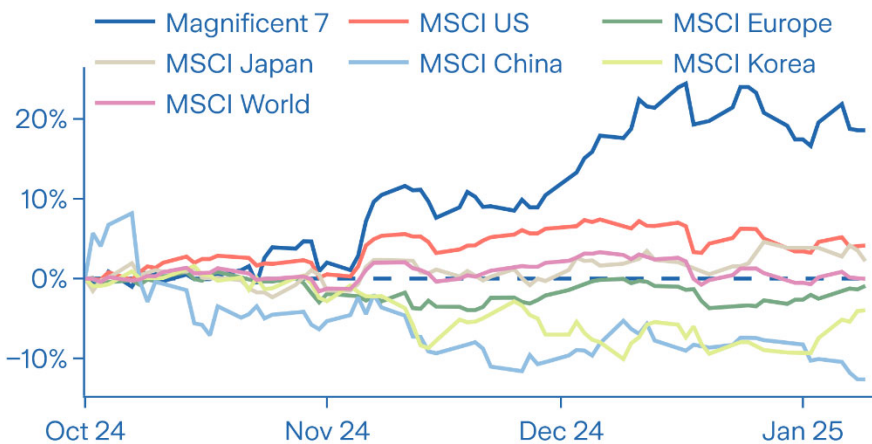


Monthly Investment Insights

10 January 2025



Diverse global equity market performance since Q4 2024



Source: Bloomberg

Global equities experienced rather bumpy performance around the turn of the year. Major US and European equity indices retreated towards the year end, but regained some steam as investors turned more optimistic at the start of the new year, resulting in choppy trading. US technology stocks, particularly the ‘Magnificent Seven’, continue to trade in a stable uptrend, while the broader US equity market as well as European and major Asian equity markets are meandering broadly sideways.

Meanwhile, US 10yr Treasury bond yields spiked 100bps to 4.6% from their recent low in September last year, driven by stronger than expected US labour market conditions and solid consumer spending, underscoring the resilience of the US economy. Bond market participants also seem to be concerned about President-elect Trump’s lack of willingness to reduce the budget deficit, with further debt expansion looming.

Market turmoil continues in China as the onshore CNY weakened below the 7.30 USD threshold in early January, a level that had been defended for the prior ten days, prompting the People’s Bank of China (PBoC) to communicate that it will defend the yuan, in order to avoid it marking a 17-year low versus the USD. Local equity market participants appear to have lost faith, with domestic ‘A’-shares tumbling. We believe that policy makers will be willing to expand their support for the economy, with a likely announcement to that end during the National People’s Congress in March. While short-term volatility may prevail over the next few weeks, we believe that monetary easing, fiscal support, capital market reforms and the determination to stabilise the property market suggest that the outlook for China’s economy and equity market is not as bad as doomsayers currently suggest, with upside potential for stocks in the months ahead.

Political turmoil keeps making headlines in South Korea, while North Korea’s support for the Russian invasion into Ukraine and its latest missile launch confirm vulnerabilities in the region. The MSCI Korea has tumbled more than 23% from its 2024 high marked in July, before stabilising. On a positive note, semiconductor exports have more than doubled from their 2023 low, reaching a record high. Export diversification away from China to the US, Taiwan, India and ASEAN should help stabilise the sector.

In summary, please take note of our [Economic and Market Outlook 2025](#), which concludes that ‘...from both an economic and financial market perspective, the global 2025 outlook is best characterised as being in a state of flux’.

Market Assessment

Key developments

- US government bond yields are creeping close to their 2024 high marked in April, with any major setbacks likely to be temporary amid President-elect Trump’s policy outlook
- In China, investor sentiment remains depressed, though further monetary and fiscal policy support are in the offing
- In the Eurozone, France’s budget negotiations and German election campaigning will define regional markets in January

Zurich’s view

Equity markets are likely to remain volatile, and suggest a ‘buy-the-dips’ and ‘sell-into-euphoria’ strategy is the most elegant way to accumulate profits for now, with US stocks still favoured.

We believe the hurdle for better news in both the Eurozone and China remains low, which suggests that any turn in investor pessimism for the better should benefit local equities in the medium term.

US 10yr Treasury bond yields are likely to challenge the 2024 high at around 4.75%, but we believe a swift move to 5% is unlikely and would not occur based on macro fundamentals.

Credit seems very expensive and is likely to have lacklustre returns lagging stocks, especially in the US. While spreads are tight, supply/demand technicals should worsen and some parts of the market face steep maturity walls in coming years.

Key developments	Zurich's view
<p>Global</p> <ul style="list-style-type: none"> • Global growth at a trend level, but with increasing geographical and sectoral divergences • Inflation data become more mixed, though goods deflation remains in place while services inflation edges lower in most regions • Global rates and yields remain volatile and rise on the back of strong US activity and inflation data 	<p>The global economy ended 2024 with increasing divergences. The PMIs showed renewed acceleration in services while manufacturing fell back into contraction amid capex weakness and heightened uncertainty around the future global trade environment. Weakness remains concentrated in Europe and China while the US continues to outperform, helped by improving sentiment following the election. Reduced prospects for Fed rate cuts and a stronger dollar are disrupting the global rate cutting cycle, delaying policy easing in emerging markets in particular, with domestic fiscal policy agendas also driving divergences. Global rates and yields have rebounded, mainly led by strong US activity and inflation data that put further US policy easing at risk.</p>
<p>US</p> <ul style="list-style-type: none"> • The Fed cuts its target rate by 25bps to a range of 4.25%-4.50% in December • Inflation remains elevated, potentially fuelled by the incoming administration's policies • Higher bond yields weigh on equities despite a solid growth outlook 	<p>As expected, the Fed cut its target rate by 25bps to a range of 4.25%-4.50% at its meeting in December, but signalled that it is very likely to pause in January. The hawkish tone was underlined by the latest dot plot indicating only 50bps in cuts for 2025, down from 100bps in September. The FOMC is worried about inflation remaining sticky, potentially fuelled further by the incoming administration's inflationary policies. PCE core inflation is now projected to only fall to 2.5% by the end of 2025, up from a forecast of 2.1% in September. Longer-term Treasury yields have risen to the highest level since May 2024 in the aftermath of the Fed meeting, weighing on equities despite a solid growth outlook. While the economic environment remains benign for stocks, higher bond yields are a potential risk for the market.</p>
<p>UK</p> <ul style="list-style-type: none"> • The BoE keeps rates on hold, with several members of the MPC voting for a cut • Inflation rates remain elevated, driven by a number of factors • Longer-term gilt yields rise to the highest level in more than a year 	<p>The Bank of England kept rates on hold at its meeting in December, but with six against three the vote was closer than expected, with the minority preferring a 25bp cut. The statement made clear that the path was still towards further easing and that a gradual approach to removing monetary policy restraint remains appropriate. Despite the more dovish stance, longer-term gilt yields have risen to the highest level in more than a year. Headline inflation reaccelerated to 2.6% YoY in November and is likely to remain elevated through most of 2025, driven by higher energy costs, a pickup in the National Living Wage and the increase in the employers' National Insurance Contributions, which will be at least partially passed on to consumers.</p>
<p>Eurozone</p> <ul style="list-style-type: none"> • France's budget negotiations, the German election, and US trade and foreign policy will define January markets • Higher inflation data confirms the ECB's job is not fully done; bond yields should stay high for now • Investor pessimism towards European equities is elevated, but the hurdle for good news is low 	<p>Politics and inflation loom large at the beginning of the year. Michel Barnier's government fell in France in December, and new PM Francois Bayrou is now leading another attempt to lower the deficit with an un-cooperative Assembly. French bonds remain highly vulnerable and political stability is a pre-requisite to see the equity market perform. The German election in February is crucial for the future of the Eurozone's largest economy, and we view any information regarding a possible loosening of the debt-brake as positive news. Trump matters too, with specific tariff and Ukraine policies expected after inauguration. Inflation is rising slightly above target again, and the market is moving closer to our view that 2% is where the ECB's policy will land later this year.</p>
<p>Switzerland</p> <ul style="list-style-type: none"> • Manufacturing weakness persist, while services activity remains robust amid healthy domestic demand • The SNB front-loads policy easing as inflation surprises strongly to the downside in H2 2024 • The Swiss franc should remain in demand, given the persistent trade surplus and challenging geopolitics 	<p>The SNB cut rates by 50bps in December, to 0.50%. The inflation forecast for 2025 was cut to only 0.3%, but the longer-term forecasts were nudged higher, indicating that the SNB considers the monetary stance broadly neutral. We agree with this and continue to expect the policy rate to remain in positive territory during this rate cutting cycle. Rate risk is to the downside, however, given low inflation, Eurozone weakness, and fractured geopolitics that may amplify the franc's strength. Economic activity also remains subdued. Key data indicate weaker manufacturing momentum in December, with output and employment stagnating as a stronger recovery is proving elusive. By contrast, services activity remains robust, confirming that domestic demand is holding up.</p>

Key developments	Zurich's view
<p>Japan</p> <ul style="list-style-type: none"> • The MSCI Japan continues to hover in a flat trading range • The USDJPY has recovered three quarters of its summer collapse • The Bank of Japan is likely to hike its policy rate twice this year 	<p>The fact that the MSCI Japan's 55-day and 200-day flat moving averages are hovering around the 1,675 level suggest that the Japanese equity market has been a boring playground for investors. However, that is only true for Q4 last year. After a promising start to 2024 and a flat trading range in Q2, the index collapsed a dramatic 26% from its July high to its August low following the Bank of Japan's second policy rate hike of the year by 15bps to 0.25% and the collapse of the yen-carry trade. Despite the fact that BoJ Governor Ueda did not hike the policy rate in December and his dovish sounding comments, we believe two more rate hikes, one in January and a second later this year, are in the offing. Meanwhile, we maintain a cautiously optimistic equity market outlook.</p>
<p>China</p> <ul style="list-style-type: none"> • Investors need more significant and continuous follow through policy measures to lift sentiment • The focus is shifting toward the National People's Congress in March • The CNY breaks the upper end of its recent trading range at 7.30 vs the USD 	<p>The MSCI China rallied 40% from its September 2024 low to its October high on expectations of substantial policy support for the weak economy that is continuing to suffer from the structural property market collapse. However, euphoria calmed down significantly on somewhat disappointing follow through policy action. The index has given up half of its gains, although it is still up 16% for the year and 33% from its January low. We believe that more stimulus measures are likely to be announced at the National People's Congress in March. Risks loom on the US tariff front, however, hurting China's encouraging export performance so far. While our close to 5% real GDP growth target for 2024 is likely to be achieved, we are turning somewhat more cautious for 2025.</p>
<p>Australia</p> <ul style="list-style-type: none"> • The labour market tightens further with job growth remaining robust • The RBA remains on hold with a more dovish statement • Volatility returns to both the stock and bond markets at the start of 2025 	<p>We believe volatility will prevail as markets continue to monitor US President Trump's policy moves in early 2025. In Australia, labour market tightness remains intact, with the jobless rate unexpectedly dropping to 3.9% in November. The inflation trajectory continues to suggest the case for RBA rate cuts in early 2025. In its December meeting, the central bank appeared more dovish, mentioning, '...the Board is gaining some confidence that inflation is moving sustainably towards target...' paving the way for rate cuts next year. Q3 GDP was weak, particularly with consumption surprising to the downside. That said, we think the growth outlook will improve in earnest around the beginning of this year as rate cuts approach.</p>
<p>ASEAN</p> <ul style="list-style-type: none"> • The central bank of the Philippines cut its policy rate by 25bps, while rate cuts have slowed elsewhere • Exports and PMI data improved notably • Equities declined significantly, echoing weak sentiment across global markets 	<p>Foreign outflows continued in the last weeks of 2024 as the global risk-off mood intensified after the Fed's hawkish message in its last meeting of the year. Currency headwinds remain, with IDR the most vulnerable. FX concerns kept Bank Indonesia on hold in December, with other central banks, except Bangko Sentral ng Pilipinas, also in 'wait and see' mode. On the macro front, exports and PMI data have improved, with electronics exports showing double-digit growth on a YoY basis in both Malaysia and Singapore, led by exports to the US. Front-loaded trade to avoid the negative impact of tariffs once Trump is in office may explain the rise. The outlook for the region going into 2025 remains cautious, if not even vulnerable.</p>
<p>LatAm</p> <ul style="list-style-type: none"> • Brazil's central bank raises the MPR by 100bps in December, while both Mexico and Chile cut by 25bps • BRL was the most depreciated currency in the region in 2024, followed by MXN, while CLP was the least depreciated • Regional stock markets decline in December 2024, ending the year down, primarily due to a drop in Brazil's stock market 	<p>The MSCI LatAm stock index dropped 7.3% (in US dollars) in December '24, impacted by regional currency depreciation and year-end volatility. Brazil's stock market fell for four consecutive months due to uncertainty over fiscal policy sustainability, which also influenced the Central Bank of Brazil's more aggressive monetary stance. Mexico's market continued its decline, weighed down by impending US trade policies and potential reforms by the Mexican government. In Chile, the stock market saw a slight dollar drop but rose in peso terms, driven by consumer goods and materials. Despite the last quarter's adjustment, the LatAm stock market remains undervalued. However, protectionist policies by the US government could negatively impact its performance, especially in the first half of the year.</p>

Valuation snapshot (MSCI Indices)

Current trailing valuations

	US	Europe ex UK	UK	Switzerland	Japan	APAC ex Japan	China	Brazil	Mexico
12m Trailing P/E	27.1	15.5	13.7	19.6	15.5	15.2	10.9	7.2	13.3
12m Trailing P/B	5.2	2.1	1.9	3.9	1.6	1.7	1.3	1.3	1.6
12m Trailing P/CF	22.1	11.2	9.2	15.2	9.7	9.4	5.3	3.6	6.6
Dividend Yield	1.2	3.2	3.9	3.0	2.2	2.6	3.0	6.8	4.1
ROE	17.2	12.3	10.4	18.1	9.8	10.9	11.3	16.5	12.5

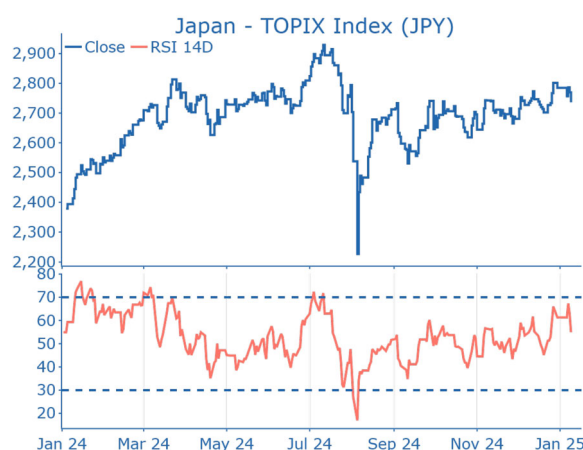
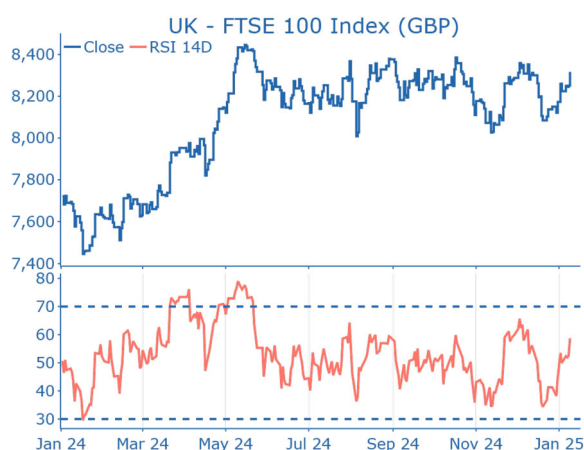
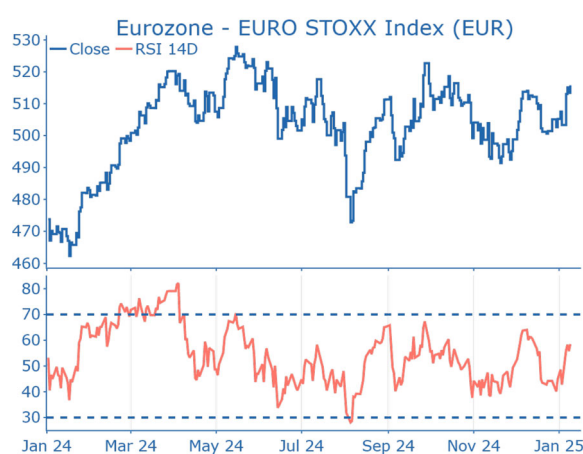
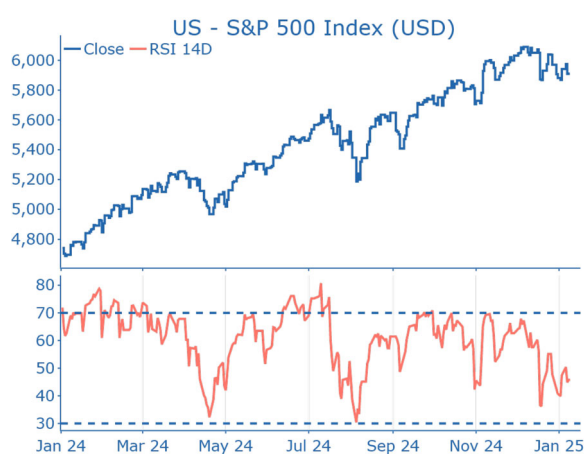
Current trailing valuations relative to MSCI world

	US	Europe ex UK	UK	Switzerland	Japan	APAC ex Japan	China	Brazil	Mexico
12m Trailing P/E	4.93	-6.63	-8.46	-2.56	-6.68	-6.94	-11.24	-14.97	-8.82
12m Trailing P/B	1.7	-1.34	-1.61	0.38	-1.9	-1.75	-2.2	-2.19	-1.88
12m Trailing P/CF	4.87	-6.03	-7.97	-1.99	-7.46	-7.76	-11.86	-13.59	-10.58
Dividend Yield	-0.47	1.45	2.17	1.29	0.45	0.91	1.26	5.11	2.35
ROE	3.09	-1.8	-3.71	4.04	-4.23	-3.19	-2.76	2.48	-1.61

Source: Bloomberg

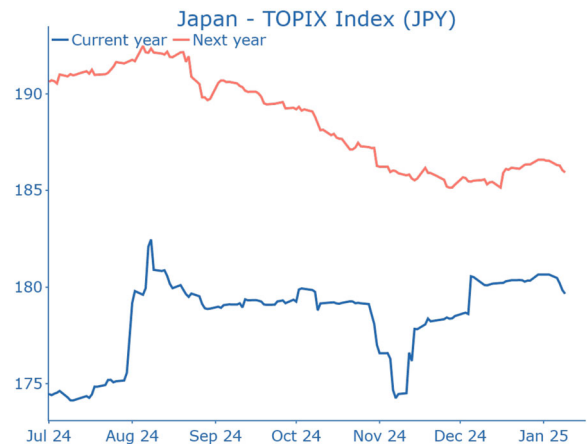
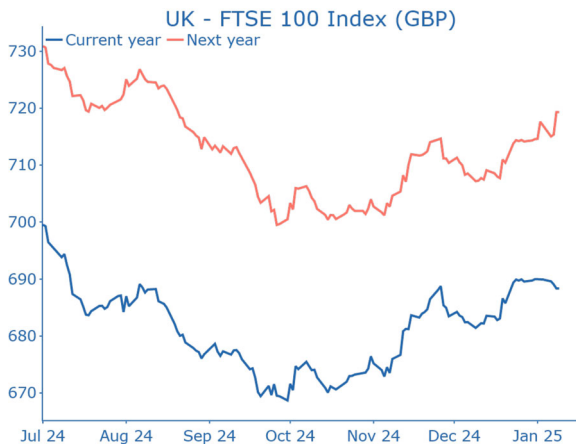
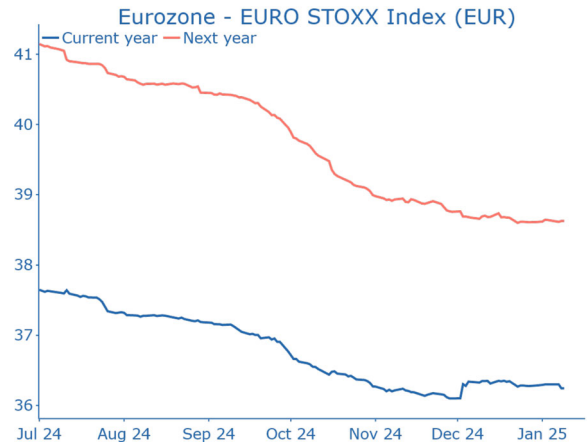
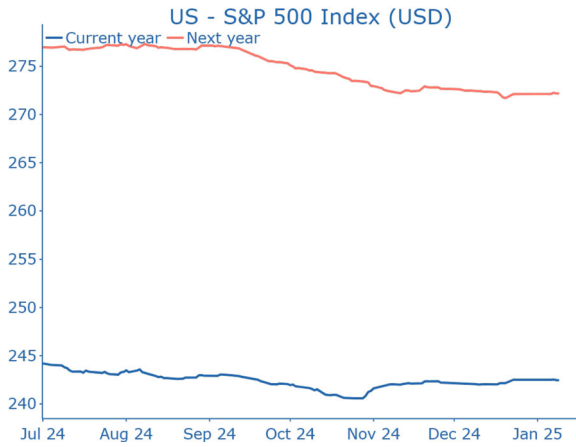
Overbought / Oversold*

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



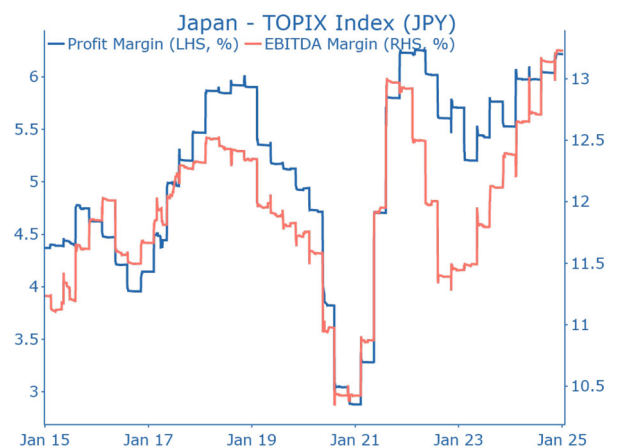
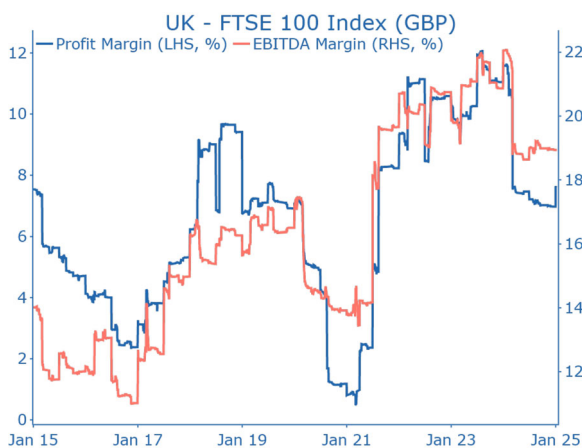
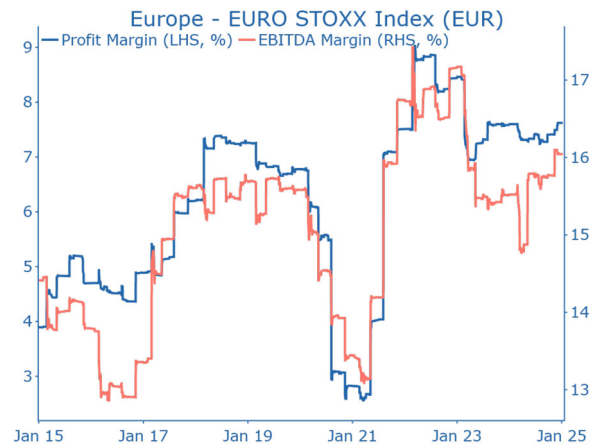
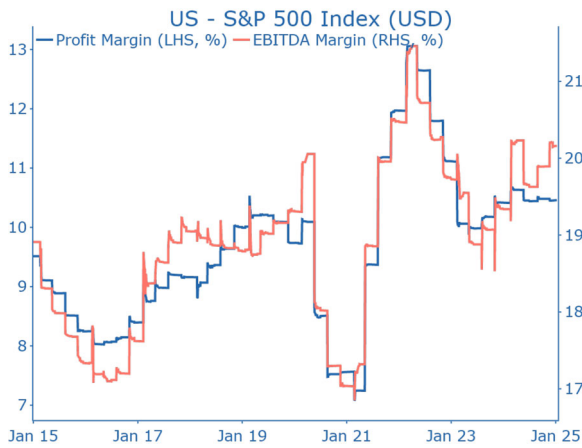
Source: Bloomberg

Earnings estimates - Full fiscal year



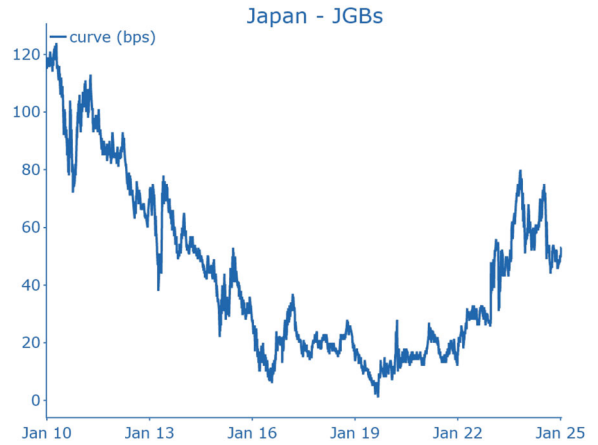
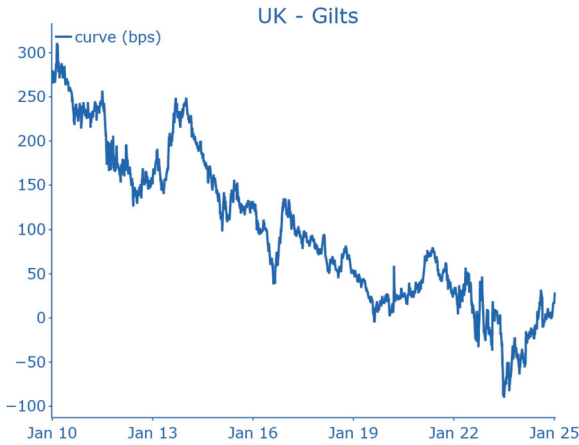
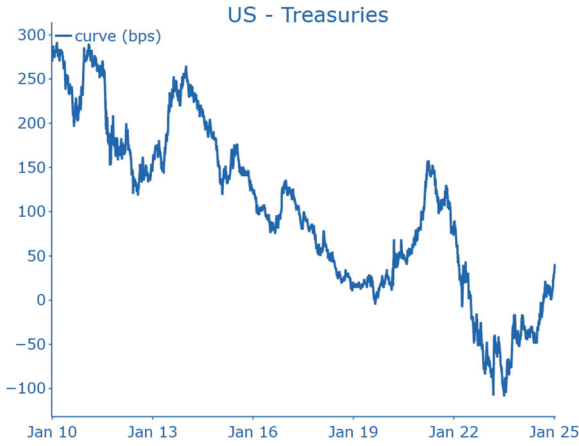
Source: Bloomberg

Historical margins



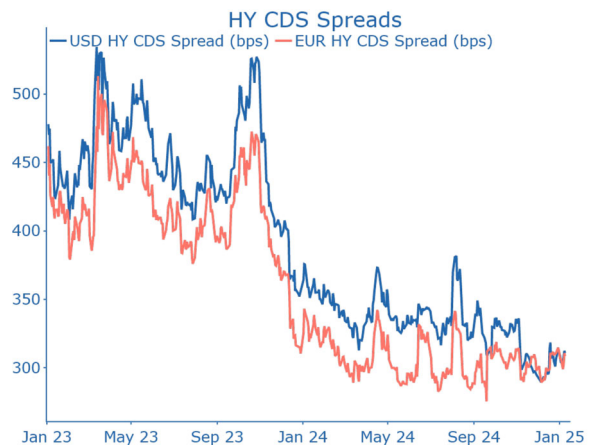
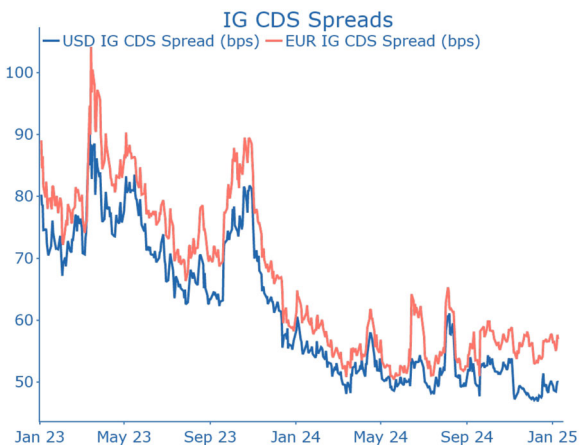
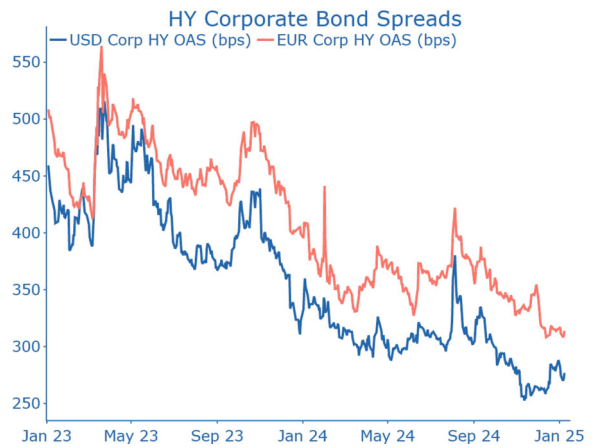
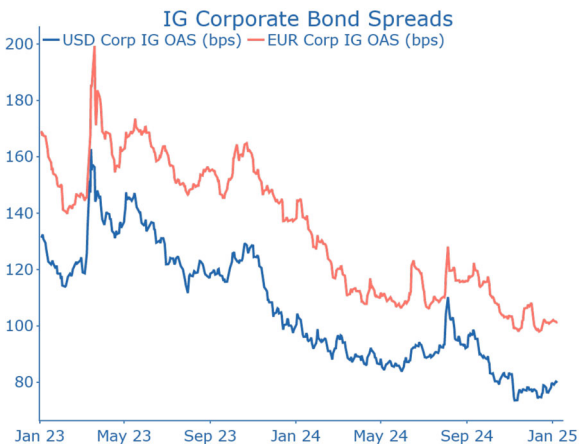
Source: Bloomberg

Yield Curve Steepness (10yr - 2yr)



Source: Bloomberg

Credit Markets (US & Europe)



Source: Bloomberg

Economic Data

US	Feb-2024	Mar-2024	Apr-2024	May-2024	Jun-2024	Jul-2024	Aug-2024	Sep-2024	Oct-2024	Nov-2024	Dec-2024	Trend*
ISM Manufacturing (Index)	47.8	50.3	49.2	48.7	48.5	46.8	47.2	47.2	46.5	48.4	49.3	up
ISM Non-Manufacturing (Index)	52.6	51.4	49.4	53.8	48.8	51.4	51.5	54.9	56.0	52.1	54.1	up
Durable Goods (% MoM)	1.2	0.8	0.2	0.1	-6.9	9.8	-0.9	-0.4	0.7	-1.2	-	down
Consumer Confidence (Index)	104.8	103.1	97.5	101.3	97.8	101.9	105.6	99.2	109.6	112.8	104.7	up
Retail Sales (% MoM)	2.1	3.6	2.8	2.6	2.0	2.9	2.0	2.0	2.9	3.8	-	up
Unemployment Rate (%)	3.9	3.8	3.9	4.0	4.1	4.3	4.2	4.1	4.1	4.2	-	down
Avg Hourly Earnings YoY (% YoY)	4.5	4.2	4.0	4.0	4.0	3.9	4.0	4.0	4.1	3.9	-	up
Change in Payrolls (000, MoM)	236.0	310.0	108.0	216.0	118.0	144.0	78.0	255.0	36.0	227.0	-	down
PCE (% YoY)	2.93	2.98	2.89	2.67	2.63	2.67	2.73	2.66	2.79	2.82	-	up
GDP (% QoQ, Annualized)	-	1.6	-	-	3.0	-	-	3.1	-	-	-	down

Eurozone	Feb-2024	Mar-2024	Apr-2024	May-2024	Jun-2024	Jul-2024	Aug-2024	Sep-2024	Oct-2024	Nov-2024	Dec-2024	Trend*
PMI Manufacturing (Index)	46.5	46.1	45.7	47.3	45.8	45.8	45.8	45.0	46.0	45.2	45.1	down
PMI Services (Index)	50.2	51.5	53.3	53.2	52.8	51.9	52.9	51.4	51.6	49.5	51.6	down
IFO Business Climate (Index)	85.8	87.8	89.0	89.0	88.4	87.0	86.6	85.4	86.5	85.6	84.7	down
Industrial Production (% YoY)	-5.4	-3.2	-3.2	-4.4	-3.9	-2.2	-0.4	-2.2	-1.2	-	-	up
Indeed 3m average wage growth (% YoY)	3.65	3.7	3.51	3.32	3.37	3.5	3.69	3.5	3.36	3.32	-	down
Unemployment Rate (%)	6.5	6.5	6.4	6.4	6.4	6.4	6.3	6.3	6.3	6.3	-	down
Euro-Area Credit Impulse (% SA)	-1.99	-1.48	-1.09	-0.65	0.29	1.65	1.64	2.39	2.61	2.75	-	up
EUR HICP 5y5y Inflation Swaps	2.3	2.3	2.39	2.36	2.3	2.21	2.13	2.1	2.13	1.99	2.02	down
CPI (% YoY)	2.6	2.4	2.4	2.6	2.5	2.6	2.2	1.7	2.0	2.2	2.4	up
Core CPI (% YoY)	3.1	2.9	2.7	2.9	2.9	2.9	2.8	2.7	2.7	2.7	2.7	down
GDP (% QoQ)	-	0.3	-	-	0.2	-	-	0.4	-	-	-	down

UK	Feb-2024	Mar-2024	Apr-2024	May-2024	Jun-2024	Jul-2024	Aug-2024	Sep-2024	Oct-2024	Nov-2024	Dec-2024	Trend*
PMI Manufacturing (Index)	47.5	50.3	49.1	51.2	50.9	52.1	52.5	51.5	49.9	48.0	47.0	down
PMI Services (Index)	53.8	53.1	55.0	52.9	52.1	52.5	53.7	52.4	52.0	50.8	51.1	down
Consumer Confidence (Index)	-21.0	-21.0	-19.0	-17.0	-14.0	-13.0	-13.0	-20.0	-21.0	-18.0	-17.0	down
Unemployment Rate (%)	4.2	4.3	4.4	4.4	4.2	4.2	4.1	4.3	4.3	-	-	up
CPI (% YoY)	3.4	3.2	2.3	2.0	2.0	2.2	2.2	1.7	2.3	2.6	-	up
House Prices (% YoY)	1.2	1.6	0.6	1.3	1.5	2.1	2.4	3.2	2.4	3.7	4.7	up
Mortgage Approvals (SA, Thousands)	60.41	61.53	61.35	60.72	60.8	62.56	64.98	65.75	68.13	65.72	-	up
GDP (% YoY)	-	0.3	-	-	0.7	-	-	0.9	-	-	-	down

Switzerland	Feb-2024	Mar-2024	Apr-2024	May-2024	Jun-2024	Jul-2024	Aug-2024	Sep-2024	Oct-2024	Nov-2024	Dec-2024	Trend*
KOF Leading Indicator (Index)	100.2	100.7	100.5	105.6	103.5	101.2	104.3	103.7	99.9	102.9	99.5	down
PMI Manufacturing (Index)	44.0	45.2	41.4	46.4	43.9	43.5	49.0	49.9	49.9	48.5	48.4	up
Real Retail Sales (% YoY)	-0.2	-0.1	2.3	0.0	-3.0	2.6	2.7	1.5	1.5	0.8	-	down
Trade Balance (Billion, CHF)	3.66	3.83	4.28	5.78	6.17	4.95	4.71	4.92	8.03	5.42	-	up
CPI (% YoY)	1.2	1.0	1.4	1.4	1.3	1.3	1.1	0.8	0.6	0.7	0.6	down

Japan	Feb-2024	Mar-2024	Apr-2024	May-2024	Jun-2024	Jul-2024	Aug-2024	Sep-2024	Oct-2024	Nov-2024	Dec-2024	Trend*
PMI Manufacturing (Index)	47.2	48.2	49.6	50.4	50.0	49.1	49.8	49.7	49.2	49.0	49.6	down
Machinery Orders (% YoY)	-1.8	2.7	0.7	10.8	-1.7	8.7	-3.4	-4.8	5.6	-	-	up
Industrial Production (% YoY)	-3.9	-6.2	-1.8	1.1	-7.9	2.9	-4.9	-2.6	1.4	-2.8	-	up
ECO Watchers Survey (Index)	50.3	52.4	50.2	46.8	47.3	48.3	48.3	47.6	46.6	48.2	-	down
Jobs to Applicants Ratio (Index)	1.26	1.28	1.26	1.24	1.23	1.24	1.23	1.24	1.25	1.25	-	up
Labour Cash Earnings (% YoY)	1.4	1.0	1.6	2.0	4.5	3.4	2.8	2.5	2.2	3.0	-	down
Retail Sales (% YoY)	14.0	9.9	8.9	14.4	14.0	5.5	3.9	2.3	-0.7	3.4	-	down
Exports (% YoY)	7.8	7.3	8.3	13.5	5.4	10.2	5.5	-1.7	3.1	3.8	-	down
Money Supply M2 (% YoY)	2.4	2.5	2.2	1.8	1.5	1.5	1.3	1.2	1.2	1.2	-	down
CPI Ex Food & Energy (% YoY)	2.5	2.2	2.0	1.7	1.9	1.6	1.7	1.7	1.6	1.7	-	down

China	Feb-2024	Mar-2024	Apr-2024	May-2024	Jun-2024	Jul-2024	Aug-2024	Sep-2024	Oct-2024	Nov-2024	Dec-2024	Trend*
NBS PMI Manufacturing (Index)	49.1	50.8	50.4	49.5	49.5	49.4	49.1	49.8	50.1	50.3	50.1	up
NBS PMI Non Manufacturing (Index)	51.4	53.0	51.2	51.1	50.5	50.2	50.3	50.0	50.2	50.0	52.2	up
Industrial Production (% YoY)	-	4.5	6.7	5.6	5.3	5.1	4.5	5.4	5.3	5.4	-	up
Retail Sales (% YoY)	-	3.1	2.3	3.7	2.0	2.7	2.1	3.2	4.8	3.0	-	up
Exports (% YoY)	6.3	-7.9	1.1	7.4	8.5	7.0	8.7	2.4	12.7	6.7	-	up
CPI (% YoY)	4.7	1.1	2.0	2.8	3.8	2.7	3.1	0.7	1.3	2.8	-	down
PPI (% YoY)	-2.7	-2.8	-2.5	-1.4	-0.8	-0.8	-1.8	-2.8	-2.9	-2.5	-2.3	down
RRR (%)	10.0	10.0	10.0	10.0	10.0	10.0	10.0	9.5	9.5	9.5	9.5	down
GDP (% YoY)	-	5.3	-	-	4.7	-	-	4.6	-	-	-	down

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

Economic Data

India	Feb-2024	Mar-2024	Apr-2024	May-2024	Jun-2024	Jul-2024	Aug-2024	Sep-2024	Oct-2024	Nov-2024	Dec-2024	Trend*
PMI Manufacturing (Index)	56.9	59.1	58.8	57.5	58.3	58.1	57.5	56.5	57.5	56.5	56.4	down
PMI Services (Index)	60.6	61.2	60.8	60.2	60.5	60.3	60.9	57.7	58.5	58.4	59.3	down
Industrial Production (% YoY)	5.6	5.5	5.2	6.2	4.9	5.0	-0.1	3.1	3.5	-	-	up
CPI (% YoY)	5.09	4.85	4.83	4.8	5.08	3.6	3.65	5.49	6.21	5.48	-	up
GDP (% YoY)	-	7.76	-	-	6.65	-	-	5.36	-	-	-	down

Australia	Feb-2024	Mar-2024	Apr-2024	May-2024	Jun-2024	Jul-2024	Aug-2024	Sep-2024	Oct-2024	Nov-2024	Dec-2024	Trend*
Westpac Leading Indicator	97.12	97.1	97.04	97.03	97.05	97.01	96.98	96.98	97.14	97.19	-	up
Retail Sales (% YoY)	1.51	0.95	1.3	1.68	3.08	2.39	3.01	2.46	3.46	2.99	4.59	up
Unemployment Rate (%)	3.7	3.9	4.1	4.0	4.1	4.2	4.1	4.1	4.1	3.9	-	down
Housing Prices (% YoY)	10.14	9.92	9.81	9.16	8.62	8.3	7.76	7.33	6.59	6.06	5.43	down
CPI (% MoM)	3.4	3.5	3.6	4.0	3.8	3.5	2.7	2.1	2.1	2.3	-	down

Brazil	Feb-2024	Mar-2024	Apr-2024	May-2024	Jun-2024	Jul-2024	Aug-2024	Sep-2024	Oct-2024	Nov-2024	Dec-2024	Trend*
CPI (% YoY)	4.5	3.93	3.69	3.93	4.23	4.5	4.24	4.42	4.76	4.87	-	up
Industrial Production (% YoY)	5.6	-2.9	8.4	-1.2	3.2	6.1	2.3	3.4	5.9	1.7	-	down
Retail Sales (% YoY)	8.1	5.7	2.1	7.8	4.1	4.6	5.3	2.3	6.7	4.7	-	up
Trade Balance (Millions, USD)	5129.92	7167.69	8432.91	8299.41	6322.16	7552.25	4510.52	5072.35	4192.94	6873.28	4803.33	down
Budget Balance (Billions, BRL)	-113.86	-62.98	-69.64	-138.26	-135.72	-101.47	-90.38	-53.77	-74.68	-99.08	-	down

Chile	Feb-2024	Mar-2024	Apr-2024	May-2024	Jun-2024	Jul-2024	Aug-2024	Sep-2024	Oct-2024	Nov-2024	Dec-2024	Trend*
Economic Activity Index (% YoY)	4.6	0.65	4.04	0.81	-0.14	4.2	2.31	0.3	2.3	2.14	-	down
CPI (% YoY)	4.48	3.74	3.97	4.13	4.19	4.6	4.74	4.13	4.68	4.17	4.53	down
Retail Sales (% YoY)	3.97	0.86	3.74	0.75	8.06	2.45	6.14	3.49	4.2	5.7	-	up
Industrial Production (% YoY)	7.9	0.64	2.45	2.14	-1.2	3.7	5.2	-0.36	3.43	1.07	-	down
Unemployment (%)	8.5	8.7	8.5	8.3	8.3	8.7	8.9	8.7	8.6	8.2	-	down

Mexico	Feb-2024	Mar-2024	Apr-2024	May-2024	Jun-2024	Jul-2024	Aug-2024	Sep-2024	Oct-2024	Nov-2024	Dec-2024	Trend*
PMI (Index)	49.98	51.26	48.92	48.91	48.81	47.09	48.4	48.88	47.14	48.01	47.75	down
CPI (% YoY)	4.4	4.42	4.65	4.69	4.98	5.57	4.99	4.58	4.76	4.55	4.21	down
Retail Sales (% YoY)	2.8	-1.9	2.7	-0.1	-3.1	-0.6	-0.8	-1.5	-1.2	-	-	down
Industrial Production (% YoY)	1.8	-4.89	4.25	-0.77	-0.33	2.09	0.42	0.79	0.52	-	-	down
Remittances (Millions, USD)	4494.8	5014.6	5418.9	5618.1	6206.9	5592.8	6082.1	5358.4	5722.7	5435.2	-	down

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

Spread Snapshot (Generic Government Yield 10yr, bps)

Spread over US Treasuries (bps)

Country	Jan-2025	1M ago	3M ago	12M ago
UK	14	6	10	-23
Germany	-210	-208	-181	-182
Switzerland	-419	-393	-355	-314
Japan	-346	-314	-313	-342
China	-301	-227	-188	-151
India	211	251	269	317
Australia	-16	0	11	9
South Korea	-185	-152	-99	-69
Malaysia	-82	-42	-29	-19
Indonesia	255	272	261	270
Thailand	-232	-194	-153	-128
Philippines	148	174	166	214
Brazil	1016	990	824	665
Mexico	559	582	555	514
Chile	106	140	125	156
Colombia	690	666	625	602
Peru	204	231	244	278

Spread over German Bund (bps)

Country	Jan-2025	1M ago	3M ago	12M ago
France	83	75	77	52
Netherlands	20	20	29	31
Belgium	59	53	62	56
Austria	39	37	50	56
Ireland	25	29	36	31
Italy	114	107	129	166
Spain	66	64	75	97
Portugal	45	39	51	63

Source: Bloomberg

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Zurich Insurance Group Ltd

Investment Management
Mythenquai 2
8002 Zurich

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