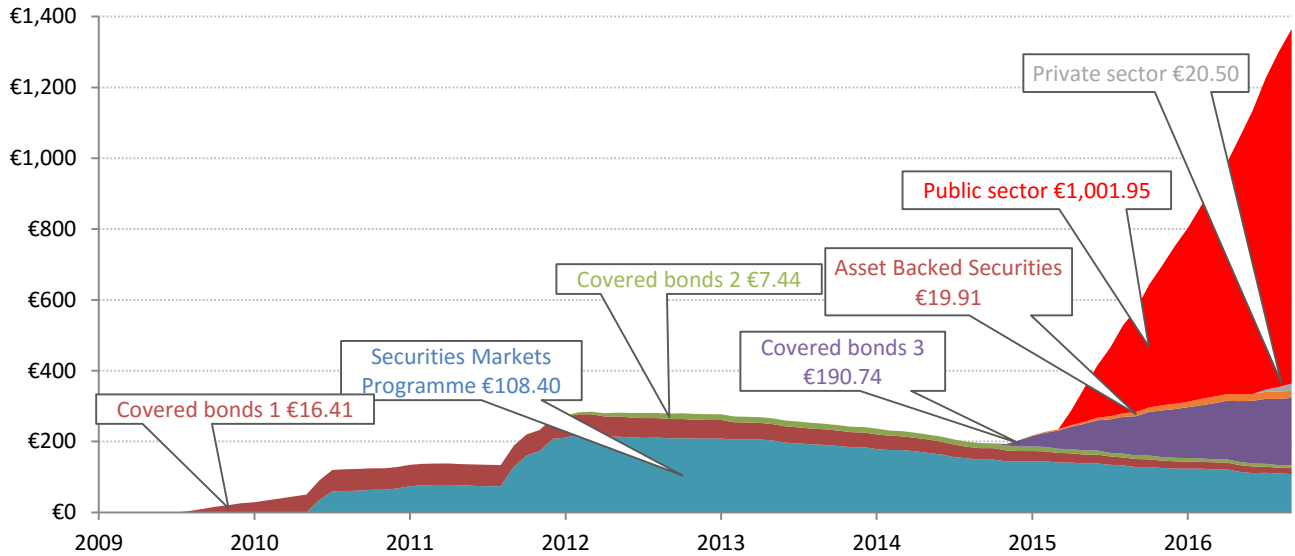


Data Insights: Euro Area Recovery Monitor

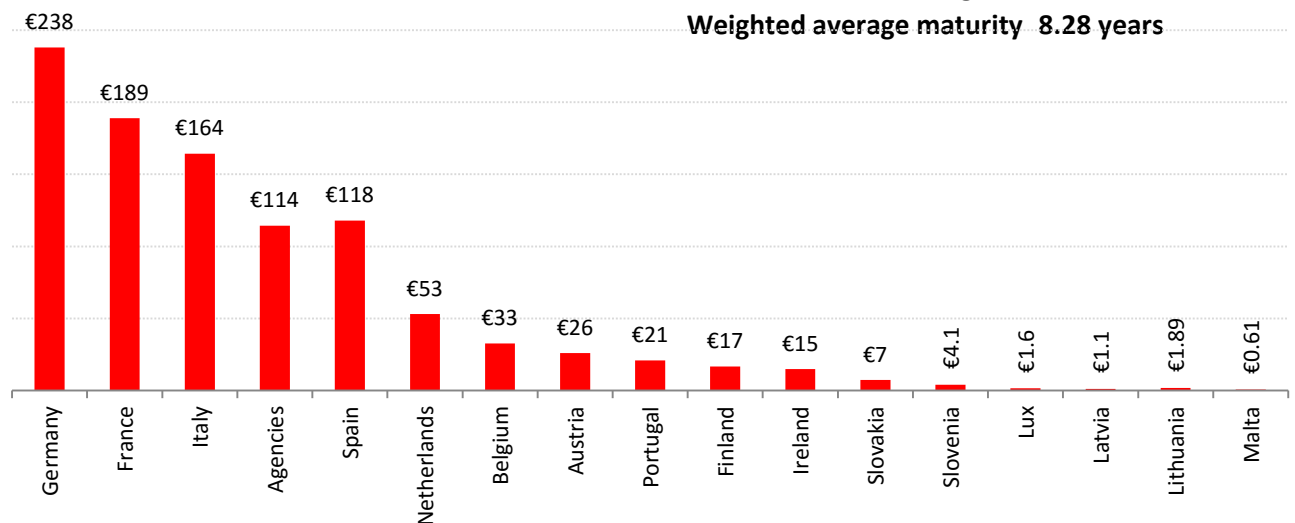
Thursday, September 8, 2016

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



Total Public Sector Purchase Program €1,001.95

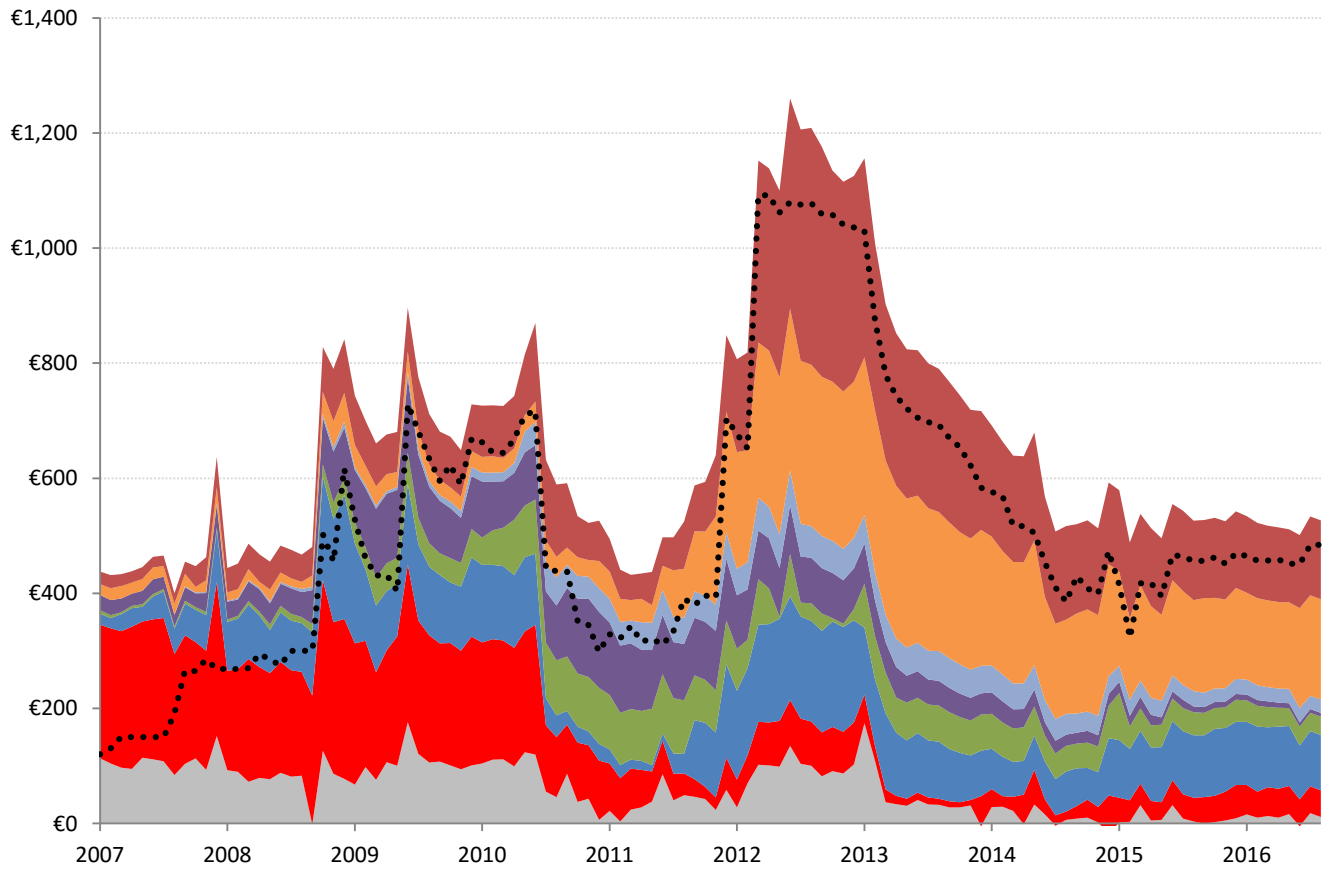
Weighted average maturity 8.28 years



Source: ECB, TrendMacro calculations

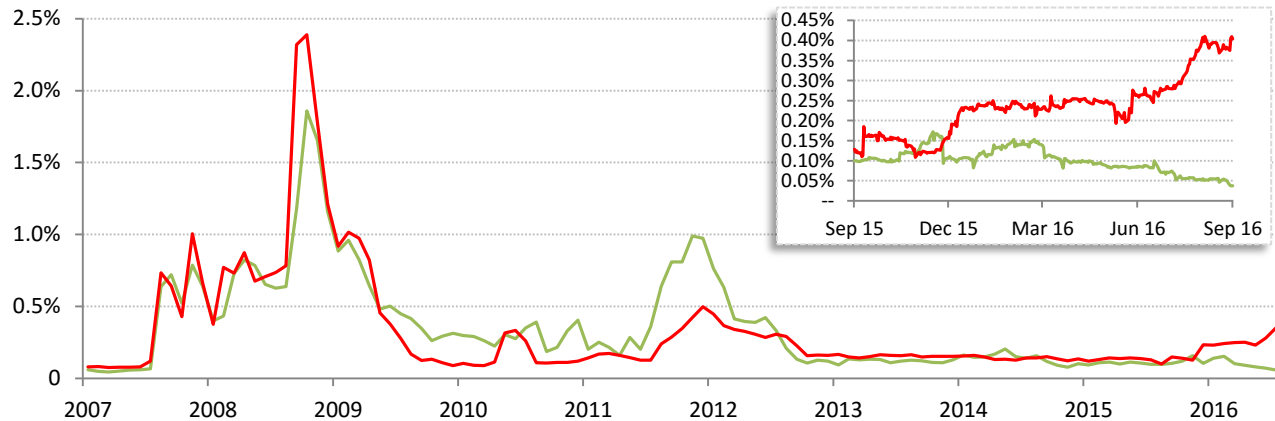
Banking system dependency: borrowing from the ECB (€ billions)

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



Source: ECB, National central banks, TrendMacro calculations

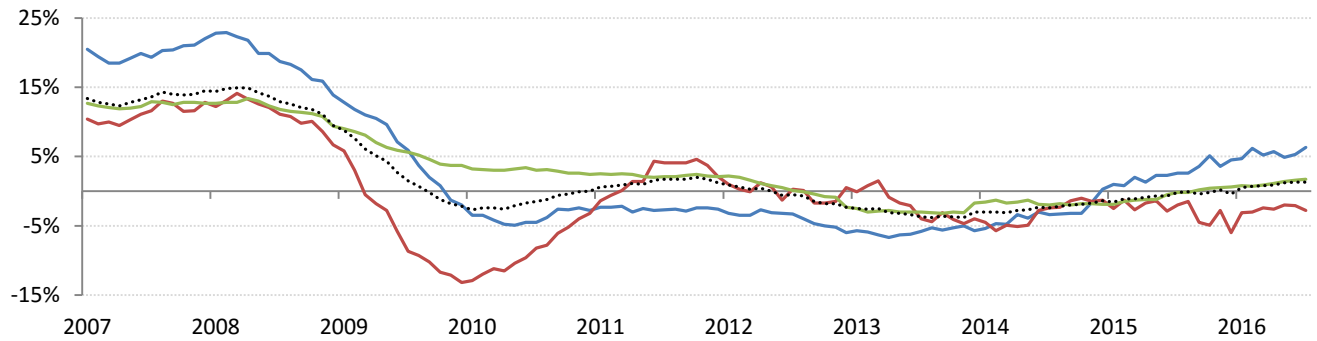
Bank stability: 90-day LIBOR/OIS spreads (USD — EUR)



Source: Bloomberg, TrendMacro calculations

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

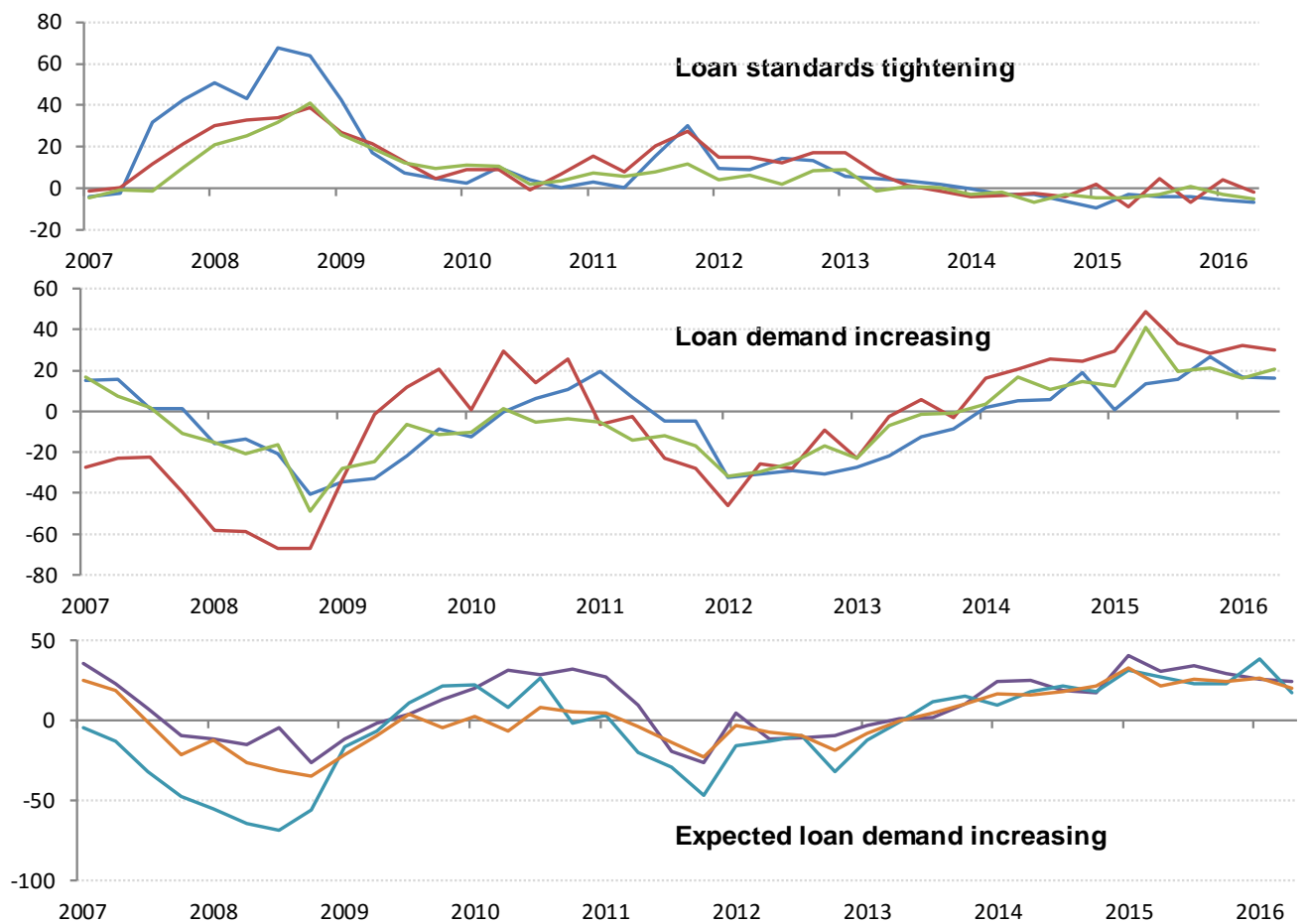
— Loans to 1 year — Loans 1-5 years — Loans 5 years plus ... Total



Source: ECB, TrendMacro calculations

Supply and demand for lending: ECB Bank Survey

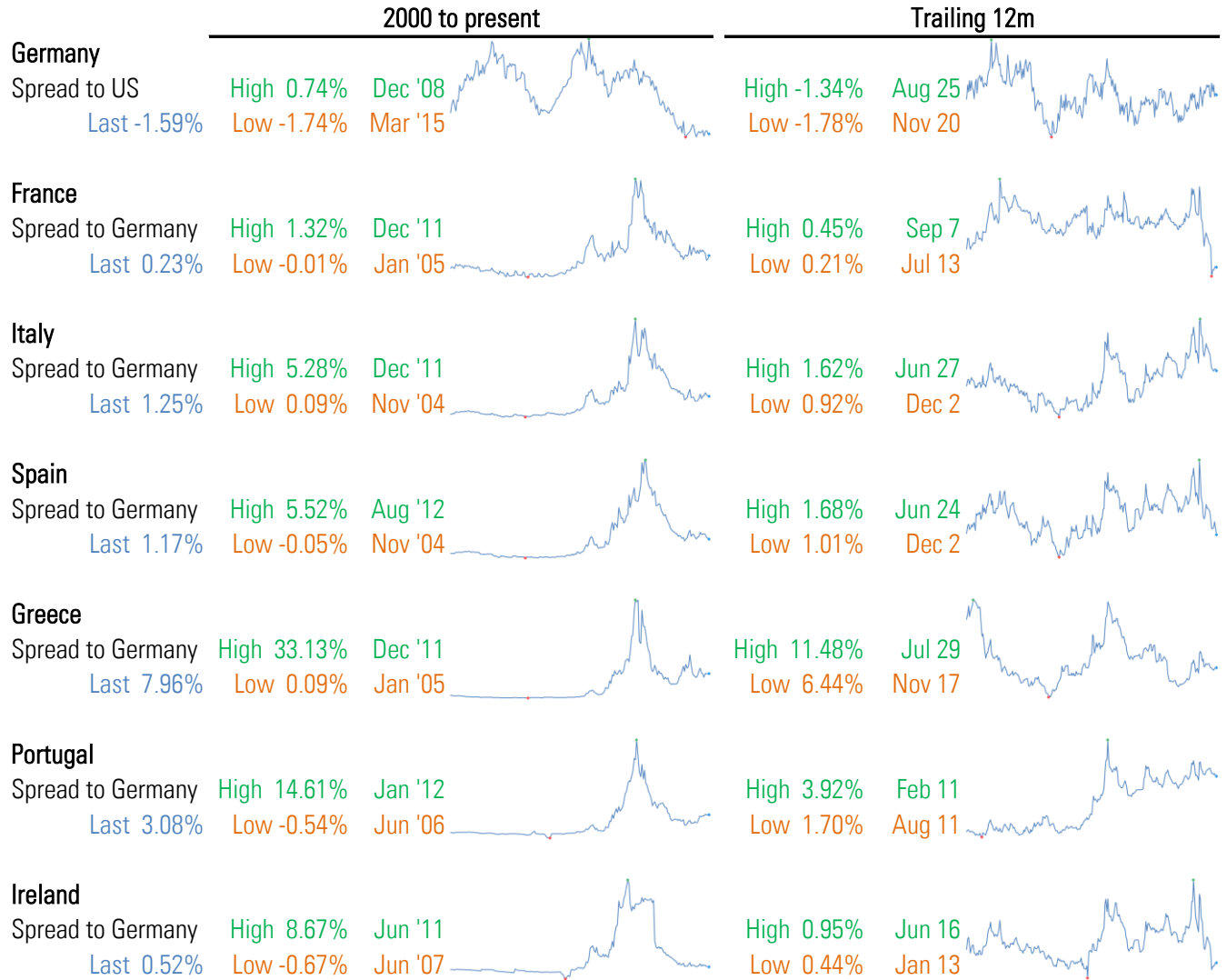
Net number of banks reporting for: — Enterprises — Home mortgage — Consumer



Source: ECB, TrendMacro calculations

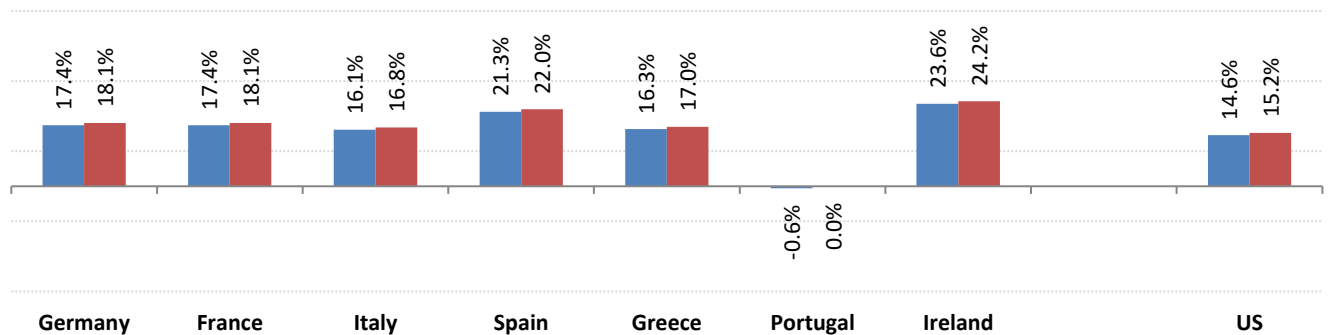
Sovereign stress monitor: 10-year bond spreads

· High · Low · Last



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

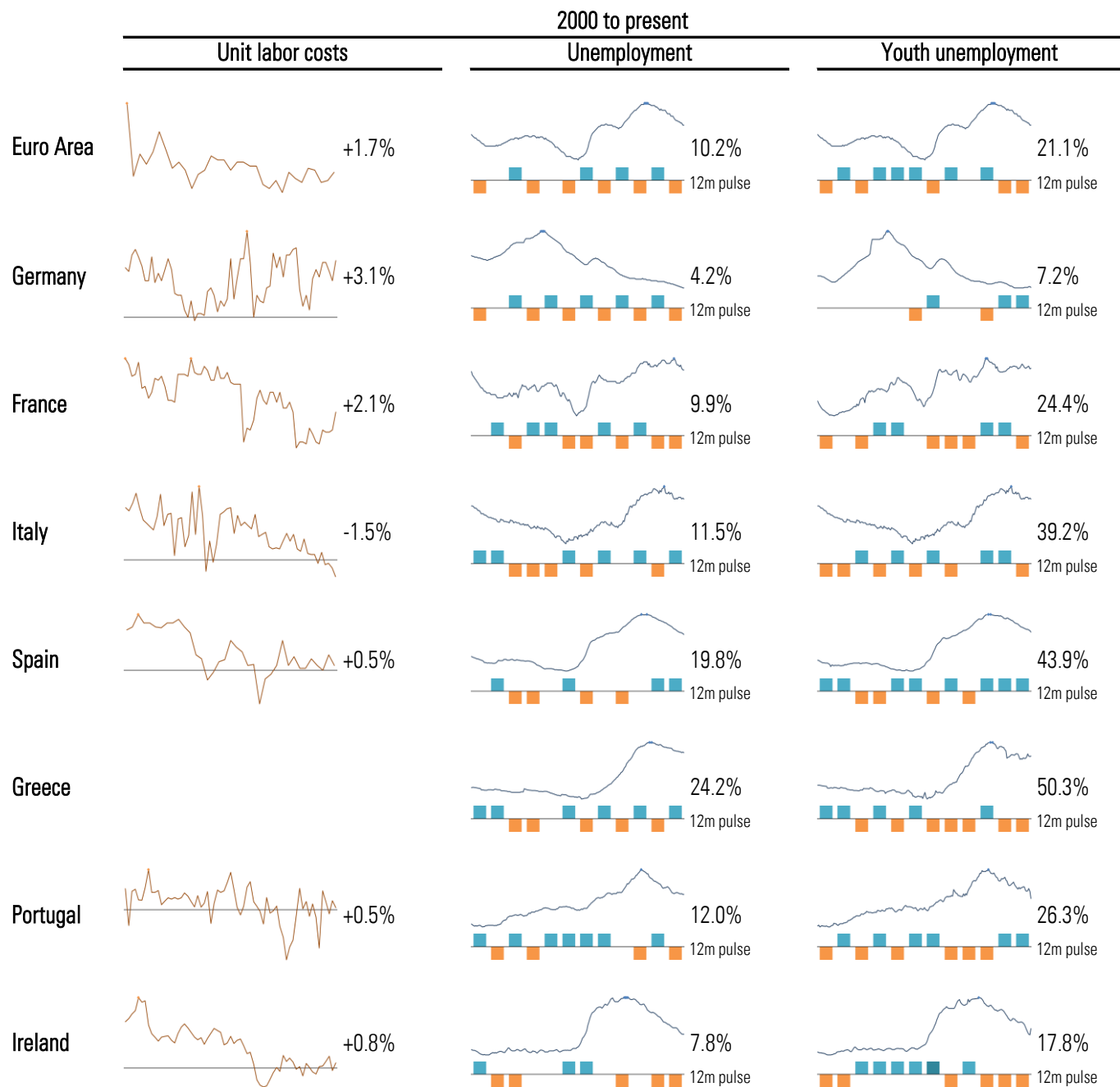
■ EUR ■ USD



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	51.7	52.0		Eurozone Aug	52.8	52.9	
UK Aug	53.3	48.3		UK Aug	52.9	47.4	
Germany Aug	53.6	53.8		Germany Aug	51.7	54.4	
France Aug	48.3	48.6		France Aug	52.3	50.5	
Italy Aug	49.8	51.2		Italy Aug	53.3	53.4	
Spain Aug	51.0	51.0		Spain Aug	56.0	54.1	
Ireland Aug	51.7	50.2		Ireland Aug	59.7	59.5	
Netherlands Aug	53.5	53.2					
Austria Aug	52.1	53.4					
Greece Aug	50.4	48.7					
Czech Rep Aug	50.1	49.3					

Source: Markit, TrendMacro calculations

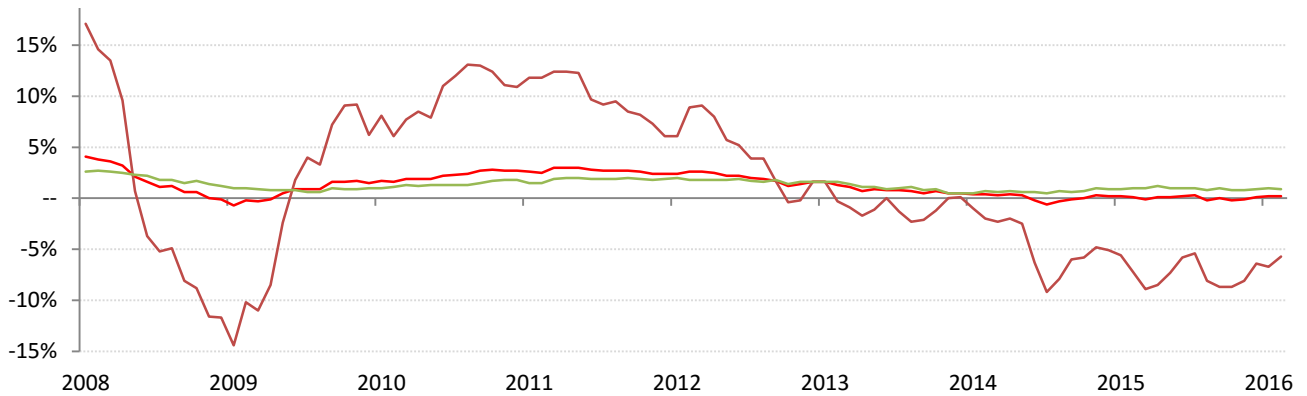
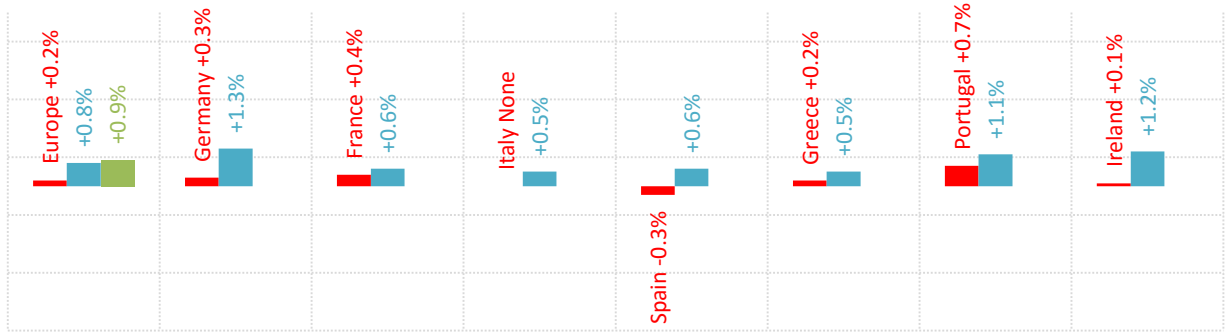
Regional currency flight — Euro vs Swiss franc — Swiss National Bank floor — SNB FX reserves



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