

NEW CNMV BULLETIN, INCLUDING THE REPORT ON MARKETS AND THEIR AGENTS AND TWO ARTICLES, ONE ON TRANSITION RISK IN INVESTMENT FUNDS AND THE OTHER ON CLIMATE BENCHMARKS

11 May 2023

The Spanish National Securities Market Commission (CNMV) has published its [quarterly bulletin for the first quarter of 2023](#). This edition includes the report on “Markets and their agents: situation and outlook” with the most relevant figures of the financial markets at the end of the first quarter of the year and of the main agents supervised by the CNMV.

There are also two interesting articles:

- The first one summarises the results of an exercise carried out to estimate the transition risk in Spanish investment funds; and
- The second article is on climate and sustainability benchmarks and their contribution towards attainment of the Sustainable Development Goals.

2023 started with a macro-financial environment marked by uncertainty, with persistently high global inflation rates, increases in core inflation rates and a continuing contractionary monetary policy. The actions by central banks have also been complex due to the decline in economic activity. Furthermore, in March there were turbulences in the financial markets as a result of the problems experienced by several US banks and one in Europe, most notably the resolution of Silicon Valley Bank (SVB) and the acquisition of Credit Suisse by UBS.

The central banks continued increasing interest rates, although to a lesser extent than in 2022. The main forecasts, subject to high uncertainty, indicate that growth will continue to slow in 2023. The Spanish economy also shows this deceleration process, although maintaining higher growth rates than other major European economies.

For further information:

[CNMV](#) Communications Department

Tel.: 91 5851530 - comunicacion@cnmv.es



In the securities markets, the first quarter finally led to significant revaluations, despite the turbulences that took place in March. These turbulences gave rise to a temporary upturn in volatility, reducing the gains accumulated up until then but without preventing these from being notable, particularly on European stock exchanges. The Ibex 35, with a 12.2% advance, positioned itself half-way among the European stock exchanges and recovered its pre-pandemic levels. The significant flattening of the interest rate curve should be highlighted in the securities markets, this being due to:

- The yield increase in the shorter terms, in line with the official interest rate increases by the central banks; and
- The downturn in the yields of longer-term assets, which have been adjusting in line with changing expectations regarding monetary policy actions.

Market agents

In the area of agents the report describes the development of total assets of investment funds which, after the advance in 2021, showed a 4.1% reduction in 2022 down to €324.7 billion exclusively as a result of the fall in portfolio value. Conversely, net subscriptions were positive throughout the year, particularly regarding fixed income funds where they exceeded €15 billion. The assets of foreign CISs marketed in Spain fell more intensely (-27.2%), to €201 billion at the end of the year. With regard to the provision of investment services, credit institutions continued to receive most of the income generated by this activity in 2022, with an increase in the number of Broker-Dealers and Brokers (SAVs), a sub-sector with an increasing number of entities that are independent or that belong to non-banking groups. It is also important to highlight the expansion of the venture capital sector in Spain: the number of registered entities showed a net increase of 184 to 855¹ in 2022 and that of management companies increased by 13 to 135.

Measuring transition risk in investment funds

The first article, by Ricardo Crisóstomo, entitled “Measuring **transition risk in Spanish investment funds**”, develops a global methodology to quantify the effect of the ecological transition on the value of investment funds. The analysis shows that, in the event of a disorderly or abrupt transition, investment funds will suffer average losses of 5.7%. However, risk distribution is significantly skewed and the losses

¹ This figure includes closed-ended collective investment schemes, which numbered 94 at the end of 2022.

of the worst funds amount to as much as 21.3%. In terms of asset classes, equities would be the worst performers (-12.7%), followed by corporate bonds (-5.6%) and government bonds (-4.8%).

Climate and sustainability benchmarks

The second article, **“Climate and sustainability benchmarks and their contribution to achieving the Sustainable Development Goals”** by María José Gómez Yubero, Bárbara Gullón Ojesto and Miguel Palomero Aguilar, analyses the effectiveness of benchmarks that take account of ESG factors and, in particular, climate benchmarks in facilitating investment in ESG, boosting companies’ transition to sustainability and reducing the risk of greenwashing. The analysis concludes that, despite the increasing use of these benchmarks and the considerable increase in ESG investment, their use is still limited. Also, it identifies the obstacles that may be hindering their development and conveys proposals to improve their efficacy, basically aimed at advancing in the implementation of the taxonomy and of harmonised disclosure standards for the benchmark transparency requirements to be consistent with those of investment product providers. This article is a continuation of the work with the same title published in [2021](#).

For further information:

[CNMV](#) Communications Department

Tel.: 91 5851530 - comunicacion@cnmv.es