

MKD Advisors



Insights from the IMF's World Economic Outlook

October 2026

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Valuations • Modeling • Strategy

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 October 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.

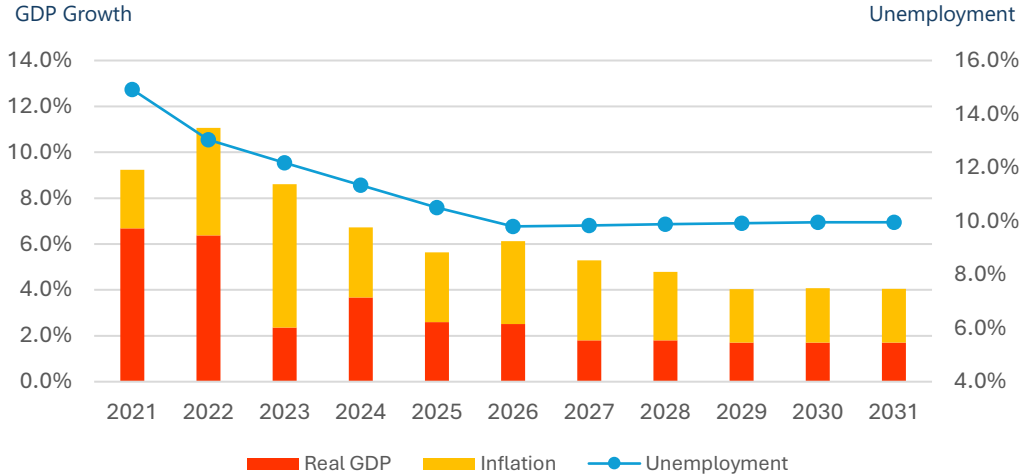
- **Highlights from the IMF's World Economic Outlook – October 2026.**

- The global economy remains resilient but uneven, with stronger-than-expected activity in H1 2026 despite Middle East conflict and trade tensions, supported by AI-related investment.
- Global growth is projected at 3.1% in 2026 and 3.4% in 2027, unchanged for 2026 and revised moderately upward for 2027 relative to the April 2026 IMF's estimates.
- Global headline inflation is projected to rise to 4.7% in 2026 before easing to 4.1% in 2027, making a cumulative upward revision of 0.7 percentage point, driven mainly by an increase in energy and food prices.
- The stable global aggregate masks a split global economy: countries tied to the technology upturn and energy exporters outside the conflict zones are holding up, while energy importers outside the technology value chain face higher import costs and weaker real incomes.
- World trade volume growth is projected to slow in 2026 and stabilize in 2027, while the medium-term growth outlook remains lackluster by historical standards and uneven across countries.
- Global external imbalances are expected to narrow only slightly, as persistent fiscal deficits, structural economic differences and technology-driven capital flows continue to sustain disparities across major economies.
- Risks are skewed to the downside and include i) a prolonged or escalating conflict in the Middle East, keeping energy and food prices elevated, ii) a reassessment of AI-related profitability, triggering equity market corrections and tighter financial conditions, and iii) fiscal vulnerabilities and renewed trade tensions.
- On the upside, AI-related investment could prove more persistent, productivity gains could materialize faster than assumed, and new trade arrangements could improve predictability and resilience.

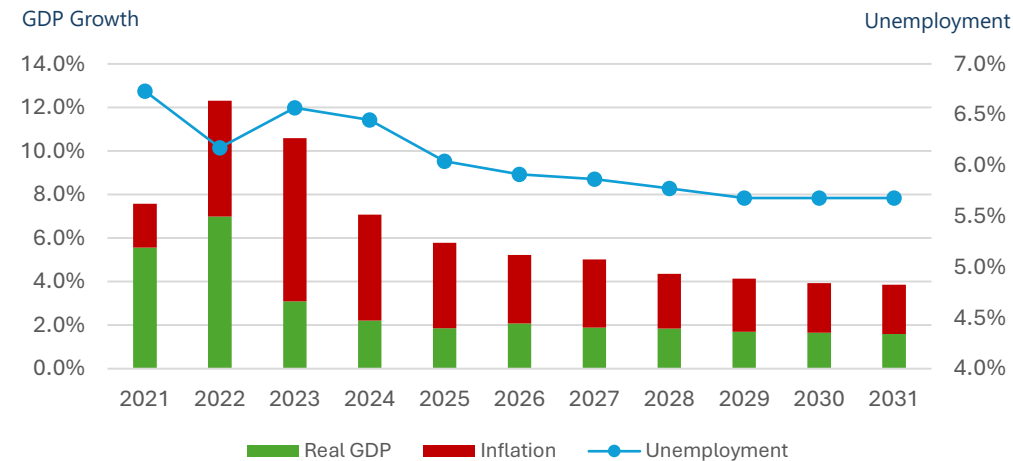
For further details and in-depth data, access the full [World Economic Outlook, October 2026](#)

Economic Outlook of Spain & Portugal

Spain: Real GDP Growth, Inflation and Unemployment



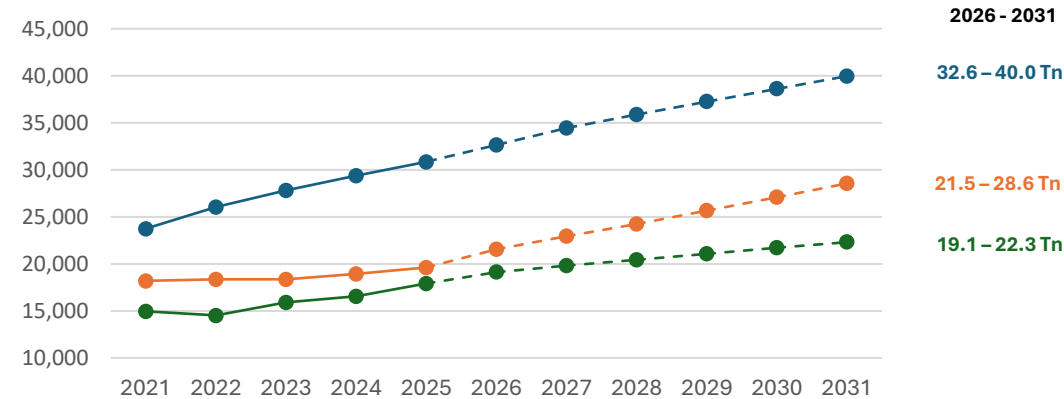
Portugal: Real GDP Growth, Inflation and Unemployment



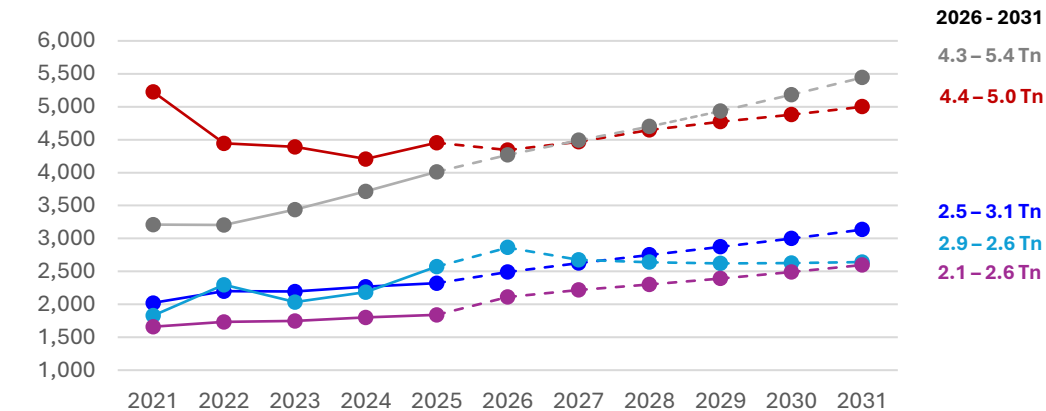
Particulars	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Nominal GDP (Bn €)											
Spain	1,235	1,376	1,496	1,599	1,690	1,795	1,891	1,983	2,063	2,148	2,236
Portugal	216	244	270	290	307	323	339	354	369	384	399
Real GDP (Bn €)											
Spain	1,205	1,281	1,312	1,360	1,395	1,430	1,456	1,482	1,507	1,533	1,559
Portugal	216	232	239	244	249	254	259	263	268	272	277
Real GDP (%)											
Spain	6.7%	6.4%	2.4%	3.7%	2.6%	2.5%	1.8%	1.8%	1.7%	1.7%	1.7%
Portugal	5.6%	7.0%	3.1%	2.2%	1.9%	2.1%	1.9%	1.8%	1.7%	1.7%	1.6%
Inflation (%)											
Spain	2.6%	4.7%	6.2%	3.1%	3.0%	3.6%	3.5%	3.0%	2.3%	2.4%	2.3%
Portugal	2.0%	5.3%	7.5%	4.9%	3.9%	3.1%	3.1%	2.5%	2.4%	2.3%	2.3%
Gross debt (Bn €)											
Spain	1,428	1,503	1,574	1,621	1,699	1,753	1,800	1,848	1,898	1,948	1,999
Portugal	268	271	262	271	275	275	275	276	278	282	287
Gross Debt/Nominal GDP											
Spain	1.16	1.09	1.05	1.01	1.01	0.98	0.95	0.93	0.92	0.91	0.89
Portugal	1.24	1.11	0.97	0.93	0.90	0.85	0.81	0.78	0.75	0.73	0.72
Population (M)											
Spain	47.5	48.1	48.6	49.1	49.5	49.9	50.4	50.9	51.3	51.6	52.0
Portugal	10.4	10.5	10.6	10.7	10.8	10.8	10.8	10.7	10.7	10.7	10.7
Portugal/Spain	0.22	0.22	0.22	0.22	0.22	0.22	0.21	0.21	0.21	0.21	0.21
Real GDP per capita (K €)											
Spain	25.37	26.65	26.98	27.68	28.21	28.64	28.88	29.14	29.40	29.68	30.00
Portugal	20.80	22.12	22.57	22.82	23.01	23.55	24.06	24.56	25.03	25.49	25.95
Portugal/Spain	0.82	0.83	0.84	0.82	0.82	0.82	0.83	0.84	0.85	0.86	0.87
CPI - year average (%)											
Spain	3.01%	8.32%	3.40%	2.87%	2.69%	3.69%	2.65%	2.50%	2.00%	2.00%	2.00%
Portugal	0.94%	8.10%	5.27%	2.67%	2.20%	3.20%	3.04%	2.12%	2.14%	1.93%	1.93%
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



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



Growth in Real GDP (Constant Prices, Local Currency)

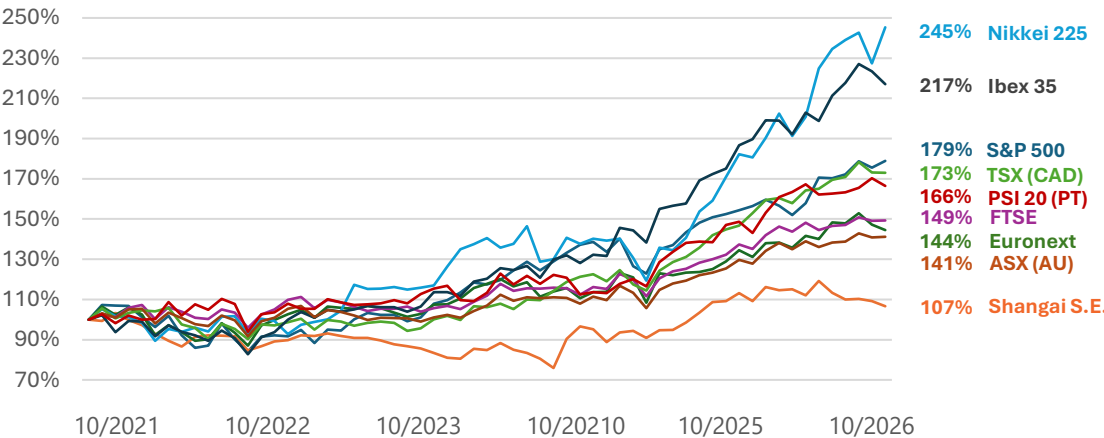
Country	2021A	2022A	2023A	2024A	2025A	2026E	2027E	2028E	2029E	2030E	2031E
United States	6.3%	2.4%	2.9%	3.0%	2.3%	2.3%	2.3%	2.1%	1.9%	1.8%	1.8%
China	8.6%	3.1%	5.4%	5.0%	5.0%	4.5%	4.0%	4.0%	3.7%	3.3%	3.3%
Euro Area	6.5%	3.7%	0.4%	1.2%	1.3%	1.1%	1.2%	1.3%	1.2%	1.1%	1.1%
Japan	3.6%	1.2%	0.9%	0.1%	1.2%	0.7%	0.7%	0.6%	0.6%	0.6%	0.6%
United Kingdom	8.5%	5.0%	0.4%	1.1%	1.2%	1.3%	1.2%	1.6%	1.5%	1.4%	1.4%
Canada	6.0%	4.7%	2.0%	2.0%	1.9%	1.1%	1.7%	1.7%	1.7%	1.7%	1.8%
Russia	5.9%	-1.4%	4.1%	4.9%	1.0%	0.9%	0.9%	1.0%	1.0%	1.0%	1.0%
Australia	5.4%	4.2%	2.1%	1.0%	2.0%	1.9%	1.6%	1.8%	2.0%	2.1%	2.2%

Inflation (rate of change in the GDP Deflator)

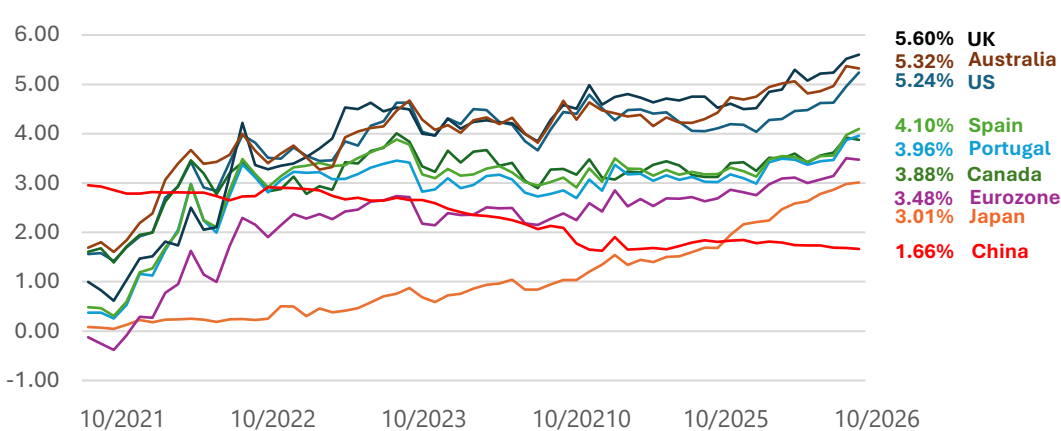
Countries	2021A	2022A	2023A	2024A	2025A	2026E	2027E	2028E	2029E	2030E	2031E
United States	4.5%	7.1%	3.7%	2.6%	2.6%	3.4%	3.1%	2.1%	1.9%	1.9%	1.7%
China	4.5%	2.0%	-0.5%	-0.8%	-1.0%	1.0%	1.1%	1.2%	1.9%	2.0%	2.0%
Euro Area	2.1%	5.0%	6.2%	2.9%	2.3%	2.6%	2.5%	2.2%	2.0%	2.0%	2.0%
Japan	0.0%	0.6%	4.6%	3.2%	3.4%	2.7%	2.0%	2.2%	2.3%	2.1%	2.2%
United Kingdom	0.8%	5.7%	6.3%	3.8%	3.6%	2.6%	2.2%	1.9%	2.0%	1.9%	1.8%
Canada	7.8%	7.9%	1.5%	2.7%	2.5%	5.1%	3.1%	2.2%	2.0%	2.0%	2.0%
Russia	18.2%	18.2%	6.7%	10.7%	4.9%	9.2%	4.3%	2.7%	2.7%	3.5%	3.8%
Australia	5.9%	8.3%	3.3%	2.6%	2.7%	2.9%	3.1%	2.7%	2.4%	2.4%	2.5%

Economic Outlook of Financial Markets

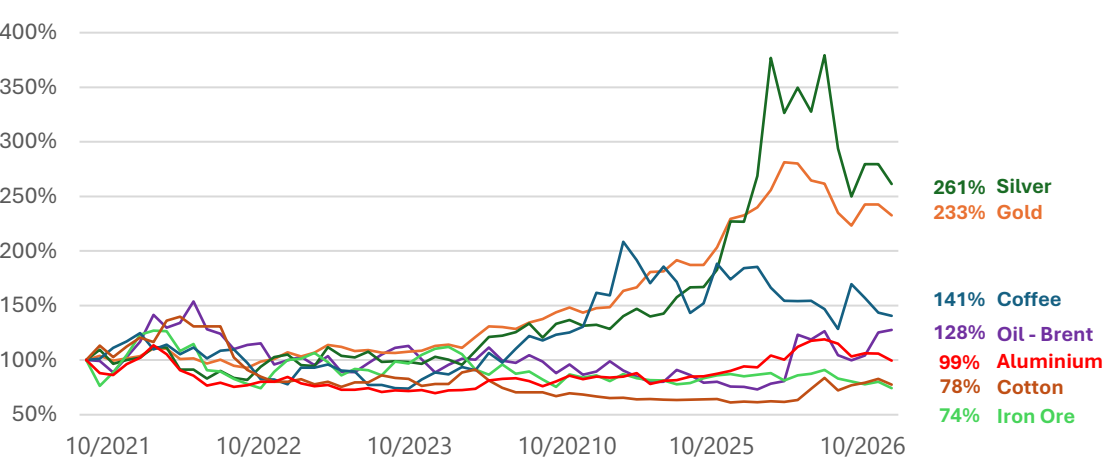
Stock Price Indices, Rebased



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



Commodity Prices, Rebased



Government Bond Yield Curve October 2026

Countries	1y	2y	3y	4y	5y	7y	9y	10y	15y	20y	30y
US	4.47	4.80	4.89	n.a.	5.02	5.13	n.a.	5.24	n.a.	5.65	5.60
Canada	2.87	3.19	3.37	3.51	3.54	3.60	3.69	3.88	n.a.	4.05	4.24
Australia	4.83	4.91	4.89	4.90	4.95	5.09	5.26	5.32	5.52	5.70	5.79
Eurozone	2.84	3.12	3.15	3.19	3.25	3.35	3.43	3.48	3.72	3.84	3.84
Spain	2.93	3.26	3.40	3.49	3.58	3.82	4.00	4.10	n.a.	4.44	4.61
UK	4.58	4.75	4.91	4.96	5.01	5.15	5.32	5.60	5.74	5.92	5.96
Portugal	3.07	3.24	3.29	3.43	3.52	3.74	3.87	3.96	n.a.	n.a.	n.a.
Japan	1.63	1.91	2.08	2.26	2.34	2.74	3.02	3.01	4.40	3.87	4.06
China	1.19	1.23	1.27	n.a.	1.39	1.49	n.a.	1.66	1.78	2.07	2.09

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