

CNMV BULLETIN: ANALYSIS OF SAVINGS AND INVESTMENT DECISIONS OF SPANISH HOUSEHOLDS AND THE PRESENCE OF SPANISH NON-FINANCIAL COMPANIES IN CAPITAL MARKETS

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- Relating to the third quarter of 2018, it includes the report "Securities markets and their agents: situation and outlook".
- It also contains an analysis of household savings and investment decisions.

The Spanish National Securities Market Commission (CNMV) has published its quarterly [Bulletin for the third quarter of 2018](#). This edition includes the report "Securities markets and their agents: situation and outlook", which analyses in depth the development of national and international financial markets in recent months, as well as that of investment vehicles, investment firms, CIS management companies and other intermediaries.

This report highlights the relative changes in the conditions of the international macroeconomic environment, recently marked by the increase in tensions related to a possible trade war and the uncertainties generated in some advanced economies such as Italy, and emerging economies such as Argentina and Turkey, all pointing to a revision in growth forecasts, including that of Spain, which nevertheless maintains a positive differential of half a percentage point with respect to the euro zone. In the equity markets, the advances in the North American indices contrast with the regression experienced by the European ones throughout the year, which were not offset by the slight progress registered in the third quarter. In the debt markets, long-term interest rates have risen substantially in the US, UK and Italy, while in Germany and France they have remained stable, and in Spain and Portugal they have fallen slightly.

In Spain, the financial market stress indicator remains at levels compatible with reduced stress (0.18 as of 28 September). For its part, liquidity in the equity market has remained at satisfactory levels. Finally, it is worth noting the continued expansion of the mutual fund industry, whose assets increased by 3.2% in the first six months of the year (to stand at 274 billion euros), and the slight downturn of the business of securities firms and agencies, whose aggregate pre-tax profit fell by 34.4% in the first half of the year to 138.2 million euros in annualised terms.

The new Bulletin also contains two articles: in the first, entitled “*Análisis de las decisiones de ahorro e inversión de los hogares españoles*” (“**Analysis of savings and investment decisions of Spanish households**”), by María Isabel Cambón, these decisions taken by Spanish households since 1999 are analysed in comparison with other European countries. Evidence is provided that the savings rate of Spanish households has been and is systematically lower than that of most countries, even in those periods during which savings increased due to the economic and financial crisis. These lower savings rates coexist with higher rates of indebtedness and with a real estate wealth that is greater than that of European households. This real estate component accounts for most of the savings and debt. Independently of the analysis of the factors that have led to this particular structure, which do not exclude those of a cultural nature, the study attempts to analyse and relate these factors to the productive economy model, assessing whether the observed trends could lead to a model that in the long term could have a negative effect on productivity and the development of economic activity.

The second article, entitled “*La presencia de las empresas españolas no financieras en los mercados de capitales*” (“**The presence of Spanish non-financial companies in capital markets**”) by Eudald Canadell and María Isabel Cambón, analyses the changes that have taken place in recent years in the financing of Spanish companies which, traditionally, have been characterised by a very high degree of bank credit (even higher than that of other European economies considered to predominantly avail of banking services) but which, as a result of the financial crisis, have significantly increased their access to market financing. Market financing, including listing, is highly beneficial, not only because of the diversification of funding sources that it offers, but also because of its counter-cyclical nature during credit crunch times due to banking crises. The article finds that the large proportion of small firms poses an obstacle to market financing and examines the conditions that could favour such financing, including the elimination of certain obstacles to and thresholds for their growth, or the possibilities offered by new forms of market such as MARF (Alternative Fixed-Income Market) or MAB (Alternative Stock Market).

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