



EUROPEAN HIGH FREQUENCY MODEL

Monthly estimates of economic growth



Domestic consumption and technological transition: the keys to European GDP for the next two years

After closing 2025 with solid growth of 1,5%, the Eurozone faces the 2026-2027 period consolidating a recovery that has proven more resilient than anticipated compared to the previous stagnation. This momentum rests on revitalized private consumption, driven by increased household purchasing power and stabilized inflation near 2%, factors reinforced by strategic investment in artificial intelligence and increased defense spending. However, the bloc is moving at different speeds: while Spain leads growth with twice the vigor of its neighbors like Germany and France, the German industrial engine continues to be hampered by energy costs and structural weaknesses. Growth is projected at 1,2% for 2026, climbing to 1,4% in 2027, although this outlook is not without critical threats such as tariff tensions with the US and China and demographic ageing that limits the labor supply. Ultimately, European stability will depend on its ability to safeguard the domestic market and offset the fragility of global exports, transforming this period into a transitional phase toward more technologically advanced growth that is less dependent on traditional industrial cycles. Although estimates point to a two-speed development among member states, the stability of domestic demand and the recovery of global trade suggest a horizon of sustained growth for the remainder of the two-year period.

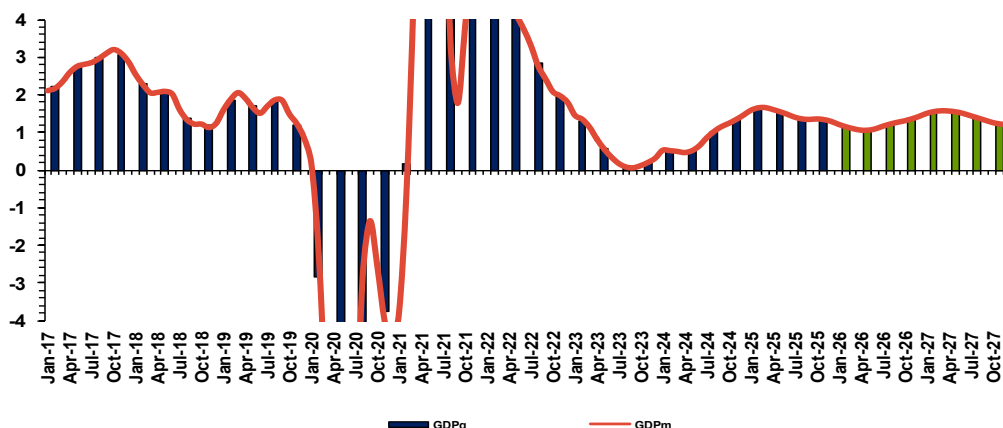
“Despite its resilience, the Eurozone faces significant structural challenges” CE

February 2026

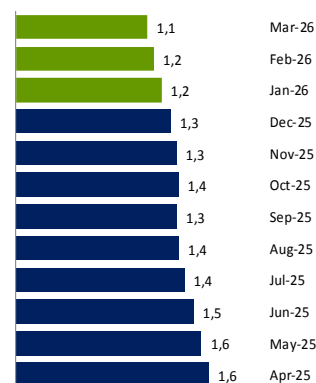
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Euro Area GDP growth rate (yoy)
CEPREDE High Frequency Model



GDP growth (yoy)



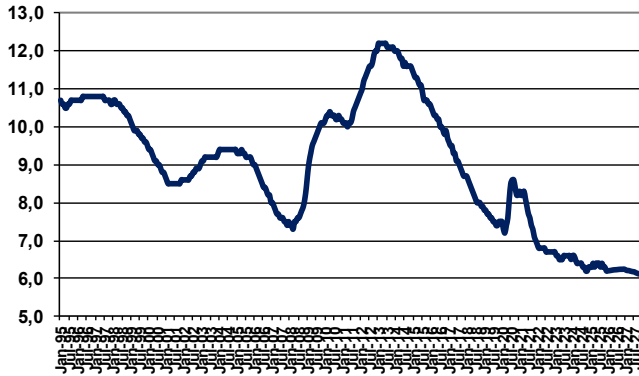
Source: CEPREDE. Feb-2026

The High Frequency Model analyses the main trends shared by a group of selected business indicators which recent evolution is displayed in following tables and graphs.

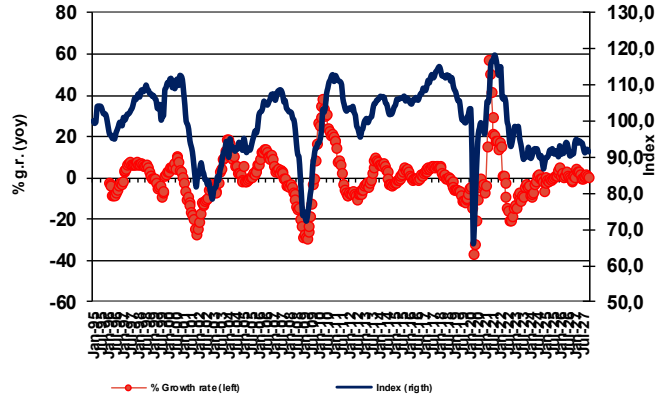
Those common trends are extracted through Principal component analysis and the extracted factors are forecasted with automatic ARIMA models.

After that, those forecasts are used both, to get specific forecasts on individual indicators (Dynamic Factor analysis), and to get a monthly GDP growth rate through temporal desegregation techniques (Chow-Lin).

Harmonised Unemployment Rate



Economic Sentiment Indicator: Germany



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Upcoming relevant data	Euro Area
Feb 25	Inflation euro area, January 2026
Feb 26	Economic Sentiment Indicator & Business and Consumer Survey results, February 2026
Mar 03	Flash estimate inflation euro area, February 2026
Mar 04	Unemployment, January 2026
Mar 13	Industrial production, January 2026

The programming publications High Frequency Model for Eurozone during this year is included in the table at right.

Closing date: Jan 20, 2026

Publication date in 2026	
January 26	July 27
February 23	-
March 23	September 21
April 27	October 26
May 25	November 23
June 29	December 21

Economic Forecasting Center (CEPREDE in Spanish language) begins in 1981 as a result of work of a group of professors from the Autonomous University of Madrid (UAM) and the unconditional support of the Chamber of Commerce and Industry of Madrid and the University-Enterprise Foundation. Five years later in 1986, establishing the Economic Forecasting Center Association (CEPREDE in Spanish). The Association counts among its partners, private corporations, business associations and governments of the autonomous administrations. CEPREDE is now a permanent Center for Economic Research, a reality created and shared by everyone, Sponsors, Founders, Partners and a group of university professors and researchers.

A reality which numerically is summarized in decades of history, with hundreds of prediction, continuous analysis of approximately 1.000 macroeconomic variables and 200 short-term indicators, permanent consultation with a hundred experts panel.

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