

EUROPE OUTPERFORMS

Central Bank and Sovereign Wealth Fund Forum

Kalin Anev Janse – ESM Board Member, Chief Financial Officer

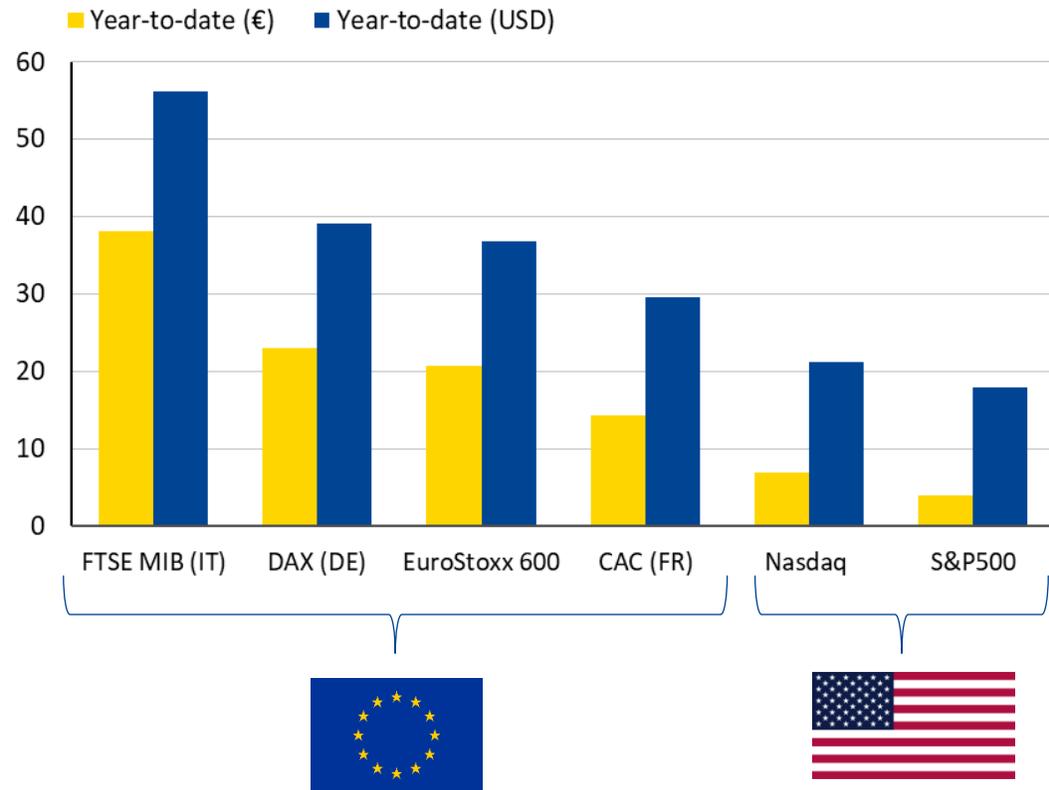
Luxembourg, 27 January 2026



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 %)



Note: 31 December 2025 cut-off date
Source: Bloomberg

ESM SUPPORTED COUNTRIES TOP THE ECONOMIST BEST PERFORMING ECONOMIES IN THE WORLD - THE MARKET ❤️ 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

AS SWEET AS A PASTEL DE NATA

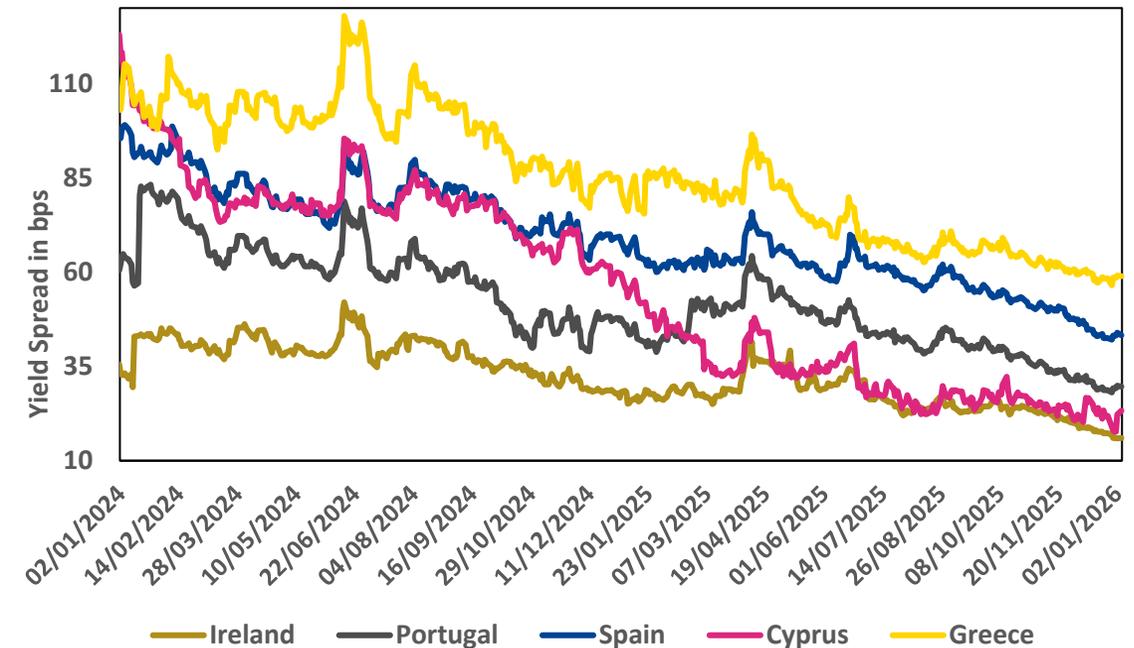
OECD countries, Q3 2025

Ranking*		GDP+ % change on a year earlier	Share prices+ % change on a year earlier
1	Portugal	2.4	20.9
2	Ireland	3.2	20.1
3	Israel	3.5	53.3
4=	Colombia	3.4	43.8
4=	Spain	2.8	35.0
6=	Czech Republic	2.8	46.2
6=	Greece	1.7	44.0
8	Canada	1.4	24.0
9	Slovenia	1.6	52.8
10	Poland	3.8	33.5



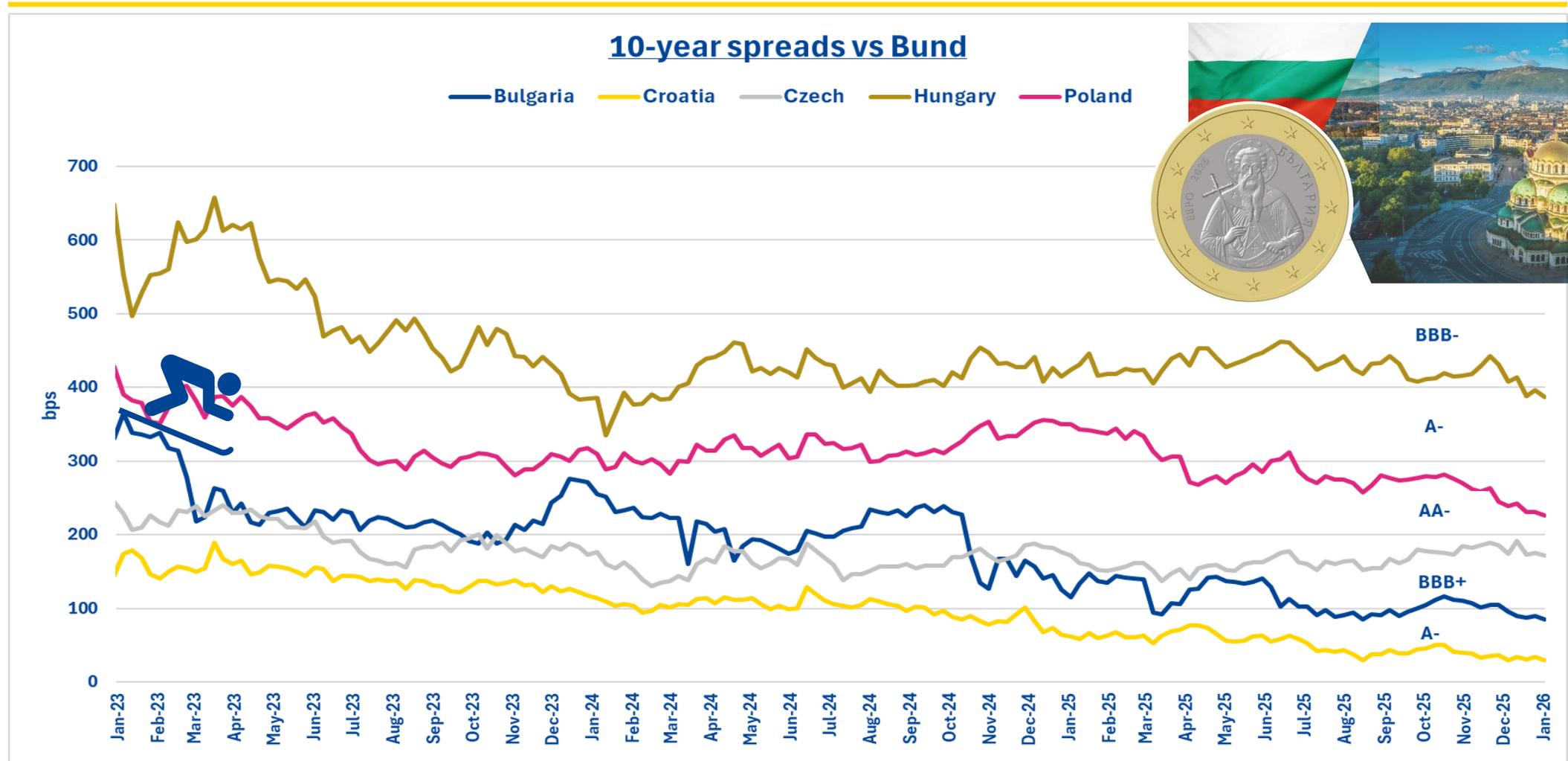
Market support: rating upgrades & spreads down. It shows the countries' **success**, which will continue in 2026.

10-YEAR YIELD SPREADS VS GERMANY



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

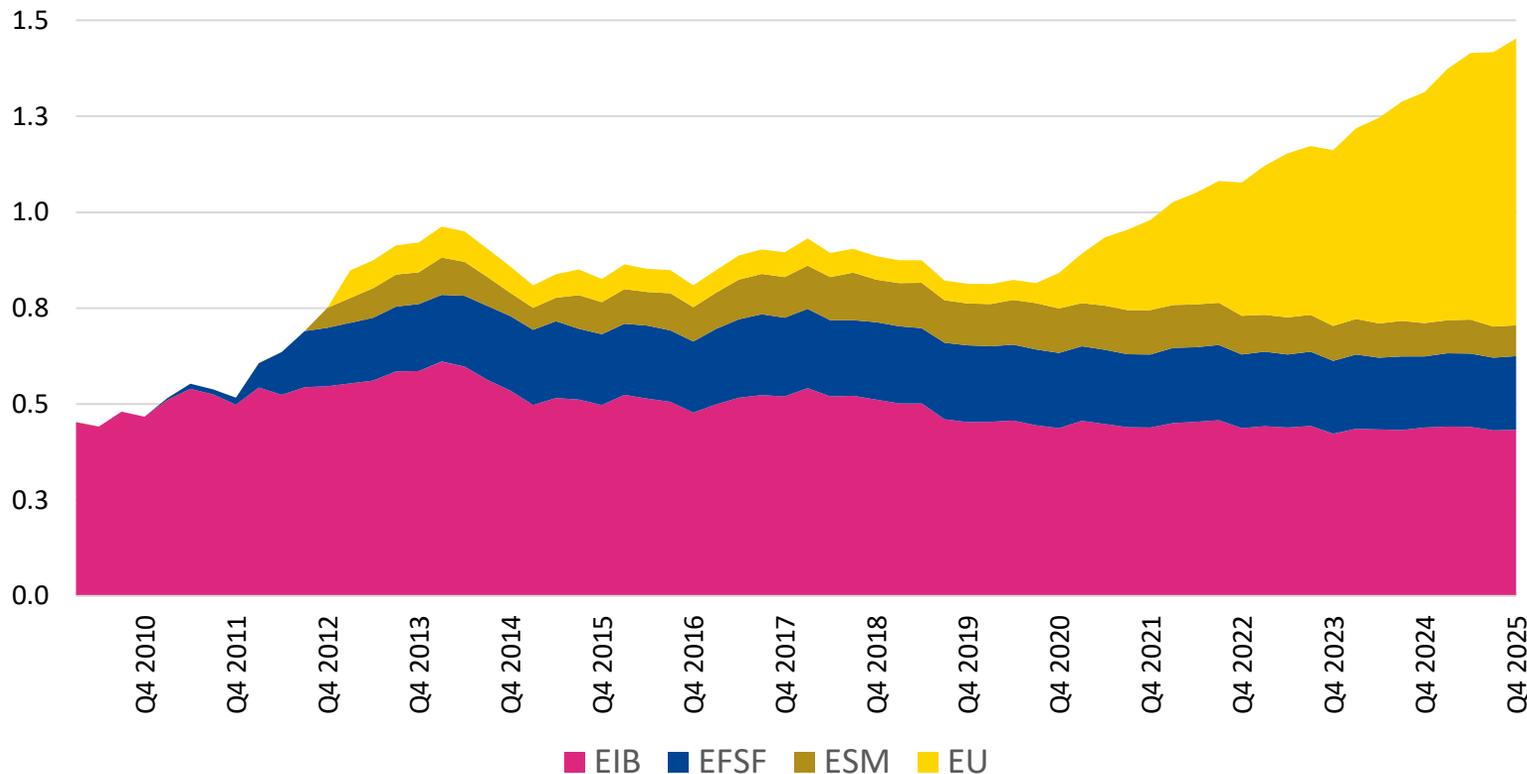
EURO AREA GROWS TO 21 COUNTRIES IN 2026: BULGARIAN SPREADS TIGHTENED ON EURO ADOPTION



Note: 31 December 2025 cut-off date
Source: Bloomberg

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

Outstanding European safe assets
(in € trillions)



European Safe Assets become **5th largest** country in Europe

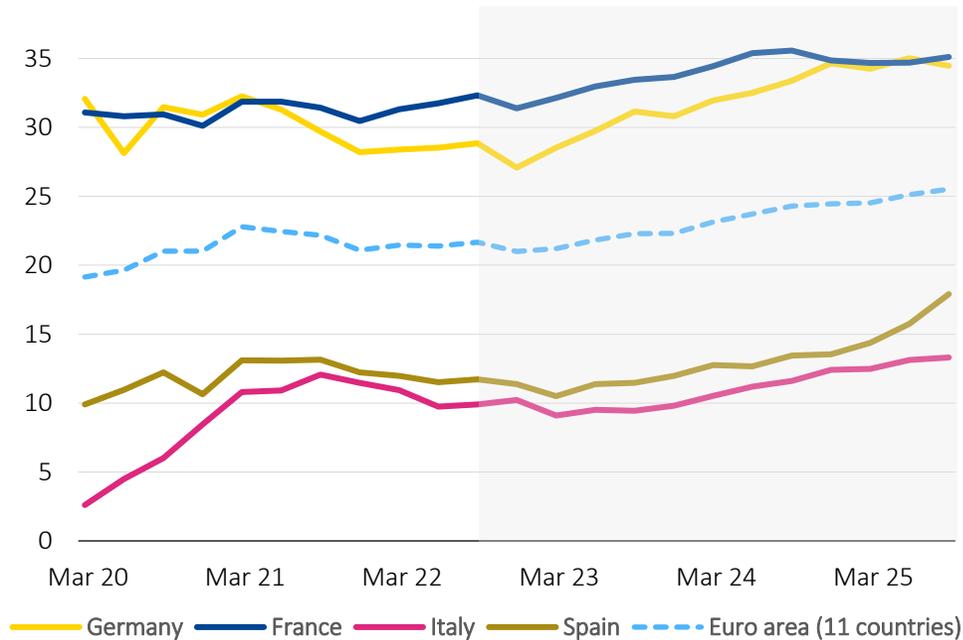
1. France: €3.0 trillion
2. Italy: €2.7 trillion
3. Germany: €2.5 trillion
4. Spain: €1.5 trillion
5. **E-names: €1.4 trillion**

Source: ESM calculations based on Bloomberg data

EURO BECOMING MORE POPULAR AS GLOBAL CURRENCY

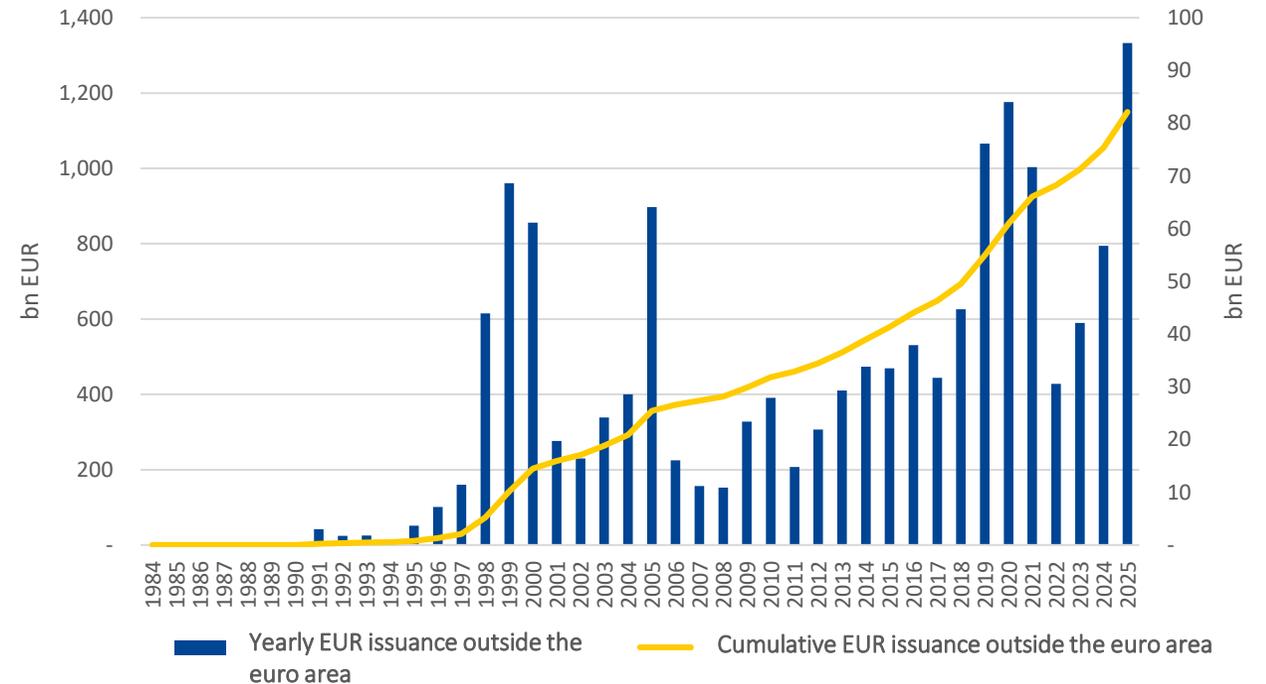
Net buying of euro area government bonds by foreigners increasing from 19% to above 25%

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



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



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

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