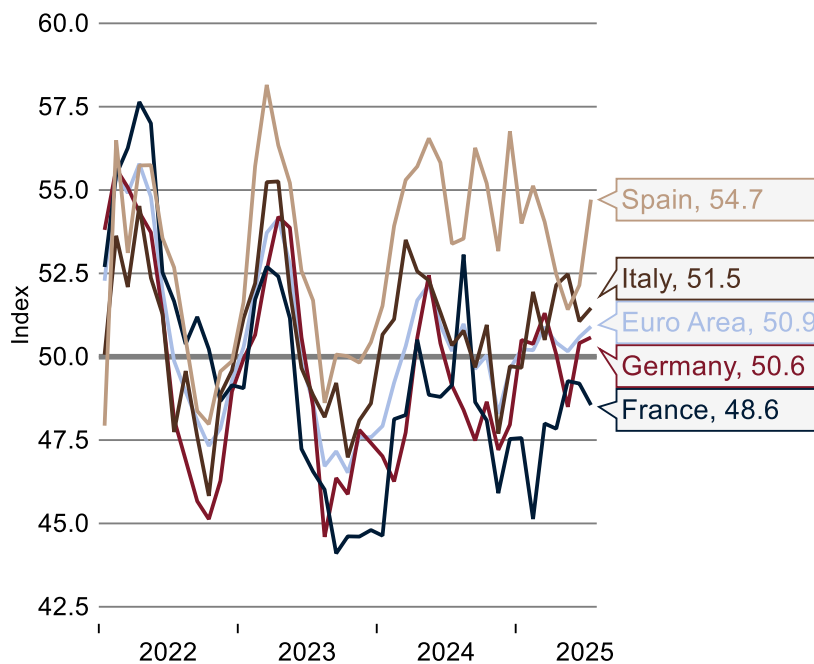


THE PULSE OF THE EUROZONE: HCOB PMI – WRAP UP

Economic stabilization in the eurozone

HCOB Composite PMI, Output Index (Jul 2025)



Source: Macrobond, HCOB Economics, S&P Global

The HCOB PMIs point to a gradual economic stabilization in the eurozone. While growth in the service sector is accelerating slightly, the manufacturing sector is showing the first signs of a sustained recovery, driven primarily by Germany. France, on the other hand, remains a cause for concern: political uncertainty and austerity plans are weighing on industry and sentiment. Italy is stable in the service sector, but there are slight weaknesses in industry. Above all, however, Spain is holding its own among the Euro 4 countries, with both the service sector and industry continuing their upward trend. In Germany, the picture is brightening, supported by rising export orders and investment incentives. The ECB is likely to

welcome the continuing disinflationary trend in the services sector. Despite global risks and political tensions, there are increasing signs that companies are adapting to the new environment. Italy is the only one of the larger eurozone countries to show reasonable stability in the construction sector. Nevertheless, the European construction sector remains weak, as Germany and, above all, France are unable to recover in this area. Spain, on the other hand, remains strong, as it has been over the past few quarters.

Content

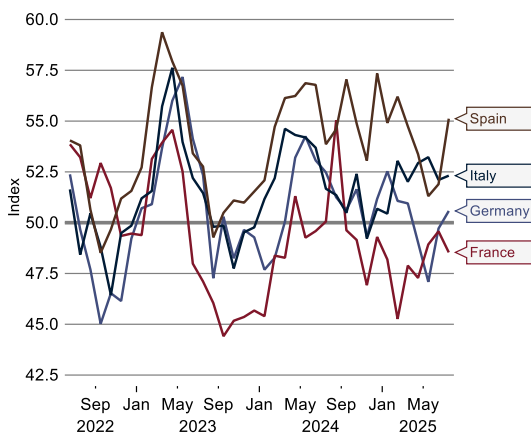
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Eurozone

Good summer for the European services provider

This could turn out to be a good summer for service providers. In Italy and Spain, business activity rose more sharply in July than in the previous month, while Germany, after several challenging months, has clawed its way back into growth territory. The standout performer is Spain, where the Purchasing Managers' Index jumped by more than three points—pointing to a third quarter that's off to an exceptionally strong start.

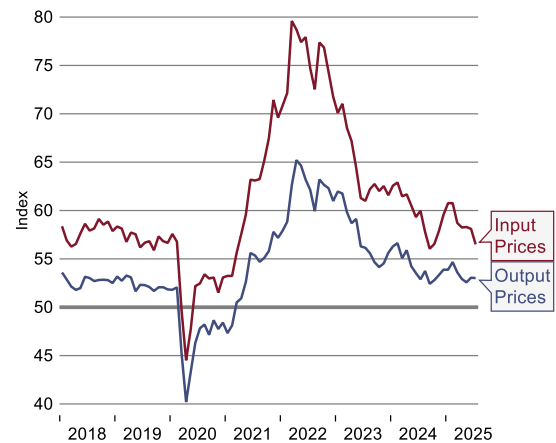
HCOB Germany, France, Italy, Spain Services PMI, Business Activity (Jul 2025)



Source: Macrobond, HCOB Economics, S&P Global

Inflation is easing in the eurozone's services sector, increasing the likelihood of one further interest rate cut by the European Central Bank in the second half of the year. Costs are rising at a pace that is the slowest in nine months and below the long-term average. This dovetails with recent data from the ECB's Wage Tracker, which shows a deceleration in wage growth—an essential cost component for service providers—over the past several months.

HCOB Euro Area Services PMI, Prices (Jul 2025)

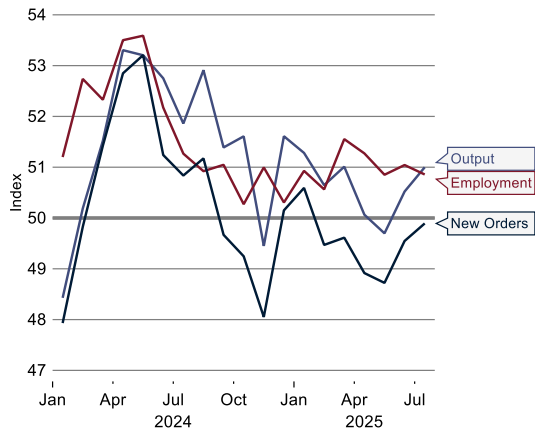


Source: Macrobond, HCOB Economics, S&P Global

France, by contrast, is the only one of the four major eurozone economies where the private services sector is contracting. Worse still, the downturn deepened. One key factor is the government's plan for sweeping budget cuts, which could weigh heavily on economic growth. Speculation is mounting that the administration may face a vote of no confidence, adding to the already high level of uncertainty. While Spain is stepping on the gas, France is firmly on the brakes.

Employment in the eurozone's services sector has been expanding uninterrupted since February 2021. At first glance, this might suggest a sector in robust health, but productivity – as measured by separate S&P Global PMI data – has been declining since mid-2022, with only a brief pause around the turn of the year. This points to a troubling disconnect: even in the age of digital business models, growth in the services sector is not translating into meaningful productivity gains. Given that more than half of gross value added in the eurozone comes from services, this is a disquieting diagnosis.

HCOB Euro Area Services PMI, Output & Employment & New Orders (Jul 2025)

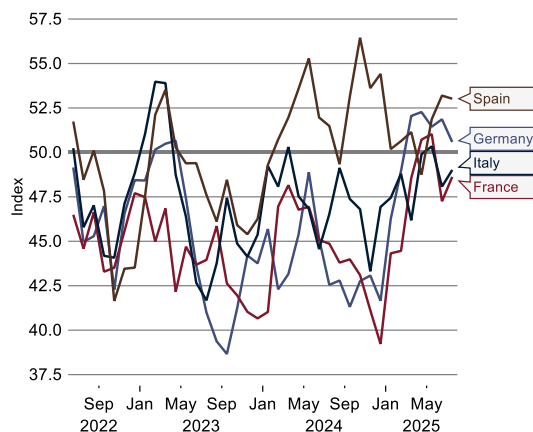


Source: Macrobond, HCOB Economics, S&P Global

Eurozone manufacturers gain momentum

Manufacturing in the eurozone is cautiously regaining momentum. It is primarily the smaller economies that offer reasons for optimism. The PMIs from Spain and the Netherlands indicate accelerated economic growth, while Ireland and Greece remain in expansion territory. In the three largest economies as well as Austria, the PMI signals that the recession has significantly eased. This broadens the scope of the recovery. With the newly agreed trade framework between the EU and the U.S., uncertainty should decline, and the signs point to an upward trend in the coming months.

HCOB Germany, France, Italy, Spain Manufacturing PMI, Output (Jul 2025)



Source: Macrobond, HCOB Economics, S&P Global

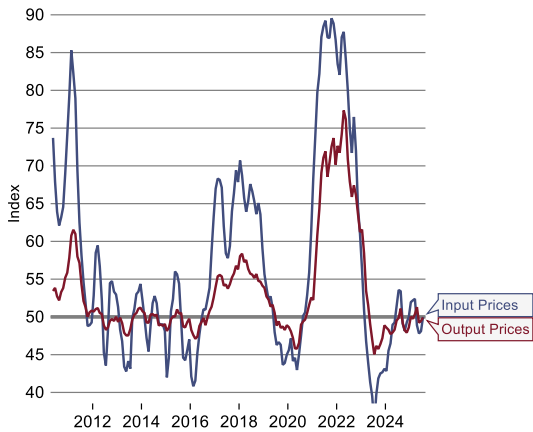
France is currently the biggest drag on growth in the eurozone's manufacturing sector. It is particularly discouraging that production in France has declined over the past two months, while employment has slightly increased during the same period. The problem lies in the resulting drop in productivity, which makes economic growth even harder to achieve. In Germany, the situation is reversed: production is growing while employment is being reduced. France is also burdened by the prospect of an austerity budget and the associated risk of the current government stepping down. This contrasts with Germany, where much of the growth hopes rest on expansionary fiscal policy and the political situation is significantly more stable than in France. Less political and fiscal uncertainty in the eurozone's second-largest economy would be important to help the eurozone manufacturing sector achieve sustainable growth overall.

HCOB Euro Area Manufacturing PMI, Headline & New Orders (Jul 2025)



Source: Macrobond, HCOB Economics, S&P Global

HCOB Euro Area Manufacturing PMI, Prices (Jul 2025)



Source: Macrobond, HCOB Economics, S&P Global

Supply chains remain relatively strained. Delivery times have lengthened. Given the fragility of the recovery, it is not demand that is causing customers to wait longer for their goods. Volatile U.S. tariff policies and uncertainty stemming from geopolitical tensions may play a key role here. We expect that companies will continue to face sudden supply chain disruptions for the foreseeable future.

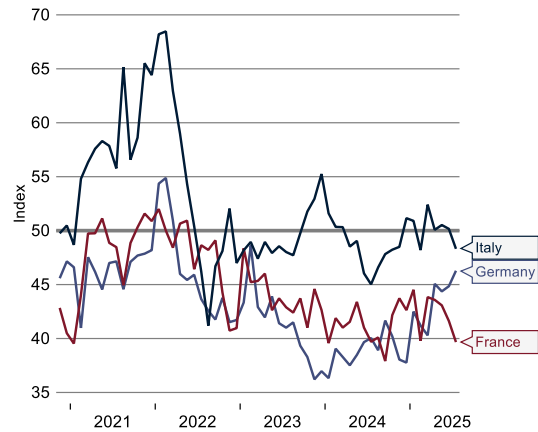
Construction stays weak

The European construction sector continues to decline. According to the HCOB Eurozone Construction PMI, construction activity fell sharply again in July. The three countries—Germany, France, and Italy—were weak at the start of the second half of 2025, with the French construction sector contracting the most. The employment situation remains weak, new orders continue to decline, and European construction companies themselves are not particularly optimistic about the coming twelve months.

The outlook for European construction companies remains weak. New orders continue to decline and fell by nearly four index points in July, and the employment situation remains tense. The construction companies themselves expect weak activity over the coming twelve

months, with only the Italian companies remaining optimistic.

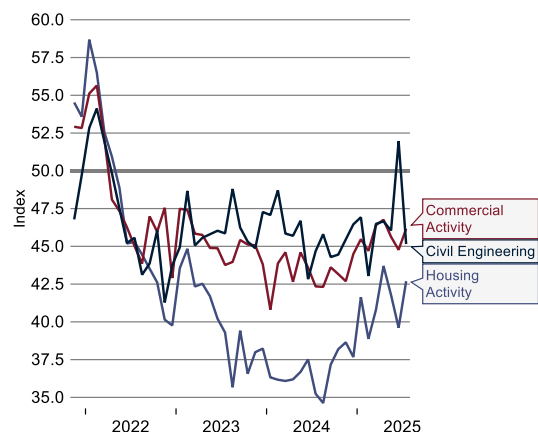
HCOB Germany, France, Italy Construction PMI, Total Activity (Jul 2025)



Source: Macrobond, HCOB Economics, S&P Global

All three sectors—residential, commercial, and civil engineering—contracted in July. Even though residential and commercial construction are no longer shrinking as sharply as they did in June, the recession is clearly visible. Civil engineering is not trending any better.

HCOB Euro Area Construction PMI, Activity of Sectors (Jul 2025)



Source: Macrobond, HCOB Economics, S&P Global

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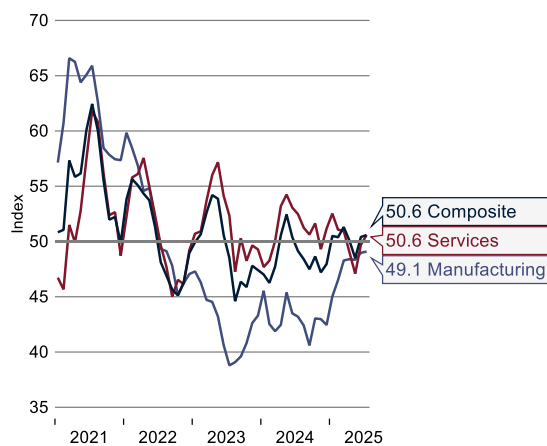
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Germany

New business boosts the German services sector

Germany is entering the second half of the year with growth that, while modest, is evident across the board – both in services and manufacturing. Slightly rising order intakes and moderately improved export business across manufacturing and services combined paint the picture of an economy that is slowly but visibly emerging from a prolonged period of weakness. Following the GDP contraction in the second quarter, we anticipate a return to modest growth in the third.

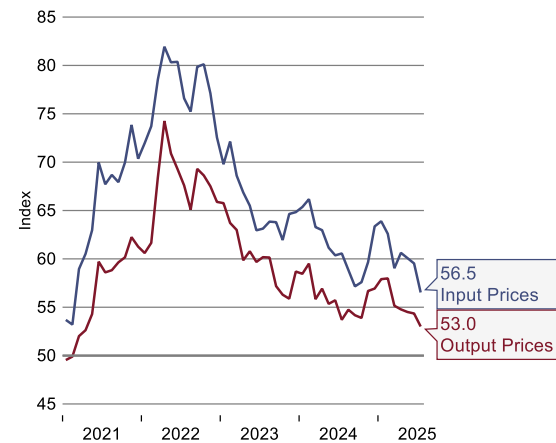
HCOB Germany PMI, Activity (Jul 2025)



Source: Macrobond, HCOB Economics, S&P Global

In the services sector, business activity picked up again after a three-month dry spell. Particularly encouraging is the increase in new business – the first since August 2024. Companies are also looking to the future with renewed optimism. However, there is no sign of euphoria, and the recovery in the service sector is somewhat fragile, as backlogged orders have shrunk and the employment growth seen since the beginning of the year has almost come to a standstill.

HCOB Germany PMI, Prices (Jul 2025)



Source: Macrobond, HCOB Economics, S&P Global

Costs in the services sector rose at their slowest pace since February 2021. This aligns with the European Central Bank's Wage Tracker, which has shown a decline in annual wage growth since the beginning of the year – wages being a key cost driver for service providers. In this environment, companies raised their selling prices at the weakest rate since April 2021. For the ECB, this is welcome news, especially given Germany's outsized influence on the Eurozone's total inflation.

Weak optimism in the German industry

The recovery in the manufacturing sector remains sluggish. Although the headline index has been rising almost continuously since the beginning of the year, the expansion threshold has still not been reached. Among other things, the continued and rapid reduction in inventories signals that companies have not yet switched to a sustained recovery mode and prefer to remain cautious. This is also reflected in the fact that optimism has recently weakened somewhat again.

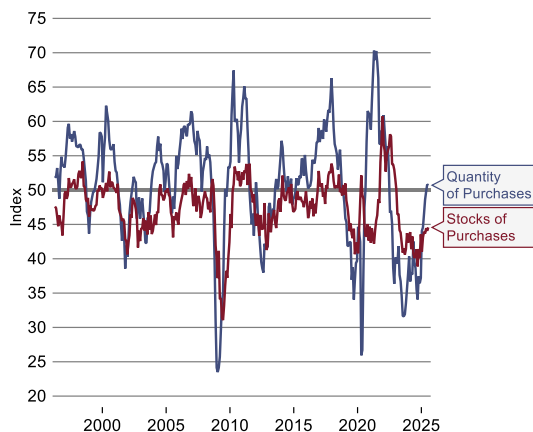
HCOB Germany Manufacturing PMI, Output & New Orders (Jul 2025)



Source: Macrobond, HCOB Economics, S&P Global

The recovery in demand has recently been driven primarily by foreign markets. Export orders have increased for four consecutive months. While this was initially linked to front-loaded U.S. imports in the spring, the continued foreign demand into early summer suggests a more fundamental improvement in conditions. The tariff agreement reached at the end of July between the EU and the U.S. may mean that U.S. importers will buy fewer goods from Germany in the future. At the same time, however, uncertainty is likely to settle at a lower level, which should support overall demand.

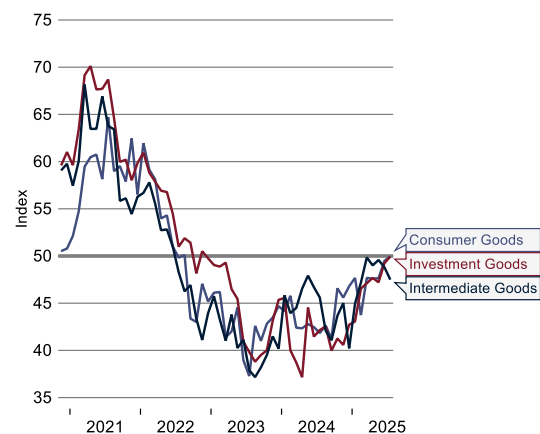
HCOB Germany Manufacturing PMI, Stocks and Quantity of Purchases (Jul 2025)



Source: Macrobond, HCOB Economics, S&P Global

The clearest indicator of a recovery is the production index, which has shown an expansion in output for five months now. However, the rate of expansion has recently slowed significantly, mainly due to the consumer goods industry, while production in the capital goods sector has grown robustly. This suggests that domestic demand, which depends on private consumption, is somewhat weakening, while foreign demand – crucial for the capital goods industry – is performing better.

HCOB Germany Manufacturing PMI, Sectors (Jul 2025)

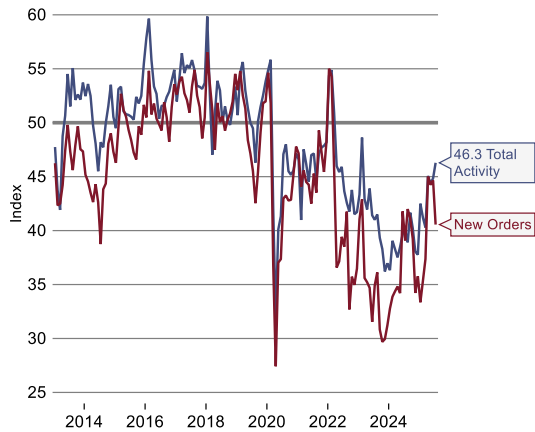


Source: Macrobond, HCOB Economics, S&P Global

Outlook for German construction sector remains bleak

Germany's construction sector continues to show signs of recovery but it is not enough. The HCOB Construction PMI indicates the highest reading since February 2023 and has improved by roughly four points since the beginning of the year. On the other hand, the sector remains in deep recession, especially when viewed in a cross-sector comparison. Input prices also continue to rise, and overall, this is no cause for celebration. Construction firms share this view, as their business expectations for the next twelve months remain below the expansion threshold and the long-term average.

HCOB Germany Construction PMI, Total Activity & New Orders (Jul 2025)



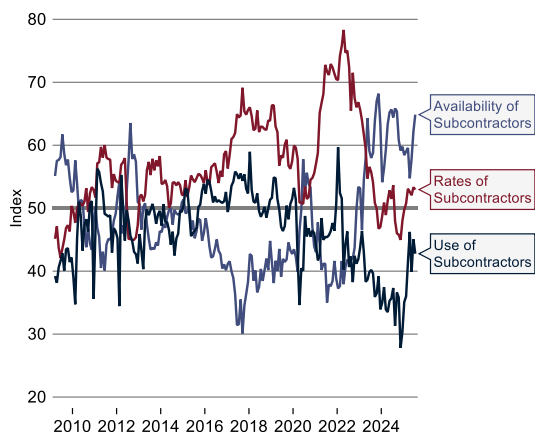
Source: Macrobond, HCOB Economics, S&P Global

orders, employment conditions, and pricing dynamics also remain subdued. According to anecdotal evidence, new orders continued to decline due to higher prices and customer hesitation, which particularly affects residential construction. Employment continued to fall in July, marking a continuous decline over the past 40 months. Input prices also remained well above the expansion threshold, though slightly below their long-term average.

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Civil engineering activity left much to be desired in July. The residential and commercial construction sectors showed some recovery, with commercial construction even expanding and residential construction contracting at a slower pace. However, civil engineering was the weakest segment, shrinking for the first time in three months due to infrastructure projects being put on hold. On the other hand, commercial construction grew for the first time since April 2022, driven by commercial projects such as hotels and office buildings.

HCOB Germany Construction PMI, Subcontractors (Jul 2025)



Source: Macrobond, HCOB Economics, S&P Global

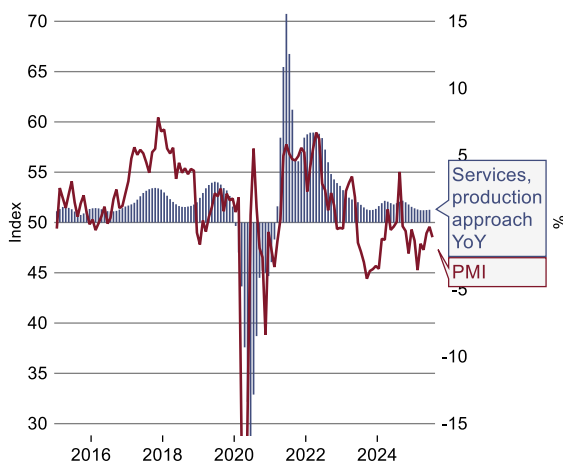
The outlook for Germany's construction sector remains bleak. Not only are construction firms themselves not particularly optimistic, but new

France

Weak demand in the service sector

France's Composite PMI has declined to a three-month low, marking a subdued start to the second half of the year. Although GDP growth came in stronger than expected at 0.3% quarter-on-quarter, this expansion was largely driven by changes in inventories. This raises concerns about the sustainability of the current growth path. The muted private sector sentiment suggests limited momentum in the near term.

HCOB France Services PMI, Business Activity vs. Services production (Jul 2025)



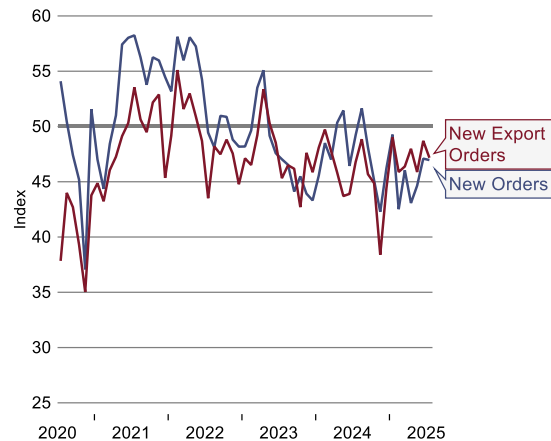
Source: Macrobond, HCOB Economics, INSEE, S&P Global

Activity in the French service sector had approached the expansion threshold in recent months, but the HCOB Services PMI registered a moderate decline in July. This reflects persistently weak demand conditions. Notably, some survey respondents pointed to delayed decision-making processes as a factor weighing on demand. These delays likely stem from political uncertainty within France and ongoing geopolitical tensions in global trade. As a result, business expectations for the coming months have deteriorated.

The slowdown in business activity is increasingly reflected in capacity utilization. In July, backlogs of work declined, and forward-looking expectations worsened significantly. This is translating into a more challenging

environment for workers in the services sector: temporary contracts are less frequently renewed, and voluntary departures are often not followed by new hires, leading to a net reduction in employment.

HCOB France Services PMI, Order Situation (Jul 2025)



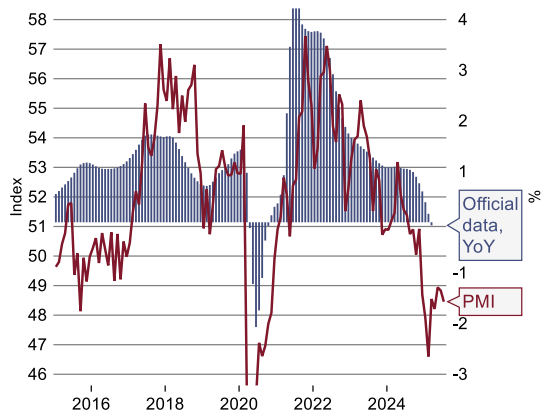
Source: Macrobond, HCOB Economics, S&P Global

On the price side, conditions remain broadly unchanged from the previous month. Input prices continue to rise moderately, driven by higher wages and increased costs for intermediates. Given firms' limited pricing power, output price inflation remains contained. The modest increase in final prices reflects both cost pressures and efforts to support revenue growth.

Upward trend in manufacturing comes to an end

The economic outlook for France's manufacturing sector has noticeably deteriorated at the beginning of the second half of the year. While the first half showed moderate signs of recovery, with the output index even registering positive growth in two separate months, the latest data point to a renewed slowdown. Although the headline manufacturing index edged up slightly and the decline in output was only marginal, the sharp deterioration in order intake and business expectations is cause for concern: both components have collapsed.

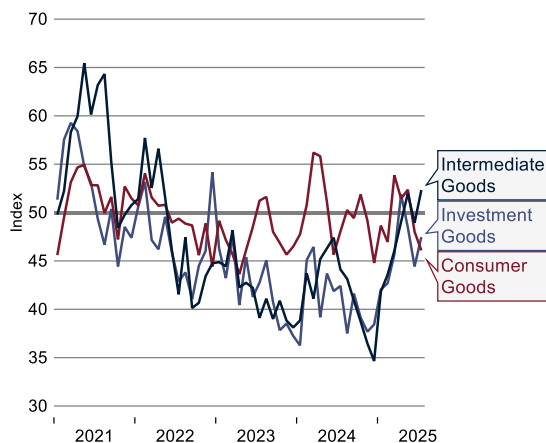
HCOB France Services Employment PMI vs. official employment data in services (Jul 2025)



Source: Macrobond, HCOB Economics, INSEE, S&P Global

This downturn in orders and expectations stands in stark contrast to earlier hope for an economic turnaround. Recent interest rate cuts by the European Central Bank, announced defense-related investments, and regulatory easing proposals at the EU level had raised expectations of a rebound in industrial activity.

HCOB Manufacturing France PMI, Output by sector (Jul 2025)



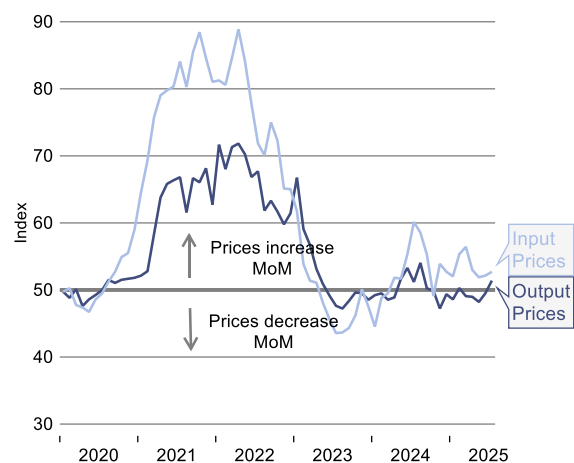
Source: Macrobond, HCOB Economics, S&P Global

Instead, the significant drop in new orders signals growing uncertainty in the manufacturing sector. This is likely attributable both to the tense global trade environment and to the austerity agenda outlined by prime minister François Bayrou in Parliament two weeks ago. The resulting political framework is

currently not conducive to investment, leading to cancellations or postponements of orders.

A look at leading indicators reveals that delivery times have lengthened for the third consecutive month. Anecdotal evidence points to a combination of labor shortages at suppliers, scarcity of certain intermediate goods, and sporadic strikes as contributing factors. Against the backdrop of trade frictions, further headwinds are likely in the coming months.

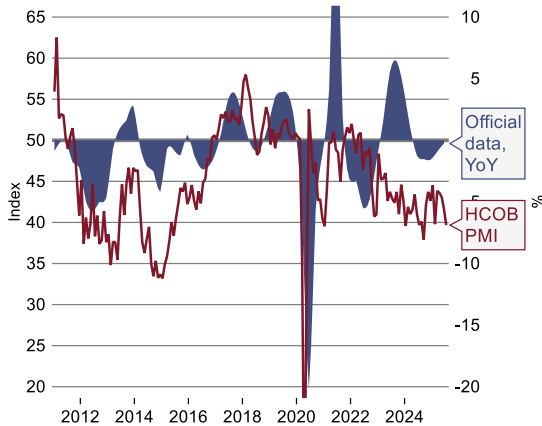
HCOB France Manufacturing PMI, Prices (Jul 2025)



Source: Macrobond, HCOB Economics, S&P Global

Global supply chains may undergo structural adjustments in response to new tariffs and strategic shifts by firms aiming to reduce their exposure to the United States, although the latest EU–US agreement with 15 percent base tariffs for US imports might provide at least some planning certainty for businesses. Unfortunately, the question arises as to how long the agreements will remain in place. Given the recent unpredictability of US trade policy, one might also ask whether the US administration could backtrack and push for higher tariffs after all.

HCOB France Construction PMI, Activity vs. official construction data (Jul 2025)

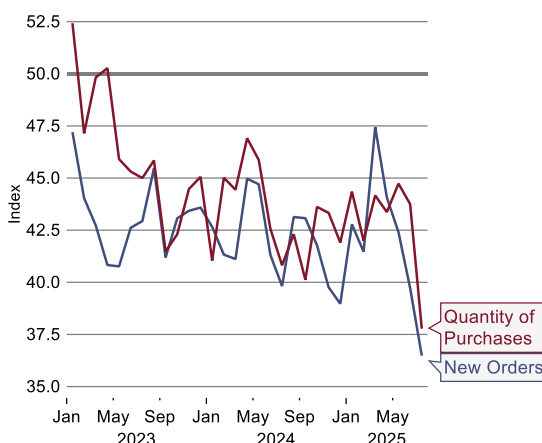


Source: Macrobond, HCOB Economics, French National Institute of Statistics & Economic Studies (INSEE), S&P Global

Broad-based recession in construction

The French construction sector is in deep recession. The HCOB France Construction PMIs for July indicates a weak state of the construction sector with its ten-month low and the 38th consecutive month of below-50 readings. Employment and new orders continue to fall significantly, with higher input prices and weak business expectations for the coming twelve months.

HCOB France Construction PMI, Orders & Purchases (Jul 2025)

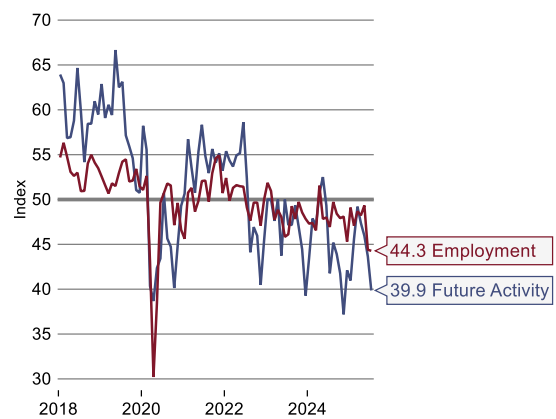


Source: Macrobond, HCOB Economics, S&P Global

The recession in the French construction sector is broad-based. All three sectors—housing, commercial and civil engineering—are worse of

compared to June. Commercial activity is the worst of all three with the steepest decline since the Covid pandemic in March 2020 or, if Covid is excluded, since March 2015. In the housing sector, around 23% of house builders reported lower activity compared to June while only 5% seeing more volume. Civil engineering activity stays highly volatile but with five out of the last six readings being contractionary, the trend is clear.

HCOB France Construction PMI, Future Business Expectations & Employment (Jul 2025)



Source: Macrobond, HCOB Economics, S&P Global

The outlook for the French construction sector remains unpromising. The employment situation keeps worsening while new orders are plummeting further. Also French constructors are expecting weaker activity in the coming twelve months by also citing expected weak demand, impacting their businesses significantly.

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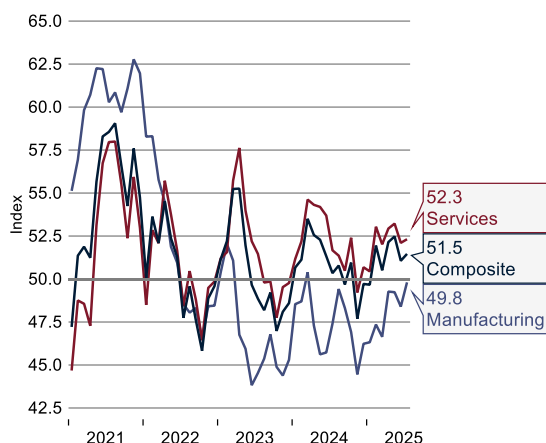
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Italy

Italian services economy sustains growth path

Italy's services sector extended its growth streak into July, with the headline HCOB Services PMI inching up to 52.3 from 52.1 in June. This modest acceleration reflects a sector that remains resilient, underpinned by steady domestic demand and a cautiously improving outlook. Business activity rose for the eighth consecutive month, with surveyed firms reporting new client wins and the launch of fresh projects. However, the pace of new business growth softened to its weakest in six months, suggesting that while the recovery continues, it is becoming more measured.

HCOB Italy PMI, Activity (Jul 2025)



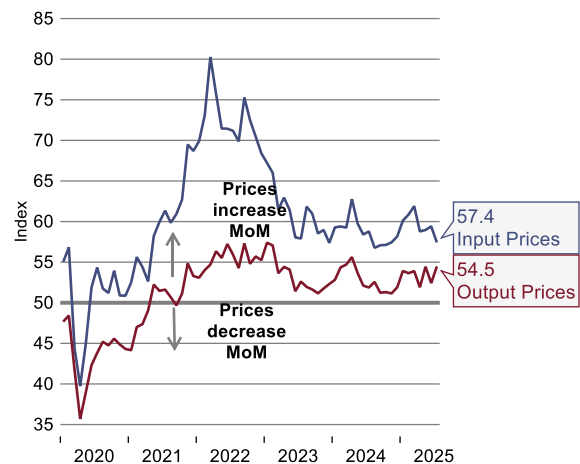
Source: Macrobond, HCOB Economics, S&P Global

The divergence between domestic and international demand persisted. While local sales held firm, new export business declined for the twelfth straight month, reflecting ongoing fragility in global demand. Nonetheless, the rate of contraction in foreign orders eased slightly, hinting at a possible bottoming out. Employment growth, though still above the historical average, lost some momentum as firms focused on filling existing vacancies rather than expanding headcount aggressively.

On the price front, input cost inflation cooled to its lowest level since November 2024, despite continued upward pressure from wages, fuel and services. This easing in cost pressures

gave firms some breathing room. Meanwhile, output prices rose at the fastest pace in over a year. The move suggests a renewed effort to defend margins, even as consumer price sensitivity remains a concern.

HCOB Italy Services PMI, Prices (Jul 2025)



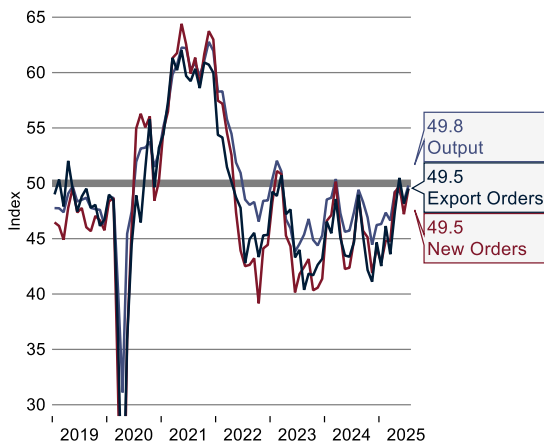
Source: Macrobond, HCOB Economics, S&P Global

The July PMI data arrives alongside a disappointing Q2 GDP print, with Italy's economy contracting by 0.1% quarter-on-quarter, against expectations of a modest expansion. While services remain a source of relative strength, the manufacturing PMI stayed in contraction territory. Taken together, the data point to a fragile growth environment heading into the second half of the year.

Italian manufacturing economy remains just in contraction territory

Italy's manufacturing sector showed tentative signs of stabilisation in July, with the HCOB PMI rising to 49.8 from 48.4 in June. Although the headline index remained just below the 50.0 threshold that separates growth from contraction, the softer declines in output and new orders suggest that the worst of the recent downturn may be behind us. Notably, the investment goods segment registered an improvement in business conditions, bucking the broader trend of decline.

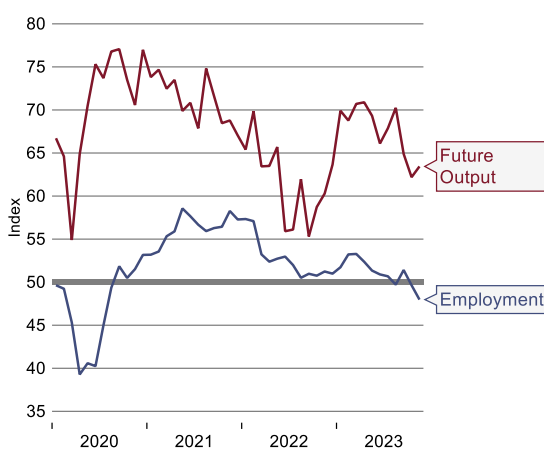
HCOB Italy Manufacturing PMI, Output & Orders (Jul 2025)



Source: Macrobond, HCOB Economics, S&P Global

In July, Italian manufacturers began rebuilding input inventories for the first time in nearly three years – a development that may reflect a shift in sentiment. While firms reported that part of this stock accumulation was driven by supply chain concerns and lower order numbers, it also coincided with a marked improvement in business confidence. With optimism among manufacturers rising to levels above the long-run average, some firms may be positioning themselves for a potential recovery in demand later in the year. In past cycles, such inventory rebuilding often signalled that the downturn is nearing its bottom.

HCOB Italy Manufacturing PMI, Future Output & Employment (Jul 2025)



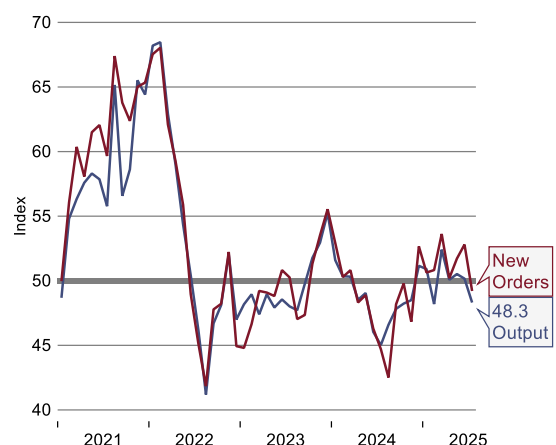
Source: Macrobond, HCOB Economics, S&P Global

Overall, July's data suggest that Italy's manufacturing sector may be approaching a turning point. The recent EU-US trade agreement has prevented a sharp escalation in tensions and provides a welcome dose of planning certainty for Italian exporters. However, while the deal replaces the threatened 30 percent tariff with a reduced 15 percent duty on selected industrial goods, this rate remains substantial and continues to put Italian firms at a competitive disadvantage in the US market. How long this agreement will hold remains uncertain – especially given the volatility of recent US trade policy and the possibility that the terms could shift again.

Italian constructors are hopeful for the future

The Italian construction sector is just muddling along. The newest HCOB Italy Construction PMI data for July show a slight decline in overall construction activity after the index has been close to the expansion value of 50 in the past three months. Input prices are putting increasing pressure on contractors with raw material prices rising further. Overall, the outlook does not look as bad as it is for Germany and France.

HCOB Italy Construction PMI, Output & New Orders (Jul 2025)

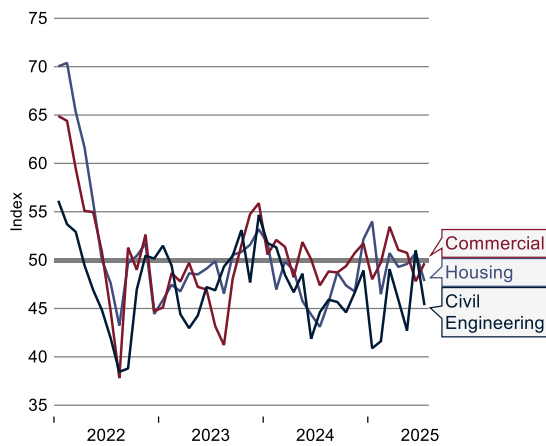


Source: Macrobond, HCOB Economics, S&P Global

The downturn of the Italian construction sector in July is broad-based. All three subsectors—housing, commercial and civil engineering—are

facing a contraction in July. Comparing the three subsectors with each other, civil engineering contracted the sharpest, with housing following closely. Commercial activity also fell, but only slightly as the HCOB PMI Activity Index stayed close to the expansion threshold of 50.

HCOB Italy Construction PMI, Activity by sector (Jul 2025)



Source: Macrobond, HCOB Economics, S&P Global

The outlook for the Italian constructors seems hopeful. In other European countries, the outlook looks way worse than what can be described in Italy. New orders are only down slightly while employment is even up, signaling some sort of optimism of the Italian constructors. Business expectations for the coming twelve months stayed overall positive, although concerns of sliding demand puts a bit of pressure on contractors.

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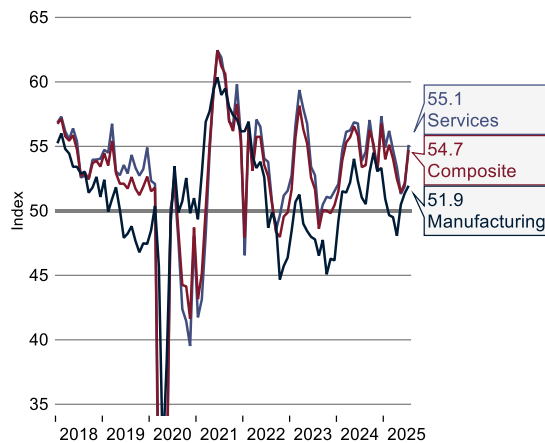
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Spain

Domestic economy booming and supporting service sector

The latest HCOB PMI data is likely to be met with optimism in Spain's private sector. Following the robust quarterly GDP growth of 0.7%, the July reading of the HCOB PMI Composite Output Index reinforces expectations that the current growth trajectory could persist in the coming quarters. As the second half of the year begins, the Spanish economy is exhibiting broad-based expansion, supported by both the services and manufacturing sectors.

HCOB Spain PMI, Composite & Services & Manufacturing (Jul 2025)

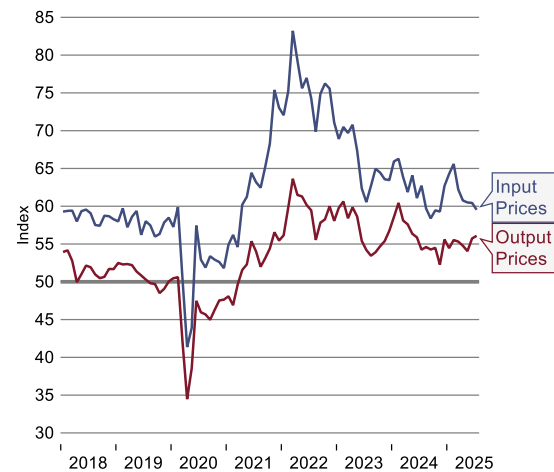


Source: Macrobond, HCOB Economics, S&P Global

The service sector, in particular, is experiencing a notable upswing in activity and new business. Firms attributed the increase in domestic demand to targeted marketing efforts and improvements in service quality. While foreign demand has also picked up, it remains less dynamic than domestic demand; a divergence that reflects ongoing global trade policy uncertainties. In the short term, the new US–EU trade agreement may help reduce some of this uncertainty. In the short term, the new trade agreement between the US and the EU could have a stabilising effect, but in the medium term there remains a risk that the US government will once again resort to

threatening higher tariffs as an economic policy lever.

HCOB Spain Services PMI, Prices (Jul 2025)



Source: Macrobond, HCOB Economics, S&P Global

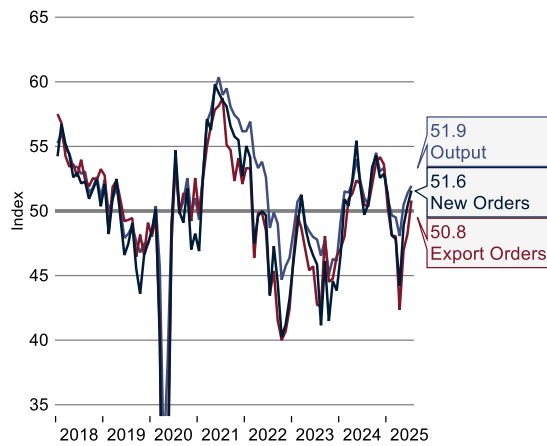
Rising activity levels have led to increased capacity utilisation in the services sector, as evidenced by a rise in backlogs of work. This already had a positive impact on employment dynamics in July. The robust level of business confidence suggests that hiring momentum is likely to continue in the coming months. In accommodation and food services, sectors traditionally facing structural labor shortages, migration inflows in recent years have played a key role in alleviating bottlenecks.

Price pressures in the services sector remain elevated. Although the pace of input cost inflation has moderated over the course of the year, input price inflation continues to trend above pre-pandemic levels. Wage growth remains a primary cost driver, which is also reflected in continued increases in output prices.

Resilience in the manufacturing sector

The latest HCOB PMI data once again underscores the resilience of Spain's manufacturing sector. The headline index improved for the third consecutive month, with key sub-indices also posting solid readings. This development aligns with the cyclical upswing recently captured in the HCOB Flash PMI survey for the Eurozone.

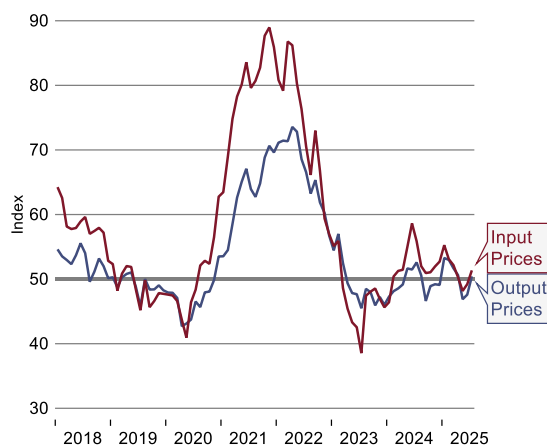
HCOB Spain Manufacturing PMI, Output & Orders (Jul 2025)



Source: Macrobond, HCOB Economics, S&P Global

At the outset of the second half of the year, order volumes have picked up both domestically and abroad, albeit only moderately in each case. Industrial production has now been expanding for three consecutive months and is likely to receive further support in the coming months from this improved demand environment.

HCOB Spain Manufacturing PMI, Prices (Jul 2025)

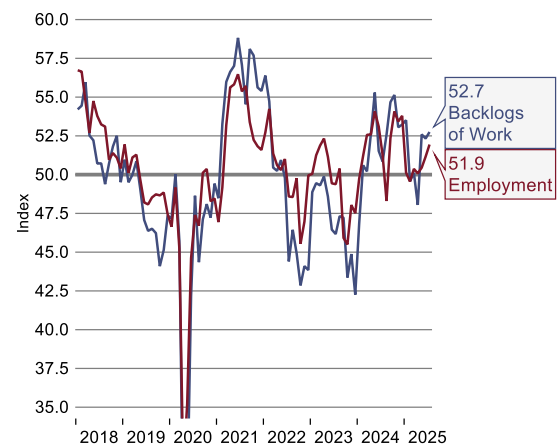


Source: Macrobond, HCOB Economics, S&P Global

The recent agreement in the US–EU tariff negotiations should also contribute to short-term planning certainty for firms, although the erratic policy stance of the US administration continues to cast a shadow over trade-related predictability.

Trends in employment and capacity utilization are consistent with the current growth trajectory. Backlogs of work have been building up in factories for three months now, while stocks of finished goods are declining. Nevertheless, firms have so far refrained from significantly increasing their purchases of intermediate goods, suggesting that existing inventories are still sufficient to support ongoing production growth. Overall, the picture is one of rising output, growing backlogs, falling inventories, and improving order books. This constellation is mirrored in a growing willingness among manufacturers to expand their workforce.

HCOB Spain Manufacturing PMI, Backlogs of Work & Employment (Jul 2025)



Source: Macrobond, HCOB Economics, S&P Global

Price dynamics shifted in July. After two consecutive months of declines in both input and output prices, both categories are now on the rise again. This is likely linked to tariff measures that are disrupting international supply chains and exerting upward pressure on prices. In line with this, delivery times for inputs are also lengthening. Survey respondents report that they are passing on at least part of the increased costs to end consumers through higher prices.

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FINANCIAL INDICATORS

Forecasts

Forecasts of Hamburg Commercial Bank

	8/6/2025	9/30/2025	12/31/2025	3/31/2026	6/30/2026	9/30/2026	12/31/2026
Interest rates							
USA							
fed funds (Target rate) (%)	4.50	4.25	4.00	4.00	3.50	2.75	2.75
SOFR (%)	4.34	4.05	3.80	3.80	3.30	2.55	2.55
2 year Treasury	3.72	3.65	3.40	3.40	2.90	2.20	2.25
5 year Treasury	3.77	4.10	3.95	4.05	4.00	3.95	4.15
10 year Treasury	4.22	4.30	4.20	4.35	4.50	4.70	4.95
2 year Swap rate (SOFR) (%)	3.75	3.75	3.50	3.50	3.00	2.30	2.35
5 year Swap rate (SOFR) (%)	3.67	4.10	3.95	4.05	4.00	3.95	4.15
10 year Swap rate(SOFR) (%)	3.94	4.15	4.05	4.20	4.35	4.55	4.80
Eurozone							
Tender rate (%)	2.15	1.90	1.65	1.90	2.15	2.40	2.40
Deposit rate (%)	2.00	1.75	1.50	1.75	2.00	2.25	2.25
3 month Euribor (%)	1.97	1.70	1.60	1.85	2.10	2.35	2.35
2 year German Bond (%)	1.91	1.20	1.10	1.35	1.60	1.85	1.85
5 year German Bond (%)	2.21	2.05	2.10	2.25	2.40	2.55	2.70
10 year German Bond (%)	2.62	2.40	2.55	2.65	2.75	2.85	3.05
2 year Swap rate (%)	2.05	1.50	1.40	1.65	1.90	2.15	2.15
5 year Swap rate (%)	2.29	2.35	2.40	2.55	2.70	2.85	3.00
10 year Swap rate (%)	2.61	2.65	2.80	2.90	3.00	3.10	3.30
Exchange rates							
Euro/US-Dollar	1.16	1.17	1.19	1.22	1.23	1.24	1.25
Euro/GBP	0.87	0.85	0.86	0.87	0.88	0.88	0.88
US-Dollar/Yen	147.49	145.00	143.00	141.00	139.00	135.00	131.00
US-Dollar/Yuan	7.18	7.20	7.17	7.14	7.11	7.08	7.08
Oil price							
ÖI (Brent), USD/Barrel	69.56	70	65	68	68	65	65
Stock markets							
Dax	23846	5970	5980	6010	6040	6070	6100
Stoxx Europe 600	541	532	533	536	539	541	544
S&P 500	6299	22150	22210	22320	22430	22540	22650

Source: Bloomberg, Hamburg Commercial Bank Economics

GDP forecasts (in %)	2025	2026	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026	Q3 2026	Q4 2026
World	2.7	2.5								
USA	1.2	0.7	-0.5	2.5	-1.0	0.0	1.0	1.1	1.3	1.4
China	4.7	4.3	1.2	1.0	0.6	0.9	1.2	1.1	1.1	0.8
Eurozone	1.1	1.3	0.6	-0.3	0.3	0.3	0.4	0.4	0.5	0.5
Germany	0.5	1.6	0.4	-0.1	0.4	0.4	0.4	0.5	0.5	0.5
France	0.5	0.7	0.1	0.1	0.1	0.2	0.2	0.2	0.1	0.2
Italy	0.7	0.7	0.3	0.2	0.1	0.1	0.1	0.2	0.3	0.3
Spain	2.5	1.9	0.6	0.6	0.5	0.5	0.5	0.4	0.4	0.4

Hamburg Commercial Bank's forecasts are reviewed approximately every six weeks and adjusted if necessary. Adjustments at shorter intervals are possible. A detailed presentation of the forecasts and changes to the forecasts can be found in the publication Financial Market Trends. From the perspective of a euro investor, yields on foreign bonds such as US government bonds may rise or fall as a result of currency fluctuations. Note: Forecasts are not a reliable indicator of future performance.

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