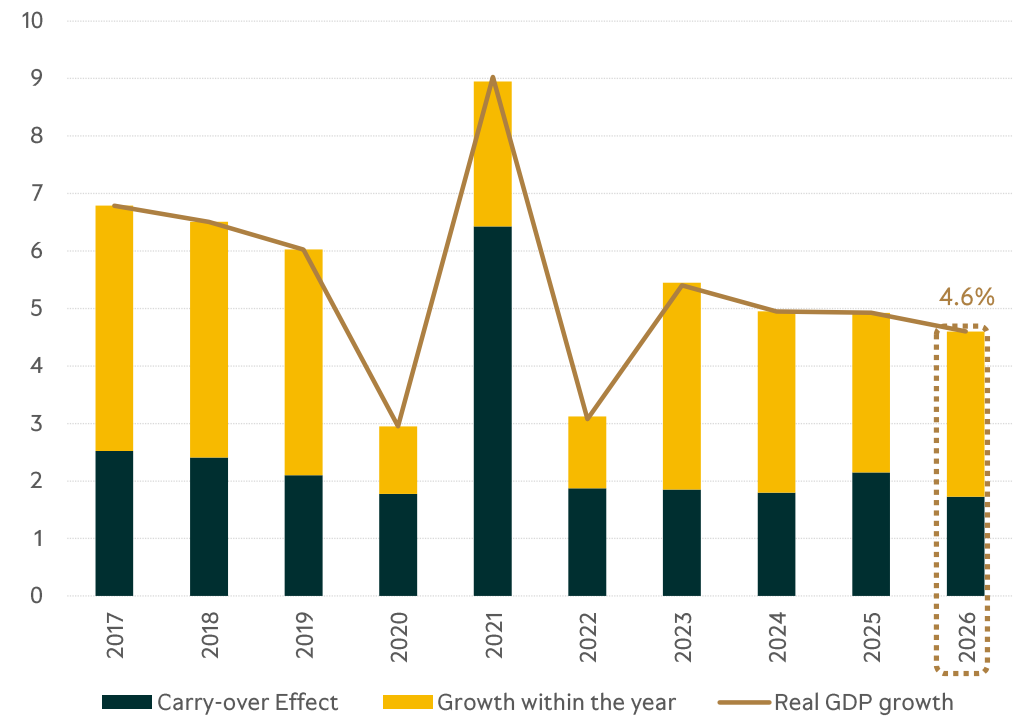


CN GDP Outlook | Economic growth accelerated to 5% in the Q1 '26. The government target range for 2026 is set at 4.5%–5%.

GDP Growth Rate

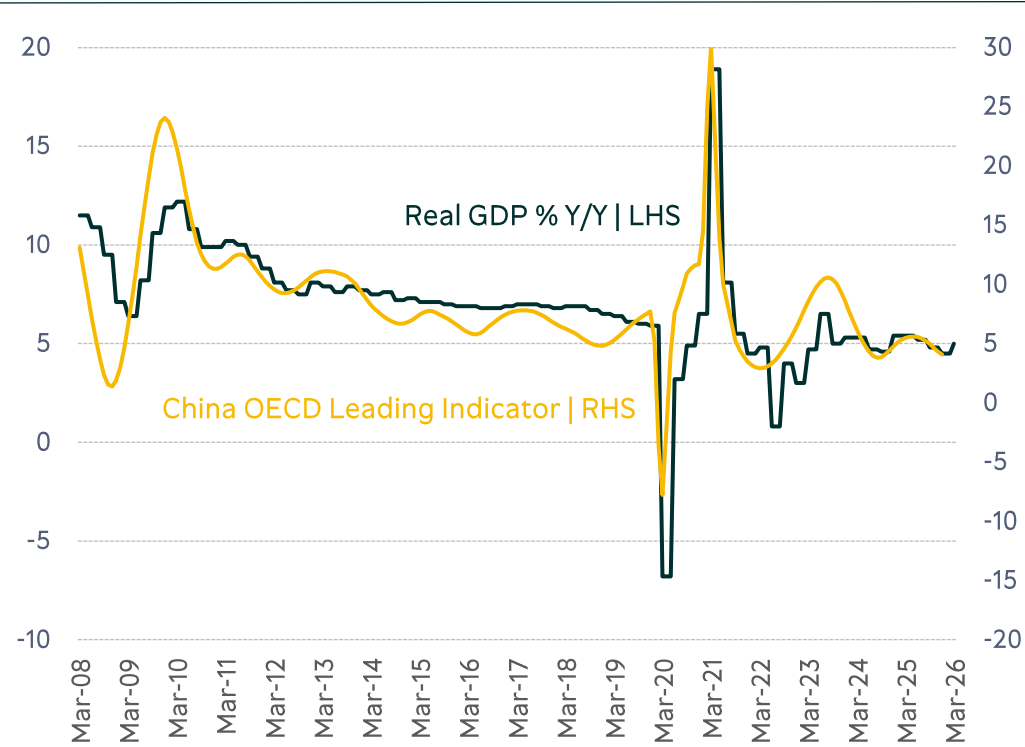


Carry Over Effect

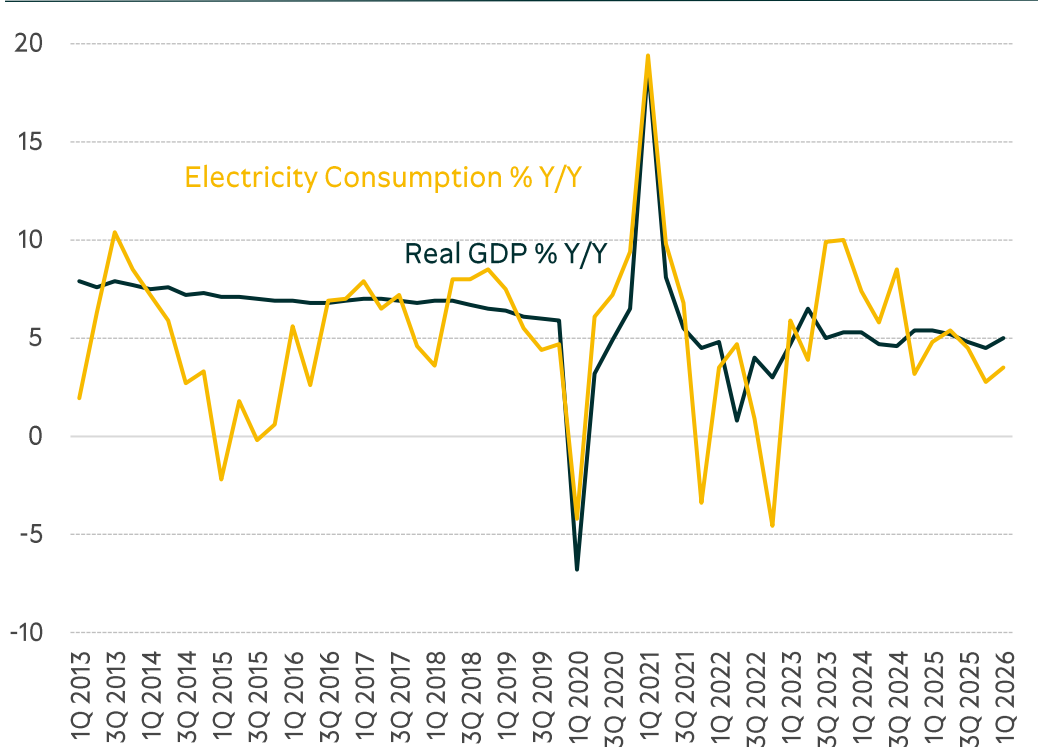


CN GDP | Trends in electricity consumption and the OECD Leading Indicator suggest that growth is likely to move slightly down from its current level.

Real GDP & China OECD Leading Indicator

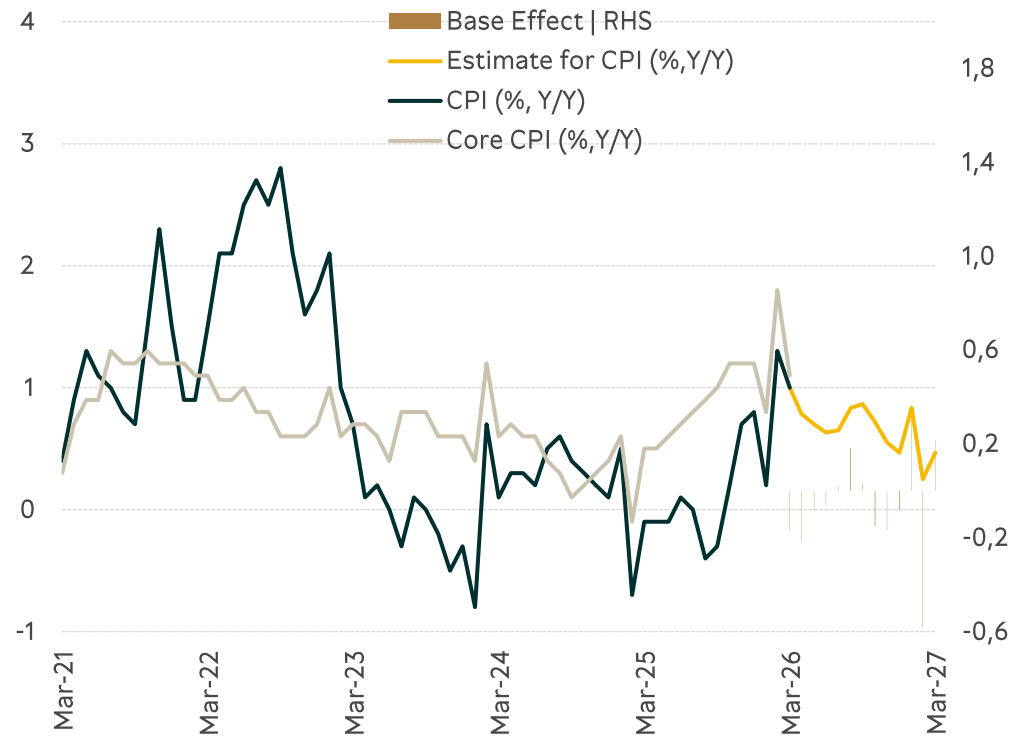


Real GDP & Electricity Consumption

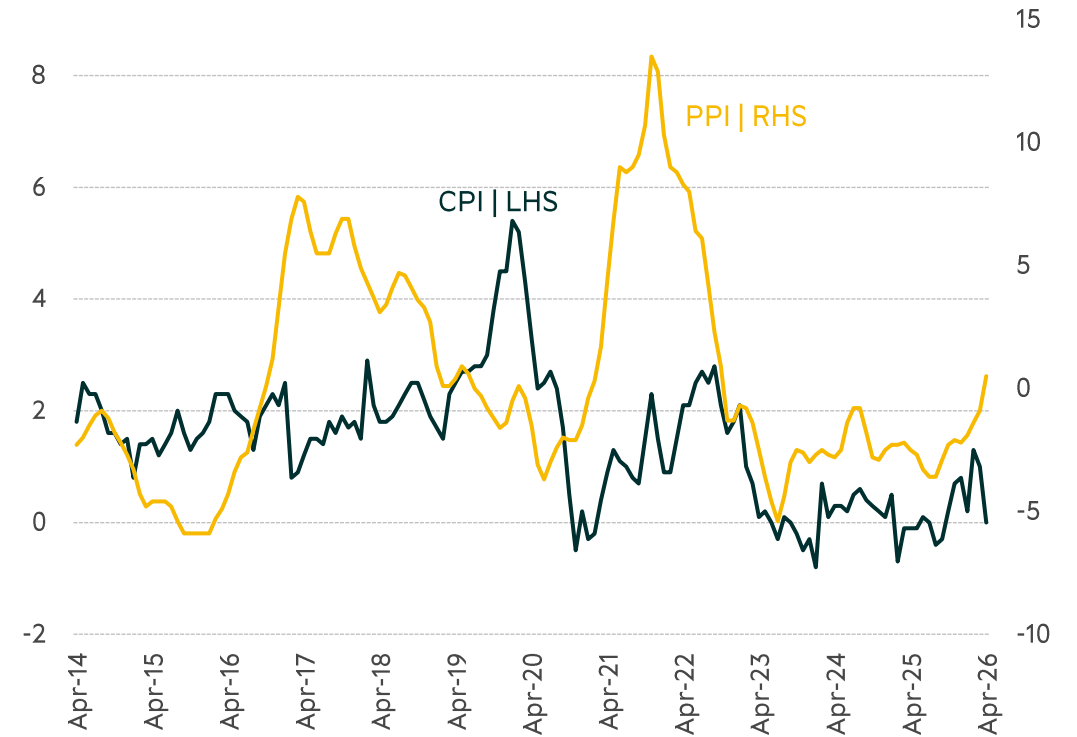


CN Inflation Outlook | Inflation declined in March and is expected to remain subdued in the coming period.

Inflation Rate Forecast | Statistical Model

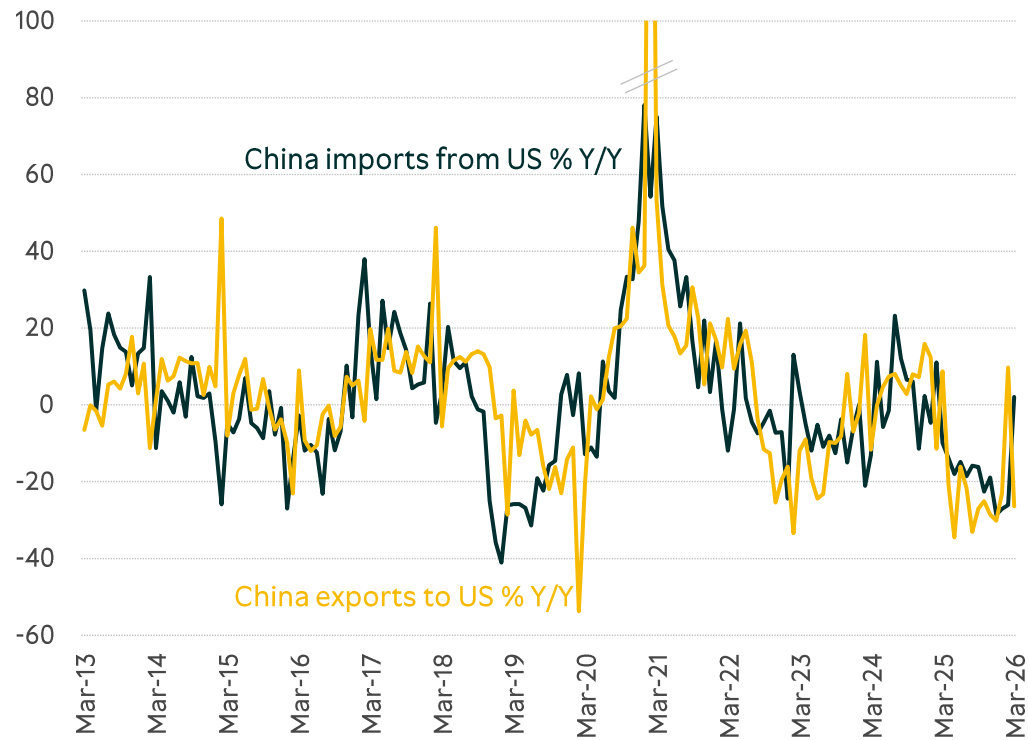


CPI & PPI

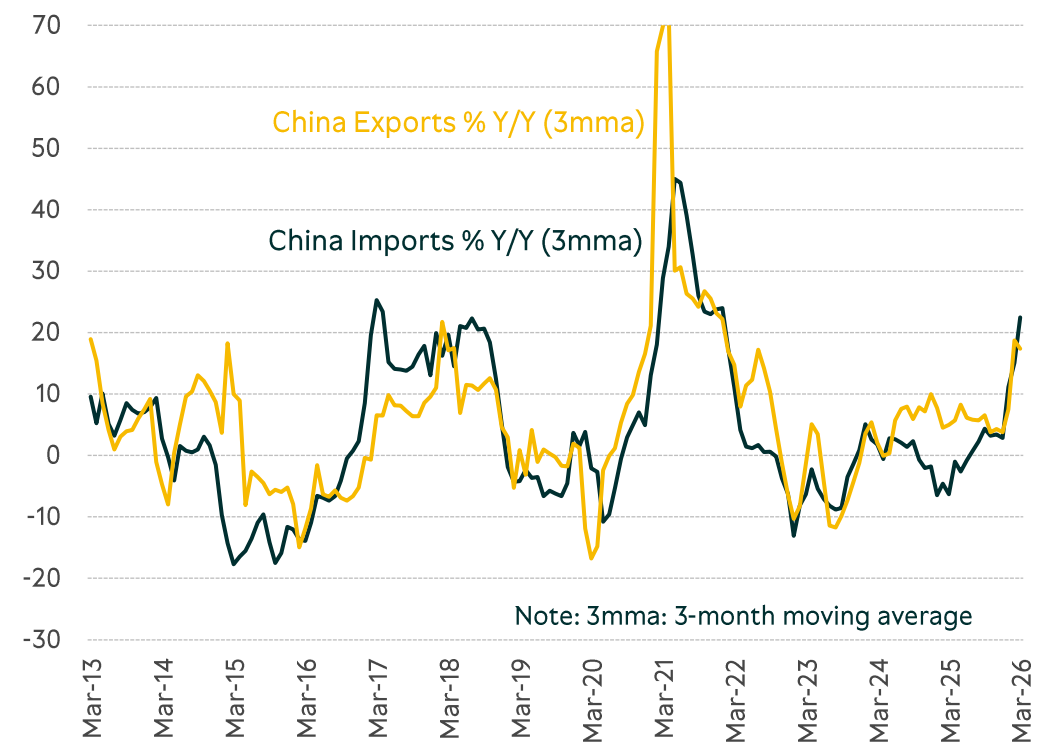


CN Trade | The trade truce with the USA and the successful redirection of exports helped minimize trade losses

Trade US – China

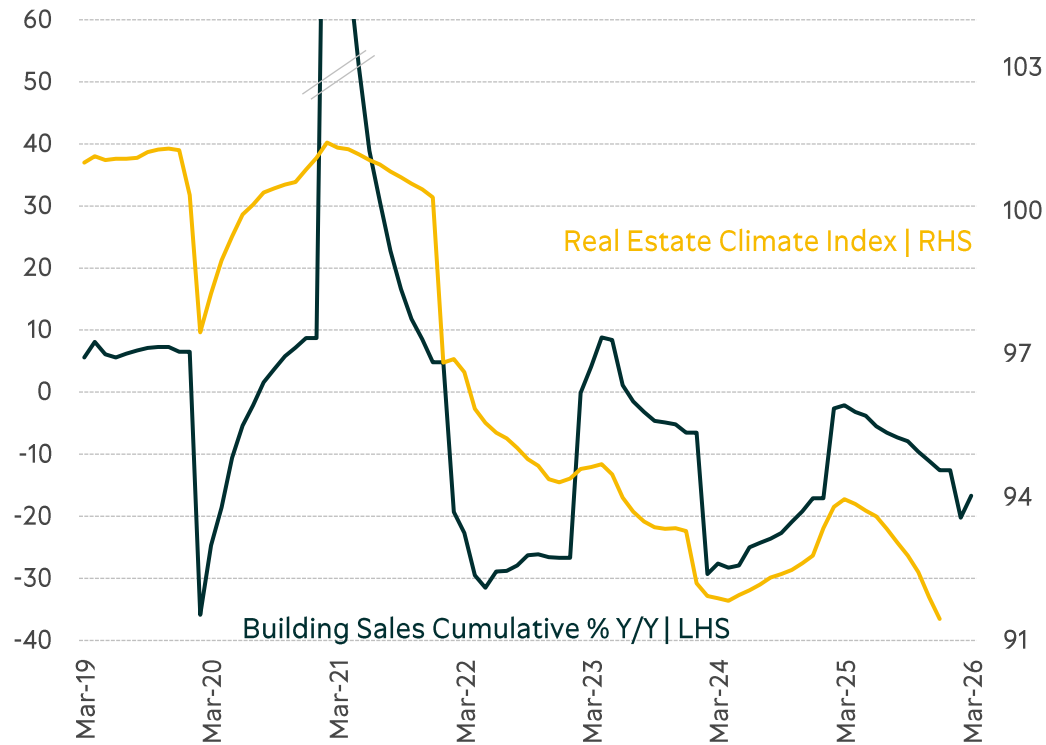


Imports & Exports

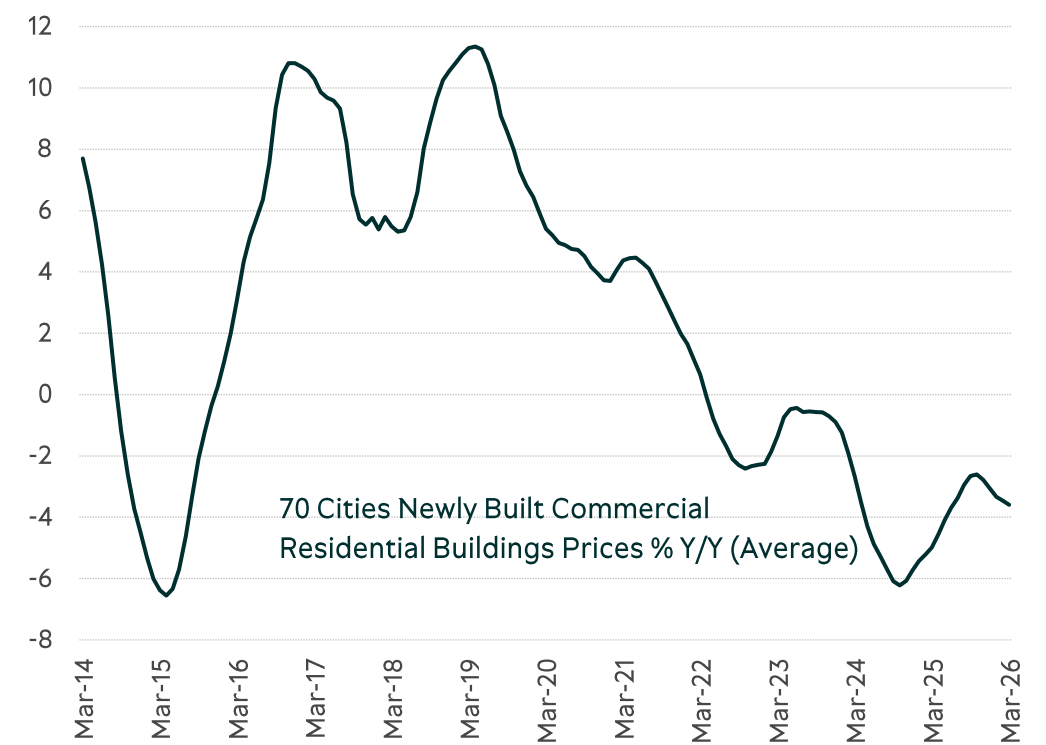


CN Real Estate | The ongoing decline in building sales and the real estate climate shows no signs of stabilisation. Prices decline again.

Real Estate Climate & Building Sales

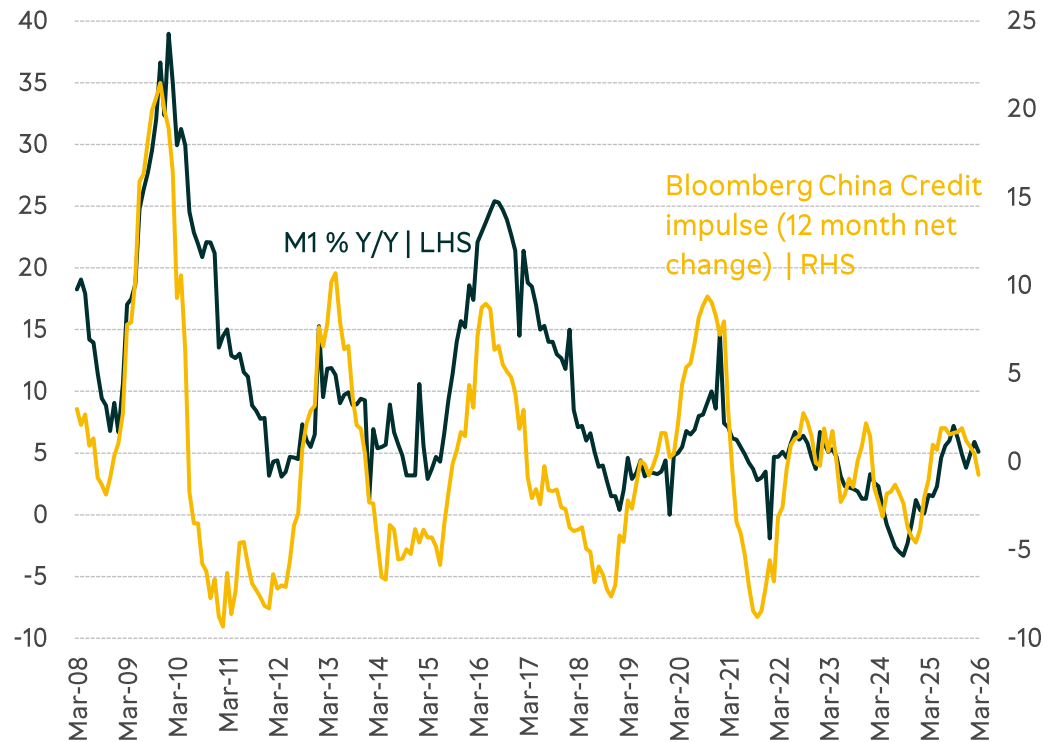


Newly Residential Buildings Prices

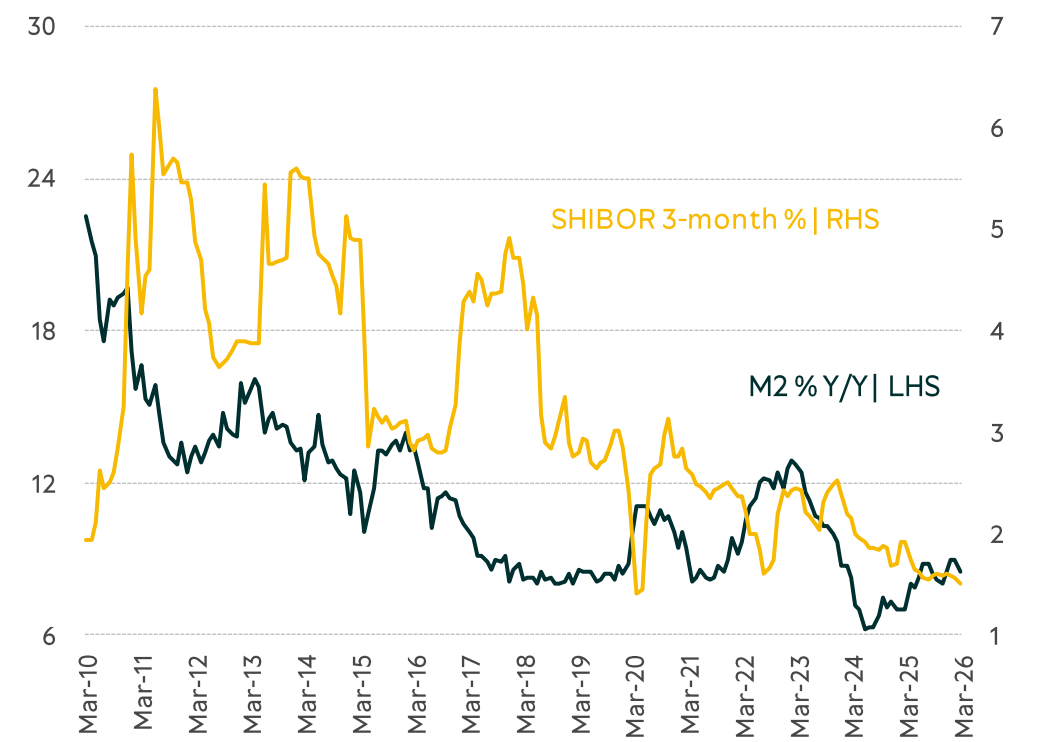


CN Money Supply | Despite a moderation in growth, monetary aggregates (M1 and M2) remain supportive of economic expansion

Money Supply

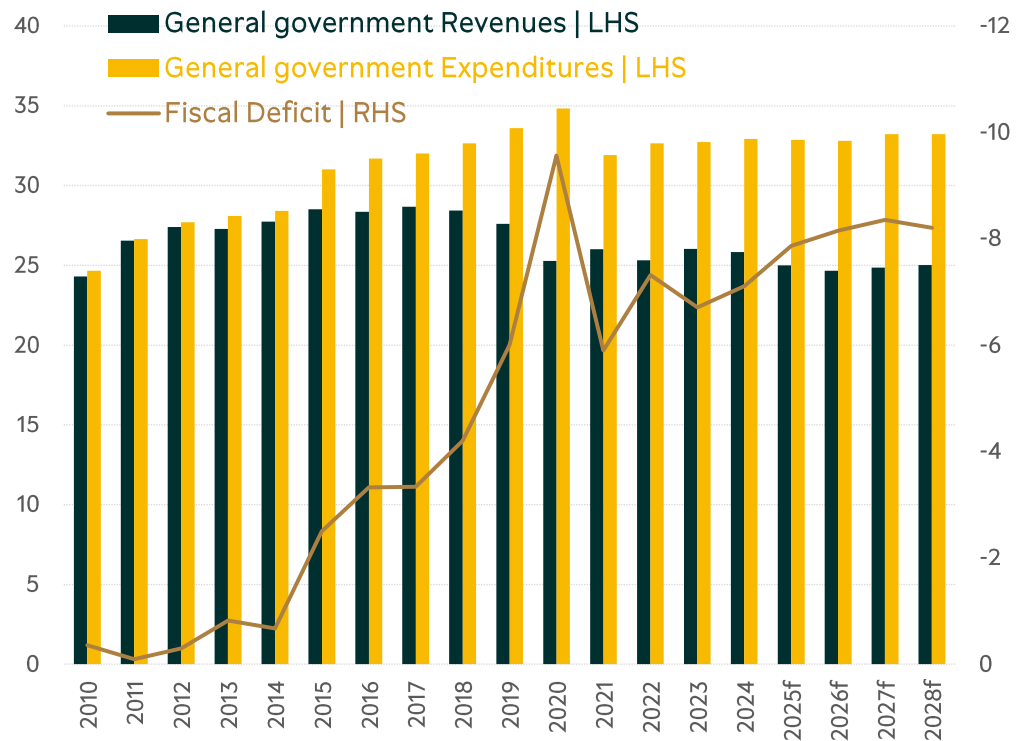


Money Supply & Interbank Rate

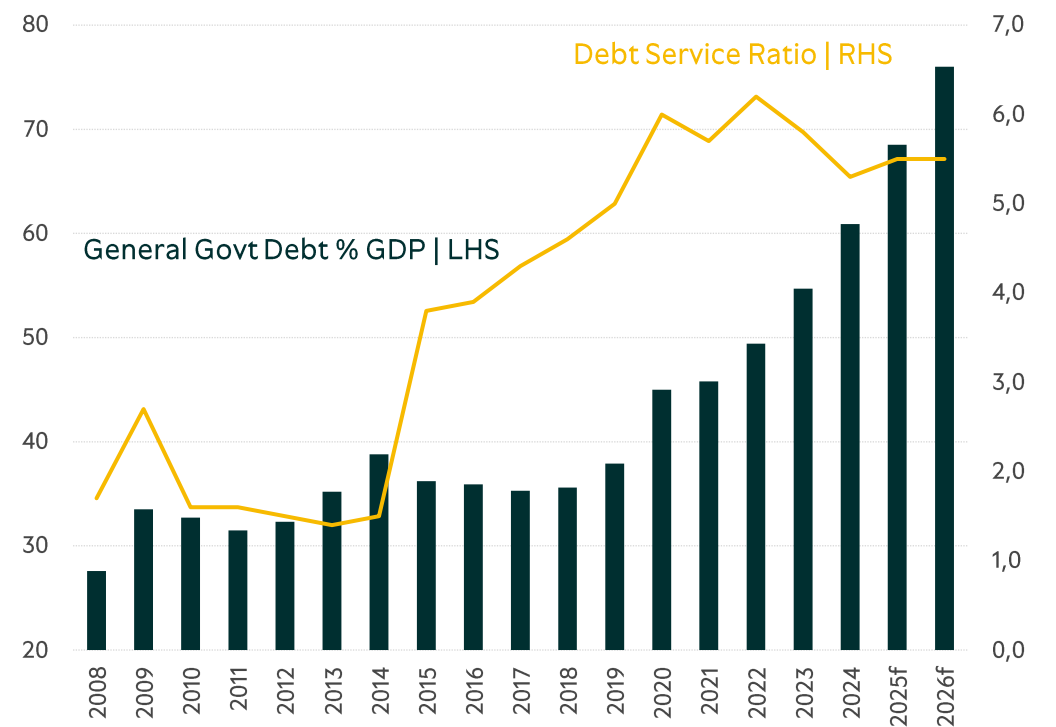


CN Fiscal | Expansionary Fiscal policy is expected to continue

Government Balance



General Government Debt & Debt Service Ratio



$$\text{Debt Service Ratio} = \frac{\text{Interest} + \text{Current-year repayment of principal}}{\text{Current-account receipts}}$$

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LinkedIn: <https://www.linkedin.com/company/piraeus-bank>

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It is duly stated that: the investments described in the present document include investment risks, among which the risk of losing the entire capital invested. In particular, it is stated that;

The figures presented herein refer to the past and that the past performance is not a reliable indicator of future performance.

In case the figures refer to simulated past performance, that past performance is not a reliable indicator of future performance.

The return on investments might be positively or negatively affected as a result of currency fluctuations, in case the figures are denominated in a foreign currency (other than Euro).

Any forecasts in relation to future performance, may not be a reliable indicator of future performance.

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