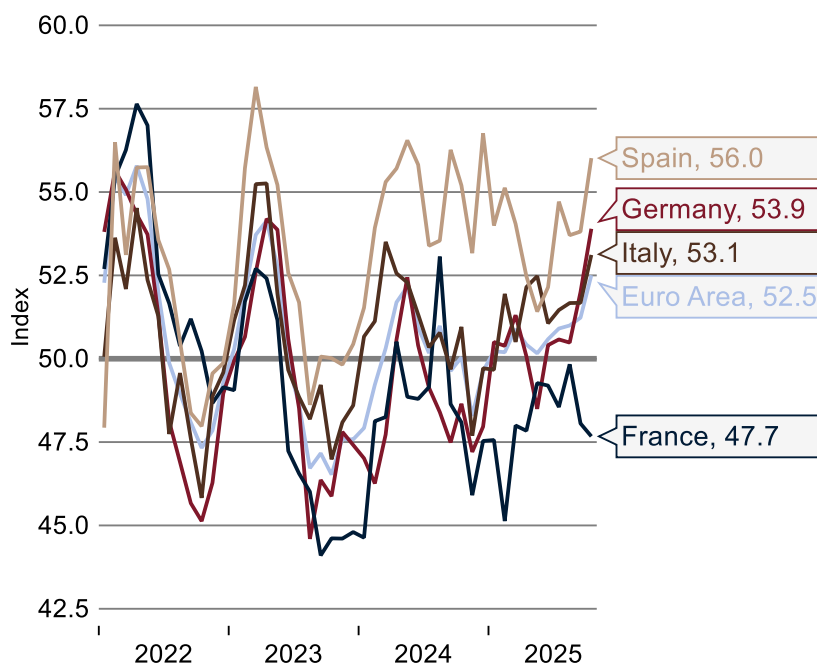


**THE PULSE OF THE EUROZONE: HCOB PMI – WRAP UP**

# Service sector surprises positively

## HCOB Composite PMI, Output Index (Oct 2025)



Source: Macrobond, HCOB Economics, S&P Global

After months of subdued headlines, the eurozone economy finally has something to cheer about. October brought a notable upswing carried by the service sector, with new business growth reaching levels not seen since May 2024. This momentum has translated into increased hiring, fueling hopes for sustained expansion. Germany led the charge, with its services index jumping to 54.6 – a sharp rise that more than offsets France’s decline, where political uncertainty continues to dampen consumer confidence. While challenges remain, especially in the manufacturing in construction sectors, signs of broader recovery

across the eurozone are emerging. Italy’s service sector also entered the fourth quarter on a strong footing, with robust new business and export orders lifting the broader economy, marking its best composite reading since March 2024. Spain, meanwhile, is showing exceptional momentum, with its composite PMI hitting the highest value this year.

## Content

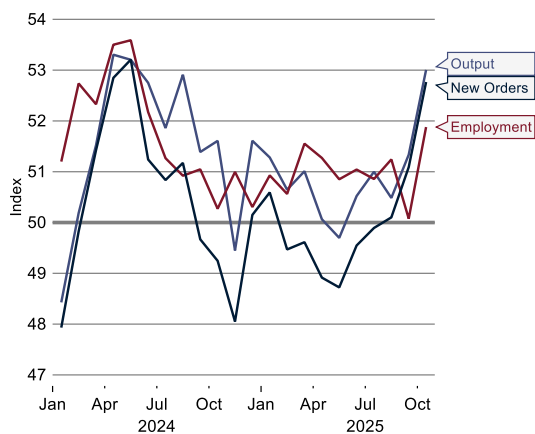
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# Eurozone

## Eurozone economy grows at fastest rate since May 2023

Finally, there's something positive to report about the eurozone economy again. The services sector saw a solid upswing in October. When it comes to new business, you'd have to go back to May of last year to find a similarly strong increase. In this environment, service providers also hired more staff than in the previous month, which sparks hope for sustained growth.

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

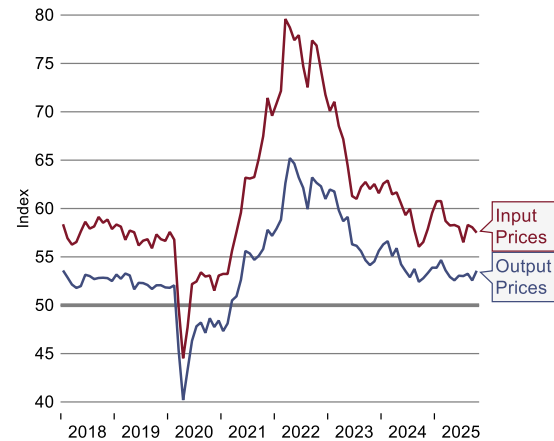


Source: Macrobond, HCOB Economics, S&P Global

A key driver of growth in the services sector this October was Germany. The jump in the index there – up more than three points to 54.6 – is striking and more than offsets the decline in France, where political tensions are dampening people's willingness to spend. Keeping up this relatively strong growth momentum in the services sector over the coming months won't be easy. In France, political stability would help – passing the 2026 budget would be a step in that direction. In Germany, much will depend on whether the government's stimulus package actually motivates businesses and households to invest and spend more.

Cost inflation in the services sector has eased a bit, but selling price inflation ticked up. For now, though, there's no sign of broader inflationary pressure.

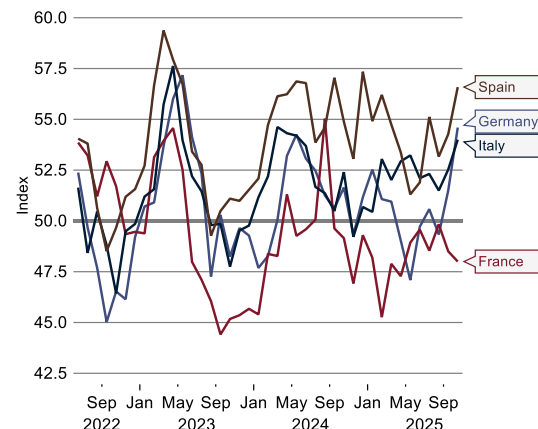
### HCOB Euro Area Services PMI, Prices (Okt 2025)



Source: Macrobond, HCOB Economics, S&P Global

This is because economic growth remains moderate, and the tariff dispute with the U.S. is creating disinflationary effects in the eurozone – partly due to increased imports from China. These figures are unlikely to give the European Central Bank much of a headache.

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



Source: Macrobond, HCOB Economics, S&P Global

France is clearly putting the brakes on eurozone economic growth. On the bright side, it's not just Germany where the expansion rate has picked up significantly. Even when excluding Germany and France, the composite PMIs for the rest of the eurozone show the strongest growth in two and a half years. In this sense, the recovery is gaining broader traction.

## Eurozone production edges up but factory orders stagnant

In the eurozone's manufacturing sector, we can at best speak of a very delicate sprout of economic recovery. Output has risen for eight consecutive months, but there is no real momentum as it is increasing at pretty much the same modest pace as in the previous months.

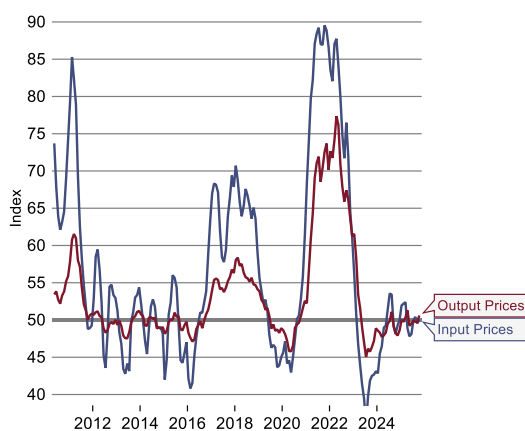
### HCOB Euro Area Manufacturing PMI, Headline & New Orders (Oct 2025)



Source: Macrobond, HCOB Economics, S&P Global

Meanwhile, demand across the eurozone economy remains subdued, with new orders stagnating at the same level as the month before.

### HCOB Euro Area Manufacturing PMI, Prices (Oct 2025)

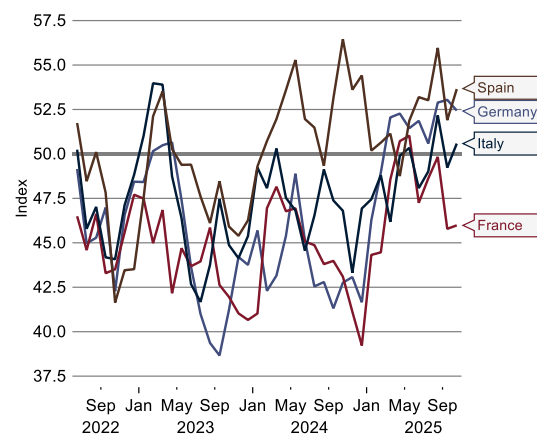


Source: Macrobond, HCOB Economics, S&P Global

Job cuts continued and even picked up a bit. This is the result of weak demand, which is forcing companies to cut costs or boost productivity.

Supply chain uncertainties, especially around basic semiconductors, may have contributed to longer delivery times and could weigh on production in sectors like automotive and mechanical engineering. For this reason alone, many companies are unlikely to be in any rush to hire more staff in the short term.

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



Source: Macrobond, HCOB Economics, S&P Global

The state of the eurozone's manufacturing sector can be summed up as fragile in Germany, in recession in France, persistently weak in Italy, and showing only subdued growth in Spain. The politically tense situation in France is clearly not only contributing to the renewed slump in production there, but is also reflected in a sharp drop in the index for future output. France is significantly dampening demand for industrial goods across other eurozone countries, where it ranks among the top trading partners.

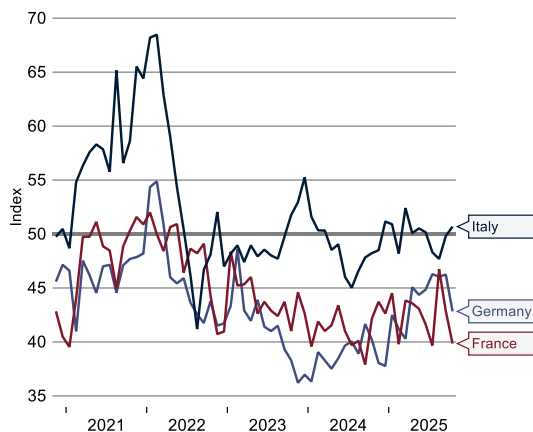
The inventory cycle still shows no signs of a turnaround. Companies continue to reduce stock levels, both in terms of intermediate goods and finished products. In the short term, this may also be linked to the issues with semiconductor deliveries. But the more important reason for the inventory drawdown is

likely the simple fact that demand in the industrial sector remains weak.

### Eurozone construction activity contracts at sharpest rate for eight months

One thing seems pretty clear: the construction sector won't be driving growth in the Eurozone anytime soon. Quite the opposite, the sector has slowed down expansion across the currency union since 2022, and things got even tougher for construction firms in October. While the situation in Italy is at least holding steady, Germany's sector is sinking deeper into the proverbial swamp. And with political situation getting more fragile, France looks set to follow Germany's path.

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



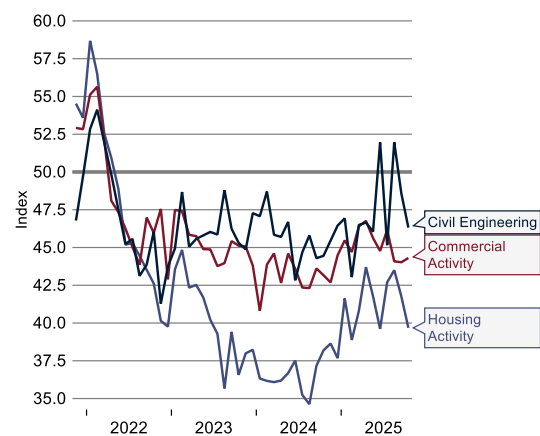
Source: Macrobond, HCOB Economics, S&P Global

The construction recession in the Eurozone is most pronounced in residential construction, led by Germany and France. Italy, meanwhile, is showing just a hint of growth. In Germany, the impact of a third year without economic growth is becoming more visible, and in France, the politically fragile environment is leaving its mark. Italy's sector is getting some support from its (albeit modest) economic growth.

There had been high hopes for civil engineering, especially in Germany, the Eurozone's largest economy, that we would already be seeing some lasting positive effects. But after two months of growth, activity has

taken a sharp dive. We expect a broader range of public projects to get underway next year, which should help this sector grow more steadily. In France, though, the planned austerity measures and political uncertainty are likely to keep this sector weak. Italy's civil engineering has found some stability, but with tight budgets, big leaps forward aren't likely.

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



Source: Macrobond, HCOB Economics, S&P Global

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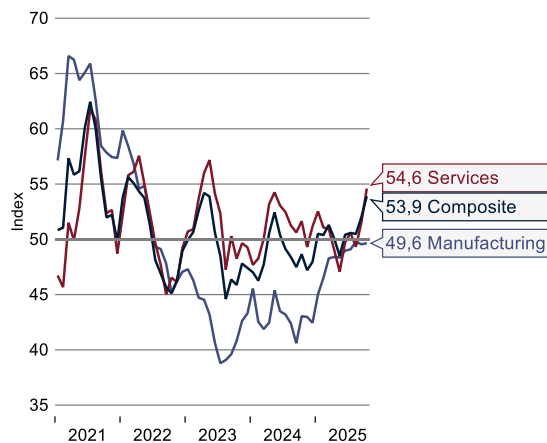
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# Germany

## German service sector enjoys strong upturn in growth at start of Q4

Germany's services sector started the fourth quarter with renewed momentum, as the HCOB Services PMI surged to 54.6 in October, marking its highest reading in nearly two-and-a-half years. The acceleration in business activity was accompanied by a solid rise in new work, which recorded only its second increase in over a year.

### HCOB Germany PMI, Activity (Okt 2025)



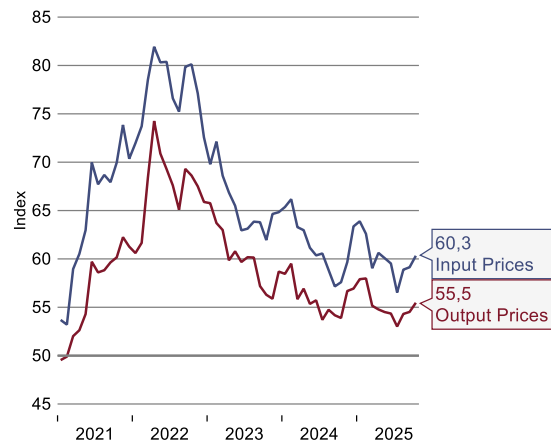
Source: Macrobond, HCOB Economics, S&P Global

Employment rebounded after two months of decline, with service providers returning to hiring mode amid rising backlogs of work – the first such increase in 18 months. The accumulation of outstanding business, albeit modest, signals growing capacity pressures, which surveyed firms attributed to stronger demand, supply shortages, and a lack of qualified staff. However, optimism about future activity ticked down slightly from September's recent high, suggesting some caution remains despite the overall upbeat tone.

Inflationary pressures intensified, with input costs rising at the fastest pace since April, which was largely driven by wage increases, as firms reported. Output prices followed suit, climbing at the quickest rate in eight months. These developments point to a sector regaining

pricing strength amid improving demand conditions.

### HCOB Germany PMI, Prices (Okt 2025)



Source: Macrobond, HCOB Economics, S&P Global

Taken together, the October PMI data suggest that Germany's services economy is regaining its footing after a subdued period. The combination of rising demand, renewed hiring, and stronger pricing power bodes well for the broader economy, even as firms remain watchful of external risks and cost pressures.

### Germany's manufacturing sector continued to tread water

Germany's manufacturing sector continued to tread water in October, with the headline PMI inching up to 49.6 from 49.5 in September, remaining just below the crucial 50.0 threshold that separates expansion from contraction. While output rose for the eighth consecutive month, this latest upturn was driven primarily by the investment goods segment, suggesting that the recovery remains fragile.

A lack of demand and persistent uncertainty weighed on the broader sector. New orders returned to marginal growth, driven by demand for investment goods, yet export sales continued to decline, particularly to Asia and the US, according to surveyed firms. Manufacturers cited customer caution, US tariffs, and a sluggish construction sector as factors weighing on demand. Employment fell again, extending the sequence of job shedding

to 28 months, as firms responded to subdued capacity pressures and maintained hiring freezes.

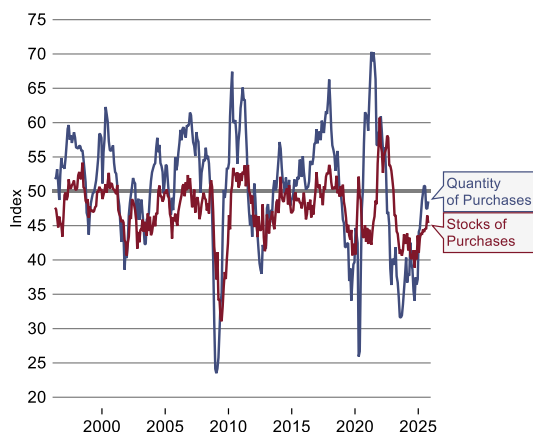
### HCOB Germany Manufacturing PMI, Output & New Orders (Oct 2025)



Source: Macrobond, HCOB Economics, S&P Global

Purchasing activity was scaled back again, and inventories of both inputs and finished goods were reduced at a faster pace. Interestingly, supplier delivery times lengthened for the second month in a row, hinting at emerging supply chain frictions. Purchasing costs continued to fall in October, extending the current deflationary trend that began in early 2023. Meanwhile, output prices rose modestly – only the second increase in over two years – with the uptick driven primarily by the consumer goods segment.

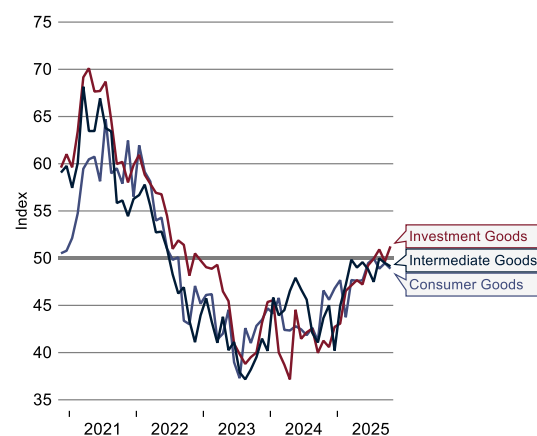
### HCOB Germany Manufacturing PMI, Stocks and Quantity of Purchases (Oct 2025)



Source: Macrobond, HCOB Economics, S&P Global

Overall, the outlook for Germany's industrial sector remains fragile. Manufacturers' expectations for future output deteriorated further, falling to the lowest level since December last year. While some firms remain hopeful about improving economic conditions and new product launches, concerns over falling backlogs and elevated costs are weighing on sentiment.

### HCOB Germany Manufacturing PMI, Sectors (Oct 2025)



Source: Macrobond, HCOB Economics, S&P Global

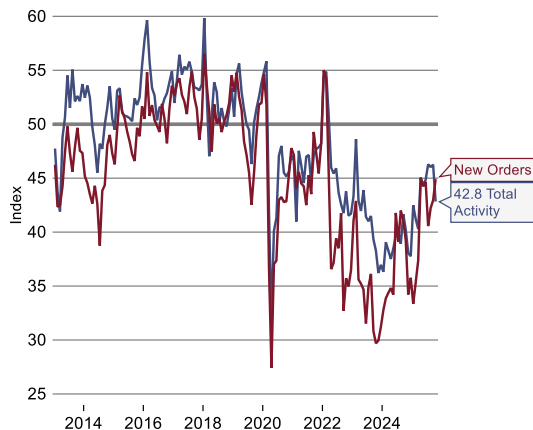
### Heavy blow for Germany's construction sector

This is a heavy blow for the construction sector, which was already under pressure. Across the sector as a whole, activity dropped in October at the fastest rate since March this year. The most striking result was the decline in civil engineering, where we had seen moderate growth over the previous two months. The situation in residential construction is even more dramatic, with the deep recession worsening further. Commercial construction also took a hit, though the drop was less forceful than the decline in housing activity. Overall, the numbers reflect a climate of uncertainty, high building costs, and relatively high long-term interest rates, which have hovered well above the levels of the previous decade for the past two years.

The slump in civil engineering activity shows that the large-scale infrastructure investments the government has already started are clearly

subject to bigger fluctuations. We expect growth in this sector to stabilize over the course of next year, once a broader range of public projects gets approved and rolled out.

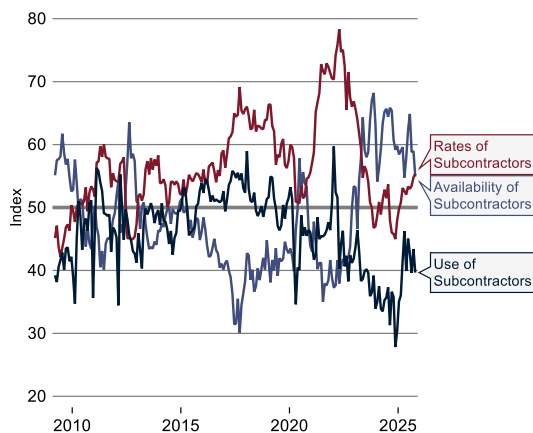
**HCOB Germany Construction PMI, Total Activity & New Orders (Oct 2025)**



Source: Macrobond, HCOB Economics, S&P Global

In residential construction, activity is falling faster than at any other point this year. It's pretty clear that the so-called "building turbo" from the federal government - which mainly aims to ease zoning regulations and speed up approval processes - isn't working at all. It looks like we'll need additional measures, like direct subsidies and more social housing, to really tackle the housing shortage.

**HCOB Germany Construction PMI, Subcontractors (Oct 2025)**



Source: Macrobond, HCOB Economics, S&P Global

Incoming orders are shrinking a bit less than the month before, but they still signal that the

construction sector isn't heading for a turnaround just yet. Confidence in higher construction activity a year from now remains low, and demand for subcontractors has dropped sharply. On the bright side, cost inflation has come down significantly and is now well below the long-term average. That could help improve profitability for construction firms.

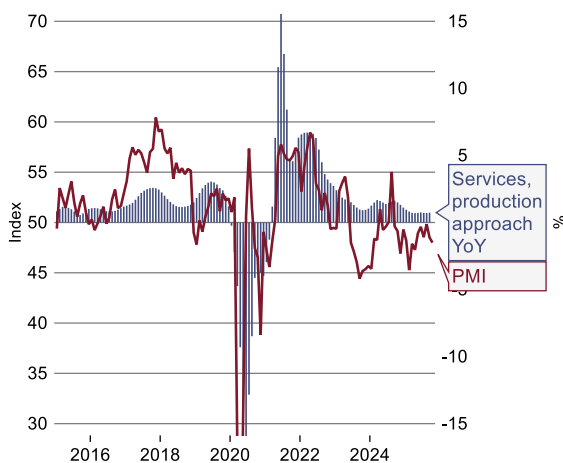
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# France

## France's service sector is under pressure

The downward trend in France's private sector economy continues unabated at the start of the fourth quarter. After the HCOB manufacturing PMI already signaled weakness in this month, conditions in the service sector have also deteriorated. As a result, the HCOB Composite PMI has declined once again, marking the 14th consecutive month in which the French private economy has remained below the growth threshold.

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



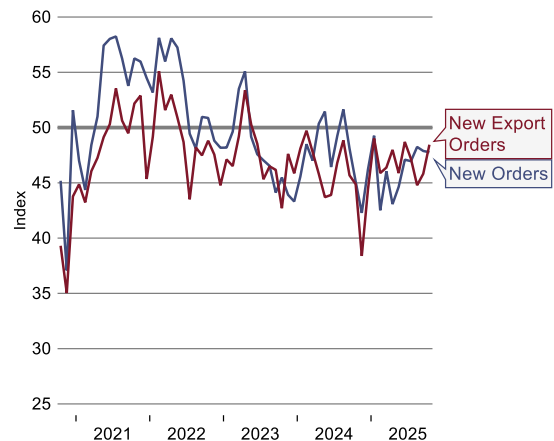
Source: Macrobond, HCOB Economics, INSEE, S&P Global

The French service sector is under pressure, with weak demand emerging as the central issue. This is reflected in declining business activity and a disappointing level of new orders. Key drivers include customer caution and restraint, intense competitive pressures and ongoing political uncertainty. Business expectations for the coming months have further deteriorated in October and remain well below the historical average. Several companies with a pessimistic outlook explicitly cite the political situation as a contributing factor.

On a more positive note, hiring activity in the service sector has so far remained resilient. The corresponding index has stayed in expansion territory for three consecutive

months, suggesting that the sluggish overall performance did not translate into hiring yet.

### HCOB France Services PMI, Order Situation (Okt 2025)



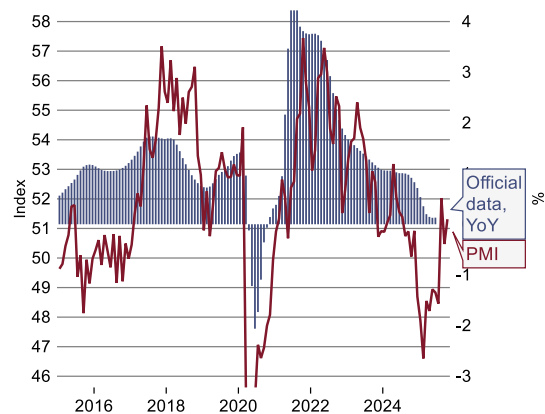
Source: Macrobond, HCOB Economics, S&P Global

However, caution is warranted: if demand remains subdued, employment dynamics are likely to weaken over time. Declining backlogs of work serve as an additional warning sign, indicating that current hiring intentions may be built on shaky ground.

### French manufacturers are facing the future with a sense of pessimism

The ongoing political crisis continues to act as a drag on the French economy, fueling uncertainty across the country's business landscape.

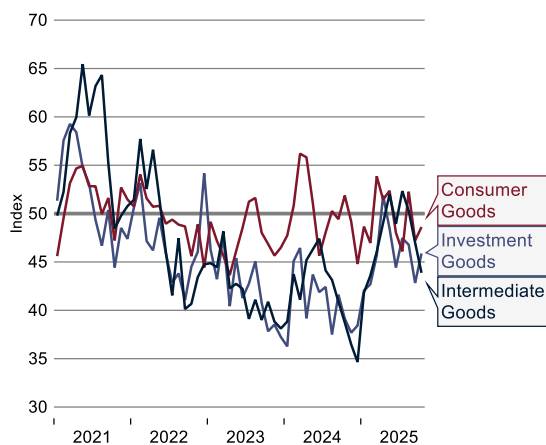
### HCOB France Services Employment PMI vs. official employment data in services (Okt 2025)



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

The HCOB Manufacturing PMI remains below the growth threshold, indicating that France's manufacturing sector remains stuck in contraction. This ongoing trend is underscored by the fact that output declined in all main manufacturing sub-sectors.

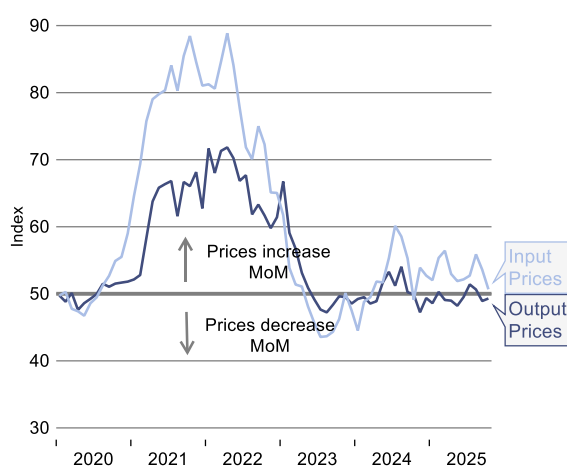
### HCOB Manufacturing France PMI, Output by sector (Oct 2025)



Source: Macrobond, HCOB Economics, S&P Global

French manufacturers are facing the future with a sense of pessimism. Of the 30% of panellists that expect output to decline over the next year, political instability and persistently weak demand were cited as key concerns.

### HCOB France Manufacturing PMI, Prices (Okt 2025)



Source: Macrobond, HCOB Economics, S&P Global

This gloomy outlook is mirrored in October's weak order situation, with firms pointing to domestic political turbulence, hesitant clients,

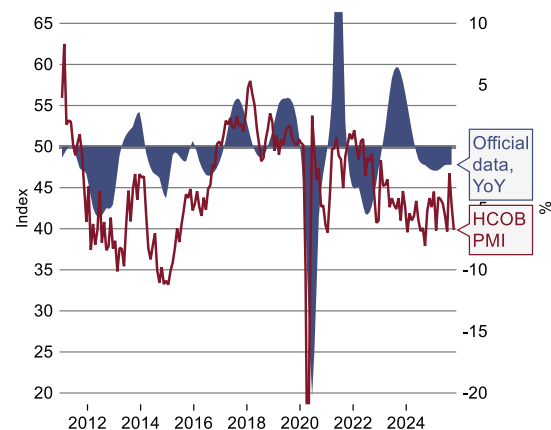
and a challenging market environment as major obstacles. On the international front, geopolitical tensions have dampened foreign demand, with some respondents reporting fewer orders from Asia and the Middle East. Nevertheless, the pace of decline in export orders was the slowest since April.

Manufacturers are facing mounting competitive pressures, prompting them to cut prices for the second month in a row. This move aligns with a further easing of cost inflation, with input prices edging up marginally. Inventories were once again scaled back, driven by the lower production volumes and a bleak outlook for future demand. In line with this trend, stocks of purchases were also reduced further.

### Protracted downturn in French construction activity worsens

Activity in the French construction sector plummeted in October. By sub-sector, residential building work recording the steepest reduction, while commercial and civil engineering sectors also under significant pressure. Firms are grappling with severe demand weakness, as seen through another steep fall in new orders.

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

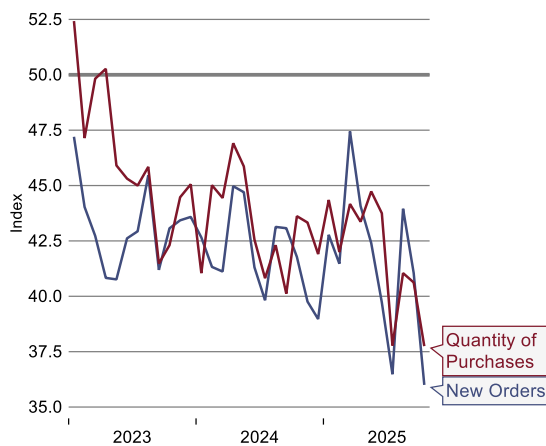


Source: Macrobond, HCOB Economics, French National Institute of Statistics & Economic Studies (INSEE), S&P Global

French political instability is weighing on the construction sector via two channels. First, budget concerns are exerting upward pressure on bond yields, leading to tighter financial conditions for borrowers. Second, the broader

political turbulence is fostering investor caution, leading to delayed business decisions and reduced investment momentum.

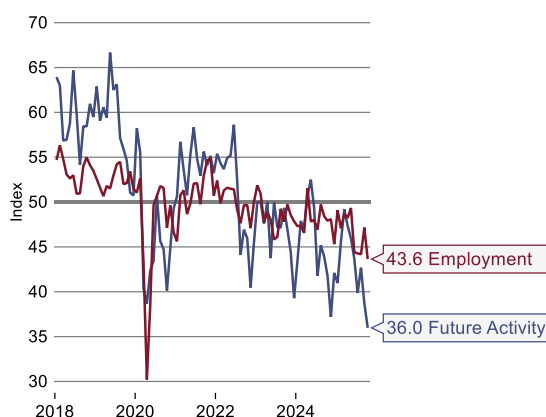
### HCOB France Construction PMI, Orders & Purchases (Oct 2025)



Source: Macrobond, HCOB Economics, S&P Global

The sector's weakness has increasingly translated into workforce reductions. Employment has been on a persistent downward trajectory, mirroring a slump in purchasing volumes and reflecting the scarcity of new projects. Rising input costs only exacerbate the challenge, leaving firms with little room to manoeuvre.

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



Source: Macrobond, HCOB Economics, S&P Global

Subcontractor performance reflected the broader downturn in the French construction sector. Utilisation of subcontractors declined,

while their availability increased and prices fell, likely in an effort to stimulate demand. These subdued market conditions contributed to a sharp drop in business confidence, which fell to its lowest level in eleven years, even weaker than during the pandemic.

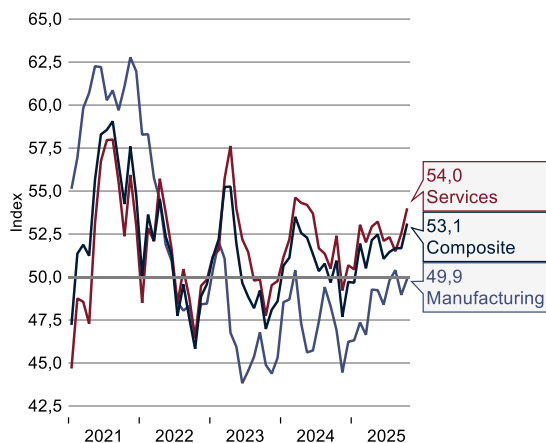
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# Italy

## Italy's services sector entered Q4 on a strong footing

Italy's services sector entered the fourth quarter on a strong footing, as the HCOB Italy Services PMI rose to 54.0 in October. The acceleration in activity growth was accompanied by a robust rise in new business, fresh customer wins, and a renewed rise in export orders. The improvement in services fed through to the broader economy, lifting the HCOB Italy Composite PMI to 53.1, marking the strongest reading since March 2024. While manufacturing output also returned to growth, the momentum was clearly concentrated in the service sector.

### HCOB Italy PMI, Activity (Okt 2025)



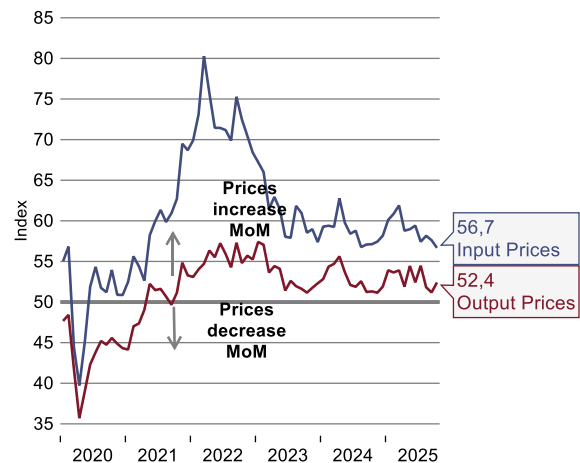
Source: Macrobond, HCOB Economics, S&P Global

Price dynamics in the Italian service sector were mixed. Input cost inflation eased to a four-and-a-half year low, offering some relief to firms. However, operating expenses continued to be elevated, with higher energy, insurance and consultancy costs cited. In response, service providers raised their charges at a faster pace, aiming to protect margins amid improved demand conditions.

Employment growth remained subdued, with firms adding staff only fractionally, often through temporary hires. Despite the stronger rise in workloads, backlogs continued to fall,

pointing to persistent spare capacity. Business confidence stayed positive but was below historical norms, reflecting a cautious outlook in the face of persistent global headwinds.

### HCOB Italy Services PMI, Prices (Okt 2025)



Source: Macrobond, HCOB Economics, S&P Global

Overall, October's PMI data highlight the resilience of the service sector, which remains the main engine of growth within Italy's private economy. With overall demand firming and export orders showing early signs of recovery, the outlook has brightened – even if hiring and sentiment remain restrained.

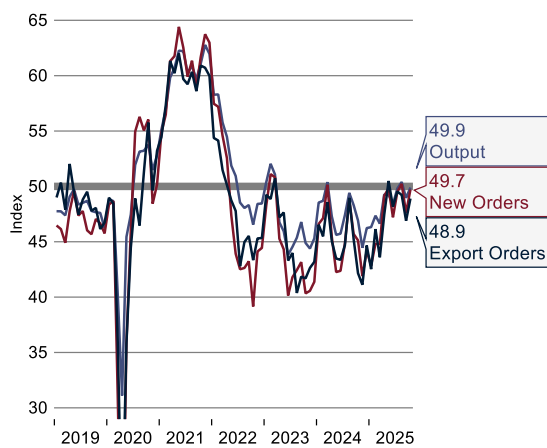
### Italian manufacturing economy broadly stable in October

October's PMI data suggests that Italy's manufacturing sector may be approaching a turning point. The headline index rose to 49.9, up from 49.0 in September, signalling a near-stabilisation in operating conditions. Although the sector remains in mild contraction, a notable improvement in business confidence hints at a shift in momentum.

Output returned to modest growth, supported by new customer acquisitions and selective increases in sales, even as overall demand remained subdued. New orders continued to decline, albeit only fractionally, while export sales fell for a fifth consecutive month, weighed down by weaker demand from key markets such as France and Germany. Despite this,

firms were able to reduce backlogs at a sharp pace, indicating that production capacity exceeded incoming workloads. Employment edged lower, though this was largely due to voluntary departures and contract expirations rather than active downsizing.

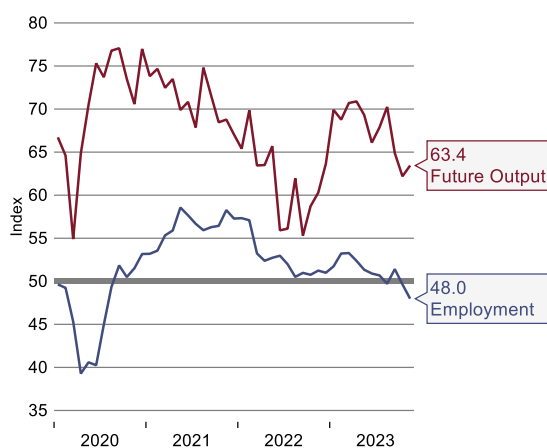
### HCOB Italy Manufacturing PMI, Output & Orders (Oct 2025)



Source: Macrobond, HCOB Economics, S&P Global

Input cost inflation accelerated to a seven-month high, driven by rising raw material and shipping prices. Notably, some firms also reported that suppliers had increased their fees given tariff implications.

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



Source: Macrobond, HCOB Economics, S&P Global

Nonetheless, firms opted to reduce their selling prices in an effort to stimulate demand amid strong competition. The rate of discounting was

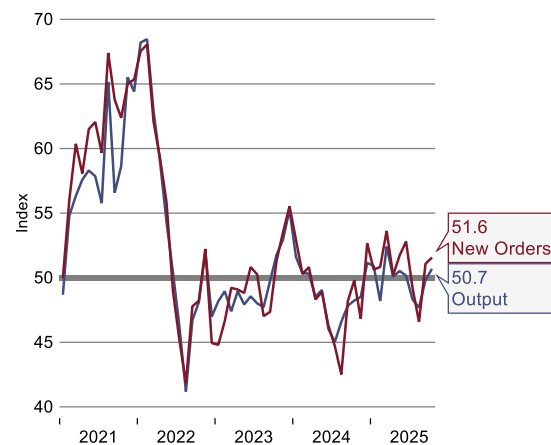
the steepest in eight months, underscoring the pressure on margins and the challenging pricing environment.

Encouragingly, business confidence improved markedly, reaching its highest level in over a year. Over half of surveyed firms anticipate higher output in the coming 12 months, buoyed by expectations of new client wins, stronger order inflows and product launches. While the sector remains in a fragile state, overall, the data points to a cautiously improving outlook.

### Activity in Italian construction increases as new order growth quickens

The Italian construction sector returned to growth in October after three consecutive months of contraction. The HCOB Italy Construction PMI rose to 50.7 from 49.8 in September, signalling a modest but welcome expansion in total activity. The improvement was driven primarily by gains in the commercial and housing segments, while civil engineering activity edged closer to stabilisation, following a notably weaker rate of contraction.

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

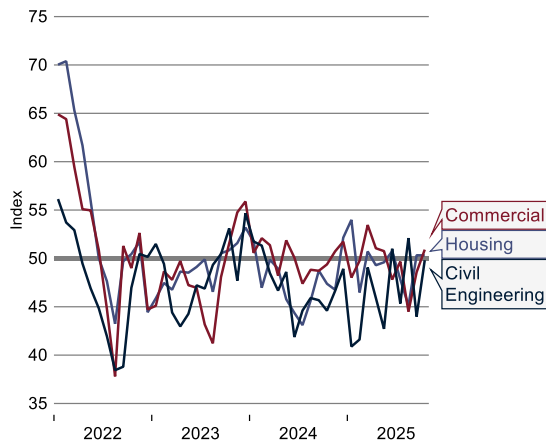


Source: Macrobond, HCOB Economics, S&P Global

New business inflows accelerated, with firms reporting fresh contract wins and increased client interest. Purchasing volumes were unchanged, and job creation slowed to the softest pace in over a year, indicating that firms remain cautious despite the uptick in demand. Supply chain pressures persisted, with surveyed firms reporting longer delivery times

due to adverse weather, logistical issues and stock shortages. Input cost inflation picked up slightly, but remained subdued compared to both the 2025 average and the historical trend.

**HCOB Italy Construction PMI, Activity by sector (Oct 2025)**



Source: Macrobond, HCOB Economics, S&P Global

Encouragingly, business sentiment improved markedly. The Future Activity Index rose to its highest level in nearly a year-and-a-half, aligning with its long-run average. Contributing to this more optimistic outlook were expectations of stronger order inflows in the coming year. While the recovery remains fragile and uneven across sub-sectors, October's data point to a gradual reawakening of construction activity in Italy, as improving demand dynamics helped lift activity, and amid a renewed improvement in confidence at builders.

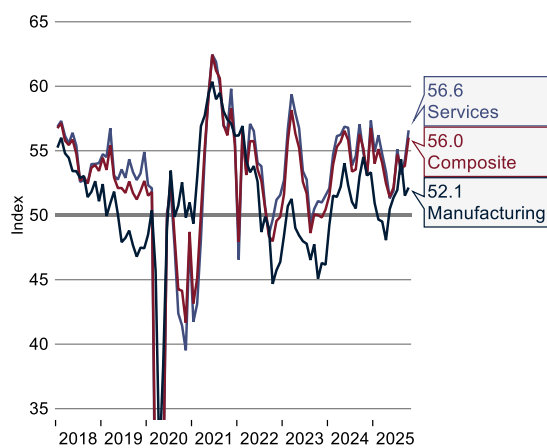
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# Spain

## Spain's service sector expansion accelerates

Spain's private sector is entering the fourth quarter with noticeable momentum. The HCOB Composite PMI recorded a solid increase, reaching 56 points, which is the highest level so far this year. This improvement is driven by accelerated growth in both manufacturing and services. Following the robust GDP expansion in the third quarter, the October PMI figures fuel optimism that Spain's GDP could grow by nearly 3.0 percent in 2025, thereby maintaining its exceptional position among the four major euro area economies.

### HCOB Spain PMI, Composite & Services & Manufacturing (Oct 2025)



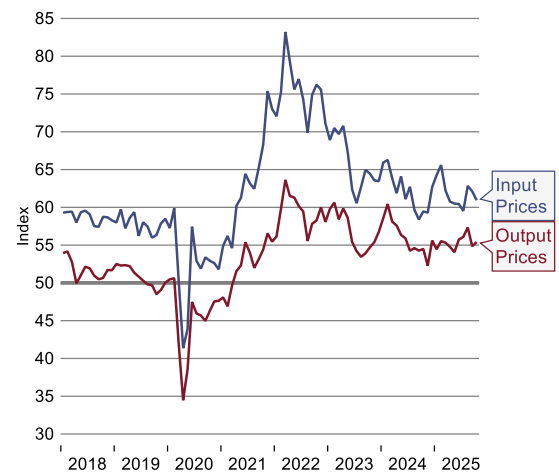
Source: Macrobond, HCOB Economics, S&P Global

Business activity in Spain's services sector picked up significantly in October. This development is underpinned by a solid inflow of new orders, which firms attribute directly to stronger market demand. Only foreign orders showed signs of weakening, reflecting the uncertain international business environment.

Spanish service providers are expanding their workforce to keep pace with sustained business momentum. This is also evident in the rising backlog of work, which has now increased for four consecutive months. Against this backdrop, firms remain confident about their business outlook for the coming year.

Their optimism is reflected in ambitious growth plans, the expansion of commercial activities, and expectations of continued strong demand in 2026.

### HCOB Spain Services PMI, Prices (Oct 2025)



Source: Macrobond, HCOB Economics, S&P Global

Price developments remain a point of concern. Both input and output price indices are significantly above the levels seen between 2009 and 2020. Panelists report rising personnel and energy costs, which have compelled many firms to adjust their prices accordingly.

### Spain's manufacturing industry continued its upward trajectory

Spain's manufacturing industry continued its upward trajectory in October, as reflected in the improvement of the headline PMI. The expansion was underpinned by solid production activity and a pickup in new business.

Beneath the surface of this encouraging growth, however, some signs of strain are emerging. Export orders declined during the month, with several surveyed firms pointing to a cooling in demand from France. Political instability there appears to be increasingly weighing on economic activity, with knock-on effects for Spanish exporters. In addition, protectionist measures from the United States are likely adding pressure to international order books.

### HCOB Spain Manufacturing PMI, Output & Orders (Oct 2025)



Labor market signals are also turning cautious: for the second consecutive month, firms have scaled back their hiring activities. This stands in contrast to the order situation and rising backlogs of work. The reluctance to expand headcount seems less structural and more tactical, likely driven by external uncertainties. Should demand remain firm, a rebound in employment dynamics could follow swiftly.

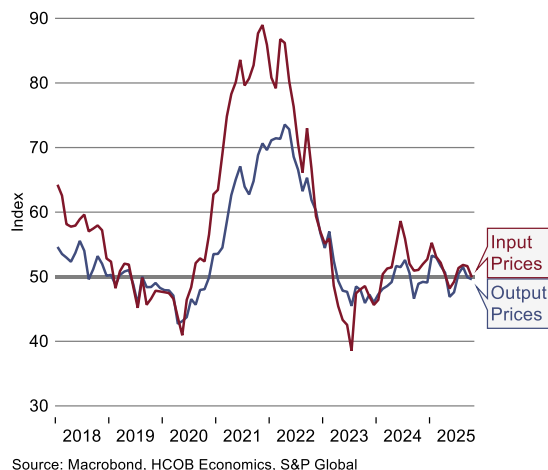
efforts to stimulate demand likely contributed to the modest price adjustments.

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



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### HCOB Spain Manufacturing PMI, Prices (Okt 2025)



Meanwhile, both input costs and output prices in the manufacturing sector edged down in October. Companies reported falling prices for a range of materials, which fed through into their pricing strategies. Alongside lower costs,

**FINANCIAL INDICATORS**

# Forecasts

**Forecasts of Hamburg Commercial Bank**

	07.11.2025	31.12.2025	31.03.2026	30.06.2026	30.09.2026	31.12.2026
<b>Interest rates</b>						
<b>USA</b>						
fed funds (Target rate) (%)	4.00	3.75	3.75	3.25	2.75	2.75
SOFR (%)	4.18	3.55	3.55	3.05	2.55	2.55
2 year Treasury	3.55	3.15	3.15	2.65	2.20	2.25
5 year Treasury	3.67	3.90	4.00	3.95	3.95	4.15
10 year Treasury	4.11	4.20	4.35	4.50	4.70	4.95
2 year Swap rate (SOFR) (%)	3.59	3.25	3.25	2.75	2.30	2.35
5 year Swap rate (SOFR) (%)	3.61	3.90	4.00	3.95	3.95	4.15
10 year Swap rate(SOFR) (%)	3.89	4.05	4.20	4.35	4.55	4.80
<b>Eurozone</b>						
Tender rate (%)	2.15	2.15	2.15	2.15	2.40	2.40
Deposit rate (%)	2.00	2.00	2.00	2.00	2.25	2.25
3 month Euribor (%)	2.01	2.10	2.10	2.10	2.35	2.35
2 year German Bond (%)	1.98	1.95	1.95	1.95	2.20	2.20
5 year German Bond (%)	2.25	2.45	2.50	2.60	2.75	2.85
10 year German Bond (%)	2.66	2.65	2.75	2.85	2.95	3.10
2 year Swap rate (%)	2.14	2.25	2.25	2.25	2.50	2.50
5 year Swap rate (%)	2.37	2.75	2.80	2.90	3.05	3.15
10 year Swap rate (%)	2.68	2.90	3.00	3.10	3.20	3.35
<b>Exchange rates</b>						
Euro/US-Dollar	1.16	1.19	1.22	1.23	1.24	1.25
Euro/GBP	0.88	0.86	0.87	0.88	0.88	0.88
US-Dollar/Yen	153.14	143.00	141.00	139.00	135.00	131.00
US-Dollar/Yuan	7.12	7.17	7.14	7.11	7.08	7.08
<b>Oil price</b>						
ÖI (Brent), USD/Barrel	63.41	60	62	63	64	65
<b>Stock markets</b>						
Dax	23570	22210	22320	22430	22540	22650
Stoxx Europe 600	565	533	536	539	541	544
S&P 500	6729	5980	6010	6040	6070	6100

Source: Bloomberg, Hamburg Commercial Bank Economics

GDP forecasts (in %)	2025	2026	Q3 2025	Q4 2025	Q1 2026	Q2 2026	Q3 2026	Q4 2026
<b>World</b>	2.9	2.7						
<b>USA</b>	2.1	1.7	3.0	2.0	1.0	1.1	1.3	1.4
<b>China</b>	5.0	4.6	1.1	0.9	1.2	1.1	1.1	0.8
<b>Eurozone</b>	1.4	1.3	0.2	0.2	0.4	0.4	0.4	0.4
<b>Germany</b>	0.3	1.5	0.0	0.2	0.5	0.6	0.6	0.7
<b>France</b>	0.8	1.1	0.5	0.2	0.2	0.3	0.3	0.3
<b>Italy</b>	0.5	0.5	0.0	0.1	0.1	0.2	0.3	0.3
<b>Spain</b>	2.9	2.0	0.6	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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