EUROPEAN CENTRAL BANK
EUROSYSTEM

Outlook for the euro area economy

MacGill Summer School

Glenties, Co. Donegal,
24 July 2026

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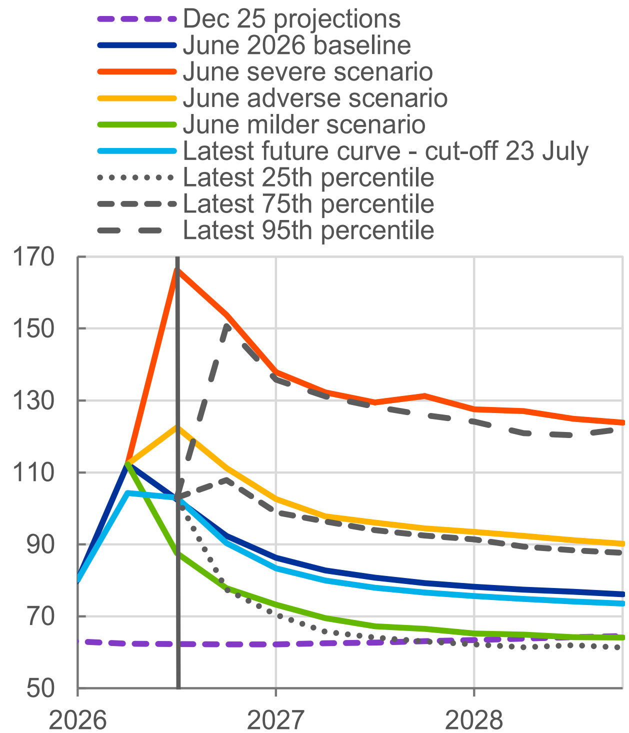
Member of the Executive Board

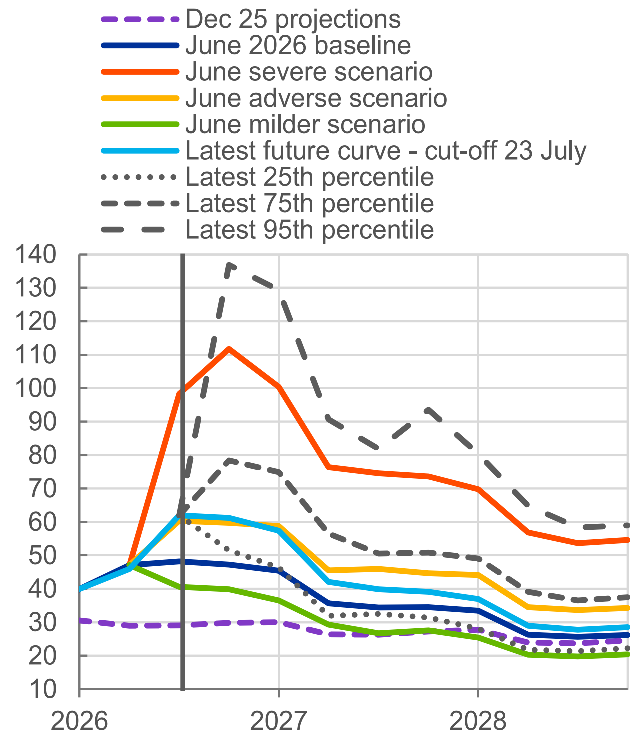
Outlook and scenarios for energy commodity prices

Oil prices
(USD per barrel)



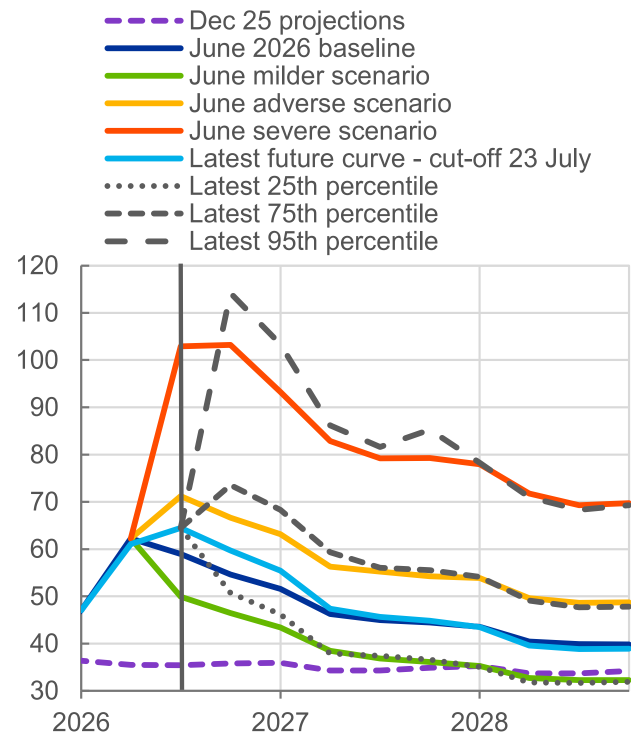
Sources: Refinitiv and ECB staff calculations.
Notes: Black vertical line refers to the current quarter. The latest percentile paths show the corresponding percentiles of the option-implied distributions from the fourth quarter of 2026 onwards. The estimates have been updated using data as of 23 July and recentred around the latest futures curves. The latest observations are for 23 July 2026.

Gas prices
(EUR/MWh)



Sources: Refinitiv and ECB staff calculations.
Notes: Black vertical line refers to the current quarter. The latest percentile paths show the corresponding percentiles of the option-implied distributions from the fourth quarter of 2026 onwards. The estimates have been updated using data as of 23 July and recentred around the latest futures curves. The latest observations are for 23 July 2026.

Synthetic energy commodity price index (SECPI)
(USD index)

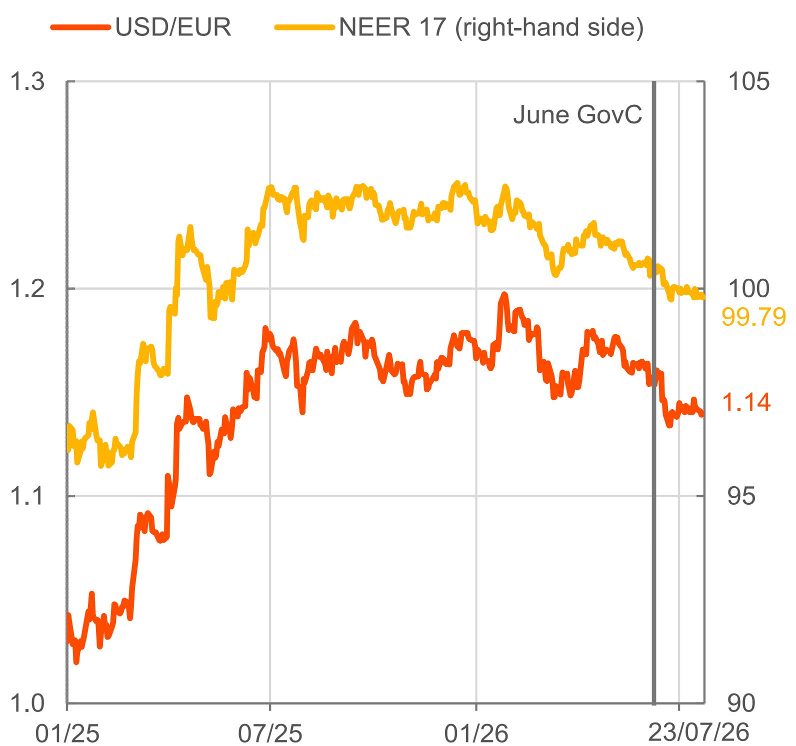


Sources: Refinitiv and ECB staff calculations.
Notes: Black vertical line refers to the current quarter. The SECPI is computed as a weighted average of oil and gas prices. The latest percentile paths show the corresponding percentiles of the option-implied distributions from the fourth quarter of 2026 onwards. The estimates have been updated using data as of 23 July and recentred around the latest futures curves. The latest observations are for 23 July 2026.

Exchange rates and commodity prices

USD/EUR and NEER

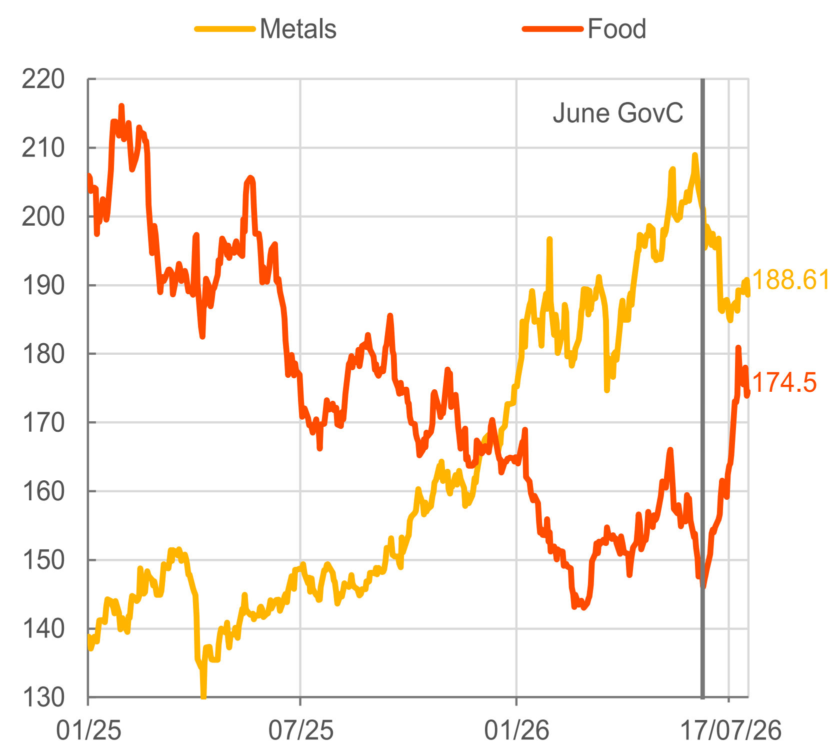
(left-hand scale: level; right-hand scale: index: 1999 = 100)



Source: ECB calculations.
Notes: Nominal effective exchange rate (NEER) denoted in euro for 17 trading partners (NEER 17). Projections correspond to 10-day rolling averages. “June GovC” refers to 10 June 2026. The latest observations are for 23 July 2026.

Non-energy commodities

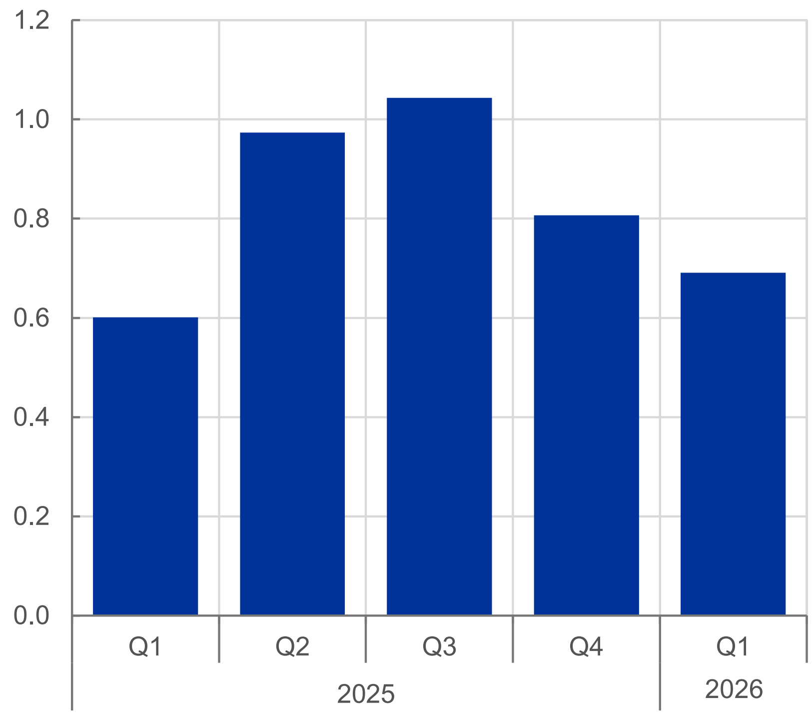
(index: 2020 = 100)



Sources: London Stock Exchange Group (LSEG), Hamburgisches WeltWirtschaftsInstitut (HWWI) and ECB calculations.
Notes: “June GovC” refers to 10 June 2026. Food refers to the HWWI food price index using import-based weights. The latest observations are for 17 July 2026 (weekly data).

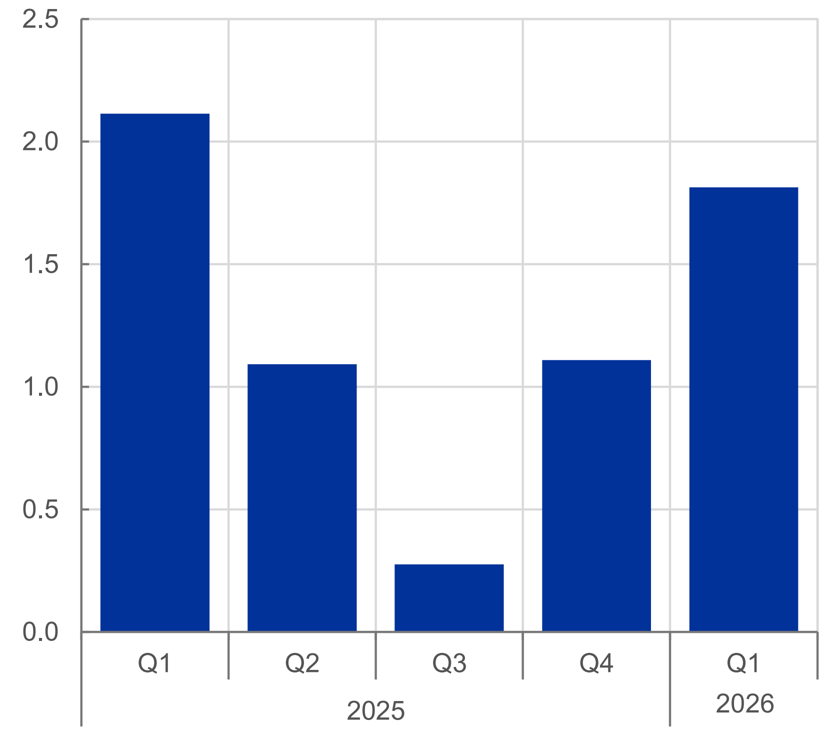
Global growth and trade

World (excl. euro area) real GDP growth
(quarter-on-quarter percentage changes)



Sources: Haver and ECB staff calculations.
Note: The latest observations are for the first quarter of 2026.

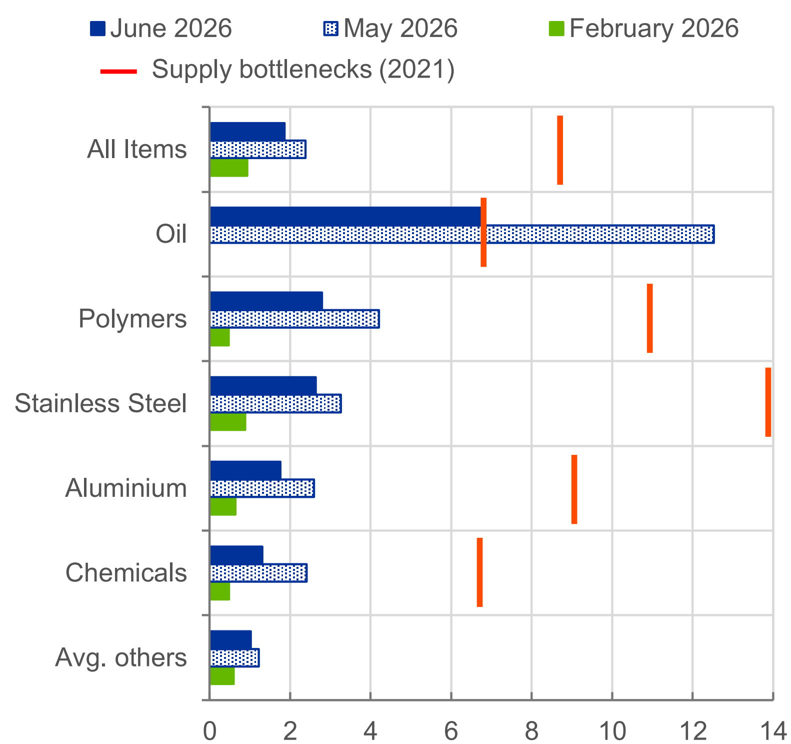
World (excl. euro area) import growth
(quarter-on-quarter percentage changes)



Sources: Haver and ECB staff calculations.
Note: The latest observations are for the first quarter of 2026.

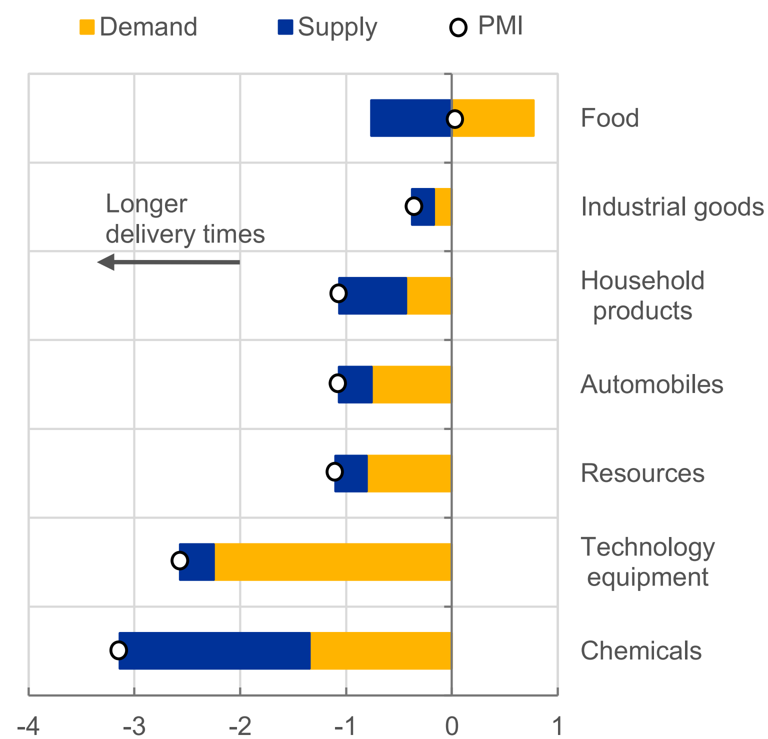
Supply shortages and delivery times

PMI supply shortages
(index)



Sources: HSBC, S&P Global, Haver Analytics and ECB staff calculations.
Notes: "Avg. others" reports the average supply shortages by non-energy intensive sectors and PMI reports purchasing managers' index. The latest observations are for June 2026.

Global PMI supply delivery times
(average contribution of shocks between March and June 2026)

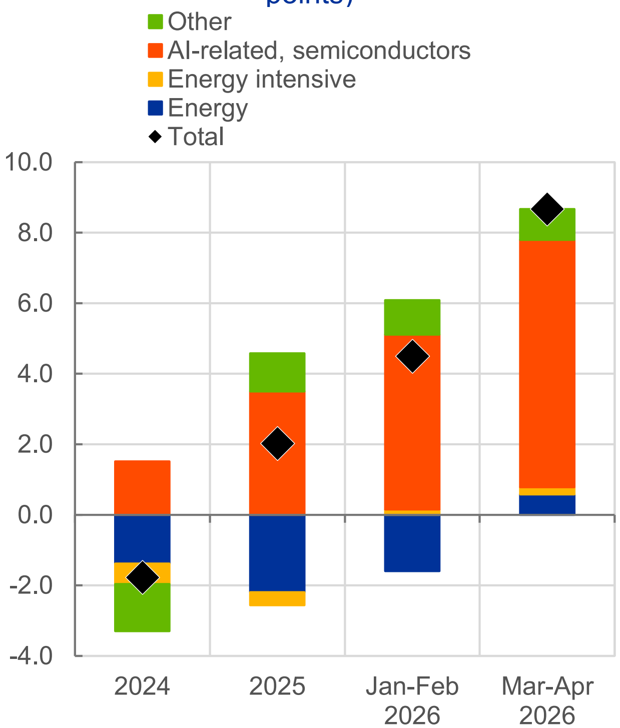


Sources: S&P, Haver and ECB staff calculations.
Notes: The chart decomposes the average deviation of sectoral delivery times between March and June from the long-run average. Results are obtained from bivariate Vector Autoregressive (VAR) models estimated by sector using demeaned PMI output and PMI suppliers' delivery times indices. The models are identified with sign restrictions. Positive supply shocks are constrained to improve output and delivery times on impact, while positive demand shocks are constrained to increase output and lengthen delivery times. The latest observations are for June 2026.

Imports by category and global pipeline price pressures

World (excl. euro area) goods imports: by category

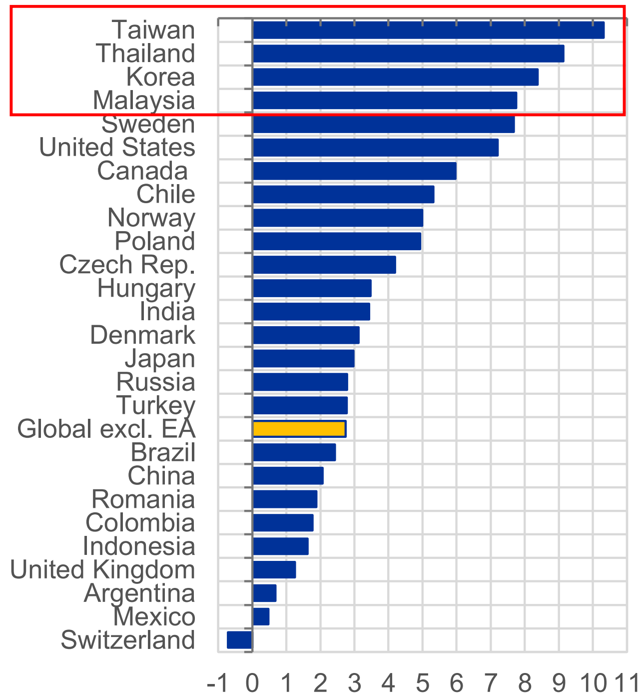
(year-on-year percentage change, percentage points)



Sources: Trade data monitor (TDM) and ECB staff calculations.
Notes: Nominal import values. Percentage changes and contributions are deviations from the 2019-23 mean. AI-related/semiconductors category include AI-related items, semiconductors (upstream and downstream) and other high-tech sub-categories. The latest observations are for April 2026.

Producer price inflation: manufacturing

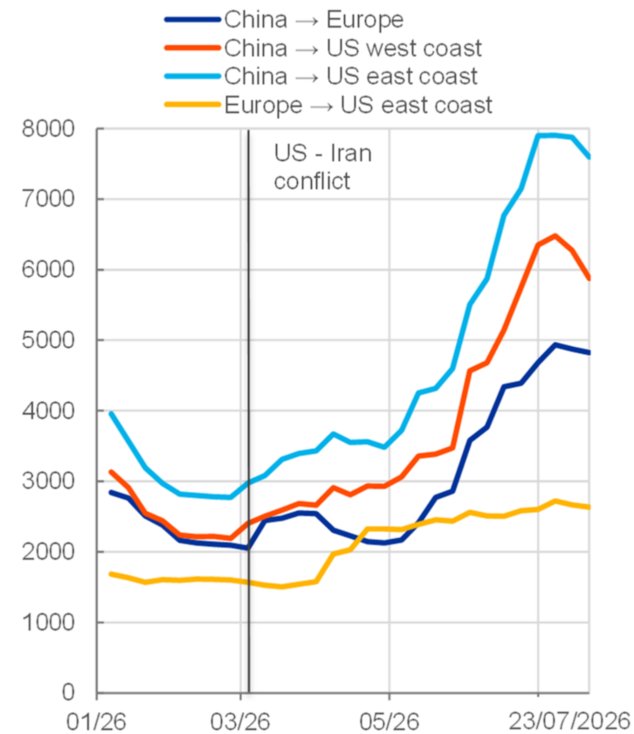
(percentage points)



Sources: National sources via Haver Analytics and ECB staff calculations.
Notes: Difference in percentage points between average annual manufacturing producer price index growth, March-May 2026 (war) vs. December-February 2026 (pre-war). The latest observations are for May 2026.

Freight rate

(USD/40 ft container)

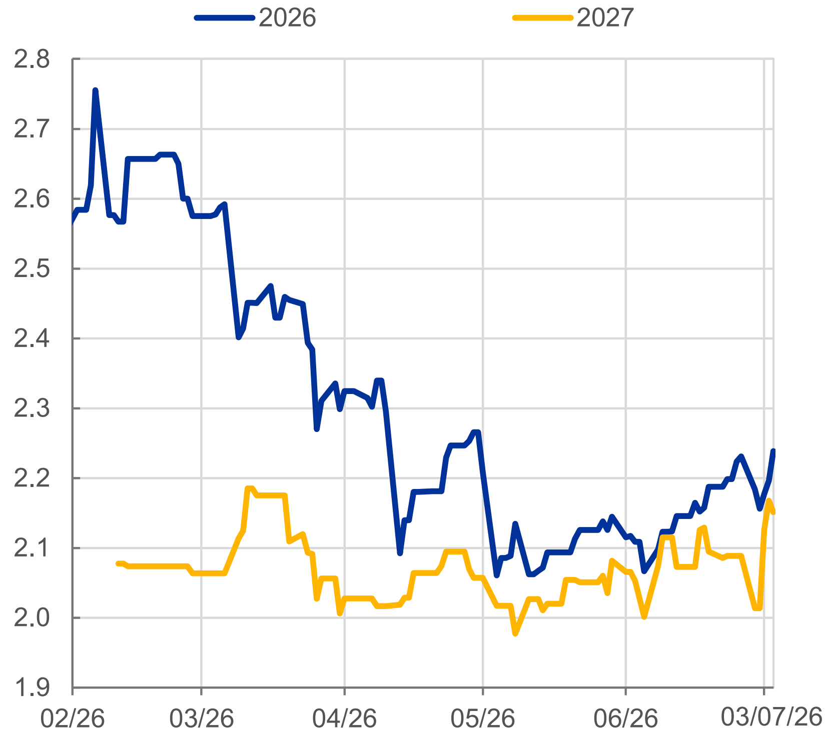


Sources: Drewry and ECB staff calculation.
Notes: Spot freight rates for major east-west trade routes, sourced from freight forwarders/non-vessel operating common carriers in Europe, North America and Asia. The latest observations are for 23 July 2026.

United States and China: Outlook for activity

US: Consensus Economics GDP forecasts

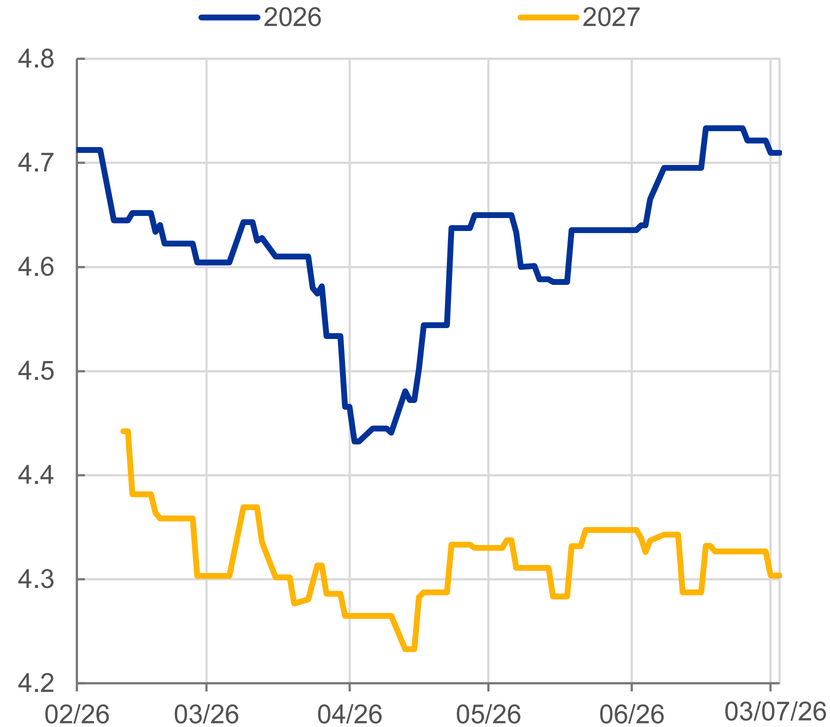
(year-on-year percentage changes, moving average)



Sources: Consensus Economics (CE), Federal Open Market Committee and ECB staff calculations.
Notes: CE series are calculated for each business day as a moving average of the latest revised forecasts. The latest observations are for 3 July 2026 (CE).

China: Consensus Economics GDP forecasts

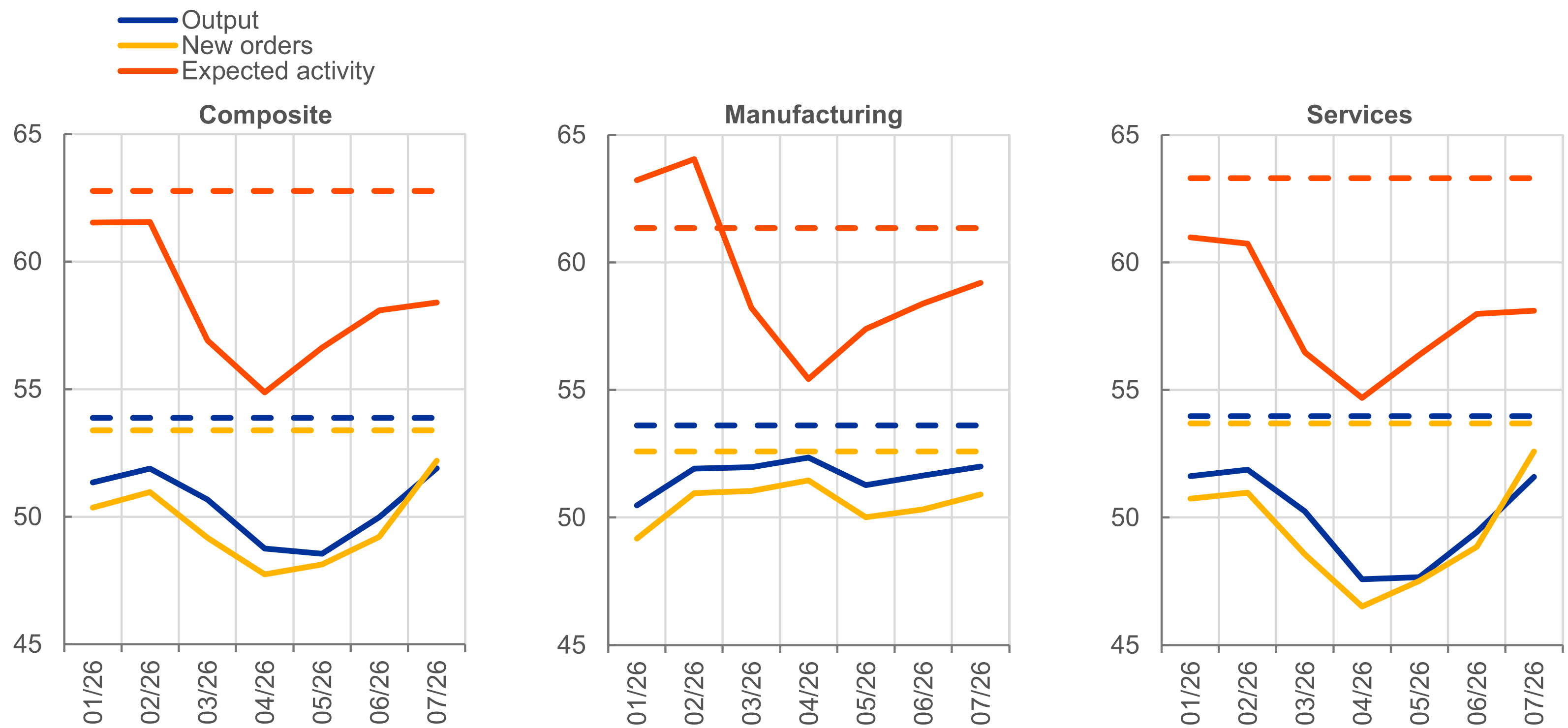
(year-on-year percentage changes, moving average)



Sources: Consensus Economics (CE), Federal Open Market Committee and ECB staff calculations.
Notes: CE series are calculated for each business day as a moving average of the latest revised forecasts. The latest observations are for 3 July 2026 (CE).

PMI indicators: composite and sectoral activity

(diffusion indices)

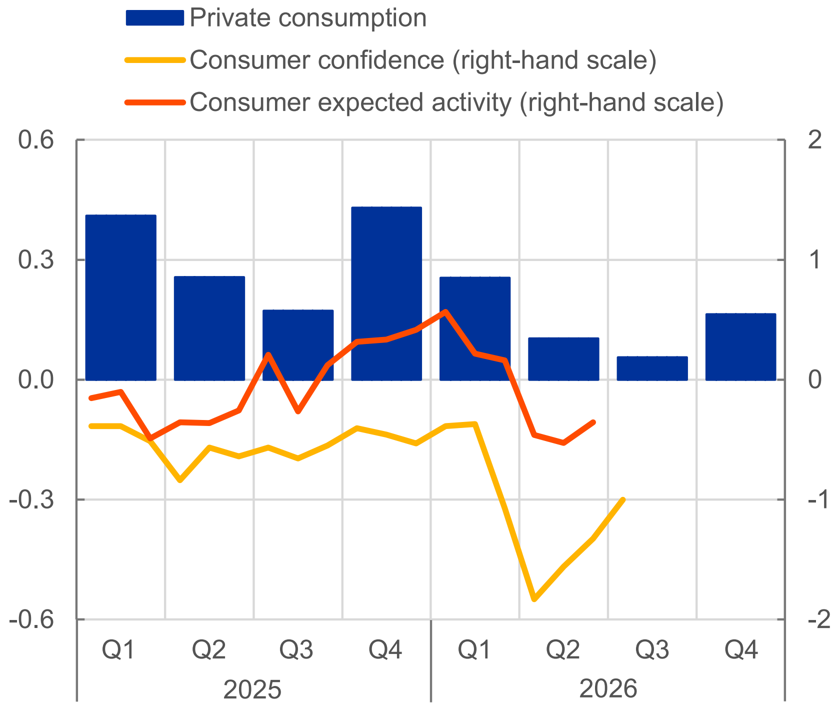


Source: S&P Global.
Notes: Dashed lines indicate the average values from 2015 to 2019. The latest observations are for July 2026.

Private consumption

Private consumption and high-frequency indicators

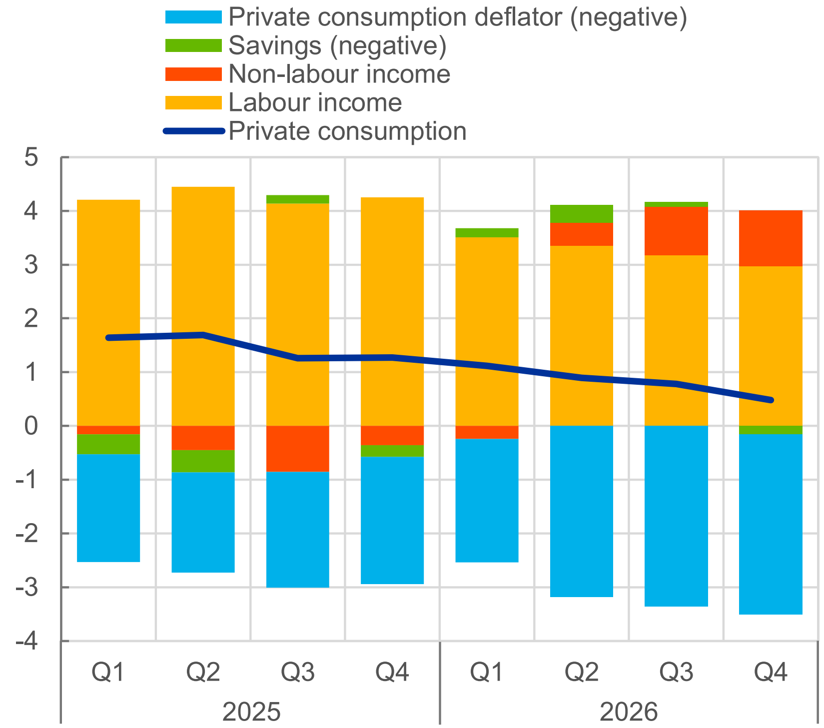
(left-hand scale: quarter-on-quarter percentage changes; right-hand scale: standardised balances)



Sources: Eurostat, European Commission, Eurosystem and ECB calculations.
Notes: High-frequency indicators have been standardised since January 1999. Consumer expected activity refers to 3-month-ahead weighted production (manufacturing), employment (construction), business (retail trade) and demand (services) with full international and global accounts for research in input-output analysis weights. The latest observations are for the first quarter of 2026 for private consumption, June 2026 for consumer expected activity and July 2026 for consumer confidence.

Private consumption and income and savings components

(year-on-year changes, percentages and percentage points)

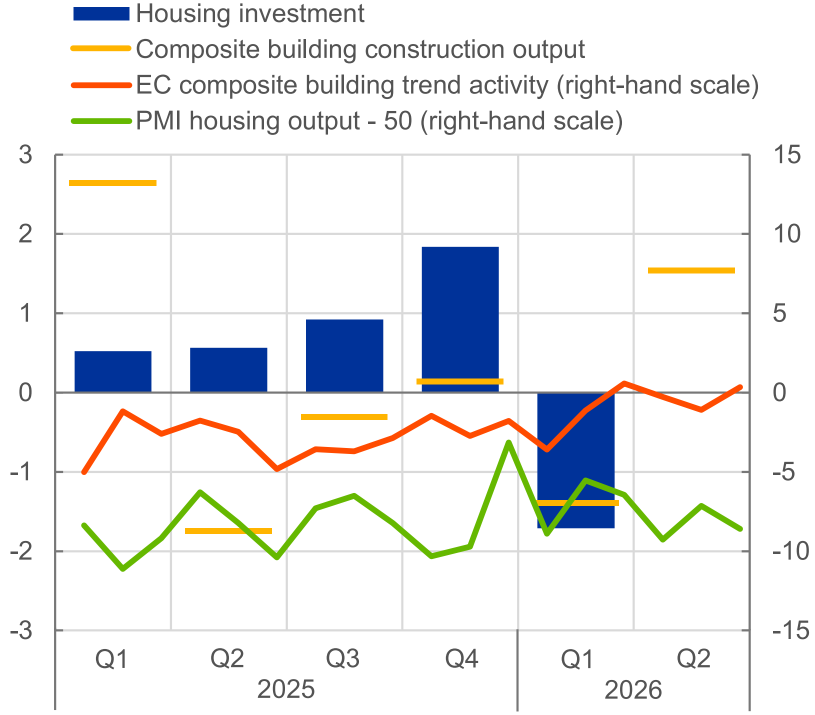


Sources: Eurostat, Eurosystem and ECB calculations.
Notes: From the second quarter of 2026 onwards, Eurosystem June 2026 staff macroeconomic projections. The latest observations are for the first quarter of 2026.

Housing and business investment

Housing investment and high-frequency indicators

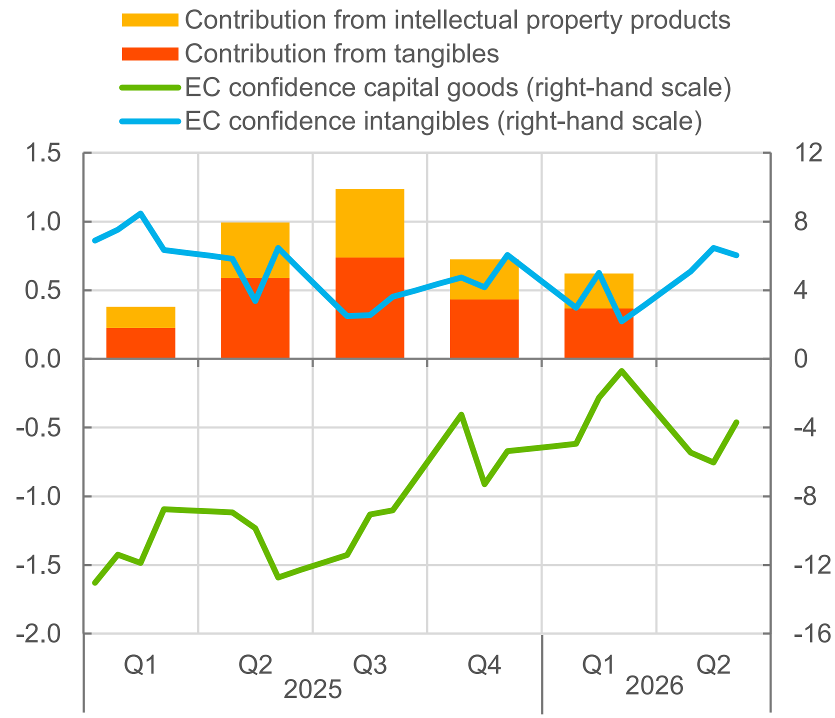
(left-hand scale: quarter-on-quarter percentage changes; right-hand scale: balances, percentages, diffusion index - 50)



Sources: Eurostat, European Commission (EC), Eurosystem, S&P Global and ECB calculations.
Notes: Composite building indicators combine building construction output and specialised construction activities. The latest observations are for the first quarter of 2026 for housing investment, April 2026 for composite building output and June 2026 for PMI housing output and EC composite building trend activity.

Business investment and high-frequency indicators

(left-hand scale: quarter-on-quarter percentage changes and percentage points; right-hand scale: balances, percentages)

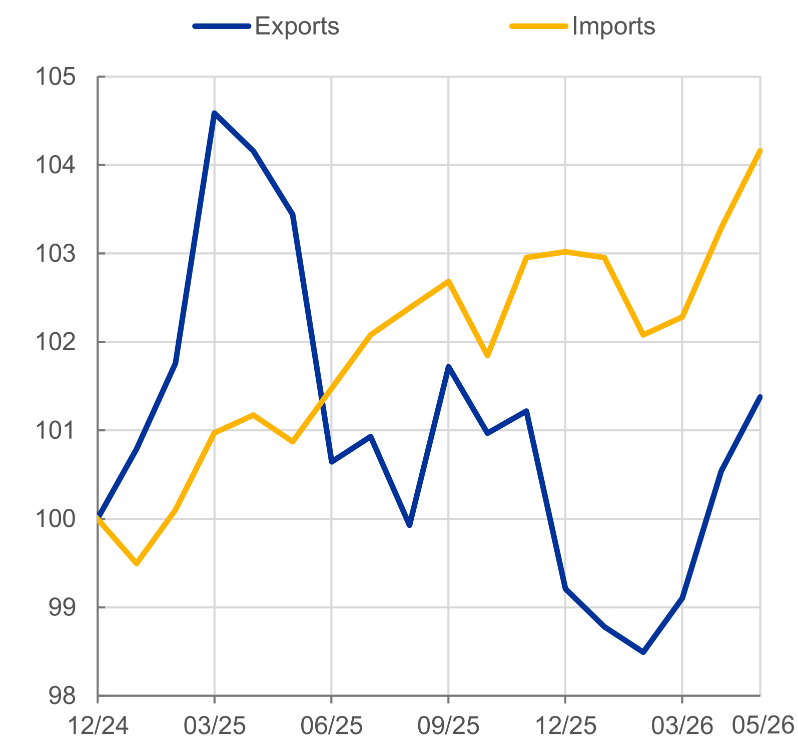


Sources: Eurostat, European Commission (EC), Eurosystem and ECB calculations.
Notes: Business investment measured as non-construction investment excluding Irish intellectual property products (IE IPP). Projections are for modified private non-housing investment. Intangibles confidence is the weighted average of publishing activities (NACE J58), computer programming, consultancy and related activities (J62) and information service activities (J63). The latest observations are for the first quarter of 2026 for investment and June 2026 for confidence.

Euro area goods trade and import prices

Export and import volumes of goods

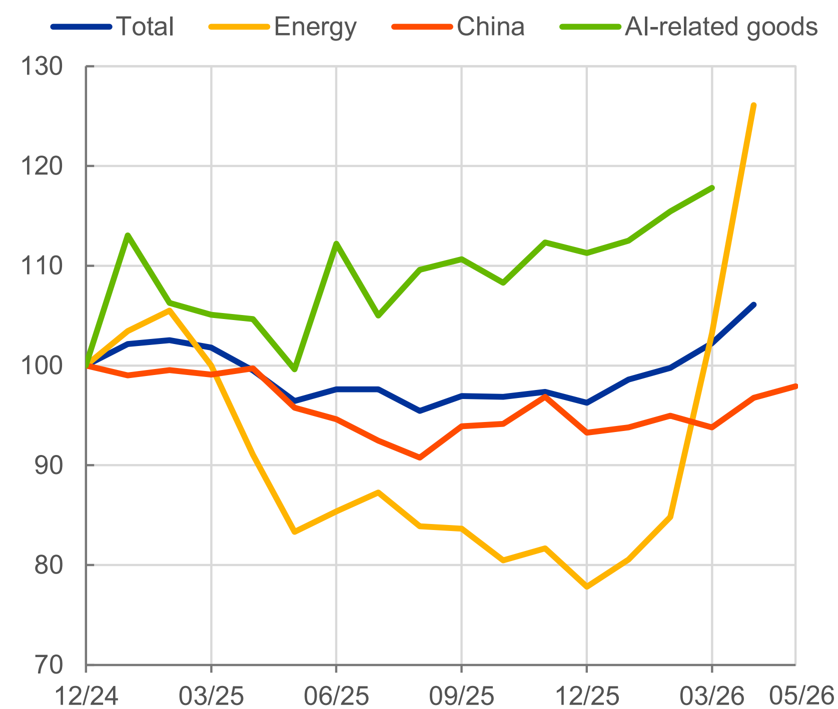
(3-month moving average, December 2024 = 100)



Sources: Eurostat and ECB staff calculations.
Notes: As export and import volume data for May are not available, the latest data point is approximated by deflating May values with industrial export and import prices respectively. The underlying data are seasonally adjusted. The latest observations are for May 2026.

Euro area goods import prices

(index, December 2024 = 100)

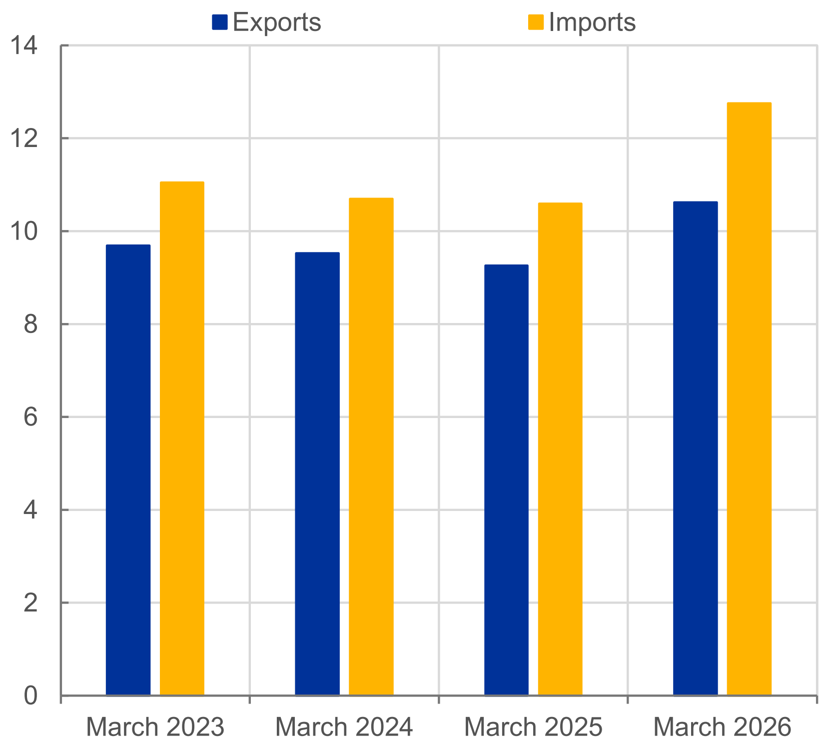


Sources: Eurostat, Trade Data Monitor and ECB staff calculations.
Notes: The classification of AI-related goods is based on Emter et al.(2026), who use a large language model following Waugh (2026) to identify: (i) core datacentre goods; (ii) datacentre infrastructure; (iii) upstream AI goods; and (iv) broad industrial goods used in AI production. The latest observations are for March 2026 for AI-related goods, April 2026 for Total and Energy and May 2026 for China.

Euro area trade and role of AI-related goods

Share of AI-related goods in total extra euro area trade values

(percentage of total trade)



Sources: Eurostat, Trade Data Monitor and ECB staff calculations.
Notes: Based on Emter et al.(2026), who use a large language model following Waugh (2026) to identify: (i) core datacentre goods; (ii) datacentre infrastructure; (iii) upstream AI goods; and (iv) broad industrial goods used in AI production. The latest observations are for March 2026.

Trade in AI-related goods and subcomponents

(percentage of total trade; annual growth, percentage)

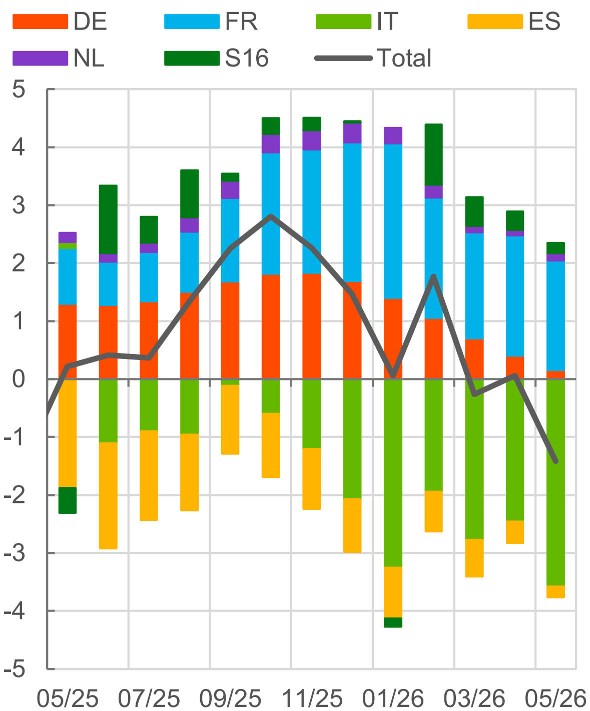
	Share in 2023		Growth 2024-2025	
	Exports	**Imports**	**Exports**	**Imports**
	Total AI-related trade			
EA	**9.6**	**10.9**	**6.7**	**9.9**
US	12.5	12.3	11.5	34.6
RoW	14.4	14.1	19.4	16.8
	Core AI goods			
EA	**3.6**	**5.0**	**11.7**	**16.2**
US	6.6	7.1	22.4	55.7
RoW	8.7	8.1	26.0	23.6
	Infrastructure AI goods			
EA	**4.4**	**4.7**	**4.5**	**5.4**
US	3.7	4.1	-5.2	-0.6
RoW	3.9	4.1	6.9	5.9
	Other AI-related goods			
EA	**1.6**	**1.1**	**2.6**	**-1.8**
US	2.2	1.1	-1.2	-2.1
RoW	1.8	2.0	8.6	8.2

Sources: Eurostat, Trade Data Monitor and ECB staff calculations.
Notes: RoW refers to rest of world excluding the euro area (EA) and United States (US). Share in 2023 refers to the share of these imports/exports in total imports/exports of the respective country or region. Based on Emter et al.(2026), who use a large language model following Waugh (2026) to identify: (i) core datacentre goods; (ii) datacentre infrastructure; (iii) upstream AI goods; and (iv) broad industrial goods used in AI production. Other AI-related goods refers to (iii) and (iv) together. The latest observations are for 2025.

Labour market developments

Change in the number of unemployed

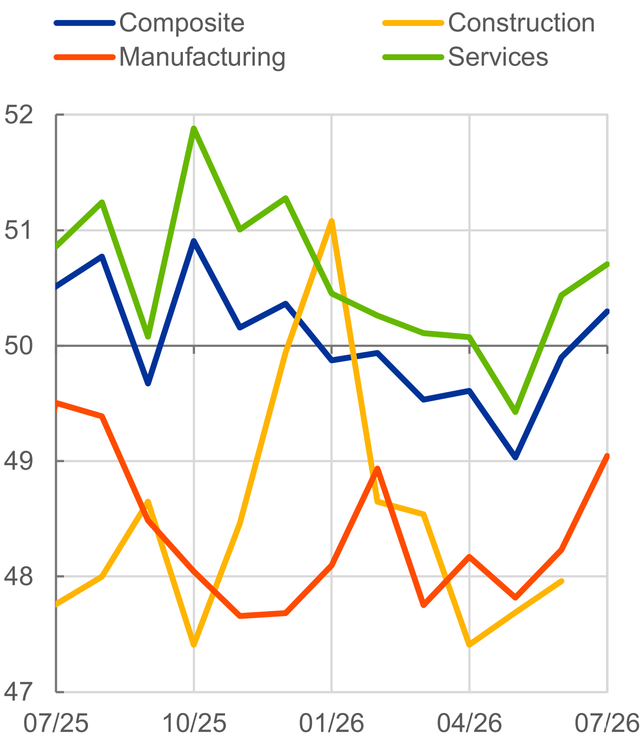
(year-on-year percentage changes, percentage point contributions)



Sources: Eurostat and ECB staff calculations.
Notes: S16 refers to the 16 smallest euro area countries. The fall in unemployed in Italy reflects both an increase in employment (1.1% y-o-y in the first quarter) and a reduction in participation rates as workers move into inactivity rather than unemployment during economic slowdowns. The latest observations are for May 2026.

PMI Employment

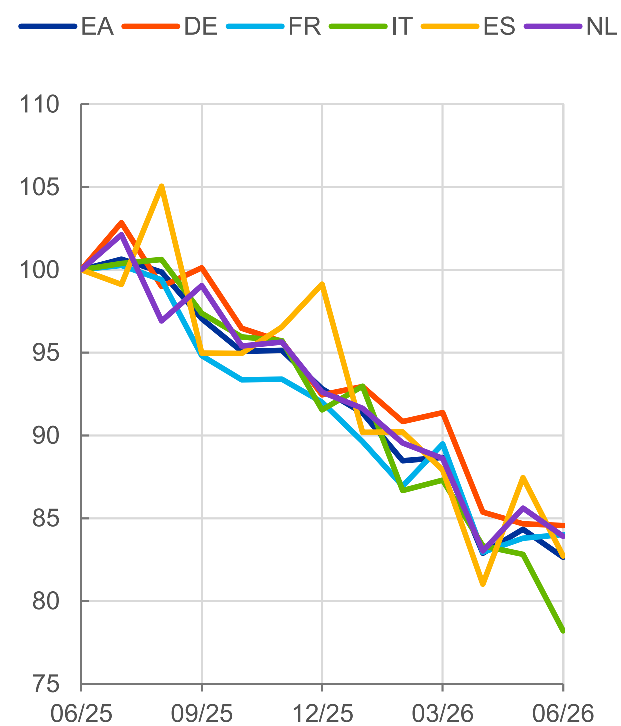
(diffusion index)



Sources: Eurostat and ECB staff calculations.
Note: The latest observations are for July 2026.

LinkedIn hiring rate

(index from June 2025)

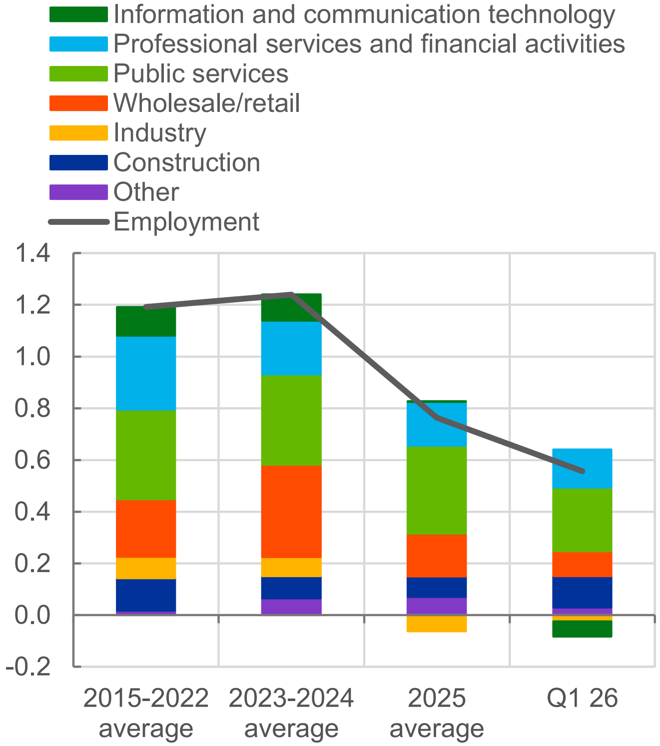


Source: LinkedIn.
Notes: The LinkedIn hiring rate is the number of LinkedIn members who added a new employer to their profile in the same month the new job began, divided by the total number of LinkedIn members in that country. The latest available data point is for June 2026.

Labour market developments

Employment growth decomposition

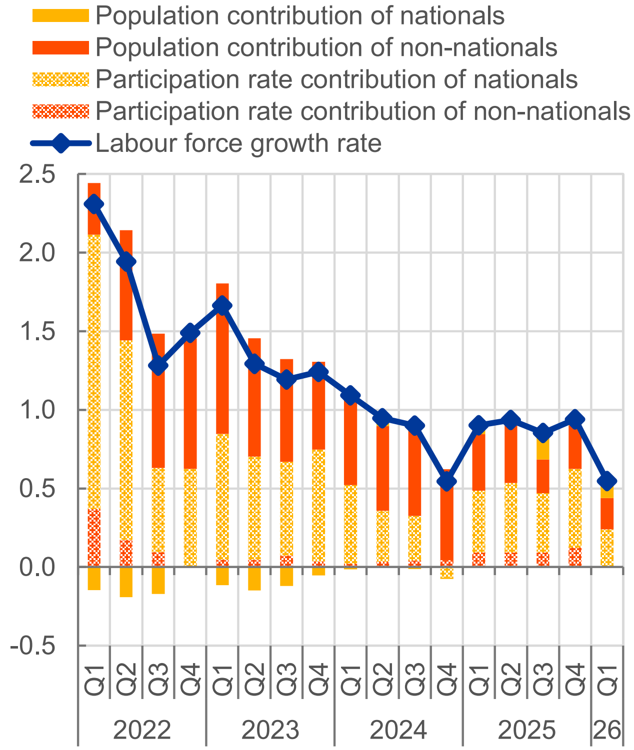
(year-on-year percentage changes, pp contributions)



Source: Eurostat.
Notes: Employment in persons. Other contains agriculture, real estate and entertainment. Averages are calculated using year-on-year percentage change over the dedicated periods. The latest observations are for the first quarter of 2026.

Labour force growth decomposition

(year-on-year percentage changes)



Sources: Eurostat and ECB staff calculations.
Note: The latest observations are for the first quarter of 2026.

Euro area labour productivity

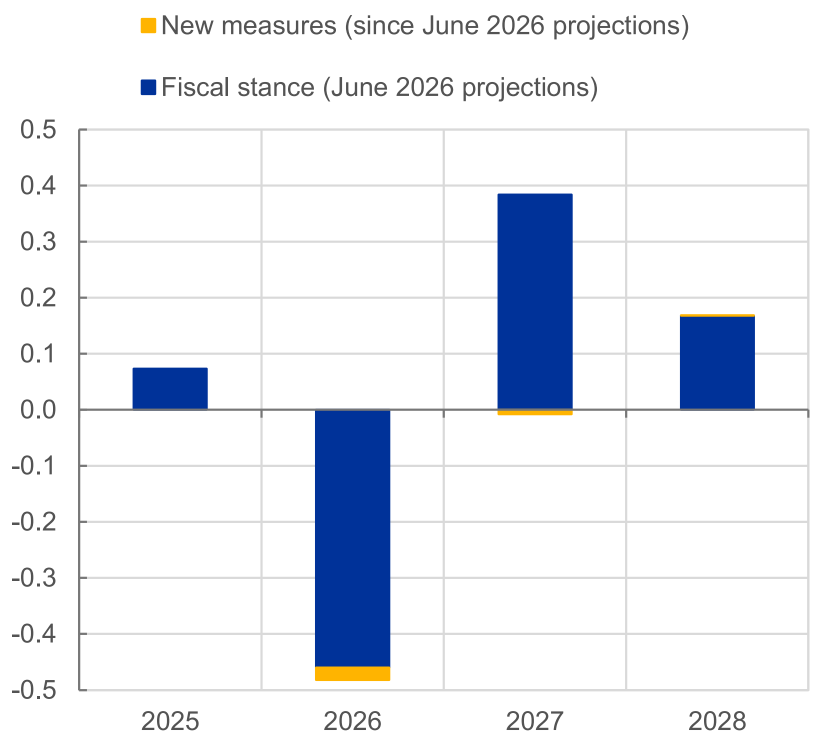
(year-on-year percentage changes)

Sources: Eurostat and ECB staff calculations
Note: The latest observations are for the first quarter of 2026.

Fiscal policies

Euro area fiscal stance

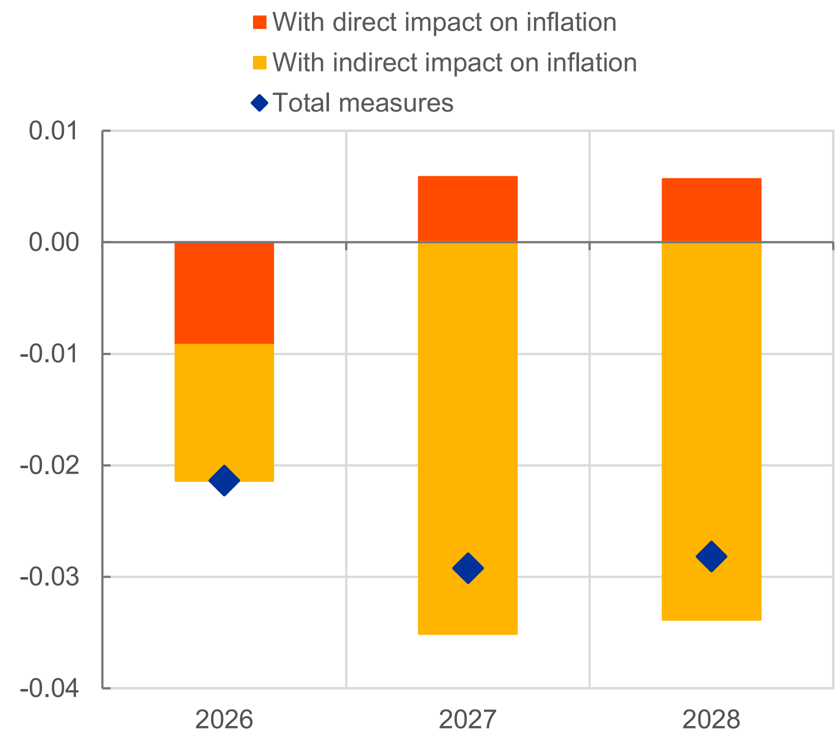
(in percentage points of GDP)



Sources: June 2026 Eurosystem macroeconomic projections and ECB staff calculations with inputs from national central banks.
Note: Fiscal stance is calculated as the change in the cyclically adjusted primary balance adjusted for NGEU grants. Negative (positive) numbers reflect fiscal loosening (tightening). New measures refers only to measures announced following the cut-off date of the June 2026 Eurosystem macroeconomic projections. The orange bars reflect the annual change in the fiscal impact of the new measures.

Main fiscal measures in the euro area since the June projections

(in percent of GDP)

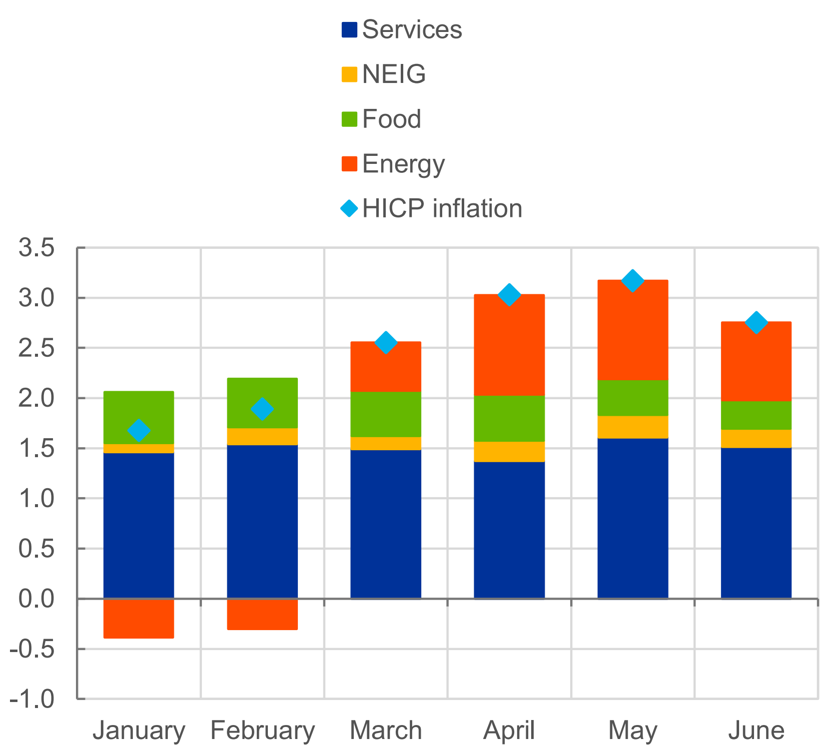


Source: ECB staff calculations.
Notes: Measures with a direct impact on inflation (bars with solid fill) are fiscal policies that directly influence either price levels (e.g. VAT rates) or wages (e.g. social contributions). Measures with an indirect impact on inflation are policies that affect inflation through indirect channels, such as demand or by supporting supply.

Inflation developments and outlook

Headline inflation and main components

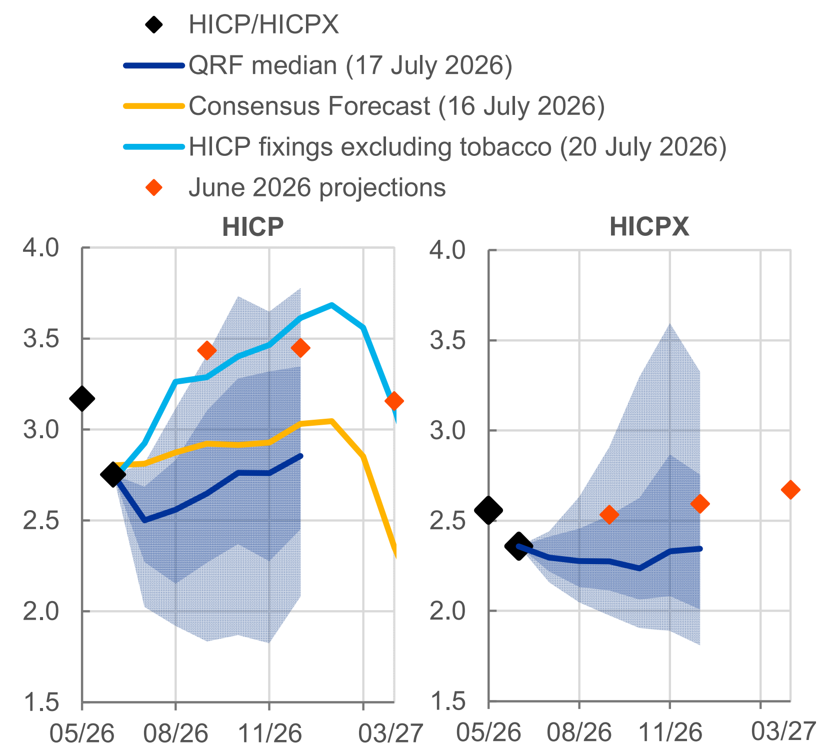
(annual percentage changes and percentage point contributions)



Sources: Eurostat and ECB calculations.
Note: The latest observations are for June 2026.

Forecasts for HICP and HICPX

(annual percentage changes)

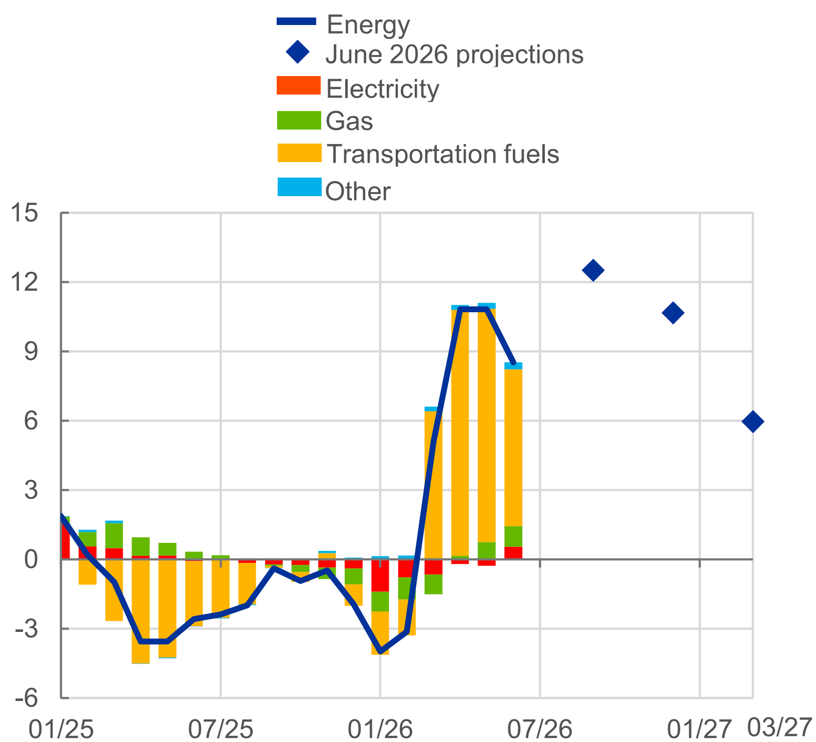


Sources: Eurostat, June 2026 Eurosystem staff macroeconomic projections, Consensus Economics and ECB calculations.
Notes: Quantile regression forest (QRF) estimates follow Lenza et al. (2025), with 73% of the June data available. Light (dark) shaded areas denote the QRF 5-95 (16-84) range. Inflation fixings are not adjusted for inflation risk premia. The latest observations are for June 2026.

Energy inflation

Energy inflation and outlook

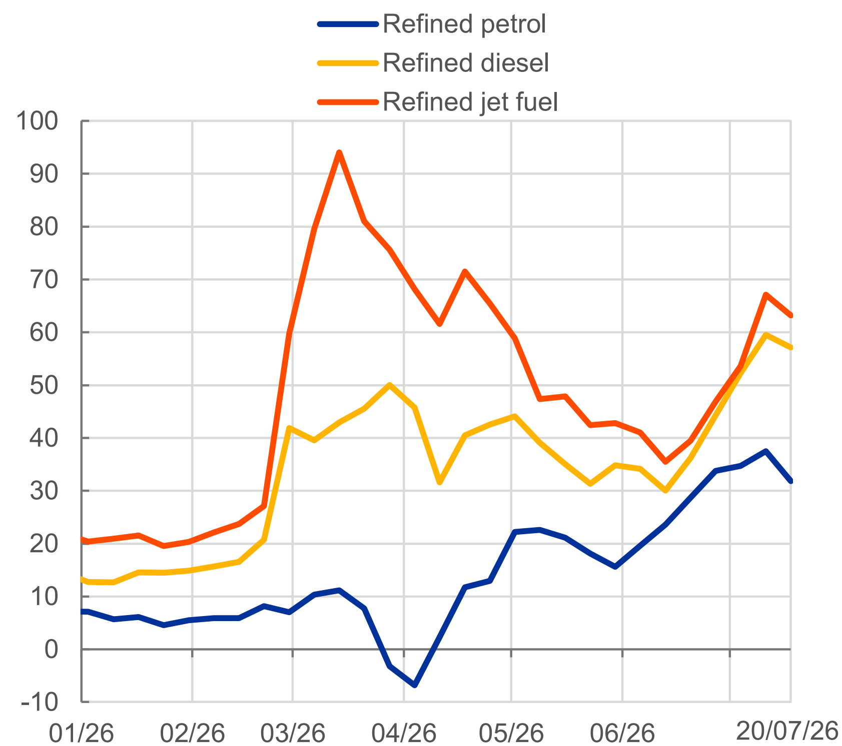
(annual percentage changes and percentage point contributions)



Sources: Eurostat, June 2026 Eurosystem staff macroeconomic projections and ECB calculations.
Note: The latest observations are for June 2026.

Crack spreads

(EUR per barrel)

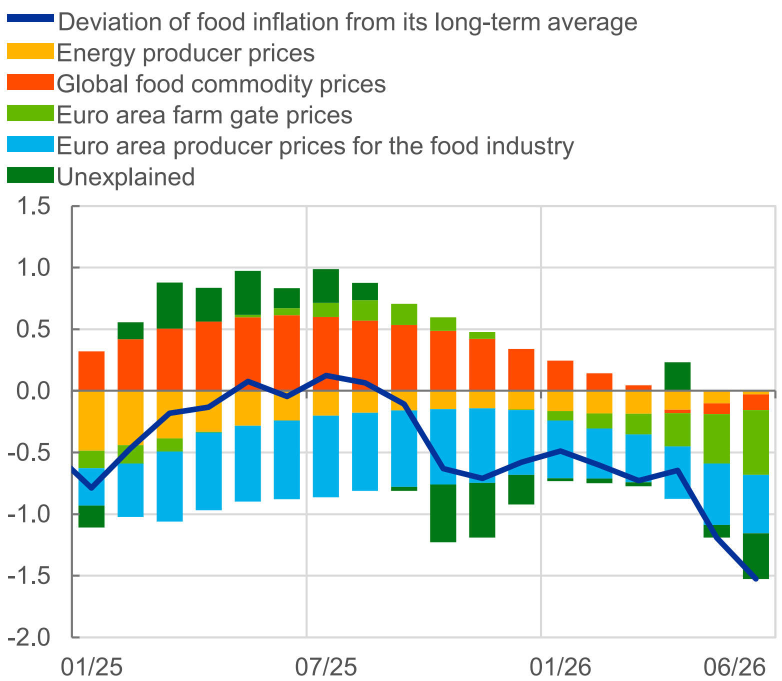


Sources: London Stock Exchange Group (LSEG) and ECB calculations.
Notes: Crack spreads (refining margins) show the difference between the refined product price for petrol, diesel or jet fuel, and the Brent crude oil price. The latest observations are for the week of 20 July 2026.

Food inflation

Drivers of euro area consumer food price inflation

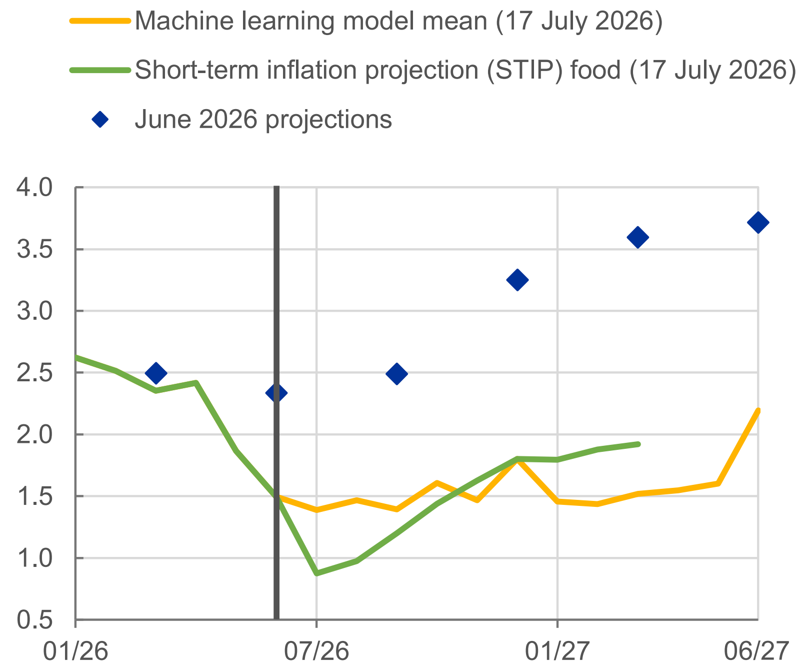
(percentage point deviations and contributions)



Sources: Eurostat, Hamburgisches WeltWirtschaftsInstitut (HWWI) and ECB calculations.
Notes: The drivers explaining deviations in euro area food inflation from its long-term average follow the BVAR model from Ferrucci et al. (2012). The latest observations are for June 2026.

Food inflation outlook

(annual percentage changes)

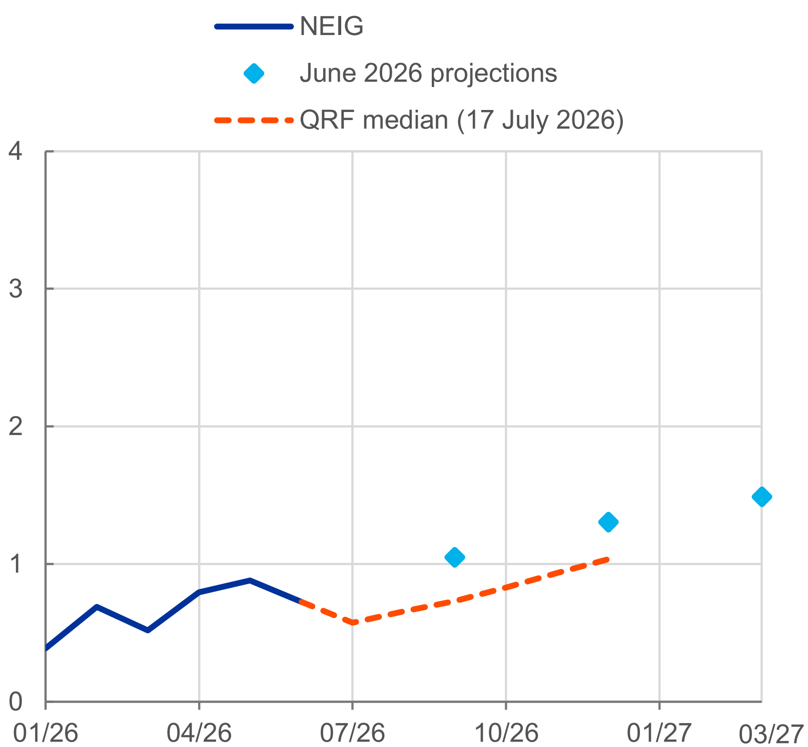


Sources: Eurostat, June 2026 Eurosystem macroeconomics projections, Hamburgisches WeltWirtschaftsInstitut (HWWI) and ECB calculations.
Notes: The machine learning (ML) model, from Kuik et al.2026 (forthcoming) averages predictions from a linear model and several non-linear tree-based models: Ridge; Random Forest (RF); Quantile Regression Forest (QRF); and Light Gradient-Boosting Machine (LightGBM) and Extreme Gradient Boosting (XGBoost). The latest observations are for June 2026.

Goods and services inflation

Non-energy industrial goods (NEIG) inflation

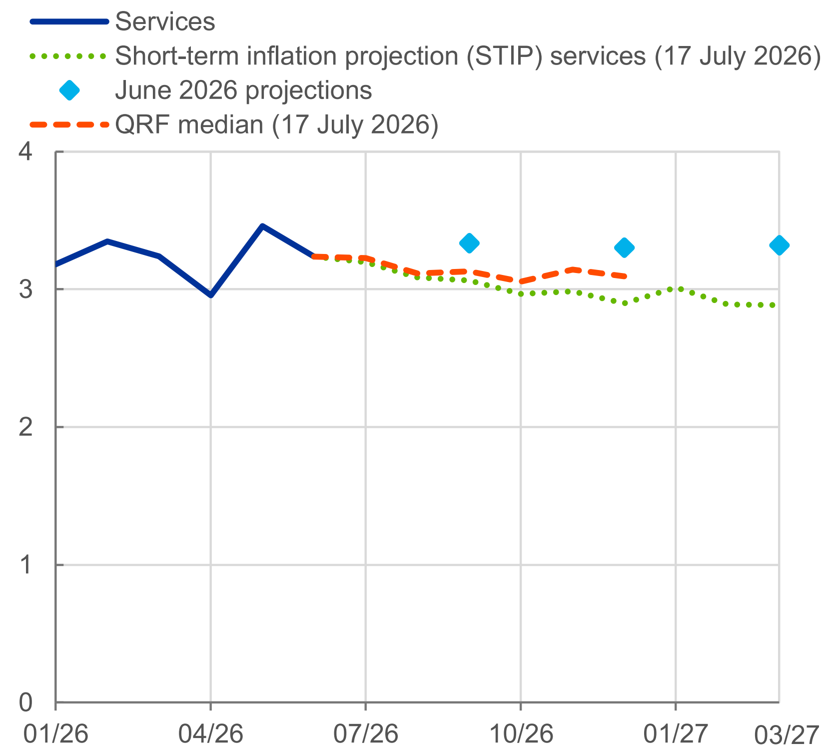
(annual percentage changes)



Sources: Eurostat, June 2026 Eurosystem staff macroeconomic projections and ECB calculations.
Notes: Quantile regression forest (QRF) estimates follow Lenza et al. (2025), with 73% of the June data available. The latest observations are for June 2026.

Services inflation

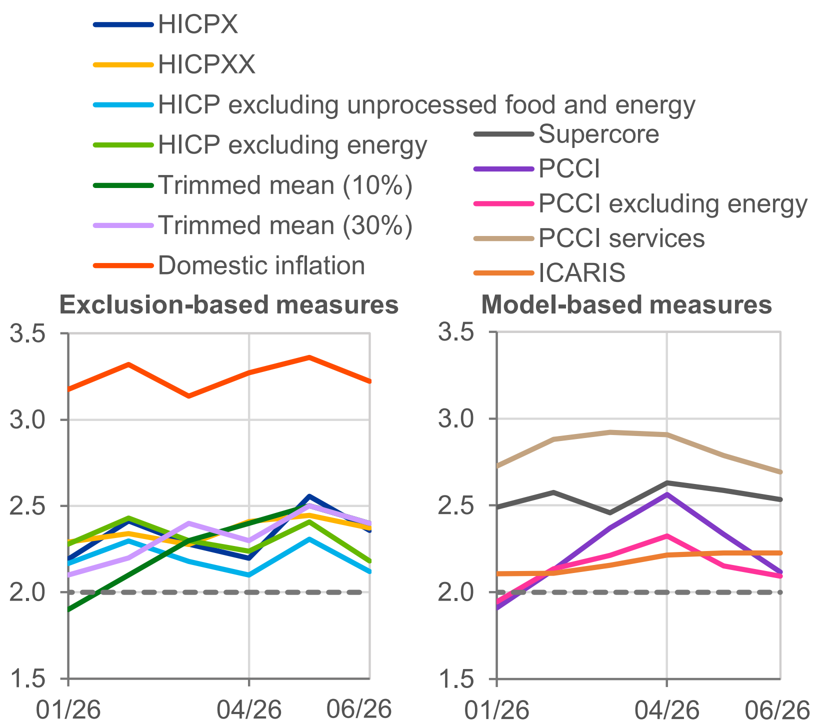
(annual percentage changes)



Sources: Eurostat, June 2026 Eurosystem staff macroeconomic projections and ECB calculations.
Notes: Quantile regression forest (QRF) estimates follow Lenza et al. (2025), with 73% of the June data available. STIP services employs a BVAR with HICP services, employment, compensation per employee (CPE), negotiated wages, PMI input prices in services, PMI employment, and PPI energy, from Durero et al. (forthcoming). Forecasts conditioned on ECB staff assumptions for CPE and employment and on a PPI energy path from an auxiliary model using oil and gas futures. The latest observations are for June 2026.

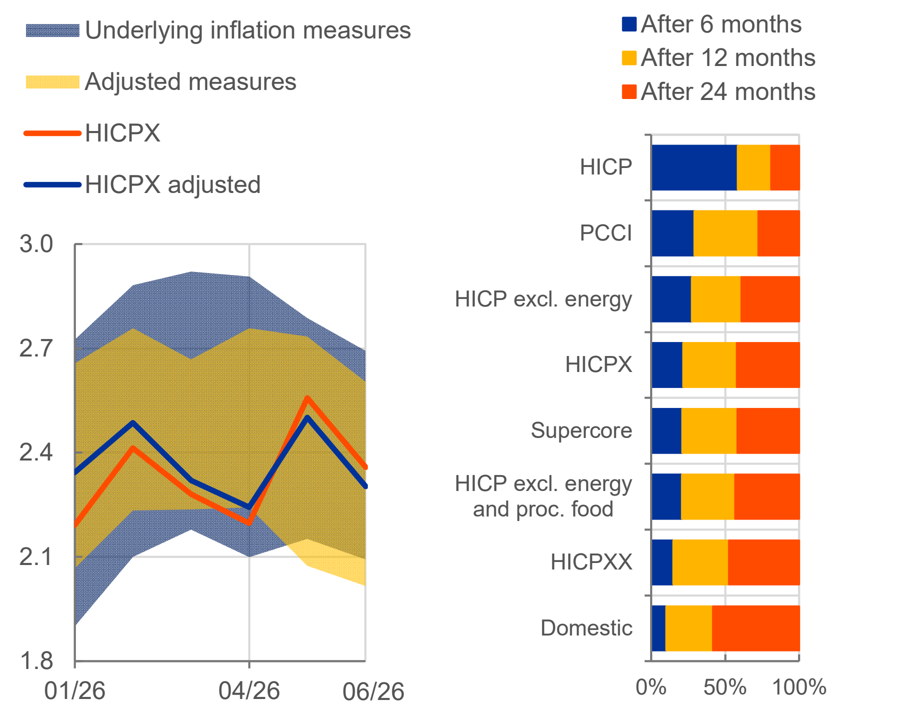
Underlying inflation

Measures of underlying inflation
(annual percentage changes)



Sources: Eurostat and ECB calculations.
Notes: HICPX stands for HICP excluding energy and food. HICPXX stands for HICP excluding energy, food, travel-related services, clothing and footwear. PCCI is the persistent and common component of inflation. ICARIS follows Le Bihan et al. (2024) and stands for indicator of core by aggregating regimes of inflation sub-components. Domestic inflation comprises HICPX items with a low import content (less than 12%), and Supercore those with a high co-movement with the business cycle. The latest observations are for June 2026.

Adjusted underlying inflation measures and pass-through of energy shock
(left panel: annual percentage changes; right panel: percentages)

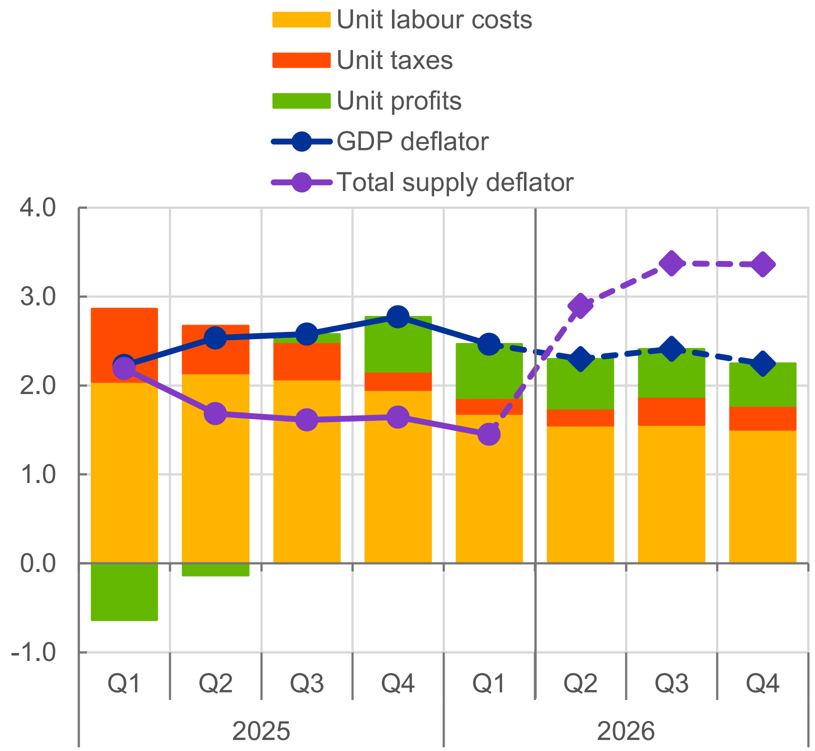


Sources: Eurostat and ECB calculations.
Notes: Results are based on the BVAR with energy price shocks from Bańbura et al. (2023). Left panel: the adjusted measures abstract from energy and supply-bottleneck shocks. The range of the adjusted measures does not include trimmed means and PCCI services. Right panel: cumulated impulse responses of underlying inflation indicators to an energy price shock (calibrated to increase by 10% the month-on-month growth rate of the synthetic energy price), after 6, 12 and 24 months (the “total” effect). The latest observations are for June 2026.

Domestic price pressures

Euro area GDP deflator excluding volatile Irish data

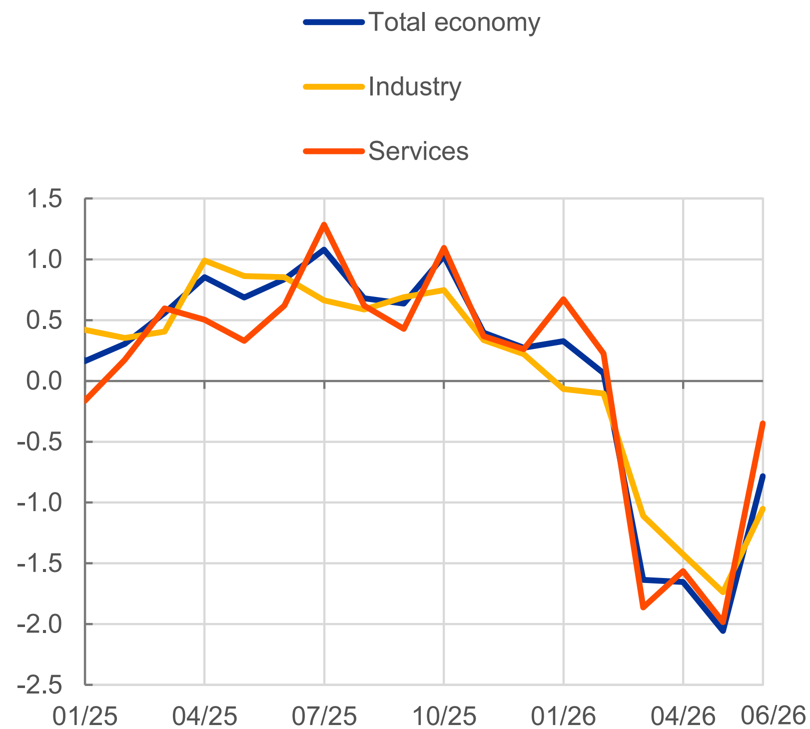
(annual percentage changes, percentage point contributions)



Sources: Eurostat, June 2026 projections and ECB calculations.
Notes: The GDP deflator is calculated as the ratio of nominal and real GDP. The total supply deflator is broader than the GDP deflator as it also accounts for the role of import costs. The latest observations are for the first quarter of 2026.

PMI profit margins

(z-scores, in standard deviations)

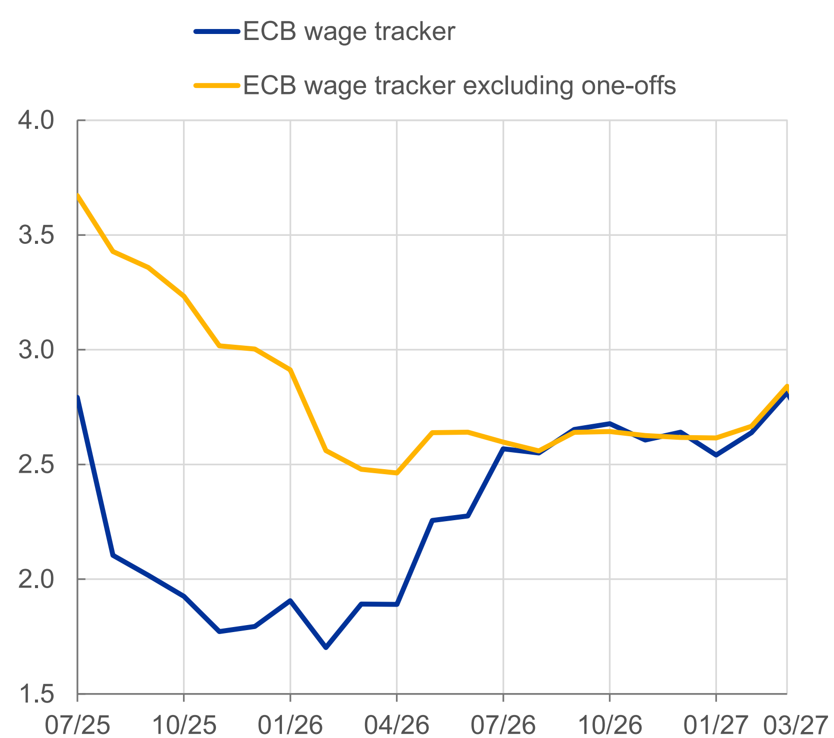


Source: S&P Global.
Notes: The indicators for the implied PMI profit margins are constructed as the gap between PMI output and input prices. The latest observations are for June 2026.

Wage developments

ECB wage tracker

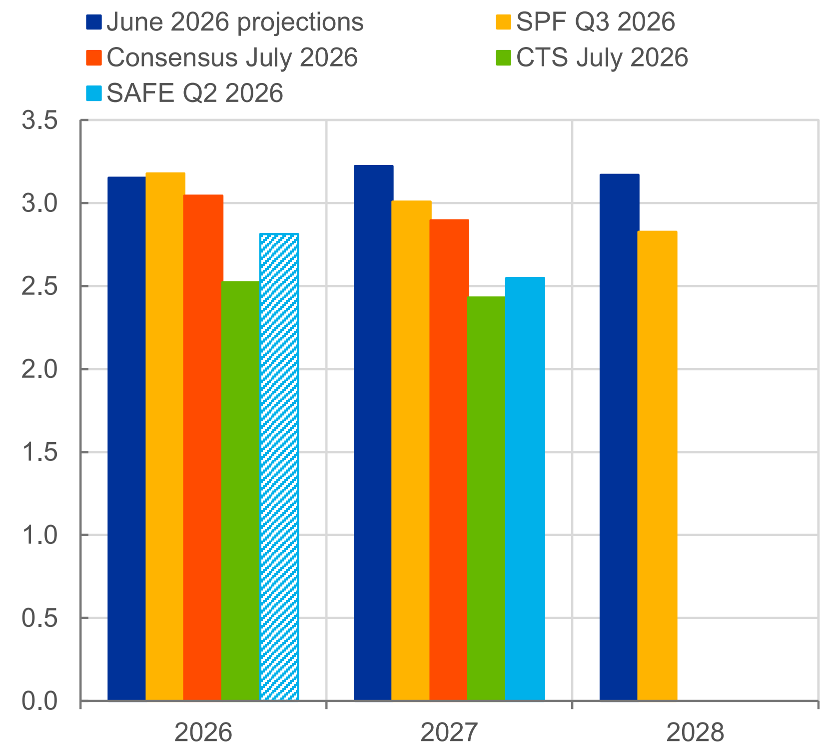
(annual percentage changes)



Source: ECB wage tracker.
Note: The latest observations are for March 2027.

Survey-based wage expectations

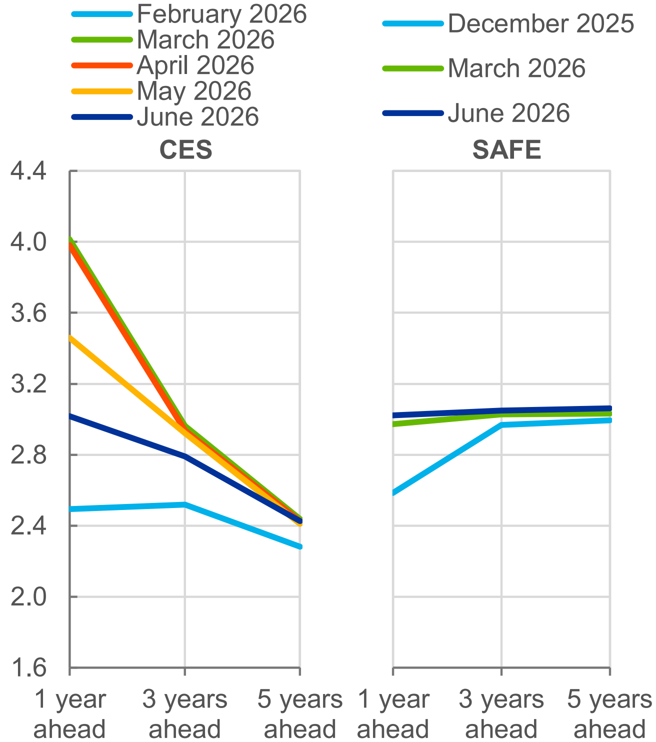
(annual percentage changes)



Sources: Survey of Professional Forecasters (SPF), June 2026 Eurosystem staff macroeconomic projections, Consensus Economics, Corporate Telephone Survey (CTS) and the survey on the access to finance of enterprises (SAFE).
Notes: The SAFE asks about 12-month-ahead wage growth, while all the other surveys are for calendar years. SAFE wage expectations for 2026 (blue stripped bar) are taken from the survey wave for the first quarter of 2026. The latest observations are for the second quarter for SAFE, the third quarter for SPF and July 2026 for CTS.

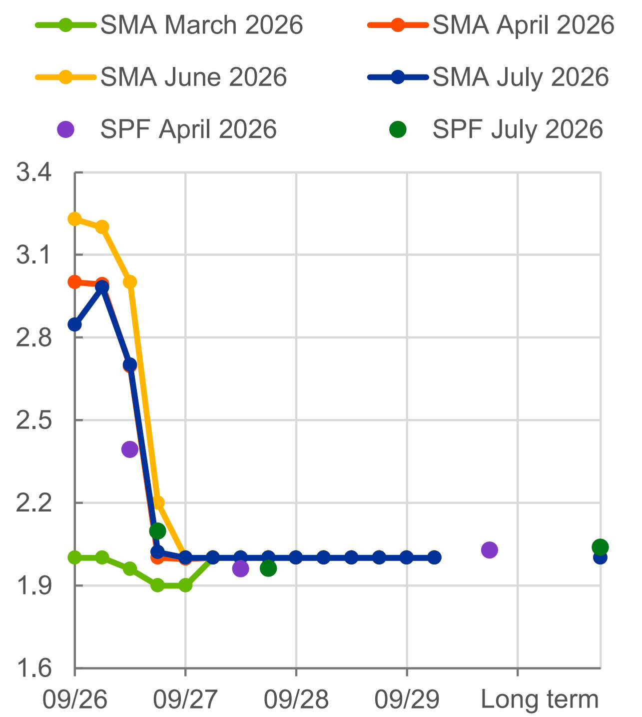
Inflation expectations

CES and SAFE inflation expectations
(annual percentage changes)



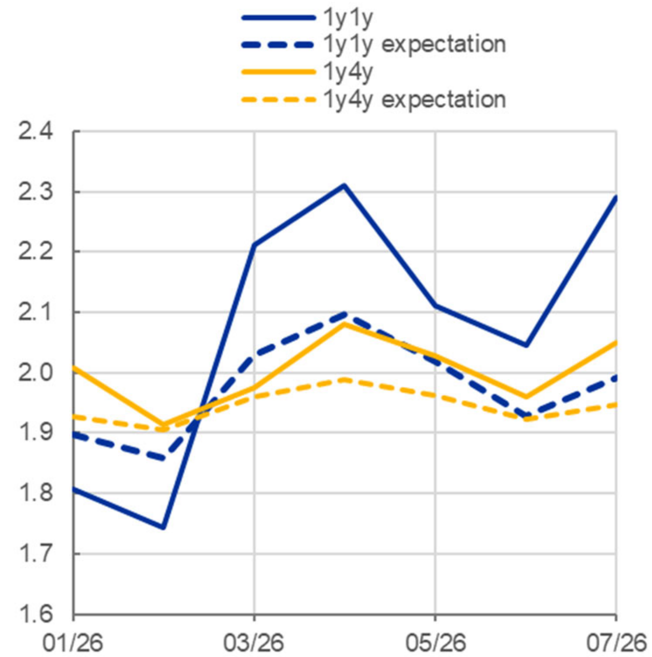
Sources: ECB Consumer Expectations Survey (CES) and survey on the access to finance of enterprises (SAFE).
Notes: For CES and SAFE median inflation expectations by survey wave. The latest observations are for June 2026 CES and SAFE waves.

SPF and SMA inflation expectations
(annual percentage changes)



Sources: Survey of Professional Forecasters (SPF), Survey of Monetary Analysts (SMA) and ECB calculations.
Notes: Mean inflation expectations for SPF and the median for SMA. SPF long term is either four (2030) or five (2031) years ahead depending on the time of the survey. The latest observations are for the third quarter of 2026 SPF wave (conducted in July 2026) and June 2026 for SMA.

Decomposition of euro area inflation-linked swap rates
(percentages per annum)

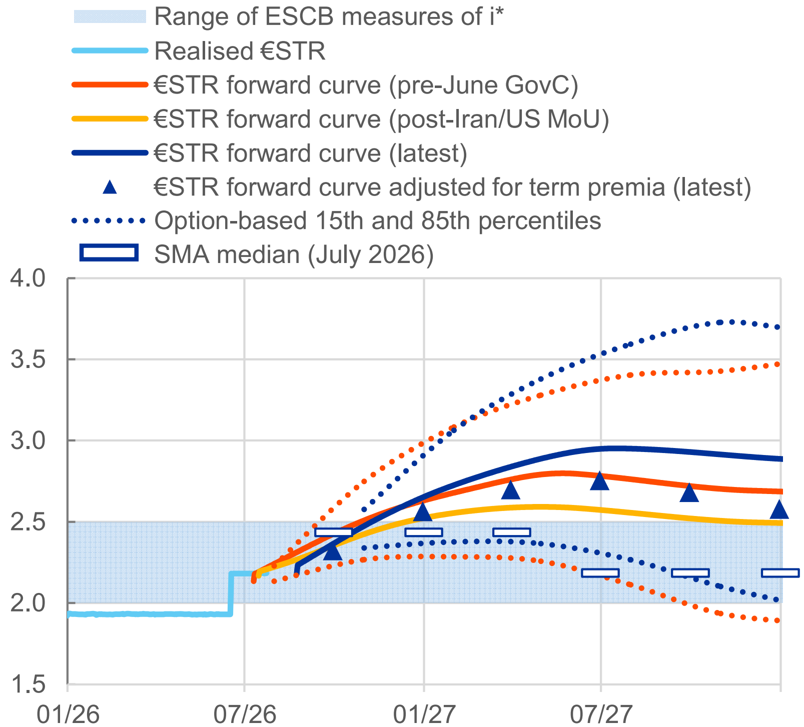


Sources: Bloomberg and ECB calculations.
Notes: Market-based ILS rates reflect both investors' genuine inflation expectations and an inflation risk premium. The premia-adjusted ("expectations") series strips out this risk premium to provide expected inflation by markets. Premia-adjusted forward ILS rates are average estimates from two affine term structure models (see Joslin, Singleton and Zhu (2011) and Burban et al. (2022). The latest observations are for 23 July 2026 (monthly data).

€STR forward curve and long-term risk-free rates

€STR forward curve and survey expectations of the deposit facility rate

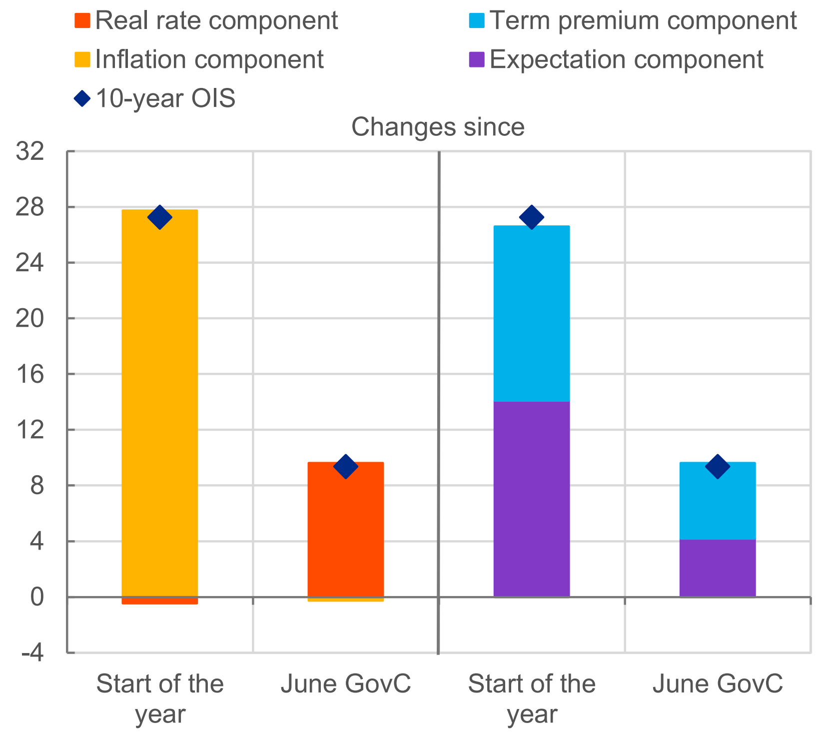
(percentages per annum)



Sources: LSEG (London Stock Exchange Group), SMA (Survey of Monetary Analysts), Morningstar and ECB calculations. Notes: Bars show the median deposit facility rate expectations from the ECB's July Survey of Monetary Analysts, adjusted for the latest €STR-DFR spread. Chart shows 15th-85th percentile option-implied (risk-neutral) densities for Jun-26 to Mar-28 3-month Euribor futures contracts, adjusted for the spread of the horizon-matching €STR 3-month forward rates. See right hand-side note for the estimation of term premia component. The range for the (nominal) neutral rate i* is based on Eurosystem estimates from the July 2026 MPB. "Pre-June GovC" refers to 10 June 2026 while "post-Iran/US MoU" refers to 15 June 2026. The latest observations are for 23 July 2026.

Decomposition of changes in 10-year euro area OIS rates

(basis points)

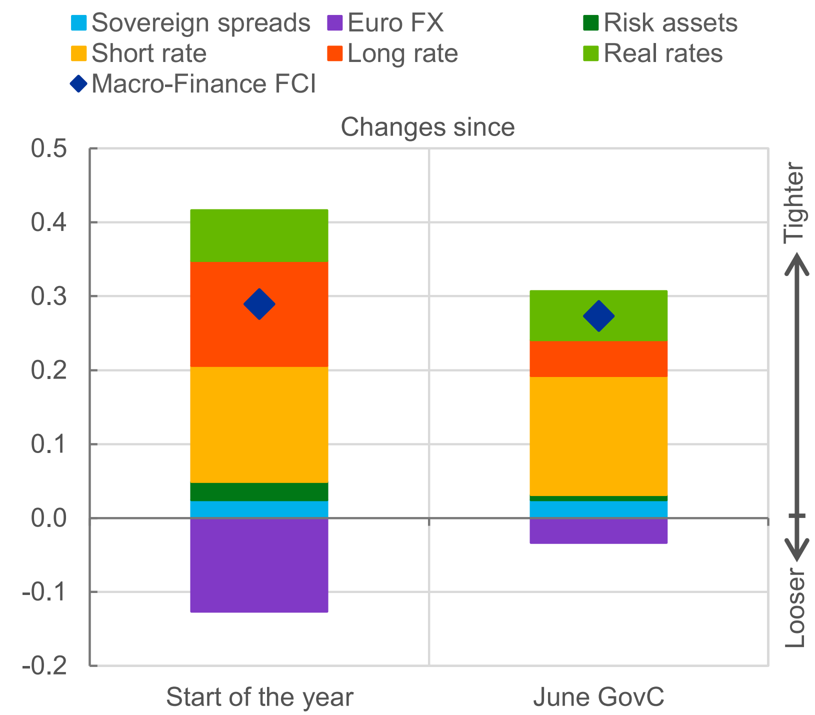


Sources: Bloomberg, LSEG (London Stock Exchange Group) and ECB calculations. Notes: The real rate is calculated by subtracting the inflation-linked swap rate from the nominal OIS rate. Estimates of term premia and expectations components are based on two affine term structure models (both variations of Joslin, Singleton and Zhu (2011), and a lower bound term structure model following Geiger and Schupp (2018). "Start of the year" refers to 2 January 2026 while "June GovC" refers to 10 June 2026. The latest observations are for 23 July 2026.

Financial and broad intermediation conditions

Decomposition of the Macro-Finance Financial Conditions Index (FCI)

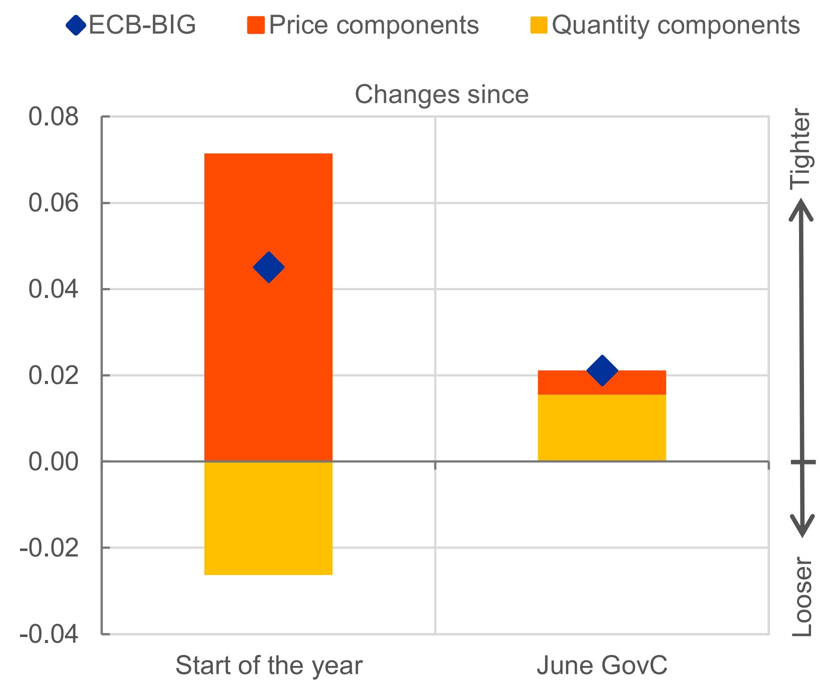
(index – higher means tighter financial conditions)



Sources: Bletzinger et al. (2026) and ECB calculations.
Notes: “Short rate” refers to the €STR, “Long rate” to the 10y OIS rate, “Real rates” to the 1y1y and 5y real OIS rates, “Sovereign spreads” to 2y and 10y euro area GDP-weighted sovereign bond yields over OIS rates, “Risk assets” to euro area investment-grade corporate bond spreads and the cyclically adjusted P/E-ratio (CAPE) and “Euro FX” to euro NEER (see Bletzinger, Martorana and Mistak, 2026). Changes refer to 2 January 2026 (“Start of the year”) and 10 June 2026 (“June GovC”). The latest observations are for 23 July 2026.

The Broad Intermediation Gauge (ECB-BIG) index

(index – higher means tighter intermediation conditions)

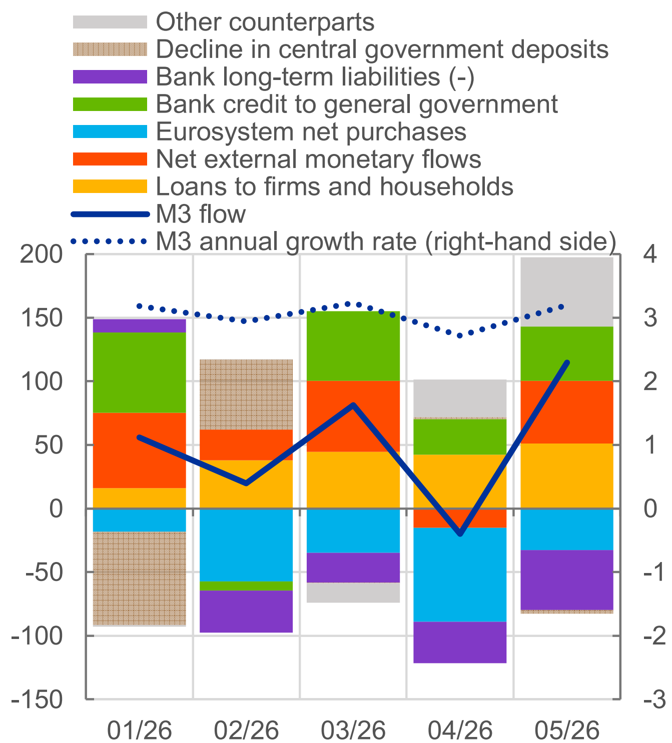


Sources: ECB and Allayioti, Di Casola and Magistretti (forthcoming).
Notes: The ECB-BIG index uses a BVAR model with mixed-frequency to derive a measure of credit conditions in the euro area. “Price components” include lending rates and Macro-Finance FCI; “Quantity components” include credit volumes and bank lending survey (BLS) data. Changes since the June GovC refer to the change between the current nowcast of the index for July and the nowcast for June as of the June GovC. The latest observations are for July 2026.

Monetary aggregates, bank funding costs and lending rates

Sources of money creation

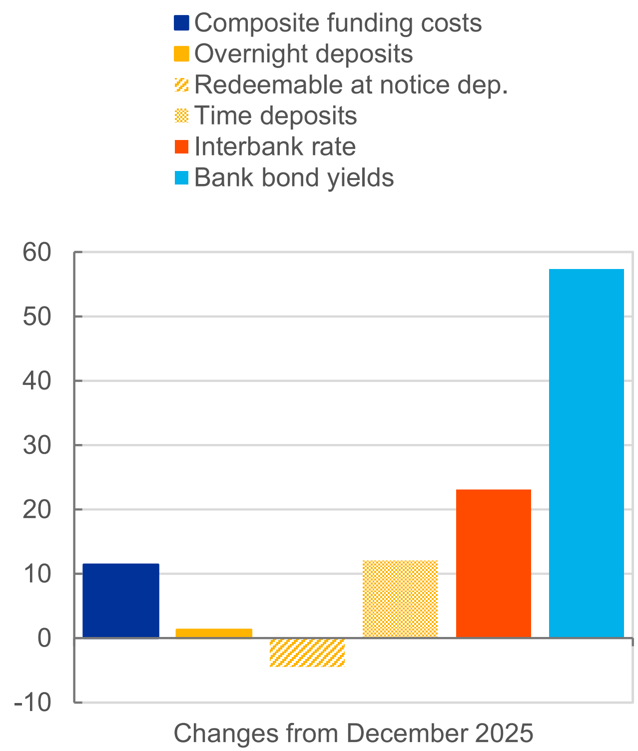
(left-hand scale: monthly flows in EUR billions; right-hand scale: annual percentage changes)



Sources: ECB (BSI (Balance Sheet Items)) and ECB calculations.
Note: The latest observations are for May 2026.

Changes in bank funding costs

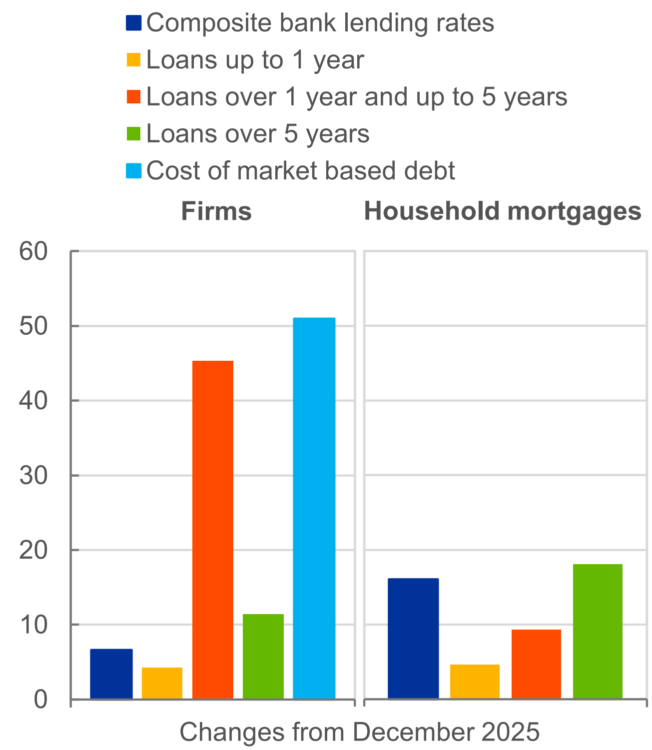
(basis points)



Sources: ECB (BSI (Balance Sheet Items), MIR (Monetary Financial Institutions Interest Rates), CSDB (Centralised Securities Database), MMSR (Money Market Statistical Reporting Database)), IHS Markit iBoxx and ECB calculations. Notes: Composite funding costs are computed by weighing rates on new business costs of each component by outstanding amounts. The latest observations are for May 2026 for monthly data and 23 July for daily rates data.

Changes in firm and household costs of financing

(basis points)

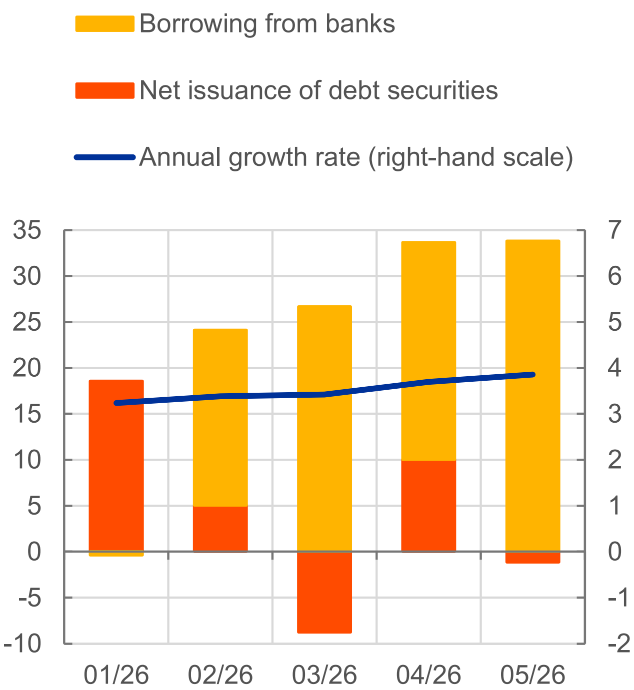


Sources: ECB (MIR (Monetary Financial Institutions Interest Rates)), Bank of America Merrill Lynch and ECB calculations
Notes: Composite bank lending rates are calculated by aggregating short and long-term rates using a 24-month moving average of new business volumes. For firms, the indicator also includes rates on overdrafts. The latest observations are for May 2026 (MIR) and 23 July 2026 for the cost of market-based debt.

Loans to firms

Credit to firms in the euro area

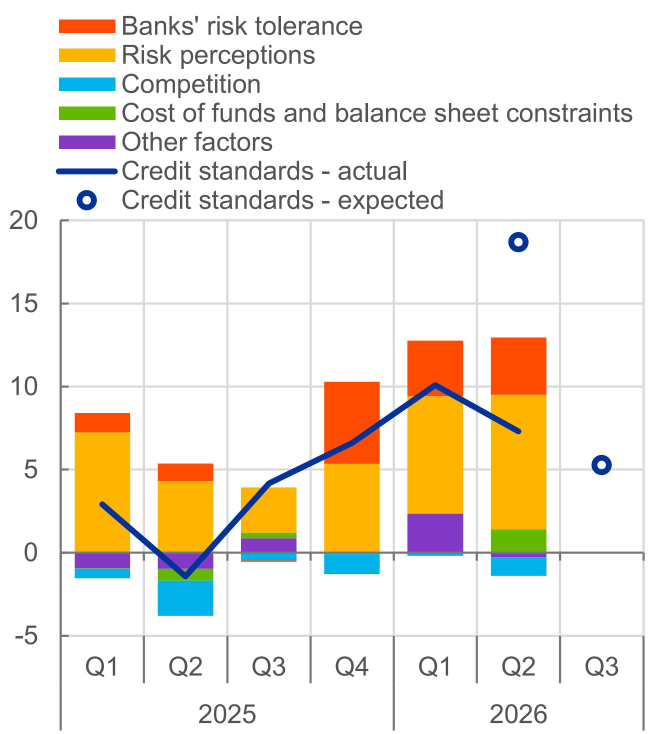
(left-hand scale: average monthly flows in EUR billions; right-hand scale: annual percentage)



Sources: ECB (BSI (Balance Sheet Items)), CSEC (Centralised Securities Database) and ECB calculations.
Notes: The seasonal adjustment for debt securities is not official. Bank loans are adjusted for sales, securitisation and cash pooling. The latest observations are for May 2026.

Changes in credit standards for loans to firms

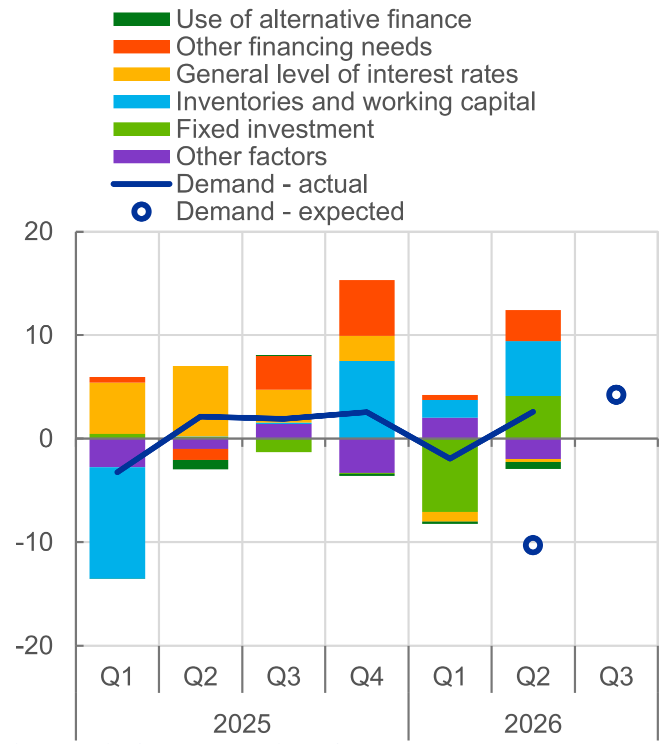
(net percentages of banks reporting a tightening)



Source: ECB (Bank Lending Survey).
Notes: "Other factors" refers to further factors which were mentioned by banks as having contributed to changes in credit standards. The latest observations are for the second quarter of 2026 (past) and the third quarter of 2026 (expected).

Changes in demand for loans to firms

(net percentages of banks reporting an increase)

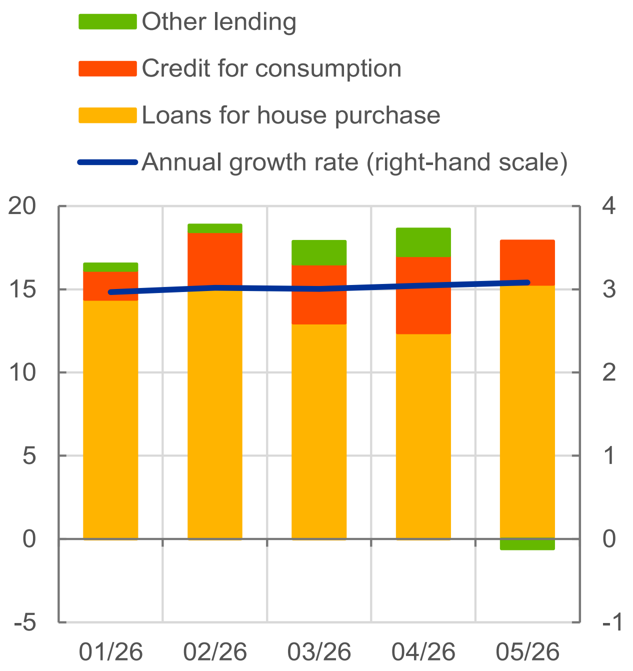


Source: ECB (Bank Lending Survey)
Notes: "Other financing needs": average of "M&A and corp. restructuring" and "debt refinancing/restructuring and renegotiation". "Use of alternative finance": average of components that refer to internal financing, loans from other banks and from non-banks, debt securities and equity issuance/redemption. The latest observations are for the second quarter of 2026 (past) and the third quarter of 2026 (expected).

Loans to households

Loans to households in the euro area

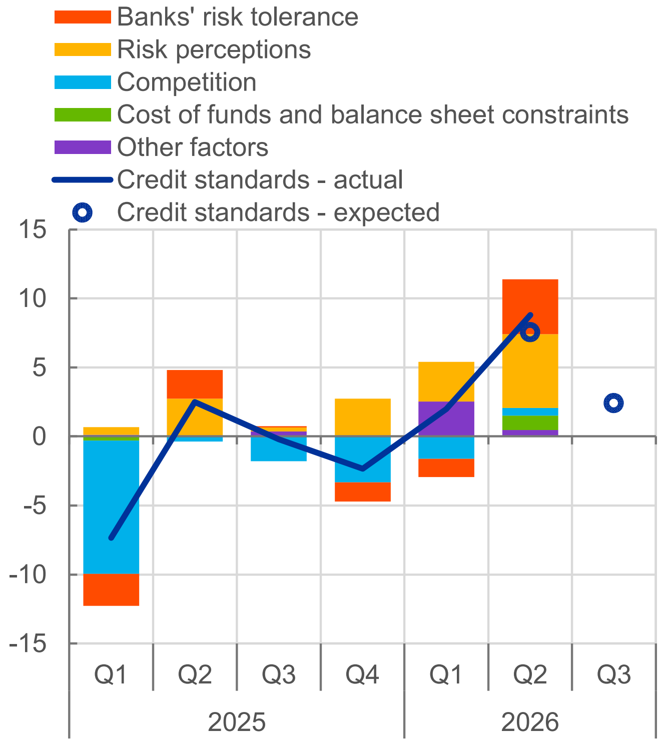
(left-hand scale: average monthly flows in EUR billions; right-hand scale: annual percentage



Sources: ECB (BSI (Balance Sheet Items)) and ECB calculations.
Notes: Bank loans adjusted for sales and securitisation and seasonally adjusted. The latest observations are for May 2026.

Changes in credit standards for housing loans

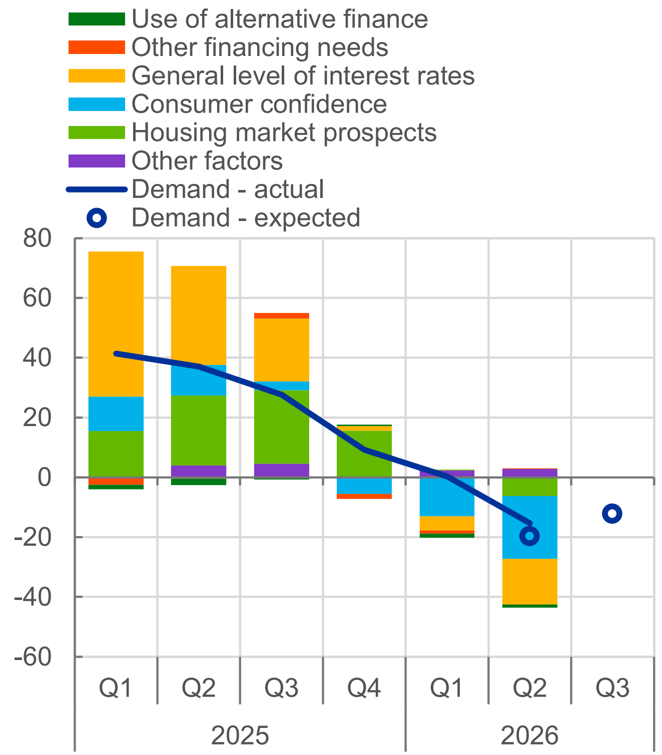
(net percentages of banks reporting a tightening)



Source: ECB (Bank Lending Survey).
Notes: "Other factors" refers to further factors which were mentioned by banks as having contributed to changes in credit standards. The latest observations are for the second quarter of 2026 (past) and third quarter of 2026 (expected).

Changes in demand for housing loans

(net percentages of banks reporting an increase)

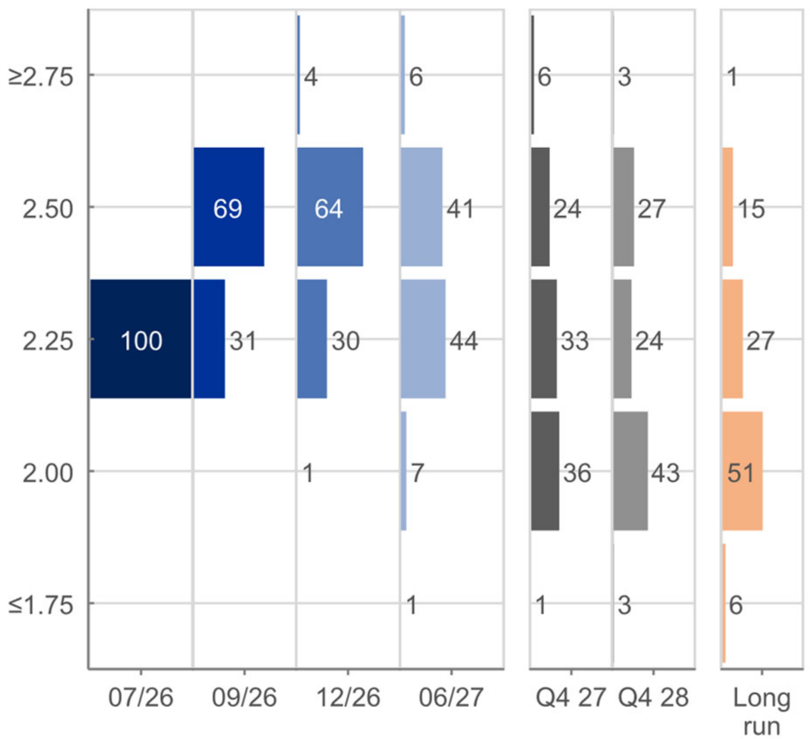


Source: ECB (Bank Lending Survey).
Notes: “Other financing needs”: average of “regulatory and fiscal regime of housing markets” and “debt refinancing/restructuring and renegotiation”. “Use of alternative finance”: average of “internal financing”, “loans from other banks” and “other sources of external finance”. The latest observations are for the second quarter of 2026 (past) and the third quarter of 2026 (expected).

Survey of Monetary Analysts (SMA) – DFR expectations and balance of risk

Expected Deposit Facility Rate level at Governing Council meetings

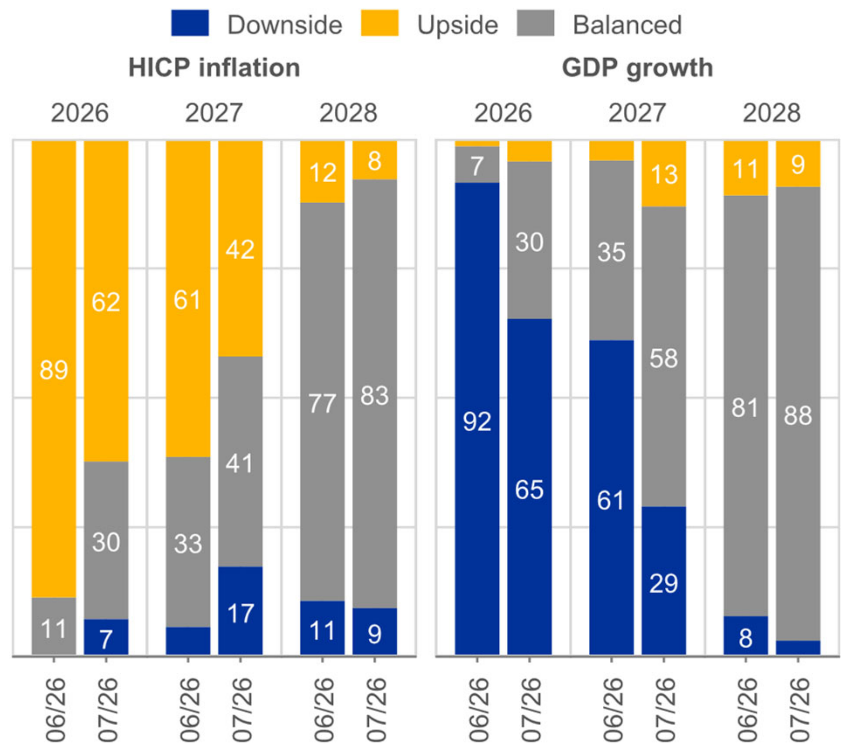
(percentage of respondents)



Source: SMA.
Notes: Total response counts across all projection horizons are as follows: 70 respondents for deposit facility rate (DFR) expectations at the GovC meetings (07/26, 09/26, 12/26, 06/27) and for DFR expectations at quarterly frequency (Q4 2027, Q4 2028); 67 respondents for the long-term DFR outlook. Percentages may not add up to 100%.

Balance of risk surrounding the euro area inflation and growth outlook

(percentage of respondents)



Source: SMA.
Note: Percentages may not add up to 100 due to rounding.