

Macro Trends Affecting Spanish and Swiss Securities Markets

Q1 2022

Although somewhat more moderate than expected a few months ago, global growth will remain solid in 2022 (+4,4%) and 2023 (+3,8%) after the record figure of 2021 (+5,9%).

Growth and inflation risks lead to a new monetary policy cycle. FED will start raising interest rates already during this Q1 and the ECB doesn't rule out a hike during 2022. Fixed income yields rise, and volatility increases in stock markets.

Spain GDP growth in 2022 (+5,8%) and 2023 (+3,8%) will highlight in Europe thanks to economic reopening, strong contribution of NextGenerationEU funds and continuous improvement in labour market conditions.

Switzerland will experience higher than historical average growth in 2022 (+3%) and 2023 (+2,1). After reaching 7 year highs against the Euro, the CHF brakes. Exports registered an annual all-time high in 2021.

The Spanish Stock Exchange channelled €23,935 bn. of corporate equity financing in 2021 (Δ 49% YoY) with 19 new listed companies and more than 97 capital increases. At the same time, dividends and other payments to shareholders recovered with a 9,4% annual increase.

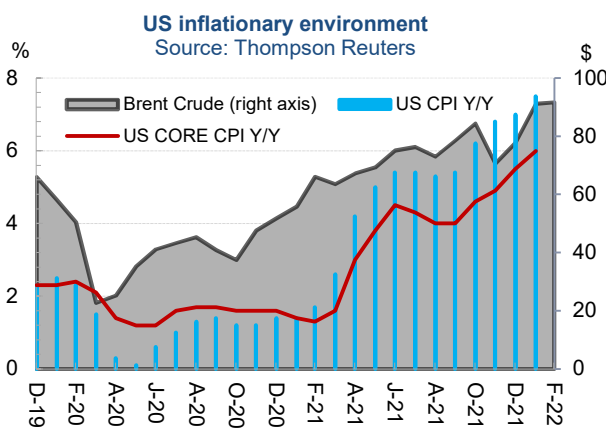
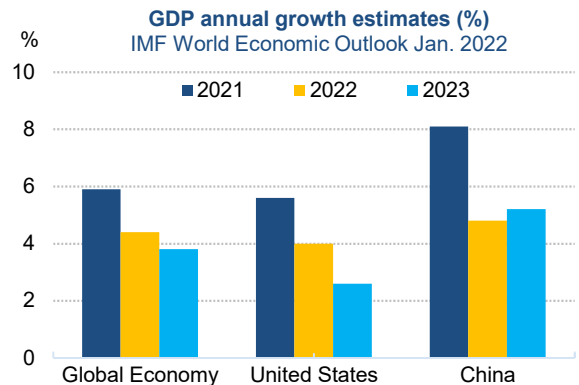
Swiss Stock Market leads the world in terms of Capitalization over GDP (>300%), reflecting prominent position of its blue chips as world class investments.

MARKET INTELLIGENCE DPT.

GLOBAL ECONOMY

Record growth of the global economy in 2021 (+5,9%) which will soften but remain solid in 2022 (+4,4%) and 2023 (+3,8%), according to IMF (WEO Jan. 2022). Restrictions to mobility, inflation pressures and real estate and consumption slowdown in China will impact the 1st half of 2022 and then to improve in the 2nd half.

Crecimiento récord de la economía mundial en 2021 (+5,9%), que se moderará, pero seguirá sólido en 2022 (+4,4%) y 2023 (+3,8%) según el FMI (WEO Jan. 2022). Las restricciones a la movilidad, las presiones inflacionistas y la desaceleración inmobiliaria y del consumo en China impactarán en la primera mitad de 2022 para mejorar en el segundo semestre.



Inflation in advanced economies reaches its highest levels for several decades boosted by energy prices, supply disruptions and geopolitical tensions. Uncertainty still persists about its temporality, in addition to potential second-round effects due to demand for wage increases among others.

La inflación en las economías avanzadas alcanza máximos de varias décadas impulsada por los precios de la energía, las disrupciones de oferta y las tensiones geopolíticas. Persiste la incertidumbre sobre su duración, además de los potenciales efectos de segunda ronda derivados, entre otros, de la demanda de incrementos salariales.

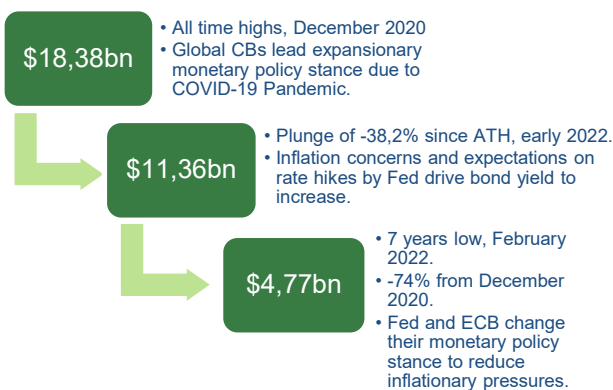
A new monetary policy cycle is confirmed in major economies as a reaction on strong economic growth and high inflation levels. Fed confirms the ending of its assets purchase program in March, when will start raising interest rates and reducing its balance sheet. Risk increases for emerging economies with high indebtedness.

Se confirma el nuevo ciclo de política monetaria en las principales economías como respuesta al fuerte crecimiento y a la elevada inflación. La Fed confirma la finalización de la compra de activos en marzo, cuando empezará a subir tipos de interés y reducir su balance. Se incrementa el riesgo para las economías emergentes con alto endeudamiento.

Fed meeting probabilities of interest hikes. 10/02/2022
Source: FedWatch tool, CME

MEETING DATE	25-50	50-75	75-100	100-125	125-150	150-175	175-200	200-225	225-250	250-275	275-300	300-325	325-350
16/03/2022	42,1%	57,9%	0,0%	0,0%	0,0%								
04/05/2022	0,0%	32,0%	54,1%	13,9%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
15/06/2022	0,0%	0,0%	27,0%	50,6%	20,2%	2,2%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
27/07/2022	0,0%	0,0%	8,3%	34,3%	41,3%	14,7%	1,5%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
21/09/2022	0,0%	0,0%	2,3%	15,6%	36,2%	33,8%	11,0%	1,1%	0,0%	0,0%	0,0%	0,0%	0,0%
02/11/2022	0,0%	0,0%	1,4%	10,1%	27,7%	34,8%	20,4%	5,2%	0,4%	0,0%	0,0%	0,0%	0,0%
14/12/2022	0,0%	0,0%	0,5%	4,3%	15,9%	30,0%	30,0%	15,4%	3,6%	0,3%	0,0%	0,0%	0,0%
01/02/2023	0,0%	0,0%	0,3%	3,0%	12,0%	25,3%	30,0%	20,3%	7,6%	1,4%	0,1%	0,0%	0,0%
15/03/2023	0,0%	0,0%	0,1%	1,3%	6,4%	17,0%	27,1%	26,4%	15,5%	5,3%	0,9%	0,1%	0,0%
03/05/2023	0,0%	0,0%	0,1%	1,0%	5,1%	14,4%	24,6%	26,5%	18,2%	7,8%	2,0%	0,3%	0,0%
14/06/2023	0,0%	0,0%	0,1%	0,7%	3,5%	10,8%	20,6%	25,8%	21,4%	11,9%	4,3%	0,9%	0,1%
26/07/2023	0,0%	0,0%	0,0%	0,5%	3,0%	9,4%	18,8%	24,8%	22,3%	13,6%	5,7%	1,6%	0,3%

Global Aggregate Negative Yielding Debt Value
Source: Bloomberg



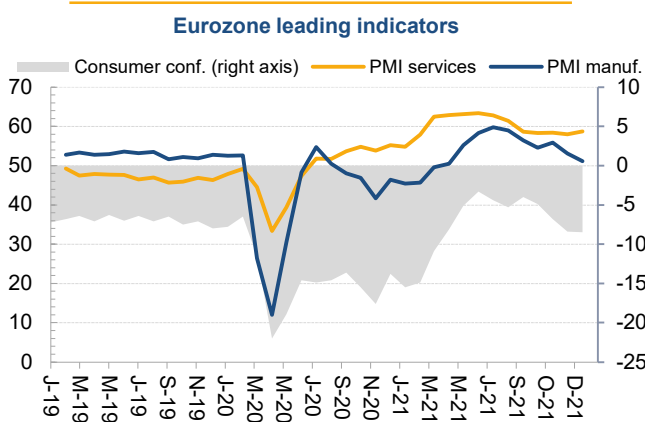
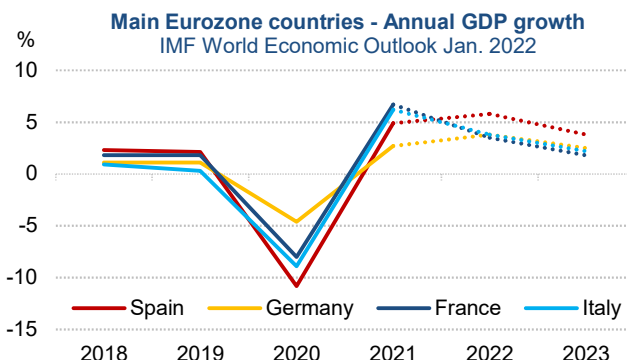
Bond yields rises cause a 58% reduction in the last two months of global debt value in negative yield territory, bringing it to levels not seen since 2015. In parallel, volatility spikes and produces corrections mainly in global growth stocks, diverging on performance from value stocks.

Se incrementan las rentabilidades de los bonos, lo que causa una fuerte reducción de la deuda en negativo a nivel global del 58% en los últimos dos meses, llevándolo hasta niveles no registrados desde 2015. En paralelo, se incrementa la volatilidad y las correcciones en los mercados de acciones sobre todo en valores "growth", divergiendo respecto a empresas consideradas "value".

EUROPEAN ECONOMY

After 5,2% strong rise of GDP in 2021, the EU economy will grow 4% in 2022 and 2,8% in 2023, +0,5 b.p. compared to the October forecast (IMF WEO Jan. 2022). Spain and the UK, the most negatively affected countries by the pandemic, will lead the recovery in the continent.

Tras la brillante alza del PIB del 5,2% en 2021, la economía de la UE crecerá un 4% en 2022 y un 2,8% en 2023, +0,5 p.p. respecto a la previsión de octubre (FMI WEO Jan. 2022). España y el Reino Unido, los países más afectados por la pandemia, liderarán la recuperación en el continente.

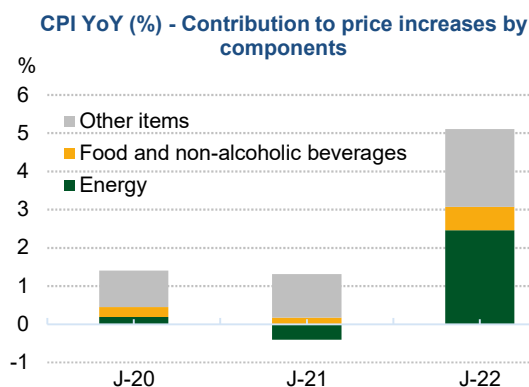


Record infections due to Omicron, inflation pressures, and supply disruptions slow down growth in Europe at the end of the year and start of 2022 even though it shows more resilience than in other infection waves. Household consumption and service sector, mostly tourism, are the most negatively impacted.

El récord de contagios causados por Ómicron, el alza de la inflación y los problemas en las cadenas de suministro frenan la economía europea a finales de año e inicio de 2022, aunque ésta demuestra más resiliencia que en otras olas de infección. El consumo de los hogares y las expectativas del sector servicios, sobre todo del turismo, se ven como las más afectadas.

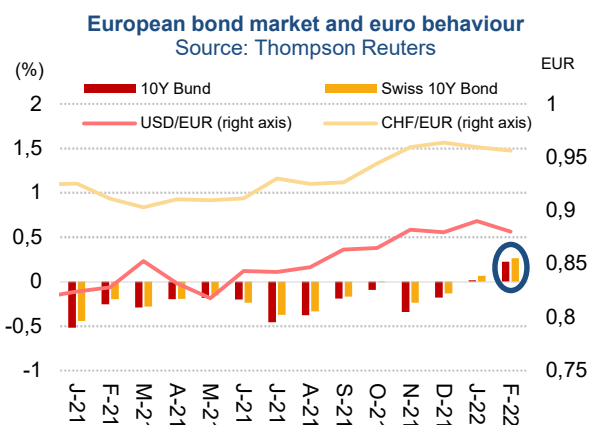
ECB announces very gradual changes of its monetary policy in the face of “worrying but transitory inflation”. In March, purchases of assets through the PEPP Emergency Program will end. Markets don't rule out an interest rate hike in the last quarter of 2022.

EL BCE anuncia cambios muy paulatinos en su política monetaria ante una inflación “preocupante pero transitoria”. Las compras de activos del PEPP finalizarán en marzo y los mercados no descartan subidas de tipos ya en el último trimestre de 2022.



German and Swiss 10-Y bond yields consolidate in positive territory for the first time in 3 years driven by the change in narrative of the ECB's monetary policy under the persistence of inflationary pressures. The Euro also recovers against the dollar (\$1,15).

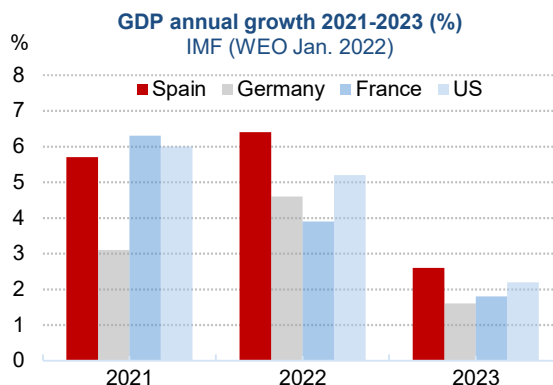
La deuda alemana y suiza de referencia a 10 años se consolidan en terreno positivo por primera vez en 3 años impulsadas por el cambio en la narrativa de la política monetaria del BCE ante la persistencia de presiones inflacionistas. El euro también se recupera frente al dólar (\$1,15).



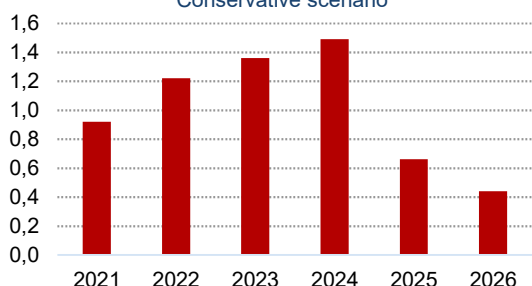
SPANISH ECONOMY

Spanish economy will lead european recovery in '22 (+5,8%) and '23 (+3,8%) according to IMF (WEO Jan. '22). Moreover, the European Commission also forecasts two years of sustained growth, '22 (+5,6%) and '23 (+4,4%) helping it to continue along the registered 5% growth in 2021.

La economía española liderará la recuperación en Europa en '22 (+5,8%) y '23 (+3,8%) según el FMI (WEO Ene. 22). Asimismo, la Comisión Europea también prevé dos años de crecimiento sostenido, '22 (+5,6%) y '23 (+4,4%), dando continuidad al crecimiento del 5% que la economía registró en 2021.



Contribution of NextGenerationEU Funds to Spain Annual GDP growth (p.p) Conservative scenario



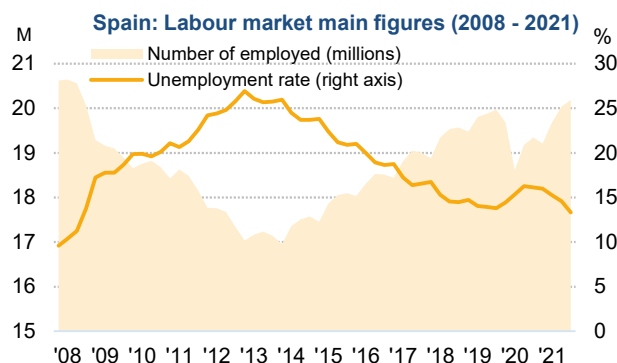
Source: Caixabank Research August '21

In 2022, €24,63 billion in grants will be mobilized through the EU Next Generation Recovery Fund. The funds allocated to Spain are increased by €4 billion due to the recovery slowdown and will amount to a total of €73,5 billion in direct aids, apart from €70 billion in low-cost loans.

En 2022 se movilizarán €24.633 millones en subvenciones del Fondo de Recuperación Next Generation EU. Los fondos disponibles para España se amplían en €4.000 millones por la ralentización de la recuperación, hasta un total de €73.500 millones en ayudas directas, además de €70.000 millones en préstamos a bajo coste.

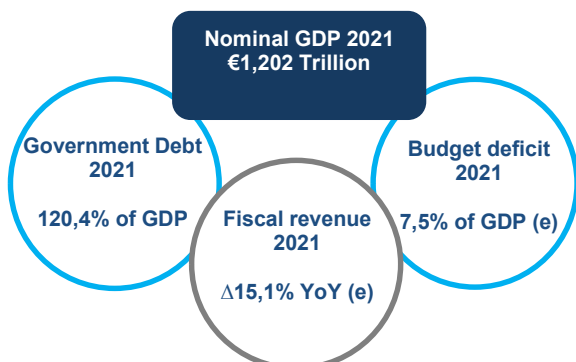
Strong recovery of the labour market in '21 that drive the unemployment rate down to '08 levels, even though it remains elevated (13,9%) when compared to European standards. In addition, there is a significant reduction in the number of workers in ERTE, the temporary lay-off scheme implemented during the pandemic.

Intensa recuperación del mercado laboral en '21 que llevan a la tasa de paro a niveles de '08, aunque continua en niveles elevados (13,9%) para los estándares europeos. Asimismo, se reducen significativamente los trabajadores en ERTE, la herramienta de bajas laborales temporales implementada durante la pandemia.



Source: Instituto Nacional de Estadística (INE)

Spain debt figures in 2021



Source: Bank of Spain and Government of Spain

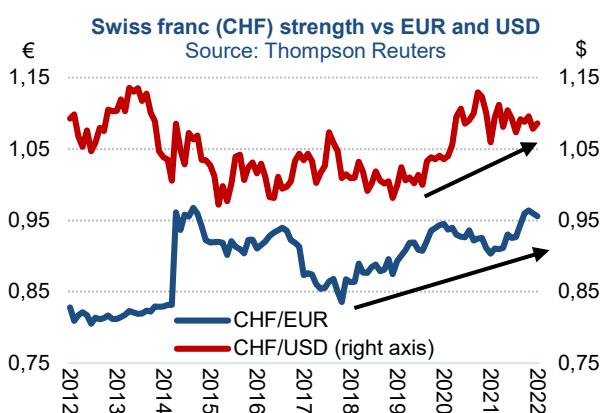
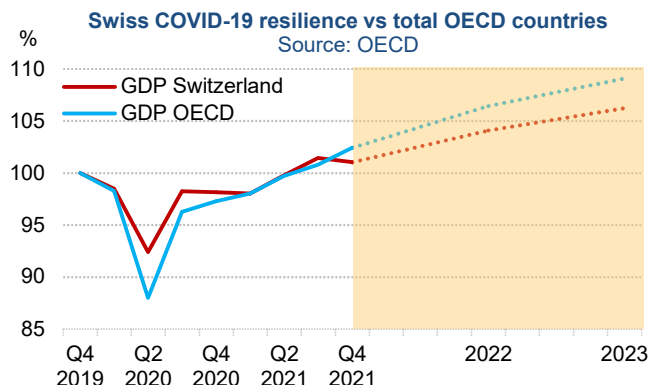
Public debt will end 2021 at around 120% of GDP before declining to 115,7% in 2022 and 113,7% in 2023 according to the Bank of Spain, which forecasts a budget deficit of 4,8% in 2022 and 4% in 2023. Likewise, fiscal revenue growth registers record highs as it increases 15% in 2021 until November.

La deuda pública rondará el 120% del PIB en 2021 para reducirse al 115,7% en 2022 y al 113,7% en 2023 según el Banco de España, que prevé que el déficit público alcance el 4,8% en 2022 y el 4% en 2023. Por su parte, los ingresos fiscales crecen un 15% en 2021 hasta noviembre y registran un récord histórico.

SWISS ECONOMY

Switzerland is expected to experience higher than historical average growth in '22 (+3,0%) and '23 (+2,1%) after the solid (+3%) rebound of '21 according to OECD December's forecasts. Nevertheless, supply chain disruptions, inflationary pressures and Omicron variant cause a slight downward revision of expected growth.

Suiza experimentará crecimientos superiores a la media histórica en '22 (+3,0%) y '23 (+2,1%) tras el sólido repunte del 3% en '21, según las previsiones de diciembre de la OCDE. No obstante, las interrupciones de oferta, las presiones inflacionistas y la Omicron causan una ligera revisión a la baja del crecimiento estimado.

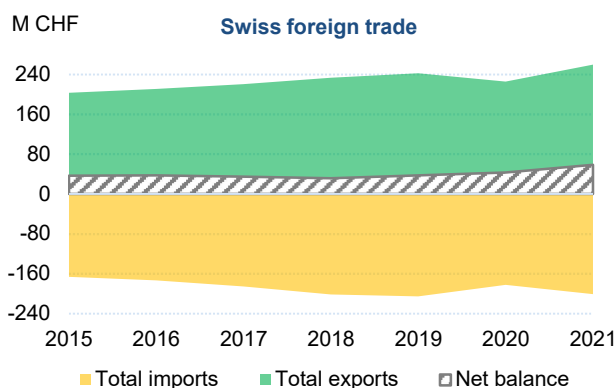


Central bank (SNB) does not seem under pressure at the moment to raise interest rates. The strength of the Swiss Franc, a solid-but-moderate growth, and a more controlled inflation scenario than in other countries (+1.5% YoY in Dec. 2021) are the factors to consider.

El Banco Nacional Suizo no parece presionado, por el momento, para subir tipos de interés. La fortaleza del Franco suizo, un crecimiento sólido pero moderado y una inflación más controlada que en otros países (+1,5% YoY Dic. 2021) son los factores a considerar.

Despite the strength of CHF, Swiss exports marked an annual all-time high (\$284,5 bn.) after 15,2% rise in '21. The trend is expected to continue thanks to luxury goods, and pharmaceutical industry, key drivers of Swiss exports and responsible for more than a third of GDP growth since 2010.

A pesar de la apreciación del CHF, las exportaciones de Suiza registraron un récord histórico (\$284,5 MM) tras aumentar un 15,2% en '21. Se espera que la tendencia continúe gracias en buena medida a los bienes de lujo y a la industria farmacéutica, motores de las exportaciones y de más de un tercio del crecimiento del PIB desde '10.



Project Helvetia

- Looks toward a future in which more financial assets are tokenised and financial infrastructures run on DLT.
- SNB and five commercial banks integrated wholesale CBDC in their existing back-office systems and processes.
- Tests covered a wide-range of transactions in Swiss francs – interbank, monetary policy and cross-border.
- Successfully demonstrates that such integration is operationally possible.

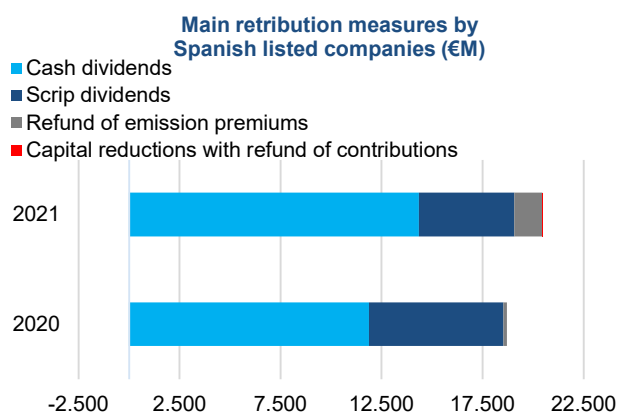
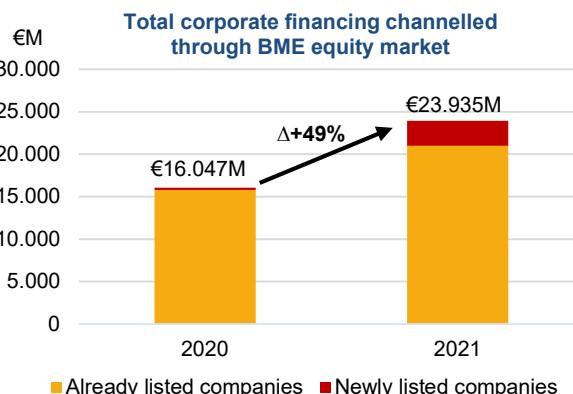
The Bank of International Settlements (BIS), the Swiss National Bank (SNB) and the Swiss Exchange (SIX) have successfully completed an advanced integration phase of the Central Bank Digital Currency (CBDC) settlement project with commercial Banks.

El Banco de Pagos Internacionales (BIS), el Banco Nacional Suizo (SNB) y la Bolsa suiza (SIX) han completado con éxito una fase avanzada de integración del programa de liquidación de Divisa Digital del Banco Central (CBDC) realizado con bancos comerciales.

SPANISH SECURITIES MARKETS

€23,9 billion of corporate equity financing are channelled through the Spanish Stock Exchange in 2021, registering a 49% annual increase. In this sense, 19 new companies were listed and more than 97 capital increases were carried out.

La Bolsa española canaliza 23.935 millones de euros de financiación empresarial en 2021, lo que supone un incremento anual del +49%. Durante el año se produjeron 19 incorporaciones a cotización y 97 ampliaciones de capital.

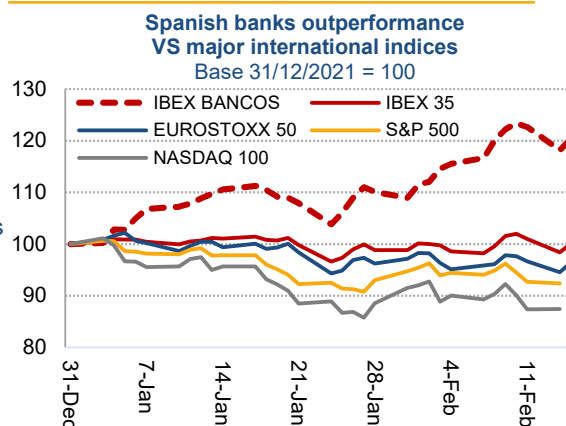


Dividends and other payments to shareholders by Spanish listed companies grow 9,4% in 2021 to a total amount of €20,475 Bn. The Spanish Stock Exchange maintains a 4% average dividend yield in the last 35 years.

Los dividendos y otros pagos al accionista de las empresas cotizadas españolas crecen un 9,4% en 2021 hasta los 20.475 millones de euros. La Bolsa española mantiene una rentabilidad media por dividendo en los últimos 35 años del 4%.

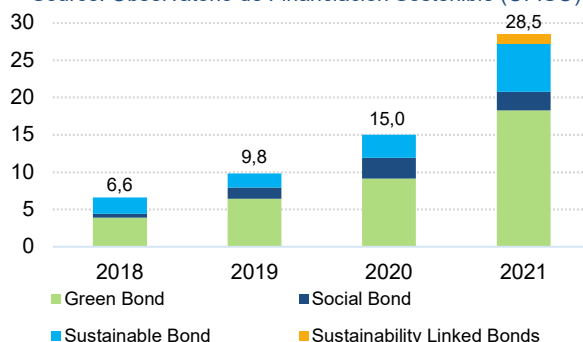
The Spanish banking sector listed in the Stock Exchange registers strong gains at the beginning of 2022 as a result of increasing interest-rate hikes expectations around main Central Banks, which helps the IBEX 35® outperform other european or american indices so far this year.

El sector bancario español cotizado inicia el año 2022 con fuertes ganancias como respuesta a las perspectivas de aumento paulatino de tipos de interés de intervención por parte de los Bancos Centrales. Todo ello ayuda al IBEX 35® a registrar mejores comportamientos en lo que va de año con respecto a otros índices europeos y americanos.



Sustainable Bonds issues by categories (€Bn.) Spain 2018-2021

Source: Observatorio de Financiación Sostenible (OFISO)



Green, Social and Sustainable bond issuances in Spain surpass the figure of €28,50 billion in 2021, a 90% annual increase according to the Observatorio de Financiación Sostenible (OFISO). Green bonds already account for 64% of total debt emissions in the country.

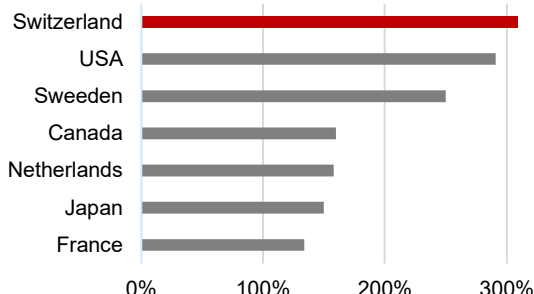
Las emisiones de bonos verdes, sociales y sostenibles en España superan los 28.500 millones de euros en 2021, con un crecimiento anual del 90% según datos del Observatorio de la Financiación Sostenible (OFISO). De esta forma, los bonos verdes acaparan el 64% de las emisiones de deuda en el país.

SWISS SECURITIES MARKETS

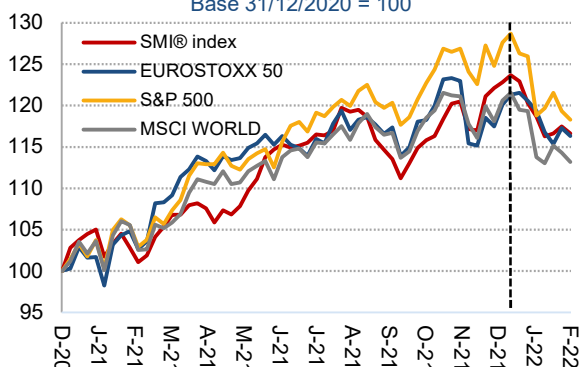
Market capitalization of the Swiss Stock Exchange represents more than 300% of the GDP of the country, which highlights the size and competitiveness of its blue chips. Swiss domestic companies listed at SIX are essential world-class investments.

La capitalización total de la Bolsa suiza ya supone más del 300% del PIB del país, lo que demuestra su capacidad competitiva y exportadora de la economía. Las compañías domésticas cotizadas en SIX se han convertido en indispensables en las carteras de inversión con exposición mundial.

Stock Market Capitalization VS GDP - Dec. '21
Source: FactSet, World Bank and IMF



SMI index VS major international equity indices
Base 31/12/2020 = 100



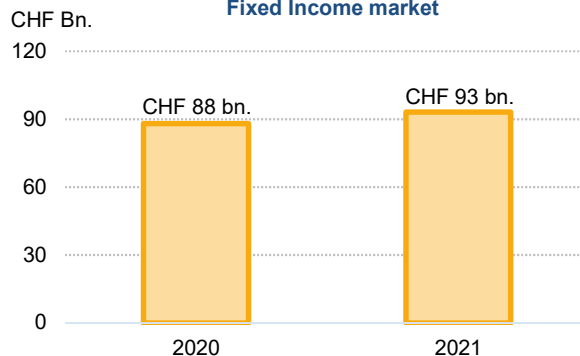
The blue-chip index SMI® from the SIX Swiss Exchange ended 2021 with gains of 20,3%, being among the best performing indices of the year. The benchmark registered new all-time highs around 13.000 points at the end of the year to later correct in line with global markets.

El Índice blue chip SMI de SIX Swiss Exchange cerró el año 2021 con una revalorización del 20,3%, lo que le sitúa entre los índices con mejor comportamiento del año. El selectivo registró un nuevo máximo histórico a finales de año al acercarse a los 13.000 puntos para posteriormente corregir en línea con las bolsas globales.

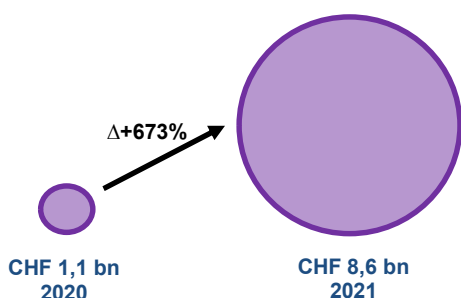
SIX Fixed Income market enabled companies to continue raising funds through bonds and money market paper. In 2021, a total of CHF 107 bn. were channelled, out of which CHF 93 bn. came out from bonds, representing an increase of 5,7% from 2020.

El mercado de renta fija de SIX permitió a las compañías continuar levantando fondos mediante bonos y pagarés. En 2021, un total de CHF 107 MM fueron canalizados, de los cuales CHF 93 MM procedieron de bonos, representando un incremento del 5,7% respecto 2020.

Funds raised through bonds in the SIX Fixed Income market



Annual turnover of products with crypto currencies as underlying

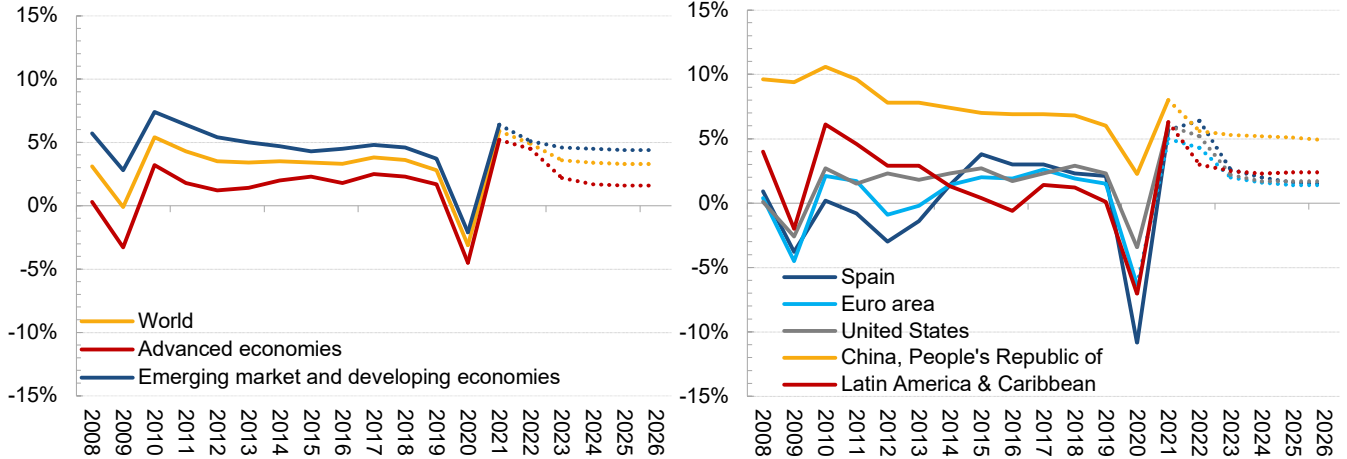


Products with crypto currencies as underlying passed the CHF 8,5 bn. turnover mark in '21, a 673% annual increase while transactions increased more than sixfold. There are close to 200 crypto products available to investors through Structured Products and ETPs, the largest offering on any regulated exchange.

Productos de inversión con criptomonedas como subyacente superaron los CHF 8,5 MM de negociación en '21, un +673% anual, mientras las transacciones se multiplicaron por 6x. Ya hay más de 200 productos crypto disponibles mediante productos estructurados y ETPs, la mayor oferta en una bolsa regulada.

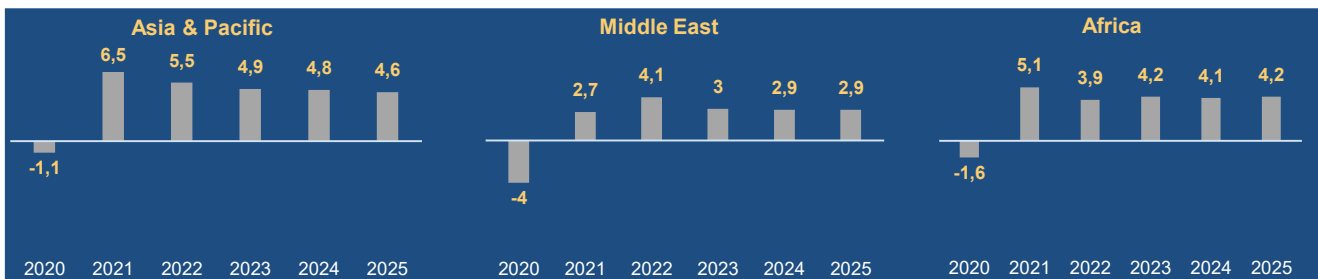
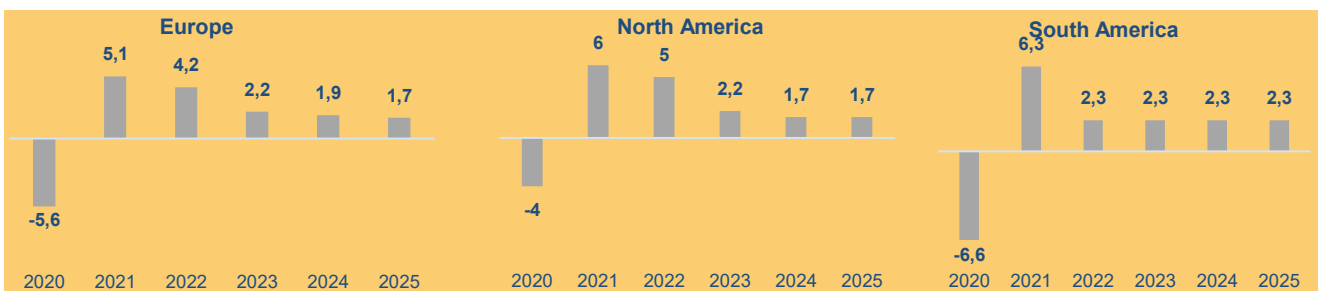
US economy accelerated to 6,9% growth in Q4 boosted by less Covid restrictions, which improves service sector, and by a raise of inventories. Conversely, China slows growth due to less consumption, Zero-Covid policy and property investment.

Real Gross Domestic Product (GDP), annual rates

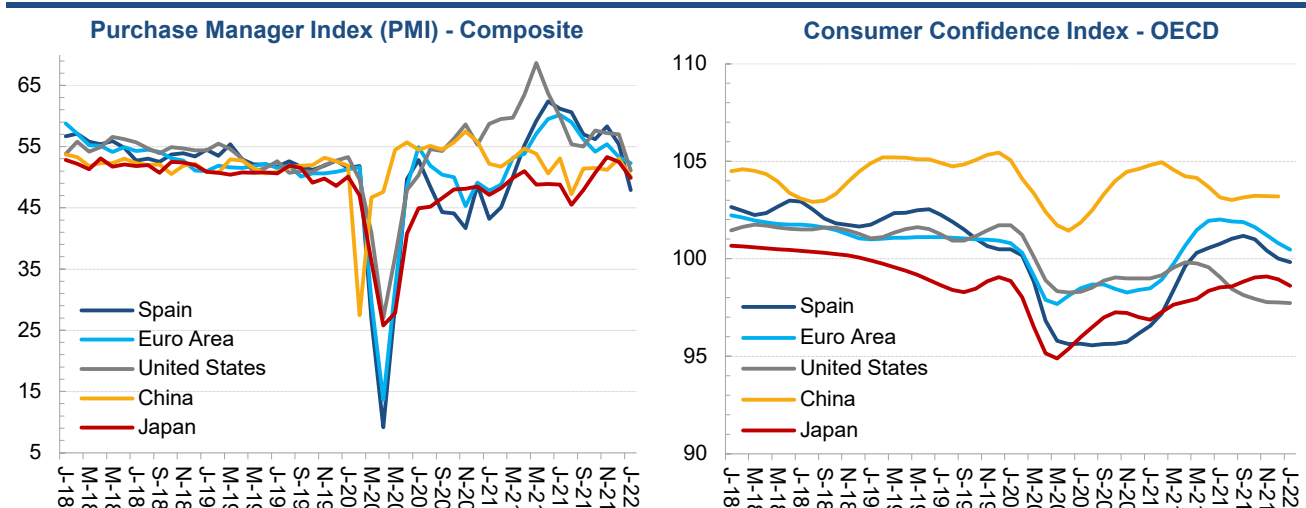


Main indicators - GDP YoY % *(long term estimates from IMF WEO October 2021)

	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	6,0	5,2	2,2	1,7	1,7	1,7
Euro Area	1,9	1,5	-6,3	5,0	4,3	2,0	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	-8,0	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	1,0	1,0	1,0
Spain	2,3	2,1	-10,8	5,7	6,4	2,6	2,0	1,6	1,5
Japan	0,6	0,0	-4,6	2,4	3,2	1,4	0,8	0,6	0,5
United Kingdom	1,3	1,4	-9,8	6,8	5,0	1,9	1,6	1,5	1,5
Switzerland	2,9	1,2	-2,5	3,7	3,0	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



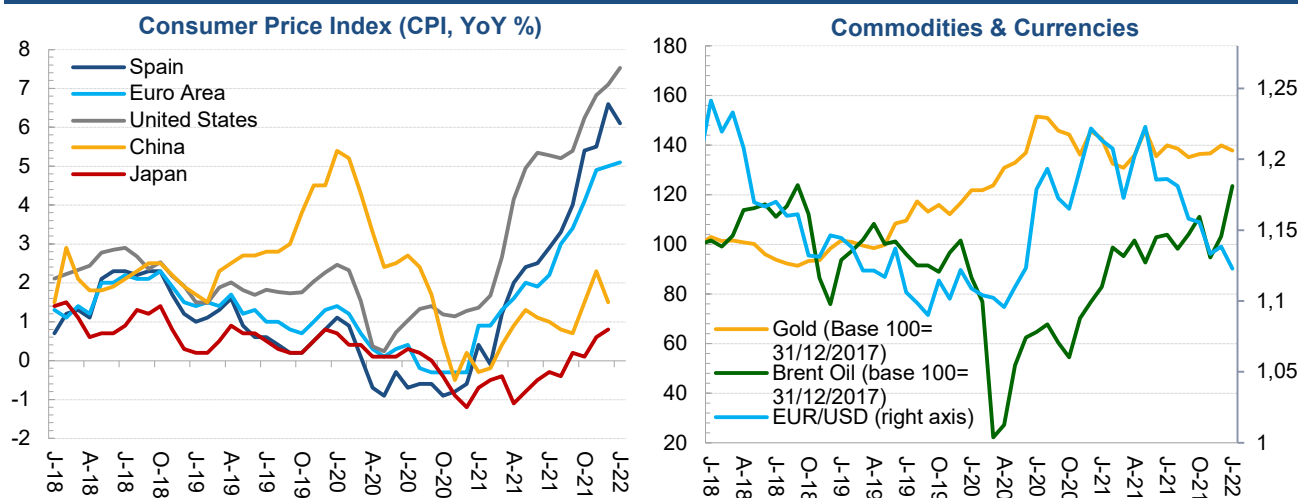
Private sector activity slows down at the beginning of the year due to the impact of the Omicron variant, labour and commodities shortages and inflation pressures. Also, confidence slightly worsens. Nevertheless, the outlook improves for the 2nd half of '22.



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

	2019	2020	2021	09/21	10/21	11/21	12/21	01/22
Purchase Manager Index (PMI)								
Advanced economies								
United States	52,48	48,76	59,66	55,00	57,60	57,20	57,00	51,10
Euro Area	51,30	44,02	54,88	56,20	54,20	55,40	53,30	52,30
Germany	51,11	46,39	55,28	55,50	52,00	52,20	49,90	53,80
France	51,15	43,49	53,76	55,30	54,70	56,10	55,80	52,70
Italy	50,08	41,75	54,71	56,60	54,20	57,60	54,70	50,10
Spain	52,69	41,51	55,33	57,00	56,20	58,30	55,40	47,90
Japan	50,48	42,42	49,38	47,90	50,70	53,30	52,50	49,90
United Kingdom	50,18	46,43	55,83	54,90	57,80	57,60	53,60	54,20
Switzerland (manuf, Credit Suisse)	49,11	48,78	65,88	68,10	65,40	62,50	62,70	63,80
Canada (IVEY)	53,95	50,17	61,40	70,40	59,30	61,20	45,00	50,70
Emerging Economies								
China	51,79	51,42	51,96	51,40	51,50	51,20	53,00	50,10
India	52,22	44,28	54,16	55,30	58,70	59,20	56,40	53,00
Russia	52,26	45,98	51,93	50,50	49,50	48,40	50,20	50,30
Brazil	51,38	46,15	51,15	54,70	53,40	52,00	52,00	50,90
Mexico (manufacturing)	49,67	42,69	47,62	48,60	49,30	49,40	49,40	46,10
Consumer Confidence Index								
Advanced economies								
United States	101,30	99,27	98,83	98,13	97,93	97,78	97,76	97,73
Euro Area	101,04	98,73	100,89	101,87	101,62	101,20	100,79	100,47
Germany	101,27	99,60	100,56	101,33	101,21	100,94	100,72	100,65
France	99,81	98,62	100,31	101,09	100,96	100,79	100,51	100,19
Italy	100,70	99,45	102,14	103,04	103,01	102,83	102,41	101,77
Spain	101,77	96,84	99,74	101,17	100,99	100,41	100,00	99,82
Japan	99,03	96,64	98,24	98,83	99,03	99,09	98,94	98,61
United Kingdom	99,88	98,01	101,02	101,35	100,53	100,17	99,82	99,27
Switzerland	99,94	97,56	100,08	101,96	101,98	101,85	101,61	101,32
Canada (refinitiv)	53,88	45,01	51,88	52,98	55,37	54,09	52,28	51,51
Emerging Economies								
China	105,08	103,22	103,77	103,14	103,23	103,21	103,19	--
India (RBI)	94,60	65,00	107,15	107,0	--	109,6	--	103,0
Russia	99,59	97,19	97,82	98,52	98,27	98,11	98,03	97,93
Brazil	100,53	98,50	98,28	98,52	98,27	98,11	98,03	97,93
Mexico	104,45	98,00	102,64	103,26	103,69	104,24	104,40	--

Inflation continued to rise throughout 2H of '21 due to energy costs, food prices and ongoing supply chain disruptions. Elevated inflation is forecasted to persist for longer than expected, forcing CBs to start tightening their monetary policies. However, the IMF still expects prices to gradually decrease in '22.



Main indicators	2018	2019	2020	2021	10/21	11/21	12/21	01/22
Inflation (IMF, YoY)								
Advanced economies								
United States	1,92	2,26	1,28	7,10	6,24	6,83	7,10	7,53
Euro Area	1,50	1,30	-0,30	5,00	4,10	4,90	5,00	5,10
Germany	1,70	1,50	-0,70	5,70	4,60	6,00	5,70	5,10
France	1,90	1,60	0,00	3,40	3,20	3,40	3,40	3,30
Italy	1,20	0,50	-0,30	4,20	3,20	3,90	4,20	5,30
Spain	1,20	0,80	-0,60	6,60	5,40	5,50	6,60	6,10
Japan	0,30	0,80	-1,20	0,80	0,10	0,60	0,80	--
United Kingdom	2,10	1,30	0,60	5,40	4,20	5,10	5,40	--
Switzerland	0,80	-0,10	-1,00	1,30	1,30	1,50	1,30	--
Canada (IVEY)	1,90	2,20	0,70	4,80	4,60	4,60	4,80	--
Emerging Economies								
China	1,90	4,50	0,20	1,50	1,50	2,30	1,50	--
India	2,11	7,13	4,65	5,62	4,44	4,87	5,62	6,06
Russia	4,16	3,04	4,89	8,42	8,15	8,42	8,42	8,82
Brazil	3,43	4,48	5,45	10,16	11,08	10,96	10,16	10,60
Mexico (manufacturing)	5,00	2,73	3,18	7,36	6,24	7,38	7,36	7,09
Commodities - Month-end data (Thompson Reuters)								
CRB Index	175,96	196,64	178,29	247,02	252,65	232,99	247,02	271,23
Bloomberg Commodity Index	159,72	172,00	166,63	211,80	220,73	204,59	211,80	230,40
Energy & Transportation								
Brent Oil	50,57	67,77	51,22	77,24	83,10	70,86	77,24	92,35
West Texas Oil	45,13	61,08	48,28	75,21	83,57	66,18	75,21	88,15
Natural Gas	2,94	2,19	2,54	3,73	5,43	4,57	3,73	4,87
Baltic Dry Index (Transp.)	1271	1090	1366	2217	3519	3018	2217	1418
Metals								
Gold	1281,34	1520,50	1897,77	1822,39	1776,81	1780,05	1822,39	1796,65
Silver	15,51	17,92	26,38	23,27	23,93	22,82	23,27	22,48
Cooper	2,63	2,80	3,52	4,46	4,36	4,28	4,46	4,33
Currencies (units per EUR) - Month-end data (Thompson Reuters)								
USD (United States)	1,146	1,122	1,222	1,138	1,156	1,133	1,138	1,123
GBP (United Kingdom)	0,898	0,847	0,895	0,840	0,844	0,851	0,840	0,836
CHF (Switzerland)	1,127	1,087	1,082	1,036	1,057	1,042	1,036	1,044
JPY (Japan)	125,42	121,99	126,33	130,95	131,96	127,81	130,95	129,17
CNY (China)	7,849	7,819	8,002	7,248	7,406	7,171	7,248	7,136
BRL (Brazil)	4,431	4,516	6,355	6,334	6,523	6,358	6,334	5,953
MXN (Mexico)	22,51	21,20	24,38	23,27	23,77	24,19	23,27	23,15

Source: IMF, Thompson Reuters.

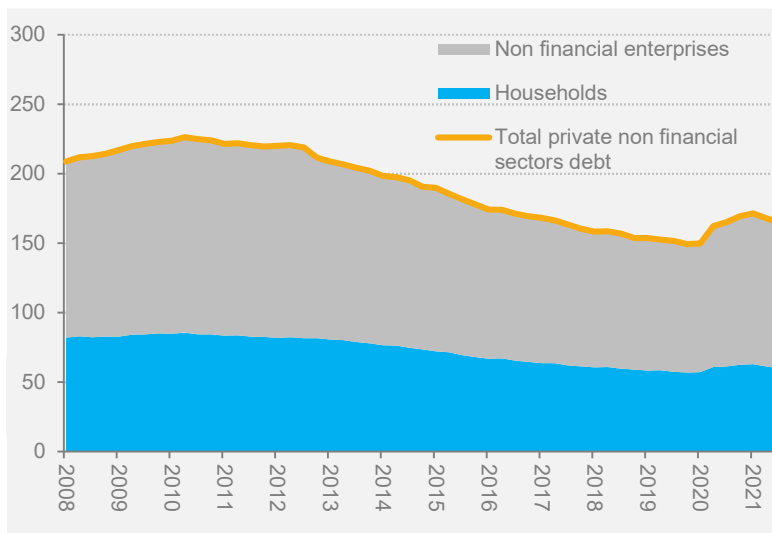
Spain ends '21 with a total net funding of €75bn, 25% below the estimated level for the whole year. Besides, the cost of debt issued during '21 registers negative figures (-0,04%) for the first time in history, with 60% of total issuances carried out below 0%. The total average cost of debt also hits a record low at 1,65%.

Main public debt figures, Bank of Spain & Treasury

Debt to GDP 2020 120,0%	Debt to GDP 2021 120,4% estimate
Surplus/Deficit 2020 -11,0%	Surplus/Deficit 2021 -7,5% estimate
Avg. Cost of Debt 2020 1,86%	Avg. Cost of Debt 2021 1,65%
Cost of debt issued 2020 0,2%	Cost of debt issued 2021 -0,04%
Avg. Maturity Debt 2020 7,75 years	Avg. Maturity Debt 2021 8 years

Ratings Public Debt	2021 - Net financing
Fitch: A- / estable	Short Term €9,03bn
Moody's: Baa1 / estable	Med.&Long T. €66,09bn
S&P: A / negativa	Total €75,14bn

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

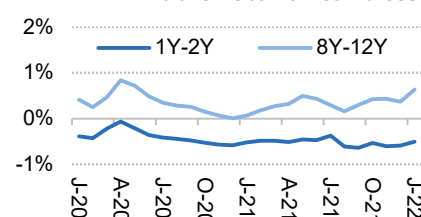


Public Debt Issuances

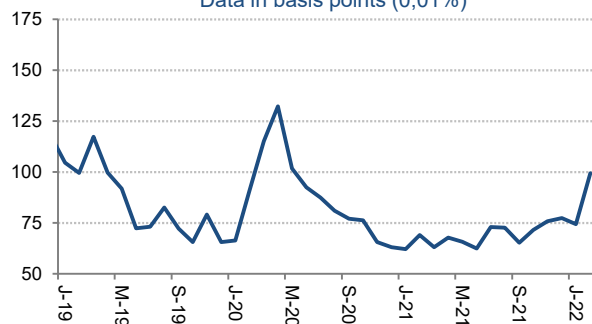
15/02/2022	3M	6M	9M	12M	2Y
Treasury bills. IRR (%)	-0,585	-0,567	-0,513	-0,428	-0,361
	3Y	5Y	10Y	15Y	30Y
Bonds & Obligations. IRR (%)	0,037	0,669	1,318	1,625	1,923

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	12.037	18.156	6.119
December	6.540	9.359	2.819
TOTAL	189.174	264.312	75.138

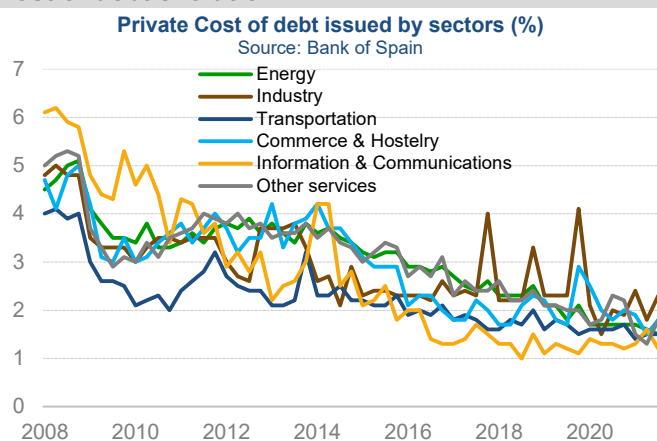
BME Public Debt Market Indices



Spanish risk premium (2019 - 2022)
Data in basis points (0,01%)



Cost of debt evolution



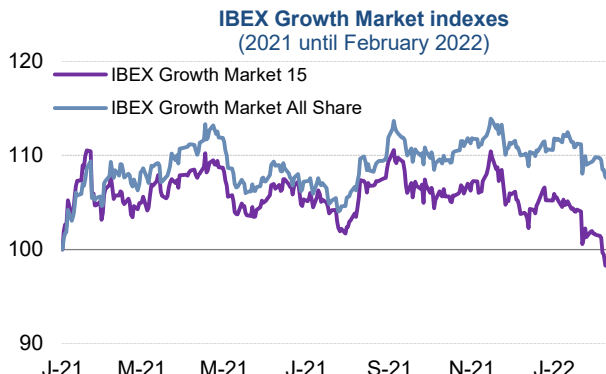
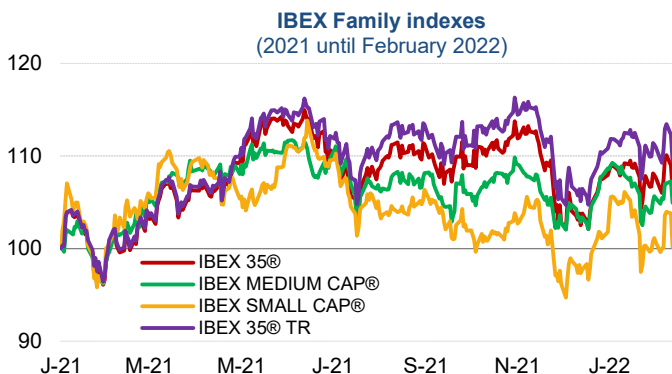
Average cost of outstanding public debt
Source: Public Treasury



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

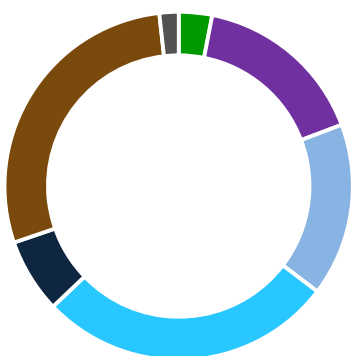
Spanish equity indices show resilience in the first steps of 2022 amid volatility increases and some rotation from growth stock like technological companies to value stocks such as banking sector. In this context, IBEX 35® maintains a good risk-reward profile as major valuation ratios remain attractive.

SPANISH EQUITY MARKET



IBEX 35® Sector Composition

(% calculated on market capitalization of the index)

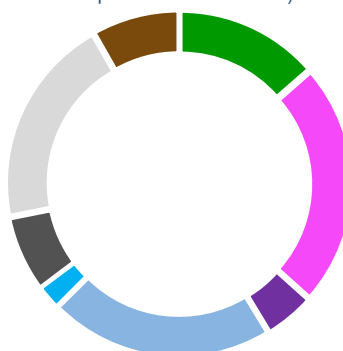


*February '22 figures

- Pharma & Biotech products (2,7%)
- Consumer Goods (13,8%)
- Basic Materials, Industry & Building (13,8%)
- Oil & Energy (23,5%)
- Consumer Services (5,9%)
- Financial Services (24,4%)
- Real estate Services (1,5%)

BME Growth Sector Composition (ex REITs)

(% calculated on market capitalization of the index)



*February '22 figures

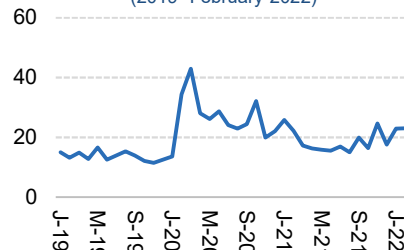
- Pharma & Biotech products (15,6%)
- Electronics & Software (20,6%)
- Engineering & others (5,1%)
- Renewable Energy (17,8%)
- Media & Publicity (2,7%)
- Telecommunications & Others (7,3%)
- Other services (21,3%)
- Others (9,58%)

Spanish equity market	2020	2021	1Q '21	2Q '21	3Q '21	4Q '21
Turnover (M€)	429.359	378.144	93.711	96.004	79.886	108.543
Nº Trades (M)	55,65	45,07	13,48	10,62	10,14	10,84
Capital increases (M€)	15.791	21.003	6.419	8.559	4.302	1.722
Dividends distributed (M€)	18.523	19.069	3.633	3.919	5.791	5.725
IBEX 35® Dividend Yield (%) ¹	4,17	2,8%	3,26	2,84	2,80	2,80
VIBEX Volatility Index (%) ²	25,52	18,54	21,67	15,83	17,20	19,47
BME Growth, Nº companies	119	127	118	120	126	127

¹Morgan Stanley Capital International. End date of the period

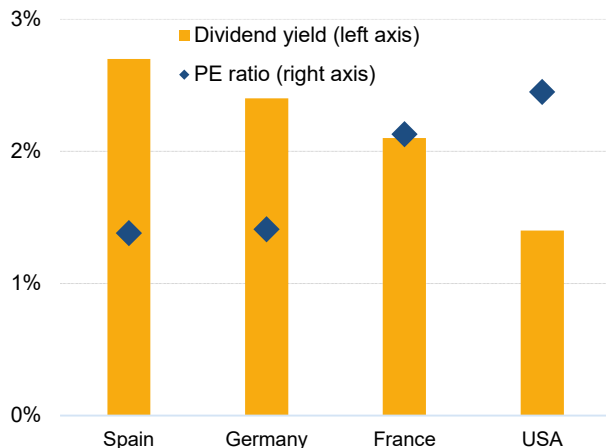
²Average of the period (year or quarter)

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



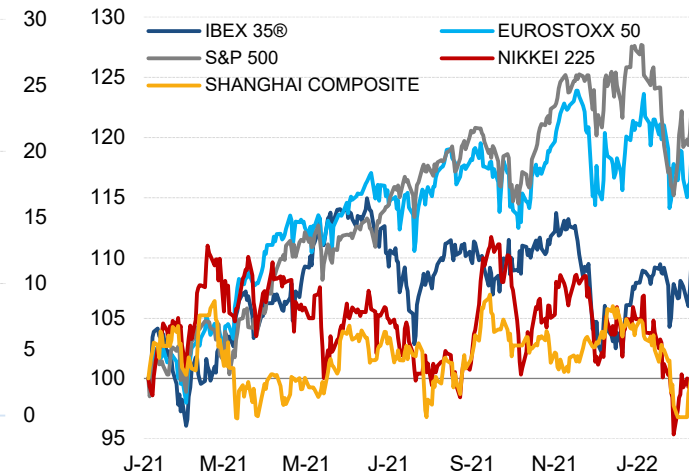
Dividend Yield & PE ratio, End January 2022

Source: Morgan Stanley Capital International



International Stock indexes (2021 - Feb. 2022)

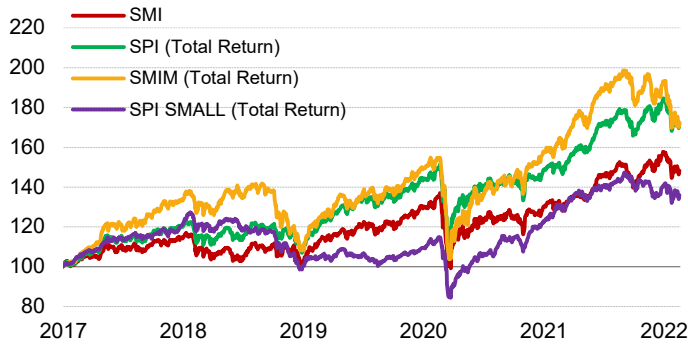
(Base 100 = 31/12/2020)



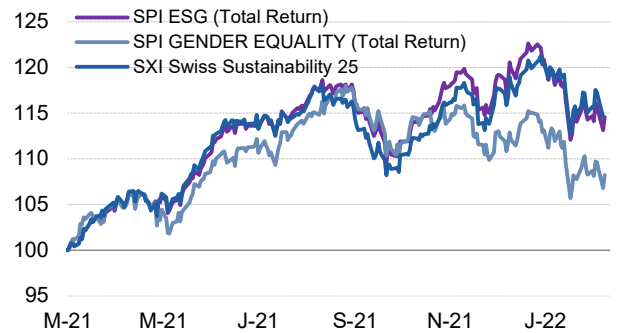
Swiss Equity Market incorporate 5 new companies in 2021 from different industries, two of them being admitted in the last quarter of the year. With this new listings, the market remains well diversified by sectors, with more leverage in health care industry, consumer goods and financial institutions.

SWISS EQUITY MARKET

SMI and SPI indexes

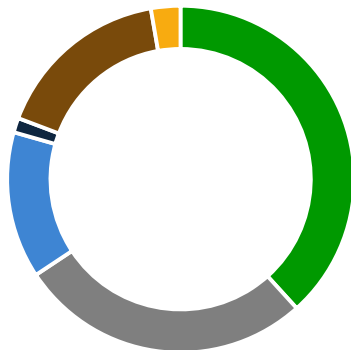


SIX ESG indexes



SMI Sector Composition

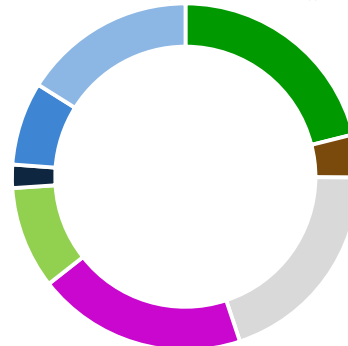
(% calculated on market capitalization of the main traded index of the Swiss market (20 components))



*February '22 figures

SPI Sector Composition

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



*February '22 figures

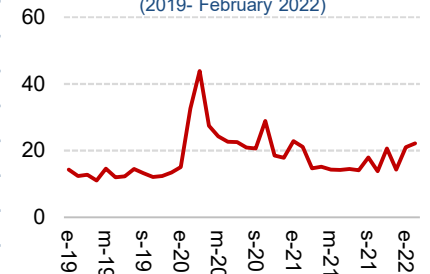
Swiss equity market	2020	2021	1Q '21	2Q '21	3Q '21	4Q '21
Turnover (BnCHF) ¹	1.468	1.050	310	260	232	248
N° Trades (M) ¹	96,503	59,900	18,292	13,800	13,462	14,345
IPOs (n°)	2	5	--	2	1	2
SMI Dividend Yield (%) ²	2,84	2,50	2,84	2,50	2,50	2,50
VSMI Volatility Index (%) ³	24,57	16,45	21,70	19,56	14,55	16,22
ETF Turnover (BnCHF)	112	80	23	19	15,84	21,82
Struct. Prod. Turnover (BnCHF)	23	20	6,34	4,53	4,28	4,99

¹Equities incl. Funds + ETPs

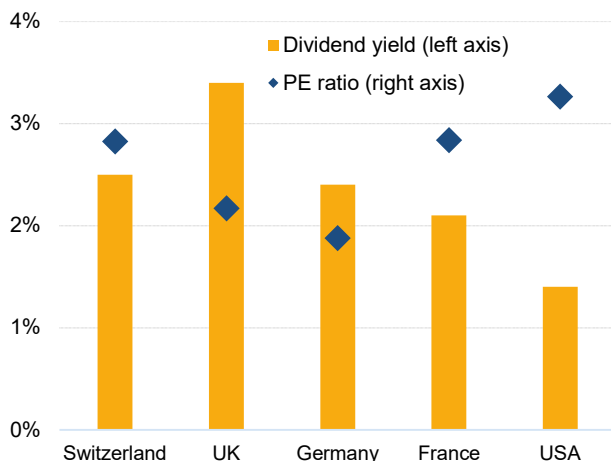
²Source: Morgan Stanley Capital International. End date of the period.

³Average of the period (year or quarter)

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



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



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

