MAKING SENSE OF *THIS* WORLD *7 September 2026*

R&R Weekly Column
By Brunello Rosa

Key Takeaways from the Ambrosetti Forum – The Italian Electoral Race is Wide Open

The Ambrosetti (TEHA) event in Villa d'Este delivered, once again, lots of theatre and some policy substance. The 2026 gathering produced one of the most anticipated confrontations in the event's history when senator-for-life Mario Monti clashed with Futuro Nazionale's Roberto Vannacci; this exchange attracted as much attention as the panels on energy, military, or industrial policy.

It was on the second day that the Monti-Vannacci exchange eclipsed everything else. Vannacci argued for a fundamentally reconceived Europe — "more than ReArm Europe, we need ReBorn Europe" — while rejecting the premise that every state seeks deeper integration. Monti's response was unusually blunt for a figure of his institutional bearing: he charged that Futuro Nazionale's programme violates the Constitution, the EU's fundamental rights charter, and gender equality provisions, concluding that though ageing, he would fight "with his last ounce of energy" against what he called a reconstruction of fascist rhetoric.

The Forum staged, once again, the usual parade of government ministers and opposition leaders. An instant poll conducted by Teha Ambrosetti found 68.3% of attendees rating the Meloni government positively. This is not, however, evidence of policy consensus so much as a diagnosis of a room self-selected for establishment sympathies; Cernobbio has never been an electoral focus group, and treating it as one would be a category error. What the numbers do reveal is a governing coalition that has succeeded, at minimum, in outperforming expectations among Italy's industrial and financial elite — a constituency whose approval matters disproportionately for investment sentiment, whatever its irrelevance to the ballot box.

Some 83% of the audience also took a negative view of the opposition's performance. But all the leaders of the centre-left camp were present (with Conte connected remotely). PD's Elly Schlein presented a proposal to deploy €14 billion in EU fiscal flexibility toward energy transition — heat-pump conversions, public housing efficiency, and related measures, a technocratic pitch aimed squarely at Cernobbio's own register. Matteo Renzi warned Meloni over rising poverty, while Giuseppe Conte challenged the trajectory of military spending; four leaders, four distinct critiques, no shared narrative — precisely the fragmentation that has kept the centre-left and the Five Star Movement from posing a credible alternative since 2022.

The implication for the general election in 2027 (with a yet-to-be-determined date) is twofold. First, Vannacci's willingness to absorb a direct fascism accusation from a figure of Monti's stature, without visible retreat, confirms his positioning as the political spectrum's most combative right flank — useful for mobilisation, but potentially unable to stay in the centre-right coalition without causing its collapse or paralysis. If Meloni does not find a way of managing him, she risks losing the next election. On the other side, the opposition needs to iron out its remaining differences and work on a joint programme that would project a sense of unity.

The race for the next general election is wide open, with the reform of the electoral law, on which Meloni is working, potentially becoming the decisive factor.

Our Recent Publications

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- *The Ceuta Crisis: Geopolitical Leverage on Europe's Border, by Lāsma Kokina, 28 August 2026*

Looking Ahead

The Week Ahead: EZ GDP Growing, ECB Expected to Increase Rates

In the EZ, in Q2, according to the third estimate, GDP growth rate is seen expanding at 0.4% q-o-q (*p:* 0.0%) and 1.0% y-o-y (*p:* 0.5%).
In the UK, in July, IP is expected to increase by 0.1% m-o-m (*p:* -0.2%).
CBs To Hike. In the EZ, the ECB is expected increase its main policy rates by 25 bps i.e. its *i)* interest rate on the 'main refinancing operations' to 2.65%; *ii)* interest rate on the 'marginal lending facility' to 2.90%; and the key *iii)* 'deposit facility' to 2.50%.

The Quarter Ahead: US Envoys Arrive In Moscow For Talks; NVIDIA To Buy Hugging Face; UN Adopts New World Map

US envoys Steve Witkoff and Jared Kushner arrived in Moscow for talks with Putin on a new US proposal to end the Ukraine war, before travelling to Kyiv on Sunday. However, major differences remain, with Moscow insisting Ukraine cede four claimed regions and abandon the route to NATO membership.
Nvidia will acquire AI developer platform Hugging Face for $12.93bn, one of its largest deals to date. The acquisition will expand Nvidia's presence in open-source AI and bring it closer to developers, potentially creating a broader customer base for its chips and computing services. The move comes as major customers increasingly develop their own AI chips to reduce reliance on Nvidia. ***The UN General Assembly voted to adopt the Equal Earth projection***, which more accurately reflects Africa's true size than the widely used Mercator map. The non-binding resolution passed with support from 164 countries, with only the U.S. voting against.

Last Week's Review

Real Economy: EZ Headline Inflation Rose; US NFP Resumed Growth; PMIs Rose In DMs

In the US, in August, unemployment rate remained unchanged at 4.1% as expected. NFPs rose by 162K (*c:* 56K; *p:* 21K). In August, S&P Global Manufacturing PMI remained unchanged at 53.9 (*c:* 53.2; *p*: 53.9), while Services PMI edged up to 56.5 (*c:* 56.8; *p:* 54.6). Composite PMI increased to 56.0 (*c*: 56.0; *p:* 54.5).
In the EZ, in August, headline inflation rate rose to 3.3% y-o-y (*p:* 2.9%) as expected, while core inflation is expected to remain at 2.5% y-o-y (*c:* 2.5%). In July, unemployment rate remained at 6.4% (*c:* 6.3%; *p:* 6.4%). In August, S&P Global Manufacturing PMI edged up to 52.7 (*c:* 52.8; *p*: 51.9), while Services PMI fell to 51.6 (*c:* 51.7; *p:* 51.7). Composite PMI stood at 52.0 (*c*: 52.1; *p:* 52.0). Among the largest EZ economies, according to the final estimates, in Q1, the GDP growth rate advanced marginally by 0.2% q-o-q (*c:* 0.2%; *p:* 0.3%) and by 1.0% y-o-y (*c:* 1.0%; *p:* 0.8%) in Italy.
In the UK, in August, S&P Global Manufacturing PMI edged down to 51.7 (*c:* 51.5; *p*: 51.9), while Services PMI edged up to 52.5 (*c:* 52.8; *p:* 52.1). Composite PMI is increased to 52.5 (*c*: 52.5; *p:* 52.2).

Financial Markets: Stock Prices Mostly Fell; Yields Increased; Dollar Fell; Oil Prices Were Up And Gold Prices Decreased

Market Drivers: US equities ended narrowly mixed amid renewed U.S.-Iran tensions, higher oil prices and shifting Fed expectations. The 10-year Treasury yield briefly reached around 4.82% before easing after dovish comments from Fed Governor Christopher Waller, but yields rose again following Friday's stronger-than-expected jobs report. European equities also weakened, as higher energy prices and bond yields weighed on sentiment before pressures moderated later in the week.
Global Equities: are virtually unchanged *w-o-w* (MSCI ACWI, -0.0%, to 1,153.65). The US S&P 500 index decreased marginally (-0.0% w-o-w, to 7,718.60). In the EZ, share prices were down (Eurostoxx 50, -1.4% w-o-w, to 6,394.45) In EMs, equity increased (MSCI EMs, +0.2%, to 1,726.32). Volatility fell to 16.25 (VIX S&P 500, 52w avg.: 19.4; 10y avg.: 19.9).
Fixed Income: *w-o-*w, the 10-year US Treasury yields were up (+6 bps to 4.78%). The 2-year US Treasury yields increased (+3 bps to 4.38%). The German 10-year bund yields edged up (+7 bps to 3.34%).
FX: *w-o-w,* the US Dollar Index decreased (DXY, -0.5%, to 99.18; EUR/USD +0.3%, to 1.16). In EMs, currencies increased (MSCI EM Currency Index, +0.6% w-o-w, to 1,936.77).
Commodities: *w-o-w,* oil prices rose (Brent, +8.8% to 95.85 USD/b). Gold rose decreased w-o-w (-1.2% to 4,477.20 USD/Oz).

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Nato Balavadze contributed to this Viewsletter. *The picture in the first page was taken from this website.*

Abbreviations, Acronyms and Definitions

a	Actual	LN	Northern League, Italy
AKP	Justice and Development Party, Turkey	M5S	Five Star Movement, Italy
ann.	annualized	m-o-m	Month-on-month
ARS	Argentinian Peso	mb	Million barrels
avg.	Average	mb/d	Million barrels per day
bn	Billion	MENA	Middle East and North Africa
BoC	Bank of Canada	MHP	Nationalist Movement Party, Turkey
BoE	Bank of England	mn	Million
BoJ	Bank of Japan	MPC	Monetary Policy Committee
bpd	Barrels per day	NAFTA	North-American Free Trade Agreement
bps	Basis points	NATO	North Atlantic Treaty Organization
BS	Balance sheet	OECD	Organization for Economic Cooperation and Development
c	Consensus	Opec	Organization of Petroleum Exporting Countries
C/A	Current account	p	Previous
CB	Central bank	P2P	Peer-to-peer
CBB	Central Bank of Bahrain	PBoC	People's Bank of China
CBK	Central Bank of Kuwait	PCE	Personal Consumption Expenditures
CBT	Central Bank of Turkey	PE	Price to earnings ratio
CDU	Christian Democratic Union, Germany	PM	Prime minister
CNY	Chinese Yuan	PMI	Purchasing managers' index
CPI	Consumer Price Index	pps	Percentage points
DJIA	Dow Jones Industrial Average Index	pw	Previous week
DJEM	Dow Jones Emerging Markets Index	QCB	Qatar Central Bank
d-o-d	Day-on-day	QAR	Qatari Riyal
DXY	US Dollar Index	QE	Quantitative easing
EC	European Commission	q-o-q	Quarter-on-quarter
ECB	European Central Bank	RE	Real estate
ECJ	European Court of Justice	RBA	Reserve Bank of Australia
EIA	US Energy Information Agency	RRR	Reserve Requirement Ratio
EM	Emerging Markets	RUB	Russian Rouble
EP	European Parliament	SWF	Sovereign Wealth Fund
EPS	Earnings per share	tn	Trillion
EU	European Union	TRY	Turkish Lira
EUR	Euro	UAE	United Arab Emirates
EZ	Eurozone	UK	United Kingdom
Fed	US Federal Reserve	US	United States
FOMC	US Federal Open Market Committee	USD	United States Dollar
FRB	US Federal Reserve Board	USD/b	USD per barrel
FX	Foreign exchange	UST	US Treasury bills/bonds
FY	Fiscal Year	VAT	Value added tax
GCC	Gulf Cooperation Council	VIX	Chicago Board Options Exchange Volatility Index
GBP	British pound	WTI	West Texas Intermediate
GDP	Gross domestic product	WTO	World Trade Organisation
IMF	International Monetary Fund	w	Week
INR	Indian Rupee	w-o-w	Week-on-week
IPO	Initial public offering	y	Year
IRR	Iranian Rial	y-o-y	Year-on-year
JPY	Japanese yen	y-t-d	Year-to-date
k	thousand	ZAR	South African Rand
KSA	Kingdom of Saudi Arabia	2y; 10y	2-year; 10-year