

# Macro Trends

## Affecting Spanish and Swiss Securities Markets

### Q2 2023

Better-than-expected first half '23 growth in advanced economies, easing inflation and solid labor market... but tighter financial conditions and China's slower than expected recovery, weight on growth prospects.

## Highlights

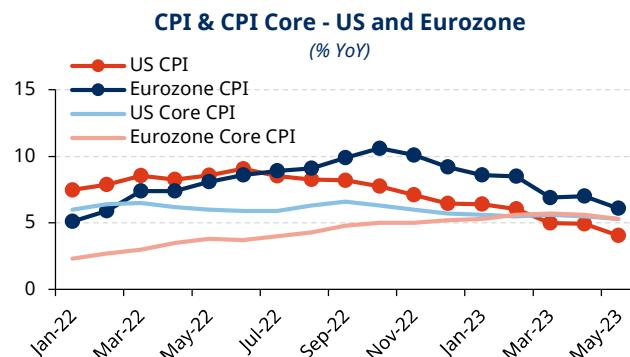
- Growth in several major economies was stronger than expected during first half of the year, but for the whole 2023, the IMF slightly reduced World GDP growth projections to +2.8%. Tight monetary policies, limited fiscal buffers amid high debt levels, geoeconomic fragmentation, unwinding commodity shocks and easing inflation should continue to set the prospects of the world economy in the coming months.
- Headline inflation has been easing in the recent months, although core inflation remains persistently high. Central Banks keep the restrictive tone with rate hikes by ECB, Bank of England or Swiss National Bank, while FED pauses but new small increases are expected in the US.
- The more effective control of inflation and a modest, but still better than expected, economic growth in advanced economies have boosted profitability in the world stock markets, while volatility returns to very low levels.
- The Spanish economy continues to show dynamism along Q2 2023 and estimates for 2023 are well revised up. According to the Bank of Spain the GDP will grow 2.3% in 2023 (+0.7 pp on previous estimates). The tightening of credit conditions are expected to impact in 2024 GDP growth (+2.2%) and 2025 (+2.1%) that suffer a slight downward revision.
- Switzerland GDP will grow 1.1% in '23, noting a strong first half of the year. Swiss National Bank increases again interest rates to 1,75% although inflation is forecasted to stabilize at 2.3% at year end, according to SECO. The banking crisis focused on Credit Suisse has been restrained by the fast acquisition of the bank by UBS.
- LatAm equity indexes outperformed other EM indexes in 2022 and in the first months of 2023 and main LatAm currencies kept the appreciation trend towards US Dollar in the period, although they are expected to stabilize or even weaken as the US is poised to keep interest rates relatively high.
- The shareholder retribution of the Spanish stock market followed the strong movement observed in 2022, with dividend payments increasing by 16.2% in the first 5 months of 2022, when compared to the same period of the previous year.
- After very positive figures in 2022, SIX Swiss Exchange IPOs in 2023 keeps the trend observed last year, launching 4 IPOs until May and one more in the pipeline.

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## GLOBAL ECONOMY

The IMF slightly reduced World GDP growth projections for '23 to +2.8% (down from +2.9% in Jan.) and '24 to 3.0% (down from +3.1% in Jan.). Tight monetary policies, limited fiscal buffers amid high debt levels, geo-economic fragmentation, unwinding commodity shocks and falling headline inflation should continue to set the prospects of the world economy in the coming months (WEO, April '23).

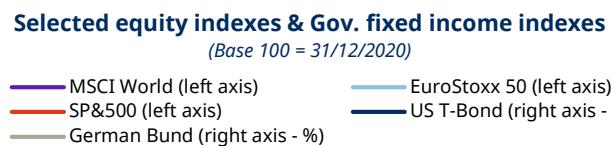
El FMI reduce ligeramente su expectativa de crecimiento en '23 hasta +2,8% (+2,9% en ene.) y en '24 hasta +3,0% (+3,1% en ene.). Políticas monetarias restrictivas, capacidad limitada de apoyo fiscal por el elevado endeudamiento, fragmentación geo-económica, moderación de los precios de materias primas y disminución del nivel de la inflación general seguirán marcando el ritmo de la economía en los siguientes meses (WEO, abril '23).



Source: Reuters

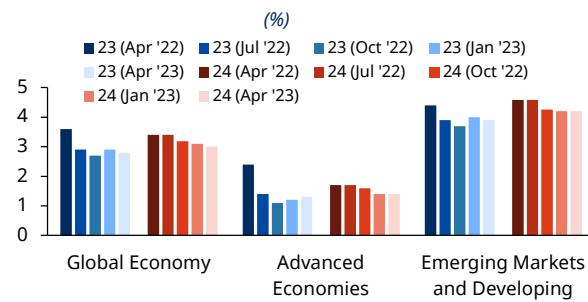
**Despite tightening monetary policies, labor markets in major economies remain solid, with positive job creations, helping aggregate demand to remain at a solid base.**

A pesar de las políticas monetarias restrictivas, el mercado laboral en las principales economías sigue fuerte, con creación de empleo sólida, actuando como soporte de la demanda agregada.



Sources: Reuters and Yahoo Finance.

### Evolution of GDP annual growth estimates for '23 and '24 (%)

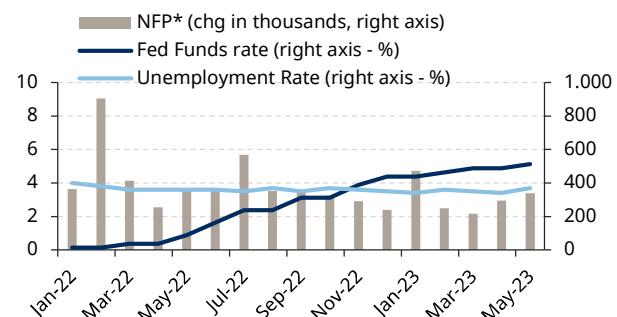


Sources: IMF WEO Apr., July, Oct. '22 & Jan., Apr. '23

Annual headline inflation in the US and Eurozone moderated again in May to 4.0% and 6.1%, respectively. Core inflation is also moderating in annual basis, but at a slower pace. US Federal Reserve pauses rate hikes in May '23 meeting but subsequent small increases are still expected.

La inflación en los EE.UU. y la zona euro se desaceleró en mayo hasta el 4,0% y 6,1%, respectivamente. La inflación subyacente también se reduce, pero a un ritmo más lento. La Reserva Federal (Fed) norteamericana ha pausado su ciclo de subidas en la reunión de mayo '23, pero todavía se esperan pequeñas subidas adicionales.

### US - Employment data



Source: Reuters. \*Non-farm payroll

The more effective control of inflation and a modest, but still better than expected economic growth in advanced economies, have boosted profitability in the world stock markets, while volatility returns to very low levels. In bond markets, 10-year yields return to beginning of the year's levels while volatility is picking up.

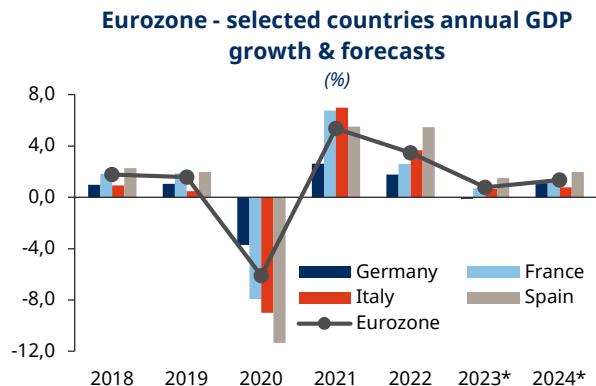
El mayor control de la inflación y un crecimiento económico a la baja pero mejor de lo esperado en las economías avanzadas, impulsan la rentabilidad de las Bolsas mundiales, al tiempo que la volatilidad vuelve a mínimos. La rentabilidad de los Bonos a 10 años retorna a niveles de principio del año con la volatilidad repuntando.

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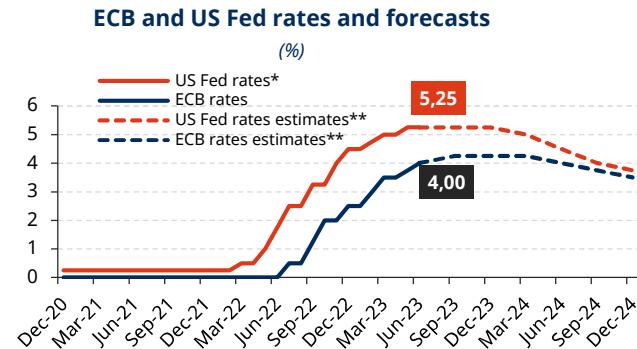
## EUROPEAN ECONOMY

**IMF growth projections for the eurozone were revised up 0.1 p.p. for '23 to 0.8%, and down 0.4 p.p to 1.4% amid solid labor market, lower energy and food prices and restricted monetary policies (IMF WEO Apr. '23).**

El IMF revisa el crecimiento de la eurozona al alza en 0,1 puntos para '23 (0,8%) y rebaja en 0,4 puntos el de '24 (1,4%), en un entorno de mercado laboral sólido, menores precios de la energía y de los alimentos, y políticas monetarias restrictivas (WEO abril '23).



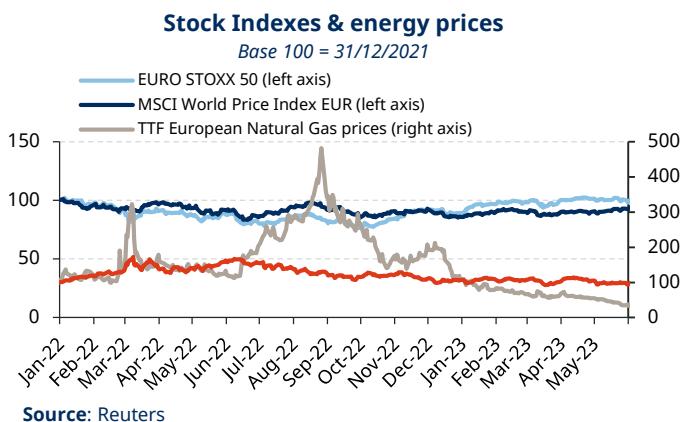
Source: IMF WEO April 2023



Source: Reuters. \*Upper range value. \*\*Reuters median forecast

The Eurozone PMI Composite Index remained in expansion territory for the fifth consecutive month, with services growing at a faster pace and manufacturing remaining as a concern, specially given Germany slowdown. Consumer confidence, albeit in the negative territory, reached a one-year high in May'23.

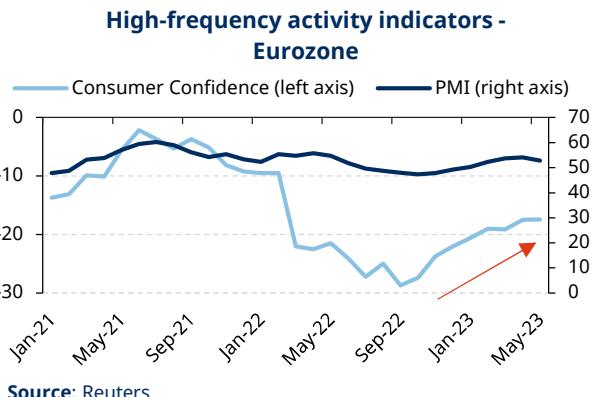
El PMI Compuesto de la eurozona se mantuvo en territorio de expansión por quinto mes consecutivo, con los servicios creciendo a un ritmo más rápido y la manufactura siguiendo una preocupación, especialmente dada la desaceleración de Alemania. La confianza del consumidor, aunque en territorio negativo, alcanzó un máximo de un año en mayo.



Source: Reuters

The ECB raises interest rates again (8<sup>th</sup> consecutive) in May '23 by 25bps, to 4,0% and signaled that additional hikes may be necessary to contain persistent inflation. The CPI in eurozone was confirmed 6,1% in May, the lowest in 14 months, but still high above the central bank 2% target.

El BCE vuelve a subir (8<sup>a</sup> vez consecutiva) los tipos de interés en mayo '23 en 25 p.b. hasta el 4,0% y anuncia nuevas subidas para contener la inflación persistente. La inflación en la eurozona fue de 6,1% en mayo, la menor en 14 meses, pero todavía muy encima de la meta del 2% fijada por el banco central.



Source: Reuters

As March's financial turmoil seems to be contained, European stocks have outperformed international equity indices, amid better-than-expected 1Q23 earnings results. Meanwhile, gas prices continue to register lows, keeping the 1Q23 trend and oil prices fall amid uncertainty around Chinese oil demand.

Una vez contenidas las turbulencias financieras de marzo, las acciones europeas superan a los índices bursátiles internacionales en medio de resultados del 1T23 mejores de lo esperado. Mientras tanto, los precios del gas continúan registrando nuevos mínimos, manteniendo la tendencia observada en el 1T23 y los precios de petróleo caen por la incertidumbre acerca de la economía china.

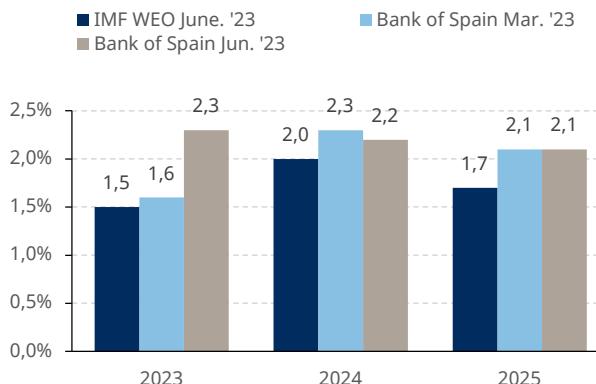
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## SPANISH ECONOMY

**The Spanish economy continues to show dynamism along Q2 2023 and estimates for 2023 are well revised up. According to the Bank of Spain the GDP will grow 2.3% in 2023 (+0.7 pp on previous estimates). The tightening of credit conditions are expected to impact in 2024 GDP growth (+2.2%) and 2025 (+2.1%) that suffer a slight downward revision.**

La economía española continúa mostrando dinamismo a lo largo del 2º trimestre de 2023 y las estimaciones de crecimiento para 2024 se revisan al alza. El Banco de España estima un crecimiento del PIB del 2,3% en 2023 (+0,7 p.p. sobre las previsiones anteriores). El endurecimiento del crédito impactará en el crecimiento del PIB para 2024 (+2,2%) y 2025 (+2,1%) que sufren una ligera revisión a la baja.

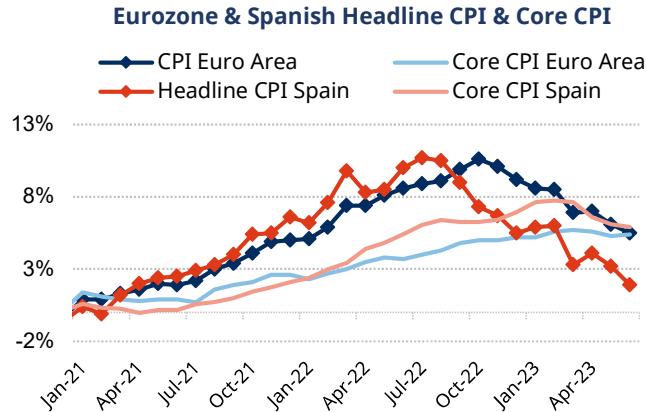
### Spain - GDP growth forecasts ('23-'25)



Source: Bank of Spain and IMF

**Thanks to the decline in the prices of energy, headline inflation has continued to decline until 1.9% in June. The y-o-y rate of growth for core inflation have begun to show incipient signs of moderation (5.9%). According to Bank of Spain, expected headline inflation will end 2023 and 2024 in 3.2% and 3.6% respectively.**

Gracias a la bajada de los precios energéticos, la inflación general ha seguido descendiendo hasta el 3,2% en mayo. El ritmo de avance interanual de la inflación subyacente también ha comenzado a mostrar señales incipientes de moderación (+5,9%). Las proyecciones del Banco de España para los cierres de 2023 y 2024 sitúan la inflación general en 3,2% y % respectivamente.



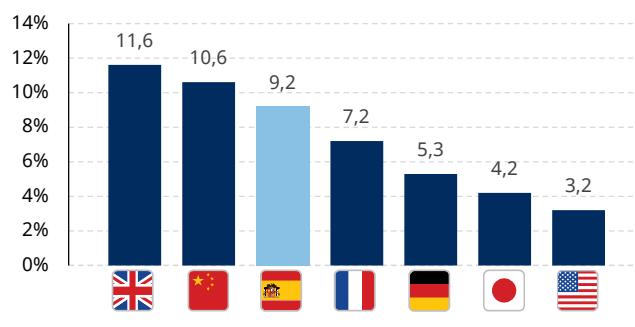
Source: Instituto Nacional de Estadística (INE), Eurostat

**The Spanish real estate market began to show signs of slowdown in Q4 '22, amid rising interest rates and worsening financial conditions for home purchases. However, in Q2 '23 the confidence of the construction sector has improved due to an increase in house prices and a shortage of houses for sale.**

El mercado inmobiliario español comenzó a mostrar signos de desaceleración en el Q4 '22, en medio de subidas de tipos de interés y empeoramiento de las condiciones financieras para la compra de vivienda. Sin embargo, en el Q2 '23 la confianza del sector de la construcción ha mejorado debido a un incremento en el precio de la vivienda y una escasez de viviendas en venta.

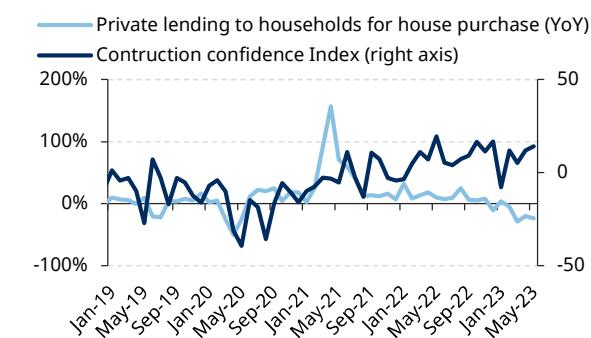
### Exports growth in selected economies

(Jan- Apr '23 vs. same period previous year)



Source: Ministry of Industry & Commerce of Spain

### Spanish Housing market indicators



Sources: Bank of Spain, Ministry of Industry of Spain

**Between January and April 2023, Spanish exports of goods increased by 9.2% compared to the same period of the previous year, reaching a record high of €132Bn. As imports rose 0.2% to €143Bn, the trade deficit was reduced to €11Bn, almost half that registered in the same period of 2022.**

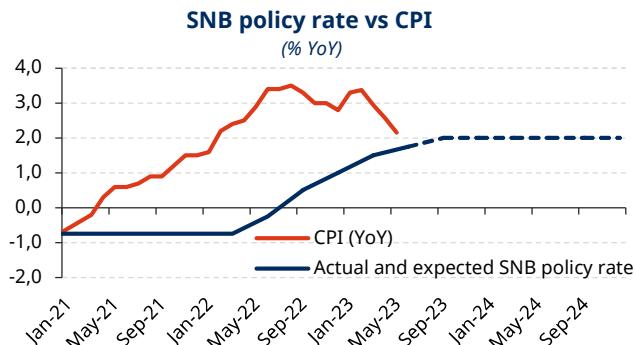
Entre enero y abril de 2023, las exportaciones españolas de mercancías aumentaron un 9,2% respecto al mismo periodo del año anterior, llegando a un máximo histórico de €132MM. Las importaciones subieron un 0,2% hasta los €143MM y como resultado, el déficit comercial se redujo hasta alcanzando los de €11 MM casi la mitad del registrado en el mismo periodo de 2022.

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## SWISS ECONOMY

**According to Swiss Secretariat of Economic Affairs (SECO), Switzerland's GDP seasonally adjusted rose by 0.5% quarter on quarter in Q1 '23, following 0.0% growth in Q4 '22. SECO confirmed GDP growth forecast of 1.1% in '23 (same as in March '23), noting a strong start to 2023 when energy prices continued to fall, but highlighting continued international inflationary pressures.**

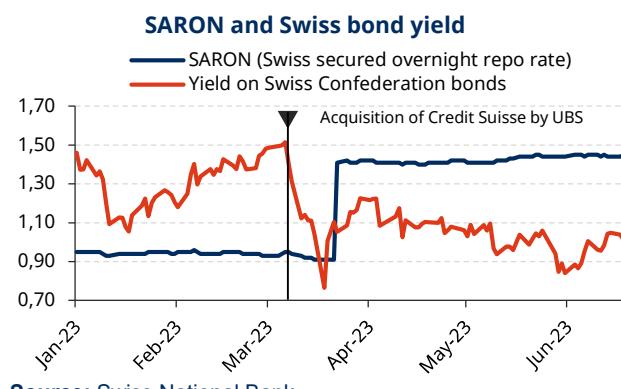
Según SECO, el PIB de Suiza (ajustado estacionalmente) aumentó un 0,5 % (QoQ) en el Q1 '23, tras un crecimiento del 0,0 % en Q4 '22. SECO confirmó el pronóstico de crecimiento de la economía suiza del 1,1 % en 2023 (igual que en marzo de 2023), señalando un buen comienzo para 2023 cuando los precios de la energía continuaron cayendo, pero destacando que continúan las presiones inflacionarias internacionales.



Sources: Reuters & FSO

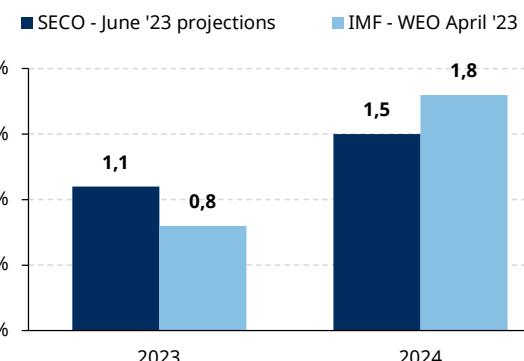
**Based on the April survey, consumer sentiment drifted sideways following a noticeable recovery in Q1. At -30 points, the index remains far below the long-term average (-6 points). The labour market situation continues to be assessed positively. The jobless rate is projected to reach 2.3% in 2024 from an estimated 2.0% in 2023.**

Según la encuesta de abril, la confianza del consumidor se estabilizó tras la notable recuperación en el primer trimestre. Con -30 puntos, el índice se mantiene muy por debajo del promedio a largo plazo (-6 puntos). La situación del mercado laboral sigue siendo positiva, aunque se proyecta que la tasa de desempleo alcance el 2,3% en 2024 repuntando desde el 2% estimado de 2023.



Source: Swiss National Bank

### Swiss GDP growth forecasts ('23-'25)

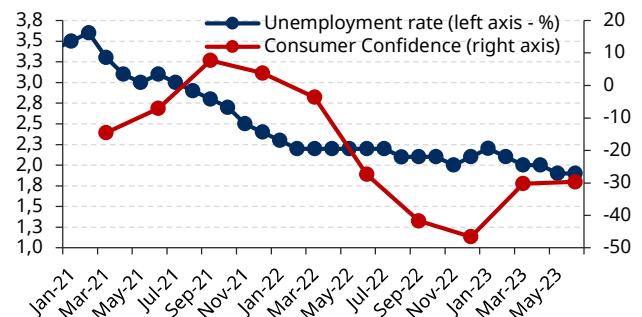


Sources: SECO & IMF

**Swiss inflation, which eased in April to 2.6%, remained outside the Swiss National Bank's target range for the 14th month in succession. SECO forecasts inflation to stabilize at 2.3% in '23, slightly down from the previous 2.4% estimate. SNB's Chairman defended recent interest rate hikes to tackle inflation, thus, reference rates increased again to 1.75% in late June '23.**

La inflación suiza, que disminuyó en abril al 2,6%, permanece fuera del rango objetivo del banco central suizo (SNB) por decimocuarto mes consecutivo. SECO pronostica que la inflación se estabilizará en el 2,3% en 2023, ligeramente por debajo del 2,4% de la previsión anterior. El presidente del SNB defendió las recientes subidas de tipos de interés para hacer frente a la inflación, y a finales de junio de 2023 volvió a subir el tipo de intervención al 1,75%.

### Unemployment rate & Consumer confidence



Source: SECO

**The banking crisis focused on Credit Suisse has been restrained by the fast acquisition of the bank by UBS. The yield on the Swiss Confederation bonds has gone down, despite the SNB rate hikes and that logically impacted the overnight secured repo rate (funding against collateral).**

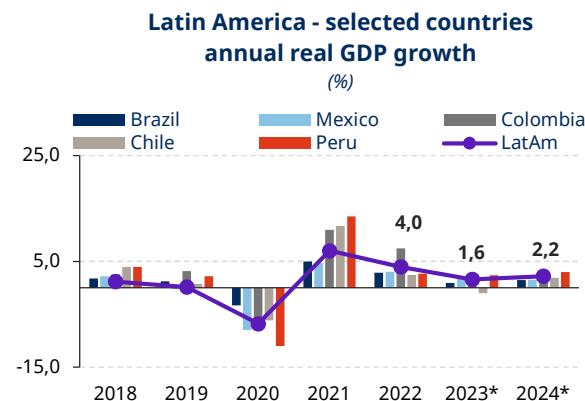
La crisis bancaria provocada por Credit Suisse se ha evitado definitivamente con la rápida adquisición de UBS. El rendimiento de los bonos de la Confederación Suiza ha bajado, a pesar de las subidas de tipos del banco central (SNB) y del consecuente aumento del tipo repo garantizado a un día (financiación contra colateral).

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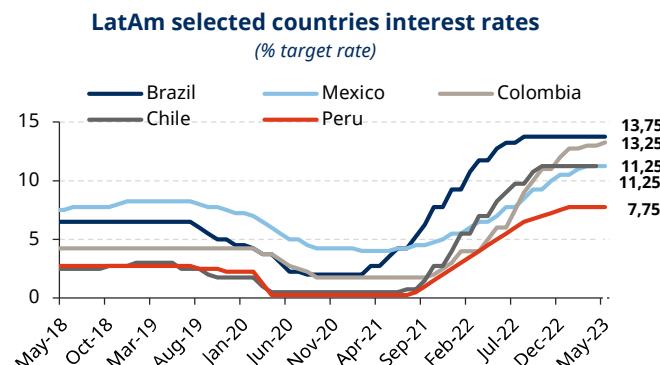
## LATIN AMERICA ECONOMY

**Latin America's economies were resilient in 2022, expanding by nearly 4% in the year, with employment recovering strongly and the service sector rebounding from the damage caused by the pandemic. For 2023, the latest IMF projections show that growth will decelerate to 1.6%, reflecting global slowing, persistent inflation and challenging financial conditions.**

Las economías de América Latina mostraron capacidad de recuperación en 2022, expandiéndose un 4% en el año, con una fuerte recuperación del empleo y del sector de servicios. Para 2023, el FMI proyecta un crecimiento de 1,6 %, reflejando la desaceleración mundial, la inflación persistente y las difíciles condiciones financieras.



Source: IMF WEO April 2023



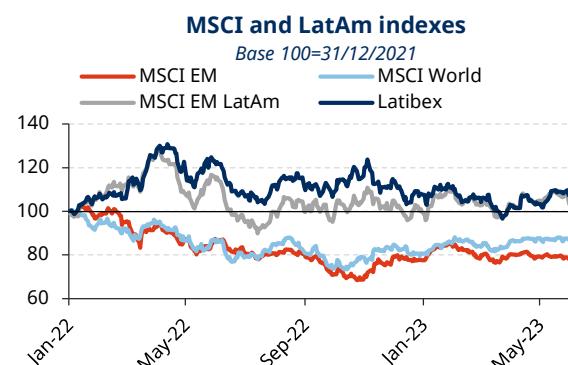
Source: Reuters

**LatAm equity indexes outperformed other EM indexes in 2022 and in the first months of 2023. This can be explained by the region's high exposure to commodities cycles, cheap valuations and robust companies' earnings growth.**

Los índices bursátiles latinoamericanos superaron a otros índices de mercados emergentes en 2022 y en los primeros meses de 2023, debido a la alta exposición al ciclo de materias primas, el crecimiento de los resultados de las empresas y las bajas valoraciones.

After a strong movement of rates hikes since mid-2021, the hikes cycle in many of the LatAm economies appear to be close to ending. Nevertheless, Central Banks message is that interest rates will likely need to stay high for some time to ensure that inflation returns down to target.

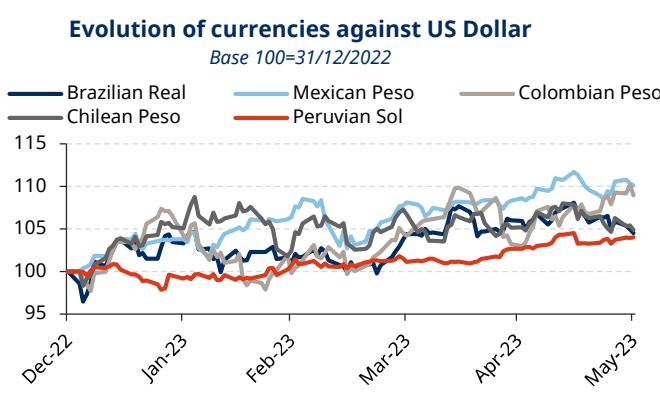
Tras los fuertes aumentos de tipos de interés que ya comenzaron en 2021, el ciclo de alzas parece acercarse al final. Sin embargo, el mensaje de los bancos centrales es de que los tipos deben seguir elevados para garantizar que la inflación vuelva a acercarse al nivel objetivo.



Source: Reuters

**Main LatAm currencies kept the appreciation trend towards US Dollar in the first months of '23. Nevertheless, as the US is poised to keep interest rates relatively high, LatAm currencies are likely to gradually stabilize or even weaken in the second half of 2023.**

Las principales monedas de LatAm han mantenido la tendencia de apreciación frente el dólar estadounidense en los primeros meses del '23. Sin embargo, dado que EE. UU. mantendrá sus tipos de interés relativamente altos hasta principios de 2024, es probable que las monedas latinoamericanas se estabilicen gradualmente o incluso sufran una depreciación en el segundo semestre de 2023.



Source: Reuters

# Macro Trends Affecting Spanish and Swiss Securities Markets

## SPANISH SECURITIES MARKETS

After stopping dividend payments for a while due to the Covid-19 pandemic, Spanish companies have returned shareholders distribution as they used to do in the past. The Ibex 35 TR has registered a succession of maximums in 2023, in the months of March, April and June.

Después de frenar los pagos de dividendos por un tiempo debido a la pandemia de Covid-19, las empresas españolas han vuelto a retribuir y ofrecer visibilidad como hacían en el pasado. El Ibex 35 TR ha registrado una sucesión de máximos en 2023, en los meses de marzo, abril y junio.

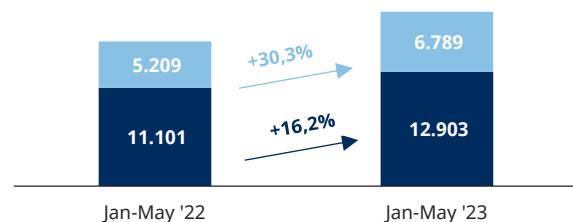


Source: Reuters

### Shareholder retribution in Spanish equity markets

(in million of euros)

- Dividends
- Amortization of shares\*



Source: BME. \*Measured by market prices

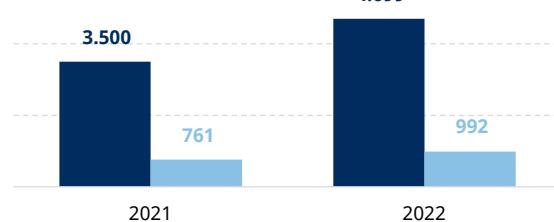
The volume of Spanish private debt issued and admitted to trading on the regulated market between January and May 2023 reached EUR 75.13 billion, up 26.5% from the same period 2022. The main highlight is for the bonds and debentures' issuances, that recorded a volume of EUR 31.9 billion, a 92.2% increase in the period.

El volumen de deuda privada española emitida y admitida a negociación en el Mercado regulado entre enero y mayo de 2023 alcanzó los EUR 75.130 millones, con un crecimiento del 26,5% frente al mismo período de 2022. Destacan las emisiones de bonos y obligaciones a medio y largo plazo que alcanzaron un volumen de EUR 31.900 millones, un incremento del 92,2% en el período.

### Revenues and EBITDA of BME Growth listed companies

(in million of euros)

- Revenues
- EBITDA

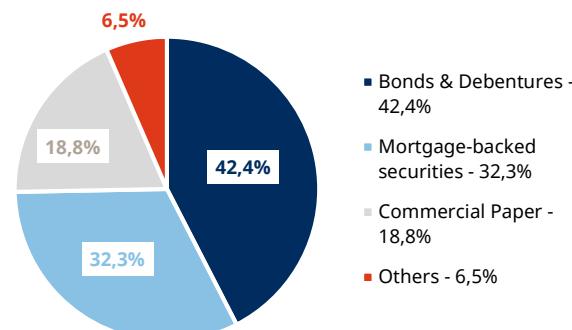


Source: BME

The shareholder retribution of the Spanish stock market follows the strong movement observed in 2022. In the first 5 months of 2023, dividend payments increased by 16.2% compared to the same period of the previous year and the amortization of shares grew by 30.3% in the same period, with emphasis on buyback programs announced by the banking, steel and energy sectors.

La retribución al accionista de la Bolsa española sigue el fuerte movimiento observado en 2022. En los 5 primeros meses de 2023, los pagos de dividendos aumentaron un 16,2% respecto al mismo período del año anterior y la amortización de acciones creció un 30,3% en el mismo período, con destaque para recompras del sector de banca, acero y energía.

### Private Fixed Income - New Issuances



Source: BME

Despite a complex economic and financial environment in 2022, companies listed on BME Growth increased their turnover by 34.2% last year compared to 2021. Profitability, measured by EBITDA margin, and job creation also grew by 30.4% and 24.4%, respectively.

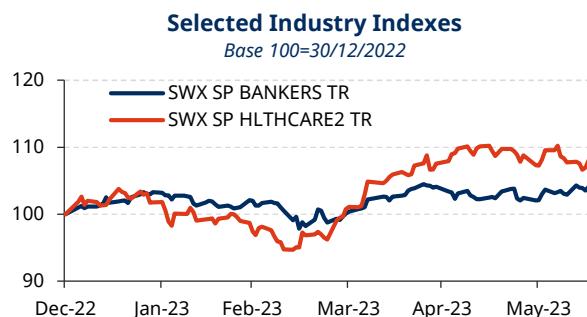
A pesar de un complejo entorno económico y financiero en 2022, las empresas cotizadas en BME Growth elevaron el año pasado su facturación en un 34,2% respecto a 2021. La rentabilidad medida por el margen EBITDA y la creación de empleo también crecieron un 30,4% y un 24,4%, respectivamente.

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## SWISS SECURITIES MARKETS

After very positive figures in 2022, SIX Swiss Exchange IPOs in 2023 keep the same trend observed last year, launching 4 IPOs until May and one more in the pipeline. All the transactions were Global Depository Receipts (GDR) listings from Chinese companies, confirming the success of the China-Switzerland Stock Connect program.

Después de cifras muy positivas en 2022, las OPVs en la Bolsa Suiza mantienen en 2023 la misma tendencia observada el año pasado, con 4 OPI hasta mayo y una más próximamente. Todas las operaciones se produjeron a través de Global Depository Receipts (GDR) de empresas chinas, lo que confirma el éxito del programa China-Switzerland Stock Connect.

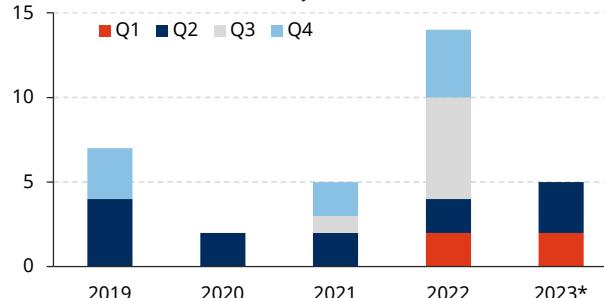


Source: SIX iD

In May, SIX introduced new order types to make trading more efficient and attractive for both professional trading participants and retail investors, the Auction Volume Discovery (AVD) and the Retail Order Types Stop Loss and Stop Limit.

En mayo, SIX lanzó nuevos tipos de órdenes para que las negociaciones sean más eficientes y atractivas para inversores profesionales y minoristas, el Auction Volume Discovery (AVD) y las órdenes Stop Loss y Stop Limit.

### SIX Swiss Exchange: IPO history (number of transactions)



Source: SIX. \*4 completed transactions and 1 upcoming

Both SWX SP Bankers TR and SWX SP Health Care TR indexes rebounded consistently from March lows. With financial turmoil contained, Bank and Healthcare sectors have fully recovered losses and have registered year-to-date highs in April and May, respectively.

Los índices SWX SP Bankers TR y SWX SP Health Care TR se han recuperado de forma consistente desde los mínimos de marzo. Con las turbulencias financieras contenidas, los sectores bursátiles de Banca y Salud han recuperado completamente las pérdidas y han registrado máximos en abril y mayo, respectivamente.

### Auction Volume Discovery

#### Hidden order type

Trading members can safely find liquidity over and above participation caps, without revealing their hand to the market.

### Retail Order Types

#### Stop Loss and Stop Limit

The orders enter the orderbook immediately after being triggered by the prices specified by the investors.

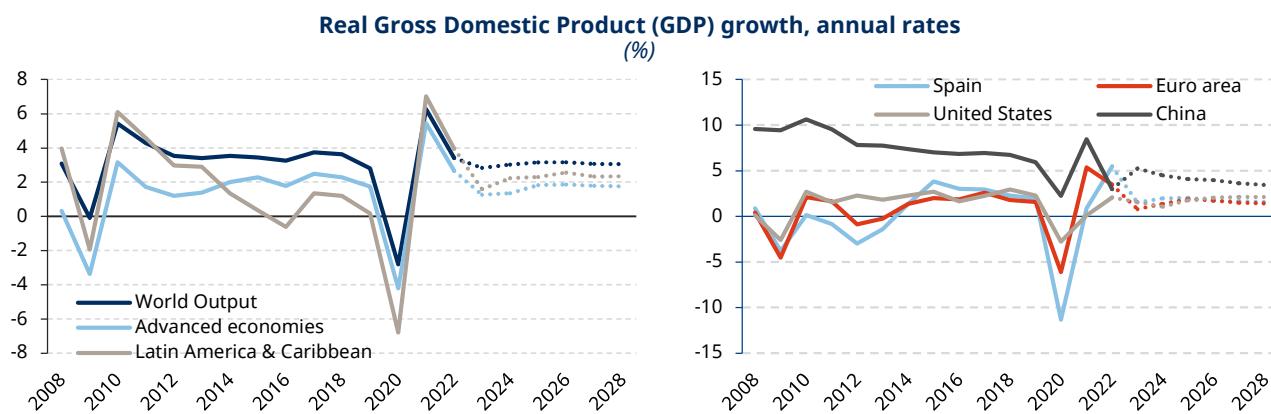
### Fixed Income listing



Source: SIX

Between January and May 2023, CHF 55,098 million, representing 185 new debt issues, were admitted in the Fixed Income market managed by SIX Swiss Exchange, 15% more in volume than in the same period of the previous year. In the secondary market, the number of trades reached 192,221, increasing almost 54% compared to the previous year.

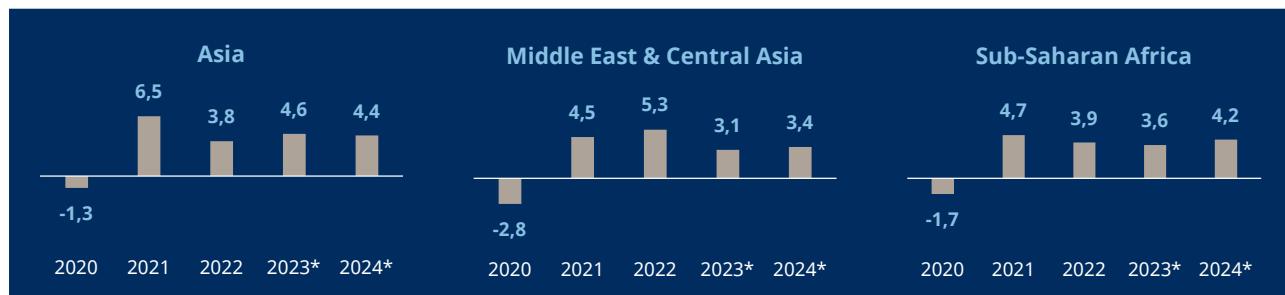
Entre enero y mayo de 2023 en el mercado de Renta Fija gestionado por SIX Swiss Exchange, fueron admitidas 185 nuevas emisiones de renta fija por un volumen total de 55.098 millones de CHF, un 15% más que en el mismo periodo del año anterior. En el mercado secundario de renta fija, el número de operaciones aumentó un 54% hasta las 192.221 en los primeros cinco meses del año.



#### Main indicators - Real GDP growth YoY%

\*Estimates from IMF WEO April 2023.

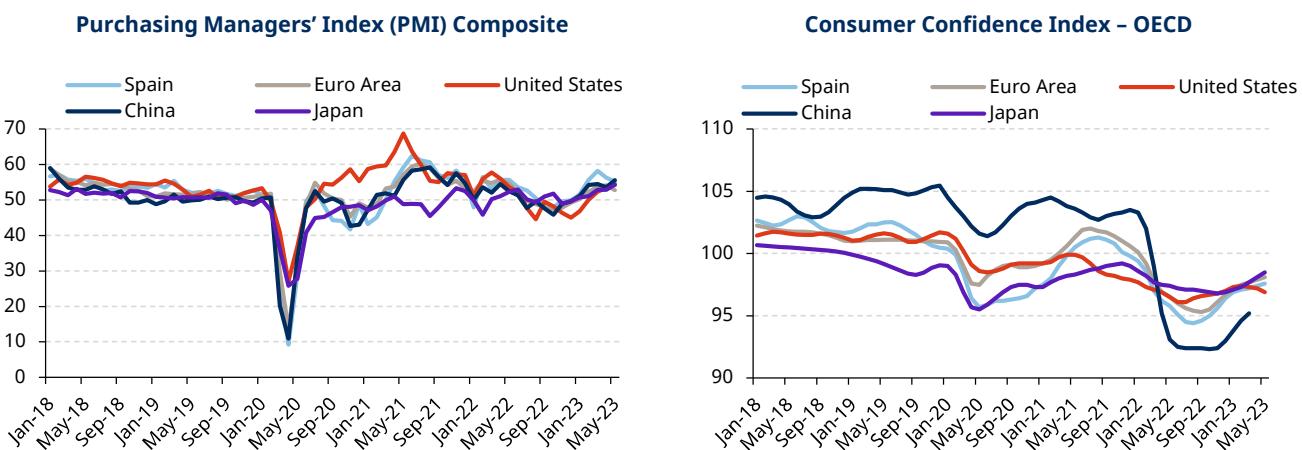
	2020	2021	2022	2023*	2024*	2025*	2026*	2027*	2028*
<b>World Output</b>	-2,8	6,3	3,4	2,8	3,0	3,2	3,2	3,1	3,0
<b>Advanced economies</b>	-4,2	5,4	2,7	1,3	1,4	1,8	1,9	1,8	1,8
United States	-2,8	5,9	2,1	1,6	1,1	1,8	2,1	2,1	2,1
<b>Euro Area</b>	-6,1	5,4	3,5	0,8	1,4	1,9	1,7	1,5	1,4
Germany	-3,7	2,6	1,8	-0,1	1,1	2,0	1,8	1,2	1,1
France	-7,9	6,8	2,6	0,7	1,3	1,9	1,8	1,6	1,5
Italy	-9,0	7,0	3,7	0,7	0,8	1,2	1,1	1,0	0,9
<b>Spain</b>	-11,3	5,5	5,5	1,5	2,0	2,0	1,7	1,7	1,6
Japan	-4,3	2,1	1,1	1,3	1,0	0,6	0,5	0,4	0,4
United Kingdom	-11,0	7,6	4,0	-0,3	1,0	2,2	2,0	1,8	1,5
<b>Switzerland</b>	-2,5	4,2	2,1	0,8	1,8	1,2	1,8	1,2	1,8
Canada	-5,1	5,0	3,4	1,5	1,5	2,2	1,9	1,7	1,7
<b>Emerging Economies</b>	-1,8	6,9	4,0	3,9	4,2	4,0	4,0	3,9	3,9
China	2,2	8,5	3,0	5,2	4,5	4,1	4,0	3,6	3,4
India	-5,8	9,1	6,8	5,9	6,3	6,2	6,1	6,0	6,0
Russia	-2,7	5,6	-2,1	0,7	1,3	1,0	0,8	0,8	0,7
<b>Latin America &amp; Caribbean</b>	-6,8	7,0	4,0	1,6	2,2	2,3	2,6	2,3	2,3
Brazil	-3,3	5,0	2,9	0,9	1,5	1,9	2,0	2,0	2,0
Mexico	-8,0	4,7	3,1	1,8	1,6	1,9	1,8	1,8	1,8



Source: IMF – WEO April 2023.

Both consumer and businesses sentiment have improved markedly in the first months of 2023 relative to late 2022 in most major economies, driven by lower international food and energy prices.

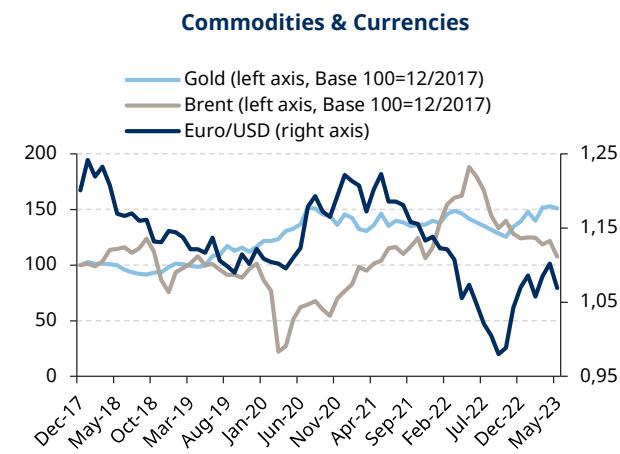
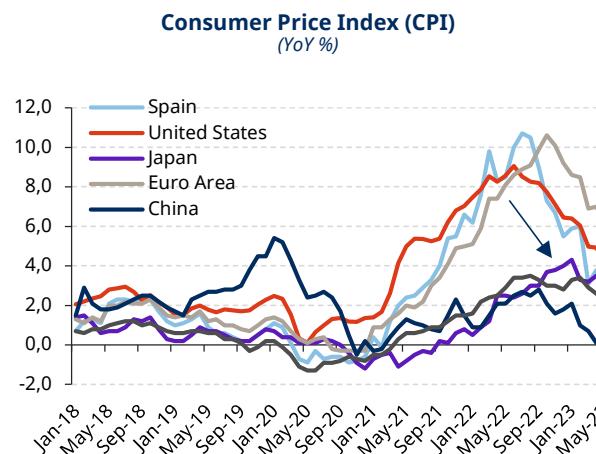
**Macro Trends**  
Appendix World Outlook



**Main indicators** – Data for the year is the average of monthly figures

	2020	2021	2022	01/23	02/23	03/23	04/23	05/23
<b>Purchase Manager Index Composite (PMI) - Levels above 50 show expansion and below 50, contraction</b>								
<b>Advanced economies</b>								
United States	48,76	59,66	50,67	46,80	50,10	52,30	53,40	54,30
<b>Euro Area</b>	<b>44,02</b>	<b>54,88</b>	<b>51,31</b>	<b>50,30</b>	<b>52,30</b>	<b>53,70</b>	<b>54,10</b>	<b>52,80</b>
Germany	46,39	55,28	50,41	49,90	50,70	52,60	54,20	53,90
France	43,49	53,76	52,74	49,10	51,70	52,70	52,40	51,20
Italy	41,75	54,71	50,27	51,20	52,20	55,20	55,30	52,00
<b>Spain</b>	<b>41,51</b>	<b>55,33</b>	<b>51,80</b>	<b>51,60</b>	<b>55,70</b>	<b>58,20</b>	<b>56,30</b>	<b>55,20</b>
Japan	42,42	49,38	50,28	50,70	51,10	52,90	52,90	54,30
United Kingdom	46,43	55,83	53,02	48,50	53,10	52,20	54,90	54,00
<b>Switzerland (manuf, CS)</b>	<b>48,78</b>	<b>65,88</b>	<b>58,87</b>	<b>49,30</b>	<b>48,90</b>	<b>47,00</b>	<b>45,30</b>	<b>43,20</b>
Canada	50,17	61,40	57,84	60,10	51,60	58,20	56,80	61,90
<b>Emerging Economies</b>								
China	41,75	54,71	50,27	51,20	54,20	54,50	53,60	55,60
India	44,28	54,16	56,37	57,50	59,00	58,40	61,60	61,60
Russia	45,98	51,93	48,31	49,70	53,10	56,80	55,10	54,40
Brazil	46,15	51,15	54,13	49,90	49,70	50,70	51,80	52,30
Mexico	42,69	47,62	49,58	48,90	51,00	51,00	51,10	50,50
<b>Consumer Confidence Index</b>								
<b>Advanced economies</b>								
United States	99,44	98,99	96,77	97,30	97,40	97,30	97,20	96,90
<b>Euro Area</b>	<b>98,93</b>	<b>100,92</b>	<b>96,76</b>	<b>97,10</b>	<b>97,50</b>	<b>97,70</b>	<b>97,90</b>	<b>98,10</b>
Germany	99,74	100,59	97,75	97,80	98,30	98,60	98,90	99,10
France	98,73	100,43	97,32	96,70	96,70	96,80	97,20	97,60
Italy	99,57	102,11	98,28	99,40	99,70	99,80	99,80	99,70
<b>Spain</b>	<b>97,13</b>	<b>100,00</b>	<b>96,05</b>	<b>96,90</b>	<b>97,10</b>	<b>97,20</b>	<b>97,40</b>	<b>97,60</b>
Japan	97,02	98,48	97,37	97,10	97,30	97,70	98,10	98,50
United Kingdom	98,23	101,08	94,08	93,40	94,20	95,10	96,20	97,30
<b>Switzerland</b>	<b>98,23</b>	<b>100,49</b>	<b>96,78</b>	<b>95,80</b>	<b>96,40</b>	<b>96,60</b>	<b>96,70</b>	<b>96,80</b>
Canada (refinitiv)	53,88	45,01	51,88	51,51	51,41	49,09	49,98	52,23
<b>Emerging Economies</b>								
China	102,93	103,53	95,00	93,80	94,60	95,20	-	-
India (RBI)	94,90	64,83	55,30	64,40	64,40	71,70	71,70	75,90
Russia	97,53	98,07	96,93	98,00	98,40	-	-	-
Brazil	98,52	98,32	99,08	99,90	99,80	99,90	100,00	100,20
Mexico	97,99	102,14	102,09	103,10	103,40	103,50	103,30	-

Sources: IHS Markit, OECD, IVEY, Reuters, Credit Suisse (CS) and RBI, as of May 2023



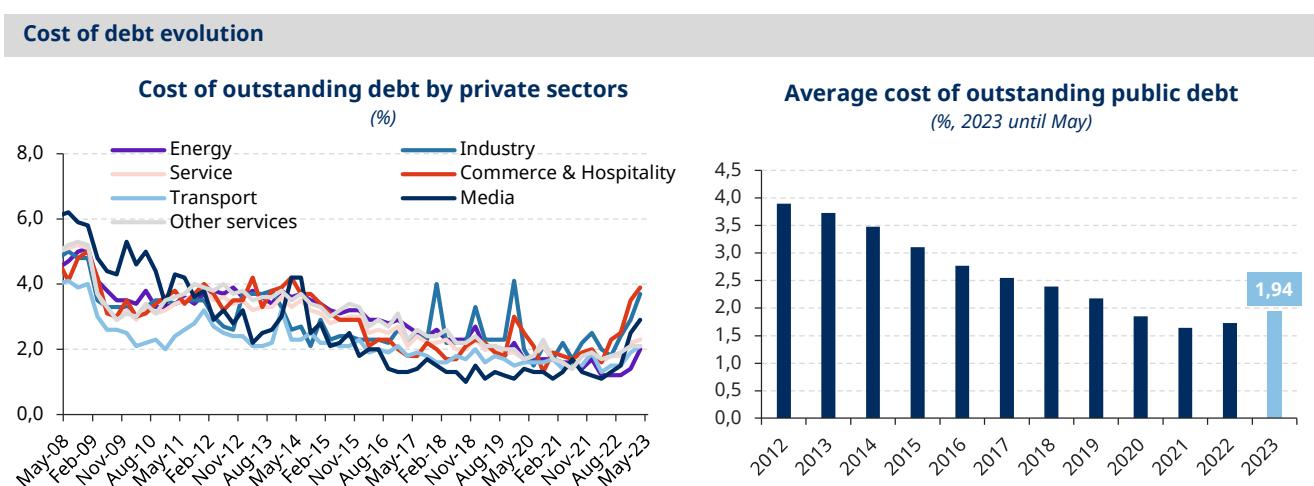
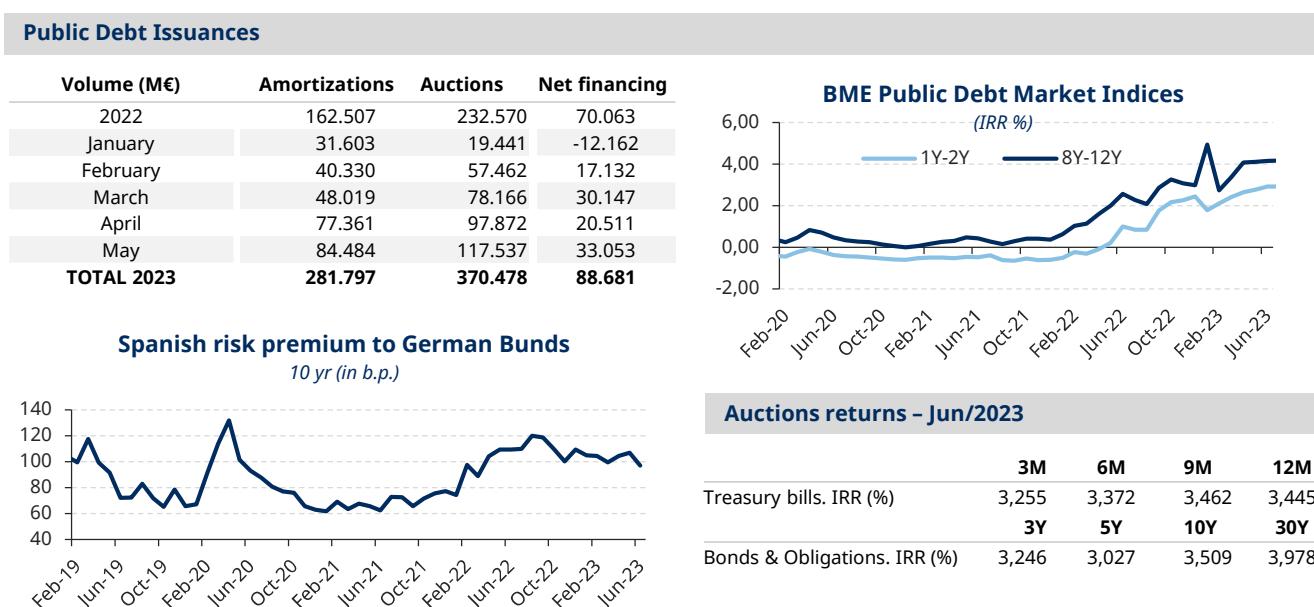
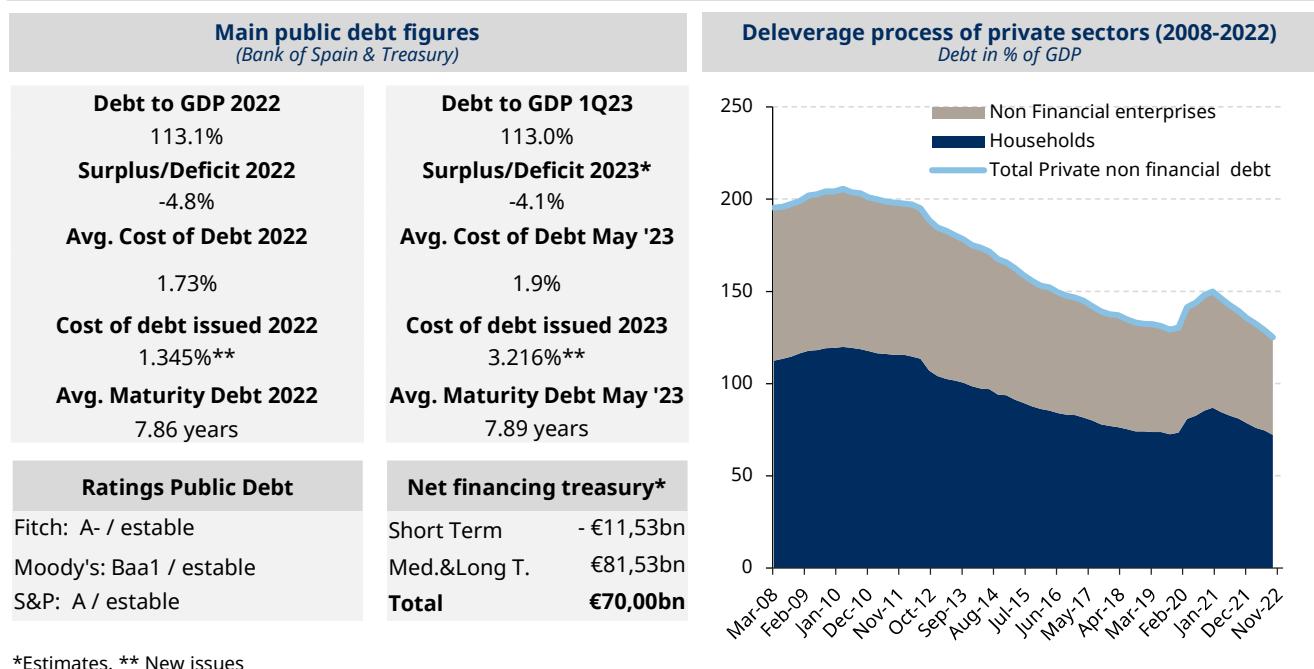
#### Main indicators

	2020	2021	2022	01/23	02/23	03/23	04/23	05/23
<b>Inflation (CPI) (IMF, YoY at end of period) and Reuters (2023). Harmonized CPI for Euro Area countries</b>								
<b>Advanced economies</b>								
United States	1,57	7,40	6,63	6,41	6,04	4,98	4,93	4,05
<b>Euro Area</b>	<b>-0,27</b>	<b>4,96</b>	<b>9,20</b>	<b>8,60</b>	<b>8,50</b>	<b>6,90</b>	<b>7,00</b>	<b>6,10</b>
Germany	-0,56	5,85	9,80	9,20	9,30	7,80	7,60	-
France	-0,26	3,33	6,96	7,00	7,30	6,70	6,90	6,00
Italy	-0,29	4,16	12,34	10,70	9,80	8,10	8,60	8,00
<b>Spain</b>	<b>-0,57</b>	<b>6,57</b>	<b>5,48</b>	<b>5,90</b>	<b>6,00</b>	<b>3,10</b>	<b>3,80</b>	<b>2,90</b>
Japan	-0,90	0,52	3,88	4,30	3,30	3,20	3,50	-
United Kingdom	0,59	5,39	10,53	10,10	10,40	10,10	8,70	-
<b>Switzerland</b>	<b>-0,79</b>	<b>1,56</b>	<b>2,87</b>	<b>3,30</b>	<b>3,40</b>	<b>2,90</b>	<b>2,60</b>	<b>2,20</b>
Canada	0,78	4,73	6,64	5,90	5,30	4,50	4,30	-
<b>Emerging Economies</b>								
China	0,16	1,39	1,81	2,10	1,00	0,70	0,10	0,20
India	4,87	6,34	6,25	6,45	6,37	5,60	4,64	-
Russia	4,91	8,39	12,36	11,88	11,03	3,58	2,36	2,57
Brazil	4,52	10,06	5,79	5,71	5,47	4,36	3,83	3,74
Mexico	3,15	7,36	7,82	7,94	7,65	6,88	6,28	5,87
<b>Commodities - year or month-end data (Reuters)</b>								
CRB Index	178,29	247,02	301,33	302,92	295,01	293,90	295,51	281,08
Bloomberg Commodity Index	166,63	211,80	245,89	244,68	233,19	232,71	230,96	217,94
<b>Energy &amp; Transportation</b>								
Brent Oil	51,22	77,24	82,82	83,42	83,21	79,19	81,32	71,98
West Texas Oil	48,28	75,21	80,23	78,87	76,95	75,67	76,75	68,09
Natural Gas	2,54	3,73	4,48	2,68	2,75	2,22	2,41	2,27
Baltic Dry Index (Transp.)	1366	2217	1515	681	990	1389	1576	977
<b>Metals</b>								
Gold	1897,77	1822,39	1815,64	1928,19	1825,97	1976,50	1990,40	1971,45
Silver	26,38	23,27	23,75	23,68	20,83	24,16	25,07	23,56
Copper	3,52	4,46	3,81	4,23	4,09	4,10	3,89	3,65
<b>Currencies (units per EUR) - year or month-end data (Reuters)</b>								
USD (United States)	1,222	1,138	1,070	1,086	1,058	1,085	1,102	1,069
GBP (United Kingdom)	0,895	0,840	0,887	0,882	0,876	0,879	0,878	0,860
CHF (Switzerland)	1,082	1,036	0,987	0,998	0,994	0,993	0,983	0,975
JPY (Japan)	126,326	130,954	140,818	141,235	144,456	144,596	150,326	148,950
CNY (China)	8,002	7,248	7,419	7,338	7,359	7,466	7,649	7,574
BRL (Brazil)	6,355	6,334	5,635	5,530	5,537	5,509	5,523	5,460
MXN (Mexico)	24,380	23,273	20,798	20,418	19,434	19,617	19,915	18,932

Sources: IMF, Reuters, as of May 2023

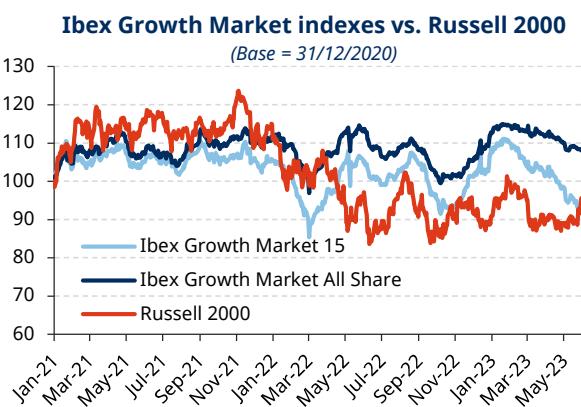
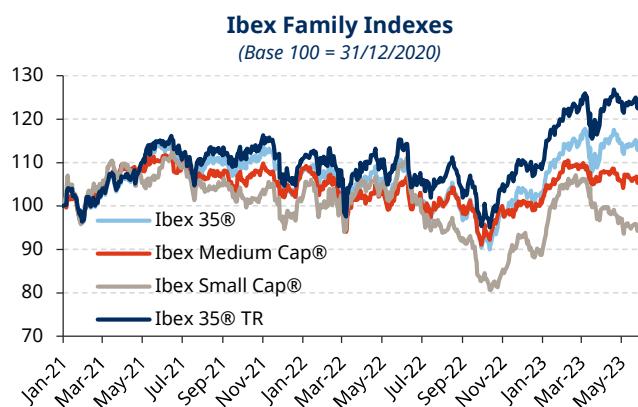
Although the interest rates for new issues rises to 3.2% in 2023, The Spanish Treasury contains the cost of outstanding debt below 2%. Fiscal deficit and debt to GDP should go down in an effort to normalize the public accounts. Since the beginning of the year, Spanish risk premium has shown a downwards trend, below 90 basis points in June '23.

**Macro Trends**  
Appendix World Outlook

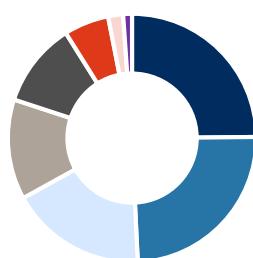


Sources: BME, Bank of Spain, Public Treasury and Reuters

## SPANISH EQUITY MARKET

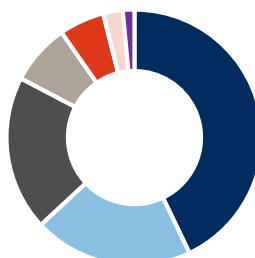


### Ibex 35® Sector Breakdown (% of market cap.)



- Oil & Energy (24,9%)
- Financial Services (24,4%)
- Consumer Goods (17,7%)
- Technology and Telecommunications (13,1%)
- Basic Materials, Industry & Building (11,0%)
- Consumer Services (5,9%)
- Renewable Energy (1,9%)
- Pharma & Biotech products (1,2%)

### BME Growth Sector Breakdown (ex REITs) (% of market cap.)



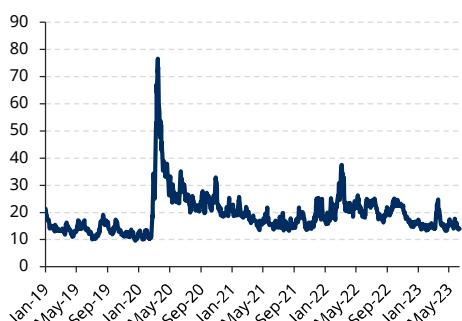
- Renewable Energy (42,9%)
- Electronics & Software (20,1%)
- Other services (19,6%)
- Engineering & Others (7,7%)
- Telecommunications & Others (5,7%)
- Pharma & Biotech products (2,5%)
- Others (1,5%)

Spanish equity market	2020	2021	2022	1Q '23	Apr. '23	May '23
Turnover (M€)	429.359	378.144	362.122	37.247	27.513	22.998
Nº Trades (M)	56	45	39	9	2	2
Capital increases (M€)	15.791	21.003	6.315	1.187	151	328
Dividends distributed (M€)	18.523	19.069	25.276	2.650	5.724	4.529
IBEX 35® Dividend Yield (%) <sup>1</sup>	4,17	2,80	4,00	3,70	3,90	4,00
VIBEX Volatility Index (%) <sup>2</sup>	25	17	22	16	14	16
BME Growth, Nº companies	119	127	135	132	134	136

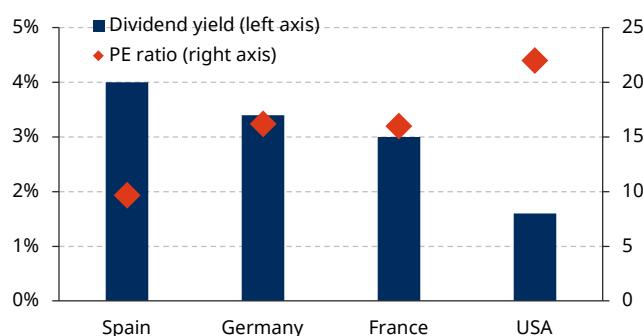
<sup>1</sup>Morgan Stanley Capital International. End date of the period

<sup>2</sup>Average of the period (year or quarter)

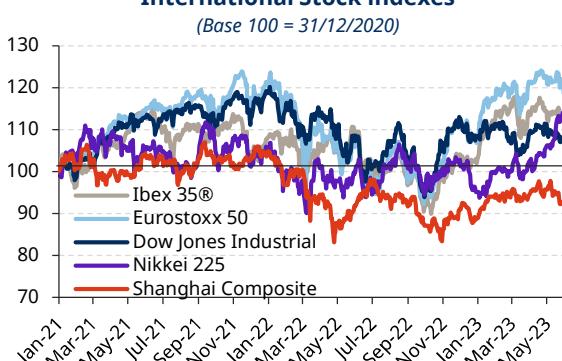
### VIBEX (BME Volatility Index)



### Dividend Yield & PE ratio, end May 2023



### International Stock indexes



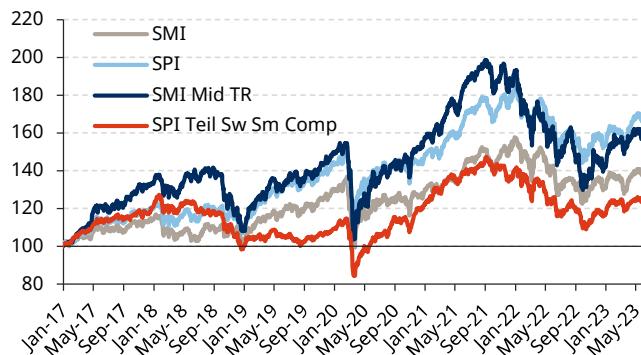
Sources: BME, FESE, Morgan Stanley Capital International, Reuters and SIX iD

In May, the SMI registered the greatest advance of all major indexes in Europe, reaching 11 months highs and erasing the losses observed during the financial turmoil period.

## SWISS EQUITY MARKET

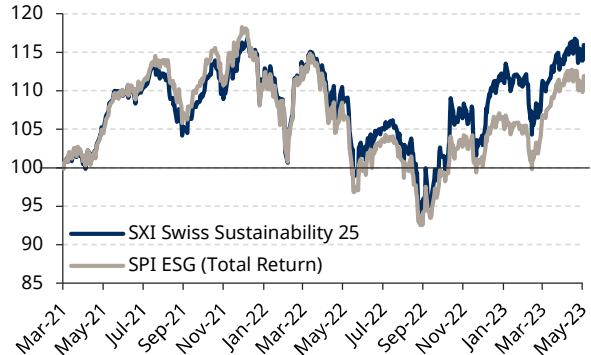
### SMI and SPI Indexes

(Base 100 = 31/12/2016)



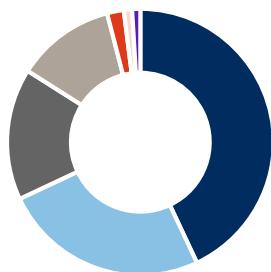
### SIX ESG Indexes

(Base 100 = 29/03/2021)



### SMI Sector Breakdown

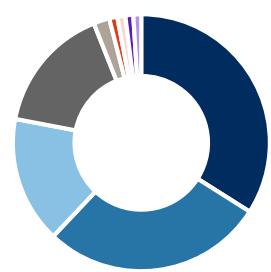
(% of market cap.)



- Healthcare (43%)
- Consumer Goods (25%)
- Financials (16%)
- Industrials (12%)
- Basic Materials (2%)
- Telecommunications (1%)
- Technology (1%)

### SPI Sector Breakdown

(% of market cap.)



- Healthcare (34%)
- Consumer Goods (28%)
- Industrials (16%)
- Financials (16%)
- Basic Materials (2%)
- Telecommunications (1%)
- Consumer Services (1%)
- Technology (1%)
- Utilities, Oil & Gas (1%)

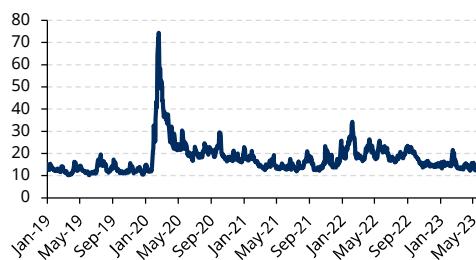
Swiss equity market	2020	2021	2022	1Q' 23	Apr. '23	May '23
Turnover (BnCHF) <sup>1</sup>	1.456	1.050	947	241	62	67
Nº Trades (M) <sup>1</sup>	96,50	59,90	58,26	13,23	3,27	3,42
IPOs (nº)	2	5	14	2	2	0
SMI Dividend Yield (%) <sup>2</sup>	2,84	2,50	3,00	3,00	2,90	3,00
VSMI Volatility Index (%) <sup>3</sup>	23,59	15,50	19,74	15,40	13,50	14,29
ETF Turnover (BnCHF)	112,00	79,55	96,36	15,47	3,68	3,96
Struct. Prod. & Warrants (BnCHF)	22,60	20,14	12,13	2,57	0,58	0,71

<sup>1</sup>Equities include Funds + ETPs

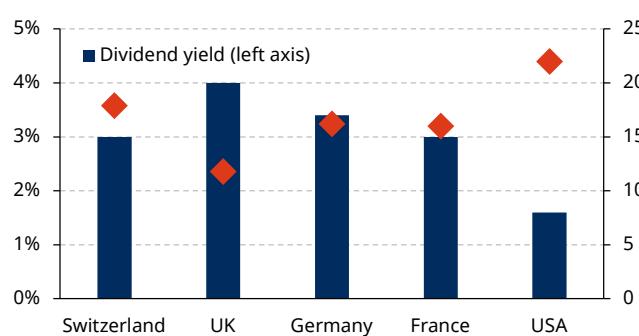
<sup>2</sup>Source: Morgan Stanley Capital International. End date of the period.

<sup>3</sup>Average of the period (year or quarter)

### VSMI (Volatility Index on the SMI)

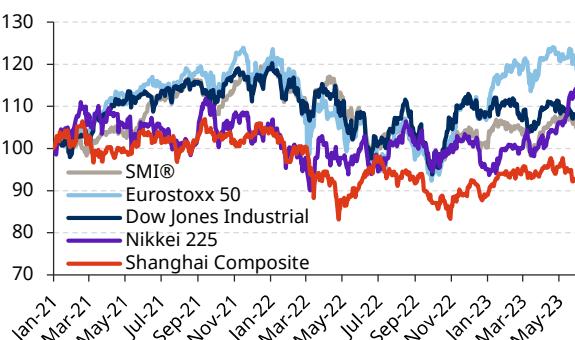


### Dividend Yield & PE ratio, end May 2023



### International Stock indexes

(Base 100 = 31/12/2020)



Sources: Morgan Stanley Capital International, Reuters, SIX and SIX iD