CaixaBank

Spain: Macroeconomic and financial outlook

CaixaBank Research

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www.caixabankresearch.com

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Main messages

The Spanish economy will sink into a severe recession due to COVID-19

- The **COVID-19 shock lead to a sharp downturn in activity** due to major lockdown measures, in place from mid-March to mid-June. **Uncertainties remains very high** as activity is heavily dependent on a virus whose behavior is far from being predictable and could be around until a vaccine or a medical treatment is found (exp. mid-2021).
- Our **updated scenario** recognizes a higher impact on activity of confinement measures and persistent uncertainty, with **GDP falling between 13-15% in 2020.** On the other hand, the **recovery is already underway**, even faster than in the previous crisis, and **we expect GDP to grow about 10-11% in 2021,** leaving GDP still 3.5-6.5% below pre-crisis levels.
- On the upside, the real estate sector is experiencing a sharp contraction, but its solid fundamentals are a plus this time, whereas the **Spanish banking sector is in good shape to face the crisis** and can help reduce its impact on the economy by providing liquidity to companies and offering debt moratoriums to the most vulnerable households.

Strong response to counteract the economic impact of COVID-19

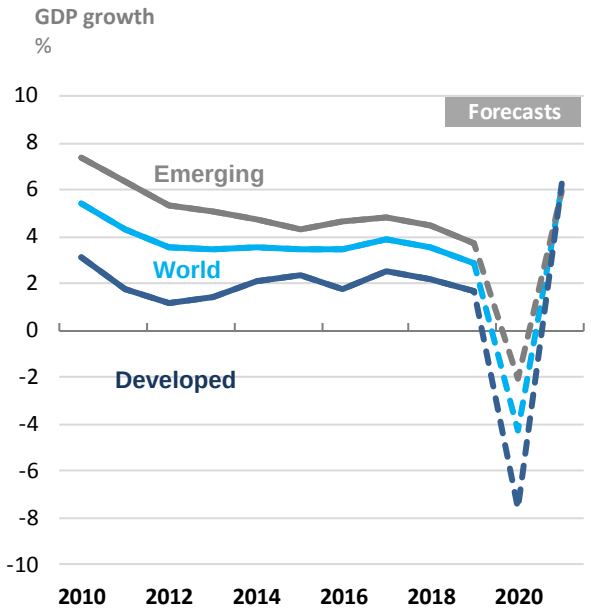
- **On the political front**, the government adopted a **comprehensive policy response to ensure that confinement and activity restriction measures did not end up having persistent effects on employment and activity.** The measures go in the right direction, but further action is warranted.
- The measures taken seek to **provide liquidity and ensure the viability of all actors in the economy**, preventing their financial stress mounting (like public loan guarantee schemes of €140bn). **Furlough job schemes (ERTEs) reduce job destruction** and also help companies viability.
- The **impact on public accounts will be sizeable this year** (public deficit of around 13-14% in 2020). Ambitious measures are necessary to cushion the economic impact and spur a rapid economic recovery.
- The banking sector will have to deal with a notable increase in NPLs (and provisions), and a decrease in net incomes due to the lower credit demand (except corporations) and the decline in interest rates.

Solid economic fundamentals are key for a swift recovery

- **Spain grew** continuously over 5 years **without increasing economic imbalances.**
- **Structural reforms** and **substantial competitiveness gains** have promoted a boost of the export sector.
- **Dynamic employment creation** (around 3 million jobs created btw 2013-2019) and **moderate wage increases** (+2.3% in 2019) prior to the COVID-19 health crisis.
- **Solid financial position on the private sector side** after a substantial reduction of indebtedness.
- **More sustainable growth of the real estate** sector, aligned with structural housing demand.
- **Spain exited the EU excessive deficit procedure,** and its public deficit remained below the 3% threshold in 2019.
- **The banking sector** remains a support factor to Spanish economic growth.

The global economy will sink into a recession due to the COVID-19

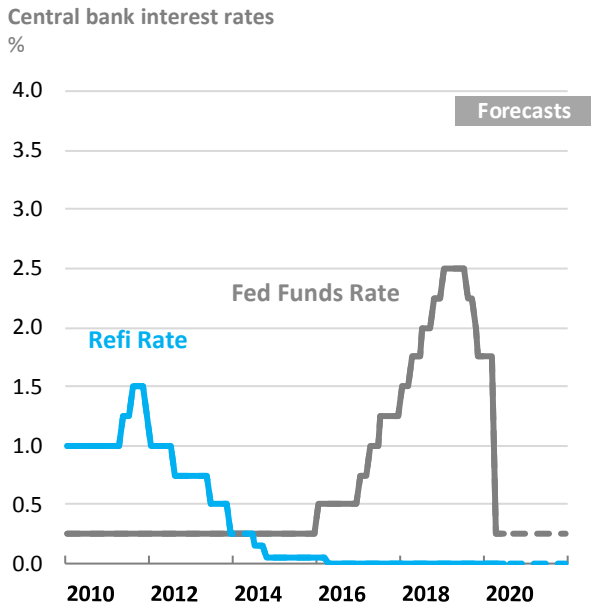
Lockdowns trigger a global recession



Source: CaixaBank Research.

- **The COVID-19 represents a major global shock, which will push the world into recession**. The recovery will be gradual but remain incomplete until a vaccine or medical treatments are available.
- **The main international economies are taking bold policy steps** to prevent a lasting recession (support for displaced workers, production disruptions and liquidity needs). The latest EU proposals would be important in terms of sharing the burden of the crisis.
- **Risks are tilted to the downside**: longer lockdowns, policy ineffectiveness, EM fragilities, financial stress.

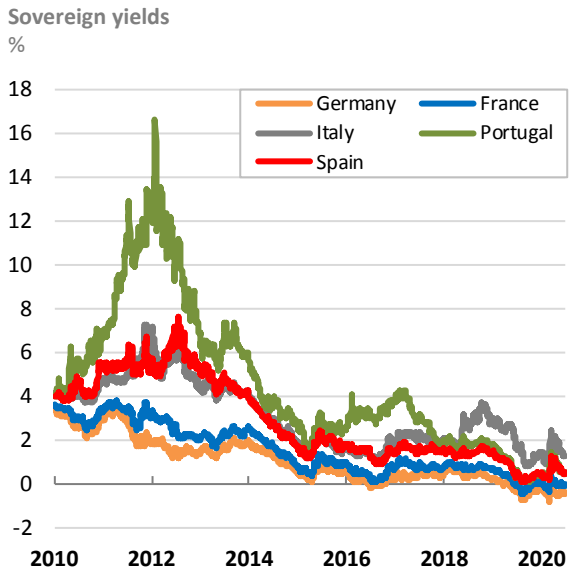
Central banks have responded boldly to the COVID-19



Source: CaixaBank Research.

- **Central banks launched liquidity and credit facilities and anchored a low-rates environment**.
- The Fed cut rates to 0.00%-0.25% (-150bp), announced unlimited purchases of Treasuries and MBS, and launched several credit and liquidity facilities (incl. corporate debt purchases).
- The ECB kept rates at historical lows, increased the appeal and amount of liquidity injections (TLTRO-III, LTRO and PELTRO), and massively raised asset purchases (APP +120bn in 2020 and PEPP +1350bn in 2020-21).

Financial markets operate in a volatile environment



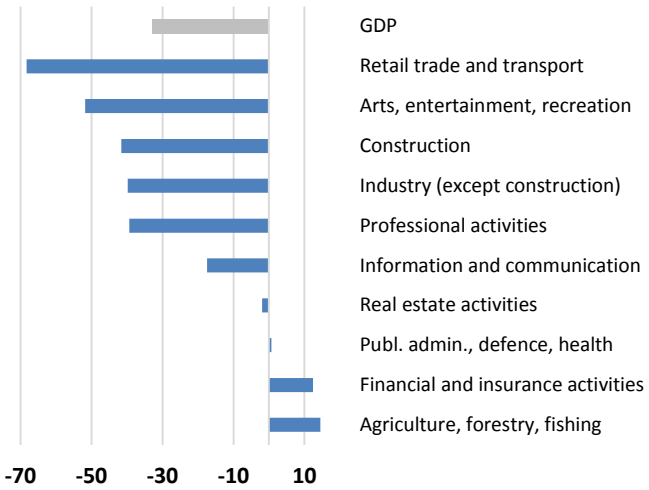
Source: Bloomberg and CaixaBank Research.

- Aggressive monetary policy and EU-wide fiscal support will keep **AEs sovereign yields and EA peripheral spreads contained** in spite of the global fiscal expansion. As uncertainties surrounding the economic outlook recede, yields could nudge up. Risk aversion will take a toll on low-quality assets.
- **Financial markets will exhibit renewed bouts of volatility** reflecting investors' sensitivity to the pandemic's dynamics and policy announcements.

The Spanish economy suffers an unprecedented but temporary economic shock

Different short-term impact depending on sector

Estimated size of shock during 2nd half March, by industry
%

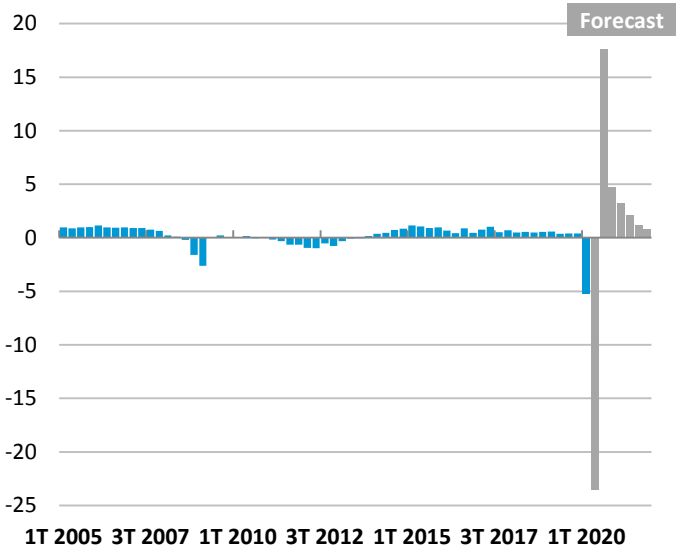


Note: Estimation of the size of the fall in activity during the second half of March, based on data from Q1 GDP.
Source: CaixaBank Research, based on data from INE.

- **Spain's Q1 GDP contracted by -5.2% QoQ** (-4.1% YoY), suggesting that activity was down by ~30% during 2nd half of March as a result of COVID-19.
- **Industries** have been **hit** very **heterogeneously**, with **retail, transport and accommodation** (24% of GDP in 2018) **suffering severely** under the strict confinement measures.
- As lockdowns are gradually removed and the virus contained, industries will resume activities.

Spain: sharp contraction in H1, strong rebound in H2

Spain - GDP Growth
% QoQ change

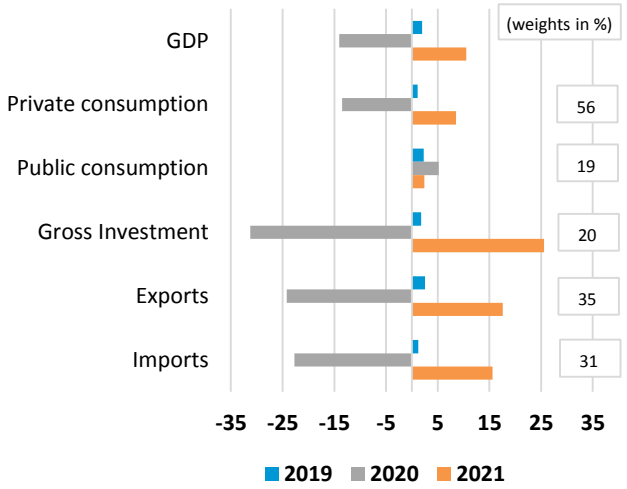


Source: CaixaBank Research, based on data from INE.

- **Spain's economy will endure a deep recession, but the impact is expected to be contained in time**. Spanish GDP is projected to decrease 13-15% in 2020, with a strong contraction in H1 and a gradual recovery starting in H2. In 2021, GDP would expand circa 10-11%, mostly due to base effects.
- **The uncertainty surrounding this scenario is very high** as it is highly dependent on the evolution of the virus outbreak.

Spain: all GDP components affected by the shock

Spain - GDP components
% YoY change



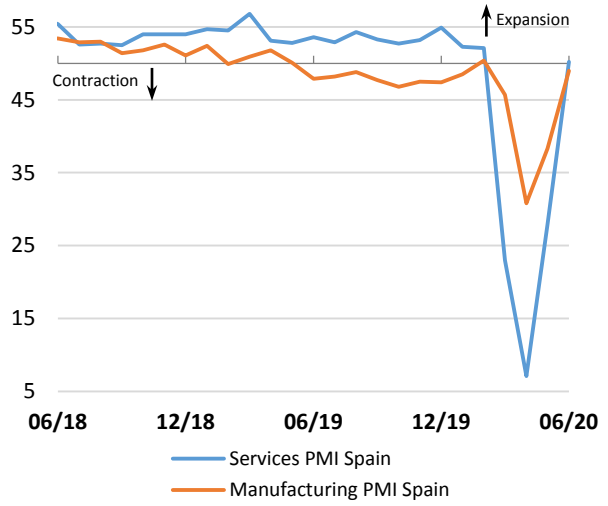
Source: INE and CaixaBank Research.

- **Internal demand suffers during the shock**. Public consumption will increase +5.2% in 2020 and only partially compensate the decrease in private consumption (-13.5%) and investment (-31.2%). All components should recover once the shock is over.
- The **external sector will progressively gain traction once the temporary shock is over** in most trade partners.

Activity indicators show the extraordinary impact of lockdown measures but start to display first glimpses of light

Activity picks up from depressed levels

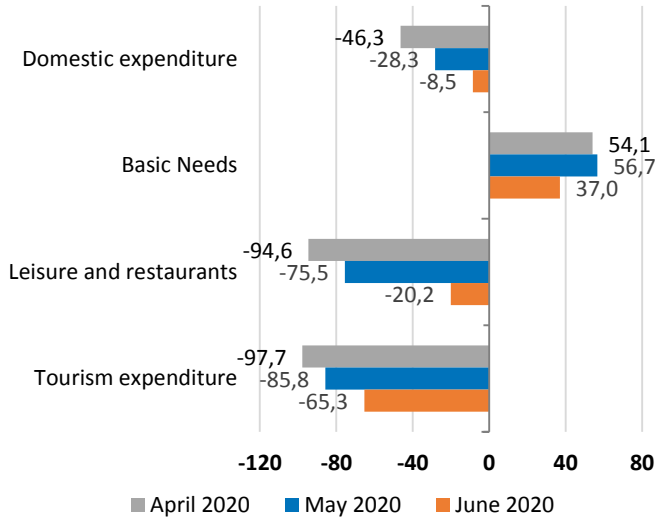
Manufacturing PMI
In levels



Source: CaixaBank Research, based on data from Markit.

Different short-term impact depending on sector

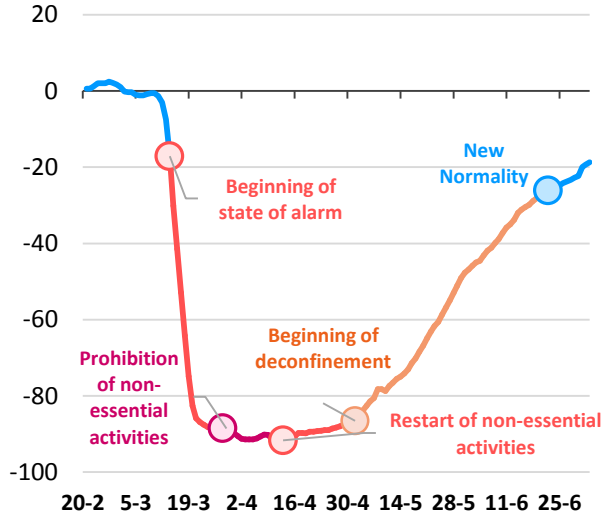
CaixaBank card reader expenditure
% YoY change



Source: CaixaBank Research, based on internal data

Mobility recovers as confinement measures phase out

Mobility of population in stores
Variation with respect to base level* (%)



Note: 7-day rolling average. (*) Base level refers to mobility registered on the same day of the week between January 3rd and February 6th.
Source: CaixaBank Research, based on data from Google Mobility Report.

- **In June, activity indicators recovered from their extraordinarily low levels.** Spain's Manufacturing PMI climbed to 49 points in June (38.3 points in May) and Services PMI to 50.2 points in June (27.9 points in May), both around the crucial 50 points that mark the expansion area. This quick recovery reflects the remarkable impact that phasing out strict confinement measures had on activity.

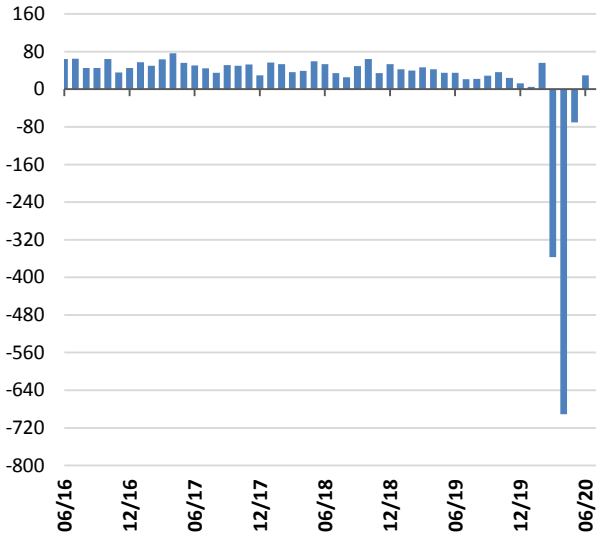
- **Overall credit card purchases increased in June compared to April and May** thanks to the loosening of confinement measures across all regions of Spain, but remain at lower levels than a year ago (-8.5% YoY in June).
- **Sectors most affected by lockdowns and social distancing measures were heavily affected** (hotels, restaurants, retail and transport, representing about 25% of the economy) **but recover at different speeds.**

- **Mobility indicators show the unparalleled impact on the economy of lockdown measures**, enforced to contain the advance of the pandemic.
- **A remarkable recovery has taken place since the containment measures began to be lifted**. Half of the drop in consumption spending has been recovered in two months (in previous crisis it took ~ 2-8 quarters)

Labour market partially recovers in June but COVID-19 scars will linger much longer

Affiliation starts to increase in June

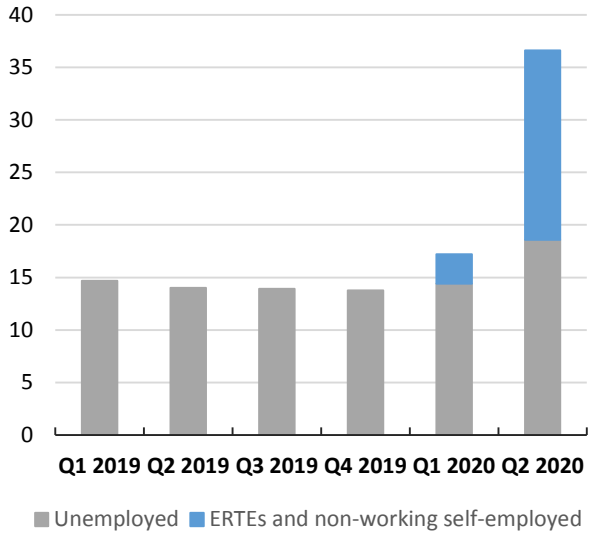
Social Security affiliation*
MoM growth (thousands)



Note: (*) seasonally adjusted.
Source: CaixaBank Research, based on data from MITRAMISS.

Unemployment reflects only part of the idleness

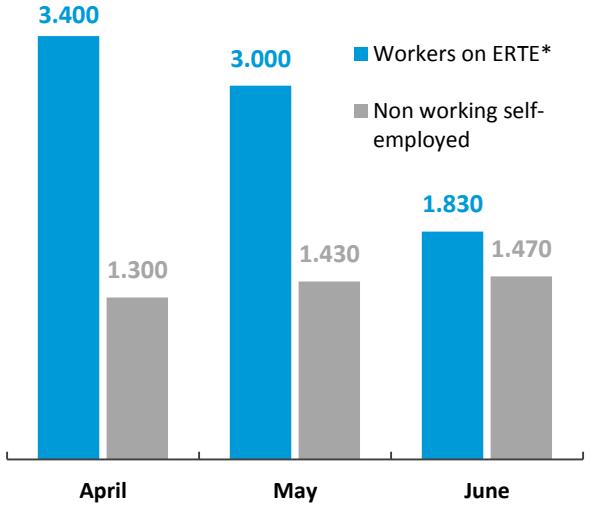
Unemployment rate and temporary lay-off schemes
% of active population



Source: INE (EPA) and CaixaBank Research.

Workers gradually exit furlough schemes (ERTE)

Workers on ERTE scheme and non-working self-employed
End of month (in thousands)



Note: (*) ERTEs includes full or partial force majeure and objective reasons.
Source: CaixaBank Research, based on data from MITRAMISS.

- **Affiliation increased moderately in June as lockdown measures were relaxed** (+68K up to 18,600K affiliates).
- **Employment was severely hit by the containment measures.** Total affiliation in Jun-20 is still 4.6% lower than in Jun-19.
- High LM duality causes **young workers and those on temporary contracts to be the most affected groups**.

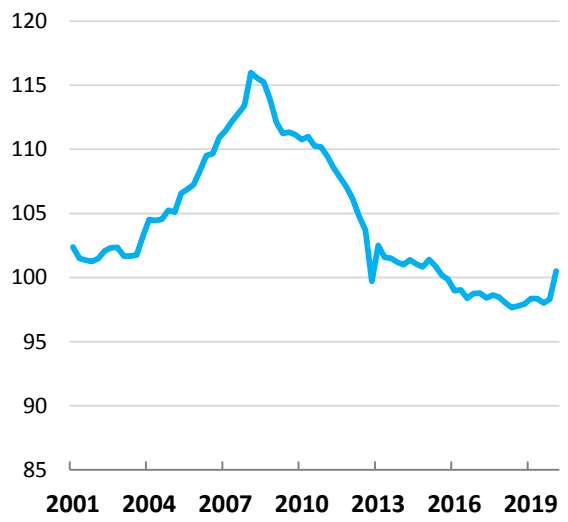
- **The unemployment rate is forecasted to reach around 19% in 2020**. If we take into account furloughed workers, the extended unemployment rate could reach 28% in 2020. The impact will be more severe in sectors like tourism, construction and retail.
- As the economy gradually gets back on track, we expect the unemployment rate to gradually decline and reach 16% by 2023.

- Businesses made **ample use of temporary lay-off schemes (ERTEs)**, affecting 3.4M affiliates in April. Around 1.6M had already returned to work full-time by end-June.
- **Several risks loom the labour market in the coming quarters**: temporary jobs not created, insufficient temporary lay-off schemes, increase in lay-offs, longer unemployment for those seeking work, etc.

External sector will compensate weak internal demand

Competitiveness recovery

Unit labor cost relative to euro average
Index (1999Q1 = 100)

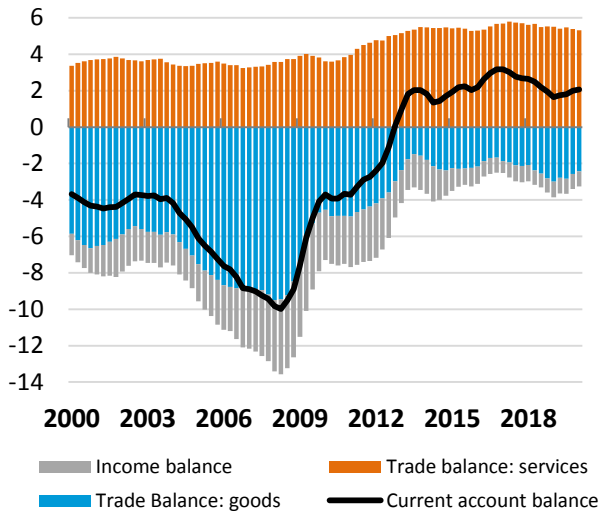


Source: Bank of Spain and Refinitiv.

- **Competitiveness lost in 1999-2008 has been recovered** through productivity gains (1.6% per year since 2006) and wage moderation.
- **Enhanced competitiveness** has fuelled exports, which stand above 34% of GDP in 2019 compared to 26% in 2008, and **will facilitate the recovery of the external sector**.
- **Openness** increased from 57% of GDP in 2007 to 67% in 2019, mostly through goods exports.

Current account in surplus

Current account balance
% of GDP



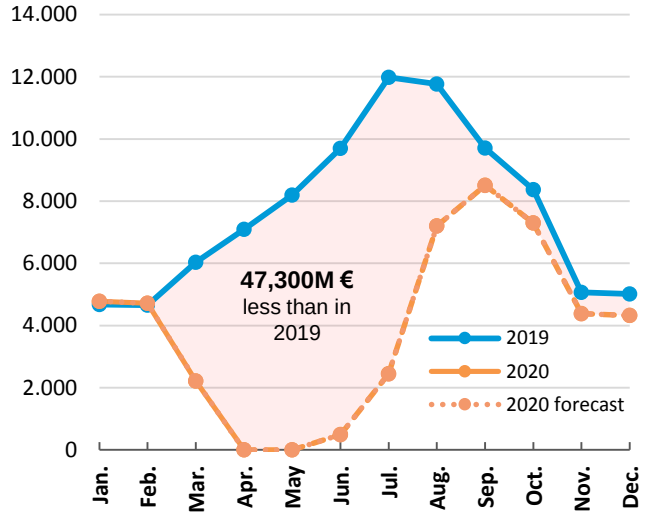
Note: Four-quarters accumulated.

Source: Bank of Spain and Refinitiv.

- In **constant surplus since 2013**, the **current account will remain around 1.5-2.0% of GDP in 2020-21**. A global recession and a sharp fall in tourism will be offset by less imports (weak domestic demand) and cheap oil (that moderates energy goods deficit, March: -2.2% of GDP).
- **Export performance will recover once the COVID-19 crisis is over**, underpinned by increased openness, competitive gains and a diversification of partners.

International tourism in temporary standstill

Expenditure of foreign tourists
In thousands of Euros



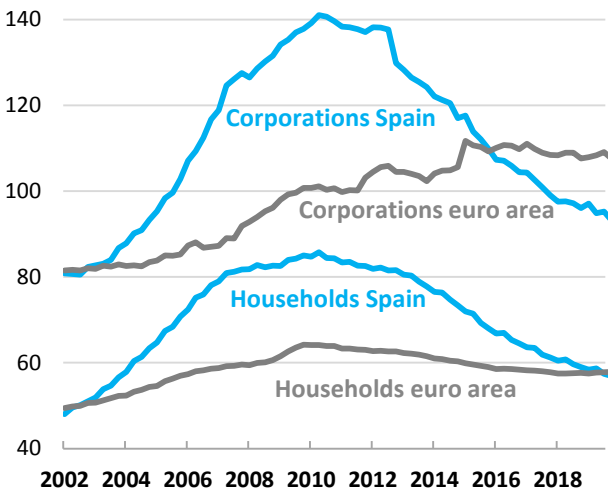
Source: CaixaBank Research, based on data from INE.

- **Collapse in tourism due to global lockdowns**. International tourist arrivals plunged 100% YoY and have been practically zero since mid-March.
- **Uncertainty surrounds the upcoming summer season** due to mobility restrictions and the epidemiological situation in origin countries.
- **National tourism will boost demand**, however will not offset lost international tourism in 2020 (70% of total demand), while social distancing may in addition prove a critical spending ceiling.

Notable improvement in the deleveraging process will help to weather the COVID-19 storm

Private indebtedness has fallen significantly

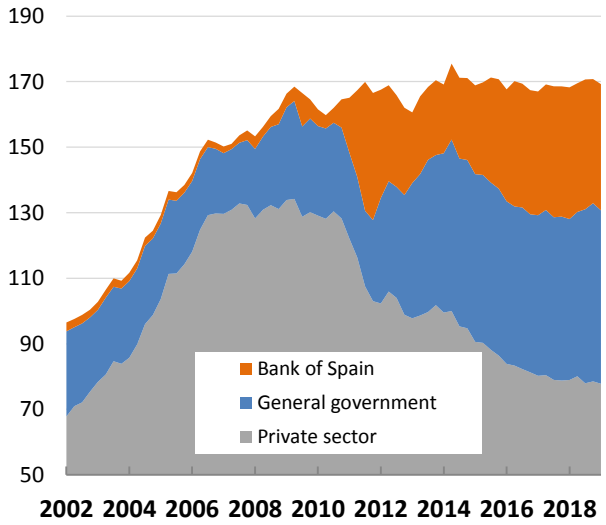
Gross private debt
% of GDP



Source: ECB, Eurostat.

Gross external debt remains a challenge

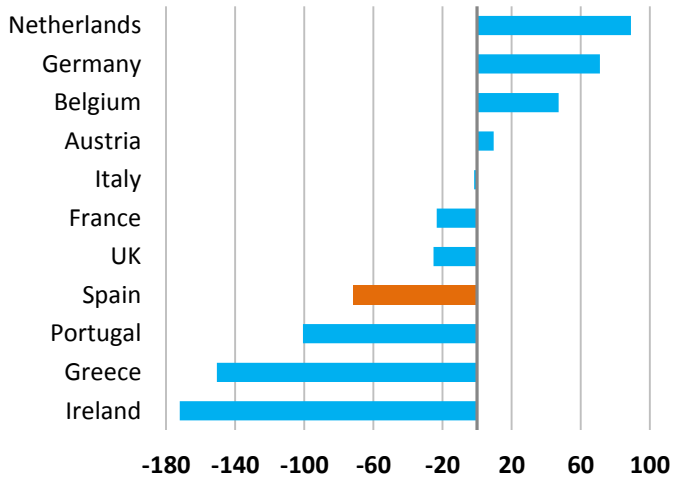
Gross external debt
Quarterly data, in % of GDP



Source: Bank of Spain and Refinitiv.

Net international investment position improves

Net international investment positions
% of GDP, Q4 2019*



Note: (*) Data for Spain refers to Q1 2020.
Source: Bank of Spain, IMF, Eurostat and CaixaBank Research.

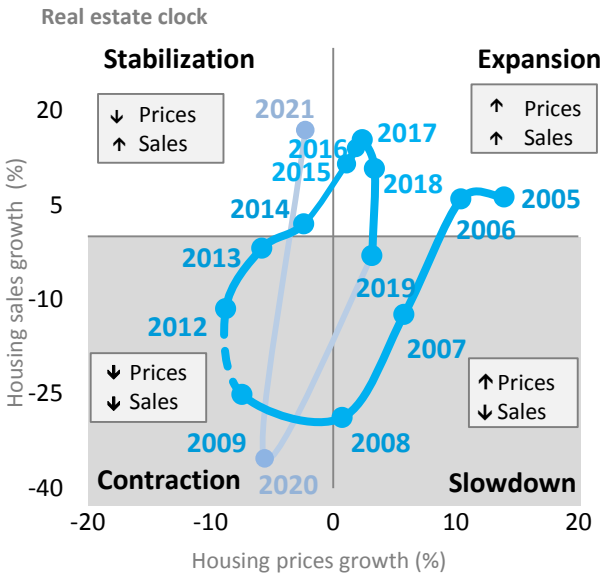
- **Solid financial situation of the private sector**. Corporate deleveraging has come a long way as debt levels are well below euro area average. The comfortable levels offer scope to temporally increase indebtedness to face COVID-19 shock.
- **Household deleveraging will continue over the medium term**, albeit at a more gradual pace because the most vulnerable households may obtain debt moratoriums, delaying further reductions in their leverage position.

- **Gross external debt stands at 169.3% of GDP in 2019Q4**, and is expected to steadily decline thanks to the current account remaining in surplus.
- **Private sector external debt has fallen considerably from peak levels** (131% of GDP in 2010 **to 77.8% of GDP in 2019Q4**).

- **The negative net international investment position (NIIP)** has improved by 26.2 pp since 2014Q2, but **remains high at 71.6% of GDP in 2020Q1.**
- A current surplus of 1.3% of GDP and nominal growth of 3% (1.8% and 3.5% in 2019, respectively) would bring the NIIP below the indicative threshold given by the EC (-35%) by 2040.

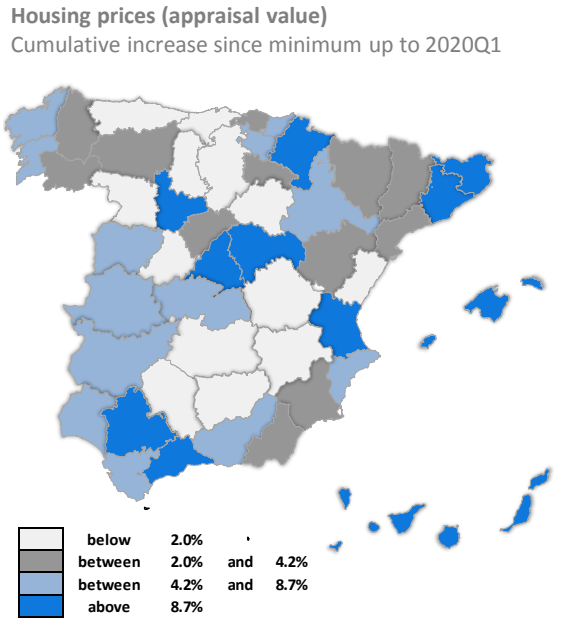
The real estate sector: temporary contraction but solid fundamentals

Contraction territory in 2020, stabilization in 2021



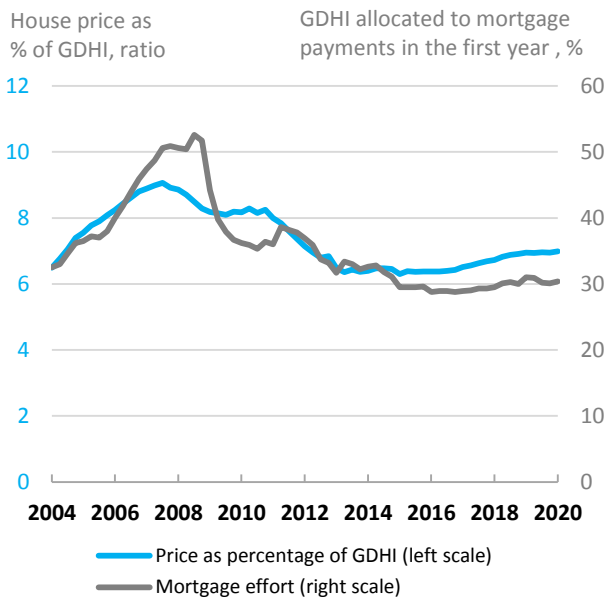
Source: Fomento, INE and CaixaBank Research forecasts.

An uneven housing market



Source: Ministry of Public Works.

Housing affordability



Note: GDHI is the Gross Disposable Household Income (median).
Source: Bank of Spain

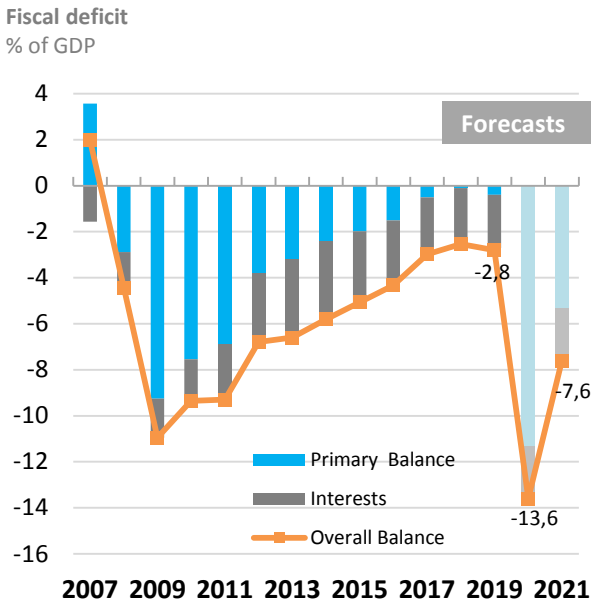
- **The housing sector will experience a significant downturn in 2020 and only manage to recover partially in 2021 due to the sector's high inertia. Its fundamentals remain solid, however** (no excess indebtedness of families or of real estate companies and no excess capacity on the supply side).
- **Housing sales** might only reach 325K in 2020, a fall of more than 30% compared to 2019, largely due to the decrease in foreign transactions.

- Weak demand and high uncertainty will put **downward pressure on housing prices in 2020**. Appraisal house prices could decrease more than 5% this year and will likely continue to fall in the first half of 2021.
- **Housing prices were on the rise prior to the COVID crisis,** increasing by 2.1% (appraisal value) and 3.6% (transaction prices) in 2019Q4.

- Despite price increases from 2014 to 2019, **housing affordability ratios remain well below previous maximums,** thanks to improvements in household income during that period and low interest rates.
- Going forward, **housing affordability will remain at similar levels** because falling household income may be offset by the decline in housing prices.

Necessary fiscal stimulus measures have a substantial impact on public finances

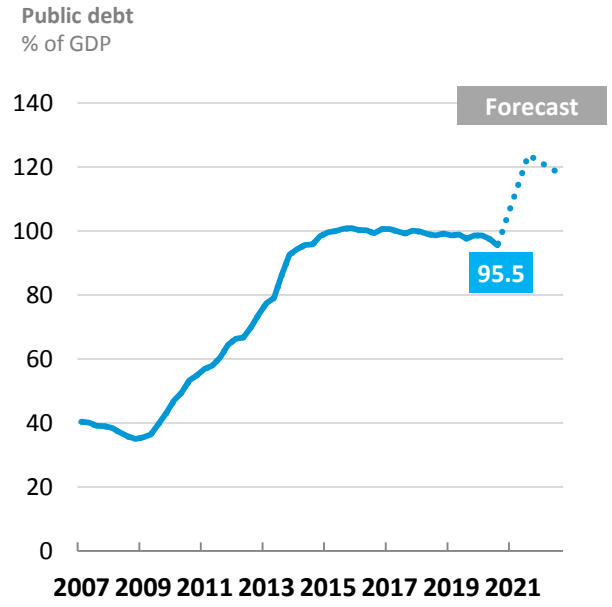
Fiscal deficit temporarily increases in 2020



Source: Ministry of Finance and Civil Service and CaixaBank Research forecasts.

- **The large fiscal package to cushion the shock will push public deficit to around 14% in 2020.** The package includes €49bn in direct expenditure boosts, state guarantees for business loans of up to €140bn and mortgage as well as consumer credit deferrals for those households experiencing large drops in income.
- **In 2021, the deficit is expected to fall somewhat below 8%,** thanks to the recovery in economic activity and the EU's fiscal stimulus.

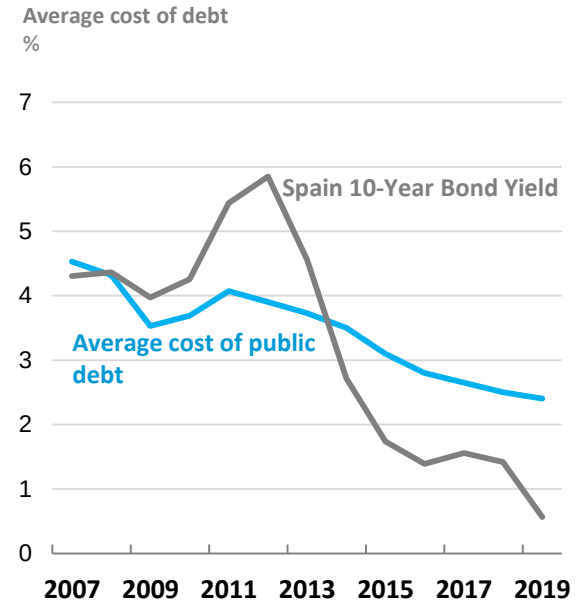
Public debt jumps to over 120% of GDP



Source: Ministry of Finance and Civil Service and CaixaBank Research forecasts.

- **Public debt**, at 95.5% of GDP in 2019, **is estimated to increase to above 120% of GDP in 2020**.
- **Effective and ambitious public action is desirable in this context** in order to minimize the impact of the pandemic on families and businesses and reduce the bill for the public sector in the future.

Cost of debt is at its minimum



Source: Ministry of Economy, Industry and Competitiveness, Industry and Competitiveness and Refinitiv.

- **The average cost of debt has fallen to 2.4% in 2019**, significantly lower than the 4.1% recorded in 2011.
- **The cost of debt is expected to remain contained** despite the large increase in debt, as the measures already being carried out by the ECB cover the sharp increase in financing needs that the public sector will experience.

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Key economic measures approved by the Spanish government to 'keep the lights on'

	Amount (% GDP)	Main measures
Direct fiscal measures	3.9%	• Benefits for workers affected by temporary lay-offs (ERTEs) and for the self-employed affected by the hiatus in activity • Bonuses for firms' Social Security contributions for those workers being affected by ERTEs • Specific subsidies for temporary workers without the right to unemployment benefits and for domestic workers. • Basic supplies guaranteed for all residents: electricity, water, gas, telecommunication. • Minimum income subsidy for households at risk of extreme poverty: new subsidy that complements household income up to a minimum level and includes incentives to labor market participation. • COVID-19 Fund for regional government (will help finance mostly health and education).
Deferrals	4.3%	• Deferral of Social Security contributions for three months for all companies as well as self-employed, and a moratorium for those most affected by the crisis. • Deferral of tax payments for companies with a turnover of up to 6M€ (for 6 months, 3 without interest. • Mortgage and consumer credit moratoria for vulnerable families.

Credit guarantees and capital injections	13.3%	• Credit guarantees for companies and self-employed worth up to €100bn to guarantee liquidity.
		  ○ For SMEs and the self-employed: 80% State guarantee on the loans.
		  ○ For remaining companies: 70% State guarantee on the new loans and 60% on loan refinancing.
		• Credit guarantees for companies and self-employed worth up to €40bn to boost investment activity, mostly in environmental sustainability and digitalization.
		• Other small credit guarantees programs for specific type of firms or sectors (export sector, auto, tourism, etc.): up to €15 bn
		• Fund to Support Solvency of Strategic Companies (up to €10 bn): provides temporary public support to enhance the solvency of non-financial companies affected by the COVID-19 pandemic.

The Spanish banking system: set for growth

Stock of bank credit still falls, except for consumption

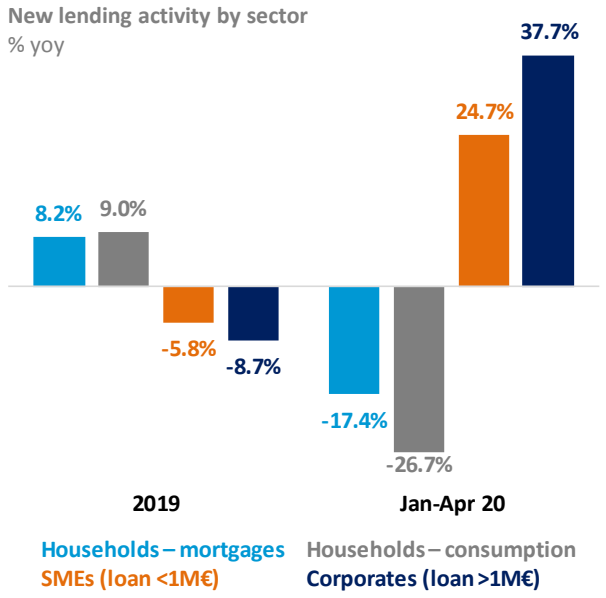
Private domestic credit
(gross exposures)

	Mar-20	May-20 (latest)	
	% yoy	€ Billion	% yoy
Total credit	**-0.6%**	**1,163**	**1.9%**
Households	-0.9%	688	-1.5%
Housing mortgages	-1.9%	506	-2.1%
Other purposes	1.9%	181	0.5%
Of which consumption	5.3%	89	-1.7%
Businesses	-0.1%	476	7.2%
Non-real estate developers[1]	1.6%	345	1.6%
Real estate developers[1]	-5.7%	99	-5.7%

Note: (1) latest available data Mar-20

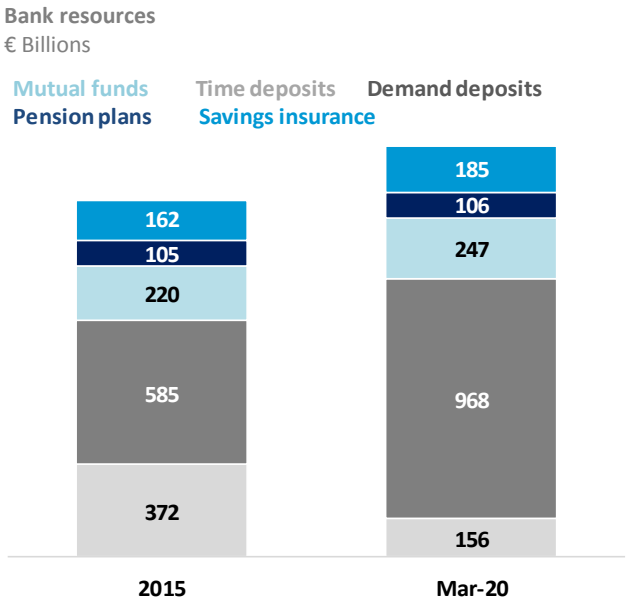
Source: Bank of Spain.

New lending activity has been growing



Source: Bank of Spain

Increase in customers funds



Source: INVERCO, Bank of Spain and ICEA.

- **Loans to households stabilized in 2019** thanks to the strong growth of consumer credit and the gradual recovery of mortgages. Despite that, we expect a decrease during 2020 explained by GDP contraction.
- **The stock of loans to corporates** will increase temporally because of corporations' financial needs (supported by government guarantees).

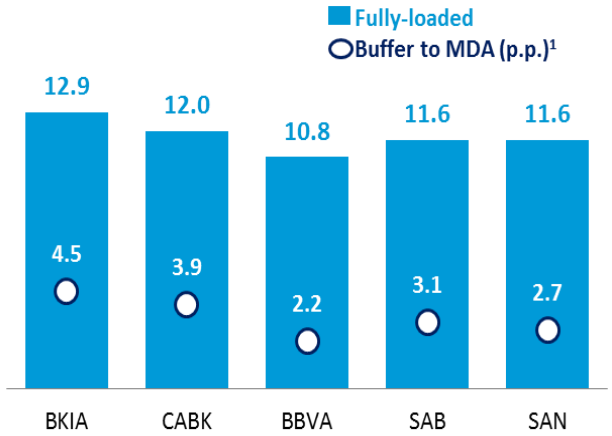
- **New mortgages** will suffer a sharp contraction due to the sudden stop of housing transactions.
- **New lending for consumption** will decrease due to lower consumption of durable goods and lower household net incomes.
- **New lending activity to SMEs** will increase due to financial needs of corporations.

- **Migration from time deposits** to demand deposits will intensify due to low yields and uncertainty.
- **Assets under Management** will suffer an intense fall due to valuation effects and an increase in outflows.

The Spanish banking system: set for growth

Banks' solvency position is robust

CET1
In % (Q1 20)



Combined capital relief (Bn €)[2]:

BKIA	CABK	BBVA	SAB	SAN
1.8	3.4	7.1	1.8	13.4

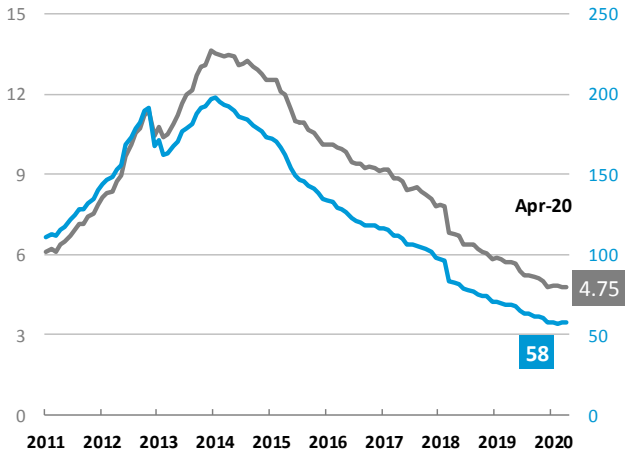
Note: (1) Difference between CET1 ratio fully-loaded and SREP requirement 2020. (2) Based on Goldman Sachs estimations. Source: bank's financial statements, Bank of Spain.

- **The solid solvency position** of the Spanish banks in 2019 will help to mitigate COVID19 shock.
- **Supervisor has announced temporary relief measures**:
  1. Use of capital buffers (including P2G and CCB)
  2. Operate below liquidity requirements (LCR>100%)
  3. Use of AT1 and T2 to partially meet P2R
  4. Recommendation to limit the distribution of dividends

Non-performing loans continue to fall

NPLs[1]
In % of gross loans

In € billions



Note: (1) Under new definition of credit, which includes credit received by Credit Financial Intermediaries. Source: Bank of Spain.

- **The disposal of non-performing assets is well advanced.** NPLs ratio is already at 2010 levels.
- We expect a **credit quality deterioration** due to the COVID19 shock.
- **Measures to slowdown NPL formation have been announced:**
  1. Credit guarantees (large amount, high loss absorption)
  2. Payment holidays
  3. Altered recognition of NPL formation

Main challenge: achieving sustainable profitability

P&L
In % of average total assets (Q1 20; trailing 12M)

	CABK	BBVA	SAN	BKIA	SAB
Net interest income	**1,2**	**1,0**	**1,2**	**0,9**	**1,5**
Net fees	0,6	0,5	0,7	0,5	0,7
Gains on financial assets/liab. and others	0,1	0,1	0,3	0,2	0,1
Other operating income	0,2	0,0	0,0	-0,1	-0,1
Gross income	**2,1**	**1,5**	**2,2**	**1,6**	**2,2**
Operating expenses	-1,4	-0,8	-1,2	-0,9	-1,2
Impairment losses, tax and others	-0,4	-0,4	-0,8	-0,5	-0,6
Profit	**0,2**	**0,2**	**0,2**	**0,2**	**0,4**
ROTE (%)[1]	5,4	2,1	3,0	3,0	5,4

Note: Domestic businesses. ROTE based on internal calculations. (1) Group ROTEs for CABK and SAB. ROTE of CABK is 8.5% excluding extraordinary expenses in 2Q19. BBVA and SAN include Corporate Centre (only proportion applicable to business in Spain). SAN also includes Portugal and SGP. Source: Bank's financial statements.

- **Profitability of the banking industry will be pressured downward:**
  - An increase in provisions (higher cost of risk).
  - A decrease in net incomes due to a decrease in loans in most segments (except corporation) and a decrease in interest rates due to the ECB's new monetary measures.

Note: (1) Latest available data published by EBA Risk Dashboard.

Main economic forecasts

CPI (average)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
GDP	-3.0	-1.4	1.4	3.8	3.0	2.9	2.4	2.0	-14.0	10.5	3.3
Private Consumption	-3.4	-3.0	1.7	2.9	2.6	3.0	1.8	1.1	-13.5	8.5	3.2
Public Consumption	-4.2	-2.1	-0.7	2.0	1.0	1.0	1.9	2.3	5.2	2.4	1.1
Gross Fixed Capital Formation (GFCF)	-7.4	-3.8	4.1	4.9	2.4	5.9	5.3	1.8	-31.2	25.5	5.9
GFCF - equipment	-7.1	2.4	5.6	9.1	1.8	8.5	5.7	2.6	-28.7	25.5	5.9
GFCF - construction	-10.4	-8.2	3.0	1.5	1.6	5.9	6.6	0.8	-35.2	25.6	5.9
Exports	0.9	4.4	4.5	4.3	5.4	5.6	2.2	2.6	-24.2	17.6	5.3
Imports	-5.8	-0.2	6.8	5.1	2.6	6.6	3.3	1.2	-22.7	15.6	5.0
Unemployment rate	24.8	26.1	24.4	22.1	19.6	17.2	15.3	14.1	19.3	19.5	17.7
CPI (average)	2.4	1.4	-0.2	-0.5	-0.2	2.0	1.7	0.7	-0.5	1.5	1.6
External current account balance (% GDP)	0.1	2.0	1.7	2.0	3.2	2.7	1.9	2.0	1.6	2.1	2.1
General Government Balance (% GDP) [1]	-7.0	-6.7	-5.8	-5.1	-4.1	-3.0	-2.5	-2.8	-13.6	-7.6	-4.8
General government debt (% GDP) [2]	85.7	95.5	100.4	99.3	99.0	98.1	97.6	95.5	123.8	118.1	116.6
Housing prices	-8.7	-5.8	-2.4	1.1	1.9	2.4	3.4	3.2	-5.6	-2.3	2.3
Risk premium (vs. 10Y Bund, bps, Dec.)	429	295	149	120	124	120	97	88	102.4	89.2	74.6
Bank credit (to the private domestic sector)	-9.9	-9.4	-7.1	-4.3	-2.9	-1.9	-2.6	-0.2	0.5	-3.2	-0.4

Note: All GDP figures are based on ESA-2010 methodology.
1/ The general government deficit excludes one-off bank restructuring costs of 3.7% of GDP in 2012, 0.3% of GDP in 2013, 0.1% in 2014, 0.05% in 2015, 0.2% in 2016, 0.04% in 2017 and 0.01% in 2018.
2/ General government debt includes ESM/FROB related borrowings equivalent to 3.9% of GDP in 2012.

Source: CaixaBank Research.

Main economic indicators

%, YoY, unless otherwise specified	Average 2000-2007	Average 2008-2017	2018	2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Apr.20	May.20	Jun.20
Activity indicators											
Industrial production index	1.6	-2.2	0.2	0.8	1.7	1.1	0.4	-6.3	-34.1	-24.5	...
Manufacturing PMI (*value*)	51.9	46.9	53.3	49.1	49.9	48.2	47.2	48.2	30.8	38.3	49.0
Services PMI (*value*)	54.5	46.6	54.8	53.9	53.2	53.5	53.6	42.5	7.1	27.9	50.2
Retail sales	2.6	-2.0	0.7	2.3	2.2	3.3	2.3	-3.7	-31.6	-19.0	...
Consumer confidence index *(value)*	-8.3	-19.5	-4.2	-6.3	-4.0	-5.8	-10.5	-10.3	-29.2	-28.8	-25.6
Foreign Tourists *(% yoy, cumulative over 12 months)*	3.3	3.2	4.0	1.5	1.5	2.1	1.4	-0.8	-13.0	...	...
Labour market											
Employment [(1)]	4.3	-0.8	2.7	2.3	2.4	1.8	2.1	1.1	-	...	...
Unemployment rate (*% labour force*)	10.5	20.5	15.3	14.1	14.0	13.9	13.8	14.4	-	...	-
Registered as employed with Social Security [(2)]	3.5	-0.5	3.1	2.6	2.8	2.5	2.2	1.2	-4.0	-4.6	-4.6
Wages (collective agreement)	3.0	1.6	1.6	2.3	2.2	2.3	2.3	2.0	2.0	...	...
Prices											
General	3.2	1.4	1.7	0.7	0.9	0.3	0.4	0.6	-0.7	-0.9	-0.3
Core	2.8	1.2	0.9	0.9	0.8	0.9	1.0	1.1	1.1	1.1	...
Real estate											
Building permits *(% yoy, cumulative over 12 months)*	6.9	-14.7	25.7	17.2	21.9	13.0	8.0	0.0	-10.8	...	...
Housing sales *(% yoy, cumulative over 12 months)*	-	-3.2	14.2	3.3	5.7	1.6	-2.6	-4.4	-8.8	...	...
Housing prices	12.4	-2.8	3.4	3.2	3.1	3.1	2.1	0.3	-	...	...

Note: (1) Estimation EPA; (2) Monthly averages
Sources: CaixaBank Research, Ministerio de Economía, Ministerio de Fomento, Ministerio de Trabajo, MIgraciones y Seguridad Social, Instituto Nacional de Estadística, Servicio Público de Empleo Estatal, Markit, Comisión Europea, Departamento de Aduanas e Impuestos Especiales and Banco de España.