

WEEKLY BRIEFING

Week of December 22-28, 2025

Executive Take | Macro Regime

Executive Take

The global macro backdrop is becoming more unstable, not more supportive. Inflation remains sticky across major economies, forcing central banks to move in different directions. The Fed has cut rates, but Europe remains constrained by inflation and Japan is preparing to tighten policy for the first time in decades.




















Liquidity conditions remain tight beneath the surface. Banks are optimizing balance sheets, repo markets are sensitive, and global excess cash buffers have largely disappeared. Credit spreads remain compressed and positioning continues to price a smooth easing cycle that is increasingly unlikely.

Markets are misreading policy divergence as relief. The reality is rising fragility.

Macro Regime

The global economy is entering a complex and risky new chapter. Growth is undeniably slowing across major regions, yet inflation, the stubborn problem central banks have fought for years remains a persistent threat. U.S. inflation is still above target, Europe just saw its inflation rate jump back up, and Japan is now facing price pressures it hasn't seen in decades. The critical issue is that this is forcing the world's top central bankers to act in opposite directions: the U.S. Fed has cautiously cut rates due to domestic weakness, while Europe's central bank is holding firm and Japan is actively preparing to raise rates for the first time in a generation. This dangerous divergence marks a classic late-cycle dilemma where policy options are narrowing and the coordinated response that markets rely on is breaking down, setting the stage for increased financial volatility and unpredictable crosswinds for investors.

World Economic Dashboard

Country	GDP (USD)	GDP QoQ	GDP YoY	CPI YoY	Core CPI YoY
 United States	29,184.89e	3.80%	2.10%	2.70%	2.60%
 Euro Zone	16,406.13e	0.30%	1.40%	2.10%	2.40%
 China	18,743.80e	1.10%	4.80%	0.70%	1.20%
 Japan	4,026.21e	-0.60%	1.10%	2.90%	3.00%
 Germany	4,659.93e	-0.20%	0.30%	2.30%	2.70%
 United Kingdom	3,643.83e	0.10%	1.30%	3.20%	3.20%
 France	3,162.08e	0.50%	0.90%	0.90%	1.00%
 India	3,912.69e	2.00%	8.20%	0.71%	-
 Italy	2,372.77e	0.10%	0.60%	1.10%	1.70%
 Brazil	2,179.41e	0.10%	1.80%	4.46%	5.12%
 Canada	2,241.25e	0.60%	1.40%	2.20%	2.90%
 South Korea	1,712.79e	1.30%	1.80%	2.40%	2.30%
 Russia	2,173.84e	-0.80%	0.60%	6.60%	6.12%
 Spain	1,722.75e	0.60%	2.80%	3.00%	2.60%
 Australia	1,752.19e	0.40%	2.10%	3.80%	3.30%
 Mexico	1,852.72e	-0.30%	-0.10%	3.80%	4.43%
 Indonesia	1,396.30e	1.43%	5.04%	2.72%	2.36%
 Turkey	1,323.25e	1.10%	3.70%	31.07%	31.65%
 Switzerland	936.56e	-0.50%	0.80%	0.10%	0.40%