

Business confidence, Spain

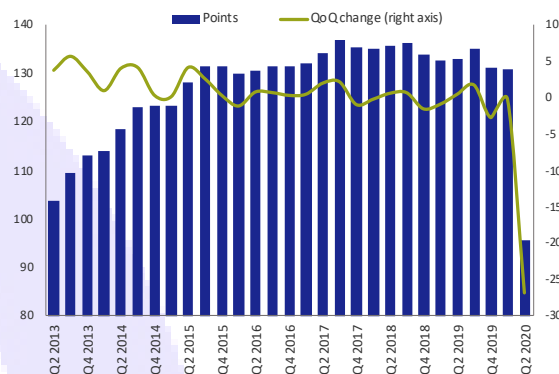
In the second quarter (Q2) of 2020, the Business Confidence Index (BCI)¹ was at 95.5 points, the lowest level since the start of the series, falling 26.9% with respect to the first quarter of the year.

75.1% of business managers think their company performance will be negative in the second quarter, 21.8% think that it'll remain stable, and 3.1% think it'll be favourable.

By sectors, in all those analysed, confidence has dropped with respect to the previous quarter. Decreases for Transport and Hotel and Catering (-32.4%) stand out, followed by Construction (-29.3%) and Trade (-25.4%).

By Autonomous Community, the biggest setbacks were in Catalunya (-30.2%), the Balearic Islands (-30.1%) and the Canary Islands (-29.9%).

Business Confidence Index (BCI), Spain
Points and quarterly variation (%)



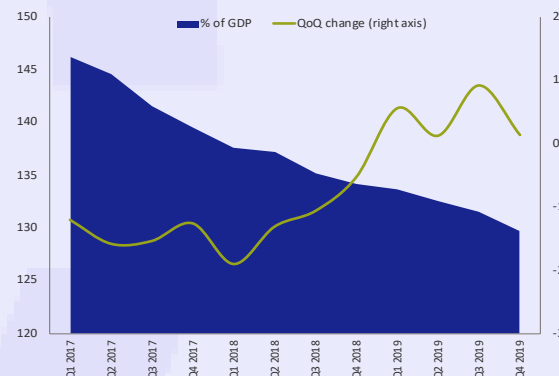
¹Period from 16th March to 3rd April.

Source: Círculo de Empresarios based on INE, 2020.

Private sector debt, Spain

In Q4 of 2019, consolidated debt for non-financial companies and households, increased by 0.1% year-on-year, reaching €1.6 billion. This figure rose to 129.7% of GDP, 4.5 pp lower than that registered in Q4 of 2018, and 75.8pp lower than its maximum level in Q2 of 2010. Debt for non-financial corporations rose by 0.4% year-on-year, reaching €906,556 million (72.8% of GDP). In contrast, household debt shrank by 0.1%, to €708,605 million (56.9% of GDP).

Private sector debt, Spain
% of GDP and YoY change (%)



Source: Círculo de Empresarios based on Bank of Spain, 2020.

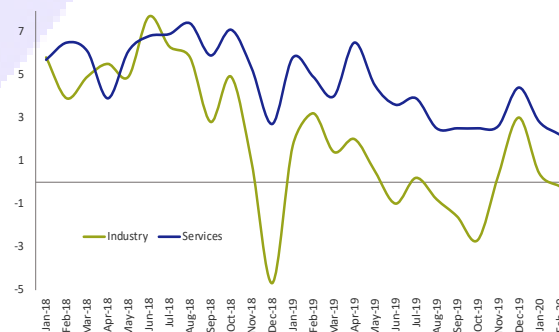
Industry and Services, Spain

In February, the General Index of Business Turnover for Industry, fell by 0.2% year-on-year, compared to growth of 3.2% for the same month in 2019. By sector, advances in energy (4.4% year-on-year) and consumer goods (2.3%) stood out, compared to contractions in intermediate goods (-2.2%) and capital goods (-0.5%).

For its part, the General Index of Business Turnover for the Service Sector moderated its forecast for growth to 2.2% year-on-year, 2.7pp lower than February 2019 (4.9%).

By branch of activity, trade rose 2.3% year-on-year and other services¹ by 2%.

Index of Business Turnover for Industry and Service sector, Spain
YoY change (%)



¹This is comprised of transport and storage, hotel and catering, information and communications, scientific activities, and administrative activities.

Source: Círculo de Empresarios based on INE, 2020.

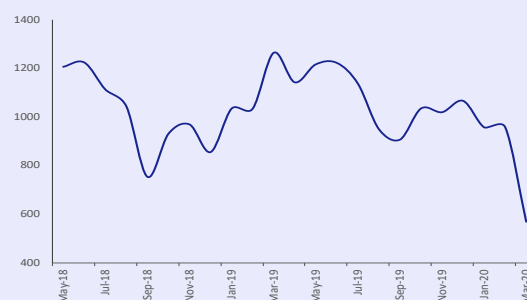
The car industry, Europe

Lockdown measures and the closure of most car dealerships are having a significant impact on the car industry. In March, sales of cars in the European Union fell by 55.1% year-on-year, with 567,308 car registrations.

Among the major economies in the region, Italy registered the biggest decrease with 85.4% year-on-year (28,326 car registrations), followed by France (-72.2%) and Spain (-69.3%). For its part, Germany, which accounted for around 40% of total registrations for the month, the decrease was lower (-37.7% year-on-year, with 215,119 car registrations).

New car registrations, Europe

Thousands of cars



New car registrations

YoY change (%)

	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20
European Union	11.2	5.2	24.7	-7.5	-7.4	-55.1
Germany	12.7	9.7	19.5	-7.3	-10.8	-37.7
France	8.7	0.7	27.7	-13.4	-2.7	-72.2
Italy	6.7	2.2	12.5	-5.9	-8.8	-85.4
Spain	6.3	2.3	6.6	-7.6	-6.0	-69.3

Source: Círculo de Empresarios based on ACEA, 2020.

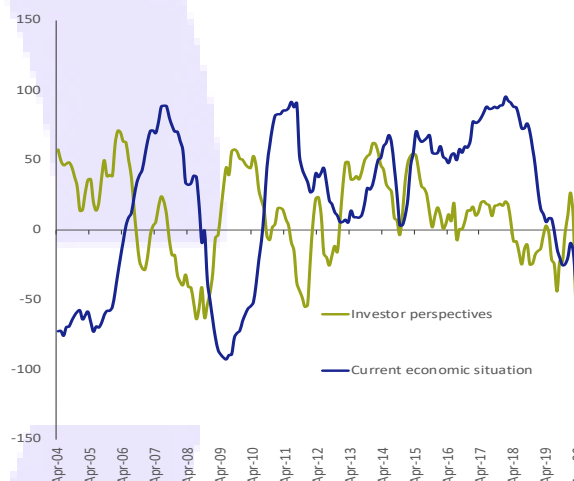
Investor confidence, Germany

In April, the ZEW index of German confidence that measures investors' medium-term economic expectations reached 28.2 points, compared to -49.5 points in March. This improvement is explained in part by the resumption of German economic activity as lockdown restrictions are relaxed.

However, ZEW, that measures the current economic situation fell to -91.5 points in April, from -43.1 in March. This development places the index at its lowest level since 2009, the year in which German GDP shrank by 5.7% annually.

ZEW investor confidence index, Germany

Points



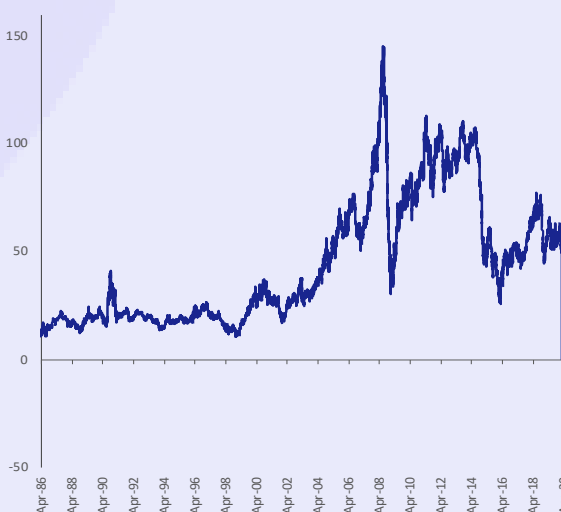
Source: Círculo de Empresarios based on ZEW, 2020.

Oil prices, US

On 20th April, the price of a barrel of West Texas Intermediate (WTI) plunged below zero for the first time since the start of the historic series in 1983. This development has taken place in a backdrop of crude oil overproduction and US inability to access international markets due to the global economic standstill. In this context, the maturity of futures has led to a price fall of 305% in one single session, reaching -37.62 dollars a barrel. After this collapse, the price of WTI returned to positive figures, and is currently trading above 10 dollars per barrel, its lowest level since 1999.

WTI barrel price

\$ per barrel



Source: Círculo de Empresarios based on EIA, 2020.