

# Euro wrap-up

## Overview

- While ECB President Lagarde hinted at a rate hike as soon as the June meeting, Bunds made gains as the oil price fell, euro area core inflation moderated and Q1 GDP undershot expectations.
- Gilts also followed the global trend higher, as the BoE 'actively' held interest rates, reflecting hopes of some members of the MPC that hikes might not be required given the tightening of financial conditions over recent weeks.
- The coming week will bring March data for euro area retail sales, German industrial production, factory orders and goods trade.

## Economic Research Team

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### Daily bond market movements

Bond	Yield	Change
BKO 2½ 06/28	2.637	-0.100
OBL 2½ 04/31	2.745	-0.087
DBR 2.9 02/36	3.034	-0.073
UKT 4¾ 03/28	4.465	-0.105
UKT 4¾ 03/31	4.522	-0.091
UKT 4¾ 10/35	5.011	-0.059

\*Change from close as at 5.00pm BST.  
Source: Bloomberg

## Euro area

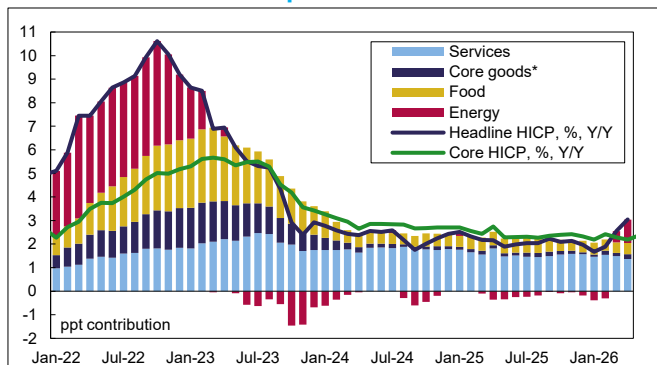
### ECB keeps policy unchanged, but Lagarde hints at a June rate hike

As widely expected, the ECB left policy unchanged today, keeping its main deposit rate at 2.00% in a unanimous decision. The tone of the ECB statement was also broadly neutral, reiterating that the current policy stance is well positioned to respond if necessary to the shocks from the Middle East, and that decisions will remain data-dependent and taken meeting-by-meeting. As illustrated by today's data, the Governing Council was reassured by the absence so far of second-round effects, with survey and market-based longer-term inflation expectations still well-anchored and firms' wage expectations edging lower. But the statement inevitably acknowledged that the upside risks to inflation have intensified. And so, while the ECB reiterated that it is "not pre-committing" to a particular rate path, Lagarde adopted a more hawkish tone during her press conference, giving a hint of tightening to come by stating among other things that "directionally" she knows where rates are heading. Indeed, she confirmed that all Governors had debated the case for raising rates today. The Governing Council agreed that it would be more appropriate to wait to take stock of the outlook again in six weeks' time when the implications of events in the Middle East might be clearer. But given the two rate hikes embedded in the ECB's scenarios published in March, and Lagarde's recognition today that energy prices have moved above its baseline assumption, we maintain our view that the deposit rate will be increased by 25bps at the June meeting, with one further hike likely too this year if the bottleneck at the Strait of Hormuz doesn't ease significantly soon.

### Inflation up to 3% for first time since 2023, but core inflation matches lowest in more than 4 years

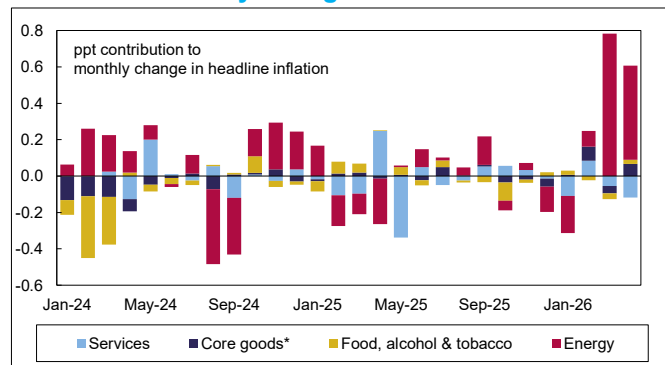
In terms of today's data, in line with our forecast and the consensus, the flash estimate of euro area HICP inflation in April rose 0.4ppt to 3.0%Y/Y, the highest since September 2023. But also as we expected, core inflation fell slightly for a second successive month back to 2.2%Y/Y, matching the lowest since late 2021. The weakness reflected a drop of 0.2ppt in services inflation to 3.0%Y/Y, the lowest in more than four years, likely in part due to softening in package holidays. And while the core goods component rose 0.3ppt to 0.8%Y/Y, that reflected more normal price-setting this year following an unusually small monthly rise last April. Among the non-core items, inflation of food, energy and tobacco edged back up just 0.1ppt to 2.5%Y/Y, still well below the average of the past year. So, as suggested by yesterday's [early indications](#) from the member states, the only pressure in the past month came from the energy component, which more than doubled to 10.9%Y/Y, the highest in more than three years, driven by prices of auto fuel and heating oil. While the German government's fuel tax cut in May and June will reduce some pressure from next month, given the recent upwards shift in crude oil prices we expect energy inflation to rise further over the near term. And with higher oil prices set to be passed on eventually to a range of goods and services, we expect core and food inflation to pick up too. So, we expect core inflation to rise back above 2½%Y/Y by the autumn and to 3%Y/Y or more by the new year. And even if wholesale energy spot prices follow a path indicated by current forward curves, headline inflation is set to remain at 3% or above into early 2027 too.

### Euro area: Consumer price inflation



\*NEIG. Source: Macrobond and Daiwa Capital Markets Europe Ltd.

### Euro area: Monthly change in headline inflation



\*NEIG. Source: Macrobond and Daiwa Capital Markets Europe Ltd.

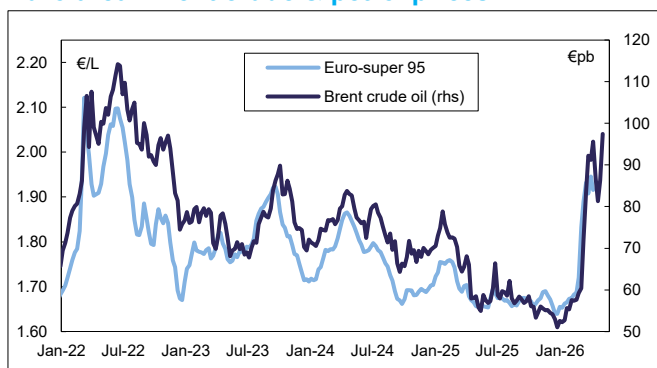
### Euro area GDP growth slows a little more than expected in Q1

The Governing Council will also have noted that today's first estimate of euro area GDP in Q1 undershot slightly its March projection, with growth slowing from Q4 by 0.1ppt to 0.1%Q/Q, a three-quarter low and 0.2ppt below the ECB's forecast. Admittedly, to three decimal places the moderation was milder (down 0.056ppt to 0.148%Q/Q). But this dragged year-on-year growth to a sub-potential rate of 0.9%Y/Y, the weakest since Q224. And with yesterday's [Commission economic sentiment survey](#) pointing to a further sharp loss in momentum at the start of Q2 and a likely negative carryover from Q1 as the outbreak of the war took its toll on demand, a contraction this quarter would not be surprising. Lacklustre growth is seems likely over the summer too. At face value, today's labour market data pointed to ongoing resilience at the end of Q1, with the euro area unemployment rate falling in March from an upwardly revised 6.3% to 6.2%, matching the series low. But more timely German data reported that jobless claims jumped the most in eleven months in April pushing the claimant count rate up to 6.4%, a rate that was last higher in April 2015.

### Mixed performance across member states in Q1, with Spain and Germany leading the way

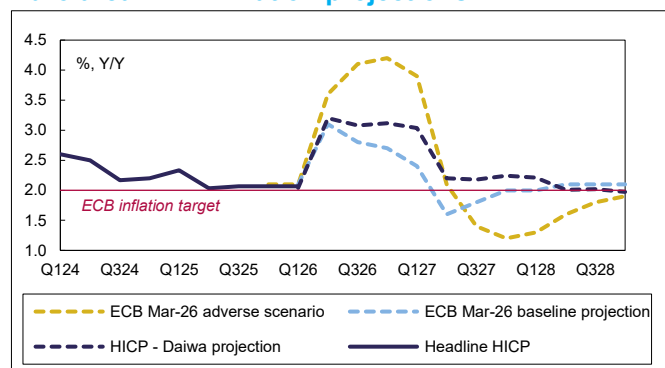
As usual, the headline euro area GDP growth figure in Q1 masked wide disparities across the member states. Germany surprised to the upside, with economic output rising for a second successive quarter and by 0.3%Q/Q, the most in a year. But this left the annual rate at just 0.3%Y/Y. Destatis attributed the acceleration to higher household and government consumption and exports. But this is somewhat at odds with the 2.0%M/M drop in retail sales in March, which was the steepest since October 2022 and left them down more than 1%Q/Q in Q1. And while some front-loading of factory output to dodge supply constraints might have provided some support last month, we see a material risk of a downwards revision to German Q1 GDP in due course. Among the other larger member states, Spain continued to outperform at the start of the year, with broad-based expansion sustaining solid, albeit slightly moderating growth of 0.6%Q/Q. Boosted by overseas visitor spending during the Winter Olympics, Italian GDP moderated just 0.1ppt to 0.2%Q/Q. In contrast, French GDP stalled for the first quarter in five as domestic demand ground to a halt. And, having previously outperformed in Q4, Portuguese growth dropped a chunky 0.9ppt to 0.0%Q/Q. Meanwhile, Irish GDP contracted, with the 2%Q/Q decline knocking almost 0.1ppt off euro area GDP growth.

#### Euro area: Brent crude & petrol prices



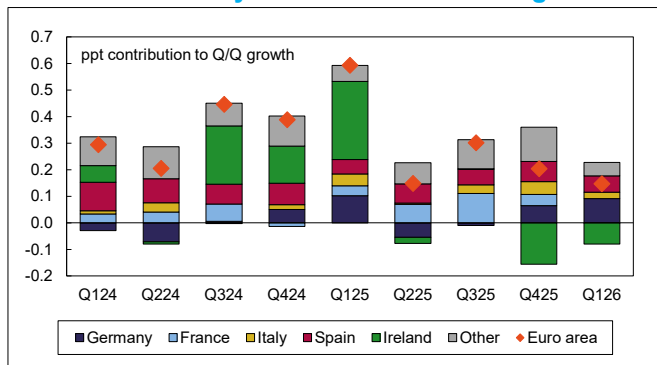
Source: Macrobond, Bloomberg and Daiwa Capital Markets Europe Ltd.

#### Euro area: ECB inflation projections



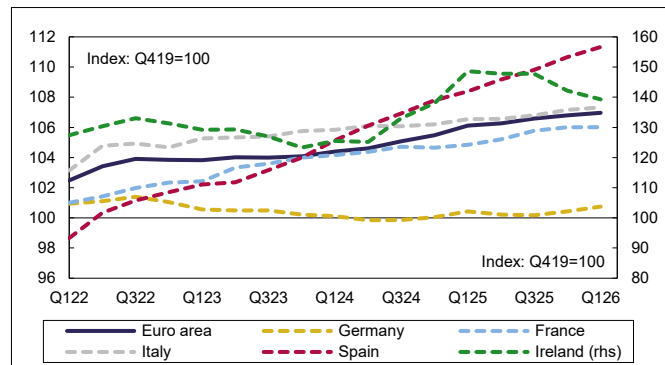
Source: ECB, Macrobond and Daiwa Capital Markets Europe Ltd.

#### Euro area: Country contributions to GDP growth



Source: Macrobond and Daiwa Capital Markets Europe Ltd.

#### Euro area member states: GDP levels



Source: Macrobond and Daiwa Capital Markets Europe Ltd.

### The week ahead in the euro area

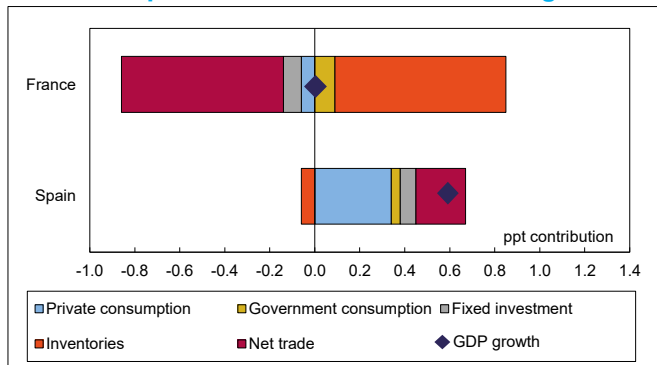
When the euro area dataflow resumes after tomorrow’s national holidays, the focus will be on incoming activity figures. For what it’s worth, surveys have been unequivocal that activity has suffered from the energy market shock. But as April’s final PMIs (due Monday and Wednesday) should confirm – barring any revisions from the flash estimates which reported a sharp services-led contraction but a pickup in factory output – the most pronounced effects are likely yet to be realised.

Nevertheless, the deterioration in consumer confidence and willingness to spend presents an obvious downside risk to March’s retail sales figures (Thursday). Judging by the spending data released by the member states so far, volumes failed to benefit significantly from either the earlier timing of Easter or, as seen in the UK, consumers’ efforts to beat price rises at the pump. Given today’s very weak German retail sales numbers (-2.0%M/M) and more limited gains in France (0.2%M/M) and Spain (1.2%M/M), euro area retail sales likely slipped back further at the end of Q1, pointing to a first quarterly drop in 2½ years. And given the lagged effects of the energy shock, retail sales are unlikely to make a positive contribution to GDP growth in Q2 too.

Surveys have reported frontloading of production and purchases of inputs by some manufacturers to dodge possible future supply disruptions and cost pressures. So, while output of energy-intensive subsectors is still likely to have been negatively affected by the rise in input prices, March’s IP data from France (Wednesday), Germany and Spain (Friday) might appear more resilient than feared. They will, however, be well down on an annual basis given last March’s boost from frontloading in the run up to Trump’s Liberation Day tariff announcement. Meanwhile, particularly given their weak start to the year, German new factory orders (Thursday) figures might also have received some temporary support. And attempts to avoid future disruption could also benefit French (Thursday) and German (Friday) goods exports, although demand from the Middle East will have fallen sharply and the deterioration in Europe’s terms of trade will be reflected in more expensive imports of mineral fuels and a resulting smaller trade surplus.

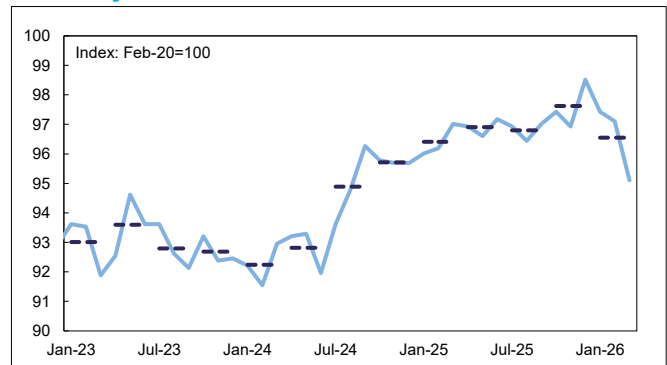
Beyond the hard data, the ECB’s latest Survey of Professional Forecasters (Monday) might be of more interest than usual. Compared to previous rounds, forecasts of GDP growth and inflation are likely to see more variation. Medium-term inflation expectations, however, should remain relatively well anchored. And as pay expectations following the oil shock have reportedly been moderate, the ECB’s wage tracker update (Wednesday) should show settlements converging to a target-consistent rate at year-end. That might be of some comfort to policymakers, although Executive Board members – including Schnabel, de Guindos (Thursday) and Lane (Wednesday and Thursday) – are expected to echo President Lagarde’s more hawkish tone, underscoring the ECB’s preparedness to tighten policy should the disruption in energy markets show no signs of abating over coming months.

#### France & Spain: Contributions to Q1 GDP growth



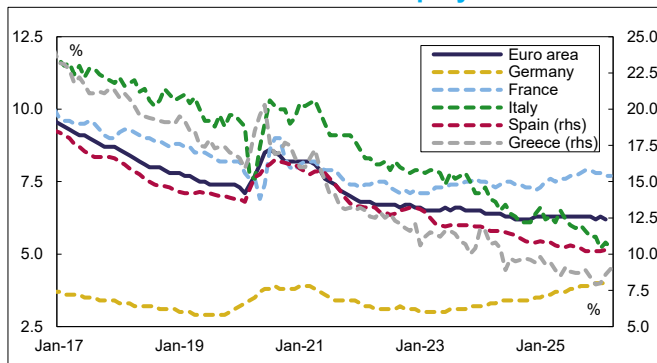
Source: Macrobond and Daiwa Capital Markets Europe Ltd.

#### Germany: Retail sales volumes\*



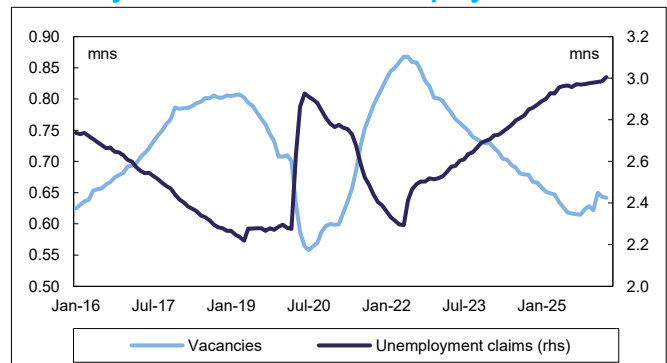
\*Dashed dark blue lines represent quarterly averages.  
Source: Macrobond and Daiwa Capital Markets Europe Ltd.

#### Euro area member states: Unemployment rates



Source: Macrobond and Daiwa Capital Markets Europe Ltd.

#### Germany: Job vacancies & unemployment claims



Source: Macrobond and Daiwa Capital Markets Europe Ltd.

**UK**

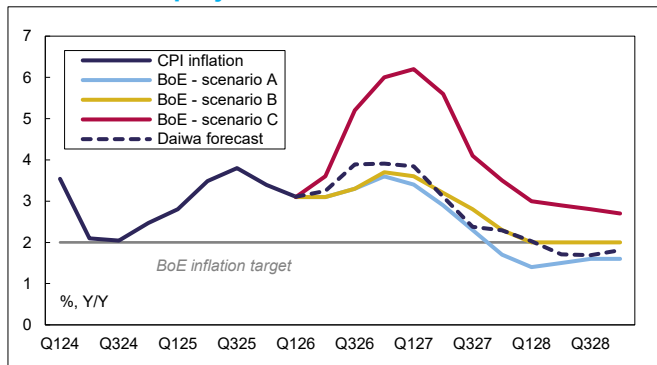
**BoE's 'active hold' reflects hopes on MPC that rate hikes might not be required**

Like the ECB, the BoE also predictably left policy unchanged today, maintaining Bank Rate at 3.75%. As we expected, eight of the nine MPC members voted in favour of the decision with only the perennially hawkish Chief Economist Pill having preferred to hike. In its statement, the MPC inevitably underscored the high level of uncertainty related to events in the Middle East and emphasised that the future path of Bank Rate will depend on the scale and duration of the shock to energy prices and how it eventually resonates through the economy. Of course, the Committee is also mindful of the risks of material second-round effects on inflation that might eventually require a strong policy response. However, in the post-meeting press conference, Bailey implied that the MPC was not in 'wait-in-see' mode, and – as it had eschewed the rate cuts priced by the markets earlier this year – instead judged policy already to be in a 'reasonable place'. So, he characterised today's decision as an 'active hold', implying a degree of confidence that for the time being the current stance is appropriate. Indeed, policy is already restrictive. Broader financial conditions have tightened significantly since the start of the conflict. The labour market continues to loosen. And so, the further hit to economic activity (albeit perhaps not a recession) likely to result from events in the Middle East could sufficiently restrain second-round effects to allow inflation to return to or even below target by the end of the horizon. Indeed, the MPC's updated projections and scenario analysis leave open the possibility that rates will not need to rise at all this year. However, they also make clear that, if wholesale energy prices remain significant higher for longer than implied by market pricing earlier this month, and/or if second-round effects risk being larger and more persistent, Bank Rate will have to rise.

**Scenarios present wide range of possible pathways for inflation, but we still expect hike in July**

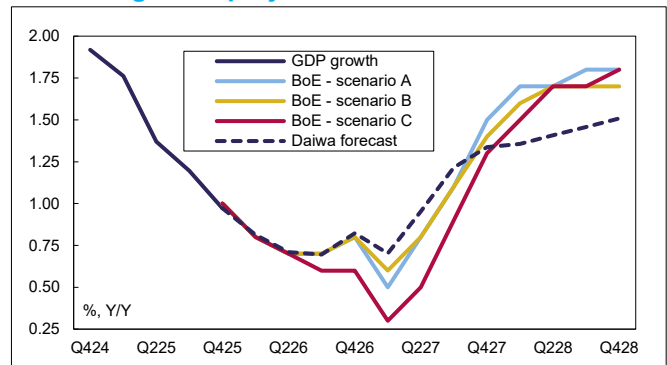
If energy costs and interest rates follow a path implied by market pricing in the 15 working days to 22 April, the BoE's scenario A envisages inflation remaining above 3%Y/Y until at least Q127. The peak around 3½%Y/Y would come around the turn of the year. But without second-round effects, inflation would then be expected to fall back below 2%Y/Y by the end of next year and remain there until the end of the projection horizon. And under that scenario, which might yet be realised if freight transit resumes swiftly at the Strait of Hormuz, Bank Rate could remain unchanged from here. Of course, wholesale energy prices have since risen. And under the BoE's scenario B, energy prices are assumed to remain significantly higher from October on, at an average of the futures curve and a constant spot price. With modest additional second-round effects via price expectations and wages, inflation would still be expected eventually to return to the 2%Y/Y target without any more tightening than is currently priced into the market. However, if oil and gas prices rise sharply to the upper tail of the distribution implied by options and remain elevated for a prolonged period – so that Brent crude prices remain above

**UK: Inflation projections**



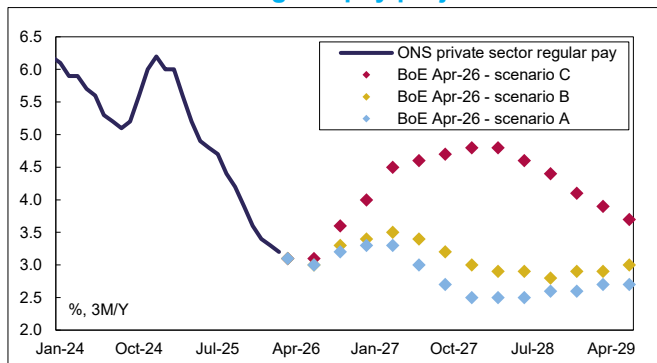
Source: Macrobond, BoE MPR Apr-26 and Daiwa Capital Markets Europe Ltd.

**UK: GDP growth projections**



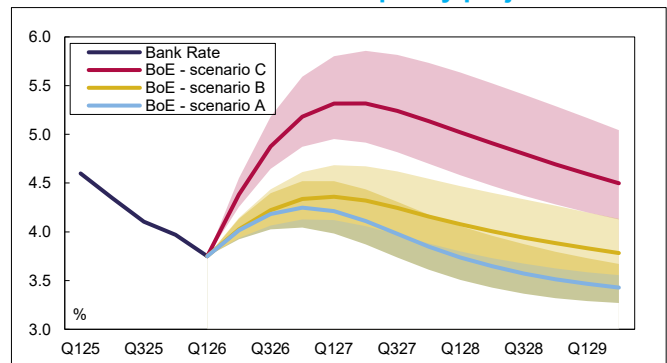
Source: Macrobond, BoE MPR Apr-26 and Daiwa Capital Markets Europe Ltd.

**UK: Private sector regular pay projections**



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

**UK: Illustrative model-based policy projections\***



\*Shaded areas show range of policy projections conditional on policymakers trade-off between inflation and output growth.

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

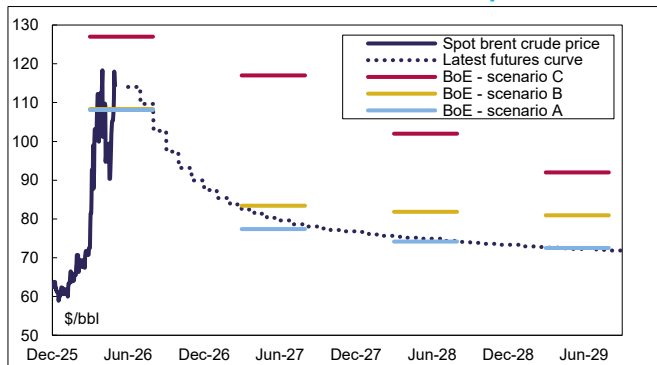
\$100bbl through to mid-2028 and wholesale gas prices rise to almost double current market pricing by Q227 – and second-round effects are larger and more persistent, the BoE's scenario C suggests that inflation could rise as high as 6%Y/Y or more around the turn of the year. And while inflation would be expected eventually to fall back under that scenario, the Bank thinks it would remain a little above 2½%Y/Y by the end of the projection horizon. The BoE's policy rules suggest that could require Bank Rate to be hiked aggressively, perhaps to above 5% by the end of this year. For the time being, we would attach a low probability to that scenario. And a majority of MPC members appear to attach most weight to scenario B or a variant thereof (see table of members' stated views below), to which our inflation projection also aligns more closely. Indeed, if events pan out as we expect, we anticipate another 'active hold' at the June MPC meeting. But unless energy prices have fallen back significantly by then and/or if wage and inflation expectations pickup, a rate hike would then still seem likely at end-July, although that might then represent all the tightening required.

## The week ahead in the UK

While much of Europe will be on holiday, a few data releases are scheduled in the UK tomorrow including the BoE's latest bank lending figures. While we expect to see signs of an increase in business lending to meet new liquidity needs, the significant tightening in financial conditions caused by events in the Middle East suggests that the risks to loans for house purchase in March are skewed to the downside. The combination of greater uncertainty and higher mortgage rates should also have a depressing effect on Nationwide's house price index this month. April's final manufacturing PMIs – whose flash release flagged significant input cost pressures but also a likely temporary increase in production – are also due at the end of this week.

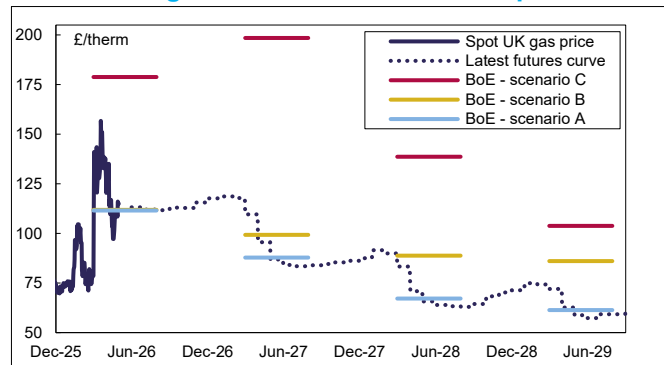
Next week, the UK data calendar looks quiet. Following Monday's public holiday, the remainder of April's PMIs will be the most noteworthy of the incoming releases. In terms of the services PMIs (Wednesday), their flash release demonstrated similar resilience to that shown by manufacturers, as activity in the sector partially rebounded (52.0) after stagnating in April. But the underlying detail was softer than that increase might have suggested. And given the divergence between the flash UK PMIs and their major European peers, the likelihood of downward revisions to each of the final surveys feels higher than usual. Meanwhile, despite more favourable weather, April's construction PMIs (Thursday) seem bound for a 16th consecutive month in contractionary territory, while higher input price pressures will be reported. Data aside, a handful of MPC members – including Governor Bailey – are due to participate at the BoE's BEAR conference (Thursday and Friday). However, given the politically sensitive local elections in England and national parliament elections in Scotland and Wales (Thursday), they will not offer insights pertaining to near-term monetary policy decisions.

### UK: Brent crude futures & BoE assumptions\*



\*Lines for the BoE show conditioning assumptions in Q2 of each year.  
 Source: Bloomberg, BoE MPR Apr-26 and Daiwa Capital Markets Europe Ltd.

### UK: Natural gas futures and BoE assumptions\*



\*Lines for the BoE show conditioning assumptions in Q2 of each year.  
 Source: Bloomberg, BoE MPR Apr-26 and Daiwa Capital Markets Europe Ltd.










**BoE April 2026: MPC members' views**

MPC member	Vote	Selected quotes from the MPC minutes
Governor Bailey	3.75%	"This shock will induce a trade-off between higher inflation and softer output... If the shock appears to be short-lived or the economy weaker, policy should place relatively more weight on avoiding unnecessary contraction in activity. If second-round effects are likely to be greater, policy should focus on returning inflation back to target more quickly...I place most weight on Scenario B, albeit with slightly reduced second-round effects. I place some weight on Scenario C...For now, the softer real economy makes it appropriate to maintain Bank Rate."
Deputy Governor Lombardelli	3.75%	"Prior to the conflict, domestic inflationary pressures had reduced but were lingering. Consumers and businesses have faced sustained above-target inflation... [BoE surveys] indicate that firms will look to pass on cost rises...However, there are downside risks to activity...I place more weight on [...] Scenario B... A tightening in monetary and financial conditions relative to before the war is warranted. Holding rates [now] provides an appropriate degree of restrictiveness while we learn more... While I do not view Scenario C as a central case, it is plausible..."
Deputy Governor Breen	3.75%	"...slack in the labour market should provide [more] restraint [than in 2022] ... underlying disinflation remained on track [before the war] ... financial conditions have tightened significantly... This provides sufficient restrictiveness to guard against the current risk of second-round effects and gives us some time to learn more...Firms and workers may be more attuned to salient prices...[but] demand may weaken further...I place most weight on Scenario B. I do not judge Scenario C as likely, but if it were to materialise, I would stand ready to react..."
Deputy Governor Ramsden	3.75%	"The outlook [...] remains highly uncertain, with upside risks to inflation [...] but also downside risks... the labour market continues to weaken and demand is subdued, such that second-round effects [...] are likely to be limited... I see upside risks to energy prices relative to futures curves and so place equal weight on Scenarios A and B, though do not completely rule out Scenario C. Under Scenario B, I would consider raising Bank Rate and accepting a larger output gap as a result, [but if] some of the downside risks in Scenario A materialise, I would favour a less restrictive path."
Swati Dhingra	3.75%	"I am not strongly attached to any one of the [...] scenarios, and A, B and C all remain in play...In the event of a swift resolution and materially lower energy prices, further reduction in Bank Rate would be warranted, and possibly quickly ...[but] we could be faced with a sharper policy trade-off under a larger and longer energy shock...If the situation were to worsen, this may warrant some tightening, but there is a limit to how much output loss should be acceptable."
Alan Taylor	3.75%	"...the historical example of 2011 is a better comparison [than 2022] ... With wage settlements largely agreed for this year, we are unlikely to learn quickly about [...] second-round effects... I currently place more weight [between] Scenario A and the path with standard treatment, where conflict subsides and energy prices moderate ... This would entail a hold for some time, then a move to a neutral or accommodative stance. We will know more by June or July... it makes sense to hold for risk-management [and because] financial conditions [...] are amply restrictive..."
Catherine Mann	3.75%	"...the scenarios overestimate both the projected opening up of slack and the moderation of inflation... I expect greater additional second-round effects than in the scenarios... an 'active hold' now [...] allows for more readings on salience, attentiveness, and threshold effects. Should I see continued rising inflation outturns and expectations, I would expect to increase Bank Rate so as to lean against inflation rising into 2027."
Megan Greene	3.75%	"[inflation risks] are to the upside, even if the conflict ends soon... I am more worried about the price-setting than wage-setting channel of second-round effects. In my view, second-round effects in Scenario B represent a lower bound...we may end up with inflation somewhere between Scenarios B and C, necessitating a tighter stance... the yield curve has tightened enough to give us time to hold and learn...an increase in Bank Rate may be necessary in upcoming meetings."
Chief Economist Pill	4.00%	"[It is clear] that higher energy prices represent an inflationary shock...second-round effects [...] have the potential to raise UK inflation beyond the near term in a persistent manner... I see the risk of second-round effects in each of these scenarios as skewed to the upside...[due to] structural change in price and wage-setting, and the impact on inflation expectations...as someone already concerned about a stalling of the underlying disinflation process even before the latest energy price shock, a prompt but modest hike in Bank Rate will help mitigate upside risks"

Source: BoE (April 2026 Monetary Policy Summary & Minutes) and Daiwa Capital Markets Europe Ltd.







**The next Euro wrap-up will be published on Wednesday 6 May 2026**

## Daiwa economic forecast

	2025		2026		2027		2026	2027	2028
	Q4	Q1	Q2	Q3	Q4	Q1			
<b>GDP</b>	<b>%, Q/Q</b>						<b>%, Y/Y</b>		
Euro area 	0.2	0.1	0.0	0.1	0.2	0.3	0.6	1.0	1.4
UK 	0.1	0.5	0.1	0.0	0.2	0.4	0.8	1.1	1.4
<b>Inflation, %, Y/Y</b>									
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	3.3	3.9	3.9	3.9	3.6	2.9	1.8
Core CPI 	3.3	3.2	2.8	3.2	3.4	3.5	3.1	3.1	2.2
<b>Monetary policy, %</b>									
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/ Daiwa forecast	Previous	Revised	
Euro area 	ECB Deposit (Refinancing) Rate %	Apr	<b>2.00 (2.15)</b>	<u>2.00 (2.15)</u>	2.00 (2.15)	-	
	Preliminary headline (core) HICP Y/Y%	Apr	<b>3.0 (2.2)</b>	<u>3.0 (2.2)</u>	2.6 (2.3)	-	
	Unemployment rate %	Mar	<b>6.2</b>	6.2	6.2	6.3	
	GDP – first estimate Q/Q% (Y/Y%)	Q1	<b>0.1 (0.8)</b>	<u>0.2 (0.8)</u>	0.2 (1.2)	-	
Germany 	Retail sales M/M% (Y/Y%)	Mar	<b>-2.0 (0.9)</b>	-0.2 (0.5)	-0.6 (0.6)	-0.3 (0.9)	
	Import prices M/M% (Y/Y%)	Mar	<b>3.6 (2.3)</b>	3.6 (1.6)	0.3 (-2.3)	-	
	Unemployment claims rate % (change 000s)	Apr	<b>6.4 (20)</b>	6.3 (4)	6.3 (0)	6.4 (3)	
France 	GDP – first estimate Q/Q% (Y/Y%)	Q1	<b>0.3 (0.5)</b>	<u>0.1 (0.2)</u>	0.3 (0.6)	0.2 (0.5)	
	Preliminary HICP (CPI) Y/Y%	Apr	<b>2.5 (2.2)</b>	2.3 (2.0)	2.0 (1.7)	-	
	PPI Y/Y%	Mar	<b>0.2</b>	-	-2.4	-	
	Consumer spending M/M% (Y/Y%)	Mar	<b>0.7 (0.5)</b>	-	-1.4 (-1.5)	- (-1.6)	
	GDP – first estimate Q/Q% (Y/Y%)	Q1	<b>0.0 (1.1)</b>	<u>0.2 (1.3)</u>	0.2 (1.2)	-	
Italy 	Preliminary private sector payrolls Q/Q%	Q1	<b>-0.1</b>	-	-0.1	-	
	Preliminary HICP (CPI) Y/Y%	Apr	<b>2.9 (2.8)</b>	2.5 (2.3)	1.6 (1.7)	-	
Spain 	GDP – first estimate Q/Q% (Y/Y%)	Q1	<b>0.2 (0.7)</b>	<u>0.1 (0.6)</u>	0.3 (0.8)	- (0.9)	
	GDP – first estimate Q/Q% (Y/Y%)	Q1	<b>0.6 (2.7)</b>	<u>0.5 (2.6)</u>	0.8 (2.7)	-	
UK 	BoE Bank Rate %	Apr	<b>3.75</b>	<u>3.75</u>	3.75	-	
<b>Auctions</b>							
Country	Auction						
- Nothing to report -							



Source: Bloomberg and Daiwa Capital Markets Europe Ltd.

### Tomorrow's releases

#### Economic data

Country	BST	Release	Period	Market consensus/ <i>Daiwa forecast</i>	Previous	
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

#### Auctions and events

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		

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/ <i>Daiwa forecast</i>	Previous	
<b>Monday 4 May 2026</b>						
Euro area		09.00	Final manufacturing PMI	Apr	<u>52.2</u>	51.6
		09.30	Sentix investor confidence indicator	May	-21.0	-19.2
Germany		08.55	Final manufacturing PMI	Apr	<u>51.2</u>	52.2
France		08.50	Final manufacturing PMI	Apr	<u>52.8</u>	50.0
Italy		08.45	Manufacturing PMI	Apr	-	51.3
Spain		08.15	Manufacturing PMI	Apr	-	48.7
<b>Tuesday 5 May 2026</b>						
Spain		08.00	Unemployment (net employment) change 000s	Apr	-	-22.9 (80.3)
UK		09.00	New car registrations Y/Y%	Apr	-	6.6
<b>Wednesday 6 May 2026</b>						
Euro area		09.00	Final composite (services) PMI	Apr	<u>48.6 (47.4)</u>	50.7 (50.2)
		10.00	PPI Y/Y%	Mar	-	-3.0
Germany		08.55	Final composite (services) PMI	Apr	<u>48.3 (46.9)</u>	51.9 (50.9)
France		07.45	Industrial production M/M% (Y/Y%)	Mar	0.5 (0.2)	-0.7 (-0.3)
		08.50	Final composite (services) PMI	Apr	<u>47.6 (46.5)</u>	48.8 (48.8)
Italy		08.45	Composite (services) PMI	Apr	-	49.2 (48.8)
		09.00	Retail sales M/M% (Y/Y%)	Mar	-	0.0 (1.6)
Spain		08.15	Composite (services) PMI	Apr	-	52.4 (53.3)
UK		09.30	Final composite (services) PMI	Apr	<u>52.0 (52.0)</u>	50.3 (50.5)
<b>Thursday 7 May 2026</b>						
Euro area		08.30	Construction PMI	Apr	-	44.6
		10.00	Retail sales M/M% (Y/Y%)	Mar	<u>-0.3 (0.8)</u>	-0.2 (1.7)
Germany		07.00	Factory orders M/M% (Y/Y%)	Mar	0.9 (1.6)	0.9 (3.5)
		08.30	Construction PMI	Apr	-	48.0
France		07.45	Trade balance €bn	Mar	-	-5.8
		07.45	Preliminary wages Q/Q%	Q1	-	0.2
		08.30	Construction PMI	Apr	-	38.4
Italy		08.30	Construction PMI	Apr	-	46.8
UK		09.30	Construction PMI	Apr	-	45.6
<b>Friday 8 May 2026</b>						
Germany		07.00	Industrial production M/M% (Y/Y%)	Mar	0.3 (-1.8)	-0.3 (0.0)
		07.00	Trade balance €bn	Mar	-	19.7
Spain		08.00	Industrial production M/M% (Y/Y%)	Mar	-	-0.1 (-1.1)

Source: Bloomberg and Daiwa Capital Markets Europe Ltd.

## The coming week's key events & auctions

Country	BST	Event / Auction
<b>Monday 4 May 2026</b>		
Euro area	09.00	ECB to publish quarterly Survey of Professional Forecasters (SPF)
UK	-	May Day – public holiday in the UK
<b>Tuesday 5 May 2026</b>		
Germany	10.30	Auction: to sell up to €1bn of 2.1% 2029 green bonds
	10.30	Auction: to sell up to €500mn of 2.5% 2035 green bonds
<b>Wednesday 6 May 2026</b>		
Euro area	09.00	ECB to publish updated wage tracker
	09.00	ECB Chief Economist Lane to participate in policy panel on central bank independence, Berlin
Germany	10.30	Auction: to sell up to €3.5bn of 2.5% 2032 bonds
UK	10.00	Auction: to sell £1.6bn of 1.125% 2035 inflation-linked bonds
<b>Thursday 7 May 2026</b>		
Euro area	08.15	ECB Governing Council & BdF Governor Villeroy to give speech at central banking conference, Paris
	08.15	ECB Vice-President De Guindos to give keynote speech at ECB-EC conference on financial integration, Frankfurt
	18.00	ECB's Schnabel to give lecture on central bank independence at London School of Economics
France	09.50	Auction: to sell bonds*
Spain	09.30	Auction: to sell bonds*
UK	14.40	BoE's Lombardelli to chair panel on industry and trade featuring ECB's Lane and external MPC member Taylor, London
<b>Friday 8 May 2026</b>		
UK	13.20	BoE Governor Bailey participates in fireside chat on global imbalances. London

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

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