

ESADE

17th CAPITAL MARKETS SEMINAR

GEOPOLITICS, MACROECONOMIC SETTING AND HOUSING

SOLEDAD NÚÑEZ

DEPUTY GOVERNOR

19 MARCH 2026

BANCODE **ESPAÑA**
Eurosistema



1

**INTERNATIONAL
SETTING**

2

**ECONOMIC
GROWTH IN
SPAIN AND
THE EURO
AREA**

3

**INFLATION IN
SPAIN AND
THE EURO
AREA**

4

HOUSING

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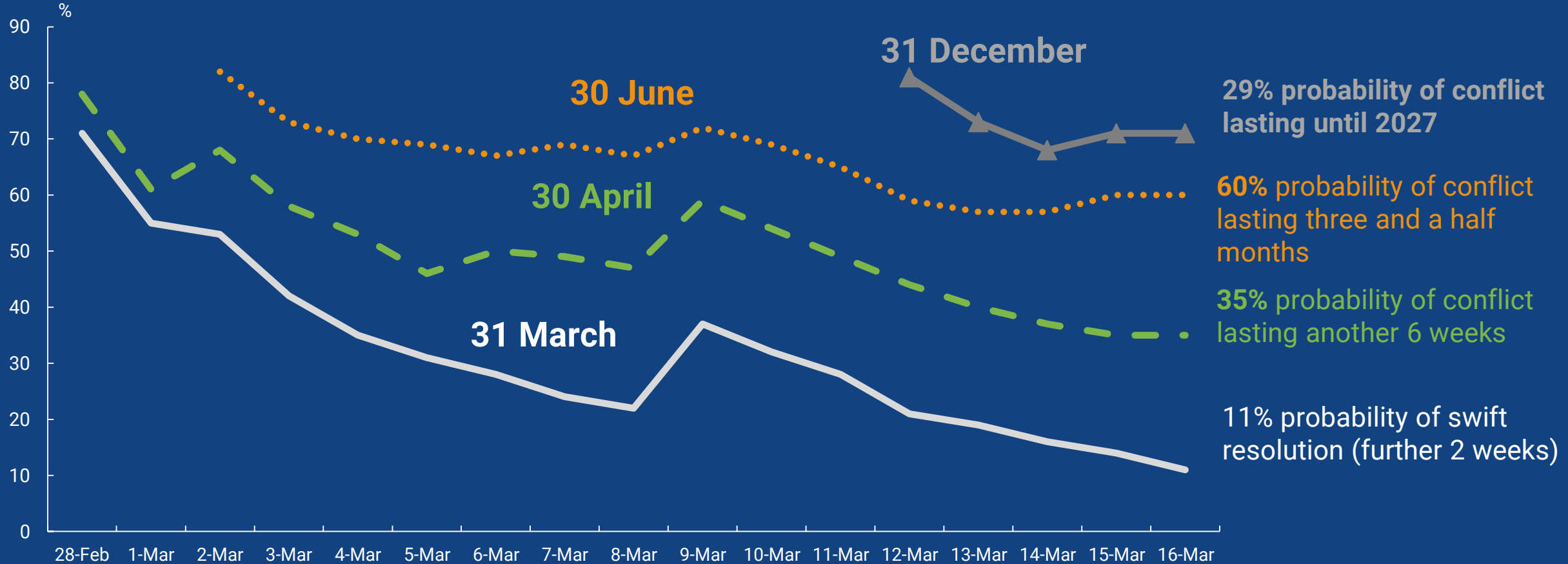
INFLATION IN
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EURO AREA

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POLYMARKET PREDICTIONS: FALLING PROBABILITY OF A SWIFT RESOLUTION TO THE CONFLICT

PROBABILITY OF A CEASEFIRE AT EACH DATE



Source: Polymarket.

ARTIFICIAL INTELLIGENCE (CONFLICT MONITOR): ESCALATION RISKS

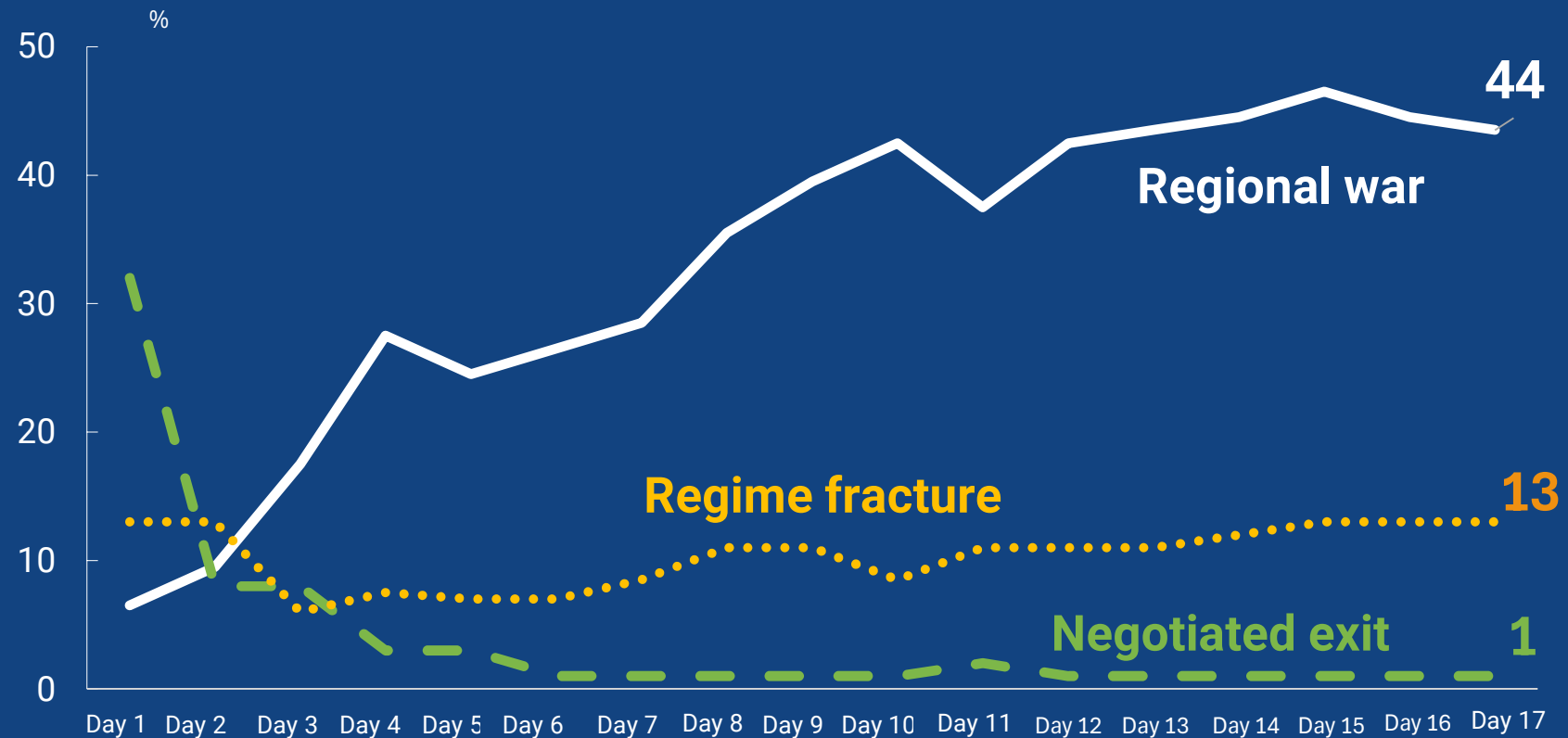
PROBABILITY OF EACH SCENARIO ACCORDING TO 14 AI AGENTS

Artificial Intelligence agents

The monitoring system employs 14 specialised analytical agents, each grounded in a specific theoretical framework from **international relations, security studies and decision science**

Every agent assesses the same evidence independently

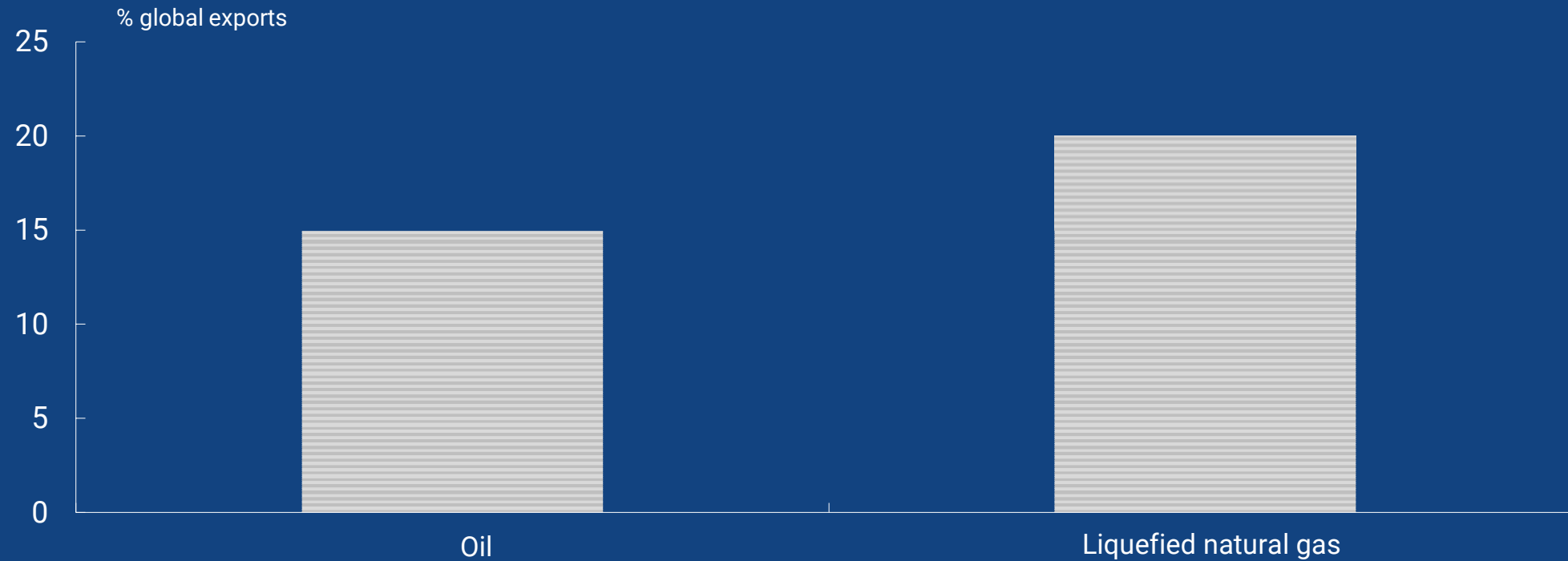
These agents apply analytical approaches to the raw intelligence: the scenario planner separates predetermined forces from genuine uncertainties; the forecaster enforces base-rate discipline; the tail-risk auditor guards against probability compression; the red team constructs the strongest possible counter-case



Source: SGEPT Lab (Global Trade Alert). Updated to 14 March. Iran Conflict Scenario Monitor.

THE CONFLICT AFFECTS A SIGNIFICANT PART OF THE GLOBAL HYDROCARBON MARKET

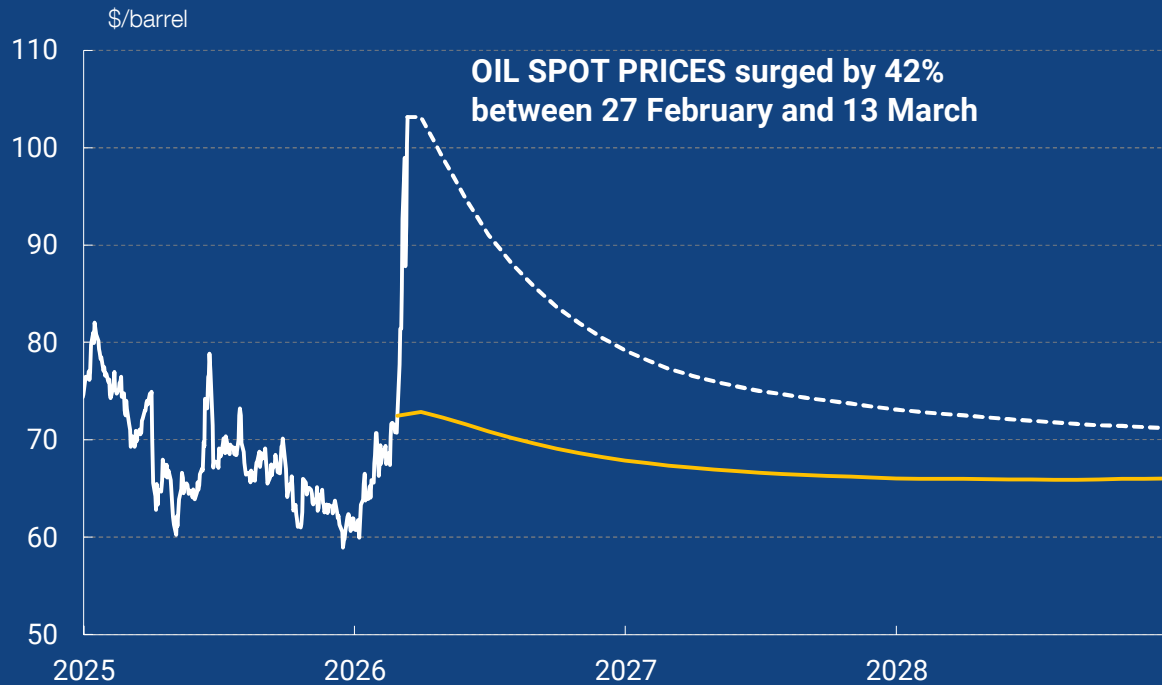
VOLUME OF OIL AND LIQUEFIED NATURAL GAS SHIPPED THROUGH THE STRAIT OF HORMUZ



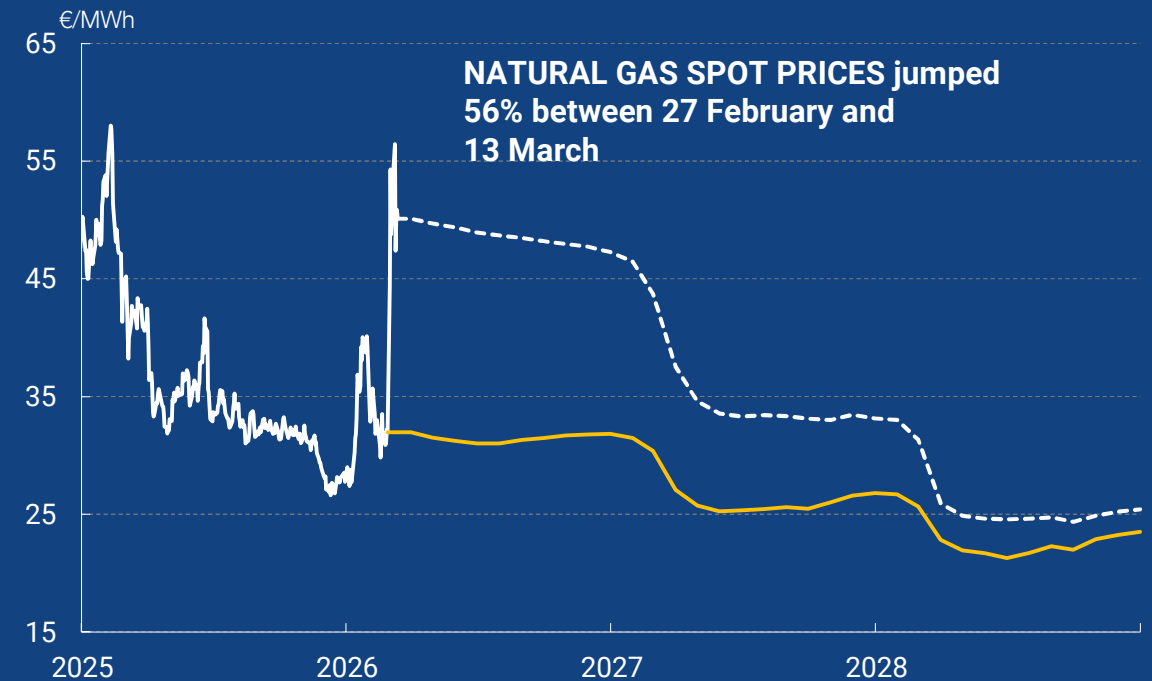
Source: IEA.

OIL AND NATURAL GAS PRICES HAVE SURGED SINCE THE US-IRAN CONFLICT BEGAN

OIL: SPOT PRICE AND FUTURES



TTF NATURAL GAS: SPOT PRICE AND FUTURES



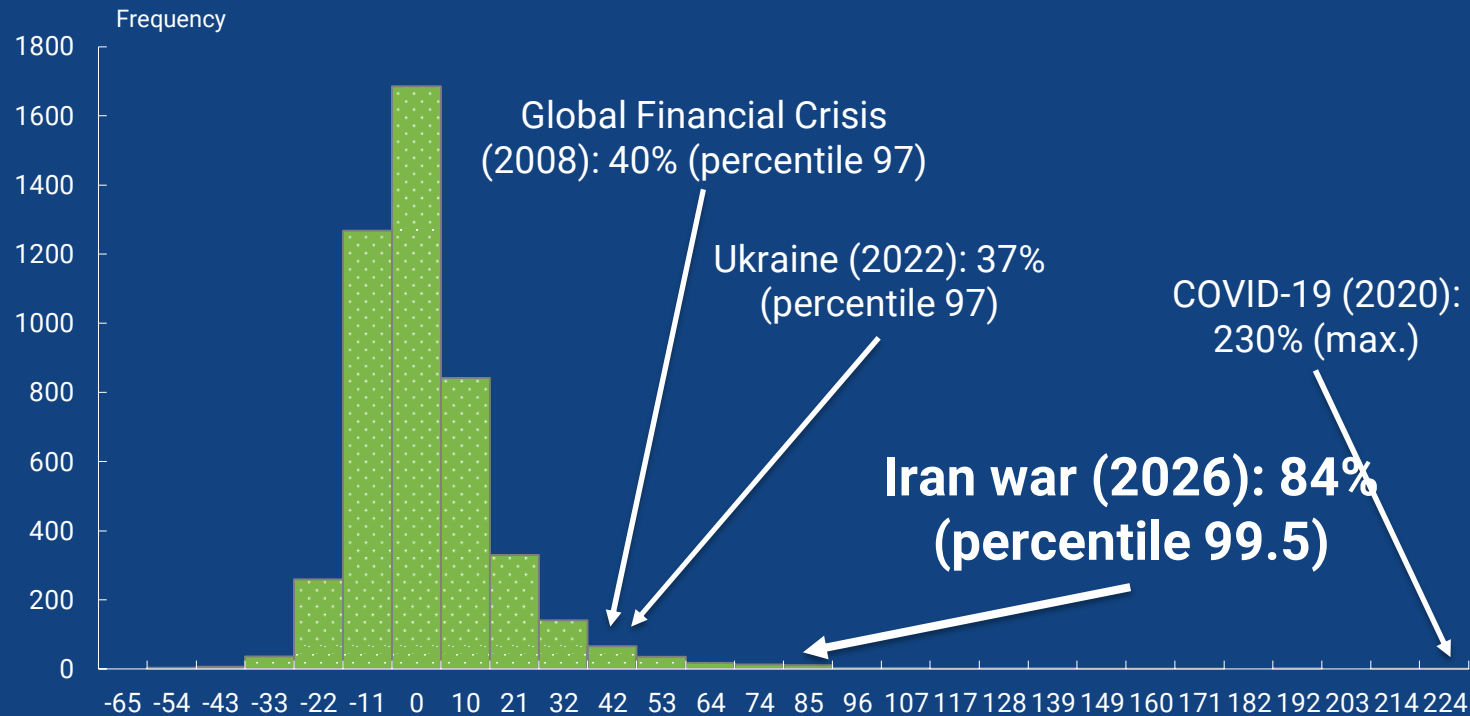
— SPOT PRICES LATEST FUTURES

— PRE-WAR FUTURES (27 FEB)

Source: LSEG.

AMID EXTREME VOLATILITY ON THE ENERGY MARKETS

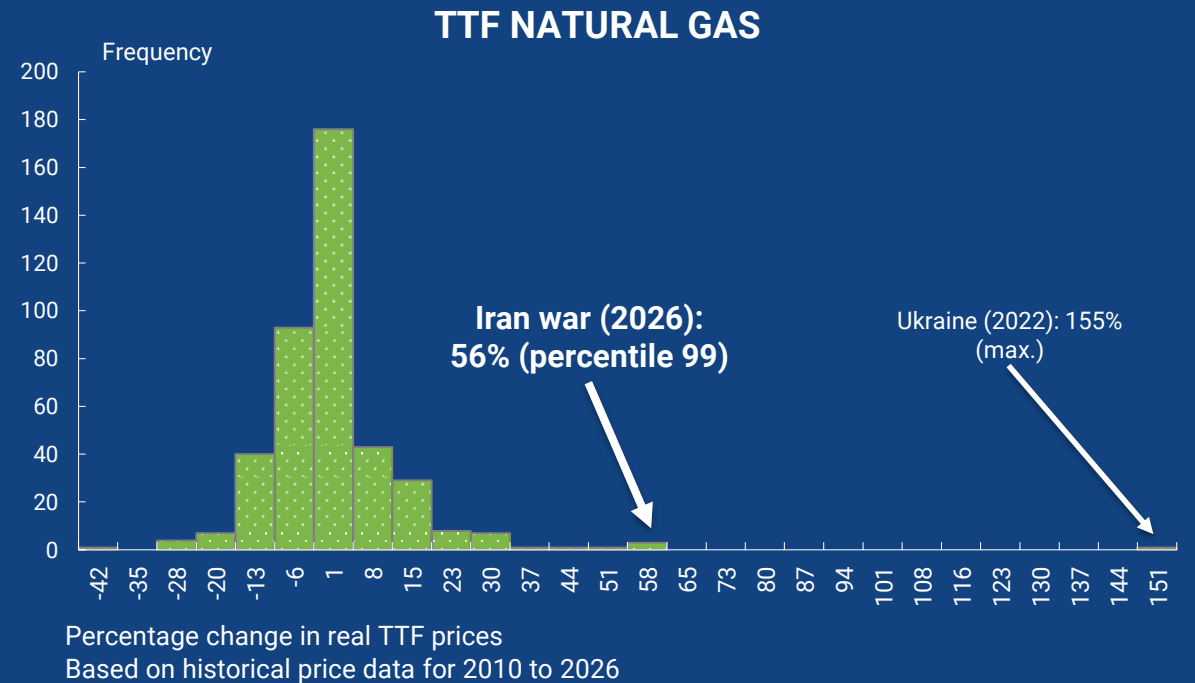
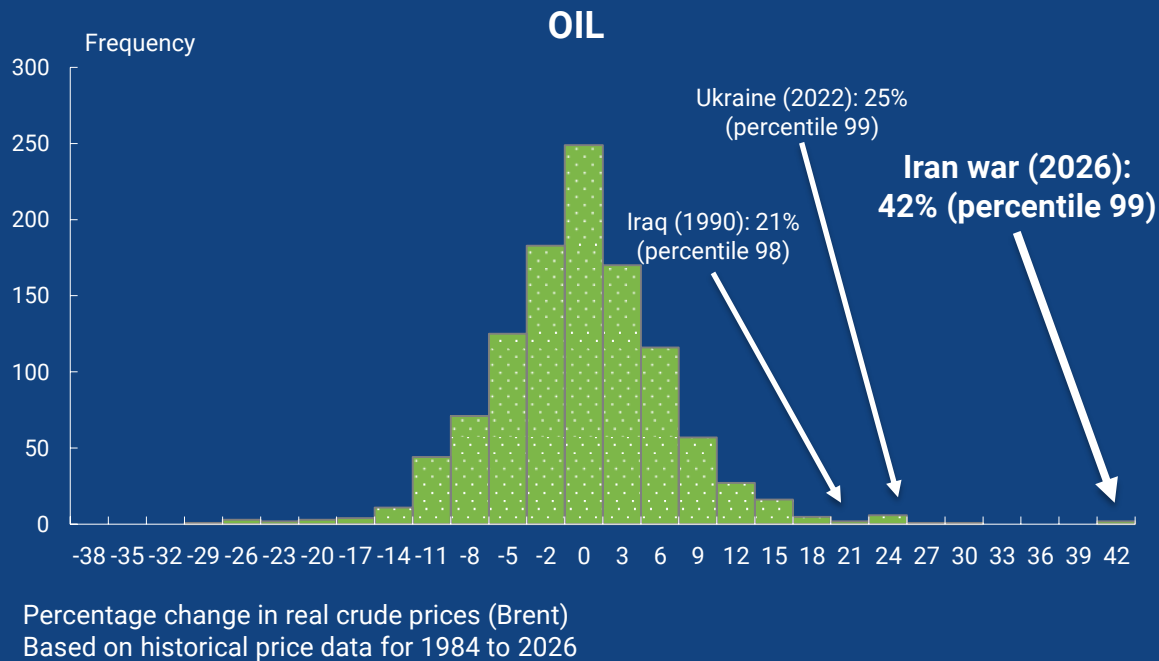
PERCENTAGE CHANGE IN OIL VOLATILITY INDEX (OVX) (2-WEEK WINDOWS)



Percentage change in OVX index
Based on historical OVX data from 2007 to 2026

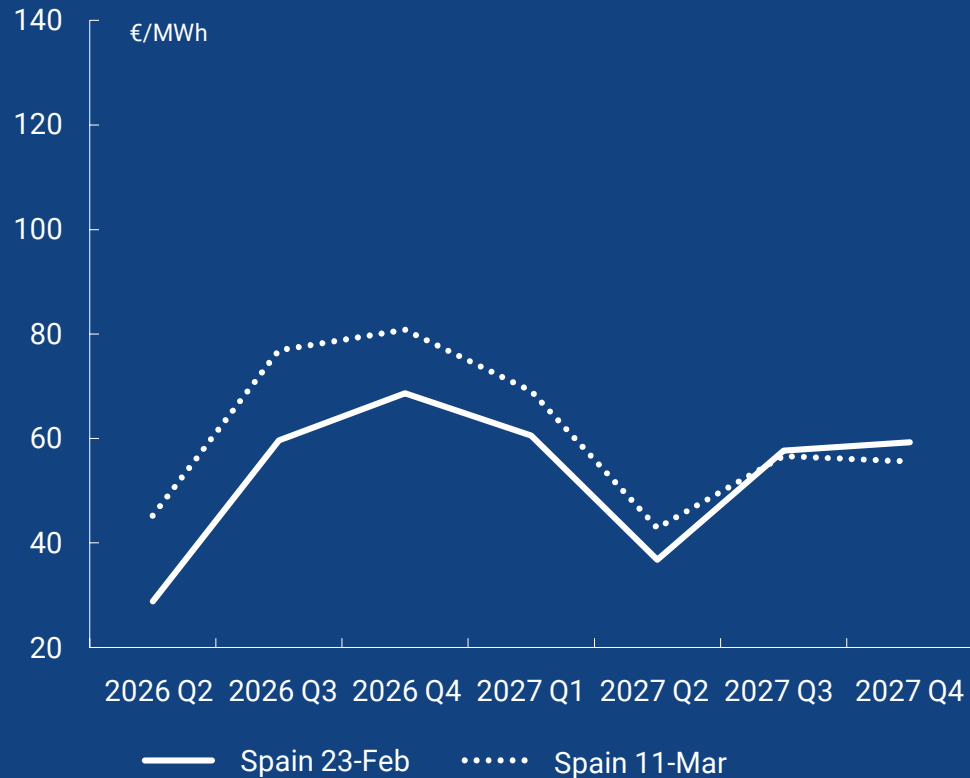
A MAJOR ENERGY SHOCK BY HISTORICAL STANDARDS

PERCENTAGE CHANGE IN REAL PRICES (2-WEEK WINDOWS)

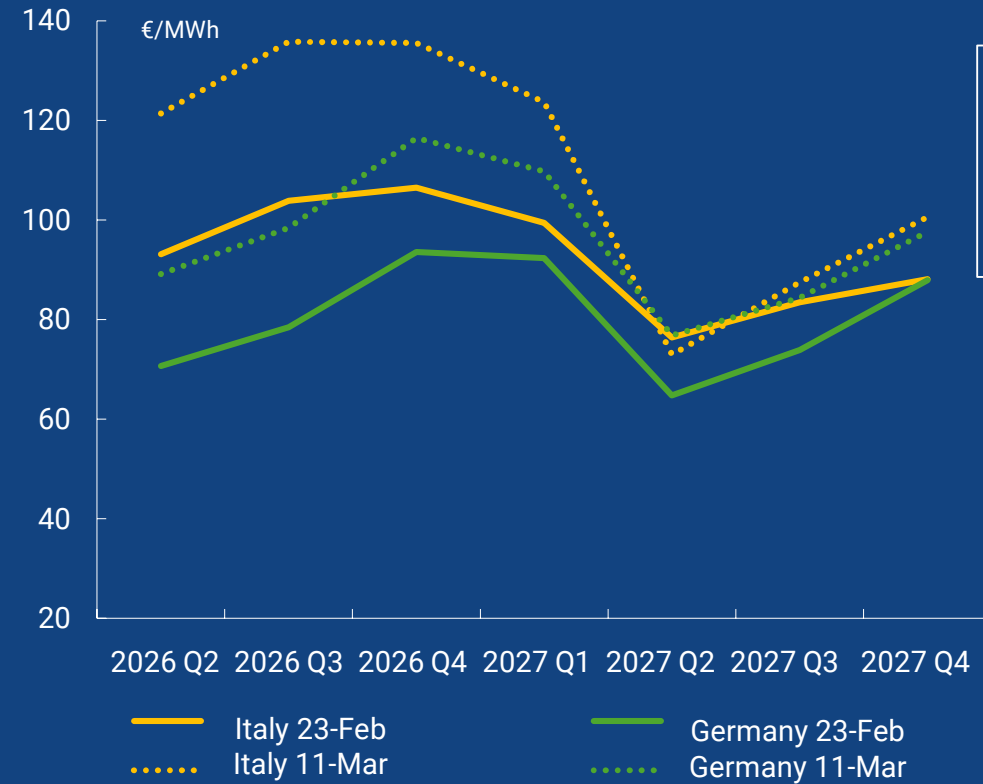


THE IMPACT ON ELECTRICITY PRICES IS SMALLER IN SPAIN

SPAIN: ELECTRICITY FUTURES

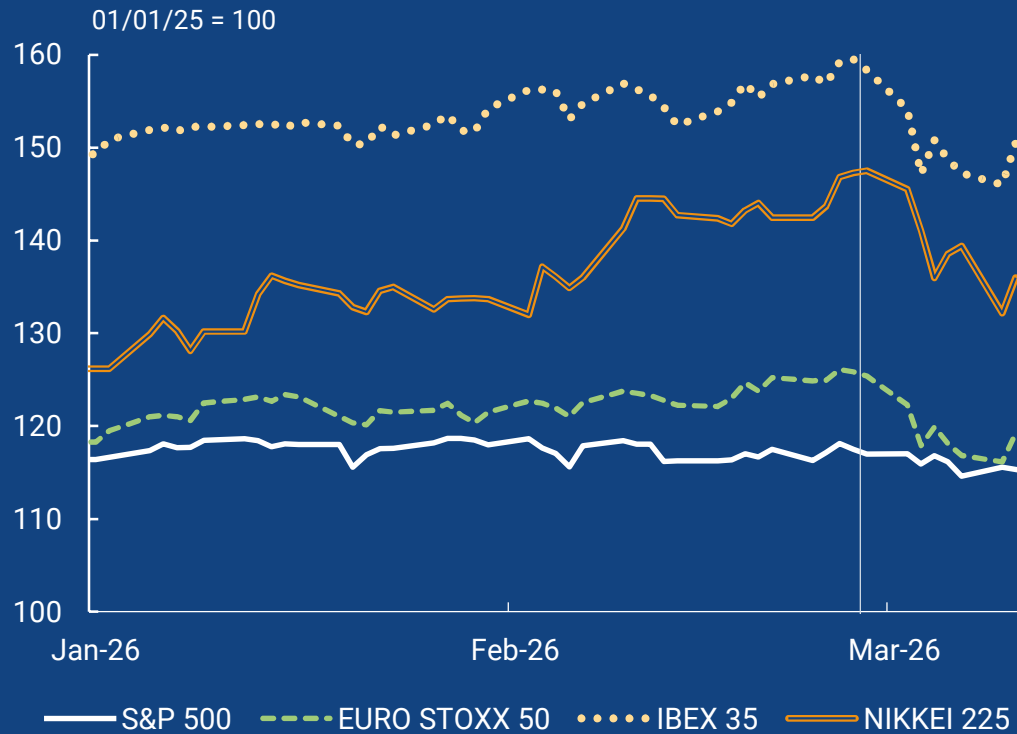


ITALY AND GERMANY: ELECTRICITY FUTURES

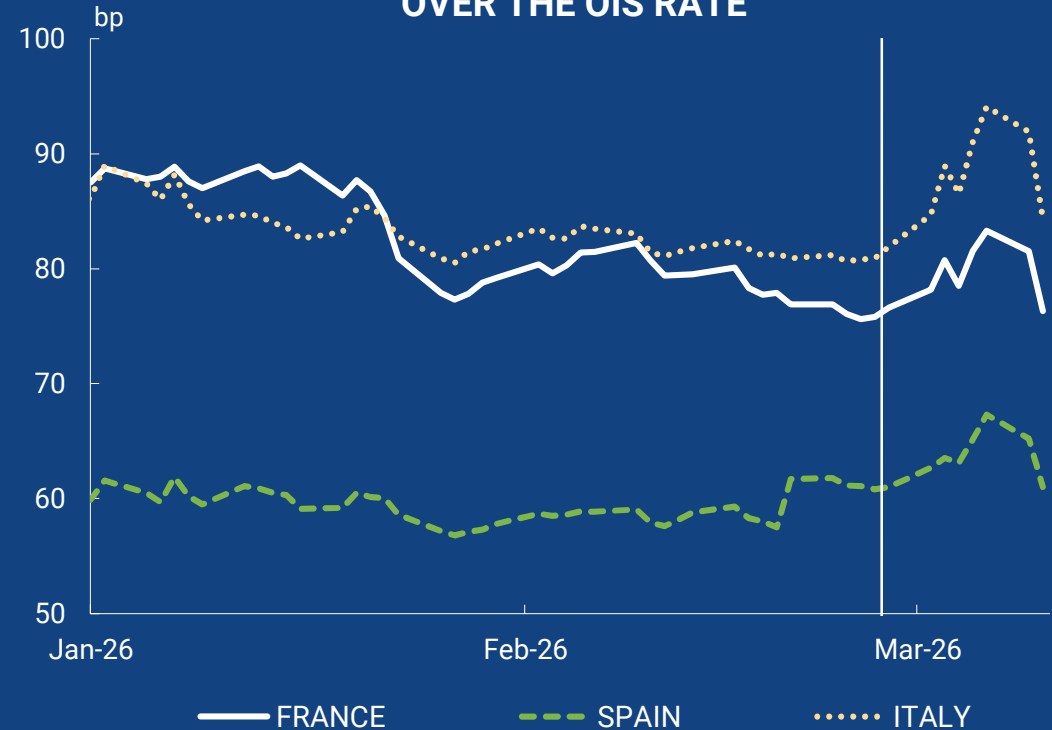


STOCK MARKET DECLINES AND WIDER SOVEREIGN SPREADS

STOCK MARKET INDICES

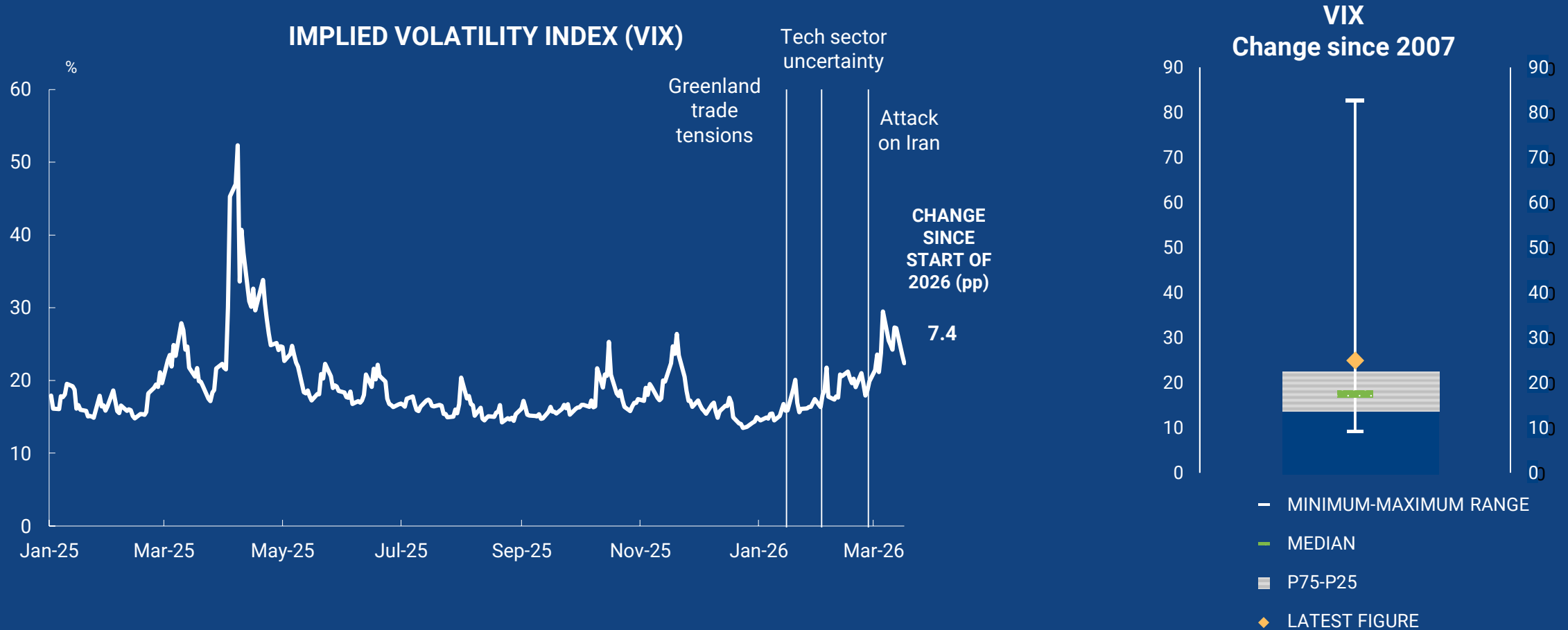


10-YEAR SOVEREIGN SPREADS OVER THE OIS RATE



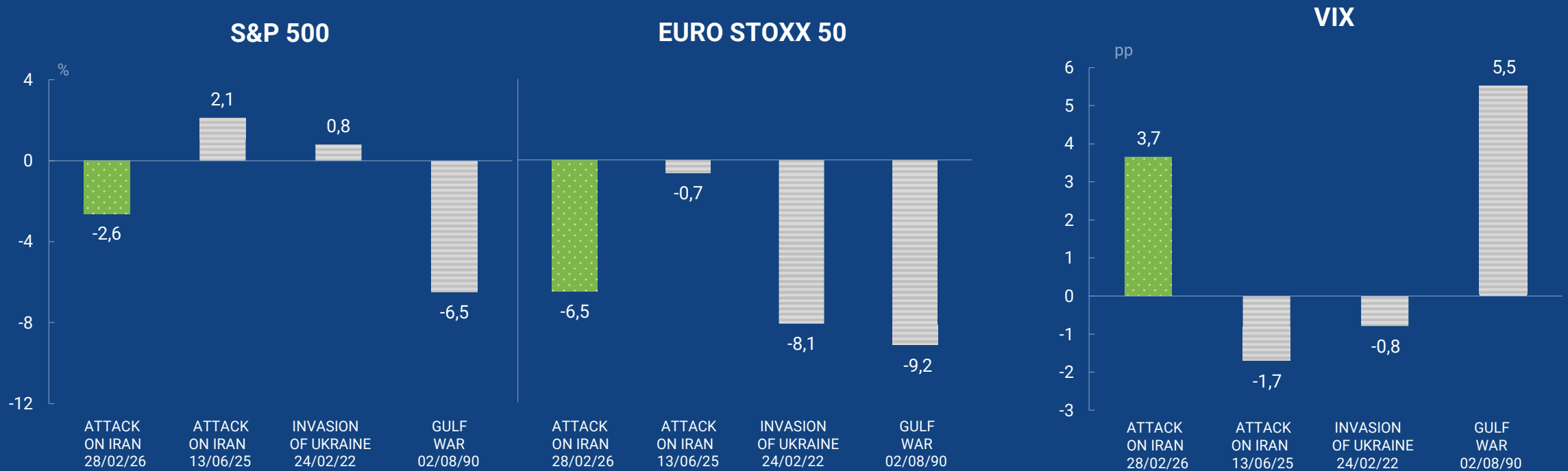
Source: LSEG Datastream.

HEIGHTENED VOLATILITY IN THE FINANCIAL MARKETS



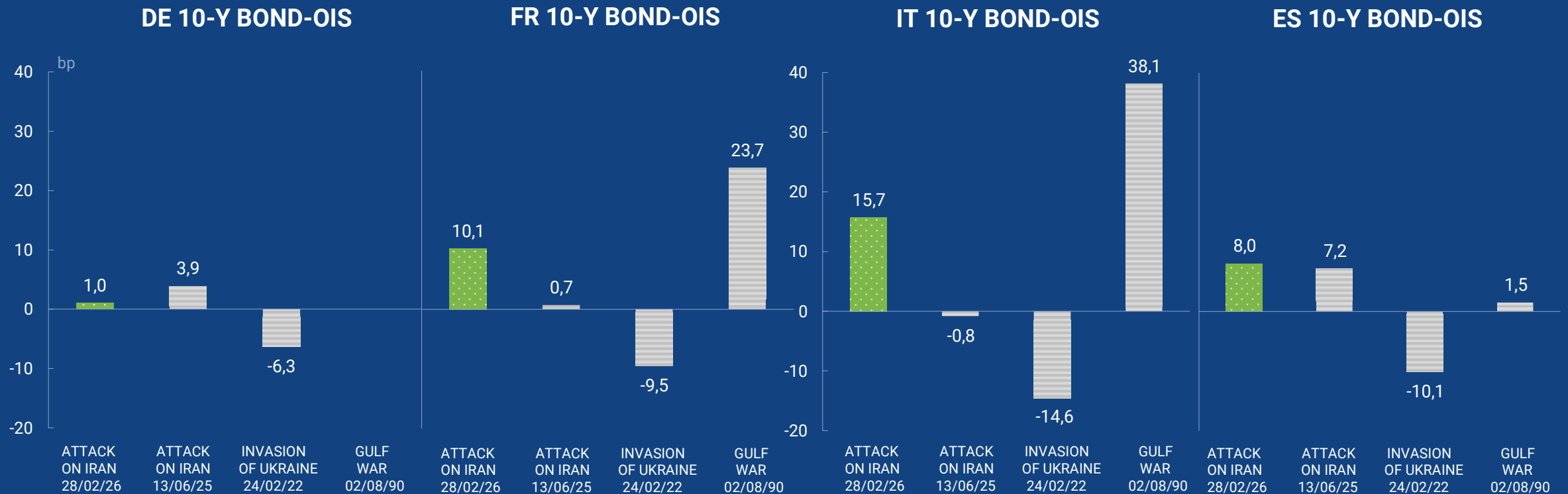
Source: LSEG Datastream.

STRONG MARKET REACTION TO THE ATTACK ON IRAN COMPARED WITH PREVIOUS EPISODES



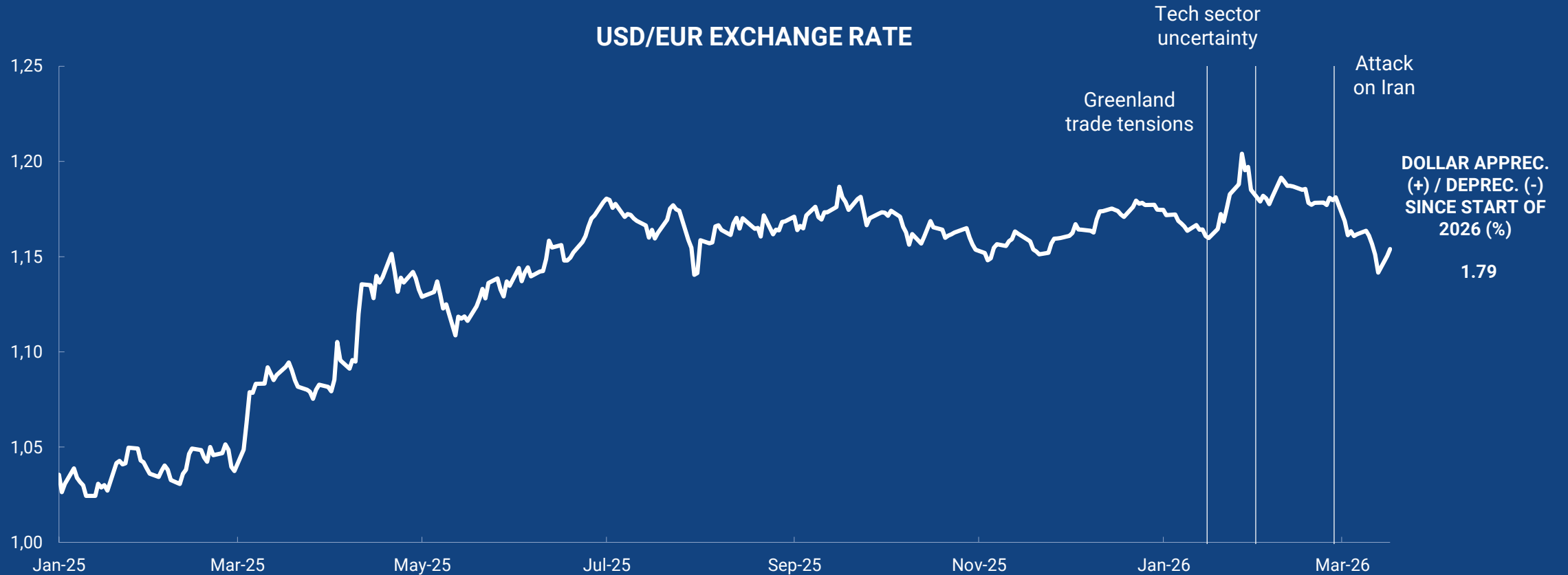
Source: Bloomberg Data License.
Change observed 11 working days after different geopolitical events.

WIDER SOVEREIGN SPREADS IN THE EURO AREA SINCE THE ATTACK ON IRAN



Source: Bloomberg Data License.
Change observed 11 working days after different geopolitical events.

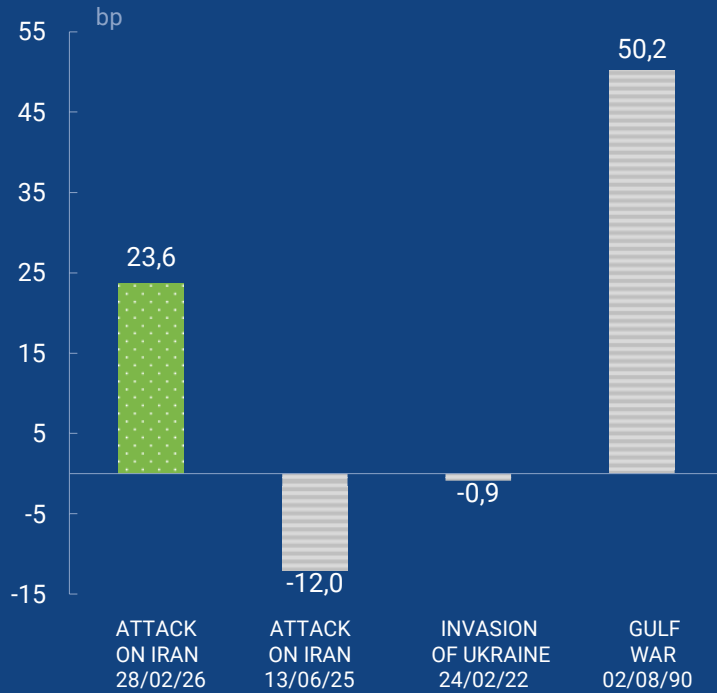
THE DOLLAR HAS APPRECIATED SLIGHTLY AND IS ACTING AS A SAFE-HAVEN ASSET



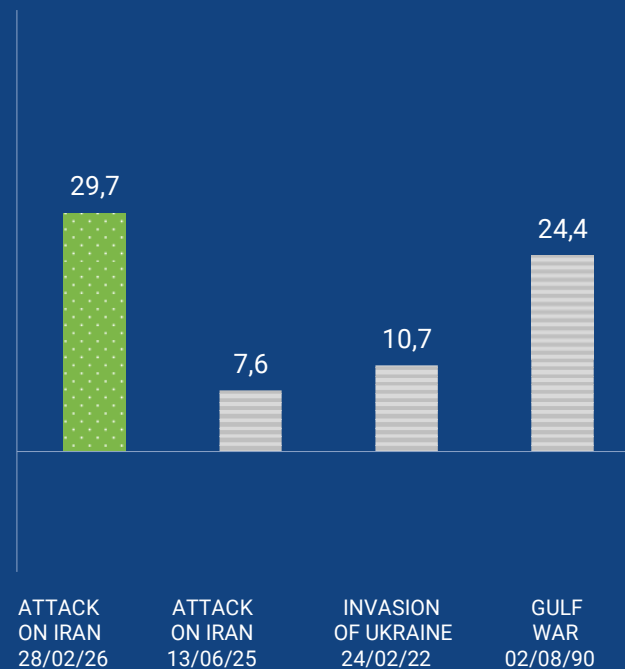
Sources: LSEG Datastream and Bloomberg Data License.

LONG-TERM INTEREST RATES AND THE DOLLAR ARE PROVING MORE VOLATILE THAN IN PREVIOUS EPISODES

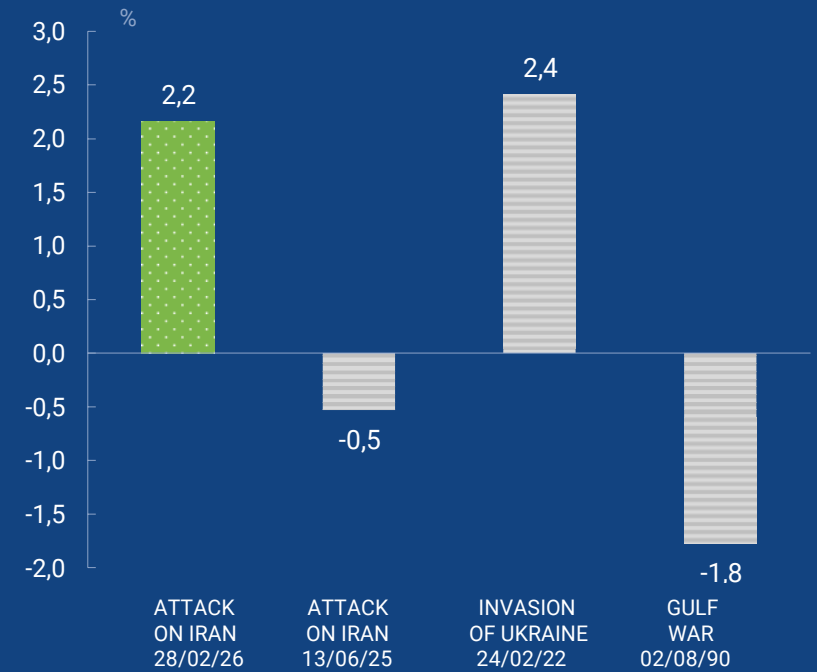
US 10-Y OIS



EURO AREA 10-Y OIS



US DOLLAR DXY



Source: Bloomberg Data License.
Change observed 11 working days after different geopolitical events.

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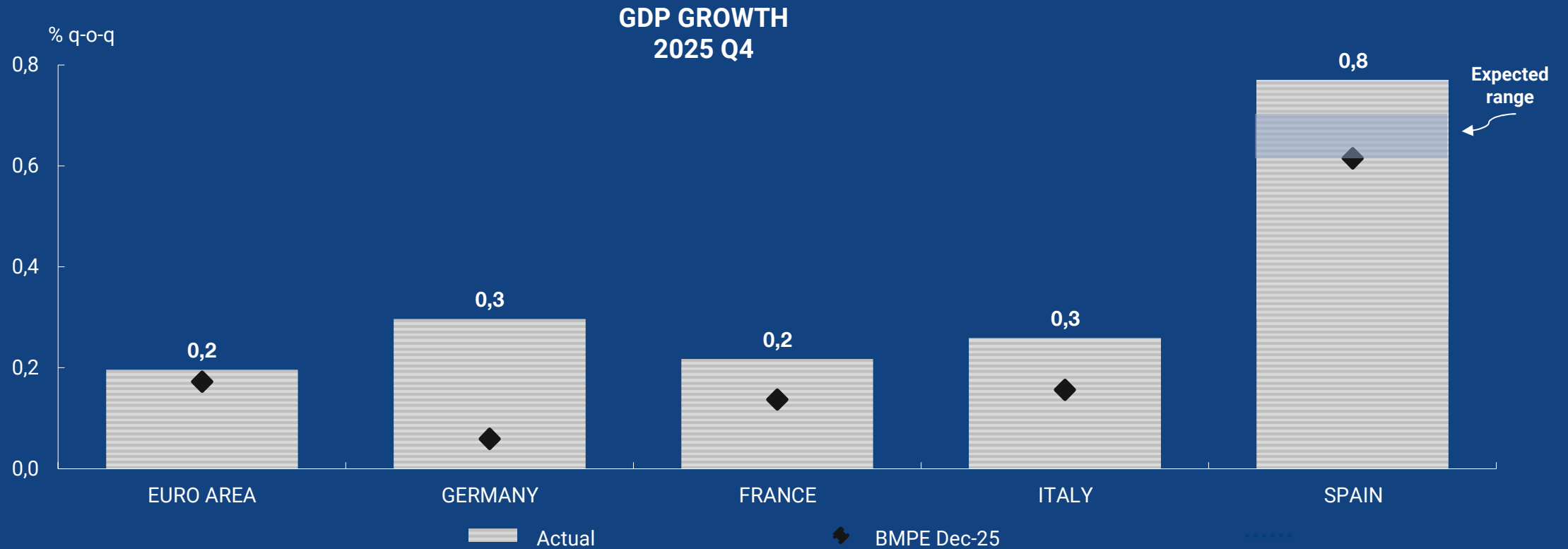
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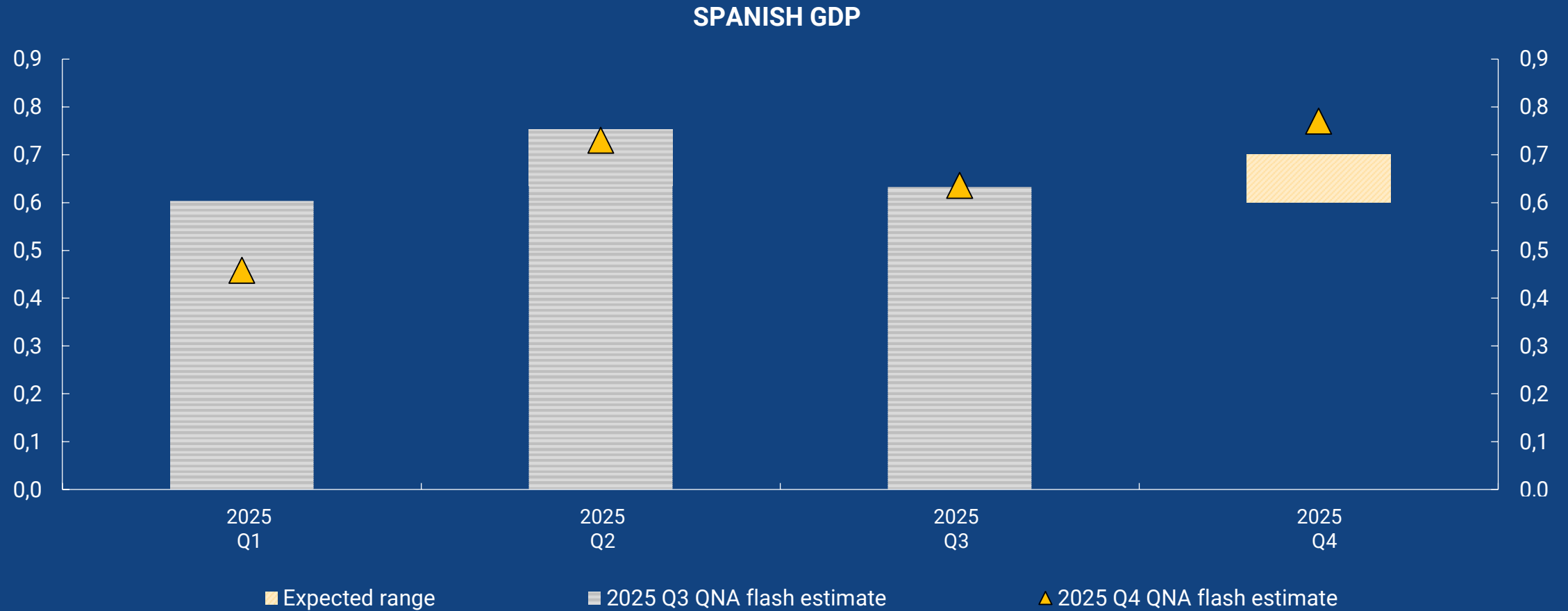
HOUSING

EURO AREA GROWTH STOOD AT 0.2% IN 2025 Q4, IN LINE WITH FORECASTS

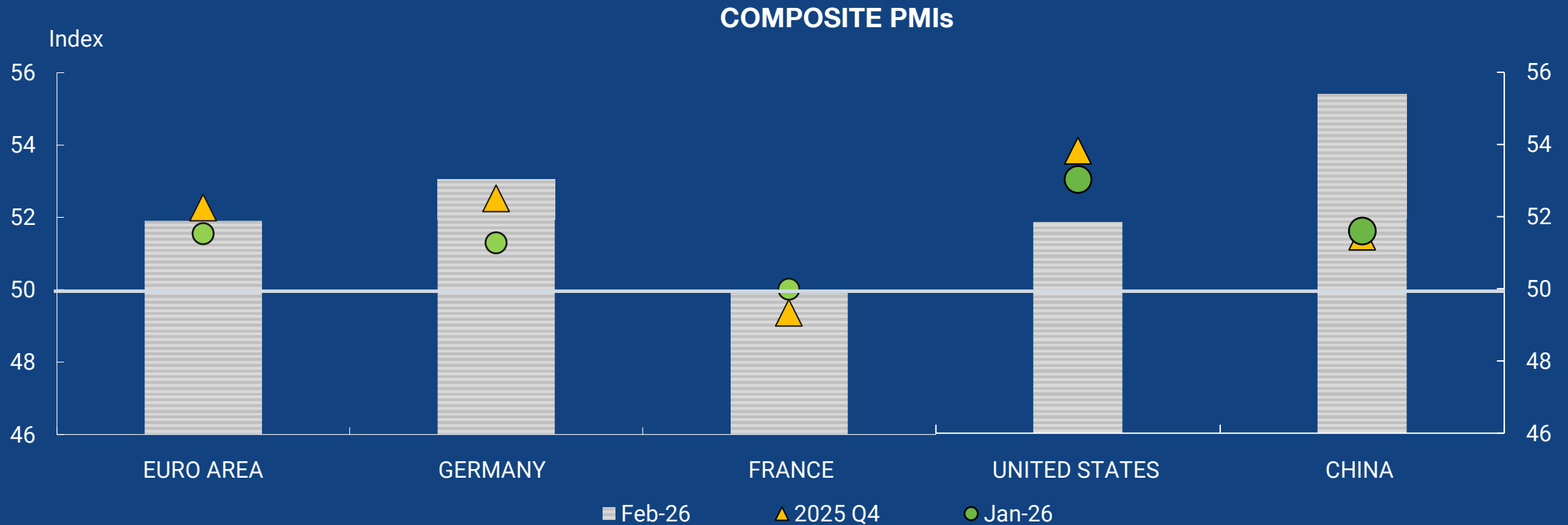


Sources: Eurostat and Eurosystem.

SPANISH GDP GROWTH EXCEEDED FORECASTS IN 2025 Q4



UP TO FEBRUARY, PMIs HELD STABLE IN THE EURO AREA, BUT SHOWED SOME WEAKNESS IN THE UNITED STATES



Source: S&P Global. Latest observation: February flash estimate.

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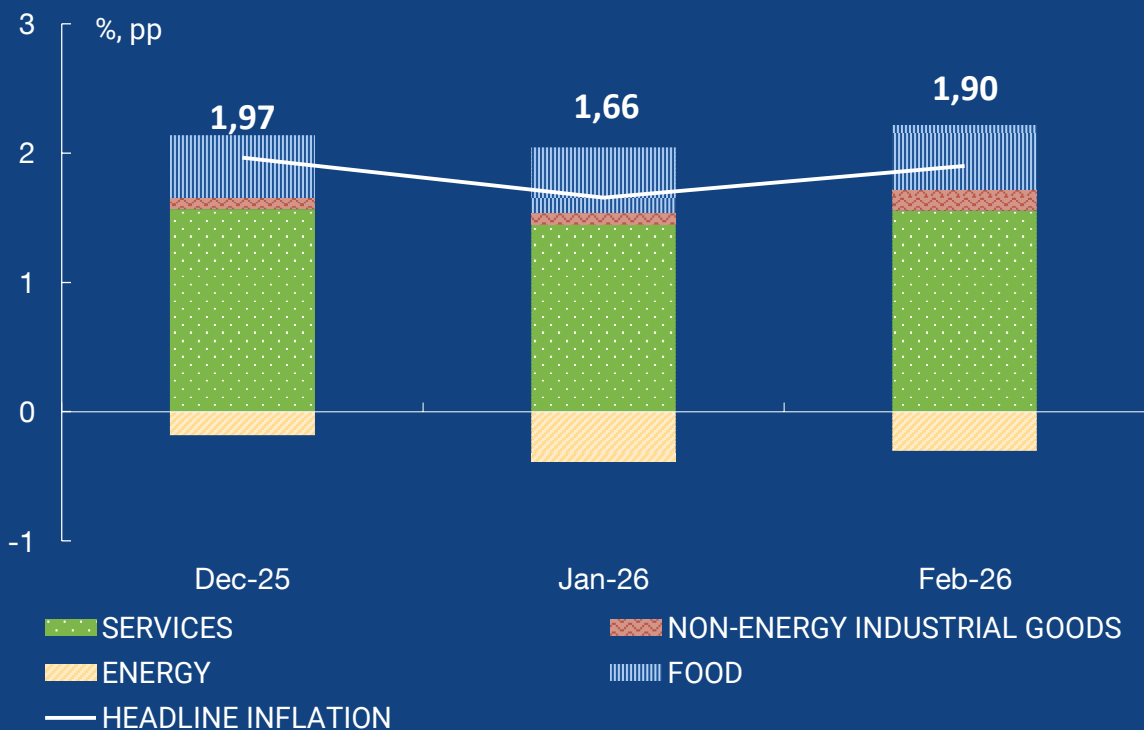
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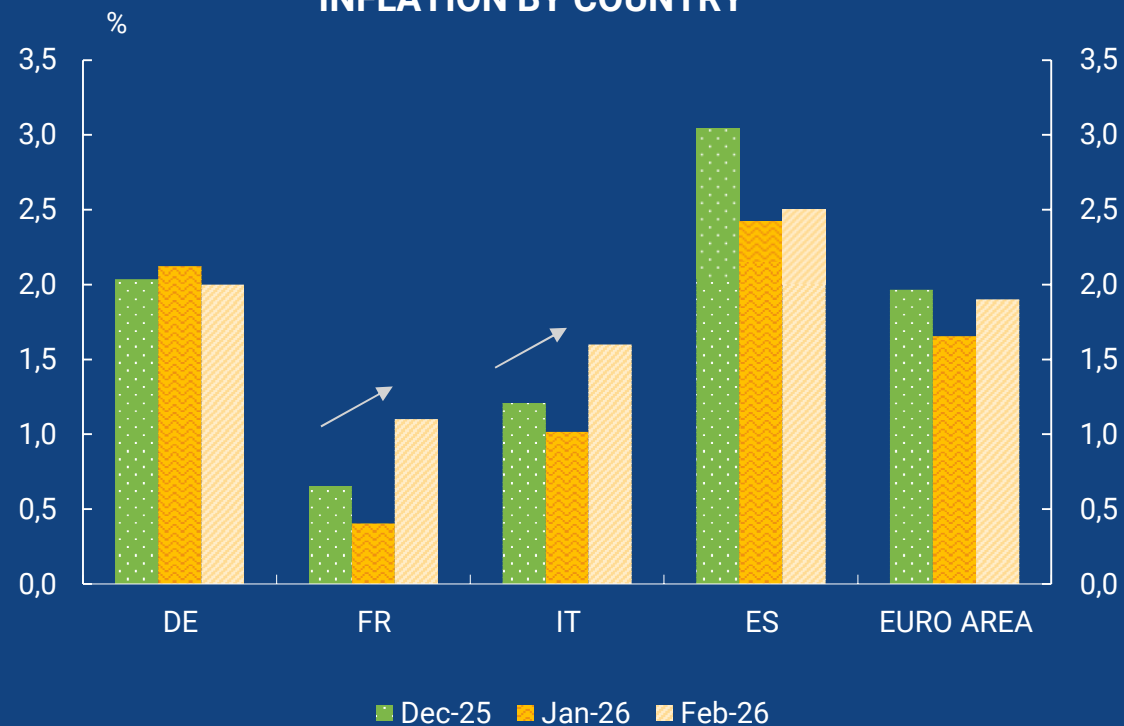
HOUSING

INFLATION WAS IN LINE WITH THE DECEMBER PROJECTIONS

EURO AREA: INFLATION AND CONTRIBUTIONS

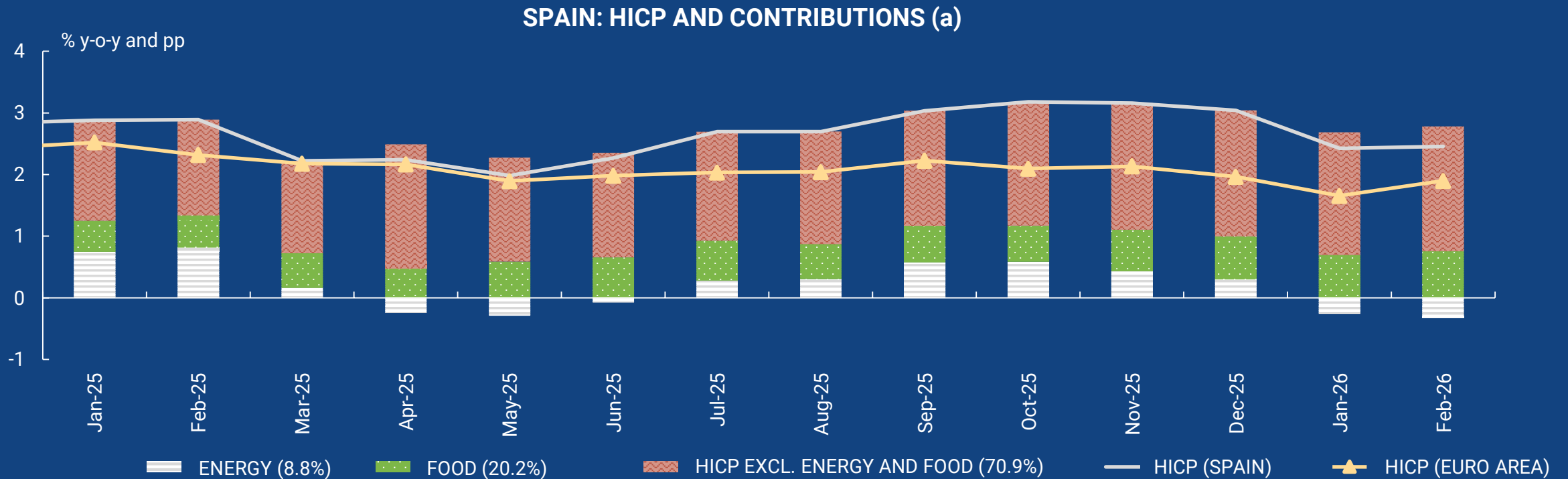


INFLATION BY COUNTRY



Source: Eurostat. Latest observation: February.

HEADLINE INFLATION WAS EASING UP TO FEBRUARY, DUE TO THE SLOWDOWN IN ENERGY



Sources: Eurostat and Banco de España.

(a) The weight of each component in headline HICP for 2026 is shown in brackets.

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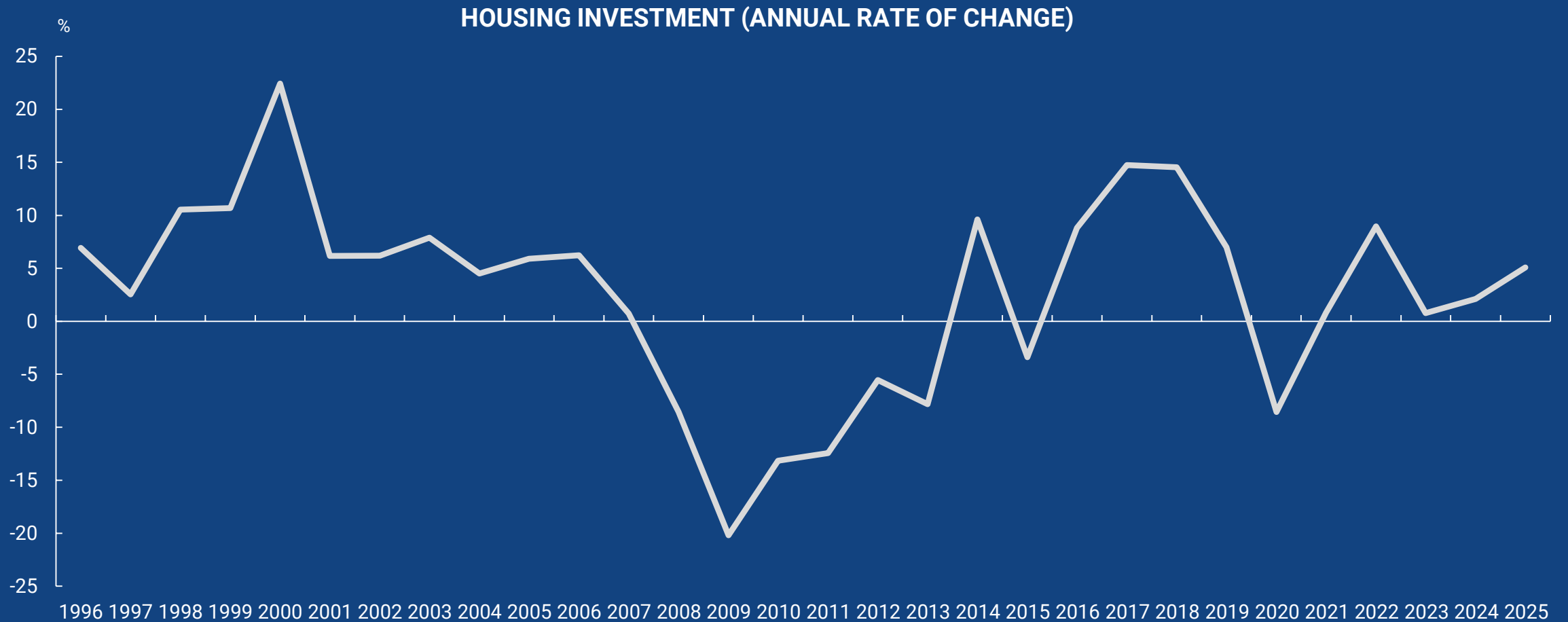
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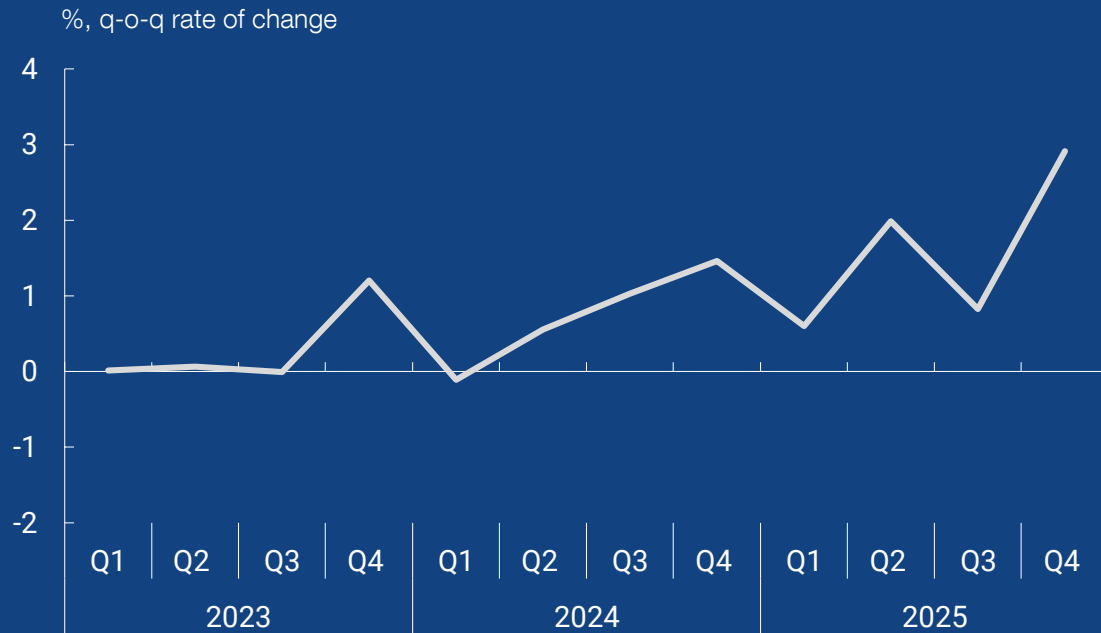
HOUSING INVESTMENT IS AT MODERATE LEVELS BY HISTORICAL STANDARDS



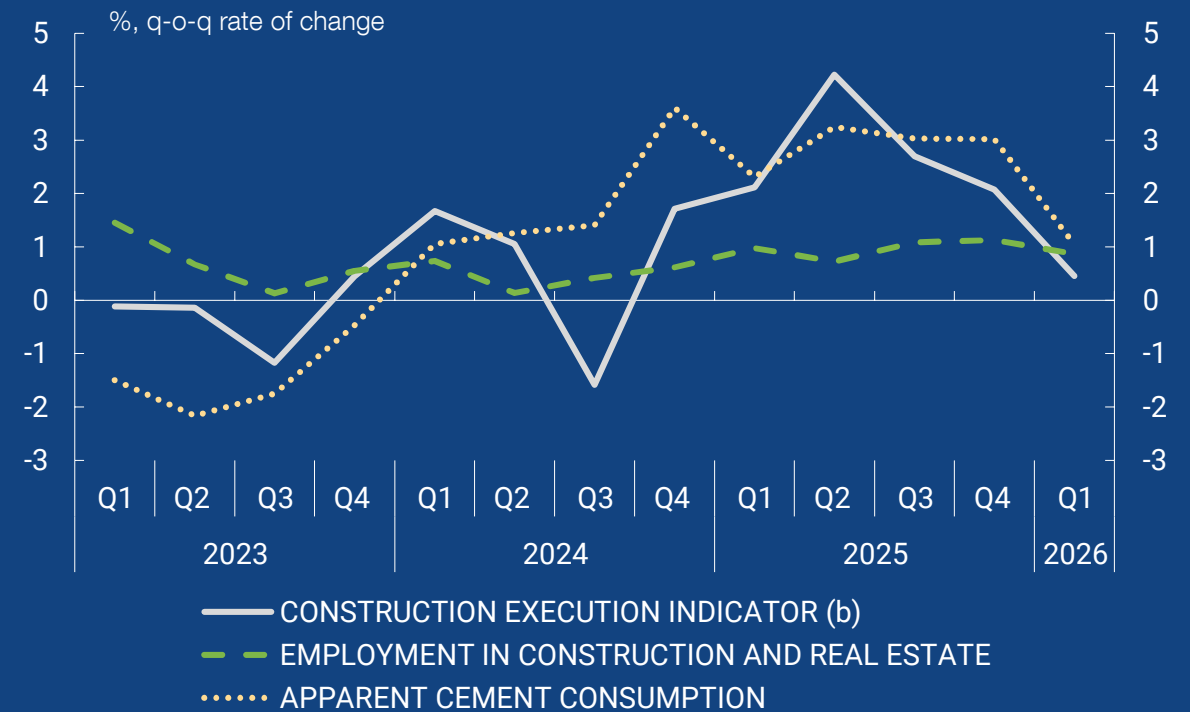
Source: INE.

HOUSING INVESTMENT PICKED UP IN 2025 Q4, BUT HIGHER-FREQUENCY INDICATORS EASED

HOUSING INVESTMENT



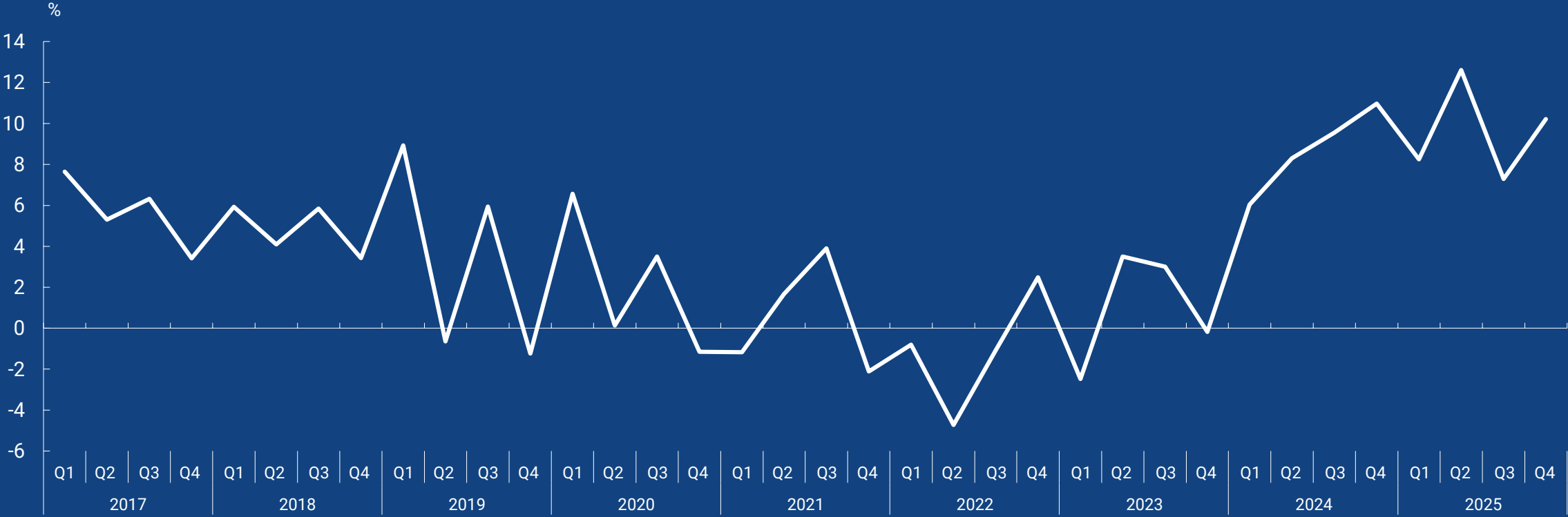
HOUSING INDICATORS (a)



a. Seasonally adjusted series. The latest data available for social security registrations are for February 2026 and those for apparent cement consumption are for January 2026. The quarter-on-quarter growth rate for 2026 Q1 is calculated using the information from the latest three months available. b. Assuming a three-month execution calendar from the issuing of the permit to the start of works, and eighteen months for execution. The latest data available for building permits are for December 2025.

HOUSE PRICE GROWTH REMAINS HIGH ON THE LATEST QUARTERLY DATA

CHANGES IN REAL HOUSE PRICES (a)

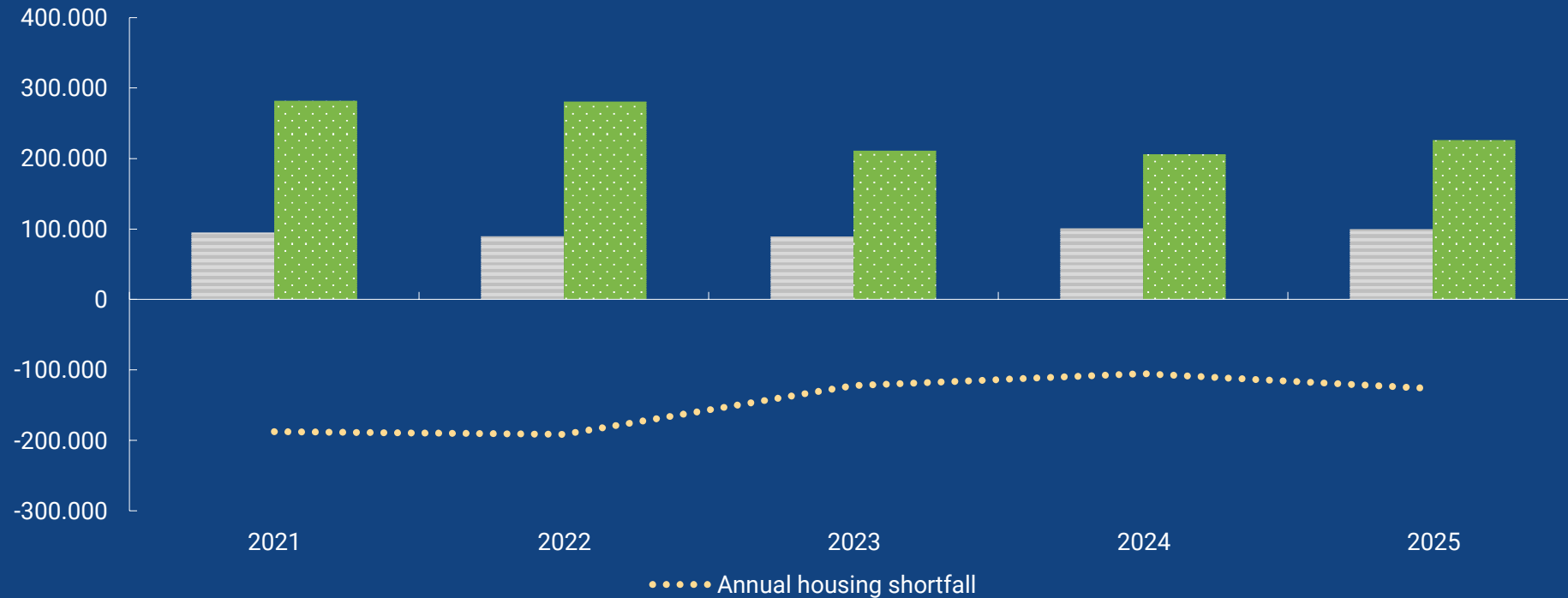


Source: INE. Latest observation: 2025 Q4.

a. The indicator shows the annualised quarter-on-quarter rate of change of the seasonally adjusted series in real terms.

HOUSE PRICES ARE BEING DRIVEN BY A MISMATCH BETWEEN HOUSING PRODUCTION AND NET HOUSEHOLD FORMATION

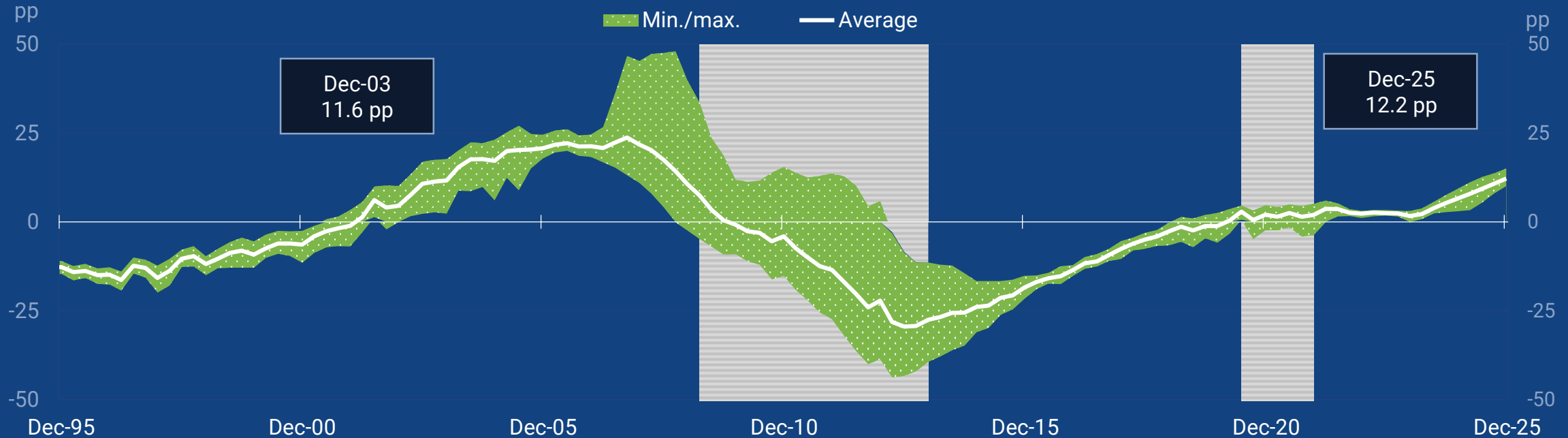
GAP BETWEEN NET HOUSEHOLD FORMATION AND HOUSING COMPLETIONS



Sources: INE and Ministerio de Transportes y Movilidad Sostenible.

THE DECOUPLING OF HOUSE PRICES FROM TRENDS IN INCOME AND INTEREST RATES IS AT 2003 LEVELS

INDICATOR OF HOUSE PRICE DECOUPLING (a)

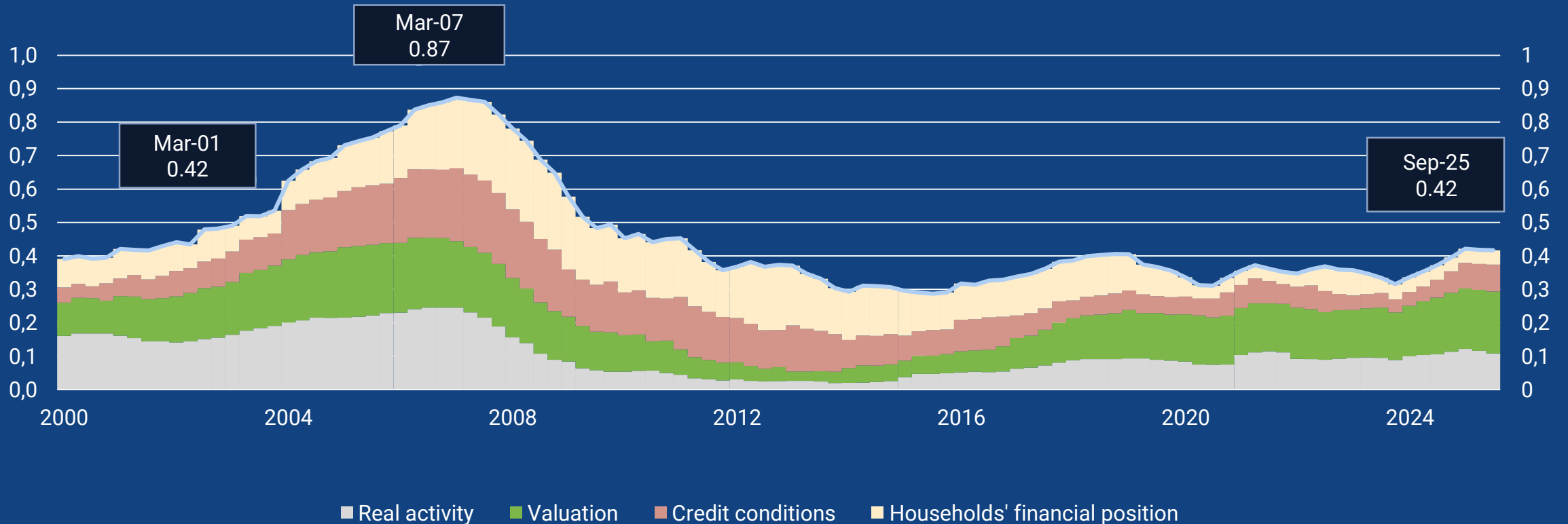


Sources: Banco de España, INE and own calculations. Latest observation: September 2025 (provisional figures for December 2025).

a. Light grey bands: crisis periods. Four indicators are considered: (i) the house price gap; (ii) the house price-to-household disposable income ratio gap; (iii) the ordinary least squares (OLS) model that estimates house prices based on long-term trends in household disposable income and mortgage rates; and (iv) the error correction model that estimates house prices based on household disposable income, mortgage rates and fiscal effects. All variables expressed in real terms relative to the GDP and consumption deflator. The long-term trends for indicators (i) to (iii) are calculated using a statistical one-sided Hodrick-Prescott filter with a smoothing parameter equal to 400,000.

THE SYNTHETIC INDICATOR IS AT 2001 LEVELS AND SHOWS CONTAINED RISKS IN THE REAL ESTATE MARKET

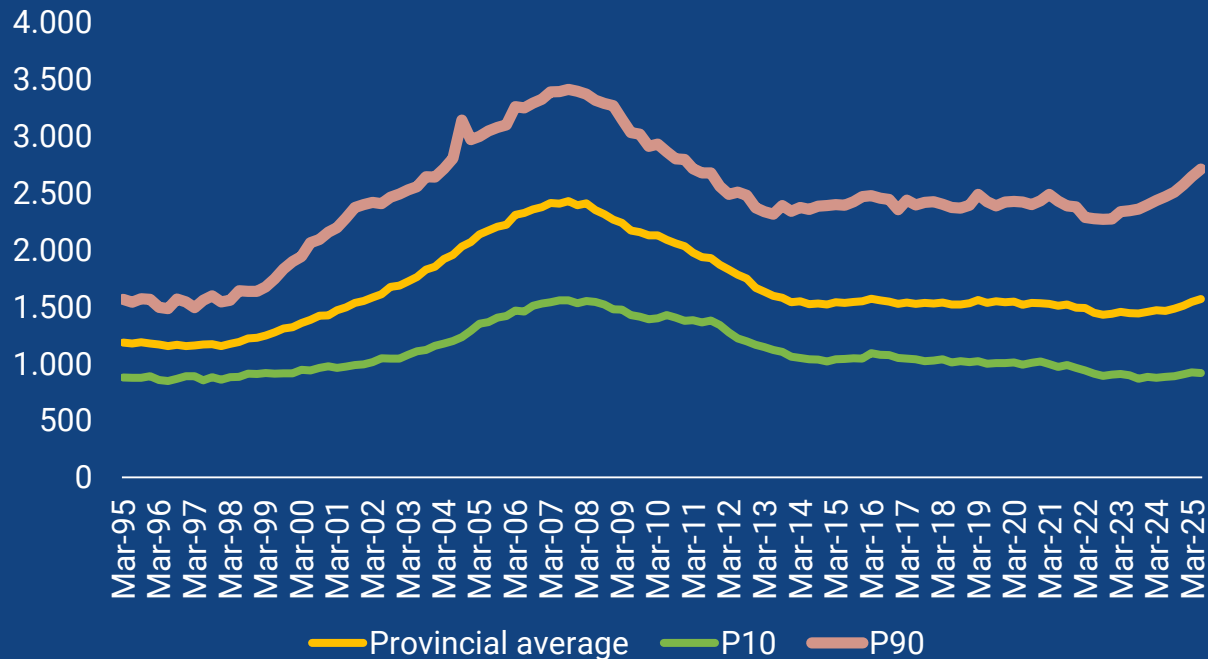
SYNTHETIC INDICATOR OF REAL ESTATE RISKS



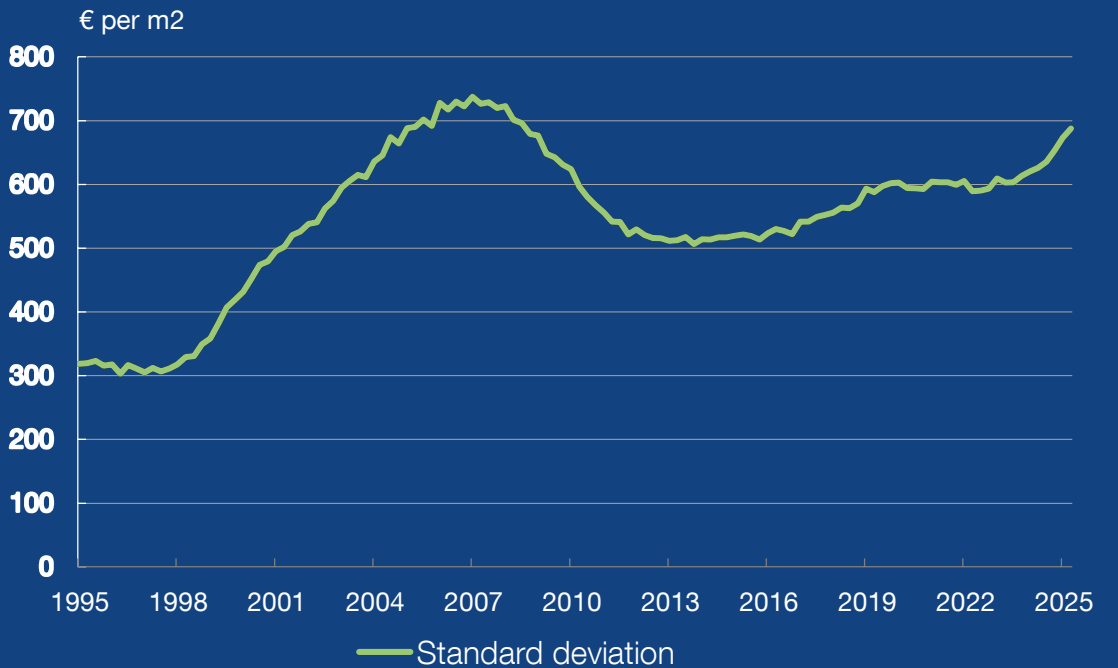
- Sources: Banco de España, INE and own calculations. Latest observation: September 2025. The indicator is constructed drawing on 20 individual warning indicators classified into four categories: (1) households' financial position; (2) credit conditions; (3) valuation; and (4) real activity. The synthetic index ranges from 0 to 1. Higher (lower) values indicate the presence of higher (lower) imbalances. See Pana Alves, Carmen Broto, María Gil and Matías Lamas. (2023). "Risk and vulnerability indicators for the Spanish housing market". Documentos Ocasionales, 2314, Banco de España.

REAL HOUSE PRICE GROWTH HAS BEEN SHARPER IN HIGHER-PRICED PROVINCES

Provincial heterogeneity
in real house prices (a)



Standard deviation of real house prices (a)



Sources: Banco de España, Ministerio de Transportes y Movilidad Sostenible and INE. Latest observation: 2025 Q2.

(a) House prices reflect the appraisal values of open-market housing. Nominal values are CPI-deflated, based on the 2025 H1 average. Provinces are ordered on an annual basis, according to their real price distribution.

Thank you