

# Macro Trends

## Affecting Spanish and Swiss Securities Markets



Signs of weakness in manufacturing activity and in some labor markets, and the sharp correction in inflation are accelerating pre-emptive interest rate cuts by the main central banks, which this time have more room to maneuver.

The growth of the Spanish and Swiss economies stands out above the European averages.

### Highlights

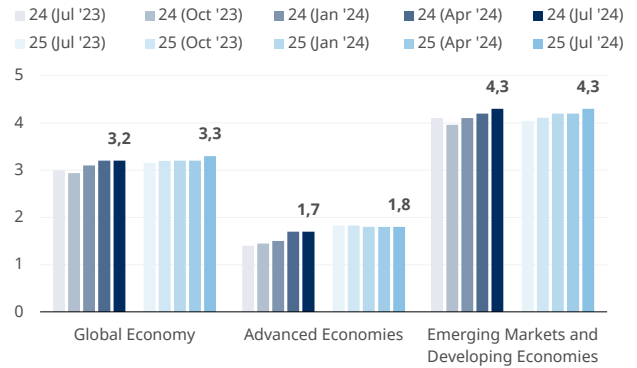
- Global GDP growth is expected to remain stable at around 3.2%-3.3% in 2024 and 2025, but recent data on weak manufacturing activity, labor market, and household consumption and confidence in major economies and areas, have increased uncertainty. Services' activity and financial and capital markets continue to evolve satisfactorily.
- Global inflation continues to decline, with marked disinflationary trends in many commodities and industrial products. The gradual cooling of labor markets, coupled with expectations of falling energy prices, are also expected to bring headline inflation back to central banks' target by the end of 2025.
- The September rate cuts by the US Fed (-0.50 pp to 4.00%), the EU ECB (-0.25 pp to 3.5%) and the Swiss SNB (-0,25 pp to 1%) confirm the entry into a new cycle of lower interest rates around the world. Additional cuts are expected in the coming months.
- Spanish GDP growth estimates for 2024 are gradually converging upwards and are already well above the 2.5% reached in 2023. In September, the Bank of Spain revised its estimate for 2024 by half a point to 2.8% and for 2025 by +0.3% to 2.2%.
- Swiss GDP growth is expected to be in the range of 1.2%-1.3% in 2024. As global economic conditions gradually improve, a moderate acceleration in growth is anticipated for 2025, to 1.6%-1.7%, with the services sector and consumption as the main drivers.
- While growth in Latin America and the Caribbean economies will be weak (+1.9%) in 2024, it is expected to improve significantly in 2025 to 2.7%, supported by the resilience of the labor market, interest rate cuts and the increase in some raw material prices.
- Beginning August, the main global stock markets experienced sharp falls and volatility. The recovery was very rapid: in less than 10 days, the main global indices had recovered all the losses suffered and volatility also fell.
- Spanish listed companies have kept the record dividends distribution in 2024 until August: 14.5% more than in the same period of the previous year.
- Switzerland and the United Kingdom have signed the Berne Agreement on Financial Services, a pact focusing on the mutual recognition of each other's financial regulations
- The trading volume of ETFs in SIX Swiss Exchange reached 48.58 billion euros between January and August, 35% more than in the same period of the previous year. More than 1.5 million ETF transactions were carried out, 26% more.
- On November 2024 ECB will greenlight the new Euro Collateral Management System (ECMS).

Market Research Dpt.

Global growth is expected to remain stable at around 3.2%-3.3% in 2024 and 2025, but recent data on weak manufacturing activity, labor markets, and household consumption and confidence in major economies and areas, have led to increased uncertainty. In contrast, service activities and financial and capital markets continue to evolve satisfactorily.

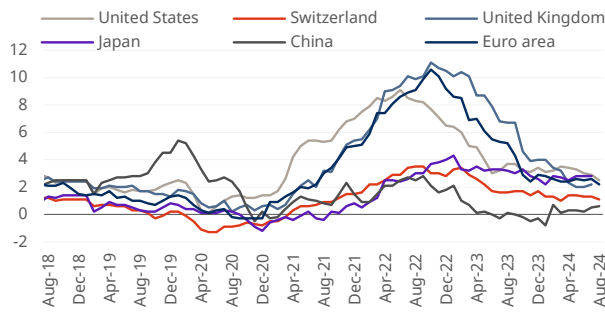
El crecimiento mundial se espera que se mantenga estable alrededor del 3,2%-3,3% en 2024 y 2025, pero los datos del tercer trimestre de 2024 de debilidad de la actividad manufacturera, de los mercados laborales, y del consumo y la confianza de los hogares en grandes economías y áreas han provocado un aumento de la incertidumbre. Por el contrario, las actividades de servicios y los mercados financieros y de capitales continúan evolucionando satisfactoriamente.

Evolution of GDP annual growth estimates for 2024 and 2025 (%)



Source: IMF WEO Jul. '23, Oct. '23, Jan. '24 Apr. '24 and Jul. '24

Consumer Price Index (2018- 2024) (CPI, YoY %)

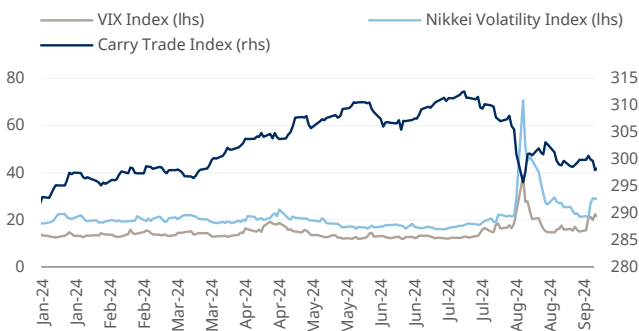


Source: SIX iD as of September 16, 2024. Last available data for the UK and Japan is July, 2024.

In September, for the first time in four years, the US Federal Reserve cut its benchmark interest rate by 0.50 points to a range between 4.65 and 4.7%. The move confirms the entry into a new general cycle of lower interest rates around the world. The decision came after inflation slowed to a three-year low in August, coupled with the slowdown in the labor market. Other central banks, including the ECB, had already begun to cut rates and have continued or will do so in the coming months.

La Fed norteamericana recorta en septiembre, por primera vez en 4 años, su tipo de interés de referencia en 0,50 puntos hasta un rango entre el 4,65 y el 4,7. La medida confirma la entrada en un nuevo ciclo generalizado de tipos de interés a la baja en el mundo. La decisión se produjo después de que la inflación se desacelerara a un mínimo de tres años en agosto, unida a la ralentización del mercado laboral. Otros bancos centrales, entre ellos el BCE, habían iniciado las rebajas con anterioridad y las han continuado o lo harán en los próximos meses.

Equity Volatility & Carry trade (Jan.-Sept. 2024)

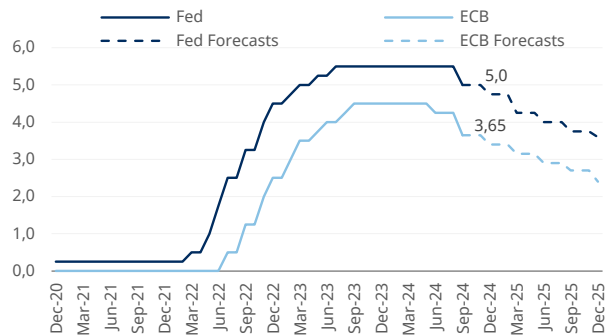


Source: Bloomberg as of September 12, 2024  
Market Research Dpt.

Global inflation continues to decline, with marked disinflationary trends in many commodities and manufactures paving the way for interest rate cuts. The gradual cooling of labor markets, coupled with expectations of falling energy prices, are also expected to bring headline inflation back to central banks' target by the end of 2025.

La inflación mundial sigue retrocediendo, con marcadas tendencias desinflacionistas visibles en muchas materias primas y manufacturas, lo que allana el camino a los recortes en los tipos de interés. También se espera que el enfriamiento gradual de los mercados laborales, junto con las expectativas de caída de los precios de la energía, lleven la inflación general al objetivo de los bancos centrales a finales de 2025.

Interest rates and estimates (2020-2025)



Source: SIX iD and FactSet median estimates. September, 2024. ECB main refinancing operations rate.

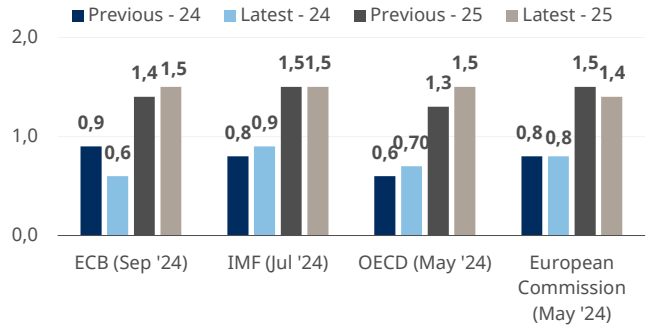
On August 5, the main global stock markets experienced sharp falls and volatility, triggered by an unexpected rate hike by the Bank of Japan (BoJ) and a disappointing US employment report. The BoJ's measure made borrowing in yen more expensive ("carry trade"), causing investors to unwind their positions. The losses and volatility, which were extreme in the Japanese Nikkei index, spread to other stock markets, but the recovery was very rapid: in less than 10 days, the main global indices had recovered all the losses suffered since August 5 and volatility also fell to almost normal levels.

El 5 de agosto, los principales mercados de acciones mundiales experimentaron fuertes caídas y volatilidad provocadas por una inesperada subida de tipos por parte del Banco de Japón (BoJ), y un decepcionante informe sobre el empleo en Estados Unidos. La medida del BoJ encareció el endeudamiento en yenes ("carry trade"), deshaciendo los inversores sus posiciones. Las pérdidas y la volatilidad, extremas en el índice Nikkei japonés, se extendieron a otras bolsas y mercados, pero la recuperación fue muy rápida: en menos de 10 días, los principales índices mundiales habían recuperado todas las pérdidas sufridas desde el 5 de agosto y también la volatilidad se redujo a niveles casi normalizados.

Eurozone GDP growth is expected to be between 0.6% and 0.9% in 2024 and above 1.5% in 2025. Recent data point to lower growth in 2024 due to weakness in Germany and France and in the area's manufacturing industry. Next year's recovery is expected to be consumption-led, driven by rising wages and real disposable income and a gradual increase in confidence.

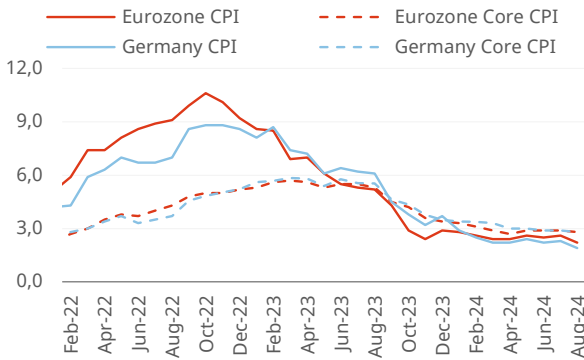
Se espera que el crecimiento del PIB en la zona del euro se sitúe entre el 0,6% y el 0,9% en 2024 y por encima del 1,5% en 2025. Datos recientes indican un menor crecimiento en 2024 por la debilidad de Alemania y Francia, y también en la industria manufacturera del área. La recuperación del año que viene se espera que esté basada en el consumo, impulsado por un aumento de salarios y renta real disponible y un aumento gradual de la confianza.

Euro area: GDP Growth Projections for 2024 and 2025 (% change YoY)



Sources: ECB, IMF, OECD.

CPI & Core CPI - Eurozone & Germany (% YoY)



Source: Eurostat, ECB, August, 2024.

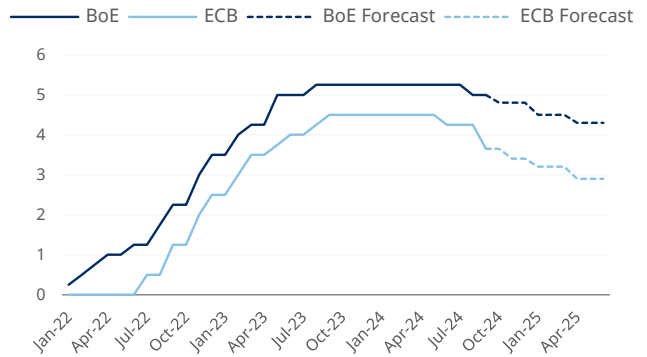
The European Central Bank (ECB) cut its benchmark interest rate for the second time this year by 0.25 points to 4%, at its September meeting. It justified the reduction by the good performance of inflation in recent months and noted the moderation of wage costs. The ECB maintains its expectations that inflation will return to 2% by the end of 2025. The Bank of England, on the other hand, kept rates at 5% at its September meeting.

El Banco Central Europeo (BCE) recortó por segunda vez en el año los tipos de interés de referencia en 0,25 puntos hasta el 4%, en su reunión de septiembre. Justificó la reducción por la buena marcha de la inflación en los últimos meses y ya aprecia moderación de los costes salariales. El BCE mantiene sus expectativas de que la inflación vuelva al 2% a finales de 2025. El Banco de Inglaterra, por el contrario, mantuvo los tipos en el 5% en su reunión de septiembre.

Headline consumer prices (CPI) in the euro area fell to 2.2% year-on-year in August, the lowest rate in three years. In Germany, inflation is at 2% and eight countries are already below that figure. However, core inflation (excluding energy and fresh food) remains at 2.8% year-on-year for the third consecutive month and reflects upward pressures from the services sector.

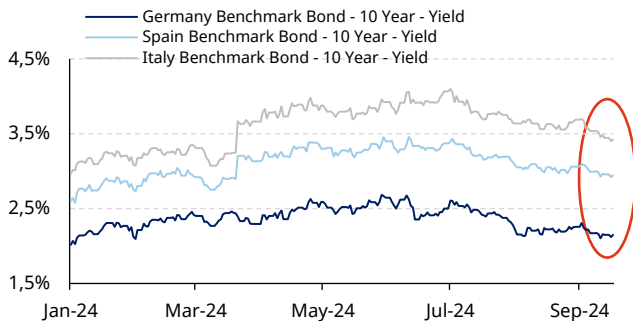
Los precios al consumo (IPC) en el área euro cedieron hasta el 2,2% interanual en agosto, la tasa más baja en tres años. En Alemania, la inflación ya se sitúa en el 2% y ocho países ya se encuentran por debajo de esa cifra. No obstante, la inflación subyacente (que excluye energía y alimentos frescos) permanece en el 2,8% interanual por tercer mes consecutivo y refleja presiones alcistas procedentes del sector servicios.

Interest rates - current and forecasts (%)



Sources: SIX ID and Factset Median Consensus

10-year Benchmark bond yields (%)



Source: SIX ID, as of September 16, 2024.

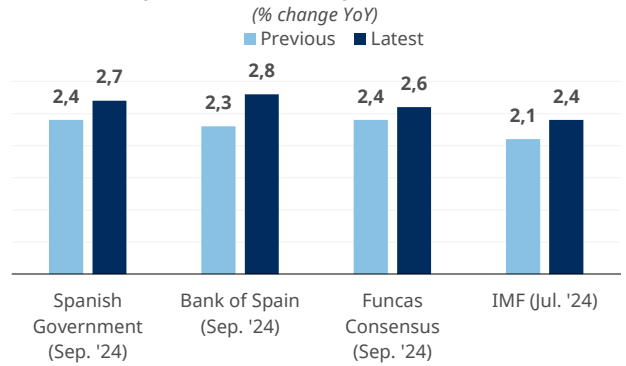
Long-term (10-year) interest rates on benchmark bonds in euro area countries are accelerating the downward trend that began in the summer, driven by the ECB's cut in policy rates, the weakness of the economy and the massive inflow of funds. The risk premiums on Spanish and Italian 10-year bonds have fallen by 10 and 20 basis points respectively, while the risk premium on French 10-year bonds has increased slightly.

Los tipos de interés largo plazo (10 años) de los bonos de referencia de los países del área de euro aceleran la tendencia bajista iniciada en el verano, impulsados tanto por el recorte de los tipos de intervención por parte del BCE como por la debilidad de la economía y la masiva entrada de fondos. Las primas de riesgo de los bonos español e italiano a 10 años se han reducido en 10 y 20 puntos básicos respectivamente en el año, mientras ha aumentado levemente la prima de riesgo de los bonos franceses.

Spanish GDP growth estimates for 2024 are gradually converging upwards and are already above the 2.5% reached in 2023. In September, the Bank of Spain revised its estimate for 2024 by half a point to 2.8% and its estimate for 2025 by 0.3% to 2.2%. These changes are explained by a stronger-than-expected rebound in GDP in the second quarter, the boost in tourism and lower dependence on energy imports.

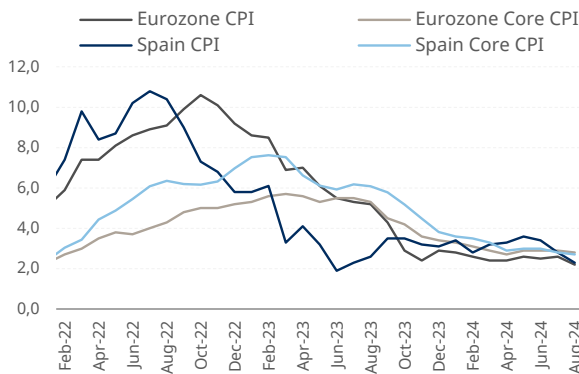
Las estimaciones de crecimiento del PIB español para 2024 están convergiendo progresivamente al alza y ya se sitúan por encima del 2,5% alcanzado en 2023. En septiembre, el Banco de España revisó medio punto, hasta el 2,8%, la estimación para 2024, y un 0,3%, hasta el 2,2%, la estimación para 2025. Estos cambios se explican por un repunte del PIB mayor de lo esperado en el 2º trimestre, el impulso del turismo y la menor dependencia de las importaciones energéticas.

Spain: GDP Growth Projections for 2024



Sources: FUNCAS, Spanish Government, IMF and Banco de España

CPI & Core CPI - Eurozone & Spain (% YoY)

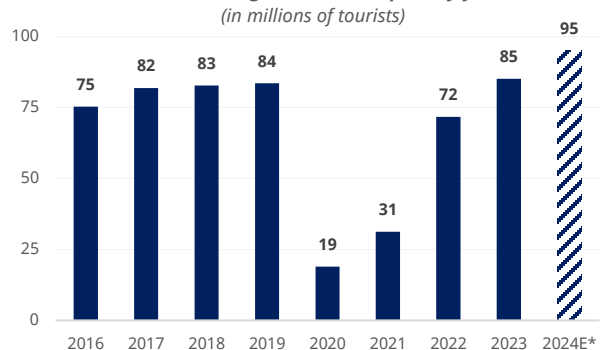


Sources: Eurostat, INE

The number of international tourists arriving in Spain in the first seven months of 2024 reached 53.4 million, 12% more than in the same period in 2023. Total expenditure by foreign visitors exceeds 71 billion euros, 18.6% more. Expectations for the end of the year indicate that a figure of 95 million foreign tourists could be reached, 10% more than the previous year and a new historical record.

El número de turistas internacionales que llegó a España en los siete primeros meses de 2024 alcanzó los 53,4 millones, un 12% más que en el mismo periodo de 2023. El gasto total efectuado por los visitantes extranjeros supera los 71.000 millones de euros, un 18,6% más. Las expectativas para el cierre del año apuntan a que se puede alcanzar la cifra de 95 millones de turistas extranjeros, un 10% más que el año anterior y un nuevo récord histórico.

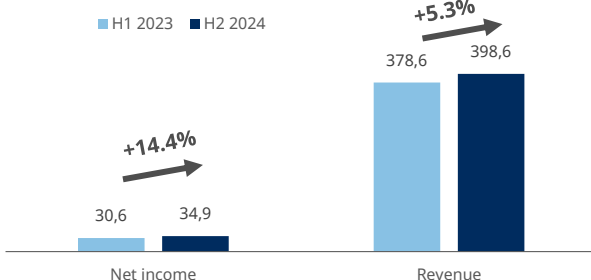
Arrival of foreign tourists in Spain by year



Note: \*Expected arrival of tourists by year end in 2024 at the current pace  
 Source: INE

Spanish listed companies net income and revenues

(€ billion)



Sources: CNMV and Companies' financials. Figures consider only companies that have released their 1S2024 financials.

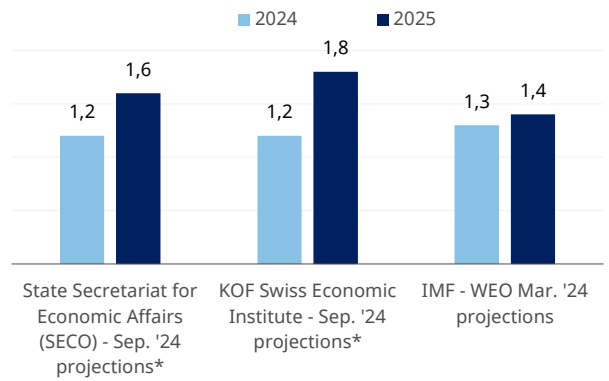
Spanish companies listed on the BME Main Market posted a combined net profit of €34.9 billion in the first half of 2024, 14.4% more than in the first half of 2023. The aggregate turnover of the same companies also increased in the first half of 2024, reaching €398.6 billion, 5.3% more than in 2023. These positive results stand out in an environment of slowing economic activity in the eurozone.

Las empresas españolas que cotizan en el Mercado Principal de BME obtuvieron un beneficio neto conjunto de 34.900 millones de euros en el primer semestre de 2024, un 14,4% más que en el primer semestre de 2023. La facturación agregada de las mismas empresas también aumentó en el primer semestre de 2024, hasta los 398.600 millones de euros, un 5,3% más que en 2023. Estos resultados positivos resaltan en un entorno de desaceleración de la actividad económica en la eurozona.

Swiss GDP growth is expected to be in the range of 1.2%-1.3% in 2024, according to various estimates, unchanged from previous forecasts. As global economic conditions gradually improve, a moderate acceleration in growth is anticipated for 2025, to 1.6%-1.7%, with the services sector and consumption as the main drivers.

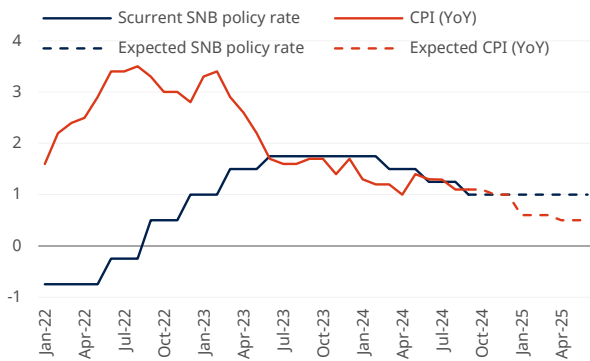
El crecimiento del PIB suizo se situará en 2024 en un rango entre el 1,2%-1,3%, según diferentes estimaciones, sin cambios respecto a las previsiones anteriores. A medida que las condiciones económicas mundiales mejoren gradualmente, se anticipa una aceleración moderada del crecimiento para 2025, hasta el 1,6%-1,7%, con el sector servicios y el consumo como los principales factores impulsores.

Swiss GDP growth forecasts for 2024-2025 (%)



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

SNB policy rate vs. CPI (%)



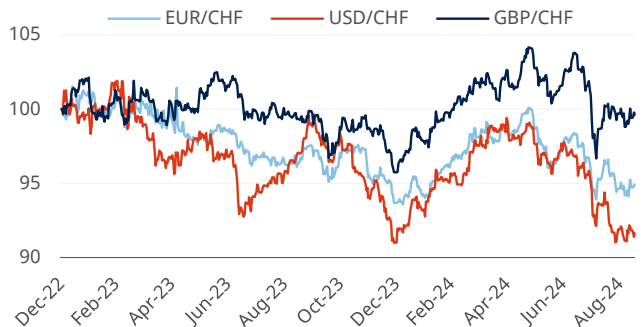
Sources: Credit Suisse, SNB and FactSet Median Consensus as of Sep 26, 2024

As investors have been demanding Swiss francs at the expense of the Japanese yen as a carry trade currency, the Swiss franc has approached its highest level in eight months against the US dollar and in nine years against the euro. Uncertainty remains over the future development of the currency market amid falling rates in Europe and the United States and slightly rising rates in Japan.

A medida que los inversores han ido demandando francos suizos a expensas del yen japonés como moneda de préstamo para operaciones financieras (carry trade), el franco suizo se ha acercado a su nivel más alto en ocho meses frente al dólar estadounidense y en nueve años frente al euro. La incertidumbre persiste sobre la evolución futura del mercado de divisas en un contexto de tipos a la baja en Europa y Estados Unidos y levemente al alza en el caso de Japón.

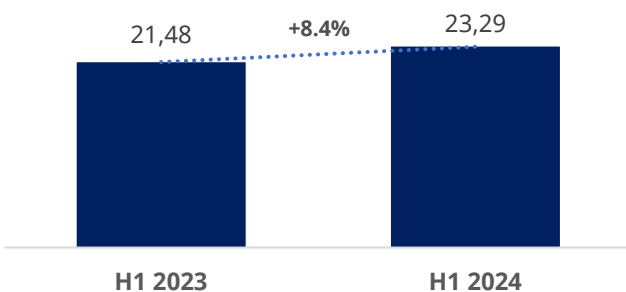
Evolution of currencies against CHF

Base 100 = (30/12/2022)



Source: SIX iD as of 17 September 2024

Largest Swiss banks aggregated revenue H1 '23 Vs. H1 '24 (in CHF bn)



Sources: SIX iD

The 13 largest Swiss financial institutions increased their aggregate revenues by +8.4% in the first half of 2024. The asset management business also saw its assets under management (AUM) increase by +8%. UBS (still in the process of integrating with Credit Suisse) stood out due to its weight in the sector, with revenues up by 21% and its net profit also exceeding analysts' forecasts.

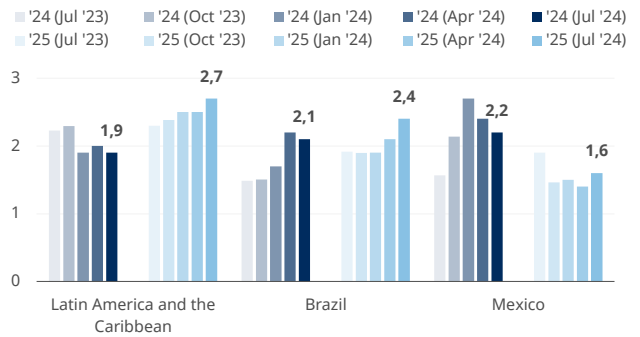
Las 13 mayores entidades financieras suizas aumentaron en el primer semestre de 2024 sus ingresos totales agregados en un +8,4%. También en el negocio de gestión de activos aumentaron sus activos bajo gestión (AUM) en un +8%. Por su peso en el sector destaca el comportamiento de UBS (todavía en pleno proceso de integración con Credit Suisse) cuyos ingresos aumentaron un 21% y su resultado neto también superó las previsiones de los analistas.



The IMF estimates economic growth for Latin America and the Caribbean (LAC) of 1.9% in 2024, slightly revising downwards (-0.1 p.p.) the previous figure. However, GDP will rebound significantly in 2025 to 2.7% (+0.2 p.p. compared to the previous estimate). The improvement would be supported by the resilience of the labor market, interest rate cuts and the increase in some raw material prices. Among the downside risks, a more pronounced than expected economic slowdown in China stands out.

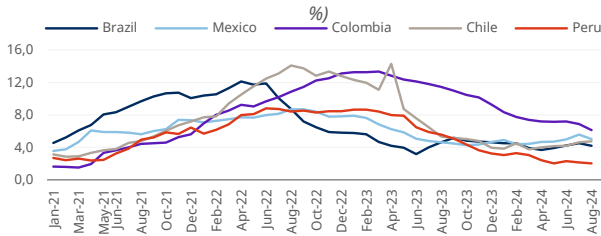
El FMI estima un crecimiento económico para América Latina y el Caribe (ALC) del 1,9% en 2024, revisando ligeramente a la baja (-0,1 p.p.) el dato previo. Sin embargo, el PIB repuntará significativamente en 2025 hasta el 2,7% (+0,2 p.p. respecto a la estimación anterior). La mejora estaría respaldada por la resiliencia del mercado laboral, los recortes de los tipos de interés y el aumento de algunos precios de materias primas. Entre los riesgos y el aumento de algunos precios de materias primas. Entre los riesgos a la baja figura en lugar destacado una desaceleración económica más pronunciada de lo esperado en China.

Evolution of LAC GDP annual growth estimates for '24 and '25 (%)



Source: IMF WEO Jul. '23, Oct. '23, Jan. '24 Apr. '24 and Jul. '24

Selected LAC countries Consumer Price Index (CPI, YoY)



Evolution of rate decisions in the latest BCs meetings (bps)

|  | 2023 |      |      |      |      | 2024 |      |      |      |     |      |      |      |      |
|--|------|------|------|------|------|------|------|------|------|-----|------|------|------|------|
|  | Aug. | Sep. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. | Apr. | May | Jun. | Jul. | Aug. | Sep. |
|  | -50  | -50  | -50  | -50  | -50  | -50  | -50  | -50  | -75  | -50 | -25  | -25  | -25  | +25  |
|  | -75  | -50  | -75  | -75  | -25  | -100 | -100 | -75  | -50  | -25 | -25  | -25  | -25  | -25  |
|  | -25  | -25  | -25  | -25  | -25  | -25  | -25  | -25  | -25  | -25 | -25  | -25  | -25  | -25  |
|  | -25  | -25  | -25  | -25  | -25  | -25  | -25  | -25  | -25  | -25 | -25  | -25  | -25  | -25  |
|  | -25  | -25  | -25  | -25  | -25  | -25  | -25  | -25  | -25  | -25 | -25  | -25  | -25  | -25  |

Sources: FactSet as of September 19, 2024 and S&P Global Market.

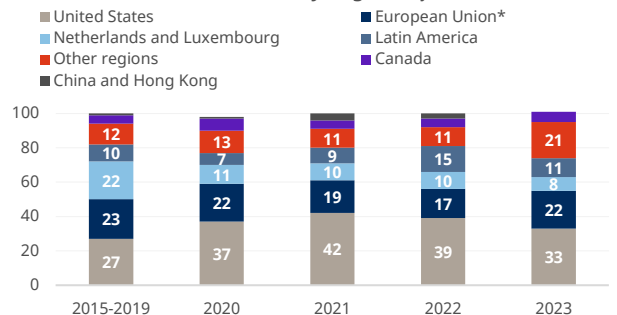
The relative share of the European Union in foreign direct investment (FDI) in LAC countries has increased by 5 points, from 17% in 2022 to 22% in 2023. Spain stands out as the second largest individual investor in the region, with 11% of the total invested and the origin of 52% of the European bloc's investments.

La participación relativa de la Unión Europea en la inversión extranjera directa (IED) en países de Latinoamérica y el Caribe, ha aumentado 5 puntos pasando del 17% en 2022 al 22% en 2023. España sobresale como el segundo inversor individual más grande en la región, con un 11% del total invertido y origen del 52% de las inversiones del bloque europeo.

The monetary policy strategies followed by LAC countries are diverse. While Chile, Brazil and Peru have significantly reduced rates as their inflation has allowed, Colombia and Mexico took more time to act. In Colombia, inflation has been more reluctant to fall, and Mexico monitors US Fed to maintain a favorable spread between US and Mexican interest rates to avoid capital outflows. Despite early cuts in Brazil, higher public spending and tight labor market made the central bank raise rates by 25 bps in its September meeting.

Las estrategias de política monetaria seguidas por los países de América Latina y el Caribe están siendo diversas. Mientras Chile, Brasil y Perú han reducido significativamente los tipos de interés al ritmo de la inflación, Colombia y México han tardado más en actuar por una inflación más resistente o la vigilancia de la política de la Fed norteamericana para mantener un diferencial favorable frente a EEUU y así evitar salidas de capital. Brasil aplicó recortes inicialmente pero el mayor gasto público y un mercado laboral tensionado han llevado a una subida de tipos de 0,25 puntos en septiembre.

LAC FDI inflows by origin (% of total)



Source: CEPAL - Foreign Direct Investment in Latin America and the Caribbean. August, 2024. \*Excluding the Netherlands and Luxembourg

LAC bond issuances (January to August of each year) US\$ million



Source: Bond Radar. August, 2024.

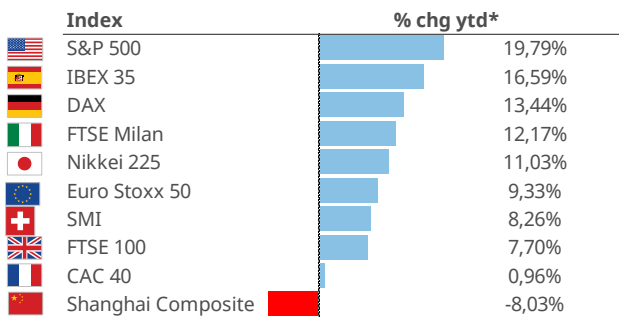
Total LAC bond issuance in international markets has been recovering since 2022, supported by decelerating inflation and the Fed approaching the end of its interest rates hikes. High yield companies have increased their participation, accounting for 39.6% of the total amount issued in the first 8 months of 2024, up from 28% and 35% in the same period of 2022 and 2023, respectively, suggesting an improvement in issuer diversity and a more receptive market.

La emisión total de bonos de ALC en los mercados internacionales se ha ido recuperando desde 2022, apoyada por la desaceleración de la inflación y el fin del ciclo de alzas de tipos por parte de la Fed. Los emisores *high yield* han aumentado su participación, representando el 39,6% del monto total emitido en los primeros 8 meses de 2024, frente al 28% y el 35% en el mismo período de 2022 y 2023, respectivamente, lo que refleja una mejora en la diversidad de emisores y un mercado más receptivo.

The IBEX 35 has already advanced by more than 16% so far this year and has far exceeded the 11,500 points barrier, reaching its highest levels since 2015. The stock market turmoil at the beginning of August resulted in a weekly drop of 6%, from which the index has fully recovered. The IBEX 35 TR, which includes dividends, is at its all-time high: it exceeds 40,000 points and has grown by 20% this year. A more favorable economic environment seems to be boosting confidence in the markets.

El IBEX 35 crece ya más del 15% en lo que va de año y supera ampliamente la barrera de los 11.500 puntos alcanzando los niveles máximos desde 2015. La crisis bursátil de principios del mes de agosto se saldó con un descenso semanal del 6% del que el índice se ha repuesto totalmente. El IBEX 35 TR, que incluye los dividendos, está en sus máximos históricos: supera los 40.000 puntos y crece un 20% en el año. Un entorno económico más favorable parece estar impulsando la confianza en los mercados.

### Main equity indices evolution (ytd)



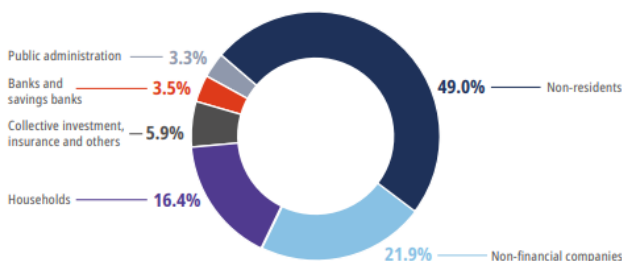
Source: SIX iD. \*As of September 19, 2024.

Spanish listed companies have kept the record dividends distribution in 2024 until August: 14.5% more than in the same period in 2023, 38% more than in 2022 and an amount equivalent the total distributed in 2020 and 2021. The €25.5 billion distributed in the period is equivalent to almost 165 million per session, keeping the dividend yield of the Spanish stock market at 4.2%, consolidating its international leadership also in this area.

Las cotizadas españolas siguen manteniendo los niveles récord de distribución de dividendos en 2024 (hasta agosto): un 14,5% más que en el mismo período de 2023, un 38% más que en 2022 y un importe equivalente a lo distribuido conjuntamente en 2020 y 2021. Los €25.548 millones repartidos equivalen a casi 165 millones por sesión y elevan la rentabilidad por dividendo de la Bolsa española hasta el 4,2% consolidando su posición de liderazgo internacional también en este terreno.

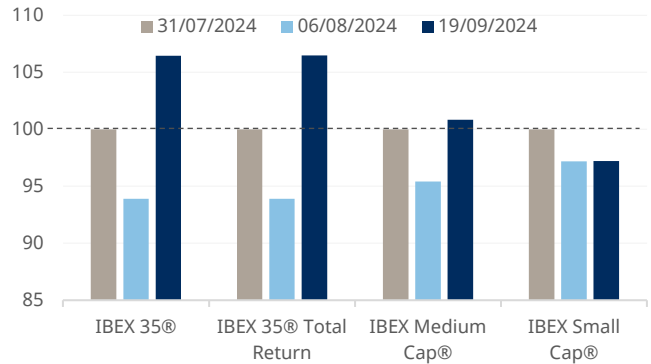
### Ownership of Spanish listed shares (2023)

% of total capitalization at year-end 2023



Source: BME Market Research, June 2024.

### IBEX Indices' recovery from the August '24 turmoil



Source: SIX iD as of September 19, 2024.

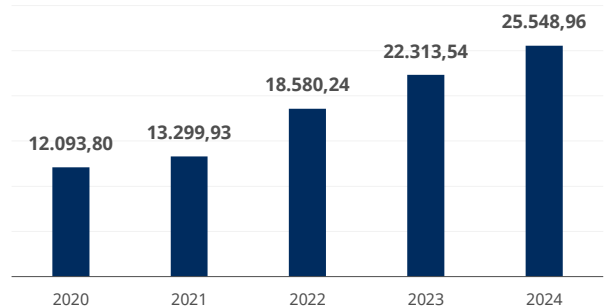
After leading EU stock markets in 2023 with a growth of 23%, the IBEX 35 continues to occupy in 2024 that privileged position and is reaching 17% in almost 9 months. A very positive reading of this sustained upward trend is that the PER of the index (times the profit is reflected in the share price) is still at 9.7x\*, almost 5 points below its historical average. From the economic theory's perspective, this level attributes it a potential upward path for longer.

Tras liderar el avance de las Bolsas de la UE en 2023 con un crecimiento del 23%, en 2024 el IBEX 35 continúa ocupando ese puesto de privilegio y se acerca al 17% en casi 9 meses. Una lectura muy positiva de esta tendencia al alza sostenida es que el PER del índice (veces que el beneficio se recoge en el precio de la acción) está todavía en 9,7x\*, casi 5 puntos por debajo de su media histórica. Desde el punto de vista de la teoría económica, este nivel le atribuye un potencial recorrido ascendente durante más tiempo.

\* According to MSCI Blue Book August 2024.

### Dividends paid in the Spanish stock exchange.

Aggregate data from January to August of each year. € Mill.



Source: BME, August, 2024.

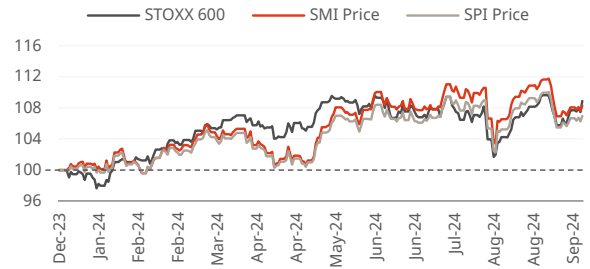
Foreign investors continue to be the main players in the Spanish Stock Exchange. In terms of ownership of listed shares, they accounted for 49% at the end of 2023, although the growth of this indicator has stopped after many years of continuous increase. Non-financial companies and families are the two other groups with the greatest weight in the distribution of share ownership, with 21.9% and 16.4%, respectively.

Los inversores extranjeros continúan siendo los principales protagonistas de la actividad de la Bolsa española. En términos de propiedad de las acciones cotizadas tenían el 49% de las mismas a cierre de 2023, si bien el crecimiento de este indicador se ha detenido tras muchos años de aumento continuado. Las empresas no financieras con un 21,9% y las familias con un 16,4% son los siguientes grupos con más peso en la distribución de la propiedad de las acciones.

The Swiss stock market has shown resilience despite the turmoil in the financial markets at the beginning of August. The SMI erased the losses quickly and with an unprecedented recovery of almost 1,000 points. The index closed the month at 12,436.6 points, and registered an 8.26% growth ytd, narrowing the gap to a potential new all-time high of 13,000 points.

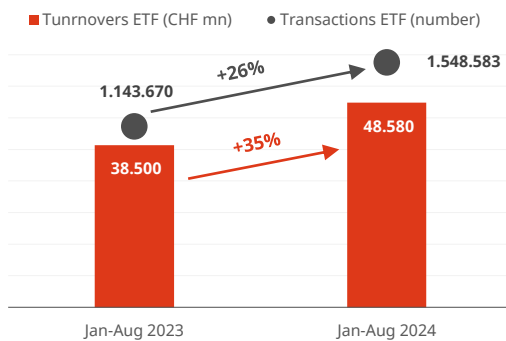
El mercado bursátil suizo ha mostrado resistencia a pesar de las turbulencias que se produjeron en los mercados financieros a principios de agosto. El SMI borró las pérdidas con rapidez y con una recuperación sin precedentes de casi 1.000 puntos. El índice cerró ese mes de agosto en 12.436,6 puntos, y registra un crecimiento del 8,26% en lo que va del año, reduciendo la brecha hasta un posible nuevo máximo histórico de 13.000 puntos.

Stock market indices evolution 2024 ytd (Base 100 = 29/12/2023)



Source: SIX iD as of September 19, 2024

ETF activity on SIX Swiss Exchange



Source: SIX, August, 2024.

Switzerland and the United Kingdom have signed the so-called Berne Agreement on Financial Services, a pioneering pact to boost competitiveness and cooperation, focusing on the mutual recognition of each other's financial regulations, making it easier for financial services companies from both countries to operate across borders. It includes greater market access, benefits for the insurance sector and regulatory cooperation.

Suiza y el Reino Unido han firmado el denominado "Acuerdo de Berna sobre Servicios Financieros", un pacto pionero para impulsar la competitividad y la cooperación, centrándose en el reconocimiento mutuo de las regulaciones financieras de cada país, lo que facilita que las empresas de servicios financieros de ambos países operen más allá de las fronteras. Incluye un mayor acceso al mercado, beneficios para el sector de seguros y cooperación regulatoria.

The ETF segment of the SIX Swiss Exchange continues to demonstrate the attractiveness of these products for all types of investors, including individuals. In the first eight months of 2024, the trading volume of ETFs reached 48.58 billion euros, 35% more than in the same period of the previous year. The growth in the number of transactions on the market is even more pronounced: between January and August, more than 1.5 million ETF transactions were carried out, 26% more than last year.

El segmento de ETF de la Bolsa suiza SIX Exchange sigue mostrando el atractivo de estos productos para todo tipo de inversores, también individuales. En los ocho primeros meses de 2024, el volumen negociado de ETFs alcanzó los 48.580 millones de euros, un 35% más que en el mismo periodo del año anterior. El crecimiento del número de transacciones en el mercado es incluso más pronunciado, entre enero y agosto se han realizado más de 1,5 millones de transacciones de ETF, un 26% más que el año pasado.

The Berne Financial Services Agreement



Source: Freepik

SIX 1.5° climate equity flag

**How it works?**

Awarded after a sustainability expert review. Criteria include a climate transition plan, emissions targets, and data disclosure. Valid for one year.

**What is the commitment with sustainability?**

Aligns with SIX's ongoing efforts to support sustainability and their Net Zero targets.



**Why it matters?**

The 1.5°C Climate Equity Flag by SIX supports issuers in their climate commitment. Provides evidence of a company's commitment to sustainability, helping investors make informed decisions.

**Why 1.5° C?**

The 1.5°C target is a global benchmark agreed by scientists and world leaders to limit global warming. It was solidified in the Paris Agreement and has since become a central focus of climate action and policy.

Source: SIX

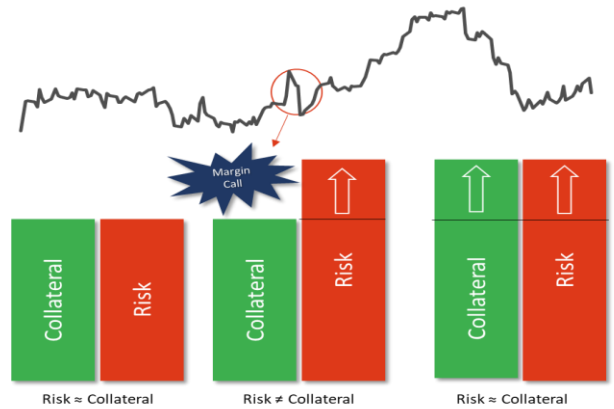
Since August 22<sup>nd</sup>, companies listed on SIX Swiss Exchange can apply for the 1.5° Climate Equity Flag, a new tool by SIX that helps investors identify companies aligned with the Paris Agreement's goal of limiting global warming to 1.5°C above pre-industrial levels. It is a voluntary tool for companies to provide evidence that they are on track for a low-carbon future, boosting their reputation and credibility. The flag also strengthens SIX commitment to advancing sustainable financial markets.

Desde el 22 de agosto, las empresas que cotizan en la Bolsa suiza pueden solicitar el distintivo climático "1,5° Climate Equity Flag", una nueva herramienta de SIX que ayuda a los inversores a identificar empresas alineadas con el objetivo del Acuerdo de París de limitar el calentamiento global a 1,5°C por encima de los niveles preindustriales. Es una herramienta voluntaria para que las empresas aporten evidencia de que están comprometidas con un futuro con bajas emisiones de carbono, lo que impulsará su reputación y credibilidad. El distintivo también fortalece el compromiso de SIX con el avance de los mercados financieros sostenibles.

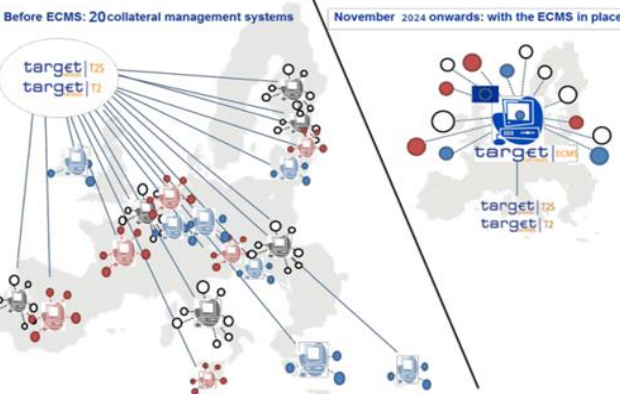


Recent episodes of volatility in the equity markets have increased Margin Calls. Margin is the main mechanism that central counterparties (CCPs) use to keep Clearing Members accounts' risks under control, requesting assets (collateral) to cover it. Once variation of stocks markets' prices trespass certain thresholds, set out by volatility, not covered by sufficient collateral, the CCP requests such Margin Call to prevent from a Clearing Member default.

Los recientes episodios de volatilidad en los mercados han incrementado las garantías adicionales (*Margin Calls*). La garantía es el principal mecanismo que usa una Entidad de Contrapartida Central (ECC) para mantener el riesgo de sus Miembros Compensadores bajo control, pidiendo títulos o efectivo (colateral) para cubrirlo. Cuando la variación de precios supera un determinado umbral, definido por la volatilidad, no cubierto con dicho colateral, la ECC pide garantías adicionales, para protegerse de un potencial incumplimiento de un Miembro Compensador.



Source: BME Market Research Analysis



Source: ECB & BME Market Research Analysis

On November 2024 ECB will greenlight the new Euro Collateral Management System (ECMS). The ECMS will replace the existing fragmented and decentralized structure of the national central banks of the euro area that are currently used to manage assets used as collateral for their credit operations, by unifying them. Collateral is the form that margins, and other guarantees requested by CCPs and counterparties are covered.

En noviembre de 2024 el BCDE introducirá el Sistema Europeo de Gestión del Colateral (ECMS). Este sistema reemplazará y unificará a la actual estructura fragmentada y descentralizada de los bancos centrales del Eurosistema, en la gestión de los activos usados como colateral para sus operaciones de crédito. El colateral es la forma (títulos y efectivo) como se cubren las garantías solicitadas por las ECCs y otras contrapartidas.

ESMA hosted a public hearing on t+1 settlement cycle where several association, authorities and financial entities attended. The preferred date for the migration in Europe (including UK and Switzerland) is Q4 2027 with a "big bang" approach. Some conclusions are savings close to € 2,7 Bn in margins (80% in cash equity and 20% in Bonds), no increase in intraday margin calls expected and the lower levels of collateral held by CCPs is offset with lower liquidity needs.

ESMA ha organizado un encuentro con asociaciones, autoridades y entidades financieras sobre la liquidación en d+1. Se esperan unos ahorros en garantías de unos 2.700 millones € (80% renta variable / 20% renta fija), que no aumenten las peticiones de garantías intradía y que menores niveles de colateral en poder de las CCP se compensen con menores necesidades de liquidez. La fecha preferida de migración en Europa (con Reino Unido y Suiza) es el 4T 2027.







Source: DTCC

The rapid expansion of crypto assets' industry, and their collapses, heights the need for harmonized regulations aimed to protect investors, ensure market integrity, and prevent money laundering. World Federation Exchanges (WFE) has provided guidance for regulatory and operational excellence in crypto-asset custody. Weaknesses can be enhanced through clearly segregating clients' assets, disclosing risks understandably and seeking for independent audits.

La rápida expansión de los criptoactivos, y sus escándalos, aumenta la necesidad de regulaciones armonizadas que protejan al inversor, garanticen la integridad del mercado y eviten blanqueo de capitales. Federación Mundial de Bolsas (FMB) ha publicado una guía de excelencia regulatoria y operativa para custodiar criptoactivos. Las debilidades mejorarían divulgando los riesgos comprensiblemente, segregando claramente los activos de inversores y promoviendo auditorías independientes.

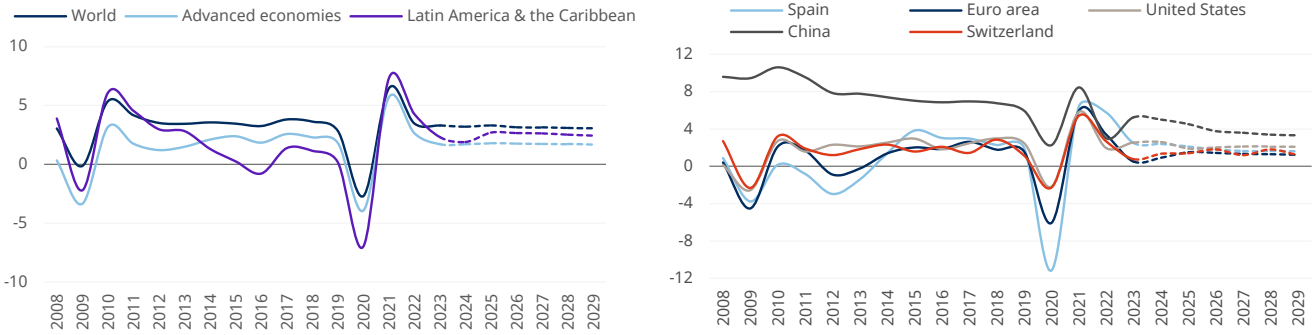
### What types of crypto asset custody solutions exist?

| Custody Type          |  Hardware Wallet |  Software Wallet |  Web Wallet |  Custodial Wallet |
|-----------------------|---|---|--|--|
| Description           | Hardware devices specifically built to store public-private key pairs.                              | Application installed on a device, such as a smartphone or computer.                                | Accessed through an internet browser, enabling quick transactions and high availability.       | Third part custodian provides the wallet infrastructure for securing the public-private key pair.    |
| Examples              | Ledger Nano X, Trezor   | Exodus, Coinomi   | Metamask, XDefi  | Tangany, Hauck und Aufhäuser Digital Custody   |
| Security              | High  | Medium  | Low  | High   |
| Ease of use           | Medium  | High  | High   | Depends on custodian   |
| Connectivity*         | Cold  | Cold or hot   | Hot  | Cold or hot  |
| Regulation, liability | Regulated, user liability   | Regulated, user liability   | Regulated, user liability  | Regulated, user liability  |

\* Hot or cold wallets are defined by their connectivity. A hot wallet is continuously connected to the internet, whereas a cold wallet can store the public-private key pair offline.

Global GDP growth is expected to remain stable in 2024 and 2025. A slowdown in U.S. economy is anticipated, but out of recession territory. In China, latest activity data points to a slowdown and growth projections have been revised downwards.

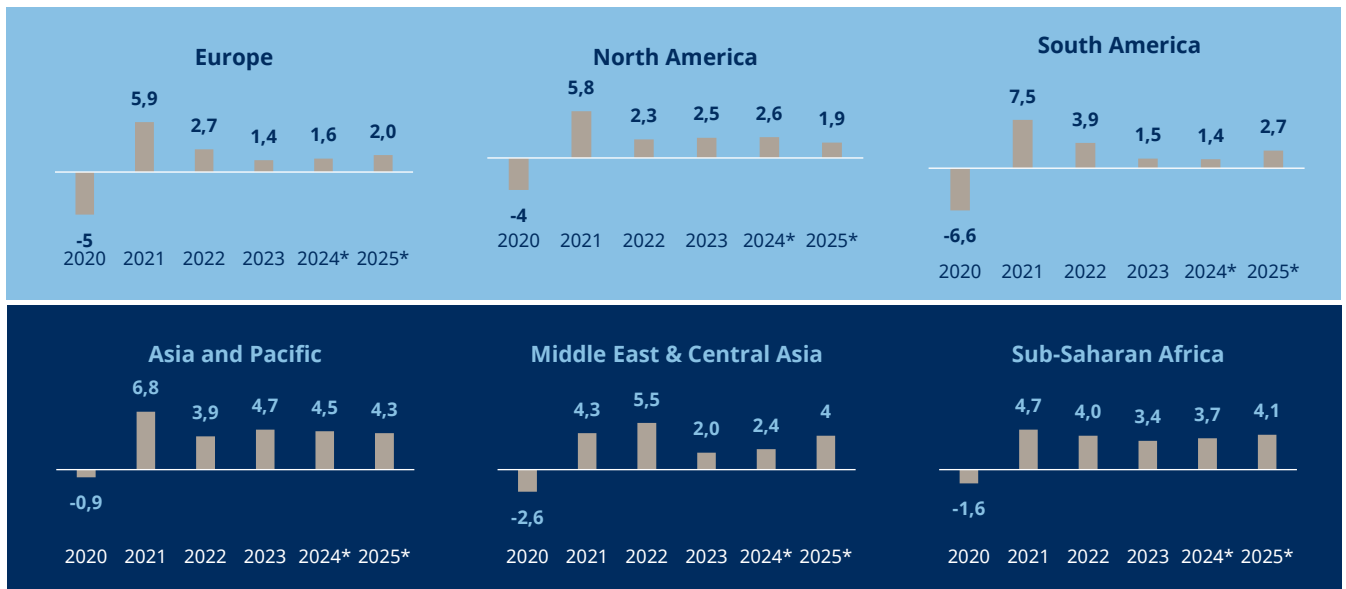
**Real Gross Domestic Product (GDP) growth, annual rates (%)**



Source: IMF - WEO July 2024. Dashed lines are forecasts

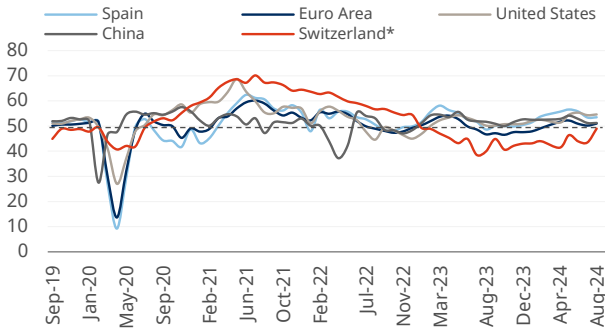
**Main indicators - Real GDP growth YoY%**  
\*Estimates from IMF WEO July 2024

|                                      | 2020  | 2021 | 2022 | 2023 | 2024* | 2025* | 2026* | 2027* | 2028* |
|--------------------------------------|-------|------|------|------|-------|-------|-------|-------|-------|
| <b>World Output</b>                  | -2,7  | 6,5  | 3,5  | 3,3  | 3,2   | 3,3   | 3,2   | 3,1   | 3,1   |
| <b>Advanced economies</b>            | -3,9  | 5,7  | 2,6  | 1,7  | 1,7   | 1,8   | 1,8   | 1,7   | 1,7   |
| United States                        | -2,2  | 5,8  | 1,9  | 2,5  | 2,6   | 1,9   | 2,0   | 2,1   | 2,1   |
| <b>Euro Area</b>                     | -6,1  | 5,9  | 3,4  | 0,5  | 0,9   | 1,5   | 1,4   | 1,3   | 1,3   |
| Germany                              | -3,8  | 3,2  | 1,8  | -0,2 | 0,2   | 1,3   | 1,5   | 1,1   | 0,8   |
| France                               | -7,5  | 6,3  | 2,5  | 1,1  | 0,9   | 1,3   | 1,6   | 1,5   | 1,4   |
| Italy                                | -9,0  | 8,3  | 4,0  | 0,9  | 0,7   | 0,9   | 0,2   | 0,3   | 0,8   |
| <b>Spain</b>                         | -11,2 | 6,4  | 5,8  | 2,5  | 2,4   | 2,1   | 1,8   | 1,6   | 1,6   |
| Japan                                | -4,1  | 2,6  | 1,0  | 1,9  | 0,7   | 1,0   | 0,8   | 0,6   | 0,6   |
| United Kingdom                       | -10,4 | 8,7  | 4,3  | 0,1  | 0,7   | 1,5   | 1,7   | 1,7   | 1,6   |
| <b>Switzerland</b>                   | -2,3  | 5,4  | 2,7  | 0,8  | 1,3   | 1,4   | 1,8   | 1,2   | 1,8   |
| Canada                               | -5,0  | 5,3  | 3,8  | 1,2  | 1,3   | 2,4   | 1,9   | 1,7   | 1,7   |
| <b>Emerging Economies</b>            | -1,8  | 7,0  | 4,1  | 4,4  | 4,3   | 4,3   | 4,1   | 4,0   | 3,9   |
| China                                | 2,2   | 8,5  | 3,0  | 5,2  | 5,0   | 4,5   | 3,8   | 3,6   | 3,4   |
| India                                | -5,8  | 9,7  | 7,0  | 8,2  | 7,0   | 6,5   | 6,5   | 6,5   | 6,5   |
| Russia                               | -2,7  | 6,0  | -1,2 | 3,6  | 3,2   | 1,5   | 1,3   | 1,3   | 1,3   |
| <b>Latin America &amp; Caribbean</b> | -7,0  | 7,3  | 4,2  | 2,3  | 1,9   | 2,7   | 2,7   | 2,6   | 2,5   |
| Brazil                               | -3,3  | 4,8  | 3,0  | 2,9  | 2,1   | 2,4   | 2,1   | 2,0   | 2,0   |
| Mexico                               | -8,6  | 5,7  | 3,9  | 3,2  | 2,2   | 1,6   | 1,9   | 2,1   | 2,1   |



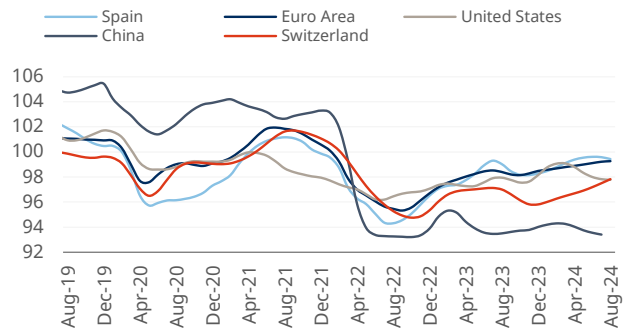
PMI showed mixed figures across regions. Growth in manufacturing remained stable in general, with main contractions registered by the U.S. and Germany. Expected slowdown in China and the U.S. are reflected in the Consumer Confidence Index, that has been decreasing in both countries since March 2024.

**Purchasing Managers' Index (PMI) Composite**



Source: FactSet. August 2024. \*PMI Manufacturing.

**Consumer Confidence Index OECD**



Source: OECD. August 2024.

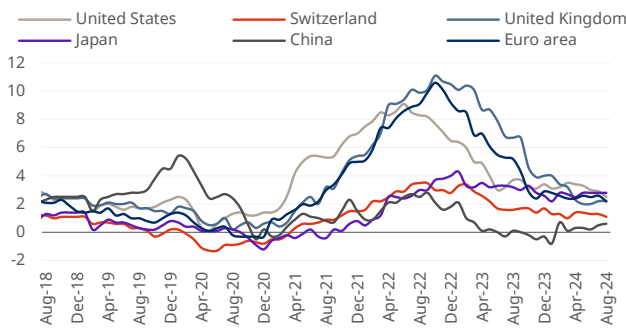
**Main Leading Indicators – Data for the year and quarter is the average of monthly figures**

|  | 2020         | 2021          | 2022         | 2023         | 1Q 2024      | 2Q 2024      | Jul. '24     | Ago. '24     |
|--|--------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Purchase Manager Index Composite (PMI) - Levels above 50 show expansion and below 50, contraction</b> |              |               |              |              |              |              |              |              |
| <b>Advanced economies</b>  |              |               |              |              |              |              |              |              |
| United States  | 48,76        | 59,65         | 50,66        | 50,79        | 52,18        | 53,70        | 54,30        | 54,60        |
| <b>Euro Area</b>   | 44,02        | 54,86         | 51,38        | 47,23        | 49,15        | 51,60        | 50,20        | 51,00        |
| Germany  | 46,39        | 55,28         | 50,41        | 47,03        | 47,00        | 51,13        | 49,10        | 48,40        |
| France   | 43,49        | 53,75         | 52,74        | 44,67        | 47,00        | 49,40        | 49,10        | 53,10        |
| Italy  | 41,75        | 54,71         | 50,26        | 47,89        | 51,77        | 52,07        | 50,30        | 50,80        |
| <b>Spain</b>   | <b>41,51</b> | <b>55,33</b>  | <b>51,80</b> | <b>50,09</b> | <b>53,58</b> | <b>56,03</b> | <b>53,40</b> | <b>53,50</b> |
| Japan  | 42,42        | 49,38         | 50,26        | 50,03        | 51,25        | 51,53        | 52,50        | 52,90        |
| United Kingdom   | 46,43        | 55,87         | 53,02        | 50,49        | 52,90        | 53,13        | 52,80        | 53,80        |
| <b>Switzerland (manuf.)</b>  | <b>48,78</b> | <b>65,75</b>  | <b>58,83</b> | <b>41,92</b> | <b>44,08</b> | <b>43,90</b> | <b>43,50</b> | <b>49,00</b> |
| Canada (IVEY)  | 50,17        | 61,40         | 57,84        | 54,80        | 55,97        | 60,77        | 57,60        | 48,20        |
| <b>Emerging Economies</b>  |              |               |              |              |              |              |              |              |
| China  | 51,42        | 51,83         | 48,16        | 51,39        | 52,57        | 53,23        | 51,20        | 51,20        |
| India  | 44,28        | 54,16         | 56,37        | 58,10        | 61,22        | 60,97        | 60,70        | 60,70        |
| Russia   | 45,98        | 51,95         | 48,30        | 53,88        | 53,32        | 51,03        | 51,90        | 52,10        |
| Brazil   | 46,15        | 51,15         | 54,13        | 50,37        | 54,50        | 54,30        | 56,00        | 52,90        |
| Mexico (manuf.)  | 42,69        | 47,58         | 49,58        | 52,18        | 51,57        | 51,10        | 49,60        | 48,80        |
| <b>Consumer Confidence Index (OECD) – Positive figures indicate an increase in consumer confidence</b>   |              |               |              |              |              |              |              |              |
| <b>Advanced economies</b>  |              |               |              |              |              |              |              |              |
| United States  | 99,47        | 99,04         | 96,86        | 97,61        | 98,97        | 98,38        | 97,83        | 97,78        |
| <b>Euro Area</b>   | 98,96        | 100,92        | 96,81        | 98,11        | 98,68        | 99,00        | 99,22        | 99,27        |
| Germany  | 99,75        | 100,62        | 97,74        | 98,62        | 98,82        | 99,64        | 99,88        | 99,81        |
| France   | 98,80        | 100,44        | 97,42        | 97,94        | 98,80        | 98,51        | 98,55        | 98,76        |
| Italy  | 99,57        | 102,17        | 98,24        | 99,54        | 99,50        | 99,20        | 99,57        | 99,63        |
| <b>Spain</b>   | <b>97,20</b> | <b>100,04</b> | <b>96,12</b> | <b>98,18</b> | <b>98,79</b> | <b>99,52</b> | <b>99,59</b> | <b>99,44</b> |
| Japan  | 97,03        | 98,52         | 97,39        | 98,21        | 99,16        | 98,78        | 98,59        | 98,60        |
| United Kingdom   | 98,30        | 101,10        | 94,24        | 96,85        | 98,77        | 99,55        | 100,40       | 100,75       |
| <b>Switzerland</b>   | <b>98,33</b> | <b>100,54</b> | <b>96,92</b> | <b>96,59</b> | <b>96,24</b> | <b>96,93</b> | <b>97,50</b> | <b>97,83</b> |
| Canada (Refinitiv)   | 45,01        | 51,88         | 49,99        | 48,11        | 48,24        | 47,47        | 46,97        | 50,06        |
| <b>Emerging Economies</b>  |              |               |              |              |              |              |              |              |
| China  | 102,82       | 103,35        | 95,66        | 94,12        | 94,17        | 93,79        | 93,42        | -            |
| India (Refinitiv)  | 64,83        | 55,30         | 75,57        | 88,80        | 96,22        | 97,61        | 93,90        | 93,90        |
| Brazil   | 98,49        | 98,27         | 99,01        | 100,66       | 100,69       | 100,70       | 100,89       | 101,05       |
| Mexico   | 97,73        | 102,07        | 102,01       | 104,10       | 105,19       | 105,06       | 105,01       | -            |

Sources: IHS Markit, OECD, IVEY, as of August 2024. The OECD CLI is designed to provide qualitative information on short-term economic movements, especially at the turning points, rather than quantitative measures. Therefore, the main message of CLI movements over time is the increase or decrease, rather than the amplitude of the changes.

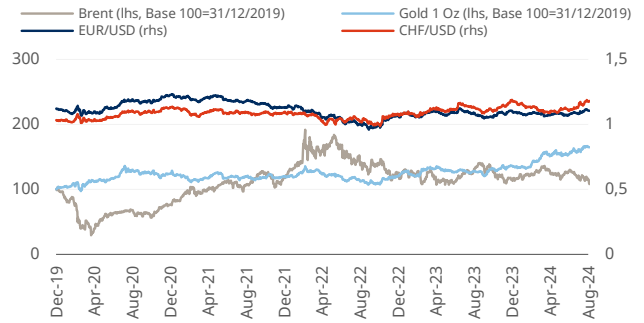
Inflation continues to ease among advanced and most of emerging markets economies. Commodity prices show a downwards trend in 2024 but remain significantly higher than pre-pandemic levels. On the back of the decisions of the ECB and the Federal Reserve and future expectations regarding them, the EUR/USD has maintained a sustained appreciation trend.

**Consumer Price Index (CPI, YoY %)**



Source: SIX iD as of August 31, 2024.

**Commodities & Currencies**



Source: SIX iD as of August 31, 2024.

## Main indicators

|  | 2020 | 2021 | 2022 | 2023 | Mar. '24 | Jun. '24 | Jul. '24 | Aug. '24 |
|--|------|------|------|------|----------|----------|----------|----------|
|--|------|------|------|------|----------|----------|----------|----------|

Inflation (CPI) (IMF, YoY at end of period until 2023); SIX iD and FactSet for 2024 monthly figures. Harmonized CPI for Euro Area countries.

### Advanced economies

|                    |              |             |             |             |             |             |             |             |
|--------------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| United States      | 1,56         | 7,39        | 6,41        | 3,20        | 3,50        | 3,00        | 2,90        | 2,50        |
| <b>Euro Area</b>   | -0,27        | 4,96        | 9,20        | 2,90        | 2,40        | 2,50        | 2,60        | 2,20        |
| Germany            | -0,53        | 5,43        | 10,81       | 2,97        | 2,30        | 2,50        | 2,60        | 2,00        |
| France             | -0,23        | 3,37        | 6,99        | 4,19        | 2,40        | 2,50        | 2,70        | 2,20        |
| Italy              | -0,29        | 4,16        | 12,34       | 0,50        | 1,20        | 0,90        | 1,60        | 1,20        |
| <b>Spain</b>       | <b>-0,57</b> | <b>6,57</b> | <b>5,48</b> | <b>3,28</b> | <b>3,30</b> | <b>3,60</b> | <b>2,90</b> | <b>2,40</b> |
| Japan              | -0,92        | 0,51        | 3,87        | 2,92        | 2,70        | 2,80        | 2,80        | 2,80        |
| United Kingdom     | 0,59         | 5,39        | 10,53       | 3,99        | 3,20        | 2,00        | 2,20        | 2,20        |
| <b>Switzerland</b> | <b>-0,78</b> | <b>1,57</b> | <b>2,88</b> | <b>1,74</b> | <b>1,00</b> | <b>1,30</b> | <b>1,30</b> | <b>1,10</b> |
| Canada             | 0,78         | 4,73        | 6,64        | 3,18        | 2,90        | 2,70        | 2,50        | 2,50        |

### Emerging Economies

|        |      |       |       |       |      |      |      |      |
|--------|------|-------|-------|-------|------|------|------|------|
| China  | 0,18 | 1,42  | 1,82  | -0,26 | 0,10 | 0,20 | 0,50 | 0,60 |
| India  | 4,87 | 6,34  | 6,21  | 5,07  | 4,87 | 5,08 | 3,54 | 3,65 |
| Russia | 4,91 | 8,39  | 11,92 | 7,42  | 7,83 | 8,60 | 9,10 | 9,10 |
| Brazil | 4,52 | 10,06 | 5,79  | 4,62  | 3,93 | 4,23 | 4,50 | 4,24 |
| Mexico | 3,15 | 7,36  | 7,82  | 4,42  | 4,45 | 4,98 | 5,57 | 4,99 |

### Commodities – year and month-end data (SIX iD). \*CRB and BDI from FactSet

|                           |        |        |        |        |        |        |        |        |
|---------------------------|--------|--------|--------|--------|--------|--------|--------|--------|
| CRB Commodity Index*      | 176,13 | 253,77 | 293,72 | 316,33 | 343,12 | 343,12 | 322,89 | 329,05 |
| Bloomberg Commodity Index | 166,63 | 211,80 | 245,89 | 226,43 | 231,40 | 238,08 | 228,47 | 228,58 |

### Energy & Transportation

|                             |       |       |       |       |       |       |       |       |
|-----------------------------|-------|-------|-------|-------|-------|-------|-------|-------|
| Brent Oil                   | 51,56 | 79,20 | 83,08 | 77,26 | 86,93 | 84,94 | 81,51 | 76,99 |
| West Texas Oil              | 48,52 | 75,21 | 80,26 | 71,65 | 83,17 | 81,54 | 77,91 | 73,55 |
| Natural Gas                 | 2,54  | 3,73  | 4,48  | 2,51  | 1,76  | 2,60  | 2,04  | 2,13  |
| Baltic Dry Index (Transp.)* | 1366  | 2217  | 1515  | 2094  | 1821  | 2050  | 1708  | 1814  |

### Metals

|                  |         |         |         |         |         |         |         |         |
|------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Gold 1 Oz        | 1880,30 | 1821,40 | 1818,90 | 2063,86 | 2233,82 | 2326,28 | 2447,45 | 2503,00 |
| Silver 1 Oz      | 26,46   | 23,18   | 23,97   | 23,85   | 25,05   | 29,15   | 29,07   | 28,86   |
| Cooper Highgrade | 3,51    | 4,46    | 3,81    | 3,88    | 4,00    | 4,39    | 4,16    | 4,15    |

### Currencies (units per EUR) – year and month-end data (SIX iD)

|                      |         |         |         |         |         |         |         |         |
|----------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| USD (United States)  | 1,224   | 1,132   | 1,073   | 1,105   | 1,079   | 1,074   | 1,082   | 1,105   |
| GBP (United Kingdom) | 0,895   | 0,840   | 0,885   | 0,869   | 0,855   | 0,848   | 0,842   | 0,842   |
| CHF (Switzerland)    | 1,081   | 1,037   | 0,990   | 0,928   | 0,973   | 0,963   | 0,951   | 0,939   |
| JPY (Japan)          | 126,185 | 130,905 | 140,325 | 155,555 | 163,375 | 172,295 | 162,385 | 161,545 |
| CNY (China)          | 8,002   | 7,248   | 7,419   | 7,834   | 7,806   | 7,787   | 7,820   | 7,846   |
| BRL (Brazil)         | 6,355   | 6,334   | 5,635   | 5,366   | 5,406   | 5,953   | 6,117   | 6,269   |
| MXN (Mexico)         | 24,380  | 23,273  | 20,798  | 18,707  | 17,952  | 19,597  | 20,160  | 21,745  |

Sources: IMF, OECD, FactSet and SIX iD as of August 2024.

The Spanish Treasury average cost of outstanding debt slightly increased to 2.21% in August, but the interest rates for new issues has continued to reduce throughout 2024. The prospect of interest rate cuts caused the Treasury to register the highest demand for debt in history in September, at almost 2.48 times supply.

## Main public debt figures (Bank of Spain & Treasury)

| Debt to GDP 2023                   | Debt to GDP 2024*                         |
|------------------------------------|---|
| 107.7%                             | 105.1%                                    |
| Surplus/Deficit 2023 (% of GDP)    | Surplus/Deficit 2024 (% of GDP)*          |
| -3.7%                              | -3.0%                                     |
| Avg. Cost of Debt 2023             | Avg. Cost of Outstand. Debt Aug. '24      |
| 2.08%                              | 2.210%                                    |
| Cost of debt issued 2023           | Cost of debt issued (2024 until Aug. '24) |
| 3.425%**                           | 3.268%**                                  |
| Avg. Maturity Debt 2023 (Year End) | Avg. Maturity Debt (End Aug. '24)         |
| 7.84 years                         | 7.87 years                                |

## Ratings public debt (long term)

Fitch: A- / stable

Moody's: Baa1 / positive

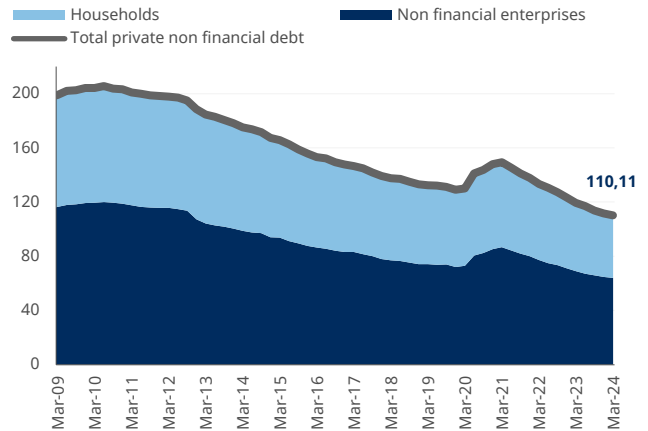
S&P: A / stable

## Net financing treasury Estimations for 2024\*

|                        |                 |
|------------------------|-----------------|
| Short Term             | € 0.00          |
| Med.&Long T.           | €59.98bn        |
| Other Debt and FX debt | -€4.98bn        |
| <b>Total</b>           | <b>€55.00bn</b> |

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

## Deleverage process of private sectors (2008-2024\*) Debt in % of GDP



Source: Banco de España. \*Last available data from March, 2024.

## Public Debt Issuances

| Gov. Debt Issuance in € million | Issues         | Redemptions    | Net financing |
|---------------------------------|----------------|----------------|---------------|
| <b>Total 2023</b>               | <b>251,995</b> | <b>186,869</b> | <b>65,126</b> |
| January, 2024                   | 35,884         | 25,183         | <b>10,701</b> |
| February, 2024                  | 24,940         | 7,110          | <b>17,830</b> |
| March, 2024                     | 22,596         | 6,932          | <b>15,664</b> |
| April, 2024                     | 19,889         | 28,282         | <b>-8,393</b> |
| May, 2024                       | 18,352         | 26,155         | <b>-7,803</b> |
| June, 2024                      | 30,090         | 7,462          | <b>22,628</b> |
| July, 2024                      | 20,538         | 25,308         | <b>-4,770</b> |
| August, 2024                    | 15,983         | 7,343          | <b>8,639</b>  |
| <b>Total 2024</b>               | <b>188,272</b> | <b>133,775</b> | <b>54,496</b> |

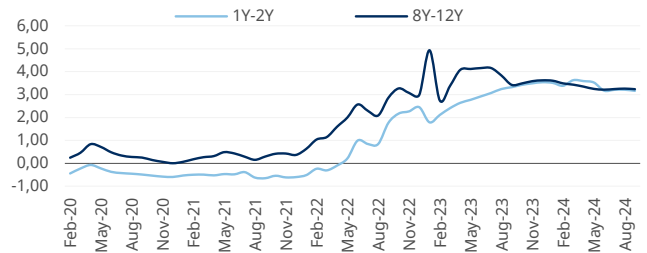
Source: Spanish Treasury Whole Bulletin August 2024

## Last auctions returns - SEPTEMBER 2024

|                              | 3M    | 6M    | 9M    | 12M    |
|------------------------------|-------|-------|-------|--------|
| Treasury bills. IRR (%)      | 2.822 | 3.238 | 3.009 | 2.954  |
|                              | 3Y    | 5Y    | 10Y   | 30Y    |
| Bonds & Obligations. IRR (%) | 2.531 | 2.580 | 3.040 | 3.853* |

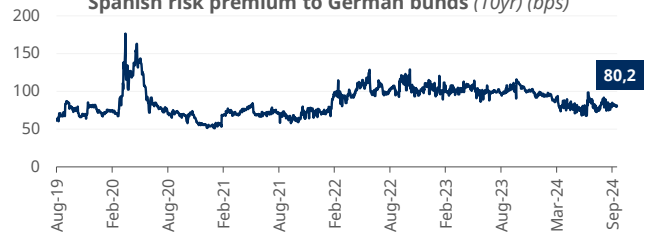
Source: Spanish Treasury. \*Last 30Y auction was in June, 2024.

## BME public debt market indices (TIR %)



Source: BME. September 2024.

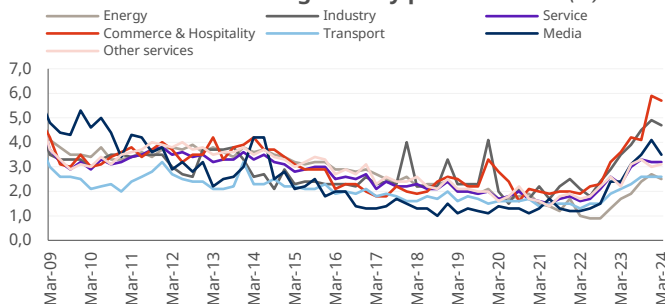
## Spanish risk premium to German bunds (10yr) (bps)



Source: SIX ID, as of September 19, 2024

## Cost of debt evolution

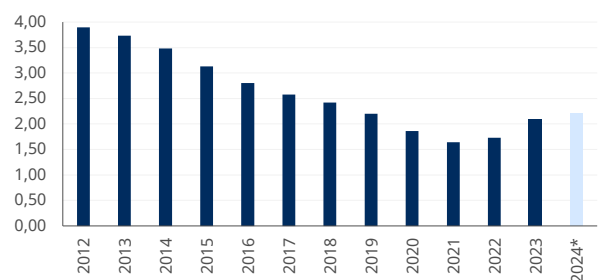
### Cost of outstanding debt by private sector (%)



Source: Banco de España. Last available data from March, 2024.

Market Research Dpt.

### Average cost of outstanding public debt (%)



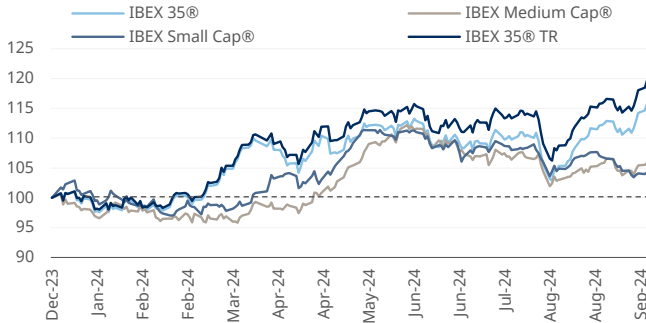
Source: Spanish Treasury. \*As of August.



In 2024 until mid-September, IBEX 35 index rises more than 16% and IBEX Total Return a 20%, reaching record levels. At end of August, IBEX-35 valuation ratios keep maintaining its attractiveness, with PER reaching 9.8x and Dividend Yield at 4.2%.

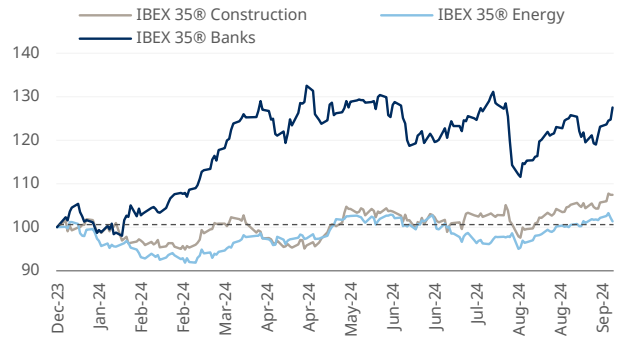
## Spanish Equity Market

**IBEX Family Indices (Base 100 = 29/12/2023)**



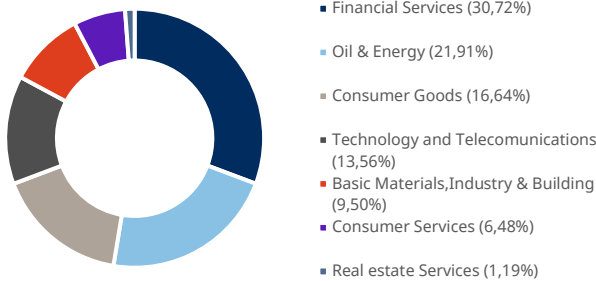
Source: SIX iD as of September 19, 2024

**IBEX 35@ Sector Indices (Base 100 = 29/12/2023)**



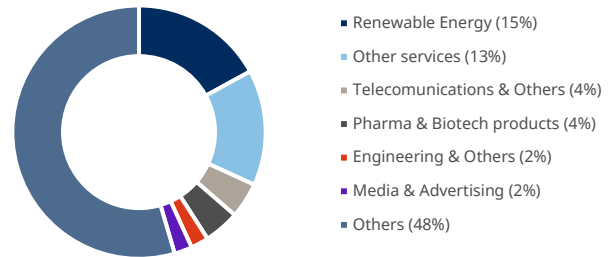
Source: SIX iD as of September 19, 2024

**IBEX 35@ Sector Breakdown (% of market cap)**



Source: BME. June, 2024.

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



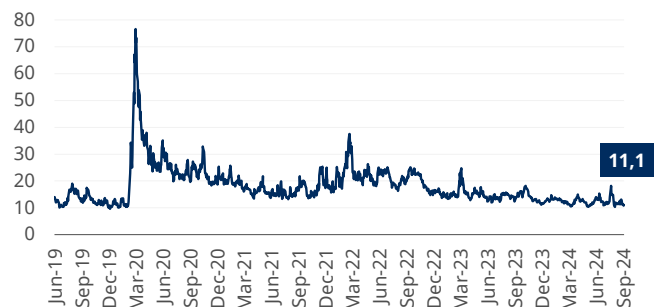
Source: BME Growth. August, 2024.

| Spanish equity market                    | 2022    | 2023    | 1Q 2024 | 2Q2024 | Jul. '24 | Aug. '24 |
|--|---------|---------|---------|--------|----------|----------|
| Turnover (M€)                            | 362.122 | 299.944 | 77.292  | 97.166 | 24.035   | 19.115   |
| Nº Trades (M)                            | 38,90   | 28,45   | 8,56    | 7,85   | 2,43     | 1,96     |
| Capital increases (M€)                   | 6.315   | 4.644   | 1.077   | 1.027  | 3.570    | 6,55     |
| Dividends distributed (M€)               | 25.276  | 30.087  | 3.466   | 15.981 | 5.927    | 173,3    |
| IBEX 35@ Dividend Yield (%) <sup>1</sup> | 4,00    | 4,10    | 4,30    | 4,30   | 4,40     | 4,20     |
| VIBEX Volatility Index (%) <sup>2</sup>  | 21,27   | 14,70   | 12,58   | 12,50  | 12,02    | 13,08    |
| BME Growth, Nº companies                 | 135     | 138     | 140     | 146    | 151      | 152      |

<sup>1</sup>Morgan Stanley Capital International. End date of the period.  
<sup>2</sup>Average of the period (year, quarter or month)

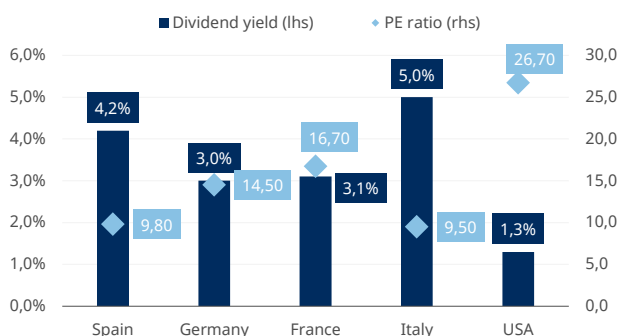
Sources: SIX, MSCI, BME Growth and SIX iD.

**VIBEX (BME Volatility Index)**



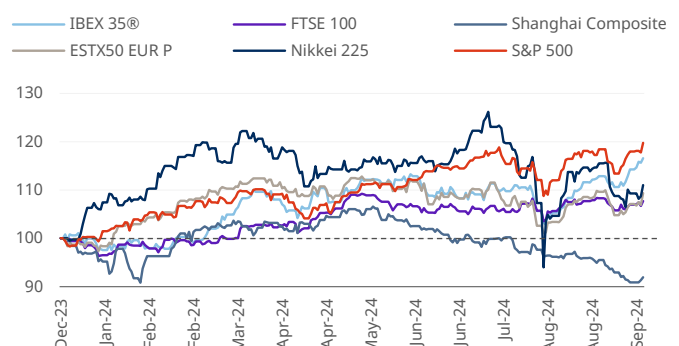
Source: SIX iD as of September 19, 2024.

**Dividend Yield & PE ratio**



Source: Morgan Stanley Capital International. August 2024.

**International Stock Indices (Base 100 = 29/12/2023)**

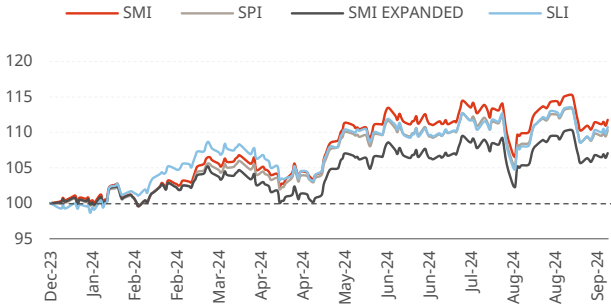


Source: SIX iD as of September 19, 2024.

Main Swiss Indices have registered positive performance YTD and volatility remains at historical low levels, despite an uptick in the beginning of August. ETF continues to outperform, with over 1.5 million ETF transactions carried out since January.

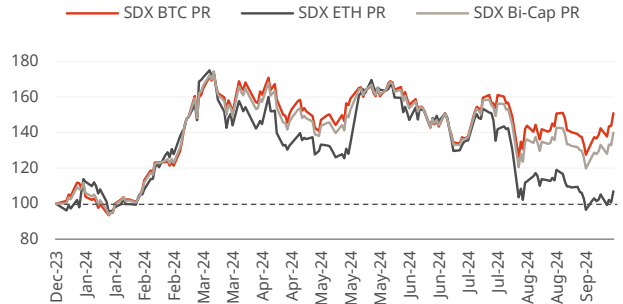
## Swiss Equity Market

Main Swiss Price Indices (Base 100 = 29/12/2023)



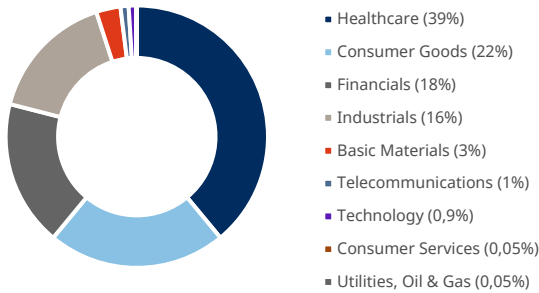
Source: SIX iD as of September 19, 2024

SDX Crypto Indices (Base 100= 29/12/2023)



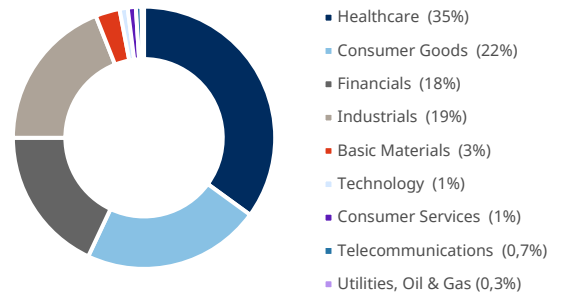
Source: SIX iD as of September 19, 2024

SMI® Price Sector Breakdown (% of market cap.)



Source: SIX, as of July 31, 2024.

SPI® Price Sector Breakdown (% of market cap.)



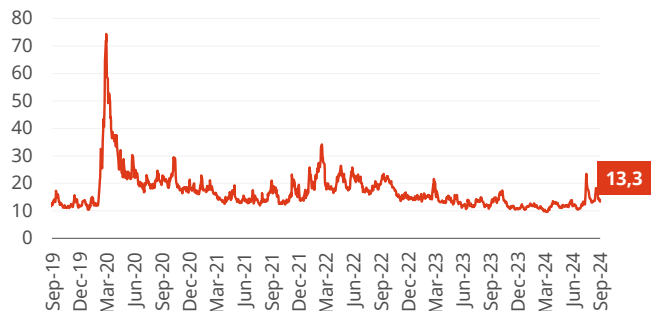
Source: SIX, as of July 31, 2024.

| Swiss equity market                    | 2022    | 2023    | 1Q 2024 | 2Q2024  | Jul. '24 | Aug. '24 |
|--|---------|---------|---------|---------|----------|----------|
| Turnover (M€)                          | 946.681 | 802.466 | 201.397 | 202.053 | 63.943   | 58.786   |
| N° Trades (M)                          | 58,26   | 43,55   | 11,77   | 10,83   | 3,79     | 3,65     |
| IPOs (n°)                              | 14      | 10      | 1       | 0       | 0        | 0        |
| SMI Dividend Yield (%) <sup>2</sup>    | 3,00    | 3,10    | 3,00    | 3,00    | 2,90     | 2,90     |
| VSMI Volatility Index (%) <sup>3</sup> | 19,74   | 13,59   | 11,19   | 12,09   | 11,65    | 15,95    |
| ETF Turnover (MCHF)                    | 94.300  | 64.222  | 15.571  | 17.786  | 7.491    | 7.732    |
| Struct. Prod. & Options (BnCHF)        | 12.132  | 8.004   | 2.326   | 2.154   | 729      | -        |

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

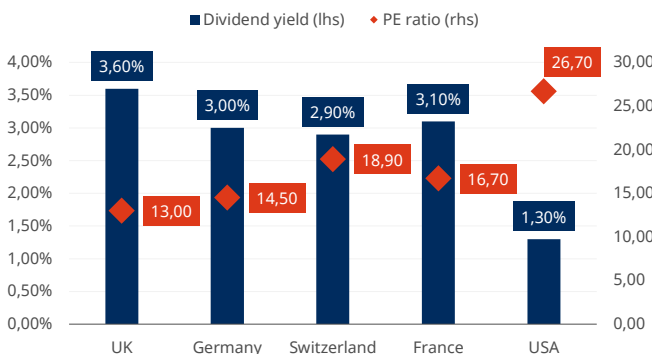
Sources: SIX, MSCI and SIX iD

VSMI ((Volatility Index on the SMI)



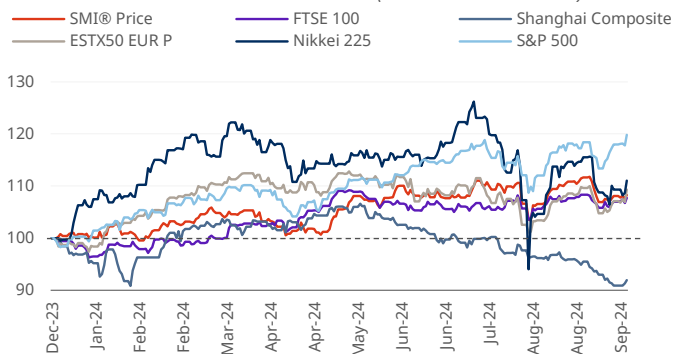
Source: SIX iD as of September 19, 2024.

Dividend Yield & PE ratio



Source: Morgan Stanley Capital International. August 2024. Market Research Dpt.

International Stock Indices (Base 100 = 29/12/2023)



Source: SIX iD as of September 19, 2024.