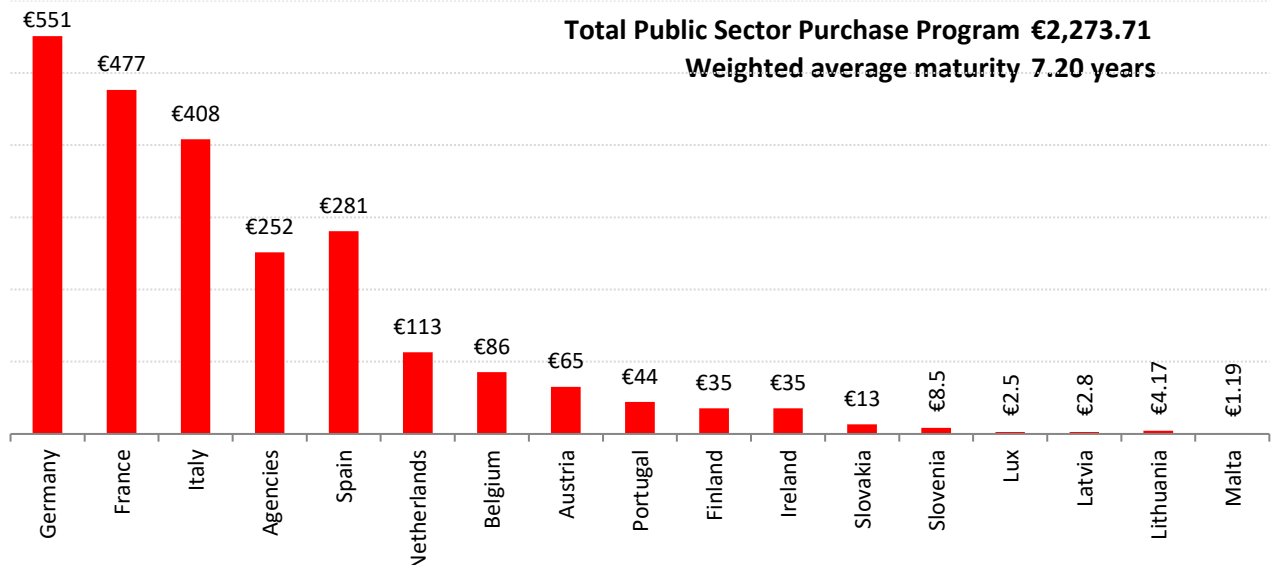
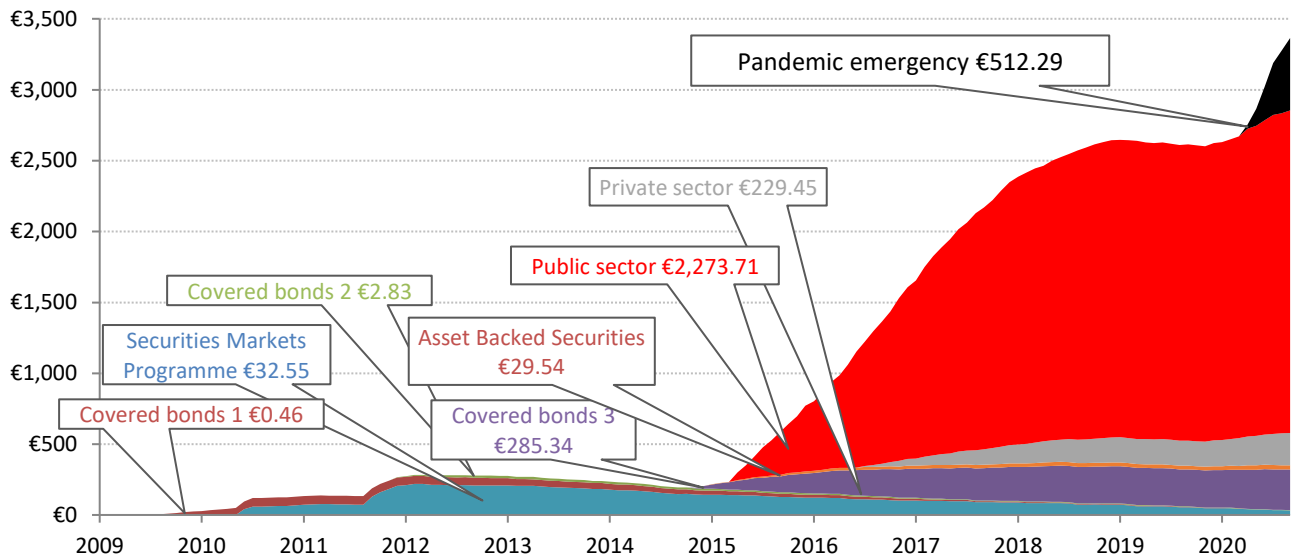


Data Insights: Euro Area Recovery Monitor

Thursday, September 10, 2020

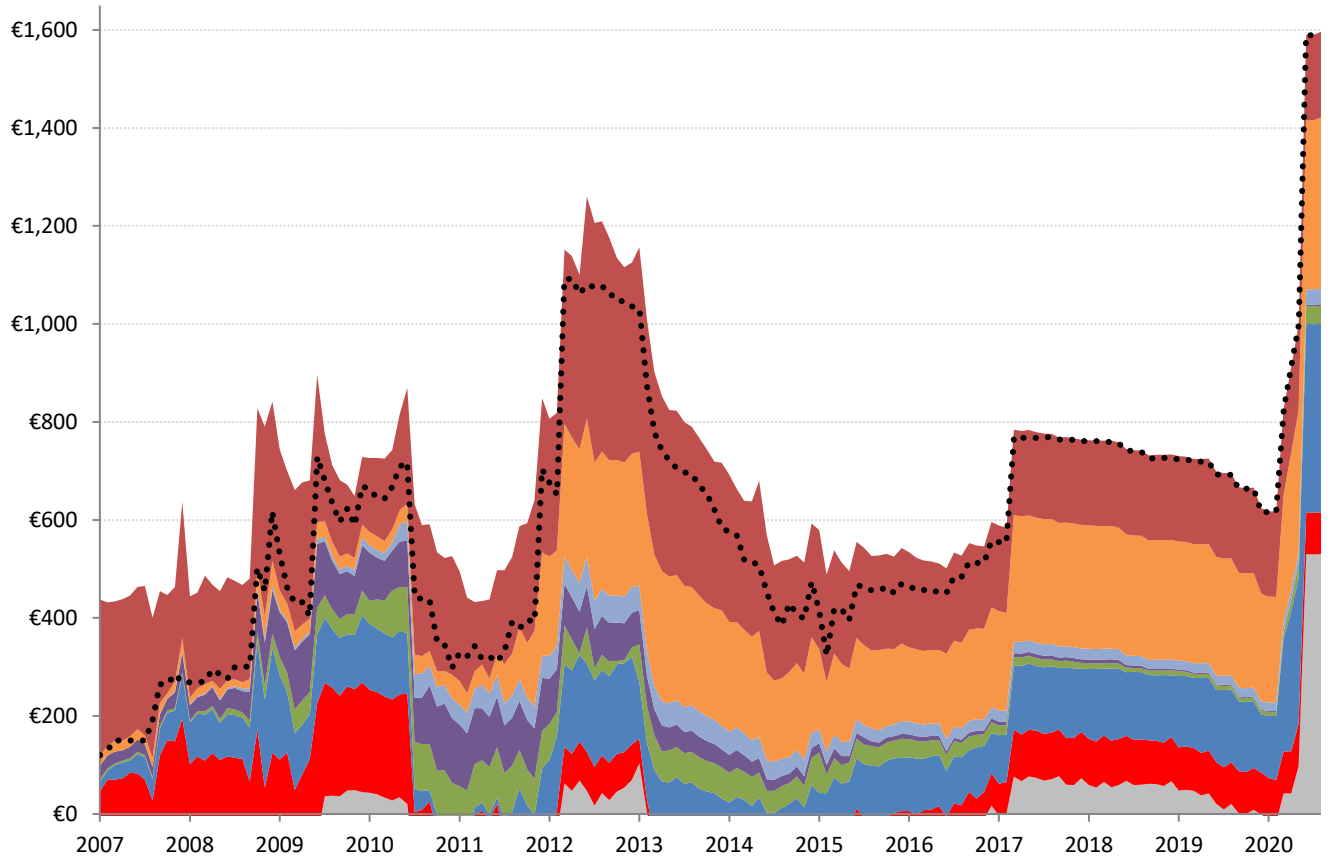
Euro-QE: its *baaack!* (€ billions)



Source: ECB, TrendMacro calculations

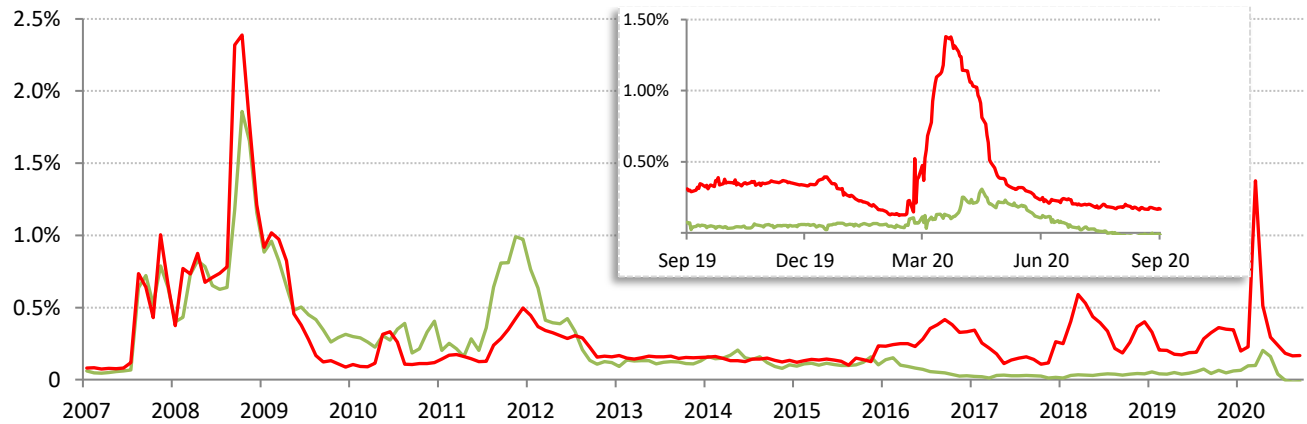
Banking system dependency: borrowing from the ECB (€ billions)

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



Source: ECB, National central banks, TrendMacro calculations

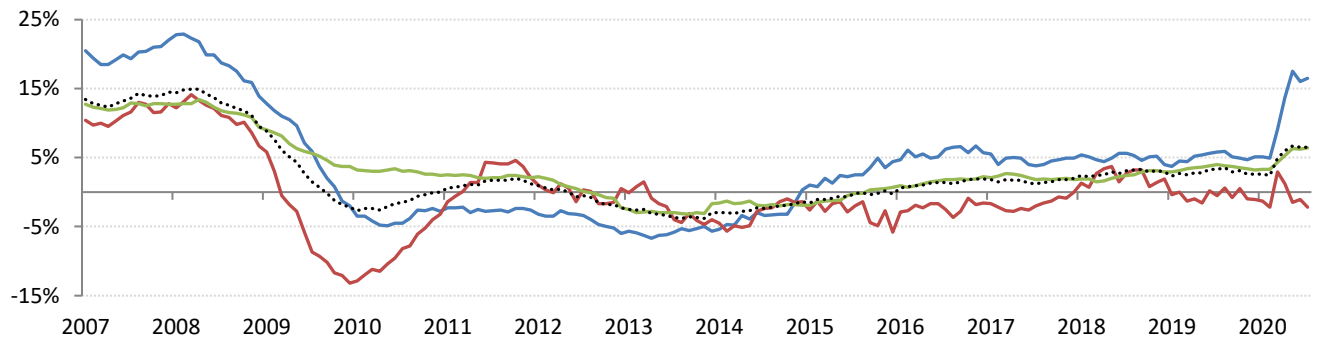
Bank stability: 90-day LIBOR/OIS spreads (USD EUR)



Source: Bloomberg, TrendMacro calculations

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

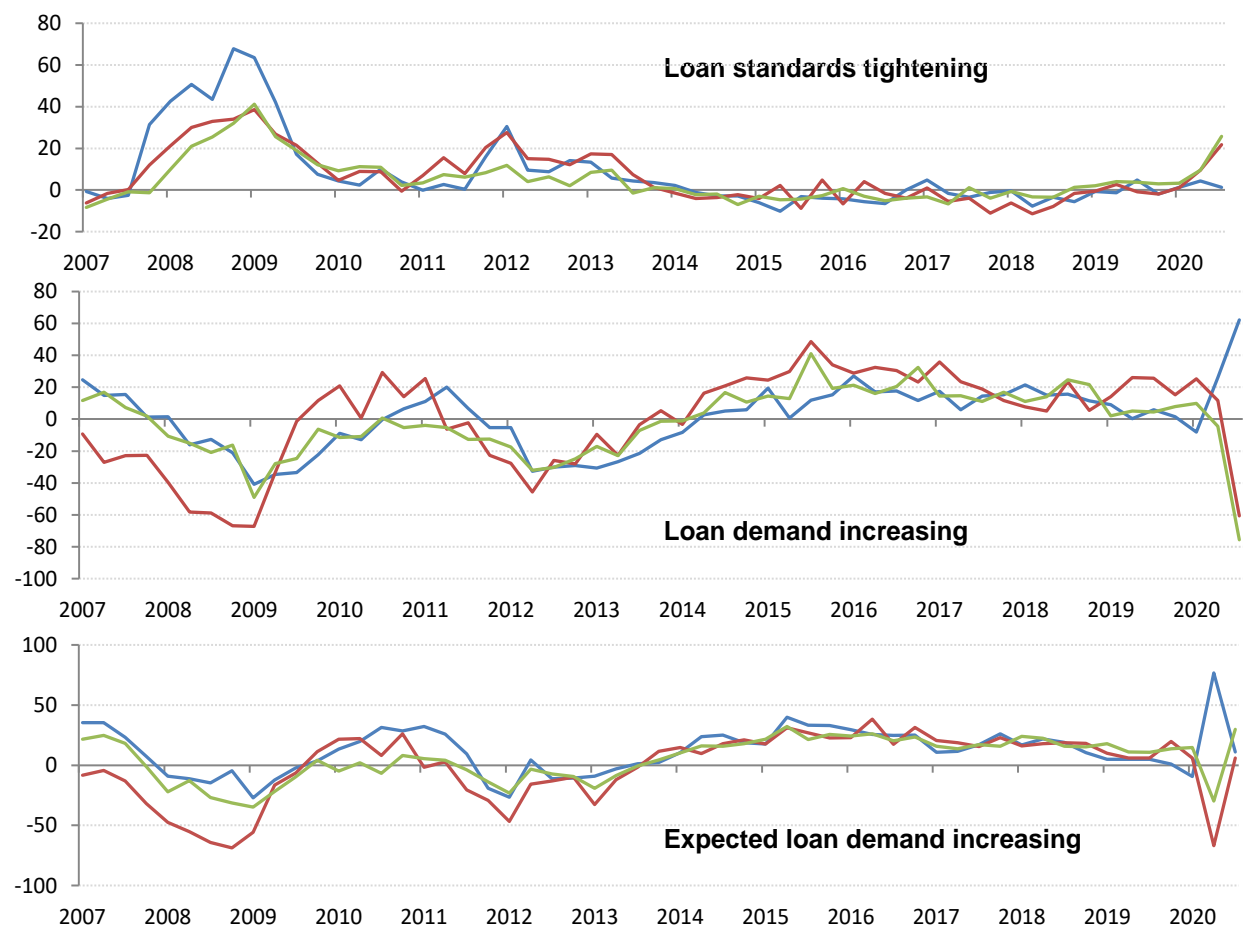
— Loans to 1 year — Loans 1-5 years — Loans 5 years plus ... Total



Source: ECB, TrendMacro calculations

Supply and demand for lending: ECB Bank Survey

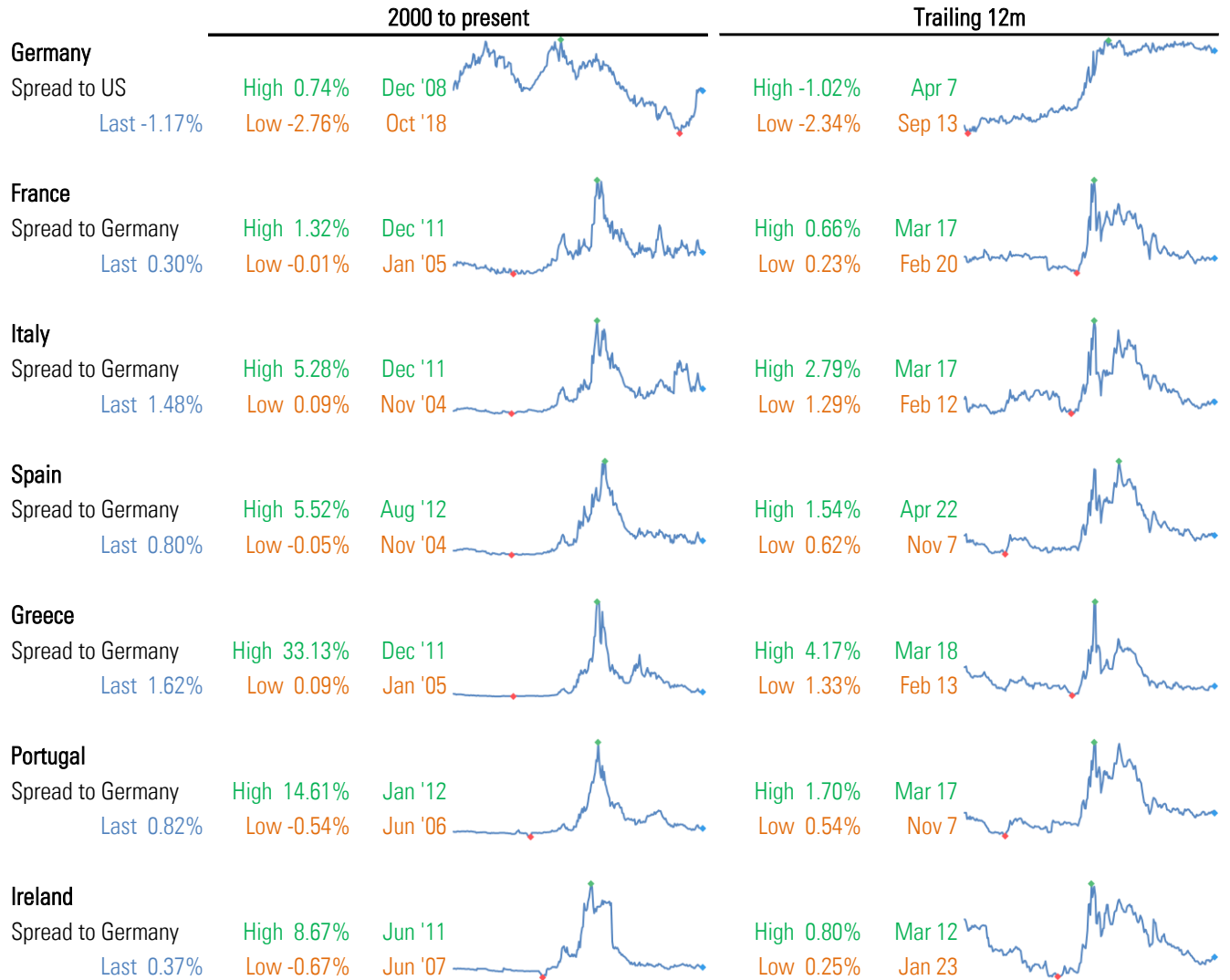
Net number of banks reporting for: — Enterprises — Home mortgage — Consumer



Source: ECB, TrendMacro calculations

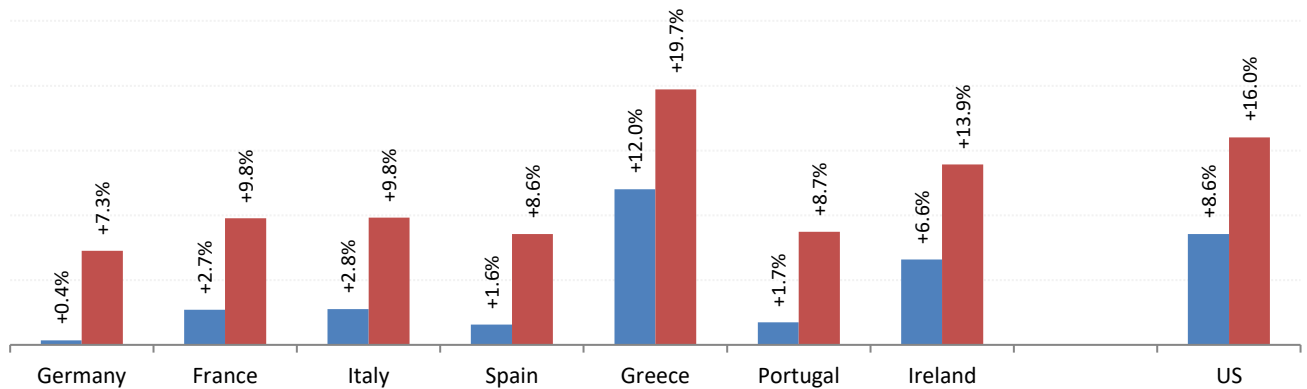
Sovereign stress monitor: 10-year bond spreads

· High · Low · Last



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

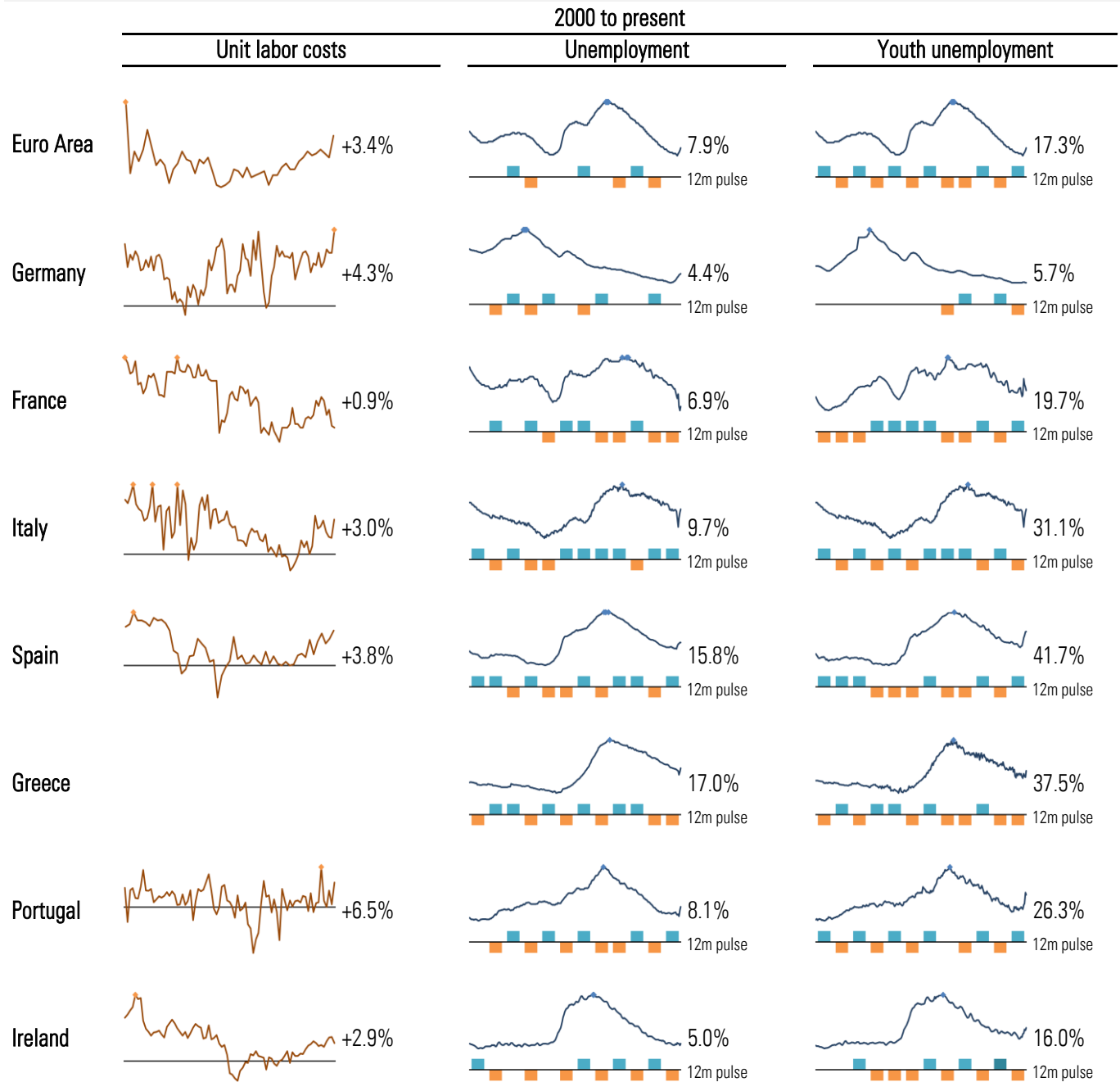
■ EUR ■ USD



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



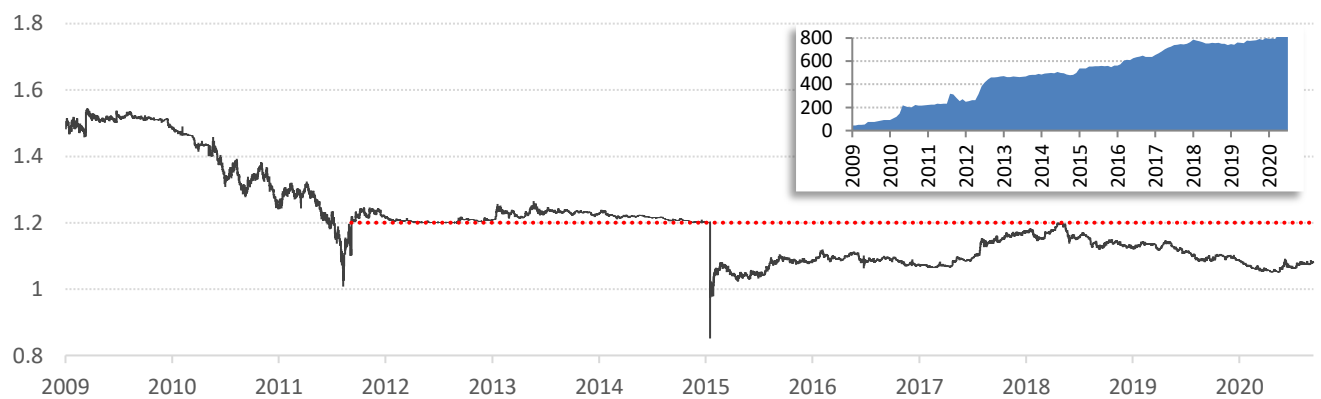
Source: Eurostat, TrendMacro calculations

Purchasing Manager Indices

Manufacturing				Services			
	Last	Prev	13-month history		Last	Prev	13-month history
Eurozone Aug	51.7	51.8		Eurozone Aug	50.5	54.7	
UK Aug	55.2	53.3		UK Aug	58.8	56.5	
Germany Aug	52.2	51.0		Germany Aug	52.5	55.6	
France Aug	49.8	52.4		France Aug	51.5	57.3	
Italy Aug	53.1	51.9		Italy Aug	51.4	52.2	
Spain Aug	49.9	53.5		Spain Aug	47.7	51.9	
Ireland Aug	52.3	57.3		Ireland Aug	52.4	51.9	
Netherlands Aug	52.3	47.9					
Austria Aug	51.0	52.8					
Greece Aug	49.4	48.6					
Czech Rep Aug	49.1	47.0					

Source: Markit, TrendMacro calculations

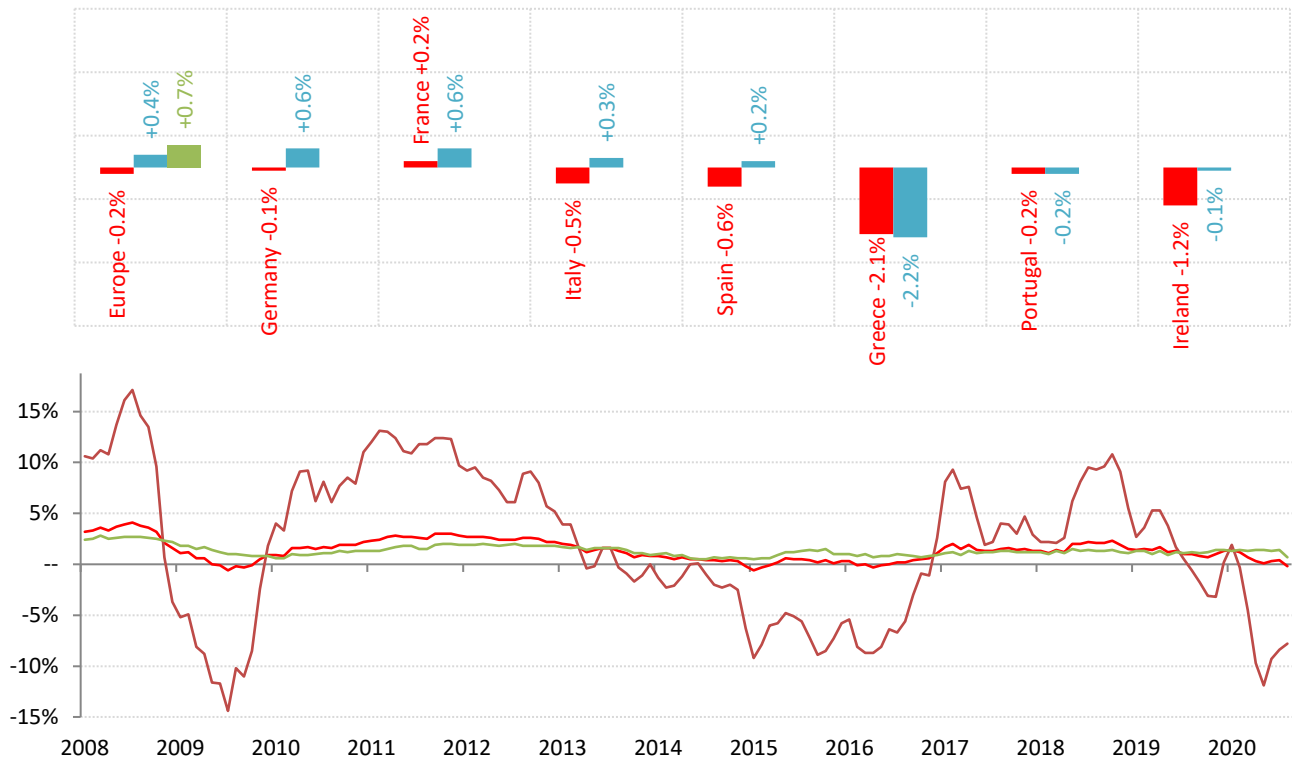
Regional currency flight — Euro vs Swiss franc — Swiss National Bank floor — SNB FX reserves



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 old dashboard:

swap-implied inflation expectations since "Whatever it takes"

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



Source: Bloomberg, TrendMacro calculations