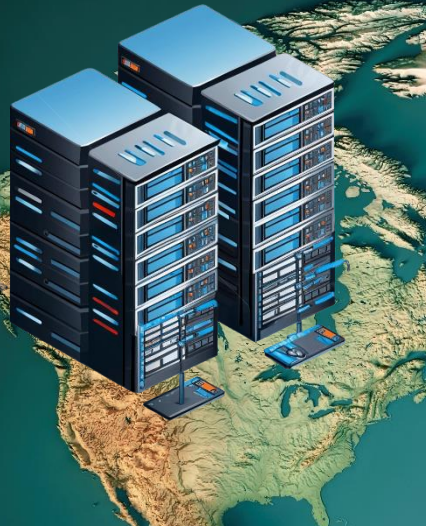


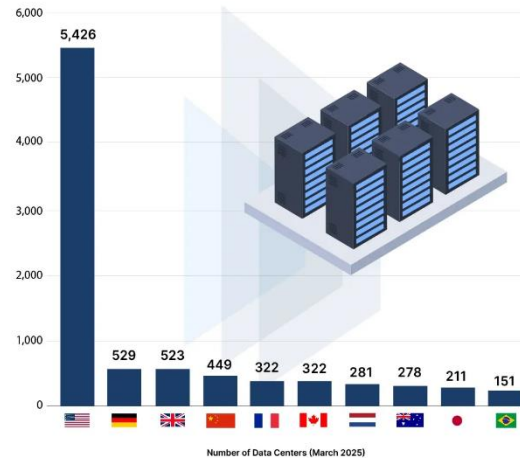


Cracks, but not a crater

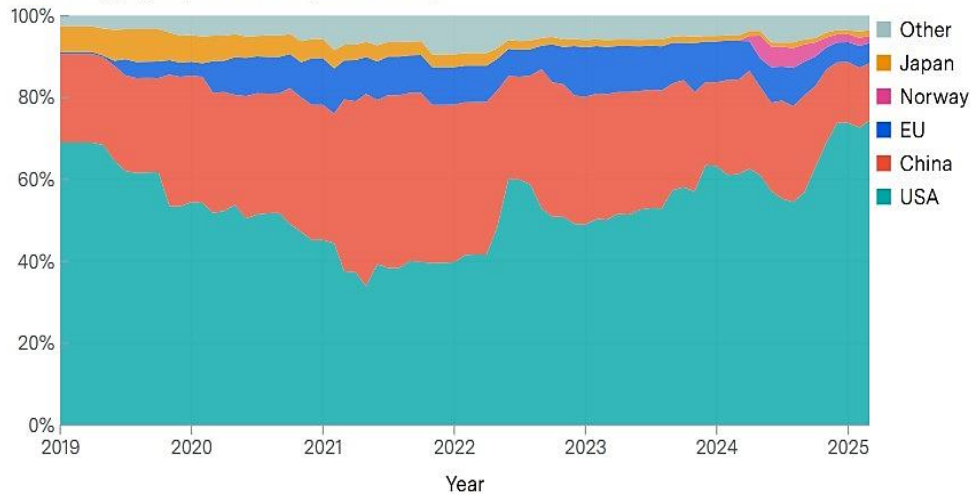
Geopolitical turbulence meets society's resilience



Top 10 Countries by Data Center Count (March 2025)



Share of aggregate performance (16-bit FLOP/s)

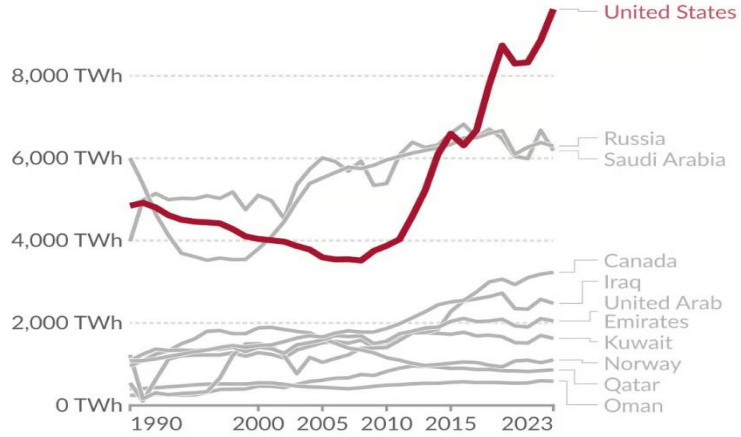




Oil production in the United States is at an all-time high

Our World in Data

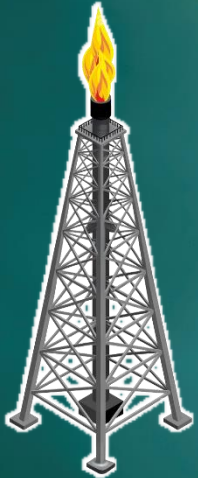
Oil production is measured in terawatt-hours of energy per year.



Data source: Energy Institute (2024)

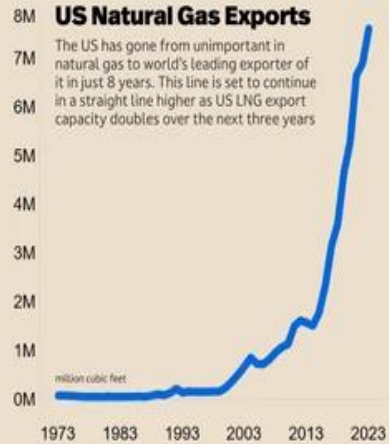
OurWorldinData.org/fossil-fuels | CC BY

Note: Includes crude oil, shale oil, oil sands, condensates and natural gas liquids.

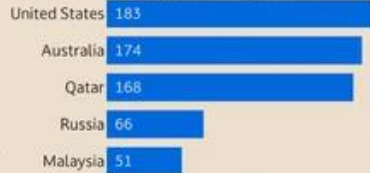


US Natural Gas Exports

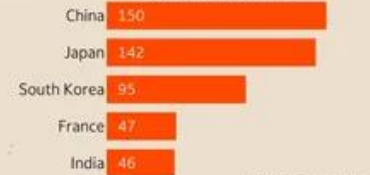
The US has gone from unimportant in natural gas to world's leading exporter of it in just 8 years. This line is set to continue in a straight line higher as US LNG export capacity doubles over the next three years



Top LNG Exporters



Top LNG Importers



**2023, million cubic meters

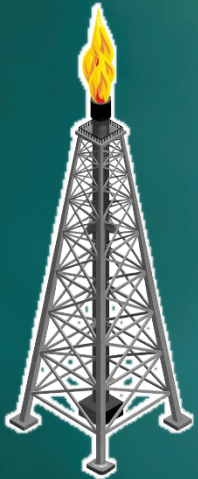
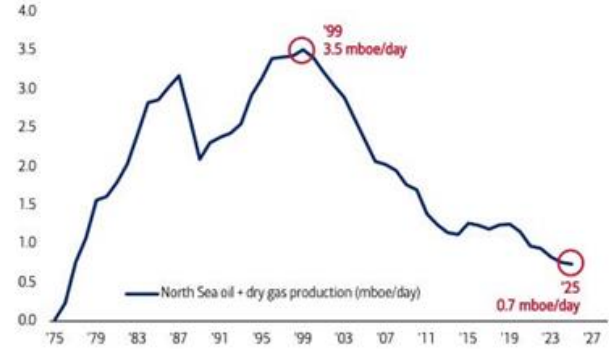


Chart 9: UK North Sea oil & gas production also down sharply vs '99

UK North Sea oil + dry gas production (mboe/day)



Source: BofA Global Investment Strategy, North Sea Transition Authority

BofA GLOBAL RESEARCH

Chart 8: German nuclear power generation down from highs in '06

Germany nuclear power generation (terawatt hours)

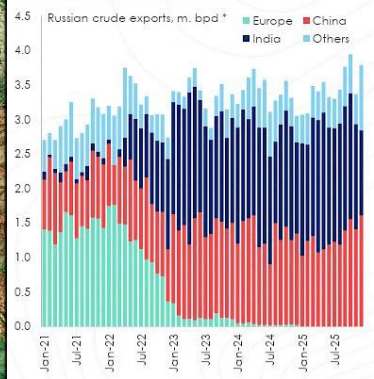


Source: BofA Global Investment Strategy, Energy Institute Statistical Review of World Energy

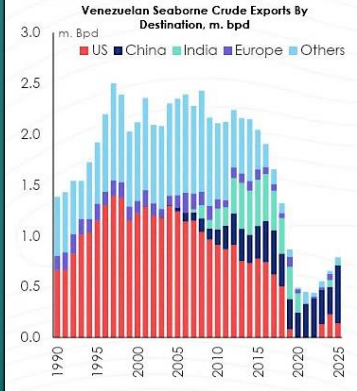
BofA GLOBAL RESEARCH



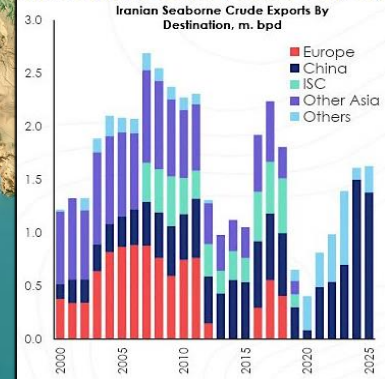
Redistribution of Russian flows from Europe to Asia boosted crude oil tonne-mile trade by ~10% across 2022-23

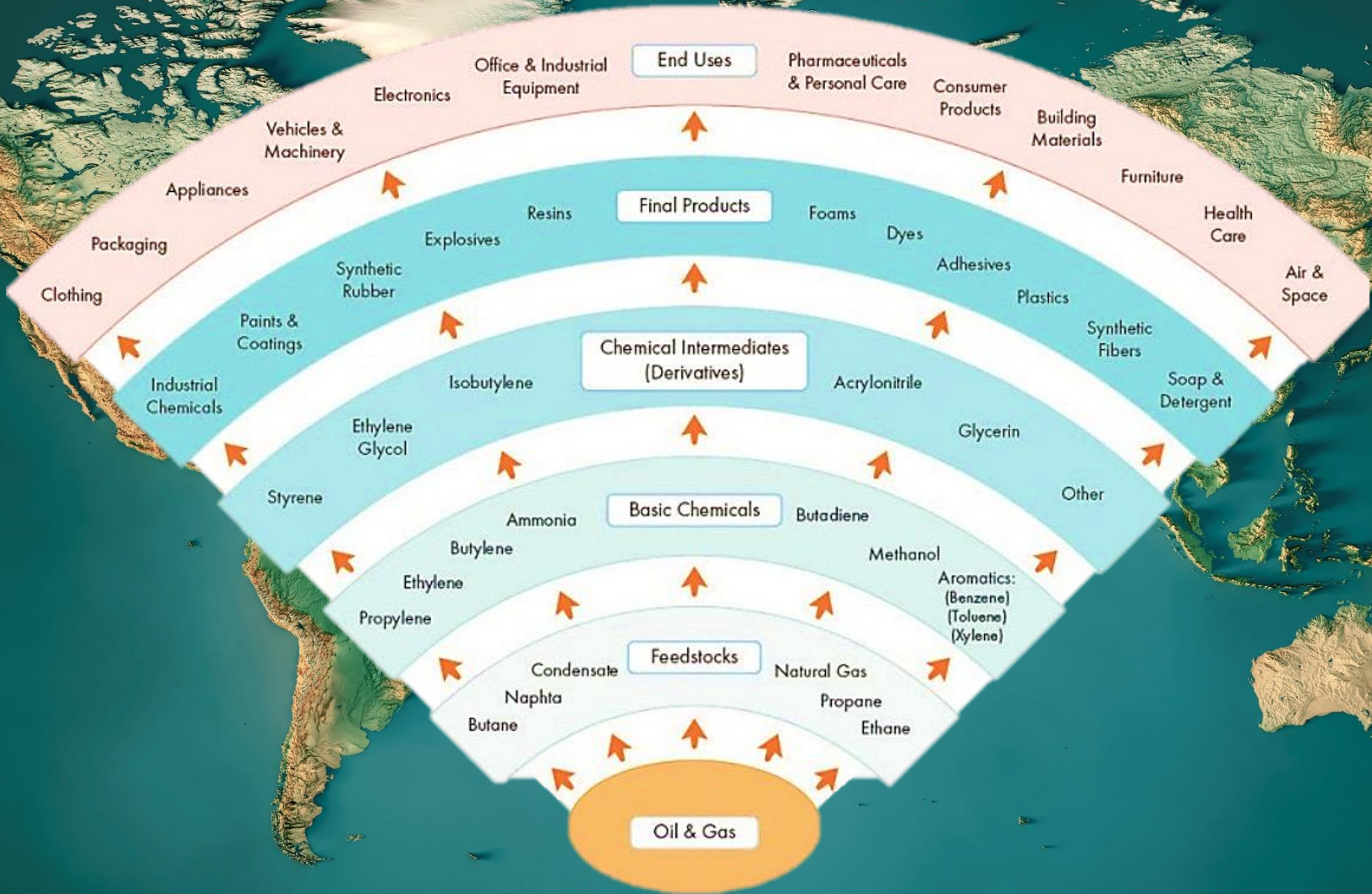


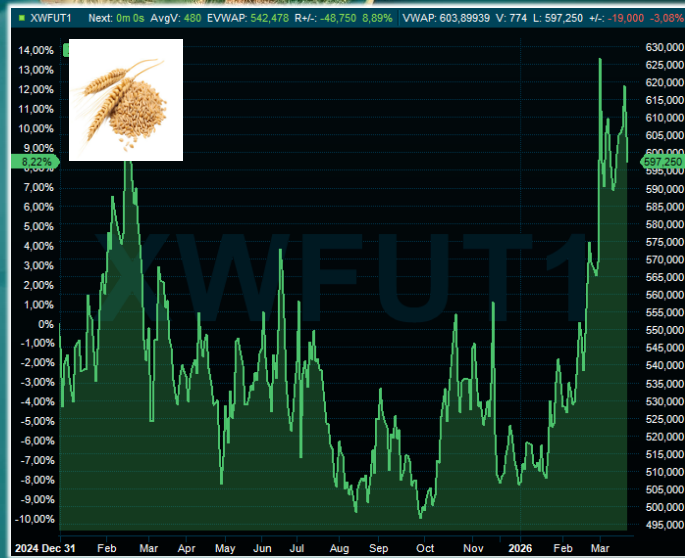
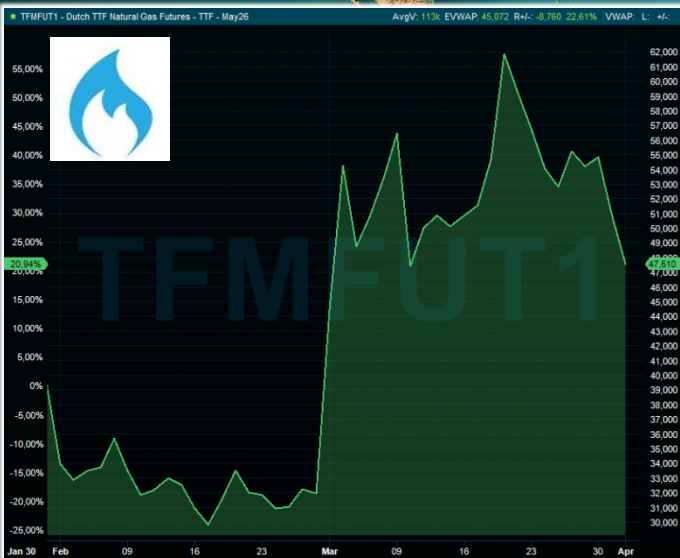
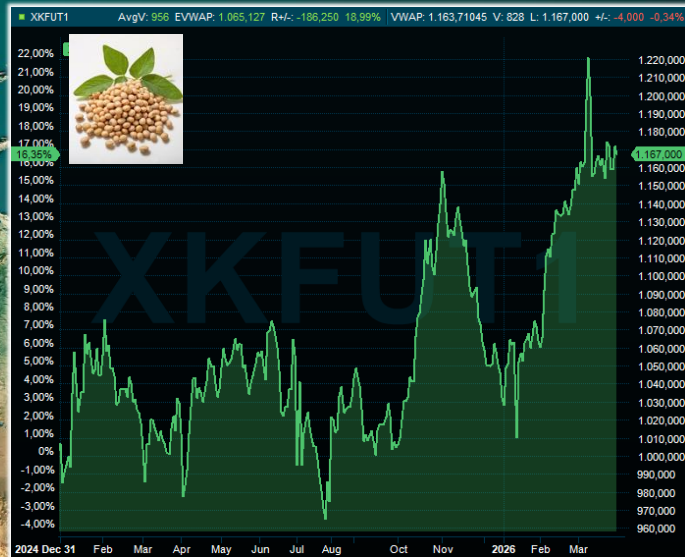
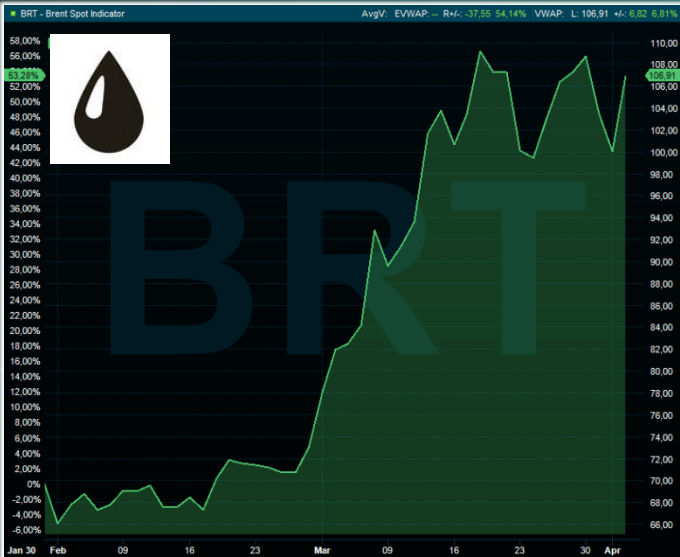
Exports mostly sent to China recently; though US-bound flows now set to rise...



Iranian oil exports had increased materially in recent years on the back of firmer exports to China (~90% of volumes)







Cracks, but not a crater

Geopolitics

The US seems to be getting its way, but at a cost

Supply chain

Significant disturbance in material sourcing



'23: +2,9%
 '24: +2,8%
'25: +2,1%
 '26: +2,0%
 '27: +1,7%



'23: +2,8%
 '24: +3,3%
'25: +3,3%
 '26: +2,9%
 '27: +3,0%



'23: +0,4%
 '24: +1,1%
'25: +1,3%
 '26: +0,7%
 '27: +1,3%



'23: +3,2%
 '24: +3,4%
'25: +2,4%
 '26: +1,5%
 '27: +2,1%

'23: +1,2%
 '24: +1,0%
'25: +1,1%
 '26: +0,7%
 '27: +1,2%



'23: -0,7%
 '24: -0,5%
'25: +0,3%
 '26: +0,8%
 '27: +1,5%



'23: +5,1%
 '24: +4,8%
'25: +5,9%
 '26: +4,5%
 '27: +4,0%



'23: +1,5%
 '24: -0,2%
'25: +1,1%
 '26: +0,9%
 '27: +0,9%



'23: +5,2%
 '24: +5,0%
'25: +4,8%
 '26: +4,4%
 '27: +4,3%



'23: +9,2%
 '24: +6,5%
'25: +6,6%
 '26: +6,1%
 '27: +6,4%



'23: +7,2%
 '24: +8,1%
'25: +7,2%
 '26: +7,0%
 '27: +7,5%

Base scenario: rising stagflationary pressures

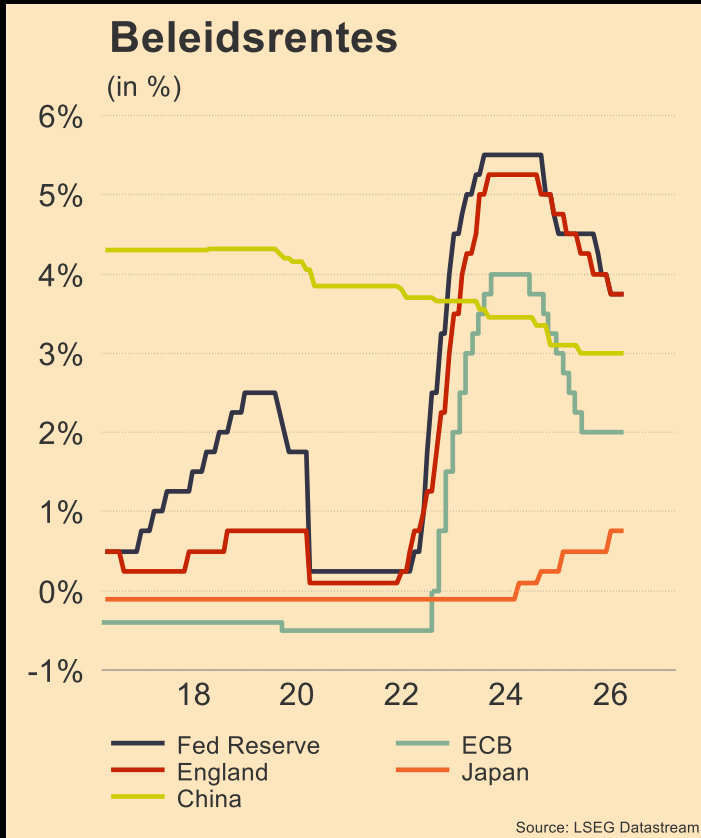
Theory: "Growth vs. inflation", practice: "Degrowth and stagflation"





Central banks in a split stance

Growth should take precedence over inflation in the event of an external supply shock



Beleidsrentes

	Huidig	2026	
US	3,625%	3,625%	-0bps
Germany	2,0%	2,0%	-0bps
China*	3,0%	2,85%	-15bps
Belgium			

Source: KBC Economics *Trading economics

10-jaarsrente

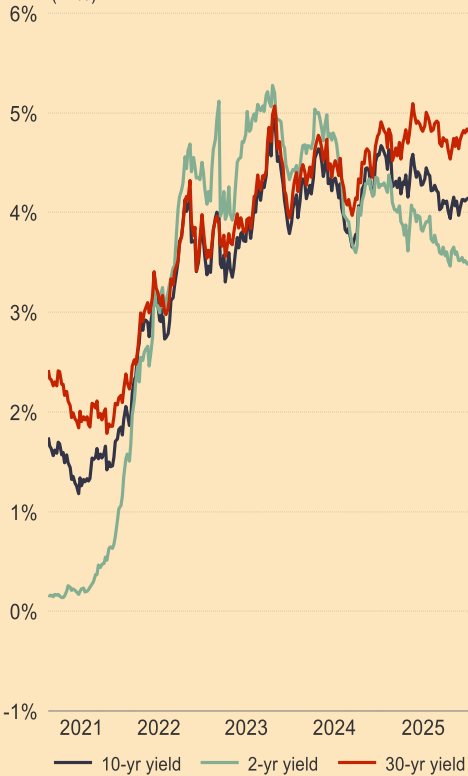
	Huidig	2026	
US	4,27%	4,50%	+25bps
Germany	2,95%	3,00%	+5bps
China*	1,81%	2,0%	+20bps
Belgium	3,44%	3,40%	-5bps

Source: KBC Economics



Yield evolution: US

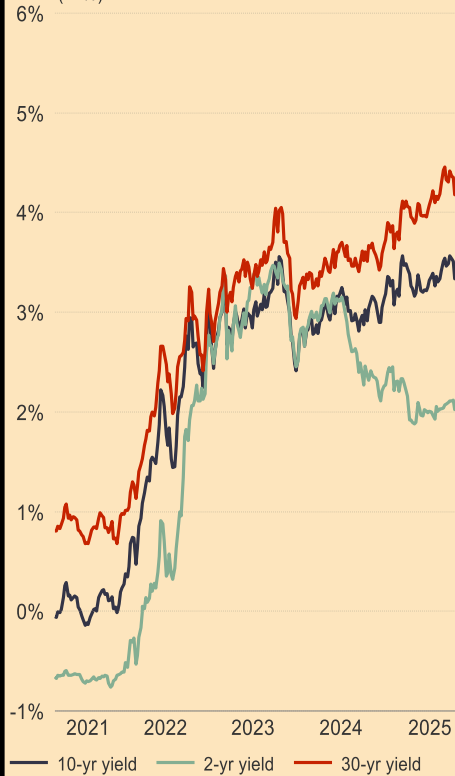
(in %)



Source: LSEG

Yield evolution: France

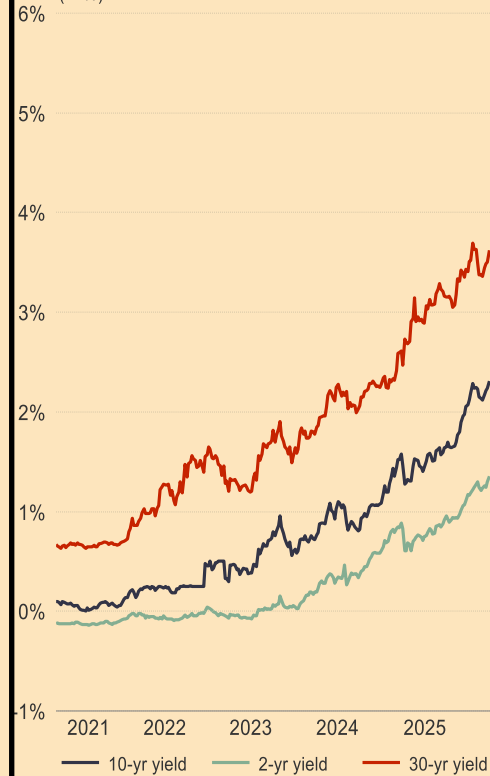
(in %)



Source: LI

Yield evolution: Japan

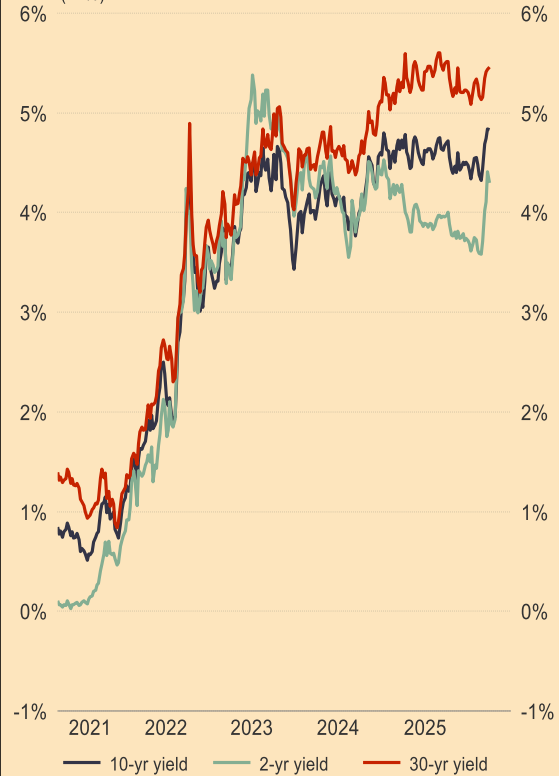
(in %)



Source: LSEG

Yield evolution: UK

(in %)

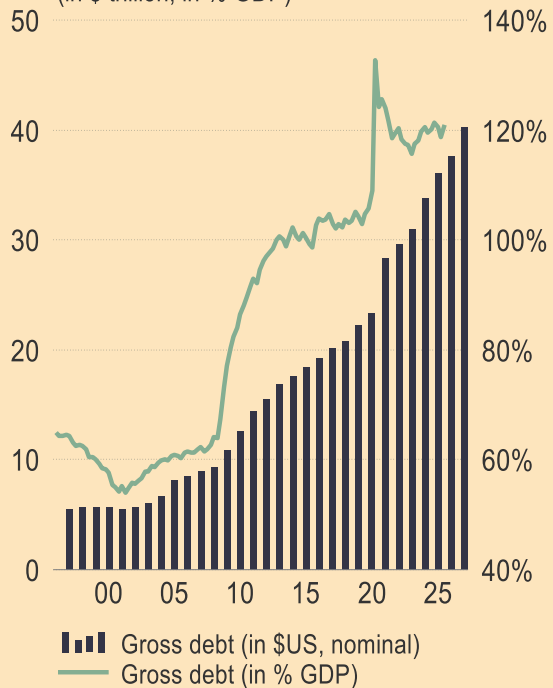


Source: LSEG Datastream



Debt position USA

(in \$ trillion, in % GDP)



Source: LSEG Datastream

China: debt position

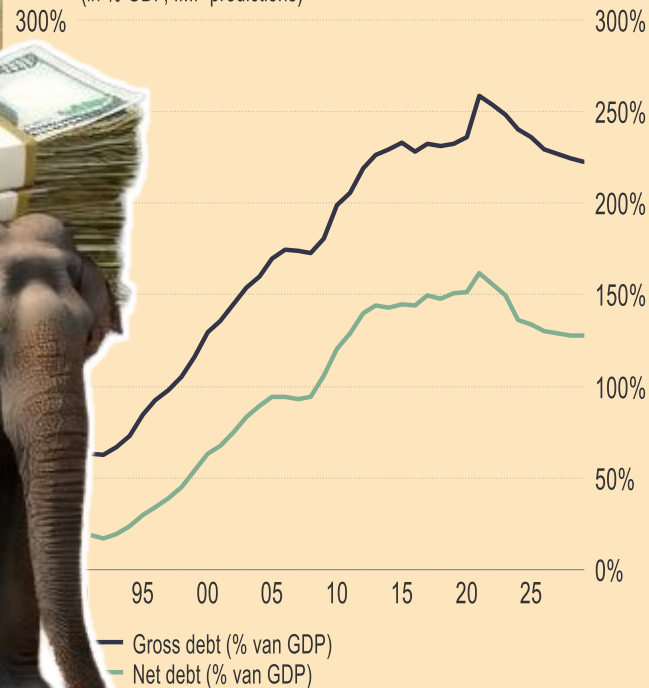
(in % gdp, IMF predictions)



Source

Japan: debt position

(in % GDP, IMF predictions)



Source: LSEG Datastream



Budget deficits

(Autumn Economic Forecast 2025, EC)

	2025	2026	2027
Belgium	-5,3%	-5,5%	-5,9%
France	-5,5%	-4,9%	-5,3%
Italy	-3,3%	-2,8%	-2,6%
Germany	-3,1%	-4,0%	-3,8%
European Union	-3,3%	-3,4%	-3,4%
United States	-6,2%	-5,6%	-5,7%

Debt ratio

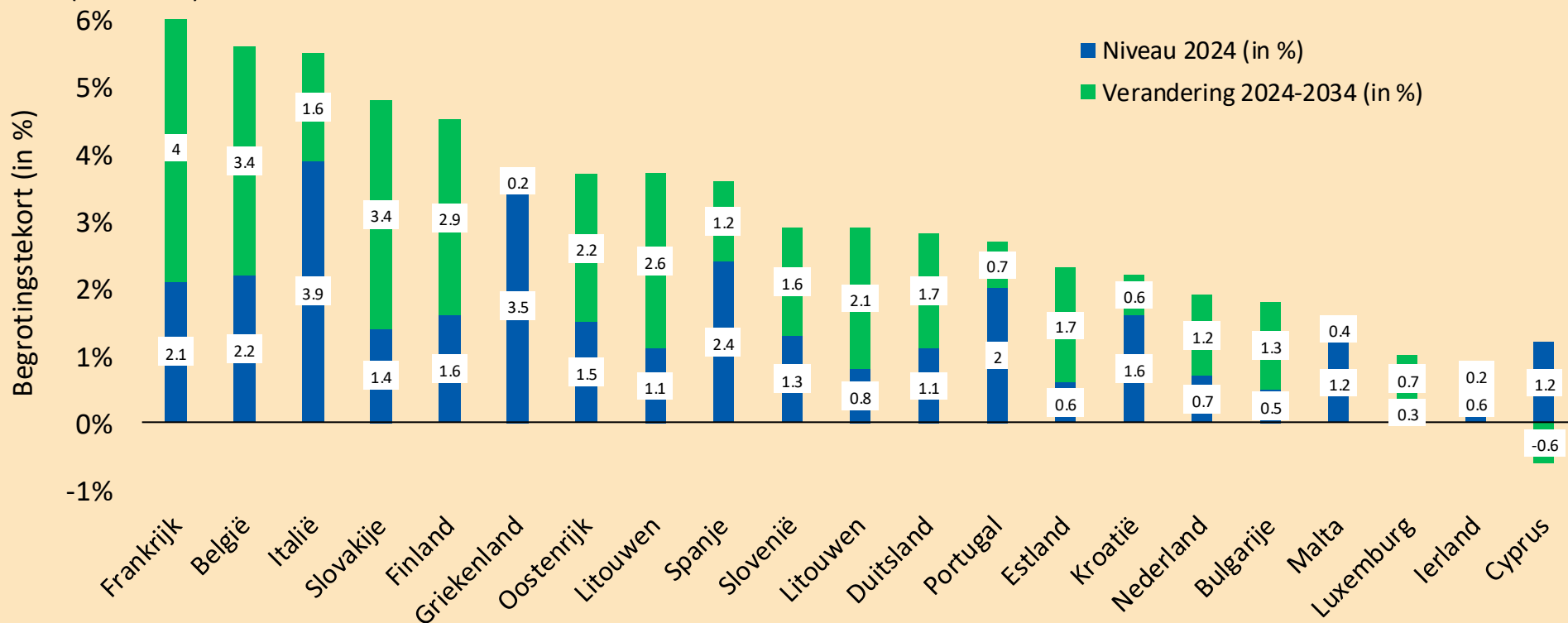
(in % GDP)

	2024	2027
Belgium	104%	113%
France	113%	120%
Italy	135%	138%
Germany	65%	67%
European Union	82%	85%
United States	122%	130%



Interest payments by EU governments

(in % GDP)



Cracks, but not a crater

Geopolitics

The US seems to be getting its way, but at a cost

Supply chain

Significant disturbance in material sourcing

Inflation

Peak inflation, depending on longevity of Iran war

Interest rates

High(er)-for-longer scenario confirmed

Public debt

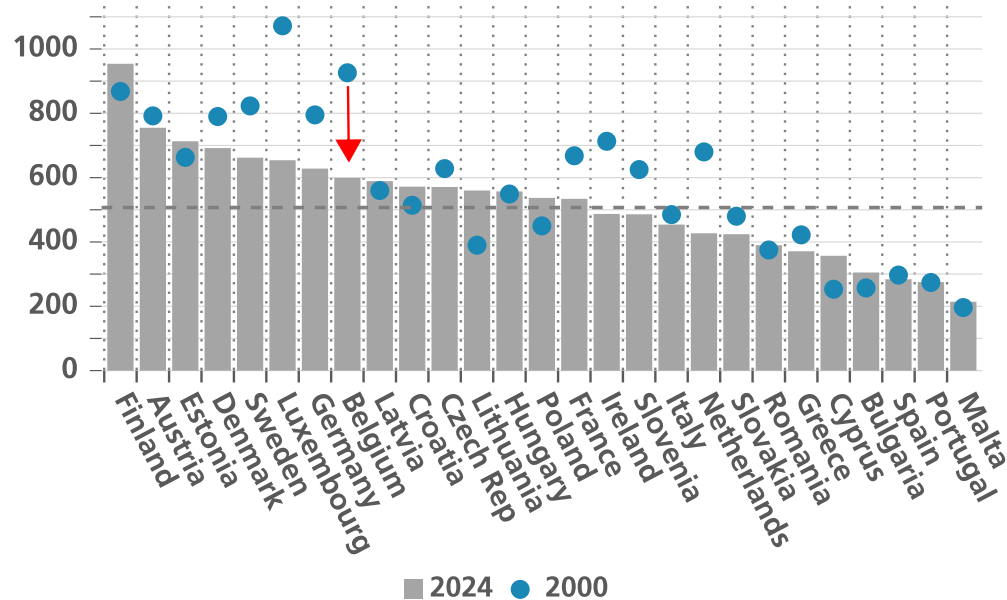
The snowball effect gains momentum. Who pays?

Energy crisis: are we facing the same magnitude?

Cash build-up since covid: cost controls, innovation, asset-light investment... and fright.

Figuur 2 - Finale energieconsumptie van de huishoudens

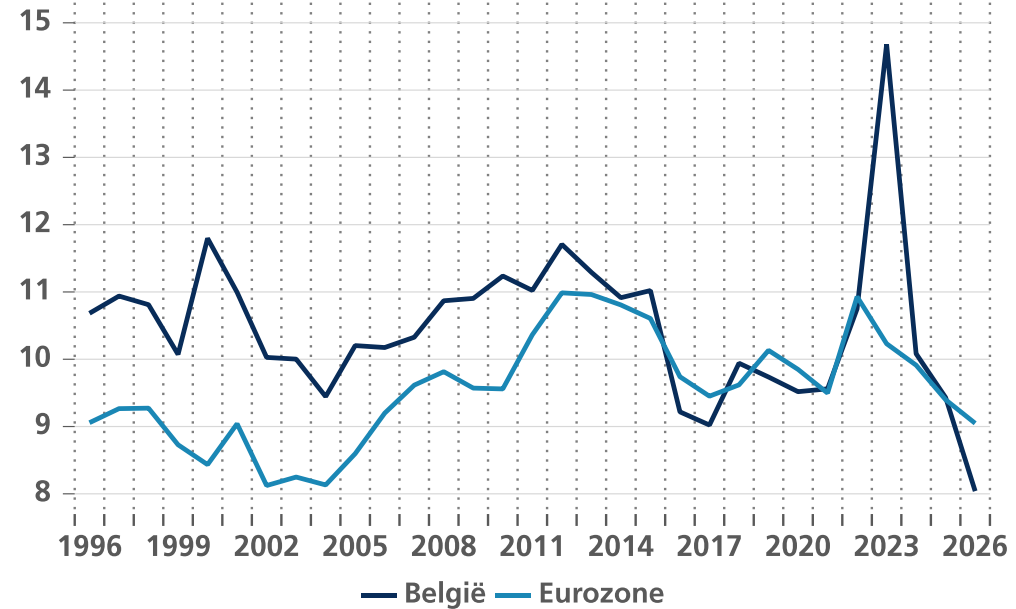
kilogram olie-equivalent per capita, stippelijijn = EU27 in 2024



Bron: KBC Economics gebaseerd op Eurostat

Figuur K2 - Gewicht van energie in de HICP

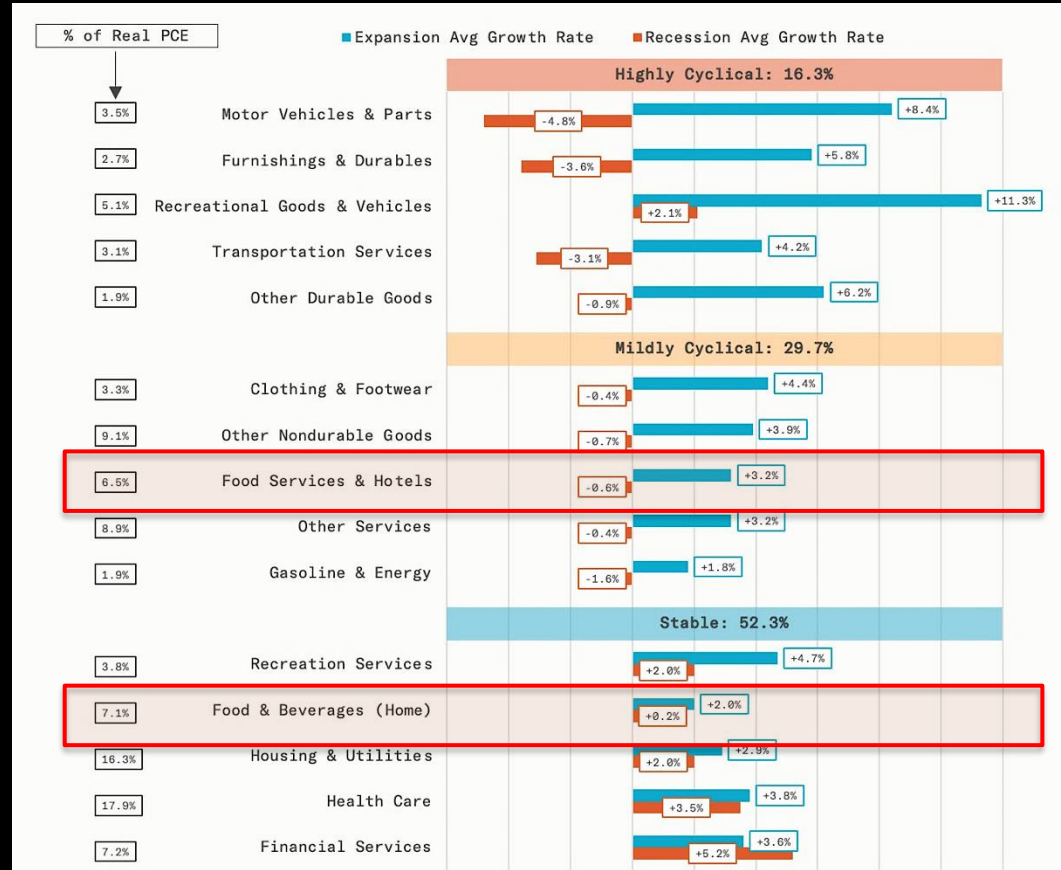
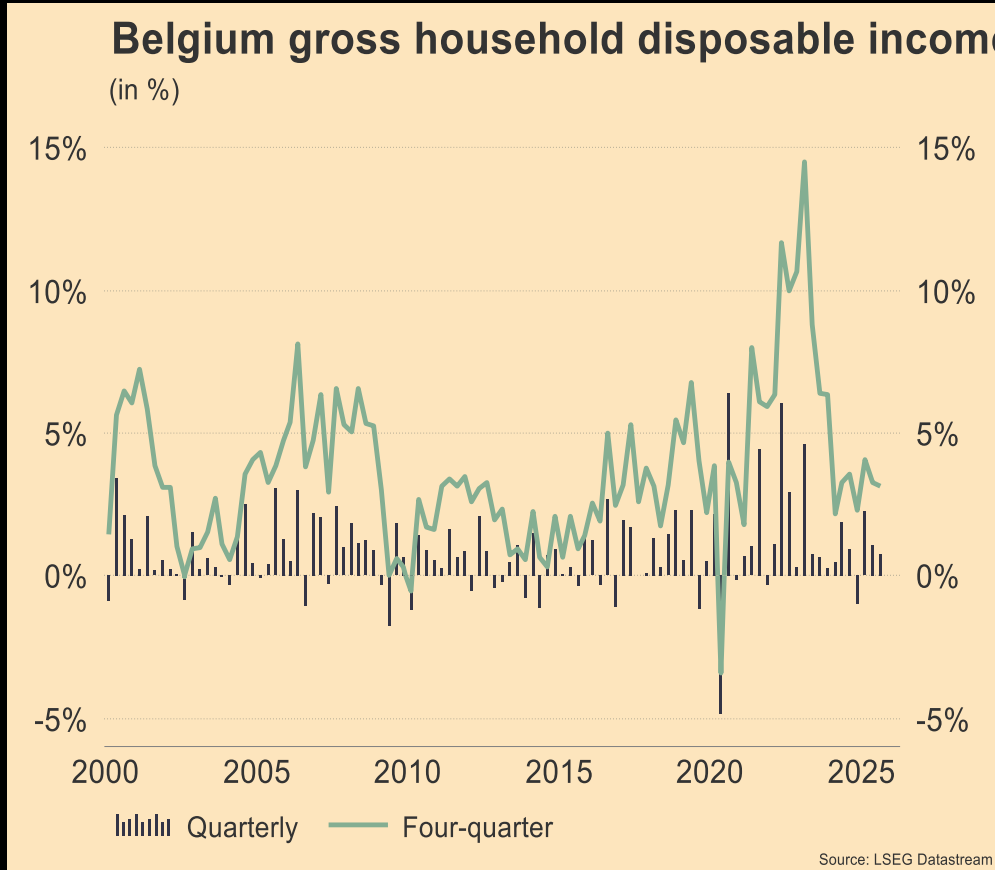
in %



Bron: KBC Economics gebaseerd op Eurostat

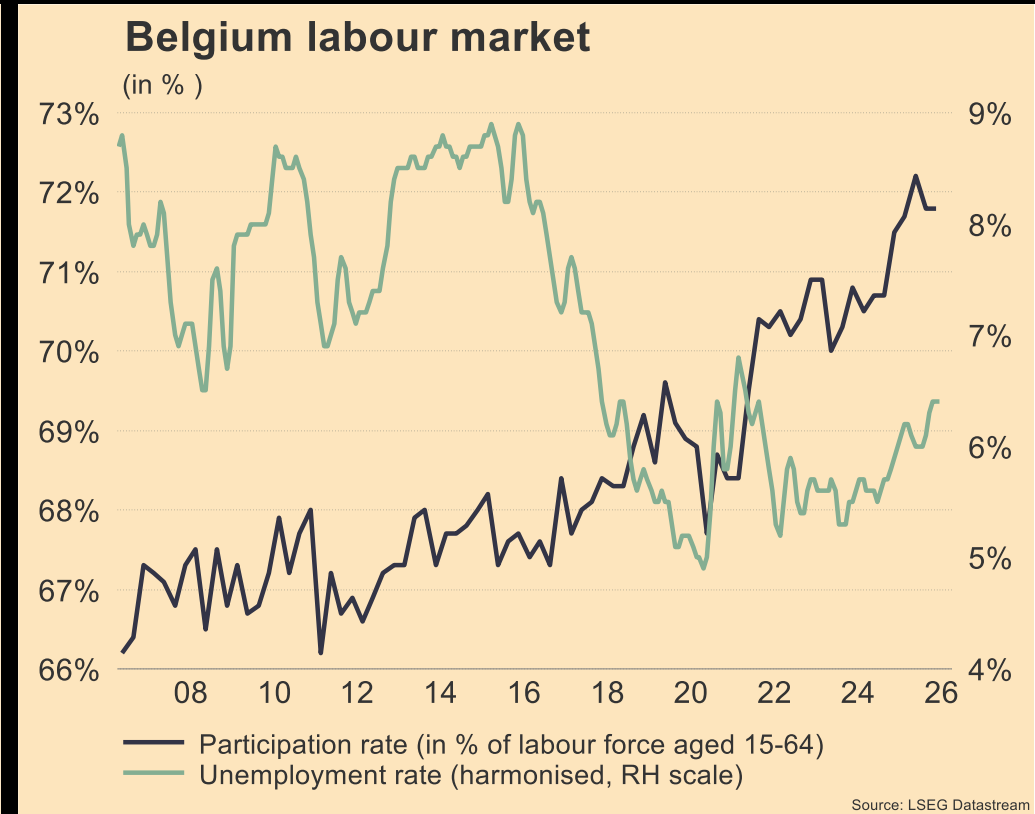
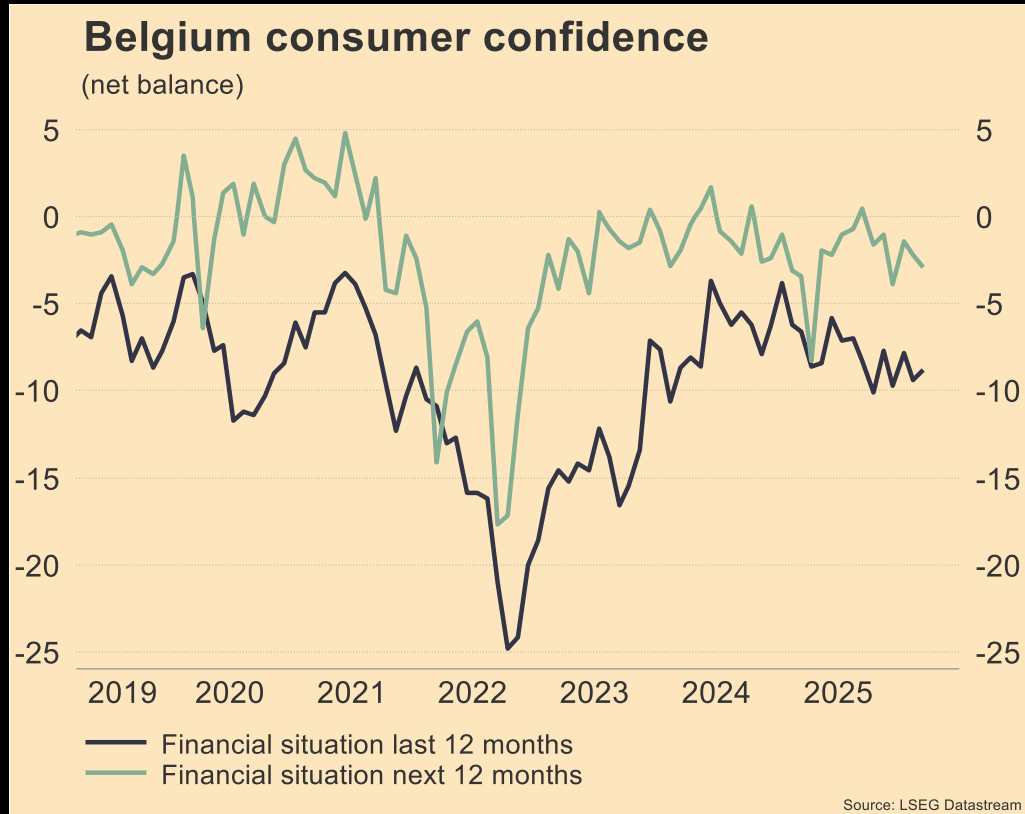
Energy crisis: are we facing the same magnitude?

The Consumer Economy: cyclicity reigns as disposable income gains



Energy crisis: are we facing the same magnitude?

Confidence indicators determined by media fuzz – employment remains solid

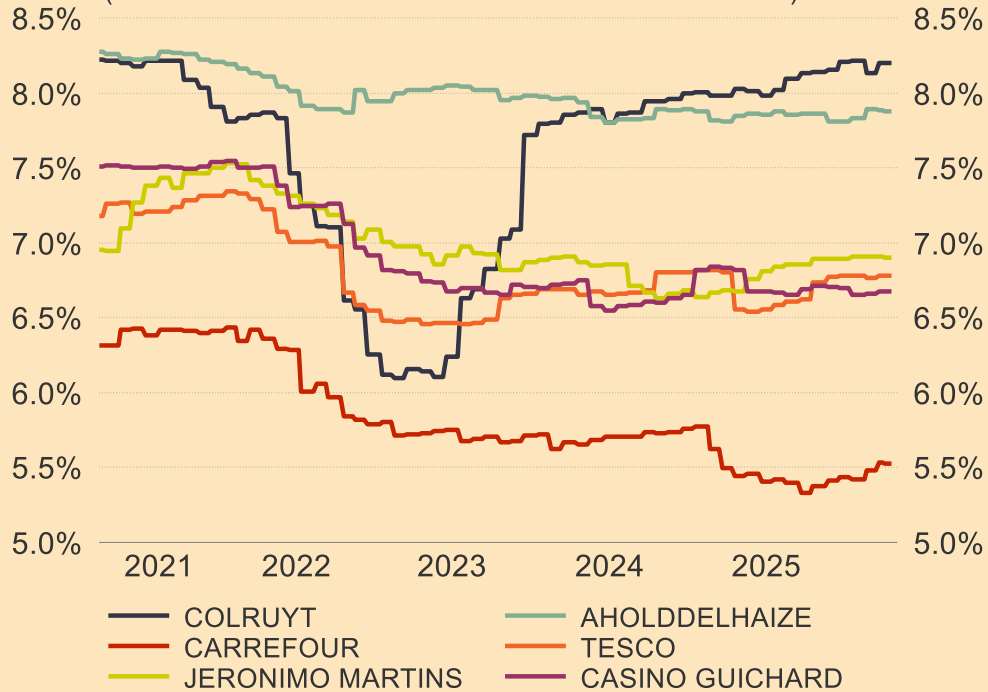


Consumer sector has ample wiggling room

Operational margins have increased, both in supermarkets and consumer goods

EBITDA-margins in the retail sector

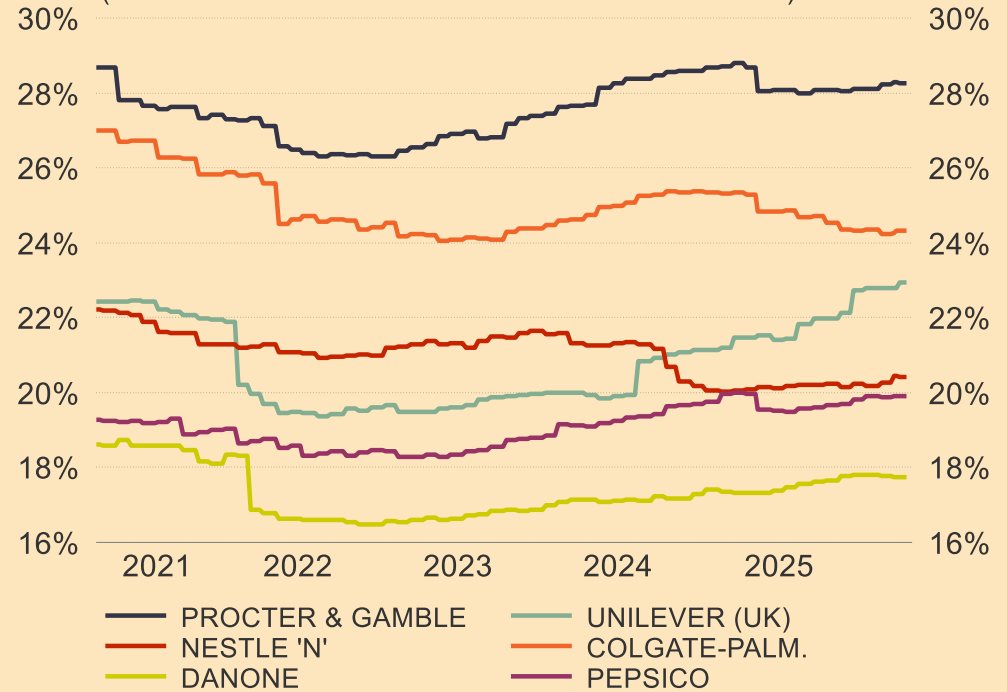
(based on 12m-forward EBITDA and 12m-forward sales)



Source: LSEG Datastream

EBITDA-margins in 'Consumer goods'

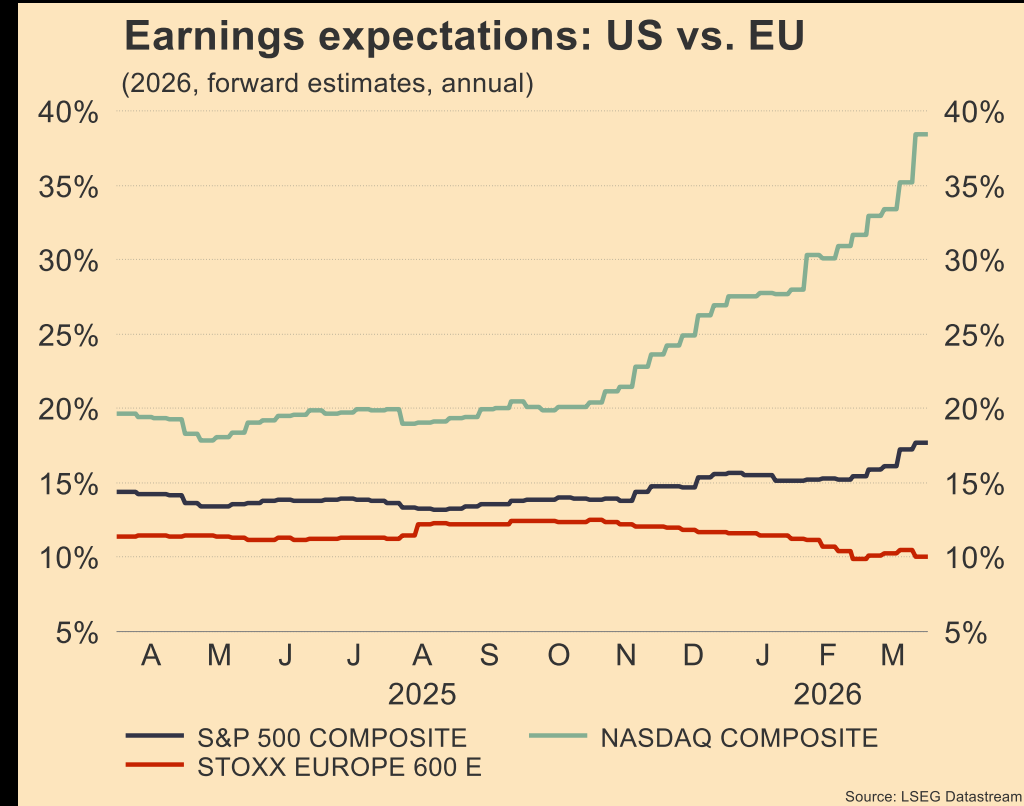
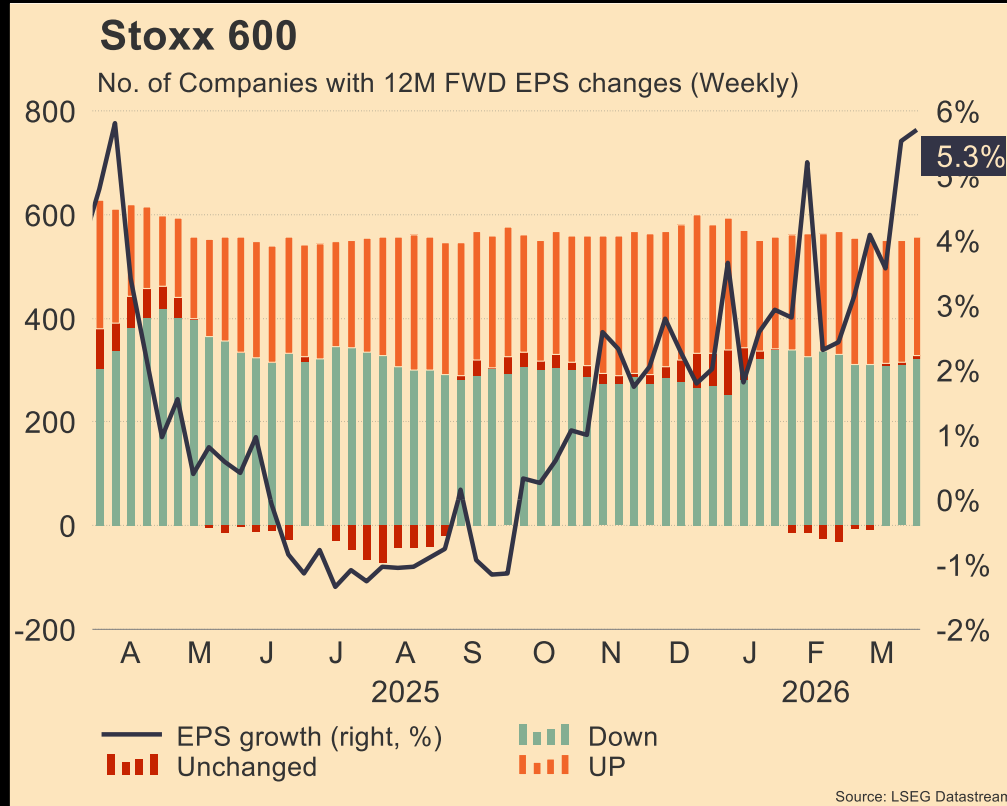
(based on 12m-forward EBITDA and 12m-forward sales)



Source: LSEG Datastream

Earnings impact remains largely shielded

Tailwinds from re-industrialization, defence spending and energy-infrastructure investments



Cracks, but not a crater

Geopolitics

The US seems to be getting its way, but at a cost

Supply chain

Significant disturbance in material sourcing

Inflation

Peak inflation, depending on longevity of Iran war

Interest rates

High(er)-for-longer scenario confirmed

Public debt

The snowball effect gains momentum. Who pays?

Energy crisis

Relatively mitigated (Asia excepted)

Profitability

P&L's are largely shielded (tech, energy, materials)

Consumption

Trickle-through effects likely to drive prices higher

A brave new world

Pre-covid

Real GDP

High variable-cost business

Monetary policy

Financial assets

Deindustrialisation

Offshoring

Globalisation

Peace

Regulation

Fiat currency

Independent central bank

Healthcare

Clean energy

Shale energy

A brave new world

	Real GDP		Nominal GDP	
Pre-covid	High variable-cost business		High fixed-cost business	Brave new world
	Monetary policy		Fiscal policy	
	Financial assets		Real assets	
	Deindustrialisation		Reindustrialisation	
	Offshoring		Reshoring	
	Globalisation		Regionalisation	
	Peace		Conflicts	
	Regulation		Deregulation	
	Fiat currency		Gold	
	Independent central bank		Compliant central bank	
	Healthcare		Industrials	
	Clean energy		Electrification	
	Shale energy		Offshore drilling	



Cracks, but not a crater

Geopolitical turbulence meets society's resilience
and time will tell which proves sturdier

A brave new world, indeed!