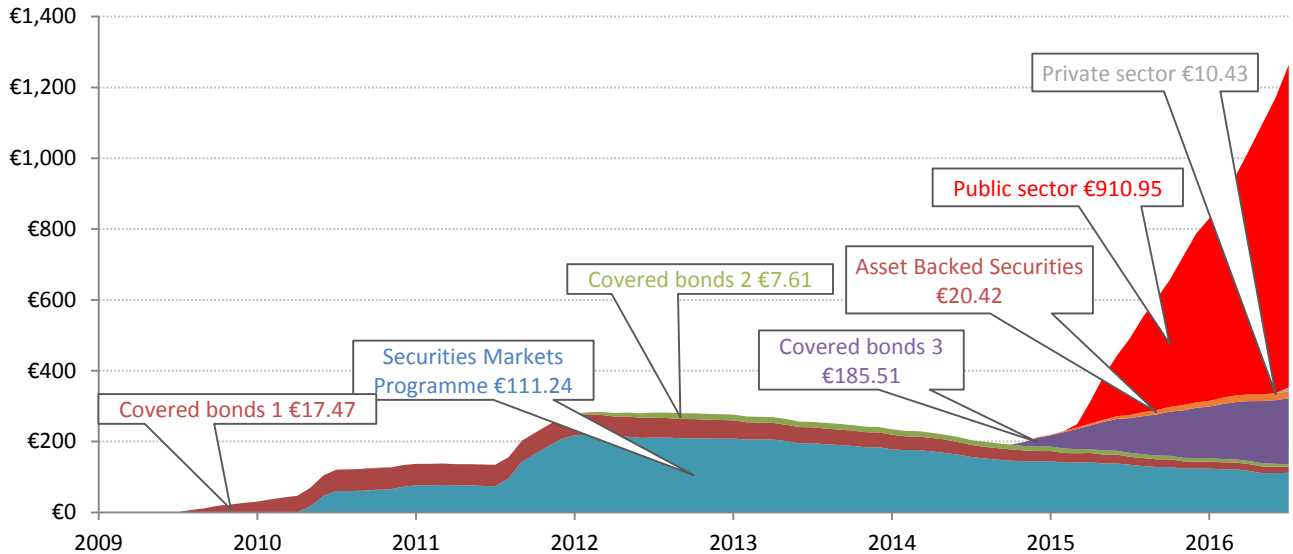


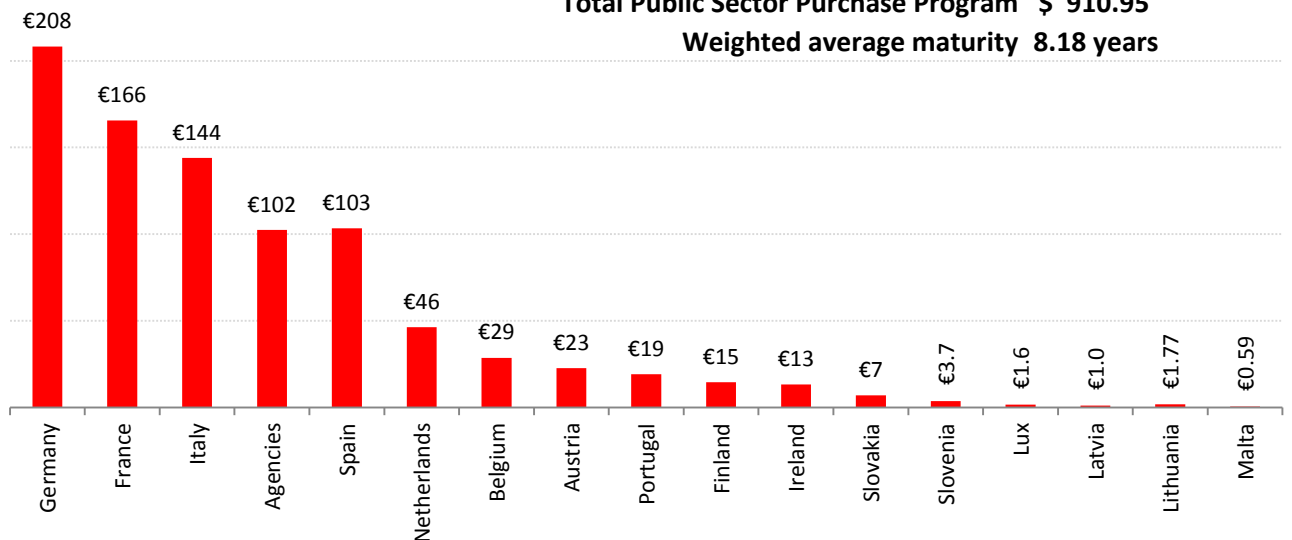
Data Insights: Euro Area Recovery Monitor

Thursday, July 21, 2016

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



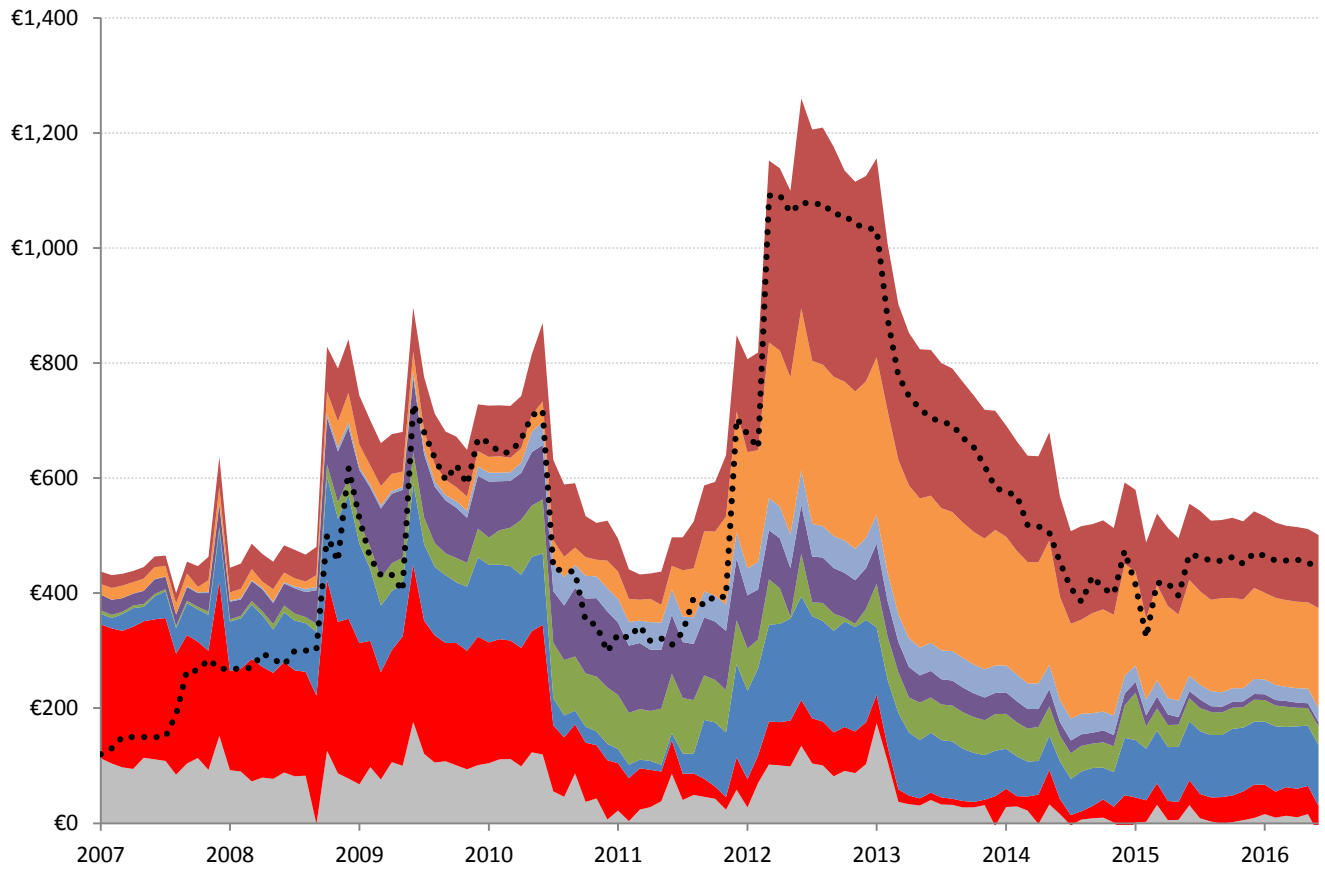
Total Public Sector Purchase Program \$ 910.95 Weighted average maturity 8.18 years



Source: ECB, TrendMacro calculations

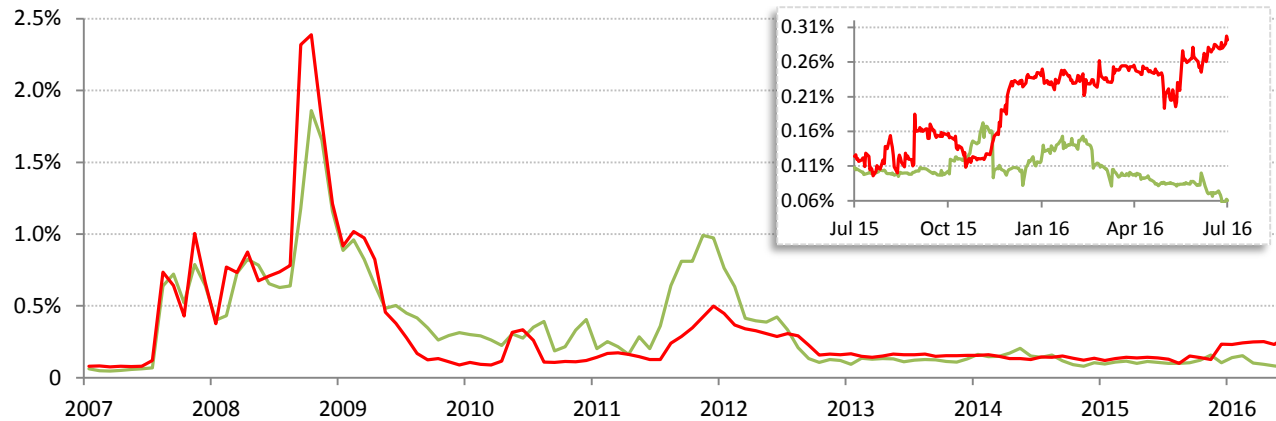
Banking system dependency: borrowing from the ECB (€ billions)

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



Source: ECB, National central banks, TrendMacro calculations

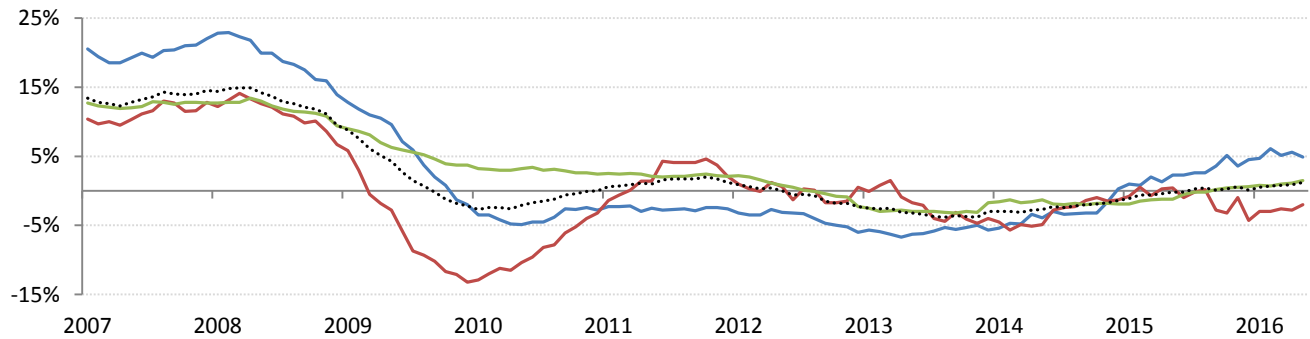
Bank stability: 90-day LIBOR/OIS spreads — USD — EUR



Source: Bloomberg, TrendMacro calculations

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

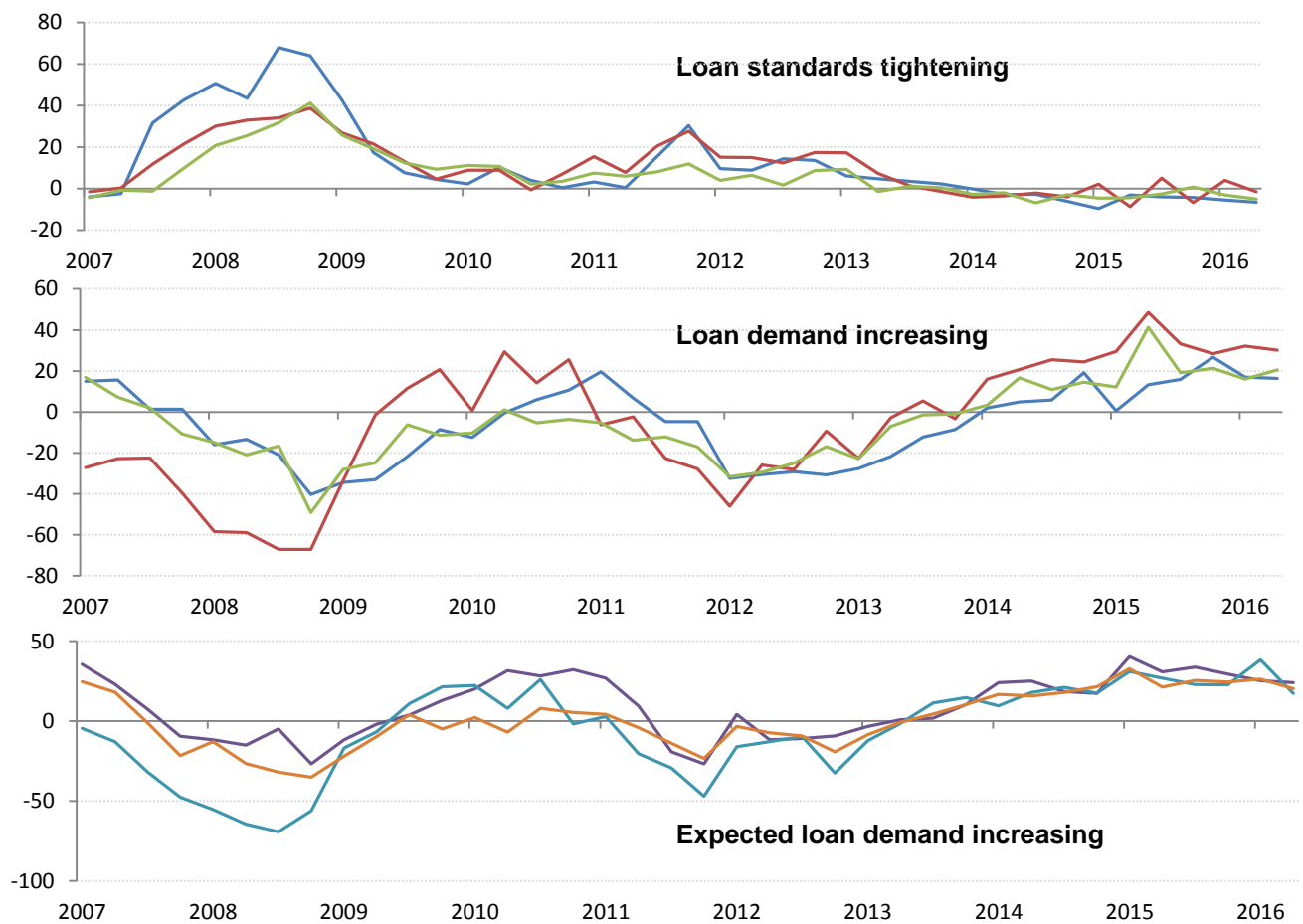
— Loans to 1 year — Loans 1-5 years — Loans 5 years plus ... Total



Source: ECB, TrendMacro calculations

Supply and demand for lending: ECB Bank Survey

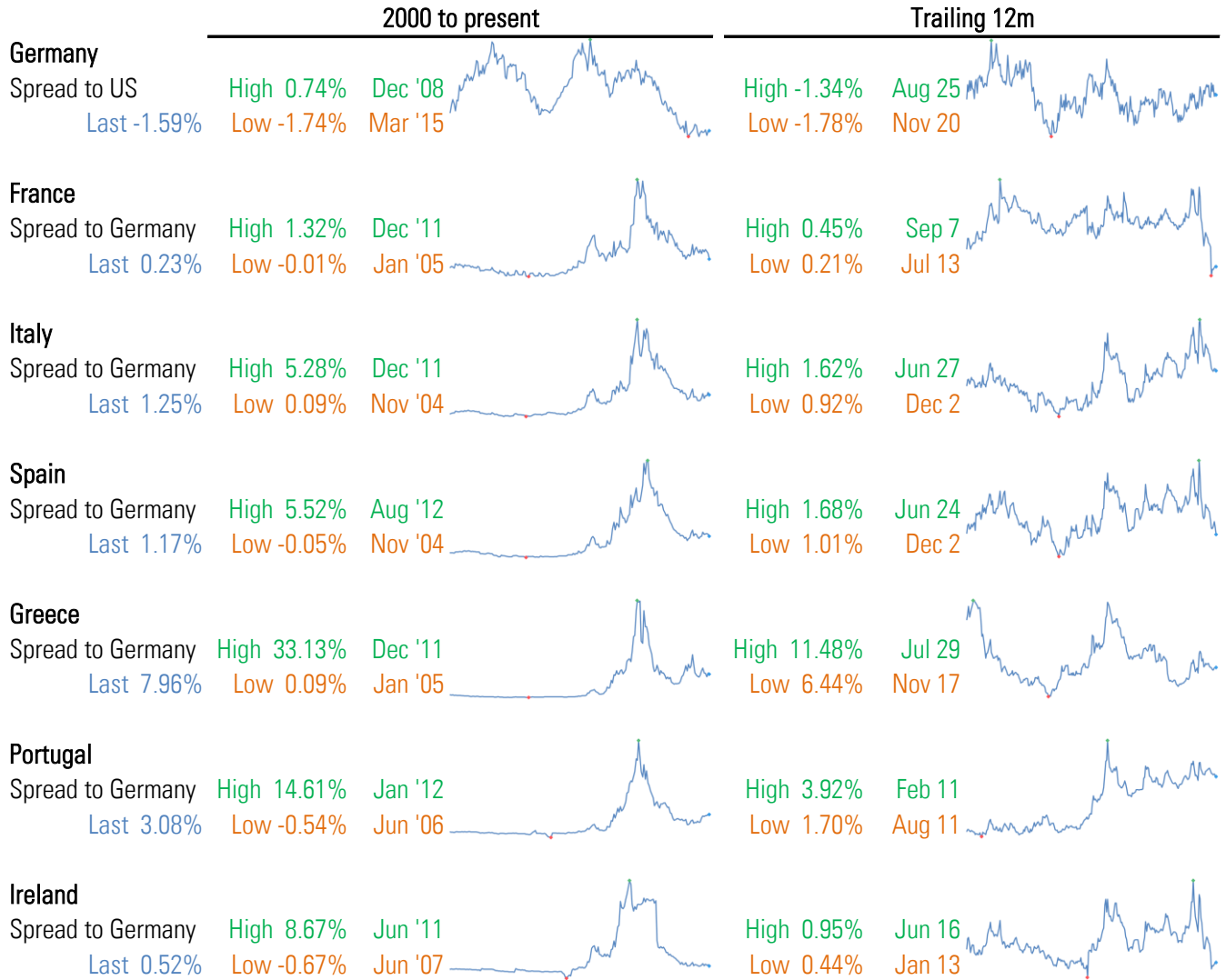
Net number of banks reporting for: — Enterprises — Home mortgage — Consumer



Source: ECB, TrendMacro calculations

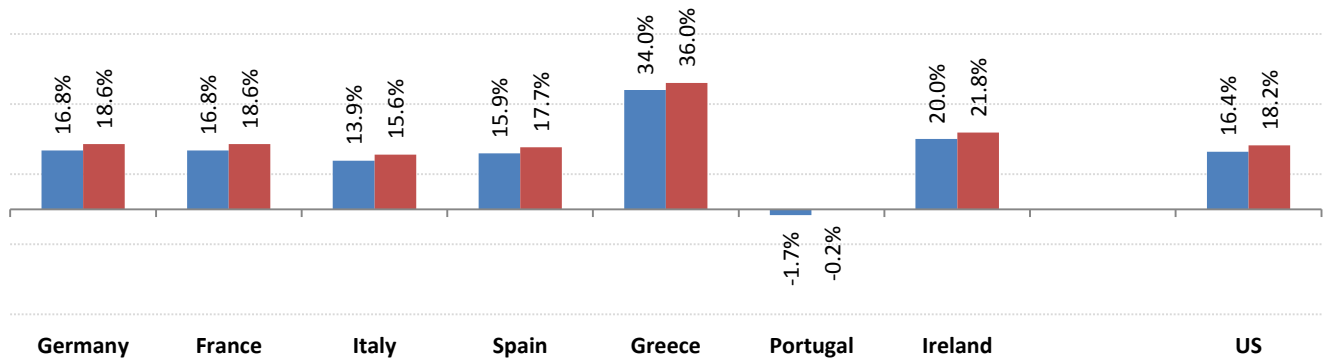
Sovereign stress monitor: 10-year bond spreads

· 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 Jun	52.8	51.5		Eurozone Jun	52.8	53.3	
UK Jun	52.1	50.4		UK Jun	52.3	53.5	
Germany Jun	54.5	52.1		Germany Jun	53.7	55.2	
France Jun	48.3	48.4		France Jun	49.9	51.6	
Italy Jun	53.5	52.4		Italy Jun	52.0	54.6	
Spain Jun	52.2	51.8		Spain Jun	56.0	55.4	
Ireland Jun	53.0	51.5		Ireland Jun	61.2	61.7	
Netherlands Jun	52.0	52.7					
Austria Jun	54.5	52.0					
Greece Jun	50.4	48.4					
Czech Rep Jun	51.8	53.3					

Source: Markit, TrendMacro calculations

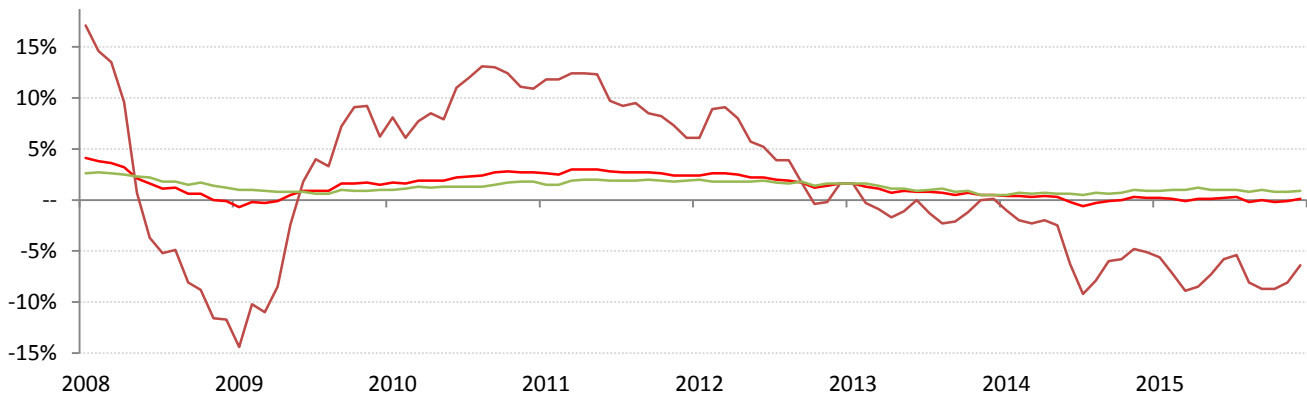
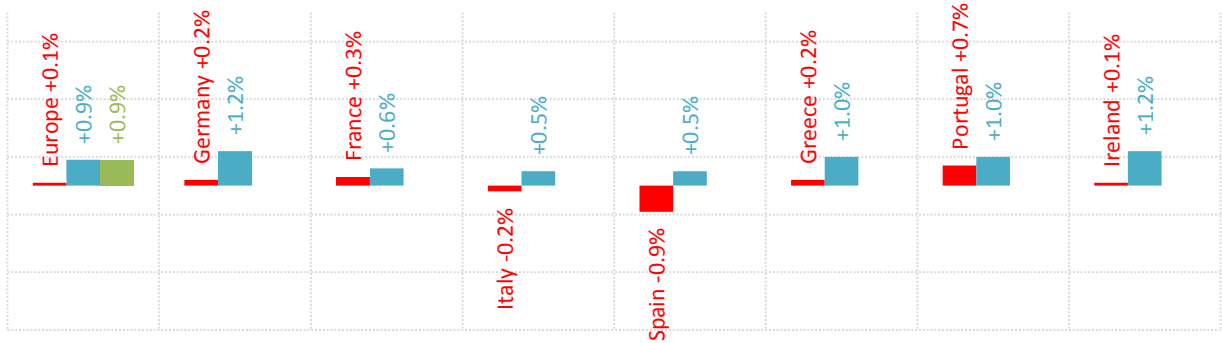
Regional currency flight — Euro vs Swiss franc — Swiss National Bank floor — SNB FX reserves



Source: Bloomberg, TrendMacro calculations

Euro area consumer inflation, year on year

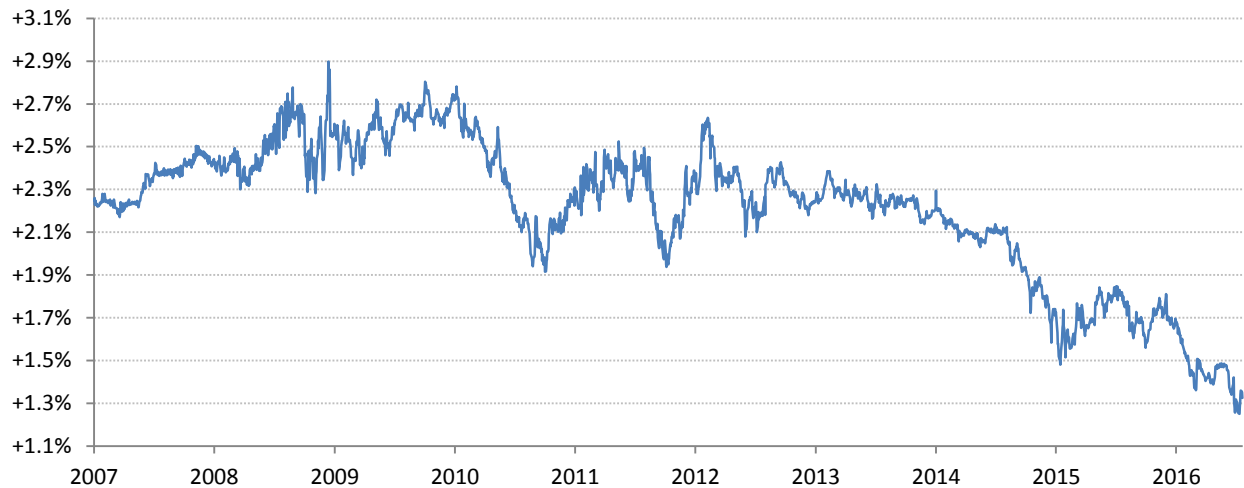
Country: ■ Headline ■ Ex-food and energy ■ Ex-energy Euro area: — Headline — Energy — Ex-energy



Source: Eurostat, TrendMacro calculations

Draghi's dashboard: swap-implied inflation expectations

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



Source: Bloomberg, TrendMacro calculations