

GLOBAL & REGIONAL MONTHLY

Renewed military tensions in the Middle East have reversed the recent moderation in energy prices, increasing the risk of a more prolonged supply shock. Nevertheless, the global economy remains resilient so far, with strong AI activity helping to partially cushion the effects of the conflict. Higher energy prices are adding to global inflation pressures, raising the risk of broader pass-through to underlying price increases. Against this backdrop, several major central banks are shifting towards a more hawkish stance, particularly where inflation remains above target and growth continues to hold firm. At the same time, expectations of higher-for-longer policy rates, fiscal concerns and heavy bond issuance continue to put upward pressure on long-term government bond yields across major economies.

Macro Picture

USA: solid economic activity, near full employment, lack of progress getting inflation to target

EA: GDP growth showed unexpected strength in H1; upside risks to inflation remain

China: growth remains solid yet uneven with domestic demand still relatively weak

CESEE: growth remains uneven with steady activity and rising political uncertainty

Markets

FX: USD appreciated in September as market discounted higher US rates going forward.

Rates: EUR and USD yields both higher, fuelled by higher energy prices

EM: spreads widened in a volatile period amid rate hikes from both the ECB and the Fed

Credit: remained relatively resilient in September despite rate hikes and primary supply

Policy Outlook

USA: Fed's hawkish September message leaves room for further tightening ahead

EA: risks of further ECB tightening if energy prices pressures intensify, indirect effects deepen

Japan: BoJ increased rate to 1.25%, signalled a new stage in country's monetary policy making

CESEE: fiscal constraints and rising political uncertainty complicate the policy mix

Key Downside Risks

DM & EM: prolonged closure of oil and gas production facilities in the Middle East; persisting disruptions to exports through the Strait of Hormuz; more conflicts arise elsewhere; energy-driven inflation becomes entrenched; sharply tighter global financial conditions; abrupt repricing in AI-related stocks; reescalation of trade tensions; China's domestic-demand weakness becoming more pronounced; El Niño-related agricultural disruptions and renewed food inflation

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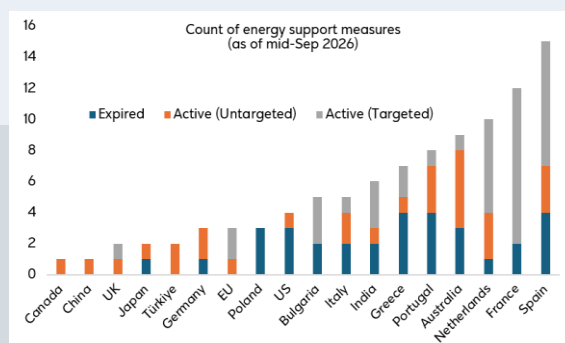
Macro Views

Resilient growth and rising inflation risk prompt major CBs to turn more hawkish

Despite earlier concerns, the global economy continues to weather the adverse effects of the conflict in the Middle East well. This resilience, as reflected in the global composite PMI, which recovered for a fifth straight month in August, reaching its highest level in nearly two years, has been supported by several factors. These include favourable pre-conflict growth momentum, drawdown of oil inventories, additional supply from producers outside the Gulf economies, discretionary government support measures and relatively stable labour market conditions. Lower energy intensity in power generation, reflecting the growing share of renewables and continued improvements in energy efficiency, has also helped cushion the impact of the energy shock. Notably, burgeoning AI-related spending has emerged as an increasingly significant source of global growth. This expansion has been driven primarily by the surge in AI investment in the US, while its broader impact is increasingly visible in accelerating technology exports from several emerging Asian economies, particularly Korea, Taiwan and China. Meanwhile, firmer equity markets in most major economies in recent months have helped keep broader financial conditions relatively supportive, despite a substantial rise in long-term sovereign bond yields on the back of mounting concerns about elevated public debt levels, heavy sovereign debt issuance and sizeable AI-related financing needs ahead.

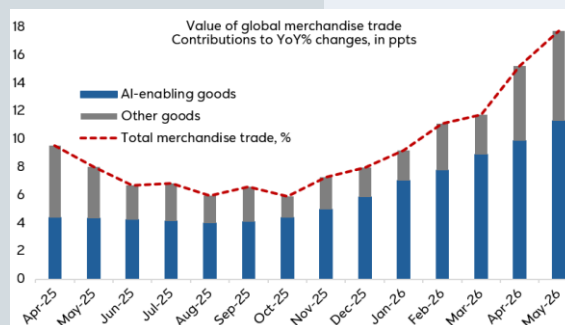
A key feature of the current environment is the reversal of the recent moderation of energy prices, following intensified disruptions to oil and gas supplies in the Middle East amid renewed military tensions after a period of relative calm. Although Brent crude prices have edged down from their recent highs, they remain above the \$100/bbl level, around 55%YoY higher. At the same time, diminished hopes for a near-term and durable resolution to the US-Iran conflict, together with limited visibility on the reopening of the Strait of Hormuz, have led investors to expect oil prices to remain elevated for longer. This is reflected in forward markets, with the December 2027 Brent contract trading at around \$80/bbl as of September 29, pointing to only a gradual

Figure 1: Government support measures have helped cushion the impact of the energy shock



Source: OECD Economic Outlook, Interim Report September 2026, Economic Research

Figure 2: AI-related investment and trade continue to support global growth



Source: OECD Economic Outlook, Interim Report September 2026, Economic Research

normalisation in oil prices over the medium term, while remaining above-pre-conflict levels. European natural gas prices have likewise remained elevated, at more than twice their pre-conflict levels, reflecting a combination of summer heatwaves and low inventories, while the approaching winter season adds to supply concerns.

Meanwhile, the conflict continues to leave a visible imprint on global inflation. Global headline inflation has moved materially higher than in February, largely reflecting persistently elevated oil prices, ongoing strains on global supply chains and strong AI-related demand, which is adding to price pressures across technology goods. By contrast, global core inflation remains broadly close to the levels prevailing shortly before the onset of the conflict, mainly thanks to a moderation in services inflation. Nevertheless, after seven months of elevated energy prices and persistent supply-chain disruptions, pipeline price pressures continue to build beyond the energy sector. As higher input costs gradually feed through to final prices, inflationary pressures could broaden to non-energy goods and services, particularly against a backdrop of continued resilience in the global economy and overall stable labour markets, raising the risk that underlying inflation picks up over the coming quarters.

On global growth, consensus forecasts envisage a modest slowdown in 2026, with GDP projected at 3.0%, down from 3.5% in 2025. However, the outlook remains subject to considerable uncertainty, particularly given the risks surrounding the evolution of the conflict in the Middle East and, in turn, global energy markets. The main downside risk to this outlook is the persistence of the energy shock and the extent of its spillovers to economic activity and inflation. Additional risks stem from weather-related disruptions to commodity supply, tighter trade restrictions and further increases in long-term sovereign bond yields. Another source of uncertainty is the outlook for AI-related investment: if the economic returns from current AI spending were to fall materially short of expectations, a reassessment of valuations could trigger a broader repricing across financial markets and weigh on investment and global growth.

In response to persistently elevated energy prices, several major central banks are shifting towards a more hawkish monetary policy stance, particularly where inflation remains above target and economic growth continues to hold firm. The risk of further tightening could increase if energy prices fail to normalise and there are clear signs that the supply shock is feeding into broader inflation through indirect and second-round effects. By contrast, if higher energy costs increasingly weigh on economic activity, monetary policymakers may face a more difficult growth-inflation trade off, potentially favouring a more cautious approach to further policy tightening.

Developed Economies

US: incoming data continue to point to solid economic activity and a tight labour market, while inflation remains persistently above the 2% target. Consistent with this backdrop, the Fed's updated September

SEP pointed to a somewhat more hawkish policy stance, with the dot plot shifting higher as forecast revisions to the economic outlook were generally modest but broadly tilted in a hawkish direction. At the same time, the transmission of tighter monetary policy to the broader economy remains relatively limited, with overall financial conditions still providing some support to growth rather than acting as a significant drag. Markets have responded accordingly, with Fed funds futures now assigning around 90bps of cumulative tightening over the next 12 months, signalling expectations of a higher-for-longer policy path. That said, the combination of resilient domestic demand, a still-tight labour market, elevated inflation and relatively supportive financial conditions, gives the Fed scope to maintain a tightening bias for longer, as it seeks to ensure that inflation is on a clear and sufficiently rapid path back to target.

Euro area: despite a challenging external environment, marked by elevated energy prices and heightened geopolitical uncertainty related to the conflict in the Middle East, the economy proved resilient in H1. Looking ahead to Q3, economic indicators have been mixed, pointing to some growth moderation following the above-trend pace of 0.6%QoQ in Q2, after a flat reading in Q1. Sentiment indicators point to continued solid momentum, while hard data have been somewhat softer. Market consensus points to a growth rate of 0.3%QoQ, which would nevertheless remain consistent with a still-healthy pace of expansion. Meanwhile, the August inflation headline rose to 3.2%YoY in the final estimate with risks tilted towards further acceleration in the months ahead on the back of persistently elevated energy prices. Indirect energy effects remain limited at this stage. Yet, with pipeline pressures continuing to build, these are likely to pass through to underlying inflation with a lag, raising the risk of broader indirect and, potentially, second round effects. Aiming to mitigate the risk of inflation persistence in an environment of robust activity, the ECB has raised rates by 50bps this year, with further tightening likely, unless the inflation outlook improves materially.

Emerging Economies

EM: the outlook remains broadly resilient, but the balance of risks has become less favourable since the previous month. The OECD's September Interim Outlook revised global growth slightly higher to 2.9% in 2026, followed by 3.0% in 2027, while activity across major emerging economies remains comparatively firm but increasingly differentiated. In Asia, economies closely integrated into technology and AI-related supply chains continue to benefit from strong semiconductors and electronics demand, while other manufacturing exporters face greater competitive pressures. More importantly, renewed energy-price pressures have complicated the inflation and policy outlook. Higher energy costs benefit commodity exporters through improved terms of trade, but increase inflation, external and fiscal pressures for net importers, potentially narrowing the scope for monetary easing. Rising long-term global yields also pose a challenge, particularly for more vulnerable economies with significant external financing needs. Climate risks have meanwhile moved higher, with the OECD highlighting an unusually intense El Niño as a potential source of further supply disruptions. Adverse rainfall and temperature patterns could affect agricultural production and add to food-price pressures across several emerging economies. Political developments

are also moving into focus, particularly in Brazil ahead of the 4 October general election, where attention remains centred on the post-election fiscal framework. Overall, the EM picture has not changed fundamentally, but energy costs, climate risks, global financing conditions and domestic policy uncertainty have become more prominent heading into 2027.

CESEE: economic conditions remain mixed, although improving industrial and export indicators provide some support to the outlook. Poland continues to show relatively resilient domestic activity, with industrial production rising by 4.3%YoY and retail sales by 3.8% in August, while activity in Czechia also remained stable, with GDP expanding by 1.8%YoY in Q2. Export orders have improved across parts of the region, particularly in machinery and electrical equipment, while Hungary is showing more tentative signs of improvement. Overall, however, the recovery remains uneven and domestic demand is still subdued in parts of the region. Inflation developments have also become more differentiated. Polish inflation reaccelerated to 4.0%YoY in September, partly reflecting higher fuel prices, while inflation remained close to target in Czechia and fell further in Hungary. Central banks have consequently remained cautious, with policy rates currently ranging from 3.75% in Poland and Czechia to 5.50% in Hungary, as policymakers balance improving activity against still-present domestic and external price pressures. Fiscal and political developments are increasingly important sources of differentiation. Romania remains the region's most challenging case, as weak economic activity coincides with sizeable fiscal imbalances and prolonged political uncertainty. Difficulties in establishing a stable parliamentary majority following the government's collapse in May complicate fiscal consolidation and could delay reforms and investment linked to EU funding. Political uncertainty has also increased in Serbia following President Vučić's resignation and ahead of the 25 October snap election, although economic activity remains comparatively resilient. Overall, the regional outlook has improved modestly on the external side, but differences in domestic demand, fiscal space and political stability remain substantial. These country-specific factors are likely to play an increasingly important role alongside the broader European economic cycle.

Markets View

Foreign Exchange

EUR/USD: declined 2.38% over the 30-day period from August 31 to September 29, 2026, falling from 1.1618 to 1.1341. The pair reached a period high of 1.1633 on September 9–10 before entering a sustained down-trend, breaking below the key 1.14 level around September 22–23 and sliding to a two-month low of 1.1341 as of September 29. The primary driver of euro weakness has been broad dollar strength, fuelled by Fed hawkishness and US rate outperformance — the 10-year Treasury yield rose through 5% in mid-September. On the euro side, ECB President Lagarde's comments on September 28 — that rising bond yields would slow growth and reduce inflation pass-through — led traders to pare ECB rate hike expectations to less than a 30% probability for October, adding further pressure on the common currency.

USD/CHF: gained 3.19% over the 30-day period from August 31 to September 29, 2026, rising from 0.8084 to 0.8342. The pair traded in a tight range near 0.81 through early September before breaking higher, reaching a period high of 0.8342 as of September 29 — its strongest level since May 2025. The primary driver of franc weakness has been monetary policy divergence. The SNB held its policy rate unchanged at 0% on September 24 and dialled down its language around FX intervention, removing its reference to an "increased willingness" to act in currency markets. SNB Chair Schlegel noted that the rate differential versus the Fed and ECB makes the franc less attractive as a carry destination.

Rates

EU: swaps have sold off sharply since the start of September, with the 5y at 3.600% and the 10y at 3.661%, driven by the ECB's 25bp hike in September — its second since the Iran war began — and a renewed energy-price shock, which is keeping inflation well above target. The long end has lagged significantly, with the 30y at 3.518%, leaving the 10s30s spread deeply inverted at -14.3bps, as the market views the hiking cycle as finite even as the belly reprices aggressively higher. OIS now prices approximately 3.6 ECB hikes over the next 12 months, implying ~90bps of additional tightening to a terminal rate near 3.35% by September 2027, with a rate hike by the December meeting now fully priced in.

US: the SOFR swap curve has marginally bear-steepened, with the 5y at 4.759%, the 10y at 4.837%, and the 30y at 4.894%, giving a 10s30s spread of +5.7bps — essentially flat with a very modest positive slope. The Fed OIS strip prices approximately 3.65 hikes over the next 12 months, lifting the implied policy rate to ~4.79% by September 2027, a hawkish shift driven by resilient US data and NY Fed President Williams flagging one more hike "late this year."

Emerging Markets Sovereign Credit

EM hard currency sovereign bond spreads widened in September, a volatile month driven by further rate hikes from both the Fed and the ECB, as concerns over the global inflation outlook intensified. The CDX EM Index widened by 11bps, ending the month at 156bps. In CEE, Bulgaria underperformed, with its 10-year EUR-denominated bond widening by 18bps, closing the month at 94bps ASW. Romania and Hungary followed, with their 10-year EUR bonds widening by 15bps and 13bps, respectively, ending the month at 265bps ASW and 83bps ASW. In Asia, Indonesia proved the most resilient sovereign. Its USD-denominated bonds widened by only 5bps, ending the month at 136bps. In LatAm, Chile and Mexico saw their USD-denominated sovereign bonds widen by 8bps, closing at 99bps and 203bps, respectively.

We maintain a cautious stance on the EM asset class, as the sharp increase in global interest rates and the ongoing tightening cycles by both the Fed and the ECB continue to fuel market volatility. At the same time, valuations remain relatively rich against a backdrop of fragile macroeconomic fundamentals and persistent inflation risks.

Corporate Credit

Resilient growth was accompanied by renewed inflation concerns in September, prompting both the Fed and the ECB to raise rates. The Eurozone flash composite PMI increased to 53.1, its highest since April 2023, while US business activity expanded at its fastest pace since July 2021. Oil remained volatile, with the Middle East conflict and uncertainty over supply through the Strait of Hormuz keeping inflation concerns elevated. Brent briefly approached \$110/bbl before easing back. Equities proved more resilient than government bonds, with AI optimism supporting US technology shares: the Nasdaq gained 3.2% in September, while the S&P 500 dropped -0.5%. European equities came under greater pressure from higher energy costs and yields, with the STOXX 600 down -2.5% and the DAX down -4% last month.

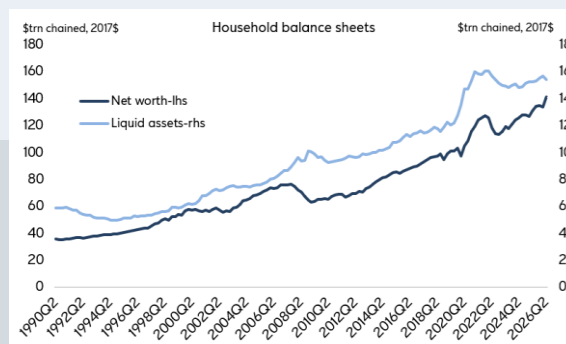
Credit remained relatively resilient, although performance became more differentiated. Spreads remained tight across much of the ratings spectrum, while highly rated AI-related issuers faced pressure from concerns over rising capital expenditure and associated financing needs. Primary markets remained active despite rates volatility. Synthetics widened in both Europe and the US, with Main and CDX IG widening by 9.9bps and 8.8bps, respectively. Cash held up relatively well, although signs of weakness emerged in the final week of September.

US

Fed's hawkish September message leaves room for further tightening ahead

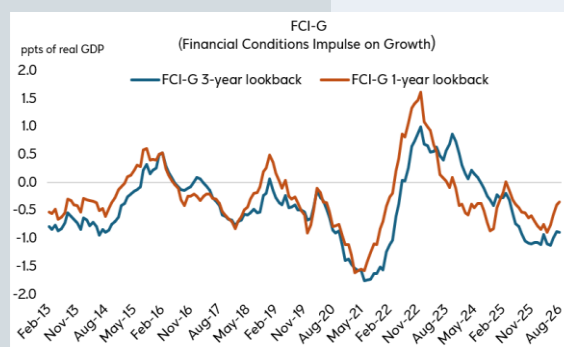
Incoming data continue to point to solid economic activity and a tight labour market, while inflation remains persistently above the 2% target. The final estimate puts Q2 real GDP growth at 2.2%QoQ saar, 0.7ppts above the previous estimate, while real final sales to private domestic purchasers (PDFP) advanced 4.6%QoQ saar, 0.4ppts higher than previously reported, highlighting solid underlying domestic demand, largely driven by stronger consumer spending. The rebound in retail sales in August (+1.2%MoM) provides further evidence of resilient household demand, following the distortion to June and July spending patterns from earlier-than-usual promotional activity, including Amazon Prime Day. An important factor underpinning the resilience of consumer spending is the strength of household balance sheets, with the Fed's Q2 Financial Accounts showing a further sizable increase in household net worth, more than offsetting the drag from higher energy prices. At the same time, the labour market remains broadly consistent with near-full employment, with the unemployment rate unchanged at 4.1% in August and still close to the Fed's NAIRU estimate. Meanwhile, inflation continues to provide limited reassurance that price pressures are returning to target at a sufficiently rapid path. August inflation was firmer than expected, with core CPI edging down by just 0.1ppt to 2.4%YoY, reflecting persistent services inflation, at 3.0%YoY. Consistent with this backdrop, the Fed's updated September SEP pointed to a somewhat more hawkish policy stance, with the dot plot shifting higher as forecast revisions to the economic outlook were generally modest but broadly tilted in a hawkish direction. Markets have responded accordingly, with Fed funds futures now assigning around 90bps of cumulative tightening over the next 12 months, signalling expectations of a higher-for-longer policy path. At the same time, the transmission of tighter monetary policy to the broader economy remains relatively limited. The Fed's FCI-G indicator remains in negative territory, suggesting that, though financial conditions are getting less accommodative in recent months, they are still providing some support to growth rather than acting as a significant drag. That said, the combination of resilient domestic demand, a still-tight labour market, elevated inflation and relatively supportive financial conditions, gives the Fed scope to maintain a tightening bias for longer, as it seeks to ensure that inflation is on a clear and sufficiently rapid path back to target.

Figure 3: Household balance sheets remain a key source of economic resilience



Source: Fed, Eurobank Research

Figure 4: Financial conditions are getting less accommodative, but still not restrictive



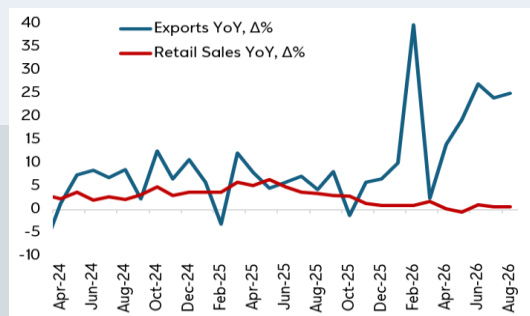
Source: Fed, Eurobank Research

China

Growth remains polarised given persistent domestic demand weakness

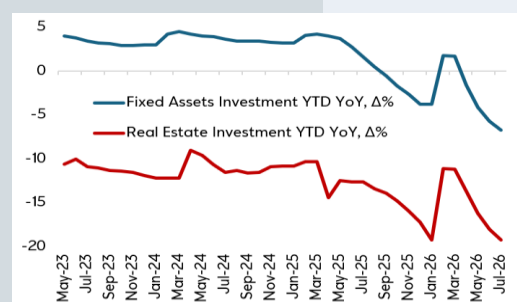
The growth pattern became increasingly polarised over the summer, as continued strength in manufacturing and exports contrasted with a further deterioration in domestic demand and property activity. Following real GDP growth of 4.3%YoY in Q2 and 4.7% in H1, recent indicators suggest that this divergence persisted into Q3. Industrial production rose by 5.2%YoY in August, while business surveys improved in September. The official manufacturing PMI returned to expansionary territory at 50.1, supported by stronger production, while the non-manufacturing PMI recovered to 50.2. However, new orders remained below the expansion threshold, suggesting that the improvement in non-manufacturing activity is not yet firmly established. Investment remains a major source of weakness. Fixed-asset investment declined by 7.2%YoY in January–August, while the property downturn deepened further, with real-estate investment contracting by 19.9%YoY (vs -19.2%YoY in January–July). Retail sales increased by only 1.1%YoY over the same period, providing little evidence so far of a meaningful strengthening in household demand. External demand remains an important counterweight. Goods exports increased by 14.6%YoY in January–August, with higher-value manufacturing and technology-related products performing considerably better than traditional labour-intensive exports. The September meeting between Presidents Xi and Trump also reduced some near-term uncertainty surrounding bilateral trade relations, as the two sides agreed to deepen trade consultations and pursue further measures to facilitate bilateral commerce, although major structural disagreements remain. Price pressures remain modest, with CPI inflation at 0.8%YoY and core inflation at 1.0%YoY in August, while the improvement in producer prices suggests some easing of deflationary pressures upstream. Policy support is meanwhile becoming broader. In September, the Ministry of Finance announced RMB300bn of special sovereign bonds to replenish the core Tier 1 capital of eight centrally administered financial institutions, strengthening their capacity to absorb risks and support the real economy. This comes alongside faster fiscal implementation and targeted measures to support consumption and stabilise the property sector. Overall, manufacturing and exports continue to cushion domestic weakness, but a more balanced expansion will require stronger household demand, improved confidence and a gradual stabilisation of the property market.

Figure 5: Export strength contrasts with weak domestic demand



Source: Bloomberg, Eurobank Research

Figure 6: Property downturn continues to weigh on investment



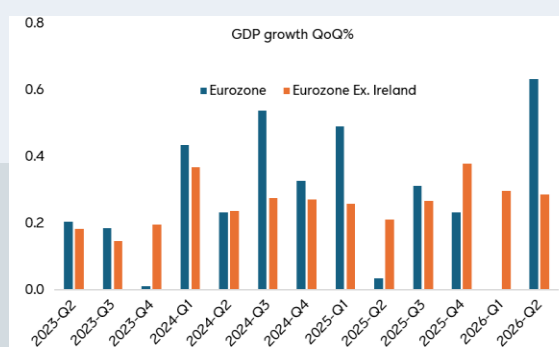
Source: Bloomberg, Eurobank Research

Euro area

Growth resilient, while upside inflation risks remain

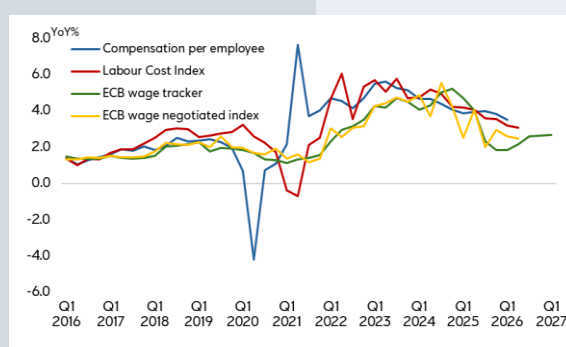
Despite a challenging external environment, marked by elevated energy prices and heightened geopolitical uncertainty related to the conflict in the Middle East, the economy proved resilient in H1. Inventory accumulation ahead of likely supply disruptions and further price increases boosted manufacturing activity. Higher defence spending, spillovers from the strong momentum in global AI-related investment and activity and fiscal measures aimed at cushioning the impact of elevated energy costs provided additional support to economic activity. Looking ahead to Q3, economic indicators have been mixed, pointing to some growth moderation following the above-trend pace of 0.6%QoQ in Q2, after a flat reading in Q1. Sentiment indicators point to continued solid momentum, notably the PMIs. The composite PMI rose further September to a more-than-three year high of 53.1, bringing the average for Q3 to 52.4, sharply up from 49.1 in Q2. By contrast, hard data have been somewhat softer. Industrial production declined by 0.1%MoM in July for the second consecutive month, reversing part of the gains recorded over the previous four months. Similarly, retail sales fell by 0.6%MoM in July, offsetting modest gains recorded over the previous two months. Market consensus points to a moderation in growth to 0.3%QoQ in Q3, which would nevertheless remain consistent with a still-healthy pace of expansion. Overall, we stick to our 0.9% GDP projection for the full year, with the outlook however remaining sensitive to energy price dynamics. Meanwhile, the August inflation headline rose to 3.2%YoY in the final estimate on higher energy inflation, up from 2.9%YoY in July and 1.9%YoY in February, before the conflict began, with risks tilted towards further acceleration in the months ahead on the back of persistently elevated energy prices. Core CPI was confirmed at 2.4%YoY, the same level as before the war. With the pre-conflict trend towards wage moderation remaining intact so far, services inflation eased 0.3ppts to 3.0%YoY, more than offsetting an increase in non-energy industrial goods inflation to 1.2%YoY. Overall, indirect energy effects remain limited at this stage. Yet, with pipeline pressures continuing to build, these are likely to pass through to underlying inflation with a lag, raising the risk of broader indirect and, potentially, second round effects. Aiming to mitigate the risk of inflation persistence in an environment of robust activity, the ECB has raised rates by 50bps this year, with further tightening likely, unless the inflation outlook improves materially.

Figure 7: GDP growth showed unexpected resilience in first half of 2026



Source: Eurostat, Eurobank Research

Figure 8: The rise in inflation has not materially altered the pre-conflict wage moderation trend



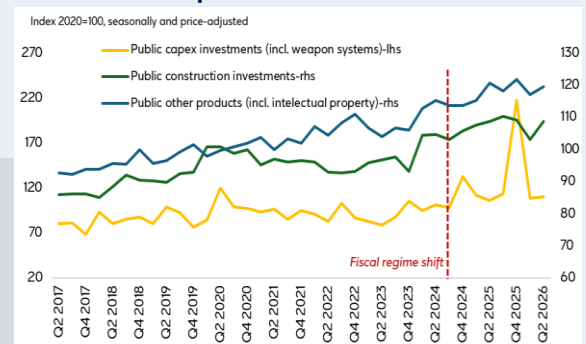
Source: ECB, Eurobank Research

Germany

Expansionary fiscal policy should provide a firmer basis for recovery

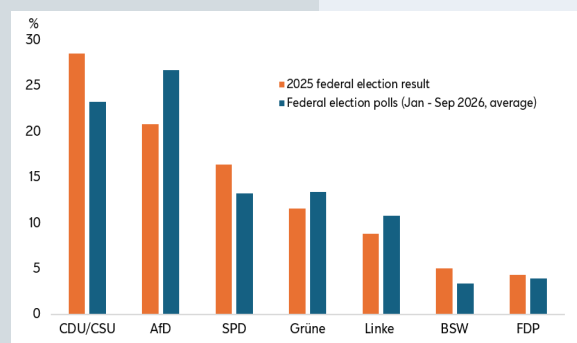
Despite the headwinds from the energy price shock, economic activity proved more resilient than anticipated in H1, with net trade emerging as the main driver of growth. Looking ahead, however, incoming hard data through July point to a temporary loss of momentum in Q3. Industrial production declined by 1.1%MoM in July, following a downward-revised flat reading in June, driven by a 2.2%MoM drop in manufacturing output, largely reflecting a temporary shutdown in the automotive sector. Low water levels on the Rhine following this summer's heatwaves could pose an additional downside risk to August industrial activity, due to disruptions to inland shipping. Retail sales likewise fell by a larger-than-expected 3.4%MoM in July, their sharpest decline in five years, after a flat reading in the previous month, reflecting persistently subdued consumer sentiment, continued softness in the labour market, and inflation-related erosion of households' purchasing power. That said, underlying growth momentum appears to remain positive, as suggested by the marked improvement in business surveys in recent months. The composite PMI rose by a further 2pts in September to a near one-year high of 53.8, while the Ifo business climate index improved for a fifth straight month to 89.9, its highest level in more than a year, suggesting that the economy is regaining momentum as it heads into Q4. Business sentiment appears to have benefited from the government's approval of a major reform package in early July, aimed at addressing structural constraints through tax and pension reform, greater labour-market flexibility and reduced red tape. Meanwhile, the AfD's strong performance in the three regional state elections of recent weeks is likely to add pressure on the government to deliver tangible economic improvements ahead of the next federal election in 2029. At the same time, the increasingly expansionary fiscal stance reflected in higher public spending, should become more visible in the real economy, particularly through stronger investment activity, providing a firmer basis for near-term recovery. Private consumption should receive some additional support from the government's recently announced temporary reduction in taxes on diesel and petrol from 1 October through year-end, aimed at mitigating the impact of elevated fuel prices. While downside risks remain significant, notably from elevated oil prices, low gas storage levels and persistent geopolitical uncertainty, we maintain our projection for 2026 GDP growth at 0.9%, up from 0.5% previously.

Figure 9: Fiscal regime shift reflected in higher real public investment



Source: Destatis, Eurobank Research

Figure 10: AfD in a clear lead in recent polls



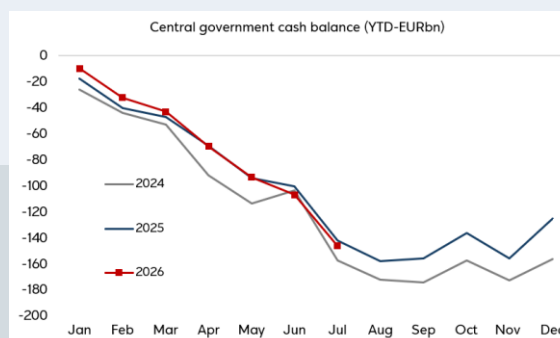
Source: Published opinion poll results (Jan-Sep 2026), Eurobank Research

France

Fiscal concerns come to the fore again: OATs underperform EA peers

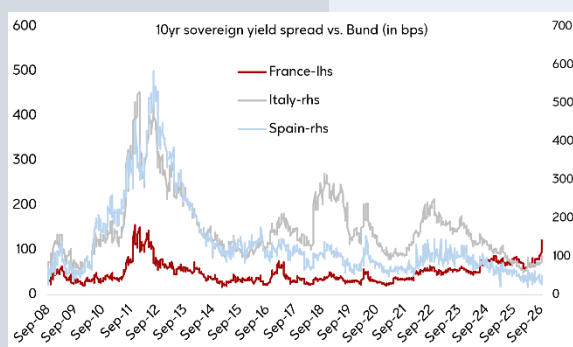
France's fiscal position is once again under scrutiny on the back of subdued economic growth, persistent fiscal challenges, and heightened political uncertainty ahead of the 2027 presidential election. Downward revisions to H1 GDP data confirmed a weaker-than-previously estimated growth profile, with the economy narrowly avoiding a technical recession. H2 growth prospects also remain challenging, reflecting elevated energy prices and the adverse effects of this summer's heatwaves, prompting the government to revise down its 2026 GDP growth forecast by 0.2ppt to 0.5%, while maintaining its 1.0% projection for 2027. Against this backdrop, the government expects a slight slippage in the budget deficit this year to around 5.4% of GDP, compared with its 5.0% target, following a deficit of 5.1% in 2025 and 4.8% in 2024. The central government budget deficit stood at €145.9bn YTD through July, around €4bn wider than in the same month last year. Revenue remains broadly in line with the government's budget plan, while spending growth is running slightly above target, at around 4.8%YoY versus 4.0%YoY projected, mainly due to additional expenses related to higher interest payments, energy-related support measures, and higher defence spending. In addition, weaker growth and additional costs stemming from this summer's heatwaves raise the risk of further fiscal slippage in H2. For 2027, Prime Minister Lecornu set a deficit objective of 5.0%, alongside a fiscal adjustment of around €54bn, equivalent to approximately 1.7% of GDP, to help meet this target. Under a no-additional-measures scenario, Lecornu warned that higher debt-servicing costs, pension and benefit indexation, higher defence spending, and a larger contribution to the EU budget could widen the 2027 budget deficit to 6.5%. However, given the lack of a parliamentary majority and the high degree of political fragmentation, securing parliamentary support for such a sizeable fiscal consolidation is likely to prove difficult. This is particularly the case ahead of the 2027 presidential election, with recent polls continuing to show far-right candidate Marine Le Pen in a clear lead, keeping the prospect of a second-round run-off against far-left candidate Jean-Luc Mélenchon in focus. Political and fiscal risks, together with expectations of higher ECB rates have been reflected in the significant underperformance of OATs relative to Eurozone peers, with the 10-yr Bund-yield spread widening above the psychologically important level of 100bps for the first time since July 2012.

Figure 11: Monthly budget data point to some fiscal slippage in 2026



Source: INSEE, Eurobank Research

Figure 12: France's 10-yr sovereign bonds have recently underperformed their EA peers



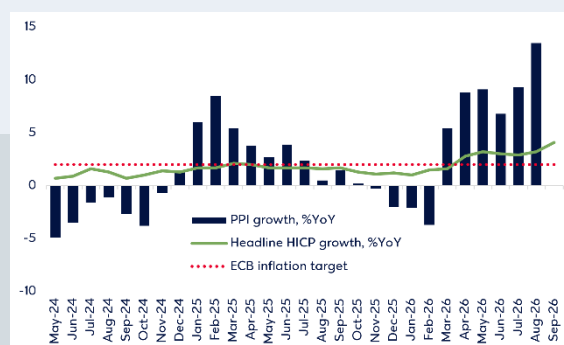
Source: Reuters, Eurobank Research

Italy

Inflationary pressures continue mounting as economic confidence deteriorates

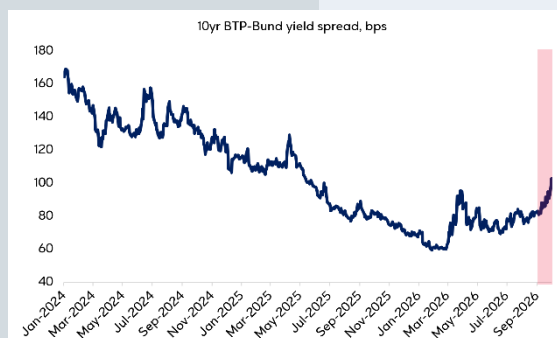
Italy's economy ended Q3 with a combination of weakening confidence and sharply higher inflation pointing towards what could be a challenging end to the year. Inflation presents the clearest near-term challenge. Preliminary HICP inflation accelerated by 0.9ppts to 4.1%YoY in September, above the 3.7%YoY consensus, while prices rose by 2.0%MoM. The national CPI measure increased by 4.2%YoY, up from 3.3%YoY in August, as regulated and non-regulated energy inflation rose to 25.9%YoY and 22.2%YoY, respectively; unprocessed-food inflation also strengthened to 5.5%YoY. The breadth and persistence of these pressures will determine whether the shock remains concentrated in volatile components or begins to erode household purchasing power more materially. Consumer confidence fell by 3.3pts to 91.2 in September, substantially below the consensus forecast of 94.4, while the broader economic sentiment indicator declined by 1.1pts to 95.9. The deterioration was not uniform: manufacturing confidence rose by 1.7pts to 91.9, exceeding expectations and offering tentative evidence that the industrial sector is stabilising. The manufacturing PMI also beat consensus expectations, increasing by 0.8pts to 50.4 and moving into expansionary territory. This improvement follows a stronger-than-expected July production reading. Industrial output increased by 0.7%MoM after contracting by a revised 1.1%MoM in June, while working-day-adjusted production was unchanged from a year earlier, compared with expectations of a 0.6%YoY decline. The rebound ended two consecutive monthly falls but does not yet establish a sustained industrial recovery. There are also shifts happening in the labour market. This is tight by historic standards, but the unemployment rate unexpectedly rose to 6.2% in August from an upwardly revised 6.0% in July. This means the rate has now increased 0.7ppts since hitting a record low in January. However, employment remains stable, with the change coming as a result of a drop in the number of inactive people. Meanwhile, Italian bonds are coming under some pressure, with the spread of Italian 10yr bonds over their German counterparts widening above 100bps for the first time in more than a year on September 30. This is driven in part by wider bond market trends, but it has also been compounded by fiscal setbacks as the 2025 deficit was confirmed at 3.1%, keeping the country in the EU's Excessive Deficit Procedure just as the government is preparing its 2027 pre-election budget.

Figure 13: Headline inflation is gathering pace as pipeline pressure feeds through



Source: Istat, Bloomberg, Eurobank Research

Figure 14: Italy's spread over German 10yr bonds sharply increased in September



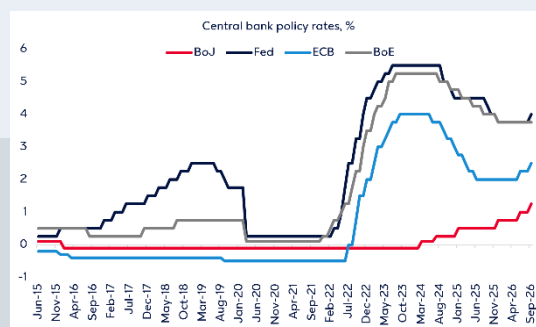
Source: Bloomberg, Eurobank Research

Japan

BoJ tightens despite softening activity as inflation risks remain tilted upwards

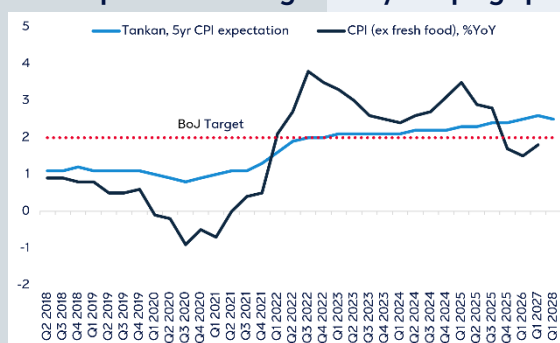
The BoJ raised its policy rate by 25bps to 1.25% at its 17–18 September meeting, approving the decision by a 7-2 majority and continuing the gradual withdrawal of monetary accommodation despite uneven growth momentum. The BoJ judged that the economy continued to recover moderately, while higher input costs, yen depreciation and firms' ongoing pass-through of wage increases kept the balance of inflation risks tilted upwards. At his press conference following the meeting, Governor Kazuo Ueda said the central bank had shifted to a new stage in policymaking – aimed at stabilising inflation at around 2%, following the country's deflationary decades when the central bank aimed to encourage price growth – hinting that further hikes could follow. However, following a yen rally leading up to the meeting, the reaction from markets suggested that the BoJ's actions were insufficiently hawkish to convince investors that the pace of the hiking cycle will speed up substantially. After the yen rally drove USD/JPY below 153 earlier in September, Japan's currency weakened to around 158 as of October 1. At the same time, markets were pricing in just an 18% probability of another 25bp hike this month, though an increase was fully priced in by December's meeting. The latest activity indicators nevertheless argue for a measured pace of further tightening. The composite PMI declined by 1.0pt to 52.5 in September, with manufacturing easing to 54.1 from 54.9 and services to 51.6 from 52.5, though all three indices remained above the 50 expansion threshold. The BoJ's Q3 Tankan survey offered mixed signals from the corporate sector, with the business conditions index for large manufacturers rising to 24 from 22, while that for large non-manufacturers eased to 35 from 37. Hard data were weaker. Industrial production fell 1.7%MoM in August, against expectations of a 1.3%MoM increase. Retail sales also declined 1.2%MoM, while annual growth slowed to 2.7% from 4.0%. These releases point to a loss of momentum during Q3 rather than a broad contraction, with AI-related external demand and business investment providing offsets to softer household and industrial activity. Inflation has moderated at the headline level, but price pressures have not disappeared. Headline CPI inflation held at 1.9%YoY in August, while core CPI growth, which excludes fresh food, edged down to 1.7%YoY from 1.8%YoY. By contrast, producer-price inflation accelerated to 7.6%YoY, highlighting the potential for another round of cost pass-through, particularly if elevated energy prices and yen weakness persist.

Figure 15: The BoJ's policy normalisation continues with the latest 25bp hike



Source: Bloomberg, Eurobank Research

Figure 16: Core inflation remains contained, but expectations are gradually creeping up



Source: Bloomberg, Eurobank Research

India

Strong growth momentum challenged by rising inflation risks

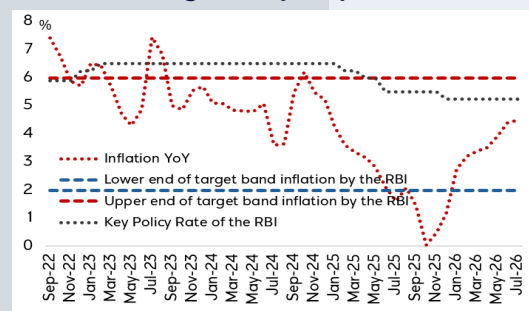
India entered Q2 FY27 with strong growth momentum, although the macroeconomic backdrop has become less benign as inflation and external risks increase. Real GDP expanded by 7.8%YoY in Q1 FY27 (April–June), supported by resilient domestic activity. High-frequency indicators suggest that momentum remained firm during the summer, with the September composite PMI remaining comfortably in expansion territory. Bank credit also continued to expand rapidly, with non-food credit growth reaching 18.8%YoY at end-August, compared with 10.2% a year earlier, pointing to continued strength in credit demand across the economy. The main change in the outlook comes from inflation. Headline CPI growth accelerated to 4.82%YoY in August from 4.45% in July, while food inflation increased to 5.95%. Food-price risks have increased further following a weak monsoon season. The 2026 southwest monsoon ended with rainfall around 12.6% below its long-period average, the largest deficit since 2015. The shortfall, associated with El Niño conditions, raises risks to agricultural output and could keep food inflation elevated in the coming months. Against this backdrop, the balance of risks for monetary policy has shifted. While the timing of any adjustment remains uncertain, stronger growth combined with rising food inflation and external pressures from elevated oil prices leaves the RBI with less room to maintain an accommodative policy stance. Fiscal policy continues to combine gradual consolidation with support for investment. The FY27 budget targets a central government deficit of 4.3% of GDP, marginally lower than 4.4% in FY26. Public capital spending nevertheless remains an important pillar of the growth model, supporting infrastructure and overall capital formation at a time when the private investment cycle has yet to broaden decisively. Overall, India continues to combine strong economic growth with robust credit activity, but the policy environment is becoming more challenging. Higher food inflation, El Niño-related agricultural risks and external energy pressures could increasingly constrain monetary policy. Beyond the near term, the quality and sustainability of growth will depend on a broader revival in private investment and employment creation. The immediate question is therefore shifting from whether growth can remain strong to whether it can do so without generating renewed inflationary pressures.

Figure 17: Economic growth remains robust



Source: MOSPI, Eurobank Research

Figure 18: Renewed inflation pressures warrant greater policy caution



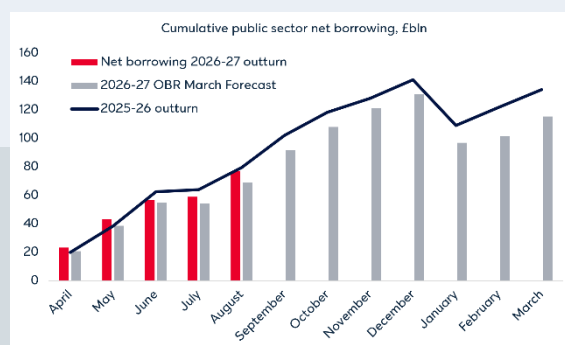
Source: RBI, Eurobank Research

UK

New chancellor faces first budget test with fiscal constraints tightening

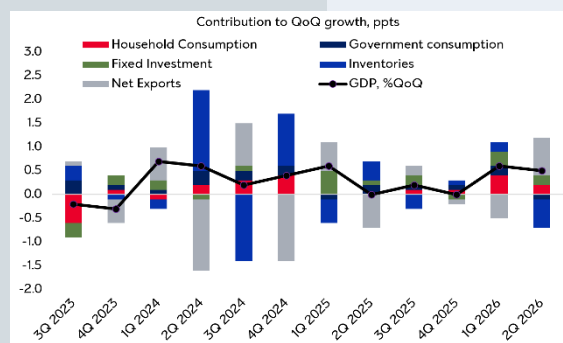
Chancellor of the Exchequer John Healey faces a difficult first budget announcement on October 28, with higher bond yields, an overshoot in public borrowing and existing spending commitments eroding the government's room for manoeuvre. Reported estimates suggest that higher inflation and borrowing costs have reduced the GBP23.6bn fiscal buffer recorded in March to around GBP8.5–12.0bn before any new tax or spending measures. The Treasury is reportedly considering whether to retain a smaller cushion against the fiscal rules, limiting the scale of immediate consolidation but leaving the public finances more exposed to adverse economic or market developments. The latest budget data reinforce the pressure. Public-sector net borrowing reached GBP18.3bn in August, GBP2.9bn higher than a year earlier and GBP3.5bn above the Office for Budget Responsibility's forecast. Borrowing totalled GBP77.3bn in the first five months of FY2026/27, overshooting the forecast profile by GBP8.1bn, mainly because central-government spending on social benefits and debt interest was higher than expected. This weak starting point leaves the chancellor balancing three competing objectives: rebuilding fiscal headroom, avoiding another large increase in taxation and funding the government's cost-of-living and spending commitments. The macroeconomic backdrop offers some better news. The UK economy entered H2 with more momentum than previously estimated, with revised figures showing GDP expanding by 0.5%QoQ in Q2, compared with the earlier estimate of 0.4%QoQ. Manufacturing provided additional support in July, with output increasing by 0.9%MoM and 2.6%YoY, both comfortably above expectations, and industrial production rose by 0.2%MoM. The latest surveys nevertheless indicate some moderation at the end of Q3. The flash composite PMI fell 0.8pts to 51.7 in September, reflecting a similar decline in services, while the manufacturing PMI rose 0.3pts to 52.0. Household indicators were more encouraging. GfK consumer confidence improved by 1pt to -13, beating expectations, and August retail sales increased by 0.5%MoM following a revised 0.5%MoM contraction in July. Inflation has re-emerged as the main policy constraint. Headline CPI inflation increased by 0.2ppts to 3.1%YoY in August, while core inflation was unchanged at 2.6%YoY. Against this backdrop, the BoE maintained Bank Rate at 3.75% in September by a 6–3 majority, with three members favouring a 25bp increase in the rate.

Figure 19: Borrowing has overshoot in the first five months of the fiscal year



Source: OBR, ONS, Bloomberg, Eurobank Research

Figure 20: Net exports boosted Q2 GDP by more than thought in the flash estimate



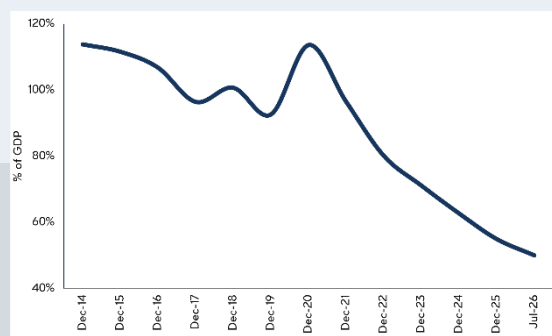
Source: ONS, Bloomberg, Eurobank Research

Cyprus

Sovereign upgrade reinforces resilience despite persistent external risks

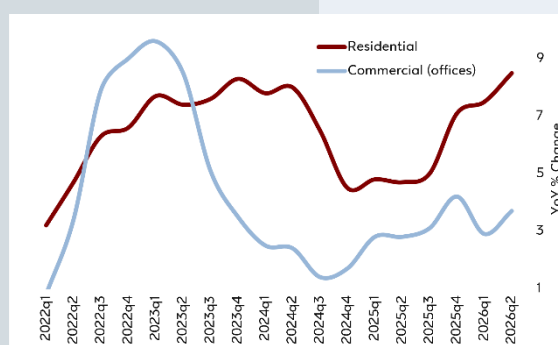
Cyprus enters Q4 with further evidence of resilient domestic fundamentals and improving sovereign metrics. S&P upgraded the sovereign rating to A from A- and retained a positive outlook, citing continuing external and fiscal deleveraging. S&P also highlighted strong services exports, particularly ICT, robust FDI inflows and the continued decline in government debt. Recent budget execution is consistent with the assessment. The general government recorded a surplus of €770.6mn in January-July 2026, equivalent to 2.0% of GDP, compared with €759.6mn a year earlier (2.1% of GDP). Total revenue increased by 4.1%YoY supported by higher income and wealth taxes, social contributions and taxes on production and imports, while expenditure rose by 4.4%YoY. Debt dynamics also remain favourable: consolidated general government debt declined to 50.0% of GDP in July, from 55.0% at end-2025, extending the downward trajectory in the public debt ratio. Property-market conditions remain strong. The Central Bank of Cyprus residential property price index increased by 8.5%YoY in Q2, accelerating from 7.5% in Q1. House-price growth strengthened to 5.8%YoY, while apartment prices remained higher at 8.9%YoY. During January-May, the number of building permits increased by 35%YoY, while the number of dwellings approved rose by 65%YoY pointing to continued strength in the residential construction pipeline. Commercial property prices also remained positive, with H1 office and warehouse prices increasing by 3.3%YoY and 3.9%YoY, respectively, on a nationwide basis. High frequency indicators suggest that household demand remains broadly resilient. Total car registrations increased by 0.8%YoY in January-August, returns of Cyprus residents from trips abroad rose by 5.3%YoY in the same period, and mortgage lending increased by 18.9%YoY in January-June. Tourism also continued to recover, with arrivals declining by only 3.3%YoY in August and by 7.0%YoY in January-August. Inflation that rose to 5.2%YoY in August -a 3-year high pace- from 4.4%YoY in July, remains a near-term constraint prompting government to extend the fuel excise duty reduction until end-November. Risks remain from persistent inflation, regional geopolitical shocks and external imbalances, but strong fiscal balances, falling public debt and resilient domestic demand provide important buffers.

Figure 21: Public debt ratio continues its steep downward trajectory



Source: Cyprus Statistical Service, Eurobank Research

Figure 22: Residential price growth accelerates, commercial property remains moderate



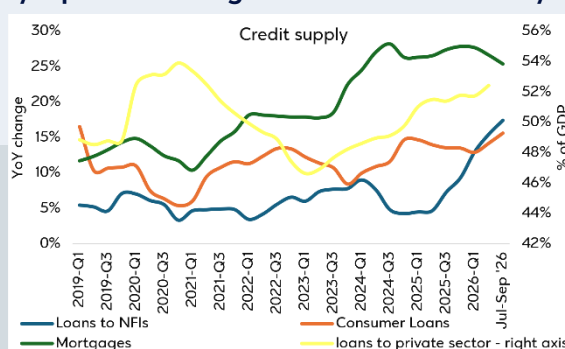
Source: Central Bank of Cyprus, RICS UK, KPMG, Eurobank Research

Bulgaria

Investment outlook remains favourable, consumption faces new challenges

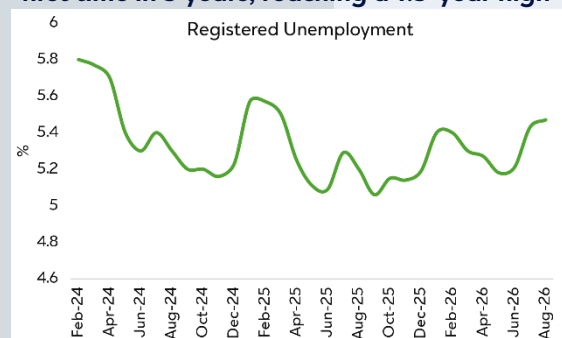
There are emerging signs that household consumption, the main driver of GDP growth in H1 2026, may have moderated somewhat during Q3. Retail trade output expanded by 6.4%YoY in July, representing a six-month low and a slowdown of 0.9ppts relative to the average pace recorded in Q2. It is worth noting that HICP inflation stood at 4.4%YoY in July, its lowest level since the outbreak of the US-Iran war. However, the subsequent acceleration in inflation, which reached 5.6%YoY in September according to the flash estimate, is likely to have exerted additional pressure on household spending during Q3. The positive effects of the more than €300mn in inflation-relief measures recently announced by the government are expected to become visible primarily in Q4. Nevertheless, their impact is expected to be concentrated on mitigating the burden of higher energy costs rather than materially reducing inflationary pressures. Additional pressures on household disposable income could also arise from developments in the labour market. Unlike the declines typically observed in registered unemployment during August over the previous two years, unemployment increased marginally for a second consecutive month in 2026, reaching 5.5%, up 0.1ppts from July and 0.3ppts from June. Although the increase remains modest, it may signal a gradual softening in labour market conditions. At the same time, consumer credit growth accelerated further during July-August, averaging 15.7%YoY, marking the strongest pace in six years and will continue to provide support to household spending. Credit growth is also expected to remain a key driver of investment activity. Lending to non-financial corporations accelerated to 17.4%YoY during July-August, the strongest pace in 17 years, while mortgage lending remained close to multi-year highs, expanding by 25.4%YoY. The exceptionally strong increase in credit supply during 2026 reflects the substantial reduction in banks' minimum reserve requirements following Bulgaria's adoption of the euro. The disbursement of the €896mn fourth RRF tranche in July, and, to a smaller extent, of the first SAFE tranche in late August, amounting to €489.6mn, should provide additional stimulus to capital expenditure over the coming quarters. Robust growth in both consumption and investment should continue to support imports of goods. Nevertheless, base effects are likely to soften the negative impact of import growth on overall GDP performance in H2 2026.

Figure 23: Credit growth at a multi-year high, yet private lending-to-GDP rises moderately



Source: Bulgarian National Bank, Eurobank Research

Figure 24: Unemployment up in August for the first time in 3 years, reaching a 1.5-year high



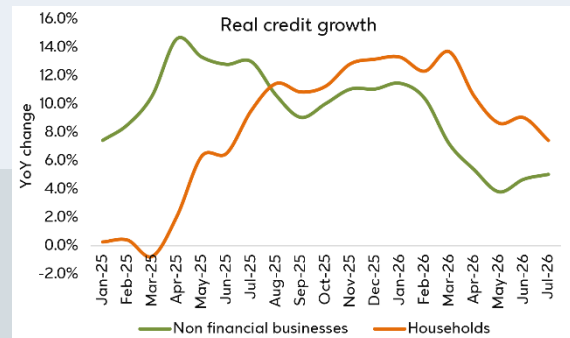
Source: Ministry of Labour, Eurobank Research

Turkey

Inflation remains sticky as monetary policy stays on hold

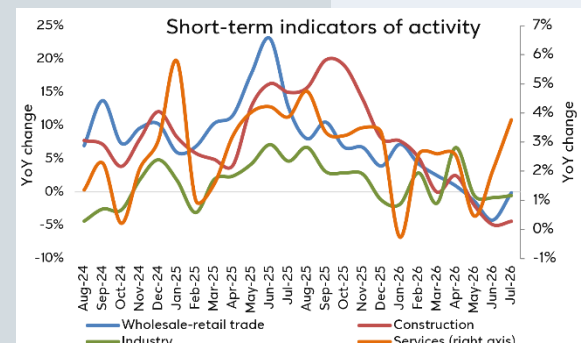
Although headline inflation eased marginally to 31.5%YoY in August from 31.8%YoY in July, remaining within the 31-33% range for the fourteenth consecutive month, the central bank of Turkey (TCMB) left its key policy rate, the one-week repo rate, unchanged at 37% during its 10 September policy meeting. This marked the fifth consecutive meeting without a change in interest rates. In its accompanying statement, the TCMB argued that recent inflation figures and leading indicators suggest that the underlying trend of inflation – the monthly seasonally adjusted (s.a.) pace – is decelerating. The central bank also maintained that economic activity indicators and the limited pass-through of supply-side shocks to domestic prices continue to signal weak domestic demand. However, the August inflation data does not support the assessment about inflationary trend, as the s.a. monthly inflation remained unchanged from July, at 2.3%, a pace that coincides with its average over the previous twelve months. The TCMB's decision to keep policy rates unchanged since January has neither eased inflation nor seems to support the financing of the economy, which is another key target of monetary policy. Real (inflation-adjusted) lending to businesses slowed to 5.1%YoY in July from 11.5%YoY in January, while real household credit growth eased to 7.5%YoY from 13.3%YoY over the same period. The weakening momentum in investment is increasingly visible in construction output that contracted continuously between May and July, marking the first decline in three and a half years, with the annual contraction reaching 4.4% in July. Looking ahead, inflationary pressures are expected to remain elevated in Q4 2026. The implications of persistent geopolitical tensions in the Middle East for energy prices and the continuing depreciation of the Turkish lira are likely to maintain upward pressure on consumer prices. Consequently, household spending growth is expected to remain subdued. A gradual deterioration in labour-market conditions, e.g. in sectors that have already shown signs of losing momentum, such as construction and retail trade, could represent an additional headwind for private consumption. Indeed, the unemployment rate increased to 8.1% in July and 7.8% in August, from 7.6% in June. Weak domestic demand should continue to restrain imports and support an improvement in the external balance, as in Q2. Nevertheless, the latest trade data point to a less favourable trend, as the goods and services balance deteriorated by 23.3%YoY in July.

Figure 25: Significant credit expansion slowdown, weighing mainly on investment



Source: Central Bank of Turkey, Eurobank Research

Figure 26: Outside services, economic activity expands at its slowest pace in two years



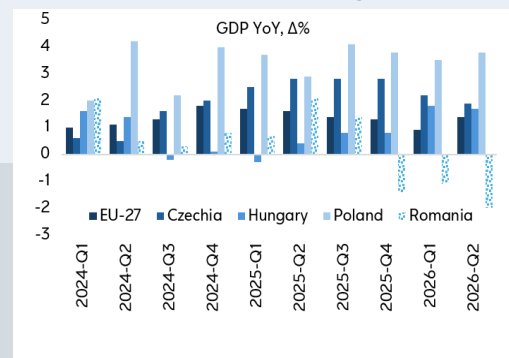
Source: Turkstat, Eurobank Research

CESEE

Domestic growth meets inflation and fiscal pressures

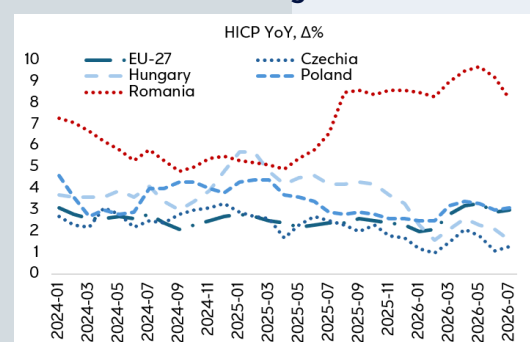
Economic conditions remain mixed, although improving industrial and export indicators provide some support to the outlook. Poland remains relatively resilient, with industrial production up 4.3%YoY and retail sales 3.8%YoY in August, while regional export activity benefits from machinery demand and defence-related investment. Inflation nevertheless reaccelerated to 4.0%YoY in Poland in September, largely reflecting higher fuel prices, while the NBP maintained its policy rate at 3.75%. Activity in Czechia remains relatively stable, with Q2 GDP expanding by 1.8%YoY and 0.3%QoQ, while recovering export orders point to somewhat firmer external demand. Headline inflation remained close to the CNB's 2% target, although persistent services and wage pressures have kept the central bank cautious, with the policy rate unchanged at 3.75%. Hungary is also showing signs of gradual improvement in industrial and export activity, but the recovery remains uneven and domestic demand relatively subdued. Inflation fell to 1.3%YoY in August, while the MNB kept its policy rate at 5.50%. A notable longer-term policy development was its decision to lower the inflation target from 3.0% to 2.5% from 2028. Romania remains the region's most challenging case, combining weak activity and elevated inflation with persistent fiscal and political uncertainty. Political instability has intensified following the collapse of the previous government in May, while subsequent efforts to establish a stable parliamentary majority have proved difficult. The prolonged uncertainty complicates the implementation of fiscal consolidation measures needed to contain one of the EU's largest budget deficits and preserve policy credibility. It could also delay reforms and investment linked to EU funding, while maintaining pressure on sovereign borrowing costs. Serbia presents a different macro picture, with inflation contained at 2.2%YoY in August and strong real wage growth supporting household consumption. Political uncertainty, however, has increased following President Vučić's resignation and the calling of a snap parliamentary election for 25 October, adding a domestic risk to an otherwise relatively resilient macroeconomic backdrop. Overall, economic performance across the region is becoming increasingly differentiated. Improving external demand provides some support, but domestic conditions and policy constraints vary considerably, with fiscal and political risks particularly important in Romania and, increasingly, Serbia.

Figure 27: Poland leads as regional growth performance diverges



Source: Eurostat, Eurobank Research

Figure 28: Inflation divergence persists, with Romania remaining the outlier



Source: Eurostat, Eurobank Research

Eurobank Macro Forecasts

	Real GDP (YoY%)			CPI YoY%, avg)			Unemployment rate (% of total labor force)			Current Account (% of GDP)			General Budget Balance (% of GDP)		
	2025	2026f	2027f	2025	2026f	2027f	2025	2026f	2027f	2025	2026f	2027f	2025	2026f	2027f
World	3.5	3.0	3.1	4.1	4.0	3.6									
Advanced Economies															
USA	2.1	2.2	2.2	2.7	3.4	2.5	4.3	4.2	4.2	-3.8	-3.2	-3.2	-5.9	-6.3	-6.5
Eurozone	1.2	0.9	1.2	2.1	2.9	2.5	6.3	6.4	6.3	1.9	1.5	1.5	-3.1	-3.5	-3.3
Germany	0.2	0.9	1.1	2.3	2.7	2.5	6.3	6.4	6.2	4.4	4.3	3.8	-2.7	-4.2	-4.0
France	0.8	0.5	0.9	0.9	2.3	2.0	7.7	8.3	8.2	-0.3	-0.3	-0.2	-5.1	-5.1	-5.1
Periphery															
Cyprus	3.8	3.2	3.4	0.8	4.0	3.7	4.4	3.9	3.7	-6.8	-7.5	-7.0	3.4	3.0	2.8
Italy	0.6	0.9	0.7	1.6	2.9	2.2	6.0	5.6	5.6	0.7	0.8	0.9	-3.1	-3.0	-2.8
Portugal	1.9	2.0	1.8	2.2	3.0	2.3	6.0	5.8	5.7	1.2	0.5	0.6	0.7	-0.2	-0.3
Spain	2.6	2.6	2.1	2.7	3.5	2.6	10.5	10.1	9.8	3.2	2.2	2.1	-2.4	-2.4	-2.4
UK	1.2	1.2	1.2	3.4	3.1	2.7	4.8	5.0	5.2	-3.0	-3.1	-3.0	-5.0	-3.8	-3.2
Japan	1.2	0.8	0.8	3.2	1.9	2.1	2.5	2.5	2.5	4.8	4.8	4.7	-1.4	-2.4	-2.7
Emerging Economies															
BRIC															
Brazil	2.3	1.8	1.8	5.0	4.5	4.0	6.0	5.8	6.0	-2.9	-2.7	-2.7	-8.3	-8.5	-7.9
China	5.0	4.6	4.4	0.1	1.1	1.1	5.2	5.1	5.1	3.8	3.0	2.8	-5.1	-5.4	-5.7
India	7.5	6.4	6.8	2.0	4.9	4.5	4.9	4.9	4.9	-1.0	-1.8	-1.5	-4.4	-4.4	-4.4
Russia	1.0	0.9	1.3	8.7	5.5	4.5	2.2	2.3	2.7	1.7	2.8	1.7	-2.6	-2.0	-2.0
CESEE															
Bulgaria	3.2	2.4	2.9	3.5	5.2	3.5	3.5	3.7	3.6	-5.7	-8.4	-6.3	-3.5	-5.5	-4.1
Turkey	3.6	3.0	3.6	35.2	30.0	24.7	8.4	8.6	8.4	-1.4	-2.3	-1.9	-2.9	-3.9	-3.3

Sources: European Commission, World Bank, IMF, OECD, Bureaus of National Statistics, Bloomberg, Eurobank Research

Eurobank Fixed Income Forecasts

	Current	December 2026	March 2027	June 2027	September 2027
USA					
Fed Funds Rate	3.75-4%	3.63-3.94%	3.96-4.21%	3.99-4.24%	3.96-4.21%
3m SOFR	4.08%	3.94%	4.09%	4.13%	4.1%
2yr Notes	4.85%	4.58%	4.5%	4.41%	4.32%
10yr Bonds	5.26%	4.91%	4.86%	4.8%	4.72%
Eurozone					
Refi Rate	2.65%	2.63%	2.83%	2.84%	2.8%
3m Euribor	2.61%	2.62%	2.73%	2.71%	2.64%
2yr Bunds	3.2%	2.94%	2.99%	2.93%	2.8%
10yr Bunds	3.56%	3.31%	3.37%	3.32%	3.23%
UK					
Repo Rate	3.75%	3.76%	3.82%	3.84%	3.77%
3m Sonia	3.9%	3.78%	3.8%	3.74%	3.64%
10-yr Gilt	5.4%	4.92%	4.9%	4.79%	4.66%
Switzerland					
3m Saron	-0.03%	-0.01%	-0.01%	0.07%	0.24%
10yr Bond	0.57%	0.40%	0.46%	0.49%	0.50%

Source: Bloomberg (market implied forecasts)

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