United States: AI and Fiscal Stimulus Sustain Economic Momentum

Despite the multiplication of supply shocks in recent years, the U.S. economy remains the most dynamic among developed economies and is likely to remain so over the medium term. This momentum is driven by the rise of AI as well as the succession of fiscal support packages since Covid. The counterpart of this dynamism is a higher inflation rate, which is accelerating in the United States relative to other economies, implying that the Federal Reserve could become more restrictive.

Growth driven by AI investment and fiscal stimulus. Despite the multiplication of negative shocks since 2020, the U.S. economy remains on a highly favorable trajectory, well ahead of its peers. Since 2022, U.S. economic activity has increased by more than 10%, compared with 7% for the average developed economy and 4% for the euro area. This growth primarily reflects the rise of AI. Capital expenditures exceeded USD 700 billion between 2024 and 2025, and more than an additional USD 900 billion is expected over the next twelve months. Although a large share of these investments relies on imports, their use takes place in the United States, as do the construction of data centers and spending on LLMs. The rise of AI also contributes to growth through substantial wealth effects.

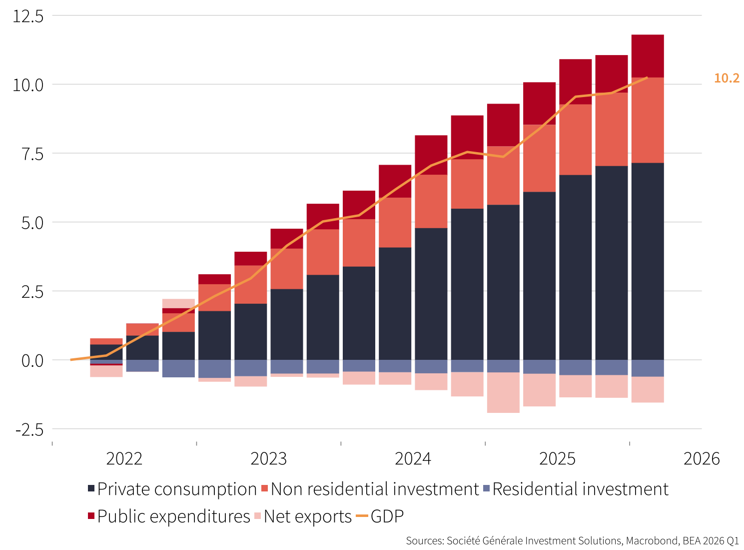
Indeed, the strong performance of U.S. equity markets, largely reflecting the excellent performance of stocks within the AI ecosystem, has resulted in growth of more than 20% in the net financial wealth of U.S. households. This increase in wealth has supported consumption in recent years despite slower wage growth. Although these gains are mainly concentrated among the wealthiest households, those households also account for the majority of consumption in the United States. A second factor supporting activity is the continuation of stimulus measures under successive U.S. administrations, notably the One Big Beautiful Bill Act, which includes significant tax cuts for households and has helped maintain strong domestic demand.

Inflation as the counterpart of strong growth. While U.S. growth remains robust, inflation also remains elevated, reflecting both supply shocks such as tariffs and the persistence of strong domestic demand. Services inflation, a reflection of domestic inflationary pressures, remains around 3.5%, well above its trend during the 2010s. As a result, inflation is expected to remain above the Federal Reserve's 2% target over the coming quarters. This situation increases the likelihood that the Fed will begin a tightening cycle in the coming quarters.

For more information: The U.S. Economy ahead of the midterm elections

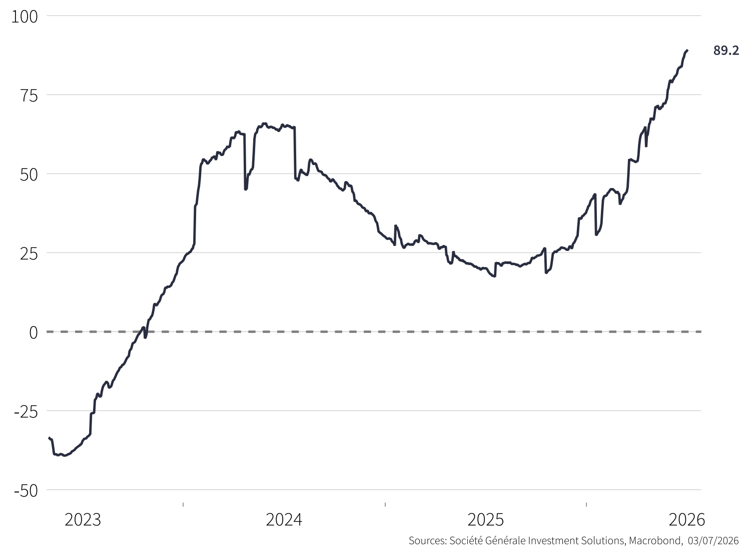
US : GDP EVOLUTION AND CONTRIBUTIONS

Since 1Q22



AI ECOSYSTEM : 12M FORWARDS EPS

% ch, yoy



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OUR MACRO COMMENTS

Events of the week

EURO ZONE: LOWER INFLATION IN JUNE

Preliminary estimates of inflation in the euro zone for June show a slowdown in price rises. Headline inflation stands at 2.8 per cent, below expectations (3 per cent) and the level recorded in May (3.2 per cent). Core inflation has also fallen to 2.4 per cent. The easing of tensions between the United States and Iran has helped to stabilise energy prices, and it is this normalisation that accounts for most of the slowdown in inflation. Inflation in the services sector is also slowing, suggesting that the spillover from the energy shock to the rest of the economy remains limited. Within the eurozone, the easing is particularly marked in France (2 per cent) and Germany (2.4 per cent). Whilst the ECB's 2 per cent target has not yet been fully met, the June data reinforce the view that the spring's inflationary shock may be transitory. Nevertheless, the markets are still anticipating a rise in ECB interest rates in September, given the continued hawkish tone of statements from members of the Monetary Policy Committee.

US: LABOUR MARKET

In June, the US unemployment rate stood at 4.2 per cent, slightly below the consensus forecast of 4.3 per cent. Non-farm payrolls were a major disappointment, with only 57,000 jobs created against an expected 110,000. This slowdown is mainly due to job losses in sectors linked to household demand, notably leisure and hospitality, as well as retail. The information and communication sector also saw a decline in employment. Conversely, job creation remains robust in healthcare, private education and business services.

KEY EVENTS NEXT WEEK

Monday

United States	ISM Services JUNE
Euro area	- Retail sales MAY - Producer price index MAY

Tuesday

France **United States**	Trade balance MAY
Germany	Industrial production MAY

Thursday

Germany	Trade balance MAY
China	Inflation JUNE

Friday

Japan	Producer price index JUNE

EVENTS IN THE COMING MONTHS

- July 23 : ECB monetary policy meeting
- July 29 : FED monetary policy meeting
- July 30 : BoJ monetary policy meeting
- July 30 : BoE monetary policy meeting

Source: Macrobond, July 3, 2026. The colors in the 'Actual' column correspond to the difference from the forecast

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MARKET PERFORMANCES

Interbank rates

%	01/07/2026	03/06/2026	03/04/2026	01/01/2024	03/07/2025
US SOFR	3,633	3,59	3,65	5,34	4,33
Euro area €ster	2,183	1,93	1,93	3,88	1,92
UK SONIA	3,731	3,73	3,73	5,19	4,22
Switzerland SARON	-0,037	-0,04	-0,04	1,70	-0,04
Japan TONAR	0,977	0,73	0,73	-0,04	0,48

10Y Government rates

%	02/07/2026	03/06/2026	03/04/2026	01/01/2024	03/07/2025
US Treasuries	4,49	4,49	4,35	3,88	4,35
France OAT	3,65	3,73	3,75	2,55	3,28
Germany Bund	2,94	3,03	2,99	2,02	2,63
Italy BTP	3,68	3,81	3,85	3,70	3,45
Spain Bonos	3,34	3,45	3,47	2,98	3,16
Switzerland	0,36	0,44	0,41	0,66	0,41
UK Gilts	4,85	4,99	4,86	3,60	4,54
Japan JGB	2,70	2,55	2,39	0,62	1,43

Credit

%	02/07/2026	03/06/2026	03/04/2026	01/01/2024	03/07/2025
United States IG	5,22	5,19	5,14	5,06	5,05
United States HY	7,13	7,09	7,27	7,59	6,95
Europe IG	3,64	3,77	3,86	3,72	3,26
Europe HY	5,72	5,58	6,32	6,80	5,51
Emerging FX	5,78	5,79	6,01	6,77	5,96

Equity indices

02/07/2026 vs	-1w	-1m	-3m	01/01/2024	-1y
World	1,27	-0,178	13,28	61,8	26,40
United States	1,64	-0,384	14,34	60,9	22,99
Euro area	1,72	3,801	12,88	54,4	24,08
France	1,40	3,969	9,13	23,8	14,07
Germany	3,40	1,679	9,53	46,9	6,85
United Kingdom	1,37	3,010	3,10	47,8	23,60
Japan	0,92	0,577	11,67	82,1	46,82
Emerging	-0,41	-3,867	17,69	81,8	44,53
China USD	2,24	-9,203	-7,81	33,8	-4,62
India USD	-0,33	4,265	9,01	8,1	-10,51
Latin America USD	-0,08	-0,277	-4,72	25,5	29,19

Foreign exchange rates

	02/07/2026	03/06/2026	03/04/2026	01/01/2024	03/07/2025
EUR/USD	1,14	1,16	1,15	1,11	1,18
GBP/USD	1,34	1,34	1,32	1,27	1,36
EUR/CHF	0,92	0,92	0,92	0,93	0,94
USD/JPY	160,97	159,98	159,57	141,03	145,12
USD/CNY	6,79	6,76	6,88	7,08	7,17

Commodity prices

	02/07/2026	03/06/2026	03/04/2026	01/01/2024	03/07/2025
Brent, USD/BL	72	98	109	77	69
Copper, USD/Metric ton	13 202	13 921	12 147	8 476	10 120
Gold, USD/Troy oz	4 129	4 445	4 639	2 078	3 332
Silver, USD/Troy oz	60	74	71	24	37
Palladium, USD/Troy oz	1 255	1 353	1 463	1 136	1 122
Platinium, USD/Troy oz	1 618	1 911	1 910	1 000	1 378

Source : Bloomberg on 3 July 2026, 1W = 1 week change, 3M = 3 month change, 12M = 12 mont change, YTD = year to date change, Equities; total return in local currency . Government bonds = 10 year returns. Figures are rounded..

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