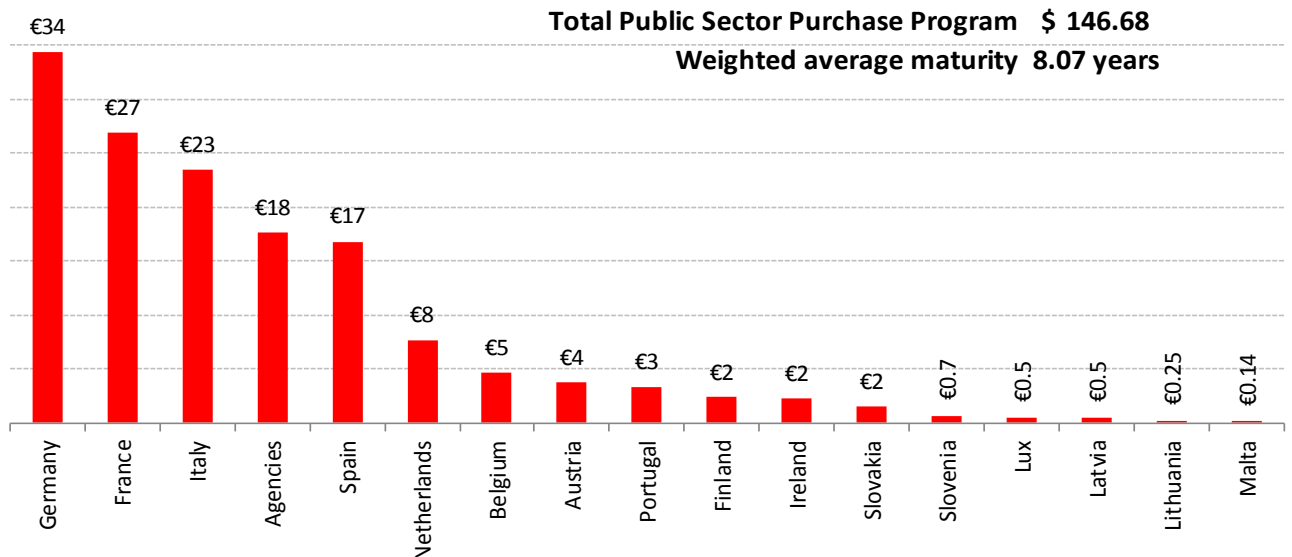
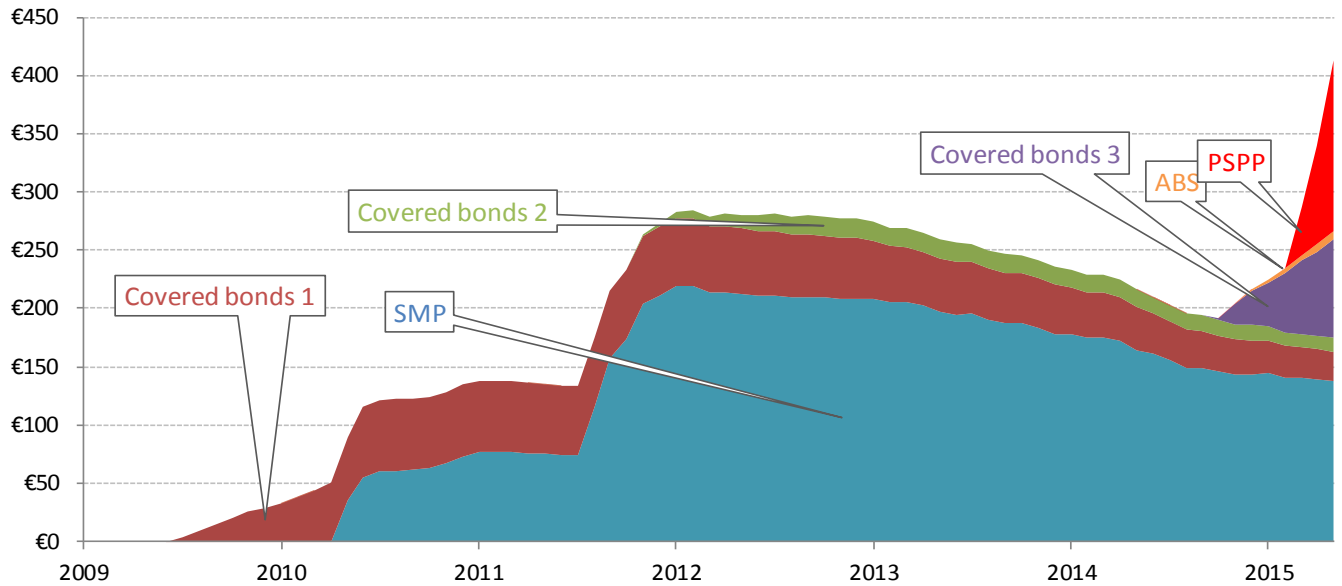


## Data Insights: Euro Area Recovery Monitor

Wednesday, June 3, 2015

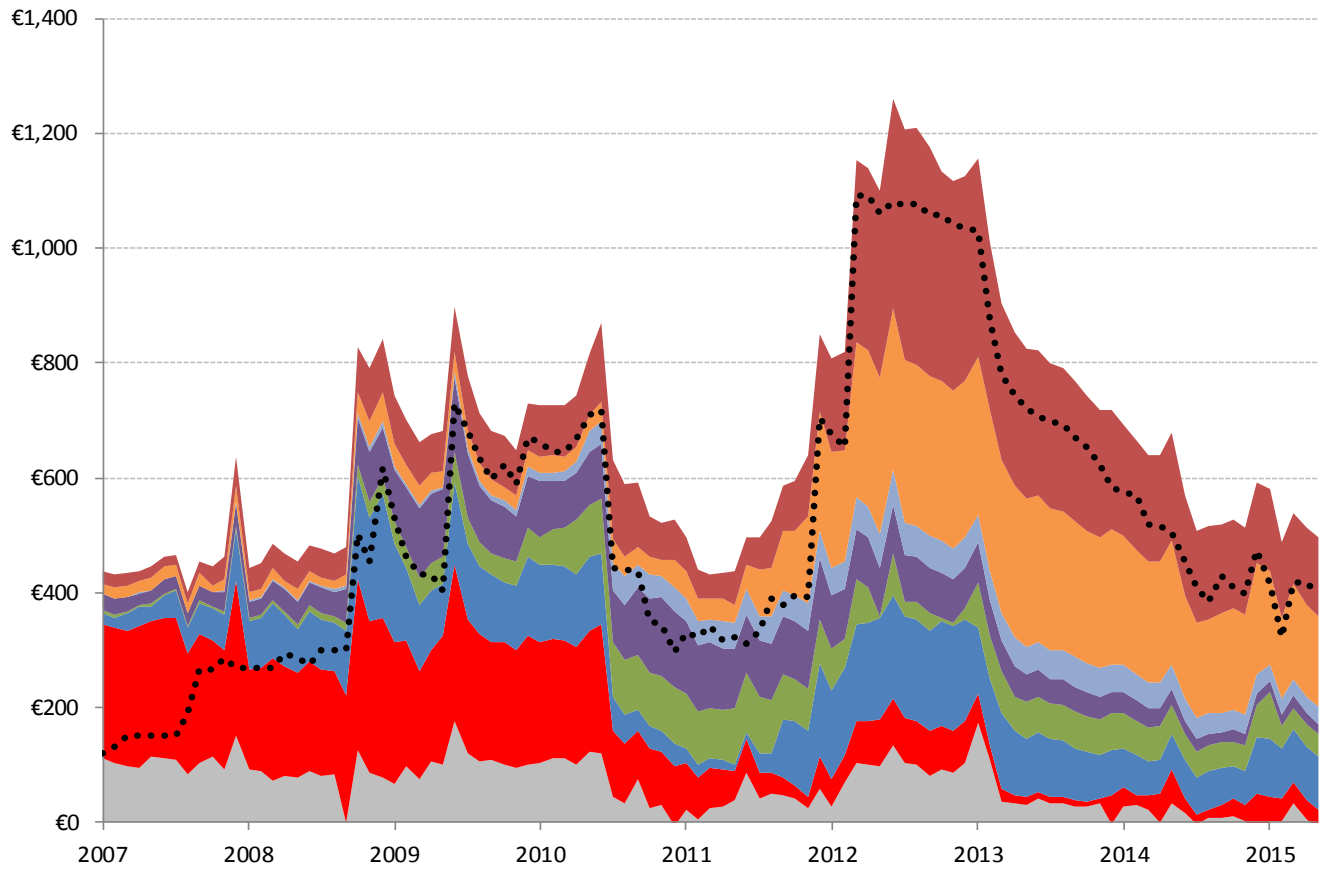
### The ECB's struggle to build purchased assets (€ billions)



Source: ECB, TrendMacro calculations

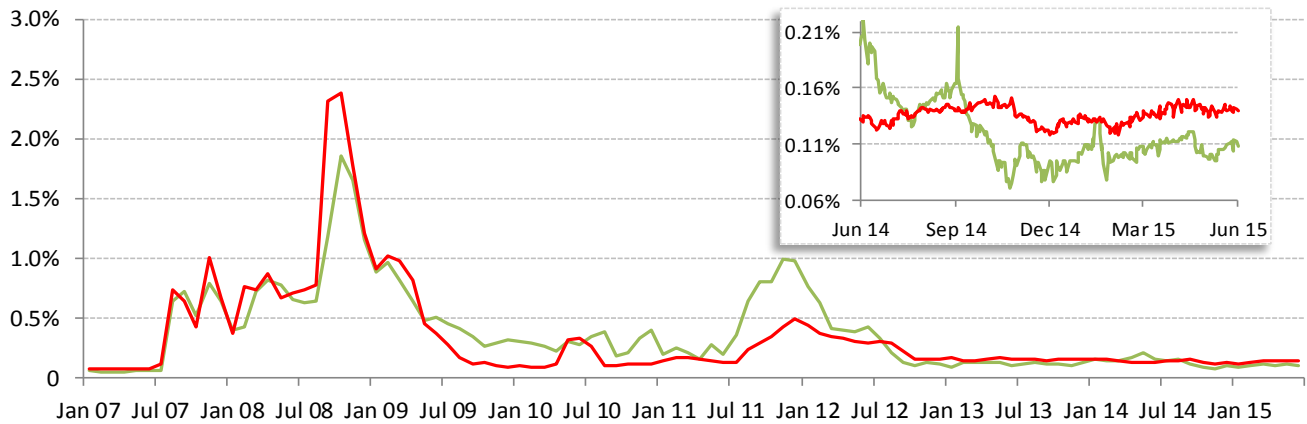
## Banking system dependency: borrowing from the ECB (€ billions)

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



Source: ECB, National central banks, TrendMacro calculations

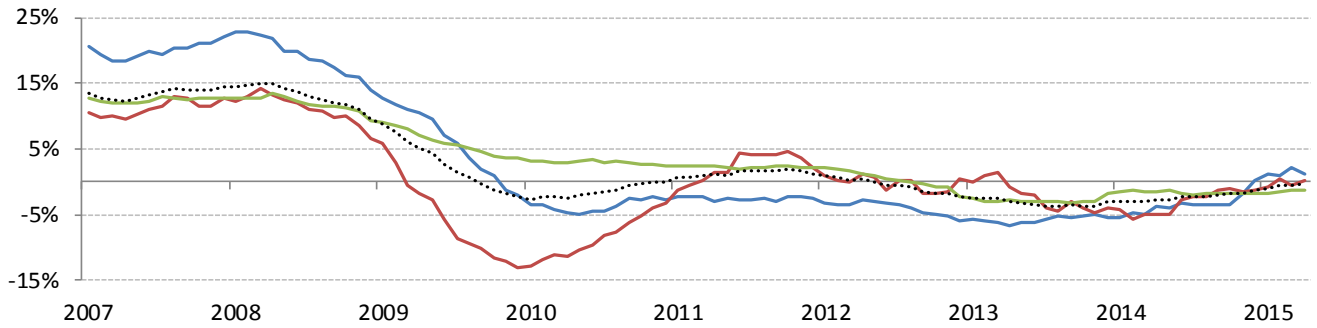
## Bank stability: 90-day LIBOR/OIS spreads — USD — EUR



Source: Bloomberg, TrendMacro calculations

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

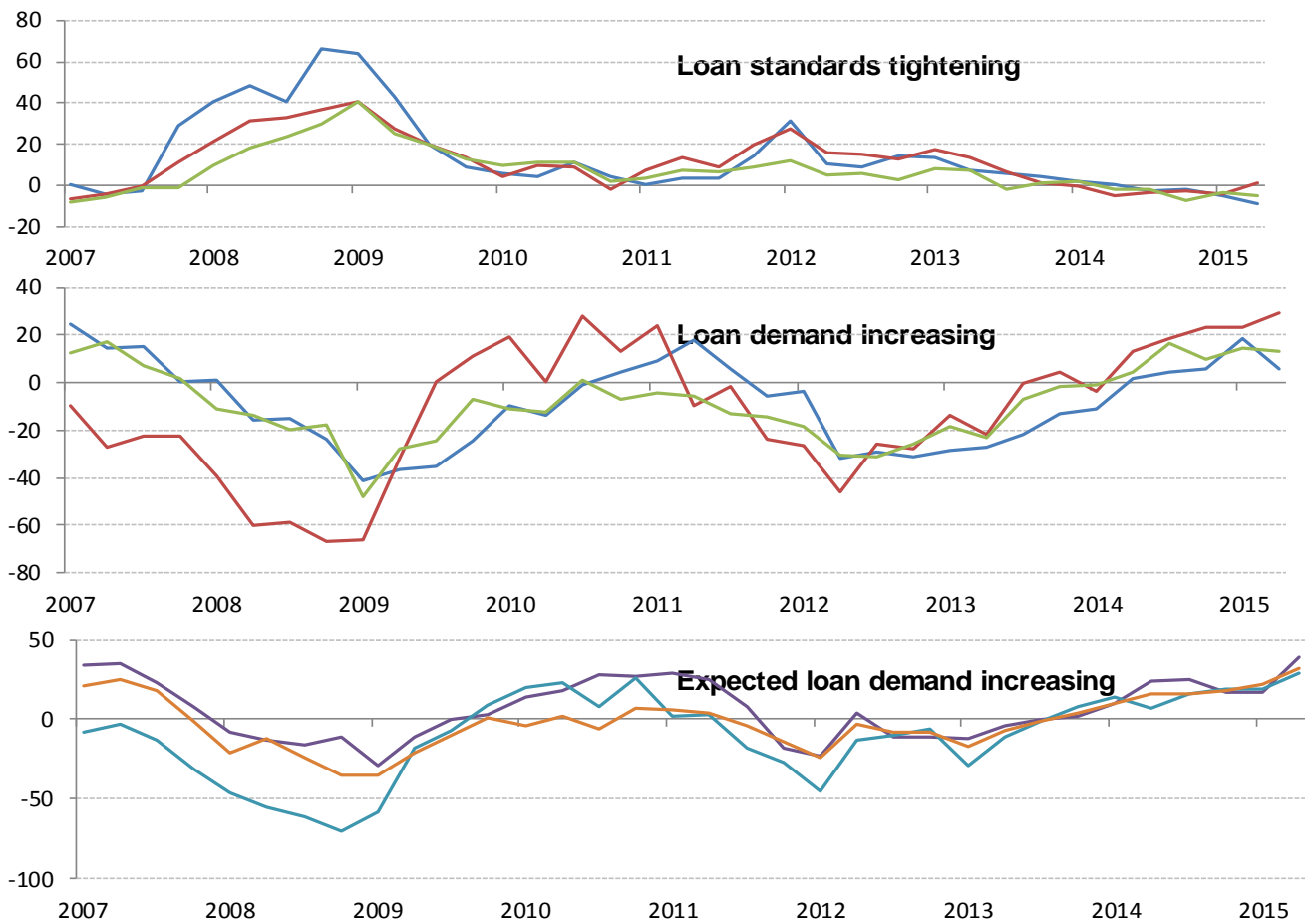
— Loans to 1 year — Loans 1-5 years — Loans 5 years plus ... Total



Source: ECB, TrendMacro calculations

## Supply and demand for lending: ECB Bank Survey

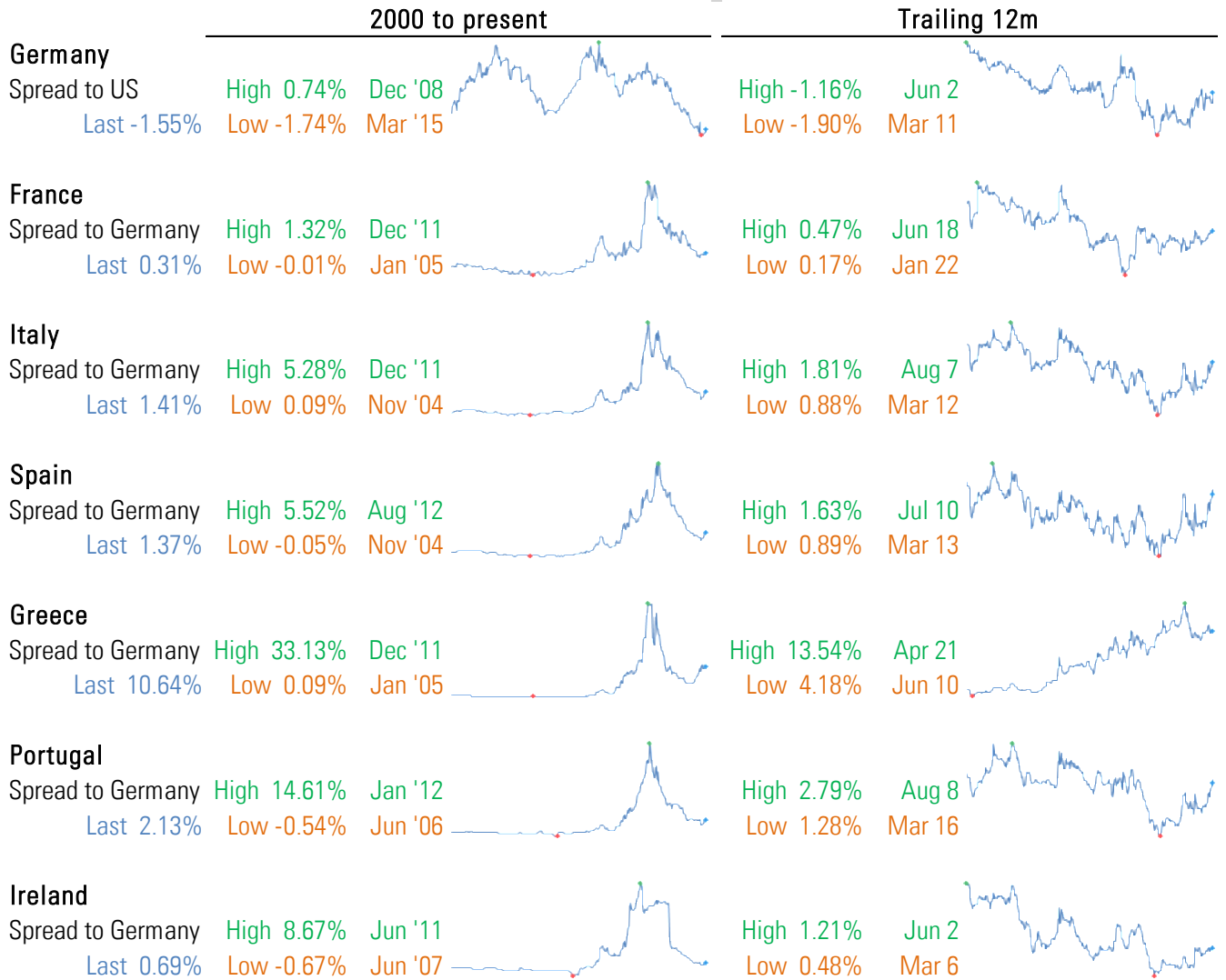
Net number of banks reporting for: — Enterprises — Home mortgage — Consumer



Source: ECB, TrendMacro calculations

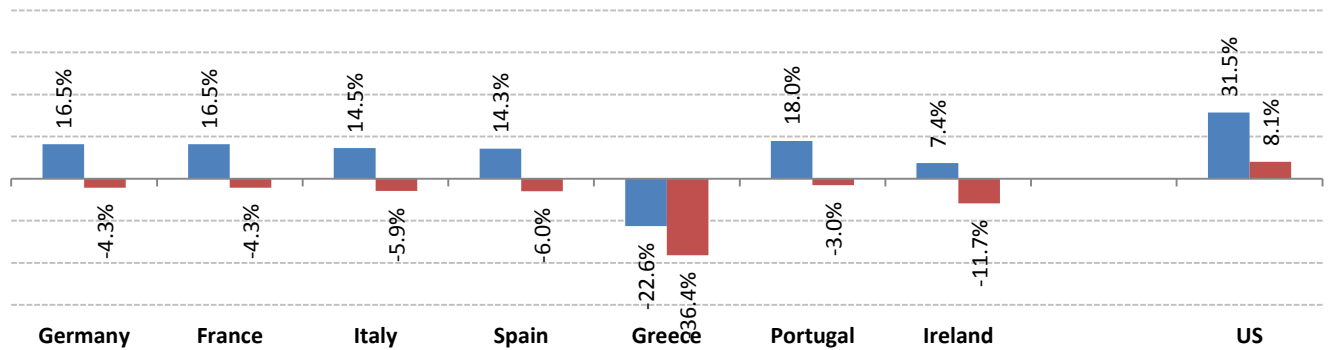
# Sovereign stress monitor: 10-year bond spreads

· High · Low · Last



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

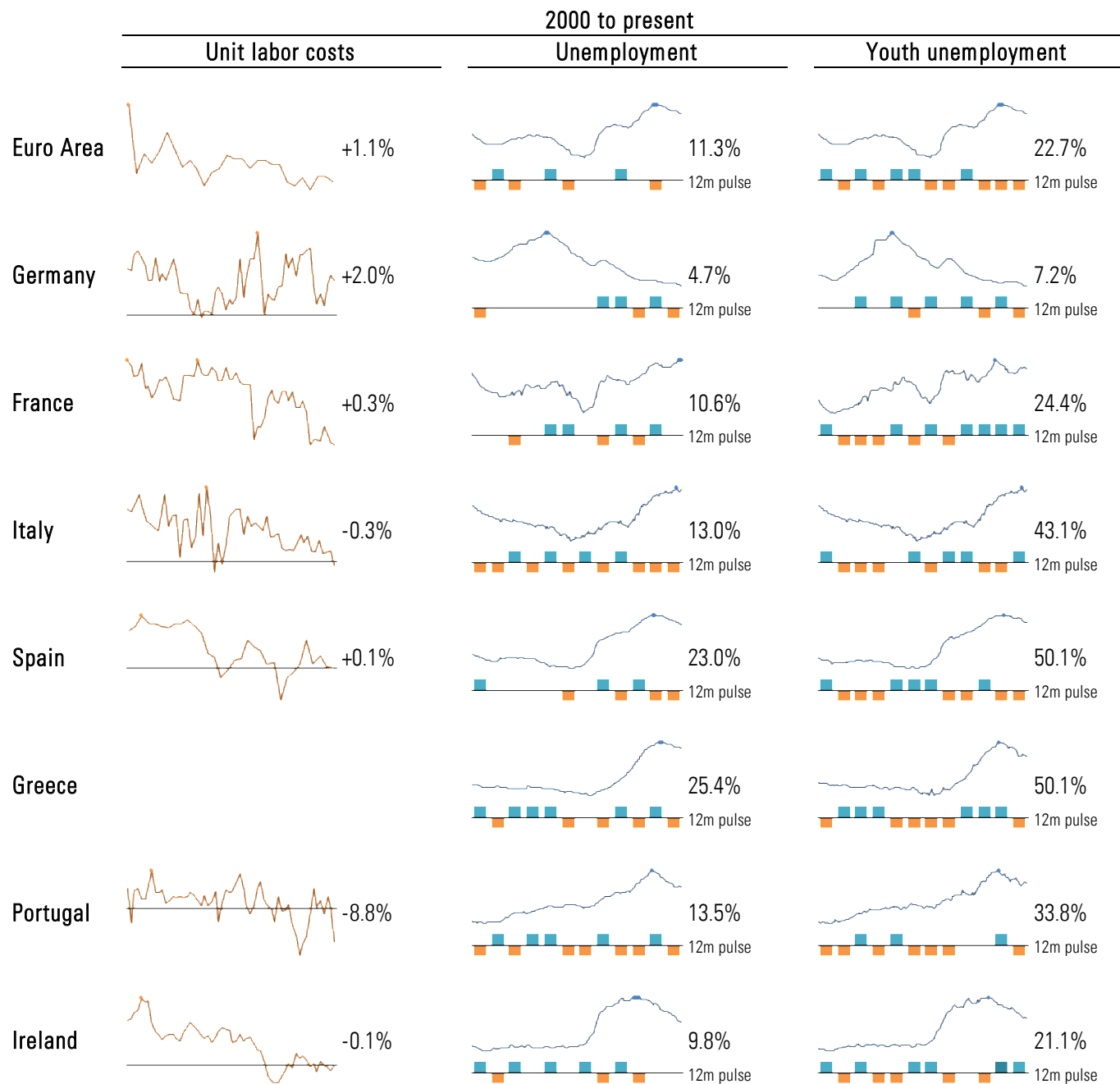
■ EUR ■ USD



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 May         | 52.2 | 52.0 |                  | Eurozone May    | 53.8 | 54.1 |                  |
| UK May               | 52.0 | 51.8 |                  | UK May          | 56.5 | 59.5 |                  |
| Germany May          | 51.1 | 52.1 |                  | Germany May     | 53.0 | 54.0 |                  |
| France May           | 49.4 | 48.0 |                  | France May      | 52.8 | 51.4 |                  |
| Italy May            | 54.8 | 53.8 |                  | Italy May       | 53.9 | 52.8 |                  |
| Spain May            | 55.8 | 54.2 |                  | Spain May       | 58.4 | 60.3 |                  |
| Ireland May          | 57.1 | 55.8 |                  | Ireland Apr     | 60.6 | 60.9 |                  |
| Netherlands May      | 55.5 | 54.0 |                  |                 |      |      |                  |
| Austria May          | 50.3 | 50.1 |                  |                 |      |      |                  |
| Greece May           | 48.0 | 46.5 |                  |                 |      |      |                  |
| Czech Rep May        | 55.5 | 54.7 |                  |                 |      |      |                  |

Source: Markit, TrendMacro calculations

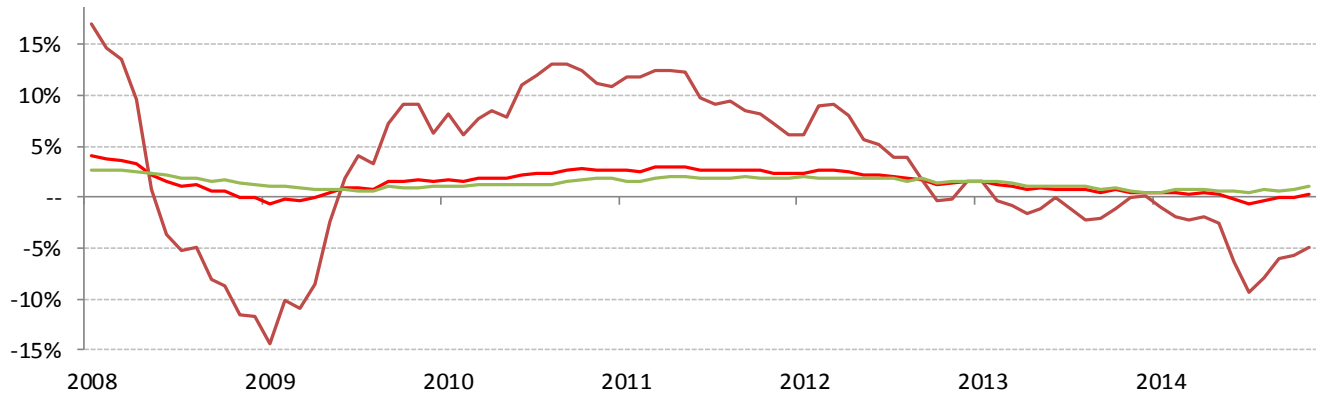
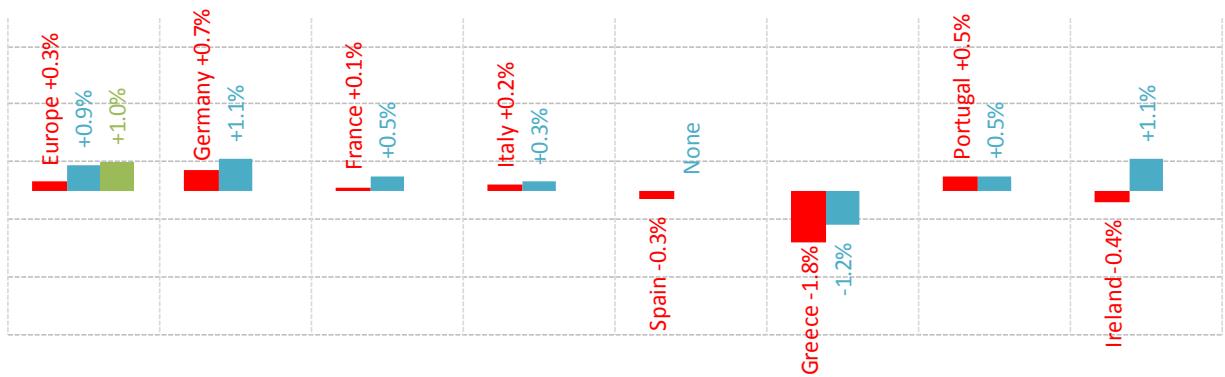
## Regional currency flight — Euro vs Swiss franc — Swiss National Bank floor — SNB FX reserves



Source: Bloomberg, TrendMacro calculations

## Euro area consumer inflation, year on year

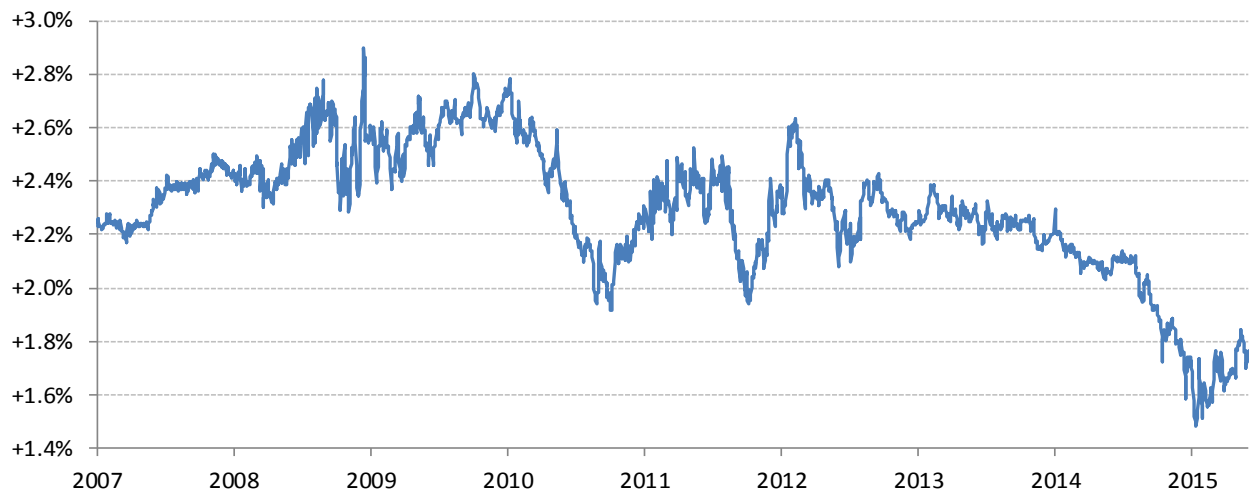
Country: ■ Headline ■ Ex-food and energy ■ Ex-energy    Euro area: — Headline — Energy — Ex-energy



Source: Eurostat, TrendMacro calculations

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

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



Source: Bloomberg, TrendMacro calculations