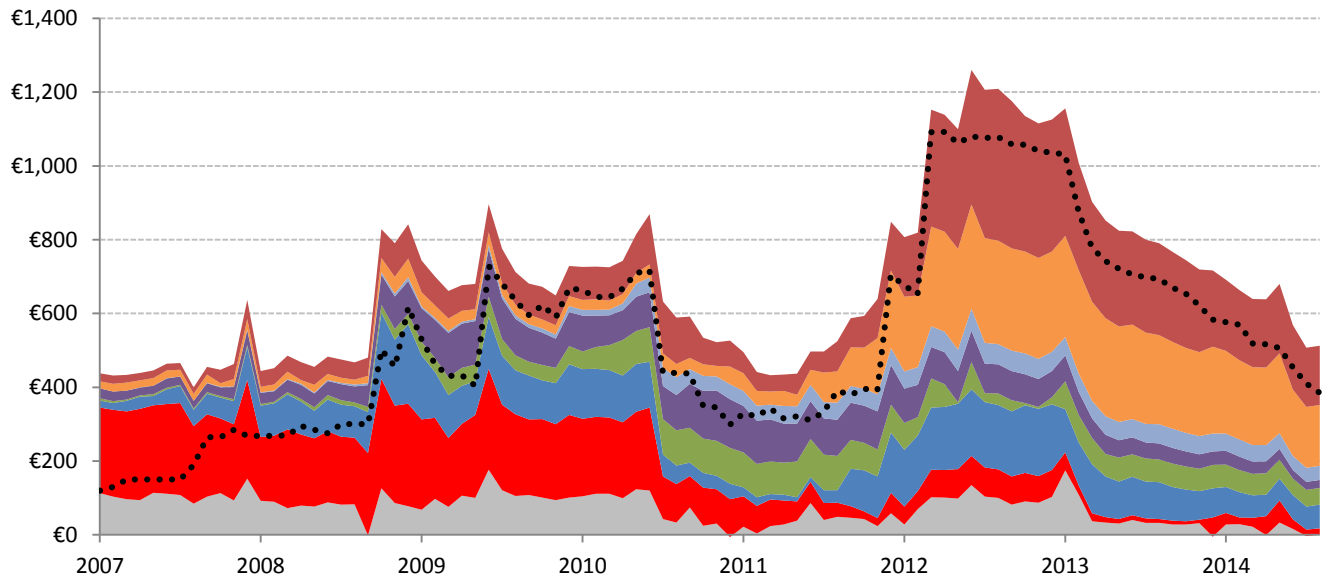


Data Insights: Euro Area Recovery Monitor

Thursday, September 4, 2014

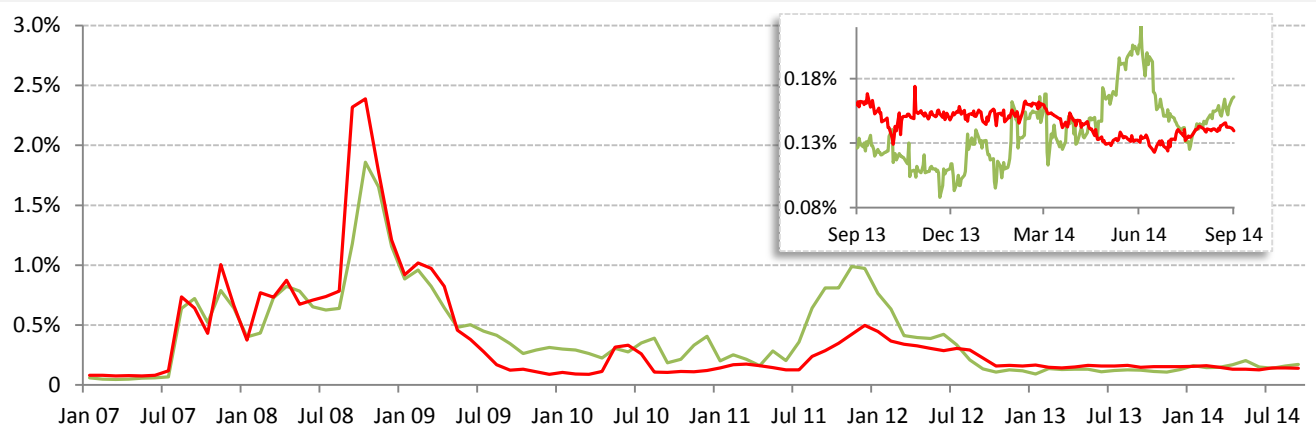
Banking system dependency: borrowing from the ECB (€ billions)

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



Source: ECB, National central banks, TrendMacro calculations

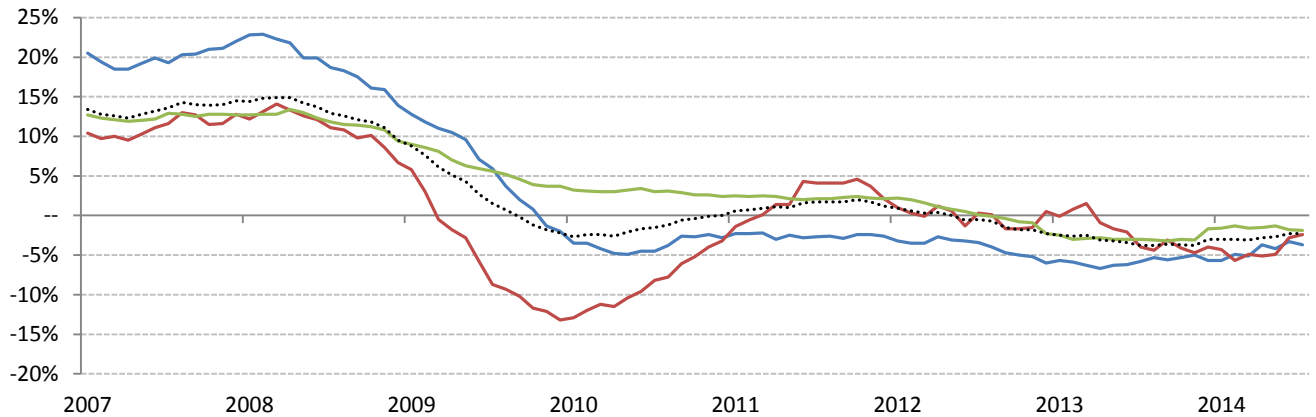
Bank stability: 90-day LIBOR/OIS spreads (USD, EUR)



Source: Bloomberg, TrendMacro calculations

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

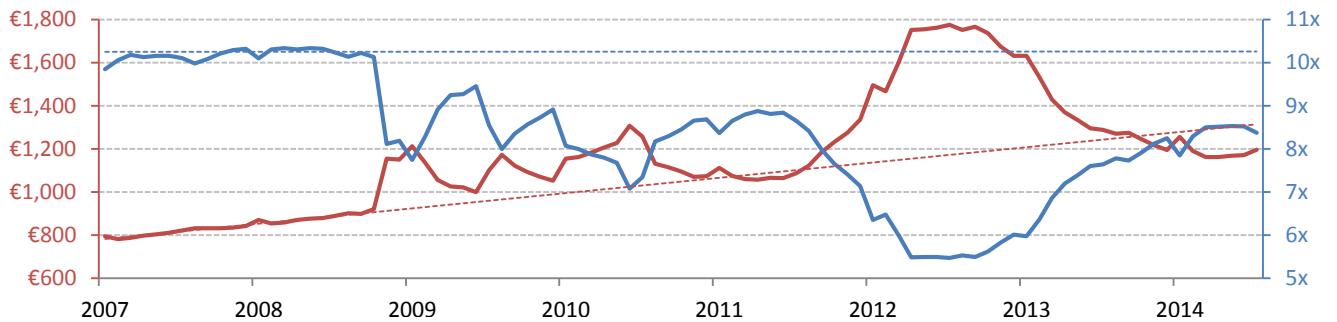
— Loans to 1 year — Loans 1-5 years — Loans 5 years plus ... Total



Source: ECB, TrendMacro calculations

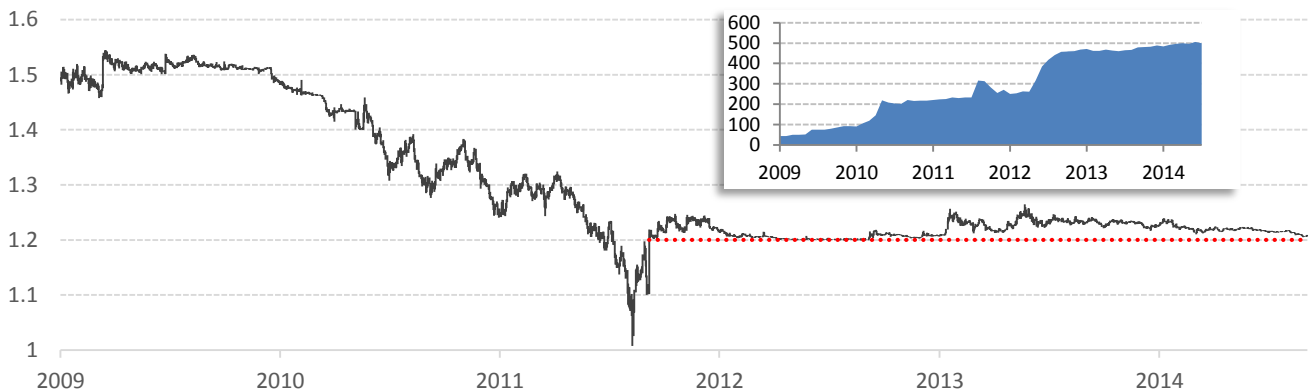
The money paradox: the case of the missing multiplier

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



Source: ECB, TrendMacro calculations

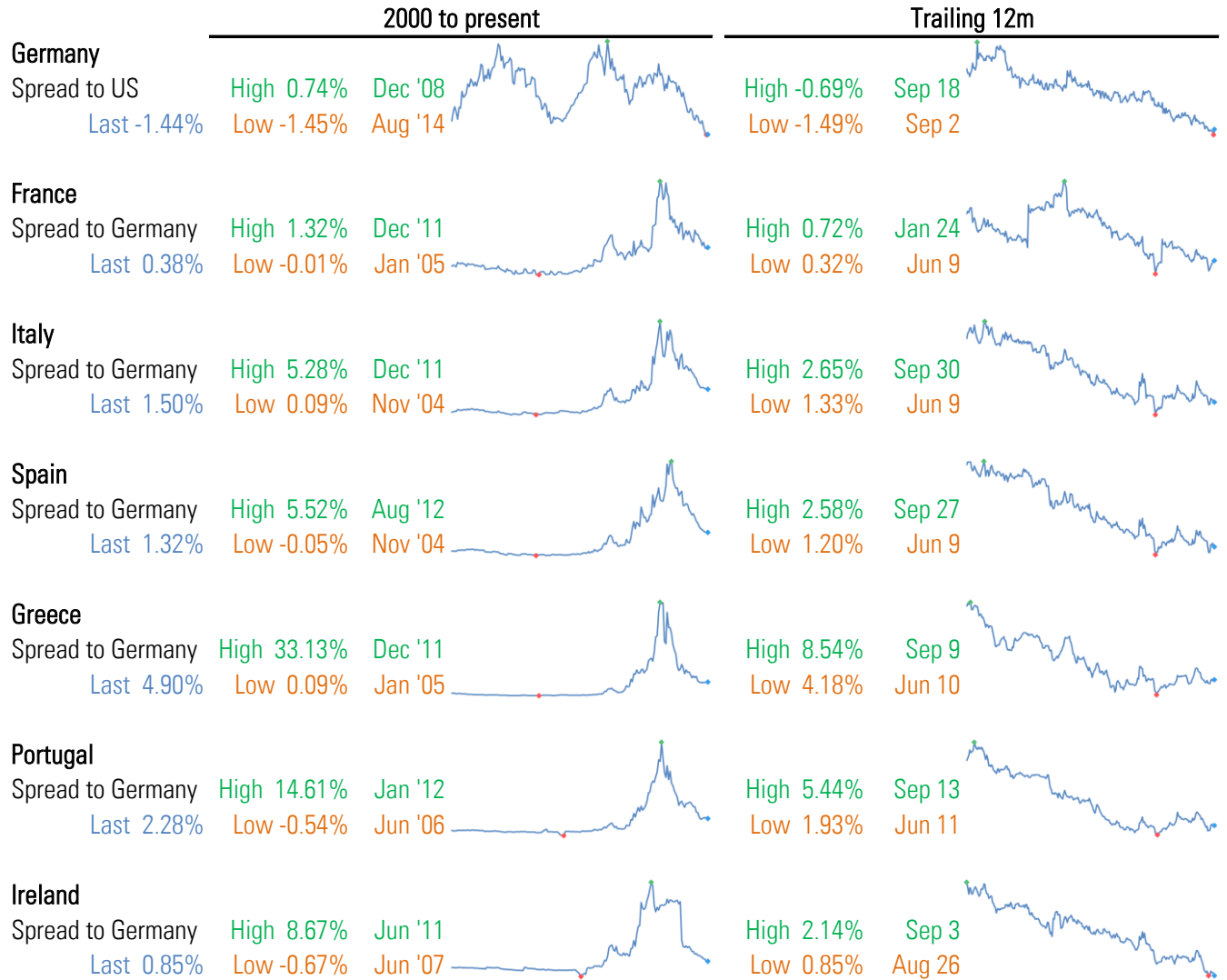
Regional currency flight — Euro vs Swiss franc ... Swiss National Bank floor — SNB FX reserves



Source: Bloomberg, TrendMacro calculations

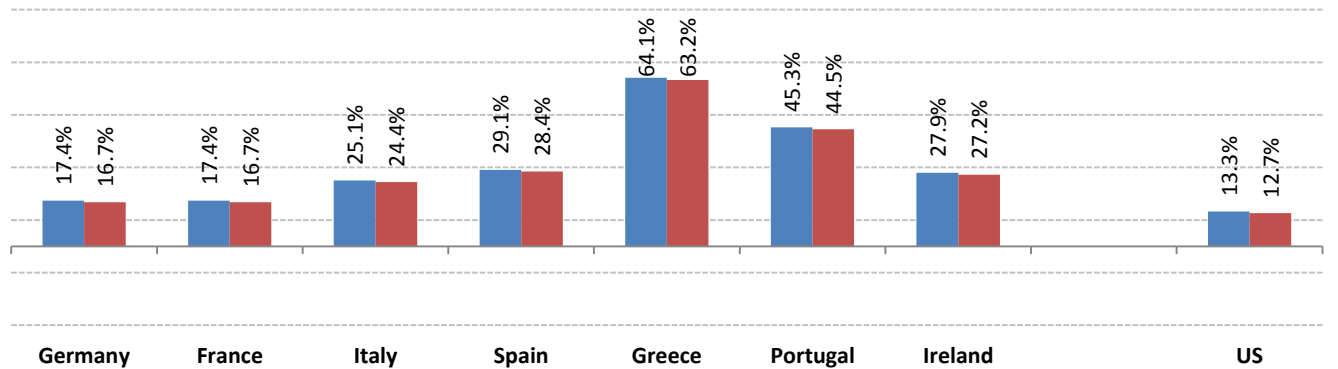
Sovereign stress monitor: 10-year bond spreads

· High · Low · Last



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

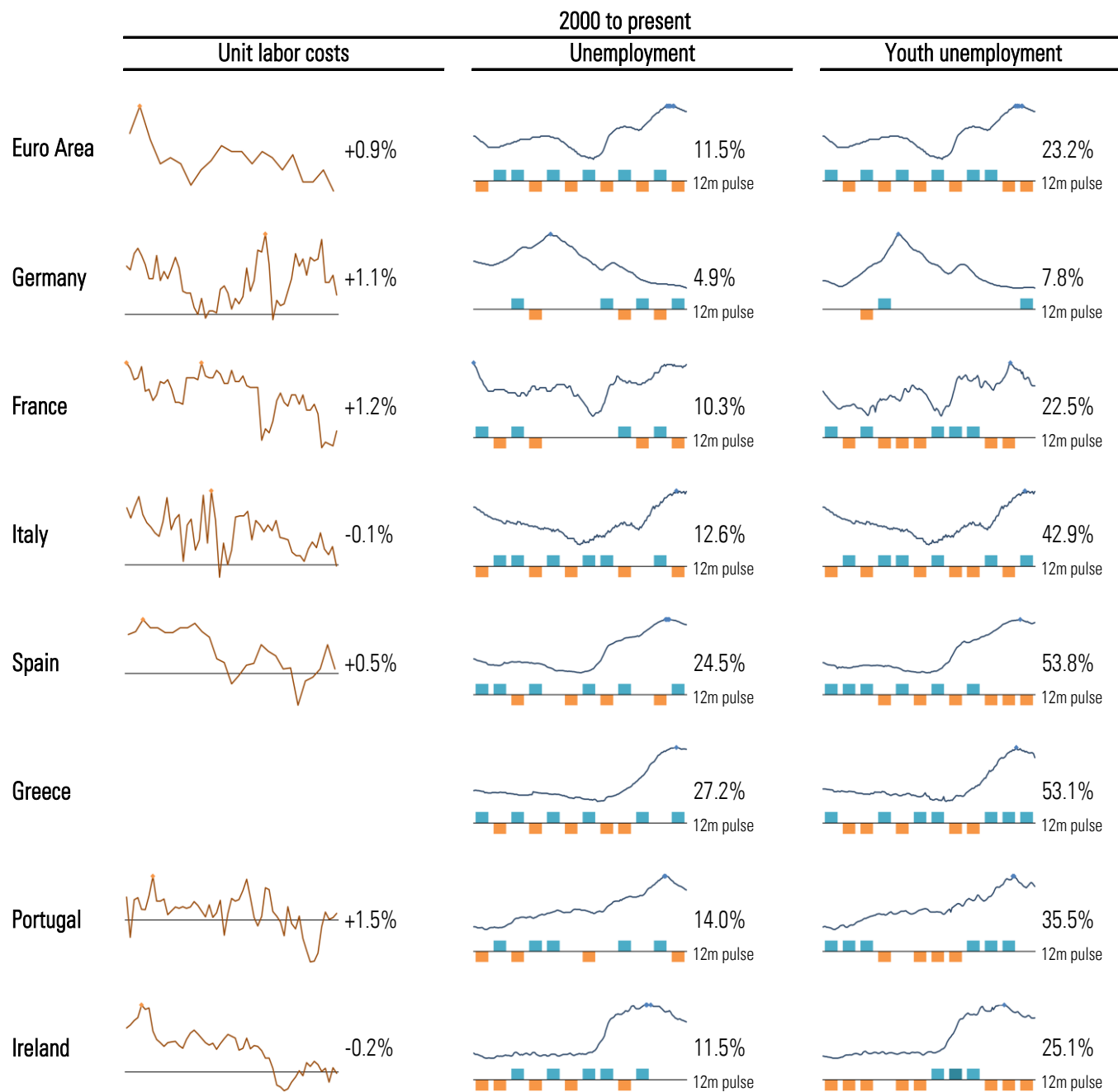
■ EUR ■ USD



Source: Bloomberg, TrendMacro calculations

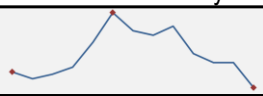

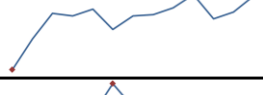
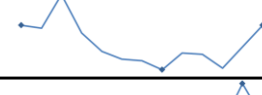
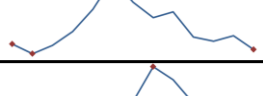
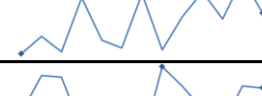
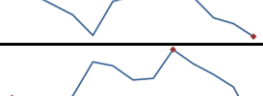
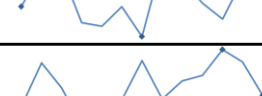
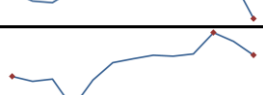
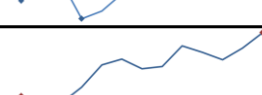

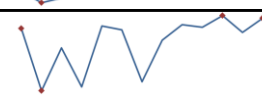
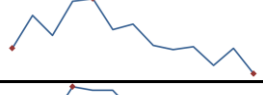

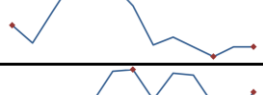
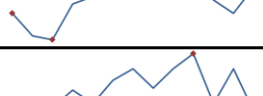


Labor market in intensive care

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



Source: Eurostat, TrendMacro calculations

Purchasing Manager Indices

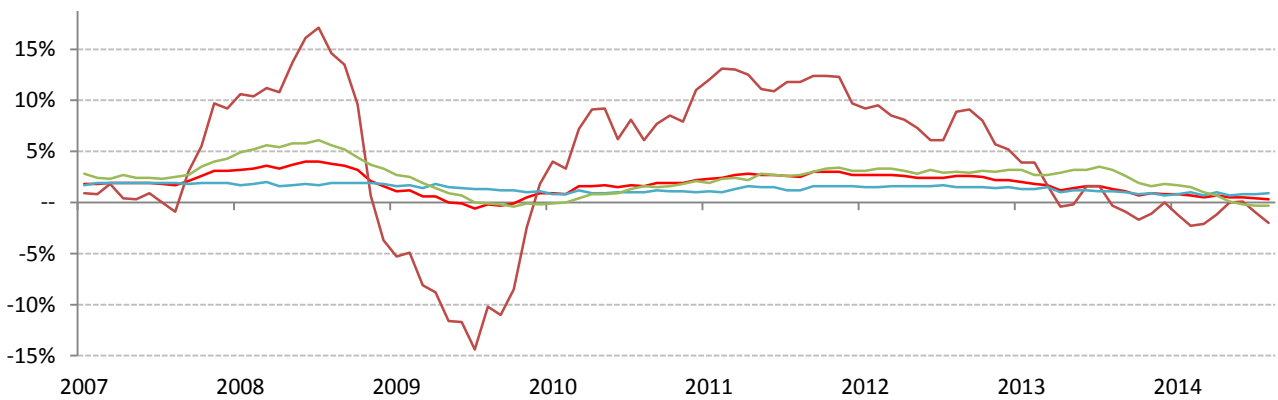
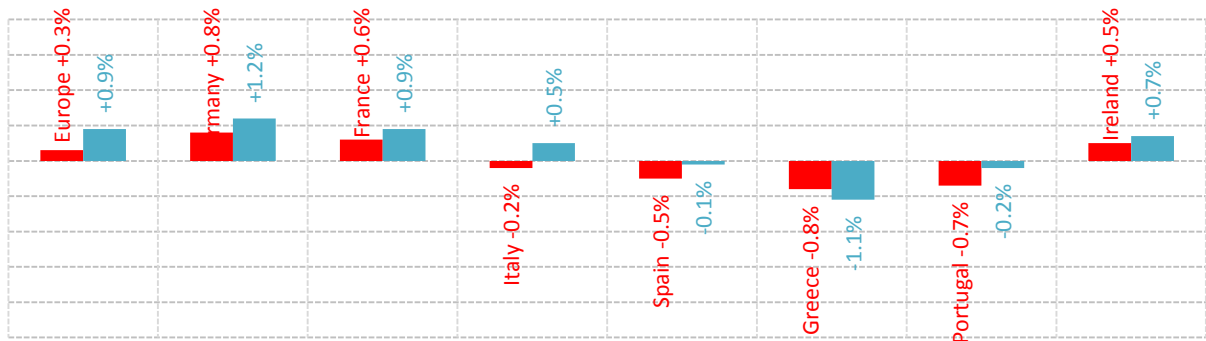
Manufacturing	Last	Prev	13-month history	Services	Last	Prev	13-month history
Eurozone Aug	50.7	51.8		Eurozone Aug	53.1	54.2	
UK Aug	52.5	54.8		UK Aug	60.5	59.1	
Germany Aug	51.4	52.4		Germany Aug	54.9	56.7	
France Aug	46.9	47.8		France Aug	50.3	50.4	
Italy Aug	49.8	51.9		Italy Aug	52.7	50.5	
Spain Aug	52.8	53.9		Spain Aug	58.1	56.2	
Ireland Aug	57.3	55.4		Ireland Aug	62.4	61.3	
Netherlands Aug	51.7	53.5					
Austria Aug	50.9	50.9					
Greece Aug	50.1	48.7					
Czech Rep Aug	54.3	56.5					

Source: Markit, TrendMacro calculations

Euro area consumer inflation, year on year

By country: ■ Headline ■ Ex-food and energy

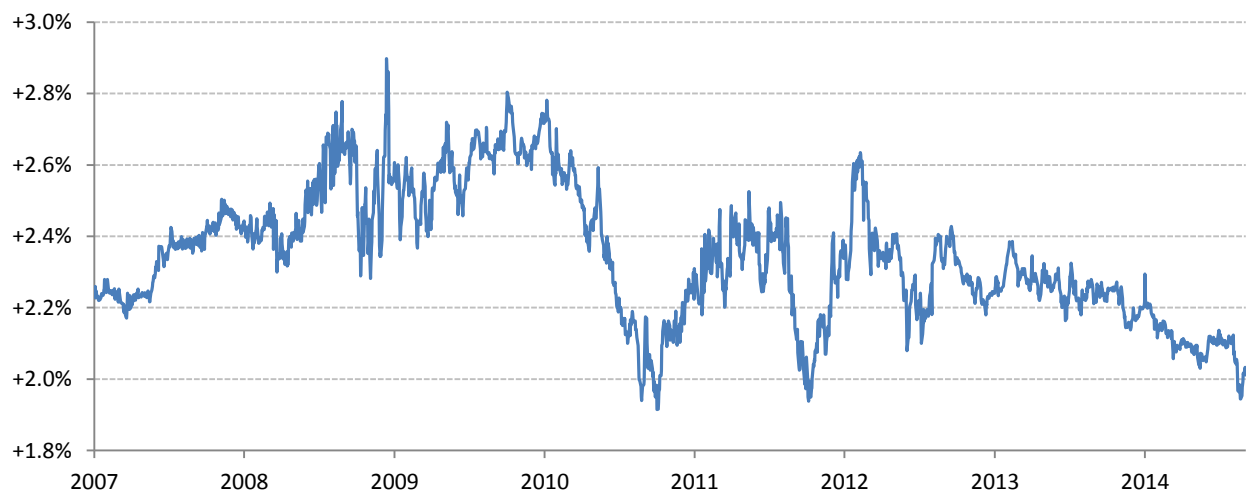
Euro area: ■ Headline ■ Ex-food and energy ■ Energy ■ Food



Source: Eurostat, TrendMacro calculations

Draghi's dashboard: swap-implied inflation expectations

— 5-year inflation-swap rate, 5 years forward



Source: Bloomberg, TrendMacro calculations