Candriam Sustainable Investment Conference.

Amsterdam – 3 September 2026

CANDRIAM
BY NEW YORK LIFE INVESTMENT MANAGEMENT

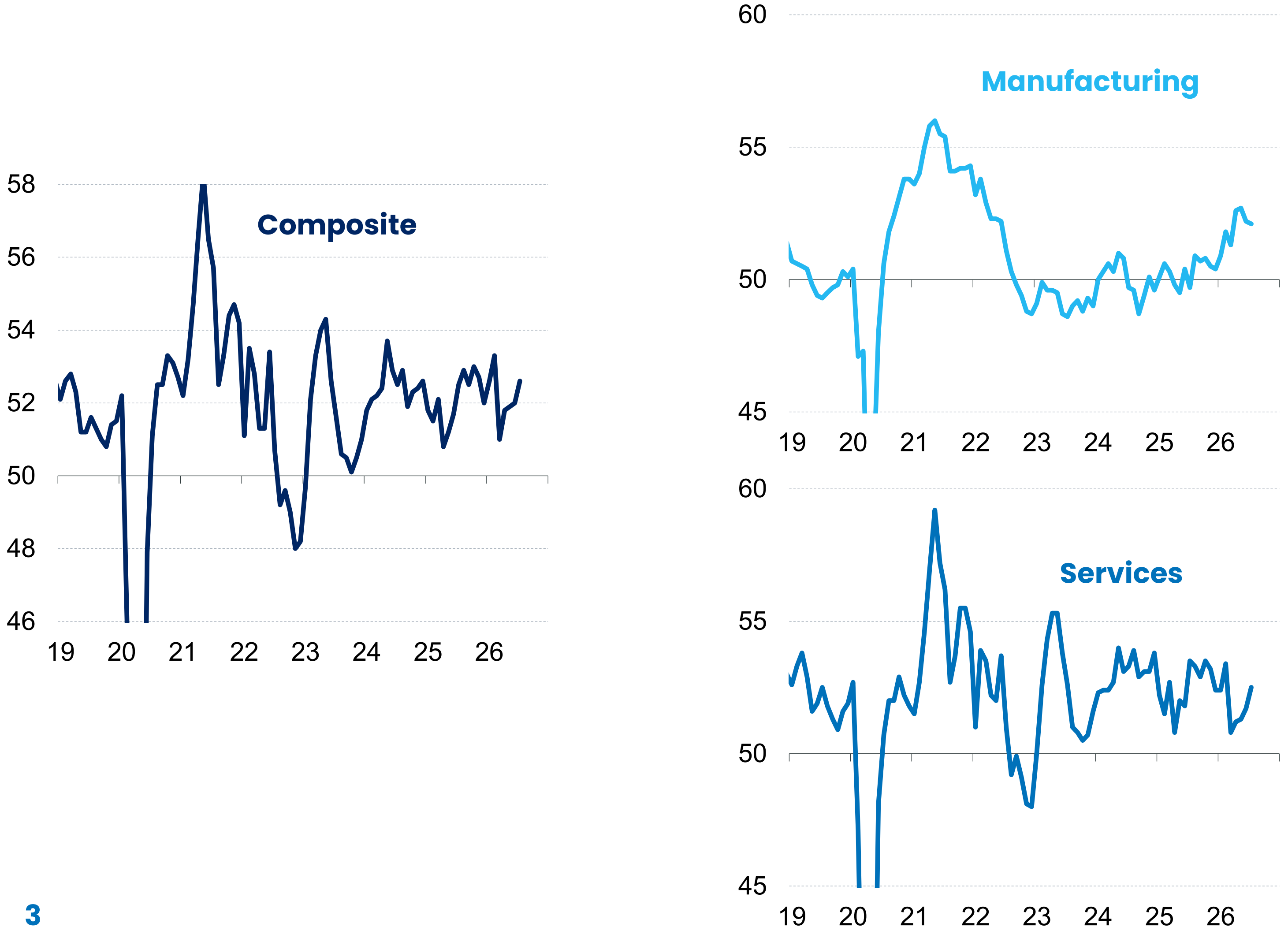
Document intended for Professional & Qualified Investors

1 Global economy

Resilient growth...

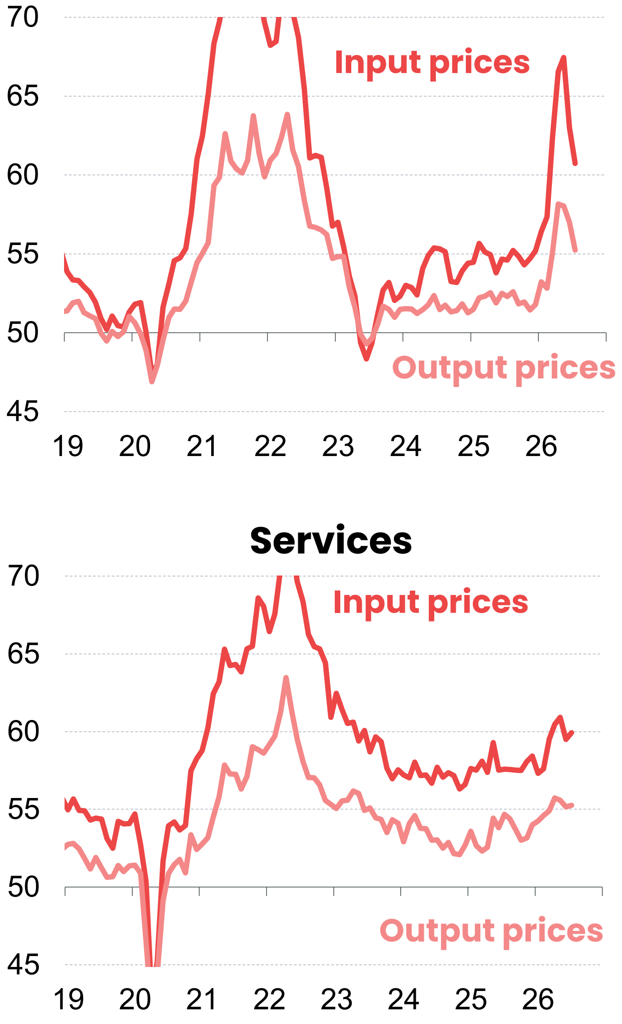
Activity surveys have improved

World PMIs



World PMI prices

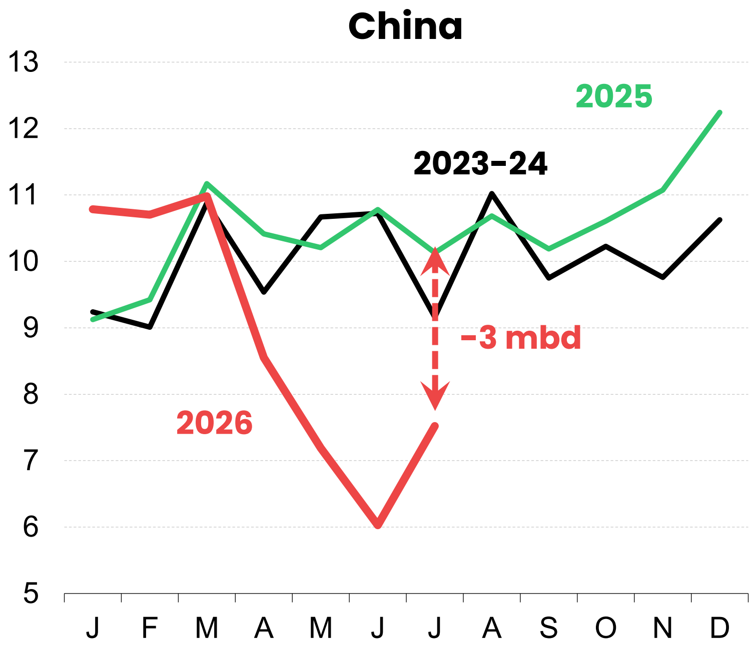
Manufacturing



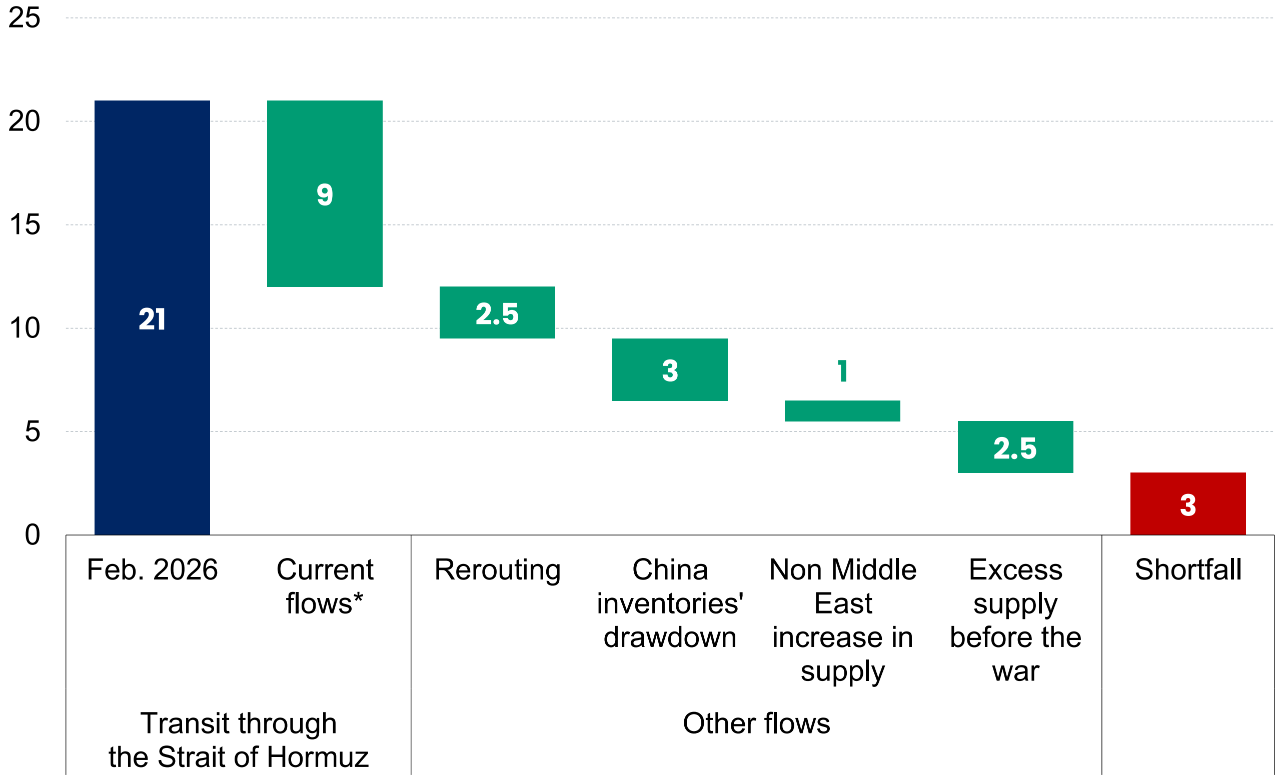
Sources: Bloomberg, Candriam SEPTEMBER 2026

China and “dark” shipping through the Strait of Hormuz have dramatically reduced the oil supply shortfall

Net crude oil imports
(million barrels per day)



Rough estimate of the current shortfall of crude oil and petroleum products
(million barrels per day, August 2026)

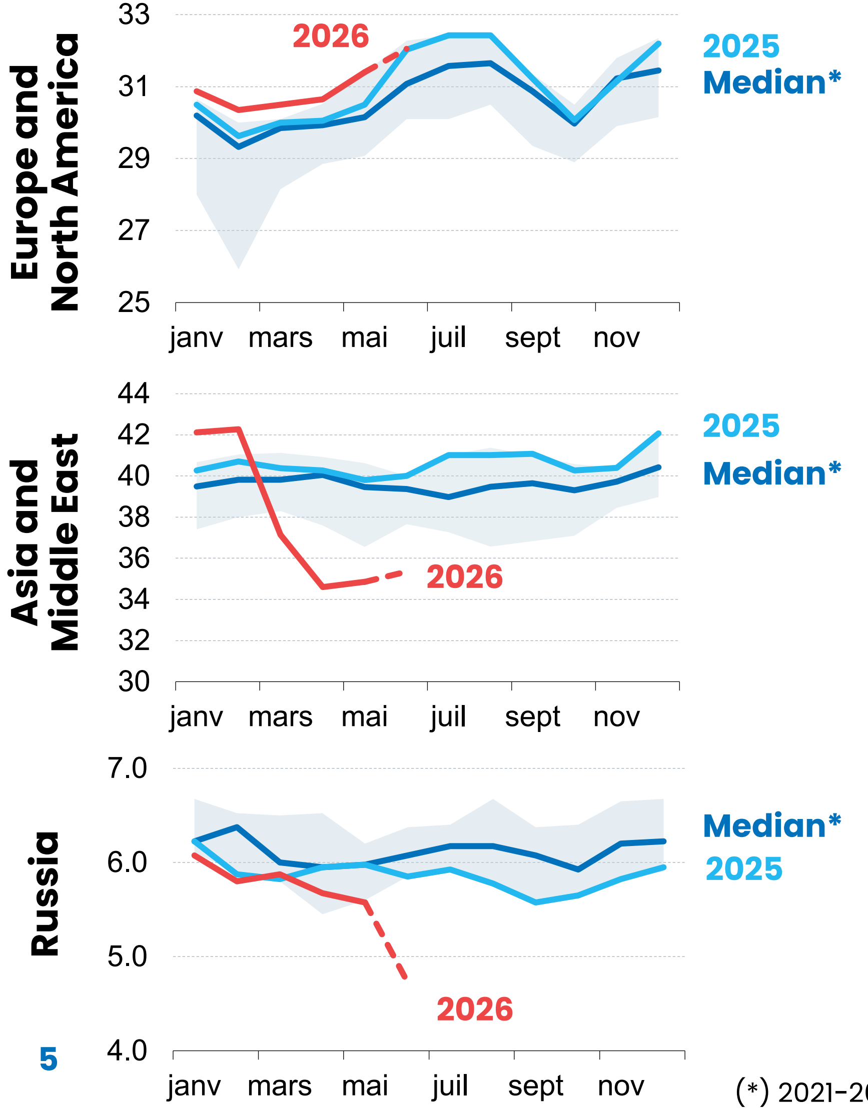


(*) Kpler estimate including dark transit

Sources: EIA, LSEG Datastream, Candriam SEPTEMBER 2026

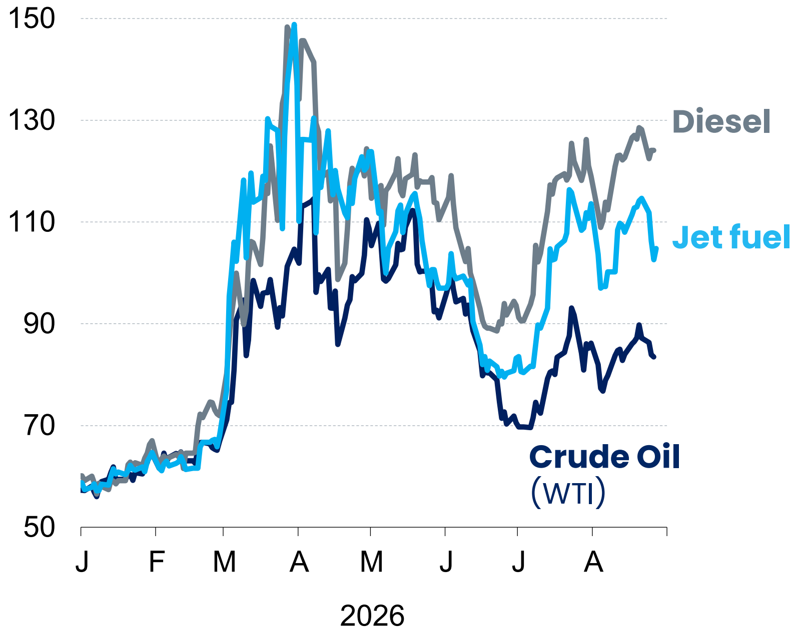
Still, upward pressures on petroleum product and natural gas prices are likely to persist

Refinery runs by region
(millions barrels per day)

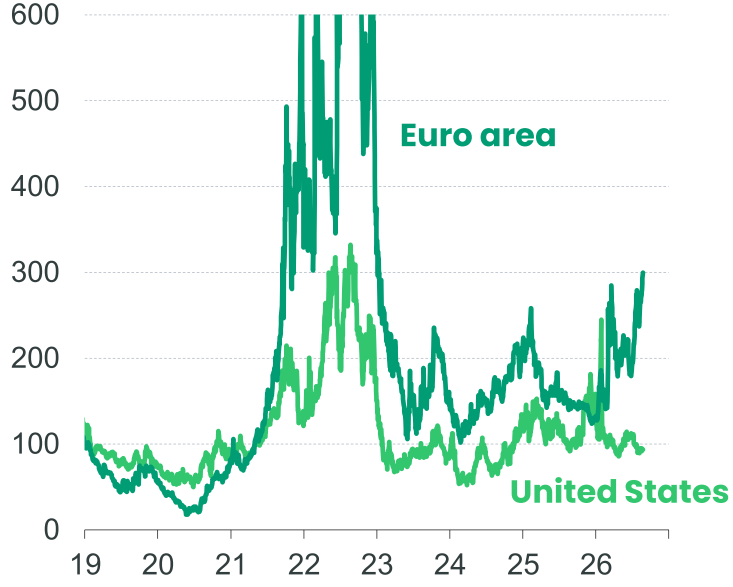


(*) 2021-2025

Crude oil and derivatives prices
(indexed on January 2026 WTI oil price)



Natural gas price
(January 2019 = 100, in local currency)

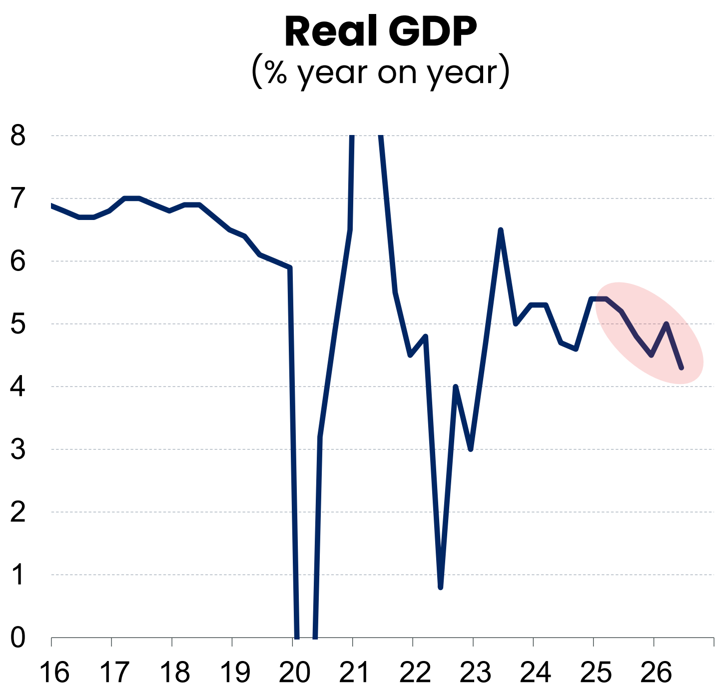


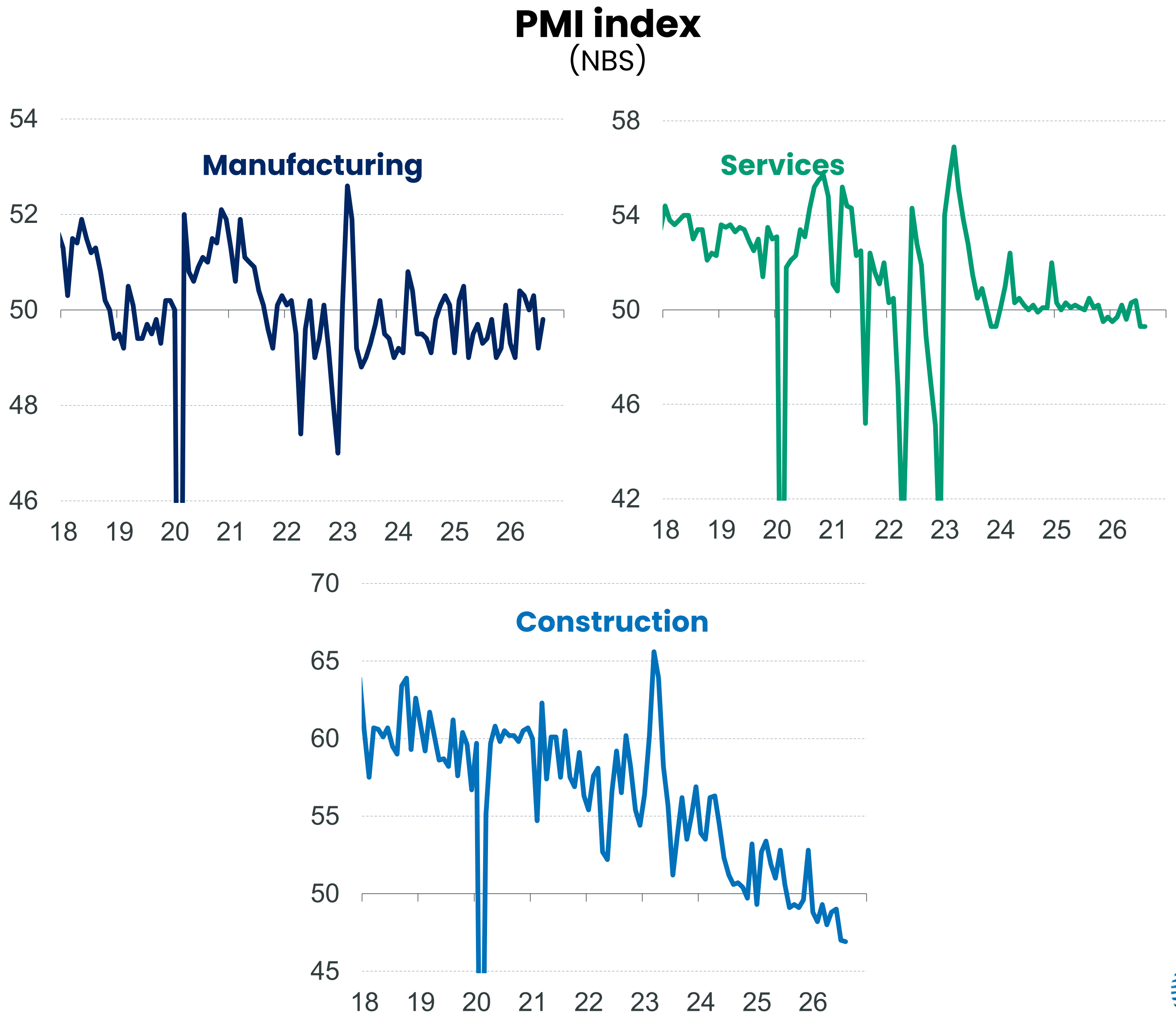
Sources: LSEG Datastream, Kpler, Bloomberg, Candriam SEPTEMBER 2026

2 China

Losing momentum…
despite an exorbitant trade surplus!

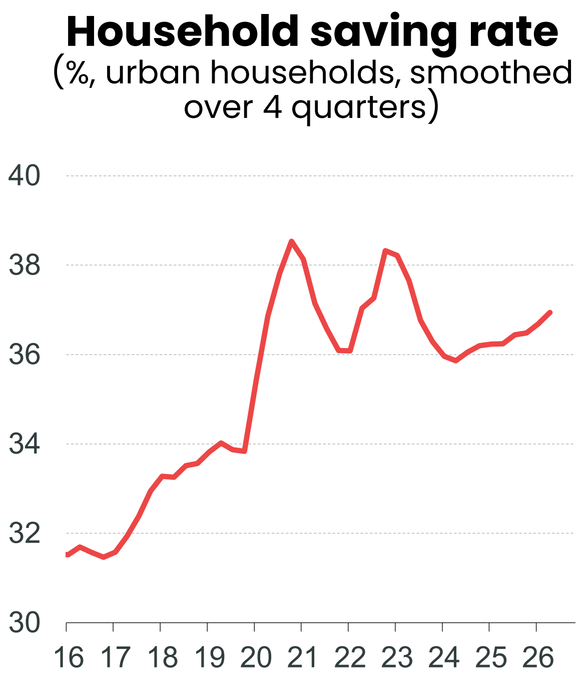
Growth has slowed and is running below the official target

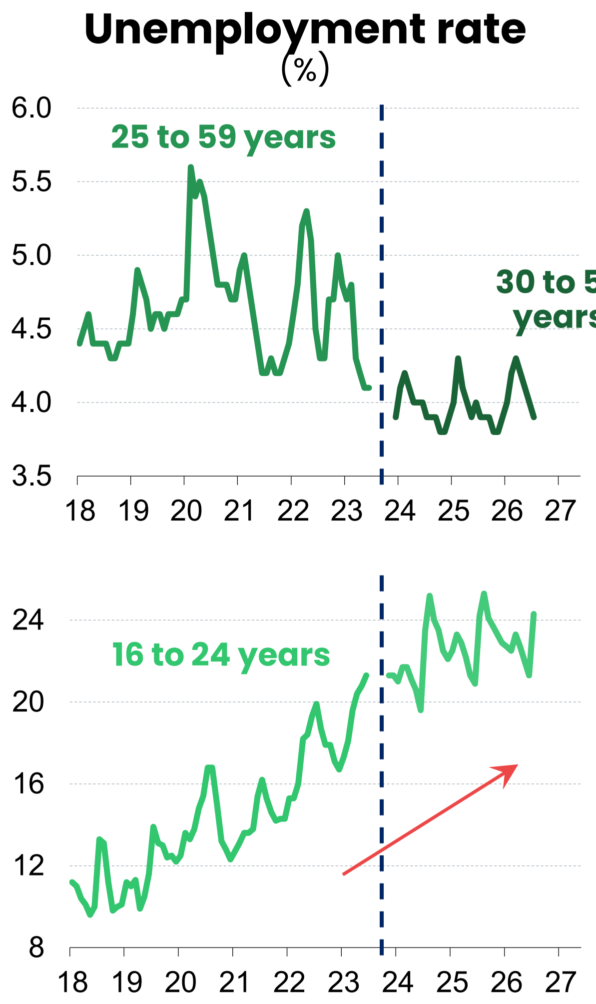


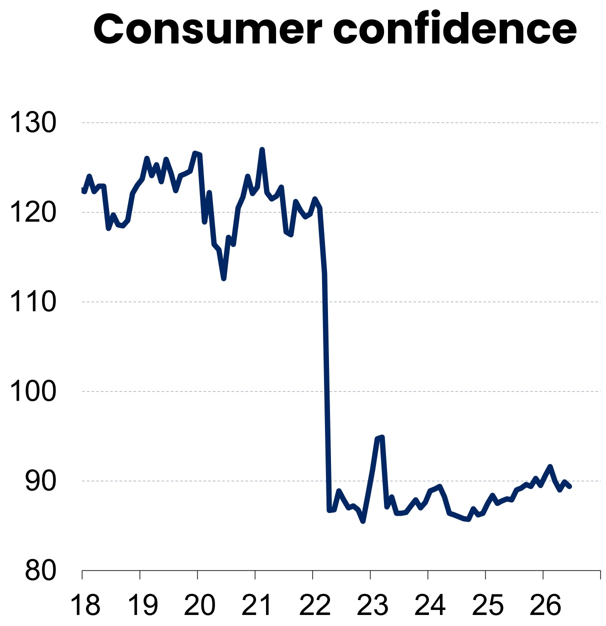


Sources: LSEG Datastream, Haver Analytics, Candriam SEPTEMBER 2026

The household saving rate is creeping up and consumer confidence remains depressed



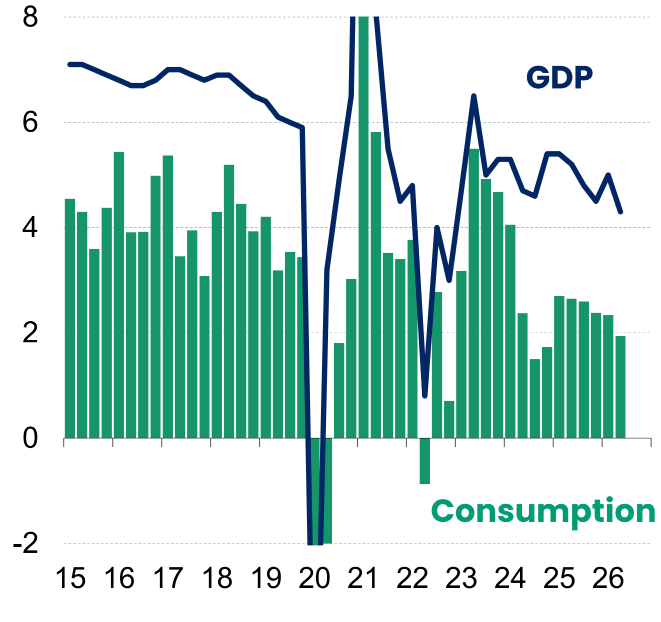




Sources: LSEG Datastream, Haver Analytics, Candriam SEPTEMBER 2026

The contribution of consumer spending to growth has eroded and is now well below its pre-pandemic level

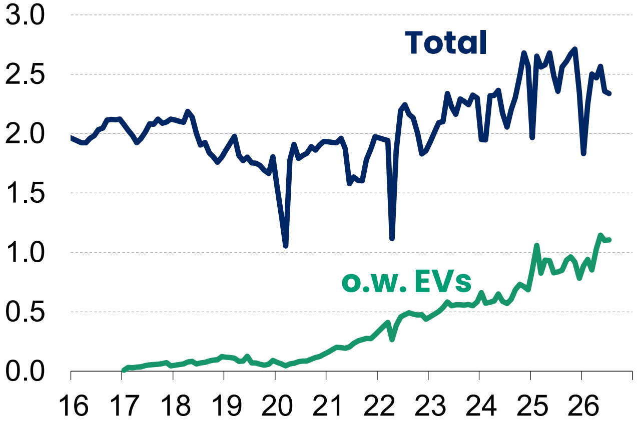
Contribution to real GDP growth
(% year on year)



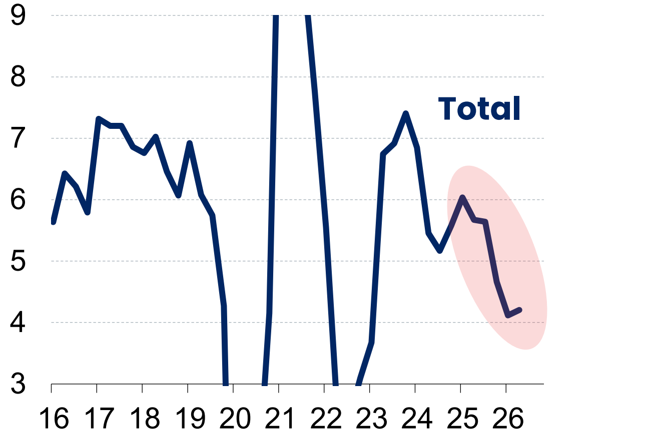
Retail and car sales

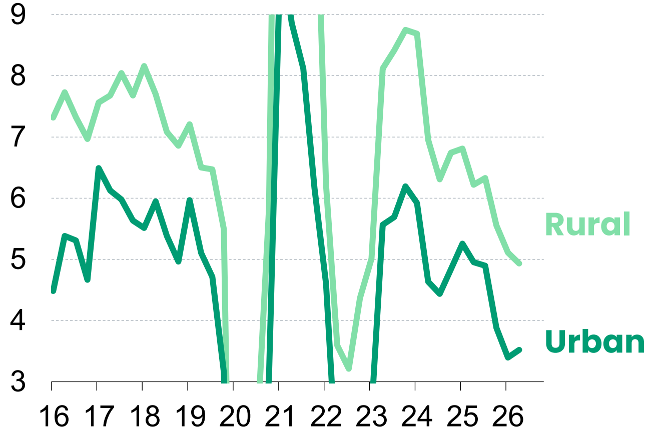
Retail sales
(volume)

Car sales
(million units)



Real disposable income per capita
(% year on year)

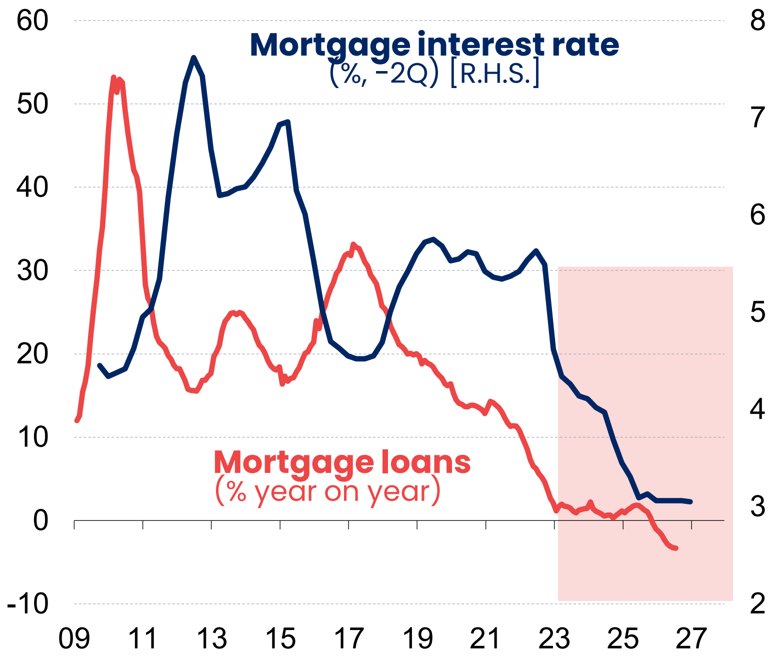




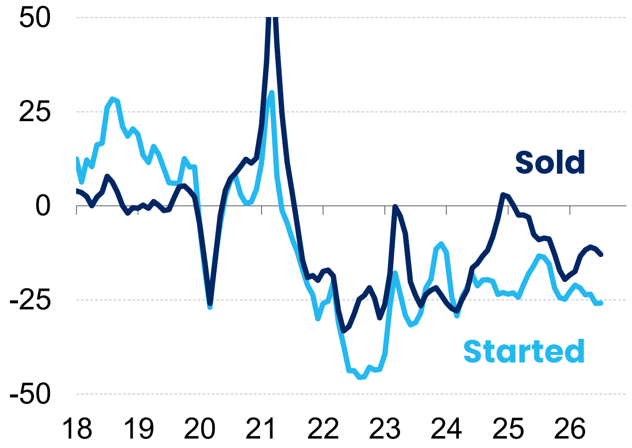
Sources: LSEG Datastream, Bloomberg, Candriam SEPTEMBER 2026

After more than 5 years of contraction, residential investment continues to weigh on activity

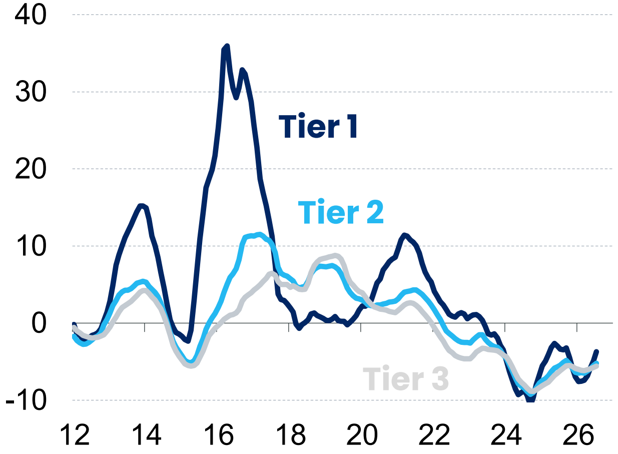
Mortgage loans and interest rate



Residential building started and sold
(% year on year)

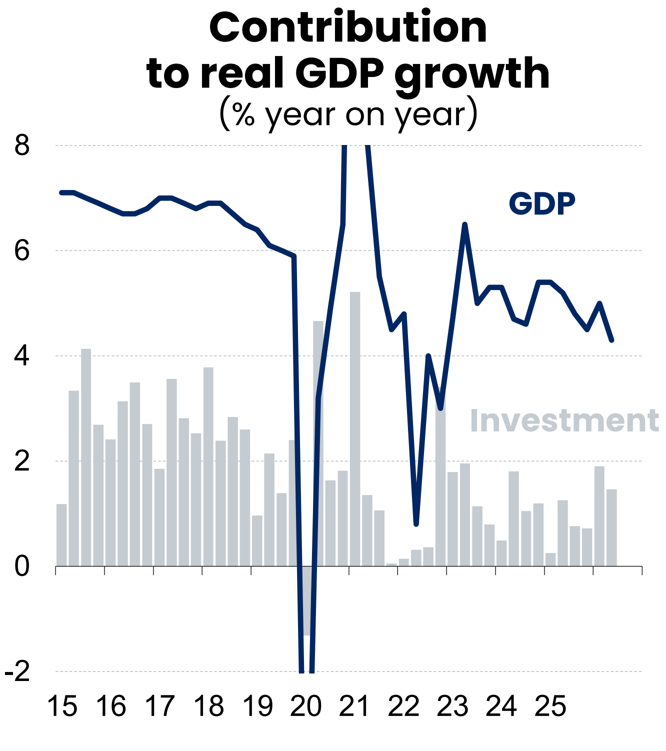


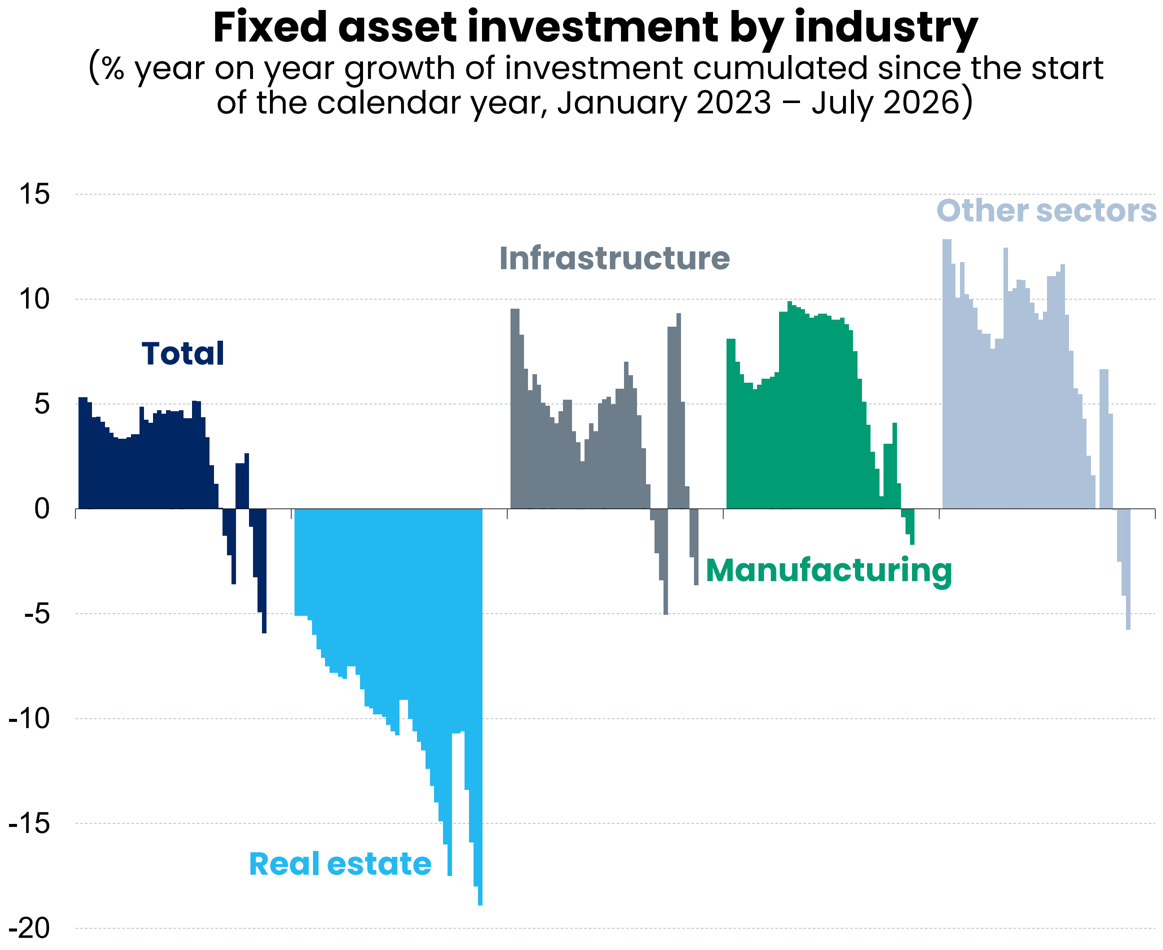
Existing home prices
(% year on year)

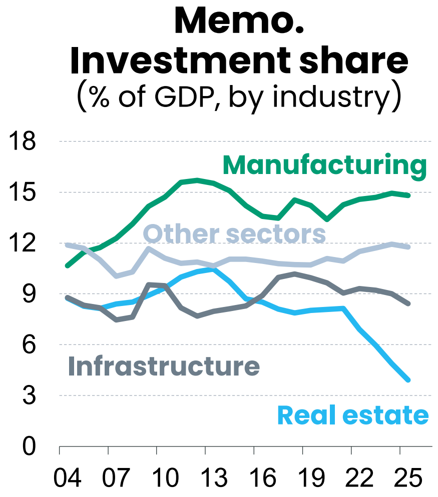


Sources: LSEG Datastream, Candriam SEPTEMBER 2026

Business investment has also weakened

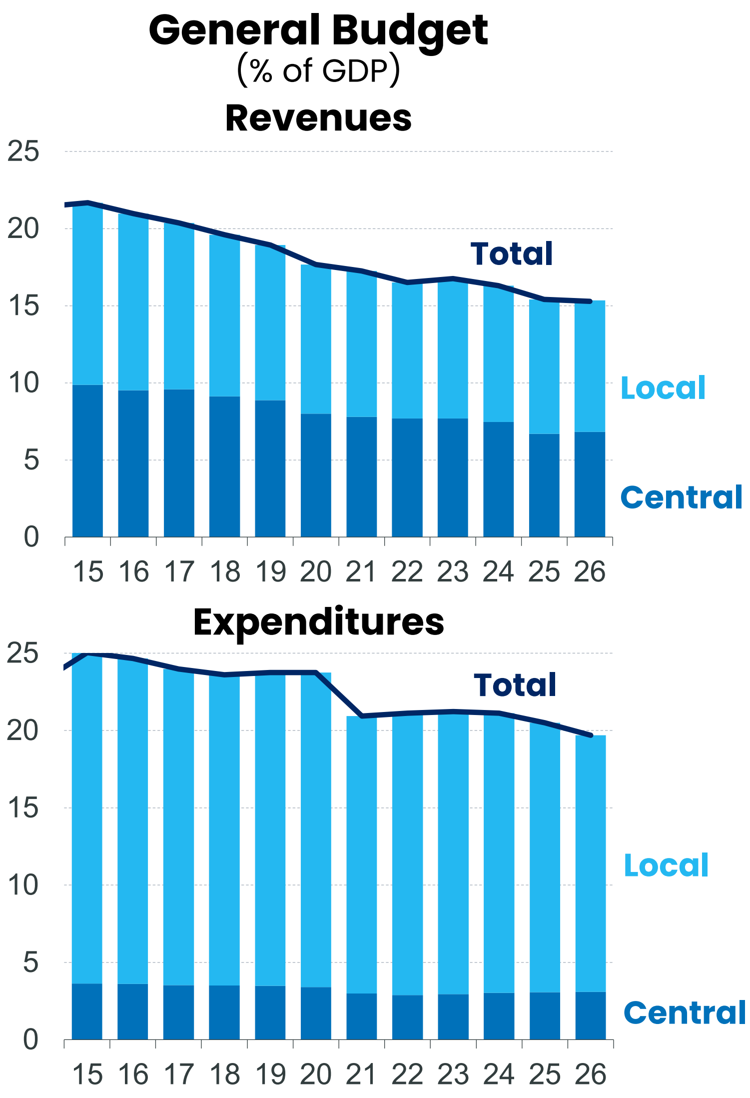


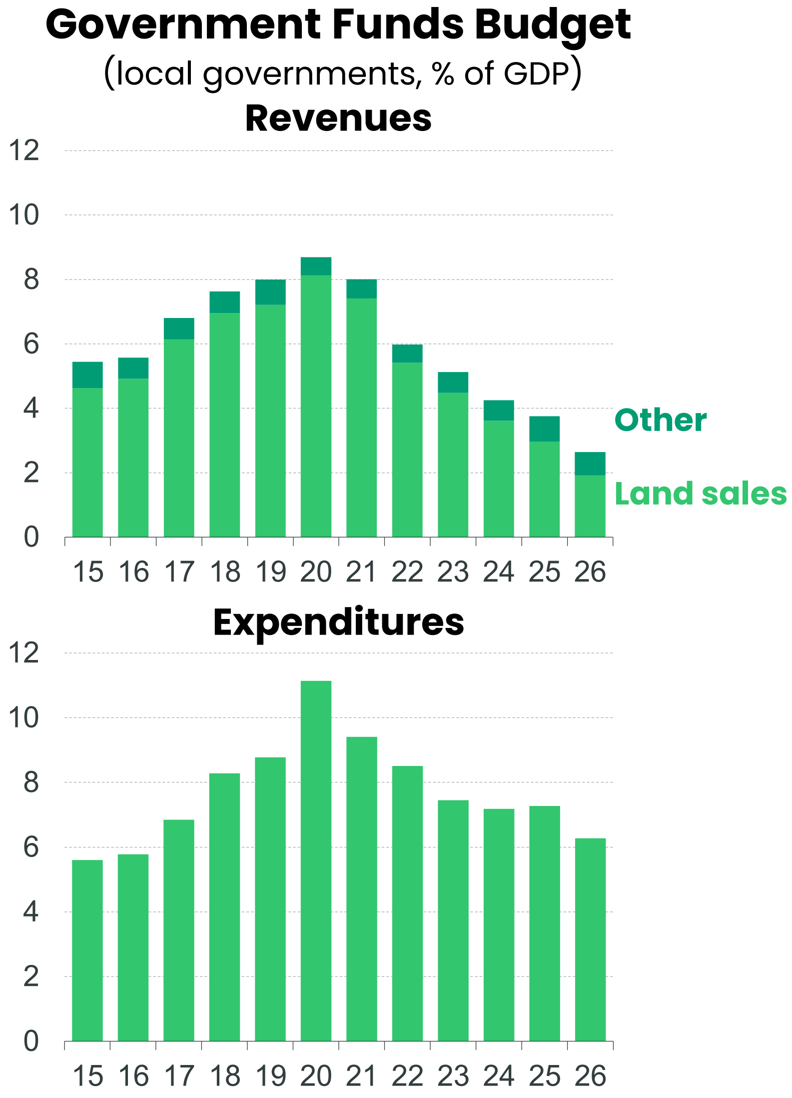


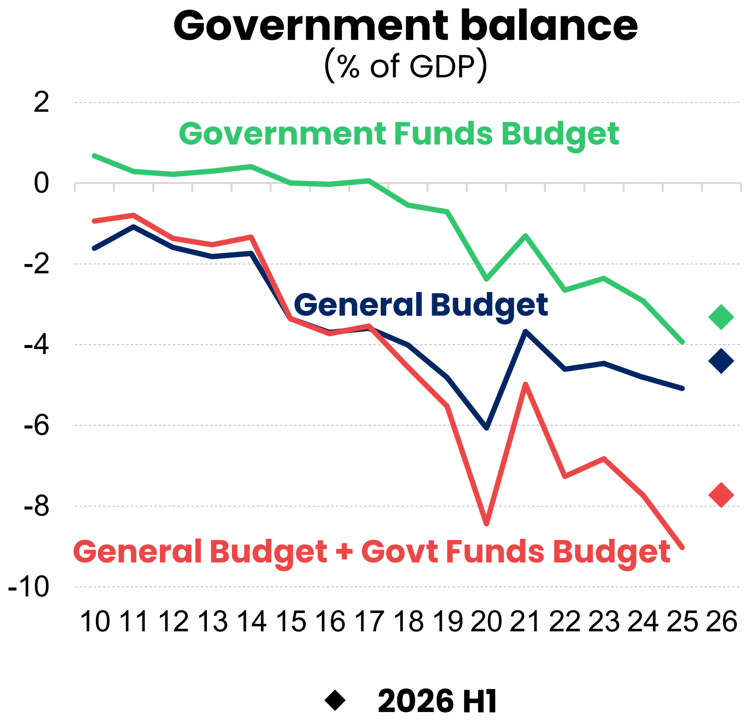


Sources: LSEG Datastream, Haver Analytics, Candriam SEPTEMBER 2026

With the economy losing momentum, authorities have pledged greater support… but have been hesitant to follow through!



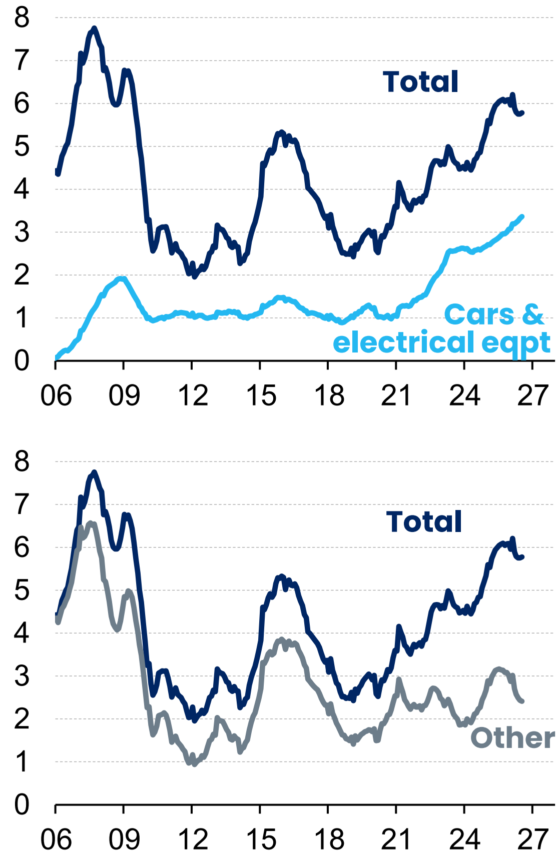




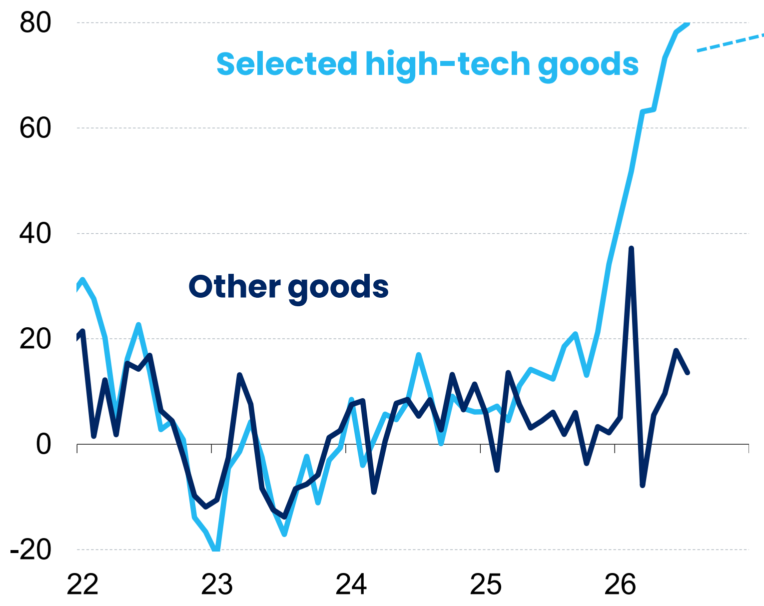
Sources: LSEG Datastream, Haver Analytics, Candriam SEPTEMBER 2026

Since 2020, China's trade surplus has been largely buoyed by cars and electrical equipment

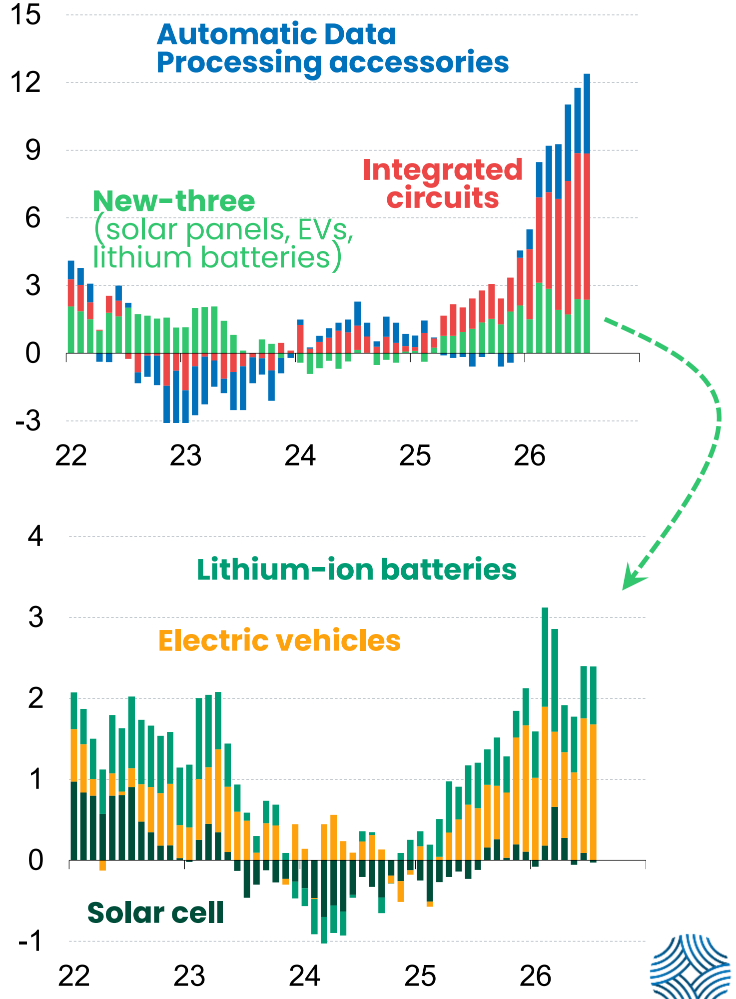
External trade balance of goods
(% of GDP)



Exports growth
(% year on year)

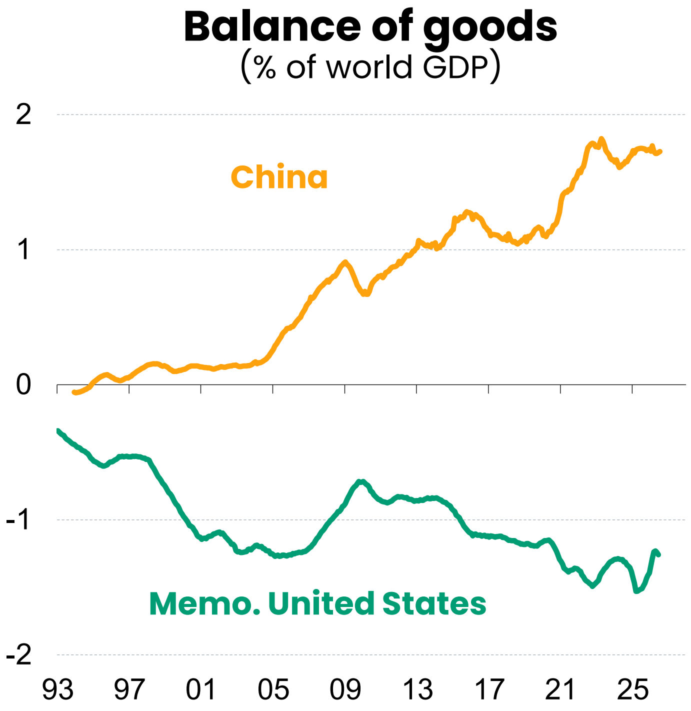


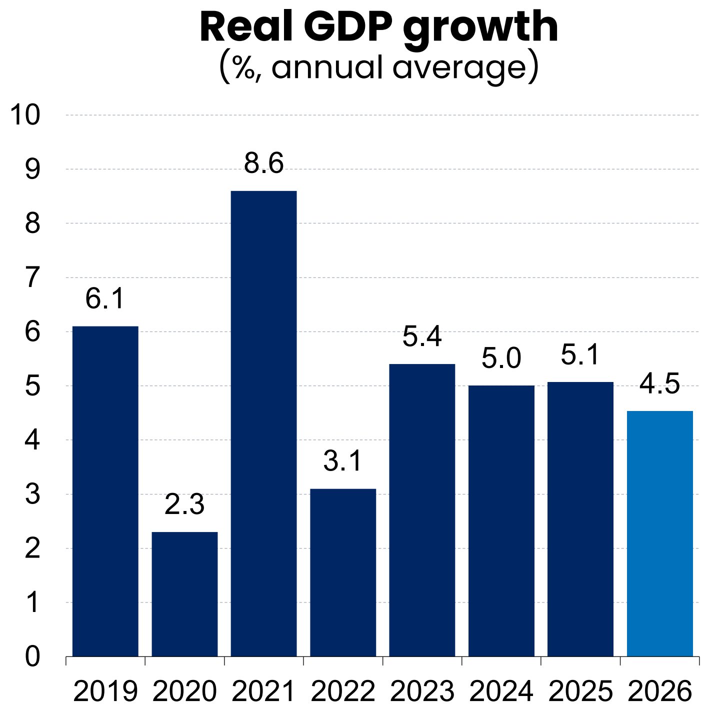
Contribution to total exports growth
(% year on year)



Sources: LSEG Datastream, Haver Analytics, Candriam SEPTEMBER 2026

For China, to rely on an ever-growing trade surplus to achieve its growth target is becoming more challenging



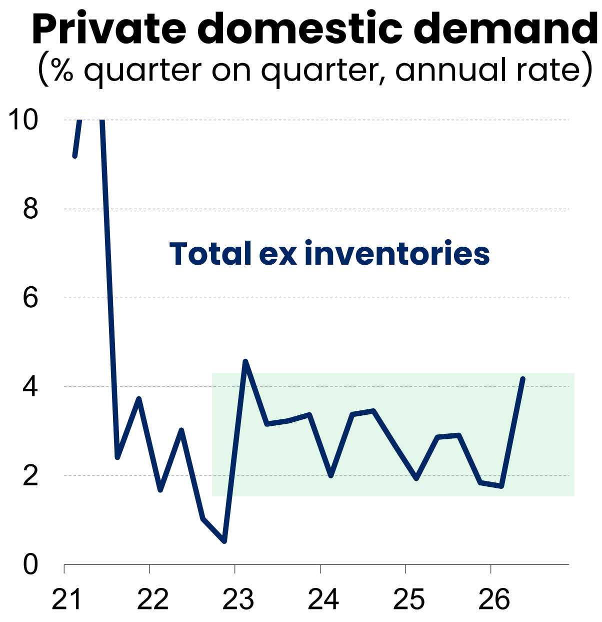


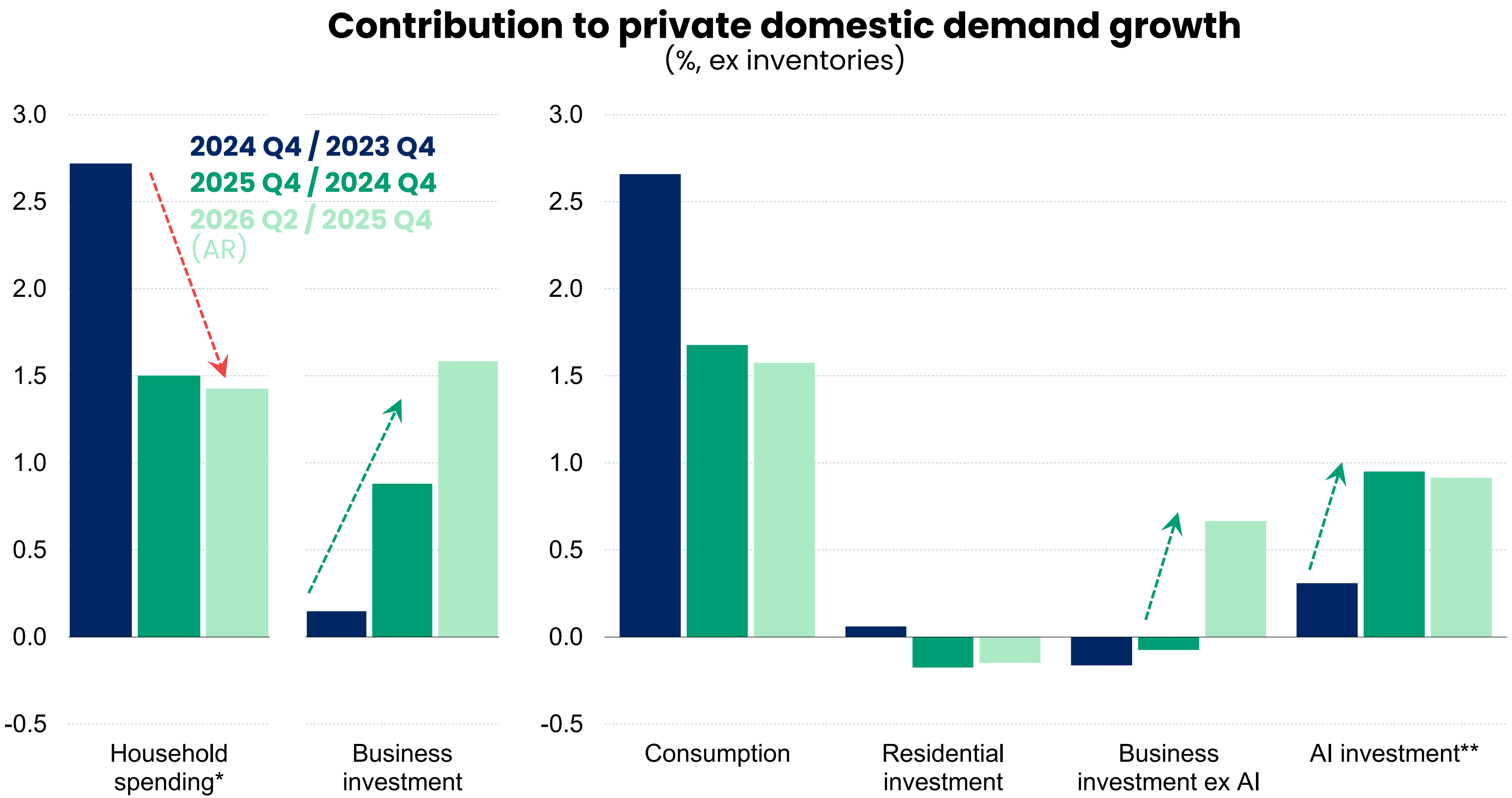
Sources: LSEG Datastream, Candriam SEPTEMBER 2026

3 United States

An economy increasingly driven by AI

Private domestic demand has been solid, but its drivers have changed



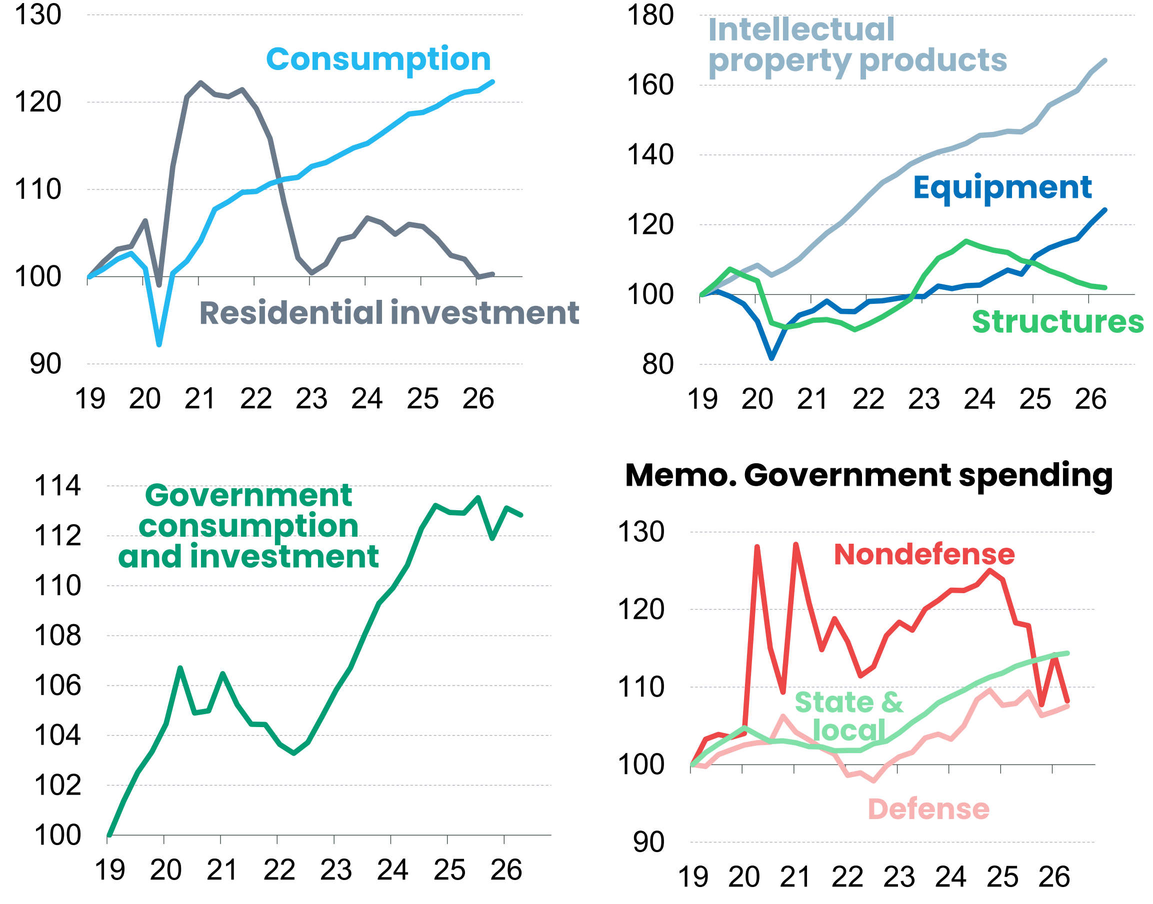


(*) Consumption and residential investment
(**) Data centers, computer & peripheral equipment, software

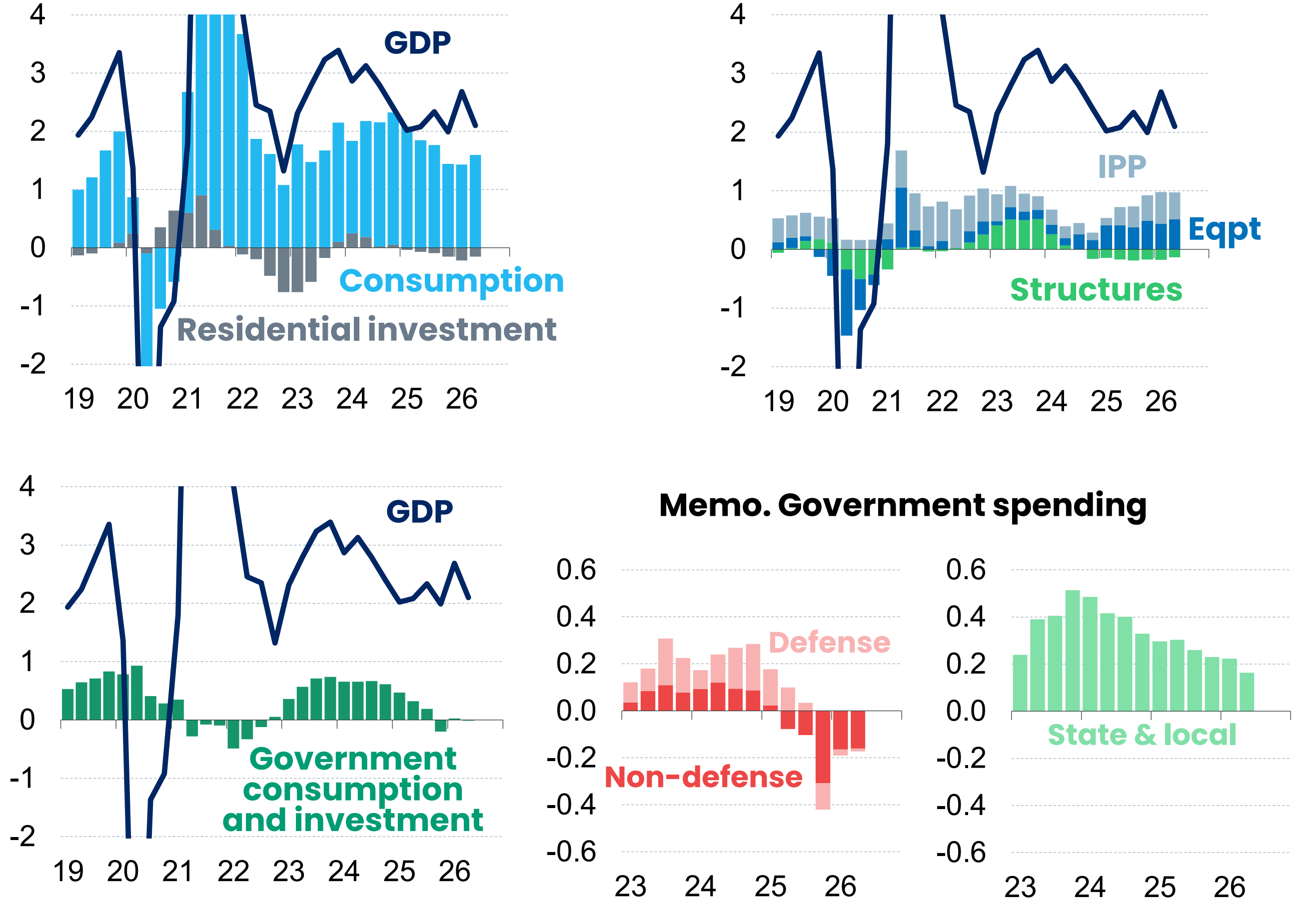
Sources: LSEG Datastream, BEA, Candriam SEPTEMBER 2026

Memo. Components of domestic demand

Domestic demand components
(2019 Q1 = 100)



Contribution to real GDP growth
(% year on year)

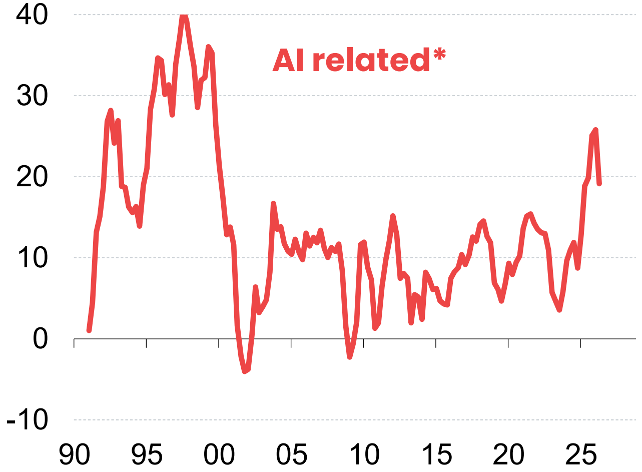


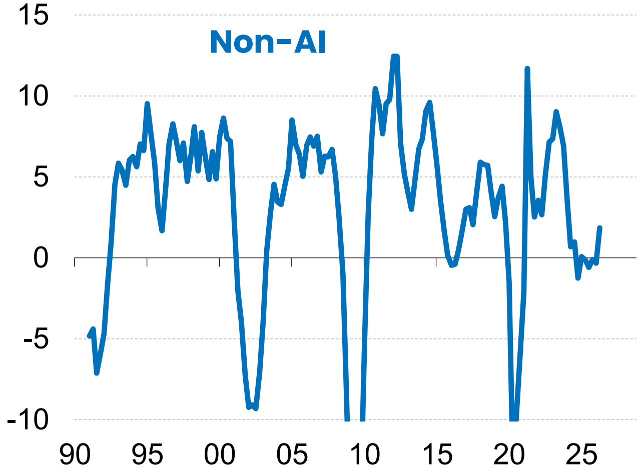
Sources: LSEG Datastream, BEA, Candriam SEPTEMBER 2026

Business investment has been supported by AI investment...

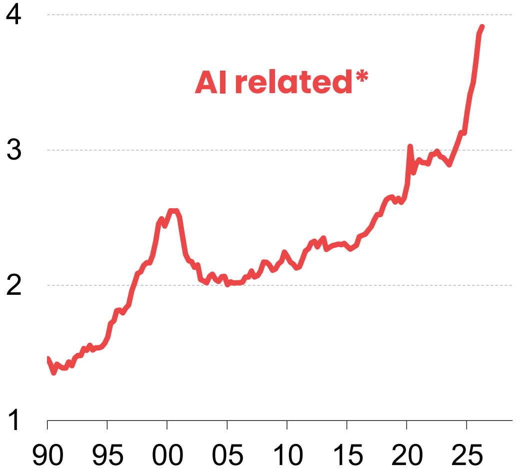
Business investment

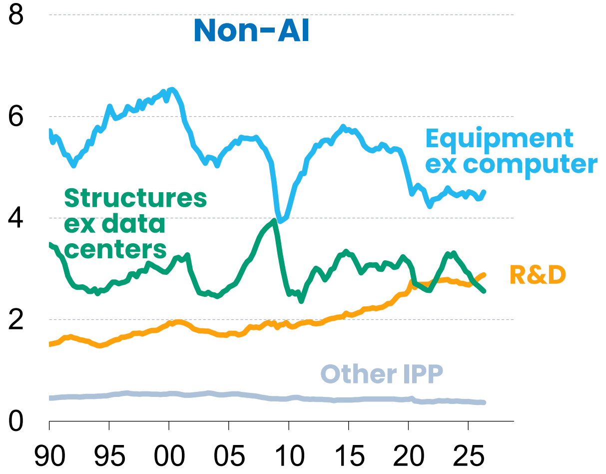
(% year on year, volume)





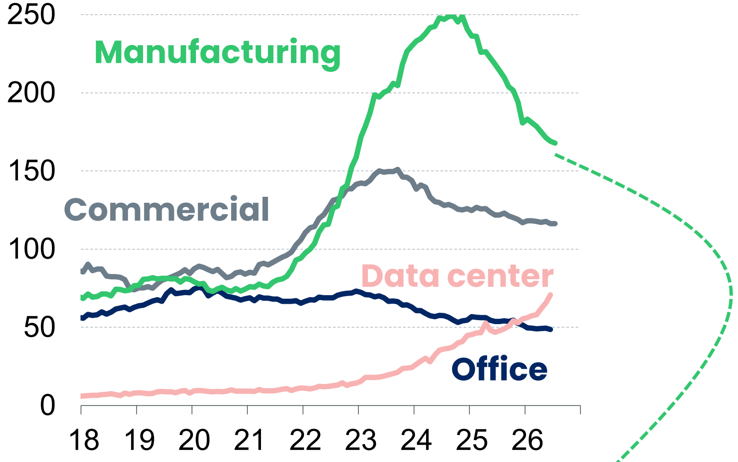
(% of GDP)



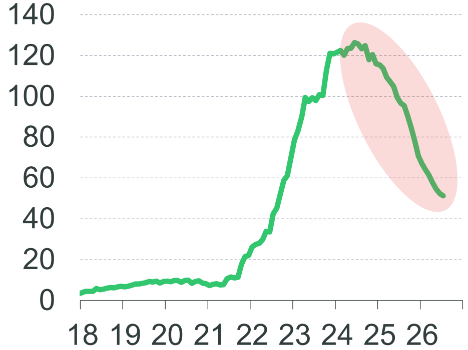


Private investment in non-residential structures

($ billion, current prices, annual rate)



Manufacturing sector: Computer / electronic / electrical

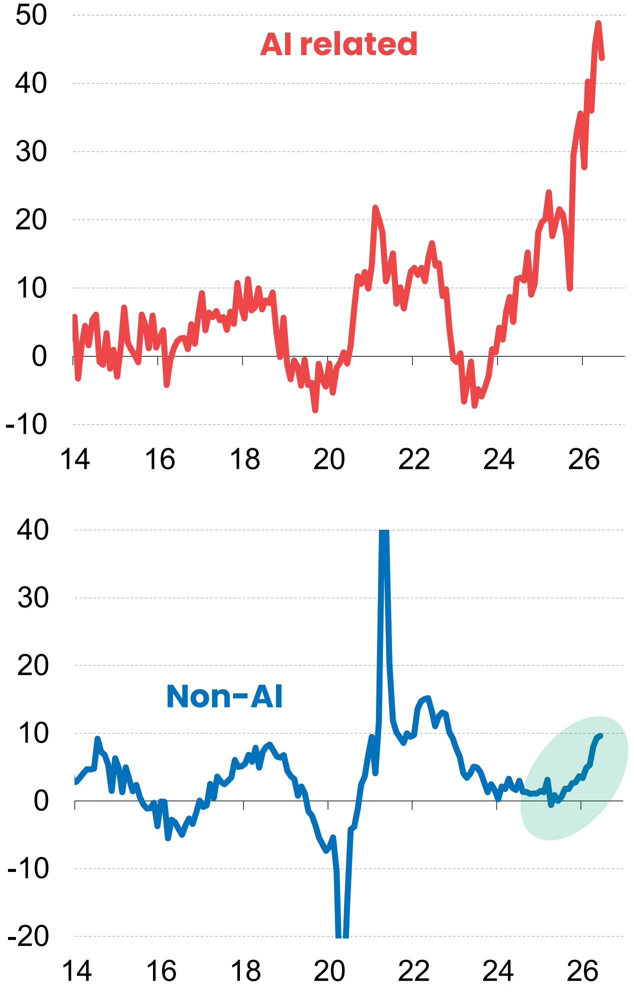


(*) Data centers, computer & peripheral equipment, software.

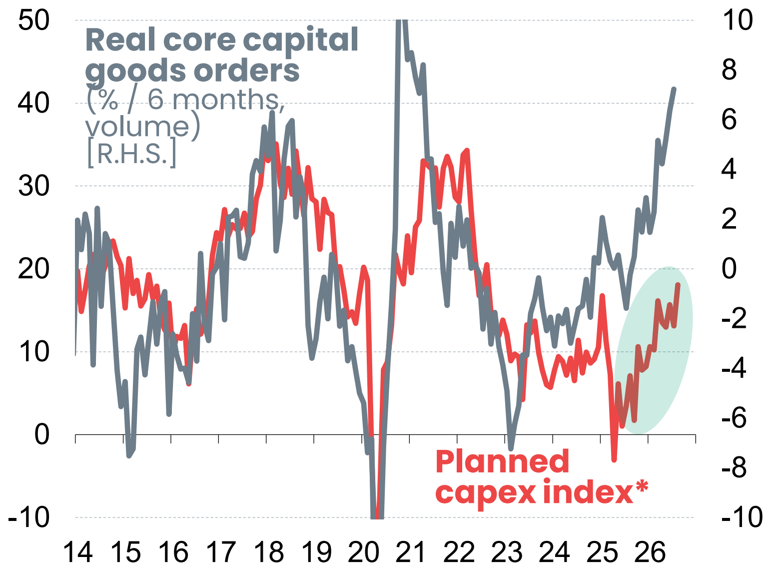
Sources: LSEG Datastream, BEA, Bloomberg, Candriam SEPTEMBER 2026

… but has recently been broadening beyond AI and capex intentions remain resilient

Core capital goods shipments
(% year on year)



Real core capital goods orders and planned capex

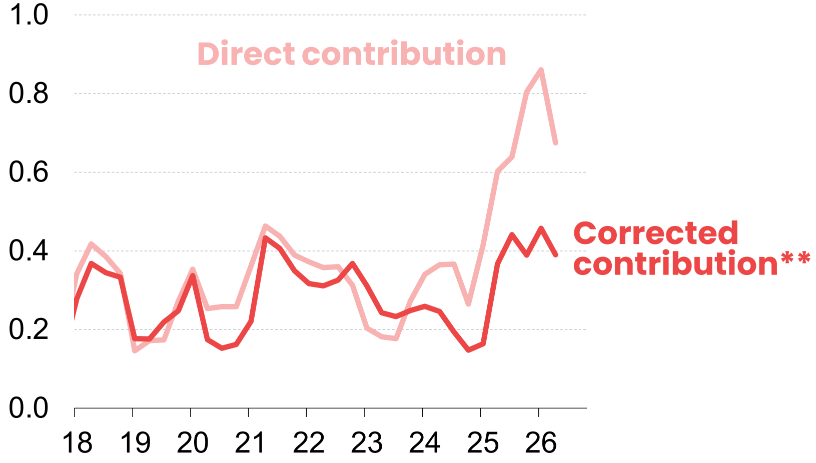


(*) Weighted average of regional surveys (New York, Philadelphia, Dallas, Kansas City, Richmond), based on regional population size

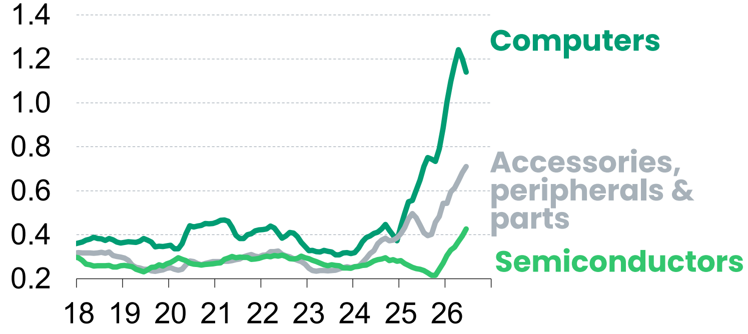
The OBBBA has permanently reinstated the 100% bonus depreciation rate for eligible business property (equipment, machinery, certain vehicles, computers…) acquired after Jan. 19, 2025.

The contribution of AI investment to growth is likely to moderate from 2027 on

AI related investment* contribution to real GDP growth
(% year on year)

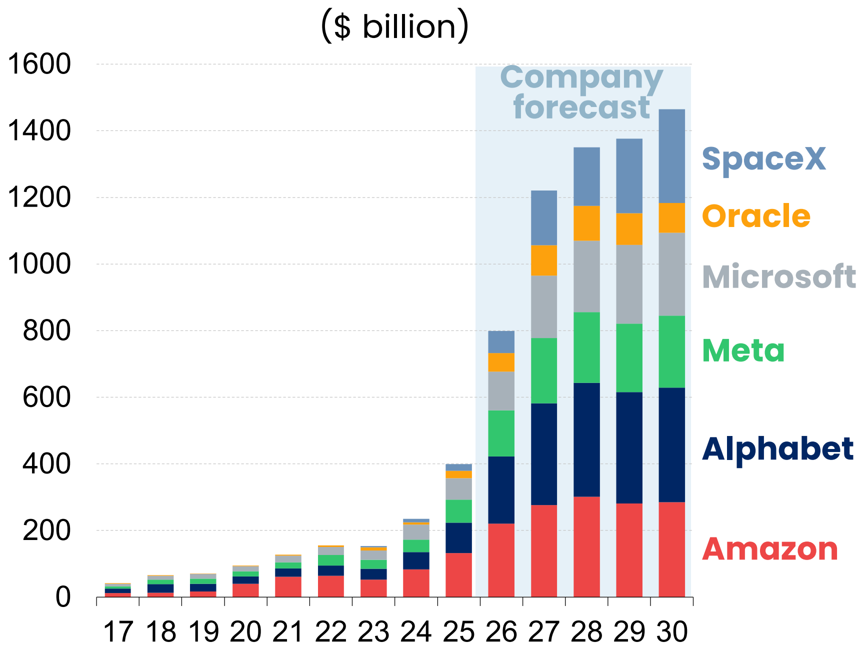


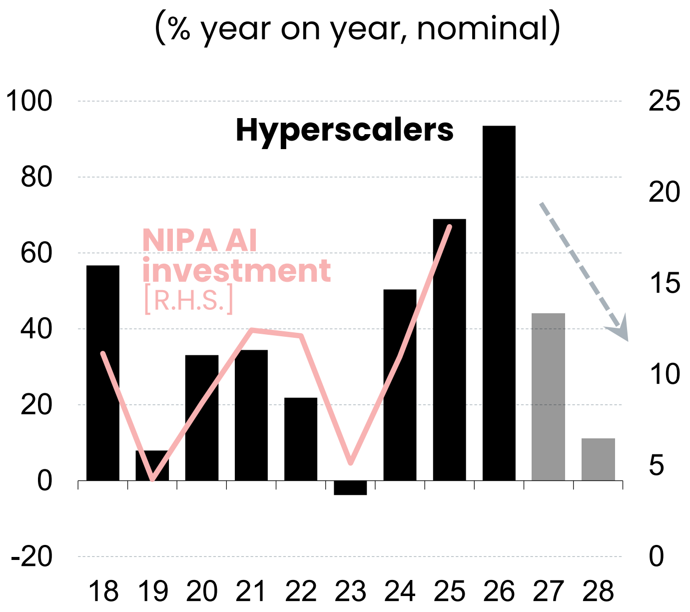
Imports of computers & peripherals equipment
(% of GDP)



(*) Data centers, computer & peripheral equipment, software.
(**) Corrected from net imports

Hyperscalers' capex plans

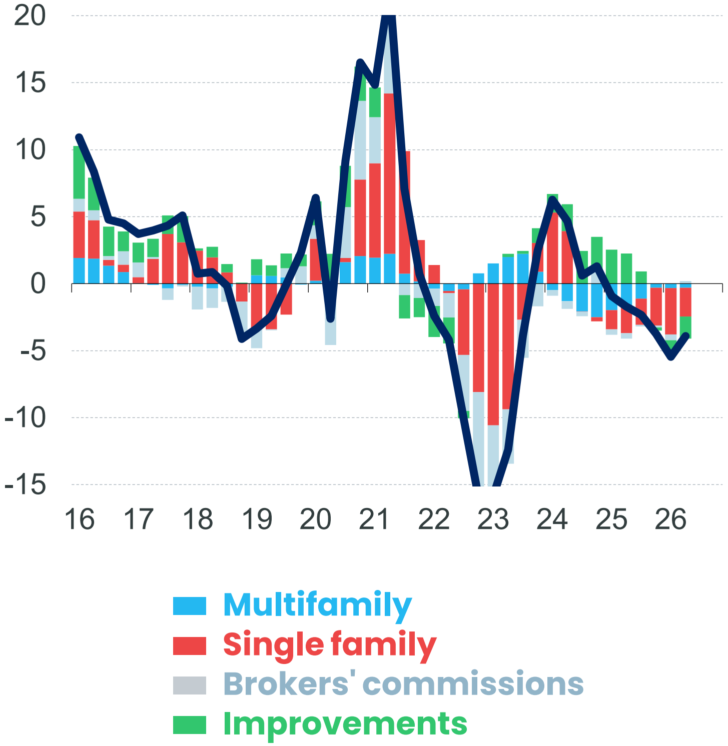




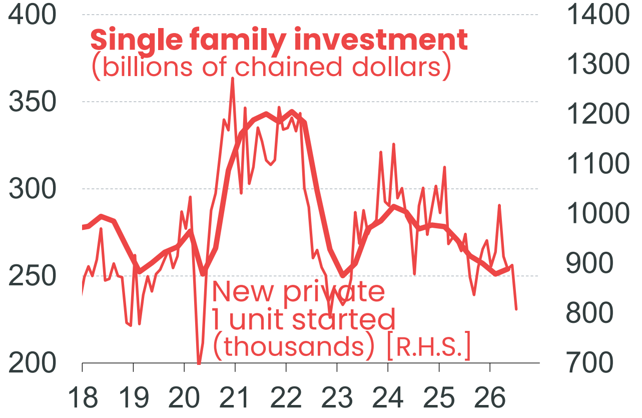
Sources: LSEG Datastream, BEA, Bloomberg, Candriam SEPTEMBER 2026

Residential investment has been week across all components

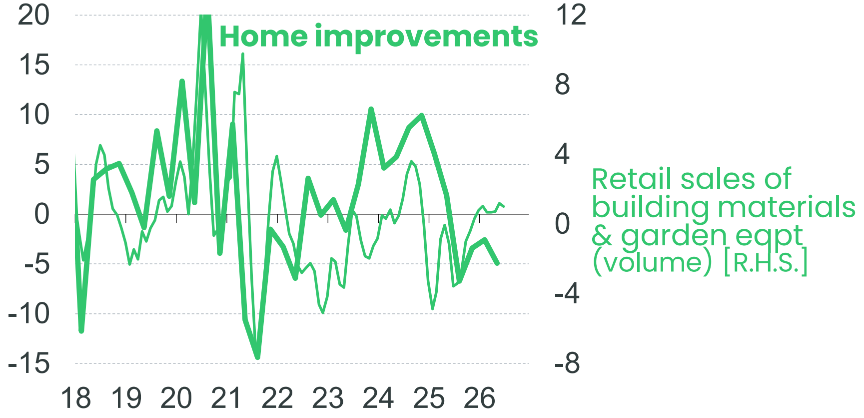
Residential investment
(% year on year contributions)



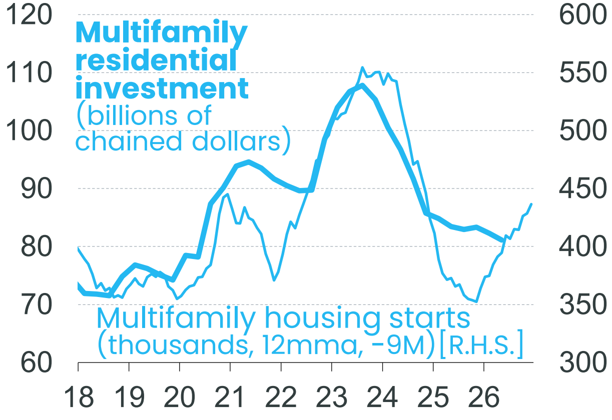
Single family investment
(volume, annual rate)



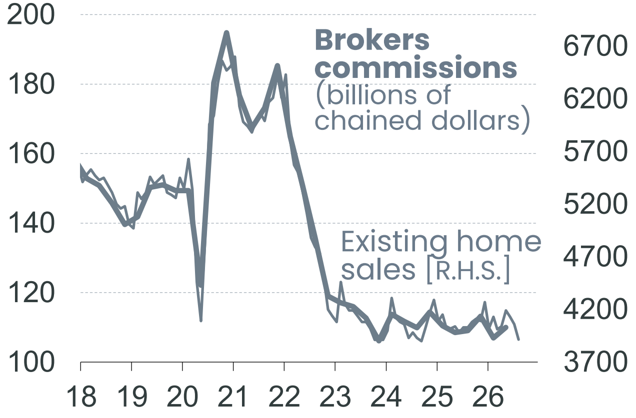
Home improvements
(% year on year, volume)



Multifamily investment
(volume, annual rate)



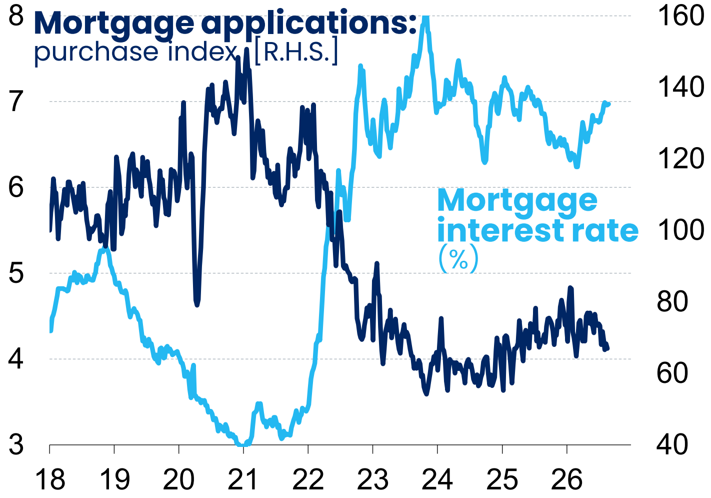
Brokers commissions
(volume, annual rate)



Sources: LSEG Datastream, Candriam SEPTEMBER 2026

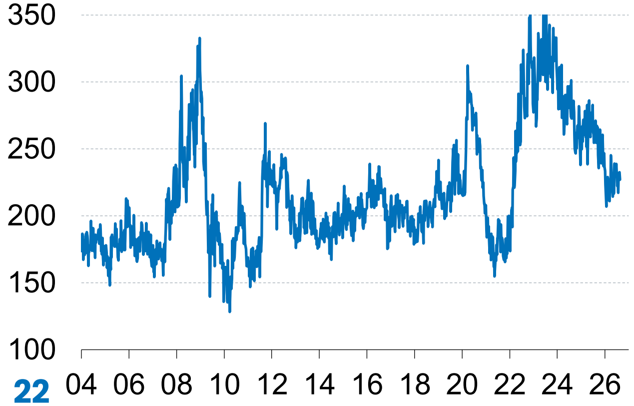
Higher interest rates and elevated home prices should continue to weigh on residential investment

Interest rates and mortgage applications



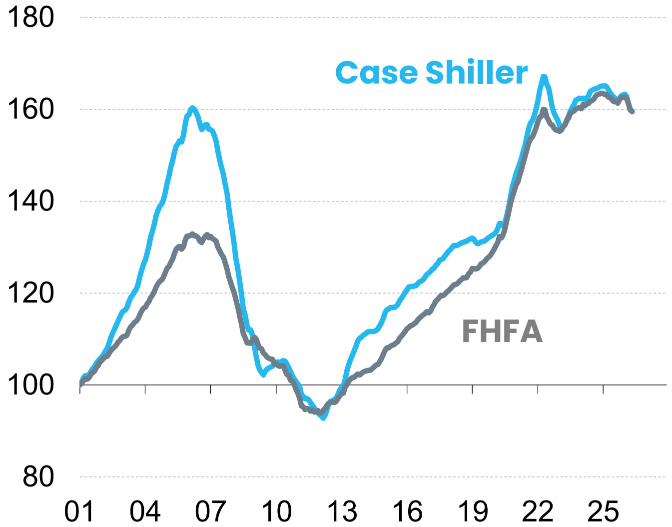
Mortgage spread

(basis points, 30Y mortgage minus 10Y US Treasury)



Home prices

(deflated by CPI, January 2002 = 100)



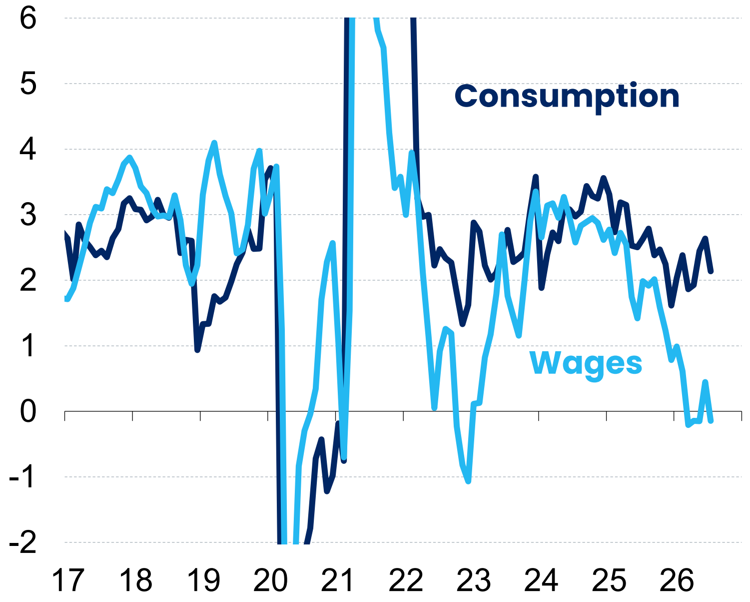
Mortgage service on a median priced home

(% of median family income)

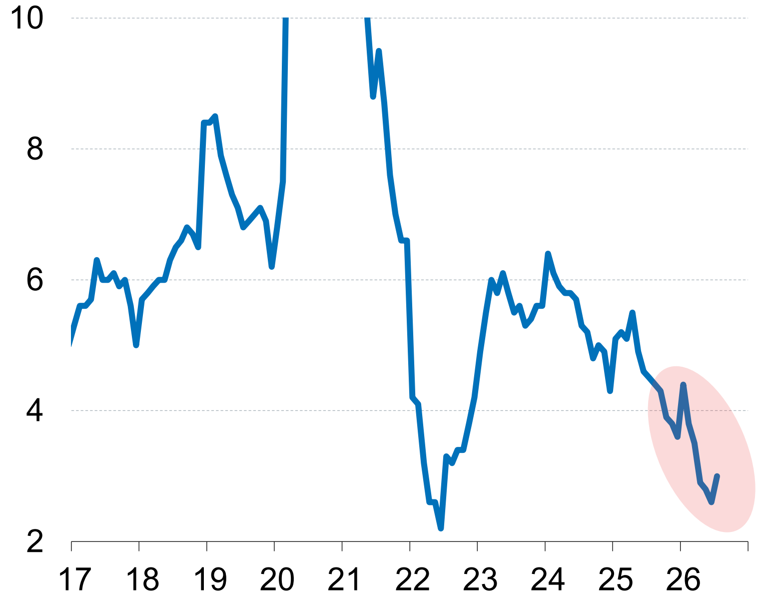
Sources: LSEG Datastream, Candriam SEPTEMBER 2026

Consumption has held up thanks to a decline in the saving rate

Real consumption and wages
(% year on year)

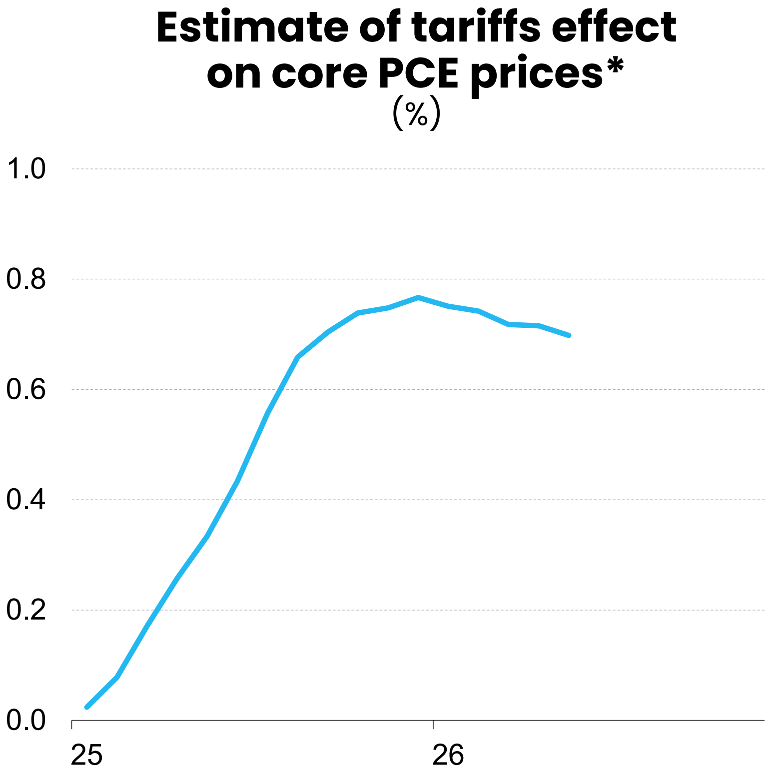


Saving rate
(%)

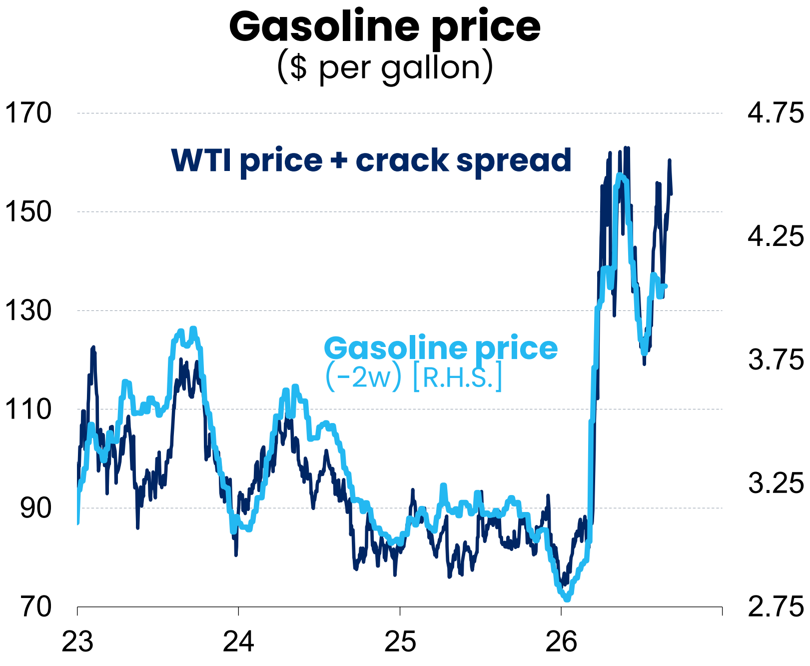


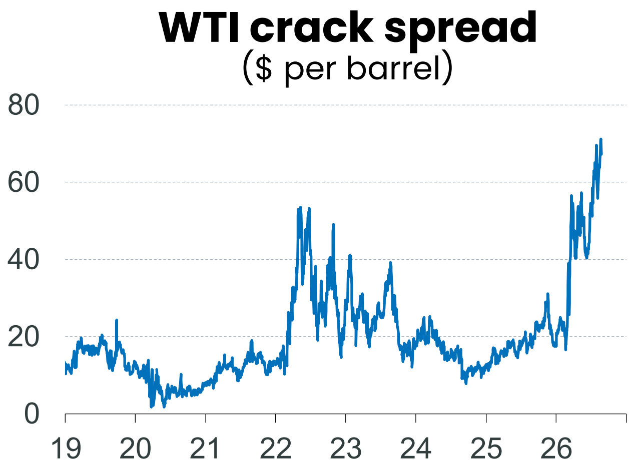
Sources: LSEG Datastream, BEA, Candriam SEPTEMBER 2026

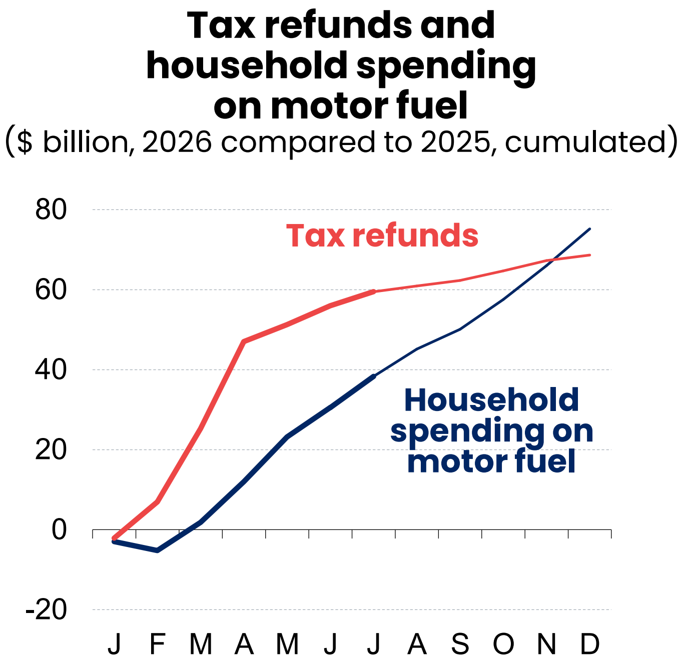
The inflationary impact of tariffs and gasoline prices has largely run its course



(*) Detecting Tariff Effects on Consumer Prices in Real Time (Part II), by Robert Minton, Madeleine Ray and Mariano Somale.

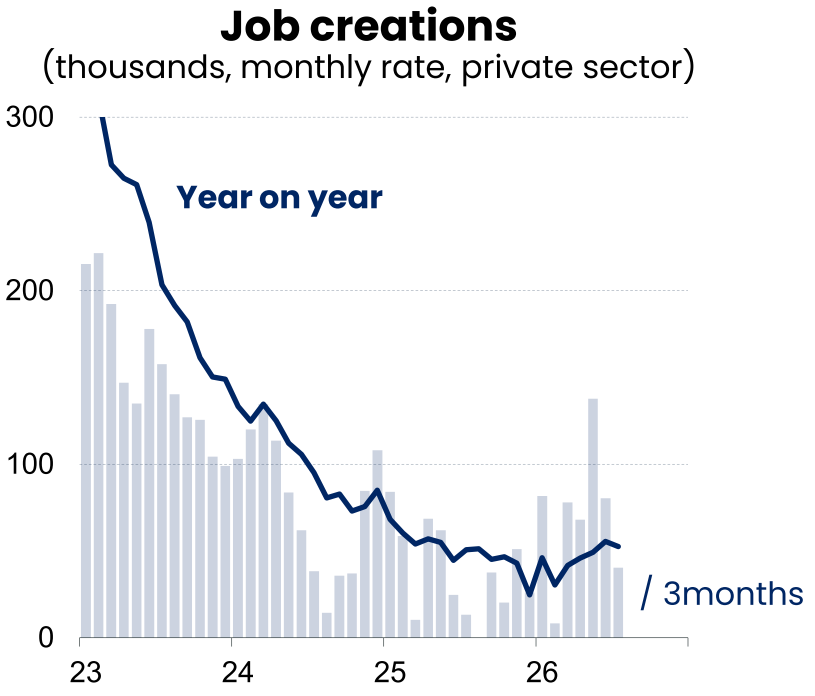


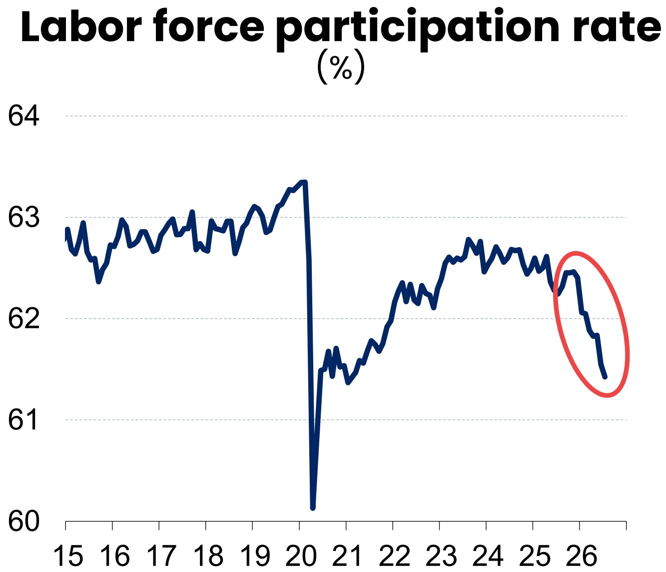




Sources: LSEG Datastream, BLS, Candriam SEPTEMBER 2026

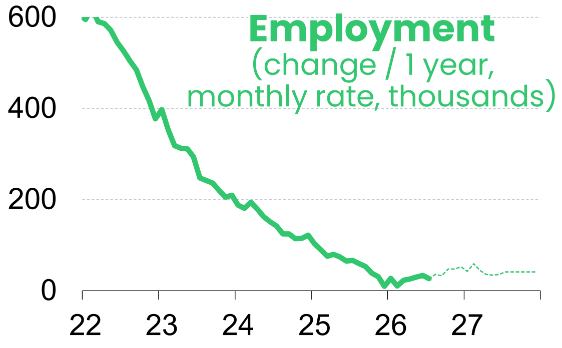
The labor market is holding up, but is less tight than it appears

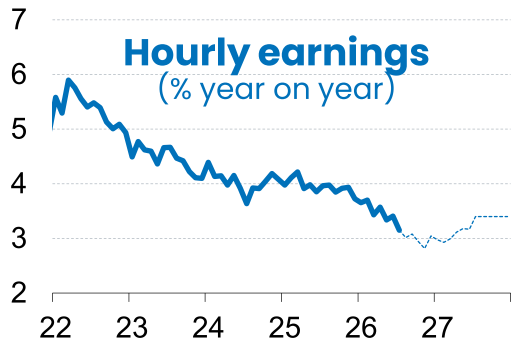


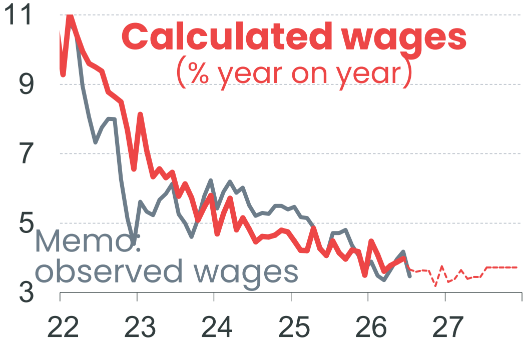


Sources: LSEG Datastream, Candriam SEPTEMBER 2026

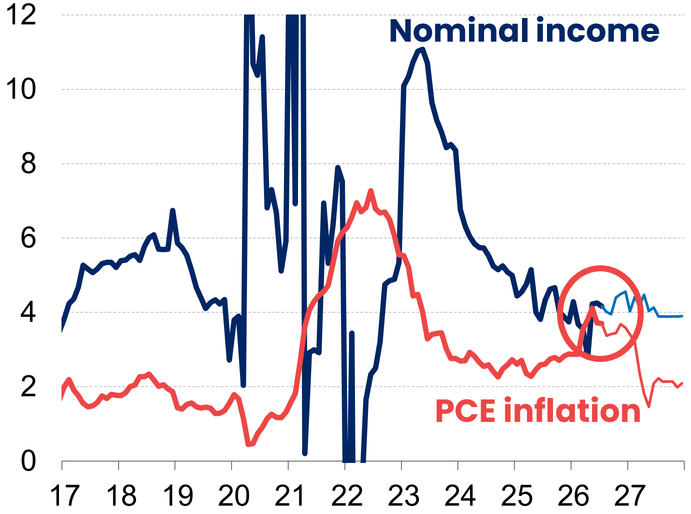
Household purchasing power should recover only gradually as inflation eases



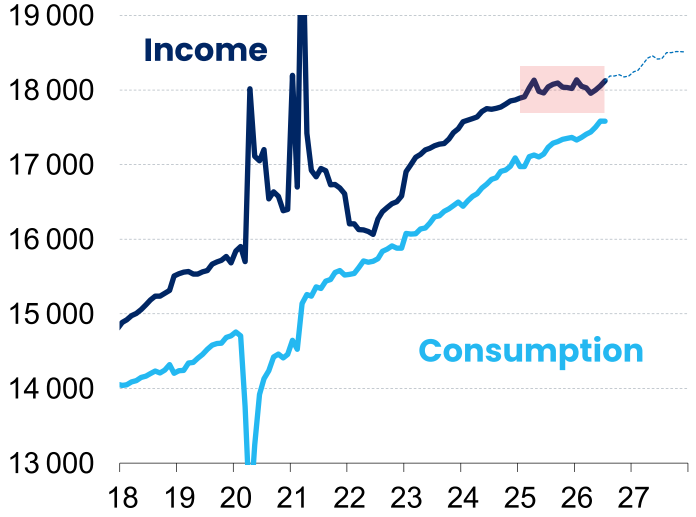




Disposable income and inflation
(% year on year)

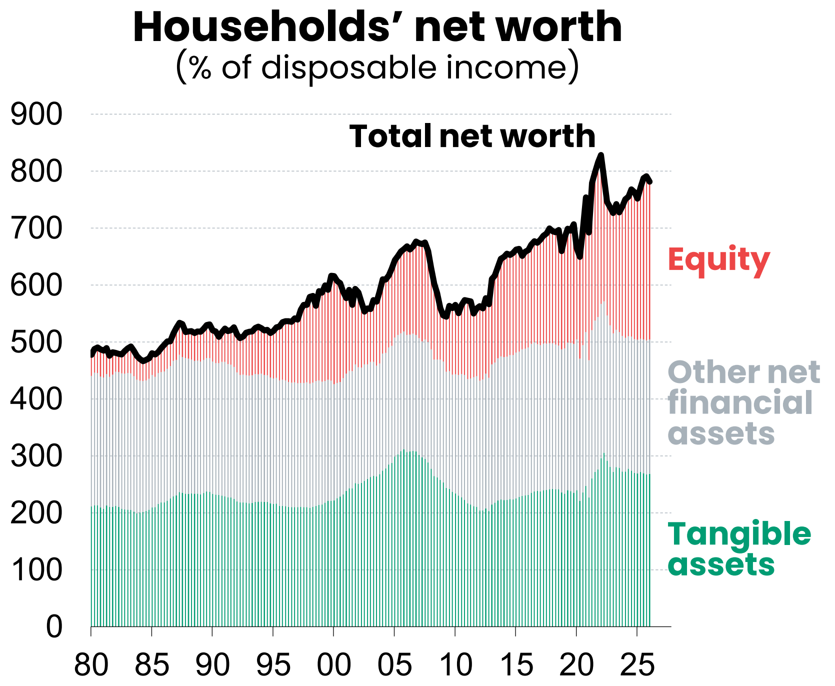


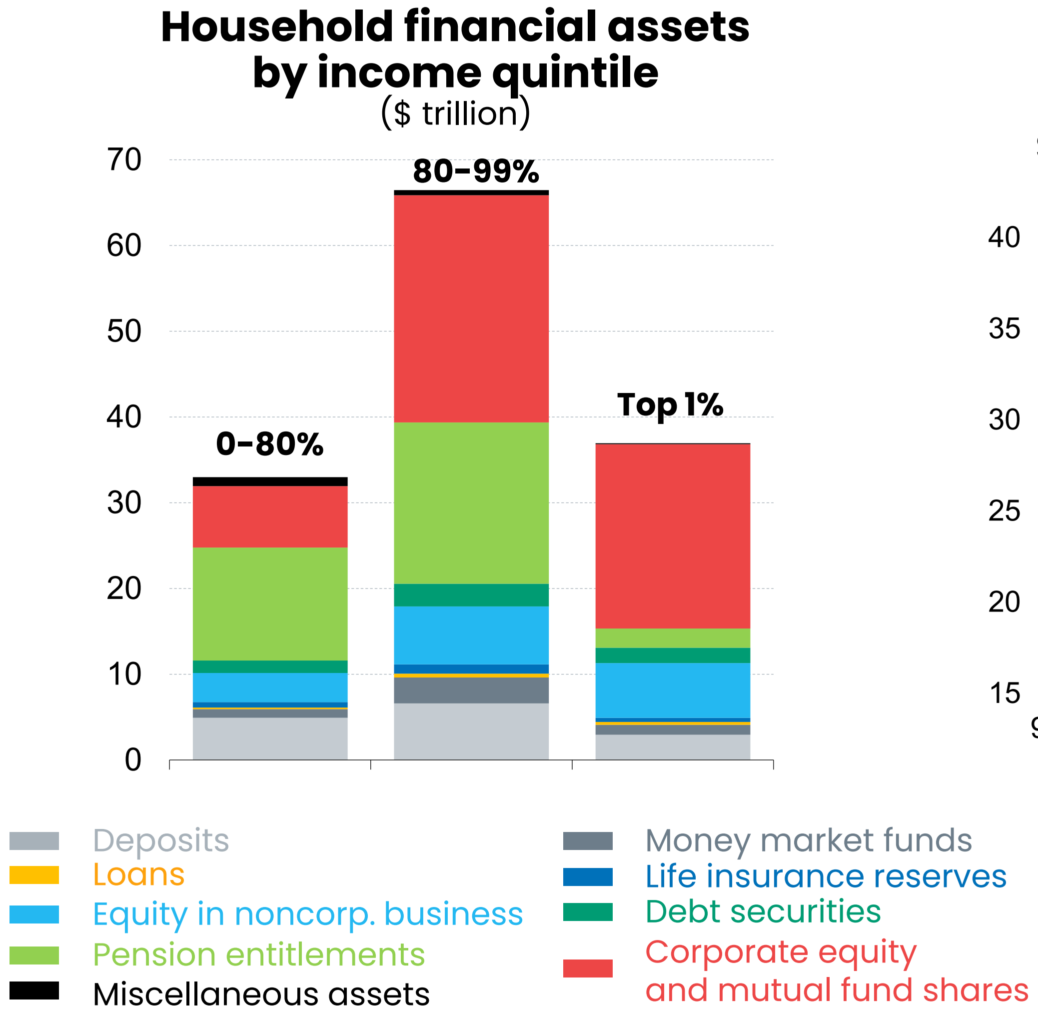
Real disposable income and consumption
(billions of constant dollars, annual rate)

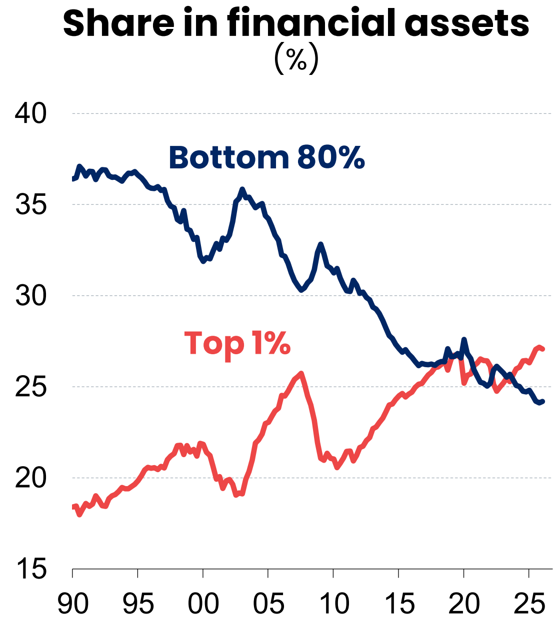


Sources: LSEG Datastream, Candriam SEPTEMBER 2026

Rising financial wealth could, however, continue to provide some support, although gains remain heavily concentrated among the wealthiest households



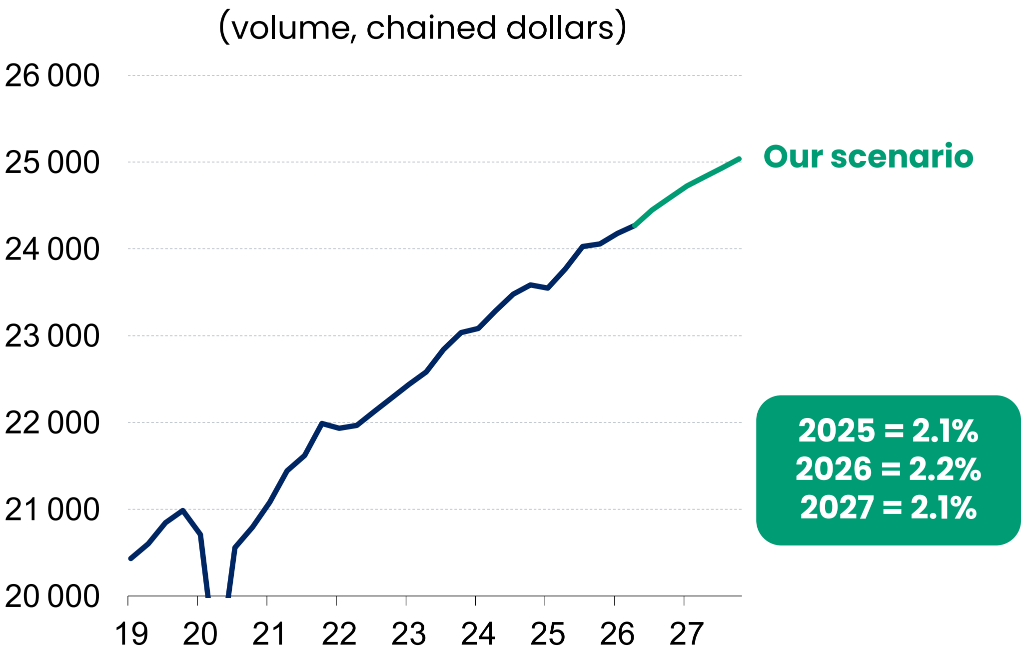


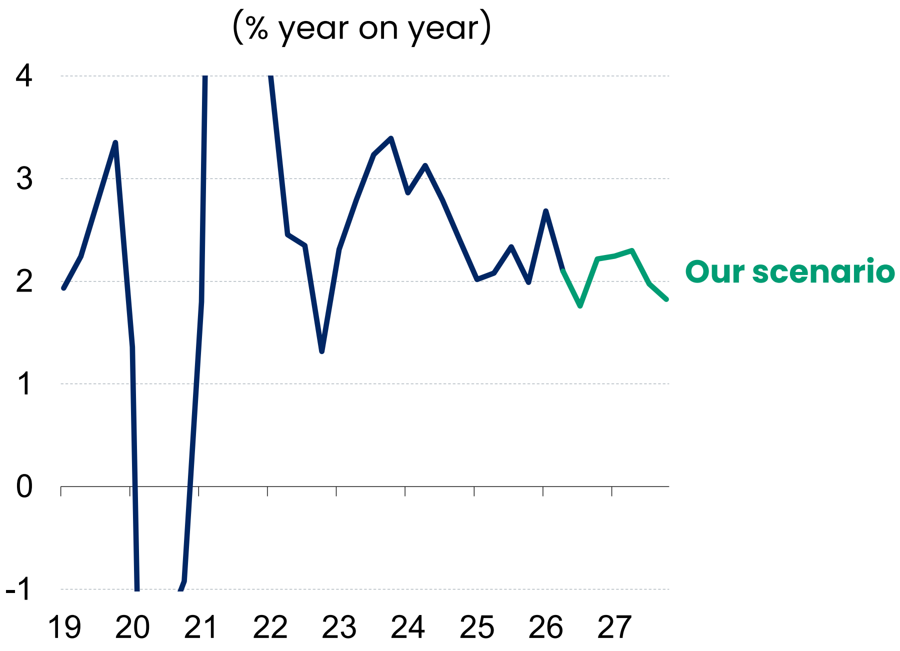


Sources: LSEG Datastream, Federal Reserve, Candriam SEPTEMBER 2026

GDP should keep growing slightly above 2% in 2026–27

Real GDP growth

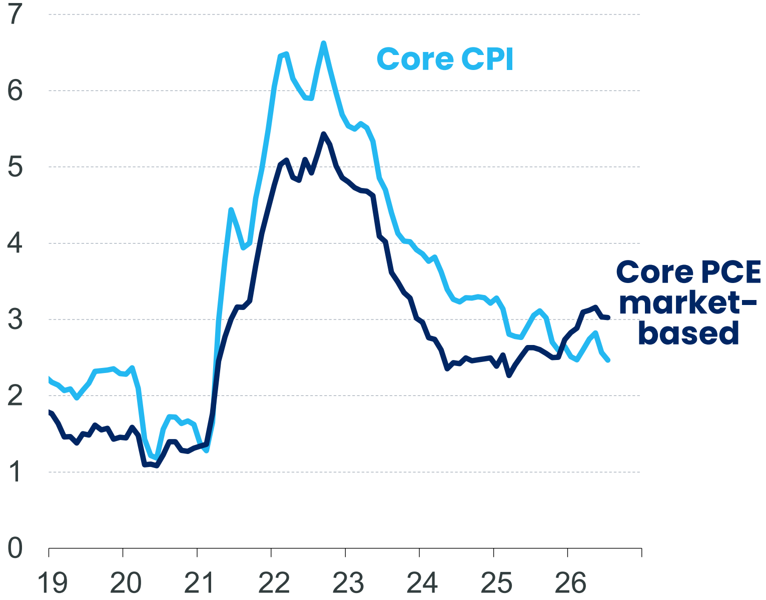




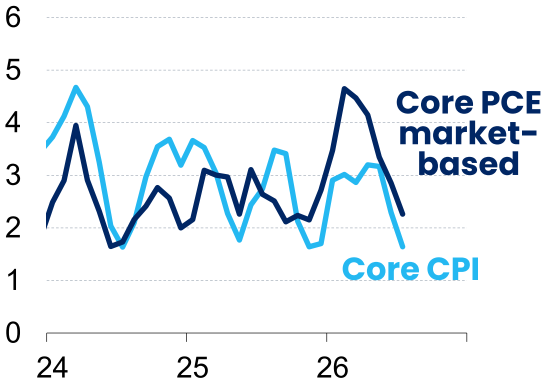
Sources: LSEG Datastream, Candriam SEPTEMBER 2026

Core PCE inflation should continue to recede… gradually!

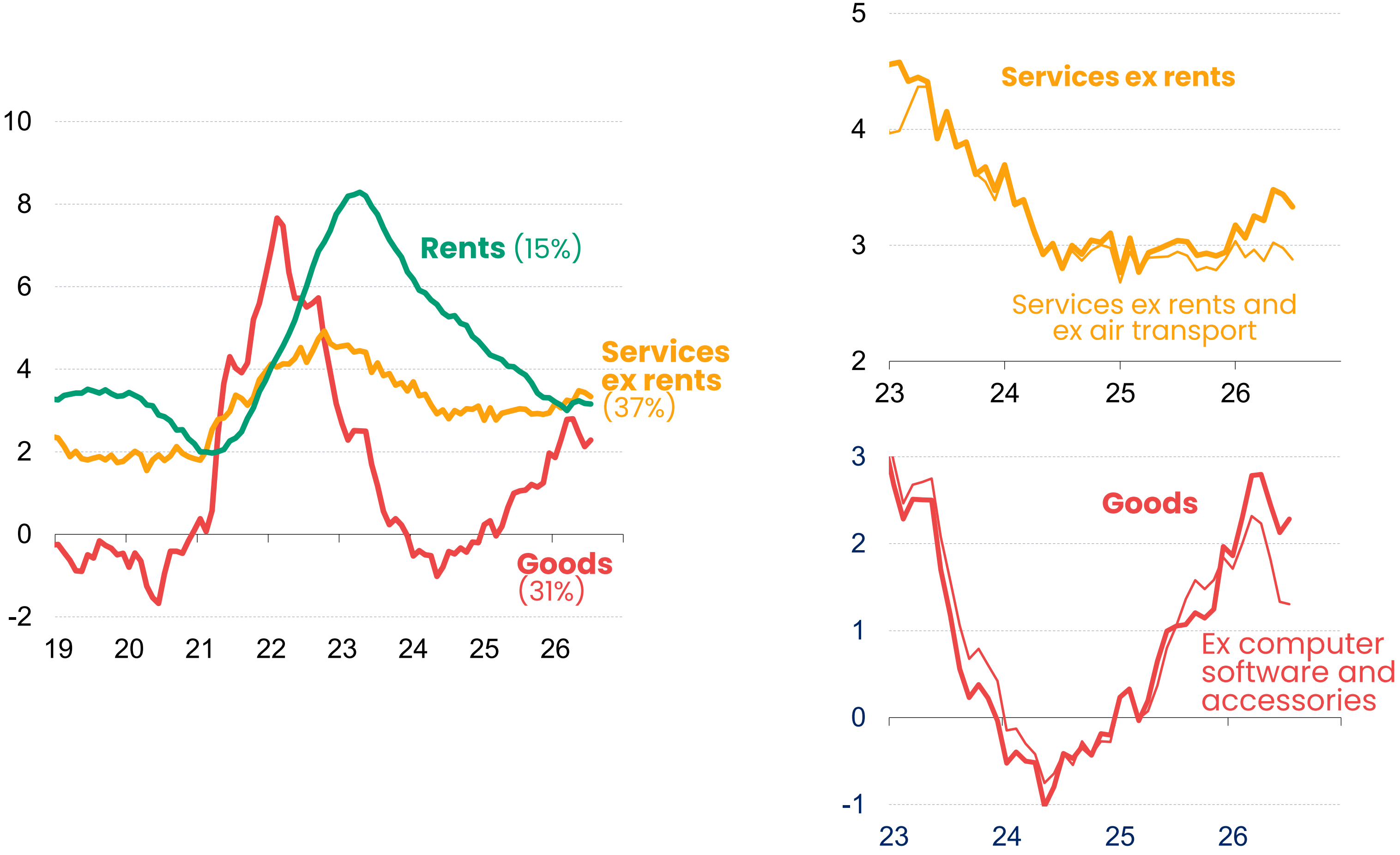
Core CPI inflation
(% year on year)



(% / 3 months, annual rate)



Core PCE market-based inflation
(% year on year, share of total weight)

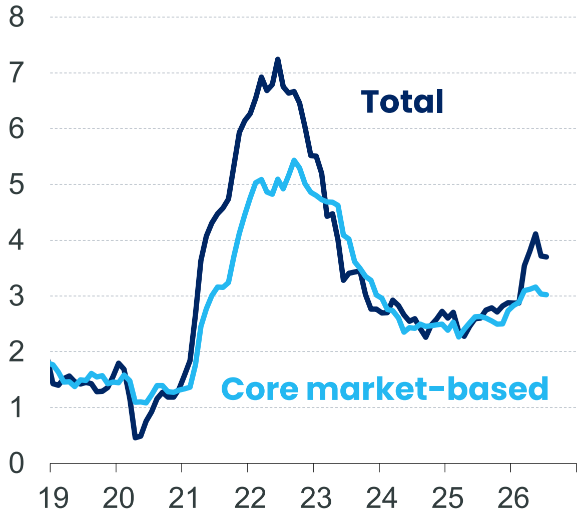


Sources: LSEG Datastream, Candriam SEPTEMBER 2026

The Fed faces a difficult task… made even harder by the new chair's distaste of forward guidance!

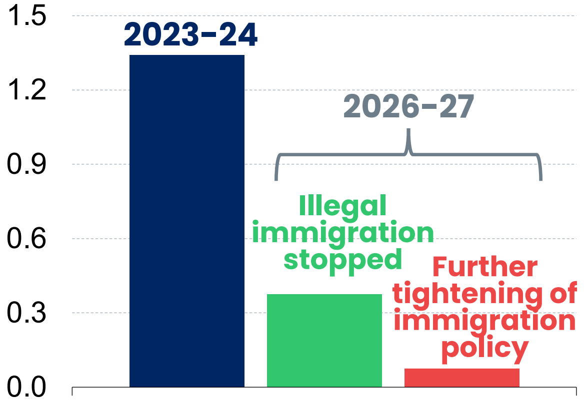
Inflation: above Fed target?

PCE inflation
(% year on year)

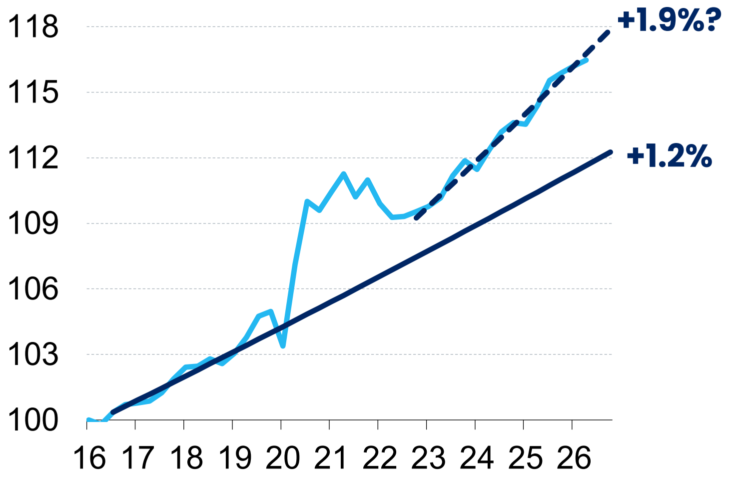


Potential growth: what is the speed limit?

Labor force growth in 2026-27
(%, annual rate)

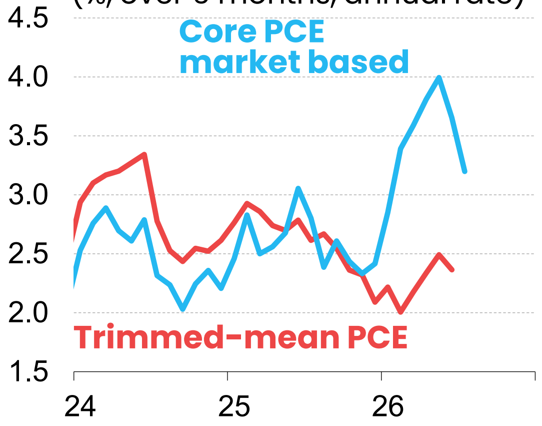


Real GDP per employee
(2016 Q1 = 100)



A change in the Fed's strategy?

Different measures of underlying inflation
(%, over 6 months, annual rate)

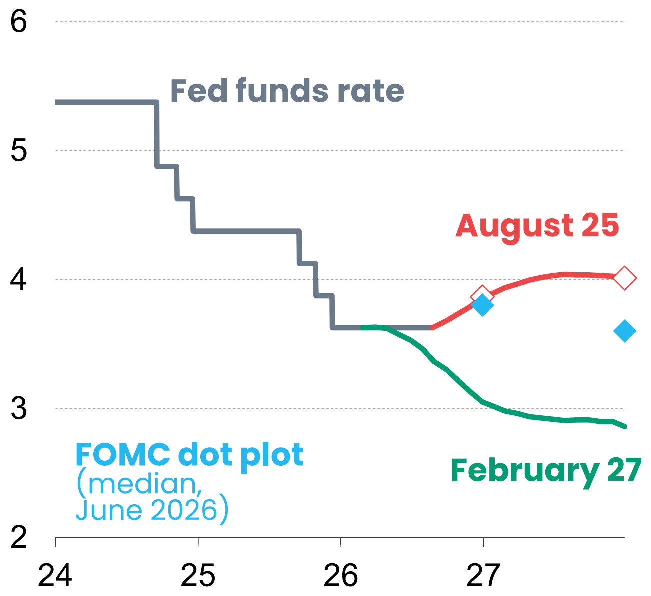


Size of the Fed balance sheet
($ billion)

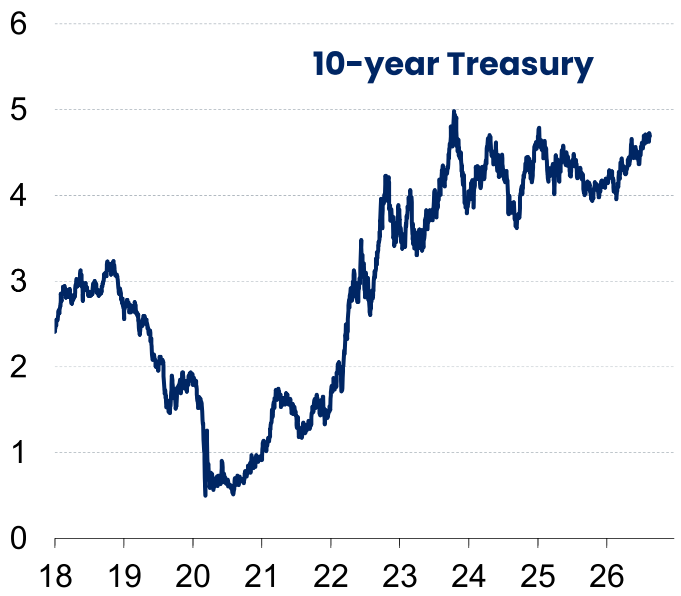
Sources: LSEG Datastream, Candriam SEPTEMBER 2026

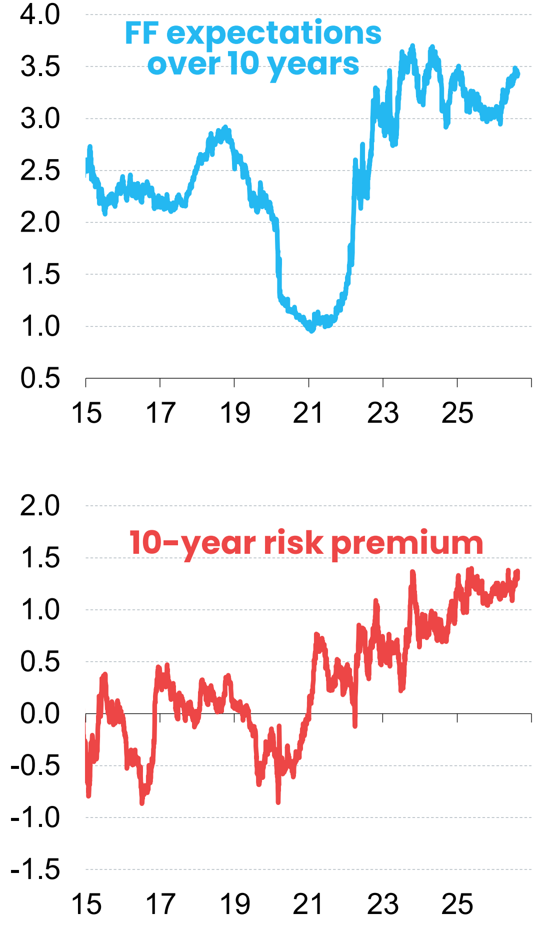
Long term yields are likely to remain under pressure…

Fed funds rate and expectations
(%)



10-year Treasury rate decomposition
(%)

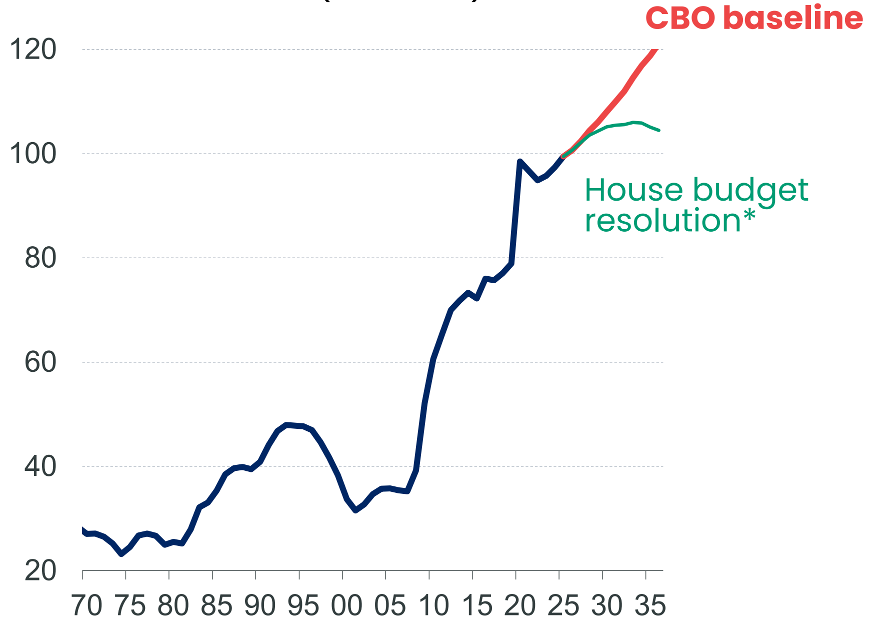




Sources: LSEG Datastream, FRBSF, Candriam SEPTEMBER 2026

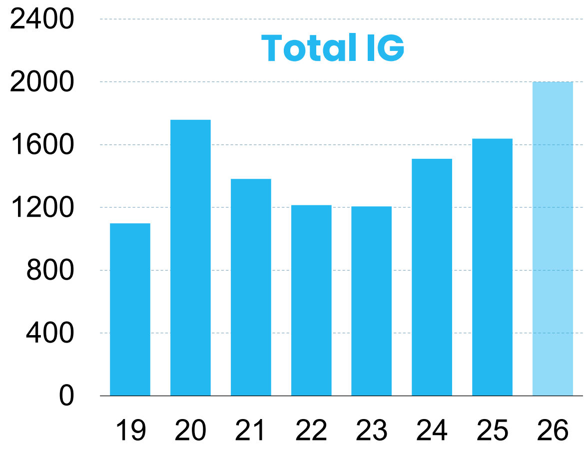
… with a persistently large fiscal deficit, more corporate bonds issuances, and a shifting composition of U.S. Treasury holders

Federal government debt
(% of GDP)

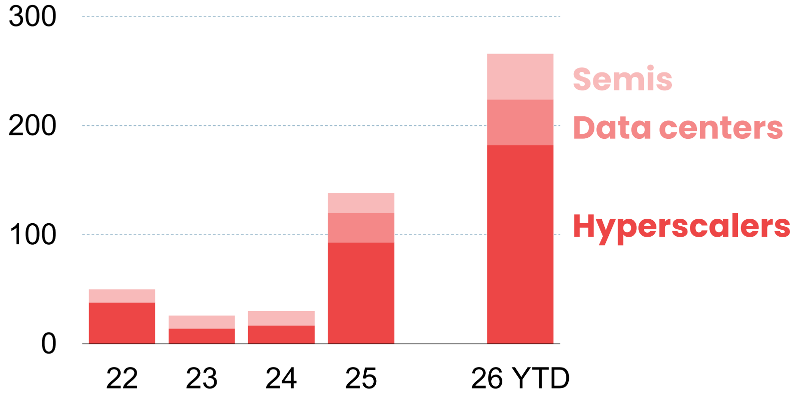


(*) The House passed a budget resolution for FY 2027… but the expected $7.6 trillion of government savings measures over 2027-36 are unspecified!

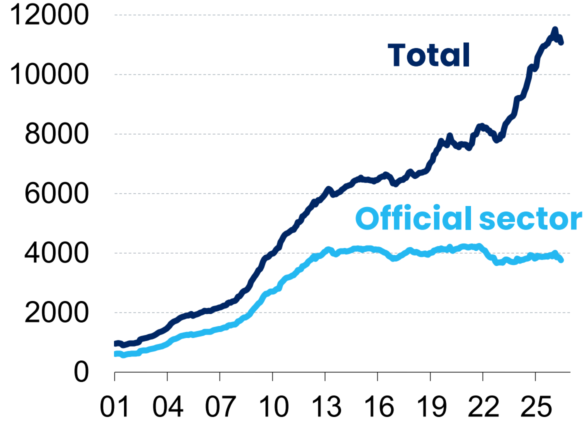
Gross issuances of IG corporate bonds
(billions of dollars)



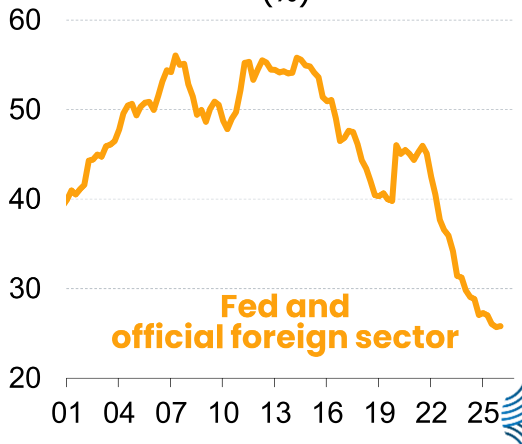
of which AI related



Treasury securities held by the rest of the world
($ billion)



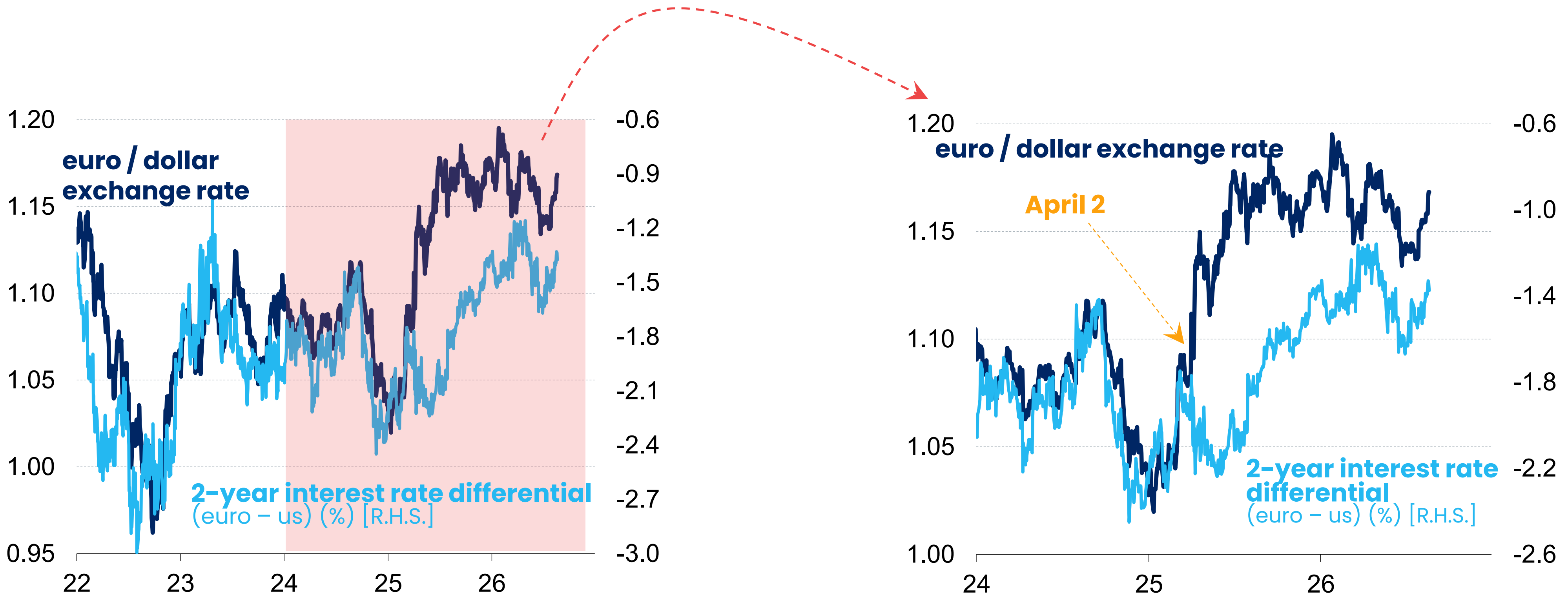
Share of Treasury securities held by "stable" buyers
(%)



Sources: CBO, Candriam SEPTEMBER 2026

Memo. Interest rate differentials and euro dollar exchange rate

Interest rate differentials and euro dollar exchange rate



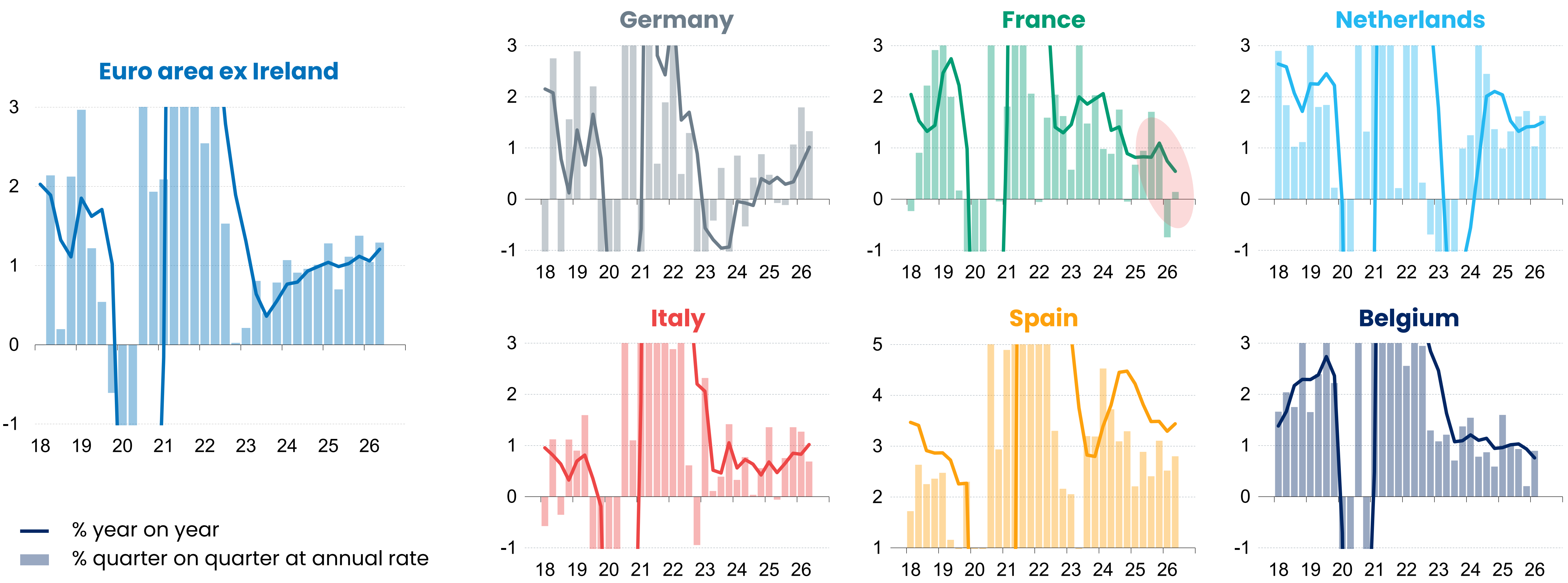
Sources: LSEG Datastream, Candriam SEPTEMBER 2025

4 Euro area

Growing… but challenges lie ahead

Despite the rise in energy prices, activity has been holding up… except in France!

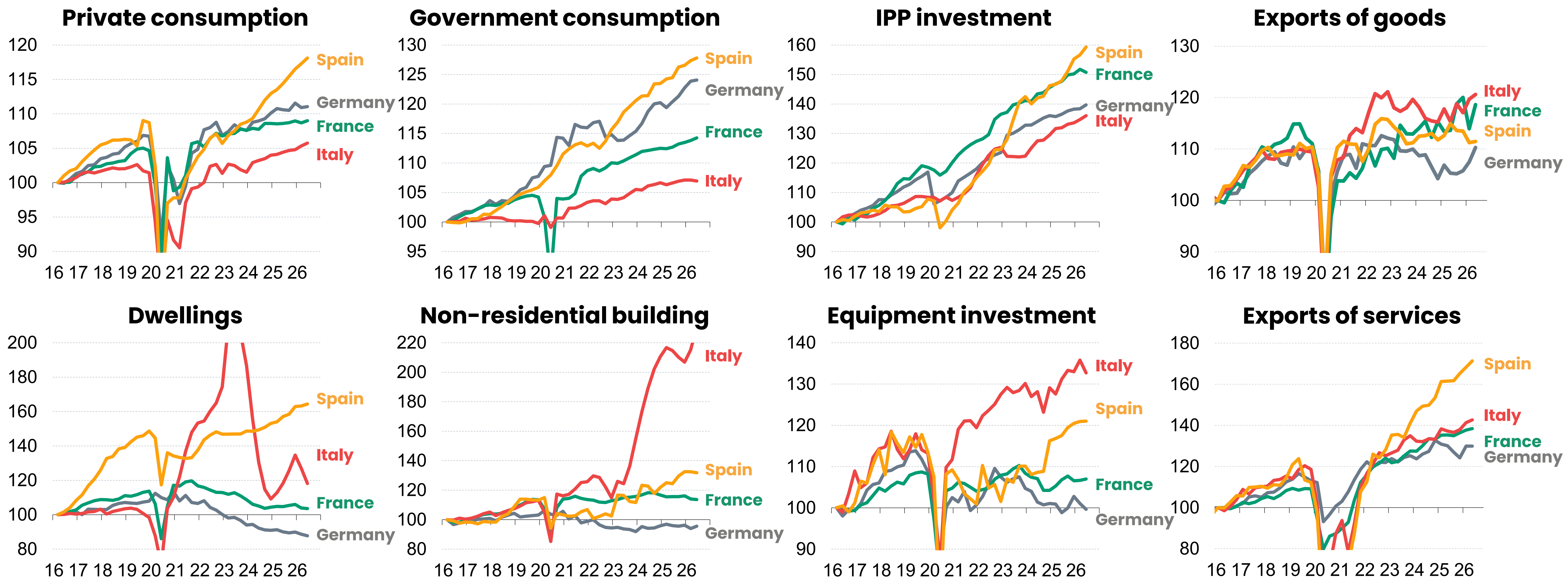
Real GDP growth



Sources: LSEG Datastream, Eurostat, Candriam SEPTEMBER 2026

Memo. GDP and its components by country

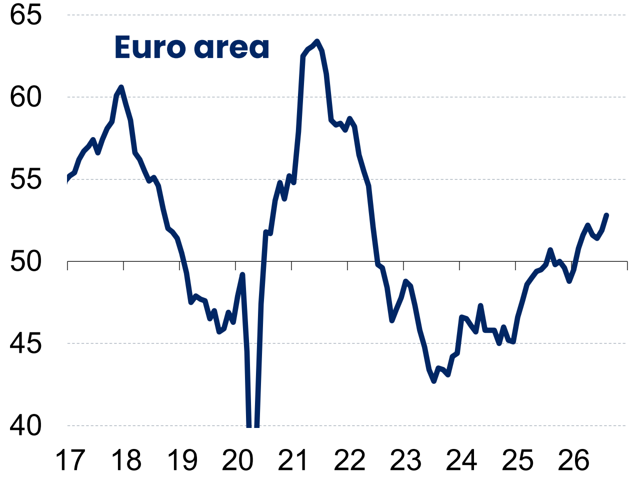
(2016 Q1 = 100, volume)

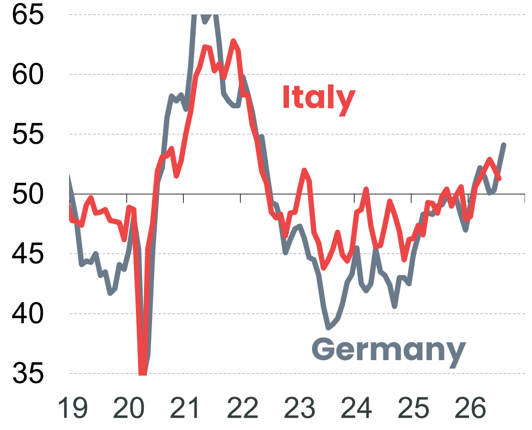


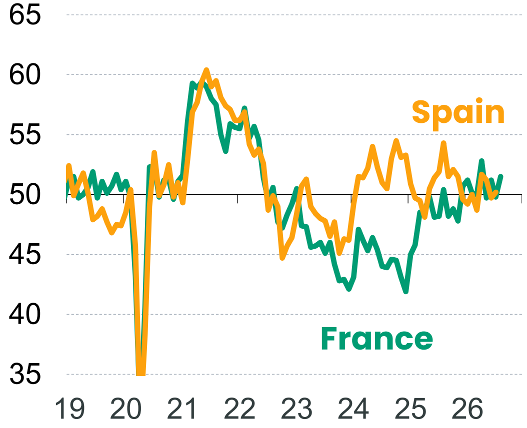
Sources: LSEG Datastream, Eurostat, Candriam SEPTEMBER 2026

As oil prices have receded, PMIs have rebounded, pointing to continued growth at the start of the third quarter

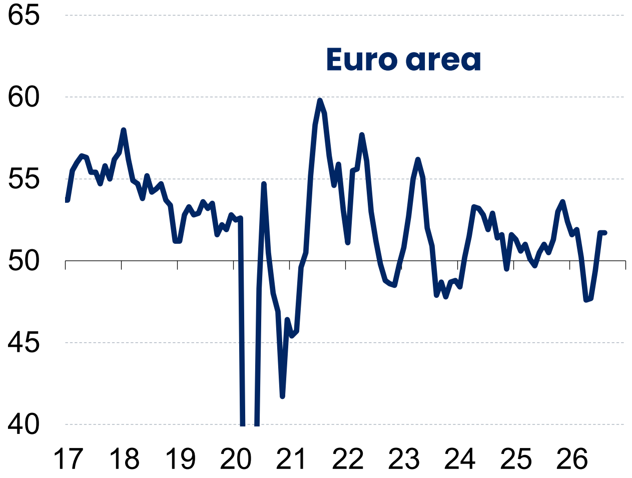
Manufacturing PMIs

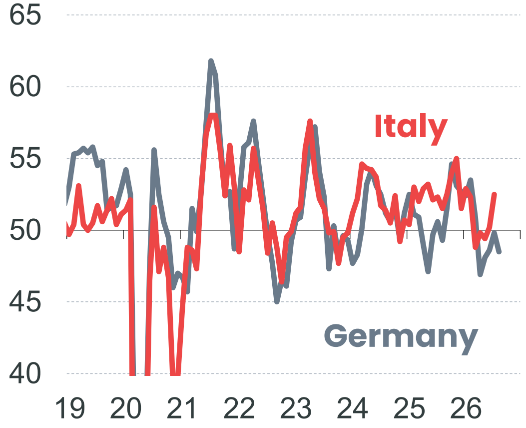


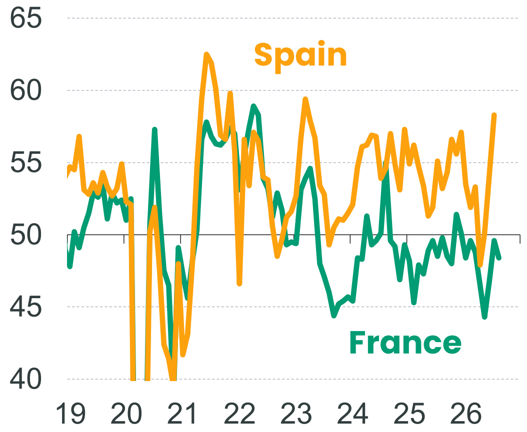




Services PMIs

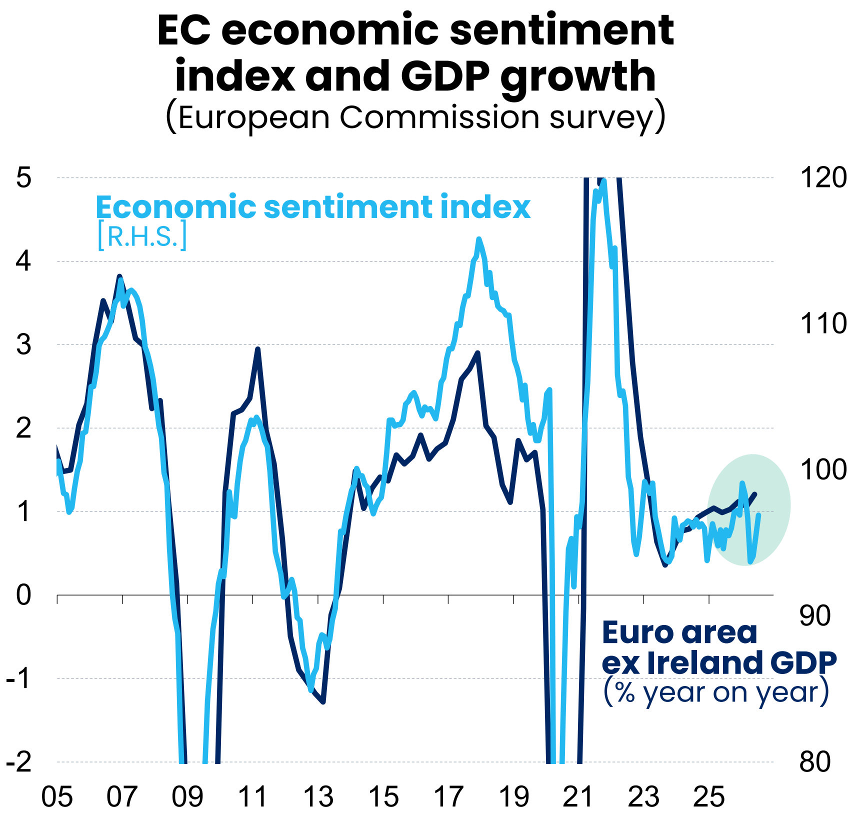


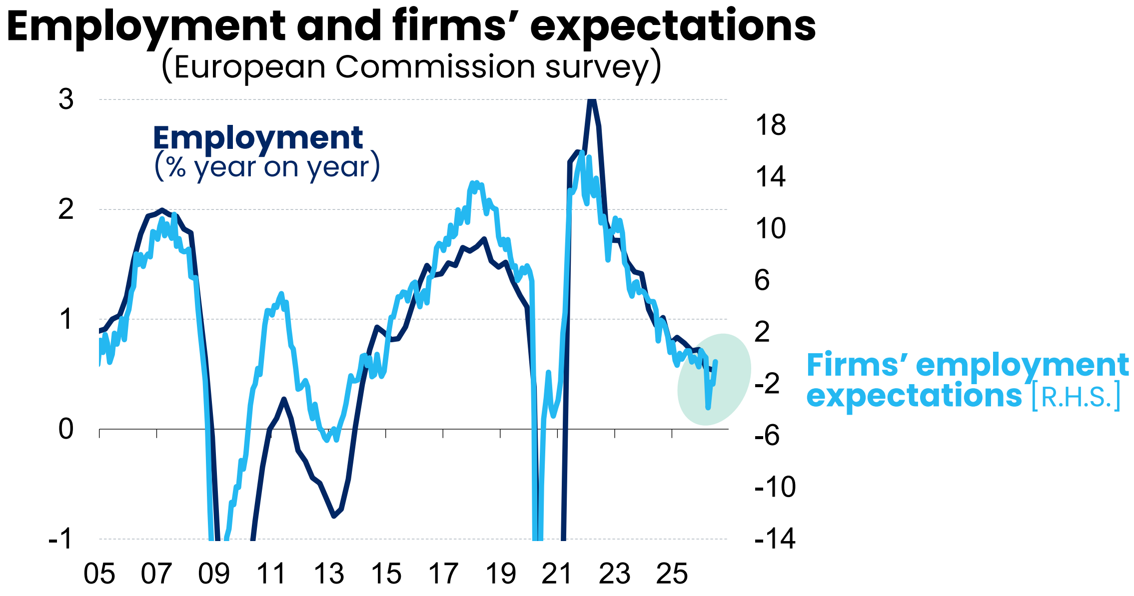


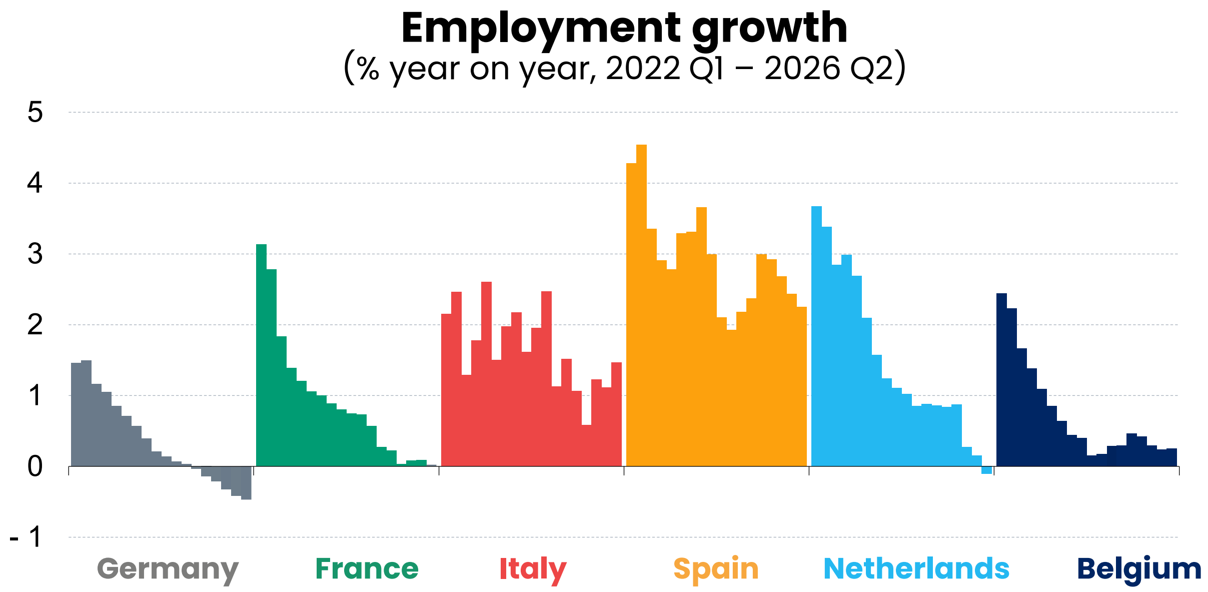


Sources: Bloomberg, Candriam SEPTEMBER 2026

The EC economic sentiment has also recovered, and the labor market has stabilized





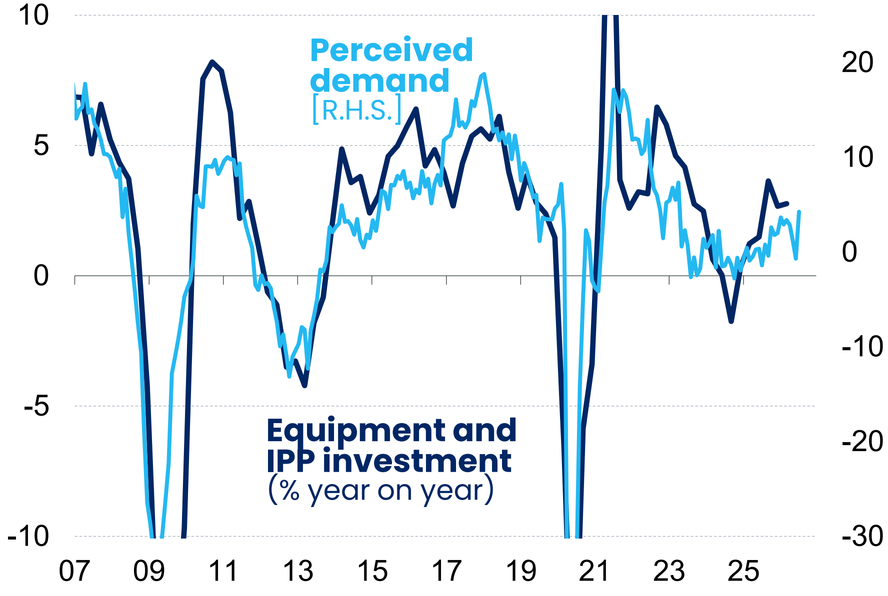


Sources: LSEG Datastream, Candriam SEPTEMBER 2026

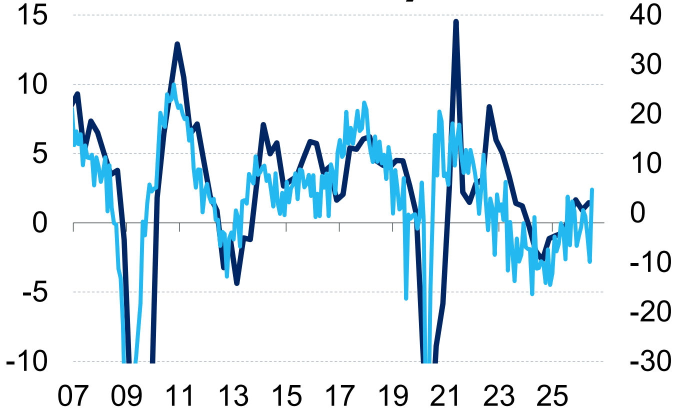
Perceived demand has improved recently and should support business investment

Equipment and IPP* investment versus perceived demand

Euro area**

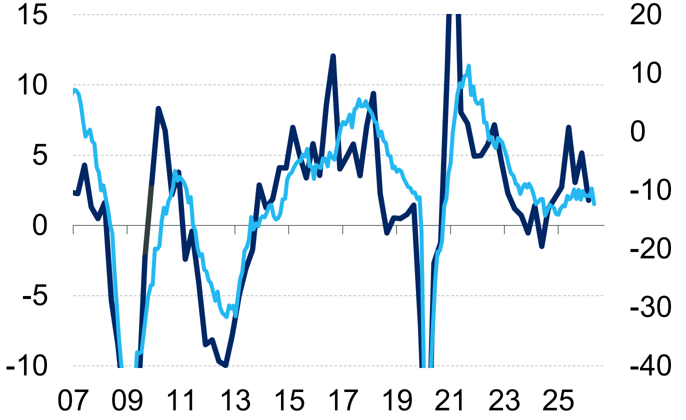


Germany

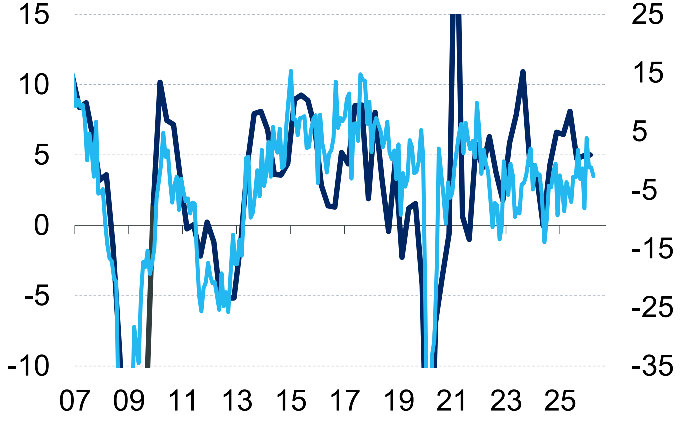


France

Italy



Spain

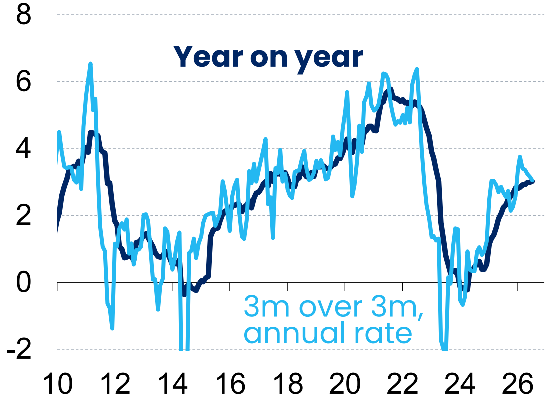


(*) Intellectual property products
(**) Germany, France, Italy and Spain

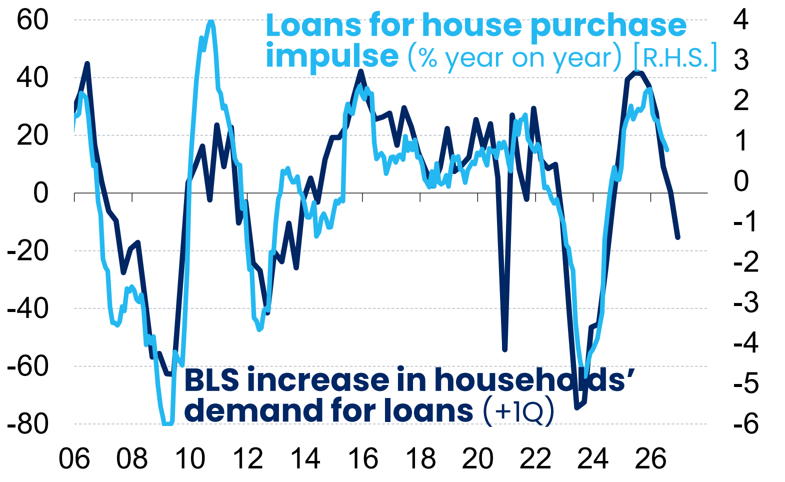
Sources: LSEG Datastream, Eurostat, Candriam SEPTEMBER 2026

Residential investment is however likely to remain lackluster…

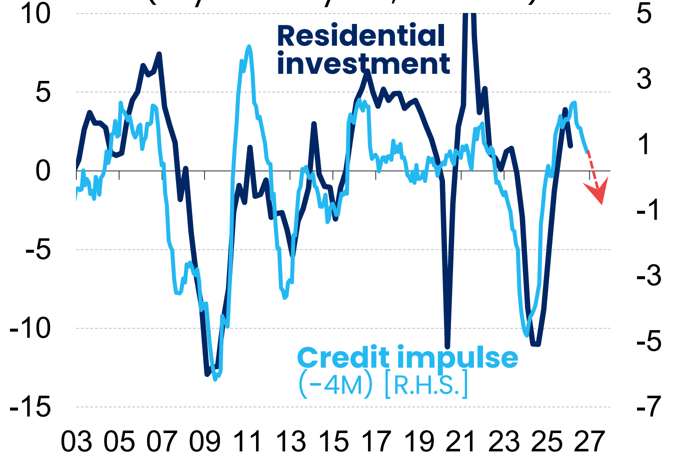
Loans for house purchase in the euro area
(%)



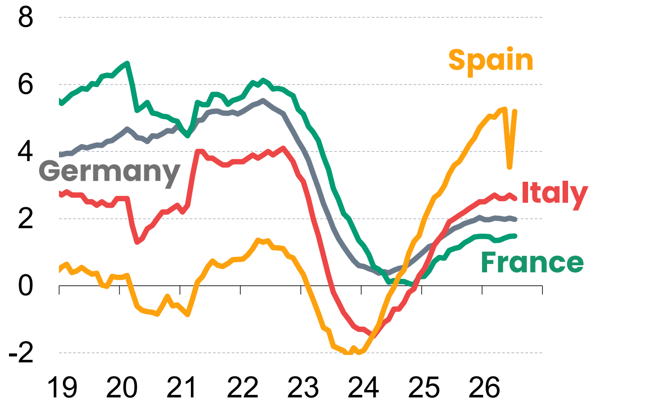
House purchase loans demand
(net %)

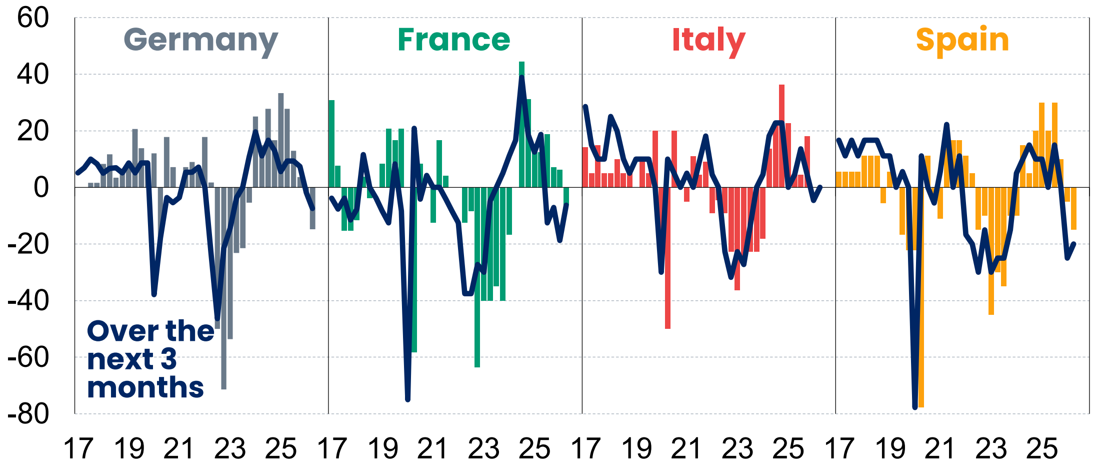


Residential investment
(% year on year, volume)



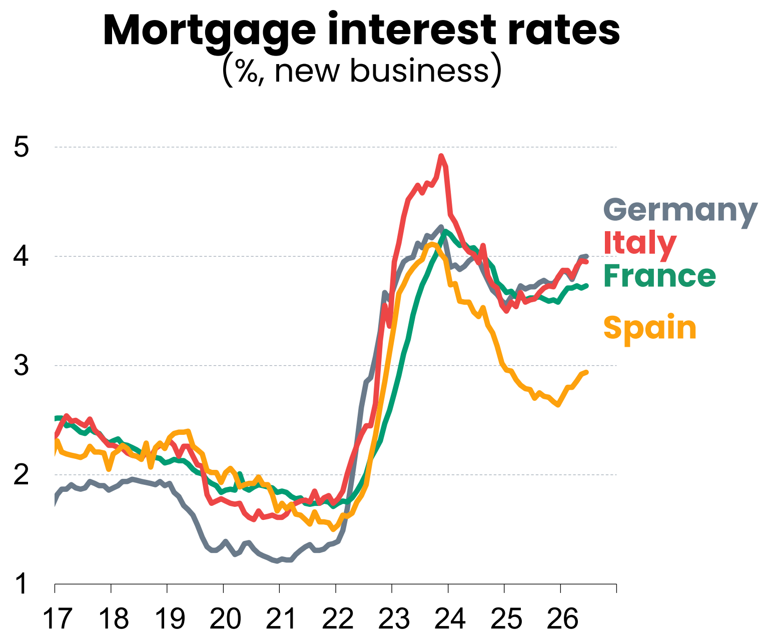
Total loans to households
(% year on year, adjusted for securitization)

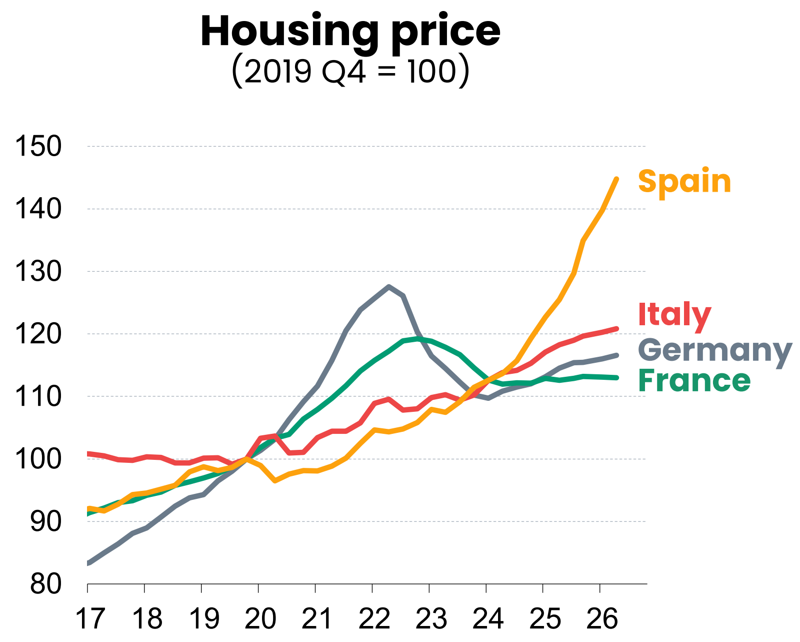


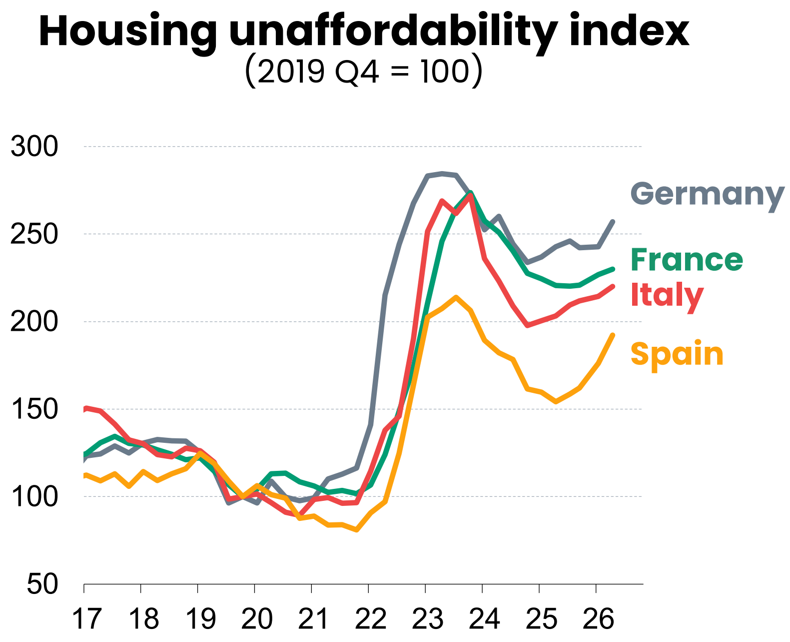


Sources: LSEG Datastream, ECB, Candriam SEPTEMBER 2026

… as higher interest rates and elevated home prices are weighing on housing affordability





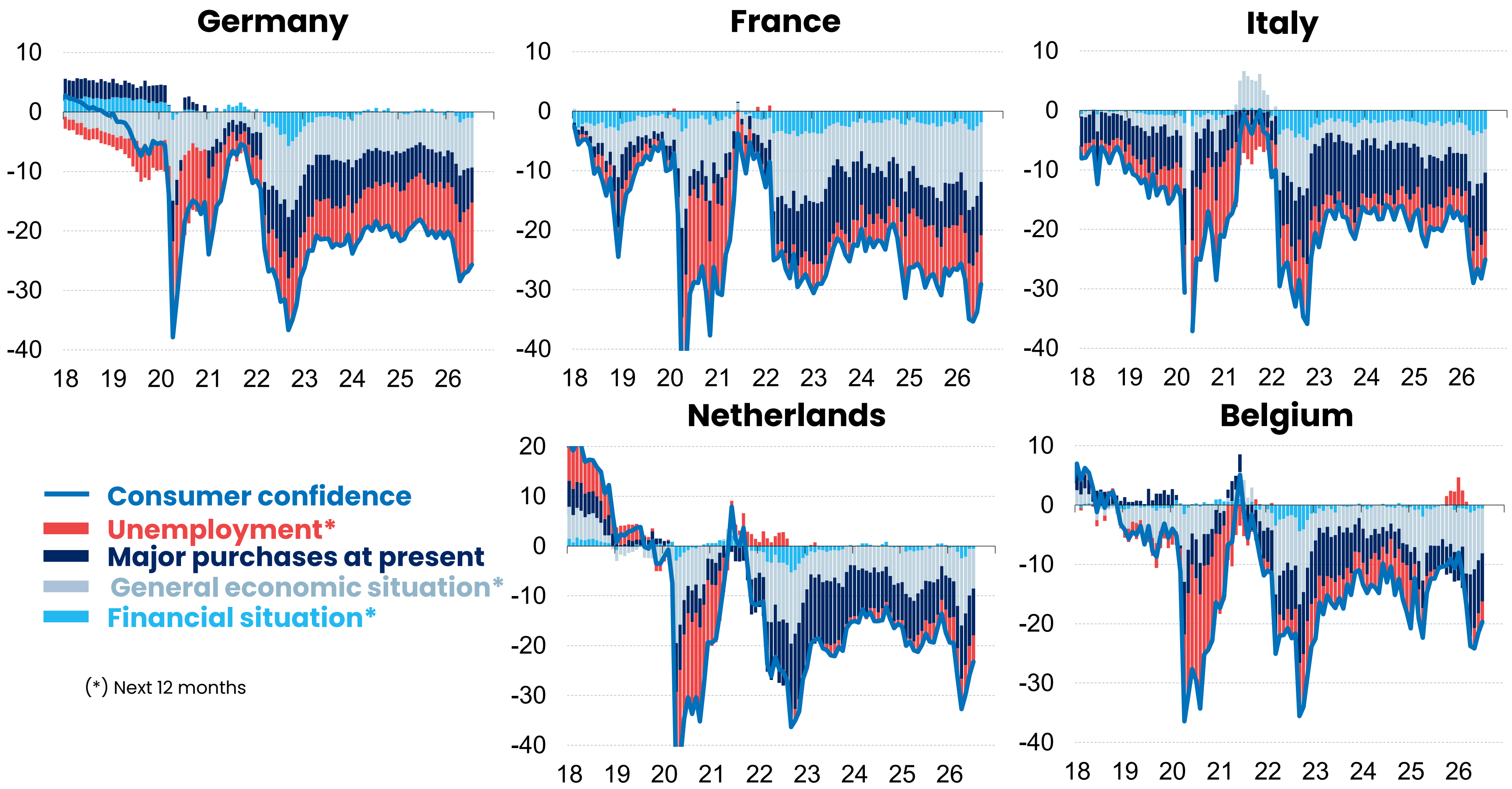


Sources: LSEG Datastream, ECB, Candriam SEPTEMBER 2026

Household confidence is gradually improving…
but remains below its pre-war level

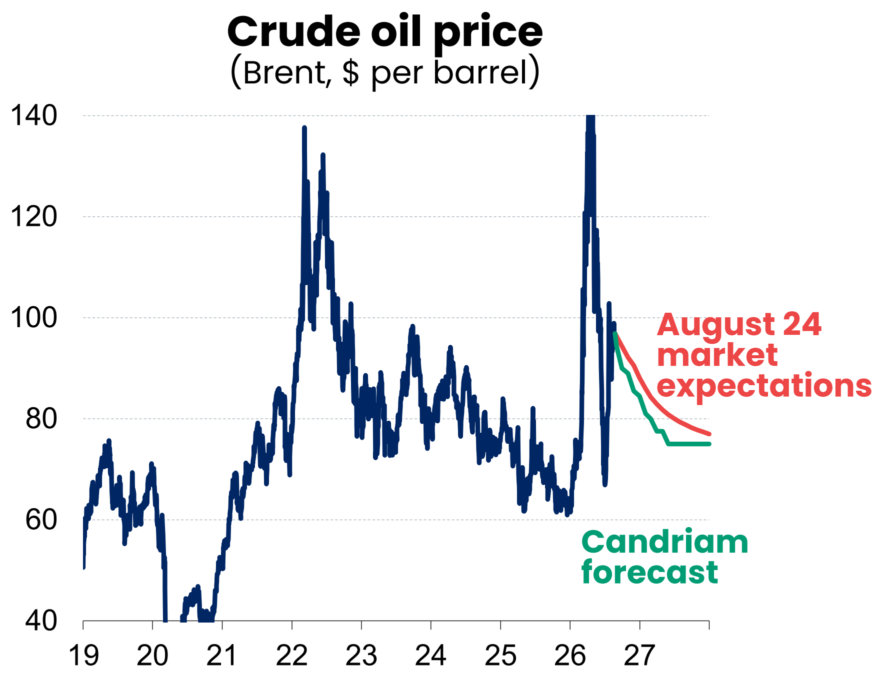
Euro area

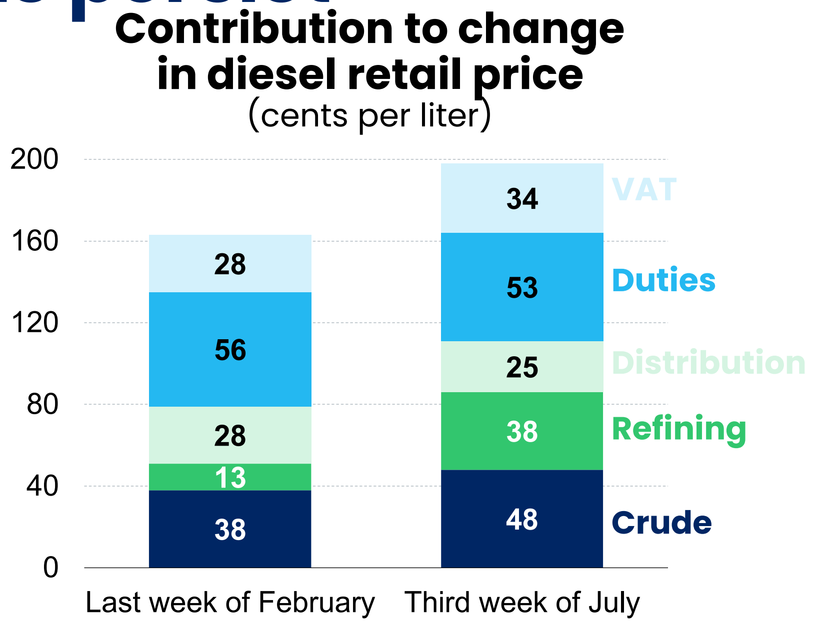
Consumer confidence

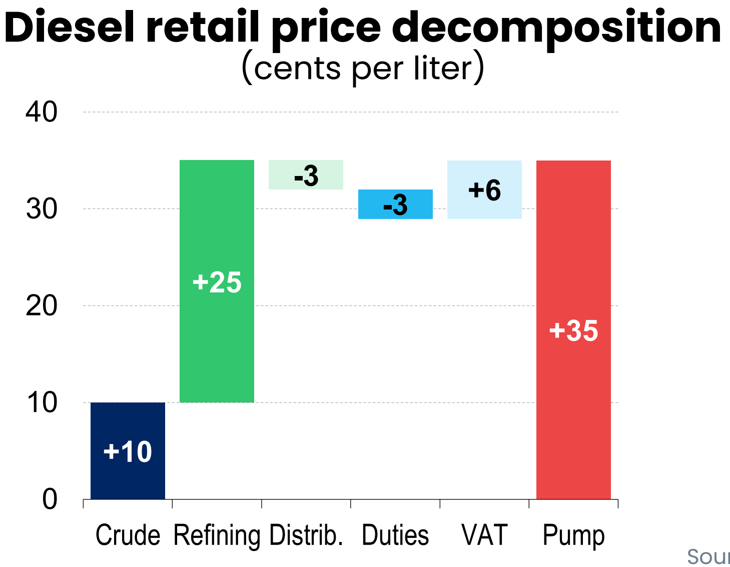


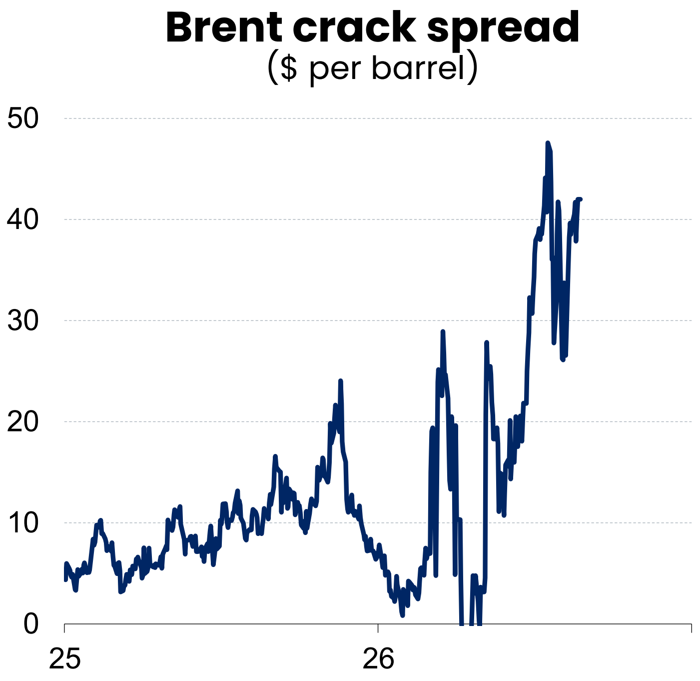
Sources: LSEG Datastream, Candriam SEPTEMBER 2026

Transportation fuel prices are likely to stay high as refinery constraints persist



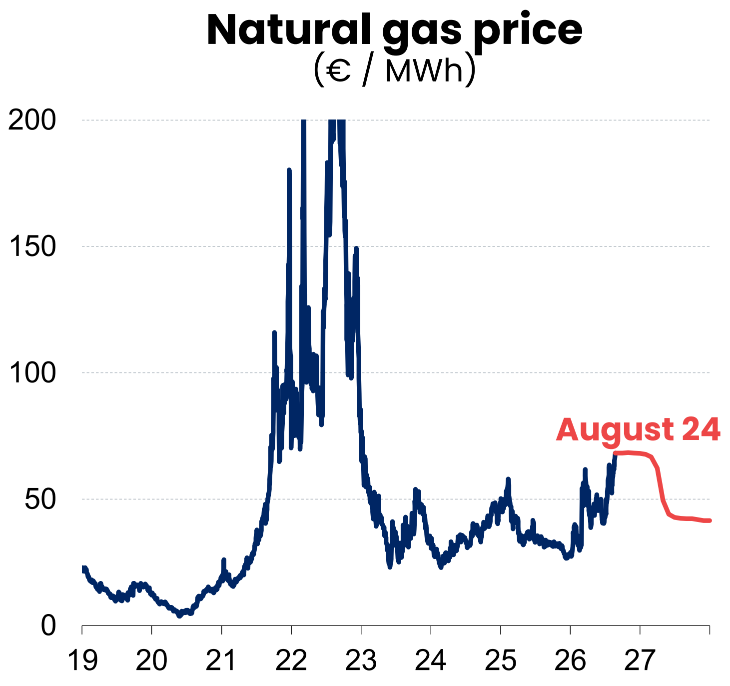


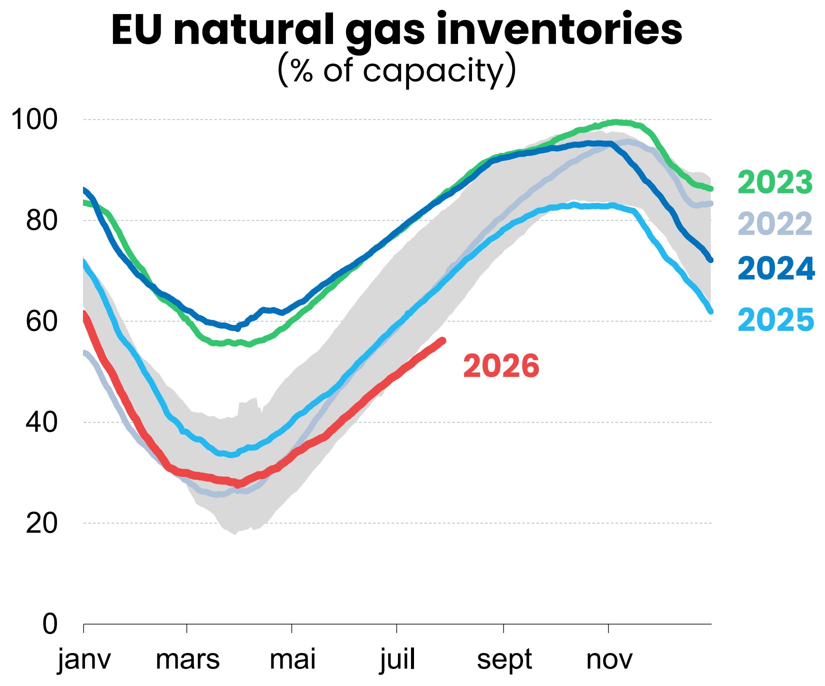


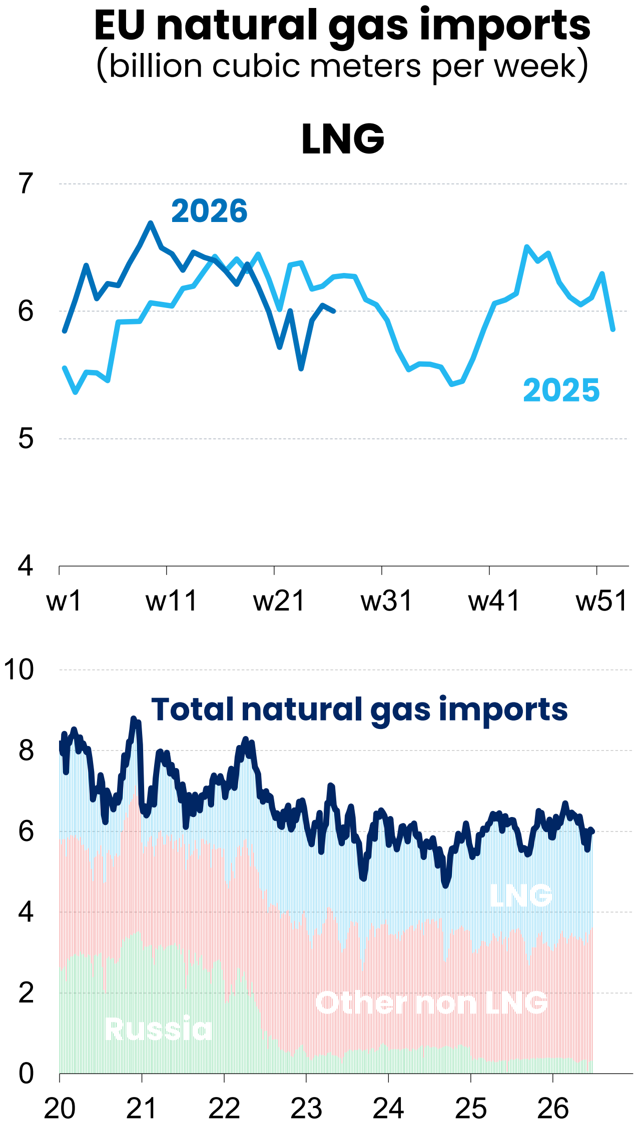


Sources: LSEG Datastream, Eurostat, ECB, Candriam SEPTEMBER 2026

Natural gas prices could face upward pressures as inventories need to be replenished ahead of winter…



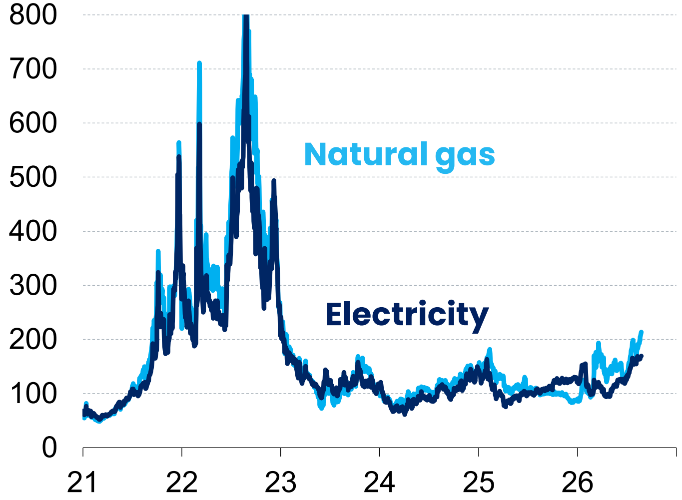




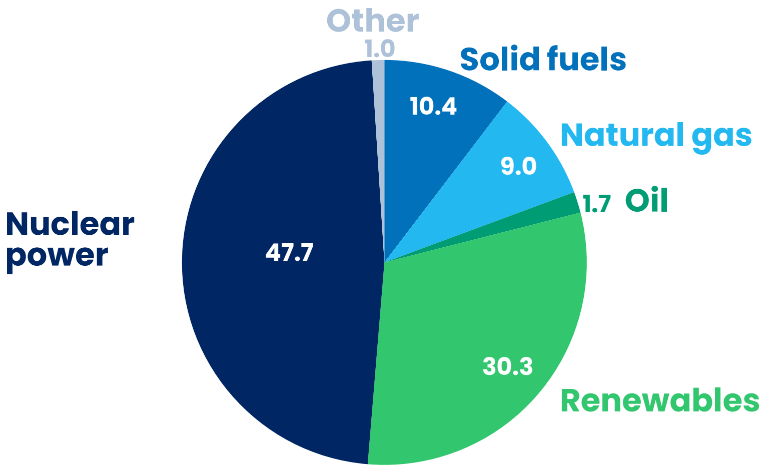
Sources: LSEG Datastream, Eurostat, Candriam SEPTEMBER 2026

… pushing electricity prices higher

Natural gas and electricity prices on markets
(February 2026 = 100)



Electricity production
(European Union, 2023, % of total)

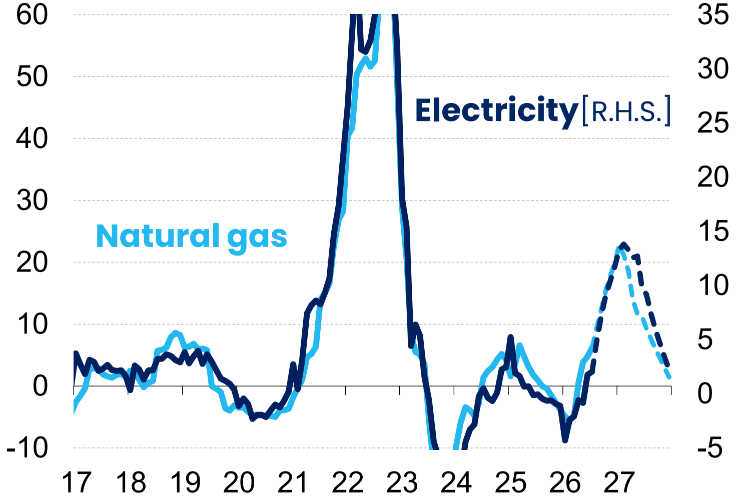


In electricity markets, prices are typically set by the **marginal producer**, meaning the last (and most expensive) power plant needed to meet demand at a given moment.

In Europe, this is often a gas-fired plant, especially during peak periods or when renewable output is low. As a result, even if cheaper sources like renewables or nuclear dominate the energy mix, the price of electricity is frequently driven by gas costs.

This explains why fluctuations in gas prices can have a significant impact on overall electricity prices across European markets even though they only represent a moderate share of electricity production (9% in 2024)

CPI - Natural gas and electricity
(euro area, % year on year)



Sources: LSEG Datastream, Eurostat, Candriam SEPTEMBER 2026

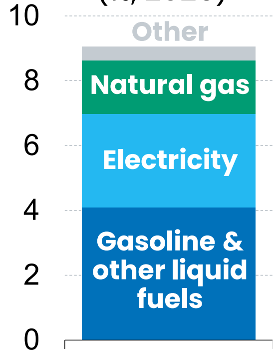
Overall inflation should – gradually! – recede…

Consumer price index
(January 2018 = 100)

Liquid fuel for transportation

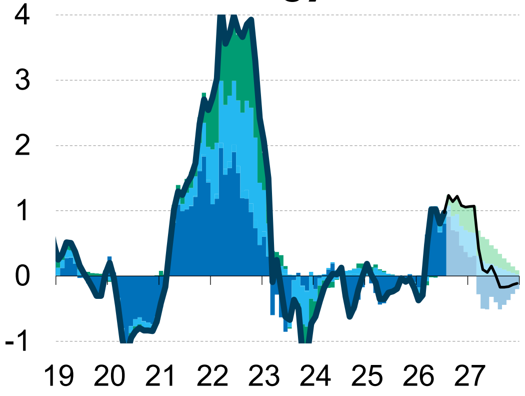
Natural gas

Energy share in CPI
(%, 2026)

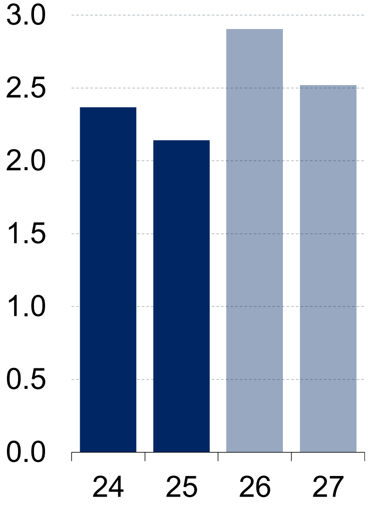


Contribution to total inflation
(% year on year)

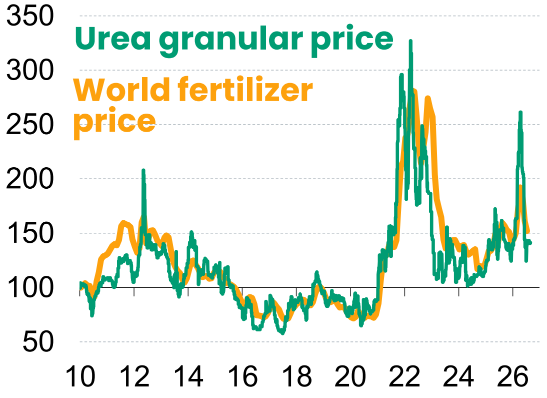
Energy



Total inflation
(% annual average, CPI)

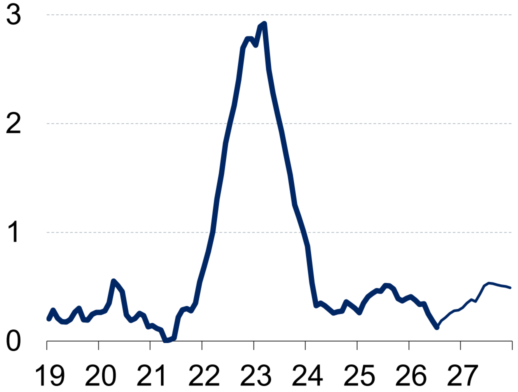


Fertilizers price
(January 2010 = 100)



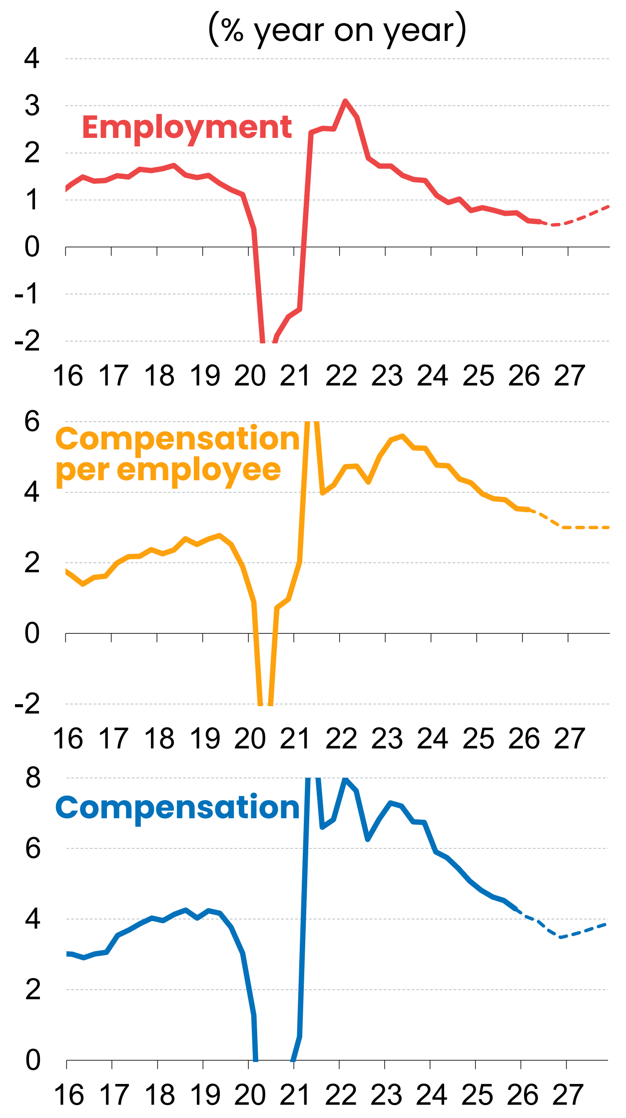
Food share in CPI
(%, 2026)

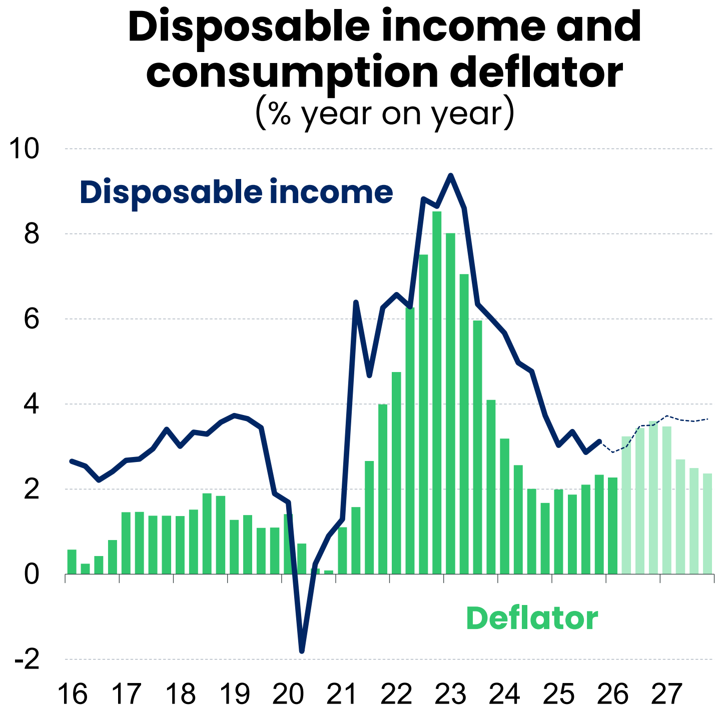
Food

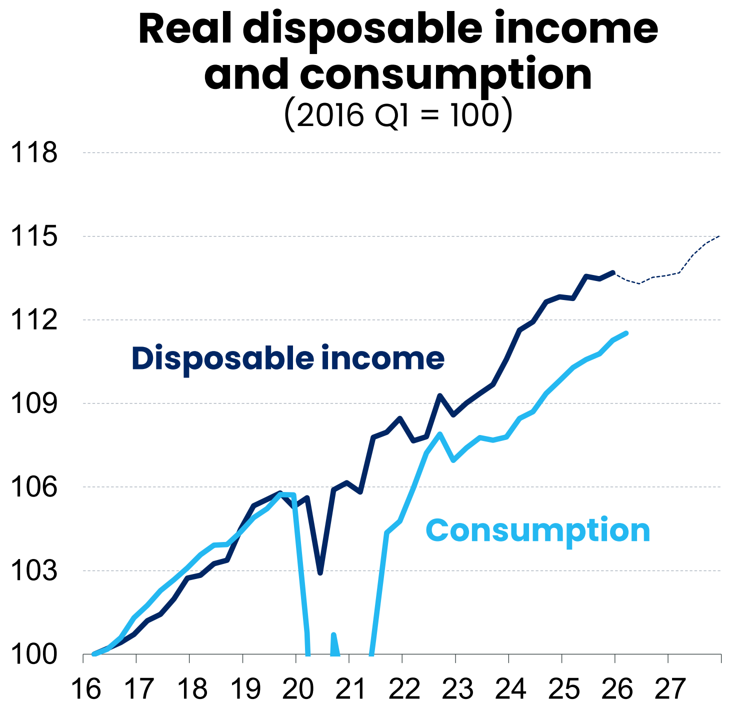


Sources: LSEG Datastream, Eurostat, Candriam SEPTEMBER 2026

… and households should regain some purchasing power



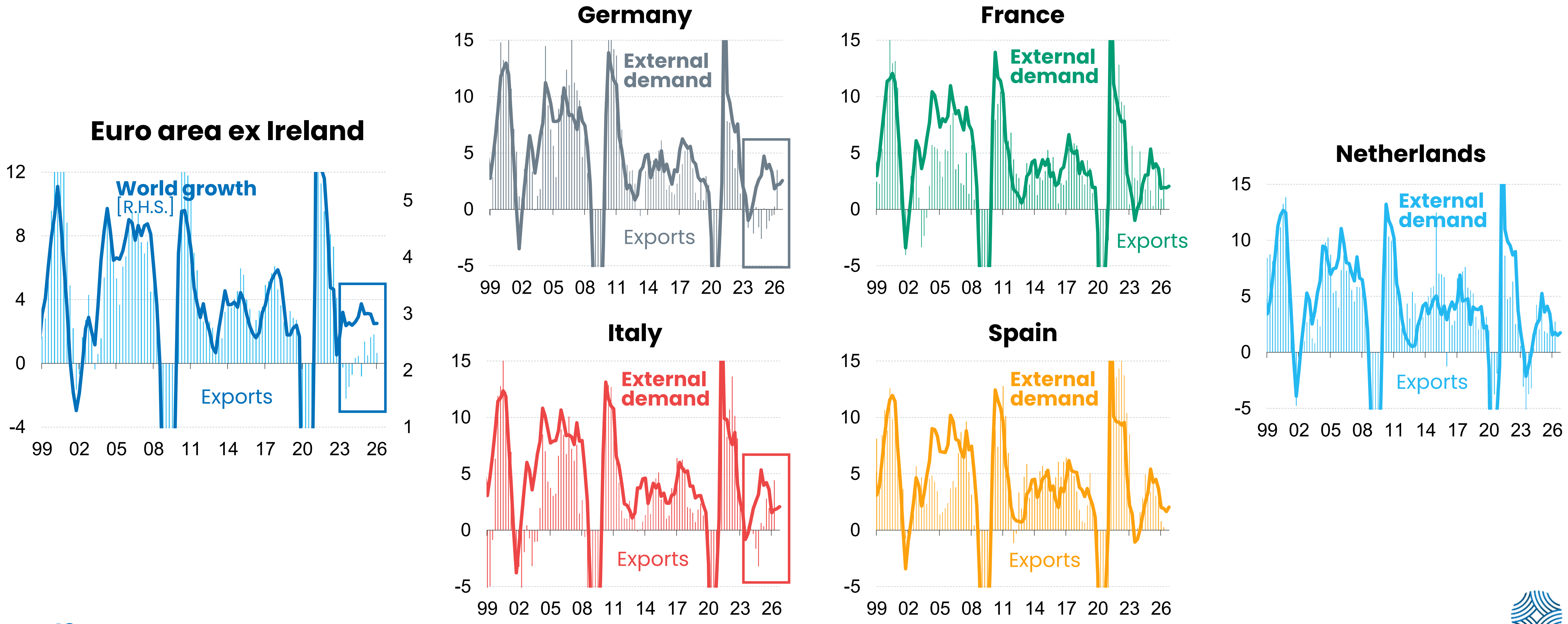




Sources: LSEG Datastream, Eurostat, Candriam SEPTEMBER 2026

Despite resilient world demand, euro area exports growth has been subdued

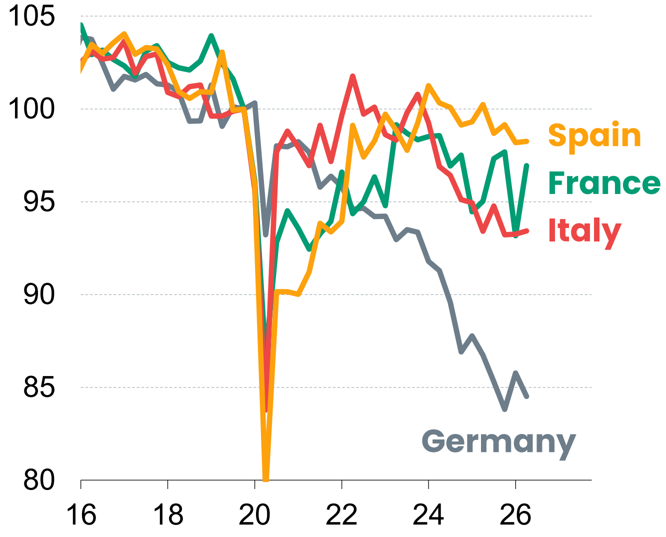
Exports and external demand
(% year on year, volume)



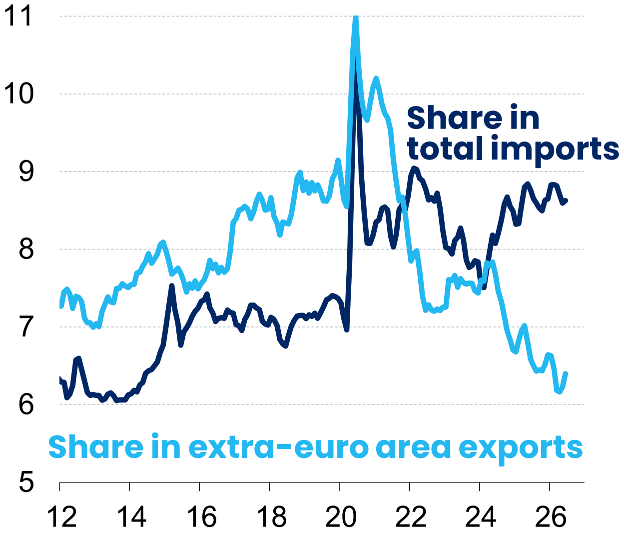
Sources: LSEG Datastream, Eurostat, Candriam SEPTEMBER 2026

Over years, China has increasingly gained market shares… at the expense of Germany!

Export performance by country
(2019 Q4 = 100)

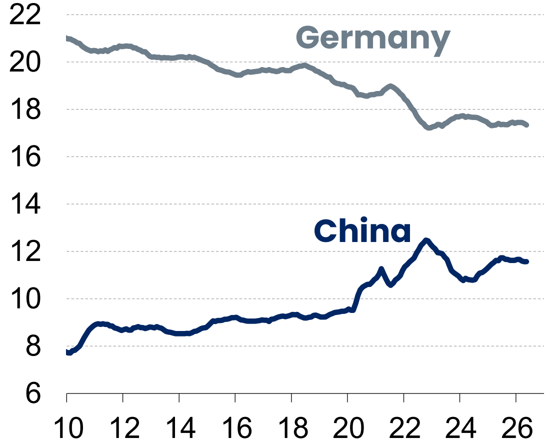


China share in euro area exports and imports
(%)

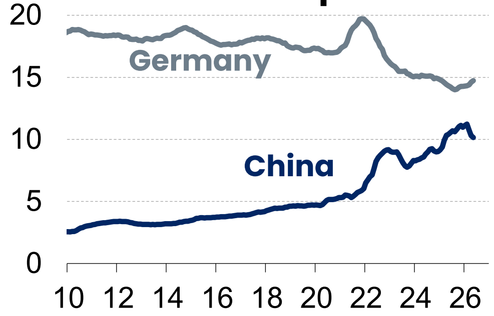


China and Germany share in euro area imports by product
(% of euro area ex Germany imports)

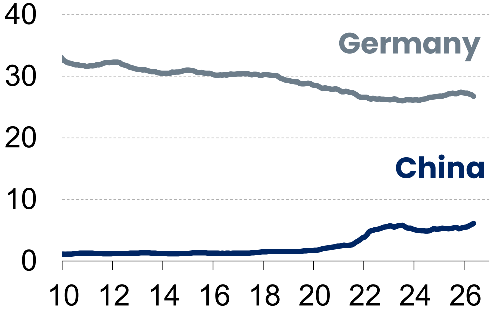
Total ex food and energy



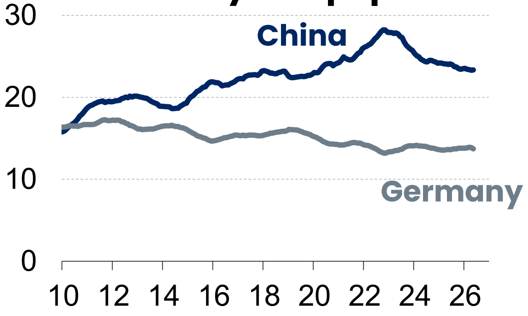
Chemicals ex pharma



Vehicles



Machinery & equipment



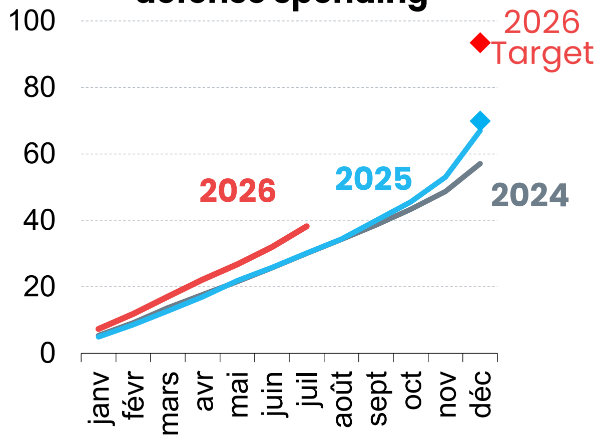
Sources: Eurostat, Candriam SEPTEMBER 2026

While German fiscal policy will continue to support activity in 2027, NextGen EU is set to become a drag

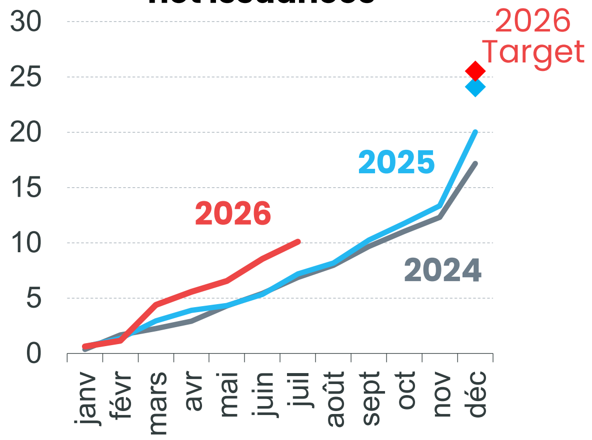
Germany defense spending

(€ billion, cumulated since January of each year)

Core Federal Budget defense spending



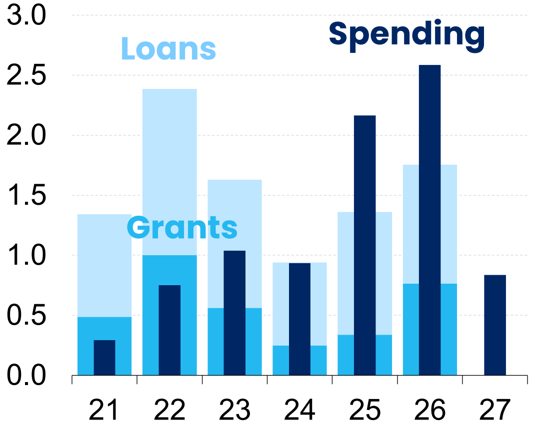
Fund for the Bundeswehr net issuances



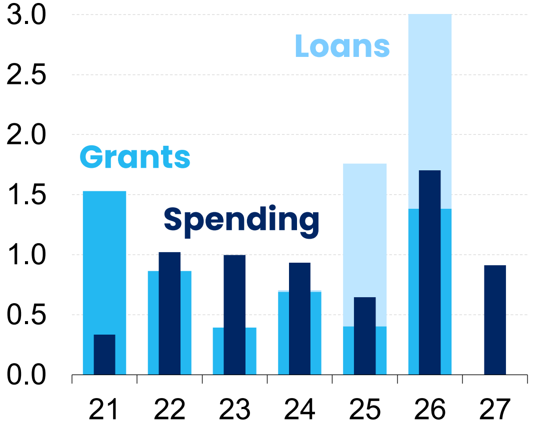
Recovery and Resilience Facility

(% of country's GDP)

Italy



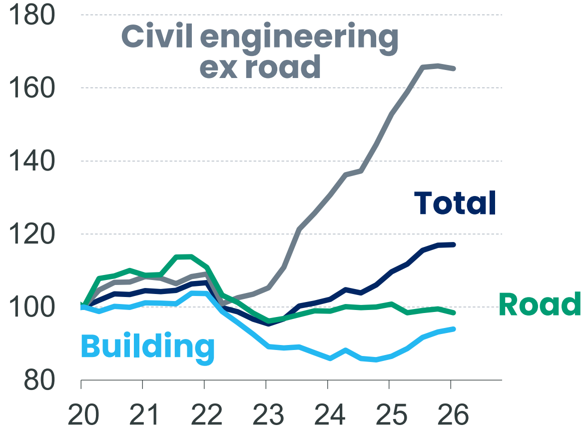
Spain



Germany infrastructure spending

Unfilled construction orders

(2016 Q1 = 100, volume)

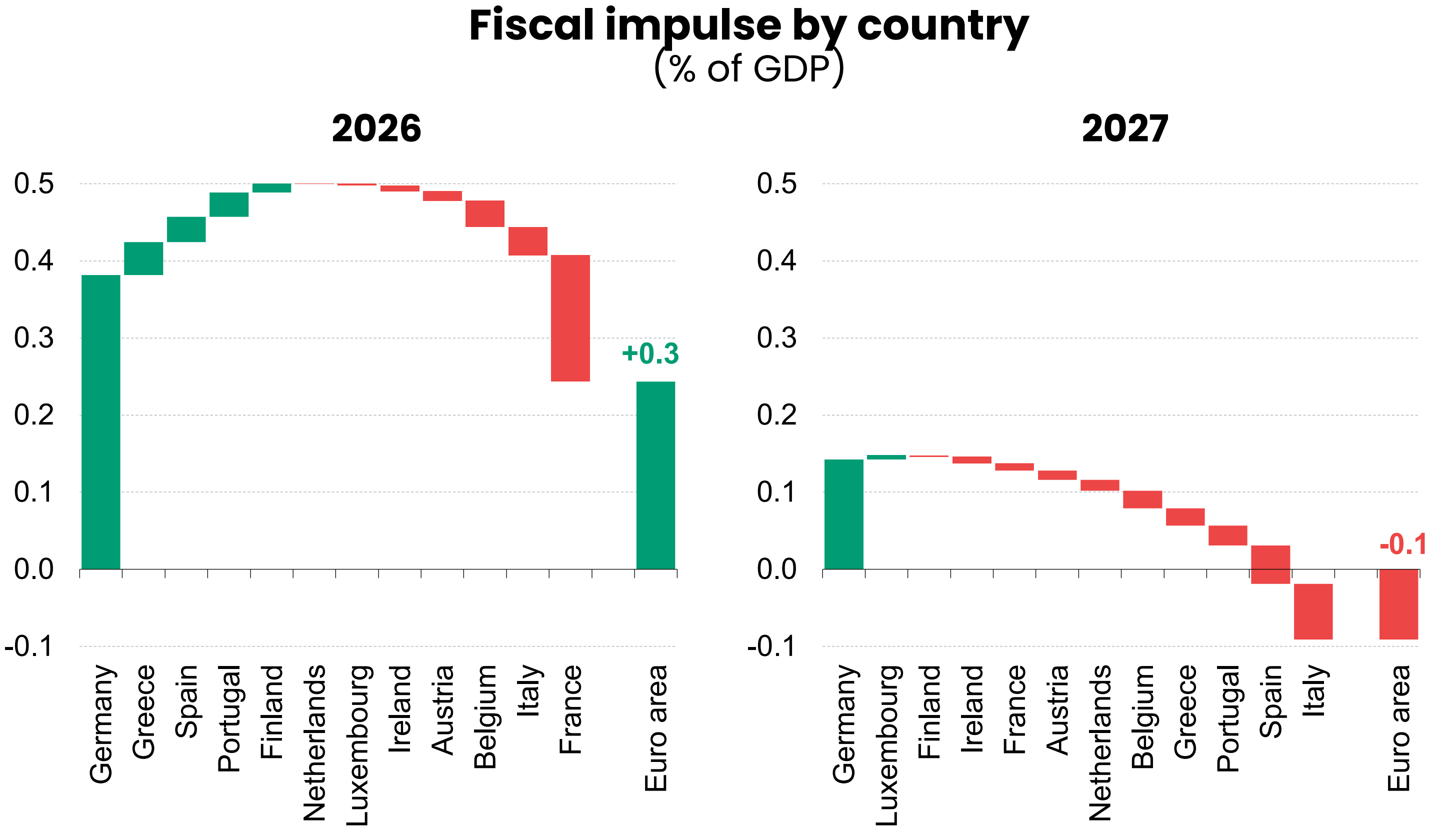


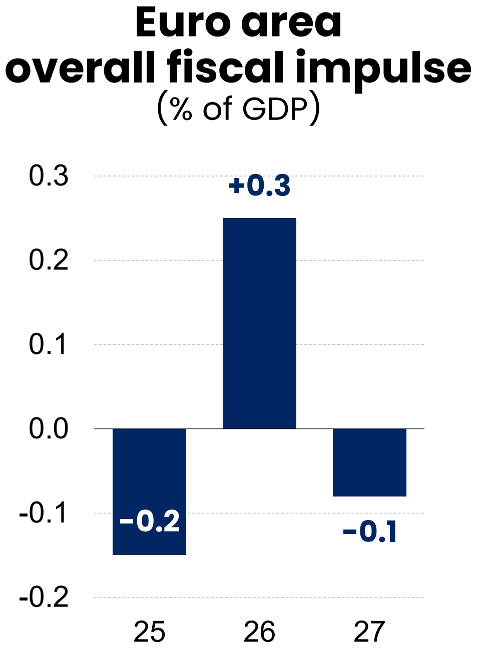
Construction labor shortage

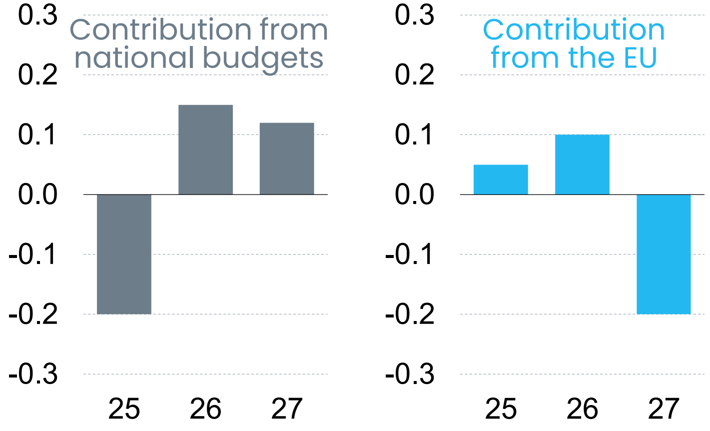
(EC survey)

Sources: LSEG Datastream, Eurostat, EC, Candriam SEPTEMBER 2026

After being supportive in 2026, fiscal policy will at best be neutral in 2027





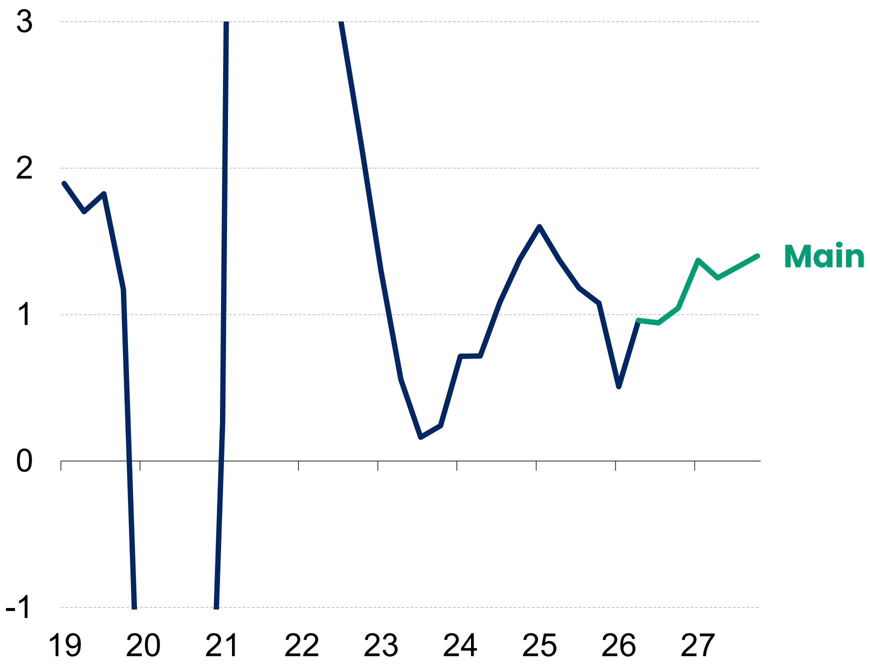


Sources: LSEG Datastream, Eurostat, EC, Candriam SEPTEMBER 2026

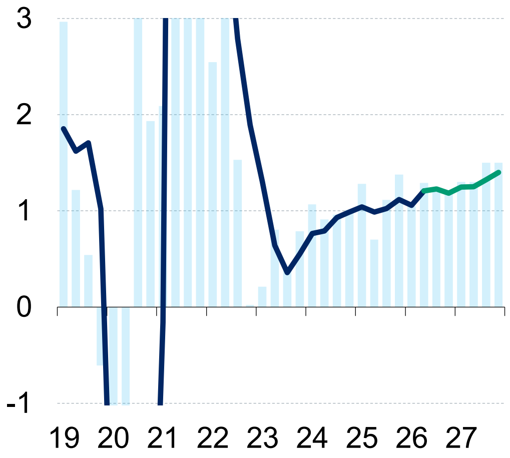
Against a challenging backdrop, activity is expected to accelerate only modestly in 2027

Total inflation
(% year on year)

Real GDP growth
(% year on year)

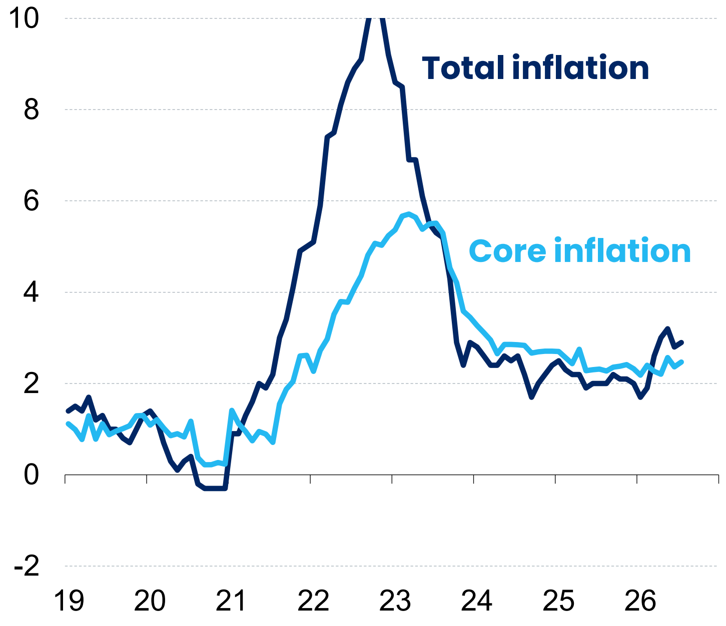


Memo. Euro area ex Ireland GDP growth
(% year on year)



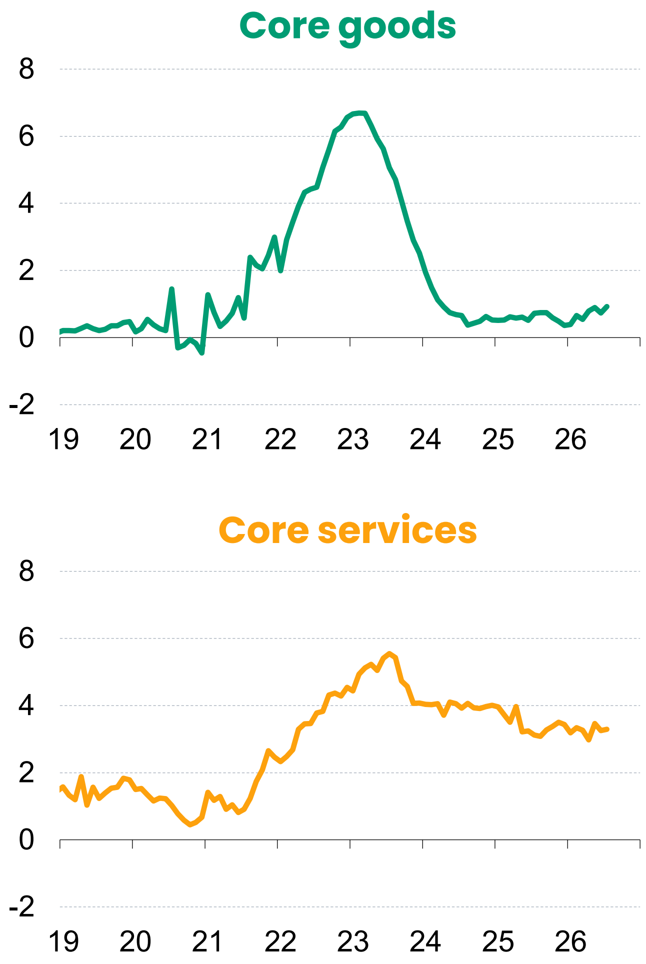
Sources: LSEG Datastream, Eurostat, BLS, Candriam SEPTEMBER 2026

Up to now, core inflation has remained contained

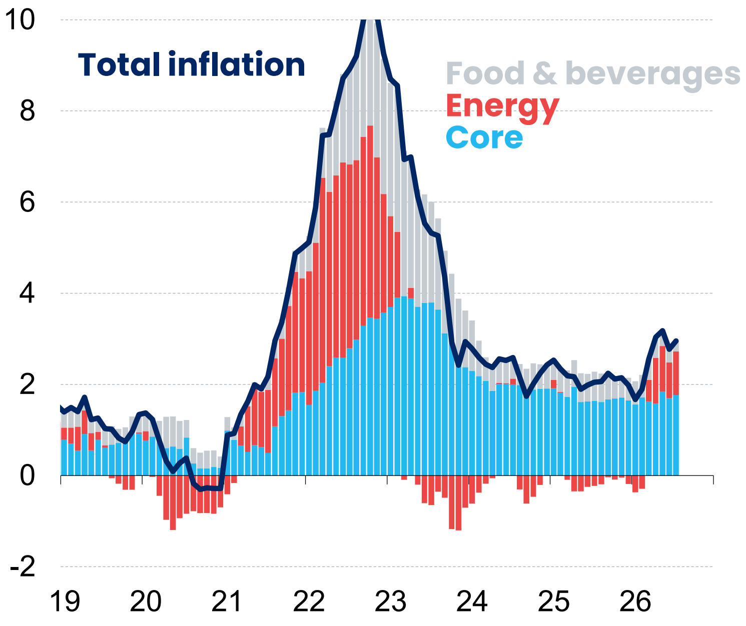


Euro area inflation

(% year on year)



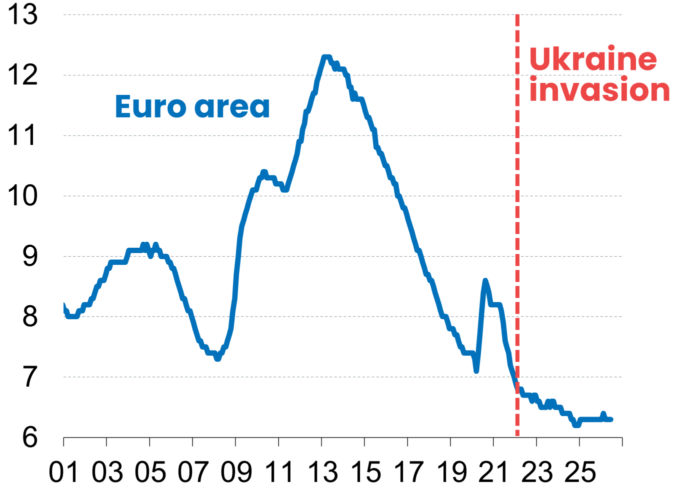
Contribution to inflation



Sources: LSEG Datastream, Eurostat, BLS, Candriam SEPTEMBER 2026

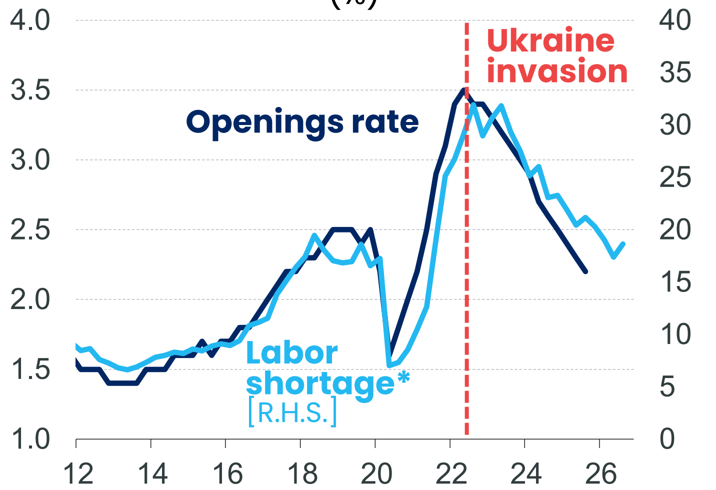
Despite a low unemployment rate, the labor market is not really tight

Unemployment rate
(%)



Employment and firms' expectations
(EC survey)

Euro area openings rate
(%)



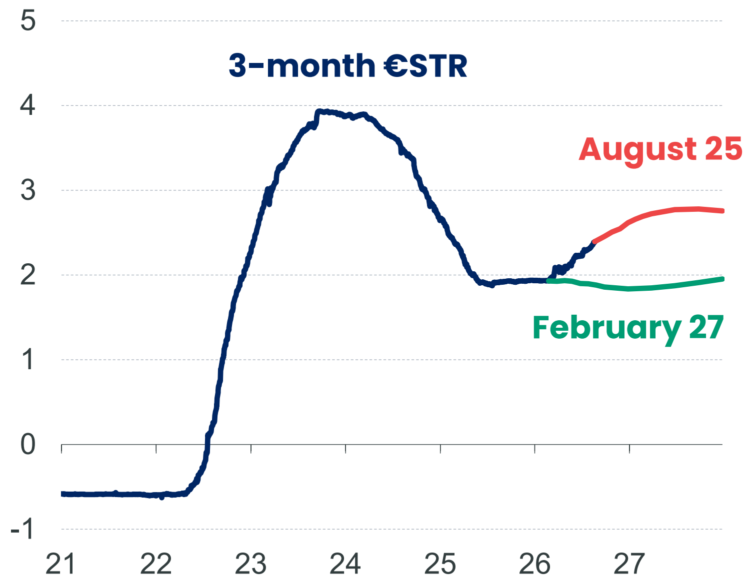
(*) % of firms mentioning labor market scarcity as limiting their production

Negotiated wages
(% year on year)

Sources: LSEG Datastream, Eurostat, BLS, Candriam SEPTEMBER 2026

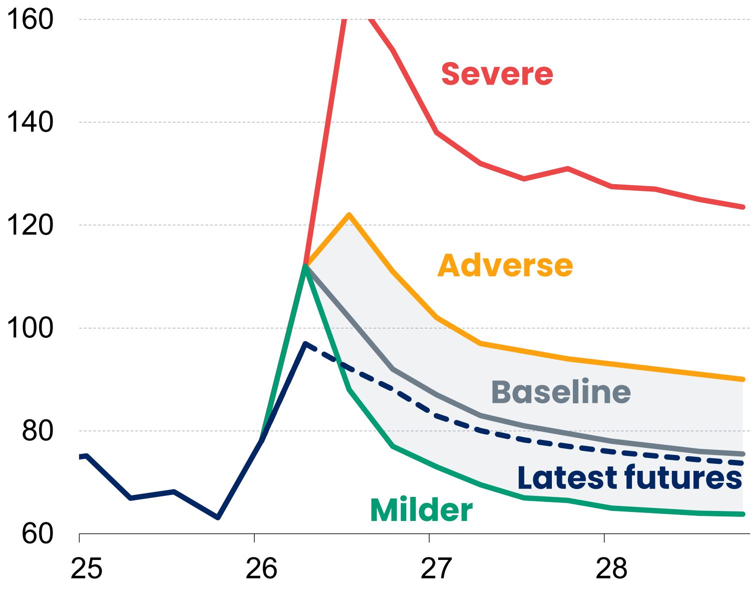
The ECB has no reason to hike much more… after its September move!

ECB interest rate expectations
(%)

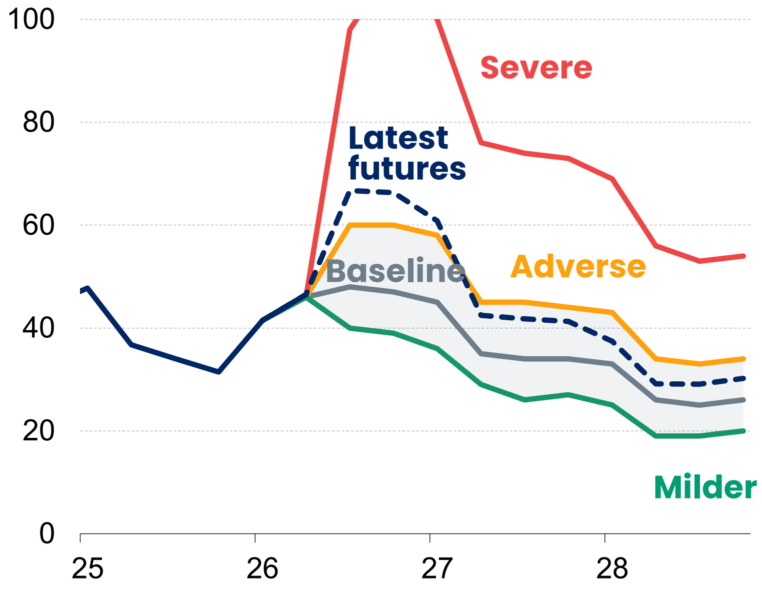


ECB energy prices scenario

Brent oil price
($ per barrel)



Natural gas price
(€ per MWh)



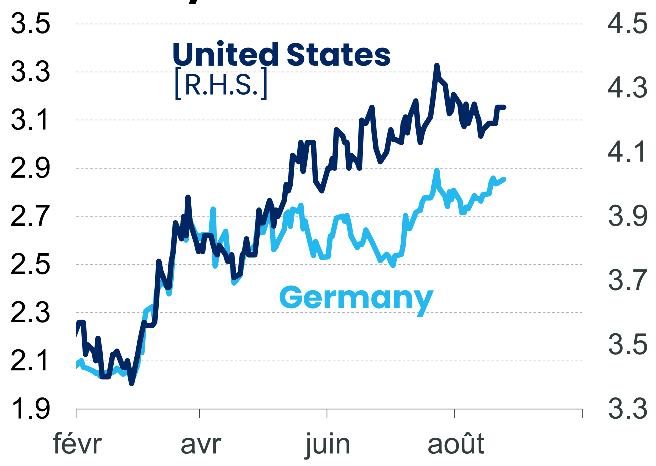
Sources: LSEG Datastream, ECB, Candriam SEPTEMBER 2026

Long term rates could however be impacted by rising US rates and political uncertainty

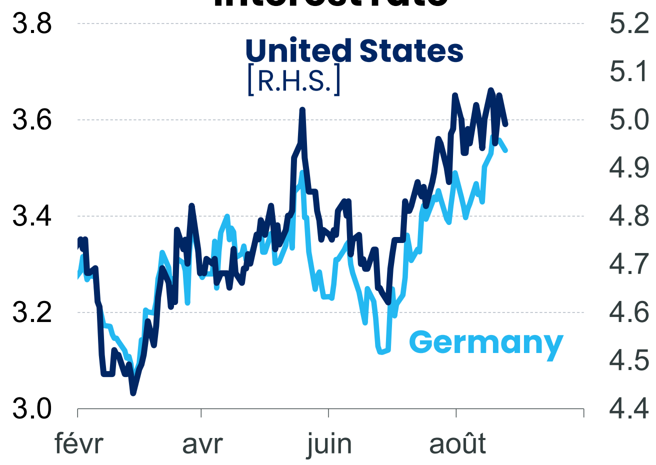
10-year German sovereign rate
(%)

German vs US interest rates
(%, 2026)

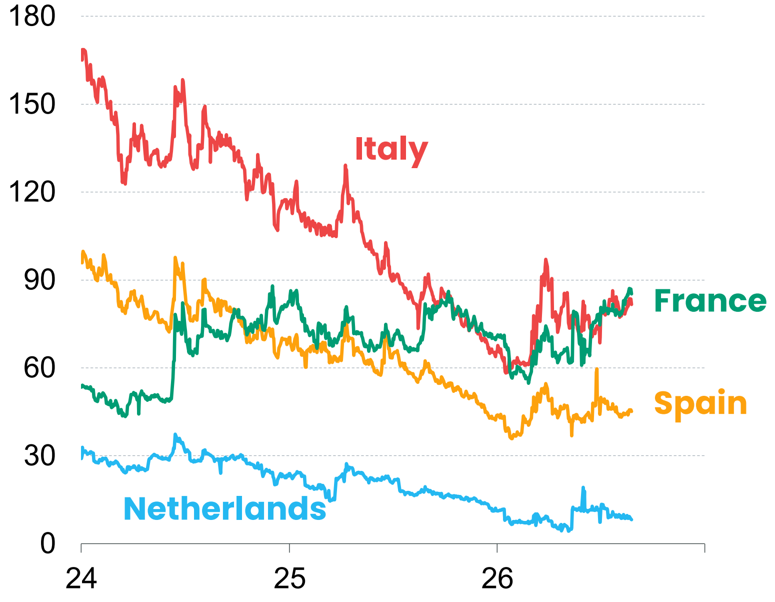
2-year interest rate



5-year in 5 years interest rate



10-year sovereign spreads against Germany
(basis points)

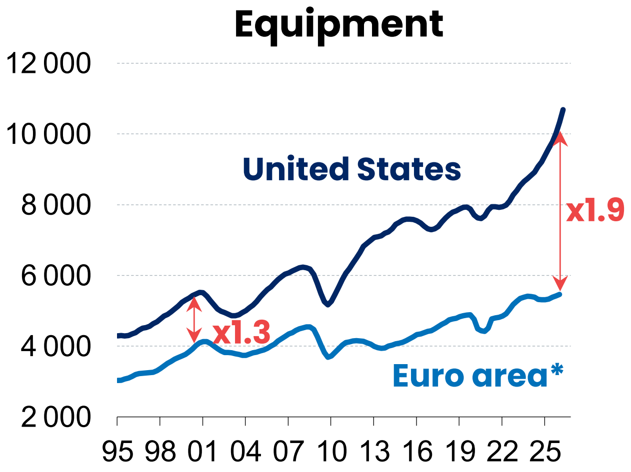


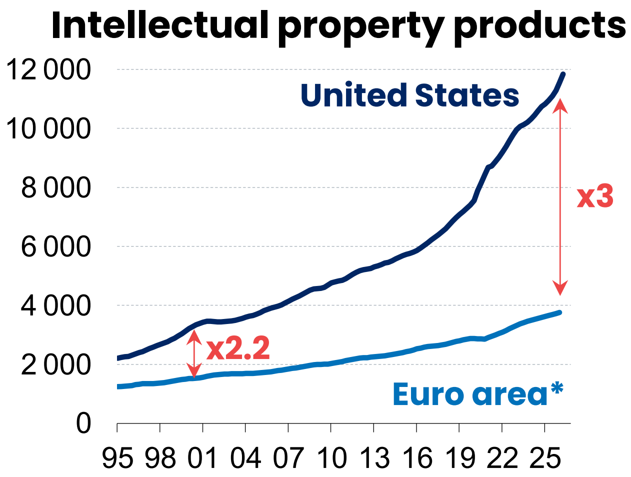
Sources: LSEG Datastream, Candriam SEPTEMBER 2026

Focus. Euro area long term challenges

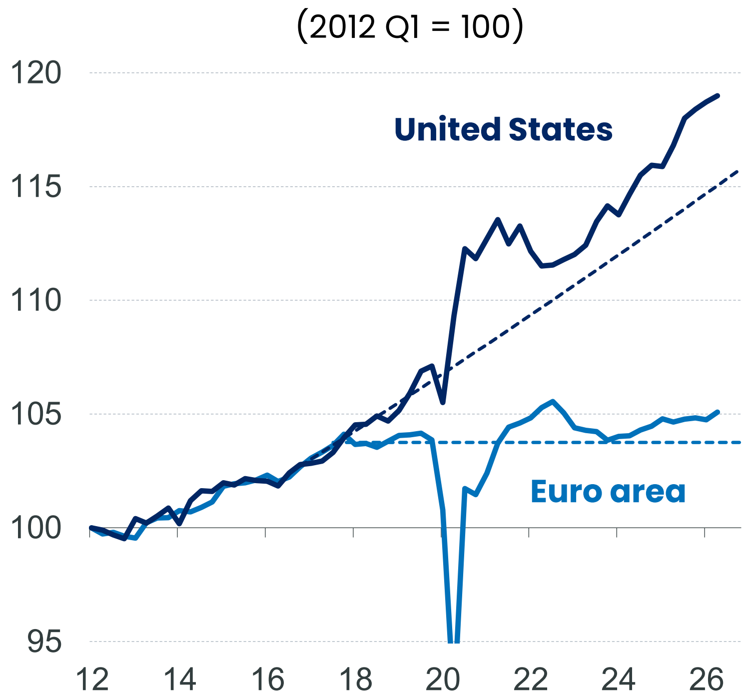
Europe suffers from a structural growth shortfall

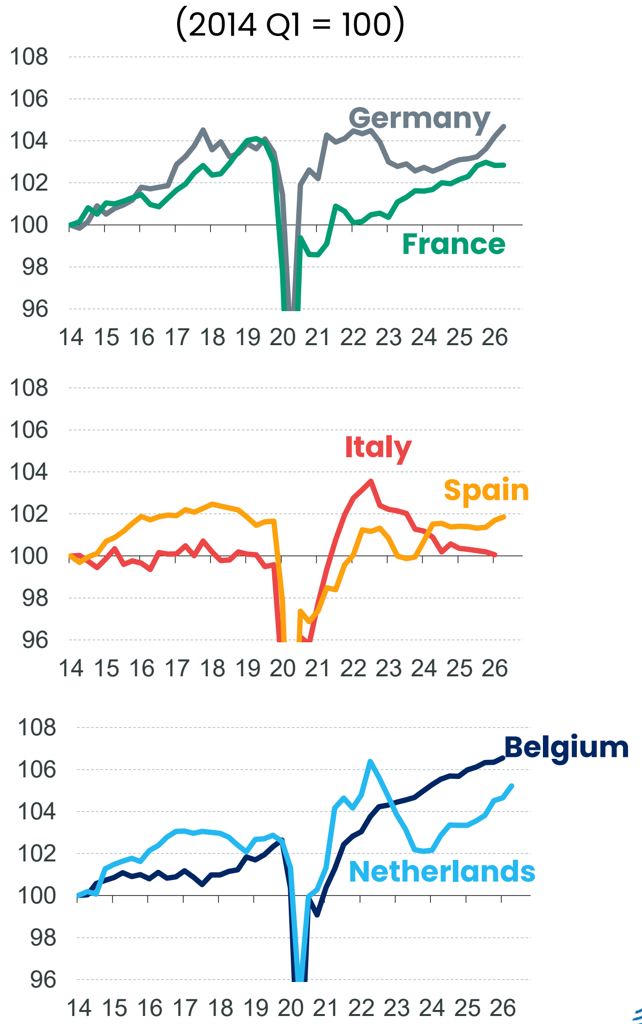
Investment per employee
(volume, in euros, 1€ = 1.13$)





GDP per employee



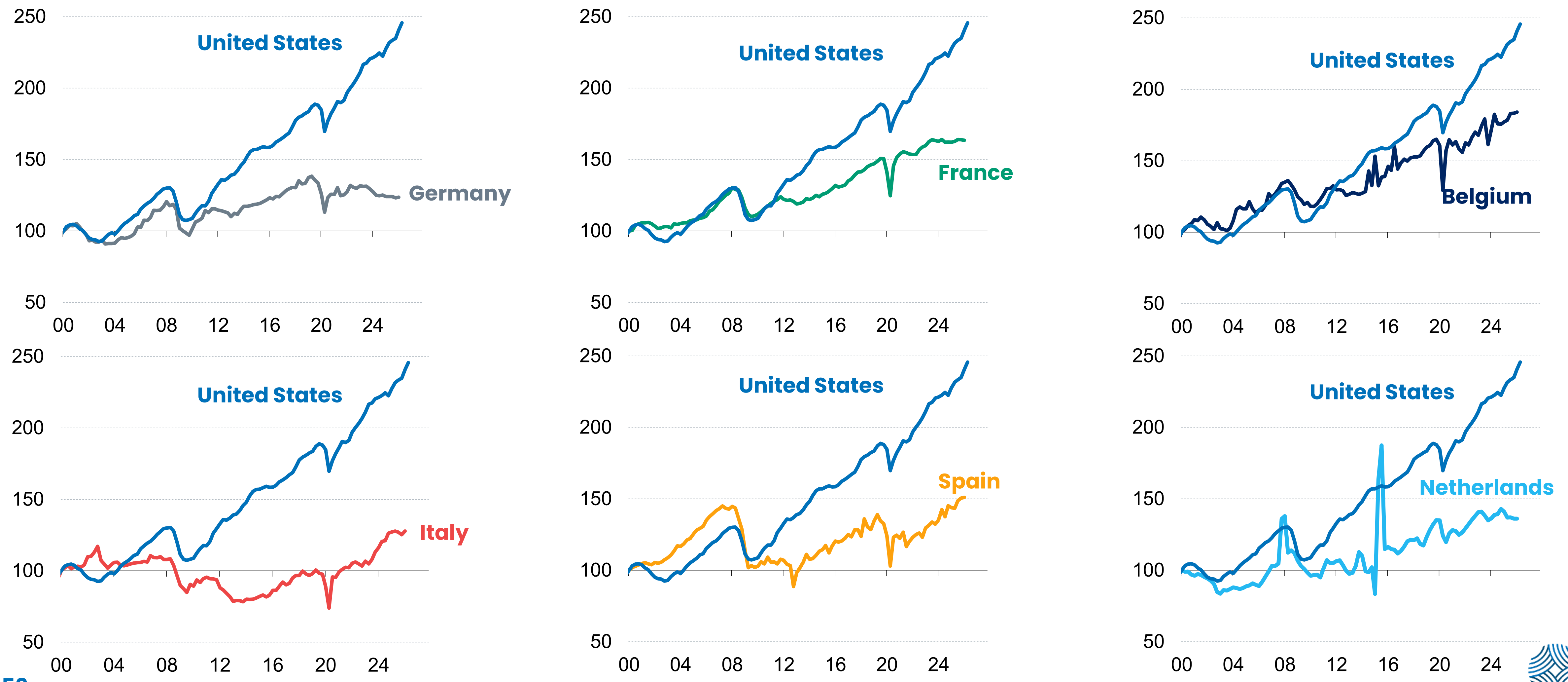


(*) Germany, France, Italy and Spain

Sources: LSEG Datastream, Eurostat, Candriam SEPTEMBER 2026

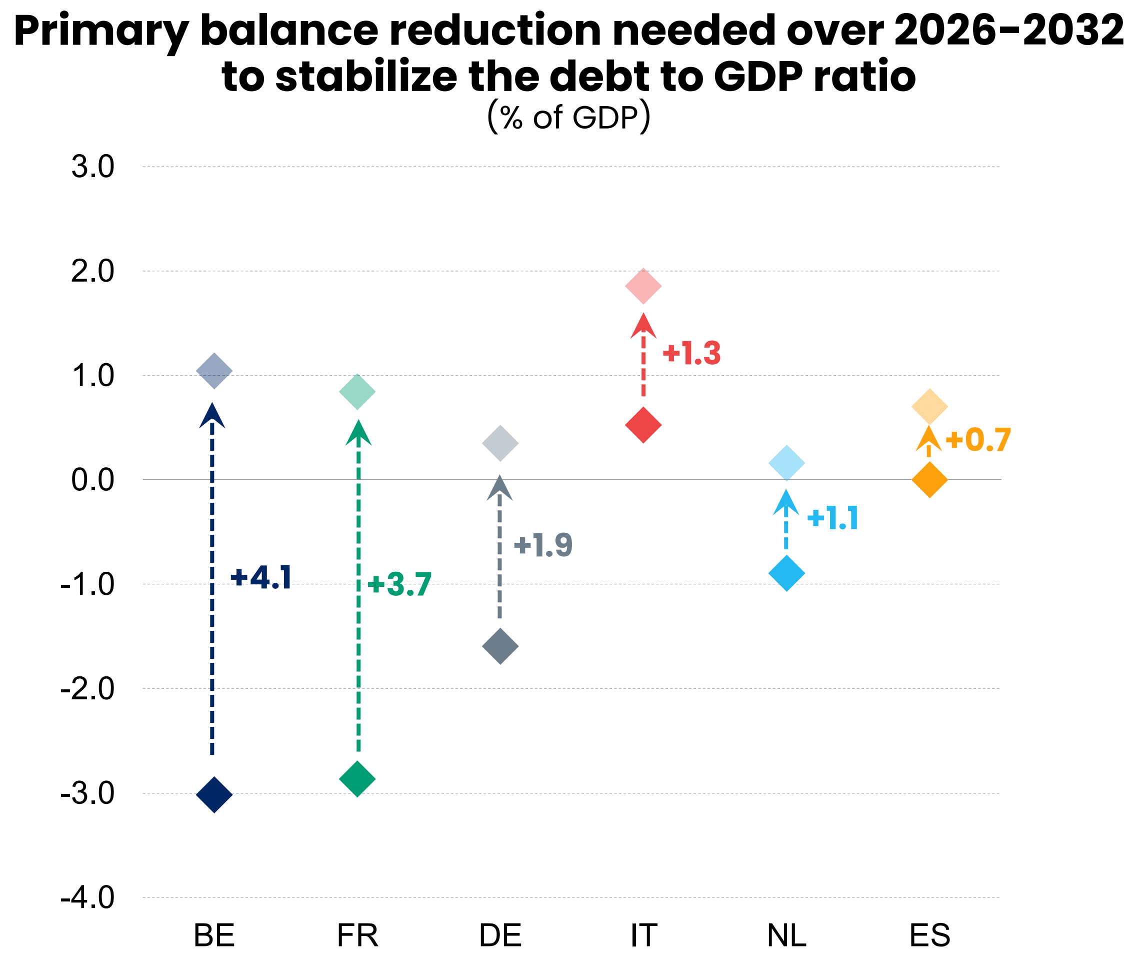
Since 2010, persistent underinvestment across the euro area…

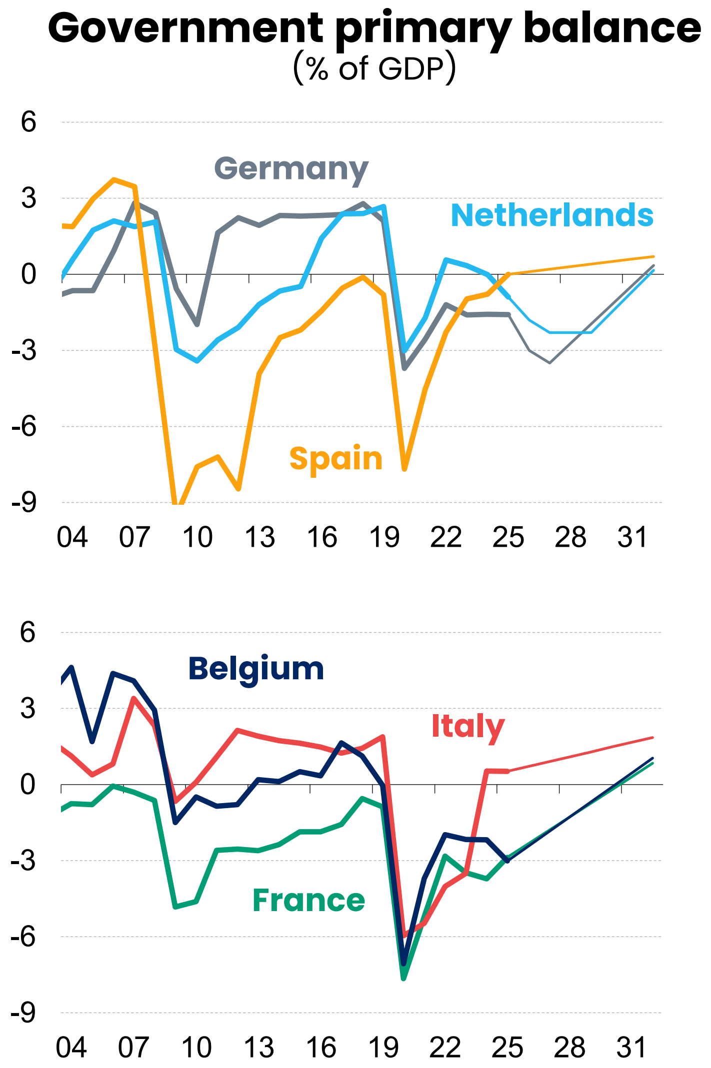
Business investment
(Q1 2000 = 100, volume)



Sources: LSEG Datastream, Eurostat, Candriam SEPTEMBER 2026

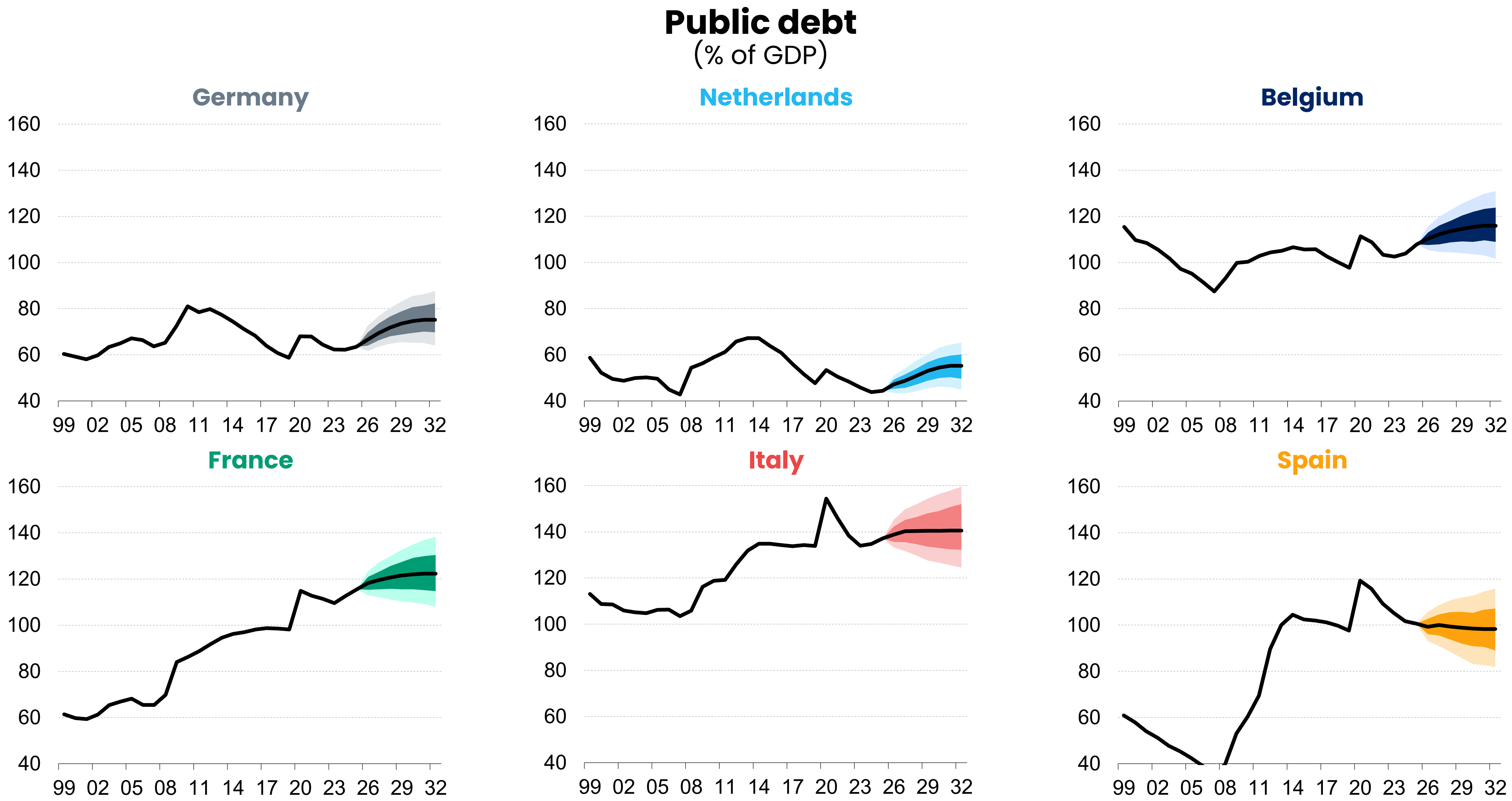
For some countries, stabilizing public debt to GDP ratios requires a significant effort





Sources: LSEG Datastream, Candriam SEPTEMBER 2026

Memo. Public debt trajectories



Sources: LSEG Datastream, Candriam SEPTEMBER 2026

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