MKD Advisors

Insights from IMF's World Economic Outlook

April 2026

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IMF's World Economic Outlook

Every April and October, the International Monetary Fund ("IMF") publishes its report on the World Economic Outlook ("WEO").

The WEO report provides a comprehensive analysis of global economic developments, including trends in growth, inflation, and risks to financial stability.

In this document, we analyze the main macroeconomic indicators for Iberia, as well as those for other major global economies, presented in the April 2026 WEO report. Additionally, we offer an overview of trends in stocks, yields, and commodities.

We hope you find these insights interesting and helpful as we all navigate the changing global landscape.

- **Highlights from the IMF's World Economic Outlook – April 2026.**
  - The global economy is again being thrown off course, this time by the outbreak of war in the Middle East at the end of February 2026, which counters the past year's tailwinds —technology-related investment, accommodative financial conditions including a weaker US dollar, and fiscal and monetary policy support— through its impact on commodity markets, inflation expectations, and financial conditions.
  - In lieu of the traditional baseline, the WEO presents a "reference forecast" predicated on the assumption that the war will have limited duration, intensity, and scope, with disruptions fading by mid-2026. Under it, global growth is projected at 3.1% in 2026 and 3.2% in 2027, slower than the recent pace of about 3.4% in 2024–25 and below the historical (2000–19) average of 3.7%. The 2026 forecast is revised downward by 0.2 percentage point versus the January 2026 WEO Update.
  - Global headline inflation is expected to rise to 4.4% in 2026 before declining to 3.7% in 2027, marking upward revisions for both years.
  - The toll is highly uneven across countries: emerging market and developing economies face a 0.3 percentage point downward revision for 2026 —especially commodity-importing economies with preexisting fragilities— while the forecast for advanced economies is broadly unchanged.
  - Two stress scenarios accompany the reference forecast: under an adverse scenario with larger and more persistent energy price increases, global growth slows to 2.5% in 2026 and inflation reaches 5.4%; under a more severe scenario involving damage to energy infrastructure in the conflict region, growth falls to about 2% in 2026 and headline inflation exceeds 6% by 2027, with the impact on emerging market and developing economies almost twice that on advanced economies.

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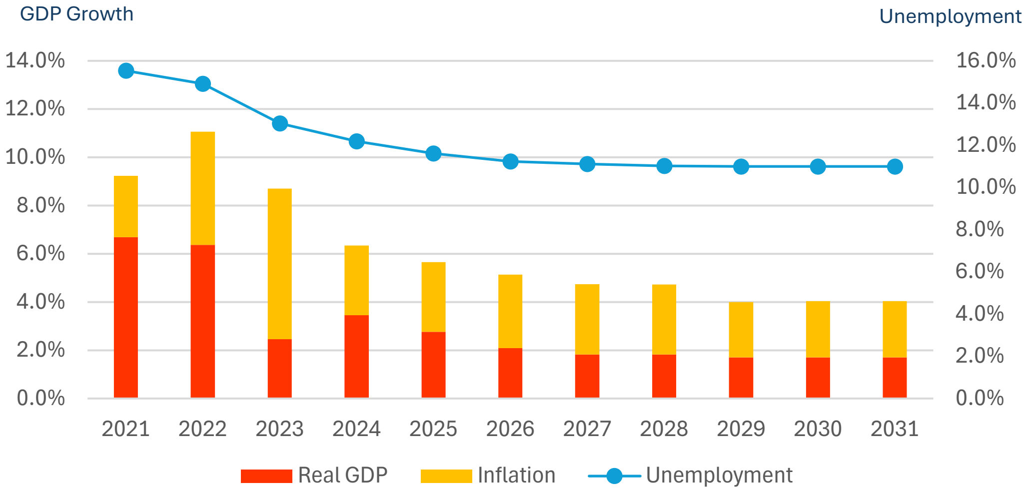
- **Highlights from the IMF's World Economic Outlook – April 2026 (cont.)**
  - Risks to the outlook are tilted to the downside and include i) further escalation of geopolitical tensions, potentially turning the situation into the largest energy crisis in modern times, ii) flare-ups in trade-related disputes, notably around rare earth elements, iii) an abrupt repricing of AI-related stocks if profit or productivity expectations disappoint, iv) larger fiscal deficits and rising public debt amid already eroded fiscal buffers, and v) erosion of institutions, including central bank independence and monetary policy credibility.
  - On the upside, faster AI adoption could lift productivity and business dynamism, while renewed momentum for structural reforms and a sustained easing in trade tensions could provide additional support to activity.

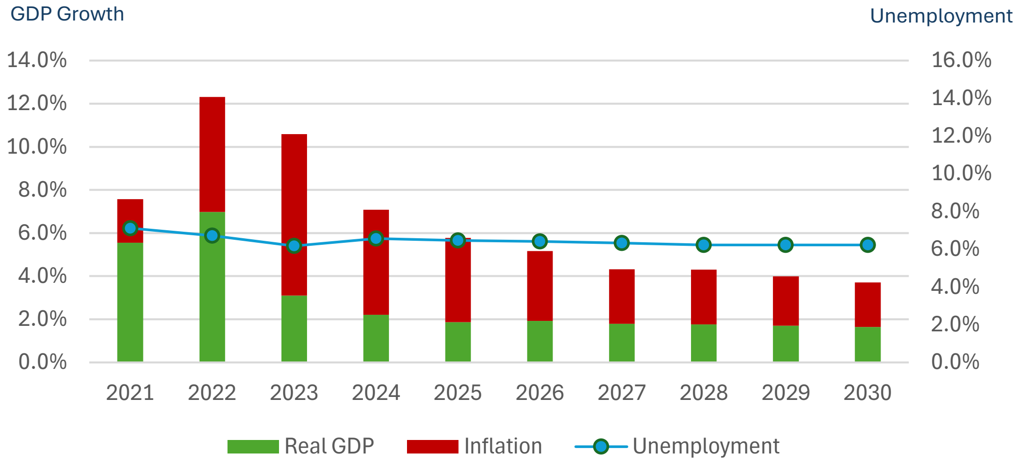
For further details and in-depth data, access the full World Economic Outlook, April 2026

Economic Outlook of Spain & Portugal

Spain: Real GDP Growth, Inflation and Unemployment



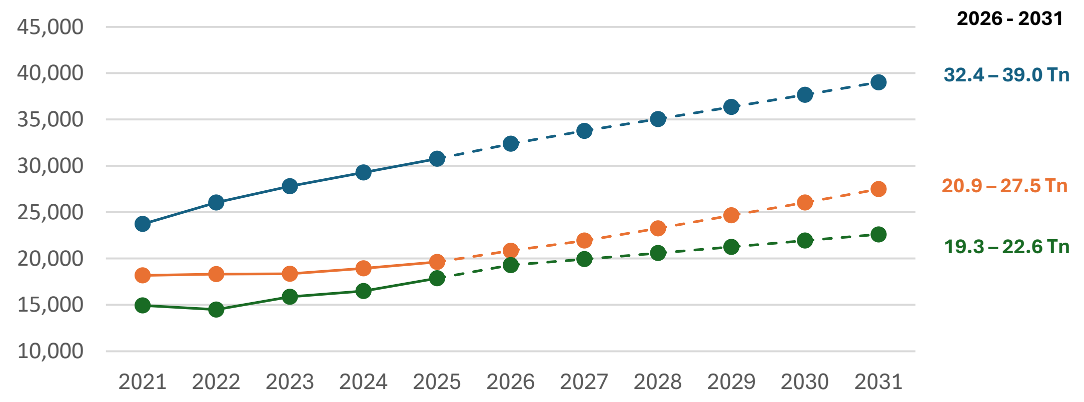
Portugal: Real GDP Growth, Inflation and Unemployment



Particulars	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Nominal GDP (Bn €)											
Spain	1,235	1,376	1,498	1,594	1,686	1,773	1,858	1,947	2,026	2,108	2,194
Portugal	216	244	270	290	307	323	337	352	366	379	393
Real GDP (Bn €)											
Spain	1,205	1,281	1,313	1,358	1,396	1,425	1,451	1,477	1,503	1,528	1,554
Portugal	216	232	239	244	249	253	258	263	267	271	276
Real GDP (%)											
Spain	6.7%	6.4%	2.5%	3.5%	2.8%	2.1%	1.8%	1.8%	1.7%	1.7%	1.7%
Portugal	5.6%	7.0%	3.1%	2.2%	1.9%	1.9%	1.8%	1.8%	1.7%	1.7%	1.6%
Inflation (%)											
Spain	2.6%	4.7%	6.2%	2.9%	2.9%	3.0%	2.9%	2.9%	2.3%	2.3%	2.3%
Portugal	2.0%	5.3%	7.5%	4.9%	3.9%	3.2%	2.5%	2.5%	2.3%	2.1%	2.0%
Gross debt (Bn €)											
Spain	1,428	1,503	1,574	1,621	1,693	1,741	1,788	1,834	1,883	1,933	1,985
Portugal	268	271	262	271	276	276	277	279	282	286	293
Gross Debt/Nominal GDP											
Spain	1.16	1.09	1.05	1.02	1.00	0.98	0.96	0.94	0.93	0.92	0.90
Portugal	1.24	1.11	0.97	0.93	0.90	0.86	0.82	0.79	0.77	0.75	0.74
Population (M)											
Spain	47.5	48.1	48.6	49.1	49.7	50.3	50.8	51.3	51.7	52.0	52.3
Portugal	10.4	10.5	10.6	10.7	10.8	10.7	10.7	10.7	10.7	10.6	10.6
Portugal/Spain	0.22	0.22	0.22	0.22	0.22	0.21	0.21	0.21	0.21	0.20	0.20
Real GDP per capita (K €)											
Spain	25.37	26.65	27.00	27.68	28.07	28.32	28.54	28.80	29.08	29.39	29.73
Portugal	20.80	22.12	22.57	22.82	23.09	23.59	24.08	24.56	25.03	25.50	25.96
Portugal/Spain	0.82	0.83	0.84	0.82	0.82	0.83	0.84	0.85	0.86	0.87	0.87
CPI (%)											
Spain	6.57%	5.48%	3.27%	2.84%	3.04%	3.01%	2.18%	2.50%	2.00%	2.00%	2.00%
Portugal	2.79%	9.80%	1.89%	3.11%	n.a.	6.14%	2.28%	2.40%	2.20%	1.98%	n.m.
Unemployment (%)											
Spain	14.9%	13.0%	12.2%	11.3%	10.5%	9.8%	9.8%	9.9%	9.9%	10.0%	10.0%
Portugal	6.7%	6.2%	6.6%	6.5%	6.0%	5.9%	5.9%	5.8%	5.7%	5.7%	5.7%

Economic Outlook of Major Economies

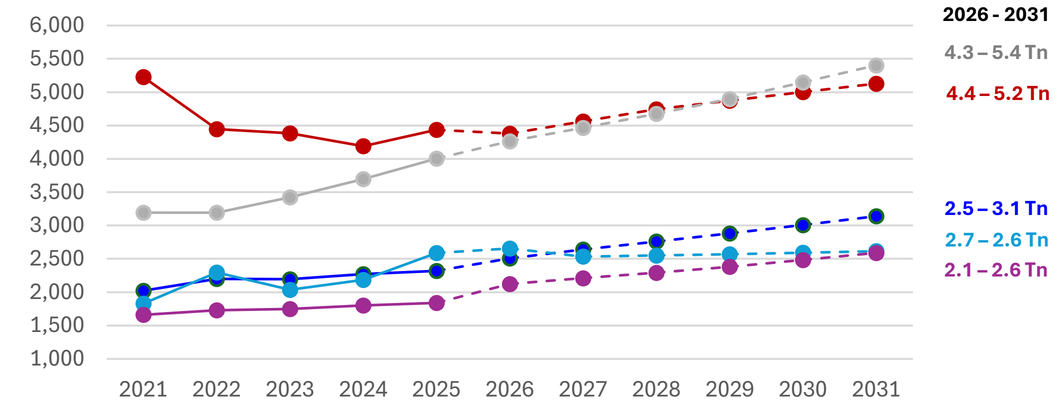
Nominal GDP (Current Prices, Bn USD): US, EU and China



Growth in Real GDP (Constant Prices, Local Currency)

Country	2021A	2022A	2023A	2024A	2025A	2026E	2027E	2028E	2029E	2030E	2031E
United States	6.2%	2.5%	2.9%	2.8%	2.1%	2.3%	2.1%	2.1%	1.9%	1.8%	1.8%
China	8.6%	3.1%	5.4%	5.0%	5.0%	4.4%	4.0%	4.0%	3.7%	3.3%	3.3%
Euro Area	6.4%	3.7%	0.5%	0.9%	1.5%	1.1%	1.2%	1.4%	1.2%	1.1%	1.1%
Japan	3.6%	1.3%	0.7%	-0.2%	1.2%	0.7%	0.6%	0.6%	0.6%	0.6%	0.6%
United Kingdom	8.5%	5.1%	0.3%	1.1%	1.3%	0.8%	1.3%	1.6%	1.6%	1.5%	1.4%
Canada	6.0%	4.7%	2.0%	2.0%	1.7%	1.5%	1.9%	1.7%	1.7%	1.7%	1.8%
Russia	5.9%	-1.4%	4.1%	4.9%	1.0%	1.1%	1.1%	1.0%	1.0%	1.0%	1.0%
Australia	5.4%	4.2%	2.1%	1.0%	2.0%	2.0%	1.7%	1.9%	2.1%	2.3%	2.3%

Nominal GDP (Current Prices, Bn USD): Other major economies



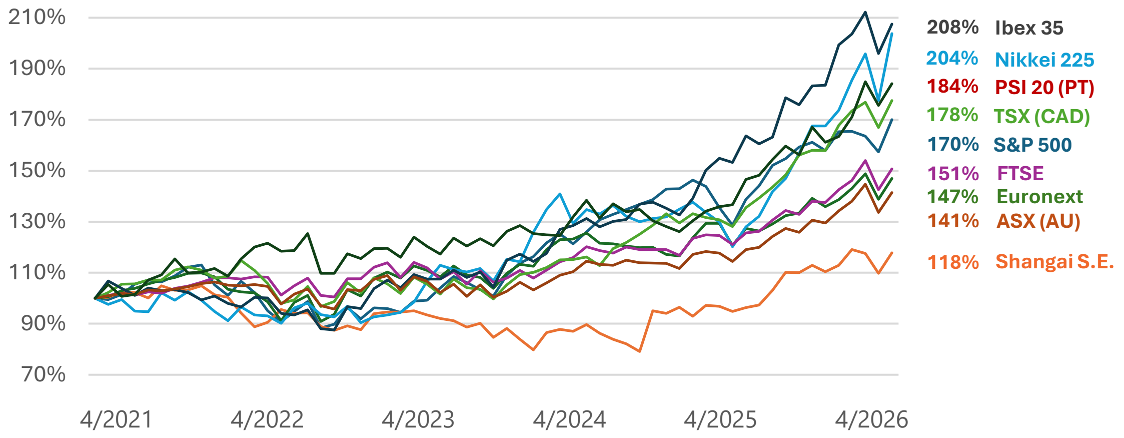
Inflation (rate of change in the GDP Deflator)

Countries	2021A	2022A	2023A	2024A	2025A	2026E	2027E	2028E	2029E	2030E	2031E
United States	4.6%	7.1%	3.7%	2.5%	2.8%	2.9%	2.2%	1.6%	1.8%	1.8%	1.8%
China	3.7%	2.0%	-0.4%	-0.7%	-1.0%	-0.3%	0.8%	1.5%	1.9%	2.0%	2.0%
Euro Area	2.1%	5.2%	6.1%	2.9%	2.4%	2.3%	2.2%	2.2%	2.1%	2.0%	2.0%
Japan	0.0%	0.6%	4.6%	3.2%	3.4%	1.4%	2.7%	2.1%	2.2%	2.2%	2.1%
United Kingdom	0.7%	5.7%	6.3%	3.9%	3.7%	2.5%	2.1%	2.0%	1.8%	1.8%	1.8%
Canada	7.8%	7.9%	1.5%	2.7%	2.6%	3.8%	2.6%	2.1%	2.0%	2.0%	1.9%
Russia	18.2%	18.2%	6.7%	10.7%	4.5%	3.1%	2.7%	4.0%	3.7%	3.9%	3.9%
Australia	5.9%	8.3%	3.3%	2.6%	2.7%	3.6%	2.5%	2.2%	2.2%	2.3%	2.2%

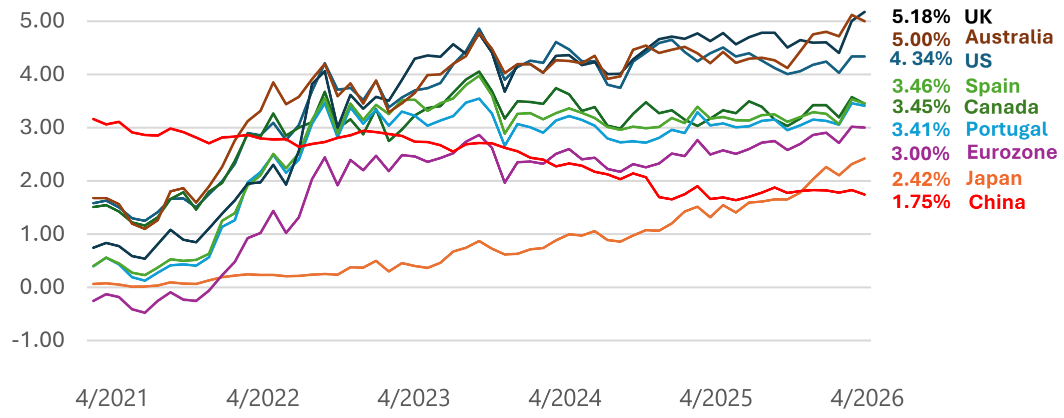
Source: IMF's World Economic Outlook

Economic Outlook of Financial Markets

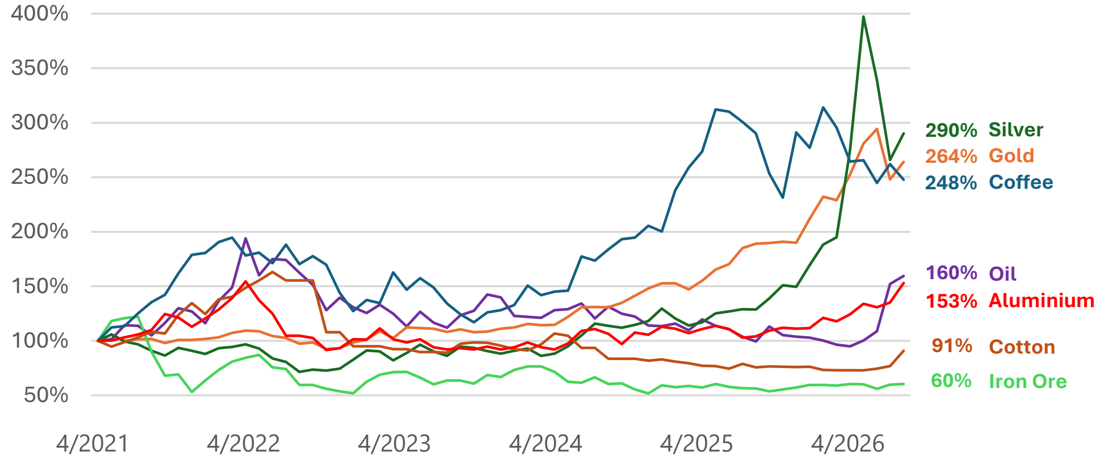
Stock Price Indices, Rebased



Yield of the 10 Year Maturity Government Debt (Local Currency)



Commodity Prices, Rebased



Government Bond Yield Curve April 2026

Countries	1y	2y	3y	4y	5y	7y	9y	10y	15y	20y	30y
US	3.70	3.83	3.84	n.a.	3.96	4.13	n.a.	4.34	n.a.	4.90	4.92
Canada	2.56	2.81	2.94	2.90	3.07	3.20	3.30	3.45	n.a.	3.66	3.87
Australia	4.66	4.70	4.69	4.69	4.73	4.84	4.98	5.00	5.19	5.37	5.40
Eurozone	2.43	2.56	2.53	2.62	2.70	2.80	2.92	3.00	3.35	3.47	3.53
Spain	2.51	2.66	2.72	2.80	2.92	3.13	3.32	3.46	n.a.	3.93	4.19
UK	4.30	4.36	4.39	4.40	4.46	4.65	4.87	5.18	5.33	5.54	5.63
Portugal	2.41	2.60	2.62	2.68	2.87	3.13	3.29	3.41	n.a.	n.a.	n.a.
Japan	1.04	1.35	1.57	1.75	1.84	2.21	2.42	2.42	3.56	3.27	3.62
China	1.13	1.24	1.28	n.a.	1.48	1.61	n.a.	1.75	1.92	2.17	2.23

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