

# Global macroeconomic Outlook Report

Fourth quarter of 2022





The purpose of this report is to gather the most relevant macroeconomic indicators from the main economies in which Management Solutions operates.

After providing an overview of the trends and forecasts of the main organizations, each country in the different regions, Europe, America, and Asia, is analyzed.












International Overview

5








Europe

8

	Benelux: Belgium		Italy		Poland
	Benelux: Netherlands		Nordics: Denmark		Portugal
	Benelux: Luxembourg		Nordics: Finland		United Kingdom
	France		Nordics: Norway		Spain
	Germany		Nordics: Sweden		

Americas

23

	Argentina		Mexico
	Brazil		Peru
	Chile		United States
	Colombia		

Asia

31

	China
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Glossary of terms

34

Annex

35

4Q22

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# International

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Main Macroeconomic  
Indicators

# International overview

***During the fourth quarter of 2022, the rise in the cost of raw materials and energy remained a decisive factor in the stagnation of economic growth and the monetary policies of the major central banks.***

## Macroeconomic Outlook

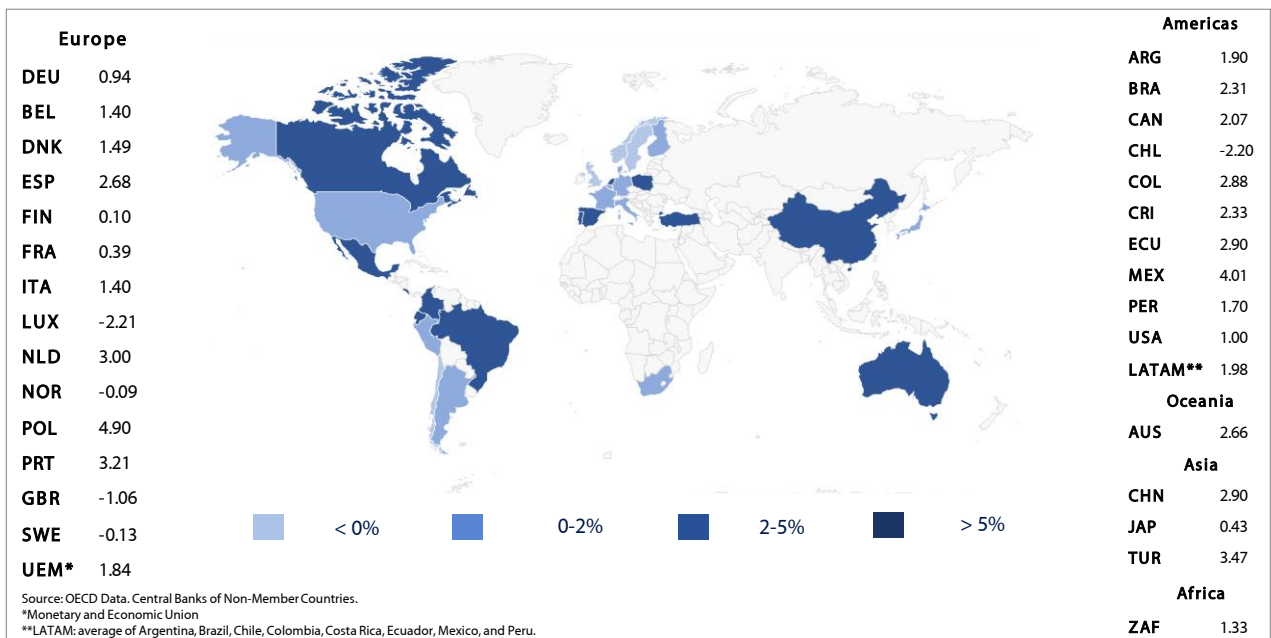
- ▶ During the fourth quarter of the year, the European region registered growth of 1.84%, lower than the 2.44% recorded in the previous quarter. Inflation rose to 9.97%. However, the average unemployment rate in the EU showed a slight improvement, standing at 6.67%.
- ▶ In the American region, growth also slowed compared to the previous quarter; the US stood at 1.00%, and the Latin American region<sup>1</sup> recorded average growth of 2.14% compared to 4.22% in the previous quarter. As for inflation, it reached 6.4% in the US and the Latin American average was 18.86%, with Argentina having an inflation rate of 91.10%. Unemployment rates remained stable compared to the reference values of the previous quarter.
- ▶ In the Asian region, China achieved a growth rate of 2.90%, and Japan of 0.43%. Australia recorded 2.66% (compared to 5.91% in 3Q22).
- ▶ South Africa, for its part, experienced a decline in its growth rate to 1.33% (2.69 p.p. lower than the previous quarter).
- ▶ Looking ahead, the International Monetary Fund expects global inflation to moderate in the coming years, forecasting a 6.6% rate for 2023 and a 4.3% rate for 2024, still above pre-pandemic levels. The IMF expects global growth to decline from 3.4% in 2022 to 2.9% in 2023, and then rebound to 3.1% in 2024.
- ▶ In its Preliminary Balance of the Economies of Latin America and the Caribbean, the Economic Commission for Latin America (ECLAC) estimates that 2023 will see a continuation of the slowdown in economic growth observed in 2022, at around 1.3%, in a context of external uncertainties and internal restrictions.

## Other Indicators and Main Risks

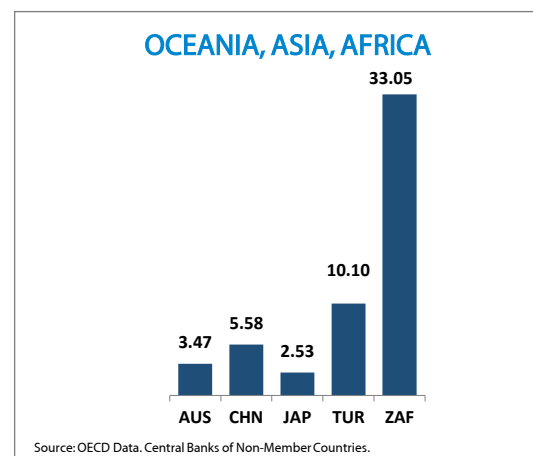
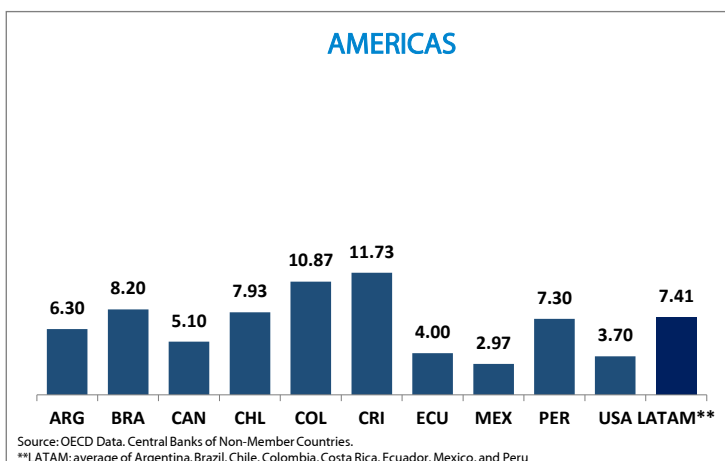
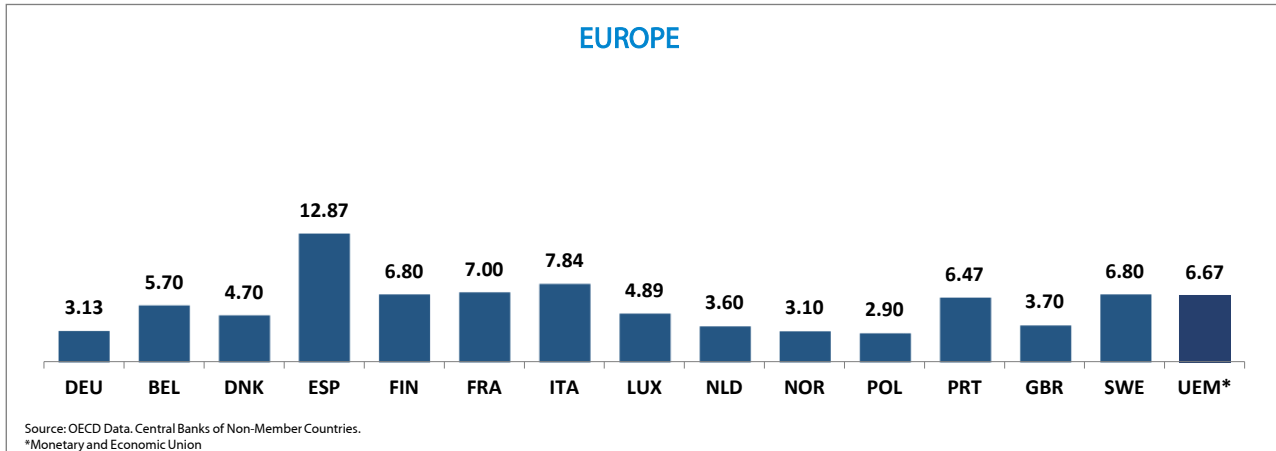
- ▶ According to the IMF, depressed demand in numerous economies, high inflation, and a possible intensification of the Ukraine conflict represent the highest risks to global economic stability, as they could increase over-indebtedness levels. On the other hand, it is not ruled out that in order to control high inflation, the main central banks may continue to raise interest rates in the coming months as part of their monetary policy.
- ▶ With regard to exchange rates, the euro has recovered from the fall it suffered against the dollar during the previous quarter. The fall in energy prices, the relief from recession fears in the eurozone, and the rate hikes of the European Central Bank (ECB) have contributed to the strengthening of the euro. The main Latin American currencies also strengthened against the dollar.
- ▶ As for long-term debt ratings, Finland, Portugal, Argentina, and Costa Rica improved their ratings compared to the previous quarter according to Fitch. Meanwhile, according to S&P, Japan's credit rating worsened compared to 3Q22, while Costa Rica's improved.

<sup>1</sup> La media de los países Latam está compuesta a partir de los datos macroeconómicos de los países de Argentina, Brasil, Chile, Colombia, Costa Rica, Ecuador, México y Perú

## GDP (% , year-on-year growth)

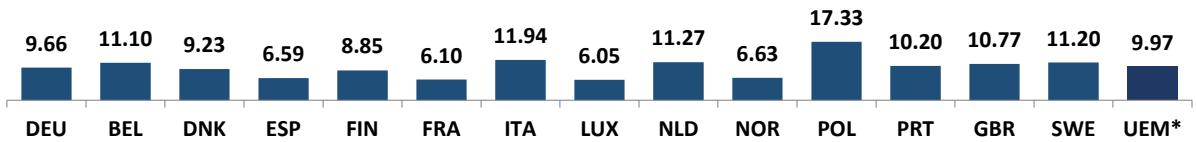


## Unemployment rate (%)



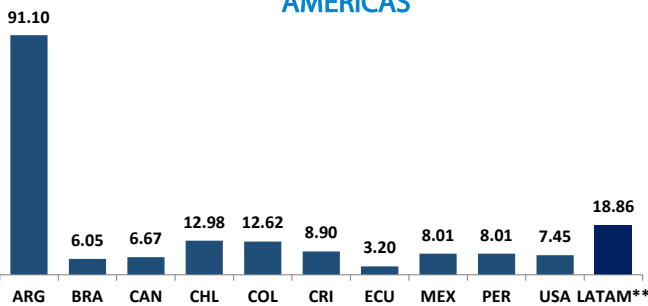
## Inflation rate (%)

### EUROPE



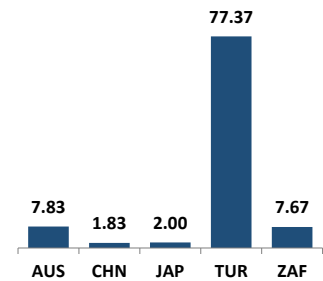
Source: OECD Data, Central Banks of Non-Member Countries.  
\*Monetary and Economic Union

### AMERICAS



Source: OECD Data, Central Banks of Non-Member Countries.  
\*\*LATAM: average of Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, Mexico, and Peru

### OCEANIA, ASIA, AFRICA



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

## Global Ratings and Exchange Rates

### LONG-TERM RATES 4Q22

	MOODY'S	S&P	Fitch
<b>EUROPE</b>			
DEU	Aaa	AAA	AAA
BEL	Aa3	AA	AA-
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	Baa2	BBB+	BBB+
GBR	Aa3	AA	AA-
SWE	Aaa	AAA	AAA
<b>AFRICA</b>			
ZAF	Ba2	BB-	BB-
<b>OCEANIA</b>			
AUS	Aaa	AAA	AAA
<b>ASIA</b>			
CHN	A1	A+	A+
JAP	A1	A	A
TUR	B3	B	B
<b>AMERICAS</b>			
ARG	Ca	CCC+	C
BRA	Ba2	BB-	BB-
CAN	Aaa	AAA	AA+
CHL	A2	A	A-
COL	Baa2	BB+	BB+
CRI	B2	B+	BB-
ECU	Caa3	B-	B-
MEX	Baa2	BBB	BBB-
PER	Baa1	BBB	BBB
USA	Aaa	AA+	AAA

▲ Increased from 3T22      ▼ Decreased from 3T22

Source: Investing.

### EXCHANGE RATES 4Q22 (\$\*)

EUROPE	4Q21	1Q22	2Q22	3Q22	4Q22	2023-2024**
EUR	0.88	0.90	0.95	1.02	0.93	1.03
DKK	6.57	6.72	7.10	7.59	7.44	7.63
NOK	8.81	8.57	9.85	10.91	10.51	10.62
SEK	9.07	9.25	10.24	11.09	11.12	11.18
GBP	0.74	0.76	0.82	0.90	0.83	0.89
PLN	4.06	4.16	4.48	4.96	4.68	4.83
AMERICAS	4Q21	1Q22	2Q22	3Q22	4Q22	2023-2024**
ARG	100.48	106.58	117.95	135.79	176.71	157.93
BRL	5.57	4.76	5.23	5.41	5.29	5.14
CLP	851.05	785.47	928.98	965.90	849.41	947.50
COP	4,069.61	3,751.87	4,161.04	4,597.52	4,849.39	5,069.00
PER	3.99	3.72	3.79	3.99	3.80	3.99
MXN	20.49	19.92	20.13	20.10	19.50	19.63
AFRICA	4Q21	1Q22	2Q22	3Q22	4Q22	2023-2024**
ZAR	15.99	14.46	16.27	18.15	18.10	18.41
OCEANIA	4Q21	1Q22	2Q22	3Q22	4Q22	2023-2024**
AUS	1.38	1.33	1.45	1.56	1.47	1.57
ASIA	4T21	1T22	2T22	3T22	4T22	2023-2024**
RMB	1.38	6.35	6.70	7.11	6.90	7.30
TRY	13.32	14.85	17.91	18.62	18.81	18.61

Source: Investing, OECD Projections, November 2022.  
\*The base currency used is the US dollar against each quoted local currency.  
\*\*The values of the forecasts for 2024 match the values predicted for 2023.



4Q22

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# Europe

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Main Macroeconomic  
Indicators



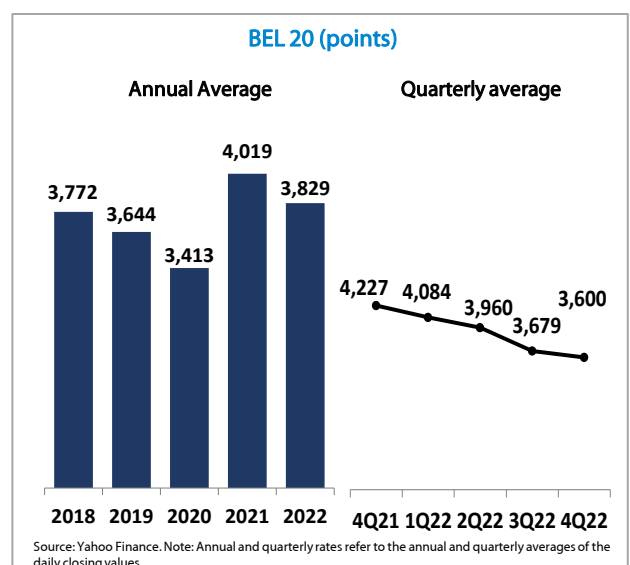
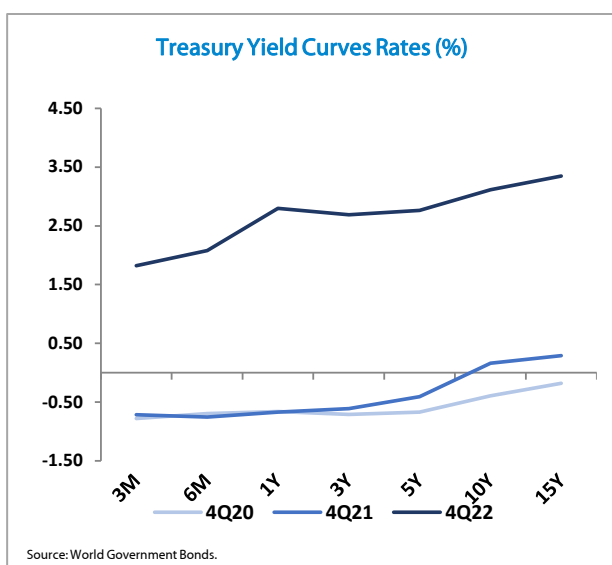
# Benelux: Belgium

**Belgium's economy has slowed down in 2022, with a growth rate of 1.4% in the fourth quarter of the year, compared to the 6.1% recorded in 4Q21. Inflation stood at 11.10% during 4Q22, but is expected to decrease to a rate of 6.57% in 2023.**

Main Macroeconomic Indicators (%)									
ACTIVITY	4Q21	1Q22	2Q22	3Q22	4Q22	Var. p.p. 3Q22	Var. p.p. 4Q21	2023	2024
<b>GDP</b>	<b>6.10</b>	<b>5.30</b>	<b>4.10</b>	<b>1.90</b>	<b>1.40</b>	<b>-0.50</b>	<b>-4.70</b>	<b>0.48</b>	<b>1.14</b>
DOMESTIC DEMAND									
HOUSEHOLD CONSUMPTION	10.60	8.10	5.60	1.40	2.50	1.10	-8.10	0.06	2.20
PUBLIC CONSUMPTION	5.90	2.70	1.70	0.80	0.50	-0.30	-5.40	2.29	0.72
CAPITAL FORMATION	-3.70	-0.20	-3.30	-1.90	-0.90	1.00	2.80	1.65	1.08
EXTERNAL DEMAND									
EXPORTS	10.90	9.20	4.20	4.30	1.10	-3.20	-9.80	0.31	1.35
IMPORTS	10.70	9.40	3.50	3.80	0.70	-3.10	-10.00	0.89	1.67
<b>INFLATION</b>									
<b>CPI</b>	<b>5.17</b>	<b>7.98</b>	<b>8.98</b>	<b>10.27</b>	<b>11.10</b>	<b>0.83</b>	<b>5.93</b>	<b>6.57</b>	<b>4.11</b>
<b>LABOUR MARKET</b>									
<b>UNEMPLOYMENT RATE</b>	<b>5.70</b>	<b>5.30</b>	<b>5.80</b>	<b>5.60</b>	<b>5.70</b>	<b>0.10</b>	<b>0.00</b>	<b>6.46</b>	<b>6.15</b>
<b>EMPLOYMENT*</b>	<b>2.29</b>	<b>2.80</b>	<b>2.28</b>	<b>1.75</b>	<b>1.45</b>	<b>-0.30</b>	<b>-0.84</b>	<b>0.44</b>	<b>0.56</b>

\*The employment variable represents the year-on-year change in employment growth.  
Source: National Bank of Belgium. Projections: OECD November 2022

- ▶ Belgium's GDP growth is projected to slow considerably to 0.48% in 2023, before picking up to 1.14% in 2024, due to high inflation and heightened uncertainty.
- ▶ Inflation in Belgium reached its peak rate of 11.10% during the fourth quarter of 2022, mainly driven by energy prices but also as a result of high food inflation and increased core inflation. However, it is expected to decrease significantly to 6.57% and 4.11% in 2023 and 2024, respectively.
- ▶ Unemployment remained stable at a level of 5.70% during the quarter, slightly above the pre-pandemic low of 5.40% in 2019, with prospects of increasing and remaining above 6% in the next two years."



# Benelux: Netherlands

**During the first half of 2022, the Dutch economy showed a solid growth trajectory. However, it slowed down towards the second half of the year, closing 4Q22 with a growth of 3%. This trend is expected to continue, with growth rates in 2023 and 2024 of 0.82% and 1.14%, respectively.**

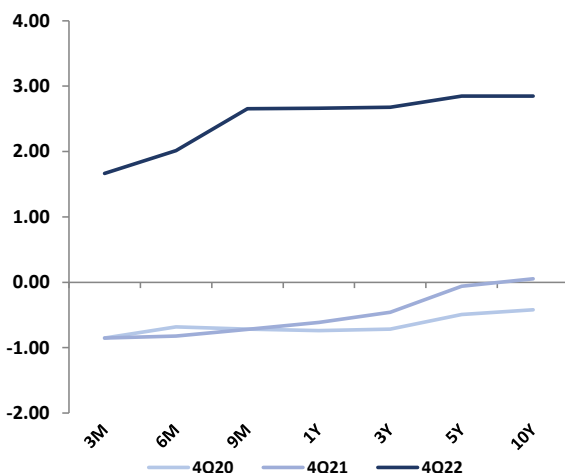
## Main Macroeconomic Indicators (%)

ACTIVITY	4Q21	1Q22	2Q22	3Q22	4Q22	Var. p.p. 3Q22	Var. p.p. 4Q21	2023	2024
<b>GDP</b>	<b>6.20</b>	<b>6.70</b>	<b>5.10</b>	<b>3.10</b>	<b>3.00</b>	<b>-0.10</b>	<b>-3.20</b>	<b>0.82</b>	<b>1.14</b>
DOMESTIC DEMAND									
HOUSEHOLD CONSUMPTION	6.70	13.40	7.00	3.00	3.70	0.70	-3.00	0.40	1.02
PUBLIC CONSUMPTION	5.00	2.50	-0.50	-0.20	-0.60	-0.40	-5.60	3.80	2.53
CAPITAL FORMATION	2.20	0.00	5.30	3.70	3.40	-0.30	1.20	0.05	1.04
EXTERNAL DEMAND									
EXPORTS	4.80	4.60	6.30	3.70	6.30	2.60	1.50	1.83	1.98
IMPORTS	3.50	4.50	5.20	2.10	5.30	3.20	1.80	2.51	2.40
<b>INFLATION</b>									
<b>CPI</b>	<b>5.70</b>	<b>9.70</b>	<b>8.60</b>	<b>14.50</b>	<b>11.27</b>	<b>-3.23</b>	<b>5.57</b>	<b>8.54</b>	<b>4.16</b>
<b>LABOUR MARKET</b>									
<b>UNEMPLOYMENT RATE</b>	<b>3.80</b>	<b>3.50</b>	<b>3.30</b>	<b>3.70</b>	<b>3.60</b>	<b>-0.10</b>	<b>-0.20</b>	<b>4.15</b>	<b>4.27</b>
<b>EMPLOYMENT*</b>	<b>3.26</b>	<b>4.70</b>	<b>4.32</b>	<b>3.22</b>	<b>3.09</b>	<b>-0.13</b>	<b>-0.17</b>	<b>2.25</b>	<b>1.13</b>

\*The employment variable represents the year-on-year change in employment growth.  
Source: Centraal Bureau voor de Statistiek (CBS), OECD projections November 2022

- In 2023, the Dutch economy is expected to record a growth of 0.82%, with inflation expected to reduce to 8.54%. Despite the low unemployment rate recorded in 4Q22 (3.60%) and the high annual growth rate of employment at 3.09%, wages have not seen strong growth to date, indicating a tight labor market situation.
- The inflation rate, which reached its peak in the third quarter of the year at 14.60%, stood at 11.27% in 4Q22, and is expected to moderate to 4.16% by the end of 2024.
- In 2023, private consumption growth is expected to remain moderate, as government support measures and wage increases can only partially offset the loss of purchasing power resulting from price increases.
- It is expected that business investment will remain weak due to ongoing financial constraints and persistent labor shortages.

## Treasury Yield Curves Rates (%)

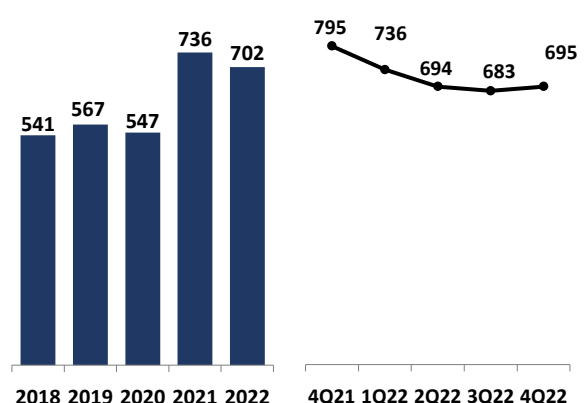


Source: World Government Bonds.

## AEX

### Annual Average

### Quarterly average



Source: Yahoo Finance. Annual and quarterly rates refer to the annual and quarterly averages of the daily closing values.

# Benelux: Luxembourg

**Luxembourg's economy grew in 2022 despite a GDP decrease of -2.21% during the fourth quarter of the year. Inflation hit 6.05% in Q4, continuing a downward trend from Q3, and unemployment showed a slight increase.**

## Main Macroeconomic Indicators (%)

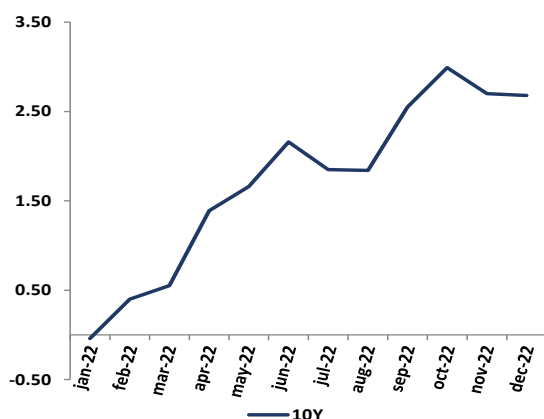
ACTIVITY	4Q21	1Q22	2Q22	3Q22	4Q22	Var. p.p. 3Q22	Var. p.p. 4Q21	2023	2024
<b>GDP</b>	<b>4.19</b>	<b>2.73</b>	<b>2.16</b>	<b>3.70</b>	<b>-2.21</b>	<b>-5.91</b>	<b>-6.40</b>	<b>1.12</b>	<b>2.11</b>
DOMESTIC DEMAND									
HOUSEHOLD CONSUMPTION	9.77	4.82	3.10	3.17	-0.49	-3.66	-10.25	2.17	3.63
PUBLIC CONSUMPTION	4.79	3.04	2.78	5.50	5.12	-0.39	0.33	3.43	3.11
CAPITAL FORMATION	17.10	5.65	-1.35	4.32	-11.54	-15.86	-28.63	-2.55	4.11
EXTERNAL DEMAND									
EXPORTS	7.79	1.15	0.12	0.86	-4.30	-5.15	-12.09	1.09	1.62
IMPORTS	10.94	1.51	-0.58	0.57	-4.64	-5.21	-15.57	0.88	2.08
<b>INFLATION</b>									
<b>CPI</b>	<b>4.09</b>	<b>5.43</b>	<b>7.06</b>	<b>6.80</b>	<b>6.05</b>	<b>-0.75</b>	<b>1.96</b>	<b>3.96</b>	<b>3.20</b>
<b>LABOUR MARKET</b>									
<b>UNEMPLOYMENT RATE</b>	<b>5.27</b>	<b>4.82</b>	<b>4.69</b>	<b>4.79</b>	<b>4.89</b>	<b>0.10</b>	<b>-0.38</b>	<b>4.97</b>	<b>5.22</b>
<b>EMPLOYMENT*</b>	<b>3.50</b>	<b>3.71</b>	<b>3.61</b>	<b>3.47</b>	<b>3.32</b>	<b>-0.15</b>	<b>-0.18</b>	<b>2.40</b>	<b>1.91</b>

\*The employment variable represents the year-on-year change in employment growth.

Source: The Government of the Grand Duchy of Luxembourg. Projections: OECD November 2022.

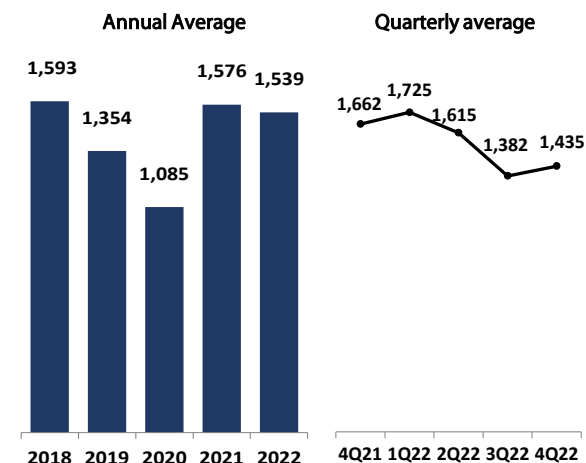
- As expected, Luxembourg's economy has slowed down in the fourth quarter, closing 2022 with a decrease in GDP rate of -2.21% in Q4. However, it is expected to increase in 2023 to a positive rate of 1.12% and 2.11% in 2024.
- Inflation in Luxembourg reached 6.05% during Q4, the second consecutive quarter of decline following the peak in Q2 2022 at 7.06%. However, the influence of energy, food prices, and the increase in underlying inflation keeps inflation high. Nevertheless, it is expected to decrease significantly to 3.96% and 3.20% in 2023 and 2024, respectively.
- The fourth quarter ended with a slightly higher unemployment rate than the previous quarter, with prospects of a gradual increase to pre-pandemic levels around 5% in the next two years, specifically 4.97% (2023) and 5.22% (2024).

## Treasury Yield Curves Rates (%)



Source: The Government of the Grand Duchy of Luxembourg.

## LUXX INDEX



Source: Yahoo Finance. Note: Annual and quarterly rates refer to the annual and quarterly averages of the daily closing values.



# France

**France's economy is expected to grow by 0.63% in 2023 and 1.19% in 2024. Inflation continued to increase due to energy prices and it is expected to remain at similar levels in 2023, and decrease in 2024 to 2.71%.**

## Main Macroeconomic Indicators (%)

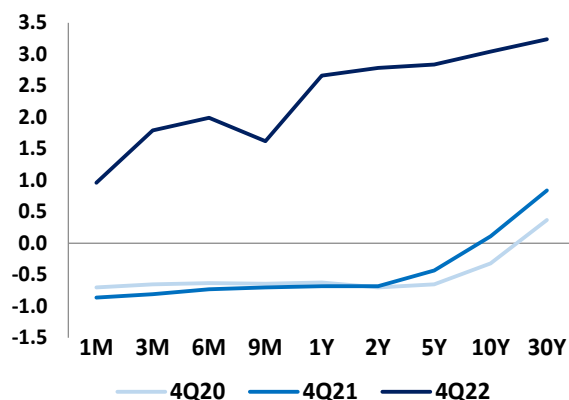
ACTIVITY	4Q21	1Q22	2Q22	3Q22	4Q22	Var p.p. 3Q22	Var p.p. 4Q21	2023	2024
<b>GDP</b>	<b>5.26</b>	<b>4.89</b>	<b>4.01</b>	<b>1.02</b>	<b>0.39</b>	<b>-0.63</b>	<b>-4.87</b>	<b>0.63</b>	<b>1.19</b>
DOMESTIC DEMAND	5.66	4.86	4.05	0.70	1.01	0.31	-4.65	0.77	0.86
PRIVATE CONSUMPTION	8.26	7.21	6.17	-0.26	-0.01	0.25	-8.27	0.43	1.04
PUBLIC CONSUMPTION	2.92	3.43	2.97	0.96	0.40	-0.56	-2.52	0.51	0.47
GROSS FIXED CAPITAL	3.01	3.17	1.16	2.57	3.85	1.28	0.84	1.14	0.88
EXTERNAL DEMAND									
EXPORTS	6.19	7.88	6.77	8.19	1.95	-6.24	-4.24	2.80	3.38
IMPORTS	8.31	7.92	7.62	11.45	5.49	-5.96	-2.82	3.03	2.28
<b>INFLATION</b>									
<b>GPI</b>	<b>2.73</b>	<b>3.67</b>	<b>5.27</b>	<b>5.87</b>	<b>6.10</b>	<b>0.23</b>	<b>3.37</b>	<b>5.75</b>	<b>2.71</b>
<b>LABOUR MARKET</b>									
<b>UNEMPLOYMENT</b>	<b>7.20</b>	<b>7.10</b>	<b>7.20</b>	<b>7.10</b>	<b>7.00</b>	<b>-0.10</b>	<b>-0.20</b>	<b>7.73</b>	<b>8.05</b>
<b>EMPLOYMENT*</b>	<b>4.79</b>	<b>4.56</b>	<b>3.73</b>	<b>1.64</b>	<b>1.27</b>	<b>-0.37</b>	<b>-3.52</b>	<b>0.14</b>	<b>-0.27</b>

\*The employment variable represents the year-on-year change in employment growth.

Source: National Institute for Statistics and Economic Studies (INSEE), OECD projections November 2022

- ▶ After an average growth of 2.53% in 2022, the French economy is expected to continue growing, although at lower rates. Deteriorating energy supply conditions, lower growth in external demand, rising financing costs, and inflation still above average will affect disposable real income and household consumption during 2023, before showing signs of recovery in 2024.
- ▶ In 2024, the French economy is expected to gradually recover thanks to the increase in external demand, the progressive improvement of the trade balance, the decrease in pressure on energy product prices, and the decline in the inflation rate (-3.04 pp from 2023 to 2024).
- ▶ However, the French labor market is expected to suffer in 2023 and 2024, with declines in employment growth of up to -0.14% in 2023 and -0.27% in 2024. As for unemployment, an upward trend is expected over the next 2 years.
- ▶ Finally, public spending decreases progressively from year to year and from quarter to quarter as uncertainty decreases, reducing the need for French government stimulus in the economy.

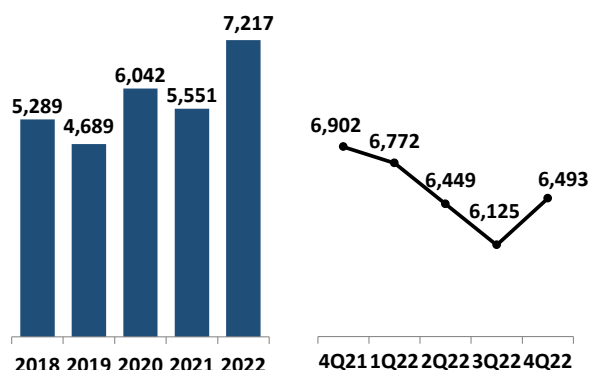
## Treasury Yield Curves Rates (%)



## CAC 40

Annual Average

Quarterly average



# Germany

**Germany's economy expanded by 0.94% in Q4 of 2022 and is predicted to shrink by 0.3% in 2023 and rebound by 1.49% in 2024. There is uncertainty due to fluctuating energy prices, and inflation is reducing real incomes and savings, thus decreasing private consumption.**

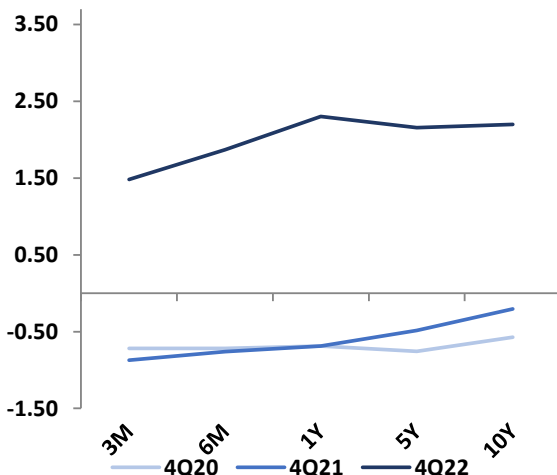
## Main Macroeconomic Indicators (%)

ACTIVITY	4Q21	1Q22	2Q22	3Q22	4Q22	Var. p.p. 3Q22	Var. p.p. 4Q21	2023	2024
<b>GDP</b>	<b>2.06</b>	<b>3.52</b>	<b>1.67</b>	<b>1.35</b>	<b>0.94</b>	<b>-0.41</b>	<b>-1.12</b>	-0.30	1.49
DOMESTIC DEMAND	4.05	4.84	3.49	2.82	1.54	-1.28	-2.51	-0.15	0.99
HOUSEHOLD CONSUMPTION	3.70	8.82	6.20	1.91	0.92	-0.99	-2.78	-0.18	0.68
PUBLIC CONSUMPTION	2.72	4.14	-0.10	0.21	0.56	0.35	-2.16	-0.70	0.76
CAPITAL FORMATION	-1.95	1.39	-1.34	2.34	-0.13	-2.47	1.82	0.38	2.01
EXTERNAL DEMAND									
EXPORTS	6.05	2.97	2.56	5.25	1.31	-3.94	-4.74	3.79	3.31
IMPORTS	11.70	5.94	6.90	9.21	2.59	-6.62	-9.11	2.06	1.67
<b>INFLATION</b>									
<b>CPI</b>	<b>5.03</b>	<b>5.77</b>	<b>6.60</b>	<b>8.48</b>	<b>9.66</b>	<b>1.18</b>	<b>4.63</b>	8.00	3.34
<b>LABOUR MARKET</b>									
<b>UNEMPLOYMENT RATE</b>	<b>3.23</b>	<b>3.10</b>	<b>3.03</b>	<b>3.00</b>	<b>3.13</b>	<b>0.13</b>	<b>-0.10</b>	3.54	3.48
<b>EMPLOYMENT*</b>	<b>0.94</b>	<b>1.54</b>	<b>1.67</b>	<b>1.43</b>	<b>1.21</b>	<b>-0.22</b>	<b>0.27</b>	0.26	0.48

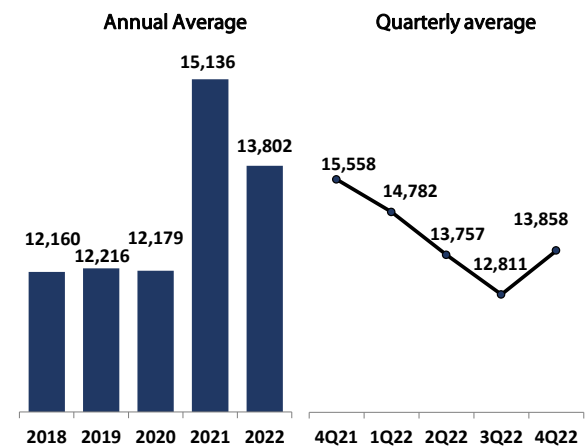
\*The employment variable represents the year-on-year change in employment growth.  
Source: Deutsche Bundesbank. Projections: OECD November 2022

- ▶ After a decelerating expansion in 2022, the German economy is expected to contract by 0.3% in 2023 due to a deterioration in conditions regarding the supply of energy, weaker growth in foreign demand, and higher financing costs. This is likely to lead to a decline in real disposable income and household consumption until mid-2023.
- ▶ In addition, energy-intensive industry will be weighed down by high energy costs, and exports will be dampened by foreign demand waning, according to Deutsche Bundesbank.
- ▶ From the second half of 2023 onwards, the German economy is expected to gradually recover due to foreign demand rising, uncertainty abating, price pressures from energy commodities diminishing, and the rate of inflation already falling from an overall 8% level in 2023 down to an expected 3.34% in 2024.
- ▶ The labour market in Germany has remained stable, with employment barely moving from an already high level and unemployment increasing only marginally in Q4.

## Treasury Yield Curves Rates (%)



## DAX 30



# Italy

**Italy's GDP is expected to grow by 0.2% in 2023 and by 0.99% in 2024, after expanding by 1.4% in 4Q22. However, uncertainties persist due to inflation and fluctuating energy prices, leading to a predicted slowdown in private consumption growth and a predicted decrease in public consumption for next year.**

## Main Macroeconomic Indicators (%)

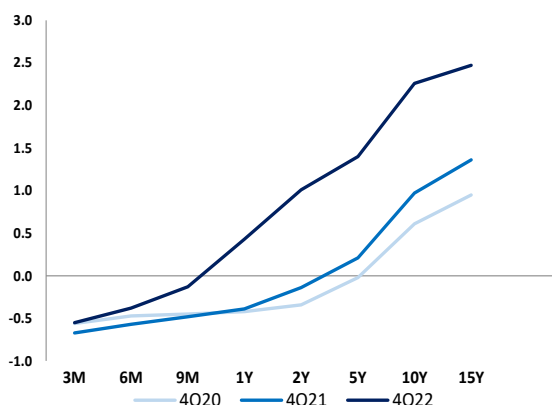
INDICATOR	4Q21	1Q22	2Q22	3Q22	4Q22	Var. p.p. 3Q22	Var. p.p. 4Q21	2023	2024
<b>GDP</b>	<b>6.36</b>	<b>6.50</b>	<b>5.10</b>	<b>2.50</b>	<b>1.40</b>	<b>-1.10</b>	<b>-4.96</b>	<b>0.20</b>	<b>0.99</b>
DOMESTIC DEMAND	3.42	7.77	5.46	4.54	2.22	-2.32	-1.20	0.16	0.88
PRIVATE CONSUMPTION	7.79	7.33	4.40	3.75	1.57	-2.18	-6.22	0.23	0.48
PUBLIC CONSUMPTION	-1.68	1.10	0.06	-0.11	-0.80	-0.69	0.88	-0.74	-0.42
GROSS FIXED CAPITAL	17.25	15.76	13.86	11.31	6.79	-4.52	-10.46	0.94	3.25
EXTERNAL DEMAND									
EXPORTS	9.72	14.73	11.88	7.12	9.91	2.79	0.19	1.80	3.24
IMPORTS	15.92	16.61	14.80	14.54	6.46	-8.08	-9.46	1.65	2.86
<b>INFLATION</b>									
<b>CPI</b>	<b>3.37</b>	<b>5.67</b>	<b>6.35</b>	<b>7.72</b>	<b>11.94</b>	<b>4.22</b>	<b>8.57</b>	<b>6.53</b>	<b>2.96</b>
<b>LABOUR MARKET</b>									
<b>UNEMPLOYMENT</b>	<b>9.10</b>	<b>8.50</b>	<b>8.10</b>	<b>8.00</b>	<b>7.84</b>	<b>-0.16</b>	<b>-1.26</b>	<b>8.29</b>	<b>8.47</b>
<b>EMPLOYMENT*</b>	<b>1.01</b>	<b>3.08</b>	<b>1.52</b>	<b>0.91</b>	<b>2.01</b>	<b>1.10</b>	<b>1.00</b>	<b>0.21</b>	<b>0.21</b>

\*The employment variable represents the year-on-year change in employment growth.

Source: Italian National Institute of Statistics (ISTAT) and European Central Bank (ECB). OECD projections November 2022.

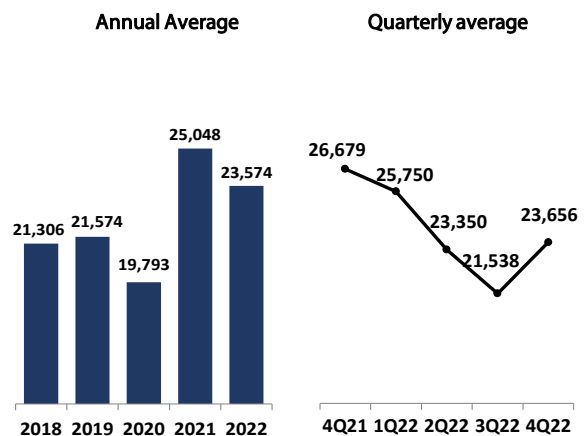
- ▶ In the last quarter of 2022, the Italian GDP expanded by 1.4% and is expected to grow by 0.2% in 2023 and 0.99% in 2024. This trend is due to a reduction in the growth of domestic and external demand, and expected higher financing costs for businesses and households, explained by a further increase of the nominal interest rates.
- ▶ According to Banca d'Italia, the economic outlook is strongly affected by the evolution of the Russia-Ukraine conflict and the energy supply, which will cause that energy prices will remain relatively high during 2023.
- ▶ After 2023, the Italian economy is expected to start reaccelerating due to a rising external demand and a drop in the rate of inflation, falling from the overall 6.53% level in 2023 down to an expected 2.96% in 2024. In addition, it is expected to have a lower price pressure from energy commodities.
- ▶ The unemployment has decreased to 7.84% at the end of the year. However, the unemployment is expected to rise to 8.29% in 2023 and 8.47% in 2024.

## Treasury Yield Curves Rates (%)



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

## FTSE MIB (points)



Source: Borsa Italiana



# Nordics: Denmark

**Denmark's economy has been declining throughout 2022 and estimates point to similar results in 2023 and 2024, with moderate growth and inflation expected to decrease from 5.52% in 2023 to 2.83% in 2024. Meanwhile, unemployment is expected to increase from 4Q22 to 5.59% in 2024.**

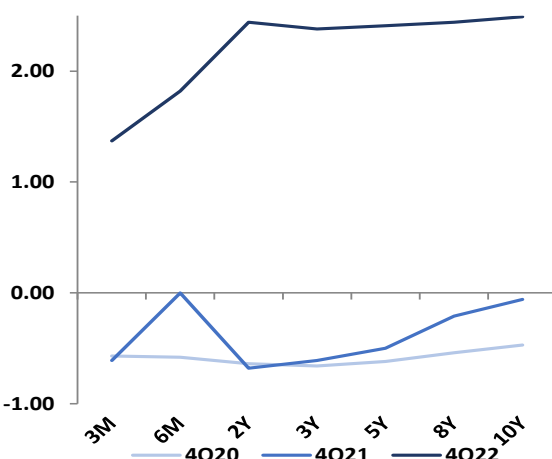
## Main Macroeconomic Indicators (%)

ACTIVITY	4Q21	1Q22	2Q22	3Q22	4Q22	Var. p.p. 3Q22	Var. p.p. 4Q21	2023	2024
<b>GDP</b>	<b>5.70</b>	<b>5.20</b>	<b>4.32</b>	<b>2.82</b>	<b>1.49</b>	<b>-1.33</b>	<b>-4.21</b>	<b>0.14</b>	<b>0.14</b>
DOMESTIC DEMAND	3.06	4.04	1.56	-2.81	-0.42	2.39	-3.48	-0.27	0.87
HOUSEHOLD CONSUMPTION	3.31	4.21	-2.24	-4.30	-5.02	-0.72	-8.33	0.04	1.15
PUBLIC CONSUMPTION	3.60	0.68	-4.71	-1.22	-6.52	-5.30	-10.12	-0.70	0.65
GROSS FIXED CAPITAL	4.26	7.33	15.87	1.12	12.47	11.35	8.21	-2.13	0.60
EXTERNAL DEMAND									
EXPORTS	12.59	7.04	10.37	11.56	4.57	-6.99	-8.02	2.31	2.89
IMPORTS	3.74	6.07	4.95	3.23	5.05	1.82	1.31	1.33	2.76
<b>INFLATION</b>									
<b>CPI</b>	<b>3.17</b>	<b>4.83</b>	<b>7.43</b>	<b>9.20</b>	<b>9.23</b>	<b>0.03</b>	<b>6.06</b>	<b>5.52</b>	<b>2.83</b>
<b>LABOUR MARKET</b>									
<b>UNEMPLOYMENT RATE</b>	<b>4.50</b>	<b>4.40</b>	<b>4.17</b>	<b>4.53</b>	<b>4.70</b>	<b>0.17</b>	<b>0.20</b>	<b>5.72</b>	<b>5.59</b>
<b>EMPLOYMENT*</b>	<b>2.82</b>	<b>3.78</b>	<b>2.87</b>	<b>2.35</b>	<b>1.48</b>	<b>-0.87</b>	<b>-1.34</b>	<b>-0.81</b>	<b>0.14</b>

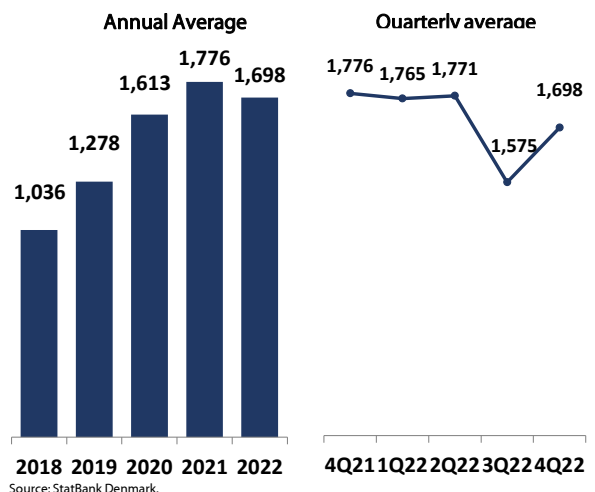
\*The employment variable represents the year-on-year change in employment growth.  
Source: StatBank Denmark. Projections OECD November 2022.

- ▶ The growth of the Danish economy has been slow in 2022, due to high inflation and increases in interest rates. Despite the uncertainty, expectations for 2023 predict a positive growth of 0.14% with an increase in basic incomes. In 2024, the same moderate growth of 0.14% is expected, which is lower than in 2022.
- ▶ Despite the slower pace of economic growth, during 4Q22, this effect has not translated to the labor market with significant consequences. While there has been a reduction in the year-on-year employment growth -with a year-on-year variation standing at 1.48%- , in the fourth quarter of the year, there has been a slight increase in its unemployment rate -0.20 p.p. higher compared to 4Q21-.
- ▶ Investment was depressed by the increase in interest rates, while private consumption suffered from the marked decline in real wages due to high inflationary pressures.

## Treasury Yield Curves Rates (%)



## OMXC



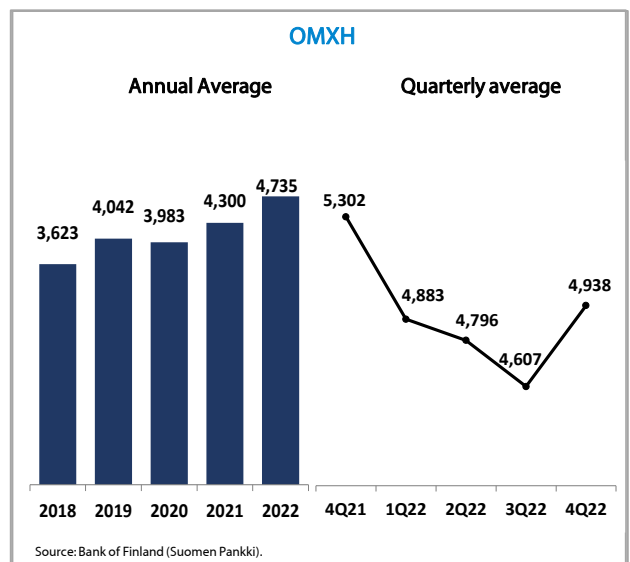
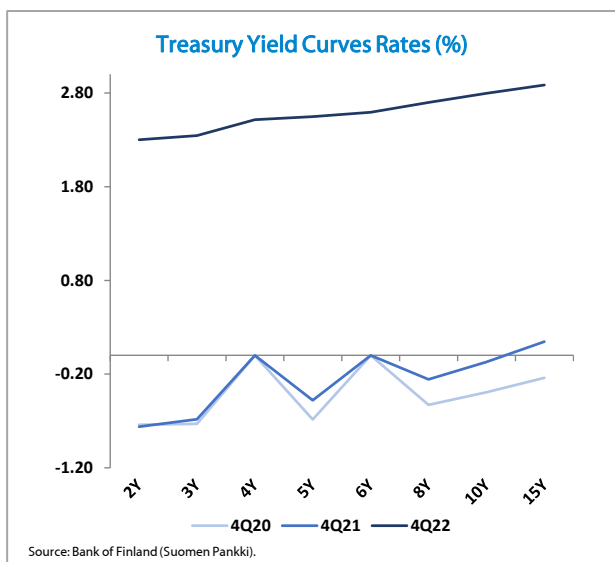
# Nordics: Finland

**During the year 2022, different unprecedented factors marked the evolution of the Finnish economy. The conflict in Ukraine, the energy crisis in Europe, high inflation, and increasing interest rates caused an increase in levels of uncertainty in the country.**

Main Macroeconomic Indicators (%)									
ACTIVITY	4Q21	1Q22	2Q22	3Q22	4Q22	Var. p.p. 3Q22	Var. p.p. 4Q21	2023	2024
<b>GDP</b>	<b>3.00</b>	<b>3.10</b>	<b>2.60</b>	<b>1.40</b>	<b>0.10</b>	<b>-1.30</b>	<b>-2.90</b>	<b>-0.29</b>	<b>1.05</b>
DOMESTIC DEMAND	3.30	7.90	7.20	4.10	0.40	-3.70	-2.90	-0.55	0.72
HOUSEHOLD CONSUMPTION	3.90	3.10	3.90	1.80	0.30	-1.50	-3.60	-0.62	1.35
PUBLIC CONSUMPTION	0.40	2.30	2.60	3.20	-0.90	-4.10	-1.30	-0.29	0.07
GROSS FIXED CAPITAL	4.70	23.60	18.80	8.70	1.20	-7.50	-3.50	-0.75	0.17
EXTERNAL DEMAND									
EXPORTS	3.10	5.60	4.70	1.70	-4.30	-6.00	-7.40	1.93	3.13
IMPORTS	11.70	13.70	14.50	8.40	-1.90	-10.30	-13.60	1.22	2.29
<b>INFLATION</b>									
<b>CPI</b>	<b>3.45</b>	<b>4.90</b>	<b>6.83</b>	<b>7.84</b>	<b>8.85</b>	<b>1.01</b>	<b>5.40</b>	<b>5.25</b>	<b>3.08</b>
<b>LABOUR MARKET</b>									
<b>UNEMPLOYMENT RATE</b>	<b>6.97</b>	<b>6.67</b>	<b>6.47</b>	<b>7.23</b>	<b>6.80</b>	<b>-0.43</b>	<b>-0.17</b>	<b>7.89</b>	<b>7.81</b>
<b>EMPLOYMENT*</b>	<b>3.20</b>	<b>3.38</b>	<b>2.86</b>	<b>2.43</b>	<b>1.85</b>	<b>-0.58</b>	<b>-1.35</b>	<b>-0.64</b>	<b>0.21</b>

\*The employment variable represents the year-on-year change in employment growth  
Source: Statistics Finland. Projections: OECD November 2022

- ▶ The growth of the Finnish economy was weaker in 2022 than in 2021, due to a reduction in its gross national income. This economic contraction was mainly due to the decline in exports, investment, and private consumption, especially during the last quarter of the year.
- ▶ The conflict in Ukraine and the rapid increase in inflation have weakened the confidence of both consumers and businesses, leading to a significant decline in consumption at the end of the year, to -0.30%.
- ▶ The labor market in Finland has remained stable despite all the external factors, compared to the previous year. Unemployment is expected to increase until 2024 and then stabilize again at the average of the last 10 years.
- ▶ The fall in home sales and the downward trend in housing prices during 2022 indicate changes in the evolution of the Finnish economy. The overall uncertainty of the European economy has spread to the Finnish real estate market, making it difficult to predict its future behavior.



# Nordics: Norway

**The Norwegian economy remained strong during the first half of 2022, following the relaxation of Covid-19 measures, but declined during the second half. The outlook is weak with a fall in consumption and investment. Inflation is expected to reverse its upward trend, decreasing to 3.19% in 2024.**

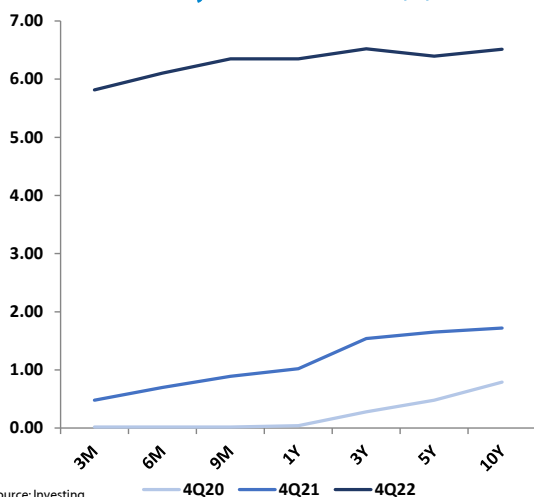
## Main Macroeconomic Indicators (%)

ACTIVITY	3Q21	4Q21	1Q22	2Q22	3Q22	Var. p.p. 2Q22	Var. p.p. 3Q21	2023	2024
<b>GDP</b>	<b>4.76</b>	<b>3.73</b>	<b>3.89</b>	<b>-0.27</b>	<b>-0.09</b>	<b>0.18</b>	<b>-4.85</b>	<b>1.85</b>	<b>1.56</b>
DOMESTIC DEMAND	4.41	8.97	9.23	6.54	7.40	0.86	2.99	0.82	1.60
HOUSEHOLD CONSUMPTION	8.15	11.11	12.36	6.40	8.24	1.84	0.09	0.66	1.26
PUBLIC CONSUMPTION	1.59	4.93	3.74	2.13	3.49	1.36	1.90	1.33	1.16
GROSS FIXED CAPITAL	1.01	9.56	9.61	11.41	9.88	-1.53	8.87	0.16	3.06
EXTERNAL DEMAND									
EXPORTS	5.18	-10.55	-9.54	-10.12	-6.18	3.94	-11.36	5.79	3.91
IMPORTS	7.12	18.69	19.37	16.15	14.33	-1.82	7.21	5.54	5.45
<b>INFLATION</b>									
<b>CPI</b>	<b>4.63</b>	<b>3.80</b>	<b>5.80</b>	<b>6.73</b>	<b>6.63</b>	<b>-0.10</b>	<b>2.00</b>	<b>4.54</b>	<b>3.19</b>
<b>LABOUR MARKET</b>									
<b>UNEMPLOYMENT RATE</b>	<b>3.40</b>	<b>3.30</b>	<b>3.30</b>	<b>3.20</b>	<b>3.10</b>	<b>-0.10</b>	<b>-0.30</b>	<b>3.65</b>	<b>3.66</b>
<b>EMPLOYMENT*</b>	<b>4.10</b>	<b>4.67</b>	<b>3.32</b>	<b>1.85</b>	<b>0.92</b>	<b>-0.93</b>	<b>-3.18</b>	<b>0.06</b>	<b>0.45</b>

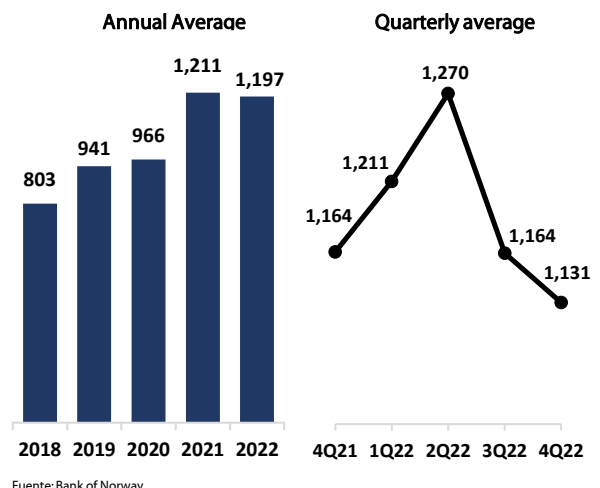
\*The employment variable represents the year-on-year change in employment growth  
Source: Statistics Norway, Projections: OECD November 2022

- ▶ The growth of the Norwegian economy exceeded estimates for 2022 due to the first half, but a moderate growth of activity is expected in 2023, as high inflation and interest rate increases will curb consumption and investment growth.
- ▶ The wage growth in 2022 was the highest in the past ten years, but not enough to compensate for the increase in consumer prices, especially in underlying inflation, leading to a sharp decline in purchasing power.
- ▶ The labor market has shown strength in 2022 according to indicators such as unemployment, below pre-pandemic levels. However, the labor market is expected to gradually weaken and unemployment is expected to increase slightly above the average of the past ten years.
- ▶ Housing price growth has moderated in 2022. The decline is not unexpected, but there is uncertainty about how long and deep the price drop will be.

## Treasury Yield Curves Rates (%)



## OSEBX GR





# Nordics: Sweden

**The Swedish economy has shown resilience, with stronger-than-expected growth in 2022 thanks to lower energy consumption, fiscal support, and government policies. However, growth is expected to stall in 2023 as in 4Q22, due to rising interest rates and higher energy prices.**

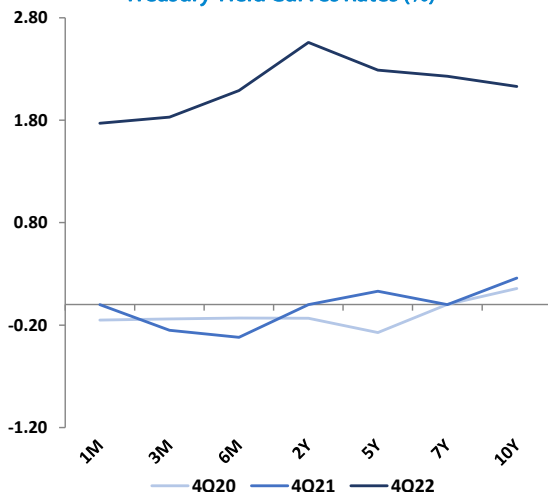
**Main Macroeconomic Indicators (%)**

ACTIVITY	4Q21	1Q22	2Q22	3Q22	4Q22	Var. p.p. 3Q22	Var. p.p. 4Q21	2023	2024
<b>GDP</b>	<b>6.40</b>	<b>4.63</b>	<b>3.97</b>	<b>2.50</b>	<b>-0.13</b>	<b>-2.63</b>	<b>-6.53</b>	<b>-0.63</b>	<b>1.87</b>
DOMESTIC DEMAND	9.95	3.06	4.06	5.06	6.06	1.00	-3.89	-0.81	1.83
HOUSEHOLD CONSUMPTION	12.72	5.16	6.65	3.77	-2.01	-5.78	-14.73	-1.62	2.42
PUBLIC CONSUMPTION	4.50	0.08	-0.76	0.22	0.34	0.12	-4.16	1.91	0.98
GROSS FIXED CAPITAL	12.67	5.79	6.61	5.72	3.13	-2.59	-9.54	-1.15	1.74
EXTERNAL DEMAND									
EXPORTS	10.21	6.77	6.08	7.18	5.31	-1.87	-4.90	2.13	3.22
IMPORTS	15.44	9.36	11.57	10.33	4.18	-6.15	-11.26	1.91	3.20
<b>INFLATION</b>									
CPI	3.33	4.67	7.47	9.37	11.20	1.83	7.87	6.99	2.31
<b>LABOUR MARKET</b>									
UNEMPLOYMENT RATE	7.50	8.10	8.50	6.50	6.80	0.30	-0.70	8.26	8.47
EMPLOYMENT*	0.49	3.12	3.03	2.64	2.17	-0.47	1.68	-0.86	0.35

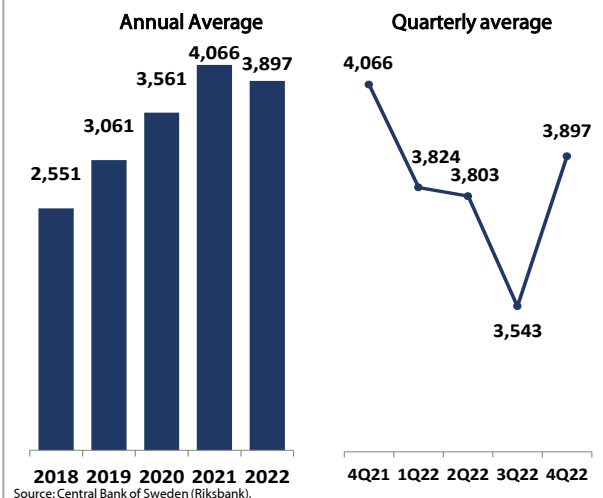
\*The employment variable represents the year-on-year change in employment growth.  
Source: Statistics Sweden. Projections OECD November 2022.

- During 2022, economic growth was stronger than expected during the first three quarters of the year, but it could be hindered by a slowdown in the global economy and widespread uncertainty in the European geography, as has happened in the fourth quarter of 2022.
- The rise in interest rates, high energy costs, and other factors will cause economic growth to stagnate in 2023, before picking up again in 2024 to 1.87%.
- There has been a slight slowdown in the growth of the active population, in line with population growth. With lower labor demand, especially in the services sector, unemployment is expected to increase in 2023.
- During 2023, central banks are expected to cut interest rates and redirect monetary policy to less restrictive territory to improve economic growth. In any case, prospects are uncertain and risks abound that could worsen the economic situation, such as inflation, geopolitical tensions, and the impact of central bank hikes.

**Treasury Yield Curves Rates (%)**



**OMX**



# Poland

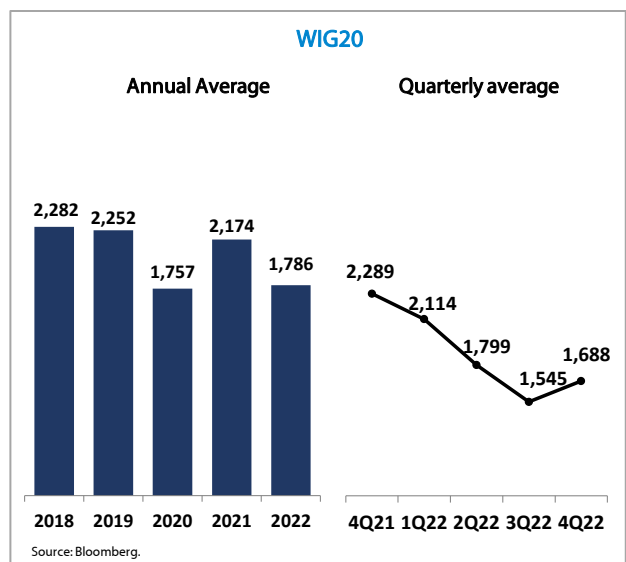
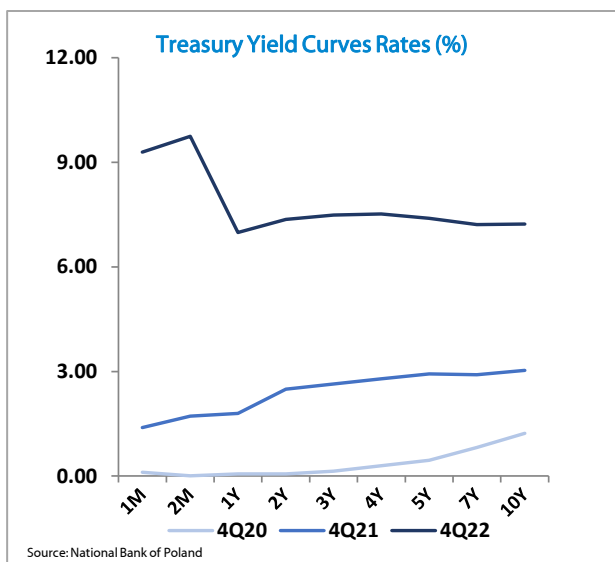
**During 4Q22, the main macroeconomic indicators of the Polish economy showed significant changes compared to 4Q21. The labor market remained relatively stable. Inflation rebounded during 4Q22 to a rate more than double that registered in 4Q21.**

**Main Macroeconomic Indicators (%)**

ACTIVITY	4Q21	1Q22	2Q22	3Q22	4Q22	Var. p.p. 3Q22	Var. p.p. 4Q21	2023	2024
<b>GDP</b>	<b>7.60</b>	<b>8.50</b>	<b>7.00</b>	<b>6.00</b>	<b>4.90</b>	<b>-1.10</b>	<b>-2.70</b>	<b>0.91</b>	<b>2.40</b>
DOMESTIC DEMAND	10.90	12.00	6.90	3.10	1.10	-2.00	-9.80	0.26	2.41
HOUSEHOLD CONSUMPTION	8.00	6.60	6.40	0.85	0.90	0.05	-7.10	2.02	2.51
PUBLIC CONSUMPTION	12.01	10.16	13.67	17.83	15.25	-2.58	3.24	3.02	2.13
CAPITAL FORMATION	24.10	45.10	15.10	11.40	8.00	-3.40	-16.10	1.21	3.49
EXTERNAL DEMAND									
EXPORTS	6.10	4.20	5.20	6.90	2.00	-4.90	-4.10	1.24	1.51
IMPORTS	12.20	9.40	6.90	6.00	0.20	-5.80	-12.00	1.79	1.52
<b>INFLATION</b>									
<b>CPI</b>	<b>7.73</b>	<b>9.63</b>	<b>13.93</b>	<b>16.30</b>	<b>17.33</b>	<b>1.03</b>	<b>9.60</b>	<b>10.77</b>	<b>6.65</b>
<b>LABOUR MARKET</b>									
<b>UNEMPLOYMENT RATE</b>	<b>2.90</b>	<b>3.10</b>	<b>2.60</b>	<b>2.90</b>	<b>2.90</b>	<b>0.00</b>	<b>0.00</b>	<b>3.49</b>	<b>3.79</b>
<b>EMPLOYMENT*</b>	<b>0.40</b>	<b>1.90</b>	<b>1.60</b>	<b>1.80</b>	<b>1.8**</b>	<b>0.00</b>	<b>1.40</b>	<b>-0.59</b>	<b>-0.31</b>

\*The employment variable represents the year-on-year change in employment growth. \*\*4Q22 Poland employment data refers to 3Q22 as there is no update available.  
Source: GUS (Central Statistical Office). Projections November OECD.

- During the 4Q22, economic growth stood at 4.90%, with significantly lower domestic demand than in the same quarter last year. The only increase compared to 4Q21 was observed in public consumption (3.24 p.p.) up to 15.25%. As for external demand, both exports and imports decreased compared to 3Q22 to year-on-year growth of 2.00% and 0.20%, respectively.
- Inflation stood at 17.33%, after an increase of 9.60 p.p. compared to the fourth quarter of 2021, being one of the highest rates in Poland since 1996. Expectations for 2023 are around 10%. On the other hand, the unemployment rate has remained quite stable from 4Q21 to 4Q22 at 2.9%.
- The WIG20 (Warsaw Stock Exchange) has steadily declined, with a 26% drop observed since 4Q21. The interest rates of the Treasury yield curve decreased in 4Q22, but continued to be significantly higher than those observed in 4Q20 and 4Q21.
- During 2023, the country is expected to benefit from a low unemployment rate, a stable currency, and a sound banking system, with fiscal policies by the government to support economic growth.



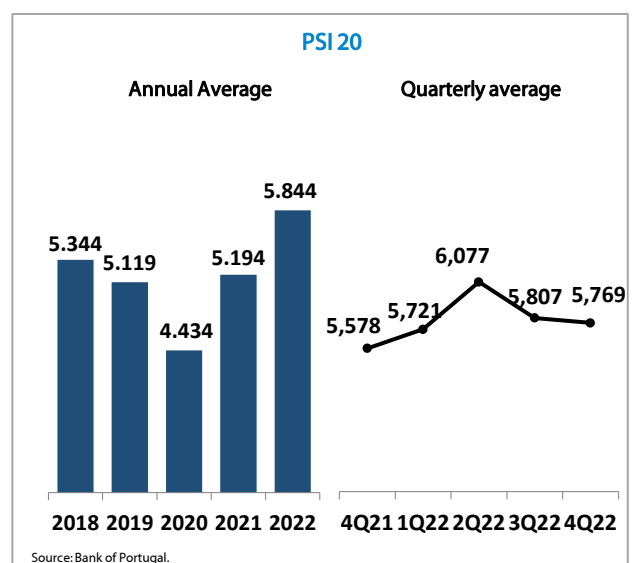
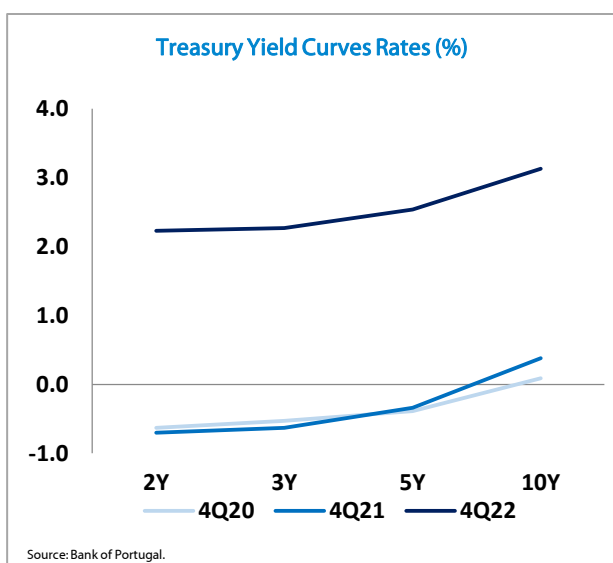
# Portugal

*The GDP growth has been revised downwards for 2023 and 2024. While inflation has followed a path of gradual deterioration that has not yet had an impact on the unemployment rate, which has remained stable throughout the year.*

Main Macroeconomic Indicators (%)									
ACTIVITY	4Q21	1Q22	2Q22	3Q22	4Q22	Var. p.p.3Q22	Var. p.p.4Q21	2023	2024
<b>GDP</b>	<b>5.81</b>	<b>11.86</b>	<b>7.10</b>	<b>4.86</b>	<b>3.21</b>	<b>-1.65</b>	<b>-2.60</b>	<b>1.03</b>	<b>1.16</b>
DOMESTIC DEMAND	4.80	1.39	3.66	2.97	1.87	-1.10	-2.93	1.01	1.64
HOUSEHOLD CONSUMPTION	5.21	12.64	4.63	4.37	2.74	-1.63	-2.47	0.32	1.04
PUBLIC CONSUMPTION	6.03	5.12	6.59	7.82	7.92	0.10	1.89	2.34	1.76
CAPITAL FORMATION	5.80	5.52	2.03	2.73	0.64	-2.09	-5.16	2.64	3.45
EXTERNAL DEMAND									
EXPORTS	16.06	19.30	25.54	16.79	8.08	-8.71	-7.98	3.53	2.99
IMPORTS	13.58	13.08	14.87	11.70	4.91	-6.79	-8.67	3.44	3.92
<b>INFLATION</b>									
<b>CPI</b>	<b>2.41</b>	<b>4.97</b>	<b>7.97</b>	<b>9.09</b>	<b>10.20</b>	<b>1.11</b>	<b>7.79</b>	<b>6.58</b>	<b>2.43</b>
<b>LABOUR MARKET</b>									
<b>UNEMPLOYMENT RATE</b>	<b>6.20</b>	<b>5.77</b>	<b>5.97</b>	<b>6.03</b>	<b>6.47</b>	<b>0.44</b>	<b>0.27</b>	<b>6.35</b>	<b>6.24</b>
<b>EMPLOYMENT*</b>	<b>1.88</b>	<b>4.43</b>	<b>-1.37</b>	<b>1.21</b>	<b>0.33</b>	<b>-0.88</b>	<b>-1.55</b>	<b>0.12</b>	<b>0.49</b>

\*The employment variable represents the year-on-year change in employment growth.  
Source: National Institute of Statistics (Portugal), Bank of Portugal. Projections: OECD November 2022

- After a strong growth of up to 6.8% for the whole year in 2022, it is expected that the Portuguese economy will continue to grow in 2023 and 2024, albeit at a much slower pace of around 1%, due to containment of both domestic and external demand.
- Inflation has had a negative performance during 2022, gradually worsening to reach 10.2% in 4Q22. It is estimated that it will close above 8% for the whole year, although it will decrease slightly in 2023 (6.58%) and more significantly in 2024 (2.43%).
- In Portugal, the rise in the price of energy raw materials has determined the behavior of inflation, placing it at 10.20% during 4Q22. However, this effect has not yet been reflected in the labor market; unemployment has remained at stable levels around 6% during 2022, which is expected to continue in 2023 and 2024.





# United Kingdom

**The United Kingdom's economy is predicted contract by 0.41% in 2023, with a partial recovery in 2024, up to 0.21%. The economic contraction of the United Kingdom for the next year is due to high exposure to natural gas, employment remaining below its pre-pandemic level, and strong monetary tightening.**

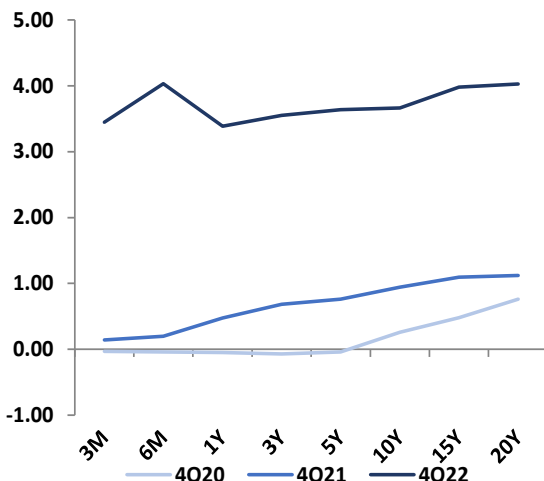
## Main Macroeconomic Indicators (%)

ACTIVITY	4Q21	1Q22	2Q22	3Q22	4Q22	Var. p.p. 3Q22	Var. p.p. 4Q21	2023	2024
<b>GDP</b>	<b>7.22</b>	<b>9.86</b>	<b>4.38</b>	<b>2.40</b>	<b>-1.06</b>	<b>-3.46</b>	<b>-8.28</b>	<b>-0.41</b>	<b>0.21</b>
DOMESTIC DEMAND	11.46	15.10	3.25	1.66	-0.94	-2.60	-12.40	-2.12	0.55
HOUSEHOLD CONSUMPTIO	12.87	18.22	4.30	1.01	-2.16	-3.17	-15.03	-1.06	0.33
PUBLIC CONSUMPTION	14.04	9.10	-1.04	0.04	-4.20	-4.24	-18.24	2.34	0.61
CAPITAL FORMATION	3.97	12.05	4.74	5.85	7.38	1.53	3.41	0.96	1.30
EXTERNAL DEMAND									
EXPORTS	14.76	21.45	19.72	34.21	24.19	-10.02	9.43	5.48	1.60
IMPORTS	6.63	39.85	38.31	29.95	28.18	-1.77	21.55	-0.49	2.49
<b>INFLATION</b>									
<b>CPI</b>	<b>4.90</b>	<b>6.23</b>	<b>9.17</b>	<b>10.03</b>	<b>10.77</b>	<b>0.74</b>	<b>5.87</b>	<b>6.61</b>	<b>3.31</b>
<b>LABOUR MARKET</b>									
<b>UNEMPLOYMENT RATE</b>	<b>4.00</b>	<b>3.80</b>	<b>3.60</b>	<b>3.70</b>	<b>3.70</b>	<b>0.00</b>	<b>-0.30</b>	<b>4.35</b>	<b>4.85</b>
<b>EMPLOYMENT*</b>	<b>1.05</b>	<b>1.21</b>	<b>1.04</b>	<b>0.66</b>	<b>1.01</b>	<b>0.35</b>	<b>-0.04</b>	<b>0.38</b>	<b>0.37</b>

\*The employment variable represents the year-on-year change in employment growth.  
Source: Office for National Statistics UK. Projections: OECD November 2022.

- ▶ After a moderate contraction of the economy in the last quarter of 2022, the UK economy is expected to continue to decline by 0.41% in 2023 due to the UK's high exposure to natural gas, with higher market prices passed on to consumers. Meanwhile, employment remains below pre-pandemic levels.
- ▶ These economic prospects, coupled with a rising cost of living, will increase pressure on private incomes and result in reduced consumer spending, although they will be aided by a 9.7% increase in the minimum wage.
- ▶ Inflation is expected to decrease from mid-2023 and be around 4% by the end of the year, according to Bank of England (BoE) forecasts, falling towards the BoE's 2% target after that date. However, the OECD's forecasts place the CPI at around 6% in 2023.
- ▶ The UK labor market is expected to experience a rise in unemployment throughout 2023 and 2024, reaching 4.85% compared to the current 3.70%. This will exert further pressure on the UK economy.

## Treasury Yield Curves Rates (%)

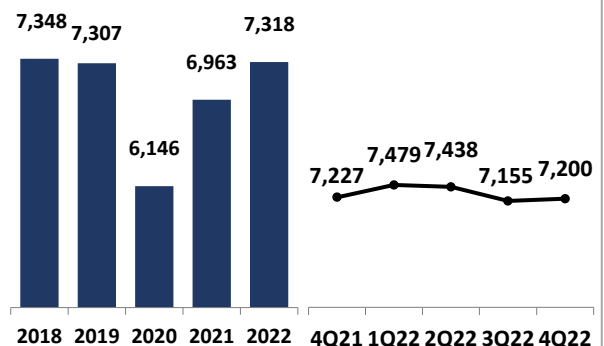


Source: World Government Bonds.

## FTSE 100

Annual Average

Quarterly average



Source: Yahoo Finance.

# Spain

**The Spanish economy in the latter part of the year has been characterized by a decline in economic growth, in a context of high inflation (partially contained compared to previous periods), with interest rates that continue to rise and an environment of slowed job creation.**

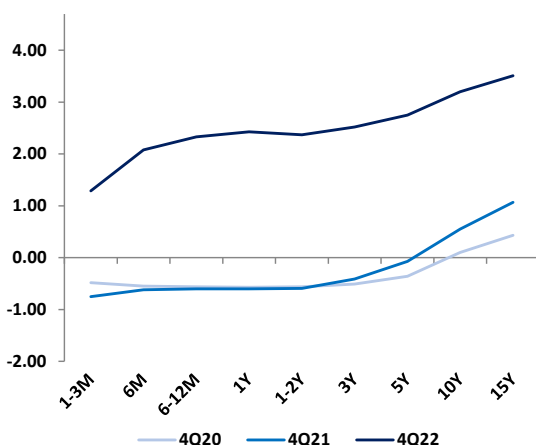
## Main Macroeconomic Indicators (%)

ACTIVITY	4Q21	1Q22	2Q22	3Q22	4Q22	Var. p.p. 3Q22	Var. p.p. 4T21	2023	2024
<b>GDP</b>	<b>6.63</b>	<b>6.84</b>	<b>7.80</b>	<b>4.77</b>	<b>2.68</b>	<b>-2.09</b>	<b>-3.95</b>	<b>1.25</b>	<b>1.68</b>
DOMESTIC DEMAND	4.93	4.75	3.58	2.57	0.63	-1.94	-4.30	1.43	1.73
HOUSEHOLD CONSUMPTION	4.50	4.89	5.03	4.67	2.55	-2.12	-1.95	1.33	1.38
PUBLIC CONSUMPTION	-0.09	-1.08	-2.82	-1.76	1.94	3.70	2.03	0.88	0.71
CAPITAL FORMATION	11.87	11.31	6.48	1.47	-5.51	-6.98	-17.38	2.31	3.68
EXTERNAL DEMAND									
EXPORTS	16.38	17.71	20.70	14.69	7.58	-7.12	-8.80	3.54	3.23
IMPORTS	11.59	12.13	8.34	8.73	2.20	-6.53	-9.39	4.24	3.37
<b>INFLATION</b>									
<b>CPI</b>	<b>5.80</b>	<b>7.83</b>	<b>9.07</b>	<b>10.06</b>	<b>6.59</b>	<b>-3.47</b>	<b>0.79</b>	<b>4.78</b>	<b>4.78</b>
<b>LABOUR MARKET</b>									
<b>UNEMPLOYMENT RATE</b>	<b>13.33</b>	<b>13.65</b>	<b>12.48</b>	<b>12.67</b>	<b>12.87</b>	<b>0.20</b>	<b>-0.46</b>	<b>12.87</b>	<b>12.70</b>
<b>EMPLOYMENT*</b>	<b>4.35</b>	<b>4.57</b>	<b>4.05</b>	<b>2.57</b>	<b>1.38</b>	<b>-1.19</b>	<b>-2.97</b>	<b>0.43</b>	<b>0.94</b>

\* The employment variable represents the year-on-year change in employment growth.  
Source: National Statistics Institute of Spain (INE). Projections: OECD November 2022.

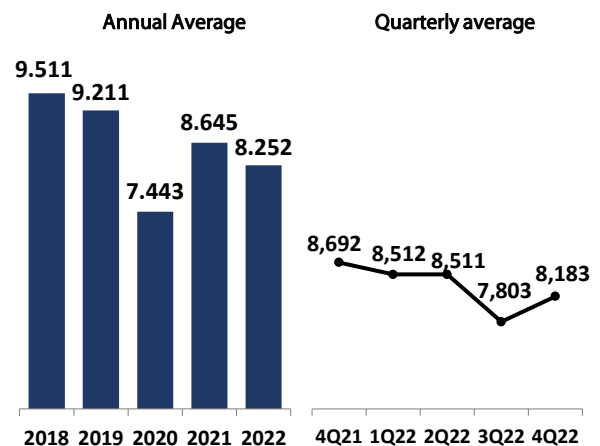
- ▶ The end of the year has confirmed the deterioration of the national economy with a significant drop in GDP growth compared to the previous year. This situation does not allow for a recovery to pre-Covid-19 levels, unlike other economies in the European region. The persistence of a high inflation environment has been slightly corrected at the end of the year, as a result of the implementation of price containment measures in certain key consumption elements.
- ▶ In line with the rest of Western countries, there has been an increase in interest rates to fight against the inflation spiral. It is expected that these interest rate hikes will continue in later periods assuming that inflation continues its upward trend.
- ▶ Although the unemployment rate remained at similar levels to the previous period, a lower growth rate of the employment rate anticipates a context of accelerated deterioration of delinquency rates, initially estimated for the end of the second quarter of 2023 (according to market consensus).

## Treasury Yield Curves Rates (%)



Source: Bank of Spain (BDE)

## IBEX 35



Source: National Statistics Institute (INE), period average.



4Q22

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# Americas

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Main Macroeconomic  
Indicators

# Argentina

**A slight increase of 0.46% is expected in the Argentine economy in 2023, with an unemployment rate of 6.90% and an annual inflation rate of 83%. This dynamic has a negative impact on domestic demand and investment. However, a reduction in the inflation rate is expected for the year 2024, down to 60%.**

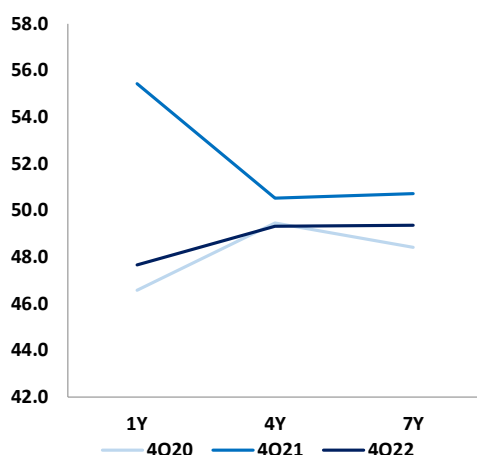
## Main Macroeconomic Indicators (%)

ACTIVITY	4Q21	1Q22	2Q22	3Q22	4Q22	Var. p.p. 3Q22	Var. p.p. 4Q21	2023	2024
<b>GDP</b>	<b>8.88</b>	<b>6.00</b>	<b>7.10</b>	<b>5.90</b>	<b>1.90</b>	<b>-0.68</b>	<b>-0.79</b>	<b>0.46</b>	<b>1.83</b>
DOMESTIC DEMAND	8.63	10.09	11.70	9.92	2.96	-0.70	-0.66	-0.30	1.31
HOUSEHOLD CONSUMPTION	10.00	10.90	10.90	10.50	5.10	-0.51	-0.49	0.30	1.75
PUBLIC CONSUMPTION	11.80	5.00	5.00	0.20	-2.10	-11.50	-1.18	-0.26	0.91
CAPITAL FORMATION	14.73	10.60	19.10	14.70	0.10	-0.99	-0.99	-0.34	2.45
EXTERNAL DEMAND									
EXPORTS	54.40	25.65	25.33	-0.24	16.41	-69.38	-0.70	4.06	3.60
IMPORTS	40.16	37.58	48.36	33.54	35.62	0.06	-0.11	2.90	1.20
<b>INFLATION</b>									
<b>CPI</b>	<b>51.43</b>	<b>54.03</b>	<b>61.73</b>	<b>77.93</b>	<b>91.10</b>	<b>0.17</b>	<b>0.77</b>	<b>83.00</b>	<b>60.00</b>
<b>LABOUR MARKET</b>									
<b>UNEMPLOYMENT RATE</b>	<b>7.00</b>	<b>7.00</b>	<b>6.90</b>	<b>7.10</b>	<b>6.30</b>	<b>-0.11</b>	<b>-0.10</b>	<b>6.90</b>	<b>6.90</b>
<b>EMPLOYMENT*</b>	<b>3.88</b>	<b>4.52</b>	<b>4.74</b>	<b>5.21</b>	<b>5.17</b>	<b>-0.01</b>	<b>0.33</b>		

\*The employment variable represents the year-on-year change in employment growth. OECD forecasts not available for employment.  
Source: Central Bank of Argentina. Projections OECD November 2022

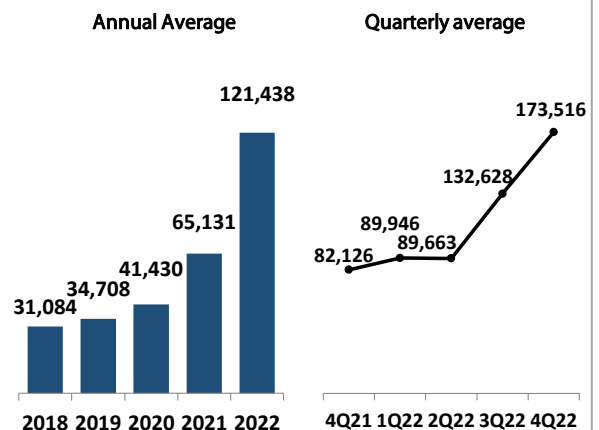
- During the fourth quarter of 2022, in an adverse macroeconomic context of high inflation and uncertainty, the Argentine economy presented a year-on-year growth of 1.90%.
- The components that have most driven aggregate demand have been household consumption (5.10%) and the trade balance.
- For the year 2023, a growth of 0.46% in economic activity is expected, along with an annual inflation of 83% and an unemployment rate of around 7%. A decrease in domestic demand, especially in private consumption and investment, is expected.
- Finally, it is estimated that the upward trend in inflation dynamics will begin to decrease by the year 2024, while no significant changes are expected in the labor market.

## Treasury Yield Curves Rates (%)



Source: Icesur

## MERVAL



Source: Central Bank of Argentina.

# Brazil

**Brazilian economic growth closed the year 2022 with a value of 2.9%, driven by the service sector due to the relaxation of Covid-19 restrictions. A greater control of inflation is expected due to the high interest rate policy of the Central Bank.**

## Main Macroeconomic Indicators (%)

ACTIVITY	4Q21	1Q22	2Q22	3Q22	4Q22	Var. p.p. 3Q22	Var. p.p. 4Q21	2023	2024
<b>GDP**</b>	2.13	2.41	3.65	3.62	2.31	-1.31	0.18	1.20	1.41
DOMESTIC DEMAND	2.90	-1.23	2.53	4.38	3.37	-1.01	0.47	1.92	1.49
HOUSEHOLD CONSUMPTION	2.01	2.12	5.06	6.01	5.56	-0.45	3.55	1.80	1.14
PUBLIC CONSUMPTION	2.84	3.17	0.91	3.61	2.99	-0.62	0.15	-0.48	0.43
GROSS FIXED CAPITAL	3.89	-7.95	1.26	3.31	1.41	-1.90	-2.48	3.27	3.22
EXTERNAL DEMAND									
EXPORTS	5.88	6.93	-5.12	6.69	11.40	4.71	5.52	2.57	3.42
IMPORTS	2.73	-11.40	-2.15	11.09	7.81	-3.28	5.08	6.48	3.93
<b>INFLATION</b>									
<b>CPI</b>	10.49	10.74	11.92	8.66	6.05	-2.61	-4.44	4.21	4.45
<b>LABOUR MARKET</b>									
<b>UNEMPLOYMENT RATE</b>	11.60	11.17	9.87	8.90	8.20	-0.70	-3.40	9.46	9.48
<b>EMPLOYMENT*</b>	9.86	9.31	10.30	7.84	5.06	-2.78	-4.80		

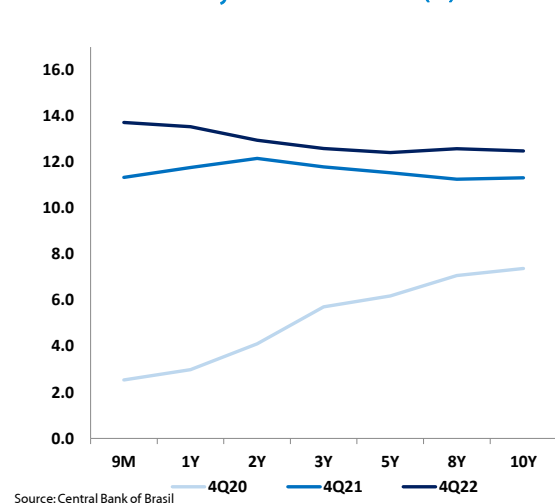
\*The employment variable represents the year-on-year change in employment growth.

\*\*The actual data corresponds to the quarterly GDP figure, not the annual figure.

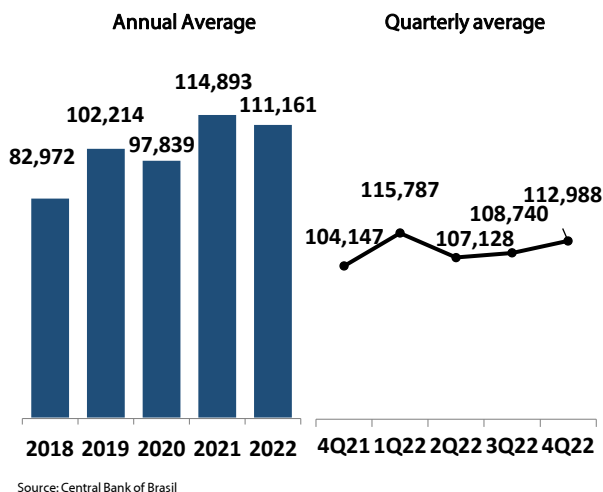
Source: Central Bank of Brazil. OECD projections not available

- ▶ The Brazilian GDP for 2022 closed the year with an annual value of 2.9%, while the growth for the fourth quarter of the year was 2.31%. More modest growth is expected for the Brazilian economy in the following years. Among the components that contributed the most to the increase in demand compared to a year ago, are the service sector and inflation, which although still high, presented a significant deceleration compared to the previous year, standing at around 6.05% in 2022. The unemployment rate has been presenting the lowest level since 2015, around 8%. However, the country has been reaching a record number of workers without a formal employment contract.
- ▶ The Central Bank has maintained a policy of high interest rates (13.75% p.a.) throughout 2022 to control inflation. The Ibovespa, although below the level of 2021, had a good performance, reflecting market optimism about the recovery of the economy.
- ▶ It is expected that the Brazilian economy will continue to expand in 2023 and 2024, still with moderate growth of 1.2% and 1.4% of GDP in 2023 and 2024, respectively. Inflation should remain at moderate levels within the inflation target range set by the National Monetary Council. The Central Bank should gradually reduce the basic interest rate, but maintaining a restrictive monetary policy.

## Treasury Yield Curves Rates (%)



## IBOVESPA





# Chile

**The decrease in domestic demand caused the GDP to be negative, -2.2% in 4Q22. The CPI was in double digits (12.98%), improving by 0.67 p.p. compared to the previous quarter. The unemployment rate remained stable throughout the year, below 8%. For the next year, the estimated growth will be negative, recovering in 2024.**

## Main Macroeconomic Indicators (%)

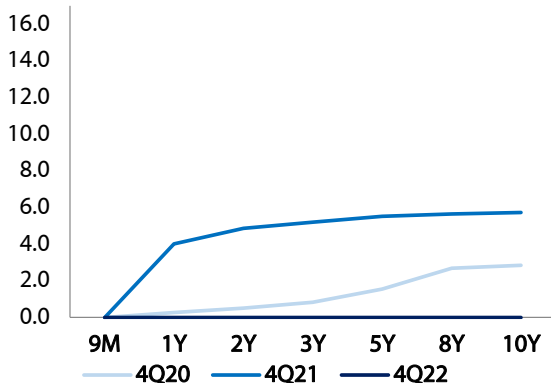
ACTIVITY	4Q21	1Q22	2Q22	3Q22	4Q22	Var. p.p. 3Q22	Var. p.p.4Q21	2023	2024
<b>GDP</b>	<b>12.40</b>	<b>7.20</b>	<b>5.50</b>	<b>0.00</b>	<b>-2.20</b>	<b>-2.20</b>	<b>-14.60</b>	<b>-0.50</b>	<b>2.60</b>
DOMESTIC DEMAND	23.20	11.30	8.60	-1.90	-7.30	-5.40	-30.50	-2.60	2.10
HOUSEHOLD CONSUMPTION	17.10	13.10	7.30	-3.30	-4.20	-0.90	-21.30	-4.20	1.80
PUBLIC CONSUMPTION	15.33	14.82	12.23	4.53	-1.13	-5.66	-16.46	2.50	3.20
CAPITAL FORMATION	13.68	5.86	6.12	0.02	-1.72	-1.74	-15.40	-2.00	2.30
EXTERNAL DEMAND									
EXPORTS	0.82	1.88	0.27	3.46	0.60	-2.86	-0.22	2.50	3.20
IMPORTS	38.82	14.88	11.74	-2.92	-15.76	-12.84	-54.58	-3.40	1.80
<b>INFLATION</b>									
<b>CPI</b>	<b>6.63</b>	<b>8.31</b>	<b>11.52</b>	<b>13.65</b>	<b>12.98</b>	<b>-0.67</b>	<b>6.35</b>	<b>6.90</b>	<b>3.50</b>
<b>LABOUR MARKET</b>									
<b>UNEMPLOYMENT RATE</b>	<b>7.60</b>	<b>7.52</b>	<b>7.79</b>	<b>7.95</b>	<b>7.93</b>	<b>-0.02</b>	<b>0.33</b>	<b>7.90</b>	<b>7.60</b>
<b>EMPLOYMENT*</b>	<b>8.82</b>	<b>7.54</b>	<b>9.69</b>	<b>7.25</b>	<b>3.99</b>	<b>-3.26</b>	<b>-4.83</b>	<b>0.80</b>	<b>0.80</b>

Source: Central Bank of Chile (BCC). Projections OECD November 2022

\* The employment variable represents the year-on-year change in employment growth.

- ▶ The Chilean economy deteriorated in 2022, closing the 4Q22 with a negative GDP of -2.20%. Despite starting the year with a GDP of 7.20%. Both private and public consumption have significantly decreased, as well as imports compared to 4Q21.
- ▶ For 2023, negative growth is expected, with the economy recovering from 2024, projecting a growth of 2.56%, improving both domestic and external demand.
- ▶ Another key indicator for economic growth is the decrease in the CPI, and the government and the Central Bank of Chile have focused on this issue. In 2023, a single-digit CPI is expected, returning to inflation levels in 2021 (below 7%).
- ▶ The labor market in Chile has remained stable throughout 2022, with the unemployment rate staying below 8%, and similar rates are expected for 2023 and 2024.
- ▶ The year 2023 will be a year to improve and stabilize the key indicators of the Chilean economy, mainly depending on global copper consumption and prices. Additionally, changes are expected in the tax and labor system.

## Treasury Yield Curves Rates (%)

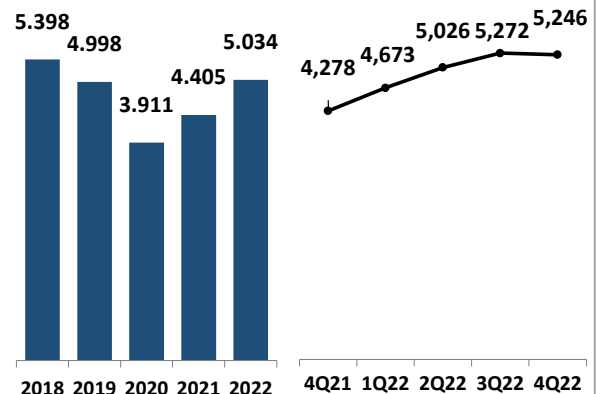


Source: Investing

## IPSA

Annual Average

Quarterly average



Source: Central Bank of Chile (BCC)

# Colombia

**According to the monetary policy report from the Bank of the Republic, inflation continued to increase during 4Q22. Among the causes are higher costs of raw materials, as well as a strong recovery in aggregate demand and indexing, both to the CPI and the PPI.**

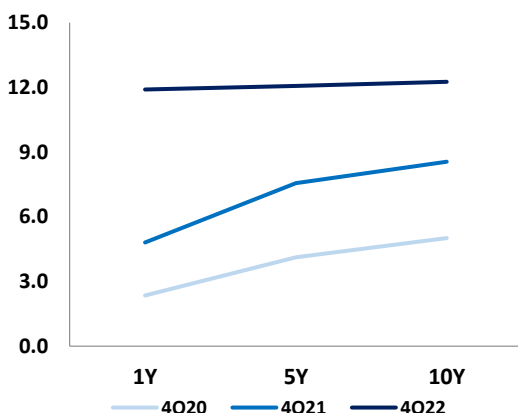
## Main Macroeconomic Indicators (%)

ACTIVITY	4Q21	1Q22	2Q22	3Q22	4Q22	Var. p.p. 3Q22	Var. p.p. 4Q21	2023	2024
<b>GDP</b>	<b>10.70</b>	<b>8.15</b>	<b>12.88</b>	<b>7.66</b>	<b>2.88</b>	<b>-4.78</b>	<b>-7.82</b>	<b>1.24</b>	<b>1.71</b>
DOMESTIC DEMAND	12.18	11.66	14.55	1.88	4.91	3.03	-7.27	0.30	1.01
HOUSEHOLD CONSUMPTION	13.43	12.02	14.53	7.80	4.18	-3.62	-9.25	3.14	0.71
PUBLIC CONSUMPTION	7.73	7.73	2.00	-7.82	-7.76	0.06	-15.49	2.63	2.70
CAPITAL FORMATION	7.64	-6.68	11.31	10.86	23.10	12.24	15.46	0.80	0.96
EXTERNAL DEMAND									
EXPORTS	24.44	7.94	26.33	10.17	5.44	-4.73	-19.00	4.27	3.63
IMPORTS	26.34	27.68	21.92	20.79	15.17	-5.62	-11.17	-0.90	-0.20
<b>INFLATION</b>									
<b>CPI</b>	<b>5.15</b>	<b>7.83</b>	<b>9.32</b>	<b>10.83</b>	<b>12.62</b>	<b>1.79</b>	<b>7.47</b>	<b>9.51</b>	<b>4.84</b>
<b>LABOUR MARKET</b>									
<b>UNEMPLOYMENT RATE</b>	<b>12.52</b>	<b>13.22</b>	<b>11.03</b>	<b>10.77</b>	<b>10.87</b>	<b>0.10</b>	<b>-1.65</b>	<b>11.75</b>	<b>12.57</b>
<b>EMPLOYMENT*</b>	<b>-0.14</b>	<b>4.01</b>	<b>7.48</b>	<b>3.76</b>	<b>3.58</b>	<b>-0.18</b>	<b>3.72</b>	<b>0.93</b>	<b>0.54</b>

\*The employment variable represents the year-on-year change in employment growth.  
Source: Central Bank of the Republic of Colombia. Projections OECD November 2022.

- ▶ The Colombian economy continued its moderation process for the second consecutive quarter, reaching 2.88% for 4Q22. This represents a decrease of 4.78 p.p. compared to the previous quarter and a much more pronounced drop compared to the same period in 2021 (-7.82 p.p.).
- ▶ Although gross investment has allowed for an improvement of 3.03 p.p. in domestic demand compared to the previous quarter, this growth is offset by the decline in external activity, both in exports and imports, which continue to decline sharply compared to both the previous quarter and 4Q21.
- ▶ Despite the slower pace of economic growth and the accelerated increase in inflation, which already exceeds 12% annually, the labor market has remained stable, showing a small decrease compared to the previous quarter.

## Treasury Yield Curves Rates (%)

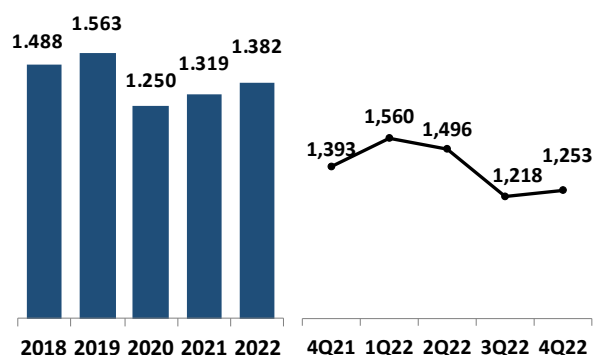


Source: Investing

## COLCAP

Annual Average

Quarterly average



Source: Central Bank of the Republic of Colombia.

# United States

**In the United States, the slowdown in growth in 4Q22 was expected based on revised growth projections for 2022 (1.85%), 2023 (0.54%), and 2024 (1.03%). A significant decrease in inflation is expected for 2023 (3.89%) and 2024 (2.57%), and unemployment rates are expected to be slightly higher than current levels, around 4.5%.**

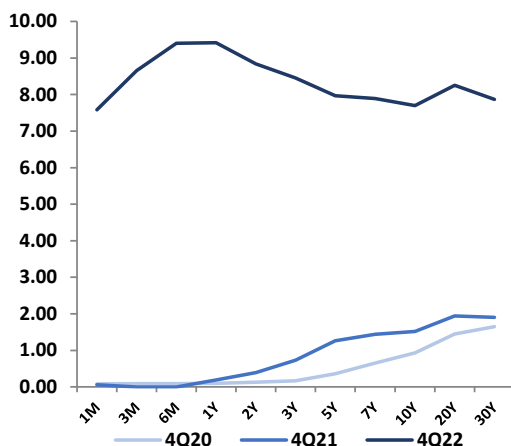
## Main Macroeconomic Indicators (%)

ACTIVITY	4Q21	1Q22	2Q22	3Q22	4Q22	Var. p.p. 3Q22	Var. p.p. 4Q21	2023	2024
<b>GDP</b>	<b>5.70</b>	<b>3.70</b>	<b>1.80</b>	<b>1.90</b>	<b>1.00</b>	<b>-0.90</b>	<b>-4.70</b>	<b>0.54</b>	<b>1.03</b>
DOMESTIC DEMAND	6.20	4.70	2.50	1.70	0.60	-1.10	-5.60	0.26	1.07
PRIVATE CONSUMPTION	6.90	4.70	2.40	2.20	1.90	-0.30	-5.00	0.55	1.03
PUBLIC CONSUMPTION	0.00	-1.60	-1.30	-0.30	0.90	1.20	0.90	0.64	0.46
GROSS FIXED CAPITAL	9.60	11.60	7.20	1.90	-4.60	-6.50	-14.20	0.03	1.66
EXTERNAL DEMAND									
EXPORTS	4.90	5.20	7.30	11.30	5.30	-6.00	0.40	4.15	3.27
IMPORTS	9.60	12.70	11.20	7.40	1.70	-5.70	-7.90	1.14	2.72
<b>INFLATION</b>									
<b>CPI</b>	<b>6.44</b>	<b>8.15</b>	<b>8.36</b>	<b>8.13</b>	<b>7.45</b>	<b>-0.68</b>	<b>1.01</b>	<b>3.89</b>	<b>2.57</b>
<b>LABOUR MARKET</b>									
<b>UNEMPLOYMENT</b>	<b>4.20</b>	<b>3.80</b>	<b>3.60</b>	<b>3.50</b>	<b>3.70</b>	<b>0.20</b>	<b>-0.50</b>	<b>4.20</b>	<b>4.67</b>
<b>EMPLOYMENT *</b>	<b>3.60</b>	<b>4.88</b>	<b>4.45</b>	<b>3.54</b>	<b>2.33</b>	<b>-1.21</b>	<b>-1.27</b>	<b>0.00</b>	<b>-0.22</b>

\* The employment variable represents the year-on-year change in employment growth.  
Source: Bureau of Economic Analysis, Bureau of Labor Statistics, OECD forecasts June 2022.

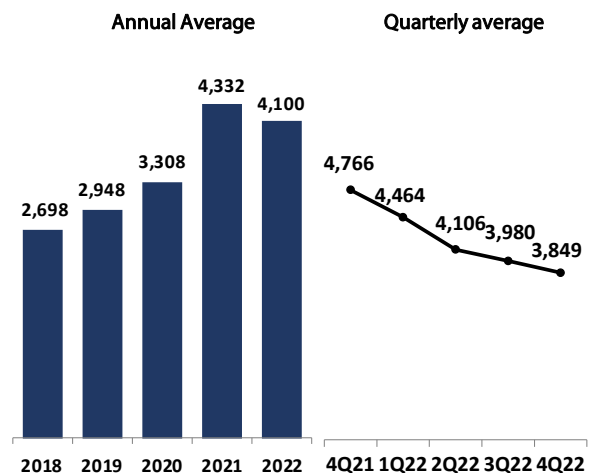
- ▶ The deceleration of the GDP growth is affected by the continued decline in consumer spending and the downturn in exports. External demand starts to decline, breaking a sustained upward trend observed in 2022. This consumption pattern highlights the sustained impact of inflationary pressures and current financial conditions. Although the drop in imports offsets part of the slowing GDP growth trend, the overall direction of declining demand indicates a continuation of the deceleration. A potential mild recession is under discussion.
- ▶ Federal government spending revamps due to measures enacted to combat inflation. However, the overall impact on the aggregated demand is forecasted to be limited in the coming quarters, as the projected spending pattern remains moderate in 2023 and 2024.
- ▶ Inflationary pressures continue despite prices showing signs of a slight decline. This downward trend is predicted to accelerate in 2023 and 2024. Unemployment slightly rose as expected in this quarter, and job growth moderated partly due to the slowdown of domestic demand.

## Treasury Yield Curves Rates (%)



Source: U.S. Department of the Treasury.

## S&P 500



Source: Federal Reserve.

# Mexico

**Mexico has surpassed the GDP decline caused by the pandemic, reaching a growth of 4.01% in 4Q22, driven by the primary and industrial sectors. However, it is experiencing persistent inflation, especially in the second half of the year, which has led the central bank to raise interest rates up to 10.5%.**

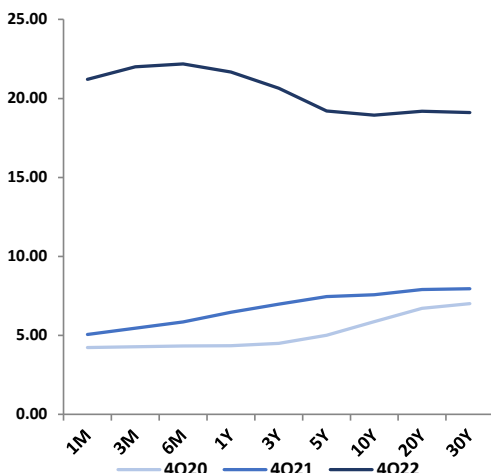
## Main Macroeconomic Indicators (%)

ACTIVITY	4Q21	1Q22	2Q22	3Q22	4Q22	Var. p.p. 3Q22	Var. p.p. 4Q21	2023	2024
<b>GDP</b>	1.15	1.90	2.27	3.45	4.01	0.56	2.86	1.63	2.13
DOMESTIC DEMAND	7.33	6.92	7.12	7.77	6.78	-0.99	-0.55	2.71	3.02
HOUSEHOLD CONSUMPTION	6.25	6.94	6.67	6.70	4.85	-1.85	-1.40	2.72	3.47
PUBLIC CONSUMPTION	8.81	12.22	12.22	10.10	12.65	2.55	3.84	1.64	0.88
CAPITAL FORMATION	7.69	5.22	6.92	5.44	5.17	-0.27	-2.52	3.10	2.81
EXTERNAL DEMAND									
EXPORTS	0.43	13.55	9.77	10.74	7.11	-3.63	6.68	3.83	4.99
IMPORTS	8.10	6.10	12.30	11.70	11.70	0.00	3.60	6.91	6.74
<b>INFLATION</b>									
<b>CPI</b>	6.99	7.27	7.77	8.52	8.01	-0.51	1.02	5.71	3.27
<b>LABOUR MARKET</b>									
<b>UNEMPLOYMENT RATE</b>	3.83	3.57	3.27	3.43	2.97	-0.46	-0.86	3.39	3.28
<b>EMPLOYMENT*</b>	6.15	5.86	3.94	2.87	3.07	0.20	-3.08	1.88	2.11

\*The employment variable represents the year-on-year change in employment growth.  
Source: National Institute for Geography and Economics (INEGI). Projections OECD November 2022.

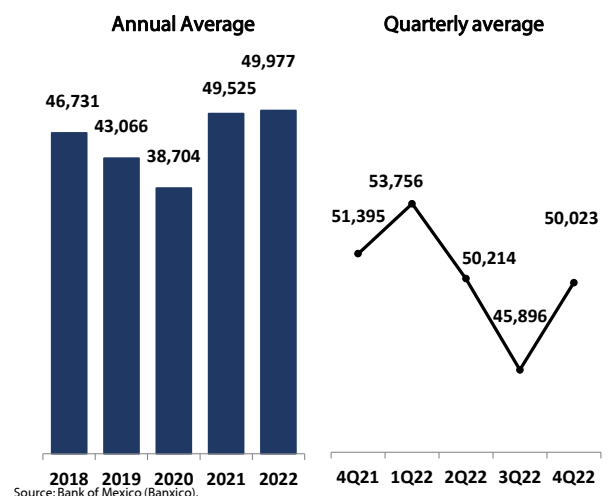
- ▶ The factors that explain the growth of the Mexican economy are exports and foreign direct investment, the consolidation of the near-shoring phenomenon, remittances, as well as the partial resolution of disruptions caused by the pandemic, mainly in supply chains and semiconductors. With all this, the Mexican economy recorded higher growth than the United States.
- ▶ On the other hand, interest rate hikes, which reached unprecedented reference rates of 10.5%, have contributed to the Mexican peso being the best-performing emerging currency against the USD in 2022, and although this monetary policy has slowed down some sectors (construction and home purchases), it has not affected the growth of the economy.
- ▶ In 2023, despite the good data from 4Q22, a slowdown is expected, with levels around 1.5% of GDP growth, although this data could be better if the United States avoids a recession, and if Mexico maintains the growth of exports and remittances, and takes advantage of the benefits of the T-MEC free trade agreement and near-shoring.

## Treasury Yield Curves Rates (%)



Source: Bank of Mexico (Banxico).

## ÍNDICE DE PRECIOS Y COTIZACIONES (S&P/BMV)



Source: Bank of Mexico (Banxico).

# Peru

**The Peruvian economy is expected to grow during 2023 and 2024, increasing to almost 3% from the 1.70% recorded in 4Q22, with persistent inflation in 2023 (7.04%) but controlled for 2024 (3.20%) and an unemployment rate without major variations around 7.5%.**

## Main Macroeconomic Indicators (%)

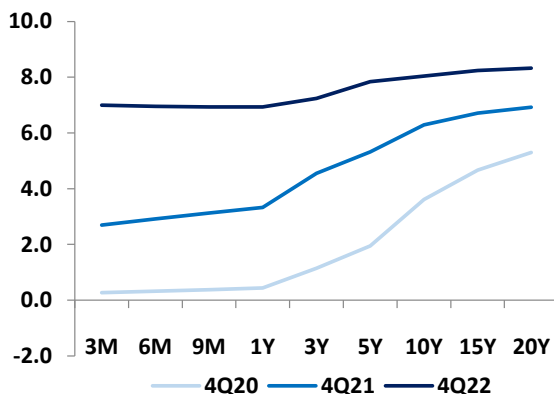
ACTIVITY	4Q21	1Q22	2Q22	3Q22	4Q22	Var. p.p. 3Q22	Var. p.p. 4Q21	2023	2024
<b>GDP</b>	<b>3.60</b>	<b>3.81</b>	<b>3.27</b>	<b>2.00</b>	<b>1.70</b>	<b>-0.30</b>	<b>-1.90</b>	2.65	2.93
DOMESTIC DEMAND	3.53	2.30	1.80	2.80	2.50	-0.30	-1.03	2.81	2.31
HOUSEHOLD CONSUMPTION	5.46	6.86	4.60	2.90	2.30	-0.60	-3.16	3.12	2.76
PUBLIC CONSUMPTION	-2.38	10.50	-3.20	-6.30	-10.30	-4.00	-7.92	0.38	1.06
CAPITAL FORMATION	-2.60	-1.40	0.80	1.30	2.40	1.10	5.00	1.26	1.73
EXTERNAL DEMAND									
EXPORTS	5.80	9.10	8.90	3.50	0.80	-2.70	-5.00	3.39	4.57
IMPORTS	7.00	2.70	2.20	7.10	4.20	-2.90	-2.80	3.89	2.24
<b>INFLATION</b>									
<b>CPI</b>	<b>5.97</b>	<b>6.22</b>	<b>8.29</b>	<b>8.56</b>	<b>8.01</b>	<b>-0.55</b>	<b>2.04</b>	7.04	3.20
<b>LABOUR MARKET</b>									
<b>UNEMPLOYMENT RATE</b>	<b>8.83</b>	<b>8.97</b>	<b>7.42</b>	<b>7.28</b>	<b>7.30</b>	<b>0.02</b>	<b>-1.53</b>	7.50	7.40
<b>EMPLOYMENT*</b>	<b>16.69</b>	<b>14.62</b>	<b>16.48</b>	<b>7.84</b>	<b>4.67</b>	<b>-3.17</b>	<b>-12.02</b>		

\* The employment variable represents the year-on-year change in employment growth.

Source: Peruvian Central Reserve Bank data and forecasts. Projections BCRP inflation report March 2022.

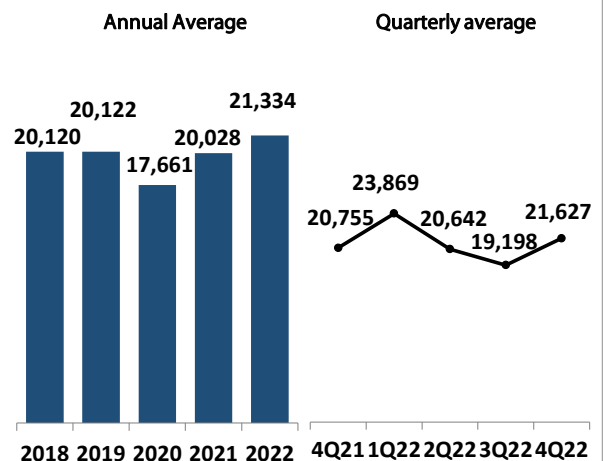
- ▶ After a 2% GDP expansion in the third quarter of 2022, the Peruvian economy reduced its growth pace to 1.7% in the fourth quarter, mainly due to a slowdown in private consumption as a result of social conflicts, a decrease in public and private investment, and a decline in exports. However, economic growth remains positive for the eighth consecutive quarter.
- ▶ For the year 2023, the Peruvian economy is estimated to have a growth of 2.65%, which is lower than the levels projected at the beginning of the year (2.9%) mainly due to the continuation of social conflicts and the effects of Cyclone Yaku.
- ▶ Regarding inflation, a decreasing trend is expected from 2023, approaching the BCRP's target range (between 1% and 3%) in 2024.
- ▶ On the other hand, the unemployment rate has had a slight increase, reaching 7.3% in the fourth quarter of 2022, however, it still remains below the levels of 2021.

## Treasury Yield Curves Rates (%)



Source: Central Bank of Peru

## BVL



Fuente: National Institute for Statistics and Informatics.



4Q22

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# Asia

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Main Macroeconomic  
Indicators

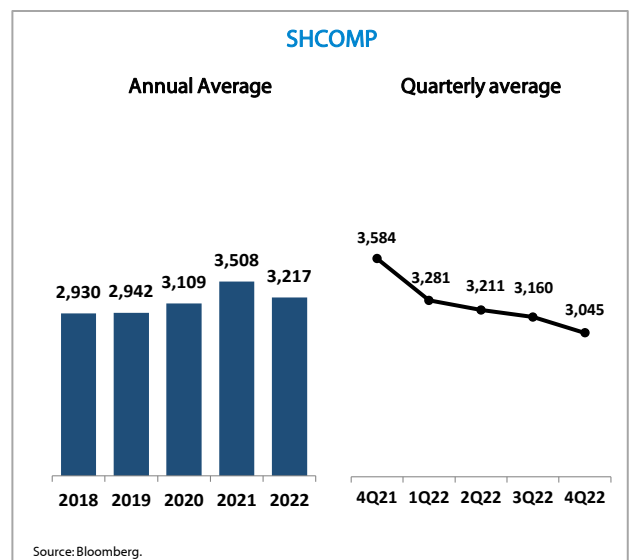
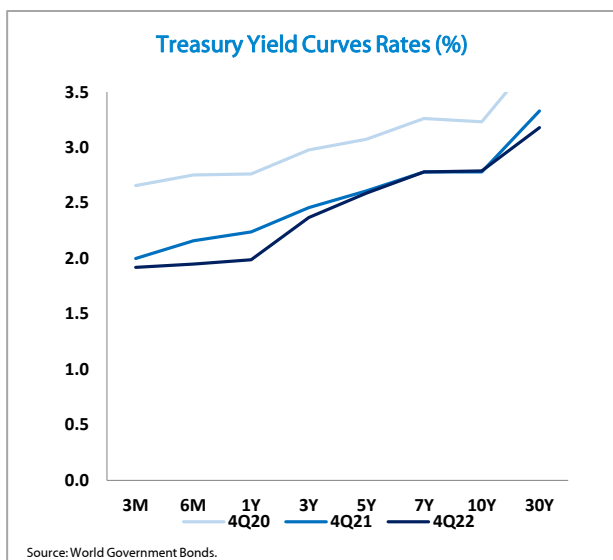
# China

***It is expected that the Chinese economy will register similar positive growth rates during 2023 (4.62%) and 2024 (4.13%), as a consequence of strict lockdowns caused by the pandemic, with inflation expected to remain around 2% in 2024 and an unemployment rate expected to decrease to 3.90% by 2024.***

Main Macroeconomic Indicators (%)							
INDICATOR	4Q21	1Q22	2Q22	3Q22	4Q22	2023	2024
<b>GDP</b>	4.00	4.80	0.40	3.90	2.90	4.62	4.13
<b>INFLATION</b>							
<b>CPI</b>	1.77	1.10	2.23	2.67	1.83	2.19	2.00
<b>LABOUR MARKET</b>							
<b>UNEMPLOYMENT</b>	3.96	5.50	5.80	5.50	5.50	4.10	3.90
INDICATOR	2018	2019	2020	2021	2022	2023	2024
<b>GDP</b>	6.68	6.15	1.95	8.78	3.00	4.62	4.13
DOMESTIC DEMAND	11.82	8.34	1.68	10.93	n.a	4.86	4.02
PRIVATE CONSUMPTION	10.43	9.34	0.00	13.34	n.a		
PUBLIC CONSUMPTION	11.91	8.84	4.95	4.86	n.a		
GROSS FIXED CAPITAL FORMATION	13.08	7.26	1.93	11.21	n.a		
NET EXPORTS	-51.61	61.58	121.68	16.84	n.a		
<b>INFLATION</b>							
<b>CPI</b>	2.13	2.90	2.51	0.92	1.96	2.19	2.00
<b>LABOUR MARKET</b>							
<b>UNEMPLOYMENT</b>	3.84	3.63	3.98	3.91	5.58	4.10	3.90

Source: National Bureau of Statistics of China. Projections OECD and IMF November 2022.

- The Chinese economy grew by around 3% in 2022, which is the worst figure since the first year of the Covid-19 pandemic in 2020, which has caused significant lockdowns and disruptions in the production chain until the present day.
- Inflation, which seems to be moving at reasonable thresholds - close to 2% - compared to what is observed in the rest of the world, and the cessation of lockdown policies and progressive reopening of the economy are positive indicators.
- The outlook for the Chinese economy is favorable and it is expected that the GDP growth rate will double, reaching levels close to 5% during 2023 and the unemployment rate will decrease from 5.50% to 3.90% in 2024.



The background is a dark blue gradient. It features a faint world map with a network of white lines and dots connecting various points, suggesting global connectivity. In the lower half, there are silhouettes of city buildings and a bridge over water. At the bottom, there are horizontal lines of binary code (0s and 1s).

# Appendix

## 5. 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 labor force, but is currently unemployed, represents the level of unemployment as a proportion of the labor 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     | ▶ USA- 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        |                                |



## 6. 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\\_m\\_ain&xpid=INE](https://www.ine.pt/xportal/xmain?xpgid=ine_m_ain&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](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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***Manuel Ángel Guzmán Caba***

Partner at Management Solutions

[manuel.guzman@managementsolutions.com](mailto:manuel.guzman@managementsolutions.com)

***Marta Hierro***

Director at Management Solutions

[marta.hierro@managementsolutions.com](mailto:marta.hierro@managementsolutions.com)

***Management Solutions***

Tel. +(1) 212 626 6640

Fax. +(1) 212 626 6641

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