CareEdge

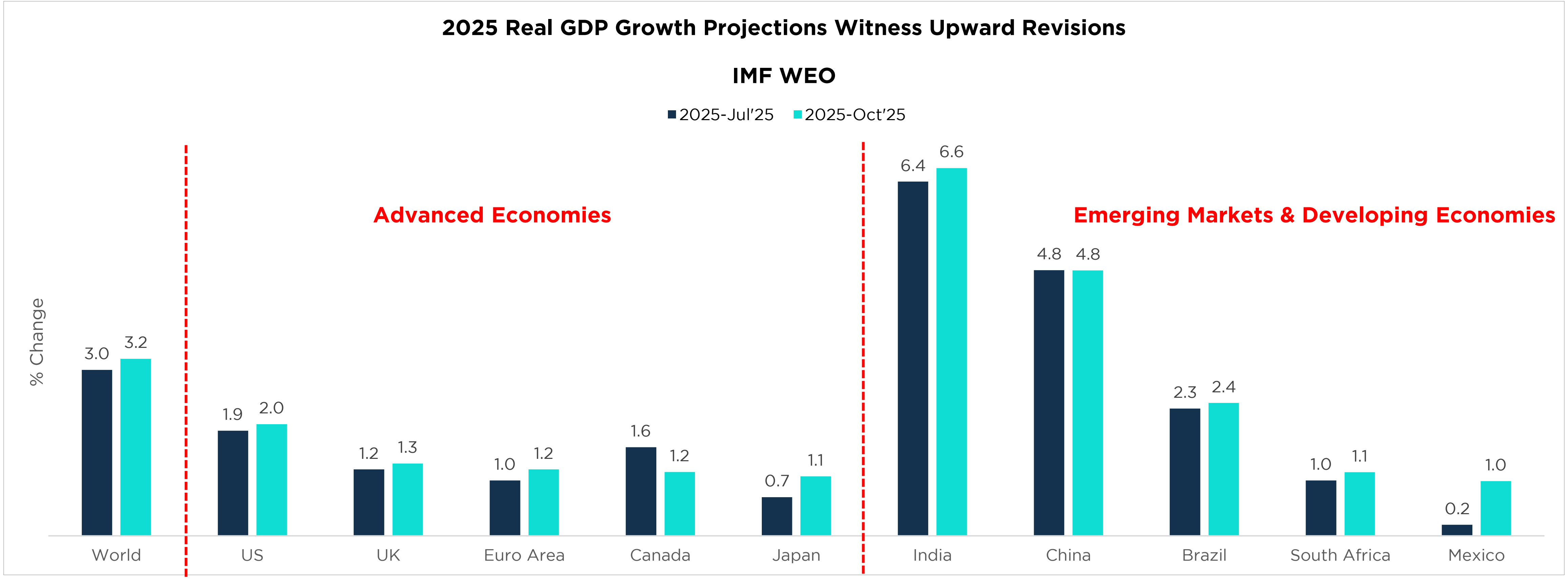
Global Economy Update

November 2025

List of Content

International Landscape

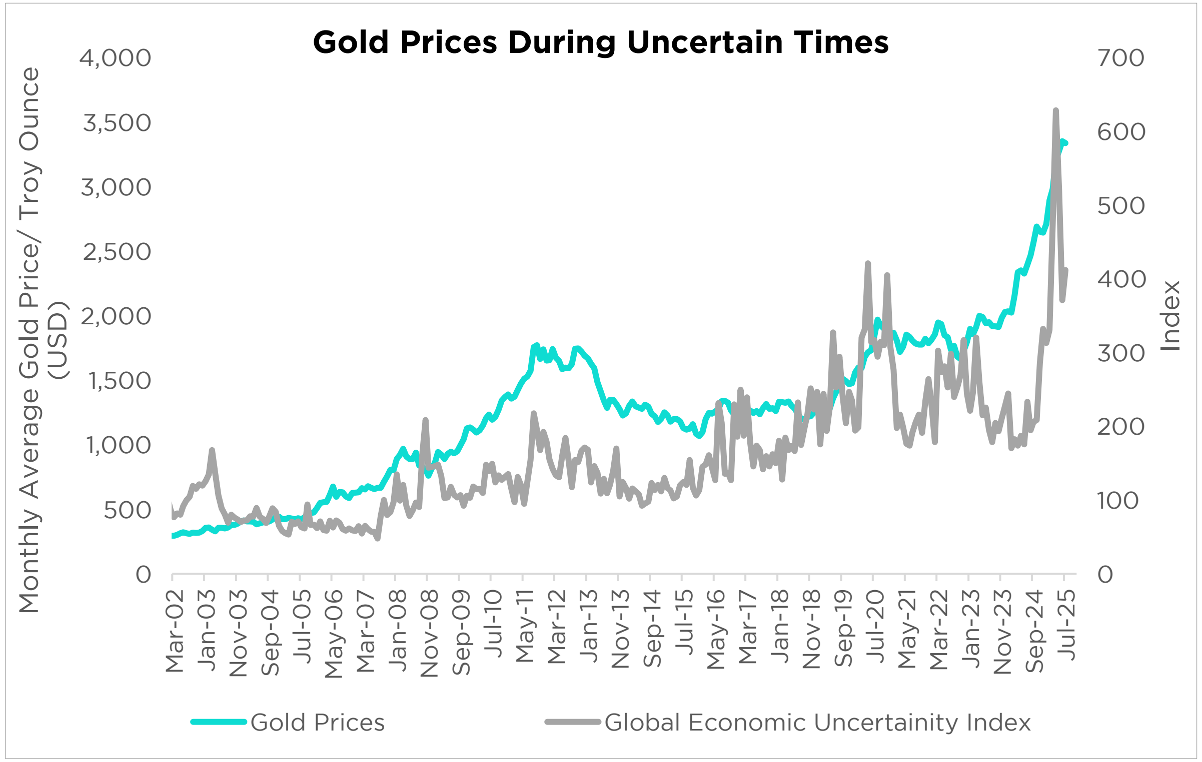
Modest Upward Revision in 2025 Growth Forecasts



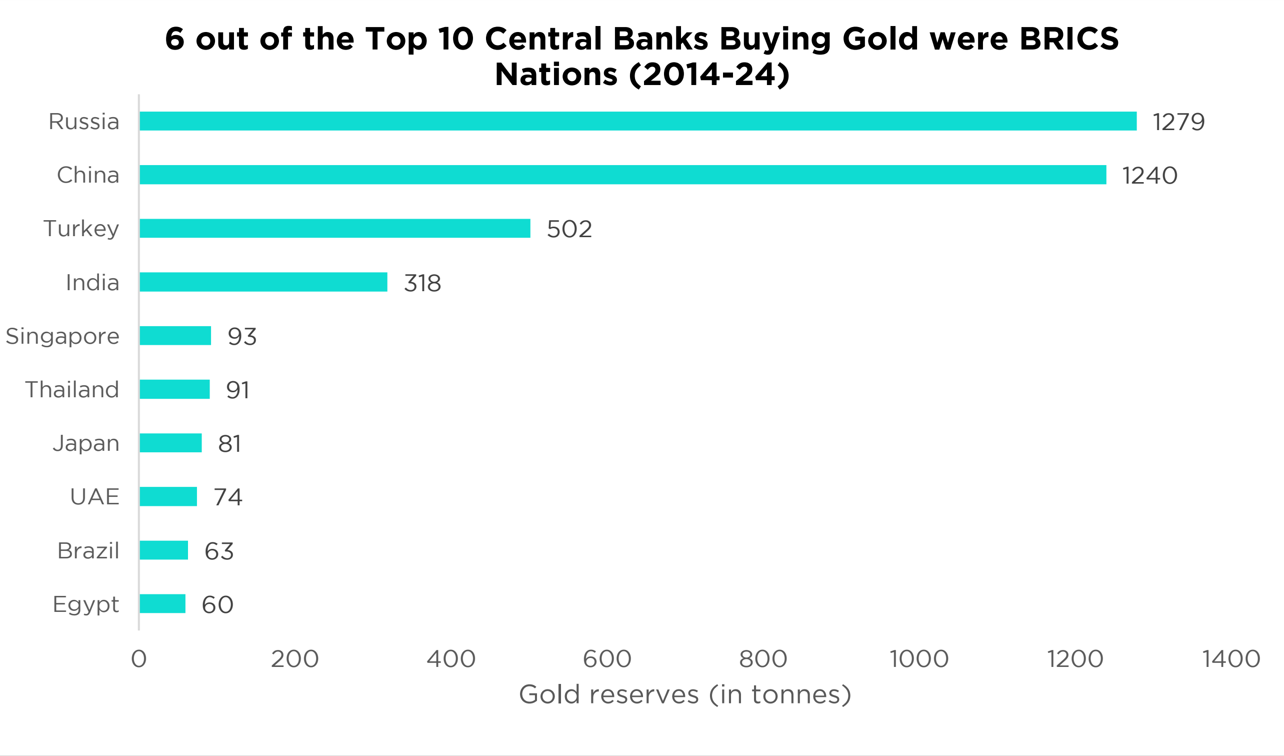
Source: IMF, WEO CGIL; Note: For India, data is presented on a fiscal year basis

- The global economy is slowly adapting to new policy changes.
- While recent deals eased some tariff extremes, temporary growth drivers in early 2025, like front-loading, are fading.
- Downside risks persist, stemming from protectionism, policy uncertainty, labor market shocks, and fiscal or financial vulnerabilities.

The Modern-Day Gold Rush



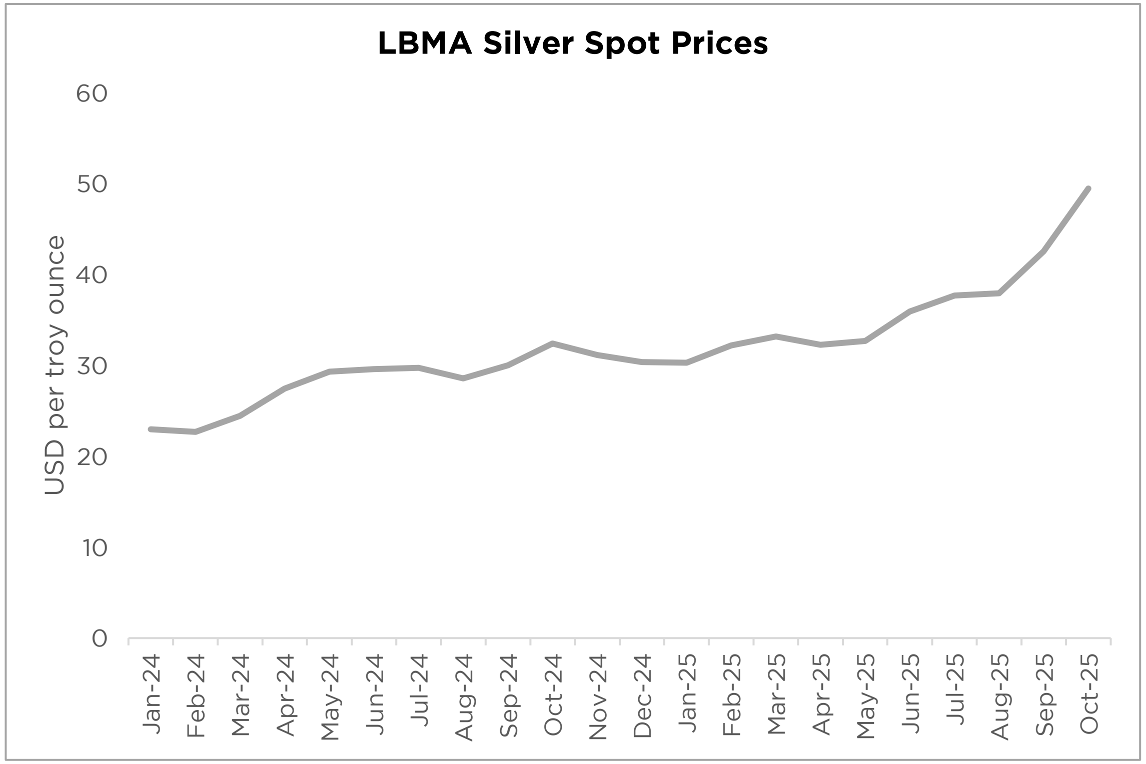
Source: World Gold Council, FRED



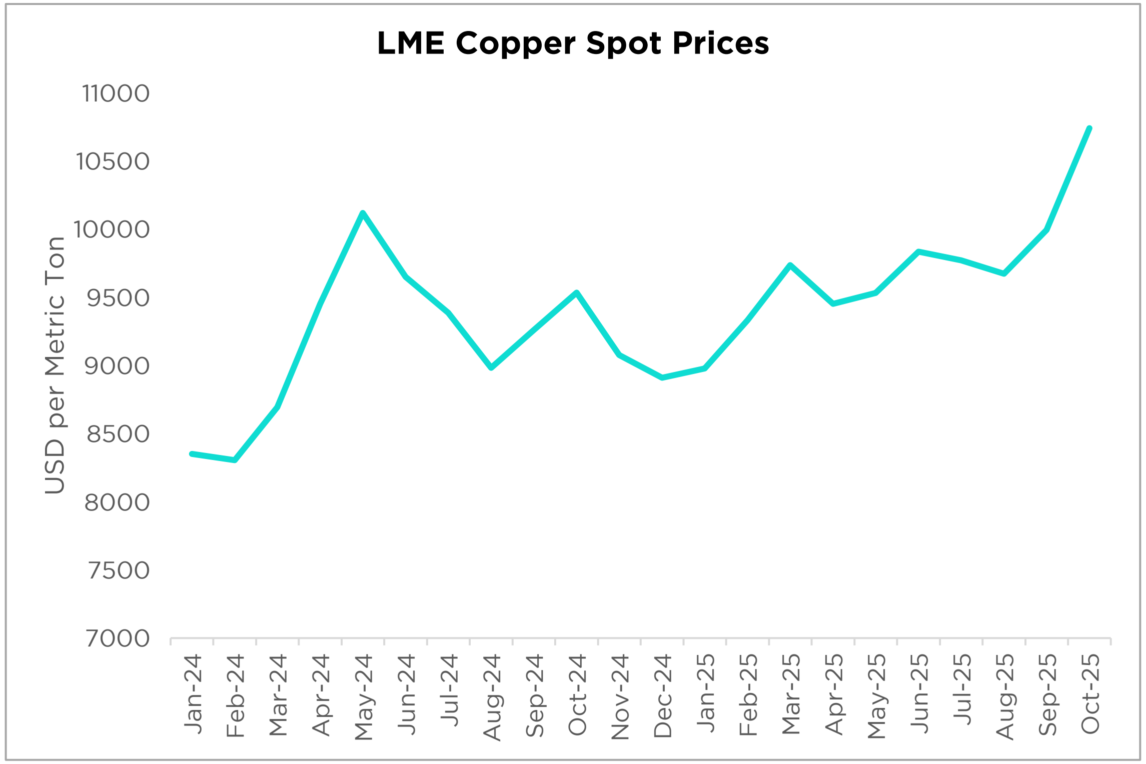
Source: World Gold Council, CGIL

- Gold prices averaged USD 3,665 per ounce in September 2025, nearly doubling from 2023 levels, before hitting a record high of USD 4,000 in October.
- The yellow metal has always acted as both a financial safeguard and a strategic hedge against geopolitical and economic shocks.
- Since 2022, Emerging Market Central Banks have accelerated gold purchases to diversify their reserves and reduce reliance on the U.S. dollar.
- The freezing of Russian financial assets following the Ukraine invasion served as a stark reminder of the political risks associated with holding assets in foreign currencies, prompting a strategic shift toward gold as a safer store of value.
- For a detailed report, refer to - When Gold Speaks, Nations Listen: The Shifting Sovereign Order

Not Just Gold: Silver and Copper too Join the Rally



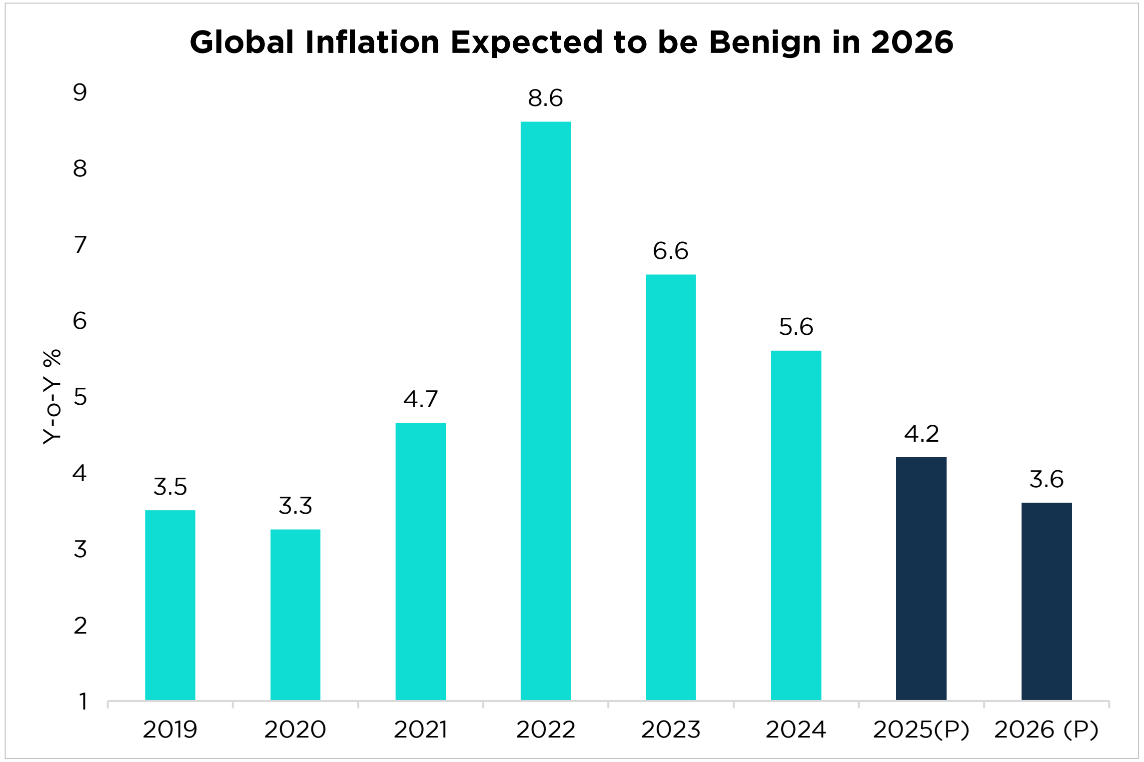
Source: Refinitiv, CGIL



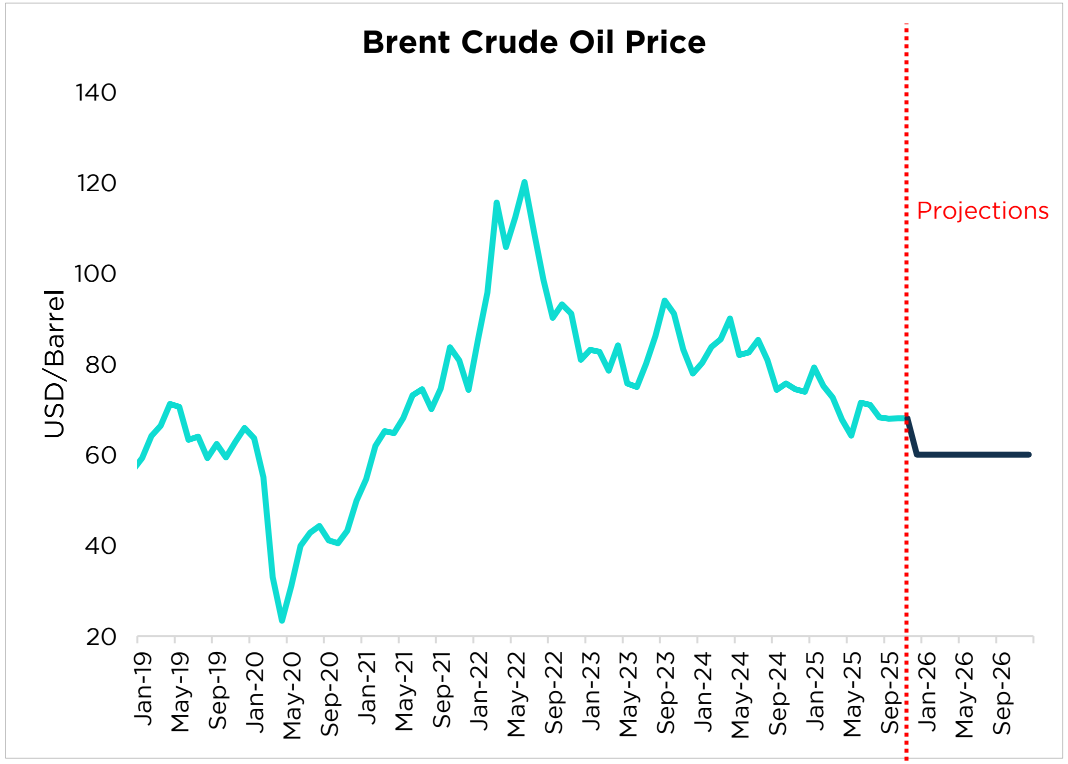
Source: Refinitiv, CGIL

- Silver prices are surging due to strong industrial demand from clean energy and electronics, persistent supply deficits, and rising investment inflows, all amplified by a weaker US dollar.
- Copper prices have surged on the back of global supply shortages and robust demand from EV and clean energy sectors.

Low Oil Prices to Support Benign Global Inflation



Sources: CEIC, IMF WEO October 2025: (P = IMF Projections)

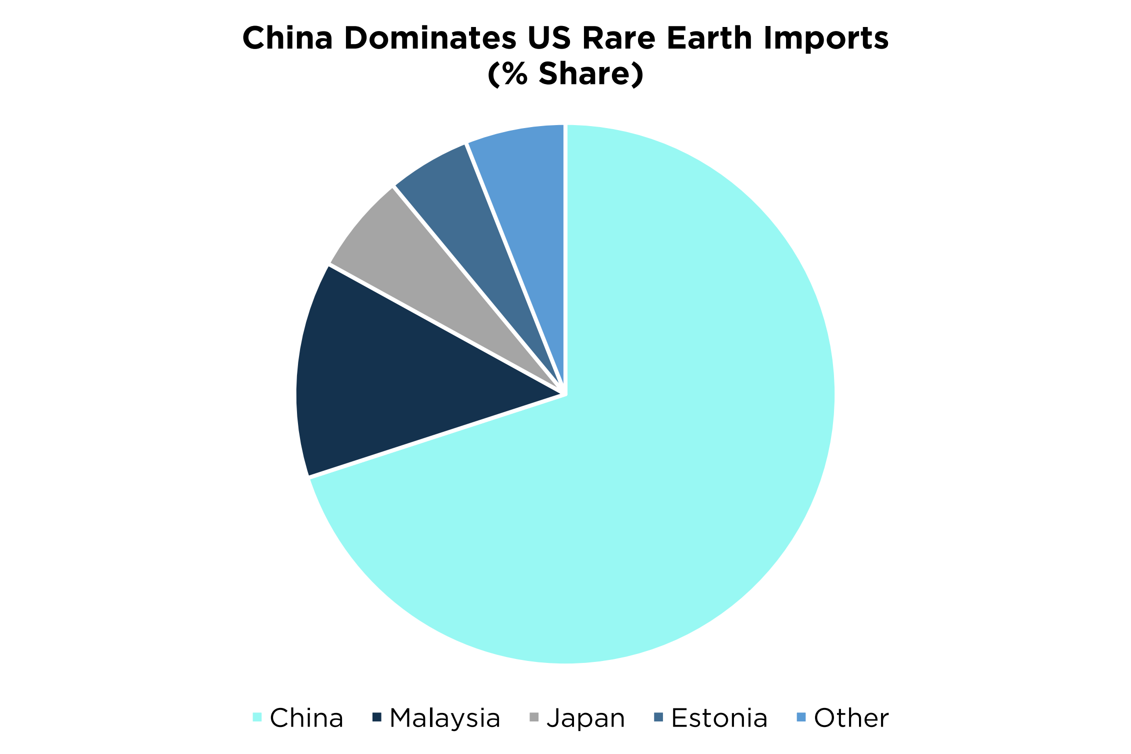


Sources: World Bank

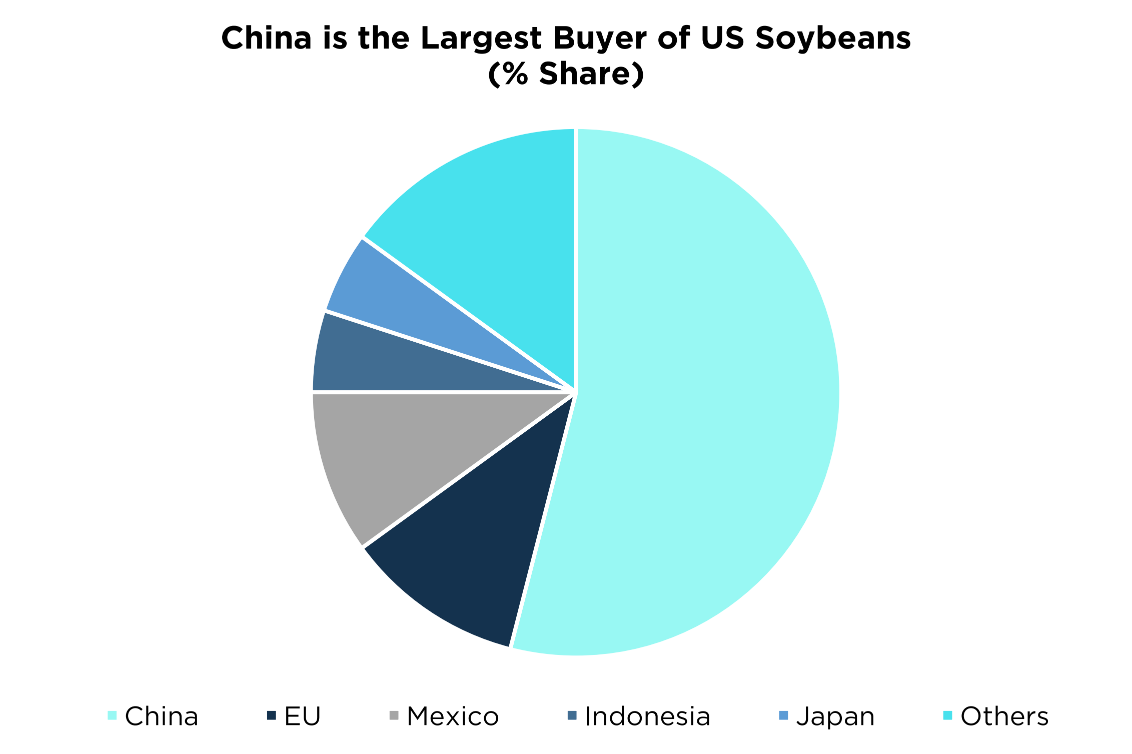
- The production increase by OPEC+ since the start of 2025, coupled with global trade tensions, has led to lower demand and a surplus in supply of crude oil.
- Given oil's pivotal role in shaping global inflation—accounting for approximately 38% of global inflation variation—lower oil prices are expected to keep inflationary pressures contained.

Asia Pacific

China: Reaches Deal with the US to Ease Trade Tensions



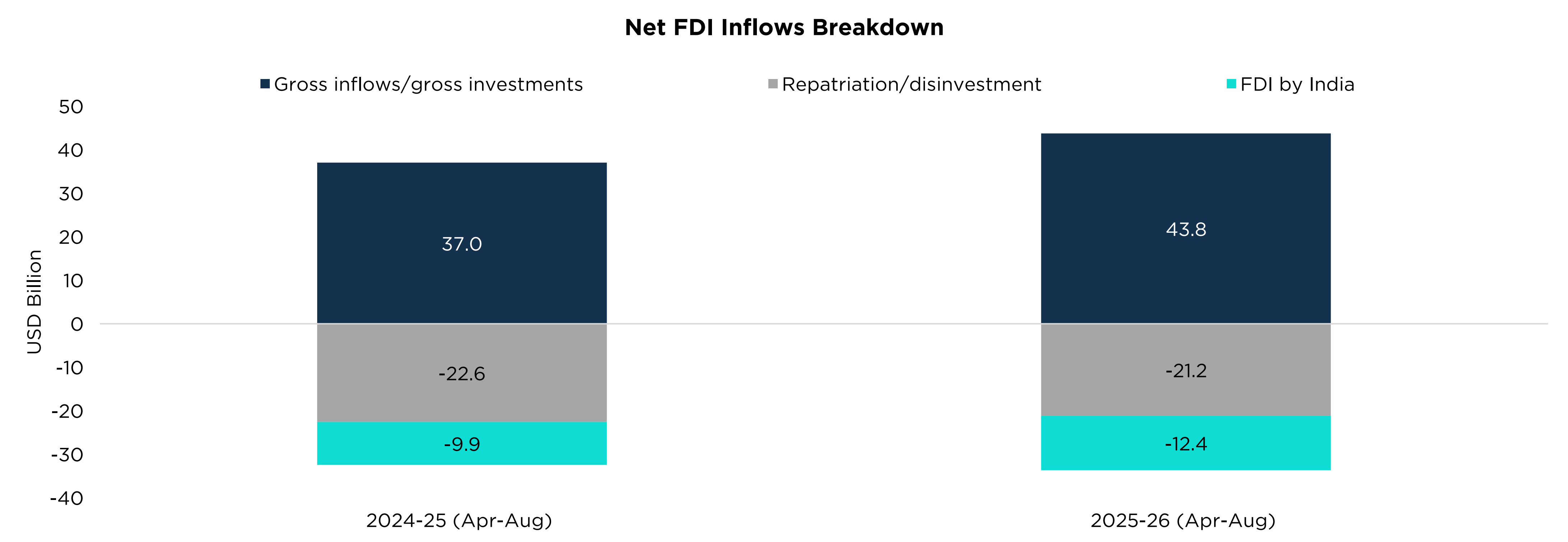
Sources: US Geological Survey, CGIL
Note: Data for 2020-23



Sources: American Soybean Association, CGIL
Note: Data for MY 2023-24

- China supplies over two-thirds of US rare earth imports and accounts for about half of US soybean exports. It had tightened export controls on rare earths and curtailed US soybean purchases, likely using these measures as leverage in trade negotiations.
- Under the agreement reached with the US, fentanyl-related tariffs on China will be reduced to 10% from 20%, narrowing the tariff gap with other Asian economies.
- China's commitments under the agreement include eliminating existing and proposed export controls on rare earth elements and critical minerals, and opening its market to US soybeans.

India: Net FDI Inflows Pick Up

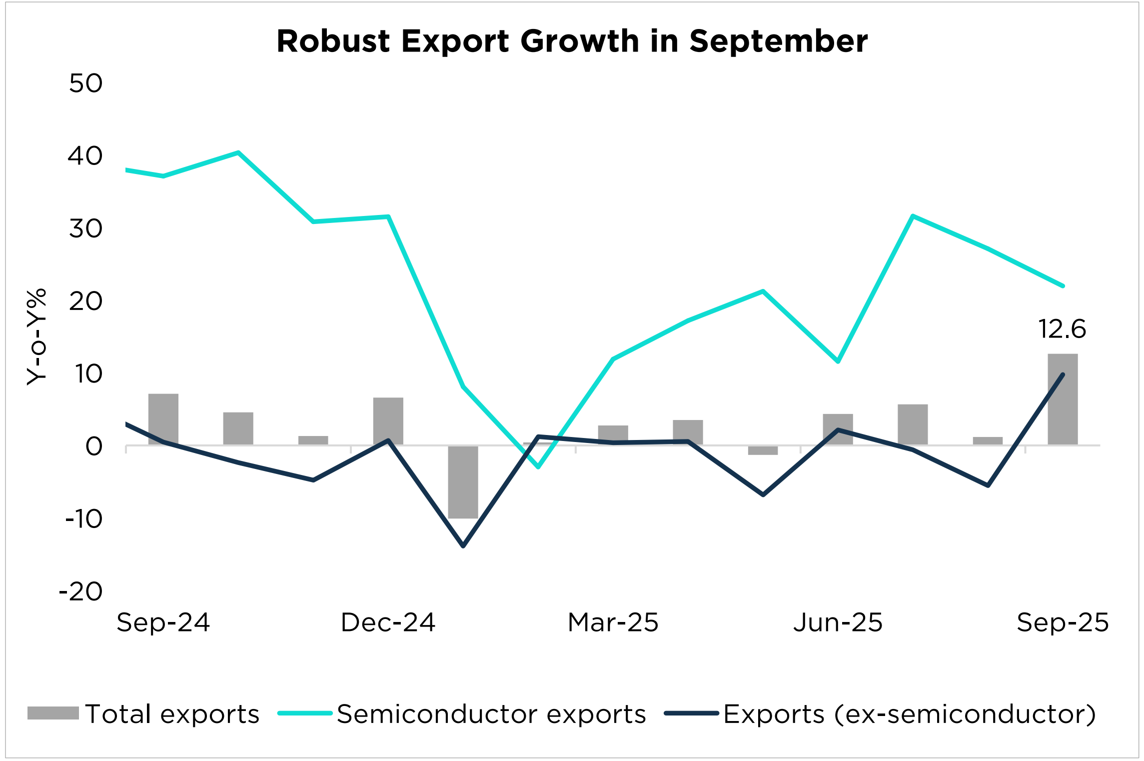


Source: CMIE

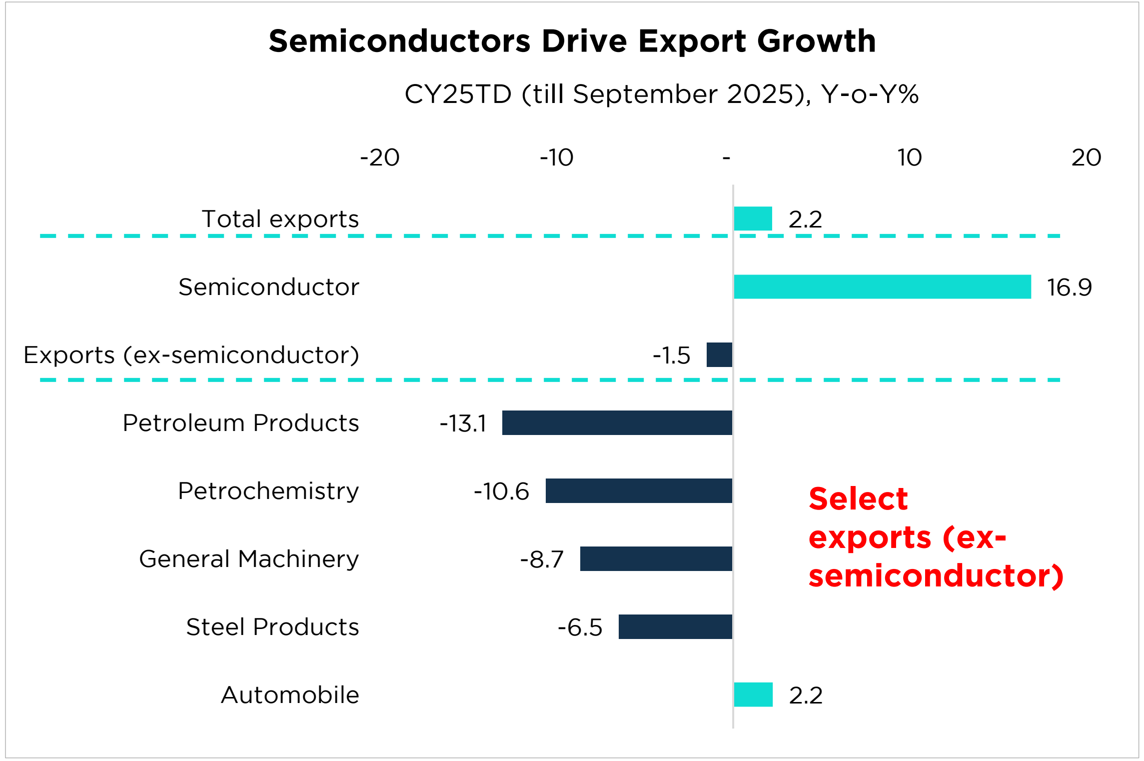
- Net FDI inflows (Gross inflows/gross investments - Repatriation/disinvestment - FDI by India) rose to USD 10.1 billion in 2026 FYTD (Apr–Aug), up from USD 4.6 billion in the corresponding period of FY25, driven by higher gross inflows (growth of 18% YoY in FYTD).

- We expect net FDI inflows to remain muted in FY26.

Korea: Semiconductor Exports Mask Weaknesses in Other Major Exports



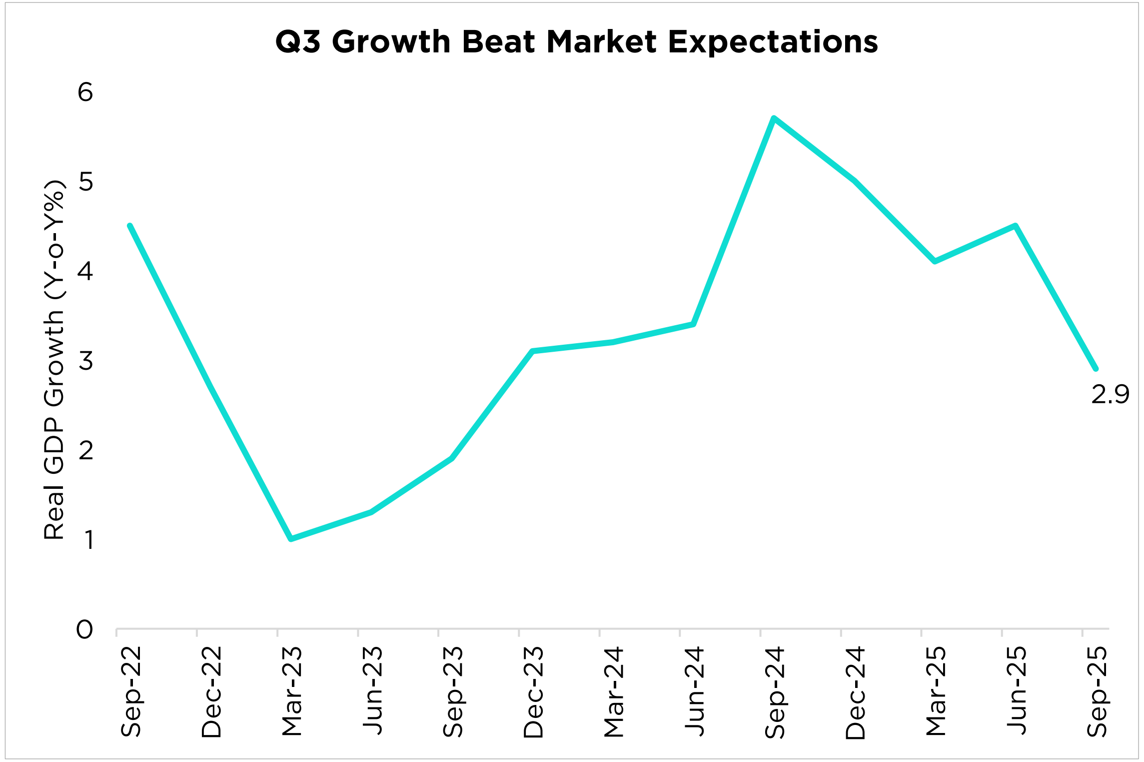
Sources: CEIC, Ministry of Trade, Industry & Energy, Korea Customs Service, CGIL



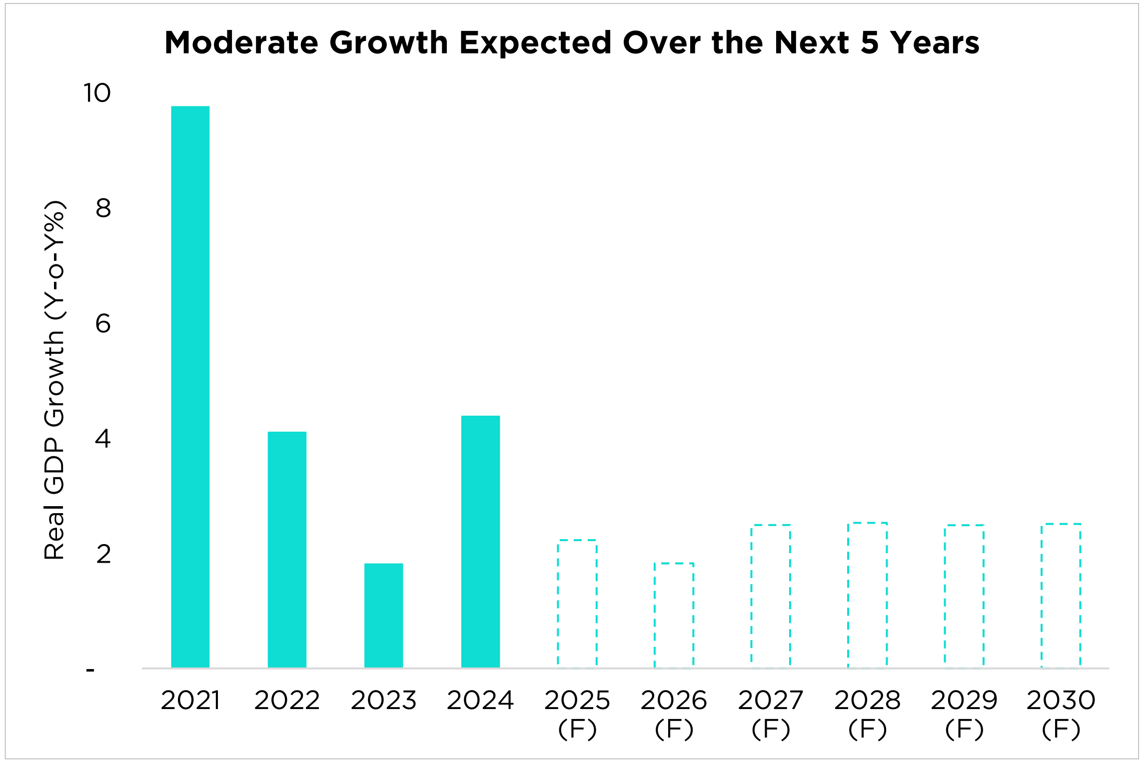
Sources: CEIC, Ministry of Trade, Industry & Energy, Korea Customs Service, CGIL

- Korea's total exports rose 12.6% Y-o-Y in September 2025, the strongest growth since July 2024.
- On a year-to-date basis (till September 2025), total exports grew 2.2% Y-o-Y, led by semiconductors (+16.9%) amidst AI-related demand.
- Excluding semiconductors, exports fell 1.5% YTD, with products such as petroleum, general machinery and steel declining, while automobile exports grew 2.2%.

Singapore: Better-than-Expected Growth in Q3 2025



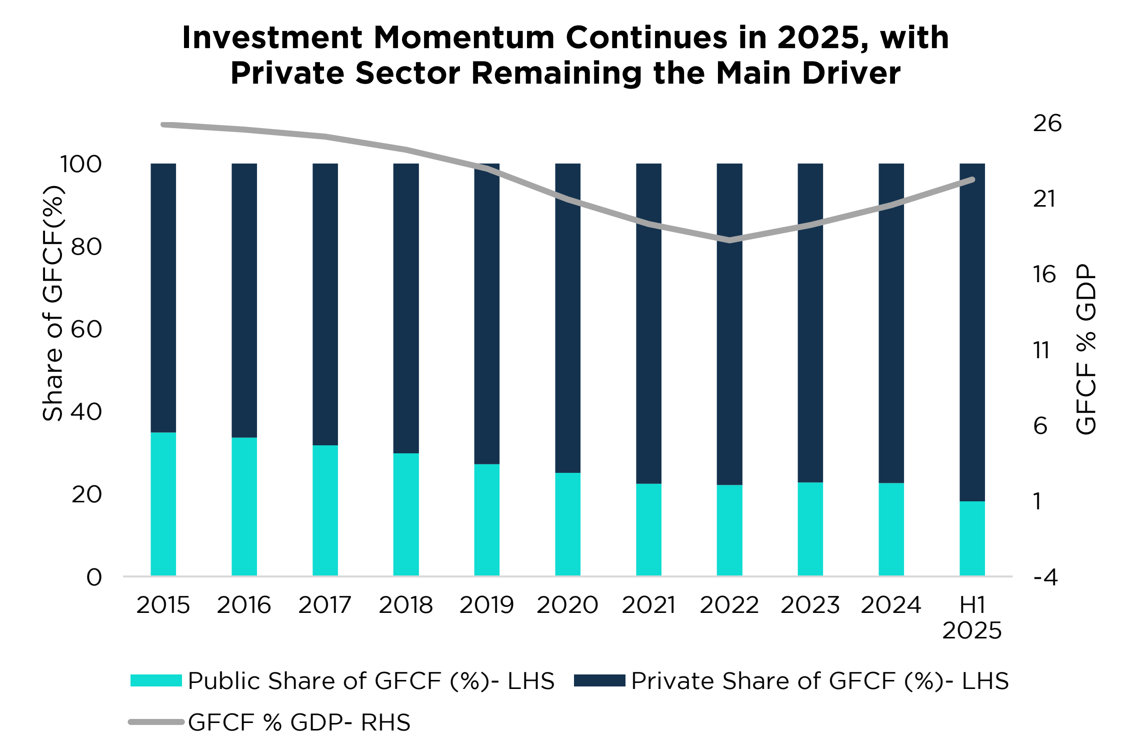
Sources: CEIC, Singapore Department of Statistics, CGIL



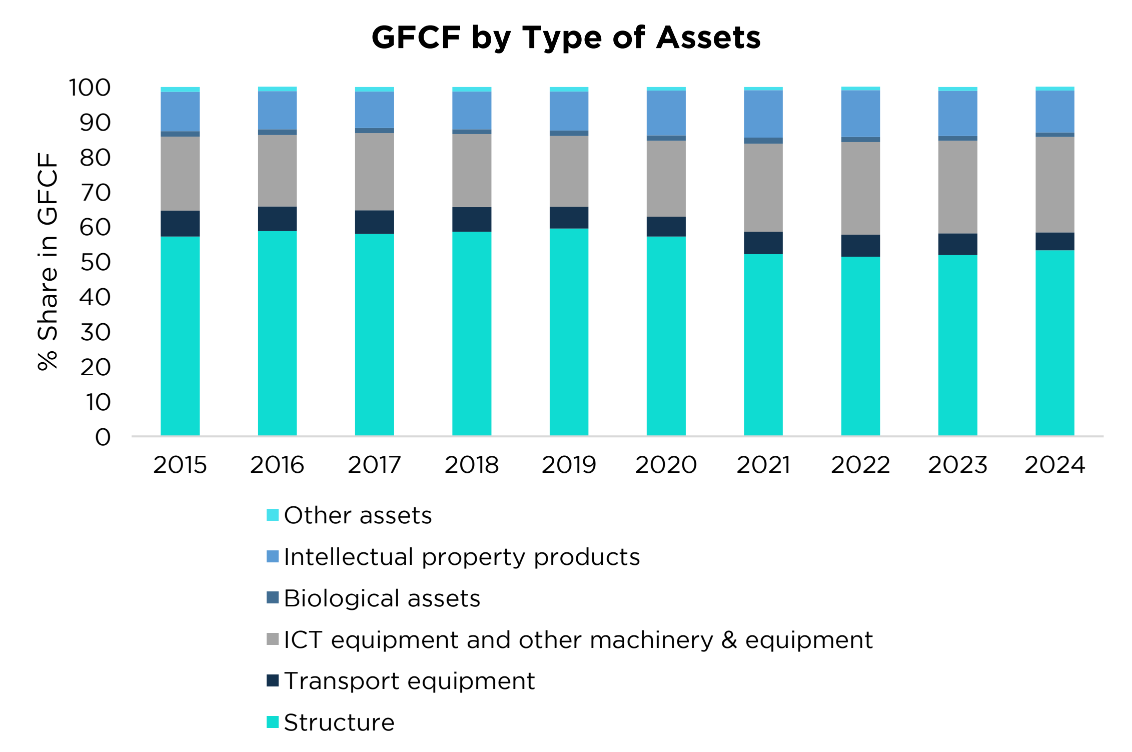
Sources: CEIC, IMF, CGIL
Note: F=Forecast

- Singapore's economy expanded by 2.9% in Q3, outperforming market expectations of 2%, though it marked the slowest expansion in two years due to stagnant manufacturing activity.
- Singapore's average annual growth over the next 5 years (2025-29) is expected to be 2.3% as per the IMF's October projections.

Malaysia: Sustained Rise in Investment Activity Led by Private Sector



Sources: CEIC, Department of Statistics Malaysia

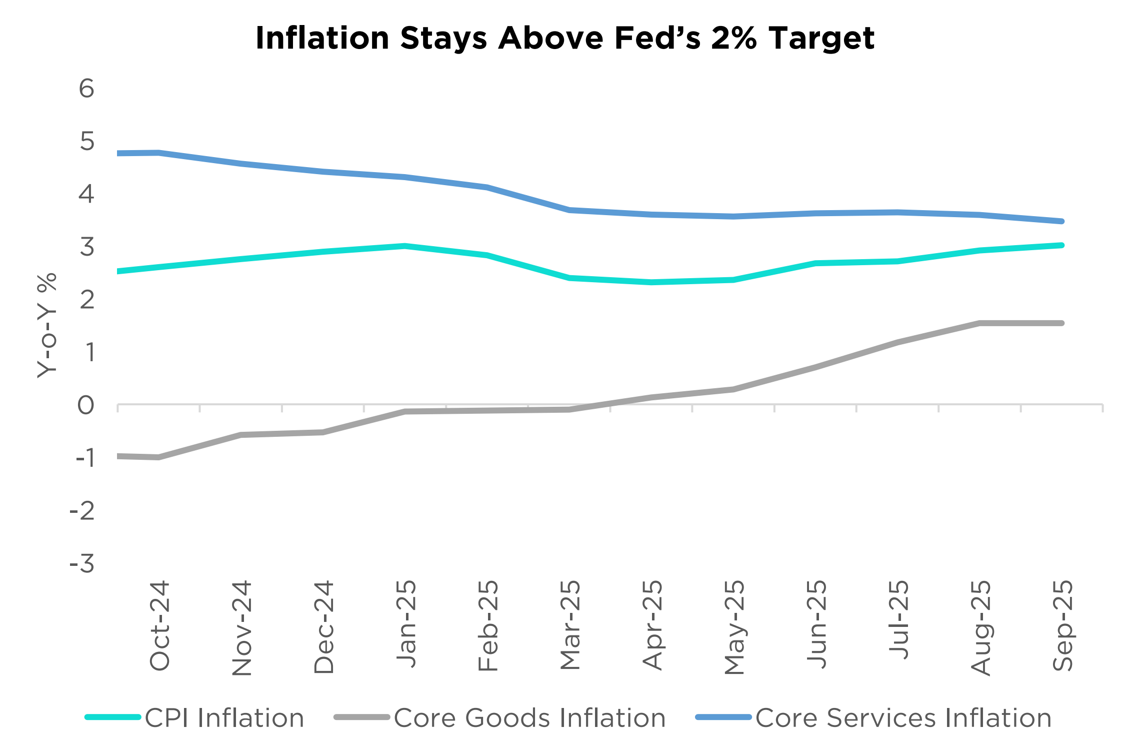


Sources: Department of Statistics Malaysia

- GFCF has been steadily rising, reaching 22.2% of GDP in H1 2025 (20.5% in 2024). The Economic Outlook 2026 projects it at 21.7% of GDP in 2025 and 22.3% in 2026, supported by stronger private capex momentum.
- Within the asset mix, investment in ICT equipment and machinery has increased in recent years. In contrast, the share of structures (construction and oil & gas investment) has declined slightly, indicating a gradual shift toward more technology-driven capital formation.

The Americas

US: Limited Data During Shutdown Shows Inflation Pressures & Labor Weakness



Sources: CEIC, US Bureau of Labor Statistics, CGIL

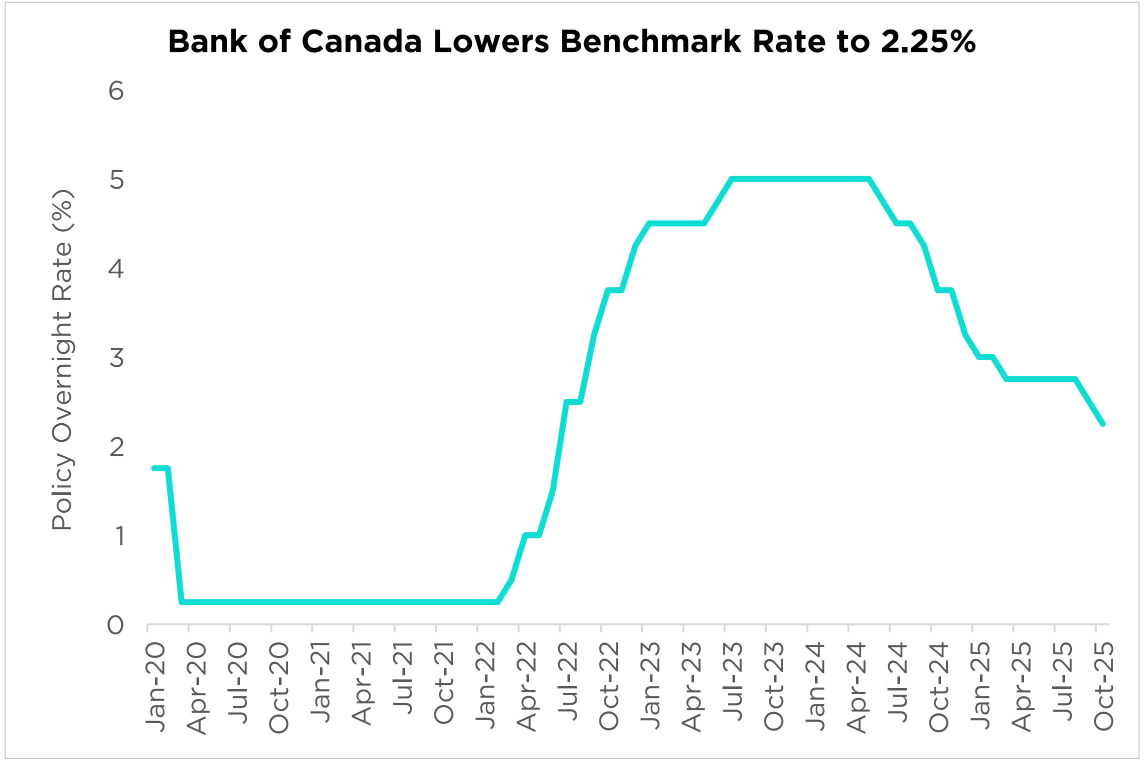
Labor Market Data Proxies Signal Underlying Weakness

	ADP Private Payrolls (Monthly Change, Person th)	ISM Manufacturing Employment (Index)	ISM Services Employment (Index)
Sep-24	194.0	44.6	48.2
Oct-24	221.0	44.8	52.2
Nov-24	204.0	48.1	50.9
Dec-24	176.0	45.4	51.3
Jan-25	186.0	50.3	52.3
Feb-25	84.0	47.6	53.9
Mar-25	147.0	44.7	46.2
Apr-25	60.0	46.5	49.0
May-25	29.0	46.8	50.7
Jun-25	-23.0	45.0	47.2
Jul-25	104.0	43.4	46.4
Aug-25	-3.0	43.8	46.5
Sep-25	-32.0	45.3	47.2

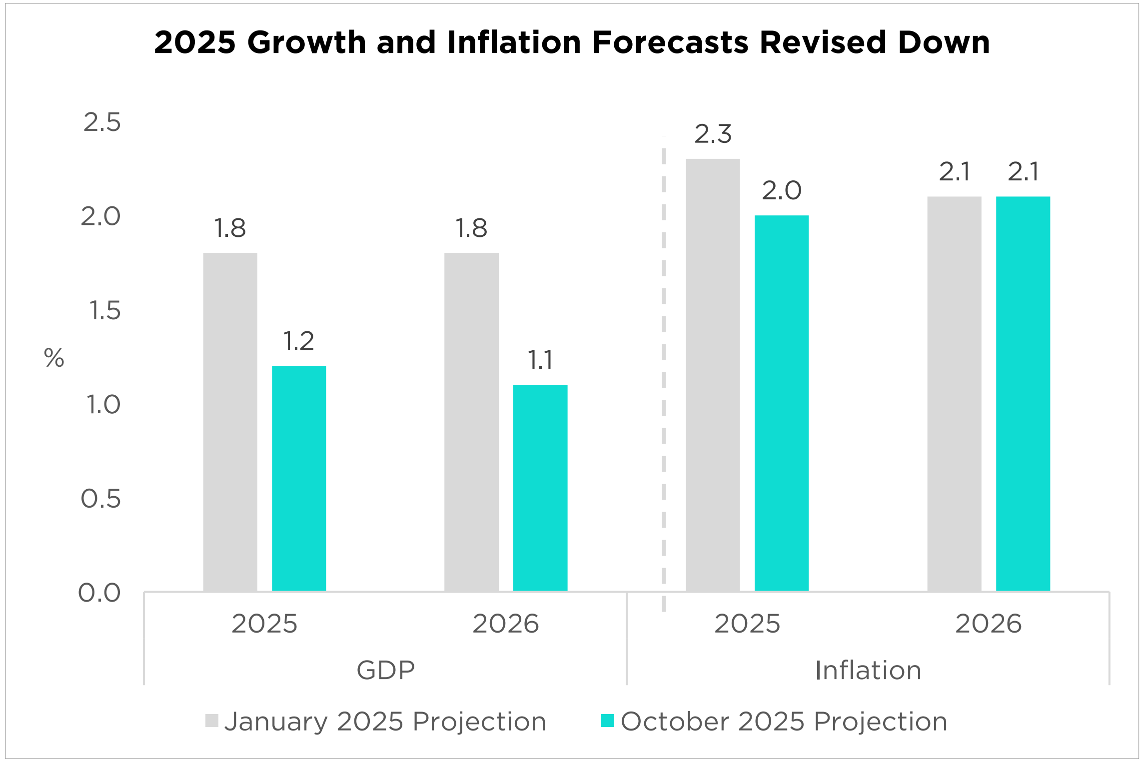
Sources: CEIC, Automatic Data Processing Inc., Institute for Supply Management, CGIL

- CPI inflation rose to 3% in September 2025 from 2.3% in April. Goods inflation has been firming, while services inflation has been easing.
- With federal data unavailable due to the government shutdown, proxy indicators suggest continued labor market weakness. For instance, ADP private payrolls fell in September, while ISM employment indices remained in the contraction zone (below 50).
- The Fed cut its policy rate by 25 bps in October, noting labor market risks, and announced it would end the reduction of its asset purchases on December 1. Markets are expecting another rate cut in December.

Canada: BoC Cuts Rate, Hints at Pause



Sources: CEIC, Bank of Canada, CGIL



Sources: Bank of Canada, CGIL

- Bank of Canada (BoC) cut its policy rate by 25 bps in October and indicated a likely pause in its easing cycle if its latest economic projections hold.
- The Central Bank revised its 2025–26 GDP growth forecasts lower, citing weaker prospects amidst the US trade conflict.
- US-Canada tensions have recently escalated after President Trump suspended negotiations over Ontario's anti-tariff advertisement.

Peru: President Boluarte Impeached, Jose Jeri Succeeds Her

President	Tenure in Office	Reason of Demitting Office
Jose Jeri	Oct 2025 – Jul 2026	Elections called in April 2026 and end of his tenure in July 26
Dina Boluarte	Dec 2022 – Oct 2025	Impeached by Congress
Pedro Castillo	Jul 2021 – Dec 2022	Impeached by Congress

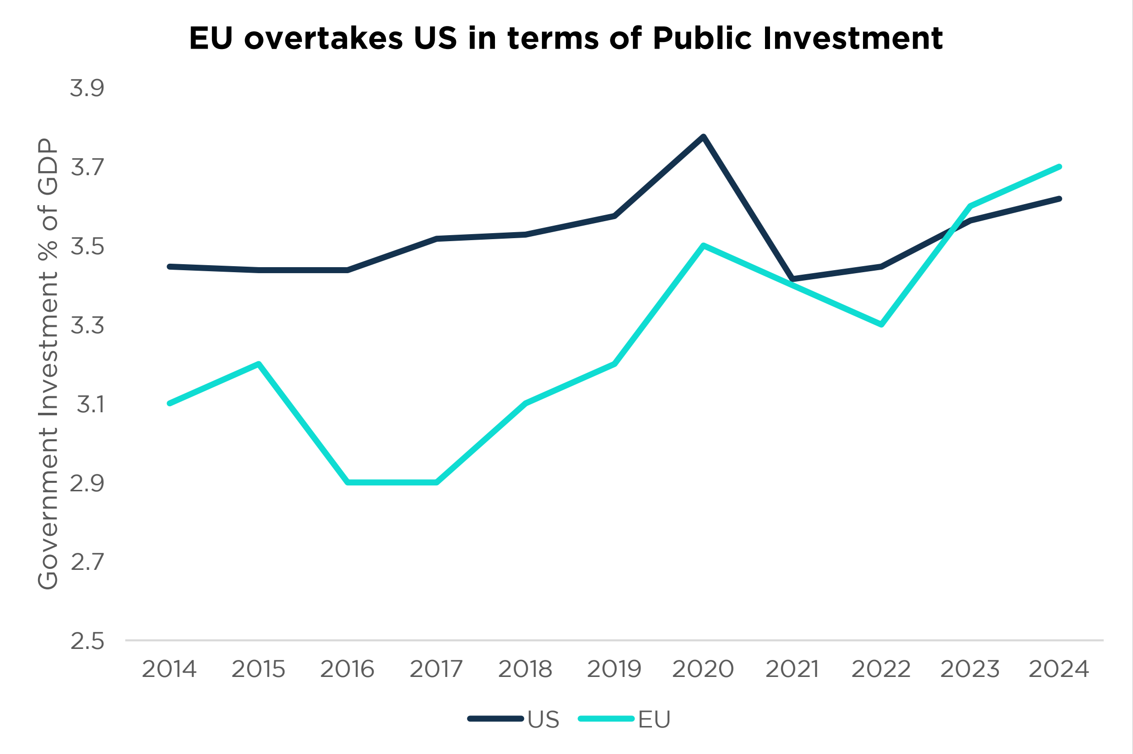
Economic Indicators	2024	2025(Projections)
Nominal GDP (USD Billion)	289	303
Real GDP Growth (%)	3.3%	2.8%
CPI Inflation (%)	2.4%	1.7%
Fiscal Balance (% of GDP)	-3.6%	-2.5%
GG Gross Debt (% of GDP)	33%	34%

Source: IMF

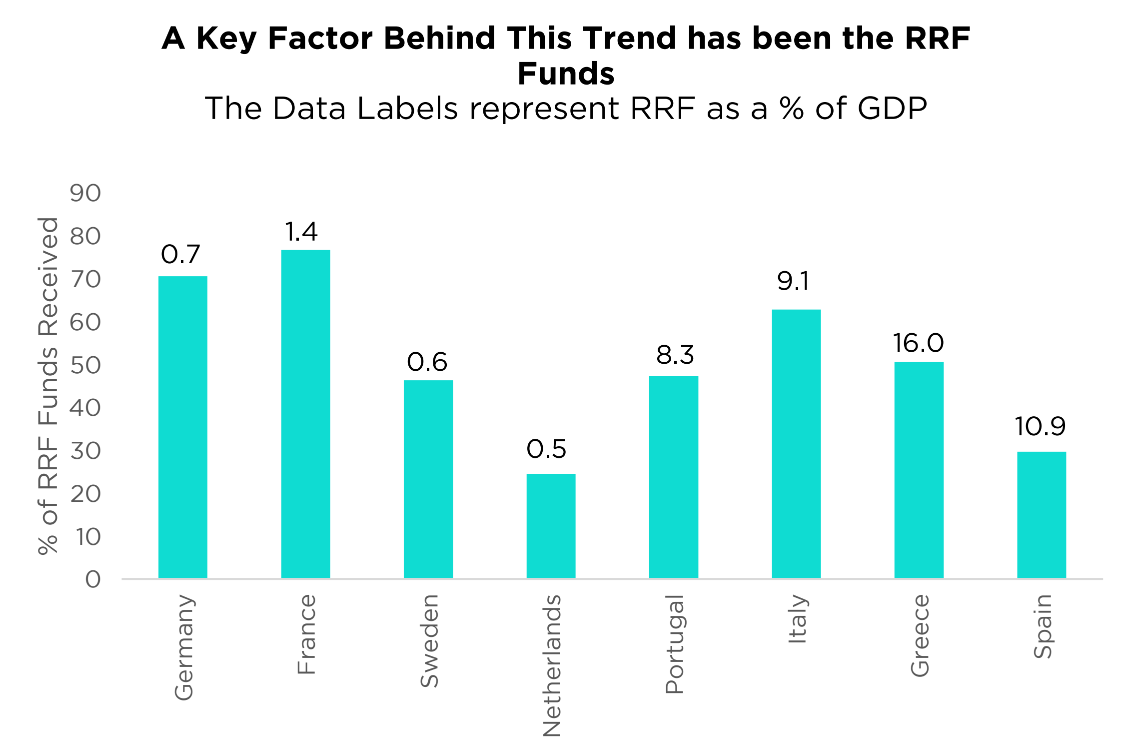
- Jose Jeri became President on 10 October 2025, after the impeachment of Dina Boluarte. Formerly the leader of the Peruvian Congress, his term will end on July 28, 2026, with general elections scheduled for April 12, 2026.
- **Seats up for election:** All 130 seats in the Congress. In this election, Peru will also hold elections for a new Senate with 60 seats.
- Peru has experienced political instability since 2016, which worsened in 2022 amid corruption scandals, ongoing congressional maneuvers that have undermined democratic institutions.

Europe

EU: Public Investment Revival Under RRF Funds



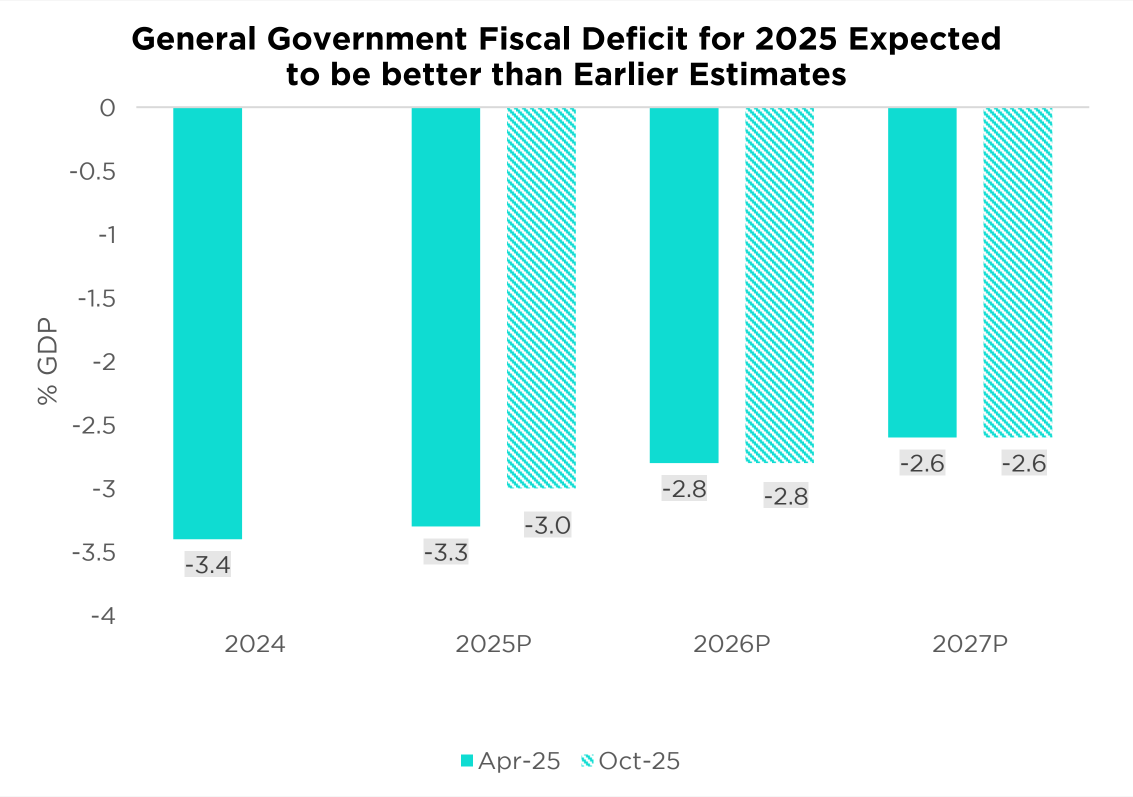
Source: EuroStat, FRED
Note : For EU, GFCF by the Government has been used as a proxy for Government Investment



Source: European Commission
Note: RRF Funds as % of GDP is based on 2023 data

- Public investment in the European Union has historically been lower, as government spending was largely directed toward social expenditures. However, post-covid there has been a notable shift in policy stance, leading to an increase in public investment to 3.7% of GDP—surpassing the U.S. level for the second consecutive year.
- A key driver behind this increase is the Recovery and Resilience Facility (RRF) funds, which provide an unprecedented EUR 650 billion in grants and loans to EU Member States to support infrastructure, green/digital transition and reforms.
- Among EU member states, Germany, France, Italy, Greece, and Portugal have the highest RRF disbursement rates, indicating significant progress in investment implementation.

Italy: 2025 Fiscal Deficit Revised Downwards



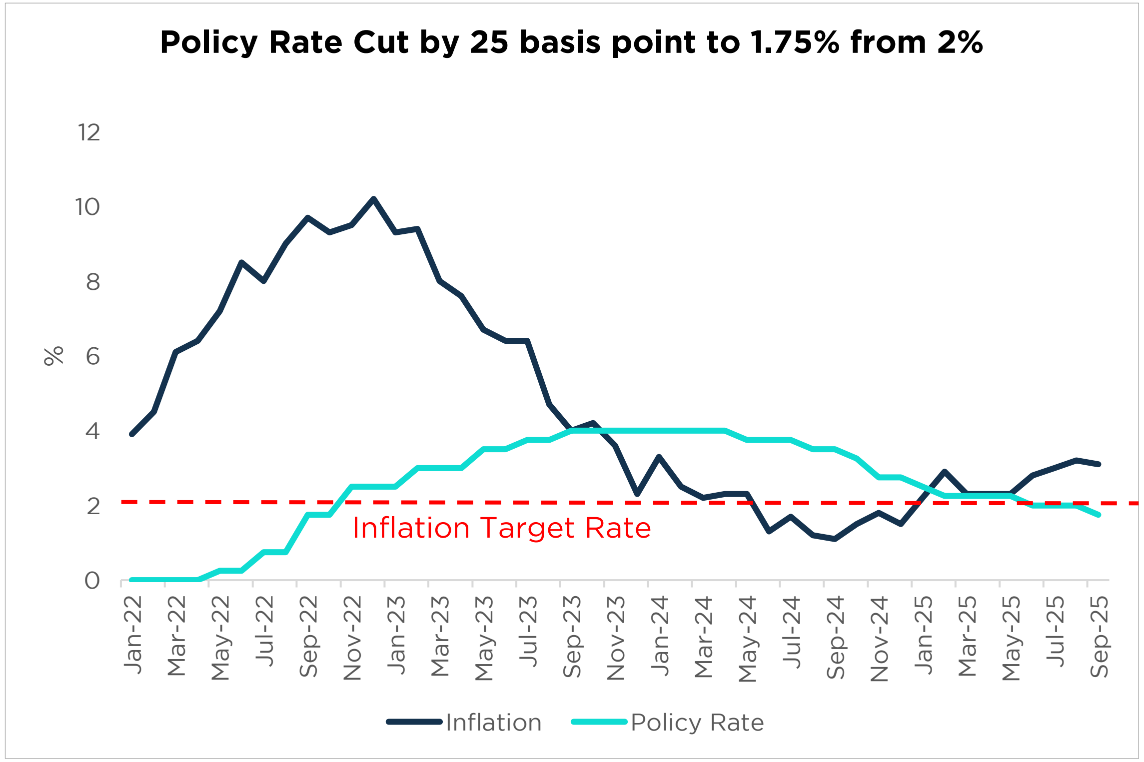
Source: Budget Reports, P=Projections

Key Measures Proposed in Draft Budget 2026	Notes
Income tax cuts	Intended to reduce the second bracket of the personal income tax rate from 35% → 33%. ~ EUR 3 billion in tax relief for the middle class
New financial-sector levy	Italy's regional tax banks and insurers to increase for 2026-28. Expected EUR 4.4 billion in extra revenue from banks & insurers in 2026
Short-term rental tax hike	Increase flat tax on "Airbnb-style" rentals from 21% → 26%, yielding ~EUR 102 million annually
Defence spending	Increase in annual defence spending by ~0.5% of GDP through to 2028
Ministerial spending cuts & efficiency	~ EUR 8 billion of cuts over 2026-28

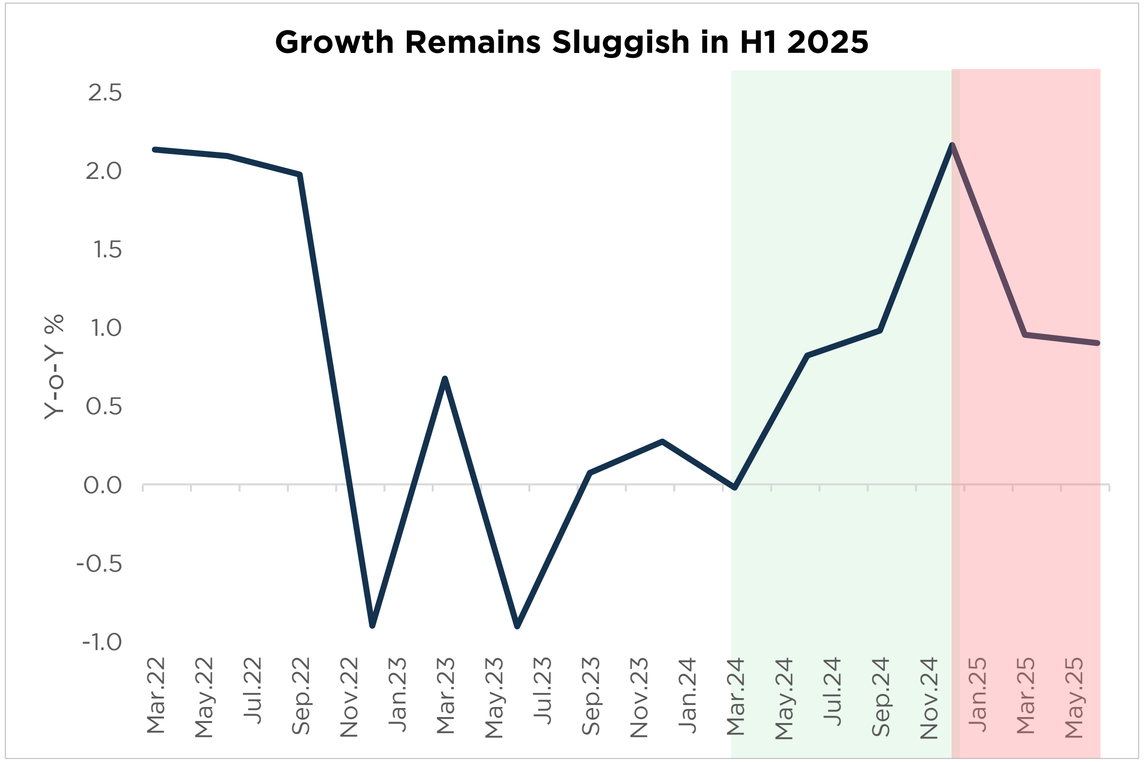
Source: Budget Reports

- The Italian cabinet has approved the draft 2026 budget bill, which will now be sent to the European Commission for approval.
- Fiscal deficit for 2025 is now expected to be at 3% of GDP versus 3.3% estimated earlier. For 2026, fiscal deficit is expected to fall below 3%, allowing the country to exit the EU's excessive deficit procedure.
- Draft budget also proposes other measures like cutting personal income tax rates or adding levies on the banking sector with the aim of balancing economic growth and fiscal consolidation.

Sweden: Riksbank Cut Policy Rate to Support Sluggish Growth



Source: Riksbank, CEIC, CGIL

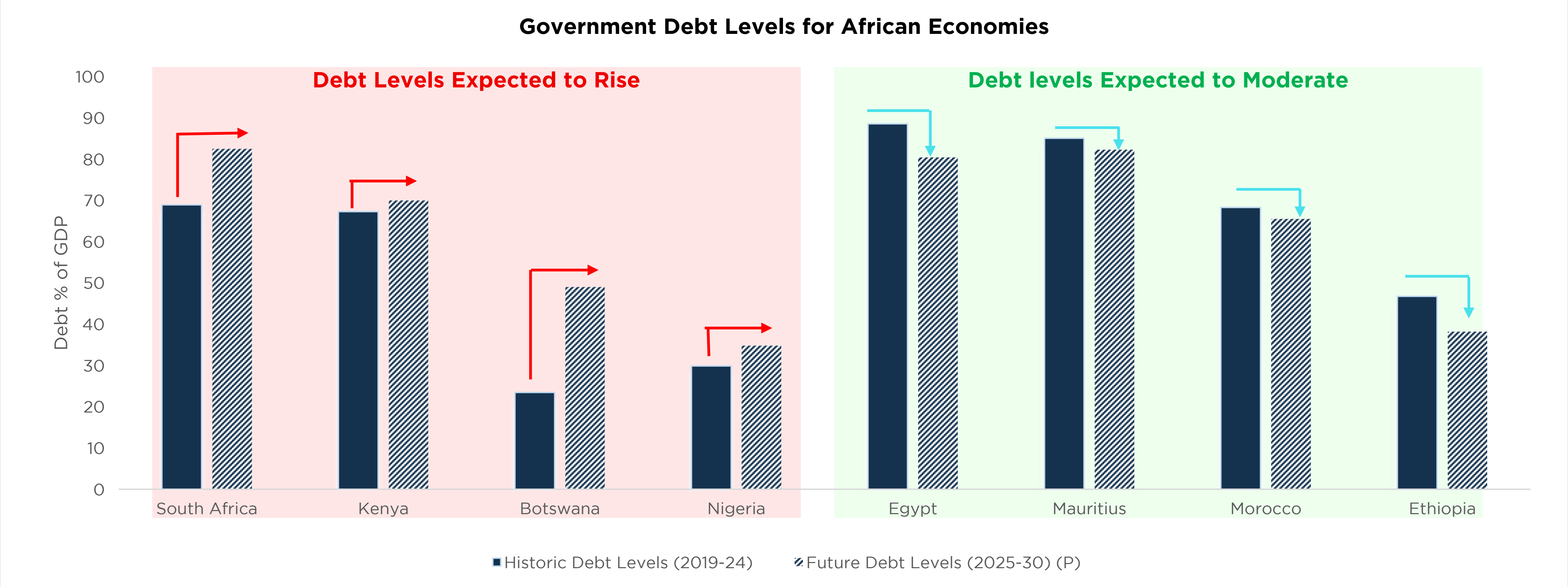


Source: Riksbank, CGIL

- Riksbank (Central Bank) cut policy rate by 25 basis points to 1.75% (effective 1 Oct 2025) from 2% in September MPC 2025. The policy rate is expected to remain at its current level in the near term if inflation continues along its expected trajectory.
- The decision has been taken to support economic growth, which has been sluggish in H1 2025 (Real GDP grew by 0.9% in Q1 2025 and Q2 2025 each) and domestic demand.
- CPIF (CPI with fixed interest rates), Sweden's official inflation rate, rises by an average of 3.15% in Aug-Sept 2025 compared to an average of 2.9% in Jun-July 2025.

Africa

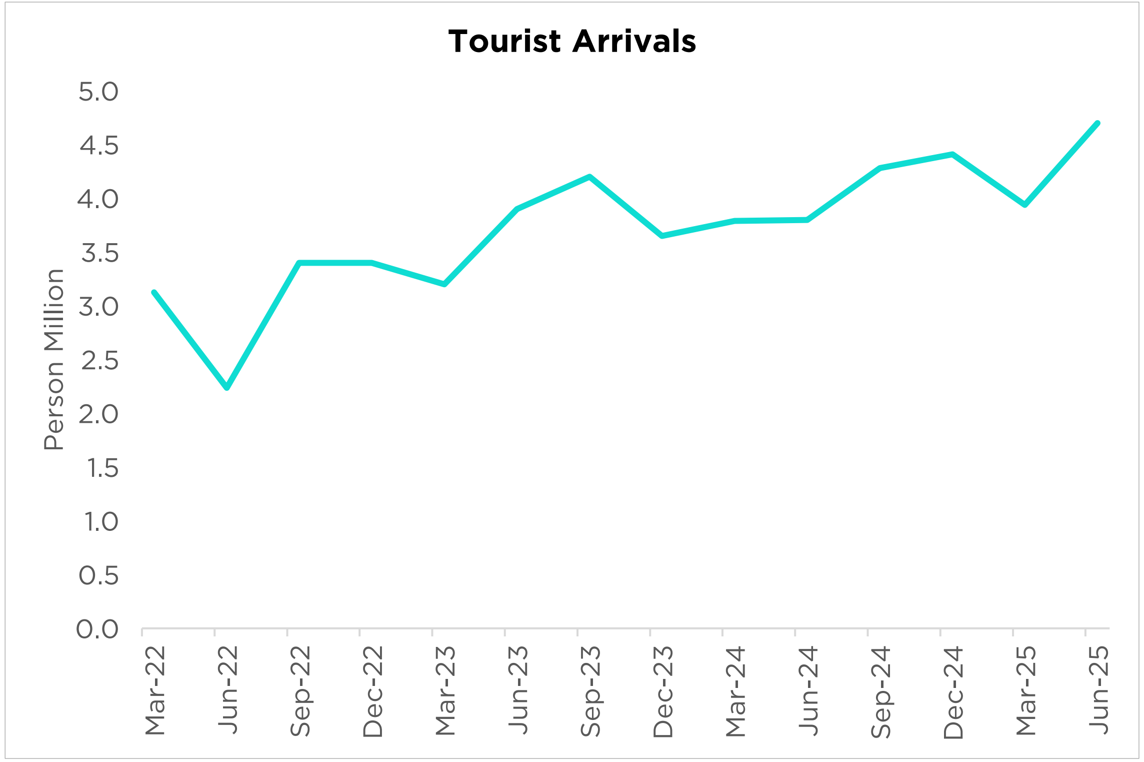
Africa: Diverging Debt Paths Reflect Africa's Uneven Fiscal Recovery



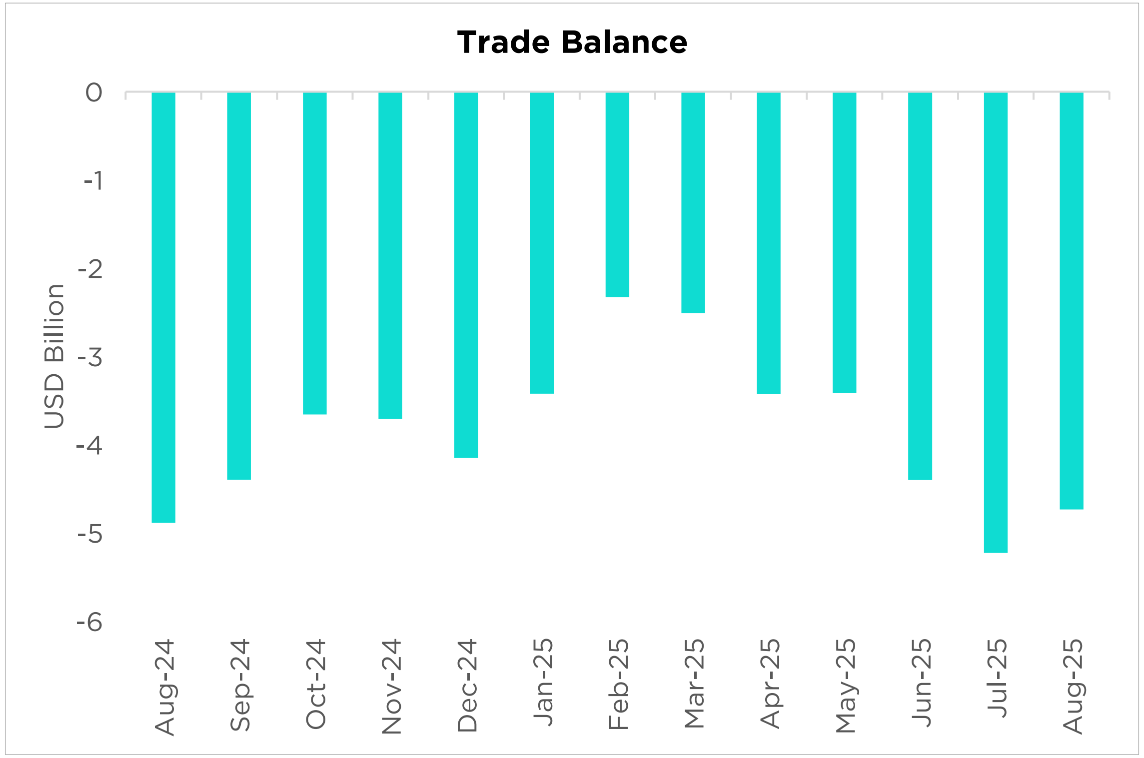
Source: IMF, CGIL, P = IMF Projections

- Debt trajectories across African sovereigns remain divergent, reflecting varying capacities to consolidate public finances post the Covid-19 pandemic.
- South Africa, Kenya, Botswana, and Nigeria face rising debt burdens, as fiscal space remains constrained amid slower growth, limited expenditure/revenue flexibility and elevated financing needs.
- Egypt, Mauritius, Morocco, and Ethiopia are expected to gradually reduce debt levels, supported by fiscal consolidation efforts, external support, and improved macroeconomic management.

Egypt: Tourism Gains Partly Offset by a Widening Trade Deficit



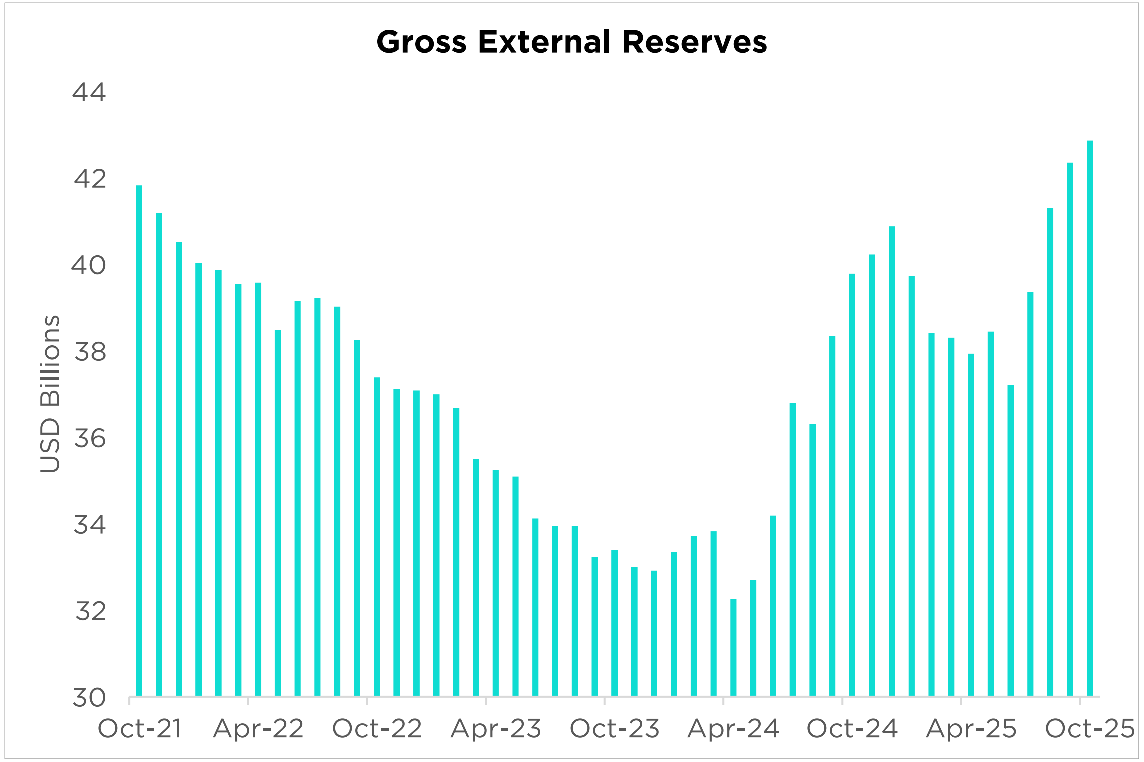
Source: CEIC (Ministry of Tourism and Antiquities)



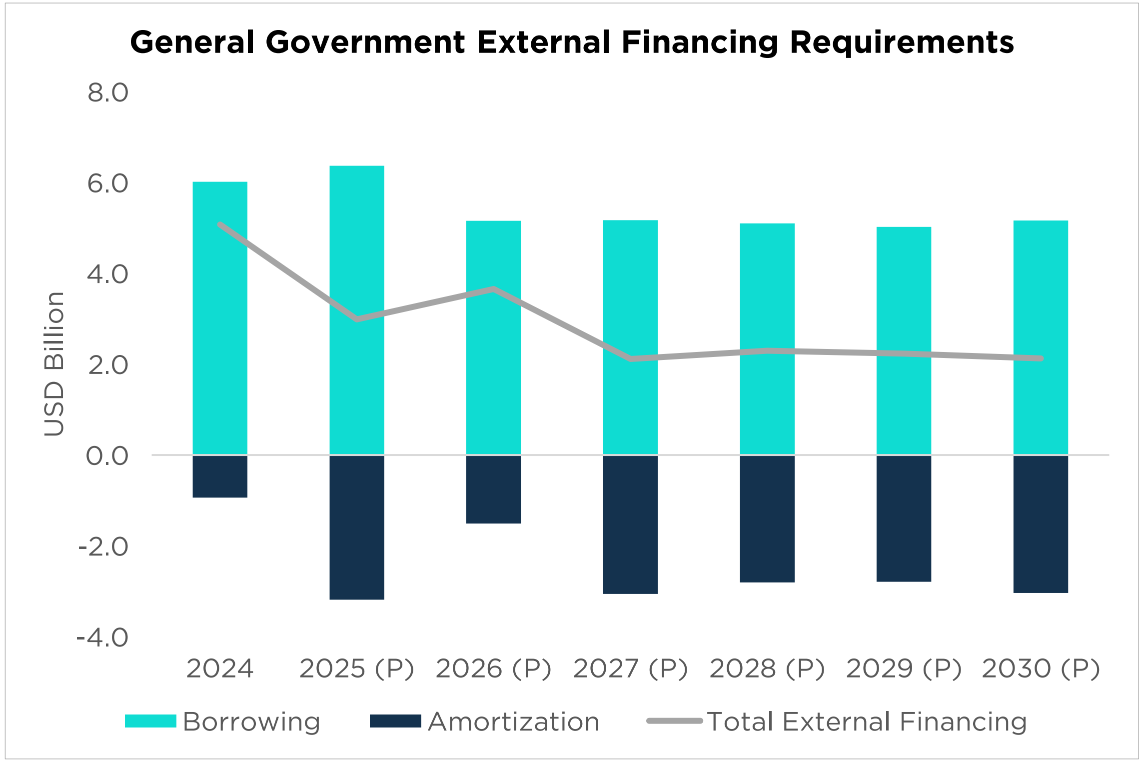
Source: CEIC (Central Agency for Public Mobilization and Statistics)

- Tourism arrivals reached a record high of 16.3 million in 2024 compared to 15 million arrivals in 2023. So far, cumulative arrivals in 2025 (Jan-Jun) have reached 8.6 million, accounting for around 53% of the 2024 total.
- Egypt aims to achieve a target of 30 million visitors per annum by 2032. This will be achieved through increased investment in hotel capacity and tourism infrastructure, with a projected additional 200,000 hotel rooms by 2032.
- While tourism receipts are helping offset part of Egypt's external pressures, they remain insufficient to fully narrow the trade gap, keeping external balances under strain. Egypt is expected to lose USD 800 million per month in expected Suez Canal revenues due to continued Houthi attacks on commercial shipping.

Nigeria: Foreign Reserves Rebound Supports External Debt Management



Source: Central Bank of Nigeria



Source: Article IV, IMF (July 2025)
Note: P=Projections

- Nigeria's foreign exchange reserves increased from USD 37.9 billion at the end of April 2025 to more than USD 42 billion at the end of September 2025, the highest in five years.
- The rising reserves provide a buffer to manage upcoming amortizations of USD 3.2 billion in 2025, including a USD 1.1 billion Eurobond repayment due in November.
- The recent exit from the Financial Action Task Force (FATF) grey list on 24 October 2025 is also likely to enhance investor confidence and complement the recent improvement observed in the external sector.

CareEdge Sovereign Ratings

CareEdge Global: Long Term Foreign Currency Ratings*

Germany CareEdge AAA/Stable	**Japan** CareEdge AA-/Stable	**Spain** CareEdge A/Stable	**Indonesia** CareEdge BBB/Stable	**Colombia** CareEdge BB+/Negative	**Ecuador** CareEdge CCC+
Netherlands CareEdge AAA/Stable	**Korea** CareEdge AA-/Stable	**Chile** CareEdge A-/Stable	**Italy** CareEdge BBB/Stable	**Greece** CareEdge BB+/Stable	**Bangladesh** CareEdge CCC+
Singapore CareEdge AAA/Stable	**UAE** CareEdge AA-/Stable	**Malaysia** CareEdge A-/Stable	**Mauritius** CareEdge BBB/Stable	**Vietnam** CareEdge BB+/Stable	**Argentina** CareEdge CCC+
Sweden CareEdge AAA/Stable	**United Kingdom** CareEdge AA-/Stable	**Thailand** CareEdge A-/Negative	**Mexico** CareEdge BBB-/Stable	**South Africa** CareEdge BB/Stable	**Ethiopia** CareEdge D
Australia CareEdge AA+/Stable	**France** CareEdge A+/Stable	**Botswana** CareEdge BBB+/Negative	**Morocco** CareEdge BBB-/Stable	**Turkiye** CareEdge B+/Stable	
Canada CareEdge AA+/Stable	**Portugal** CareEdge A+/Stable	**India** CareEdge BBB+/Stable	**Peru** CareEdge BBB-/Stable	**Nigeria** CareEdge B/Positive	
United States CareEdge AA+/Negative	**China** CareEdge A/Stable	**Philippines** CareEdge BBB+/Stable	**Brazil** CareEdge BB+/Stable	**Egypt** CareEdge B-/Stable	

*as on Nov 4, 2025

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