

# The J.P. Morgan View

Tutto il resto è no-IA (All the rest is no-AI)

- Over the past fortnight, oil prices flirted first with highs since the conflict began on concerns around military escalation before sharply retracing ~ \$100/bbl this week on headlines that US & Iran were weighing a deal which could potentially lead to the gradual reopening of the Strait of Hormuz.
- Our baseline remains for at least a partial reopening over the next few weeks, but stress how a prolonged closure could put further upward strain on oil prices and refined products. The passage of time continues to build pressure on physical supply constraints only partly defused by some selective demand destruction, improved efficiencies and energy substitution.
- President Trump visits [Beijing](#) May 14–15 to meet President Xi as both sides pursue a broad package: geopolitics (Hormuz/Middle East, Taiwan language/arms sales), tech & critical minerals (chips vs. rare earths), and trade (likely a negotiation framework plus Chinese purchases to extend the tariff truce), with risks of a fragile, temporary detente if talks drag on.
- Incoming surveys suggest global growth momentum has stayed solid about two months into the Middle East conflict. The global composite output PMI bounced back in April, partly offsetting March’s decline and implying roughly 2.7%ar GDP growth, a bit above our 2.2%ar 2Q forecast.
- Notwithstanding that resilience, the April surveys flag some caution. Manufacturing appears to be firming, but services activity is still subdued. Future output and new orders did not strengthen and remained below their February levels. Meanwhile, the April labour report was decent as payrolls increased 115K (123K private) with a stable unemployment rate of 4.3%, which should keep the Fed on hold in the June meeting.
- Concerns about a spike in inflation from the oil price shock are not homogeneous across DM central banks. The Fed is expected to [stay on hold](#) for the rest of the year, although its bias is shifting away from easing given the three dissents seen in the last meeting, reducing confidence in easing. In Western Europe, both the [ECB](#) and the [BoE](#) delivered a hawkish hold last week while signaling a readiness to hike rates in June.
- Moreover, we see Tech as more resilient to the Fed opening the right side of the policy rate distribution. Concentration and volatility dispersion in the S&P 500 remain close to historical highs; with the former driven by the fundamental AI dominance and the latter by seasonal earnings correlation trough and overwriting activity reducing index vol while single stock vol remains elevated.
- We keep our theme of “buy the winners” on a de-escalation narrative with space for further outperformance in the AI upstream theme. Beta analysis across US equity sectors vs. inflation FRIs suggests that Large Cap, Growth and Tech tend to outperform on inflation shock, consistent with narrow leadership when there is limited Fed support.
- Cross Asset Views – The AI upstream theme received further support over

## Cross Asset Strategy

**Fabio Bassi** AC

(44-20) 7134-1989

J.P. Morgan Securities plc

**Dubravko Lakos-Bujas**

(1-212) 622-3601

J.P. Morgan Securities LLC

**Nikolaos Panigirtzoglou**

(44-20) 7134-7815

J.P. Morgan Securities plc

**Mika Inkinen**

(44-20) 7742 6565

J.P. Morgan Securities plc

**Jainik Mody, CFA**

(44-20) 3493-0443

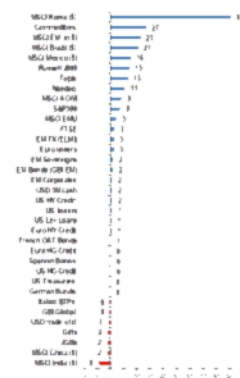
J.P. Morgan Securities plc

**Lara Bes**

(44-20) 3493-0267

J.P. Morgan Securities plc

Korean equity returns triple those of commodities



Source: Bloomberg Finance L.P.

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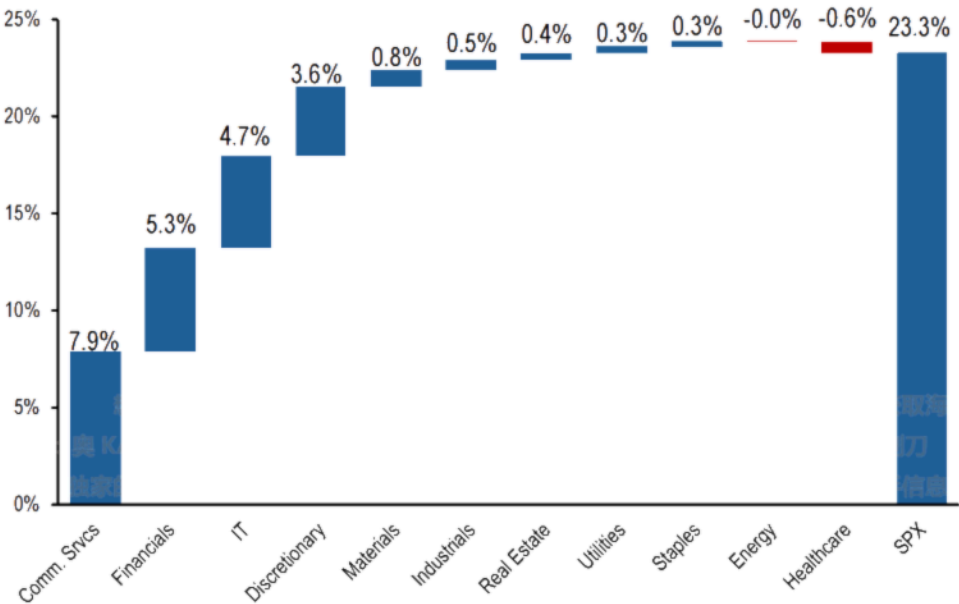
the past fortnight from strong 1Q earnings. The fundamental computational demand and strong earnings drive our positive view for Quality Growth, supported by a solid capex outlook with current guidance highlighting 2026 collective capex of \$695-725bn. We reiterate our 7,600 Price Target for the S&P 500. While recession risks have receded on a potential US/Iran deal, we continue to see Low Volatility as an attractive recession hedge, with a potential focus on Healthcare, attractive on valuations and positioning, and a sector beneficiary from a midterm gridlock outcome and/or lower headline or policy uncertainty risk. In International Equities we favour EM with strong beta to Tech such as Taiwan, Korea and China.

- In US rates, we raised our [year-end forecast for 10Y UST to 4.50%](#) as we see less room for the OIS curve to remain inverted and pricing additional easing, as the three regional Fed presidents dissenting in the last meeting raises the risk of the Fed moving to a neutral bias at the June meeting. In Euro area and UK, 1Yx1Y OIS rates have tracked closely Brent oil prices since the start of the conflict, leading to bear flattening of money market curve on escalation/higher Brent and vice versa: we recommend investors to hold rates exposure with conditional curve trades.
- In FX, we turned neutral USD given Fed's hawkish pivot and shades of US exceptionalism coming back. We favour energy exporters' high beta currencies like AUD and NOK in DM and high-yielders across EM, with a preference for Latam.

**Cross Asset Views** – Our bullish stance on risk assets driven by the strong momentum in the AI theme got further validation lately with strong earnings in Technology and Communications services. The Fear Of Being Obsolete remains a key driver of computational demand for corporates, supporting a solid capex outlook, with further impetus from Mythos, the new Anthropic model. We continue to favour the AI upstream theme with room for outperformance in Nasdaq and EM markets with a strong beta to Tech (Korea, Taiwan and China). We also see the Tech sector as more resilient to the risk of the Fed opening the right side of the policy rate distribution. The improvement in the labour markets in ADP, jobless claims and decent April payroll report combined with sticky core PCE increases the risks for the Fed to shift to a neutral bias in June, and Quality Growth should outperform in that scenario. Consequently, less Fed easing should limit the broadening of the equity leadership.

A potential deal to end the conflict reduces the recession risk probability; however, the passage of time without the reopening of the Strait leaves a lingering risk of further upward strain on energy prices. We find Low Volatility as an effective defensive recession hedge, with a particular focus on Healthcare, attractive on both positioning and fundamentals. We do not expect our revised forecast for 10Y UST at 4.50% to be a challenge for risk assets. However, the Fed taking hawkish steps towards a neutral stance, while not our current base case, could act as a drag on risk assets. In this scenario, we believe Cyclical and EM would underperform relative to Tech, which is not immune to higher rates but relatively more resilient. In DM rates, the strong correlation of monetary policy expectations in EUR and GBP to Brent oil prices makes it difficult to separate rates risk from the conflict barometer (Figure 2), making it attractive to hold limited duration exposure and conditional hedges such as 1Y/2Yx1Y bear flatteners. For long-term investors, we continue to find Bund yield levels above 3% as an attractive entry point for long duration.

Figure 1: Info Tech and Communication services contributed over 50% of S&P 500 1Q26 earnings growth



Source: J.P. Morgan, Bloomberg Finance L.P.

Table 1: Core recommendations by asset class

<b>Equities</b>	<p><b>Country:</b> OW Eurozone, N Japan, UK, OW EM vs DM ex US</p> <p><b>Sector:</b> OW Technology, Comm Services, Utilities; Neutral Industrials, Cons Staples, Cons Discretionary, Financials, Health Care, UW Energy, Materials, Real Estate</p> <p><b>DM Duration:</b> In the US, hold short 5Y in 2s/5s/10s <b>butterflies</b> and 5s/10s/30s belly-cheapening <b>butterflies</b>. In Euro rates, <b>close received Jun26 ECB ESTR</b>, hold fronts/greens conditional bear <b>flattener</b> via 3M payers, hold long Sep26 SONIA calls vs. Euribor, 3Mx(1Yx1Y) receiver fly A/A-25/A-50, 2s/10s conditional bull steepener, 6Mx5Y USD payers vs. Euribor, 6Mx10Y JPY payer vs. Euribor. In the UK, <b>take profit on Jun26 MPC OIS receivers</b>, <b>close 10Y swap spread narrowers</b>, hold long 3Mx10Y gamma, Dec26 3M SONIA A/A+25/A+50 put fly, and fronts/greens SONIA curve conditional bear <b>flatteners</b>. Keep long gilt Mar27 on ASW basis. In Japan, hold tactical 5s/20s JGB curve steepener and 30s/31s curve steepeners. In AUS/NZ, <b>take profit in paid Jun26 RBA vs. received Jul26 RBNZ</b>, <b>close AUD 1s/3s IRS flatteners</b>, <b>receive AUD 2Y1Y IRS vs. US</b>, <b>pay AUD 10Y EFP and NZD-AUD 5Y5Y IRS spread</b>.</p> <p><b>EM Duration:</b> Stay MW; OW Hungary, Brazil, Mexico, while UW Peru and Chile.</p> <p>US HG: OW Healthcare, Yankee banks, US Banks; UW Media Entertainment, Technology, Automotive, Basic Industries, Retail</p>
<b>Bonds</b>	<p><b>Euro HG:</b> OW Financials vs Non-Financials, OW EUP IG vs GBP IG, iTraxx Main 75bp June payer option</p> <p><b>Euro HY:</b> Long Single-B Basket</p> <p><b>EM:</b> MW sovereigns and corporates</p>
<b>Credit</b>	<p><b>DM:</b> Close USD outright shorts, <b>Take profit long-GBP/SEK</b>, Re-initiate long-NOK/SEK via 3m call spread. Stay long NOK vs JPY, CHF &amp; CAD. Short CAD vs AUD &amp; MXN. Short EUR/AUD.</p> <p><b>EM:</b> Move MW from (OW); OW MYR, HUF, TRY, BRL, MXN, while UW CZK, INR, THB and PEN.</p>
<b>Currencies</b>	<p><b>Long:</b> Gold, Copper, Aluminum, Silver, and Platinum</p> <p><b>Short:</b> Oil and Zinc</p>
<b>Commodities</b>	

Source: J.P. Morgan. New recommendations in bold.

Over two months into the conflict, headlines continue to oscillate, with developments swinging between escalation and de-escalation on a high frequency basis. Our base case remains that we are past the worst of the conflict, though we note it is not fully resolved as shipping through the Strait of Hormuz remains constrained, with limited vessels flowing through the critical chokepoint as both Iran's restrictions and the U.S. naval blockade remain in place. That said, the latest signals point toward progress. According to an [Axios report](#), the White House believes it is closing in on a one-page, 14-point memorandum of understanding with Iran to end the conflict and establish a framework for further negotiations. In its current form, some of the key provisions include Iran committing to a moratorium on nuclear enrichment, enhanced inspections and potential removal of enriched uranium from the country, the U.S. gradually lifts sanctions and releases frozen Iranian funds and both sides lift restrictions regarding transit through the Strait of Hormuz. At the time of publication of the Axios report, it states that Iran has 48 hours to respond to the points. Markets have responded favorably to the prospect of resolution with 2Y DM rates rallying 6-15bp earlier in the week, S&P 500 and Eurostoxx and MSCI EM equities were up 1-3%, and Brent crude declined 8% in the 1 day move. However, nothing has been confirmed yet and should the negotiations collapse, U.S. forces would be able to restore the blockade or resume military action, leaving open the possibility of renewed hostilities or an extended limbo in which nothing is truly resolved.

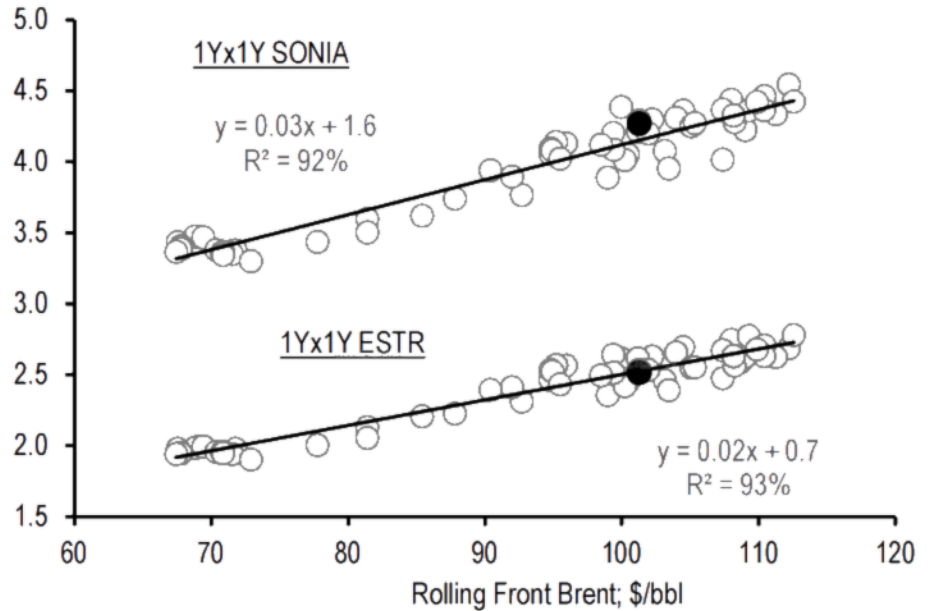
On the diplomatic front, [President Trump will travel to Beijing](#) for a state visit on May 14-15 where discussions will likely center around geopolitics (particularly re-opening the Strait of Hormuz and pacifying other potential chokepoints such as the Taiwan Strait), mutual restraint in competition in critical minerals and tech products (semiconductors and chips) and trade. Although a comprehensive trade deal is unlikely, we anticipate an agreement on the framework for further negotiations. Trade uncertainties could intensify if trade negotiations post-summit drag on amid approaching US mid-term elections.

Despite the market uncertainty amid the Iran conflict, the global composite output PMI rose 0.8pts to 51.8 in April, partially rebounding from the drop in March. This is in line with 2.7% annualized GDP growth, modestly above our 2.2% annualized 2Q forecast, but pointing to overall economic resiliency. However, we still note some caution as manufacturing PMIs increased while services activity remained subdued, only offsetting 0.4-pt of its March decline. Future output and new orders did not strengthen and remain below their February levels. Meanwhile, the April labour report was decent as payrolls increased 115K (123K private) with a stable unemployment rate of 4.3% (unrounded from 4.256% to 4.337%, an 8bp rise) and the workweek rising marginally, easing concerns that payrolls could temporarily underperform recent claims and ADP levels as the job numbers have been choppy. We expect the Fed to feel comfortable keeping rates on hold at the June meeting.

The last couple of weeks delivered a broad hawkish bias across DM central banks. At the last [Fed meeting](#) with Powell as the Fed's Chair we had three dissents on the statement indicating "additional adjustments" suggesting that some regional Fed Presidents see inflation risk outweighing the weakness in the labour market. In Western Europe, both the [ECB](#) and the [BoE](#) delivered a hawkish hold last week while signaling a readiness to hike rates in June. In Scandinavia, Riksbank held rates amid weak growth and soft inflation; possible September hike depends on Strait and ECB moves. [Norges Bank surprised](#) with a May hike on persistent inflation; more tightening is likely with a second hike expected in September, although an earlier hike is possible. The [RBA hiked](#)

by 25bp for the third time, taking rates back to their previous peak, but signaled front-loading was done and it has now adopted a balanced data-dependent stance.

Figure 2: EUR and GBP monetary policy expectations are highly correlated to oil  
1Yx1Y SONIA and ESTR (%) vs. Brent (\$/bbl). Data from Feb 9-May 7, 2026



Source: J.P. Morgan

Amid the ongoing conflict, we continue with our view of "buying the winners" on a deceleration narrative. While easing trade tensions should reduce tail risks, we note that inflation remains sticky and above the Fed's target, keeping the Fed on hold or potentially opening the door to higher rates. Within the equities space, we reiterate our preference for AI in US equities and internationally (Taiwan, Korea, China).

Since the beginning of the conflict, the rates market has repriced Fed monetary policy expectations, removing the ~60bp of cuts priced in by the end of 2026. This happened on the back of resilient activity and labour market data and inflation forecasts revised higher. To capture the relative dynamic on the repricing of Fed expectations, we run a beta analysis of various equity sub-indices vs. our US Forecast Revision Indices (FRI) for Inflation. We find that Information Tech and Communication Services sectors have the highest betas, 60% and 31%, respectively, suggesting that they have outperformed with less Fed easing priced in. Similarly, in equity styles we would see Growth perform better than Value (41% vs. 9% beta) and Large Cap over Small Cap (24% vs. 10% beta). Thus, we reiterate our preference for Growth and Large Cap equities (Figure 3).

Of note, inflation FRIs explain 51–58% of the sub-sector and style returns for Info Tech, Communication Services, Growth and Large Cap. Using this as a single factor model, we find that Communication Services and Info Tech carry elevated residuals of 36% and 39%, respectively, among the highest across all sectors and styles, highlighting that they are trading on the rich side relative to the US CPI FRI. However, Info Tech and Communication Services have delivered strong YTD returns of 12.3% and 11.4%, respectively, versus a 7% return for the broader MSCI US index, and we expect them to continue to outperform. This has been further validated by 1Q earnings season so far,

with 54% of earnings growth in the US driven by Tech and Communication Services sectors (Figure 4). Meanwhile, Healthcare is the only sector that carries a negative residual, suggesting it is screening marginally cheap relative to its CPI FRI and other sectors. We like the Healthcare sector within our Low Volatility basket, which acts as a recession hedge with and benefits from record low positioning and carry, making it an attractive diversifier to a portfolio. Additionally, it carries a low beta (4%) indicating that it is largely insensitive to Fed expectations and inflation dynamics, which leaves it better insulated in a stagflationary environment, but we also note that it has a lower R<sup>2</sup> (26%).

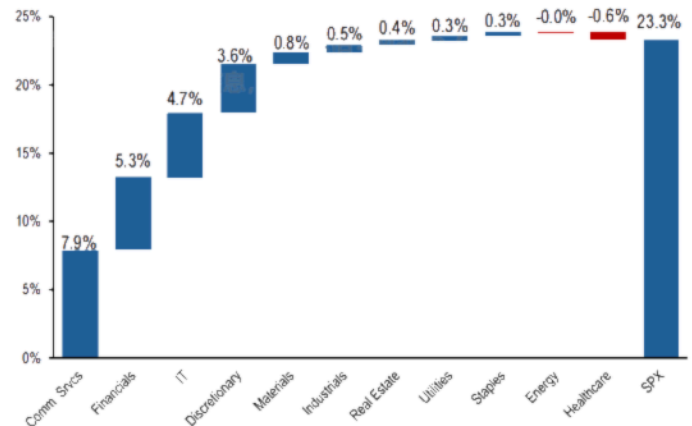
Figure 3: Tech, Large Cap and Growth are best positioned in a higher inflation environment where the Fed keeps rates on hold

Beta analysis of MSCI US GICs sectors and styles vs. of CPI FRI; Data over the last 4 years

	Beta	Residual	R2
<b>MSCI US</b>	<b>22%</b>	<b>20%</b>	<b>54%</b>
Energy	8%	28%	51%
Materials	5%	14%	25%
Industrials	20%	24%	60%
Info Tech	60%	36%	58%
Financials	17%	3%	47%
Real Estate	-2%	11%	6%
Consumer Discretionary	19%	13%	37%
Consumer Staples	5%	8%	42%
Healthcare	4%	-1%	26%
Comm Svcs	31%	39%	51%
Utilities	8%	12%	38%
Growth	41%	24%	55%
Value	9%	15%	46%
Large Cap	24%	21%	55%
Small Cap	10%	23%	39%

Source: J.P. Morgan, Bloomberg Finance L.P.

Figure 4: Tech-related sectors (Info Tech and Communication services) contributed over 50% of S&P 500 1Q26 earnings growth



Source: J.P. Morgan, Bloomberg Finance L.P.

Concentration in the S&P 500, as measured by the Gini index, remains close to historical highs, mostly driven by the fundamental AI dominance (Figure 5). The concentration of the index also results in high volatility dispersion. The spread of volatility between the top-weighted 75 stocks in the S&P 500 and the volatility of the index (measured via 6M realized or 6M implied) is close to multi-year highs, driven by seasonal earnings correlation trough and overwriting activity reducing index vol while single stock vol remains elevated (Figure 6).

Figure 5: S&P 500 concentration remains close to historical highs...

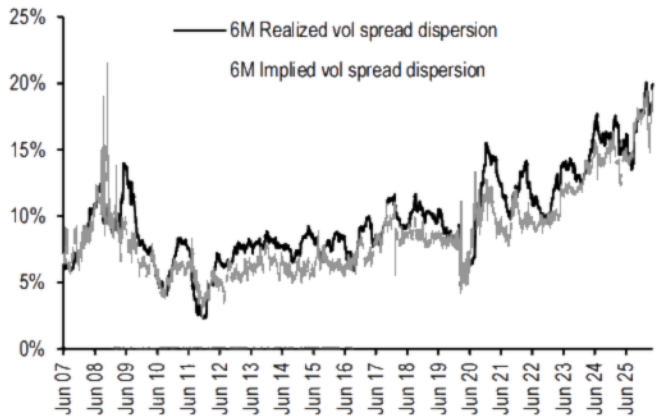
Gini index level for S&P 500



Source: J.P. Morgan, Bloomberg Finance L.P.

Figure 6: ...resulting in high volatility dispersion

6M Realized vol spread dispersion is calculated as SPX Top 75 weighted stock vol - index vol with realized vol or implied vol



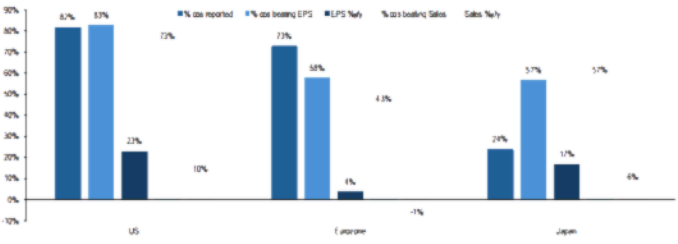
Source: J.P. Morgan, Bloomberg Finance L.P.

With 82% of S&P 500 and 73% of EuroStoxx companies having reported this [earnings season](#), we take stock of the numbers. The first quarter has been exceptionally strong with overall EPS growth running at +23% YoY in the US versus +4% YoY in Europe. Additionally, the share of companies beating EPS and sales estimates has also risen in both the US (83% EPS, 73% sales) and the Eurozone (58% EPS, 43% sales). Encouragingly, 44% of US companies have raised their profit outlook—higher than the historical average of 42% over the last 15 years—despite also highlighting uncertainty in the macro backdrop. Meanwhile in Japan, while earnings season is still in its early stages, we are also seeing solid delivery, with 57% of companies beating EPS estimates, overall EPS growth at +17% YoY, and revenue growth at +6% YoY with 57% beating sales expectations (Figure 7).

The Mag7 have delivered an excellent earnings season so far with 19.3% revenue growth and 52.2% earnings growth. This season reinforces that AI is now a real earnings driver, with cloud and AI-related businesses growing quickly, suggesting demand for AI infrastructure is still accelerating, showing up in revenue growth and being paired with an increase in spending. Specifically, current guidance implies 2026 collective hyperscaler ([AMZN](#), [GOOG](#), [MSFT](#), [META](#)) capex of roughly \$695–\$725bn (Figure 8), highlighting both the scale of the opportunity and the enormous cost of competing for it. However, markets are more selective in how they reward results: increasingly reacting to guidance quality, AI capex plans and investor positioning, and leading to more dispersion within Tech. Importantly, with elevated valuations and high expectations, simply beating estimates is not enough for the market, as was evident in Meta’s post-report decline of -8.6% the following trading day, despite reporting 33% YoY revenue growth. Additionally, our equity colleagues downgraded Meta to [Neutral from Overweight](#) on their belief that Meta has a more challenging path to recouping meaningful capex returns beyond advertising. Furthermore, they also expect revenue growth to decelerate through 2026 driven by tougher YoY comps, Middle East conflict headwinds, Europe LPA implementation and FX.

Figure 7: A phenomenal start to earnings season has seen 83% of S&P 500, 58% of Eurostoxx and 57% of TOPIX companies beating EPS estimates so far

1Q26 Earnings snapshot: US is represented by the S&P 500; the Eurozone is represented by the EuroStoxx; Japan is represented by the TOPIX



Source: J.P. Morgan, Bloomberg Finance L.P.

Figure 8: Hyperscaler guidance on 2026 full-year capex \$bn

Ticker	2026 capex guidance; USD bn
AMZN	200
GOOG	180-190
META	125-145
MSFT	190
<b>Total</b>	<b>695 - 725</b>

Source: J.P. Morgan

# JPM Forecasts

	Rates						Credit		
	Current	Jun-26	Sep-26	Dec-26	Mar-27		Current	Dec-26	
US (SOFR)	3.60	3.65	3.65	3.65	3.65	US High Grade (bp over UST)	JPM JULI	90	85
10-year yields	4.36	4.40	4.45	4.50	4.55	Euro High Grade (bp over Bunds)	iBoxx HG	92	90
Euro area (depo)	2.00	2.25	2.50	2.50	2.50	US High Yield (bp vs. UST)	JPM HY	309	375
10-year yields	3.01	2.95	2.90	2.85	2.75	Euro High Yield (bp over Bunds)	iBoxx HY	321	300
Italy-Germany 10Y (bp)	72	80	80	80	80	EM Sovereigns (bp vs. UST)	JPM EMBIGD	235	280
Spain-Germany 10Y (bp)	42	50	50	50	50	EM Corporates (bp vs. UST)	JPM CEMBI	169	210
United Kingdom (bank rate)	3.75	4.00	4.00	4.00	4.00				
10-year yields	4.91	4.70	4.75	4.75	4.70				
Japan (call rate)	0.75	1.00	1.00	1.25	1.25				
10-year yields	2.47	2.20	2.30	2.40	2.40				
EM Local (GBI-EM yield)	6.19			6.09					

	Currencies				
	Current	Jun-26	Sep-26	Dec-26	Mar-27
JPM USD Index	106.3	106.7	106.0	106.2	106.1
EUR/USD	1.18	1.17	1.20	1.20	1.20
USD/JPY	157	158	160	164	164
GBP/USD	1.36	1.34	1.36	1.35	1.38
AUD/USD	0.72	0.73	0.71	0.69	0.69
USD/CNY	6.80	6.80	6.75	6.70	6.70
USD/KRW	1462	1440	1430	1430	1430
USD/MXN	17.22	17.40	17.35	17.30	17.30
USD/BRL	4.90	5.05	5.10	5.20	5.15
USD/TRY	45.36	46.00	47.50	49.50	51.00
USD/ZAR	16.41	16.40	16.40	16.00	15.70

	Commodities				
	Current	Jun-26	Sep-26	Dec-26	Mar-27
Brent (\$/bbl, qtr avg)	102	59	56	55	55
WTI (\$/bbl, qtr avg)	96	55	52	51	51
Gold (\$/oz, qtr avg)	4717	5530	5900	6300	6440
Copper (\$/metric tonne, qtr avg)	13348	13500	13000	12500	11800
Aluminum (\$/metric tonne, qtr avg)	3547	3800	3600	3400	3200
Iron ore (\$/metric tonne, qtr avg)	111	100	95	95	95
Wheat (\$/bu, qtr avg)	6.0	5.6	5.6	5.8	5.7
Soybeans (\$/bu, qtr avg)	11.85	11.00	10.50	11.00	11.00

	Equities		
	Current	Dec-26	
US	S&P 500	7390	7600
Euro Area	MSCI Eurozone	368	385
UK	FTSE 100	10229	10300
Japan	TOPIX	3829	4300
EM	MSCI EM (\$)	1724	1575
China	MSCI China	82	100
Korea	KOSPI	7498	7000
Taiwan	TWSE	41604	43000
India	MSCI India	2957	3200
Brazil	Ibovespa	184931	190000
Mexico	MEXBOL	70222	68000
Saudi Arabia	MSCI Saudi Arabia	1263	1235

	Equity Sectors - YTD Returns & Recommendations			
	US	Europe	Japan	EM
Energy	25.3% UW	28.3% UW	20.8% OW	15.6% OW
Materials	11.8% UW	13.6% OW	31.8% OW	13.5% OW
Industrials	13.4% N	10.0% OW	19.1% N	31.0% N
Discretionary	2.6% N	-12.6% OW	-2.0% OW	-1.8% N
Staples	11.0% N	-0.2% UW	-2.9% UW	1.6% N
Healthcare	-6.5% N	-2.8% OW	2.9% UW	1.8% UW
Financials	-5.7% N	2.9% N	16.8% OW	4.4% OW
Technology	12.4% OW	24.0% N	35.7% OW	69.3% N
Comm Services	11.7% OW	1.2% N	6.1% N	-12.7% OW
Utilities	6.3% OW	15.2% UW	7.9% OW	13.4% N
Real Estate	10.8% UW	-0.5% N	5.8% OW	4.6% UW
Overall	7.4%	5.6%	14.5%	23.5%



# Global Economic Outlook Summary

	Real GDP			Real GDP						Consumer prices			
	% over a year ago			% over previous period, saar						% over a year ago			
	2025	2026	2027	4Q25	1Q26	2Q26	3Q26	4Q26	1Q27	4Q25	2Q26	4Q26	2Q27
United States	2.1	1.9	1.9	0.5	2.0	<u>1.5</u>	1.5	1.8	2.3	2.7	<b>3.9 ↑</b>	<b>3.8 ↑</b>	2.0
Canada	1.7	1.0	1.5	-0.6	<u>1.7</u>	1.0	1.4	1.4	1.7	2.2	<b>2.8 ↑</b>	<b>2.2 ↑</b>	<b>1.4 ↓</b>
Latin America	2.1	1.7	<b>2.0 ↑</b>	2.0	<u>0.9 ↓</u>	<b>2.8 ↓</b>	2.0	<b>1.7 ↑</b>	1.9	3.9	4.4	<b>4.3 ↓</b>	3.3
Argentina	4.4	3.2	3.2	2.5	<u>1.9</u>	5.5	4.0	3.0	2.8	31.8	32.8	29.4	20.5
Brazil	2.3	1.5	1.6	0.6	<u>3.6</u>	1.6	0.8	0.8	1.6	4.5	4.5	4.4	3.0
Chile	2.5	<b>2.1 ↓</b>	<b>3.1 ↑</b>	2.3	<u>-0.6 ↓</u>	<b>3.5 ↓</b>	5.0	<b>5.2 ↑</b>	<b>1.5 ↑</b>	3.4	4.4	3.8	2.8
Colombia	2.6	2.6	1.5	0.5	<u>3.5</u>	2.5	1.5	0.5	1.5	5.3	6.0	6.1	5.0
Ecuador	3.7	2.4	2.0	12.7	<u>8.0</u>	4.0	2.5	2.0	3.0	1.4	1.9	2.2	1.5
Mexico	0.6	1.0	1.7	3.5	<u>-3.0</u>	<u>2.5</u>	2.0	1.6	2.0	3.7	4.3	<b>4.3 ↓</b>	<b>3.6 ↑</b>
Peru	3.4	2.8	3.0	-0.7	<u>-0.8</u>	7.8	4.0	4.0	2.0	1.4	3.2	3.2	2.0
Uruguay	1.8	0.8	1.6	0.5	<u>-0.6</u>	2.0	3.2	1.0	1.3	4.0	3.1	4.3	5.1
Asia/Pacific	4.5	4.1	3.6	5.0	<u>5.7 ↑</u>	3.2	<b>3.1 ↓</b>	3.1	4.0	1.2	2.1	<b>2.2 ↑</b>	1.8
Japan	1.2	0.5	0.7	1.3	<u>1.0</u>	0.2	1.0	0.8	0.8	2.7	1.8	2.6	2.9
Australia	2.0	2.0	1.8	3.2	<u>1.5</u>	1.6	1.5	1.9	1.6	3.6	4.3	4.1	3.4
New Zealand	0.2	1.9	2.3	1.0	<u>3.3</u>	1.2	3.4	1.2	4.0	3.1	4.0	3.7	2.5
EM Asia	5.1	4.8	<b>4.2 ↑</b>	5.6	<u>6.6 ↑</u>	3.7	<b>3.5 ↓</b>	3.5	4.6	0.9	2.0	<b>2.0 ↑</b>	<b>1.6 ↑</b>
China	5.0	4.7	3.9	5.2	<u>6.7</u>	<u>4.0</u>	3.2	3.2	4.5	0.6	1.2	0.9	0.7
India	7.5	6.0	6.3	7.5	<u>7.4</u>	4.3	5.5	5.5	6.3	0.8	4.2	5.0	4.5
Ex China/India	4.0	4.3	3.6	5.9	<u>5.7 ↑</u>	2.5	<b>3.4 ↓</b>	<b>3.3 ↓</b>	3.8	1.8	2.9	<b>3.3 ↑</b>	<b>2.3 ↑</b>
Hong Kong	<b>3.6 ↑</b>	<b>3.4 ↑</b>	2.9	<b>4.5 ↑</b>	<b>12.1 ↑</b>	<u>3.0</u>	2.8	2.8	3.0	1.3	1.6	1.7	1.6
Indonesia	5.1	4.7	4.9	<b>5.7 ↑</b>	<b>5.7 ↑</b>	<u>3.7 ↓</u>	<b>3.3 ↓</b>	<b>3.0 ↓</b>	5.3	2.8	<b>2.7 ↓</b>	<b>3.6 ↑</b>	<b>3.0 ↑</b>
Korea	1.0	3.0	2.5	-0.6	6.9	<u>1.0</u>	2.0	2.0	3.0	2.4	2.8	2.8	2.3
Malaysia	5.2	4.6	4.1	6.2	1.4	<u>5.0</u>	4.5	4.0	4.0	1.4	1.9	2.0	1.8
Philippines	4.4	4.0	<b>6.0 ↑</b>	<b>2.4 ↓</b>	<b>3.8 ↓</b>	<u>4.2 ↑</u>	<b>7.2 ↑</b>	<b>7.7 ↑</b>	5.2	1.7	<b>7.6 ↑</b>	<b>8.7 ↑</b>	<b>4.6 ↑</b>
Singapore	5.0	3.1	3.1	5.2	-1.3	<u>2.5</u>	3.5	3.0	3.0	1.2	1.9	2.1	1.9
Taiwan	8.7	9.8	3.7	23.6	11.9	<u>2.2</u>	3.6	3.6	4.0	1.3	2.3	2.2	1.6
Thailand	2.5	2.1	2.5	7.8	<u>-0.8</u>	0.8	4.1	4.1	2.0	-0.5	3.2	4.3	1.5
Western Europe	1.5	0.9	1.2	0.8	<u>0.8</u>	0.8	1.0	1.2	1.3	2.3	3.0	3.2	2.1
Euro area	1.5	0.8	1.3	0.8	0.6	<u>0.8</u>	1.0	1.3	1.3	2.1	3.2	3.2	1.9
Germany	0.3	0.9	1.5	1.0	1.3	<u>1.0</u>	1.3	1.5	1.5	2.3	2.7	2.4	1.9
France	0.9	0.7	1.0	0.8	0.0	<u>0.3</u>	0.5	1.0	1.0	0.8	2.5	2.6	1.4
Italy	0.7	0.6	0.5	1.3	0.7	<u>0.0</u>	0.3	0.5	0.5	1.2	3.4	4.3	1.7
Spain	2.8	2.3	1.7	3.1	2.5	<u>2.0</u>	1.5	1.5	1.5	3.1	3.5	3.1	2.5
Norway	1.8	1.5	1.7	1.7	<u>1.3</u>	2.0	1.8	1.8	1.8	3.1	<b>3.6 ↑</b>	<b>3.8 ↑</b>	<b>2.6 ↑</b>
Sweden	1.8	1.9	2.0	2.0	<u>-1.0</u>	4.0	2.0	2.3	2.0	0.5	0.4	1.1	1.4
United Kingdom	1.4	0.8	1.0	0.2	<u>2.0</u>	0.5	0.5	1.0	1.2	3.4	2.9	3.5	3.0
EMEA EM	2.1	2.2	2.9	2.1	<u>-0.7</u>	<b>4.7 ↑</b>	3.1	2.9	2.6	10.6	<b>10.7 ↑</b>	<b>9.7 ↑</b>	<b>7.9 ↑</b>
Czech Republic	2.5	2.2	2.1	2.9	0.6	<u>2.0</u>	2.0	2.5	2.1	2.2	2.4	2.4	2.2
Hungary	0.4	1.9	2.7	0.9	3.2	<u>1.8</u>	1.8	2.5	3.0	3.8	2.9	3.6	3.7
Israel	2.9	3.9	4.1	3.3	<u>-2.0</u>	10.5	4.0	3.5	3.3	2.5	2.4	2.3	1.8
Poland	3.6	3.5	2.8	4.1	<u>3.5</u>	3.3	3.3	3.0	2.8	2.6	3.2	3.3	3.3
Romania	0.7	0.5	3.0	-7.2	<u>2.0</u>	1.8	4.1	3.2	2.4	9.7	10.7	4.8	3.5
Russia	1.0	0.9	2.0	3.2	<u>-5.0</u>	6.3	2.0	1.8	1.3	6.6	5.9	5.6	4.3
South Africa	1.1	1.2	1.5	1.5	<u>0.4 ↓</u>	<b>1.0 ↑</b>	1.0	1.8	1.6	3.6	<b>4.3 ↑</b>	<b>4.4 ↑</b>	3.1
Türkiye	3.6	3.4	4.6	1.5	1.7	4.0	5.5	4.6	5.0	31.6	<b>32.5 ↑</b>	<b>29.8 ↑</b>	<b>24.3 ↑</b>
Global	2.8	2.5	2.4	2.3	<b>2.8 ↑</b>	2.2	2.1	2.2	2.6	2.7	3.5	<b>3.5 ↑</b>	2.4
Developed markets	1.8	1.4	1.6	0.7	<u>1.5</u>	1.1	1.3	1.5	1.8	2.6	3.4	<b>3.5 ↑</b>	<b>2.1 ↓</b>
Emerging markets	4.2	4.0	3.6	4.6	<b>4.7 ↑</b>	3.7	<b>3.2 ↓</b>	3.1	3.9	2.8	3.6	<b>3.5 ↑</b>	<b>2.8 ↑</b>
Emerging ex China	3.6	3.3	3.4	4.1	<b>2.9 ↑</b>	3.5	<b>3.3 ↓</b>	3.1	3.4	4.7	<b>5.7 ↑</b>	<b>5.7 ↑</b>	4.5
Global — PPP weighted	3.3	2.9	2.9	3.1	<u>3.1</u>	2.7	<b>2.4 ↓</b>	2.5	3.0	2.9	3.8	<b>3.8 ↑</b>	2.8

Source: Government agencies and J.P. Morgan Global Economics. Details on request. Note: For some emerging economies seasonally adjusted GDP data are estimated by J.P. Morgan. Bold denotes changes from last edition of Global Data Watch, with arrows showing the direction of changes. Underline indicates beginning of J.P. Morgan forecasts. Unless noted, concurrent nominal GDP weights calculated with current FX rates are used in computing our global and regional aggregates. Regional CPI aggregates exclude Argentina and Ecuador. Source: J.P. Morgan. Any long-form nomenclature for references to China; Hong Kong; and Taiwan within this research material is Mainland China; Hong Kong SAR (China) and Taiwan (China).