

Monthly Investment Insights

3 September 2024



Risk assets experience a roller coaster ride



Had one fallen asleep at the end of July and woken up a month later, there would be no surprise in seeing global equities and the VIX volatility index roughly unchanged. But would one remember the nightmare of a 7% drop in global equities during the first three trading days of August, and the fact that the VIX spiked from below 17 to 66 intraday, not to mention the turbulence in the currency markets caused by a dissolution of the yen carry trade?

Indeed, August started with a bang as equities tumbled and implied volatility surged. There were three events that caused the nervousness in capital markets. It started with concerns about the technology stock driven rally. Quarterly earnings reports were broadly decent, but the outlook of some major tech companies appeared to be more cautious than many bulls had expected.

This was followed by concerns about the US labour market. While the number of job openings remained high in June, fewer new nonfarm payrolls were created in July than consensus had anticipated. The rise of the unemployment rate from 4.1% to 4.3%, the highest level since October 2021, confirmed these concerns.

Finally, though the 15bp policy rate hike by the Bank of Japan came earlier than consensus had expected, it was the more hawkish statement by BoJ Governor Ueda that rattled sentiment. The yen carry trade was dissolved within just a few trading days, pushing the USDJPY exchange rate down below 142 from 162, its 38-year high marked in mid-June. The 20% drop of the Topix index within three trading days was bigger than the immediate index loss following the 1987 crash.

Following the MSCI World Equity Index's 'V'-shaped, intra-month recovery from the panic low, the bull market's resilience was confirmed as the sharp drop offered a welcome opportunity for both institutional and retail investors to add risk, keeping the bull market intact. Fundamentals remain encouraging, including the resilience of corporate margins and revenues as shown by major retail companies. Meanwhile, the technical picture confirms the positve fundamental scenario, with the MSCI World Equity Index bouncing off its rising 200-day moving average to fresh record highs. Interestingly, the 'Magnificent Seven', though they also bounced off their August lows, only managed to recover about half of their prior losses from the July record highs, which we believe indicates a welcome broadening out of the equity market.

Market Assessment

Key developments

- Fed Chair Powell announces willingness to cut policy rates amid a weaker outlook for the US economy
- The yen appreciates markedly as speculative yen carry trade positions get dissolved amid tighter BoJ policy
- Risk assets experience a rollercoaster ride, as the 'buy the dips' philosophy continues to be reinforced

Zurich's view

While recession fears led to investor angst in early August, our view remains that a US recession is unlikely this year. Encouragingly, the Fed is likely to join the global rate cutting cycle this month, with three cuts expected by year end, which should further help diminishing the probability of a US recession.

The August market rout tested investor resolve, but the bull market in equities has proven to be deeprooted and resilient. Following some further consolidation, equity markets are likely to push higher with a further broadening out of market leadership.

Government bonds have shown their safe-haven status, with yields falling, and are now seen as close to fair value. Further declines in yields will be dependent on easing inflation and policy rate cuts.

Credit markets have largely retraced the weakness seen in early August, and we see greater upside offered in stocks than in credit given that credit's return potential is limited by tight spreads.

Zurich's view Key developments Global growth is holding up but remains uneven, with weakness The global economy is resilient Global outside of the US and manufacturing under pressure, while services despite financial market turbulence outperform. Lopsided growth poses a vulnerability, should any of the and elevated geopolitical risk growth drivers falter. There are signs of improvements, however, with Inflation edges lower, allowing for a rising global trade momentum after protracted weakness and an broadening out of the global rate upswing in export activity in Asia, bolstered by strong tech demand. cutting cycle Inflation has edged lower globally, helped by persistent goods deflation while services price pressures ease on the margin. As the Government bond yields decline as Fed is set to cut rates in September, this should reduce FX pressures further rate cuts are priced in while and open up for a broadening out of the global rate cutting cycle, inflation expectations ease which we anticipate will help to safeguard global growth in the quarters ahead. Equity markets have rebounded substantially in recent weeks as Fading recession fears fuel a US recession fears receded following a series of reassuring economic substantial stock market rebound data and the equal-weighted S&P 500 index reached a new record The labour market is weakening high. The labour market continues to weaken but initial jobless claims while consumer spending is holding point at a moderate slowdown rather than a rapid deterioration. Nevertheless, potential headwinds remain and history shows that negative momentum in the labour market can quickly accelerate. The The Fed signals a rate cut for Fed has now gained enough confidence that inflation is moving back September, leaving open the pace towards its target and is putting more emphasis on the downside risks. and timing of further cuts A rate cut in September is now widely expected and although further rate cuts are already priced in, looser monetary policy will help to support the equity bull market. Fuelled by global investors' renewed optimism, UK equity markets UK equities are recovering but lag UK have rebounded though they have been lagging most of their peers in many of their peers recent weeks. One factor weighing on UK stocks is the substantial strengthening of the pound. Sterling rose to the highest level against Sterling strengthens to the highest level against the USD since March the USD since March 2022 despite the Bank of England cutting the Bank Rate by 25bps to 5% at its meeting in August. The dollar's weakness was driven by markets' pricing in a significant number of The BoE cuts rates by 25bps to 5% Fed rate cuts in the coming months while the UK economy is holding with further rate cuts expected up better than many expected. The latest PMI surveys are pointing at before year end a continuation of moderate growth in Q3 following two solid quarters in the first half of the year. At the same time, inflation and wage growth are slowing, making another BoE rate cut before year end very likely. Eurozone economic activity continues to be lacklustre. With Germany Eurozone equity and bond prices Eurozone lagging and Spain leading, forward-looking indicators have decreased change little in July, but this hides the significant volatility across regions and sectors. An exception is France, where the Olympics contributed to a service sector boost. There is good news Inflation is falling and the ECB will on prices, and headline inflation is falling towards 2%. Yet core cut rates further, but curb your inflation, particularly services, is too high. We think the ECB will cut enthusiasm about a return to the twice more this year, and four times in 2025. This will help the low yields seen before 2022 economy, but not cure underlying structural issues. Bond yields have fallen recently, and we temper our optimism for further declines. France's activity indicators lift in Market participants are too eager to get back into long duration August versus weakness in the rest positions. The equity outlook is more positive as global conditions, of Europe, but the political situation including Fed easing, favour a broadening of this year's rally. returns to centre stage The economy is resilient, with solid underlying GDP growth of 0.5% Economic activity is resilient and Switzerland services robust while manufacturing QoQ in Q2, helped by the strong pharma sector. August PMI data surprised to the upside, with both manufacturing and services momentum is improving from a low rebounding after a dip in July. The recovery was broad based, though level the employment component stayed weak. While data have been Inflation is easing further and volatile recently, the upswing is encouraging and consistent with the continues to track below the SNB's modestly improving global trade cycle and still robust domestic forecast, led by falling import prices demand. CPI inflation was soft in August and, at 1.1% YoY, is tracking well below the SNB's latest forecast. While it is a close call, we now

Further rate cuts from the SNB are

expected, with the strong franc a

concern

anticipate that the SNB will cut rates again in the September meeting,

likely followed by further easing in coming quarters.

Zurich's view Key developments Japan's financial markets experienced a turbulent start to the month of The MSCI Japan Index recovers Japan August, with the MSCI Japan Index tumbling more than 20% in the most of its intra-month August first three trading days and the USDJPY falling below 142 from its 38losses year high of 162 marked in July. A hawkish statement by BoJ Governor 10yr JGB yields fall below the 1% Ueda resulted in a broad unwinding of the famous yen carry trade. mark While the yen's strength has continued, equities recovered, even though only they only made up half of the losses incurred since early The yen appreciates amid a broad July, thus underperforming global stocks. 10yr JGB yields fell from 1.1% unwinding of the yen carry trade to a low of 0.74% before stabilising around 0.9%. Though we believe that the structural background with further improvement of corporate governance remains positive, the stronger yen has proven to be a headwind, particularly for export related index heavyweights. Chinese equity performance Over the last six weeks both the MSCI China Index and the 'H'-share China index have hovered in a broad, flat range while domestic 'A'-shares continues to disappoint have been in a downtrend for more than three months. In relative terms After depreciating since the start of versus the MSCI World Index, the MSCI China Index has continued to the year, the yuan reversed its entire underperform. On several occasions, investors have jumped in on loss in August positive economic news or policy action, only to sell again two or three trading days later. The recently announced mortgage refinancing Most of the July economic scheme is encouraging, but needs to be scaled up and implemented indicators have disappointed, while swiftly. Meanwhile, the NBS Manufacturing PMI for August August PMIs paint a mixed picture disappointed, whereas the Caixin version is more encouraging, but is neglected by markets. Swift and forceful policy action is now required to achieve the government's 5% growth target this year. Australian shares ended the month just below the early August high, CPI data indicate easing inflation Australia primarily driven by banks. The ASX 200 Financials reached a new high pressures amid expectations of a peak in interest rates and the anticipated Fed The RBA remains hawkish, but the rate cut leading to an easing in global financial conditions. Earnings likelihood of another rate hike has season delivered moderate results, but subdued expectations left diminished investors content, especially with banks reporting strong dividends and margins. The materials sector underperformed on the back of Stocks rebound from August falling commodity prices. Meanwhile, economic data from Q2 CPI corrections, with bank stocks provided relief, reducing the likelihood of a rate hike this year. Monthly outperforming CPI continues to decelerate, though services inflation remains above 4%, suggesting the RBA will likely keep rates unchanged. Retail sales data indicate weak but not collapsing consumption growth. The MSCI ASEAN Index outperformed the MSCI World Index in The central bank of the Philippines **ASEAN** August, gaining over 6% and avoiding the global sell-off due to its delivers a surprise rate cut in August lower tech weighting. Foreign fund flows increased as investors rotated out of expensive stocks in Taiwan, Korea, and India, while Strong export data suggest an China disappointed with weak economic data. The prospect of Fed ongoing trade recovery rate cuts is positive for ASEAN given its low inflation, resilient domestic sector, improving trade outlook, and attractive valuations. ASEAN's equity outperforms on the Significant USD weakening in August boosted ASEAN currencies and back of robust foreign inflows attracted more foreign inflows, while lower government bond yields further supported the equity market. The Philippines central bank initiated a rate cut cycle in August, with more cuts by other central banks expected if the Fed cuts rates in September. The MSCI LatAm Index has regained some lost ground, buoyed by the Central banks across the region LatAm strong performance of the Brazilian and Chilean stock markets. These signal divergent stances regarding gains were in response to signals from the Federal Reserve indicating the easing cycle the start of an easing cycle, coupled with data showing signs of labour Currency movements are mixed; the market weakening. We maintain a positive outlook on the Brazilian Chilean peso and the Brazilian real market. In contrast, the Mexican stock market has experienced three are appreciating while the Mexican months of losses since the presidential election amid uncertainty over peso continues to depreciate potential reforms. Increased risk appetite among investors drove

LatAm stock markets register gains

recovery of stock markets in Brazil

in USD terms, driven by the

and Chile

appreciation in the Chilean peso and Brazilian real, while the Mexican

peso continued to depreciate. Looking ahead, we expect the region's

rest of the year as inflation remains above target ranges.

central banks to maintain a moderate stance in the easing cycle for the

Valuation snapshot (MSCI Indices)

Current trainling valuations

	US	Europe ex UK	UK	Switzerland	Japan	APAC ex Japan	China	Brazil	Mexico
12m Trailing P/E	26.2	16.2	14.9	21.5	16.5	16.8	10.9	9.4	13.4
12m Trailing P/B	5.1	2.2	1.9	4.0	1.5	1.8	1.2	1.5	1.8
12m Trailing P/CF	19.4	13.9	9.7	13.4	10.4	10.0	4.9	4.7	7.8
Dividend Yield	1.3	3.0	3.8	2.9	2.1	2.6	2.7	6.7	4.0
ROE	17.6	11.9	9.7	16.9	8.9	10.2	10.6	16.0	13.6

Current trainling valuations relative to MSCI world

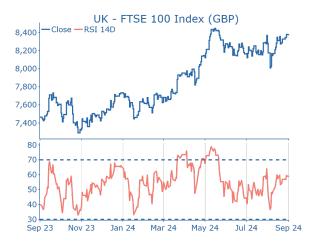
	US	Europe ex UK	UK	Switzerland	Japan	APAC ex Japan	China	Brazil	Mexico
12m Trailing P/E	3.47	-6.57	-7.86	-1.21	-6.27	-5.94	-11.8	-13.37	-9.32
12m Trailing P/B	1.52	-1.32	-1.65	0.44	-2.05	-1.72	-2.31	-2.01	-1.72
12m Trailing P/CF	2.16	-3.31	-7.49	-3.82	-6.82	-7.2	-12.31	-12.54	-9.38
Dividend Yield	-0.49	1.26	2.08	1.15	0.3	0.84	0.96	4.98	2.26
ROE	3.6	-2.09	-4.32	2.84	-5.06	-3.8	-3.39	1.95	-0.38

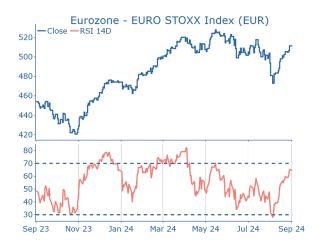
Source: Bloomberg

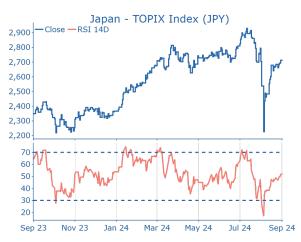
Overbought / Oversold*

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



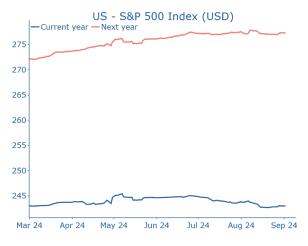


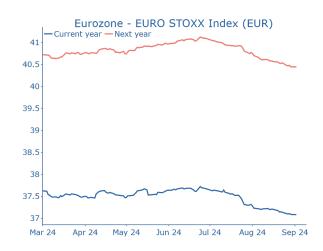


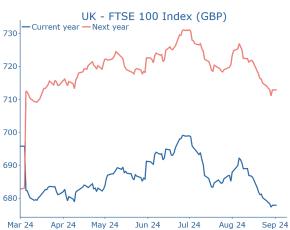


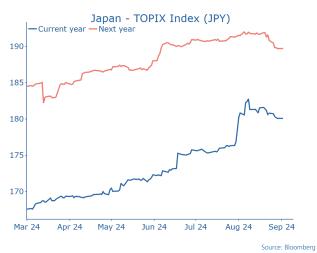
Source: Bloomberg

Earnings estimates - Full fiscal year

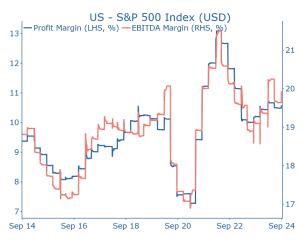


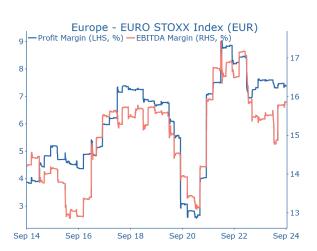


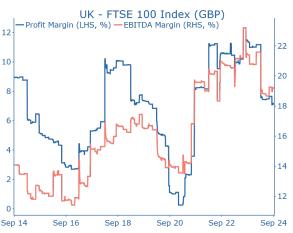


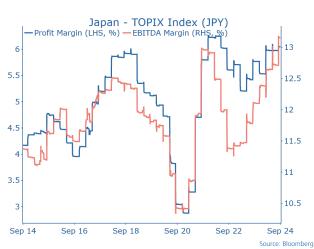


Historical margins

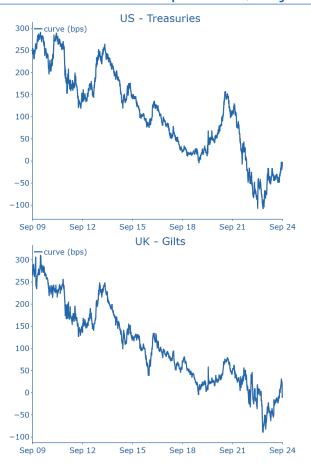


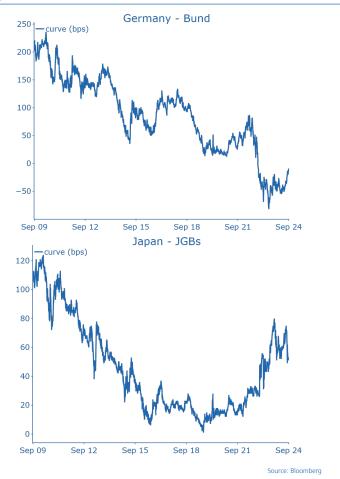






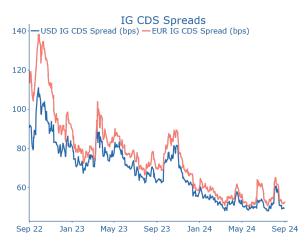
Yield Curve Steepness (10yr - 2yr)

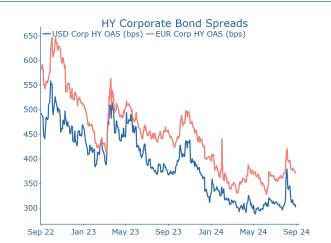


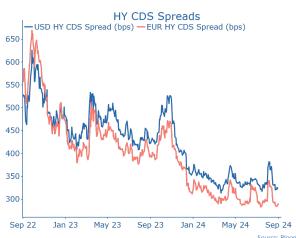


Credit Markets (US & Europe)









Source: Bloomberg

Economic Data

EUrozone Oct-2023 Nov-2023 Dec-2023 Jan-2024 Feb-2024 Mar-2024 Apr-2024 Jun-2024 Jun-2024 Aug-2024 Trend* PMI Manufacturing (Index) 43.1 44.2 44.4 46.6 46.5 46.5 46.1 45.7 47.3 45.8 45.8 45.6 down PMI Services (Index) 68.9 87.1 66.4 65.3 65.7 57.9 89.3 69.3 88.6 87.0 86.6 down Industrial Production (% YoY) 6.2 5.2 51.0 55.3 85.7 85.9 85.7 86.9 89.3 88.6 87.0 86.6 down Industrial Production (% YoY) 41.6 4.17 4.11 33.85 3.62 3.52 3.5 3.4 3.8 3.88 3.68 5 6.0 40.0 Mineral Production (% YoY) 6.6 6.5 6.5 6.5 6.5 6.5 6.5 6.5 6.5 6.5	US	Oct-2023	Nov-2023	Dec-2023	Jan-2024	Feb-2024	Mar-2024	Apr-2024	May-2024	Jun-2024	Jul-2024	Aug-2024	Trend*
Eurozone Oscidos Nov-3021 Nov-3022 Dec/1023 Nov-3024 Nov-	ISM Manufacturing (Index)	46.9	46.6	47.1	49.1	47.8	50.3	49.2	48.7	48.5	46.8	-	down
Eurozone Oct 2002 Nov 2002 Dec 2002 Nov 2002 Dec 2002 Nov	ICM No. Monthly Committee of the Committ	F1.0		EO.F.	F2-4	F2.	<u></u>	-10.4	<u></u>	40.0	F1.4	- Opening at	
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PMS Services (Indexs)	Eurozone	Oct-2023	Nov-2023	Dec-2023	Jan-2024	Feb-2024	Mar-2024	Apr-2024	May-2024	Jun-2024	Jul-2024	Aug-2024	Trend*
175	PMI Manufacturing (Index)	43.1	44.2	44.4	46.6	46.5	46.1	45.7	47.3	45.8	45.8	45.6	down
Treatest of Protection (Partor) 4-52 5-52 0.4 4-6 3-63 3-62 3-52 3-34 3-39 3-59 3-6	PMI Services (Index)	47.8	48.7	48.8	48.4	50.2	51.5	53.3	53.2	52.8	51.9	53.3	down
Indicase	IFO Business Climate (Index)	86.9	87.1	86.4	85.3	85.7	87.9	89.3	89.3	88.6	87.0	86.6	down
Denominary Control (%) 6,5	Industrial Production (% YoY)	-6.2	-5.2	0.1	-6.5	-6.3	-1.2	-3.1	-3.3	-3.9	-	-	down
Second Conde Con	Indeed 3m average wage growth (% YoY)	4.16	4.17	4.11	3.85	3.62	3.52	3.5	3.46	3.58	3.68	-	up
Self HICP Systy Inflation Shappi	Unemployment Rate (%)	6.6	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.4	-	down
CF (16 No?) 2.9 2.4 2.0 2.8 2.6 2.6 2.4 2.7 2.7 2.8 2.6 2.8 2	Euro-Area Credit Impulse (%, SA)	-5.89	-5.52	-2.5	-2.78	-2.02	-1.5	-1.11	-0.67	0.27	-	-	up
Core OFT (16 Yor)	EUR HICP 5y5y Inflation Swaps	2.49	2.41	2.27	2.23	2.3	2.3	2.39	2.36	2.3	2.21	2.13	down
Concess of (% Year)	CPI (% YoY)	2.9	2.4	2.9	2.8	2.6	2.4	2.4	2.6	2.5	2.6	2.2	down
Decomposition Decompositio	Core CPI (% YoY)	4.2	3.6	3.4	3.3	3.1	2.9	2.7	2.9	2.9	2.9	2.8	up
Month Mont	GDP (% QoQ)	-	-		-	-		-	-		-	-	
PMI Manufacturing (Index)													
PMI Services (Index)	UK	Oct-2023	Nov-2023	Dec-2023	Jan-2024	Feb-2024	Mar-2024	Apr-2024	May-2024	Jun-2024	Jul-2024	Aug-2024	Trend*
Communer Confidence (Index) Communer Commune	PMI Manufacturing (Index)	44.8	47.2	46.2	47.0	47.5	50.3	49.1	51.2	50.9	52.1	52.5	up
Unemployment Rata (%)	PMI Services (Index)	49.5	50.9	53.4	54.3	53.8	53.1	55.0	52.9	52.1	52.5	53.3	down
PPI (% YoY)	Consumer Confidence (Index)	-30.0	-24.0	-22.0	-19.0	-21.0	-21.0	-19.0	-17.0	-14.0	-13.0	-13.0	up
House Prices (% YoY) House Prices (% YoY	Unemployment Rate (%)	4.0	3.9	3.8	4.0	4.2	4.3	4.4	4.4	4.2	-	-	down
Mortgage Approvals (SA, Thousands) 48.67 50.26 52.17 55.94 60.43 61.94 60.54 60.54 60.65 60.61 61.98 61.94 GDP (% YoY) 7.0 7	CPI (% YoY)	4.6	3.9	4.0	4.0	3.4	3.2	2.3	2.0	2.0	2.2	-	down
Switzerland	House Prices (% YoY)	-3.3	-2.0	-1.8	-0.2	1.2	1.6	0.6	1.3	1.5	2.1	2.4	up
Novel Nove	Mortgage Approvals (SA, Thousands)	48.67	50.26	52.17	55.94	60.43	61.34	61.18	60.5	60.61	61.98	-	ир
No. Part Manufacturing (Index) Ph.	GDP (% YoY)	-	-	-0.2	-	-	0.3	-	-	0.9	-	-	up
No. Part Manufacturing (Index) Ph.			l .									,	
Min Manufacturing (Index) 40.6 42.1 43.0 43.1 44.0 45.2 41.4 46.4 43.9 43.5 60 down Real Real Sales (% Nov) .2.0 .1.2 0.1 0.2 .0.2 .0.2 .0.1 2.4 .0.1 .2.6 2.7 down Trade Balance (Billion, CHF) 4.75 3.72 1.18 4.68 3.68 3.84 4.31 5.77 6.12 4.89 up CFI (% Yov) 1.7 1.4 1.7 1.3 1.2 1.0 1.0 1.4 1.4 1.3 1.3 up Machinery (Index) 48.7 48.3 47.9 48.0 47.2 48.2 49.6 50.4 50.0 49.1 49.8 up Machinery Orders (% Yov) 2.2 .5.0 .0.7 .1.0 .1.0 .1.5 .3.9 .0.2 .1.8 .1.1 .7.9 2.7 down Industrial Production (% Yov) .1.5 .1.7 .1.2	Switzerland	Oct-2023	Nov-2023	Dec-2023	Jan-2024	Feb-2024	Mar-2024	Apr-2024	May-2024	Jun-2024	Jul-2024	Aug-2024	Trend*
Real Retail Sales (% YoY)		95.1		97.8	102.6	102.3	100.3	102.2	102.6	102.7	100.6	101.6	down
Trade Balance (Billion, CHF)		40.6	42.1	43.0	43.1	44.0	45.2	41.4	46.4	43.9	43.5	-	down
Dec Color Dec Color Dec		-2.0	-1.2	0.1	0.2	-0.2	-0.1	2.4	-0.1	-2.6	2.7	-	down
Dapan Oct-2023 Nov-2023 Dec-2023 Jan-2024 Feb-2024 Mar-2024 Apr-2024 May-2024 Jun-2024 Jul-2024 Aug-2024 Trend Machinery Orders (% YoY) -2.2 -5.0 -0.7 -1.0.9 -1.8 2.7 0.7 0.1.8 -1.7 down Industrial Production (% YoY) 0.9 -1.6 -1.1 -1.5 -3.9 -6.2 -1.8 1.1 -7.9 2.7 down Dabs to Applicants Ratio (Index) 49.9 49.8 50.9 47.4 50.3 52.4 50.2 46.8 47.3 48.3 1.2 down Jobs to Applicants Ratio (Index) 1.29 1.27 1.27 1.27 1.26 1.28 1.26 1.26 1.24 1.23 1.24 down Jobs to Applicants Ratio (Index) 1.5 0.7 0.8 1.5 1.4 1.0 1.6 2.0 4.5 up Labour Cash Earnings (% YoY) 1.6 -0.2 9.7 11.9 7.8 7.3 8.3 13.5 5.4 10.2 down Jobs to Applicants Ratio (Index) 2.7 2.7 2.8 2.6 2.5 2.2 2.0 1.7 1.9 1.6 down Jobs to Applicants Ratio (Index) 2.7 2.7 2.8 2.6 2.5 2.2 2.0 1.7 1.9 1.6 down Jobs to Applicants Ratio (Index) 3.8 3.1 3.5 5.4 10.2 down Jobs to Applicants Ratio (Index) 3.0	Trade Balance (Billion, CHF)	4.75	3.72	1.18	4.68	3.66	3.84	4.31	5.77	6.12	4.89	-	up
PRIX Manufacturing (Index)	CPI (% YoY)	1.7	1.4	1.7	1.3	1.2	1.0	1.4	1.4	1.3	1.3	-	up
PRIX Manufacturing (Index)		0-+ 2022	N= 2022	D 2022	1 2024	F-h 2024	M== 2024	A== 2024	M= 2024	1 2024	1.J. 2024	A 2024	T
Machinery Orders (% YoY)	•											_	
The Industrial Production (% YoY) 0.9 -1.6 -1.1 -1.5 -3.9 -6.2 -1.8 1.1 -7.9 2.7 - down											49.1	49.8	
ECO Watchers Survey (Index) 49.9 49.8 50.9 47.4 50.3 52.4 50.2 46.8 47.3 48.3 - down Jobs to Applicants Ratio (Index) 1.29 1.27 1.27 1.27 1.26 1.28 1.26 1.24 1.23 1.24 - down Labour Cash Earnings (% YoY) 1.5 0.7 0.8 1.5 1.4 1.0 1.6 2.0 4.5 - - up Retail Sales (% YoY) 6.1 7.4 5.4 7.1 14.0 9.9 8.9 14.4 14.0 5.5 - down Exports (% YoY) 1.6 -0.2 9.7 11.9 7.8 7.3 8.3 13.5 5.4 10.2 - down Money Supply M2 (% YoY) 2.4 2.3 2.3 2.5 2.4 2.5 2.2 1.8 1.5 1.4 - down CPI Ex Food & Energy (% YoY) 2.7 2.7 2.8 2.6 2.5 2.2 2.0 1.7 1.9 1.6 - down NBS PMI Manufacturing (Index) 49.5 49.4 49.0 49.2 49.1 50.8 50.4 49.5 49.5 49.4 49.1 down NBS PMI Non Manufacturing (Index) 50.6 50.2 50.4 50.7 51.4 53.0 51.2 51.1 50.5 50.2 50.3 down Industrial Production (% YoY) 4.6 6.6 6.8 - - 4.5 6.7 5.6 5.3 5.1 - down Exports (% YoY) 7.6 10.1 7.4 - - 3.1 2.3 3.7 2.0 2.7 7.5 6.0 Exports (% YoY) 7.6 10.1 7.4 - - 3.1 2.3 3.7 2.0 2.7 7.5 6.0 Exports (% YoY) 7.6 10.1 7.4 - - 3.1 2.3 3.7 2.0 2.7 7.5 6.0 Exports (% YoY) 7.6 10.1 7.4 - - 3.1 2.3 3.7 2.0 2.8 3.8 2.6 - up Exports (% YoY) 7.6 10.1 7.4 - - 3.1 2.3 3.7 2.0 2.8 3.8 2.6 - up Exports (% YoY) 7.6 3.0 3.0 3.0 3.0 3.0 3.0 3.0 3.0 3.0 3.0 Exports (% YoY) 7.6 3.1 3.1 3.1 3.0 3.0 3.0 3.0 3.0 3.0 3.0 3.0 Exports (% YoY) 7.6 3.1 3.1 3.1 3.1 3.0 3.											-	-	
Dibs to Applicants Ratio (Index) 1.29 1.27 1.27 1.27 1.26 1.28 1.26 1.24 1.23 1.24 - down												-	
Labour Cash Earnings (% YoY)												-	
Retail Sales (% YoY)											1.24	-	
Exports (% YoY)											-	-	
Money Supply M2 (% YoY)												-	
China Oct-2023 Nov-2023 Dec-2023 Jan-2024 Feb-2024 Mar-2024 Apr-2024 Jun-2024 Jun-2024 Aug-2024 Trend* NBS PMI Manufacturing (Index) 49.5 49.4 49.0 49.2 49.1 50.8 50.4 49.5 49.5 49.4 49.1 down NBS PMI Non Manufacturing (Index) 50.6 50.2 50.4 50.7 51.4 53.0 51.2 51.1 50.5 50.2 50.3 down Industrial Production (% YoY) 4.6 6.6 6.8 4.5 6.7 5.6 5.3 5.1 - down Retail Sales (% YoY) 7.6 10.1 7.4 3.1 2.3 3.7 2.0 2.7 - down Exports (% YoY) 6.6 0.7 2.3 7.8 5.2 -7.9 1.2 7.5 8.6 7.0 - up PPI (% YoY) 4.1 5.4 2.3 2.1 4.7 1.2 2.0 2.8 3.8 2.6 - up PPI (% YoY) 8.6 7.0 - up PRR (%) 10.5 10.5 10.5 10.5 10.5 10.0 10.0 10.0												-	
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NBS PMI Manufacturing (Index) 49.5 49.4 49.0 49.2 49.1 50.8 50.4 49.5 49.5 49.4 49.1 down NBS PMI Non Manufacturing (Index) 50.6 50.2 50.4 50.7 51.4 53.0 51.2 51.1 50.5 50.2 50.3 down Industrial Production (% YoY) 4.6 6.6 6.8 4.5 6.7 5.6 5.3 5.1 - down Retail Sales (% YoY) 7.6 10.1 7.4 3.1 2.3 3.7 2.0 2.7 - down Exports (% YoY) 6.6 0.7 2.3 7.8 5.2 7.9 1.2 7.5 8.6 7.0 - up CPI (% YoY) 4.1 5.4 2.3 2.1 4.7 1.2 2.0 2.8 3.8 2.6 - up PPI (% YoY) 7.6 7.5 7.5 7.7 7.2 7.2 7.2 7.2 7.2 7.2 7.2 7.2 7.2	China	Oct-2023	Nov-2023	Dec-2023	Jan-2024	Feb-2024	Mar-2024	Apr-2024	May-2024	Jun-2024	Jul-2024	Aug-2024	Trend*
NBS PMI Non Manufacturing (Index) 50.6 50.2 50.4 50.7 51.4 53.0 51.2 51.1 50.5 50.2 50.3 down Industrial Production (% YoY) 4.6 6.6 6.8 - - 4.5 6.7 5.6 5.3 5.1 - down Retail Sales (% YoY) 7.6 10.1 7.4 - - 3.1 2.3 3.7 2.0 2.7 - down Exports (% YoY) -6.6 0.7 2.3 7.8 5.2 -7.9 1.2 7.5 8.6 7.0 - up CPI (% YoY) 4.1 5.4 2.3 2.1 4.7 1.2 2.0 2.8 3.8 2.6 - up PPI (% YoY) -2.6 -3.0 -2.7 -2.5 -2.7 -2.8 -2.5 -1.4 -0.8 -0.8 - up RRR (%) 10.5 10.5 10.5 10.0 10.0 10.0 10.0 <th></th>													
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RRR (%) 10.5 10.5 10.5 10.5 10.0 10.0 10.0 10.0												-	
												10.0	
GDP (% 101) 5.2 5.3 4./ down		10.5	10.5					10.0			10.0		
	GDP (% 101)	_	-	5.2	-	-	5.3	-	-	4.7	-	-	down

Economic Data

India	Oct-2023	Nov-2023	Dec-2023	Jan-2024	Feb-2024	Mar-2024	Apr-2024	May-2024	Jun-2024	Jul-2024	Aug-2024	Trend*
PMI Manufacturing (Index)	55.5	56.0	54.9	56.5	56.9	59.1	58.8	57.5	58.3	58.1	57.5	down
PMI Services (Index)	58.4	56.9	59.0	61.8	60.6	61.2	60.8	60.2	60.5	60.3	60.4	down
Industrial Production (% YoY)	11.9	2.5	4.4	4.2	5.6	5.5	5.0	6.2	4.2	-	-	down
CPI (% YoY)	4.87	5.55	5.69	5.1	5.09	4.85	4.83	4.8	5.08	3.54	-	down
GDP (% YoY)	-	-	8.57	-	-	7.76	-	-	6.7	-	-	down
Australia	Oct-2023	Nov-2023	Dec-2023	Jan-2024	Feb-2024	Mar-2024	Apr-2024	May-2024	Jun-2024	Jul-2024	Aug-2024	Trend*
Westpac Leading Indicator	97.11	97.19	97.12	97.01	97.13	97.1	97.06	97.07	97.08	97.04	-	down
Retail Sales (% YoY)	1.15	2.16	0.83	1.04	1.6	0.91	1.37	1.72	2.89	2.34	2.12	up
Unemployment Rate (%)	3.8	3.9	3.9	4.1	3.7	3.9	4.1	4.0	4.1	4.2	-	up
Housing Prices (% YoY)	4.23	6.02	7.74	9.37	10.14	9.92	9.81	9.16	8.62	8.3	7.76	down
CPI (% MoM)	4.9	4.3	3.4	3.4	3.4	3.5	3.6	4.0	3.8	3.5	-	down
Brazil	Sep-2023	Oct-2023	Nov-2023	Dec-2023	Jan-2024	Feb-2024	Mar-2024	Apr-2024	May-2024	Jun-2024	Jul-2024	Trend*
CPI (% YoY)	5.19	4.82	4.68	4.62	4.51	4.5	3.93	3.69	3.93	4.23	4.5	up
Industrial Production (% YoY)	0.7	1.1	1.4	0.9	3.7	5.5	-2.8	8.4	-1.1	3.2	-	down
Retail Sales (% YoY)	3.2	0.3	2.6	1.3	4.0	8.1	5.7	2.1	7.8	4.0	-	up
Trade Balance (Millions, USD)	9181.57	9180.92	8788.77	9323.16	6196.6	5196.69	7216.15	8596.41	8325.97	6384.45	7639.66	up
Budget Balance (Billions, BRL)	-99.78	-47.15	-80.89	-193.43	22.23	-113.86	-62.98	-69.64	-138.26	-135.72	-101.47	down
Chile	Sep-2023	Oct-2023	Nov-2023	Dec-2023	Jan-2024	Feb-2024	Mar-2024	Apr-2024	May-2024	Jun-2024	Jul-2024	Trend*
Economic Activity Index (% YoY)	0.25	0.99	1.05	-0.71	2.4	4.1	0.51	3.49	1.15	0.07	-	down
CPI (% YoY)	7.12	6.2	4.59	2.9	3.8	4.48	3.74	3.97	4.13	4.19	4.6	up
Retail Sales (% YoY)	-4.14	-6.61	-2.5	-1.46	1.66	4.05	0.98	3.68	1.22	8.0	2.69	up
Industrial Production (% YoY)	2.76	2.23	2.75	-2.8	3.57	7.99	0.42	2.46	2.26	-1.09	3.62	down
Unemployment (%)	8.9	8.9	8.7	8.5	8.4	8.5	8.7	8.5	8.3	8.3	8.7	down
Mexico	Sep-2023	Oct-2023	Nov-2023	Dec-2023	Jan-2024	Feb-2024	Mar-2024	Apr-2024	May-2024	Jun-2024	Jul-2024	Trend*
PMI (Index)	51.34	50.49	51.12	49.95	51.48	49.94	51.22	48.84	48.83	48.77	47.08	down
CPI (% YoY)	4.45	4.26	4.32	4.66	4.88	4.4	4.42	4.65	4.69	4.98	5.57	up
Retail Sales (% YoY)	2.3	3.4	2.7	-0.2	-0.8	3.0	-1.7	3.2	0.3	-3.9	-	down
Industrial Production (% YoY)	1.26	1.19	0.03	-3.57	0.03	2.32	-5.03	3.76	-1.38	-0.93	-	down
Remittances (Millions, USD)	5616.7	5817.8	4913.0	5496.9	4573.2	4494.8	5014.6	5422.3	5624.5	6213.2	-	up

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

Spread Snapshot (Generic Government Yield 10yr, bps)

Spread over US Treasuries (bps)

Country	Sep-2024	1M ago	3M ago	12M ago
UK	14	3	-18	24
Germany	-157	-161	-183	-162
Switzerland	-340	-339	-357	-321
Japan	-299	-284	-342	-354
China	-175	-166	-217	-155
India	296	310	248	298
Australia	10	26	-9	-17
South Korea	-81	-82	-91	-39
Malaysia	-14	-8	-60	-33
Indonesia	275	305	242	220
Thailand	-135	-123	-168	-141
Philippines	216	234	225	221
Brazil	831	797	738	691
Mexico	577	589	528	516
Chile	172	213	160	159
Colombia	622	663	650	654
Peru	264	310	257	263

Spread over German Bund (bps)

Country	Sep-2024	1M ago	3M ago	12M ago
France	73	79	47	52
Netherlands	28	31	28	33
Belgium	58	65	54	62
Austria	52	55	49	60
Irland	36	42	37	38
Italy	148	145	131	168
Spain	83	88	72	102
Portugal	61	68	59	72

Source: Bloomberg

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