

GLOBAL ECONOMIC OUTLOOK

This document is not an investment recommendation.

RESILIENCE AMIDST STRUCTURAL DISRUPTION

WILLIAM DE VIJLDER

Economic Adviser to the General Management
Eurofinas Leaseurope Convention, Cascais, 9 October 2025



BNP PARIBAS

The bank for a changing world

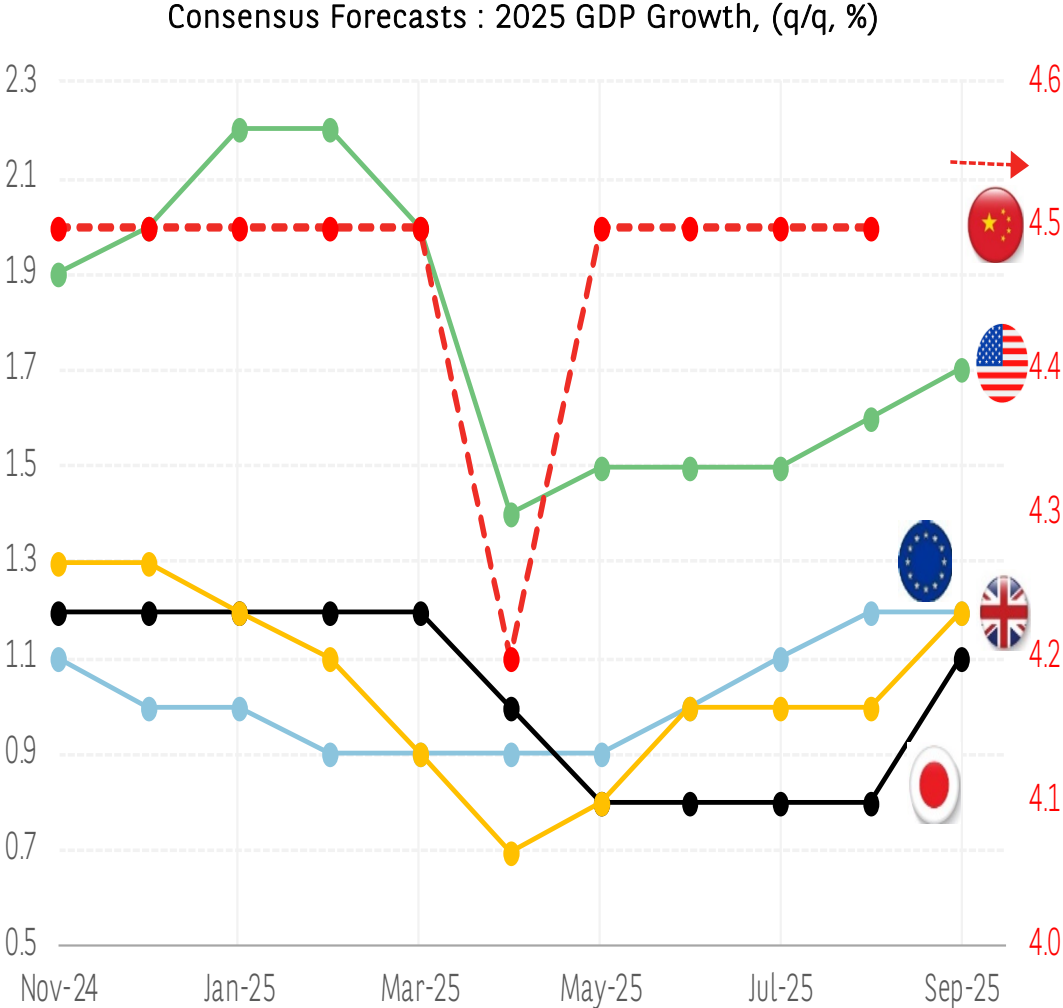
1

CYCLICAL ENVIRONMENT AND OUTLOOK

This part of the presentation is based on input provided by Isabelle Mateos Y Lago,
BNP Paribas Group Chief Economist.



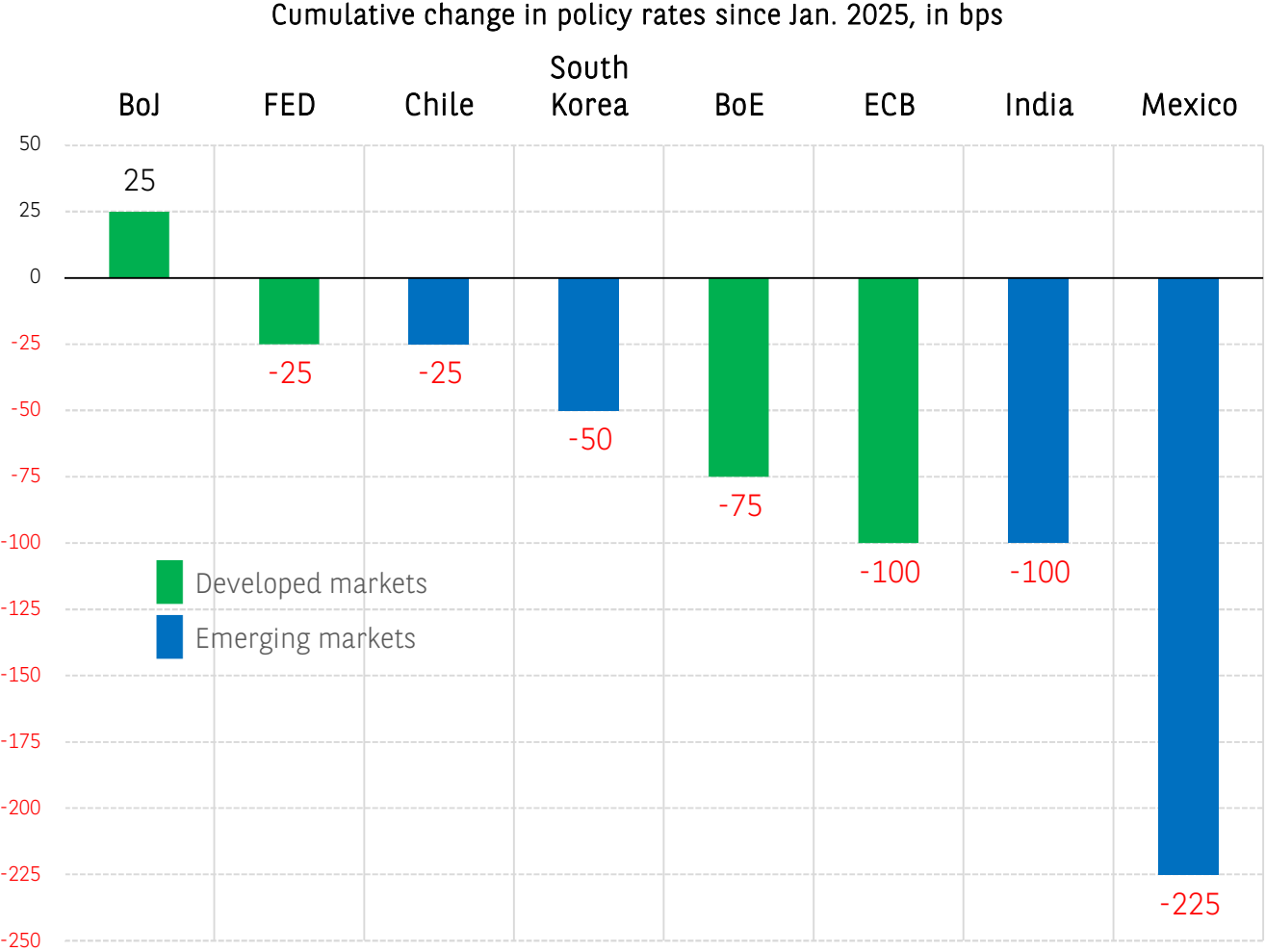
Growth: a rebound in confidence



Source : Consensus Economics, BNP Paribas

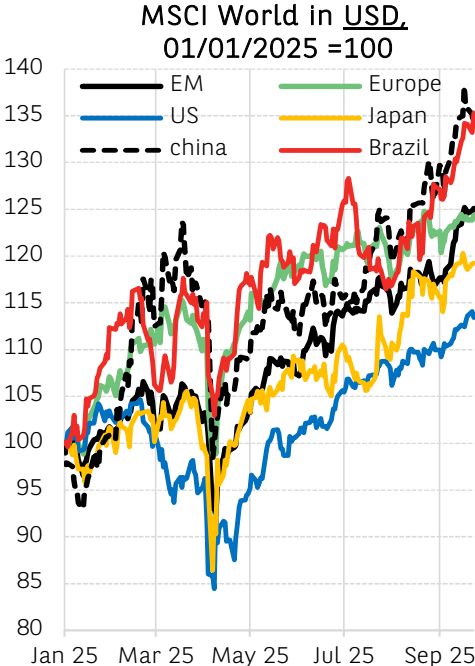


Most central banks have been able to ease, in some cases very significantly



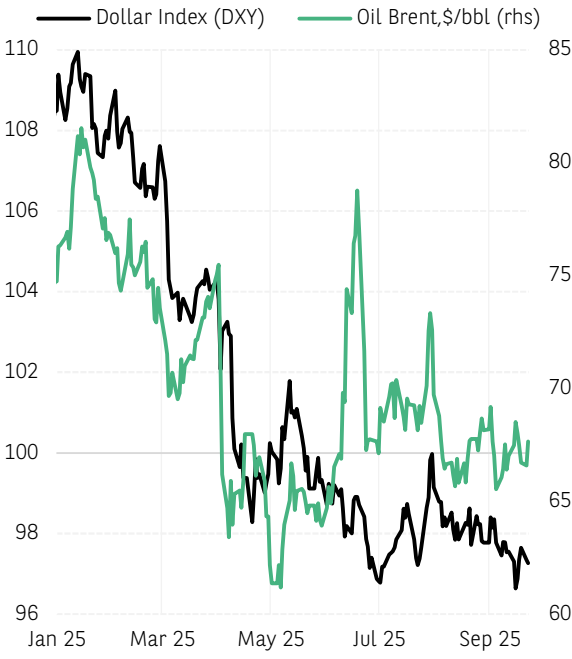
Broader financial conditions have been supportive

Stock markets have been booming



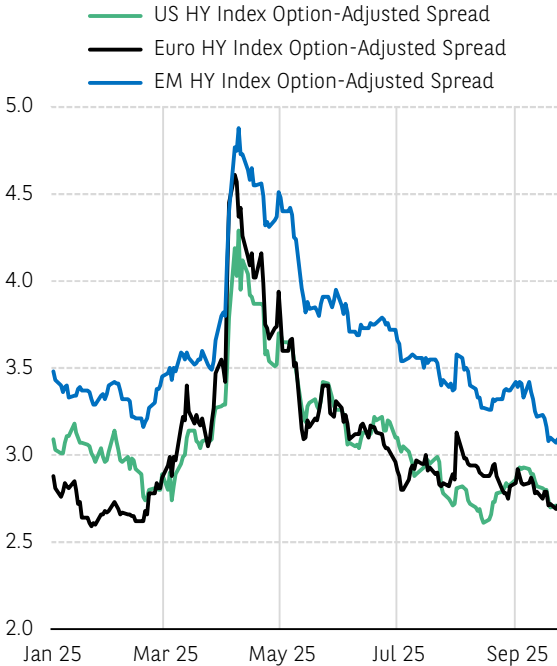
Source : MSCI, Refinitiv, BNP Paribas

Weakening dollar, weakening oil prices



Source : Refinitiv, BNP Paribas

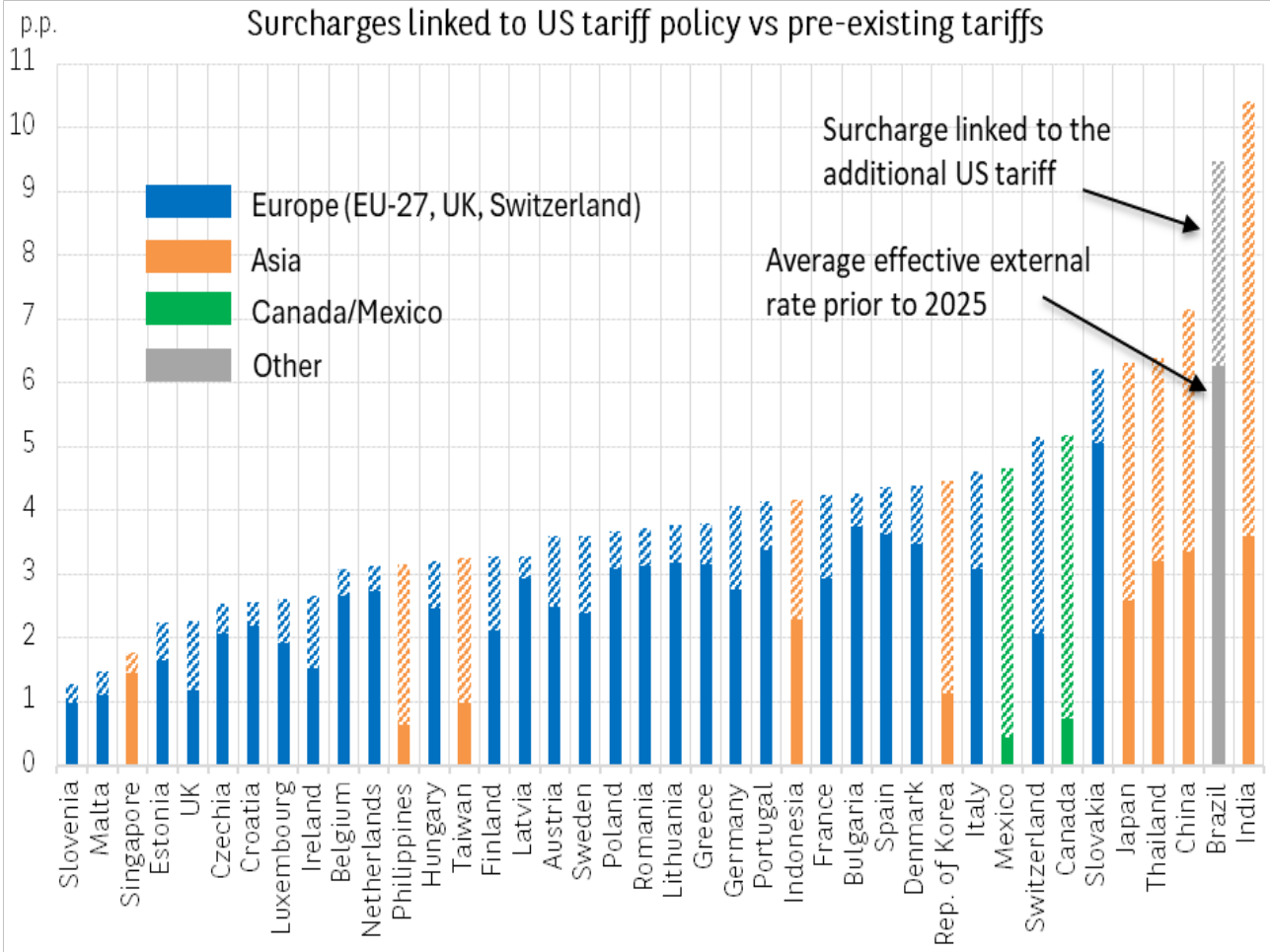
HY spreads are at record lows



Source : FRED St. Louis Fed, BNP Paribas



For most countries, the rise in overall tariff is small

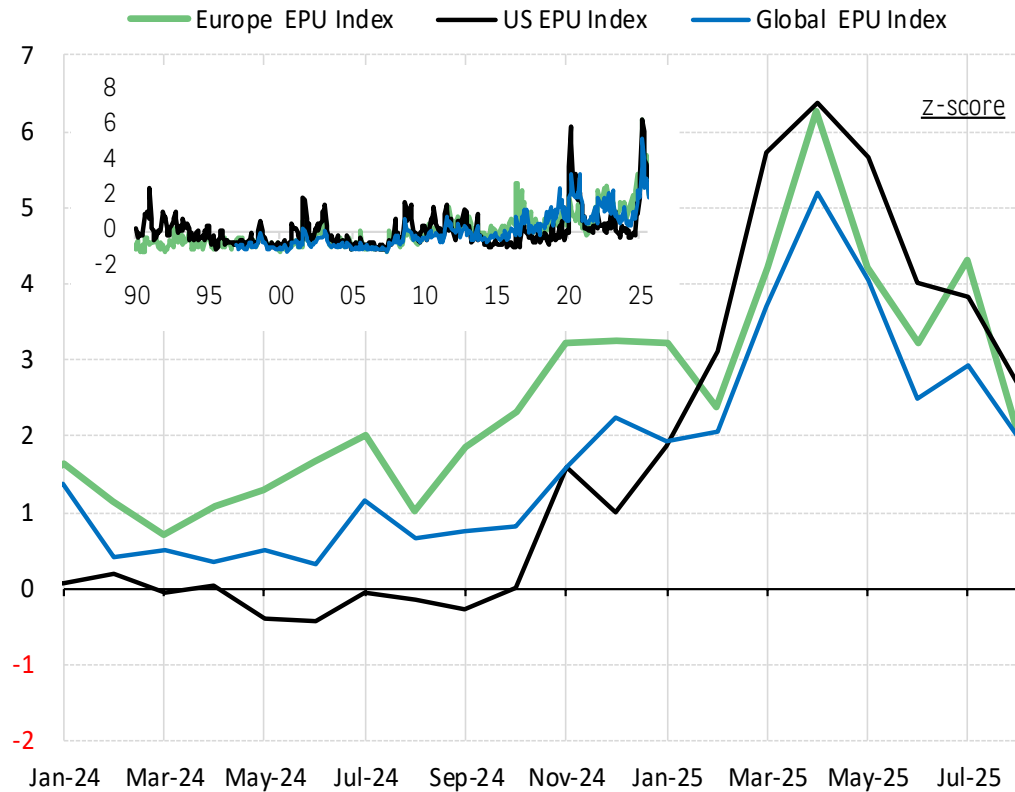


Source : Comtrade, WITS, Fitch, BNP Paribas



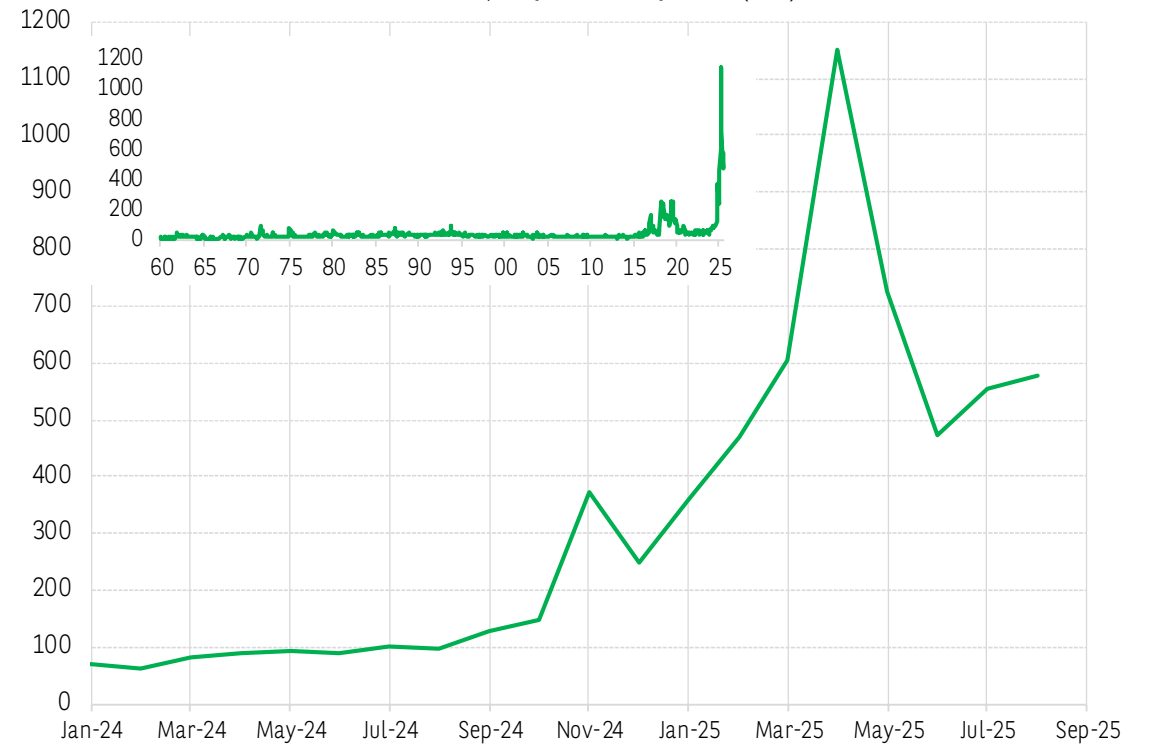
Policy uncertainty has moderated

Economic Policy Uncertainty Index (EPU)



Source : Refinitiv, BNP Paribas

Trade Policy Uncertainty Index (TPU)

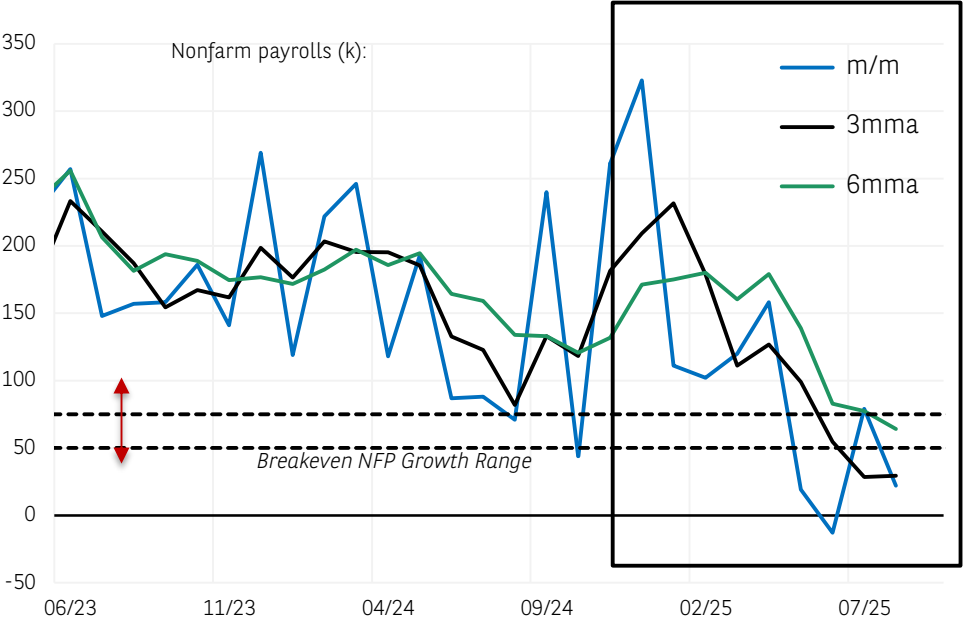


Source : Matteo Iacoviello (<https://www.matteoiacoviello.com>), BNP Paribas



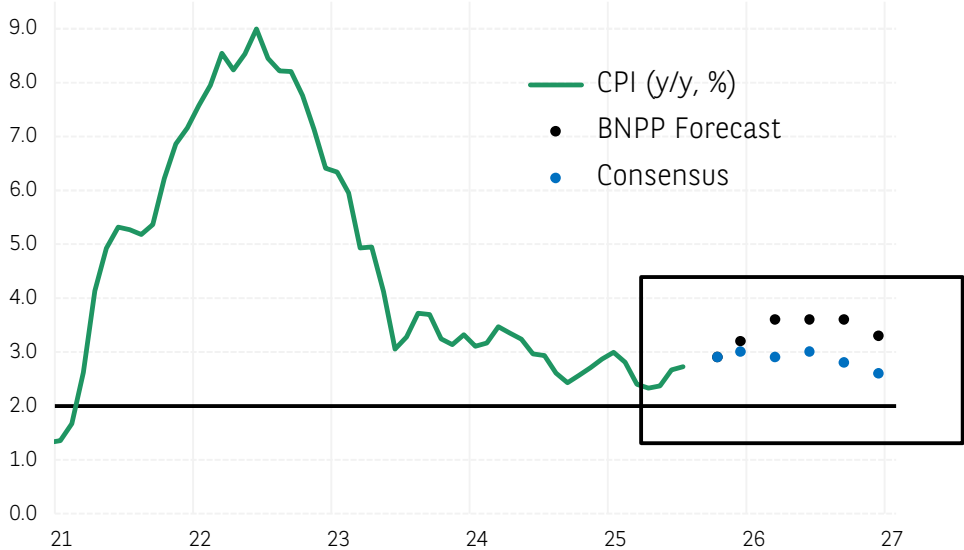
US: weakening labour market and inflation not yet under control

Demand for labour has unmistakably receded



Source: BLS, BNP Paribas

Job is not done on returning inflation to target



Source: Bloomberg, BLS, BNP Paribas



US: consensus sees better growth this year and stable growth next, but labour market to weaken, which is a point of attention



Third Quarter 2025

Survey of Professional Forecasters

FEDERAL RESERVE BANK PHILADELPHIA

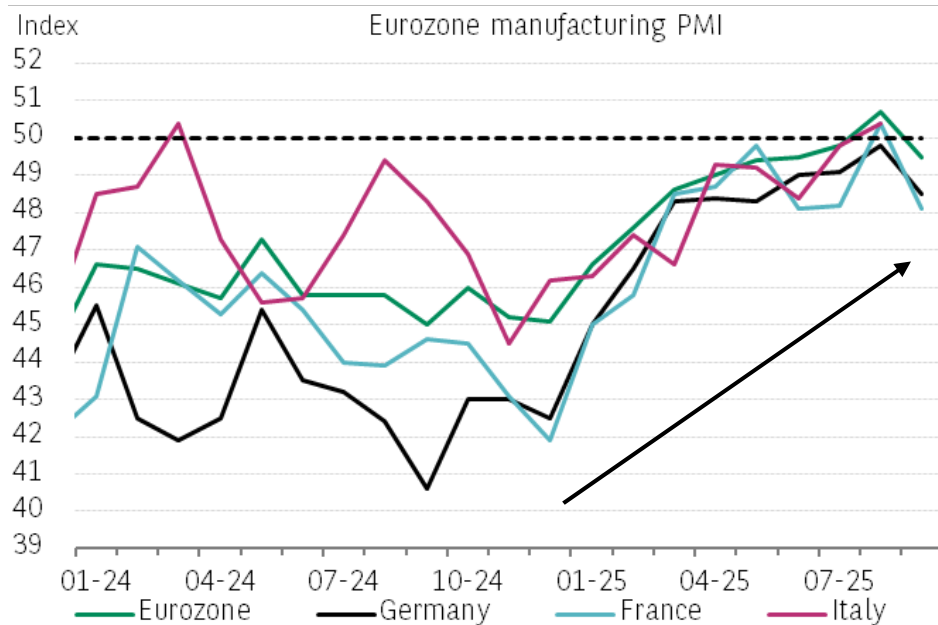
Release Date: August 15, 2025

Median Forecasts for Selected Variables in the Current and Previous Surveys

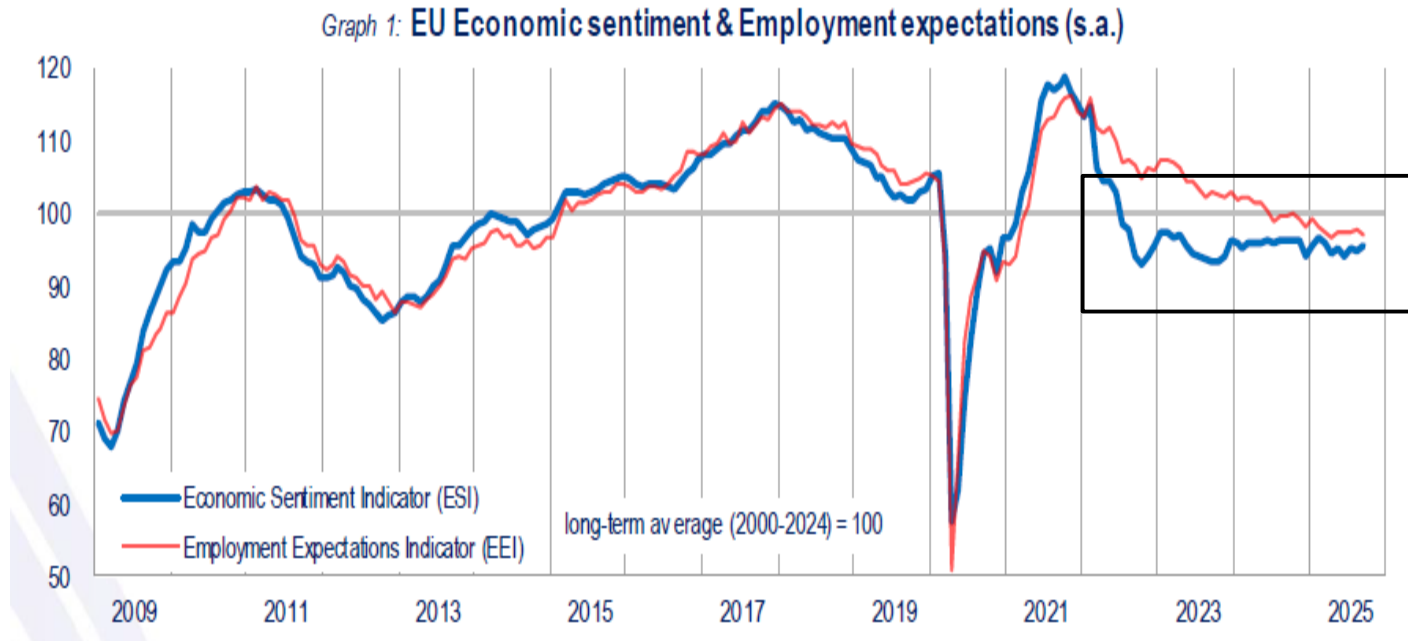
	Real GDP (%)		Unemployment Rate (%)		Payrolls (000s/month)	
	Previous	New	Previous	New	Previous	New
Annual data (projections are based on annual-average levels):						
2025	1.4	1.7	4.3	4.2	140.9	132.8
2026	1.6	1.6	4.5	4.5	113.8	86.2
2027	2.2	2.1	4.6	4.4	N.A.	N.A.
2028	2.0	1.8	4.4	4.3	N.A.	N.A.



Eurozone: manufacturing recovery gaining traction but economic sentiment in general remains directionless and close to but below the long-term average



Source: Macrobond, BNP Paribas

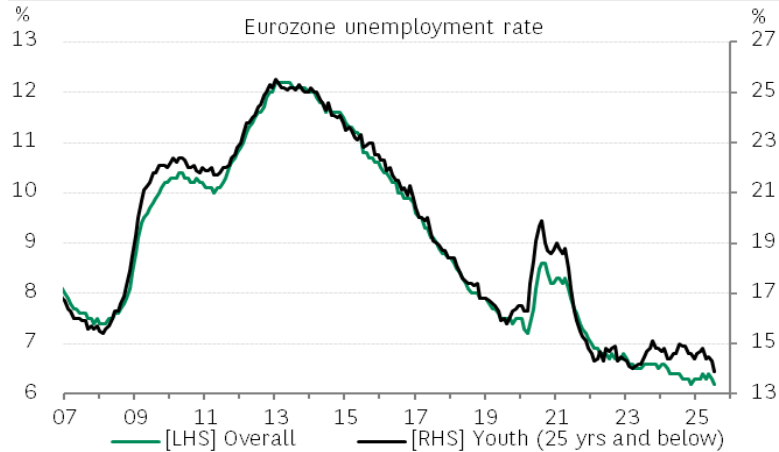


Source: European Commission



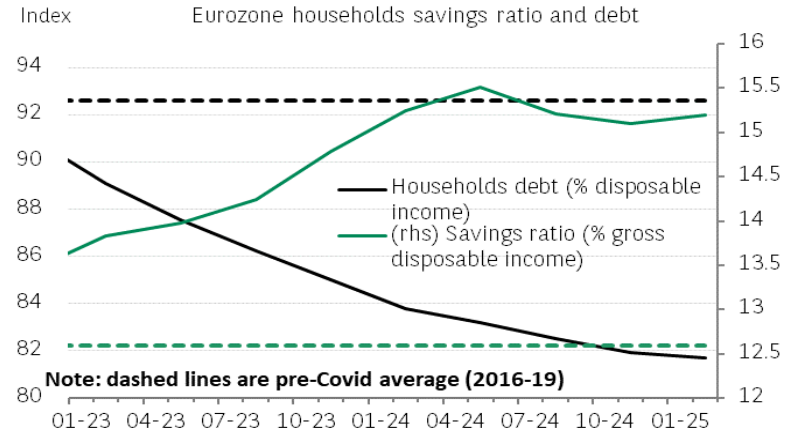
Eurozone: building up strength

The labour market remains historically tight



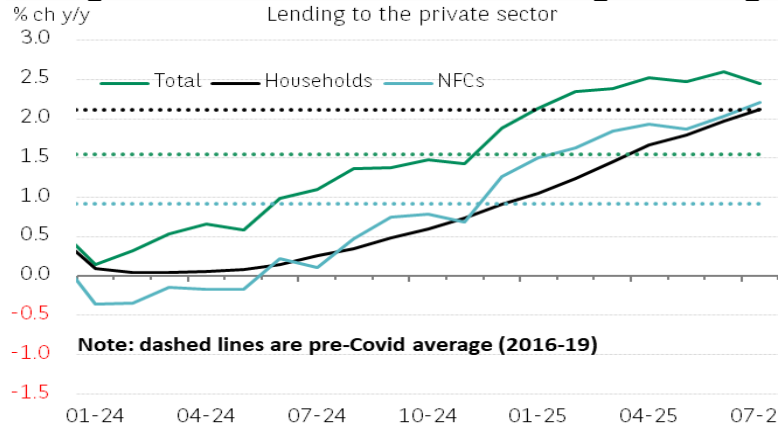
Source: Eurostat, BNP Paribas

Overall households' financials are sound



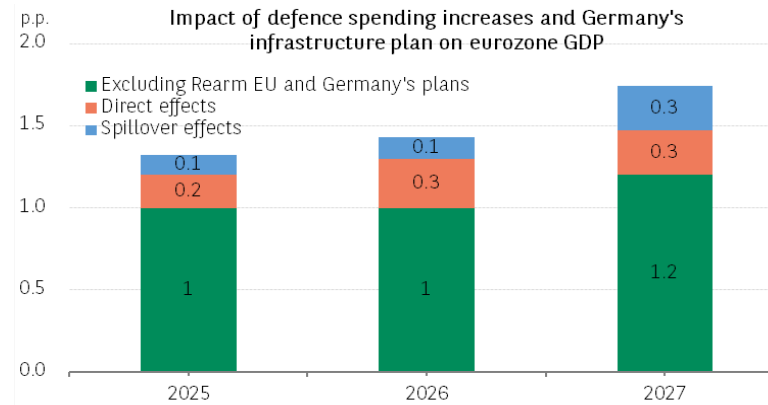
Source: Eurostat, ECB, BNP Paribas

Improving credit conditions are lifting credit growth



Source: ECB, BNP Paribas

Higher public investment supporting growth



Source: BNP Paribas calculations



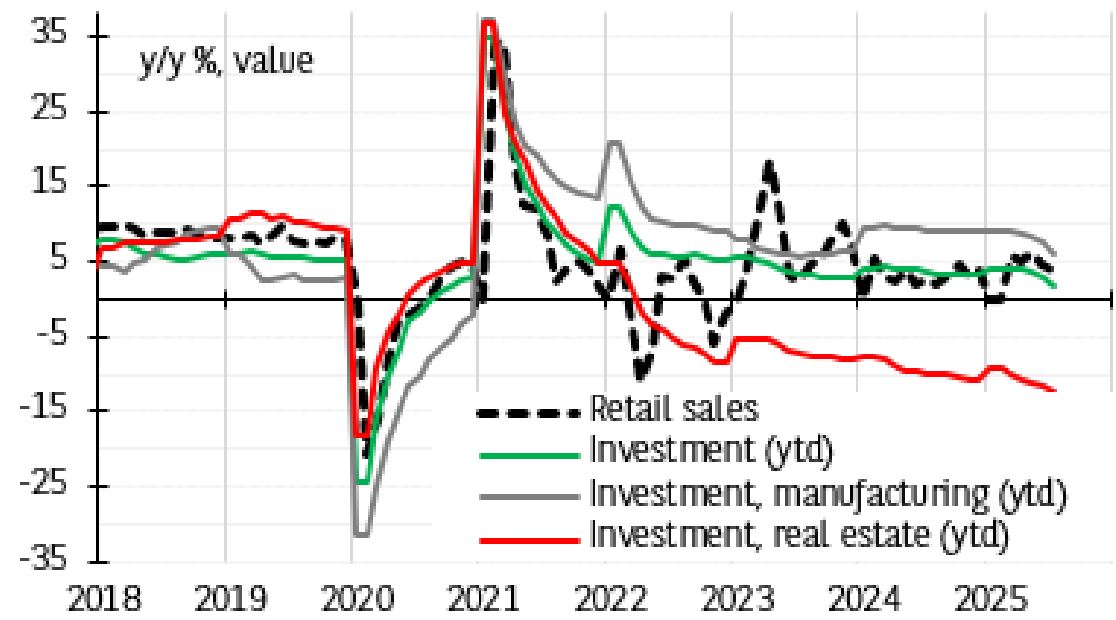
China: resilient growth but domestic demand still subdued

Export strength, notably supported by trade diversion...



Source : NBS, BNP Paribas

Domestic demand weakness...



Source : NBS, BNP Paribas



BNP Paribas economic forecasts

%	GDP Growth				Inflation			
	2023	2024	2025 e	2026 e	2023	2024	2025 e	2026 e
United States	2,9	2,8	2,0	1,8	4,1	2,9	2,8	3,2
Japan	1,2	0,1	1,3	0,6	3,3	2,7	3,2	2,5
United Kingdom	0,4	1,1	1,3	1,0	7,3	2,5	3,5	2,7
Euro Area	0,5	0,8	1,3	1,4	5,4	2,4	2,1	1,8
Germany	-0,7	-0,5	0,3	1,4	6,0	2,5	2,2	1,3
France	1,6	1,1	0,7	1,1	5,7	2,3	1,0	1,2
Italy	0,8	0,5	0,6	1,1	5,9	1,1	1,7	1,5
Spain	2,5	3,5	2,7	2,3	3,4	2,8	2,6	1,9
China	5,2	5,0	5,0	4,5	0,2	0,2	0,0	1,0
India*	9,2	6,5	6,2	6,4	5,4	4,7	3,2	4,4
Brazil	2,9	3,4	2,3	1,6	4,6	4,4	5,1	4,4

Source : BNP Paribas (e: Estimates & forecasts). Last update: 29 September 2025.

* Fiscal year from 4 April of year n-1 to March 31st of year n

Interest rates, %

End of period	Spot 26/09/2025	Q4 2025	Q2 2026	Q4 2026	
US	Fed Funds (upper limit)	4.25	3.75	3.25	3.25
	T-Note 10y	4.16	4.25	4.30	4.40
Eurozone	deposit rate	2.00	2.00	2.00	2.25
	Bund 10y	2.70	2.90	3.05	3.20
	OAT 10y	3.49	3.70	3.80	4.00
	BTP 10y	3.59	3.60	3.70	3.85
	BONO 10y	3.25	3.43	3.55	3.70
UK	Base rate	4.00	3.75	3.50	3.50
	Gilts 10y	4.75	4.60	4.50	4.40
Japan	BoJ Rate	0.50	0.75	1.00	1.50
	JGB 10y	1.65	1.80	2.00	2.10

Exchange Rates

End of period	26/09/2025	Q4 2025	Q2 2026	Q4 2026	
USD	EUR / USD	1.17	1.20	1.21	1.22
	USD / JPY	150	145	143	141
	GBP / USD	1.34	1.38	1.38	1.39
EUR	EUR / GBP	0.87	0.87	0.88	0.88
	EUR / JPY	175	174	173	172

Brent

Quarter Average	26/09/2025	Q4 2025	Q2 2026	Q4 2026
Brent USD/bbl	70	59	57	63

Sources: BNP Paribas (Market Economics, Interest Rate Strategy, FX Strategy, Commodities Desk Strategy)

Last update: 29/09/2025



2

STRUCTURAL DISRUPTION



A new era, one of disruptive change

1990s-2000

Peace dividend



Since 2010

Defence spending

Globalisation



The end of
multilateralism

Ample economic
policy leeway



Reduced economic
policy leeway



A new era, one of disruptive change

1990s-2000

Peace dividend

Globalisation

Ample economic
policy leeway

“We have entered a
new era of harsh
**geostrategic
competition.**”

Source: World Economic Forum, Davos 2025, Special
address by Ursula von der Leyen, President of the
European Commission

Since 2010

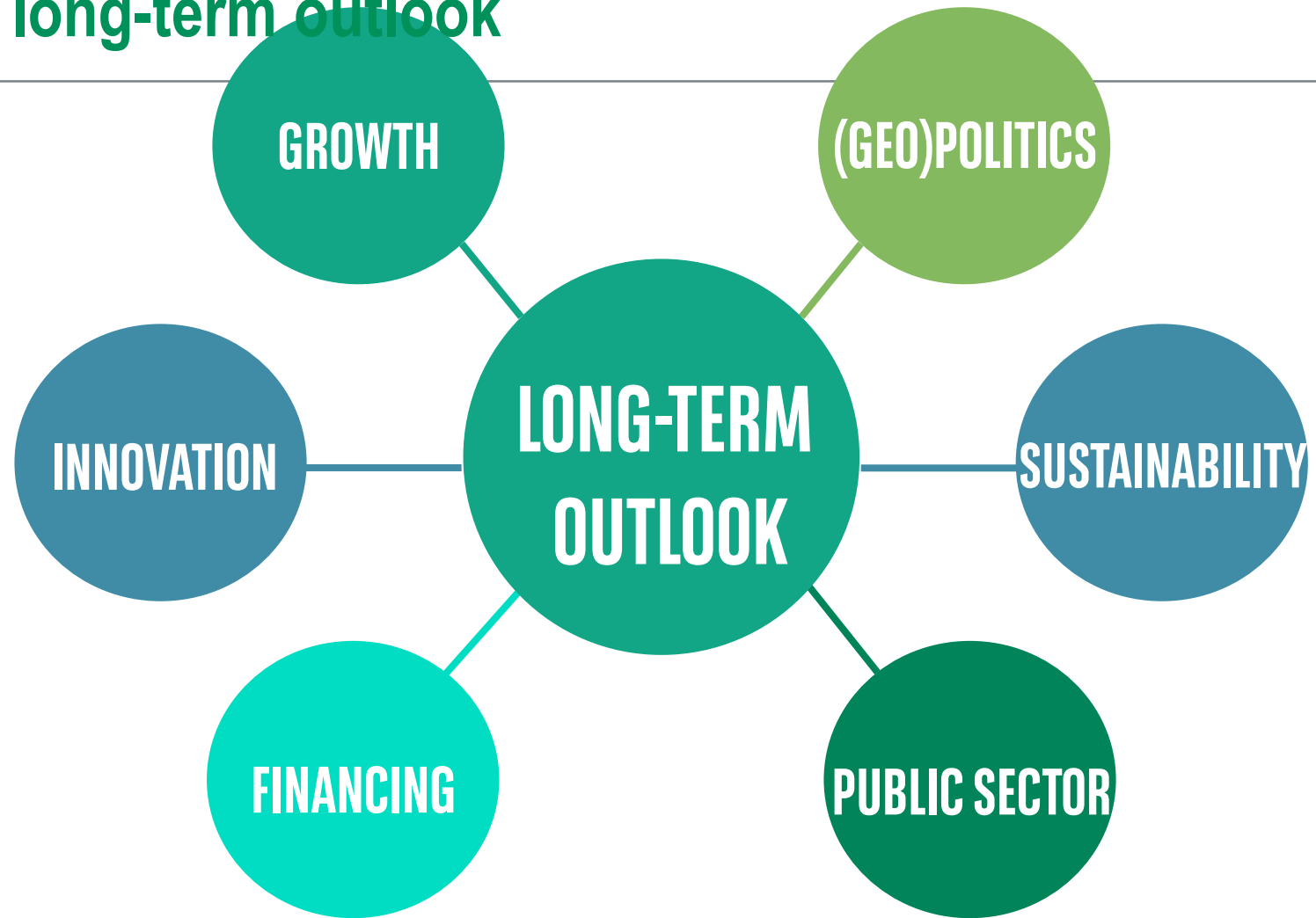
Defence spending

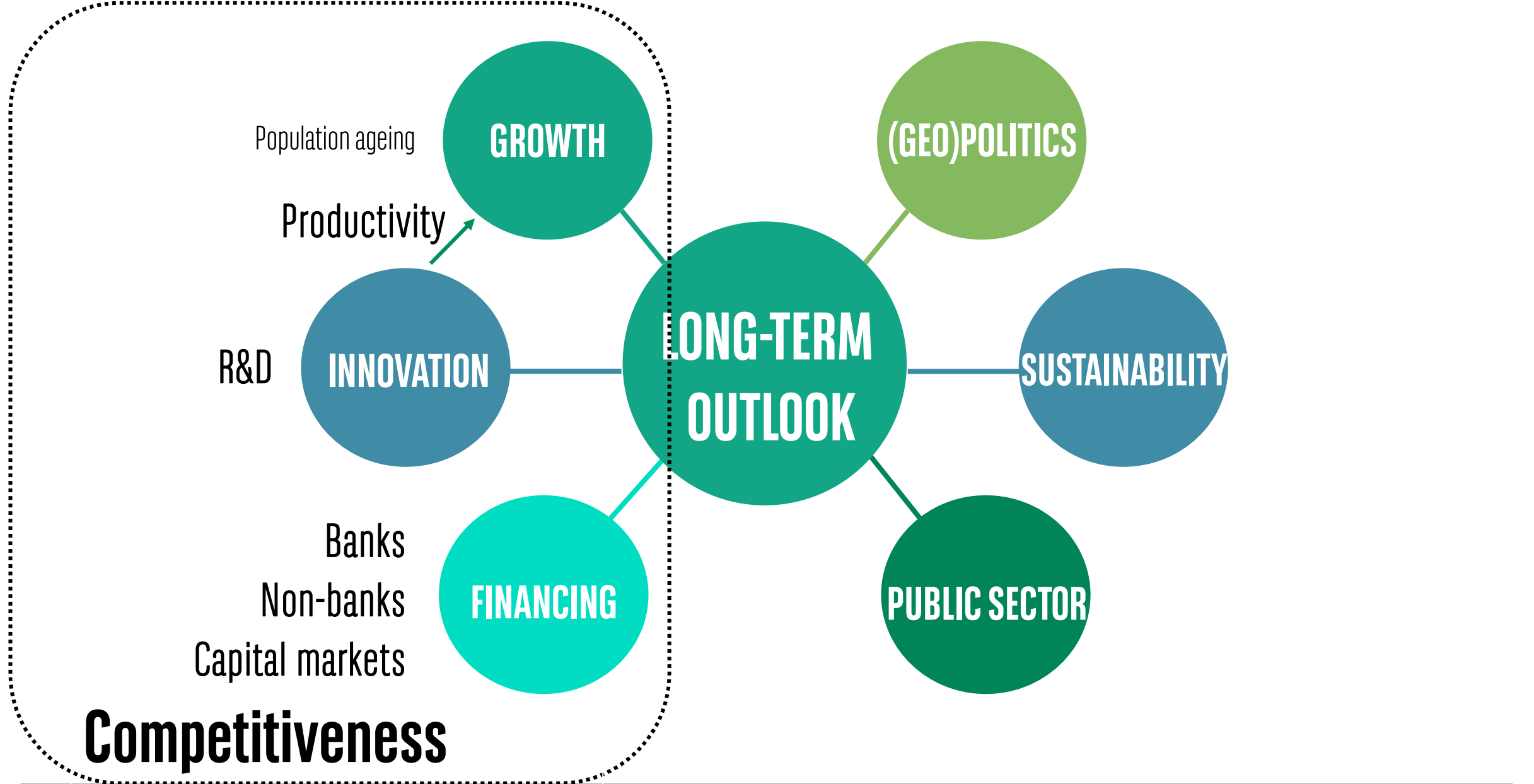
The end of
multilateralism

Reduced economic
policy leeway

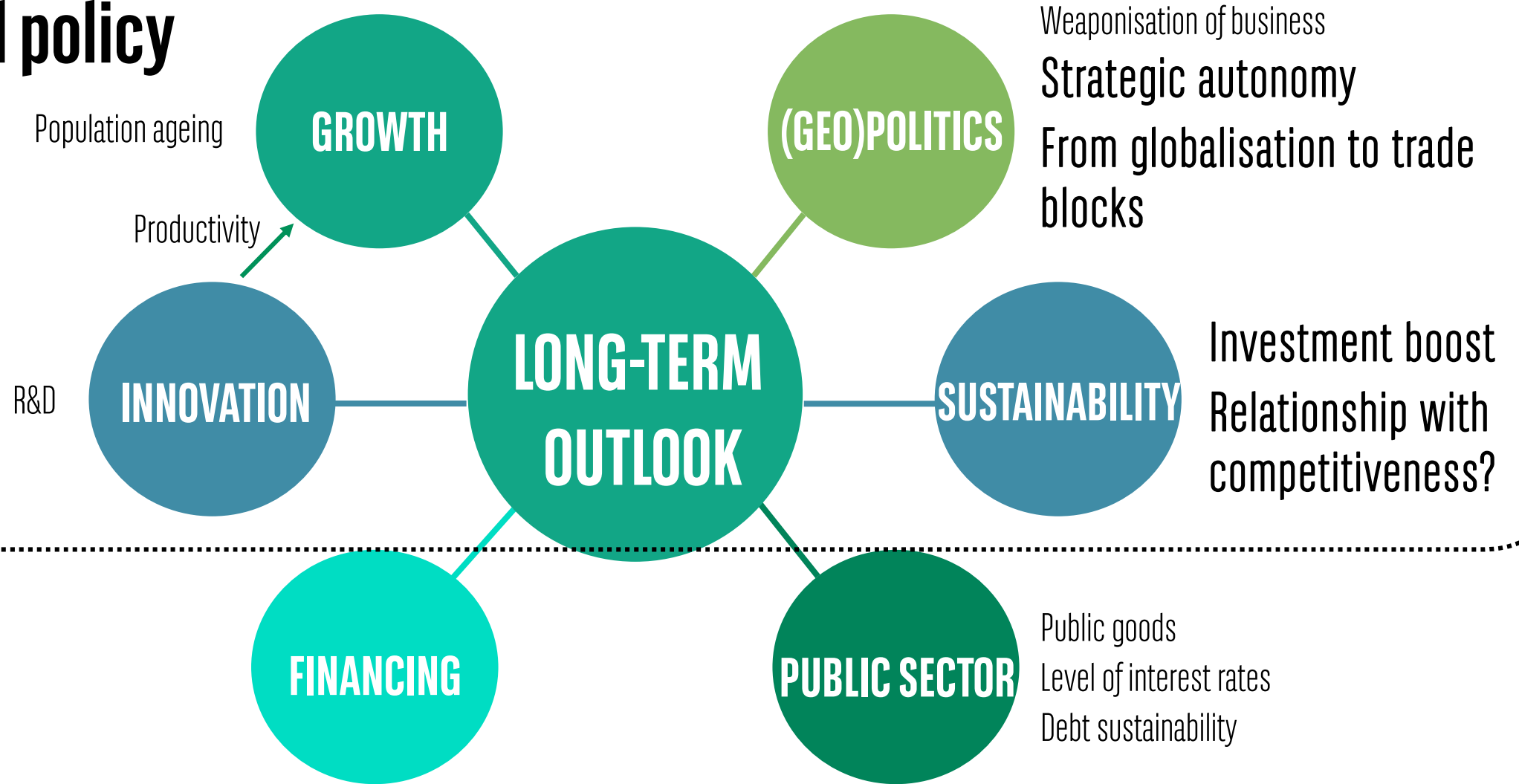


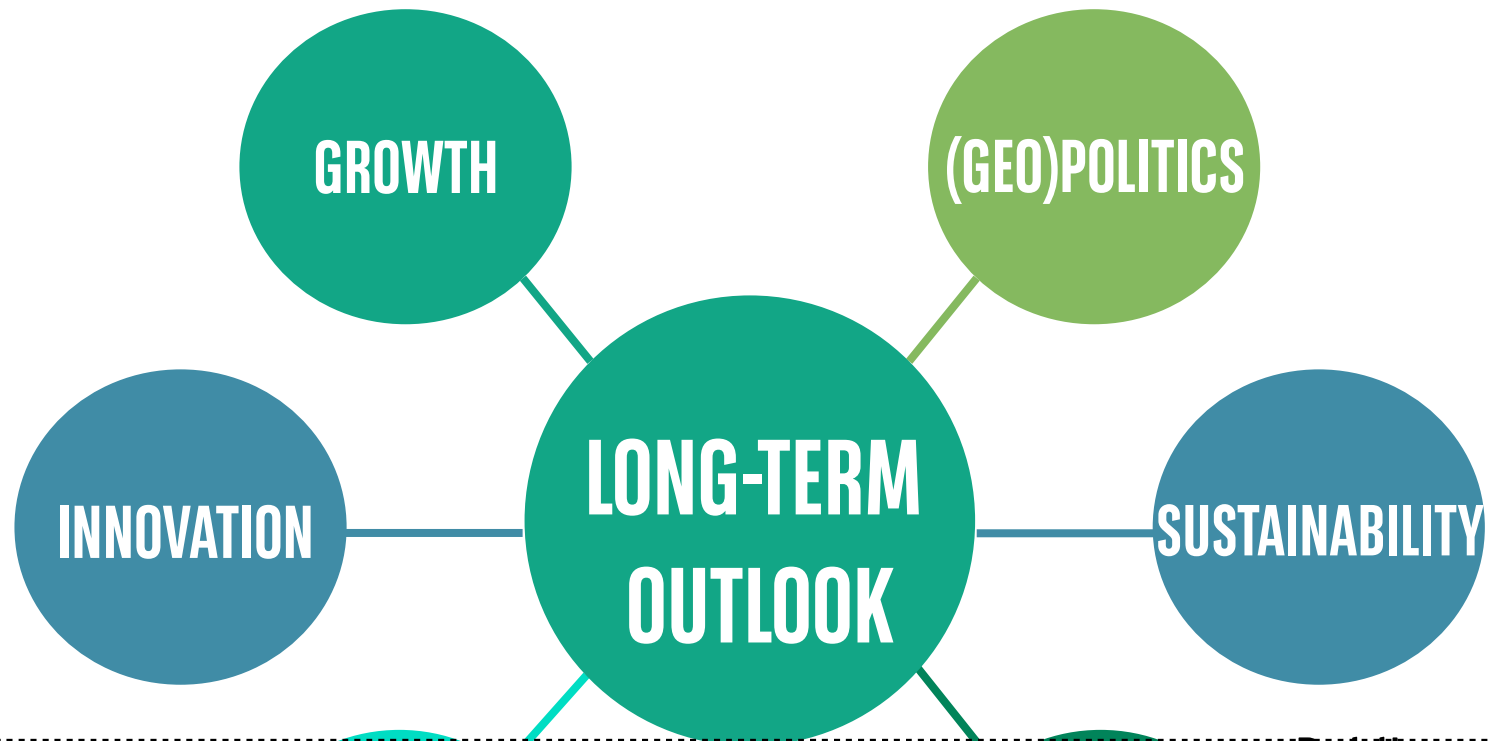
Drivers of the long-term outlook





Industrial policy





Banks
Non-banks
Capital markets

Public goods
Level of interest
rates
Debt sustainability

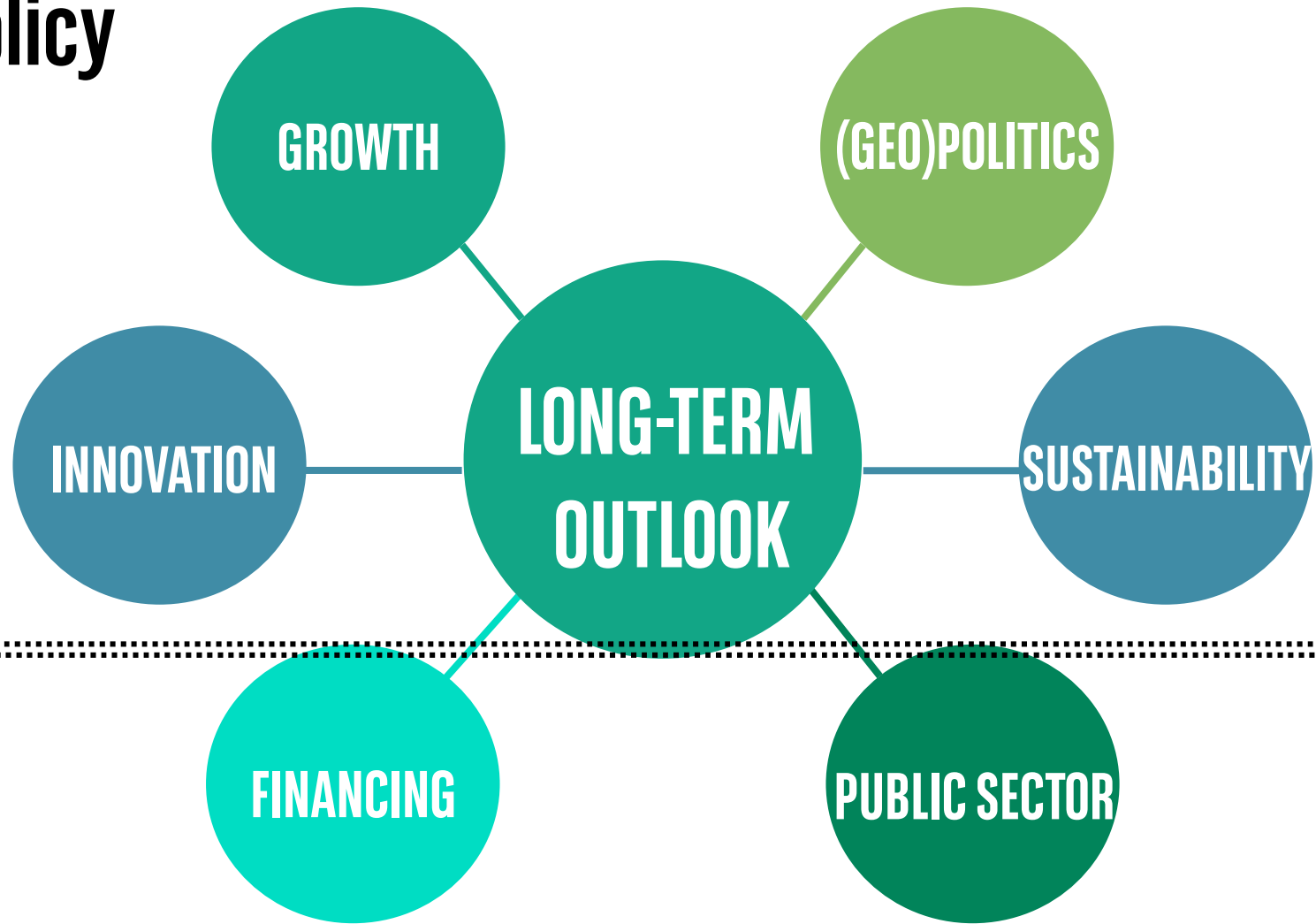
Financing



BNP PARIBAS

The bank for a changing world

Industrial policy



Competitiveness

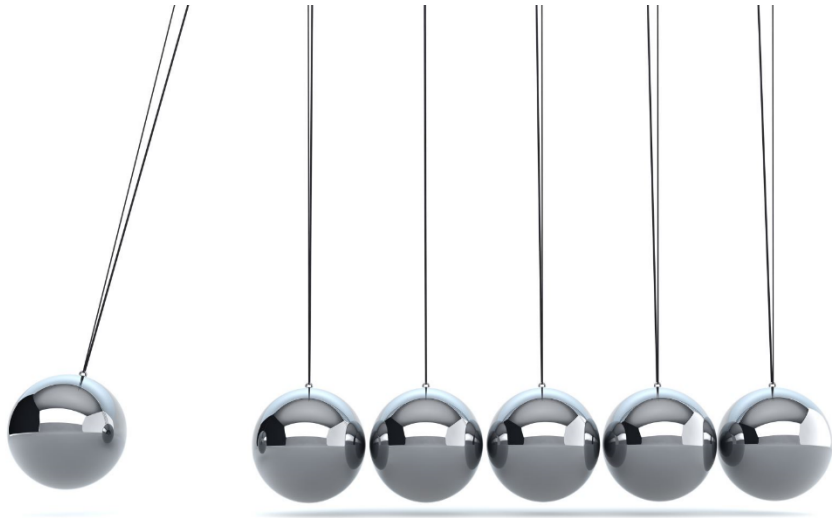
Financing



BNP PARIBAS

The bank for a changing world

Pendulum or 'on the road to where?' Probably a slow-moving pendulum



The value of a business depends
not only on how it copes with change
but also
on how its clients address their own challenges



'What to do?' from a private sector perspective

Assess exposure
(own and clients')

Boost resilience and seize
opportunities

Take care of the
stakeholders

Protect the cash flow



The information and opinions contained in this document have been obtained from, or are based on, public sources believed to be reliable, but there is no guarantee of the accuracy, completeness or fitness for any particular purpose of such information and such information may not have been independently verified by BNPP or by any person. None of BNPP, any of its subsidiary undertakings or affiliates or its members, directors, officers, agents or employees accepts any responsibility or liability whatsoever or makes any representation or warranty, express or implied, as to the accuracy and completeness of the information or any opinions based thereon and contained in this document and it should not be relied upon as such. This document does not constitute research, as defined under MIFID II, or form any part of any offer to sell or issue and is not a solicitation of any offer to purchase any financial instrument, nor shall it or any part of it nor the fact of its distribution form the basis of, or be relied on, in connection with any contract or investment decision. Information and opinions contained in this document are published for the information of recipients, but are not to be relied upon as authoritative or taken in substitution for the exercise of judgment by any recipient, are subject to change without notice. In providing this document, BNPP does not offer investment, financial, legal, tax or any other type of advice to, nor has any fiduciary duties towards, recipients. Any reference to past performance is not indicative of future performance, which may be better or worse than prior results. Any hypothetical, past performance simulations are the result of estimates made by BNPP as of a given moment, on the basis of parameters, market conditions, and historical data selected by BNPP, and should not be used as guidance, in any way, of future performance. To the fullest extent permitted by law, no BNPP group company accepts any liability whatsoever (including in negligence) for any direct or consequential loss arising from any use of or reliance on material contained in this document even when advised of the possibility of such losses. All estimates and opinions included in this document are made as of the date of this document. Unless otherwise indicated in this document there is no intention to update this document. BNPP may make a market in, or may, as principal or agent, buy or sell securities of any issuer or person mentioned in this document or derivatives thereon. Prices, yields and other similar information included in this document are included for information purposes however numerous factors will affect market pricing at any particular time, such information may be subject to rapid change and there is no certainty that transactions could be executed at any specified price. BNPP may have a financial interest in any issuer or person mentioned in this document, including a long or short position in their securities and/or options, futures or other derivative instruments based thereon, or vice versa. BNPP, including its officers and employees may serve or have served as an officer, director or in an advisory capacity for any person mentioned in this document. BNPP may, from time to time, solicit, perform or have performed investment banking, underwriting or other services (including acting as adviser, manager, underwriter or lender) within the last 12 months for any person referred to in this document. BNPP may be a party to an agreement with any person relating to the production of this document. BNPP may to the extent permitted by law, have acted upon or used the information contained herein or in the document, or the analysis on which it was based, before the document was published. BNPP may receive or intend to seek compensation for investment banking services in the next three months from or in relation to any person mentioned in this document. Any person mentioned in this document may have been provided with relevant sections of this document prior to its publication in order to verify its factual accuracy.

This document was produced by a BNPP group company. This document is for the use of intended recipients and may not be reproduced (in whole or in part) or delivered or transmitted to any other person without the prior written consent of BNPP. By accepting or accessing this document you agree to this.

BNP Paribas is a société anonyme incorporated in France, licensed and supervised as a credit institution by the European Central Bank (ECB) and as an investment services provider by the Autorité de contrôle prudentiel et de résolution (ACPR) and Autorité des marchés financiers (AMF), and having its registered office at 16, boulevard des Italiens, 75009 Paris, France.

Some or all of the information contained in this document may already have been published on <https://globalmarkets.bnpparibas.com>.

For country-specific disclaimers (United States, Canada, United Kingdom, Germany, Belgium, Ireland, Italy, Netherlands, Portugal, Spain, Switzerland, Brazil, Turkey, Israel, Bahrain, South Africa, Australia, China, Hong Kong, India, Indonesia, Japan, Malaysia, Singapore, South Korea, Taiwan, Thailand, Vietnam) please type the following URL to access the applicable legal notices: https://globalmarkets.bnpparibas.com/gm/home/Markets_360_Country_Specific_Notices.pdf

© BNP Paribas (2025). All rights reserved.

