






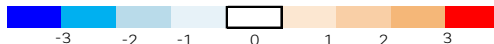


Eurozone: Resilience in Q1, but uncertainty ahead

		Apr 25	May 25	Jun 25	Jul 25	Aug 25	Sep 25	Oct 25	Nov 25	Dec 25	Jan 26	Feb 26	Mar 26
	Global												
	Composite Index	-0.6	-0.5	-0.6	-0.5	-0.5	-0.5	-0.3	-0.3	-0.4	-0.1	-0.2	-0.4
	Credit*												
	Interest rate on new NFC loans, %	3.8	3.7	3.6	3.5	3.5	3.5	3.5	3.5	3.5	3.6	3.6	3.5
Net flows of NFC loans (12-month cumulative, EUR bn)	93	88	82	93	104	106	115	119	105	118	134		
Net NFC debt securities issuance (12-month cumulative, EUR bn)	31	52	51	64	55	56	50	66	65	79	81		
	Industry												
	Business Climate												
	Composite	-1.0	-0.9	-1.1	-0.9	-0.9	-0.9	-0.6	-0.8	-0.7	-0.5	-0.5	-0.5
	Expected production	-0.8	-0.7	-0.7	-0.3	-0.4	-0.2	0.0	-0.2	-0.1	0.0	0.0	-0.1
	Order books	-1.0	-1.0	-1.2	-1.2	-1.0	-1.1	-0.9	-1.0	-0.9	-0.7	-0.7	-0.6
	Export order books	-1.3	-1.0	-1.3	-1.2	-1.4	-1.2	-0.8	-1.2	-0.9	-0.9	-0.8	-0.7
Price expectations	0.1	-0.1	-0.3	0.0	-0.2	-0.2	-0.1	0.1	0.1	0.1	0.2	0.7	
Employment expectations	-0.6	-0.5	-0.7	-0.7	-0.6	-0.5	-0.6	-0.6	-0.5	-0.5	-0.5	-0.4	
	Services												
	Business Climate												
	Composite	-0.3	-0.3	-0.3	-0.2	-0.2	-0.1	-0.1	0.0	0.0	0.1	-0.1	-0.1
	Expected activity	-0.3	-0.3	-0.4	-0.2	-0.1	0.1	-0.1	0.1	0.1	0.1	0.0	-0.1
Price expectations	0.7	0.6	0.5	0.6	0.7	0.4	0.4	0.6	0.7	0.7	0.6	0.7	
Employment expectations	-0.7	-0.7	-0.6	-0.5	-0.5	-0.7	-0.6	-0.7	-0.8	-0.6	-0.7	-0.8	
	Retail												
	Business Climate												
Retail trade	-0.6	-0.3	-0.4	-0.3	-0.2	-0.4	-0.3	-0.1	-0.3	-0.2	-0.1	-0.4	
Price expectations (Food)	0.3	0.2	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.3	0.3	0.5	
	Construction												
	Business Climate												
	Composite	0.4	0.5	0.5	0.5	0.4	0.5	0.5	0.6	0.6	0.6	0.5	0.5
	Expected activity	0.3	0.4	0.3	0.3	0.2	0.3	0.3	0.3	0.4	0.4	0.4	0.4
	Price expectations	0.2	0.1	0.0	0.1	-0.1	0.2	0.3	0.4	0.4	0.4	0.3	0.5
Employment expectations	0.5	0.6	0.8	0.7	0.8	0.7	0.8	1.0	0.9	0.8	0.7	0.7	
	Household Confidence & Credit*												
	Housing purchases	1.3	1.3	1.3	1.2	1.2	1.2	1.4	1.4	1.4	2.8	2.8	2.8
	Interest rate on new housing loans, %	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.4	3.4	
	New housing loans (12-month cumulative, EUR bn)	815	833	851	868	879	894	907	916	930	918	920	
	Household Confidence & Credit*												
	Composite	-0.7	-0.4	-0.5	-0.4	-0.5	-0.4	-0.3	-0.3	-0.4	-0.2	-0.2	-0.9
	Expected financial situation	-0.5	-0.2	-0.3	-0.2	-0.4	-0.1	-0.1	-0.1	-0.3	-0.1	0.0	-0.7
	Major purchases opportunity	0.3	0.5	0.2	0.6	0.6	0.9	0.8	0.6	0.5	0.8	0.7	0.4
	Price expectations	0.8	0.3	0.1	0.4	0.5	0.4	0.2	0.3	0.6	0.3	0.5	2.2
	Fears of Unemployment	-0.3	-0.4	-0.3	-0.3	-0.2	-0.3	-0.1	-0.1	-0.1	-0.1	-0.1	-0.3
	Interest rate on new consumer loans, %	7.5	7.5	7.4	7.5	7.5	7.4	7.3	7.3	7.2	7.6	7.5	
New consumer loans (12-month cumulative, EUR bn)	299	299	298	299	298	300	301	301	303	303	304		



Indicators are converted into z-scores, i.e. deviations from their long-term average (expressed in standard deviations). Positive (negative) values indicate that the indicator is above (below) its long-term average by a given number of standard deviations. Red shading corresponds to strong economic activity, elevated inflation expectations, and low unemployment fears, while blue indicates a slowdown in activity, moderate inflation expectations, and heightened unemployment fears.

*Credit indicators are neither standardised as z-scores nor associated with any colour coding: they are shown in levels (or as 12-month cumulative flows) and should be interpreted separately from the other indicators.

Activity indices are holding up, but household confidence is eroding. Business sentiment indicators did not falter in March, and prospects of price rises are confined to a few sectors (oil and chemicals). The downturn is, at this stage, less pronounced in services and construction. Household confidence is deteriorating more noticeably against a backdrop of significantly rising inflation expectations and gloomier prospects for economic activity and unemployment.

Interest rates also remain stable, but lending is moderating. Interest rates on new loans to households and businesses remained stable in February. This stability came alongside a continued year-on-year slowdown in new loans to households for house purchase. New consumer loans continue to grow at a slower pace than its long-term average. On a year-to-date basis, the weaker momentum in net bank lending to businesses is being partially offset by the increase in net debt-security issues.

GDP: growth, carry-over and forecasts										
OBSERVED GROWTH (q/q)			CARRY-OVER	NOWCAST	FORECAST (q/q)			ANNUAL FORECAST		
Q2 2025	Q3 2025	Q4 2025	Q4 2025	Q1 2026	Q1 2026	Q2 2026	Q3 2026	2025 (observed)	2026	2027
0.1	0.3	0.2	0.3	0.4	0.5	0.5	0.5	1.5	1.6	1.6

See the Nowcast methodology [Contact: Tarik Rharrab](#).

Source: Refinitiv, BNP Paribas

Growth is expected to strengthen to 0.4% q/q in Q1 2026, according to our nowcast. The strong momentum in industry seen in Q1 should enable economic activity to hold up well. Thereafter, a downside risk surrounds our forecast for Q2 (due to the impact of the energy shock, particularly on the outlook for consumption in this quarter). However, these risks to growth in 2026 will be offset by the dynamism of investment in defence and AI.

Guillaume Derrien and Thomas Humblot (completed on 13 April 2026)



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