

Macro Trends

Affecting Spanish and Swiss Securities Markets



Global equity and bond markets are opting for an optimistic scenario of growth that would tend to be robust in the coming years, once inflation is considered under control. The level of interest rates will probably be substantially higher than in the previous stage due to the growing demand for savings to finance investments in sustainability, defense, digitalization and relocation of production. A scenario not without geopolitical and macroeconomic risks.

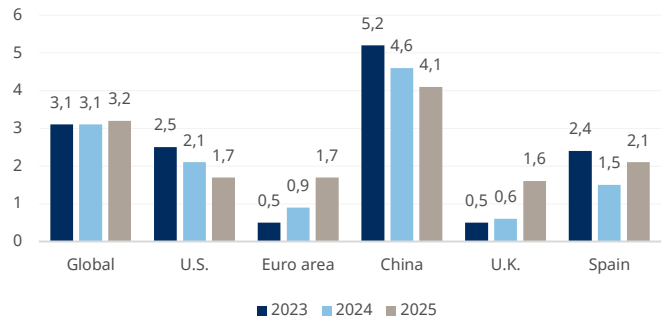
Highlights

- Global GDP growth is expected to remain moderate in 2024 but projections continue to improve. IMF estimates a growth of 3.1% YoY and OECD a 2.9%. Both institutions latest forecasts were revised up 0.2 p.p. from their previously estimates.
- Further global disinflation is expected for 2024. Main central banks remain cautious but optimistic given that raising cycle might have come to an end with hardly any increase in unemployment. ECB again held interest rates steady at 4.5% in March '24, recognizing that inflation has declined further, but domestic price pressures remain high. Also, the Federal Reserve left rates unchanged between 5.25% and 5.5% eyeing surging growth.
- GDP growth in the Eurozone is expected to grow among 0.5%-0,8% in 2024 and above 1.5% in 2025. Activity remains subdued in the near term, but a moderate acceleration of growth is expected as real incomes strengthen due to the improved inflation forecasts for the next two years.
- Spanish GDP growth estimates for 2024 are being revised upwards close to or even above 2%. The contribution of tourism, the effect of the European Plans, the better financial conditions and the reduction of inflation weigh positively.
- Swiss National Bank cut its main interest rate by 25 basis points to 1.50% on 21 March 2024 in a surprise move. Inflation considered under control. Swiss GDP growth estimates point to a growth at 1.1%, and at 1.7% in 2025.
- GDP growth projections for the two major economies in Latin America region for 2024 were revised up, with Brazil growing 1.7% YoY and Mexico 2.7%. Nevertheless, growth in the entire region is expected to weaken this year and rebound in 2025.
- The main Spanish equity market index, IBEX 35, registers new highs for 2024 and revalidates 2018 highs, driven by the good results of consumer goods, energy and banking.
- Swiss IPO market reopens in March. The pharmaceutical company Galderma started trading after a CHF 2.3 billion IPO with high overdemand. The price rises 20% on the first day of trading
- **New Post Trading section!!!**
EMIR REFIT will enter into force on 29 April 2024 with new rules that simplify, harmonize and streamline reporting obligations for investors trading OTC derivatives contracts. REGIS-TR, owned by SIX Group, is one of Europe's leading OTC trade repositories.

Global GDP growth is expected to remain moderate in 2024 but projections continue to improve. IMF estimates a growth of 3.1% YoY and OECD a 2.9%. Both institutions latest forecasts were revised up 0.2 p.p. from their previously estimates, on the back of growth resilience in the U.S. and in some developing economies.

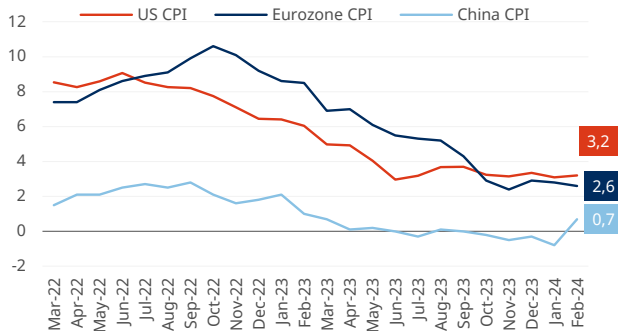
Se espera que el crecimiento del PIB mundial siga siendo moderado en 2024, pero las estimaciones continúan mejorando. El FMI proyecta un crecimiento interanual del 3,1% y la OCDE del 2,9%. Las últimas previsiones de ambas instituciones fueron revisadas al alza 0,2 p.p. de sus estimaciones anteriores, gracias a la resistencia del crecimiento en Estados Unidos y también en algunas economías en desarrollo.

GDP Projections for 2024 (% change YoY)



Sources: IMF, OECD, European Commission

Headline CPI (% YoY)



Sources: Reuters and SIX iD

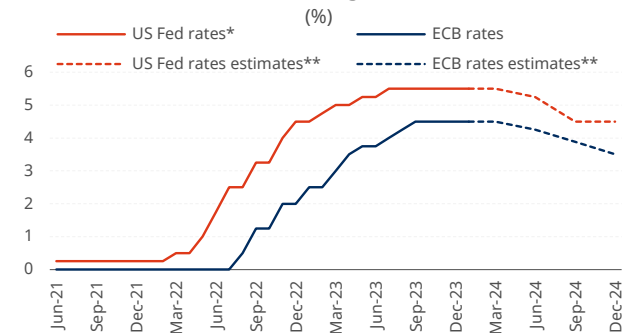
ECB again held interest rates steady at 4.5% in March '24, recognizing that inflation has declined further, but domestic price pressures remain high. Also, the Federal Reserve left rates unchanged between 5.25% and 5.5%, reaffirming that the raising cycle might have come to an end but still not the time to reduce them.

El BCE volvió a mantener las tasas de interés estables en 4,5% en marzo de 2024, reconociendo que la inflación ha seguido disminuyendo, pero las presiones sobre los precios internos siguen siendo altas. La Reserva Federal también mantuvo los tipos sin cambios entre el 5,25% y el 5,5%, reafirmando que el ciclo de subidas podría haber llegado a su fin pero todavía no es el momento de reducirlos.

The combination of reduced supply constraints, modest to moderate demand growth and easing in labor market tightness should lead to further global disinflation in 2024. Still, with inflation easing less than anticipated mainly in the US, central banks' rate cuts should not be expected until mid-year.

La combinación de menores restricciones de oferta, un crecimiento de la demanda modesto y una menor rigidez del mercado laboral debería conducir a una continuación de la desinflación global en 2024. Sin embargo, la inflación está disminuyendo menos de lo previsto sobre todo en EEUU y las expectativas de recortes de los tipos de interés de los bancos centrales no se esperan al menos hasta mitad de año.

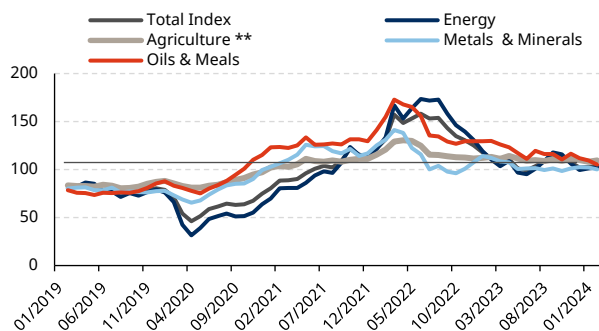
ECB and U.S. Fed refinancing rates and forecasts



Sources: ECB, Federal Reserve, SIX iD

Commodity indices evolution

(monthly prices in nominal USD. Base 100 = Jan. 2019)



Sources: Worldbank

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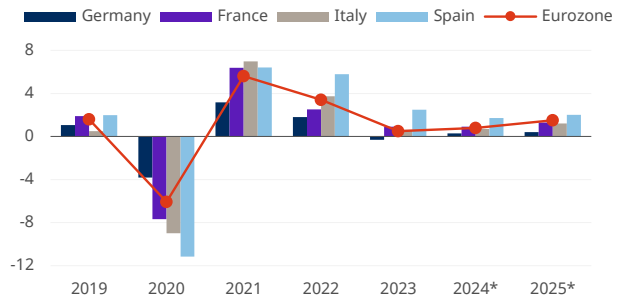
Commodity prices maintain the downward trend which already goes back more than a year and a half. Since the peaks of October 2023 due to the war in Middle East, energy (-12%) and oil (-5%) have decreased the most, being metals the exception while agricultural prices have remained idle.

Los precios de las materias primas mantienen la tendencia a la baja que ya se remonta a más de año y medio atrás. Desde los repuntes de octubre de 2023 como consecuencia de la guerra en Oriente, los precios de la energía (-12%) y del petróleo (-5%), mientras han subido ligeramente los metales y los precios agrícolas permanecen planos.

GDP growth in the Eurozone is expected to grow among 0.5%-0.8% in 2024 and above 1.5% in 2025. Activity remains subdued in the near term, amid tight credit conditions, but some reversal of sluggishness and a moderate acceleration of growth are expected as real incomes strengthen due to the improved inflation forecasts for the next two years.

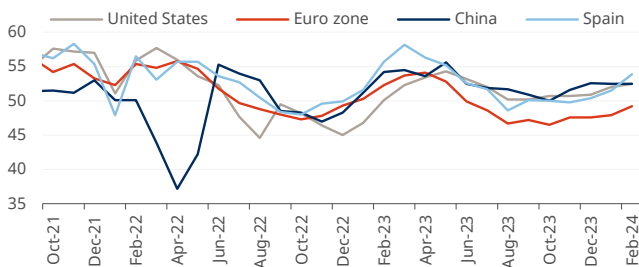
El crecimiento del PIB de la eurozona se estima que se situará entre el 0,5%-0,8% en 2024 y por encima del 1,5% en 2025. La actividad se mantiene débil en el corto plazo, debido a las condiciones financieras restrictivas, pero se espera una reversión de la atonía y una moderada aceleración del crecimiento apoyada en la mejora de la renta real como consecuencia del buen pronóstico de la inflación para los próximos dos años.

Eurozone - selected countries. Annual GDP growth & forecasts (%)



Sources: European Commission February '24; *Projections

Composite PME (Oct. 21 - Feb. 24)



Sources: FxEmpire.

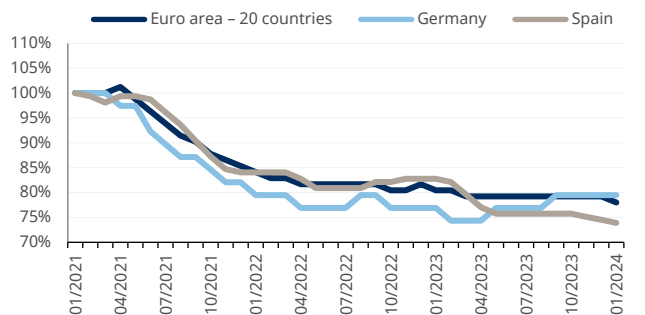
The unemployment rate in the euro area decreased to 6.4% at the beginning of 2024. In Germany, the number of people out of work increased more than expected in February to 3.1%, as a slowdown in Europe's largest economy took its toll on the labour market. In Spain, over the last 12 months unemployment has fallen by 150,607 persons (-5.17%), while remain high at 11.6%.

La tasa de desempleo en el área euro disminuyó al 6,4% al inicio del año. En Alemania, sin embargo, aumentó algo más de lo esperado en febrero hasta el 3,1%, con la desaceleración pasando factura al mercado laboral. Por el contrario, en España el paro en España ha descendido en 150.607 personas (-5,17%) en los últimos 12 meses hasta una tasa todavía alta del 11,6%.

The Eurozone Composite PMI posted the best reading in eight months, registering 49.2 in February, from 47.9 in January, indicating a near-stabilization of the region's economy. The expansion of the service sector, after six months of contraction, offset a contraction in manufacturing.

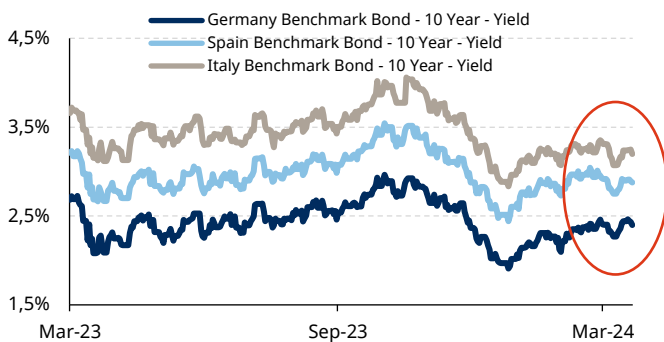
El PMI de la eurozona registró la mejor lectura en ocho meses, registrando 49,2 en febrero, desde 47,9 en enero, lo que indica una casi estabilización de la economía de la región. La expansión del sector servicios, después de seis meses de contracción, compensó una contracción en el sector manufacturero.

Unemployment Evolution (2021-Feb 2024)(%)



Sources: European Commission

10-year Government Bond Yield (%)



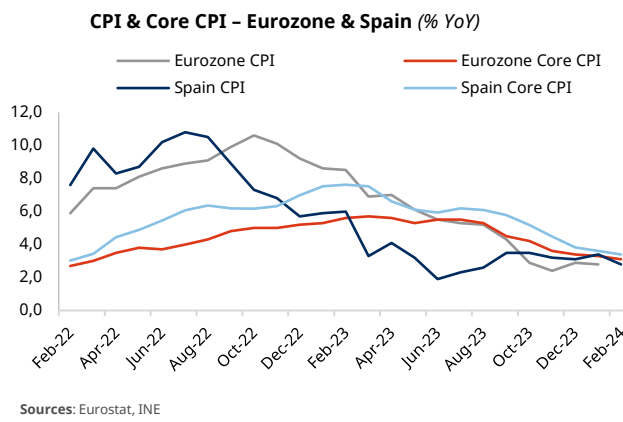
Sources: Reuters, as of 21 March 2023

The 10-year Benchmark bond yields in the euro area rebound substantially since December last year pointing out better long-term economic prospects. Risk premium between Italian and German 10-year yields fell below 1 percentage point. Government debt to GDP ratio in the Euro area (EA20) stood stable at end 2023 close to 90% but with some countries well above 100%, among them Spain, France and Italy.

Las rentabilidades de los bonos a 10 años en el área euro rebotan sustancialmente desde diciembre apuntando mejores perspectivas económicas a largo plazo. Se reduce la prima de riesgo entre Italia y Alemania por debajo de un punto porcentual. El ratio de Deuda Pública sobre PIB en el conjunto del área Euro se sitúa cerca del 90% pero algunos países como Italia, Francia o España superan el 100%.

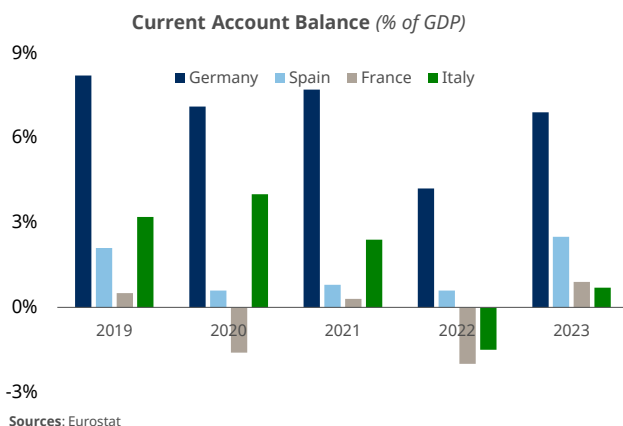
Although GDP growth for 2024 will be reduced compared to the 2.5% achieved in 2023, estimates are being reviewed upwards close to, or even above, 2%. The contribution of tourism, the effective deployment of European funds, the better financial conditions and the reduction of inflation (mainly the drop of energy prices) weigh positively.

Aunque el crecimiento del PIB para 2024 se reducirá respecto al 2,5% alcanzado en 2023, las estimaciones están siendo revisadas al alza hasta cerca, o incluso por encima del 2%. La aportación del turismo, el despliegue efectivo de los fondos europeos, las mejores condiciones financieras y la reducción de la inflación (principalmente la caída de los precios de la energía), siguen pesando positivamente.

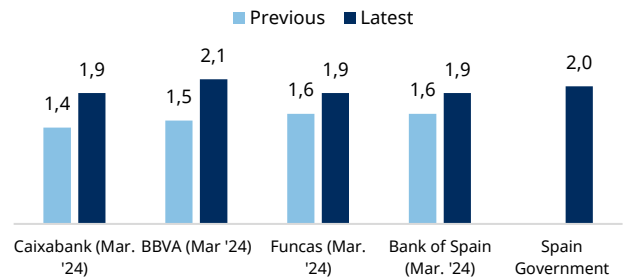


Intense process of deleveraging of Spanish households, where they have reduced their debt to the lowest level in 22 years. The average household debt ratio has fallen to 49.9% of GDP in Q3 '23, its lowest level since 2002 and 4.5 percentage points below the eurozone average (54.4%).

Intenso proceso de desapalancamiento de los hogares españoles, donde han reducido su endeudamiento al nivel más bajo en 22 años. La ratio de deuda promedio de los hogares ha caído al 49,9% del PIB en el tercer trimestre de 23, su nivel más bajo desde 2002 y 4,5 puntos porcentuales por debajo del promedio de la eurozona (54,4%).



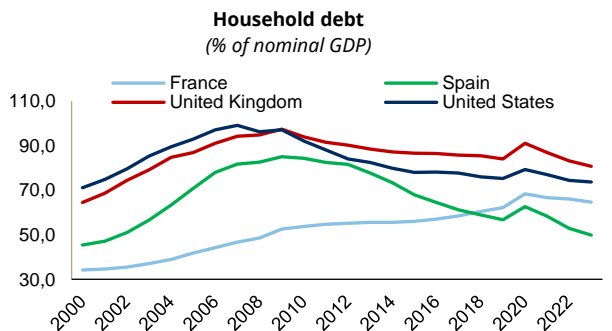
Spain: GDP Growth Projections for 2024
(% change YoY)



Sources: Source: Reuters, FUNCAS, European Commission, OECD, IMF and Banco de España

Headline inflation in Spain has moderated significantly since 6.0% YoY in Feb '23 to 2,8% YoY in Feb '24. Also core CPI has gradually moderated to 3,4% YoY but is still a bit high. February partly reflects energy prices in international markets that have continued to fall in the recent months, especially in the case of natural gas.

La inflación general en España se ha moderado significativamente desde el 6,0% interanual en febrero 2023 al 2,8% interanual en febrero 2024. Además, el IPC subyacente se ha moderado gradualmente hasta el 3,4% interanual, pero sigue siendo alto. Los datos de febrero reflejan en parte la caída de los precios de la energía en los mercados internacionales, especialmente en el caso del gas natural.



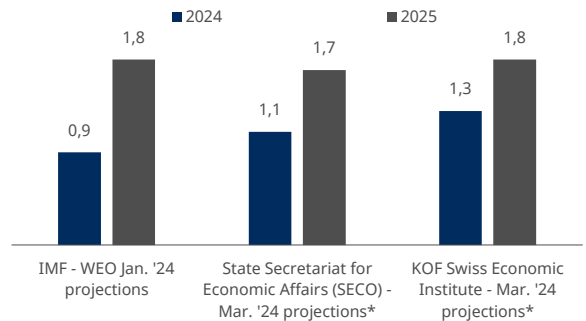
After a year 2022 marked by the rise in prices of energy imports, the Current Account Balance of the four largest Eurozone countries has improved in 2023 although only Spain has managed to beat the 2019 figure. With a current account surplus of 2.5% of GDP, the good performance of the Spanish foreign sector is particularly remarkable given that it already accumulates more than 10 years of surpluses.

Tras un año 2022 marcado por el aumento de las importaciones energéticas, la Balanza por Cuenta Corriente de los cuatro principales países de la eurozona ha obtenido superávit en 2023. Solo España ha logrado mejorar el registro de 2019 con un superávit por Cuenta Corriente del 2,5% del PIB, que remarca el buen comportamiento del sector exterior de la economía española que ya enlaza más de 10 años de excedentes financieros frente al exterior.

Swiss adjusted GDP growth will slightly slowdown in 2024 to 0.9%-1.3% according to different estimates. As the global economy gradually rebounds, growth is projected to normalize at 1.7% in 2025. Services are being the main pillar of growth, while manufacturing slightly declines, especially in the chemical-pharmaceutical industry.

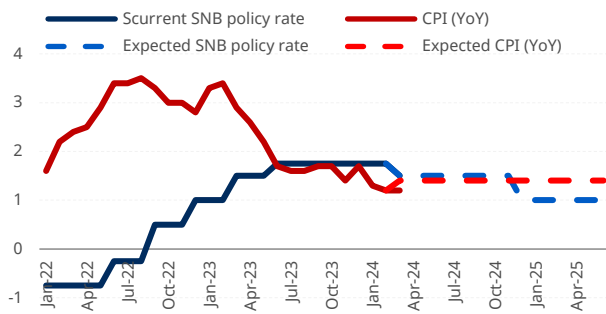
El crecimiento del PIB suizo ajustado se ralentizará ligeramente en 2024 hasta un 0,9%-1,3% de acuerdo con distintas estimaciones. A medida que la economía mundial se recupere, se prevé que el crecimiento se normalice hasta un 1,7%-1,8% en 2025. Los servicios están siendo el principal motor del crecimiento, mientras la aportación del sector manufacturero se reduce levemente, especialmente la industria químico-farmacéutica.

GDP growth forecasts for 2023-2025 (%)



Sources: IMF, SECO, KOF. * Not adjusted for sport events

SNB policy rate vs. CPI (%)



Sources: Credit Suisse & SNB

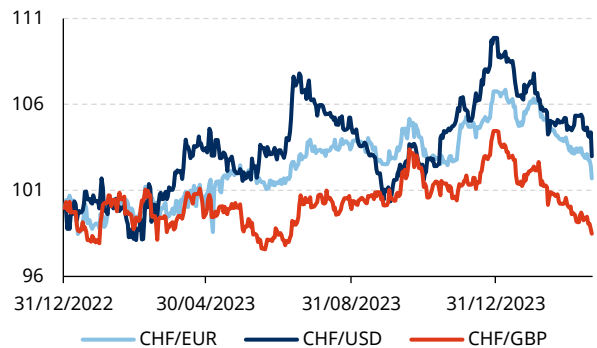
The Swiss Franc has depreciated 6.3% towards US dollar in 2024 until 21 March. Inflation under control in Switzerland and the fact that SNB stopped supporting the franc contributed to such decline. Also, the SNB decision to reduce the interest rate at its March meeting has also pushed a further overnight drop of the Swiss Franc of 2% against the US Dollar.

El franco suizo se ha depreciado un 6,3% frente al dólar estadounidense en 2024 hasta el 21 de marzo. El control de la inflación en Suiza y el hecho de que el Banco Nacional Suizo (BNS) ha dejado de respaldar el franco suizo han contribuido a la caída. Además, la reciente decisión del BNS de reducir el tipo de interés en su reunión de marzo ha provocado un desplome adicional del franco suizo del 2% frente al dólar estadounidense.

The Swiss National Bank (SNB) cut its main interest rate by 25 basis points to 1.50% on 21 March 2024 in a surprise move. It is the first rate cut in nine years and comes after chairman Thomas Jordan announced he would step down in September. Price stability is considered no longer at risk, the SNB said.

El Banco Nacional Suizo (BNS) recortó su tipo de interés principal en 25 puntos básicos hasta el 1,50% el 21 de marzo de 2024 en una medida considerada sorprendente. Es el primer recorte de tipos en nueve años y viene después del anuncio del presidente Thomas Jordan de que abandonaría el cargo en septiembre. De acuerdo con el BNS, la estabilidad de precios ya no estaría en riesgo.

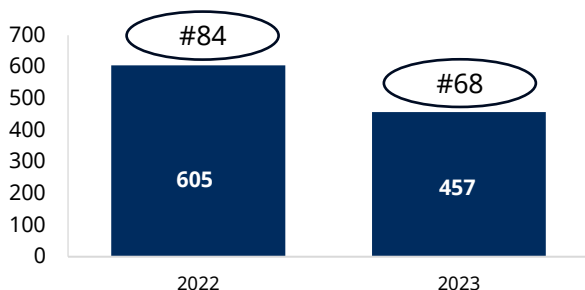
Evolution of currencies against the CHF
Base 100 = (30/12/2022)



Sources: SIX ID, as of 21 March 2023

FinTech capital raising

(in CHF) (in CHF & # of financing rounds)



Sources: swissinfo.ch
Market Research Dpt.

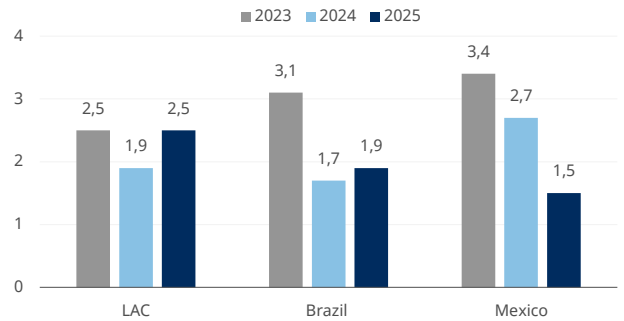
At the end of 2023, there were a record of 483 fintech companies in Switzerland. More than 1 billion CHF was raised in 2022 and 2023 through more than 150 financing rounds. Growth was particularly strong last year, +23%, among fintech companies with a strategic focus on sustainability, which account for 10% of all Swiss fintech companies.

A finales de 2023 se alcanzó un récord de 483 empresas fintech en Suiza. Más de 1.000 millones de francos suizos se recaudaron en 2022 y 2023 a través de más de 150 rondas de financiación. El crecimiento fue particularmente fuerte el año pasado (+23%) entre empresas fintech con un enfoque estratégico en la sostenibilidad, que ya representan el 10% de todas las fintech suizas.

2024 GDP growth projections for the two major economies in the region were revised up, with Brazil growing 1.7% YoY and Mexico 2.7% (+0.2 p.p. and +0.6 p.p. respectively from October's IMF report). Nevertheless, after a surprisingly performance in 2023, GDP in Latin America and Caribbean countries is expected to slow in 2024. In January, the IMF revised down the region's growth perspective to 1.9% YoY in 2024 (-0.4 p.p. from previous estimates).

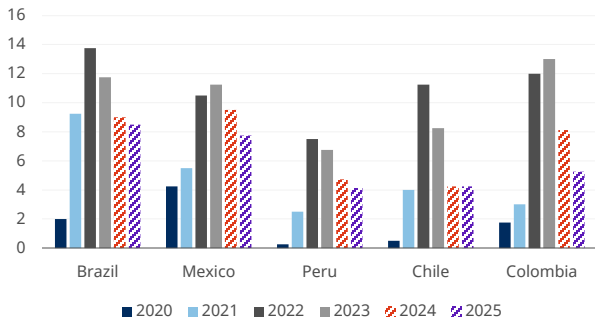
Las proyecciones de crecimiento del PIB para las dos mayores economías de la región han sido revisadas al alza, con Brasil creciendo un 1,7% interanual y México un 2,7% (+0,2 p.p. y +0,6 p.p. respecto a las previsiones anteriores. Sin embargo, después de un excelente 2023, se espera que el PIB de los países del área se desacelere en 2024. En enero, el FMI revisó a la baja la perspectiva de crecimiento de la región hasta el 1,9% interanual en 2024 (-0,4 p.p. respecto a estimaciones anteriores).

Latin America & the Caribbean (LAC) GDP Projections
 (% growth YoY)



Source: IMF WEO January 2024

Annual Policy Rate, end-period
 (% , dashed bars are FactSet consensus)



Sources: Countries Central Banks and FactSet

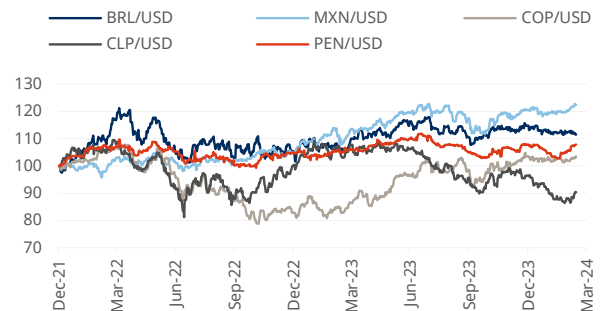
The rapid movement from Central Banks in the region to fight inflation by increasing interest rates in 2021 and 2022 resulted in more financial inflows, causing an overall exchange rate appreciation, which has also helped to reduce inflation. Now, in a context of decreasing rates, smaller interest rate differentials with the US should put downward pressure on the region's currencies and an upward pressure on inflation.

El rápido movimiento de los bancos centrales de la región para combatir la inflación aumentando los tipos de interés en 2021 y 2022 favoreció más entradas financieras, resultando en una apreciación general del tipo de cambio, que también ha ayudado a reducir la inflación. Ahora, en un contexto de reducción de tipos y con menores diferenciales de tipos de interés con Estados Unidos puede aumentar la presión a la baja sobre las monedas y al alza sobre la inflación.

Latin America main countries started their monetary easing in the latter part of 2023. This movement is expected to continue in the next 2 years, although Central Banks are being cautious in their approach as inflation risks are tilted to the upside, given the potential effects of El Niño on food prices and potential geopolitical disruptions affecting supply chains and energy prices.

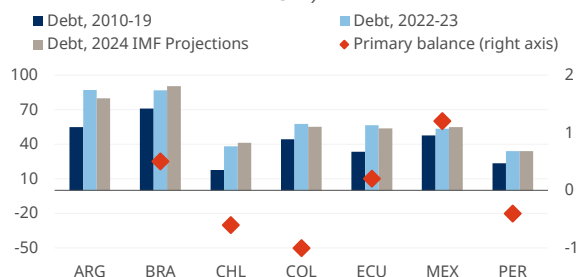
Los principales países de América Latina comenzaron su flexibilización monetaria en la última parte de 2023. Se espera que este movimiento continúe en los próximos dos años, aunque los bancos centrales están siendo cautelosos en su enfoque, ya que los riesgos de inflación se inclinan al alza, dados posibles efectos de El Niño en los precios de los alimentos y perturbaciones geopolíticas que pueden afectar las cadenas de suministro y los precios de la energía.

Latin America Currencies vs. US Dollar (Base 100 = 31/12/2021)



Source: SIX iD as of March 15, 2024

Government Gross Debt and Primary Balance (% of GDP)



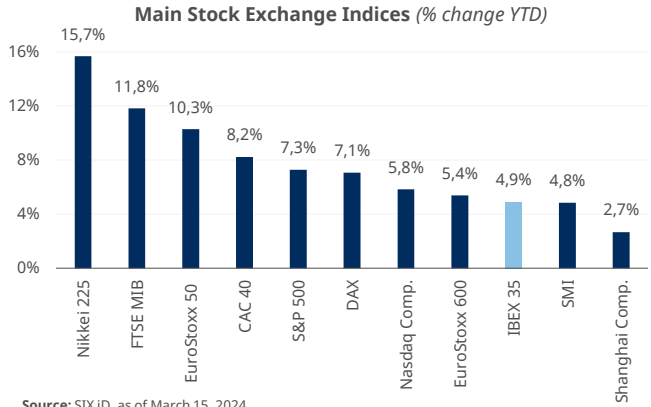
Sources: World Bank Global Economic Prospects (Jan. '24) and IMF data base (Oct. '23)

Fiscal deficits remain elevated in many LAC countries, including in comparison to other emerging market economies. The fiscal consolidation should weigh on activity, but most countries plan to reduce debt over the medium term and boost resilience against future shocks, although primary balances are projected to register some deterioration in the short term.

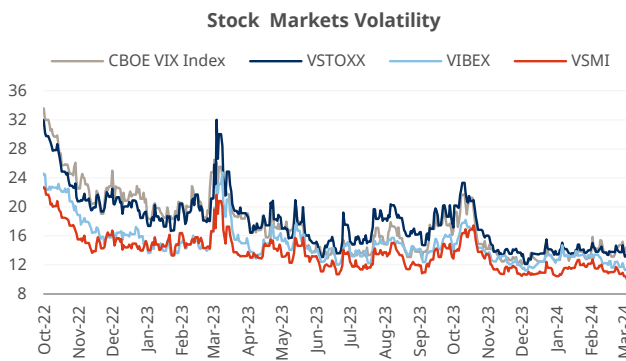
Los déficits fiscales siguen siendo elevados en muchos países de LAC, incluso en comparación con otras economías emergentes. La consolidación fiscal debería pesar sobre la actividad, pero la mayoría de los países planea reducir la deuda a medio plazo y aumentar la resiliencia frente a shocks futuros, aunque las proyecciones apuntan a que los déficits fiscales primarios registren cierto deterioro en el corto plazo.

After registering in the beginning of the year levels below 10,000 points, the IBEX 35 shows a strong recovery among the European indices in 2024 up to mid-March, registering new highs for 2024 (10,597.9 points) and revalidating 2018 highs, driven by the good results of consumer goods, energy and banking.

Tras registrar en el principio del año niveles por debajo de los 10.000 puntos, el IBEX 35 muestra fuerte recuperación entre los índices europeos a mediados de marzo, registrando nuevos máximos de 2024 (10.597,9 puntos) y revalidando máximos de 2018 con el impulso de los buenos resultados de compañías de bienes de consumo, energía y de la banca.



Source: SIX iD, as of March 15, 2024



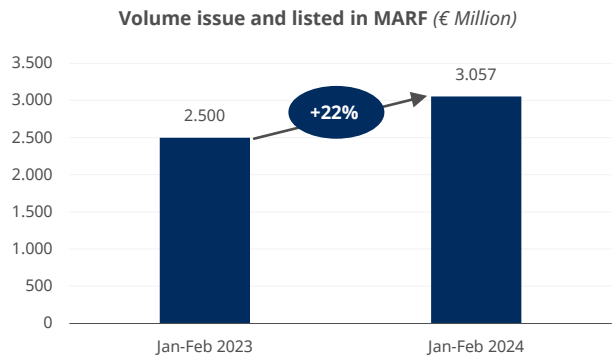
Source: SIX iD, as of March 15, 2024

With global equities buoyed by strong earnings and the expectation of declining rates, Europe's IPO market is starting to wake up and also the Spanish IPO pipeline is positive for the next few months with several companies considering offerings and listing. The low levels of equity markets volatility favors the preparation of the initial public offerings.

Con los mercados de acciones internacionales impulsados por fuertes ganancias, el mercado de OPV de Europa empieza a despertar y también en la Bolsa española se preparan varias operaciones para los próximos meses. Los bajos niveles de volatilidad en los mercados bursátiles favorecen la preparación de las Ofertas Públicas de Venta previas a la admisión en Bolsa.

Until February 2024, 3.05 billion euros have been issued and listed in the Alternative Fixed Income Market (MARF), 22% more than the previous year. Also in the Public Debt section, issues and admissions to trading on the regulated market increased by 4% to 71.2 billion euros. According to the Treasury, the gross issues planned for the whole year will be 257,572 million euros, 2% more than in 2023.

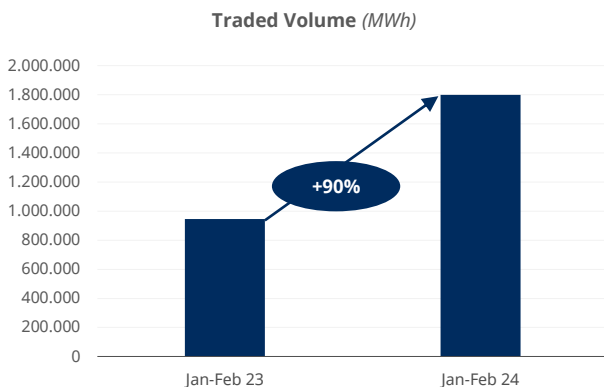
Hasta febrero de 2024 se han emitido y cotizado en el Mercado Alternativo de Renta Fija (MARF) 3.057 millones de euros, un 22% más que el año anterior. También en el apartado de Deuda Pública, las emisiones y admisiones a negociación en el mercado regulado aumentaron un 4%, hasta los 71.200 millones de euros. Según el Tesoro, las emisiones brutas previstas para todo el año serán de 257.572 millones de euros, un 2% más que en 2023.



Source: BME

The volume of power derivatives traded in MEFF and cleared in SIX Group clearing infrastructures, increased by 90% in the first two months of 2024 compared to the same period in 2023. Specifically, a total of 1,799,000 MWh were traded up to February 2024. This increase shows the possibilities of hedging with these contracts in a bearish power prices' environment.

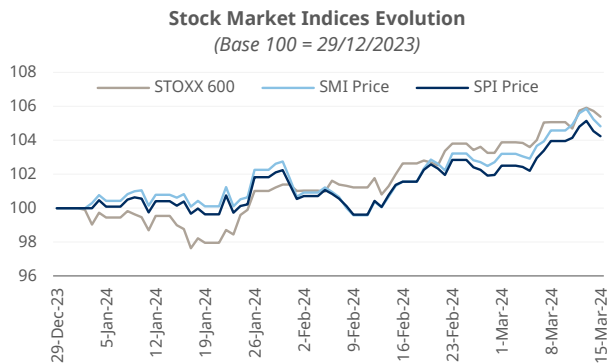
El volumen de derivados de electricidad negociados en MEFF y compensados en la infraestructura de Clearing del Grupo SIX, se ha incrementado en un 90% en el inicio de 2024, comparado con el mismo periodo de 2023. Hasta febrero 2024 se negociaron 1.799.000 megavatios (MWh). Este incremento muestra las posibilidades de cobertura con estos contratos en un entorno bajista de precios de la electricidad.



Sources: MEFF and BME Clearing

The Swiss blue-chip index SMI has kept its mild upward trend in 2024, rising to 11,676 points in mid-March. This represents an increase of 4.8% since the beginning of the year. The sectorial composition of the Index with defensive and market leaders with international diversification favors its attractiveness. Dividend yields of 3% for the SMI also remain attractive, even with higher bond yields.

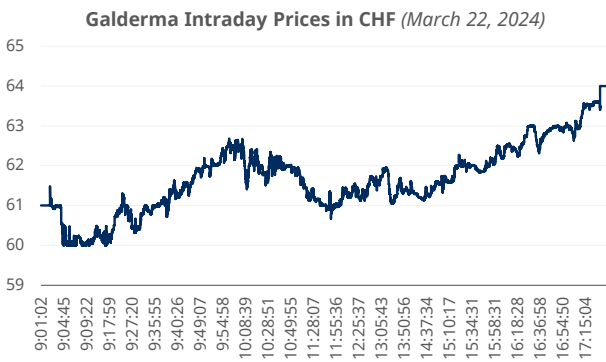
El índice suizo *blue-chip* SMI ha seguido su suave tendencia ascendente en 2024, alcanzando los 11.676 puntos a mediados de marzo, un aumento del 4,8% en lo que va del año. La composición sectorial del Índice con empresas defensivas y líderes de mercado con diversificación internacional favorece su atractivo. La rentabilidad por dividendo del SMI, 3%, sigue siendo atractiva, incluso en un contexto de mayor rentabilidad de los bonos.



Source: SIX ID as of March 15, 2024

The pharmaceutical company Galderma reopens Swiss IPOs market, debuting with a successfully transaction. The company's shares started trading in March 22 after a CHF 2.3 billion IPO with high overdemand. At an opening price of CHF 61,00 per share (up 15% from the final price of the IPO), the market capitalization of Galderma is above CHF 13 billion (€14 billion). Price rose 20% at end of the first trading day.

La farmacéutica Galderma reabre las OPVs y salidas a Bolsa en Suiza con una transacción exitosa. Las acciones de la empresa comenzaron a cotizar el 22 de marzo después de una oferta pública inicial de € 2.380 millones con una elevada sobredemanda. A un precio de apertura de CHF 61,00 por acción (un 15% más que el precio de la OPV), la capitalización de mercado de Galderma supera los € 14.000 millones. Al cierre del primer día, el precio de la acción había subido un 20%



Sources: SIX and SIX ID

SIX has launched two new indices, SIX Reference Rate Crypto and SIX Real-Time Crypto, covering crypto assets Bitcoin (BTC) and Ethereum (ETH). The indices foster clarity and consistency by sourcing data from multiple exchanges and enable precise pricing, valuation and performance tracking. These new indices will also function as benchmarks for AsiaNext's crypto derivatives trading platform and institutional investors worldwide.

SIX ha lanzado dos nuevos índices que cubren los criptoactivos Bitcoin (BTC) y Ethereum (ETH). Aportan transparencia y consistencia al obtener datos de múltiples mercados y permiten un seguimiento preciso de los precios, la valoración y la rentabilidad. Estos nuevos índices también serán subyacente para la plataforma de negociación de derivados sobre criptoactivos de AsiaNext y referencia (*benchmark*) para inversores institucionales de todo el mundo.

SIX New Crypto Indices

SIX Reference Rate Crypto Index
 BTC and ETH benchmark price in USD on an hourly basis

SIX Real-Time Crypto Index
 BTC and ETH benchmark price in USD every second

Sources: SIX

SIX and Greenomy have launched a sustainability assessment solution to help financial institutions and Spanish and Swiss companies to efficiently comply with ESG frameworks, enabling them to measure, improve sustainability performance and access green financing opportunities. The solution accelerates reporting processes by up to seven times and achieves an 80% cost reduction in costs compared to manual reporting methods.

SIX y Greenomy han lanzado una solución de evaluación de sostenibilidad para ayudar a las instituciones financieras y a las compañías suizas y españolas a cumplir de forma eficiente con los requisitos ASG, permitiéndoles medir, mejorar su desempeño sostenible y acceder a financiación verde. La solución ofrecida acelera los procesos de reporting hasta 7 veces y reduce los costes un 80%.

SME Sustainability Assessment Solution



One-Stop-Shop solution for Banks
 Engaging with clients to complete sustainability reporting and monitoring KPIs.



Step-by-Step SME Guidance
 Adapted framework aligned with the EU Taxonomy requirements.

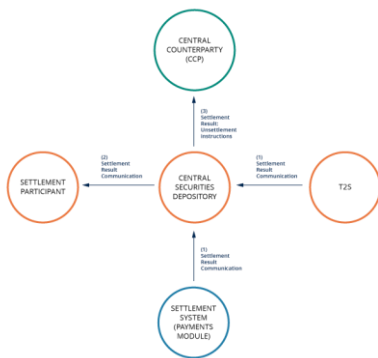


Regulatory Compliance
 Standardized metrics to assess climate risk and scenarios on banks' balance sheets.

Sources: SIX and Greenomy

EMIR 3.0 requirements to boost SIX Group Clearing's activity, with counterparties subject to OTC derivatives clearing obligation, including Interest Rate Swap (IRS), having an active account with a Central Counterparty (CCP) in the European Union. SIX Group provides clearing services authorized by ESMA for OTC derivatives since 2015. An account will be considered active when it has 5 or more trades registered in a year.

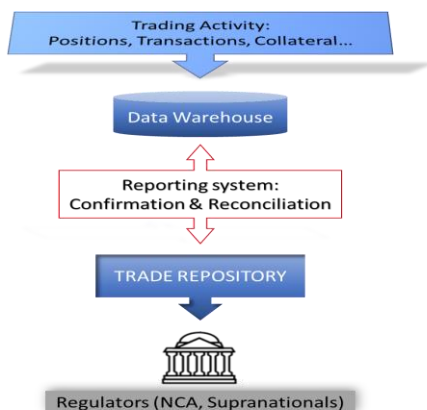
Los requisitos de EMIR 3.0 impulsarán la actividad de compensación del Grupo SIX, al tener las entidades sujetas a la obligación de compensación de derivados OTC, incluyendo Interest Rate Swap (IRS), una cuenta activa en una Entidad de Contrapartida Central (ECC) en la UE. Grupo SIX está autorizado por ESMA a prestar estos servicios desde 2015. Una cuenta se considera activa teniendo registradas 5 o más operaciones en un año.



Source: BME CLEARING

EMIR REFIT will enter into force on 29 April 2024. New rules that simplify, harmonize and streamline reporting obligations for investors trading OTC derivatives contracts. The change will benefit the work of REGIS-TR, one of Europe's leading OTC trade repositories owned by SIX Group.

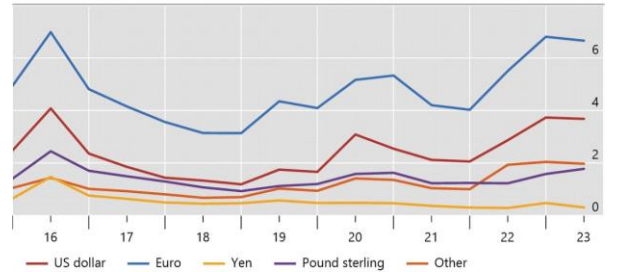
El próximo 29 de abril de 2024 entrará en vigor EMIR REFIT. Nuevas normas que simplifican, armonizan y racionalizan las obligaciones de reporte de los inversores que negocian contratos de derivados extrabursátiles. El cambio redundará en beneficio de los trabajos de REGIS-TR, uno de los registros de este tipo de operaciones líderes en Europa.



Outstanding interest rate derivatives, gross market values

In trillions of US dollars

Graph 2



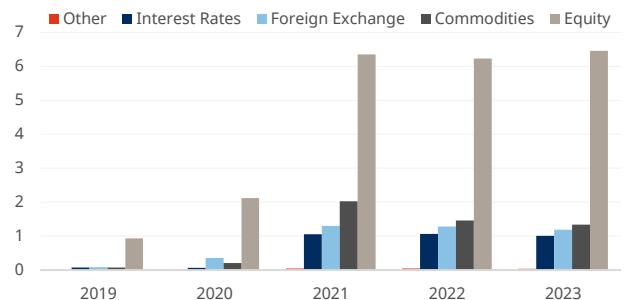
Source: BIS OTC derivatives statistics (Tables D5.1 and D5.2).

Source: BIS

On May 28th U.S. equity, corporate debt and mutual fund markets will be settled 1 business day after the trading date (T+1). In Europe, including the SIX Group's infrastructures, settlement occurs on t+2. This poses a problem for settlement of trades in the foreign exchange markets, which occurs on d+2, by creating an imbalance between the two markets.

El 28 de mayo, los mercados de acciones, deuda corporativa y fondos de inversión de EEUU, pasarán a liquidarse 1 día hábil después de la fecha de operación (d+1). En Europa, incluyendo las infraestructuras del Grupo SIX, la liquidación es en d+2. Esto supone un problema en la liquidación de las operaciones en el mercado de divisas, que lo hace en d+2, al crear un desequilibrio entre ambos mercados.

Number of trades for Notional Outstanding Reported to Regis TR (2019-2023) (Million)



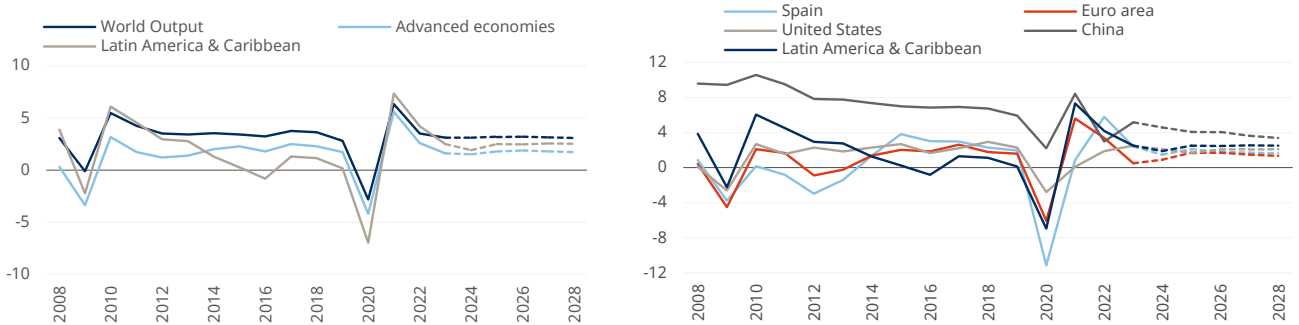
Source: REGIS-TR

A Trade Repository (TR) is a key infrastructure to centrally collect and maintain a database of derivatives and securities financing transactions from market participants. They also collect valuations and net positions of these transactions. Regulators, ESMA or FINMA, use this available data to monitor systemic risk. Under EMIR, financial counterparties must report their derivatives trades (either OTC and ETD) to a TR.

Un TR es una infraestructura clave que recopila y mantiene centralizadamente una base de datos de transacciones de derivados y financiación con valores de los participantes del mercado, junto con sus valoraciones y posiciones netas. Los Reguladores, ESMA o FINMA, usan estos datos para evaluar y supervisar la evolución de los mercados y monitorizar el riesgo sistémico.

Global GDP growth is expected to remain moderate in 2024 but projections continue to improve. IMF revised up its previous estimates 0.2 p.p., projecting a growth of 3.1% YoY, on the back of growth resilience in the U.S. and in some developing economies.

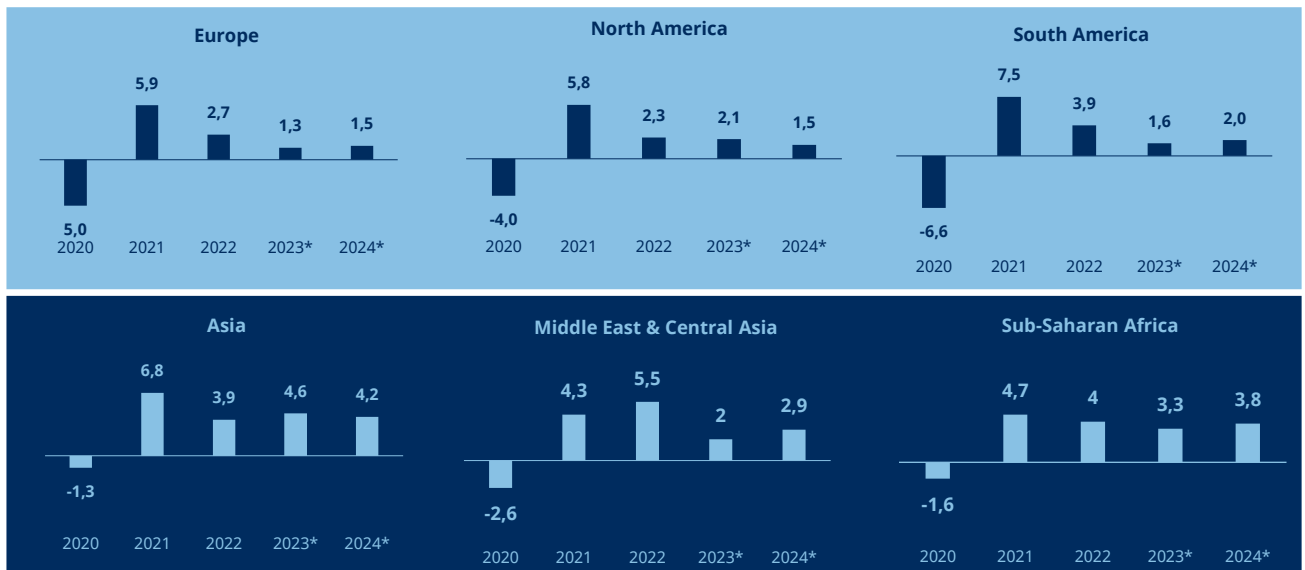
Real Gross Domestic Product (GDP) growth, annual rates (%)



Source: IMF – WEO January 2024. Dashed lines are forecasts

Main indicators - Real GDP growth YoY%
*Estimates from IMF WEO January 2024

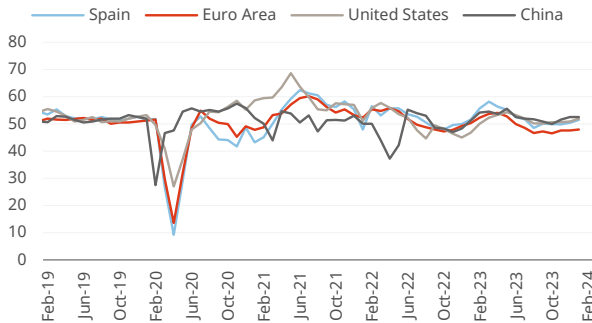
	2020	2021	2022	2023*	2024*	2025*	2026*	2027*	2028*
World Output	-2,8	6,3	3,5	3,1	3,1	3,2	3,2	3,1	3,1
Advanced economies	-4,2	5,6	2,6	1,6	1,5	1,8	1,9	1,8	1,7
United States	-2,8	5,9	1,9	2,5	2,1	1,7	2,1	2,1	2,1
Euro Area	-6,1	5,6	3,4	0,5	0,9	1,7	1,7	1,5	1,3
Germany	-3,8	3,2	1,8	-0,3	0,5	1,6	1,9	1,3	0,9
France	-7,7	6,4	2,5	0,8	1,0	1,7	1,7	1,5	1,4
Italy	-9,0	7,0	3,7	0,7	0,7	1,1	1,1	1,0	0,9
Spain	-11,2	6,4	5,8	2,4	1,5	2,1	1,8	1,7	1,6
Japan	-4,2	2,2	1,0	1,9	0,9	0,8	0,5	0,4	0,4
United Kingdom	-11,0	7,6	4,3	0,5	0,6	1,6	2,1	1,8	1,5
Switzerland	-2,3	5,4	2,7	0,9	1,8	1,2	1,8	1,2	1,8
Canada	-5,1	5,0	3,8	1,1	1,4	2,3	1,8	1,7	1,7
Emerging Economies	-1,8	6,9	4,1	4,1	4,1	4,2	4,1	4,0	3,9
China	2,2	8,5	3,0	5,2	4,6	4,1	4,1	3,7	3,4
India	-5,8	9,1	7,2	6,7	6,5	6,5	6,3	6,3	6,3
Russia	-2,7	5,6	-1,2	3,0	2,6	1,1	1,0	1,0	1,0
Latin America & Caribbean	-7,0	7,4	4,2	2,5	1,9	2,5	2,5	2,6	2,5
Brazil	-3,3	5,0	3,0	3,1	1,7	1,9	1,9	2,0	2,0
Mexico	-8,7	5,8	3,9	3,4	2,7	1,5	1,8	2,0	2,1



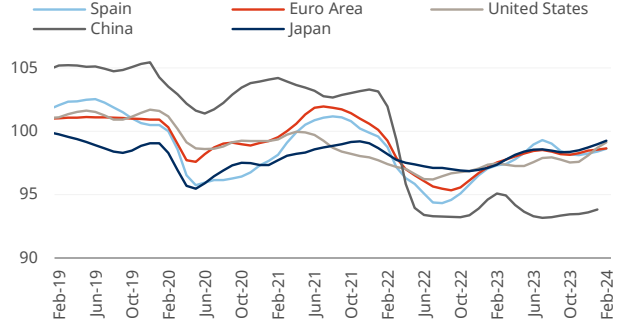
Sources: IMF – WEO January 2024 and IMF Regional Economic Outlooks. *Forecasts

Confidence increases as inflation expectations are anchored on the back of Central Banks restrictive monetary policy. Manufacturing remains muted while services are seeing a resurgence.

Purchasing Managers' Index (PMI) Composite



Consumer Confidence Index - OECD

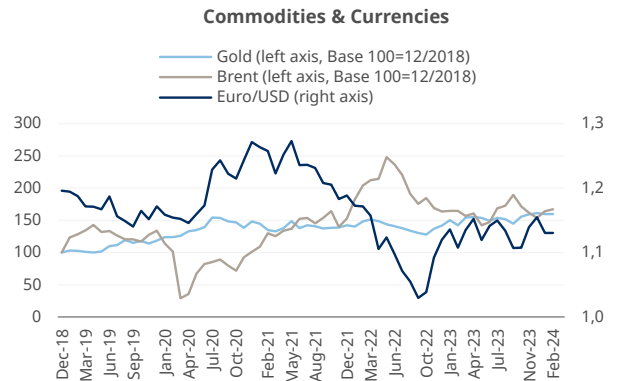
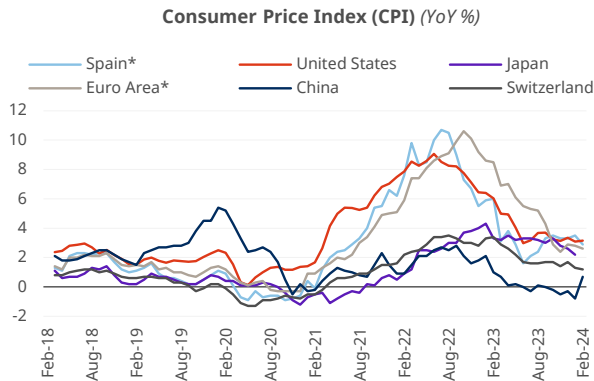


Main Leading Indicators – Data for the year and quarter is the average of monthly figures

	2020	2021	2022	2023	Jan. '24	Feb. '24
Purchase Manager Index Composite (PMI) - Levels above 50 show expansion and below 50, contraction						
Advanced economies						
United States	48,76	59,66	50,67	51,23	52,00	52,50
Euro Area	44,02	54,88	51,31	49,78	47,90	49,20
Germany	46,39	55,28	50,41	49,38	47,00	46,30
France	43,49	53,76	52,74	47,92	44,60	48,10
Italy	41,75	54,71	50,27	50,47	50,70	51,10
Spain	41,51	55,33	51,80	52,52	51,50	53,90
Japan	42,42	49,38	50,28	51,75	51,50	50,60
United Kingdom	46,43	55,83	53,02	51,24	52,90	53,00
Switzerland (manuf.)	48,78	65,88	58,87	43,97	43,10	44,00
Canada	50,17	61,40	57,84	54,17	56,50	53,90
Emerging Economies						
China	51,42	51,06	48,16	52,53	52,50	52,50
India	44,28	54,16	56,37	59,63	61,20	60,60
Russia	45,98	51,93	48,31	54,21	55,10	52,20
Brazil	46,15	51,15	54,13	50,51	53,20	55,10
Mexico (manuf.)	42,69	47,62	49,58	51,18	50,20	52,30
Consumer Confidence Index (OECD) – Positive figures indicate an increase in consumer confidence						
Advanced economies						
United States	99,47	99,04	96,86	97,74	98,70	99,13
Euro Area	98,96	100,92	96,81	98,29	98,56	98,64
Germany	99,75	100,62	97,74	98,55	98,57	98,69
France	98,80	100,44	97,42	98,54	98,89	98,76
Italy	99,57	102,17	98,24	99,23	99,61	99,74
Spain	97,20	100,04	96,12	98,18	98,40	98,62
Japan	97,03	98,52	97,39	98,52	98,97	99,25
United Kingdom	98,30	101,10	94,24	98,07	98,75	98,81
Switzerland	98,33	100,54	96,92	95,85	95,92	96,18
Canada (Refinitiv)	45,01	51,88	49,99	46,46	49,46	47,38
Emerging Economies						
China	102,82	103,35	95,66	93,51	93,82	-
India (Refinitiv)	64,83	55,30	75,57	92,21	95,06	95,06
Russia*	97,51	98,06	96,93	98,96	-	-
Brazil	98,49	98,27	99,01	100,99	100,69	100,49
Mexico	97,73	102,07	102,01	105,20	105,37	-

Sources: IHS Markit, OECD, IVEY, Refinitiv, as of February 2024. *Last available data from May, 2023.

Inflation's expectations stabilize and disinflation forecast continues, although some upside risks persist. Gold appreciated steadily in February, while supply-side concerns continue to support oil prices. Stable euro-dollar exchange rate.



Main indicators						
	2020	2021	2022	2023	Jan. '24	Feb. '24
Inflation (CPI) (IMF, YoY at end of period) and Reuters (2023 and 2024). Harmonized CPI for Euro Area countries						
Advanced economies						
United States	1,57	7,40	6,63	4,98	2,97	3,70
Euro Area	-0,27	4,96	9,20	6,90	5,50	4,30
Germany	-0,56	5,85	9,80	7,80	6,80	4,30
France	-0,26	3,33	6,96	6,70	5,30	5,70
Italy	-0,29	4,16	12,34	8,10	6,70	5,60
Spain	-0,57	6,57	5,48	3,10	1,60	3,30
Japan	-0,90	0,52	3,88	3,20	3,30	3,00
United Kingdom	0,59	5,39	10,53	10,10	7,90	6,70
Switzerland	-0,79	1,56	2,87	2,90	1,70	1,70
Canada	0,78	4,73	6,64	4,50	2,90	3,70
Emerging Economies						
China	0,16	1,39	1,81	0,70	0,00	0,00
India	4,87	6,34	6,25	5,60	4,86	5,02
Russia	4,91	8,39	12,36	3,22	3,33	6,11
Brazil	4,52	10,06	5,79	4,36	3,00	4,51
Mexico	3,15	7,36	7,82	6,87	5,07	4,47
Commodities – year and month-end data (Reuters)						
CRB Index	178,29	247,02	301,33	293,90	291,36	320,71
Bloomberg Commodity Index	166,63	211,80	245,89	232,71	226,74	237,42
Energy & Transportation						
Brent Oil	51,22	77,24	82,82	79,19	74,51	95,86
West Texas Oil	48,28	75,21	80,23	75,67	70,64	90,79
Natural Gas	2,54	3,73	4,48	2,22	2,80	2,93
Baltic Dry Index (Transp.)	1366	2217	1515	1389	1091	1701
Metals						
Gold	1897,77	1822,39	1815,64	1976,50	1916,00	1856,75
Silver	26,38	23,27	23,75	24,16	22,76	22,35
Cooper	3,52	4,46	3,81	4,10	3,76	3,74
Currencies (units per EUR) – year and month-end data (Refinitiv)						
USD (United States)	1,222	1,138	1,070	1,085	1,091	1,057
GBP (United Kingdom)	0,895	0,840	0,887	0,879	0,858	0,867
CHF (Switzerland)	1,082	1,036	0,987	0,993	0,976	0,969
JPY (Japan)	126,326	130,954	140,818	144,596	157,688	157,992
CNY (China)	8,002	7,248	7,419	7,466	7,925	7,733
BRL (Brazil)	6,355	6,334	5,635	5,509	5,263	5,299
MXN (Mexico)	24,380	23,273	20,798	19,617	18,711	18,400

Sources: IMF, Refinitiv and OECD, as of February 2024. *Harmonized CPI

Appendix Spanish Debt

The rates for new issues slightly reduced in the first two months of 2024 compared to 2023 close and the Spanish Treasury has managed to keep the average cost of outstanding debt around 2%. Economic growth and high inflation have helped moderate the deficit in the last 3 years and the Spanish Government projects a deficit of 3.0% of GDP in 2024.

Main public debt figures (Bank of Spain & Treasury)

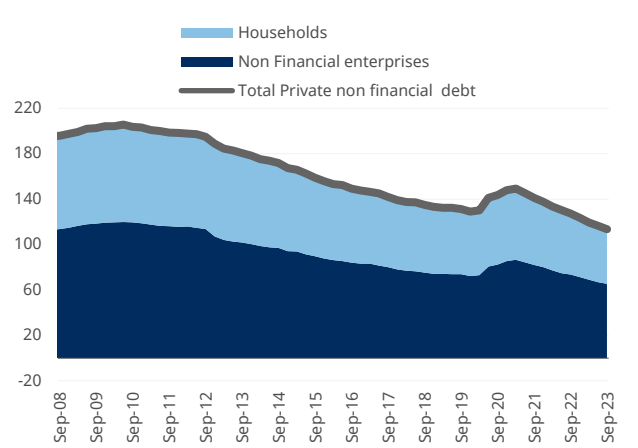
Debt to GDP 2023	Debt to GDP 2024
107.7%	106.3%*
Surplus/Deficit 2023 (% of GDP)	Surplus/Deficit 2024 (% of GDP)
-3.7%	-3.0%*
Avg. Cost of Debt 2023	Avg. Cost of Outstand. Debt Feb. '24
2.08%	2.104%
Cost of debt issued 2023	Cost of debt issued (2024 until Feb. '24)
3.425%**	3.348%**
Avg. Maturity Debt 2023 (Year End)	Avg. Maturity Debt (End Feb. '24)
7.84 years	7.92 years

Ratings Public Debt (long term)	Net financing treasury Estimations for 2024*
Fitch: A- / estable	Short Term € 0.00
Moody's: Baa1 / estable	Med.&Long T. €59.98bn
S&P: A / estable	Other Debt and FX debt -€4.98bn
	Total €55.00bn

Sources: Banco de España and Spanish Treasury. *End of year estimates. ** New issues

Deleverage process of private sectors (2008-2023 - September)

Debt in % of GDP

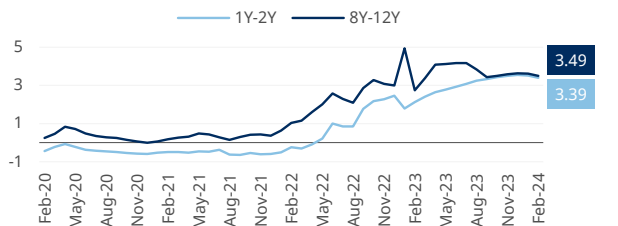


Source: Banco de España

Public Debt Issuances

Gov. Debt Issuance 2023	Maturities	Auctions	Net financing
January	19,441	31,603	-12,162
February	38,022	8,727	29,294
March	20,704	7,689	13,015
April	19,706	29,342	-9,636
May	19,665	7,124	12,542
June	31,506	7,712	23,795
July	20,004	29,087	-9,083
August	13,873	7,863	6,010
September	20,138	6,597	13,540
October	22,385	27,471	-5,086
November	17,178	12,465	4,713
December	9,374	11,190	-1,815
Total 2023	251,995	186,869	65,126
Gov. Debt Issuance 2024	Maturities	Auctions	Net financing
January	35,544	25,183	10,361
February	24,940	7,110	17,830
Total 2024	60,484	32,293	28,191

BME Public Debt Market Indices (RODE) (TIR %)



Source: BME

Spanish Risk Premium to German Bunds (10yr) (bps)



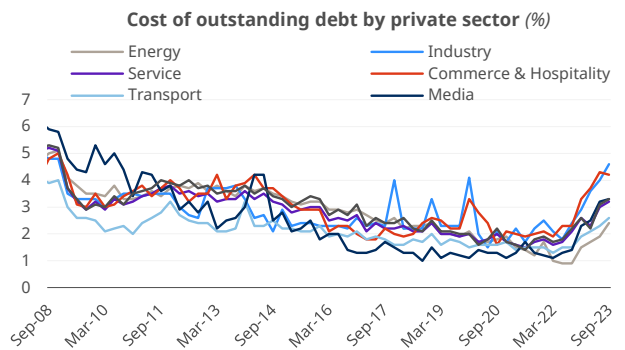
Source: Refinitiv

Last Auctions Returns - March 2024

	3M	6M	9M	12M
Treasury bills. IRR (%)	3.626	3.702	3.555	3.508
	3Y	5Y	10Y	30Y
Bonds & Obligations. IRR (%)	2.875	2.857	3.162	3.693

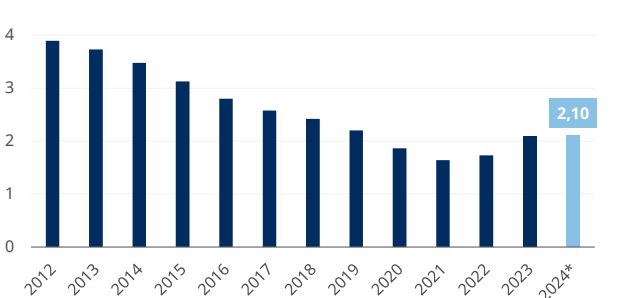
Source: Spanish Treasury

Cost of Debt Evolution



Source: Banco de España. Last available data from September, 2023.

Average Cost of Outstanding Public Debt (%)

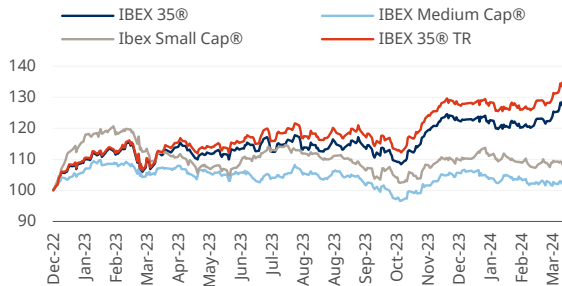


Source: Spanish Treasury. *As of February

In 2024 until March, IBEX 35 index rises almost 5% and IBEX Total Return a 5.4%. At end of February, IBEX-35 valuation ratios kept at end February the attractiveness observed since last the year, with PER at 9.2x and Dividend Yield at 4.6%.

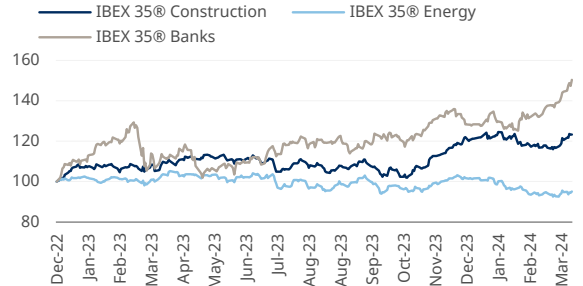
Spanish Equity Market

IBEX Family Indices (Base 100 = 30/12/2022)



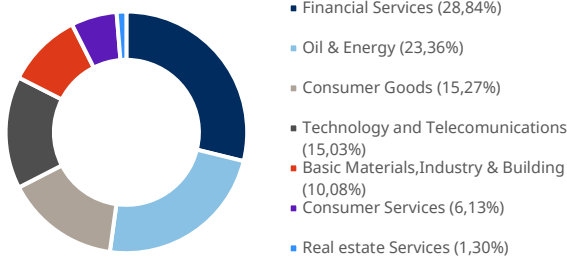
Source: SIX iD, as of March 15, 2024

IBEX 35® Sector Indices (Base 100 = 30/12/2022)



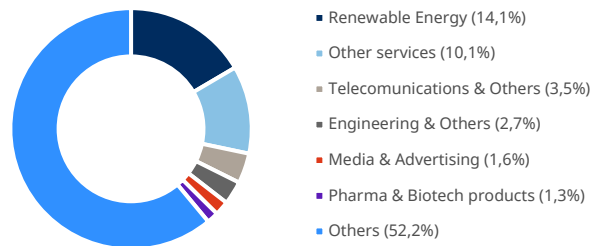
Source: SIX iD, as of March 15, 2024

IBEX 35® Sector Breakdown (% of market cap)



Source: BME, as of December, 2023

BME Growth Sector Composition (ex-REITs) (% of market cap)



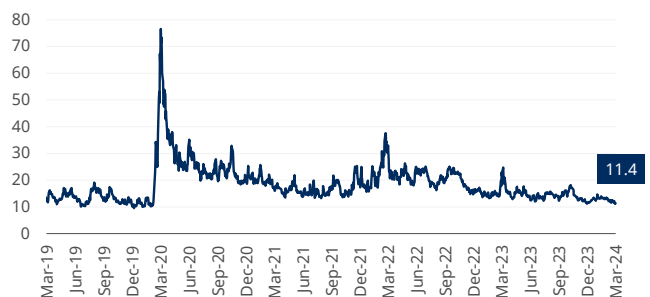
Source: BME Growth, as of February, 2024

Spanish equity market	2021	2022	2023	Jan '24	Feb. '24
Turnover (M€)	378,144	362,122	299,944	60,896	65,101
Nº Trades (M)	45.07	38.90	28.45	3.89	3.85
Capital increases (M€)	21,003	6,315	4,644	856	194
Dividends distributed (M€)	20,474	25,973	30,294	2,918	406
IBEX 35® Dividend Yield (%) ¹	2.80	4.00	4.10	4.10	4.60
VIBEX Volatility Index (%) ²	17.37	21.27	14.70	13.27	12.92
BME Growth, Nº companies	127	135	138	139	138

¹Morgan Stanley Capital International. End date of the period
²Average of the period (year or month)

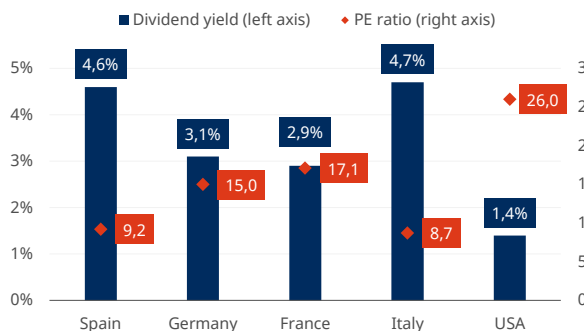
Sources: SIX, BME Growth and SIX iD

VIBEX (BME Volatility Index)



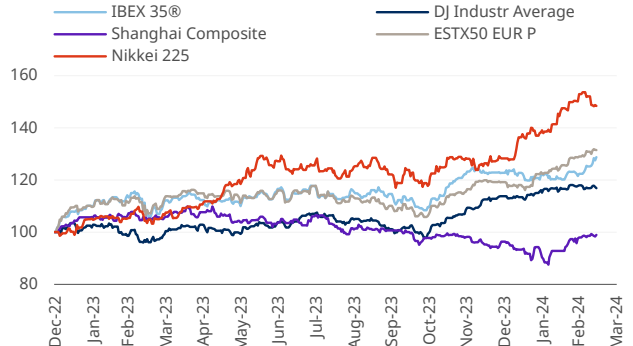
Source: SIX iD, as of March 15, 2024

Dividend Yield & PE ratio



Source: Morgan Stanley Capital International, as of February 2024

International Stock Indices (Base 100 = 30/12/2022)



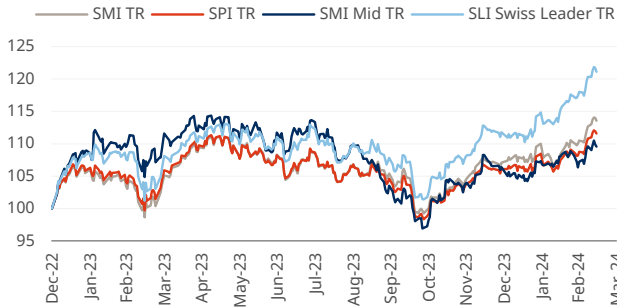
Source: SIX iD, as of March 15, 2024

Appendix Swiss Equity Market

Trading turnover in February increased 31.9% YoY being above the CHF 100 billion threshold for the second month in a row. The SMI rose to 11,676 points in Mid-March 2024, an increase of 4.8% since the beginning of the year. Volatility at historical low level.

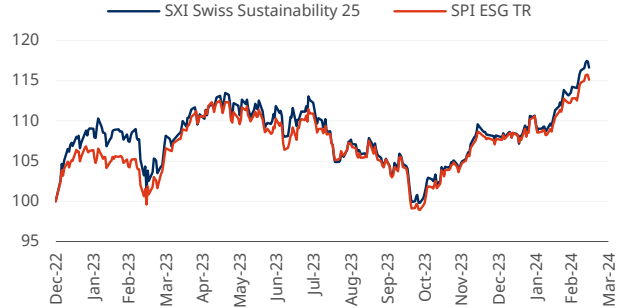
Swiss Equity Market

Main Swiss Indices (Base 100 = 30/12/2022)



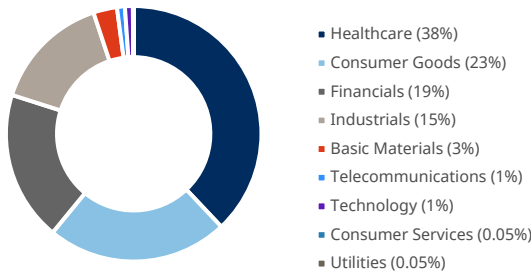
Source: SIX iD, as of March 15, 2024

SIX ESG Indices (Base 100 = 30/12/2022)



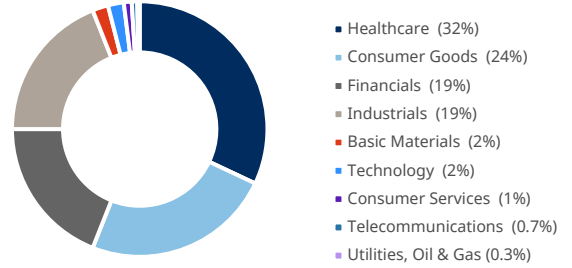
Source: SIX iD, as of March 15, 2024

SMI® Sector Breakdown (% of market cap)



Source: SIX, as of February 2024

SPI® Price Sector Breakdown (% of market cap)



Source: SIX, as of February 2024

Swiss equity market	2021	2022	2023	Jan '24	Feb. '24
Turnover (MCHF) ¹	1,049,820	946,681	802,466	60,896	65,101
N° Trades (M) ¹	59.90	58.26	43.55	3.89	3.85
IPOs (n°)	5	14	10	-	-
SMI Dividend Yield (%) ²	2.50	3.00	3.10	3.00	3.00
VSMI Volatility Index (%) ³	15.50	19.74	13.59	11.39	11.75
ETF Turnover (BnCHF)	79,554	94,300	64,222	5,060	5,025
Struct. Prod. & Options (BnCHF)	20,144	12,132	8,004	606	777

¹Equities include Funds + ETPs
²Source: Morgan Stanley Capital International. End date of the period.
³Average of the period (year or month)

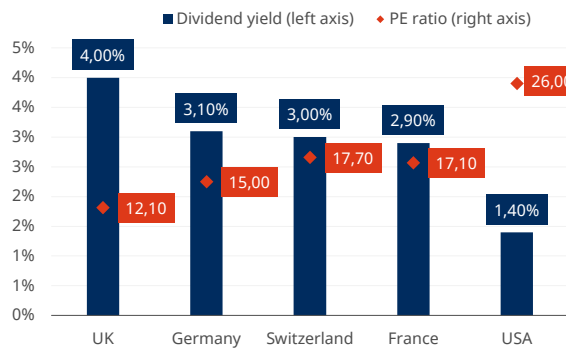
Sources: SIX, BME Growth and SIX iD

VSMI (Volatility Index on the SMI)



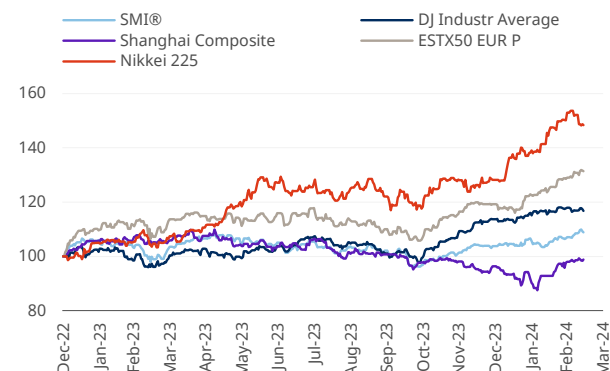
Source: SIX iD, as of March 15, 2024

Dividend Yield & PE ratio



Source: Morgan Stanley Capital International, as of February 2024

International Stock Indices (Base 100 = 30/12/2022)



Source: SIX iD, as of March 15, 2024