

Macro Trends

Affecting Spanish and Swiss Securities Markets



The growth of the world economy is slightly accelerating, and the stock markets are reflecting this with high returns so far this year.

Although inflation is substantially lower, the last mile is proving difficult to fight by central banks, which, with exceptions, are slowing down the pace of interest rate cuts and cooling expectations. Geopolitical risks are not only not diminishing but appear to be increasing.

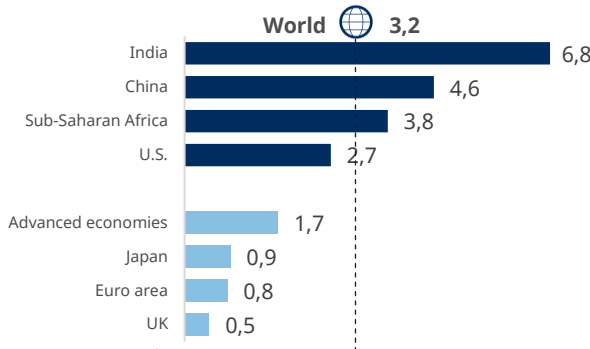
Highlights

- Global GDP growth is expected to remain steady in 2024 and is envisaged to reach a slightly faster pace this year than previously expected, due mainly to the continued solid expansion of the U.S. and some emerging markets economies, mainly India.
- Inflation is lower but still above targets in many countries, with central banks increasingly less synchronized. In June, The European Central Bank lowered rates by 0,25 p.p., the first cut in 8 years, while the US FED kept rates unchanged. Uncertainty prevails about September movements.
- GDP growth in the Euro Area is being revised upwards approaching 1% in 2024 and around 1.5% in 2025. The southern rim of the EU is well outpacing growth in north and western Europe.
- The Spanish GDP growth estimates for 2024 are progressively converging upwards towards the 2.5% achieved in 2023. Business activity, measured by Manufacturing and Services PMIs, kept on expanding, along with a dynamic labor market. However, high public debt and sluggish investment could negatively affect in the medium term.
- The Swiss National Bank (SNB) cut once again in June the main interest rate by 25 basis points to 1.25%, after the cut in March. Inflation has remained under control and in line with the 1.4% SNB target for the full year of 2024. GDP growth estimates for the year have been slightly revised up to 1.2%-1.3%
- Recent indicators suggest economic activity in Latin America has firmed in early 2024 with highlights to Brazil and Mexico.
- Puig Brands marks the restart of large IPOs on the Spanish stock market. Together with the IPO of the Swiss company Galderma, it adds €5,000 million in financing raised, making the SIX Group the European leader in this field in 2024.
- SIX Digital Exchange (SDX) has surpassed the milestone of CHF 1 billion in digital assets with the settlement of the 7-year, CHF 200 million digital bond by the World Bank, the largest World Bank CHF bond issuance since 2009.
- T+1 settlement period is already live in US markets with no major issues. Collateral requested fell 25% and failures rose less than 1%. Other countries and areas are assessing the implementation.

The IMF improves global growth projections for 2024 (+3,2%) and maintains that of 2025. Despite still tight monetary conditions, global activity remains steady amid lower inflation and increasing private sector confidence. Both Advanced and Emerging economies are reviewing upwards their estimates for 2024, although large disparities persist by region and country.

El FMI mejora las proyecciones de crecimiento mundial para 2024 (+3,2%) y mantiene las de 2025. A pesar de que las condiciones monetarias siguen siendo restrictivas, la actividad mundial mantiene el tono en un contexto de menor inflación y mayor confianza del sector privado. Tanto las economías avanzadas como las emergentes están revisando al alza sus estimaciones para 2024, aunque persisten grandes disparidades por región y país.

Real GDP growth forecasts 2024
 (%) Top and bottom selected countries and areas

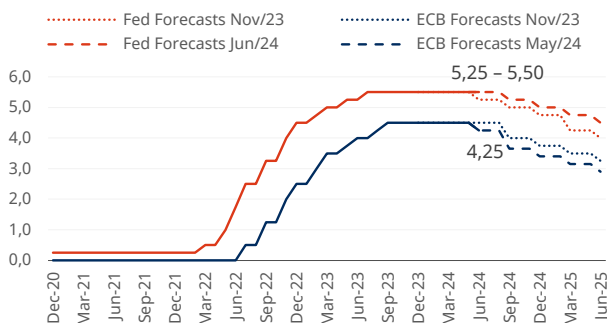


Source: IMF WEO April 2024

Despite the significant improvement, global inflation remains above target in most advanced economies and in about 25% of inflation-targeting emerging and developing countries, amid persistent price increases in the services sector. The IMF projects global headline inflation to fall from the annual average of 6.8% reached in 2023, to 5.9% in 2024, and to gradually decelerate toward average targets by 2026, amid softening core inflation.

Si bien la mejora es significativa, la inflación mundial sigue estando por encima de los objetivos en la mayoría de las economías avanzadas y en buena parte del grupo de países emergentes y en desarrollo que aplican metas de inflación. El contexto es de persistente inflación en los servicios. Según el FMI, la inflación general mundial caerá desde el promedio anual del 6,8% en 2023 al 5,9% en este 2024, para luego desacelerarse gradualmente hasta 2026 hasta los niveles objetivo.

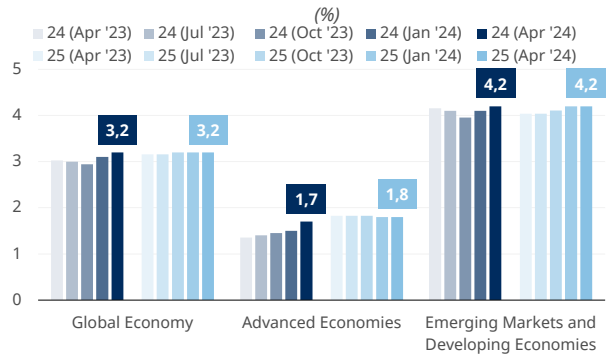
Interest rates - actual and forecasts evolution (%)



Sources: SIX iD and Refinitiv Median Consensus

Market Research Dpt.

Evolution of GDP annual growth estimates ('24 & '25)

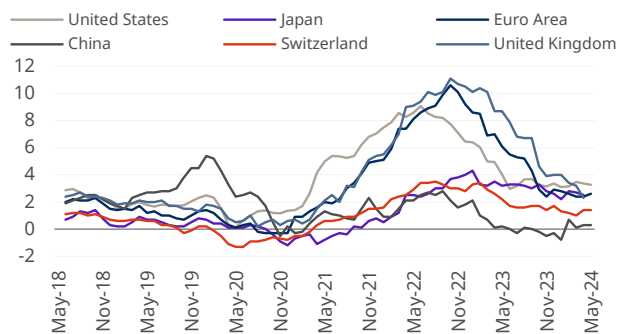


Source: IMF WEO April 2024

India's economy is projected to remain strong in 2024, supported by a continued robust domestic demand. China maintains steady growth, with a rebound in trade but still weakness in property market. In the US, economic activity remains solid, but losing momentum with labor market cooling. Growth in the UK, Japan and the eurozone is expected to remain weak in 2024.

La economía india se mantendrá fuerte en 2024, respaldada por una demanda interna sólida. China sostiene un crecimiento cercano al 5%, con un repunte del comercio, pero con debilidad en el mercado inmobiliario. En Estados Unidos, la actividad económica sigue sólida, pero pierde impulso a medida que el mercado laboral se enfría. Se espera que el crecimiento del Reino Unido, Japón y la eurozona siga siendo débil en 2024.

Consumer Price Index (CPI, YoY %)



Sources: Refinitiv, IMF WEO April 2024 and WB Global Economic Prospects June, 2024

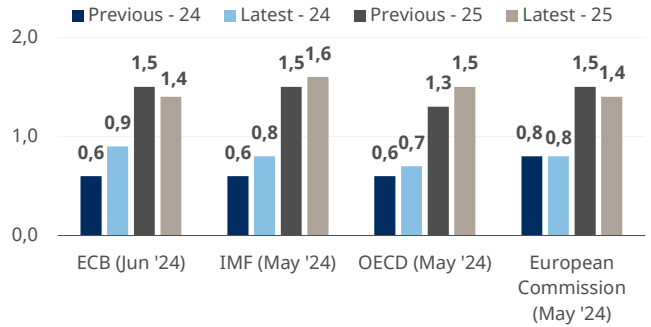
The central banks easing cycle is likely to be disjointed, with the Fed taking a more hawkish approach than the ECB on the back of lingering inflation pressures in the United States. As expected, in June meetings, the ECB decided to lower refinancing rate by 25 bps, the first cut in 8 years, while the Fed decided to leave rates unchanged and signaled that just one cut of 25 bps is expected by year end. The extent of expected declines in global interest rates has moderated as inflation in major economies remain above the target.

Se espera que el ciclo de flexibilización de la política monetaria por parte de los bancos centrales no sea parejo y que la Reserva Federal adopte un enfoque más prudente que el Banco Central Europeo (BCE) a la hora de bajar tipos. Como se esperaba, en su reunión de junio el BCE ha decidido bajar el tipo principal en 25 puntos básicos, el primer recorte en 8 años, mientras que la Fed ha mantenido los tipos sin cambios, con la expectativa actual de un único recorte de 25 p.b. hasta el fin del año. El alcance de las caídas esperadas en las tasas de interés globales se ha moderado sensiblemente dado que la inflación en las principales economías se mantiene por encima de los objetivos.

GDP growth in the Euro Area is expected to be between 0.7%-0.9% in 2024 and above 1.4% in 2025. Estimates for 2024 are being revised upwards and the latest from the ECB is already close to 1%. The recovery is driven by improving consumer and business sentiment. Household incomes are supported by resilient labor markets which have aided a recovery in incomes.

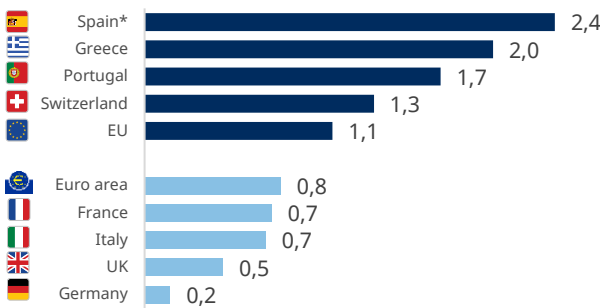
Se espera que el crecimiento del PIB en la zona del euro se sitúe entre el 0,7% y el 0,9% en 2024 y por encima del 1,4% en 2025. Las estimaciones están siendo revisadas al alza y las últimas del BCE ya están cerca del 1%. La recuperación está impulsada por la mejora de la confianza de los consumidores y las empresas. Los ingresos de los hogares se ven respaldados por unos mercados laborales dinámicos que han contribuido a la recuperación de los ingresos.

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



Source: ECB, IMF, OECD

Real GDP growth forecasts 2024
(%) Top and bottom selected European countries

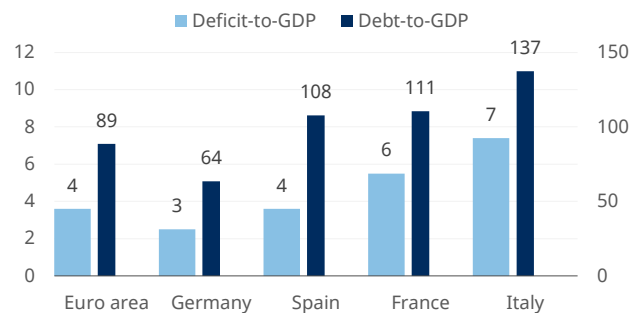


Source: IMF

The fiscal deficit-to-GDP ratio in the Euro Area edged down to 3.6% in 2023 from a revised 3.7% in 2022, with 11 Member States having deficits higher than 3% of GDP. The government debt to GDP ratio in the area decreased to 88.6% at the end of 2023 from a revised 90.8% at the end of 2022, marking its lowest level in four years. Twelve economies within the bloc had government debt ratios exceeding 60% of GDP.

El déficit público sobre PIB en la zona euro descendió hasta el 3,6% en 2023 desde un 3,7% revisado en 2022, y 11 Estados miembros tuvieron déficits superiores al 3% del PIB. La deuda pública sobre PIB en el área disminuyó al 88,6% a finales de 2023 desde un 90,8% revisado a finales de 2022, lo que marca su nivel más bajo en cuatro años. Doce economías dentro del bloque tenían ratios de deuda pública superiores al 60% del PIB.

Deficit & Debt of Euro Area Dec- 2023
(%) Deficit-to-GDP, (%) Debt-to-GDP ratio



Source: Eurostat

EU Capital Markets are performing below their potential



Source: FESE, Oliver Wyman, IMF, Worldbank, WFE, Eurostat

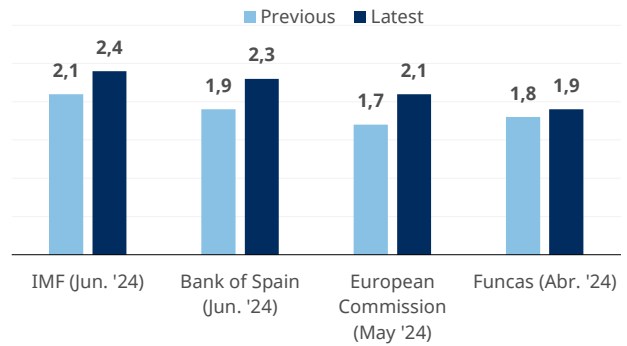
European capital markets are currently facing a decline in competitiveness and size, particularly when compared to the United States. A report co-developed by the Federation of European Exchanges (FESE) with other three European associations provide a roadmap for policymakers, regulators, and industry stakeholders, showing how capital markets benefit from scale and a "flywheel effect".

Los mercados de capitales europeos se enfrentan a una pérdida de competitividad y tamaño, en particular en comparación con los Estados Unidos. Un informe elaborado conjuntamente por la Federación de Bolsas Europeas (FESE) y otras dos asociaciones europeas ofrece una hoja de ruta para los responsables políticos, los reguladores y los diferentes participantes del sector financiero, mostrando cómo los mercados de capitales se benefician del tamaño y tienen un efecto expansivo.

The Spanish GDP growth estimates for 2024 are progressively converging upwards towards the 2.5% achieved in 2023. As recently as June, the IMF reviewed by half a point to 2.4% the 2024 estimate, although also warned that inflation is reluctant to moderate and that sluggish investment and rigidities in the labor market could weigh down developments in the medium term.

Las estimaciones de crecimiento del PIB de España para 2024 están convergiendo progresivamente al alza hacia el 2,5% alcanzado en 2023. Recientemente, en junio, el FMI revisó en medio punto hasta el 2,4% la estimación para 2024, aunque también advirtió de que la inflación se resiste y que la atonía de la inversión y las rigideces en el mercado laboral podrían afectar la evolución a medio plazo.

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

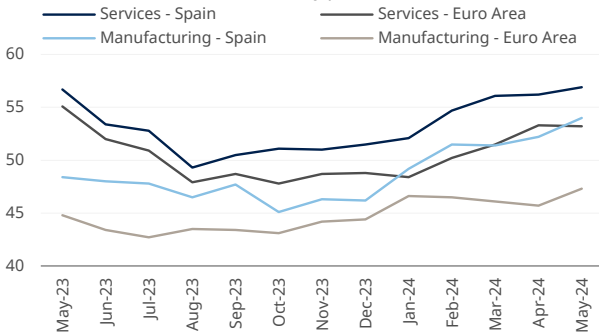


Sources: FUNCAS, European Commission, IMF and Banco de España

Spain Manufacturing PMI rose to 54 in May 2024, up from 52.2 in the prior month. This is the fourth consecutive period of factory growth, on the back of higher production and new orders. On the other hand, Spain Services PMI rose to 56.9 in May 2024, the 9th straight month of expansion, driven by a significant rise in new business, improved demand and successful customer acquisition. PMI level above 50 indicates expansion

El indicador PMI manufacturero de España aumentó al nivel 54 en mayo de 2024, frente a 52,2 en el mes anterior. Este es el cuarto período consecutivo de crecimiento, gracias a una mayor producción y nuevos pedidos. Por su parte, el PMI de servicios subió hasta 56,9 en mayo de 2024, su noveno mes consecutivo de expansión, impulsado por nuevos negocios, la mejora de la demanda y la captación de nuevos clientes. Niveles de PMI por encima de 50 indican expansión.

Manuf. & Services PMI (May 23 - May 24)
(PMI survey points)

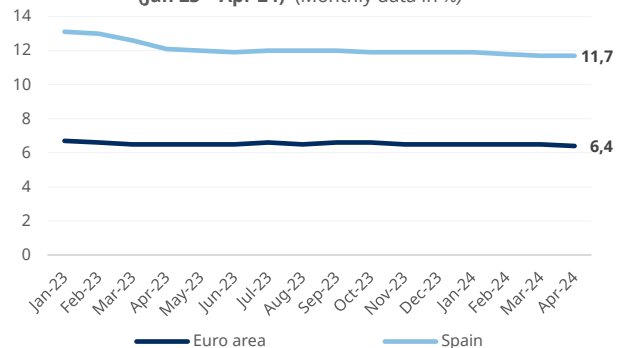


Source: SIX iD, with data from S&P Global

The labor market in Spain continues to show dynamism. Registered unemployment fell from 13% in Jan 2023 to 11.7% in May 2024. A historical record number of employed persons was reached with 21,3 million at month end. Nevertheless, a differential remains between unemployment rate in Spain and in the Euro area, in which a new historic low of 6.4% was reached in April 2024.

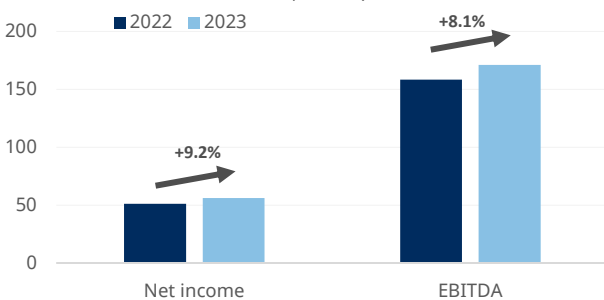
El mercado laboral en España sigue mostrando dinamismo. El paro registrado bajó del 13% en enero de 2023 al 11,7% en mayo de 2024. Se alcanzó un récord histórico de personas ocupadas con 21,3 millones a finales de mayo. No obstante, sigue habiendo un diferencial entre la tasa de paro en España y la de la zona del euro, donde se alcanzó un nuevo mínimo histórico del 6,4% en abril de 2024.

Unemployment rate in Spain and Euro area
(Jan 23 - Apr 24) (Monthly data in %)



Source: Eurostat

Spanish* listed companies net income and EBITDA
(€ billion)



Sources: CNMV and Companies' financials. Elaborated by Market Research Department. *Spanish Companies exclude ArcelorMittal, Airbus, Aperam, Berkeley Energía, Coca-Cola and eDreams. Ebitda for financial services calculated Market Research Dpt.

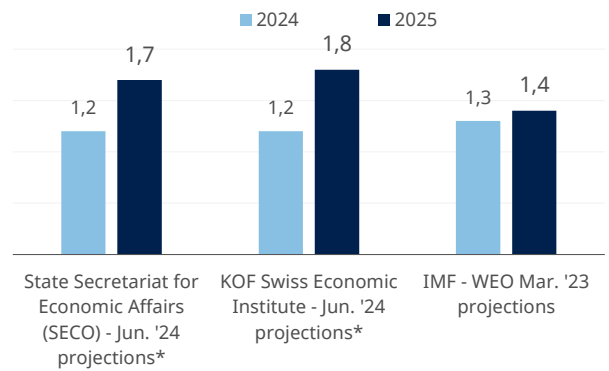
The Spanish companies listed in BME Main Market obtained a joint net profit of €56 billion in 2023, 9.2% more than in 2022. The companies core profitability measured by the EBITDA also increased in 2023, registering €171.2 billion, 8.1% above 2022 figures. These positive results were obtained despite a complex context of global economy slowdown, high inflation and interest rates and geopolitical tensions

Las empresas españolas que cotizan en el Mercado Principal de BME obtuvieron un beneficio neto conjunto de 56.000 millones de euros en 2023, un 9,2% más que en 2022. La rentabilidad operativa de las compañías medida por el EBITDA también aumentó hasta los 171.200 millones de euros, un 8,1% por encima de las cifras de 2022. Estos resultados positivos se obtuvieron a pesar de un contexto complejo de desaceleración de la economía global, inflación y tipos de interés elevados y tensiones geopolíticas

Swiss GDP growth will slightly accelerate in 2024 to 1.2%-1.3%, according to different estimates. As the European and global economy recovers, growth is expected to normalize to 1.7%-1.8% in 2025. Services and the construction sector are being the main drivers of growth, while the contribution of the manufacturing sector reduces slightly, especially the chemical-pharmaceutical industry,

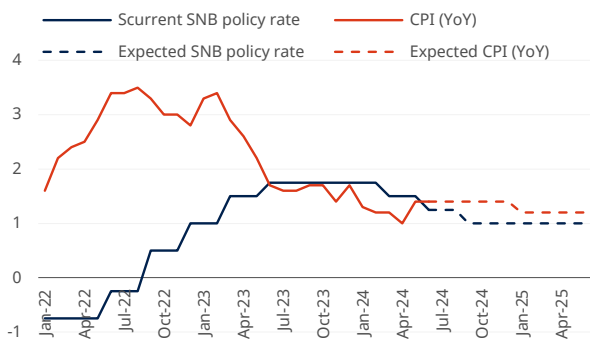
El crecimiento del PIB suizo se acelerará ligeramente en 2024 hasta el 1,2%-1,3%, según diferentes estimaciones. A medida que la economía europea y mundial se recupere, se espera que el crecimiento se normalice hasta el 1,7%-1,8% en 2025. Los servicios y el sector de la construcción son los principales impulsores del crecimiento, mientras que la contribución del sector manufacturero se reduce ligeramente, especialmente en el caso de la industria químico-farmacéutica.

GDP growth forecasts for 2024-2025 (%)



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

SNB policy rate vs. CPI (%)



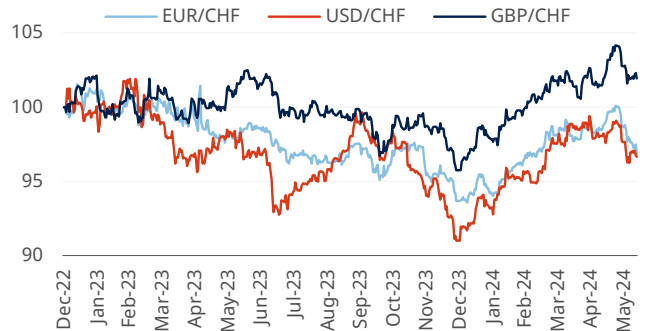
Sources: Credit Suisse, SNB and Refinitiv Median Consensus as of Jun 17, 2024

The Swiss franc has depreciated by 5.8% against the US dollar and by 3.2% against the euro in 2024 until June 13, in a complex context in which the Swiss central bank (SNB) has stopped supporting the franc and has reduced interest rates. However, during the last month the Swiss currency has rebounded and revalued 1.4% against the US dollar and 0.9% against the euro.

El franco suizo se ha depreciado un 5,8% frente al dólar estadounidense y un 3,2% frente al euro en 2024 hasta el 13 de junio, en un contexto complejo en el cual el Banco central suizo (BNS) ha dejado de respaldar su moneda y ha rebajado los tipos de interés. Sin embargo, durante el último mes la moneda suiza ha rebotado y se ha revalorizado un 1,4% frente al dólar estadounidense y un 0,9% frente al euro.











Evolution of currencies against CHF

Base 100 = (30/12/2022)



Source: SixID as of 13 June 2024

Swiss Economy remains highly competitive

Human Development Index '23			World Competitiveness Ranking 2023*		
	Switzerland	0.967		Denmark	100
	Norway	0.966		Ireland	99.7
	Iceland	0.959		Switzerland	99.1
	Hong Kong	0.956		Singapore	97.4
	Denmark	0.952		Netherlands	95.6

Sources: Human Development Index, European Commission

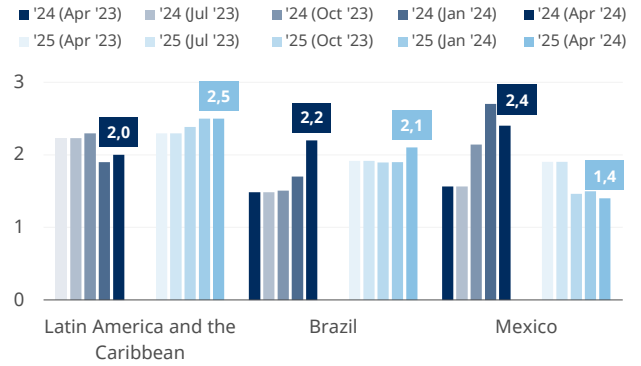
Switzerland achieved the top spot in the Human Development Index 2023 from the United Nations Development Programme, 3rd time in a row. The country also achieved the third position in the prestigious World Competitiveness Ranking for 2023 produced by the IMD.

Suiza logró por tercera vez consecutiva el primer puesto en el Índice de Desarrollo Humano 2023 del Programa de las Naciones Unidas para el Desarrollo. El país también logró la tercera posición en el prestigioso Ranking Mundial de Competitividad para 2023 elaborado por el IMD.

The IMF has revised upwards by 0.1 percentage points its GDP forecasts for Latin America and the Caribbean in 2024 compared to the January report. The expansion will be 2.0%, followed by an increase of 2.5% in 2025 and will be led mainly by Brazil and Mexico. GDP growth will be lower than in 2023 due, among other reasons, to still restrictive financial conditions, high debt in some countries and slowing growth in China.

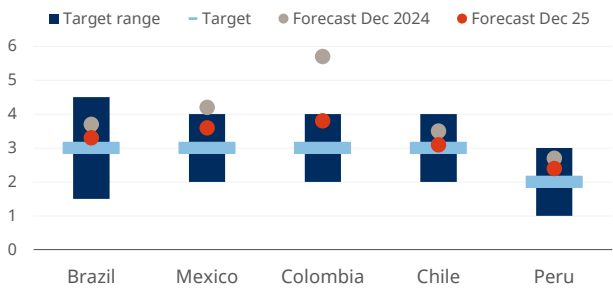
El FMI ha revisado al alza en 0,1 puntos porcentuales sus previsiones de PIB para América Latina y el Caribe en 2024 en comparación con el informe de enero. La expansión será del 2,0%, seguida de un aumento del 2,5% en 2025 y estará liderada principalmente por Brasil y México. El crecimiento del PIB será menor que en 2023 debido, entre otras razones, a condiciones financieras aún restrictivas, deuda elevada en algunos países y desaceleración del crecimiento de China.

Evolution of GDP anual growth estimates ('24 & '25) (%)



Source: IMF WEO April 2024

Inflation forecasts and central bank targets (% chg YoY)



Sources: World Bank, Latin America and the Caribbean Economic Review, April 2024; Central Banks and Reuters consensus as of April 2024 (Mexico, Colombia, Chile and Peru) and May 2024 (Brazil)

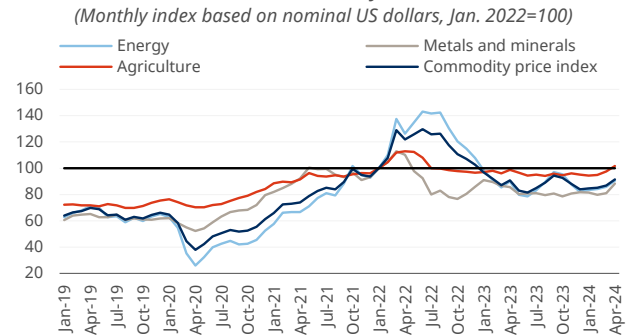
Inflation expectations in major Latin America economies are kept under control, and central banks in the region are reducing rates, with Brazil and Chile leading by cutting 2 and 3 points respectively since mid-2023. As inflation expectations reach the monetary policy targets, real rates will also fall, but slower-than-expected rate reductions in the United States will put a floor under the rates that Latin America countries can fall below without inducing capital outflows.

Las expectativas de inflación en las principales economías latinoamericanas se mantienen controladas y los bancos centrales están reduciendo los tipos, con Brasil y Chile a la cabeza al recortar 2 y 3 p.p. respectivamente desde mediados de 2023. A medida que las expectativas de inflación alcanzan los objetivos de política monetaria, los tipos reales también podrán caer, pero siempre limitados por el suelo que representan los tipos en Estados Unidos, de forma que no induzcan salidas de capital.

Commodity prices are expected to remain broadly supportive for Latin America and the Caribbean (LAC) exporters. Metal export prices from the region are forecast to remain largely stable through 2025 while moderate declines are expected in agricultural and energy prices, although they will still be substantially above 2015-2019 levels.

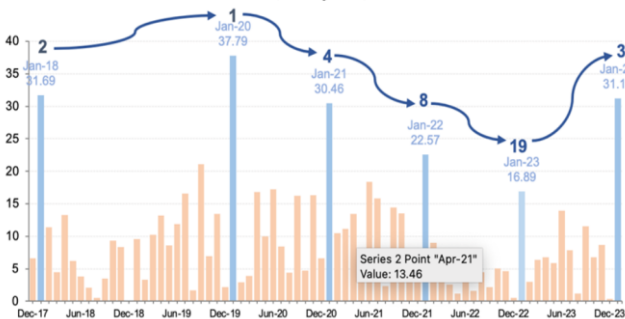
Se espera que los precios de las materias primas sigan respaldando en gran medida a los exportadores de América Latina y el Caribe (ALC). Los precios de las exportaciones de metales de la región se prevé que se mantengan mayoritariamente estables hasta 2025 mientras se esperan caídas moderadas en los precios de los productos agrícolas y de la energía, aunque todavía estarán sustancialmente por encima de los niveles del periodo 2015-2019.

World Bank Commodity Price Index



Source: World Bank. Last observation is April 2024

Monthly LAC international bond issuance, December 2017-January 2024 (Billions of dollars)



Source: CEPAL. Capital flows to Latin America and the Caribbean 2023 year-in-review and early 2024 developments

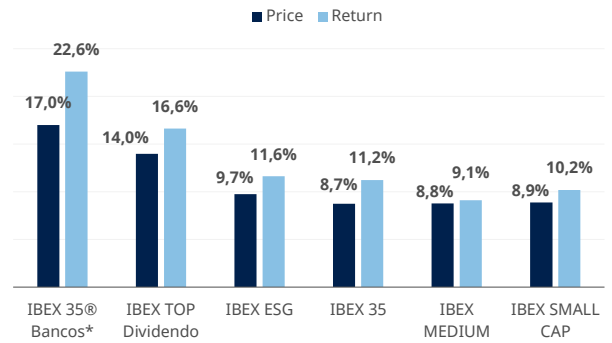
LAC issuers placed US\$ 89 billion of bonds in international markets in 2023 (+40% YoY). The issuance of international ESG bonds reached US\$ 31 billion (+52% YoY), representing a record 35% share of the region's total annual fixed income issuance. In January 2024, LAC governments and companies placed the region's third highest monthly amount of debt in international markets (US\$ 31.2 billion) since 2018.

Los emisores públicos y privados de ALC colocaron US\$ 89 mil millones en bonos en los mercados internacionales en 2023 (+40%). De ellos, la emisión de bonos ESG internacionales alcanzó los US\$ 31 mil millones (+52%), lo que representa una participación récord del 35% de la emisión anual total de renta fija de la región. En enero de 2024, los emisores de ALC colocaron el tercer volumen mensual más alto de deuda de la región en los mercados internacionales (US\$ 31,2 mil millones) desde 2018.

Spanish listed companies stand out favorably on the stock market so far this year until June in all their size segments. The banking sector, the companies with better ESG performance and those that distribute more dividends have obtained the best results. The 7 sectors of the Madrid Stock Exchange Index (IGBM) show positive behavior in the year until the end of May: from 1% of Oil and Energy to 18.5% of Financial Services.

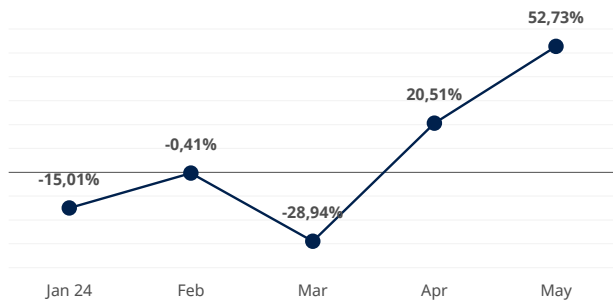
En 2024 hasta junio, las empresas españolas cotizadas destacan favorablemente en Bolsa en todos sus segmentos de tamaño. El sector bancario, las compañías con mejor desempeño ESG y las que reparten más dividendos obtienen los mejores resultados. Los 7 sectores de actividad económica en los que se divide el Índice General de la Bolsa de Madrid (IGBM) marcan un comportamiento positivo en el año hasta el cierre de mayo: desde el 1% de Petróleo y Energía hasta el 18,5% de Servicios Financieros.

IBEX Indices 2024



Source: SIX ID as of June 14, 2024. *Return data refers to the Bank Index embedded into IGBM.

BME equity trading volume 2024 (until May)
 % change compared to the same period of the previous year

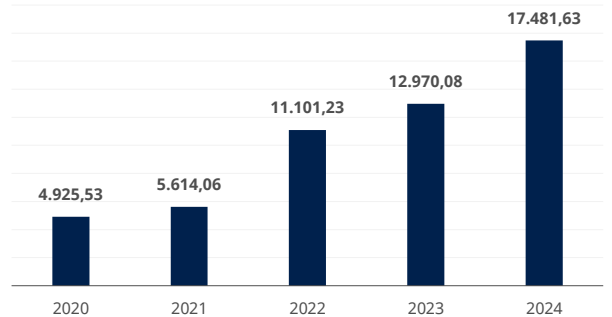


Source: BME as of May 31, 2024

Spanish listed companies have distributed record dividends in 2024 until May: 35% more than in the same period in 2023 and 3.5 times more than in 2020 and 2021. The €17.5 billion distributed in the period is equivalent to almost 140 million per session, boosting the dividend yield of the Spanish stock market to 4.2%, consolidating its place among the international leaders in shareholder compensation. In the period, 49 dividend payments were made, and an equivalent number are already announced for a total amount of €7 Billion

Las cotizadas españolas han distribuido dividendos récord en 2024 (hasta mayo): un 35% más que en el mismo período de 2023 y 3,5 veces más que en 2020 y 2021. Los €17.482 millones distribuidos equivalen a casi 140 millones por sesión, impulsando la rentabilidad por dividendo de la Bolsa española al 4,2%, una cifra que consolida su posición de liderazgo internacional de retribución al accionista. Se han realizado 49 pagos de dividendos y están ya anunciados otros tantos a partir desde el 1 de junio por más de 7.000 millones de euros.

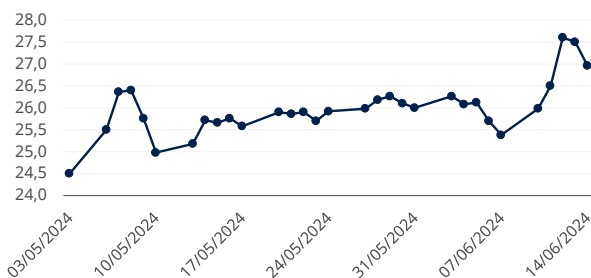
Dividends paid in the Spanish Stock Exchange
 Aggregate data from January to May of each year. € Mill



Source: BME as of May 31, 2024

PUIG BRANDS (Clase B)

Daily closing price from launch (May 3). Values in €



Source: SIX ID as of June 14, 2024

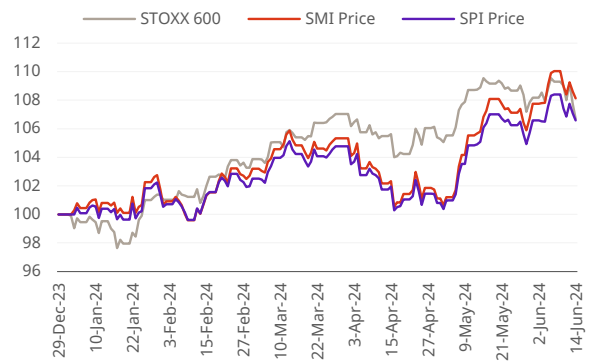
Puig Brands marks the restart of large IPOs on the Spanish stock market. With €2,997 million raised after placing 22% of its capital among new shareholders, it is the thirteenth IPO by financing raised in the last 50 years. In its first 45 days of trading, the share appreciated 10% and accounted for 2.5% of the total equity volume traded on BME. Together with the IPO of the Swiss company Galderma, it adds €5,000 million in financing raised, making the SIX Group the European leader in this field in 2024.

Puig marca el reinicio de las grandes OPVs en la Bolsa española. Es la decimotercera OPV por financiación captada en los últimos 50 años con €2.997 millones tras colocar el 22% de su capital entre nuevos accionistas. En sus primeros 45 días de cotización la acción se revaloriza un 10% y acapara el 2,5% del volumen total negociado en acciones en BME. Junto con la salida a bolsa de Galderma, suma €5.000 millones en financiación captada, convirtiendo al Grupo SIX en el líder europeo en este ámbito en 2024.

The Swiss blue-chip index SMI has kept its upward trend since the beginning of 2024, reaching 12,167 points mid-June, the highest level since May 2022. This represents an increase of 9.2% since the beginning of the year, reflecting positive figures from the corporate and economic environment and interest rate cuts by the SNB and the ECB.

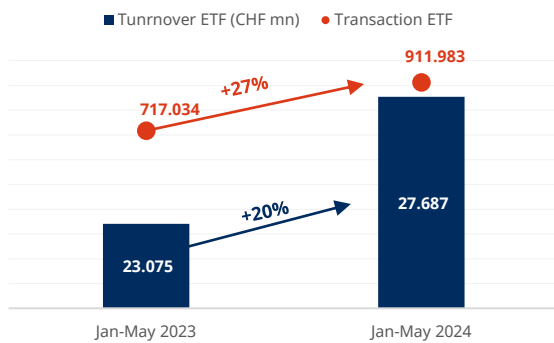
El SMI, índice bursátil suizo de los principales valores cotizados en SIX Swiss Exchange ha mantenido su tendencia ascendente desde principios de 2024, alcanzando 12.167 puntos a mediados de junio, el nivel más alto desde mayo de 2022. Esto representa un alza del 9,2% desde principios de año impulsada por cifras positivas del entorno empresarial y económico y por los recortes de tipos de interés del SNB y del BCE.

Stock Market Indices Evolution (Base 100 = 29/12/2023)



Source: SIX iD as of June 14, 2024

ETF Activity on SIX Swiss Exchange



Source: SIX, as of May 31, 2024

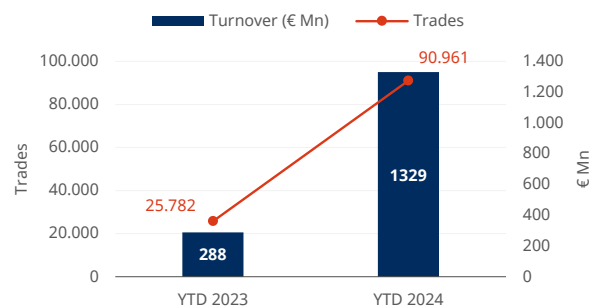
SIX Swiss Exchange witnessed a YoY increase of 56.1% in ETF turnover volume in May. ETFs trades grew by 27% YTD until May, totaling over 900,000. The expectation is that the market exceeds the 2 million transactions mark for the first time in 2024, as demand remains strong. SIX Swiss Exchange also welcomed 110 new ETFs in the first five months of the year, compared to 150 new products throughout 2023, indicating a strong upward trend in ETF activity.

SIX Swiss Exchange experimentó un aumento interanual del 56,1% en el volumen negociado de ETF en mayo. Las transacciones de este producto ya crecen un 27%, totalizando más de 900.000 desde enero de 2024 y la expectativa es que se supere la marca de 2 millones de transacciones por primera vez en 2024 por la fuerte demanda. También se han admitido 110 nuevos ETF en los primeros cinco meses del año, en comparación con 150 en todo el año 2023, lo que indica una fuerte tendencia al alza en la actividad de los ETFs.

Cryptocurrency ETPs listed and traded on SIX Swiss Exchange follow the growing trend of these instruments worldwide with 154 products at the end of May. This trend is spurred by the approval earlier this year in the US of spot ETFs on Bitcoin in January and on Ethereum in May. Both types of ETPs now have assets under management of more than \$50 billion.

Los ETPs de criptomonedas negociados en SIX Swiss Exchange siguen la tendencia creciente de estos instrumentos en el mundo con 154 productos en mayo. Dicha tendencia se ve espoleada por la aprobación este mismo año en EEUU de los ETFs de contado sobre Bitcoin, en enero, y sobre Ethereum en mayo. Ambos tipos de ETPs ya suman activos bajo gestión de más de \$50.000 millones.

Crypto ETPs in Swiss Exchange
Jan-May 2023-2024



Source: SIX, as of May 31, 2024

SDX Surpasses 1 Billion Swiss Francs in Digital Assets

Banks and securities firms as gateway for issuers and investors to access the digital world

Involved in...		...issuance	...handling of tokenized bonds	...handling of tokenized cash	...secondary market trading
 Issuer	All the benefits of a digital bond – no disadvantages compared to normal bonds	✓	✗	✗	✗
 Bank	Technology is ready, live and proven – ready to onboard new member banks	✓	✓	✓	✓
 Investor	Regulated, rated, and ready – bonds the way you are used to, with no additional risks, but with special features	✓	✗	✗	✓

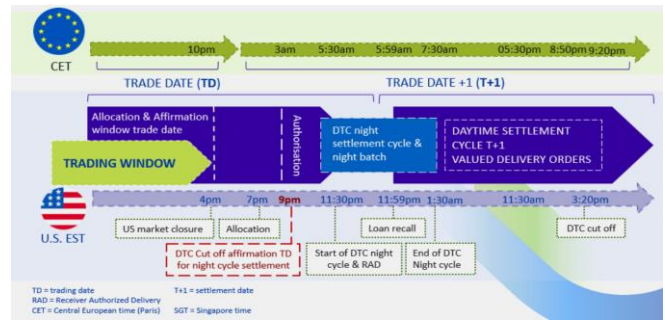
Sources: SDX and SIX

SIX Digital Exchange (SDX) has surpassed the milestone of CHF 1 billion in digital assets with the admission to trading of the 7-year CHF 200 million digital bond by the World Bank, the largest World Bank CHF bond issuance since 2009. The bond is listed, traded, and settled on both SIX Digital Exchange and SIX Swiss Exchange to remain open to the entire investor base. Switzerland is the sole jurisdiction among developed economies that has enabled the settlement of securities transactions in wCBDC (Central Bank Digital Currency).

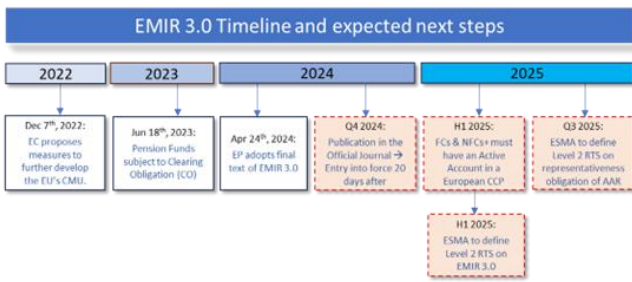
SIX Digital Exchange (SDX) ha superado el hito de los 1.000 millones de Francos Suizos (CHF) en activos digitales con la incorporación del bono digital de CHF 200 millones a 7 años por parte del Banco Mundial, la mayor emisión de bonos en CHF de la institución desde 2009. El bono cotiza, negocia y se liquida tanto en SIX Digital Exchange como en SIX Swiss Exchange, estando abierto a todo tipo de inversores. Suiza es la única jurisdicción entre las economías desarrolladas que ha permitido la liquidación de transacciones de valores en wCBDC (moneda digital del banco central).

Amidst great expectation (and 100 years later), the U.S. markets have smoothly turned back to a settlement window of "t+1" on May 28th, without major issues. The average collateral posted has fallen from USD 12.9 to USD 9.1 trillion, failed trades have somewhat increased from an average of 2% in May to 2.7% and the ratio of affirmation of operations, prior to settlement, has risen from 93% to 95.5%. Other countries and areas are assessing the implementation.

En medio de una gran expectación y después de 100 años, los mercados de EEUU han vuelto a la liquidación en "t+1" el 28 de mayo, sin incidencias relevantes. El colateral medio depositado ha bajado de 12,9 a 9,1 Billones de USD, se han incrementado levemente los fallidos desde el 2% de media en mayo a un 2,7% y la ratio de afirmación de operaciones, previo a la liquidación, ha subido del 93% al 95,5%. Otros países y áreas económicas evalúan su implantación.



Source: ESMA



On Apr 24th, European Parliament adopted the final text of EMIR 3.0, with measures to further develop the EU's CMU. The most relevant changes are Active Account Requirement and new clearing thresholds, to be defined in upcoming Regulatory Technical Standards (RTS). Currently, about 75% of interest rates derivatives (in outstanding notional value) is centrally cleared.

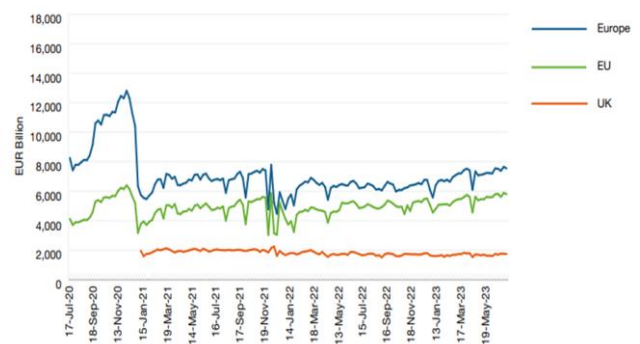
El 24 de abril, el Parlamento Europeo adoptó el texto final de EMIR 3.0 con medidas para desarrollar la UMC de la UE. Los cambios más importantes son el requisito de cuenta activa y los nuevos umbrales de compensación, a desarrollarse en futuras normas técnicas (RTS). En la actualidad, alrededor del 75 % de los derivados sobre tipos de interés (en posición abierta en términos de valor notional) se compensan de forma centralizada.

Source: BME Market Research Analysis

Repo market volumes are on the rise across the globe due to a context of higher interest rates, already very far from zero or negative zone. SIX Group's Spanish Central Counterparty (CCP) has advocated to change the Spanish repo market standard from Buy & Sell back to Classic Repo, the one accepted by the ECB. The Spanish CCP clears these public debt operations since 2003. In US, repo clearing will be mandatory from June 2026.

Los volúmenes del mercado de repos están aumentando en todo el mundo en un contexto de tipos de interés más elevados, ya lejos de la zona de tipos cero o negativos. La Cámara de Contrapartida Central (CCP) española de SIX Group ha abogado por un cambio en el estándar del mercado de repos español pasando de las Simultaneas al Repo clásico, aceptado por el BCE. La CCP española compensa estas operaciones sobre deuda pública desde 2003. En EE. UU., la compensación de repos será obligatoria a partir de junio de 2026.

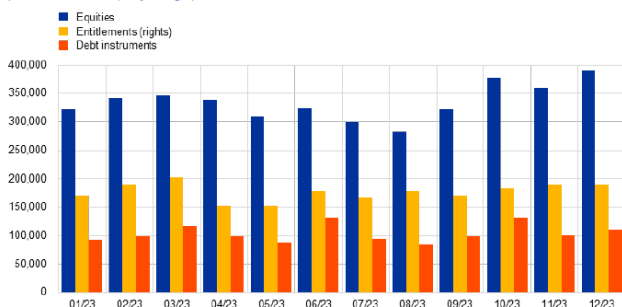
Outstanding CCP-cleared repos reported under EU and UK SFTR (EUR billion)



Source: ICMA

Volume by securities category in 2023

(number of transactions, daily averages)



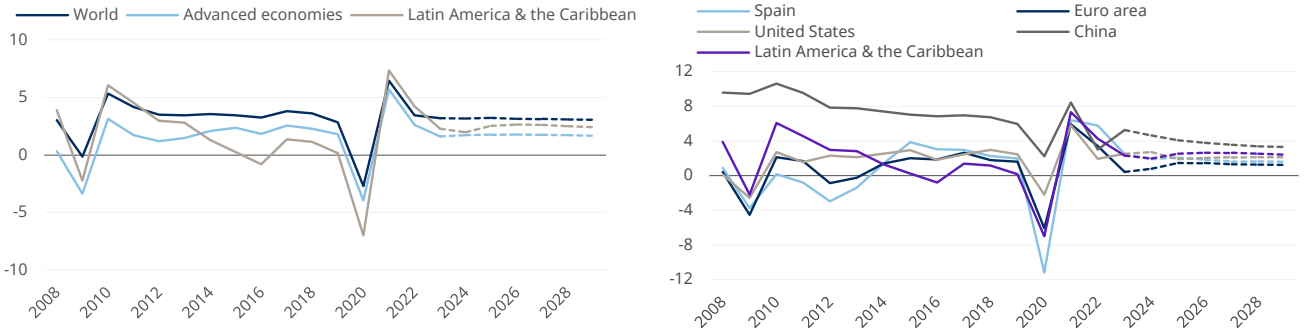
Source: T2S

TARGET2-Securities is the European settlement platform for trades in listed securities (mainly shares and bonds) managed by the ECB. Securities settlement is carried out against central bank money using the Euro (and Danish Krone) real-time settlement system called TARGET. The platform connects 24 depositories in 23 markets, processing on average 700,000 transactions valued at €790 billion daily (equivalent to settling the annual GDP of the Eurozone every 18 business days).

TARGET2-Securities es la plataforma europea de liquidación de operaciones sobre valores cotizados (acciones y bonos principalmente) gestionada por el BCE. La liquidación de valores se lleva a cabo contra dinero del banco central utilizando el sistema de liquidación en tiempo real del Euro (y de la Corona Danesa) llamado TARGET. La plataforma conecta 24 depositarios en 23 mercados, procesando de media diariamente 700.000 transacciones valoradas en €790.340 millones (equivalente a liquidar el PIB anual de la Eurozona cada 18 días hábiles).

Global GDP growth is expected to remain moderate in 2024 but projections continue to improve. IMF revised up again its previous estimates 0.1 p.p., projecting a growth of 3.2% YoY, on the back of faster disinflation and the good performance of the U.S. and some emerging market economies.

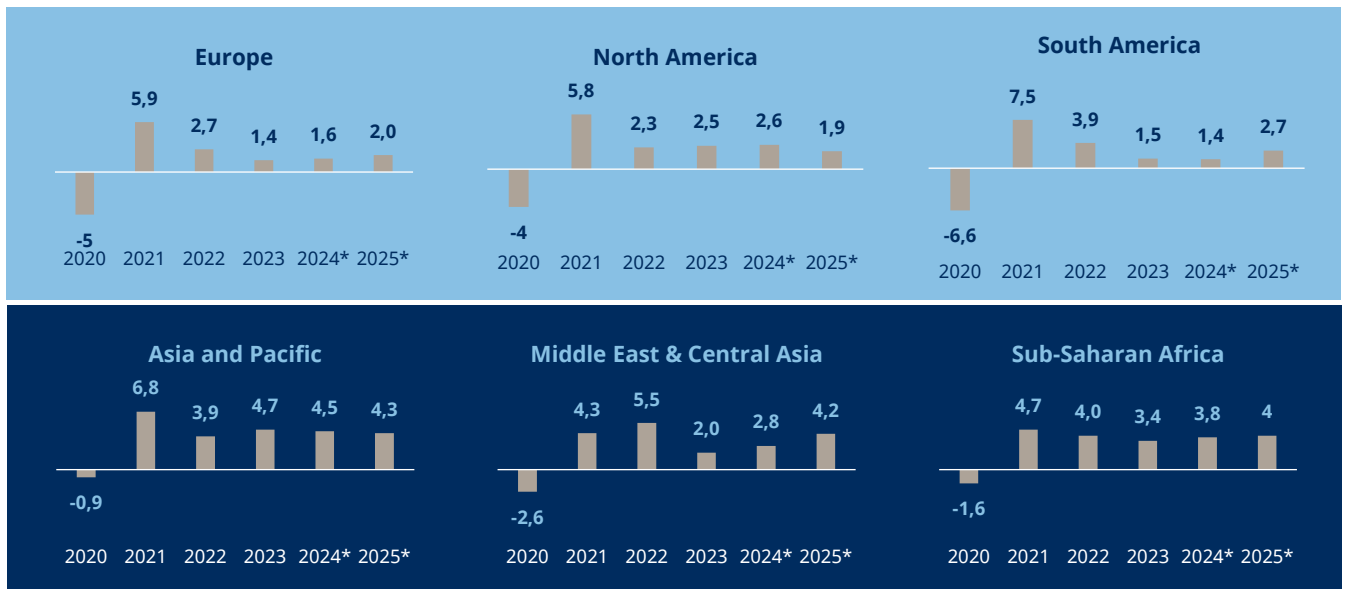
Real Gross Domestic Product (GDP) growth, annual rates (%)



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

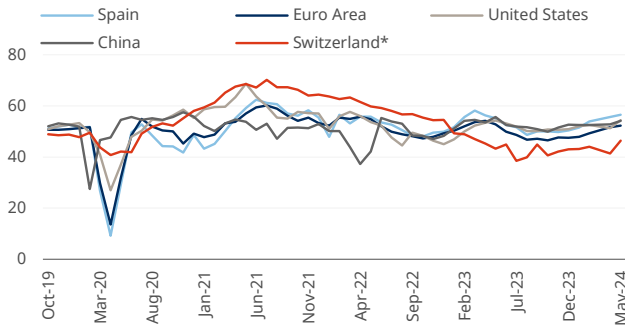
Main indicators - Real GDP growth YoY%
*Estimates from IMF WEO April 2024

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



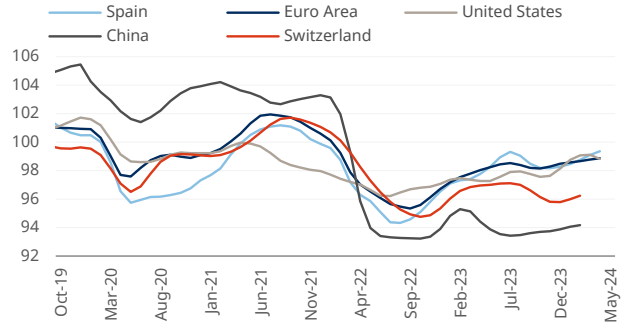
With global activity proving relatively resilience amid falling inflation, private sector confidence is now improving. Recent business surveys point to improving activity in both manufacturing and services while consumer confidence continued to trend upwards among the main economies.

Purchasing Managers' Index (PMI) Composite



Source: FactSet. *PMI Manufacturing

Consumer Confidence Index OECD



Source: OECD

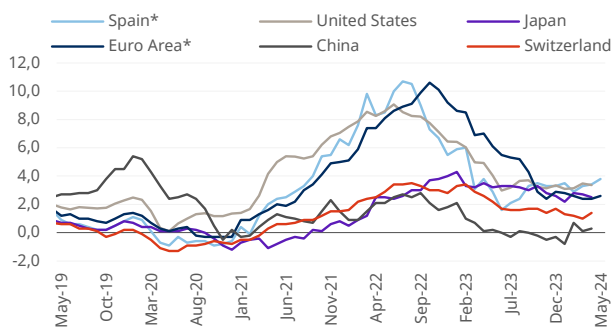
Main Leading Indicators – Data for the year and quarter is the average of monthly figures

	2020	2021	2022	2023	1Q 2024	Apr. '24	May. '24
Purchase Manager Index Composite (PMI) - Levels above 50 show expansion and below 50, contraction							
Advanced economies							
United States	48,76	59,65	50,66	50,79	52,18	51,30	54,40
Euro Area	44,02	54,86	51,38	47,23	49,15	51,70	52,30
Germany	46,39	55,28	50,41	47,03	47,00	50,60	52,20
France	43,49	53,75	52,74	44,67	47,00	50,50	49,10
Italy	41,75	54,71	50,26	47,89	51,77	52,60	52,30
Spain	41,51	55,33	51,80	50,09	53,58	55,70	56,60
Japan	42,42	49,38	50,26	50,03	51,25	52,30	52,40
United Kingdom	46,43	55,87	53,02	50,49	52,90	54,10	52,80
Switzerland (manuf.)	48,78	65,75	58,83	41,92	44,08	41,40	46,40
Canada (IVEY)	50,17	61,40	57,84	54,80	55,97	56,80	63,00
Emerging Economies							
China	51,42	51,83	48,16	51,39	52,57	52,80	54,10
India	44,28	54,16	56,37	58,10	61,22	61,50	61,70
Russia	45,98	51,95	48,30	53,88	53,31	51,90	NA
Brazil	46,15	51,15	54,13	50,37	54,50	54,80	54,00
Mexico (manuf.)	42,69	47,58	49,58	52,18	51,57	51,00	51,20
Consumer Confidence Index (OECD) – Positive figures indicate an increase in consumer confidence							
Advanced economies							
United States	99,47	99,04	96,86	97,78	98,97	98,82	98,28
Euro Area	98,96	100,92	96,81	98,30	98,67	98,87	98,97
Germany	99,75	100,62	97,74	98,54	98,81	99,45	99,76
France	98,80	100,44	97,42	98,56	98,77	98,51	98,55
Italy	99,57	102,17	98,24	99,26	99,52	99,08	98,87
Spain	97,20	100,04	96,12	98,21	98,77	99,36	99,58
Japan	97,03	98,52	97,39	98,60	99,16	99,00	98,63
United Kingdom	98,30	101,10	94,24	98,07	98,77	99,12	99,50
Switzerland	98,33	100,54	96,92	95,91	0,00	96,64	96,82
Canada (Refinitiv)	45,01	51,88	49,99	46,46	48,24	48,02	47,25
Emerging Economies							
China	102,82	103,35	95,66	93,77	94,04	-	-
India (Refinitiv)	64,83	55,30	75,57	92,21	96,22	98,54	97,15
Brazil	98,49	98,27	99,01	100,97	100,70	100,72	100,56
Mexico	97,73	102,07	102,01	104,97	105,19	105,16	105,00

Sources: IHS Markit, OECD, IVEY, Refinitiv, as of May 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.

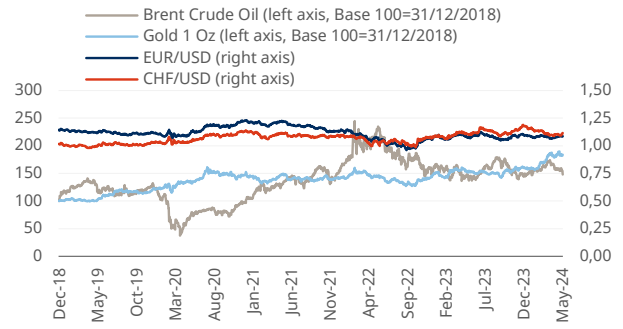
Global inflation continues to cool, registering a three-year low, albeit at a slower pace than previously expected given persistent core inflation. Aggregate commodity prices have increased since late last year, but average energy prices are projected to be marginally lower this year. Higher for longer rates keep the US dollar strong against other currencies

Consumer Price Index (CPI, YoY %)



Source: Refinitiv as of May 31, 2024. *Harmonized CPI

Commodities & Currencies



Source: SIX iD as of May 31, 2024.

Main indicators

	2020	2021	2022	2023	Mar. '24	Apr. '24	May '24
Inflation (CPI) (IMF, YoY at end of period until 2023) and Refinitiv for 2024 monthly figures. Harmonized CPI for Euro Area countries							
Advanced economies							
United States	1,56	7,39	6,41	3,20	3,48	3,36	3,27
Euro Area	-0,27	4,96	9,20	2,90	2,40	2,40	2,60
Germany	-0,53	5,43	10,81	2,97	2,30	2,40	2,80
France	-0,23	3,37	6,99	4,19	2,40	2,40	2,70
Italy	-0,29	4,16	12,34	0,50	1,20	0,90	0,80
Spain	-0,57	6,57	5,48	3,28	3,30	3,40	3,80
Japan	-0,92	0,51	3,87	2,92	2,70	2,50	NA
United Kingdom	0,59	5,39	10,53	3,99	3,20	2,30	NA
Switzerland	-0,78	1,57	2,88	1,74	1,00	1,40	1,40
Canada	0,78	4,73	6,64	3,18	2,90	2,70	NA
Emerging Economies							
China	0,18	1,42	1,82	-0,26	0,10	0,30	0,30
India	4,87	6,34	6,21	5,07	4,84	4,81	4,76
Russia	4,91	8,39	11,92	7,42	7,83	7,97	NA
Brazil	4,52	10,06	5,79	4,62	3,40	3,23	3,34
Mexico	3,15	7,36	7,82	4,42	4,45	4,69	4,72
Commodities – year and month-end data (SIX iD). **BDI from Refinitiv							
CRB Index	178,29	247,02	301,33	301,40	336,03	345,07	343,51
Bloomberg Commodity Index	166,63	211,80	245,89	226,43	231,40	237,63	241,80
Energy & Transportation							
Brent Oil	51,56	79,20	83,08	77,26	86,93	85,95	81,33
West Texas Oil	48,52	75,21	80,26	71,65	83,17	81,93	76,99
Natural Gas	2,54	3,73	4,48	2,51	1,76	1,99	2,59
Baltic Dry Index (Transp.)**	1366	2217	1515	2094	1821	1685	1815
Metals							
Gold 1 Oz	1.880,30	1.821,40	1.818,90	2.063,86	2.233,82	2.285,40	2.327,01
Silver 1 Oz	26,46	23,18	23,97	23,85	25,04	26,31	30,41
Cooper Highgrade	3,51	4,46	3,81	3,88	4,00	4,56	4,61
Currencies (units per EUR) – year and month-end data (SIX iD)							
USD (United States)	1,224	1,132	1,073	1,105	1,078	1,067	1,085
GBP (United Kingdom)	0,895	0,840	0,885	0,869	0,855	0,854	0,848
CHF (Switzerland)	1,081	1,037	0,990	0,928	0,973	0,981	0,979
JPY (Japan)	126,185	130,905	140,325	155,555	163,375	168,285	170,725
CNY (China)	8,002	7,248	7,419	7,834	7,806	7,743	7,864
BRL (Brazil)	6,355	6,334	5,635	5,366	5,406	5,542	5,706
MXN (Mexico)	24,380	23,273	20,798	18,707	17,952	18,218	18,513

Sources: IMF, OECD, Refinitiv and SIX iD as of May 2024.

The interest rates for new issues reduced in the first five months of 2024 compared to the whole 2023. The Spanish Treasury average cost of outstanding debt slightly increased to 2.15%. For 2024, the government fiscal deficit is set to keep decreasing to 3.0%, as energy-related measures are mostly phased out (by 0.7 pps. to 0.2% of GDP).

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 May '24
2.08%	2.152%
Cost of debt issued 2023	Cost of debt issued (2024 until May '24)
3.425%**	3.272%**
Avg. Maturity Debt 2023 (Year End)	Avg. Maturity Debt (End May '24)
7.84 years	7.96 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

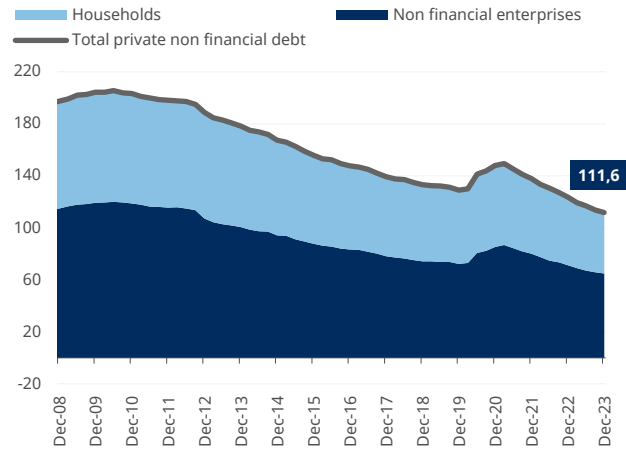
Med.&Long T. €59.98bn

Other Debt and FX debt -€4.98bn

Total €55.00bn

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

Deleverage process of private sectors (2008-2023) Debt in % of GDP



Source: Banco de España

Public Debt Issuances

Gov. Debt Issuance in € million	Issues	Redemptions	Net financing
Total 2023	251,995	186,869	65,126
January, 2024	35,884	25,183	10,701
February, 2024	24,940	7,110	17,830
March, 2024	22,596	6,932	15,664
April, 2024	19,889	28,282	-8,393
May, 2024	18,352	26,155	-7,803
Total 2024	121,661	93,662	27,999

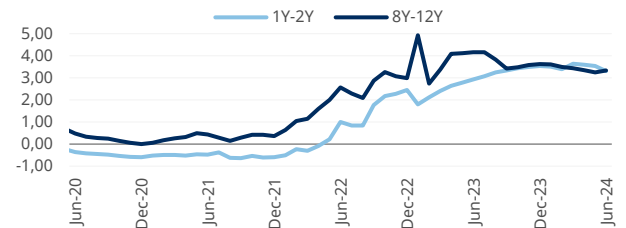
Source: Spanish Treasury Whole Bulletin May 2024

Last auctions returns - JUNE 2024

	3M	6M	9M	12M
Treasury bills. IRR (%)	3.374	3.367	3.488	3.407
	3Y	5Y	10Y	30Y
Bonds & Obligations. IRR (%)	3.039	3.003	3.100	3.853

Source: Spanish Treasury

BME public debt market indices (TIR %)



Source: BME as of June 01, 2024

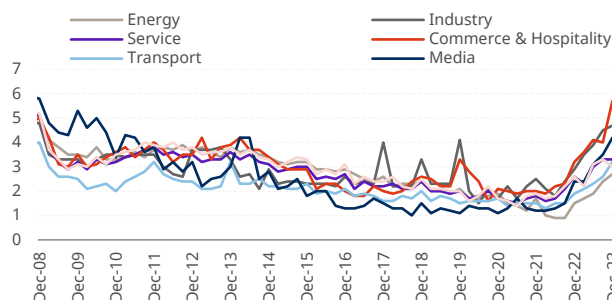
Spanish risk premium to German bunds (10yr) (bps)



Source: SIX ID, as of June 14, 2024

Cost of debt evolution

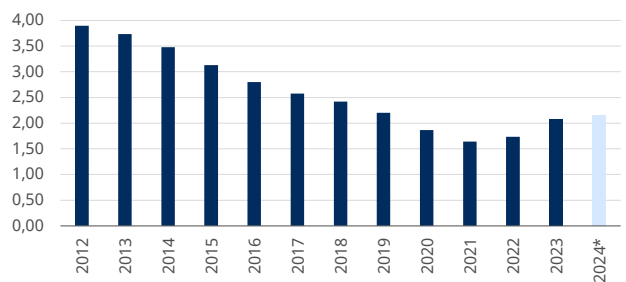
Cost of outstanding debt by private sector (%)



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

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Average cost of outstanding public debt (%)

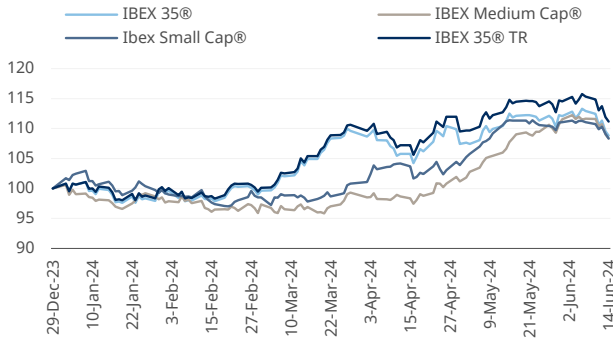


Source: Spanish Treasury. *As of May.

- In 2024 until mid-June, IBEX 35 index rises almost 10% and IBEX Total Return a 12%. At end of May, IBEX-35 valuation ratios increased the attractiveness observed last the year, with PER reaching 10.1x and Dividend Yield at 4.2%.

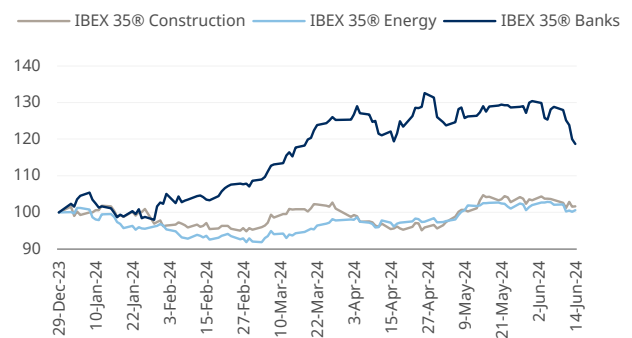
Spanish Equity Market

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



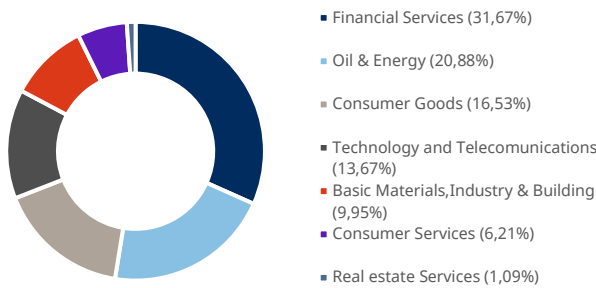
Source: SIX iD as of June 14, 2024

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



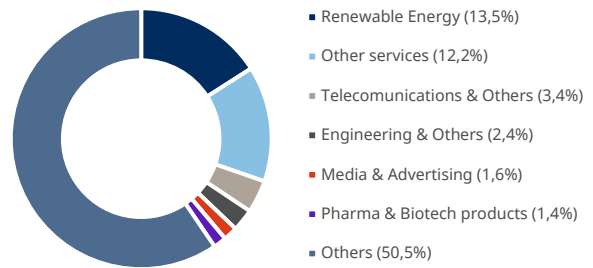
Source: SIX iD as of June 14, 2024

IBEX 35® Sector Breakdown (% of market cap)



Source: BME, as of March, 2024

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



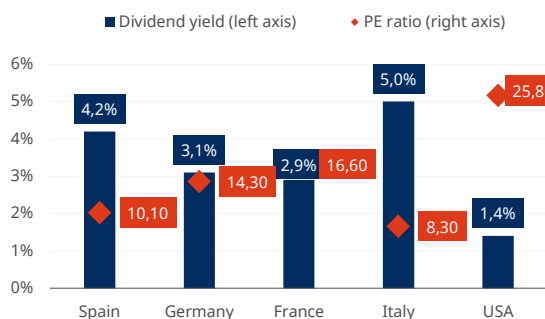
Source: BME Growth, as of May, 2024

Spanish equity market	2022	2023	1Q 2024	Apr. '24	May. '24
Turnover (M€)	362.122	299.944	77.292	33.070	35.035
N° Trades (M)	38,90	28,45	8,56	2,83	2,74
Capital increases (M€)	6.315	4.644	1.077	200	254
Dividends distributed (M€)	25.276	30.087	3.444	8.175	5.862
IBEX 35® Dividend Yield (%) ¹	4,00	4,10	4,30	4,40	4,20
VIBEX Volatility Index (%) ²	21,27	14,70	12,58	13,04	11,50
BME Growth, N° companies	135	138	140	141	141

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

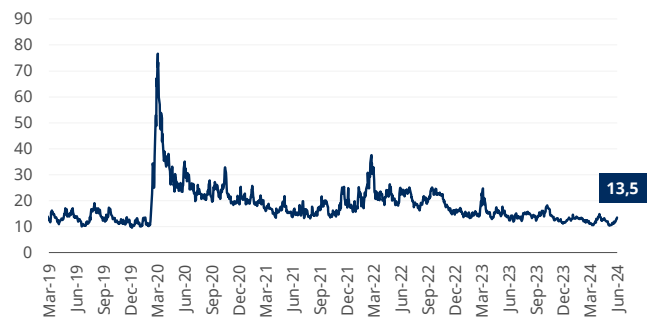
Sources: SIX, MSCI, BME Growth and SIX iD

Dividend Yield & PE ratio



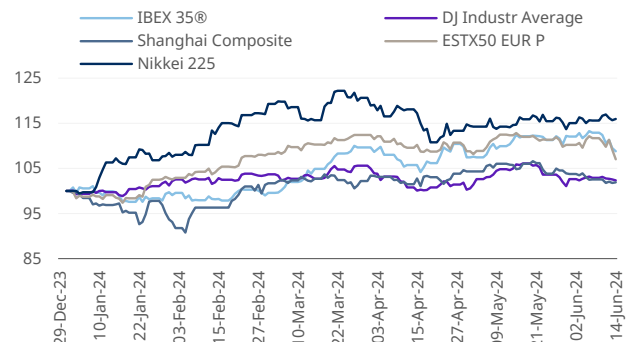
Source: Morgan Stanley Capital International, as of May 2024
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VIBEX (BME Volatility Index)



Source: SIX iD as of June 14, 2024

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

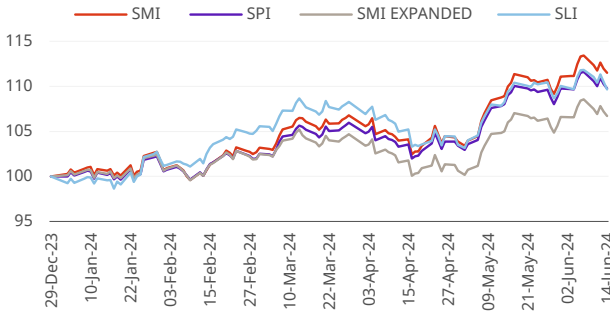


Source: SIX iD as of June 14, 2024

Trading turnover developed very favorably in May. At around CHF 105.6 bn, the increase was 14.7% compared to April 2024 and 20.5% compared to May 2023. Main Swiss Indices have registered positive performance YTD and volatility remains at historical low levels.

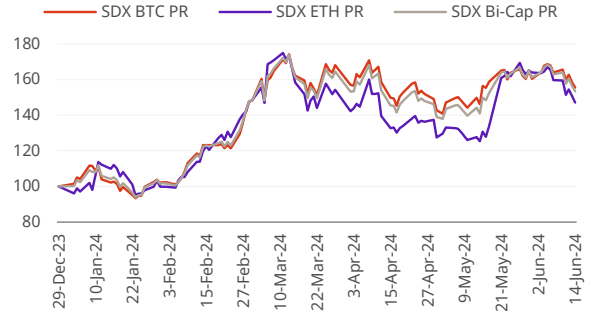
Swiss Equity Market

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



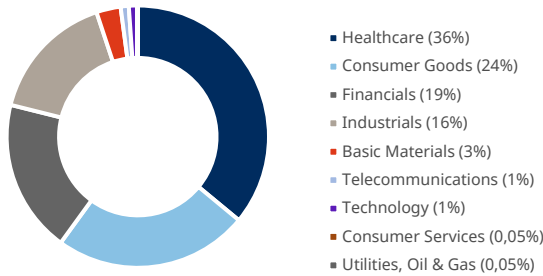
Source: SIX iD as of June 14, 2024

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



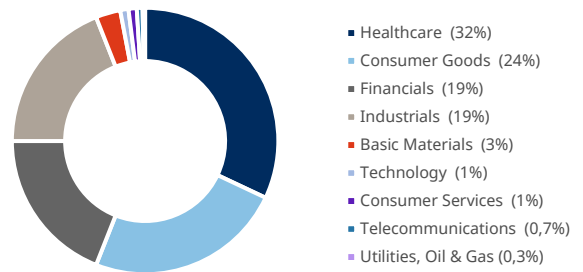
Source: SIX iD as of June 14, 2024

SMI® Price Sector Breakdown (% of market cap)



Source: SIX, as of April 30, 2024

SPI® Price Sector Breakdown (% of market cap)



Source: SIX, as of April 30, 2024

Swiss equity market	2021	2022	2023	1Q 2024	Apr. '24	May '24
Turnover (MCHF) ¹	1.049.820	946.681	802.466	201.397	68.882	69.099
N° Trades (M) ¹	59,90	58,26	43,55	11,77	4,00	3,53
IPOs (n°)	5	14	10	1	-	-
SMI Dividend Yield (%) ²	2,50	3,00	3,10	3,00	3,20	3,00
VSMI Volatility Index (%) ³	15,50	19,74	13,59	11,19	12,28	11,71
ETF Turnover (BnCHF)	79.554	94.300	64.222	15.571	5.935	6.181
Struct. Prod. & Options (BnCHF)	20.144	12.132	8.004	2.326	853	-

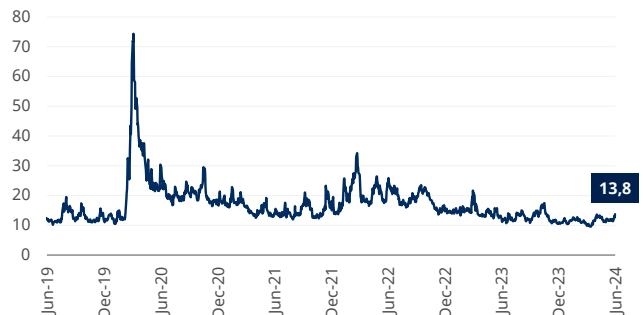
¹Equities include Funds + ETPs

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

³Average of the period (year, quarter or month)

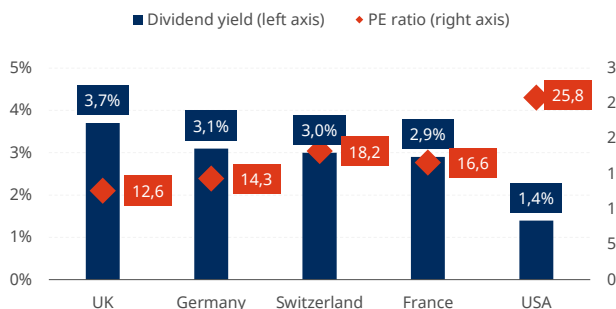
Sources: SIX, MSCI and SIX iD

VSMI (Volatility Index on the SMI)



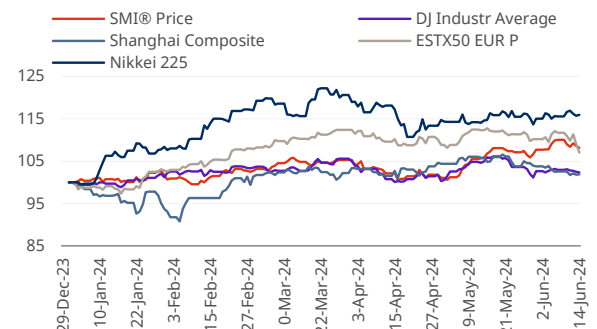
Source: SIX iD as of June 14, 2024

Dividend Yield & PE ratio



Source: Morgan Stanley Capital International, as of May 2024
Market Research Dpt.

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



Source: SIX iD as of June 14, 2024