

Global Macro Trends

Η επιθετική εμπορική πολιτική των ΗΠΑ προκαλεί κραδασμούς στο παγκόσμιο εμπόριο και στις αγορές

Διεθνείς Μακροοικονομικές Τάσεις

- ▶ Η ανακοίνωση στις αρχές του μήνα από τον Πρόεδρο των ΗΠΑ Ντ. Τραμπ υψηλότερων των εκτιμήσεων ανταποδοτικών δασμών για τα προϊόντα σχεδόν όλων των χωρών του κόσμου και στη συνέχεια η αναστολή τους για 90 μέρες για την πραγματοποίηση διμερών διαπραγματεύσεων, η έναρξη εμπορικού πολέμου με την Κίνα (υψηλότεροι δασμοί στα κινεζικά προϊόντα, εφαρμογή τελών για τα πλοία κινεζικής κατασκευής ή συμφερόντων που θα «πιάνουν» σε λιμάνια των ΗΠΑ με έναρξη εφαρμογής τους σε 180 μέρες) και η γέννηση αμφιβολιών για τη λειτουργικότητα παγιωμένων γεωστρατηγικών συμμαχιών μεταβάλλουν τα δεδομένα με ασυνήθιστα ταχύ ρυθμό. Ενδεικτική της αβεβαιότητας για την πολιτική των ΗΠΑ είναι η σημαντική διολίσθηση του δολαρίου κατά τον τελευταίο μήνα, η υπόδειξη του Προέδρου Τραμπ στον πρόεδρο της Fed για τις αρμόζουσες αποφάσεις νομισματικής πολιτικής και οι σχετικά υψηλές αποδόσεις των αμερικανικών κρατικών ομολόγων.
- ▶ Στις ΗΠΑ, τα πιο πρόσφατα οικονομικά στοιχεία εξακολουθούν να καταδεικνύουν συνέχιση της ανάπτυξης με σχετικά ισχυρό ρυθμό, αρκετά καλές συνθήκες στην αγορά εργασίας και πληθωρισμό που υποχωρεί προς τον στόχο της Fed. Ωστόσο, λόγω των δασμών και της υψηλής αβεβαιότητας για τις οικονομικές συνθήκες στο προσεχές μέλλον έχει αυξηθεί σημαντικά η ανησυχία, τουλάχιστον βραχυπρόθεσμα, ότι θα επηρεαστεί αρνητικά η ζήτηση και θα ενισχυθεί ο πληθωρισμός. Ως αποτέλεσμα, η μεγάλη πλειοψηφία των πρόδρομων δεικτών καταγράφει τελευταία σημαντική πτώση καταδεικνύοντας αυξημένη πιθανότητα έντονης συγκράτησης του ρυθμού ανάπτυξης, χωρίς πλέον να μπορεί να αποκλειστεί και το ενδεχόμενο συρρίκνωσης σε κάποιο/α από τα επόμενα τρίμηνα.
- ▶ Στην Ευρωζώνη, η συγκρότηση νέας κυβέρνησης στη Γερμανία που αναμένεται στις αρχές Μαΐου και η ψήφιση από το γερμανικό κοινοβούλιο της εξαίρεσης από τον υπολογισμό του δημόσιου ελλείμματος/χρέους μέρους των αμυντικών δαπανών και ενός νέου ταμείου €500 δισ. για νέες υποδομές σε βάθος χρόνου έχει δημιουργήσει αισιοδοξία για βελτίωση των οικονομικών συνθηκών το επόμενο διάστημα και για μερική αντιστάθμιση της αρνητικής επίδρασης των δασμών των ΗΠΑ. Θετικά, επίσης, επιδρά το ιστορικά χαμηλό ποσοστό ανεργίας και η πτωτική τάση των βασικών επιτοκίων της ΕΚΤ. Αντίθετα, παραμένει η ανησυχία για πιθανότητα όξυνσης του ανταγωνισμού στην εσωτερική αγορά καθώς μεγάλο μέρος των «χαμένων» εξαγωγών στις ΗΠΑ άλλων μεγάλων οικονομιών ενδέχεται να κατευθυνθεί στη ευρωπαϊκή αγορά πιέζοντας τις τιμές, την εγχώρια παραγωγή (ιδίως στη μεταποίηση) και τα περιθώρια κέρδους.
- ▶ Στην Κίνα, ο ρυθμός ανάπτυξης κατά το Α' Τρίμηνο εξέπληξε θετικά καθώς σε ετήσια βάση διαμορφώθηκε στο 5,4% για δεύτερο διαδοχικό τρίμηνο. Ωστόσο, η διατήρηση του πληθωρισμού σε αρνητικό έδαφος τον Μάρτιο, για δεύτερο διαδοχικό μήνα, αποτελεί ένδειξη περιορισμένης εγχώριας ζήτησης που σε συνδυασμό με την απώλεια, σε μεγάλο βαθμό, της αμερικανικής αγοράς λόγω των δασμών και τη μειωμένη παγκόσμια ζήτηση θέτει εν αμφιβόλω την ικανότητα της χώρας να αναπτύσσεται μεσοπρόθεσμα με ταχύ ρυθμό.

Global macro trends

- ▶ The announcement at the beginning of the month by US President D. Trump of higher-than-anticipated tariffs on products from nearly every country, followed by a suspension for 90 days to facilitate bilateral negotiations, and the commencement of a trade war with China (including significant tariffs on Chinese products and fees for Chinese-built or affiliated ships docking at US ports, effective in 180 days), is rapidly altering the global landscape. This swift change is further exemplified by rising uncertainties surrounding established geostrategic alliances. The notable depreciation of the US dollar over the past month, President Trump's displeasure with the Federal Reserve chairman on pertinent monetary policy decisions, and the relatively high yields of US government bonds underscore the prevailing uncertainty regarding US policy.
- ▶ In the US, recent economic data show ongoing growth at a relatively strong pace, favorable labor market conditions, and inflation moving towards the Fed's target. However, due to tariffs and significant uncertainty regarding future economic conditions, there is concern that demand will be adversely impacted and inflation will rise in the short term. Consequently, many leading indicators have recently recorded a significant decline, suggesting an increased likelihood of a slowdown in growth. The possibility of contraction in one or more of the upcoming quarters can no longer be ruled out.
- ▶ The formation of a new government in Germany anticipated at the beginning of May and the recent vote by the German parliament to exclude defense spending from the public deficit/debt calculations, along with the establishment of a €500 billion fund for long-term infrastructure projects, have fostered optimism regarding economic prospects in the Eurozone. Additionally, historically low unemployment rate and the ECB's reduction of its key interest rates contribute positively to this outlook. Conversely, concerns persist about intensifying competition in the domestic market, as redirected exports from other major economies due to US tariffs may exert pressure on prices, domestic production—particularly in manufacturing—and profit margins.
- ▶ In China, the growth rate in the first quarter surprised positively as it stood at 5.4% year-on-year for the second consecutive quarter. However, consumer prices in China decreased for the second consecutive month in March, indicating limited domestic demand. This, combined with the reduced access to the US market due to tariffs and decreased global demand, raises questions about the country's ability to maintain rapid growth in the medium term.

Main Macroeconomic Indicators – Market Consensus

US											
	Actual				Estimates				% Y/Y avg		
	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2025 Q1	2025 Q2	2025 Q3	2025 Q4	2024	2025	2026
Real GDP											
Q/Q % SAAR	1,6	3,0	3,1	2,4	1,0	1,5	1,6	1,8	2,8	1,7	1,8
Headline PCE PI											
% Y/Y	2,7	2,6	2,3	2,5	2,4	2,5	2,7	2,7	2,5	2,5	2,4
Core PCE											
% Y/Y	3,0	2,7	2,7	2,8	2,6	2,7	2,8	2,8	2,8	2,7	2,5
Unemployment Rate	3,8	4,0	4,2	4,1	4,1	4,2	4,3	4,4	4,0	4,3	4,4
Fed Policy Rate (Upper Bound)	5,50	5,50	5,00	4,50	4,50	4,40	4,20	4,05	4,50	4,05	3,60
EA											
	Actual				Estimates				% Y/Y avg		
	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2025 Q1	2025 Q2	2025 Q3	2025 Q4	2024	2025	2026
Real GDP											
Q/Q %	0,3	0,2	0,4	0,2	0,2	0,2	0,2	0,3	0,9	0,8	1,2
CPI											
% Y/Y	2,6	2,5	2,2	2,2	2,3	2,2	2,1	2,1	2,4	2,2	1,9
Unemployment Rate	6,5	6,4	6,3	6,2	6,2	6,4	6,4	6,5	6,4	6,4	6,4
ECB Policy Rate (Main Refin Rate)	4,50	4,25	3,65	3,15	2,65	2,15	2,15	2,15	3,15	2,15	2,15
Emerging Markets											
	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	9.7	6.7	6.25	
2023	4.4	5.8	3.3	4.6	11.75	5.4	0.2	7.6	5.7	6.50	
2024e	4.8	6.6	3.4	4.4	12.25	5	0.2	9.2	5	6.5	
2025f	4.2	3.4	2	5.1	15	4.5	0.6	6.3	4.7	5.7	
2026f	4.1	3	1.65	4.2	12.25	4.2	1.2	6.5	4.2	5.65	
Market Consensus 22.04.2025											

Bird's Eye View

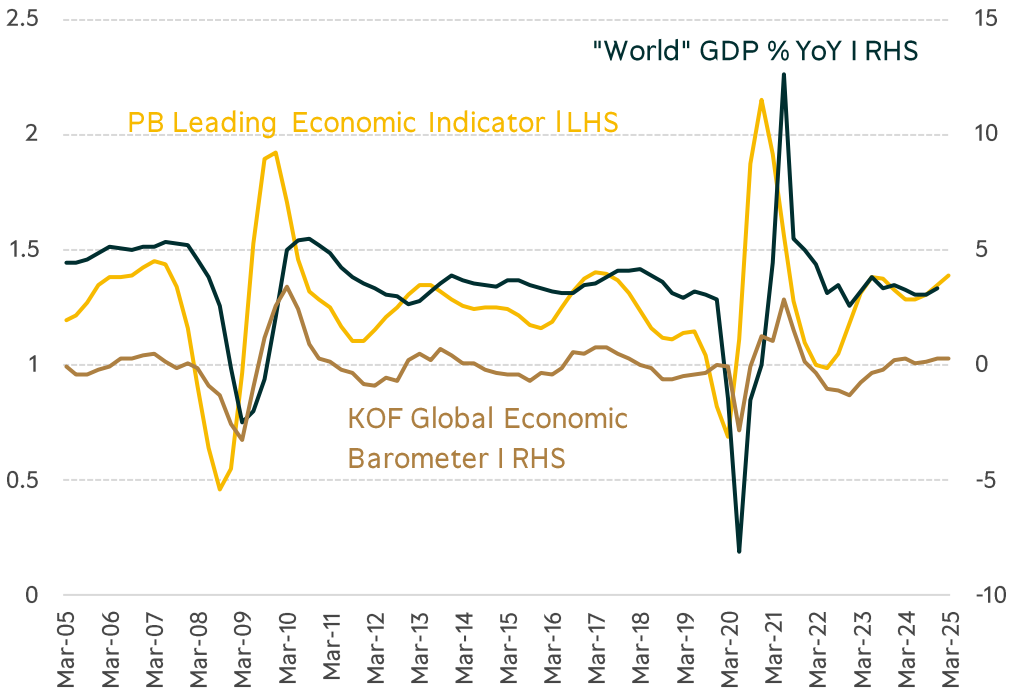
US Economy

EA Economy

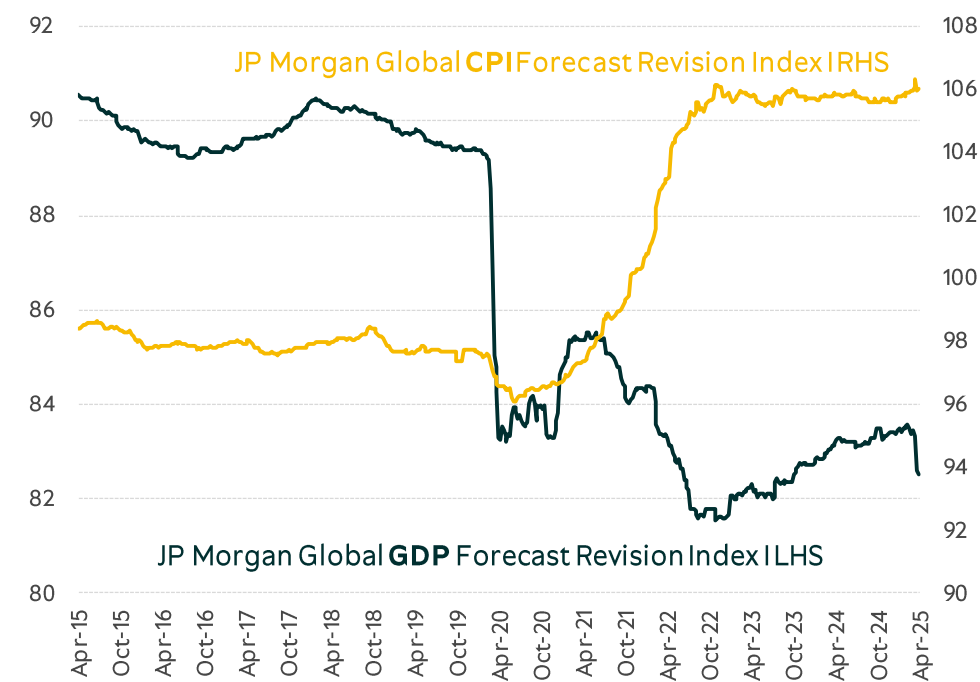
China Economy

The Global Bird's-Eye View | Worries about global GDP growth intensify

Piraeus Bank “World” Leading Economic Indicator & Economic Growth

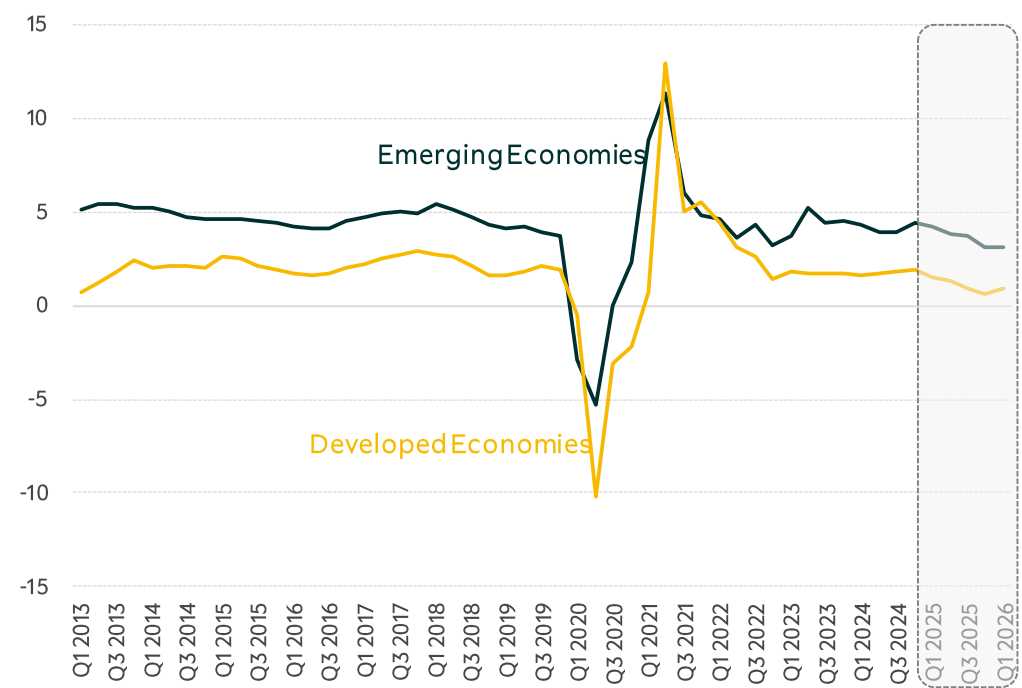


JP Morgan Global Forecast Revision Indices

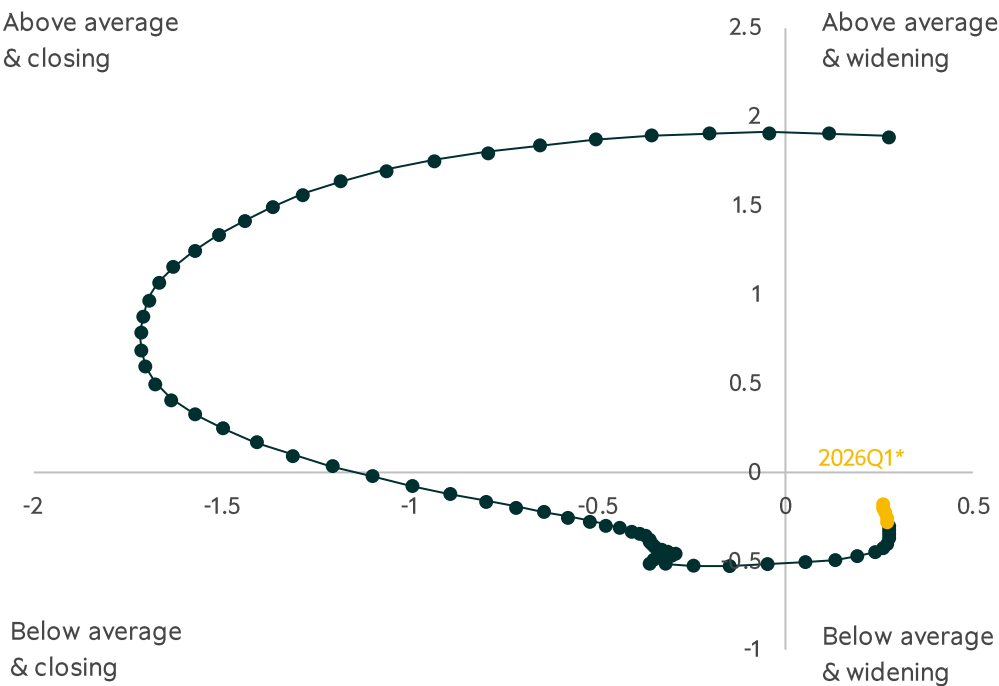


The Global Bird's-Eye View | Emerging markets' growth differential to remain steady, below average levels for 2025

Real GDP Growth % YoY



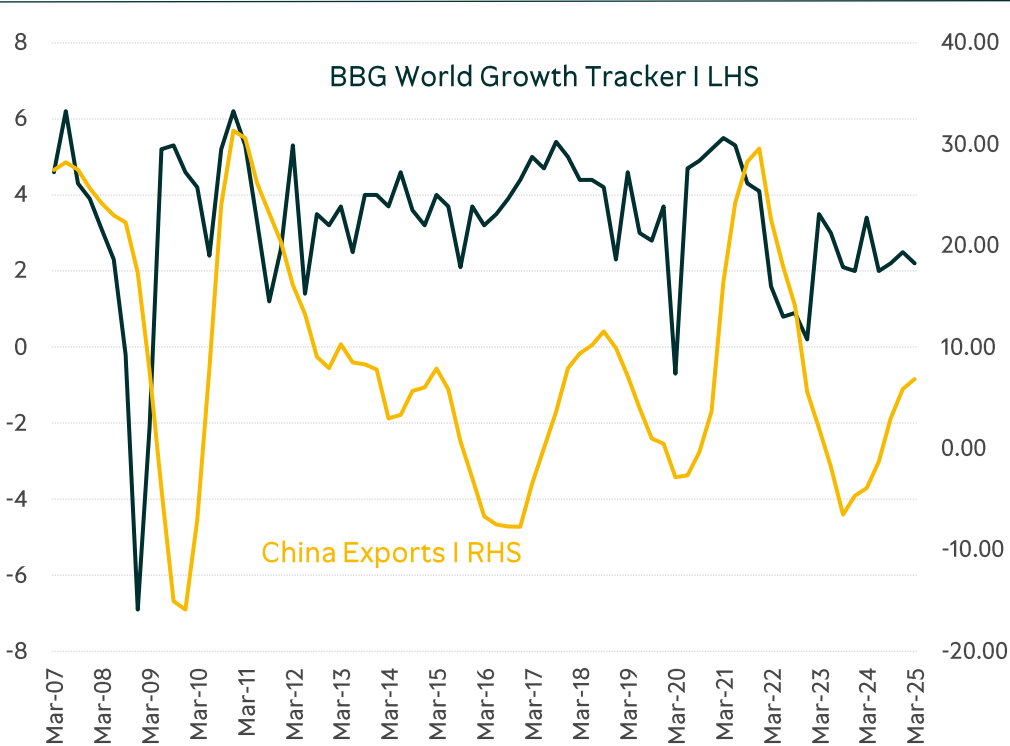
EM – DM Growth Differential



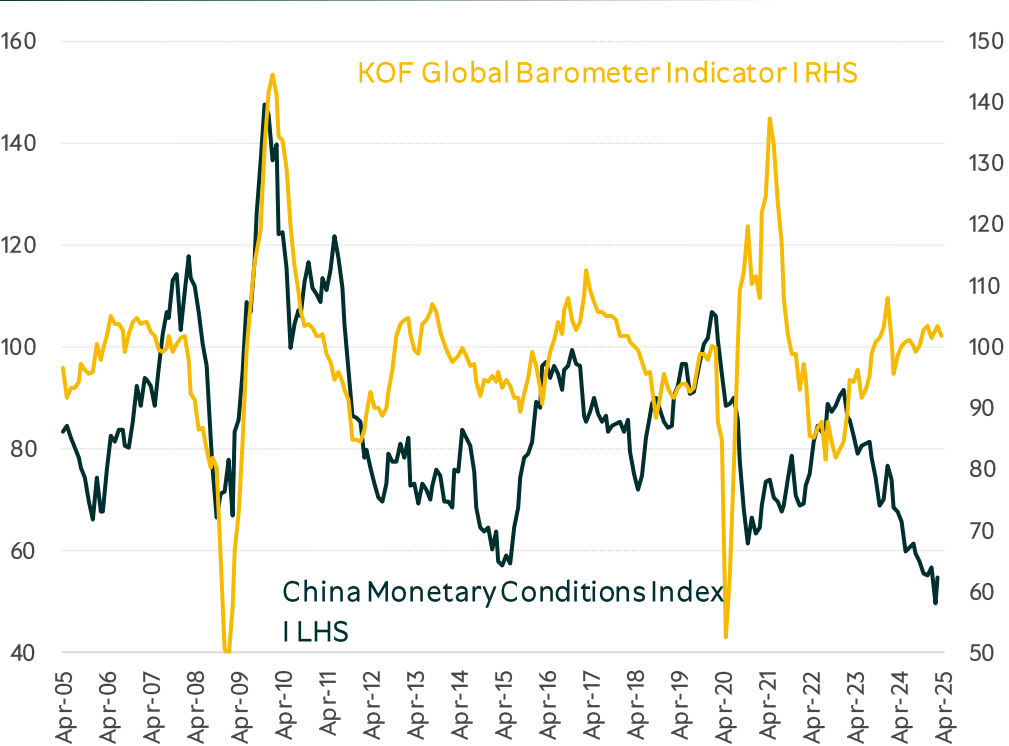
* Denotes forecasted figures from 2025Q1 up to 2026Q1

Global Economic Activity | China's exports rose in Q1 2025 however the imposition of tariffs by the USA is expected to moderate the growth significantly

BBG World Growth Tracker & China Exports

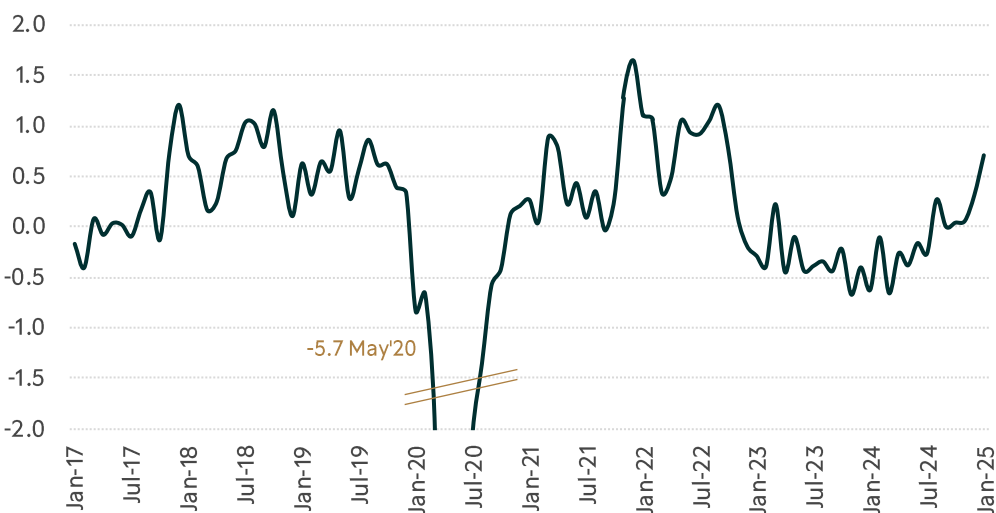


KOF Global Barometer Indicator & China Monetary Conditions

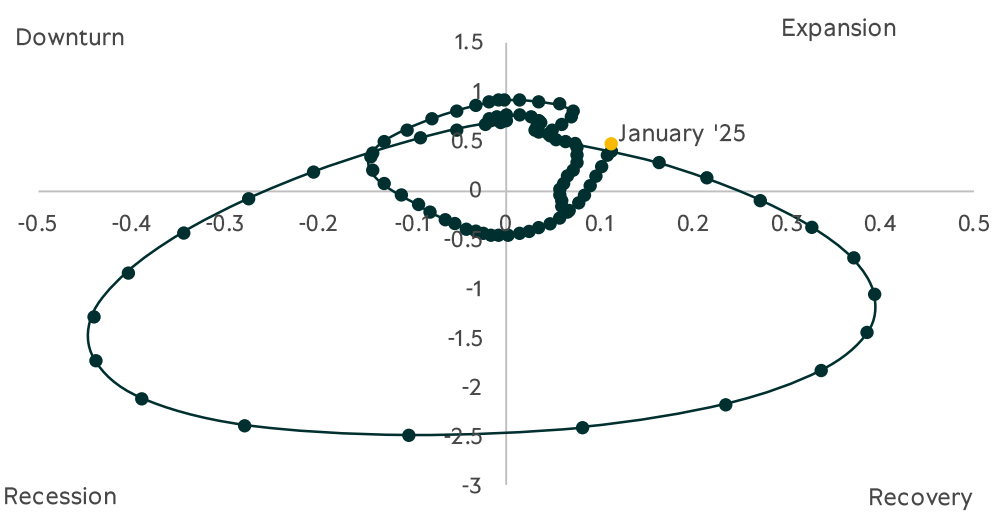


Global Trade | World Trade Tracer for both DM & EM in the expansion phase of the cycle

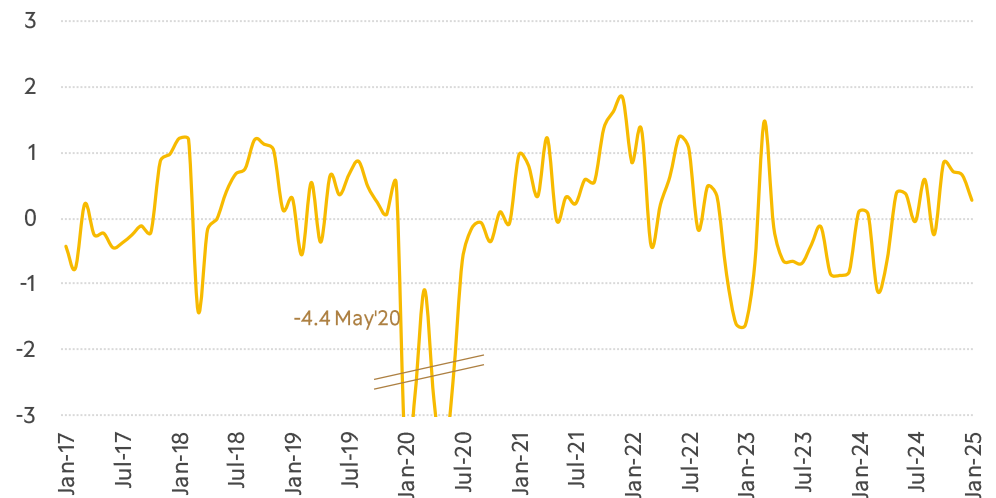
World Trade



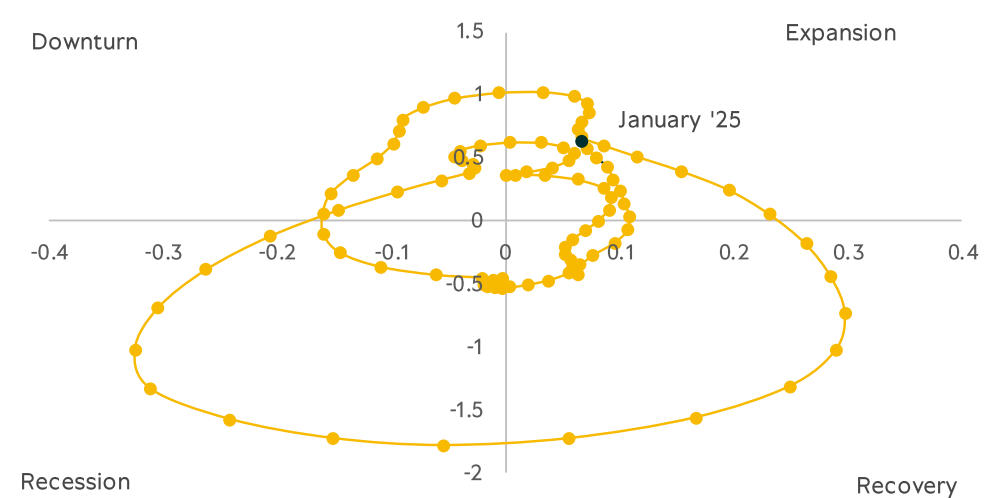
World Trade Tracer



World Exports | EM

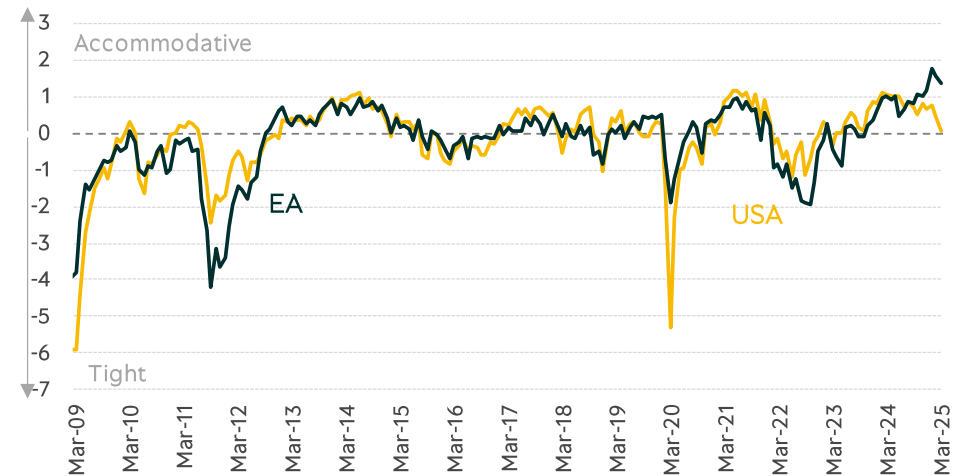


World Exports Tracer | EM

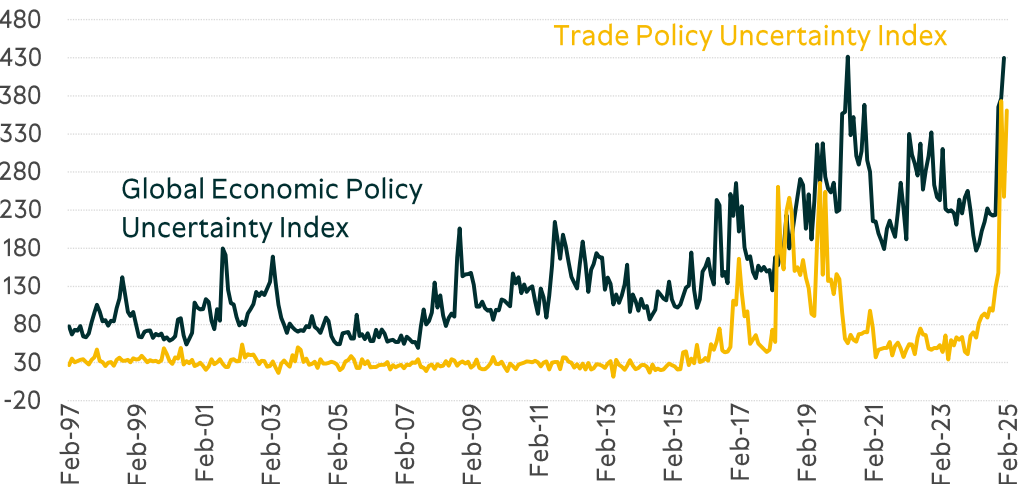


Global Trends | Trade and Economic Policy Uncertainty at elevated levels, following Trump's tariffs announcements

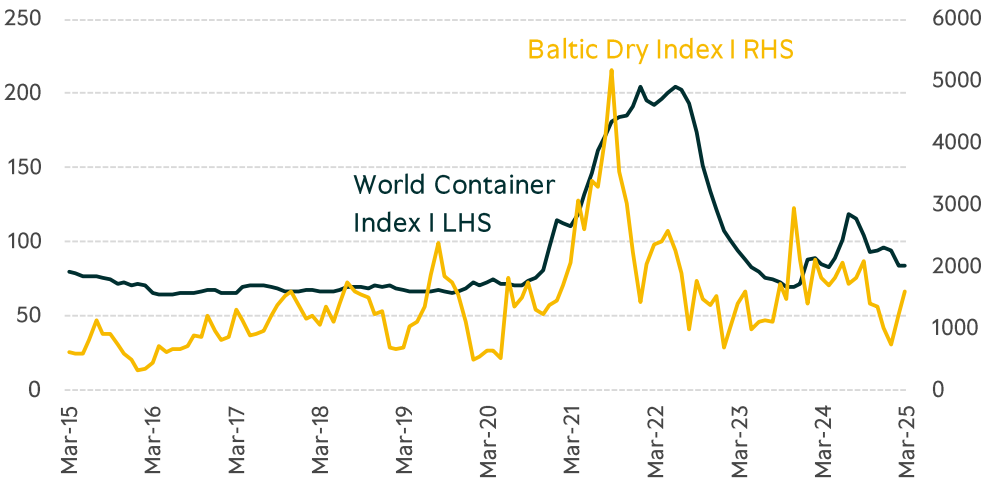
Bloomberg Financial Conditions Indices



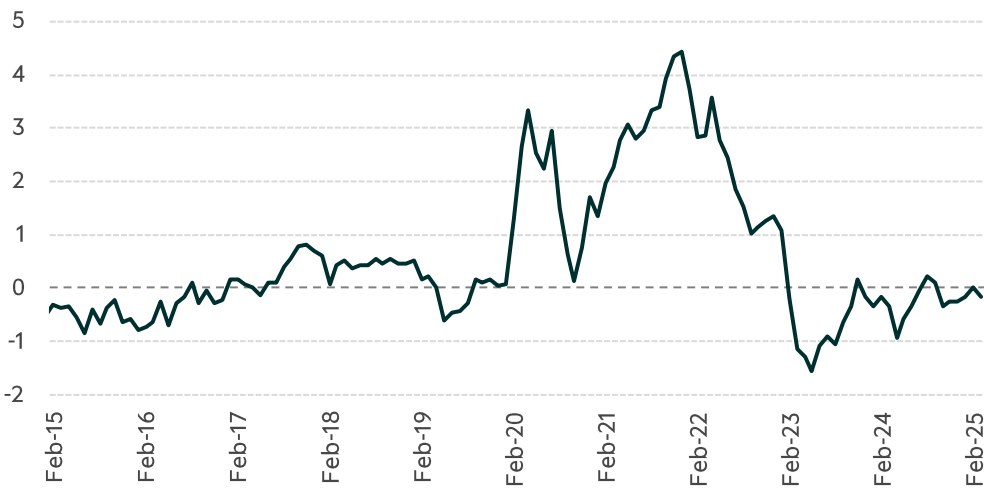
Global Economic & Trade Policy Uncertainty (Caldara & Iacoviello)



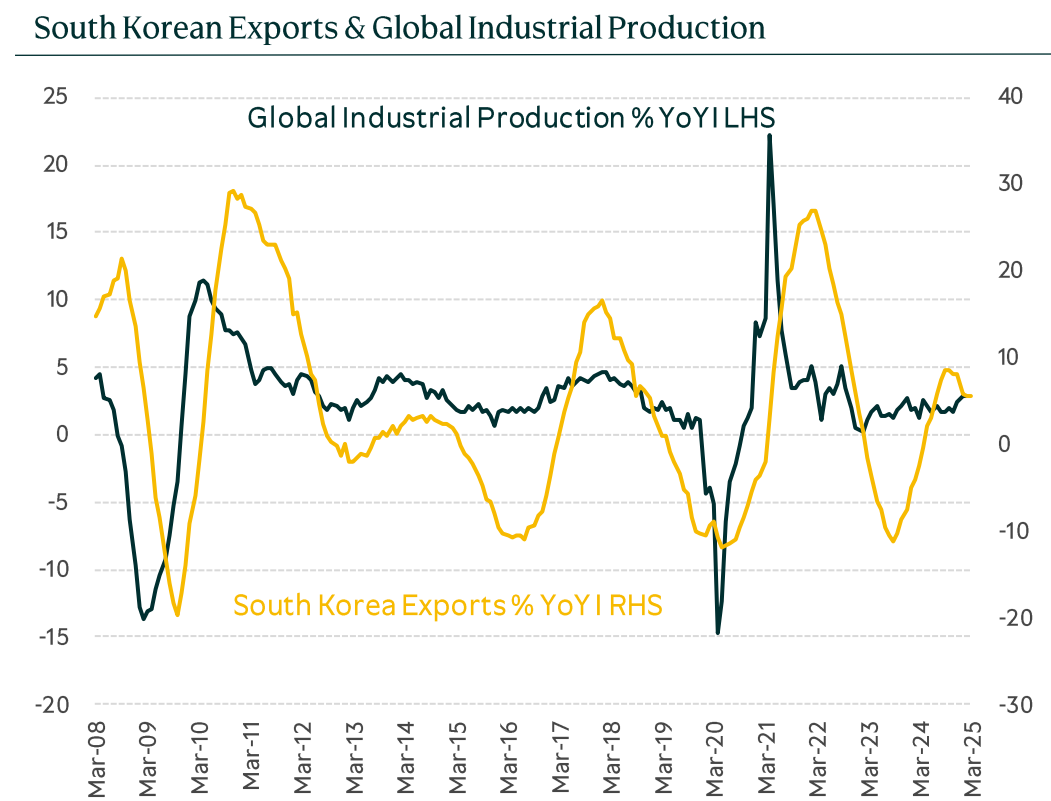
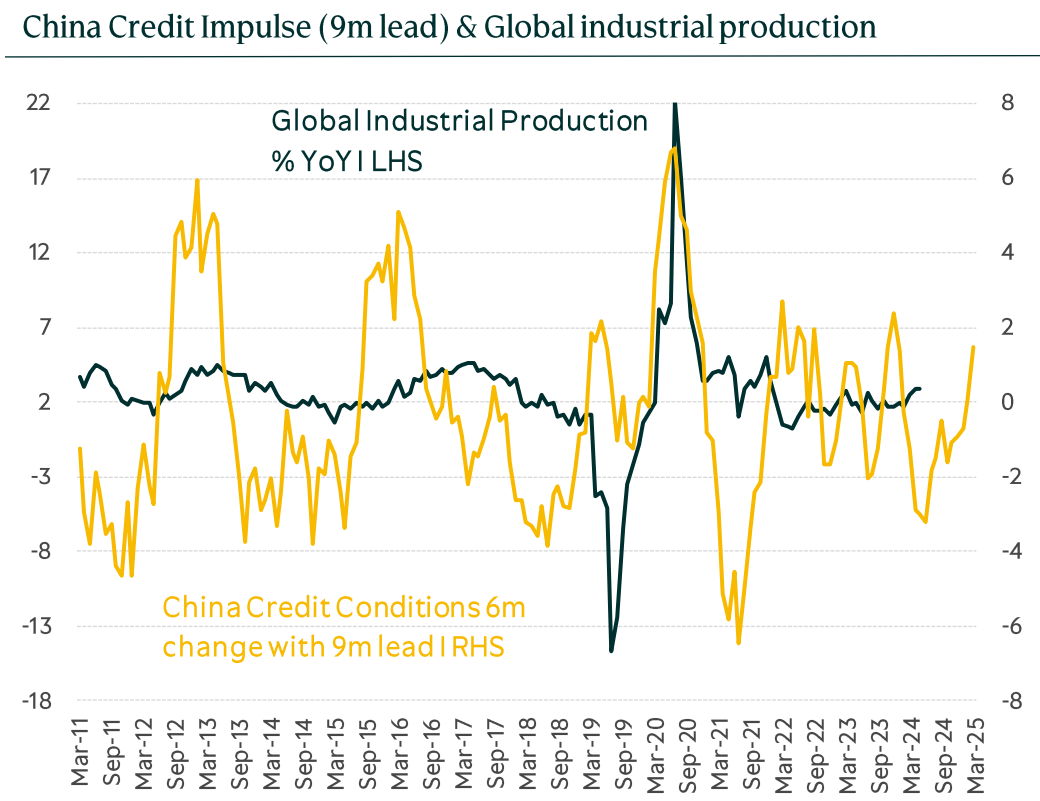
World Container and Baltic Dry Indices



NY Fed | Global Supply Chain Pressure

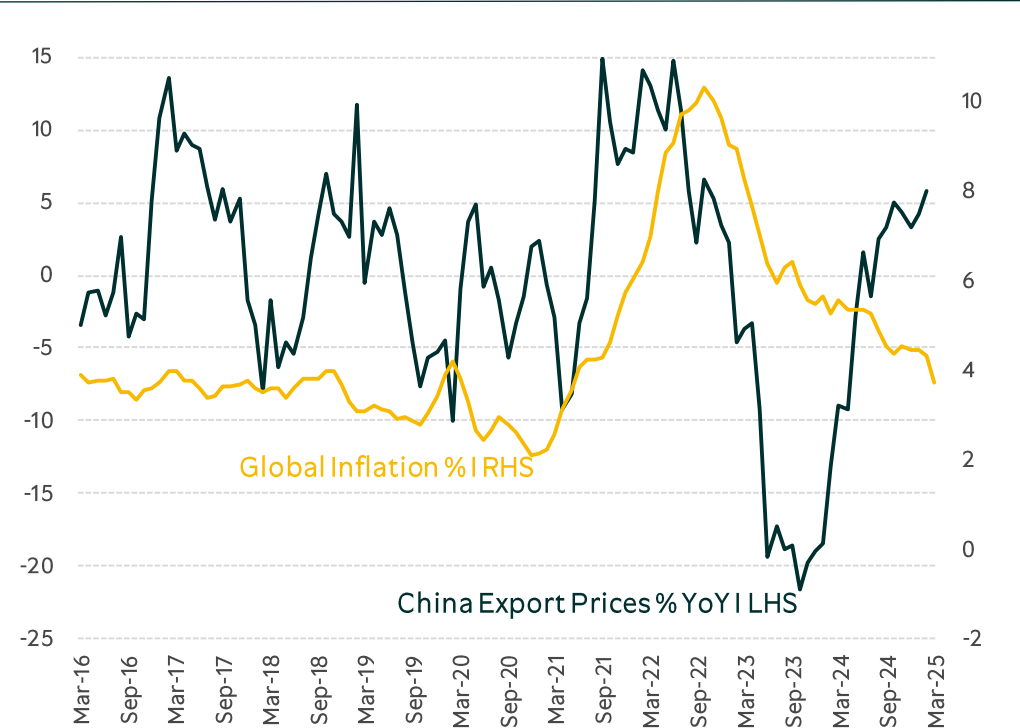


Global Trends | China’s credit conditions have rebounded in the past months. South Korea’s exports indicate a deceleration in global industrial production and growth prospects

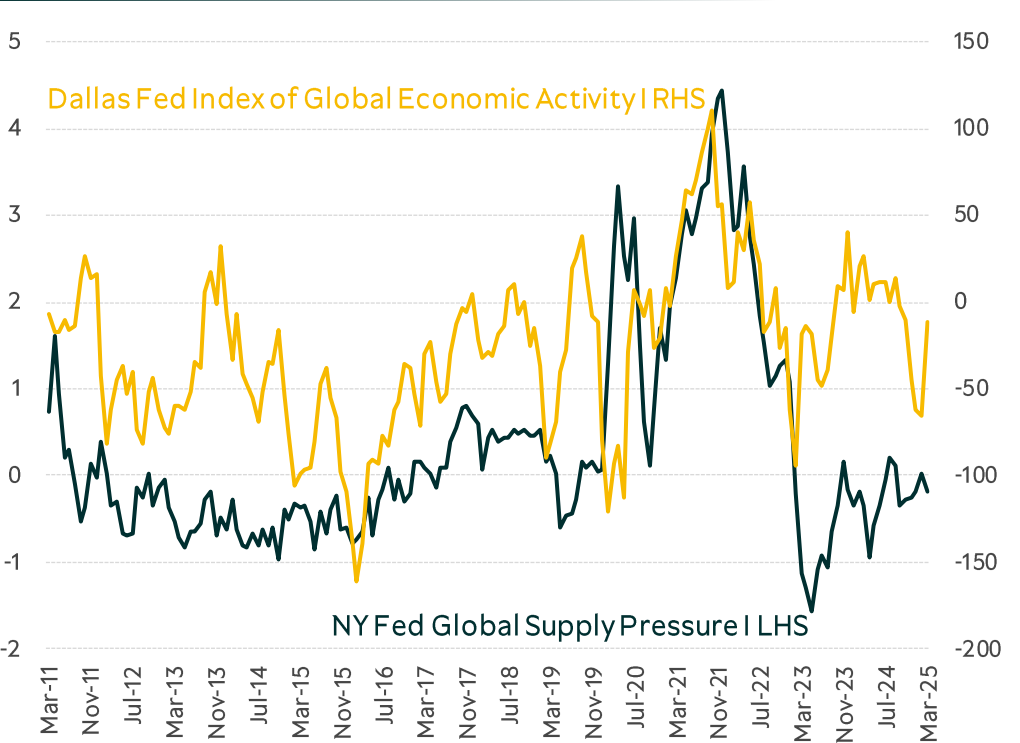


Global Trends | China's export prices accelerated in February, global economic activity indicators are showing mixed signals

China Export Prices & Global Inflation

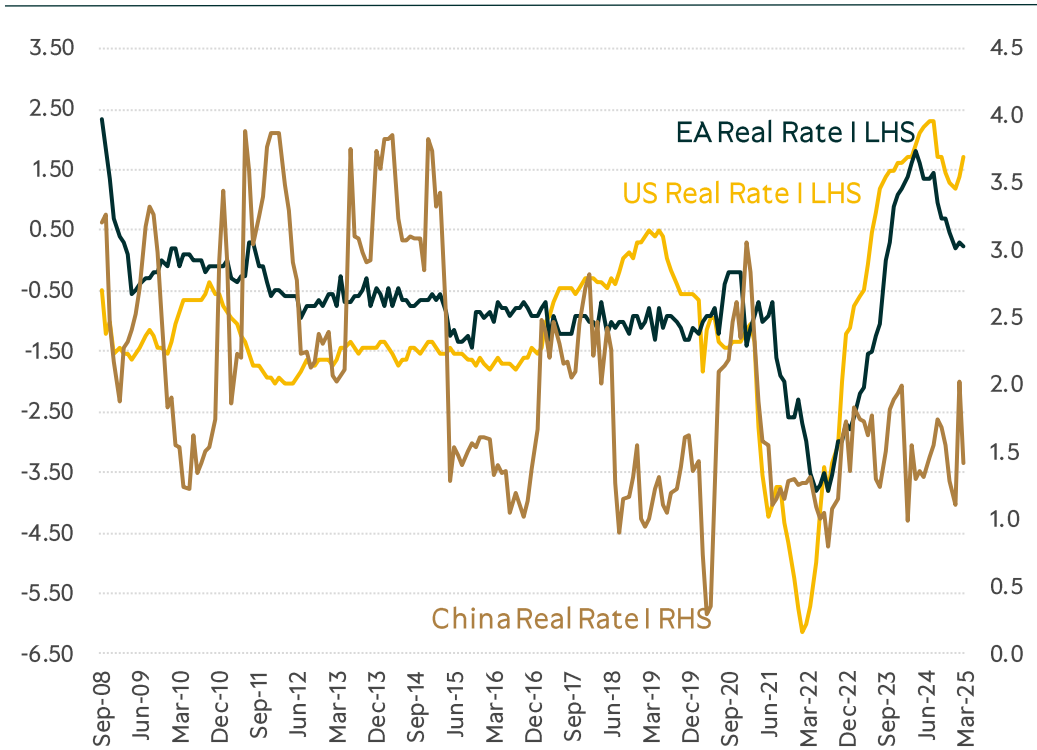


Global Economic Activity vs Global Supply Pressure

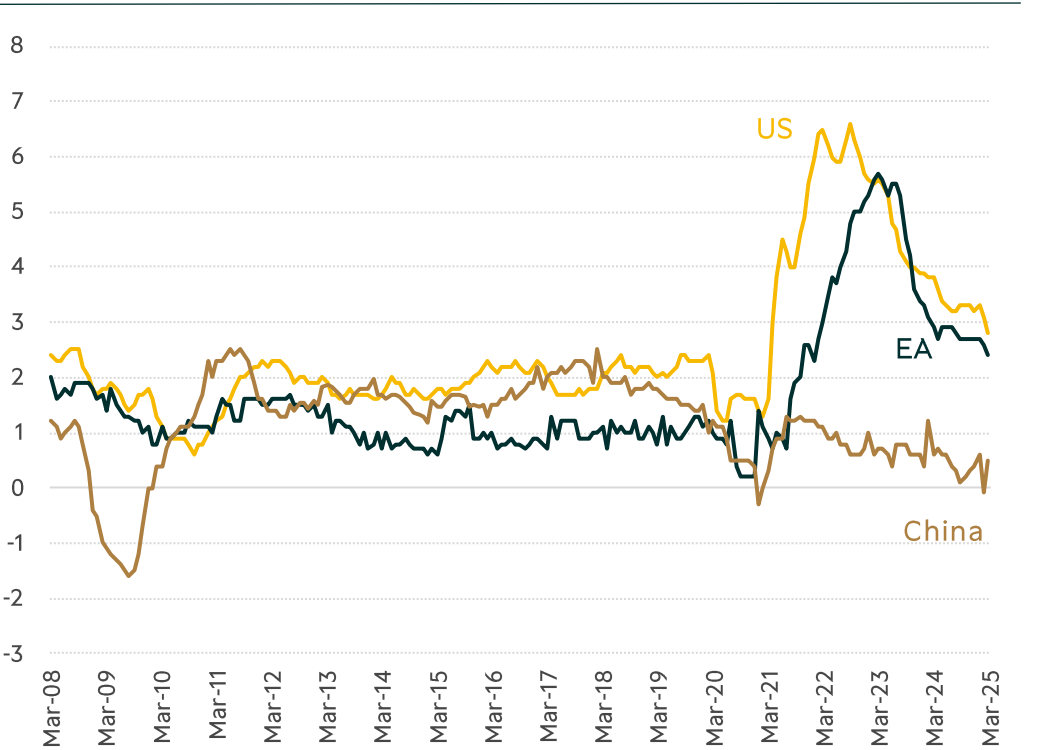


Global Trends | US & EA real policy rates ticked up marginally in March. China’s core CPI jumped to 0.5% in March rebounding from a 0.1% y/y decline in the previous month

Global Real Policy Rates US, EA, CN



US, EA, CN Core Inflation



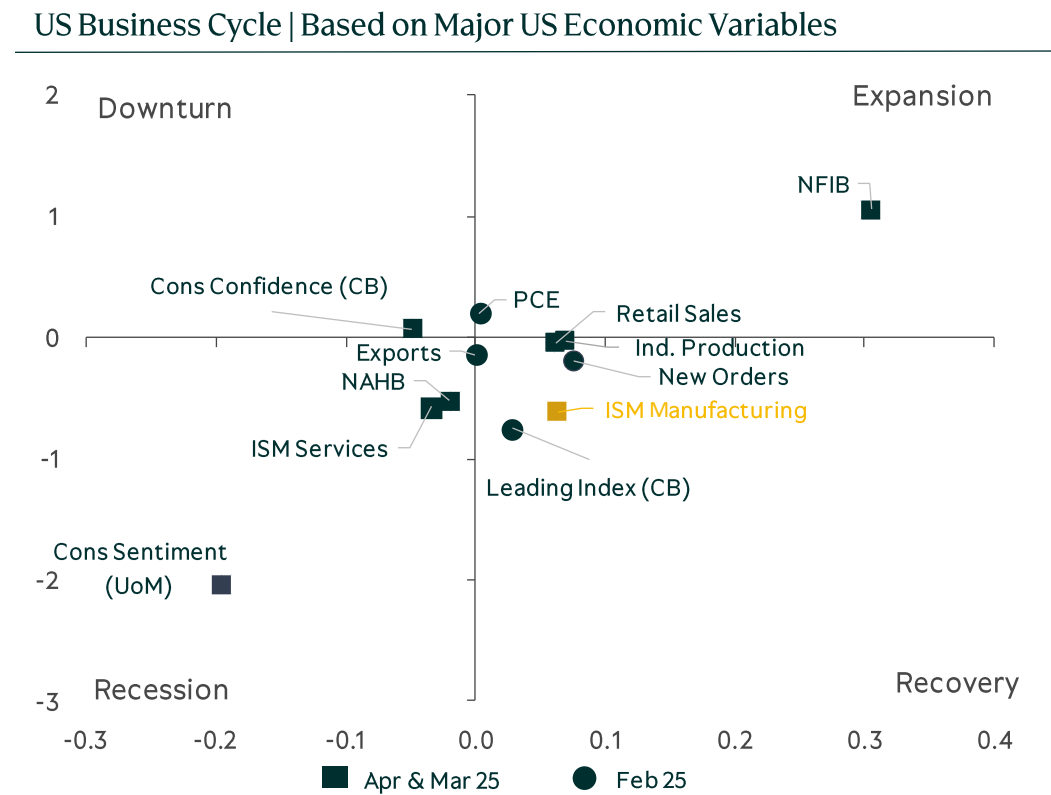
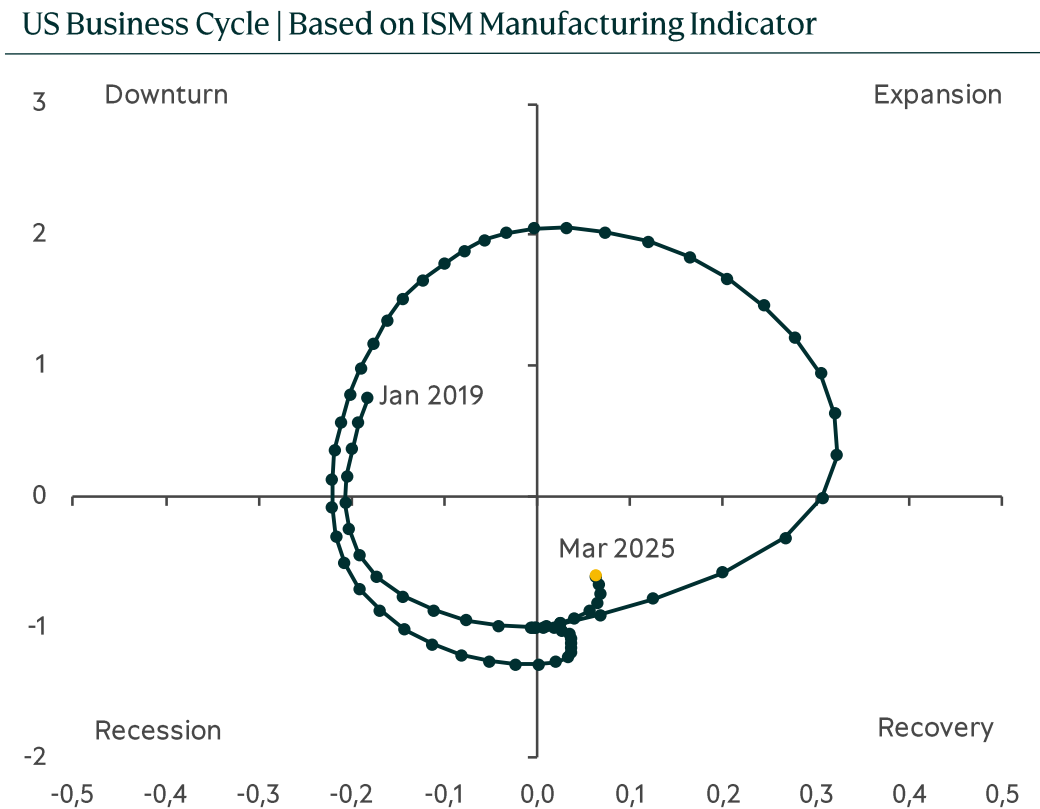
Bird's Eye View

US Economy

EA Economy

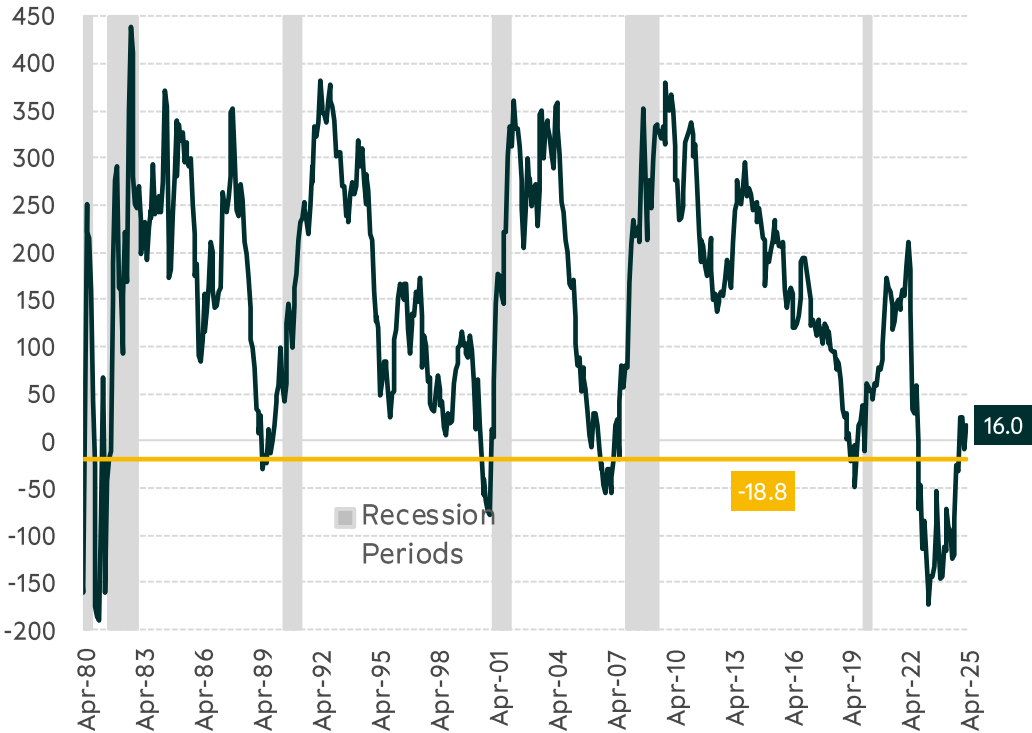
China Economy

US Business Cycle | Many leading indicators have recorded a significant decline, suggesting an increased likelihood of a slowdown in growth even though hard data economic variables remain in the Recovery quartile

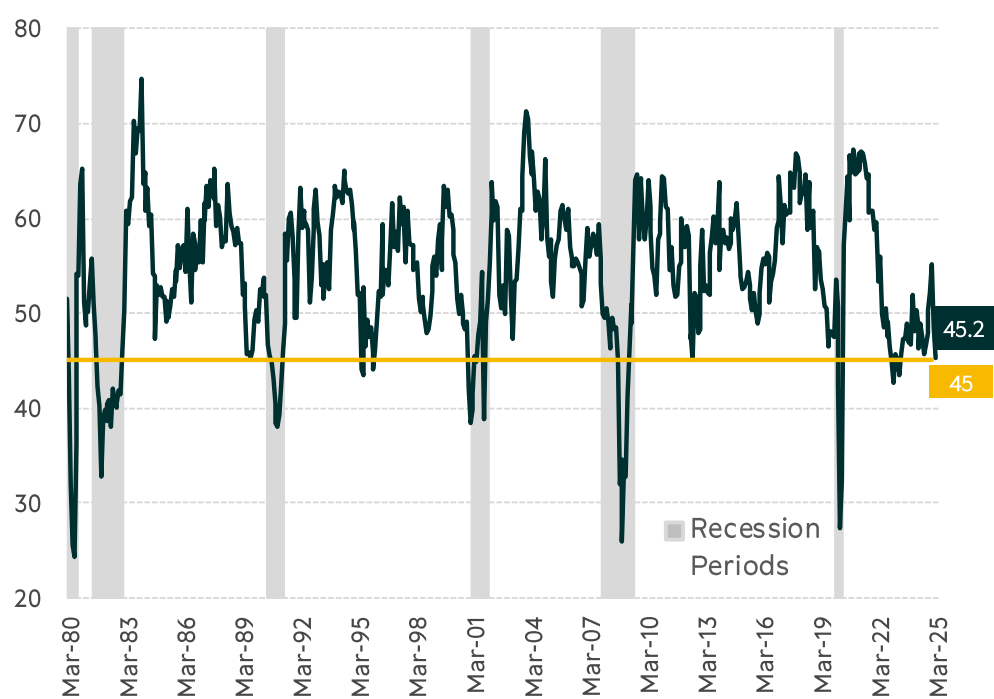


US Recession Indicators | The 10YR3M spread is no longer negative but the ISM New Order Index is approaching the threshold consistent with recession periods

10 Year and 3M US Treasury Yields Spread



ISM Manufacturing New Order Index

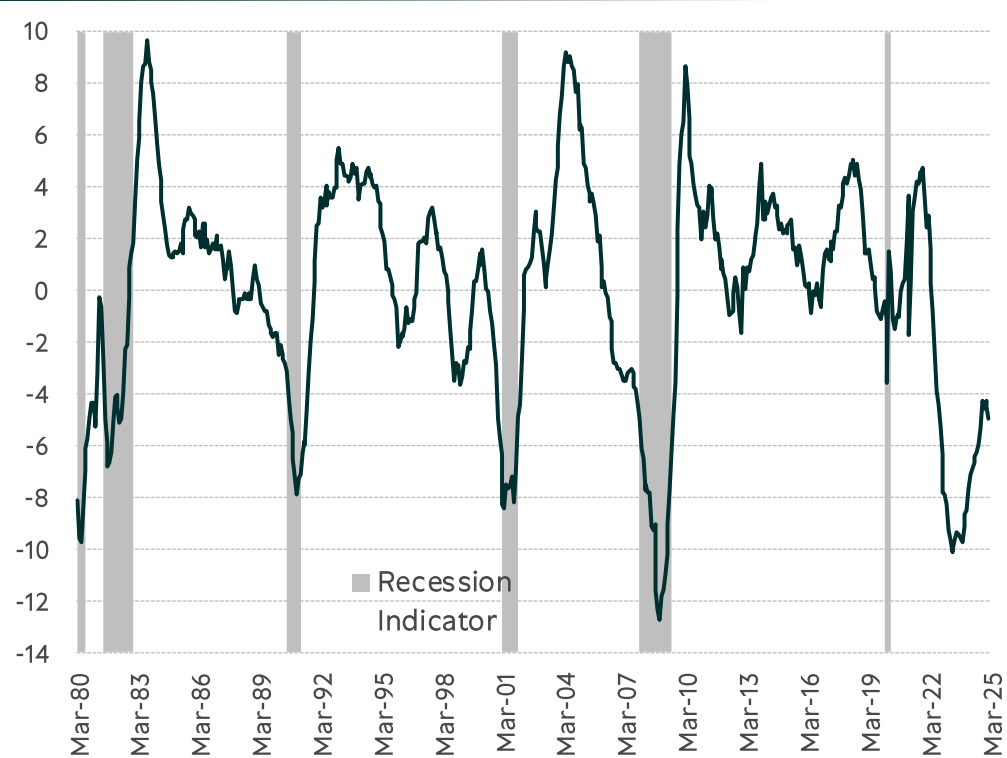


Conference Board Survey | Consumer confidence declined further in March with the expectations component seeing the sharpest drop. CB's Leading Indicator also fell further in March.

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

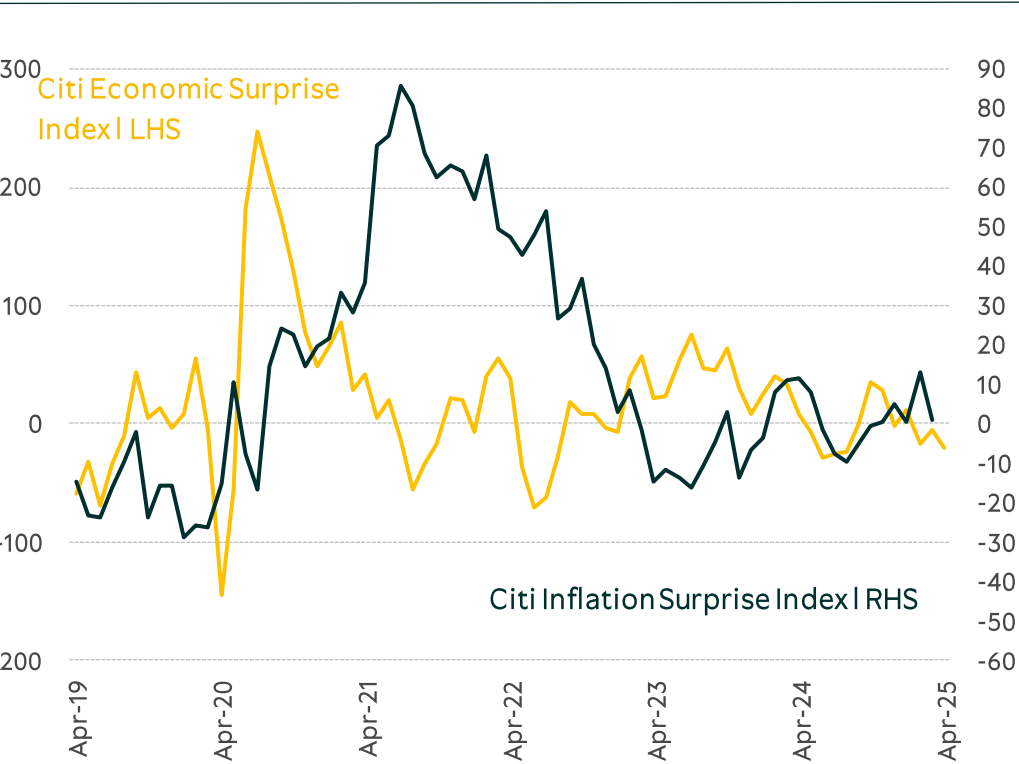


Difference between Leading & Coincident Indicators (Conference Board)

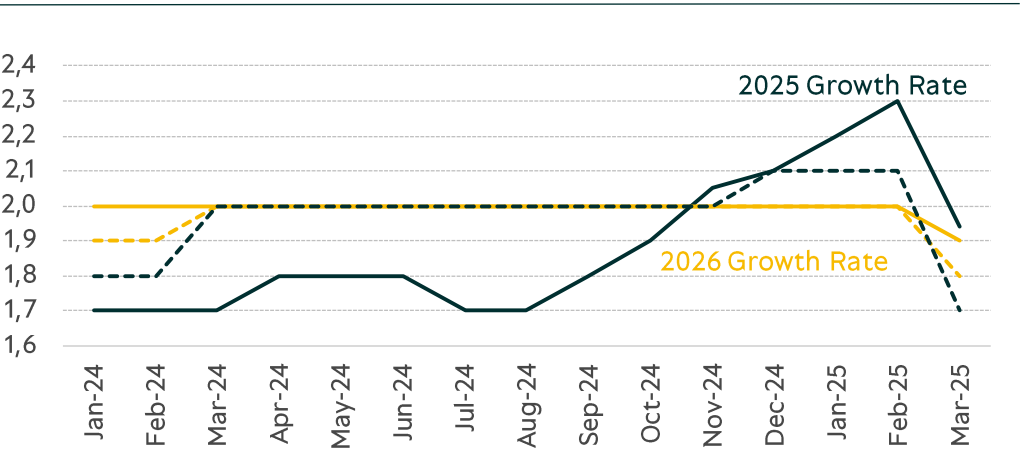


US Macro Expectations | Growth rate expectations are falling, and inflation rate expectations are on the rise

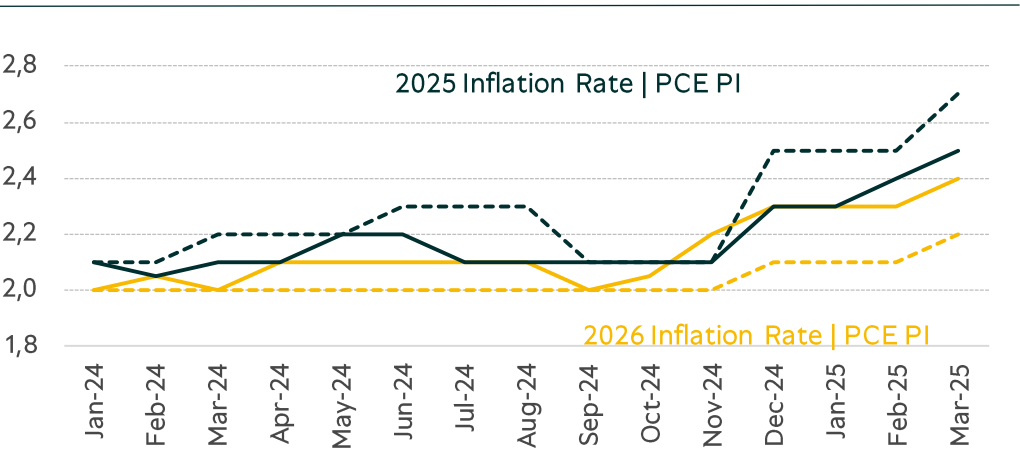
Economic & Inflation Surprises



Growth Rate Expectations*



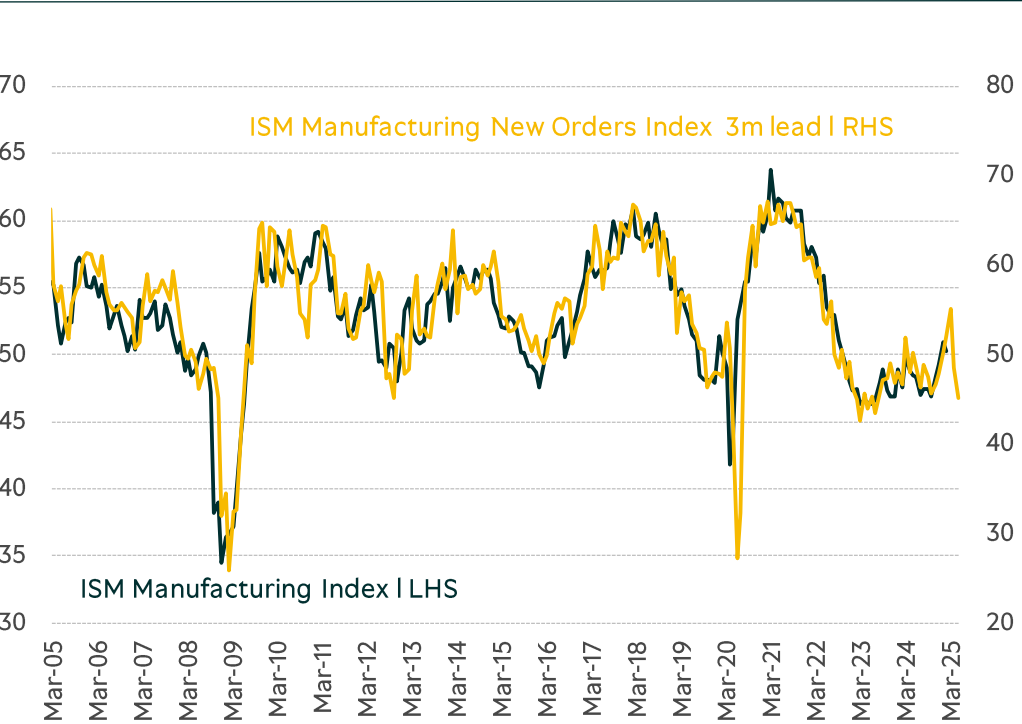
Inflation Rate Expectations*



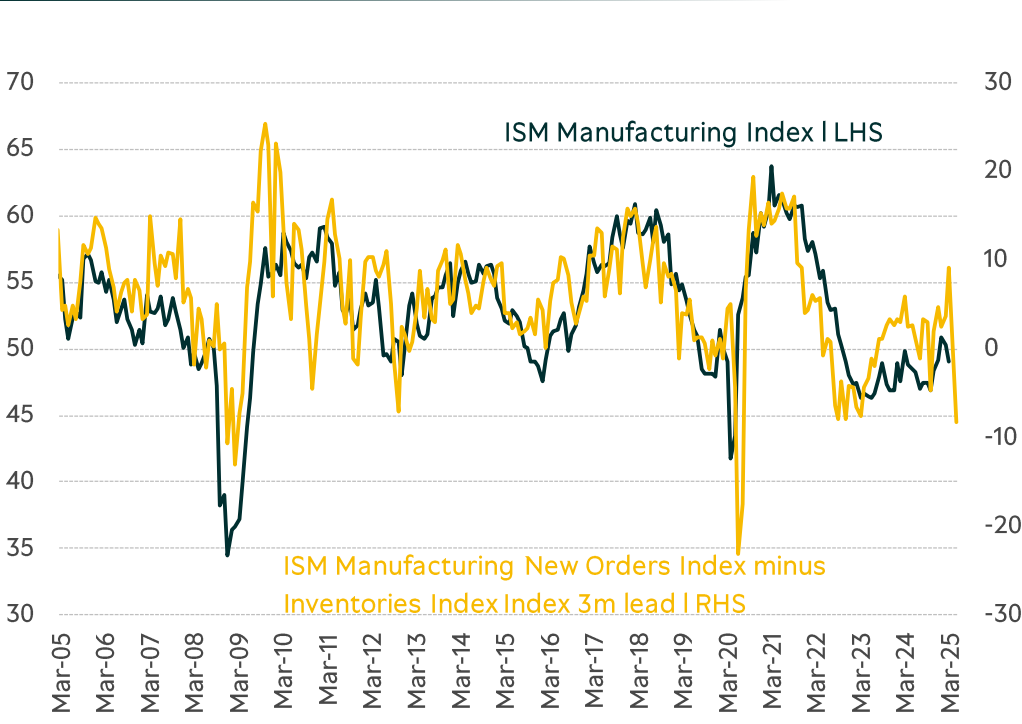
*Solid line: Consensus; Dotted line: Fed projections

US Leading Indicators | In March ISM Manufacturing fell below 50 and the New Orders component dropped sharply to 45.2. ISM Employment also weakened.

ISM Manufacturing & New Orders Indices

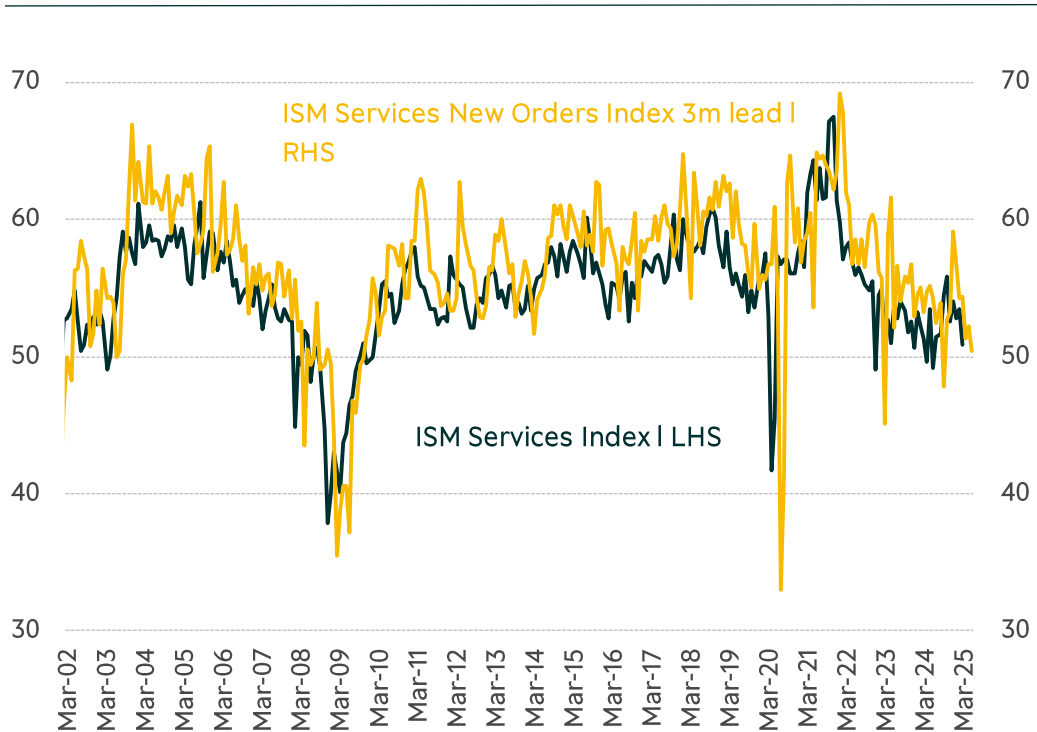


ISM Manufacturing & New Orders Index Minus Inventories Index

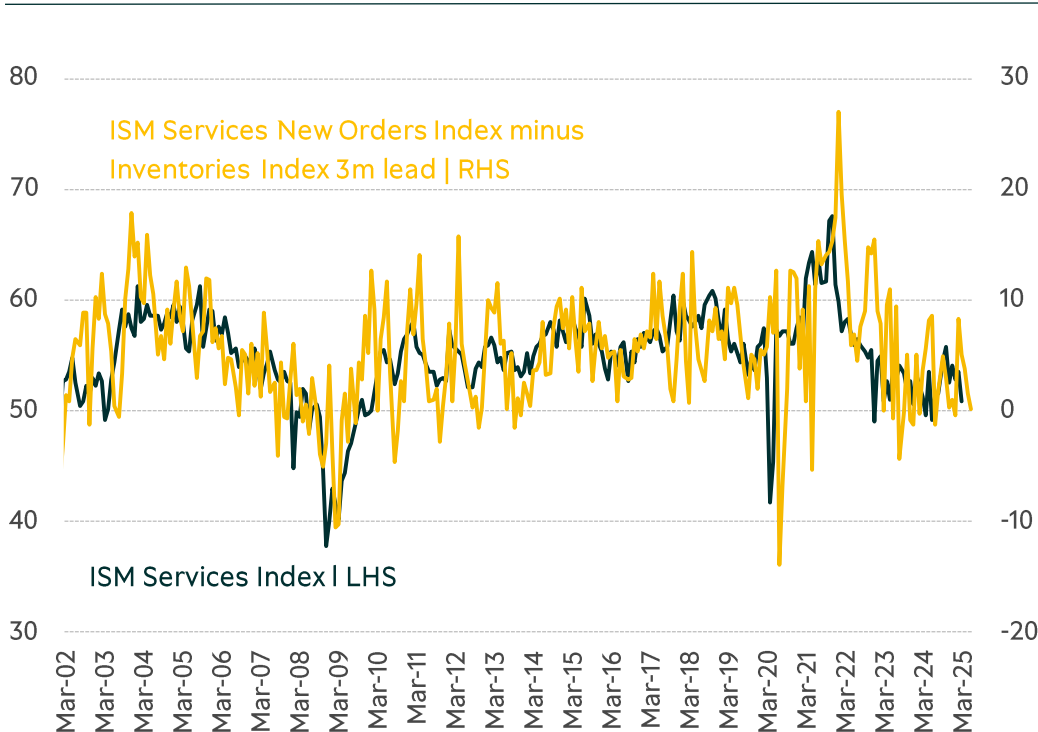


US Leading Indicators | ISM Services also fell in March mainly reflecting deterioration in the New Orders and employment components

ISM Services & New Orders Indices

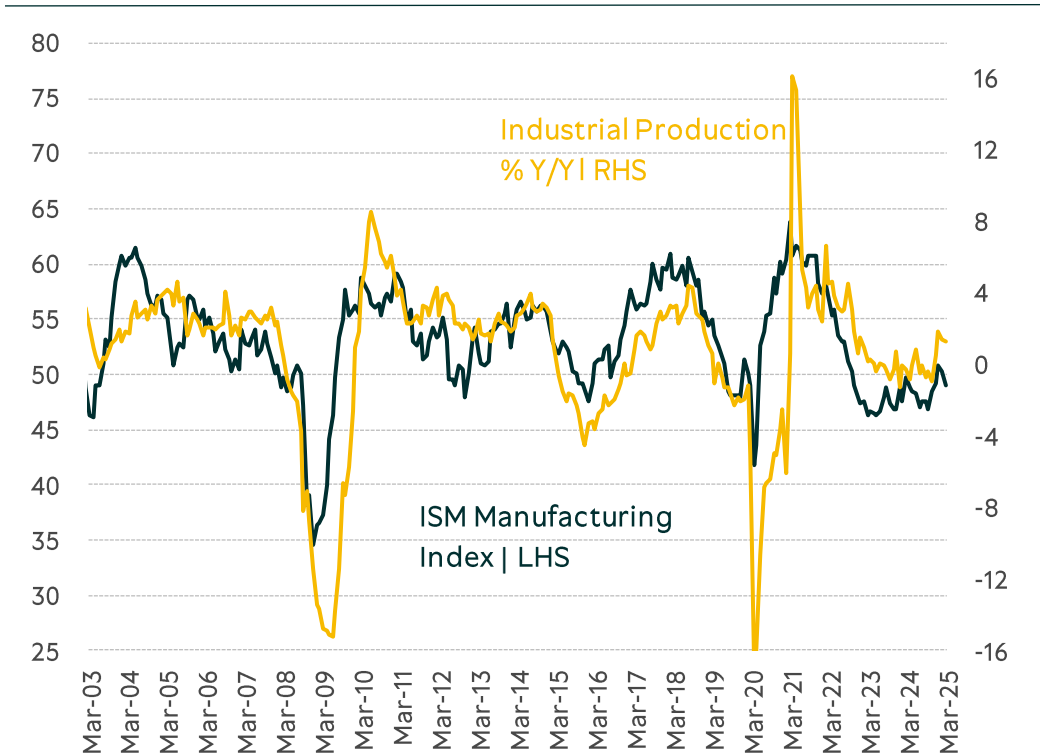


ISM Services & New Orders Index Minus Inventories Index

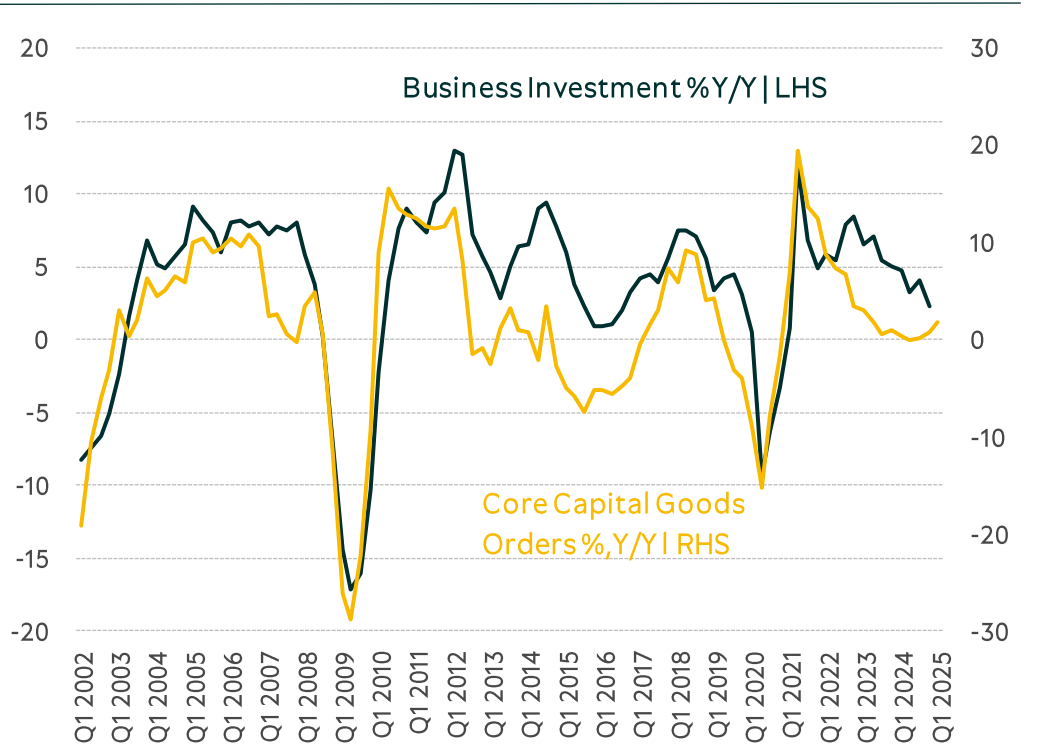


US | Industrial Production fell in March, driven by a strong decline in utilities production. Core Capital Goods Orders have stopped declining.

Industrial Production YoY & ISM Manufacturing

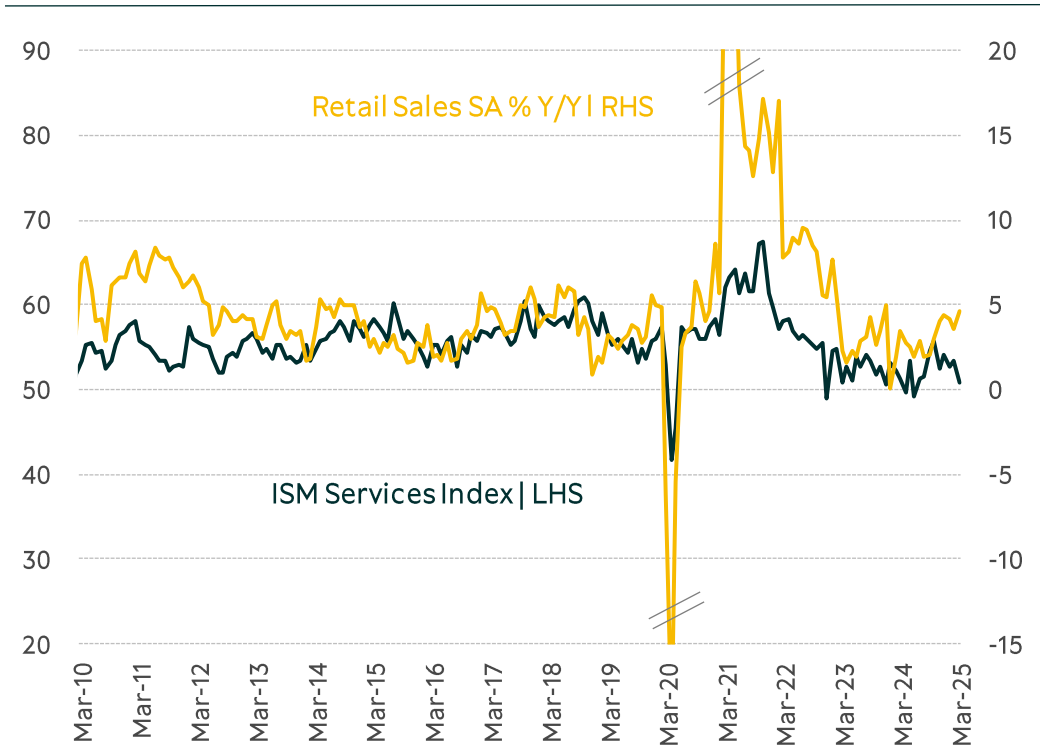


Core Capital Goods Orders & Business Investment

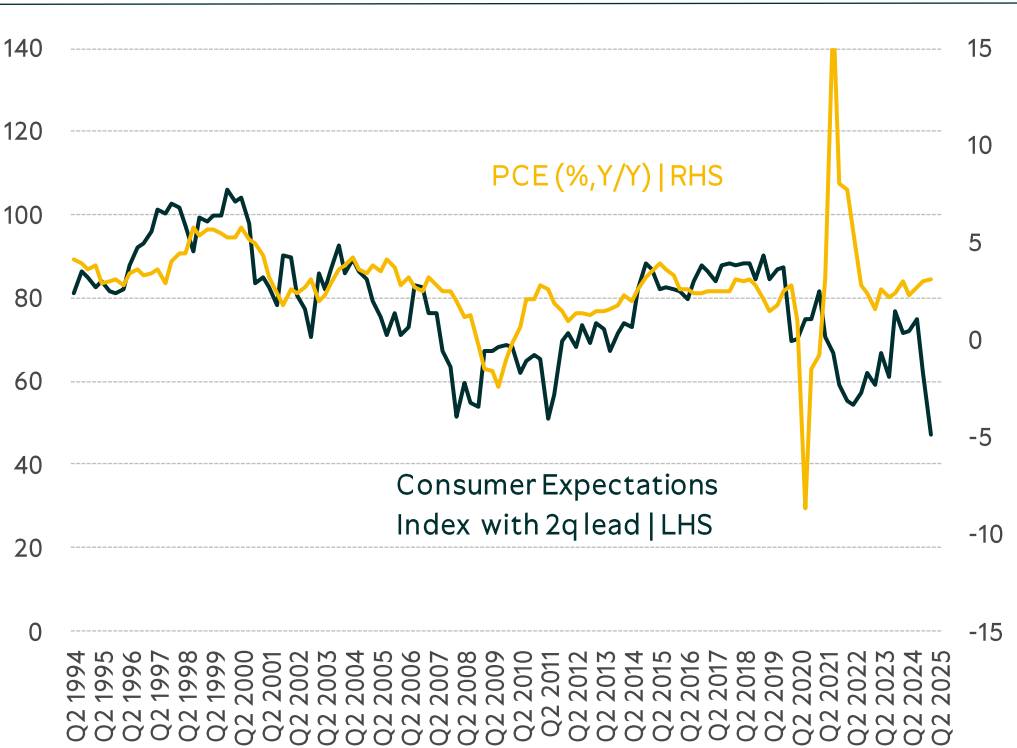


US | The US consumer is the main “growth driver” so far. Retail sales rose in March mostly due to tariff front-run buying. Large downward adjustment to consumer sentiment points to lower consumption ahead

Retail Sales YoY & ISM Services

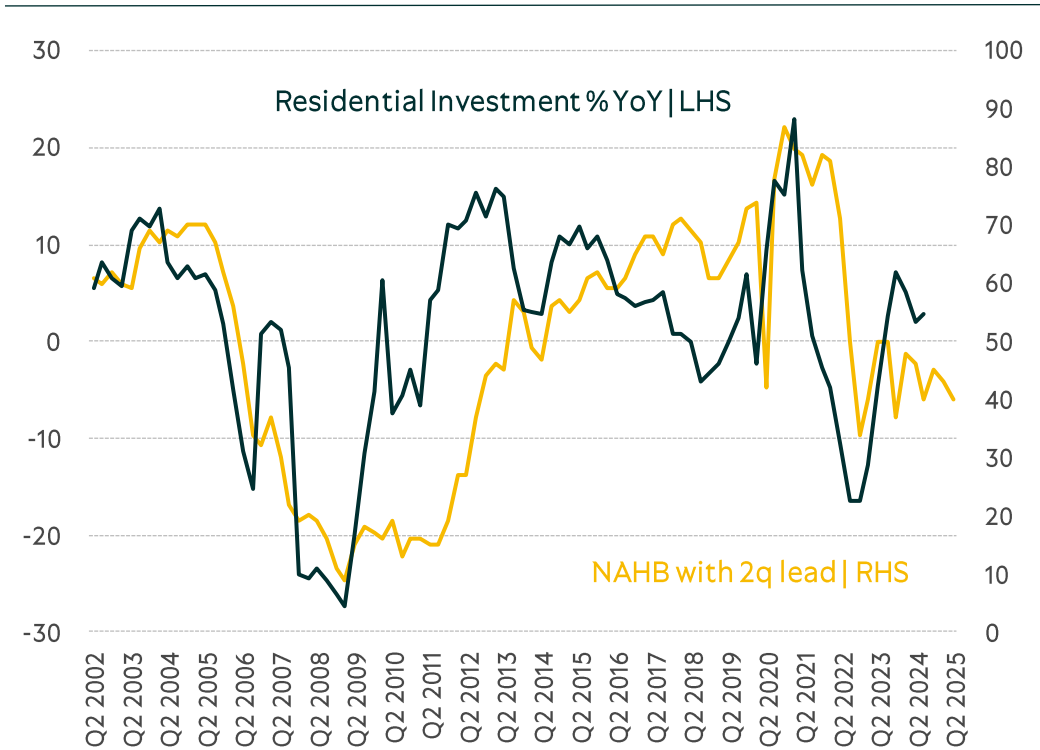


PCE & University of Michigan Consumer Expectations Index

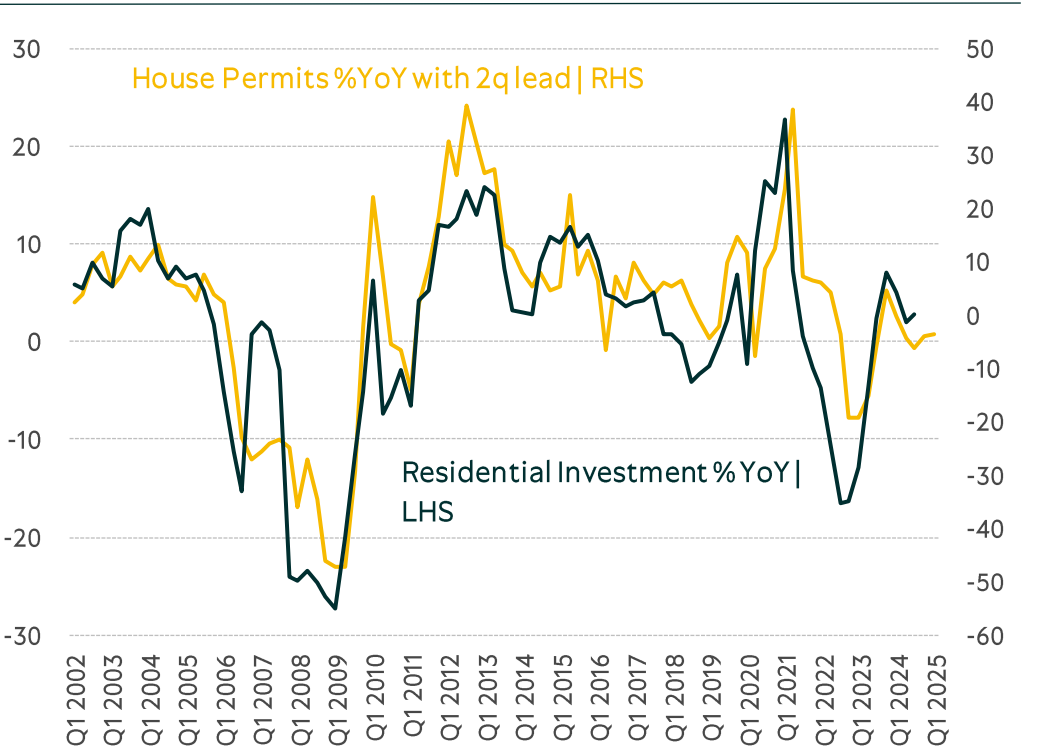


Housing Market | The housing market is showing tentative signs of improvement, but policy uncertainty is having a negative impact on home builders' expectations

Residential Investment & NAHB Index

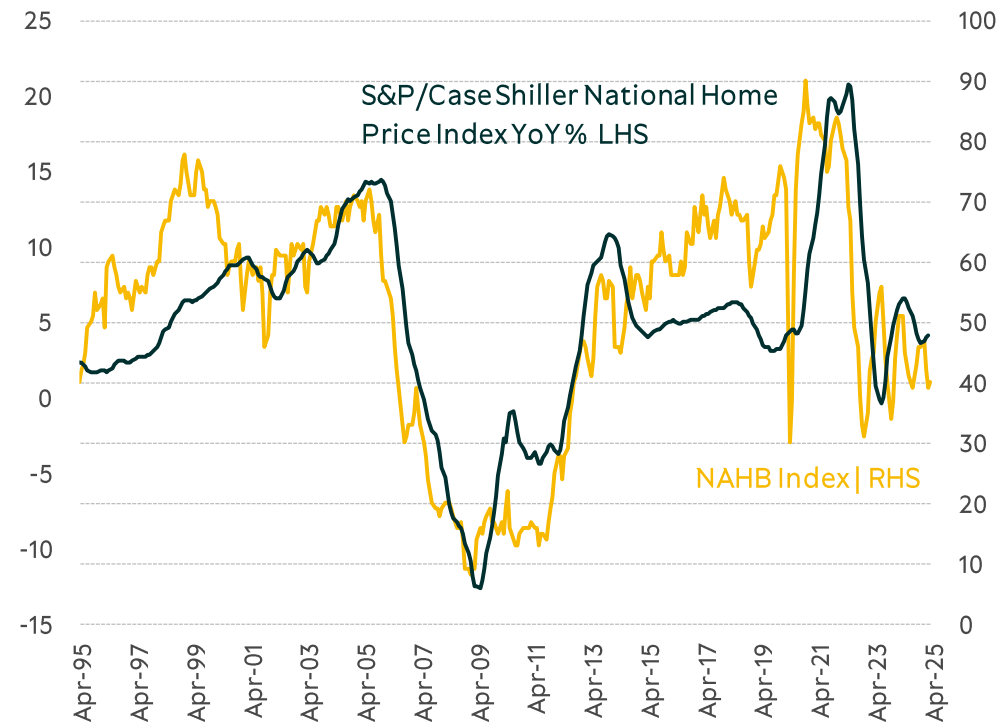


Residential Investment & House Permits

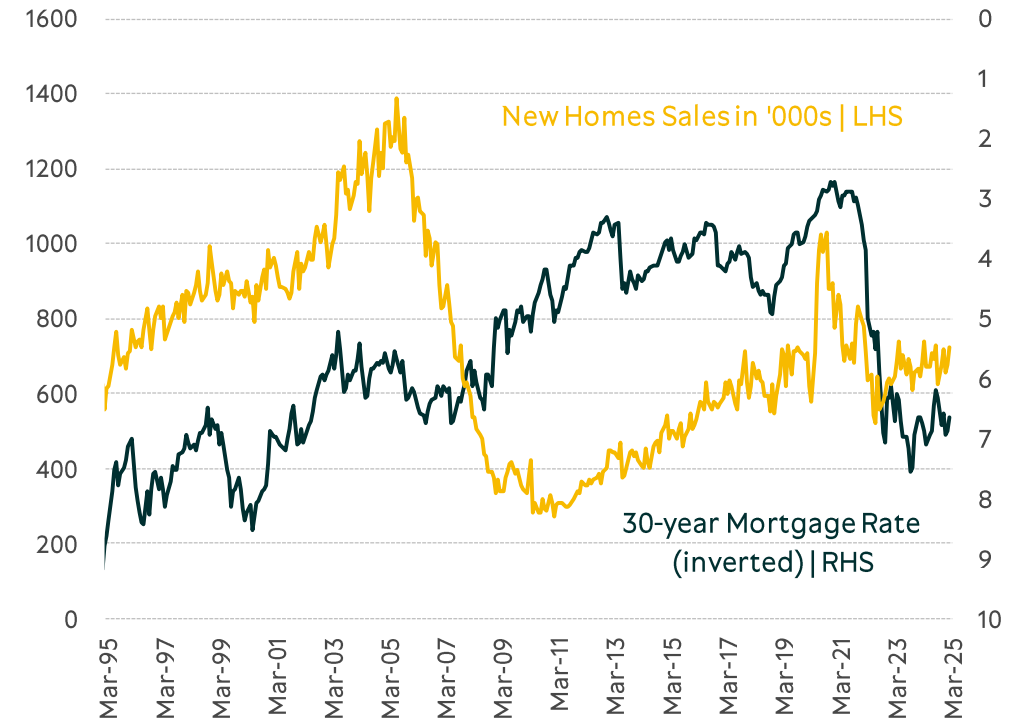


Housing Market | Homebuilder confidence rose marginally in April following 3 months of decline and new home sales posted a strong gain in March amid easing 30-year mortgage rates.

NAHB Index & S&P/Case Shiller Home YoY %

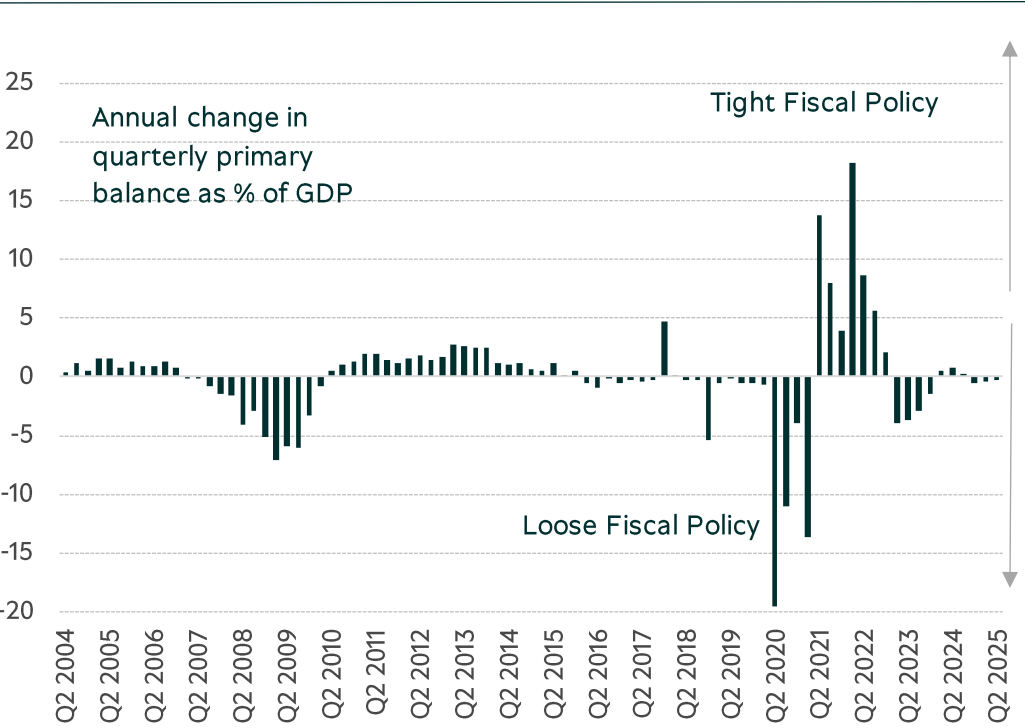


US new home sales and mortgage rates

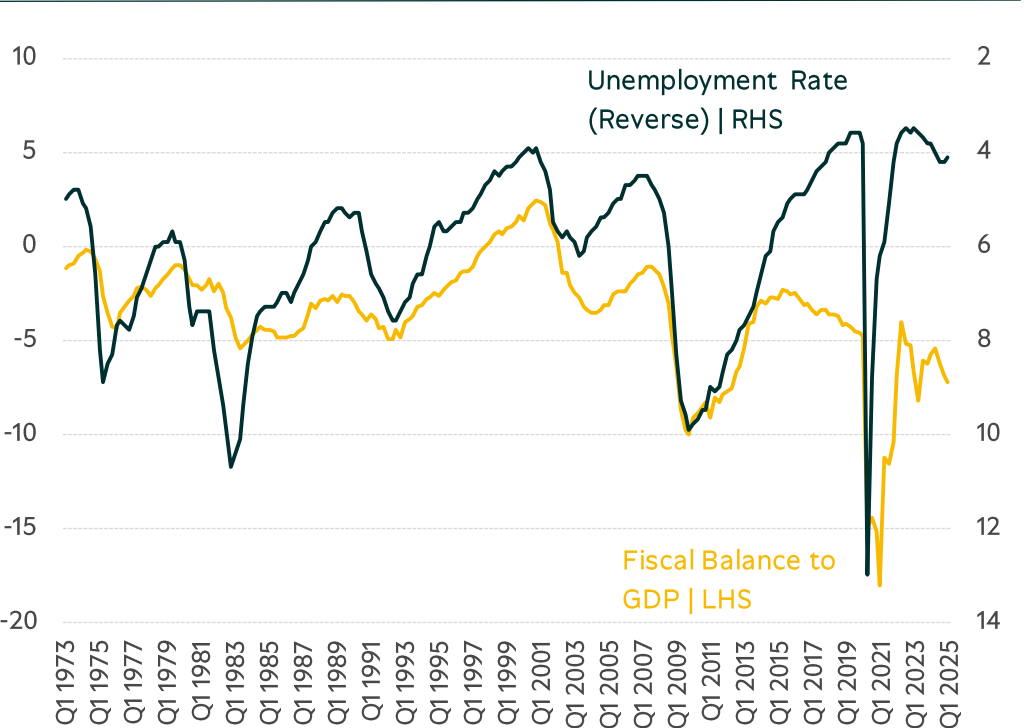


Fiscal Policy | Still too loose vs unemployment. Fiscal challenges ahead.

Fiscal Thrust

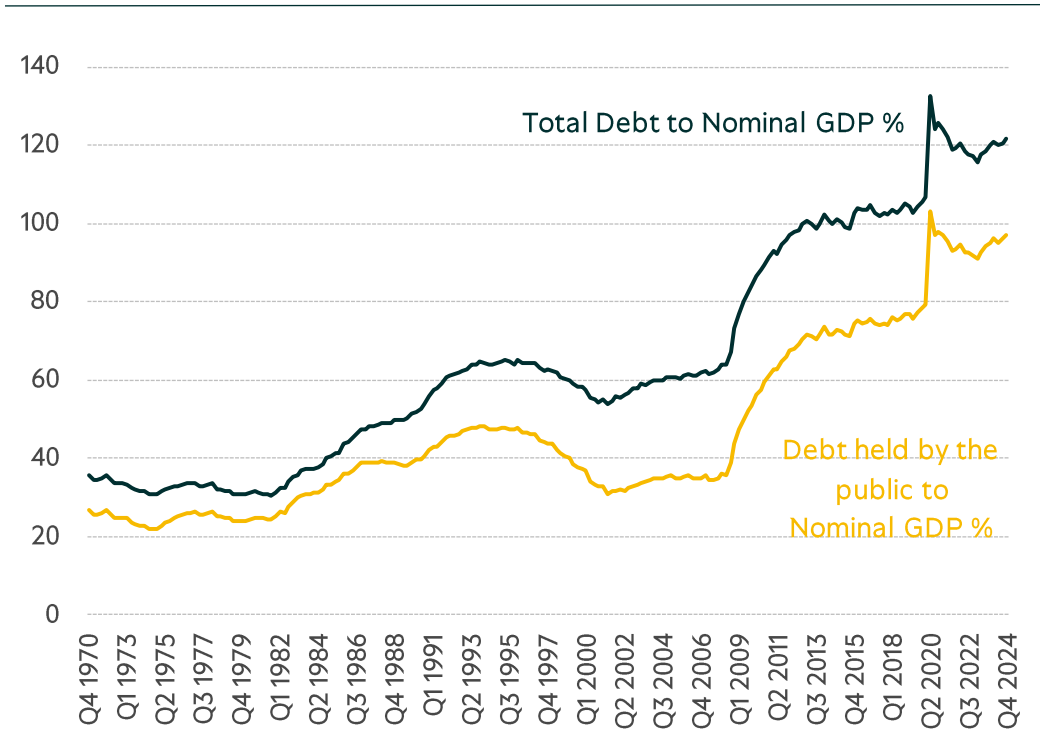


Fiscal Policy vs Unemployment

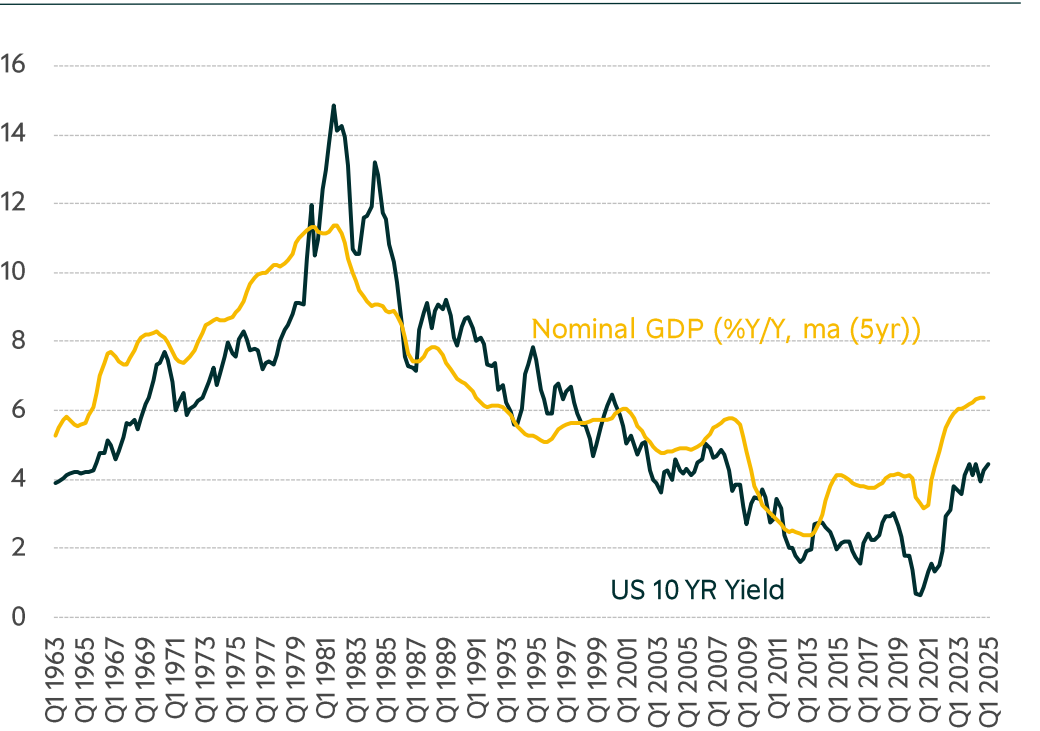


Fiscal Policy | The nominal growth rate is likely to remain at higher levels than the long-term cost of public financing

Debt / Nominal GDP (quarterly)

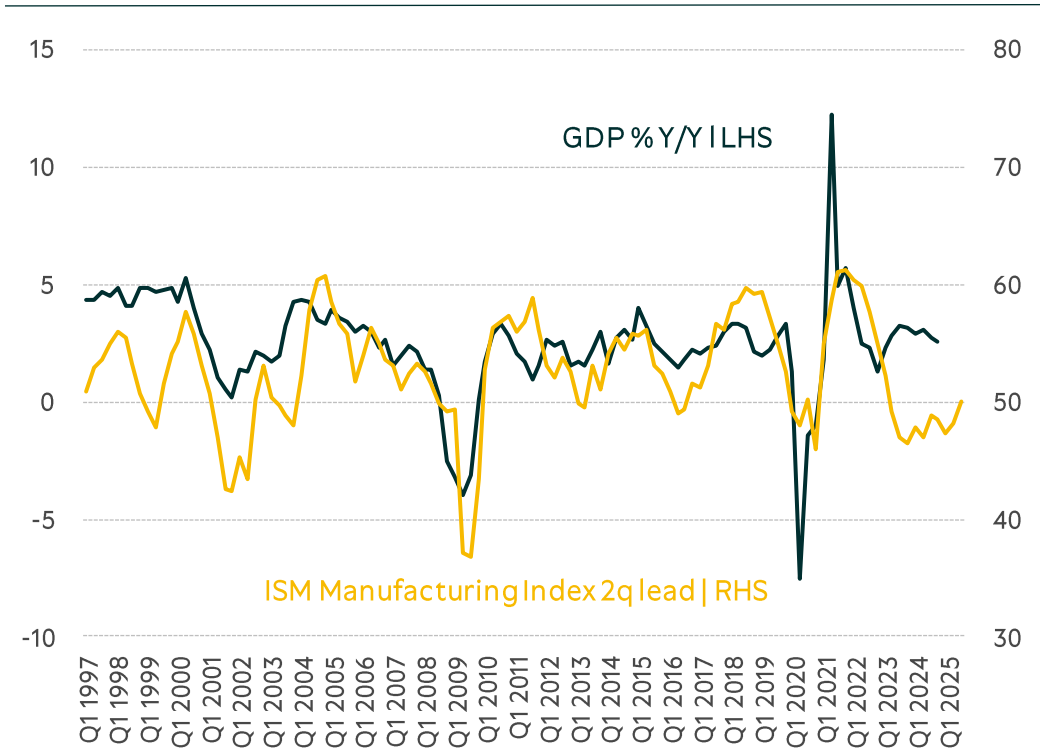


Fiscal Policy Sustainability

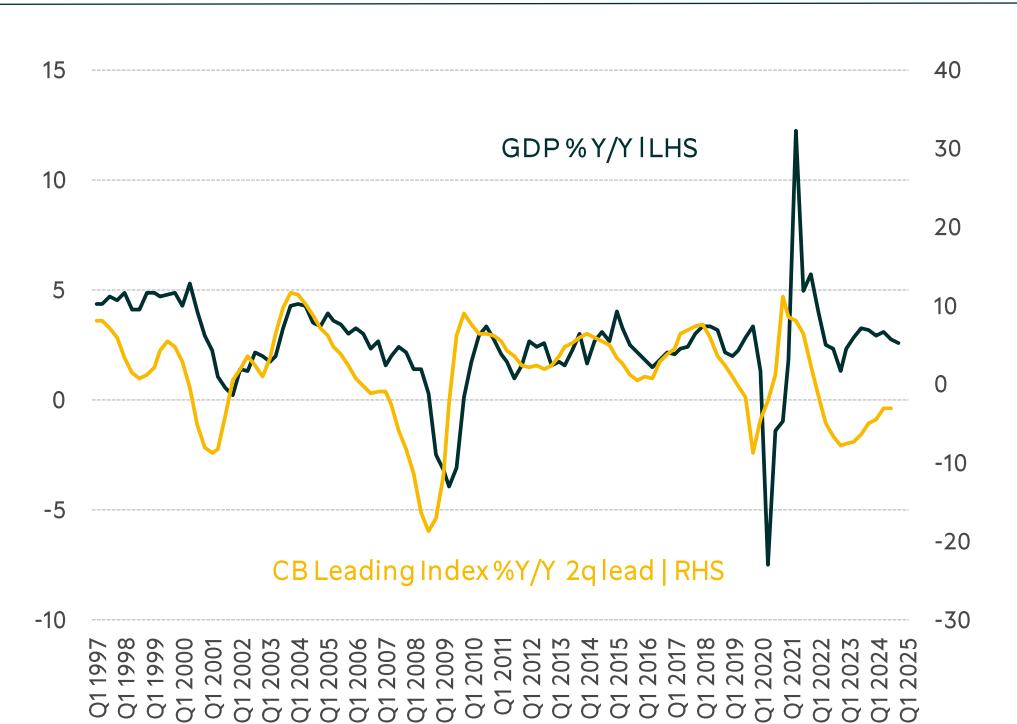


US GDP Outlook | Leading indicators are suggesting a deceleration in real GDP

GDP & ISM Manufacturing Indicator

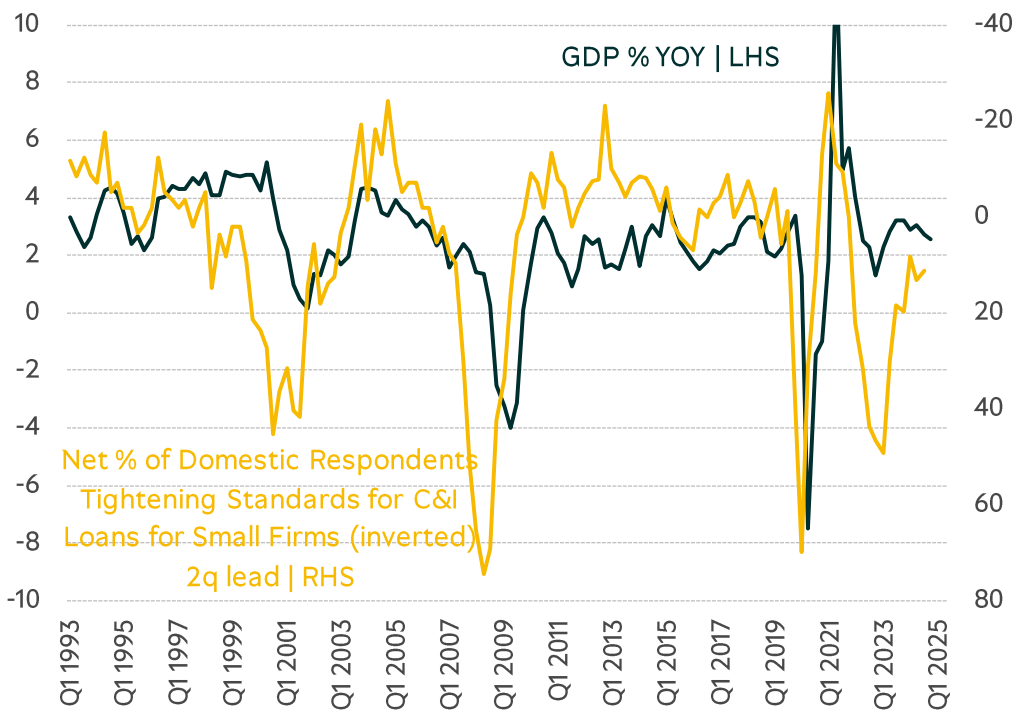


GDP & CB Leading Indicator

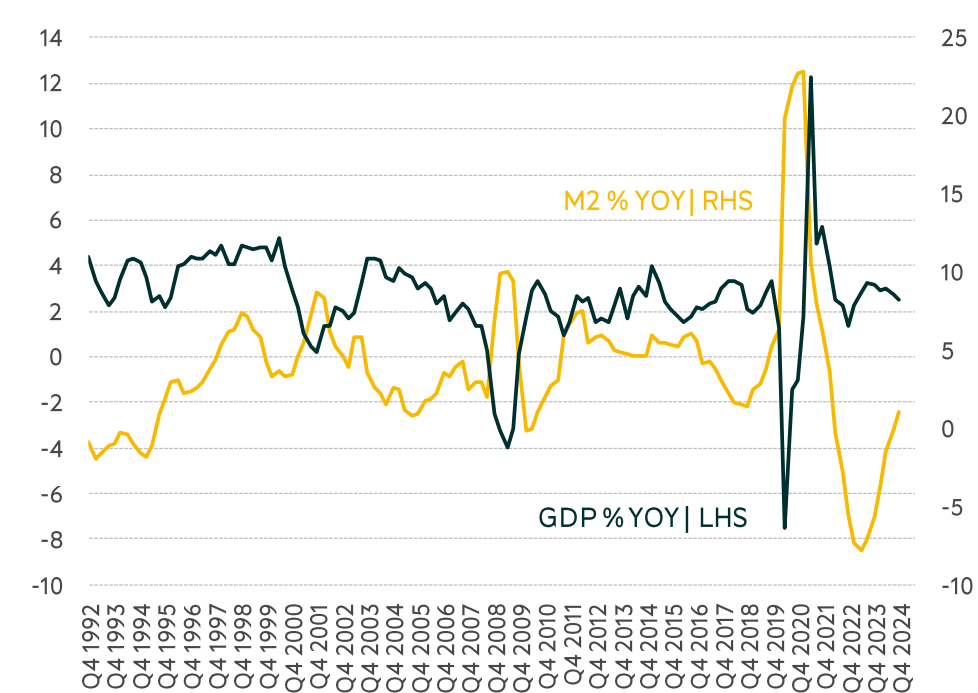


US GDP Outlook | Small decrease in Tightening of Lending Standards & further improvement in M2

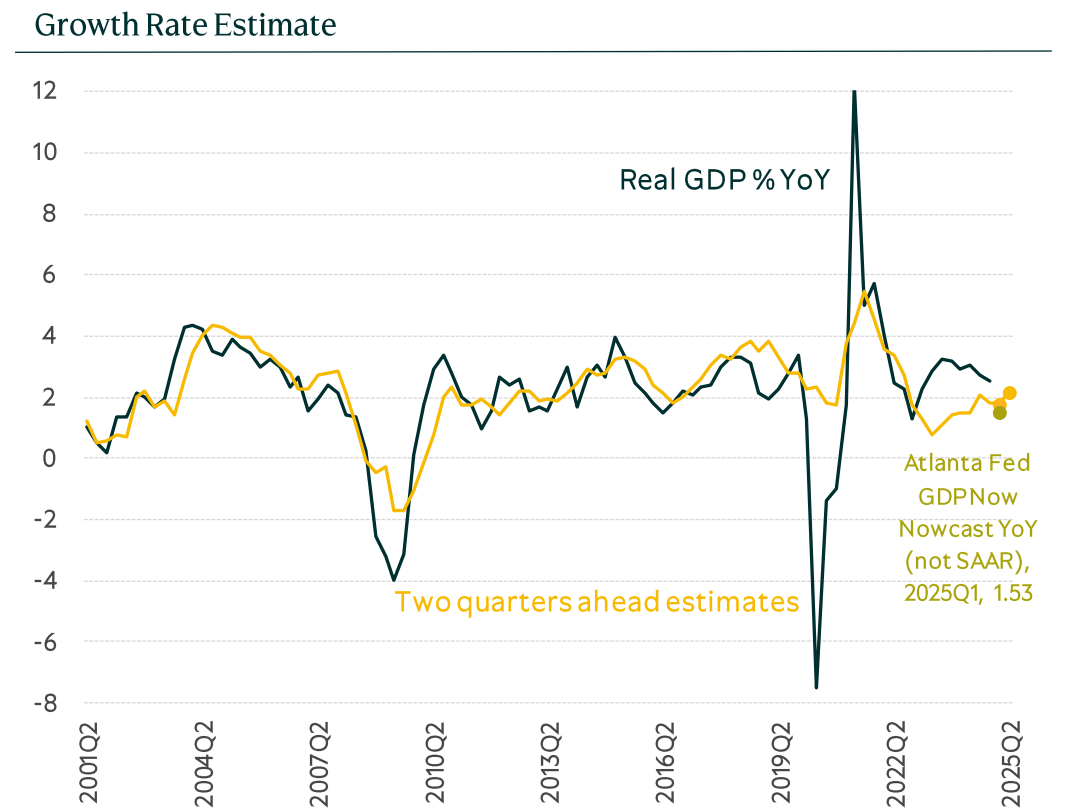
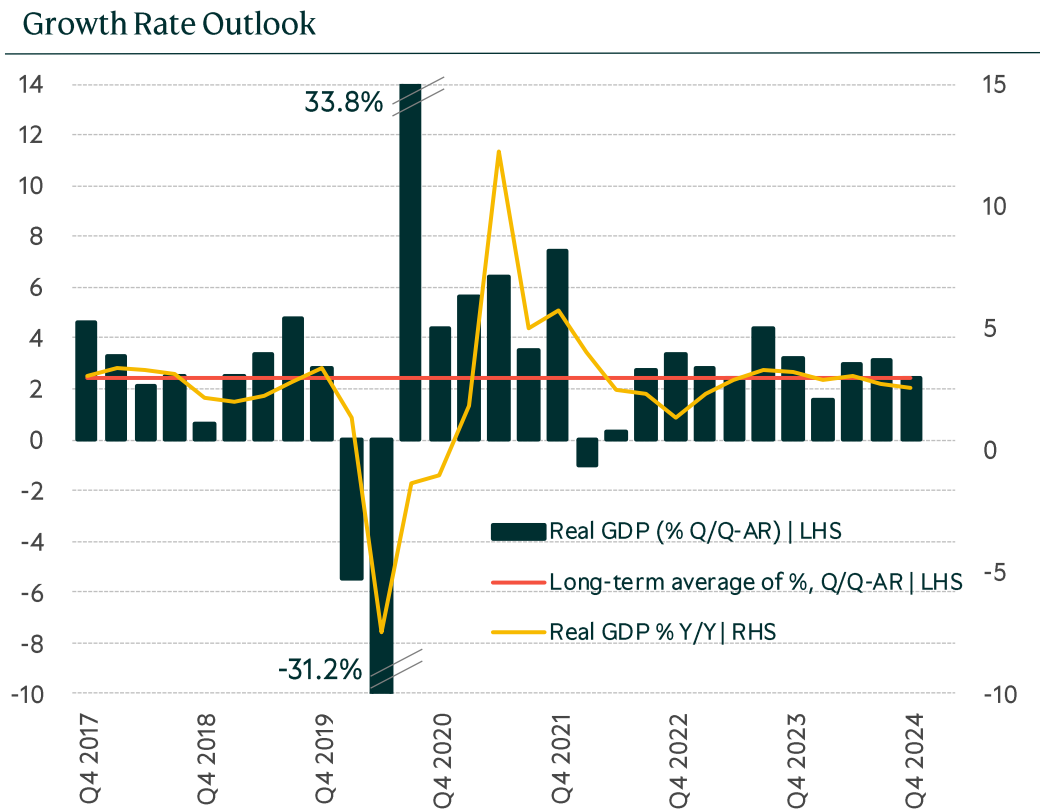
Senior Loan Officer Opinion Survey on Bank Lending Practices



M2 growth vs GDP

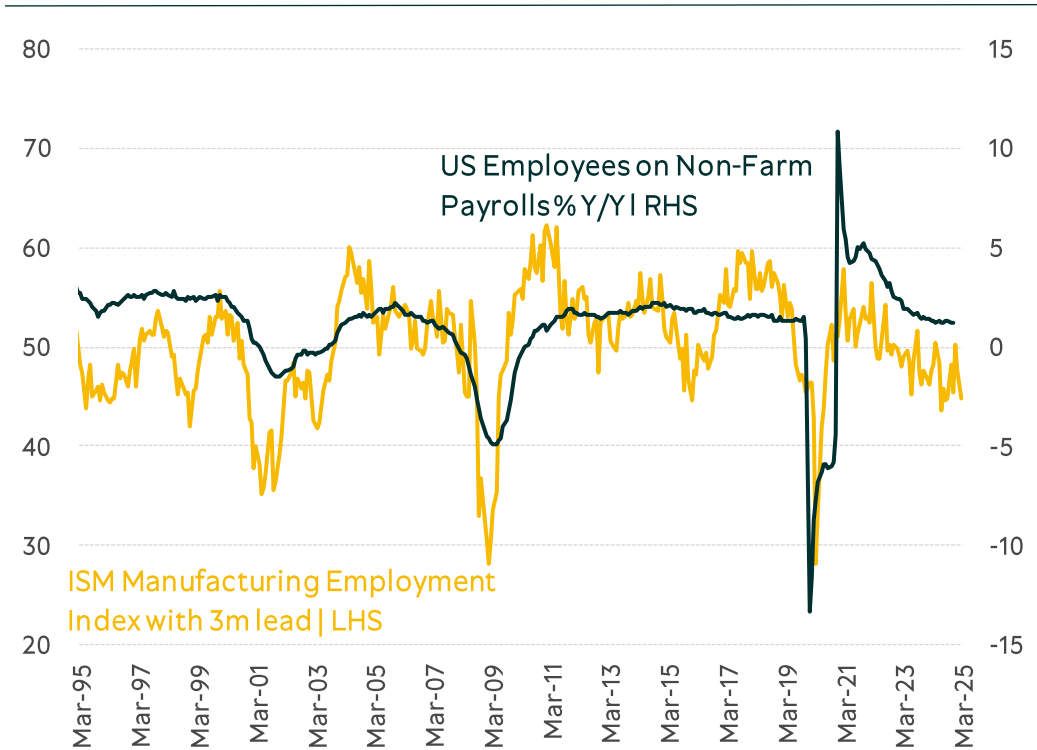


US GDP Outlook | GDP growth is projected to slow down over the next few quarters as elevated uncertainty is likely to weigh on growth

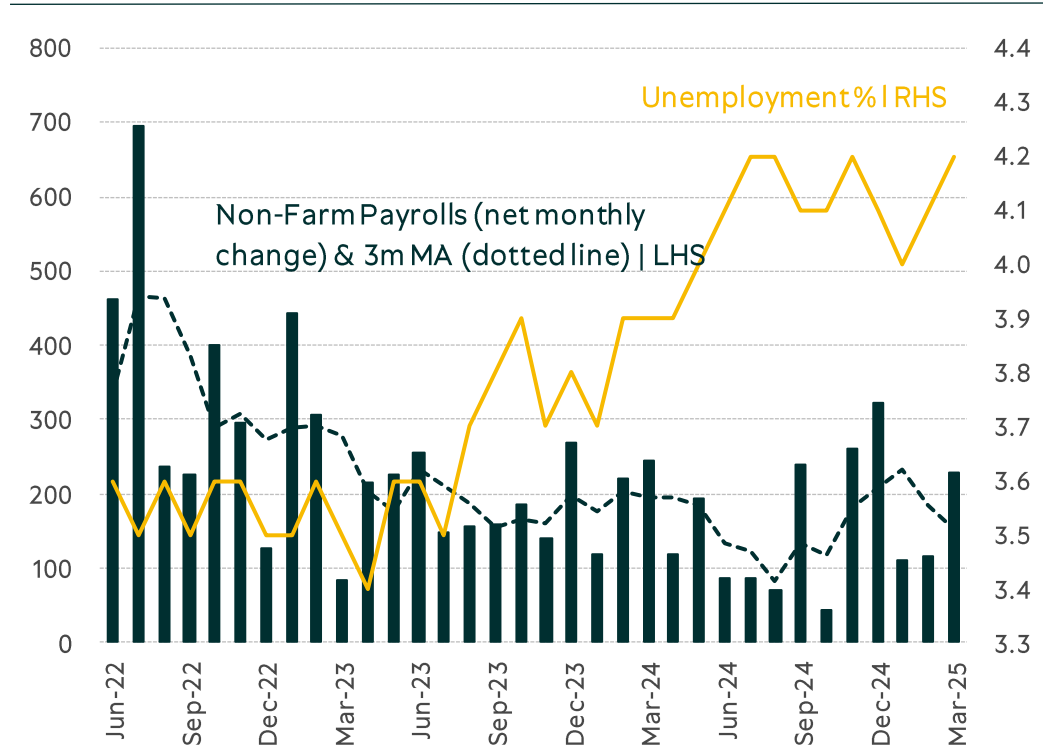


US Labor Market | Non-Farm Payrolls gains were stronger than expected in March, but the unemployment rate rose to 4.2% and the ISM Employment Index moved further into contraction

Employment & Leading Manufacturing Indicator

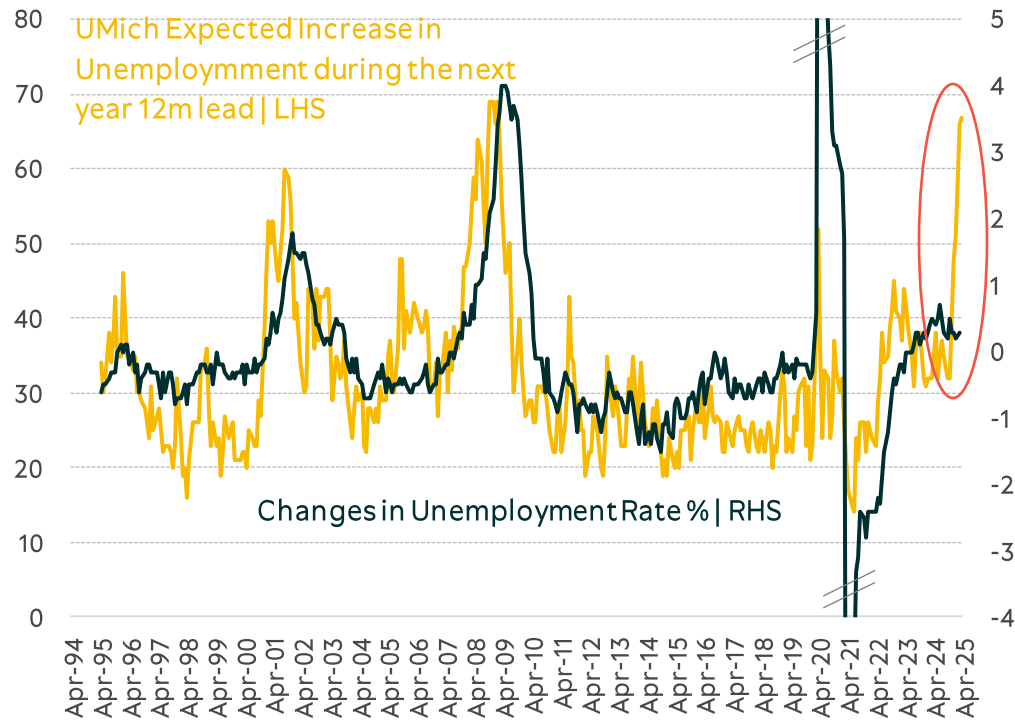


Nonfarm payrolls & Unemployment

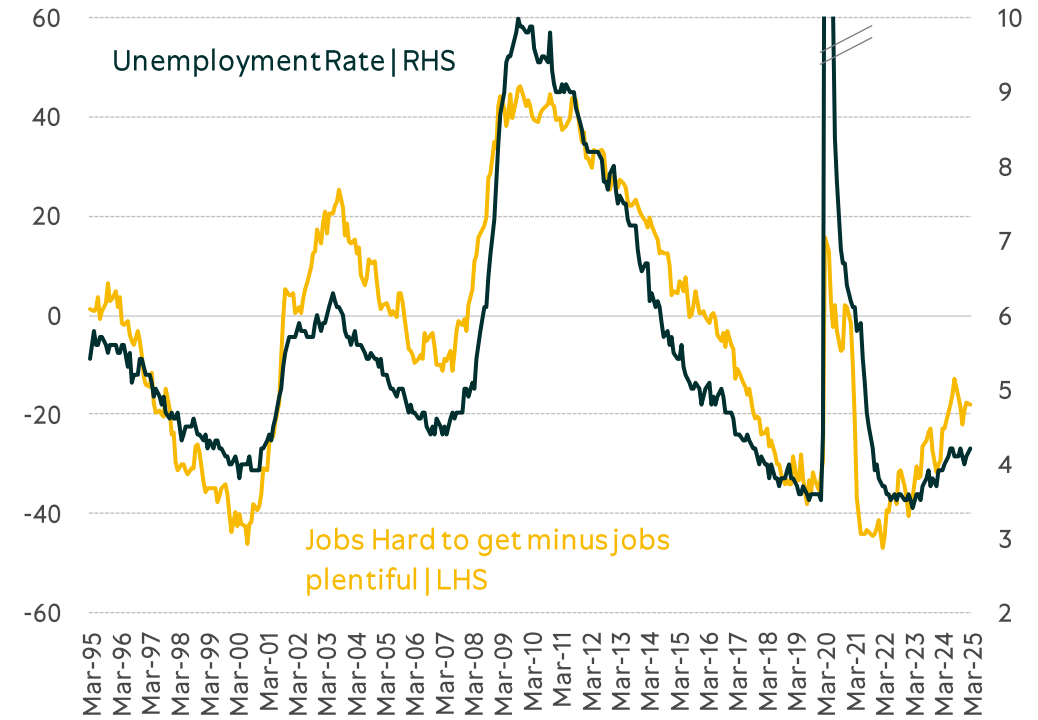


US Labor Market | Large increase in unemployment expectations in February & March (marginal change in April). The gap between those saying jobs were hard to get and jobs were plentiful widened marginally in March.

Unemployment Rate & UMich expected increase in unemployment 1yr ahead

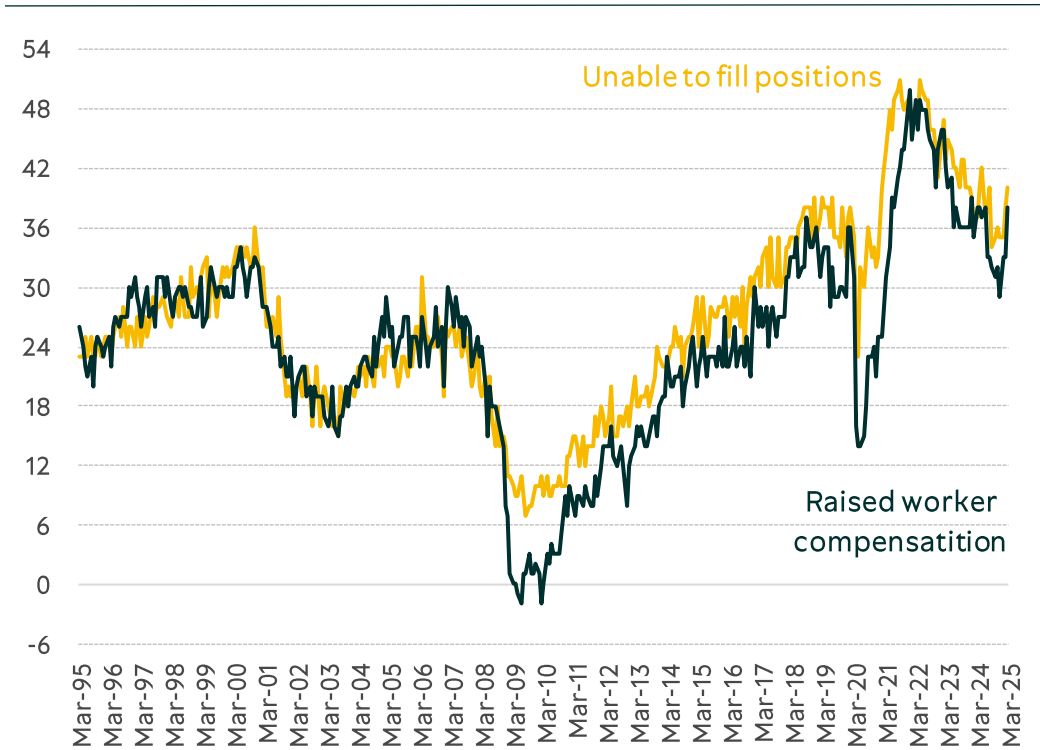


Conference Board Labor market differential & Unemployment rate

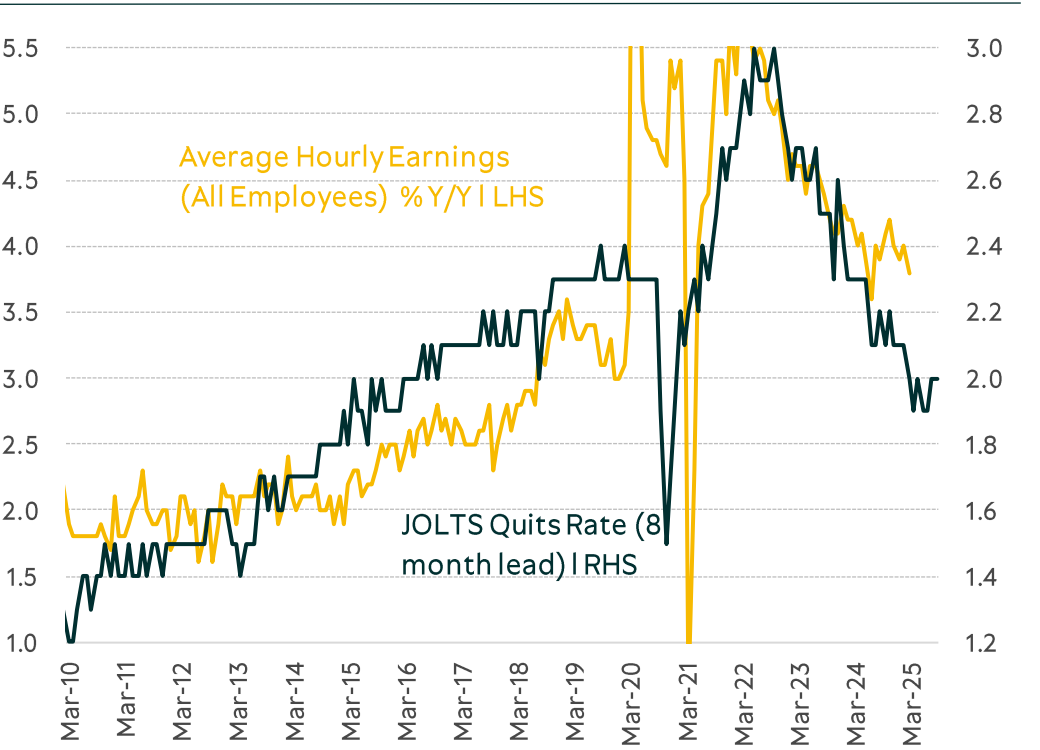


US Labor Market | NFIB survey points to higher wages while the JOLTS Quits Rate is suggesting wage growth stabilisation

US NFIB small business survey

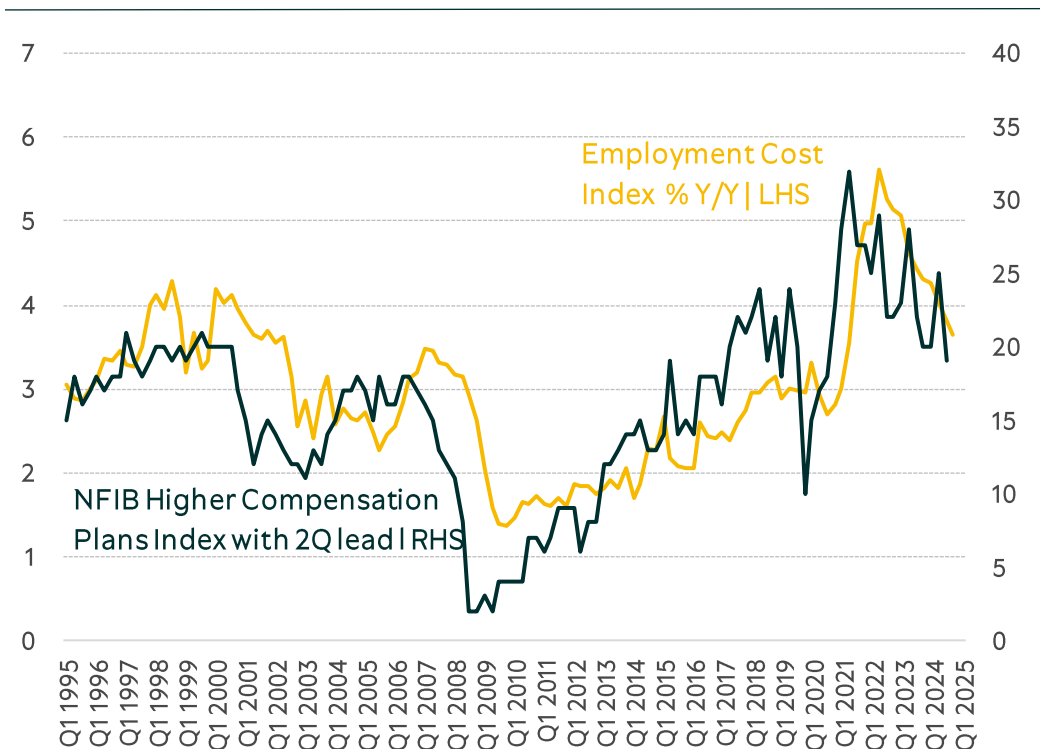


Wages & Quits Rate

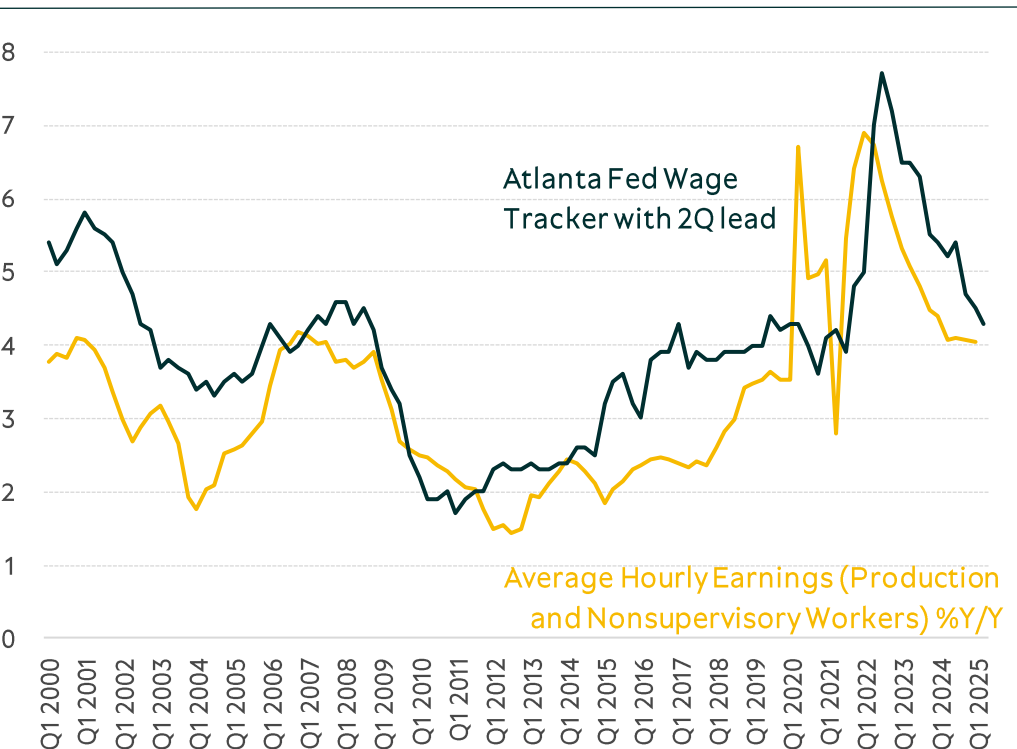


US Wage Tracker | Leading Indicators point to further wage growth deceleration

Employment Cost & Leading Indicator

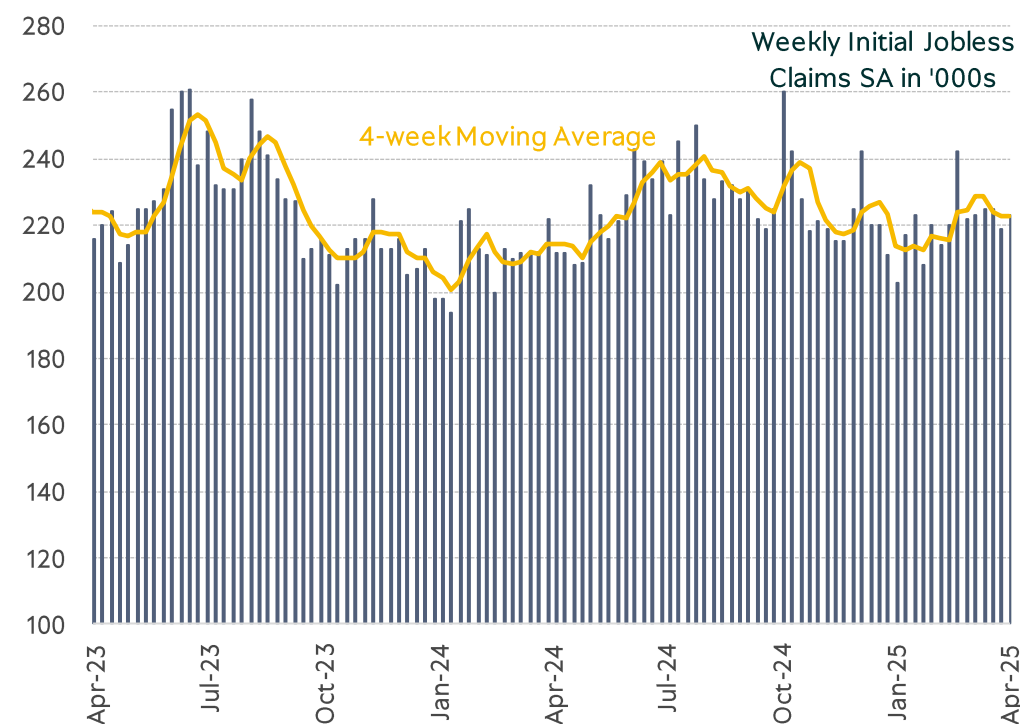


Wages & Leading Indicator

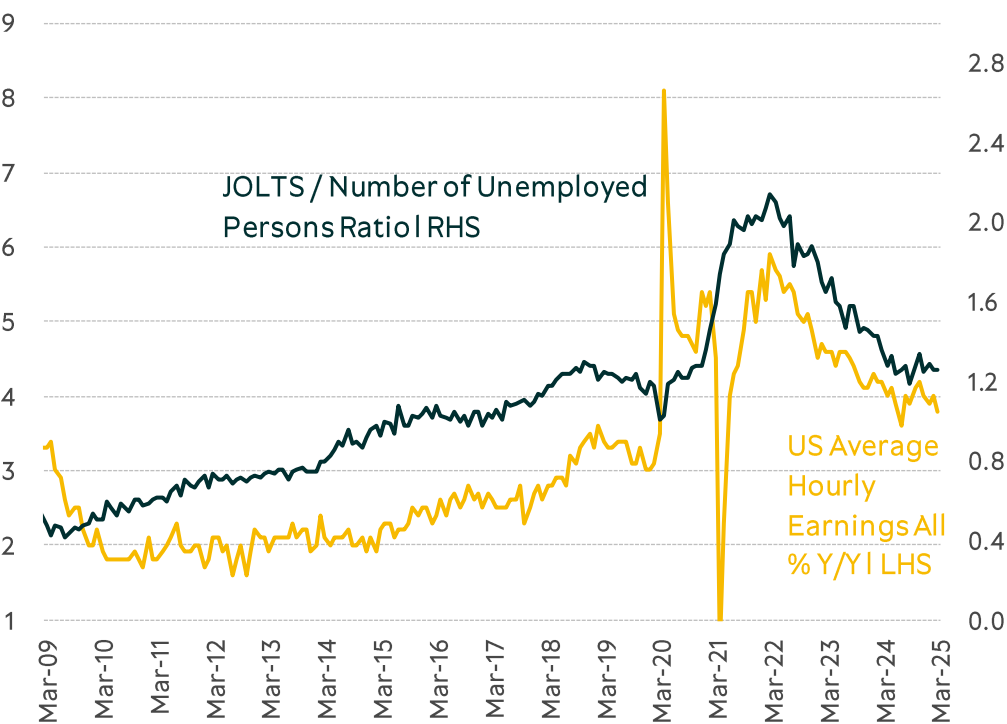


US Labor Market | Weekly Initial Jobless Claims at 4-week average

Weekly Initial Jobless Claims

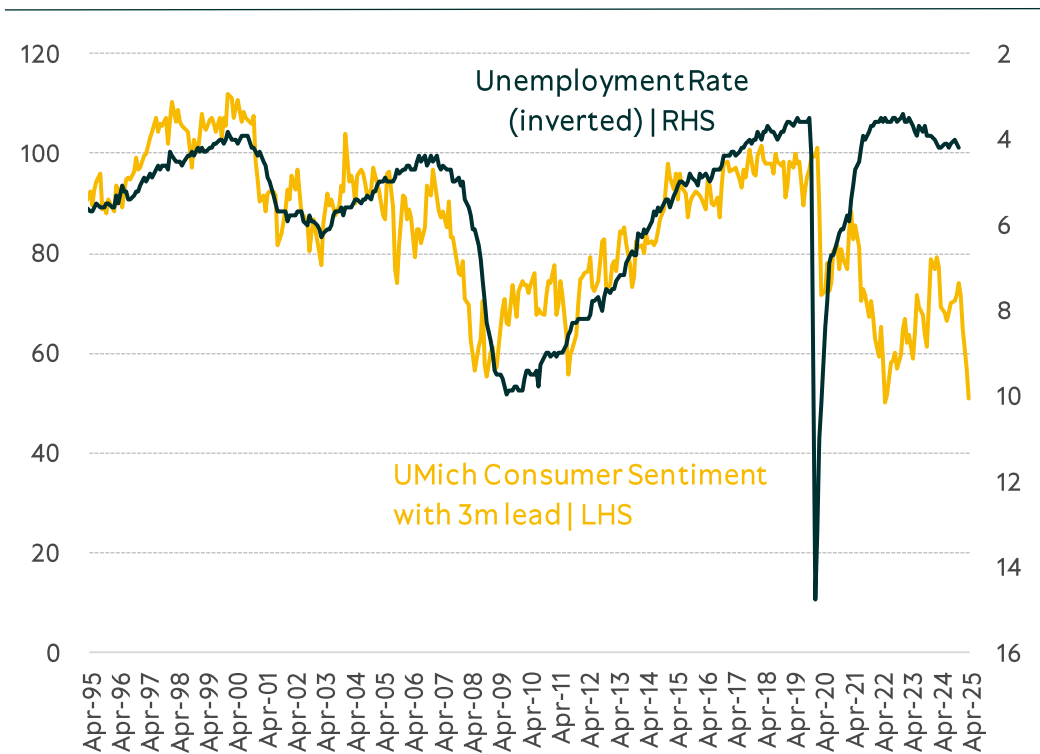


Demand & Supply in Labour Market

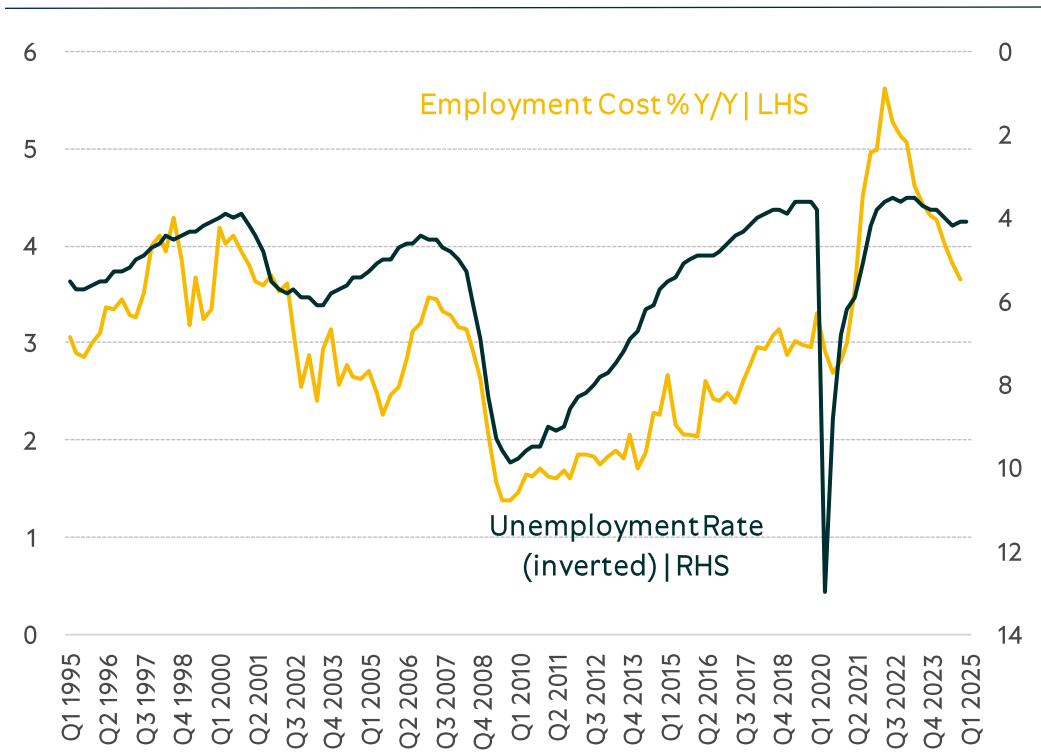


US Labor Market | Consumer sentiment is trending down although unemployment remains low, and employment costs are coming down

Consumer Sentiment & Unemployment Rate

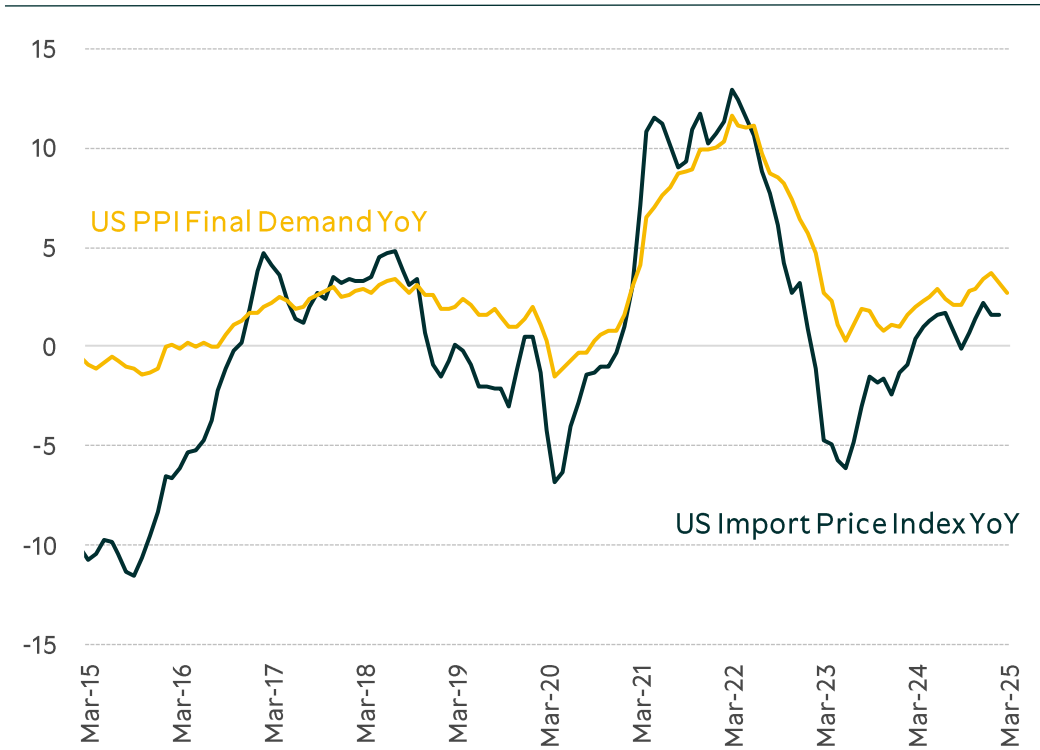


Compensation per Employee & Unemployment Rate

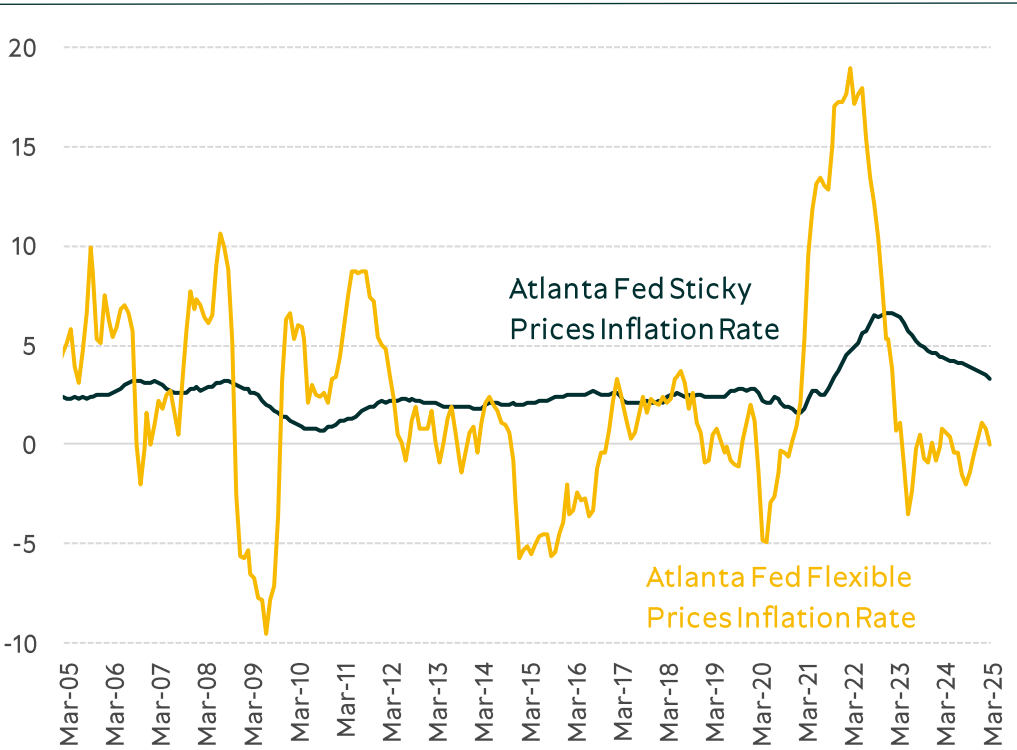


US Alternative Inflation Metrics | Inflation pressures have been limited to the sticky prices segment. Producer prices are rising at a slower pace and a small decrease in Import Prices in March

Producers Price Index and Import prices

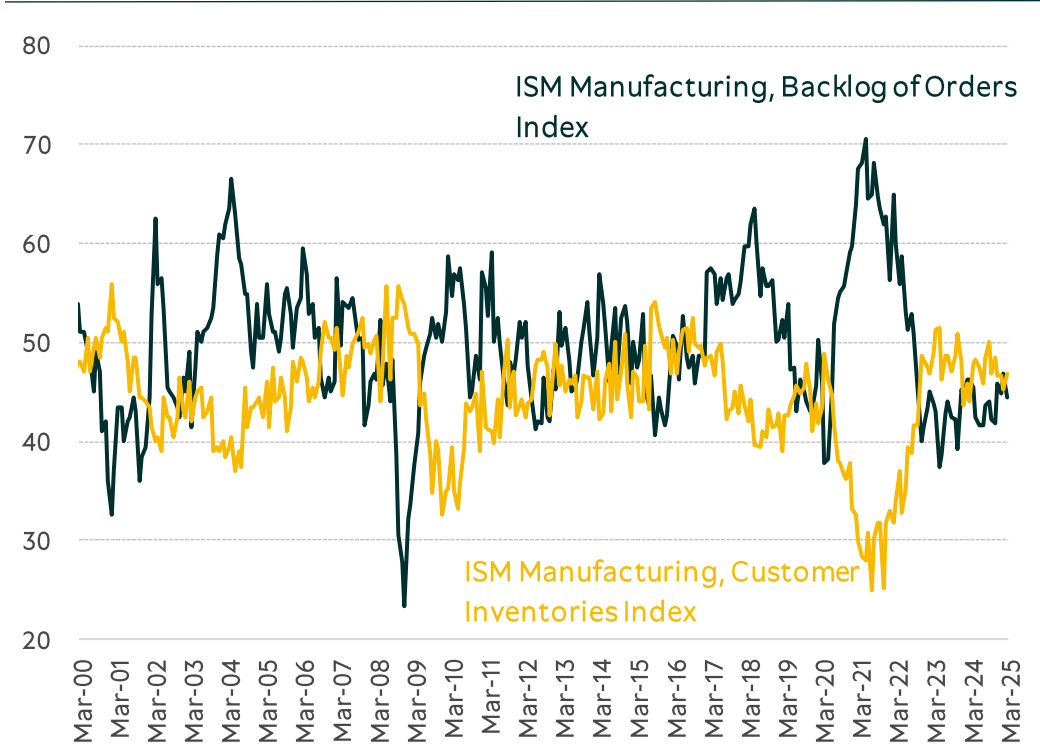


Sticky & Flexible Prices

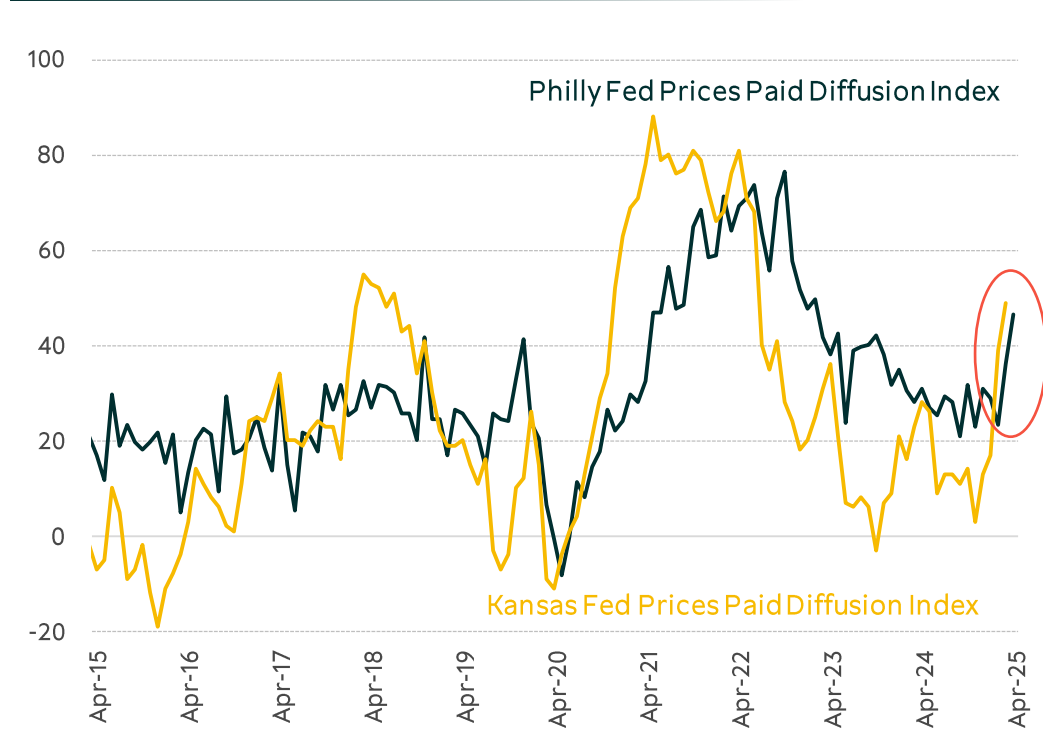


US Supply & Demand Gap | Backlog of orders below customer inventories in March; price pressures from regional Feds' surveys have risen significantly

Backlog of Orders & Customer Inventories Relation

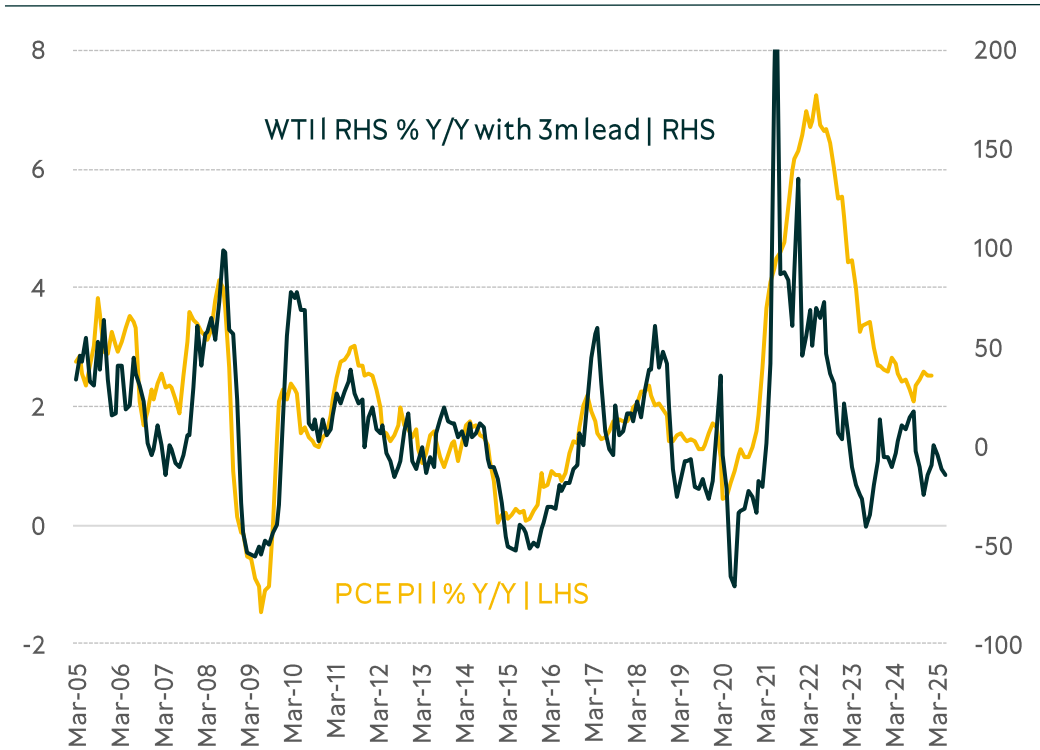


Leading Prices Indicators

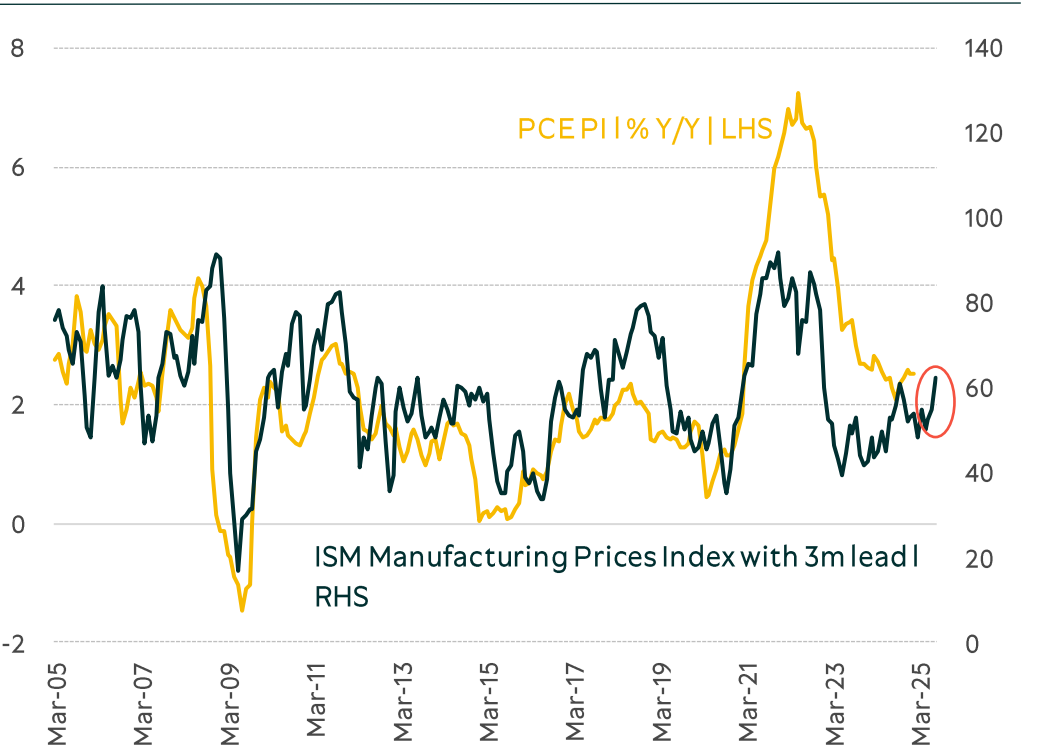


US Inflation & Energy Prices | Leading price indicators are mixed. Energy is supportive but the Manufacturing Price Paid component is a headwind

Inflation Rates & Energy Prices

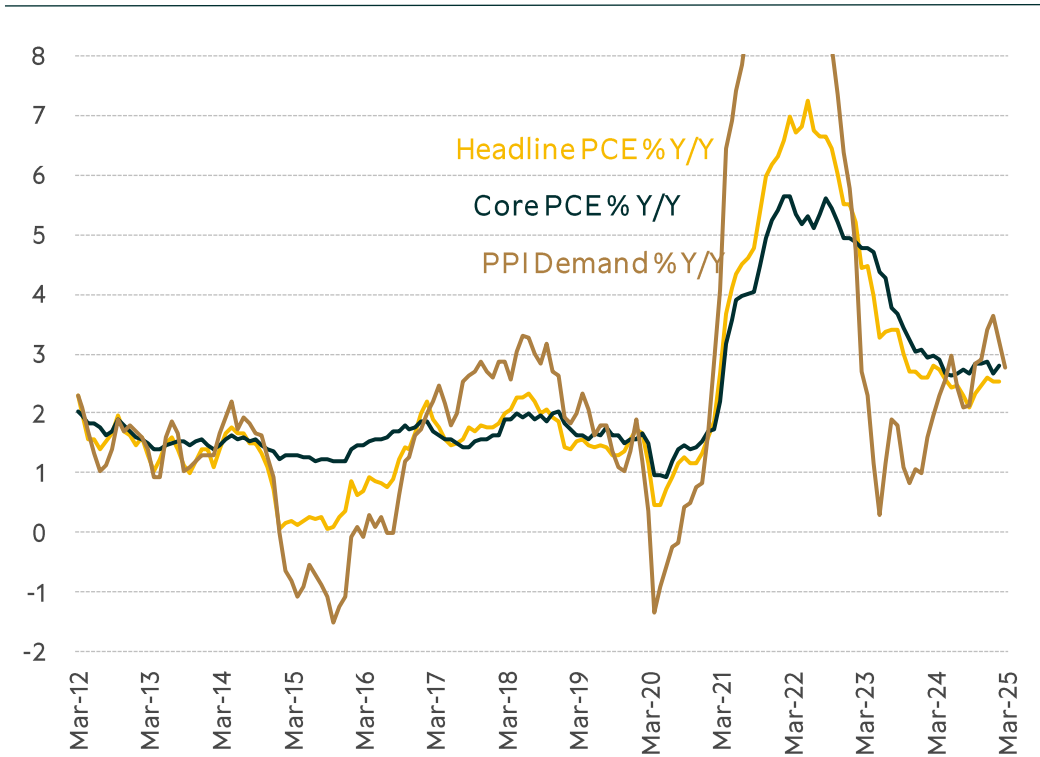


Inflation Rate & Leading Prices Indicator

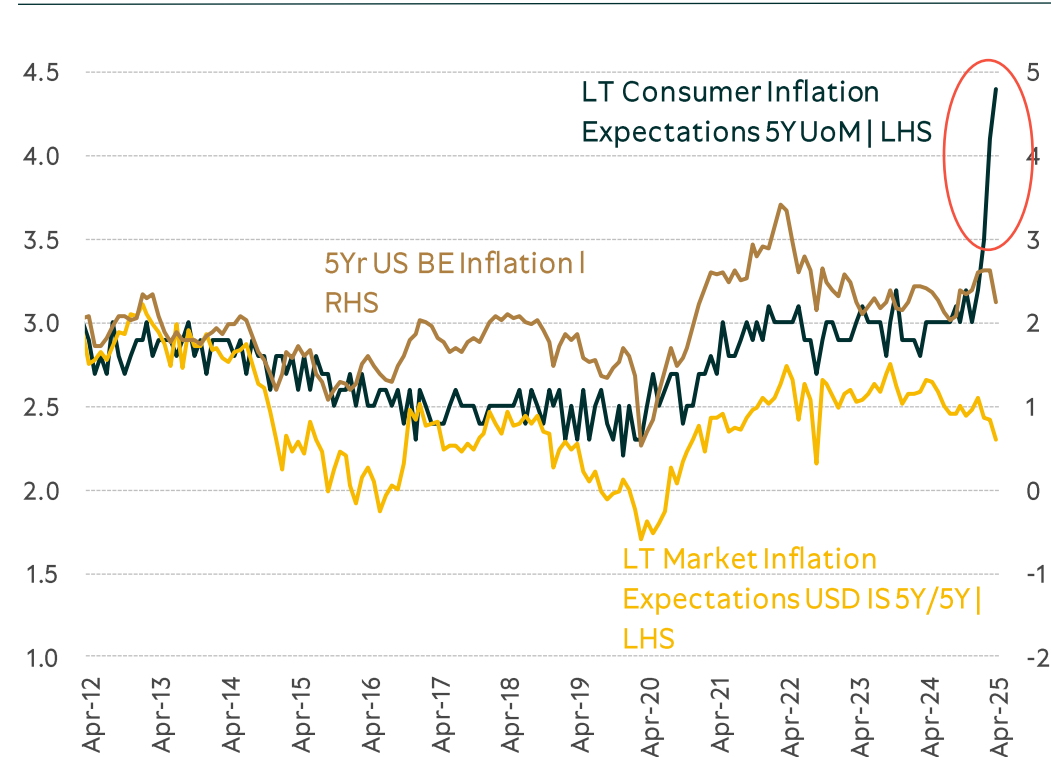


US Headline & Core Inflation | Inflation rate remains above Fed's target. Long-term market inflation expectations remain near 2.3% but consumer expectations have risen significantly (now at 4.4%)

Inflation Rates

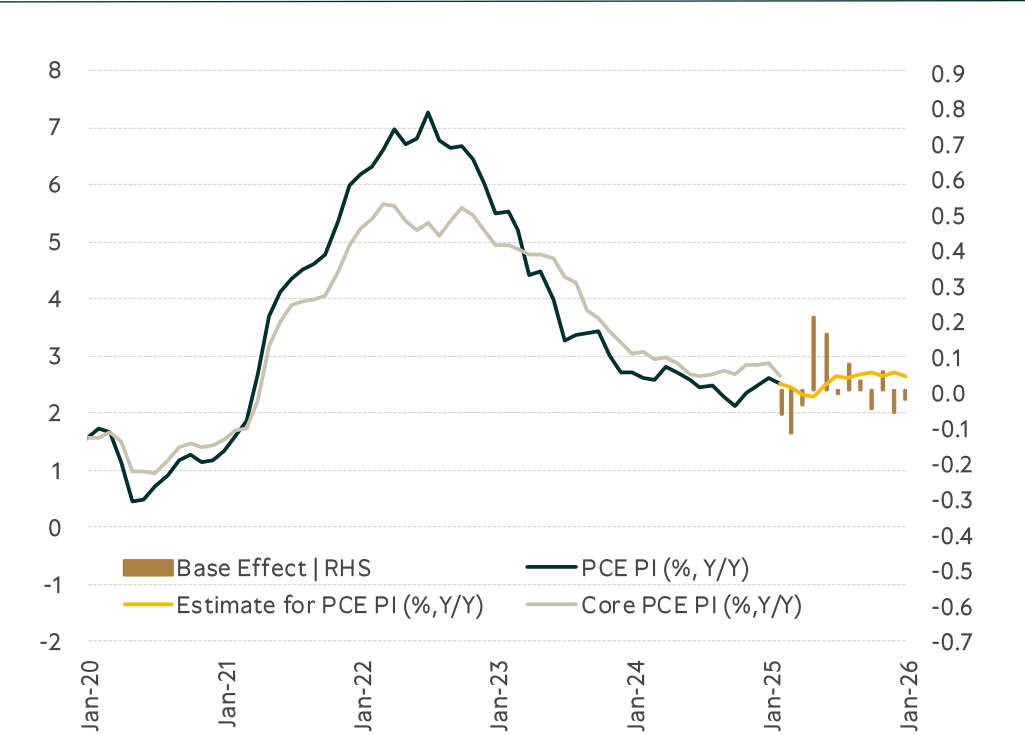


Long-Term Inflation Expectations

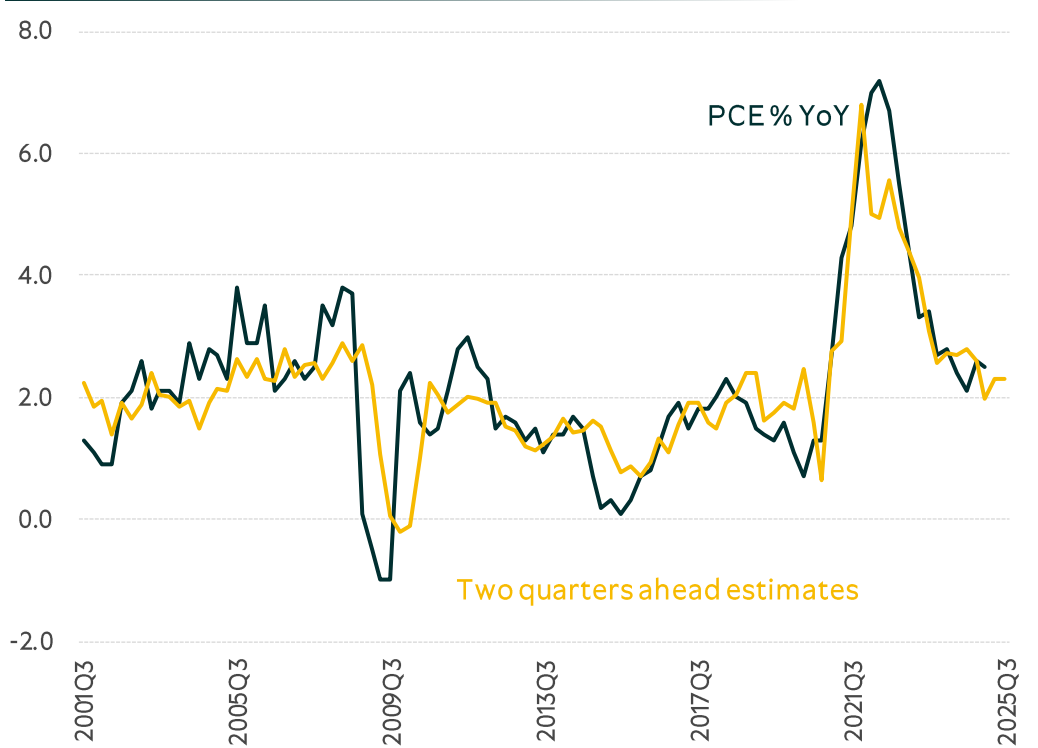


US Inflation Outlook | Favorable base effects are likely to remain in place through April, but both our models point to inflation above 2.5% for 2025

Inflation Rate Forecast | Statistical Model

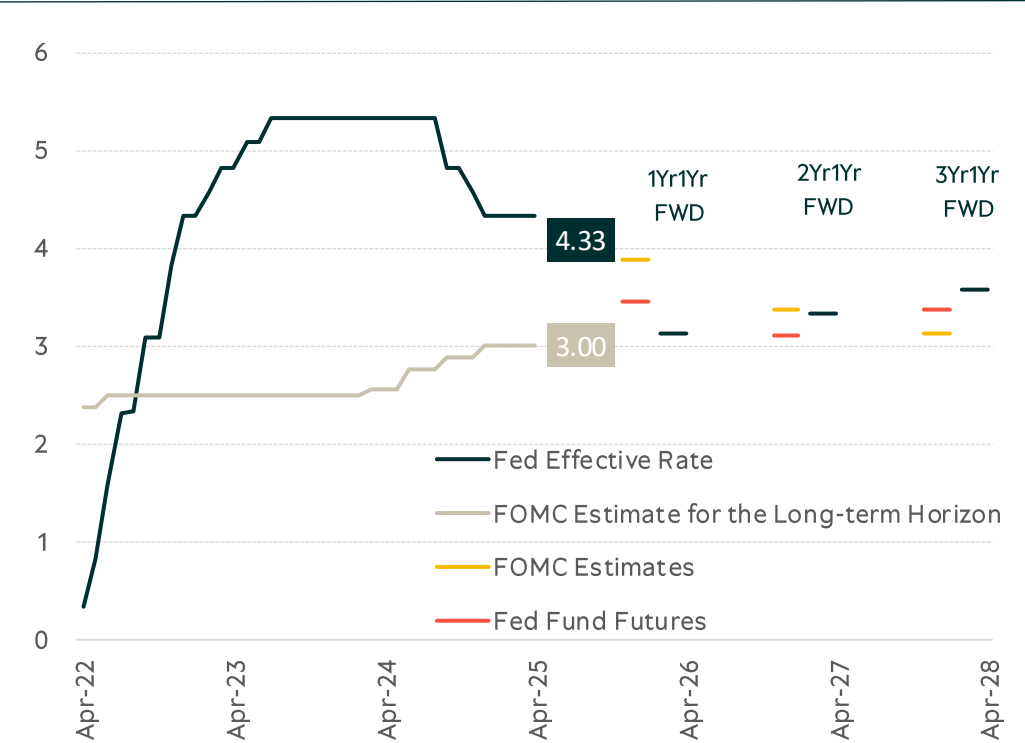


Inflation Rate Forecast | Macro Model

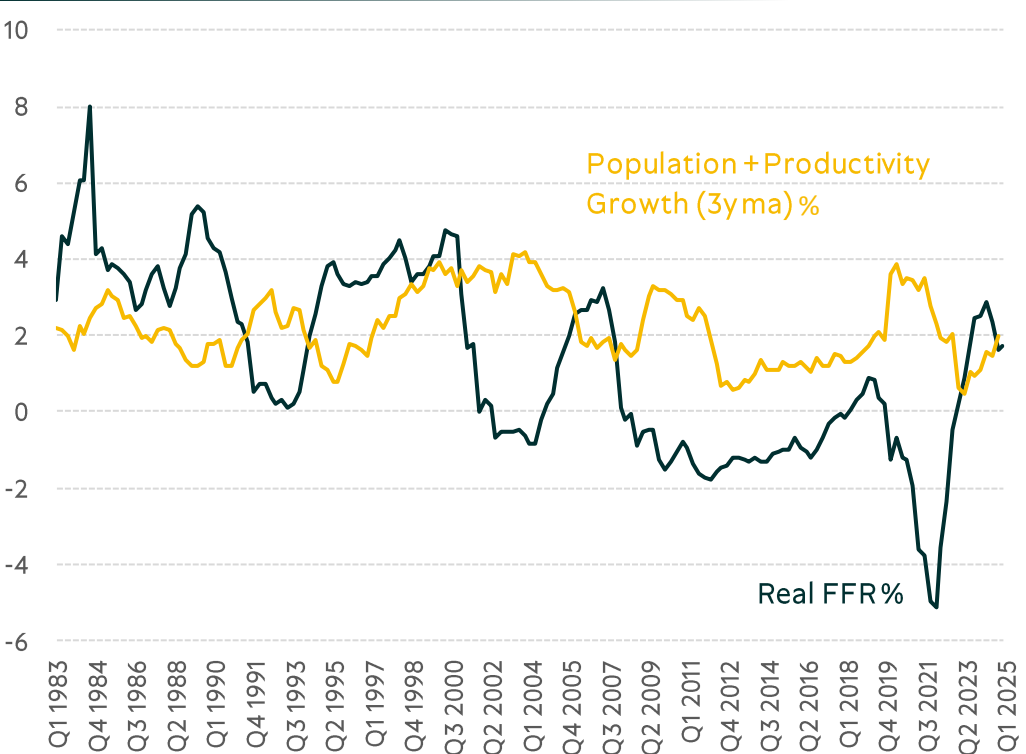


US Interest Rates | 1Y1Y Forward rates are close to FOMC's long-term target

Interest Rates | Fed Effective Rate

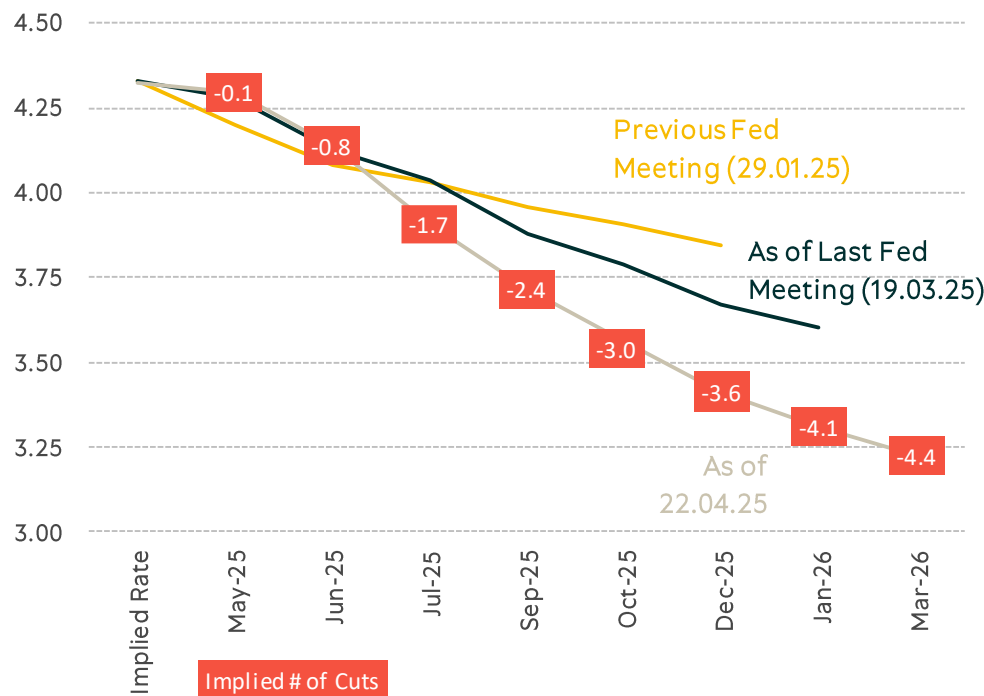


Real FFR (FFR – Core PCE) & Population + Productivity growth (3y ma)

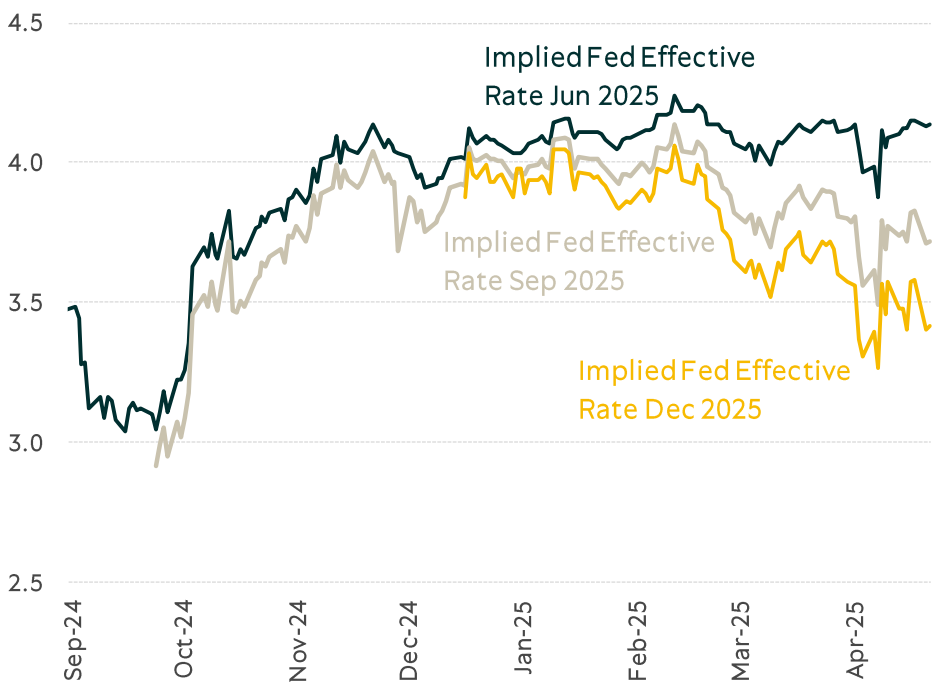


US Interest Rates | A more aggressive rate cut trajectory is anticipated by the markets

Implied Overnight Rate based on Overnight Index Swaps

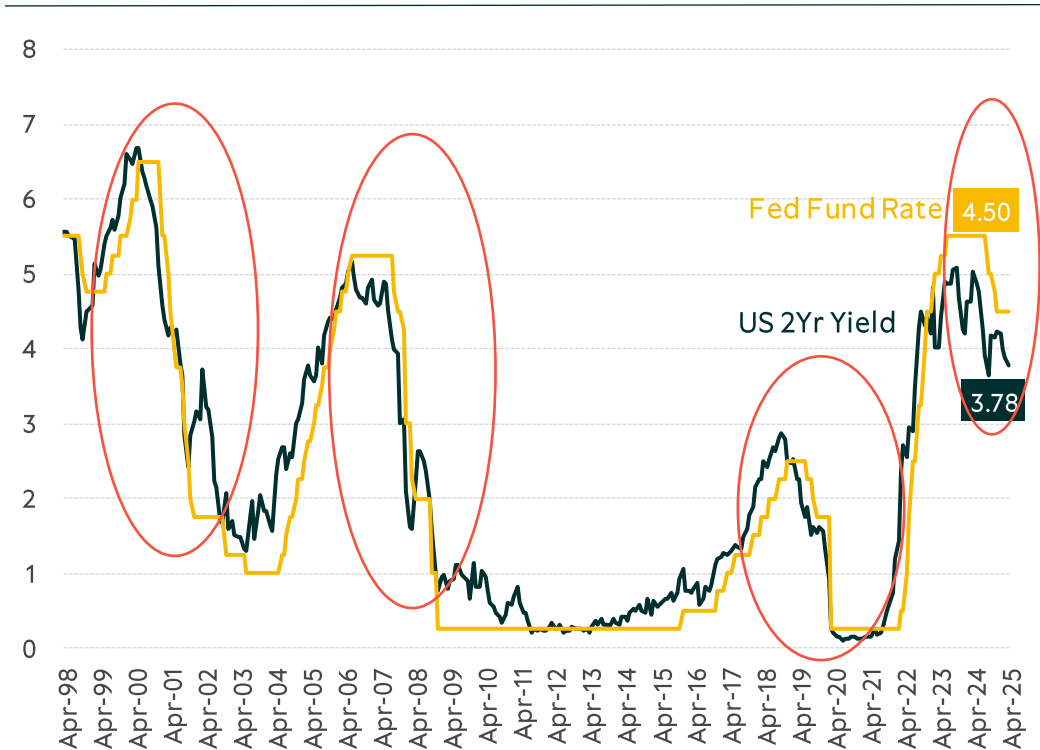


Interest Rates | Implied Fed Effective Rate



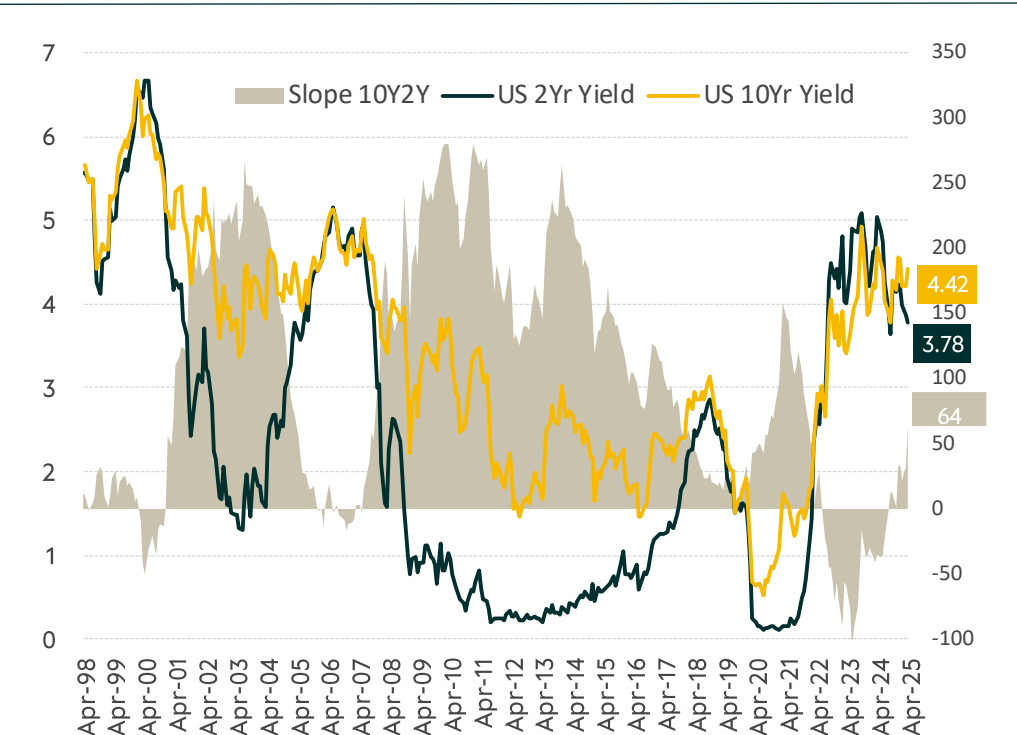
US | The 2/10 yield spread turned positive in August for the first time since mid-2022. In September, the Fed reduced its benchmark interest rate by 50 bps, followed by 25bps cuts in October and in December

Fed Fund Rate & US Treasury Yield



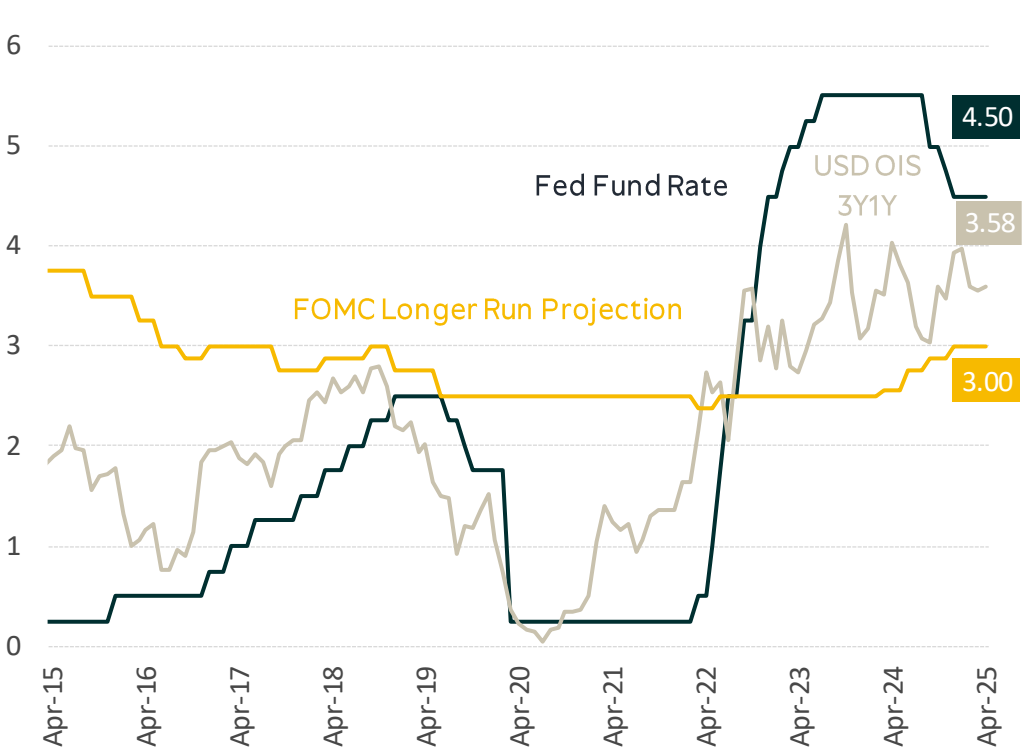
Note: Monthly data apart from the last observation which shows the latest available daily value

US Yield Curve



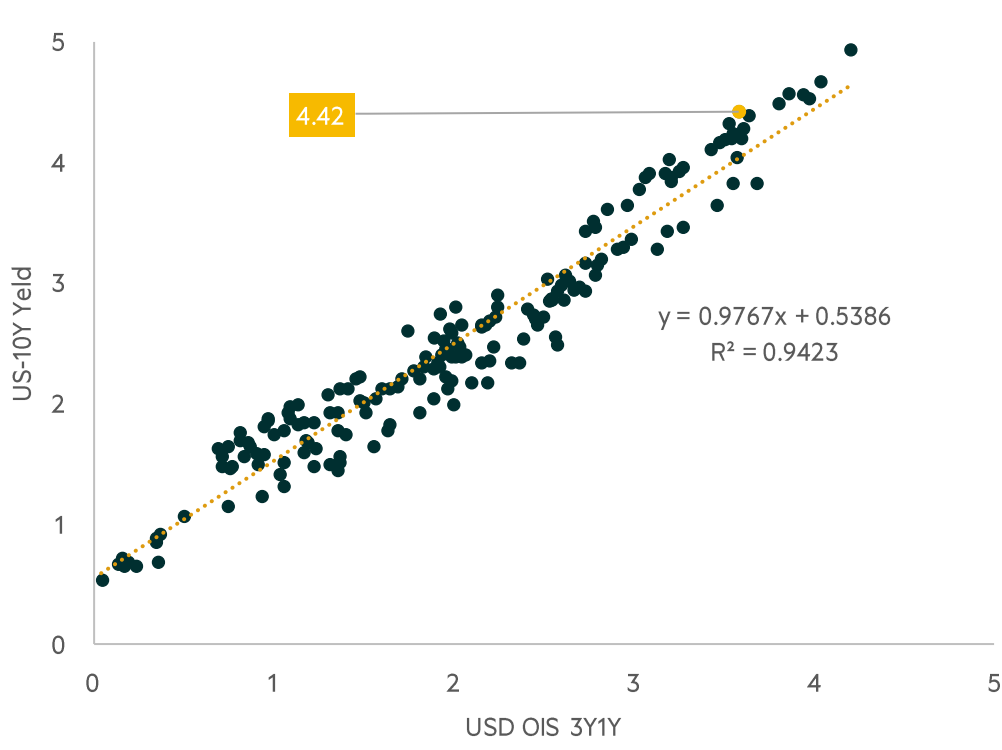
US Long-Term Rates | Short-term rates 4 years in the future remain above target (3%). 10- year rates above “fair” value given the current level of short-term rates.

LT Interest Rate Expectations



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

US Yield vs Medium-Term Interest Rate Expectations



Bird's Eye View

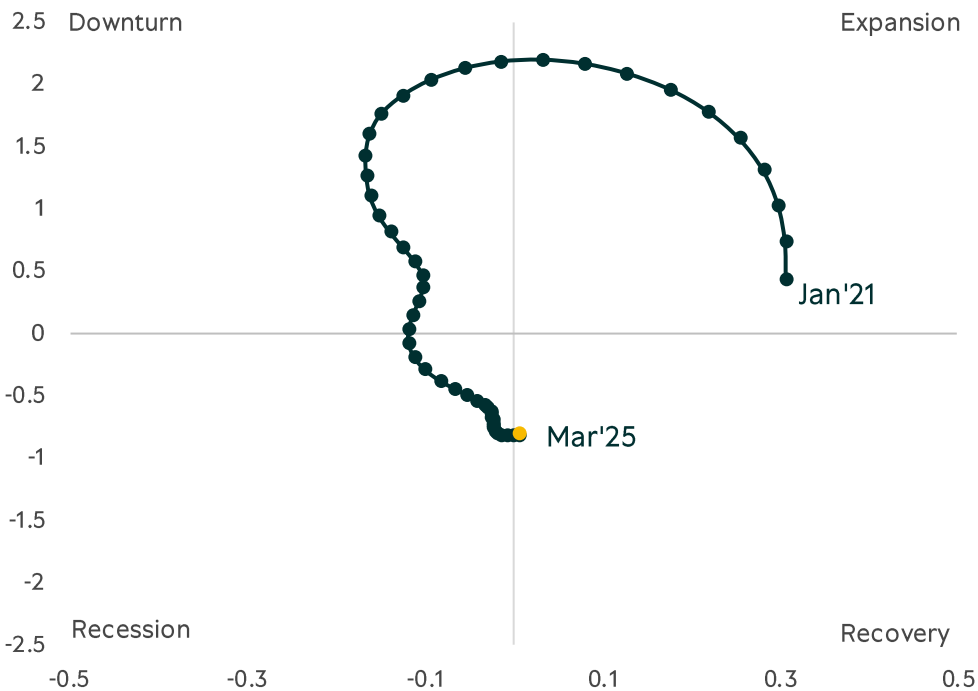
US Economy

EA Economy

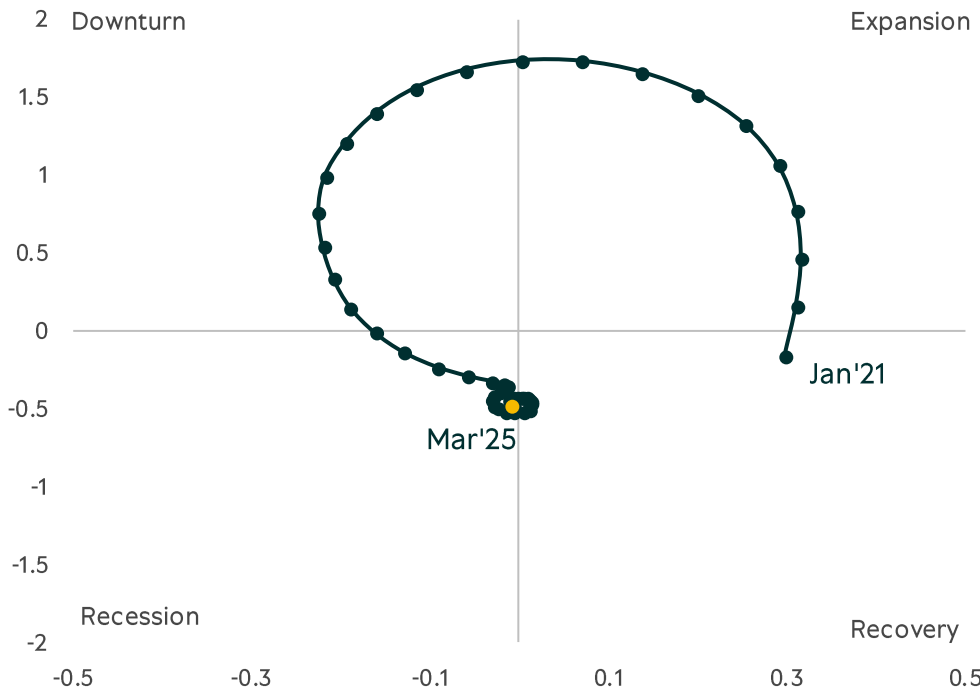
China Economy

EA Business Cycle Watch | March's economic sentiment stayed in the recession quartile, whereas manufacturing confidence has entered the recovery phase for the first time.

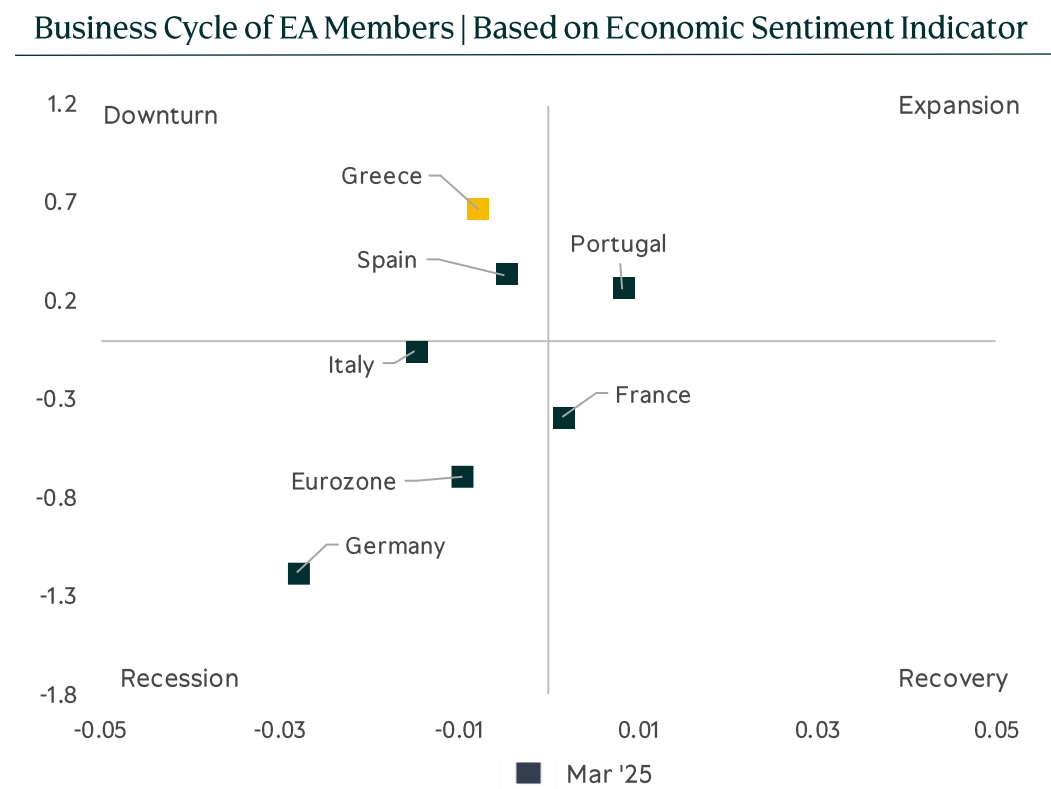
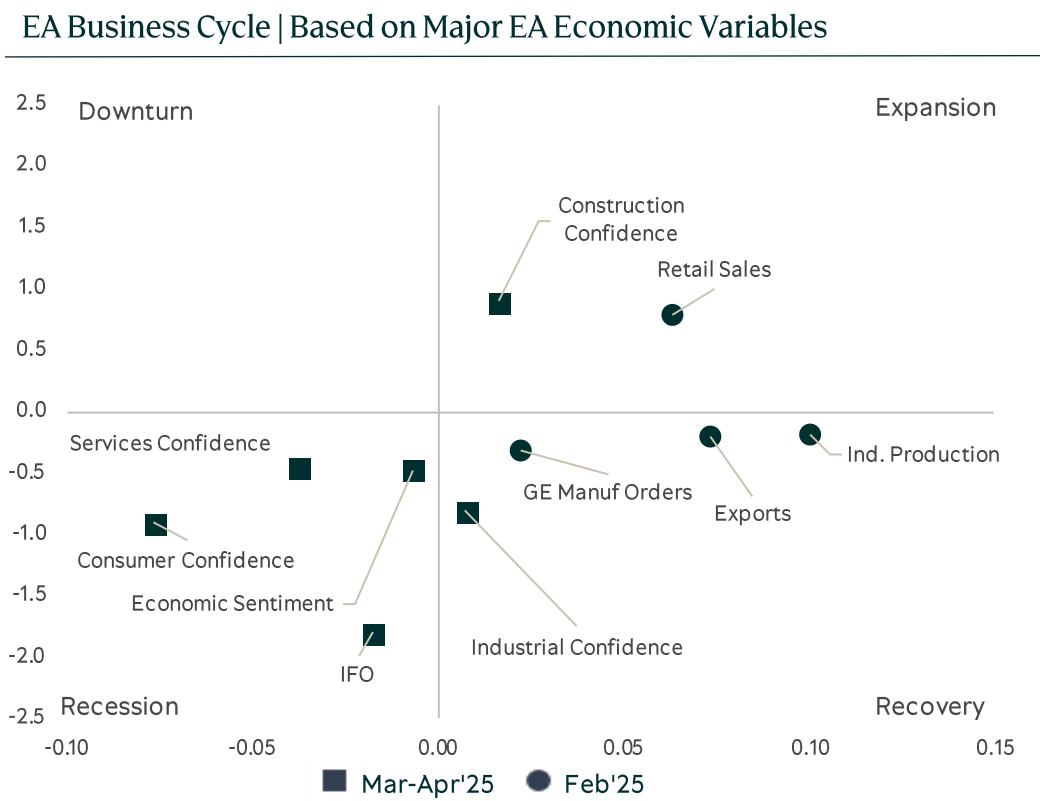
EA Business Cycle | Based on Manufacturing Confidence Indicator



EA Business Cycle | Based on Economic Sentiment Indicator

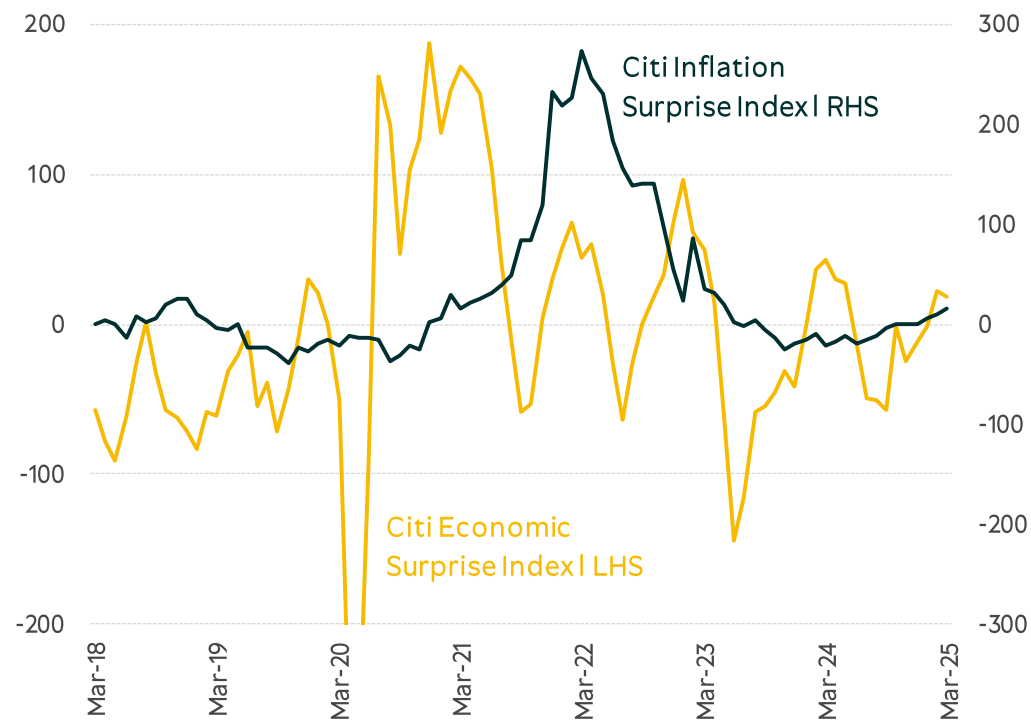


EA Business Cycle | Most EA economic variables stand between recession and recovery, whilst mixed signals are observed on country level

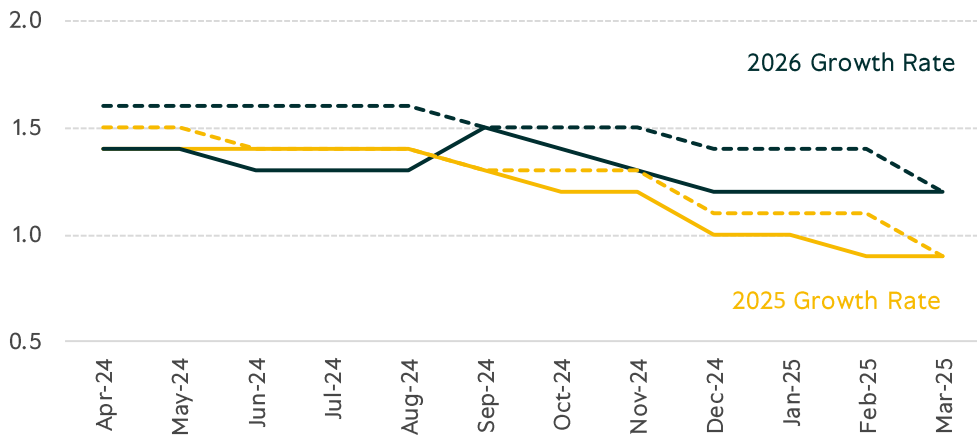


EA Macro Expectations | Economic surprises are still positive, despite worsening growth and inflation expectations.

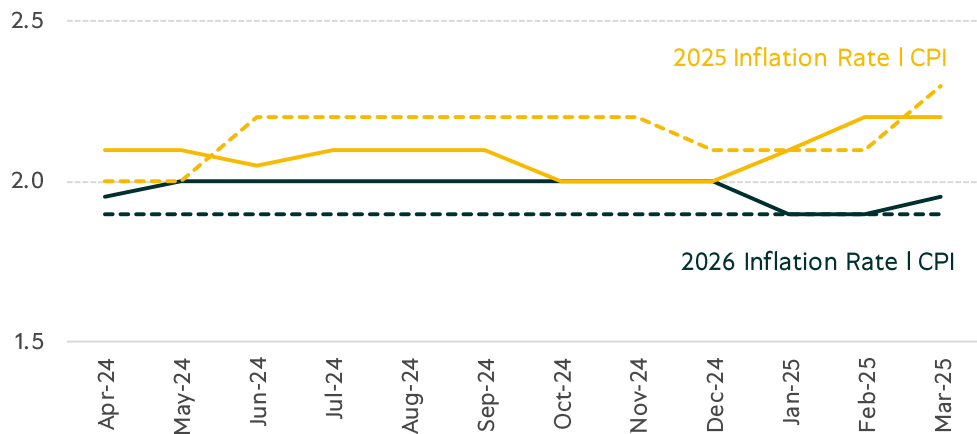
Economic & Inflation Surprises



Growth Rate Expectations*

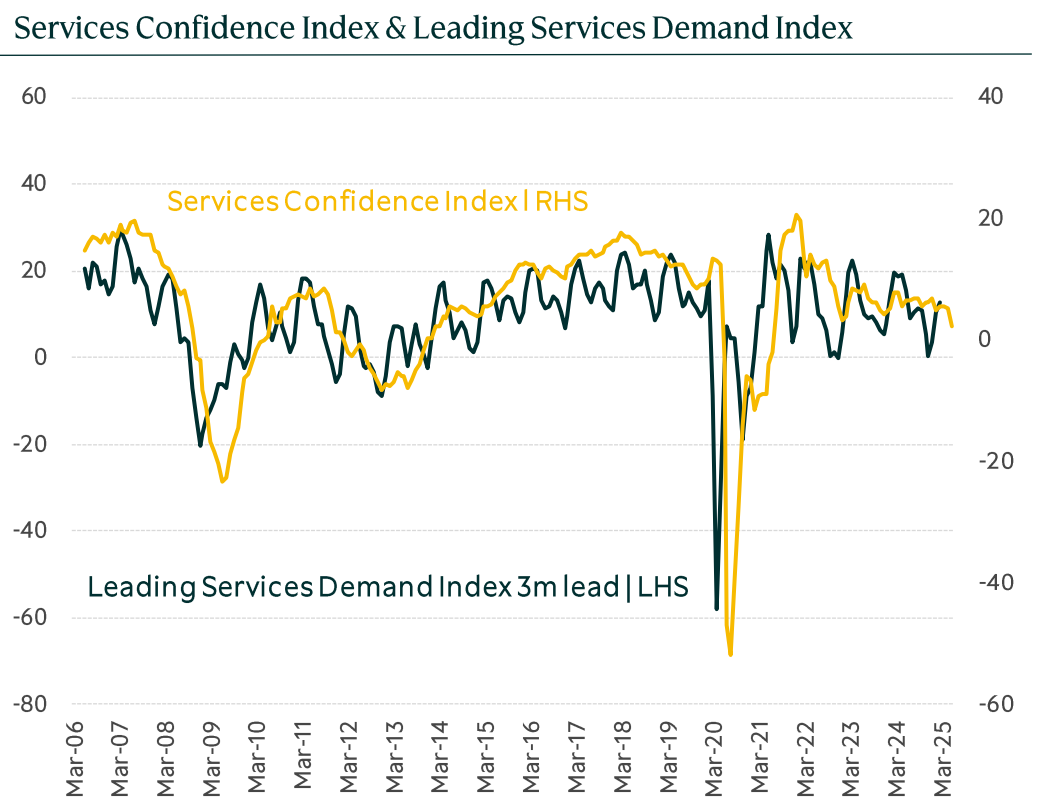
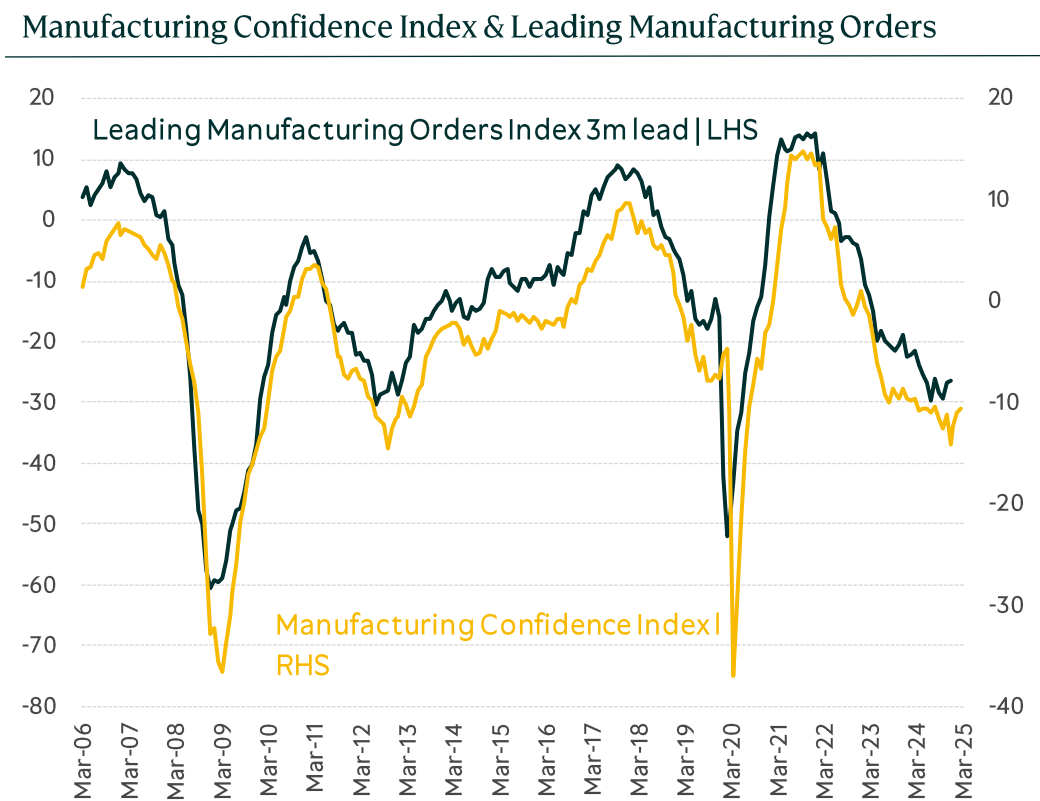


Inflation Rate Expectations*



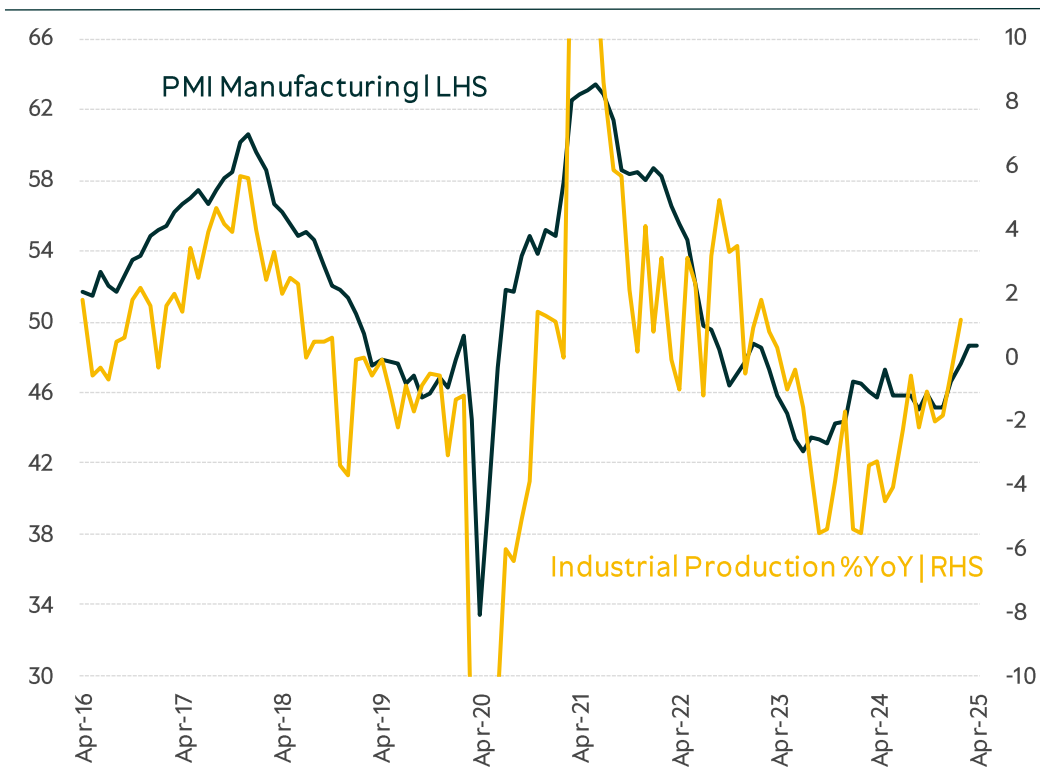
*Solid line: Consensus; Dotted line: ECB projections

EA Leading Indicators | Manufacturing indicators in marginal upturn. Services Sector shows signs of stabilisation

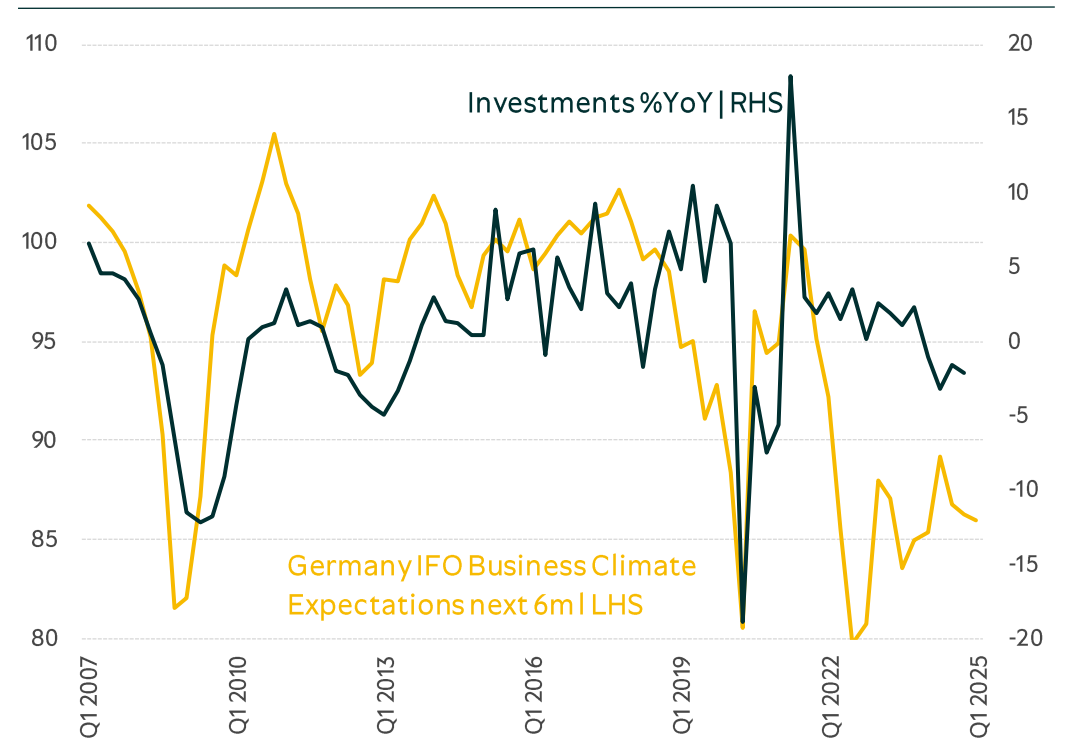


EA Business Conditions | The Leading indicator in Manufacturing showed further improvement in March and April, so did industrial production but remains vulnerable. Business investments slow down.

Industrial Production YoY vs PMI Manufacturing

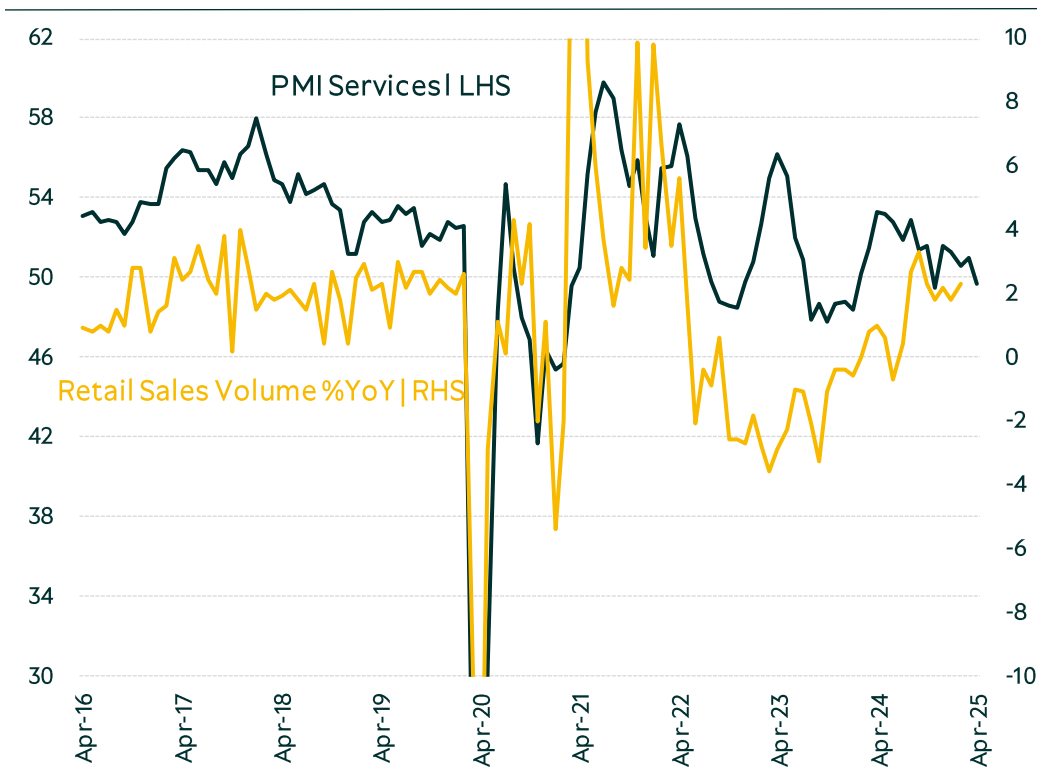


IFO Expectations & Business Investment

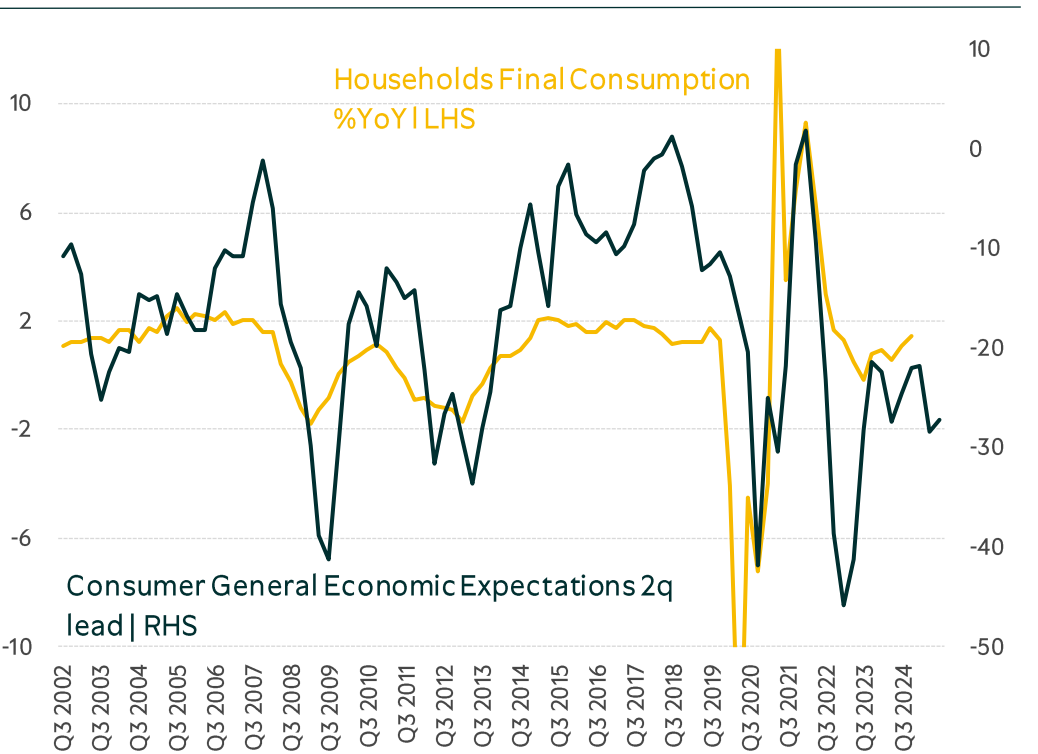


EA Business Conditions | Retail spending is a possible tailwind to EA growth but consumers' general economic expectations over the next 12 months have become more pessimistic

Retail Sales Volume YoY vs PMI Services

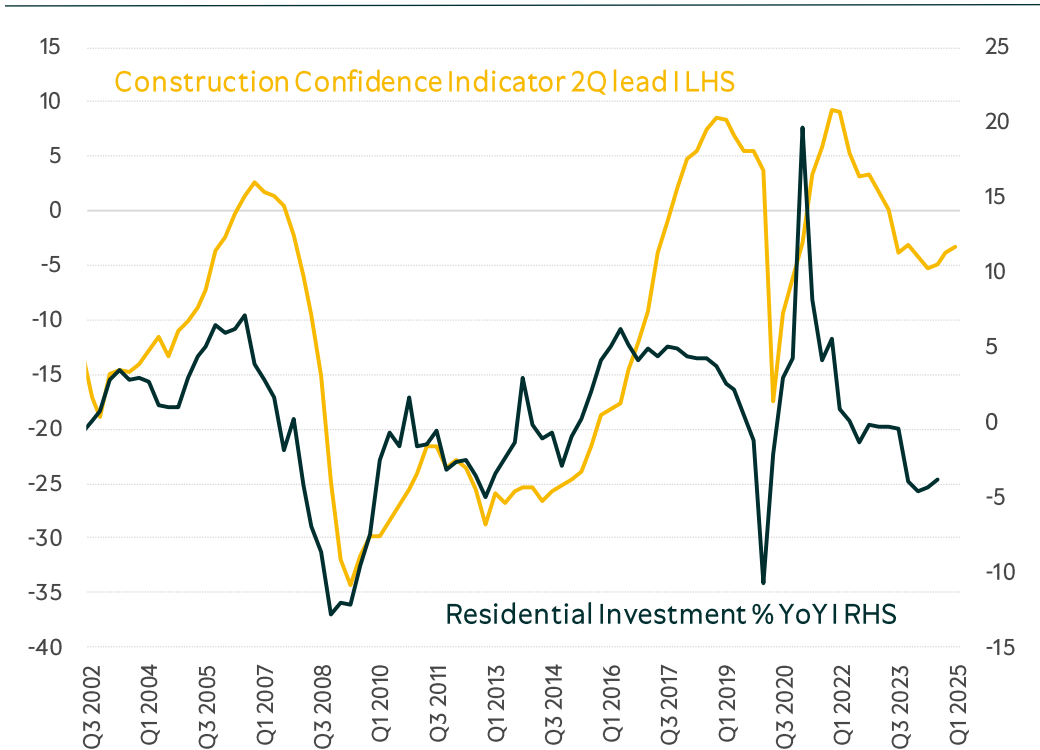


Final Consumption & Consumer Expectations Index

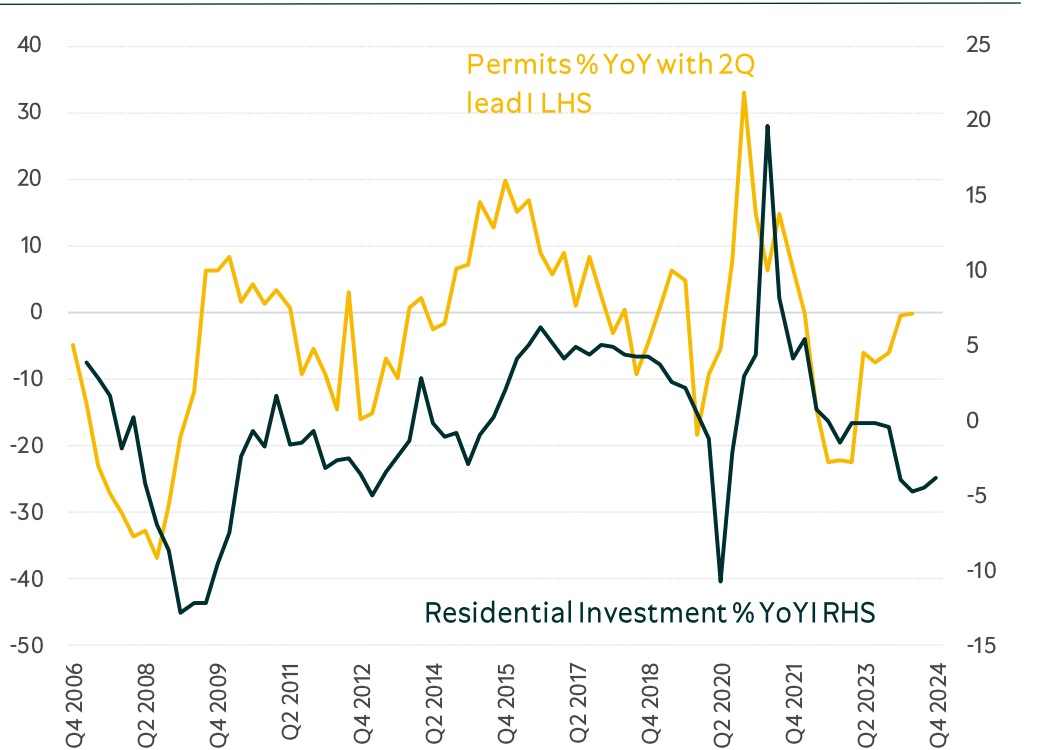


EA Construction | Residential activity gives positive signals as Construction Confidence is on an upward trend. The latest upticks in residential investments provide a glimmer of hope.

Residential Investment & Construction Confidence

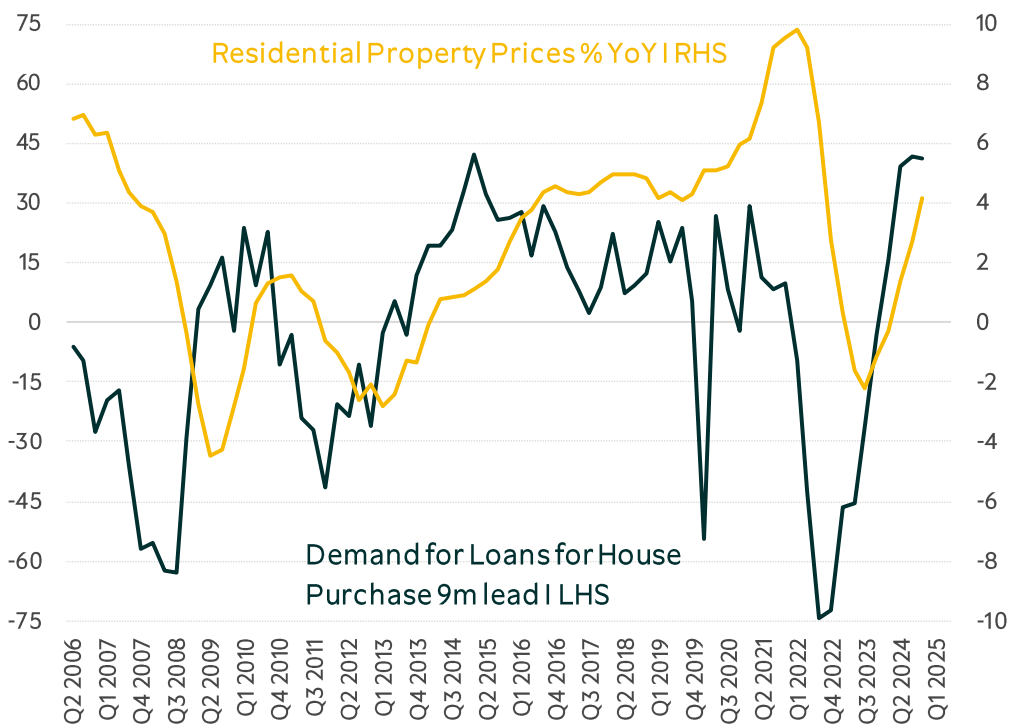


Residential Investment & House Permits

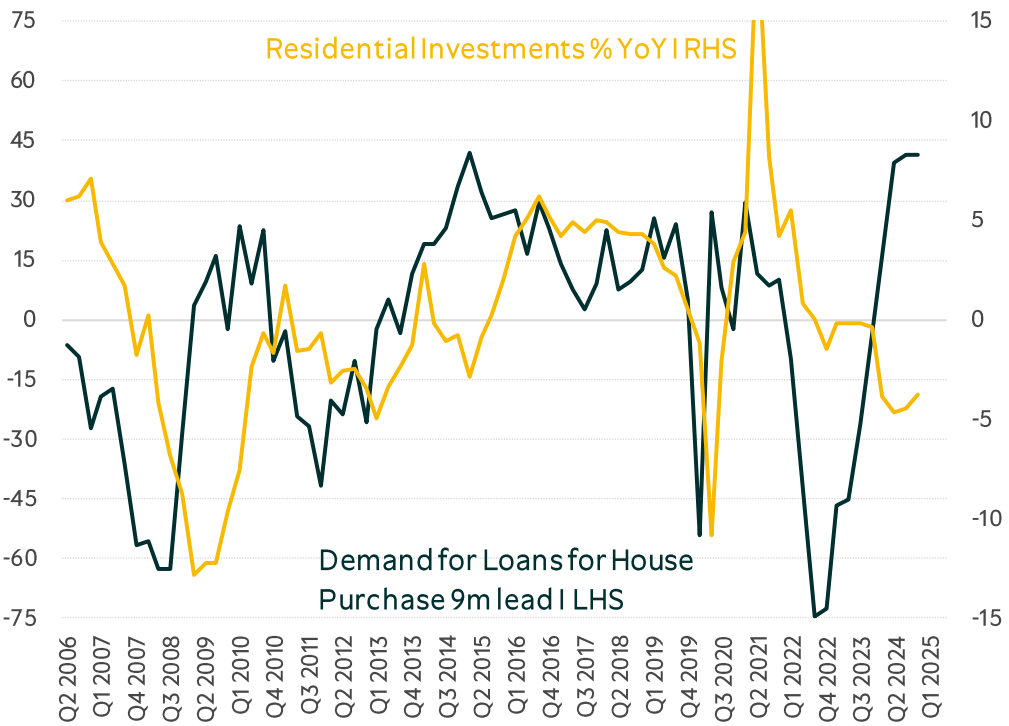


EA Construction | A pick up in investments and housing loans is expected in the coming months

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

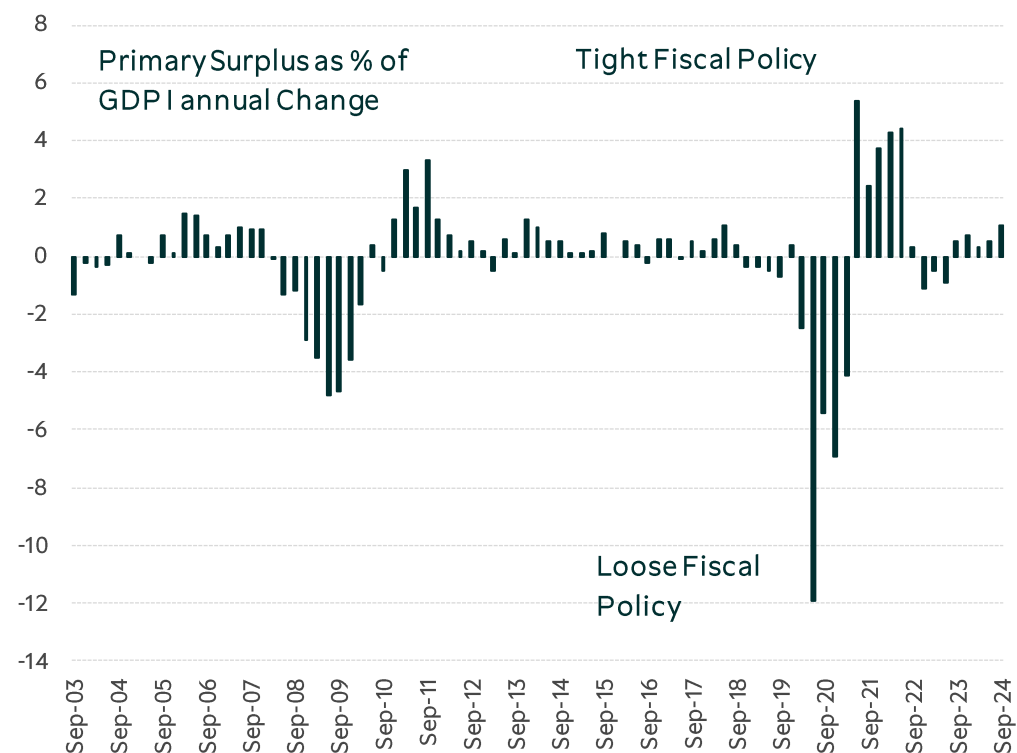


Residential Investments & Demand for loans (9m lead)

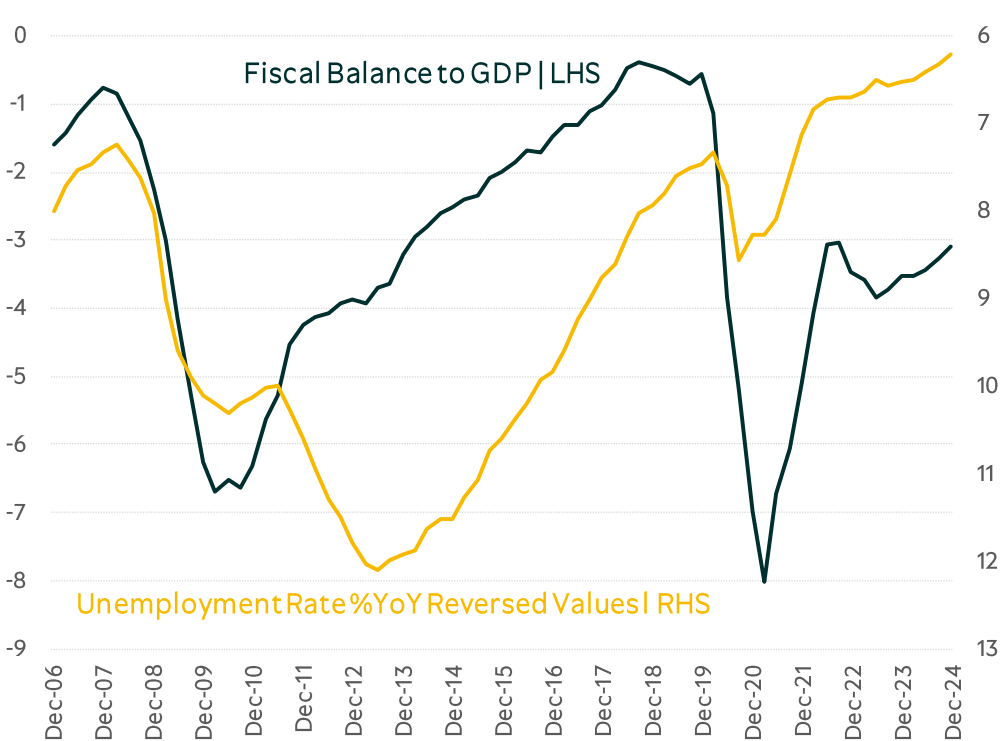


EA Fiscal Policy | Fiscal Deficit remains at low levels while the Unemployment Rate remains at a historic low

Fiscal Thrust

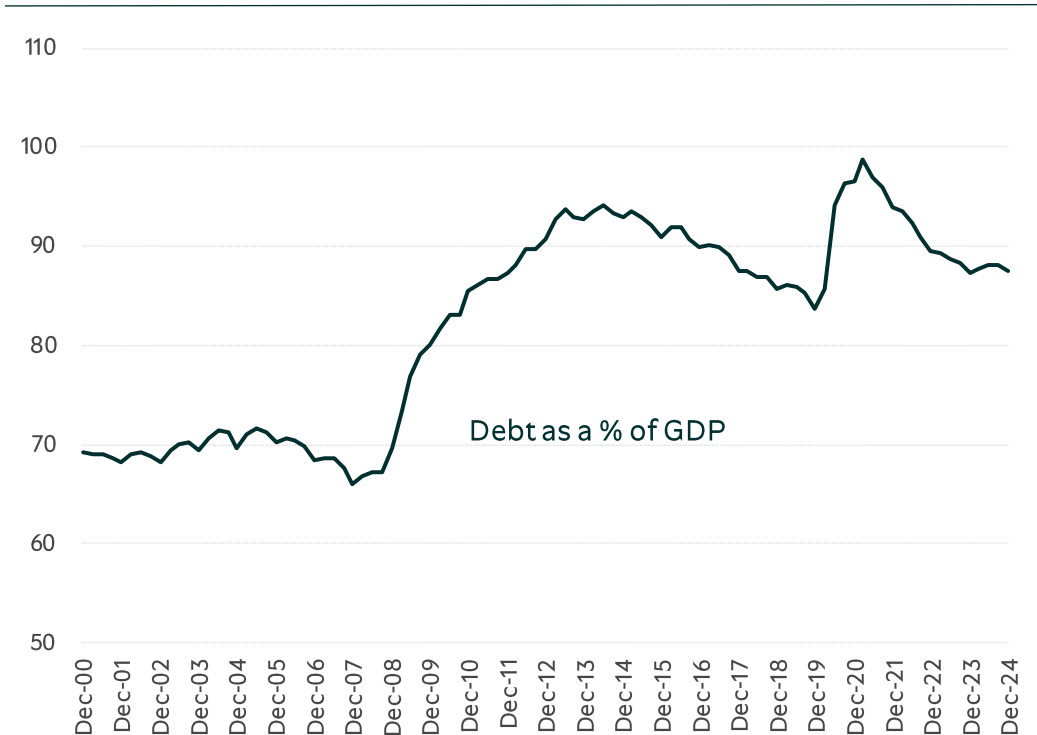


Fiscal Policy & Unemployment Rate

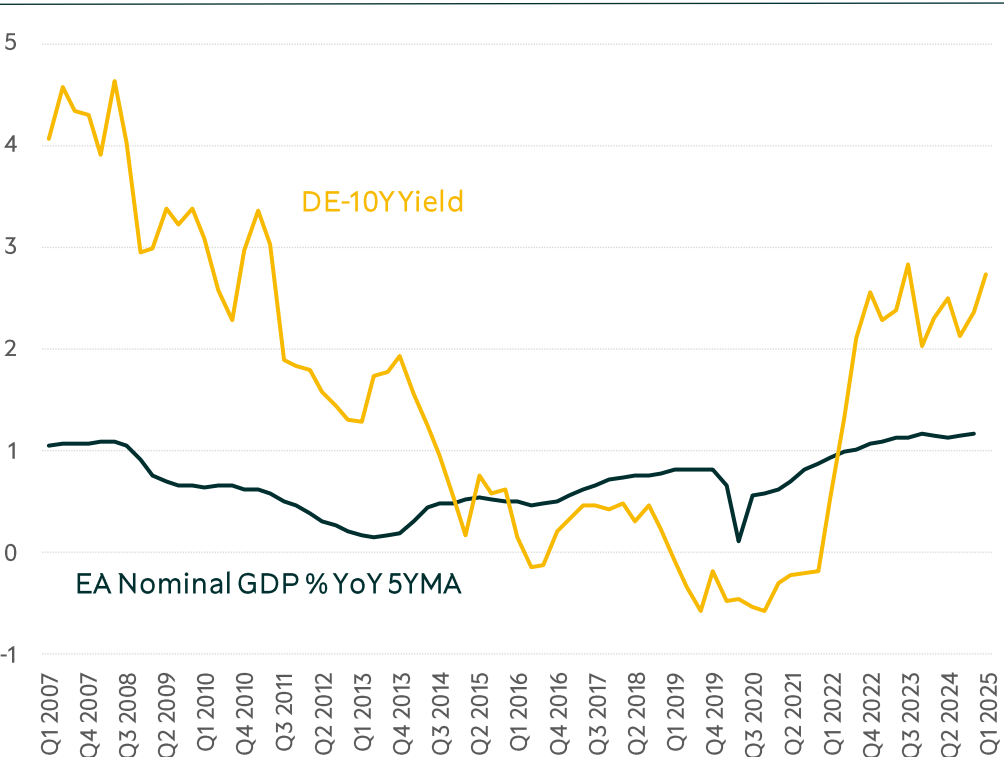


EA Fiscal Policy | Debt levels have moderated after the pandemic

Debt / GDP

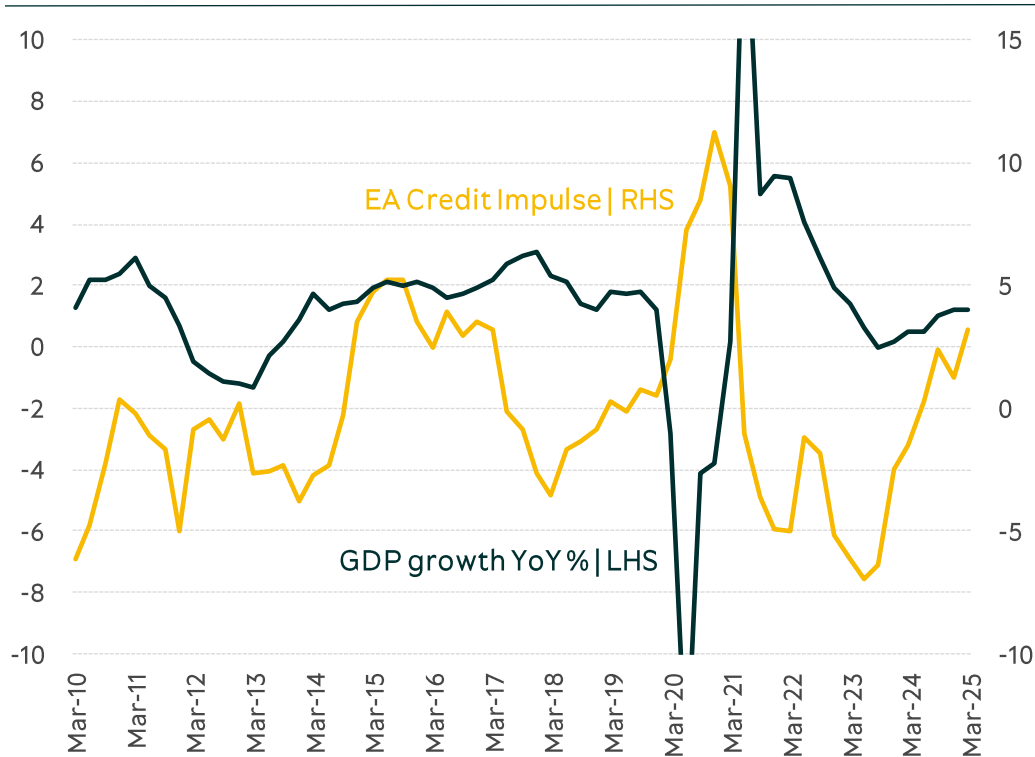


Fiscal Policy Sustainability

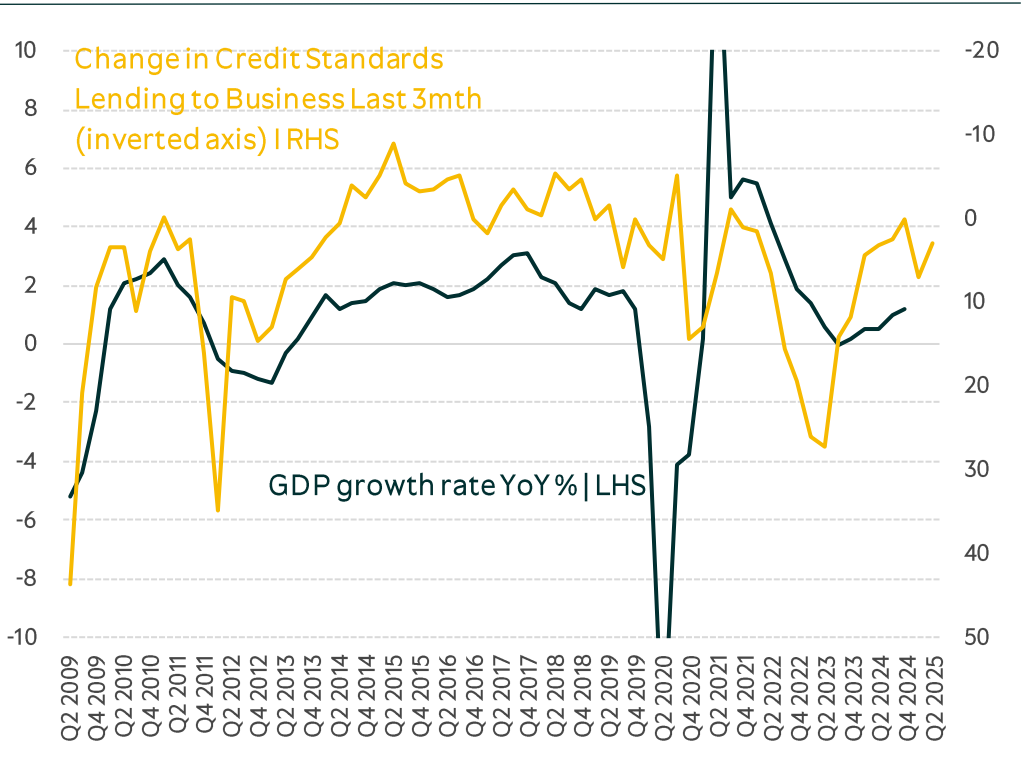


EA GDP Outlook | Credit impulse continues to recover in March. There was a small net tightening of credit standards for loans or credit lines to enterprises in the first quarter of 2025

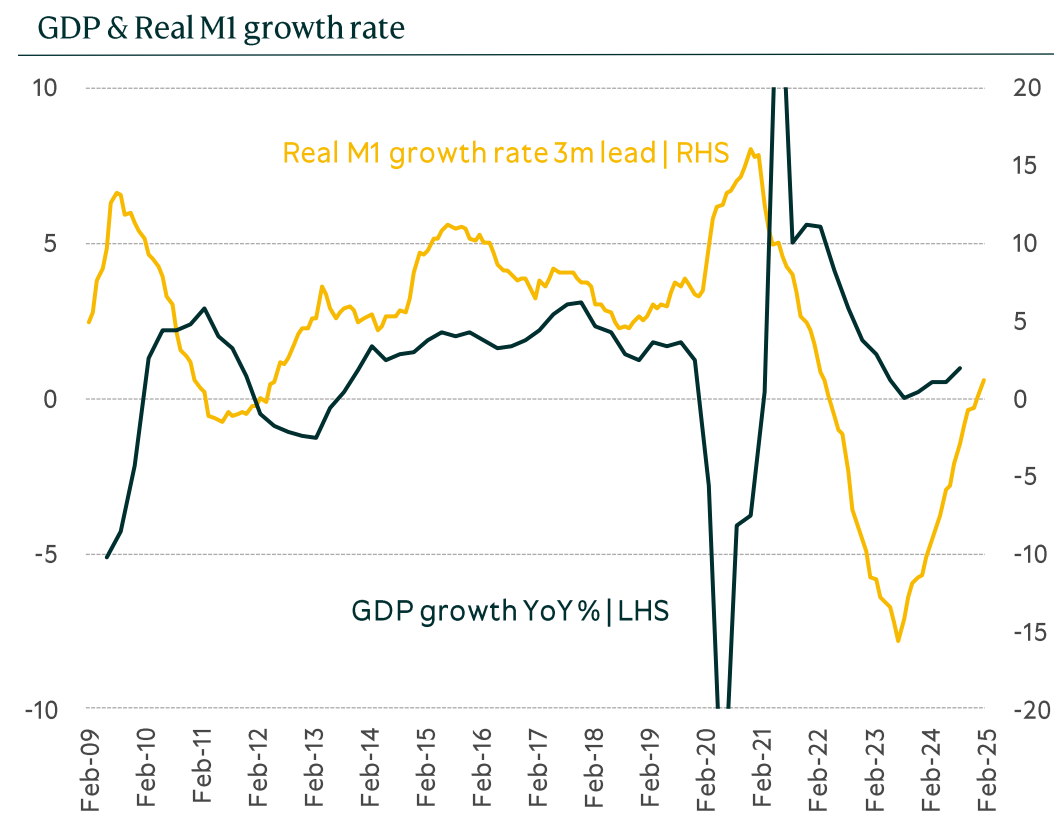
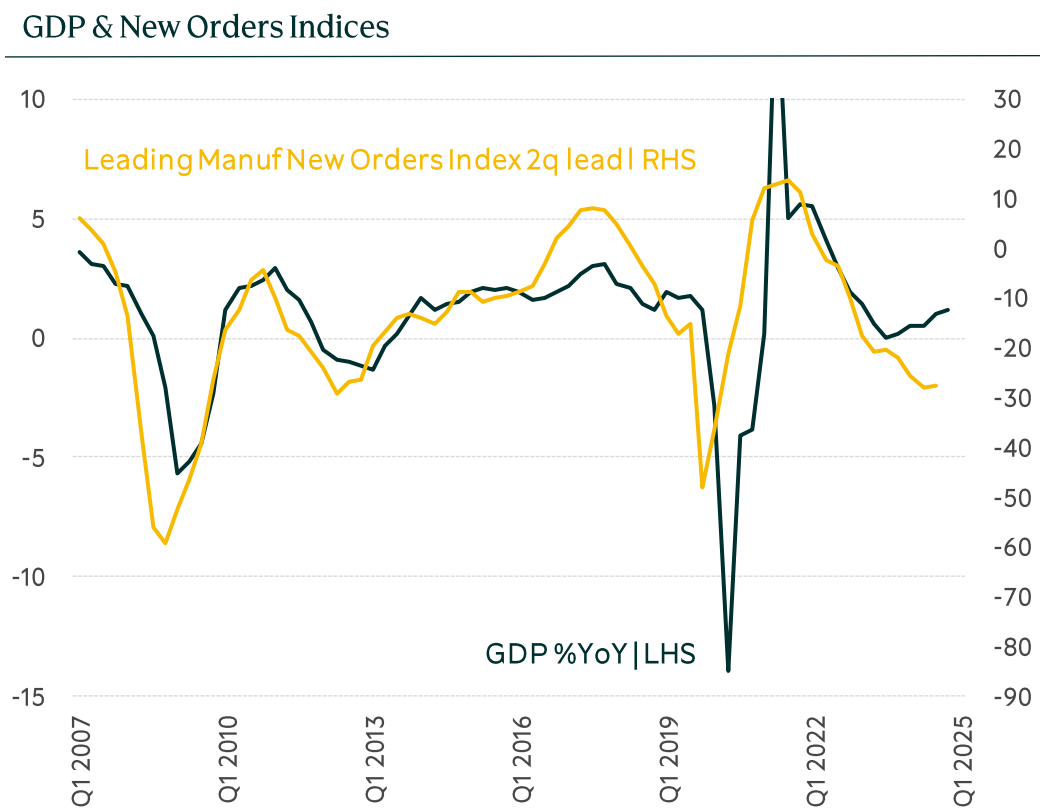
EA Credit Impulse & GDP growth rate



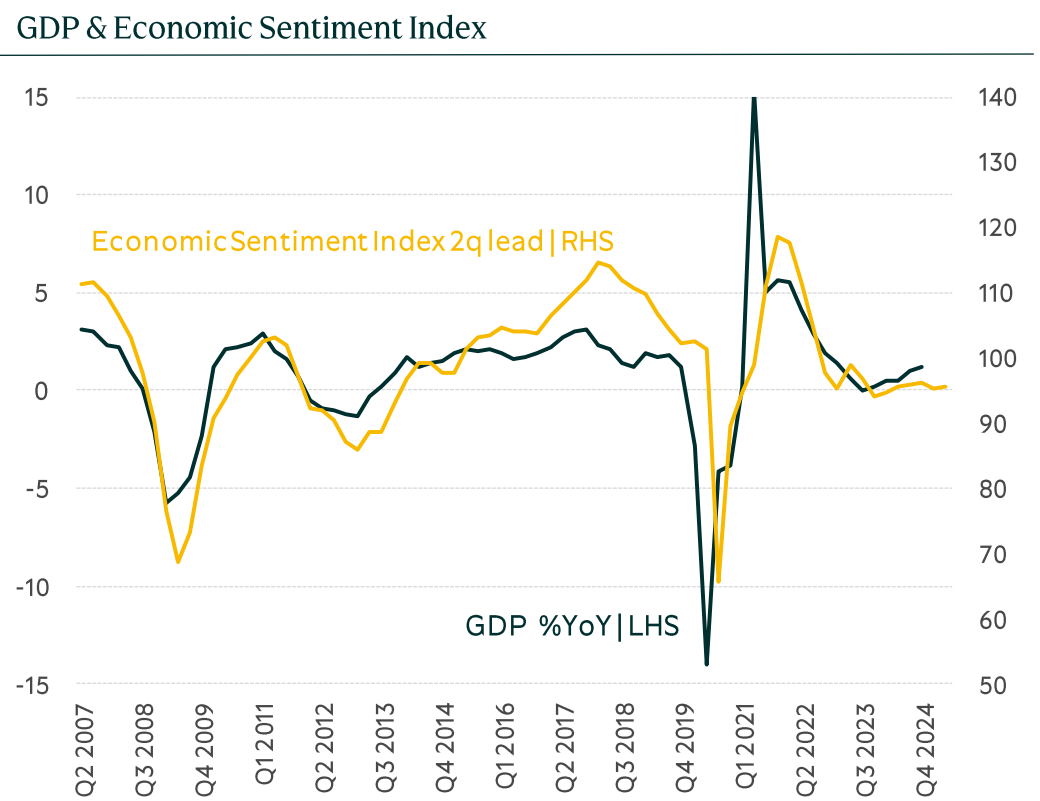
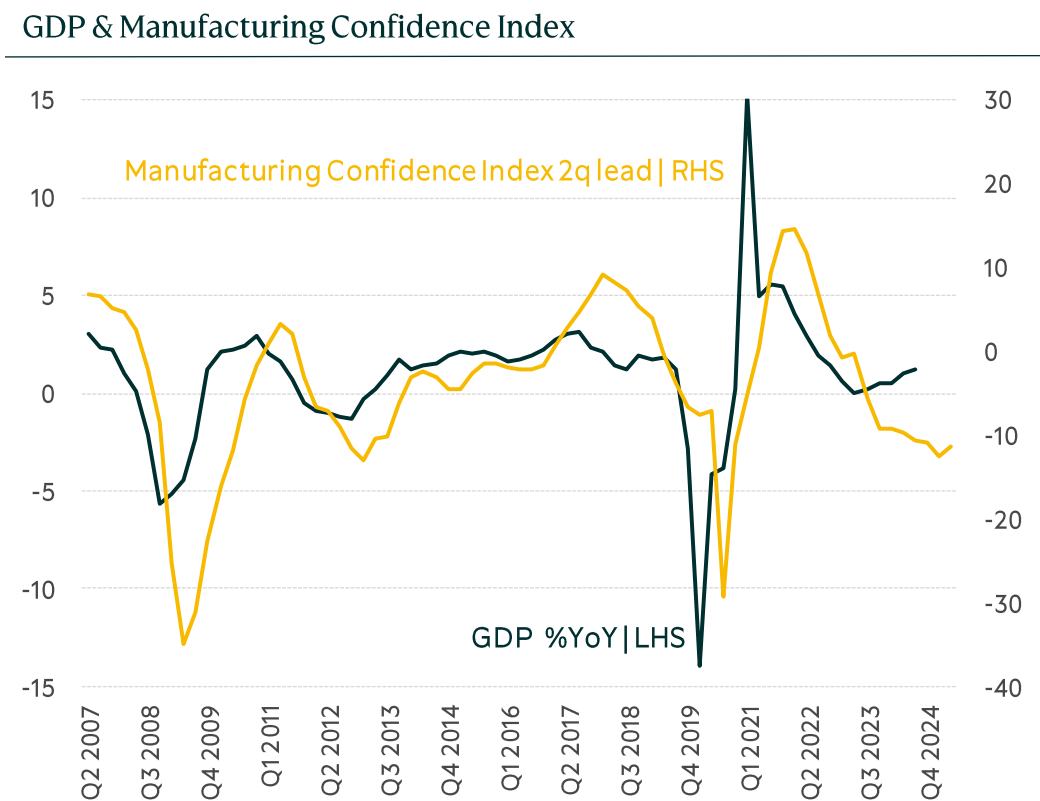
GDP YoY & Bank Lending Standards



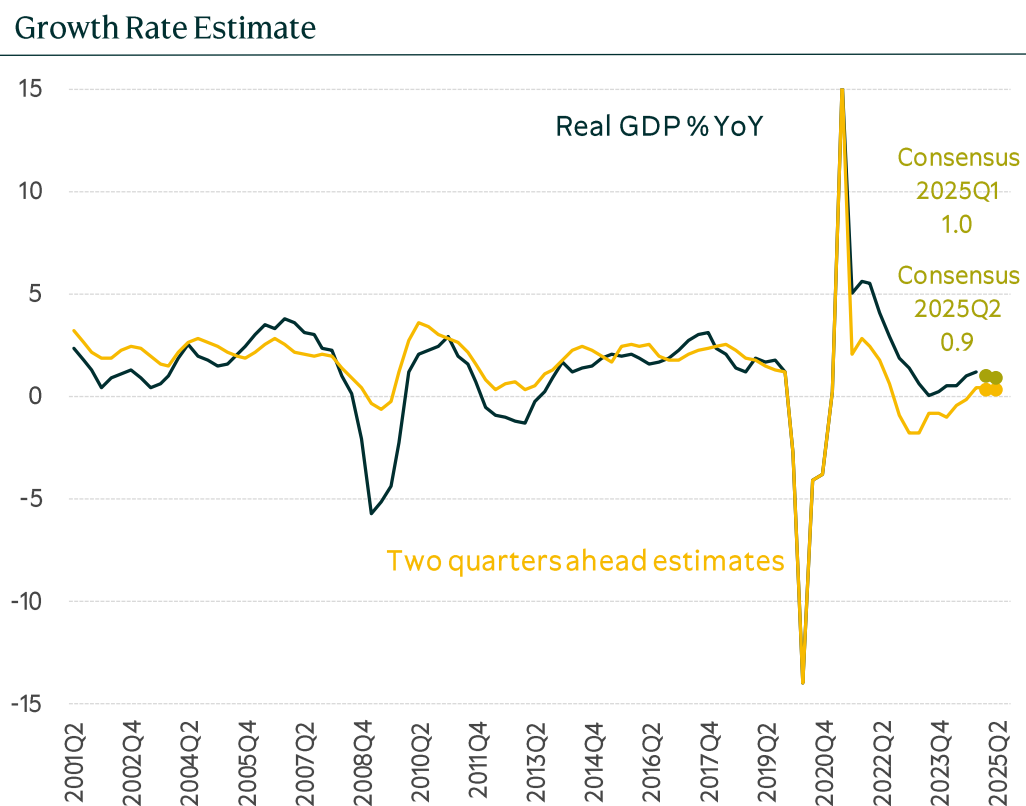
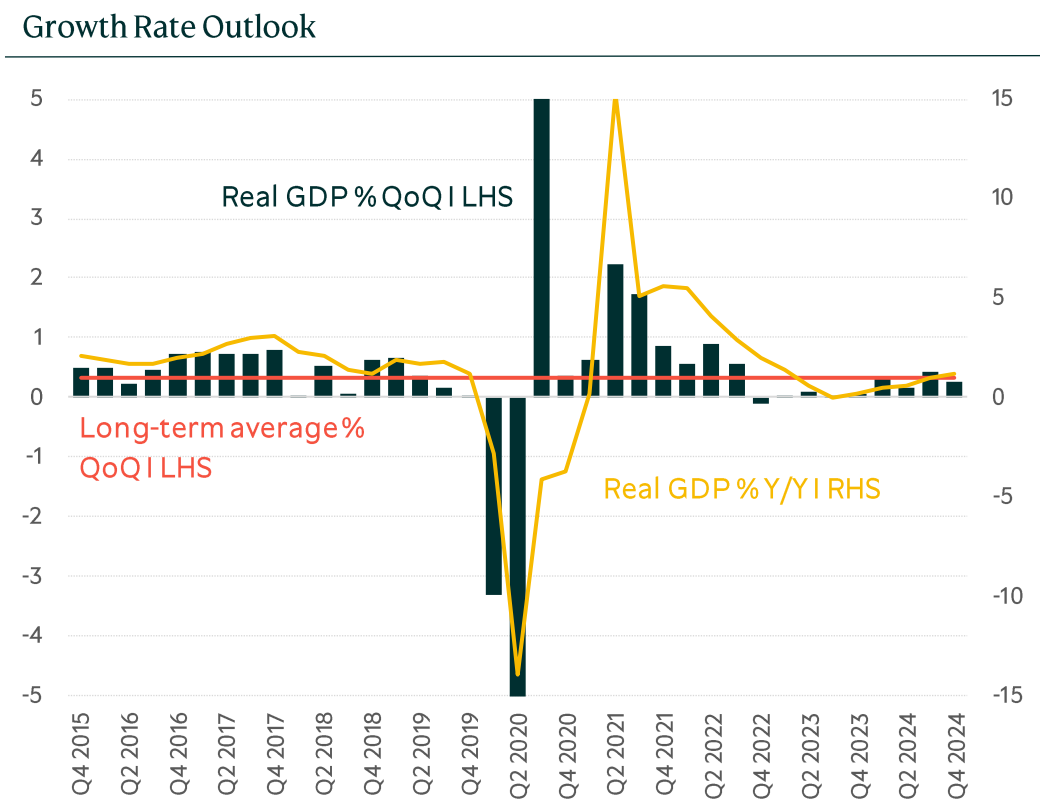
EA | Manufacturing New Orders still on a downtrend; Real M1 improvement somewhat reduces concerns about the economic outlook



EA GDP Outlook | Economic sentiment implies stabilisation at low levels, while manufacturing picked up marginally providing some green shoots

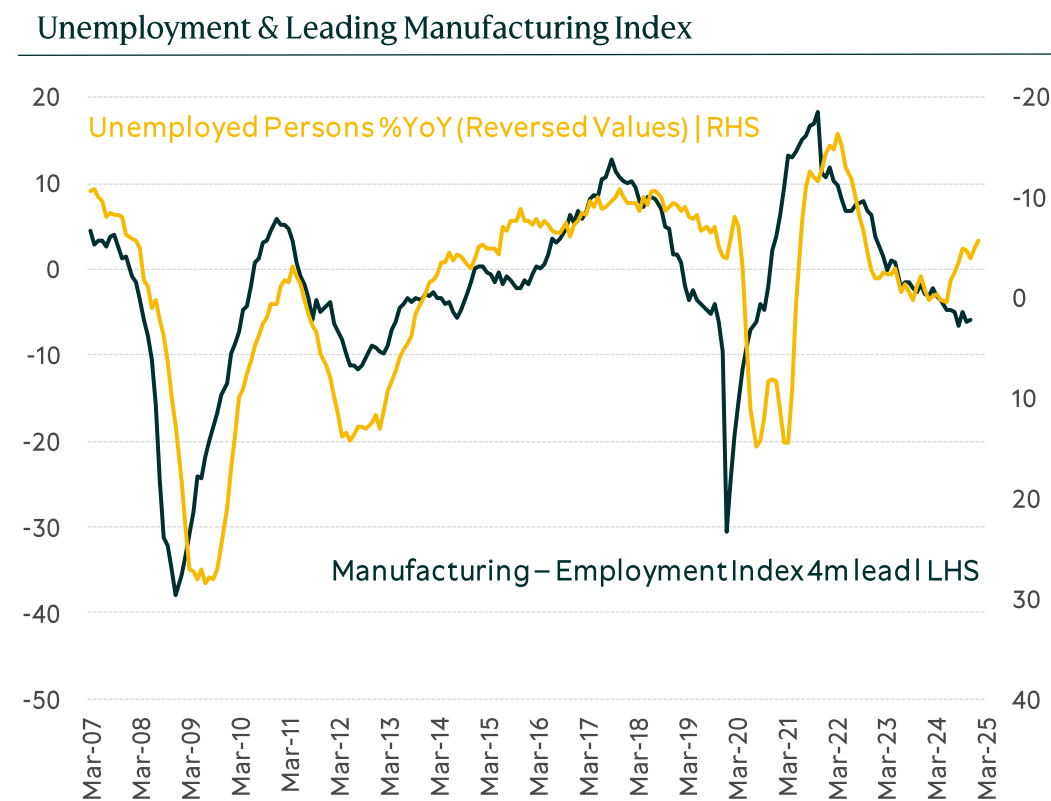
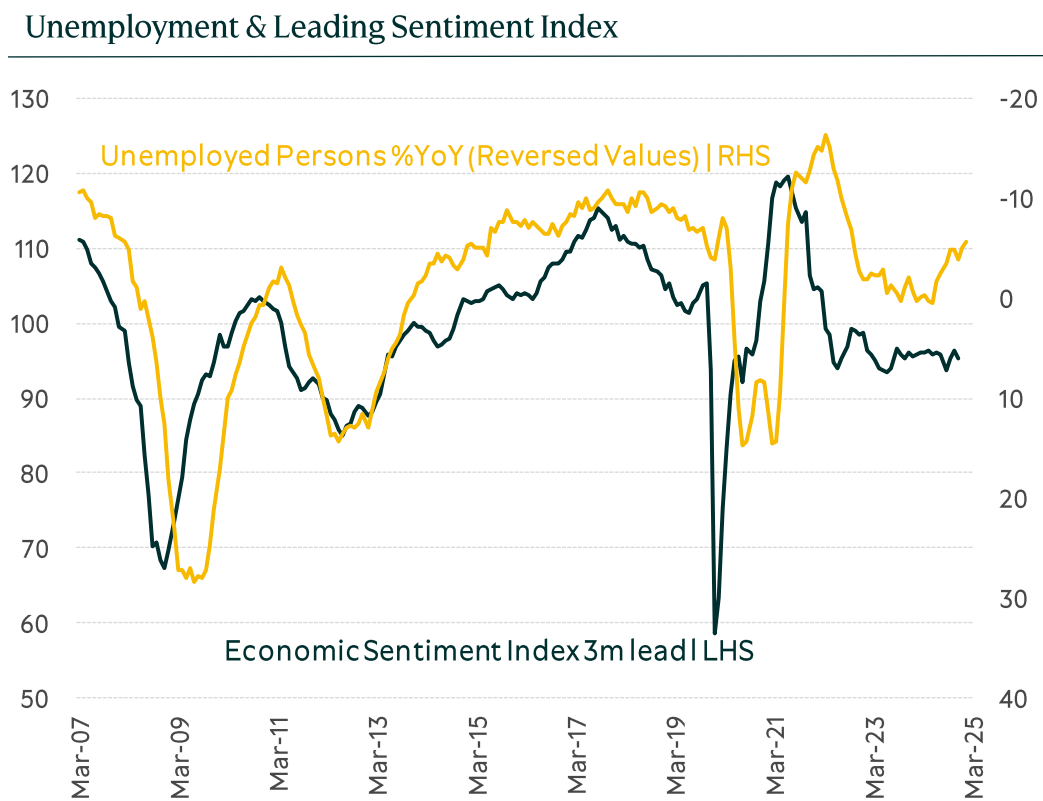


EA GDP Outlook | The EA economy rose 0.2% in Q4; over the whole of 2024 euro-area GDP rose 0.9%



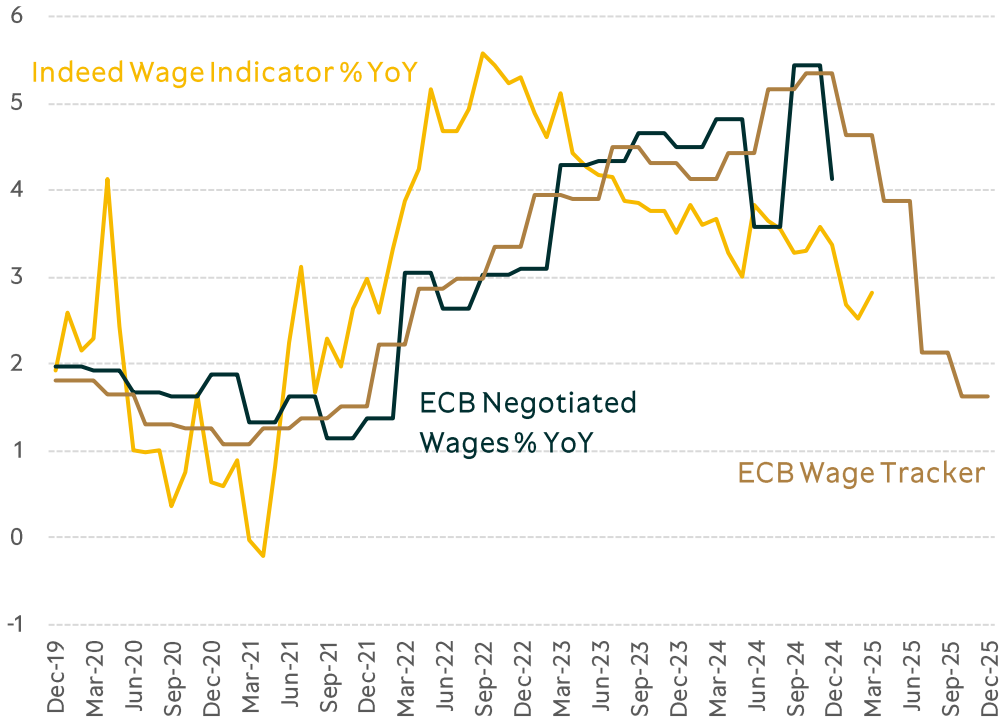
Note: Covid-19 period (Q4 2019 - Q2 2021) is excluded from the estimation

EA Labour Market | Labour market is still in good shape, not so in the Manufacturing sector. Consumers' pessimism on unemployment expectations has risen.

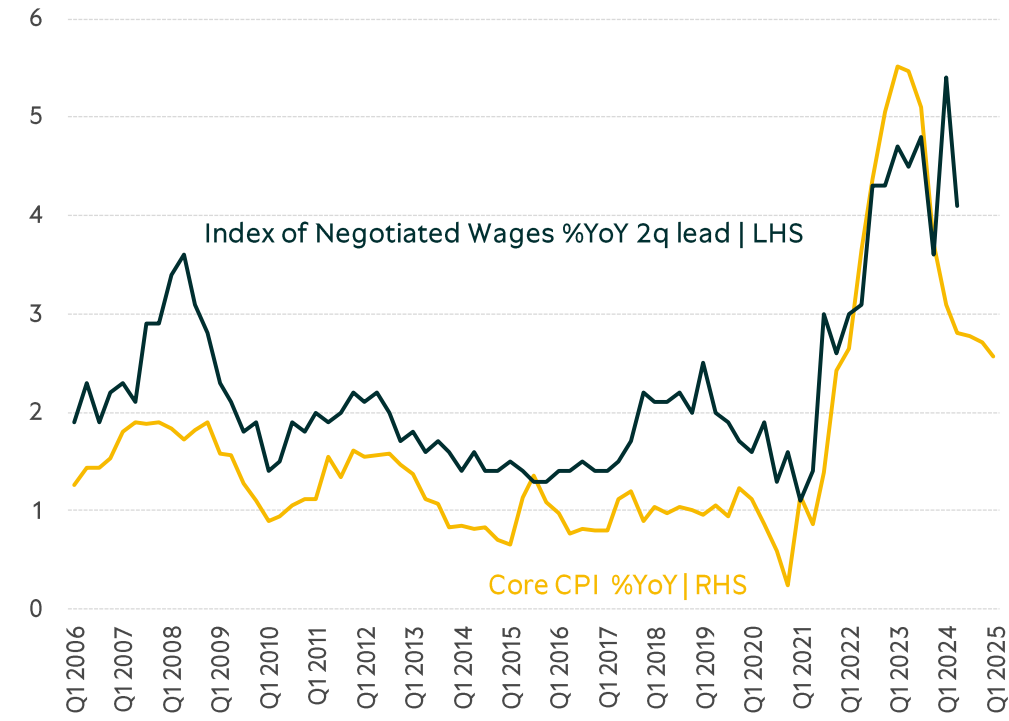


EA Wage Tracker | Indeed Wage Indicator & ECB's Wage Tracker point to sharp wages slowdown in 2025

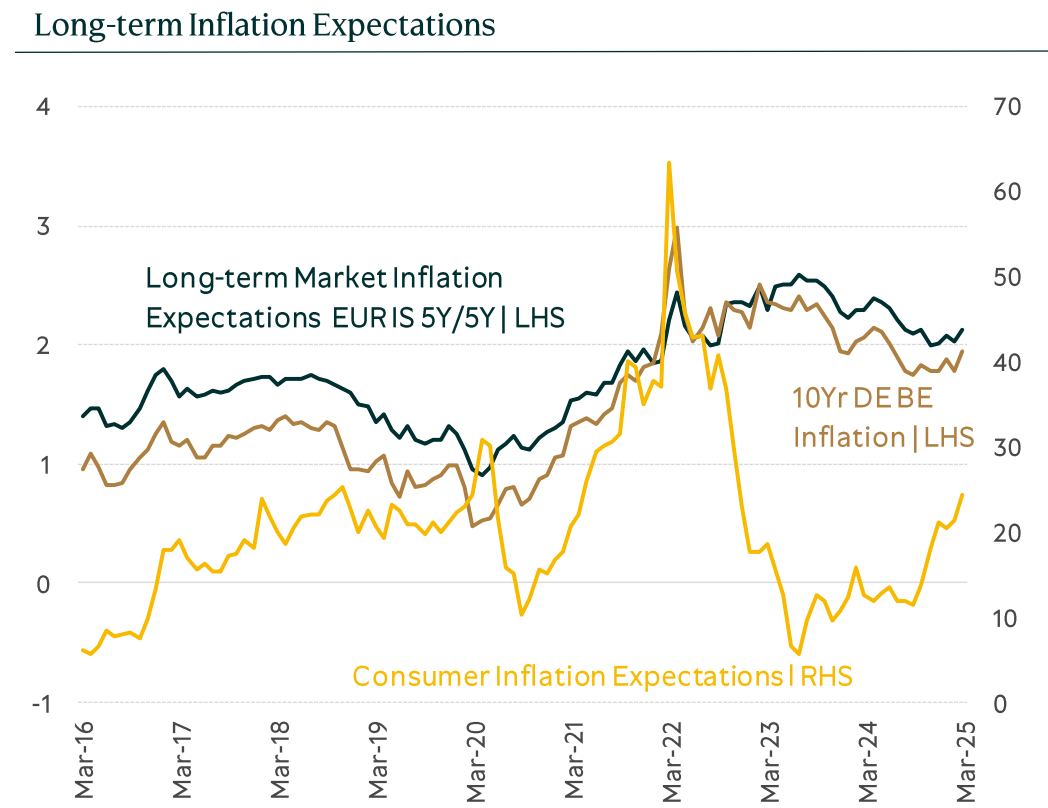
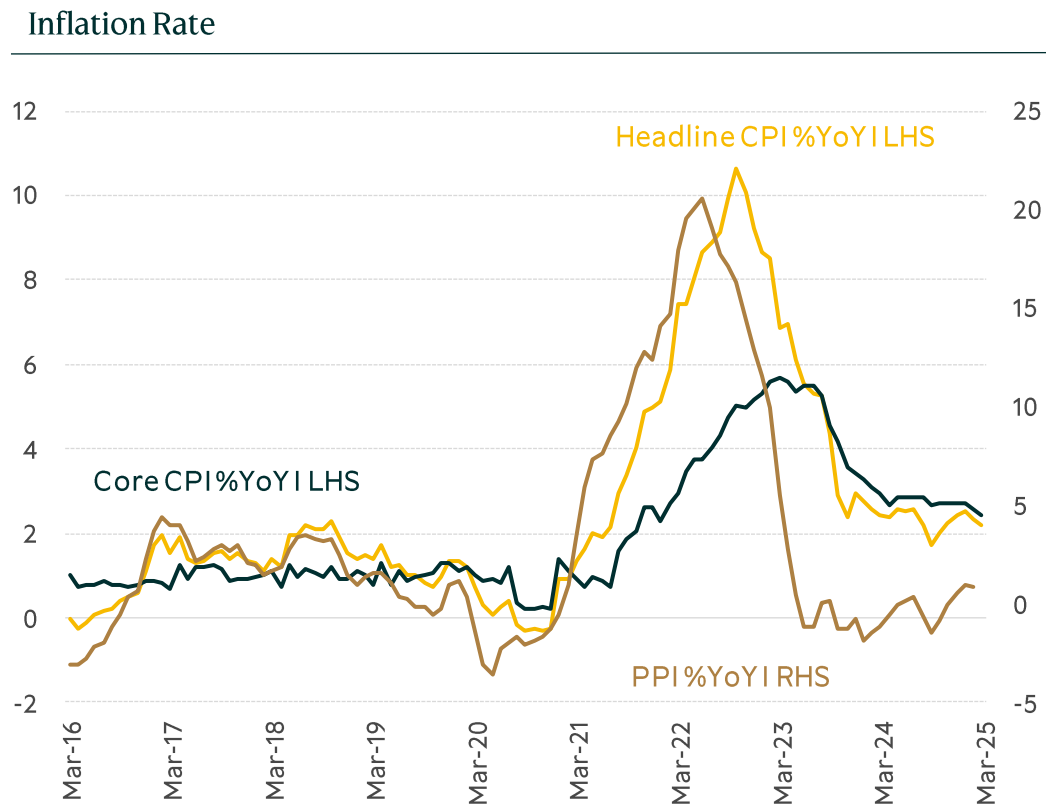
EA Wage Indicators



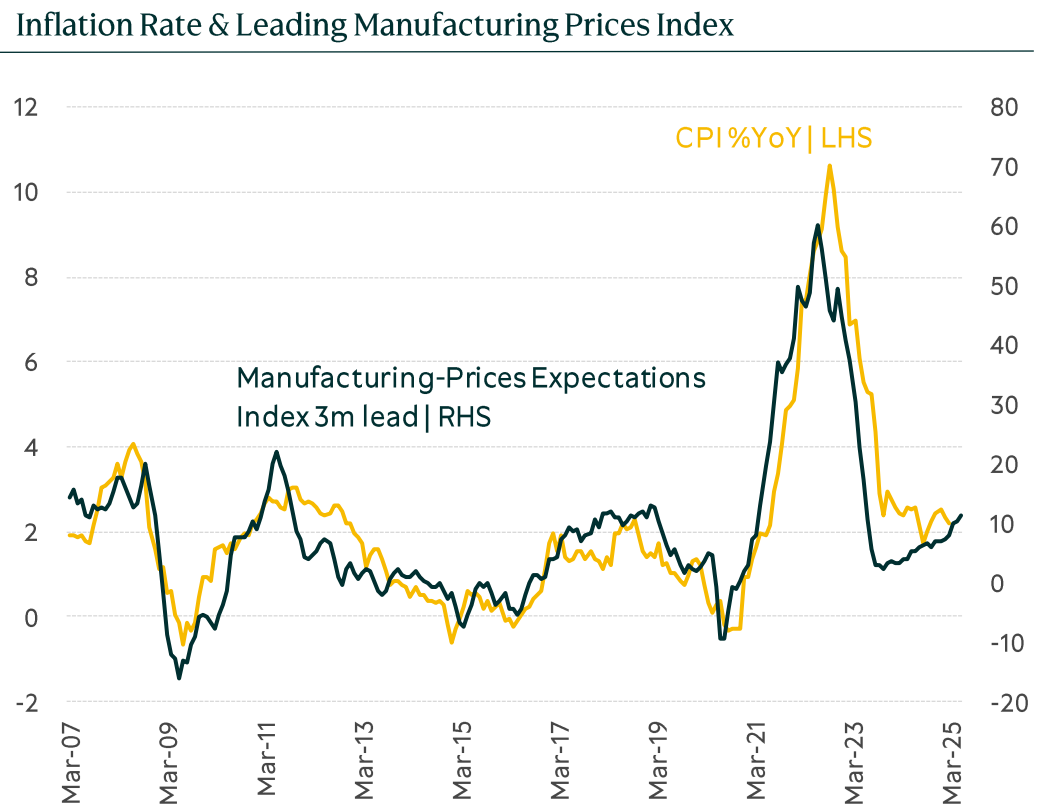
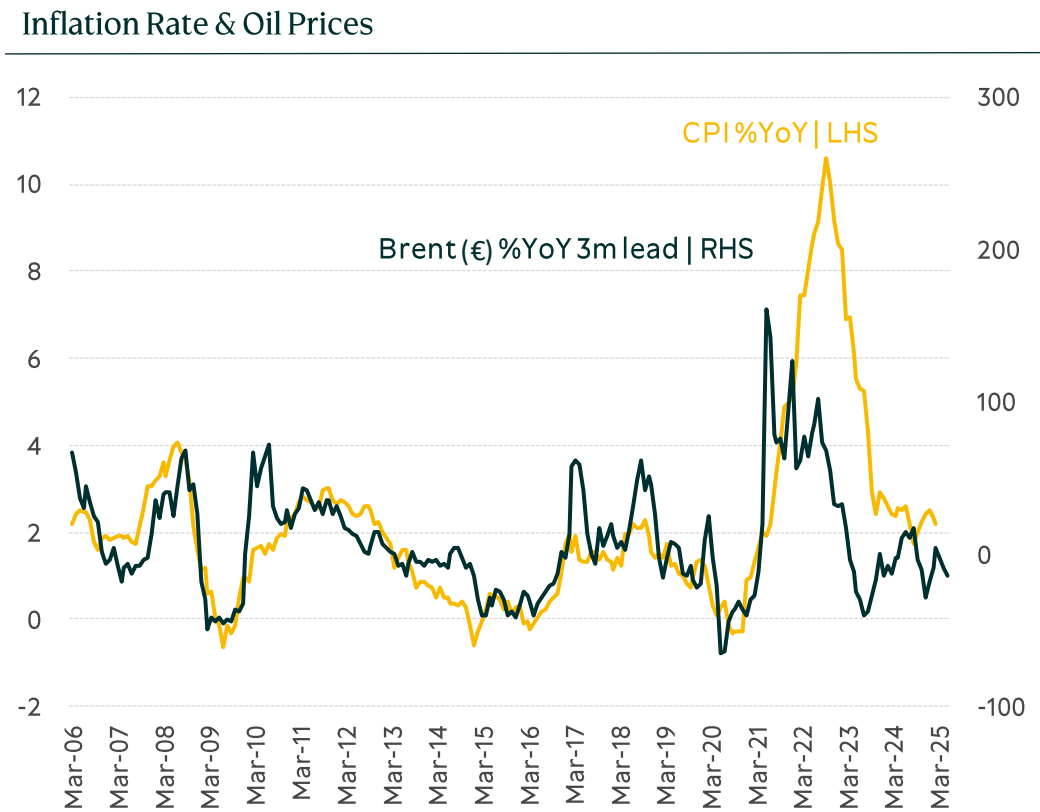
Core Inflation & Wages



EA Inflation Pressures | Headline CPI moderated to 2.2% in March, while the Producer Price Index (PPI) also showed moderation over the past two months. Consumer inflation expectations on the rise

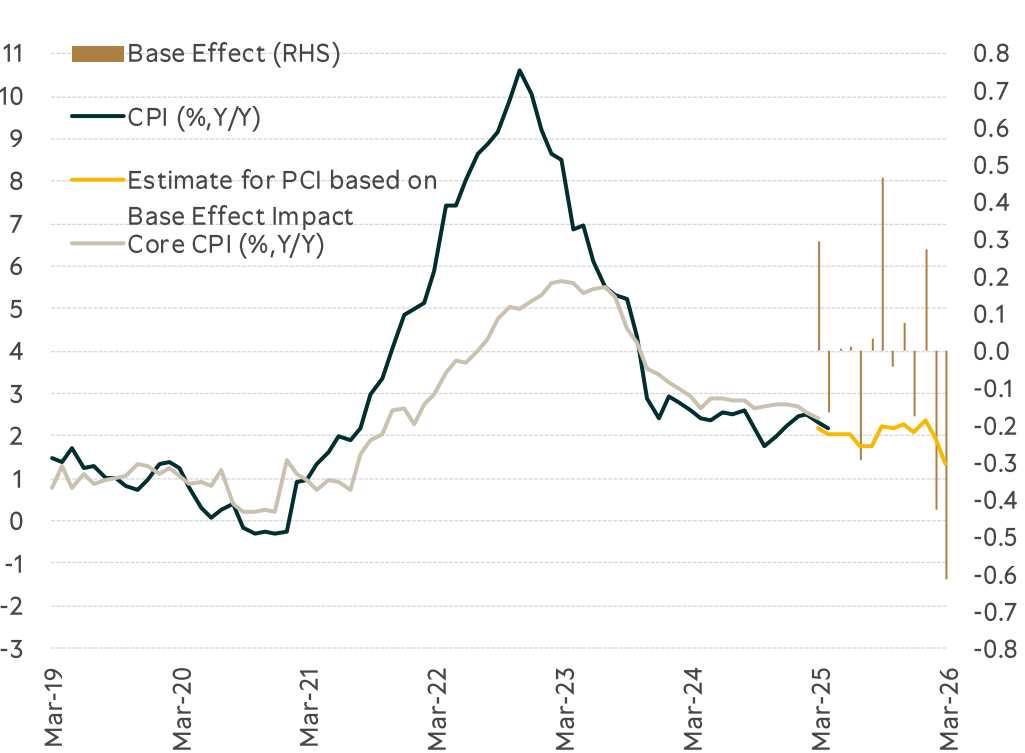


EA Inflation & Energy Prices | Manufacturing Prices Expectations show signs of marginal pressure

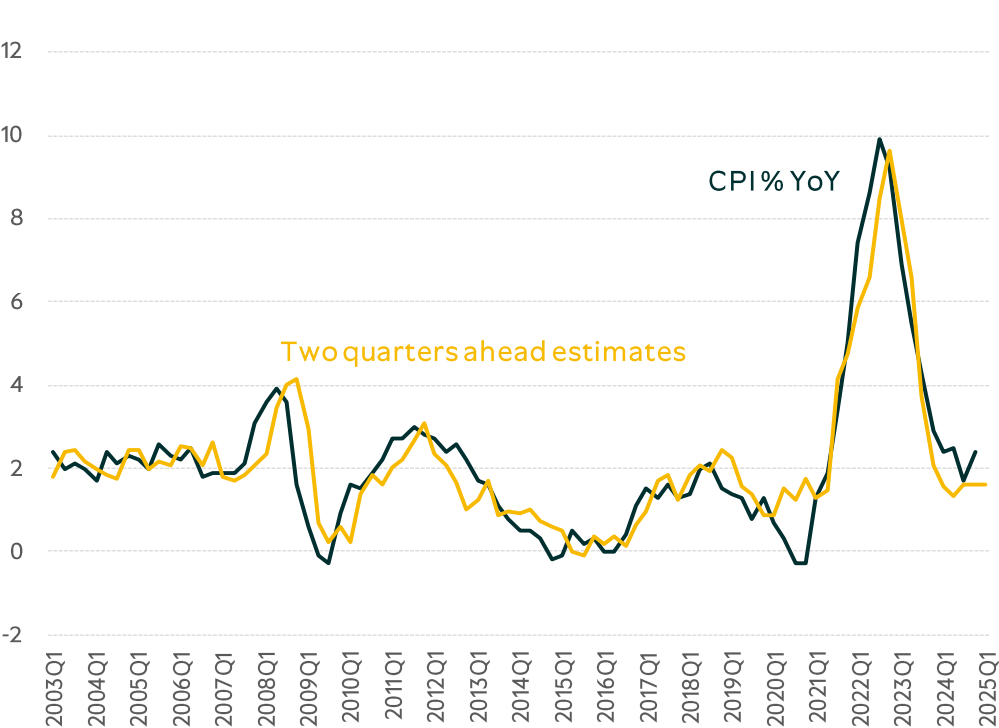


EA Inflation Outlook | The 2% target is expected to be achieved towards the end of 2025

Inflation Rate Forecast | Statistical Model

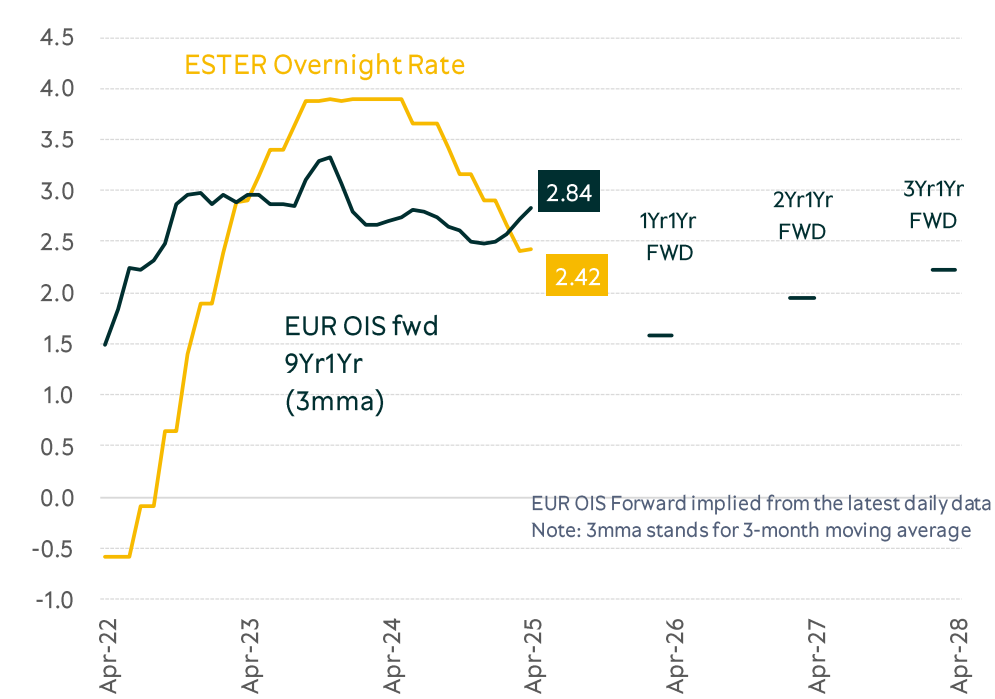


Inflation Rate Forecast | Macro Model

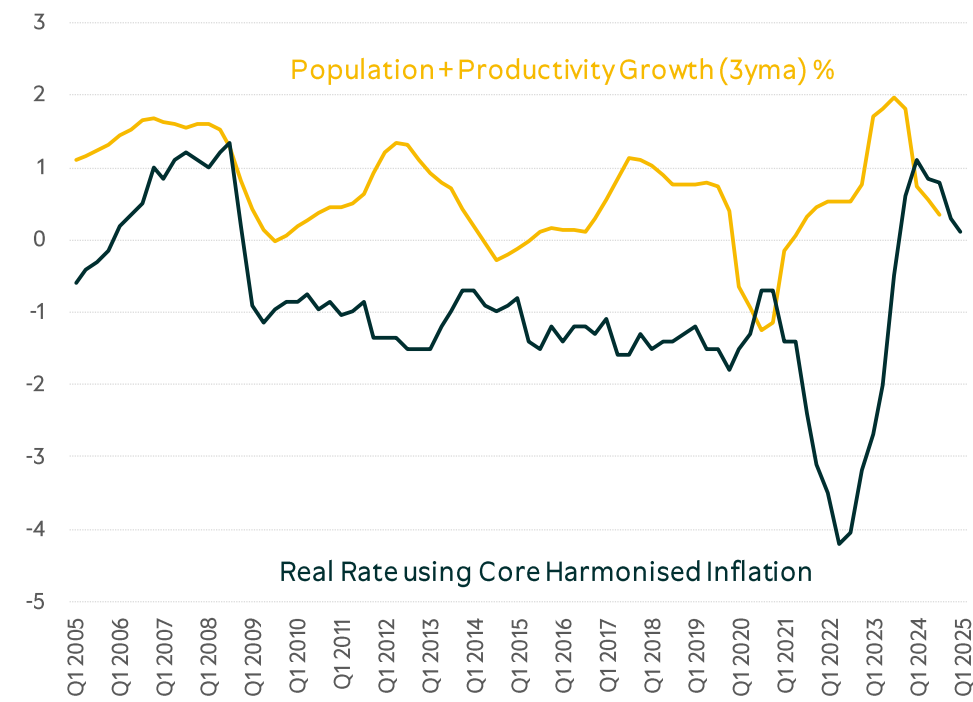


EA Short-Term Rates | Short term forward rates suggest lower levels of interest rates in the near term

Interest rates | Market Expectations

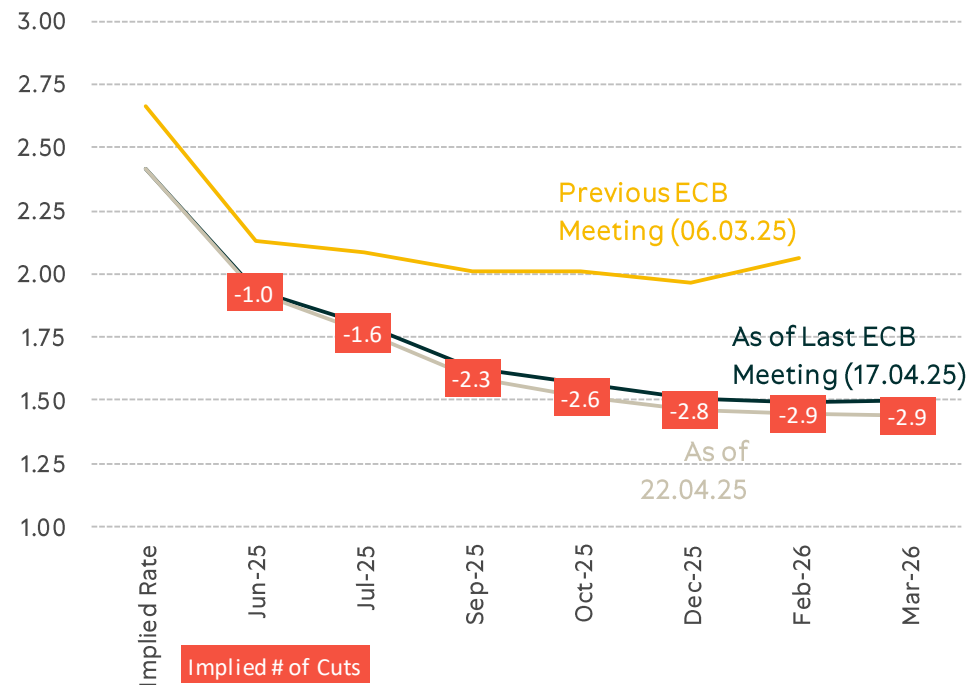


Real Depo Rate (Depo - Core CPI) & Population + Productivity growth (3y ma)

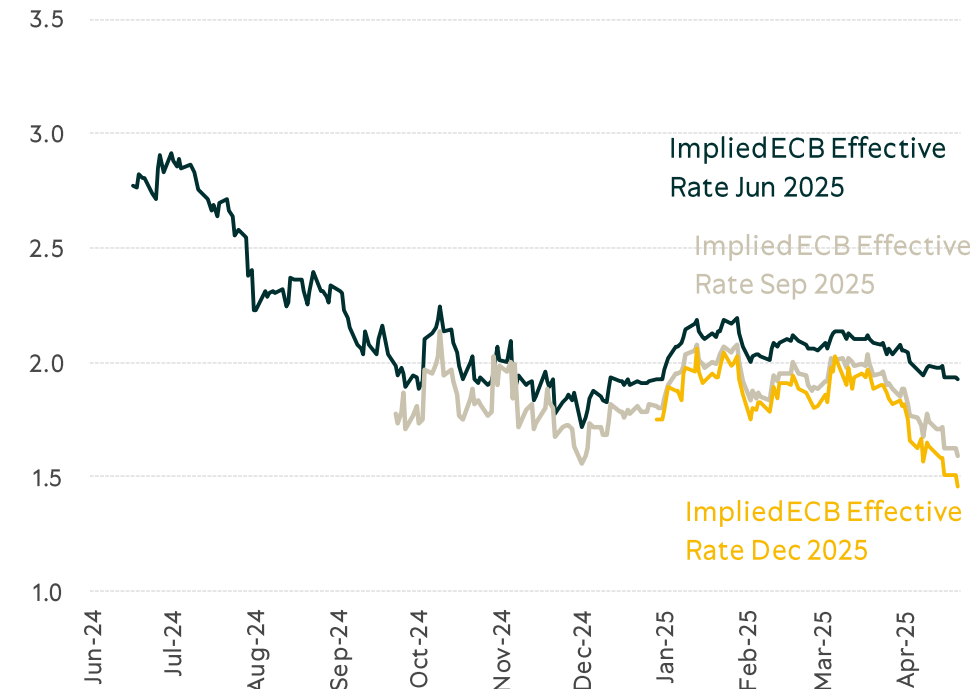


EA Short-Term Rates | Almost 3 more cuts are anticipated by the markets by year end

Implied Overnight Rate based on Overnight Index Swaps

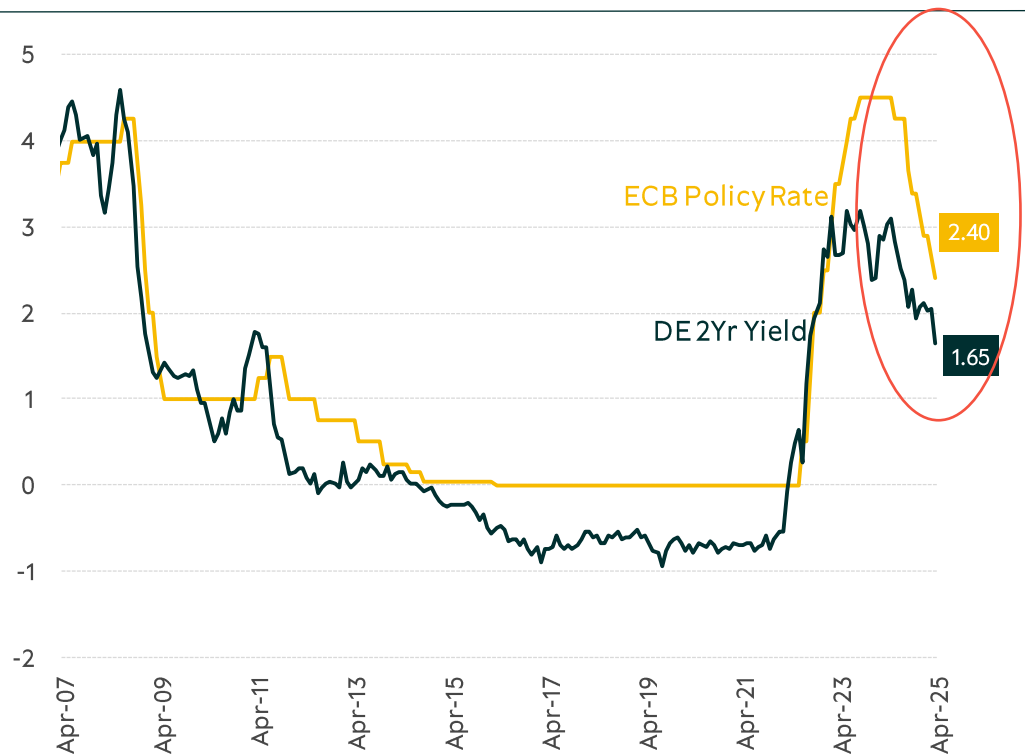


Interest Rates | Implied ECB Effective Rate

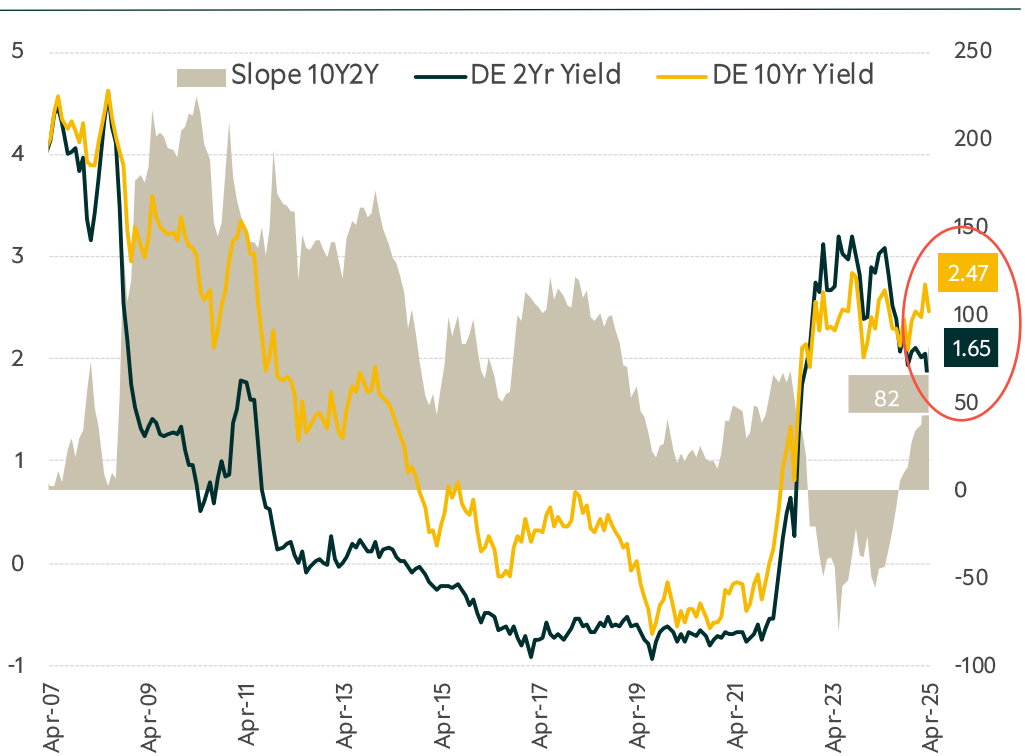


EA Rates | German 10Y2Y spread turned positive at the end of Q3 2024. Fears of recession have subsided.

ECB Policy Rate vs German 2Yr Yield

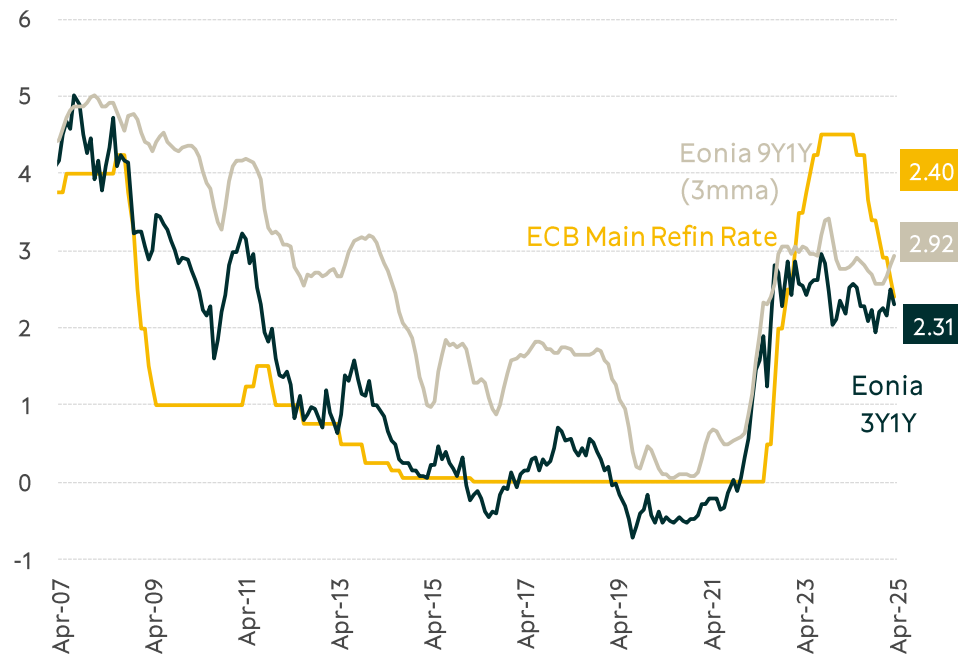


German Yield Curve

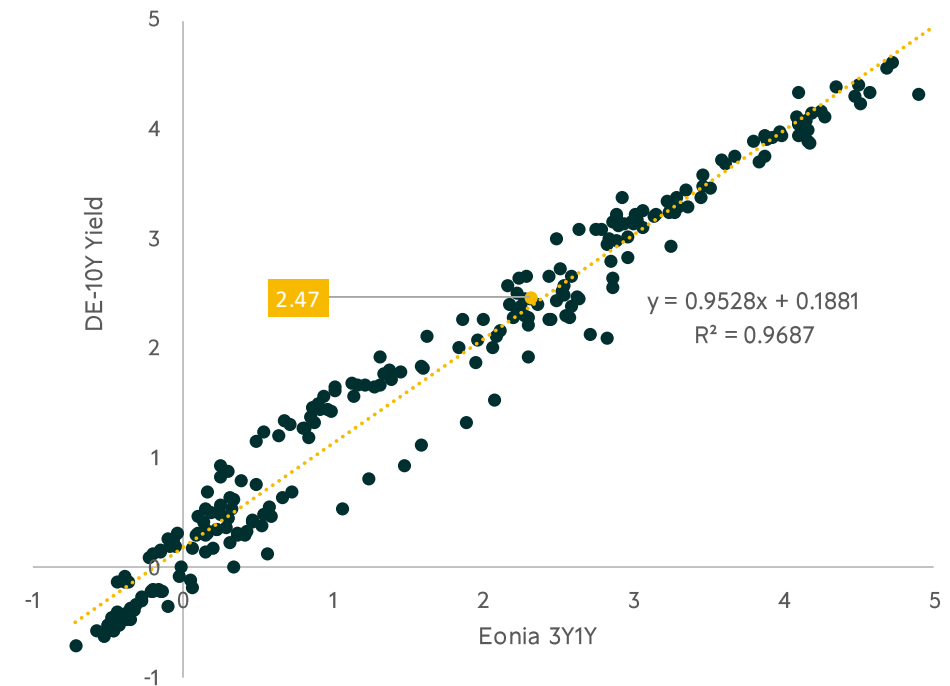


EA Long-Term Rates | Given the current level of short-term rates, long-term bonds seem “fairly” priced

Long-term Interest Rate Expectations



DE Yield vs Medium-term Interest Rate Expectations



Bird's Eye View

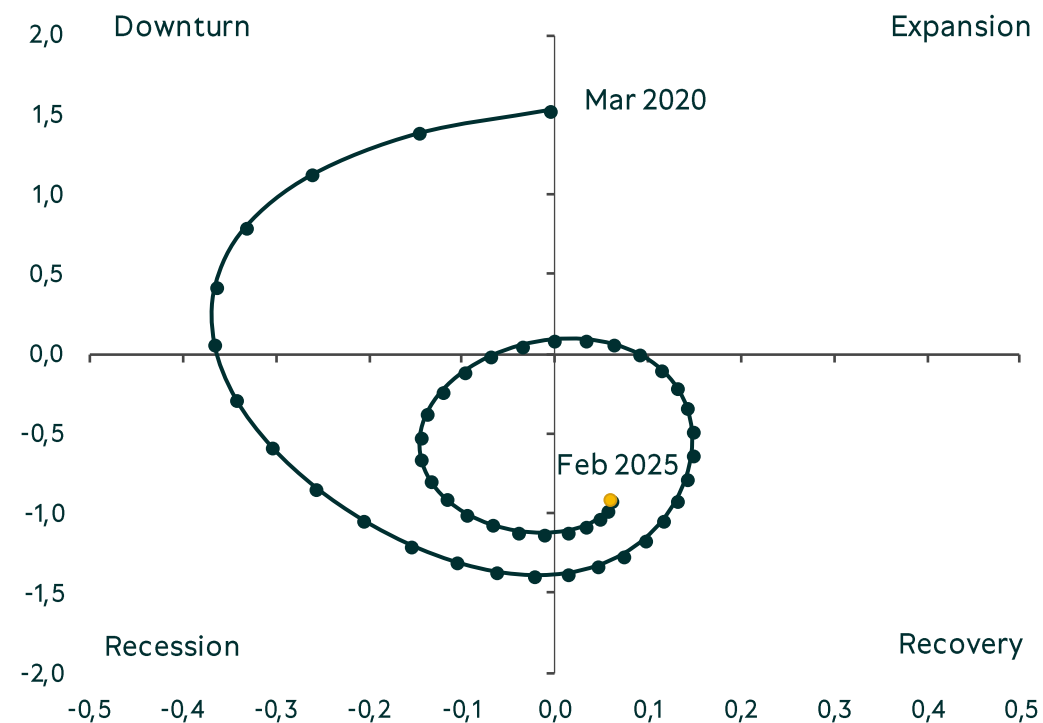
US Economy

EA Economy

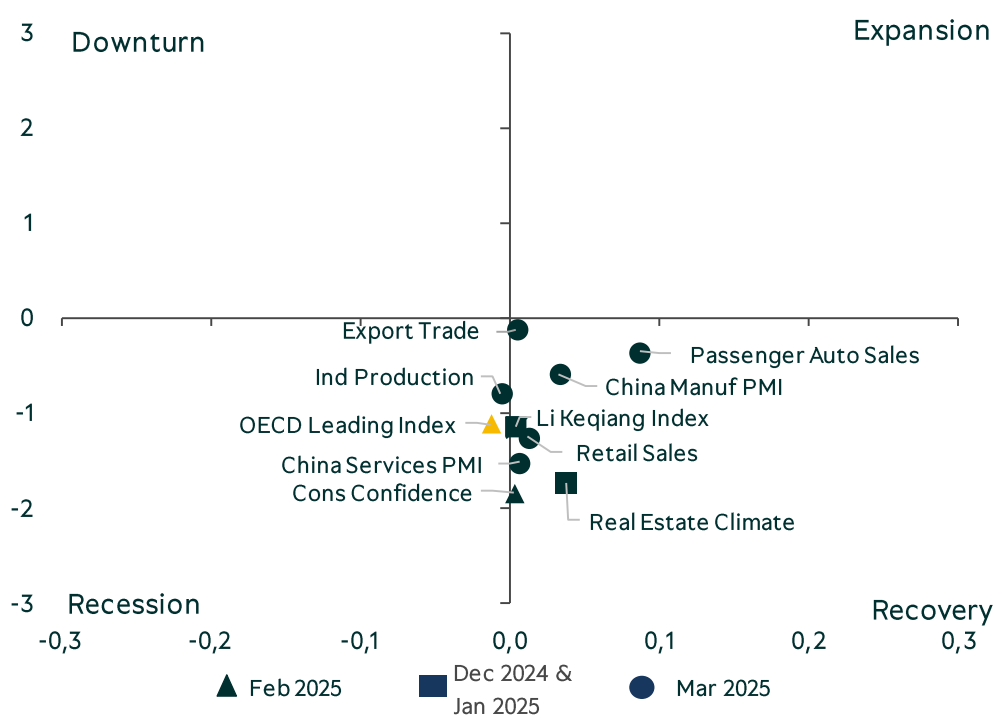
China Economy

Chinese Business Cycle | Economic variables are beginning to show indications of improvement

CN Business Cycle | Based on China OECD Leading Indicator

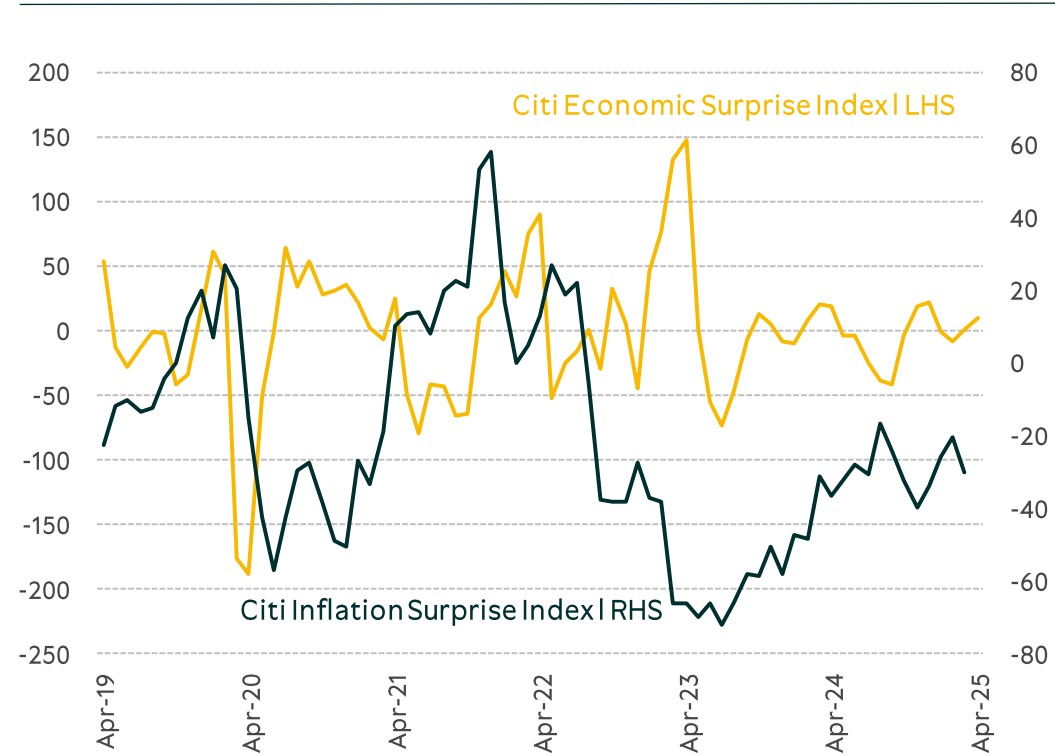


CN Business Cycle | Based on Major CN Economic Variables

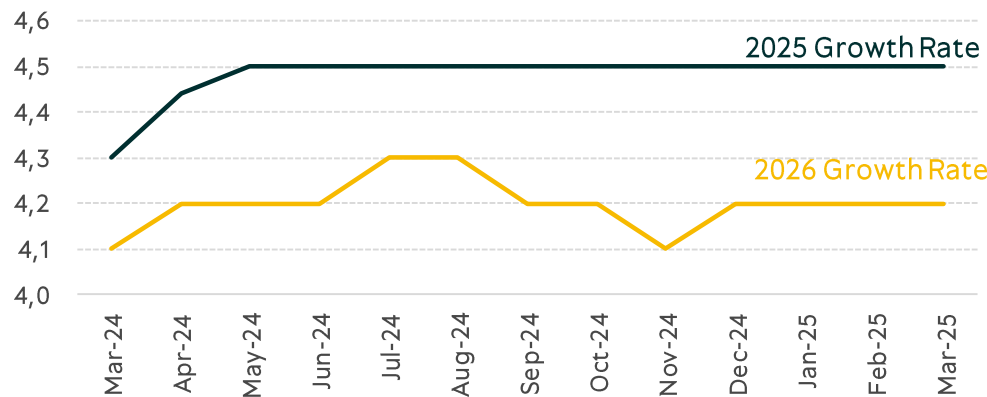


Chinese Macro Expectations | Sub 5% growth expectations for 2025

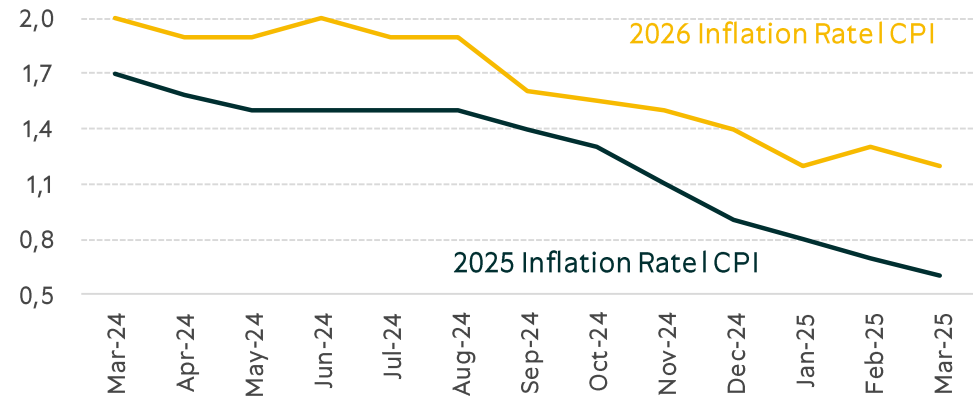
Economic & Inflation Surprises



Growth Rate Expectations (Consensus)

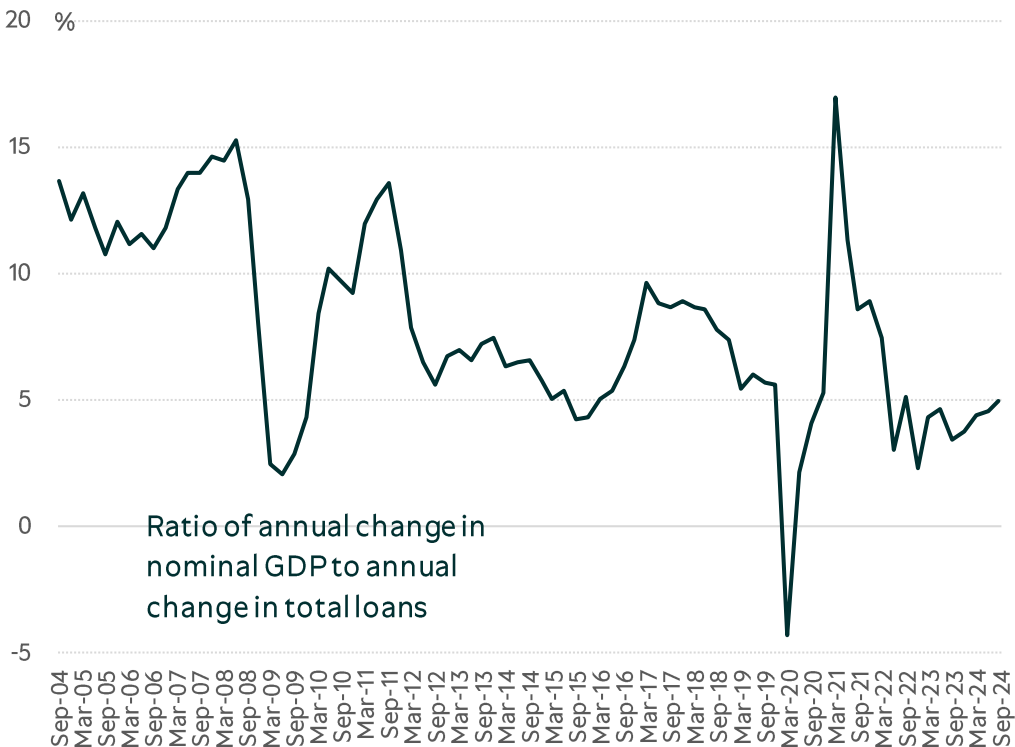


Inflation Rate Expectations (Consensus)

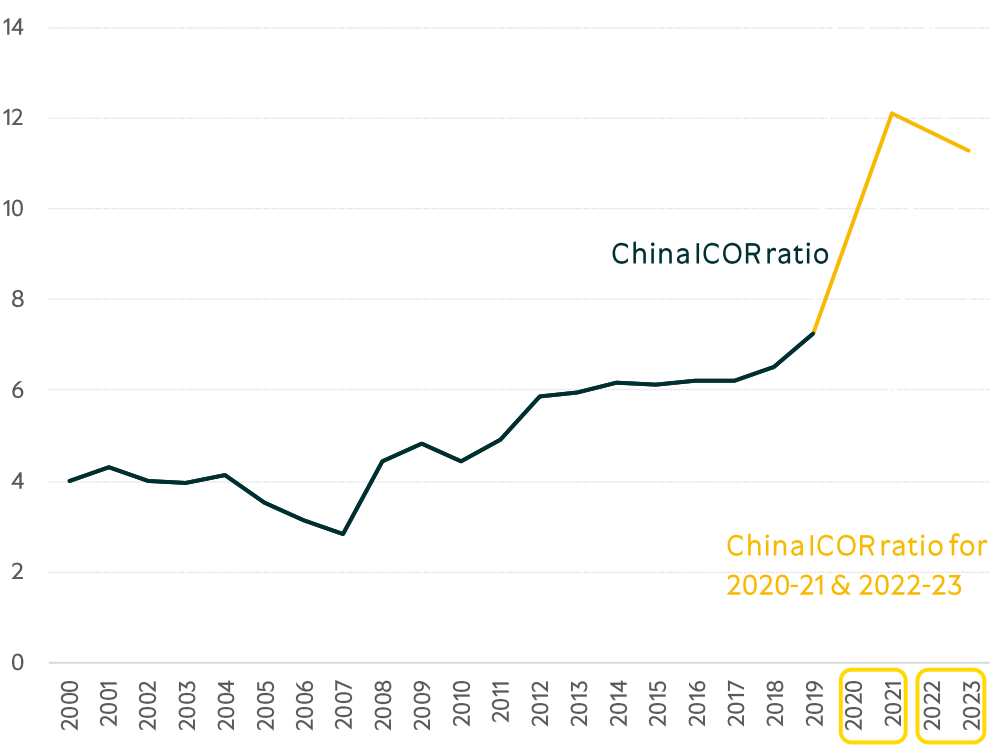


Chinese Investment Capacity | There is a need for more efficient capital allocation

China credit-efficiency ratio

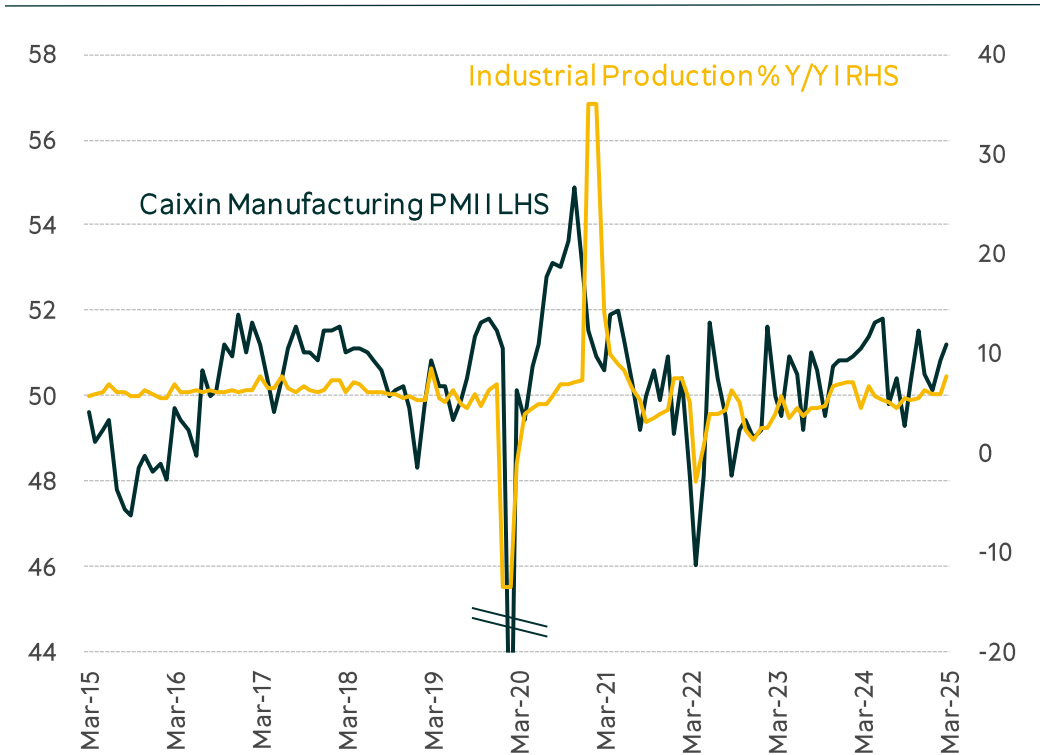


China Incremental Capital Output Ratio

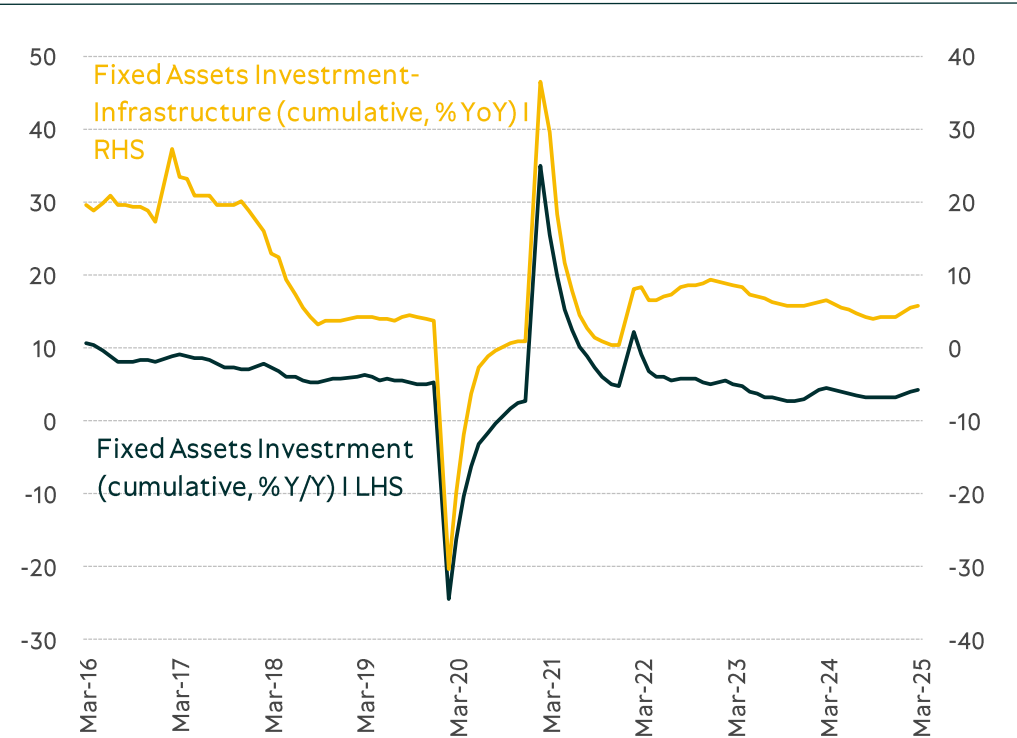


CN | Caixin Manufacturing increased (to 51.2) in March. Fixed investment increased on a year-over-year basis during Q1.

Industrial Production & Caixin Manufacturing

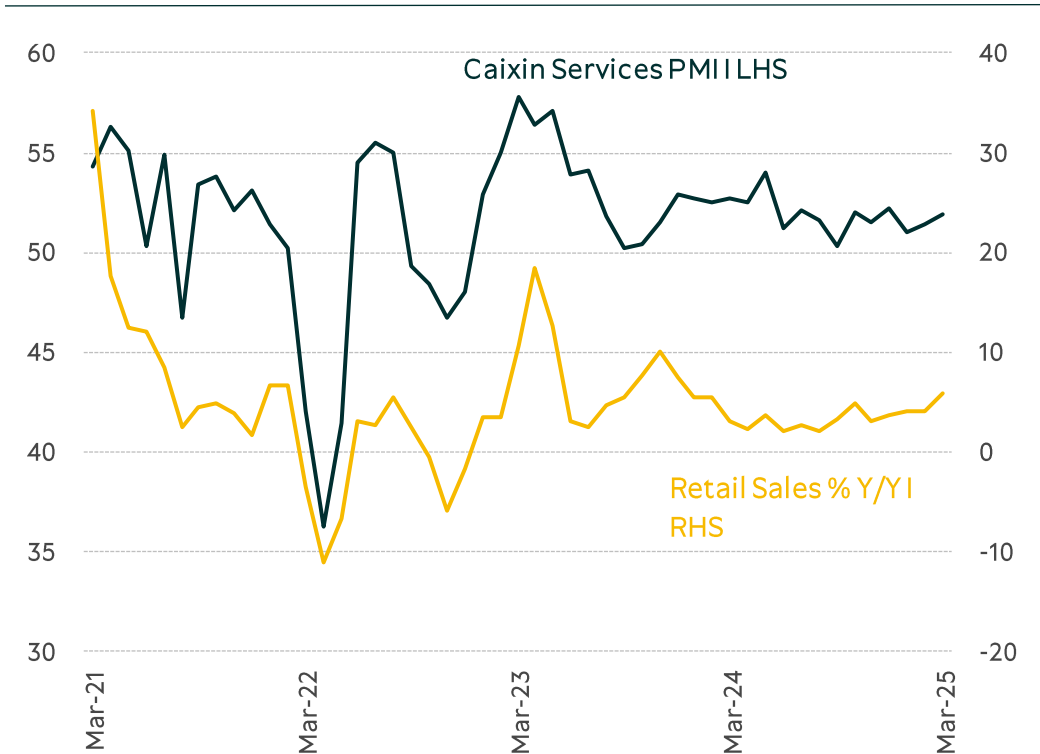


Fixed Assets Investment

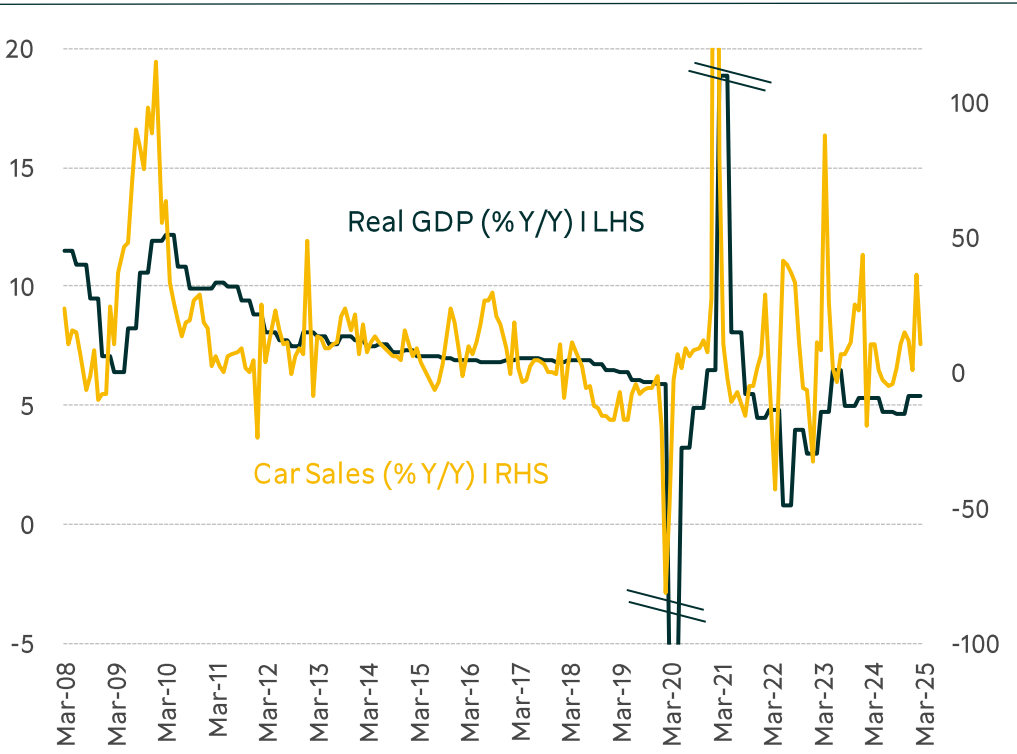


CN | Retail Sales increased stronger than expected. Caixin Services PMI increased further in March

Retail Sales & Caixin Services PMI

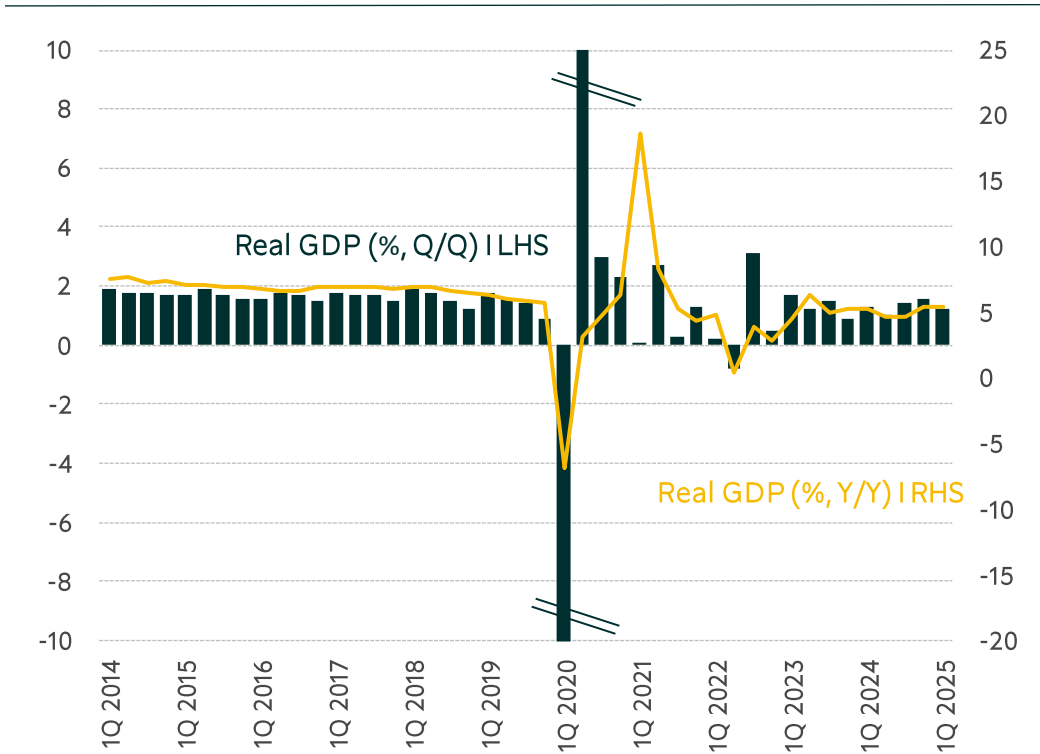


Real GDP & Car Sales

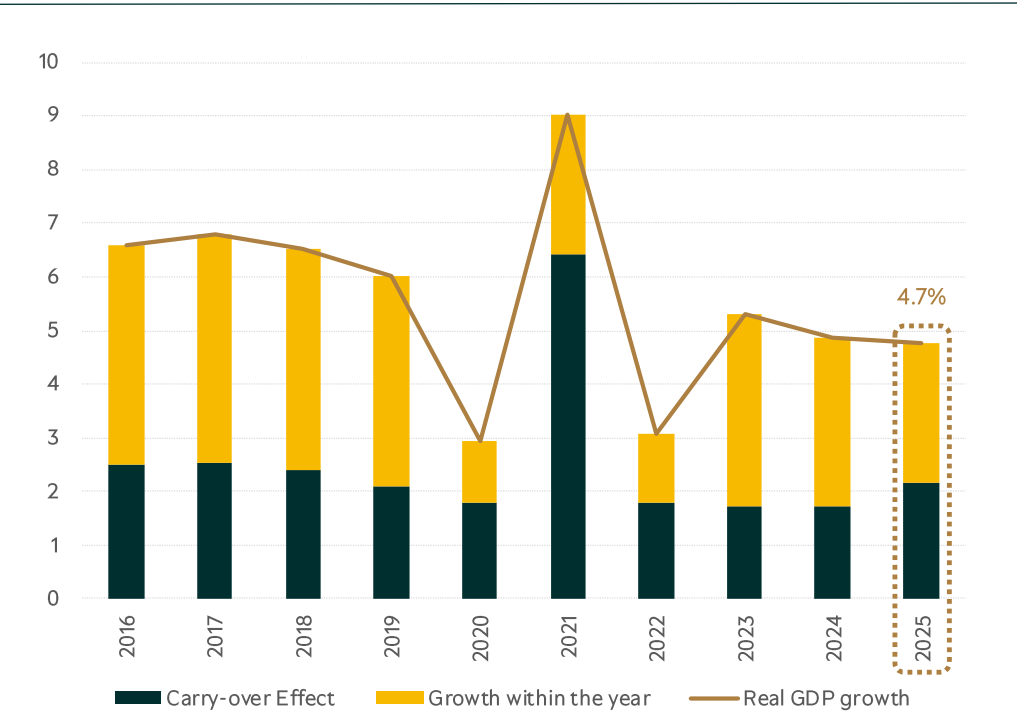


CN GDP Outlook | The official target of about 5% for 2025 is difficult to be achieved because of USA tariffs

GDP Growth Rate

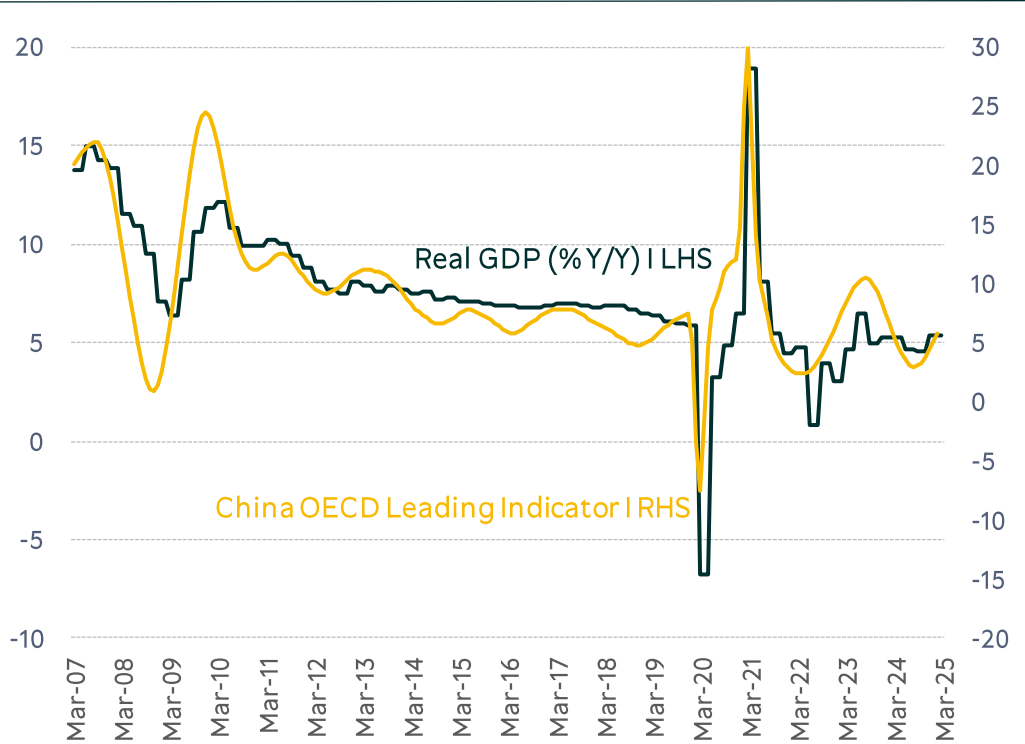


Carry Over Effect

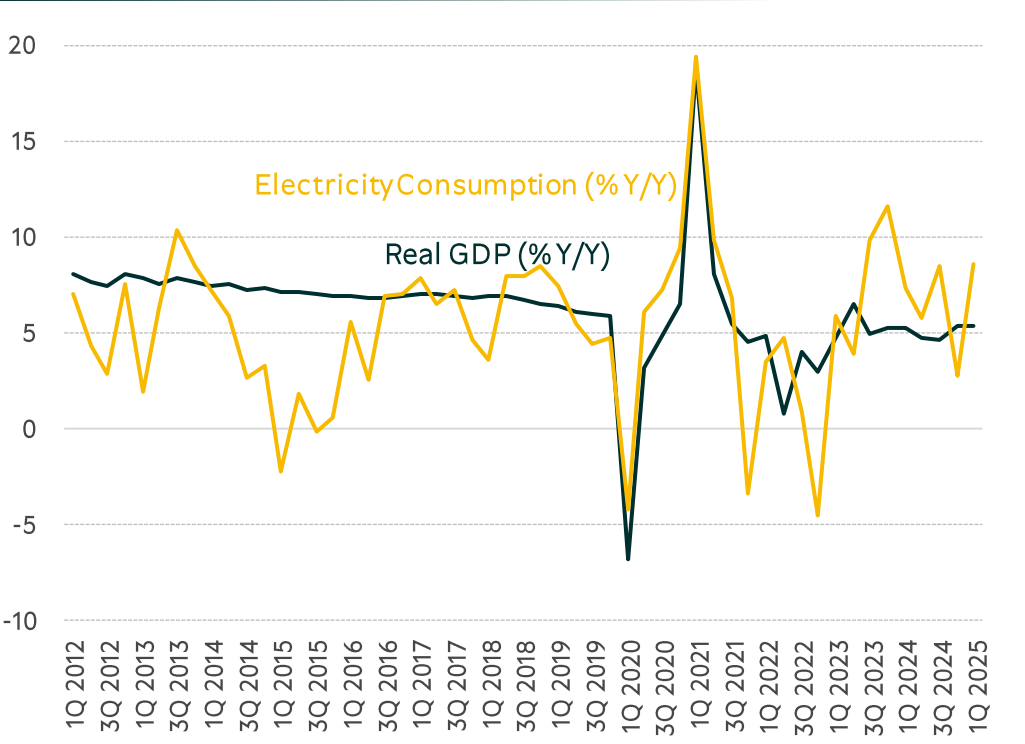


CN GDP | Electricity consumption and OECD's Leading Indicator are trying to move upwards

Real GDP & China OECD Leading Indicator

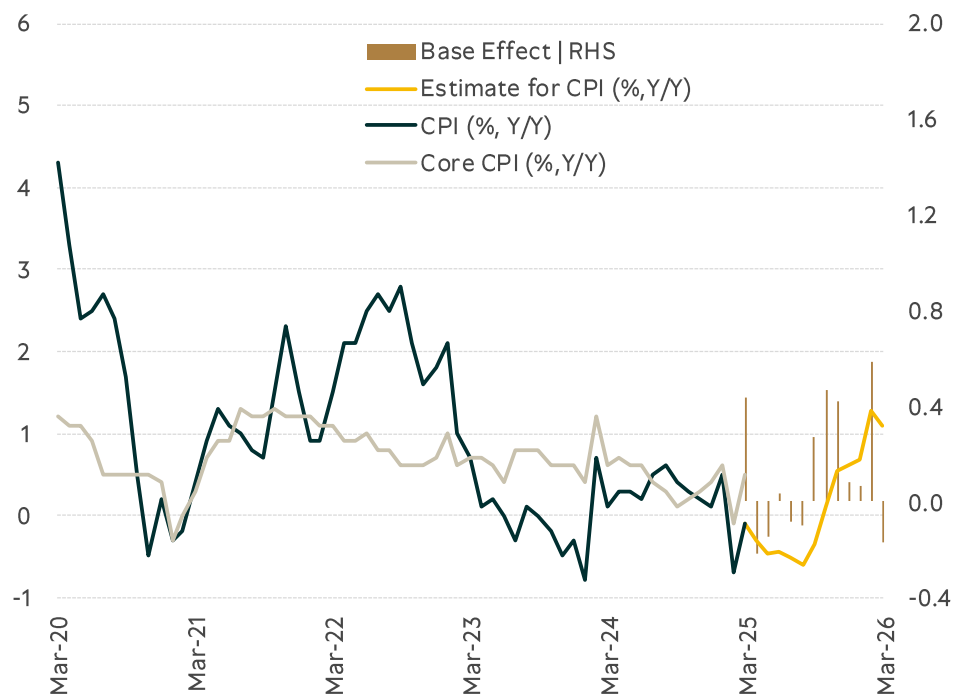


Real GDP & Electricity Consumption

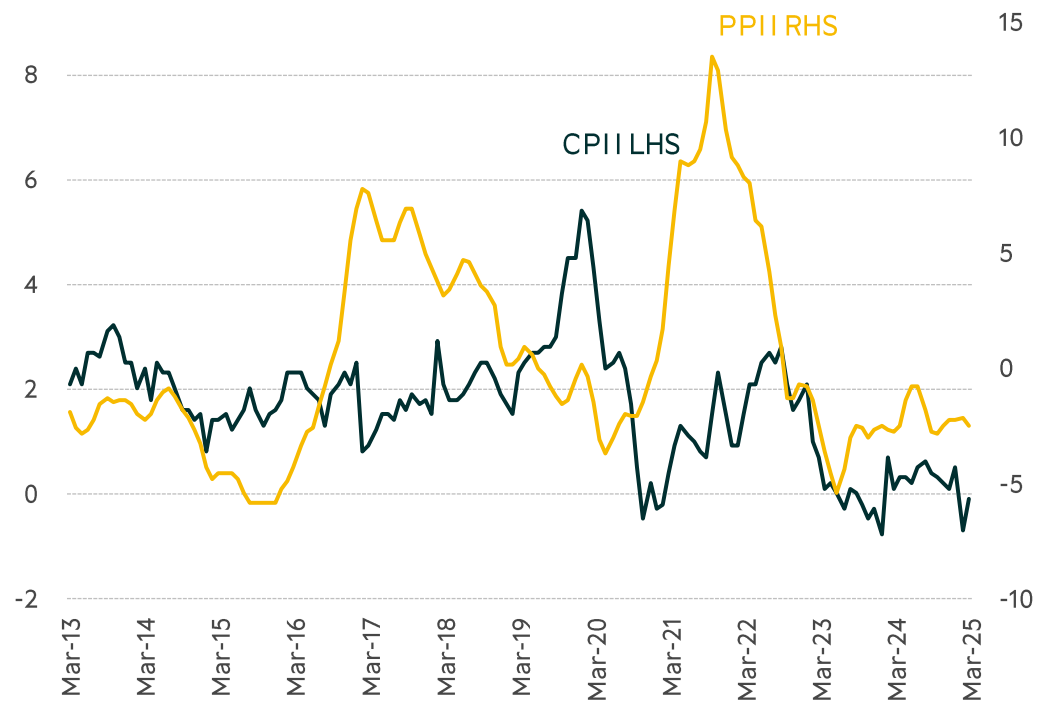


CN Inflation Outlook | Base effects are pointing to higher inflation in the next 12 months

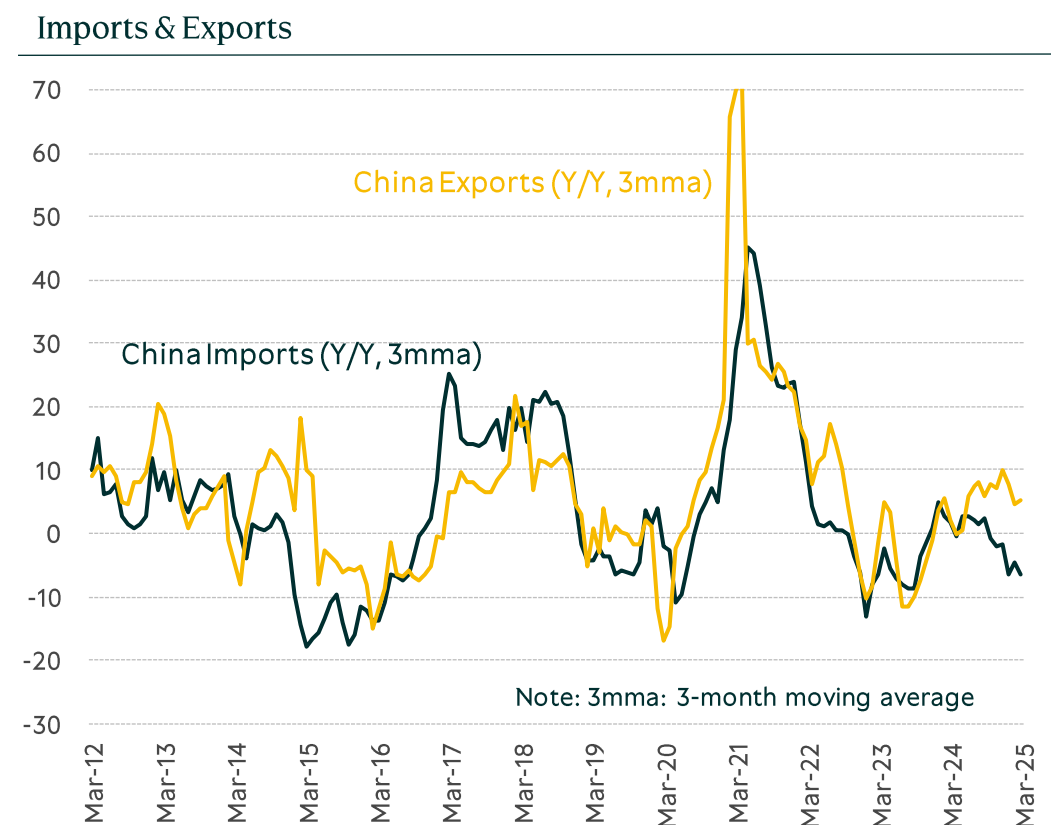
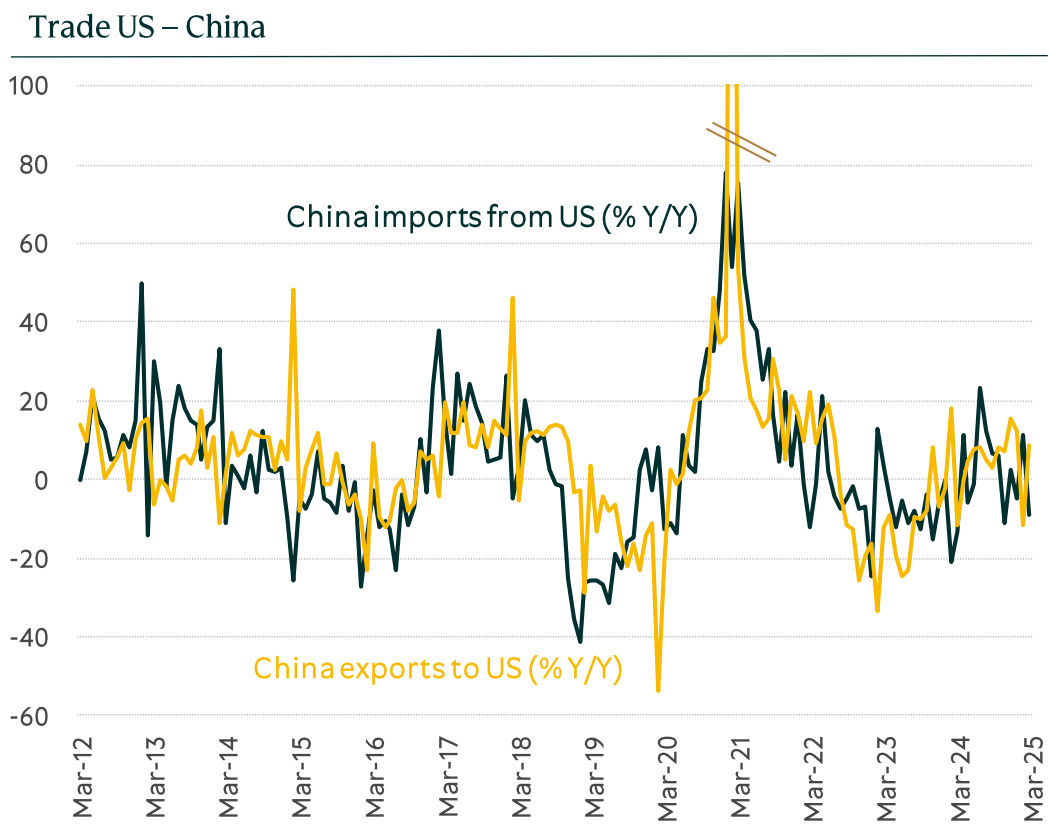
Inflation Rate Forecast | Statistical Model



CPI & PPI

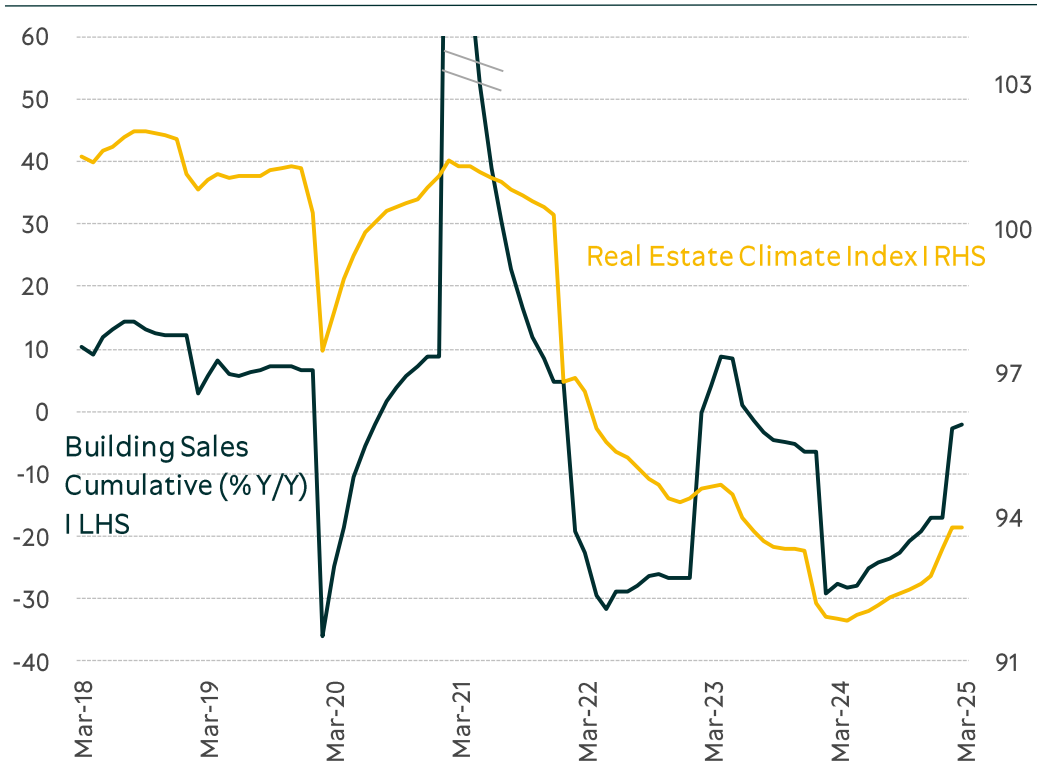


CN Trade | The trade outlook is quite uncertain due to the threat of higher tariffs

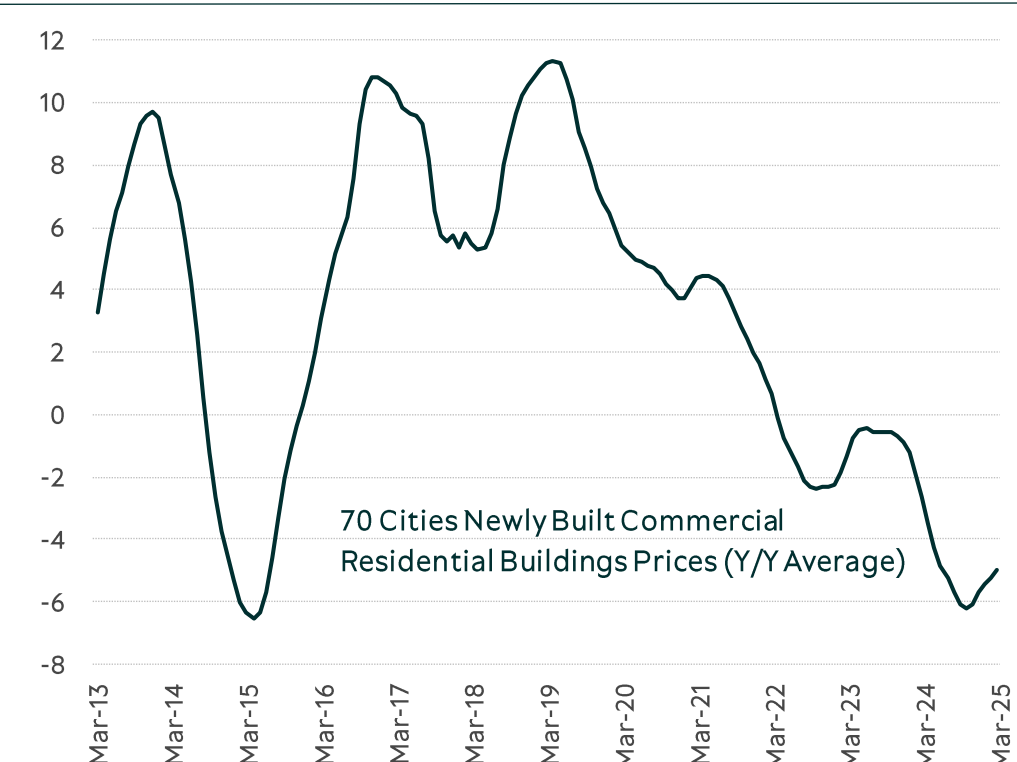


CN Real Estate | Improvement in Building sales and Real Estate climate but Prices still very subdued

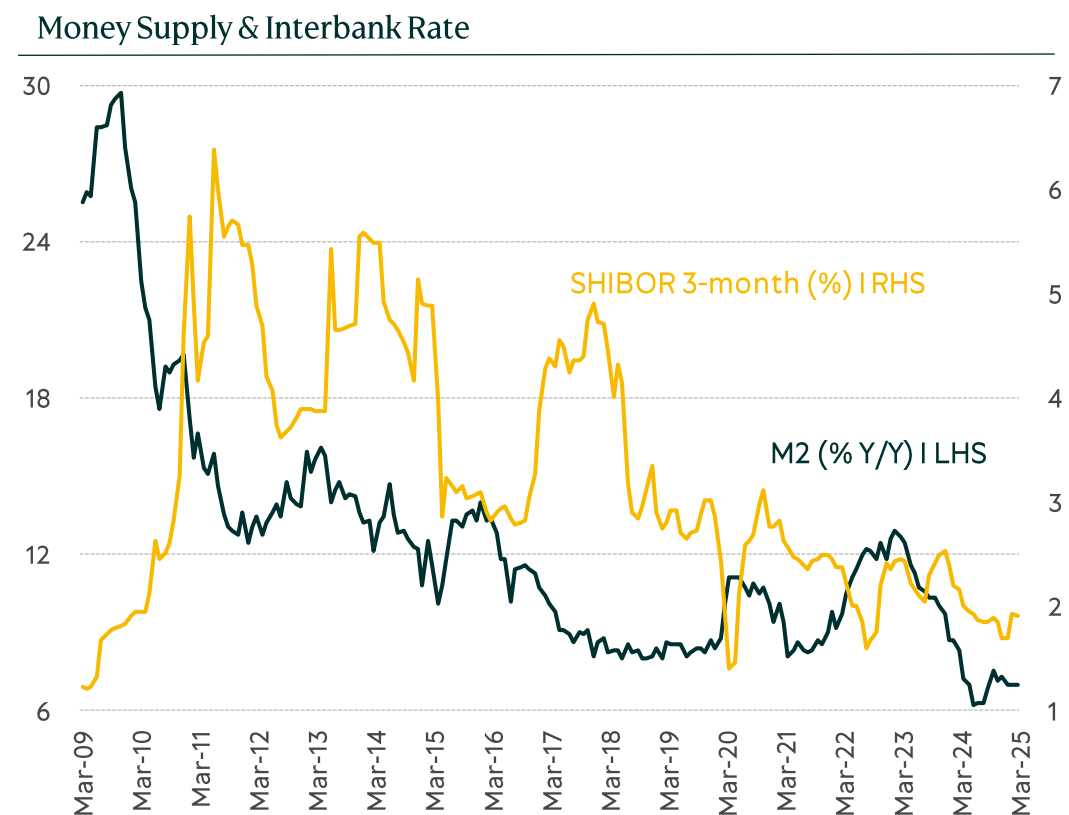
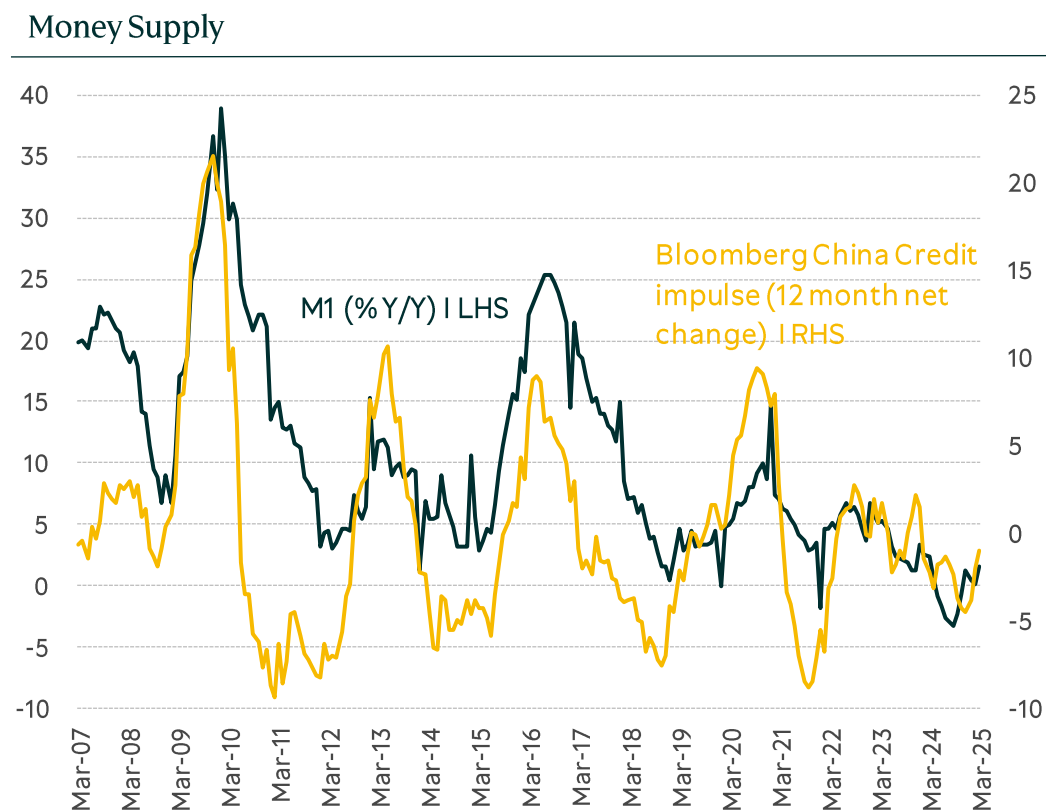
Real Estate Climate & Building Sales



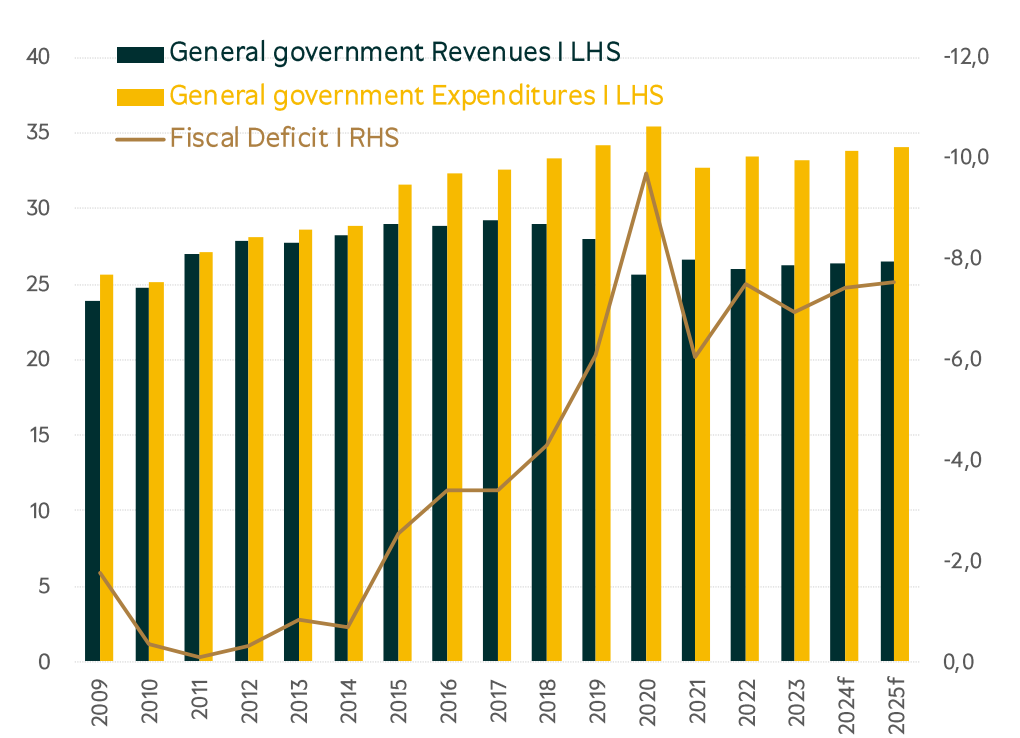
Newly Residential Buildings Prices



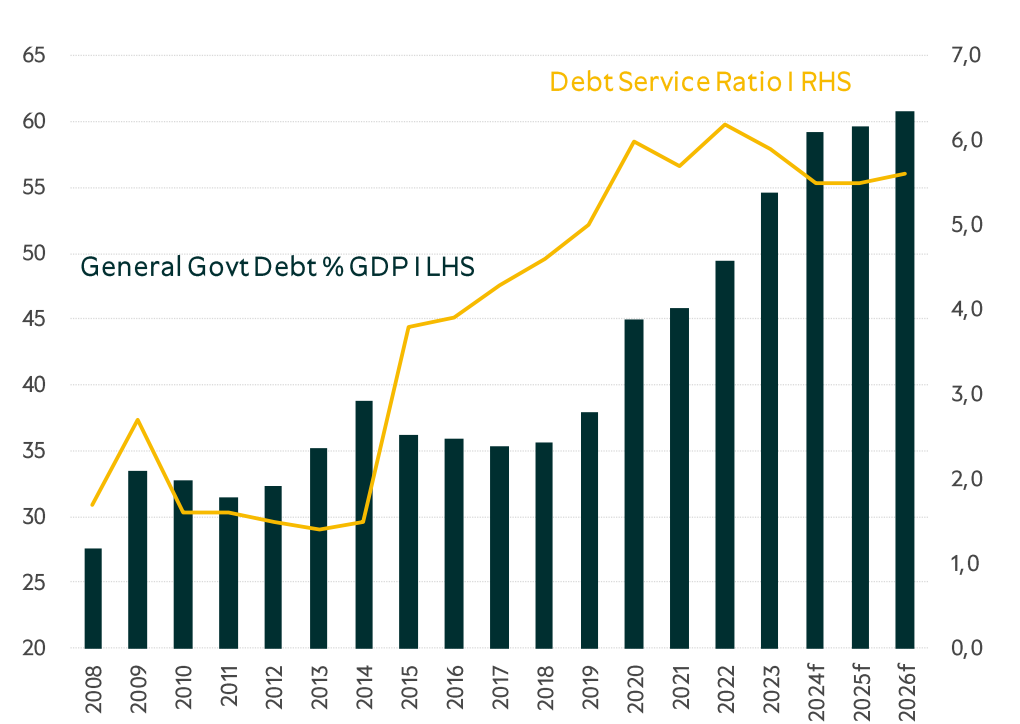
CN Money Supply | M1 and M2 still a drag to GDP ahead



Government Balance



General Government Debt & Debt Service Ratio



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

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