Economic Outlook

Your monthly digest on economic trends.

Global Outlook

Global GDP growth is forecasted at around 3.0% in 2025, reflecting a modest improvement over earlier forecasts. This uptick is driven by anticipated front-loading ahead of tariff hikes and improved sentiment in several major economies. Furthermore, inflation remains elevated but is expected to continue its downward trend. However, uncertainty and geopolitical risks persist, increasing the likelihood that inflation may remain above some central bank targets for a while longer. Additionally, downside risks including tariffs, labor market softness, and moderation in consumption growth remain. These dynamics suggest a cautiously optimistic global environment. As such, we will continue to monitor inflation trends, labor market shifts, and trade developments to identify potential opportunities or risks.

United States

U.S. economic growth is expected to decline compared to the prior year, despite resilience in the second quarter, as the effects of tariffs continue to be passed onto the consumer, weakening consumption. Additionally, consumer sentiment remains subdued amid concerns over tariffs, fiscal imbalances and weaker labor market conditions. Meanwhile, equity markets have largely rebounded and are expected to post modest gains for the year. Monetary policy has loosened with projections pointing to two additional rate cuts by the year's end. However, further policy action remains data dependent.

Latin America, the Caribbean, and Trinidad and Tobago

Growth in Latin America and the Caribbean is expected to moderate as the region faces rising trade barriers, weaker remittance flows and softening commodity prices. While tourism and domestic demand remain resilient in many economies, external vulnerabilities persist. In Trinidad and Tobago, growth is still anticipated, however, production declines and the cancellation of energy projects have exposed underlying weakness. This outlook is further underscored by S&P's recent revision of the credit outlook from stable to negative, citing an erosion of fiscal and external buffers as well as limited progress on structural reforms. We will continue to monitor sovereign risk and energy sector developments to identify opportunities and risks which may emerge.

Asset Class	Average Maturity (Yrs)	Yield (%)	1M Return (%)	YTD Return (%)
U.S. Treasuries	7.73	3.94	0.85	5.36
Investment Grade Bonds	10.46	4.81	1.50	6.88
High Yield Bonds	4.77	6.70	0.82	7.22
EM Sovereign Bonds (USD)	11.64	6.35	1.24	9.20
S&P 500	-	1.17	3.53	13.72

Data as at 09/30/2025
Unless otherwise specified, returns are index returns

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