

MOODY'S

Another Shock to the Economic System

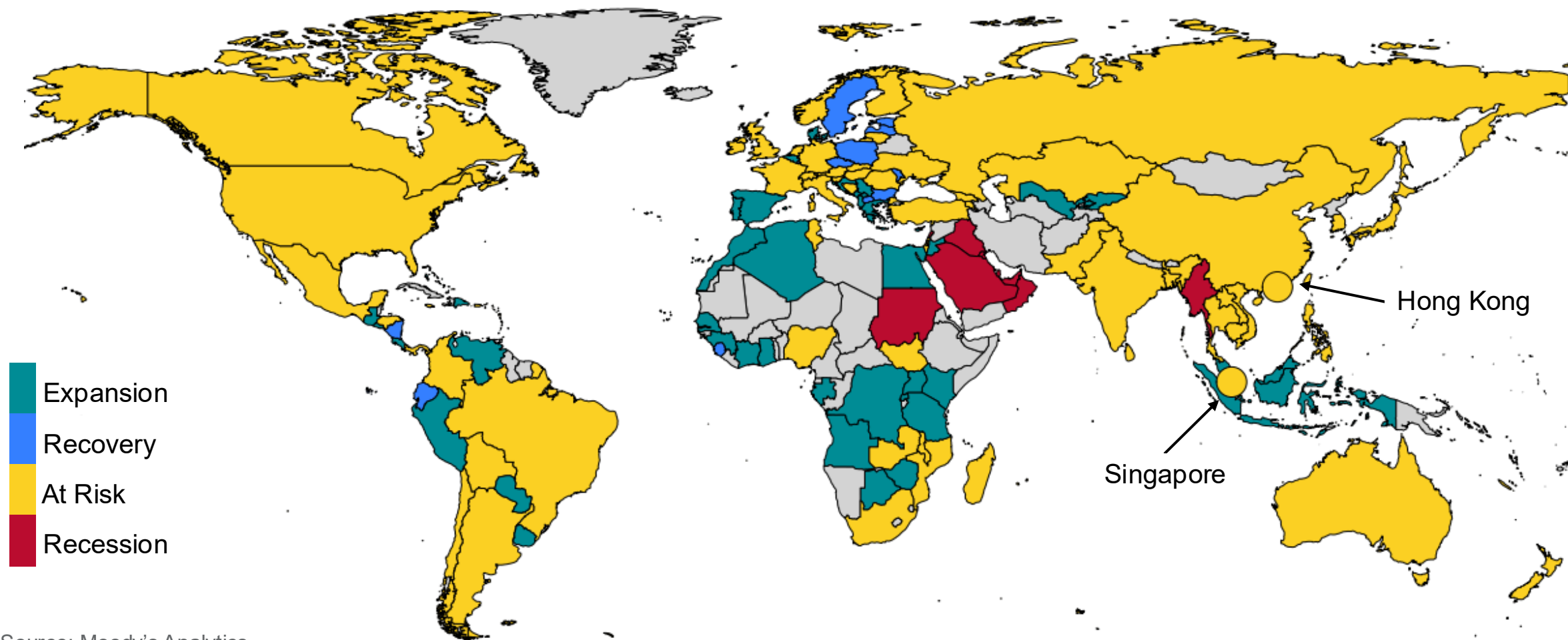
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Barbara Teixeira Araujo, Senior Economist

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June 2026

Risk of Recession Creeps Up

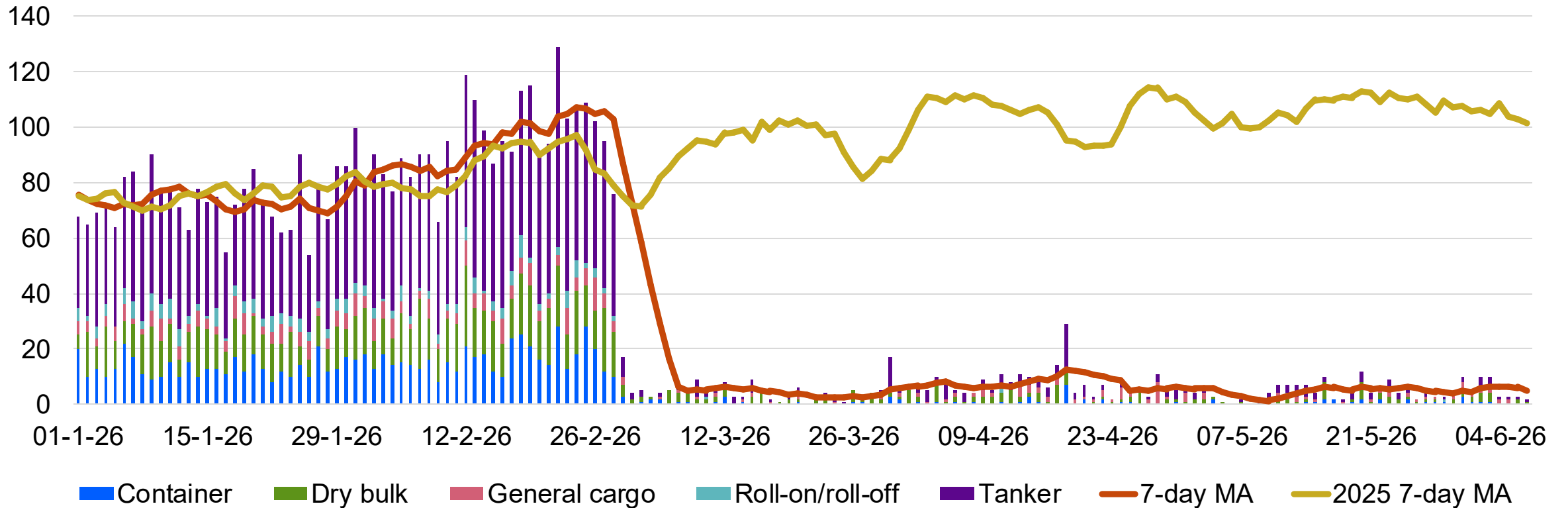
Moody's Analytics Global Business Cycle Status, June 2026



Source: Moody's Analytics

Strait of Hormuz Arrivals Remain Low Despite Ceasefire

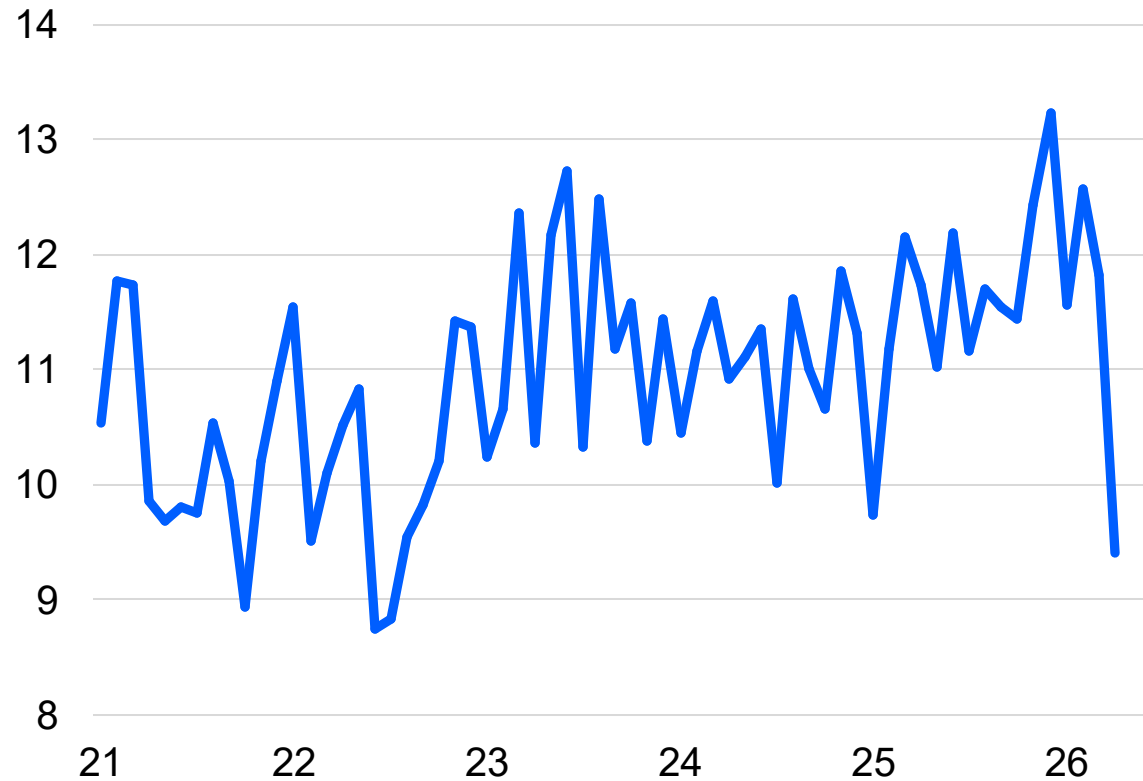
Ship arrivals in Strait of Hormuz, #



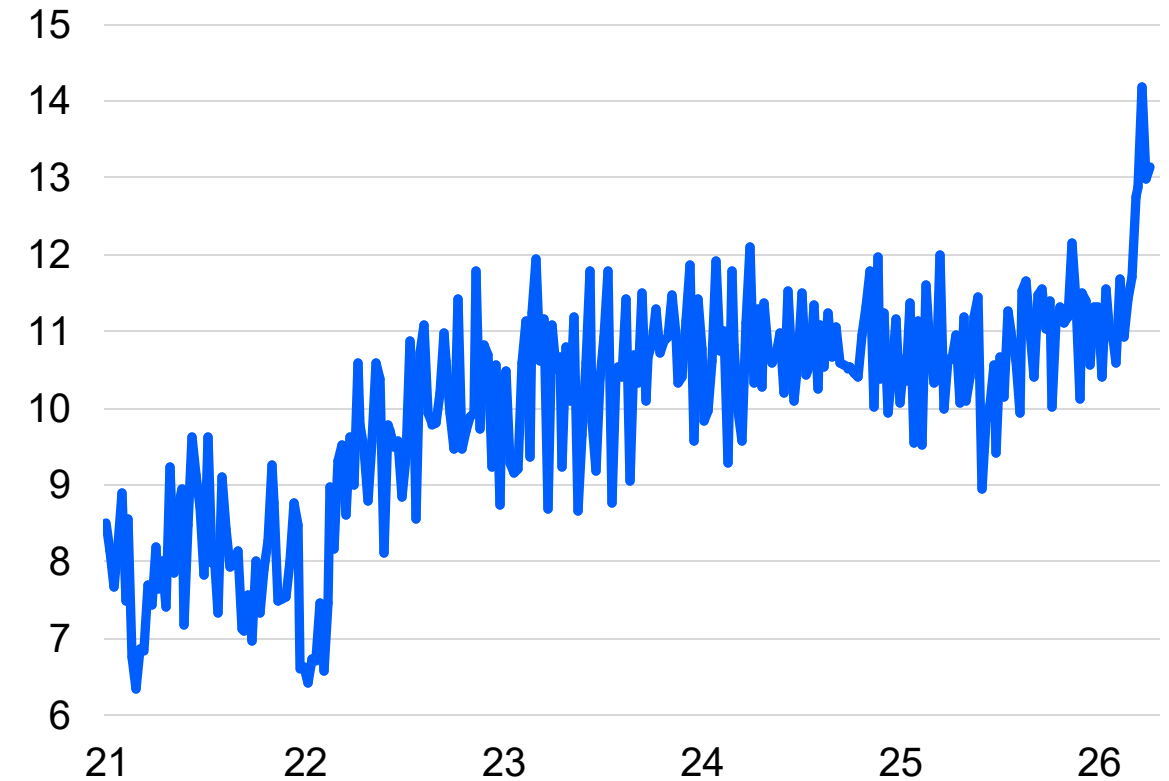
Source: IMF PortWatch, Moody's Analytics

We Had Some Temporary Respite, but Oil Buffers Are Stretched

China crude oil imports, mil bpd



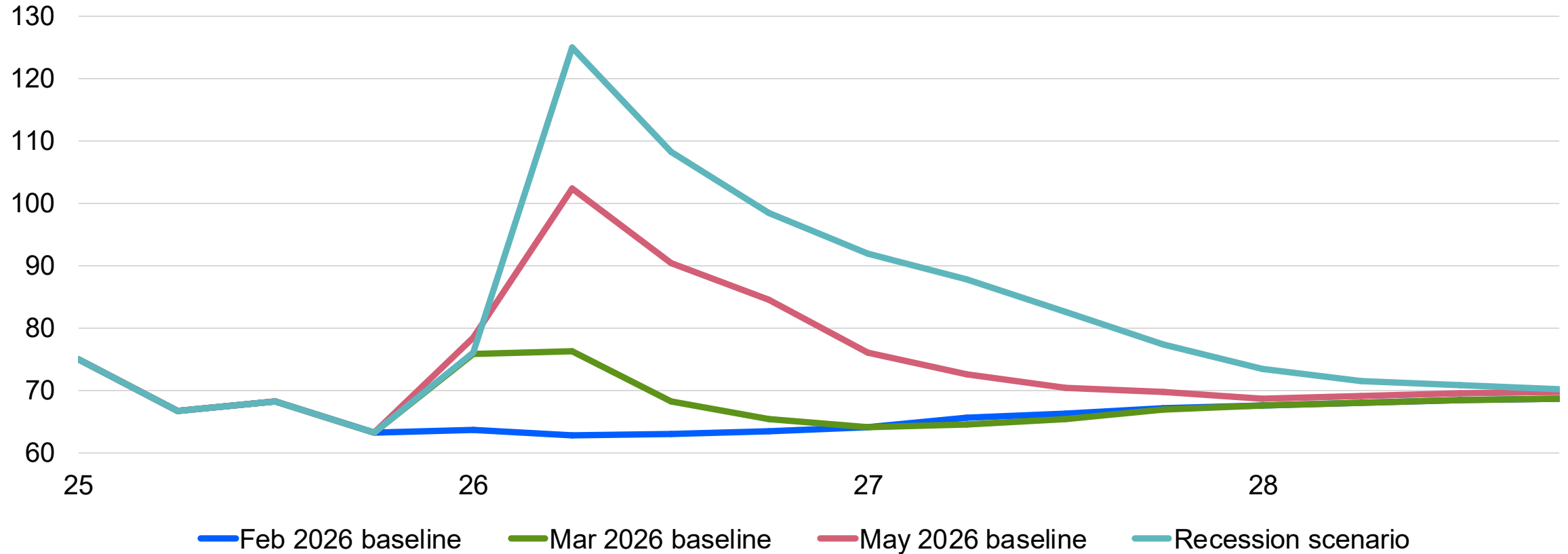
U.S. crude oil and petroleum products exports, mil bpd



Sources: GACC, EIA, Moody's Analytics

The Iran War Is a Serious Recession Threat

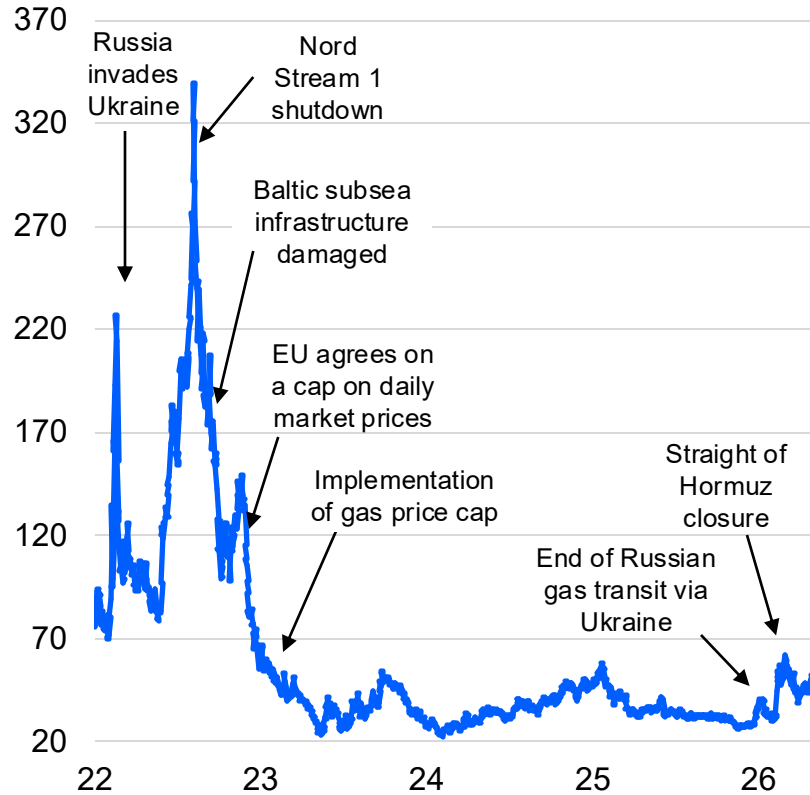
Brent oil price, \$ per bbl



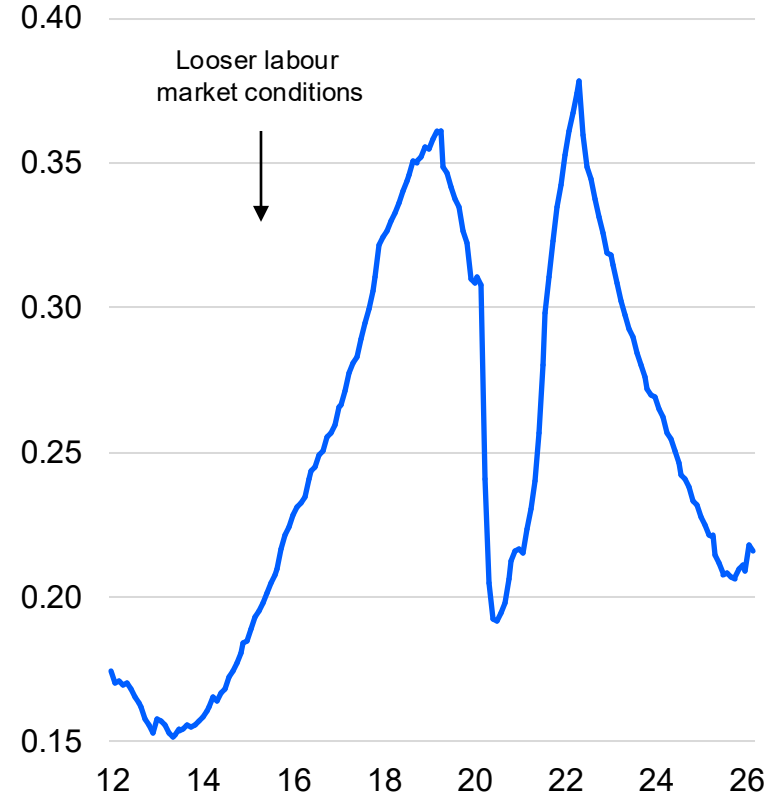
Source: Moody's Analytics

This Is Not 2022: Better-Positioned Gas Markets, Demand Is Weaker

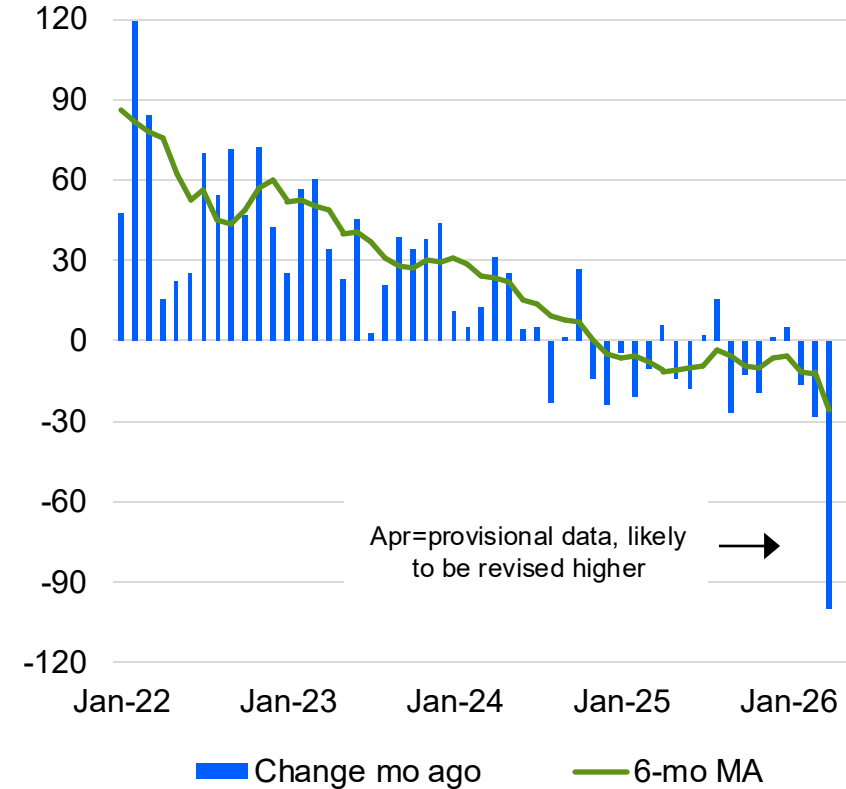
Dutch natural gas TTF, € per MWh, 1-mo forward contract



Germany: Ratio of vacancies to unemployed



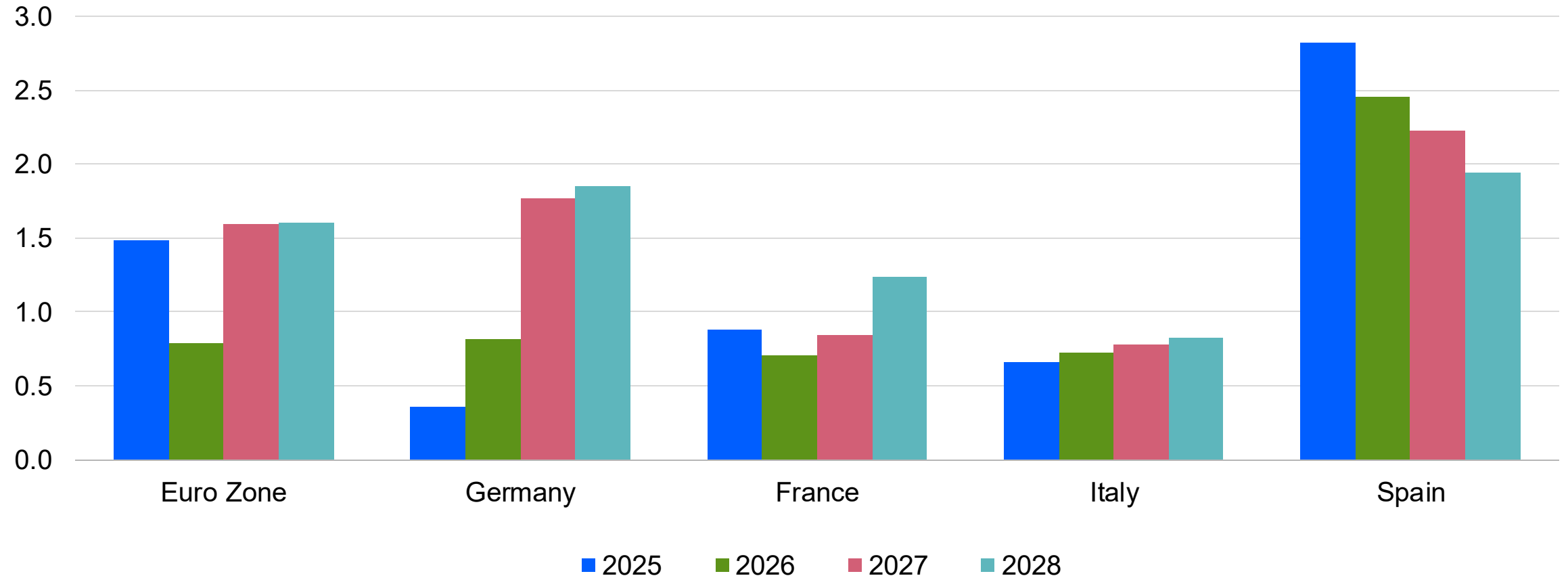
U.K. payrolled employees, ths



Sources: Ifo, Deutsche Bundesbank, Moody's Analytics

The Growth Cost

Real GDP, % change, Jun baseline



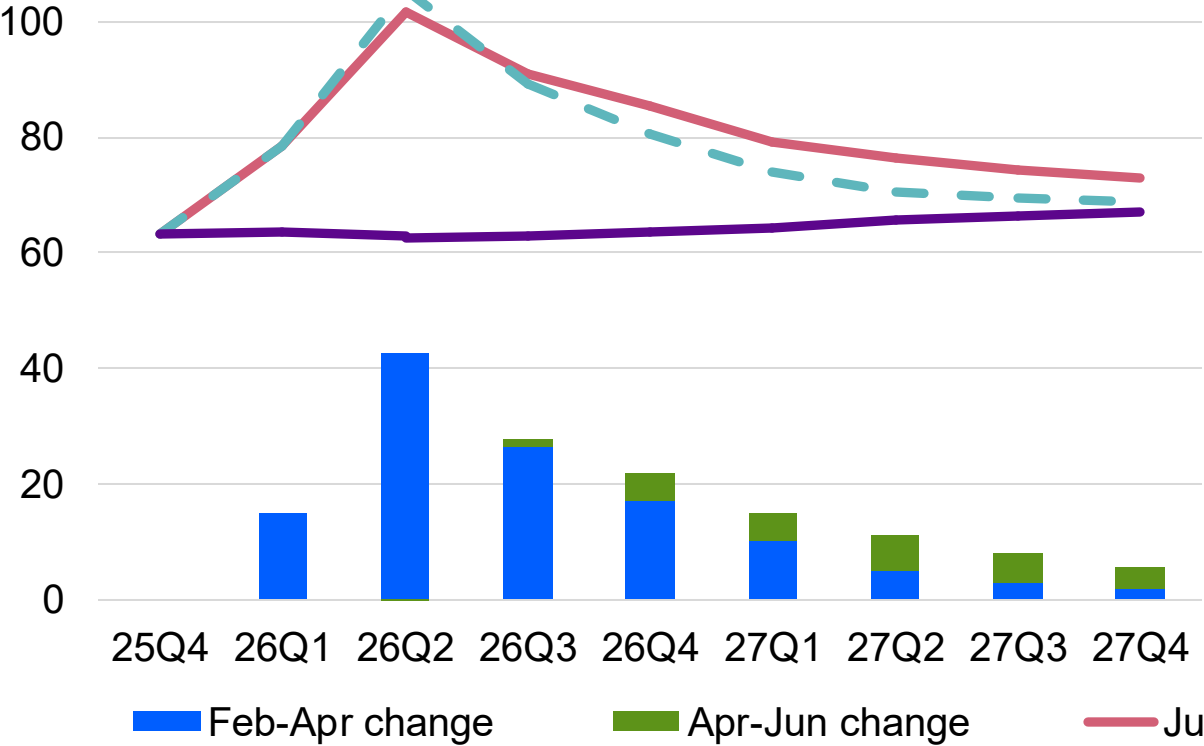
Source: Moody's Analytics

The background features a dark blue gradient with intricate, light blue wavy lines that create a sense of depth and movement, resembling a stylized wave or a complex data visualization.

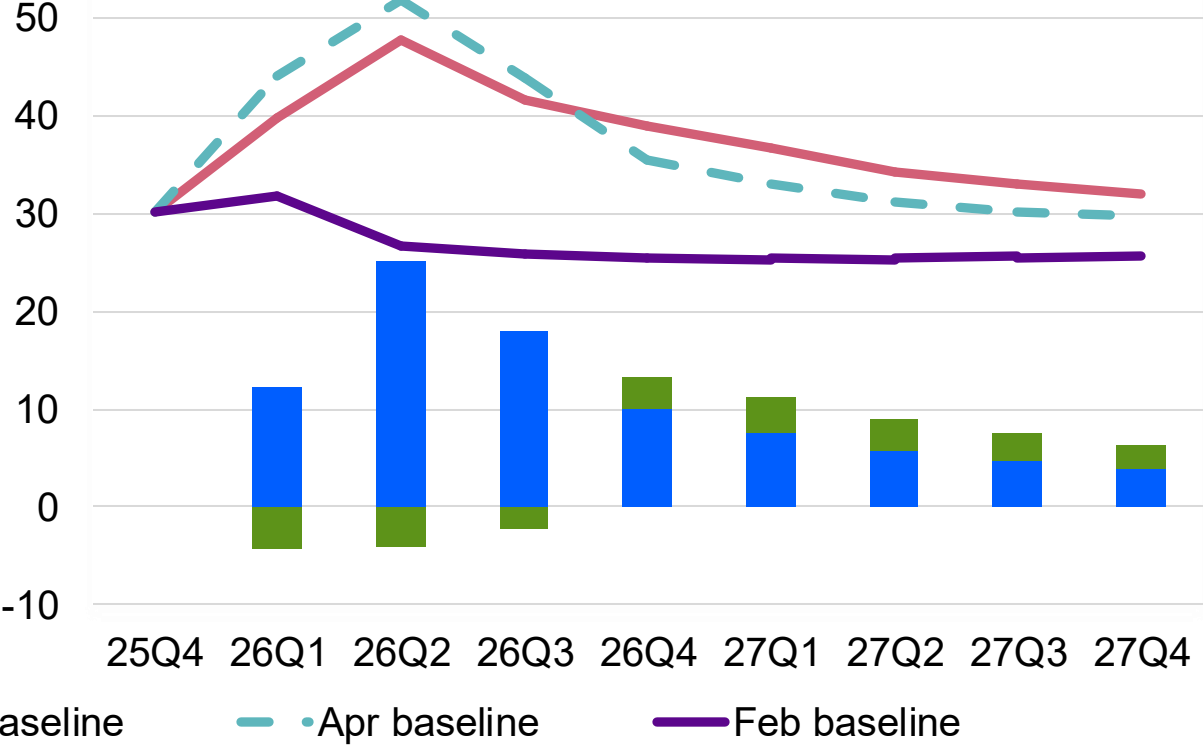
Inflation and Interest Rates Outlook

Oil and Gas Prices Will Be Higher—Now for Longer

Brent oil price, \$ per barrel



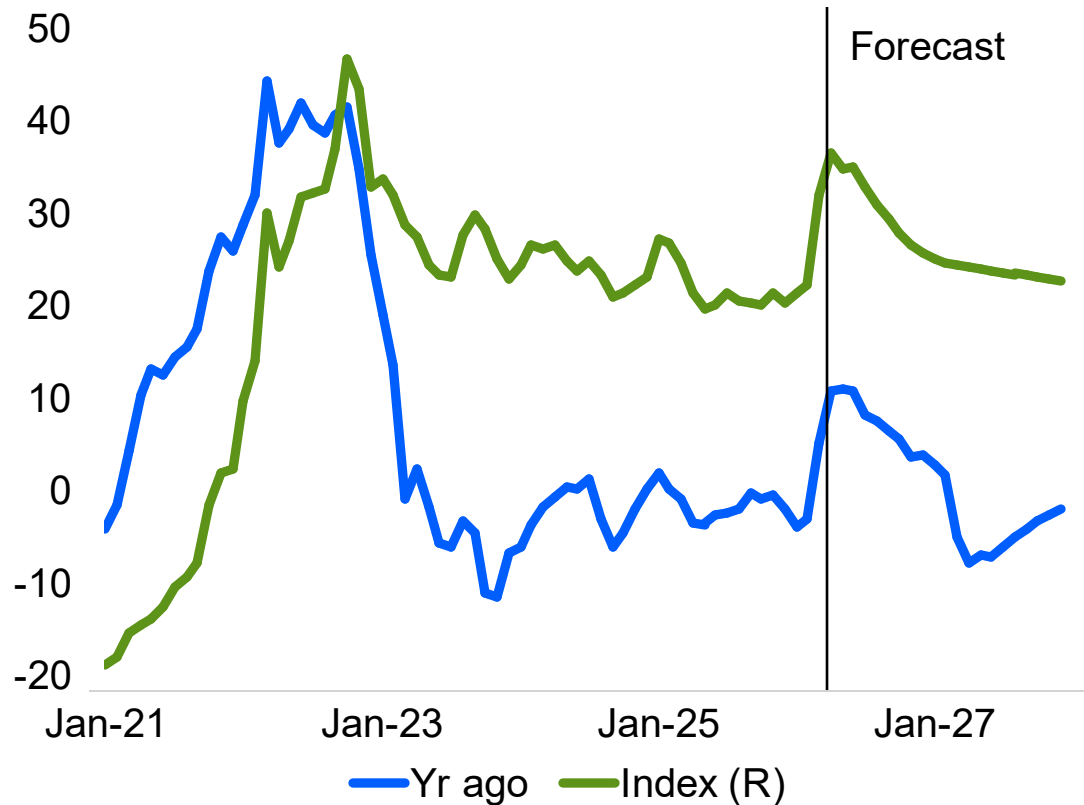
Dutch natural gas TTF, € per MWh



Source: Moody's Analytics

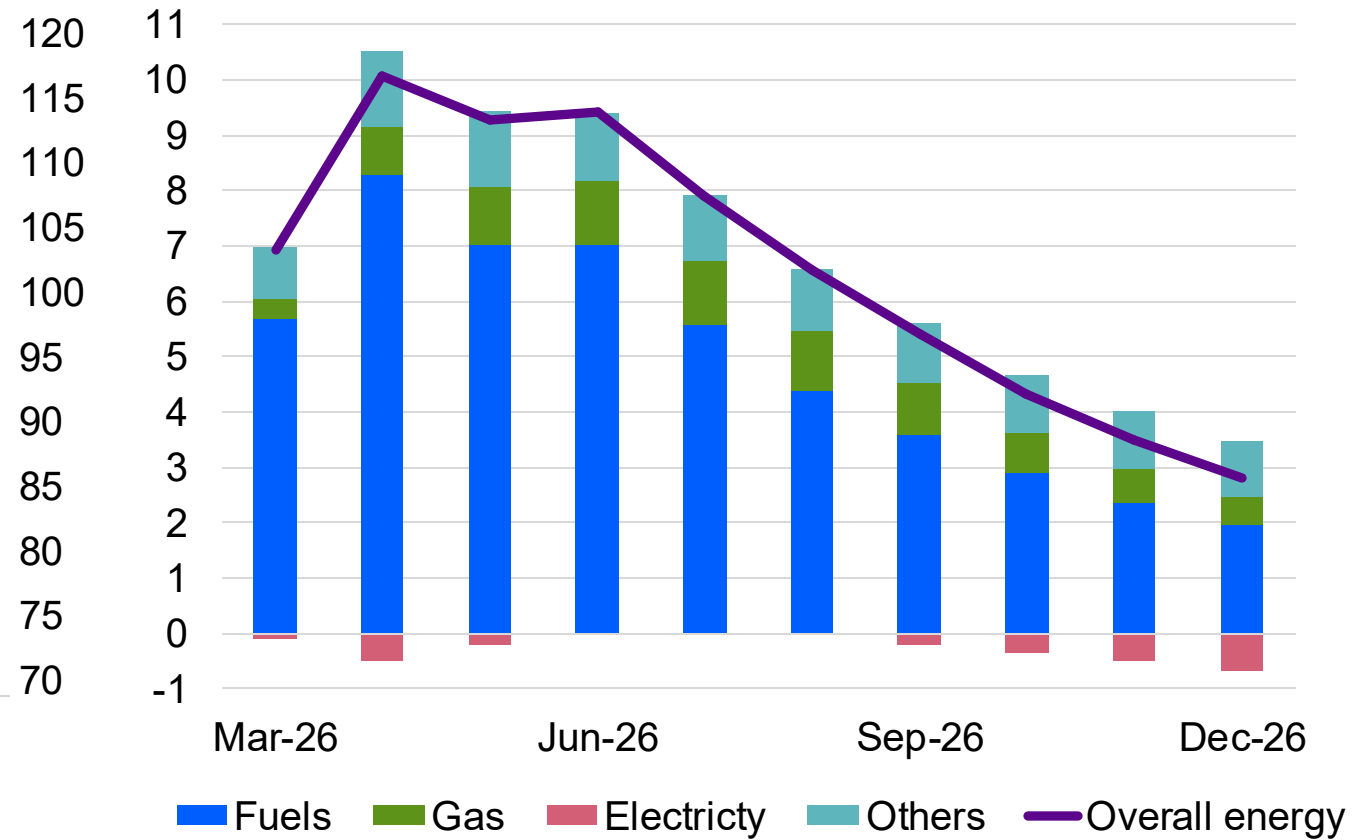
Energy Prices Are Past Their Peak

Euro zone energy HICP



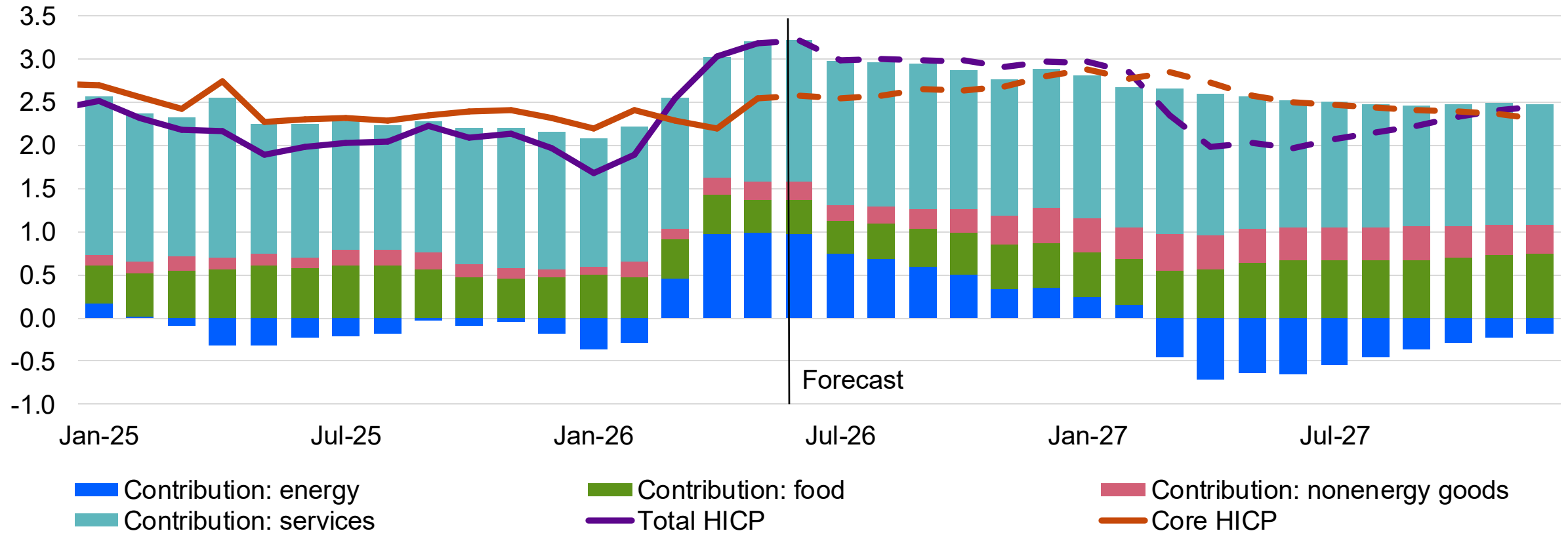
Sources: Eurostat, Moody's Analytics

Euro zone energy HICP, % change from Feb; contributions, ppts



Inflation Has Peaked, but It Will Stick

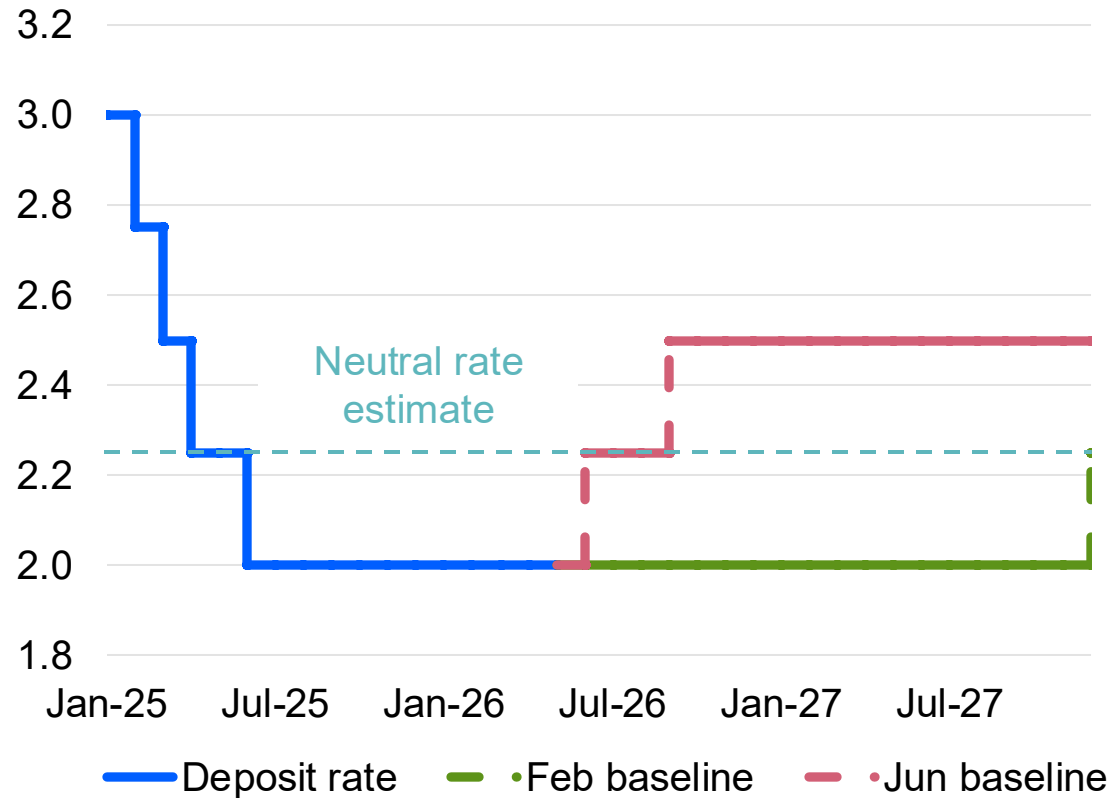
Euro zone HICP, % change yr ago; contributions, ppts



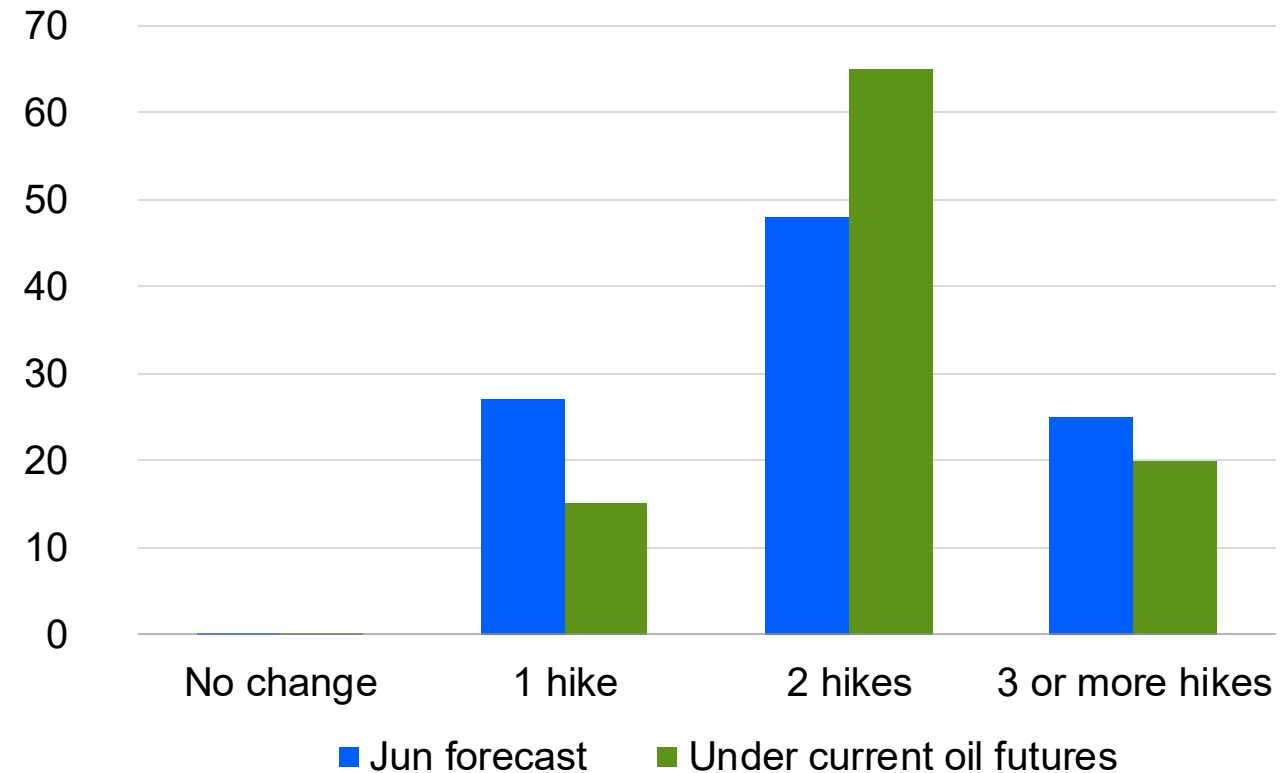
Sources: Eurostat, Moody's Analytics

ECB Will Move to Middle of the Neutral Range

ECB deposit rate, %



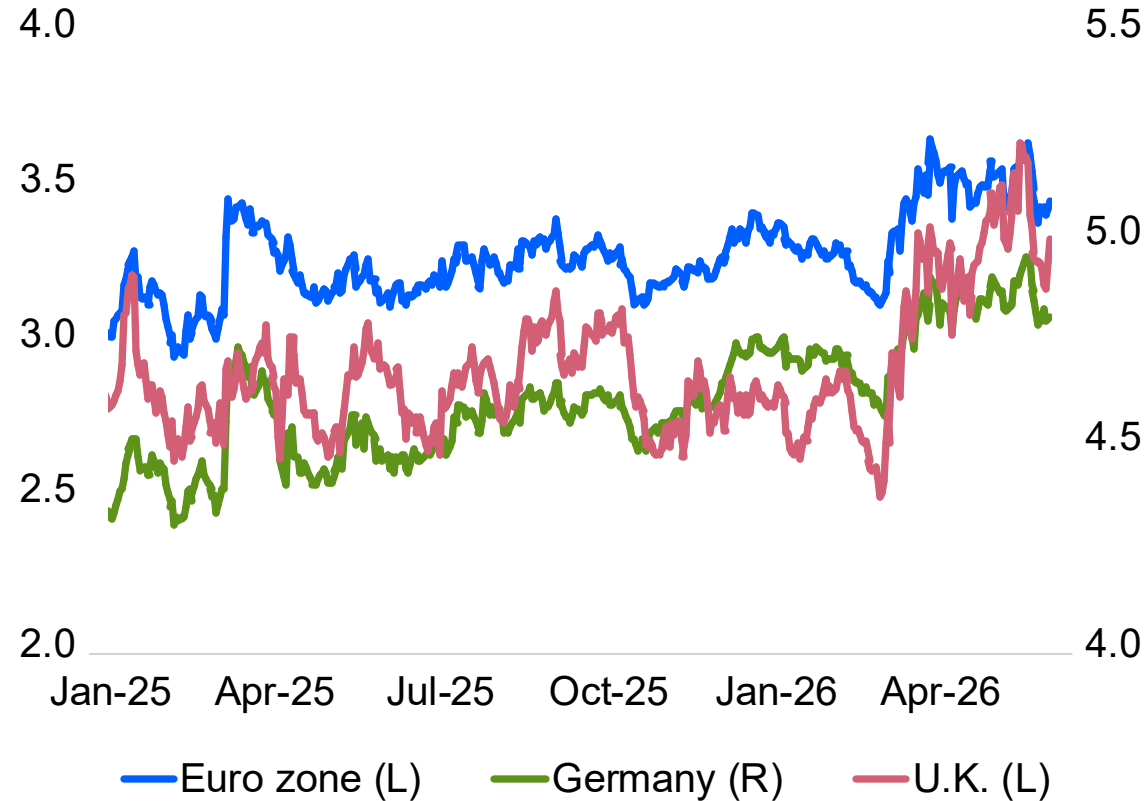
Subjective odds of the # of hikes by the ECB in 2026; % probability



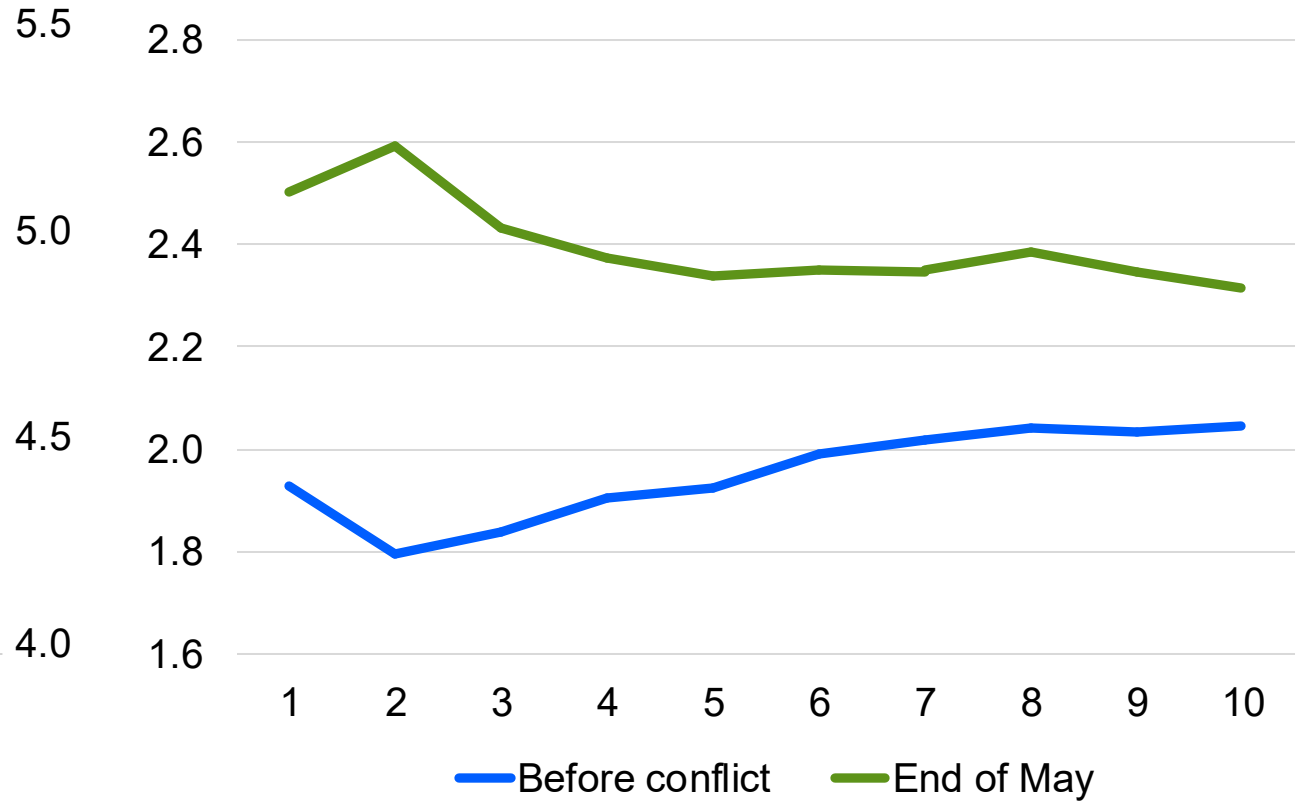
Sources: ECB, Moody's Analytics

Bond Yields Are Up, Mostly Reflecting Higher Policy Rates

Bond yields, %



Future policy rate, implied by ESTR swaps, %

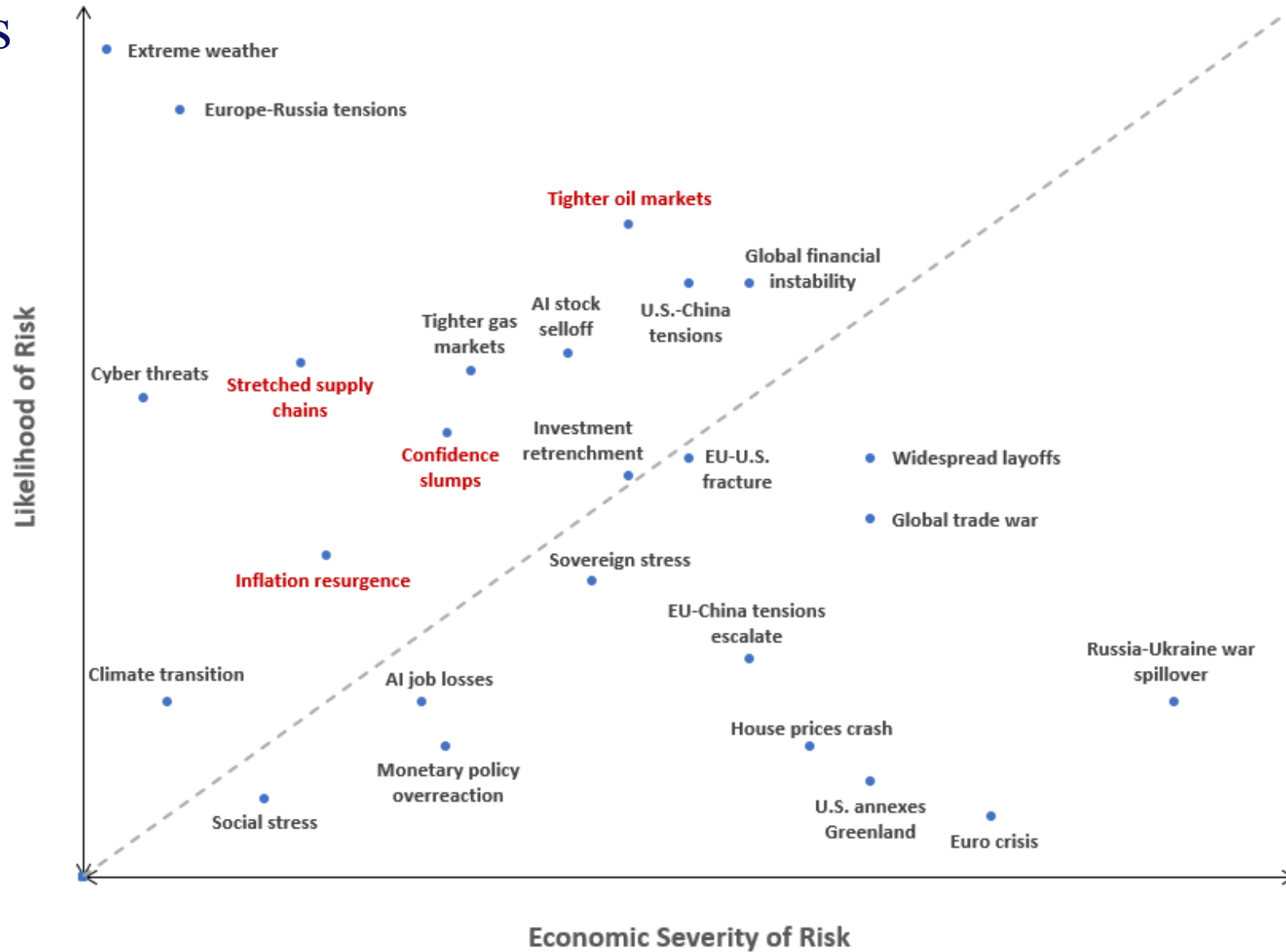


Sources: ECB, BoE, Moody's Analytics

The background is a solid dark blue color. It features two large, abstract, wavy patterns made of thin, light blue lines. These patterns resemble stylized waves or a complex grid that has been distorted into a fluid, undulating shape. One pattern is on the left side, and another is on the right side, both extending from the top towards the bottom of the frame.

European Risks

Lots of Risks

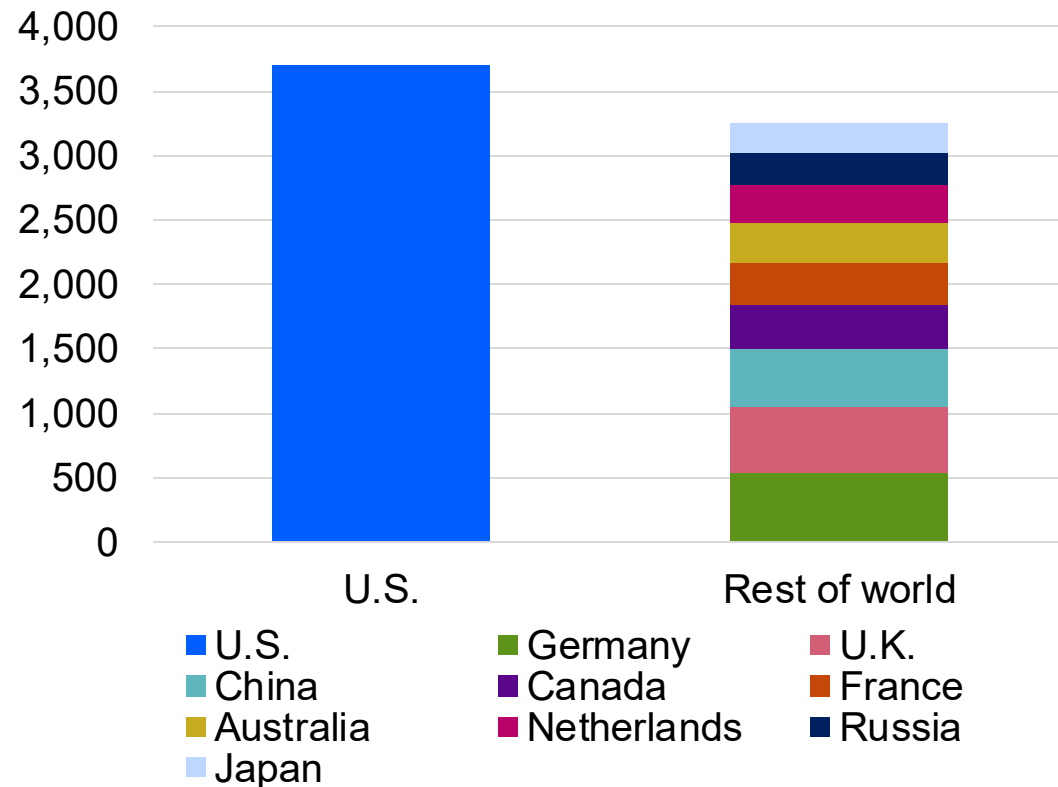


Source: Moody's Analytics

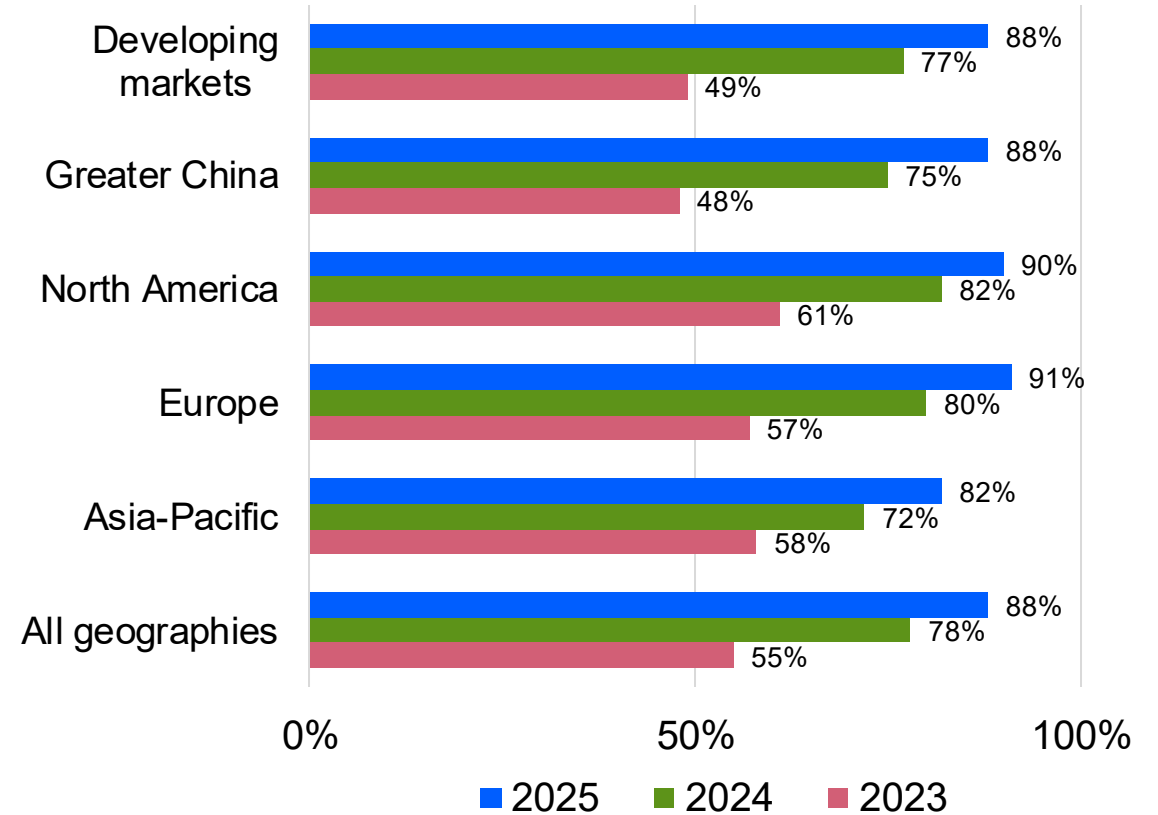
Moody's Analytics

AI: Europe Falling Behind on Investment, but Not on Adoption

of data centres, yr end 2025



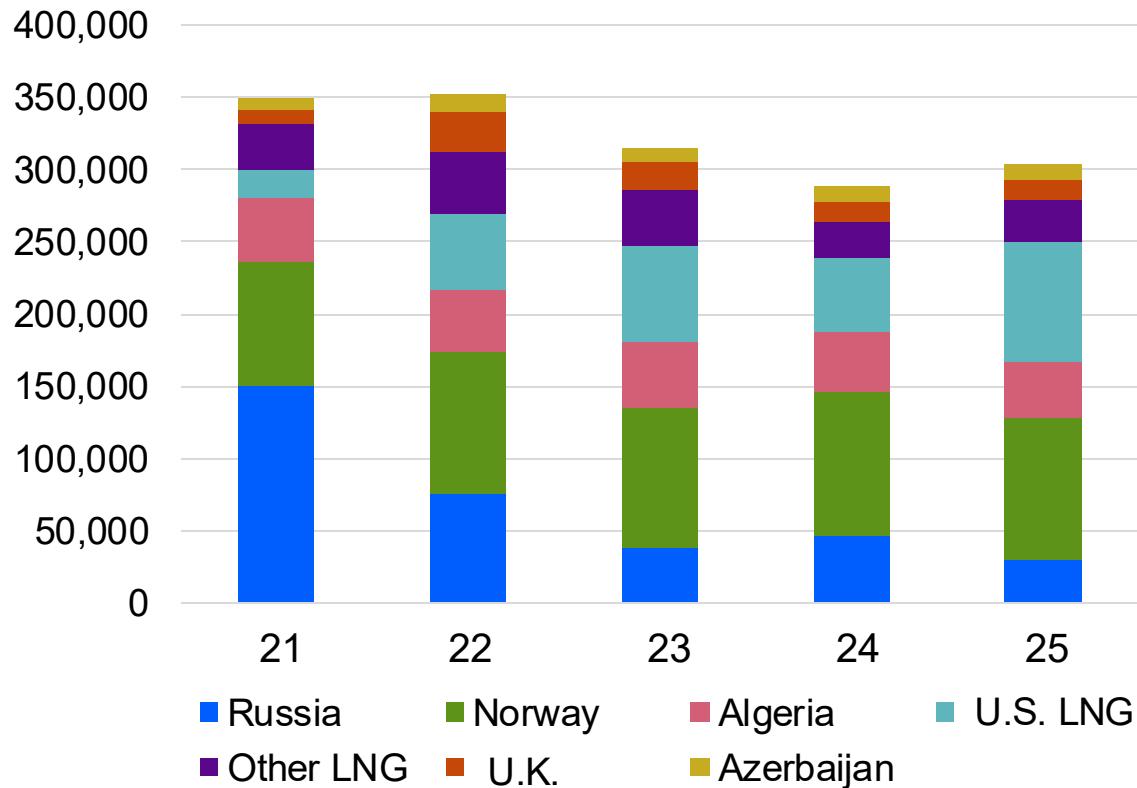
AI use by organisations in the world, % of respondents



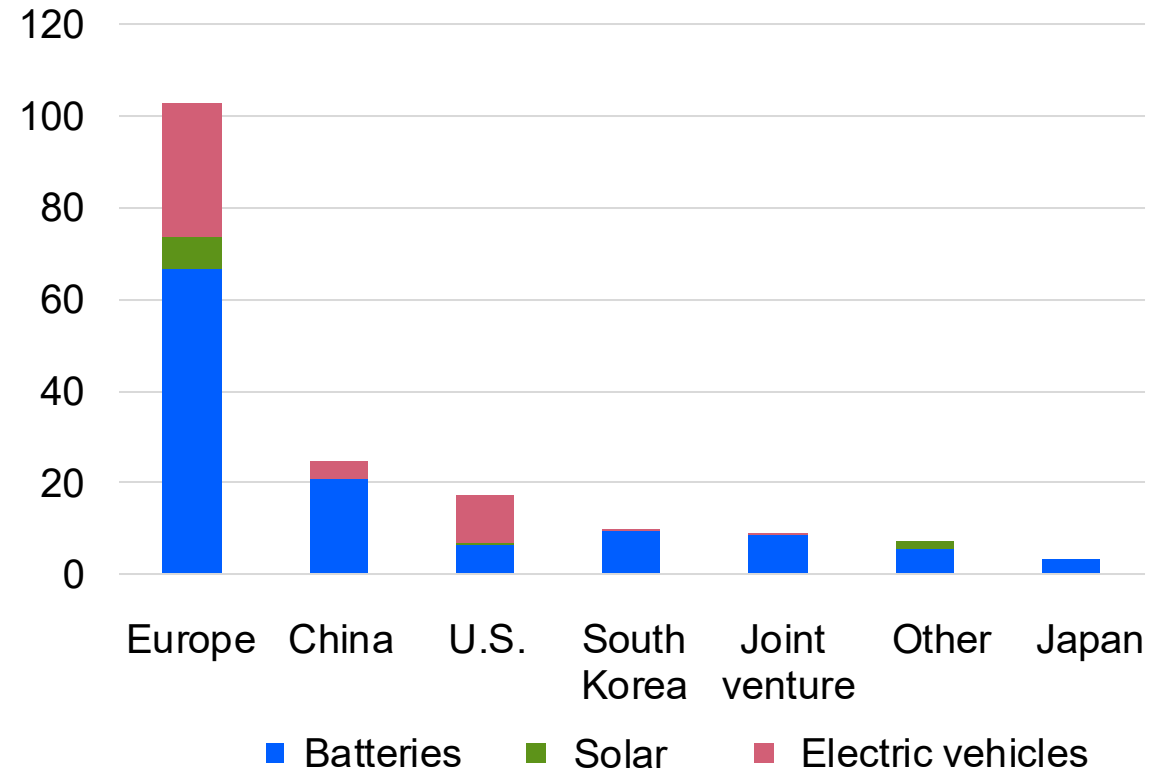
Sources: Cloudscene, 2026 AI Index Report, Moody's Analytics

Dependencies: Fossil Fuels From the U.S., Green Tech From China

EU annual gas imports, mil cubic metres



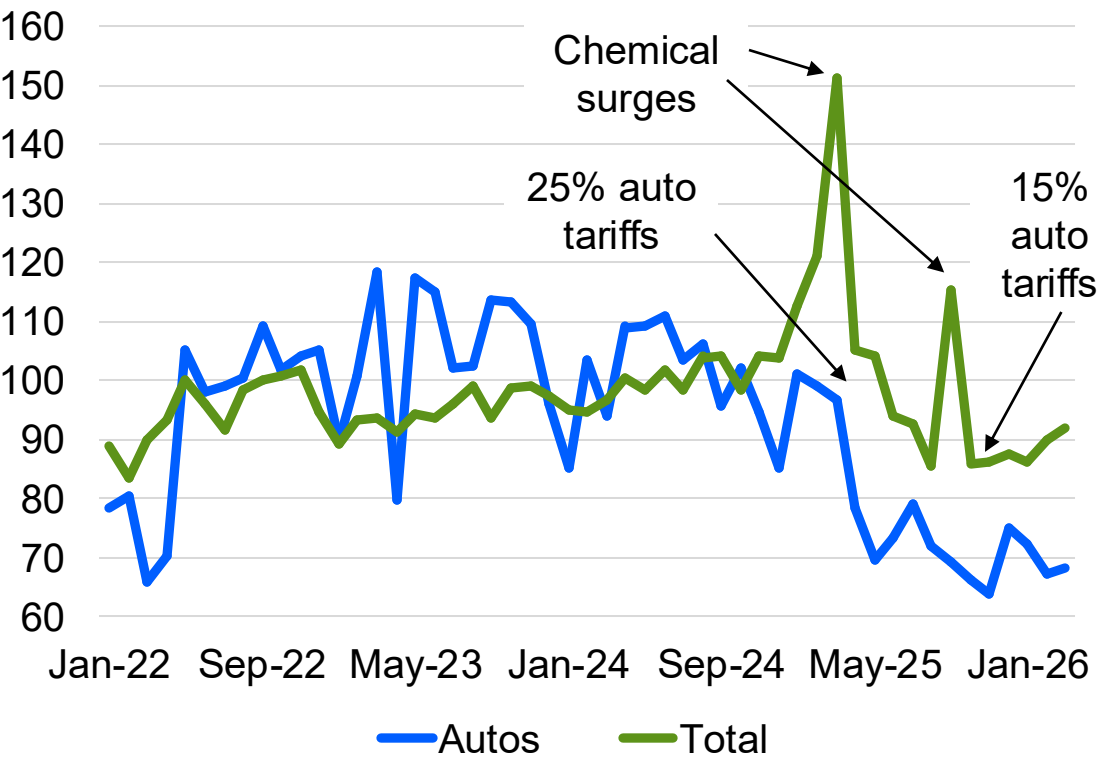
Investments in the EU since 2017, by owner HQ, € bil



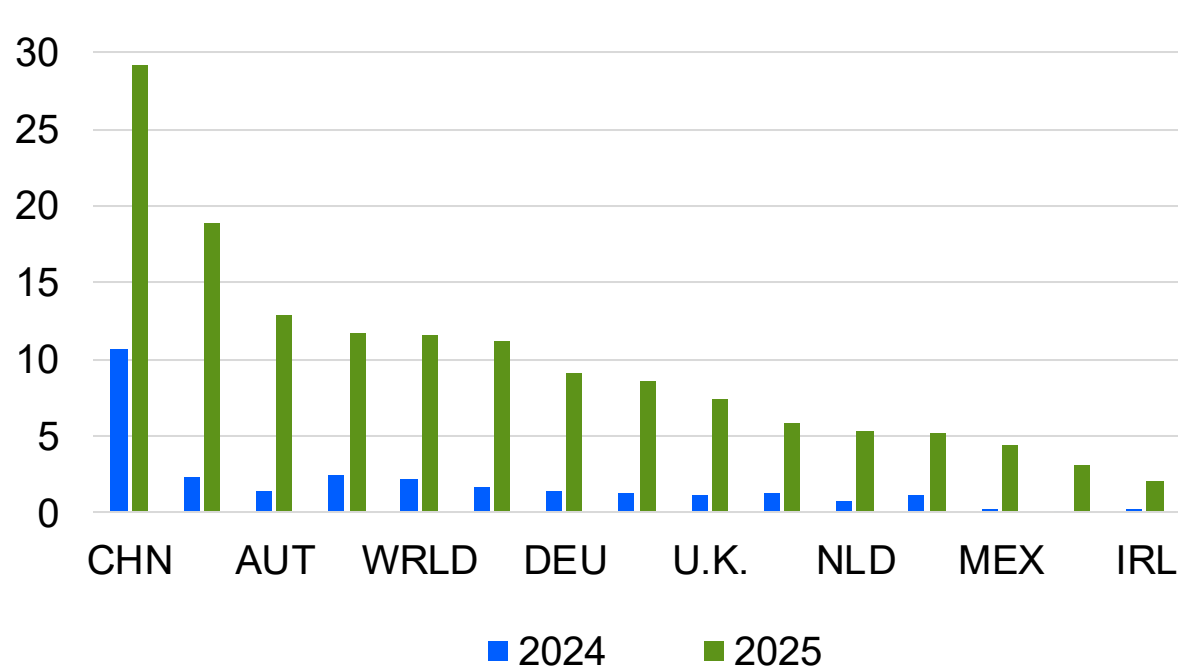
Sources: Bruegel, Moody's Analytics

Trade: Tariffs Hit Hard, and Competitive Position Will Worsen in 2026

EU's exports to the U.S., 2024=100, SA by MA



U.S. effective tariff rate, Dec values, %



Source: Moody's Analytics

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