



CURRENT PHASE



Rise

↑ from Stability

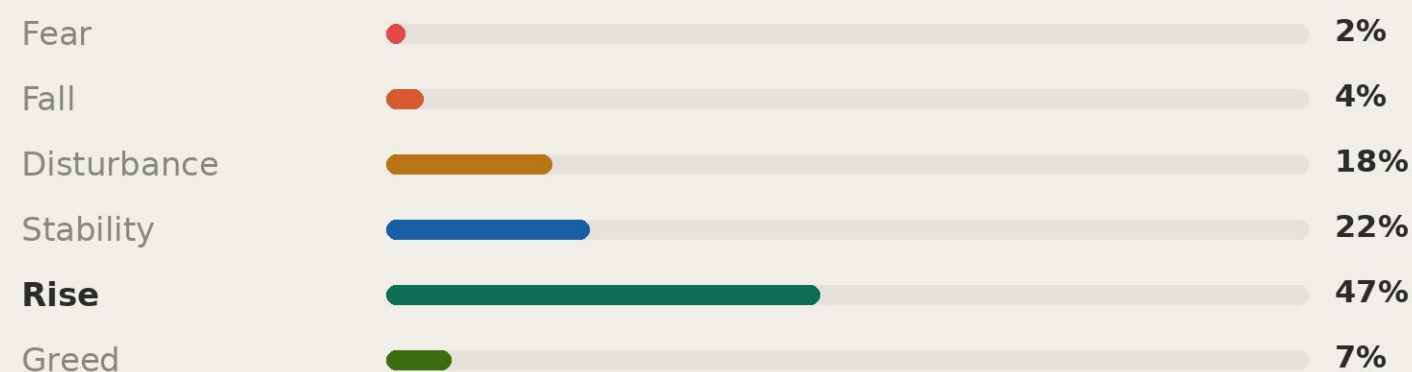
47% confidence · upgraded from April's Disturbance

INFLATION WATCH

CPI at 5.2% Y/Y remains the principal risk to phase continuity. Persistent energy and transport inflation could push the reading back toward Disturbance.

“Broad economic momentum has reasserted itself. Manufacturing is expanding, equity markets are at 15-year highs, and unemployment has fallen sharply. Elevated inflation remains the caveat that prevents a clean Rise signal.”

PROBABILITY DISTRIBUTION



PHASE HISTORY — LAST 12 MONTHS



History reconstructed from public indicator data — data through May/June 2026.

KEY SIGNALS THIS MONTH

● PMI — EXPANDING, RECOVERING

May PMI 53.3, up from 52.4 in April. Domestic demand driving growth; export orders down for a 4th consecutive month.

● CPI — ELEVATED, DECELERATING

May CPI at 5.2% Y/Y, down from the 5.4% April peak. Energy and transport remain the main drivers.

● ASE — MULTI-YEAR HIGHS

General Index at 2,489 points — highest level since November 2009. 12-month return +36.8%.

● UNEMPLOYMENT — SHARP IMPROVEMENT

May unemployment fell to 8.1% from 9.5% in April (ELSTAT). Employment at 4.35 million.

KEY INDICATORS

CPI MAY

5.2%

▼ −0.2pp vs April

PMI MAY

53.3

▲ above 50, recovering

UNEMPLOYMENT MAY

8.1%

▼ −1.4pp vs April

ASE 4-WEEK

+7.3%

▲ 15-year high

NEXT MONTH OUTLOOK

45% Rise continues

Strong Markov prior. Requires PMI above 52 and a neutral or negative CPI surprise.

32% Disturbance

An upside surprise in June CPI (~10 Jul) or PMI below 52 would suffice. Next critical release: PMI on 1 Aug.