Daiwa Capital Markets

Euro wrap-up

Overview

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- Bunds made gains while the flash euro area PMIs signalled a broad-based improvement in economic momentum but also an easing in price pressures.
- While the UK PMIs beat expectations, Gilts outperformed as the DMP survey signalled a further moderation in firms' inflation and wage expectations.
- The BoE is expected to leave interest rates unchanged but its updated projections and MPC members' views will be closely watched, while flash euro area estimates of July inflation and Q2 GDP are also due.

Daily bond market movements

Bond	Yield	Change
BKO 2.7 09/28	2.825	-0.072
OBL 2.9 10/31	2.928	-0.061
DBR 3 08/36	3.172	-0.041
UKT 4⅜ 03/28	4.409	-0.091
UKT 4⅛ 03/31	4.593	-0.092
UKT 4¾ 10/35	5.030	-0.086

*Change from close as at 4:30pm BST.
Source: Bloomberg

Euro area

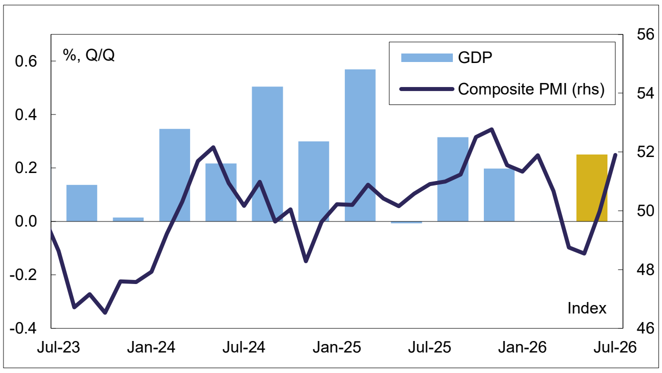
Flash PMIs signal broad-based strengthening of growth momentum in July

Despite the energy price shock, euro area economic activity appears to have firmed over the second quarter. And judging from today's flash July's PMIs, the uptrend extended to the start of Q3. Indeed, the headline euro area composite output PMI rose the most in more than four years (1.9pts) to an eight-month high of 51.9 to be consistent with moderate expansion. And the turnaround in new orders (+3pts to 52.2) was the best in five years and pointed to the fastest increase in new demand in three years. The improvement from June was broad-based. But likely in part due to AI-related activity, it was most impressive in services for which the headline index rose more than 2pts to a five-month high of 51.6 and growth in new business was the firmest since November. But manufacturing output (up 1.3pts to 53.0) growth was reportedly the strongest in more than four years, probably in part due to ongoing growth in defence spending as well as precautionary stock-building. Among the member states, the improvement in the flash PMIs was widespread too, with the German (51.2) and French (49.6) headline indices at four- and five-month highs respectively and the equivalent indicator for the rest of the euro area (54.1) was the best since November and 2pts above the long-run average. So, with all indicators pointing to positive momentum in economic activity, and the survey also consistent with stable labour demand for the first time this year, the flash PMIs suggest that the ECB will have no qualms raising rates again in September if, as we expect, the signals on price pressures demand further tightening.

Price PMIs & consumer inflation expectations moderate, but energy prices now add new pressure

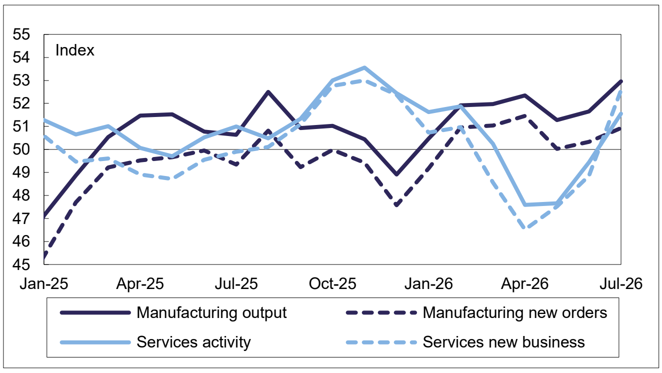
Today's survey results nevertheless reminded that there remains no need for forceful monetary tightening and that the ECB's decision yesterday not to raise rates for a second successive month was appropriate. While still above their long-run averages, the flash price PMIs suggested that inflation of both input costs (63.3) and output prices (54.6) moderated this month to the softest pace in five and four months respectively. In addition, the ECB's own consumer survey for June reported a second successive 0.5ppt drop in median 12-month inflation expectations to 3.0%Y/Y. And the survey's median estimate of consumer inflation expectations three years ahead edged down to 2.5%Y/Y, back close to the bottom of the range of the past four years and, as for 12-month expectations, similarly the lowest since February. Of course, the subsequent rise in Brent crude oil prices close to $100bbl, and associated pickup in consumer auto and heating fuel prices, will likely push inflation expectations higher again this month. The price PMIs might also be revised higher from the flash estimates when the final survey results are published early next month. And if they persist, recent increases in wholesale oil and gas prices alike will add to inflation via both direct and indirect channels over coming months. So, while employee compensation growth has moderated and survey evidence on pay pressures remains absent, the ECB's updated wage trackers (next due Wednesday) and incoming data on settlements will continue to be closely watched for second-round effects.

Euro area: GDP growth* & composite output PMI



*Gold bar represents Daiwa forecast for Q2.
Source: S&P Global, Macrobond and Daiwa Capital Markets Europe Ltd.

Euro area: Manufacturing & services PMIs



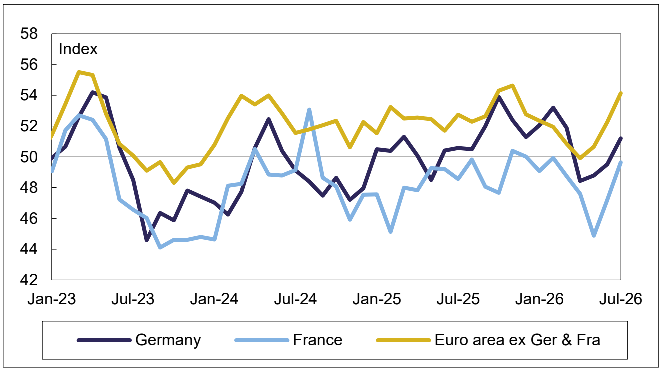
Source: S&P Global, Macrobond and Daiwa Capital Markets Europe Ltd.

The week ahead in the euro area

As well as more business and consumer survey results, the coming week will bring the first estimates of July inflation (Friday) and Q2 GDP. After June's softer-than-expected print, we expect both headline and core inflation in the euro area to move sideways in July at 2.8%Y/Y and 2.4%Y/Y respectively. However, the risks are skewed to the upside. Energy inflation will edge slightly higher, reflecting rising wholesale prices and the expiration of fiscal support. Due to the latter effect, the flash estimates from Germany and Spain (Thursday) are likely to come under greater pressure than their French and Italian equivalents (Friday). European heatwaves and higher input costs also pose an upside risk to food inflation, albeit likely not as soon as this month. And resurgent energy prices could have added to core components including airfares and package holidays. Still, underlying inflation should remain well contained. And fears of eventual second-round effects should still be contained as the ECB's wage trackers (to be updated on Wednesday) will likely again point to moderate labour cost growth over coming quarters despite historically low unemployment (Thursday).

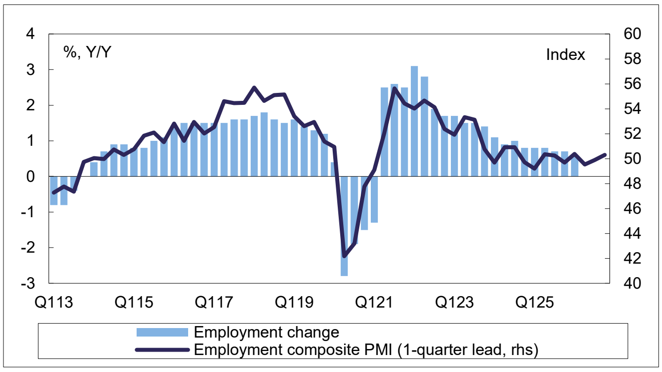
Meanwhile, contrary to the downbeat signals from some surveys earlier in the quarter, the first estimates of GDP growth in Q2 (mostly Thursday) are expected to display encouraging resilience. A significant Irish distortion meant that euro area GDP was flat in Q1. But excluding Ireland, GDP growth was 0.3%Q/Q and we expect a similar outturn in Q2. Indeed, while the oil shock likely weighed on business investment and retail spending, services activity looks to have firmed. Industrial output (trending 0.5% above the Q1 average in April and May) benefited from precautionary stock-building and defence-related production. And Germany's infrastructure push and firm growth in Italy spurred construction sector activity (trending 1.4% above Q1). With public spending compensating for slightly weaker private activity, Germany was likely able to sustain GDP growth of 0.3%Q/Q in Q2. And while growth in Italy might have slowed (0.1%Q/Q) after receiving a Winter Olympics-sized boost in Q1, France should receive some payback for the prior quarter's weakness (0.2%Q/Q). Continued Spanish outperformance ahead of its FIFA World Cup triumph is also assured. Indeed, with services and industrial activity having risen some 1.0% and 1.9% respectively in Q2 thus far, Spanish GDP growth as high as 1.0%Q/Q is possible. Looking further ahead, survey results including the German ifo indices (Monday) and Commission ESIs (Thursday) will likely validate signals from the flash PMIs of a pickup in momentum in July. June bank lending data (Monday) are also due.

Euro area member states: Composite output PMIs



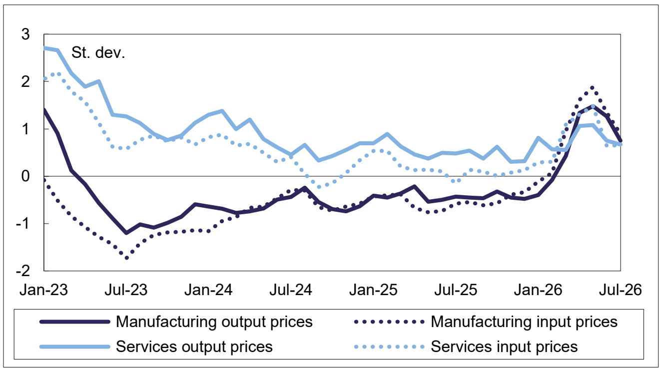
Source: S&P Global, Macrobond and Daiwa Capital Markets Europe Ltd.

Euro area: Employment growth & PMI



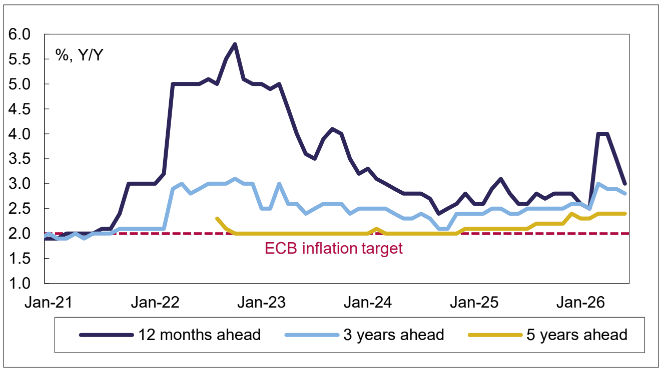
Source: S&P Global, Macrobond and Daiwa Capital Markets Europe Ltd.

Euro area: Price PMIs



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

Euro area: ECB – CPI inflation expectations



Source: ECB CES, Macrobond and Daiwa Capital Markets Europe Ltd.

UK

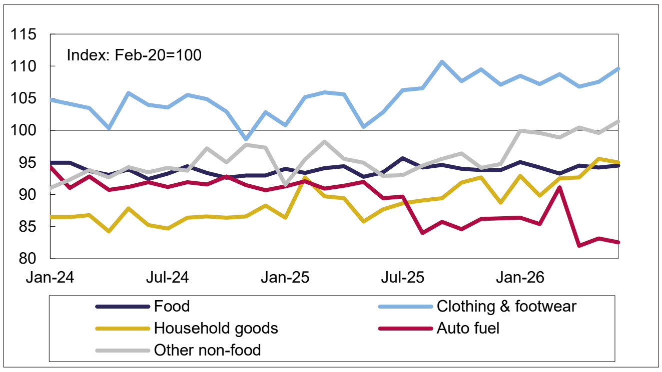
Extended summer heatwave boosts retail sales while consumer confidence gets a Burnham bounce

Having surprisingly outpaced all other G7 economies in Q1, the UK economy appears to have maintained firm growth in Q2 and positive momentum into Q3. Certainly, retailers enjoyed a strong end to Q2, with sales volumes rising for a third month out of four and by a stronger-than-expected 1.0%M/M in June. As a result, sales reached their highest level in more than four years and rose a robust 0.6%3M/3M in Q2, albeit less than half the pace recorded in Q1. The moderation in quarterly growth reflected the sharp pullback in fuel sales in April when pump prices surged. So, when excluding auto fuels, sales jumped 1.1%3M/3M in Q2, matching the strongest quarterly pace in seven years outside the pandemic period. Promotions and hot weather boosted demand for outdoor products, fans and air conditioners, while clothing and sports merchandise lifted non-store sales in June. Indeed, non-store retail sales rose 3.8%3M/3M, the strongest quarterly pace in a year, while sales at household goods stores increased 2.9%3M/3M, the most in five years. Notably too, consumer confidence leapt at the start of Q3. The GfK headline sentiment index rose in July by 6pts, the most since late-2023, to -17, the highest level since January. The improvement likely reflected the continued warm weather, England's World Cup performance, lower petrol prices (for a while at least) and optimism surrounding new Prime Minister Burnham. And while the intensified conflict in the Middle East and renewed increase in petrol prices will provide a headwind again, households reported a greater readiness to make major purchases over coming months, suggesting that consumer spending should remain reasonably well supported through the summer.

Flash PMIs point to broad-based pickup in output in July, but outlook more mixed

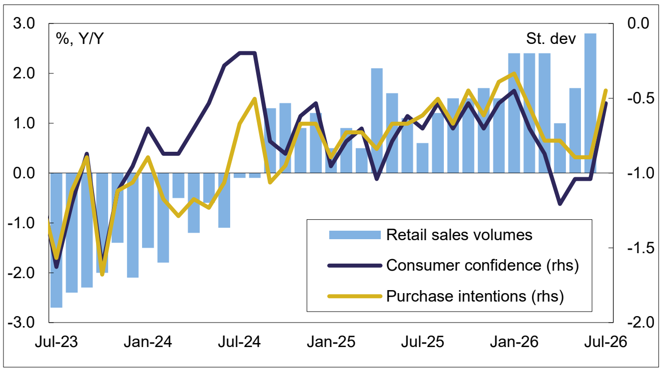
Today's flash PMIs point to a broad-based acceleration in underlying activity at the start of Q3. The headline composite output index jumped 2.7pts in July – the most since February 2023 – to 52.1, a three-month high, with improvement in both manufacturing and services. Reports of firmer demand for consumer-facing services, particularly hospitality, helped lift the services activity PMI up more than 3pts to a three-month high of 51.8, a touch firmer than the average in the first half of 2026. Meanwhile, the manufacturing output index rose 1pt to 53.6, signalling a fourth consecutive monthly expansion and the strongest growth since September 2024. New factory orders reportedly rose at the fastest pace since February 2022, with survey respondents citing robust demand linked to AI-related investment and increased defence spending. And with stocks of finished goods continuing to decline, the implied orders-to-inventory ratio was last higher in 2021 when pandemic-related supply chain disruptions were constraining production. As a result, manufacturers were the most optimistic about the year-ahead outlook since February. However, the near-term outlook seemingly remains less clear-cut in services. Although business expectations improved, new work in the sector reportedly stagnated amid renewed uncertainty in the Middle East,

UK: Retail sales volumes



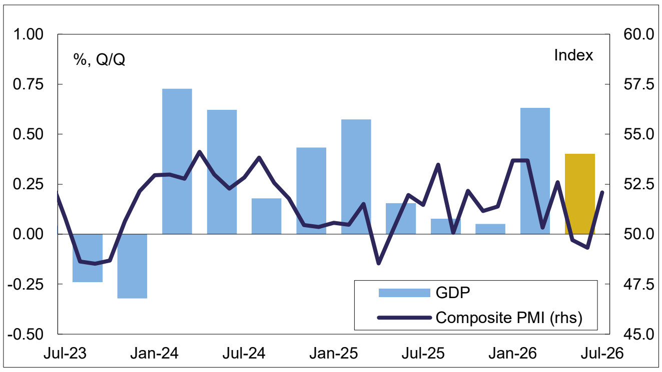
Source: Macrobond and Daiwa Capital Markets Europe Ltd.

UK: Retail sales & consumer confidence



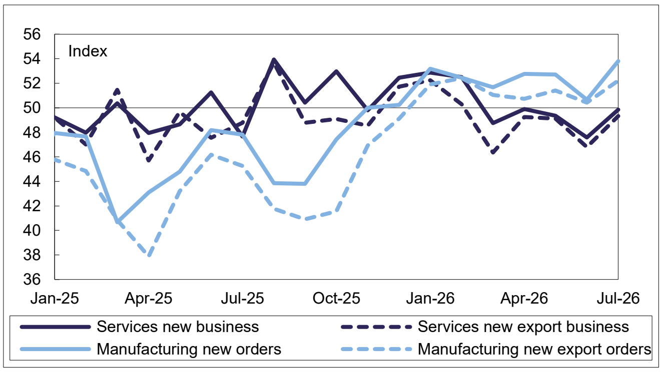
Source: GfK, Macrobond and Daiwa Capital Markets Europe Ltd.

UK: GDP growth* & composite output PMI



**Gold bar represents Daiwa forecast for Q2.*
Source: S&P Global, Macrobond and Daiwa Capital Markets Europe Ltd.

UK: Manufacturing & services PMIs



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

while some respondents suggested the hot weather had weighed on demand. Against this backdrop, and alongside elevated input costs, service-sector employment continued to decline, albeit at the slowest pace in nine months. This was broadly consistent with the BoE's Decision Maker Panel (DMP) survey, where firms reported that employment declined for a 13th successive month in July (-0.4%3M/Y). And with firms anticipating a further modest deterioration over the coming year, the survey reinforced the view that labour market slack is likely to persist despite signs of firmer economic activity.

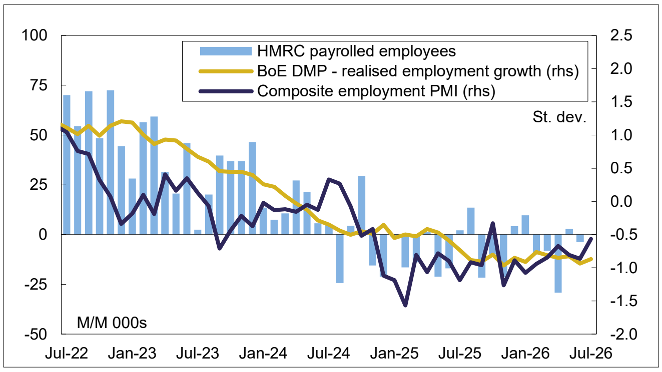
Business inflation & wage growth expectations continue to moderate

BoE policymakers will also have noted today's survey findings that cost and price pressures and business inflation expectations moderated in July. While still above their long-run averages, the flash price PMIs suggest that increases in input costs (65.8) and output prices (57.3) were the softest in five months. And the equivalent services price PMIs were only slightly above the average in the 12 months before the onset of the Iran war. The BoE's DMP survey suggested that firms expect their own output price inflation in a year's time to be a touch lower than now. Firms' expectations for CPI inflation one-year ahead also eased to a five-month low (3.0%Y/Y), while expectations for three years ahead – arguably the most important measure for gauging monetary policy credibility – fell 0.3ppt to 2.6%Y/Y, the softest since October 2024. While higher wholesale oil and gas prices pose upside risks to the inflation outlook, the DMP showed limited evidence of second-round effects on pay, with less than one fifth of firms expecting wages to increase in response to higher energy prices. Indeed, on average, pay growth was expected to slow from 3.9%Y/Y to 3.3%Y/Y in the year ahead.

BoE to remain on 'active' hold, leaving Bank Rate at 3.75% on Thursday

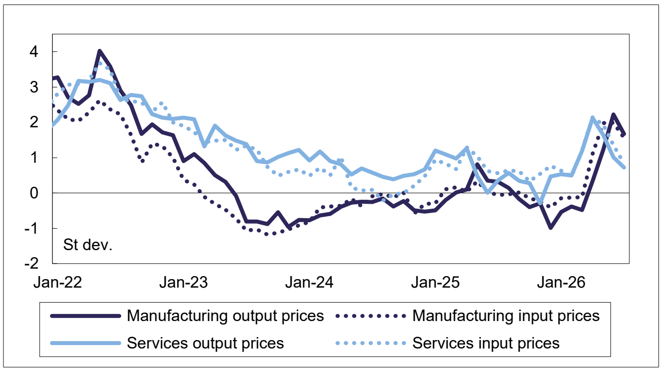
As in June, we expect the MPC to leave Bank Rate at 3.75% for a fifth consecutive meeting on Thursday. The risks surrounding the inflation outlook have not receded as much as might have been hoped just one month ago. But a majority of MPC members are likely to be satisfied by recent data. In particular, inflation moderated to a 15-month low in June, undershooting the BoE's baseline projection by a chunky 0.3ppt. Having tightened since the onset of the war, financial conditions have not unwound. The labour market remains weak, weighing on private sector wages. Today's flash PMIs and the DMP survey suggest that hiring sentiment remains weak while the DMP's signals on both realised and expected wage growth were the softest since the Russian invasion of Ukraine. Moreover, alongside the DMP's signs of moderation in price expectations, the Bank's Agents highlighted that 12-month expected price rises amongst consumer-facing services and food businesses (albeit still between 4%Y/Y and 5%Y/Y) have also eased. Of course, all of those indicators would have benefitted from the temporary decline in energy prices last month, and policymakers will certainly be mindful of the upside risks to inflation posed by the latest developments in wholesale markets as well as the risks posed by any disruption in the Red Sea. But absent a further acceleration in energy prices from current levels, or clearer risks of second-round effects, we expect a

UK: Measures of employment



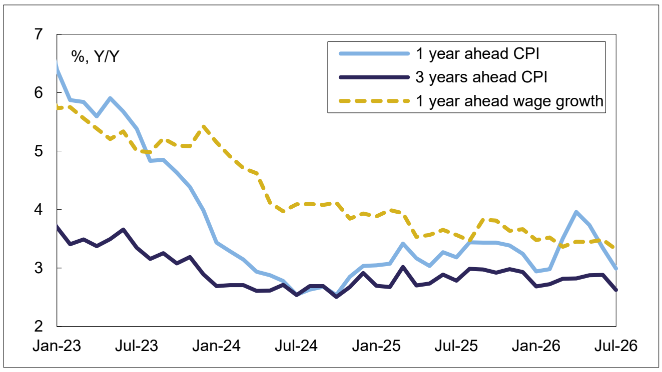
Source: BoE DMP, S&P Global, Macrobond and Daiwa Capital Markets Europe Ltd.

UK: Price PMIs



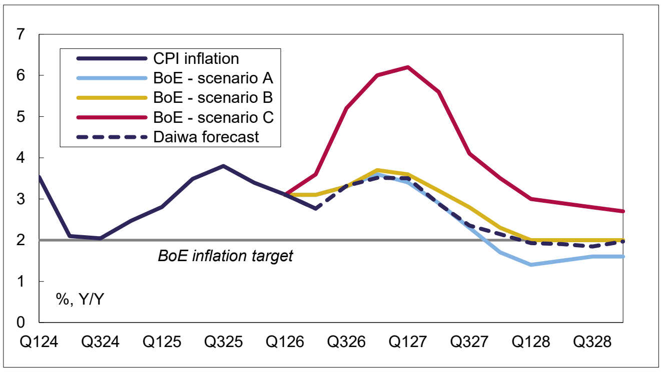
Source: S&P Global, Macrobond and Daiwa Capital Markets Europe Ltd.

UK: BoE DMP – CPI & wage growth expectations



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

UK: CPI inflation projections



Source: BoE MPR Apr-26, Macrobond and Daiwa Capital Markets Europe Ltd.

majority on the MPC – likely with the same 7-2 vote split as in June – to be satisfied that rates currently provide sufficient restrictiveness for the BoE to balance the upside risks to inflation without significantly damaging activity.

New scenarios will frame expectations of any hikes at future meetings, contingent on the war

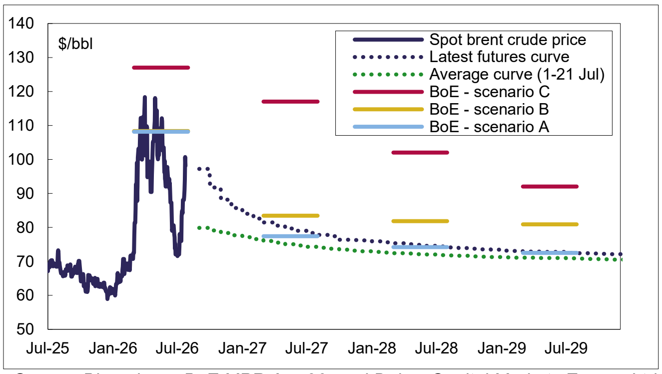
While leaving rates unchanged on Thursday, the MPC will reiterate that it stands 'ready to act as necessary'. And Governor Bailey's post-meeting press conference, the members' views presented in the minutes, and the Bank's updated economic projections will all be scrutinised for clues as to what might prompt a hike over coming meetings. With respect to the latter, the BoE seems bound to persevere with a scenario-based approach, foregoing a traditional baseline forecast. And, as with the three scenarios (A, B & C) put forward in April, they are likely to be conditioned on differing assumptions for global energy prices and domestic spending, which in turn will have implications for the outlook for inflation and GDP. Those differing assumptions will be at the BoE's discretion. But, for what it's worth, in April, the projections suggested that the milder scenario A would have eventually merited rate cuts while the severe scenario C would have required significant rate hikes to return inflation back to target. Scenario B, however, would arguably have merited little change to rates over the horizon. The different MPC members made clear that they were placing different weights on the different scenarios (and, for some members, alternatives) in guiding their votes on policy. Currently, the oil futures curve remains around what was implied in the BoE's (milder) scenario A, and under a usual cut off period would have been below that path. But natural gas futures have jumped sharply, running between scenarios B and C this year. And so, while the BoE should revise down its inflation forecast for Q326 to account for recent data, it might have to revise up its projections in Q426 and Q127 too. It remains to be seen, however, whether the projection revisions will prompt a significant shift in the implied appropriate path for policy based on the stated reaction functions of individual MPC members.

Finally, with respect to the BoE's balance sheet, the updated Monetary Policy Report might discuss the Bank's quantitative tightening programme ahead of the MPC's decision to be taken in September on the size and composition of its active Gilt sales over the subsequent 12 months. A year ago, the MPR updated the Bank staff's estimate of the impact of its QT programme on Gilt yields. We will be looking for this year's edition to replicate the exercise. And hopefully it might also feature a discussion on relevant issues such as the Bank's view on the optimal level of reserves, or even the case for it eventually to retain a structural Gilt portfolio.

The week ahead for UK data

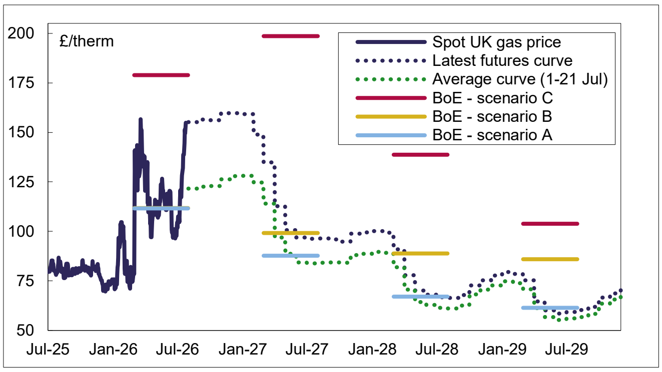
In a quiet week for UK economic data, only a handful of second-tier releases are due ahead of the Bank's policy announcement. Following today's firmer-than-expected rise in retail sales volumes in June, the CBI distributive trades survey (Monday) will provide an early indication of consumer spending at the start of Q3. Admittedly, this survey has been a poor guide to official sales in recent years, having signalled in June one of the steepest annual declines in sales volumes since the first Covid lockdown in April 2020. The BRC's shop price survey (Tuesday) might attract attention for any signs that higher input costs are feeding through to consumer prices. In June, shop price inflation remained relatively subdued at 1.2%Y/Y, firmly within the range since the start of the year. The survey measure of food inflation moderated to a 15-month low, while non-food inflation, still soft at 0.6%Y/Y, nevertheless rose to the highest rate since February 2024 as prices for electrical goods recorded the strongest annual increase in almost five years. Finally, the BoE's monetary data for June (Wednesday) will provide an update on bank lending amid tighter financial conditions. A marked slowdown in mortgage approvals in May to the lowest level in 2½ years points to softer lending for house purchases over the summer months.

UK: Brent crude futures & BoE assumption



Source: Bloomberg, BoE MPR Apr-26, and Daiwa Capital Markets Europe Ltd.

UK: Natural gas futures & BoE assumption



Source: Bloomberg, BoE MPR Apr-26 and Daiwa Capital Markets Europe Ltd.

Daiwa economic forecast

	2026 Q1	2026 Q2	2026 Q3	2026 Q4	2027 Q1	2027 Q2	2026	2027	2028
GDP			%, Q/Q					%, Y/Y	
Euro area	0.0	0.3	0.1	0.2	0.3	0.4	0.6	1.1	1.4
UK	0.6	0.4	0.1	0.1	0.4	0.3	1.1	1.1	1.4
Inflation, %, Y/Y									
Euro area									
Headline HICP	2.0	3.0	2.9	3.1	3.2	2.5	2.8	2.6	2.0
Core HICP	2.3	2.4	2.5	2.6	2.8	2.7	2.4	2.7	2.2
UK									
Headline CPI	3.1	2.8	3.3	3.5	3.5	2.9	3.2	2.7	1.9
Core CPI	3.2	2.5	2.8	3.0	3.2	3.2	2.9	3.0	2.5
Monetary policy, %									
ECB									
Deposit Rate	2.00	2.25	2.50	2.50	2.50	2.50	2.50	2.25	2.25
Refi Rate	2.15	2.40	2.65	2.65	2.65	2.65	2.65	2.40	2.40
BoE									
Bank Rate	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.25	3.25

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

European calendar

Today's results

Economic data

Country	Release	Period	Actual	Market consensus/ *Daiwa forecast*	Previous	Revised
Euro area	Preliminary services (manufacturing) PMI	Jul	**51.6 (52.0)**	49.8 (51.5)	49.4 (51.4)	-
	Preliminary composite PMI	Jul	**51.9**	50.2	50.0	-
	ECB consumer expectations survey – 1Y (3Y) -ahead CPI Y/Y%	Jun	**3.0 (2.8)**	3.2 (2.9)	3.5 (2.9)	-
Germany	Preliminary services (manufacturing) PMI	Jul	**49.6 (52.2)**	49.0 (50.5)	48.6 (50.3)	-
	Preliminary composite PMI	Jul	**51.2**	49.7	49.5	-
	GfK consumer confidence indicator	Aug	**-29.6**	-28.5	-29.2	-29.3
France	Preliminary services (manufacturing) PMI	Jul	**49.8 (50.0)**	47.5 (51.0)	46.8 (51.2)	-
	Preliminary composite PMI	Jul	**49.6**	47.8	47.2	-
Spain	PPI Y/Y%	Jun	**7.0**	-	10.5	-
UK	Preliminary services (manufacturing) PMI	Jul	**51.8 (52.8)**	49.4 (52.0)	48.8 (52.5)	-
	Preliminary composite PMI	Jul	**52.1**	49.8	49.3	-
	DMP – 3M output price (1Y CPI) expectations Y/Y%	Jul	**3.9 (3.0)**	4.0 (3.2)	4.1 (3.3)	-
	GfK consumer confidence indicator	Jul	**-17**	-22	-23	-
	Retail sales – incl. auto fuel M/M% (Y/Y%)	Jun	**1.0 (4.2)**	-0.3 (2.4)	1.2 (3.2)	- (3.5)
	Retail sales – excl. auto fuel M/M% (Y/Y%)	Jun	**1.1 (5.4)**	-0.5 (3.2)	1.2 (4.6)	- (4.9)

Auctions

Country	Auction
- Nothing to report -	

Source: Bloomberg and Daiwa Capital Markets Europe Ltd.

The coming week's data calendar

The coming week's key data releases

Country		BST	Release	Period	Market consensus/ *Daiwa forecast*	Previous
			Monday 27 July 2026			
Euro area		09.00	M3 money supply Y/Y%	Jun	3.3	3.2
		09.00	ifo current assessment (expectations) indicator	Jul	87.3 (84.7)	87.0 (84.1)
		09.00	ifo business climate indicator	Jul	86.0	85.6
UK		11.00	CBI distributive sales survey – reported retail sales % net balance	Jul	-	-54
			Tuesday 28 July 2026			
France		07.45	INSEE consumer confidence indicator	Jul	85	84
		11.00	Total jobseekers mn	Q2	-	3.30
Spain		08.00	Retail sales Y/Y%	Jun	-	1.3
		08.00	Unemployment rate %	Q2	-	10.83
UK		00.01	BRC shop price index Y/Y%	Jul	1.2	1.2
			Wednesday 29 July 2026			
Germany		07.00	Import prices M/M% (Y/Y%)	Jun	-0.8 (5.9)	0.7 (6.8)
Italy		10.00	Hourly wages Y/Y%	Q2	-	2.4
UK		09.30	Net consumer credit £bn (Y/Y%)	Jun	-	1.7 (8.9)
		09.30	Net mortgage lending £bn (approvals 000s)	Jun	3.9 (57.1)	2.9 (56.2)
			Thursday 30 July 2026			
Euro area		10.00	GDP – first estimate Q/Q% (Y/Y%)	Q2	*0.3 (0.5)*	0.0 (0.5)
		10.00	Commission economic sentiment indicator	Jul	96.0	95.0
		10.00	Commission services (industrial) confidence indicator	Jul	3.4 (-7.0)	3.2 (-7.7)
		10.00	Final Commission consumer confidence indicator	Jul	*-15.9*	-17.7
		10.00	Unemployment rate %	Jun	6.2	6.2
Germany		09.00	GDP – first estimate Q/Q% (Y/Y%)	Q2	*0.3 (0.8)*	0.3 (0.5)
		13.00	Preliminary HICP (CPI) Y/Y%	Jul	2.8 (2.7)	2.4 (2.3)
France		06.30	GDP – first estimate Q/Q% (Y/Y%)	Q2	*0.2 (0.8)*	-0.1 (0.9)
		06.30	Consumer spending M/M% (Y/Y%)	Jun	-	0.5 (0.3)
		07.45	Preliminary private sector payrolls Q/Q%	Q2	-0.1	-0.1
Italy		09.00	GDP – first estimate Q/Q% (Y/Y%)	Q2	*0.0 (0.8)*	0.3 (0.8)
		11.00	PPI Y/Y%	Jun	-	9.1
Spain		08.00	Preliminary HICP (CPI) Y/Y%	Jul	3.8 (3.1)	3.6 (3.2)
		08.00	GDP – first estimate Q/Q% (Y/Y%)	Q2	*0.9 (2.9)*	0.6 (2.7)
UK		12.00	BoE Bank Rate %	Jul	*3.75*	3.75
			Friday 31 July 2026			
Euro area		09.00	Preliminary headline (core) HICP Y/Y%	Jul	*2.8 (2.4)*	2.8 (2.4)
Germany		08.55	Unemployment claims rate % (change 000s)	Jul	6.3 (5)	6.3 (-1)
France		07.45	Preliminary HICP (CPI) Y/Y%	Jul	2.1 (1.9)	2.0 (1.8)
		07.45	PPI Y/Y%	Jun	-	3.0
Italy		09.00	Istat economic (manufacturing) confidence indicator	Jul	-	95.2 (88.4)
		09.00	Istat consumer confidence indicator	Jul	93.0	92.4
		10.00	Preliminary HICP (CPI) Y/Y%	Jul	2.9 (2.8)	3.0 (3.0)
UK		07.00	Nationwide house prices M/M% (Y/Y%)	Jul	0.1 (1.9)	0.0 (2.2)

Source: Bloomberg and Daiwa Capital Markets Europe Ltd.

The coming week's key events & auctions

Country		BST	Event / Auction
			Monday 27 July 2026
			- Nothing scheduled -
			Tuesday 28 July 2026
Italy		10.00	Auction: to sell up to €1.25bn of 2.2% 2028 bonds
		10.00	Auction: to sell up to €1.25bn of 0.5% 2028 bonds
		10.00	Auction: to sell up to €3bn of 2% 2037 inflation-linked bonds
UK		10.00	Auction: to sell £750mn of 0.125% 2028 bonds
		11.30	Auction: to sell £750mn of 4.25% 2040 bonds
			Wednesday 29 July 2026
Euro area		09.00	ECB to publish wage tracker update
Germany		10.30	Auction: to sell up to €6bn of 3% 2036 bonds
			Thursday 30 July 2026
Italy		10.00	Auction: to sell bonds*
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 31 July 2026
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.*