Euro area: August Inflation Preview

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Marketing communication: This document is a marketing presentation. It has not been prepared in accordance with legal requirements designed to promote the independence of investment research; and it is not subject to any prohibition on dealing ahead of the dissemination of investment research. 27 August 2026 EMEA M ACRO S NAPSHOT Euro area: August Inflation Preview The near-term outlook is increasingly shaped by energy markets. Rising energy prices are the primary driver pushing headline inflation higher across both the Euro area and its four largest economies. We expect euro area headline inflation to reach 3.20% year-on- year (yoy) in August, an increase from 2.94% in July. Core inflation, which excludes energy, food, alcohol, and tobacco, is projected to reach 2.50% yoy in August, up from 2.48% in July. On that basis, for the full year 2026, our projections stand at 2.83% yoy on average for euro area headline inflation and 2.42% yoy for core inflation. At the country level, inflation is expected to increase in August in the four major euro area countries, reaching 3.0% yoy in Germany, 2.8% in France, 3.1% in Italy, and 4.2% in Spain. For the full year 2026, we anticipate headline inflation to average 2.7% in both Germany and Italy, 2.3% in France, and 3.5% in Spain. WRITTEN BY Patricia FLOREZ CABRA Tel. +33 1 58 55 62 71 patricia.florezcabra@natixis.com Discover more on our Website

EMEA M ACRO S NAPSHOT 2 Key Forecasts for the Euro area The near-term outlook is increasingly shaped by energy markets. Rising energy prices are the primary driver pushing headline inflation higher across both the Euro area and its four largest economies. ► Euro area: We project Euro area headline inflation to accelerate to 3.20% yoy in August, up from July's reading of 2.94%. Under this trajectory, the annual average inflation for 2026 is expected to settle at 2.8%. ► In Germany, August headline inflation is forecasted to rise to 3.04% yoy, marking an increase from the 2.84% recorded in July. This upward movement brings the projected annual average rate for 2026 to 2.7%. ► France is anticipated to see a notable uptick in August headline inflation, reaching 2.8% yoy compared to 2.37% in July. Consequently, we expect the French annual average inflation for 2026 to land at 2.3%. ► For Spain, we project headline inflation to climb further to 4.2% yoy in August, building on the 3.90% registered in July. Consequently, we expect the annual average inflation rate to settle at 3.5% for the year as a whole. ► Italy's headline inflation is forecast to edge up to 3.1% yoy in August, rising from the 2.91% recorded in July. This path aligns with our forecast of a 2.8% annual average inflation rate for the country in 2026. Energy Energy prices 1 will be the primary upward driver of inflation in August. While Brent crude at $88/bbl. remains below its spring peak of $104, its year-on-year (yoy) comparison has worsened, rising to 31% yoy in August from 21% yoy in both June and July. This means oil will exert stronger upward pressure on headline annual inflation in August than it did over the previous two months. Month-on-month (mom), oil prices regained upward momentum with a 5% mom increase in August, following a -19% mom drop in June and a flat July (-1% mom). The Euro appreciated slightly against the Dollar in August, rising to 1.16 from July’s 1.14; however, this modest gain paled in comparison to surging oil prices. Looking at motor fuels 2 , prices experienced a sharp acceleration. Petrol rose by 3% mom, continuing its steady climb from July (+4% mom), while Diesel surged by 8% mom (up from 5% mom in July). This August momentum, paired with unfavorable base effects, pushed annual rates to their highest levels of the year: Petrol climbed to 20% yoy (up from 15% in July), while Diesel reached 33% yoy (up from 21% in July), closing in on its April peak of 36% yoy. Petrol and Diesel accounting for 2.2% and 1.5% of the HICP basket respectively. While fuel price pressures intensified across all major eurozone economies in August, the most pronounced accelerations were recorded in Germany and Spain, where annual diesel inflation surged by over ten percentage points. ► Germany: Although monthly growth cooled to 2% mom for petrol and 7% mom for diesel (down from 11% and 15% in July), annual rates still surged to yearly 1 Average price calculated as of 25 August 2026. 2 Prices with taxes from the European Commission weekly oil bulletin, 25 August 2026.

EMEA M ACRO S NAPSHOT 3 highs, with petrol reaching 28% yoy (up from 24% yoy) and diesel jumping to 40% yoy (up from 28% yoy). ► France: Upward momentum built in August as petrol rose 3% mom and diesel jumped 9% mom. This price acceleration drove a significant annual rebound, pushing petrol to 20% yoy (up from 17% yoy in July) and diesel to a steep 37% yoy (up from 24% yoy in July). ► Italy: Fuel markets faced renewed strain, with petrol climbing 6% mom and diesel rising 4% mom. This monthly pressure lifted annual rates significantly, elevating petrol to 17% yoy (vs 9% yoy in July) and diesel to 27% yoy (vs 21% yoy in July). ► Spain: A sharp monthly spike saw petrol surge 8% mom and diesel leap 13% mom. This rapid escalation triggered a dramatic yearly increase, lifting petrol to 15% yoy (up from 5% yoy in July) and diesel to 28% yoy (up from 13% yoy in July). Natural gas has become nearly twice as expensive as it was last year. The TTF average price reached €61/MWh in August, bringing its annual inflation rate to a staggering 87% yoy. This growth is driven by massive, consecutive monthly spikes: August's 13% mom increase follows a substantial 20% mom surge in July. Electricity prices are following a similar upward trajectory, averaging €145/MWh in August. The annual inflation rate for electricity nearly doubled, jumping to 69.8% yoy in August from 37.4% in July. Food Global agricultural commodity prices eased in August, with the S&P GSCI Agriculture Spot Index rising 15% yoy and 5% mom, a deceleration from July's gains (17% yoy and 9% mom). This slowing momentum is supported by Euro area farm-gate and wholesale prices, which extended their year-to-date downward trend in July, falling 8% yoy and 2% mom. Additionally, July fertilizer prices declined by 3% yoy and 4% mom. Factoring in these lower input costs, alongside the negative trajectory of wholesale prices and cooling global commodity momentum, we expect annual food inflation in August to stabilize at a level comparable to July for the Euro area and the EMU-4. Goods and Services Euro area core inflation is forecasted to reach 2.50% yoy in August, staying close to its July level. ► The ECB wage tracker has shown a moderate upward trend since May, peaking at 2.57% in July before easing slightly to 2.55% in August. Although this indicates a recent rising trajectory, these figures remain substantially below those of previous years, such as the 3.20% yoy average recorded in 2025 and 4.64% in 2024. Furthermore, the ECB's June forecast for Q3 2026 compensation per employee was set at 3.1% yoy, marking a significant decline from the 3.9% yoy recorded in 2025. ► The Global Supply Chain Pressure Index (GSCPI) highlights a volatile path for supply chains in 2026, rising from a low of 0.47 in January to a peak of 1.84 in April and 1.81 in May. However, this upward pressure began to de-escalate, with the index falling to 1.19 in June and easing further to 0.80 in July, signaling a gradual normalization of global supply conditions. Nevertheless, the

EMEA M ACRO S NAPSHOT 4 international environment remains highly volatile, meaning this improving trend could easily reverse and regain upward pressure in the event of new global disruptions. ► The most recent data reveals a significant easing of price pressures on non- energy and non-food commodities. Prices rose by 2% yoy in July, marking a sharp deceleration from the 8% yoy recorded in June, and a substantial drop from the peak of 19% yoy observed in January. On a month-on-month basis, prices decreased by 3% mom in July, matching the decline observed in June. ► Transport prices are expected to remain under upward pressure. The primary risk stems from transport services, which are facing significant headwinds from the rising fuel costs highlighted in the energy section. Meanwhile, the Harpex Shipping Index (which tracks container charter rates) rose 1% mom, bringing its annual growth rate to 7% yoy (down slightly from 8% yoy in July).

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