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THINK Economic and Financial Analysis

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# The global economy needs a half-time pep talk

**There's nothing like a concerned manager giving his or her team a good talking to to boost their chances of winning the game - just look at the Euro football championships. So, halfway through the year, how worried or encouraged should we be about the global economy? And, how's the ING team doing...?**

The Euro 2024 football championships are almost at an end. On Sunday, Spain and England will compete for the title. And the ups and downs, the drama and the histrionics of the past four weeks, in some ways, mirror the performance of the global economy. So, as a football fan and manager of all things macro here at ING, I thought I'd hang this ING Monthly on the soccer peg and check on our economists' performance as we reach half-time in this interesting, frustrating, sometimes baffling year.

The Euros have provided some new interesting insights. Who knew that England could actually win a penalty shootout? Yes, Germany can lose a match in the dying minute despite things looking good up to then. And it's clear that disruption can come from smaller countries, at least in terms of football; think of Austria and Switzerland.

The Championships have also shown the importance of a good half-time team review. And there's more to a half-time analysis than just listening to some more or less qualified experts on TV. Real professionals use the half-time break to analyse, reflect and draw conclusions. This is exactly what we're trying to copy from Euro 2024 to this ING Monthly. We're taking a look back at our main calls for the global economy from December last year. We'll celebrate what we got right, analyse why things didn't necessarily turn out as we expected, look ahead to the second half of the game, and see a clear path to success.

Overall, our first-half performance was not too bad. We didn't have any total failures, and I'm pleased to say that none of our players had to be substituted. However, we have had to make some minor changes to our tactics and strategies. We need to remain completely focused on central banks and their policies in the second half of the year after the US Fed surprised nearly everyone with its defensive tactics.

With the cooling of the labour market and inflation in the US, the sluggish recovery in the eurozone, and a stable longer-term inflation outlook, we do expect rate cuts in the major economies. But these won't be panicky strikes on goal. Instead, they'll be rate cuts from teams that feel comfortable thinking they're in complete control of their opponent. We'll have to wait to see whether that confidence is justified.

And this is a year of political upheaval. We don't make any election predictions, but politics will dominate the next six months. We've got to be alert to increasing trade tensions, the upcoming US elections, and Europe's struggle to cope with the threat of policy indecisiveness after the European and French elections, among others.

One of the best football quotes comes from the Dutch legend Johan Cruyff: 'Football is a game of mistakes. Whoever makes the fewest mistakes wins.' Central bankers and policymakers should remember this when the temptation builds to celebrate the final whistle just a little too early.

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## Watch: Why the global economy needs a half-time pep talk

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### Our key calls this month:

- **United States:** The US economy has slowed as we suspected it would, but inflation and the jobs market have been more resilient. However the consumer is cooling, unemployment is rising and inflation is showing signs of moderating; we're expecting the first rate cut in September.
- **Eurozone:** We expect the European Central Bank to cut rates again at the September and December meetings; at least as long as the ECB itself continues to see inflation at 2% and below from the end of 2025 onwards.
- **United Kingdom:** We're expecting the first Bank of England rate cut in August. In fact, we think further progress on services inflation should unlock three cuts in total this year.
- **China:** We predicted we'd see a shift in growth drivers for China this year, that policy would become more supportive, and that weak confidence would be an ever-increasing factor. For the most part, we got it right.
- **FX:** The currency market is no longer primarily a function of Federal Reserve rate expectations. While we expect the Fed to be led to cut in September as we begin to see softer data, domestic political and central bank stories should determine which currencies can benefit from a weaker dollar.
- **Rates:** We still like lower rates, steeper curves and wider eurozone spreads for 2024. But now for the US election drama! If Biden pulls out, Treasuries rally (yields fall). But if Trump wins, Treasuries sell off (yields rise), certainly eventually. But, for unobvious and contrarian reasons.

## ING global forecasts

| | 2024 | | | | | 2025 | | | | | 2026 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q24F | 2Q24F | 3Q24F | 4Q24F | 2024F | 1Q25F | 2Q25F | 3Q25F | 4Q25F | 2025F | 2026F |
| **United States** | | | | | | | | | | | |
| GDP (% QoQ, ann) | 1.4 | 2.5 | 1.5 | 0.4 | 2.4 | 1.1 | 1.7 | 2.2 | 2.5 | 1.4 | 2.1 |
| CPI headline (% YoY) | 3.2 | 3.2 | 2.9 | 2.7 | 3.0 | 2.3 | 2.0 | 2.0 | 1.9 | 2.0 | 2.0 |
| Federal funds (%, eop) | 5.50 | 5.50 | 5.25 | 4.75 | 4.75 | 4.25 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 |
| 3-month interest rate (%, eop) | 5.40 | 5.40 | 5.20 | 4.70 | 4.70 | 4.20 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 |
| 10-year interest rate (%, eop) | 4.25 | 4.40 | 4.25 | 4.00 | 4.00 | 4.25 | 4.50 | 4.75 | 5.00 | 5.00 | 5.00 |
| Fiscal balance (% of GDP) | | | | | -6.0 | | | | | -5.8 | -5.4 |
| Gross public debt / GDP | | | | | 99.2 | | | | | 101.7 | 103.0 |
| **Eurozone** | | | | | | | | | | | |
| GDP (% QoQ, ann) | 1.3 | 1.2 | 1.4 | 1.4 | 0.8 | 1.4 | 1.4 | 1.3 | 1.3 | 1.4 | 1.2 |
| CPI headline (% YoY) | 2.6 | 2.5 | 2.5 | 2.5 | 2.5 | 2.3 | 2.2 | 2.1 | 2.2 | 2.2 | 2.2 |
| ECB Deposit Rate (%, eop) | 4.00 | 3.75 | 3.50 | 3.25 | 3.25 | 3.00 | 2.75 | 2.50 | 2.50 | 2.50 | 2.50 |
| 3-month interest rate (%, eop) | 3.90 | 3.70 | 3.40 | 3.20 | 3.20 | 2.90 | 2.75 | 2.50 | 2.60 | 2.60 | 2.60 |
| 10-year interest rate (%, eop) | 2.30 | 2.60 | 2.50 | 2.40 | 2.40 | 2.50 | 2.60 | 2.70 | 2.80 | 2.80 | 2.90 |
| Fiscal balance (% of GDP) | | | | | -3.1 | | | | | -2.7 | -2.6 |
| Gross public debt/GDP | | | | | 89.5 | | | | | 89.4 | 89.4 |
| **Japan** | | | | | | | | | | | |
| GDP (% QoQ, ann) | -2.9 | 6.0 | 4.8 | 4.0 | 1.0 | 0.0 | 0.4 | 0.4 | 0.4 | 1.8 | 1.1 |
| CPI headline (% YoY) | 2.5 | 2.8 | 2.4 | 1.8 | 2.4 | 2.2 | 1.8 | 1.7 | 1.7 | 1.8 | 1.8 |
| Interest rate on excess reserves (%) | 0.10 | 0.10 | 0.25 | 0.50 | 0.50 | 0.75 | 0.75 | 1.00 | 1.00 | 1.00 | 1.00 |
| 3-month interest rate (%, eop) | 0.25 | 0.35 | 0.50 | 0.75 | 0.75 | 1.00 | 1.00 | 1.25 | 1.25 | 1.25 | 1.25 |
| 10-year interest rate (%, eop) | 0.74 | 1.00 | 1.10 | 1.25 | 1.25 | 1.50 | 1.50 | 1.75 | 1.75 | 1.75 | 2.00 |
| Fiscal balance (% of GDP) | | | | | -12.0 | | | | | -12.0 | -15.0 |
| Gross public debt/GDP | | | | | 280.0 | | | | | 290.0 | 300.0 |
| **China** | | | | | | | | | | | |
| GDP (% YoY) | 5.3 | 5.1 | 4.8 | 5 | 5.0 | 4.5 | 4.8 | 4.8 | 4.90 | 4.7 | 4.7 |
| CPI headline (% YoY) | 0.0 | 0.3 | 0.9 | 2.1 | 0.8 | 1.2 | 2.2 | 2.2 | 2.4 | 2.0 | 1.8 |
| 1 Year Loan Prime Rate (% eop) | 3.45 | 3.45 | 3.35 | 3.25 | 3.25 | 3.15 | 3.15 | 3.05 | 3.05 | 3.05 | 3.05 |
| 3M SHIBOR (% eop) | 2.16 | 1.92 | 1.85 | 1.80 | 1.80 | 1.80 | 1.75 | 1.70 | 1.70 | 1.70 | 1.75 |
| 10-year T-bond yield (%, eop) | 2.30 | 2.21 | 2.35 | 2.30 | 2.30 | 2.30 | 2.35 | 2.40 | 2.40 | 2.40 | 2.50 |
| Fiscal balance (% of GDP) | | | | | -5.0 | | | | | -5.0 | -4.8 |
| Public debt (% of GDP), incl. local govt. | | | | | 121 | | | | | 131 | 138 |
| **UK** | | | | | | | | | | | |
| GDP (% QoQ, ann) | 2.9 | 1.9 | 1.2 | 1.0 | 1.0 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.4 |
| CPI headline (% YoY) | 3.5 | 2.1 | 2.1 | 2.5 | 2.6 | 2.4 | 1.9 | 2.2 | 2.0 | 2.1 | 2.2 |
| BoE official bank rate (%, eop) | 5.25 | 5.25 | 5.00 | 4.50 | 4.50 | 4.00 | 3.50 | 3.25 | 3.25 | 3.25 | 3.25 |
| 3-month interest rate (%, eop) | 5.25 | 5.05 | 4.80 | 4.30 | 4.30 | 3.80 | 3.30 | 3.20 | 3.20 | 3.20 | 3.20 |
| 10-year interest rate (%, eop) | 3.95 | 4.20 | 3.90 | 3.50 | 3.50 | 3.60 | 3.70 | 3.85 | 4.00 | 4.00 | 4.00 |
| Fiscal balance (% of GDP) | | | | | 3.0 | | | | | 2.7 | 2.5 |
| Gross public debt/GDP | | | | | 100.1 | | | | | 100.0 | 99.8 |
| **EUR/USD (eop)** | 1.08 | 1.08 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 | 1.10 |
| **USD/JPY (eop)** | 148 | 150 | 145 | 140 | 140 | 140 | 140 | 140 | 142 | 142 | 145 |
| **USD/CNY (eop)** | 7.22 | 7.26 | 7.24 | 7.26 | 7.26 | 7.22 | 7.18 | 7.14 | 7.10 | 7.10 | 7.00 |
| **EUR/GBP (eop)** | 0.86 | 0.87 | 0.87 | 0.88 | 0.88 | 0.88 | 0.88 | 0.88 | 0.88 | 0.88 | .88 |
| **ICE Brent -US$/bbl (average)** | 82 | 85 | 88 | 85 | 85 | 84 | 80 | 80 | 77 | 80 | 75 |
| **Dutch TTF - EUR/MWh (average)** | 28 | 32 | 25 | 35 | 30 | 35 | 27 | 24 | 30 | 29 | 28 |

Source: ING forecasts

# We're still playing the central bank waiting game

**We thought at the start of the year that there'd have been more rate cuts from the Federal Reserve by now. We still think things will really get going in September**


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ECB President, Christine Lagarde with someone who looks very like the Fed's Jay Powell. But isn't.

## √ The half-time review

Financial markets started the year expecting six rate cuts from each major central bank. But it didn't take long for more resilient US activity data, coupled with some unwelcome news on American inflation, for investors to begin rapidly scaling back those expectations. The sheer resilience of the US economic story has given the Federal Reserve the confidence to adopt a highly data-dependent approach to timing the first rate cut.

Over in Europe, the strategy has been visibly different. Policymakers have made no secret of the fact that they are becoming more confident in their inflation predictions, in no small part because the inflation data itself has been less volatile. They've proven themselves to be less worried about the potential risk of currency depreciation as a result. All of that helps explain why the European Central Bank felt comfortable cutting rates in June, despite mixed signals from the most recent wage and CPI data and a higher for longer story across the Atlantic.

## 1. Second-half prediction: Federal Reserve

After its June update of individual member forecasts, the Federal Reserve's central tendency suggests that just one 25bp interest rate cut is seen as the most likely path forward for monetary policy amongst officials in 2024. Nonetheless, the market continues to price two cuts, which is also the consensus forecasts amongst analysts, while we still favour three cuts this year with a further three in 2025.

The Fed doesn't want to cause a recession if they can avoid it and if the data allows we expect the Federal Reserve to start moving monetary policy from "restrictive" territory to "slightly less" restrictive policy from September.

To deliver this we look for three things;

1) Core inflation to continue coming in at 0.2% month-on-month or below – the run rate required to bring annual inflation to the 2% target.

2) The unemployment rate, which has already risen from 3.4% to 4.1%, to push higher towards 4.3%.
3) Consumer spending growth, which has slowed from a 3%+ annualised rate in second half 2023 to 1.6% in the first half of 2024, to decelerate further.

Such outcomes should give the Fed confidence that the economy is on the path for a soft landing, and from there it can start to move its policy stance closer to neutral.

## 2. Second-half prediction: European Central Bank

This is not, yet, a typical rate cutting cycle in the eurozone. In the past, easing cycles had always been triggered by recessions or crisis. Fortunately, none of these are currently the case. Therefore, any further rate cuts will not follow be on autopilot. In fact, the balance between data dependency and reputational risks has become more delicate, particularly given the dissenting views at the June meeting.

The ECB won't have any interest in making the June cut look like a policy mistake over the coming weeks, which would be a strong non-economic argument in favour of another rate cut at the September meeting. At the same time, however, the weakening economic momentum and stubbornly high domestic inflation is not a combination to cheer for. It is clear that the July meeting will probably be a non-event without any new rate action or rate guidance. In fact, we expect the ECB to cut rates again at the September and December meetings – at least as long as the ECB itself continues to see inflation at 2% and below from the end of 2025 onwards.

## 3. Second-half prediction: Bank of England

We've long expected the Bank of England's first rate cut in August, and that looks like it is on track. Admittedly services inflation has overshot expectations over the past couple of months. But a lot of this can be traced back to annual price rises at the start of the financial year which, much like we saw in 2023, were larger than the BoE had expected. Ultimately this should be a temporary blip, and the Bank itself appeared to play down the upside surprises here in its June policy statement.

In fact, although seven out of the nine-strong committee voted to keep rates on hold last month, the meeting minutes revealed that some of them thought the decision was "finely balanced". That's central bank speak for saying a rate cut is imminent. We've not heard much from BoE officials given restrictions on speeches during the election campaign, but before that started Governor Andrew Bailey had said that the Bank could cut rates faster than markets expect. We're therefore comfortable with our call for three cuts this year, which is one more than markets are currently pricing.

## 4. Second-half prediction: Bank of Japan

Recent data has been mixed, but key wage data grew strongly and forward looking data points to a near-term recovery. While the Bank of Japan has ignored or underestimated the impact of the yen on inflation in the past, it has become more open and frequent in expressing concerns that the weak JPY is having a meaningful impact on inflation this time around.

Some may argue that the BoJ won't surprise markets by raising policy rates and announcing quantitative tightening at the same time. This is probably the major reason why the probability of a July rate hike remains at 58%.

However, we believe it is the right time to accelerate policy normalisation. The Bank of Japan is confident that the economy is entering a virtuous cycle – where strong wage growth supports economic growth – while remaining concerned that high inflation is damaging the economy. Moreover, the recent slowdown in US economic data makes it a good time for the BoJ to make these changes.

# US resilience continues to be challenged

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**The US economy has slowed as we suspected it would, but inflation and the jobs market have been more resilient. That's required the Federal Reserve to keep monetary policy tighter for longer. However the consumer is cooling, unemployment is rising and inflation is showing signs of moderating; we're expecting the first rate cut in September**

There's been a lot to cheer about in the US economy but things aren't looking quite so energetic now

## √ The half-time review

Back in December, we were forecasting a swift slowdown in US growth that would allow inflation to hit 2% in the second half of the year and offer the Fed scope to cut interest rates by 150bp. The economy has certainly cooled, with the rate of consumer spending growth halving from the 3%+ rate in the second half of 2023 to a run rate of 1.6% in the first six months of this year. Inflation has been stickier than we anticipated and the jobs market has been a little more resilient. Housing, medical services and insurance were the main factors keeping inflation elevated at the start of the year, but we have seen lower numbers in the past couple of months.

Nonetheless, inflation is unlikely to hit 2% consistently until late into the first quarter of 2025. Given all this, the Fed has remained more hawkish. We now expected the first rate cut to come in September; we had thought it would be in May.

## 1. Second-half prediction: Rate cut calls are growing once again

We need to see three things for the Fed to cut interest rates as we now expect (75bp in 2024 and 75bp in 2025):

Core inflation must continue to come in at 0.2% month-on-month or below – the run rate required to achieve 2% annual inflation.

Unemployment, which has risen from 3.4% to 4.1%, needs to rise further, signalling increased slack in the jobs market with weaker wage pressures.

The weakening momentum in consumer spending must cool further, as suggested by data showing flat real household disposable incomes, exhausted pandemic-era savings for millions of households, and rising loan delinquencies.

With business surveys indicating moderating activity and hiring in coming months, we continue to see the risks skewed towards more aggressive Fed policy easing than the market is pricing.

### 2. Second-half prediction: Political uncertainty to cloud the outlook

The US election poses several challenges when making forecasts for 2025. Donald Trump is seen as the favourite candidate to win the presidency after Joe Biden's poor performance in the recent debate, with several members of the Democrat Party questioning whether he should stand aside for a new candidate. Trump's proposals, which are centred on tax cuts, immigration controls, and broad-based tariffs on imported goods, could boost domestic demand in the near term but add to inflationary pressures over the medium to long term. This would likely mean that the Federal Reserve has less of a chance to cut interest rates than if Joe Biden wins the presidency.

However, we have to remember that Congress will determine the timing of implementation and how aggressive Trump may be. If the Republicans win control of Congress, Trump may choose to focus on tax and immigration to start with. But if the Democrats have control of Congress and limit his domestic ambitions, he will likely focus more on trade policy and global geopolitical issues.

# A lacklustre effort from the eurozone's Big Three


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**Any sports commentator would tell you that Germany, France and Italy need to up their game to get a decent end result. Not all is lost, and we can't rule out pleasant surprises**

France's Emmanuel Macron and the German President, Frank-Walter Steinmeier, before the start of the Euros

## √ The eurozone as a whole

Before we move to the Big Three, let's look at the eurozone as a whole, and we were pleasantly surprised by the eurozone's early spring recovery. But we're still waiting for a turn in the inventory cycle. And, as we rightly predicted in December, private consumption has still not taken off, despite strong wage growth. The eurozone economy's 'to-do' list is still long. There are strong investment needs and debt sustainability issues. And what about the capital markets union and the energy and security union?

Given the electoral landscape, not least within the EU itself but also in France and Germany, decision-making is more difficult. In September, the European Commission needs to rule on austerity plans by several eurozone countries, including France and Italy. If they're too soft, it undermines the rules' credibility. Too tough, and support for populist opposition parties could rise and debt sustainability could quickly come back on financial markets' radar screens.

## 1. Germany: Positive surprises despite a weak start to the second half

After a short revival of optimism, the German economy is again stuck in stagnation. Weak industrial orders, high inventory levels and precautionary savings are still weighing on the economy. On top of that, the increasing number of insolvencies and individual company announcements of upcoming job restructurings are still hanging like the Sword of Damocles over the labour market this year. Policy uncertainty, as well as the well-known structural weaknesses of the economy, also make any strong rebound for this year highly unlikely.

Still, despite a weak start to the second half of the year, don't rule out potential positive surprises. In fact, it only needs a small improvement in industrial order books to get industrial production growing again, admittedly from low levels. And the highest

increase in real wages in more than a decade should eventually loosen even German consumers' traditionally very tight wallets.

## 2. France: Losing momentum as policy uncertainty remains

The French economy hasn't particularly disappointed, especially considering the 0.2% QoQ GDP growth in the first quarter. But we think we've lost some momentum in the second. Business confidence has deteriorated slightly in recent months in both the manufacturing and services sectors. Indeed, it seems that hopes of strong tourist demand linked to the Olympic Games, which start on 26 July, have not materialised. At the same time, unemployment is rising, signalling that economic momentum is currently insufficient.

A slowdown in growth cannot be ruled out in the coming quarters. The political uncertainty that has emerged from the general election is likely to provoke a wait-and-see attitude among consumers and businesses. Some emergency measures, such as freezing the prices of certain goods or raising the minimum wage, could temporarily boost consumption, but this could later be paid for by a more restrictive fiscal policy.

## 3. Italy: Conditions for recovery of private consumption still in place

Progress on the recovery plan-front continues, notably when considering infrastructure investments. There's no room for complacency, though, as it's going to be essential to keep up the pace of implementation if you're going to convince rating agencies of Italy's merit and markets to bet on debt sustainability. The second half of the year will likely benefit from a combination of temporarily low inflation, labour market resilience, decent wage growth, and, consequently, a further recovery in household purchasing power. When matched with a decent savings ratio, now at 9.5% and above pre-Covid levels, this should create room for a gradual recovery in private consumption, with a temporary twist towards durables spurred on by the introduction of generous incentives for replacement cars early in June. We reiterate our call for GDP growth of around 1% until year-end.

# The Bank of England's game of two halves

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**We mostly got it right on inflation. For the rest of the year, we're expecting the first Bank of England rate cut in August. In fact, we think further progress on services inflation should unlock three cuts in total this year**

Nervous England fans waiting for a goal and also for a Bank of England rate cut

## √ The half-time review

We made three calls in our 2024 outlook – that inflation would return to the 2% target by May, the UK's recession wouldn't deepen, and the Bank of England would start cutting rates in August. So far, those predictions have aged relatively well.

A sharp slowdown in food inflation and falling energy prices ensured inflation did indeed fall to 2% in May. Services inflation has stayed hotter than we'd thought, though, not least because nominal wage growth has been sticky.

That big disparity between wage growth (6%) and inflation (2%) has driven a much bigger resurgence in UK growth than we'd expected so far this year. The economy expanded by 0.7% in the first quarter, and we're looking at 0.4-0.5% in the second. We estimate that roughly 80% of the mortgage squeeze is now behind us, and that seems to be helping too.

## 1. Second-half prediction: Inflation to hover in the 2-2.5% area

While we may see headline CPI tick a tenth of a percent or so lower in June, we think 2% more or less marks the trough. The drop in food inflation is at an end, and the drag from lower energy prices is currently at its peak and will ebb away as the year goes on.

That should be counterbalanced by further progress on services inflation. Surveys suggest firms are raising prices/wages less aggressively, while rental growth looks like it has peaked. We expect services inflation to end the year at 4.5%, down from 5.7% in May.

## 2. Second-half prediction: Bank of England to cut rates three times this year

We'll have to wait another month to see if our long-held prediction of an August rate cut holds true. Markets are putting a 65% probability on that happening. A big upward

surprise in services inflation could yet cause a further delay, though policymakers have linked the recent stickiness to one-off factors.

Back in May, Governor Andrew Bailey said that the Bank could end up cutting faster than markets expected at the time. And June's meeting confirmed that some officials saw the decision as "finely balanced". We expect an August rate cut and three moves in total this year.

Crucially, we don't expect the Labour Party's victory in the recent general election to change this story. New Chancellor Rachel Reeves has promised a full review of the public finances, which sounds like a precursor to more significant changes in the Autumn Budget than the party had promised during the campaign. But we doubt any changes to tax/spending will be seismic enough to feed into the BoE's decision-making on rate cuts this year.

# OPEC+ policy remains key for oil outlook

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**We were right at the start of the year about oil prices tightening and OPEC+ supply cuts are continuing to support the market. Gas storage levels came in much better than we expected. And gold, as we thought, has already touched record highs**

OPEC Secretary General Haitham al-Ghais in Russia earlier this year

## √ The half-time review

Let's start with oil. Our first call for 2024 was that Brent would trade above $90/bbl in the second half of the year. Oil prices have already traded above that level several times this year, and we expect prices to briefly trade above that in the third quarter. However, any rally here is unlikely to be sustained.

We thought European natural gas storage would be very comfortable at the end of the 2023/24 winter. The expectation was that storage would exit the heating season between 45-50% full, but it was better than that, standing at 58% full by the end of March. Continued weakness in gas demand led to larger-than-expected storage.

Our final call for this year was that gold would hit record levels. This has already happened multiple times, with prices hitting a high of $2,450/oz in May. The move higher has occurred despite interest rates staying higher for longer. Strong central bank buying has propelled gold higher.

## 1. Second-half prediction: Oil prices to peak in the third quarter

We will also be keeping a close eye on OPEC+ policy, as this will be crucial to the outlook for the last few months of the year and into next year. A handful of OPEC+ members will continue with additional voluntary supply cuts of 2.2m b/d through the third quarter. Members will start gradually bringing back this supply from the end of the year until next year's third quarter. Continued supply cuts should leave the market in a large deficit in the coming months.

However, the easing of these cuts from 4Q24 means a more comfortable oil market in terms of supply. As a result, we expect oil prices to peak in the third quarter before trending lower in the fourth and into next year. Our 3Q24 Brent forecast is $88/bbl and $80/bbl for the full year 2025. The key risk to this view is if OPEC+ decides to continue with full cuts, as this would leave the market in deficit through 2025 as well.

## 2. Second-half prediction: Natural gas to hit new lows

For the rest of the year, which admittedly will be tough to hit, we think that European natural gas prices will average EUR25/MWh in the third quarter. And they could potentially hit a new year-to-date low. This is on the assumption that storage will hit 100%-full ahead of the next heating season. However, there are clear risks which could get in the way. Firstly, a halt to remaining Russian pipeline flows would leave the European market tighter. Secondly, continued strength in Asian LNG demand could see spot LNG cargoes continuing to be diverted to Asia, slowing the pace of storage builds in Europe. A further increase in speculative activity in the European natural gas market would limit the downside in gas prices.

# China’s growth drivers are shifting

**We predicted we’d see a shift in growth drivers for China this year, that policy would become more supportive, and that weak confidence would be an ever-increasing factor. For the most part, we got it right**

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There are as many ups and downs for Beijing Guoan football supporters as there are for the Chinese economy

## √ The half-time review

China’s economic developments have mostly proceeded in line with our key calls, notably that we'd see a shift in growth drivers, that policy would become more supportive, and that weak confidence would be the biggest headwind for the year. Consumption, last year’s main growth driver, has weakened. A recovery in manufacturing amid the continued strong performance of electric vehicles and a push for technology self-sufficiency has filled the void, with industrial production up 6.2% year-on-year year-to-date and manufacturing fixed asset investment up 9.6% YoY YTD.

Stabilisation has been the key goal for policymakers this year, leading to a slew of supportive policy measures. We saw the People’s Bank of China ease policy in February, followed by the Two Sessions in March taking a supportive tone. Eventually, we saw an acceleration of policy rollout starting in late April, with numerous moves made to shore up the property market.

Weak confidence is now the main headwind to the economy, dragging down both investment and consumption and threatening the recovery. Fears of a property market or a local government debt crisis have calmed somewhat amid policy support.

## 1. Second-half prediction: Policymakers to keep their foot on the pedal

After a very active second quarter, it is unclear whether policymakers will be content to sit back and observe the impact of their policies. We think they'll likely remain active, as the recovery is fragile, and manufacturing growth could moderate amid tariff action.

We are looking for the People's Bank of China to further ease policy in the second half of the year with cuts to both interest rates and the Reserve Requirement Ratio. Given the goal to maintain currency stability, it is likely that the PBoC has been resisting rate cuts to avoid adding to depreciation pressure on the renminbi, preferring to utilise the RRR as

a policy tool. However, despite the earlier 50bp RRR cut, credit data has stayed very weak year to date, and real interest rates remain too high.

Fiscal stimulus could also accelerate in the second half after the proceeds of the RMB 1tn of ultra-long-term bonds are put to use. This will become increasingly urgent if manufacturing and exports take a hit from impending tariff action. We expect these efforts will allow China to reach its goal of around 5% GDP growth in 2024.

### 2. Second-half prediction: We'll see property problems bottoming out

In our view, the first big step to restoring confidence is stabilising asset prices, starting with property. Property represents a major proportion of household wealth, so stemming the decline is the first move toward halting the negative wealth effect on the economy and avoiding a deflationary mindset. As property support measures continue to roll out, we expect prices in tier 1 cities to hit a trough before the end of the year, which will mark a milestone in slowing the excessive pessimism that has set in over the past few years. Prices are likely to see an L-shaped recovery rather than a return to the old property market boom.

The road to recovery will be long. Stabilising prices is only the first step, as unsold housing inventories remain high, and sales have been slow. As long as inventories remain elevated, new investment and building activity will remain depressed, and the drag on growth will persist.

# Asia: Rate hikes and cuts, a game of two halves

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**The first half for Asia hasn't been bad. Our Japan rate hike call has worked well, and we have recently beefed it up. We have also had to crystallise an upside risk for our Australian rates, forecasts which we flagged earlier this year. On the downside, we were too pessimistic about the Philippine inflation outlook**

Japan v Syria at the 2026 FIFA World Cup Asian Qualifiers

## √ The half-time review

As we suggested in our annual outlook, the Japanese economy is experiencing a slower recovery while inflation is staying above the Bank of Japan's (BoJ) target range. Our forecast for GDP growth changed little from an initial 1.2% year-on-year to 1.0%. The safety scandal in the auto sector unexpectedly hampered first-quarter 2024 growth, but stronger growth in tech exports and tourism is likely to partially offset the decline.

Another forecast was that the Reserve Bank of India (RBI) would be one of the first major APAC central banks to cut rates in 2024. At their recent rates meeting, two of the six MPC members voted to cut rates, and the majority of the committee favoured a broad goal of a reduction of accommodation. The Governor's statement also hinted that the RBI would not have to wait for the Fed to cut before reducing rates.

One forecast that has worked less well was that the Philippines' central bank (BSP) would continue hiking into 2024 and that Philippine inflation would remain above target. Philippine inflation numbers moderated more than expected back to their target range in the first half of this year. And in recent weeks, Governor Remolona has hinted that BSP could cut ahead of the Fed, perhaps by August as rice tariff reductions should bring down inflation sharply in the second half of the year.

## 1. Second-half prediction: Reserve Bank of Australia to hike in August

We now think that Australia's inflation performance has been sufficiently disappointing to warrant a further 25bp of hikes from the Reserve Bank of Australia (RBA) and a delay in the first rate easing until much later in 2025.

There is a risk to this forecast, and that could come as soon as 31 July, when we get the next set of inflation figures. As well as the June data, we also get the more widely watched second-quarter inflation numbers. The following week, the Reserve Bank meets

to decide the fate of the cash rate target. We think the odds are stacked for a hike at that meeting. Inflation hasn't fallen now for five months, and indeed has risen in the last two. So, having inflation from just stopping to rising won't be enough to keep the RBA on hold; we actually need to see inflation resume its downward path. Base effects are more helpful in June, but until we see that next CPI data, we are looking for a (hopefully) final 25bp rate hike to 4.6%.

2. **Second-half prediction: Bank of Japan to hike twice more this year**
   With the outcome of the spring wage negotiations (5.3%) well above expectations and the yen weakening, contrary to the appreciation outlook at the start of the year, inflationary pressures are building strongly. Consequently, we think that the pace of policy normalisation by the BoJ will be faster than originally anticipated. We now look for rate hikes in July and October, along with gradual quantitative tightening. As a result, we expect the BoJ's policy rate to rise to 0.5% (vs 0.1% in the annual outlook) by the end of the year.

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# The focus on local FX champions

**The currency market is no longer primarily focused on Federal Reserve rate expectations. While we expect the Fed to finally cut rates in September as we begin to see softer data, domestic political and central bank stories should determine which currencies will benefit from a weaker dollar**

## √ The half-time review

For most of the past year or so, investors and analysts were mostly focused on guessing the timing and size of the Federal Reserve's cutting cycle, identifying that as the main driver for a broad-based dollar decline. Since the end of May, political factors have taken a central role, making the link between a more dovish Fed pricing and a weaker dollar less stable.

We think that FX investors are having to take a lot more into account. And it's not just about politics in the US and the eurozone. It's also about the underlying central bank and economic fundamental stories that can make or break FX rallies in the many risk-on/dollar-off windows we expect to see this summer.

## 1. Second-half prediction: The strugglers

We believe the euro, sterling, the Canadian dollar and the Swiss franc will struggle more than others in the G10 to outperform in the next couple of months. We estimate that those are the only four currencies which cannot count on an economic fundamental-based undervaluation against the US dollar. More specifically, the euro may well remain trapped around 1.08 by the French political gridlock and related fiscal concerns despite a relatively market-friendly outcome of the parliamentary election. Sterling may take a hit from the start of the Bank of England's cutting cycle in August, while the Canadian dollar and the Swiss franc could be dampened by ongoing domestic easing and soft data.

## 2. Second-half prediction: Unlocking potential

In the undervalued camp, we think central bank policy will be key to unlocking upside potential. The Australian dollar and the Norwegian krone look to be in a good position to lead the pack, as the Reserve Bank of Australia might hike, and Norges Bank should stay hawkish. The New Zealand dollar also continues to look attractive to some, despite the country's central bank's latest dovish tilt, while the Swedish krona has more limited

room for appreciation given the Riksbank's easing plans. The yen remains in a vulnerable position as investors continue to test new intervention levels (we believe these are close to 165.0). However, we narrowly favour a Bank of Japan hike later this month, which can join forces with a dovish Fed repricing to start driving USD/JPY lower.

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# Rates: How to play the US election drama

**First, the important bit: we still like lower rates, steeper curves and wider eurozone spreads for 2024. But now for the US election drama! If Biden pulls out, Treasuries rally (yields fall). But if Trump wins, Treasuries sell off (yields rise), certainly eventually. But, for unobvious and contrarian reasons**

US President Joe Biden wears a Kansas City Chiefs helmet after the team's Super Bowl win

## √ The half-time review

Our two big directional calls for 2024? We predicted lower yields and steeper curves. We've seen bouts of success through the first half of 2024 (and actually lots in December 2023, just after publication in November). But we pivoted to a more bond-bearish stance early in 2024 as the US inflation data popped higher. We switched back to a more bullish stance about a month ago, and we're back on the lower yields and steeper curve view for the rest of the year.

And our eurozone spreads call? We predicted tighter Italian spreads to Germany in early 2024 to morph to wider spreads later in the year. The actual tightening overshot our call to the downside, and our re-widening call was helped by the French election outcome. We maintain a re-widening risk as we journey through the second half of 2024, as fiscal issues dominate that bit more, and tend to hit the periphery more than the core.

## 1. Second-half prediction: Treasuries to rally hard if Biden pulls out

The biggest outcome of the recent CNN presidential debate was a chorus of calls for Biden to quit and let someone else run. So far, Biden has not budged. But what if he does? Then we think US Treasuries would rally. The logic here is a tad contrarian. Risk has been on since November 2023 and is arguably looking for an excuse to come off. An announcement that Biden would not run would seem to end uncertainty, but it would, in fact, create big doubts for risk-takers. A vacuum like this would be as good an excuse as any for risk to come off, and if that happens, US Treasuries are likely to rally, and yields will fall. That would be sustained by a lessor 'growth oomph discount' as the probability of a Trump victory is downsized. He might still win in the end, but that's for much later.

### 2. Second-half prediction: Treasuries to sell off if Trump wins the election

Our thinking here is twofold. First is the very basic market assumption that a Trump administration would be all about the here and now, with a keen focus on economic growth and instant equity market performance. In addition, tariffs as an offset to tax cuts add an inflationary aroma to this mix. This is a net negative for Treasuries. It can be a delayed reaction though. Second, if the Fed cuts in September, which is our view, and again in November, that should place downward pressure on Treasury yields. But we think this risks being a short-lived state as once the 10yr yield gets to below 4%, there is not huge relative value any more if the Fed funds rate is also projected to get to 4% (no curve). So, a Trump victory could kick-start a move that eventually gets the 10yr yield back up towards 5%, albeit not till 2025.

## GDP forecasts

**Developed Markets (QoQ% annualised growth)**

| | 2Q24F | 3Q24F | 4Q24F | 1Q25F | 2Q25F | 3Q25F | 4Q25F | 2024F | 2025F | 2026F |
|---|---|---|---|---|---|---|---|---|---|---|
| US | 2.5 | 1.5 | 0.4 | 1.1 | 1.7 | 2.2 | 2.5 | 2.4 | 1.4 | 2.1 |
| Japan | 6.0 | 4.8 | 4.0 | 0.0 | 0.4 | 0.4 | 0.4 | 1.0 | 1.8 | 1.1 |
| Germany | 0 | 1.2 | 0.4 | 1.1 | 0.7 | 1.3 | 1.3 | 0.0 | 0.9 | 1.2 |
| France | 0.6 | 1.6 | 0.0 | 1.2 | 1.4 | 1.2 | 1.2 | 0.9 | 1.0 | 1.4 |
| UK | 1.9 | 1.2 | 1.0 | 1.3 | 1.3 | 1.3 | 1.3 | 1.0 | 1.3 | 1.4 |
| Italy | 1.2 | 0.6 | 1.2 | 0.8 | 0.7 | 1.7 | 1.5 | 0.9 | 1.1 | 1.0 |
| Canada | 1.4 | 0.8 | 1.2 | 1.5 | 1.8 | 2.2 | 2.2 | 0.9 | 1.5 | 1.9 |
| Australia | 0.8 | 0.8 | 0.8 | 1.6 | 2.0 | 2.4 | 2.8 | 0.9 | 1.6 | 2.1 |
| Eurozone | 1.2 | 1.4 | 1.4 | 1.4 | 1.4 | 1.3 | 1.3 | 0.8 | 1.4 | 1.2 |
| Austria | 0.8 | 1.4 | 1.6 | 1.6 | 1.4 | 1.2 | 1.2 | 0.2 | 1.4 | 1.5 |
| Spain | 1.6 | 1.8 | 2.2 | 2.0 | 2.0 | 2.4 | 2.4 | 2.4 | 2.1 | 2.2 |
| Netherlands | 4.7 | 0.0 | 1.7 | 1.2 | 1.5 | 1.5 | 1.4 | -0.2 | 1.9 | 1.5 |
| Belgium | 0.8 | 1.2 | 1.2 | 1.6 | 1.6 | 1.6 | 1.6 | 1.2 | 1.4 | 1.2 |
| Greece | 0.8 | 2.1 | 1.0 | 1.1 | 3.0 | 2.2 | 1.6 | 1.7 | 1.7 | 1.9 |
| Portugal | 1.8 | 2.0 | 2.2 | 2.2 | 2.4 | 2.4 | 2.4 | 2.1 | 2.2 | 2.1 |
| Switzerland | 0.8 | 1.2 | 1.2 | 1.2 | 1.6 | 1.6 | 1.2 | 1.2 | 1.3 | 1.5 |
| Sweden | -0.6 | 1.1 | 1.3 | 1.5 | 1.5 | 1.5 | 1.5 | 0.7 | 1.3 | 1.5 |
| Norway | 0.2 | 1.5 | 1.9 | 1.9 | 2.0 | 2.0 | 2.0 | 1.2 | 1.9 | 2.0 |

**Emerging Markets (YoY% growth)**

| | 2Q24F | 3Q24F | 4Q24F | 1Q25F | 2Q25F | 3Q25F | 4Q25F | 2024F | 2025F | 2026F |
|---|---|---|---|---|---|---|---|---|---|---|
| Bulgaria | 2.5 | 2.8 | 3.1 | 3.4 | 3.1 | 3.2 | 3.2 | 2.6 | 3.3 | 3.2 |
| Croatia | 3 | 4.3 | 2.6 | 2.6 | 2.5 | 2.7 | 2.9 | 3.5 | 2.7 | 2.4 |
| Czech Republic | 0.6 | 1.5 | 1.7 | 2.0 | 2.0 | 2.1 | 2.2 | 1.0 | 2.1 | 2.4 |
| Hungary | 2.3 | 2.2 | 3.1 | 3.2 | 3.3 | 3.9 | 4.8 | 2.2 | 3.8 | 4.4 |
| Poland | 3.0 | 3.1 | 3.9 | 3.2 | 3.5 | 3.6 | 3.8 | 3.0 | 3.5 | 3.8 |
| Romania | 2.8 | 3.4 | 4.1 | 4.2 | 3.0 | 2.3 | 3.0 | 2.8 | 3.0 | 3.0 |
| Turkey | 3.1 | 1.9 | 0.8 | 0.9 | 3.1 | 4.4 | 5.2 | 2.7 | 3.5 | 4.0 |
| Serbia | 4.2 | 3.5 | 3.6 | 3.6 | 3.7 | 3.8 | 3.8 | 4.0 | 3.8 | 3.6 |
| Azerbaijan | 5.0 | 2.5 | 1.5 | 1.7 | 2.5 | 2.7 | 3.0 | 3.3 | 2.5 | 2.8 |
| Kazakhstan | 4.3 | 4.5 | 3.5 | 5.4 | 5.5 | 5.3 | 5.7 | 4.0 | 5.5 | 4.5 |
| Russia | 3.3 | 1.5 | 1.7 | 1.0 | 2.5 | 1.5 | 1.0 | 3.0 | 1.5 | 0.5 |
| Ukraine | 3.5 | 1.5 | 3.7 | 2.5 | 4.0 | 5.0 | 5.5 | 3.5 | 4.3 | 4.5 |
| China | 5.1 | 4.8 | 5.0 | 4.5 | 4.8 | 4.8 | 4.9 | 5.0 | 4.7 | 4.7 |
| India | 7.1 | 7.2 | 7.1 | 6.8 | 8.1 | 8.9 | 7.3 | 7.3 | 7.7 | 7.1 |
| Indonesia | 5.1 | 5.0 | 5.0 | 5.1 | 5.0 | 4.9 | 5.0 | 5.1 | 5.0 | 5.1 |
| Korea | 2.9 | 2.4 | 2.2 | 1.3 | 1.6 | 1.8 | 2.0 | 2.6 | 1.7 | 2.0 |
| Philippines | 7.1 | 5.4 | 4.9 | 5.0 | 5.7 | 5.8 | 6.0 | 5.8 | 5.6 | 6.0 |
| Singapore | 2.7 | 2.3 | 1.8 | 2.4 | 2.6 | 2.5 | 2.6 | 2.4 | 2.5 | 2.6 |
| Taiwan | 3.8 | 2.8 | 2.3 | 2.5 | 2.0 | 3.0 | 3.5 | 3.8 | 2.8 | 3.3 |

[1]Norway: Forecasts are mainland GDP

Source: ING estimates

## CPI Forecasts (pa)

| %YoY | 2Q24F | 3Q24F | 4Q24F | 1Q25F | 2Q25F | 3Q25F | 4Q25F | 2024F | 2025F | 2026F |
|---|---|---|---|---|---|---|---|---|---|---|
| US | 3.2 | 2.9 | 2.7 | 2.3 | 2.0 | 2.0 | 1.9 | 3.0 | 2.0 | 2.0 |
| Japan | 2.8 | 2.4 | 1.8 | 2.2 | 1.8 | 1.7 | 1.7 | 2.4 | 1.8 | 1.8 |
| Germany | 2.7 | 2.4 | 2.8 | 2.7 | 2.4 | 2.4 | 2.4 | 2.6 | 2.5 | 2.2 |
| France | 2.2 | 2.6 | 2.3 | 2.2 | 2.3 | 1.7 | 1.7 | 2.8 | 2.3 | 2.0 |
| UK | 2.1 | 2.1 | 2.5 | 2.4 | 1.9 | 2.2 | 2.0 | 2.6 | 2.1 | 2.2 |
| Italy | 0.9 | 1.2 | 1.7 | 2.0 | 1.7 | 1.7 | 1.9 | 1.2 | 1.8 | 2.0 |
| Canada | 2.8 | 2.4 | 2.7 | 2.8 | 1.8 | 1.8 | 1.8 | 2.7 | 2.0 | 2.0 |
| Australia | 4 | 3.8 | 3.7 | 3.4 | 2.9 | 2.6 | 2.9 | 3.8 | 3.0 | 2.6 |
| Eurozone | 2.5 | 2.5 | 2.5 | 2.3 | 2.2 | 2.1 | 2.2 | 2.5 | 2.2 | 2.2 |
| Austria | 3.3 | 2.9 | 2.5 | 2.3 | 2.2 | 2.1 | 2.1 | 3.2 | 2.2 | 2.1 |
| Spain | 3.4 | 3.2 | 3.0 | 2.5 | 2.1 | 2.0 | 2.0 | 3.2 | 2.2 | 2.1 |
| Netherlands | 2.8 | 2.9 | 3.3 | 2.7 | 3.1 | 2.4 | 2.0 | 3.0 | 2.6 | 2.5 |
| Belgium | 3.5 | 3.5 | 2.4 | 2.1 | 1.9 | 2.0 | 2.1 | 3.0 | 2.1 | 2.1 |
| Greece | 2.7 | 2.2 | 2.2 | 2.3 | 2.0 | 2.0 | 2.2 | 2.6 | 2.1 | 2.0 |
| Portugal | 2.7 | 2.5 | 2.5 | 2.4 | 2.1 | 2.0 | 2.0 | 2.5 | 2.1 | 2.1 |
| Switzerland | 1.4 | 1.2 | 1.1 | 1.1 | 1.1 | 1.2 | 1.2 | 1.2 | 1.1 | 1.3 |
| Sweden | 2.4 | 2.4 | 2.1 | 1.7 | 2.0 | 2.1 | 2.1 | 2.4 | 2.0 | 2.0 |
| Norway | 3.2 | 3.2 | 2.8 | 2.4 | 2.3 | 2.1 | 2.1 | 3.5 | 2.2 | 2.5 |
| Bulgaria | 2.4 | 2.1 | 2.7 | 3.0 | 3.8 | 3.6 | 3.4 | 3.0 | 3.2 | 3.1 |
| Croatia | 3.2 | 1.8 | 2.4 | 2.6 | 2.6 | 2.6 | 2.5 | 2.6 | 2.5 | 2.5 |
| Czech Republic | 2.5 | 2.0 | 2.1 | 2.7 | 2.3 | 2.4 | 2.3 | 2.2 | 2.4 | 2.3 |
| Hungary | 3.8 | 3.6 | 4.7 | 4.7 | 4.5 | 4.5 | 3.8 | 4.0 | 4.4 | 3.3 |
| Poland | 2.5 | 4.5 | 4.8 | 6.1 | 5.7 | 3.8 | 3.5 | 3.7 | 4.8 | 3.2 |
| Romania | 5.3 | 4.6 | 4.3 | 3.6 | 4.2 | 3.9 | 4.0 | 5.5 | 4.2 | 3.9 |
| Turkey | 71.6 | 46.1 | 41.8 | 31.8 | 27.2 | 25.1 | 23.8 | 56.9 | 27.8 | 20.0 |
| Serbia | 4.5 | 4.2 | 4.0 | 4.3 | 4.4 | 4.3 | 4.5 | 4.0 | 4.5 | 4.2 |
| Azerbaijan | 0.1 | 1.4 | 2.7 | 3.6 | 4.1 | 3.9 | 3.6 | 1.2 | 3.8 | 4.2 |
| Kazakhstan | 8.5 | 8.1 | 7.9 | 7.7 | 7.7 | 7.4 | 7 | 8.5 | 7.5 | 6.7 |
| Russia | 8.2 | 8.4 | 7.1 | 6.4 | 5.9 | 5.2 | 5 | 7.8 | 5.6 | 4.8 |
| Ukraine | 5.3 | 8.0 | 8.0 | 9.5 | 7.0 | 6.5 | 6.0 | 6.8 | 7.3 | 5.0 |
| China | 0.3 | 0.9 | 2.1 | 1.2 | 2.2 | 2.2 | 2.4 | 0.8 | 2.0 | 1.8 |
| India | 4.8 | 3.8 | 4.2 | 5.2 | 5.2 | 3.9 | 4.6 | 4.5 | 4.7 | 4.5 |
| Indonesia | 2.9 | 2.7 | 2.7 | 2.6 | 2.6 | 2.7 | 2.9 | 2.8 | 2.6 | 3.1 |
| Korea | 2.9 | 2.3 | 2.5 | 2.2 | 2.0 | 2.0 | 1.4 | 2.7 | 2.0 | 1.9 |
| Philippines | 3.8 | 1.8 | 1.6 | 1.3 | 1.9 | 1.9 | 3.5 | 2.6 | 2.6 | 3.5 |
| Singapore | 2.6 | 2.5 | 2.3 | 2.6 | 2.5 | 2.3 | 2.3 | 2.4 | 2.6 | 2.7 |
| Taiwan | 2.1 | 2.0 | 1.4 | 1.3 | 1.3 | 1.4 | 1.5 | 2.0 | 1.4 | 1.5 |

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

Source: ING estimates

## Oil and natural gas price forecasts (avg)

| | 2Q24F | 3Q24F | 4Q24F | 1Q25F | 2024F | 2025F | 2026F |
|---|---|---|---|---|---|---|---|
| **Brent** ($/bbl) | 85.00 | 88.00 | 85.00 | 84.00 | 85.00 | 80.00 | 75.00 |
| **Dutch TTF** (EUR/MWh) | 32.00 | 25.00 | 35.00 | 35.00 | 30.00 | 29.00 | 28.00 |

Source: ING estimates

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