

Macro Trends Affecting Spanish and Swiss Securities Markets

Q4 2022

Uncertainty moderates
regarding growth and
inflation for 2023

The IMF maintains global GDP growth for '22 but still cuts projections for '23 as the world economy continues to be affected by the war in Ukraine, broadening inflation pressures moving to food and services, and a slowdown in China and advanced economies.

Tightening of monetary conditions by Central Banks (CBs) already bites into investment and composition around the world. Inflation starts to show signs of moderation in USA and in other countries and, while is still high, is expected to decline broadly in '23.

The Fed carries out its fourth 75b.p. rate hike in November leaving rates in the range of 3,75%-4,0% while the market expects another 50b.p. rise by the end of the year. The ECB raises rates again in October by 75b.p. to 2% and interest levels are expected surpass 3% in '23. The SNB also hikes rates in September and bring yields to positive territory.

Spanish growth for '22 is revised up to 4,3% continuing to overperform main advanced countries. Although lower, growth for '23 is also projected to be above 1% amid an inflationary environment that will continue to ease throughout the year.

The Swiss economy will grow 2,2% in '22 and 0,8% in '23, lower than initially expected as geopolitical energy tensions in Europe and global slowdown negatively affects consumer confidence.

Expected growth in LatAm for '22 is again revised up on the back of favorable commodity prices. Most CBs in the region quickly applied rate hikes to combat inflation which ultimately supported the value of currencies in the region despite the strength of the US dollar.

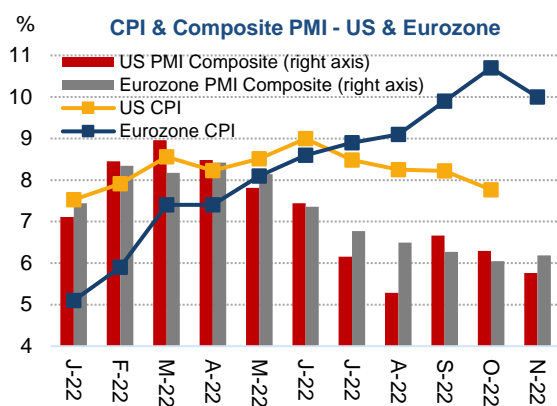
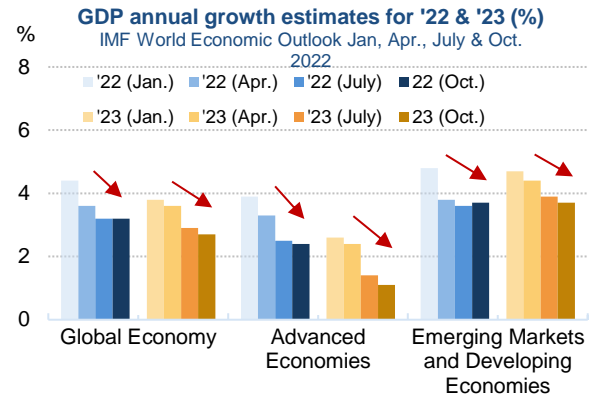
The IBEX 35® rebounds by 14,7% since its lows in mid-October amid improvements in inflation outlook and a resilient Q3 earnings season. Dividend payments until October grows by 30% YoY and surpasses the total figure of 2021 (€19bn.).

Listings on the Swiss Exchange register a strong performance so far this year with five new companies. The newly launched GDR segment attracts Chinese company listings.

GLOBAL ECONOMY

The world economy continues to slow down. The IMF maintains global growth for '22 at 3,2% but cuts projections for '23 (-0,2p.p.) due to war in Ukraine, broadening inflation pressures, and a slowdown in China and advanced economies (WEO Oct. '22). It is expected more than a third of the global economy entering a recession in '23 or '24.

La economía mundial continúa desacelerándose. El FMI mantiene el crecimiento global para '22 en el 3,2% y lo rebaja para el '23 (-0,2p.p.) debido a la guerra en Ucrania, mayores presiones inflacionista, y a la desaceleración de China y economías avanzadas (WEO Oct. '22). Se espera que más de un tercio de la economía global entre en recesión en '23 o '24.



Source: S&P Global, National sources

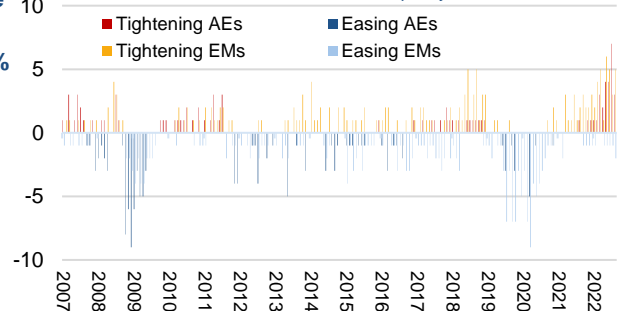
Consumer and business confidence is being affected by high inflation as it squeezes real incomes and undermines macroeconomic stability. Nevertheless, global inflation is expected to peak in '22 at 8,8% to later decline in '23 (IMF WEO Oct. '22). Price increases in some economies such as the US are already showing signs of moderation.

La confianza de los consumidores y de las empresas se ven afectadas por la inflación, ya que reduce los ingresos reales y socava la estabilidad macroeconómica. No obstante, se espera que la inflación mundial alcance su punto máximo en 2022 con un 8,8 % para luego descender en 2023 (IMF WEO Oct. 22). Los aumentos de precios en algunas economías como EE.UU. ya muestran signos de moderación.

Broadening inflation pressures trigger a rapid and a synchronized tightening of monetary conditions around the world as CBs try to avoid risk of de-anchoring inflation expectations. The Fed raises rise to the range of 3,75%-4,0% while the market consensus expects the Fed Funds rate to be at 4,25%-4,50% at the end of the year.

Las mayores presiones inflacionistas causan un rápido y sincronizado endurecimiento financiero alrededor del mundo mientras los BCs intentan evitar el riesgo de desanclar las expectativas de inflación. Las subidas de la Fed incrementan hasta el rango 3,75%-4,0% mientras el consenso de mercado espera el rango 4,25%-4,50% a final de año.

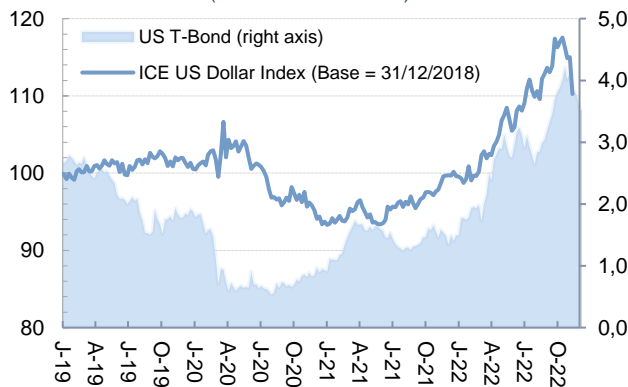
Change in Monetary Policy Cycle among G20 economies



Source: IMF WEO October 2022

*(AE: Advanced Economies; EM: Emerging Markets)

US Dollar & 10-Y Bond Yield recede after rising (2019 - End Nov. '22)



Source: Thomson Reuters

The US dollar and 10-Year Bond yields recede amid improving inflation expectations after the strong rise that both assets registered at the beginning of the year. Global equity and bond markets rebound partly reducing accumulated losses of the year.

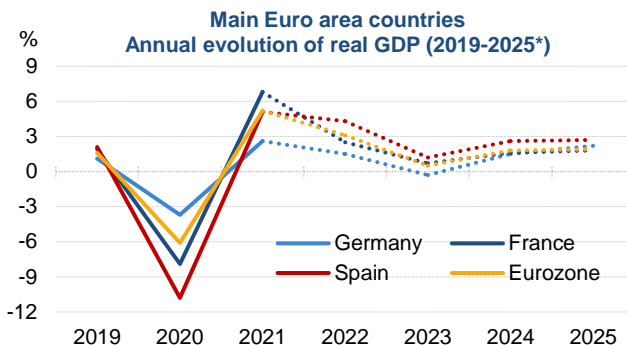
Tras la fortísima subida experimentada desde el comienzo del año, tanto el dólar estadounidense como la rentabilidad de los bonos a 10 años norteamericanos corrigen de forma importante al mejorar las expectativas de inflación. Los mercados de acciones y bonos mundiales rebotan, suavizando las pérdidas del año.

EUROPEAN ECONOMY

Euro area projected growth for '22 is revised up to 3,1% (+0,5 p.p from July) led by growth in tourism-dependent southern European economies.

Nevertheless, estimates for '23 are revised down to 0,5% (-0,7 p.p) with large economies such as Germany and Italy expected to contract next year (IMF WEO Oct. '22).

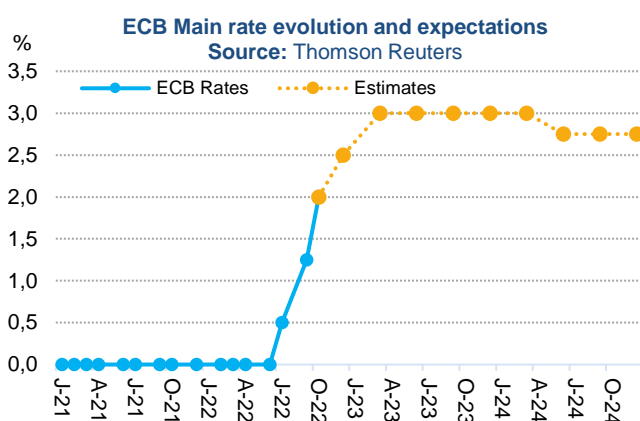
El crecimiento proyectado de la zona euro para '22 se revisa al 3,1% (+0,5 p.p desde julio) impulsado las economías del sur de Europa dependientes del turismo. Sin embargo, las estimaciones para '23 se revisan a la baja hasta el 0,5% (-0,7 p.p) y se espera que Alemania e Italia se contraigan el próximo año (IMF WEO Oct. 22).



Source: IMF WEO October 2022
*Estimates for '22-'25

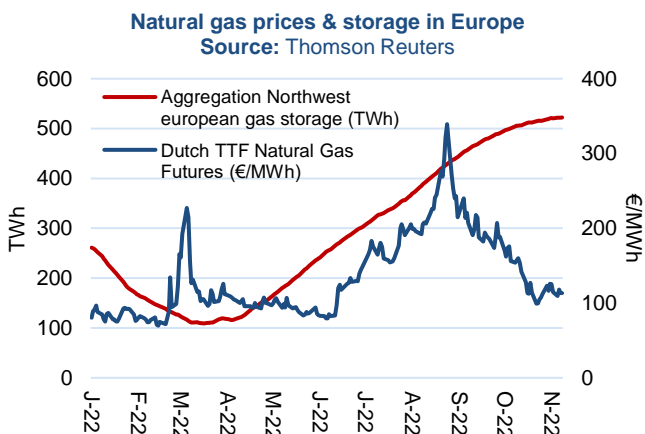
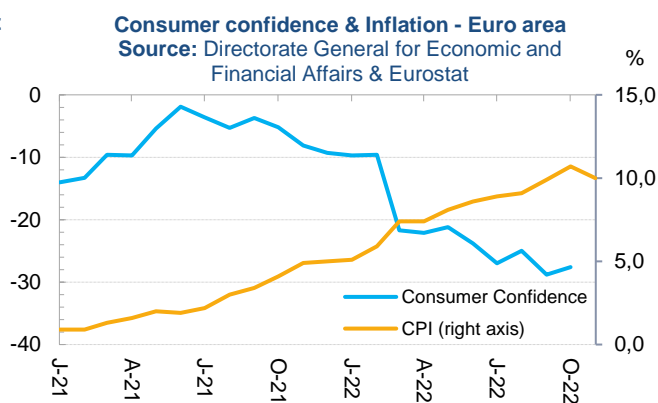
The ECB raises interest rates again in Oct. by 75b.p., the third hike in a row since July and expects to keep taking the main rate up in the last monetary policy meeting of 2022. Meanwhile, in stagflation and even close to recession in Europe, the market anticipates an increase to 2,5% in December that will finish at 3% in '23.

El BCE vuelve a subir los tipos de interés en 75 p.b., la tercera subida consecutiva desde julio y espera seguir subiendo el tipo principal en la última reunión de política monetaria de 2022. Mientras tanto, en un entorno de estancamiento, e incluso cercano a la recesión en Europa, se anticipa subida al 2,5% en diciembre y finalizarán con el 3% en 2023.



Growth Outlook in the EU has deteriorated in a context of inflation escalation and increasing interest rates, which reduces real incomes and pushes up costs for firms. Consumer confidence reaches its lowest levels since records began.

La perspectiva de crecimiento en la UE se ha deteriorado en un contexto de escalada de la inflación y tipos de interés al alza, lo que reduce los ingresos reales y aumenta los costes para las empresas. La confianza el consumidor alcanza el nivel más bajo desde que hay registros.



Although geopolitical uncertainty in Europe remains high, Natural Gas prices have lowered down significantly due to a hotter than expected summer. Moreover, gas storage increases among European countries as winter approaches and temperatures are expected to fall.

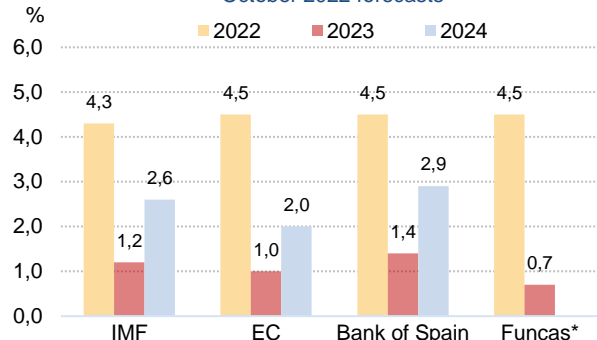
Aunque la incertidumbre geopolítica en Europa sigue siendo alta, los precios del gas natural han bajado significativamente debido a un verano más caluroso de lo esperado y al aumento del almacenamiento de gas entre los países europeos a medida que el invierno se acerca y, por tanto, llegan las temperaturas más bajas.

SPANISH ECONOMY

Spanish growth for '22 is revised up until 4,3% (+0,3 p.p.), continuing to perform better than main European countries (IMF WEO Oct. '22). Growth for '23 is projected above 1% amid economic contractions in some key Advanced Economies. Growth is expected to accelerate close to 3% in '24.

El crecimiento español para '22 es revisado al alza hasta el 4,3% (+0,3p.p.), comportándose mejor con respecto a los principales países europeos (FMI WEO oct. '22). El crecimiento para '23 se prevé superior al 1% a pesar de la recesión en algunas Economías Avanzadas y se acelerará en '24 hasta cerca del 3%.

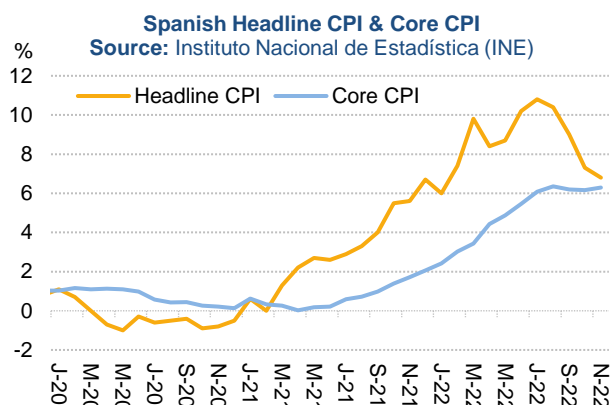
Annual GDP growth projection (2022 - 2024)
October 2022 forecasts



*No data available for 2024

Spain CPI data further slows down in November to 6,8% YoY, the lowest level since the beginning of the year, while core CPI also shows signs of containment at around 6,3%. Main institutions expect this tendency to continue throughout 2023 although projections remain subject to high uncertainty.

El IPC en España continúa desacelerándose en noviembre hasta el 6,8% , su nivel más bajo desde principios de año, mientras que el IPC subyacente también da señales de estancamiento alrededor del 6,3%. Las principales instituciones esperan que esta tendencia continúe a lo largo de 2023 aunque las proyecciones siguen sujetas a una elevada incertidumbre.



The Spanish labour market continues to perform strongly in spite of the current context of uncertainty worldwide. Despite some loss of momentum in recent months, job creation continues solid and total number of people employed is near record highs, helping to bring registered unemployment below 3 million people.

El mercado laboral español continúa registrando un comportamiento positivo pese al escenario global de desaceleración. Si bien se ha producido una ralentización en los meses recientes, la creación de empleo continúa siendo sólida y el número de ocupados se sitúa cerca de sus máximos históricos, lo cual ayuda a rebajar el desempleo registrado por debajo de los 3 millones de personas.

Spanish labour market - Main figures
Source: INE

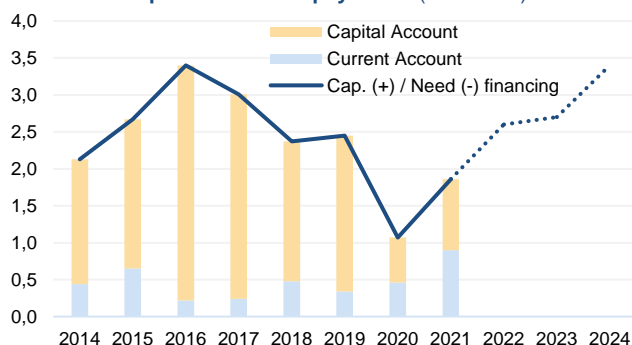


*Data until September

Despite the fact that Spanish current account balance will continue to be affected by energy prices in the short term, the impressive increase in exports (+24,7% YoY until September) and the transfer of the NextGenerationEU Funds will sustain the net financing surplus of the Spanish economy above 2%.

A pesar de que la Balanza por Cuenta Corriente de España continuará afectada por el incremento en los precios de la energía, el extraordinario comportamiento de las exportaciones (+24,7% interanual hasta septiembre) y la transferencia de fondos NextGenerationEU mantendrán el superávit financiero externo de la nación por encima del 2% del PIB.

Capacity (+) / Need (-) of financing of the nation
Spain Balance of payments (% of GDP)

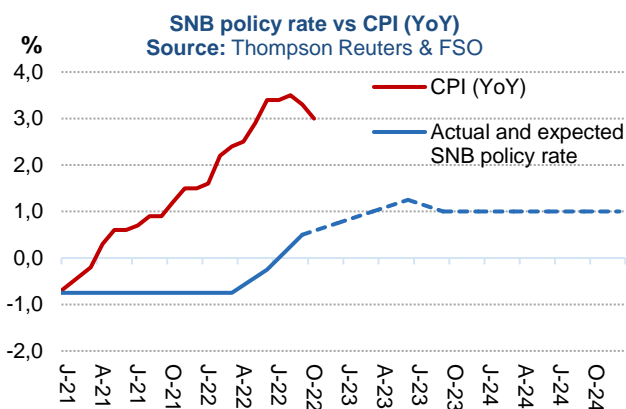
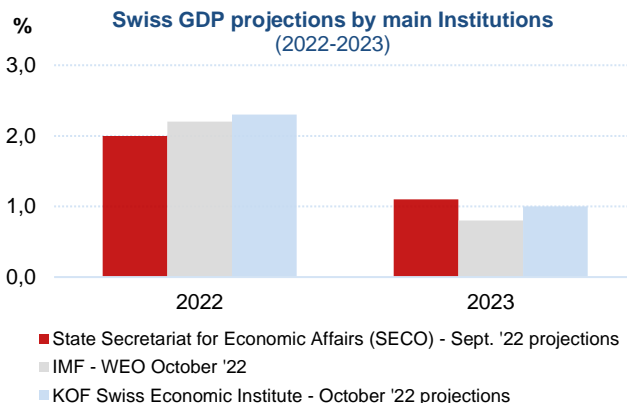


Source: Bank of Spain

SWISS ECONOMY

According to the IMF October projections, Swiss economy will grow 2,2% in '22 and 0,8% in '23. Global slowdown leads to projection cuts for '22 & '23 through the year as energy and geopolitical tensions above all in Europe remain high and macroeconomic data gives signs of deterioration.

De acuerdo con las previsiones del FMI de octubre, la economía suiza crecerá un 2,2% en '22 y un 0,8% en '23. La desaceleración global provoca recortes en las proyecciones a lo largo del año ante las tensiones energéticas y geopolíticas en Europa y unos datos macroeconómicos dan signos de deterioro.

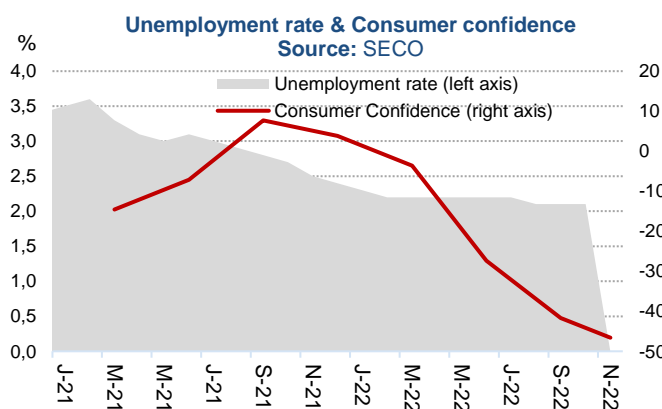


SNB hikes rates in September by 75b.p., surpassing negative levels from -0,25% to +0,50%. Nevertheless, recent inflation slowdown in Switzerland since its highs in August lower market expectations on rate hikes for the next quarters.

El SNB sube tipos de interés en septiembre en 75p.b., superando niveles negativos del -0,25% al +0,50%. Sin embargo, la reciente desaceleración del ritmo de inflación en Suiza desde los máximos de agosto rebaja las expectativas del mercado sobre futuros aumentos de los tipos de intervención para los próximos trimestres.

Swiss consumer confidence plummets in the last quarter of 2022 amid recession fears and uncertainty linked to European energy crisis. On the contrary, employment data continues to show strength and maintains the unemployment rate at minimum levels (2,1%).

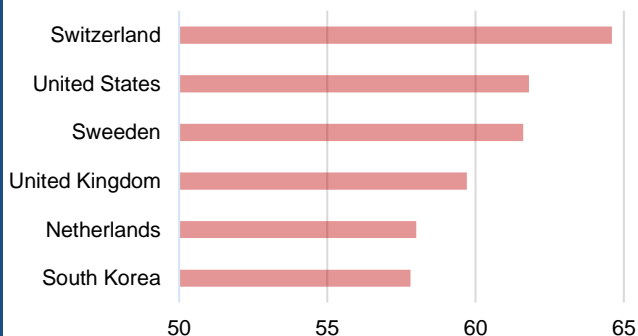
La confianza del consumidor en Suiza se desploma en el último trimestre de 2022 en medio de los temores de recesión y de incertidumbre en relación a la crisis energética europea. Por el contrario, los datos de empleo continúan mostrando fortaleza y la tasa de desempleo permanece en mínimos (2,1%).



Switzerland maintains its leadership for the 12th year in a row in the Global Innovation Index Raking. The helvetic country outperforms in competences such as high-performing Institutions, leadership in innovation and creative outputs, among others.

Suiza mantiene su liderazgo por 12º año consecutivo en el Global Innovation Index Raking. El país helvético destaca en la competencia de Instituciones de alto desempeño, liderazgo en innovación y creación de productos, entre otros.

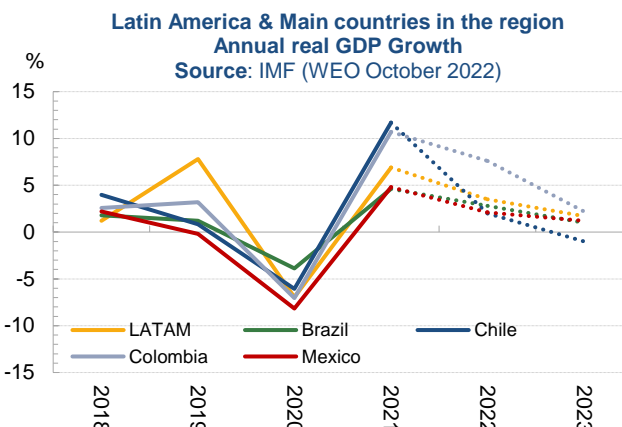
Global Innovation Index 2022 - Score by country
Source: World Intellectual Property Organization



LATIN AMERICAN ECONOMY

Expected growth in LatAm for '22 is again revised up to 3,5% on the back of favorable commodity prices and the normalization in the service sector. Growth is expected to slow down in '23 amid tighter financial conditions and expected commodity prices reduction or moderation (IMF WEO Oct. '22).

El crecimiento esperado en LatAm para '22 mejora al 3,5% gracias a los precios favorables de las materias primas y la normalización del sector servicios. El crecimiento se desacelerará en '23 ante el endurecimiento financiero y la previsible reducción de los precios de las materias primas (FMI WEO oct. 22).



Main central banks (CBs) in the region have resolutely raised rates since their lows at the beginning of '21 to combat inflation. Although borrowing costs are increasing, the region presents lower debt levels than developed economies and has significantly reduced its dependency on foreign-currency external debt.

Los principales bancos centrales de la región incrementan decididamente los tipos desde los mínimos del año anterior para combatir la inflación. A pesar del incremento de los costes de financiación, la región presenta menores niveles de deuda que las economías avanzadas y ha reducido significativamente su dependencia de la deuda externa denominada en dólares.

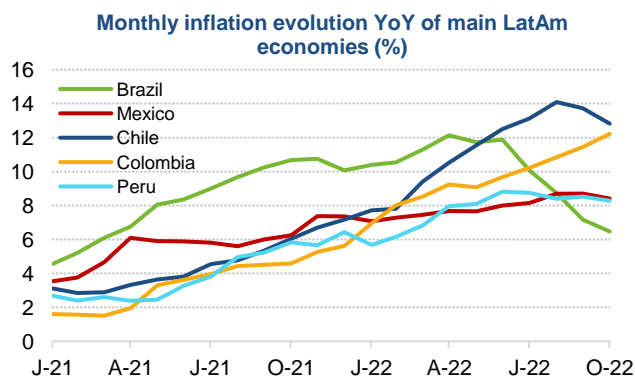
LatinAmerica main central banks acted in advance and were more aggressive on rate increases to combat inflation (data in percentage points)



Source: National sources

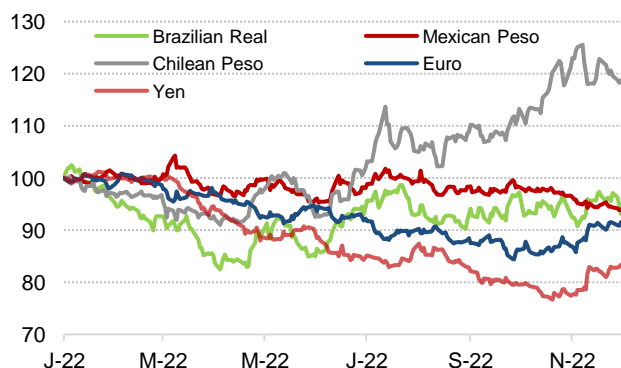
Even though inflation forecasts for Latin America & the Caribbean have been revised up for '22 and '23 to 14,6% & 9,5% respectively (IMF WEO Oct. '22), latest data shows sign of prices easing in the largest economies of the region amid rate hikes by central banks.

A pesar de que las previsiones de inflación para LatAm y el Caribe hayan sido revisadas al alza para '22 y '23 hasta el 14,6% y el 9,5%, respectivamente (FMI WEO oct. '22), los últimos datos muestran señales de desaceleración de los precios en las principales economías de la región a ante la subida de tipos de los BCs.



Source: National sources

Evolution of currencies against US Dollar YTD Base 100=31/12/2021



Source: Thomson Reuters

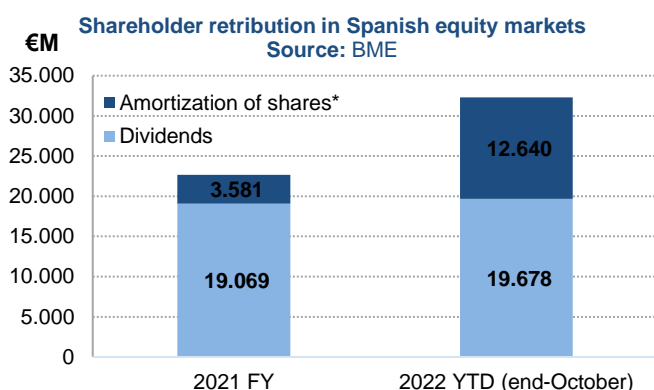
LatAm currencies behave better against the US dollar than main world currencies thanks to the clear path followed by CBs of the region and improved economic outlook. This strengthens the capacity of countries in the region to repay external debt in US dollars.

Las divisas de LatAm se comportan mejor frente al dólar estadounidense que las principales divisas internacionales gracias al claro camino seguido por los BCs de la región y las mejoras temporales en las perspectivas económicas. Esto fortalece la capacidad de los países de la región para pagar la deuda externa denominada en dólares USA.

SPANISH SECURITIES MARKETS

IBEX 35® index amplifies recovery of world equity markets with a rebound of 14,6% since its lows in mid-October until end November. Improvements in current and expected domestic inflation and positive Q3 earnings season are the main reasons for the change in sentiment.

El IBEX 35® amplifica la recuperación de los mercados mundiales de acciones con un rebote del 14,6% desde los mínimos de octubre hasta finales de noviembre. Las razones: una mejora de los datos actuales y las expectativas de inflación, y los resultados positivos del tercer trimestre presentados por las compañías cotizadas.



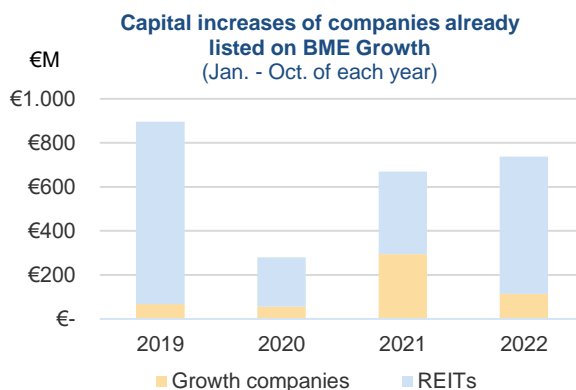
Shareholder retribution continues to be a key policy for Spanish listed companies. Dividend distribution grows 30% YoY and surpasses the total figure of 2021 (€19bn.). In tandem, amortization of shares rockets as banking sector leads share buyback plans.

La retribución al accionista sigue siendo prioritaria para las compañías españolas cotizadas. La distribución de dividendos crece un 30% hasta octubre y supera la cifra total de 2021 (19.000 M€). Al mismo tiempo, la amortización de las acciones se dispara con el sector bancario liderando los planes de recompra de acciones.

*Measured by market prices.

Equity financing obtained by companies listed on BME Growth through capital increases has registered an increase of 10.2% YoY at the end of October, while the number of operations has continued to rise to 65, nine more than last year.

La financiación captada en forma de ampliaciones de capital por las empresas cotizadas en BME Growth ha registrado un incremento a cierre octubre del 10,2% YoY, al mismo tiempo que el número de operaciones ha seguido elevándose hasta las 65 actuales, nueve más que en el año anterior.



In October, the "Pre Market Environment" (EpM), BME's Pre IPO ecosystem to prepare young non-listed companies for incorporation to financial markets, grows with the incorporation of 4 companies: Onalabs, Ludium, Vamos and V2C. With these additions, currently there are already 24 companies that are part of the program.

El Entorno Pre Mercado (EpM), el ecosistema creado por BME para preparar a compañías jóvenes no cotizadas para una futura incorporación a los mercados financieros, crece con 4 nuevas empresas: Onalabs, Ludium, Vamos y V2C. Con estas incorporaciones, actualmente ya son 24 las empresas que forman parte del programa.

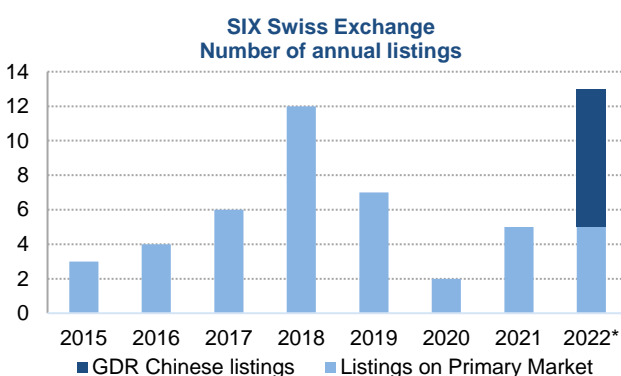
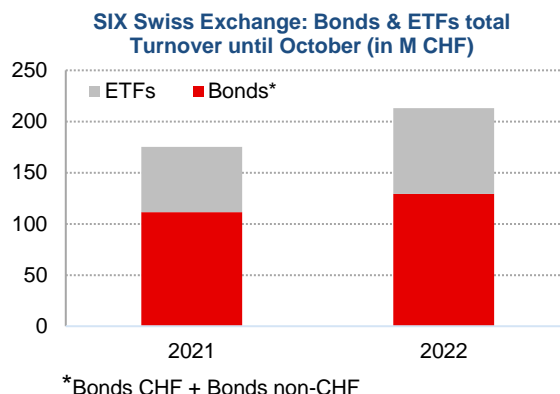


Source: BME

SWISS SECURITIES MARKETS

Turnover volumes in the Bond and ETF segments of SIX Swiss Exchange increase by 16% and 31% YoY respectively. Nevertheless, the aggregate turnover of SIX Swiss Exchange slightly declines until October compared to the same period last year (-3,1%) in line with worldwide trading activity figures.

Los volúmenes de negociación de Bonos y Fondos Cotizados (ETFs) en SIX Bolsa suiza crecen en 2022 hasta octubre un 16% y un 31% respectivamente. Sin embargo, el volumen agregado total del mercado disminuyó ligeramente hasta octubre en términos interanuales (-3,1%) en línea con la tendencia mundial.



Despite global uncertainty, the number of listings on the Swiss Stock Exchange reaches multi-year highs thanks in part to the listings of Chinese companies through the newly launched GDR segment. Domestic companies' listings to the main market also register a strong performance so far this year with new five companies.

A pesar de la incertidumbre, las nuevas admisiones a cotización en la Bolsa suiza alcanza máximos de varios años gracias en parte a las empresas chinas incorporadas al segmento GDR recientemente lanzado. Las incorporaciones nacionales al mercado principal también crecen con cinco nuevas empresas este año.

UBS launched the world's first native digital bond with intended dual listing and trading on SIX Digital Exchange (SDX) and SIX Swiss Exchange, connecting SDX's blockchain based platform and SIX's traditional infrastructure. This connection facilitates the transition phase into the new world of digital assets.

UBS lanzó el primer bono digital nativo del mundo con cotización y negociación dual prevista en SIX Digital Exchange (SDX) y SIX Swiss Exchange, conectando la plataforma SDX y la infraestructura tradicional de SIX. Esta conexión facilita la fase de transición hacia los activos digitales.

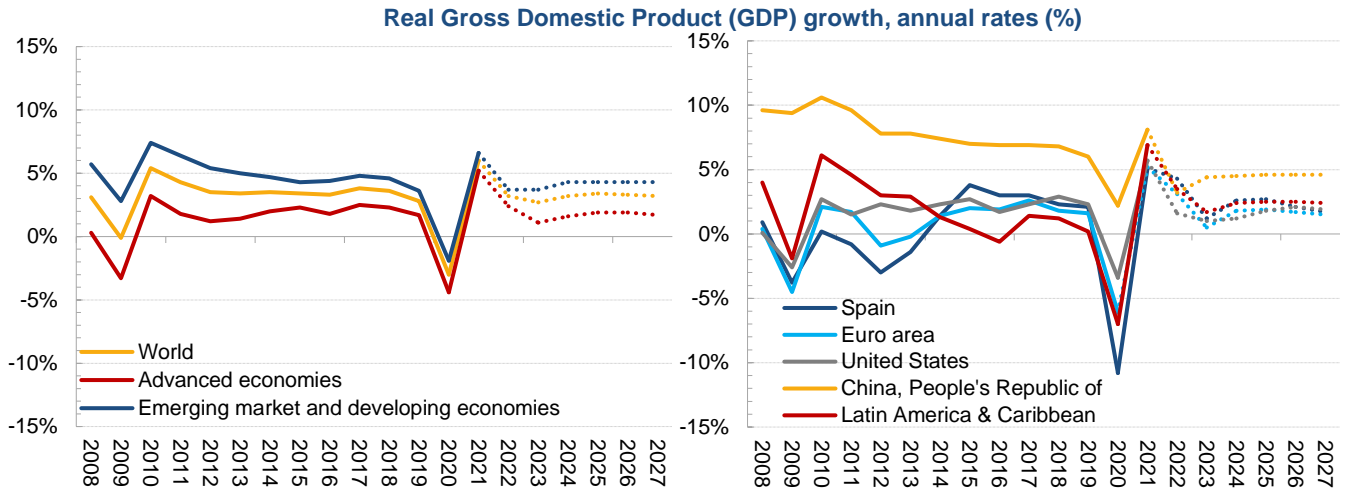
- World's first digital bond with dual listing and trading on digital and traditional financial infrastructure.
- Intended to be listed and tradeable at both SDX and SIX Swiss Exchange.
- Connects SDX's blockchain based platform and SIX's traditional infrastructure.
- Facilitates the transition phase for market participants into the new world of digital assets.



Crypto ecosystem claims for organized and regulated market infrastructures while cryptocurrencies continue to decline, bankruptcies pile up and investor confidence deteriorates. SDX is the approach of SIX Group for the future of the ecosystem.

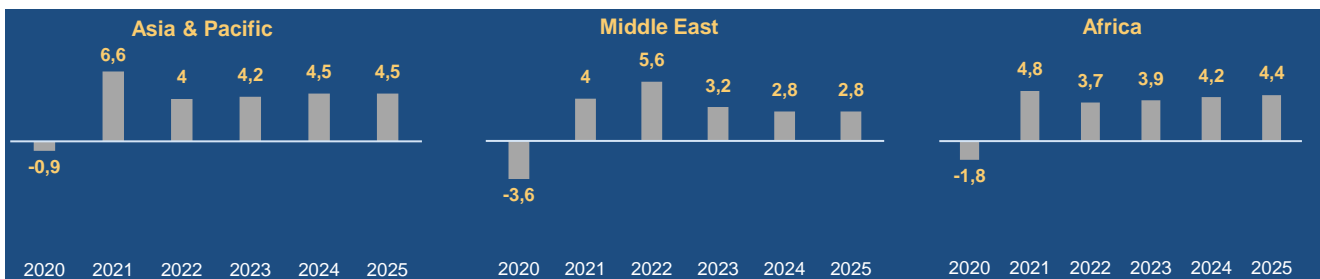
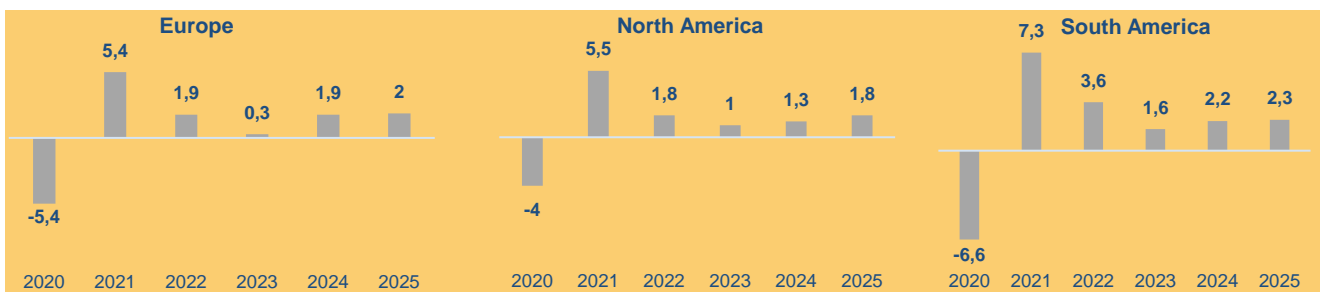
El ecosistema de los criptoactivos clama por mayor regulación y control en medio de fuertes caídas de precios, bancarrotas de infraestructuras de mercado y pérdida de la confianza de los inversores. La plataforma regulada Swiss Digital Exchange (SDX) es la apuesta del Grupo SIX por el futuro de estos mercados.

IMF (WEO Oct.) prospects for the US economy are cut below 2% for the next three years. Eurozone benefits from summer season and more energy stability, which improved '22 growth forecasts although uncertainty in the region deteriorates outlook for next year. China's growth is lowered for both, '22 & '23, amid ongoing Covid-19 strict lockdowns.

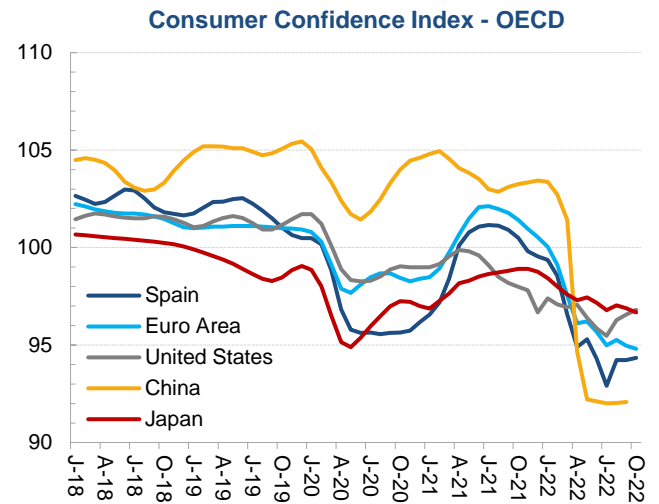
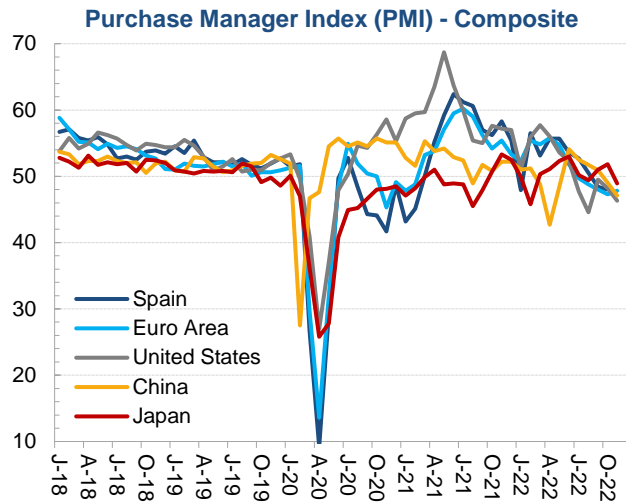


Main indicators - Real GDP growth YoY% *Estimates from IMF WEO October 2022.

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



Purchasing Managers' Index (PMIs) show business deterioration in major advanced economies while consumer confidence remains low, highlighting China's economic deterioration in the first half of the year and the later consolidation at bottom levels amid record highs in Covid cases and lockdowns.

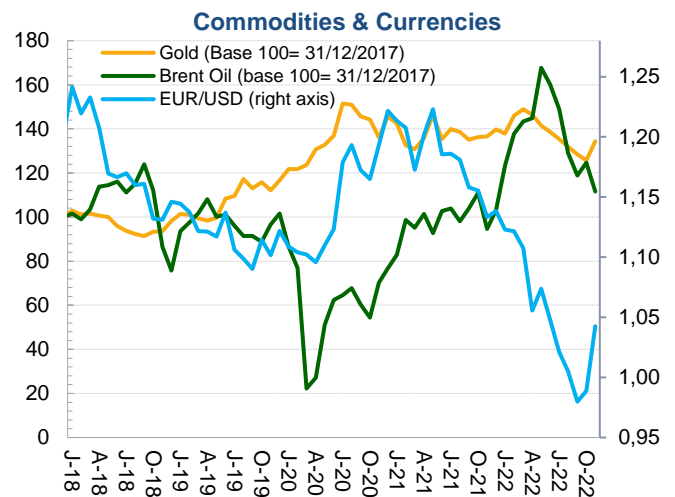
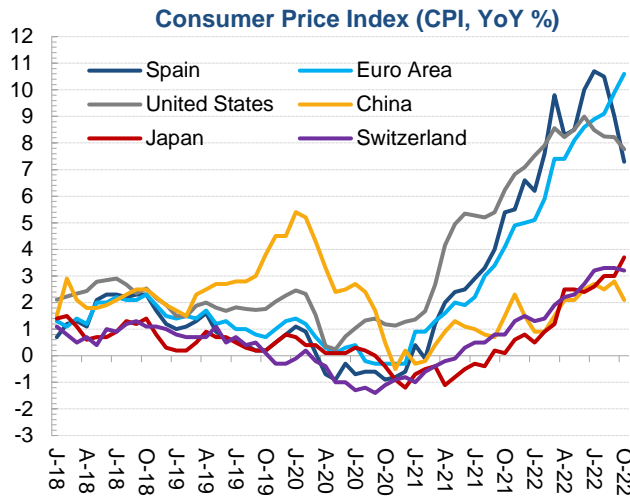


Main indicators - Data for the year is the average of monthly figures

	2019	2020	2021	07/22	08/22	09/22	10/22	11/22
Purchase Manager Index (PMI) - Levels above 50 show expansion and below 50 contraction.								
Advanced economies								
United States	52,48	48,76	59,66	47,70	44,60	49,50	48,20	46,30
Euro Area	51,30	44,02	54,88	49,70	48,80	48,00	47,30	47,80
Germany	51,11	46,39	55,28	48,10	46,90	45,70	45,10	46,40
France	51,15	43,49	53,76	51,70	50,40	51,20	50,20	48,80
Italy	50,08	41,75	54,71	47,70	49,60	47,60	45,80	48,90
Spain	52,69	41,51	55,33	52,70	50,50	48,40	48,00	49,60
Japan	50,48	42,42	49,38	50,20	49,40	51,00	51,80	48,90
United Kingdom	50,18	46,43	55,83	52,10	49,60	49,10	48,20	48,30
Switzerland (manuf, Credit Suisse)	49,11	48,78	65,88	58,00	56,40	57,10	54,90	53,90
Canada (IVEY)	53,95	50,17	61,40	49,60	60,90	59,50	50,10	--
Emerging Economies								
China	51,79	51,16	52,40	52,50	51,70	50,90	49,00	47,10
India	52,22	44,28	54,16	56,60	58,20	55,10	55,50	--
Russia	52,26	45,98	51,93	52,20	50,40	51,50	45,80	50,00
Brazil	51,38	46,15	51,15	55,30	53,20	51,90	53,40	--
Mexico (manufacturing)	49,67	42,69	47,62	48,50	48,50	50,30	50,30	--
Consumer Confidence Index								
Advanced economies								
United States	101,30	99,27	98,77	95,47	96,28	96,56	96,80	--
Euro Area	101,04	98,73	100,85	94,99	95,27	94,96	94,80	--
Germany	101,27	99,60	100,54	96,62	96,58	96,17	95,91	--
France	99,81	98,62	100,27	96,26	96,64	96,52	96,48	--
Italy	100,70	99,45	102,01	96,69	96,98	96,88	96,78	--
Spain	101,77	96,84	99,76	92,91	94,23	94,23	94,34	--
Japan	99,03	96,64	98,29	96,78	97,04	96,88	96,67	--
United Kingdom	99,88	98,01	100,91	93,48	92,39	91,84	91,57	--
Switzerland	99,94	97,56	100,09	98,30	98,01	--	--	--
Canada (refinitiv)	53,18	45,25	52,28	50,35	50,32	50,14	48,51	46,62
Emerging Economies								
China	105,08	103,22	103,72	92,01	92,02	92,08	--	--
India (RBI)	85,70	52,30	63,40	77,30	--	80,60	--	--
Russia	99,59	97,19	97,83	96,52	97,38	--	--	--
Brazil	100,53	98,50	98,31	98,99	99,51	100,06	100,45	--
Mexico	104,45	98,00	102,28	101,58	101,12	100,84	--	--

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

Inflation in the US and some european countries starts to show signs of slowdown due to more stability in energy prices and softness in consumption. Nevertheless, aggregate euro area's inflation (CPI) continues to soar amid a weak euro and impact from countries highly dependent on energy supplies from Russia.



Main indicators

	2019	2020	2021	07/22	08/22	09/22	10/22	11/22
Inflation (CPI) (IMF, YoY at end of period)								
Advanced economies								
United States	2,26	1,28	7,10	8,48	8,25	8,22	7,76	--
Euro Area	1,30	-0,30	5,00	8,90	9,10	9,90	10,60	10,00
Germany	1,50	-0,70	5,70	8,50	8,80	10,90	11,60	11,30
France	1,60	0,00	3,40	6,80	6,60	6,20	7,10	7,10
Italy	0,50	-0,30	4,20	8,40	9,10	9,40	12,60	12,50
Spain	0,80	-0,60	6,60	10,70	10,50	9,00	7,30	6,60
Japan	0,80	-1,20	0,80	2,60	3,00	3,00	3,50	3,80
United Kingdom	1,30	0,60	5,40	10,10	9,90	10,10	11,10	--
Switzerland	-0,10	-1,00	1,30	3,30	3,30	3,20	3,00	3,00
Canada (IVEY)	2,20	0,70	4,90	7,50	7,00	6,90	7,00	--
Emerging Economies								
China	4,50	0,20	1,50	2,70	2,50	2,80	2,10	--
India	7,22	4,66	5,42	6,77	7,06	7,47	6,83	4,91
Russia	3,37	5,00	8,65	15,26	14,48	14,35	13,31	--
Brazil	4,48	5,45	10,16	10,12	8,83	7,19	6,46	--
Mexico	2,80	3,17	7,54	8,25	8,80	8,80	8,51	--
Commodities - Year or Month-end data (Thompson Reuters)								
CRB Index	196,64	178,29	247,02	312,08	311,06	288,12	295,32	302,42
Bloomberg Commodity Index	172,00	166,63	211,80	261,55	261,78	240,55	245,34	252,06
Energy & Transportation								
Brent Oil	67,77	51,22	77,24	111,51	96,55	88,90	93,30	83,50
West Texas Oil	61,08	48,28	75,21	101,37	90,05	79,94	86,53	80,45
Natural Gas	2,19	2,54	3,73	8,23	9,13	6,77	6,36	6,93
Baltic Dry Index (Transp.)	1090	1366	2217	1895	965	1760	1463	1355
Metals								
Gold	1520,50	1897,77	1822,39	1764,24	1719,56	1674,06	1638,03	1751,94
Silver	17,92	26,38	23,27	20,26	18,15	19,22	19,21	21,67
Cooper	2,80	3,52	4,46	3,58	3,52	3,41	3,37	3,74
Currencies (units per EUR) - Year or Month-end data (Thompson Reuters)								
USD (United States)	1,122	1,222	1,138	1,021	1,005	0,980	0,989	1,043
GBP (United Kingdom)	0,847	0,895	0,840	0,838	0,864	0,878	0,858	0,865
CHF (Switzerland)	1,087	1,082	1,036	0,971	0,981	0,964	0,989	0,981
JPY (Japan)	121,99	126,33	130,95	136,28	139,39	141,80	146,90	143,68
CNY (China)	7,819	8,002	7,248	6,870	6,932	6,947	7,214	7,355
BRL (Brazil)	4,516	6,355	6,334	5,300	5,210	5,299	5,186	5,415
MXN (Mexico)	21,20	24,38	23,27	20,76	20,22	19,70	19,62	19,95

Source: IMF, Thompson Reuters.

The Bank of Spain reduces Spanish Govt. deficit outlook for '22 (-4,3%), '23 (-4,0%) in its Oct. projections as well as Public Debt on GDP forecasts for '22 (113,3%) & '23 (110,7%). Spanish Treasury announces reduction of net financing for '22 to €70bn., €5bn. less. Until Nov., 96% of total planned issue of debt has been completed.

Macro Trends

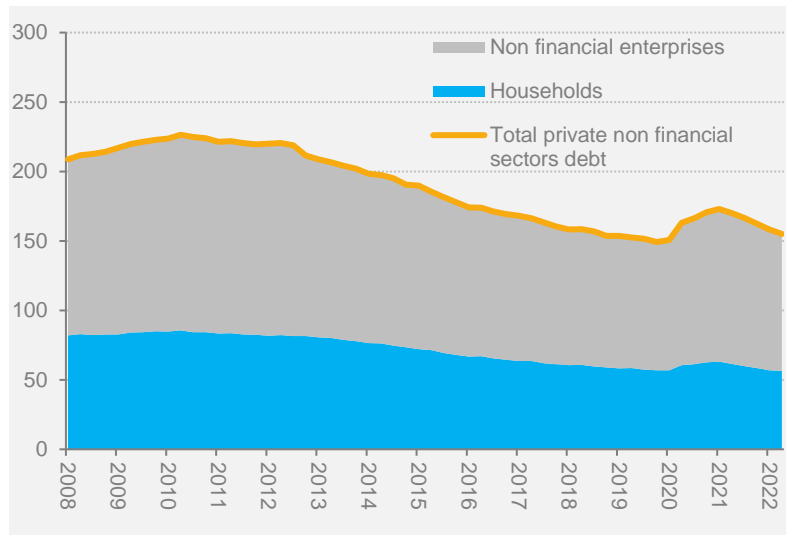
Appendix Spanish Debt Outlook

Main public debt figures, Bank of Spain & Treasury

Debt to GDP 2021	Debt to GDP 2022
118,3%	113,3%
Surplus/Deficit 2021	Surplus/Deficit 2022
-6,90%	-4,3% estimate
Avg. Cost of Debt 2021	Avg. Cost of Debt 2022
1,64%	1,68%
Cost of debt issued 2021	Cost of debt issued 2022
-0,04%	1,19%
Avg. Maturity Debt 2021	Avg. Maturity Debt 2022
8 years	7,9 years

Ratings Public Debt	2022 - Net financing
Fitch: A / estable	Short Term €-5,00bn
Moody's: Baa1 / estable	Med.&Long T. €70,00bn
S&P: A / estable	Total €70,00bn

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

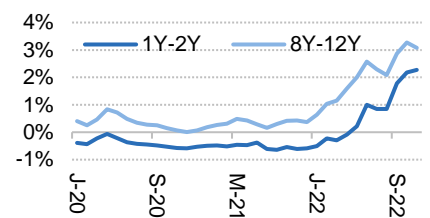


Public Debt Issuances

30/11/2022	3M	6M	9M	12M	2Y
Treasury bills. IRR (%)	1,596	1,898	2,421	2,469	2,395
	3Y	5Y	10Y	15Y	30Y
Bonds & Obligations. IRR (%)	2,33	2,521	2,949	3,245	3,287

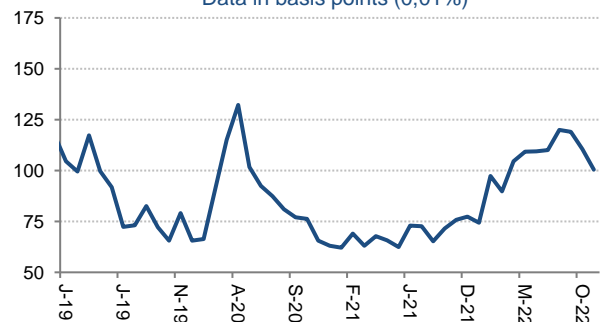
Volume (M€)	Amortizations	Auctions	Net financing
January	31.301	29.635	-1.666
February	8.142	27.172	19.030
March	8.976	20.536	11.560
April	29.556	18.587	-10.969
May	8.791	17.703	8.912
June	8.172	24.796	16.624
July	7.548	19.089	11.541
August	7.811	13.187	5.376
September	7.119	21.262	14.143
October	25.950	16.745	- 9.205
November			
December			
TOTAL	143.366	208.712	65.346

BME Public Debt Market Indices

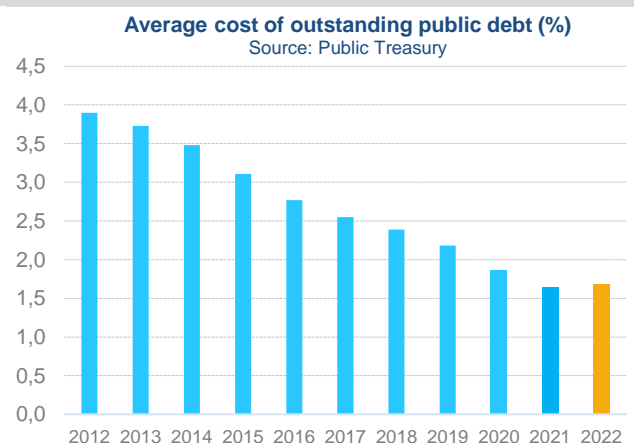
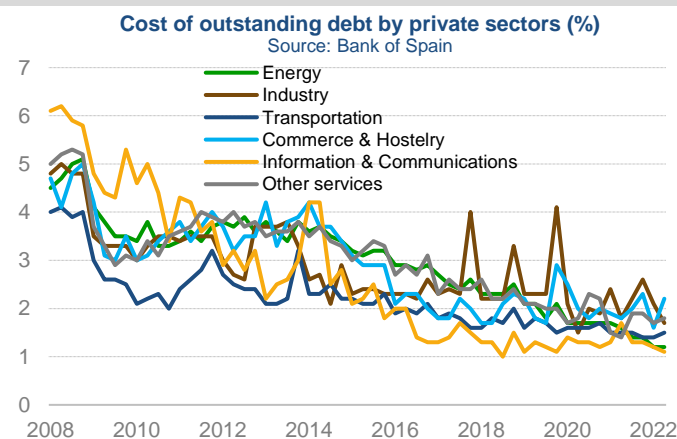


Spanish risk premium (2019 - 2022)

Data in basis points (0,01%)



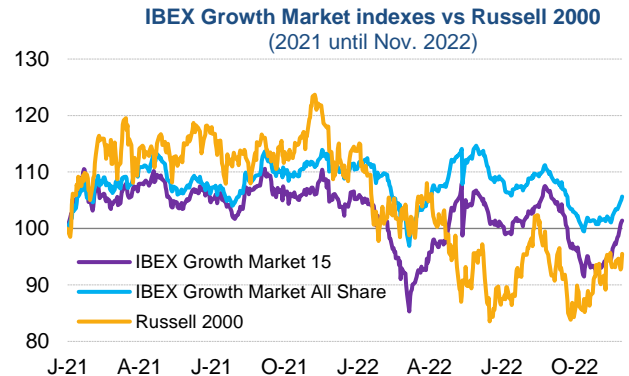
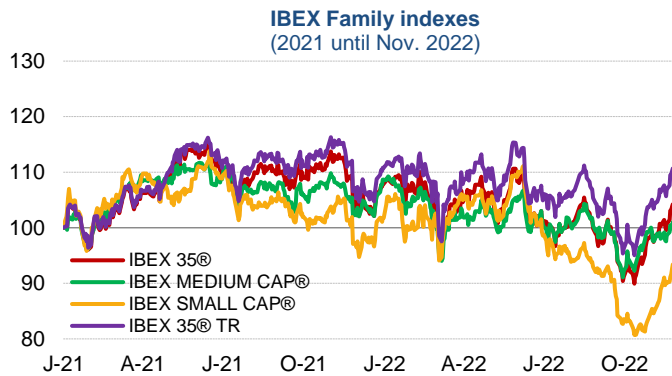
Cost of debt evolution



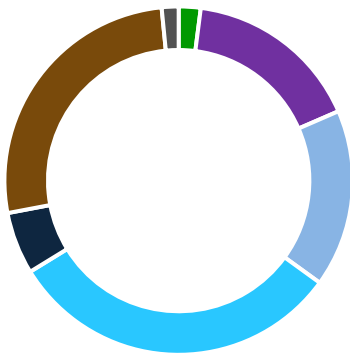
Sources: BME, Bank of Spain, Public Treasury and T. Reuters

Spanish large cap equity indexes are back to positive returns since 2021 in a context of higher but moderate volatility. Indices of smaller companies also recover but mostly remain at a loss for now. Spanish equity market keeps an attractive combination of PE Ratio (10,2) and Dividend Yield (3,9%).

SPANISH EQUITY MARKET



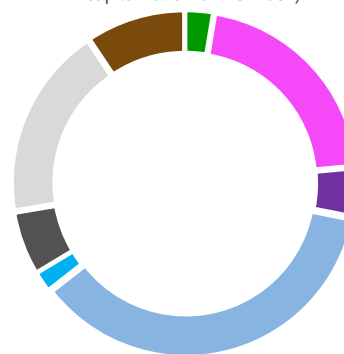
IBEX 35@ Sector Composition
(% calculated on market capitalization of the index)



- Pharma & Biotech products (1,7%)
- Consumer Goods (14,0%)
- Basic Materials, Industry & Building (14,%)
- Oil & Energy (26,6%)
- Consumer Services (4,9%)
- Financial Services (22,5%)
- Real estate Services (1,3%)

*October '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%)
- Telecommunications & Others (6%)
- Other services (18%)
- Others (9%)

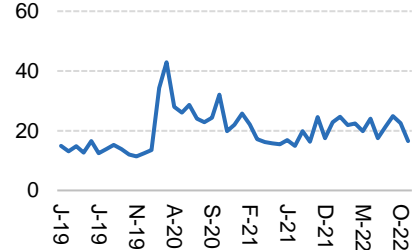
*October '22 figures

Spanish equity market	2020	2021	4Q '21	1Q '22	2Q '22	3Q '22
Turnover (M€)	429.359	378.144	108.543	110.250	102.034	69.602
Nº Trades (M)	55,65	45,07	10,84	13,13	9,84	8,13
Capital increases (M€)	15.791	21.003	1.722	978	1.467	1.849
Dividends distributed (M€)	18.523	19.069	5.725	3.484	8.824	6.476
IBEX 35@ Dividend Yield (%) ¹	4,17	2,80	2,80	3,50	4,00	3,90
VIBEX Volatility Index (%) ²	25,52	17,37	23,24	22,07	22,07	20,81
BME Growth, Nº companies	119	127	127	127	130	131

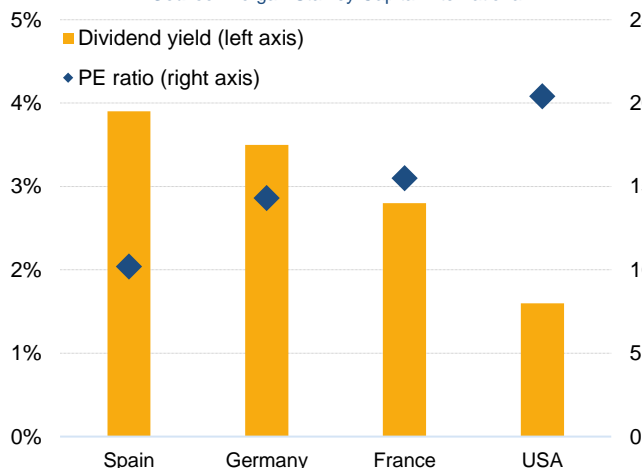
¹Morgan Stanley Capital International. End date of the period

²Average of the period (year or quarter)

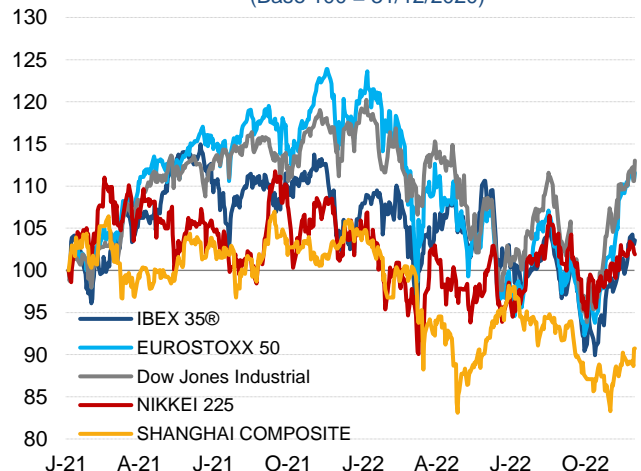
VIBEX (BME's Volatility Index)
(2019- November 2022)



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

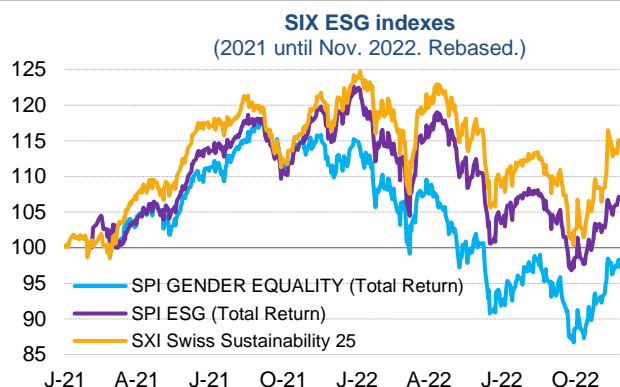
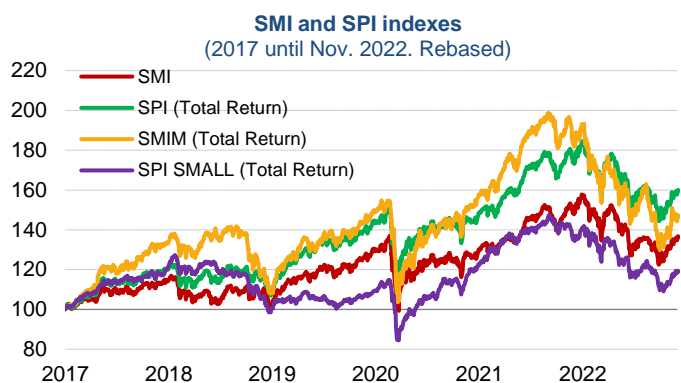


International Stock indexes (2021 - Nov. 2022)
(Base 100 = 31/12/2020)

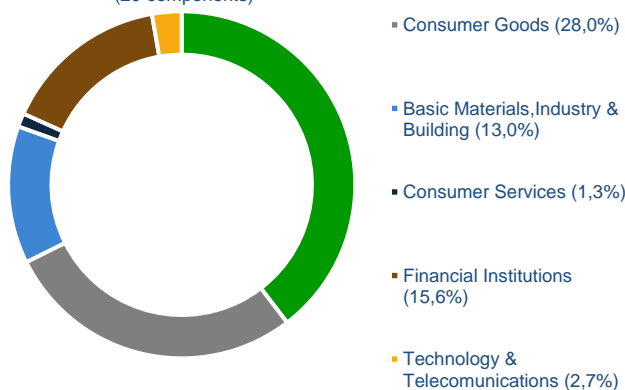


Demand for ESG investments continues to be a growth pillar among providers of indexes and market infrastructures. SIX Swiss Exchange stands out as a key provider of sustainability indexes. Sectorial composition of traditional SMI indexes remain well-diversified, with weight on attractive industries such as health care.

SWISS EQUITY MARKET

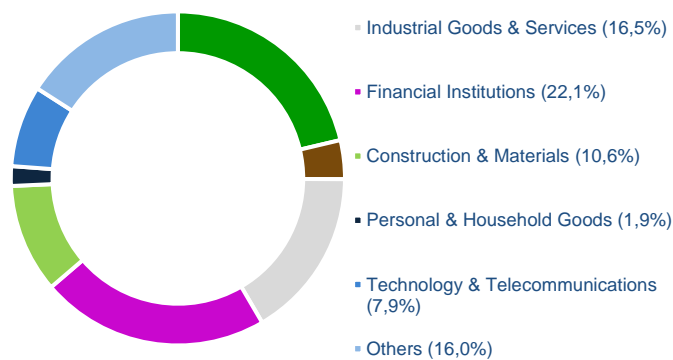


SMI Sector Composition
(% calculated on market capitalization of the main traded index of the Swiss market (20 components))



*October '22 figures

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



*October '22 figures

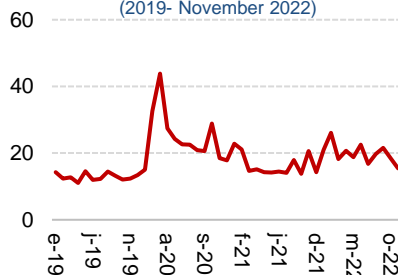
Swiss equity market	2020	2021	4Q '21	1Q '22	2Q '22	3Q '22
Turnover (BnCHF) ¹	1.468	1.050	248	312	245	250
N° Trades (M) ¹	96,503	59,900	14,345	18,324	14,628	13,109
IPOs (n°)	2	5	2	2	2	--
SMI Dividend Yield (%) ²	2,84	2,50	2,50	2,80	3,00	2,90
VSMI Volatility Index (%) ³	25,52	17,36	17,90	23,24	20,67	19,27
ETF Turnover (BnCHF)	112	80	21,82	34,99	26,43	18,61
Struct. Prod. & Warrants T.(BnCHF)	23	20	4,99	4,88	2,75	2,19

¹Equities incl. Funds + ETPs

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

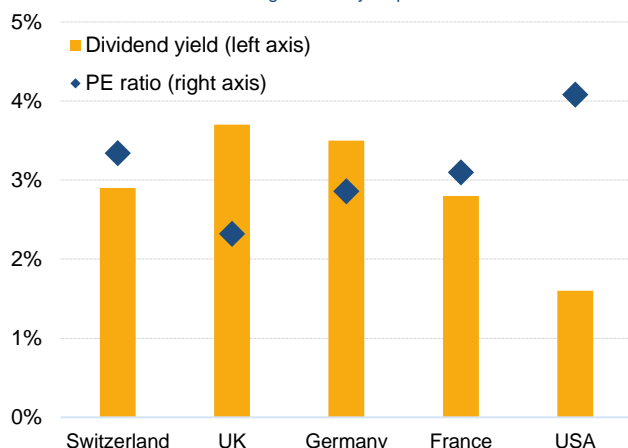
³Average of the period (year or quarter)

VSMI (Swiss Market's Volatility Index)
(2019- November 2022)



Dividend Yield & PE ratio, End November 2022

Source: Morgan Stanley Capital International



International Stock indexes (2021 - Nov. 2022)

(Base 100 = 31/12/2020)

