

Global Macroeconomic Outlook Report

Second quarter of 2024



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The purpose of this report is to present the most important macroeconomic indicators for the main economies in which Management Solutions operates.

Following an overview of trends and forecasts from key organizations, the report provides a country-by-country analysis for Europe, the Americas and Asia.



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Europe

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Benelux: Belgium



Italy



Poland



Benelux: Netherlands



Nordics: Denmark



Portugal



Benelux: Luxembourg



Nordics: Finland



Spain



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Nordics: Norway



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International overview

The global economy remains stable in terms of growth, while international trade is recovering, and inflation continues to fall at a slower pace. The labor market has experienced a decrease in job openings and an increase in labor supply, mainly due to immigration.

Macroeconomic outlook

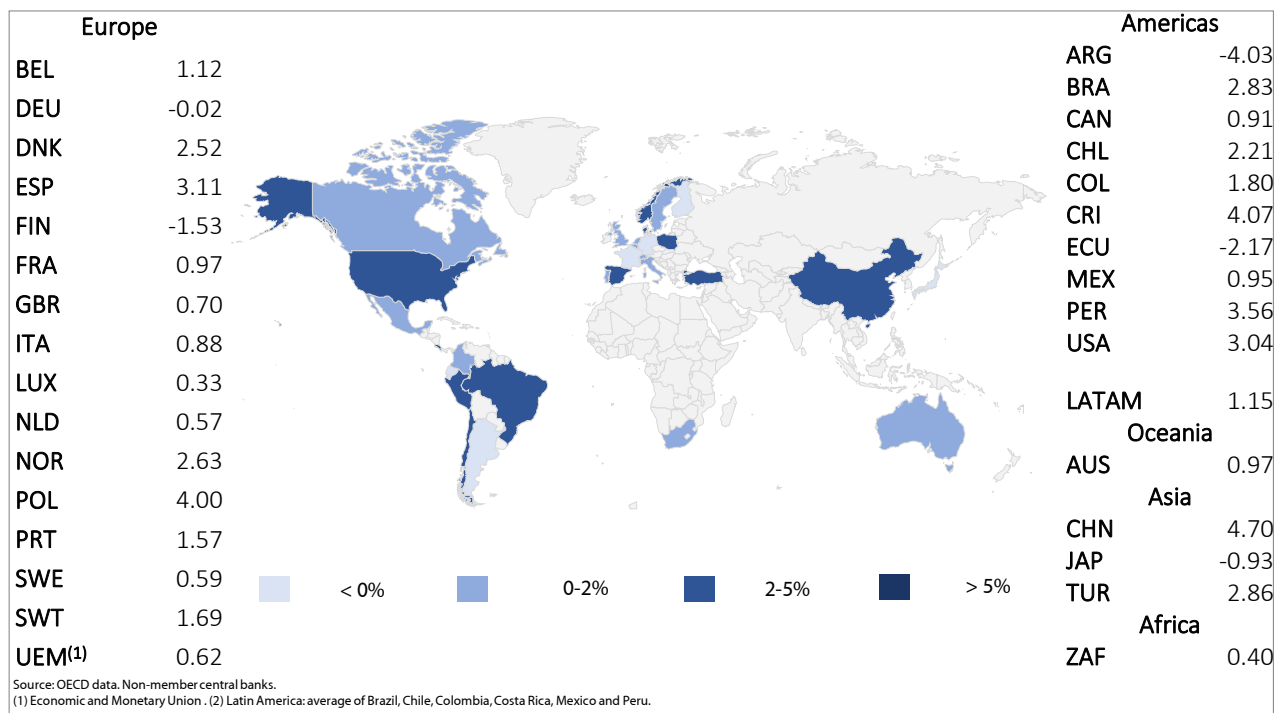
- ▶ The eurozone experienced year-on-year growth of 0.62% in the second quarter of the year, up from 0.52% in the previous six months, indicating a slight increase from previous quarters. However, during 2Q24, Germany and Finland recorded negative growth. The region's average CPI decreased slightly to 2.48 % compared to the previous six months, continuing the downward trend of the preceding quarters. The average unemployment rate in the Eurozone was 6.47%, down slightly from 6.5% in the previous quarter.
- ▶ In the second quarter of 2024, U.S. GDP grew by 3.04%, while Canada's year-over-year growth slowed to 0.91%, still slightly up from the first quarter. Latin America's growth rate fell to 1.15%. U.S. inflation decreased to 3.20%, and Canada's inflation dropped to 2.74%. The average inflation rate in Latin America was 3.35%, excluding Argentina's high rate of 278.72%. Also in Latin America, the average unemployment rate was 6.41%, with a slowdown observed in Brazil (6.90%) and Peru (7.18%). On the other hand, the unemployment rate increased in the United States and Canada, reaching 4% and 6.63%, respectively.
- ▶ In the Asia region, China recorded growth of 4.70% this quarter, a year-over-year slowdown from 6.30% in 2Q23. Japan recorded a negative growth rate of -0.97%, continuing the trend from previous quarters, which represents a significant year-on-year decline. China's inflation rose to 0.23% during the period, breaking the negative trend of previous quarters. Turkey continued its upward trend, with inflation growing by 8% compared to the previous quarter and by 72.27% year-on-year. Unemployment rates in the region remained relatively stable compared to the previous quarter.
- ▶ During the second quarter of 2024, South Africa's GDP decreased by 78.43% compared to 2Q23, with the slowdown reaching 0.40% in the second quarter. Inflation remained relatively stable at 5.06%, declining year-over-year. The unemployment rate continued to be high, reaching 33.50%.
- ▶ The IMF expects growth to remain stable at around 3.2% in 2024 and 3.3% in 2025. However, the composition of growth has changed. While there will be a slowdown in the US (2.6% this year and 1.90% in 2025), the Eurozone will see growth in 2025, reaching 1.50% after registering 0.90% in 2024. International trade is recovering and is expected to reach 3.75% next year.
- ▶ As for emerging markets, the World Bank says growth in the largest economies in Latin America will slow in 2024, partly due to tight macroeconomic policies. In East Asia and the Pacific, the slowdown in growth is mainly due to weaker activity in China, where consumption is expected to slow due to a decline in confidence.
- ▶ With regard to the labour market, the OECD points to a moderation in the demand for labor and an increase in the supply of labor, mainly due to immigration. In countries such as Canada, the United States, Australia and parts of Europe, foreign workers account for much of the growth in the labor force.

Other indicators and key risks

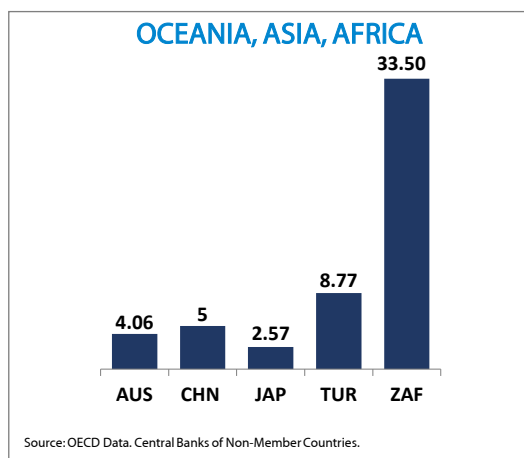
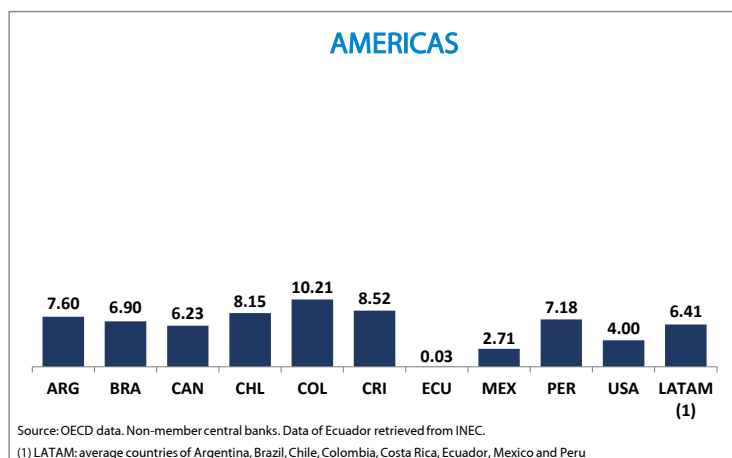
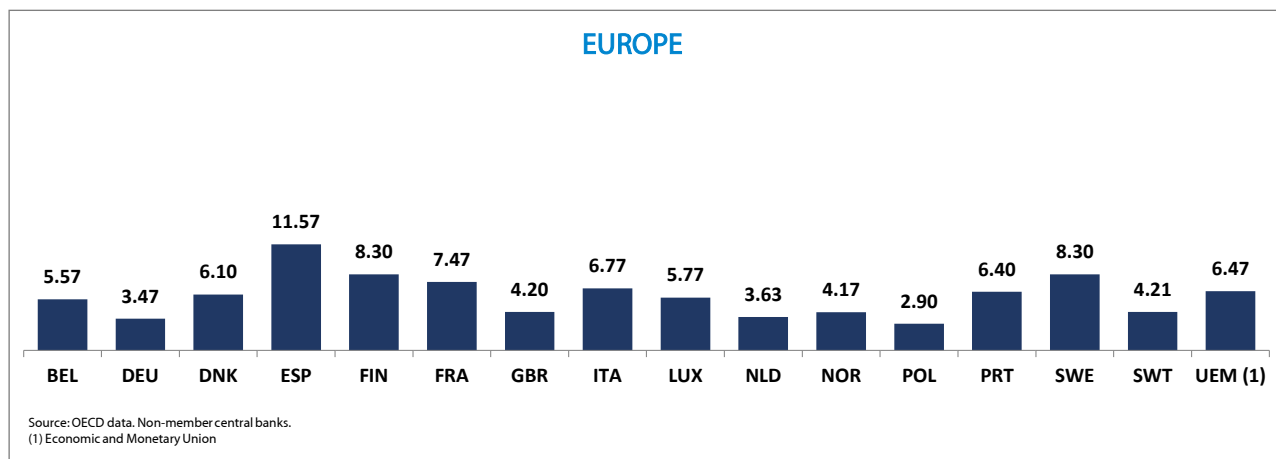
- ▶ In 2Q24, the dollar has appreciated against most currencies, including the euro, the Brazilian real, the Mexican peso and the Argentine peso. The OECD warns that currency depreciation in Brazil, Argentina, Mexico and Turkey has increased US-dollar debt servicing costs and put some upward pressure on inflation.
- ▶ The IMF also warns of the consequences of prolonged dollar appreciation due to interest rate differentials. This could have a negative impact on growth as it could influence monetary policy decisions. Although global inflation remains on a downward trend, the IMF believes that near-term risks could slow the pace of decline. It points to services inflation, trade and geopolitical tensions as the main risk factors, with a direct impact on wage-setting and rising costs of imported goods along the supply chain.
- ▶ Sovereign debt problems persist in some emerging markets. In addition, about 30% of existing corporate debt in advanced economies is due to mature by 2026, with an even higher proportion in emerging markets. The OECD warns that without sustained action, future debt burdens will continue to rise significantly and the ability to respond to future crises will be increasingly constrained..

(1) The average for Latam countries is based on macroeconomic data for Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, Mexico and Peru

GDP (% , year-on-year growth)

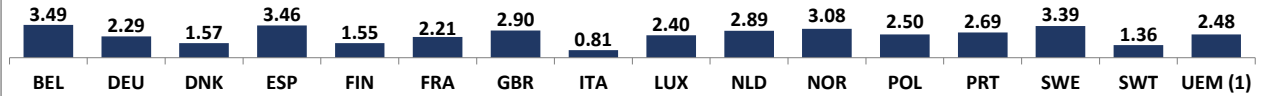


Unemployment rate (%)



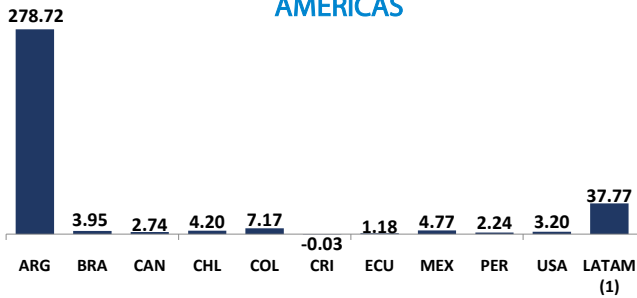
Inflation rate (%)

EUROPE



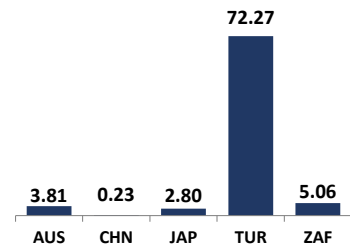
Source: OECD Data, Central Banks of Non-Member Countries.
(1) Monetary and Economic Union

AMERICAS



Source: OECD Data, Trading Economics, Central Banks of Non-Member Countries. Data of Ecuador retrieved from INEC.
(1) LATAM: average of Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, Mexico, and Peru

OCEANIA, ASIA, AFRICA



Source: OECD Data, Trading Economics, Central Banks of Non-Member Countries

Global Ratings and Exchange Rates

LONG-TERM RATES 2Q24

	MOODY'S	S&P	Fitch
EUROPE			
BEL	Aa3	AA	AA-
DEU	Aaa	AAA	AAA
DNK	Aaa	AAA	AAA
ESP	Baa1	A	A-
FIN	Aa1	AA+	AA+
FRA	Aa2	AA- ▼	AA-
ITA	Baa3	BBB	BBB
LUX	Aaa	AAA	AAA
NLD	Aaa	AAA	AAA
NOR	Aaa	AAA	AAA
POL	A2	A-	A-
PRT	A3	A-	BBB+
GBR	Aa3	AA	AA-
SWE	Aaa	AAA	AAA
SWT	Aaa	AAA	AAA
AFRICA			
ZAF	Ba2	BB-	BB-
OCEANIA			
AUS	Aaa	AAA	AAA
ASIA			
CHN	A1	A+	A+
JAP	A1	A+	A
TUR	B1 ▲	B+ ▲	B
AMERICAS			
ARG	Ca	CCC	C
BRA	Ba2	BB	BB-
CAN	Aaa	AAA	AA+
CHL	A2	A	A-
COL	Baa2	BB+	BB+
CRI	B1	BB-	BB-
ECU	Caa3	B-	B-
MEX	Baa2	BBB	BBB-
PER	Baa1	BBB- ▼	BBB
USA	Aaa	AA+	AAA

▲ Increased from 1Q24 ▼ Decreased from 1Q24

Source: Investing

EXCHANGE RATES 2Q24 (\$1)

EUROPE	2Q23	3Q23	4Q23	1Q24	2Q24	2024
EUR	0.92	0.92	0.93	0.92	0.93	0.94
CHF	0.90	0.88	0.89	0.87	0.90	0.90
DKK	6.85	6.85	6.93	6.87	6.93	6.98
NOK	10.81	10.48	10.81	10.51	10.75	11.11
SEK	10.63	10.81	10.65	10.39	10.68	10.91
GBP	0.80	0.79	0.81	0.79	0.79	0.82
PLN	4.15	4.14	4.10	3.99	3.99	4.14
AMERICAS						
ARG	239.22	334.66	443.71	833.91	885.25	349.98
BRL	4.94	4.89	4.96	4.95	5.21	4.92
CLP	805.20	839.20	895.36	945.96	933.72	917.10
COP	4,438.83	4,043.78	4,064.32	3,913.15	3,923.29	4,016.91
PER	3.66	3.66	3.77	3.74	3.73	3.80
MXN	17.59	17.06	17.54	16.97	17.23	17.48
AFRICA						
ZAR	18.94	18.64	18.73	18.87	18.56	18.75
OCEANIA						
AUS	1.51	1.53	1.54	1.52	1.52	1.57
ASIA						
RMB	7.09	7.24	7.22	7.19	7.24	7.29
TRY	22.09	26.81	28.55	30.90	32.35	28.51

Source: Investing, OECD projections, May 2024.

(1) The base currency used is the US dollar against each local currency quoted

2Q24

Europe

Main Macroeconomic
Indicators

Benelux: Belgium

Compared to previous quarters, the Belgian economy grew at a slower rate of 1.12% yoy in the second quarter. While domestic demand and household consumption increased slightly, public consumption declined and inflation remained high. The labor market remained resilient, with a slight decline in the unemployment rate.

Main Macroeconomic Indicators (%)

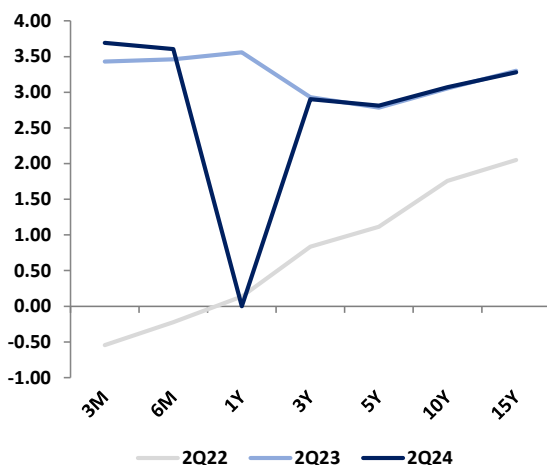
ACTIVITY	2Q23	3Q23	4Q23	1Q24	2Q24	Var. p.p.1Q24	Var. p.p.2Q23	2024	2025
GDP	1.25	1.26	1.35	1.26	1.12	-0.14	-0.13	1.29	1.43
DOMESTIC DEMAND	2.34	1.98	0.49	0.08	0.22	0.14	-2.12	1.44	1.66
HOUSEHOLD CONSUMPTION	1.25	0.82	1.64	1.23	1.26	0.03	0.01	1.80	1.66
PUBLIC CONSUMPTION	1.24	1.96	1.49	2.03	1.88	-0.15	0.64	1.89	0.51
CAPITAL FORMATION	6.49	6.00	-1.55	-0.65	0.29	0.94	-6.20	-0.05	2.85
EXTERNAL DEMAND									
EXPORTS	-2.15	-5.88	-6.10	-3.85	-3.03	0.82	-0.88	-1.43	1.83
IMPORTS	-0.90	-5.04	-6.90	-5.04	-3.99	1.05	-3.09	-1.25	2.10
INFLATION									
CPI	4.98	3.53	0.82	2.71	3.49	0.78	-1.49	3.65	1.86
LABOUR MARKET									
UNEMPLOYMENT RATE	5.63	5.37	5.53	5.70	5.57	-0.13	-0.06	5.77	5.64
EMPLOYMENT ⁽¹⁾	0.86	0.59	0.49	0.39	0.34	-0.05	-0.52	0.40	0.88

(1) The employment variable represents the year-on-year change in employment growth.

Source: quarterly data extracted from the Organization for Economic Cooperation and Development (OECD) as October 21st, 2024. The series for the other quarters have also been updated to the database as of October 21st, 2024, to gain consistency. Projections OECD May 2024.

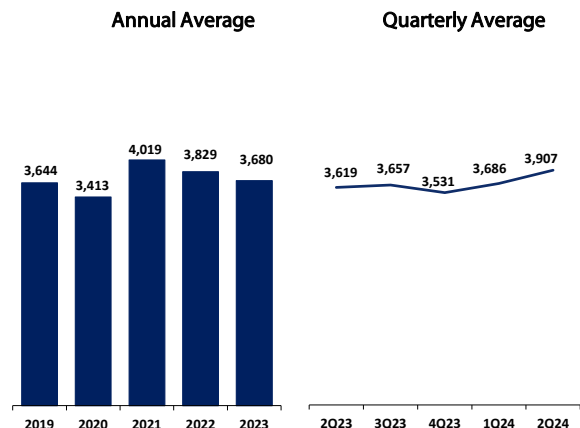
- ▶ Belgium's GDP is projected to grow by 1.29% and 1.43% in 2024 and 2025, respectively, driven by a recovery in domestic demand and improved export performance. However, rising inflation and potential labor market challenges may continue to influence consumer spending and overall economic stability.
- ▶ Domestic demand showed a slight improvement, rising to 0.22% in Q2 from 0.08% in Q1, though still significantly lower than the 2.34% growth rates seen in Q2 2023. Household consumption remained stable at 1.26%, showing resilience in consumer spending despite economic challenges.
- ▶ Public consumption decreased to 1.88% in Q2 from 2.03% in Q1. Meanwhile, capital formation showed signs of recovery, rising to 0.29% after two quarters of contraction. The country's imports and exports continued to decline.
- ▶ The unemployment rate edged down to 5.57% in Q2 from 5.70% in Q1, suggesting some resilience in the labor market. However, employment growth continued to slow, suggesting a gradual cooling in job creation.

Treasury Yield Curves Rates (%)



Source: Investing. 2024 Data for 1 year treasury yield bond not available.

BEL 20



Source: Investing

Benelux: Netherlands

In Q2 2024, the Netherlands saw a resurgence in economic activity, with GDP yoy growth reaching 0.57%, largely driven by increased public spending. However, household consumption and capital investment presented challenges, highlighting areas for potential policy focus.

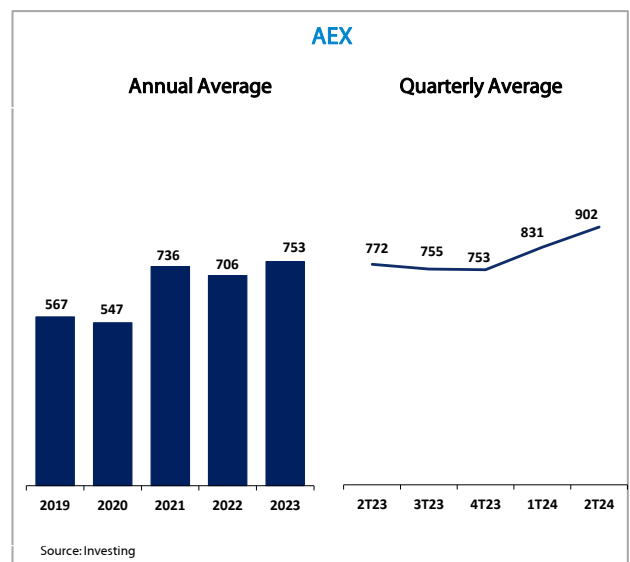
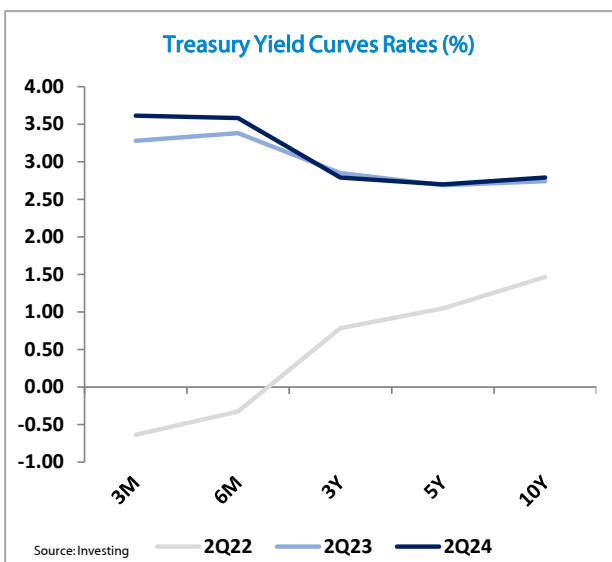
Main Macroeconomic Indicators (%)

ACTIVITY	2Q23	3Q23	4Q23	1Q24	2Q24	Var. p.p.1Q24	Var. p.p.2Q23	2024	2025
GDP	-0.50	-0.90	-0.57	-0.70	0.57	1.27	1.07	0.71	1.34
DOMESTIC DEMAND	-0.21	-1.92	-1.95	-0.15	-0.29	-0.14	-0.08	0.88	0.98
HOUSEHOLD CONSUMPTION	0.24	-0.91	0.46	0.25	-0.07	-0.32	-0.31	1.87	1.21
PUBLIC CONSUMPTION	1.93	3.43	4.18	3.22	3.90	0.68	1.97	2.68	1.01
CAPITAL FORMATION	2.38	0.15	-3.28	-4.53	-2.31	2.22	-4.69	-3.28	0.43
EXTERNAL DEMAND									
EXPORTS	-0.51	-2.85	-1.93	-3.42	-0.25	3.17	0.26	-0.56	2.26
IMPORTS	-0.22	-4.27	-3.58	-3.24	-1.55	1.69	-1.33	-0.25	1.92
INFLATION									
CPI	5.64	2.57	0.81	3.02	2.89	-0.13	-2.75	2.78	2.33
LABOUR MARKET									
UNEMPLOYMENT RATE	3.47	3.63	3.57	3.63	3.63	0.00	0.16	3.71	3.91
EMPLOYMENT ⁽¹⁾	0.84	0.60	0.38	0.39	1.12	0.73	0.28	0.92	0.48

(1) The employment variable represents the year-on-year change in employment growth.

Source: quarterly data extracted from the Organization for Economic Cooperation and Development (OECD) as of October 21st, 2024. The series for the other quarters have also been updated to the database as of October 21st, 2024, to gain consistency. Projections OECD May 2024.

- ▶ GDP growth rebounded to 0.57% in the 2Q24, marking a significant turnaround from the previous quarters of economic slowdown. This recovery was mainly driven by robust public consumption, which grew by 3.90%, reflecting strong government support to stimulate economic activity.
- ▶ Despite this overall GDP growth, domestic demand remained weak, declining by 0.29%. This indicates that the recovery is not yet broad-based and may be vulnerable to fluctuations in government spending, highlighting the need for more sustainable drivers of growth.
- ▶ While public consumption surged, household consumption slightly decreased by 0.07%. This trend likely reflects ongoing inflationary pressures, which, despite moderating to 2.89%, continue to impact consumer purchasing power and spending behavior.
- ▶ Looking ahead, the Netherlands is projected to experience gradual economic recovery, with GDP expected to grow by 0.71% in 2024, and 1.34% in 2025. This growth will be bolstered by rebounds in household consumption and public spending, although challenges such as inflation and ECB interest rate policies may still affect investment dynamics and consumer confidence.



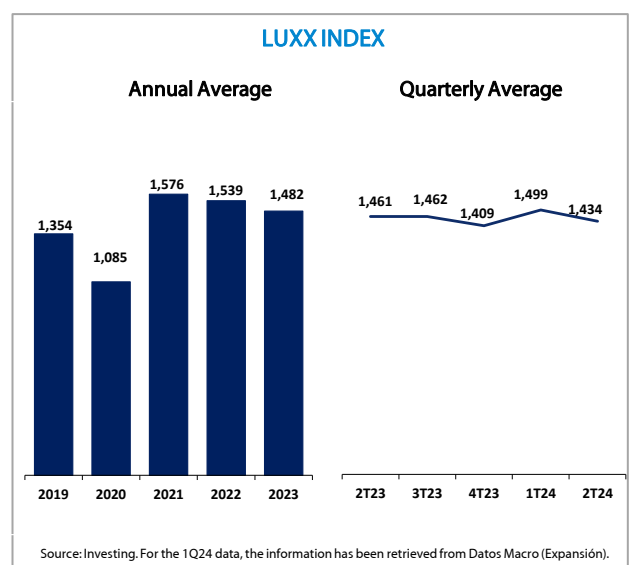
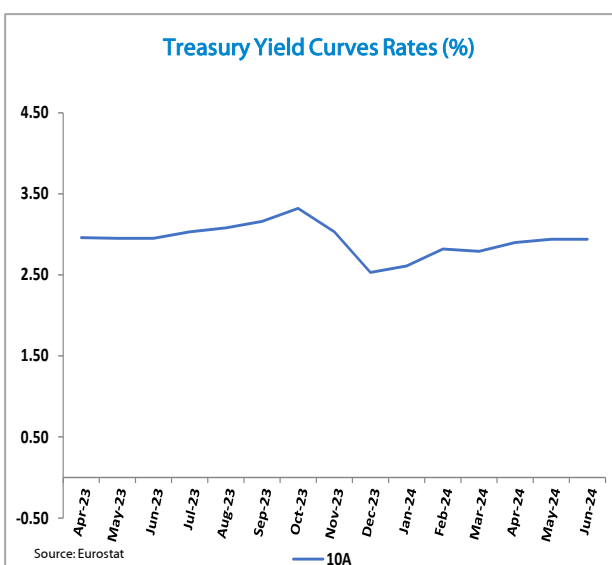
Benelux: Luxembourg

Luxembourg's economy grew by 0.33% in Q2 2024, marking a positive turnaround after several quarters of economic contraction. This growth was supported by increases in household and public consumption, as well as a recovery in exports.

Main Macroeconomic Indicators (%)									
ACTIVITY	2Q23	3Q23	4Q23	1Q24	2Q24	Var. p.p.1Q24	Var. p.p.2Q23	2024	2025
GDP	-0.49	-1.95	-0.63	-0.23	0.33	0.56	0.82	1.43	2.61
DOMESTIC DEMAND	3.52	0.72	2.45	-1.31	0.04	1.35	-3.48	2.18	1.99
HOUSEHOLD CONSUMPTION	5.26	2.40	4.71	1.08	1.40	0.32	-3.86	2.26	2.56
PUBLIC CONSUMPTION	2.83	2.63	3.64	4.79	5.31	0.52	2.48	3.86	1.68
CAPITAL FORMATION	2.67	-2.82	-6.99	-12.49	-6.25	6.24	-8.92	-3.58	1.35
EXTERNAL DEMAND									
EXPORTS	-2.34	-0.53	-0.24	-0.59	0.40	0.99	2.74	0.73	2.50
IMPORTS	-1.45	0.73	1.09	-1.16	0.23	1.39	1.68	0.91	2.24
INFLATION									
CPI	3.50	4.01	3.23	3.25	2.40	-0.85	-1.10	2.33	2.98
LABOUR MARKET									
UNEMPLOYMENT RATE	5.03	5.33	5.63	5.70	5.77	0.07	0.74	5.74	5.94
EMPLOYMENT⁽¹⁾	2.16	1.66	1.45	0.89	0.89	0.00	-1.27	1.27	2.00

(1) The employment variable represents the year-on-year change in employment growth.
Source: quarterly data extracted from the Organization for Economic Cooperation and Development (OECD) as of October 21st, 2024. The series for the other quarters have also been updated to the database as of October 21st, 2024, to gain consistency. Projections OECD May 2024.

- ▶ Luxembourg's GDP growth of 0.33% in Q2 2024 represented a significant improvement from the -0.23% in Q1, indicating a potential turning point in the economy's trajectory. The Grand Duchy is projected to achieve GDP growth of 1.43% in 2024 and 2.61% in 2025, driven by a rebound in domestic demand and improved export performance
- ▶ Domestic demand stabilized at 0.04%, rebounding from -1.31% in Q1. This was largely driven by household consumption, which grew by 1.40%, and robust public consumption at 5.31%.
- ▶ While capital formation remained negative at -6.25%, it showed substantial improvement from -12.49% in Q1 2024. This, combined with positive growth in exports (0.40%) and imports (0.23%), suggests a gradual recovery in business activity and trade.
- ▶ The labor market presented mixed signals, with the unemployment rate slightly increasing to 5.77% from 5.70% in Q1. However, employment growth held steady at 0.89%, indicating some resilience in job creation despite economic challenges.



France

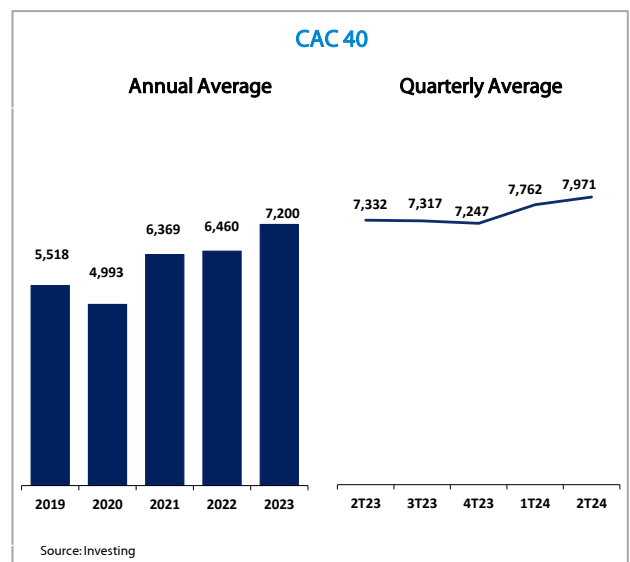
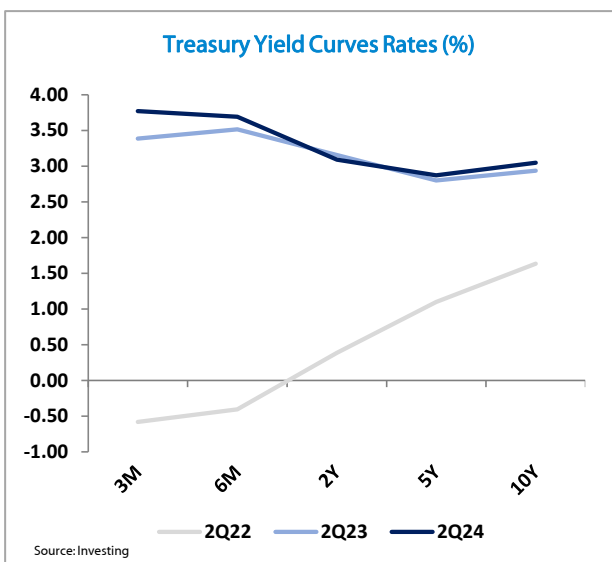
The French economy is forecast to grow slightly in 2024 and by 1.27% in 2025. Energy price uncertainties, influenced by global geopolitical tensions, remain a concern.

Main Macroeconomic Indicators (%)

ACTIVITY	2Q23	3Q23	4Q23	1Q24	2Q24	Var. p.p.1Q24	Var. p.p.2Q23	2024	2025
GDP	1.30	0.87	1.26	1.48	0.97	-0.51	-0.33	0.72	1.27
DOMESTIC DEMAND	0.83	-0.06	-0.17	-0.33	-0.28	0.05	-1.11	0.03	1.25
HOUSEHOLD CONSUMPTION	0.50	0.50	0.90	0.59	0.74	0.15	0.24	1.29	1.88
PUBLIC CONSUMPTION	0.96	1.01	0.66	1.49	1.78	0.29	0.82	0.14	0.43
CAPITAL FORMATION	1.96	0.61	-0.72	-0.98	-1.79	-0.81	-3.75	-0.64	0.65
EXTERNAL DEMAND									
EXPORTS	5.73	1.34	1.08	3.03	0.47	-2.56	-5.26	1.35	1.82
IMPORTS	4.22	-1.12	-3.05	-1.83	-3.18	-1.35	-7.40	-0.65	1.75
INFLATION									
CPI	5.18	4.68	3.72	2.79	2.21	-0.58	-2.97	2.27	2.04
LABOUR MARKET									
UNEMPLOYMENT RATE	7.37	7.40	7.53	7.47	7.47	0.00	0.10	7.66	7.76
EMPLOYMENT ⁽¹⁾	1.23	0.98	0.73	0.60	0.53	-0.07	-0.70	0.18	0.22

(1) The employment variable represents the year-on-year change in employment growth. Source: quarterly data extracted from the Organization for Economic Cooperation and Development (OECD) as of October 21st, 2024. The series for the other quarters have also been updated to the database as of October 21st, 2024, to gain consistency. Projections OECD May 2024.

- ▶ The French economy is expected to neither grow nor shrink, but rather remain the same in 2024. Due to deteriorating energy supply conditions, weaker external demand growth, a negative trade balance, real disposable income and household consumption will suffer throughout 2024, but are expected to improve in 2025.
- ▶ From 2024 onwards, the French economy is expected to gradually recover due to foreign demand rising, a progressive improvement of the trade balance, price pressures from energy commodities diminishing, and an already falling inflation rate.
- ▶ The French labor market remained stable, with unemployment rising slightly from its level in 2023 and employment gradually declining quarter-on-quarter. This is expected to continue in 2024 and improve in 2025.
- ▶ Lastly, government spending gradually increased year-on-year and quarter to quarter, as the country rebounded from several years of low public investment.



Germany

The German economy continues to experience stagflation, although it is expected to improve by 2024 with a growth rate of 0.21% and inflation slowing to 2.41%. During 2Q24, the unemployment rate has increased slightly to 3.47%, while employment growth has shown a slowing trend to 0.38% YoY.

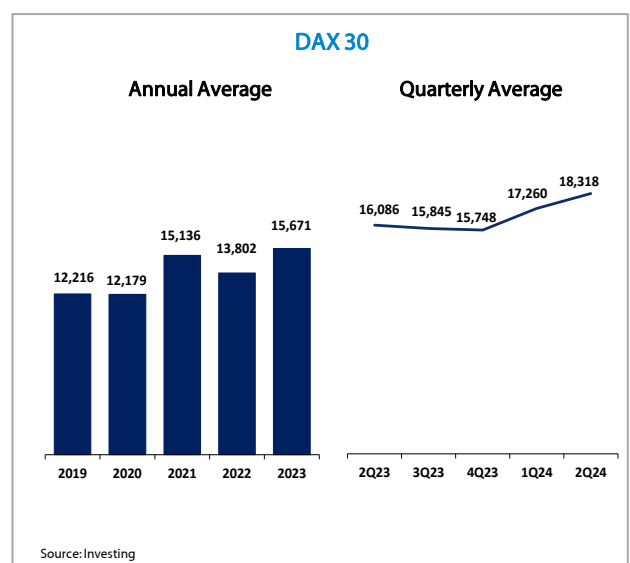
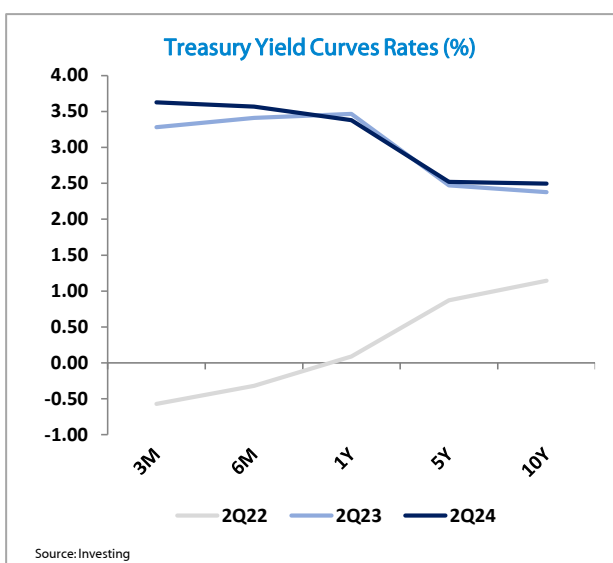
Main Macroeconomic Indicators (%)

ACTIVITY	2Q23	3Q23	4Q23	1Q24	2Q24	Var. p.p.1Q24	Var. p.p.2Q23	2024	2025
GDP	0.07	-0.33	-0.19	-0.10	-0.02	0.08	-0.09	0.21	1.11
DOMESTIC DEMAND	0.09	-0.66	-1.05	-0.65	-0.88	-0.23	-0.97	0.15	1.11
HOUSEHOLD CONSUMPTION	0.36	-0.98	0.37	1.01	0.00	-1.01	-0.36	0.96	1.25
PUBLIC CONSUMPTION	-1.93	1.18	1.87	1.59	2.83	1.24	4.76	1.04	0.57
CAPITAL FORMATION	-0.10	-0.81	-1.38	-1.84	-3.74	-1.90	-3.64	-1.83	1.46
EXTERNAL DEMAND									
EXPORTS	1.46	-0.78	-1.85	-0.75	-0.50	0.25	-1.96	-0.58	2.70
IMPORTS	1.58	-1.60	-3.90	-2.10	-2.54	-0.44	-4.12	-0.84	2.84
INFLATION									
CPI	6.55	5.60	3.55	2.52	2.29	-0.23	-4.26	2.41	2.16
LABOUR MARKET									
UNEMPLOYMENT RATE	2.93	3.03	3.13	3.30	3.47	0.17	0.54	3.15	3.02
EMPLOYMENT⁽¹⁾	0.82	0.72	0.55	0.42	0.38	-0.04	-0.44	0.27	0.16

(1) The employment variable represents the year-on-year change in employment growth.

Source: quarterly data extracted from the Organization for Economic Cooperation and Development (OECD) as of October 21st, 2024. The series for the other quarters have also been updated to the database as of October 21st, 2024, to gain consistency. Projections OECD May 2024.

- ▶ The German economy continues to face challenges, with GDP contracting by 0.02% YoY in 2Q24, reflecting ongoing economic difficulties. Inflation has slowed to 2.29%, showing a slight improvement from the previous quarter. The unemployment rate rose to 3.47%, indicating a deteriorating labor market. Employment growth also slowed to 0.38% y/y in 2Q24, indicating limited job creation amid broader economic challenges.
- ▶ Public consumption increased significantly by 2.83% in 2Q24, providing a boost to the economy despite a decline in capital formation. Foreign trade showed mixed results in 2Q24, with exports falling by 0.50% and imports by 2.54% YoY. This resulted in a better trade balance, indicating a shift towards a trade surplus.
- ▶ According to reports from Deutsche Bundesbank, Germany experienced a modest increase in economic output in 2Q24. This growth was primarily fueled by a sustained recovery in the services sector, bolstered by better consumer confidence and higher wages. Inflationary pressures persisted, with energy prices expected to rise again.



Italy

In 2Q24, the Italian economy registered a YOY growth rate of 0.88%, higher than the growth recorded in 1Q24 (0.61%) and 4Q23 (0.65%). In terms of price levels, inflation stood at 0.81% in 2Q24, while in the labor market, the unemployment rate stood at a level of 6.77%, continuing to decline.

Main Macroeconomic Indicators (%)

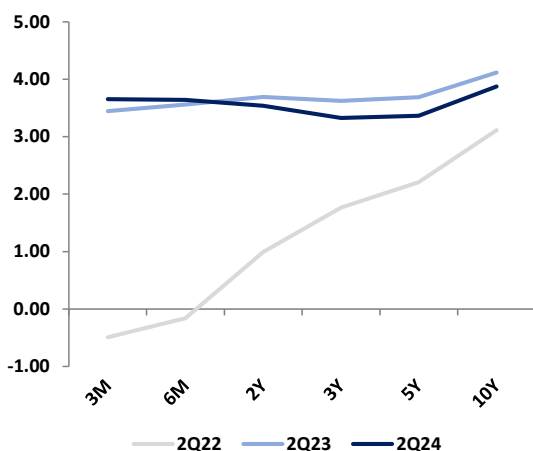
ACTIVITY	2Q23	3Q23	4Q23	1Q24	2Q24	Var. p.p.1Q24	Var. p.p.2Q23	2024	2025
GDP	0.65	0.57	0.70	0.61	0.88	0.27	0.23	0.66	1.17
DOMESTIC DEMAND	1.23	-0.67	0.55	-1.32	-1.15	0.17	-2.38	0.00	1.06
HOUSEHOLD CONSUMPTION	1.40	0.02	0.44	0.02	-0.16	-0.18	-1.56	0.04	1.19
PUBLIC CONSUMPTION	1.24	1.42	0.92	-0.13	0.28	0.41	-0.96	0.91	0.48
CAPITAL FORMATION	3.81	4.75	5.72	3.89	4.00	0.11	0.19	2.03	1.18
EXTERNAL DEMAND									
EXPORTS	-0.75	0.36	-0.23	1.12	0.47	-0.65	1.22	2.07	2.97
IMPORTS	0.86	-3.11	-0.40	-4.39	-5.30	-0.91	-6.16	0.17	2.76
INFLATION									
CPI	7.40	5.57	0.98	0.92	0.81	-0.11	-6.59	1.10	2.03
LABOUR MARKET									
UNEMPLOYMENT RATE	7.73	7.70	7.43	7.17	6.77	-0.40	-0.96	7.42	7.27
EMPLOYMENT⁽¹⁾	1.19	1.57	1.48	0.97	1.58	0.61	0.39	1.23	0.97

(1) The employment variable represents the year-on-year change in employment growth.

Source: quarterly data extracted from the Organization for Economic Cooperation and Development (OECD) as of October 21st, 2024. The series for the other quarters have also been updated to the database as of October 21st, 2024, to gain consistency. Projections OECD May 2024.

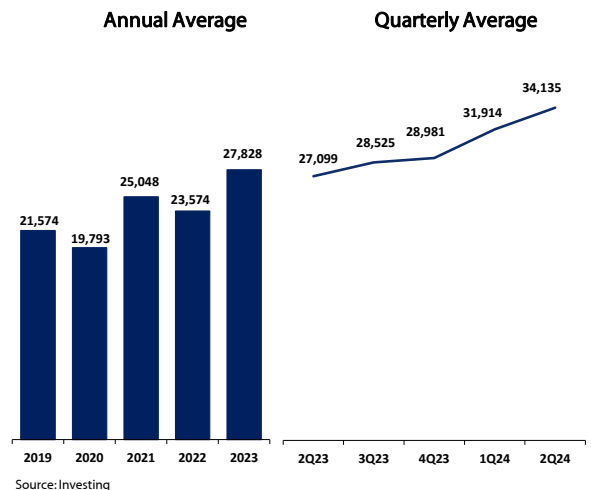
- ▶ In 2Q24, the YOY growth rate was 0.88%, which was 0.27 p.p. higher than in 1Q24. The increase was driven by a general improvement in domestic demand (+0.17 p.p., which however remained negative) and specifically in public consumption and capital formation (+0.41 p.p. and +0.11 p.p. respectively). In terms of external demand, after the peak in 1Q24 the exports rate recorded a decline (-0.65 p.p.), and the negative trend of imports was confirmed, increasing (-5.30%, with -0.91 p.p.)
- ▶ In 2Q24, the inflation rate decreased even more compared to the previous quarter, reaching 0.81%, and the same trend was confirmed with respect to the unemployment rate, reaching 6.77%
- ▶ The Treasury yield curve was almost at the 4% level (which is above the 3% level that is the reference level for most relevant yields), with an overall trend slightly lower than that of 2Q23, confirming a significant difference between the levels reached in previous years.
- ▶ The FTSE MIB Index stood at 34,135 points, an increase compared to the previous quarter. The percentage change in the index was 6.51%. Compared to 2Q23, the index recorded a YOY growth of 25.96%.

Treasury Yield Curves Rates (%)



Source: European Central Bank (ECB) and Banca d'Italia

FTSE MIB



Source: Investing

Nordics: Denmark

In 2Q24, Denmark experienced a steadily growing economy, with moderate GDP growth of 2.52%, mainly driven by rising exports and declining capital formation. While the unemployment rate rose from 1Q24, the employment growth rate increased. In addition, inflation rose to 1.57%.

Main Macroeconomic Indicators (%)

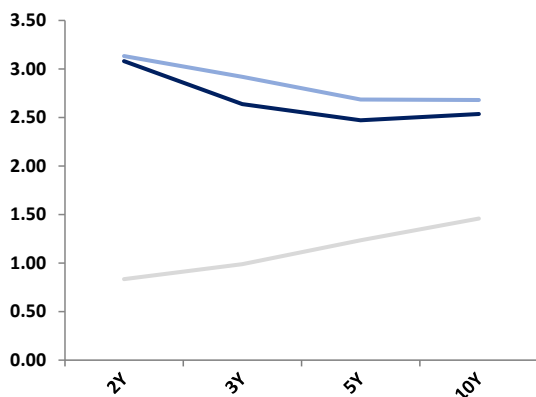
ACTIVITY	2Q23	3Q23	4Q23	1Q24	2Q24	Var. p.p.1Q24	Var. p.p.2Q23	2024	2025
GDP	1.48	2.21	4.90	1.94	2.52	0.58	1.04	2.34	1.52
DOMESTIC DEMAND	-3.19	-0.06	-5.29	-2.37	-0.68	1.69	2.51	-0.35	0.93
HOUSEHOLD CONSUMPTION	1.70	1.07	3.13	0.92	-0.33	-1.25	-2.03	2.25	1.03
PUBLIC CONSUMPTION	2.46	1.75	-0.29	1.29	0.26	-1.03	-2.20	1.01	1.22
CAPITAL FORMATION	-3.51	3.32	-19.39	-3.28	-3.75	-0.47	-0.24	-4.99	0.37
EXTERNAL DEMAND									
EXPORTS	9.34	8.98	17.16	7.18	5.62	-1.56	-3.72	10.34	2.99
IMPORTS	3.10	7.52	3.34	2.31	0.14	-2.17	-2.96	7.90	2.37
INFLATION									
CPI	3.55	2.14	0.46	0.97	1.57	0.60	-1.98	2.08	2.45
LABOUR MARKET									
UNEMPLOYMENT RATE	4.83	4.77	6.07	5.83	6.10	0.27	1.27	5.34	5.24
EMPLOYMENT ⁽¹⁾	1.36	1.09	0.62	0.50	0.77	0.27	-0.59	-0.25	0.15

(1) The employment variable represents the year-on-year change in employment growth.

Source: quarterly data extracted from the Organization for Economic Cooperation and Development (OECD) as of October 21st, 2024. The series for the other quarters have also been updated to the database as of October 21st, 2024, to gain consistency. Projections OECD May 2024.

- ▶ GDP grew by 2.52% in 2Q24, continuing a steady but slower expansion following the peak growth of 4.9% in late 2023. This reflects ongoing economic growth, though at a more moderated pace than previous exercises.
- ▶ In 2Q24, Denmark's exports exhibited moderate growth of 5.62%, although notably lower than in previous periods, 3.72p.p. lower than the same quarter previous year. Imports showed minimal growth, reflecting the weak domestic demand, 2.96 p.p. lower than 2Q23.
- ▶ Inflation rose slightly to 1.57%, although remaining consistent with levels from previous periods. This suggests that price pressures are under control, offering stability for Danish consumers.
- ▶ Unemployment remained at 6.1%, indicating ongoing challenges in the labour market. Despite overall GDP growth, job creation has lagged, pointing to structural or sector-specific issues.

Treasury Yield Curves Rates (%)

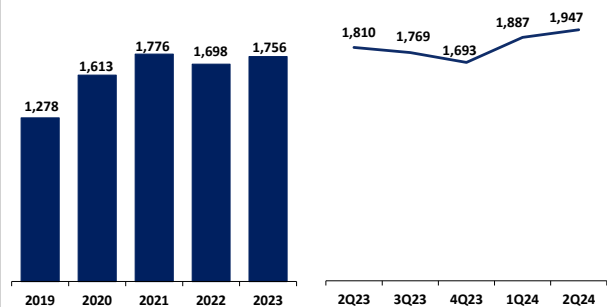


Source: Investing

OMXC25

Annual Average

Quarterly Average



Source: Investing

Nordics: Finland

In 2Q24, Finland continued to experience persistent challenges in economic recovery, with GDP falling by 1.53% and sluggish consumer demand. Inflation moderated to 1.55% compared to the previous quarters. The labor market is deteriorating, with a rising unemployment rate and declining employment growth.

Main Macroeconomic Indicators (%)

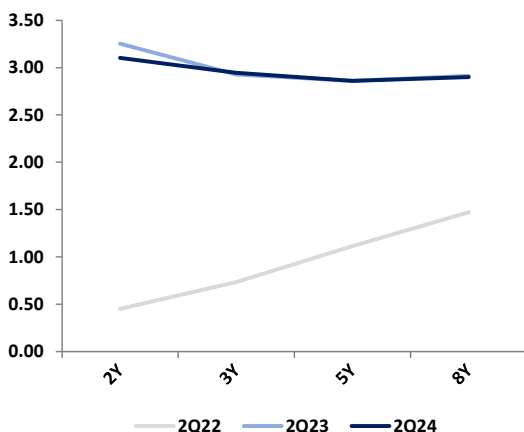
ACTIVITY	2Q23	3Q23	4Q23	1Q24	2Q24	Var. p.p.1Q24	Var. p.p.2Q23	2024	2025
GDP	-0.69	-1.83	-1.53	-1.27	-1.53	-0.26	-0.84	-0.38	1.87
DOMESTIC DEMAND	-4.23	-3.71	-2.75	-0.17	-3.32	-3.15	0.91	-1.69	2.14
HOUSEHOLD CONSUMPTION	-0.38	-0.26	0.76	0.57	-0.98	-1.55	-0.60	0.59	2.20
PUBLIC CONSUMPTION	7.77	0.96	1.84	0.77	-0.01	-0.78	-7.78	-0.10	0.98
CAPITAL FORMATION	-8.93	-10.19	-8.72	-8.59	-8.41	0.18	0.52	-0.16	3.10
EXTERNAL DEMAND									
EXPORTS	0.99	-2.73	-2.16	-8.10	1.33	9.43	0.34	-1.24	2.73
IMPORTS	-7.28	-9.17	-6.11	-4.69	-1.96	2.73	5.32	-1.53	3.42
INFLATION									
CPI	7.00	5.87	3.90	2.80	1.55	-1.25	-5.45	1.11	1.78
LABOUR MARKET									
UNEMPLOYMENT RATE	7.13	7.47	7.60	7.97	8.30	0.33	1.17	8.02	7.72
EMPLOYMENT ⁽¹⁾	0.04	0.42	-0.83	-0.66	-0.97	-0.31	-1.01	-0.12	0.78

(1) The employment variable represents the year-on-year change in employment growth.

Source: quarterly data extracted from the Organization for Economic Cooperation and Development (OECD) as of October 21st, 2024. The series for the other quarters have also been updated to the database as of October 21st, 2024, to gain consistency. Projections OECD May 2024.

- ▶ The Finnish economy experienced a further GDP contraction of 1.53% in the second quarter of 2024, following the trend from previous quarters. Domestic demand decreased by 3.15 p.p. compared to 1Q24, reaching -3.32% in 2Q24.
- ▶ In 2Q24, Finnish exports grew by 1.33%, rebounding from several quarters of negative growth. However, the rate of decline was less pronounced compared to previous exercises.
- ▶ Continuing the downward trend observed in previous quarters, Finland's CPI fell to 1.55%, following the interest rate reductions in Europe and pointing to potentially lower inflationary pressures in the economy in the upcoming quarters.
- ▶ Finland saw a further rise in the unemployment rate to 8.3% in 2Q24, accompanied by a sharper -0.97% decline in the employment growth rate, showing a continued weakening of the labor market. These trends suggest a longer path to economic recovery.

Treasury Yield Curves Rates (%)

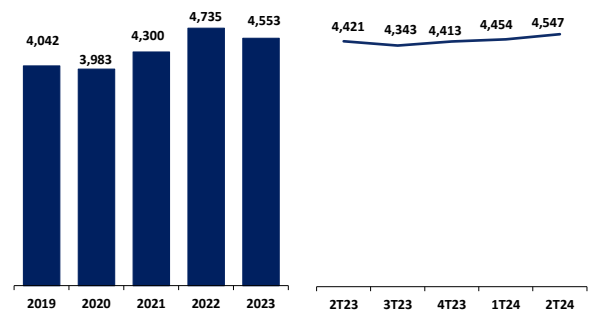


Source: Investing

OMXH25

Annual Average

Quarterly Average



Source: Investing

Nordics: Norway

The Norwegian economy showed solid signs of recovery in 2Q24, with GDP growth accelerating to 2.6%. Household consumption rebounded to 1.3% after a period of contraction, while government spending remained strong at 2.97%. Exports also rose to 5.9%, pointing to improved external demand.

Main Macroeconomic Indicators (%)

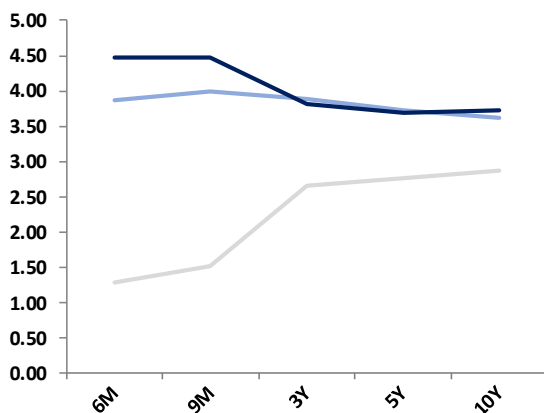
ACTIVITY	2Q23	3Q23	4Q23	1Q24	2Q24	Var. p.p.1Q24	Var. p.p.2Q23	2024	2025
GDP	0.91	-1.55	0.97	1.03	2.63	1.60	1.72	0.81	1.75
DOMESTIC DEMAND	0.90	-0.11	-2.10	0.01	-0.22	-0.23	-1.12	-0.62	1.76
HOUSEHOLD CONSUMPTION	-0.51	-0.35	-3.59	0.04	1.30	1.26	1.81	1.14	1.30
PUBLIC CONSUMPTION	3.26	3.81	3.74	3.27	2.97	-0.30	-0.29	1.45	1.54
CAPITAL FORMATION	0.05	-0.08	0.02	-7.37	-2.30	5.07	-2.35	1.69	2.81
EXTERNAL DEMAND									
EXPORTS	3.70	-4.76	3.00	0.93	5.90	4.97	2.20	3.30	3.50
IMPORTS	4.82	-2.25	-4.74	-1.99	-0.69	1.30	-5.51	0.08	4.01
INFLATION									
CPI	6.49	4.52	4.53	4.36	3.08	-1.28	-3.41	3.93	2.82
LABOUR MARKET									
UNEMPLOYMENT RATE	3.40	3.60	3.70	3.93	4.17	0.24	0.77	3.71	3.75
EMPLOYMENT ⁽¹⁾	1.05	0.97	1.08	0.79	0.86	0.07	-0.19	0.56	0.70

(1) The employment variable represents the year-on-year change in employment growth.

Source: quarterly data extracted from the Organization for Economic Cooperation and Development (OECD) as of October 21st, 2024. The series for the other quarters have also been updated to the database as of October 21st, 2024, to gain consistency. Projections OECD May 2024.

- ▶ GDP accelerated to 2.63%, showing a strong rebound from earlier slower growth. Domestic demand decreased by -0.23 p.p. compared to 1Q24, reaching -0.22% in 2Q24.
- ▶ Imports dropped to -0.69%, extending a trend of declining demand for imported goods and services. Weaker domestic consumption and possible shifts in spending patterns were contributing factors to this reduction.
- ▶ The CPI eased to 3.08%, down from the higher levels seen in 2023. This decline in inflation has offered some relief to households and businesses by reducing price pressures.
- ▶ Unemployment rose to 4.17%, highlighting the challenges in the labor market despite GDP growth, as in other Nordic countries. Job creation remained sluggish, suggesting that certain sectors have yet to recover fully from earlier economic disruptions.

Treasury Yield Curves Rates (%)

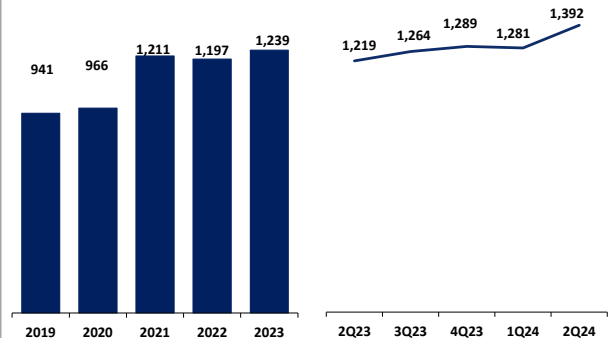


Source: Investing

OSEBX GR

Annual Average

Quarterly Average



Source: Investing

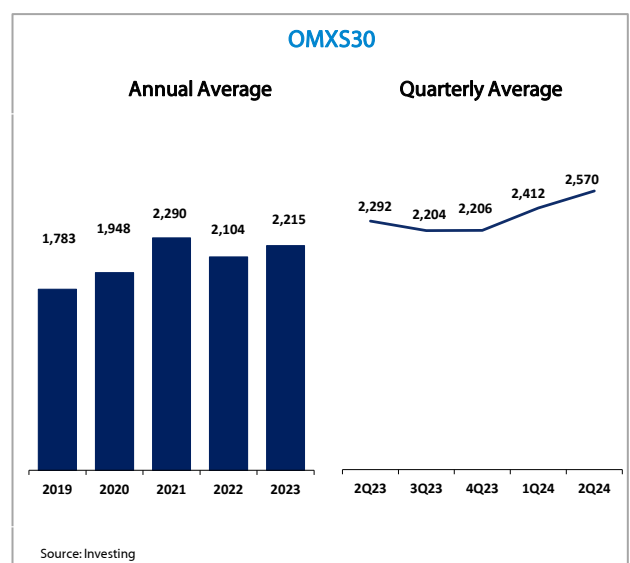
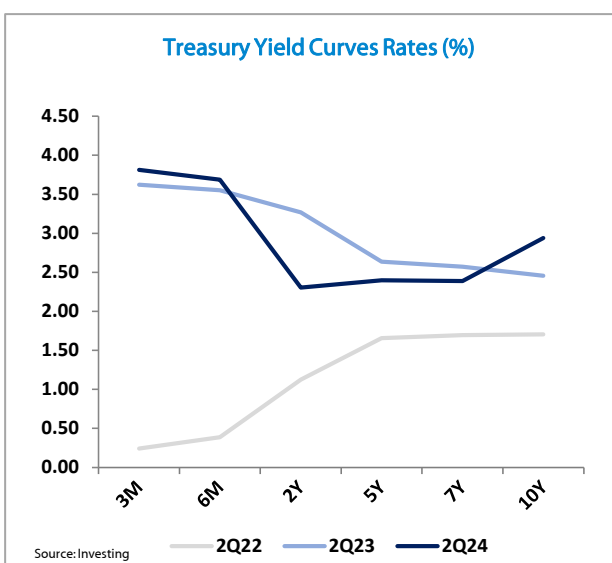
Nordics: Sweden

In 2Q24, Sweden experienced a period of stable economic performance, characterized by moderate GDP growth and increased exports. While inflation improved, falling to 3.39%, the labor market remained stagnant, with no change in the unemployment rate.

Main Macroeconomic Indicators (%)									
ACTIVITY	2Q23	3Q23	4Q23	1Q24	2Q24	Var. p.p.1Q24	Var. p.p.2Q23	2024	2025
GDP	-0.55	-0.48	-0.07	0.50	0.59	0.09	1.14	0.56	2.62
DOMESTIC DEMAND	-2.48	-4.27	-2.06	-0.35	-1.40	-1.05	1.08	0.17	2.58
HOUSEHOLD CONSUMPTION	-3.11	-2.31	-0.94	0.28	-0.15	-0.43	2.96	1.27	2.88
PUBLIC CONSUMPTION	1.62	0.74	0.89	1.07	0.79	-0.28	-0.83	0.91	0.73
CAPITAL FORMATION	-1.67	-1.54	-1.81	-1.37	-2.98	-1.61	-1.31	-0.94	3.89
EXTERNAL DEMAND									
EXPORTS	3.31	2.97	2.76	1.60	2.88	1.28	-0.43	2.55	3.31
IMPORTS	-0.29	-4.16	-0.68	0.07	-0.72	-0.79	-0.43	1.97	3.31
INFLATION									
CPI	9.81	7.72	5.55	4.67	3.39	-1.28	-6.42	3.63	2.07
LABOUR MARKET									
UNEMPLOYMENT RATE	7.47	7.80	8.00	8.30	8.30	0.00	0.83	8.27	8.22
EMPLOYMENT ⁽¹⁾	1.50	1.04	0.59	-0.47	-0.40	0.07	-1.90	-0.28	1.26

(1) The employment variable represents the year-on-year change in employment growth.
Source: quarterly data extracted from the Organization for Economic Cooperation and Development (OECD) as of October 21st, 2024. The series for the other quarters have also been updated to the database as of October 21st, 2024, to gain consistency. Projections OECD May 2024.

- ▶ Sweden experienced a steady rise in GDP growth in 2Q24, driven by a 2.88% increase in exports and a -0.72% decline in imports. Given the weak GDP growth in 2023, the strong performance in 2024 signals a more favorable growth trajectory for the Swedish economy.
- ▶ Despite the growth in GDP compared to the previous quarter, household consumption fell by 0.15% and capital formation by 2.98%.
- ▶ Inflation continued its downward trend from 2Q23 and gradually declined to 3.39%, signaling a reduction in price pressure in the Swedish economy. This could lead to an increase in consumer spending and overall economic growth in the coming quarters.
- ▶ The unemployment rate remained steady at 8.3%, unchanged from the previous quarter. However, this represents an increase of 0.83 p.p. compared to 2Q23. This stagnation in the labor market is expected to persist into 2025, suggesting subdued growth in the upcoming quarters.



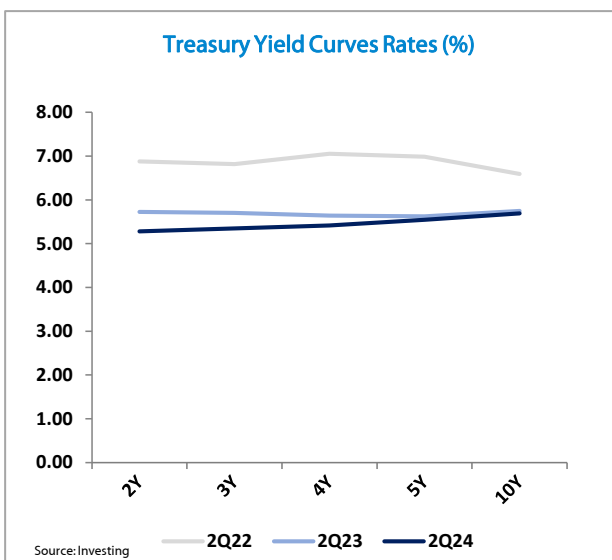
Poland

The economy is expected to grow, largely driven by robust household demand and domestic consumption. Although inflation has eased recently due to targeted reduction policies, it is expected to rise in the coming year as these policies are gradually reverted to their original forms.

Main Macroeconomic Indicators (%)									
ACTIVITY	2Q23	3Q23	4Q23	1Q24	2Q24	Var. p.p.1Q24	Var. p.p.2Q23	2024	2025
GDP	-0.75	0.22	1.87	1.77	4.00	2.23	4.75	2.92	3.39
DOMESTIC DEMAND	-3.64	-5.03	0.04	0.38	2.97	2.59	6.61	2.01	3.84
HOUSEHOLD CONSUMPTION	-2.94	0.97	0.67	4.05	4.34	0.29	7.28	2.31	3.77
PUBLIC CONSUMPTION	0.33	2.26	12.17	6.74	7.14	0.40	6.81	3.18	3.38
CAPITAL FORMATION	11.81	10.33	13.04	3.22	3.79	0.57	-8.02	6.42	4.49
EXTERNAL DEMAND									
EXPORTS	-0.52	4.63	3.77	0.47	4.98	4.51	5.50	1.01	4.00
IMPORTS	-3.51	-3.17	-0.88	0.15	4.84	4.69	8.35	-0.15	4.98
INFLATION									
CPI	13.07	9.70	6.47	2.83	2.50	-0.33	-10.57	3.91	4.46
LABOUR MARKET									
UNEMPLOYMENT RATE	2.77	2.83	3.00	2.93	2.90	-0.03	0.13	3.62	3.84
EMPLOYMENT⁽¹⁾	0.18	0.40	-0.21	-0.53	-0.23	0.30	-0.41	0.03	0.05

(1) The employment variable represents the year-on-year change in employment growth.
Source: quarterly data extracted from the Organization for Economic Cooperation and Development (OECD) as of October 21st, 2024. The series for the other quarters have also been updated to the database as of October 21st, 2024, to gain consistency. Projections OECD May 2024.

- ▶ Poland's GDP is forecasted to grow steadily, though certain challenges will accompany this trend. Unemployment, while low at 3.84%, showed a slight projected increase, necessitating close monitoring to prevent labor market issues.
- ▶ International trade is expected to expand on both the import and export fronts, enhancing economic internationalization but introducing a trade deficit—a recent shift for Poland. This aligns with stock market trends, where recent declines are anticipated to reverse due to export growth positioning Polish companies favorably.
- ▶ Meanwhile, treasury yields are moving toward higher long-term rates as the government prioritizes longer maturities amid a growing budget deficit. This reflects confidence in large-scale investments' long-term benefits, reducing reliance on short-term debt. Overall, Poland's economic outlook is positive but requires strategic oversight to manage these emerging shifts.



Portugal

Portuguese GDP grew again, supported by domestic and external demand, but especially by household consumption and exports.

Main Macroeconomic Indicators (%)

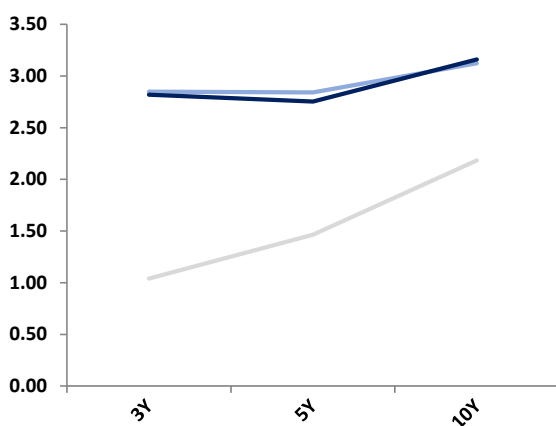
ACTIVITY	2Q23	3Q23	4Q23	1Q24	2Q24	Var. p.p.1Q24	Var. p.p.2Q23	2024	2025
GDP	2.94	1.78	2.13	1.40	1.57	0.17	-1.37	1.65	1.99
DOMESTIC DEMAND	2.15	2.53	1.93	1.89	2.79	0.90	0.64	2.15	2.14
HOUSEHOLD CONSUMPTION	2.74	0.97	1.90	1.53	2.54	1.01	-0.20	1.45	1.76
PUBLIC CONSUMPTION	0.65	1.08	0.63	1.12	1.25	0.13	0.60	1.68	1.40
CAPITAL FORMATION	3.83	4.14	5.00	0.19	1.13	0.94	-2.70	3.93	4.02
EXTERNAL DEMAND									
EXPORTS	3.41	-1.18	2.37	1.69	3.67	1.98	0.26	3.14	3.32
IMPORTS	1.32	-0.02	1.52	1.79	5.38	3.59	4.06	4.22	3.64
INFLATION									
CPI	4.36	3.45	1.69	2.22	2.69	0.47	-1.67	2.40	2.04
LABOUR MARKET									
UNEMPLOYMENT RATE	6.47	6.47	6.57	6.43	6.40	-0.03	-0.07	6.34	6.24
EMPLOYMENT ⁽¹⁾	3.10	3.08	3.84	3.89	1.40	-2.49	-1.70	0.29	0.33

(1) The employment variable represents the year-on-year change in employment growth.

Source: quarterly data extracted from the Organization for Economic Cooperation and Development (OECD) as of October 21st, 2024. The series for the other quarters have also been updated to the database as of October 21st, 2024, to gain consistency. Projections OECD May 2024.

- ▶ In the second quarter of 2024, the Portuguese economy began to turn around, as shown by an improvement in domestic demand, which is benefiting from lower inflation and less restrictive financing conditions, as well as the implementation of projects financed by European funds.
- ▶ According to the estimates of the Bank of Portugal, GDP growth is expected to remain close to trend and above that of the euro area in the coming quarters, between 2 and 2.3 percent.
- ▶ The unemployment rate remained stable at 6.40 percent for another quarter, and the OECD forecasts a slight decline in the unemployment rate to around 6.3 percent in 2024 and 2025.

Treasury Yield Curves Rates (%)

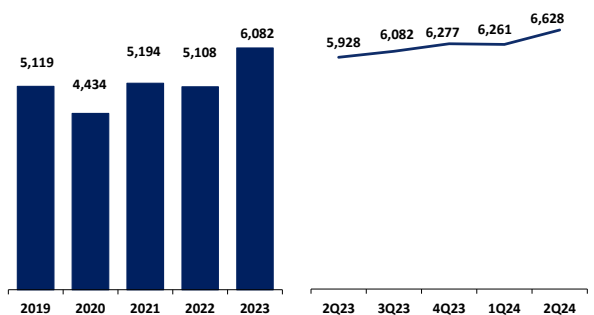


Fuente: Investing.

PSI 20

Annual Average

Quarterly Average



Fuente: Investing.

Spain

During the second quarter of the year, the Spanish economy accelerated its growth rate compared to previous periods despite a context of uncertainty driven by high inflation and interest rates, with early signs of containment in these trends.

Main Macroeconomic Indicators (%)

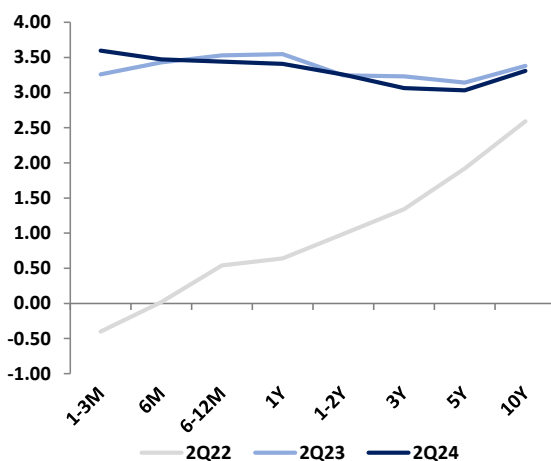
ACTIVITY	2Q23	3Q23	4Q23	1Q24	2Q24	Var. p.p.1Q24	Var. p.p.2Q23	2024	2025
GDP	2.36	2.16	2.33	2.54	3.11	0.57	0.75	1.75	2.00
DOMESTIC DEMAND	1.11	1.66	2.81	2.31	2.51	0.20	1.40	2.04	2.03
HOUSEHOLD CONSUMPTION	1.00	1.37	2.98	2.26	2.50	0.24	1.50	2.01	2.14
PUBLIC CONSUMPTION	6.03	6.44	5.05	5.10	3.96	-1.14	-2.07	2.34	0.94
CAPITAL FORMATION	1.72	0.30	4.69	1.85	2.22	0.37	0.50	0.71	2.97
EXTERNAL DEMAND									
EXPORTS	1.83	0.02	0.69	1.46	2.57	1.11	0.74	0.99	2.46
IMPORTS	-1.54	-1.28	2.29	0.73	0.91	0.18	2.45	1.74	2.58
INFLATION									
CPI	3.05	2.82	3.27	3.14	3.46	0.32	0.41	3.04	2.27
LABOUR MARKET									
UNEMPLOYMENT RATE	12.00	12.00	11.90	11.80	11.57	-0.23	-0.43	11.71	11.25
EMPLOYMENT ⁽¹⁾	4.35	5.05	5.68	3.99	2.09	-1.90	-2.26	2.24	2.40

(1) The employment variable represents the year-on-year change in employment growth.

Source: quarterly data extracted from the Organization for Economic Cooperation and Development (OECD) as of October 21st, 2024. The series for the other quarters have also been updated to the database as of October 21st, 2024, to gain consistency. Projections OECD May 2023.

- ▶ The second quarter of the year was characterized by an acceleration in the GDP growth rate compared to the previous period, as a result of an environment of high inflation and the beginning of a change in trend in interest rates.
- ▶ The inflation rate increased during this period, although there was a change in the downward trend of interest rates, which should help to stimulate private consumption until the end of the year. A scenario of progressive reduction of inflation is expected in the coming months.
- ▶ The employment rate fell compared to the previous quarter, consolidating the trend that began in 4Q23, although unemployment registered its third consecutive fall, reaching a value of 11.57%.
- ▶ In this context, GDP in the second quarter of the year improved by 0.57 p.p. compared to the previous quarter and by 0.75 p.p. compared to the previous year, reaching 3.11%.

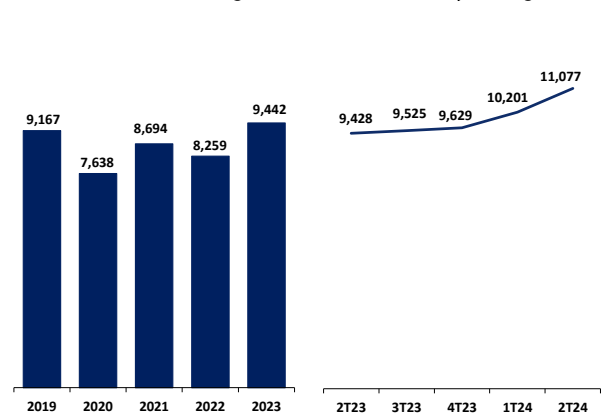
Treasury Yield Curves Rates (%)



IBEX 35

Annual Average

Quarterly Average



Switzerland

In 2Q24, Switzerland's YoY GDP growth was 1.69%, a higher rate than observed in previous quarters, partly due to the expansion of the chemical and pharmaceutical industries. Domestic demand showed negative growth, while external demand reflected a decline in export growth but an improvement in import growth compared to 2Q23.

Main Macroeconomic Indicators (%)

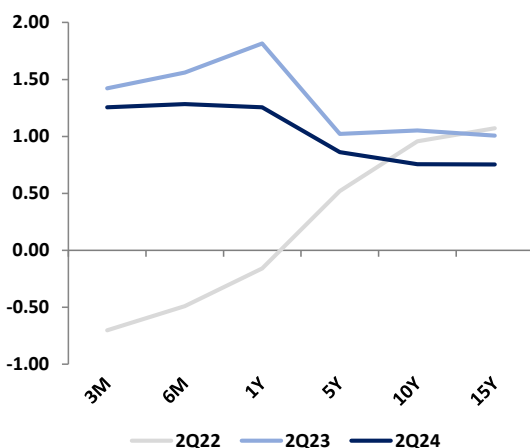
ACTIVITY	2Q23	3Q23	4Q23	1Q24	2Q24	Var. p.p.1Q24	Var. p.p.2Q23	2024	2025
GDP	0.42	0.38	0.55	0.74	1.69	0.95	1.27	1.07	1.44
DOMESTIC DEMAND	-1.78	1.87	0.77	-1.29	-2.35	-1.06	-0.57	-1.48	1.30
HOUSEHOLD CONSUMPTION	1.59	1.21	1.35	1.47	1.36	-0.11	-0.23	1.24	1.53
PUBLIC CONSUMPTION	1.45	2.13	2.52	2.09	1.90	-0.19	0.45	0.89	0.93
CAPITAL FORMATION	-0.07	-0.78	-1.19	-2.76	-1.60	1.16	-1.53	-2.85	0.85
EXTERNAL DEMAND									
EXPORTS	10.53	-5.24	-1.64	2.37	1.86	-0.51	-8.67	2.67	3.01
IMPORTS	8.53	-4.47	-1.78	-0.14	-3.89	-3.75	-12.42	-0.49	3.17
INFLATION									
CPI	2.14	1.60	1.62	1.16	1.36	0.20	-0.78	1.46	1.41
LABOUR MARKET									
UNEMPLOYMENT RATE	3.93	4.15	4.11	4.07	4.21	0.14	0.28	4.38	4.41
EMPLOYMENT ⁽¹⁾	2.67	1.74	1.72	0.84	0.38	-0.46	-2.29	0.57	0.40

(1) The employment variable represents the year-on-year change in employment growth.

Source: quarterly data extracted from the Organization for Economic Cooperation and Development (OECD) as of October 21st, 2024. The series for the other quarters have also been updated to the database as of October 21st, 2024, to gain consistency. Projections OECD May 2024.

- ▶ The GDP growth rate in 2Q24 was slightly higher than in the previous quarter (1.69% growth in 2Q24 vs. 0.74% growth in 1Q24), mainly influenced by improvements in the hospitality industry.
- ▶ Inflation rose by 0.2 p.p. in 2Q24, but was 0.78 p.p. lower than in 2Q23. Factors behind this increase were rising rents, driven by previous SNB interest rate hikes, price increases in packaged holidays, vegetables and fuel, and the weakening of the Swiss franc against major currencies, which increased the price of imports. Still, Switzerland continued to have one of the lowest rates of inflation in Europe.
- ▶ The unemployment rate increased slightly by 0.14 p.p. in the second quarter and is expected to continue increasing in 2024 and 2025. Factors such as reduced demand for temporary workers, economic slowdown, and sector-specific downturns (especially in industries like construction and retail) have contributed to the higher unemployment rate.
- ▶ Overall, the Swiss economy is expected to experience slow growth in 2024, with forecasts predicting GDP growth of around 1.1%, well below the historical average.

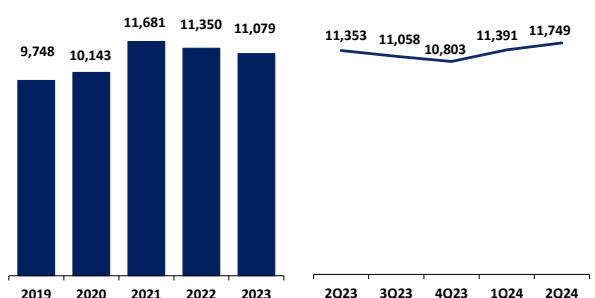
Treasury Yield Curves Rates (%)



SSMI

Annual Average

Quarterly Average



United Kingdom

In the second quarter of 2024, the UK economy showed moderate growth, characterized by GDP expansion and inflation nearing target levels, while unemployment remained stable. These trends reflect a mix of domestic adjustments and global economic influences that the Bank of England will likely weigh in its upcoming interest rate decisions.

Main Macroeconomic Indicators (%)

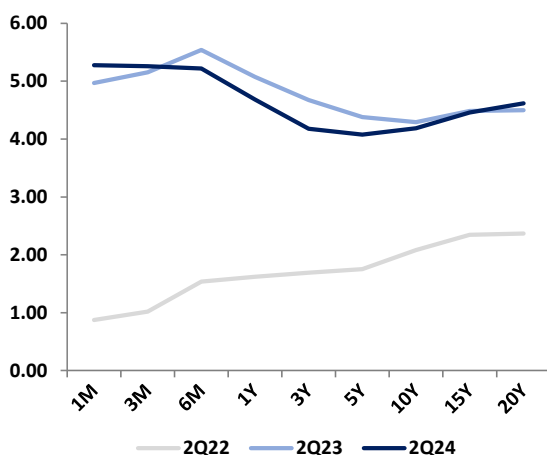
ACTIVITY	2Q23	3Q23	4Q23	1Q24	2Q24	Var. p.p.1Q24	Var. p.p.2Q23	2024	2025
GDP	0.53	0.31	-0.35	0.25	0.70	0.45	0.17	0.44	1.04
DOMESTIC DEMAND	-1.18	2.18	1.71	0.33	2.53	2.20	3.71	0.27	0.80
HOUSEHOLD CONSUMPTION	0.89	0.06	-0.60	0.32	0.02	-0.30	-0.87	0.72	1.20
PUBLIC CONSUMPTION	2.17	1.50	1.74	2.72	2.08	-0.64	-0.09	1.55	0.42
CAPITAL FORMATION	0.02	-1.93	0.05	-1.44	0.73	2.17	0.71	-1.63	-0.16
EXTERNAL DEMAND									
EXPORTS	2.01	-8.54	-9.16	-2.58	-2.87	-0.29	-4.88	0.58	1.89
IMPORTS	-3.56	-2.93	-2.75	-1.51	3.33	4.84	6.89	-0.01	1.11
INFLATION									
CPI	7.70	6.30	4.40	3.90	2.90	-1.00	-4.80	2.75	2.31
LABOUR MARKET									
UNEMPLOYMENT RATE	4.20	4.10	3.80	4.30	4.20	-0.10	0.00	4.45	4.73
EMPLOYMENT⁽¹⁾	0.62	0.57	0.32	-0.61	-0.21	0.40	-0.83	0.42	0.76

(1) The employment variable represents the year-on-year change in employment growth.

Source: quarterly data extracted from the Organization for Economic Cooperation and Development (OECD) as of October 21st, 2024. The series for the other quarters have also been updated to the database as of October 21st, 2024, to gain consistency. Projections OECD May 2024.

- ▶ Real GDP in the UK increased by 0.7% in the second quarter. This moderate growth reflects resilience in the face of ongoing global economic uncertainties, supported mainly by a strong performance in services, which offset some of the contraction in manufacturing.
- ▶ Inflation continued to ease and reached 2.9%, down from previous quarters. This was largely due to the stabilizing of energy prices and lower food costs, which eased some pressure on household budgets.
- ▶ The job market held steady, with minor contractions in sectors like manufacturing but growth in services and tech. Unemployment rates suggest a continued demand for labour in growth sectors despite some sectoral slowdowns.
- ▶ The FTSE 100 is experiencing a strong performance in 2024, reaching record highs in May amid a favorable corporate earnings season and improved investor confidence. The index's rise is being supported by easing inflation, and positive performance across major sectors, particularly in energy, finance, and consumer goods.

Treasury Yield Curves Rates (%)

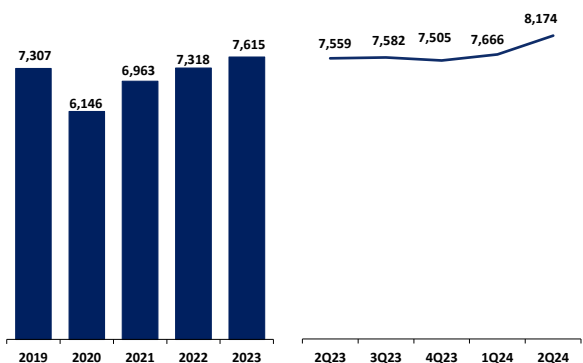


Source: Investing

FTSE 100

Annual Average

Quarterly Average



Source: Investing

2Q24

Americas

Main Macroeconomic
Indicators

Argentina

The materialization of the policy of sincerity for the economy's reference prices and austerity in search of zero fiscal deficit brought serious social consequences visible in the worsening of the main indicators.

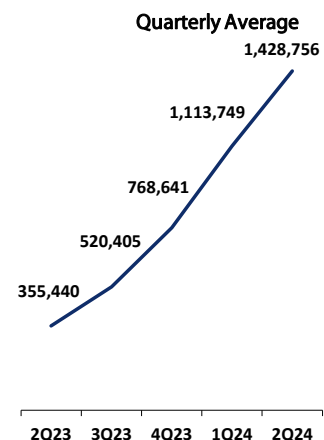
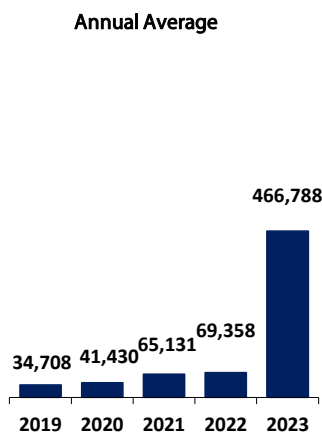
Main Macroeconomic Indicators (%)

ACTIVITY	2Q23	3Q23	4Q23	1Q24	2Q24	Var. p.p.1Q24	Var. p.p.2Q23	2024	2025
GDP	-3.80	-1.44	-1.54	-5.12	-4.03	1.09	-0.23	-3.28	2.74
DOMESTIC DEMAND	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-7.71	1.99
HOUSEHOLD CONSUMPTION	1.32	0.14	-1.60	-6.08	-9.79	-3.71	-11.11	-5.90	2.27
PUBLIC CONSUMPTION	2.80	2.78	-0.59	-4.22	-6.15	-1.93	-8.95	-8.35	-0.51
CAPITAL FORMATION	-1.87	0.62	-6.64	-21.56	-30.04	-8.48	-28.17	-5.01	4.91
EXTERNAL DEMAND									
EXPORTS	-12.84	-5.45	-7.67	21.15	32.35	11.20	45.19	10.63	8.60
IMPORTS	2.56	2.04	-1.59	-15.50	-22.50	-7.00	-25.06	-10.43	4.92
INFLATION									
CPI	113.00	125.89	172.79	273.54	278.72	5.18	165.72	208.09	71.24
LABOUR MARKET									
UNEMPLOYMENT RATE	6.20	5.70	5.70	7.70	7.60	-0.10	1.40		
EMPLOYMENT ⁽¹⁾	0.89	3.67	3.50	-0.58	1.45	2.03	0.56		

(1) The employment variable represents the year-on-year change in employment growth. OECD employment projections not available.
Source: Organization for Economic Co-operation and Development (OECD), Central Bank of Argentina (BCRA). OECD projections, May 2024.

- ▶ In the second quarter, GDP contracted slightly less than in the previous quarter, by about -4% year-on-year.
- ▶ However, household consumption was significantly affected by the rise in prices and unemployment or underemployment, which led to an increase in the level of poverty and indigence.
- ▶ Moreover, given the progressive trade liberalization plan, financial exchange rate movements and export seasonality, exports increased in the second quarter. However, due to the economic contraction and the exchange rate disparity, imports did not experience the same boost and decreased by 22.5%.
- ▶ Finally, public consumption contracted as part of the austerity measures adopted, including the reduction in public employment, which, together with the decline in private activity, contributed to the fall in employment.

MARVAL



Source: Investing

*The remuneration of the 1-, 4- and 7-year government bonds has not been available since March 2022.

Source: Investing

Brazil

The Brazilian economic landscape showed growth in the second quarter of 2024 compared to the previous quarter, with recoveries observed in GDP and domestic demand, despite a decline in external demand. Employment and unemployment rates also showed a slight improvement during the period.

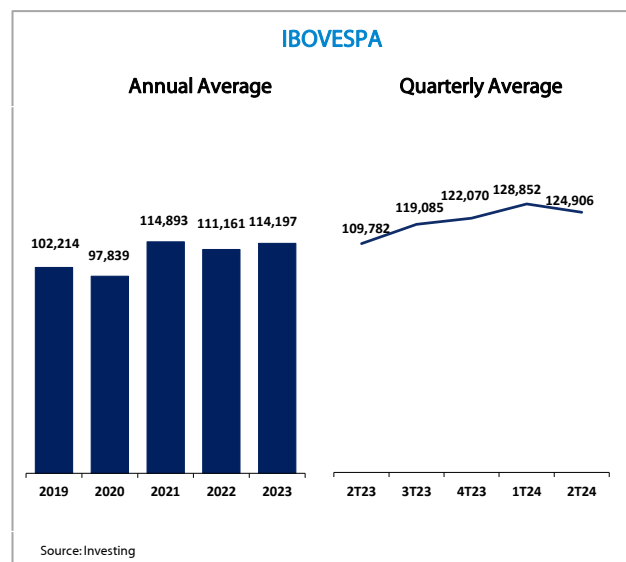
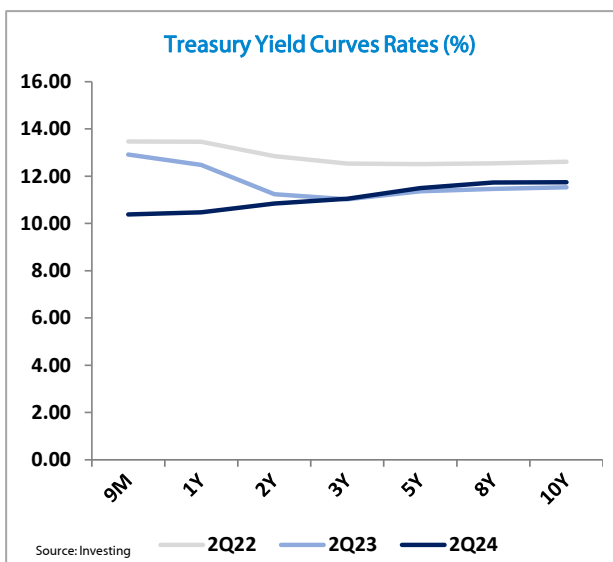
Main Macroeconomic Indicators (%)

ACTIVITY	2Q23	3Q23	4Q23	1Q24	2Q24	Var. p.p.1Q24	Var. p.p.2Q23	2024	2025
GDP	3.25	2.40	2.22	2.08	2.83	0.75	-0.42	1.90	2.14
DOMESTIC DEMAND									
HOUSEHOLD CONSUMPTION	2.95	3.23	2.40	4.40	4.80	0.40	1.85	2.26	2.19
PUBLIC CONSUMPTION	2.25	0.70	3.09	2.54	3.17	0.63	0.92	2.51	1.53
CAPITAL FORMATION	-1.95	-6.76	-4.30	2.85	5.45	2.60	7.40	0.67	1.56
EXTERNAL DEMAND									
EXPORTS	12.37	12.16	7.19	6.61	4.72	-1.89	-7.65	4.56	3.51
IMPORTS	0.45	-3.42	-0.80	12.42	14.20	1.78	13.75	1.84	2.54
INFLATION									
CPI	3.76	4.59	4.71	4.31	3.95	-0.36	0.19	4.04	3.34
LABOUR MARKET									
UNEMPLOYMENT RATE	8.00	7.70	7.40	7.90	6.90	-1.00	-1.10	8.20	8.10
EMPLOYMENT⁽¹⁾	-0.73	-0.53	1.04	1.46	1.69	0.23	2.42		

(1) The employment variable represents the year-on-year change in employment growth. OECD forecasts for the employment variable are not available.

Source: quarterly data extracted from the Organization for Economic Cooperation and Development (OECD) as of October 21st, 2024. Source of unemployment rate: IBGE. The series for the other quarters have also been updated to the database as of October 21st, 2024, to gain consistency. Projections OECD May 2024.

- ▶ Brazil's GDP reached 2.83% in the second quarter of 2024, signaling a recovery compared to the previous quarter (quarterly variation of +0.75 p.p.). However, compared to the same quarter of the previous year, the country experienced a decline of 0.42 p.p. This outcome reflects the positive variation in domestic demand, driven mainly by capital formation (variation of +2.60 p.p.)
- ▶ In the same period, there was a decrease in the unemployment rate compared to the previous quarter (variation of -1.00 p.p.) as well as compared to the second quarter of 2023 (variation of -1.10 p.p.). The employment rate showed a positive variation compared to the previous year (+2.42 p.p.) and reached 1.69% in this quarter.
- ▶ Inflation, although still high, continued to decline over the last two periods (variation of -0.36 p.p. compared to Q1 2024), reaching 3.95%.



Canada

En el segundo trimestre de 2024, el PIB aumentó al 0,91%, a pesar de experimentar una caída del 1,17% en la inversión bruta fija. La inflación siguió moderándose gradualmente, con un descenso interanual de 0,78 p.p., aunque se mantuvo por encima del objetivo de 2024.

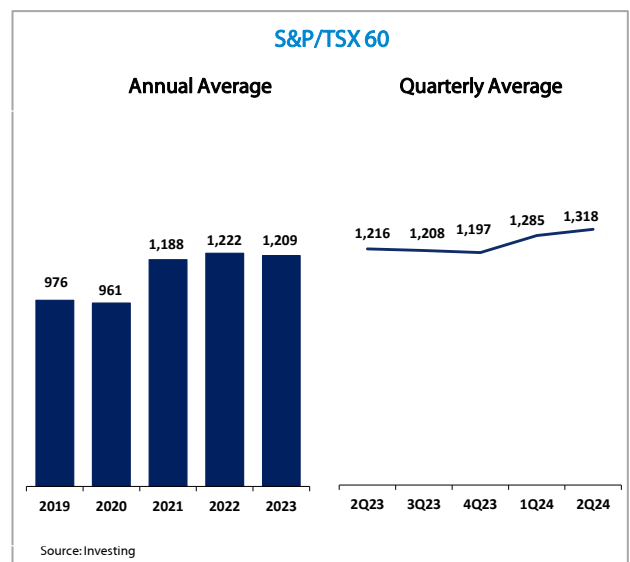
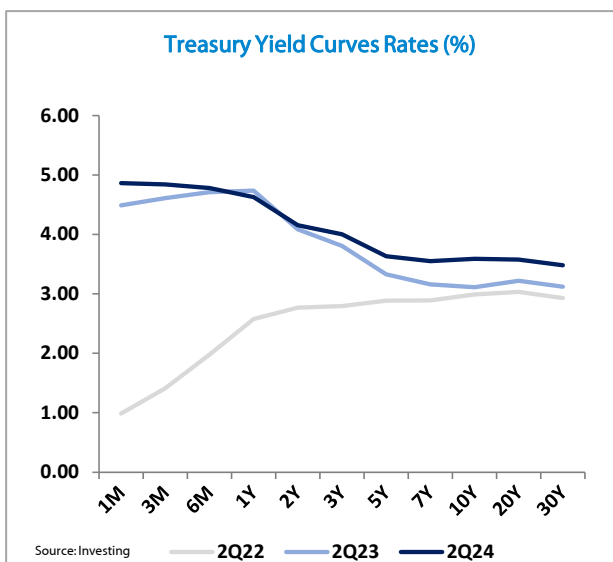
Main Macroeconomic Indicators (%)

ACTIVITY	2Q23	3Q23	4Q23	1Q24	2Q24	Var. p.p.1Q24	Var. p.p.2Q23	2024	2025
GDP	1.27	0.73	0.97	0.56	0.91	0.35	-0.36	1.04	1.82
DOMESTIC DEMAND	-0.95	-0.85	0.21	0.64	0.86	0.22	1.81	0.73	1.84
HOUSEHOLD CONSUMPTION	1.14	1.04	1.68	1.94	1.95	0.01	0.81	1.06	1.93
PUBLIC CONSUMPTION	1.71	1.56	1.25	1.55	5.61	4.06	3.90	1.44	1.65
CAPITAL FORMATION	-2.98	-1.63	-1.82	-1.30	-1.17	0.13	1.81	-0.20	1.89
EXTERNAL DEMAND									
EXPORTS	5.67	3.46	4.46	1.25	0.03	-1.22	-5.64	2.11	1.76
IMPORTS	-1.02	-1.34	2.14	1.59	0.06	-1.53	1.08	1.02	1.82
INFLATION									
CPI	3.52	3.69	3.21	2.85	2.74	-0.11	-0.78	2.37	2.05
LABOUR MARKET									
UNEMPLOYMENT RATE	5.27	5.53	5.77	5.87	6.23	0.36	0.96	5.90	5.73
EMPLOYMENT ⁽¹⁾	1.51	1.68	0.98	1.09	n.a	n.a	n.a	1.46	1.47

(1) The employment variable represents the year-on-year change in employment growth.

Source: quarterly data extracted from the Organization for Economic Cooperation and Development (OECD) as of October 21st, 2024. The series for the other quarters have also been updated to the database as of October 21st, 2024, to gain consistency. Projections OECD May 2024.

- ▶ Economic growth was slightly better than forecast in the previous quarter, but remained modest. While GDP increased, the outlook for the Canadian workforce is concerning, with unemployment rate rising 0.96 p.p. year-over-year in the quarter.
- ▶ With inflation down nearly 100-basis points since Q2 2023, consumer behavior showed a significant shift from the previous year. Public consumption surged, but the unemployment rate also rose over the same period. As inflation has moved closer to sustainable levels, these domestic trends are expected to stabilize in the coming years.
- ▶ The Treasury yield curve has remained parallel to last year's but now offers marginally higher returns on short-term bonds, around 5.0%, sustaining strong interest in the bond market. On the equity side, the S&P/TSX 60 saw a slight dip in Q4 2023 but has been growing for the past two consecutive quarters, further underscoring the Canadian economy's recovery.



Chile

In Chile, GDP growth increased by 2.21% in the second quarter of 2024. Despite a decline in domestic demand of 1.16%, consumption showed positive growth, while capital formation experienced a decline of 4.23%. Inflation continued its normalization process, settling at a rate of 4.20%. On the other hand, the unemployment rate continues to decrease, reaching 8.15%.

Main Macroeconomic Indicators (%)

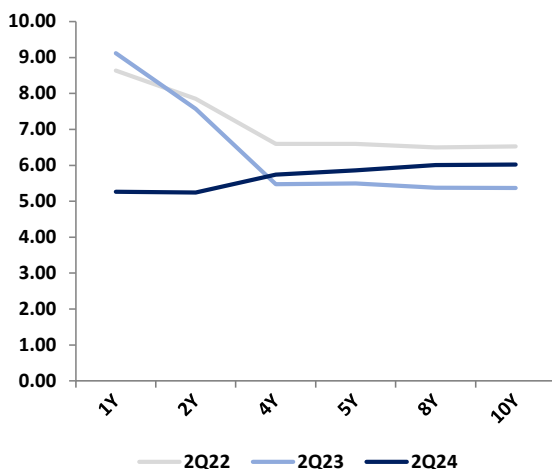
ACTIVITY	2Q23	3Q23	4Q23	1Q24	2Q24	Var. p.p.1Q24	Var. p.p.2Q23	2024	2025
GDP	-0.28	0.73	0.76	2.11	2.21	0.10	2.49	2.31	2.51
DOMESTIC DEMAND	-4.47	-3.22	-2.29	1.95	-1.16	-3.11	3.31	2.03	2.65
HOUSEHOLD CONSUMPTION	-5.84	-4.32	-1.97	0.87	0.76	-0.11	6.60	1.77	2.52
PUBLIC CONSUMPTION	1.28	2.74	0.86	3.51	2.94	-0.57	1.66	0.87	1.95
CAPITAL FORMATION	1.22	-2.38	-5.39	-6.24	-4.23	2.01	-5.45	0.16	3.39
EXTERNAL DEMAND									
EXPORTS	-1.36	0.46	-0.89	2.07	7.48	5.41	8.84	2.56	3.24
IMPORTS	-12.06	-9.12	-7.61	1.64	-2.41	-4.05	9.65	1.72	3.71
INFLATION									
CPI	8.72	5.63	4.59	3.70	4.20	0.50	-4.52	3.88	3.25
LABOUR MARKET									
UNEMPLOYMENT RATE	8.31	8.66	9.02	8.60	8.15	-0.45	-0.16	8.12	7.60
EMPLOYMENT⁽¹⁾	2.23	2.04	2.88	3.36	3.17	-0.19	0.94	2.19	2.35

(1) The employment variable represents the year-on-year change in employment growth.

Source: quarterly data extracted from the Organization for Economic Cooperation and Development (OECD) as of October 21st, 2024. The series for the other quarters have also been updated to the database as of October 21st, 2024, to gain consistency. Projections OECD May 2024.

- ▶ In 2Q24, key economic indicators reflected improvement in several sectors. Domestic demand registered an increase of 2.21%, while household consumption grew by 0.7%, mainly due to lower spending on clothing, footwear, household equipment and maintenance, as well as a reduction in gasoline prices. On the other hand, public consumption increased by 2.94%. However, capital formation declined by 4.23%, indicating relative stability in both machinery and equipment as well as construction and infrastructure.
- ▶ Imports saw a decline in intermediate and capital goods, while consumer goods increased. Exports declined. However, this decline was offset by increases in fruit, meat and wine exports. In addition, an increase in exports of services made a positive contribution to export performance.
- ▶ The unemployment rate declined to 8.15%, supporting a gradual recovery in household spending.
- ▶ As for the annual inflation rate, it registered 4.2%, influenced by the impact of a supply shock related to higher electricity prices and stronger domestic demand.

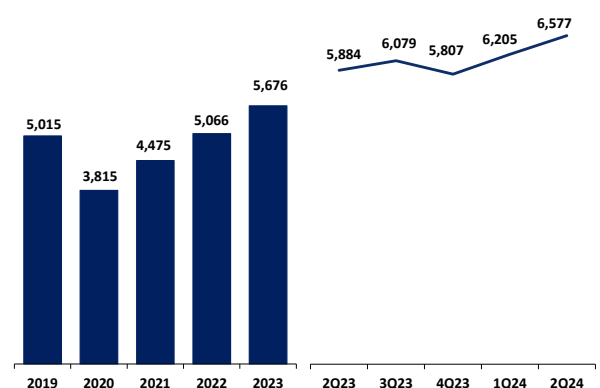
Treasury Yield Curves Rates (%)



IPSA

Annual Average

Quarterly Average



Colombia

In Colombia, 2Q24 data confirms the positive growth trend that started in the last quarter of the previous year, and it is also positive compared to 2Q23. A growth in domestic demand is the key to this growth

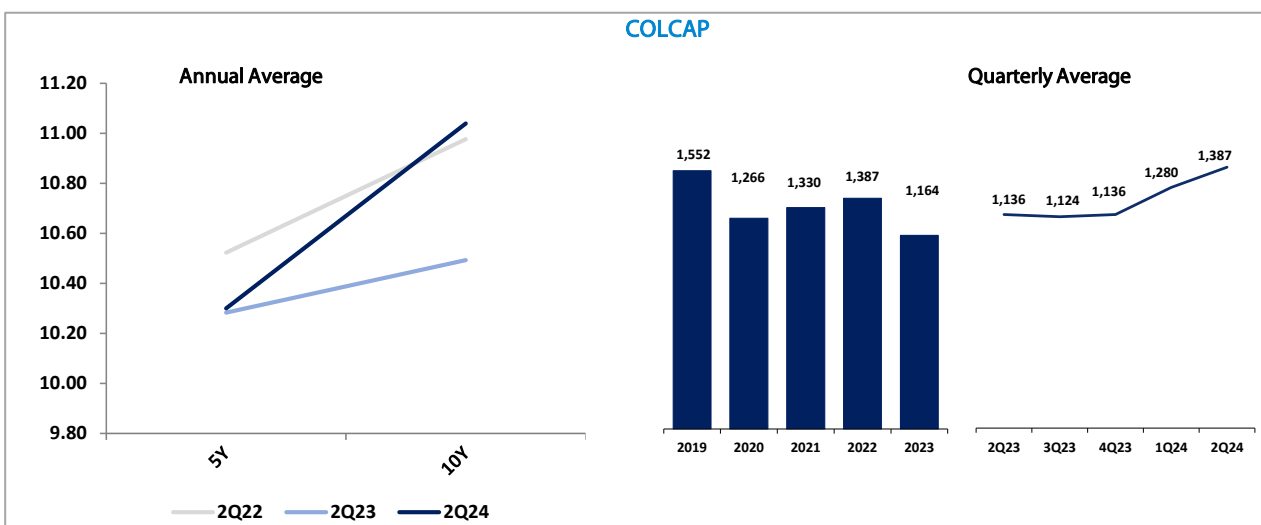
Main Macroeconomic Indicators (%)

ACTIVITY	2Q23	3Q23	4Q23	1Q24	2Q24	Var. p.p.1Q24	Var. p.p.2Q23	2024	2025
GDP	0.31	-0.56	0.28	1.06	1.80	0.74	1.49	1.17	3.34
DOMESTIC DEMAND	-4.02	-6.75	-4.54	-1.91	1.57	3.48	5.59	0.44	4.09
HOUSEHOLD CONSUMPTION	1.13	-0.20	-0.73	-0.05	1.75	1.80	0.62	1.21	1.56
PUBLIC CONSUMPTION	-0.77	3.82	6.40	1.96	0.92	-1.04	1.69	2.49	4.02
CAPITAL FORMATION	-7.73	-11.38	-14.86	-4.80	2.16	6.96	9.89	-7.36	12.08
EXTERNAL DEMAND									
EXPORTS	1.98	0.19	8.48	3.18	2.93	-0.25	0.95	3.16	3.14
IMPORTS	-14.71	-23.06	-13.84	-10.37	2.60	12.97	17.31	1.34	6.72
INFLATION									
CPI	12.44	11.40	9.96	7.81	7.17	-0.64	-5.27	6.52	4.26
LABOUR MARKET									
UNEMPLOYMENT RATE	9.98	9.63	10.48	10.76	10.21	-0.55	0.23	11.12	10.79
EMPLOYMENT ⁽¹⁾	3.32	4.27	n.a.	n.a.	n.a.	n.a.	n.a.	-0.70	1.59

(1) The employment variable represents the year-on-year change in employment growth.

Source: quarterly data extracted from the Organization for Economic Cooperation and Development (OECD) as of October 21st, 2024. The series for the other quarters have also been updated to the database as of October 21st, 2024, to gain consistency. Projections OECD May 2024.

- ▶ The Colombian economy registered growth of 1.80% in 2Q24, up from 1.06% in the previous quarter and also up from 0.31% in 2Q23, showing that the economy's performance is improving steadily. Household consumption and capital formation are the keys to this improvement.
- ▶ The inflation rate continued to decline, reaching 7.17%, which was 0.64 p.p. lower than the previous quarter, and 5.27 p.p. lower than a year earlier. Although the rate of decline is expected to slow down in the future, the expectation is still downward (6.52% for 2024).
- ▶ BANREP, for its part, continued to lower the reference rate to 11.75% and further reductions are expected. The financial and business sectors are calling for faster rate cuts to stimulate consumption and investment.
- ▶ Finally, the labor market registered an improvement of 0.55 p.p. in comparison with last quarter, after two quarters of growth in the unemployment rate.



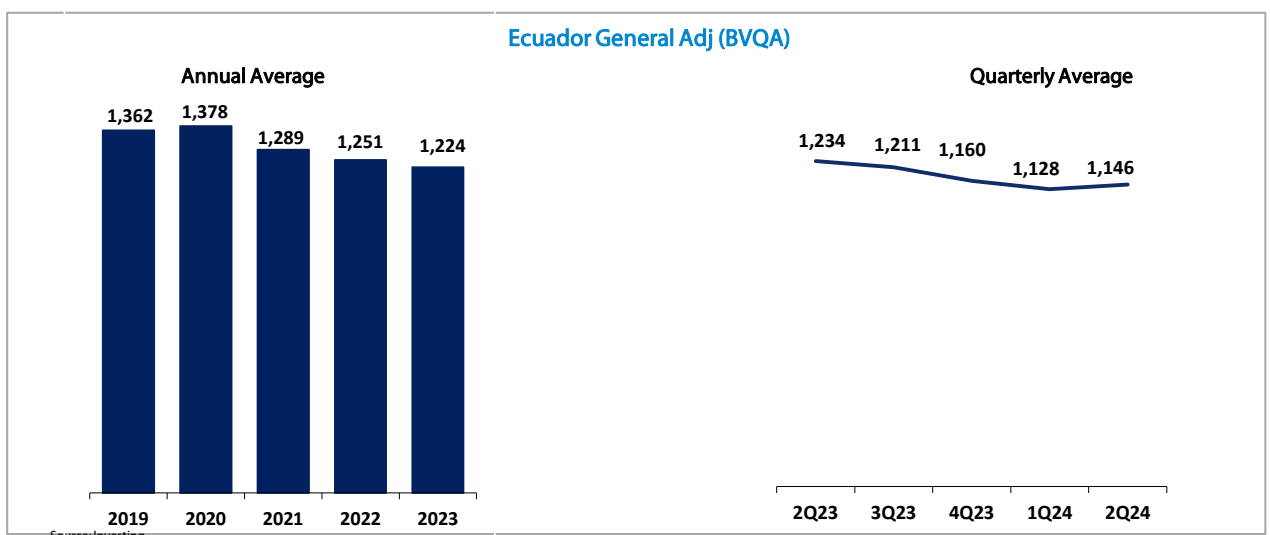
Ecuador

In the second quarter of the year, there was a decline in the level of activity, driven by the drop in fixed investment and consumption.

Main Macroeconomic Indicators (%)									
ACTIVITY	2Q23	3Q23	4Q23	1Q24	2Q24	Var. p.p.1Q24	Var. p.p.2Q23	2024	2025
GDP	5.00	0.70	-0.75	1.18	-2.17	-3.35	-7.17	0.08	0.85
DOMESTIC DEMAND	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
HOUSEHOLD CONSUMPTION	5.09	-2.29	-0.50	-1.12	-2.18	-1.06	-7.27	n.a.	n.a.
PUBLIC CONSUMPTION	4.85	3.87	0.98	-0.30	-0.58	-0.28	-5.43	n.a.	n.a.
CAPITAL FORMATION	7.72	-3.17	-5.16	-1.31	-8.16	-6.85	-15.88	21.19	23.33
EXTERNAL DEMAND									
EXPORTS	6.02	1.72	-7.41	-0.51	1.89	2.40	-4.13	0.98	1.46
IMPORTS	-11.35	-3.16	16.20	-3.30	0.22	3.52	11.57	-1.43	0.48
INFLATION									
CPI	1.69	2.23	1.35	1.66	1.18	-0.48	-0.51	1.37	1.55
LABOUR MARKET									
UNEMPLOYMENT RATE	0.04	0.04	0.04	0.04	0.03	-0.01	-0.01	4.20	4.00
EMPLOYMENT ⁽¹⁾	-0.84	2.26	2.00	0.70	3.57	2.87	4.41		

(1) The employment variable represents the year-on-year change in employment growth.
Source: quarterly data extracted from the Organization for Economic Cooperation and Development (OECD) as of October 21st, 2024. The series for the other quarters have also been updated to the database as of October 21st, 2024, to gain consistency. Projections OECD May 2024.

- ▶ Household consumption continued its downward trend, which was even more pronounced if we consider its growth in the same quarter of the previous year. However, the main related indicators did not have a causal relationship with these results. That is, in terms of prices, the CPI had a slight increase, but the variation was lower than that of previous quarters. Similarly, the employment rate had a significant increase compared to other quarters.
- ▶ In terms of the external market, although net exports increased compared to the previous quarter, a new trend towards import dependence and a decline in the growth rate of exports can be observed on a year-on-year basis.



Mexico

In the second quarter of 2024, Mexico's economic activity slowed compared to the first quarter of 2024. This is in line with the downward trend it has been following since the end of 2023. Taking into account this behavior, the growth estimates for the current year and the following year have decreased.

Main Macroeconomic Indicators (%)

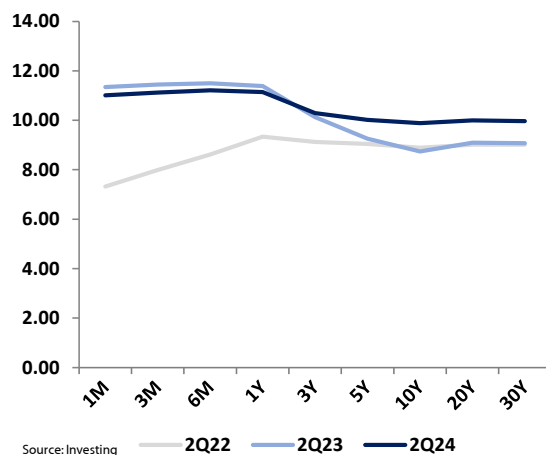
ACTIVITY	2Q23	3Q23	4Q23	1Q24	2Q24	Var. p.p.1Q24	Var. p.p.2Q23	2024	2025
GDP	3.55	3.36	2.33	1.78	0.95	-0.83	-2.60	2.20	2.03
DOMESTIC DEMAND	4.69	2.69	2.20	2.57	n.a.	n.a.	n.a.	3.74	2.51
HOUSEHOLD CONSUMPTION	4.64	4.92	4.62	3.30	2.68	-0.62	-1.96	2.86	2.51
PUBLIC CONSUMPTION	1.68	2.14	2.95	2.10	1.94	-0.16	0.26	6.22	1.44
CAPITAL FORMATION	18.37	23.91	17.24	10.84	4.61	-6.23	-13.76	5.58	3.17
EXTERNAL DEMAND									
EXPORTS	-6.97	-12.87	-7.81	-6.91	-3.62	3.29	3.35	-0.74	4.39
IMPORTS	6.89	1.58	2.38	3.84	0.54	-3.30	-6.35	2.52	5.64
INFLATION									
CPI	5.71	4.63	4.41	4.57	4.77	0.20	-0.94	4.48	3.11
LABOUR MARKET									
UNEMPLOYMENT RATE	2.85	2.77	2.77	2.62	2.71	0.09	-0.14	2.91	2.98
EMPLOYMENT ⁽¹⁾	1.92	3.01	1.81	1.08	1.38	0.30	-0.54	1.55	2.32

(1) The employment variable represents the year-on-year change in employment growth.

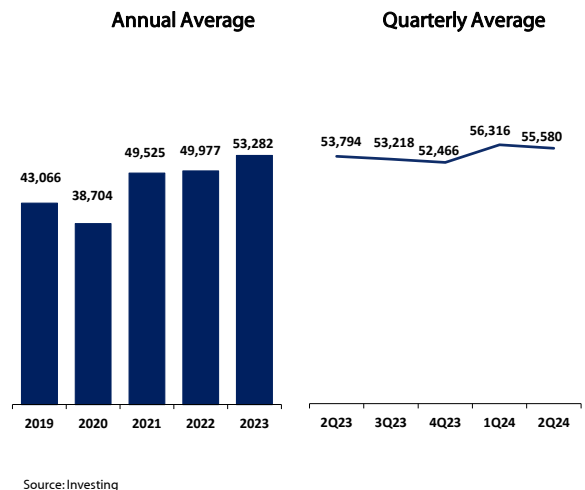
Source: Organisation for Economic Co-operation and Development (OECD). Domestic demand data extracted from Banxico. OECD projections May 2024.

- ▶ The slowdown in economic activity had a moderate impact on employment. However, the unemployment rate increased compared to the previous quarter. Compared to the second quarter of 2023, inflation declined by 0.94 p.p. due to the restrictive monetary policy and the fact that the pressure from global shocks is fading. However, non-core inflation increased significantly, posing a risk to the inflation trend in subsequent period.
- ▶ Although the domestic financial market began to stabilize in June, it is expected to experience greater volatility due to the volatility in the international financial markets. In addition, medium- and long-term interest rates on government securities have visibly increased.
- ▶ Risks to economic growth include the uncertainty created by domestic and external factors, such as: the results of numerous electoral processes around the world, a decline in external demand due to lower-than-expected economic growth in the United States, the impact of geopolitical conflicts on international trade, increased volatility in financial markets, and the impact of meteorological events.

Treasury Yield Curves Rates (%)



PRICE AND QUOTATIONS INDEX(S&P/BMV)



Peru

The Peruvian economy closed 2Q24 with an increase of 3.6%, a figure higher than that of 2Q23 (-0.52%). This growth in the economy was mainly due to the recovery of the fishing (184.2%), primary manufacturing (37.5%) and agriculture (8.0%) sectors.

Main Macroeconomic Indicators (%)

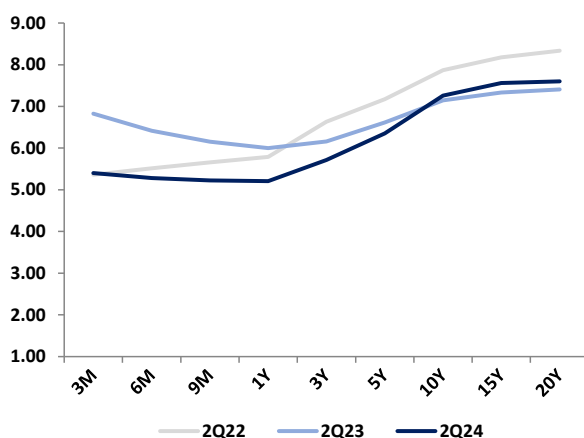
ACTIVITY	2Q23	3Q23	4Q23	1Q24	2Q24	Var. p.p.1Q24	Var. p.p.2Q23	2024	2025
GDP	-0.52	-0.92	-0.39	1.36	3.56	2.20	4.08	2.25	2.83
DOMESTIC DEMAND	-3.69	-1.94	-0.91	2.21	5.04	2.83	8.73	2.94	2.68
HOUSEHOLD CONSUMPTION	0.37	-0.14	0.20	1.25	2.31	1.06	1.94	1.71	2.84
PUBLIC CONSUMPTION	5.44	3.16	9.17	3.21	5.67	2.46	0.23	4.02	1.53
CAPITAL FORMATION	-6.36	-5.68	0.11	5.64	2.85	-2.79	9.21	3.79	2.73
EXTERNAL DEMAND									
EXPORTS	10.18	2.32	4.88	1.96	-1.85	-3.81	-12.03	2.13	3.60
IMPORTS	-3.49	-1.80	3.03	5.46	3.80	-1.66	7.29	4.52	3.06
INFLATION									
CPI	6.54	5.50	3.74	3.12	2.24	-0.88	-4.30	2.81	2.12
LABOUR MARKET									
UNEMPLOYMENT RATE	13.60	13.09	13.00	14.80	7.18	-7.62	-6.42	7.40	
EMPLOYMENT ⁽¹⁾	2.06	3.94	4.81	4.29	4.50	0.21	2.44		

(1) The employment variable represents the year-on-year change in employment growth.

Source: quarterly data extracted from the Banco Central de Reserva del Perú as of October 21st, 2024. The series for the other quarters have also been updated to the database as of October 21st, 2024, to gain consistency. Projections OECD May 2024.

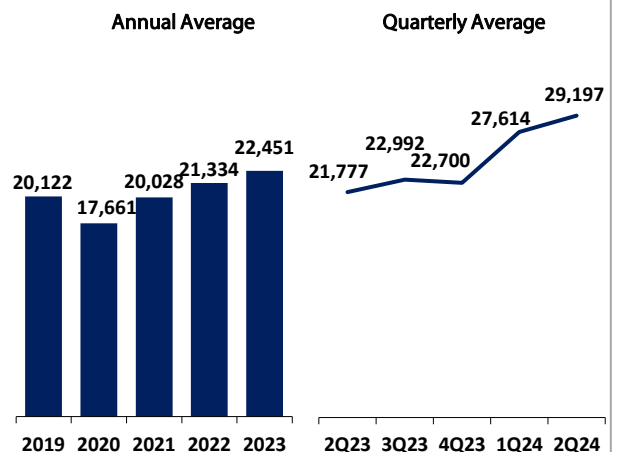
- ▶ In the second quarter of 2024, the Peruvian economy saw GDP growth of 3.6%, mainly due to a favorable context of socio-political and price stability. This situation led to an increase in the dynamism of consumption and private investment. This also reflects the recovery of confidence in the private sector and the increase in real incomes. The BCRP's updated growth forecast for 2024 was higher than in the previous quarter (from 3.0% to 3.1%).
- ▶ As for inflation, the CPI declined from 3.12% in 1Q24 to 2.24% in 2Q24. This was mainly due to an increase in the price of services, especially education, water and local transport. It is expected that year-on-year inflation will continue to rise and will be within the targeted range in the coming months.
- ▶ On the other hand, the unemployment rate has decreased, reaching 7.18% in the second quarter, a figure below the level of the second quarter of 2023 (13.60%). Finally, the Lima Stock Exchange continued to show favorable results, reaching a level of 29,197 in this quarter.

Treasury Yield Curves Rates (%)



Source: Central Bank of Peru

BVL



Source: Investing

United States

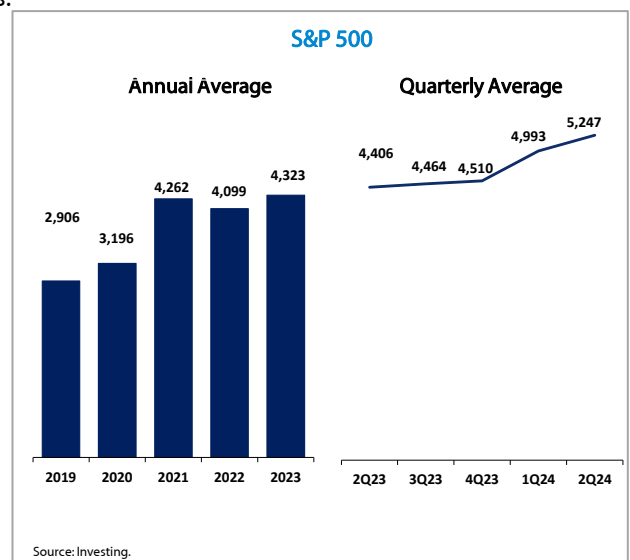
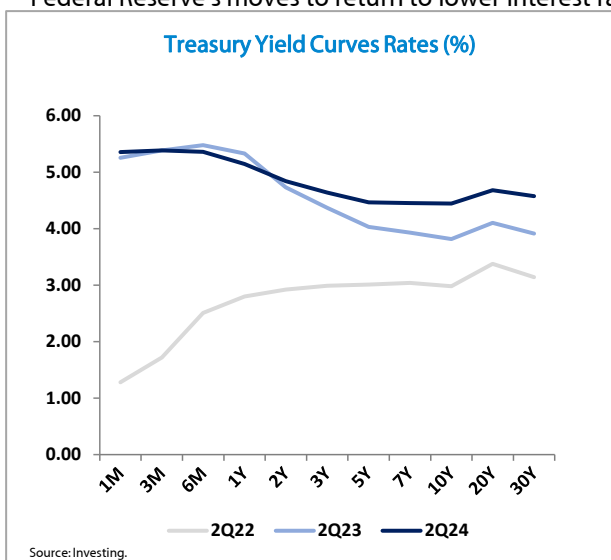
The US economy showed moderate growth due to rising domestic demand and exports. However, declining employment and rising imports may lead to long-term imbalances, resulting in lower rates of consumer spending and a reduction in net exports.

Main Macroeconomic Indicators (%)

ACTIVITY	2Q23	3Q23	4Q23	1Q24	2Q24	Var. p.p.1Q24	Var. p.p.2Q23	2024	2025
GDP	2.83	3.24	3.20	2.90	3.04	0.14	0.21	2.56	1.83
DOMESTIC DEMAND	1.95	2.98	3.06	3.01	3.34	0.33	1.39	2.55	1.93
HOUSEHOLD CONSUMPTION	2.16	2.42	2.98	2.24	2.69	0.45	0.53	2.46	1.83
PUBLIC CONSUMPTION	2.98	3.56	2.86	2.10	2.45	0.35	-0.53	1.20	0.49
CAPITAL FORMATION	2.68	4.06	5.35	5.89	4.37	-1.52	1.69	3.43	3.19
EXTERNAL DEMAND									
EXPORTS	2.38	0.16	1.97	1.95	3.48	1.53	1.10	2.25	2.62
IMPORTS	-3.49	-1.01	1.18	2.91	5.64	2.73	9.13	2.21	3.22
INFLATION									
CPI	3.97	3.51	3.24	3.24	3.20	-0.04	-0.77	3.03	2.21
LABOUR MARKET									
UNEMPLOYMENT RATE	3.57	3.70	3.73	3.80	4.00	0.20	0.43	3.89	4.00
EMPLOYMENT ⁽¹⁾	1.56	1.57	1.59	0.93	0.23	-0.70	-1.33	0.28	0.51

(1) The employment variable represents the year-on-year change in employment growth. Source: International Labour Organization (ILO).
Source: Organisation for Economic Co-operation and Development (OECD), Projections OECD May 2024.

- ▶ Durante el 2T24, el crecimiento del PIB aumentó un 3,04%, debido principalmente a la contribución de la demanda interna, con un notable aumento de las exportaciones del 3,48% y del consumo público del 2,45%. Capital formation continued to show strong growth at 4.37%, reflecting an overall healthy economy in the US. Imports increased by 5.64%, which meant an additional jump of 2.73 p.p. from 1Q24 and 9.13 p.p. from 2Q23. This widening trade deficit could weigh on GDP.
- ▶ El IPC, con un registro del 3,2% reflejó una tendencia continua a la disminución de la inflación, con una diferencia de 0,04 p.p. con respecto al 1T23 y de 0,77 p.p., con respecto al 2T23. This is due to the falling gas prices and deflationary pressures in consumer goods, suggesting the Fed will take further action to achieve their long-term target of 2%.
- ▶ The labor market showed resilience as employment continued to grow by 0.23% in the quarter, and despite a slight rise in unemployment to 4%, the job market remained stable, providing the foundation for future consumer spending and economic growth.
- ▶ The Treasury Yield Curve is beginning to flatten out as a recovery from last year's inverted curve due to the Federal Reserve's moves to return to lower interest rates.



2Q24

Asia

Main Macroeconomic
Indicators

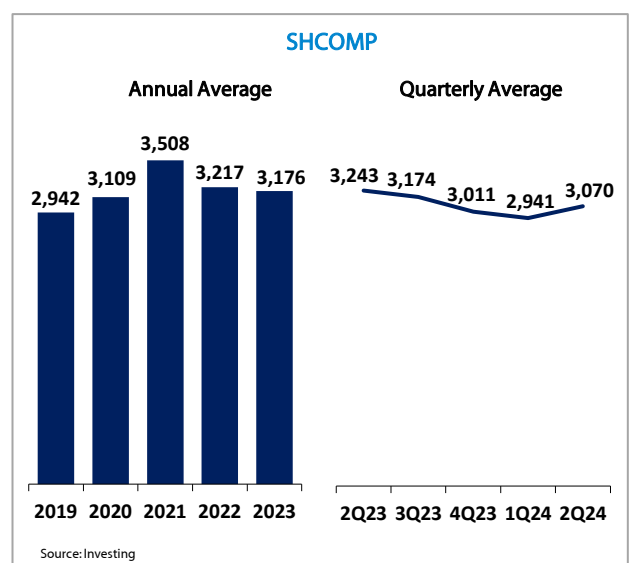
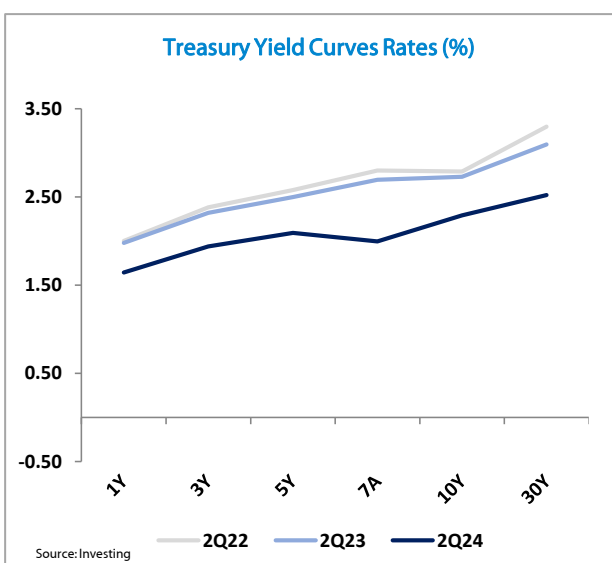
China

China's GDP growth for the second quarter was recorded at 4.7% year-on-year, a slight deceleration from 5.3% in the first quarter. This figure was also below the 5.1% growth expected according to a Reuters poll.

Main Macroeconomic Indicators (%)							
ACTIVITY	2Q23	3Q23	4Q23	1Q24	2Q24	2024	2025
GDP	6.30	4.90	5.20	5.30	4.70	4.94	4.52
INFLATION							
CPI	0.10	-0.06	-0.32	-0.03	0.23	0.34	1.33
LABOUR MARKET							
UNEMPLOYMENT RATE	5.23	5.30	5.03	5.23	5.00	5.20	5.20
ACTIVITY	2019	2020	2021	2022	2023	2024	2025
GDP	6.15	1.95	8.78	3.00	5.20	4.94	4.52
DOMESTIC DEMAND	8.34	1.68	10.93	-34.75	n.a.	4.54	4.45
HOUSEHOLD CONSUMPTION	9.34	0.00	13.13	2.84	9.50		
PUBLIC CONSUMPTION	8.84	4.95	4.64	6.43	7.63		
CAPITAL FORMATION	5.10	2.64	4.84	4.85	2.77		
EXTERNAL DEMAND	61.58	121.68	17.98	30.32	-30.90		
INFLATION							
CPI	2.90	2.51	0.92	1.96	2.23	0.34	1.33
LABOUR MARKET							
UNEMPLOYMENT RATE	3.63	3.98	3.91	5.58	4.10	5.20	5.20
EMPLOYMENT*	-0.44	-0.51	-0.55	-1.74	0.94		

(1) The employment variable represents the year-on-year change in employment growth
Source: Organization for Economic Co-operation and Development (OECD), National Bureau of Statistics of China. Projections OECD May 2024.

- ▶ China's GDP continued its recovery path, showing resilient growth driven mainly by export performance, though slightly slower than in the previous quarter. It is expected that the annual growth rate hovered around 4.94%, showcasing the economy's gradual normalization post-pandemic. However, domestic demand remained tepid, suggesting that consumer spending and private sector investment could use additional policy support to sustain momentum.
- ▶ For Q2 2024, China's Consumer Price Index (CPI) showed moderate inflation levels, with specific quarterly figures like a slight deflation in some earlier quarters followed by a positive adjustment of approximately 0.23% in Q2. This suggests inflationary pressures were low, allowing room for consumer purchasing power stability, even as domestic demand remained soft.
- ▶ Employment figures demonstrated modest gains, particularly in manufacturing and services, in line with external demand. This showed stability but also some stagnation in labor force participation. The government may consider initiatives to further enhance job creation, especially to stimulate domestic consumption and address structural employment issues.



Turkey

In the second quarter of 2024 (2Q24), Turkey's macroeconomic outlook reflected a notable slowdown in growth alongside persistent inflationary pressures. GDP slowed significantly, while inflation continued its upward trajectory, straining economic stability. The labor market remained relatively stable despite a slowdown in employment growth

Main Macroeconomic Indicators (%)

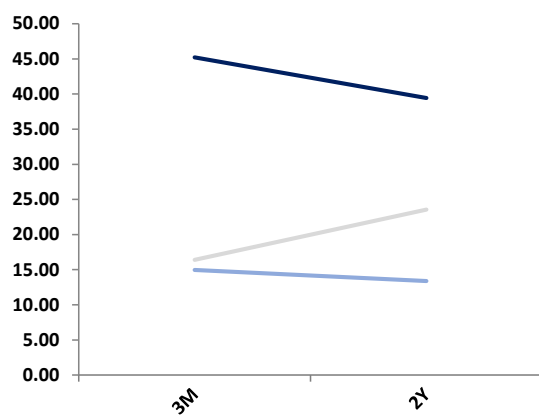
ACTIVITY	2Q23	3Q23	4Q23	1Q24	2Q24	Var. p.p.1Q24	Var. p.p.2Q23	2024	2025
GDP	5.87	5.55	5.57	6.90	2.86	-4.04	-3.01	3.38	3.25
DOMESTIC DEMAND									
HOUSEHOLD CONSUMPTION	17.95	11.25	8.93	6.66	2.30	-4.36	-15.65	3.89	1.74
PUBLIC CONSUMPTION	7.55	0.05	-1.23	3.70	1.12	-2.58	-6.43	1.89	2.02
CAPITAL FORMATION	7.12	13.55	9.00	8.32	0.72	-7.60	-6.40	4.76	4.11
EXTERNAL DEMAND									
EXPORTS	-7.88	0.28	0.09	3.60	0.36	-3.24	8.24	2.35	3.74
IMPORTS	18.26	12.20	3.06	-2.31	-5.82	-3.51	-24.08	1.10	1.42
INFLATION									
CPI	40.43	56.20	62.72	66.84	72.27	5.43	31.84	55.45	28.95
LABOUR MARKET									
UNEMPLOYMENT RATE	9.70	9.17	8.77	8.77	8.77	0.00	-0.93	9.32	10.04
EMPLOYMENT ⁽¹⁾	2.74	2.94	1.73	3.38	3.50	0.12	0.76	1.33	0.80

(1) The employment variable represents the year-on-year change in employment growth. Source: TÜİK

Source: quarterly data extracted from the Organization for Economic Cooperation and Development (OECD) as of October 21st, 2024. The series for the other quarters have also been updated to the database as of October 21st, 2024, to gain consistency. Projections OECD May 2024.

- ▶ In the second quarter of 2024 (2Q24), Turkey's macroeconomic indicators showed a significant slowdown in growth, with GDP growth declining to 2.86% from 6.90% in 1Q24. This slowdown was largely influenced by a sharp decline in household consumption growth, which fell to 2.30% from 8.93% in 4Q23. Public consumption also declined to 1.12%.
- ▶ External demand remained a challenge for the Turkish economy in 2Q24. Exports saw a slight increase of 0.36%, a deceleration compared to previous quarters, while the decline in imports was accentuated, highlighting weakened domestic demand and external vulnerabilities. Inflationary pressures continued to be a dominant factor, with the consumer price index (CPI) rising to 72.27% from 66.84% in 1Q24.
- ▶ The labor market remained relatively stable, with the unemployment rate unchanged at 8.77% for the second consecutive quarter. Employment growth, however, showed a modest improvement, reaching 3.50%, up from 3.38% in the previous quarter.

Treasury Yield Curves Rates (%)

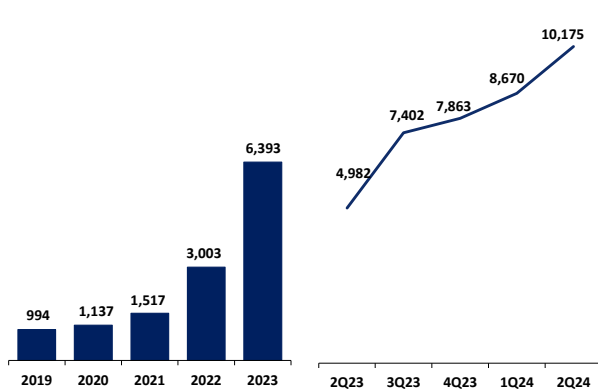


Source: Investing

BIST 100

Annual Average

Quarterly Average



Source: Investing

2Q24

Africa

Main Macroeconomic
Indicators

South Africa

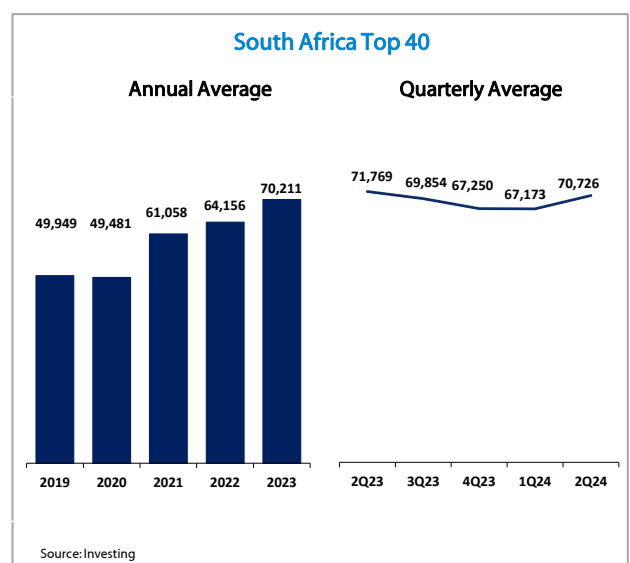
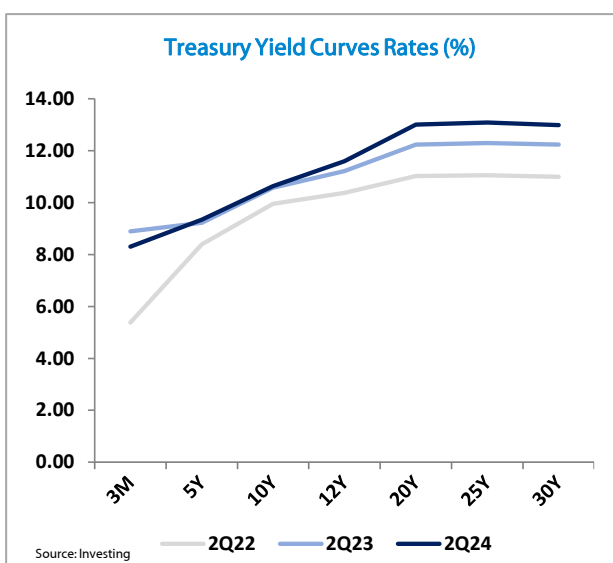
South Africa's economic growth slightly slowed down in 2Q2024, as growth in economic indicators generally declined, with capital formation and exports declining on a year-on-year basis. Inflation continued to moderate slowly, but remained above the target range, and the labor market deteriorated.

Main Macroeconomic Indicators (%)

ACTIVITY	2Q23	3Q23	4Q23	1Q24	2Q24	Var. p.p.1Q24	Var. p.p.2Q23	2024	2025
GDP	1.86	-0.50	1.26	0.65	0.40	-0.25	-1.46	0.96	1.40
DOMESTIC DEMAND	9.01	4.21	4.95	3.50	2.72	-0.78	-6.29	0.38	1.39
HOUSEHOLD CONSUMPTION	0.72	0.98	0.46	-0.32	1.07	1.39	0.35	0.75	1.25
PUBLIC CONSUMPTION	2.45	2.35	3.01	1.56	1.02	-0.54	-1.43	-0.55	-0.25
CAPITAL FORMATION	8.50	1.52	0.88	-2.59	-7.71	-5.12	-16.21	1.36	4.16
EXTERNAL DEMAND									
EXPORTS	3.23	2.49	6.36	-1.03	-1.93	-0.90	-5.16	3.35	3.58
IMPORTS	7.17	-2.44	2.27	-7.09	-8.45	-1.36	-15.62	1.22	3.45
INFLATION									
CPI	6.45	5.02	5.63	5.42	5.06	-0.36	-1.39	5.28	4.57
LABOUR MARKET									
UNEMPLOYMENT RATE	32.60	31.90	32.10	32.90	33.50	0.60	0.90		
EMPLOYMENT⁽¹⁾	4.78	5.98	5.18	3.36	1.87	-1.49	-2.91		

(1) The employment variable represents the year-on-year change in employment growth. Source: Statistics South Africa
Source: quarterly data extracted from the Organization for Economic Cooperation and Development (OECD) as of October 21st, 2024. The series for the other quarters have also been updated to the database as of October 21st, 2024, to gain consistency. Domestic demand source: South African Reserve Bank. Unemployment source: Statistics South Africa. Projections OECD May 2024.

- ▶ Real output in the secondary sector contracted again in the second quarter of 2024, with activity declining in manufacturing, construction and electricity, gas and water supply. Real gross fixed capital formation also contracted for the second consecutive quarter, as private sector capital outlays decreased notably, while public sector fixed investment spending increased.
- ▶ External demand saw a decline in exports as key commodities that South Africa trades in, such as natural minerals, faced challenges from global demand and price volatility. Imports also declined, contributing to an increase in the trade deficit.
- ▶ Consumer price inflation remained above the midpoint of the 3–6% inflation target range, averaging 5.06% in the second quarter of 2024.
- ▶ South Africa's official unemployment rate increased further from 32.90% in the first quarter of 2024 to 33.50% in the second quarter of 2024, and employment growth slowed to 1.87% in 2Q24.



2Q24

Oceania

Main Macroeconomic
Indicators

Australia

The Australian economy experienced a complex mix of trends characterized by slowing growth and ongoing inflationary challenges. The economy was affected by the fall in commodity prices and weaker global demand, as well as domestic pressures from high interest rates and consumer caution

Main Macroeconomic Indicators (%)

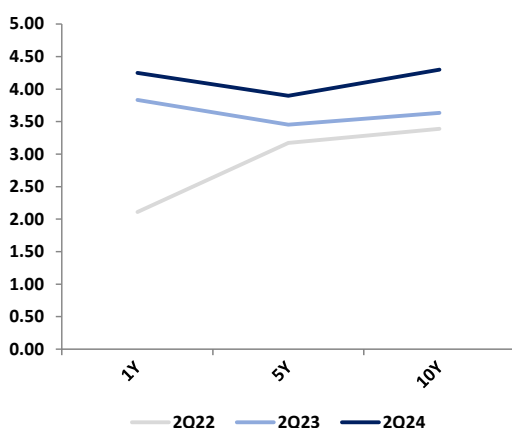
ACTIVITY	2Q23	3Q23	4Q23	1Q24	2Q24	Var. p.p.1Q24	Var. p.p.2Q23	2024	2025
GDP	1.87	2.09	1.63	1.28	0.97	-0.31	-0.90	1.46	2.23
DOMESTIC DEMAND	1.72	1.70	1.78	2.14	2.19	0.05	0.47	1.11	2.09
HOUSEHOLD CONSUMPTION	2.16	1.31	0.77	1.21	0.54	-0.67	-1.62	0.91	2.33
PUBLIC CONSUMPTION	1.44	3.12	2.98	4.13	4.73	0.60	3.29	2.25	1.87
CAPITAL FORMATION	5.71	6.36	6.54	3.20	0.64	-2.56	-5.07	2.12	1.74
EXTERNAL DEMAND									
EXPORTS	7.50	8.10	3.26	3.31	0.05	-3.26	-7.45	3.02	4.13
IMPORTS	7.43	5.77	4.91	7.70	5.24	-2.46	-2.19	0.98	3.91
INFLATION									
CPI	6.03	5.37	4.05	3.62	3.81	0.19	-2.22	3.42	2.86
LABOUR MARKET									
UNEMPLOYMENT RATE	3.61	3.67	3.89	3.90	4.06	0.16	0.45	4.06	4.30
EMPLOYMENT ⁽¹⁾	3.90	3.16	3.15	3.12	2.25	-0.87	-1.65	1.61	0.92

(1) The employment variable represents the year-on-year change in employment growth.

Source: quarterly data extracted from the Organization for Economic Cooperation and Development (OECD) as of October 21st, 2024. The series for the other quarters have also been updated to the database as of October 21st, 2024, to gain consistency. Projections OECD May 2024.

- ▶ The economic growth rate in 2Q24 was notably weak, with GDP increasing by just 0.90% quarter-on-quarter. This slowdown was driven by continued household consumption restraints due to higher interest rates, which weighed on borrowing and spending. The fall in exports of goods also contributed to the lackluster performance
- ▶ Inflation remained at 3.81%, above the RBA's 2-3% target range, reflecting some easing compared to earlier in the year but still proving stubbornly high. Inflationary pressures were exacerbated by service sector inflation, rising energy costs, and global supply
- ▶ Capital formation experienced a noticeable decline as businesses and households responded to the tightened monetary conditions
- ▶ Regarding monetary policy, the RBA maintained a restrictive stance, holding the cash rate at 4.35%, as it prioritized inflation control over growth stimulation. The RBA acknowledged that while inflation had moderated, it was still not expected to sustainably reach the target range until 2026.

Treasury Yield Curves Rates (%)

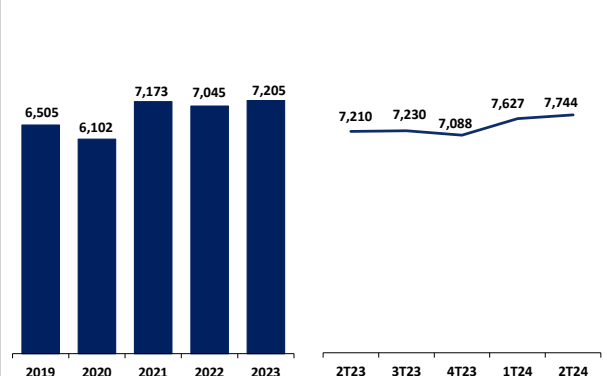


Source: Investing

S&P/ASX 200 (AXJO)

Annual Average

Quarterly Average



Source: Investing

The background is a dark blue gradient. It features a faint world map with a network of white lines and dots connecting various points. In the lower half, there is a silhouette of a city skyline with several skyscrapers. At the bottom, there are horizontal lines of binary code (0s and 1s).

Appendix

GLOSSARY

TERMS

- ▶ **GDP:** Gross Domestic Product (GDP) is an economic indicator that reflects the monetary value of all final goods and services produced by a territory in a certain period of time. It is used to measure the wealth generated by a country.
- ▶ **CPI:** The consumer price index is an indicator that measures the variation of prices of a basket of goods and services in a specific location during a certain period of time.
- ▶ **Unemployment rate:** The percentage of the population that constitutes the labour force, but is currently unemployed, represents the level of unemployment as a proportion of the labour force.
- ▶ **Employment:** The ratio of employed individuals between the ages of 16 and 64 to the total population in the same age range, commonly referred to as the Working Age Population (WAP), is a measure of the level of employment.

ACRONYMS

- | | | | | |
|-----------------|-----------------------|--------------------|---------------------|--------------------------------|
| ▶ DEU - Germany | ▶ LUX - Luxembourg | ▶ TUR - Turkey | ▶ ECU - Ecuador | ▶ ZAF - South Africa |
| ▶ BEL - Belgium | ▶ NLD - Netherlands | ▶ ARG - Argentina | ▶ MEX - Mexico | ▶ UEM- European Monetary Union |
| ▶ DIN - Denmark | ▶ NOR - Norway | ▶ BRA - Brazil | ▶ PER - Peru | |
| ▶ ESP - Spain | ▶ POL - Poland | ▶ CAN - Canada | ▶ us- United States | |
| ▶ FIN - Finland | ▶ PRT - Portugal | ▶ CHL - Chile | ▶ AUS - Australia | |
| ▶ FRA - France | ▶ GBR- United Kingdom | ▶ COL - Colombia | ▶ CHN - China | |
| ▶ ITA - Italy | ▶ SUE - Sweden | ▶ CRI - Costa Rica | ▶ JAP - Japan | |

ANNEX

- ▶ Argentina Central Bank: <http://www.bcra.gov.ar/>
- ▶ Banco Central de la Reserva del Perú, BCRP: <http://www.bcrp.gob.pe>
- ▶ Banco Central de Venezuela: <http://www.bcv.org.ve>
- ▶ Banco Central do Brasil: <http://www.bcb.gov.br/>
- ▶ Banco de España, BdE: <http://www.bde.es/webbde/es/>
- ▶ Banco de Inglaterra, BoE: <https://www.bankofengland.co.uk/>
- ▶ Banco de México: <http://www.banxico.org.mx>
- ▶ Banco de la República de Colombia: <http://www.banrep.gov.co/>
- ▶ Banco Mundial: <http://www.worldbank.org>
- ▶ Banco Nacional de Bélgica: <https://www.nbb.be/en>
- ▶ BBVA Research: <http://www.bbvarsearch.com/KETD/ketd/esp/index.jsp>
- ▶ Central Bureau of Statistics, CBS: <https://www.cbs.nl/en-gb>
- ▶ China National Bureau of Statistics: <http://www.stats.gov.cn/english/>
- ▶ Colombia National Administrative Department of Statistics, DANE: <http://www.dane.gov.co/>
- ▶ Deutsche Bundesbank: <https://www.bundesbank.de/en>
- ▶ Fitch Ratings: Credit rating agency. <https://www.fitchratings.com/>
- ▶ Foundation of Savings Banks, FUNCAS: <http://www.funcas.ceca.es/>
- ▶ Gobierno del Gran Ducado de Luxemburgo: <https://statistiques.public.lu/en.html>
- ▶ Instituto Nacional de Estadística (Spain), INE: <http://www.ine.es>
- ▶ Instituto Nacional de Estadística de Estudios Económicos, INSEE: <https://www.insee.fr/fr/accueil>
- ▶ Instituto Nacional de Estadística (Portugal), INE: https://www.ine.pt/xportal/xmain?xpgid=ine_main&xpid=INE
- ▶ Instituto Nacional de Estadística de Italia, ISTAT: <https://www.istat.it/>
- ▶ Instituto Nacional de Geografía y Estadística de México, INEGI: <https://www.inegi.org.mx/>
- ▶ Moody's: Credit rating agency. <https://www.moody.com/>
- ▶ National Bureau of Statistics UK: <https://www.ons.gov.uk/>
- ▶ Organisation for Economic Co-operation and Development, OECD: <https://www.oecd.org/>
- ▶ Poland Central Statistical Office, GUS: <https://stat.gov.pl/en/>
- ▶ S&P Global Ratings: Standard & Poor's. Credit rating agency: <https://www.spglobal.com/en/>
- ▶ Statistics Finland: https://www.stat.fi/tup/mikroaineistot/aineistot_en.html
- ▶ Statistics Sweden: <https://www.scb.se/en/services/ordering-data-and-statistics/ordering-microdata/mona--statistics-swedens-platform-for-access-to-microdata/>



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