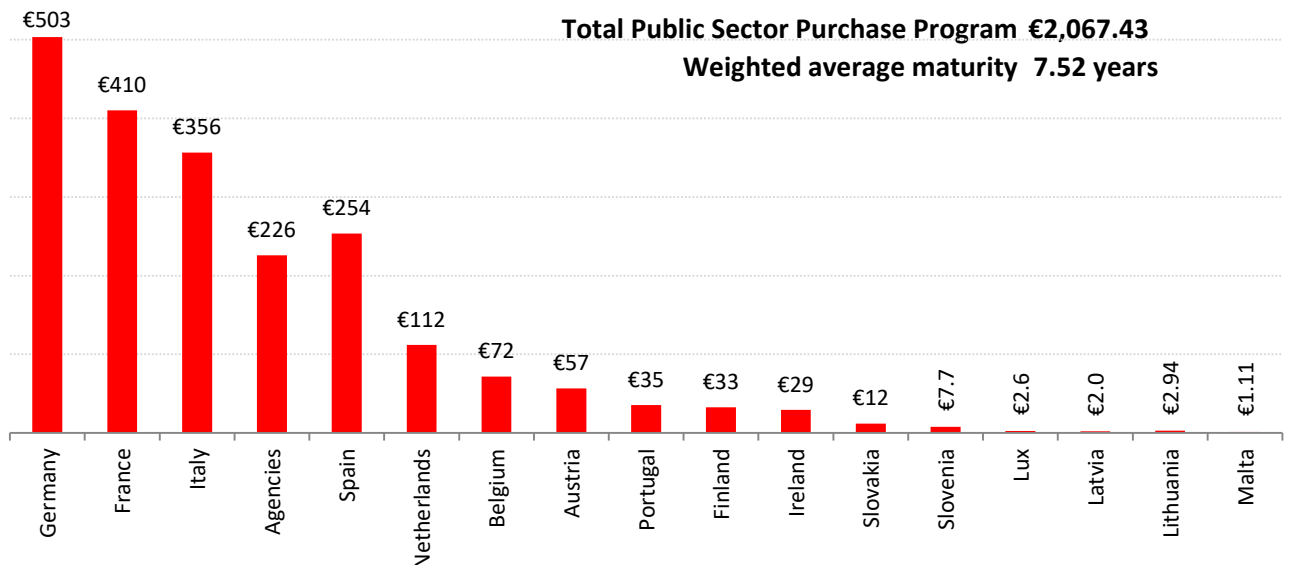
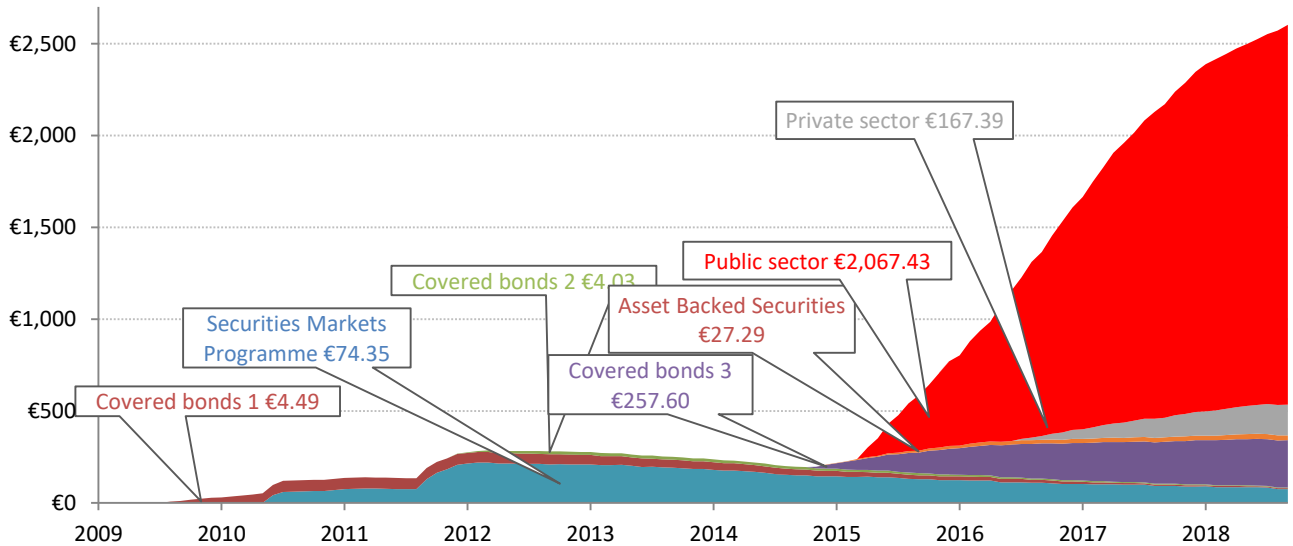


Data Insights: Euro Area Recovery Monitor

Thursday, September 13, 2018

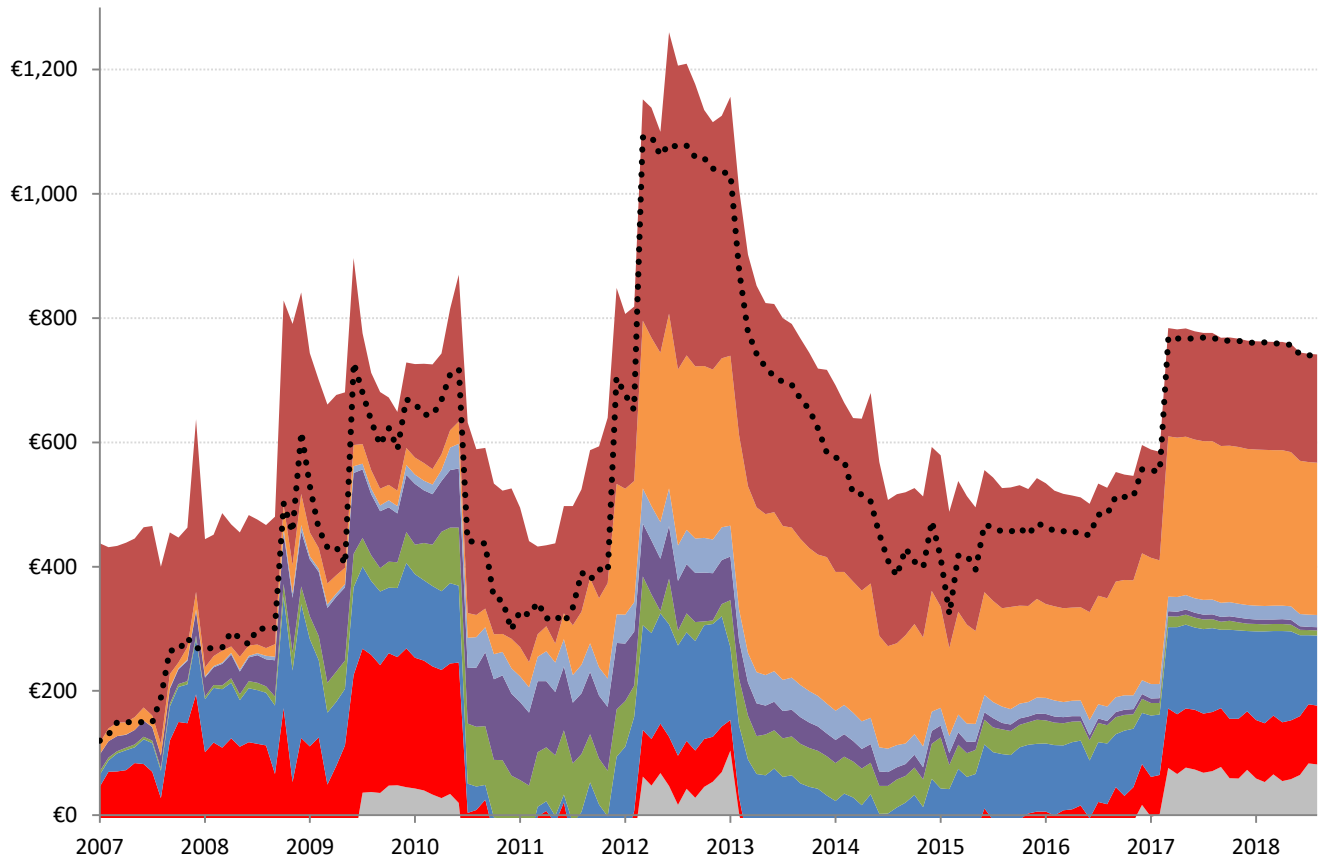
The ECB's drive to build purchased assets (€ billions)



Source: ECB, TrendMacro calculations

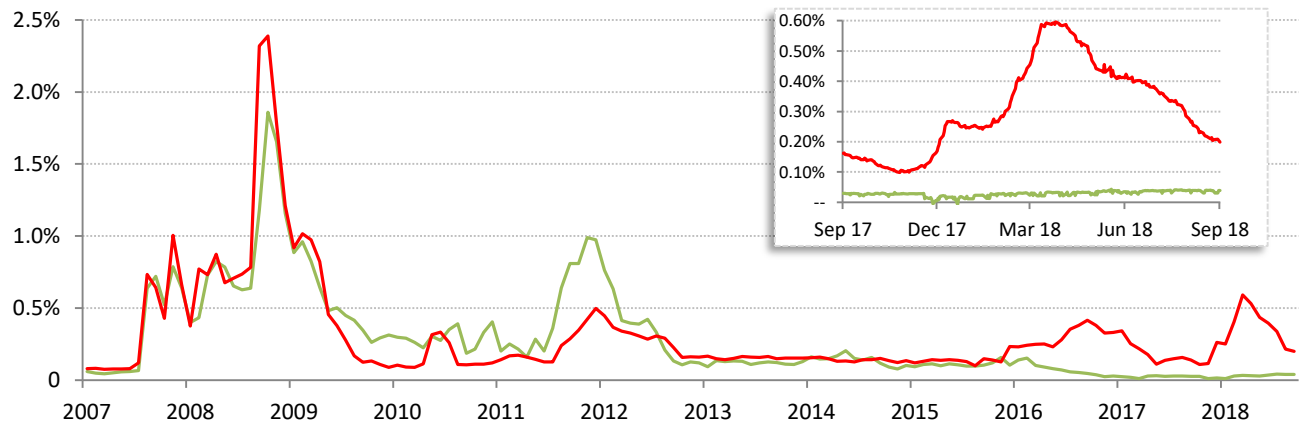
Banking system dependency: borrowing from the ECB (€ billions)

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



Source: ECB, National central banks, TrendMacro calculations

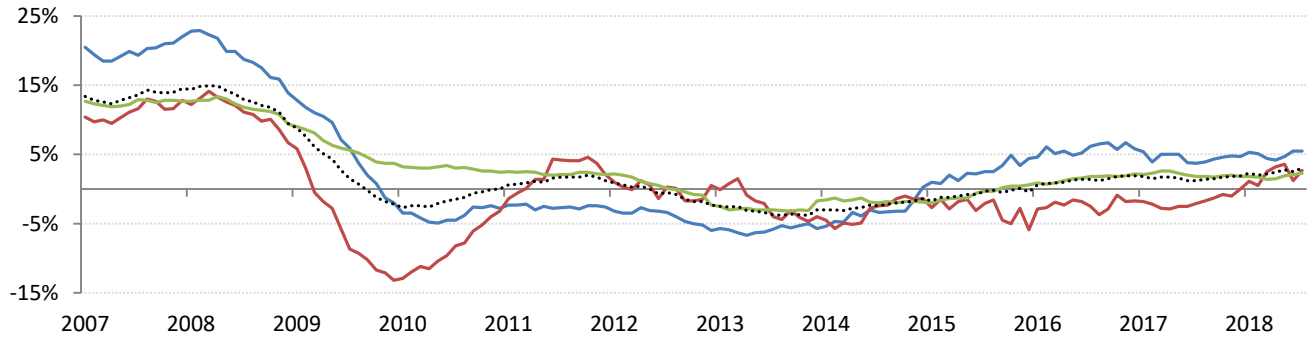
Bank stability: 90-day LIBOR/OIS spreads (USD EUR)



Source: Bloomberg, TrendMacro calculations

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

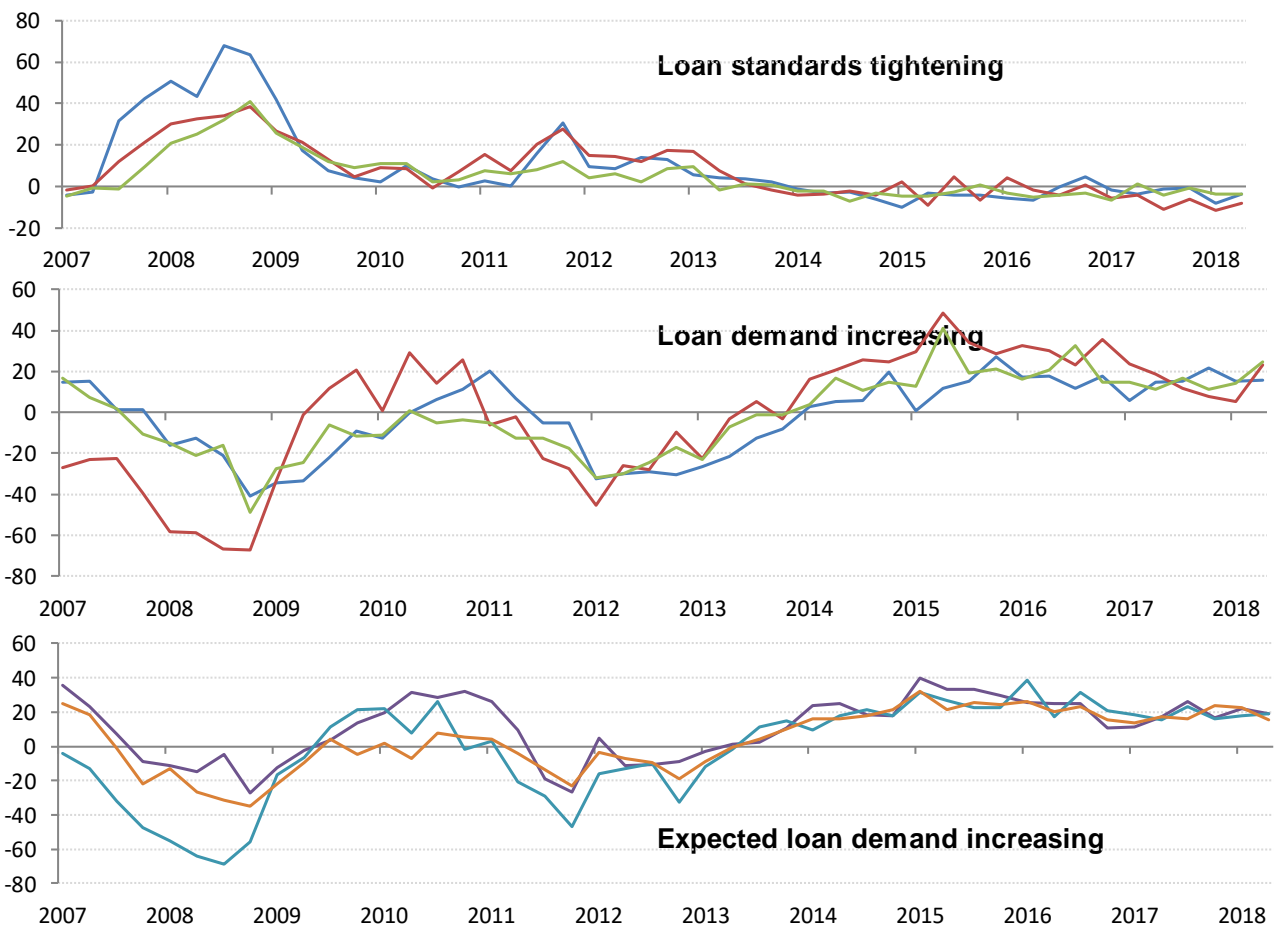
— Loans to 1 year — Loans 1-5 years — Loans 5 years plus ... Total



Source: ECB, TrendMacro calculations

Supply and demand for lending: ECB Bank Survey

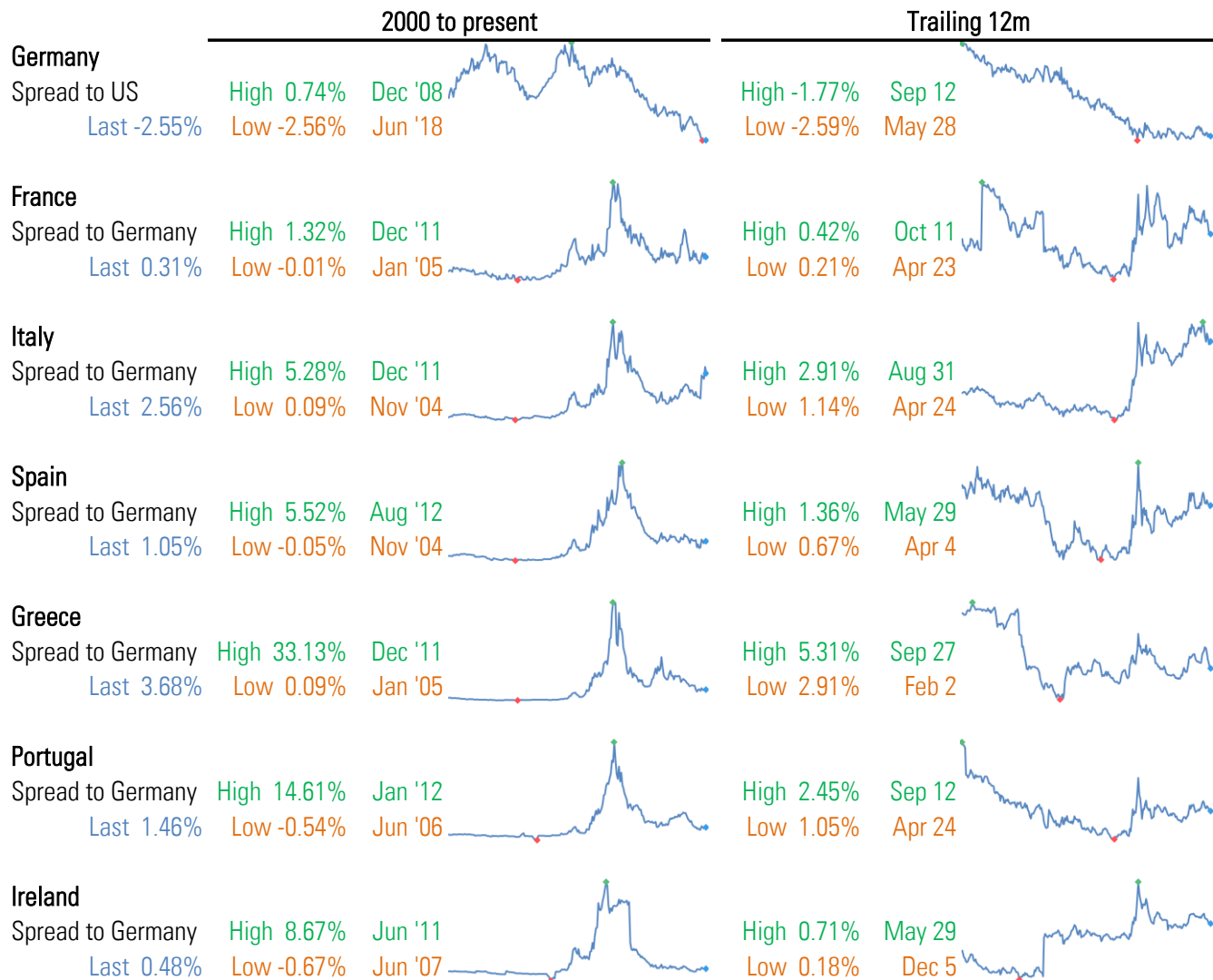
Net number of banks reporting for: — Enterprises — Home mortgage — Consumer



Source: ECB, TrendMacro calculations

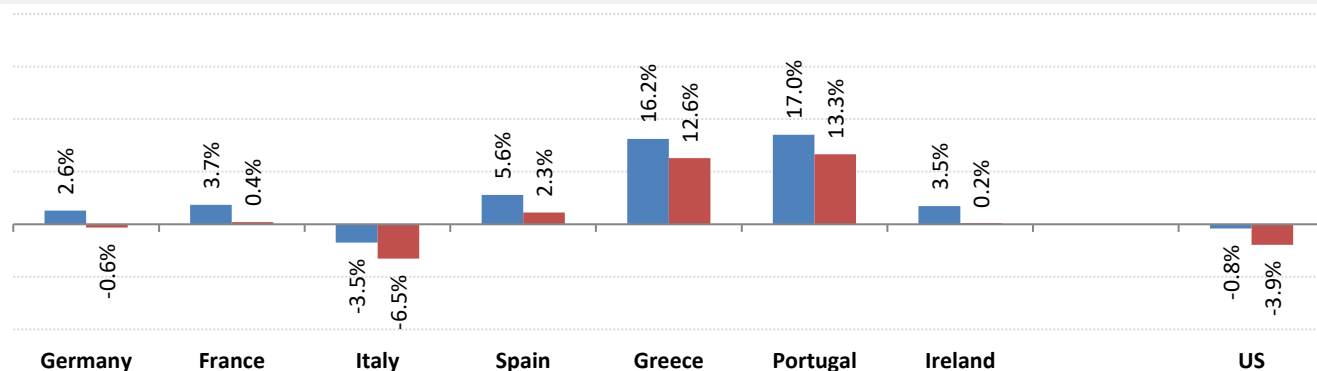
Sovereign stress monitor: 10-year bond spreads

· High · Low · Last



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

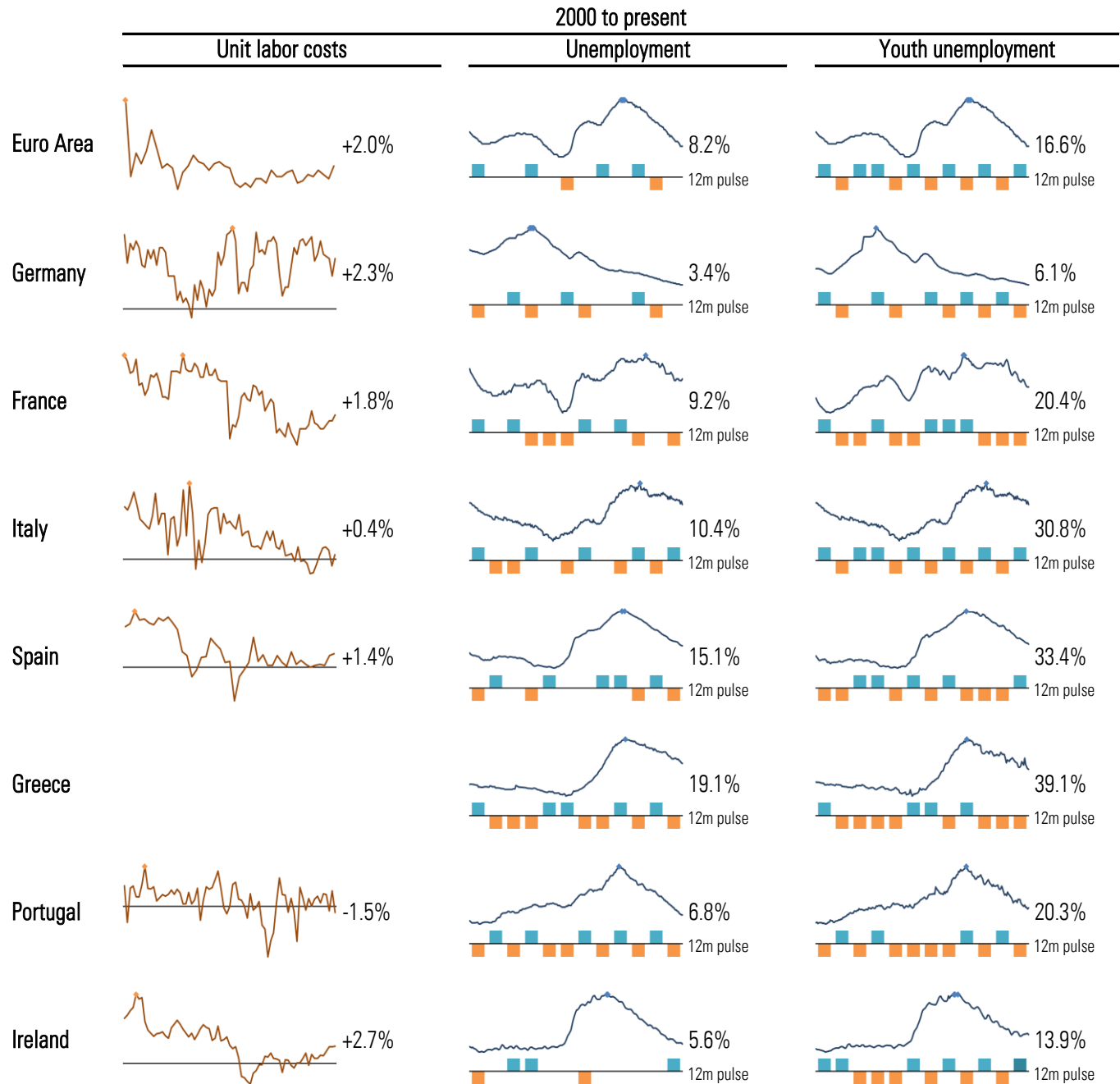
■ EUR ■ USD



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



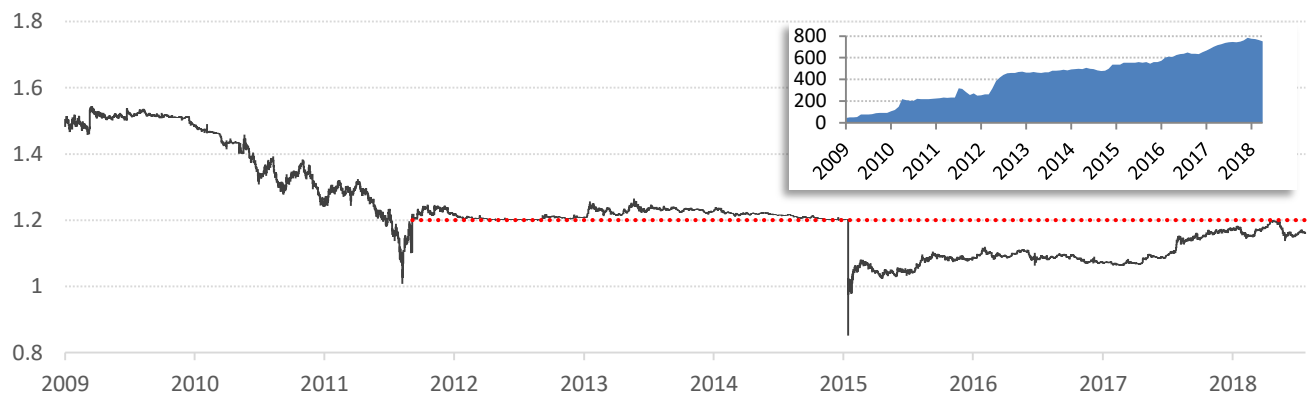
Source: Eurostat, TrendMacro calculations

Purchasing Manager Indices

Manufacturing				Services			
	Last	Prev	13-month history		Last	Prev	13-month history
Eurozone Aug	54.6	55.1		Eurozone Aug	54.4	54.2	
UK Aug	52.8	53.8		UK Aug	54.3	53.5	
Germany Aug	55.9	56.9		Germany Aug	55.0	54.1	
France Aug	53.5	53.3		France Aug	55.4	54.9	
Italy Aug	50.1	51.5		Italy Aug	53.2	52.1	
Spain Aug	53.0	52.9		Spain Aug	52.7	52.6	
Ireland Aug	57.5	56.3		Ireland Aug	58.0	57.4	
Netherlands Aug	59.1	58.0					
Austria Aug	56.4	56.8					
Greece Aug	53.9	53.5					
Czech Rep Aug	54.9	55.4					

Source: Markit, TrendMacro calculations

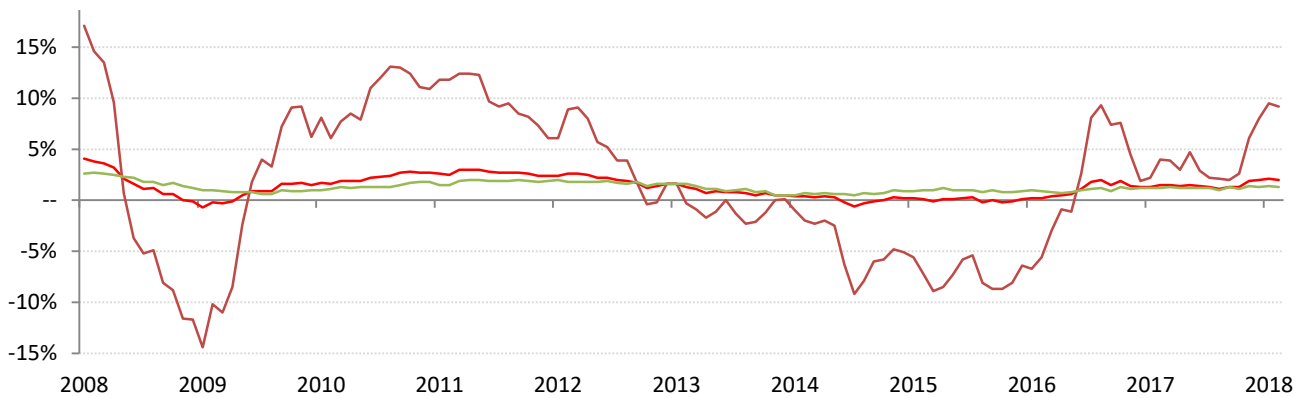
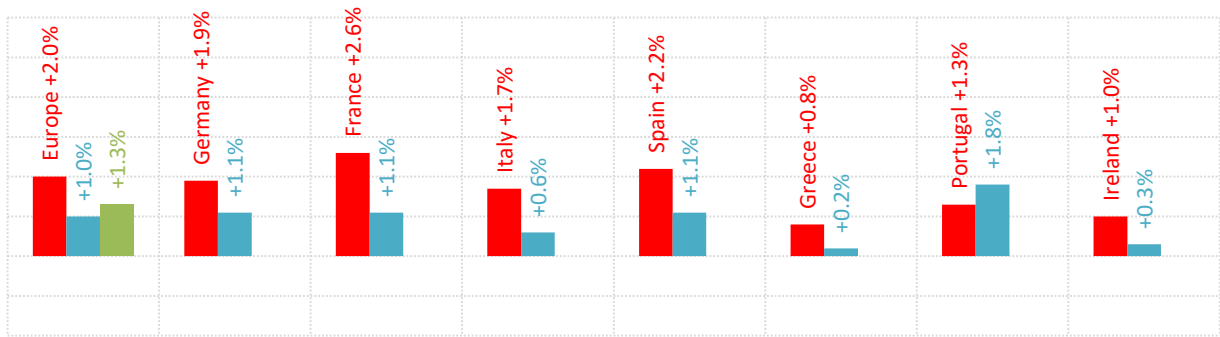
Regional currency flight — Euro vs Swiss franc — Swiss National Bank floor — SNB FX reserves



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 since "Whatever it takes"

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



Source: Bloomberg, TrendMacro calculations