

The global economy is not yet a 'Better Man'

Carsten Brzeski on the peculiar parallels between Robbie Williams, a blockbuster movie, and the global economy



Robbie Williams at the premier of 'Better Man'

Things need to get better

The Festive Season is usually the only time of year we economists get for a period of rest, calm and contemplation. So, blame my weird economist's mind when I took time out to watch the impressive Robbie Williams movie 'Better Man' and started drawing parallels with the global economy. It may surprise you to learn that I've never bought a single boyband record, not even from Williams. But this CGI-enhanced movie, which drags you into the world of rock, pop and human tragedies, got me thinking.

You see, the global economy's start to the new year has been as wild as Robbie's first years as a pop star. And I have to admit that there are very few reasons for us to change the main calls we made in early December. It sometimes happens that macro views become milder or more optimistic after a longer break. Not this time.

Inflation data over the last few days confirms that inflation is far from dead and instead seems to have as many lives as cats. In both the US and the eurozone, it's now going through the third small (and hopefully temporary) upward trend since headline inflation normalised from record highs. This inflation stickiness is a result of less favourable energy base effects but also from still too high

services inflation. It complicates central banks' efforts to normalise policy rates towards neutral levels. And it also complicates any central banks' efforts to support growth. This could become a concern, particularly in Europe.

The first few days of the new year also were a strong reminder that politics now matter 'bigly', in the words of Donald Trump. The news flow out of the US is a reminder of how volatile Trump 2.0 communication can be for jumpy markets. Tariffs, no tariffs, more tariffs?

Elon Musk is increasingly commenting and interfering in politics in other countries, for example, publicly supporting the right-wing AfD in Germany, a party heading to the upcoming elections with a platform advocating 'Dexit' and an end to the European Union. At the same time, Austria is on course to get the first populist right-wing government leader since the 1930s. And the year has hardly started.

Pivotal moments

In 'Better Man', Robbie Williams has his pivotal moment, after which he leaves the wild and excessive life behind to become a better man. The first days of the new year suggest that the global economy is still far away from seeing this pivotal moment. But, hey, who thought that Robbie Williams would get to his? So, there is hope.

My editor strongly advised me not to make any reference to the very end of the movie. So I won't spoil it; do watch it yourself. And ING's entire macro team wishes you all the best for 2025, and to quote Robbie, we continue to be here to entertain (and inform) you.

Author

Carsten Brzeski

Global Head of Macro

carsten.brzeski@ing.de

Disclaimer

This publication has been prepared by the Economic and Financial Analysis Division of ING Bank N.V. ("ING") solely for information purposes without regard to any particular user's investment objectives, financial situation, or means. *ING forms part of ING Group (being for this purpose ING Group N.V. and its subsidiary and affiliated companies)*. The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice.

The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions.

Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of ING. All rights are reserved. ING Bank N.V. is authorised by the Dutch Central Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam). In the United Kingdom this information is approved and/or communicated by ING Bank N.V., London Branch. ING Bank N.V., London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. ING Bank N.V., London branch is registered in England (Registration number BR000341) at 8-10 Moorgate, London EC2 6DA. For US Investors: Any person wishing to discuss this report or effect transactions in any security

discussed herein should contact ING Financial Markets LLC, which is a member of the NYSE, FINRA and SIPC and part of ING, and which has accepted responsibility for the distribution of this report in the United States under applicable requirements.

Additional information is available on request. For more information about ING Group, please visit www.ing.com.