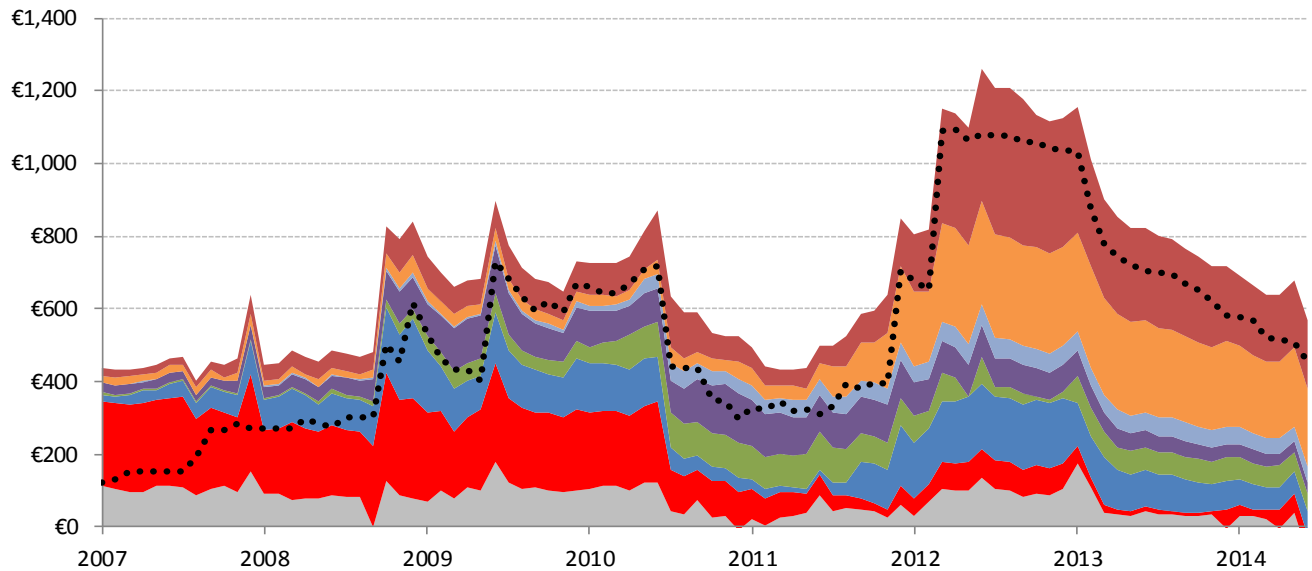


Data Insights: Euro Area Recovery Monitor

Thursday, July 3, 2014

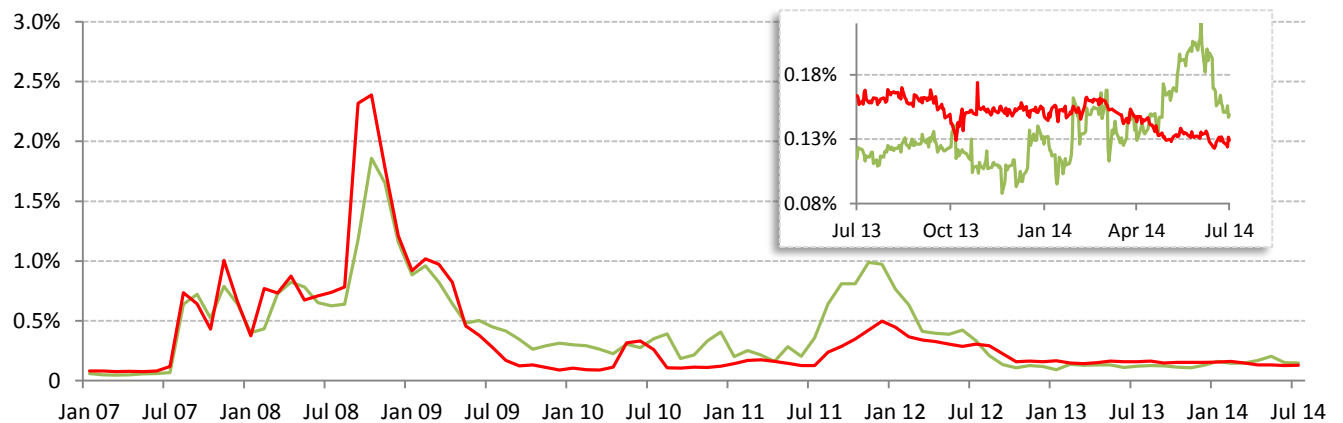
Banking system dependency: borrowing from the ECB (€ billions)

--- Total LTRO ■ Spain ■ Italy ■ Portugal ■ Ireland ■ Greece ■ France ■ Germany ■ Other



Source: ECB, National central banks, TrendMacro calculations

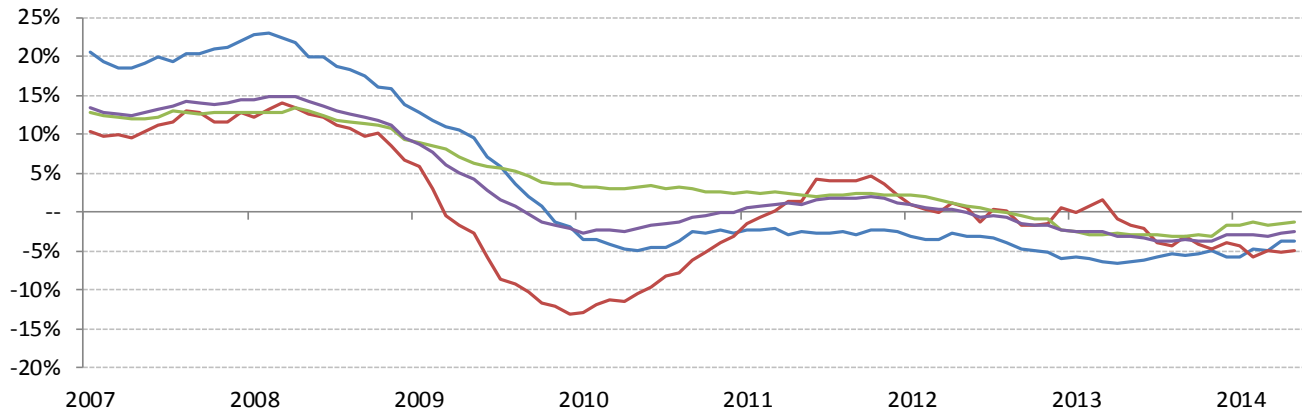
Bank stability: 90-day LIBOR/OIS spreads — USD — EUR



Source: Bloomberg, TrendMacro calculations

The credit drought: loans to non-financial businesses (YOY growth)

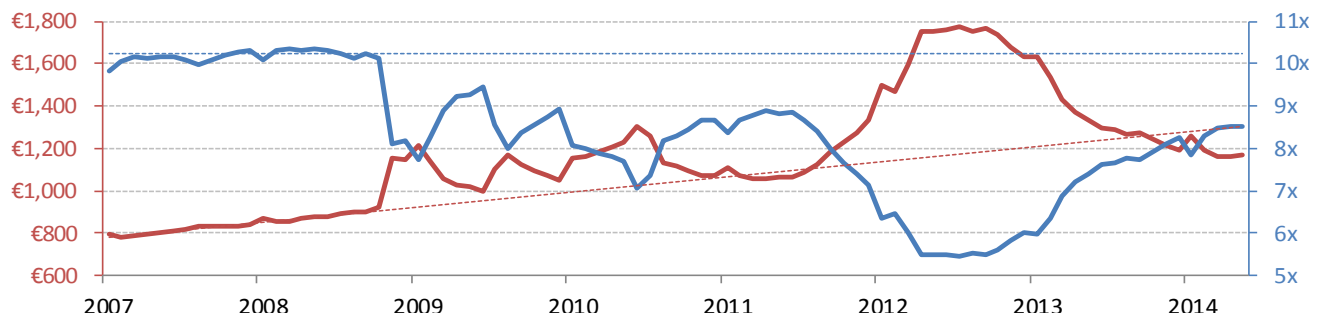
— Loans to 1 year — Loans 1-5 years — Loans 5 years plus ... Total



Source: ECB, TrendMacro calculations

The money paradox: the case of the missing multiplier

— Monetary base ... Pre-crisis trend — M3 multiplier ... Pre-crisis trend



Source: ECB, TrendMacro calculations

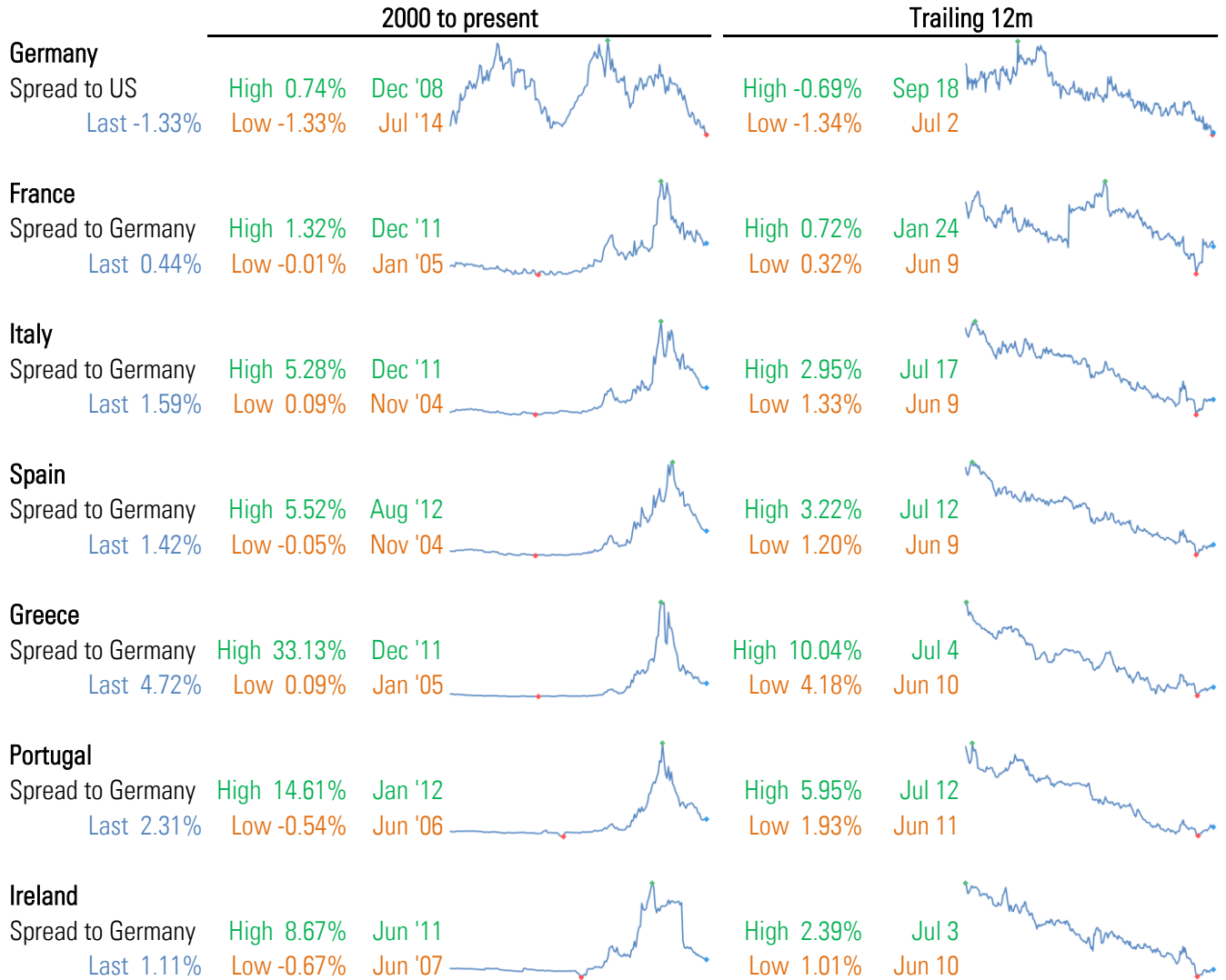
Regional currency flight — Euro vs Swiss franc ... Swiss National Bank floor ■ SNB FX reserves



Source: Bloomberg, TrendMacro calculations

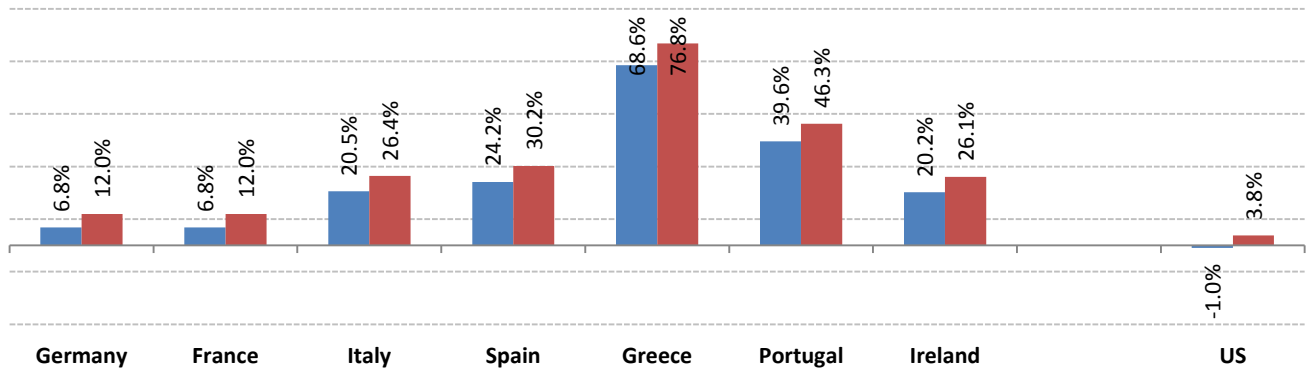
Sovereign stress monitor: 10-year bond spreads

· High · Low · Last



10-year sovereign bond total returns, trailing 12-months

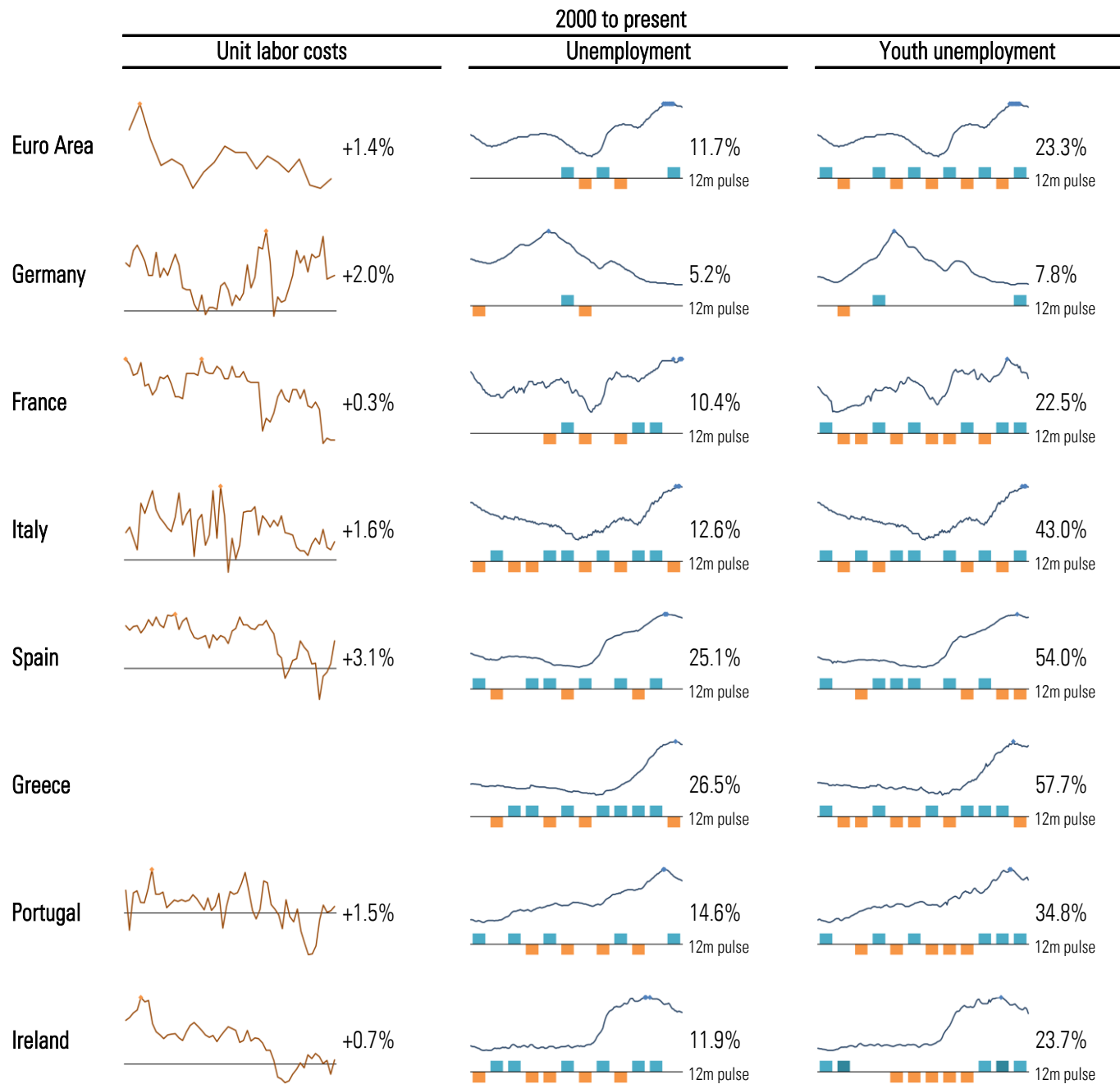
■ EUR ■ USD



Source: Bloomberg, TrendMacro calculations

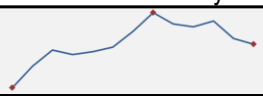
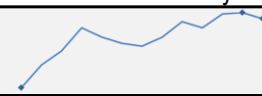
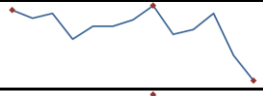
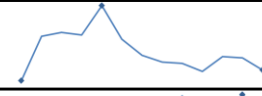
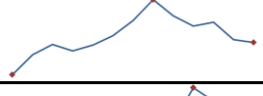
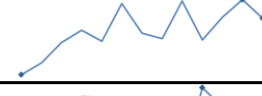
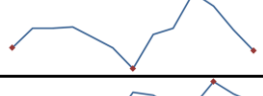



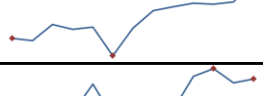
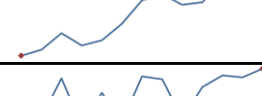
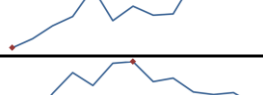

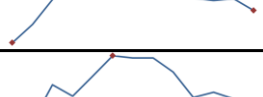
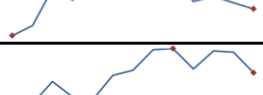
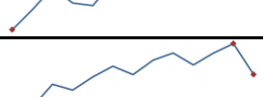

Labor market in intensive care

ULC: Nominal, quarterly YOY UE: High 12m pulse: monthly ■ improvement or ■ worsening in rate of change



Source: Eurostat, TrendMacro calculations

Purchasing Manager Indices

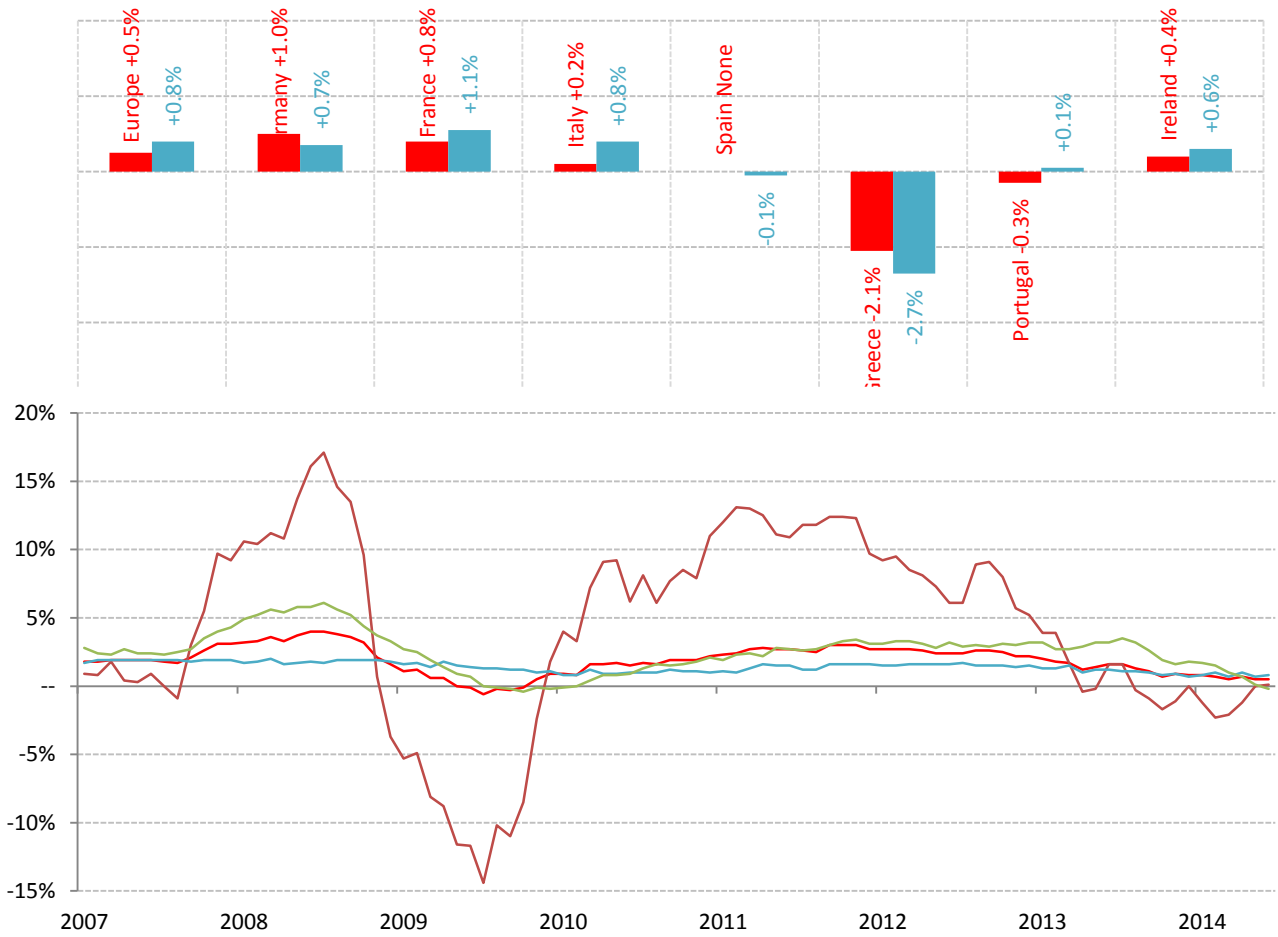
Manufacturing	Last	Prev	13-month history	Services	Last	Prev	13-month history
Eurozone Jun	51.8	52.2		Eurozone Jun	52.8	53.2	
UK Jun	57.5	57.0		UK Jun	57.7	58.6	
Germany Jun	52.0	52.3		Germany Jun	54.6	56.0	
France Jun	48.2	49.6		France Jun	48.2	49.1	
Italy Jun	52.6	53.2		Italy Jun	48.7	48.8	
Spain Jun	54.6	52.9		Spain Jun	54.8	55.7	
Ireland Jun	55.3	55.0		Ireland Jun	62.6	61.7	
Netherlands Jun	52.3	53.6					
Austria Jun	50.4	50.9					
Greece Jun	49.4	51.0					
Czech Rep Jun	54.7	57.3					

Source: Markit, TrendMacro calculations

Euro area consumer inflation, year on year

By country: ■ Headline ■ Ex-food and energy

Euro area: — Headline — Ex-food and energy — Energy — Food



Source: Eurostat, TrendMacro calculations