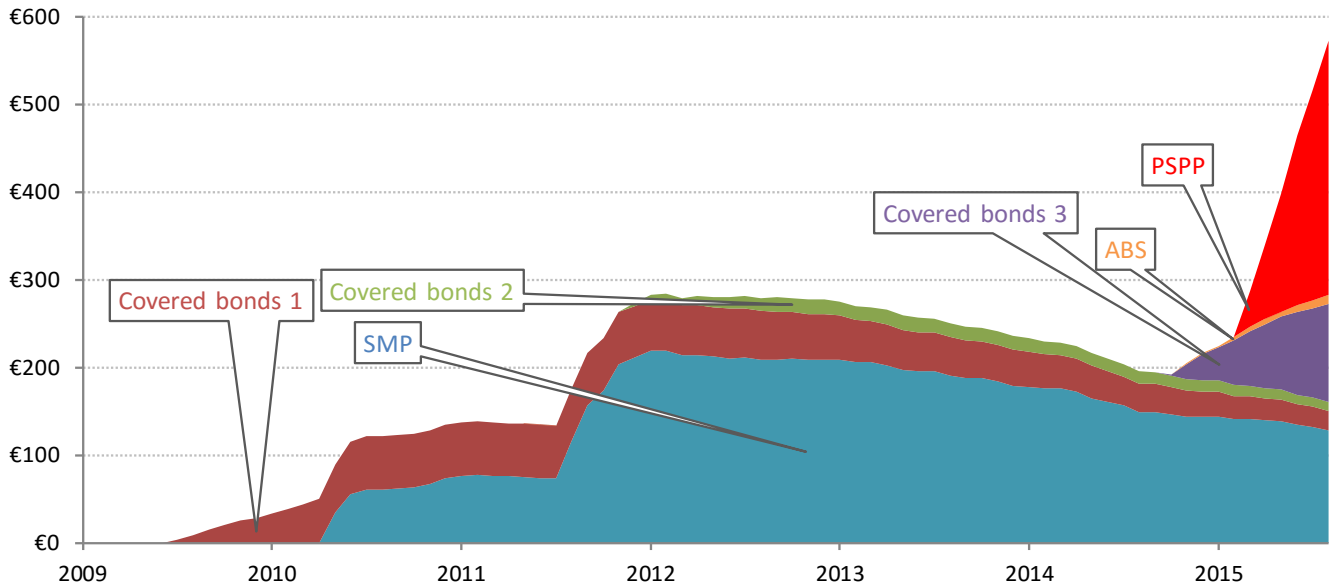


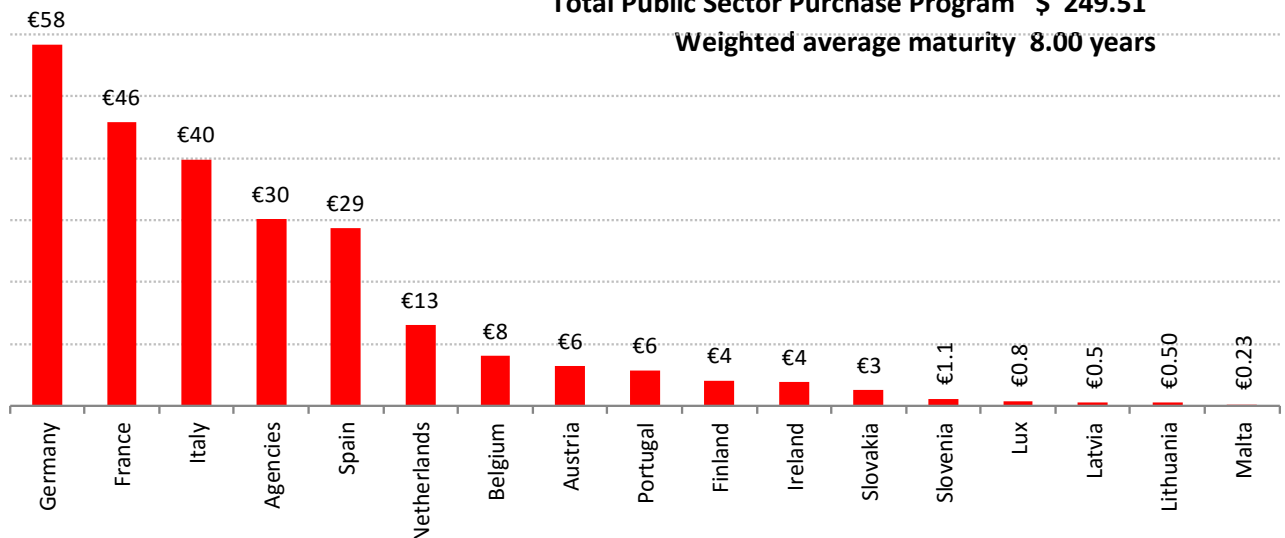
Data Insights: Euro Area Recovery Monitor

Thursday, September 3, 2015

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



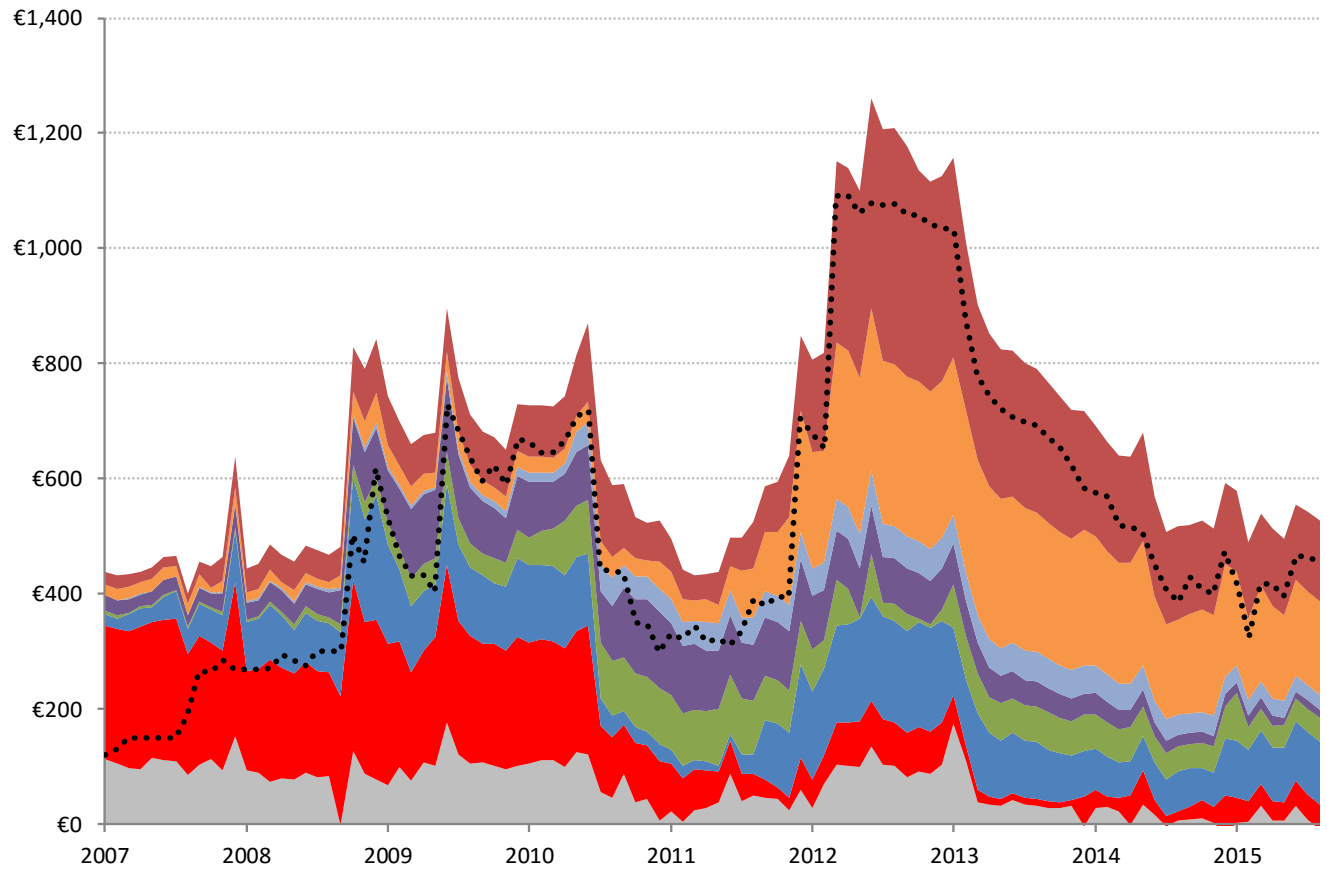
Total Public Sector Purchase Program \$ 249.51
Weighted average maturity 8.00 years



Source: ECB, TrendMacro calculations

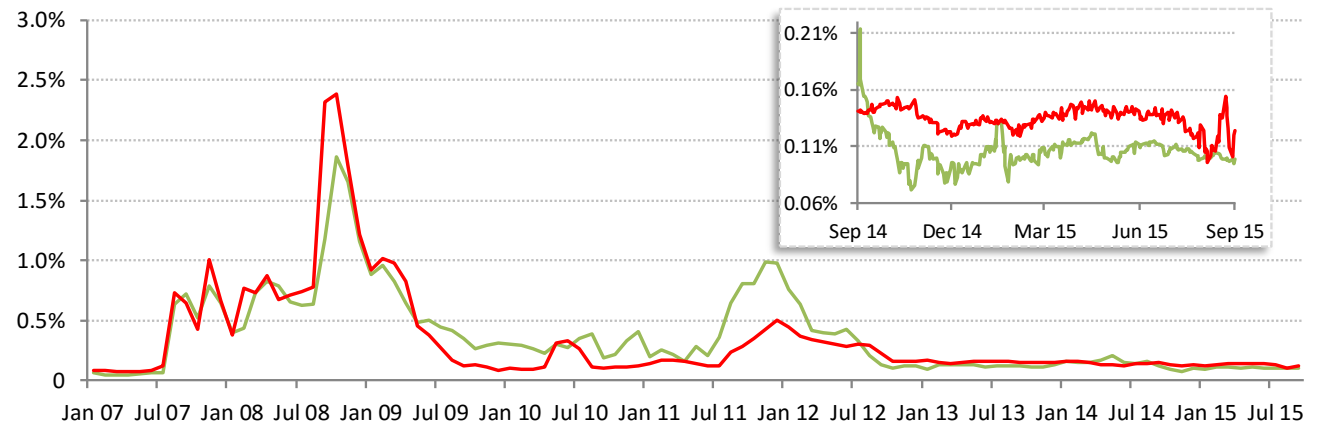
Banking system dependency: borrowing from the ECB (€ billions)

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



Source: ECB, National central banks, TrendMacro calculations

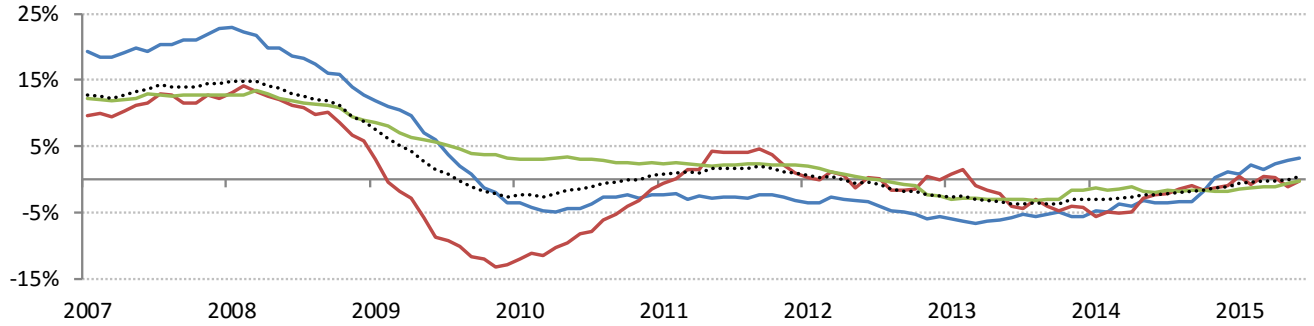
Bank stability: 90-day LIBOR/OIS spreads (USD EUR)



Source: Bloomberg, TrendMacro calculations

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

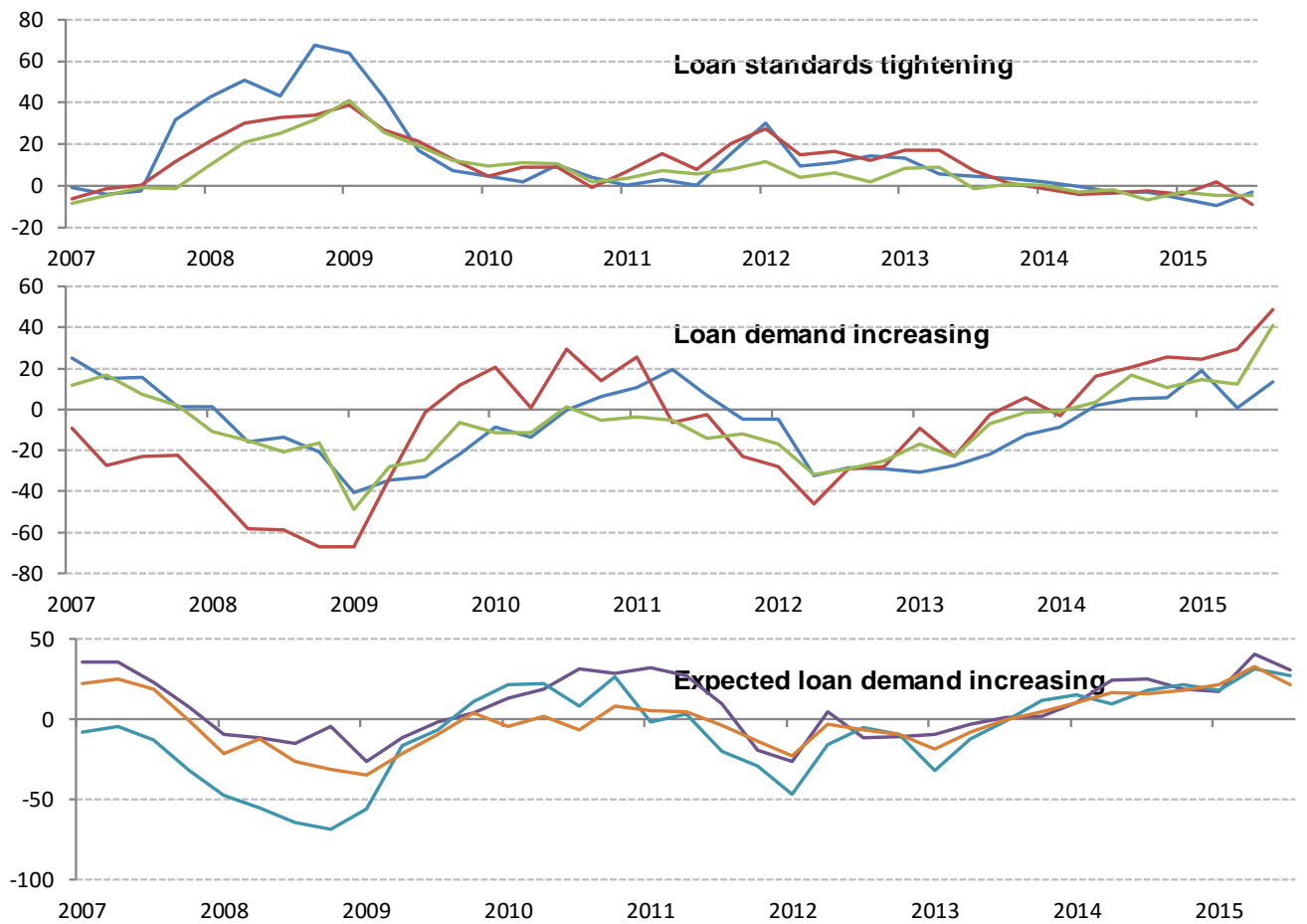
— Loans to 1 year — Loans 1-5 years — Loans 5 years plus ... Total



Source: ECB, TrendMacro calculations

Supply and demand for lending: ECB Bank Survey

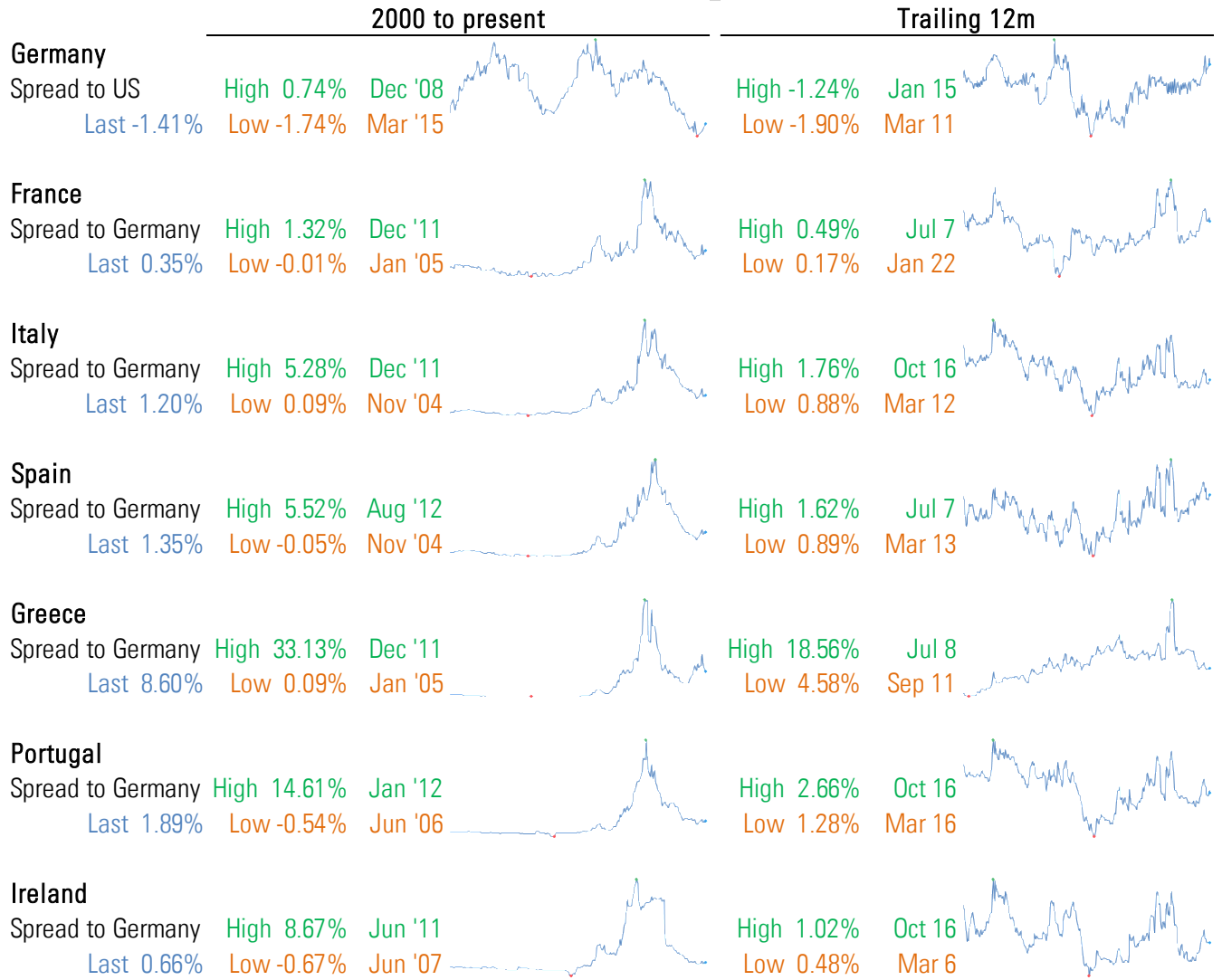
Net number of banks reporting for: — Enterprises — Home mortgage — Consumer



Source: ECB, TrendMacro calculations

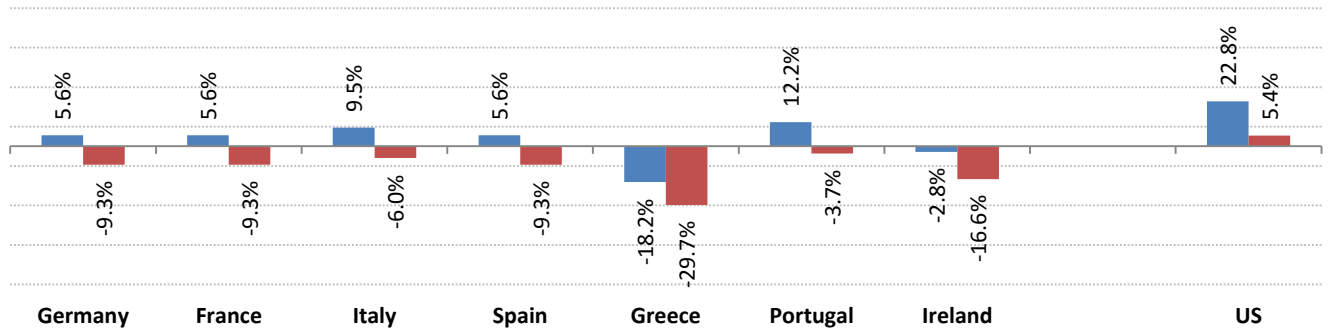
Sovereign stress monitor: 10-year bond spreads

· 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

Manufacturing				Services			
	Last	Prev	13-month history		Last	Prev	13-month history
Eurozone Aug	52.3	52.4		Eurozone Aug	54.4	54.0	
UK Aug	51.5	51.9		UK Aug	55.6	57.4	
Germany Aug	53.3	51.8		Germany Aug	54.9	53.8	
France Aug	48.3	49.6		France Aug	50.6	52.0	
Italy Aug	53.8	55.3		Italy Aug	48.8	50.8	
Spain Aug	53.2	53.6		Spain Aug	59.6	59.7	
Ireland Aug	53.6	56.7		Ireland Aug	62.1	63.4	
Netherlands Aug	53.9	56.0					
Austria Aug	50.5	52.4					
Greece Aug	39.1	30.2					
Czech Rep Aug	56.6	57.5					

Source: Markit, TrendMacro calculations

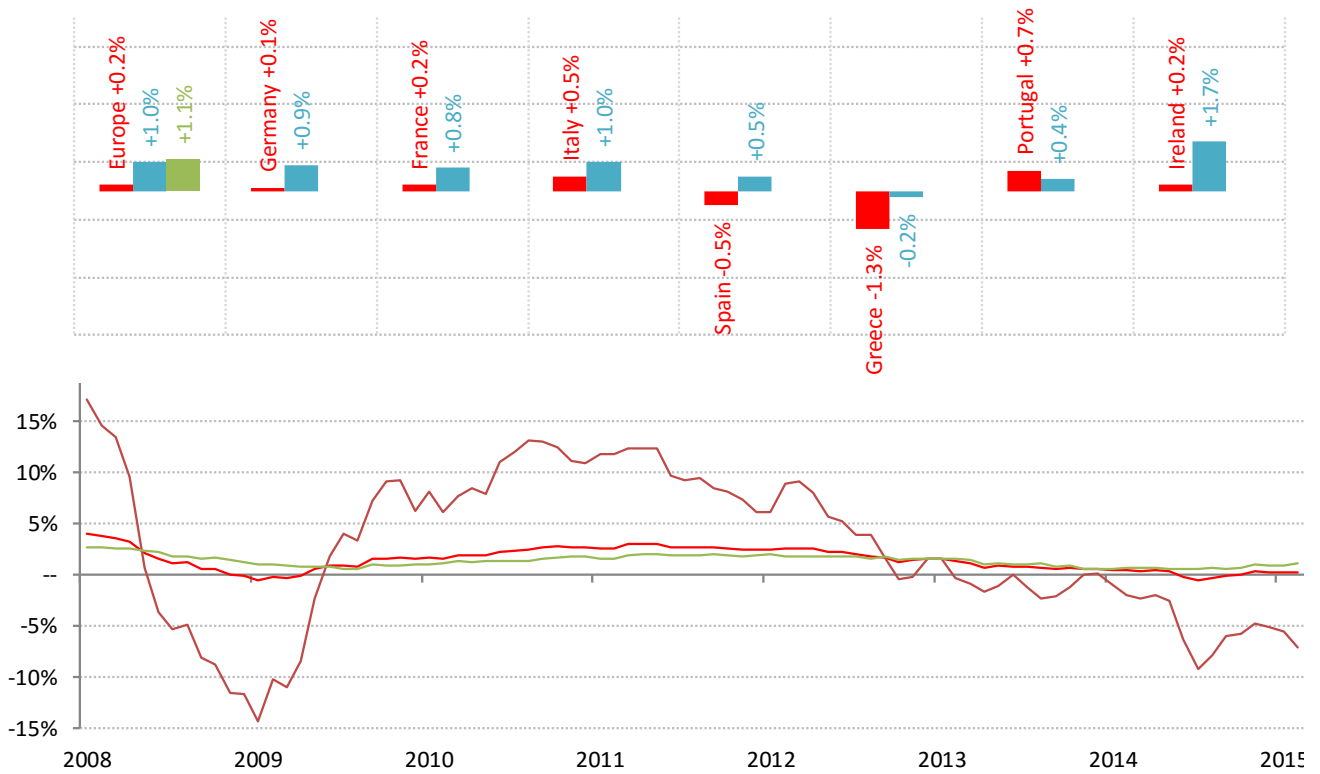
Regional currency flight — Euro vs Swiss franc — Swiss National Bank floor — SNB FX reserves



Source: Bloomberg, TrendMacro calculations

Euro area consumer inflation, year on year

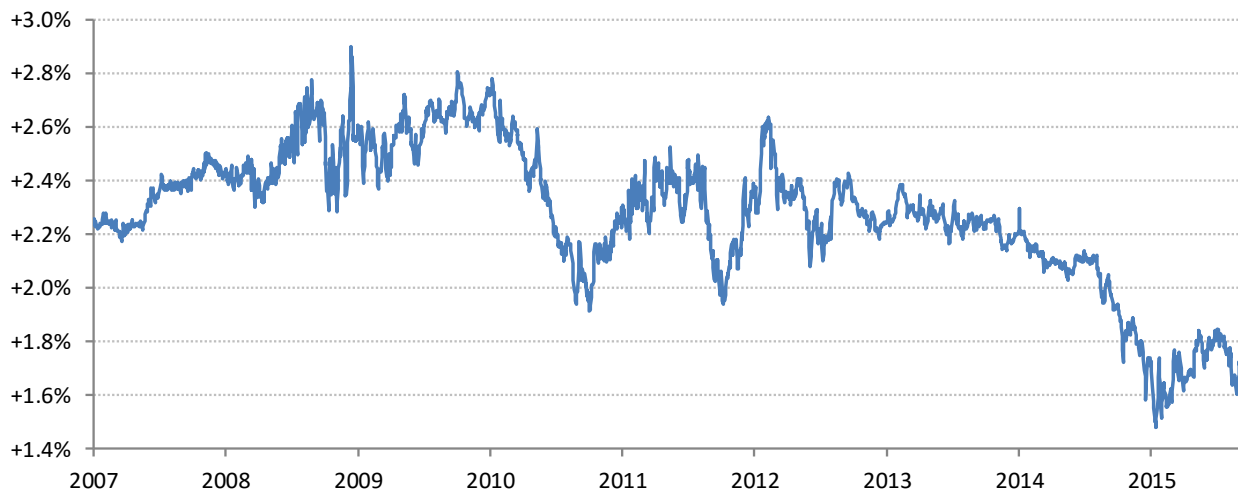
Country: ■ Headline ■ Ex-food and energy ■ Ex-energy Euro area: — Headline — Energy — Ex-energy



Source: Eurostat, TrendMacro calculations

Draghi's dashboard: swap-implied inflation expectations

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



Source: Bloomberg, TrendMacro calculations