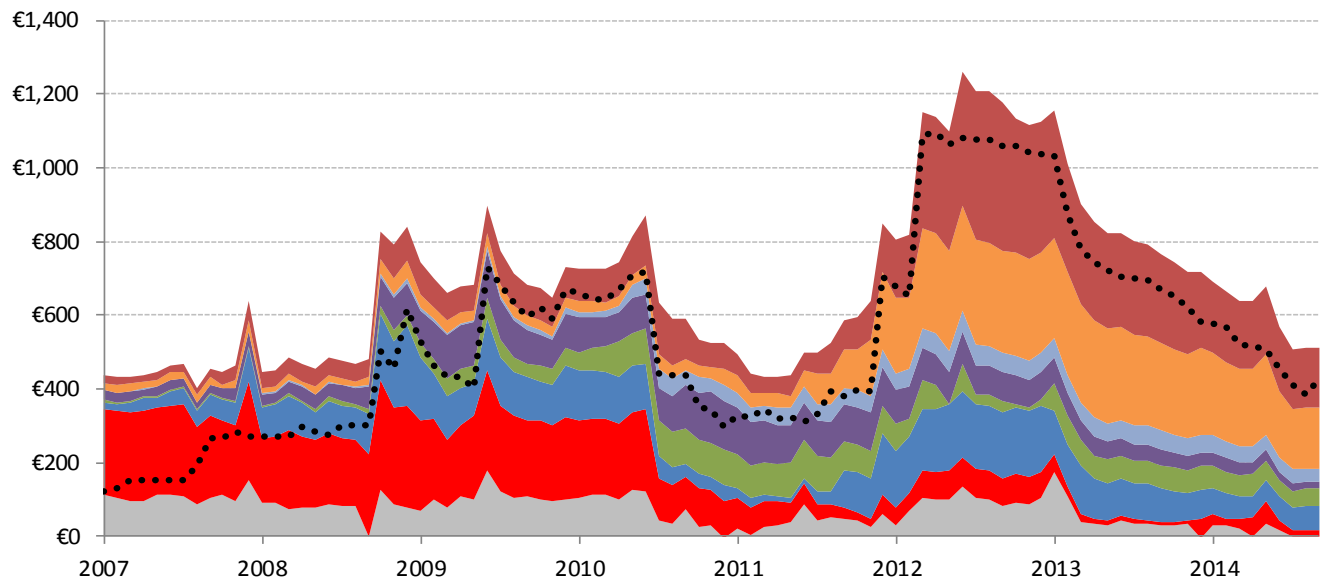


## Data Insights: Euro Area Recovery Monitor

Thursday, October 2, 2014

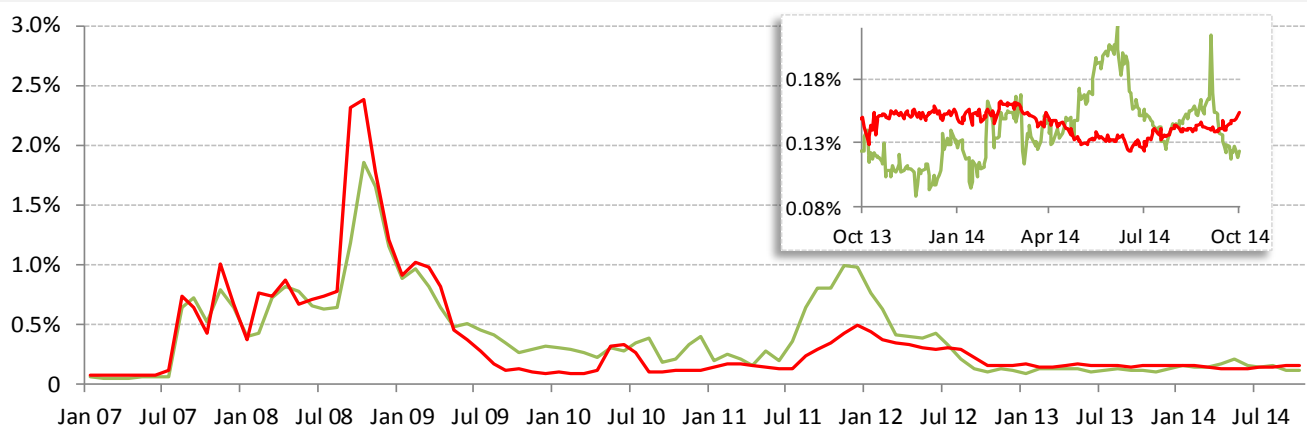
### Banking system dependency: borrowing from the ECB (€ billions)

... Total LTRO Spain Italy Portugal Ireland Greece France Germany Other



Source: ECB, National central banks, TrendMacro calculations

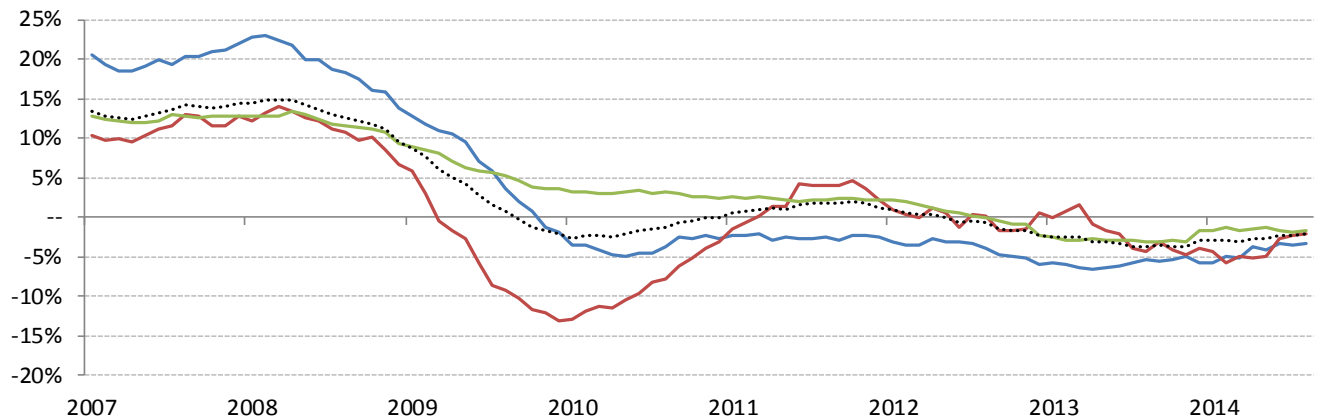
### Bank stability: 90-day LIBOR/OIS spreads — USD — EUR



Source: Bloomberg, TrendMacro calculations

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

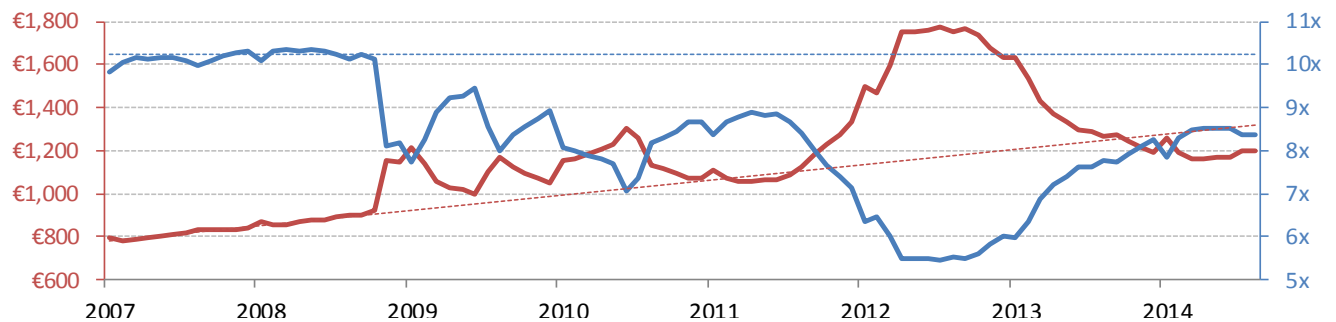
— Loans to 1 year — Loans 1-5 years — Loans 5 years plus ... Total



Source: ECB, TrendMacro calculations

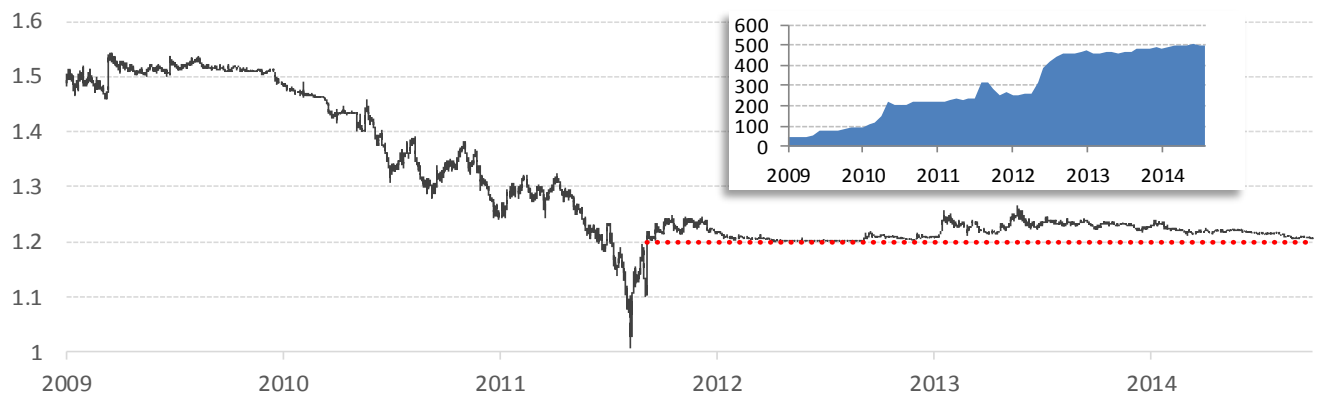
## The money paradox: the case of the missing multiplier

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



Source: ECB, TrendMacro calculations

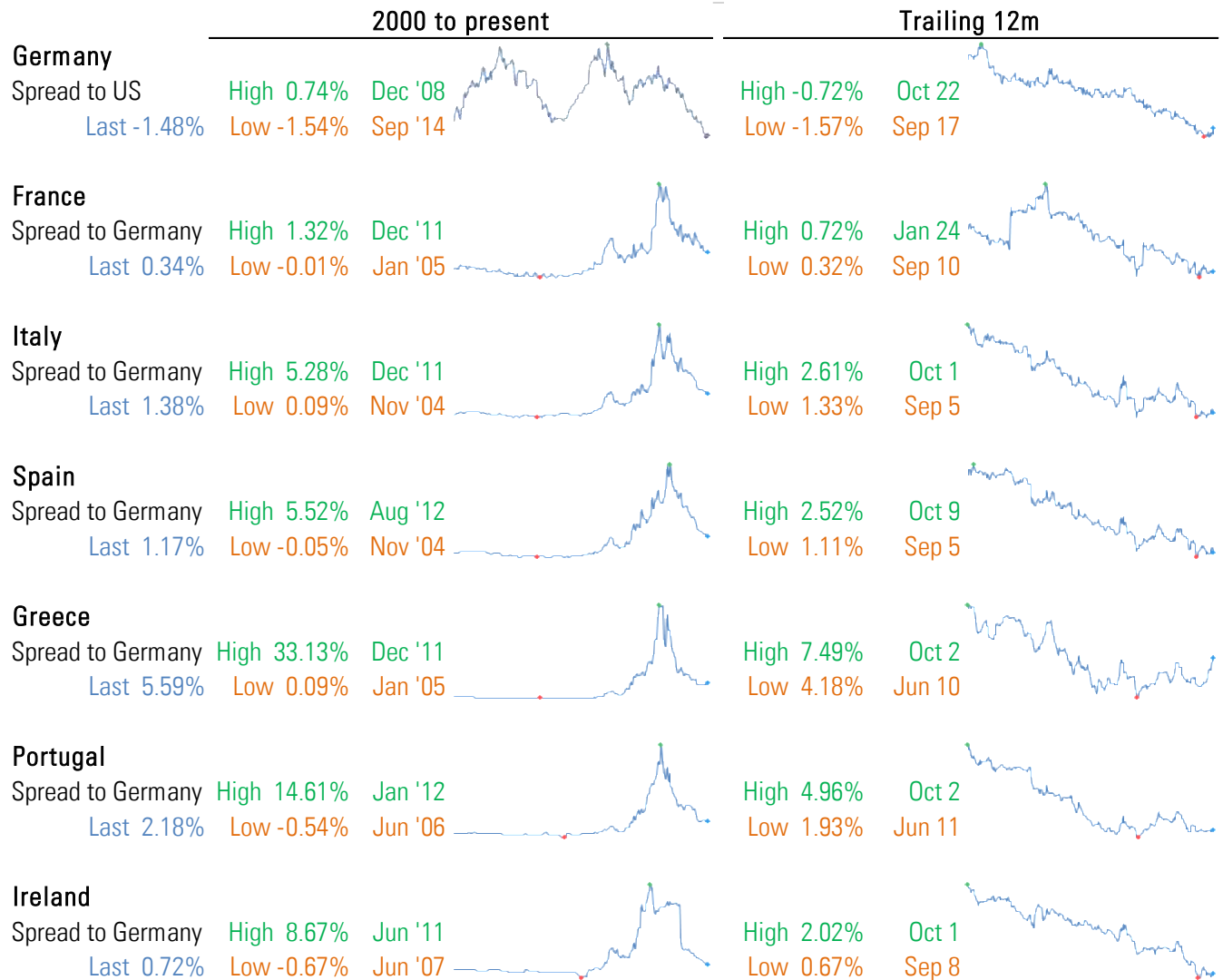
## Regional currency flight — Euro vs Swiss franc ... Swiss National Bank floor ■ SNB FX reserves



Source: Bloomberg, TrendMacro calculations

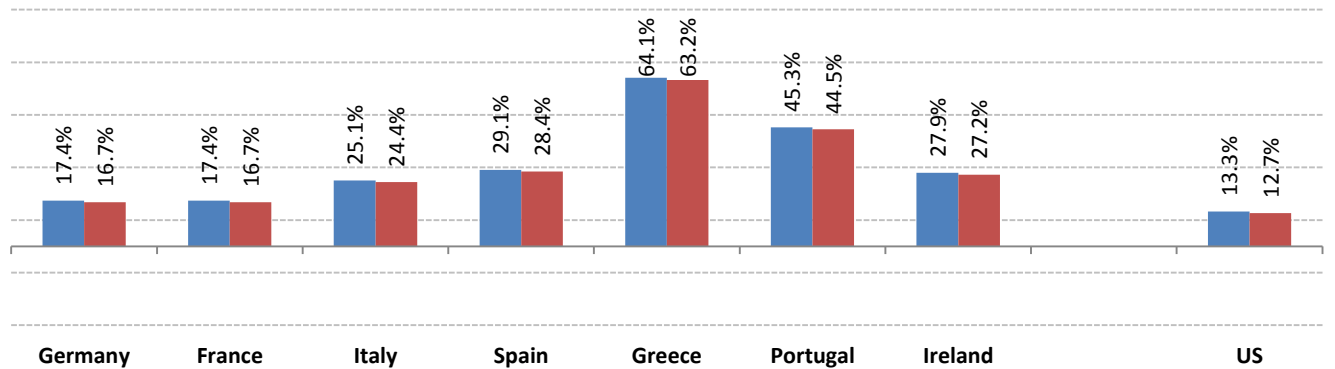
## Sovereign stress monitor: 10-year bond spreads

· High · Low · Last



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

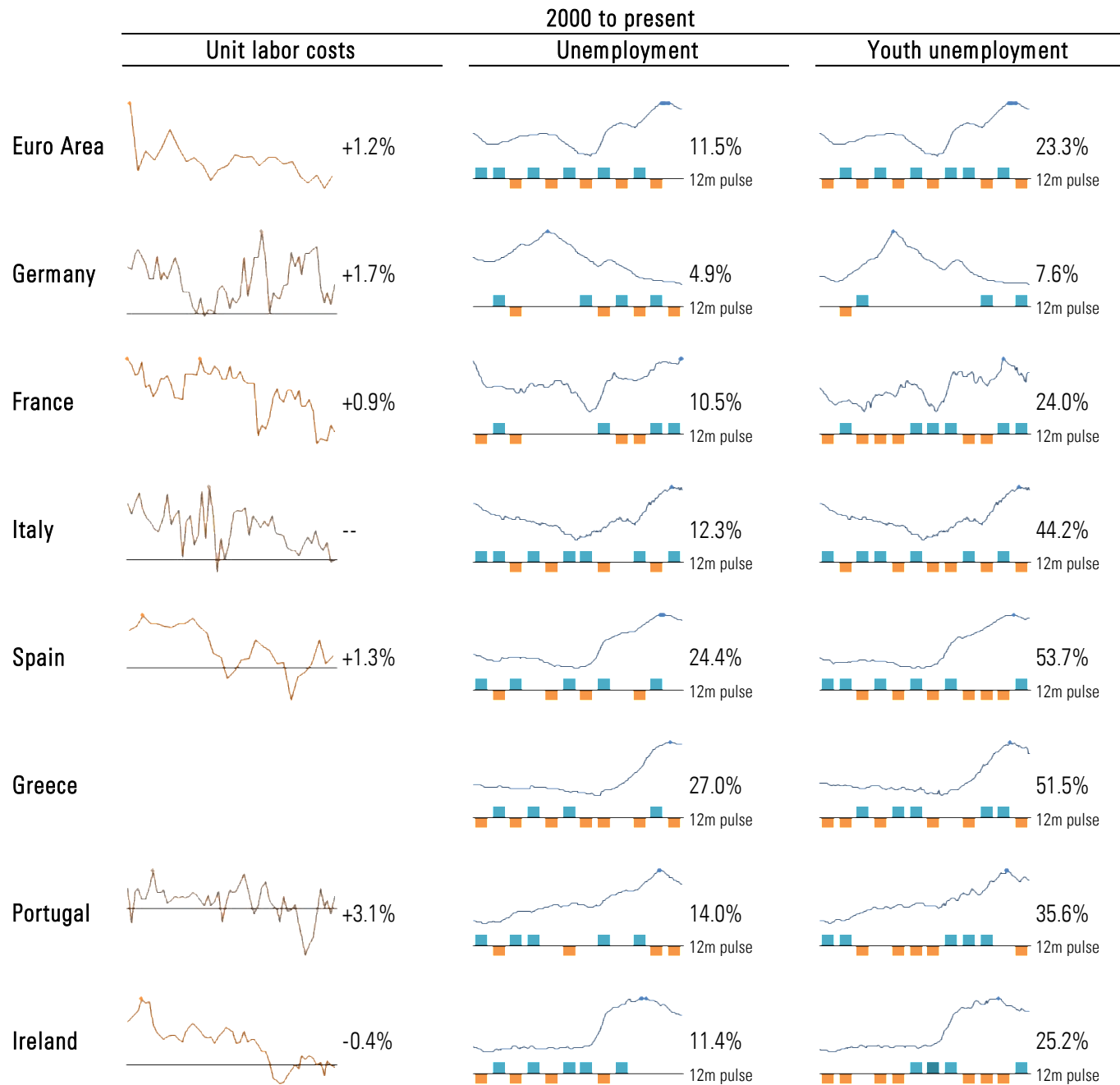
■ EUR ■ USD



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

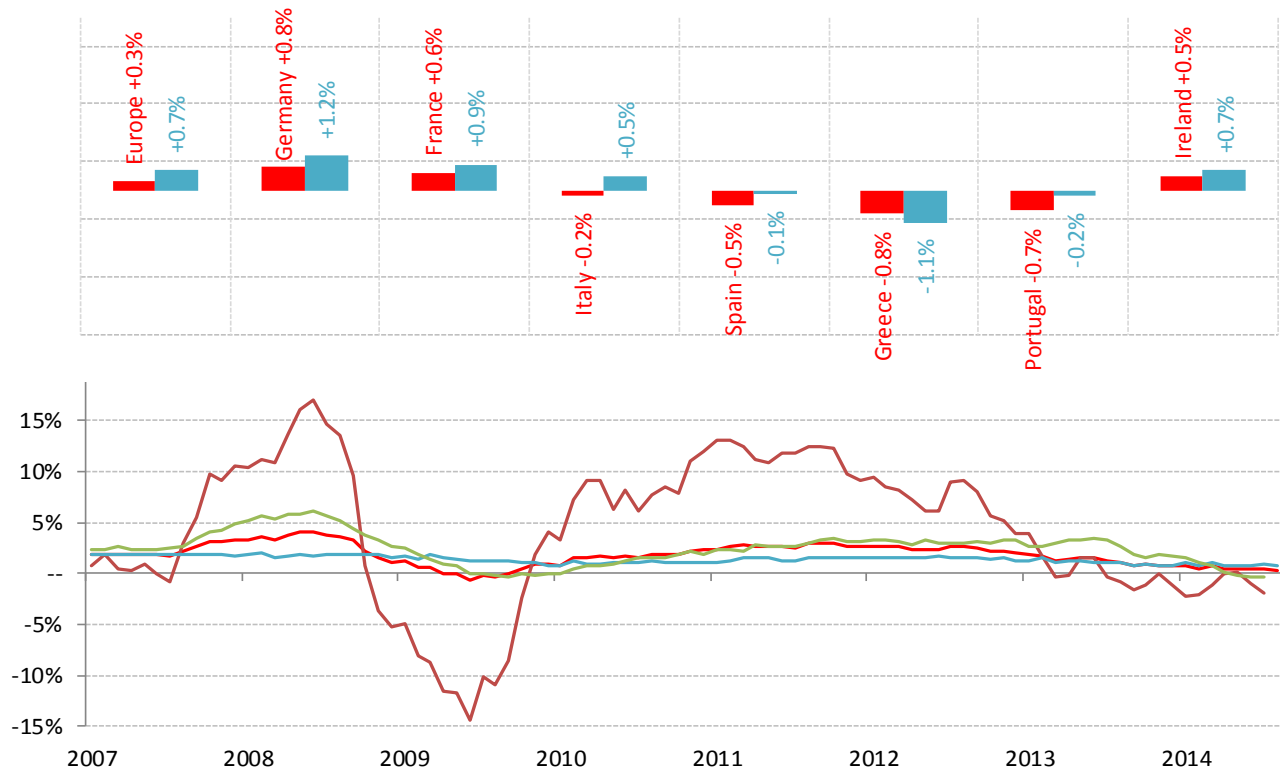
<b>Manufacturing</b>	Last	Prev	13-month history	<b>Services</b>	Last	Prev	13-month history
Eurozone Sep	50.3	50.7		Eurozone Sep	52.8	53.1	
UK Sep	51.6	52.2		UK Aug	60.5	59.1	
Germany Sep	49.9	51.4		Germany Sep	55.4	54.9	
France Sep	48.8	46.9		France Sep	49.4	50.3	
Italy Sep	50.7	49.8		Italy Aug	52.7	50.5	
Spain Sep	52.6	52.8		Spain Aug	58.1	56.2	
Ireland Sep	55.7	57.3		Ireland Aug	62.4	61.3	
Netherlands Sep	52.2	51.7					
Austria Sep	47.9	50.9					
Greece Sep	48.4	50.1					
Czech Rep Sep	55.6	54.3					

Source: Markit, TrendMacro calculations

## Euro area consumer inflation, year on year

By country: ■ Headline ■ Ex-food and energy

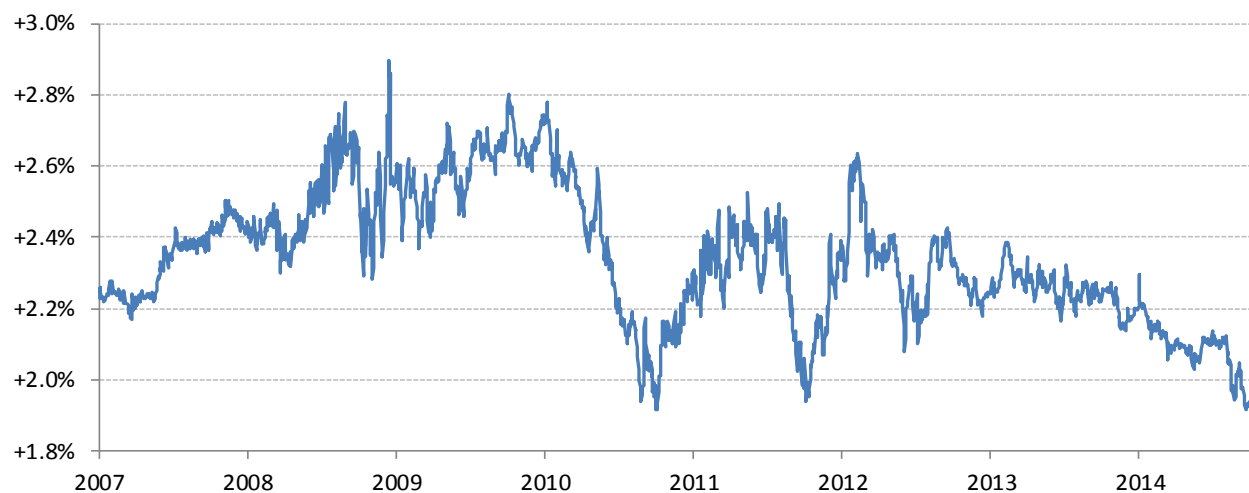
Euro area: — Headline — Ex-food and energy — Energy — Food



Source: Eurostat, TrendMacro calculations

## Draghi's dashboard: swap-implied inflation expectations

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



Source: Bloomberg, TrendMacro calculations