

Macro Trends Affecting Spanish and Swiss Securities Markets

Q4 2021

Global economy surpasses its pre pandemic levels leveraged by strong demand with world GDP growing at a 5,9% and 4,9% pace in 2021-22. Nevertheless, uncertainty increases in late 2021 amid a new Covid-19 wave, inflation worries and supply disruptions.

Consumer prices in advanced economies escalates to 10-year highs but Central Banks, especially the ECB, will be very cautious about tapering stimulus and interest rates increases considering that prices will moderate in the next few years.

Switzerland improves its prospects for economic growth and ease geopolitical tensions. GDP is expected to advance 3,7% and 3% in 2021-22, whilst Government proposes to retake trade talks with the EU.

Spain will lead GDP growth among advanced economies in 2021-22 but the recovery towards pre-pandemic levels is being less brilliant than initially expected in 2021 with estimates being cut below 5%. GDP growth in 2022 will rise 6,4% (IMF October WEO).

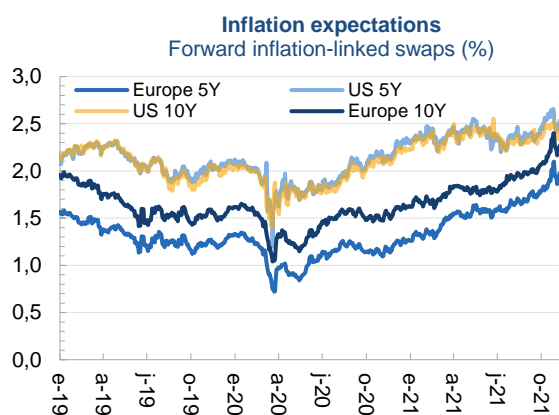
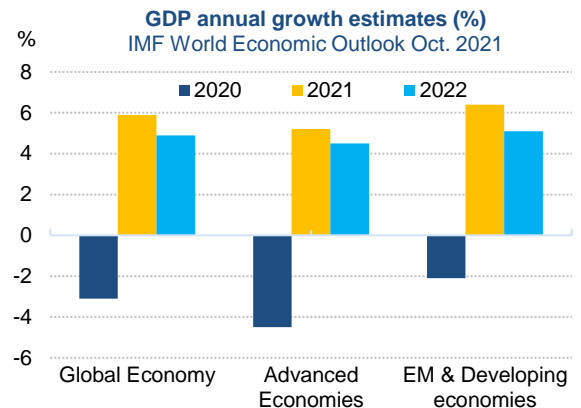
BME Fixed Income lists the first issuance of green bonds from the Spanish Treasury for €5 billion with strong investor appetite for this type of assets. BME Growth market reaches 13 new listings in 2021 until November, with special relevance of the Tech sector.

SIX Digital Exchange (SDX) has formally received the Swiss regulator go-ahead to operate a fully regulated stock exchange and a central securities depository for digital assets in Switzerland. SIX successfully issued and listed in the market the world's first digital bond with a pure digital part in a fully regulated environment.

GLOBAL ECONOMY

Global GDP surpasses its pre-pandemic levels in Q3. IMF expects output to strongly grow at 5,9% and 4,9% in '21-22 (WEO Oct). Nevertheless, growth for this year is marginally revised down due to inflation worries, supply disruptions and worsening pandemic dynamics.

El PIB mundial supera sus niveles prepandémicos en el 3T. El FMI espera que el PIB global crezca un 5,9% y un 4,9% en '21-22 (WEO octubre). No obstante, el crecimiento de este año se revisa marginalmente a la baja debido al temor a la inflación, las interrupciones de suministro y al empeoramiento de la pandemia.

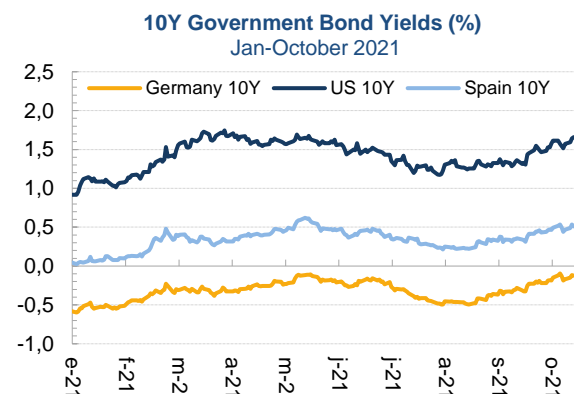
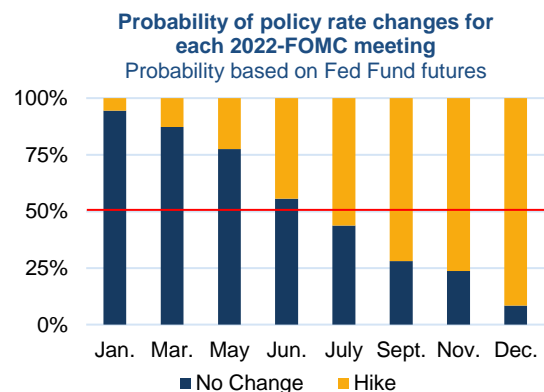


Main financial organizations revise up inflation for the next quarters due to strong demand, supply bottlenecks and commodity price increases, and also express worry on increasing uncertainty surrounding it. However, these disruptions are expected to fade gradually and inflation expectations in the medium and long term remain in line with historical levels.

Las instituciones financieras alertan de la incertidumbre sobre los precios y revisan al alza la inflación para los próximos trimestres debido a la presión de la demanda, los cuellos de botella de la oferta y el alza de los precios de las materias primas. Sin embargo, se espera que estas interrupciones se desvanezcan gradualmente a la vez que las expectativas de inflación se mantienen en línea con niveles históricos.

Main CBs open the debate to taper stimulus but remain very cautious. US FED leads the way and reduce assets purchases by \$15 Bn. monthly since Nov. Furthermore, half of US FOMC participants agreed that the target level of federal funds rates should increase to at least the 0,25%-0,5% range during '22 as long as the economy progresses.

Los principales BCs abren el debate de la retirada de estímulos, aunque se mantienen cautelosos. Asimismo, la mitad de los miembros del FOMC de EE.UU. acordaron que el nivel objetivo de los tipos de los federal funds deben incrementar, al menos, hasta el rango 0,25%-0,5% durante '22 siempre y cuando la economía progrese.



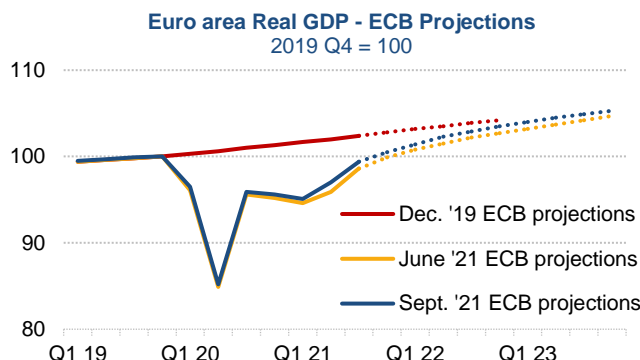
40-year record of negative real interest rates pushed by rising inflation, helping to alleviate public and private debts. Main long term bonds yields remain low, although on the rise and with moderate volatility.

Récord de 40 años en los tipos de interés reales negativos impulsados por el aumento de la inflación, lo que ayuda a aliviar los niveles de deuda públicos y privados. Las rentabilidades de los principales bonos a largo plazo se mantienen bajos, aunque en alza y con una volatilidad moderada.

EUROPEAN ECONOMY

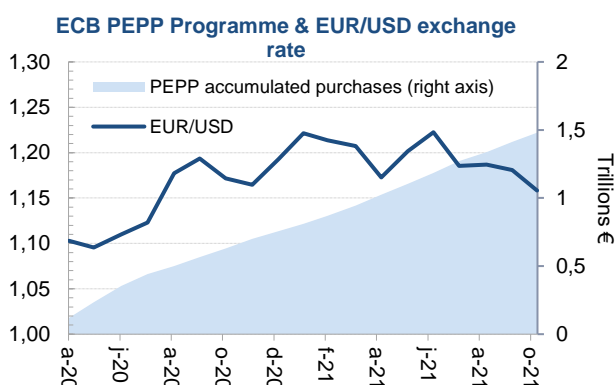
Eurozone accelerates growth in the 2nd half of the year powered by France and Italy and to a lesser extent by Germany and Spain. The ECB & the IMF revise GDP growth upwards for 2021 to 5% from 4,6% and keep a 4,3% growth rate for 2022 (IMF Oct. WEO).

La zona euro acelera el crecimiento en el segundo semestre del año impulsada por Francia e Italia y, en menor medida, por Alemania y España. El BCE y el FMI revisan al alza el crecimiento del PIB para 2021 a 5%, desde el 4,6% y mantienen una tasa de crecimiento del 4,3% para 2022 (FMI oct. WEO).



The ECB maintains its policy stance and barely lowers the pace of net purchases of its PEPP programme due to an improvement of current economic and financial conditions. At the same time the euro weakens against the US dollar to 15-months lows, which could turn into a tailwind for the recovery of net exports.

El BCE mantiene su posición de política monetaria y apenas reduce el ritmo de compras netas de su programa PEPP debido a la mejora de las condiciones económicas y financieras actuales. Al mismo tiempo, el euro se debilita frente al dólar estadounidense a mínimos de 15 meses, lo que podría suponer un viento de cola para la recuperación de las exportaciones netas.

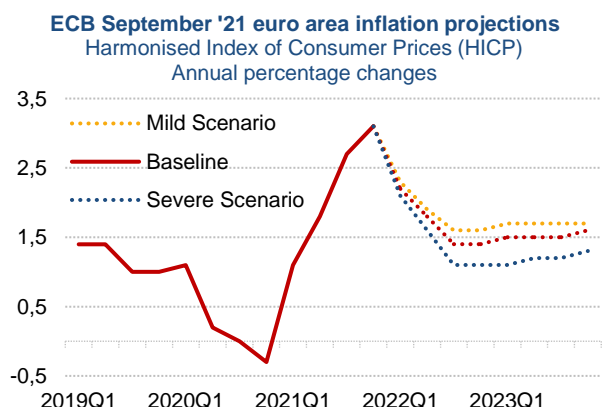


The EC issues its first NextGenerationEU green bond which becomes the world's largest green bond issuance ever. Total amount raised so far goes up to €68,5 bn in '21 with issuances being largely oversubscribed amid strong investors' demand for EC securities.

La CE emite su primer bono verde NextGenerationEU, que se convierte en la emisión de bonos verdes más grande del mundo. La cantidad total recaudada en lo que va de 2021 asciende a €68.500 millones, con las emisiones siendo altamente sobresuscritas en medio de una fuerte demanda por de activos de la CE.

15Y-EU Green Bond

- First NGEU green bond - €12bn. raised.
- Exclusively for green and sustainable
- More than 11 times oversubscribed, with books exceeding €135 billion.
- EU is set to become the world's largest green
- NGEU green bond programme of up to €250 billion by end-2026.



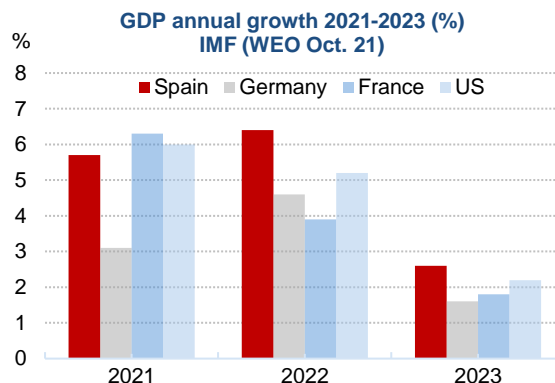
Inflation in the euro area reach 4,1% in October, its highest level since records began in 1996 amid surging energy prices. Gas price has already tripled in '21, even before the peak-winter demand kicks in. Notwithstanding the above, higher energy prices alone "won't push the ECB to act".

La inflación en la zona del euro alcanzó el 4,1% en octubre, su nivel más alto desde que comenzaron los registros en 1996 en medio de una subida de los precios de la energía. El precio del gas ya se ha triplicado en '21, incluso antes de que incremente la demanda en invierno. A pesar de ello, los precios más altos de la energía por sí solos "no empujarán al BCE a actuar".

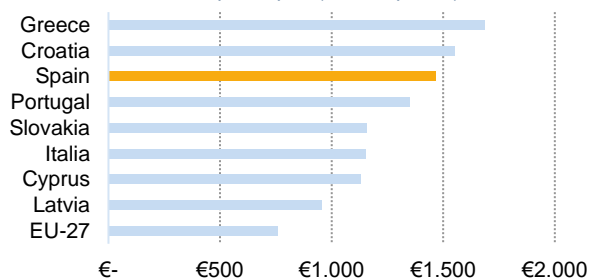
SPANISH ECONOMY

Spain's GDP will grow at 5,7% in '21 and 6,4% in '22 (IMF Oct. WEO), with consumption, investment and employment pulling growth. Nevertheless, the recovery towards pre-pandemic levels is being less brilliant than expected in '21 with growth estimates being cut below 5%.

El PIB de España crecerá un 5,7% en '21 y un 6,4% en '22 (FMI oct. WEO), con el consumo, la inversión y el empleo impulsando el crecimiento. Sin embargo, la recuperación hacia niveles pre-pandémicos está siendo menos brillante de lo esperado en '21, con un recorte de las estimaciones de crecimiento por debajo del 5%.



Biggest beneficiaries per capita of the NextGenerationEU Funds
Grants per capita (current prices)



Source: European Commission

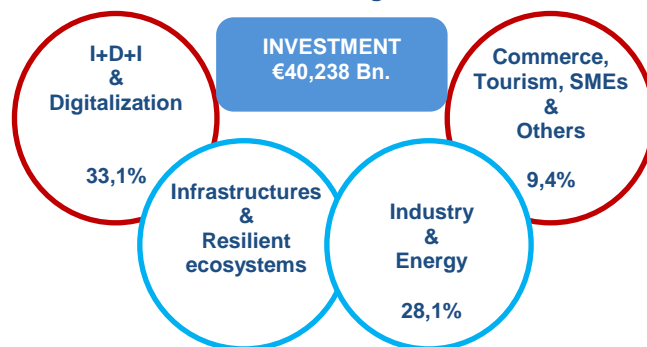
Spain receives the first €9bn of the NextGenerationEU funds (13% of total expected transfers until '26) that will be allocated in areas such as ecological transition, housing, education and health. A new €10bn disbursement is expected for this year and the country will receive 80% of the transfers by the end of '23.

España recibe los primeros €9.000M de los fondos NextGenerationEU (13% del total de transferencias previstas hasta el '26) que se destinarán a áreas como transición ecológica, vivienda, educación y salud. Se espera un nuevo desembolso de €10.000M para este año y el país recibirá el 80% de las transferencias previstas a finales del '23.

The Government approves the 2022 Budget (PGE) with the highest spending ceiling in history (€196 billion). The European Funds for this year increase by 3.8% (up to €27,663 billion), allocating 85% of this amount to investments to make Spain a more competitive and sustainable country.

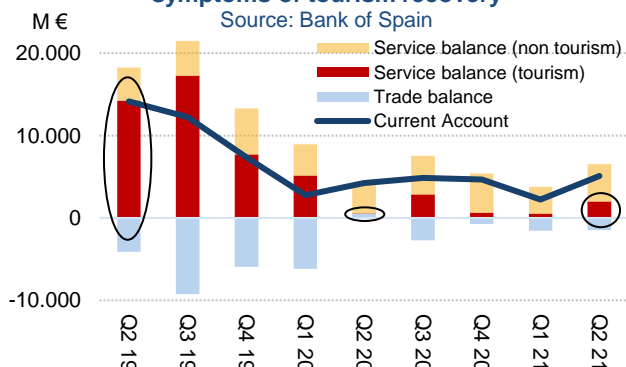
El Gobierno aprueba los Presupuestos de 2022 (PGE) con el techo de gasto más alto de la historia (€196 mil mill.). Los Fondos Europeos para este año aumentan un 3,8% (hasta los €27.663 mill.), destinando el 85% de esta cantidad a inversiones para convertir a España en un país más competitivo y sostenible.

Main investment policies in the 2022 Govt. Budget



The reopening of the economy throughout 2021 generates an improvement in the Spanish current account balance. Tourism services remain in an early-phase recovery even though FR and DE arrivals give rebounding signals and further improvements are expected in coming quarters, especially in Q3.

Spanish International trade and 1st symptoms of tourism recovery

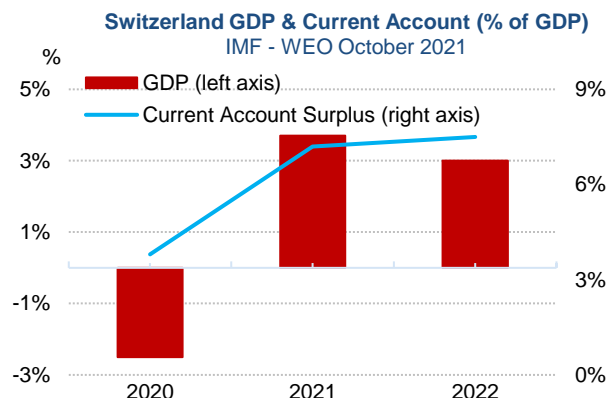


La reapertura de la economía a lo largo de 2021 genera una mejora en la balanza por cuenta corriente española. Los servicios turísticos se mantienen en una fase inicial de recuperación a pesar de que las llegadas de FR y DE dan señales de recuperación y se esperan nuevas mejoras en los próximos trimestres, especialmente en el 3T.

SWISS ECONOMY

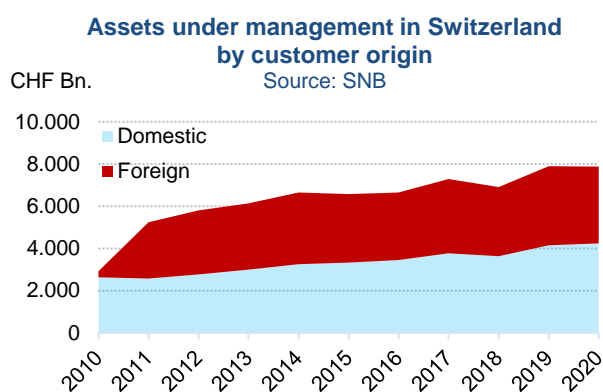
The Swiss economy will grow 3,7% and 3,0% in 2021 & 2022 (IMF Oct. WEO) boosted by the global recovery, a resilient and well-diversified external sector, solid investment in equipment & software and a strong consumer confidence that registers its highest levels in 10 years.

La economía suiza crecerá un 3,7% y un 3,0% en 2021 y 2022 (IMF oct. WEO) impulsada por la recuperación global, un sector externo resistente y bien diversificado, una sólida inversión en equipos y software y una confianza del consumidor que registra sus niveles más altos en 10 años.



Switzerland proposed to the EU to retake political dialogue in its intention to continue their commercial partnership. The country remains a leader as a global financial centre based on cross-border wealth management sector, despite the uncertainty on a future agreement with the EU.

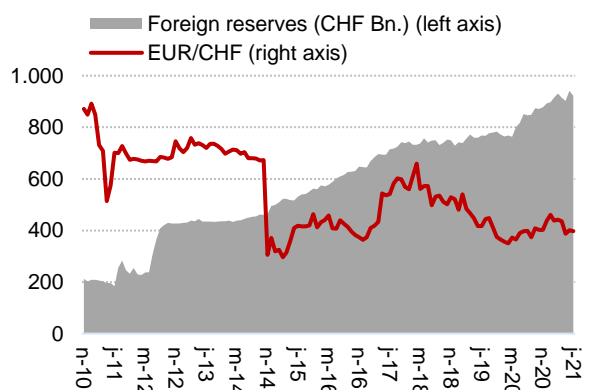
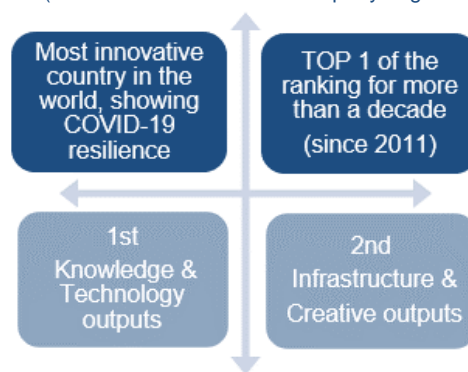
Suiza propuso a la UE retomar el diálogo político con la intención de continuar sus estrechas relaciones comerciales. El país se mantiene como centro financiero líder basado en la gestión de patrimonio transfronterizo a pesar de la incertidumbre acerca de un futuro acuerdo con la UE.



Switzerland remains as the most innovative economy in the world for the 10th consecutive year (WIPO Global Innovation Index 2021). The country stands out for knowledge and technology outputs, creative outputs, and its efficient, ecological and sustainable infrastructure.

Suiza se mantiene como la economía más innovadora del mundo por décimo año consecutivo (WIPO Índice de Innovación Global 2021). El país destaca por los productos de conocimiento y tecnología, los productos creativos y su infraestructura eficiente, ecológica y sostenible.

Global Innovation Index 2021 - Switzerland (Source: World Intellectual Property Organization)



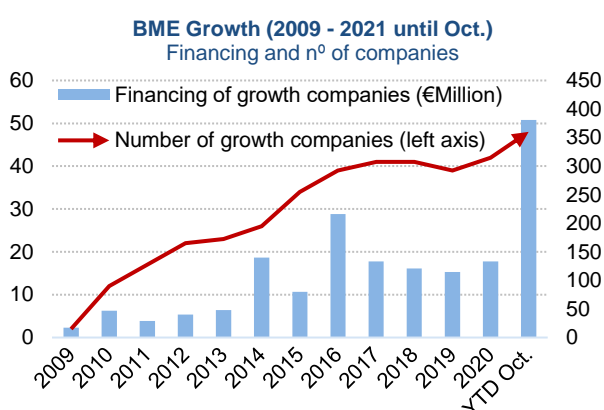
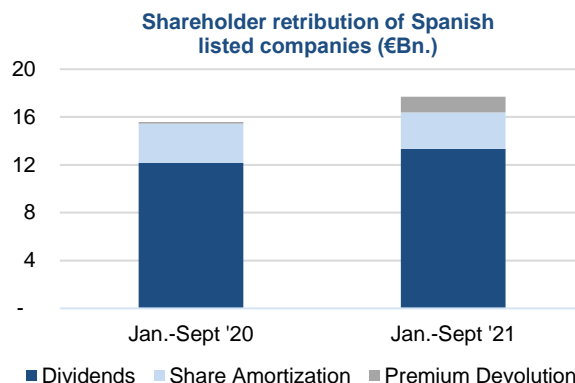
The SNB goes in line with ECBs projections regarding the temporality of inflation. Moreover, the SNB considers Swiss franc is still overvalued, which gives the CB room to intervene in the foreign exchange market and increase its balance sheet if necessary.

El BNS va en línea con las proyecciones del BCE con respecto a la temporalidad de la inflación. Además, el BNS considera que el franco suizo sigue estando sobrevalorado, factor que le otorga margen para intervenir en el mercado de divisas y aumentar su balance si fuese necesario.

SPANISH SECURITIES MARKETS

Spanish listed companies raise 10% its dividend distribution in '21 until Sept., partially thanks to the re-introduction of dividend policies by the banking system. Shareholder retribution has been also boosted by issue premiums refunds and buybacks that have been announced by mayor banks and other big companies.

Las cotizadas españolas aumentan un 10% sus dividendos en '21 hasta sept., en parte gracias a la reintroducción de las políticas de dividendos del sector bancario. La retribución a los accionistas también se ha visto impulsada por reembolsos de primas de emisión y recompras que han sido anunciadas por los principales bancos y otras grandes empresas.



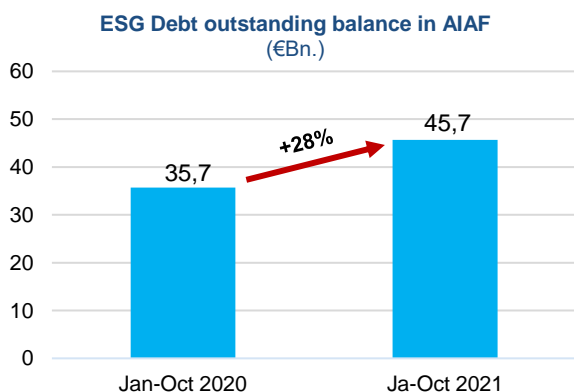
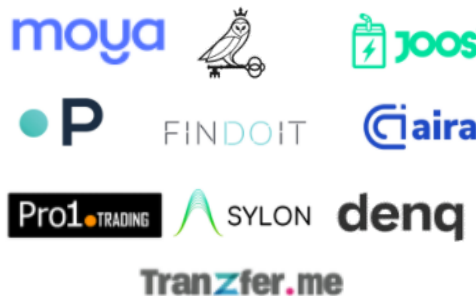
BME Growth continue its expansion with the admission of the REIT Silicius Real Estate, being the 13th company incorporated so far in 2021. Moreover, Canaan, Iboardings and Telice join in the BME's Pre-Market Environment programme aimed at helping SME growth companies learn how to enter to the capital markets.

BME Growth continúa su expansión con la admisión del Intercity Futbol Club, siendo la 13a empresa incorporada en lo que va de 2021. Además, Canaan, Iboardings y Telice se unen al programa Entorno Pre-Mercado de BME destinado a ayudar a las start-ups maduras a aprender a entrar en los mercados de capitales.

F10, the global innovation ecosystem with SIX Group as its founding sponsor has surpassed expectations with its first Incubation program in Barcelona and Acceleration in Madrid. In November, F10 will kick off its 2nd incubation program, with a batch of international and national fintech startups.

F10, el ecosistema de innovación global con SIX Group como patrocinador fundador, ha superado las expectativas con su primer programa de Incubación en Barcelona y de Aceleración en Madrid. En noviembre, F10 pondrá en marcha su 2º programa de incubación, con startups fintechs internacionales y nacionales.

F10 Spain Incubation Batch II Selected startups



BME incorporates the first issuance of green bonds from the Spanish Treasury for \$5.000 millions, 12x overdemanded. The outstanding balance of green bonds listed in AIAF, the regulated fixed income market of BME, surpasses €45.000 millions, +28% YoY until October.

BME incorpora a negociación la primera emisión de bonos verdes del Tesoro Público de España por €5.000 millones con una demanda 12 veces superior al volumen emitido. El volumen de emisiones en circulación de bonos verdes admitidos en AIAF, el mercado regulado de Renta Fija de BME, supera los €45.000 millones, un +28% interanual hasta octubre.

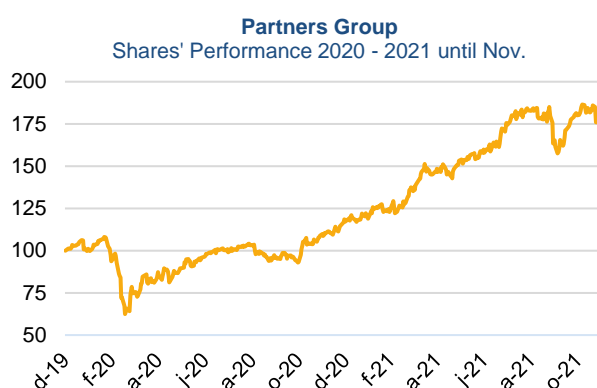
SWISS SECURITIES MARKETS

SIX Group launches Sparks, a new equity market segment for Swiss growth SMEs aimed to support the backbone of the economy. It makes available for companies the unique benefits of public capital markets. In addition, SIX is about to launch an IPO training program for Sparks candidates.

El Grupo SIX pone en marcha Sparks, un nuevo segmento de mercado para acciones de PYMEs en expansión, para apoyar esta pieza clave de la economía. Con ello, pone a disposición de estas compañías los beneficios de los mercados públicos de capitales. También se lanzará un programa de formación en OPVs para las empresas candidatas.

SPARKS - New Swiss Market for SMEs

- Efficient access to investors & growth capital, increased visibility & liquidity.
- Lower requirements than for issuers on the main market but robust enough to admit high-quality SMEs.
- SMEs with a market capitalisation of up to CHF 500M at the time of their listing.
- Continuous trading from 3.00 p.m. until 5.20 p.m.

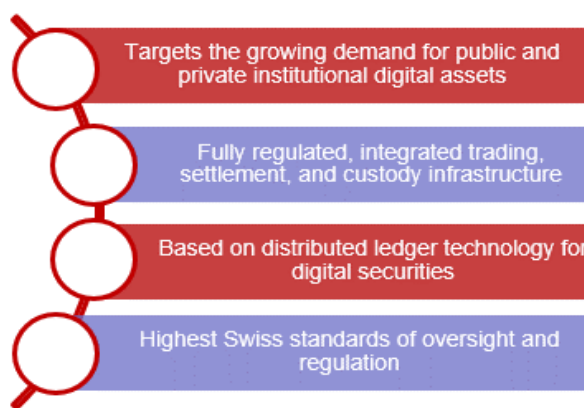


Through the Swiss equity market, investors have access to one of the biggest private equity firms in the world and one of the top five in Europe. Partners Group manage more than \$119 billion in assets and its shares have advanced more than 50% in 2021 to reach a market cap of CHF41.3 billion in late Nov.

A través del mercado de valores suizo, los inversores tienen acceso a una de las firmas de capital privado más grandes del mundo y de Europa. Partners Group gestiona más de \$119.000 mill. en activos y sus acciones han avanzado más del 50% en 2021 para alcanzar una capitalización de CHF41.300 mill. a finales de nov.

SIX Digital Exchange (SDX) has received the Swiss regulatory authority go-ahead to operate a fully regulated stock exchange and a central securities depository for digital assets in Switzerland. The world's first digital bond in a regulated market has been listed, issued by SIX Group for an amount of CHF150M and maturity in 2026.

SIX Digital Exchange (SDX) ha recibido formalmente el visto bueno de la autoridad reguladora para operar en Suiza una Bolsa y un depósito central de valores para activos digitales totalmente regulado. Se ha admitido el primer bono digital del mundo en un entorno regulado, emitido por el Grupo SIX por importe de CHF150 mill. y vencimiento en 2026.



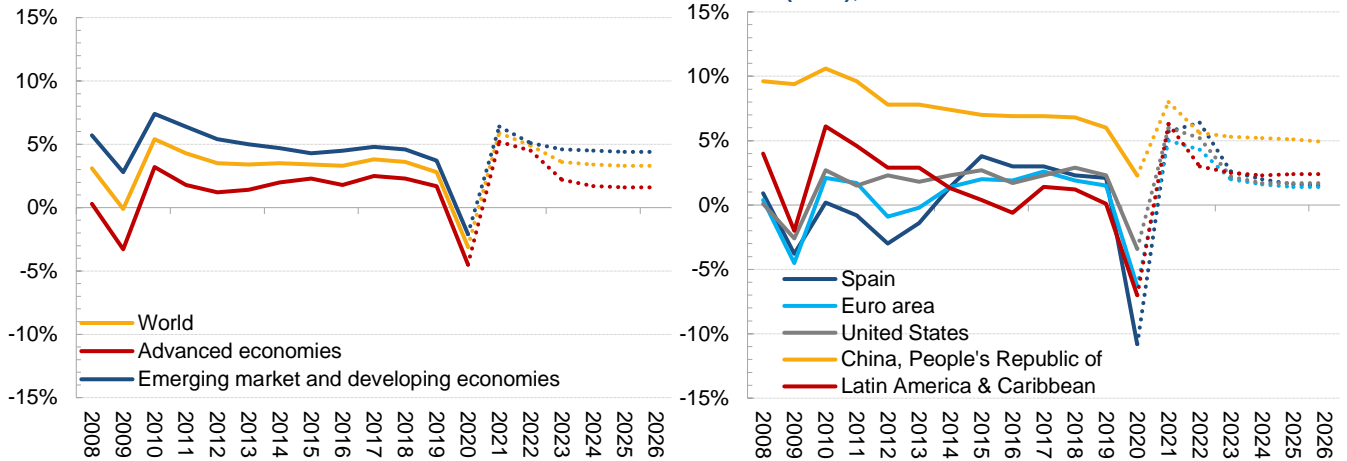
SDX Crypto Indices	SDX Crypto Market Index 10
<ul style="list-style-type: none"> Measure the performance of currently two large and known crypto assets. SDX BTC & SDX ETH. Volatility price is reduced through volume weighted median price. SDX Bi-Cap Index: A combined market-cap weighted index of the above. 	<ul style="list-style-type: none"> Measure the performance of the largest and most liquid crypto assets. Includes multiple crypto assets & tokens weighted by market cap.

SIX expands its offering of cryptocurrency indices with the SDX Bi-Cap family, which encompasses the SDX BTC (Bitcoin) and SDX ETH (Ether) indices. Additionally, the Crypto Market Index 10 has been reconverted into the new SIX Crypto Market Index 10, which includes SIX average rates for major cryptocurrencies.

SIX expande su oferta de índices de criptomonedas con la familia SDX Bi-Cap, que incluye los índices SDX BTC (Bitcoin) y SDX ETH (Ethereum). Asimismo, el índice Crypto Market Index 10 se ha reconvertido en el nuevo SIX Crypto Market Index 10, que incorpora un promedio de las principales criptomonedas.

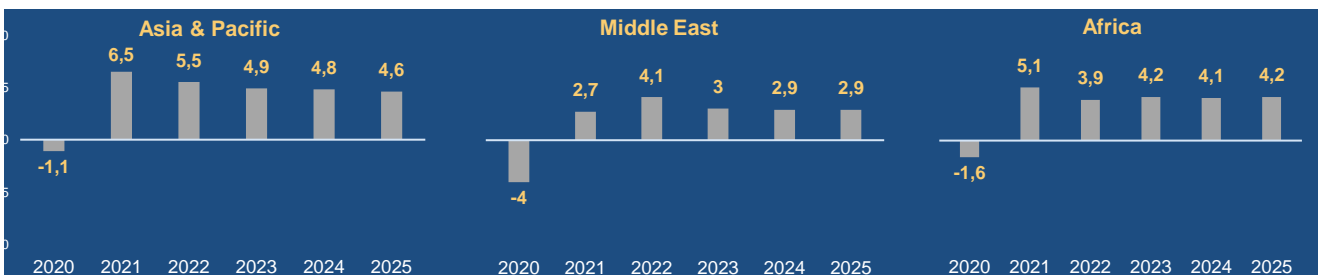
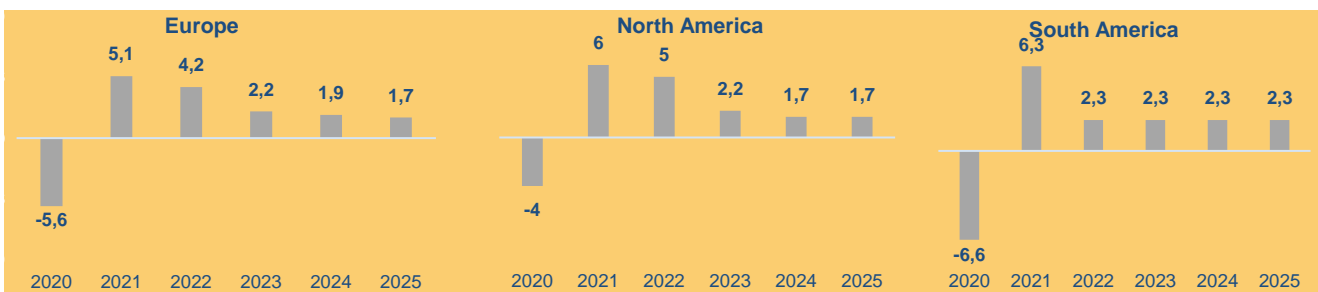
The global economic recovery continues thanks to a greater pandemic control, an improvement in investor, business, and consumer confidence, as well as the active role of monetary and fiscal policy. Nevertheless, uncertainty rises at the end of the year due to new waves of Covid-19, inflation spikes and disruptions in production chains.

Real Gross Domestic Product (GDP), annual rates



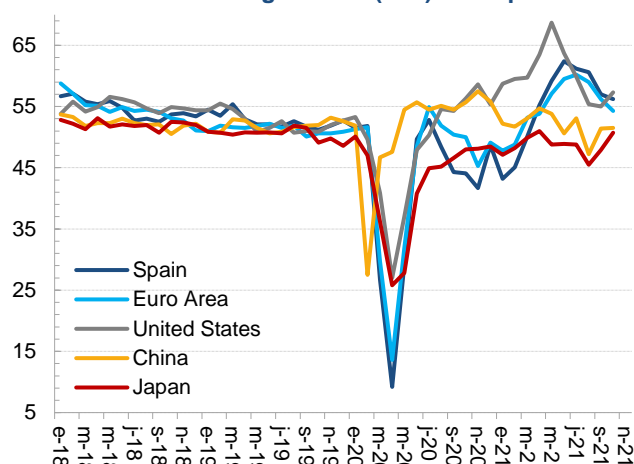
Main indicators - GDP YoY %

	2018	2019	2020	2021*	2022*	2023*	2024*	2025*	2026*
World Output	3,6	2,8	-3,1	5,9	4,9	3,6	3,4	3,3	3,3
Advanced economies	2,3	1,7	-4,5	5,2	4,5	2,2	1,7	1,6	1,6
United States	2,9	2,3	-3,4	6	5,2	2,2	1,7	1,7	1,7
Euro Area	1,9	1,5	-6,3	5,0	4,3	2	1,6	1,4	1,4
Germany	1,1	1,1	-4,6	3,1	4,6	1,6	1,4	1,1	1,1
France	1,8	1,8	-8	6,3	3,9	1,8	1,5	1,4	1,4
Italy	0,9	0,3	-8,9	5,8	4,2	1,6	1	1	1
Spain	2,3	2,1	-10,8	5,7	6,4	2,6	2	1,6	1,5
Japan	0,6	0	-4,6	2,4	3,2	1,4	0,8	0,6	0,5
United Kingdom	1,3	1,4	-9,8	6,8	5	1,9	1,6	1,5	1,5
Switzerland	2,9	1,2	-2,5	3,7	3	1,4	1,8	1,2	1,8
Canada	2,4	1,9	-5,3	5,7	4,9	2,6	1,5	1,4	1,5
Emerging Economies	4,6	3,7	-2,1	6,4	5,1	4,6	4,5	4,4	4,4
China	6,8	6,0	2,3	8,0	5,6	5,3	5,2	5,1	4,9
India	6,5	4,0	-7,3	9,5	8,5	6,6	6,3	6,2	6,1
Russia	2,8	2,0	-3,0	4,7	2,9	2,0	1,8	1,7	1,6
Latin America & Caribbean	1,2	0,1	-7,0	6,3	3,0	2,5	2,3	2,4	2,4
Brazil	1,8	1,4	-4,1	5,2	1,5	2,0	2,1	2,1	2,1
Mexico	2,2	-0,2	-8,3	6,2	4,0	2,2	2,0	2,0	2,0

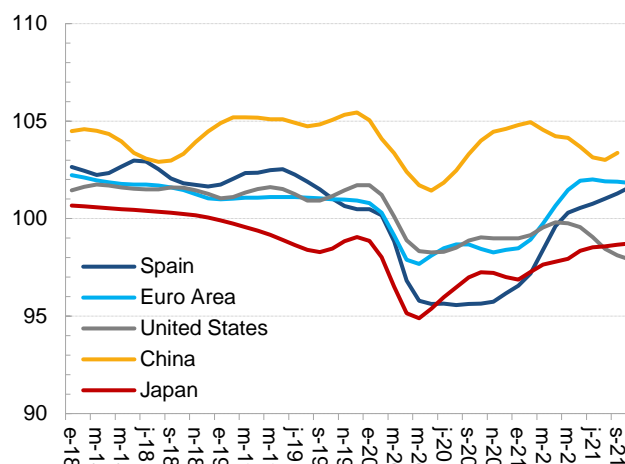


Activity remains at high expansionary rates although private sector in Europe & the US slightly slowdowns due to shortages of inputs and high energy prices. In the eurozone, services activity grows at a faster rate than manufacturing production for the first time since the pandemic started.

Purchase Manager Index (PMI) - Composite



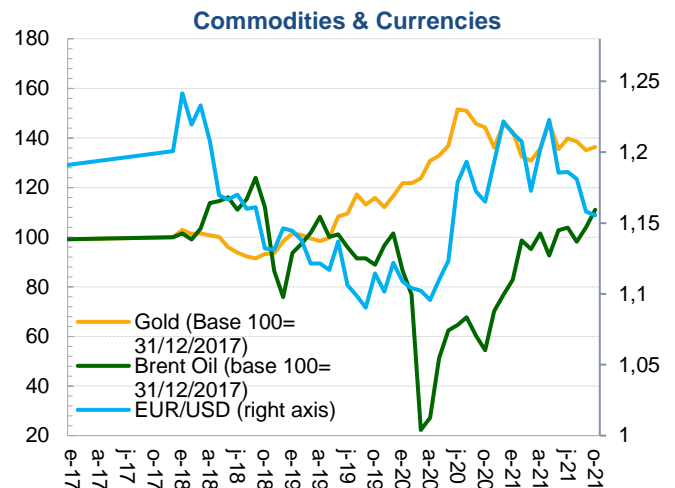
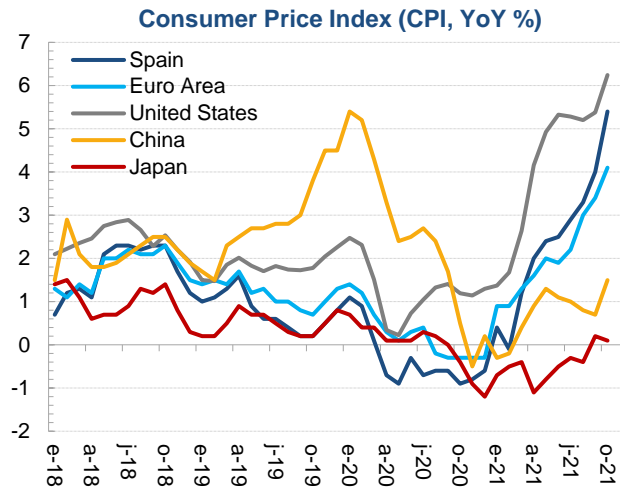
Consumer Confidence Index - OECD



Main indicators - Data for the year is the average of monthly figures

	2018	2019	2020	06/21	07/21	08/21	09/21	10/21
Purchase Manager Index (PMI)								
Advanced economies								
United States	54,98	52,48	48,76	63,70	59,90	55,40	55,00	57,30
Euro Area	54,58	51,30	44,02	59,50	60,20	59,00	56,20	54,30
Germany	54,78	51,11	46,39	60,10	62,40	60,60	55,50	52,00
France	54,97	51,15	43,49	57,40	56,60	55,90	55,30	54,70
Italy	52,83	50,08	41,75	58,30	58,60	59,10	56,60	54,20
Spain	54,58	52,69	41,51	62,40	61,20	60,60	57,00	56,20
Japan	52,05	50,48	42,42	48,90	48,80	45,50	47,90	50,70
United Kingdom	53,26	50,18	46,43	62,20	59,20	54,80	54,90	57,80
Switzerland (manuf, Credit Suisse)	61,48	49,11	48,78	66,70	71,10	67,70	68,10	65,40
Canada (IVEY)	60,38	53,95	50,17	71,90	56,40	66,00	70,40	59,30
Emerging Economies								
China	52,28	51,79	51,42	50,60	53,10	47,20	51,40	51,50
India	52,28	52,22	44,28	43,10	49,20	55,40	55,30	58,70
Russia	53,79	52,26	45,98	55,00	51,70	48,20	50,50	49,50
Brazil	50,22	51,38	46,15	54,60	55,20	54,60	54,70	53,40
Mexico (manufacturing)	51,33	49,67	42,69	48,80	49,60	47,10	48,60	49,30
Consumer Confidence Index								
Advanced economies								
United States	101,55	101,30	99,27	99,56	99,06	98,45	98,12	97,90
Euro Area	101,71	101,04	98,73	101,95	102,00	101,91	101,89	101,82
Germany	101,94	101,27	99,60	101,15	101,27	101,27	101,36	101,43
France	99,66	99,81	98,62	101,22	101,18	101,04	101,06	100,93
Italy	101,53	100,70	99,45	103,03	103,18	103,09	103,01	103,04
Spain	102,33	101,77	96,84	100,54	100,76	101,02	101,28	101,62
Japan	100,40	99,03	96,64	98,35	98,52	98,58	98,66	98,72
United Kingdom	100,67	99,88	98,01	103,06	103,03	102,44	101,30	99,97
Switzerland	100,70	99,94	97,56	100,06	100,97	101,66	101,96	102,01
Canada (refinitiv)	55,08	53,88	45,01	51,49	55,70	55,01	52,98	55,37
Emerging Economies								
China	103,83	105,08	103,22	103,69	103,14	103,01	103,37	--
India (RBI)	95,50	94,60	65,00	--	104,00	--	107,00	107,00
Russia	100,29	99,59	97,19	98,76	99,01	98,89	98,48	98,15
Brazil	100,11	100,53	98,50	98,76	99,01	98,89	98,48	98,15
Mexico	99,91	104,45	98,00	103,52	103,54	103,26	103,15	--

Intense inflationary outbreaks in advanced economies mainly driven by energy and commodities. Uncertainty in future price behaviours. The IMF highlights that CBs will need to walk a fine line between tackling inflation and financial risks and supporting the recovery whilst expects inflation to return to pre-pandemic levels in the mid-term.



Main indicators		2018	2019	2020	06/21	07/21	08/21	09/21	10/21
Inflation (IMF, YoY)									
Advanced economies									
United States		1,92	2,26	1,30	5,33	5,28	5,20	5,38	6,24
Euro Area		1,50	1,30	-0,30	1,90	2,20	3,00	3,40	4,10
Germany		1,70	1,50	-0,70	2,10	3,10	3,40	4,10	4,60
France		1,90	1,60	0,00	1,90	1,50	2,40	2,70	3,20
Italy		1,20	0,50	-0,30	1,30	1,00	2,50	2,90	3,20
Spain		1,20	0,80	-0,60	2,50	2,90	3,30	4,00	5,40
Japan		0,30	0,80	-1,20	-0,50	-0,30	-0,40	0,20	0,10
United Kingdom		2,10	1,30	0,60	2,50	2,00	3,20	3,10	4,20
Switzerland		0,80	-0,10	-1,00	0,50	0,50	0,80	0,80	1,30
Canada (IVEY)		1,90	2,20	0,70	3,00	3,60	3,90	4,40	4,50
Emerging Economies									
China		1,90	4,50	0,20	1,10	1,00	0,80	0,70	1,50
India		2,11	7,10	4,64	6,30	5,63	5,34	4,39	4,52
Russia		4,16	3,05	4,89	6,59	6,55	6,76	7,47	8,21
Brazil		3,43	4,48	5,45	9,22	9,85	10,42	10,78	11,08
Mexico (manufacturing)		5,00	2,71	3,17	5,92	5,85	5,64	6,05	6,29
Commodities - Month-end data (Thompson Reuters)									
CRB Index		175,96	196,64	178,29	226,78	231,77	231,88	243,32	252,65
Bloomberg Commodity Index		159,72	172,00	166,63	201,87	205,58	204,97	215,17	220,73
Energy & Transportation									
Brent Oil		50,57	67,77	51,22	76,94	77,72	73,45	77,81	83,10
West Texas Oil		45,13	61,08	48,28	73,62	73,93	68,61	75,18	83,57
Natural Gas		2,94	2,19	2,54	3,65	3,91	4,38	5,87	5,43
Baltic Dry Index (Transp.)		1271	1090	1366	3383	3292	4132	5167	3519
Metals									
Gold		1281,34	1520,50	1897,77	1765,43	1823,24	1806,30	1760,95	1776,81
Silver		15,51	17,92	26,38	25,99	25,57	23,90	22,07	23,93
Cooper		2,63	2,80	3,52	4,29	4,47	4,37	4,09	4,36
Currencies (units per EUR) - Month-end data (Thompson Reuters)									
USD (United States)		1,146	1,122	1,222	1,186	1,186	1,181	1,158	1,156
GBP (United Kingdom)		0,898	0,847	0,895	0,858	0,853	0,858	0,860	0,844
CHF (Switzerland)		1,127	1,087	1,082	1,096	1,075	1,081	1,081	1,057
JPY (Japan)		125,42	121,99	126,33	131,62	130,14	129,68	129,31	131,96
CNY (China)		7,849	7,819	8,002	7,663	7,656	7,630	7,489	7,406
BRL (Brazil)		4,431	4,516	6,355	5,951	6,103	6,043	6,315	6,523
MXN (Mexico)		22,51	21,20	24,38	23,61	23,55	23,66	23,81	23,77

Source: IMF, Thompson Reuters.

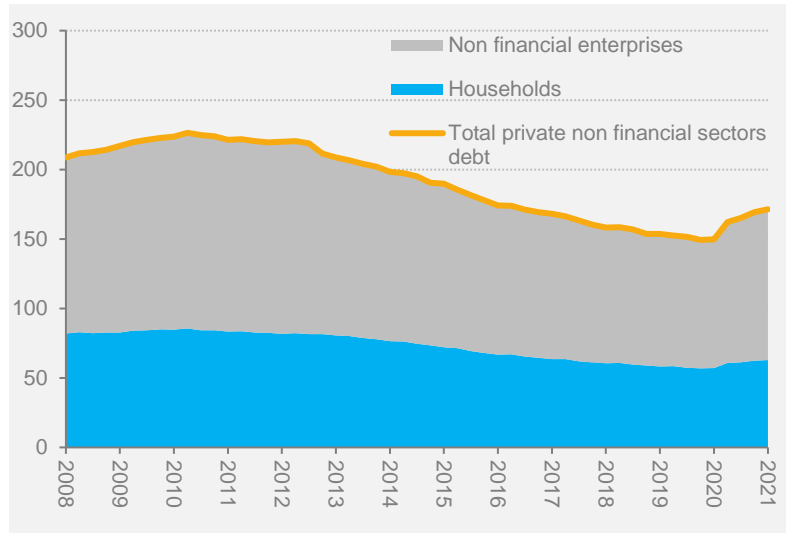
The Spanish Treasury carries out its first green-bond issuance with a 20-Y maturity, through which raised €5bn at a lower yield than 20-Y conventional bonds thanks to the strong oversubscription. The average cost of debt continues decreasing while new issued debt costs fall into negative territory.

Main public debt figures, Bank of Spain & Treasury

Debt to GDP 2020 119,9%	Debt to GDP 2021 117,9% estimate
Surplus/Deficit 2020 -11,0%	Surplus/Deficit 2021 -7,6% estimate
Avg. Cost of Debt 2020 1,86%	Avg. Cost of Debt 2021 1,661% (until October)
Cost of debt issued 2020 0,2%	Cost of debt issued 2021 -0,021% (until October)
Avg. Maturity Debt 2020 7,75 years	Avg. Maturity Debt 2021 8,10 years (until October)

Ratings Public Debt	2021 - Est. Net financing
Fitch: A- / estable	Short Term €9,39bn
Moody's: Baa1 / estable	Med.&Long T. €70,61bn
S&P: A / negativa	Total €80bn

Deleverage process of private sectors (2008-2021). Debt in % of GDP

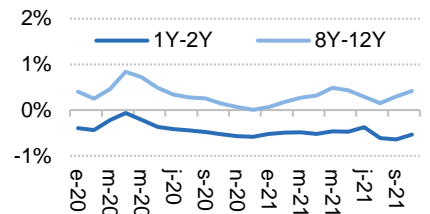


Public Debt Issuances

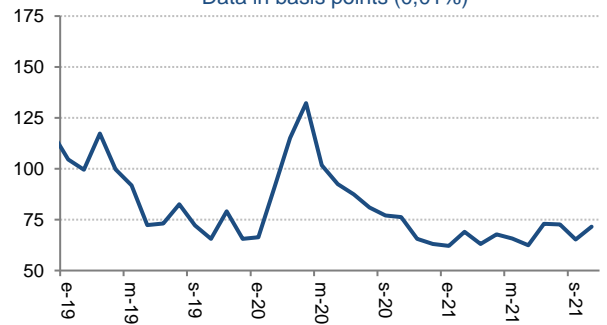
30/09/2021	3M	6M	9M	12M	2Y
Treasury bills. IRR (%)	-0,580	-0,611	-0,570	-0,578	-0,496
	3Y	5Y	10Y	15Y	30Y
Bonds & Obligations. IRR (%)	-0,473	-0,289	0,461	0,913	1,346

Volume (M€)	Amortizations	Auctions	Net financing
January	28.027	31.138	3.111
February	7.961	26.831	18.870
March	7.374	29.124	21.750
April	33.570	26.122	-7.448
May	11.450	23.423	11.972
June	8.946	28.010	19.064
July	30.681	19.726	-10.954
August	8.060	12.594	4.534
September	7.300	22.463	15.163
October	27.228	17.366	- 9.862
November			
December			
TOTAL	170.597	236.797	66.200

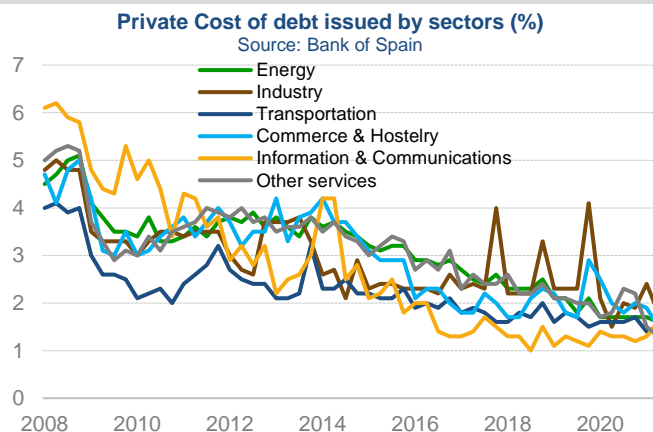
BME Public Debt Market Indices



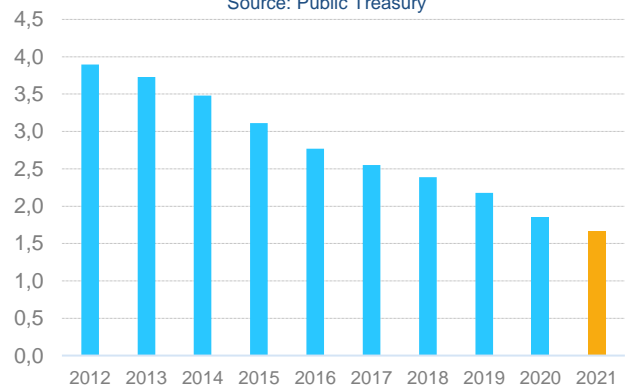
Spanish risk premium (2019 - 2021)
Data in basis points (0,01%)



Cost of debt evolution



Average cost of outstanding public debt
Source: Public Treasury

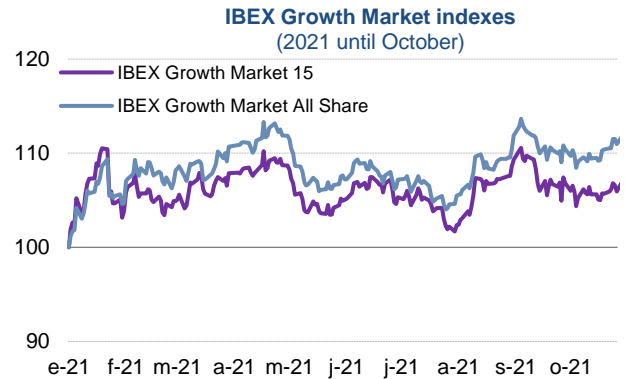
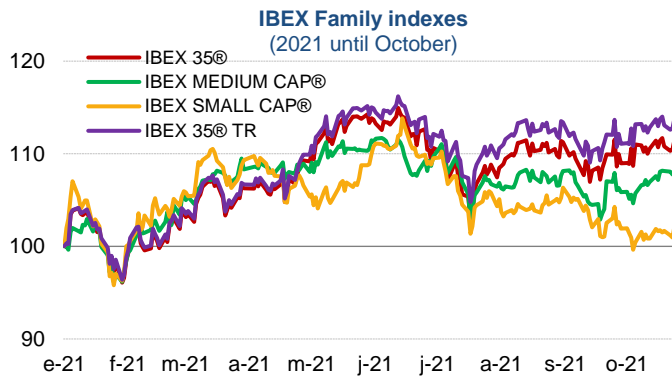


Capital increases through the Spanish Stock Market reach €19,3Bn. in the first 9 months of the year, 50% more than the same period last year. In terms of valuation metrics, IBEX 35® presents in October an attractive combination of lower volatility with dividend yield at 2,8% and a PE ratio at 16,4x.

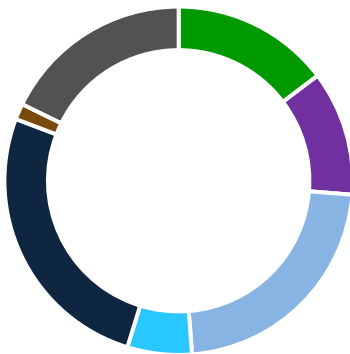
Macro Trends

Appendix Spanish Equity Market

SPANISH EQUITY MARKET



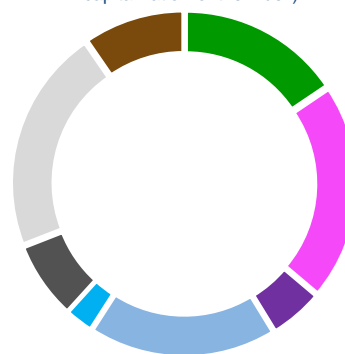
IBEX 35® Sector Composition
(% calculated on market capitalization of the index)



*End-October '21 figures

- Consumer Goods (14,69%)
- Basic Materials, Industry & Building (11,59%)
- Oil & Energy (22,5%)
- Consumer Services (5,98%)
- Financial Services (26,01%)
- Real estate Services (1,48%)
- Technology and Telecommunications (17,75%)

BME Growth Sector Composition (ex REITs)
(% calculated on market capitalization of the index)



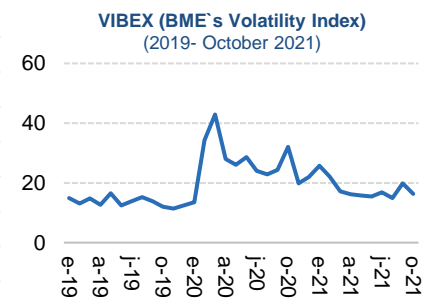
*End-October '21 figures

- Pharma & Biotech products (15,6%)
- Electronics & Software (20,6%)
- Engineering & others (5,1%)
- Renewable Energy (17,8%)
- Media & Publicity (2,7%)
- Telecommunications & Others (7,3%)
- Other services (21,3%)
- Others (9,58%)

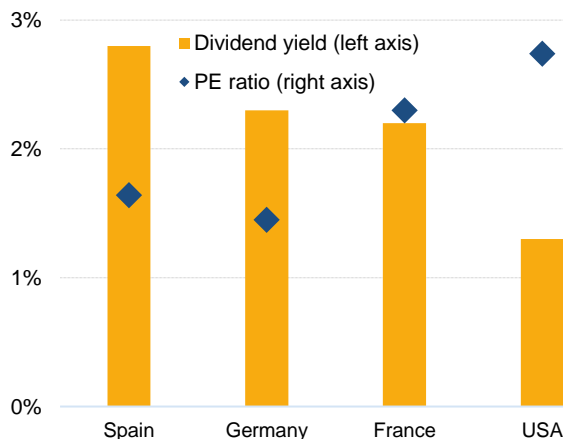
Spanish equity market	2019	2020	4Q '20	1Q '21	2Q '21	3Q '21
Turnover (M€)	469.635	429.359	106.865	93.711	96.004	79.886
Nº Trades (M)	37,19	55,65	14,46	13,48	10,62	10,14
Capital increases (M€)	13.369	15.791	3.146	6.419	8.559	4.302
Dividends distributed (M€)	30.544	18.523	6.370	3.633	3.919	5.791
IBEX 35® Dividend Yield (%) ¹	4,23	4,17	4,17	3,26	2,84	2,80
VIBEX Volatility Index (%) ²	13,70	25,52	22,47	19,49	16,08	16,04
BME Growth, Nº companies	116	119	119	118	120	126

¹Morgan Stanley Capital International. End date of the period

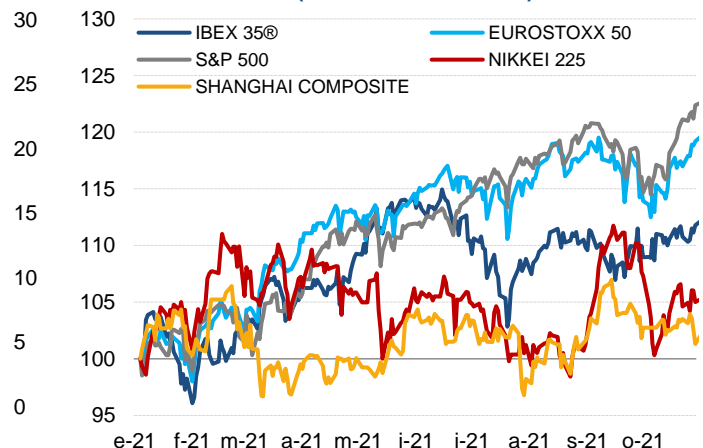
²Average of the period (year or quarter)



Dividend Yield & PE ratio, October 2021
Source: Morgan Stanley Capital International



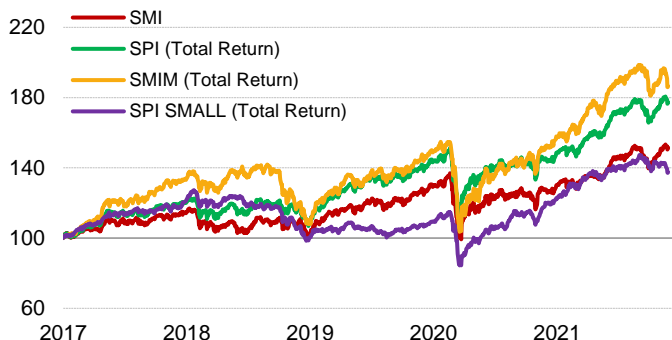
International Stock indexes
(Base 100 = 31/12/2020)



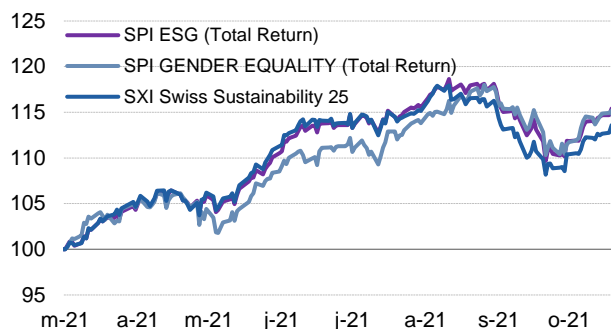
Amid declining volatility, the SMI index registers price increases in October, recovering from September slides and nearing again to all-time highs registered in August. Moreover, the new SPI ESG TR index has also rebound and rises 23% since its inception in February 2021.

SWISS EQUITY MARKET

SMI and SPI indexes

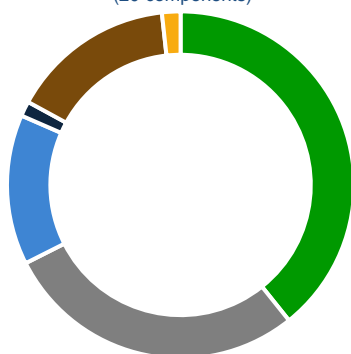


SIX ESG indexes



SMI Sector Composition

(% calculated on market capitalization of the main traded index of the Swiss market (20 components))

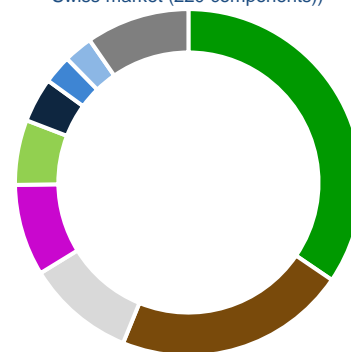


*End-October '21 figures

- Health Care (39,66%)
- Consumer Goods (27,87%)
- Basic Materials, Industry & Building (13,64%)
- Consumer Services (1,4%)
- Financial Institutions (15,72%)
- Technology and Telecommunications (1,70%)

SPI Sector Composition

(% calculated on market capitalization of the broad performance index of the Swiss market (220 components))



*End-October '21 figures

- Health Care (34,50%)
- Food & Beverage (21,65%)
- Industrial Goods & Services (10,10%)
- Financial Institutions (8,53%)
- Construction & Materials (6,06%)
- Personal & Household Goods (4,15%)
- Chemicals (2,67%)
- Technology & Telecommunications (2,69%)
- Others (9,65%)

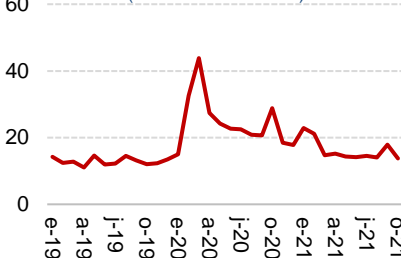
Swiss equity market	2019	2020	4Q '20	1Q '21	2Q '21	3Q '21
Turnover (BnCHF) ¹	1.175	1.468	324	310	260	232
N° Trades (M) ¹	62,090	96,503	21,464	18,292	13,800	13,462
IPOs (n°)	7	2	--	--	2	1
SMI Dividend Yield (%) ²	3,03	2,84	2,84	2,84	2,50	2,50
VSMI Volatility Index (%) ³	12,89	24,57	21,34	21,70	19,56	14,55
ETF Turnover (BnCHF)	125	112	25	23	42,61	15,84
Struct. Prod. Turnover (BnCHF)	5	10	2,01	99,55	28,73	4,28

¹Equities incl. Funds + ETPs

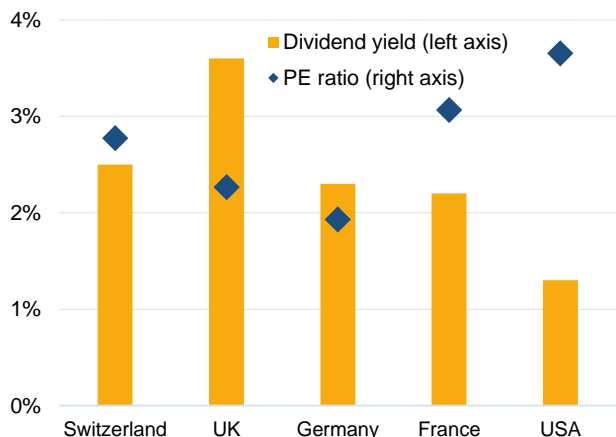
²Source: Morgan Stanley Capital International. End date of the period.

³Average of the period (year or quarter)

VSMI (Swiss Market's Volatility Index)
(2019- October 2021)



Dividend Yield & PE ratio, October 2021
Source: Morgan Stanley Capital International



International Stock indexes
(Base 100 = 31/12/2020)

