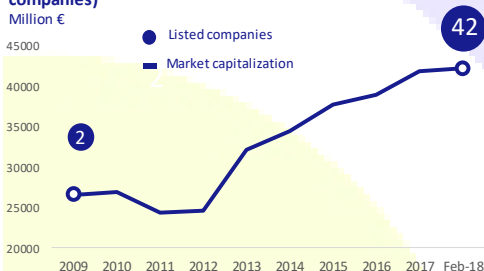


The MAB & the MARF

The Alternative Equity Market (MAB)

In 2017, the financing obtained through the MAB by the segment of growth companies reached €112 million (~40% yearly) in 11 operations, with 42 companies already making up this market.

Alternative Equity Market capitalization (growth companies)

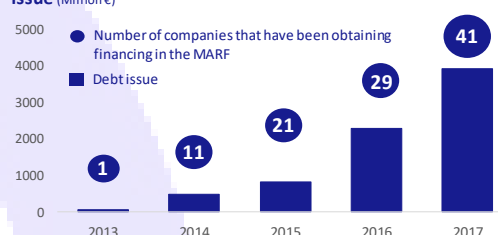


Source: Círculo de Empresarios based on BME, 2018

The Alternative Fixed-Income Market (MARF)

During 2017, 29 MARF companies leveraged €3.9 billion in corporate debt, 72.4% more in comparison with the previous year. Specifically, 41 companies have already obtained financing since its launch in 2013.

Alternative Fixed Income Market corporate debt issue (Million €)



Source: Círculo de Empresarios based on BME, 2018

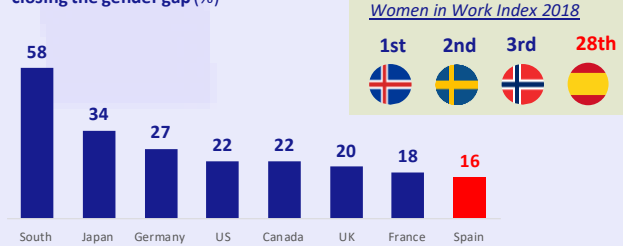
Women in Work Index

Spain occupies the 28th position out of the 33 countries analysed in the *Women In Work Index 2018* (PWC).

According to the report, closing the gender pay gap could increase average female wages in Spain by 16%*.

* 2016 average exchange rates

Potential increase in total female earnings from closing the gender gap (%)

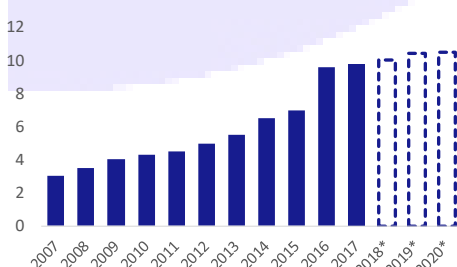


Source: Círculo de Empresarios based on PwC, 2018

Chinese investment

Between January and October 2017, China's investment abroad has fallen by 41% year-on-year owing to the restrictive policy of Xi Jinping. However, *The Economist Intelligence Unit* (EIU) estimates that this scenario is temporary and that the stock of Chinese investment abroad (10% of its GDP) still has to make great strides before catching up to countries such as the US (29%) or Japan (27.6%). Additionally the

China's outward direct investment (%GDP)

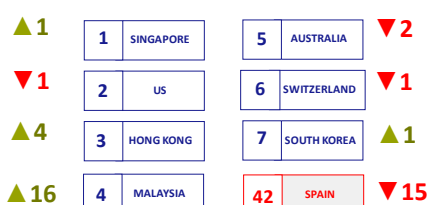


*Forecast

Source: Círculo de Empresarios based on EIU, 2018

Belt and Road initiative will boost the influence and investment of Chinese companies, especially in the construction and infrastructure sector. In turn, in the *China Going Global Investment Index 2017* (EIU), which measures the investment attractiveness of 59 countries to Chinese companies, the emerging economies (Indonesia, Malaysia...) gain ground with respect to previous issues, predominantly due to cumulative progress in the prominence of Asia-Pacific axis.

China Going Global Investment Index 2017 and variation vs 2015*



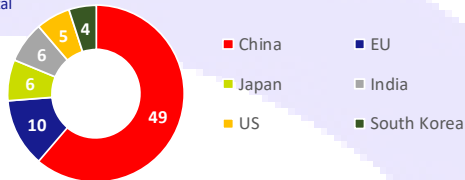
*Biannual ranking

Source: Círculo de Empresarios based on EIU, 2018

Trump tariffs

Donald Trump has signed off on a tariff rate of 25% on steel and 10% on aluminium, which affects \$46 billion of US imports (2% of its total goods imports and 0.2% of its GDP).

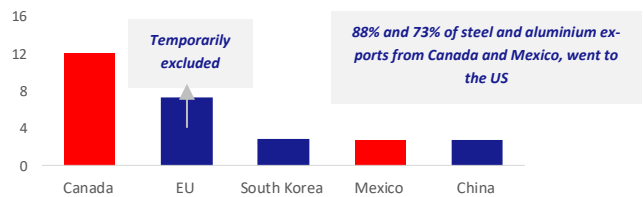
Top steel producers, 2017
% total



Source: Círculo de Empresarios based on Worldsteel, 2018

China, the world's largest steel producer (49% of global output), responded by announcing tariffs on 128 US products in response to Trump (\$3 billion of US imports). On the other hand, the Bureau of

US steel and aluminium imports, 2017
Billion \$



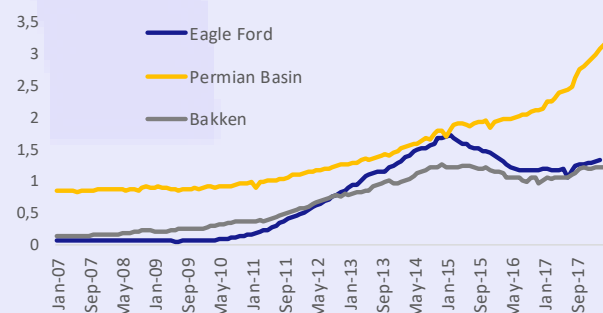
Source: Círculo de Empresarios based on The Economist, 2018

Economic Analysis estimates that the steel industry accounts for 0.8% of GDP, whereas the sectors that use steel as their primary input for production activities represent 3% of GDP. The response of other countries to this protectionist measure will be detrimental to the US exports volume, mainly due to the loss of competitiveness with long-term consequences on investment and employment (Peterson Institute for International Economics).

The oil market

Not only can the imposition of tariffs provoke a trade war with adverse consequences on transatlantic relations, but it would also slash the forecasts of global oil demand, primarily in the sectors of maritime transport & road haulage. The IMF estimates that in 2018 the world trade will increase by 4.6% and its possible slowdown would alter the expectations of the price of crude oil, in an environment in which the US, thanks to shale oil, has managed to increase its production as a result of the positive evolution of Permian Basin.

Oil production by regions
Mbd (million barrels per day)



Source: Círculo de Empresarios based on EIA, 2018

US Yield curve

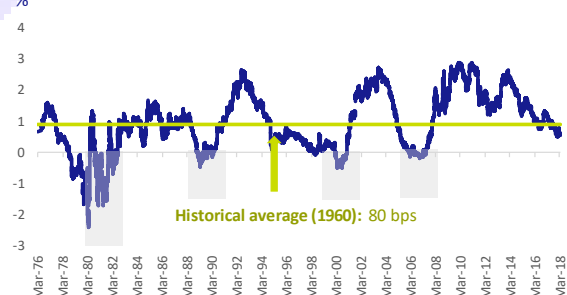
Since 1980, all phases of the recession in the US have been preceded by an inversion of the yield curve (negative slope).

Currently, after 105 consecutive months of economic expansion in the US and with the normalisation of the Federal Reserve's monetary policy, the spread between the 10-year and 2-year curve has narrowed to 50-60 basis points below its historical average (80 basis points).

However, according to the Bank of Spain, the reason for the flattening of the yield curve since the end of 2016 may be caused by

other factors not related to US macroeconomic developments such as Quantitative Easing or the low risk of long-term inflation.

10-2 Year Treasury Yield Spread
%



Source: Círculo de Empresarios based on St Louis Fed, Bank of Spain, 2018

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