

ING's updated forecasts amid energy disruption

Our economists and strategists have updated their forecasts to reflect the rapidly changing events in the Middle East and our new base case scenario



Oil tankers and cargo ships are being forced to reroute as the Strait of Hormuz is effectively blocked

Interim forecast update

The war in the Middle East continues, and the Strait of Hormuz is practically blocked. Our initial base case assumptions from our [March Monthly](#) regarding the war have become outdated. We are normally not in the business of permanently changing our forecasts, but given that our next Monthly Update is only due in April, and we think that these times currently require some guidance, we have updated our full set of [forecasts](#).

Three new scenarios

We have developed [three new scenarios](#) to guide our thinking and macro and market forecasts. In summary:

- **Scenario 1** (our new base case): Intensive combat will end within the next two weeks, but will be followed by lower intensity strikes that linger for several months. It's a scenario in which the opening of the Strait of Hormuz will take much longer than initially anticipated.

The 'end game' in this scenario could be a temporary ceasefire or tacit stand down with maritime escorts and exploratory talks on sanctions. Regime change over time is still possible, driven from the inside, as in East Germany in the late 1980s.

- **Scenario 2** (optimistic alternative): War ends surprisingly earlier than in our new base case scenario and the Strait of Hormuz opens up within a short period.
- **Scenario 3** (longer war): Longer combat action followed by protracted, lower-grade, impulsive confrontation. That would imply a much more uncertain situation in the Strait. In this scenario, the 'end game' could be a hard won ceasefire with third party guarantees (likely involving Russia or China), the possibility of sequenced sanctions relief, and a maritime security regime for Hormuz. However, even then, a durable peace could remain elusive, and the region might settle into a fragile, flare up prone equilibrium.

In short, our base case scenario does not foresee structural damage to an oil or gas production facility. We are facing a delay in energy and other shipments, but not (yet) a structural reduction. Needless to say, if a delay lasts long enough, it can still lead to these structural reductions. Generally speaking and for the time being, this is still mainly a supply-side shock, pushing up inflation and posing new challenges for central banks. As a result, the upward revision to our inflation forecasts is clearly larger than the downward revisions of growth, and they also differ across regions. What these new scenarios mean for our market forecasts can also be found [here](#).

Contact us directly to discuss more details of the underlying scenarios and their implications.

ING Global Forecasts

	1Q26F	2Q26F	2026 3Q26F	4Q26F	2026F	1Q27F	2Q27F	2027 3Q27F	4Q27F	2027F
United States										
GDP (% QoQ, ann)	3.1	2.4	1.8	1.9	2.5	1.9	2.0	2.0	2.0	2.0
CPI headline (% YoY, avg)	2.5	3.8	3.5	3.2	3.3	2.8	2.0	1.9	2.1	2.2
Federal funds (% eop)	3.75	3.75	3.50	3.25	3.25	3.25	3.25	3.25	3.25	3.25
3-month SOFR rate (% eop)	3.70	3.70	3.50	3.30	3.30	3.30	3.30	3.30	3.30	3.30
10-year interest rate (% eop)	4.20	4.30	4.20	4.15	4.15	4.15	4.25	4.25	4.30	4.30
Fiscal balance (% of GDP)					-6					-6.1
Gross public debt / GDP					102.6					104.5
Eurozone										
GDP (% QoQ, ann)	0.7	0.6	1.0	1.5	0.9	1.6	1.6	1.5	1.4	1.4
CPI headline (% YoY, avg)	2.0	3.2	3.1	2.7	2.8	2.6	1.9	1.8	2.0	2.1
ECB Deposit Rate (% eop)	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
3-month interest rate (% eop)	2.00	2.00	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10
10-year interest rate (% eop)	3.00	3.00	2.95	2.85	2.85	2.90	3.00	3.00	3.10	3.10
Fiscal balance (% of GDP)					-3.6					-3.5
Gross public debt/GDP					93					93.9
Japan										
GDP (% QoQ, ann)	1.2	0.8	1.2	1.6	0.8	0.4	1.2	0.8	0.8	1.0
CPI headline (% YoY, avg)	1.7	2.4	2.4	2.3	2.2	2.6	1.8	1.8	1.6	2.0
Target rate (% eop)	0.75	1.00	1.00	1.00	1.00	1.25	1.25	1.25	1.50	1.50
3-month interest rate (% eop)	1.20	1.20	1.20	1.35	1.35	1.50	1.50	1.70	1.75	1.75
10-year interest rate (% eop)	2.25	2.50	2.50	2.60	2.60	2.75	2.75	2.85	2.85	2.85
Fiscal balance (% of GDP)					-4.6					-5.0
Gross public debt/GDP					230					228
China										
GDP (% YoY)	4.6	4.6	4.7	4.5	4.6	4.2	4.9	4.4	4.4	4.5
CPI headline (% YoY, avg)	0.9	1.1	1.4	1.3	1.2	1.6	1.1	1.1	1.1	1.3
7-day Reverse Repo Rate (% eop)	1.40	1.40	1.30	1.30	1.30	1.30	1.20	1.20	1.20	1.20
3M SHIBOR (% eop)	1.55	1.50	1.45	1.45	1.45	1.45	1.45	1.45	1.45	1.45
10-year T-bond yield (% eop)	1.85	1.90	1.95	2.00	2.00	2.00	2.05	2.10	2.15	2.15
Fiscal balance (% of GDP)					-5.3					-5.3
Public debt (% of GDP), incl, local govt					145					-
United Kingdom										
GDP (% QoQ, ann)	1.3	0.9	-0.1	0.8	0.6	1.5	1.5	1.5	1.5	1.1
CPI headline (% YoY, avg)	3.0	2.4	3.5	3.4	3.1	3.2	2.9	1.9	2.1	2.5
BoE official bank rate (% eop)	3.75	3.50	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25
3-month interest rate (% eop)	3.50	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20
10-year interest rate (% eop)	4.70	4.60	4.50	4.30	4.30	4.30	4.40	4.40	4.40	4.40
Fiscal balance (% of GDP)					3.6					3.1
Public sector net debt (FY, %)					96.1					96.4
EUR/USD (eop)	1.15	1.16	1.18	1.20	1.20	1.20	1.20	1.20	1.20	1.20
USD/JPY (eop)	158	158	155	153	153	150	148	147	145	145
USD/CNY (eop)	6.90	6.87	6.82	6.80	6.80	6.78	6.75	6.75	6.70	6.70
EUR/GBP (eop)	0.87	0.88	0.89	0.90	0.90	0.90	0.90	0.90	0.90	0.90
ICE Brent - US\$/bbl (average)	76	91	85	77	82	72	70	67	63	68
Dutch TTF - EUR/MWh (average)	39	50	38	38	41	34	28	27	30	30

Source: ING forecasts

GDP Forecasts

QoQ% Annualised (avg)										
	1Q26F	2Q26F	3Q26F	4Q26F	1Q27F	2Q27F	3Q27F	4Q27F	2026F	2027F
US	3.1	2.4	1.8	1.9	1.9	2.0	2.0	2.0	2.5	2.0
Japan	1.2	0.8	1.2	1.6	0.4	1.2	0.8	0.8	0.8	1.0
Germany	-0.5	1.1	1.8	2.2	1.8	2.6	2.5	2.5	0.8	2.2
France	0.6	0.4	0.4	0.6	1.2	1.4	1.6	1.2	0.8	1.0
UK	1.3	0.9	-0.1	0.8	1.5	1.5	1.5	1.5	0.6	1.1
Italy	0.3	0.4	0.9	1.3	0.9	0.6	0.8	0.6	0.7	0.8
Canada	1.8	1.5	1.4	1.6	2.2	2.0	2.1	2.0	1.1	1.9
Australia	2.3	2.2	2.3	2.2	2.5	2.5	2.5	2.5	2.3	2.5
Eurozone	0.7	0.6	1.0	1.5	1.6	1.6	1.5	1.4	0.9	1.4
Austria	1.0	0.6	1.2	1.8	1.8	1.6	1.6	1.4	0.8	1.6
Spain	1.9	1.1	2.0	1.5	2.1	2.1	2.0	2.0	2.1	1.9
Netherlands	0.9	0.9	1.5	1.6	1.4	1.5	1.1	1.0	1.4	1.4
Belgium	0.8	0.4	1.2	1.4	1.3	1.3	1.2	1.4	0.8	1.2
Greece	1.6	0.8	1.8	1.7	1.7	2.4	2.2	1.7	1.9	1.8
Portugal	1.7	1.3	1.6	1.7	2.0	2.0	2.0	2.0	2.1	1.9
Switzerland	1.2	0.6	0.8	1.2	1.2	1.6	1.6	1.2	0.5	1.2

Emerging Markets, (YoY% growth)										
	1Q26F	2Q26F	3Q26F	4Q26F	1Q27F	2Q27F	3Q27F	4Q27F	2026F	2027F
Bulgaria	3.1	2.8	2.7	2.5	2.5	2.5	2.5	2.7	2.8	2.5
Croatia	3.5	3.1	3.0	1.7	1.6	1.7	1.8	1.8	2.7	1.7
Czech Republic	2.5	2.8	2.7	2.8	2.8	2.8	2.7	2.7	2.7	2.7
Hungary	1.6	1.4	1.7	2.2	1.9	3.2	3.1	3.6	1.7	3.0
Poland	3.6	3.8	3.7	3.6	3.6	3.4	3.0	3.0	3.7	3.2
Romania	-0.7	-0.8	0.3	2.8	3.1	2.9	2.6	2.7	0.6	2.8
Turkey	3.2	2.8	3.6	3.8	4.4	5.5	5.2	4.9	3.4	5.0
Serbia	3.5	3.0	3.1	2.6	2.8	3.2	3.3	3.6	3.0	3.2
Azerbaijan	3.0	2.0	4.0	1.0	3.0	3.5	2.0	3.5	2.5	3.0
Kazakhstan	4.0	5.0	5.0	6.0	5.0	4.8	4.0	4.0	5.0	4.5
Russia	1.0	1.0	0.5	-0.5	0.0	0.5	1.0	1.5	0.5	0.8
Uzbekistan	6.5	6.3	6.0	7.0	6.5	5.5	6.0	6.0	6.5	6.0
Ukraine	2.1	2.6	2.5	2.8	3.2	3.4	3.5	3.5	2.5	3.4
China	4.6	4.6	4.7	4.5	4.2	4.9	4.4	4.4	4.6	4.5
India	6.5	6.6	6.8	7.0	6.5	6.5	6.5	6.5	6.7	6.5
Indonesia	4.8	4.9	5.0	5.0	5.0	5.0	5.0	5.0	4.9	5.0
Korea	2.4	2.4	1.5	2.3	1.8	1.8	1.9	1.8	2.2	1.8
Philippines	4.0	4.5	6.0	6.2	6.0	6.0	6.0	6.0	5.2	6.0
Singapore	4.5	4.0	3.0	2.0	1.8	1.8	1.8	1.8	3.4	1.8
Taiwan	10.2	7.4	6.9	3.1	4.0	4.6	5.0	5.1	6.7	4.7

Norway: Forecasts are mainland GDP

Source: ING estimates

CPI Forecasts

YoY% (avg)	1Q26F	2Q26F	3Q26F	4Q26F	1Q27F	2Q27F	3Q27F	4Q27F	2026F	2027F
US	2.5	3.8	3.5	3.2	2.8	2.0	1.9	2.1	3.3	2.2
Japan	1.7	2.4	2.4	2.3	2.6	1.8	1.8	1.6	2.2	2.0
Germany	2.2	3.2	3.2	3.0	3.0	2.2	2.1	2.1	2.9	2.3
France	1.1	2.4	2.2	2.3	1.9	1.1	0.8	1.5	2.0	1.3
UK	3.0	2.4	3.5	3.4	3.2	2.9	1.9	2.1	3.1	2.5
Italy	1.5	2.3	2.6	2.6	2.2	1.7	1.6	1.9	2.3	1.8
Canada	2.1	2.8	2.9	2.5	2.1	1.7	1.8	2.0	2.6	1.9
Australia	3.7	3.7	3.2	3.2	3.0	3.0	3.0	3.0	3.5	3.0
Eurozone	2.0	3.2	3.1	2.7	2.6	1.9	1.8	2.0	2.8	2.1
Austria	2.3	2.7	2.6	2.3	2.2	1.9	1.8	2.0	2.5	2.0
Spain	2.6	3.3	2.8	2.6	2.2	2.2	2.1	2.1	2.8	2.1
Netherlands	2.3	2.5	3.0	3.1	2.6	2.3	1.7	1.6	2.7	2.0
Belgium	1.8	3.4	3.3	3.0	2.8	2.0	1.9	1.9	3.0	2.2
Greece	3.1	3.5	3.6	3.1	2.7	2.0	2.2	2.2	3.3	2.3
Portugal	2.2	2.9	2.6	2.4	2.0	2.0	1.9	1.9	2.5	2.0
Switzerland	0.4	1.1	1.0	0.7	0.6	0.6	0.8	0.8	0.8	0.7
Bulgaria	3.3	3.7	2.3	2.5	2.4	2.3	2.5	2.6	3.0	2.5
Croatia	3.8	4.1	3.3	3.2	2.4	2.6	2.7	3.1	3.6	2.7
Czech Republic	1.5	1.8	1.6	2.1	2.5	2.3	2.3	2.3	1.7	2.3
Hungary	1.9	3.4	3.6	3.9	4.0	4.2	3.8	3.4	3.2	3.8
Poland	2.5	3.6	3.7	3.3	3.1	2.2	2.0	2.3	3.2	2.4
Romania	9.7	10.4	6.0	5.4	4.2	4.1	3.9	3.7	7.9	4.0
Turkey	31.0	28.6	26.3	25.5	21.6	20.7	19.0	18.3	28.1	20.3
Serbia	2.6	3.0	2.6	3.4	3.3	3.5	3.8	4.2	3.0	3.8
Azerbaijan	5.8	5.5	4.9	4.6	4.3	4.5	4.7	4.9	5.2	4.6
Kazakhstan	11.8	11.0	10.3	10.4	10.0	9.3	8.6	8.1	10.9	9.0
Russia	5.9	5.4	4.8	5.3	4.5	4.8	5.3	4.7	5.3	4.8
Uzbekistan	7.4	7.1	7.0	7.7	8.0	7.7	7.6	7.6	7.3	7.7
Ukraine	9.2	8.5	7.5	7.0	6.5	6.3	6.1	5.7	8.1	6.2
China	0.9	1.1	1.4	1.3	1.6	1.1	1.1	1.1	1.2	1.3
India	3.0	3.7	4.1	4.3	4.5	4.8	4.8	5.0	3.8	5.0
Indonesia	3.0	2.3	2.5	2.5	2.5	2.5	3.0	3.0	2.6	2.5
Korea	2.1	3.0	2.5	2.1	1.8	1.3	1.9	2.2	2.4	1.8
Philippines	2.5	3.0	3.2	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Singapore	1.6	1.8	1.9	1.8	2.0	2.0	2.0	2.0	1.8	2.0
Taiwan	1.4	2.6	2.5	1.9	1.5	1.3	1.4	1.4	2.1	1.4

*Quarterly forecasts are quarterly average; yearly forecasts are average over the year, HICP for Eurozone economies

Source: ING estimates

Oil and Natural Gas Forecasts (avg)

	1Q26F	2Q26F	3Q26F	4Q26F	1Q27F	2Q27F	3Q27F	4Q27F	2026F	2027F
Brent (\$/bbl)	76	91	85	77	72	70	67	63	82	68
Dutch TTF (EUR/MWh)	39	50	38	38	34	28	27	30	41	30

Source: ING estimates

Author

Carsten Brzeski

Global Head of Macro

carsten.brzeski@ing.de

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