

S&P Global Market Intelligence Announces Top 10 Economic Insights for 2025

Annual look-ahead highlights a more challenging economic outlook

NEW YORK, Dec. 17, 2024 /PRNewswire/ -- Policy uncertainties dominate the economic outlook, damaging growth prospects, according to an S&P Global Market Intelligence report released today. In the newly published *Top 10 Economic Insights for 2025*, S&P Global Market Intelligence economists provide their take on global and regional economic performance, inflation and monetary policy prospects and highlight key risks.



*"Heading into 2025, the focus is squarely on post-election policy shifts in the U.S. and their broader economic implications", said **Ken Wattret, Global Economist, S&P Global Market Intelligence**. "With renewed inflationary pressures expected to pause the Fed's easing cycle, global financial conditions are going to be much less accommodative than previously expected. This spells trouble for economic growth; we are lowering our forecasts pretty much across the board."*

S&P Global Market Intelligence's Top 10 Economic Insights for 2025 include:

1. **U.S. Economic Outlook:** Although the U.S. economy is still forecast to experience a soft landing, downside risks have increased, related to labor shortages and potential tariffs. The Federal Reserve is expected to pause its easing cycle in mid-2025.
2. **Mainland China Growth:** Growth in mainland China is expected to slow, impacted by a potential increase in tariffs on exports to the U.S. and property sector challenges. Despite additional stimulus measures, annual GDP growth is likely to fall short of the government's target.
3. **Western Europe Conditions:** Export-sensitive Western European economies face increased risks of technical recessions due to potential disruption to traditional trade patterns and political instability. Central banks in the region are forecast to continue to lower their policy rates.
4. **Emerging Economies Growth:** Emerging economies will contend with less favorable financial conditions. Key growth drivers in some regions will differ from the norm.
5. **Divergent National Inflation Dynamics:** Renewed inflationary pressures are expected in the U.S. given the expected policy shifts, while disinflationary forces are forecast to persist in Western Europe and mainland China.
6. **Core Inflation Trends:** Goods inflation is expected to remain low in the very short term, but should tariffs increase, they will exert upward pressure in 2025. A further moderation in services inflation will therefore be key to keeping core inflation rates low.
7. **Commodity Price Trends:** Crude oil and non-energy commodity prices are forecast to mitigate some of the inflationary impetus should tariffs increase.
8. **Global Financial Conditions:** The projected pause in monetary policy easing by the U.S. Federal Reserve means less accommodative global financial conditions, dampening growth along with structural headwinds.
9. **U.S. Dollar Strength:** The U.S. dollar's elevation will persist. The Mexican peso's underperformance is expected to continue, while widening interest rate differentials and weak economic conditions will weigh on the euro and UK pound. The yen is forecast to outperform, given continued monetary policy divergence.
10. **Fiscal Deficits and Debt Concerns:** Persistent high fiscal deficits will aggravate already elevated debt burdens, with less favorable relative growth and interest rate dynamics posing an increasing risk to debt sustainability.

To request a copy of S&P Global Market Intelligence's *Top 10 Economic Insights for 2025*, please contact press.mi@spglobal.com.

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Media Contact

Kate Smith

S&P Global Market Intelligence

+1 781 301 9311

Katherine.smith@spglobal.com or press.mi@spglobal.com

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