

# EU Economic Shockwaves: Inflation Surges, Growth Slows, and Markets React

EU Finance · Answer Key · 8 Questions

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**1. According to recent reports, what is the projected EU GDP growth for 2026, and how does it compare to the previous forecast?**

- A) 1.1%, a downward revision from 1.5%**
- B) 1.5%, an upward revision from 1.1%
- C) 0.9%, a downward revision from 1.2%
- D) 1.2%, an upward revision from 0.9%

**2. What is the primary driver behind the recent surge in Eurozone inflation, as indicated by data from May 2026?**

- A) Rising food prices
- B) Increased non-energy industrial goods
- C) Higher energy prices due to geopolitical events**
- D) A decrease in services inflation

**3. What is the European Central Bank (ECB) expected to do regarding interest rates in June 2026, according to financial analysts?**

- A) Hold rates steady at 2.00%
- B) Implement a 25 basis-point rate hike**
- C) Cut interest rates by 50 basis points
- D) Initiate a series of rate cuts throughout the month

**4. The European Commission has revised down its economic growth forecast for the Euro Area in 2026 to 0.9%. What is the main reason cited for this downgrade?**

- A) A decline in consumer spending
- B) Increased trade protectionism
- C) The impact of the Middle East conflict and the resulting energy shock**
- D) A slowdown in technological innovation

**5. Which piece of EU legislation, recently highlighted for its implementation, aims to create a safer online experience by improving the removal of illegal content and protecting users' fundamental rights?**

- A) General Data Protection Regulation (GDPR)
- B) Markets in Crypto-Assets Regulation (MiCA)
- C) Digital Services Act (DSA)**
- D) Artificial Intelligence Act (AI Act)

**6. What is the projected Euro Area annual inflation rate for 2026, according to the European Commission's Spring 2026 Economic Forecast?**

- A) 2.4%
- B) 3.0%**
- C) 3.1%
- D) 2.3%

**7. Which sector has been the primary contributor to the strong corporate earnings growth observed in European blue-chip companies during the first quarter of 2026?**

- A) Telecommunications
- B) Automotive
- C) Technology
- D) Energy**

**8. As of May 2026, what is the general trend observed in the Euro Area Stock Market Index (EU50) over the past month, despite recent daily fluctuations?**

- A) It has significantly declined by over 5%
- B) It has climbed by approximately 2.70%**
- C) It has remained largely unchanged
- D) It has experienced a sharp daily volatility without a clear monthly trend