

Euro wrap-up

Overview

- Bunds closed slightly higher after the ifo survey signalled the worst German business climate since 2020.
- As a BoE survey suggested that UK wage and medium-term inflation expectations remain well anchored, Gilts also made gains despite stronger-than-expected growth in retail sales.
- The ECB and BoE are both set to leave monetary policy unchanged on Thursday while the flash estimates of euro area inflation in April and GDP in Q1 are also due.

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Daily bond market movements

Bond	Yield	Change
BKO 2½ 06/28	2.536	-0.021
OBL 2½ 04/31	2.682	-0.021
DBR 2.9 02/36	2.991	-0.014
UKT 4¾ 03/28	4.344	-0.017
UKT 4¾ 03/31	4.439	-0.022
UKT 4¾ 10/35	4.909	-0.028

*Change from close as at 5:00pm BST.
Source: Bloomberg

Euro area

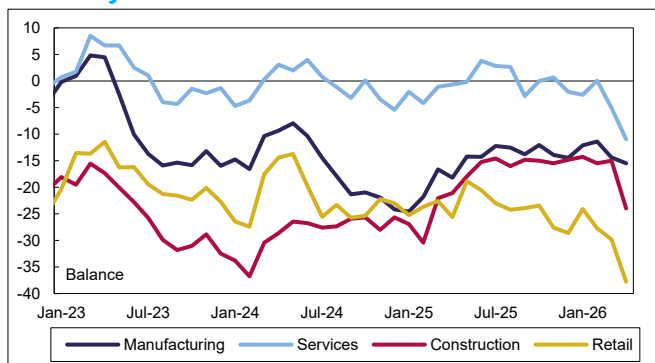
German ifo indices signal worst business climate since first wave of Covid-19

Ahead of Thursday's ECB policy announcement, the April economic surveys have been universally downbeat, underscoring risks of a contraction in euro area GDP in Q2 and Q3. That was especially so in the case of today's German ifo business survey results. While yesterday's German PMIs merely suggested the softest month for output growth since end-2024, the headline ifo business climate index fell further than expected (down 1.9pts to 84.7) to suggest the worst conditions since May 2020 during the first wave of Covid-19. As with the PMIs, the ifo survey suggested that manufacturing output increased this month but only because firms took precautionary action to frontload production and stockpile inputs in anticipation of extra cost pressures and supply disruption ahead. Indeed, expectations in that sector deteriorated markedly to a 15-month low, with the ifo institute reporting particularly acute concerns among chemicals producers due to tightening bottlenecks. Also tallying with the flash PMIs, the ifo survey reported a significant hit to services this month with logistics firms notably struggling with the energy shock. Indeed, according to today's results, services firms are having the worst month since 2021, with expectations the worst since 2022. In wholesale and retail trade, sentiment worsened substantially too, with the latter the most downbeat since the first phase of Russia's war in Ukraine as consumer confidence sharply deteriorated. And while constructors reported the worst month so far this year, they also revised down markedly their expectations for the coming six months to a 14-month low, well below the long-run average. So, the ifo survey – which boasts a larger and more comprehensive sample than the PMIs – pointed to a broad-based deterioration in German business sentiment this month. And with the INSEE survey having done likewise in France, and consumer confidence indices in both countries having markedly weakened, the euro area's two largest member states look on track for a drop in GDP this quarter.

ECB to leave interest rates unchanged for now, hoping for clarity on the outlook

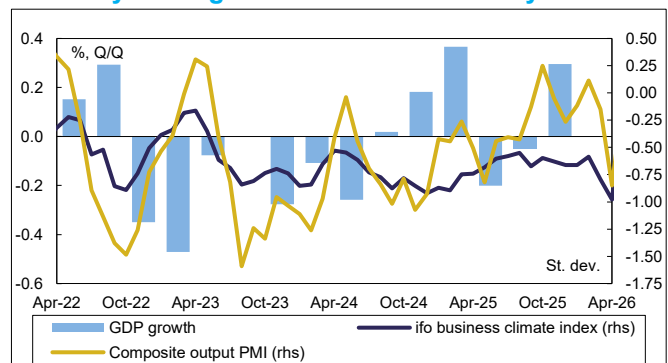
Attention in the coming week will be on the major monetary policy meetings, culminating in Europe on Thursday with announcements from the ECB and BoE (see below). The impact of war in the Middle East on prices has already started to feed through. But we don't think either central bank will be lured into tightening policy just yet. Indeed, as President Lagarde recently stated (see our table of policymakers' comments), the 'stop-start' nature of events has made judging the magnitude and probable duration of the oil market shock much more challenging for policymakers. It has also contributed to exceptional uncertainty about the broader economic outlook, compounded further by a myriad of fiscal support packages. The lack of hard data also leaves the hit to demand unclear. But as illustrated by the PMIs and ifo and INSEE indices, April's business survey indicators – to which the Commission's ESIs (due Wednesday) will add – suggest that it could be sizable. And, for what it's worth, we think that the flash Q1 euro area GDP estimates (also due Thursday) will suggest that growth momentum (0.2%Q/Q) was a touch weaker than the ECB had assumed at its last monetary policy meeting.

Germany: ifo business climate indices



Source: Macrobond and Daiwa Capital Markets Europe Ltd.

Germany: GDP growth & business survey indices



Source: Macrobond, S&P Global and Daiwa Capital Markets Europe Ltd.

Lagarde should signal that June is live for a rate hike, but that tightening is still not a done deal

So, a majority of Governing Council members seem happy to 'wait and see' for now in the hopes of receiving additional clarity. But most also seem to agree that the region is facing a slightly more intense shock than the ECB's baseline scenario, which was conditioned on two rate hikes. And even in the event of a swift resolution – which appears increasingly unlikely – inflation looks primed to rise further this month and remain elevated throughout the rest of the year. Specifically, we could see euro area inflation (flash estimates due Thursday) rising in April to as much as 3%Y/Y, a more than 2½-year high, led by a further firm pickup from energy. Core inflation may moderate slightly again. But the warning signs from survey indicators like the price PMIs will keep policymakers guarded to the risks of spillovers across to other prices and wage expectations. In that respect, the ECB's survey for consumer inflation expectations, as well as the forward-looking assessments of credit conditions from its quarterly bank lending survey (both due Tuesday) might also be noteworthy. With monetary policy broadly neutral to slightly accommodative at present, we expect the ECB will look to lean against the new inflationary risks by adjusting rates higher in due course, whilst being mindful of the trade-off with weaker activity. President Lagarde will, therefore, maintain that decisions remain data-dependent, and not on a pre-determined path. She will also reiterate that the risks to inflation are skewed to the upside and, conditional on developments in global energy markets, the ECB could (as we currently expect) tighten as soon as the policy meeting in June.

Selected recent quotes from ECB policymakers*

ECB President Christine Lagarde  (20 April)	<p>"The economic picture remains deeply uncertain. The stop-start nature of the conflict...makes it exceptionally hard to gauge the duration and depth of the consequences"</p> <p>"...so far, we have not seen energy prices rise far enough to push us squarely into our adverse scenario...If the conflict resolves quickly, the direct energy price shock could prove to be at the smaller end of expectations...[but] worse paths are still possible."</p> <p>"...uncertainty about the duration of the shock and the breadth of pass-through argues for gathering more information before drawing firm conclusions for our monetary policy."</p>
Chief Economist Philip Lane  (22 April)	<p>"Until we know...how long this war is going to last, it is really hard to know whether this is going to prove to be a temporary phase or a much bigger shock... I have not seen anything in the last month to overturn information we had at our March meeting between the baseline and adverse scenarios."</p>
Isabel Schnabel  (15 April)	<p>"[The ECB is in a] relatively favourable position... This means we can afford to take the time that is needed in order to analyse the character of this shock...we do not need to rush it"</p>
Gediminas Šimkus  (22 April)	<p>"I really don't rule out the assumption that interest rates will increase...but I am of the opinion that we really shouldn't increase interest rates at the next monetary policy meeting."</p>
Álvaro Pereira  (20 April)	<p>"Avoiding second-round effects is going to be extremely important...If the data start telling us that we have issues with significantly higher prices and inflation expectations, we'll need to act. Otherwise, we need to monitor and decide."</p>
Joachim Nagel  (17 April)	<p>"The ECB Governing Council needs to keep all options open, also for April. Since the start of the Middle East war, we have seen the situation can change daily. The outlook remains highly uncertain."</p>
Alexander Demarco  (17 April)	<p>"For now, it's a bigger risk to rush raising rates and do some undue damage to the economy...compared to the risk of waiting a bit longer".</p>
Mārtiņš Kazāks  (17 April)	<p>"We're cautious to see what happens with spillovers [...and] second-round effects, and so far we have not seen much... That reduces somewhat the necessity to move instantaneously."</p> <p>"The baseline is built on the market pricing of two hikes and as long as the baseline approximately holds, I would not object to a similar market pricing".</p>
Madis Müller  (17 April)	<p>"Thanks to the starting point we can perhaps be a little bit more patient, and we don't need to rush...but of course we don't want to [...] fall behind the curve"</p> <p>"We don't have much hard evidence of second-round effects...so it's difficult to argue that there's an obvious case to raise rates."</p>
Olaf Sleijpen  (16 April)	<p>"When I see what markets expect [in terms of rate hikes], I wouldn't say that they're totally wrong"</p>
Olli Rehn  (16 April)	<p>"Rising energy prices are not just about oil and gas. The impact on inflation dynamics depends on how demand develops, the [...] labour market, and whether people expect prices to continue to rise. The key question is whether the price increase will remain confined to energy or spread to other prices and wages."</p>
François Villeroy  (15 April)	<p>"We should have no hesitation to act if and when necessary, but there is no rush, and there is no predetermined calendar, a focus on April would be premature."</p>

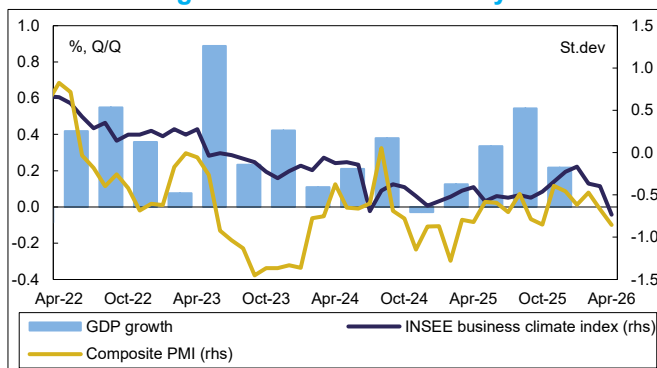
*Light blue shading shows ECB Executive Board members and gold shading shows National Central Bank Governors.
 Sources: ECB, National central banks, Bloomberg & Daiwa Capital Markets Europe Ltd.

The week ahead for euro area data

As suggested, it will also be a busy week for euro area data. Labour Day public holidays (Friday) across the continent mean that most of the top-tier releases will be condensed into Thursday alongside the ECB's announcement. April's preliminary inflation release will provide the highlight and we expect the headline HICP rate to jump to 3.0%Y/Y, up 0.4ppt from March and 1.1ppts above the pre-war rate. Despite efforts by some member states to combat higher fuel prices with fiscal support, energy inflation will be the main driver, rising to around 10%Y/Y. And while spillovers into categories like airfares remain an upside risk, we expect softer services inflation to nudge down the core rate to 2.2%Y/Y, a three-month low. While French and Italian estimates are also due Thursday, the releases from Germany and Spain (Wednesday) will offer some earlier insights.

Thursday will also bring a host of activity data, including Q1's preliminary GDP readings from the euro area and member states. Given not least the strength of services activity at the start of the year, we expect euro area GDP growth to have moved sideways (0.2%Q/Q) at the start of the year. But the pullback in manufacturing and construction output might pose a threat to that view. Given that the pullback in IP has been particularly clear in Germany, we expect the largest member state to have lagged its peers (0.1%Q/Q). Indeed, Germany's March retail sales figures (also Thursday) are likely to confirm a disappointing quarter for retail spending too. And the latest GfK consumer confidence survey (Monday) will show that the prospects for a growth in consumer spending this quarter have worsened amid the current energy shock. Meanwhile, GDP growth in Italy also likely slowed (0.1%Q/Q), but firmer consumption in France likely helped to sustain its momentum (0.2%Q/Q). Spain likely continued to outperform, albeit at a slower rate than over prior quarters (0.5%Q/Q).

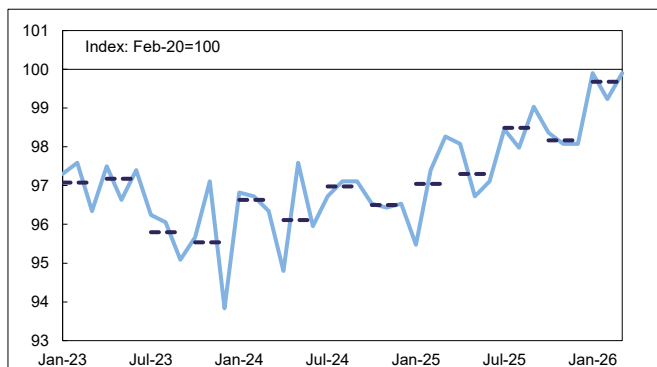
France: GDP growth & business survey indices



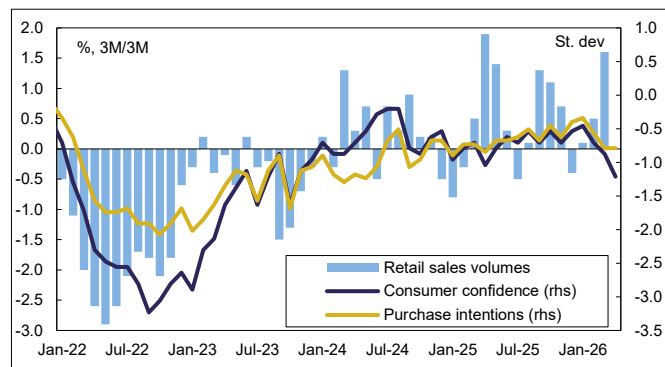
Euro area: Consumer confidence



UK: Retail sales volumes*



UK: Retail sales & consumer confidence



UK

DMP survey suggests little risk of wage-price spiral & contained medium-term price expectations

Like the ECB and many other major central banks, the BoE is watching signals on price and wage expectations to guard against risks of inflation persistence from the current energy price shock. In doing so, it will place weight on its own DMP survey of business CFOs. According to that survey's latest findings, firms expect to accelerate price hikes of their own outputs over the coming year, by 4.4%Y/Y, the most since January 2024 and 0.6ppt above the equivalent rate of price growth realised this month. As firms across the economy seek to pass on increased costs to consumers, the CFOs also expect CPI inflation to rise to 4.0%Y/Y in a year's time. Predictably, those figures point to a non-negligible first-round impact on inflation from the events in the Middle East. But the MPC will be happy to accommodate such price rises as long as the second-round effects on wages and expectations further ahead remain contained. And in that respect, today's DMP survey results were relatively unconvincing. Firms' expectation for CPI inflation three years ahead was unchanged from March at 2.8%Y/Y, a

touch below the average for the prior 12 months. And year-ahead wage expectations were little changed at 3.45%Y/Y, less than 10bps above March's four-year low, suggesting limited risks of a future wage-price spiral. So, where they mattered most, today's DMP survey results certainly suggested no need for the BoE to rush to hike.

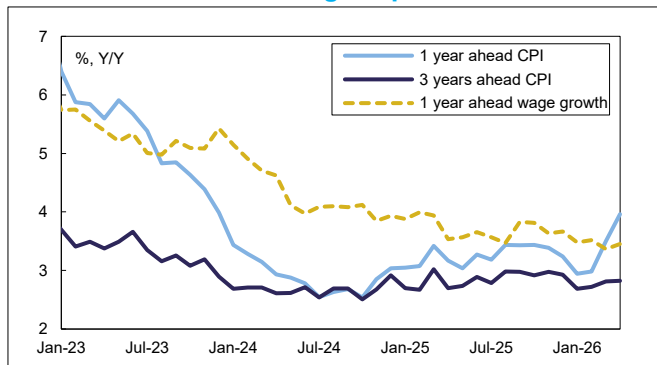
Retail sales in March flattered by auto fuel but Q1 marked the best quarter in almost 5 years

Meanwhile, despite the Iran war, retail sales volumes significantly beat expectations in March, rising 0.7%M/M to reverse the dip in February and match January's near-four-year high level. But sales in March were flattered by auto fuel, as drivers raced to fill up their tanks as prices leapt in response to events in the Middle East. So, excluding petrol stations, sales rose a more modest 0.2%M/M, insufficient to reverse the drop of 0.6%M/M in February. Contrasting survey signals, sales of food fell sharply for a second month. But clothing provided some offset, likely boosted by improved weather. Looking through the monthly volatility, retail sales in Q1 were unexpectedly strong, up 1.6%Q/Q in total and 1.4%Q/Q excluding auto fuel, marking the strongest quarter in almost five years. In part, that reflects payback for unexpected weakness in Q4, when sales dropped 0.4%Q/Q. But it is also consistent with other evidence that overall GDP growth in Q1 was also stronger than initially expected. Nevertheless, with the strength in Q1 exaggerated by temporary factors and consumer confidence having deteriorated to a 2½-year low, we anticipate a pull-back in retail sales and marked slowing of GDP growth in Q2.

Most of the MPC will also prefer to wait and see whether more restriction is required

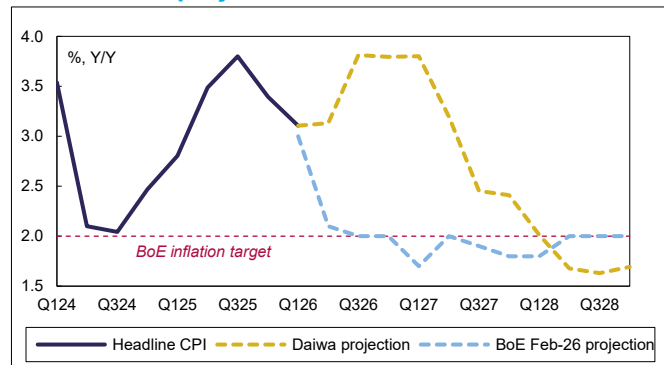
As they did unanimously in March, we expect a majority of MPC members to vote to hold Bank Rate at 3.75% on Thursday. Like the euro area, the UK's economic outlook remains highly uncertain. Having risen to 3.3%Y/Y in March, inflation will move higher still over coming months as higher wholesale energy prices are passed on fully to customers. But Governor Bailey has said that it is 'too early' to draw conclusions about how this process will likely affect broader economic conditions. And most MPC members, judging from their comments (see the table below), also see an extended pause to policy as preferable, at least until the path of events in the Middle East and their implications for broader price-setting and wage settlements becomes clearer. Indeed, while acknowledging that inflation risks are skewed to the upside, most seem to be sympathetic to the case that weaker underlying activity and rising labour market slack will dampen the extent of broader price and wage pressures and keep expectations well anchored. Even before financial conditions tightened in the wake of the oil shock, monetary policy remained restrictive too. As a result, the views of external members Mann and Greene – who were for a time amongst the MPC's more hawkish cohort – have become more balanced. And perhaps only Chief Economist Pill, who remains concerned about recent structural changes in the UK economy, might be willing to vote against inaction in favour of more restrictiveness now. Of course, should clearer evidence of spillovers into expectations and selling prices present itself, the MPC may collectively decide that more restriction is eventually required. For now, however, we do not expect that time to come until the next publication of BoE forecasts in July at the earliest.

UK: Firms' inflation & wage expectations



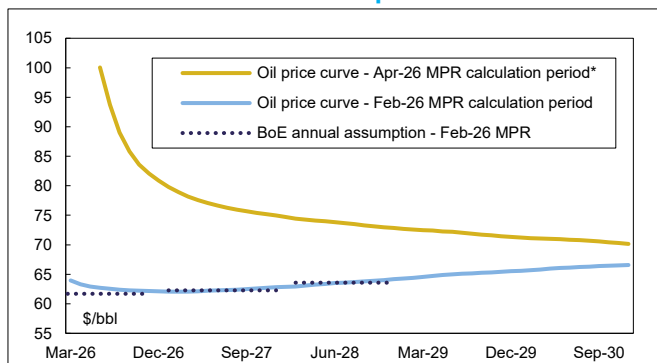
Source: BoE DMP survey, Macrobond and Daiwa Capital Markets Europe Ltd.

UK: Inflation projections



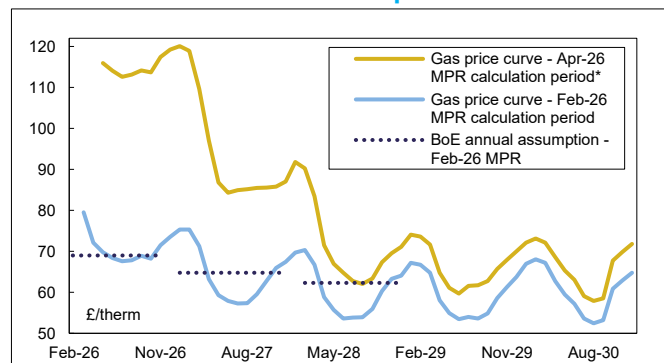
Source: BoE, Macrobond and Daiwa Capital Markets Europe Ltd.

UK: Oil futures & BoE assumption



*Daiwa assumption Source: BoE, Bloomberg & Daiwa Capital Markets Europe Ltd.

UK: Gas futures & BoE assumption



*Daiwa assumption. Source: BoE, Bloomberg and Daiwa Capital Markets Europe Ltd.

Higher inflation, weaker activity, but scenarios likely to frame the BoE's new forecasts

The MPC's updated macroeconomic projections – which will be published alongside the Monetary Policy Report at this meeting – will reflect a wholly different world to the one presented to the MPC in February. Certainly, global oil and natural gas price assumptions will be revised materially higher across the horizon, by around 35% and 50% respectively, as too will the market-implied path for Bank Rate. So, the BoE will no longer expect inflation to step down this quarter. Rather, owing to higher fuel prices, we expect it will see inflation rising to around 3½%Y/Y in Q3 as regulated electricity prices are reset. Courtesy of the carry-over from February's bumper monthly GDP release, economic growth in Q1 will be revised much higher. But the full-year GDP growth forecast will be revised down as the energy shock bears down on activity. Of course, the fluidity of external events will inevitably raise questions about the usefulness of the BoE's baseline. So, in the spirit of its operational changes following the Bernanke Review, the BoE will again employ scenarios to frame its potential reaction function to various outcomes, with MPC members specifying those to which they assign most weight.

The week ahead for UK data










Beyond the monetary policy announcement, it's set to be a quiet week ahead for UK data. Indeed, the days leading up to Thursday's announcement will bring just a couple of second-tier surveys, of which BRC's shop price survey (Tuesday) should be of most interest. Indeed, because of April's reputation as a favoured month for repricing, the survey could provide a potential bellwether for any immediate transmission from higher input costs to food and selected goods prices. The CBI's distributive trades survey (Monday) will give a first indication as to whether retail sales received some payback at the start of Q2. After the BoE's announcement, March's UK monetary data (Friday) might well report a deceleration in bank lending, owing principally to the significant tightening of financial conditions brought about by the war in the Middle East. Higher mortgage rates and subsequent buyer apprehension could also weigh on house price growth, for which April's Nationwide release will provide an update (also Friday). April's final [manufacturing PMI](#)s are also due at the end of the week.

Selected quotes from BoE policymakers*

Governor Andrew Bailey	"There's [...] difficult judgements to be made. We're not going to rush to judgements on those things, because there are a lot of uncertainties around [how the energy shock will] pass through into the UK economy...It's really too early to form strong judgements" (15 April)
Chief Economist Huw Pill	"The fog of uncertainty in which we always operate cannot be an excuse for inaction...I don't think we can let...uncertainties paralyse us" (24 March) "...we still have some restriction...[but] we do have to entertain the possibility that more may be required...I'm not sure waiting is necessarily the appropriate response" (17 April)
Deputy Governor Sarah Breeden	"There's slack in the labour market...and the outlook for activity was lackluster even before the energy shock...firms and workers are likely to have less pricing [and] wage bargaining power, meaning second-round effects should be less likely" (26 March)
Deputy Governor Clare Lombardelli*	"The conflict in the Middle East will be damaging for the UK economy, increasing inflation and reducing output...We will learn more in coming weeks... I am prepared to act... to address any persistent inflationary effects..." (19 March)
Deputy Governor Dave Ramsden*	"...There is a high degree of uncertainty around the scale and duration of the conflict, as well as its economic impact and any subsequent second-round effects...I stand ready to act as necessary to ensure that CPI inflation remains on track to meet the 2% target in the medium term" (19 March)
Megan Greene	"There are reasons to...worry about the upside inflation risks from the war...[and] reasons to not be so worried...the UK economy looks very different now than it did [in 2022]...we may not see the same kind of second round effects..." "...we're going to have to manage [the trade-off between higher inflation and weaker activity]." "...the fact that inflation expectations have risen so much...[shows] that households may be more sensitive to upside surprises in inflation...you might have mini-waves of inflationary bouts throughout this even if the war ends today" "[market implied rates] have moved around a lot...it has come off [from four hikes]...which I think is about right." (15 April)
Catherine Mann	"We'll have to see...how the markets develop, not just financial markets, but how firm pricing strategies...wage demands [and] economic activity look...[I am] looking at the extent to which the mortgage reset in particular is affecting the prospects for consumer behaviour..." (14 April)
Alan Taylor	"[Given uncertain] future energy prices, and our starting point, I currently see a high bar to hiking. Holding policy steady is preferable until the impact becomes clearer." (26 March) "...I agree [with Governor Bailey]...that markets might have gotten ahead of themselves... I don't see [the vote to hold in March] as a directional change, more as a pause because of all the uncertainty..." "There's been an even more profound tightening of financial conditions, so...I think we've already got quite a lot of restrictiveness...sufficient to deal with the benign scenario without having to hike" (16 April)
Swati Dhingra*	"In one scenario, we could see a more modest increase in energy prices which probably slows rather than derails disinflation... In another scenario, severe and longer-lasting constraints on oil and gas supply... [which] could warrant a hold or increase in Bank Rate...[in the lower inflation scenario] I would expect to reduce Bank Rate, possibly quickly, over the rest of the year." (19 March)









*Light blue shading shows Bank staff and gold shading external MPC members. *Excerpts of MPC members' paragraphs from the summary and minutes from the March MPC meeting. Source: BoE, BBC, Bloomberg and Daiwa Capital Markets Europe Ltd.

Daiwa economic forecast

	2025		2026			2027	2026	2027	2028
	Q4	Q1	Q2	Q3	Q4	Q1			
GDP	%, Q/Q						%, Y/Y		
Euro area 	0.2	0.2	0.0	0.1	0.2	0.3	0.6	1.0	1.4
UK 	0.1	0.5	0.0	0.1	0.2	0.3	0.7	1.1	1.6
Inflation, %, Y/Y									
Euro area									
Headline HICP 	2.1	2.0	3.1	3.0	3.1	3.0	2.8	2.5	2.1
Core HICP 	2.4	2.3	2.3	2.5	2.7	3.0	2.5	2.8	2.0
UK									
Headline CPI 	3.4	3.1	3.1	3.8	3.8	3.8	3.5	3.0	1.8
Core CPI 	3.3	3.2	2.8	3.2	3.4	3.5	3.1	3.1	2.1
Monetary policy, %									
ECB									
Deposit Rate 	2.00	2.00	2.25	2.50	2.50	2.50	2.50	2.25	2.25
Refi Rate 	2.15	2.15	2.40	2.65	2.65	2.65	2.65	2.40	2.40
BoE									
Bank Rate 	3.75	3.75	3.75	4.00	4.00	4.00	4.00	3.50	3.50

Source: Bloomberg, ECB, BoE and Daiwa Capital Markets Europe Ltd.

European calendar







































Today's results							
Economic data							
Country	Release	Period	Actual	Market consensus/ <i>Daiwa forecast</i>	Previous	Revised	
Germany 	ifo current assessment (expectations) indicator	Apr	85.4 (83.3)	86.2 (85.5)	86.7 (86.0)	- (85.9)	
Germany 	ifo business climate indicator	Apr	84.4	85.7	86.4	86.3	
France 	INSEE consumer confidence indicator	Apr	84	88	89	-	
Spain 	PPI Y/Y%	Mar	3.4	-	-7.0	-6.9	
UK 	Retail sales – incl. auto fuel M/M% (Y/Y%)	Mar	0.7 (1.7)	0.0 (1.1)	-0.4 (2.5)	-0.6 (1.8)	
UK 	Retail sales – excl. auto fuel M/M% (Y/Y%)	Mar	0.2 (1.7)	0.0 (2.0)	-0.4 (3.4)	-0.6 (2.7)	
UK 	DMP – 3M output price (1Y CPI) expectations Y/Y%	Apr	3.8 (4.0)	-	3.5 (3.5)	-	
Auctions							
Country	Auction						
Italy 	sold €2.5bn of 2.2% 2028 bonds at an average yield of 2.8%						

Source: Bloomberg and Daiwa Capital Markets Europe Ltd.

The next Euro wrap-up will be published on Tuesday 28 April 2026













The coming week's data calendar

The coming week's key data releases

Country	BST	Release	Period	Market consensus/ <i>Daiwa forecast</i>	Previous
Monday 27 April 2026					
Germany		07.00 GfK consumer confidence indicator	May	-30.0	-28.0
UK		11.00 CBI distributive trades survey – reported retail sales net balance %	Apr	-	-52
Tuesday 28 April 2026					
Euro area		09.00 ECB consumer expectations survey – 1Y (3Y) ahead CPI Y/Y%	Mar	2.8 (2.6)	2.5 (2.5)
France		11.00 Total jobseekers mns	Q1	-	3.35
Italy		10.00 PPI Y/Y%	Mar	-	-3.7
Spain		08.00 Retail sales Y/Y%	Mar	-	2.2
		08.00 Unemployment rate %	Q1	9.80	9.93
UK		07.00 BRC shop price index Y/Y%	Apr	1.4	1.2
Wednesday 29 April 2026					
Euro area		09.00 M3 money supply Y/Y%	Mar	3.1	3.0
		10.00 Commission economic sentiment indicator	Apr	95.5	96.6
		10.00 Commission services (industrial) confidence indicator	Apr	3.4 (-7.0)	4.9 (-7.0)
		10.00 Final Commission consumer confidence indicator	Apr	<u>-20.6</u>	-16.3
Germany		13.00 Preliminary HICP (CPI) Y/Y%	Apr	3.1 (2.9)	2.8 (2.7)
Italy		09.00 Istat economic (manufacturing) confidence indicator	Apr	-	97.3 (88.8)
		09.00 Istat consumer confidence indicator	Apr	91.0	92.6
		10.00 Hourly wages M/M% (Y/Y%)	Q1	-	0.2 (2.9)
Spain		08.00 Preliminary HICP (CPI) Y/Y%	Apr	3.4 (3.6)	3.4 (3.4)
Thursday 30 April 2026					
Euro area		10.00 GDP – first estimate Q/Q% (Y/Y%)	Q1	<u>0.2 (0.8)</u>	0.2 (1.2)
		10.00 Preliminary headline (core) HICP Y/Y%	Apr	<u>3.0 (2.2)</u>	2.6 (2.3)
		10.00 Unemployment rate %	Mar	6.2	6.2
		13.15 ECB Deposit (Refinancing) Rate %	Apr	<u>2.00 (2.15)</u>	2.00 (2.15)
Germany		07.00 Retail sales M/M% (Y/Y%)	Mar	-0.5 (0.5)	-0.6 (0.6)
		07.00 Import prices M/M% (Y/Y%)	Mar	3.2 (1.0)	0.3 (-2.3)
		08.55 Unemployment claims rate % (change 000s)	Apr	6.3 (5)	6.3 (0)
		09.00 GDP – first estimate Q/Q% (Y/Y%)	Q1	<u>0.1 (0.2)</u>	0.3 (0.6)
France		06.30 GDP – first estimate Q/Q% (Y/Y%)	Q1	<u>0.2 (1.3)</u>	0.2 (1.2)
		06.30 Consumer spending M/M% (Y/Y%)	Mar	-	-1.4 (-1.5)
		07.45 Preliminary HICP (CPI) Y/Y%	Apr	2.3 (2.0)	2.0 (1.7)
		07.45 PPI Y/Y%	Mar	-	-2.4
		07.45 Preliminary private sector payrolls Q/Q%	Q1	-	-0.1
Italy		09.00 GDP – first estimate Q/Q% (Y/Y%)	Q1	<u>0.1 (0.6)</u>	0.3 (0.8)
		10.00 Preliminary HICP (CPI) Y/Y%	Apr	2.5 (2.3)	1.6 (1.7)
Spain		08.00 GDP – first estimate Q/Q% (Y/Y%)	Q1	<u>0.5 (2.6)</u>	0.8 (2.7)
UK		12.00 BoE Bank Rate %	Apr	<u>3.75</u>	3.75
Friday 1 May 2026					
UK		07.00 Nationwide house prices M/M% (Y/Y%)	Apr	-0.4 (2.3)	0.9 (2.2)
		09.30 Net consumer credit £bn (Y/Y%)	Mar	-	1.9 (8.5)
		09.30 Net mortgage lending £bn (approvals 000s)	Mar	4.2 (60.1)	4.8 (62.6)
		09.30 Final manufacturing PMI	Apr	<u>53.6</u>	51.0

Source: Bloomberg and Daiwa Capital Markets Europe Ltd.

The coming week's key events & auctions

Country	BST	Event / Auction
Monday 27 April 2026		
Euro area	 09.00	ECB to publish quarterly Survey on the Access to Finance of Enterprises (SAFE) for Q126
Tuesday 28 April 2026		
Euro area	 09.00	ECB to publish quarterly Bank Lending Survey (BLS) for Q126
UK	 10.00	Auction: to sell up to £1bn of 0.125% 2028 bonds
	 10.00	Auction: to sell up to £1.25bn of 4.25% 2032 bonds
Wednesday 29 April 2026		
Germany	 10.30	Auction: to sell up to €5bn of 2.9% 2036 bonds
Italy	 10.00	Auction: to sell bonds*
Thursday 30 April 2026		
Euro area	 13.15	ECB monetary policy announcement
	 13.45	ECB President Lagarde to hold post-Governing Council meeting press conference
UK	 12.00	BoE monetary policy announcement, summary and minutes, and Monetary Policy Report to be published
	 12.30	BoE Governor Bailey to conduct post-MPC press conference
Friday 1 May 2026		
Euro area	 -	Labour Day – public holiday across the euro area
UK	 12.15	BoE Chief Economist Pill to brief the MPC's national agents on updated macroeconomic projections

*Details to be announced. Source: Bloomberg and Daiwa Capital Markets Europe Ltd.

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