

EUROPE OUTPERFORMS

Central Bank and Sovereign Wealth Fund Forum

Kalin Anev Janse – ESM Board Member, Chief Financial Officer

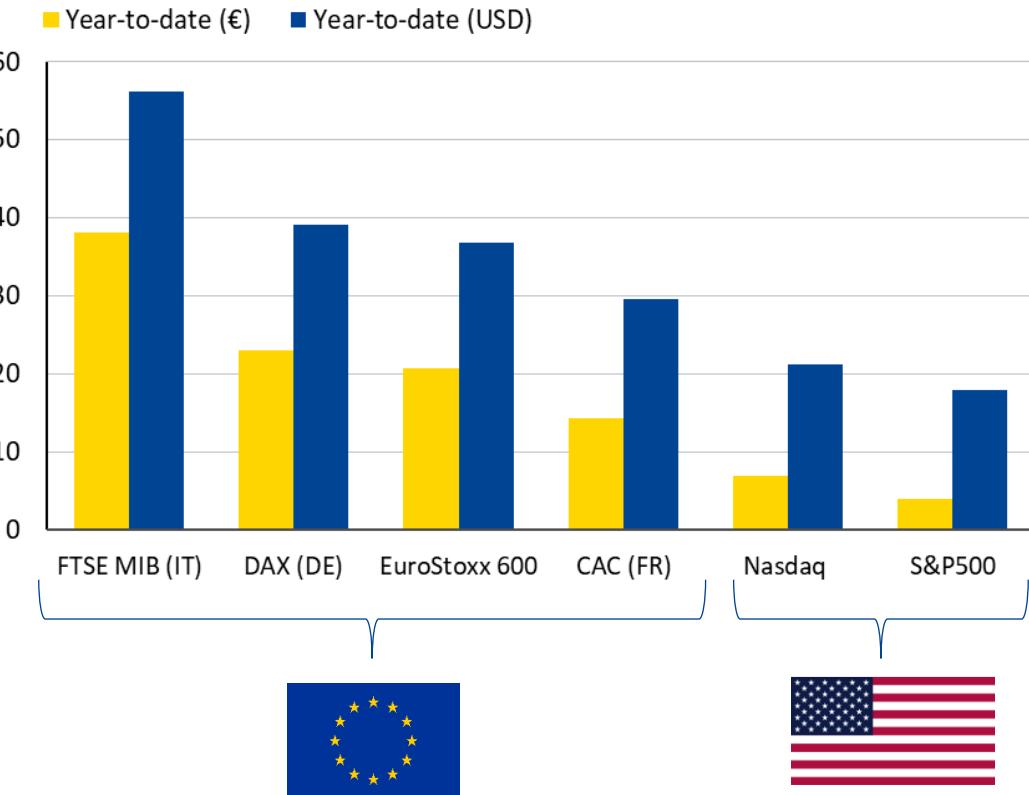
Luxembourg, 27 January 2026



EUROPE'S EQUITY MARKETS OUTPERFORMED THE US

- Leading **European stock markets** have **outperformed** those in the **United States** in 2025, with Italy's FTSE, France's CAC, Germany's DAX, and the broader EuroStoxx 600 all surpassing the S&P 500 and Nasdaq.
- Equities have shown strong performance, with the **EuroStoxx 600 index rising 20.7%** year-to-date and significant gains observed in sectors like utilities, oil and gas, and food and beverage.

European and US equity markets (in %)



ESM SUPPORTED COUNTRIES TOP THE ECONOMIST BEST PERFORMING ECONOMIES IN THE WORLD - MARKETS LOVE IT

Portugal (1st), Ireland (2nd), Spain (4th) and Greece (6th) have again ranked in the Economist's top 10

Finance & economics | Muito bom

Which economy did best in 2025?

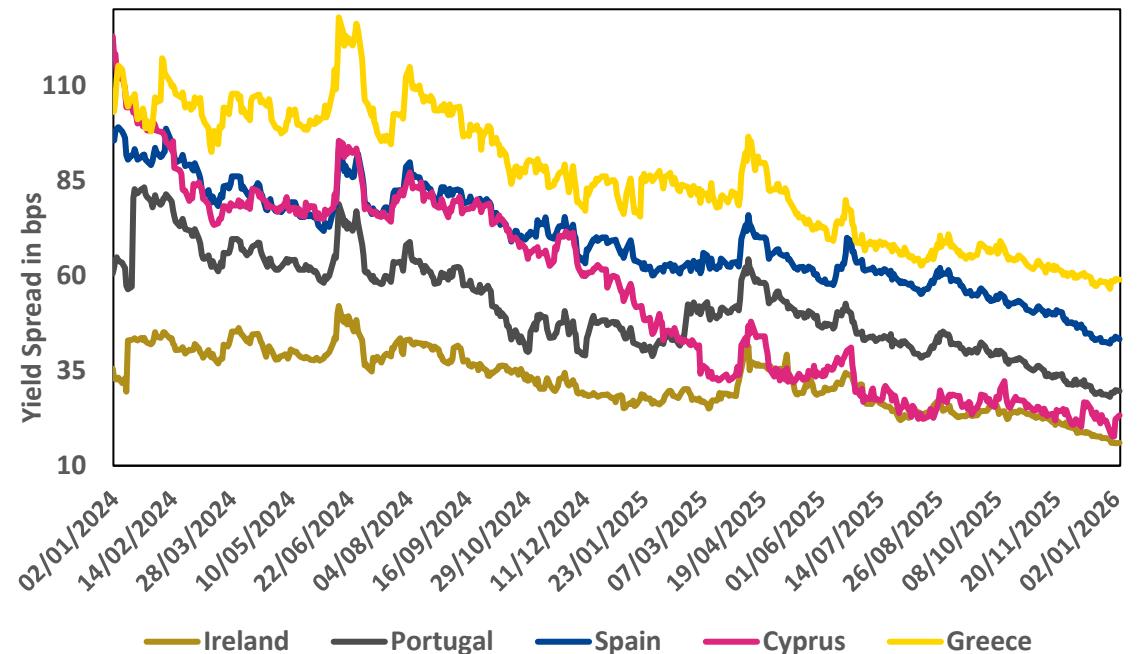
Our annual ranking returns



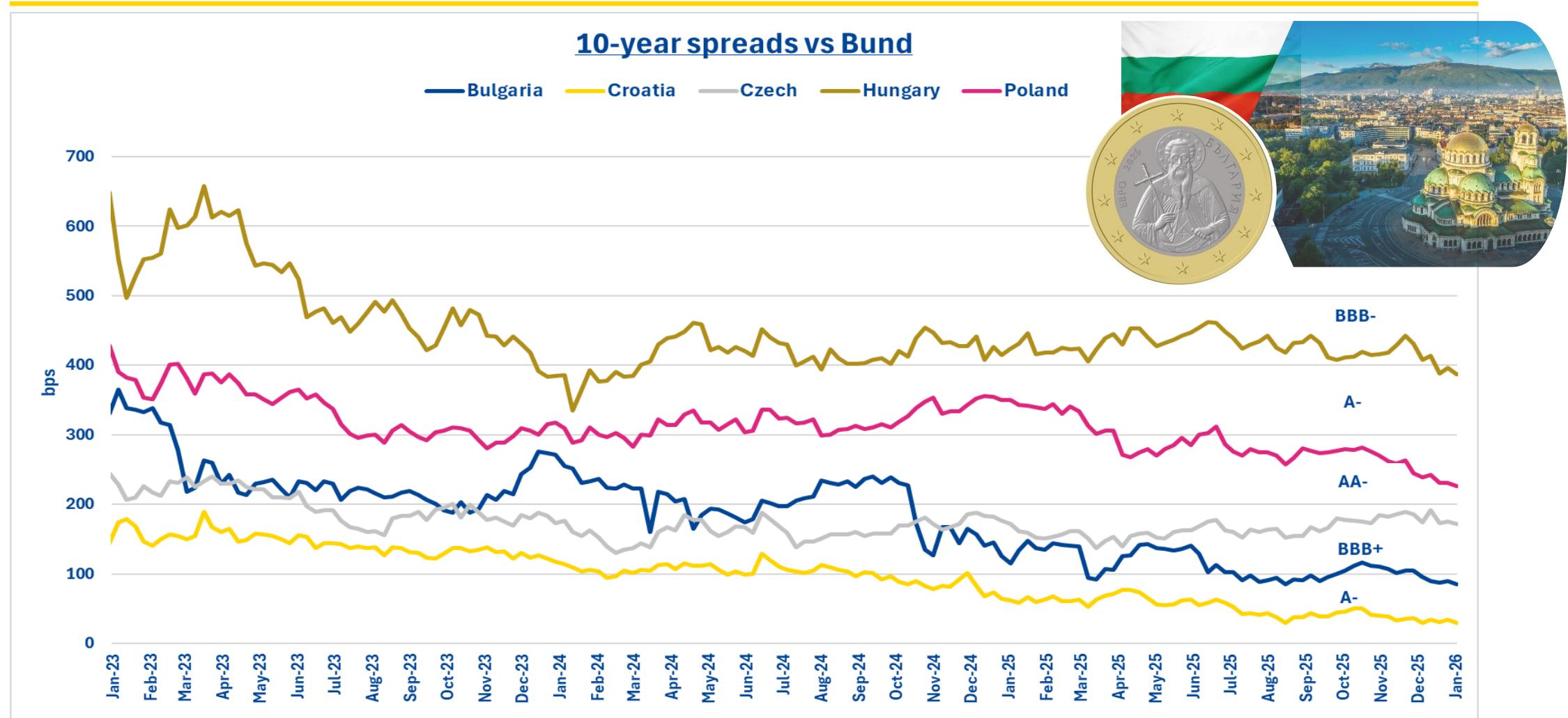
Notes: *Out of 36 countries, excl. Chile and Costa Rica. Three indications not shown: core inflation, inflation breadth and employment. †Or latest available ‡National stockmarket indices, Oct 2025
Source: The Economist – 7 Dec 2025

Market support: rating upgrades and spreads down. It shows the countries' success, which will continue in 2026.

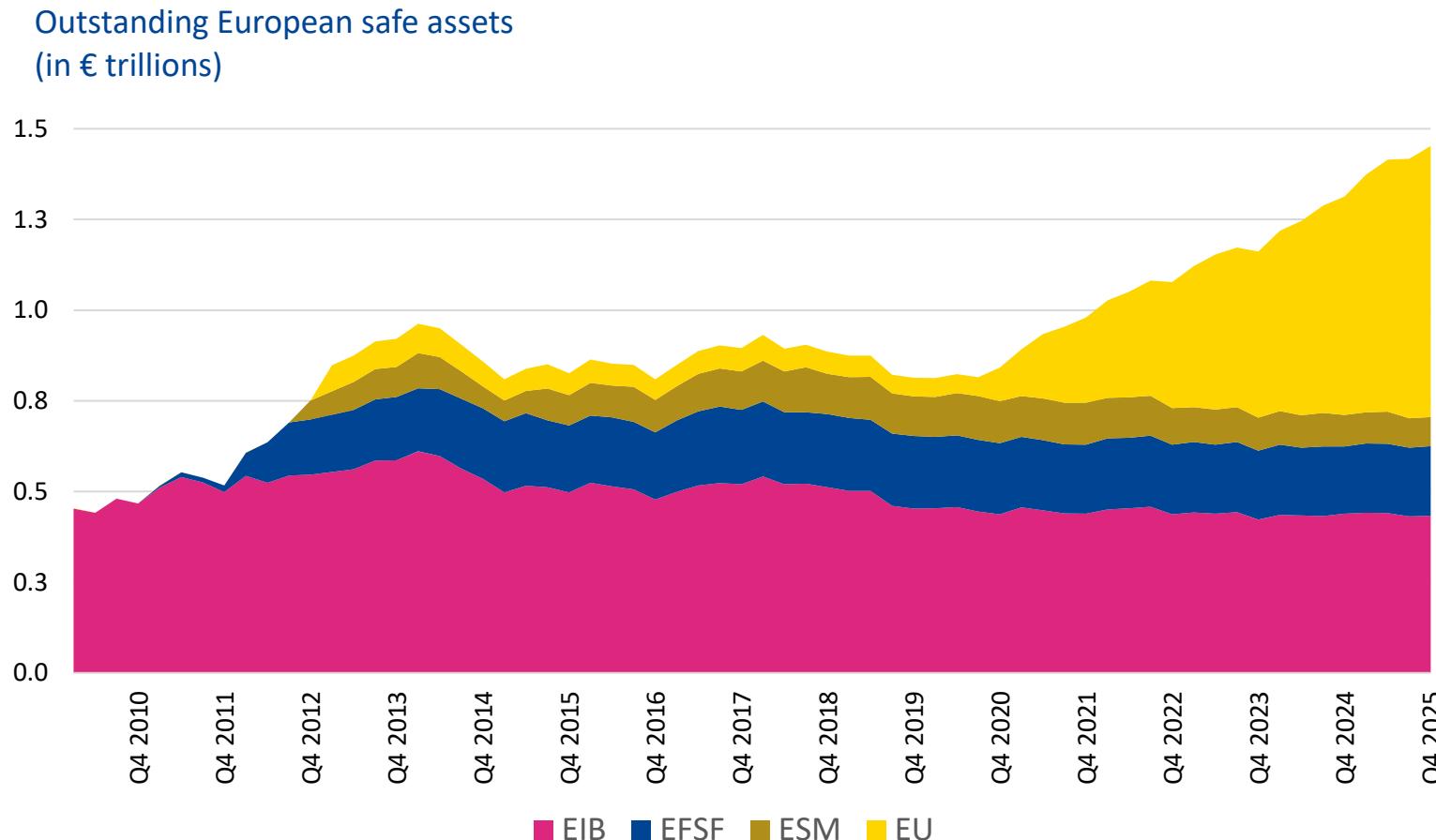
10-YEAR YIELD SPREADS VS GERMANY



EURO AREA GROWS TO 21 COUNTRIES IN 2026: BULGARIAN SPREADS TIGHTENED ON EURO ADOPTION



LUXEMBOURG HOME TO EUROPEAN SAFE ASSETS REACHING A RECORD OF €1.4TRN AT START OF 2026



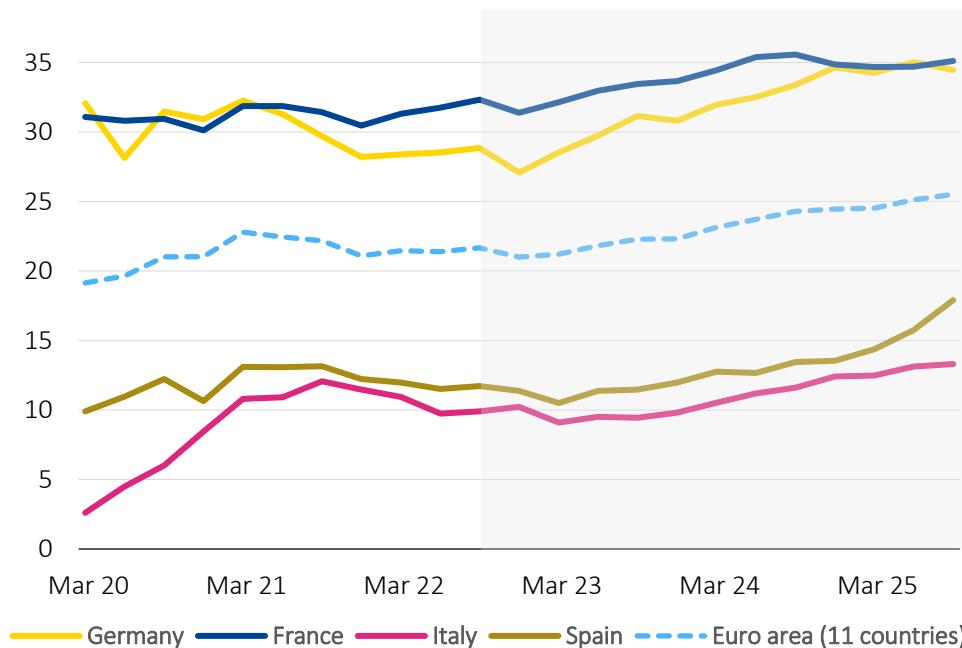
European Safe Assets become
5th largest country in Europe

1. France: €3.0 trillion
2. Italy: €2.7 trillion
3. Germany: €2.5 trillion
4. Spain: €1.5 trillion
5. E-names: **€1.4 trillion**

EURO BECOMING MORE POPULAR AS GLOBAL CURRENCY

Net buying of euro area government bonds by foreigners increasing from 19% to above 25%

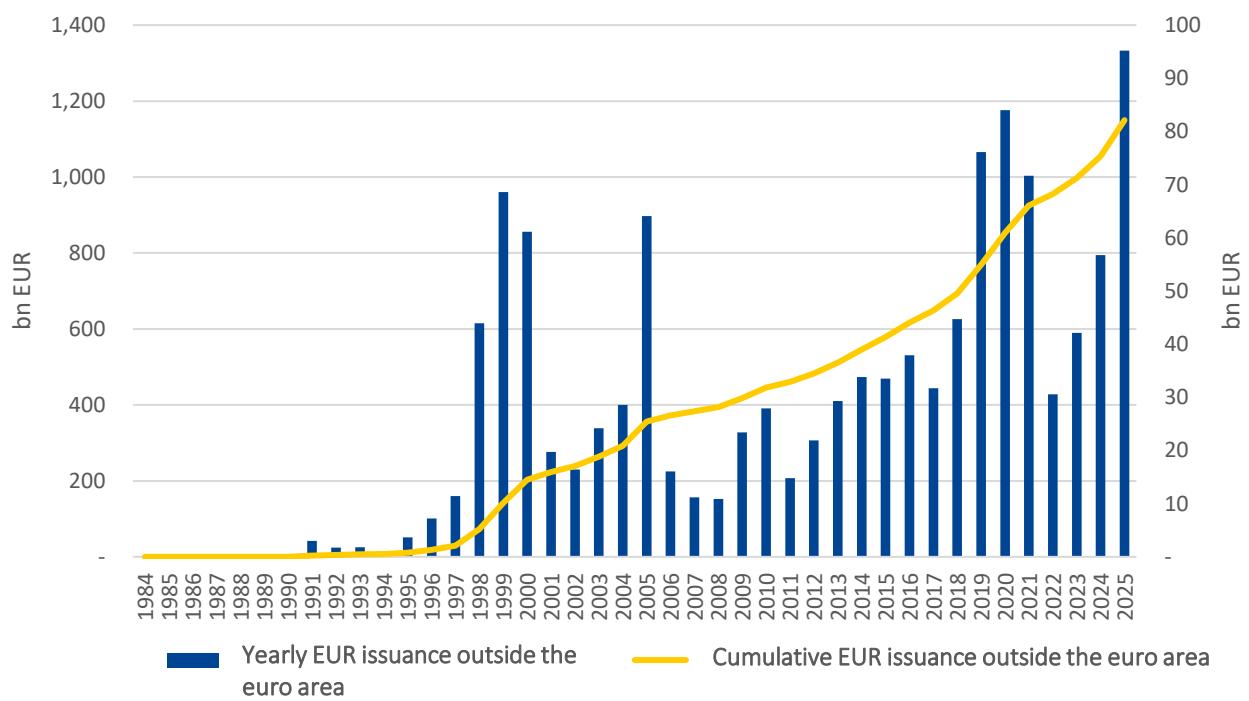
Share of international holdings of German, French, Italian and Spanish governments bonds



Source: ESM calculations' based on ECB SHSS, QSA, and BPS data, up to Q3 2025

Issuances of Euro by non-Euro countries (e.g. China, Saudi Arabia, Chile, Indonesia): crossing € 1 trillion and 2025 highest on record

Yearly EUR issuance by countries outside euro area



CONTACT

Kalin Anev Janse

+ (352) 260 962-400

k.anevjanse@esm.europa.eu



European Stability Mechanism
6a Circuit de la Foire Internationale
L-1347
Luxembourg

Follow the ESM on Twitter:
[@ESM_Press](https://twitter.com/ESM_Press)