



Economic Outlook

Your monthly digest on economic trends.

Global Outlook

Global GDP growth has improved relative to earlier forecasts, reflecting the gradual easing of trade tensions and resilience. However, global growth is projected to remain lower than last year. Inflation is expected to maintain a downward trajectory but remain somewhat sticky due to a divergence in some of the world's major economies. Trade volumes are also expected to come in lower than previously estimated despite consumer frontloading earlier this year ahead of the implementation of tariffs. Additionally, uncertainty and geopolitical risks are likely to persist, along with, labor market softness, and a moderation in consumption growth. We remain attentive to economic and policy shifts, to proactively recognize challenges or opportunities as they arise.

United States

U.S. economic growth rebounded in the second quarter, but full year growth is still expected to be lower than the prior years. This comes as momentum weakens, with spending moderating, unemployment rising and inflation picking up to levels seen at the beginning of the year. Accompanying this, policy uncertainty lingers and higher trade barriers weigh on the outlook. Meanwhile, financial conditions have improved, and equity markets are expected to post modest gains for the year. Monetary policy has loosened with projections pointing to an additional rate cut by the year's end. However, the ongoing government shutdown, has delayed the release of economic data and may pose a threat to the policy outlook which remains data dependent.

Latin America, the Caribbean, and Trinidad and Tobago

Growth in the LAC has been revised downward owing to several external factors such as rising trade barriers and commodity price moderation. In T&T, growth is still anticipated, however, production declines and the cancellation of energy projects have exposed underlying weakness. Further external vulnerabilities, also persist, in the context of geopolitical tensions and commodity market volatility. The Government however has expressed commitment to advancing fiscal sustainability, through tax reform and economic diversification. Ongoing monitoring of sovereign dynamics and energy sector developments will continue to guide our response to market conditions.

Asset Class	Average Maturity (Yrs)	Yield (%)	1M Return (%)	YTD Return (%)
U.S. Treasuries	7.84	3.96	0.62	6.01
Investment Grade	10.53	4.89	0.38	7.29
High Yield	4.78	6.88	0.16	7.39
EM Sovereign (USD)	11.54	6.01	2.62	12.06
S&P 500	-	1.19	2.27	16.30

Data as at 10/31/2025

Unless otherwise specified, returns are index returns

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