

# Macro outlook

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# Macro views at a glance

- **Global trade:** weak and unlikely to improve soon.
- **US:** Economy in a good position, set to slow. Labor market and inflation pressures abate in orderly fashion. Low risk of a hard landing. Fed's rate cuts to continue at a 25bp pace.
- **China:** caught between cyclical and structural headwinds. Potential growth on a downward trend.
- **Eurozone:** slow and uneven growth, labor market resilience starts fading. Germany lags behind. ECB accelerates rate cuts as risks shift. We see the deposit rate at 2% in September 2025.
- **Risks:** Trump tariffs, Middle East.  
Mitigating factors: private-sector balance sheets in good shape, central banks have a lot of firepower left.



# Global trade barely expands, meaningful recovery seems unlikely

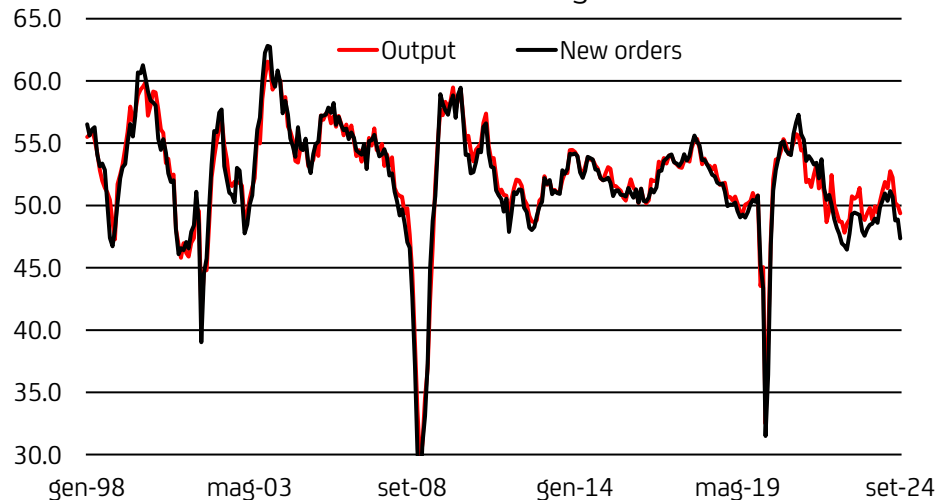


Source: CPB, UniCredit Group Investment Strategy

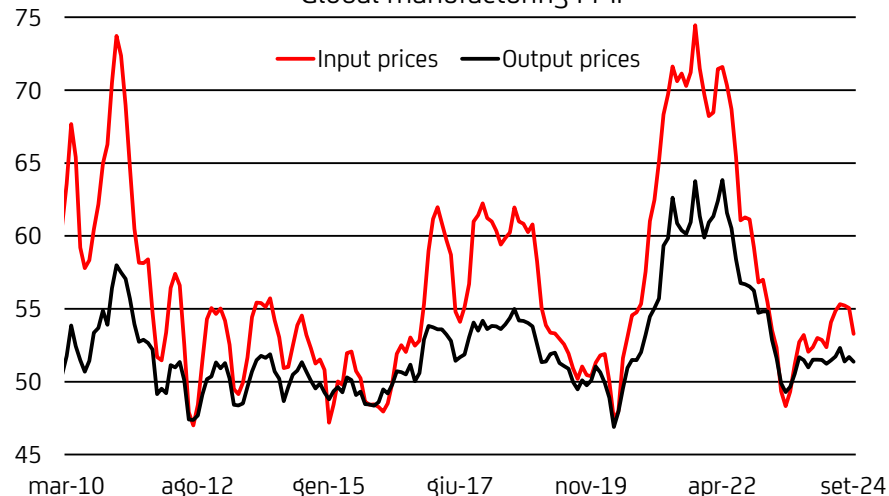


# Manufacturers face weak order books and low pricing power

Global manufacturing PMI



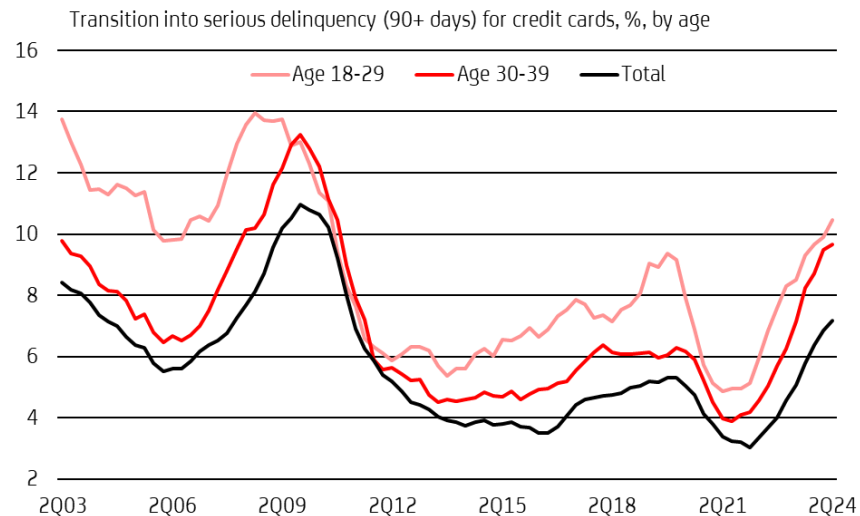
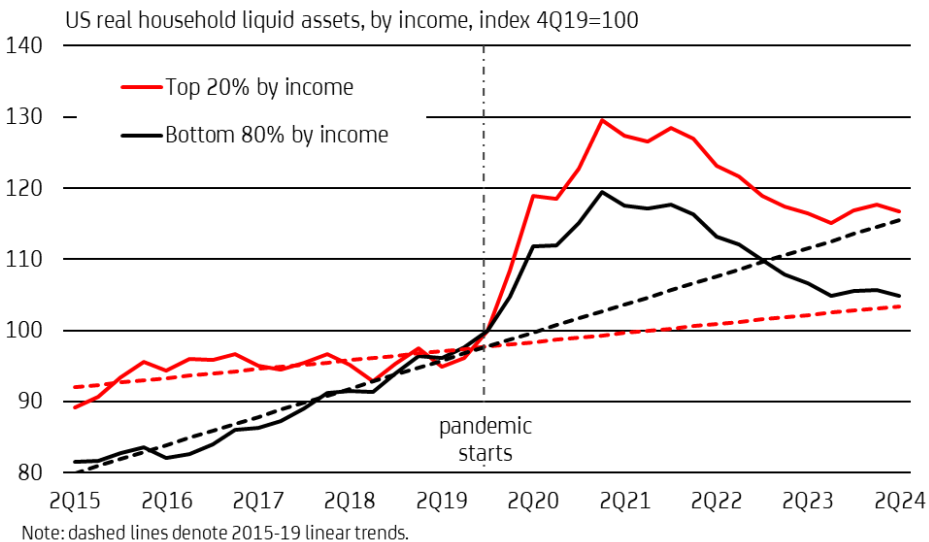
Global manufacturing PMI



Source: S&P Global, UniCredit Group Investment Strategy



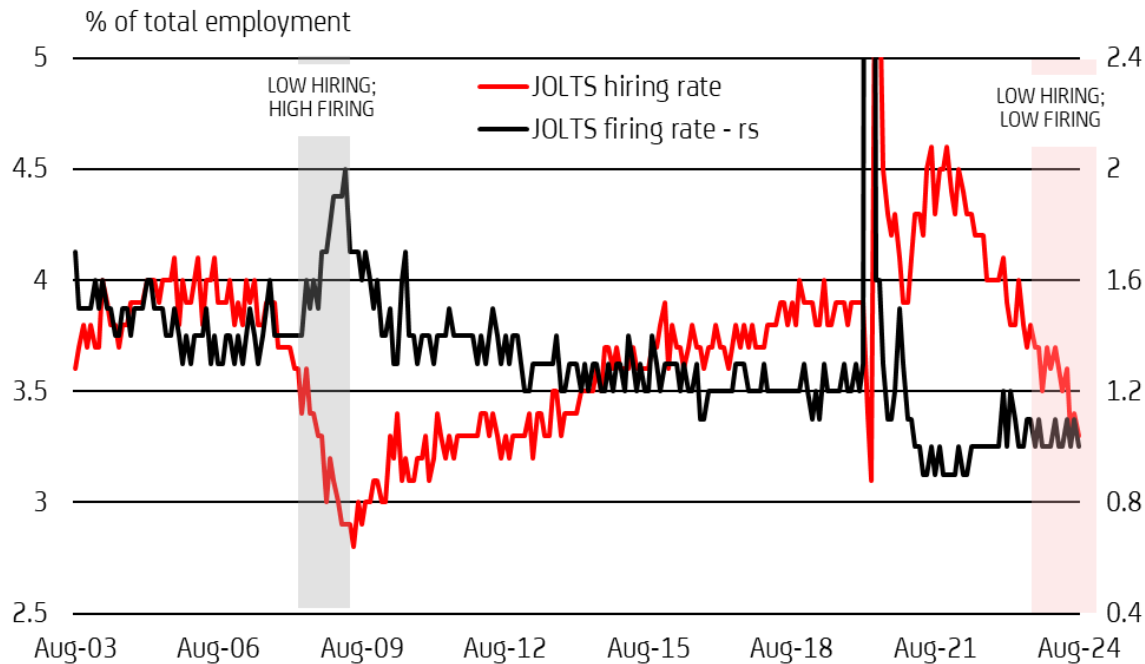
# US Consumption growth likely to slow...



Source: BLS, NY Fed, Fed, UniCredit Research

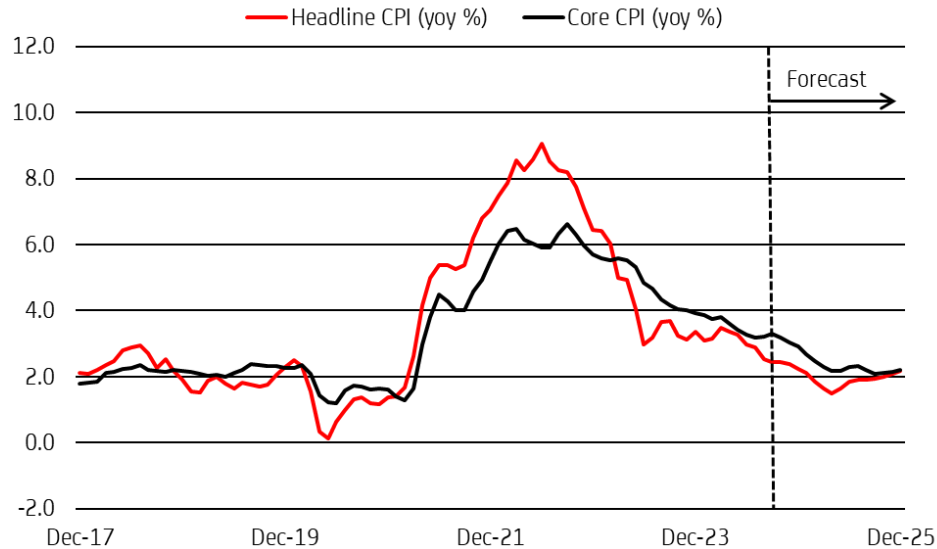
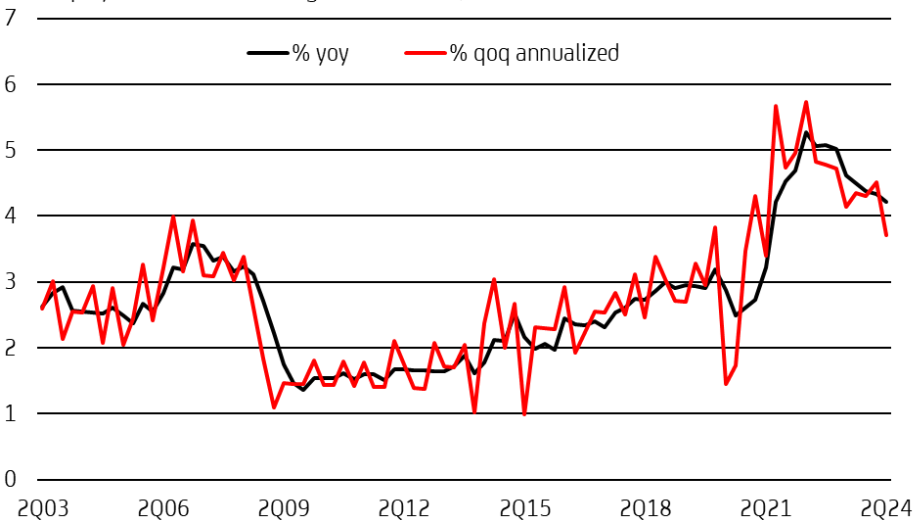


# ...as the labor market cools down. Good news: layoffs remain low



# Clear progress on disinflation, more to come. Fed cuts can continue

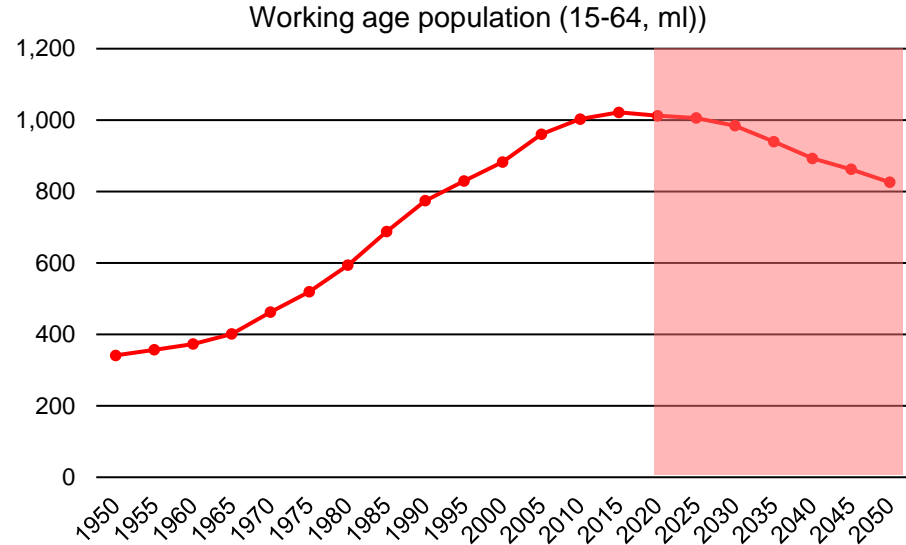
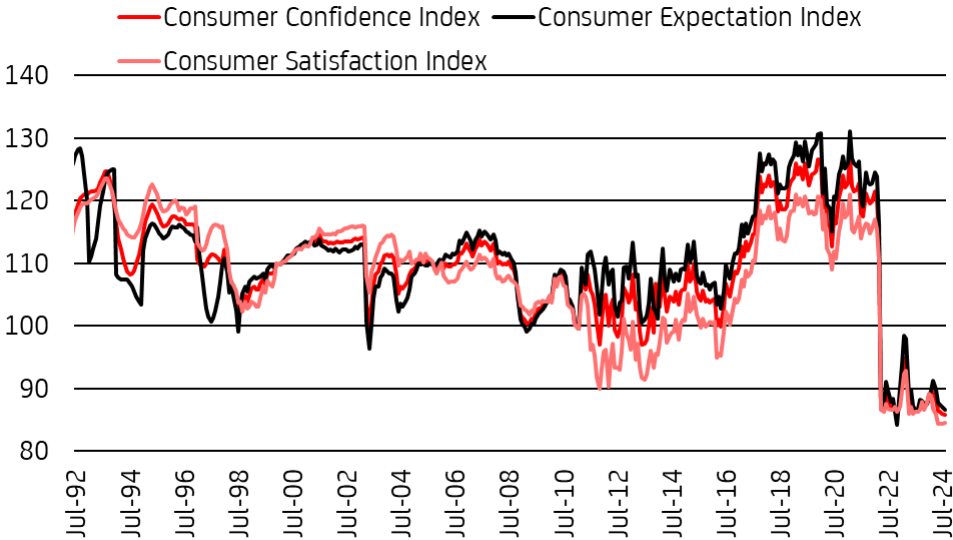
Employment Cost Index: wages and salaries, SA



Source: BEA, BLS, UniCredit Research



## Pessimistic consumers and big structural headwinds

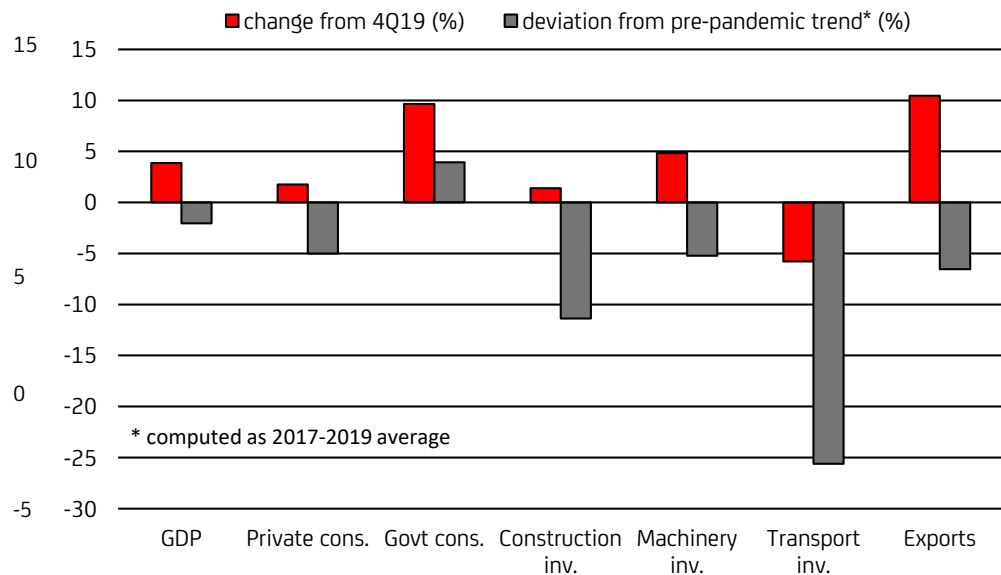
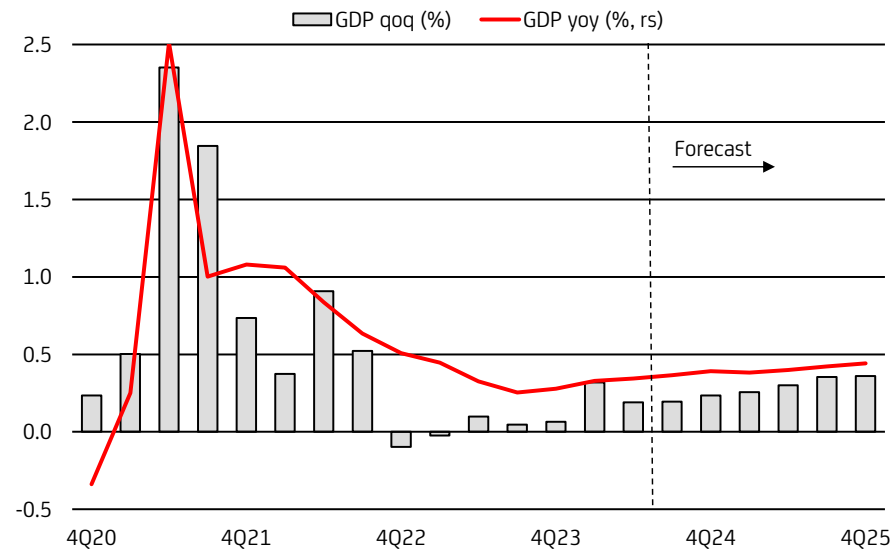


Source: NBS, UniCredit Group Investment Strategy



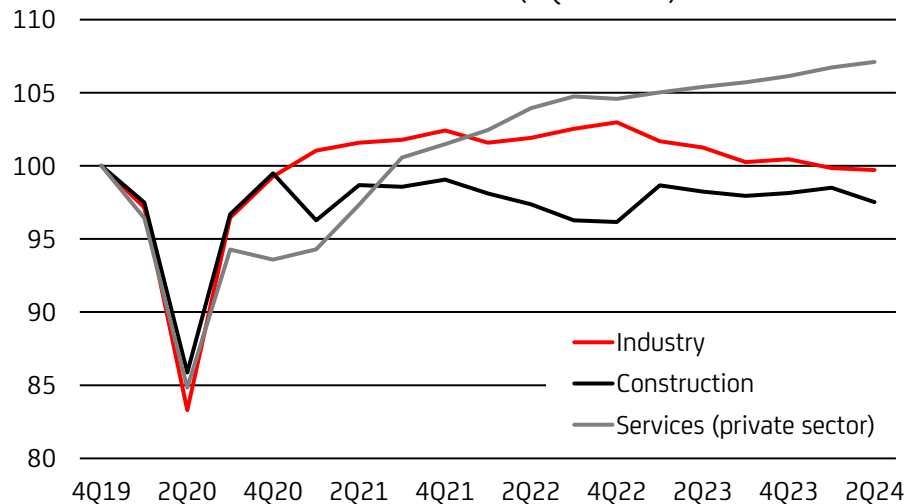


# Slow recovery, domestic demand too weak for comfort

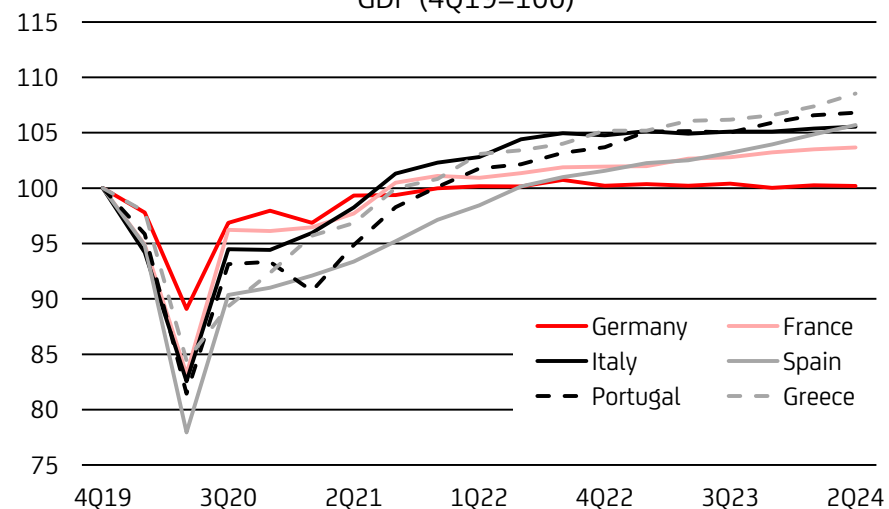


# Uneven growth, sectorially and geographically

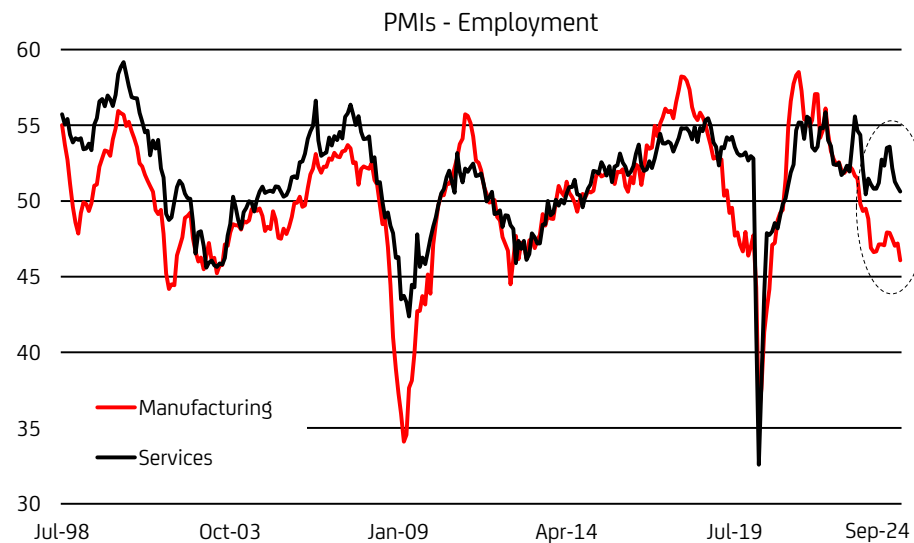
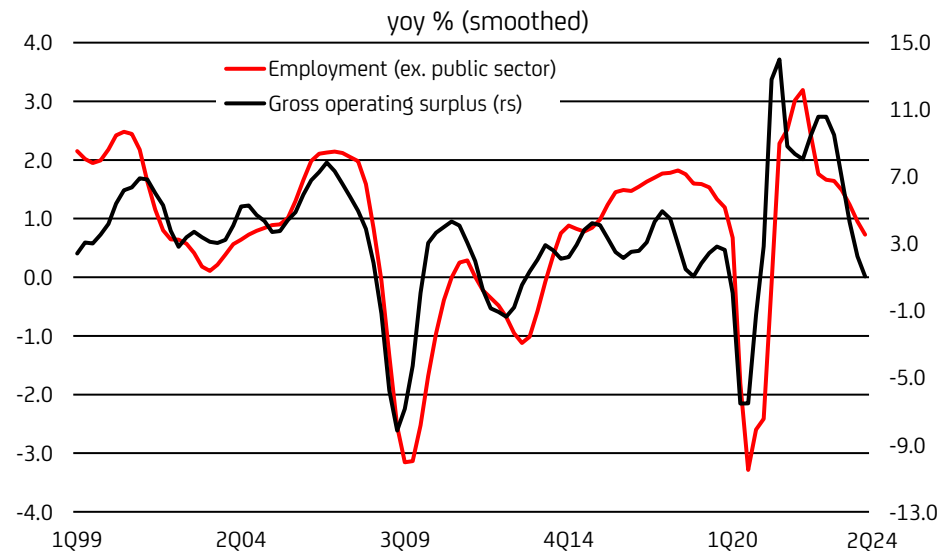
Gross value added (4Q19=100)



GDP (4Q19=100)



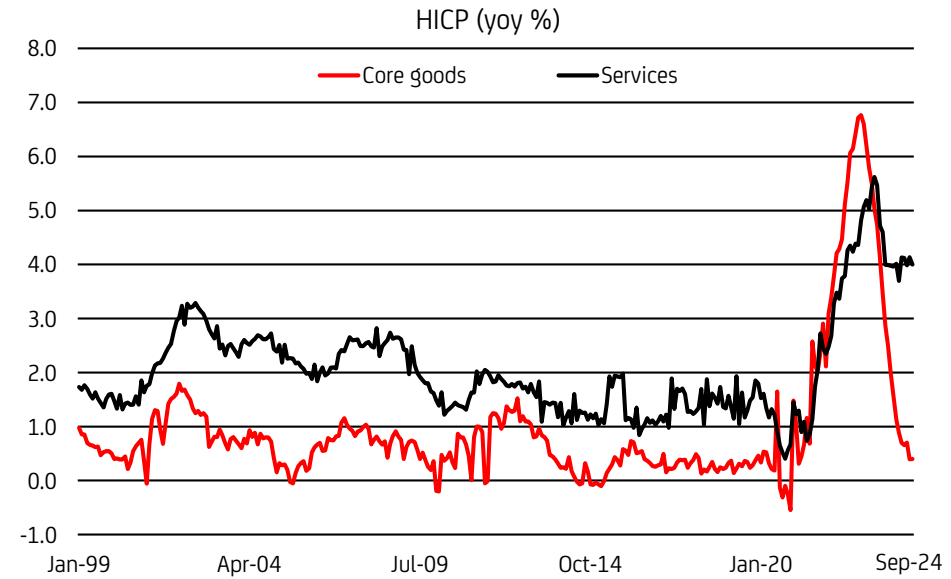
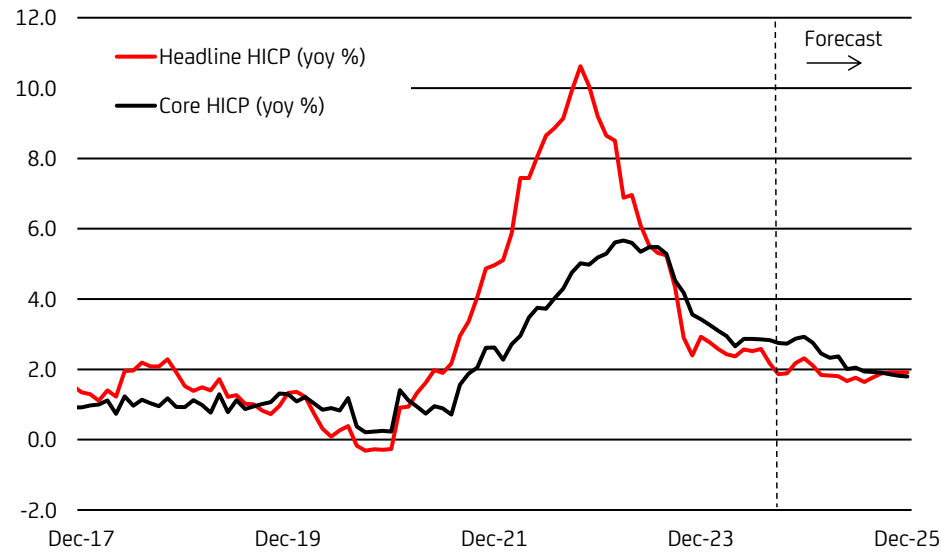
# Labor market resilience gets challenged as profits normalize



Source: Eurostat, S&P Global, UniCredit Group Investment Strategy



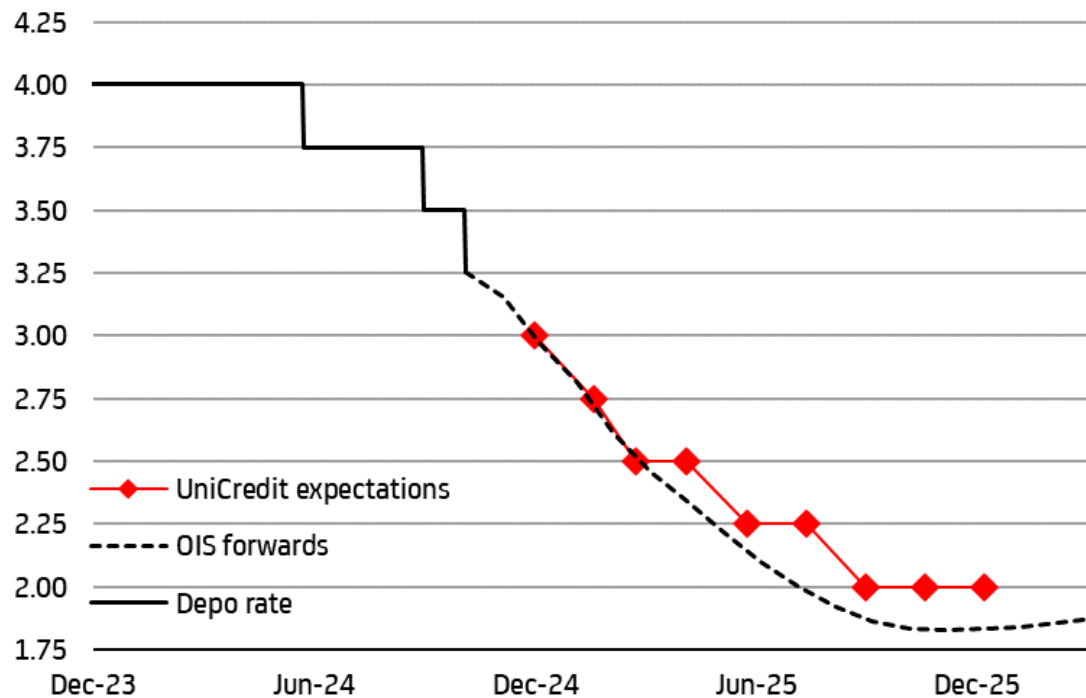
# Final leg of disinflation expected in 2025, driven by services



Source: Eurostat, UniCredit Group Investment Strategy



# ECB accelerates the easing cycle as risks shift

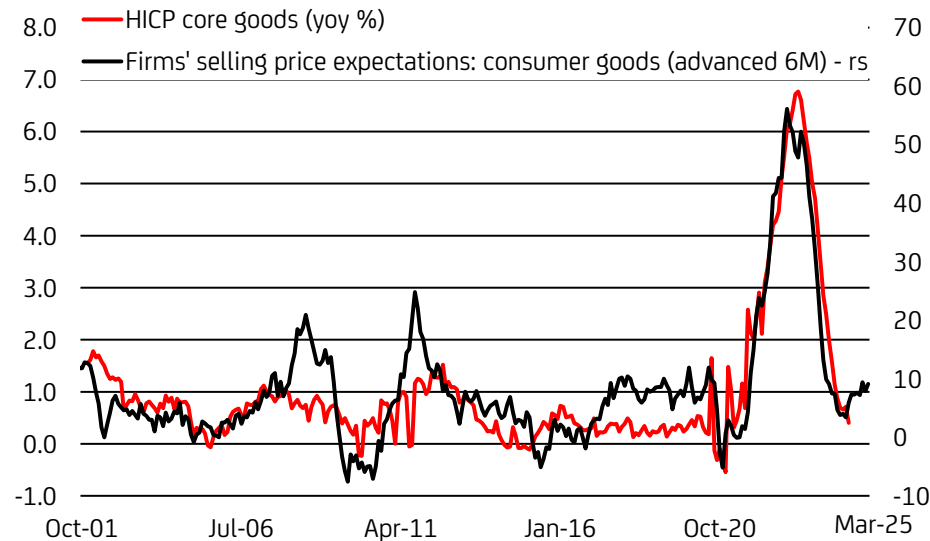
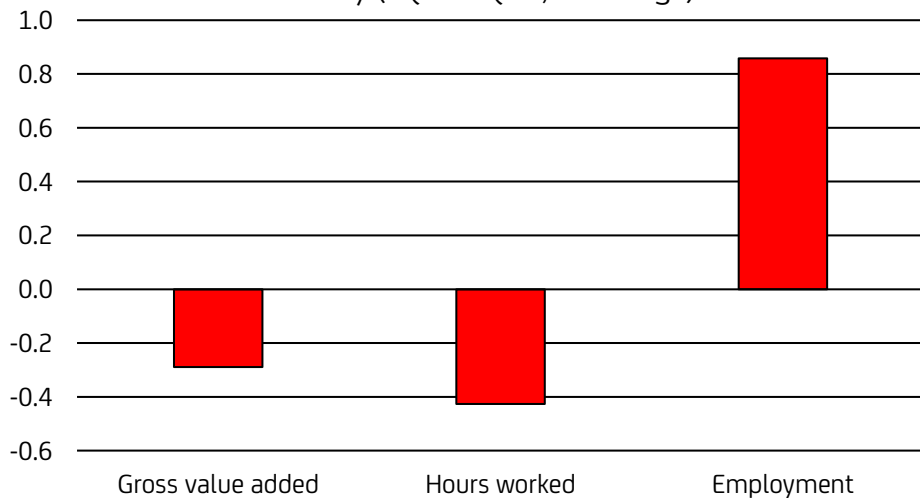


Source: Bloomberg, UniCredit Group Investment Strategy



# Industrial sector: weak demand and pricing power, high staffing levels

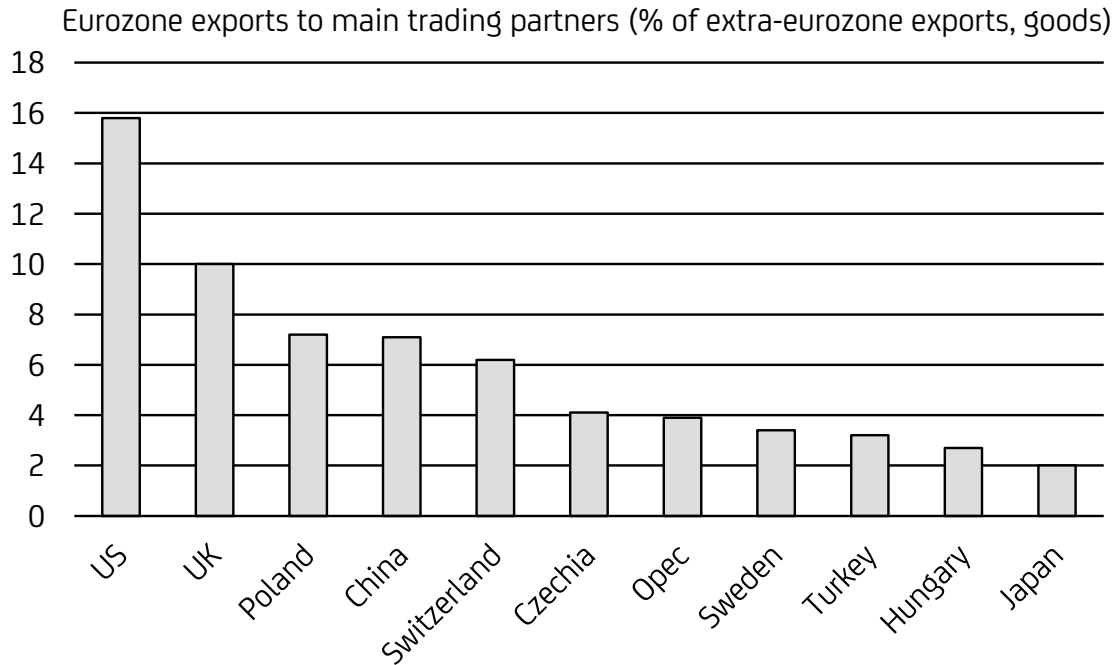
Industry (4Q19-2Q24, % change)



Source: EC, Eurostat, UniCredit Group Investment Strategy



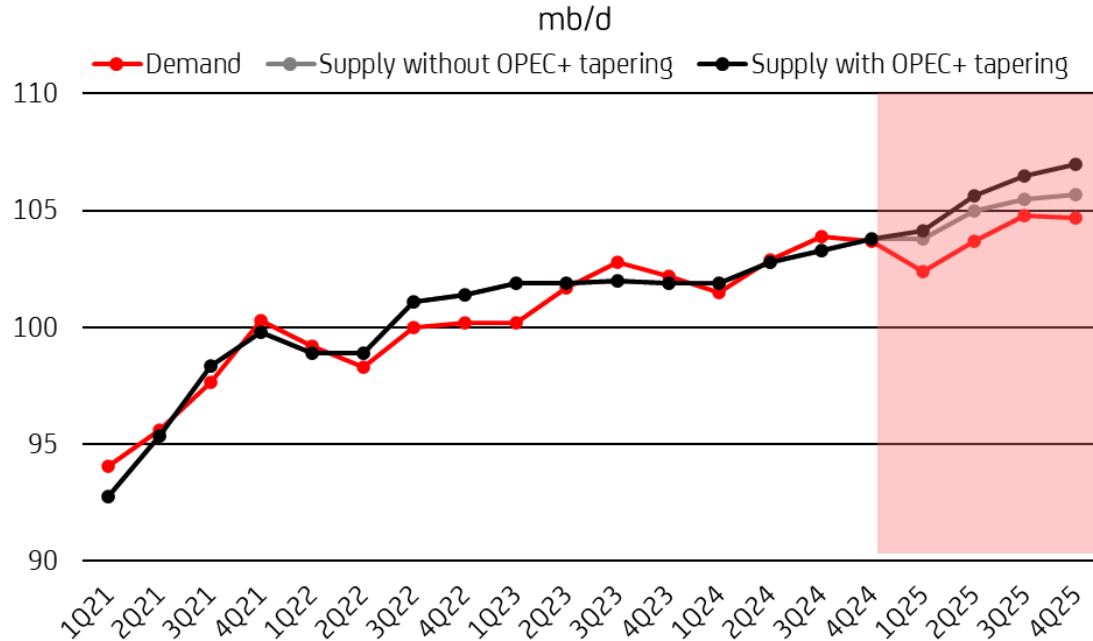
# A look at possible effects of Trump imposing tariffs



Source: Eurostat, UniCredit Group Investment Strategy



# Fundamentals mitigate upside risks to oil prices



Source: EIA, UniCredit Group Investment Strategy





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