Risks and Opportunities into 2026-27

CEE webinar

March 2026

Our presenters and agenda for today

- **Tibor Gulyas – CEE Commercial Director**
  - Introduction
- **Ana Boata, Head of Economic Research, Allianz Trade**
  - Global economic outlook
- **Giovanni Scarpato – Economist for CEE Allianz Research**
  - Economic outlook for CEE
- **Dorota Ulatowska – CEE Credit Director**
  - Closing words
- **Q&A**

Why This Conversation Matters Now

Geopolitics reshaping the economy

The rules of the game have changed — geopolitics is no longer a background factor but directly shaping economic reality

Volatility becoming structural

Not a single shock but a constant state of volatility requiring faster decisions with less visibility

Faster, less predictable shifts

Situations change faster than traditional signals can reliably track

Business decisions becoming harder

Higher potential consequences with reduced visibility into market conditions

What it means for your business

Payment delays increasing

Companies protecting liquidity means delayed payments across supply chains

Insolvencies trending upward

Accumulation of pressures: higher costs, volatile demand, tighter financing

Margin pressure from cost volatility

Traditional signals less reliable as situations change faster

Risk harder to assess

The biggest danger is not taking risk — it's taking uncontrolled risk

Our Role: Enabling Confident Decisions

Protect cash flow

Essential protection against payment defaults and insolvencies

Provide real-time risk insights

Anticipate risks before they materialize with market intelligence

Support growth in uncertain markets

Confidence to grow even when conditions are challenging

Partner in decision-making

Clear understanding of what lies ahead for your business

Quarterly Outlook Update 2026-27: Stretching the limits

Allianz Research

24 March 2026

The balance of risks is on the downside

Main events that will shape 2026

Month	Event	Baseline scenario	Most likely alternative scenario
March -	Geopolitical tensions (Latam, Iran, Greenland)	Episodic spikes in volatility	US sanctions against some Latam countries and selective military intervention if no successful negotiations
March -	War in Ukraine	Ceasefire or frozen conflict under US-Russia framework	Escalation, NATO gets involved, tensions in Taiwan Strait increase
May	End of Fed Chair Jerome Powell's term	Kevin Warsh succeeds but credibility is not impaired	Majority of FOMC pushes rates below 3%, with inflationary and financial risk to build
June	Supreme court on Fed's Lisa Cook's ousting	Rejected	Case admitted – Fed independence damaged
July	USMCA review	Higher regional & US content thresholds	Negotiations break down – tariff and non-tariff barriers increase
October	US government shutdown	Limited shutdown in March-April or October	Extended shutdown (new record)
November	US Mid-Term Elections	Democrats take House, Republicans keep Senate	Democrats win both House and Senate
November	China-US trade truce expires	Trade truce extended or it becomes permanent	Renewed tariff hikes

Risks throughout 2026 and 2027

Risk	Baseline scenario	Most likely alternative scenario
De-dollarization shock reloaded	No Revenge Tax or similar policy that triggers de-dollarization	Revenge tax scares off international investors, weaker dollar, higher rates
AI bubble burst	Soft landing of the stock market	AI bubble burst triggering corrections in the S&P 500 of up to 25-30% late 2026
Private markets	Steady returns and progressive pick-up in distributions	Bank run on private debt causes market turbulence
Truss moments	High deficit countries (FR, US, UK, Japan) continue to issue debt without market turmoil	In one or more high-deficit country, markets loose trust causing FX and rates volatility
German stimulus	Stimulus hitting bureaucracy wall delivering only 0.9% GDP growth in 2026	Full blown stimulus triggers with high multiplier lifts growth to 2-3% in 2026
Banking deregulation	USD2.6tn in capital relief from a decline of 2pp in the CET 1 ratio to 14% against 16% in Europe	Europe is joining the deregulation efforts and eases Basel III rules in 2027-28
US immigration policy	Continued tight immigration policy leading to population growth at 0.2%	Loosening of deportation policy to limit high labor shortages in some sectors

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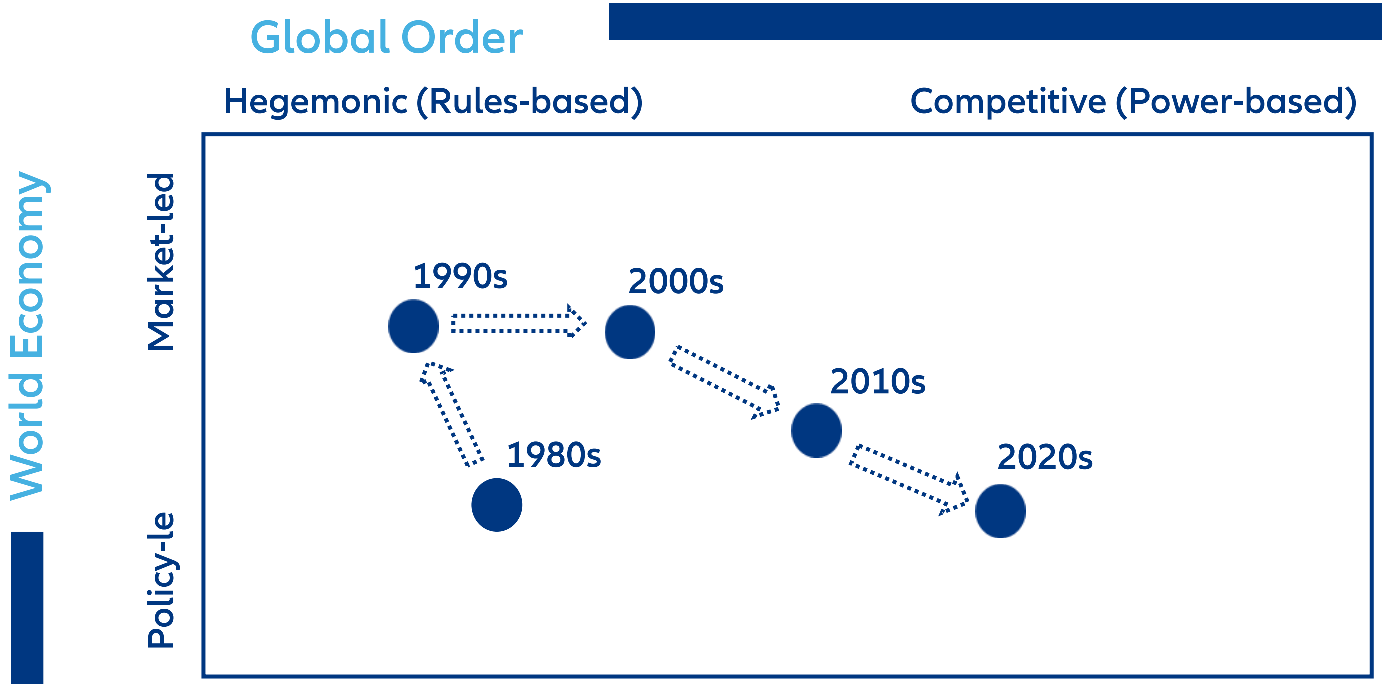
A new paradigm shift shaping supply chains



Securonomics

- **Return of proxy wars:** States are reasserting control to enhance national wealth and security
- **Fragmentation replaces globalization,** with duplicated supply chains, bloc formation and regionalization
- **Fiscally expansionary and potentially inflationary**
- **Trade weaponization :** reshoring and erosion of global rules, treaties & organizations (e.g. WTO, ICJ) creates higher hurdles for cross-border commercial activities
- **New alliances :** Blurring of public – private elite boundaries and downstream business

AI takes it all?

- **Exponential AI Capex :** increasingly game theoretic and dominant in global investments
- **It's the physics, stupid :** rising – and potentially inflationary – pressure on real world constraints (chips, energy, talent)
- **Back to the future :** State intervention, quasi-industrial policy leading to an erosion of domestic norms, rules, and independent institutions (e.g. central banks)
- **Macro vs micro decoupling:** a uniquely large gap is opening up between aggregate conditions conveyed in GDP growth rates and weaker conditions facing most households.

The longer those dynamics persist, the greater the accumulation of risks

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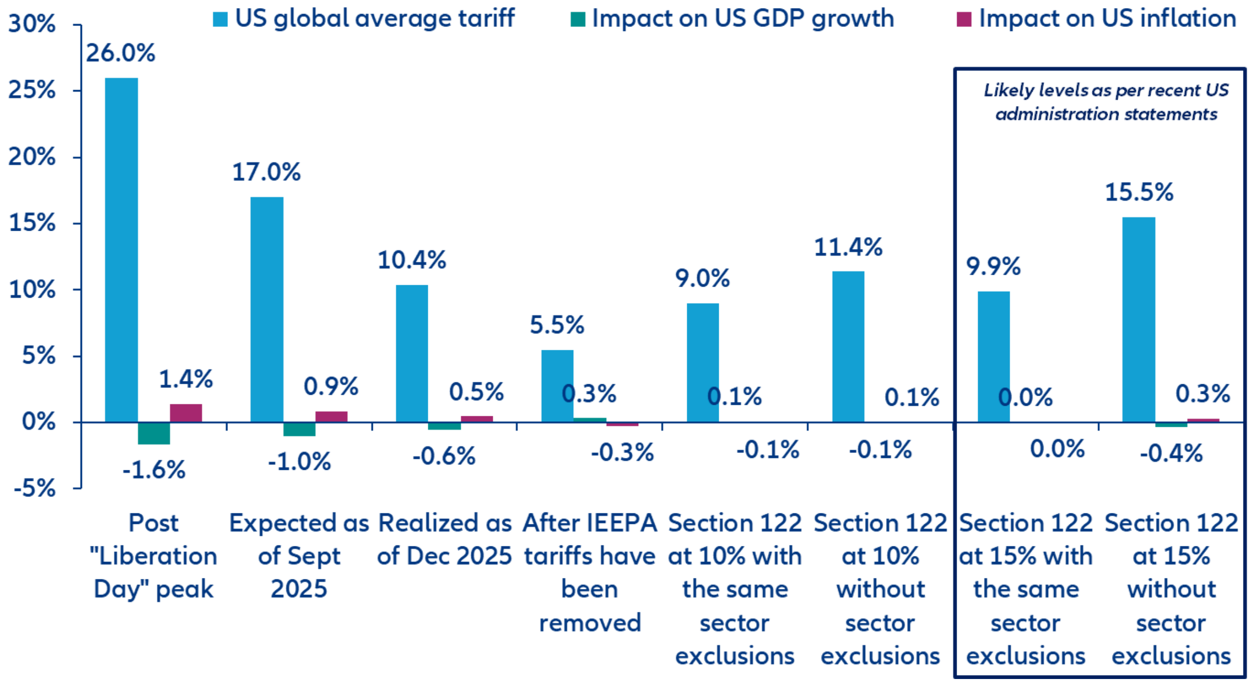
Supreme Court tailwind on tariffs

US tariffs on China aligned with regional peers

US tariff rate	Pre-Trump II	Pre-Supreme Court IEEPA decision	The Supreme Court strikes down IEEPA tariffs. No immediate reaction from Trump Administration	Trump Administration applies Section 122, with sectoral exemptions (same as for IEEPA reciprocal tariffs)	Trump Administration applies Section 122, without sectoral exemptions
Argentina	1%	11%	6%	11%	15%
Australia	0%	12%	4%	11%	13%
Bangladesh	15%	35%	15%	25%	25%
Brazil	1%	25%	8%	14%	17%
Cambodia	6%	23%	7%	15%	17%
Canada	0%	15%	4%	6%	12%
Chile	0%	6%	1%	9%	11%
China	13%	29%	15%	20%	24%
Colombia	0%	14%	6%	14%	16%
Ecuador	0%	10%	1%	7%	11%
EU	1%	13%	5%	9%	14%
Hong Kong	1%	9%	2%	9%	12%
India	2%	17%	5%	11%	15%
Indonesia	5%	24%	6%	14%	16%
Japan	2%	13%	10%	13%	17%
Kenya	0%	9%	1%	9%	10%
Malaysia	1%	9%	2%	6%	11%
Mexico	0%	5%	2%	6%	10%
New Zealand	1%	15%	2%	11%	12%
Norway	1%	9%	2%	7%	12%
Pakistan	10%	29%	10%	20%	20%
Philippines	2%	10%	3%	8%	13%
Saudi Arabia	0%	4%	1%	4%	11%
Singapore	0%	9%	1%	5%	11%
South Africa	0%	21%	6%	9%	14%
South Korea	0%	13%	9%	11%	16%
Switzerland	1%	10%	2%	7%	12%
Taiwan	1%	8%	3%	6%	13%
Thailand	1%	15%	4%	9%	13%
Türkiye	3%	19%	7%	14%	16%
UAE	2%	21%	16%	18%	23%
UK	1%	7%	4%	9%	13%
Vietnam	4%	20%	5%	11%	15%

Sources: various, Allianz Research

Impact from US tariffs much more limited



Sources: various, Allianz Research

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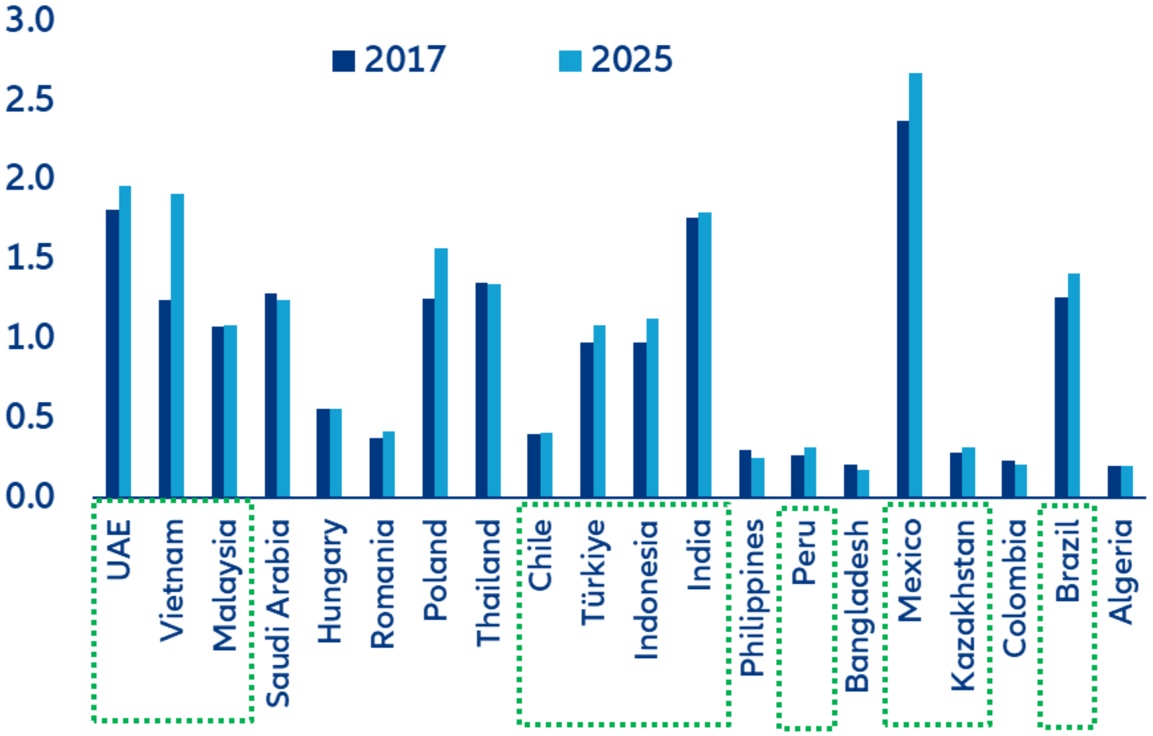
Emerging new trade hubs multiplying transactions and risk exposures

Some Next Generation Trade Hubs are capturing a greater share of global trade

Exports by main trade hub in % of total world exports



NB: The chart shows Allianz's ranking of the Next Generation Trade Hub

Sources: LSEG, Allianz Research

The top five "Next Generation Trade Hubs" display a 'Severe' level of collection complexity (average score of 62)

	2025 Next Generation Trade Hubs ranking				Country risk rating (Dec 2025)	**Collection complexity**	
	Overall	Connectivity	Efficiency & Innovation	Trade potential		**Score**	**Ranking**
UAE	1	1	5	8	A1	**71**	**Severe**
Vietnam	2	9	9	1	B1	**56**	**Very High**
Malaysia	3	4	1	15	BB1	**51**	**Very High**
Saudi Arabia	4	3	16	3	BB1	**86**	**Severe**
Hungary	5	5	13	5	B1	**48**	**High**
Romania	6	6	12	6	B3	**40**	**High**
Poland	7	7	2	17	BB2	**40**	**High**
Thailand	8	15	3	13	B1	**65**	**Severe**
Chile	9	8	11	7	BB1	**53**	**Very High**
Turkey	10	10	7	16	B3	**45**	**High**
Indonesia	11	22	17	2	B1	**70**	**Severe**
India	12	23	8	14	B1	**57**	**Very High**
Philippines	13	20	10	11	B1	-	-
Peru	14	18	14	9	B1	**43**	**High**
Bangladesh	15	21	21	4	D3	-	-
Mexico	16	13	20	10	BB2	**75**	**Severe**
Kazakhstan	17	2	22	20	C3	-	-
Colombia	18	11	15	19	B2	**48**	**High**
Brazil	19	14	6	21	B2	**46**	**High**
Algeria	20	19	24	12	C2	-	-
Morocco	21	16	23	18	B1	**56**	**Very High**
Argentina	22	12	19	22	C3	**56**	**Very High**
South Africa	23	17	4	24	B3	**67**	**Severe**
Pakistan	24	24	25	23	D4	-	-
Nigeria	25	25	18	25	D3	-	-

Sources: Allianz Trade, Allianz Research

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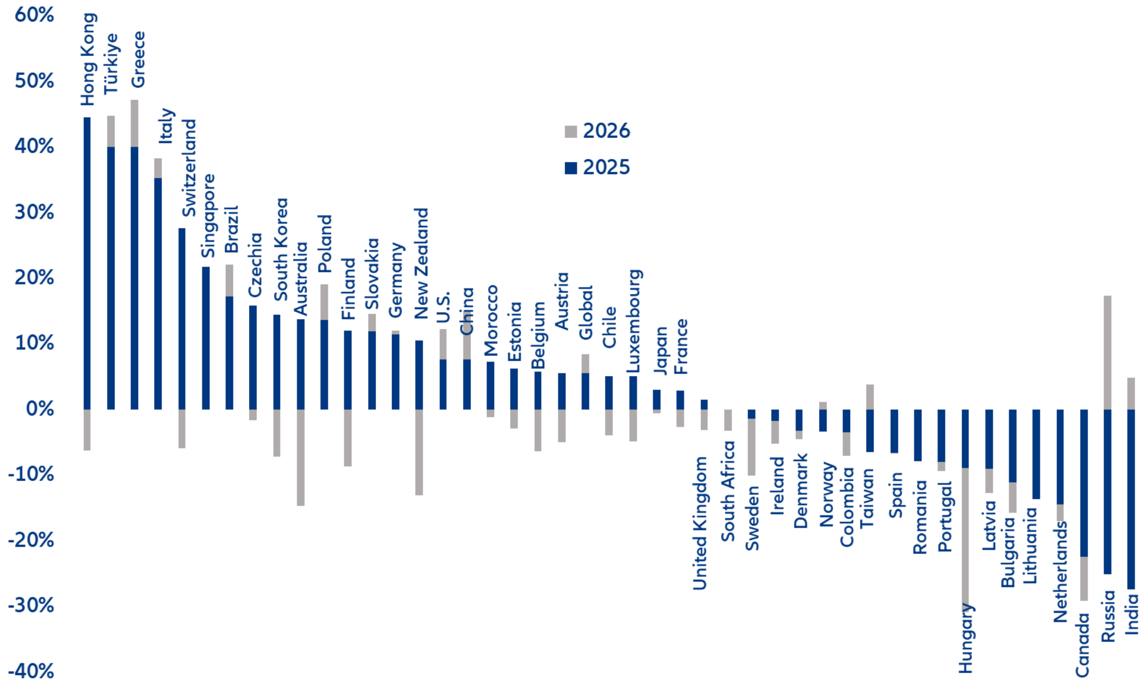
Peak in global business insolvencies expected in 2027

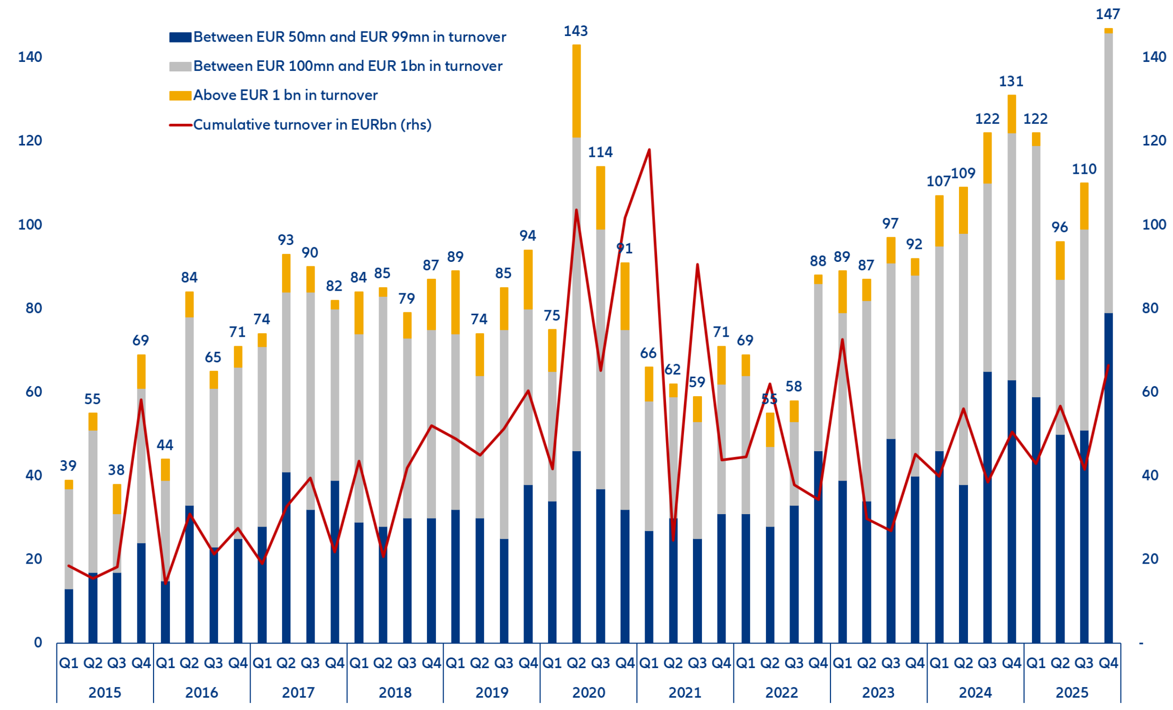
The rise in insolvencies at +3% in 2026 after +6% in 2025, before peaking in 2027



Sources: national statistics, Allianz Research

A new record high in Q4 2025 (147 cases) and for the full year (475 cases, compared to 469 in 2024)

Major insolvencies, quarterly number, by size of turnover



Source: Allianz Trade

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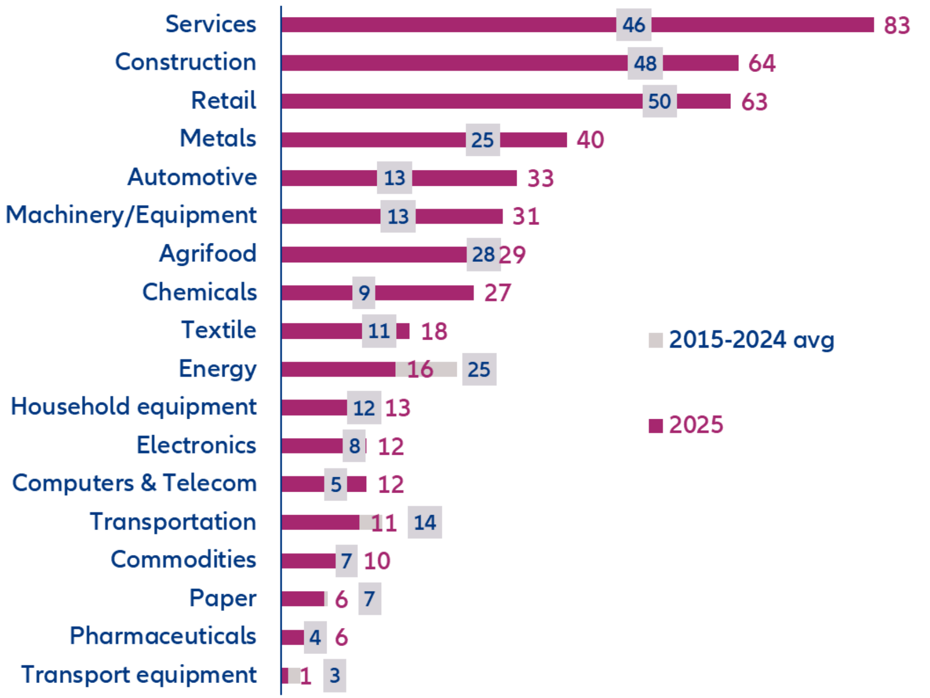
Almost half of major insolvencies in services, construction and retail (vs 30% over 2015-2024)

Chemicals, automotive and machinery equipment are surpassing the most their 10-year averages

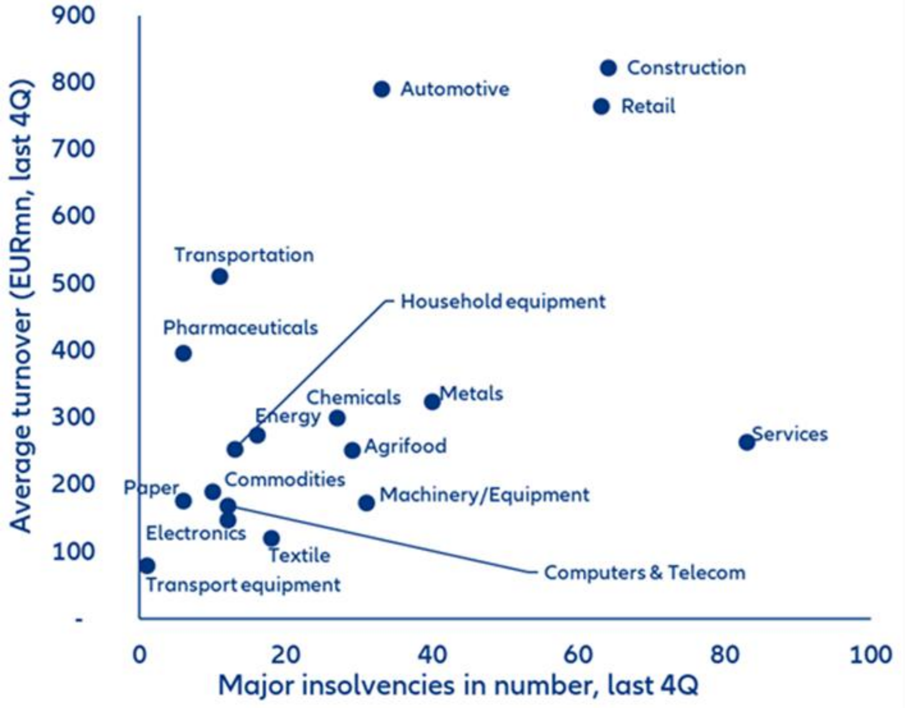
Major insolvencies, by sector



Source: Allianz Trade business units

Top average severity in construction (due to large cases in China), automotive and retail

Major insolvencies by sector, 2025 number and average turnover



Source: Allianz Trade business units

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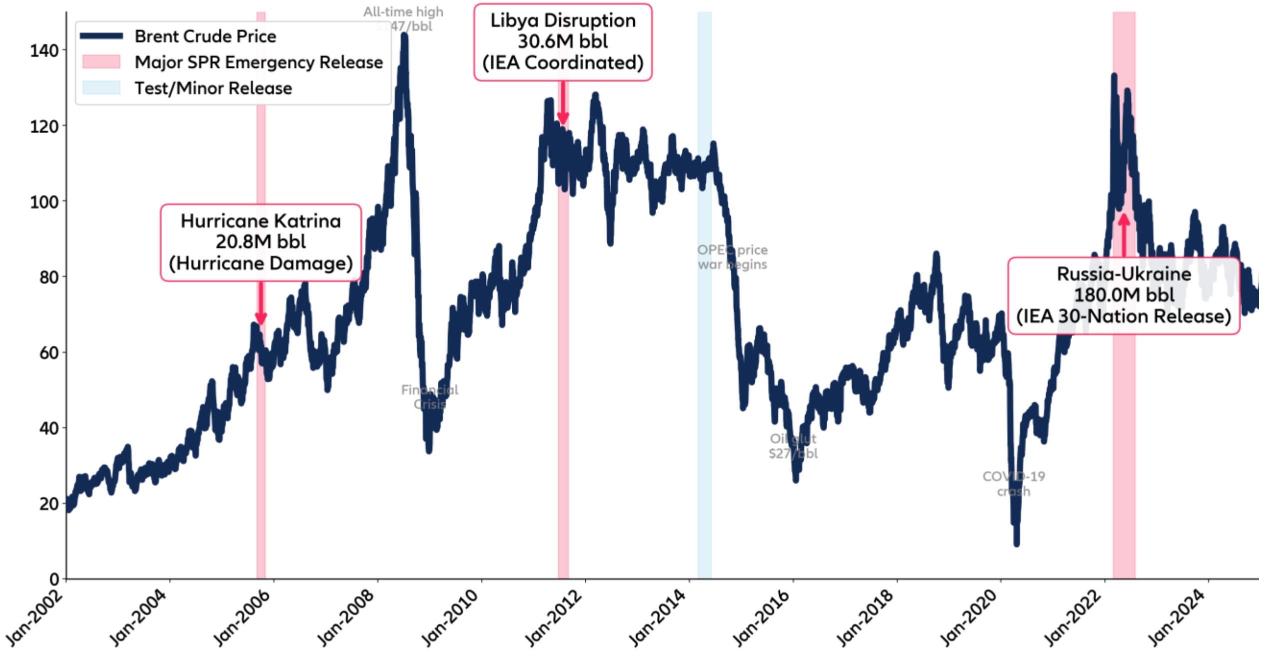
Oil supply alternatives: Half of Hormuz flows could be rerouted, strategic reserves to temporarily fill gap

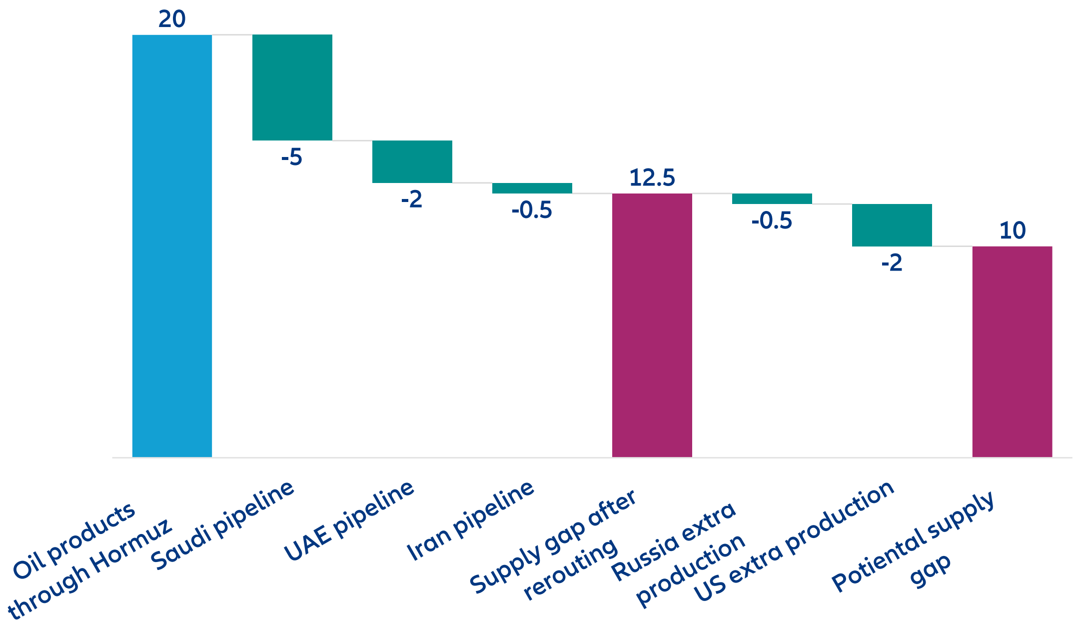
IEA announced 400mn barrel of strategic reserves release on 11th March 26, more than double of 2022



Sources: LSEG Refinitiv, Allianz Research

Half of the oil supply can be compensated which means we estimate a potential 12-13% gap in oil production

Million barrel per day



Sources: LSEG Refinitiv, Allianz Research

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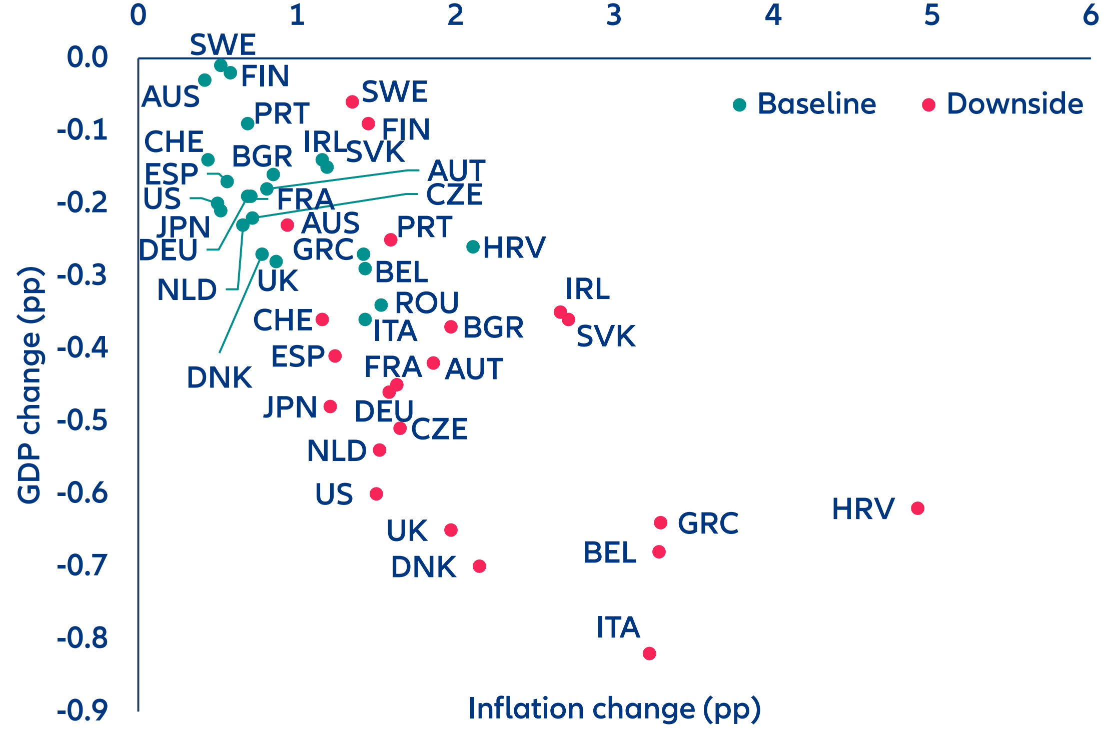
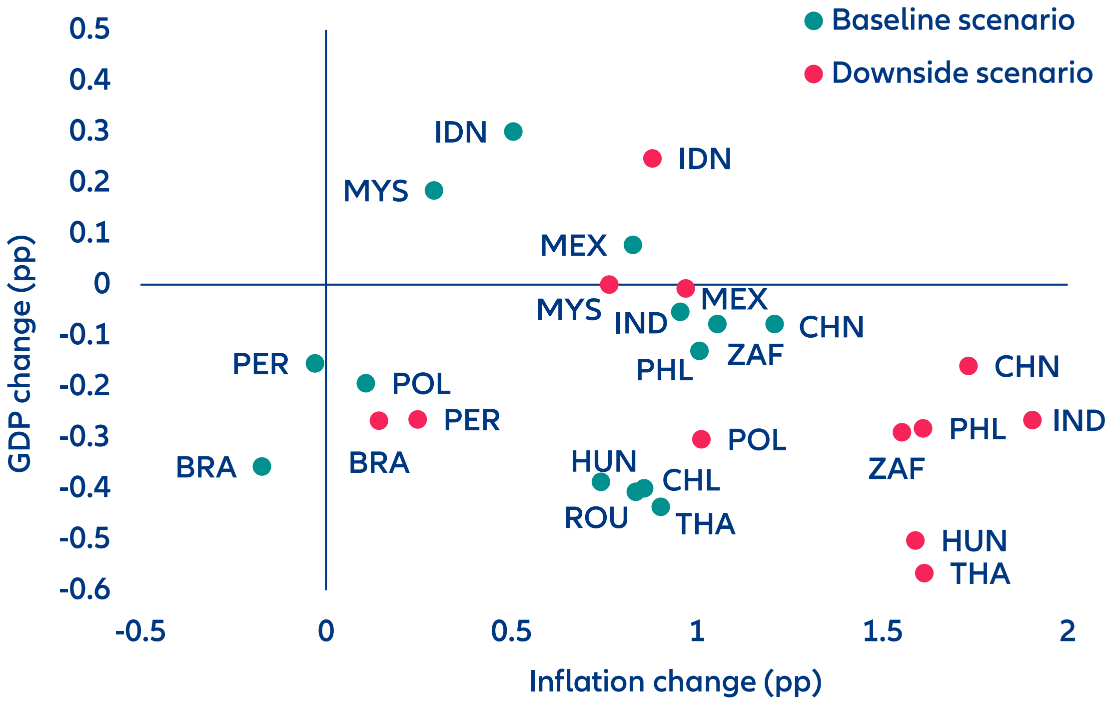
Macro impacts: Even in our baseline scenario, stagflationary risks are increasing

Change to inflation and GDP growth in 2026 in selected DMs, baseline vs downside scenario



Sources: Oxford Economics, Allianz Research

Change to inflation and GDP growth rates in 2026 in selected EMs, baseline vs downside scenario



Sources: Oxford Economics, Allianz Research

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Sector impacts : further collateral damage to expect

Sectors	Europe	Asia	Upside/Downside catalysts
First round effect			
Base metals	↓↓	↓↓	Large margin compression (rising energy costs)
Basic chemical - Fertilizer	↓↓	↓↓	/
Airlines	↓	↓↓	Large margin compression if unhedged (rising jet fuel costs)
Building materials – Cement	↓↓	↓↓	
Food	↓	↓	Moderate margin compression (rising energy costs)
Glass	↓	↓	/
Paper	↓	↓	/
Plastic	↓	↓	/
Textile	↓	↓	/
Shipping	↓	↓	Moderate margin compression (rising energy costs and low pricing power)
Utilities – Electricity provider	↑	↑	Moderate margin improvement (pricing effects on electricity)
Oil & Gas - Refinery & Distrib.	↑↑	↑↑	Large margin improvement (pricing effects on oil)
Second round effect			
Real Estate	↓↓	↓↓	Higher interest rate (deteriorating demand)
Consumer electronics	↓	↓↓*	Rising costs (inputs pricing) + Higher interest rate (weaker business & household spending)
Technology - Components & Equipment	↓	↓↓*	Higher interest rate (weaker investment pipeline + corporate IT budget cut)
Automotive	↓	↓	Rising costs (inputs pricing) + Higher interest rate (weaker business & household spending)
Datacenter	↓	↓	Rising costs (electricity bill) + Higher interest rate (weaker investment pipeline)
Insurance	↓	↓	Large margin compression (higher repairing costs/higher insolvency risks)
Banks	→	→	Higher interest rates (sluggish household consumption & business investment)
Construction	→	→	Higher interest rates (weaker investment pipeline)
Retail	→	→	Higher interest rates (sluggish household consumption)
Telecom services	→	→	Higher interest rates (more expensive capex)
Utilities – Renewables	→	→	/

*Strong economic weight in countries like South Korea and Taiwan. Sources: Allianz Research

Central & Eastern Europe
Focus

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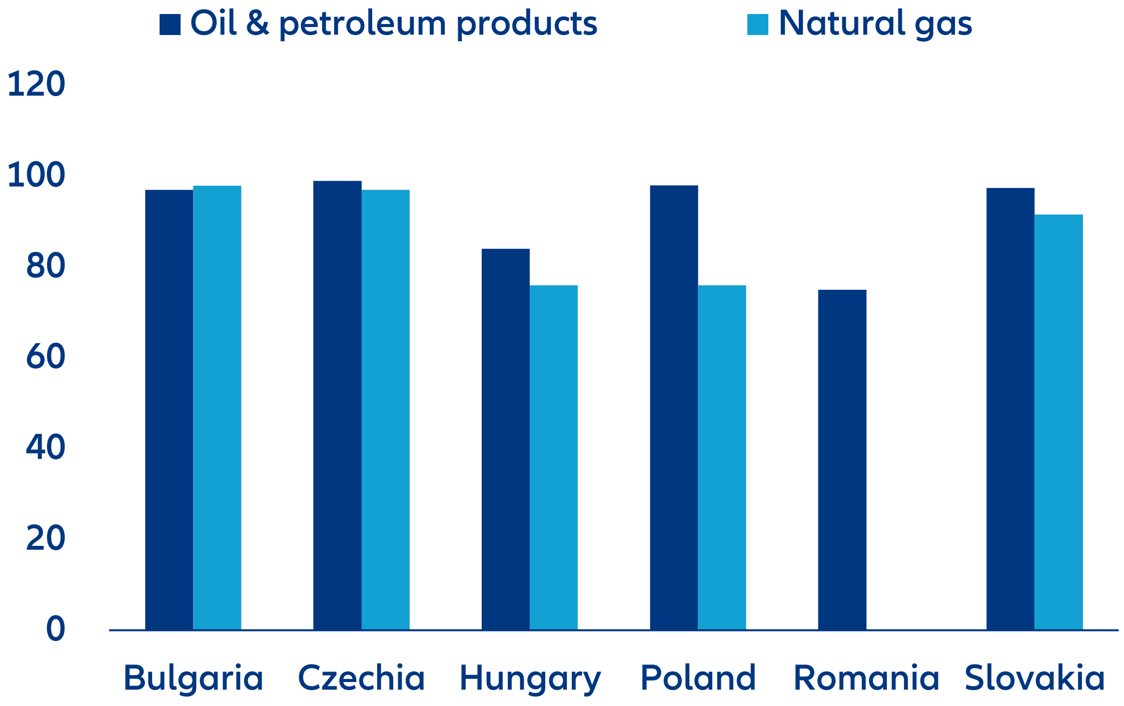
CEE countries are heavily exposed to oil & gas, with limited room to absorb a price shock

Czechia and Poland are near fully import-dependent for both oil and gas

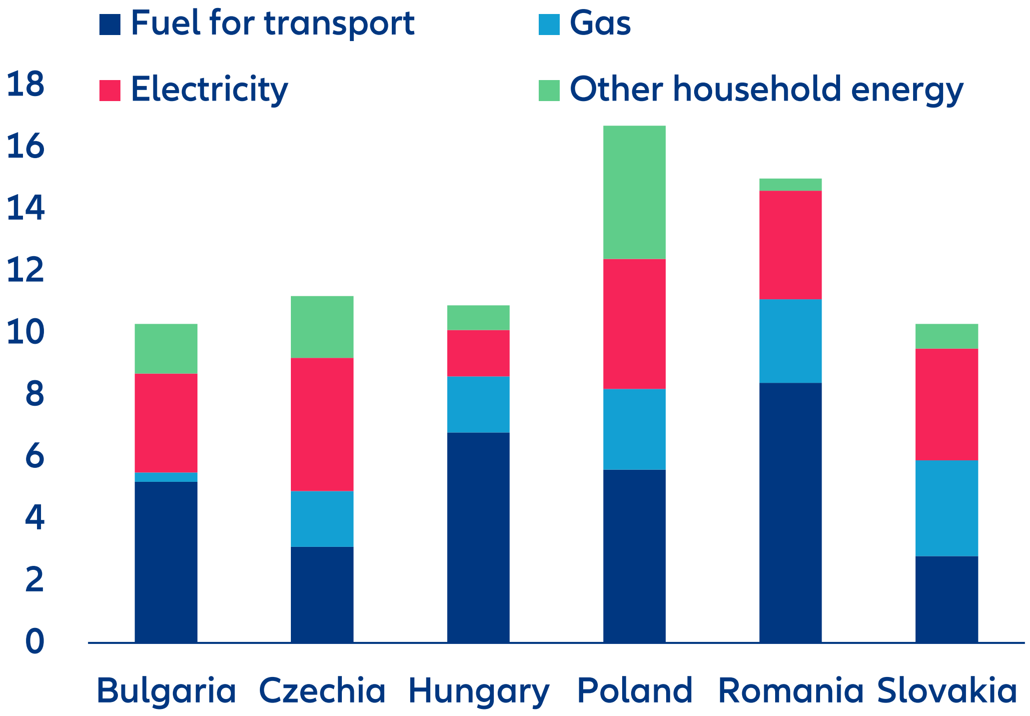
Energy imports as % of domestic consumption



Sources: LSEG Datastream, Allianz Research

The cost burden for households could amplify social pressures and increase inflation expectations

Weight of energy in CPI basket, %



Sources: LSEG Datastream, Allianz Research

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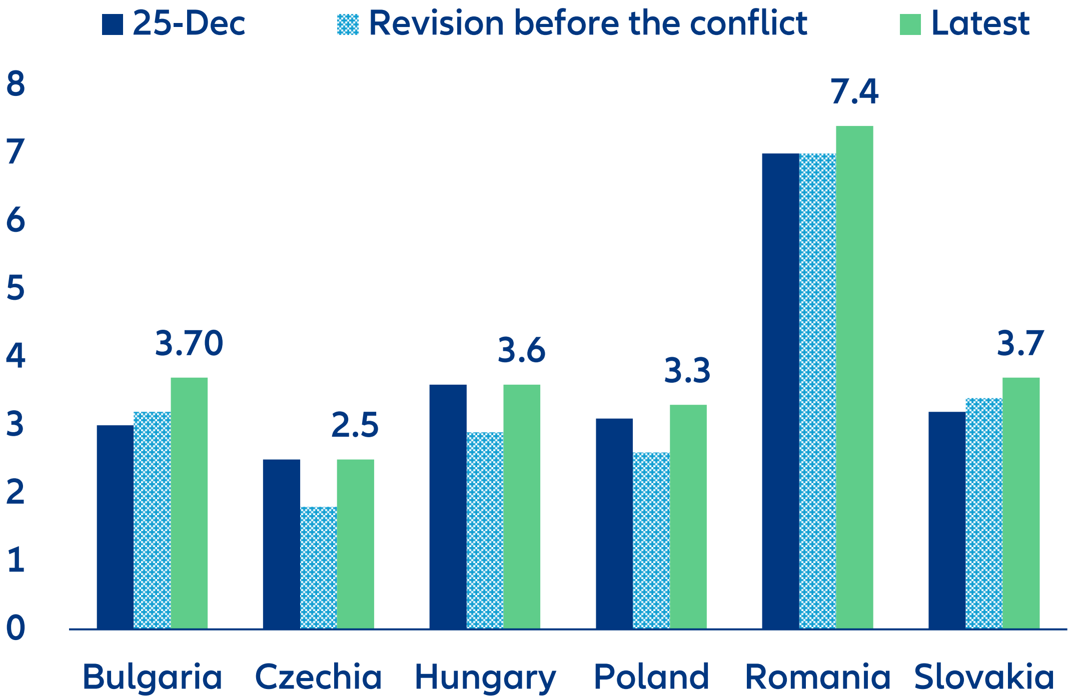
The conflict has pushed inflation forecasts higher compared to what trends were suggesting

Disinflation had allowed downward revisions pre-conflict but the energy shock reversed those gains

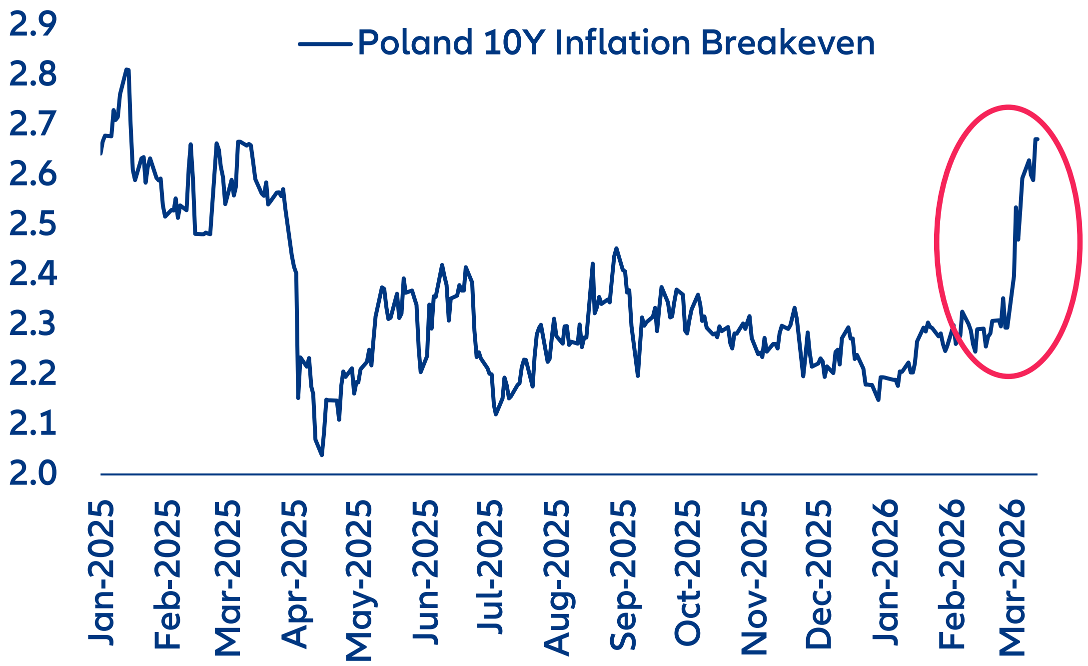
Inflation forecasts for 2026, %



Sources: LSEG Datastream, Allianz Research

Markets are repricing long-run inflation expectations sharply upward since Feb 28

%



Sources: LSEG Datastream, Allianz Research

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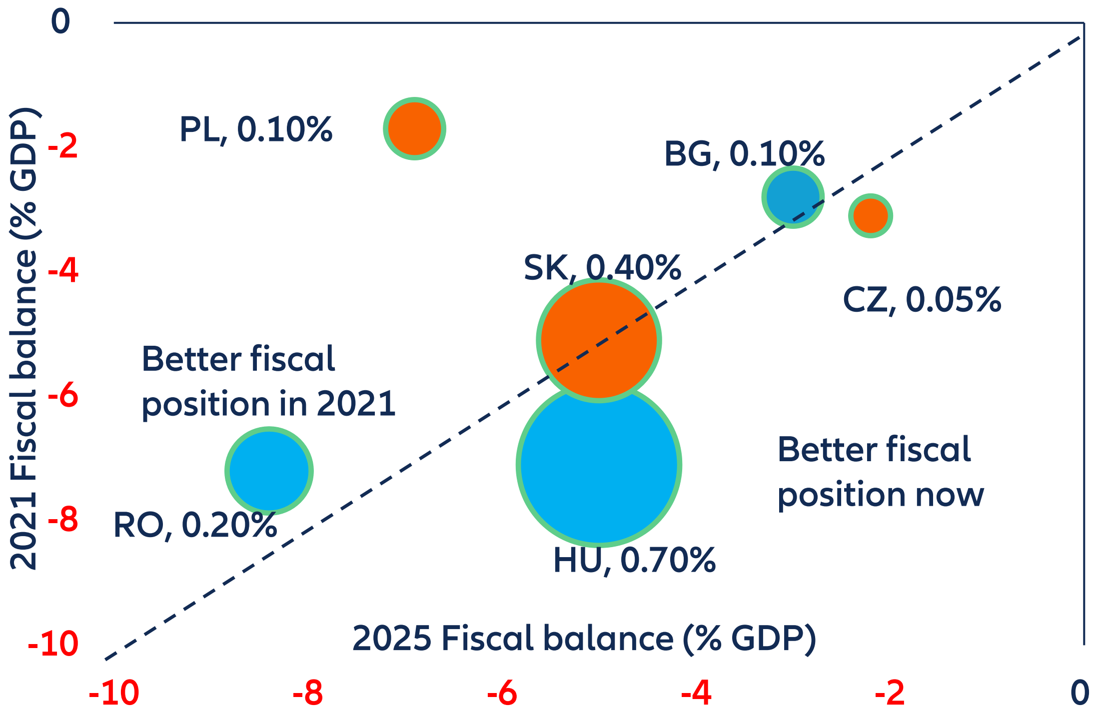
Government can limit the pass-through from higher energy prices, but fiscal space is thin

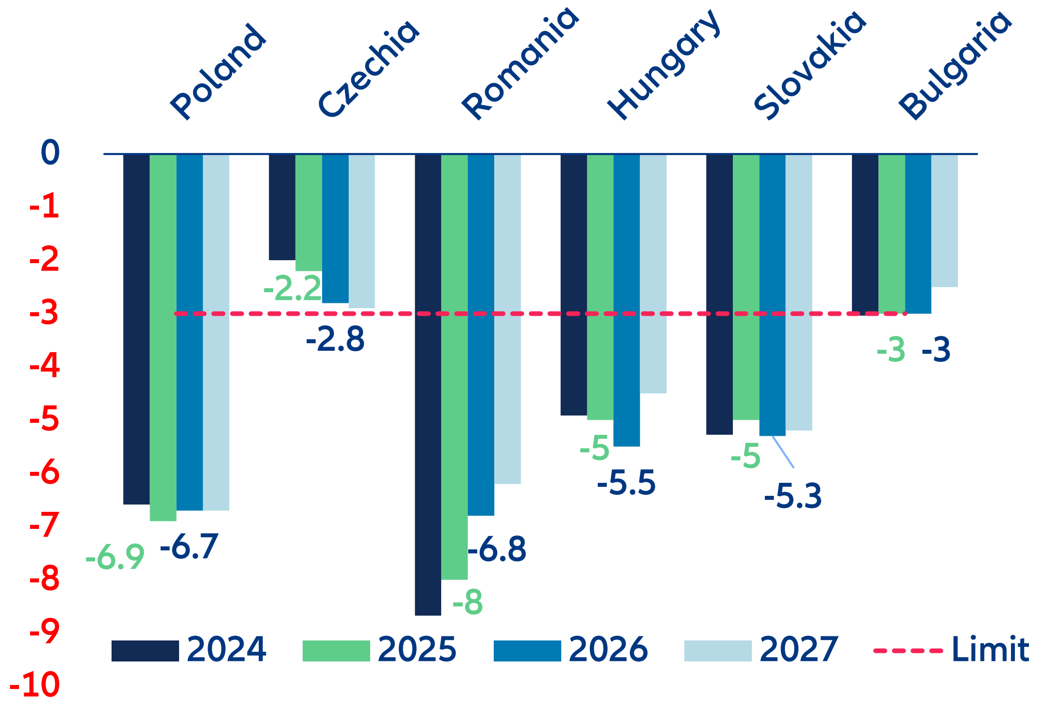
Countries are already proposing fiscal measures, with mixed starting positions compared to 2021…



Sources: LSEG Datastream, Allianz Research
Notes: Orange indicates countries that did not announce any measure yet

…putting further pressure on an already negative deficit outlook

Government deficit, % of GDP



Sources: LSEG Datastream, Allianz Research

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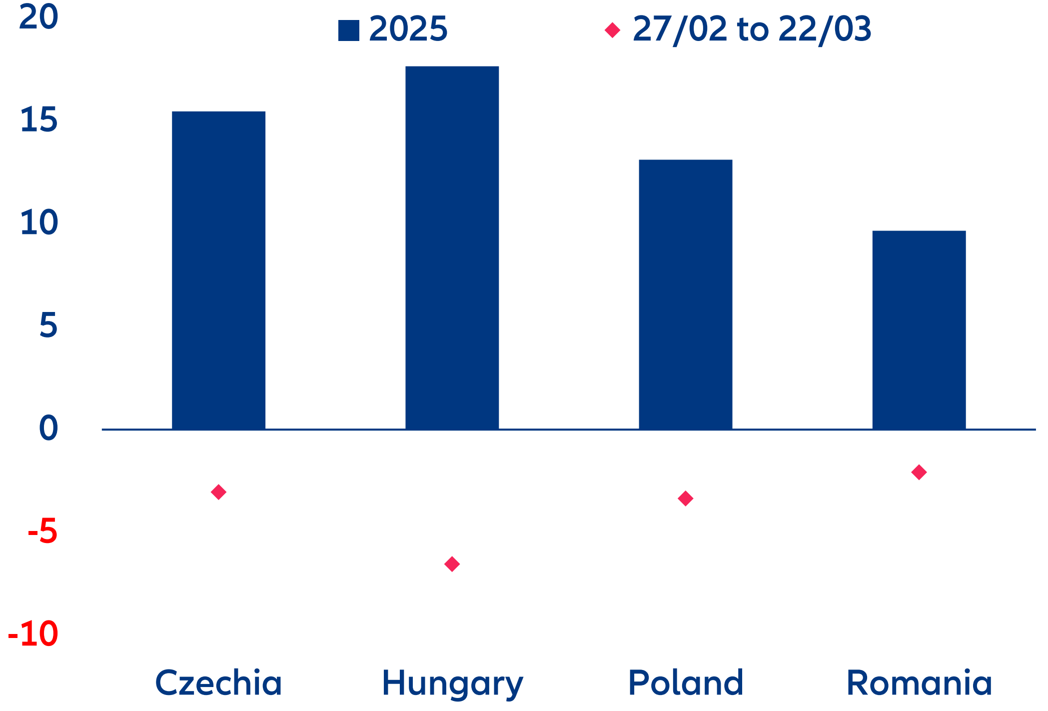
CEE currencies have surrendered part of their 2025 gains, adding to inflation risks

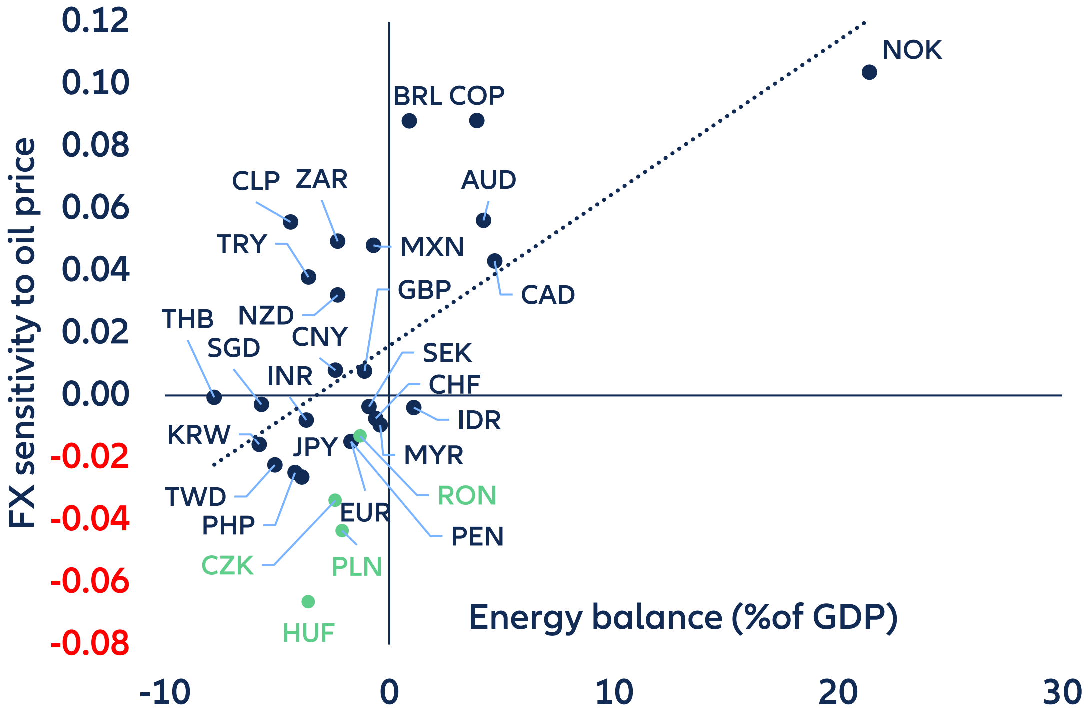
All four currencies depreciated since Feb 27, with HUF with the sharpest post-conflict move

CCY/USD performance, %



Sources: LSEG Datastream, Allianz Research

CEE currencies are structurally exposed to oil shocks



Sources: LSEG Datastream, JPMorgan, Allianz Research

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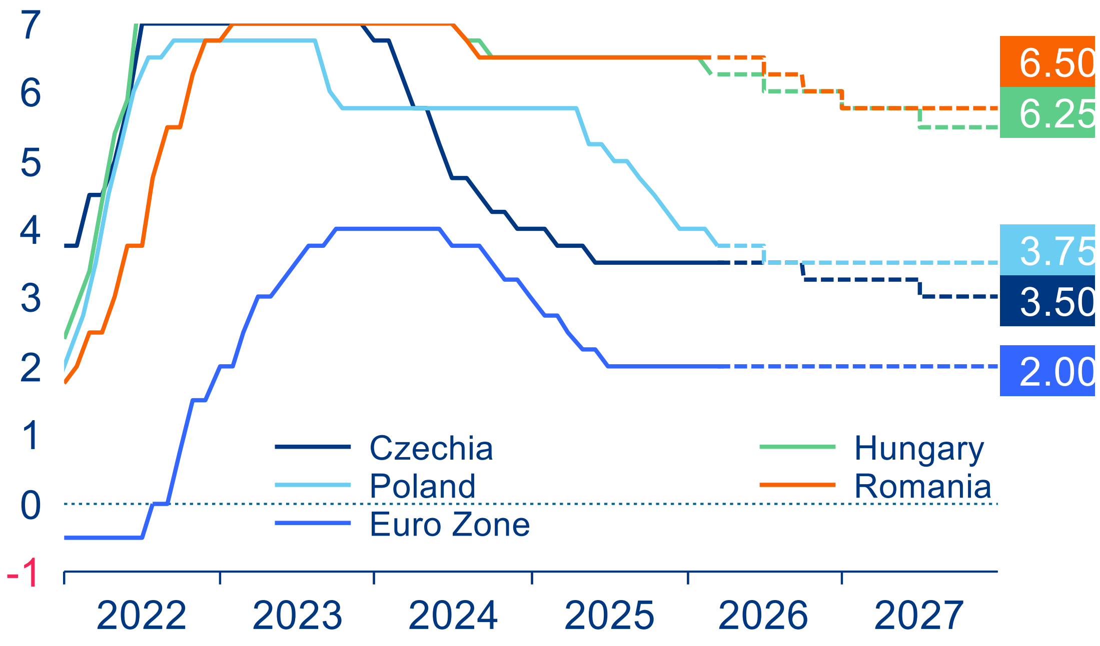
Inflation risks are keeping CEE central banks on hold

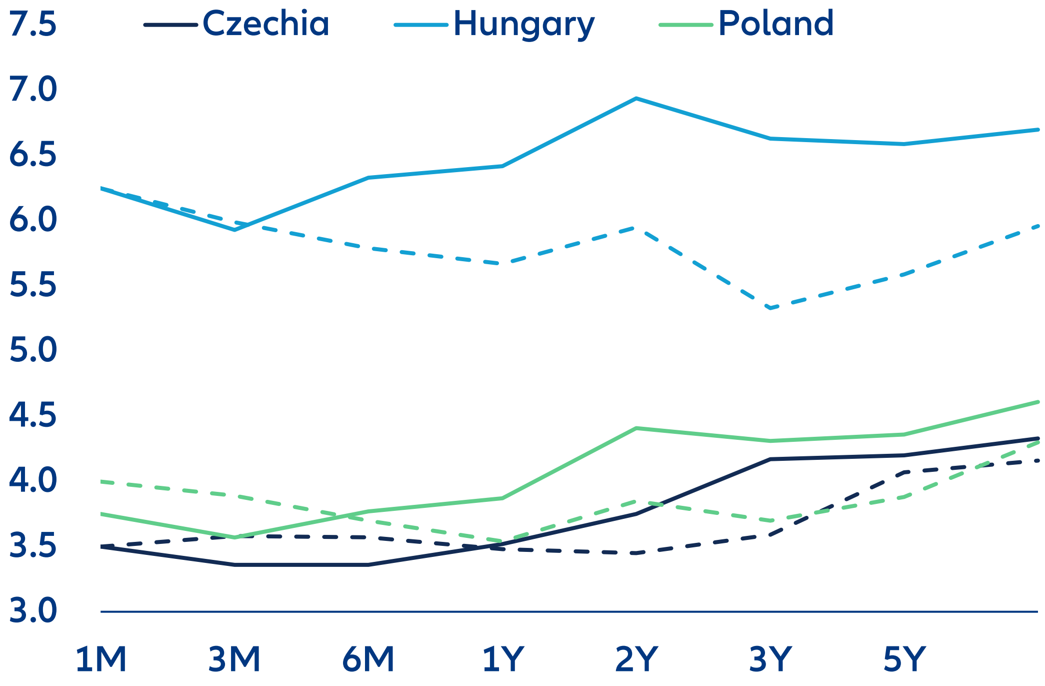
Policy rates forecasts,%



Sources: LSEG Datastream, Allianz Research

Market expectations suggest higher-for-longer rates

Marked implied policy rate, %



Sources: LSEG Datastream, Allianz Research

Concluding remarks

1. Geoeconomics has become the new macro: volatility is no longer cyclical, but structural. The rules-based global order is giving way to a more fragmented and power-based system, where trade tensions, supply-chain disruptions and policy intervention are becoming persistent features of the business environment.

2. The conflict has reversed the strong disinflation trend in CEE and is keeping central banks on hold. Policy support can soften the blow, but with implications on deficit.

3. Rising insolvencies and noisier risk signals make stronger credit protection essential. With global insolvencies at record highs and early-warning indicators becoming less reliable, the cost of unmanaged credit risk for CEE-exposed businesses is rising sharply.

Q/A

Thank you