

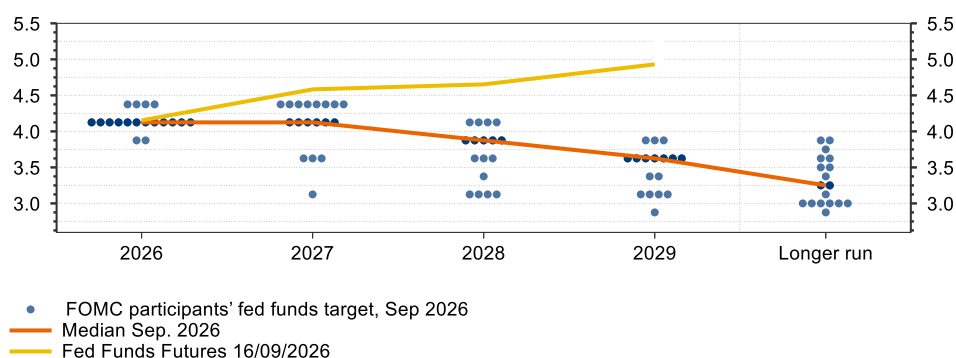
Weekly Economic Monitor

Viewpoint

A week dominated by central banks. The Fed raised rates by 25 basis points to 3.75-4.00%, with a more hawkish-than-expected message and projections pushing back the return of inflation to 2% to 2029; we now expect at least one more rate hike in December. The BoJ also tightened by 25 basis points to 1.25%, but with a more cautious tone; we see the next hike in January. The BoE, on the other hand, opted to keep rates unchanged, though it signaled that a hike in November is plausible. In the Eurozone, August inflation was revised down by one-tenth of a percentage point to 3.2%, but new energy tensions are expected to push headline inflation toward 4% as early as the coming months. On the political front, regional elections in Germany could confirm the AfD's gains, while in France there are further signs of deteriorating public finances.

United States. [The September FOMC meeting concluded, as expected, with a 25-basis-point hike in the federal funds rate target to 3.75-4.00%, decided unanimously and accompanied by a more hawkish-than-anticipated statement.](#) The statement removes the reference to supply shocks as an explanation for inflation and justifies the tightening with the need for a "timelier" return to 2%, without providing forward guidance on upcoming moves. The new Summary of Economic Projections show inflation that is slightly higher and, above all, more persistent, with a return to the target not expected until 2029, and a rate path consistent with another hike by year-end and rate cuts postponed until 2028 and beyond. Warsh did not present his own projections, but he also did not attempt to temper expectations of further action. Looking ahead, **we believe that a second rate hike by year-end, to 4.00-4.25%, is the most likely scenario**, consistent with the Taylor rule and market expectations, as we anticipate little improvement in inflation data over the coming months. The most plausible timing for a rate hike is the December meeting, when the SEP will be updated and after the midterm elections have concluded (although a move in October cannot be entirely ruled out should inflationary risks intensify). **For 2027, we now expect rates to remain unchanged in line with the SEP, although the risks are all on the upside**, especially for the first part of the year. A path of gradual easing is still possible in the medium term, as the energy shock subsides, but we now expect this to begin only - in line with the SEP - starting in 2028 (or as early as December 2027 if there is stronger evidence that inflation is coming under control). We see a slightly higher long-term fed funds rate than that indicated by the SEPs (3.4% vs. 3.2%). **Our outlook remains less hawkish** - especially over a 12-month horizon - **than that implied by market prices.**

FOMC: the median of the dot plot indicates another rate hike in 2026, rates remaining steady in 2027, and rate cuts beginning only in 2028. Market expectations are significantly more hawkish.



Source: FOMC, LSEG Datastream

18 September 2026

Weekly Note

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Eurozone. The final estimate of the Harmonized Index of Consumer Prices (HICP) showed a downward revision of one-tenth of a percentage point in headline inflation, to 3.2% year-over-year, while the core index was confirmed at 2.4% year-over-year. A breakdown of the components suggests that the transmission of the energy shock to core prices has so far been negligible in services, while among non-energy goods, the first signs of higher costs being passed on are beginning to emerge, albeit still modest. In our baseline scenario, **renewed tensions in the crude oil and natural gas markets will push headline inflation toward 4% year-over-year as early as the coming months**, and will also increase the risk of more persistent pressures on core inflation over the next few quarters.

Next week, the key **September confidence surveys** will be released, which will begin to reflect the effects of the latest surge in energy prices. In manufacturing, following the sharp improvement in the previous month, a moderate correction would be to be expected; however, we believe that, in addition to any need for precautionary stockpiling, the indices may be supported by longer delivery times. While a renewed acceleration in input prices appears nearly inevitable, the main uncertainty concerns output prices - that is, the extent to which higher production costs will be passed on downstream along the supply chains. We forecast a stable **manufacturing PMI** at 52.7 and a **services PMI** essentially unchanged at 51.7; the composite index should therefore remain at moderately expansionary levels, at 52.1. The European Commission's **consumer confidence** index, which is particularly sensitive to fuel price trends, is expected to deteriorate again after four consecutive months of improvement; we estimate it will fall to -16.5 from -15.5. Also on the calendar are the national **IFO** survey **in Germany** and the **INSEE** survey **in France**.

In **Germany**, the **elections in Mecklenburg-Western Pomerania and Berlin** on Sunday, the 20th, will serve as a new test for the governing parties following their defeat in Saxony-Anhalt. Mecklenburg-Western Pomerania (one of Germany's least populous eastern states, with fewer than 2 million residents) is traditionally a stronghold of the SPD, which currently governs in a coalition with Die Linke. Polls, however, show the AfD in the lead with over 35% of the vote, up by more than twenty percentage points compared to the previous election. In this scenario, the outgoing coalition would be forced to expand to include the Greens or the CDU - both of which polls show just above the 5% threshold - in order to maintain a majority. In Berlin, a historically progressive city-state, the AfD ranks third in voter intentions, behind the Left Party and the CDU. As already observed in other states, the CDU and SPD are expected to suffer the most significant losses compared to previous elections, confirming the trend of a gradual erosion of support for the parties in the federal government and the rise of the far right. Looking ahead, in our view, **the main risk does not appear to be an early collapse of the government, but rather - as the legislative term naturally draws to a close in 2029 - a gradual paralysis in decision-making, with the possibility of a further increase in support for anti-establishment parties.**

In **France**, Prime Minister Lecornu, in an interview with Le Figaro, provided a rather discouraging update on public finances: with GDP growth expected to be well below the 1% projected at the start of the year (our forecast is 0.4%), **the government now estimates that the deficit in 2026 will stand at 5.4% of GDP, well above the targeted 5%**. The draft **budget bill for next year**, which will be presented to the Council of Ministers on October 1, **is expected to set a target deficit of 5% of GDP** (4.8% excluding the increase in military spending), compared with the 4.7% initially projected. Since, in the absence of new measures, the trend deficit could reach 6.5% of GDP in 2027 (compared to the 5.9% estimated just a few months ago), **bringing the deficit back to 5% would require a fiscal effort of approximately 54 billion euros (1.7% of GDP) compared to a scenario with unchanged policies**. The details of the measures are not yet known, but statements made so far suggest that income tax brackets are likely to continue to be indexed to inflation, while greater restrictions on welfare and reduced indexation of pensions are expected. The one-time tax on the profits of large corporations is expected to be maintained but restructured to reduce the burden on companies. Lecornu also proposed several measures with limited fiscal impact but

high symbolic value, likely in an effort to facilitate the budget's approval. Initial reactions from the opposition, however, have been predominantly negative, confirming that **the risk of the budget law not being approved by early 2027 is very real**.

Japan. The Bank of Japan raised its benchmark rate by 25 basis points to 1.25% in a 7-to-2 vote (the dissent came from the two members appointed by Prime Minister Takaichi). The statement reiterated the assessments, risks, and guidance from June and July, with no new signals of tightening. Ueda stated that the monetary policy phase has shifted, with core inflation near 2% and the goal of stabilizing it at those levels, but added that this phase has only just begun and it will take time to assess its effects; he avoided committing to a series of rate hikes. Markets interpreted the message as less hawkish than expected. In our view, the gradual phasing out of government interventions should push inflation to 2.7% in the fourth quarter and to a peak of 3.5% in early 2027. Looking ahead, **we continue to expect the next 25-basis-point rate hike in January, although a move brought forward to December cannot be ruled out** should inflation accelerate - net of institutional factors - or should new downward pressures on the yen emerge. We further expect the tightening cycle to continue gradually toward 2.00% by the end of 2027.

United Kingdom. **The Bank of England left the Bank Rate at 3.75% by the same majority as in July (6-3), but signalled a possible rate rise in November.** The focus has shifted from the absence of second-round effects to the risks that these might materialise. The Monetary Policy Committee sees spot energy prices as close to the adverse scenario outlined in July; it considers the risk of second-round effects to have increased the longer the shock persists; it sees a less clear-cut trade-off between output and inflation; and it appears less inclined to wait for too much evidence before raising rates. Inflation is forecast to exceed 4% in early 2027, and Bailey has warned that, should the conflict persist, monetary policy would need to be tightened. The Committee acknowledges that the indirect effects of the shock have so far been smaller than expected, that upward surprises in inflation are mainly due to energy, and that financial conditions remain tight. In August, inflation rose to 3.1% year-on-year (from 2.9%) due to rising fuel prices, with inflation in services at 3.4% y/y, private sector wages moderating to 2.9% y/y and the number of employees showing an annual decline of 26k. We now believe that a rate rise in November is likely. The subsequent path will depend on how the geopolitical and energy shocks unfold, but the risk that this rise may not be a one-off is growing.

Calendar of macroeconomic data and events

Calendar of macroeconomic data (21 – 25 September)

Date	Time	Country	Data release	*	Period	Previous	Consensus
Tue 9/22	16:00	EA	Euro-Zone Consumer Confidence flash	*	Sep	-15.5	-16.5
Wed 9/23	06:30	NL	GDP (QoQ) final	*	Q2	prel 0.4	%
	09:15	FR	PMI Services flash	*	Sep	48.0	48.4
	09:15	FR	PMI Manufacturing flash	*	Sep	51.1	50.8
	09:30	GE	PMI Services flash	*	Sep	49.7	50.0
	09:30	GE	PMI Manufacturing flash	*	Sep	54.3	54.0
	10:00	EA	PMI Services flash	**	Sep	51.6	51.5
	10:00	EA	PMI Manufacturing flash	**	Sep	52.7	52.7
	10:00	EA	PMI Composite flash	**	Sep	52.0	51.5
	10:30	GB	PMI Services flash	*	Sep	52.5	
	10:30	GB	PMI Manufacturing flash	*	Sep	51.7	
	15:45	US	Markit US Manuf. PMI flash	*	Sep	53.9	
	15:45	US	Markit US Services PMI flash	*	Sep	56.5	
	15:45	US	Markit US Composite PMI flash		Sep	56.0	
Thu 9/24	02:30	JP	Jibun Bank Manufacturing PMI flash		Sep	54.9	
	08:45	FR	Consumer Confidence Indicator		Sep	86	
	08:45	FR	Business Confidence Manufacturing	**	Sep	103	
	10:00	GE	IFO - Expectations		Sep	89.1	89.5
	10:00	GE	IFO - Current Assessment		Sep	88.5	88.7
	10:00	GE	IFO - Business Climate	**	Sep	88.8	89.0
	14:30	US	Initial Jobless Claims	*	weekly	196	k
	14:30	US	Continued Jobless Claims	*	weekly	1.730	M
	14:30	US	Nominal Account Balance	*	Q2	-226.8	Bn \$
	15:00	BE	Business Confidence Level. Sa		Sep	-13.2	
	16:00	US	New Home Sales	*	Aug	0.607	M 0.608
Fri 9/25	08:00	GE	Consumer Confidence		Oct	-26.6	-27.5
	09:00	SP	GDP (Constant SA) (QoQ) final	*	Q2	prel 0.7	%
	10:00	EA	Euro-Zone M3 s.a. (YoY)	*	Aug	3.4	% 3.5
	14:30	US	Durables Ex Transp prel.	*	Aug	0.5	%
	14:30	US	Durable Goods Orders prel.	*	Aug	1.1	% -0.5
	16:00	US	U. of Michigan Confidence final		Sep	prel 47.8	

Note: (?) First likely date; (**) very important; (*) important. Source: Research Department – Intesa Sanpaolo S.p.A.

Calendar of events (21 – 27 September)

Date	Time	Country	* Event
Mon 9/21	12:30	US	Fed's Goolsbee Speaks About Monetary Policy
Tue 9/22	10:30	EA	ECB's Nagel Speaks in Frankfurt
	14:30	EA	ECB's Sleijpen, Buch Speak in Amsterdam
	16:05	US	Fed's Williams Gives Keynote Remarks
	16:20	US	Fed's Jefferson Speaks on Treasury Market Functioning
	19:00	US	Fed's Barkin Speaks to the CFA Society Baltimore
	21:30	EA	ECB's Nagel Speaks in London
Wed 9/23	09:00	EA	ECB's Vujcic Speaks in Frankfurt
	10:50	EA	ECB's Zigman Speaks in Zagreb
	16:05	US	Fed's Barr Speaks on Housing
	18:30	EA	ECB's Lane Speaks in Geneva
Thu 9/24	10:00	EA	* ECB Publishes Economic Bulletin
	10:10	US	Fed's Williams Speaks During Moderated Discussion
	11:30	UK	BoE's Dhingra Speaks in London
	14:00	US	Fed's Barkin in Fireside Chat with Economic Club of Washington
	14:50	US	Fed's Hammack Delivers Opening Remarks at Inflation Conference
	15:30	UK	BoE's Breeden Speaks in London
	16:00	UK	BoE's Lombardelli Speaks in Poland
	16:10	US	Fed's Paulson Speaks at Fintech Conference
Fri 9/25	11:15	US	Fed's Williams Participates in Policy Panel
	20:00	US	Fed's Hammack Participates in Policy Panel Discussion
	20:00	EA	ECB's Vujcic Speaks in Cleveland
	--	IT	* Italy Sovereign Debt to be Rated by Moody's
Sun 9/27	16:30	EA	ECB's Kocher Speaks in Salzburg

Note: (**) very important; (*) important. Source: Research Department – Intesa Sanpaolo S.p.A.

The week in review

United States

Data release	Period	Previous			Consensus	Effective
Empire Manufacturing	Sep	20.6			15.0	7.6
Retail Sales Less Autos	Aug	-0.2	(-0.3)	%	0.5	1.4
Retail Sales	Aug	-0.5	(-0.6)	%	0.8	1.2
Import Price Index (MoM)	Aug	-0.3	(-0.4)	%	0.4	0.7
Business Inventories	Jul	0.1	(0)	%	0.3	0.8
NAHB Housing Market Index	Sep	35			34	32
Net Long-term TIC Flows	Jul	174.4	(172.7)	Bn \$		-27.9
Initial Jobless Claims	weekly	206		k	208	196
Continued Jobless Claims	weekly	1.769	(1.774)	M	1.780	1.730
Building Permits	Aug	1.433		M	1.410	1.394
Housing Starts	Aug	1.309	(1.239)	M	1.309	1.275
Philadelphia Fed.	Sep	47.4			30.5	37.8
Industrial Production	Aug	0.2		%	0.3	
Capacity Utilization	Aug	76.3		%	76.4	
Leading Indicators	Aug	0.2		%	0.1	

In column "Previous" in parenthesis data before the revision. Source: LSEG Datastream

FOMC: Hawkish Shift. The September FOMC meeting concluded, as expected, with a 25-basis-point hike in the federal funds rate target to 3.75-4.00%, decided unanimously and accompanied by a more hawkish-than-expected message. The statement removes the reference to supply shocks as an explanation for inflation and justifies the tightening with the need for a "timelier" return to 2%, without providing forward guidance on upcoming moves. The new Summary of Economic Projections show inflation that is slightly higher and, above all, more persistent, with a return to the target not expected until 2029, and a rate path consistent with another hike by year-end and rate cuts postponed until 2028 and beyond. Warsh did not present his own projections, but he also did not attempt to temper expectations of further action. We now expect at least one more rate hike this year, with December a more likely timing than October. For 2027, we now expect rates to remain unchanged in line with the SEP, although the risks are all on the upside, especially for the first part of the year. The gradual easing of inflationary pressures could allow for moderate monetary easing in the medium term, which we now see beginning only in 2028 (or, at the earliest, in the final stretch of 2027).

Euro Area

Country	Data release	Period	Previous		Consensus	Effective	
EA	Eurostat Labor Costs Nominal Values NSA	Q2	3.2	%		3.1	
EA	Euro-Zone Ind. Prod. sa (MoM)	Jul	-0.1	(0)	%	-0.2	-0.1
EA	Eurostat MUICP All Items YoY NSA final	Aug	3.3		%	3.3	3.2
EA	Eurostat MUICP All Items MoM NSA final	Aug	0.2		%	0.4	0.4
EA	CPI ex Energy & Unproc. Food YoY final	Aug	2.1		%		2.1
FR	CPI - EU Harmonised (MoM) final	Aug	0.8		%	0.8	0.7
FR	CPI - EU Harmonised (YoY) final	Aug	2.7		%	2.7	2.6
FR	CPI (MoM) Ex Tob	Aug	0.6		%		0.7
GE	ZEW Survey (Current Situation)	Sep	-61.1			-52.1	-47.1
GE	ZEW Survey (Econ. Sentiment)	Sep	34.2			40.0	34.7
GE	PPI (YoY)	Aug	3.0		%	4.1	4.6
GE	PPI (MoM)	Aug	1.1		%	0.4	1.1
IT	Trade Balance (Total) (Euros)	Jul	4.343	(4.232)	Bn €		8.240
IT	Trade Balance Eu (Euros)	Jul	1.688	(1.577)	Bn €		1.251
IT	CPI - EU Harmonized (YoY) final	Aug	3.2		%	3.2	3.2
IT	CPI - EU Harmonized (MoM) final	Aug	0.1		%	0.1	0.1
IT	CPI (NIC incl. tobacco) (MoM) final	Aug	0.5		%	0.5	0.5
IT	CPI (NIC incl. tobacco) (YoY) final	Aug	3.3		%	3.3	3.3
SP	CPI (EU Harmonised) (YoY) final	Aug	4.5		%	4.5	4.6

In column "Previous" in parenthesis data before the revision. Source: Source: LSEG Datastream

Eurozone HICP: limited evidence of pass-through so far. But will this continue? A breakdown of the final August HICP reading shows that the pass-through of the energy shock has so far been negligible in the services sector, whilst the first, albeit modest, signs are emerging among non-energy industrial goods, where the acceleration also reflects price rises for technology products. New pressures on crude oil and gas prices will push up headline inflation in the coming months, but they also increase the risk of more intense pressure on core prices in the coming quarters.

Japan

Data release	Period	Previous		Consensus	Effective
Industrial Production (MoM) final	Jul	0.1	%		-0.2
Machine Orders (MoM)	Jul	9.7	%	-2.8	-3.7
Adjusted Merchnds Trade Bal.	Aug	-638.3	Bn JP ¥	-1052.6	-1105.6
Natl CPI Ex-Fresh Food YoY	Aug	1.8	%	1.8	1.7
Natl CPI YoY	Aug	1.9	%		1.9

In column "Previous" in parenthesis data before the revision. Source: Source: LSEG Datastream

The BoJ Hikes to 1.25% and Cools Expectations of a Steady Run of Rate Hikes. The Bank of Japan (BoJ) raised its policy rate by 25bp to 1.25% by a 7-2 vote, with the two members appointed by Prime Minister Takaichi dissenting. The statement repeats the assessments, risks and guidance of June and July, with no new hawkish signals. Ueda described a new phase of monetary policy, moving from supporting underlying inflation to stabilising it at 2%, but avoided committing to a sequence of hikes, and markets read the message as less hawkish than expected. We expect the next 25bp hike in January, with a move brought forward to December only in the event of a marked acceleration in the inflation measures excluding institutional factors.

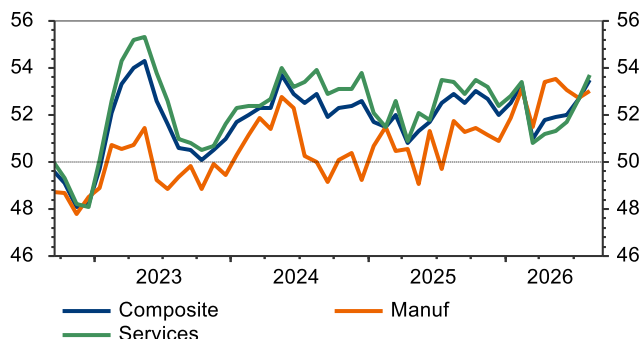
China

Data release	Period	Previous		Consensus	Effective
M2 Money Supply (YoY)	Aug	7.7	%	7.6	7.5
New Yuan Loans	Aug	-340	Bn CN ¥	400	60
Total Social Financing	Aug	660	Bn CN ¥	2040	1660
Industrial Production (YTD YoY)	Aug	5.3	%		5.3
Retail Sales (YTD YoY)	Aug	1.23	%		1.13
Urban Investment (YTD YoY)	Aug	-6.7	%	-7.2	-7.2
Industrial Production (YoY)	Aug	4.5	%	4.8	5.2
Retail Sales (YoY)	Aug	0.6	%	0.8	0.4
Loan Prime Rate 1Y	Sep	3.00	%		
Loan Prime Rate 5Y	Sep	3.50	%		

In column "Previous" in parenthesis data before the revision. Source: Source: LSEG Datastream

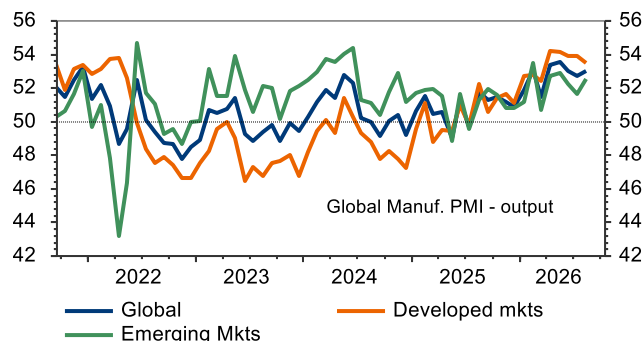
Economic Cycle

Global PMIs: manufacturing vs. services



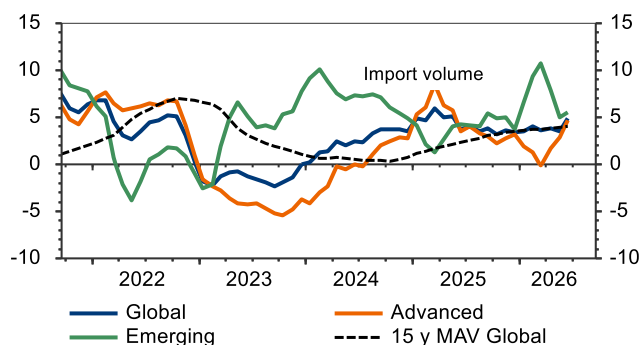
Source: S&P Global

Manufacturing PMI: advanced vs. emerging markets



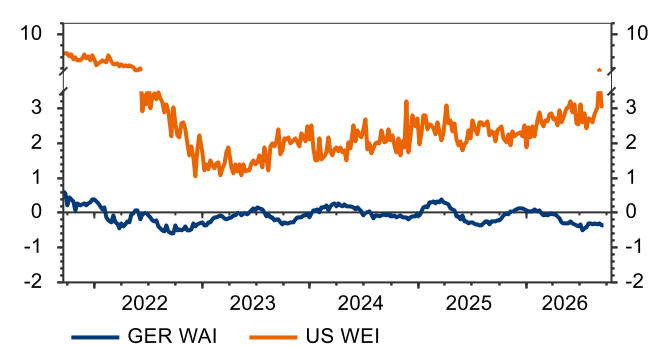
Source: S&P Global

Global trade growth (y/y % change)



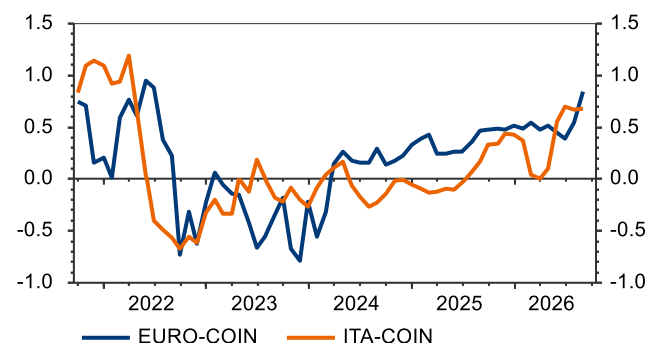
Source: Intesa Sanpaolo calculations on CPB data

Weekly indices of activity: Germany and US



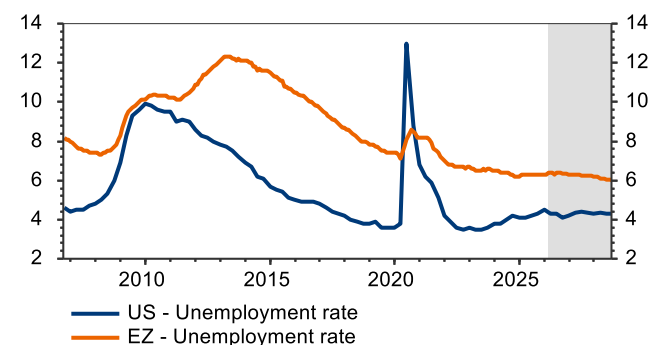
Source: Deutsche Bundesbank, NY Fed

Coincident indices of activity: Eurozone and Italy



Source: CEPR, Bank of Italy

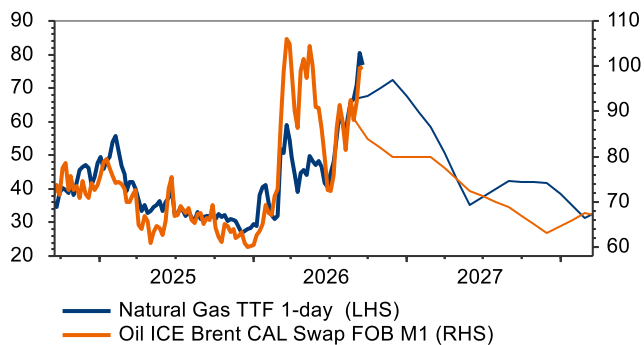
Unemployment rates (ILO)



Source: Intesa Sanpaolo forecasts on Oxford Economics data

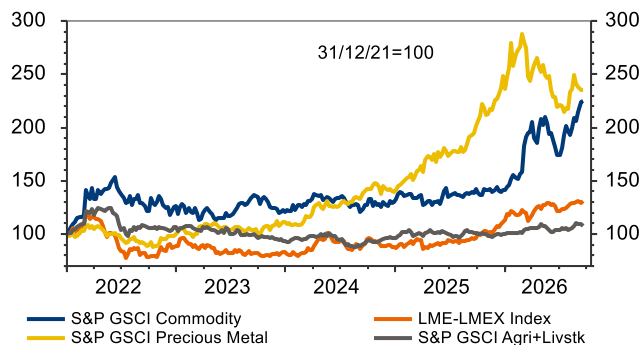
Inflation

Oil and natural gas prices



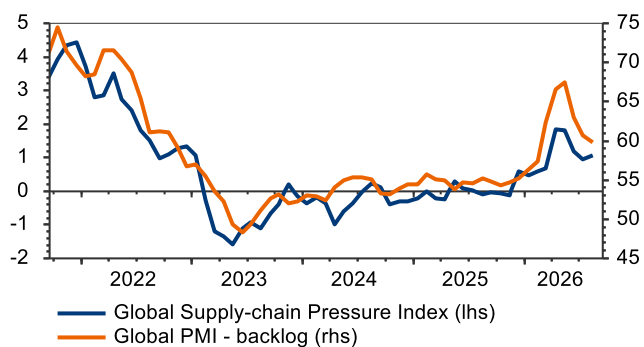
Source: Intesa Sanpaolo forecasts on LSEG Datastream data

Commodity prices



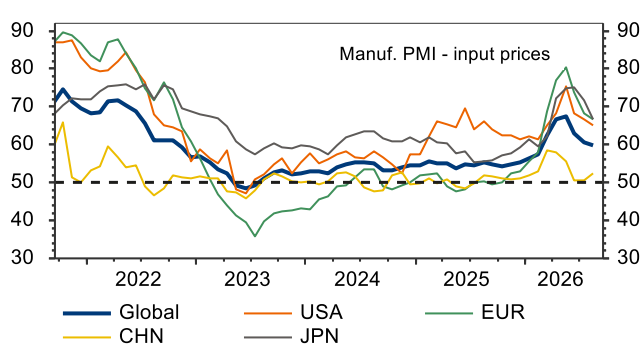
Source: Intesa Sanpaolo calculations on S&P, LME, LSEG Datastream data

Level of pressure on global supply chains



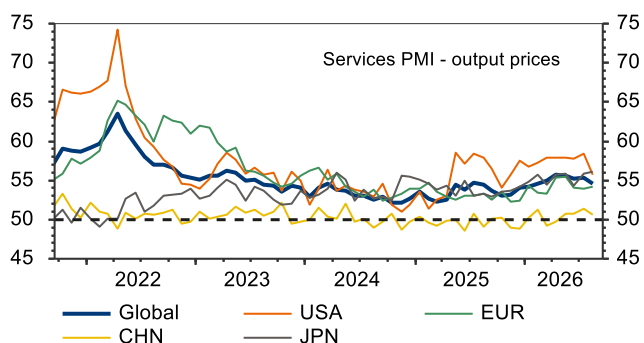
Source: NY Fed, S&P Global

Input prices, manufacturing industry



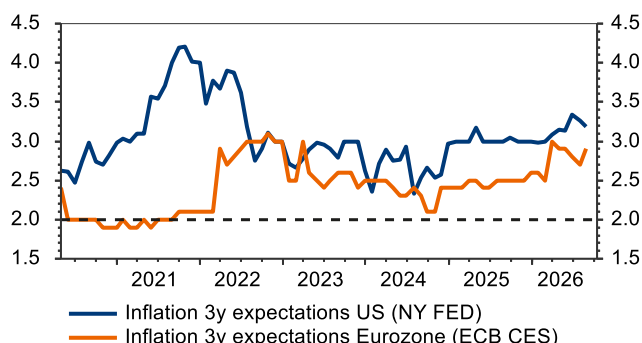
Source: S&P Global

Output prices, services



Source: S&P Global

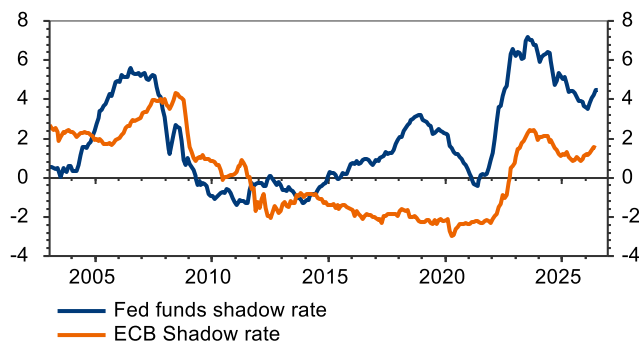
Households' inflation expectations



Source: NY Fed, ECB

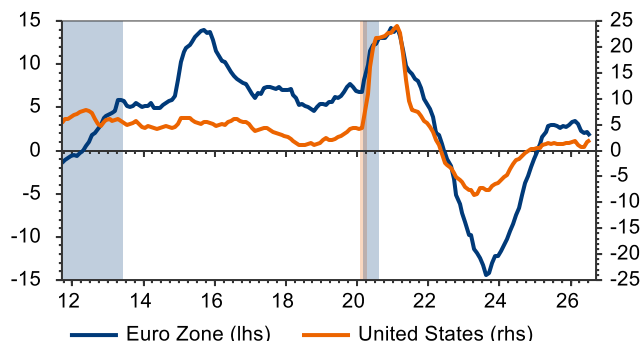
Financial conditions

“Shadow” rates of monetary policy (Fed funds and €STR)



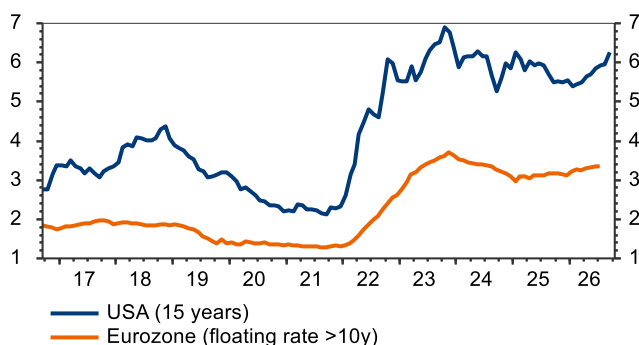
Source: Intesa Sanpaolo elaborations, San Francisco Fed

Real M1, y/y % change



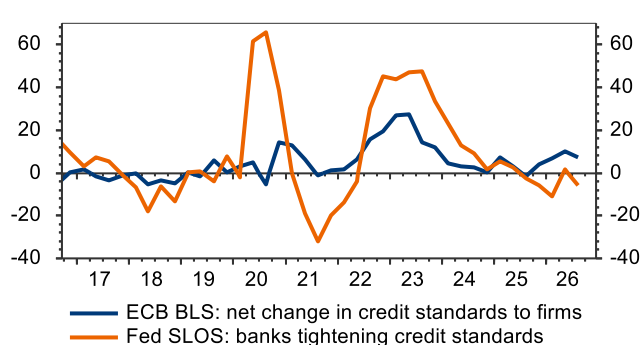
Note: shaded areas indicate recessionary periods in each area. Source: Intesa Sanpaolo calculations on Fed, ECB, Eurostat, BLS data

Mortgage rates



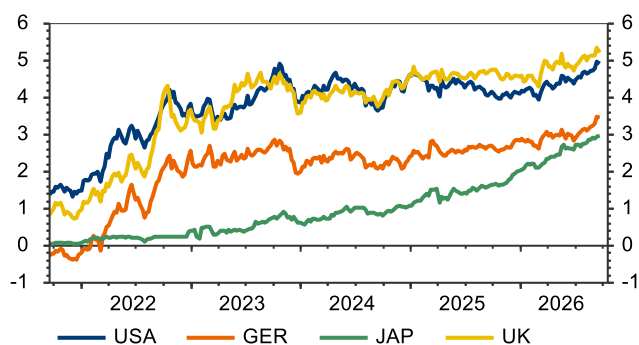
Source: Fed, ECB

Credit to NFCs: changes in credit standards



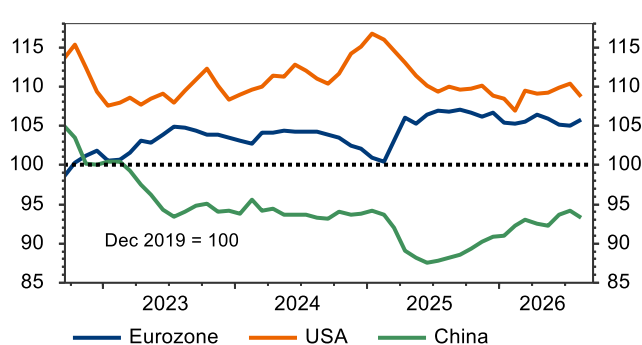
Source: Fed, ECB

10y government bonds yield-to-maturity (%)



Source: LSEG Datastream

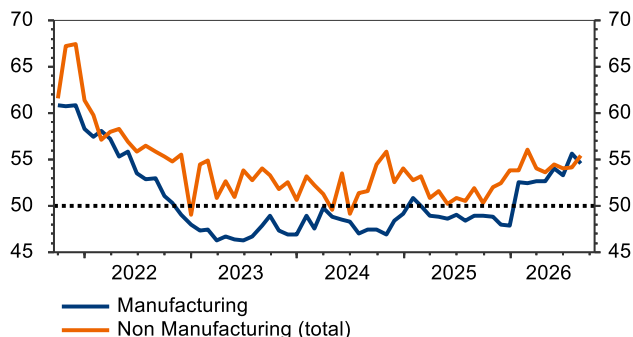
Real effective exchange rates



Source: Intesa Sanpaolo calculations on LSEG Datastream data

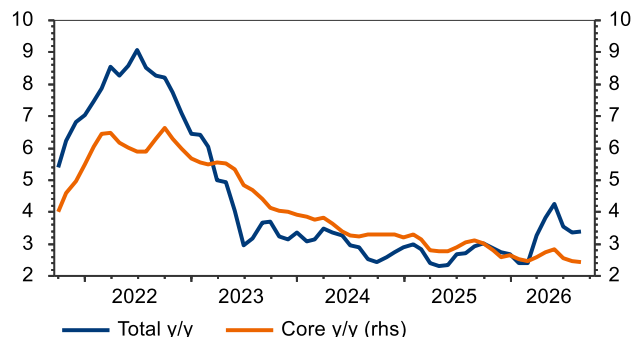
United States

ISM surveys



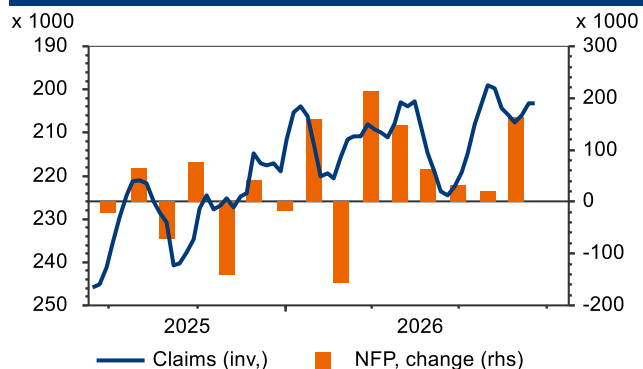
Source: ISM

CPI – y/y % change



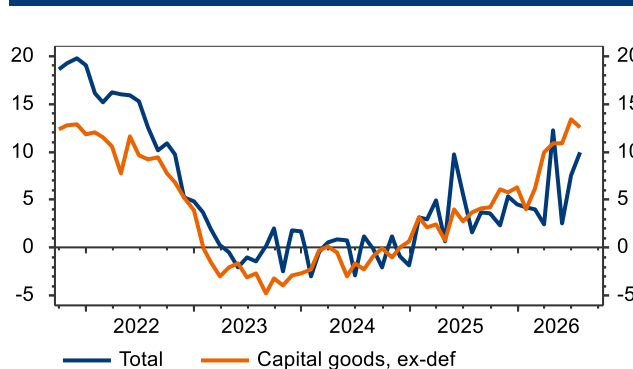
Source: BLS

Nonfarm payrolls & jobless claims ('000)



Source: BLS, U.S. Department of Labor

New orders – y/y % change



Source: U.S. Census Bureau

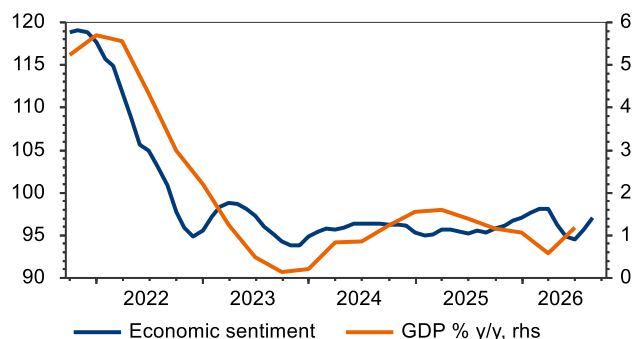
Forecasts Table

	2025	2026	2027	2025	2026	2027	2025	2026	2027	2025	2026	2027
				Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q2
GDP (constant prices, y/y)	2.1	2.1	2.1	2.3	2.0	2.7	2.1	1.7	2.2	2.1	2.2	2.2
- q/q annualised rate				4.4	0.5	2.1	1.5	2.6	2.4	1.9	1.9	1.9
Private consumption	2.6	2.1	1.9	3.5	1.9	0.5	3.4	2.2	1.9	1.8	1.7	1.7
Fixed investment - nonresid.	4.1	6.2	3.6	3.2	2.4	10.6	8.5	4.0	3.7	2.6	2.9	2.9
Fixed investment - residential	-2.2	-2.8	2.4	-7.1	-1.7	-7.8	1.3	2.7	3.0	2.0	2.0	2.0
Government consumption	1.1	0.6	1.5	2.2	-5.6	4.4	-1.0	3.0	2.0	1.5	1.2	1.2
Export	1.6	4.4	4.1	9.6	-3.2	10.9	4.5	3.0	2.0	4.5	5.0	5.0
Import	2.7	2.4	3.9	-4.4	-1.0	11.8	12.5	2.0	1.7	4.0	4.0	4.0
Stockbuilding (% of GDP)	-0.1	-0.3	0.1	-0.1	0.1	0.0	-0.6	0.3	0.1	0.1	0.0	0.0
Current account (% of GDP)	-3.8	-3.4	-3.7									
Gen. Gov. Deficit (% of GDP)	-7.4	-7.5	-6.5									
Gen. Gov. Debt (% of GDP)	137.0	137.8	138.2									
CPI (y/y)	2.7	3.3	2.3	2.9	2.7	2.7	3.9	3.4	3.1	2.8	2.0	2.0
Industrial production	1.1	1.4	2.1	0.5	-0.5	0.3	1.0	0.4	0.4	0.5	0.5	0.5
Unemployment (%)	4.3	4.2	4.3	4.3	4.5	4.3	4.3	4.1	4.2	4.3	4.4	4.4

Note: Percentage annualised growth rates over previous period, if not otherwise specified. Source: Intesa Sanpaolo

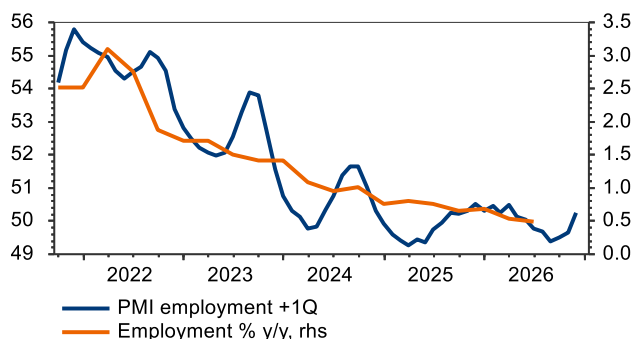
Euro Area

GDP



Source: Eurostat, EU Commission

Employment



Source: Eurostat, S&P Global

Eurozone inflation forecasts, current year

	INDICES				% Ch. y/y			
	HICP	Core ECB	Core ex FEAT	HICP ex tob	HICP ECB	Core ex FEAT	Core ex tob	HICP
Jan-26	100.1	100.0	99.8	100.0	1.7	2.2	2.2	1.6
Feb-26	100.7	100.6	100.6	100.7	1.9	2.3	2.4	1.8
Mar-26	102.0	101.3	101.4	102.0	2.6	2.2	2.3	2.5
Apr-26	103.0	102.1	102.4	103.0	3.0	2.1	2.2	3.0
May-26	103.1	102.4	102.7	103.1	3.2	2.3	2.6	3.1
Jun-26	103.0	102.6	102.9	103.0	2.8	2.1	2.4	2.7
Jul-26	103.2	102.6	102.8	103.2	2.9	2.2	2.5	2.9
Aug-26	103.7	102.8	103.1	103.7	3.2	2.1	2.4	3.2
Sep-26	104.4	102.9	103.2	104.3	3.8	2.2	2.4	3.8
Oct-26	104.7	103.1	103.4	104.6	3.9	2.1	2.3	3.8
Nov-26	104.2	102.7	103.0	104.1	3.7	2.2	2.4	3.7
Dec-26	104.4	103.0	103.3	104.3	3.7	2.1	2.4	3.6
Average	103.0	102.2	102.4	103.0	3.0	2.2	2.4	3.0

Note: ECB core inflation is excluding unprocessed food and energy; core inflation ex FEAT is excluding food, energy, alcohol and tobacco. Source: Eurostat data, Intesa Sanpaolo forecasts.

Eurozone inflation forecasts, next year

	INDICES				% Ch. y/y			
	HICP	Core ECB	Core ex FEAT	HICP ex tob	HICP ECB	Core ex FEAT	Core ex tob	HICP
Jan-27	103.8	102.2	102.4	103.6	3.7	2.3	2.6	3.6
Feb-27	104.3	102.9	103.0	104.2	3.6	2.3	2.5	3.5
Mar-27	105.0	103.7	104.0	104.9	3.0	2.4	2.6	2.9
Apr-27	105.7	104.6	105.0	105.6	2.6	2.4	2.6	2.5
May-27	105.8	104.7	105.1	105.7	2.6	2.3	2.4	2.5
Jun-27	105.8	105.0	105.3	105.7	2.7	2.3	2.4	2.7
Jul-27	105.7	105.0	105.3	105.6	2.4	2.4	2.4	2.3
Aug-27	105.9	105.2	105.6	105.8	2.1	2.4	2.4	2.0
Sep-27	106.2	105.4	105.6	106.1	1.8	2.4	2.4	1.7
Oct-27	106.5	105.6	105.9	106.3	1.7	2.4	2.4	1.6
Nov-27	106.0	105.2	105.4	105.8	1.7	2.4	2.4	1.6
Dec-27	106.3	105.5	105.8	106.2	1.9	2.5	2.3	1.8
Average	105.6	104.6	104.9	105.5	2.5	2.4	2.4	2.4

Note: ECB core inflation is excluding unprocessed food and energy; core inflation ex FEAT is excluding food, energy, alcohol and tobacco. Source: Eurostat data, Intesa Sanpaolo forecasts.

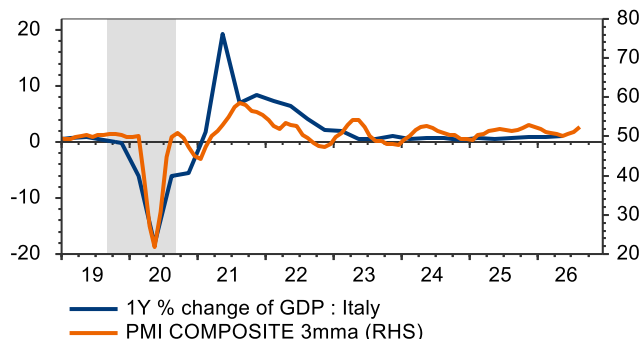
Forecasts Table

	2025	2026	2027	2025	2026	2027
				Q3	Q4	Q1
GDP (constant prices, y/y)	1.3	1.0	1.2	1.2	1.1	0.6
- q/q change				0.3	0.2	-0.0
Private consumption	1.5	1.0	0.9	0.2	0.5	0.1
Fixed investment	2.9	0.8	1.6	1.0	0.7	-0.2
Government consumption	1.5	1.8	1.3	0.7	0.5	0.5
Export	1.9	2.0	2.2	0.6	0.4	-0.6
Import	3.6	3.0	2.6	1.1	0.4	0.6
Stockbuilding (% contr. to GDP)	0.2	0.2	0.2	0.0	-0.4	0.4
Current account (% of GDP)	2.2	1.7	1.8			
Deficit (% of GDP)	-2.9	-3.4	-3.2			
Debt (% of GDP)	87.4	89.8	90.4			
CPI (y/y)	2.1	3.0	2.5	2.1	2.1	2.0
Industrial production (y/y)	1.7	-0.4	1.3	1.5	1.9	-1.9
Unemployment (%)	6.3	6.4	6.3	6.3	6.3	6.4
3-month Euribor	2.18	2.34	2.53	2.01	2.04	2.05

Note: Percentage change over previous period, if not otherwise specified. Source: LSEG Datastream, Intesa Sanpaolo forecasts

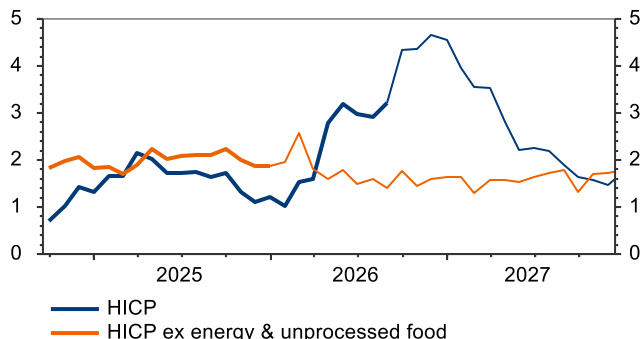
Italy

GDP



Note: shaded areas are recession periods. Source: Istat, S&P Global

Inflation



Note: y/y % change in NIC indexes. Source: Istat, Intesa Sanpaolo forecasts

Italy inflation forecasts, current year

	INDICES				% Ch. y/y			
	HICP	CPI	FOI	FOI ex tob	HICP	CPI	FOI	FOI ex tob
Jan-26	99.5	100.4	100.4	100.4	1.0	1.0	0.8	0.8
Feb-26	100.0	101.1	101.0	100.9	1.5	1.5	1.2	1.1
Mar-26	101.7	101.6	101.5	101.5	1.6	1.7	1.4	1.5
Apr-26	103.3	102.7	102.6	102.5	2.8	2.7	2.6	2.6
May-26	103.6	103.1	102.8	102.8	3.2	3.2	3.0	3.0
Jun-26	103.6	103.1	102.8	102.8	3.0	3.0	2.8	2.9
Jul-26	102.6	103.4	103.1	103.1	2.9	2.9	2.8	2.8
Aug-26	102.7	103.9	103.7	103.7	3.2	3.3	3.3	3.4
Sep-26	105.1	104.5	104.4	104.3	4.3	4.0	4.2	4.1
Oct-26	105.0	104.4	104.5	104.3	4.4	4.3	4.4	4.3
Nov-26	105.0	104.4	104.6	104.5	4.7	4.6	4.7	4.6
Dec-26	105.1	104.2	104.5	104.4	4.5	4.2	4.4	4.3
Average	103.1	103.1	103.0	102.9	3.1	3.0	3.0	2.9

Source: Intesa Sanpaolo forecasts on Istat data

Italy inflation forecasts, next year

	INDICES				% Ch. y/y			
	HICP	CPI	FOI	FOI ex tob	HICP	CPI	FOI	FOI ex tob
Jan-27	103.4	104.5	104.6	104.5	3.9	4.1	4.2	4.1
Feb-27	103.6	104.8	104.8	104.7	3.6	3.7	3.8	3.7
Mar-27	105.3	105.0	105.0	105.0	3.5	3.4	3.5	3.4
Apr-27	106.2	105.5	105.4	105.3	2.8	2.7	2.7	2.7
May-27	105.9	105.5	105.2	105.1	2.2	2.3	2.3	2.3
Jun-27	105.9	105.5	105.2	105.1	2.3	2.3	2.3	2.2
Jul-27	104.8	105.8	105.4	105.4	2.2	2.3	2.2	2.2
Aug-27	104.6	105.8	105.5	105.4	1.9	1.8	1.7	1.7
Sep-27	106.8	106.2	106.0	105.8	1.6	1.6	1.5	1.5
Oct-27	106.7	106.1	106.1	105.9	1.6	1.6	1.6	1.5
Nov-27	106.5	106.0	106.2	106.0	1.5	1.5	1.5	1.4
Dec-27	106.9	106.0	106.1	106.0	1.7	1.7	1.6	1.5
Average	105.6	105.6	105.5	105.3	2.4	2.4	2.4	2.3

Source: Intesa Sanpaolo forecasts on Istat data

Macro forecast

	2025	2026	2027	2025	2026		2027				
				Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
GDP (constant prices, y/y)	0.7	0.9	0.8	0.7	0.9	0.8	1.0	0.9	0.7	0.5	0.7
- q/q change				0.2	0.3	0.3	0.2	0.1	0.2	0.1	0.3
Private consumption	1.1	1.3	0.6	0.3	0.1	0.5	0.4	0.2	0.1	0.1	0.1
Fixed investment	3.8	2.9	1.9	1.2	0.9	0.8	0.3	0.1	0.3	0.2	1.0
Government consumption	0.6	0.3	0.2	0.3	0.2	0.0	-0.1	0.1	0.1	0.0	0.0
Export	1.4	3.3	2.2	2.3	-1.0	2.3	0.8	0.6	0.4	0.4	0.6
Import	3.9	3.9	2.6	2.1	1.5	0.0	1.7	0.7	0.6	0.5	0.6
Stockbuilding (% contr. to GDP)	-0.2	-0.5	0.0	-0.4	0.8	-0.9	0.1	-0.1	0.1	0.0	0.0
Current account (% of GDP)	1.1	0.5	0.6								
Deficit (% of GDP)	-3.1	-2.9	-2.9								
Debt (% of GDP)	137.1	138.5	137.9								
HICP (y/y)	1.6	3.1	2.4	1.7	1.2	1.4	3.0	3.5	4.5	3.7	2.4
Industrial production (y/y)	-0.3	0.5	1.1	0.2	1.2	0.5	0.5	0.6	0.5	1.2	1.1
Unemployment (%)	6.0	5.5	5.4	5.9	5.7	5.5	5.6	5.5	5.4	5.4	5.4
10 years government rate	3.57	3.89	4.08	3.55	3.46	3.54	3.78	4.03	4.20	4.13	4.09

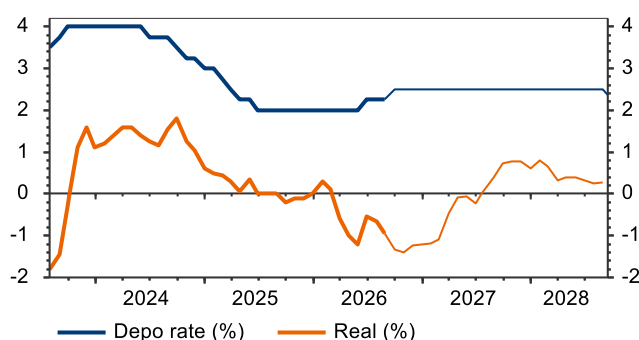
Note: Percentage changes on the previous period – unless otherwise indicated. Source: LSEG Datastream, Intesa Sanpaolo forecasts

Interest Rates and Exchange Rates

Eurozone

	Dec	Mar	Jun	17/9	Sep	Dec	Mar	Jun
Deposit rate	2.00	2.00	2.25	2.50	2.50	2.50	2.50	2.50
Euribor 1m	1.94	1.89	2.20	2.47	2.33	2.44	2.43	2.44
Euribor 3m	2.03	2.08	2.32	2.62	2.54	2.58	2.53	2.53

Source: Intesa Sanpaolo forecasts on LSEG Datastream data

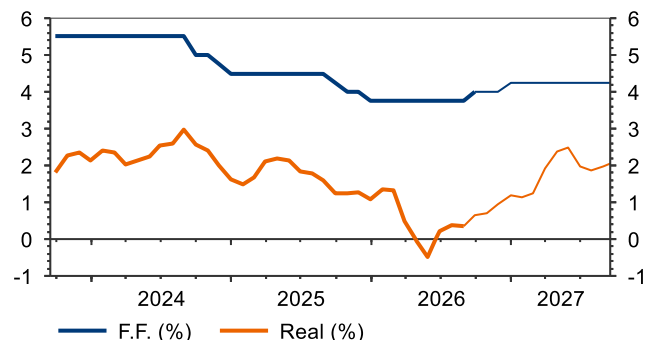


Source: Intesa Sanpaolo calculations and forecasts on LSEG Datastream data

United States

	Dec	Mar	Jun	17/9	Sep	Dec	Mar	Jun
Fed Funds	3.75	3.75	3.75	4.00	4.00	4.25	4.25	4.25
OIS 3m	3.60	3.66	3.72	4.00	3.86	4.13	4.16	4.17

Source: Intesa Sanpaolo forecasts on LSEG Datastream data

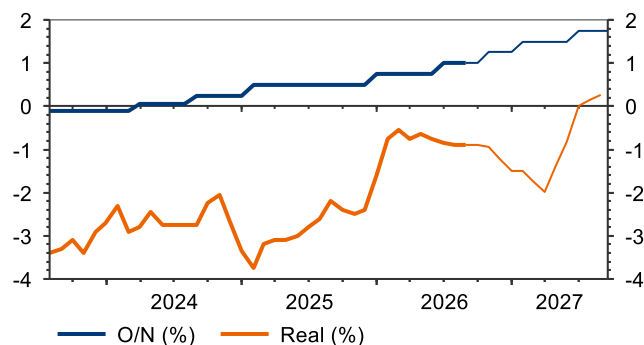


Source: Intesa Sanpaolo calculations and forecasts on LSEG Datastream data

Japan

	Dec	Mar	Jun	17/9	Sep	Dec	Mar	Jun
O/N target	0.75	0.75	1.00	1.25	1.25	1.25	1.50	1.75
OIS 3m	0.73	0.86	0.99	1.27	1.27	1.27	1.52	1.77

Source: Intesa Sanpaolo forecasts on LSEG Datastream data

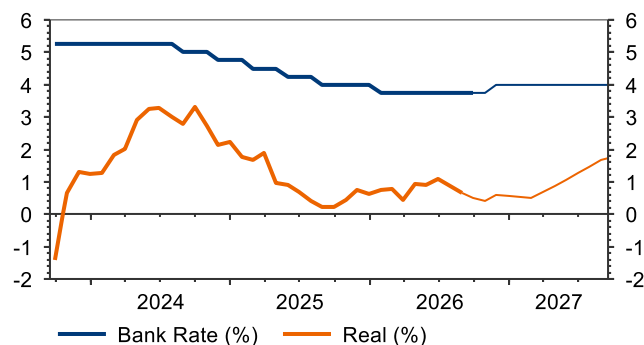


Source: Intesa Sanpaolo calculations and forecasts on LSEG Datastream data

United Kingdom

	Dec	Mar	Jun	17/9	Sep	Dec	Mar	Jun
Bank rate	3.75	3.75	3.75	3.75	3.75	4.00	4.00	4.00
OIS 3m	3.72	3.84	3.77	3.85	3.90	4.15	4.15	4.15

Source: Intesa Sanpaolo forecasts on LSEG Datastream data



Source: Intesa Sanpaolo calculations and forecasts on LSEG Datastream data

Exchange rates

	18/9	2026 Q1	2026 Q2	2026 Q3	2026 Q4	2027 Q1	2027 Q2	2027 Q3	2027 Q4
EUR/USD	1.1484	1.17	1.16	1.14	1.13	1.13	1.15	1.16	1.16
USD/JPY	157.92	157	160	157	160	160	156	149	145
GBP/USD	1.3367	1.35	1.34	1.34	1.30	1.27	1.29	1.30	1.30
USD/CAD	1.3997	1.37	1.38	1.41	1.43	1.44	1.41	1.39	1.39
AUD/USD	0.7126	1.44	1.41	1.41	1.42	1.42	1.40	1.39	1.40
NZD/USD	0.5716	1.69	1.71	1.68	1.71	1.67	1.61	1.58	1.58
USD/CHF	0.8248	0.78	0.79	0.81	0.82	0.82	0.80	0.79	0.80
USD/SEK	9.8243	9.14	9.36	9.45	9.67	9.52	9.15	8.92	8.84
USD/NOK	9.4230	9.73	9.42	9.79	9.69	9.60	9.35	9.20	9.19

Source: Intesa Sanpaolo forecasts on LSEG Datastream data

Appendix

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