07:00 HKT
02 September 2026

https://research.ca-cib.com

Emerging Market Focus

China: growth imbalance and a stronger CNY

- **Incremental policy easing with faster fiscal spending will likely support a modest recovery later in the year, but the absence of substantial demand-side stimulus limits the scope for a meaningful rebound.**
- **We expect the 10-year CGB yield to decline into a 1.60-1.70% range over the remainder of 2026, with the curve bull-flattening and money-market rates remaining anchored by PBoC liquidity operations.**
- **We lower our USD/CNY forecasts to 6.62 at end-2026 and 6.50 at end-2027. Record trade surpluses and sustained exporter FX conversion would support a gradual CNY appreciation, although policymakers are likely to resist excessive strength.**


Xiaojia Zhi
Chief China Economist and Head of Research Asia, ex-Japan
+852 2826 5725
xiaojia.zhi@ca-cib.com


Eddie Cheung CFA
Senior EM Strategist
+852 2826 1553
eddie.cheung@ca-cib.com


Jeffrey Zhang
EM Strategist
+852 2826 5749
jeffrey.zhang@ca-cib.com

Recent publications

24-Aug – China Weekly Dynamics: *More signals for incremental policy easing*
17-Aug – Emerging Market Focus: *China: July data weakened further, revising down 2026 growth forecast to 4.5%*
17-Aug – China Weekly Dynamics: *Eyes on incremental policy efforts after a weak start to H2*
12-Aug – Emerging Market Focus: *US-China: stable ties or more tensions to come?*
10-Aug – China Weekly Dynamics: *July inflation miss pointed to continued demand weakness after fuel inflation faded*
30-Jul – Emerging Market Focus: *China: July Politburo, strategic patience on growth; priority on supply-side upgrades*

Incremental easing to deliver only a modest H2 rebound

Following the July Politburo meeting's pledge to strengthen countercyclical policy adjustment, government agencies and financial regulators have announced a range of follow-up measures with the aim of stabilising near-term growth. We think these policy moves are in the right direction, though they are still coming in an incremental and measured way. Any major demand-side stimulus remains absent. The top policymakers have urged to effectively implement existing policy measures and roll out additional practical and targeted measures where necessary.

There are still limited signs of any material growth turnaround in August, after the weaker activity data in July. The official PMIs remained in contraction across manufacturing, services and construction, indicating continued sequential growth weakening in the broader economy despite strength in AI demand-related sectors.

We have recently lowered our 2026 GDP growth forecast to 4.5%, from 4.7% previously, while maintaining our 2027 forecast at 4.5%. We expect growth to slow to 4.4% YoY in H226 from 4.7% in H1, although this would represent a modest improvement from 4.3% in Q2. A gradual sequential recovery remains likely, supported by faster fiscal implementation following the July Politburo meeting, a post-summer rebound as weather-related disruptions fade and more favourable YoY base effects in H2.

In our view, China still aims for GDP growth within its 4.5–5.0% target range, although an outcome at the lower end of that range would be acceptable if the broader transition towards higher-quality growth remains intact. There is still room for further policy easing if growth appears likely to fall materially below 4.5%.

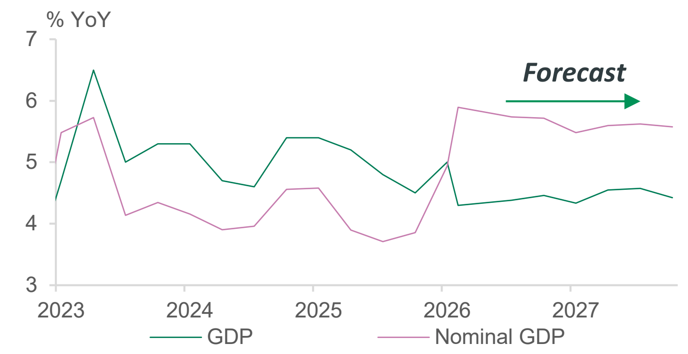
August and September activity data will therefore be important in shaping the policy response. In recent years, September to October has been a key window for additional policy easing measures in response to downside growth risks. Policy support was substantial in 2023 and 2024, but became more targeted in 2025. We expect any further easing in 2026 to remain modest and targeted, barring a major external shock. Continued strength in AI and industrial upgrades related activities could help cushion the broader weakness, although its spillovers to household consumption and non-technology sectors are likely to remain limited.

Fine-tuning our macro, rates and CNY forecasts

We raise our forecast for China's current account surplus to 4.0% of GDP in 2026 and 3.9% in 2027, reflecting resilient external demand and persistently weak domestic demand. While higher import prices represent an adverse aggregate terms-of-trade shock for China, continued expansion in export volumes and technology-related trade support could keep China's external surplus large. That said, net exports will likely contribute less to real GDP growth in 2026 and 2027 than in 2025, highlighting the needs for policymakers to ramp up their domestic policy support for domestic demand recovery.

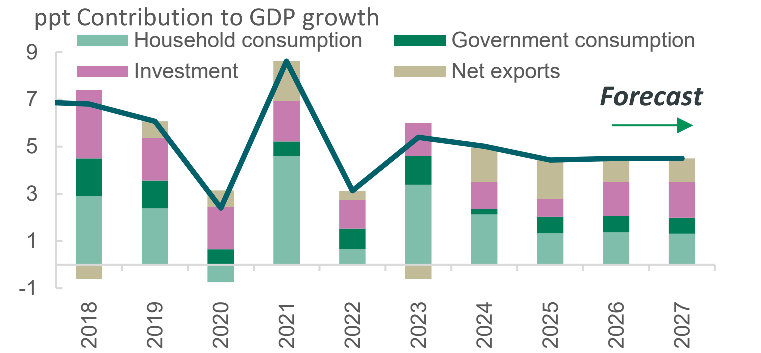
We make a small downward revision to our 2026 CPI inflation forecast to 1.0% from 1.1% previously, but still expect inflation to firm gradually with a mild increase in 2027 to 1.2%. PPI inflation has returned in 2026 on stronger upstream technology- and energy-related prices, although continued deflationary pressures in downstream sectors could limit the breadth and durability of the recovery. Against a higher comparison base, we expect a moderation of PPI inflation ahead.

Only a modest growth rebound expected in H226



Source: CEIC, Crédit Agricole CIB

Incremental policy easing to boost domestic demand



Source: CEIC, Crédit Agricole CIB

For rates, we expect the 10Y CGB yield to move lower into a range of 1.60-1.70% in the remainder of 2026 with contained volatility. The 30Y-10Y spread will likely compress towards 40bp from around 45bp currently. The more frequent operations of the PBoC's overnight reverse repo would help anchor DR001 around the policy rate, as well as the short end of the curve with low expectations of policy rate cuts in the near term.

The CNY has been Asia's strongest-performing currency in 2026, supported by record trade surpluses, sustained exporter FX conversion and a PBoC stance that appears tolerant of gradual appreciation. Renewed CNY valuation debates reinforce the case for further CNY appreciation, although the PBoC is unlikely to target any rapid gains given the weak domestic demand and still-negative China-US yield differentials. We lower our USD/CNY forecasts modestly, to 6.62 at end-2026 and 6.50 at end-2027.

Summary of key macro forecasts

		2023	2024	2025	2026F	2027F
Real GDP	% YoY	5.4	5.0	5.0	4.5	4.5
Consumption	% YoY	8.5	4.2	4.6	3.7	3.6
Household consumption	% YoY	9.0	5.4	3.3	3.5	3.6
Investment	% YoY	3.4	2.9	2.0	3.8	4.0
Net exports	PPT contribution	-0.6	1.5	1.6	1.0	1.0
IP	% YoY	4.6	5.8	5.9	5.0	4.6
Retail sales	% YoY	7.2	3.5	3.7	1.5	3.2
FAI	% YoY	3.0	3.2	-3.8	-4.0	2.0
Exports, goods	% YoY	-4.7	5.8	5.4	18.0	8.0
Imports, goods	% YoY	-5.5	1.0	0.3	25.0	9.0
Current Account	% GDP	1.4	2.4	3.7	4.0	3.9
CPI inflation	% YoY, avg	0.2	0.2	0.0	1.0	1.2
PPI inflation	% YoY, avg	-3.0	-2.2	-2.6	2.1	1.1
Policy rate (7d reverse repo)	%, end period	1.80	1.50	1.40	1.40	1.30
Bank lending rate (1Y LPR)	%, end period	3.45	3.10	3.00	3.00	2.90
2Y CGB	%, end period	2.21	1.14	1.36	1.20	1.25
10Y CGB	%, end period	2.56	1.68	1.85	1.70	1.80
USD/CNY	end period	7.10	7.30	6.99	6.62	6.50

Source: Bloomberg, CEIC, Wind, Crédit Agricole CIB

Wider current account surplus expected in 2026-27

We expect China's current account surplus to increase to 4.0% GDP in 2026 and 3.9% GDP in 2027, from 3.7% in 2025. This is compared to our previous estimates of 3.2% and 3.5%, respectively. The larger current account surplus reflects China's continued growth imbalance: external demand for Chinese manufactured goods remains resilient, while domestic demand has stayed weak amid the prolonged property-market correction and limited demand-side stimulus.

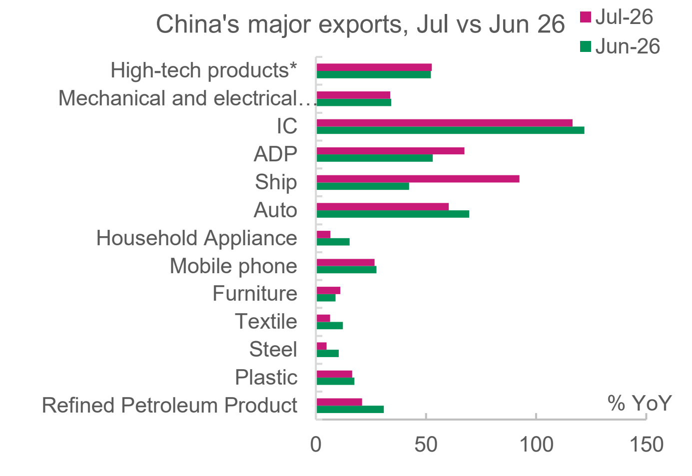
We forecast China's export and import growth (goods, in USD terms) will accelerate to 18.0% and 25.0% respectively in 2026 from 5.4% and 0.3% in 2025. Trade growth has already strengthened notably, with exports and imports up 18.5% and 26.7% in 7M26. We expect both trade growth to stay quite resilient in the remainder of 2026 before some moderation in 2027.

Tech and green exports cushion a terms-of-trade shock

At the aggregate level, China is facing an adverse terms-of-trade shock in 2026, as overall import prices have risen faster than export prices. However, strong export volumes and favourable price dynamics of tech and green products have cushioned the aggregate deterioration. It will likely help China maintain a still sizable goods trade surplus and support a wider current account surplus.

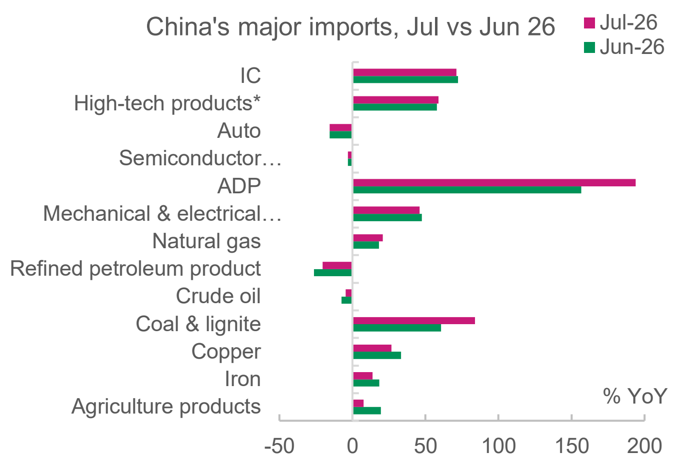
In our view, China remains a major beneficiary of the global AI infrastructure investment cycle, due to its deep integration into the technology hardware and component supply chains. Meanwhile, China's exports of green products could also remain supported by the elevated energy prices amid ongoing geopolitical tensions in the Middle East, given China's related export dominance. On the import side, China has managed to reduce its own energy import volumes. We note that prices for AI-related and other technology products have risen faster than energy prices, supporting the relative profitability of China's technology exports against an important category of imported inputs. This has helped the tech-related trade surplus offset a wider gold deficit, while lower energy-import volumes have kept the energy deficit broadly stable.

Tech and green products supported export growth



Source: CEIC, Crédit Agricole CIB

Tech import growth offset energy import decline

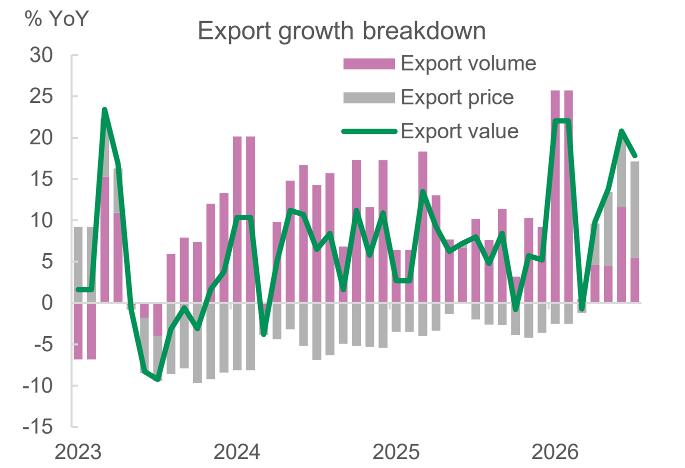


Source: CEIC, Crédit Agricole CIB

Net exports to make a smaller contribution to growth

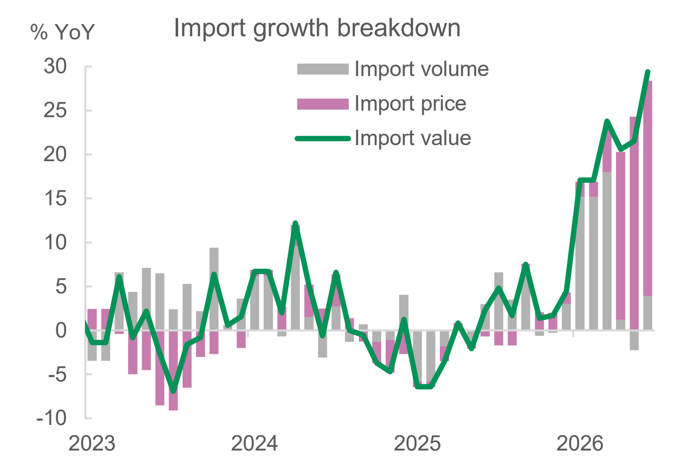
That said, net exports are likely to make a smaller contribution to real GDP growth in 2026 at 1.0ppt, compared to 1.6ppt in 2025. Export-volume growth has increased further in 2026, while import volumes have rebounded much more sharply from the very weak level in 2025, narrowing the gap of growth acceleration in exports vs imports. So far in 2026, China's headline export growth rose to 14.0% YoY in 7M from 6.1% in 2025 (in CNY terms), with export volume growth rising to 11.2% from 9.2% and export price inflation up to 3.9% from -2.8%. Import growth quickened to 22.0% YoY in 7M from 0.5% in 2025, with import volume growth rising to 7.4% from 0.7% and import inflation up to 13.9% from -0.1%. The notable pick up in import volume growth reflects a modest recovery in real non-energy import volumes especially related to semiconductor and chipmaking manufacturing.

Both volume and inflation contributed to export growth



Source: CEIC, Crédit Agricole CIB

Import prices have risen faster than export prices



Source: CEIC, Crédit Agricole CIB

Mild CPI recovery and a supply-led PPI reflation

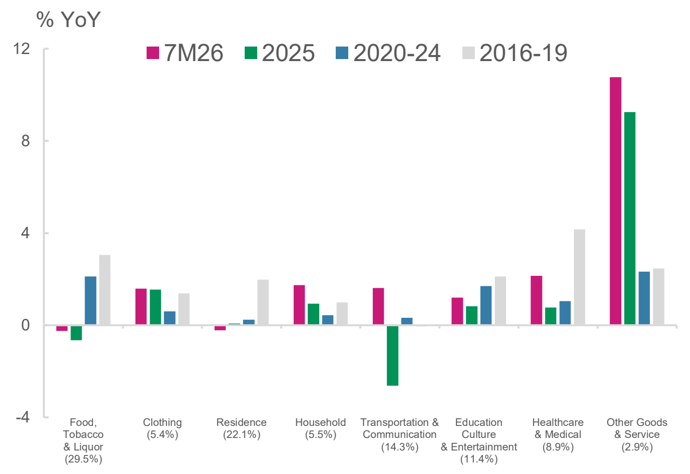
We are fine-turning our inflation forecast, nudging down our CPI inflation forecast to 1.0% in 2026 from previously 1.1%, while expecting a moderate increase to 1.2% in 2027. In terms of PPI inflation, we expect PPI inflation at 2.1% in 2026 and 1.1% in 2027, reversing the deflation seen in previous years of 2023-25.

Energy and gold lifted headline CPI

So far in 2026, China's headline CPI inflation increased to average 0.9% in 7M from 0.1% in 2025 and its core inflation also strengthened to 1.1% from 0.8%. Higher fuel and gold price inflation have been major drivers for the higher CPI inflation, while food deflation narrowed. Those categories relating to household consumption demand showed some marginal increase while rental further dragged.

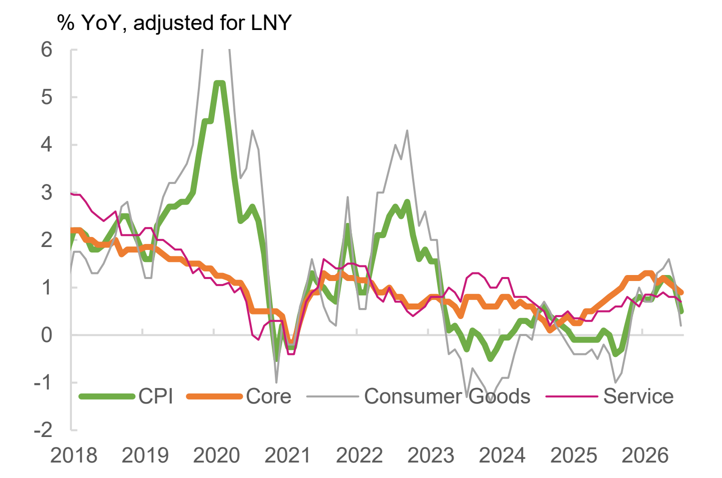
Looking ahead, as global energy prices may not ease materially due to the geopolitical uncertainties, while gold prices rebounded, we think CPI inflation could rebound to around 1.0% in the coming months from the dip of 0.5% YoY in July, while inflation of other major categories (excluding food) could stay relatively stable. In 2027, we expect a moderate increase in CPI inflation, after the positive impact from quicker fiscal spending gradually kicks in while inflation of those consumer electronics could remain supported by upstream price hikes of tech-related inputs.

CPI inflation rebound mainly led by fuel and gold



Source: CEIC, Crédit Agricole CIB

CPI reflation has been mild and slow



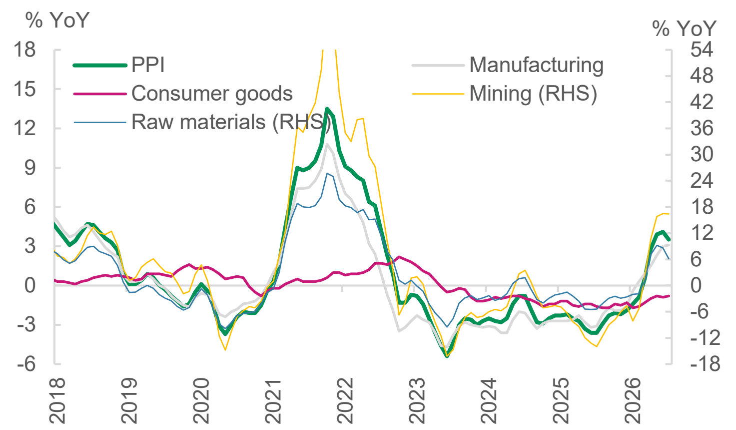
Source: CEIC, Crédit Agricole CIB

PPI: upstream reflation, downstream deflation lingers

The return of positive PPI inflation in 2026 has been driven primarily by rapid price increases in AI-related inputs and capital goods, alongside higher energy prices. However, this reflation remains uneven: prices in downstream sectors and consumer goods have remained in deflation, reflecting weak final demand and continued competitive pressure in the manufacturing sector.

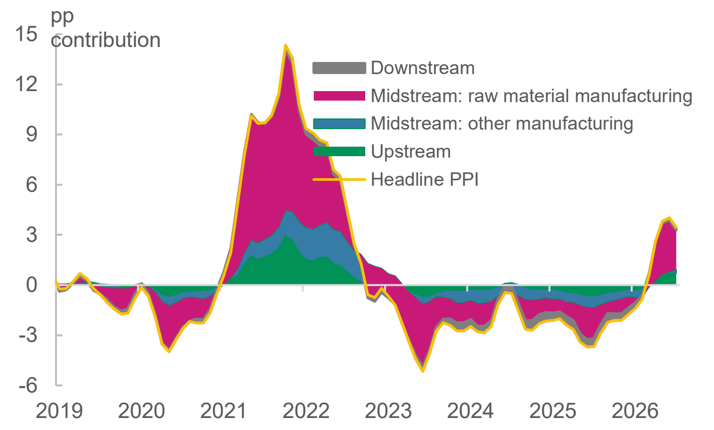
We expect PPI inflation to ease gradually in the coming months as well as in 2027, as favourable base effects fade, although energy-price volatility will remain an important source of uncertainty. At the same time, faster fiscal spending on strategic infrastructure and investment projects could provide some support to prices in construction-related sectors and building materials. This should prevent a broad-based renewed decline in producer prices, but a sustained improvement in downstream PPI inflation will require a more durable recovery in domestic demand, in our view.

PPI inflation has been led by upstream price gains



Source: CEIC, Crédit Agricole CIB

Downstream inflation remained absent



Source: CEIC, Crédit Agricole CIB

CGBs: lower yields and contained volatility

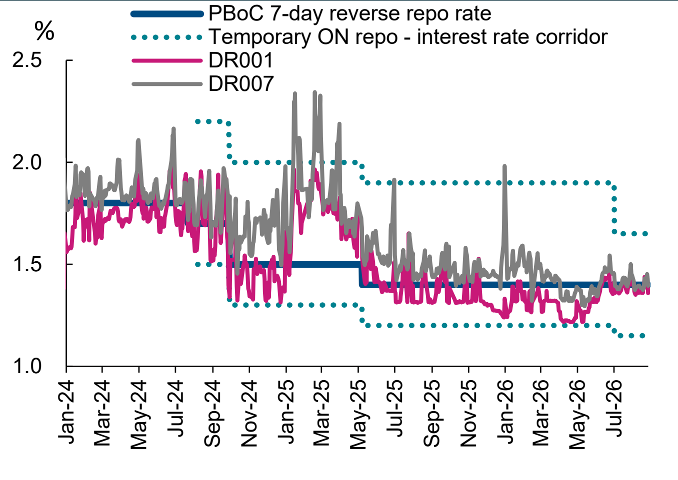
We expect 10Y CGB yield to trade in a lower range of 1.60-1.70% for the rest of the year, compared with 1.70-1.90% in H126. The 30Y-10Y CGB yield spread could compress towards 40bp from around 45bp currently. We have been expecting a bull flattening of the CGB curve since late July, and remain comfortable holding the view, given muted reflation and only modest incremental policy easing since the July Politburo meeting. As we approach the conclusion of the three-year LGB debt-swap programme (total RMB6trn in 2024-26), we do not expect additional LGB bond issuance quota for debt swaps in Q4 and beyond, given Beijing's tighter control over local hidden debt.

Long-end yields could move modestly higher in 2027 if lower real yields help revive private investment and stabilise overall credit growth. However, any such adjustment is likely to be mild and gradual, given still mild inflation and likely domestic liquidity conditions.

The short end of the curve has been largely anchored at current levels, following the PBoC's stronger efforts to stabilise DR001 around the 1.40% policy rate. More frequent use of the PBoC's overnight reverse repo operations could reduce seasonal volatility in money market rates, while it also signals more active liquidity management by the PBoC, to avoid excess interbank liquidity that could encourage speculative trading in the bond market. Given the negative carry for the CGB curve at 5Y and below, we see limited downside for further yield declines in this part of the curve in the absence of a PBoC rate cut or a material increase in its CGB trading operations.

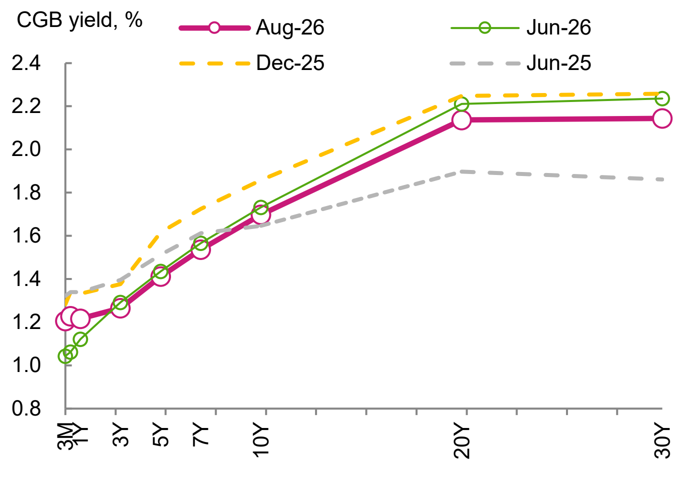
We continue to expect contained volatility in China rates, with CGBs relatively insulated from any global duration sell-off. This is attributable to China's idiosyncratic growth and inflation backdrop relative to major DMs (especially the US), as well as the still low share of foreign ownership in the CGB market.

PBoC increased ON repo operations to anchor DR001



Source: Bloomberg, Wind, Crédit Agricole CIB

CGB curve moved lower with contained volatility



Source: Bloomberg, Wind, Crédit Agricole CIB

Lowering USD/CNY forecasts

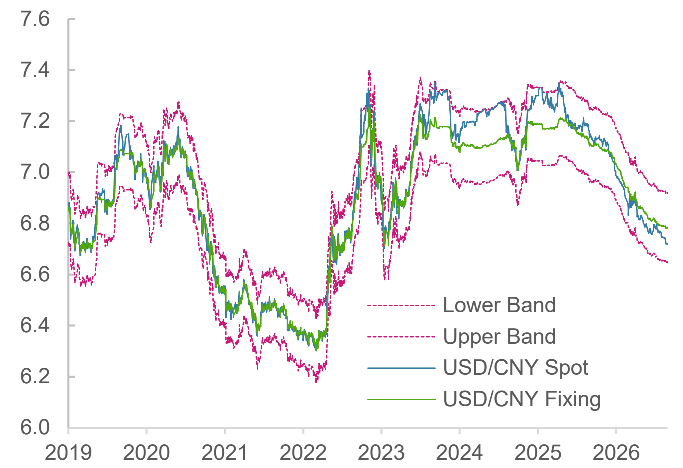
The appreciation of the CNY has been a consistent theme throughout 2026, with the currency as the top performer in Asia. Over the past 12 months, the CNY has gained more than 6% against the USD with close to 4% of the appreciation occurring in 2026. This has brought USD/CNY from above 7.0 at the start of the year to around 6.72 currently, its lowest level since 2023. In our view, the CNY's outperformance reflects three main factors.

1. **Resilient external balances**: China's trade balance has climbed to record highs in 2026, underpinned by strong export performance. The rolling 12M trade surplus has increased to USD1.2trn as of July 2026, a record high. This continues to drive strong demand for the CNY as exporters sell their foreign-currency receipts.

2. **Sustained FX settlement:** The large trade surplus has continued to support sizable net FX settlement at banks onshore. So far in 2026, net FX settlement totalled USD289bn as of July, already exceeding the USD197bn recorded for the full year of 2025. FX settlement flow has remained firm even into mid-year when it typically softens seasonally. We expect seasonal demand for the CNY to strengthen again towards year-end.

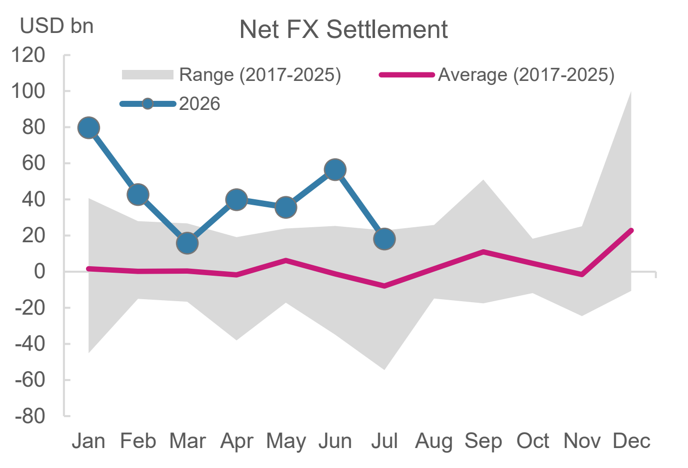
3. **Supportive but managed policy stance:** The PBoC's policy stance remains pivotal to CNY trends. The PBoC appears willing to allow a gradual and orderly appreciation of the CNY against the USD, as reflected in the direction of the daily USD/CNY fixing. A stronger CNY also helps reduce concerns about CNY undervaluation. At the same time, the PBoC remains wary of excessive CNY appreciation and undesired FX volatilities, as it could be costly to Chinese corporates, especially those non-tech exporters which lack pricing power. It has adopted a few measures so far in 2026 to manage FX appreciation expectation, such as the removal of reserve requirements for FX forwards in February and an increase in China's FX reserves.

Policy intentions will be watched closely



Source: Bloomberg, Crédit Agricole CIB

A surge of onshore FX settlement for the CNY lately



Source: SAFE, Crédit Agricole CIB

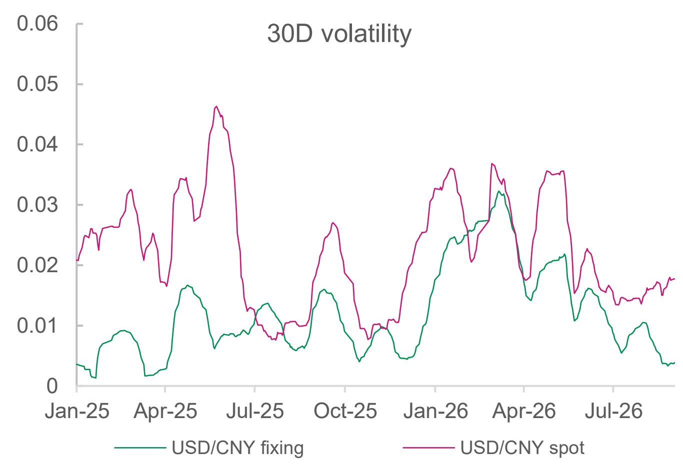
CNY appreciation likely continue, but at a slower pace

Looking ahead, in the remainder of 2026, we remain biased towards continued mild CNY appreciation at a slower pace. There are a few factors to consider towards year-end which could impact the CNY trend ahead.

Firstly, there are some signs that CNY appreciation is slowing. The volatility of the USD/CNY fixing has shrunk sharply since Q2 relative to USD/CNY spot. As a result, the spot-fix basis has widened to almost 1% currently, its widest level since February 2026. This in our view suggests that while the PBoC is still allowing further CNY appreciation it is signalling the preference of a slower speed, compared to previous months. It should help contain one-way market positioning while preserving the broader direction of CNY strength.

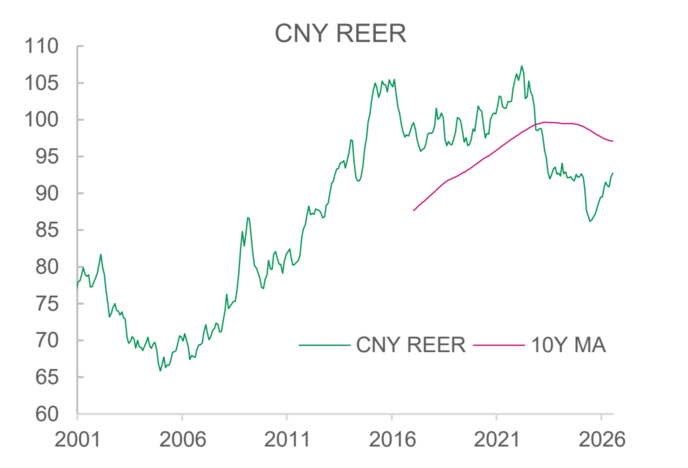
Secondly, US-China bilateral relations remain an important focal point for the CNY. There has been an uptick in US-China tensions recently, with the US intensifying its tariff agenda and expanding restrictions on China's access to US markets in various strategic sectors. However, these developments do not yet appear to have derailed the prospect of President Xi Jinping's potential visit to the US reportedly scheduled on 24 September. We believe a constructive outcome from the summit between the two leaders will support further CNY gains, whereas a postponement or even cancellation would weigh on the currency and prompt a more cautious policy stance by the PBoC.

USD/CNY fixing volatility at lows for 1Y lows



Source: Bloomberg, Crédit Agricole CIB

Climb in CNY REER points to narrowing undervaluation



Source: SAFE, Crédit Agricole CIB

Valuation debate reinforces a case for gradual CNY gain

Recent months have brought renewed attention to CNY valuation. In its July 2026 report, the US Treasury flagged the CNY as “substantially undervalued”, noting that the CNY REER depreciated in 2025 and remained below its peak in March 2022. Similarly, the IMF’s External Balance Assessment in July estimated that the CNY REER was undervalued in a range of 12.1-20.7%. While we would concur that the CNY could be trading below its medium-term equilibrium value, we believe the PBoC is taking steps to curb this undervaluation.

Indeed, since mid-2025, the CNY REER has rebounded after falling to its lowest level since 2011. The gap between the REER and its 10-year average has narrowed from more than 11% to just over 4%. This suggests that the PBoC has become more willing to tolerate gradual CNY appreciation and to prevent a further deepening of perceived undervaluation.

However, at the same time, we do not expect the PBoC to target a rapid closure of the valuation gap identified by US and its western alliance. China’s still-negative yield differential against the US and subdued domestic macro backdrop argue for a measured adjustment of the CNY. Lower Chinese yields relative to US yields continue to weigh on capital flows, while weak domestic demand and lingering deflationary pressure remain genuine headwinds for the CNY. The PBoC must balance any external pressures for a stronger CNY against the need to maintain stable domestic financial conditions to accommodate domestic demand recovery and reflation process. Accordingly, although the broad direction remains towards a stronger CNY, the magnitude and speed of further appreciation is unlikely to be aggressive.

Lower USD/CNY in 2026, with gradual appreciation thereafter

Taking these considerations together, we lower our USD/CNY forecast modestly. Our revised profile remains slightly below prevailing USD/CNY forward levels at end-2026, but slightly above them at end-2027. We continue to expect a gradual downward trajectory in USD/CNY, forecasting 6.62 at end-2026 and 6.50 at end-2027, compared with our previous forecasts of 6.72 and 6.60, respectively.

Changes to our USD/CNY forecast

	Q326	Q426	Q127	Q227	Q327	Q427
USD/CNY	**6.70** *(6.78)*	**6.62** *(6.72)*	**6.60** *(6.70)*	**6.60** *(6.70)*	**6.55** *(6.66)*	**6.50** *(6.60)*

Note: Our previous forecasts are in brackets, Source: Crédit Agricole CIB

Emerging Markets Research advanced tools

With Red Mount Analytics, we are setting a new standard for market intelligence

FIVE MAIN ANGLES:

1. Fundamentals.

Our convictions on the main markets. Specific focuses on individual countries and currencies. Transversal dashboards that allow us to profile specific markets and compare them to their peers.

2. Forecasts and recommendations.

Fast-track access to our main EM macroeconomic forecasts and FX projections.

3. Market monitor.

Check the market action. Seize EM opportunities.

4. Flows and supply.

Data on targeted markets, including volume on the secondary market, liquidity, APAs and maturity.

5. Relative value.

Providing cheap/expensive metrics for EM currencies and models on exchange rates. Our models will show you how we express our view in an EM FX Portfolio, or what's hot in Asian FX markets, among other metrics.

Source: RMA by Crédit Agricole CIB

Red Mount Analytics

Complex markets require the most advanced and powerful tools…

Source: RMA by Crédit Agricole CIB

Our new [interactive data website]() features:

- 25bn data points
- over 4,500 interactive charts
- over 1,000 proprietary models
- over 250 use cases
- over 150 thematic reports
- 9 product classes (eg, EM, FX, Sustainable, Credit)
- 6 categories (eg, flows, fundamentals, RV)
- 90% exclusive content
- AI modelling

Global Markets Research contact details

Jean-François Paren Head of Global Markets Research +33 1 41 89 33 95

	Asia (Hong Kong, Singapore & Tokyo)		Europe (London & Paris)		Americas (New York)
Macro Strategy	Takuji Aida Chief Economist Japan +81 3 4580 5360	Ken Matsumoto Macro Strategist Japan +81 3 4580 5337	**Louis Harreau** **Head of Developed Markets Macro & Strategy** **+33 1 41 89 98 95**	Valentin Giust Global Macro Strategist +33 1 41 89 30 01	Nicholas Van Ness ** Chief US Economist +1 212 261 7601
Interest Rates			**Jean-François Perrin** **Head of Rates and Inflation Research & Strategy** **+33 1 41 89 73 49** Matthias Loise Inflation Strategist +33 1 41 89 20 06	Guillaume Martin Interest Rates Strategist +33 1 41 89 37 66 Riccardo Lamia Interest Rates Strategist +33 1 41 89 63 83 Monna Dimitrova Interest Rates Strategist +33 1 41 89 05 61	Alex Li ** Head of US Rates Strategy +1 212 261 3950
Emerging Markets	Xiaojia Zhi Chief China Economist Head of Research, Asia ex-Japan +852 2826 5725 Eddie Cheung CFA Senior Emerging Market Strategist +852 2826 1553	Jeffrey Zhang Emerging Market Strategist +852 2826 5749 Yeon Jin Kim Emerging Market Analyst +852 2826 5756	**Sébastien Barbé** **Head of Emerging Market Research & Strategy** **+33 1 41 89 15 97**		Olga Yangol ** Head of Emerging Market Research & Strategy, Americas +1 212 261 3953
Foreign Exchange	David Forrester Senior FX Strategist +65 6439 9826		**Valentin Marinov** **Head of G10 FX Research & Strategy** **+44 20 7214 5289**	Alexandre Dolci FX Strategist +44 20 7214 5064	
Quant Research			Alexandre Borel Data Scientist +33 1 57 87 34 27		

*** employee(s) of Crédit Agricole Securities (USA), Inc.*

Certification

The views expressed in this report accurately reflect the personal views of the undersigned analyst(s). In addition, the undersigned analyst(s) has not and will not receive any compensation for providing a specific recommendation or view in this report.

Xiaojia Zhi, Eddie Cheung CFA, Jeffrey Zhang

Important: Please note that in the United States, this fixed income research report is considered to be fixed income commentary and not fixed income research. Notwithstanding this, the Crédit Agricole CIB Research Disclaimer that can be found at the end of this report applies to this report in the United States as if references to research report were to fixed income commentary. Products and services are provided in the United States through Crédit Agricole Securities (USA), Inc.

Foreign exchange disclosure statement to clients of CACIB

https://www.ca-cib.com/sites/default/files/2017-02/2016-05-04-cacib-fx-disclosure-april-2016_0.pdf

Additional recommendation obligations – available from analyst(s) upon request:

- A list of all the recommendation changes on any financial instrument or issuer disseminated within the last 12 months.
- Where Crédit Agricole CIB is a market-maker or liquidity provider in the financial instruments of the issuer.

Valuation and methodology

Based on their expertise, each analyst defines the information that is relevant to produce their recommendations. This information may change over time. All recommendations focus on FX and fixed income instruments, either spot, cash or derivate markets. Crédit Agricole CIB is currently disclosing investment recommendations either at the issuer level, at the financial instrument level or at the country level. Credit Agricole CIB investment recommendations are based on a risk and reward analysis:

- Risk analysis may be conducted at the financial instruments level. Among the information normally used to define the risks, are (1) publications produced by other research teams within Crédit Agricole CIB (Economics, FX, Credit Research, Interest rate), (2) country analysis, (3) regulatory filings; (4) regular discussions with relevant stakeholders such as experts or regulatory bodies or (5) any other publicly available sources.
- Reward analysis is usually based on valuation models. Valuation may be based on proprietary models or external models provided by sources considered as reliable (eg, Bloomberg). Among other factors, valuation models may be based on relative value models, quantitative models, cross-asset models.
- Investment recommendations may also be based on other technical aspects, including positioning flows and observing the market and underlying movements in particular instruments or issuers. This analysis will take into account key criteria such as market liquidity of the financial instrument at the time of production of the recommendation.

Any change in recommendation is disclosed via specific documents indicating both the new and the previous recommendation and the rationale backing the change.

Credit Agricole CIB expressly disclaims any responsibility for: (i) the accuracy of the models or estimates used in deriving the recommendations; (ii) any errors or omissions in computing or disseminating the valuations: and (iii) any uses to which the recommendations are put. Any valuation provided may be different from the valuation of the same product that Credit Agricole CIB may use for its own purposes, including those prepared in its own financial records.

MiFID II Research contact details

Andrew Taylor MiFID II Research contact andrew.taylor@ca-cib.com	Please send your questions on MiFID II to: research.mifid2@ca-cib.com

Disclaimer

This research report or summary has been prepared by Crédit Agricole Corporate and Investment Bank or one of its affiliates (collectively "Crédit Agricole CIB") from information believed to be reliable. Such information has not been independently verified and no guarantee, representation or warranty, express or implied, is made as to its accuracy, completeness or correctness.

This report is provided for information purposes only. Nothing in this report should be considered to constitute investment, legal, accounting or taxation advice and you are advised to contact independent advisors in order to evaluate this report. It is not intended, and should not be considered, as an offer, invitation, solicitation or personal recommendation to buy, subscribe for or sell any of the financial instruments described herein, nor is it intended to form the basis for any credit, advice, personal recommendation or other evaluation with respect to such financial instruments and is intended for use only by those professional investors to whom it is made available by Crédit Agricole CIB. Crédit Agricole CIB does not act in a fiduciary capacity to you in respect of this report.

Crédit Agricole CIB may at any time stop producing or updating this report. Not all strategies are appropriate at all times. Past performance is not necessarily a guide to future performance. The price, value of and income from any of the financial instruments mentioned in this report can fall as well as rise and you may make losses if you invest in them. Independent advice should be sought. In any case, investors are invited to make their own independent decision as to whether a financial instrument or whether investment in the financial instruments described herein is proper, suitable or appropriate based on their own judgement and upon the advice of any relevant advisors they have consulted. Crédit Agricole CIB has not taken any steps to ensure that any financial instruments referred to in this report are suitable for any investor. Crédit Agricole CIB will not treat recipients of this report as its customers by virtue of their receiving this report.

Crédit Agricole CIB, its directors, officers and employees may have financial interests or may effect transactions (whether long or short) in the financial instruments described herein for their own accounts or for the account of others, may have positions relating to other financial instruments of the issuer thereof, or any of its affiliates, or may perform or seek to perform securities, investment banking or other services for such issuer or its affiliates, within the regulatory framework set by Article 37 of Delegated Regulation (EU) 2017/565. Crédit Agricole CIB may have issued, and may in the future issue, other reports that are inconsistent with, and reach different conclusions from, the information presented in this report. Without prejudice to the requirements arising from Article 4 of Delegated Regulation (EU) 2016/958, Crédit Agricole CIB is under no obligation to ensure that such other reports are brought to the attention of any recipient of this report. Crédit Agricole CIB has established a "Policy for Managing Conflicts of Interest" which is available upon request. A summary of this policy is published on the Crédit Agricole CIB website conflict of interest | Crédit Agricole CIB. This policy also applies to the investment research activity.

None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party without the prior express written permission of Crédit Agricole CIB. To the extent permitted by applicable securities laws and regulations, Crédit Agricole CIB accepts no liability whatsoever for any direct or consequential loss arising from the use of this document or its contents.

France: Crédit Agricole Corporate and Investment Bank is authorized and regulated by the Autorité de Contrôle Prudentiel et de Résolution ("ACPR") and supervised by the European Central Bank ("ECB"), the ACPR and the Autorité des Marchés Financiers ("AMF"). Crédit Agricole Corporate and Investment Bank is incorporated in France with limited liability. Registered office: 12, Place des Etats-Unis, CS 70052, 92 547 Montrouge Cedex (France). Companies Register: SIREN 304 187 701 with Registre du Commerce et des Sociétés de Nanterre. United Kingdom: Crédit Agricole CIB is authorised and regulated by the Autorité de Contrôle Prudentiel et de Résolution (the "ACPR") and supervised by the European Central Bank (the "ECB"), the ACPR and the Autorité des Marchés Financiers (the "AMF") in France. Crédit Agricole CIB London Branch is authorised by the Prudential Regulation Authority and subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Financial Conduct Authority and the Prudential Regulation Authority are available from Crédit Agricole CIB London on request. Crédit Agricole Corporate and Investment Bank is a public limited company ("société anonyme") under French law, incorporated in France under SIREN number 304187701 at the Nanterre Trade and Companies Registry, with limited liability and its head office address at 12, Place des États-Unis, CS 70052, 92547 Montrouge Cedex, France. It is registered in England and Wales as an overseas company at Companies House under company number FC008194, with a UK establishment at Broadwalk House, 5 Appold Street, London, EC2A 2DA, United Kingdom (UK establishment number BR001975). United States of America: This research report is prepared by Crédit Agricole Corporate and Investment Bank and is distributed in the United States solely to persons who qualify as "Major U.S. Institutional Investors" as defined in Rule 15a-6 under the Securities and Exchange Act of 1934 and who deal with Crédit Agricole Corporate and Investment Bank. This report does not carry all of the independence and disclosure standards of a retail debt research report or a research report prepared by a U.S. broker-dealer. Recipients of this research in the United States wishing to effect a transaction in any security mentioned herein should do so by contacting Crédit Agricole Securities (USA), Inc. (a broker-dealer registered with the Securities and Exchange Commission ("SEC") and the Financial Industry Regulatory Authority ("FINRA"). The delivery of this research report to any person in the United States shall not be deemed a recommendation of Crédit Agricole Securities (USA) Inc. to effect any transactions in the securities discussed herein or an endorsement of any opinion expressed herein. This report shall not be re-distributed in the United States without the consent of Crédit Agricole Securities (USA) Inc. Italy: Crédit Agricole Corporate and Investment Bank is authorised and regulated by the Autorité de Contrôle Prudentiel et de Résolution (the "ACPR") and supervised by the European Central Bank (the "ECB"), the ACPR and the Autorité des Marchés Financiers (the "AMF") in France. Crédit Agricole Corporate and Investment Bank Milan Branch is subject to supervision by the Bank of Italy and by the Commissione nazionale per le società e la borsa ("CONSOB"). This report is not intended, and should not be considered, as an offer, invitation, solicitation or recommendation to buy or sell any of the financial instruments described herein. This report is not intended, and should not be considered, as advice on investments in securities under the Consolidated Financial Law (Legislative Decree No. 50 of 24 February 1998) and can only be distributed to, and circulated among, professional investors (controparti qualificate), as defined by the relevant Italian securities legislation. Spain: This report may only be distributed to professional investors (as defined in Article 194 of Law 6/2023, of 17 March, of the Securities Markets and the Investment Services, and Article 112 of Royal Decree 813/2023, of 8 November, on the legal regime for investment services firms and other entities providing investment services) and cannot be distributed to other investors that do not fall within the category of professional investors. Hong Kong: Distributed by Crédit Agricole Corporate and Investment Bank, Hong Kong branch, an authorized financial institution registered with the Securities and Futures Commission for Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities with Central Entity Number AAK816. This research report has not been reviewed or authorised by any regulatory authority in Hong Kong and is available only for professional investors within the meaning of the Securities and Futures Ordinance (Cap.571) and its subsidiary legislations. Japan: Distributed by Crédit Agricole Securities Asia B.V. which is registered for financial instruments business in Japan pursuant to the Financial Instruments and Exchange Act (Act No. 25 of 1948), and is not intended, and should not be considered, as an offer, invitation, solicitation or recommendation to buy or sell any of the financial instruments described herein. This report is not intended, and should not be considered, as advice on investments in securities which is subject to the Financial Instruments and Exchange Act (Act No. 25 of 1948). Singapore: Crédit Agricole Corporate and Investment Bank, Singapore branch ("CACIB SG") may distribute information/research produced by its head office Crédit Agricole Corporate and Investment Bank incorporated in France, pursuant to an arrangement under Regulation 32C of the Financial Advisers Regulations. Credit Agricole Corporate and Investment Bank only distributes to accredited, expert, or institutional investors (in each case, as defined in the Securities and Futures Act 2001).

Switzerland: This report is provided only to institutional clients and/or professional clients within the meaning of the Swiss Financial Services Act and in strict compliance with applicable Swiss law. This document is not a prospectus within the meaning of Swiss Financial Services Act. The products mentioned in this document may not be suitable for all types of investors. Germany: This report may only be distributed to institutional investors. Australia: Distributed to wholesale investors only. This research, and any access to it, is intended only for "wholesale clients" within the meaning of the Australian Corporations Act.

THE DISTRIBUTION OF THIS DOCUMENT IN OTHER JURISDICTIONS MAY BE RESTRICTED BY LAW, AND PERSONS INTO WHOSE POSSESSION THIS DOCUMENT COMES SHOULD INFORM THEMSELVES ABOUT, AND OBSERVE, ANY SUCH RESTRICTIONS. BY ACCEPTING THIS REPORT, YOU AGREE TO BE BOUND BY THE FOREGOING.

09/12/25