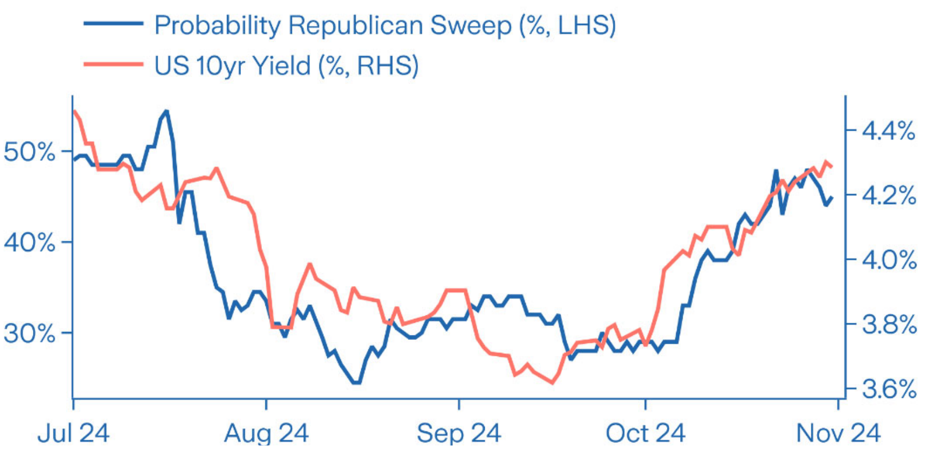
ZURICH

Monthly Investment Insights

1 November 2024

Volatility set to persist with the US election now in focus



Source: Bloomberg

November is set to bring the year's most pivotal political event: the US election, featuring a tight race between Kamala Harris and Donald Trump. The outcome will carry significant implications for fiscal and monetary policy moving forward. A Trump win with a Republican congressional majority could mean tax cuts, potentially giving stocks a short-term lift. That said, Trump's stance on heightened fiscal spending and additional tariffs would likely be more inflationary in the long run compared to the moderate approach anticipated under Harris. This presents a formidable challenge to the Fed's policy setting as the pace of the decline in inflation remains slow.

This uncertainty has been one of the drivers behind the recent spike in bond yields. Over recent weeks, 10yr Treasury yields have risen from a September low of 3.6% to 4.2%, reflecting better economic data and a more hawkish outlook for the Fed's 2025 policy rate. We suspect that the trajectory of bond yields will largely depend on the Fed's policy direction, which could be influenced by the fiscal policy outlook of the new administration.

While government bonds are unsettled, equities have been calmer. The S&P 500 is currently trading over 7% higher than the September lows and the Nasdaq is up over 10% since then. Banks, last year's laggards, have outperformed the S&P 500 year-to-date, with Q3 earnings reports strong. Factors that have fueled equities likely include a resilient US economy, hinting at a soft landing, and continued expected Fed easing. However, equity momentum appears to be tapering. With the election just days away, stock market volatility might start to pick up.

In emerging markets (EMs), the narrative has been downbeat. Rising bond yields and a strengthening USD have cooled recent momentum in EMs as investor appetite for risk is waning. China remains a critical driver for EMs, and its policy outlook is clouded. Chinese equities have given back half of September's gains amid market disappointment in the scope of stimulus from Chinese authorities. While the People's Bank of China recently delivered a 25bp rate cut to both the 1yr and 5yr Loan Prime Rates, broader and bolder fiscal measures to reignite consumer spending have been missing, given that consumer confidence is at an all-time low. Hopes are pinned on the possible announcement of a fiscal package at the November National People's Congress meeting, where major stimulus could be unveiled, potentially resulting in a positive shift in sentiment.

All told, the Fed's easing path and resilient economic backdrop offer support for equities, but the looming election is set to amplify volatility and caution is now required. Bond yields are attractive from a long-term perspective, yet election-driven uncertainty will likely keep turbulence high. Meanwhile, credit spreads remain extremely tight, making the current risk-reward balance unattractive.

Market Assessment

Key developments

- The US presidential election remains a major focus with an outcome too close to predict
- US consumer resilience persists, with strong retail sales and service activity, while the labour market is slowing only modestly
- China's authorities announce more stimulus, but the scale has fallen short of market expectations so far

Zurich's view

With Harris and Trump running neck and neck in the upcoming US election, uncertainty remains high. This has been evident in the bond markets, with yields surging globally. While the levels may appear attractive, caution is warranted given the elevated volatility.

Most importantly, the US election outcome will significantly impact the trajectory of both fiscal and monetary policy going forward, shaping the outlook for inflation and, consequently, bond yields.

Meanwhile, equity markets seem to be taking it in stride, with the uptrend remaining intact despite recent signs of waning momentum. Equity performance has been supported by the resilient backdrop of the US economy, with a soft landing remaining the central scenario, and the Fed's continued easing path. Overall, our view on equities is constructive given the sanguine macro backdrop. Nevertheless, the unpredictable election outcome could reintroduce volatility and we think caution is now warranted.

Given that credit spreads remain extremely tight, the current risk-reward profile is unappealing and we see spreads widening.

	Key developments	Zurich's view
Global	• Global growth is holding up but divergences remain, both across regions and sectors • Inflation falls further while the global rate cutting cycle broadens out • Government bond yields rise and recession risk is priced out US election uncertainty picks up	Global growth is holding up, but there is renewed weakness in manufacturing and trade while labour markets are becoming less buoyant. The global Manufacturing PMI dipped again, with a sharp decline in new orders, in part reflecting weak global capex dynamics. Regional divergences remain in place, with US data surprising to the upside while China and Europe lag behind. Inflation has fallen further, with progress on the services side, while goods deflation remains in place. Central banks continue to cut rates, and forward-looking lending surveys indicate that loan demand is starting to pick up. Despite falling rates, government bond yields have rebounded sharply on the month, led by falling US recession risk and the potential fiscal and inflationary consequences of the US election.
US	• The presidential election dominates attention, with the result too close to call • Economic data prove to be robust, with the Citigroup Economic Surprise Index spiking higher • Earnings season is decent so far, but positive surprises lag historic averages	The US presidential election is historically close-run, with two very different candidates fighting for incremental votes. While investors retrench in times of uncertainty, the US equity markets have held in, with the tech-heavy Nasdaq breaking July's record high. The banking sector has also been in rude health, with the KBW banking index up close to 30% YTD. That noted, we see signs that momentum is faltering, and suspect that the coming weeks will be volatile, with the risk that a delay in confirming an election winner could spook investors. Consequently, caution is required. Treasuries have been under pressure, and Treasury yields are above our fair value but, with volatility high, it is not yet time to turn bullish.
UK	• Recent data confirm the strength of the labour market amid falling inflation • Chancellor Rachel Reeves unveils Labour's first budget, raising taxes on employers and asset owners • 10yr UK gilt yields rose, aided by moves in US bonds as well as expectations of higher gilt issuance	UK economic data hold up as the growth outlook improves but remains at low levels historically. Recent labour market data show unemployment at 4% and good employment growth. Wage growth is high but is clearly slowing. Inflation has fallen below 2%, although the details show core stickiness. The Bank of England is more cautious than many peers, but is likely to continue gradually cutting rates. The Labour party announced their first budget, raising taxes and moving to a debt target that includes government assets. Strong data and fiscal concerns around the new target have seen UK gilts yields rise. The spread between UK and German yields rose to 2%, the highest in a year. Ultimately, the change should be digested by the market. Equities struggled, with the FTSE 100 little changed since April.
Eurozone	• The ECB looks set to take the deposit rate to 3% by the end of the year • Headline inflation falls below the 2% target, but service price growth is still uncomfortably high • Spreads of lower-rated European government bonds to German Bunds have hit their lowest this year	Despite weak leading indicators, overall Eurozone growth rose by a firm 0.4% QoQ in Q3. Q4 growth is likely to be weaker. The aggregate disguises diverging fortunes between countries. While Germany is stagnating, stellar Spanish growth is accelerating further. The ECB accelerated its easing in October, and a December cut looks likely. Disinflationary progress is good. The holistic picture justifies a gradual move to neutral policy. Services and core inflation remain above target. Unemployment is still at historic lows. Eurozone equities are treading water as French politics weigh on the CAC Index. We still see a positive return environment as global policy easing continues but are wary of valuations in longer-dated European fixed income. German Bunds remain unattractive, with limited inflation premium priced.
Switzerland	• Economic activity holds up despite pockets of weakness, with manufacturing still under pressure • Inflation falls further, with a broadening out of disinflationary pressures • Further policy loosening is anticipated from the SNB, given inflation weakness	CPI inflation surprised to the downside in September and, at only 0.8% YoY, is approaching its historical average. Weakness was broad-based, with both services and goods prices declining on the month, while producer and import price data remain in deflationary territory. The soft CPI prints were in line with the SNB's dovish forecast and confirm that further rate cuts are likely. Elsewhere, economic activity is holding up, but there are patches of weakness, with manufacturing still in contraction and the unemployment rate edging higher while consumer sentiment remains downbeat. The KOF economic barometer also slipped in October and trade data have softened. While the economy should continue to expand, a strong currency and weak external demand pose clear headwinds.

	Key developments	Zurich's view
Japan	• The MSCI Japan is trading rangebound • The yen has weakened again • The Bank of Japan is expected to hike its policy rate again in January	Japanese equities traded in a sideways range in October, with the MSCI Japan hovering between 1,600 and 1,700, slightly outperforming global equities. Towards the end of the month equities benefitted from the Lower House election results, with exported related names boosted by the weaker yen. Hopes for fiscal stimulus emerged based on the possibility that the ruling LDP/Komeito minority coalition has to give in on fiscal stimulus requests from smaller parties in order to gain their cooperation. 10yr JGB yields climbed back from 0.8% towards the 1% mark while the JPY weakened again from its September low of 140 to above 153 against the USD. We expect the Bank of Japan to stay pat for now, but believe another 25bp policy rate hike is in the offing for January 2025.
China	• Chinese equities give up half of their recent strong gains before stabilising • The CNY weakened again in a 'V'-shaped manner • All eyes are on a fiscal package announcement at the NPC meeting in November	Following its 40% rally from the September lows to the early October highs, the MSCI China retreated 14% before stabilising. In order for the rally to gain steam again, a convincing fiscal package needs to be announced at the NPC Standing Committee meeting in early November. The CNY weakened vs the USD in October, making up for its September strengthening, which had started early August. House prices continue to fall, but home sales have started to turnaround. Consumer sentiment remains patchy. We believe bold stimulus measures need to be implemented. Despite the volatile consensus forecasts, we continue to stick to our 4.9% growth target for this year. Both the US and Europe have announced new tariffs on imports from China.
Australia	• Inflation is trending downward, suggesting the RBA is likely to cut its policy rate next year • Consumer sentiment and retail sales remain weak • Bond yields are surging and commodity stock momentum has faltered amid waning optimism about policy stimulus from China	With the US election approaching, volatility in financial markets has picked up. Global bond yields, including Australia's, are surging. Meanwhile, China's anticipated bold stimulus has yet to materialise. This unsettled global macro backdrop is reflected in the faltering momentum of Australian equities. Inflation appears stickier than in other developed markets, but the trend remains downward, with the Q3 trimmed mean CPI down from 3.9% to 3.5% YoY, suggesting that the central bank is likely to start cutting its cash rate next year. Australian consumers remain cautious, with retail sales flat in September but not dipping into negative territory. Overall, we believe the economic outlook is weak but not recessionary.
ASEAN	• ASEAN central banks continue easing monetary policy • Malaysia's GDP growth beats market expectations • The strong USD and falling risk appetite cloud the outlook for ASEAN equities	With bond yields surging globally and the USD strengthening, investor excitement for equities in ASEAN has waned, keeping stocks flat in October. Central banks continue to ease monetary policy in Thailand and the Philippines. After a rate cut in September, Bank Indonesia (BI) paused in October, partly due to FX stability concerns. We expect the easing cycle to continue, with Indonesia and the Philippines having the most room for further cuts, while Thailand and Malaysia will likely cut rates the least due to their lower real policy rates. Malaysia's Q3 growth momentum remained strong and its budget suggests continued consolidation, including a reduction in the current fuel subsidy. On the trade front, Malaysia and Singapore reported a slowdown in exports, particularly in electronics.
LatAm	• Divergent monetary policy persist; Brazil has started its hiking cycle while Chile and Mexico maintain their easing cycles • Relevant Latin American currencies continue to depreciate against the backdrop of an appreciating USD • Stock markets, when measured in local currency, are mixed; Chile leads in gains, whereas Mexico is experiencing a decline	The MSCI LatAm Index fell for the second consecutive month in October, led by declines in Brazil and Mexico. In Brazil, fiscal problems caused high volatility, leading to declines. The Central Bank of Brazil resumed interest rate hikes due to rising inflation and 'unanchored' inflationary expectations. In Chile, the stock market performed positively in the local currency, driven by the recovery of the Chinese market and a rise in copper prices. However, the foreign exchange market was affected by expectations of a moderate pace in Federal Reserve rate cuts. In Mexico, the stock market remained highly volatile, and the MXN depreciated by 15% due to fears of institutional reforms. We expect volatility to remain elevated, primarily due to the US elections, but LatAm equity valuations remain attractive.

Valuation snapshot (MSCI Indices)

Current trainling valuations

	US	Europe ex UK	UK	Switzerland	Japan	APAC ex Japan	China	Brazil	Mexico
12m Trailing P/E	27.1	15.4	14.7	19.7	16.2	17.3	12.8	8.9	14.0
12m Trailing P/B	5.1	2.1	1.9	3.8	1.5	1.9	1.4	1.5	1.7
12m Trailing P/CF	19.9	13.2	9.4	12.5	10.3	10.2	5.7	4.8	7.0
Dividend Yield	1.3	3.2	4.0	3.0	2.1	2.5	2.4	6.0	4.2
ROE	17.1	11.9	9.6	17.4	9.1	10.2	10.6	15.9	12.7

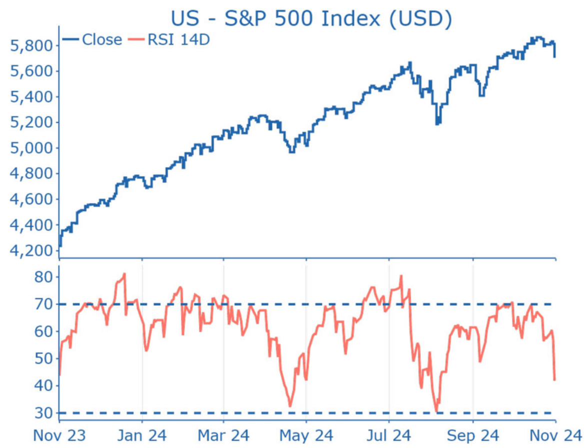
Current trainling valuations relative to MSCI world

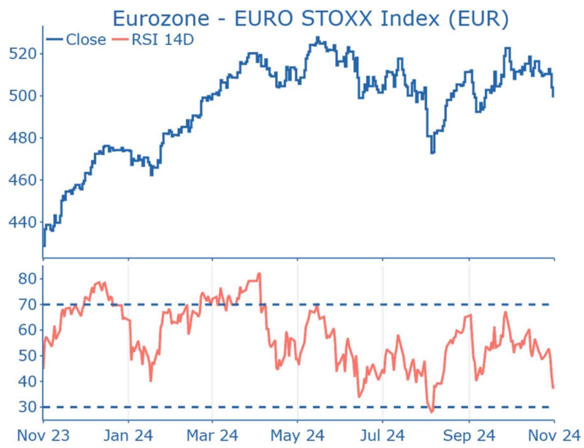
	US	Europe ex UK	UK	Switzerland	Japan	APAC ex Japan	China	Brazil	Mexico
12m Trailing P/E	4.14	-7.54	-8.3	-3.31	-6.73	-5.68	-10.18	-14.08	-9.03
12m Trailing P/B	1.59	-1.4	-1.66	0.25	-2.02	-1.63	-2.07	-2.06	-1.81
12m Trailing P/CF	2.63	-4.07	-7.96	-4.84	-7.06	-7.11	-11.6	-12.56	-10.34
Dividend Yield	-0.49	1.37	2.21	1.25	0.36	0.75	0.65	4.22	2.41
ROE	3.4	-1.82	-4.13	3.71	-4.67	-3.54	-3.18	2.21	-1.07

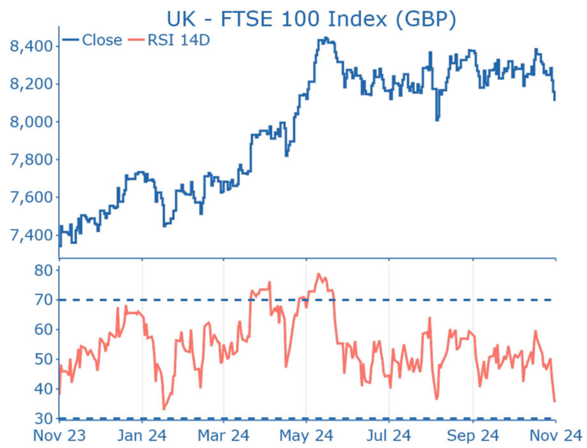
Source: Bloomberg

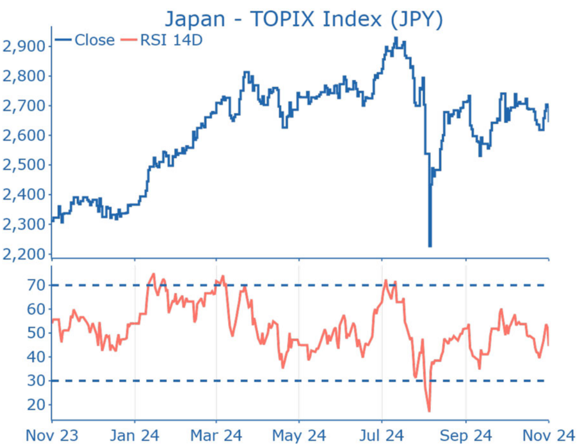
Overbought / Oversold*

* Overbought / Oversold = 14D RSI is above 70 / below 30



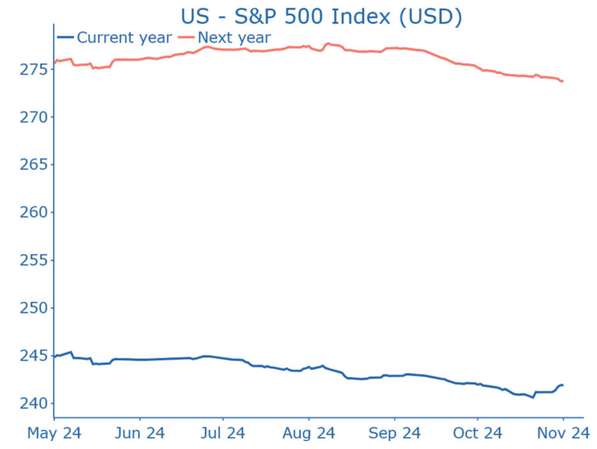


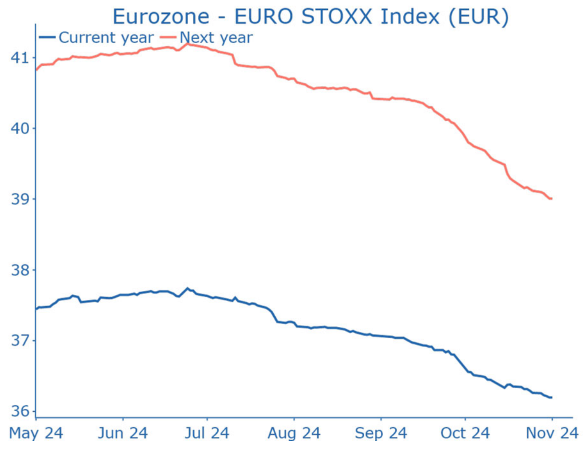


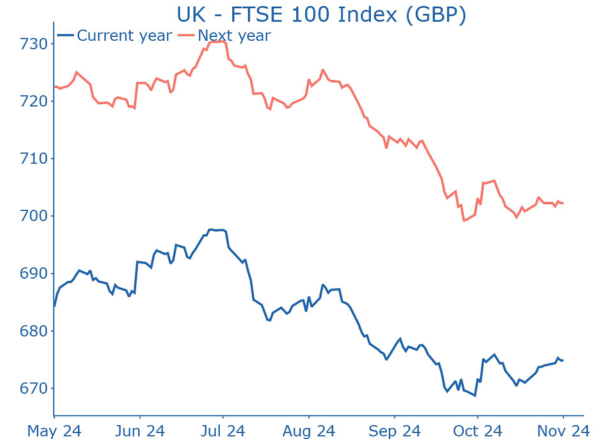


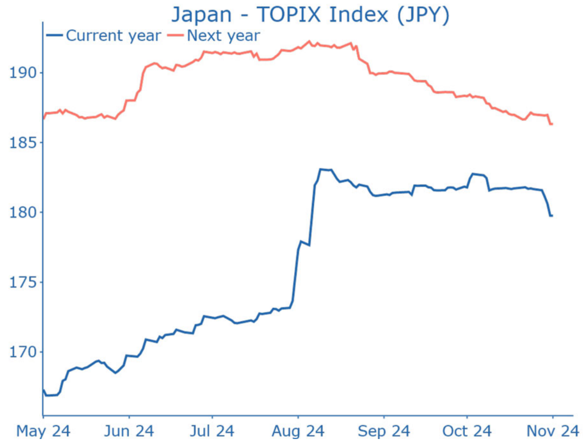
Source: Bloomberg

Earnings estimates - Full fiscal year



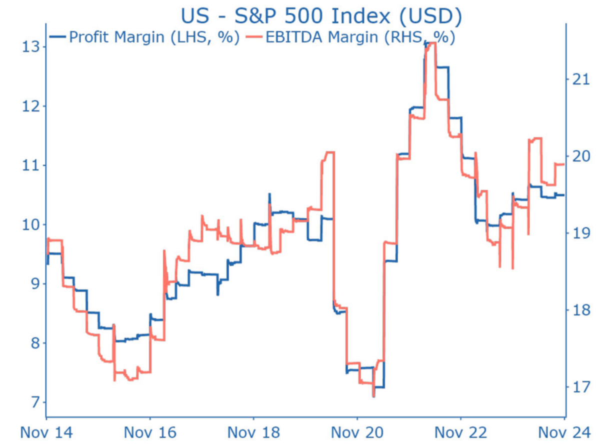


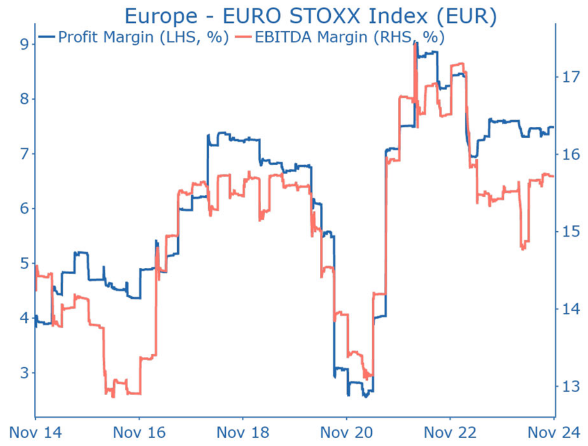


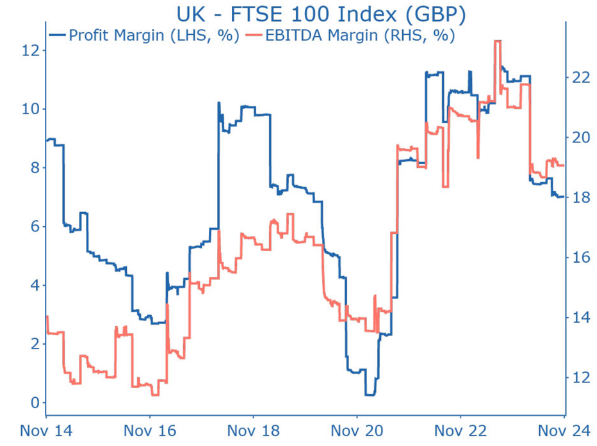


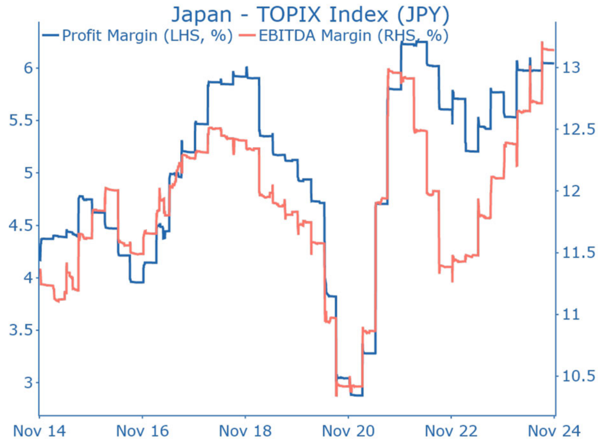
Source: Bloomberg

Historical margins



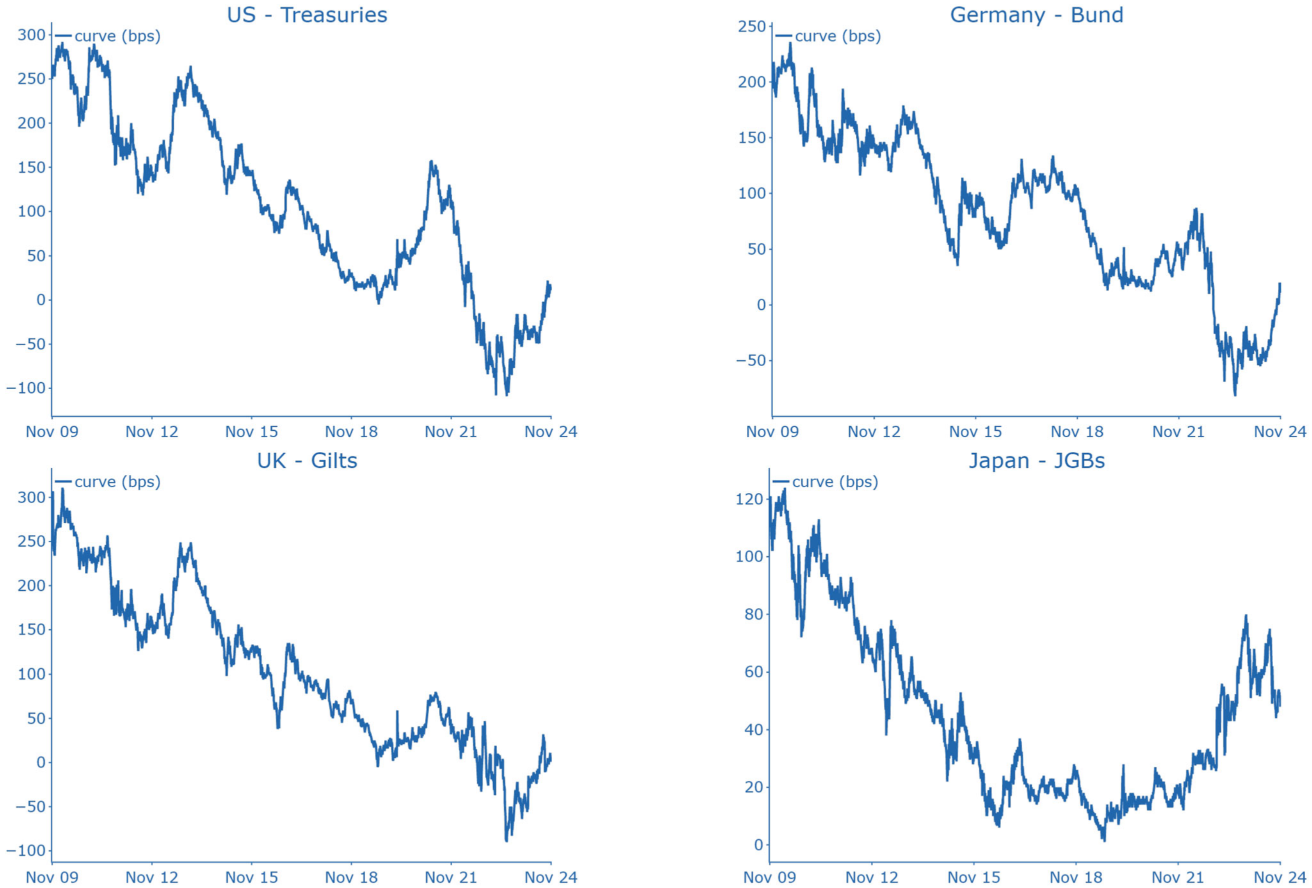






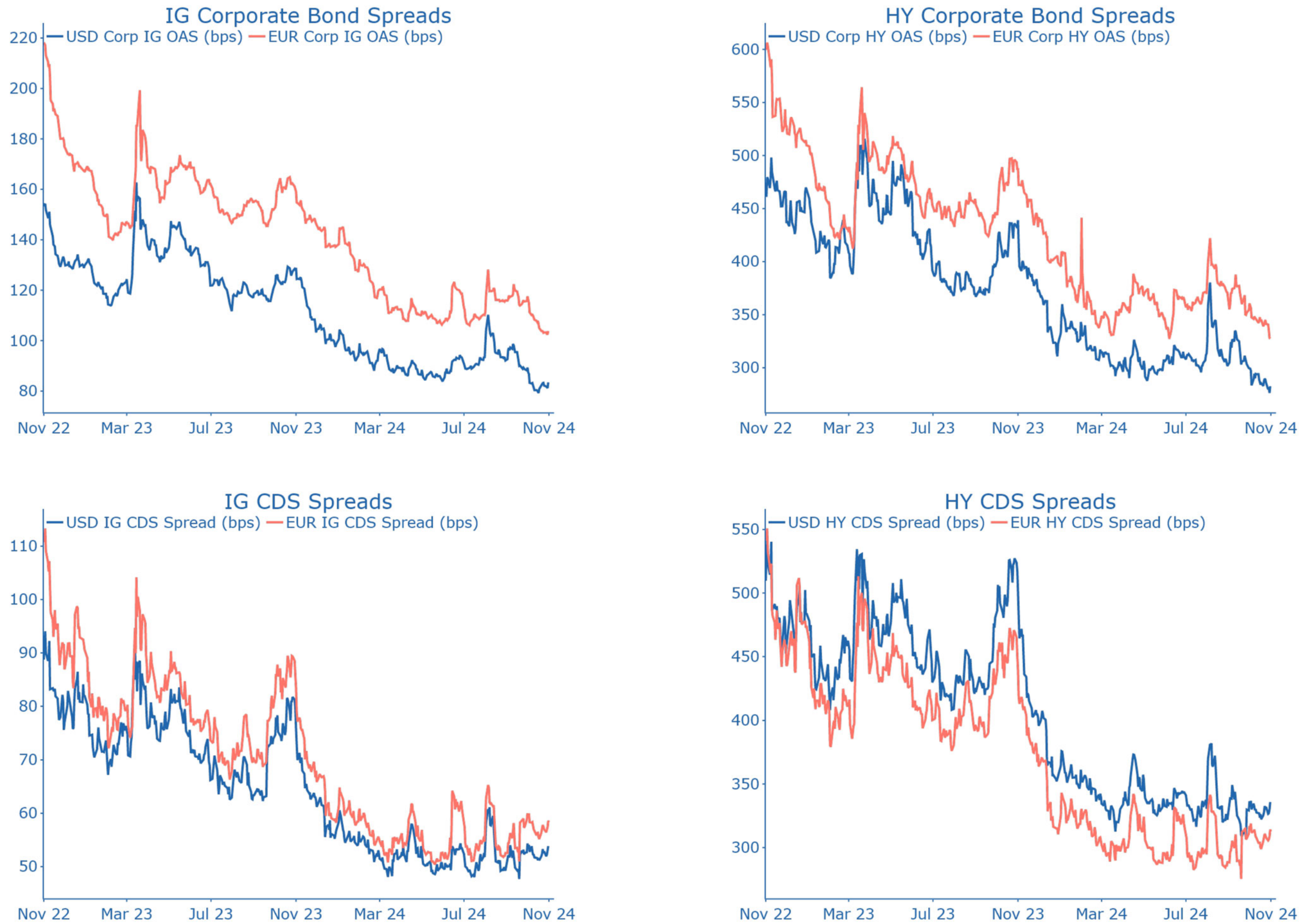
Source: Bloomberg

Yield Curve Steepness (10yr - 2yr)



Source: Bloomberg

Credit Markets (US & Europe)



Source: Bloomberg

Economic Data

US	Dec-2023	Jan-2024	Feb-2024	Mar-2024	Apr-2024	May-2024	Jun-2024	Jul-2024	Aug-2024	Sep-2024	Oct-2024	Trend*
ISM Manufacturing (Index)	47.1	49.1	47.8	50.3	49.2	48.7	48.5	46.8	47.2	47.2	-	down
ISM Non-Manufacturing (Index)	50.5	53.4	52.6	51.4	49.4	53.8	48.8	51.4	51.5	54.9	-	up
Durable Goods (% MoM)	-4.4	-3.8	1.2	0.8	0.2	0.1	-6.9	9.8	-0.8	-0.8	-	down
Consumer Confidence (Index)	108.0	110.9	104.8	103.1	97.5	101.3	97.8	101.9	105.6	99.2	108.7	up
Retail Sales (% MoM)	5.5	0.3	2.1	3.6	2.8	2.6	2.0	2.9	2.2	1.7	-	down
Unemployment Rate (%)	3.7	3.7	3.9	3.8	3.9	4.0	4.1	4.3	4.2	4.1	-	up
Avg Hourly Earnings YoY (% YoY)	4.5	4.7	4.5	4.2	4.0	4.0	4.0	3.9	4.0	3.9	-	down
Change in Payrolls (000, MoM)	290.0	256.0	236.0	310.0	108.0	216.0	118.0	144.0	159.0	254.0	-	up
PCE (% YoY)	3.04	3.06	2.93	2.98	2.89	2.67	2.63	2.66	2.72	2.65	-	up
GDP (%, QoQ, Annualized)	3.2	-	-	1.6	-	-	3.0	-	-	2.8	-	down

Eurozone	Dec-2023	Jan-2024	Feb-2024	Mar-2024	Apr-2024	May-2024	Jun-2024	Jul-2024	Aug-2024	Sep-2024	Oct-2024	Trend*
PMI Manufacturing (Index)	44.4	46.6	46.5	46.1	45.7	47.3	45.8	45.8	45.8	45.0	45.9	down
PMI Services (Index)	48.8	48.4	50.2	51.5	53.3	53.2	52.8	51.9	52.9	51.4	51.2	down
IFO Business Climate (Index)	86.4	85.4	85.7	87.8	89.1	89.2	88.6	87.0	86.6	85.4	86.5	down
Industrial Production (% YoY)	0.3	-6.5	-6.4	-1.3	-3.2	-3.5	-4.2	-2.1	0.1	-	-	up
Indeed 3m average wage growth (% YoY)	4.1	3.85	3.64	3.54	3.5	3.48	3.64	3.76	3.98	3.7	-	up
Unemployment Rate (%)	6.5	6.5	6.5	6.5	6.4	6.5	6.4	6.4	6.3	6.3	-	down
Euro-Area Credit Impulse (%, SA)	-2.47	-2.74	-1.99	-1.48	-1.09	-0.66	0.31	1.65	1.64	2.38	-	up
EUR HICP 5y5y Inflation Swaps	2.27	2.23	2.3	2.3	2.39	2.36	2.3	2.21	2.13	2.1	2.13	down
CPI (% YoY)	2.9	2.8	2.6	2.4	2.4	2.6	2.5	2.6	2.2	1.7	2.0	down
Core CPI (% YoY)	3.4	3.3	3.1	2.9	2.7	2.9	2.9	2.9	2.8	2.7	2.7	down
GDP (% QoQ)	0.1	-	-	0.3	-	-	0.2	-	-	0.4	-	up

UK	Dec-2023	Jan-2024	Feb-2024	Mar-2024	Apr-2024	May-2024	Jun-2024	Jul-2024	Aug-2024	Sep-2024	Oct-2024	Trend*
PMI Manufacturing (Index)	46.2	47.0	47.5	50.3	49.1	51.2	50.9	52.1	52.5	51.5	50.3	up
PMI Services (Index)	53.4	54.3	53.8	53.1	55.0	52.9	52.1	52.5	53.7	52.4	51.8	up
Consumer Confidence (Index)	-22.0	-19.0	-21.0	-21.0	-19.0	-17.0	-14.0	-13.0	-13.0	-20.0	-21.0	down
Unemployment Rate (%)	3.8	4.0	4.2	4.3	4.4	4.4	4.2	4.1	4.0	-	-	down
CPI (% YoY)	4.0	4.0	3.4	3.2	2.3	2.0	2.0	2.2	2.2	1.7	-	down
House Prices (% YoY)	-1.8	-0.2	1.2	1.6	0.6	1.3	1.5	2.1	2.4	3.2	2.4	up
Mortgage Approvals (SA, Thousands)	52.08	55.92	60.46	61.45	61.34	60.74	60.74	62.58	64.96	65.65	-	up
GDP (% YoY)	-0.3	-	-	0.3	-	-	0.7	-	-	-	-	down

Switzerland	Dec-2023	Jan-2024	Feb-2024	Mar-2024	Apr-2024	May-2024	Jun-2024	Jul-2024	Aug-2024	Sep-2024	Oct-2024	Trend*
KOF Leading Indicator (Index)	100.7	99.0	100.6	101.5	100.8	105.8	103.5	101.3	104.9	104.5	99.5	down
PMI Manufacturing (Index)	43.0	43.1	44.0	45.2	41.4	46.4	43.9	43.5	49.0	49.9	-	up
Real Retail Sales (% YoY)	0.1	0.2	-0.2	-0.1	2.3	0.0	-2.8	2.8	2.7	2.2	-	up
Trade Balance (Billion, CHF)	1.18	4.69	3.66	3.83	4.28	5.78	6.09	4.86	4.74	4.95	-	down
CPI (% YoY)	1.7	1.3	1.2	1.0	1.4	1.4	1.3	1.3	1.1	0.8	0.6	down

Japan	Dec-2023	Jan-2024	Feb-2024	Mar-2024	Apr-2024	May-2024	Jun-2024	Jul-2024	Aug-2024	Sep-2024	Oct-2024	Trend*
PMI Manufacturing (Index)	47.9	48.0	47.2	48.2	49.6	50.4	50.0	49.1	49.8	49.7	49.2	down
Machinery Orders (% YoY)	-0.7	-10.9	-1.8	2.7	0.7	10.8	-1.7	8.7	-3.4	-	-	down
Industrial Production (% YoY)	-1.1	-1.5	-3.9	-6.2	-1.8	1.1	-7.9	2.9	-4.9	-2.8	-	down
ECO Watchers Survey (Index)	50.9	47.4	50.3	52.4	50.2	46.8	47.3	48.3	48.3	47.6	-	up
Jobs to Applicants Ratio (Index)	1.27	1.27	1.26	1.28	1.26	1.24	1.23	1.24	1.23	1.24	-	down
Labour Cash Earnings (% YoY)	0.8	1.5	1.4	1.0	1.6	2.0	4.5	3.4	2.8	-	-	down
Retail Sales (% YoY)	5.4	7.1	14.0	9.9	8.9	14.4	14.0	5.5	3.9	2.3	-	down
Exports (% YoY)	9.7	11.9	7.8	7.3	8.3	13.5	5.4	10.2	5.5	-1.7	-	down
Money Supply M2 (% YoY)	2.3	2.5	2.4	2.5	2.2	1.8	1.5	1.5	1.3	1.3	-	down
CPI Ex Food & Energy (% YoY)	2.8	2.6	2.5	2.2	2.0	1.7	1.9	1.6	1.7	1.7	-	down

China	Dec-2023	Jan-2024	Feb-2024	Mar-2024	Apr-2024	May-2024	Jun-2024	Jul-2024	Aug-2024	Sep-2024	Oct-2024	Trend*
NBS PMI Manufacturing (Index)	49.0	49.2	49.1	50.8	50.4	49.5	49.5	49.4	49.1	49.8	50.1	up
NBS PMI Non Manufacturing (Index)	50.4	50.7	51.4	53.0	51.2	51.1	50.5	50.2	50.3	50.0	50.2	down
Industrial Production (% YoY)	6.8	-	-	4.5	6.7	5.6	5.3	5.1	4.5	5.4	-	down
Retail Sales (% YoY)	7.4	-	-	3.1	2.3	3.7	2.0	2.7	2.1	3.2	-	down
Exports (% YoY)	2.3	7.8	5.2	-7.9	1.1	7.4	8.5	7.0	8.7	2.4	-	down
CPI (% YoY)	2.4	2.1	4.7	1.1	2.0	2.8	3.8	2.7	3.1	0.5	-	down
PPI (% YoY)	-2.7	-2.5	-2.7	-2.8	-2.5	-1.4	-0.8	-0.8	-1.8	-2.8	-	down
RRR (%)	10.5	10.5	10.0	10.0	10.0	10.0	10.0	10.0	10.0	9.5	9.5	down
GDP (% YoY)	5.2	-	-	5.3	-	-	4.7	-	-	4.6	-	down

* Trend = Mean last 3m - Mean previous 3m

Source: Bloomberg

Economic Data

India	Dec-2023	Jan-2024	Feb-2024	Mar-2024	Apr-2024	May-2024	Jun-2024	Jul-2024	Aug-2024	Sep-2024	Oct-2024	Trend*
PMI Manufacturing (Index)	54.9	56.5	56.9	59.1	58.8	57.5	58.3	58.1	57.5	56.5	57.4	down
PMI Services (Index)	59.0	61.8	60.6	61.2	60.8	60.2	60.5	60.3	60.9	57.7	57.9	down
Industrial Production (% YoY)	4.4	4.2	5.6	5.5	5.2	6.2	4.7	4.7	-0.1	-	-	down
CPI (% YoY)	5.69	5.1	5.09	4.85	4.83	4.8	5.08	3.6	3.65	5.49	-	up
GDP (% YoY)	8.57	-	-	7.76	-	-	6.65	-	-	-	-	down

Australia	Dec-2023	Jan-2024	Feb-2024	Mar-2024	Apr-2024	May-2024	Jun-2024	Jul-2024	Aug-2024	Sep-2024	Oct-2024	Trend*
Westpac Leading Indicator	97.11	97.01	97.12	97.1	97.05	97.06	97.06	97.0	96.99	97.02	-	down
Retail Sales (% YoY)	0.85	1.03	1.58	0.94	1.4	1.65	2.96	2.38	3.1	2.32	2.55	up
Unemployment Rate (%)	3.9	4.1	3.7	3.9	4.1	4.0	4.1	4.2	4.1	4.1	-	down
Housing Prices (% YoY)	7.74	9.37	10.14	9.92	9.81	9.16	8.62	8.3	7.76	7.33	6.59	down
CPI (% MoM)	3.4	3.4	3.4	3.5	3.6	4.0	3.8	3.5	2.7	2.1	-	down

Brazil	Nov-2023	Dec-2023	Jan-2024	Feb-2024	Mar-2024	Apr-2024	May-2024	Jun-2024	Jul-2024	Aug-2024	Sep-2024	Trend*
CPI (% YoY)	4.68	4.62	4.51	4.5	3.93	3.69	3.93	4.23	4.5	4.24	4.42	up
Industrial Production (% YoY)	1.4	0.9	3.7	5.6	-2.9	8.4	-1.2	3.2	6.1	2.2	-	up
Retail Sales (% YoY)	2.6	1.3	4.0	8.1	5.7	2.1	7.8	4.1	4.6	5.1	-	up
Trade Balance (Millions, USD)	8788.77	9323.16	6194.16	5160.41	7161.75	8426.87	8308.51	6359.31	7627.19	4517.02	5363.37	down
Budget Balance (Billions, BRL)	-80.89	-193.43	22.23	-113.86	-62.98	-69.64	-138.26	-135.72	-101.47	-90.38	-	up

Chile	Nov-2023	Dec-2023	Jan-2024	Feb-2024	Mar-2024	Apr-2024	May-2024	Jun-2024	Jul-2024	Aug-2024	Sep-2024	Trend*
Economic Activity Index (% YoY)	1.05	-0.71	2.49	4.43	0.7	3.73	0.99	0.16	4.19	2.27	-	up
CPI (% YoY)	4.8	3.94	3.8	4.48	3.74	3.97	4.13	4.19	4.6	4.74	4.13	up
Retail Sales (% YoY)	-2.5	-1.46	1.66	4.05	0.98	3.68	1.22	8.04	2.83	6.8	3.86	up
Industrial Production (% YoY)	2.75	-2.8	3.57	7.99	0.42	2.46	2.26	-1.09	3.65	5.28	-0.27	up
Unemployment (%)	8.7	8.5	8.4	8.5	8.7	8.5	8.3	8.3	8.7	8.9	8.7	up

Mexico	Nov-2023	Dec-2023	Jan-2024	Feb-2024	Mar-2024	Apr-2024	May-2024	Jun-2024	Jul-2024	Aug-2024	Sep-2024	Trend*
PMI (Index)	50.99	49.86	51.38	50.02	51.52	48.93	49.02	49.0	47.13	48.59	49.48	down
CPI (% YoY)	4.32	4.66	4.88	4.4	4.42	4.65	4.69	4.98	5.57	4.99	4.58	up
Retail Sales (% YoY)	4.2	1.2	-1.0	2.8	-1.9	2.7	-0.1	-3.1	-0.6	-0.8	-	down
Industrial Production (% YoY)	0.03	-3.57	0.03	2.32	-5.03	3.76	-1.38	-0.93	1.61	0.08	-	up
Remittances (Millions, USD)	4913.0	5496.9	4573.2	4494.8	5014.6	5422.3	5624.5	6213.2	5613.6	6087.3	-	up

* Trend = Mean last 3m - Mean previous 3m

Source: Bloomberg

Spread Snapshot (Generic Government Yield 10yr, bps)

Spread over US Treasuries (bps)

Country	Nov-2024	1M ago	3M ago	12M ago
UK	18	20	-9	-23
Germany	-188	-169	-173	-197
Switzerland	-388	-333	-352	-360
Japan	-333	-287	-293	-377
China	-214	-152	-184	-204
India	255	300	294	262
Australia	24	27	11	21
South Korea	-119	-73	-96	-44
Malaysia	-36	-1	-26	-66
Indonesia	249	273	290	234
Thailand	-187	-124	-140	-150
Philippines	158	191	215	229
Brazil	850	856	801	691
Mexico	581	563	586	536
Chile	130	138	205	203
Colombia	664	637	662	691
Peru	251	247	292	293

Spread over German Bund (bps)

Country	Nov-2024	1M ago	3M ago	12M ago
France	73	78	75	61
Netherlands	25	29	30	35
Belgium	58	61	61	65
Austria	48	50	52	65
Irland	32	33	42	43
Italy	126	133	140	196
Spain	70	79	84	107
Portugal	40	58	65	72

Source: Bloomberg

Zurich Insurance Group Ltd

Investment Management
Mythenquai 2
8002 Zurich

173008049 (01/22) TCL