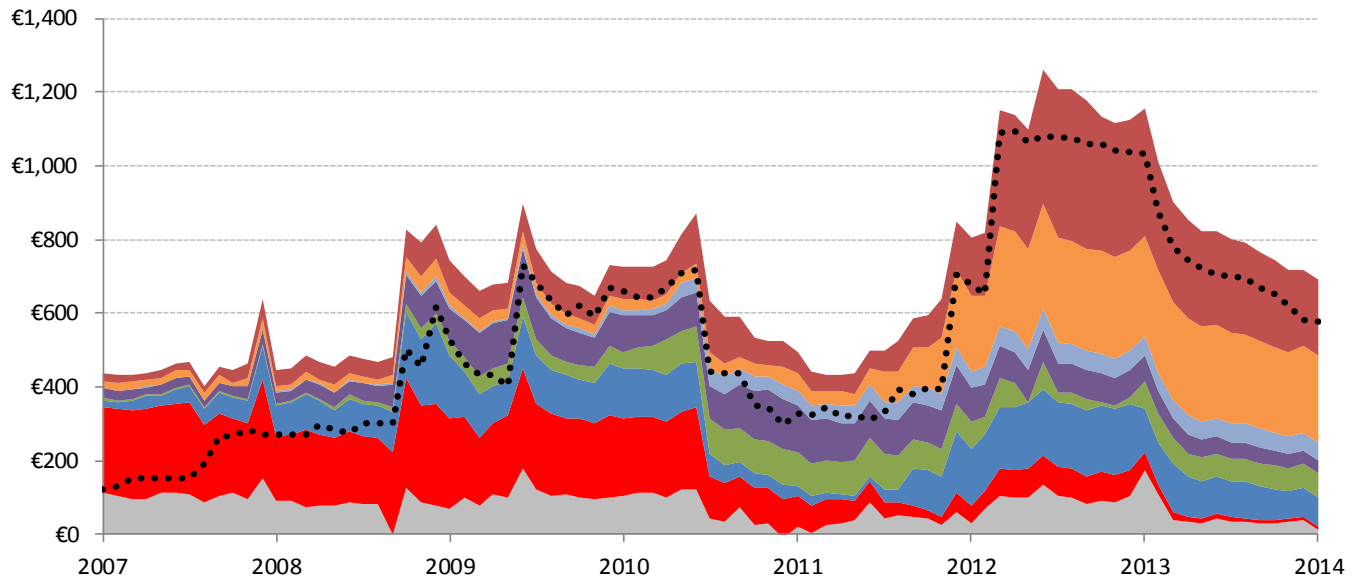# Data Insights: Euro Area Recovery Monitor

Thursday, February 6, 2014
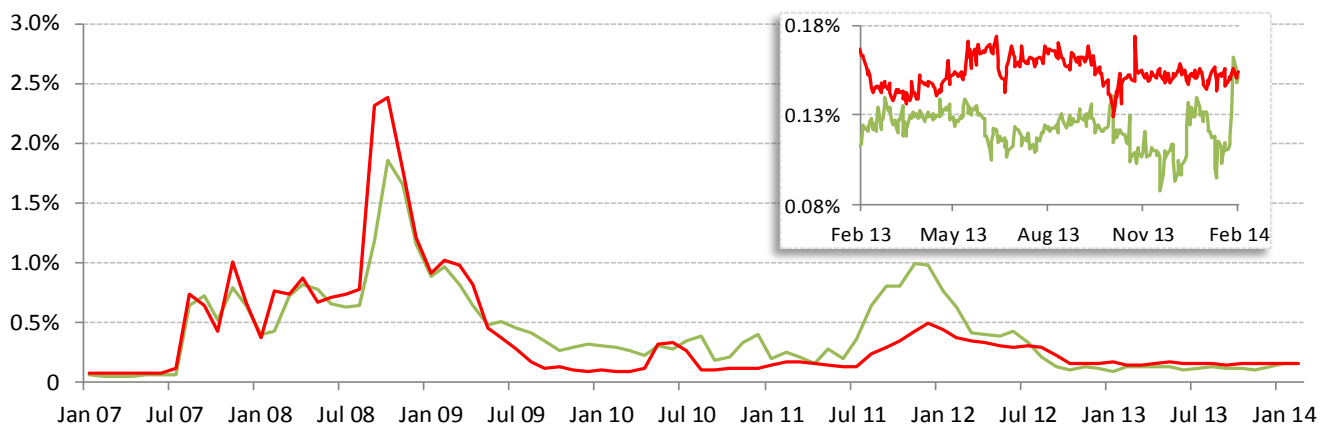
Banking system dependency: borrowing from the ECB (€ billions)

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

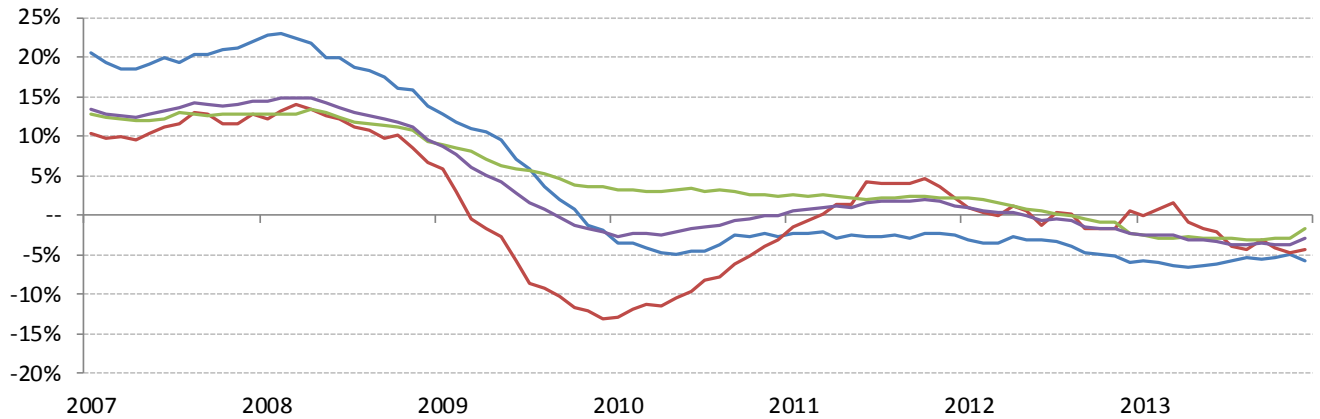Source: ECB, National central banks, TrendMacro calculations

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

Source: Bloomberg, TrendMacro calculations

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

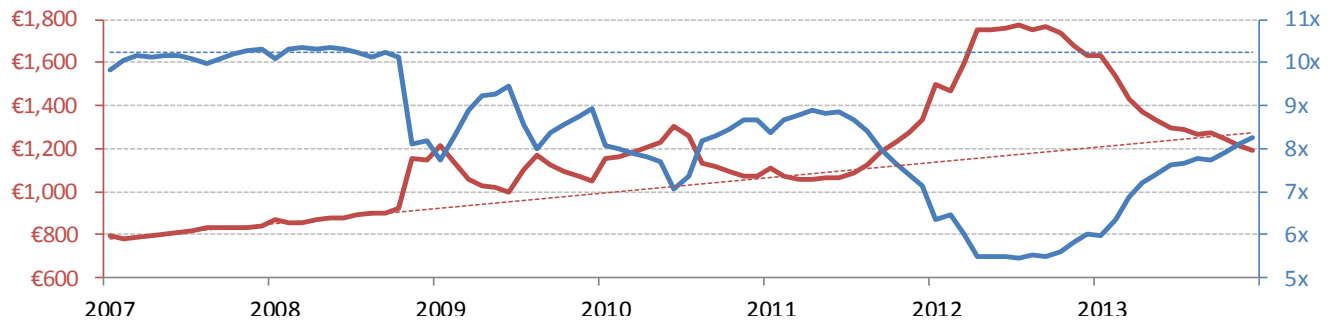— Loans to 1 year — Loans 1-5 years — Loans 5 years plus ··· Total
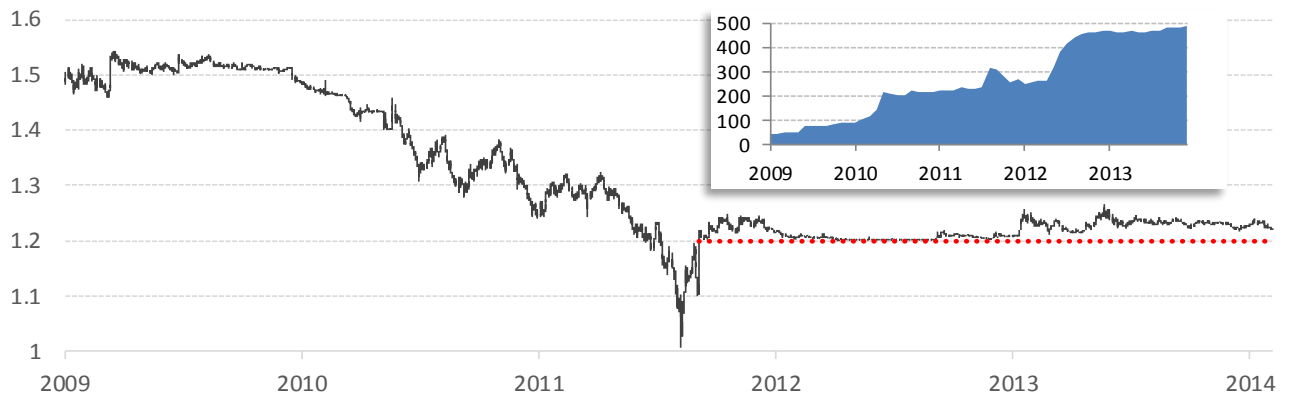

Source: ECB, TrendMacro calculations

The money paradox: the case of the missing multiplier

— Monetary base ··· Pre-crisis trend — M3 multiplier ··· Pre-crisis trend
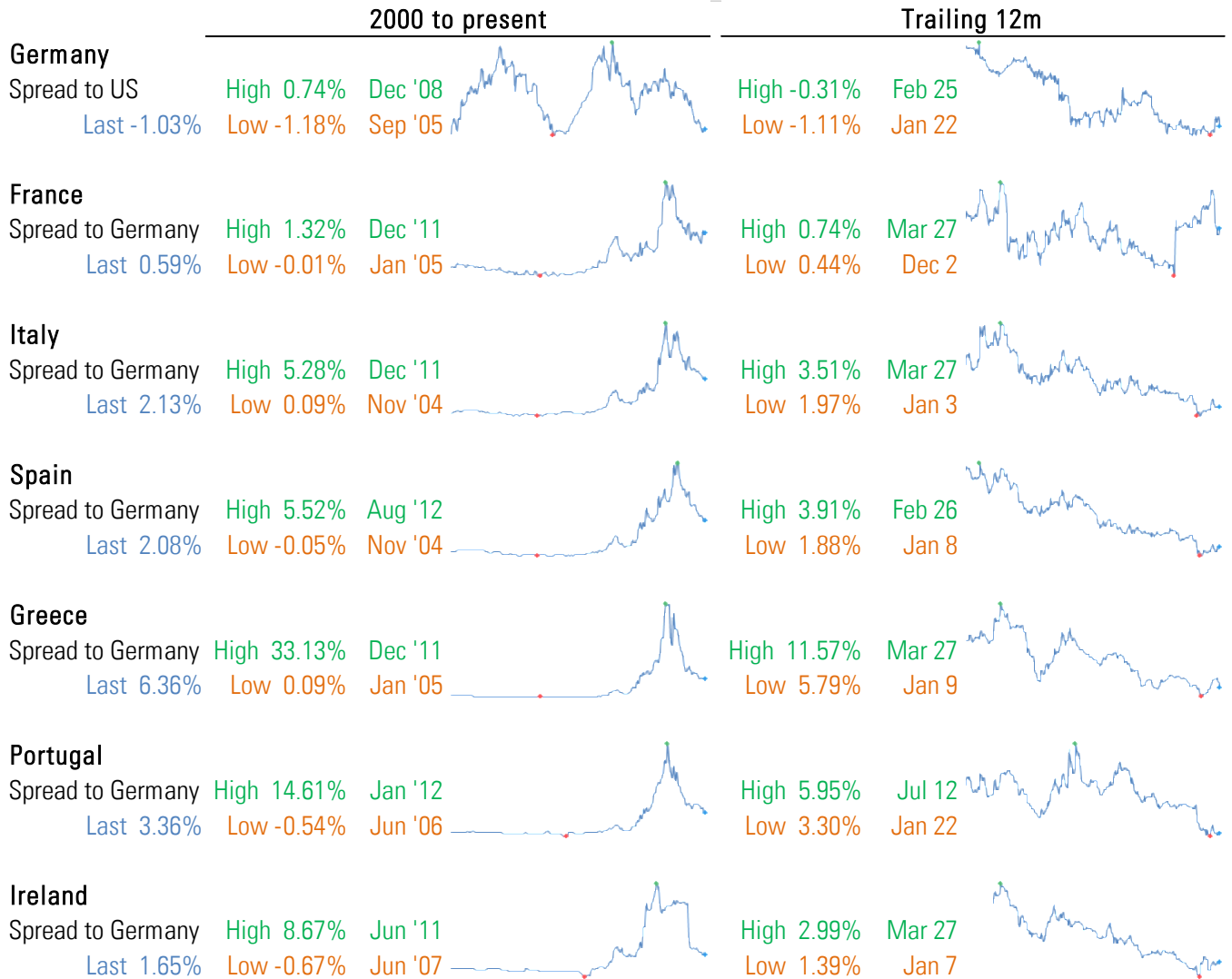

Source: ECB, TrendMacro calculations

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

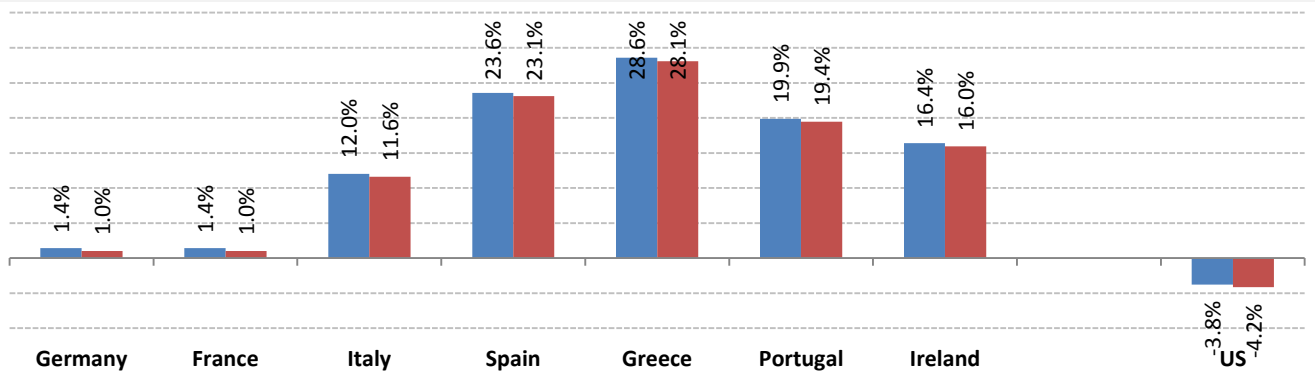Source: Bloomberg, TrendMacro calculations

Sovereign stress monitor: 10-year bond spreads   · High   · Low   · Last

	2000 to present	Trailing 12m

Germany
Spread to US   High 0.74%   Dec '08   High -0.31%   Feb 25
Last -1.03%   Low -1.18%   Sep '05   Low -1.11%   Jan 22

France
Spread to Germany   High 1.32%   Dec '11   High 0.74%   Mar 27
Last 0.59%   Low -0.01%   Jan '05   Low 0.44%   Dec 2

Italy
Spread to Germany   High 5.28%   Dec '11   High 3.51%   Mar 27
Last 2.13%   Low 0.09%   Nov '04   Low 1.97%   Jan 3

Spain
Spread to Germany   High 5.52%   Aug '12   High 3.91%   Feb 26
Last 2.08%   Low -0.05%   Nov '04   Low 1.88%   Jan 8

Greece
Spread to Germany   High 33.13%   Dec '11   High 11.57%   Mar 27
Last 6.36%   Low 0.09%   Jan '05   Low 5.79%   Jan 9

Portugal
Spread to Germany   High 14.61%   Jan '12   High 5.95%   Jul 12
Last 3.36%   Low -0.54%   Jun '06   Low 3.30%   Jan 22

Ireland
Spread to Germany   High 8.67%   Jun '11   High 2.99%   Mar 27
Last 1.65%   Low -0.67%   Jun '07   Low 1.39%   Jan 7

10-year sovereign bond total returns, trailing 12-months   ■ EUR   ■ USD

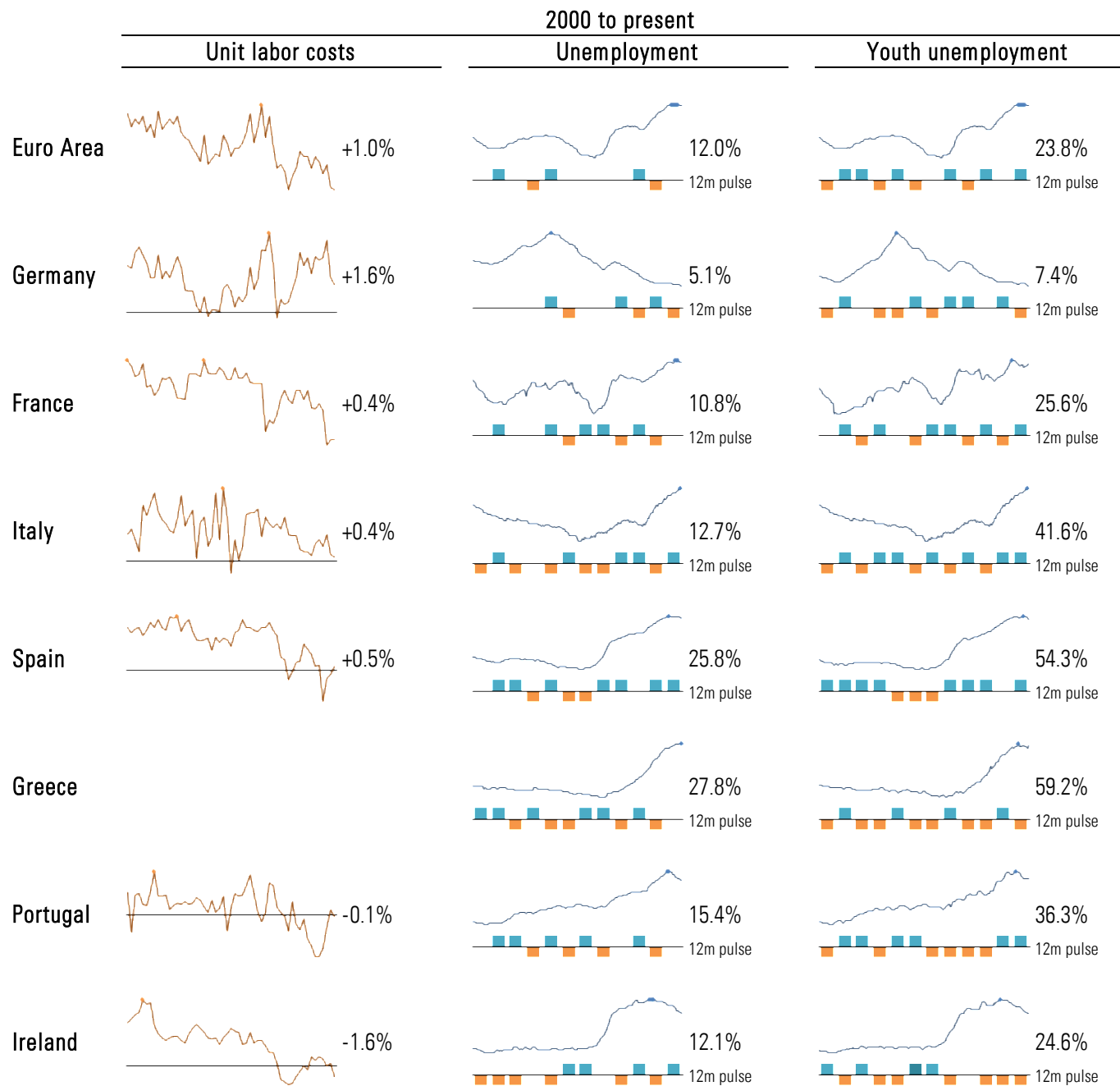|	EUR	USD
Germany	1.4%	1.0%
France	1.4%	1.0%
Italy	12.0%	11.6%
Spain	23.6%	23.1%
Greece	28.6%	28.1%
Portugal	19.9%	19.4%
Ireland	16.4%	16.0%
US	-3.8%	-4.2%

Source: Bloomberg, TrendMacro calculations

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Labor market in intensive care

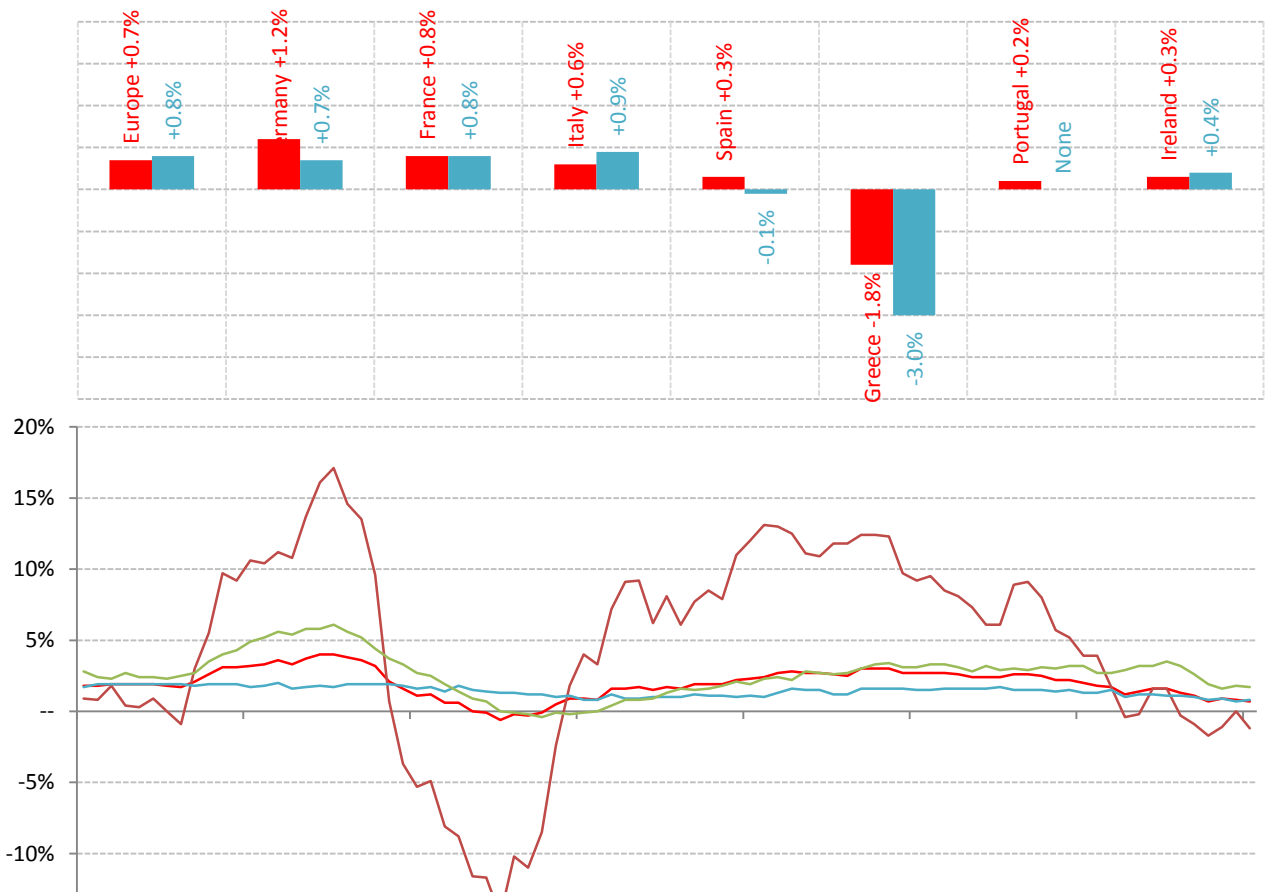ULC: Nominal, quarterly YOY   UE: · High   12m pulse: monthly ■improvement or ■worsening in rate of change

	2000 to present		
	Unit labor costs	Unemployment	Youth unemployment
Euro Area	+1.0%	12.0%	23.8%
Germany	+1.6%	5.1%	7.4%
France	+0.4%	10.8%	25.6%
Italy	+0.4%	12.7%	41.6%
Spain	+0.5%	25.8%	54.3%
Greece		27.8%	59.2%
Portugal	-0.1%	15.4%	36.3%
Ireland	-1.6%	12.1%	24.6%

Purchasing Manager Indices

Manufacturing	Jan 14	Prev	13-month history	Services	Jan 14	Prev	13-month history
Eurozone	54.0	52.7		Eurozone	51.6	51.0	
Germany	56.5	54.3		Germany	53.1	53.5	
France	49.3	47.0		France	48.9	47.8	
Italy	53.1	53.3		Italy	47.9	47.2	

Source: Respective Statistical agencies, TrendMacro calculations

Euro area consumer inflation, year on year

By country: ■ Headline ■ Ex-food and energy

Euro area: ■ Headline ■ Ex-food and energy ■ Energy ■ Food

Europe +0.7% / +0.8%
Germany +1.2% / +0.7%
France +0.8% / +0.8%
Italy +0.6% / +0.9%
Spain -0.3% / -0.1%
Greece -1.8% / -3.0%
Portugal +0.2% / None
Ireland +0.3% / +0.4%

Source: Eurosat, TrendMacro calculations