Global Economics Wrap-Up: September 4, 2026

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Global Economics

9/4/26 9:00AM ET

- AI adoption rises to 22.4% in August:
  - AI adoption by firms rose by 0.9pp to 22.4% among US establishments and is expected to rise further to 25.9% in the next six months.
    - The information sector is leading adoption at nearly 50%.
  - AI-related hardware investment in the US national accounts continues to rise and now stands at $485bn annualized (1.5% of GDP).
  - AI-related hardware shipments from Taiwan have grown by 76% since 2022 and US AI hardware net imports ticked up to $55.9bn in June.
- Lower future output in Canada in August final PMIs:
  - The global composite PMI rose by +0.9pt in August to 53.5, reflecting increases in both manufacturing (+0.2pt to 52.3) and services (+1.1pt to 53.7).
  - Canada future output expectations declined further last month as trade tensions with the US escalated.
  - The global employment PMI component rose by +0.2pt for manufacturing to 50.6 and by +1.2pt for services to 51.8.
  - The global manufacturing input price fell by -0.9pt to 59.8 and the output price PMI fell by -0.8pt to 54.3.
- September DM central bank meetings kick off:
  - The BoC held the policy rate at 2.25%, in line with our expectations, consensus, and market pricing, although guidance was hawkish.
  - The RBNZ raised the policy rate by 25bp to 2.75%, in line with expectations and market pricing.
  - Next week, we expect the ECB to hike the policy rate by 25bp to 2.5%.

US Economics

9/4/26 11:45AM ET

- Nonfarm payrolls increased by 162k in August and the unemployment rate was unchanged on a rounded basis at 4.1%:

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- Payroll growth was revised up by 44k to 21k in July and by 11k to 31k in June. The three-month average of payroll growth stands at 71k.
- The increase in payrolls largely reflected a rebound in leisure and hospitality (+62k) and local government education (+42k), after the two had declined by 75k and 52k over the previous two months, respectively.
- The unemployment rate rose by 5bp to 4.14%, reflecting a 569k increase in household employment and a 683k increase in the size of the labor force.
- Average hourly earnings growth was soft again, increasing 0.3% month over month in August and 3.09% over the last year.

- The labor force participation rate rose by 0.2pp to 61.6% and now stands 0.5pp below the January level:
  - The January labor force participation rate was revised down by 0.4pp in February following the annual benchmark revisions which incorporated Census data with a long lag.
  - We estimate that roughly 0.2pp of the decline in participation since January reflects changes in the composition of the working-age population toward groups with lower participation rates.
  - We continue to see some evidence of residual seasonality in the participation rate of the 16-24 year-old group, which rose by 0.8pp in August and now stands at its January level.
  - Most of the increase in the number of people not in the labor force since January reflects college graduates over the age of 55 retiring from work.
    - The fact that this year's decline in participation mainly reflects retirement of older, higher-income workers rather than an increase in discouraged workers makes the decline somewhat less concerning from a cyclical perspective.
- A few Fed officials spoke this week ahead of the blackout period prior to the September FOMC meeting:
  - Fed Governor Christopher Waller said on Thursday that "recent data suggest we are finally seeing some signs of disinflation" and that "if this continues… over the next two weeks, I would be inclined to support holding the target for the federal funds rate at its current setting."
    - He added, however, that "if the incoming data for August show this improvement has been fleeting, then it may be appropriate to raise the policy rate."
  - Fed Governor Barr similarly noted on Tuesday that "if trends in the data give me some confidence that inflation is moderating on a path to 2 percent, then I think we can take a bit more time to assess our policy stance."
  - New York Fed President John Williams said on Wednesday that he is "seeing trend inflation moving slowly down as some of the effects of tariffs move into the rear-view mirror."

Europe Economics
9/4/26 8:28AM ET

- We expect the ECB to hike by 25bp in September:
  - A hike next week is widely expected, so the focus will be on staff projections and the commentary.
  - We expect the staff to revise up growth by 0.1pp in each of 2026 and 2027;
    - upgrade headline inflation by 0.4pp in 2027;
    - leave both core and headline unchanged in 2028 at 2.2% and 2.0%.
  - The rest of the meeting should remain the same, with an unchanged risk assessment and a focus on data-dependence.
  - We maintain our view that September is more likely than not the last hike of this tightening cycle.
    - That said, we now see a low hurdle for a third hike in December.
- Euro area August inflation surprised to the downside:
  - August core HICP surprised to the downside, printing below expectations, at 2.41%yoy.
    - Services inflation fell to 3.05%yoy from 3.28%yoy in July and non-energy industrial goods moved up further to 1.24%yoy.
  - Euro area headline HICP inflation increased by 0.32pp to 3.26%yoy in August, close to our tracking and consensus of 3.3%yoy.
  - We estimate that seasonally adjusted sequential core inflation was 0.15%mom in August, down from 0.26%mom in July.
  - We now see core inflation at 2.4%yoy in 2026 (down from 2.5%yoy previously), peaking at 2.6%yoy in 2027Q1 (vs 2.7%yoy before).
  - As for headline inflation, we continue to see the peak at 3.4%yoy in 2026Q4.
  - Swiss inflation, at the same time, was notably higher than expected in August.
- German manufacturing data mixed in July:
  - Manufacturing data for July were mixed and showed some near-term weakness under the surface.
  - Manufacturing orders increased by +2.5%mom in July, notably above consensus expectations.
  - That said, manufacturing orders were driven by major orders in other transport equipment.
  - Excluding major orders, they were again weaker, declining by -1.4%mom.
  - Industrial turnover declined by -1.5%mom in July, more than the preliminary estimate suggested.
  - We expect Monday's industrial production data to show -0.4% growth in July.
  - We also discuss our latest views on growth, fiscal policy, and politics in Germany.

Asia/EM Economics

9/3/26 10:30AM ET

- Manufacturing PMIs were mixed in August
  - Both China's official and unofficial manufacturing PMI rose. The services PMIs were flat and up respectively.
  - India's manufacturing PMI fell to a five-year low but remained in expansion at 52.8. The services PMI improved, but was still the second-lowest reading of the past few years.
  - Elsewhere in the region, factory surveys generally weakened in August, with the exceptions of Japan and a few ASEAN economies.
  - Manufacturing PMIs also weakened somewhat in LATAM but rose slightly across the CEE.
- South Korea's exports surprised to the upside; budget outlook improves on fiscal windfall
  - Exports rose 2.8% mom sa (or 68.7% yoy) in August, well above consensus, driven by a 6.5% rise in tech exports, while non-tech exports fell 1.5%.
  - The 2027 budget plan targets a sharp improvement to a consolidated 1.9% of GDP surplus from a 1.9% deficit in 2026, buoyed by corporate tax revenues. Net KTB issuance is set to fall moderately by KRW13.1trn in 2027.

GDP Forecast Tracker: GS vs. Consensus

Real GDP Growth:	Annual Average					
	2025	2026		2027		Potential
	Actual*	GS	Consensus	GS	Consensus	GS
DMs						
US	2.1	2.1	2.1	2.1	2.1	2.3
Euro Area	1.3	0.8	0.8	1.2	1.2	1.0
Germany	0.3	1.0	0.9	1.1	1.1	0.5
France	0.9	0.4	0.6	0.8	0.9	1.0
Italy	0.7	0.8	0.9	0.7	0.8	0.8
Spain	2.8	2.5	2.4	1.8	1.9	1.9
Japan	1.2	0.8	0.7	1.2	0.8	0.6
UK	1.3	1.2	1.0	1.4	1.1	1.4
Canada	1.9	0.9	0.9	2.0	1.7	1.5
Australia	2.0	1.9	1.9	1.8	1.7	2.4
EMs						
China	5.0	4.6	4.6	4.7	4.5	4.5
India	7.3	7.6	6.5	7.3	6.4	6.6
Brazil	2.3	2.0	2.0	1.2	1.7	2.1
South Korea	1.1	3.2	3.4	2.5	2.4	2.4
Mexico	0.5	1.4	1.2	1.8	1.8	2.2
World	2.8	2.5	2.5	2.8	2.7	2.7

*GS estimate where actual full-year data is not yet available.
Note: Global GDP growth rates aggregated using market exchange rates. IMF forecast used for India 2027 consensus value.

Source: Bloomberg, Goldman Sachs Global Investment Research