BME
BOLSAS Y MERCADOS ESPAÑOLES
a SIX company

Macro Trends
Affecting Spanish and Swiss Securities Markets

Q3 2022

Extraordinary uncertainty regarding growth and inflation rates for 2023

The world economy is expected to reduce growth in the 2nd half '22 and in '23 after a better-than-expected performance in 1st half of this year. Growth projections are cut due to much higher-than-anticipated inflation and impact of tighter financial conditions on consumption and investment.

Main central banks show unambiguous determination to bring inflation under control. Meanwhile the economy slows down and equity and bond markets fall.

The Fed carries out three consecutive 75b.p. interest rate hikes in March, July and September and is expected to reach the range of 4,25%-4,50% by year end. In Europe, the ECB raises its key rates for the first time in 11 years by 50 b.p. (July) and 75 b.p. (September) and approves its new "anti-fragmentation" instrument. The SNB hikes rates by 75b.p. to the +0,5% level.

Spain will grow around 4% in ’22 and more than 2% in '23, the highest rates among main advanced economies despite projection cuts. Growth accelerated in Q2 thanks to a strong private consumption and a record touristic summer season, but activity is expected to slow down in the next few quarters amid persistent inflation dynamics.

Also affected by projection cuts, the Swiss economy will grow 2% in '22 and 1,1% in '23. The Swiss Franc registers new record highs against the Euro and inflation expectations keep significantly lower than main economic areas.

Although Latin America growth forecasts for '22 improve to 3% due to rising commodity prices, the estimated 2% for '23 is meager affected by strength of the dollar and interest rate rises.

Eleven new listings until August in BME Growth plus one more (Opdenergy) in the main market. Dividend yield reaches 4% due to strong recovery in total payments until August (+30,6%).

IPO activity in the Swiss Exchange accelerated in Q3, increasing to 8 the total number of IPOs so far this year. Of these IPOs, four are Chinese companies that listed their GDR through the China-Switzerland Stock Connect, a new Cross-listing framework that is helping Europe register more Chinese listings than the US for the first time ever.

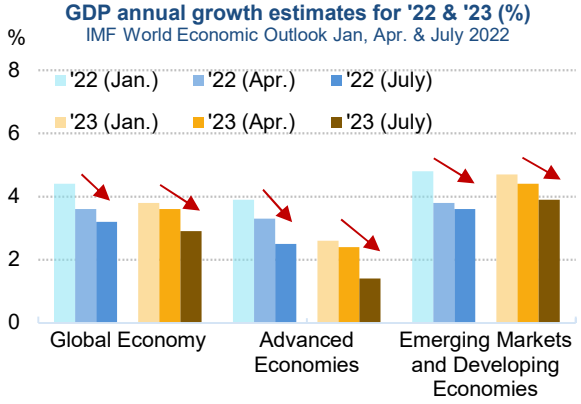
MARKET RESEARCH DPT.

GLOBAL ECONOMY

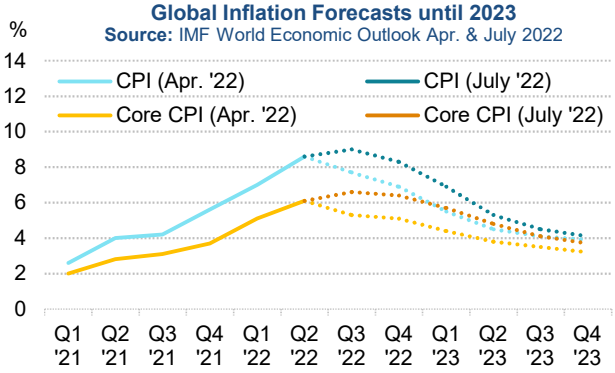
The World economy slows down. The IMF (WEO July 2022) cuts projections made in April for growth in '22 (-0,4p.p. to 3,8%) and '23 (-0,7p.p. to 3,9%) due to higher-than-expected inflation, tighter financial conditions, and a more severe slowdown in China.

La economía mundial se frena. El FMI (WEO julio '22) rebaja las proyecciones hechas en abril para '22 (-0,4p.p. hasta el 3,8%) y '23 (-0,7p.p. hasta el 3,9%) debido a una mayor inflación, unas condiciones financieras más restrictivas y una mayor ralentización de China.

GDP annual growth estimates for '22 & '23 (%)
IMF World Economic Outlook Jan, Apr. & July 2022



Global Inflation Forecasts until 2023
Source: IMF World Economic Outlook Apr. & July 2022



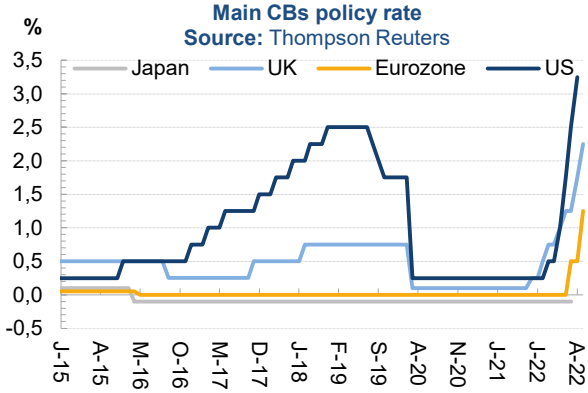
Global inflation continues to beat expectations and projections for '22 have been revised up, specially in advanced economies (IMF WEO July '22) due to higher food and energy prices and supply constraints. However, July inflation data in the US and China provided some hope that the surge in inflation might be slowing.

La inflación global continúa batiendo expectativas y las previsiones para '22 han sido revisadas al alza, especialmente en las economías avanzadas, ante unos mayores precios de los alimentos y de la energía y las disrupciones de subministro. Sin embargo, los datos de inflación de julio de EE.UU y China muestran que la escalada de la inflación podría estar desacelerándose.

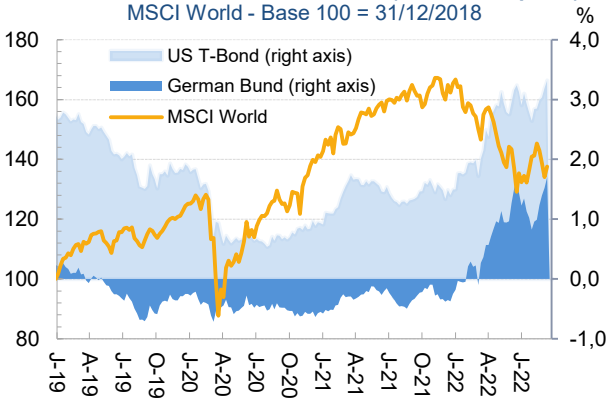
Main CBs accelerate interest rates hikes to reverse inflation. The Fed carries out its third consecutive 75b.p. interest rate rise to the range of 3,0%-3,25% while Fed Chair points out that they are going to continue with its rate hikes. Currently, the market consensus expects the Fed Funds rate to be at 4,25%-4,50% at the end of the year.

Los BCs aceleran las subidas de tipos para combatir la inflación. La Fed lleva a cabo su 3a subida consecutiva de 75p.b., hasta el rango del 3,0%-3,25%, mientras que señala que continuarán con la subida de tipos. El consenso de mercado espera que los tipos se sitúen en el 4,25%-4,50% a finales de año.

Main CBs policy rate
Source: Thompson Reuters



Global stocks & Main Bonds Yields (until mid Sept.'22)
MSCI World - Base 100 = 31/12/2018



Source: Thomson Reuters

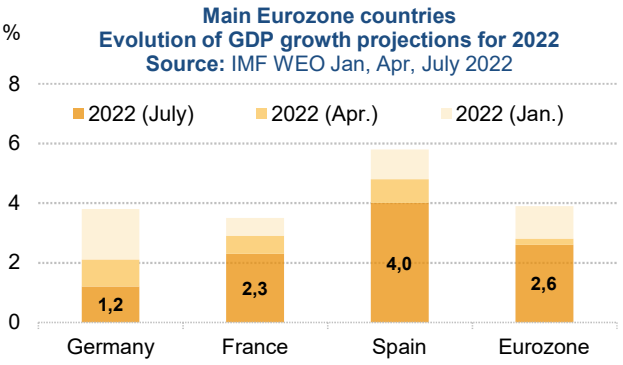
Global stocks advance in July around 13% since their lows in mid-June, amid better-than-expected earnings, to later fall again due to main central bank's speeches. Similar performance follow the global bond prices.

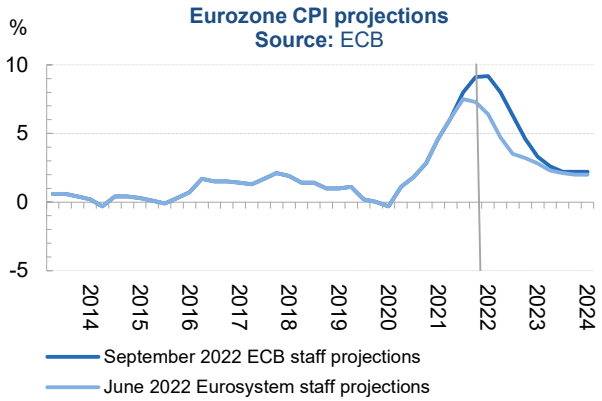
La renta variable global avanza un 13% en julio desde sus mínimos de mediados de junio, gracias a unos resultados empresariales mejor de lo esperado. Posteriormente vuelve a caer de nuevo tras los mensajes de los bancos centrales. Los precios en los mercados de bonos globales siguen un comportamiento similar.

EUROPEAN ECONOMY

Despite euro area growth in Q2 that beats expectations boosted by a surge in tourism, forecasts for '22 & '23 are revised down to 2,6% (-0,2 p.p. from April) & 1,2% (-1,1 p.p.) respectively while risks to economic activity derived from the war in Ukraine remain high (IMF WEO July 2022).

A pesar de que el crecimiento de la eurozona bate expectativas en el 2T impulsado por el turismo, las previsiones para '22 & '23 son revisadas a la baja hasta el 2,6% (-0,2 p.p. desde abril) y 1,2% (-1,1 p.p.), mientras que el riesgo económico derivado de la guerra en Ucrania se mantiene elevado (FMI WEO julio 2022).





Eurozone inflation registered its highest level on record in August although prices are expected to start declining in Q4 '22 mainly owing to downward base effects in the energy component. ECB forecasts inflation will decline from an average of 8,1% in '22 to 5,5% in '23 & 2,3% in '24 with projections attached to high uncertainty.

La inflación en la eurozona registró sus niveles más altos en agosto, aunque se espera que los precios empiecen a descender en el 4T debido, principalmente, a los efectos de base a la baja del componente energético. El BCE estima que la inflación descenderá desde una media de 8,1% en '22 a un 5,5% en '23 y un 2,3% en '24, con las proyecciones sujetas a una alta incertidumbre.

The ECB takes action to tackle inflation. First, raises key rates for the first time in 11 years and approves the Transmission Protection Instrument (TPI) aimed at countering a surge in borrowing costs among countries. Then, in Sept. meeting raises rates again and moves the main rate to 1.25%.

El BCE toma medidas para hacer frente a la inflación. Primero, eleva los tipos clave por primera vez en 11 años y aprueba el Instrumento de Protección de Transmisión (TPI) destinado a contrarrestar un aumento en los gastos de endeudamiento entre países. Luego, en septiembre la reunión vuelve a subir las tasas, lleva la tasa principal al 1,25%.

ECB - July and September ordinary monetary policy meetings

Key interest rates decisions:

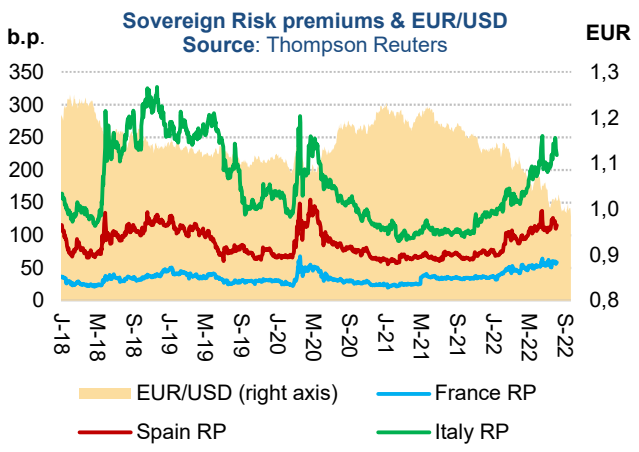
+50b.p. +75b.p.
Main Refinancing Rate

+50b.p. +75b.p. Lending Facility

+50b.p.+75b.p. Deposit Facility

TPI Programme approval:

- Activated if needed to lower Counrty Risk Premiums.
- The size of the purchases will depend on the severity of the



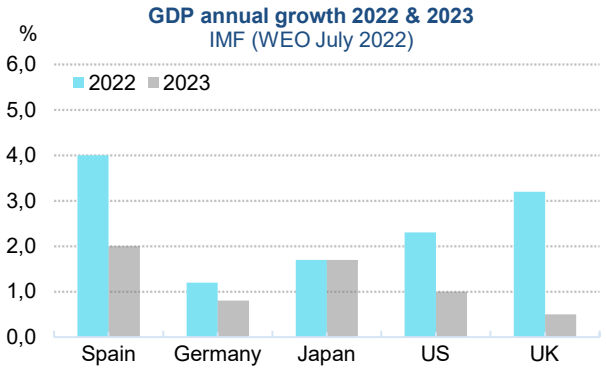
The euro reaches parity against the US dollar for the first time in 20 years and already loses 10,5% YTD amid fears of a recession and a less-aggressive monetary policy by the ECB. Government bond yields in the region stabilize while risk premiums loose as the ECB announces new TPI programme.

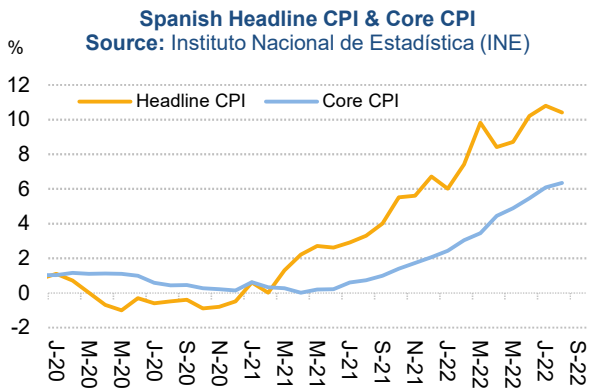
El euro alcanza la paridad contra el dólar estadounidense por primera vez en 20 años y ya pierde un 10,5% YTD ante los miedos a una recesión y una política monetaria menos agresiva por el BCE. Las rentabilidades de los bonos gubernamentales se estabilizan y las primas de riesgo se reducen ayudadas por el anuncio del nuevo programa TIP del BCE.

SPANISH ECONOMY

Spain is expected to grow close to 4% in '22 and 2% in '23, the highest rates among main advanced economies despite projection cuts. Forecasts are affected by a lower private consumption and a lower private investment derived from high inflation, monetary policy tightening and war in Ukraine.

Se espera que España crezca alrededor de un 4% en '22 y 2% en '23, las tasas más elevadas entre las principales economías avanzadas a pesar de los recortes en las previsiones. Las proyecciones se ven afectadas por una menor inversión y un menor consumo esperado ante la elevada inflación, el alza de tipos y la guerra en Ucrania.





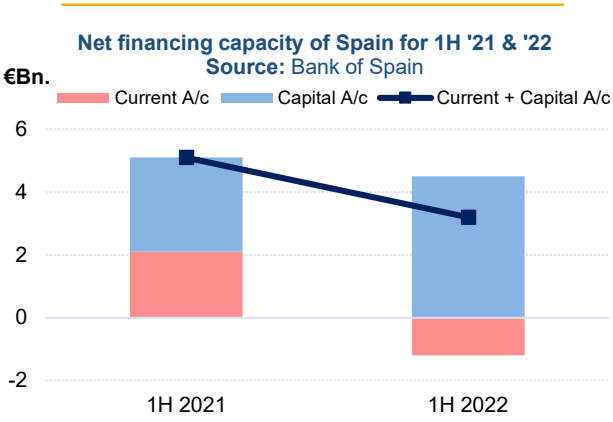
Spanish CPI reaches new 38-year highs registering a 10,5% YoY advance in August. End of '22 projection points close to 8% and end of '23 close to 4% (consensus) or even lower to 2,3% (Bank of Spain), but all of them subject to great uncertainty.

La inflación en España registra nuevos máximos de los últimos 38 años, registrando un avance del 10,5% YoY en agosto. La estimación para finales del '22 apunta cerca del 8% y para el '23 cerca del 4% (consenso) o incluso más bajas, en el 2,3% (Banco de España), pero en todos los casos sujetas a una gran incertidumbre.

Spanish economic growth accelerates in Q2 more than expected (+1,1% QoQ) thanks to a strong private consumption and a solid recovery of the tourism sector. The number of international arrivals increased x3 in the first half of the year compared to 2021, recovering 80% of total visitors received in 2019 before the Pandemic.

El crecimiento económico de España se acelera en el 2T más de lo esperado (+1,1% QoQ) gracias a un fuerte consumo privado y a una sólida recuperación del turismo. El número de viajeros internacionales incrementó un x3 en la primera mitad del año comparado con 2021, recuperando el 80% del total de visitantes recibidos en 2019 antes de la Pandemia.





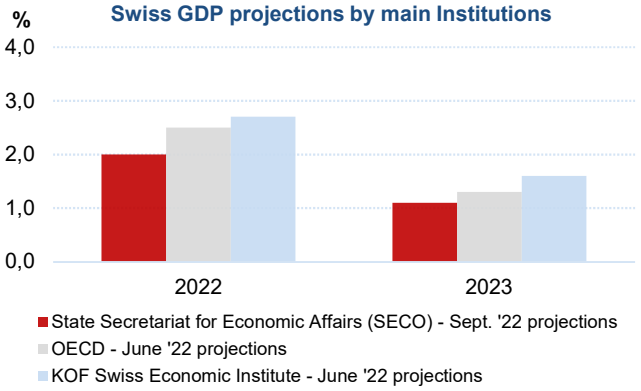
Spain net financial flows against rest of the world in 1H2022 remains in surplus despite complex context. The improvement in the balance of goods (record exports) and services (tourism) and the income linked to the NGEU program have more than offset the increase in the energy deficit, which has been close to €16 billion.

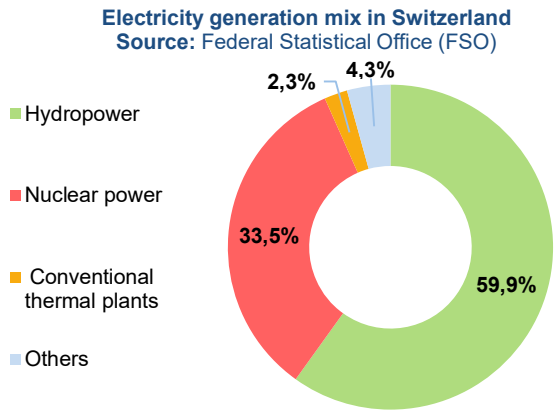
Los flujos financieros netos de España frente al resto del mundo en el 1S '22 se mantienen en superávit a pesar del contexto complejo. La mejora de la balanza de bienes (récord de exportaciones) y servicios (turismo) y las entradas ligadas al programa NGEU han compensado con creces el incremento del déficit energético que ha sido cerca de €16.000 millones.

SWISS ECONOMY

Swiss economy will grow 2,0% in '22 and 1,1% in '23 supported by domestic consumption. Global slowdown leads to projection cuts for '22 & '23 as a tense energy situation and sharp price increases weight on economic prospects (SECO September '22).

La economía suiza crecerá un 2,0% en '22 y un 1,1% en '23 apoyada en el consumo doméstico. La desaceleración global provoca el recorte de las previsiones para '22 y '23 ante una tensa situación energética y unos incrementos de los precios que impactan en las proyecciones (SECO sept. '22).



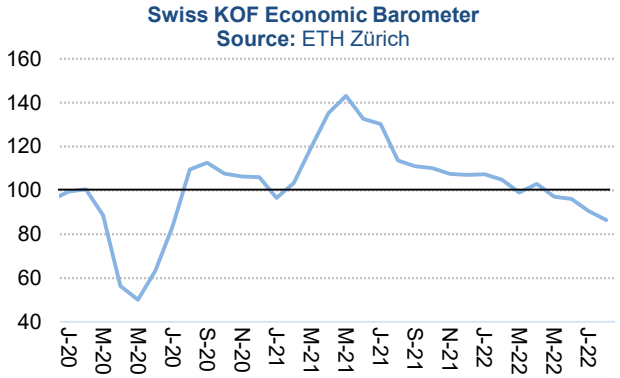


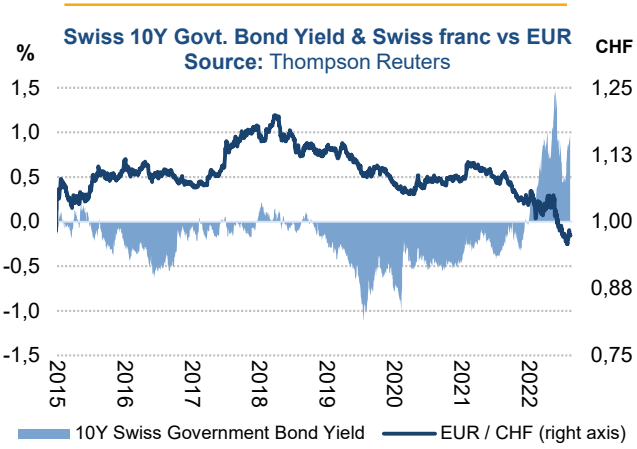
Inflation in Switzerland remains moderate (+3,3% in August) when compared to other countries thanks in part to the high proportion of hydropower and nuclear energy in its production mix. Despite the upward revision in projections, overall prices are forecasted to be at around 1,4% in 2023 (SECO June '22).

La inflación en Suiza se mantiene moderada (+3,3% en agosto) comparada con otros países, gracias, en parte, al alto porcentaje de energía hidroeléctrica y nuclear en sus fuentes de producción. A pesar de la revisión al alza de las previsiones, se estima que los precios se sitúen alrededor del 1,4% en '23 (SECO Junio '22).

The leading Swiss KOF economic barometer indicator remains below the 100-point level in July as manufacturing activity decline and services slowdown their recovery. Nevertheless, the labour market is expected to continue improving with the unemployment rate registering multi-decades lows at around 2%.

El barómetro económico adelantado KOF se mantiene por debajo del nivel de 100 puntos en julio ante una actividad manufacturera que retrocede y un sector servicios que desacelera su recuperación. Sin embargo, el mercado laboral se espera que continúe recuperándose y que la tasa de desempleo registre mínimos de varias décadas alrededor del 2,0%.





The CHF continues to appreciate and registers new record highs against the EUR amid geopolitical and economic uncertainty in Europe. The SNB hikes rates by 75b.p. at 0,5% and brings borrowing costs over 0% for the 1st time in 8 years.

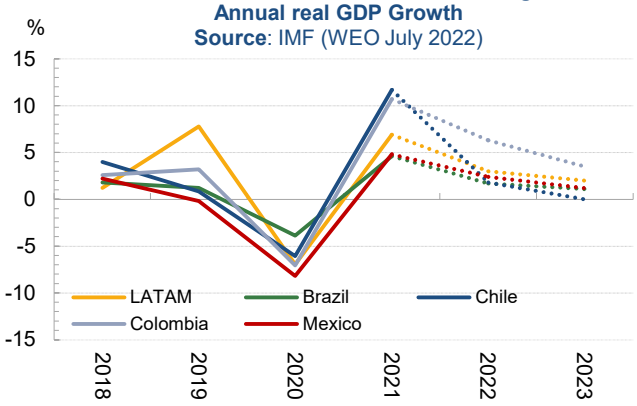
El Franco suizo continúa apreciándose y registra nuevos récords contra el euro ante un escenario de incertidumbre económica y geopolítica en Europa. El SNB sube tipos en 75p.b. hasta 0,5% y sitúa por 1a vez en 8 años los costes de financiación por encima del 0%.

LATIN AMERICAN ECONOMY

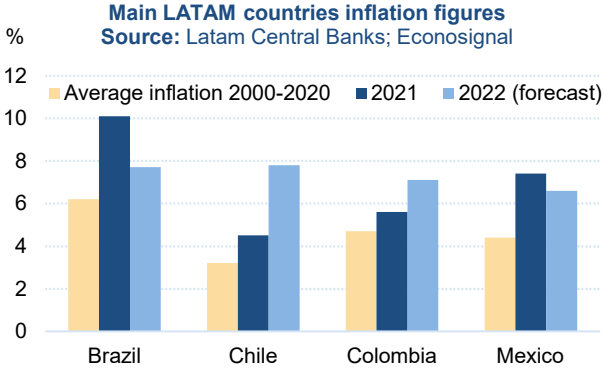
Growth forecasts for '22 for Latin America and the Caribbean improve to 3% (+0.5 p.p) due to rising commodity prices (IMF WEO July 2022). However, this growth and forecast for '23 (+2%) are meager in historical terms for a developing region.

Las previsiones de crecimiento para '22 de Latinoamérica y Caribe mejoran hasta el 3% (+0,5 p.p) gracias a los precios al alza de las materias primas (IMF WEO July 2022). Sin embargo, este crecimiento y el previsto para '23 (+2%) son exiguos en términos históricos para una región en desarrollo.

Latin America & Main countries in the region
Annual real GDP Growth
Source: IMF (WEO July 2022)



Main LATAM countries inflation figures
Source: Latam Central Banks; Econosignal



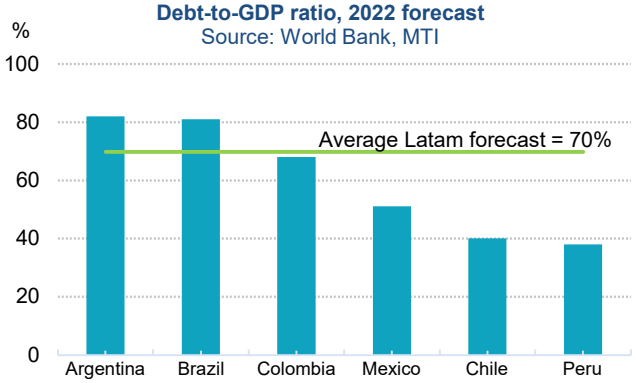
Central banks in the region have accelerated rate hikes to combat the highest inflation rates in the past 25 years. Prices could remain elevated for some time due to compounding shocks, such as growing wage pressures or existing indexation mechanisms, and challenging global supply chain conditions.

Los bancos centrales de la región han acelerado las subidas de tipos para combatir las mayores tasas de inflación de los últimos 25 años. Los precios podrían permanecer elevados debido a efectos de segunda ronda, como las crecientes presiones salariales o la existencia de algunos mecanismos de indexación, y a nuevas disrupciones en las cadenas de suministro.

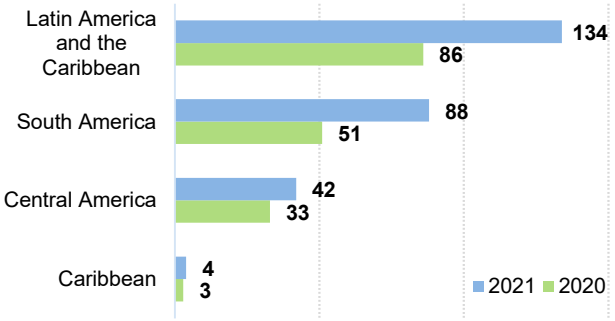
The strength of the dollar and the increase in financial costs worsen financial conditions in LatAm. Although public debt levels increased during the pandemic to the highest levels since 1990, it is generally below than those registered in developed regions.

La fortaleza del dólar y el incremento de los costes financieros empeoran las condiciones financieras en LatAm. A pesar de que la deuda pública aumentó durante la pandemia hasta los mayores niveles desde 1990, se sitúa, en general, por debajo de los registrados en las regiones desarrolladas.

Debt-to-GDP ratio, 2022 forecast
Source: World Bank, MTI



FDI flows to Latin America and the Caribbean, 2020-2021
(Billions of dollars)



Source: UNCTAD World Investment Report 2022

Foreign direct investment (FDI) in LatAm & Caribbean rebounded from '20, growing by 56% in '21 propelled by a record number of greenfield projects and an increase of cross-border mergers and acquisitions. South America registers the largest increase (+74%) in part due to the commodity business atractiveness.

La Inversión Extranjera Directa (IED) en LatAm y el Caribe se recupera de '20, creciendo un 56% en '21 impulsada por un número récord de proyectos verdes y un incremento de las fusiones y adquisiciones. América del Sur registra el mayor incremento (+74%), en parte gracias al mayor atractivo de los negocios ligados a las materias primas.

SPANISH SECURITIES MARKETS

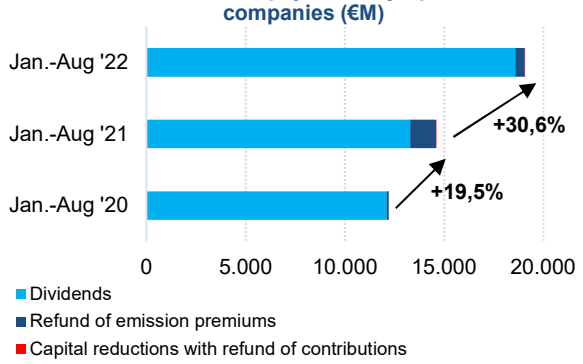
BME Growth, the market for SMEs, achieves to maintain last year's number of new incorporations although global uncertainty is negatively affecting IPO activity worldwide. 7 growth companies and 4 REITs have joined the market, making a total of 11 new incorporations until August.

BME Growth, el mercado para PYMEs en crecimiento, consigue mantener el ritmo de nuevas incorporaciones con respecto al año anterior a pesar de que la incertidumbre esté lastrando la actividad de OPVs a nivel global. De esta forma, con 7 empresas en expansión y 4 SOCIMIs, ya son 11 las nuevas compañías que se han incorporado este año en el mercado hasta agosto.

BME Growth new listings, ex REITs, January - August

Enerside Renewable Energy €203,8M	**Vytrus** Pharma & Biotech €12,2M	**Substrate** Electronics & Software €94,9M
Labiana Pharma & Biotech €36,1M	**Hannun** Consumer Goods €31,6M	**Axon** Invesment Services €101,4M
	Umbrella Renewable Energy €118,6M	

Dividends and other payments by Spanish listed companies (€M)



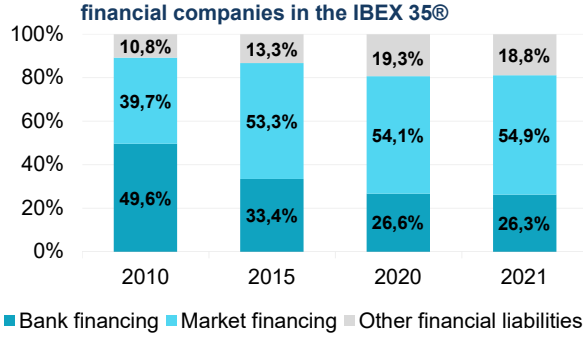
Shareholder retribution of Spanish listed companies increase 30,6% YTD until August to a total of €19,1bn. mainly supported by earnings recovering after the Pandemic. Increasing dividends remains an attractive decision by companies to continue compensating shareholders in a more inflationary and volatile environment.

La retribución de las cotizadas españolas a sus accionistas incrementa un 30,6% hasta agosto, hasta un total de €19.068M gracias a la recuperación de los beneficios tras la Pandemia. El incremento de los dividendos se mantiene como una decisión atractiva por parte de las empresas para continuar retribuyendo a los accionistas en un entorno más inflacionario.

IBEX 35® non-financial companies significantly reduce its dependency on the banking sector over the last decade as the percentage of funds coming from capital markets increase. A more-diversified financing structure makes companies more resilient against future potential shocks in the banking system.

Las compañías no financieras del IBEX 35® reducen su dependencia del sector bancario en la última década con un incremento del porcentaje de financiación procedente de los mercados de capitales. Una estructura financiera más diversificada aumenta la resiliencia de las compañías ante posibles futuros *shocks* en el sistema bancario.

Distribution of financial liabilities of non-financial companies in the IBEX 35®



***Source:** Annual reports of non-financial companies of the IBEX 35®*

fDi x TNW Tech Cities of the Future 2021 - Winners

TOP 25 TECH CITIES OF THE FUTURE 2021 - OVERALL		
1 London	11 Belfast	21 Eindhoven
2 Paris	12 Helsinki	22 Tallinn
3 Dublin	13 Zurich	23 Edinburgh
4 Berlin	14 Moscow	24 Prague
5 Amsterdam	15 Frankfurt am Main	25 Copenhagen
6 **Madrid**	16 Warsaw	
7 **Barcelona**	17 Vilnius	
8 Munich	18 Milan	
9 Stockholm	19 Sofiya	
10 Bucharest	20 Cambridge	

Spain stands out as a European Tech hub with its two main cities, Madrid and Barcelona, among the Top 25 Tech Cities of the Future 2021 ranking. Madrid and Barcelona achieve sixth and seventh places and continue to excel in the Performance and Start-up Environment categories.

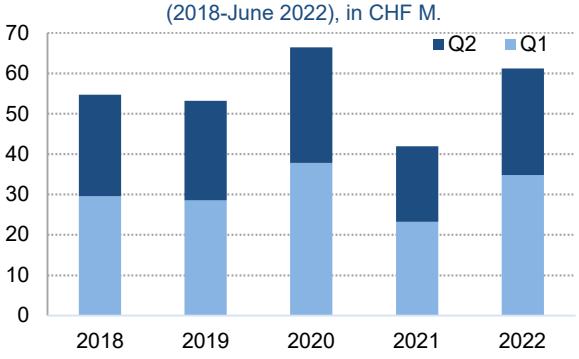
España destaca como *hub* tecnológico europeo, con sus dos grandes ciudades, Madrid y Barcelona, en el ranking *Top 25 Tech Cities of the Future*. Madrid y Barcelona consiguen la 6ª y 7ª posición sobresaliendo en las categorías de Rendimiento y Entorno para las Start-ups.

SWISS SECURITIES MARKETS

SIX Swiss Exchange remains as one of Europe's top 3 ETF venues with the continuation of growth in trade volumes and number of trades and the incorporation of 40 new ETFs in the Q2, most of them related to sustainability. 1st Half '22 turnover registers an YoY increase of 37%.

SIX Swiss Exchange se mantiene como una de las 3 principales bolsas de ETFs en Europa gracias al continuo crecimiento de los volúmenes de negociación y del número de operaciones y a la incorporación de 40 nuevos ETFs en el 2T, muchos de ellos relacionados con la sostenibilidad. El volumen del 1S '22 registra un incremento interanual del 37%.

ETF Q1 & Q2 Turnover evolution
(2018-June 2022), in CHF M.



New GDR (Global Depositary Receipts) segment
China-Switzerland Stock Connect Programme

- New market segment.
- Cross-listing framework between Chinese (Shanghai & Shenzen) and Swiss exchanges.
- Raising capital by issuing GDRs on SIX and Chinese Depository Receipts on the Chinese exchanges.
- Bring China and Switzerland even closer together.
- Opportunities for investors to get direct exposure to Chinese securities in a familiar and secure regulatory environment.

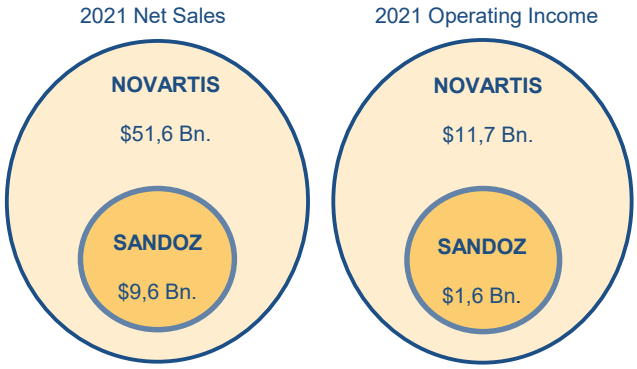
SIX officially launched the Swiss GDR-leg of the China-Switzerland Stock Connect that provides a cross-listing framework between Chinese and Swiss exchanges and gives companies access to investor pools in both markets. Four Chinese companies already issued and listed their first GDRs, raising a total of $1,6bn.

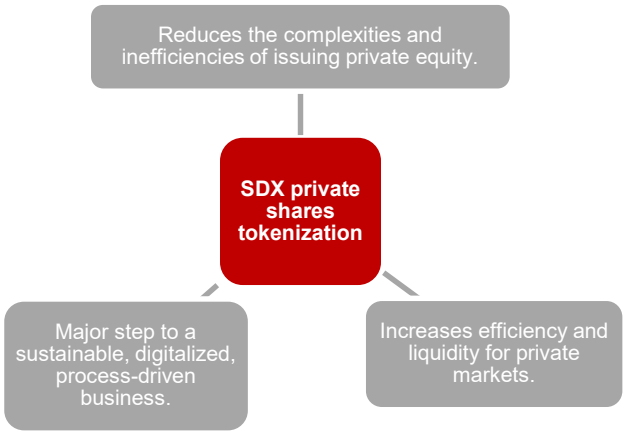
SIX lanza oficialmente la pata suiza del programa "China-Switzerland Stock Connect", que establece un marco de admisión entre las bolsas chinas y suiza y da acceso a las compañías a los inversores en ambos mercados. Cuatro empresas chinas ya han emitido y listado sus GDRs por un volumen total de $1.600 millones.

Novartis (with a Market Cap of CHF174 Bn. end Aug.) announces its intention to spin off 100% of Sandoz business to create an independent company. Sandoz will be listed in the SIX Swiss Exchange, with also ADRs in the US. The company will become the largest European generics company and global leader in biosimilars.

Novartis (con una capitalización de CHF174 mil millones a cierre de agosto) anuncia su intención de escindir el 100% de Sandoz para crear una compañía independiente. Sandoz se admitirá a cotización en la bolsa suiza, además de emitir ADRs en Estados Unidos. Se convertirá en la mayor compañía europea de genéricos y en un lider global en biosimilares.

Novartis Group & Sandoz main figures - FY Results '21

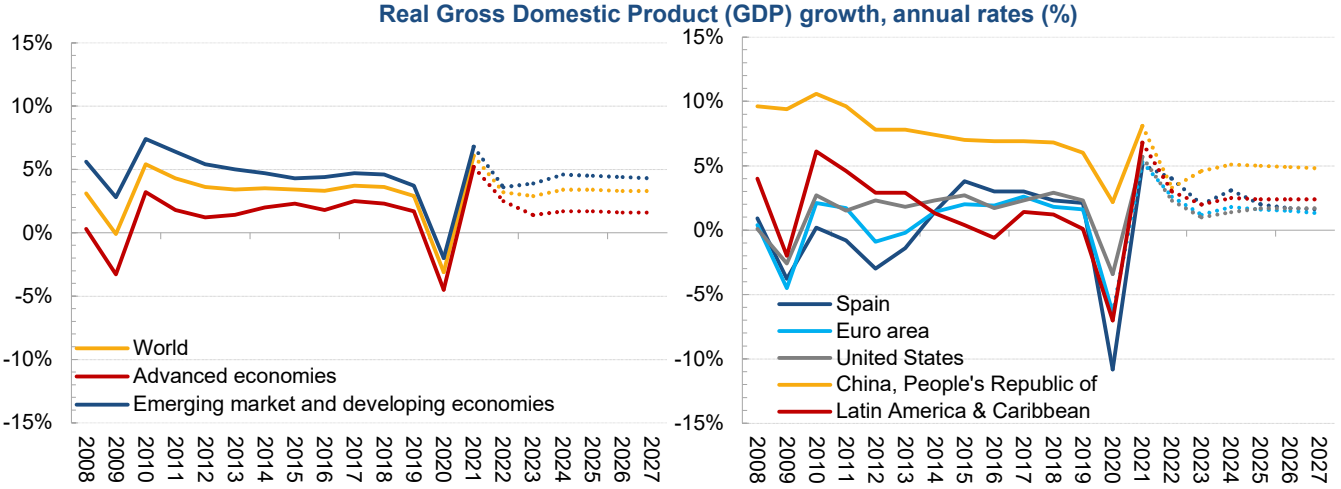




SIX Digital Exchange (SDX) announces the 1st-ever tokenisation of private shares in a fully regulated Central Securities Depositary (CSD) based on Distributed Ledger Technology (DLT) in partnership with F10 and Aequitec. This represents a major step towards enhancing the share registry process for private companies by using blockchain.

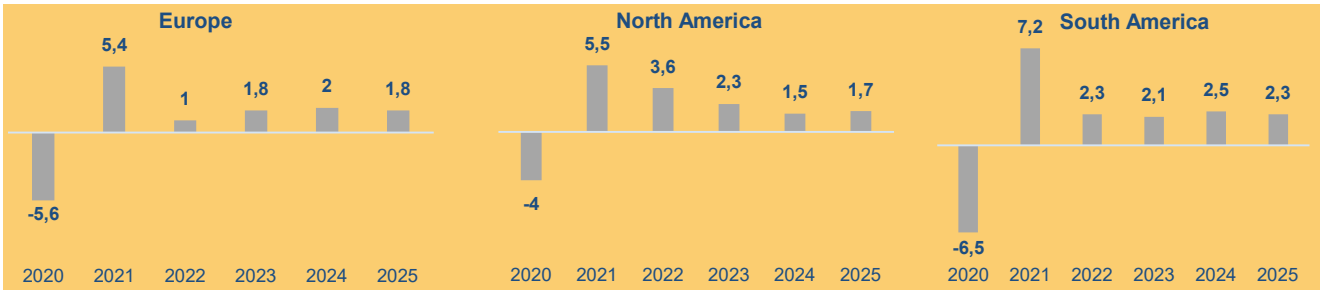
SIX Digital Exchange (SDX) anuncia la primera tokenización de acciones no cotizadas en un Depositario Central totalmente regulado basado en la tecnología DLT en colaboración con F10 y Aequitec. Representa un gran paso hacia la mejora del proceso de registro de acciones para las empresas mediante el uso de la tecnología blockchain.

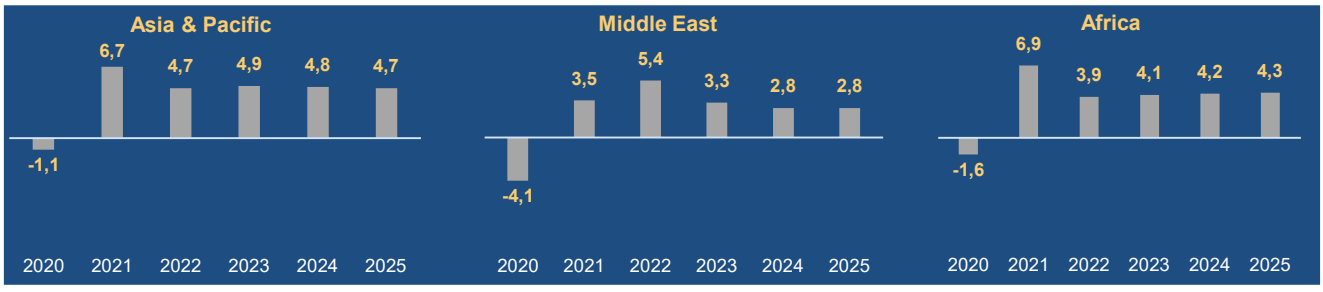
Real Gross Domestic Product (GDP) growth, annual rates (%)



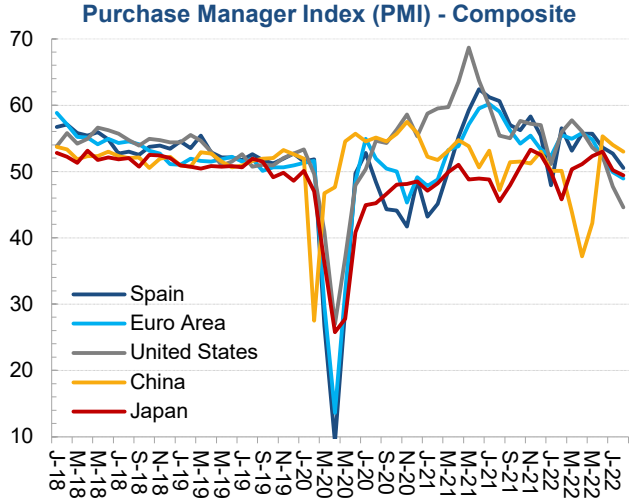
Main indicators - Real GDP growth YoY% *Estimates from IMF WEO July 2022. **Long term estimates from IMF WEO April 2022.

	2019	2020	2021	2022*	2023*	2024**	2025**	2026**	2027**
World Output	**2,9**	**-3,1**	**6,1**	**3,2**	**2,9**	**3,4**	**3,4**	**3,3**	**3,3**
Advanced economies	**1,7**	**-4,5**	**5,2**	**2,5**	**1,4**	**1,7**	**1,7**	**1,6**	**1,6**
United States	2,3	-3,4	5,7	2,3	1,0	1,4	1,7	1,7	1,7
Euro Area	1,6	-6,4	5,3	2,6	1,2	1,8	1,6	1,5	1,3
Germany	1,1	-4,6	2,8	1,2	0,8	1,5	1,4	1,2	1,1
France	1,8	-8,0	7,0	2,3	1,0	1,5	1,4	1,4	1,4
Italy	0,5	-9,0	6,6	3,0	0,7	1,3	1,1	1,0	0,5
Spain	**2,1**	**-10,8**	**5,1**	**4,0**	**2,0**	**3,1**	**2,0**	**1,7**	**1,6**
Japan	-0,2	-4,5	1,6	1,7	1,7	0,8	0,7	0,5	0,4
United Kingdom	1,7	-9,3	7,4	3,2	0,5	1,4	2,2	1,8	1,5
Switzerland	**1,2**	**-2,5**	**3,7**	**2,2**	**1,4**	**1,8**	**1,2**	**1,8**	**1,2**
Canada	1,9	-5,2	4,6	3,4	1,8	1,7	1,7	1,6	1,6
Emerging Economies	**3,7**	**-2,0**	**6,8**	**3,6**	**3,9**	**4,6**	**4,5**	**4,4**	**4,3**
China	6,0	2,2	8,1	3,3	4,6	5,1	5,0	4,9	4,8
India	3,7	-6,6	8,9	7,4	6,1	7,0	7,0	6,5	6,2
Russia	2,2	-2,7	4,7	-6,0	-3,5	1,5	1,0	0,8	0,7
Latin America & Caribbean	0,1	-7,0	6,8	3,0	2,0	2,5	2,4	2,4	2,4
Brazil	1,2	-3,9	4,6	1,7	1,1	2,2	2,0	2,0	2,0
Mexico	-0,2	-8,2	4,8	2,4	1,2	1,8	2,0	2,0	2,0

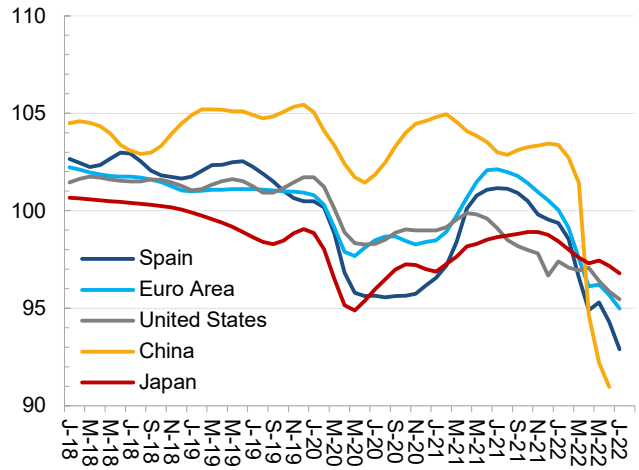




Purchase Manager Index (PMI) - Composite



Consumer Confidence Index - OECD

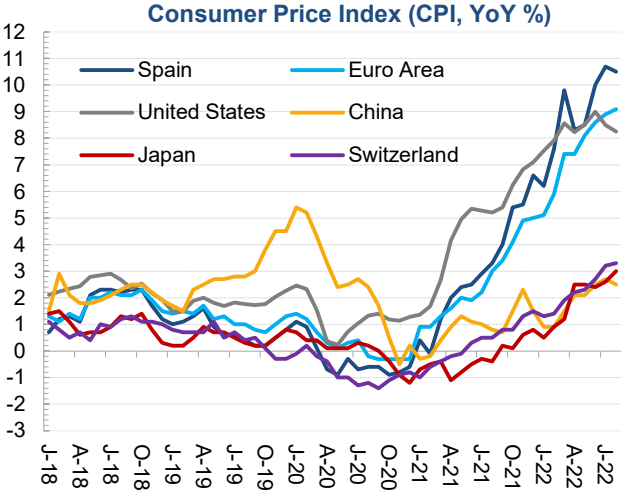


Main indicators - Data for the year is the average of monthly figures

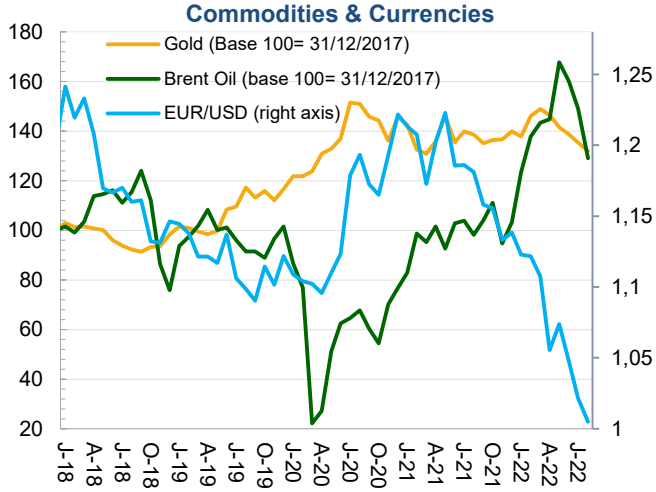
	2019	2020	2021	04/22	05/22	06/22	07/22	08/22
Purchase Manager Index (PMI) - Levels above 50 show expansion and below 50 contraction.								
Advanced economies								
United States	52,48	48,76	59,66	56,00	53,60	52,30	47,70	44,60
Euro Area	51,30	44,02	54,88	55,80	54,80	52,00	49,90	48,90
Germany	51,11	46,39	55,28	54,30	53,70	51,30	48,10	46,90
France	51,15	43,49	53,76	57,60	57,00	52,50	51,70	50,40
Italy	50,08	41,75	54,71	54,50	52,40	51,30	47,70	49,60
Spain	**52,69**	**41,51**	**55,33**	**55,70**	**55,70**	**53,60**	**52,70**	50,50
Japan	50,48	42,42	49,38	51,10	52,30	53,00	50,20	49,40
United Kingdom	50,18	46,43	55,83	58,20	53,10	53,70	52,10	49,60
Switzerland (manuf, Credit Suisse)	49,11	48,78	65,88	62,50	60,00	59,10	58,00	56,40
Canada (IVEY)	53,95	50,17	61,40	66,30	72,00	62,20	49,60	60,90
Emerging Economies								
China	51,79	51,42	51,96	37,20	42,20	55,30	54,00	53,00
India	52,22	44,28	54,16	57,60	58,30	58,20	56,60	58,20
Russia	52,26	45,98	51,93	44,40	48,20	50,40	52,20	50,40
Brazil	51,38	46,15	51,15	58,50	58,00	59,40	55,30	53,20
Mexico (manufacturing)	49,67	42,69	47,62	49,30	50,60	52,20	48,50	48,50
Consumer Confidence Index								
Advanced economies								
United States	101,30	99,27	98,77	97,06	96,39	95,85	95,47	--
Euro Area	101,04	98,73	100,85	96,11	96,22	95,67	94,99	--
Germany	101,27	99,60	100,54	97,76	97,71	97,24	96,62	--
France	99,81	98,62	100,27	96,57	96,75	96,49	96,26	--
Italy	100,70	99,45	102,01	97,64	97,73	97,29	96,69	--
Spain	**101,77**	**96,84**	**99,76**	**94,90**	**95,30**	**94,30**	**92,91**	**--**
Japan	99,03	96,64	98,29	97,29	97,45	97,17	96,78	--
United Kingdom	99,88	98,01	100,91	94,11	93,89	93,57	93,48	--
Switzerland	99,94	97,56	100,09	99,64	98,93	98,63	98,30	98,01
Canada (refinitiv)	53,18	45,25	52,28	49,98	52,23	50,42	50,35	--
Emerging Economies								
China	105,08	103,22	103,72	94,66	92,20	90,97	--	--
India (RBI)	85,70	52,30	63,40	71,70	75,90	75,90	77,30	77,30
Russia	99,59	97,19	97,83	95,91	94,95	--	--	--
Brazil	100,53	98,50	98,31	98,54	98,45	98,63	98,81	--
Mexico	104,45	98,00	102,28	103,10	103,00	--	--	--

Source: IHS Markit; OECD, IVEY, Refinitiv, Credit Suisse, RBI.

Consumer Price Index (CPI, YoY %)



Commodities & Currencies



Main indicators

	2019	2020	2021	04/22	05/22	06/22	07/22	08/22
Inflation (IMF, YoY at end of period)								
Advanced economies								
United States	2,26	1,28	7,10	8,22	8,52	9,00	8,48	8,25
Euro Area	1,30	-0,30	5,00	7,40	8,10	8,60	8,90	9,10
Germany	1,50	-0,70	5,70	7,80	8,70	8,20	8,50	8,80
France	1,60	0,00	3,40	5,40	5,80	6,50	6,80	6,60
Italy	0,50	-0,30	4,20	6,30	7,30	8,50	8,40	9,10
Spain	**0,80**	**-0,60**	**6,60**	**8,30**	**8,50**	**10,00**	**10,70**	**10,50**
Japan	0,80	-1,20	0,80	2,50	2,50	2,40	2,60	3,00
United Kingdom	1,30	0,60	5,40	9,00	9,10	9,40	10,10	9,90
Switzerland	-0,10	-1,00	1,30	2,30	2,70	3,20	3,30	3,30
Canada (IVEY)	2,20	0,70	4,90	6,90	7,60	7,90	7,50	7,00
Emerging Economies								
China	4,50	0,20	1,50	2,10	2,10	2,50	2,70	2,50
India	7,22	4,64	5,42	7,88	7,13	7,09	6,79	7,08
Russia	3,37	4,86	8,63	18,26	17,46	16,29	15,43	14,66
Brazil	4,48	5,45	10,16	12,47	11,90	11,92	10,12	8,83
Mexico (manufacturing)	2,80	3,17	7,54	7,79	7,76	8,09	8,26	8,80
Commodities - Year or Month-end data (Thompson Reuters)								
CRB Index	196,64	178,29	247,02	328,15	337,24	310,57	312,08	311,06
Bloomberg Commodity Index	172,00	166,63	211,80	276,92	281,15	250,85	261,55	261,78
Energy & Transportation								
Brent Oil	67,77	51,22	77,24	108,36	125,53	119,78	111,51	96,55
West Texas Oil	61,08	48,28	75,21	104,69	114,67	107,66	101,37	90,05
Natural Gas	2,19	2,54	3,73	7,24	8,15	5,42	8,23	9,13
Baltic Dry Index (Transp.)	1090	1366	2217	2404	2566	2240	1895	965
Metals								
Gold	1520,50	1897,77	1822,39	1908,49	1845,14	1806,87	1764,24	1719,56
Silver	17,92	26,38	23,27	23,10	21,76	20,48	20,26	18,15
Cooper	2,80	3,52	4,46	4,41	4,30	3,71	3,58	3,52
Currencies (units per EUR) - Year or Month-end data (Thompson Reuters)								
USD (United States)	1,122	1,222	1,138	1,056	1,074	1,048	1,021	1,005
GBP (United Kingdom)	0,847	0,895	0,840	0,840	0,850	0,861	0,838	0,864
CHF (Switzerland)	1,087	1,082	1,036	1,024	1,027	1,001	0,971	0,981
JPY (Japan)	121,99	126,33	130,95	136,68	137,81	142,03	136,28	139,39
CNY (China)	7,819	8,002	7,248	6,949	7,131	6,999	6,870	6,932
BRL (Brazil)	4,516	6,355	6,334	5,224	5,076	5,467	5,300	5,210
MXN (Mexico)	21,20	24,38	23,27	21,53	21,12	21,09	20,76	20,22

Source: IMF, Thompson Reuters.

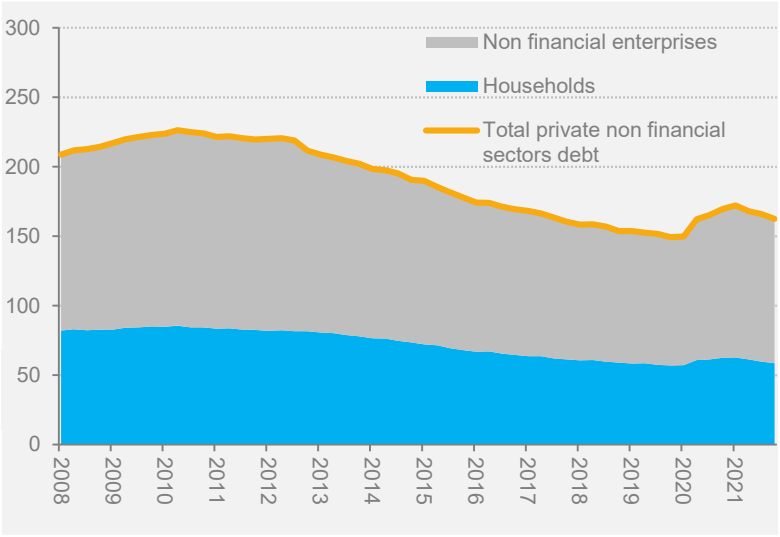
Main public debt figures, Bank of Spain & Treasury

Debt to GDP 2021	Debt to GDP 2022
118,4%	114,9% estimate
Surplus/Deficit 2021	**Surplus/Deficit 2022**
-6,90%	-4,6% estimate
Avg. Cost of Debt 2021	**Avg. Cost of Debt 2022**
1,64%	1,61%
Cost of debt issued 2021	**Cost of debt issued 2022**
-0,04%	0,87%
Avg. Maturity Debt 2021	**Avg. Maturity Debt 2022**
8 years	8 years

Ratings Public Debt
Fitch: A- / estable
Moody's: Baa1 / estable
S&P: A / estable

2022 - Net financing	
Short Term	€-5,00bn
Med.&Long T.	€80,00bn
Total	**€75,00bn**

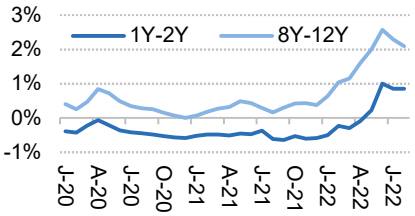
Deleverage process of private sectors (2008-2022). Debt in % of GDP



Public Debt Issuances

31/08/2022	3M	6M	9M	12M	2Y
Treasury bills. IRR (%)	0,245	0,561	0,956	1,135	1,380
	3Y	**5Y**	**10Y**	**15Y**	**30Y**
Bonds & Obligations. IRR (%)	1,619	2,022	2,736	3,036	3,273

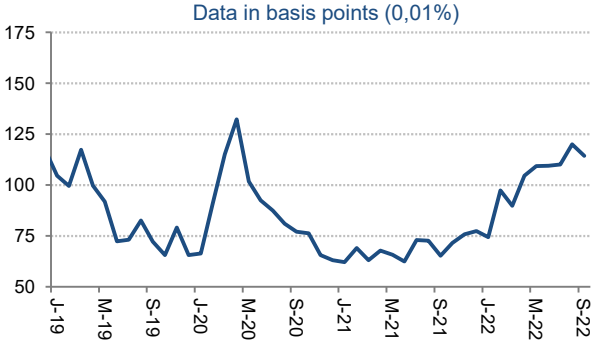
BME Public Debt Market Indices



Volume (M€)	Amortizations	Auctions	Net financing
January	31.301	29.635	-1.666
February	8.142	27.172	19.030
March	8.976	20.536	11.560
April	29.556	18.587	-10.969
May	8.791	17.703	8.912
June	8.172	24.796	16.624
July	7.548	19.089	11.541
August	7.811	13.187	5.376
September			
October			
November			
December			
TOTAL	110.297	170.705	60.408

Spanish risk premium (2019 - 2022)

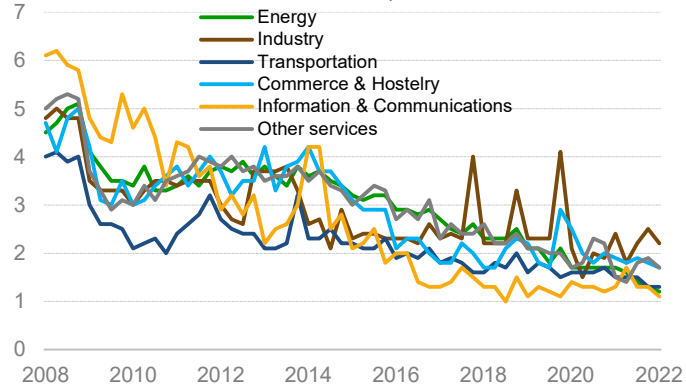
Data in basis points (0,01%)



Cost of debt evolution

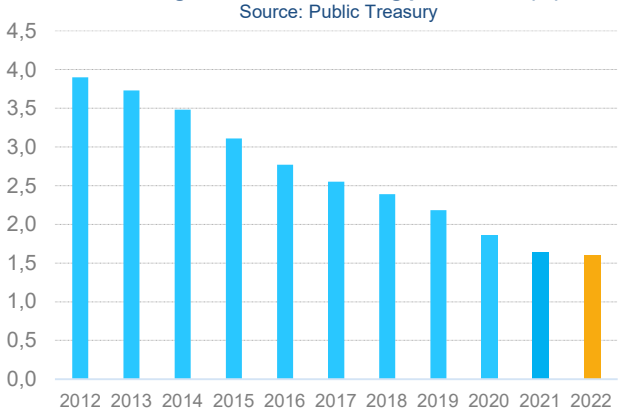
Private Cost of debt issued by sectors (%)

Source: Bank of Spain



Average cost of outstanding public debt (%)

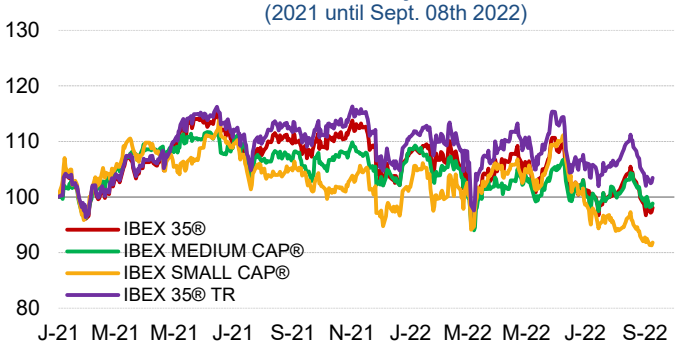
Source: Public Treasury



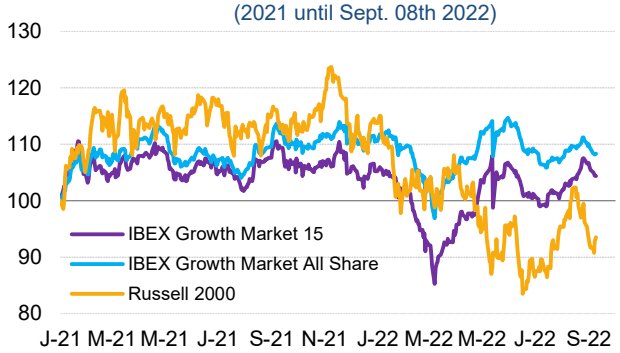
Sensitivity: C1 - Public

SPANISH EQUITY MARKET

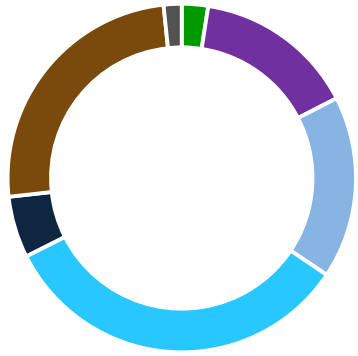
IBEX Family indexes
(2021 until Sept. 08th 2022)



IBEX Growth Market indexes vs Russell 2000
(2021 until Sept. 08th 2022)



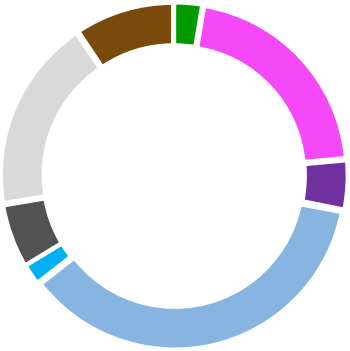
IBEX 35® Sector Composition
(% calculated on market capitalization of the index)



- Pharma & Biotech products (2,0%)
- Consumer Goods (12,4%)
- Basic Materials,Industry & Building (14,1%)
- Oil & Energy (27,6%)
- Consumer Services (4,7%)
- Financial Services (20,8%)
- Real estate Services (1,4%)

*September '22 figures

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



- Pharma & Biotech products (3%)
- Electronics & Software (21%)
- Engineering & others (5%)
- Renewable Energy (36%)
- Media & Publicity (2%)
- Telecomunications & Others (6%)
- Other services (18%)
- Others (9%)

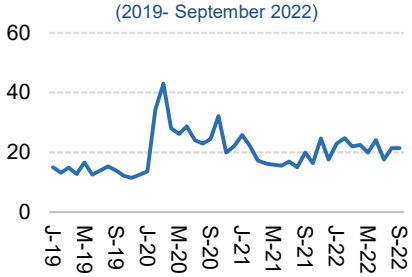
*September '22 figures

Spanish equity market	2020	2021	3Q '21	4Q '21	1Q '22	2Q '22
Turnover (M€)	429.359	378.144	79.886	108.543	110.250	102.034
Nº Trades (M)	55,65	45,07	10,14	10,84	13,13	9,84
Capital increases (M€)	15.791	21.003	4.302	1.722	978	1.467
Dividends distributed (M€)	18.523	19.069	5.791	5.725	3.484	8.824
IBEX 35® Dividend Yield (%)[1]	4,17	2,80	2,80	2,80	3,50	4,00
VIBEX Volatility Index (%)[2]	25,52	17,37	17,90	23,24	22,07	22,07
BME Growth, Nº companies	119	127	126	127	127	130

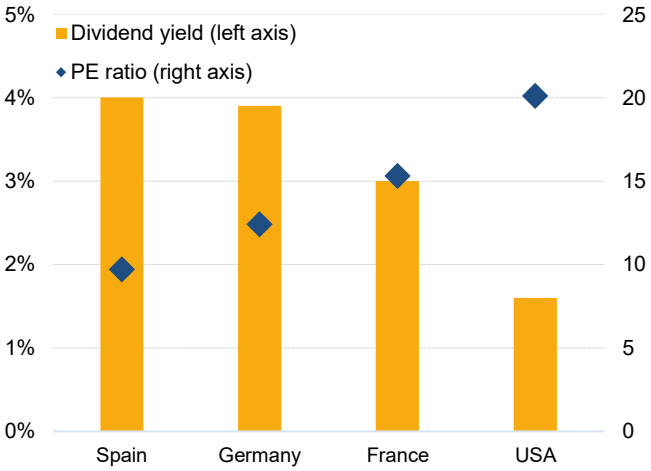
[1]Morgan Stanley Capital International. End date of the period

[2]Average of the period (year or quarter)

VIBEX (BME`s Volatility Index)
(2019- September 2022)



Dividend Yield & PE ratio, End August 2022
Source: Morgan Stanley Capital International

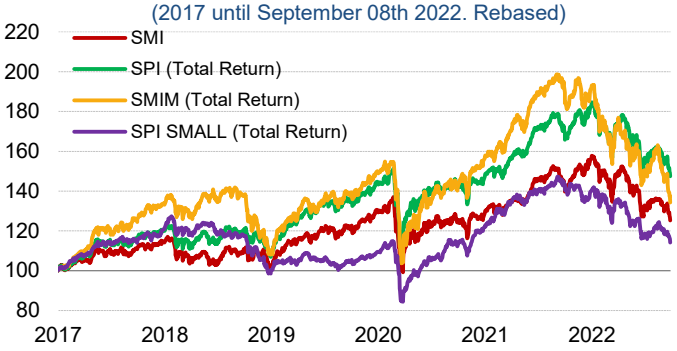


International Stock indexes (2021 - Sept. 2022)
(Base 100 = 31/12/2020)



SWISS EQUITY MARKET

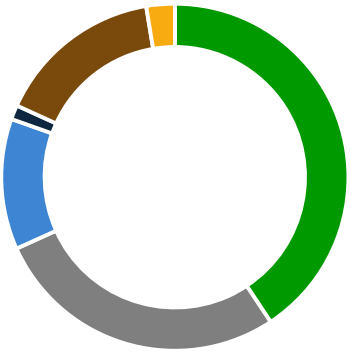
SMI and SPI indexes
(2017 until September 08th 2022. Rebased)



SIX ESG indexes
(2021 until September 08th 2022. Rebased.)



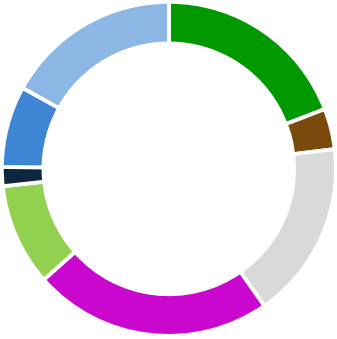
SMI Sector Composition
(% calculated on market capitalization of the main traded index of the Swiss market (20 components)



- Health Care (40,8%)
- Consumer Goods (27,9%)
- Basic Materials,Industry & Building (12,3%)
- Consumer Services (1,3%)
- Financial Institutions (15,2%)
- Technology & Telecomunications (2,6%)

*May '22 figures

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



- Health Care (19,2%)
- Food & Beverage (3,9%)
- Industrial Goods & Services (17,2%)
- Financial Institutions (23,1%)
- Construction & Materials (9,9%)
- Personal & Household Goods (1,8%)
- Technology & Telecommunications (7,9%)
- Others (17,0%)

*May '22 figures

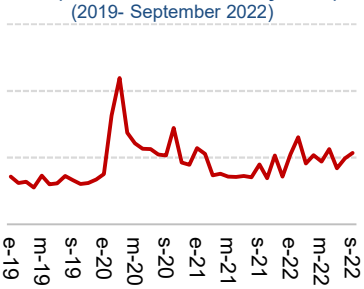
Swiss equity market	2020	2021	3Q '21	4Q '21	1Q '22	2Q '22
Turnover (BnCHF)[1]	1.468	1.050	232	248	312	245
Nº Trades (M)[1]	96,503	59,900	13,462	14,345	18,324	14,628
IPOs (nº)	2	5	1	2	2	2
SMI Dividend Yield (%)[2]	2,84	2,50	2,50	2,50	2,80	3,00
VSMI Volatility Index (%)[3]	25,52	17,36	14,55	17,90	23,24	20,67
ETF Turnover (BnCHF)	112	80	15,84	21,82	34,99	26,43
Struct. Prod. & Warrants T.(BnCHF	23	20	4,28	4,99	4,88	2,75

[1]Equities incl. Funds + ETPs

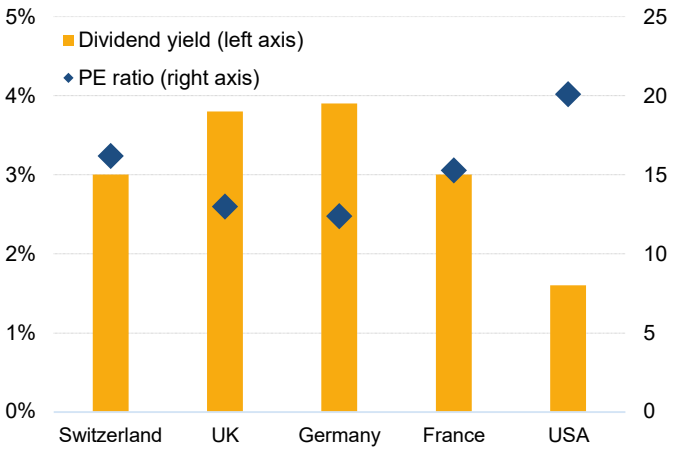
[2]Source: Morgan Stanley Capital International. End date of the period.

[3]Average of the period (year or quarter)

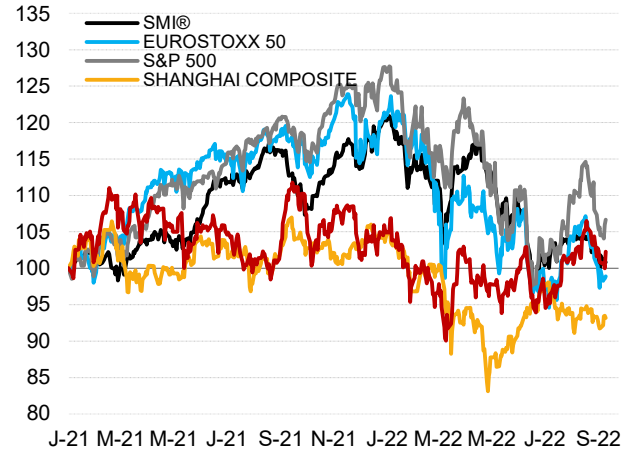
VSMI (Swiss Market`s Volatility Index)
(2019- September 2022)



Dividend Yield & PE ratio, End August 2022
Source: Morgan Stanley Capital International



International Stock indexes (2021 - Sept. 2022)
(Base 100 = 31/12/2020)



Sources: BME, FESE and Thompson Reuters