



Global Macro Outlook

First Quarter 2026

The Macro Picture

While the calendar will reset as 2025 turns into 2026, the global economy does not change just because the year does. Indeed, our outlook for the first part of 2026 is very little changed from what we saw in late 2025. We continue to believe that the global economy will expand in the coming months and quarters and, while that expansion may not be robust by historical standards, it should be sufficient to keep financial markets largely on track. The risks around our relatively benign base case seem to us to be fairly balanced: a meaningful acceleration is just about as likely as a meaningful deterioration.

The case for an acceleration rests on three primary planks. The first is the accelerating adoption of artificial intelligence (AI). Investment in data centers boosted growth, especially in the US, in 2025 and if that investment pays off in the form of increased productivity across the economy, growth could pick up. The second plank is the adjustment of companies worldwide to the relatively more settled tariff regime. Less uncertainty should unlock some business investment and household spending. The third is the accumulated impact of monetary easing. Central banks around the world have cut rates significantly and we believe there's a bit more easing to come. And as the rate cuts filter through to the real economy, they should support growth.

The downside risks for 2026 emanate from both policy and economic variables. From a policy perspective, central banks will have to continue navigating a confusing world. The Fed faces a slower labor market and sticky inflation, making the best choice unclear. Other major central banks have eased policy already, but have they done enough? Time will tell. From an economic perspective, while AI holds the promise of boosting productivity, history suggests the boost comes with a significant lag. Financial markets may not be patient enough to wait for evidence—in the form of profits—to support the valuation of many AI-related assets. It's also possible that if AI does deliver enhanced productivity, the cost may be a near-term disruption to the labor market. If businesses hire computers and fire people, the economic cycle could turn.

AI questions are paramount in the US, both because AI investment has been larger there than elsewhere and because the labor market looks somewhat more precarious. Tech-related investment was a significant contributor to growth in 2025 and seems likely to continue supporting growth in 2026. And, of course, US financial markets benefited from AI optimism in 2025. If that optimism fades and financial market volatility increases, however, it could both slow growth in the sector and generate a negative wealth effect in which consumption slows in response to lower financial asset prices. That would be particularly concerning in the US, given that the top decile of income earners—who own a disproportionate share of financial assets—are responsible for roughly 50% of total consumption in the US.

If, instead, AI does pay off in the near term, it seems likely that there will be some disruption to the labor market. With labor demand already weak, that poses risks. So far, the weakness in demand has been somewhat offset by a negative supply shock to the labor market driven by migration policy. It hasn't been a complete offset, however: the unemployment rate has risen consistently over the last few months, which means that demand is falling faster than supply. Any additional decrease in labor demand could mean a pivot away from slow hiring and into large-scale layoffs, which have a much more pernicious effect on the economy.

To be sure, neither a collapse in financial markets nor a major labor market disruption is our base case, which lies somewhere in between. But we believe the risks in the near term are tilted enough toward the labor market that we expect the Fed to cut rates 2026 by more than the market is currently pricing in.

Of course, any discussion of the Fed has to start with the idea of independence. There are two cases before the US Supreme Court that could upend the existing structure, which allows the central bank to make monetary policy without being subject to the whims of the political side of things. In our view, that independence is a critical underpinning, perhaps even *the* critical underpinning, of economic and financial stability. Should independence change, it would likely be very disruptive sooner or later.

In Europe, fiscal policy looks set to be the major issue for 2026. Germany's plan for additional spending was the major upside economic surprise in 2025; now it's time for the plan to come to fruition. Should fiscal plans proceed as expected, it would provide

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an important support for growth in 2026; should they not, it could cause a deterioration in both growth and sentiment. Europe also remains in the process of adjusting to the global tariff regime. Surging imports from China have pushed prices lower. While that has paved the way for the European Central Bank (ECB) to cut interest rates aggressively, it has also been a headwind for domestic production. The combination of those variables makes an additional rate cut or two more likely than not, in our view, particularly if the euro remains relatively strong.

The UK is in a different situation: while it seems best for Germany to spend more in order to boost growth, it is clearly best for the UK to be more restrained in its fiscal policy. The damage done to UK fiscal credibility over the last few years has lingered, causing persistently higher borrowing costs in what is already a sluggish economy. Better fiscal policy today won't immediately undo all the damage that has been done, but it will improve the longer-term outlook. As long as fiscal policy remains responsible enough, we expect the Bank of England (BoE) to deliver additional rate cuts.

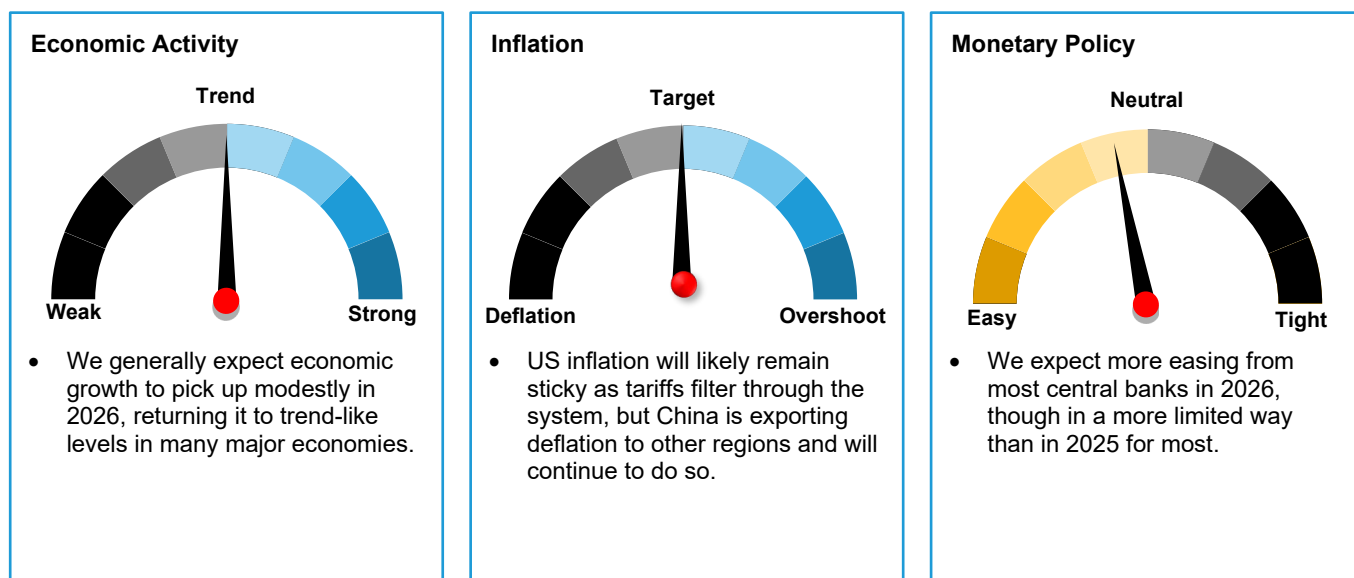
In China, the impact of tariffs has added to what is already a challenging economic situation. Domestic demand remains sluggish and nominal GDP—growth unadjusted for inflation—is at its lowest growth rate in decades. With growth already sluggish, authorities cannot afford to slow production because of the risk to the labor market that would entail. But with US markets less welcoming in a tariff-heavy regime and no domestic market for its export goods, China has been forced to focus on other trading partners. Trade within Asia has surged, so too have exports to Europe and to South America. In essence, China is exporting deflation to other countries in order to preserve production capacity at home. For now, the system appears to be largely stable, but the best the economy seems able to do for the time being is to muddle through. To support that process, we expect additional easing in 2026, remembering too that easing will be designed mainly to manage downside risks, not to trigger an acceleration.

China's muddling through should be sufficient for the broader emerging market complex to remain resilient on the back of relatively robust domestic demand (fueled by lower interest rates) and steady fiscal and external dynamics. But while US intervention in Venezuela could be seen as idiosyncratic, it reflects broader geopolitical risks that might be contagious and should, therefore, not be ignored.

Given our relatively benign base case, it should not come as a surprise that our outlook for financial markets is one of stability. Stability does not mean stasis, however, and we expect the extraordinarily low volatility that markets exhibited in the second half of 2025 to give way to more normal back and forth activity. There will be both ups and downs as policy and political risks play out, impacting the economy. We also believe that stretched valuations mean that investors should be cautious in their return expectations, even if we are right that the economic outlook is a decent one. With a lot of good news already priced into markets, even the generally positive news we expect may not drive large asset price returns.

And, at the risk of becoming repetitive, investors need to remember that calm on the surface often masks turmoil below. Debt and debt burdens are large in most major economies, trade frictions could resurface, geopolitical volatility is becoming ever present and the political cycle is advancing toward elections in the US. Any or all of those events could upend the apple cart, at least for a time, and it could happen without much warning. In the meantime, however, investors can take some comfort from the resilience the global economy demonstrated last year and our belief that that same resilience is likely to persist for the time being.

Global Macro Outlook: The Next Six Months



Current analysis and forecasts do not guarantee future results.

Global Forecast

Forecast Overview

Key Assumptions

- **Financial:** We assume that financial conditions will not tighten in a way that disrupts the outlook.
- **Geopolitical:** We assume persistent geopolitical tension but also expect it will not meaningfully impact the global economy or markets.
- **Monetary Policy:** Global central banks are likely to continue cutting rates to one degree or another over the next few quarters.

Central Narrative

- **Global Growth:** With uncertainty fading, we expect a pickup in growth in 2026.
- **Inflation:** Inflation is likely to come down in most regions, though it may prove somewhat stickier in the US.
- **Yields:** We prefer curve steepeners to outright duration positions, given our expectation of additional rate cuts.
- **USD:** We forecast mild dollar weakness in the coming quarters as reserve diversification flows offset the likelihood of US growth outperformance.

Key Upside Risks

- AI could boost productivity and growth, allowing for lower interest rates along the way.
- As tariff uncertainty fades, business investment and household consumption could increase more than expected.

Key Downside Risks

- AI could prove disruptive to labor markets.
- Threats to Fed independence could prompt disorderly moves in the US Treasury market.
- Market complacency suggests vulnerability in the event of a shock.

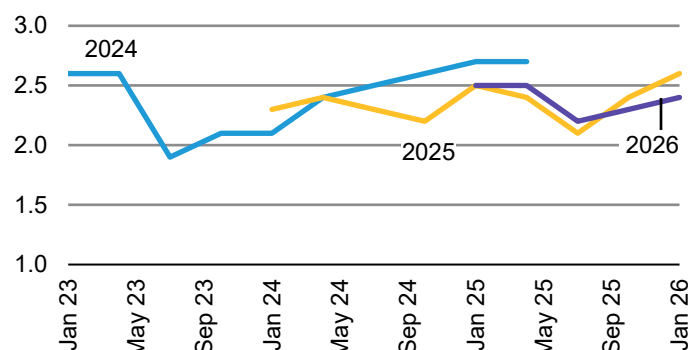
AB Growth and Inflation Forecasts (Percent)

	Real GDP Growth		CPI Inflation	
	2025	2026	2025	2026
US	1.9	2.0	1.9	1.9
Euro Area	2.0	2.0	2.0	2.0
Japan	3.0	3.0	3.0	3.0
China	2.5	2.5	2.5	2.5
Global	2.6	2.4	3.1	2.8
Industrial Countries	1.7	1.5	2.7	2.3
Emerging Countries	3.8	3.8	3.7	3.5
EM ex China/Russia	3.5	3.6	6.6	5.9

*US GDP forecasts presented as 4Q/4Q; others YoY; US CPI reflects core inflation; others are headline. As of January 2, 2024
Source: AllianceBernstein (AB)

Forecasts Through Time

AB Global Growth Forecasts by Vintage

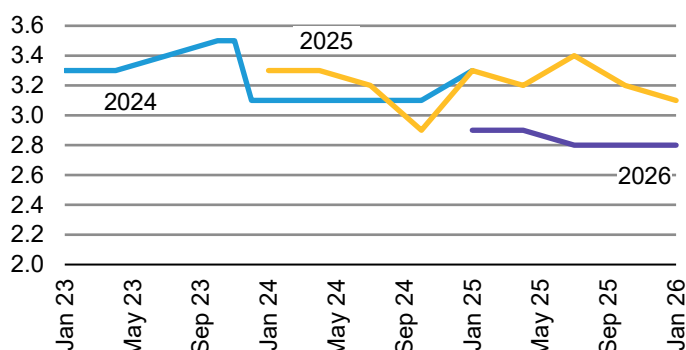


Current analysis and forecasts do not guarantee future results.

As of December 31, 2025

Source: AB

AB Global Inflation Forecasts by Vintage



Current analysis and forecasts do not guarantee future results.

As of December 31, 2025

Source: AB

US

	Real GDP (%)		Inflation (%)		Policy Rate (%)		10-Yr. Bond Yield (%)	
	2025F	2026F	2025F	2026F	2025F	2026F	2025F	2026F
US	1.9	2.0	3.0	2.5	3.63	2.63	4.00	3.75

- The government shutdown made monitoring economic activity more challenging in the fourth quarter but based on alternative data sources and the data that have been released since the government reopened, the picture doesn't appear to have changed very much. Growth is positive but unexciting, with weakness in manufacturing offset largely by increased technology spending, driven primarily by accelerating investment in AI.
- The labor market remains in an uncomfortable equilibrium where declining labor supply due to migration policy has been balanced by declining labor demand. While the corporate sector has slowed its hiring, it has not yet accelerated layoffs, which means that household income remains steady enough to fuel a continued, moderate expansion.
- Inflation remains above target and shows few signs of coming down in the near term. Still, once tariffs work their way through the system, we expect that slower house price gains will pull overall inflation lower in 2026. That should allow the Fed to continue cutting rates, albeit more gradually than has been the case in the fourth quarter.

Risk Factors

- There is a lot riding on AI, both economically and from a market perspective. If much of the investment that piled into that industry in 2025 proves to be wasted spending, a pullback would likely hurt both growth and asset prices.
- Fed independence will be front and center in 2026 as the Administration appoints a new chair while the Supreme Court considers two cases that could effectively render the central bank subservient to the political part of Washington. If that is the case, we believe that fixed income and currency markets in particular would require a very large expansion of risk premiums.
- The labor market equilibrium is precarious; should slow hiring turn to outright firing, either because of cyclical weakness or because AI is eliminating entire classes of jobs, it could pull the economy into a demand-driven downturn.

Overview

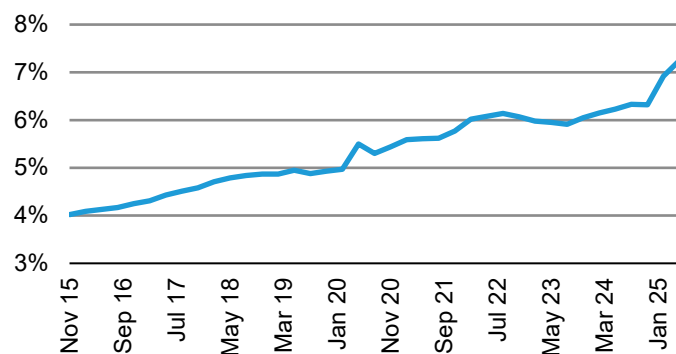
The US economy performed surprisingly well in 2025, given the policy volatility, and the underpinnings of that stability appear to still be in place. Spending on AI has boosted growth in aggregate and, if it proves to be productivity enhancing, should increase potential growth for years to come. There are frictions of course, and if AI spending proves to have been too rapid, the resulting overcapacity could be problematic. Equally, if the investments undertaken prove to be money well spent, they could result in labor market disruption and dislocation. As long as the AI porridge is neither too hot nor too cold, however, we expect it to continue contributing to growth, particularly through continued investment spending. We also anticipate that resolution of tariff-related uncertainty should unlock some additional business investment, as well as boosting consumer sentiment to a degree.

At the same time, the "affordability crisis" that is weighing on sentiment is unlikely to abate in the near future. Most prices are simply not going to return to pre-pandemic levels, and until households adjust to the new reality, confidence is likely to be impaired. The good news is that we expect price pressure to diminish from here. Tariff-induced price increases should fade from the inflation calculation over the course of 2026, and we believe there is more housing-related disinflation in the pipeline as well. The Fed has

kept policy tight for several years. While we don't expect that to push inflation all the way back to 2%, we think it will get closer to that level in the coming quarters.

Of course, that assumes that the Fed retains its independence through a pair of legal challenges currently pending before the Supreme Court. If the Fed loses its independence, we believe that higher inflation over time will become just about inevitable. It will be a question of when, not if. This is the history of central banks that are subservient to the political system. In the meantime, we believe that even an independent central bank has room to ease policy responsibly over the course of next year, and we continue to expect more easing from the Fed.

US Tech Fixed Investment/GDP

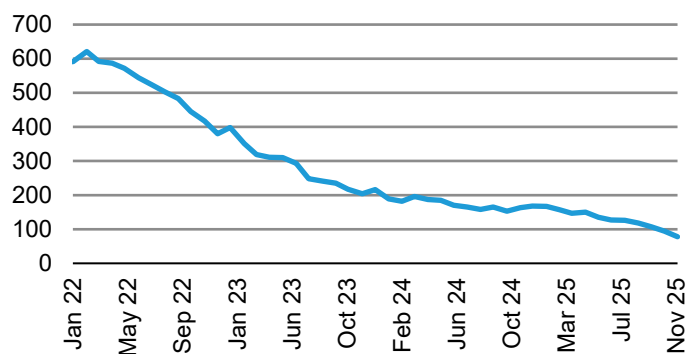


Current analysis and forecasts do not guarantee future results.

As of December 31, 2025

Source: AB

Quarterly Average Change in Non-Farm Payrolls



Current analysis and forecasts do not guarantee future results.

As of December 31, 2025

Source: AB

China

	Real GDP (%)		Inflation (%)		Policy Rate (%)		10-Yr. Bond Yield (%)		FX Rates vs. USD	
	2025F	2026F	2025F	2026F	2025F	2026F	2025F	2026F	2025F	2026F
China	4.5	4.3	0.5	1.0	1.00	1.25	2.00	2.25	7.05	7.20

Outlook

- China's economy continues the process of adjusting to a new, less friendly global trading regime.
- Policymakers appear unenthusiastic about making major changes, given the uncertain outcome of negotiations between China and the US around trade and other issues.

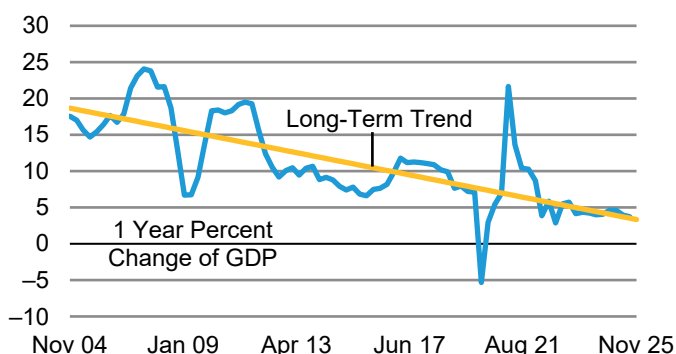
Risk Factors

- Trade negotiations remain a significant source of risk. While a return to prohibitive tariff levels seems unlikely, until a fuller resolution is reached some degree of uncertainty is likely to persist.
- The property sector remains distressed, impacting both investment and household sentiment. A further deterioration could prove destabilizing.

Overview

China's economy continues the process of adjusting to a new, less friendly, global trading regime. In order to achieve its growth targets, China needs to maintain production across the economy. But with domestic demand weak, much of that production has to be exported. US markets are much less welcoming of Chinese goods, which has forced a pivot: China's record trade surplus is increasingly weighted toward exports within Asia and to Europe and South America. That has allowed for growth to remain stable in real terms, which we expect to continue in 2026. Of course, when deflation is factored in, nominal Chinese GDP continues to disappoint. That reflects the weak domestic picture, but it also means that China is exporting deflation to other countries in the form of cheap exports. Policymakers have little obvious choice than to continue more or less as they have done. That means providing stimulus to manage downside risks but not doing enough to boost growth back to a more robust long-term trajectory. The optimistic interpretation of this policy stance is that it reflects an ongoing, and very long-term, adjustment to China's size and global importance. A pessimistic interpretation is that policymakers are gradually losing control of the economy, leaving it to drift ever closer to an eventual credit crisis as the leverage in the system cannot be sustained in a lower-growth world. We lean toward the more optimistic interpretation, but even so we recognize that the challenges facing policymakers in China are profound, and a mistake could be costly.

China Economic Growth (Percent)

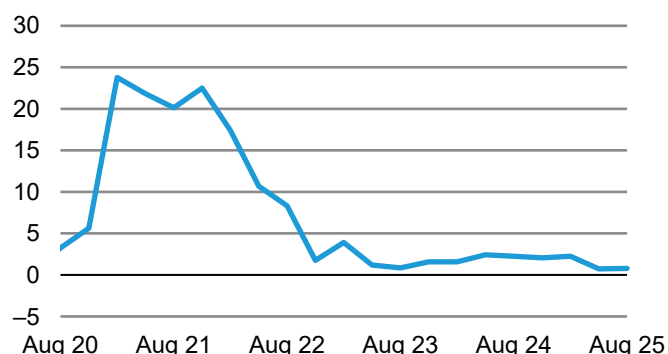


Current analysis and forecasts do not guarantee future results.

As of December 31, 2025

Source: Bloomberg and AB

China Inflation (Percent)



Current analysis and forecasts do not guarantee future results.

As of December 31, 2025

Source: Bloomberg and AB

Euro Area

	Real GDP (%)		Inflation (%)		Policy Rate (%)		10-Yr. Bond Yield (%)		FX Rates vs. USD	
	2025F	2026F	2025F	2026F	2025F	2026F	2025F	2026F	2025F	2026F
Euro Area	1.4	1.1	2.1	1.8	2.00	1.75	2.80	2.65	1.17	1.18

Outlook

- Growth has been resilient but heterogenous. Excluding Ireland and Spain, activity has been weaker than it seems.
- The outlook for growth should improve, driven by Germany's fiscal expansion, but remain below potential.
- Inflation is sustainably on target but undershooting risks in the medium term remain elevated.
- The European Central Bank (ECB) reached neutral territory, and its tolerance of below-target inflation is elevated. We think one more cut is warranted, but the bar is arguably high.

Risk Factors

- A stronger euro and a rerouting of trade flows towards Europe pose a serious medium-term risk to inflation as well as its competitiveness.
- Geopolitical events continue to represent a major risk. Notably, the inability to end the Russia-Ukraine war lengthens broader risks for the region. That said, an end to the war will have limited implications for growth in the region.
- Front-loaded spending in Germany represents a clear upside risk to our medium-term outlook. However, the plan could disappoint if not implemented and allocated efficiently, in which case the boost to growth could be delayed.

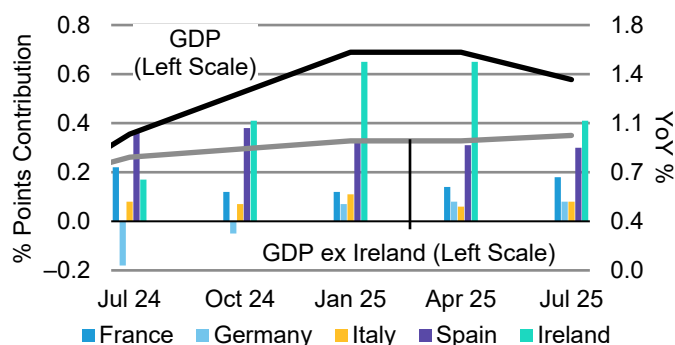
Overview

The eurozone economy showed resilience in 2025, and a tariff-induced recession was avoided. Nonetheless, growth continued to be mainly driven by Ireland and Spain, while its profile looked very heterogeneous across the rest of the region. Germany and Italy, both more exposed to external trade, have seen the most modest growth rates while France held on better despite political instability. While the medium-term outlook should improve driven by Germany's fiscal impulse, risks continue to be tilted to the downside for now. Indeed, household consumption continues to decelerate, and soft data suggest that the trend will continue. While investment should improve further through expansive fiscal policy and disbursement of the recovery funds, this might take longer to be felt. Specifically, Germany is set to frontload its infrastructure spending in 2026–27 but the pace remains uncertain. So far, implementation is limited, but governmental decisions in the next few months will likely set the stage and provide clarity.

Inflation is currently sustainably on target but will undershoot in 2026 and 2027 according to the ECB's latest forecast. The undershoot is, however, mild and still within target, in line with the ECB's monetary policy strategy that allows for small and temporary deviations. That being said, different factors could worsen the undershoot in the medium term. Underlying domestic disinflation is still not over despite a slowdown in the second half of 2025. The euro is set to remain stronger than it has been in the last few years and could strengthen further. Meanwhile, shifts in global trade, exacerbated by tariffs, are redirecting Chinese goods outside the US and into Europe at a faster pace since April 2025. The trend has been ongoing for at least a decade now and will likely intensify in the upcoming years. This phenomenon is not just disinflationary for Europe, but also worrying for its competitiveness, which continues to be challenged by Chinese producers.

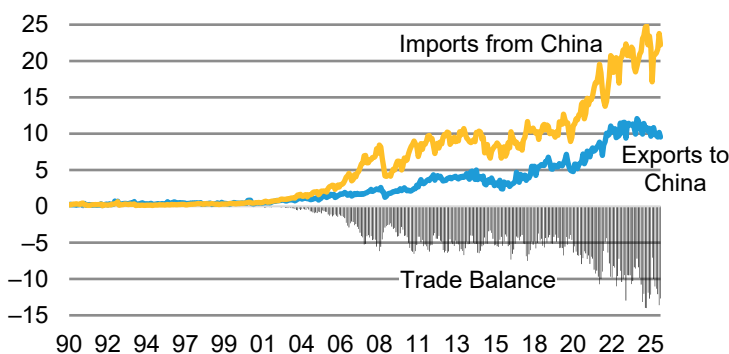
Growth is resilient, and inflation is on target which makes the ECB satisfied and "in a good place" with its policy rates. While this is an accurate description of the current macro backdrop, we have a more pessimistic view of the outlook than that of the ECB. We think growth will remain below potential, and inflation could undershoot in a more stubborn way without further easing. In addition, policy rates are at the upper end of the range of neutral estimates, which we think has not moved higher. Both the outlook and management of rates around their neutral level call for at least one additional cut. That said, the ECB's tolerance of below-target inflation is clearly elevated, and if growth positively surprises in the upcoming quarters, the ECB could remain on hold for an undefined period. One scenario we think is extremely unlikely is a hike. Neither the data nor the forecast justify a policy tightening in the near or medium term.

GDP Growth



Current analysis and forecasts do not guarantee future results.
As of September 30, 2025
Source: Eurostat and AB

Trade Balance with China (USD billions)



Current analysis and forecasts do not guarantee future results.
As of August 28, 2025
Source: IMF and AB

UK

	Real GDP (%)		Inflation (%)		Policy Rate (%)		10-Yr. Bond Yield (%)		FX Rates vs. USD	
	2025F	2026F	2025F	2026F	2025F	2026F	2025F	2026F	2025F	2026F
UK	1.4	0.9	3.5	2.4	3.75	3.00	4.50	4.10	1.35	1.30

Overview

CPI inflation peaked last September and has shown encouraging signs lately, easing faster in the last quarter of 2025. Food inflation is finally set to ease in 2026 after having been a major driver of higher headline inflation in 2025. Meanwhile, underlying price pressures are stickier, as expected, but should nevertheless continue on their way downward. The modest growth outlook and a weak labor market will exert downward pressure on demand, guiding inflation towards target. In this environment, wage growth is also set to ease in 2026 as the economy will continue to lose jobs. Importantly, the Autumn Budget announced last November will provide some disinflationary impulses that are more than welcome. Policy decisions will affect energy prices but will also not repeat the cost-push shocks that the previous budget had through a higher minimum wage and higher employers' contributions. All these factors will play out favorably to bring inflation closer to target in 2026.

In addition, the Chancellor has significantly higher headroom towards her fiscal target, which should provide more consistent fiscal policy and less volatility. That said, consolidation is backloaded and the fiscal stance turns negative

only from 2029. In those conditions, the government's ability to achieve fiscal discipline could be questioned by the market. For now, all conditions are met for the Bank of England (BoE) to provide further easing. The MPC resumed cuts in December, and we expect quarterly cuts to 3% in 2026. Risks are, however, tilted towards more easing given a more benign inflation outlook. Risks of back-to-back cuts starting from the second quarter of 2026 have increased but the BoE will remain focused on the pace of underlying disinflation for now.

Japan

	Real GDP (%)		Inflation (%)		Policy Rate (%)		10-Yr. Bond Yield (%)		FX Rates vs. USD	
	2025F	2026F	2025F	2026F	2025F	2026F	2025F	2026F	2025F	2026F
Japan	1.0	1.0	2.8	2.2	0.50	0.75	2.00	2.25	157	150

Overview

Japan remains idiosyncratic among the world's largest economies, with policy rates that are going up rather than down. While the Bank of Japan (BOJ) has been cautious about raising rates after so many years of sluggish demand and price pressures, the recent strong performance of inflation and the weakening of the yen have paved the way for modest rate increases. We believe that there is scope for a bit more in the coming year, with the determining variable likely to be the exchange rate. That is subject to the political side of the equation of course, with the new administration seeming likely to pursue an aggressive fiscal policy to boost growth. Whether the BOJ is allowed to lean against that sort of policy as needed is an open question.

Emerging Markets

	Real GDP (%)		Inflation (%)		Policy Rate (%)		10-Yr. Bond Yield (%)		FX Rates vs. USD	
	2025F	2026F	2025F	2026F	2025F	2026F	2025F	2026F	2025F	2026F
EM ex China/Russia	3.5	3.6	6.6	5.9	9.59	8.34	8.69	8.36	—	—
Asia	5.0	5.1	2.0	3.0	4.15	4.13	5.19	5.36	—	—
LATAM	1.7	2.0	7.2	5.6	12.77	11.02	9.82	9.45	—	—
EEMEA	2.0	2.2	13.9	10.4	18.29	14.69	9.54	8.47	—	—

Outlook

- Emerging-market (EM) growth is expected to remain resilient in 2026, continuing to outperform developed markets.
- Although the US dollar's depreciation in 2025 partially realigned valuations, structural headwinds against the US dollar may become more binding in 2026.

Risk Factors

- The US intervention in Venezuela could be seen as idiosyncratic, but it also reflects geopolitical risks that might be contagious.
- While China remains a structural drag, its slowdown has been orderly to date, limiting spillovers to the broader EM complex.
- EM debt valuations appear relatively rich and EM FX valuations are not uniformly cheap.

The US removal of Nicolás Maduro has sent ripples across Latin America, with uneven economic and political consequences. On the economic front, the upside lies in the possibility of a gradual recovery in Venezuelan oil production and improved regional energy supply, while downside risks stem from heightened uncertainty, market volatility, and potential disruptions linked to migration and security spillovers. Politically, many governments have condemned the action as a violation of sovereignty, yet in practice have limited capacity to respond beyond statements. For these countries, the episode carries asymmetric risks: overt opposition to the US may strain relations and investment prospects, while tacit acceptance could provoke domestic political backlash. More broadly, the intervention underscores a renewed focus by the US administration on shaping a more stable and strategically aligned region, narrowing the policy space for governments caught between principle and pragmatism. While the US intervention in Venezuela could be seen as idiosyncratic, it reflects geopolitical risks that might be contagious.

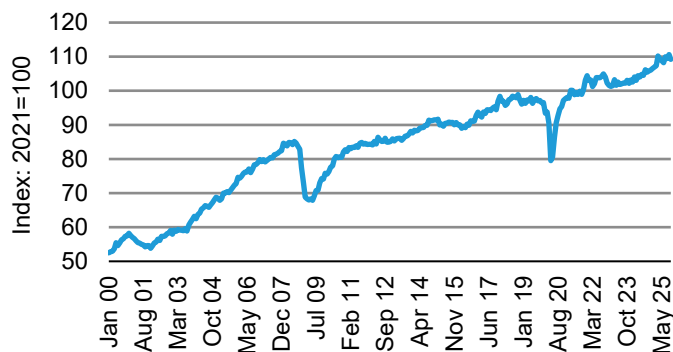
EM growth resilience should be underpinned by relatively strong domestic demand—supported by lower interest rates—healthy external balances, stable fiscal dynamics, and easing global financial conditions. While China remains a structural drag, its slowdown has been orderly, limiting spillovers to the broader EM complex.

Inflation across EM has moderated meaningfully and is expected to remain close to, or within, central bank targets through 2026. This environment should give several EM central banks scope to cut policy rates further. However, as EM easing cycles mature and idiosyncratic risks potentially rise—such as fiscal and political pressures in parts of Latin America—cross-country differentiation is likely to increase in 2026.

Concerns that higher US tariffs would stifle global trade have not materialized thus far. Following an initial surge from front-loading activity, global trade volume growth has settled into a healthy pace (see Figure 1). While higher tariffs may still have medium-term implications, more immediate and powerful forces appear to be shaping global growth and trade dynamics. In particular, the AI investment boom has the potential to lift productivity and support broader risk appetite. A backdrop of productivity-led growth, combined with increased foreign direct investment into AI-adjacent sectors across EM, should be supportive of greater ownership of EM financial assets.

EM debt valuations appear relatively rich, and EM FX valuations are not uniformly cheap (see Figure 2). Nevertheless, key growth engines—particularly in Asia—could still drive FX appreciation, with positive spillovers to other EM currencies. EM FX could therefore act as a catalyst for broader EM asset resilience in 2026, supported by favorable productivity-driven growth dynamics and downside risks to the US dollar. Although the dollar's depreciation in 2025 partially realigned valuations, structural headwinds may become more binding in 2026, sustaining a dollar-depreciating bias that would benefit emerging markets.

World Trade Volume

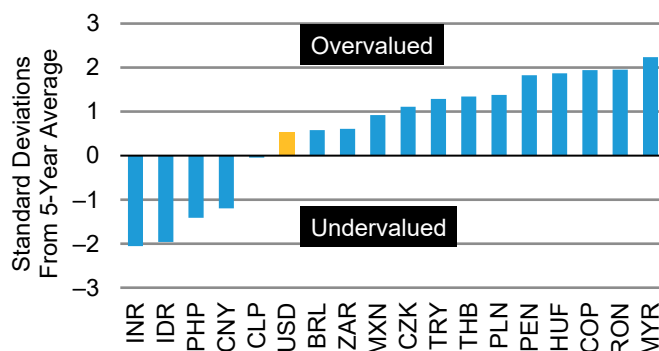


Current analysis and forecasts do not guarantee future results.

As of January 2, 2026

Source: Haver Analytics

Real Effective Exchange Rates



Current analysis and forecasts do not guarantee future results.

As of January 2, 2026

Source: Haver Analytics

Forecast Table

	Real Growth (%)		Inflation (%)		Official Rates (%)		Long Rates (%)		FX Rates vs. USD	
	2025F	2026F	2025F	2026F	2025F	2026F	2025F	2026F	2025F	2026F
Global	2.6	2.4	3.1	2.8	4.10	3.47	4.07	3.92	—	—
Global ex Russia	2.6	2.5	3.0	2.7	3.75	3.19	4.15	4.02	—	—
Industrial Countries	1.7	1.5	2.7	2.3	2.88	2.25	3.55	3.32	—	—
Emerging Countries	3.8	3.8	3.7	3.5	5.92	5.30	4.86	4.84	—	—
EM ex China	3.2	3.4	6.8	5.8	10.58	9.09	7.67	7.34	—	—
EM ex China/Russia	3.5	3.6	6.6	5.9	9.59	8.34	8.69	8.36	—	—
US	1.9	2.0	3.0	2.5	3.63	2.63	4.00	3.75	—	—
Percent of Year-over-Year Methodology	2.1	1.9								
Canada	1.2	1.3	2.1	2.2	2.25	2.00	3.50	3.00	1.38	1.43
Europe	1.4	1.1	2.4	1.9	2.35	1.99	3.15	2.94	1.22	1.21
Euro Area	1.4	1.1	2.1	1.8	2.00	1.75	2.80	2.65	1.17	1.18
UK	1.4	0.9	3.5	2.4	3.75	3.00	4.50	4.10	1.35	1.30
Japan	1.0	1.0	2.8	2.2	0.50	0.75	2.00	2.25	157	150
Australia	1.6	2.2	2.6	2.7	3.60	3.35	4.75	4.25	0.68	0.70
New Zealand	1.0	2.5	2.5	2.2	2.25	2.25	4.50	4.25	0.58	0.63
China	4.5	4.3	0.5	1.0	1.00	1.25	2.00	2.25	7.05	7.20
Asia ex Japan & China	5.0	5.1	2.0	3.0	4.15	4.13	5.19	5.36	—	—
India	7.3	6.7	2.2	3.8	5.25	5.25	6.60	6.75	90.0	90.0
Indonesia	4.9	5.1	1.8	2.7	4.75	4.75	6.03	6.50	16,690	17,000
Korea	1.0	1.8	1.9	1.8	2.25	2.00	2.75	2.50	1,370	1,330
Thailand	2.0	2.0	0.5	1.0	1.25	1.00	1.45	1.40	32.3	32.0
Latin America	1.7	2.0	7.2	5.6	12.77	11.02	9.82	9.45	—	—
Argentina	3.5	4.0	30.0	20.0	35.00	30.00	—	—	1,550.00	1,750.00
Brazil	2.0	1.7	5.3	4.3	15.00	12.00	12.50	11.85	5.40	5.20
Chile	2.2	2.0	4.4	3.5	4.50	4.50	5.45	5.00	900	875
Colombia	2.8	2.6	5.0	4.4	9.00	9.00	11.35	10.50	4,100	3,800
Mexico	0.2	1.3	3.8	3.8	7.00	6.50	8.30	8.10	18.8	18.5
EEMEA	2.0	2.2	13.9	10.4	18.29	14.69	9.54	8.47	—	—
Hungary	1.3	2.5	5.1	4.6	6.25	4.75	6.60	6.00	399	391
Poland	3.2	3.1	4.5	3.6	4.50	3.75	5.10	4.70	4.22	4.19
Russia	1.2	1.4	8.3	5.8	18.00	15.00	—	—	85.0	85.0
South Africa	1.2	1.4	3.3	3.5	6.75	6.50	8.32	8.00	16.6	16.0
Turkey	2.7	3.2	35.0	27.0	35.00	28.00	29.00	26.00	43.00	50.00

Growth and inflation forecasts are calendar-year averages except US GDP, which is forecast as 4Q/4Q. Interest rates and FX rates are year-end forecasts.

Long rates are 10-year yields unless otherwise indicated.

The long rates aggregate excludes Argentina and Russia; Argentina is not forecast due to distortions in the local financial market; Russia is not forecast because the local market is inaccessible to foreign investors.

Real growth aggregates represent 29 country forecasts, not all of which are shown.

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