

Macro Trends Affecting Spanish and Swiss Securities Markets

Q2 2022

Higher inflation and short and long term interest rates will increasingly affect economy and financial markets during 2nd half 2022. World economy growth projections are cut due to the war in Ukraine, the energy and food crisis, the supply disruptions and China slowdown, but still will be well above 3% in 2022 and 2023.

The Fed has already raised rates three times this year, the ECB is expected to carry out first hike in the third quarter and is preparing a new "anti-fragmentation" instrument. Global stock prices fall across the world and bond markets register worst performance in decades as volatility mounts.

Spain GDP growth will stand out among developed economies in 2022 and 2023 (around 4%). Strong rebound running in the tourism sector and arrival of NextGen EU Funds will soften consequences of the war in Ukraine both in prices and interest rates.

Economic outlook in Switzerland remains positive, with an expected GDP growth of 2,2% in '22 & 1,4% in '23. The economy benefits from a contained inflation environment, although the SNB decides to follow main CBs and hike rates (+0,5%) for the 1st time since 2007 (still negative at -0,25%).

Newly
added:
LatAm

Overall GDP growth in LATAM economies will moderate to pre-pandemic levels in the next two years as high inflation and monetary tightening by CBs weight on demand. On the stock market side, regional indices benefit from a more value-tilted compositions.

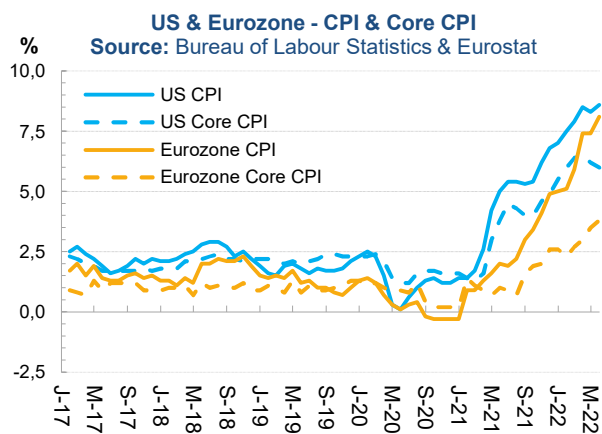
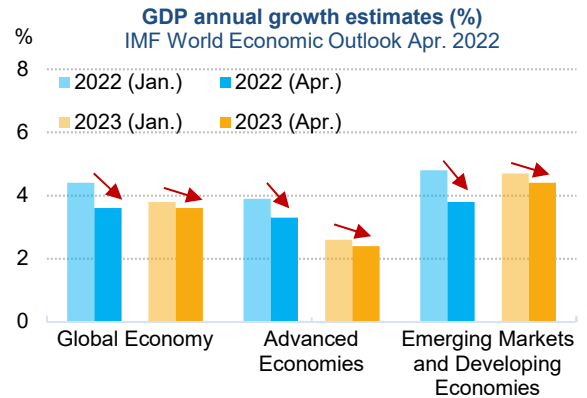
The Spanish stock market outperforms its international counterparts as the sector composition of the IBEX 35[®] limits falls in the current macroeconomic context. The IBEX Top Dividend and the IBEX 35[®] Energy advances around 5% until June.

SIX Swiss Exchange incorporates three new companies so far this year. Talenthouse and EPIC SUISSE in the main market while Xlife Sciences becomes first company in Sparks, the new SME segment.

GLOBAL ECONOMY

World economic output remains above historical levels. Nevertheless, IMF (WEO Apr. 2022) cuts projections made in January for growth in '22 (-0,8p.p.) and '23 (-0,2p.p.) both forecasted at 3,6% due to high uncertainty amid Russia-Ukraine war, China's zero-Covid policy and surging inflation.

El PIB mundial permanece por encima de niveles históricos, aunque el FMI (WEO abr. 2022) recorta la proyección de crecimiento hecha en enero para '22 (-0,8p.p.) y '23 (-0,2p.p.), ambos estimados en el 3,6% debido a la elevada incertidumbre en un contexto de guerra Rusia-Ucrania, la política Covid-cero de China y una inflación al alza.

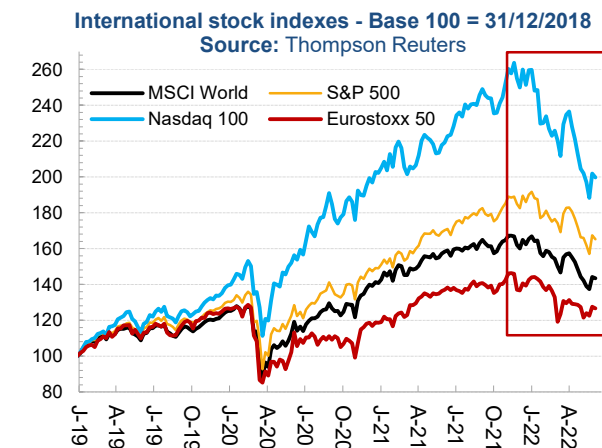
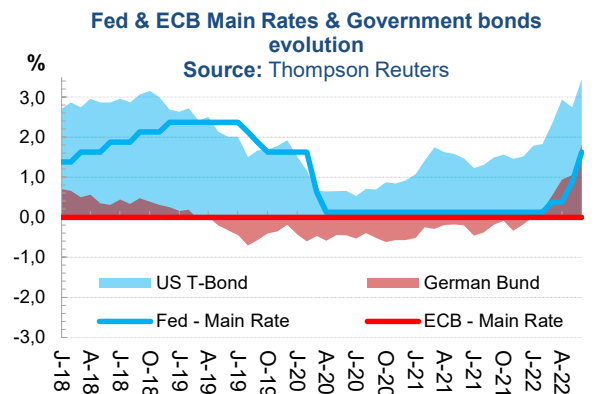


Global inflation rises above historical levels in the first months of '22 due to the energy crisis, supply disruptions and geopolitical conflicts in Europe. The War in Ukraine has worsened international trade relations and crucial energy supplies to Advanced Economies. US and Eurozone inflation reaches 8,6% and 8,1%, respectively in May.

La inflación global se sitúa por encima de niveles históricos en los primeros meses de '22 ante la crisis energética, las interrupciones de suministros y los conflictos geopolíticos en Europa. La Guerra en Ucrania ha empeorado las relaciones comerciales internacionales y la oferta crucial de energía a las economías avanzadas. La inflación de abril en EE.UU. y la Eurozona alcanza el 8,6% y 8,1% en mayo.

Main CBs accelerate financial tightening to reverse inflation escalation. The Fed carries out three consecutive interest rate hikes (+0,25 / +0,50 / +0,75p.p.) to the range 1,50%-1,75%. Fed Chair points out the US economic strenght although highlights uncontrollable inflationary factors, expects a GDP slowdown and more interest rate hikes in the next months.

Los BCs aceleran el endurecimiento financiero para revertir la escalada de la inflación. La Fed sube tipos tres veces consecutivas (+0,25 / +0,50 / +0,75p.b.) hasta el rango 1,50%-1,75%. Su presidente remarca la fortaleza de la economía de EEUU, aunque destaca factores inflacionarios no controlables, espera una ralentización del PIB y más subidas de tipos.



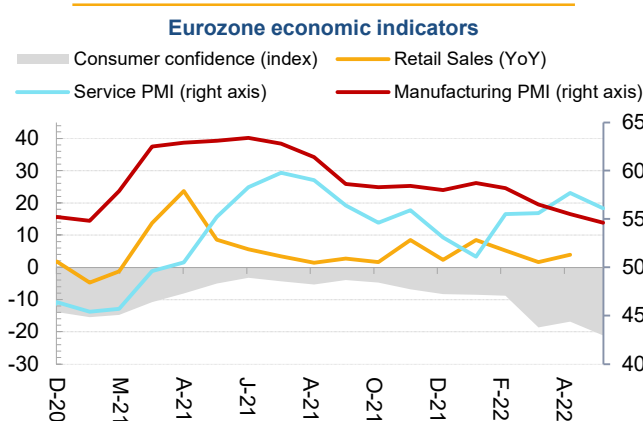
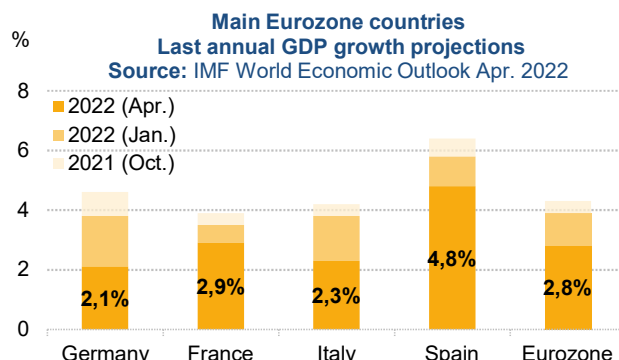
Global stocks accumulate losses of around 22% YTD amid "stagflation" fears and a potentially rapid monetary policy tightening. Tech and other growth stocks suffer larger declines while public and corporate bond prices around the world register their worst behaviour in four decades.

La renta variable global acumula caídas cercanas al 22% en el acumulado del año ante el temor a la "estanflación" y a un rápido endurecimiento de la política monetaria. Empresas "growth" y tecnológicas sufren mayores descensos, mientras el precio de los bonos públicos y privados en el mundo registra su peor comportamiento en cuatro décadas.

EUROPEAN ECONOMY

Euro Area growth for 2022 & 2023 is revised down to 2,8% (-1,1 p.p. from January) and 2,3% (-0,2 p.p.) respectively as the economy is being affected by higher prices, supply chain disruptions and uncertainty derived by the war in Ukraine (IMF WEO April 2022).

El crecimiento de la eurozona para 2022 & 2023 es revisado a la baja hasta el 2,8% (-1,1 p.p. desde enero) y 2.3% (-0,2 p.p.) respectivamente en vista de una economía afectada por mayores precios, disrupciones en las cadenas de suministros y la incertidumbre derivada de la guerra de Ucrania (FMI WEO abril 2022).



Economic activity and consumer confidence in the euro area slowdown since March due to energy crisis hurting main manufacturing countries, such as Germany and Italy, which are among the most dependent on energy imports from Russia. Nevertheless, both PMIs continue in expansionary territory as Covid restrictions are removed.

La actividad económica y la confianza del consumidor en la eurozona se ralentizan desde marzo ante los impactos de la crisis energética en los principales países manufactureros, como Alemania e Italia, cuya dependencia energética de Rusia es mayor. No obstante, ambos PMIs continúan marcando expansión ante el levantamiento de restricciones Covid.

ECB maintains rates, ends its APP whilst announces 1st rate hike since '11 for the next meeting and advances another one in Sept. In an extraordinary June meeting, the ECB says could intervene with an "anti-fragmentation instrument" amid higher risk premiums in several countries' bonds.

El BCE mantiene los tipos sin cambios, finaliza el APP, mientras que anuncia su 1ª subida de tipos desde '11 para la próxima reunión y avanza otra subida para sept. En una reunión inesperada, el BCE dice que podría intervenir con un "instrumento anti-fragmentación" ante subidas de las primas de riesgo gubernamentales.

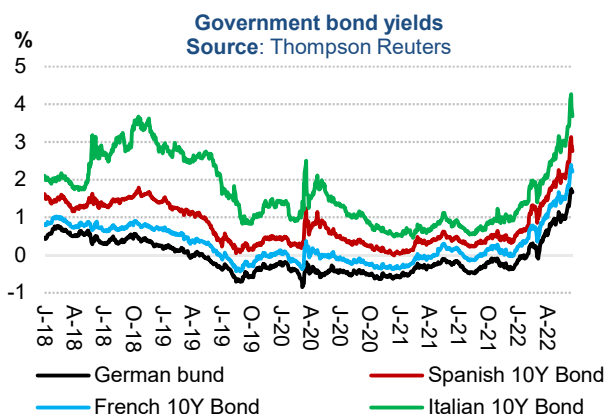
ECB - June ordinary monetary policy meeting

Main interest rates remain unchanged

Asset Purchase Programme (APP) ending as of 1st July 2022

July meeting 1st main rate hike since 2011 (to +0,25%)

September meeting Additional hike, and gradual increases



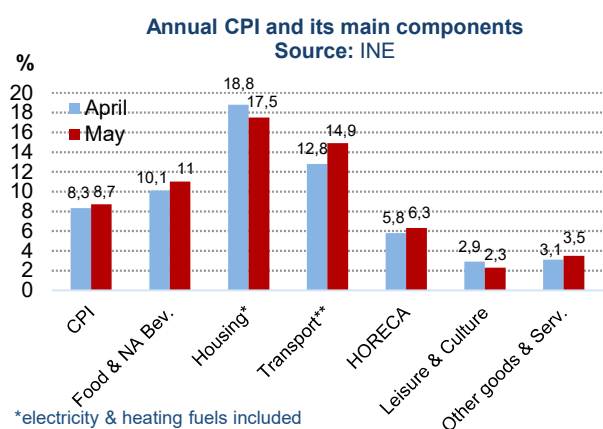
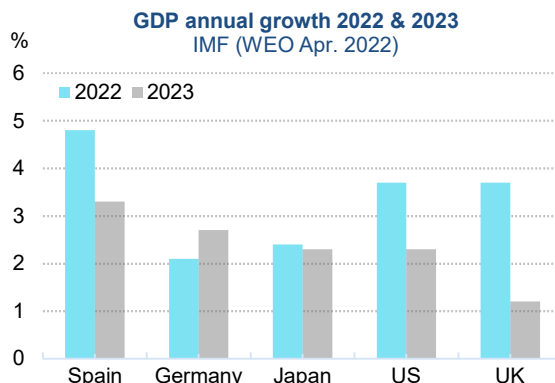
European bond market suffers sell off amid global financial tightening and inflation escalation. Government bonds yields rise and risk premiums between peripheral and non-peripheral countries increase. In addition, corporate fixed income market registers the biggest plunge in prices (and consequent yield rise) since records started.

El mercado de bonos europeo sufre caídas en un contexto de endurecimiento de las condiciones financieras y de una escalada de la inflación. Las TIRes de los bonos gubernamentales aumentan y las primas de riesgos entre países periféricos y no periféricos se amplían. Asimismo, la renta fija corporativa registra su peor caída en precios (y subida de tipos) desde que se tienen datos.

SPANISH ECONOMY

Despite growth projections cuts, Spain will grow more than main advanced economies in '22 (above 4%) and '23 (above 3%). The recovery will continue to be positive thanks to the tourism sector improvement, and the implementation of the NGEU funds.

A pesar del recorte de proyecciones, España crecerá más que las principales economías avanzadas en '22 (por encima del 4%) y en '23 (por encima del 3%). La recuperación continuará siendo positiva gracias a la mejora del sector turístico y a la implementación de los fondos NGEU.



*electricity & heating fuels included
** fuels included

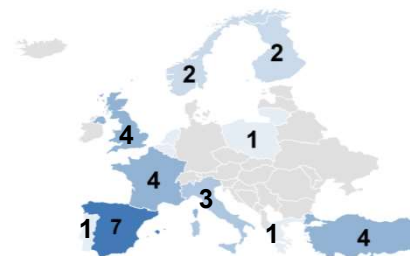
In the light of the current energy crisis, Spain holds itself out as a leading provider of regasification infrastructures, with 7 LNG terminals and the highest storage capacity in Europe, accounting for 35% of total capacity in the continent.

Ante la actual crisis energética, España se postula como un proveedor líder de infraestructuras de regasificación, con 7 terminales de GNL y con la mayor capacidad de almacenaje en Europa, representando el 35% de toda la capacidad del continente.

CPI continues at high levels in May (8,7% YoY) due to energy prices rebound and rises in food & beverages. Core inflation continues registering new record highs since '95. In the following months it is expected to notice the impact of the extraordinary measures taken by the Govt. to limit rising oil & gas prices.

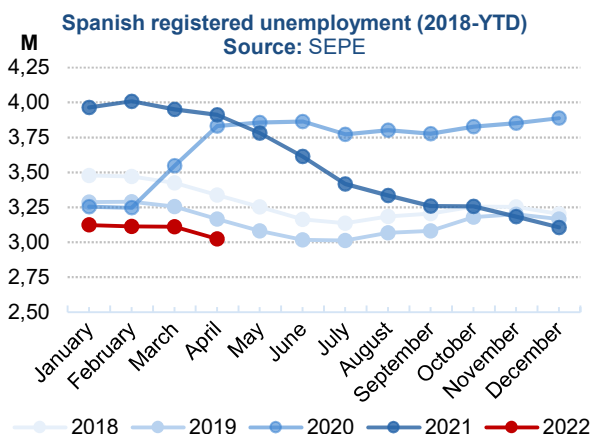
El IPC continúa en niveles elevados en mayo (8,7% interanual) ante el rebote de la energía y el aumento en los alimentos y bebidas. Asimismo, la inflación subyacente continúa avanzando hasta máximos desde '95. En los próximos meses, se espera un impacto de las medidas del Gobierno para limitar los precios del petróleo y gas.

European LNG (Liquified Natural Gas) Terminals



Con tecnología de Bing
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Source: Statista, National Law Review (LNG in Europe 2021), Gas Infrastructure Europe.



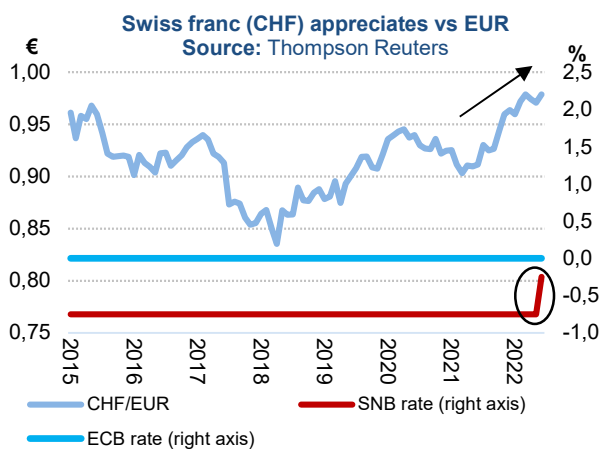
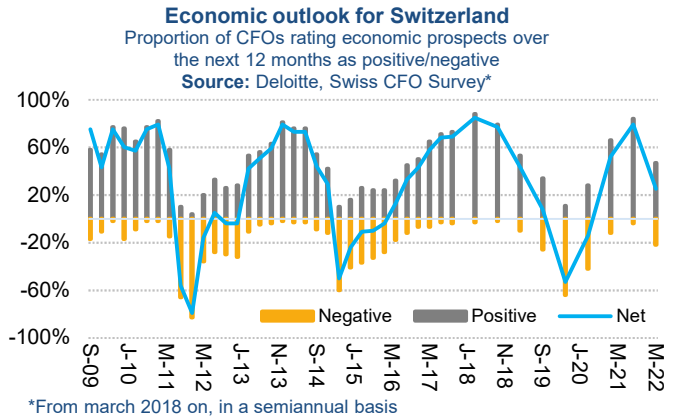
Spanish unemployment rate consolidates under 14% of workforce, levels not seen since '08. Job creation continues in an economic recovery outlook whilst unemployment benefits slide 28,4% YoY. Within types of job contracts, indefinite contracts rise, standing out discontinuous fixed contracts with x12 YoY.

La tasa de paro española se consolida por debajo del 14% de la población activa, niveles no vistos desde 2008. La creación de empleo continúa en un entorno de recuperación económica mientras las prestaciones de desempleo caen un 28,35% interanual. De entre los tipos de contrato, los indefinidos aumentan, destacando los fijos discontinuos (x12 interanual).

SWISS ECONOMY

Despite concerns about war impacts & supply chains issues the Swiss economic outlook remains positive. GDP will grow 2,2% in '22 & 1,4% in '23 with domestic demand and investment as the main drivers (IMF WEO Apr. '22) whilst unemployment rates are expected to converge towards pre-COVID levels.

A pesar de la incertidumbre de la guerra y los problemas de suministros, las perspectivas de la economía suiza siguen positivas. El PIB crecerá un 2,2% y un 1,4% en '22 y '23, con la demanda interna y la inversión como los principales vectores de crecimiento (FMI WEO abr. '22) mientras se espera recuperación del empleo.

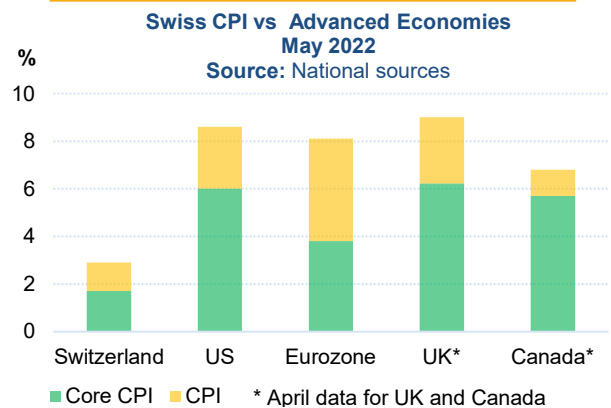


The SNB raises rates for the first time since '07 by 0,5b.p. to counter increased inflationary pressures, shifting away from a policy that battled to contain Swiss Franc appreciation since '15. A stronger CHF might help control imported inflation while the CB maintains its willingness to be active in the FX market as necessary.

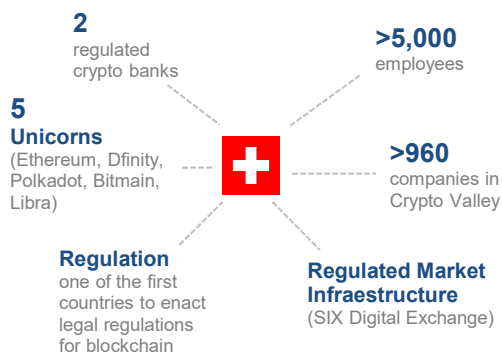
El SNB sube tipos en 0,5p.b. por primera vez desde '07 para contener las crecientes presiones inflacionistas, alejándose de una política monetaria centrada en contener la apreciación del Franco suizo desde '15. Un CHF más fuerte podría ayuda a controlar la inflación importada, mientras que el BC mantienen su disposición a actuar en el mercado de divisas (FX) si es necesario.

Inflation in Switzerland continues being significantly lower when compared to most advanced countries as it benefits from independent electricity generation, small share of energy in the CPI computation and a strong Swiss franc that helps offset external inflationary pressures.

La inflación de Suiza continúa siendo significativamente menor comparada con la mayoría de los países avanzados, pues se beneficia de una independencia energética, un reducido peso energético en el cálculo del IPC y un franco suizo que ayuda a compensar las presiones inflacionistas del exterior.



Swiss Blockchain & Crypto ecosystem



Source: Switzerland Global Enterprise, Crypto Valley Association

Switzerland continues to consolidate as a global leader in blockchain and crypto assets' adoption, with more than 960 start-ups. The decentralized, bottom-up political culture and the security and political stability are some catalysers for the industry growth in the country.

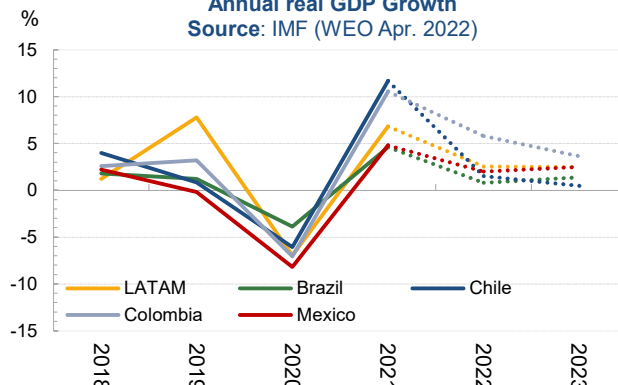
Suiza continúa consolidándose como líder global en la adopción de blockchain y de los cripto activos, con más de 960 start-ups. La descentralización y la cultura política "de arriba abajo", así como la seguridad y la estabilidad política, son algunos de los catalizadores para el crecimiento de la industria en el país.

LATIN AMERICAN ECONOMY

After a sharp rebound last year, growth in Latin America is expected to moderate to its pre-pandemic trend rates in 2022-23 as global growth slowdown will impact on demand (IMF WEO Apr.). Exports and private investment will resume their role as main growth drivers in an uncertain environment.

Tras un fuerte repunte en '21, el crecimiento en LATAM se moderará a tasas previas a la pandemia en '22-'23 dado que la desaceleración global impactará en la demanda (FMI WEO abr.). Las exportaciones y la inversión retomarán su papel como principales impulsores del crecimiento en un escenario de incertidumbre.

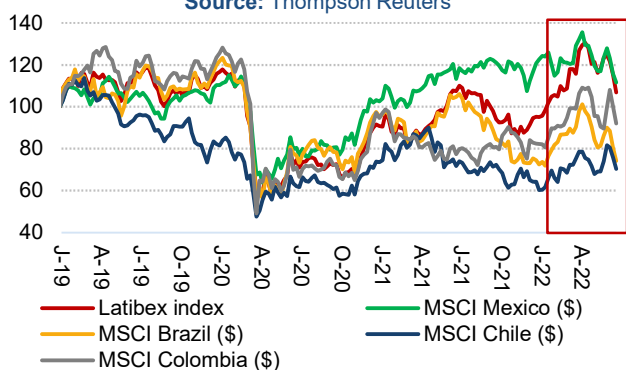
Latin America & Main countries in the region
Annual real GDP Growth
Source: IMF (WEO Apr. 2022)



Latin America main indexes differentiate from global counterparts and register a better performance so far this year. The heavier weight of sectors such as Banking, Commodities and Utilities and currency depreciation that makes companies more competitive worldwide support equities along the region.

Los índices LatAm se desmarcan de la tendencia global y registran mejores comportamientos en lo que va de año. El mayor peso de sectores como el bancario, las materias primas y las utilities, así como la depreciación de la divisa que incrementa la competitividad de las empresas a nivel global, dan soporte a las bolsas de la región.

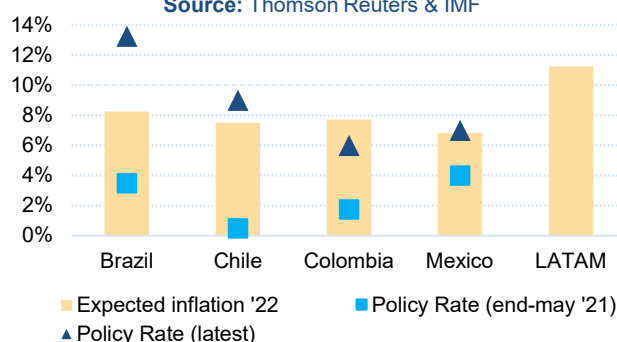
LATAM equity indexes - Base 100 = 31/12/2018
Source: Thompson Reuters



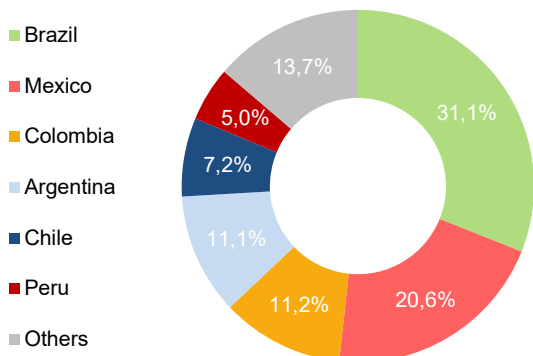
The region faces a high inflation environment in food and energy prices that force governments to implement measures to protect most vulnerable groups while CBs hike rates. The IMF forecasts that inflation will significantly moderate in the coming years and long-term inflation expectations remain contained.

La región se encuentra en un escenario de alta inflación en la alimentación y energía que lleva a los gobiernos a implementar medidas para proteger a los colectivos más vulnerables, mientras los BCs suben tipos. El FMI estima una significativa reducción de la inflación en los próximos años y las expectativas a l/p se mantienen contenidas.

Main LATAM countries' policy rates & 2022 expected inflation
Source: Thomson Reuters & IMF



LATAM Fintech Startup distribution by country in 2021 (% of total n° fintechs)
Source: Inter-American Development Bank (IDB)



Fintechs in LATAM doubles between '18-21 and account for 23% of total fintech globally. Growth is boosted by increasing demand not provided by traditional financial sector, covid pandemic, and regulatory changes enhancing transparency and security.

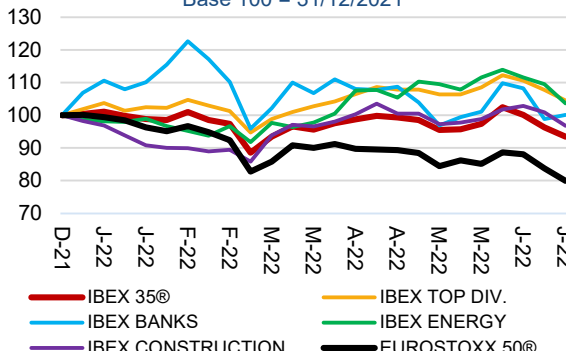
La industria Fintech en LATAM se duplica entre 2018-21 y supone el 22,6% de todas las plataformas fintech a nivel global. El crecimiento es impulsado por una demanda creciente por servicios no ofrecidos por el sector financiero tradicional, la pandemia COVID-19 y cambios regulatorios que mejoran la transparencia y la seguridad.

SPANISH SECURITIES MARKETS

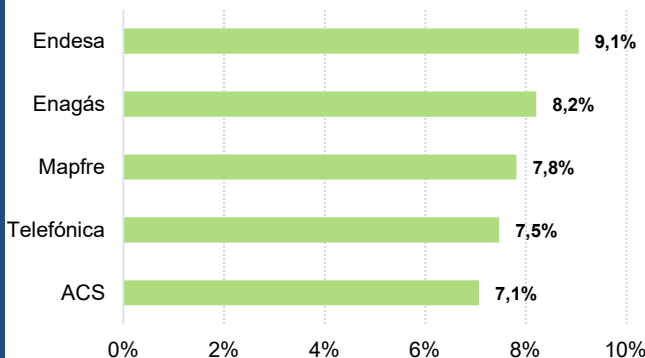
Spanish stock market outperforms European counterparts as current market and macroeconomic outlook benefits major IBEX 35® sector contributors, such as banking or energy, both high dividend payers and inflationary resilient. IBEX TOP Dividend and IBEX Energy succeeds in remaining positive so far this year.

La bolsa española se comporta mejor que la europea, en un contexto macro y de mercado que beneficia a sectores con mayor peso en el IBEX 35®, como son el bancario o el energético, ambos de elevadas rentabilidades por dividendo y resistentes ante la inflación. El IBEX TOP Dividend y el IBEX Energía consiguen mantenerse en terreno positivo este año.

Main sectorial IBEX indices outperformance - YTD
Base 100 = 31/12/2021



Top 5 Dividend Yield companies in IBEX 35® - May 2022
(calculated on basis of last 12 months dividend payout)



Dividends distributed by Spanish companies increase 87,3% YTD until May, amounting to a total of €7,83bn. In a current inflationary environment, the DY of the IBEX 35® remains more attractive than that of other international indexes, helping to better offset negative effects of inflation.

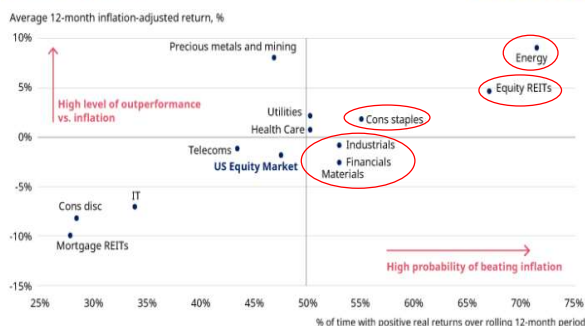
Los dividendos distribuidos por las compañías españolas incrementan un 87,3% en lo que va de año hasta mayo, acumulando un total de €7.830 millones. En un contexto inflacionario, el DY de las compañías del IBEX 35® mantiene su atractivo frente a otros índices internacionales, ayudando a limitar mejor el impacto negativo de la inflación.

The main Spanish public companies belong to value sectors which, according to Schroders's study, beat inflation and overall market performance. In Spain, near 77% of IBEX 35® constituents comprehend Financial Services, Oil & Energy, Consumer goods, Industrials & REITs sectors.

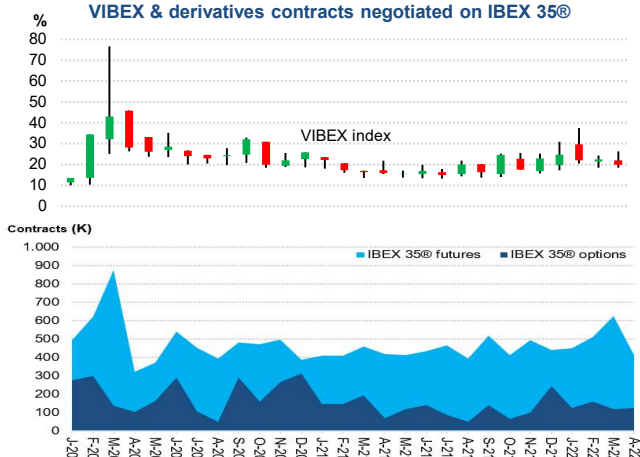
Las principales compañías cotizadas españolas pertenecen a sectores "value" que, de acuerdo con el estudio de Schroders, baten la inflación y al mercado en su conjunto. En España, cerca del 77% de los constituyentes del IBEX 35® se incluyen los sectores Servicios Financieros, Petróleo y Energía, Bienes de consumo, Industriales y SOCIMIs.

US equity sector performance in high (+3% on average) and rising inflation environments, 1973-2020

Schroders



VIBEX & derivatives contracts negotiated on IBEX 35®



VIBEX, the volatility index of the Spanish equities markets, increase to 2Y highs amid global stocks declines. In the BME derivative market, the number of options and futures contracts on the IBEX 35® negotiated increases YTD by 13,3% YoY until May as investors seek alternatives to hedge their portfolios.

El VIBEX, el índice de volatilidad de la bolsa española aumenta hasta máximos de 2 años ante las caídas de las acciones globales. En el mercado de derivados de BME, el número de contratos negociados de opciones y futuros sobre el IBEX 35® incrementa en lo que va de año un 13,3% interanual hasta mayo en tanto que los inversores buscan alternativas con el fin de cubrir sus carteras.


SWISS SECURITIES MARKETS

Equity turnover & nº of trades recover in the Q1 of 2022 due to a spike in volatility amid inflationary environment and global financial tightening. As of June 17th, main Swiss equity indexes behave slightly better when compared to international indexes although accumulate loses of around 19% YTD.


El volumen y nº de operaciones de renta variable se recupera en el 1T del '22 ante el incremento de la volatilidad en un contexto inflacionista y de endurecimiento financiero. A día 17 de junio, los principales índices suizos se comportan ligeramente mejor en comparacion con los índices internacionales, aunque acumulan pérdidas de alrededor del 19% YTD.




IPOs and listings in the SIX Swiss Exchange in 2022



Xlife sciences
Biotechnology
CHF254M



Talenthouse
Creator economy
CHF401M



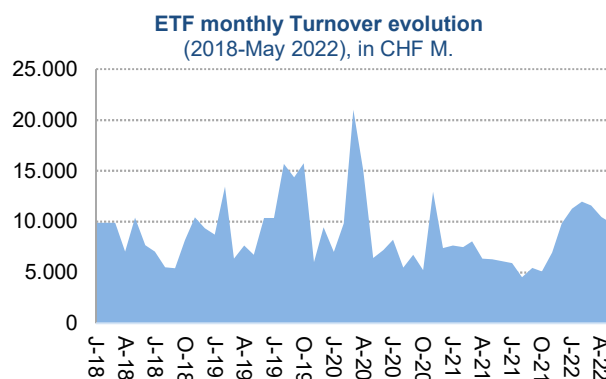
EPIC SUISSE
Financial Services
CHF693M

Three new companies incorporate into SIX Swiss Exchange so far this year with a market capitalization between CHF225M & €693M. One of them, Xlife Sciences, becomes the first company to list on Sparks, the new SME segment subject to the same level of supervision and provisions as companies listed on the main market.

Tres nuevas compañías se incorporan a la bolsa suiza de SIX con una capitalización de entre CHF225M y CHF693M. Una de ellas, Xlife Sciences, se convierte en la primera compañía en incorporarse a Sparks, el nuevo segmento para PYMEs sujeto al mismo nivel de supervisión que las del mercado de referencia.

SIX Swiss Exchange continues to strengthen its position as a one of the top ETF venues in Europe, with over 1.600 ETFs. In this sense, ETF turnover increases 51,4% until May versus the same prior of last year while the number of trades is 5,4% higher in the same period.

SIX Swiss Exchange continúa fortaleciendo su posición como una de las principales bolsas de ETFs en Europa, con más de 1.600 ETFs. En este sentido, el volumen de ETFs incrementa un 51,4% hasta mayo con respecto al mismo periodo del año anterior, mientras que el número de operaciones lo hace en un 5,4%.



SIX Swiss Exchange wins award as Best European Exchange for Listing Cryptocurrency ETPs in recognition of its pioneering work in the field of investment products with cryptocurrencies as underlying. In the whole year of 2021, total turnover increased sixfold amid significant increase of investors' demand.

SIX Swiss Exchange gana el premio "Best European Exchange for Listing Cryptocurrency ETPs" en reconocimiento a su pionero trabajo en el campo de la inversión en productos con criptomonedas como subyacente. En todo el año 2021, el volumen negociado aumentó x6 dada la creciente demanda de los inversores.

Main ETPs figures in SIX Swiss Exchange

18

Cryptocurrencies as underlying

+200

Crypto Products

634%

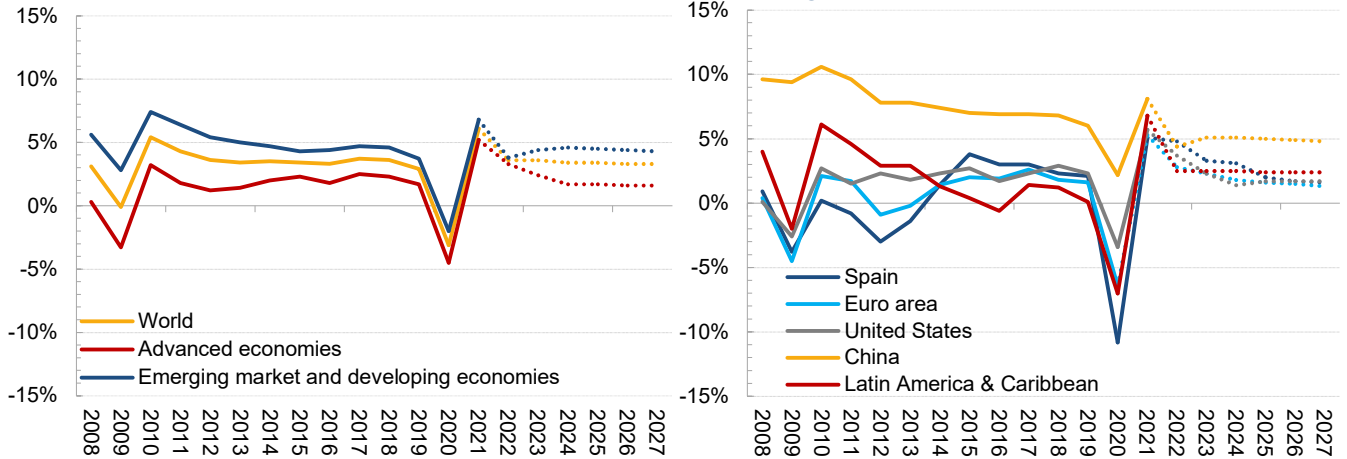
More transactions (2021 vs 2020)

673%

Higher Turnover (2021 vs 2020)

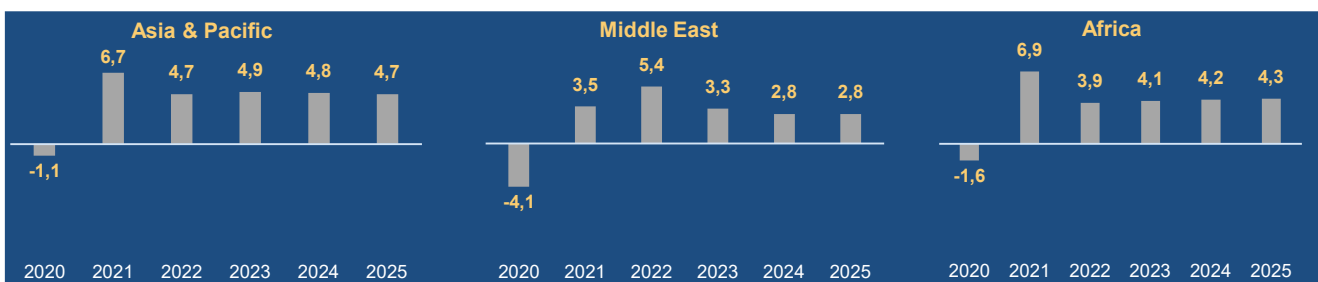
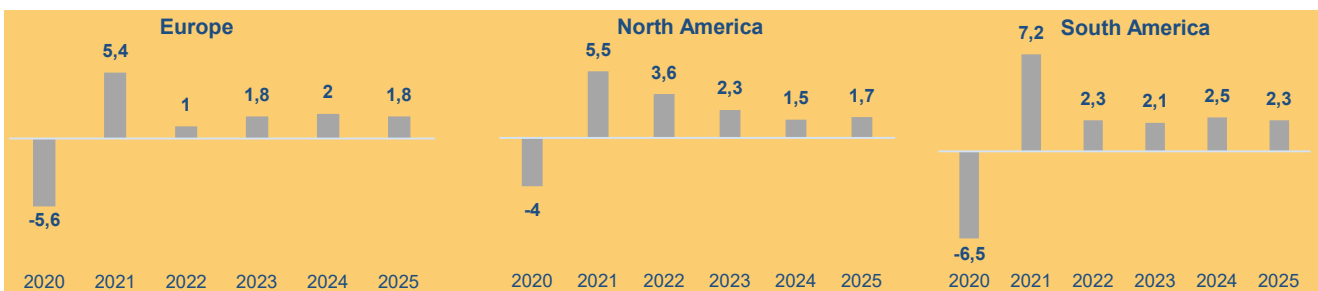
Projections on world GDP are cut, with main growth contributors facing issues. China, a 1/5th of world economic growth, slowdowns due to zero-Covid policy whilst the US registers its first QoQ GDP contraction since '20. On the other hand, India postulates to be the fastest growing country among major economies with expected +8,2% in '22.

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

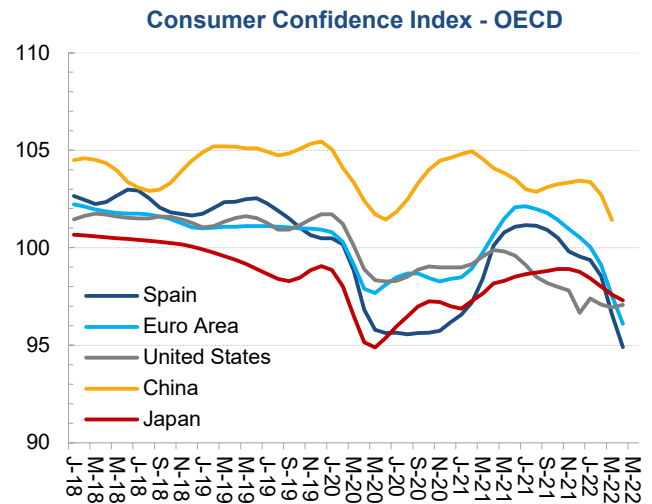
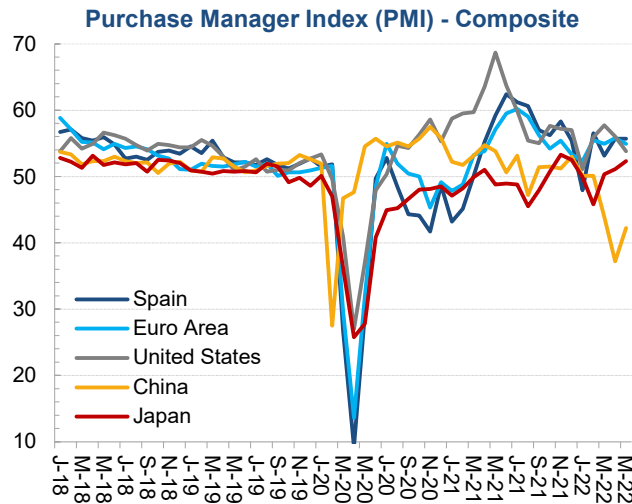


Main indicators - Real GDP growth YoY % *(long term estimates from IMF WEO April 2022)

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



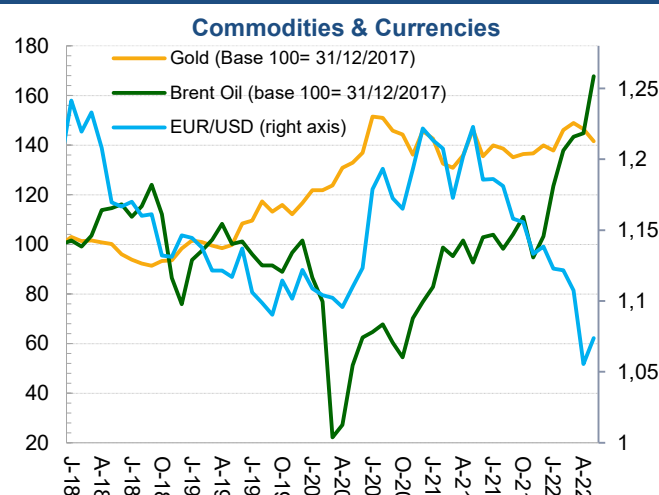
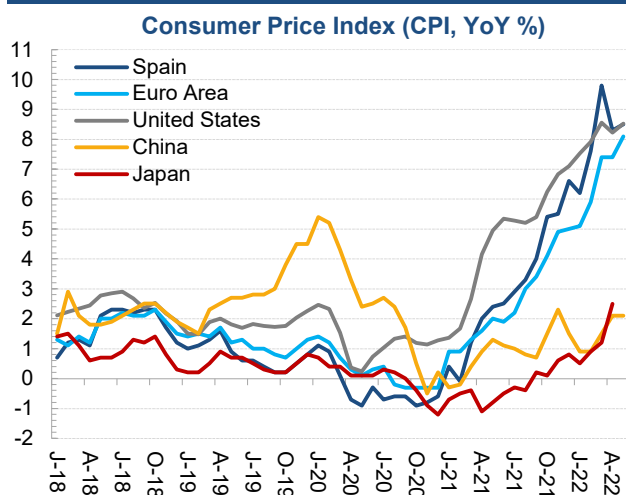
Manufacturing sector worsens as supply disruptions keep going and energy crisis hit operating margins in a wide range of industries. On the contrary, the lifting of mobility restrictions due to Covid-19 boosts the recovery of tourism and leisure so the service sector remains in expansive territory and sustains overall growth.



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

	2019	2020	2021	01/22	02/22	03/22	04/22	05/22
Purchase Manager Index (PMI) - Levels above 50 show expansion and below 50 contraction.								
Advanced economies								
United States	52,48	48,76	59,66	51,10	55,90	57,70	56,00	53,80
Euro Area	51,30	44,02	54,88	52,30	55,50	54,90	55,80	54,90
Germany	51,11	46,39	55,28	53,80	55,60	55,10	54,30	54,60
France	51,15	43,49	53,76	52,70	55,50	56,30	57,60	57,10
Italy	50,08	41,75	54,71	50,10	53,60	52,10	54,50	52,40
Spain	52,69	41,51	55,33	47,90	56,50	53,10	55,70	55,70
Japan	50,48	42,42	49,38	49,90	45,80	50,30	51,10	52,30
United Kingdom	50,18	46,43	55,83	54,20	59,90	60,90	58,20	53,10
Switzerland (manuf, Credit Suisse)	49,11	48,78	65,88	63,80	62,60	64,00	62,50	60,00
Canada (IVEY)	53,95	50,17	61,40	50,70	60,60	74,20	66,30	72,00
Emerging Economies								
China	51,79	51,42	51,96	50,10	50,10	43,90	37,20	42,20
India	52,22	44,28	54,16	53,00	53,50	54,30	57,60	58,30
Russia	52,26	45,98	51,93	50,30	50,80	37,70	44,40	48,20
Brazil	51,38	46,15	51,15	50,90	53,50	56,60	58,50	58,00
Mexico (manufacturing)	49,67	42,69	47,62	46,10	48,00	49,20	49,30	50,60
Consumer Confidence Index								
Advanced economies								
United States	101,30	99,27	98,77	97,40	97,08	96,93	97,06	--
Euro Area	101,04	98,73	100,85	100,04	99,12	97,52	96,11	--
Germany	101,27	99,60	100,54	100,32	99,79	98,80	97,76	--
France	99,81	98,62	100,27	99,65	98,87	97,56	96,57	--
Italy	100,70	99,45	102,01	101,29	100,17	98,70	97,64	--
Spain	101,77	96,84	99,76	99,37	98,55	96,57	94,90	--
Japan	99,03	96,64	98,29	98,43	98,01	97,59	97,29	--
United Kingdom	99,88	98,01	100,91	98,86	97,40	95,80	94,11	--
Switzerland	99,94	97,56	100,09	101,32	100,90	100,31	99,64	98,93
Canada (refinitiv)	53,18	45,25	52,28	51,51	51,41	49,09	49,98	52,23
Emerging Economies								
China	105,08	103,22	103,72	103,37	102,72	101,42	--	--
India (RBI)	85,70	52,30	63,40	64,40	64,40	71,70	71,70	71,70
Russia	99,59	97,19	97,83	98,11	98,24	98,33	98,54	--
Brazil	100,53	98,50	98,31	98,11	98,24	98,33	98,54	--
Mexico	104,45	98,00	102,28	103,17	103,01	103,00	--	--

Inflation in countries dependent on oil and gas imports & global supply chains (main providers are energy-exporter countries such as Russia, or China as key element of supply chains) escalates to 40-Y highs. Oil demand peak is expected to happen in the coming months in the north hemisphere with the beginning of the driving season.



Main indicators	2019	2020	2021	2022	02/22	03/22	04/22	05/22
Inflation (IMF, YoY)								
Advanced economies								
United States	2,26	1,28	7,10	7,53	7,91	8,56	8,22	8,52
Euro Area	1,30	-0,30	5,00	5,10	5,90	7,40	7,40	8,10
Germany	1,50	-0,70	5,70	5,10	5,50	7,60	7,80	8,70
France	1,60	0,00	3,40	3,30	4,20	5,10	5,40	5,80
Italy	0,50	-0,30	4,20	5,10	6,20	6,80	6,30	7,30
Spain	0,80	-0,60	6,60	6,20	7,60	9,80	8,30	8,50
Japan	0,80	-1,20	0,80	0,50	0,90	1,20	2,50	--
United Kingdom	1,30	0,60	5,40	5,50	6,20	7,00	9,00	--
Switzerland	-0,10	-1,00	1,30	1,40	1,90	2,20	2,30	2,9%
Canada (IVEY)	2,20	0,70	4,90	5,10	5,70	6,50	6,60	--
Emerging Economies								
China	4,50	0,20	1,50	0,90	0,90	1,50	2,10	2,10
India	7,11	4,64	5,61	6,08	6,14	7,02	7,87	7,12
Russia	2,99	4,86	8,43	8,90	9,35	16,88	18,06	17,32
Brazil	4,48	5,45	10,16	10,60	10,80	11,73	12,47	11,90
Mexico (manufacturing)	2,72	3,18	7,33	7,13	7,34	7,51	7,74	7,71
Commodities - Month-end data (Thompson Reuters)								
CRB Index	196,64	178,29	247,02	271,23	286,14	314,03	328,15	337,24
Bloomberg Commodity Index	172,00	166,63	211,80	230,40	244,75	265,91	276,92	281,15
Energy & Transportation								
Brent Oil	67,77	51,22	77,24	92,35	103,08	107,29	108,36	125,53
West Texas Oil	61,08	48,28	75,21	88,15	95,72	100,28	104,69	114,67
Natural Gas	2,19	2,54	3,73	4,87	4,40	5,64	7,24	8,15
Baltic Dry Index (Transp.)	1090	1366	2217	1418	2040	2358	2404	2566
Metals								
Gold	1520,50	1897,77	1822,39	1796,65	1903,75	1941,15	1908,49	1845,14
Silver	17,92	26,38	23,27	22,48	24,24	24,99	23,10	21,76
Cooper	2,80	3,52	4,46	4,33	4,45	4,75	4,41	4,30
Currencies (units per EUR) - Year or Month-end data (Thompson Reuters)								
USD (United States)	1,122	1,222	1,138	1,123	1,122	1,108	1,056	1,074
GBP (United Kingdom)	0,847	0,895	0,840	0,836	0,837	0,845	0,840	0,850
CHF (Switzerland)	1,087	1,082	1,036	1,044	1,030	1,024	1,024	1,027
JPY (Japan)	121,99	126,33	130,95	129,17	129,36	135,05	136,68	137,81
CNY (China)	7,819	8,002	7,248	7,136	7,089	7,058	6,949	7,131
BRL (Brazil)	4,516	6,355	6,334	5,953	5,786	5,287	5,224	5,076
MXN (Mexico)	21,20	24,38	23,27	23,15	22,95	22,19	21,53	21,12

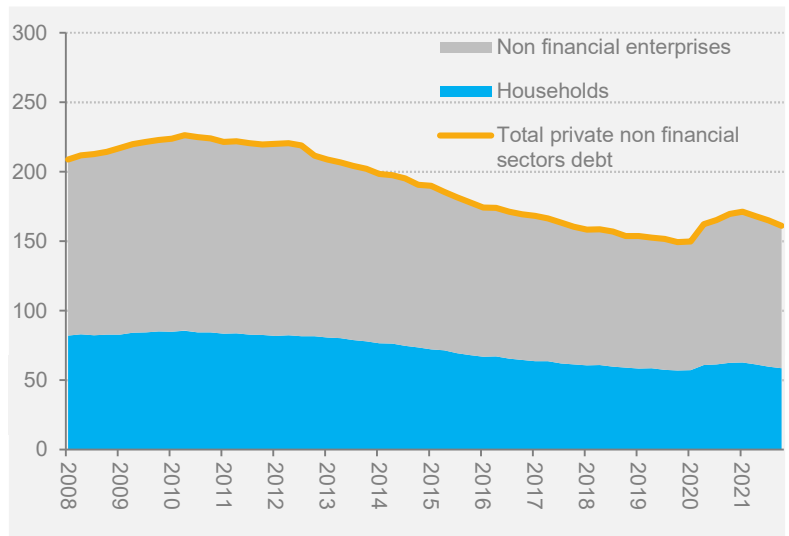
Spanish Govt. deficit is expected to improve to -5% in '22 after closing '21 at -6,9%. The recovery plus high inflation will also allow the country to reduce debt levels over GDP from 118,4% in '21 to 112,6% in '22. Long maturity of debt and measures by the ECB will help maintain interest rates of new issuances at sustainable levels.

Main public debt figures, Bank of Spain & Treasury

Debt to GDP 2021 118,4%	Debt to GDP 2022 112,6% estimate
Surplus/Deficit 2021 -6,90%	Surplus/Deficit 2022 -5,0% estimate
Avg. Cost of Debt 2021 1,64%	Avg. Cost of Debt 2022 1,57%
Cost of debt issued 2021 -0,04%	Cost of debt issued 2022 1,04%
Avg. Maturity Debt 2021 8 years	Avg. Maturity Debt 2022 8,15 years

Ratings Public Debt	2022 - Net financing
Fitch: A- / estable	Short Term €-5,00bn
Moody's: Baa1 / estable	Med.&Long T. €80,00bn
S&P: A / estable	Total €75,00bn

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

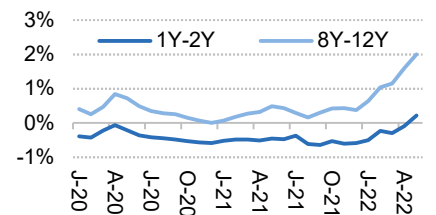


Public Debt Issuances

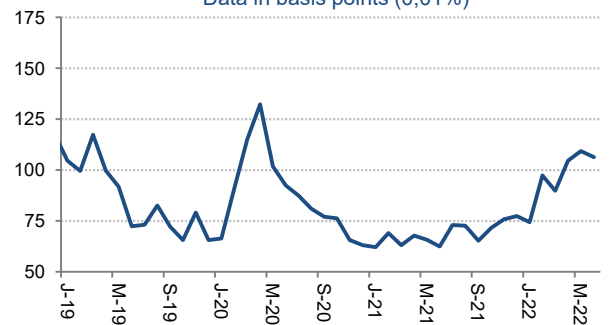
31/05/2022	3M	6M	9M	12M	2Y
Treasury bills. IRR (%)	-0,471	0,010	0,085	0,208	0,757
	3Y	5Y	10Y	15Y	30Y
Bonds & Obligations. IRR (%)	1,013	1,485	2,220	2,592	2,818

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			
July			
August			
September			
October			
November			
December			
TOTAL	86.766	113.633	26.867

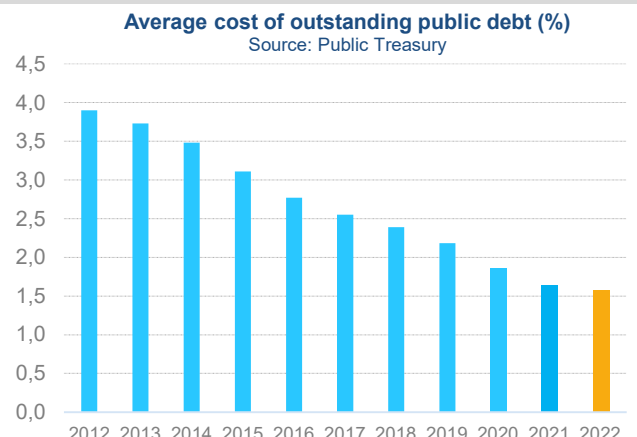
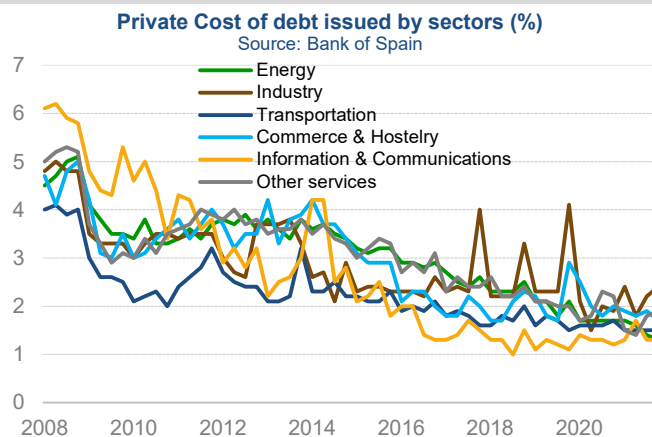
BME Public Debt Market Indices



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

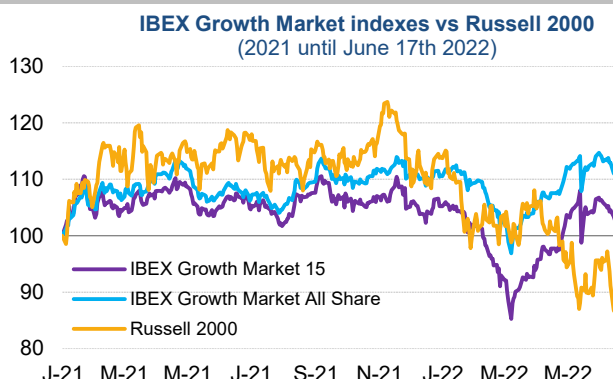
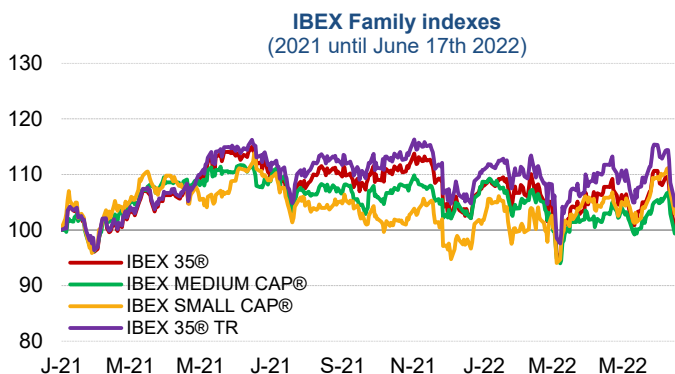


Cost of debt evolution



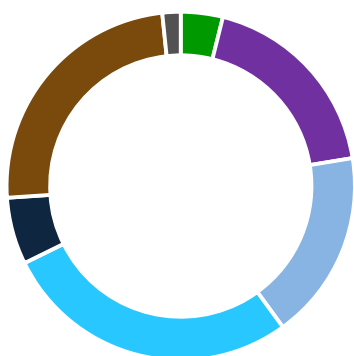
The IBEX 35® outperforms main international stock indices in '22 and already registers similar returns since '21 with a higher dividend yield ratio and greater value stocks weight. In addition, Spanish growth market of SME's rebounds from March lows and diverges from Russell 2000 underperformance.

SPANISH EQUITY MARKET



IBEX 35® Sector Composition

(% calculated on market capitalization of the index)

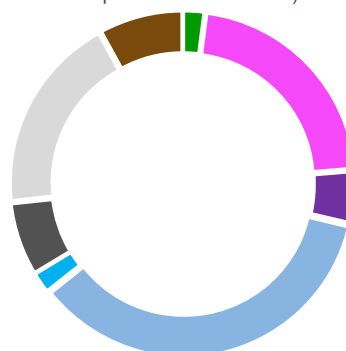


*May '22 figures

- Pharma & Biotech products (3,4%)
- Consumer Goods (16,0%)
- Basic Materials, Industry & Building (15,2%)
- Oil & Energy (23,9%)
- Consumer Services (5,4%)
- Financial Services (21,0%)
- Real estate Services (1,5%)

BME Growth Sector Composition (ex REITs)

(% calculated on market capitalization of the index)



*May '22 figures

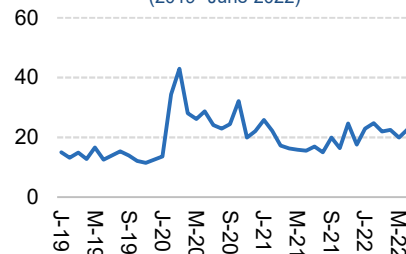
- Pharma & Biotech products (2%)
- Electronics & Software (22%)
- Engineering & others (5%)
- Renewable Energy (36%)
- Media & Publicity (2%)
- Telecommunications & Others (7%)
- Other services (19%)
- Others (8%)

Spanish equity market	2020	2021	2Q '21	3Q '21	4Q '21	1Q '22
Turnover (M€)	429.359	378.144	96.004	79.886	108.543	110.250
Nº Trades (M)	55,65	45,07	10,62	10,14	10,84	13,13
Capital increases (M€)	15.791	21.003	8.559	4.302	1.722	978
Dividends distributed (M€)	18.523	19.069	3.919	5.791	5.725	3.484
IBEX 35® Dividend Yield (%) ¹	4,17	2,8%	2,84	2,80	2,80	3,50
VIBEX Volatility Index (%) ²	25,52	17,37	16,08	16,04	17,90	23,24
BME Growth, Nº companies	119	127	120	126	127	127

¹Morgan Stanley Capital International. End date of the period

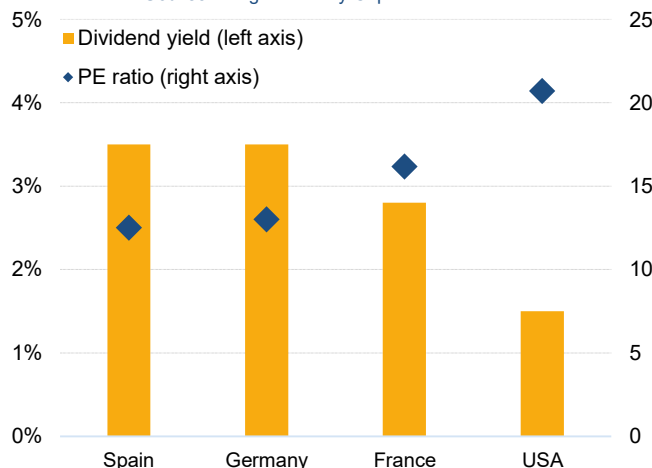
²Average of the period (year or quarter)

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



Dividend Yield & PE ratio, End May 2022

Source: Morgan Stanley Capital International

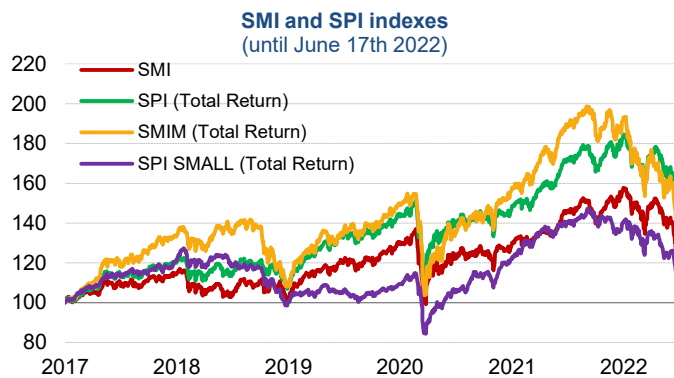


International Stock indexes (2021 - June 2022)

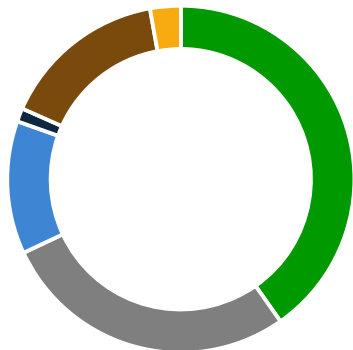
(Base 100 = 31/12/2020)



SWISS EQUITY MARKET



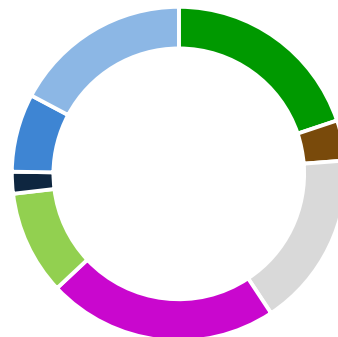
SMI Sector Composition
(% calculated on market capitalization of the main traded index of the Swiss market (20 components))



- Health Care (39,7%)
- Consumer Goods (27,4%)
- Basic Materials, Industry & Building (13,0%)
- Consumer Services (1,3%)
- Financial Institutions (15,8%)
- Technology & Telecommunications (2,9%)

*May '22 figures

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



- Health Care (19,81%)
- Food & Beverage (3,91%)
- Industrial Goods & Services (16,98%)
- Financial Institutions (22,30%)
- Construction & Materials (10,09%)
- Personal & Household Goods (2,13%)
- Technology & Telecommunications (7,57%)
- Others (17,22%)

*May '22 figures

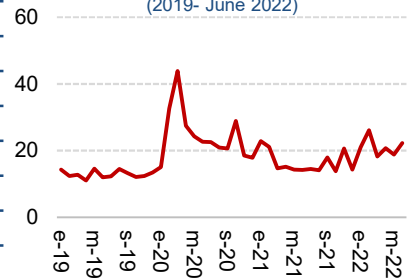
Swiss equity market	2020	2021	2Q '21	3Q '21	4Q '21	1Q '22
Turnover (BnCHF) ¹	1.468	1.050	260	232	248	312
N° Trades (M) ¹	96,503	59,900	13,800	13,462	14,345	18,324
IPOs (n°)	2	5	2	1	2	2
SMI Dividend Yield (%) ²	2,84	2,50	2,50	2,50	2,50	2,80
VSMI Volatility Index (%) ³	25,52	17,36	16,08	14,55	17,90	23,24
ETF Turnover (BnCHF)	112	80	19	15,84	21,82	34,99
Struct. Prod. & Warrants Turnover	23	20	4,53	4,28	4,99	4,88

¹Equities incl. Funds + ETPs

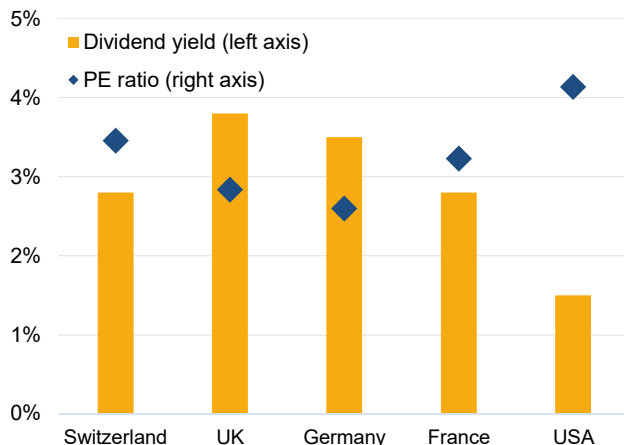
²Source: Morgan Stanley Capital International. End date of the period.

³Average of the period (year or quarter)

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



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



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

