

Monthly Investment Insights

1 February 2024



“U-S-A”, “U-S-A”



Source: Bloomberg

February is upon us and brings with it glimmers of brighter days. The global economic situation is improving at the margin, although activity remains below longer-term trends. The manufacturing sector is showing signs of life after consistent weakness in 2023. Labour markets are historically strong and are a likely source of continued strength in consumption. Yet pragmatism is warranted as fiscal tightening and still-high funding costs matter.

The major central banks across the world are likely to be cutting rates this year. These expectations, alongside robust US data, are helping to fuel the S&P 500's rise to all-time-highs and buoy risk assets generally. Inflation has fallen dramatically from the highs, and central bank targets are within reach in major markets. The US Federal Reserve and the European Central Bank, among others, are actively debating the timing of the first rate cut.

We think inflation will fall further, but that the path is unlikely to be as straight as markets currently expect. High wage growth, indicators of persistent pricing power for service firms, and geopolitical concerns around energy and transportation costs could all derail forecasts for an 'immaculate' further decline in inflation and delay expectations of cuts in this quarter.

Bond yields have risen from their recent lows, but markets remain priced for aggressive central bank easing in 2024. In the case of US Treasuries, markets expect between five to six 0.25% rate cuts this year. The fact that bond yields have already incorporated these expectations creates a significant hurdle for further capital appreciation even if these cuts are delivered.

Chinese equity markets continue to dance to their own sombre tune and have accelerated their underperformance to peers. The MSCI China is down around 12% over the two-month period of December and January. While the authorities appear to be more forthcoming with supportive policies, markets remain unconvinced. We see investors as overly pessimistic, but want to see a period of stabilisation before becoming more constructive on prospects.

Currently we have a preference for US Equities against US High Yield. While equity prices could increase further as rates are reduced and sentiment improves, credit markets are capped. Conversely, high yield bond spreads could widen very quickly in a broader risk-off environment. We continue to maintain a negative view on credit markets overall, primarily from a valuation perspective as Investment Grade spreads have limited room to tighten further. On bond and interest rate exposure, we prefer to maintain a neutral stance. We believe rate cuts are coming, but this is already fully reflected in prices. Over the longer-term there is a relative market preference, with 4% yields in US Treasuries likely offer more return potential than 2% in German Bunds.

Market Assessment

Key developments

- The global growth outlook is improving while inflation is receding
- Central bank rate cuts are coming, but the timing is not yet certain, and bond yields are incorporating imminent easing
- Equity markets look attractive when compared to expensive corporate credit markets

Zurich's view

The global economic growth outlook is tentatively improving from a below-trend starting point. Services have been resilient, while headwinds to manufacturing activity are fading.

Goods and energy disinflation have largely played out, and tight labour markets and stickier service inflation warrant concern. That noted, we do see lower inflation but a volatile trajectory.

Our preferred asset classes have been updated to reflect market and economic developments. We favour US equities vs. US High Yield credit. Relative valuations and upside potential support equities given the limitations of further credit spread tightening. Investment Grade credit is too expensive, with spreads close to historic lows.

We maintain a neutral stance on government bonds. Markets are pricing in aggressive rate cutting cycles by the major central banks, and while these cuts may be delivered, the fact that they are already fully incorporated within bond prices reduces the attractiveness of the asset class.

Key developments	Zurich's view
<p>Global</p> <ul style="list-style-type: none"> • Global growth remains sluggish, but manufacturing headwinds appear to be easing while services remain resilient • Inflation remains on a downward trajectory, but recent data are choppy and services inflation brisk • Central banks signal forthcoming rate cuts, but further progress on inflation will be required before the rate cutting cycle can begin 	<p>The Flash PMIs indicate that manufacturing momentum continued to improve in January, although overall activity remains sluggish. Global trade dynamics are also starting to look better, following a deep decline over the past year. In addition, services activity remains resilient, with strong household income still underpinning demand. While these developments are positive, growth remains uncomfortable divergent, with the US remaining an outlier to the upside, and with overall global activity levels still weak. Inflation continues to moderate although the latest data have been choppy, with services inflation remaining elevated. Financial markets continue to price in significant policy loosening in 2024, and focus will remain on inflation data in coming months.</p>
<p>US</p> <ul style="list-style-type: none"> • The S&P 500 reaches a new record high as investors welcome positive economic surprises • A solid economic environment will make it more difficult to justify Fed rate cuts in the near term • The kick-off into the earnings reporting season has been rather modest so far 	<p>Following a muted start into 2024 the stock market picked up momentum in the second half of January with the S&P 500 surging to a new record high. The economy has surprised to the upside in recent weeks and although this will make the expected Fed rate cuts more difficult to justify in the near term, investors welcomed the positive news. The reporting season is in full swing, but earnings have come in below expectations thus far, so a lot will depend on the big tech companies being able to keep up their momentum. As expected, Treasury yields have rebounded since the beginning of the year as overly aggressive rate cut expectations have been adjusted. This is a potential risk for markets if the Fed pushes back against significantly looser financial conditions when inflation is not yet fully under control.</p>
<p>UK</p> <ul style="list-style-type: none"> • The FTSE 100 has a muted start into the new year, lagging its peers in the US and in Europe • Inflation reaccelerates in December, making near-term rate cuts by the BoE unlikely • Gilt yields rebounded as investors adjust overly aggressive rate cut expectations 	<p>The UK stock market has entered the new year on the backfoot, lagging its peers in the US and the Eurozone. The FTSE 100 dropped by more than 4% in the first two weeks of January before recouping part of the losses. Small cap stocks have fared even slightly worse than that. The economic picture remains muted and a reacceleration in inflation is weighing on investor sentiment, driving gilt yields significantly higher since the beginning of the year. Unreasonably aggressive expectations for rate cuts have been pushed back as the Bank of England is unlikely to ignore the ongoing price pressure and still elevated wage growth. While equity valuations are modest a hawkish-leaning, the BoE may create further headwinds for the stock market in the near term.</p>
<p>Eurozone</p> <ul style="list-style-type: none"> • The Eurozone economy continues to improve tentatively, with Germany still lagging • Bond markets are aggressively priced for ECB easing, reducing the potential for upside when cuts start • Eurozone equities have further upside potential based on economic improvements and a more favourable rate environment 	<p>Monetary policy easing is highly likely this year, despite significant uncertainty as to the timing. We favour a June cut rather than earlier, but incoming data could prompt the ECB to move in either direction. Apart from Germany, the Eurozone growth outlook is tentatively improving from a weak base. This is supportive for assets in general, with positive sensitivity to data that accelerates easing expectations and vice versa. Inflation is not dead and buried, but we see it around target by year end and beyond. Despite a rise in yields from December, bond markets continue to price in aggressive ECB easing this year. The equity outlook is more attractive, with index valuations broadly reasonable. Pragmatism is warranted: structural issues remain and volatility is unlikely to remain low.</p>
<p>Switzerland</p> <ul style="list-style-type: none"> • Growth momentum edges higher, helped by resilient services and improving manufacturing dynamics • Despite rising rents and utility prices, inflation remains benign • There is still upward pressure on the Swiss franc regardless of the SNB's dovish tilt 	<p>Data indicate that economic activity may be past its trough, with services remaining resilient while the manufacturing sector continues to recover, helped by easing headwinds from the global industrial cycle. The KOF economic barometer rose meaningfully in January and is now tracking above its long-term average for the first time since March last year. Services activity was particularly buoyant, and domestic demand continues to hold up despite downbeat sentiment. High frequency labour market data indicate that new hiring has started to pick up after a soft patch last year. With inflation still benign and following a dovish shift from the SNB, we anticipate growth will hold up this year, and the latest data indicate that a modest recovery may now be underway.</p>

Key developments	Zurich's view
<p>Japan</p> <ul style="list-style-type: none"> • The MSCI Japan Index rallies to a 35-year high • JGB yields rise 20bps on expectations of an end to negative interest rate policy (NIRP) • The yen weakens again following six weeks of strength versus the US dollar 	<p>After falling nearly 12% against global equities in the last quarter of 2023, Japanese equities had a strong start to the year, recovering around two-thirds of those losses in the first two weeks of the new year, before retreating. While the MSCI Japan Index reached a 35-year high, less than 5% below its all-time high, the broader Topix index would still have to rise 12% to reach a record high. Foreign investors appear to have been the driving force behind the rally. The yen weakened again against the US dollar, which tends to support the NT ratio (Nikkei 225 vs. Topix) as export-related heavyweights benefit more than financials. Meanwhile, the 10yr JGB yield rose 20bps to 0.75% on expectations that the Bank of Japan will end NIRP at its April MPC meeting.</p>
<p>China</p> <ul style="list-style-type: none"> • The MSCI China Index continues to underperform global equities • Authorities' stimulus measures help stabilise investor sentiment • The CNH maintains its stable sideways move 	<p>The MSCI China has lost almost 65% relative to global equities over the past three years. The downturn accelerated in December 2023 and January 2024 as investors doubted the lack of effectiveness of government policies to restore confidence in the markets. The downtrend was interrupted for three days in late January when a stock rescue package and a 50bp cut in the reserve requirement ratio (RRR) for large banks to 10% were announced. The MSCI China rallied 9% in three days, but we have yet to see convincing evidence that a bottoming process is underway. Property sales and prices continue to fall, with only temporary interruptions. However, investor sentiment appears to be overly pessimistic, feeding hopes that further stabilisation or stimulus measures will help the market bottom out.</p>
<p>Australia</p> <ul style="list-style-type: none"> • The labour market shows some signs of loosening • Consumption remains soft and house prices continue to rise but at a slower pace • Equities experience a bumpy start to the year, while bond yields are trading sideways 	<p>Australian stocks experienced a bumpy start in 2024 but have ended January with notably positive momentum, reaching all-time highs, led by financial stocks. While we are encouraged by the recent uptrend, we suspect several hurdles will persist for the market. Rate cuts in Australia are expected to occur later than in other developed markets due to higher inflation, and the lacklustre recovery of China's economy continues to suppress the outlook for material stocks. However, once the RBA signals forthcoming rate cuts, equities should deliver decent gains amid lower bond yields and attractive valuations. On the macro side, inflation continues to fall and the job market shows early signs of loosening. Consumption has been weak but is not collapsing. The RBA is expected to keep rates unchanged in February.</p>
<p>ASEAN</p> <ul style="list-style-type: none"> • Inflation remains soft across the region • Exports and PMI data continue to suggest a fragile environment for foreign trade • Positive momentum in equities has slowed, but the outlook remains supportive 	<p>Following the Fed's signal that it will cut rates in 2024, ASEAN equities started to gain some traction, with most markets posting positive returns YTD, although there were a few exceptions. Along with Singapore, Thai equities were underperformers on the back of weak growth coupled with deflation. As we move into February, the positive momentum for ASEAN stocks has slowed as the market has reassesses the Fed's rate cut trajectory and the USD has strengthened. While we remain optimistic about ASEAN equities for the year, the first half is expected to be volatile given the uncertainty regarding the timing and scale of rate cuts by the Fed. On the macro front, inflation is still relatively weak across the region, and exports continue to be fragile with tentative signs of a rebound.</p>
<p>LatAm</p> <ul style="list-style-type: none"> • Monetary policy easing cycle will continue in Chile and Brazil, while Banxico is set to start a cutting cycle in Q1 2024 • LatAm equity markets outperform other EMs, with the best relative performance over the last two years • The disinflationary process in LatAm is expected to continue, supporting the easing cycle 	<p>Latin America equity valuations are below historical averages as the result of upward revisions in expected profits for 2024, driven by the industrial and materials sectors. The region should continue to benefit from the rate cutting cycle, led by Chile and Brazil, where performance should be bolstered by positive inflows. While Brazil will benefit from structural reforms, we maintain a more cautious view on Chile as companies' results, on average, contracted in 2023 and limited growth is anticipated for 2024. Moreover, the prices of some commodities that are relevant for Chile, such as lithium, have shown declines. In Mexico the rate cutting cycle is expected to begin in Q1, while elections are expected to result in a presidential victory for the MORENA party but a more divided congress.</p>

Valuation snapshot (MSCI Indices)

Current training valuations

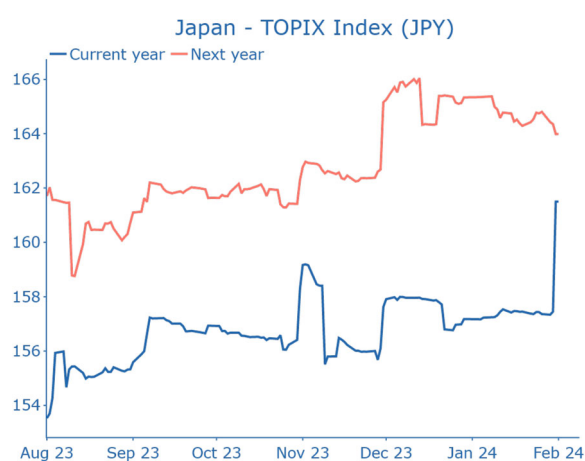
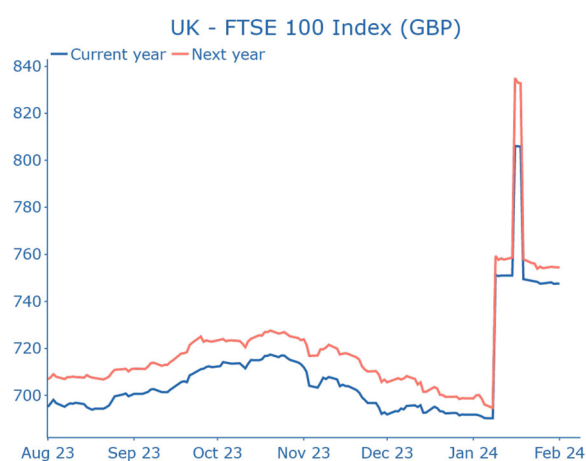
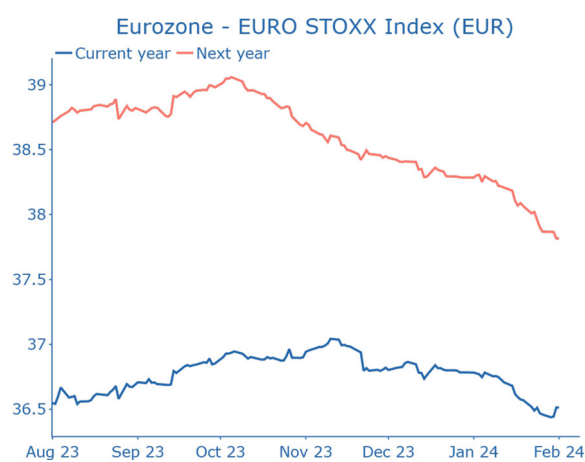
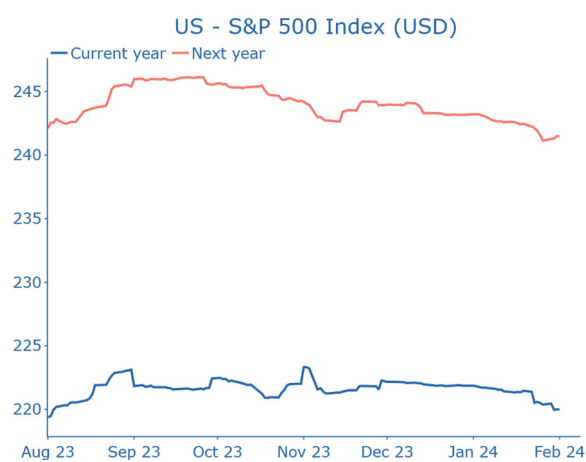
	US	Europe ex UK	UK	Switzerland	Japan	APAC ex Japan	China	Brazil	Mexico
12m Trailing P/E	24.4	15.3	10.4	19.8	17.9	15.9	10.4	8.2	16.7
12m Trailing P/B	4.7	1.9	1.6	3.9	1.5	1.5	1.0	1.6	2.1
12m Trailing P/CF	16.8	9.1	6.8	15.1	10.1	9.1	4.8	4.9	8.7
Dividend Yield	1.4	3.0	4.1	3.0	2.1	2.9	3.0	5.2	3.3
ROE	17.6	11.7	15.7	22.4	8.6	9.5	9.8	19.4	14.8

Current training valuations relative to MSCI world

	US	Europe ex UK	UK	Switzerland	Japan	APAC ex Japan	China	Brazil	Mexico
12m Trailing P/E	3.75	-5.31	-10.28	-0.86	-2.73	-4.76	-10.26	-12.49	-3.93
12m Trailing P/B	1.53	-1.26	-1.52	0.73	-1.63	-1.63	-2.16	-1.59	-1.07
12m Trailing P/CF	2.95	-4.76	-7.05	1.22	-3.84	-4.8	-9.08	-9.04	-5.17
Dividend Yield	-0.5	1.11	2.17	1.11	0.13	0.93	1.08	3.26	1.33
ROE	3.38	-2.6	1.41	8.15	-5.64	-4.75	-4.5	5.18	0.56

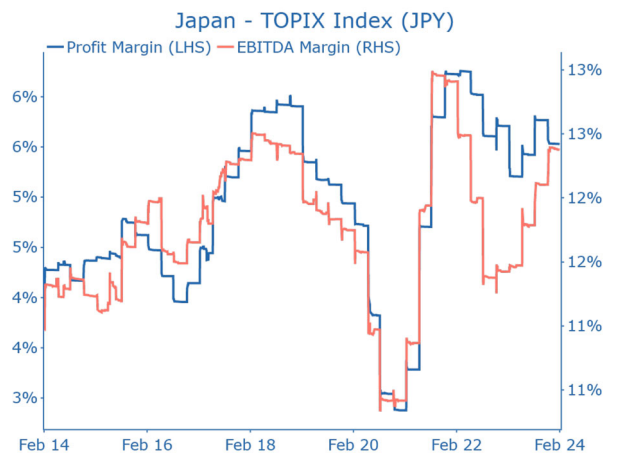
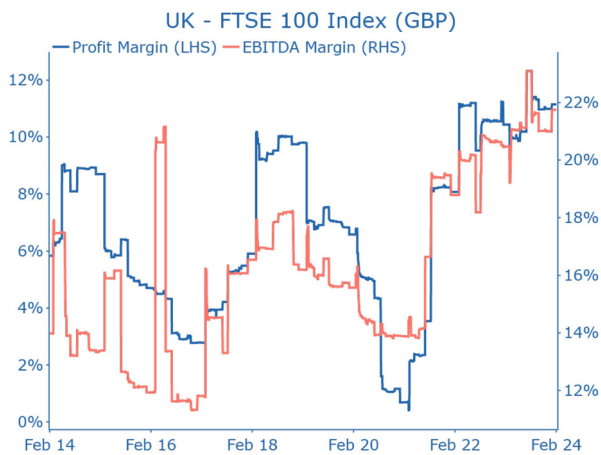
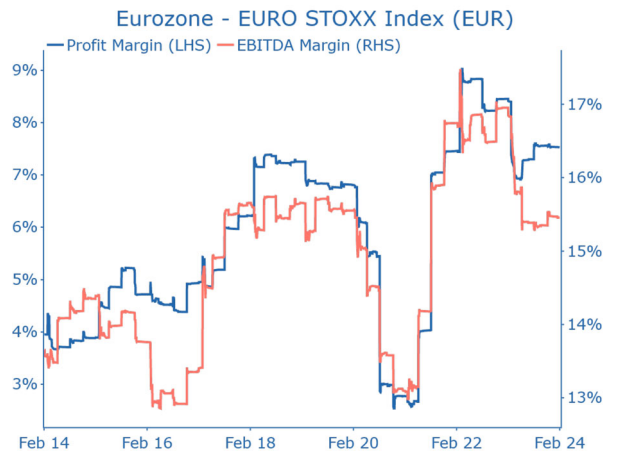
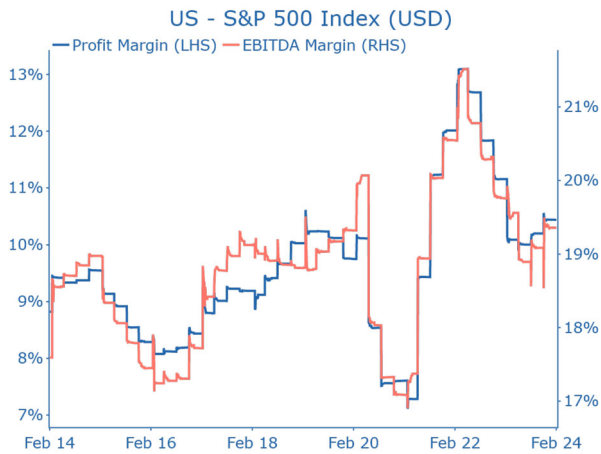
Source: Bloomberg

Earnings estimates - Full fiscal year



Source: Bloomberg

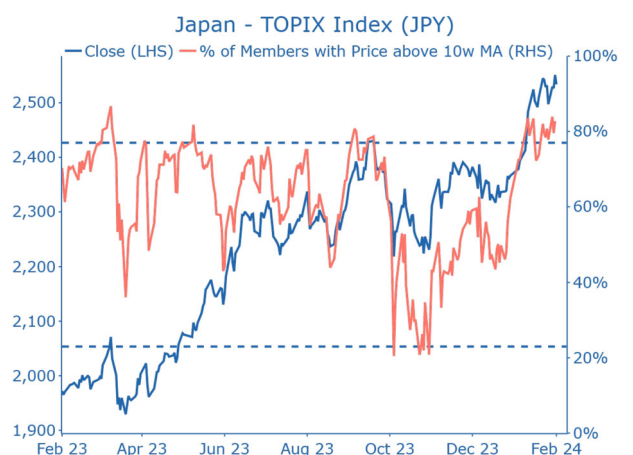
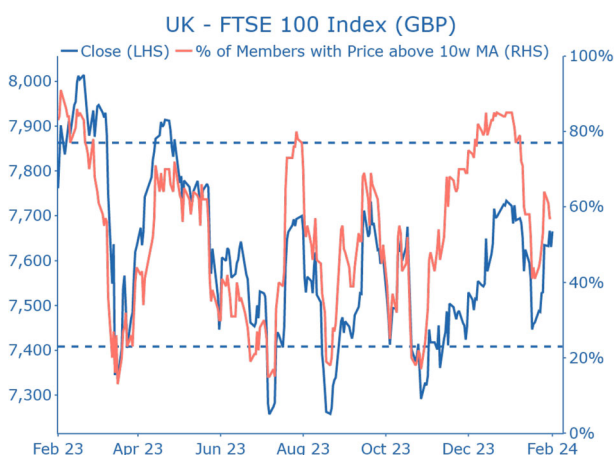
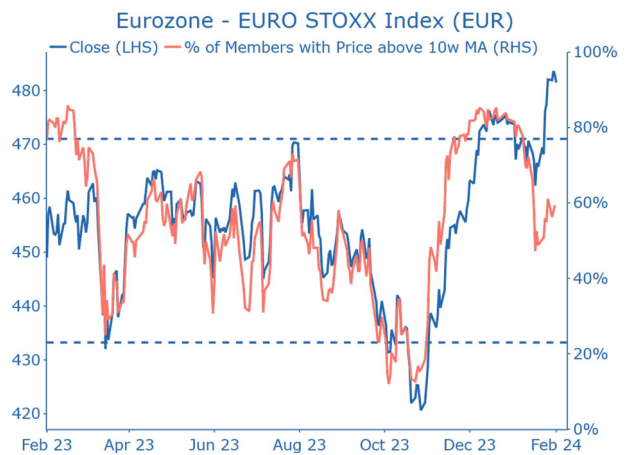
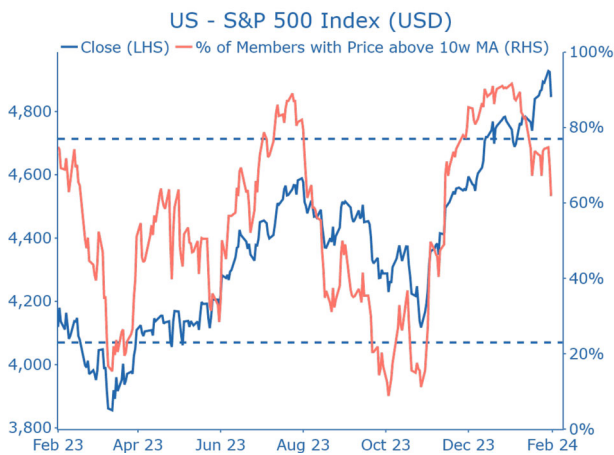
Historical margins



Source: Bloomberg

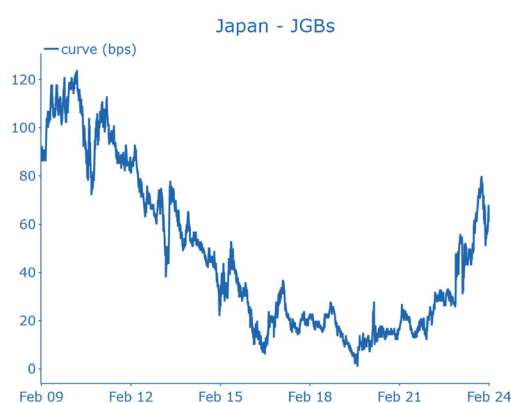
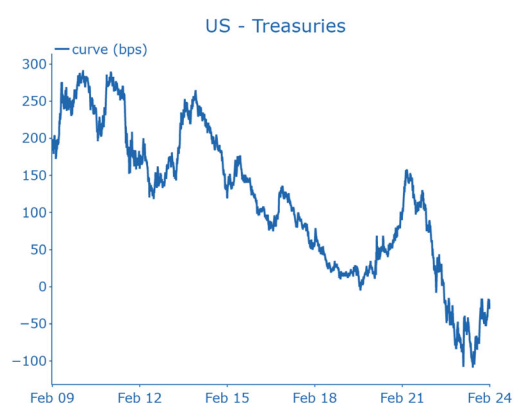
Overbought / Oversold*

* Overbought / Oversold = % of members with price above 10w MA is above 77% / below 23%



Source: Bloomberg

Yield Curve Steepness (10yr - 2yr)



Source: Bloomberg

Spread Snapshot (Generic Government Yield 10yr, bps)

Spread over US Treasuries (bps)

Country	Feb-2024	1M ago	3M ago	12M ago
UK	-14	-34	-23	-10
Germany	-173	-185	-197	-113
Switzerland	-309	-317	-360	-216
Japan	-324	-326	-377	-292
Australia	6	7	21	15
China	-151	-131	-204	-50
India	311	331	262	385
South Korea	-60	-70	-44	-17
Malaysia	-16	-14	-66	39
Indonesia	259	260	234	324
Thailand	-130	-120	-150	-92
Philippines	220	212	229	268
Brazil	668	648	691	968
Mexico	522	507	536	521
Chile	158	160	203	208
Colombia	562	607	691	857
Peru	267	280	293	461

Spread over German Bund (bps)

Country	Feb-2024	1M ago	3M ago	12M ago
France	50	53	61	46
Netherlands	28	30	35	28
Belgium	63	58	65	56
Austria	55	57	65	64
Ireland	44	35	43	44
Italy	157	167	196	201
Spain	93	96	107	99
Portugal	81	63	72	91

Source: Bloomberg

Economic Data

US	Feb-2023	Mar-2023	Apr-2023	May-2023	Jun-2023	Jul-2023	Aug-2023	Sep-2023	Oct-2023	Nov-2023	Dec-2023	Jan-2024	Trend*
ISM Manufacturing (Index)	47.7	46.3	47.1	46.9	46.0	46.4	47.6	49.0	46.7	46.7	47.4	-	down
ISM Non-Manufacturing (Index)	55.1	51.2	51.9	50.3	53.9	52.7	54.5	53.6	51.8	52.7	50.6	-	down
Durable Goods (% MoM)	-2.7	3.3	1.2	2.0	4.3	-5.6	-0.1	4.0	-5.1	5.5	0.0	-	up
Consumer Confidence (Index)	103.4	104.0	103.7	102.5	110.1	114.0	108.7	104.3	99.1	101.0	108.0	114.8	up
Retail Sales (% MoM)	5.3	2.2	1.3	2.1	1.5	2.8	2.8	4.0	2.2	4.0	5.6	-	up
Unemployment Rate (%)	3.6	3.5	3.4	3.7	3.6	3.5	3.8	3.8	3.8	3.7	3.7	-	down
Avg Hourly Earnings YoY (% YoY)	5.3	5.2	4.9	4.9	4.7	4.7	4.5	4.4	4.4	4.4	4.3	-	down
Change in Payrolls ('000, MoM)	248.0	217.0	217.0	281.0	105.0	236.0	165.0	262.0	105.0	173.0	216.0	-	up
PCE (% YoY)	4.84	4.78	4.76	4.69	4.28	4.19	3.73	3.59	3.38	3.15	2.93	-	down
GDP (% QoQ, Annualized)	-	2.2	-	-	2.1	-	-	4.9	-	-	3.3	-	down

Eurozone	Feb-2023	Mar-2023	Apr-2023	May-2023	Jun-2023	Jul-2023	Aug-2023	Sep-2023	Oct-2023	Nov-2023	Dec-2023	Jan-2024	Trend*
PMI Manufacturing (Index)	48.5	47.3	45.8	44.8	43.4	42.7	43.5	43.4	43.1	44.2	44.4	46.6	up
PMI Services (Index)	52.7	55.0	56.2	55.1	52.0	50.9	47.9	48.7	47.8	48.7	48.8	48.4	up
IFO Business Climate (Index)	90.8	92.9	93.1	91.4	88.7	87.5	85.8	85.8	86.9	87.2	86.3	85.2	up
Industrial Production (% MoM)	1.5	-4.2	1.2	0.1	-0.1	-1.3	0.4	-0.8	-0.7	-0.3	-	-	up
Factory Orders GE (% MoM)	4.3	-10.7	0.1	6.2	7.6	-11.4	1.9	0.7	-3.8	0.3	-	-	up
Unemployment Rate (%)	6.6	6.5	6.5	6.5	6.4	6.5	6.5	6.5	6.5	6.4	6.4	-	down
M3 Growth (% YoY, 3 months MA)	2.5	2.0	1.5	0.9	0.4	-0.4	-0.9	-1.2	-1.0	-0.6	-	-	up
CPI (% YoY)	8.5	6.9	7.0	6.1	5.5	5.3	5.2	4.3	2.9	2.4	2.9	2.8	down
Core CPI (% YoY)	5.6	5.7	5.6	5.3	5.5	5.5	5.3	4.5	4.2	3.6	3.4	3.3	down
GDP (% QoQ)	-	0.1	-	-	0.1	-	-	-0.1	-	-	0.0	-	up

UK	Feb-2023	Mar-2023	Apr-2023	May-2023	Jun-2023	Jul-2023	Aug-2023	Sep-2023	Oct-2023	Nov-2023	Dec-2023	Jan-2024	Trend*
PMI Services (Index)	53.5	52.9	55.9	55.2	53.7	51.5	49.5	49.3	49.5	50.9	53.4	53.8	up
Consumer Confidence (Index)	-38.0	-36.0	-30.0	-27.0	-24.0	-30.0	-25.0	-21.0	-30.0	-24.0	-22.0	-19.0	up
Unemployment Rate (%)	3.8	3.9	3.8	4.0	4.2	4.3	-	-	-	-	-	-	down
CPI (% YoY)	10.4	10.1	8.7	8.7	7.9	6.8	6.7	6.7	4.6	3.9	4.0	-	down
GDP (% YoY)	-	0.4	-	-	0.3	-	-	0.3	-	-	-	-	down

Japan	Feb-2023	Mar-2023	Apr-2023	May-2023	Jun-2023	Jul-2023	Aug-2023	Sep-2023	Oct-2023	Nov-2023	Dec-2023	Jan-2024	Trend*
Nomura Manufacturing PMI (Index)	47.7	49.2	49.5	50.6	49.8	49.6	49.6	48.5	48.7	48.3	47.9	48.0	down
Machine Orders (% YoY)	9.8	-3.5	-5.9	-8.7	-5.8	-13.0	-7.7	-2.2	-2.2	-5.0	-	-	down
Industrial Production (% YoY)	-0.6	-0.8	-0.7	4.2	0.0	-2.3	-4.4	-4.4	1.1	-1.4	-0.7	-	up
ECO Watchers Survey (Index)	51.0	55.2	55.7	54.5	53.6	54.1	52.8	50.4	49.9	49.8	50.9	-	down
Jobs to Applicants Ratio (Index)	1.34	1.32	1.32	1.31	1.3	1.29	1.29	1.29	1.3	1.28	1.27	-	down
Labour Cash Earnings (% YoY)	0.8	1.3	0.8	2.9	2.3	1.1	0.8	0.6	1.5	0.7	-	-	down
Department Store Sales (% YoY)	20.4	9.8	8.6	6.3	7.0	8.6	11.8	9.2	6.1	7.4	5.4	-	down
Money Supply M2 (% YoY)	2.6	2.5	2.6	2.6	2.6	2.5	2.5	2.4	2.4	2.3	2.3	-	down
CPI Ex Food & Energy (% YoY)	2.1	2.3	2.5	2.6	2.6	2.7	2.7	2.6	2.7	2.7	2.8	-	up
Exports (% YoY)	6.5	4.3	2.6	0.6	1.5	-0.3	-0.8	4.3	1.6	-0.2	9.7	-	up

Switzerland	Feb-2023	Mar-2023	Apr-2023	May-2023	Jun-2023	Jul-2023	Aug-2023	Sep-2023	Oct-2023	Nov-2023	Dec-2023	Jan-2024	Trend*
KOF Leading Indicator (Index)	101.3	100.4	97.8	96.3	94.6	96.3	96.1	96.6	95.1	97.0	98.0	101.5	up
PMI Manufacturing (Index)	48.9	47.0	45.3	43.2	44.9	38.5	39.9	44.9	40.6	42.1	43.0	43.1	up
Real Retail Sales (% YoY)	-0.7	-2.1	-4.0	-1.4	0.7	-2.5	-2.1	-1.7	-1.8	-1.5	-0.8	-	up
Trade Balance (Billion, CHF)	3.32	4.55	2.5	5.4	4.78	3.0	3.74	6.38	4.76	3.83	1.25	-	down
CPI (% YoY)	3.4	2.9	2.6	2.2	1.7	1.6	1.6	1.7	1.7	1.4	1.7	-	down

China	Feb-2023	Mar-2023	Apr-2023	May-2023	Jun-2023	Jul-2023	Aug-2023	Sep-2023	Oct-2023	Nov-2023	Dec-2023	Jan-2024	Trend*
PMI Manufacturing (Index)	52.6	51.9	49.2	48.8	49.0	49.3	49.7	50.2	49.5	49.4	49.0	49.2	down
Industrial Production (% YoY)	-	3.9	5.6	3.5	4.4	3.7	4.5	4.5	4.6	6.6	6.8	-	up
Retail Sales (% YoY)	-	10.6	18.4	12.7	3.1	2.5	4.6	5.5	7.6	10.1	7.4	-	up
PPI (% YoY)	-1.4	-2.5	-3.6	-4.6	-5.4	-4.4	-3.0	-2.5	-2.6	-3.0	-2.7	-	down
Exports (% YoY)	-2.8	10.9	7.1	-7.6	-12.4	-14.2	-8.5	-6.8	-6.6	0.7	2.3	-	up
CPI (% YoY)	1.0	0.7	0.1	0.2	0.0	-0.3	0.1	0.0	-0.2	-0.5	-0.3	-	down
RRR (%)	11.0	10.75	10.75	10.75	10.75	10.75	10.75	10.5	10.5	10.5	10.5	10.5	down
GDP (% YoY)	-	4.5	-	-	6.3	-	-	4.9	-	-	5.2	-	up
PMI Non Manufacturing (Index)	56.3	58.2	56.4	54.5	53.2	51.5	51.0	51.7	50.6	50.2	50.4	50.7	down

* Trend = Mean last 3m - Mean previous 3m
Source: Bloomberg

Economic Data

Australia	Feb-2023	Mar-2023	Apr-2023	May-2023	Jun-2023	Jul-2023	Aug-2023	Sep-2023	Oct-2023	Nov-2023	Dec-2023	Jan-2024	Trend*
Consumer Confidence (% MoM)	-6.9	0.0	9.4	-7.9	0.2	2.7	-0.4	-1.5	2.9	-2.6	2.7	-1.3	down
Building Approvals (% YoY)	-28.0	-12.8	-17.4	-8.6	-17.5	-9.8	-22.4	-20.1	-4.6	-5.1	-24.0	-	up
Employment Change ('000, MoM)	60.9	69.7	-3.5	80.1	31.7	-1.9	68.5	5.8	44.2	72.6	-65.1	-	down

Brazil	Feb-2023	Mar-2023	Apr-2023	May-2023	Jun-2023	Jul-2023	Aug-2023	Sep-2023	Oct-2023	Nov-2023	Dec-2023	Trend*
CPI (% YoY)	5.6	4.65	4.18	3.94	3.16	3.99	4.61	5.19	4.82	4.68	4.62	up
Industrial Production (% YoY)	-2.5	1.0	-2.7	1.9	0.2	-1.2	0.5	0.7	1.1	1.3	-	up
Retail Sales (% YoY)	1.1	3.3	0.5	-1.1	1.4	2.4	2.4	3.2	0.2	2.2	-	down
Trade Balance (Millions, USD)	2567.18	10738.44	7940.31	10966.61	10063.53	8185.23	9627.21	9177.14	9164.68	8766.05	9360.37	up
Budget Balance (Billions, BRL)	-90.61	-79.5	-25.43	-119.23	-89.62	-81.91	-106.56	-99.78	-47.15	-80.89	-	up

Chile	Feb-2023	Mar-2023	Apr-2023	May-2023	Jun-2023	Jul-2023	Aug-2023	Sep-2023	Oct-2023	Nov-2023	Dec-2023	Trend*
Economic Activity Index (% YoY)	-0.43	-1.8	-0.55	-1.37	-0.4	1.93	-0.42	0.35	0.33	1.22	-	up
CPI (% YoY)	11.95	11.09	9.91	8.73	7.56	6.48	5.32	5.12	5.03	4.8	3.94	down
Retail Sales (% YoY)	-8.39	-8.28	-9.49	-8.99	-9.98	-8.24	-10.03	-4.0	-6.73	-2.49	-1.6	up
Industrial Production (% YoY)	-0.86	-5.77	-0.18	-4.34	-0.16	0.76	0.46	2.71	2.23	2.78	-2.74	down
Unemployment (%)	8.4	8.8	8.7	8.5	8.5	8.8	9.0	8.9	8.9	8.7	8.5	down

Mexico	Feb-2023	Mar-2023	Apr-2023	May-2023	Jun-2023	Jul-2023	Aug-2023	Sep-2023	Oct-2023	Nov-2023	Dec-2023	Trend*
PMI (Index)	51.35	49.62	50.1	49.72	50.89	51.12	52.03	51.05	50.18	50.91	49.84	down
CPI (% YoY)	7.62	6.85	6.25	5.84	5.06	4.79	4.64	4.45	4.26	4.32	4.66	down
Retail Sales (% YoY)	5.4	1.7	3.5	2.8	5.9	5.1	3.2	2.3	3.4	2.7	-	down
Industrial Production (% YoY)	1.84	1.74	0.89	2.68	1.95	0.77	-1.07	0.87	1.09	-0.25	-	up
Remittances (Millions, USD)	4360.4	5186.8	5002.6	5696.9	5575.2	5662.8	5558.8	5606.4	5811.5	4908.1	-	down

* Trend = Mean last 3m - Mean previous 3m
Source: Bloomberg

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