NORD/LB

Zum wahren Nutzen.



Economic Adviser

Macro Research

October 2026 // Date of issue: 28th Sepetember 2026

Finanzgruppe

Contents

Special: Midterm Pulse Check as the US Political Deck Is Reshuffled 3

The Midterms Are Just Around the Corner 3

A Closer Look at the Senate 3

A Closer Look at the House of Representatives 4

What Happens in Washington and the Persian Gulf? 4

USA: Inflation Data Remain in Focus for the FOMC 6

AI Investment Remains a Key Source of Support 6

The NAHB Index Remains Exceptionally Weak 6

Inflation Data Remain in Focus for the FOMC 6

Euroland: Persistent Inflation Forces the ECB to Tighten Further 8

Economy Remains Resilient, but Inflation Rises Again 8

ECB Raises Rates and Prepares for Further Tightening 8

Sharp Rise in Yields and Greater Differentiation in Bond Markets 8

Germany: Economic Optimism Defies the Headwinds 10

State Election Results Strengthen Parties at the Political Fringes: Implications for Federal Politics 10

Economy: Weak Start to the Third Quarter, Compounded by Low Rhine Water Levels 10

Leading Indicators Point to Growing and More Widespread Economic Optimism 11

Switzerland: A League of Its Own – SNB Keeps Policy Rate at Zero 12

Swiss Economy Remains on a Growth Trajectory 12

SNB Remains under No Pressure to Act and Is Unconcerned by Strong Economic Growth 12

Japan: The Bank of Japan Is under Pressure to Act 13

Bank of Japan Raises Policy Rate Cautiously 13

The Bank of Japan Is under Pressure to Act 13

Kazuo Ueda Strikes a Relatively Hawkish Tone 13

China: A Two-Speed Economy 14

A Two-Speed Economy 14

When Strength Also Becomes a Weakness 14

Beijing's Foreign Policy Remains Firmly in Focus 14

Britain: A Shift in the BoE's Strategy Is Possible 15

A Change of Direction Is Possible Towards the End of the Year 15

Inflation Risks Appear to Be Taking Turns 15

Fiscal Headroom Is Narrowing 15

Portfolio strategies 16

Yield curve, Euroland 16

Portfolio strategies 17

International yield curve: 3-month & 12-month horizons 17

Portfolio strategies 18

Stock market strategy; 3-month, 6-month & 12-month horizons..... 18

Overview of forecasts 19

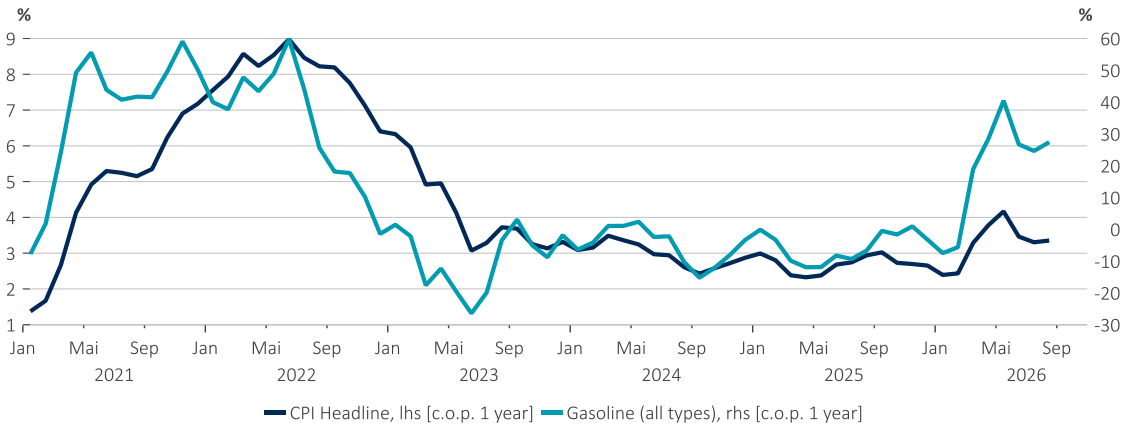
Special: Midterm Pulse Check as the US Political Deck Is Reshuffled

Analyst: Tobias Basse // Constantin Lüer

The Midterms Are Just Around the Corner

The US midterm elections will take place on 3 November. Early voting is already under way in some states. The elections have the potential to bring about a significant shift in the balance of power in the US Congress. All seats in the House of Representatives and one-third of the seats in the Senate are up for election. The midterms are traditionally regarded as a barometer of public sentiment towards the incumbent administration. As a rule, the party that won the preceding presidential election tends to lose support, as well as congressional seats, at the midterms. The Republicans currently hold majorities in both chambers of Congress. This could now change. The political landscape remains fluid. Polls indicate an increased likelihood of a change in the balance of power, particularly in the House of Representatives. The sharp rise in fuel prices resulting from the conflict with Iran has recently become a major problem for republican candidates. Donald Trump's approval ratings, which have weakened considerably once again, point in the same direction. The so-called generic congressional ballot, which asks voters nationwide which party they would support rather than naming the individual candidates standing for election, currently shows the Democrats leading the Republicans by between five and eight percentage points, depending on the polling organisation. Ultimately, however, voters in individual congressional districts elect candidates rather than parties. The generic ballot should therefore be viewed primarily as an indicator of the overall public mood. In the elections themselves, the profiles and appeal of the individual candidates will also play a major role.

Chart: CPI Data and the Impact of Fuel Components, Change over Period



Sources: Bureau of Labor Statistics (BLS), Macrobond, NORD/LB Macro Research

A Closer Look at the Senate

Owing to the Vice President's special role as the tie-breaker, the Democrats would need 51 seats to secure a majority in the Senate, whereas the Republicans would require only 50. Many races remain open. However, with the Republicans now also appearing to have an opportunity to take a Senate seat from the Democrats in Michigan, it could prove very difficult for the current opposition party to gain control of the chamber and thereby secure the influential position of Senate Majority Leader. The Senate's considerable political importance is also rooted in its authority to confirm the White House's nominees for numerous senior positions, including Cabinet posts. In addition, the chamber ultimately decides the outcome of impeachment proceedings initiated by the House of Representatives. Donald Trump has already faced two such proceedings. In Michigan, the close contest between Democrat Abdul El-Sayed and Republican Mike Rogers has recently attracted considerable attention from both the US and international media. The race in New

Hampshire is also likely to be extremely tight, and the Republicans could potentially take a seat from the Democrats there as well. The Democrats, in turn, have opportunities to make corresponding gains following close races in Alaska, Maine, North Carolina, Ohio and Texas. The Republicans, however, are likely to retain their seats in Kansas and Nebraska. Particularly in Kansas, the possibility that dissatisfied traditional Republican voters may stay at home could become a problem for the party, one that may not yet be adequately reflected in the polls. The race in predominantly rural Iowa is also likely to be very close. Based on the information currently available, however, Republican Ashley Hinson should still be regarded as the favourite in her contest against Josh Turek.

A Closer Look at the House of Representatives

The Democrats' prospects of winning control of the House of Representatives may be better. Even here, however, the polls point to what is perhaps a surprisingly close race. If the Democrats win the chamber, they would, of course, be able to nominate the Speaker of the House. This is an exceptionally important position in Washington and, in constitutional and ceremonial terms, one of the United States' most senior political offices. As the presiding officer of the House of Representatives, the Speaker organises and directs the chamber's business and, in particular, chairs its proceedings. Under the presidential line of succession, the Speaker is also second in line to the presidency, immediately after the Vice President. The position is currently held by Republican Mike Johnson of Louisiana. With a majority in the House, the Democrats would find it easier to block the White House's legislative agenda, exercise much greater control over federal spending and initiate new impeachment proceedings, including against the President. The House has the exclusive authority to bring articles of impeachment, while the Senate subsequently acts as the court and decides the case presented to it. Regardless of the outcome of the Senate elections, proceedings against the President would probably go no further in the upper chamber in the absence of any major new scandal. Nevertheless, they could consume considerable amounts of the White House's time and resources and would probably prove a significant source of negative media attention for the administration.

What Happens in Washington and the Persian Gulf?

Despite the currently difficult public mood facing the administration, a Democratic victory in the House of Representatives is still far from certain. Moreover, compared with his predecessors in particular, Donald Trump has made relatively limited use of the traditional legislative process to implement his political agenda. Instead, the White House has relied unusually heavily on executive orders. This has occasionally created substantial difficulties, as such orders have also been used to decide matters that, according to prevailing legal opinion, should properly involve Congress. In such cases, the courts come into play. Intraparty opposition within the Republican Party is undoubtedly one reason for this approach. If the Republicans were to retain their House majority in the November midterms, the result could even amount to a pronounced shift in power in their favor. During the party primaries, the White House systematically filtered out Republican candidates who were critical of Trump, particularly in races for the House of Representatives. In Kentucky, for example, Thomas Massie fell victim to this internal selection process. Under this scenario, the White House would therefore command a "genuine" majority, making it considerably easier to push legislation through the chamber. Positive news about an imminent end to the conflict with Iran, particularly if accompanied by a noticeable decline in energy prices, could still give Republican candidates a late boost ahead of the elections. The Democratic Party in Washington is also currently facing a degree of financial pressure, which is somewhat unusual. According to recent media reports, individual Democratic candidates still appear to have substantial funding at their disposal. The Republican Party leadership, however, is currently in a position to channel considerable sums from Washington into the election campaign. Its focus appears to be primarily on ten Senate races. By providing additional campaign funding, the Republican Party's national leadership is evidently seeking in particular to ensure victories in Iowa, Nebraska and Kansas.

The Fiscal Position Is Challenging

Irrespective of the precise election outcome, the federal government's highly strained fiscal position will make governing no easier in the future. Against this difficult backdrop, both parties appear to recognize the need for meaningful

reform of the pension system. There even seems to be broad agreement that action is required. The legal framework also makes a political response necessary. Without adjustments, pension payments would otherwise have to be reduced more significantly from 2032 onwards. Both parties therefore want to find a solution. However, there is anything but consensus between the two camps on the specific measures that should be taken. The Democrats primarily favor increasing payroll taxes directly and/or raising the US equivalent of Germany's social security contribution ceiling. Their approach is therefore focused above all on injecting additional funds into the system. The Republicans, by contrast, are placing greater emphasis on measures aimed at reducing costs. The path towards a solution therefore remains difficult, and the outcome of the November elections could have a significant influence on the specific decisions taken in Washington in this crucial area. Healthcare reform is also currently under discussion, although the positions of the two parties appear to be even further apart on this issue.

A Closer Look at Defence Spending

There is likely to be broad agreement that the United States will also have to spend more on defense in view of the current geopolitical environment. Above all, it needs to replenish its own inventories following recent outflows. The global trend towards higher defense expenditure is creating a powerful pull that is unlikely to leave the United States unaffected. Even in the event of a split Congress, with the House and Senate controlled by different parties, defense is unlikely to be an area in which substantial savings are made. Spending might, however, increase at a slower pace under the Democrats. Tariffs will also play a role in this context. On the one hand, the United States has an interest in exporting its technology, particularly given the high level of international demand. Concessions in negotiations over more favorable tariff arrangements may in some cases also be linked to orders for US products, including military aircraft and other defense equipment. At the same time, companies in other sectors have repeatedly complained about the "tariff chaos". The US administration is also counting on tariff revenues to provide urgently needed funds for the federal budget. Finding the right balance is likely to prove a delicate exercise. In any event, most Democrats in Washington remain critical of the White House's tariff policy.

Conclusion

A Democratic majority in one or even both chambers of Congress would certainly make life more difficult for the US administration. History shows that the party that did not win the preceding presidential election has usually entered the midterms as the favorite. This is by no means an immutable rule, however. According to the polls, the November elections are likely to be extremely close in both chambers of Congress. Financial markets should therefore monitor the pollsters' findings very closely. Inflation developments, in particular, could still inject fresh momentum into the election campaign. The affordability crisis is an issue of exceptionally high political relevance in the United States. One thing, however, appears certain: the second half of the 47th US President's term of office is unlikely to be uneventful. Following the elections, Washington will have to address the issue of federal debt regardless of the result. Both parties are particularly aware of the need for meaningful reform of the first pillar of the retirement system.

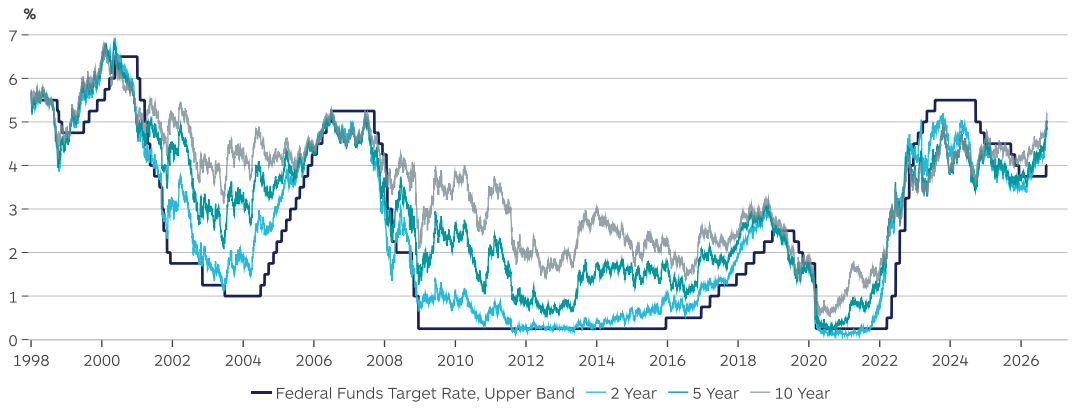
USA: Inflation Data Remain in Focus for the FOMC

Analysts: Tobias Basse // Constantin Lüer

AI Investment Remains a Key Source of Support

As is well known, the US economy expanded at an annualised real rate of 1.5% in the second quarter of 2026. Corporate investment in artificial intelligence remains a clear source of support, benefiting not only the United States but also the global economy. Looking ahead, the new technology is contributing to an unusually high degree of uncertainty among forecasters. Two opposing and rather extreme schools of thought are beginning to emerge. While the pessimists foresee a crisis that could dwarf the bursting of the dot-com bubble, the optimists anticipate an almost automatic transition towards a new era of prosperity, with some forecasting real growth rates of around 15%. Anthropic, for example, has presented projections of this magnitude. The model underlying these figures has since become the subject of considerable debate. One criticism is that Anthropic's projections focus solely on the supply side of the US economy. However, the almost inevitable adverse effects on employment would also weigh on aggregate demand. Ultimately, the truth is once again likely to lie somewhere between the extreme positions of the optimists and the pessimists. Nevertheless, the increasing convergence of artificial intelligence and robotics, in particular, is likely to have a profound impact on the global economy. Such developments will probably become visible first in the United States and Asia. The emerging technological transformation has the potential to generate substantial productivity gains. This, in turn, is likely to trigger noticeable changes in the US labour market in the not-too-distant future.

Chart: Interest rates in the USA



Sources: Macrobond, NORD/LB Macro Research

The NAHB Index Remains Exceptionally Weak

Sentiment in the US housing market remains depressed. The NAHB Housing Market Index is symptomatic of the current malaise in the US residential property market. At just 32 points, this important sentiment indicator is now almost exactly level with the local low recorded in April 2020. The combination of still-elevated house prices and higher interest rates poses a formidable challenge for prospective homebuyers. Against this backdrop, buyers remain few and far between. The important NAHB component measuring traffic of prospective buyers speaks volumes, standing at just 23 points. There is clearly a problem on the demand side.

Inflation Data Remain in Focus for the FOMC

Following Federal Reserve Chair Kevin Warsh's speech at the Jackson Hole conference, the latest US consumer price data came under even closer scrutiny from market participants. In light of the Fed Chair's unequivocal remarks, the CPI figures subsequently released for August all but compelled the FOMC to raise its policy rate. Core consumer prices increased by 0.3% mom in the latest reporting period. Although this caused the year-over-year rate to edge down to

2.4%, this decline was insufficient for monetary policymakers to interpret it as clear evidence of adequate disinflationary momentum in the United States. Accordingly, the Federal Funds Target rate was raised by 25 basis points following the release of the data. Recent comments by Chicago Fed President Austan Goolsbee indicate that he is prepared to apply the monetary brakes even in response to exogenous shocks in order to bring inflation back to the Federal Reserve's 2% target. In Goolsbee's view, it may under certain circumstances even be appropriate to impose a noticeable burden on sectors of the US economy that did not themselves cause the increase in prices if doing so ultimately restores price stability. It would appear that even erstwhile doves on the FOMC have recently turned into hawks. Perhaps such views should have been expressed when CPI inflation was approaching 8% yoy, while interest rates were still close to zero. Although the problem of excessively high inflation in the United States is likely to subside gradually, the FOMC's currently highly hawkish stance is a fact that cannot be ignored. Further policy rate increases are not actually necessary. However, it remains uncertain whether the incoming data will show signs of easing quickly enough. As a result, there is now even a residual risk of another rate increase in 2026. Were that to happen, however, the Federal Reserve would effectively be tilting at windmills.

Fundamental forecasts, USA

	2025	2026	2027
GDP	2,1	2,1	2,0
Private consumption	2,6	2,0	2,0
Government consumption	1,1	0,6	1,0
Fixed investment	2,0	3,9	4,0
Exports	1,6	4,1	2,4
Imports	2,7	2,6	3,1
Inflation	2,7	3,2	2,0
Unemployment rate[1]	4,3	4,2	4,3
Budget balance[2]	-5,4	-6,3	-6,3
Current account balance[2]	-3,8	-3,2	-3,2

Change vs previous year as percentage; [1] as percentage of the labour force; [2] as percentage of GDP

Sources: Macrobond, NORD/LB Macro Research

Quarterly forecasts, USA

	IV/25	I/26	II/26	III/26	IV/26
GDP qoq ann.	0,5	2,1	1,5	2,4	2,0
GDP yoy	2,0	2,7	2,1	1,6	2,0
Inflation yoy	2,7	2,7	3,9	3,3	3,2

Change as percentage

Sources: Macrobond, NORD/LB Macro Research

Interest and exchange rates, USA

	24.09.	3M	6M	12M
Fed funds target rate	4,00	4,00	4,00	3,50
3M rate	4,05	4,00	3,90	3,40
10Y Treasuries	5,20	5,10	5,00	4,40
Spread 10Y Bund	160	150	150	70
EUR in USD	1,14	1,15	1,16	1,18

Sources: Bloomberg, NORD/LB Macro Research

Euroland: Persistent Inflation Forces the ECB to Tighten Further

Analysts: Christian Lips, Chief Economist // Christian Reuter

Economy Remains Resilient, but Inflation Rises Again

The euro area economy continues to demonstrate remarkable resilience in the face of the energy price shock and geopolitical uncertainty. Growth in the second quarter was broad-based across countries and sectors, while sentiment indicators also show no sign of a downturn in the third quarter. Higher public spending on infrastructure and defence is supporting the outlook. We expect real GDP growth of 0.9% this year and 1.3% next year. In September, the ECB also raised its growth projections to 0.9% for 2026 and 1.4% for 2027.

At the same time, the inflation outlook has deteriorated. In August, headline inflation rose well above 3% following another surge in energy prices, while the core rate edged lower. Headline inflation is likely to rise further towards the end of the year and may temporarily reach 4%. Favourable base effects from energy prices should bring the rate back down from March 2027.

ECB Raises Rates and Prepares for Further Tightening

The ECB raised each of its key interest rates by 25 basis points in September. The deposit facility rate now stands at 2.50%. While the decision had been expected, the markedly more restrictive communication was noteworthy. The Governing Council expects inflation to remain above target for an extended period. Its projections for 2027 and 2028 were revised upwards and point to more persistent price pressures.

The deteriorating inflation outlook, the resilient economy and upside risks to prices all support the case for further rate increases. However, the fact that the current inflation surge is predominantly supply-driven argues against a rapid succession of additional moves. There is still no clear evidence of pronounced indirect price effects or a wage-price spiral. Moreover, the sharp rise in yields has already tightened financing conditions considerably. The ECB therefore remains formally data-dependent and has not committed to a specific interest rate path.

Nevertheless, the change in wording and the more persistent inflation outlook make further tightening likely. We now expect two additional increases of 25 basis points each, one in December and another in the first quarter of 2027. This timing reflects the fact that fresh macroeconomic projections and a fuller set of data will not be available until the December meeting. A faster pace of tightening could also inadvertently be misread as a deliberate policy signal. The deposit facility rate is therefore likely to rise to 3.00%. This would represent a mildly restrictive monetary policy stance, which Bundesbank President Nagel has not ruled out if energy prices remain high. Much will depend on energy prices and whether they feed through to wages and inflation expectations. With regard to possible second-round effects, the latest ECB Wage Tracker data provide no cause for alarm.

Sharp Rise in Yields and Greater Differentiation in Bond Markets

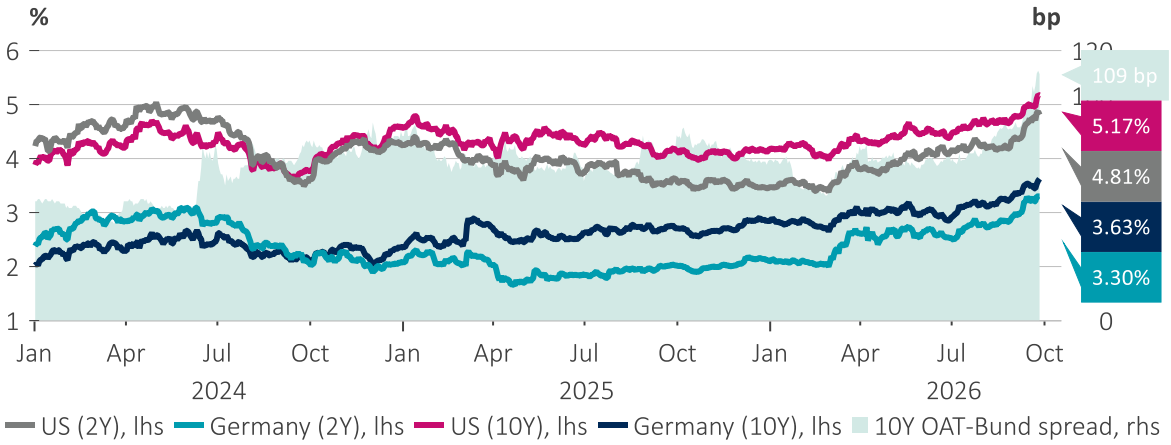
The reassessment of the monetary policy outlook has left a clear mark on European bond markets. The yield on ten-year Bunds has risen sharply since the end of August. In addition to higher euro area policy rate expectations, developments in the United States have also played a role: growing scepticism about US fiscal policy and a reassessment of the Fed's rate path triggered a rise in Treasury yields that also pushed up Bund yields, given the close links between international bond markets. The yield on ten-year US Treasuries temporarily rose above 5.10% in September.

At the same time, markets are once again differentiating more strongly between euro area sovereign issuers. This is particularly evident in French government bonds. The yield spread between ten-year OATs and Bunds widened from around 80 basis points at the end of August to more than 100 basis points at times. Alongside France's difficult fiscal situation, this increasingly reflects political risks ahead of the French presidential election.

Structurally higher long-term yields were to be expected given fiscal expansion, greater financing needs and more persistent inflation. From a cyclical perspective, however, a great deal, perhaps too much, now appears to be priced in.

Most recently, the market was pricing in up to four further ECB rate increases, implying a considerably more restrictive scenario than our baseline forecast. If energy prices and inflation ease from the spring as expected, we therefore see scope for some normalisation of rate expectations and Bund yields. Ahead of the French presidential election, Bunds are also likely to remain in demand as a relative safe haven within the euro area.

Chart: Sharp Rise in Yields and Greater Differentiation across the Euro Area



Sources: ECB, Macrobond, NORD/LB Macro Research

Fundamental forecasts, Euroland

	2025	2026	2027
GDP	1,3	0,9	1,3
Private consumption	1,5	1,0	1,2
Government consumption	1,5	1,9	1,5
Fixed investment	2,9	0,8	2,8
Net exports[1]	-0,6	0,0	-0,1
Inflation	2,1	3,0	2,5
Unemployment rate[2]	6,3	6,4	6,3
Budget balance[3]	-2,9	-3,3	-3,4
Current account balance[3]	1,7	1,6	1,3

Change vs previous year as percentage, [1] as contribution to GDP growth; [2] as percentage of the labour force; [3] as percentage of GDP

Sources: Macrobond, NORD/LB Macro Research

Quarterly forecasts, Euroland

	IV/25	I/26	II/26	III/26	IV/26
GDP sa qoq	0,2	0,0	0,6	0,2	0,3
GDP sa yoy	1,1	0,6	1,2	1,0	1,0
Inflation yoy	2,1	2,0	3,0	3,3	3,8

Change as percentage

Sources: Macrobond, NORD/LB Macro Research

Interest rates, Euroland

	24.09.	3M	6M	12M
Deposit facility rate ECB	2,50	2,75	3,00	3,00
3M rate	2,61	2,90	3,20	3,20
10Y Bund	3,60	3,60	3,50	3,70

Sources: Bloomberg, NORD/LB Macro Research

Germany: Economic Optimism Defies the Headwinds

Analysts: Christian Lips, Chief Economist // Christian Reuter

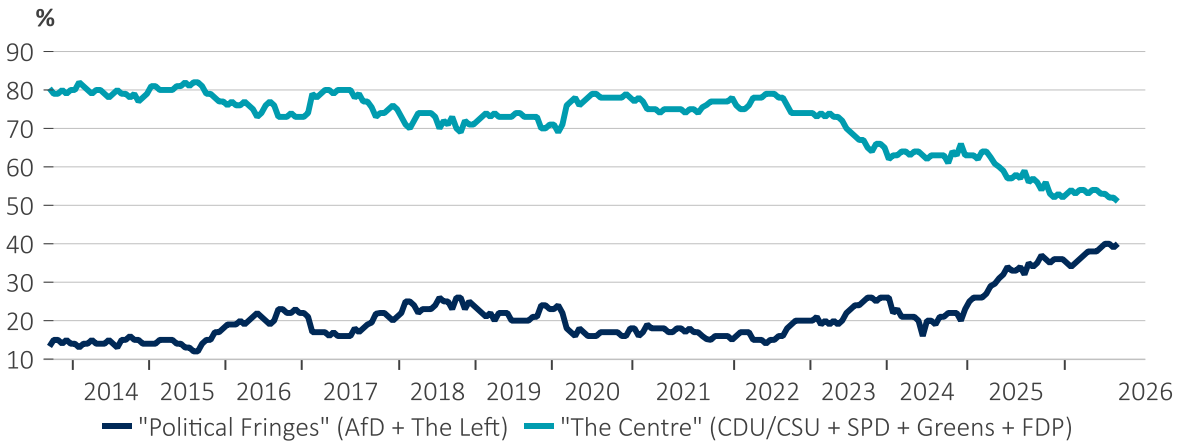
State Election Results Strengthen Parties at the Political Fringes: Implications for Federal Politics

In the recent state elections, the parties of the political centre continued to lose support, while parties at the political fringes made substantial gains. This trend is also evident in nationwide polls: the combined share of the vote for the parties of the centre is now approaching 50%, while the AfD and The Left together stand at around 40%. On paper, the election results allow for various coalitions, but differences in policy positions and formal decisions ruling out cooperation sharply limit the range of realistic options. Following the AfD's election victory in Saxony-Anhalt, it remains unclear whether a viable government can be formed, and in what configuration. In Mecklenburg-Western Pomerania, Minister-President Manuela Schwesig is likely to remain in office with a government comprising the SPD, The Left and the Greens. In Berlin, the distribution of seats requires a three-party coalition.

For the federal government, the results are above all a warning signal. A move towards the political fringes is unlikely to command a consensus within the governing coalition. It is therefore more likely that the CDU and SPD will sharpen their respective profiles and seek to demonstrate visible progress on growth, migration, infrastructure and the government's ability to deliver. This could make agreement on unpopular reforms more difficult and increase the pressure to favour measures that provide relief in the short term over structural measures. Political trade-offs threaten to intensify, particularly over social spending, reducing bureaucracy and financing additional investment.

From an economic perspective, it is crucial that the federal government stays the course on its growth-oriented agenda. The emerging fiscal stimulus supports the economy, but its longer-term impact depends on swift implementation, a reliable policy framework and complementary structural reforms. The election results do not yet change the immediate economic outlook, but they increase the risk that political polarisation will hamper economic policymaking, particularly structural reforms to improve the conditions for growth.

Chart: Federal Election Polls: Will the Political Centre Soon Lose Its Majority?



Sources: Forschungsgruppe Wahlen, Macrobond, NORD/LB Macro Research

Economy: Weak Start to the Third Quarter, Compounded by Low Rhine Water Levels

The hard economic data paint a weak picture for the start of the third quarter. Retail sales fell particularly sharply, by 3.4% mom. High energy prices are weighing on purchasing power, while the exceptional boost to energy-intensive activity seen in the first half of the year appears to be losing momentum. Seasonally adjusted industrial production declined by 1.1% mom in July, primarily owing to lower manufacturing output. New orders, by contrast, rose by 2.5% mom, although this was almost entirely attributable to exceptionally large orders in the manufacture of other transport equipment. Excluding large orders, new orders fell by 1.4% mom.

On a positive note, the order backlog increased by a further 1.5% mom. Both the order backlog and the duration of the backlog, at 9.0 months, reached record highs. However, this buffer is heavily concentrated in the manufacture of other transport equipment, a sector characterised by large orders and long production times. Excluding this sector, the order backlog is well below its peak. Low water levels on the Rhine present an additional challenge. After a temporary recovery, levels fell to record lows in September. At the Kaub gauge, the reading was just four centimetres on 25 September. No meaningful relief is in sight in the near term either.

Leading Indicators Point to Growing and More Widespread Economic Optimism

Despite all the headwinds, economic sentiment continues to improve. In the September ZEW survey, economic expectations edged up to 34.7 points. The assessment of the current situation improved much more strongly, from -61.1 to -47.1 points, reaching its highest level since May 2023. Although the sharp rise in energy prices and expectations of more restrictive monetary policy are tempering financial market experts' enthusiasm, the positive economic outlook for Germany remains intact. Purchasing managers also report increasing economic activity: the composite PMI rose to 53.8 points in September, its highest level in eleven months.

The ifo Business Climate Index rose from 88.8 to 89.9 points in September, considerably more than expected, reaching its highest level since May 2023. Both the assessment of the current situation and business expectations improved markedly. Growing optimism now extends across much of the economy, including industry, services and trade, while the construction sector appears more cautious in view of higher interest rates.

The leading indicators send a consistent signal in September: the improvement in sentiment has so far withstood geopolitical risks, the energy price surge, low water levels, monetary tightening and political uncertainty. Businesses appear to regard most of these pressures as manageable or temporary. Robust export growth in the first half of the year and the gradually increasing fiscal stimulus are providing support. Low water levels and high energy prices are likely to slow momentum somewhat in the third quarter. Nevertheless, the exceptionally large order backlog and the broad-based improvement in sentiment point to an acceleration thereafter. We therefore continue to expect real GDP growth of 1.3% both this year and next.

Fundamental forecasts, Germany

	2025	2026	2027
GDP	0,2	1,3	1,3
Private consumption	1,3	0,2	1,0
Government consumption	1,7	3,1	2,4
Fixed investment	-0,6	0,0	3,3
Exports	-0,9	3,4	2,4
Imports	2,9	2,6	3,7
Net exports[1]	-1,5	0,4	-0,5
Inflation[2]	2,3	2,8	2,6
Unemployment rate[3]	6,3	6,4	6,4
Budget balance[4]	-2,6	-3,8	-3,8
Current account balance[4]	4,5	4,5	4,0

Change vs previous year as percentage, [1]as contribution to GDP growth; [2]HICP; [3]as percentage of the civil labour force (Federal Employment Office definition); [4] as percentage of GDP

Sources: Macrobond, NORD/LB Macro Research

Quarterly forecasts, Germany

	IV/25	I/26	II/26	III/26	IV/26
GDP sa qoq	0,3	0,4	0,3	0,1	0,2
GDP nsa yoy	0,5	0,8	1,0	1,2	2,1
Inflation yoy	2,3	2,3	2,6	3,0	3,0

Change as percentage

Sources: Macrobond, NORD/LB Macro Research

Switzerland: A League of Its Own – SNB Keeps Policy Rate at Zero

Analyst: Christian Reuter

Swiss Economy Remains on a Growth Trajectory

The Swiss economy's exceptionally strong growth of 1.5% qoq in the second quarter was broadly based across both sectors and demand components. The final figures show that the main impetus came from manufacturing, which expanded by 3.9%, and in particular from the chemicals and pharmaceuticals sector, where output rose by 10.9%. This highly volatile sector also underpinned the exceptionally strong performance of goods exports, which increased by 5.5%. Foreign trade developments in August suggested that some of this strength may reflect forthcoming changes to US tariffs. The chemicals and pharmaceuticals industries recorded a sharp decline during the month, particularly in exports to the US. Overall, the Swiss economy appears well positioned to withstand the current geopolitical environment. Other sectors, particularly those more closely tied to the domestic economy, also contributed to growth, albeit at a more moderate pace. On the demand side, construction and equipment investment showed some improvement, while household consumption returned to expansion. The Swiss economy therefore currently rests on solid foundations, although the Q2 figures are likely to overstate its underlying momentum. The SNB has also noted that the output gap closed in the second quarter but does not expect the economy to show signs of overheating. The central bank therefore continues to regard its accommodative monetary policy stance as appropriate. Sentiment has improved further. Purchasing managers in the manufacturing sector remained optimistic in August, with the PMI rebounding to 57.1 points. The index has now remained above the 50-point expansion threshold for six consecutive months.

SNB Remains under No Pressure to Act and Is Unconcerned by Strong Economic Growth

At its September meeting, the SNB left its policy rate unchanged at 0.00%. Although inflation rose to 0.8% yoy in August, this merely moved it further away from the lower end of the range the SNB associates with price stability, namely 0% to 2%. The risk of a deflationary scenario has therefore receded further. As in other countries, petroleum products were the main driver of inflation. Indicators of domestic price pressures, such as core and services inflation, have so far provided little evidence of indirect price effects or second-round effects. The SNB's conditional inflation forecast was revised only slightly upwards compared with its June projection and remains firmly within the price stability range. The interest rate differential relative to other countries is attracting increasing attention. It has widened sharply since July and reached historically high levels, amounting to almost 300 basis points relative to German Bunds. At the same time, the Swiss franc has depreciated noticeably over the course of the year, declining by 4.5% in real trade-weighted terms, even though Switzerland continues to be counted as a safe haven. In its monetary policy assessment, the SNB softened its language regarding its willingness to intervene in the foreign exchange market. Against this backdrop, market participants are speculating about an increase in carry trades, whereby investors borrow in a low-interest-rate currency to invest in currencies offering higher yields. Switzerland is becoming increasingly attractive in this regard, as interest rates in Japan have risen significantly over recent quarters.

Fundamental forecasts*, Switzerland

	2025	2026	2027
GDP	1,4	1,9	1,7
Inflation (CPI)	0,2	0,7	0,9
Unemployment rate[1]	2,9	3,1	3,0
Budget balance[2]	0,7	0,0	0,1
Current account balance[2]	5,6	7,5	7,1

* Change vs previous year as percentage; [1] as percentage of the labour force, [2] as percentage of GDP

Interest and exchange rates, Switzerland

	24.09.	3M	6M	12M
SNB policy rate	0,00	0,00	0,00	0,00
3M rate	-0,03	0,00	0,00	0,02
10Y	0,63	0,50	0,50	0,55
Spread 10Y Bund	-297	-310	-300	-315
EUR in CHF	0,94	0,96	0,95	0,95

Sources: Macrobond, Bloomberg, NORD/LB Macro Research

Japan: The Bank of Japan Is under Pressure to Act

Analyst: Tobias Basse

Bank of Japan Raises Policy Rate Cautiously

As expected, the Bank of Japan recently raised its policy rate by a further 25 basis points. This decision can hardly be described as a surprise. The key policy rate now stands at 1.25%. However, the decision was not unanimous. No fewer than two senior policymakers, Toichiro Asada and Ayano Sato, voted against the rate increase. Many observers had expected less opposition. In any event, this development is not positive for the yen. Although Tokyo's monetary policymakers now appear to broadly acknowledge the need for monetary tightening, some central bankers seem to have lost some of their nerve following the rate increases implemented in recent months. Nevertheless, the yen's weakness, which at times had reached almost alarming proportions and is also contributing to inflationary pressures, clearly requires a tighter monetary policy stance in Japan. The government also appears, at least for the time being, to have largely abandoned its opposition to higher policy rates. Indeed, the Prime Minister had long been regarded as highly critical of such measures.

The Bank of Japan Is under Pressure to Act

Surprisingly forceful monetary policy action would probably be required to bring the yen's weakness under control in the very near term. The central bankers in Tokyo are undoubtedly aware of this. Although the recently announced interest rate increase in the United States is likely to have heightened the pressure on Kazuo Ueda and his colleagues to act, the Bank of Japan continues to proceed with considerable caution. The dissenting votes cast by Toichiro Asada and Ayano Sato send a clear signal in this regard. Both will have been aware that a policy rate increase could not realistically have been prevented at the latest meeting. Their votes were evidently intended primarily to advocate a return to a more deliberate delaying strategy in the near future.

Kazuo Ueda Strikes a Relatively Hawkish Tone

Bank of Japan Governor Kazuo Ueda struck a relatively hawkish tone at the press conference following the monetary policy meeting. He probably intended, at least to some extent, to counterbalance the dovish signal sent by the two dissenting votes. Ueda pointed to nothing less than a regime shift, arguing that the central bank must adapt its monetary policy strategy to the new environment. At the same time, however, he emphasised that sharp increases in policy rates should, in his view, be avoided wherever possible, as they could trigger substantial movements in asset prices.

Fundamental forecasts*, Japan

	2025	2026	2027
GDP	1,1	0,7	0,9
Inflation	3,2	2,0	2,1
Unemployment rate[1]	2,5	2,5	2,5
Budget balance[2]	-1,4	-2,5	-2,7
Current account balance[2]	4,8	4,8	4,6

* Change vs previous year as percentage;

[1] as percentage of the labour force; [2] as percentage of GDP

Sources: Macrobond, Bloomberg, NORD/LB Macro Research

Interest and exchange rates, Japan

	24.09.	3M	6M	12M
Key rate	1,25	1,25	1,50	2,00
3M rate	1,68	1,55	1,85	2,05
10Y	3,08	3,00	2,95	2,95
Spread 10Y Bund	-52	-60	-55	-75
EUR in JPY	181	182	181	178
USD in JPY	159	158	156	151

China: A Two-Speed Economy

Analyst: Tobias Basse

A Two-Speed Economy

China remains a two-speed economy. Industrial production rose by an encouraging 5.2% yoy in August, exceeding the already relatively ambitious expectations of most observers. Industrial robots, semiconductors and electric vehicles once again provided the key impetus. Overall, the Chinese economy remains heavily dependent on exports. By contrast, household consumption disappointed again in August, increasing by a weak 0.4% yoy. Domestic demand conditions therefore remain far from favourable. Against this backdrop, the emerging debate in Europe over the introduction of protective tariffs on Chinese technology products naturally presents a challenge for Beijing. China's plans to stimulate domestic demand simply do not appear to be gaining traction.

When Strength Also Becomes a Weakness

Economic policymakers in Beijing face a difficult task. China's strong industrial production figures for August clearly argue against the swift introduction of additional fiscal support measures. Yet the domestic economy is precisely where such stimulus could be put to good use. The central bank is also likely to prefer to remain largely on the sidelines. China therefore ultimately remains dependent on foreign demand. This fact is unlikely to have escaped the attention of policymakers in Beijing, Brussels and Washington. Despite its export strength, or perhaps even because of it, China's economic policymakers are thus confronted with a problem that has yet to be resolved.

Beijing's Foreign Policy Remains Firmly in Focus

A country's trade policy is not only part of its economic policy; it is also an integral component of its foreign policy. Alongside concerns abroad about what other countries regard as China's excessive export volumes, there are also growing security concerns. Fresh tensions have recently emerged in the South China Sea, for example. The Philippines has accused the Chinese coast guard of ramming a Manila government supply vessel. According to the Philippine authorities, the incident needlessly endangered the crew. Beijing denies the allegations. Developments involving Vietnam and Taiwan must also be monitored closely in this context. By contrast, India and China appear to have moved somewhat closer recently. The meeting between Xi Jinping and Donald Trump also appears to have been genuinely cordial.

Fundamental forecasts*, China

	2025	2026	2027
GDP	5,0	4,5	4,4
Inflation	0.1	1,1	1,1
Unemployment rate[1]	5,2	5,1	5,1
Budget balance[2]	-5,1	-5,4	-5,5
Current account balance[2]	3,8	3,5	3,2

* Change vs previous year as percentage

[1] as percentage of the labour force, [2] as percentage of GDP

Sources: Macrobond, Bloomberg, NORD/LB Macro Research

Interest and exchange rates, China

	24.09.	3M	6M	12M
Deposit rate	1,50	1,50	1,50	1,50
3M SHIBOR	1,43	1,45	1,40	1,45
10Y	1,67	1,70	1,70	1,75
Spread 10Y Bund	-193	-190	-180	-195
EUR in CNY	7,64	7,71	7,80	7,97
USD in CNY	6,71	6,70	6,72	6,75

Britain: A Shift in the BoE's Strategy Is Possible

Analyst: Constantin Lüer

A Change of Direction Is Possible Towards the End of the Year

As expected, the Bank of England left Bank Rate unchanged at 3.75% at its latest meeting, signalling no immediate change in strategy. Whether its policy stance will remain unchanged or shift increasingly towards tighter monetary policy is still unclear. However, the likelihood of the latter is growing by the day. The vote on the Monetary Policy Committee remained unchanged at six to three, with the dissenting members favouring an increase in Bank Rate to 4.00%. What may appear to be a comfortable majority is, in reality, only a narrow margin. If just two policymakers were to change their minds, something that can happen relatively quickly on the Committee, there would be nothing to prevent a rate increase.

Inflation Risks Appear to Be Taking Turns

Inflationary pressures are once again becoming an increasing concern, including in the United Kingdom. Even Switzerland, which had temporarily faced the threat of deflation, recently recorded unexpectedly strong increases in consumer prices. Global price pressures are therefore also affecting economies that had previously proved resilient. The rise in diesel prices has introduced an additional source of pressure that ultimately affects many supply chains. In the United Kingdom, sharp price increases had initially been avoided because the energy price cap protected households. However, with the cap now being raised, consumers there also face higher costs. Initially, the data delivered a positive surprise, not least because food inflation proved relatively benign. As an essential category of expenditure, food is one of the most sensitive components of the consumer basket. Remarkably, however, the Bank of England has now also turned its attention to the El Niño weather phenomenon. It would be premature to speak of serious concern, but policymakers are undoubtedly conscious of the risk that shortages could emerge in some strategically important food products and animal feed. At present, the various inflation risks appear to be accumulating rather than offsetting one another.

Fiscal Headroom Is Narrowing

The government led by Andy Burnham is unlikely to welcome higher policy rates. Unlike the Federal Reserve in the United States, for example, the Bank of England has a more narrowly defined mandate focused primarily on price stability. Nevertheless, policymakers will not want to lose sight of systemic risks, particularly as public debt continues to rise in the United Kingdom. While it would be premature to speak of a sovereign debt crisis, the government's fiscal room for manoeuvre is undeniably becoming increasingly constrained. Higher refinancing costs would hardly assist Burnham and his Chancellor, John Healey, in delivering their ambitious policy agenda.

Fundamental forecasts*, Britain

	2025	2026	2027
GDP	1,3	1,2	1,2
Inflation	3,4	3,2	2,7
Unemployment rate[1]	4,8	5,2	5,2
Budget balance[2]	-4,9	-3,8	-3,3
Current account balance[2]	-3,1	-2,9	-3,0

* Change vs previous year as percentage

Interest and exchange rates, Britain

	24.09.	3M	6M	12M
Bank rate	3,75	4,00	4,00	3,75
3M rate	3,88	4,10	3,90	3,60
10Y	5,38	4,90	4,80	4,70
Spread 10Y Bund	178	130	130	100
EUR in GBP	0,86	0,86	0,87	0,86
GBP in USD	1,32	1,34	1,33	1,37

[1] as percentage of the labour force as per ILO concept; [2] as percentage of GDP

Sources: Macrobond, Bloomberg, NORD/LB Macro Research

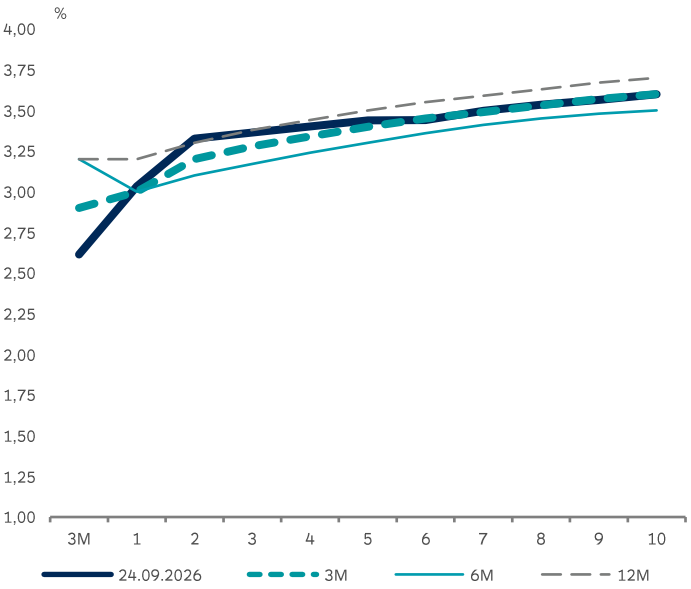
Portfolio strategies
Yield curve, Euroland

Yields and forecasts (Bunds/Swap)

Yields (in %)	NORD/LB forecasts for horizons…		
	24.09.2026	**3M**	**6M**	**12M**
3M	2,61	2,90	3,20	3,20
1Y	3,03	3,00	3,00	3,20
2Y	3,33	3,20	3,10	3,30
3Y	3,36	3,28	3,17	3,38
4Y	3,40	3,34	3,24	3,44
5Y	3,44	3,40	3,30	3,50
6Y	3,44	3,45	3,36	3,55
7Y	3,50	3,49	3,41	3,59
8Y	3,53	3,53	3,45	3,63
9Y	3,56	3,57	3,48	3,67
10Y	3,60	3,60	3,50	3,70
2Y (Swap)	3,58	3,45	3,35	3,50
5Y (Swap)	3,62	3,60	3,50	3,65
10Y (Swap)	3,64	3,65	3,55	3,75

Sources: Bloomberg, NORD/LB Macro Research

Yield curve forecasts (Bunds)



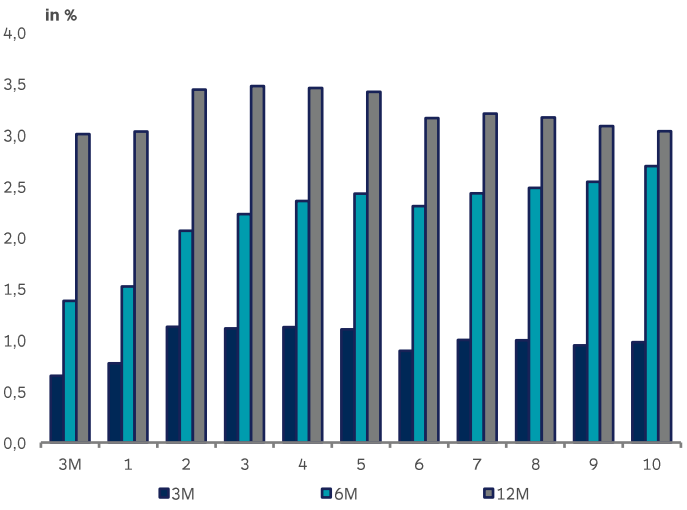
Sources: Bloomberg, NORD/LB Macro Research

Forecasts and total returns

	Total returns (in %) for horizons…		
	3M	**6M**	**12M**
3M	0,65	1,38	3,01
1Y	0,77	1,52	3,03
2Y	1,13	2,07	3,44
3Y	1,11	2,23	3,48
4Y	1,13	2,36	3,46
5Y	1,10	2,43	3,42
6Y	0,89	2,31	3,17
7Y	1,00	2,43	3,21
8Y	1,00	2,48	3,17
9Y	0,95	2,54	3,09
10Y	0,98	2,70	3,04

Sources: Bloomberg, NORD/LB Macro Research

Expected total returns



Sources: Bloomberg, NORD/LB Macro Research

A total return is the absolute profit from an investment in the time period under consideration, with account being taken of the pro-rata yields plus the price gains or losses to be anticipated on the basis of the forecast yield curve change.

Portfolio strategies
International yield curve: 3-month & 12-month horizons

3-month horizon

Expected total returns (as percentage) in euro

	EUR	USD	GBP	JPY	CHF
1Y	0,8	0,1	1,6	-0,2	-1,9
2Y	1,1	0,7	2,4	0,1	-1,6
3Y	1,1	0,9	2,9	0,6	-1,3
4Y	1,1	1,1	2,8	1,5	-1,1
5Y	1,1	1,3	3,3	1,7	-0,9
6Y	0,9	1,4	4,1	2,0	-0,7
7Y	1,0	1,5	4,3	1,6	-0,6
8Y	1,0	1,5	4,8	1,4	-0,4
9Y	0,9	1,5	5,0	1,2	-0,3
10Y	1,0	1,3	5,2	0,9	-0,4

Sources: Bloomberg, NORD/LB Macro Research

Expected total returns (as percentage) in national currencies

	USD	GBP	JPY	CHF
1Y	1,1	1,4	0,5	0,0
2Y	1,7	2,3	1,3	0,5
3Y	2,0	2,8	1,3	0,5
4Y	2,2	2,7	2,1	0,8
5Y	2,4	3,2	2,4	1,0
6Y	2,5	4,0	2,7	1,2
7Y	2,6	4,2	2,3	1,2
8Y	2,5	4,7	2,1	1,5
9Y	2,5	4,9	1,9	1,6
10Y	2,4	5,1	1,6	1,5

Sources: Bloomberg, NORD/LB Macro Research

12-month horizon

Expected total returns (as percentage) in euro

	EUR	USD	GBP	JPY	CHF
1Y	3,0	0,7	4,7	3,2	-0,7
2Y	3,4	2,3	6,1	3,5	-0,3
3Y	3,5	3,3	7,1	4,0	-0,1
4Y	3,5	4,2	7,4	5,0	0,2
5Y	3,4	4,9	8,3	5,3	0,4
6Y	3,2	5,6	9,2	7,4	0,6
7Y	3,2	6,2	9,9	6,3	0,6
8Y	3,2	6,5	10,7	6,7	0,7
9Y	3,1	7,1	10,8	5,8	0,8
10Y	3,0	7,5	11,0	5,7	0,7

Sources: Bloomberg, NORD/LB Macro Research

Expected total returns (as percentage) in national currencies

	USD	GBP	JPY	CHF
1Y	4,5	4,6	1,6	0,1
2Y	6,1	6,0	1,9	0,5
3Y	7,1	7,0	2,4	0,8
4Y	8,0	7,3	3,4	1,1
5Y	8,8	8,2	3,7	1,2
6Y	9,5	9,1	5,7	1,4
7Y	10,1	9,8	4,7	1,4
8Y	10,5	10,6	5,1	1,5
9Y	11,0	10,6	4,1	1,7
10Y	11,5	10,8	4,1	1,5

Sources: Bloomberg, NORD/LB Macro Research

A total return is the absolute profit from an investment in the time period under consideration, with account being taken of the pro-rata yields plus the price gains or losses to be anticipated on the basis of the forecast yield curve and exchange rate change.

Portfolio strategies
Stock market strategy; 3-month, 6-month & 12-month horizons

Levels and performance

Index	Level as at	Status		Performance since	
	27.09.2026	Prev. month	Start of year	Prev. month	Start of year
DAX	25.408,64	26.258,11	24.490,41	-3,24%	3,75%
MDAX	31.031,35	32.724,55	30.617,67	-5,17%	1,35%
EuroSTOXX50	6.302,82	6.420,16	5.791,41	-1,83%	8,83%
STOXX50	5.353,40	5.429,29	4.918,02	-1,40%	8,85%
STOXX600	638,65	651,10	592,19	-1,91%	7,85%
Dow Jones	51.349,98	53.185,90	48.063,29	-3,45%	6,84%
S&P 500	7.704,13	7.686,14	6.845,50	0,23%	12,54%
Nikkei	66.364,20	66.311,93	50.339,48	0,08%	31,83%

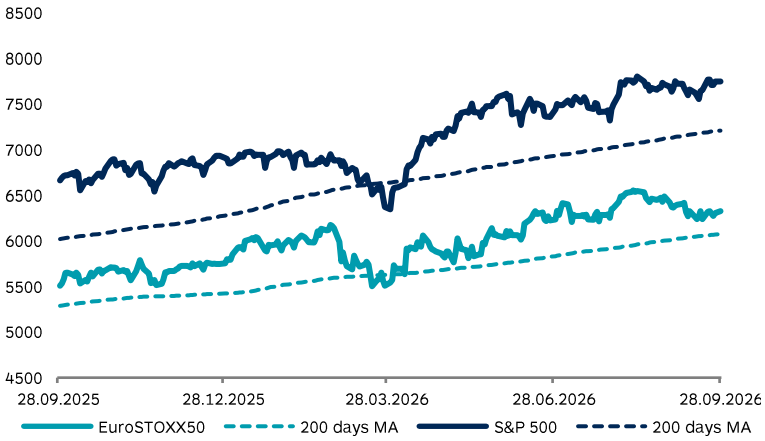
Sources: Bloomberg, NORD/LB Macro Research

Index forecasts

Index	NORD/LB forecast for the horizons ...		
	3M	6M	12M
DAX	26.200	26.700	27.300
MDAX	32.500	33.800	34.500
EuroSTOXX50	6.400	6.550	6.650
STOXX50	5.450	5.600	5.700
STOXX600	655	675	690
Dow Jones	53.000	53.800	55.000
S&P 500	7.950	8.100	8.300
Nikkei	66.000	68.000	71.000

Sources: Bloomberg, NORD/LB Macro Research

EuroSTOXX50 and S&P500



Sources: Bloomberg, NORD/LB Macro Research

Date of going to press for data, forecasts and texts was **Friday, 28 August 2026.**

The next English issue of Economic Adviser will be appearing on **28 September 2026**.

Overview of forecasts

Fundamental forecasts

in %	GDP growth			Rate of inflation			Unemployment rate[1]			Budgetary balance[2]		
	2025	2026	2027	2025	2026	2027	2025	2026	2027	2025	2026	2027
USA	2,1	2,1	2,0	2,7	3,2	2,0	4,3	4,2	4,3	-5,4	-6,3	-6,3
Euroland	1,3	0,9	1,3	2,1	3,0	2,5	6,3	6,4	6,3	-2,9	-3,3	-3,4
Germany	0,2	1,3	1,3	2,3	2,8	2,6	6,3	6,4	6,4	-2,6	-3,8	-3,8
Japan	1,1	0,7	0,9	3,2	2,0	2,1	2,5	2,5	2,5	-1,4	-2,5	-2,7
Great Britain	1,3	1,2	1,2	3,4	3,2	2,7	4,8	5,2	5,2	-4,9	-3,8	-3,3
Switzerland	1,4	1,9	1,7	0,2	0,7	0,9	2,9	3,1	3,0	0,7	0,0	0,1
China	5,0	4,5	4,4	0.1	1,1	1,1	5,2	5,1	5,1	-5,1	-5,4	-5,5

Change vs previous year as percentage; [1] as percentage of the labour force (Germany: as per Federal Employment Office definition); [2] as percentage of GDP

Sources: Macrobond, NORD/LB Macro Research

Key interest rates

In %	24.09.26	3M	6M	12M
USD	4,00	4,00	4,00	3,50
EUR	2,50	2,75	3,00	3,00
JPY	1,25	1,25	1,50	2,00
GBP	3,75	4,00	4,00	3,75
CHF	0,00	0,00	0,00	0,00
CNY	1,50	1,50	1,50	1,50

Sources: Bloomberg, NORD/LB Macro Research

Exchange rates

EUR in…	24.09.26	3M	6M	12M
USD	1,14	1,15	1,16	1,18
JPY	181	182	181	178
GBP	0,86	0,86	0,87	0,86
CHF	0,94	0,96	0,95	0,95
CNY	7,64	7,71	7,80	7,97

Interest rates (government bonds)

	3M rates				Yields 2Y				Yields 5Y				Yields 10Y			
	24.09.	3M	6M	12M	24.09.	3M	6M	12M	24.09.	3M	6M	12M	24.09.	3M	6M	12M
USD	4,05	4,00	3,90	3,40	4,92	4,70	4,60	3,90	5,06	4,80	4,70	4,10	5,20	5,10	5,00	4,40
EUR	2,61	2,90	3,20	3,20	3,33	3,20	3,10	3,30	3,44	3,40	3,30	3,50	3,60	3,60	3,50	3,70
JPY	1,68	1,55	1,85	2,05	1,91	1,85	1,90	2,00	2,38	2,00	2,05	2,10	3,08	3,00	2,95	2,95
GBP	3,88	4,10	3,90	3,60	4,91	4,20	4,05	3,80	4,98	4,50	4,40	4,20	5,38	4,90	4,80	4,70
CHF	-0,03	0,00	0,00	0,02	0,37	0,28	0,25	0,30	0,57	0,38	0,34	0,41	0,63	0,50	0,50	0,55

Sources: Bloomberg, NORD/LB Macro Research

Spreads (bp)

	3M EURIBOR				2Y Bund				5Y Bund				10Y Bund			
	24.09.	3M	6M	12M	24.09.	3M	6M	12M	24.09.	3M	6M	12M	24.09.	3M	6M	12M
USD	143	110	70	20	160	150	150	60	162	140	140	60	160	150	150	70
JPY	-93	-135	-135	-115	-142	-135	-120	-130	-106	-140	-125	-140	-52	-60	-55	-75
GBP	127	120	70	40	158	100	95	50	154	110	110	70	178	130	130	100
CHF	-264	-290	-320	-318	-296	-292	-285	-300	-287	-302	-296	-309	-297	-310	-300	-315

Sources: Bloomberg, NORD/LB Macro Research

Annex

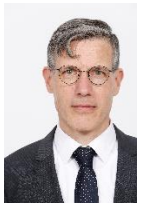
Contacts at NORD/LB



Christian Lips
Chief Economist
Head of Macro Research
+49 172 735 1531
christian.lips@nordlb.de



Tobias Basse
Macro Research
+49 511 361-2722
tobias.basse@nordlb.de



Christian Reuter
Macro Research
+49 152 0412 9316
christian.reuter@nordlb.de



Constantin Lüer
Macro Research
+49 157 8516 4838
constantin.lueer@nordlb.de

Other contacts

Sales

Institutional Sales
+49 511 9818-9440

Sales Sparkassen &
Regional Banks
+49 511 9818-9400

Sales MM/FX
+49 511 9818-9460

Sales Europe
+352 452211-515

Sales Asia
+65 64 203136

Origination & Syndicate

Origination FI
+49 511 9818-6600

Origination Corporates
+49 511 361-2911

Treasury

Liquidity Management
+49 511 9818-9620
+49 511 9818-9650

Trading

Covereds/SSA
+49 511 9818-8040

Financials
+49 511 9818-9490

Governments
+49 511 9818-9660

Federal States/Regions
+49 511 9818-9550

Frequent Issuers
+49 511 9818-9640

Corporate Sales

Corporate Customers
+49 511 361-4003

Asset Finance
+49 511 361-8150

This Information report (hereinafter referred to as "Material") was drawn up by NORDDEUTSCHE LANDESBANK GIROZENTRALE („NORD/LB"). The supervisory authorities in charge of NORD/LB are the European Central Bank („ECB"), Sonnemannstraße 20, D-60314 Frankfurt am Main, and the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleitungsaufsicht - „BaFin"), Graurheindorfer Str. 108, D-53117 Bonn, and Marie-Curie-Str. 24-28, D-60439 Frankfurt am Main. If this Material has been provided to you by your Sparkasse, this Sparkasse is also subject to supervision by BaFin and, if applicable, also by the ECB. Generally, this Material or the products or services described therein have not been reviewed or approved by the competent supervisory authority.

This Material is addressed exclusively to recipients in Australia, Austria, Belgium, Canada, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Indonesia, Ireland, Italy, Korea, Luxembourg, the Netherlands, New Zealand, Poland, Portugal, Singapore, Spain, Sweden, Switzerland, the Republic of China (Taiwan), Thailand, the United Kingdom and Vietnam (hereinafter the „Relevant Persons" or „Recipients"). The contents of this Material are disclosed to the Recipients on a strictly confidential basis and, by accepting this Material, the Recipients agree that they will not forward to third parties, copy in whole or in part or translate into other languages, and/or reproduce this Material without NORD/LB's prior written consent. This Material is only addressed to the Relevant Persons and any persons other than the Relevant Persons must not rely on the information in this Material. In particular, neither this Material nor any copy thereof must be forwarded or transmitted to Japan or the United States of America or its territories or possessions or distributed to any employees or affiliates of Recipients resident in these jurisdictions.

This Material is not an investment recommendation/investment strategy recommendation, but customer information solely intended for general information purposes. For this reason, this Material has not been drawn up in consideration of all statutory requirements with regard to the impartiality of investment recommendations/investment strategy recommendations. Furthermore, this Material is not subject to the prohibition of trading before the publication of investment recommendations/investment strategy recommendations.

This Material have been compiled and are provided exclusively for information purposes. This Material is not intended as an investment incentive. It is provided for the Recipient's personal information, subject to the express understanding, which is acknowledged by the Recipient, that it does not constitute any direct or indirect offer, recommendation, solicitation to purchase, hold or sell or to subscribe for or acquire any securities or other financial instruments nor any measure by which financial instruments might be offered or sold.

All actual details, information and statements contained herein were derived from sources considered reliable by NORD/LB. For the preparation of this Material NORD/LB uses issuer-specific financial data providers, own estimates, company information and public media. However, since these sources are not verified independently, NORD/LB cannot give any assurance as to or assume responsibility for the accuracy and completeness of the information contained herein. The opinions and prognoses given herein on the basis of these sources constitute a non-binding evaluation of NORD/LB. Any changes in the underlying premises may have a material impact on the developments described herein. Neither NORD/LB nor its governing bodies or employees can give any assurance as to or assume any responsibility or liability for the accuracy, adequacy and completeness of this Material or any loss of return, any indirect, consequential or other damage which may be suffered by persons relying on the Material or any statements or opinions set forth in this Material (irrespective of whether such losses are incurred due to any negligence on the part of these persons or otherwise).

Past performances are not a reliable indicator of future performances. Exchange rates, price fluctuations of the financial instruments and similar factors may have a negative impact on the value and price of and return on the financial instruments referred to herein or any instruments linked thereto. In connection with securities (purchase, sell, custody) fees and commissions apply, which reduce the return on investment. An evaluation made on the basis of the historical performance of any security does not necessarily give an indication of its future performance.

Also this Material as a whole or any part thereof is not a sales or other prospectus. Correspondingly, the information contained herein merely constitutes an overview and does not form the basis for an investor's potential decision to buy or sell. A full description of the details relating to the financial instruments or transactions, which may relate to the subject matter of this Material is set forth in the relevant (financing) documentation. To the extent that the financial instruments described herein are NORD/LB's own issues and subject to the requirement to publish a prospectus, the conditions of issue applicable to any individual financial instrument and the relevant prospectus published with respect thereto as well NORD/LB's relevant registration form, all of which are available for downloading at www.nordlb.de and may be obtained, free of charge, from NORD/LB, Friedrichswall 10, 30159 Hanover, shall be solely binding. Any potential investment decision should at any rate be made exclusively on the basis of such (financing) documentation. This Material cannot replace personal advice. Before making an investment decision, each Recipient should consult an independent investment adviser for individual investment advice with respect to the appropriateness of an investment in financial instruments or investment strategies as contemplated herein as well as for other and more recent information on certain investment opportunities.

Each of the financial instruments referred to herein may involve substantial risks, including capital, interest, index, currency and credit risks, political, fair value, commodity and market risks. The financial instruments could experience a sudden substantial deterioration in value, including a total loss of the capital invested. Each transaction should only be entered into on the basis of the relevant investor's assessment of its individual financial situation as well as of the suitability and risks of the investment.

The information set forth in this Material shall supersede all previous versions of any relevant information and refer exclusively to the date as of which this Material has been drawn up. Any future versions of this Material shall supersede this present version. NORD/LB shall not be under any obligation to update and/or review this Material at regular intervals. Therefore, no assurance can be given as to its currentness and continued accuracy.

By making use of this Material, the Recipient shall accept the foregoing terms and conditions.

NORD/LB is a member of the protection scheme of Deutsche Sparkassen-Finanzgruppe. Further information for the Recipient is set forth in clause 28 of the General Terms and Conditions of NORD/LB or at www.dsgv.de/sicherungssystem.

Additional information for recipients in Australia

NORD/LB IS NOT A BANK OR AN AUTHORISED DEPOSIT TAKING INSTITUTION AUTHORISED UNDER THE BANKING ACT 1959 OF AUSTRALIA. IT IS NOT REGULATED BY THE AUSTRALIAN PRUDENTIAL REGULATION AUTHORITY.

NORD/LB is not providing personal advice with this Material, and has not considered one or more of the recipient's objectives, financial situation and need (other than for anti-money laundering purposes).

Additional information for recipients in Austria

None of the information contained in this Material constitutes a solicitation or offer by NORD/LB or its affiliates to buy or sell any securities, futures, options or other financial instruments or to participate in any other strategy. Only the published prospectus pursuant to the Austrian Capital Market Act should be the basis for any investment decision of the Recipient.

For regulatory reasons, products mentioned in this Material may not being offered into Austria and are not available to investors in Austria. Therefore, NORD/LB might not be able to sell or issue these products, nor shall it accept any request to sell or issues these products, to investors located in Austria or to intermediaries acting on behalf of any such investors.

Additional information for recipients in Belgium

Evaluations of individual financial instruments on the basis of past performance are not necessarily indicative of future results. It should be noted that the reported figures relate to past years.

Additional information for recipients in Canada

This Material has been prepared solely for information purposes in connection with the products it describes and should not, under any circumstances, be construed as a public offer or any other offer (direct or indirect) to buy or sell securities in any province or territory of Canada. No financial market authority or similar regulatory body in Canada has made any assessment of these securities or reviewed this Material and any statement to the contrary constitutes an offence. Potential selling restrictions may be included in the prospectus or other documentation relating to the relevant product.

Additional information for recipients in Cyprus

This Material constitutes an analysis within the meaning of the definition section of the Cyprus Directive D1444-2007-01(No 426/07). Furthermore, this Material is provided for informational and advertising purposes only and does not constitute an invitation or offer to sell or buy or subscribe any investment product.

Additional information for recipients in Czech Republic

There is no guarantee to get back the invested amount. Past performance is no guarantee of future results. The value of investments could go up and down.

The information contained in this Material is provided on a non-reliance basis and its author does not accept any responsibility for its content in terms of correctness, accuracy or otherwise.

Additional information for recipients in Denmark

This Material does not constitute a prospectus under Danish securities law and consequently is not required to be nor has been filed with or approved by the Danish Financial Supervisory Authority as this Material either (i) has not been prepared in the context of a public offering of securities in Denmark or the admission of securities to trading on a regulated market within the meaning of the Danish Securities Trading Act or any executive orders issued pursuant thereto, or (ii) has been prepared in the context of a public offering of securities in Denmark or the admission of securities to trading on a regulated market in reliance on one or more of the exemptions from the requirement to prepare and publish a prospectus in the Danish Securities Trading Act or any executive orders issued pursuant thereto.

Additional information for recipients in Estonia

It is advisable to examine all the terms and conditions of the services provided by NORD/LB. If necessary, Recipient of this Material should consult with an expert.

Additional information for recipients in Finland

The financial products described in this Material may not be offered or sold, directly or indirectly, to any resident of the Republic of Finland or in the Republic of Finland, except pursuant to applicable Finnish laws and regulations. Specifically, in the case of shares, those shares may not be offered or sold, directly or indirectly, to the public in the Republic of Finland as defined in the Finnish Securities Market Act (746/2012, as amended). The value of investments may go up or down. There is no guarantee to get back the invested amount. Past performance is no guarantee of future results.

Additional information for recipients in France

NORD/LB is partially regulated by the Autorité des Marchés Financiers for the conduct of French business. Details about the extent of our regulation by the respective authorities are available from us on request.

This Material constitutes an analysis within the meaning of Article 24(1) Directive 2006/73/EC, Article L.544-1 and R.621-30-1 of the French Monetary and Financial Code and does qualify as recommendation under Directive 2003/6/EC and Directive 2003/125/EC.

Additional information for recipients in Greece

The information herein contained describes the view of the author at the time of its publication and it must not be used by its Recipient unless having first confirmed that it remains accurate and up to date at the time of its use.

Past performance, simulations or forecasts are therefore not a reliable indicator of future results. Mutual funds have no guaranteed performance and past returns do not guarantee future performance.

Additional information for recipients in Indonesia

This Material contains generic information and has not been tailored to certain Recipient's specific circumstances. This Material is part of NORD/LB's marketing materials.

Additional information for recipients in Ireland
This Material has not been prepared in accordance with Directive 2003/71/EC, as amended, on prospectuses (the "Prospectus Directive") or any measures made under the Prospectus Directive or the laws of any Member State or EEA treaty adherent state that implement the Prospectus Directive or those measures and therefore may not contain all the information required where a document is prepared pursuant to the Prospectus Directive or those laws.

Additional information for recipients in Korea
This Material has been provided to you without charge for your convenience only. All information contained in this Material is factual information and does not reflect any opinion or judgement of NORD/LB. The Material contained in this Material should not be construed as an offer, marketing, solicitation or investment advice with respect to financial investment products in this Material.

Additional information for recipients in Luxembourg
Under no circumstances shall this Material constitute an offer to sell, or issue or the solicitation of an offer to buy or subscribe for Products or Services in Luxembourg.

Additional information for recipients in New Zealand
NORD/LB is not a registered Bank in New Zealand. This Material is general information only. It does not take into account your financial situation or goals and is not a personalized financial adviser service under the Financial Advisers Act 2008.

Additional information for recipients in Netherlands
The value of your investments may fluctuate. Results achieved in the past do not offer any guarantee for the future (De waarde van uw belegging kan fluctueren. In het verleden behaalde resultaten bieden geen garantie voor de toekomst).

Additional information for recipients in Poland
This Material does not constitute a recommendation within the meaning of the Regulation of the Polish Minister of Finance Regarding Information Constituting Recommendations Concerning Financial Instruments or Issuers thereof dated 19 October 2005.

Additional information for recipients in Portugal
This Material is intended only for institutional clients and may not be (i) used by, (ii) copied by any means or (iii) distributed to any other kind of investor, in particular not to retail clients. This Material does not constitute or form part of an offer to buy or sell any of the securities covered by the report nor can be understood as a request to buy or sell securities where that practice may be deemed unlawful. This Material is based on information obtained from sources which we believe to be reliable, but is not guaranteed as to accuracy or completeness. Unless otherwise stated, all views herein contained are solely expression of our research and analysis and subject to change without notice.

Additional information for recipients in Singapore
This Material is intended only for Accredited Investors or Institutional Investors as defined under the Securities and Futures Act in Singapore. If you have any queries, please contact your respective financial adviser in Singapore.

This Material is intended for general circulation only. It does not constitute investment recommendation and does not take into account the specific investment objectives, financial situation or particular needs of the Recipient. Advice should be sought from a financial adviser regarding the suitability of the investment product, taking into account the specific investment objectives, financial situation or particular needs of the Recipient, before the Recipient makes a commitment to purchase the investment product.

Additional information for recipients in Sweden
This Material does not constitute or form part of, and should not be construed as a prospectus or offering memorandum or an offer or invitation to acquire, sell, subscribe for or otherwise trade in shares, subscription rights or other securities nor shall it or any part of it form the basis of or be relied on in connection with any contract or commitment whatsoever. This Material has not been approved by any regulatory authority. Any offer of securities will only be made pursuant to an applicable prospectus exemption under EC Prospectus Directive, and no offer of securities is being directed to any person or investor in any jurisdiction where such action is wholly or partially subject to legal restrictions or where such action would require additional prospectuses, other offer documentation, registrations or other actions.

Additional information for recipients in Switzerland
This Material has not been approved by the Federal Banking Commission (merged into the Swiss Financial Market Supervisory Authority "FINMA" on 1 January 2009).

NORD/LB will comply with the Directives of the Swiss Bankers Association on the Independence of Financial Research, as amended.

This Material does not constitute an issuing prospectus pursuant to article 652a or article 1156 of the Swiss Code of Obligations. This Material is published solely for the purpose of information on the products mentioned in this Material. The products do not qualify as units of a collective investment scheme pursuant to the Federal Act on Collective Investment Schemes (CISA) and are therefore not subject to the supervision by the Swiss Financial Market Supervisory Authority (FINMA).

Additional information for recipients in the Republic of China (Taiwan)
This Material is provided for general information only and does not take into account any investor's particular needs, financial status, or investment objectives. Nothing in this Material should be construed as a recommendation or advice for you to subscribe to a particular investment product. You should not rely solely on the Material provided when making your investment decisions. When considering any investment, you should endeavour to make your own independent assessment and determination on whether the investment is suitable for your needs and seek your own professional financial and legal advice.

NORD/LB has taken all reasonable care in producing this Material and trusts that the information is reliable and suitable for your situation at the date of publication or delivery, but no representation or warranty of accuracy or completeness is given. To the extent that NORD/LB has exercised the due care of a good administrator, we accept no responsibility for any errors, omissions, or misstatements in this Material. NORD/LB does not guarantee any investment results and does not guarantee that the strategies employed will improve investment performance or achieve your investment objectives.

Additional information for recipients in the UK
NORD/LB is subject to limited regulation by the Financial Conduct Authority ("FCA") and the Prudential Regulation Authority ("PRA"). Details about the extent of our regulation by the FCA and PRA are available from NORD/LB on request.

This Material is a financial promotion. Relevant Persons in the UK should contact NORD/LB's London Branch, Investment Banking Department, Telephone: 0044 / 2079725400 with any queries.

Investing in financial instruments referred to in this Material may expose an investor to a significant risk of losing all of the amount invested.

Editorial deadline: September 28th 2026, 14:41 h