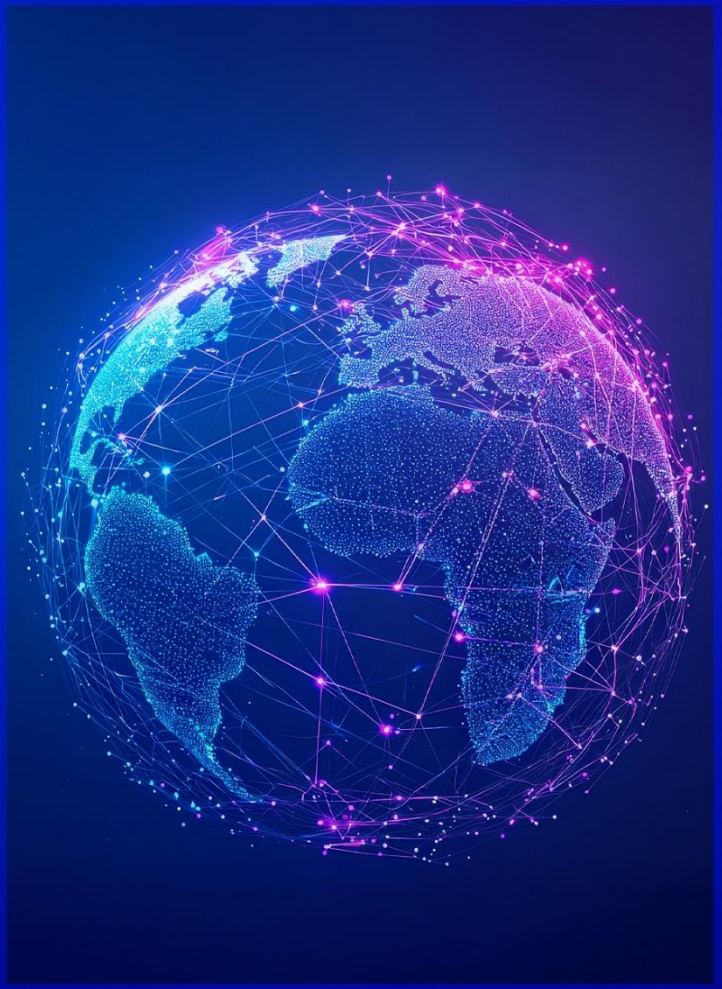
KPMG

Global Economic & Geopolitical Outlook webcast

24 September 2026 webcast recap



AI generated image

Content

01 Overview

02 Geopolitics

03 Economics
- Energy markets
- Inflation
- Monetary policy
- Bond markets

04 Artificial Intelligence

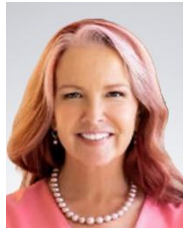
05 Webcast key takeaways for business leaders

© 2026 Copyright owned by one or more of the KPMG International entities. KPMG International entities provide no services to clients. All rights reserved.

Overview

KPMG's Global Economic and Geopolitical Outlook quarterly webcast series brings together KPMG firm Regional Chief Economists and KPMG International's Global Geopolitics Lead to provide business-focused insights. On 24 September 2026, KPMG hosted its latest webcast in the series, drawing 1,463 executives from around the world.

Moderator



Regina Mayor
Global Head
Clients and Markets
KPMG International

Panelists



Stefano Moritsch
Global Geopolitics Lead
KPMG International



Diane Swonk
Chief Economist
Americas Region
KPMG in the US



Dr. Brendan Rynne
Chief Economist
Asia Pacific Region
KPMG Australia



Yael Selfin
Chief Economist
Europe, Middle East
and Africa Region
KPMG in the UK

What you'll learn

This resource provides insights from the webcast, analysis of audience polling results, and key takeaways for business leaders.

A replay of the full webcast can be accessed via the KPMG International website.

© 2026 Copyright owned by one or more of the KPMG International entities. KPMG International entities provide no services to clients. All rights reserved.

Geopolitics

Key concerns to watch

Stefano Moritsch began the webcast by describing the geopolitical landscape as becoming more fragmented, regionalized, and less predictable. He called out several areas that today's business leaders should keep in mind in terms of geopolitical concerns and opportunities. These include:

01 **The conflicts in the Middle East and in Ukraine**

02 **The evolving nature of US-China technology competition, especially involving AI**

03 **New developments in hybrid warfare with drones and cyber-attacks, especially in Europe**

04 **The growing importance of supply chains for national security and how they are driving new investment diversification and government subsidies**

Expanding on this list, Stefano noted that the ongoing Middle East conflict remains his top concern since there is currently little room for diplomacy. The conflict is becoming "a tale of two straits" with the Strait of Hormuz remaining very constrained and the Bab al-Mandab Strait (that connects the Red Sea to the Gulf of Aden and the Indian Ocean) increasingly threatened by Houthi attacks. The temporary shutdown of the Saudi East-West pipeline is also increasing energy supply instability. He said markets will have to price in this ongoing uncertainty, not just for energy but also across other critical supplies that go through the region, such as helium, fertilizer and sulfur.

> **"We should also plan for the Russia-Ukraine war to remain with us, unfortunately. There's a very low probability of a meaningful ceasefire and even a lower probability of a comprehensive peace agreement. The parties remain very far apart, and both are doubling down on their military strategies."**
>
> **Stefano Moritsch**
> Global Geopolitics Lead
> KPMG International

Webcast participant perspectives: Geopolitical disruption

What was once viewed as a temporary shock is becoming a sustained business reality. Despite ongoing adaptation efforts, geopolitical conflict continues to disrupt business at scale, with nearly half of Global Economic and Geopolitical Outlook webcast participants reporting moderate or major impacts for three consecutive quarters.

Since March 2026, on average

45%

of webcast participants reported that geopolitical conflict has caused moderate or major disruption to their organizations.

Q: To what extent is the current geopolitical conflict materially disrupting your business operations?
Source: Analysis of Global Economic and Geopolitical Outlook webcast participant surveys from the 31 March, 25 June and 24 September 2026 webcasts, KPMG International

KPMG © 2026 Copyright owned by one or more of the KPMG International entities. KPMG International entities provide no services to clients. All rights reserved.

Geopolitics

Stefano described the US-China technology competition as entering a new phase, with somewhat of a Cold War dynamic. He indicated that there are now two superpowers racing to build strategic technologies while simultaneously recognizing that uncontrolled escalation is not desirable. Discussions between the two countries have even included the possible creation of an “AI red telephone” line to regulate the technology, also reminiscent of the Cold War era.

Hybrid warfare is another matter of concern. He observed he is seeing a change in the operational business environment, particularly in Europe. He noted a shift in the way that European companies are thinking about security, not just cybersecurity but also the physical security of their infrastructure. He indicated that a few manufacturing companies in the region are starting to implement integrated cyber-physical security solutions and even air surveillance capabilities to scan for potential physical threats.

Finally, Stefano explained how critical supply chains have become important for national security. This includes the increased presence of food nationalism focused on protecting domestic supplies of food and key commodities such as fertilizers. He suggested the world may see a growing competition for fewer sources of food in the coming months.

Webcast participant perspectives: Risk taking in the current geopolitical environment

Businesses are not abandoning growth, but they are setting a much higher bar for taking risk. Globally, the dominant posture webcast participants indicated was “steady, but watchful.” Almost half (47 percent) of respondents said their organizations were maintaining an existing level of risk-taking — the largest group — while 35 percent said they were becoming more cautious. Leaders appear to be recalibrating risk appetite rather than making strategic shifts. It should be noted that the global averages mask significant regional divergence. For example, the share maintaining current risk levels ranged from 33 percent in ASPAC to 57 percent in EMEA, a 24-point gap. These differences suggest that global organizations may need region-specific risk appetites rather than a uniform enterprise response.

Change in organizational risk-taking approach in current geopolitical and economic environment: Global averages



Maintaining existing level of risk-taking



Q. In the current geopolitical and economic environment, how is your organization's approach to risk-taking changing?
Source: Analysis of survey 24 September 2026 Global Economic and Geopolitical Outlook webcast participants, KPMG International

KPMG
© 2026 Copyright owned by one or more of the KPMG International entities. KPMG International entities provide no services to clients. All rights reserved.
Document Classification: KPMG Public

Economics

Energy markets

Moderator and energy sector specialist, Regina Mayor, highlighted several energy-related developments shaping the broader macroeconomic outlook.

First was crude oil price volatility. She observed that over the past 30 days, the price of crude oil has fluctuated between $82-$105 USD. She said the market isn't necessarily accustomed to seeing these kinds of highs and lows. She also added that the market has given the crude price environment a lot of grace because looking at supply and what the potential is for disruption, there's way more upward pressure on price than there is downward pressure. She also highlighted that high diesel costs could create a major choke point for goods distribution, farming and transportation, with implications for operating costs and inflation, especially if the US implements a diesel export ban.

The second factor Regina flagged was continued transportation and demand destruction. The Houthi actions in the Red Sea have caused instability, greatly complicating an already complex situation. Demand is under pressure, which is helpful. She estimated that demand destruction is expected to average 2.5 million barrels per day in 2026, and China has significantly decreased their import levels. But she questioned how much longer China will be able to continue to do that. Regina also mentioned that another key component of demand destruction is the move toward greater electrification and greater use of low carbon and renewable resources.

The increased regionalization of energy supply was the third factor she cited which is being driven in part by security purposes but also by options in pricing. Buyers can trade out gas options for supplies in different region.

> **Energy cost are such a big part of a company's operating expenses. As business leaders look ahead, making sure that you have resiliency in the security of supply, and that it's also commercially viable for your operating model will be a key thing."**
>
> **Regina Mayor**
> Global Head of Clients and Markets
> KPMG International

KPMG

© 2026 Copyright owned by one or more of the KPMG International entities. KPMG International entities provide no services to clients. All rights reserved.

Economics

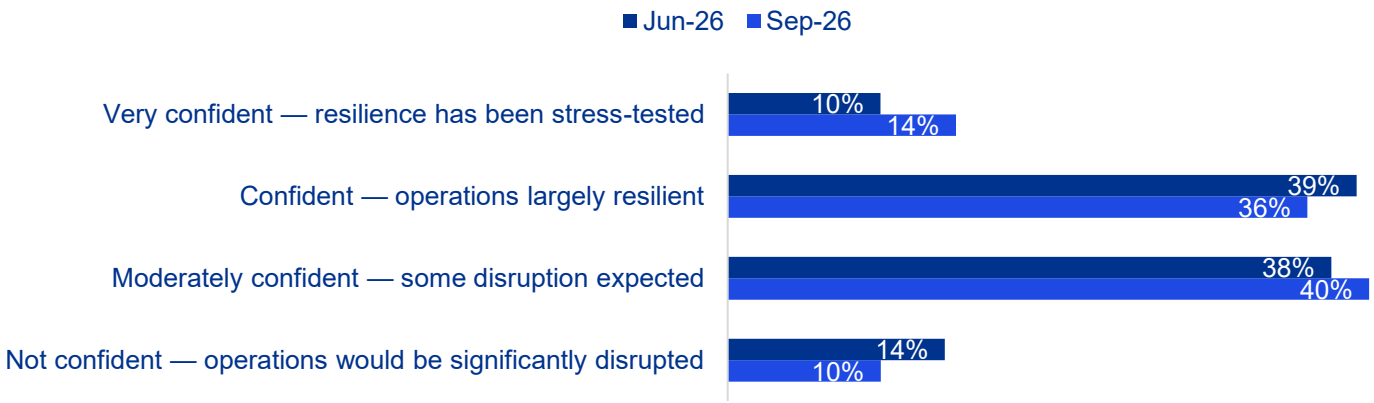
Energy markets

Webcast participant perspectives: Energy continuity confidence levels

To assess how the Iran conflict is affecting organizational energy resilience, participants in the March and September 2026 webcasts were asked about their organizations' ability to maintain operations during an energy disruption lasting more than six months.

In the last quarter, overall confidence edged upward, but preparedness has not yet translated into proven resilience. Severe vulnerability has declined with those expecting significant operational disruption falling by 4 percentage points. Overall operational confidence remains almost unchanged. Stress-testing resilience is still uncommon, suggesting that many organizations may be relying on plans that have not yet been proven under sustained disruption.

Confidence in organizational ability to maintain operational continuity during a sustained* energy disruption: Global averages



Q: How confident are you in your organization's ability to maintain operational continuity during a sustained energy disruption (more than 6 months*)?
Source: Analysis of survey of 25 June and 24 September 2026, Global Economic and Geopolitical Outlook webcast participants, KPMG International

© 2026 Copyright owned by one or more of the KPMG International entities. KPMG International entities provide no services to clients. All rights reserved.

Economics

Inflation

> **Inflation is diverging across countries because policymakers are facing very different exposures to energy prices and also have different tools available to respond."**

Yael Selfin
Europe, Middle East and Africa Regional Chief Economist
KPMG in the UK

For Europe and the Middle East, Yael Selfin provided several examples of this trend. In Sweden, inflation has been kept artificially low by temporary fuel and food tax cuts. In contrast, a very strong Swiss franc has helped Switzerland to absorb higher imported energy costs and kept inflation subdued. In the Eurozone and UK, she said elevated gas prices, low storage levels and winter supply risks could keep inflation higher for longer, requiring central banks to maintain or tighten restrictive policy even as growth weakens.

The inflation outlook in some Gulf economies is more benign for those protected from direct inflationary effects due to regulated fuel prices that limit the pass-through costs to households, while higher oil revenues also give some governments greater capacity to support activity. However, Yael flagged that currencies pegged to the US dollar mean Gulf central banks must broadly follow US interest-rate increases, even when domestic inflation is contained. Their challenge is therefore less about controlling prices and more about sustaining growth and investment as financing conditions tighten.

Yael also emphasized that weather-related disruption is becoming an increasingly important driver of inflation and economic performance, particularly across Europe and Africa. By disrupting transportation, industrial activity and agricultural production, weather events can raise costs even when underlying demand is weak.

KPMG

© 2026 Copyright owned by one or more of the KPMG International entities. KPMG International entities provide no services to clients. All rights reserved.

Document Classification: KPMG Public

Economics

Inflation

For the Asia-Pacific, Brendan Rynne sees inflation in developing countries in the region as both an energy shock and a broader economic vulnerability. Higher fuel costs are spreading across transportation, food and trade at a time when many governments have limited capacity to support households or stabilize their economies. In July, he reported that the Asian Development Bank (ADB) predicted inflation in these economies to reach 4.3 percent in 2026, up from 3 percent in 2025. This is largely due to higher energy prices impacting transportation, food and other costs, even as growth moderates to 4.9 percent. He flagged that the ADB's base case assumes oil prices will moderate and inflation will ease in 2027, but that outlook is highly uncertain. If energy-market disruption persists, he indicated that inflation could remain elevated for longer, growth could weaken further, and the burden would fall disproportionately on the region's most economically vulnerable households.

For the Americas, Diane Swonk said the region can be seen as increasingly fragmented, with countries experiencing very different inflation and growth pressures rather than moving together as a region.

The United States is the clear inflation outlier. In the US, she said the economy remains resilient but that's not resonating with households because the inflation problem has been going on for so long and compounded where the level of prices are just too high. This is now an issue that the Federal Reserve is addressing. In Canada inflationary pressures are more subdued because weak growth and trade tensions with the US are creating disinflationary forces. Diane indicated that Canada may narrowly avoid a recession, but the trade dispute is weighing heavily on activity and limiting inflation. Over in Mexico, she said domestic demand is weak, helping to contain inflation, while export demand remains strong, particularly through highly integrated North American supply chains and the US AI infrastructure build-out. Diane flagged that Mexico may face greater inflation and interest-rate pressures ahead, but its progress in USMCA negotiations could leave it relatively better positioned than Canada. In Latin America, she said conditions vary considerably. Colombia is experiencing more direct inflationary pressure. Oil-producing economies such as Brazil and Argentina benefit from higher energy revenues, although consumers still face elevated costs.

Webcast participant perspectives: Trade fragmentation

Polling results suggest trade fragmentation has not yet triggered significant strategic change for many organizations. Globally, 45 percent report no major strategic changes, making this the most common response.

Organizational response to increasing trade fragmentation: Global averages



Q: How is your organization responding to increasing trade fragmentation?
Source: Analysis of survey of 24 September 2026 Global Economic and Geopolitical Outlook webcast participants, KPMG International

KPMG

© 2026 Copyright owned by one or more of the KPMG International entities. KPMG International entities provide no services to clients. All rights reserved.

Document Classification: KPMG Public

Economics

Monetary policy

Diane Swonk kicked off the discussion on monetary policy given the US Federal Reserve's outsized impact globally. She indicated that the Federal Reserve is still trying to deal with more than 60 months of disruption, shock, and persistent inflation. She argued that the Fed has really worked hard to establish their credibility, citing the institution's rate hike on 16 September, its first hike in three years. However, key challenges remain. Diane added that the Fed needs to show its independence from the administration, a very difficult position to be in, but it's one that the institution has now committed to.

Elsewhere in the Americas, central banks are on different paths: Canada is holding because growth is weak, Brazil is easing after a prolonged period of restrictive policy, and Mexico risks being pushed toward tightening by currency pressures generated by the US Federal Reserve.

> **The US Federal Reserve is the 800-pound gorilla in the room because its decisions affect far more than the US economy."**
>
> **Diane Swonk**
> Americas Regional Chief Economist
> KPMG in the US

Brendan Rynne said that the sharpest split in the Asia-Pacific region for rate hikes now sits between Japan and Australia on the hawkish, tightening side and China on the stabilizing and possibly even easing side. Every other country is in between, depending on local inflation and growth dynamics. Importantly, he noted that this divergence reflects structural rather than cyclical factors.

Yael Selfin reported that Europe is relatively united in terms of policy. The biggest difference between the European Central Bank (ECB) and the Bank of England (BOE) is where interest rates sit. She indicated that the ECB's policy rate is still considered neutral and that one more expected increase may move it to the upper end of the neutral range, while the BOE's rate is already in restrictive territory. She said the BOE is expected to raise rates later on this year but could stop at one-quarter of a percentage point given where she expects energy prices to head.

KPMG

© 2026 Copyright owned by one or more of the KPMG International entities. KPMG International entities provide no services to clients. All rights reserved.

Economics

Bond markets

Panelists highlighted the increasingly important relationship between bond markets and monetary policy.

Both Diane Swonk and Brendan Rynne mentioned that the US Fed's interest rate hike has impacted futures market pricing. Brendan cautioned business leaders not to assume that rate cuts will extend into 2027. He also flagged that globally long-term bond yields are rising for concerning reasons. The yield curve is steepening, but this appears to reflect higher term premiums, additional compensation investors require for inflationary uncertainty, large fiscal deficits and the volume of government debt being issued.

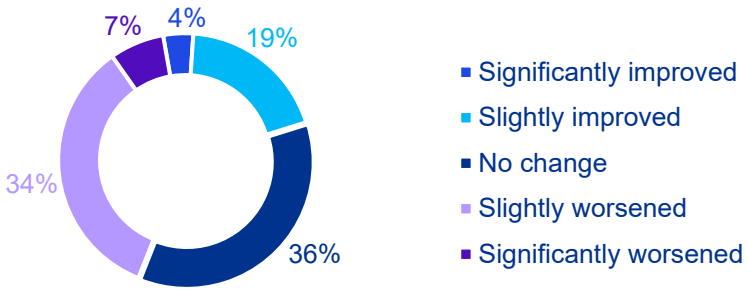
> **"The overall message about today's bond market is one of compensation for uncertainty. Higher yields, higher term premiums, and a market that hasn't stopped assuming inflation is fully tamed, even while it hasn't lost faith in central banks' longer run credibility."**
>
> **Dr. Brendan Rynne**
> Asia Pacific Regional Chief Economist
> KPMG Australia

Yael Selfin flagged that rising bond yields are forcing governments into increasingly difficult trade-offs. More revenue must be devoted to servicing existing debt just as policymakers in many countries face demands to spend more on defense, green energy, infrastructure, and economic growth. She cited Europe as an example, with much of the debt in the region accumulated at relatively low interest rates, governments are now having to refinance that debt at significantly higher borrowing costs. Debt interest payments are expected to rise steadily over the coming decade, consuming an increasing share of public spending. The result is likely to be less flexible fiscal policy, fewer resources for competing priorities and reduced capacity to support businesses and households during the next economic shock.

Webcast participant perspectives: Growth outlook

September's webcast audience polling results suggest global growth is tilted to the downside. Globally, 41 percent of respondents said their company's growth prospects had worsened, compared with 23 percent reporting improvement — a negative sentiment gap of 18 percentage points.

Change in company growth outlook since January 2026: Global averages



Q: Since 1 January 2026, how has your outlook for your company's growth prospects changed?
Source: Analysis of survey of 24 September 2026 Global Economic and Geopolitical Outlook webcast participants, KPMG International

© 2026 Copyright owned by one or more of the KPMG International entities. KPMG International entities provide no services to clients. All rights reserved.

Artificial Intelligence

Could access to affordable, reliable energy become a key success factor in the new AI economy? According to Stefano Moritsch, the answer is a resounding yes. He stated that AI is becoming an electricity story. He highlighted estimates from the International Energy Agency that global data center electricity consumption is expected to double from 2025 to 2030. In the US alone, data centers could also account for almost half of all the electricity demand growth between now and the end of the decade. Stefano also pointed out that there is also a critical gap between the speed at which data centers can be built and the time required to build the electricity infrastructure needed to power these facilities. Construction for generation plants, transmission lines and grid integration are all potential bottlenecks.

Brendan Rynne characterized the AI investment boom as both a credible long-term growth opportunity and a source of market vulnerability. With regard to investment optimism, he says there is substance. Unlike the dot-com era of the late 1990s and early 2000s, today's leading AI companies are highly profitable, generate strong cash flows and are expected to deliver meaningful productivity gains. Sentiment towards the AI sector also reflects genuine conviction, not just momentum. He says investor sentiment skews bullish, with elevated valuations reflecting confidence in the AI investment cycle, with the tech being viewed as a long-term driver of productivity gains and increased earnings power.

However, he flagged several factors also lined up on the vulnerability side of the equation. First, AI Investment is heavily concentrated in a small number of companies. A correction to this small group would have an outsized implication for the broader market. Second is that spending is outpacing returns.

> **"The disconnect between the roughly $400 billion in annual AI infrastructure spending and the roughly $100 billion in enterprise AI revenue cannot persist indefinitely. A gap that has to close through either much faster revenue growth or a spending slowdown."**
>
> **Dr. Brendan Rynne**
> Asia Pacific Regional Chief Economist
> KPMG Australia

Finally, Brendan indicated that risk is spreading beyond technology companies. Utilities, data-center operators, insurers and other capital providers are increasingly exposed to AI-related projects. These sectors may be committing to long-lived infrastructure based on demand from a comparatively concentrated and fast-moving technology market.

As a labor economist, Diane Swonk offered perspectives on how AI is impacting the labor market. Diane said that she sees AI primarily as a workforce augmentation tool rather than a straightforward replacement for people. She indicated that AI can enhance productivity, but sustainable adoption depends on retaining human expertise, investing in the next generation of talent and addressing public concerns about jobs and responsible use.

KPMG © 2026 Copyright owned by one or more of the KPMG International entities. KPMG International entities provide no services to clients. All rights reserved.

Webcast key takeaways for business leaders

As the world becomes more fragmented, geopolitical, economic, energy and AI developments are becoming increasingly interconnected creating a more complex operating environment for business leaders. Below is a synthesis of webcast themes based on webcast commentary and a post-event commentary analysis.

Fragmentation is becoming structural, not temporary

The panelists' central message is that strategic advantage will belong to companies that can continue operating globally while recognizing that the world no longer functions as one integrated global system. This approach would require companies to more actively manage geopolitics, create region-specific strategies, and place greater focus on resilience, and optionality.

Energy remains foundational to inflation, growth, trade, and AI

The panelists reinforced that energy is no longer simply a commodity input — it is a strategic variable shaping the global economic and business environment. Energy should be treated and managed as an enterprise-wide strategic issue connecting operations, inflation, financing, trade, resilience and AI investment.

Capital is likely to remain more expensive, and more volatile

The panelists' overall message was not to assume that cheaper financing will return soon. Companies should stress-test investments and refinancing plans against higher rates, wider risk premiums, energy-driven inflation and changing currency conditions.

AI's opportunity is real, but constraints and spillovers matter

The panelists see AI as a genuine economic opportunity, but value will depend on whether businesses can secure energy and infrastructure, translate spending into revenue, manage concentrated financial exposure, redesign work responsibly and maintain public trust.

KPMG

© 2026 Copyright owned by one or more of the KPMG International entities. KPMG International entities provide no services to clients. All rights reserved.

Document Classification: KPMG Public

Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.

kpmg.com/GEGO

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

© 2026 Copyright owned by one or more of the KPMG International entities. KPMG International entities provide no services to clients. All rights reserved.

KPMG refers to the global organization or to one or more of the member firms of KPMG International Limited ("KPMG International"), each of which is a separate legal entity. KPMG International Limited is a private English company limited by guarantee and does not provide services to clients. For more detail about our structure please visit kpmg.com/governance.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

Throughout this document, "we", "KPMG", "us" and "our" refers to the KPMG global organization, to KPMG International Limited ("KPMG International"), and/or to one or more of the member firms of KPMG International, each of which is a separate legal entity.

At KPMG, every idea starts with human ingenuity. KPMG professionals combine their insight and creativity with AI tools, applying them thoughtfully and responsibly under the KPMG Trusted AI framework to develop imagery and content.