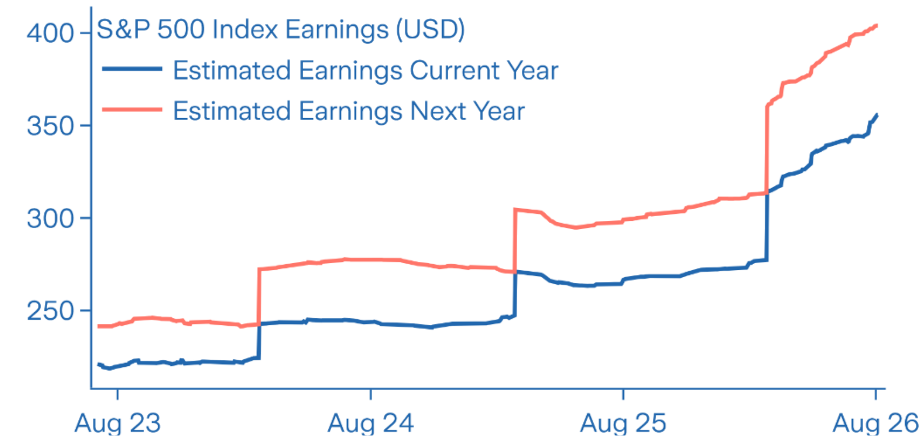
Monthly Investment Insights

3 August 2026

Strong earnings growth has gained further momentum



Source: Bloomberg

As investors reconsider the potential winners and losers of the ongoing AI capex boom, the US stock market has recently experienced the biggest rotation out of growth and into value stocks since the launch of ChatGPT in November 2022 triggered a massive rally in technology stocks. The Philadelphia Semiconductor Index lost more than a quarter of its value within a matter of weeks, though it was still up by more than 50% at the end of July. Investors seem to be punishing companies that intend to increase their AI-related capex plans while rewarding those that are scaling back. Rising bond yields could provide some additional headwinds, particularly for growth stocks, as the Fed's new reluctance to provide any forward guidance has led to a more uncertain rate path.

Nevertheless, while the technology sector is facing a period of intense volatility, the overall market is holding up relatively well, with the S&P 500 only marginally below its peak and the equally weighted index reaching a new record high in the final days of July. The Q2 earnings reporting season is still in full swing, but with earnings growth close to 50% YoY and profit margins at record highs the stock market remains well supported. Both the actual earnings growth rate as well as the share of companies beating expectations are at the highest level in five years.

Technology stocks and the AI boom remain the dominant topic in financial markets, but energy companies' profits soared the most in Q2 thanks to the spike in the oil price triggered by the conflict in the Middle East. This is expected to revert to some degree if the situation de-escalates further, but strong earnings momentum is broad-based. Ten of the eleven sectors are reporting year-over-year growth. Eight of these ten sectors are reporting double-digit growth, led by the energy, communication services, consumer discretionary, information technology, and materials sectors. On the other hand, the health care sector is the only sector reporting a year-over-year decline in earnings. Interestingly, analysts raised their earnings estimates for S&P 500 companies for Q3 2026 during the month of July. Historically, this is rather unusual at this point of the reporting cycle and a pattern that has mostly emerged in recent quarters only, showing that analysts have consistently underestimated the strong earnings momentum.

Market Assessment

Key developments

- Economic growth is robust, supported by improving services and solid industrial activity
- Government bond yields are rising as inflation rates remain elevated, and the Fed's uncertain rate path pushes up the risk premium
- The MSCI World is close to its record high as earnings momentum picks up steam in the US

Zurich's view

The flare-up of new hostilities in the Middle East triggered a wave of volatility in financial markets as investors were reminded that the conflict has not been solved yet. With inflation still elevated, central banks remain watchful, and communication has turned more hawkish. The Fed's new reluctance to communicate has added another layer of uncertainty, leading to a substantial rise in longer-term bond yields as investors are increasing the risk premia to hold government bonds. Meanwhile, global growth is holding up, supported by solid consumer spending and a continuation of the strong AI capex boom.

Despite the increasing volatility, markets have been holding up relatively well, supported by strong earnings momentum. Overall, fundamentals remain supportive for stocks, and sector rotation shows rationality on the part of investors. We continue to favour equities. Credit upside remains constrained, while government bonds are trading at the upper end of their recent range.

	Key developments	Zurich's view
Global	• Regional PMIs show robust growth momentum • Major central banks remain on hold but are keeping an eye on inflation risks • Geopolitical tensions, energy costs, and elevated real yields provide some headwinds	The global economy entered Q3 with improving business momentum. July Flash PMIs showed expansion across all major developed markets: the Eurozone Composite PMI rose to 51.9, the strongest in five months, while the US reached 53.6, an eight-month high, and Japan's PMI rose to 53.1. Despite firmer growth signals, the rebound in energy prices triggered by the re-escalation of the Middle East crisis could cause some headwinds if it persists, further exacerbated by higher real yields. Central banks are keeping a watchful eye on inflation risks, but spillovers remain limited so far. Overall, the outlook points to moderate but resilient global growth, supported by AI-related investment, while geopolitical tensions, energy costs, and tighter financial conditions remain the main downside risks.
US	• Business activity picks up at the beginning of Q3 • The Fed keeps rates on hold, but three members voted for a rate hike • 30yr Treasury yields rise to the highest level in almost two decades	Business activity growth accelerated to an eight-month high in July. The improvement was driven by services while manufacturing growth slowed. Headline inflation slowed markedly in June as energy prices tanked, but the re-escalation in the Middle East could drive prices up again. The Fed kept rates on hold, but three members of the FOMC dissented in favour of a rate hike as inflation rates remain elevated. The rebound in energy prices paired with the Fed's decision to remain on hold pushed up longer-term bond yields, with 30yr Treasury yields rising to the highest level in almost two decades. The US stock market has underperformed many of its peers in July as investors are shifting their exposure out of technology stocks into more defensive sectors.
UK	• Andy Burnham becomes the new Prime Minister • Headline inflation slows to 2.6% YoY in June • The FTSE 100 reaches a new record high in July	Andy Burnham became the new Prime Minister and appointed John Healey as his Chancellor. While fiscal leeway remains limited, Healey's appointment can be seen as signal of higher defence spending in the future. Meanwhile, the economy is holding up, with the Composite PMI picking up from 49.3 to 52.1, driven both by stronger manufacturing and services activity. Consumers are also in a better shape, with consumer sentiment improving to the highest level since January. Headline inflation slowed to 2.6% YoY in June from 2.8% YoY the month before, helped by a substantial fall in energy prices. The FTSE 100 reached a new record high in July, outperforming most of its peers as investors rotate away from technology stocks into more defensive sectors.
Eurozone	• Economic activity indicators have improved but are still signalling slow growth • The ECB does not hike in July, but is likely to in September unless energy prices fall • Financial markets have been volatile, with bond yields breaking cycle highs	The price of oil has risen again, while natural gas prices are at their highest level since the US-Iran conflict began. If current prices persist, inflation will likely increase again this year, increasing the likelihood that the ECB will hike in September. However, underlying inflation pressure is still contained at the moment due to the weak wage growth outlook. We think this will prevent a considerable tightening cycle and see risks skewed towards cuts in 2027. Bond yields have reached new highs, but we like European bonds vs peers. European equity markets have benefitted from a rotation away from tech, but we expect them to lag from here.
Japan	• Growth momentum remains solid, supported by resilient activity indicators • The BoJ holds its policy rate at 1%, reiterating its gradual normalisation path • Equity earnings momentum remains robust, though markets are plagued by volatility	Japan's economy has been showing encouraging momentum. Retail sales, industrial production, and exports all pointed to positive Q2 GDP growth, while inflation held below 2%, cushioned by government subsidies. The Bank of Japan kept policy on hold while remaining cautious towards inflation. The yen has traded above 160 for weeks before FX intervention brought it down by more than 3%. Equity markets have told a turbulent story: the tech-heavy Nikkei swung sharply, while the broader TOPIX proved steadier. Fundamentally, robust demand for semiconductor equipment, earnings underpinned by data-centre infrastructure, and higher interest rates supported financials. Near term, however, the global AI rout will likely keep volatility alive.

	Key developments	Zurich's view
China	• Q2 GDP rises 4.3% YoY, just missing the government's target • The Politburo's July meeting strikes a supportive tone, backing consumption and faster local fiscal spending • Equity rotations gain traction, with onshore AI names under pressure and offshore stocks recovering on improved inflows	China's economic backdrop remained soft despite ongoing robust exports. Q2 GDP growth slowed to 4.3% YoY, below the government's target, with weak credit, tighter fiscal conditions, and subdued private consumption. Encouragingly, the Politburo acknowledged the current weakness and signalled a more supportive stance at its July meeting, emphasising support for consumption and faster fiscal deployment rather than fresh stimulus. H-share laggards began a meaningful recovery while onshore investors rotated out of crowded domestic AI names, prompting state-backed funds to step in and stabilise the market. Given the global AI rout, H-shares should have scope for further short-term outperformance. Medium term, however, we expect the gap between A-shares and H-shares to close again.
Australia	• Activity data surprise to the upside, with sentiment picking up • Inflation eases to 3.8% YoY but remains above the RBA's target • Equities recover ground, though price action stays within range	Australian data delivered a string of upside surprises in July. The July ISM print pushed well into expansionary territory above 50, while June employment beat expectations, with the prior month revised higher. NAB and Westpac surveys added to the positive tone, showing gains in business confidence and conditions as well as consumer sentiment. The inflation picture was more nuanced: June headline CPI eased 0.1% MoM, and the annualised rate dipped 0.2% to 3.8% YoY. While still comfortably above the RBA's target, it arguably buys the central bank some breathing room ahead of the August 11 meeting to assess the inflation outlook. Meanwhile, Australian equities rebounded amid rotations out of AI names in Asia but remained confined to recent trading ranges.
India	• Macro indicators show mixed signals, with inflation ticking higher • The rupee and bonds stabilise on improved capital flows • Equities remain resilient within a range, cushioned from Asia's AI sell-off	In India, headline CPI edged up from 3.9% to 4.4% in June, while the merchandise trade deficit widened to USD 30.4bn on stronger crude oil and gold imports. After an earlier bout of large foreign outflows weighed on the currency, the rupee stabilised as capital inflows improved. The RBI's measures to incentivise inflows into domestic markets appear to have contributed, though much of the recovery reflected investors' calmer reads on recent Middle East developments. Government bonds benefited from an improved appetite for Indian assets more broadly. Meanwhile, Indian stocks held up well, largely shielded from the AI-driven sell-offs seen elsewhere in Asia, and supported by better-than-expected Q1FY27 earnings and sustained domestic inflows.
LatAm	• USMCA renegotiation ends without renewal, keeping the trade framework intact but prolonging uncertainty through annual reviews • Chile's pro-investment bill clears a key legislative hurdle • LatAm equities outperform global markets in July, supported by a Brazilian rebound, particularly in energy stocks	The USMCA review ended without a new 16-year extension after the US declined renewal. Although the current agreement remains fully in force, preserving Mexico's preferential access to the US market, annual reviews are likely to prolong uncertainty. Chile's pro-investment bill cleared a major legislative hurdle in July, marking a clear shift toward a more investment-friendly agenda. LatAm equities rebounded last month, outperforming global markets. Brazil led the recovery as foreign selling eased and renewed Middle East tensions fuelled a rally in energy stocks. Still, fragile flows and rising electoral volatility support a neutral stance on Brazil. We continue to favour Chilean over Mexican equities, given a clearer path toward stronger fundamentals under Chile's pro-investment agenda.

Valuation snapshot (MSCI Indices)

Current trailing valuations

	US	Europe ex UK	UK	Switzerland	Japan	APAC ex Japan	China	Brazil	Mexico
12m Trailing P/E	28.1	18.8	16.1	22.0	19.9	20.3	14.1	11.2	14.4
12m Trailing P/B	5.8	2.6	2.4	4.6	2.0	2.5	1.5	1.9	2.6
12m Trailing P/CF	21.7	11.0	8.5	13.0	59.9	11.1	4.9	5.6	9.4
Dividend Yield	1.1	2.8	3.1	2.6	1.8	1.9	2.3	5.5	4.0
ROE	19.9	12.9	13.1	21.2	9.6	12.5	10.7	16.5	18.0

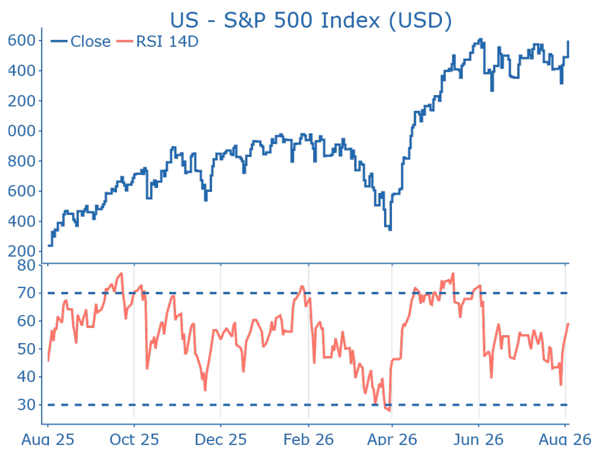
Current trailing valuations relative to MSCI world

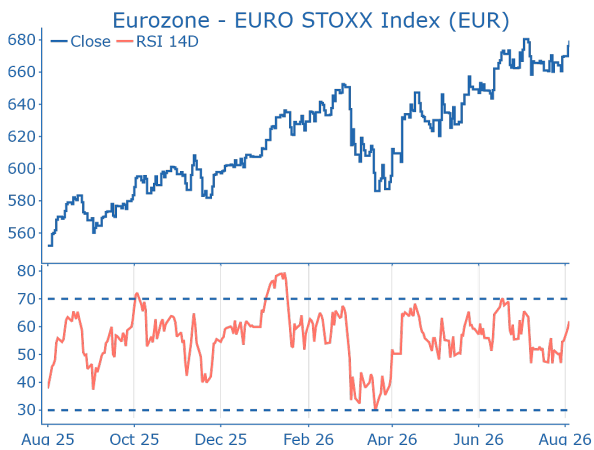
	US	Europe ex UK	UK	Switzerland	Japan	APAC ex Japan	China	Brazil	Mexico
12m Trailing P/E	3.28	-5.94	-8.67	-2.81	-4.86	-4.49	-10.71	-13.54	-10.42
12m Trailing P/B	1.64	-1.57	-1.75	0.47	-2.15	-1.65	-2.68	-2.24	-1.55
12m Trailing P/CF	3.09	-7.62	-10.18	-5.66	41.29	-7.52	-13.79	-13.06	-9.26
Dividend Yield	-0.42	1.28	1.58	1.14	0.31	0.41	0.77	4.03	2.52
ROE	3.86	-3.17	-2.9	5.15	-6.47	-3.49	-5.28	0.52	1.95

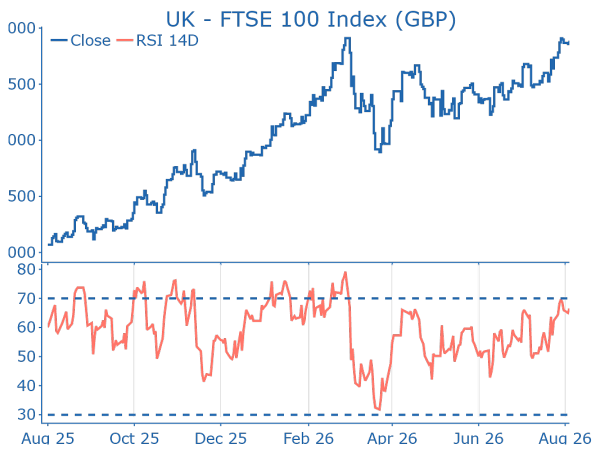
Source: Bloomberg

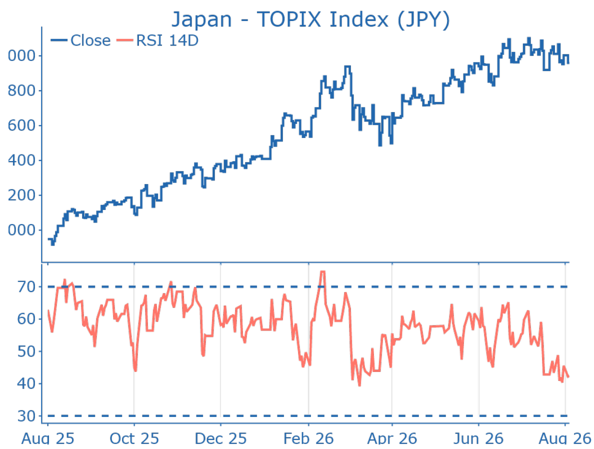
Overbought / Oversold*

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



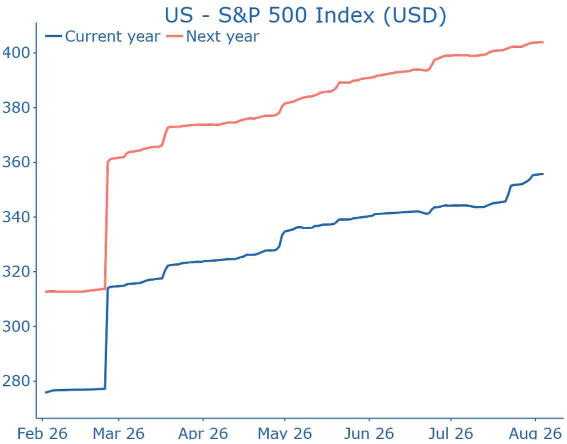


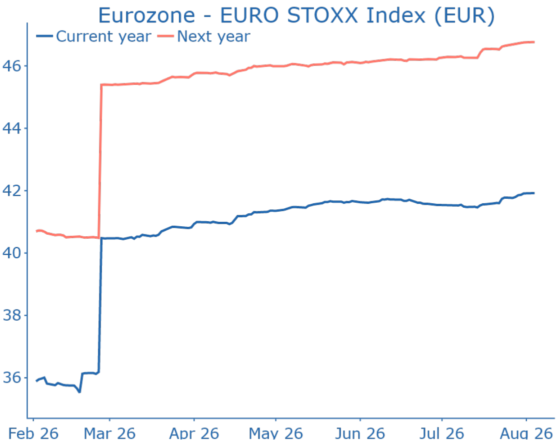


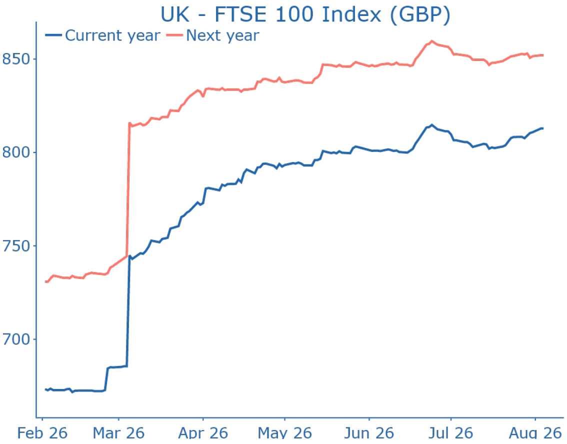


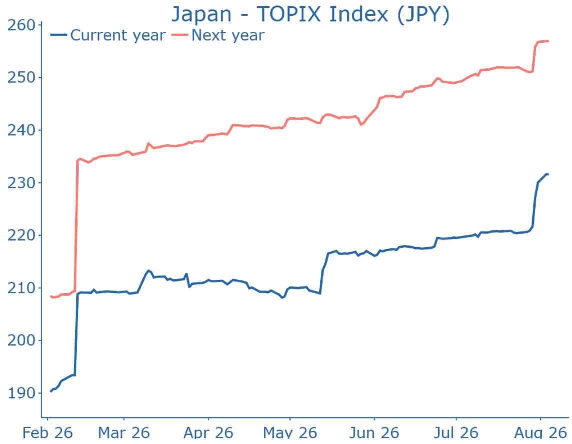
Source: Bloomberg

Earnings estimates - Full fiscal year



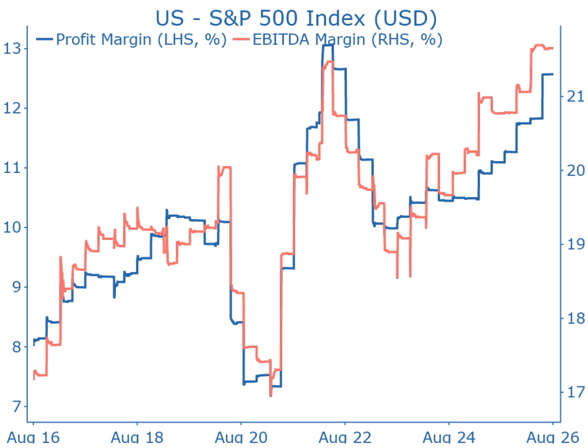


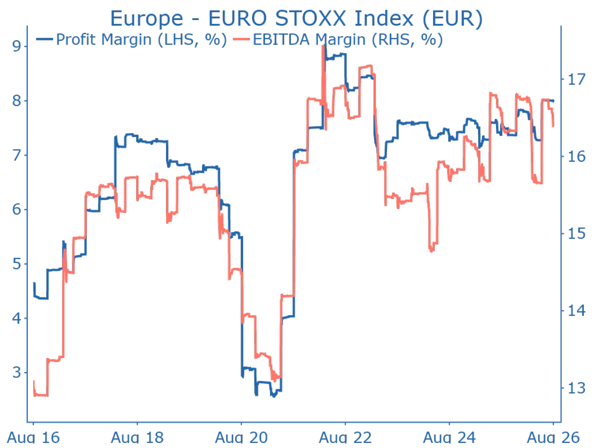


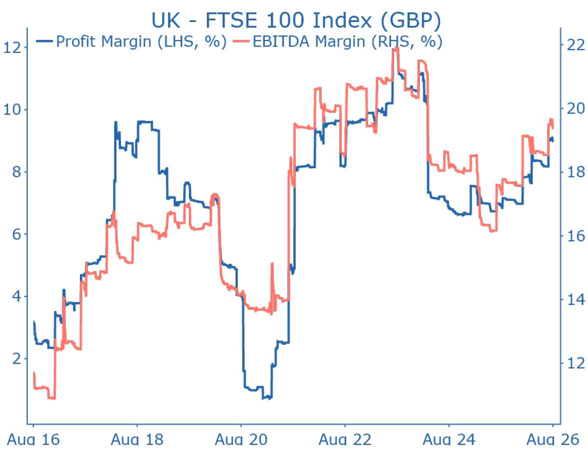


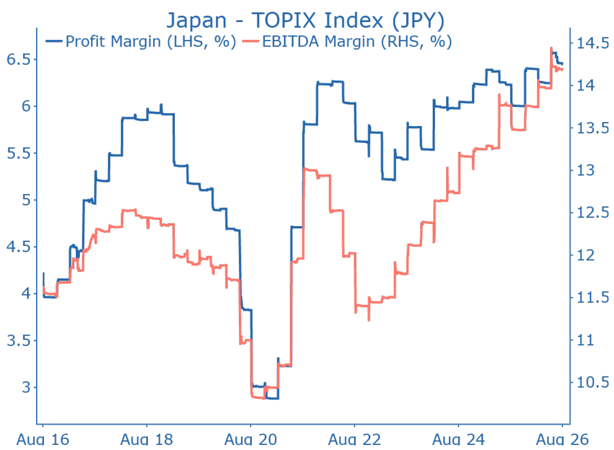
Source: Bloomberg

Historical margins



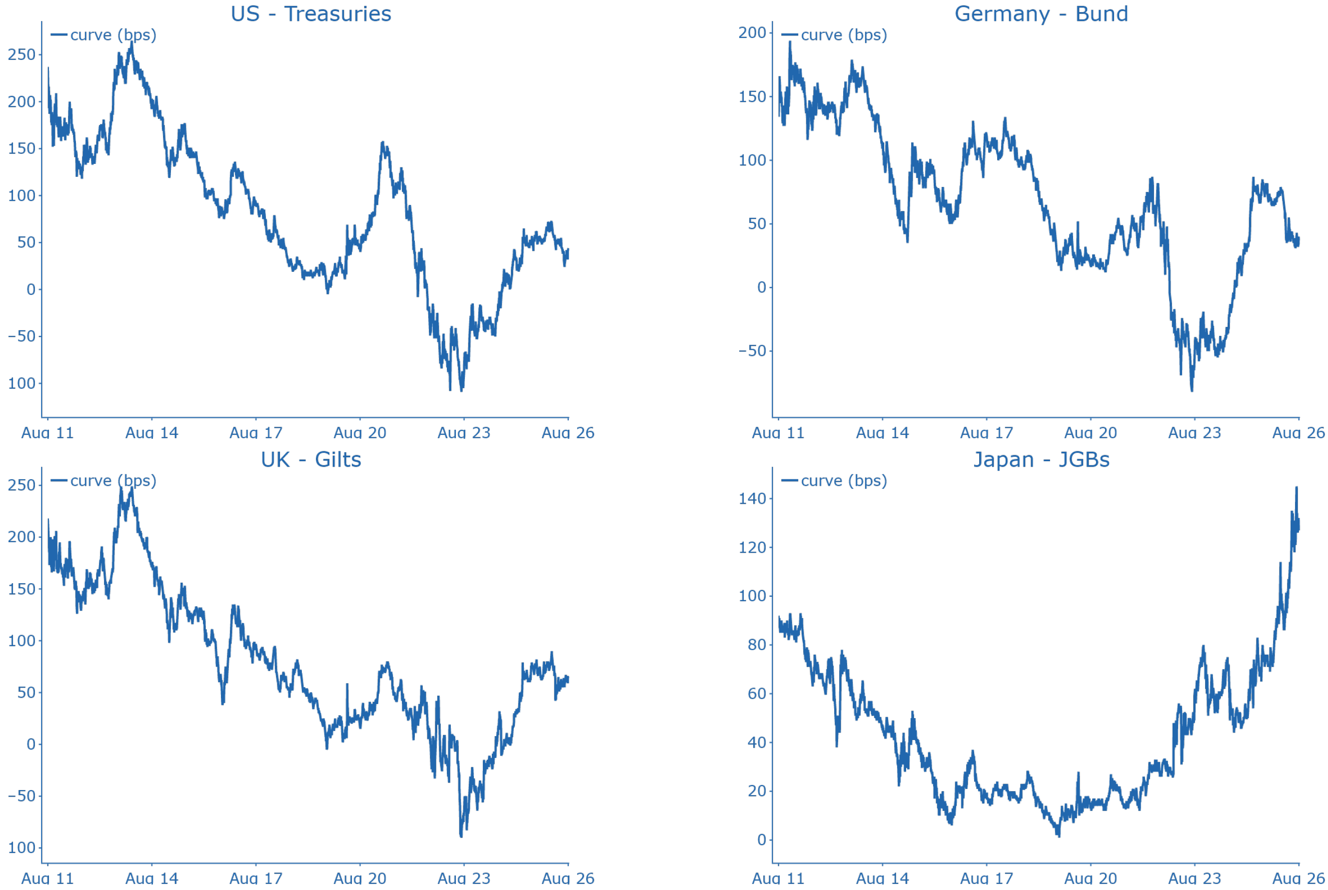






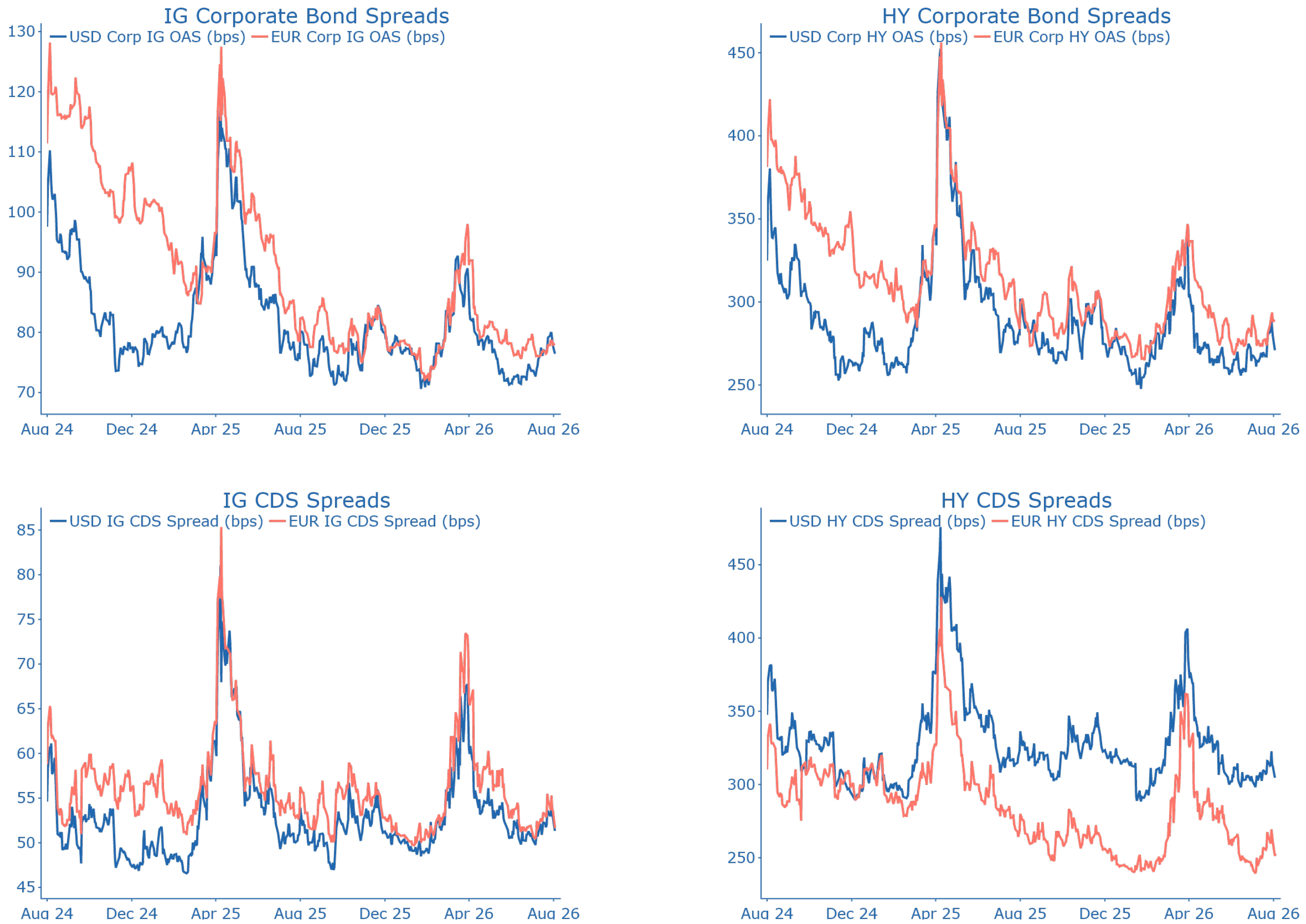
Source: Bloomberg

Yield Curve Steepness (10yr - 2yr)



Source: Bloomberg

Credit Markets (US & Europe)



Source: Bloomberg

Economic Data

US	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Jan-2026	Feb-2026	Mar-2026	Apr-2026	May-2026	Jun-2026	Jul-2026	Trend*
ISM Manufacturing (Index)	48.9	48.8	48.0	47.9	52.6	52.4	52.7	52.7	54.0	53.3	55.6	up
ISM Non-Manufacturing (Index)	50.3	52.0	52.4	53.8	53.8	56.1	54.0	53.6	54.5	54.0	-	down
Durable Goods (% MoM)	0.6	-2.1	5.4	-0.9	-0.4	-1.2	1.3	8.5	-4.0	0.3	-	down
Consumer Confidence (Index)	95.6	95.5	92.9	94.2	89.0	91.0	92.2	93.8	90.6	92.2	90.8	down
Retail Sales (% MoM)	4.1	3.2	3.2	2.4	3.3	4.2	4.2	5.1	7.3	6.7	-	up
Unemployment Rate (%)	4.4	-	4.5	4.4	4.3	4.4	4.3	4.3	4.3	4.2	-	down
Avg Hourly Earnings YoY (% YoY)	3.8	4.0	4.0	3.8	3.7	3.7	3.5	3.7	3.6	3.4	-	down
Change in Payrolls (000, MoM)	76.0	-140.0	41.0	-17.0	160.0	-156.0	214.0	148.0	129.0	57.0	-	up
PCE (% YoY)	2.83	2.75	2.83	2.97	3.1	3.05	3.25	3.32	3.42	3.29	-	up
GDP (%, QoQ, Annualized)	4.4	-	-	0.5	-	-	2.1	-	-	1.5	-	down

Eurozone	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Jan-2026	Feb-2026	Mar-2026	Apr-2026	May-2026	Jun-2026	Jul-2026	Trend*
PMI Manufacturing (Index)	49.8	50.0	49.6	48.8	49.5	50.8	51.6	52.2	51.6	51.4	51.9	up
PMI Services (Index)	51.3	53.0	53.6	52.4	51.6	51.9	50.2	47.6	47.7	49.4	51.6	down
IFO Business Climate (Index)	87.6	88.4	88.0	87.6	87.6	88.5	86.3	84.5	85.0	85.7	86.6	down
Industrial Production (% YoY)	1.4	1.7	1.9	2.2	-1.1	-1.0	-2.8	0.4	-1.2	-	-	down
Indeed 3m average wage growth (% YoY)	2.61	2.58	2.54	2.34	2.37	2.45	2.34	2.21	2.31	2.54	-	up
Unemployment Rate (%)	6.3	6.3	6.3	6.3	6.3	6.4	6.3	6.3	6.3	6.3	-	down
Euro-Area Credit Impulse (%, SA)	1.18	1.58	1.71	1.65	1.34	0.66	1.44	0.17	0.63	-	-	down
EUR HICP 5y5y Inflation Swaps	2.09	2.06	2.06	2.07	2.14	2.08	2.13	2.17	2.14	2.09	2.13	down
CPI (% YoY)	2.2	2.1	2.1	2.0	1.7	1.9	2.6	3.0	3.2	2.8	2.9	up
Core CPI (% YoY)	2.4	2.4	2.4	2.3	2.2	2.4	2.3	2.2	2.6	2.4	2.5	up
GDP (% QoQ)	0.3	-	-	0.2	-	-	0.0	-	-	0.4	-	up

UK	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Jan-2026	Feb-2026	Mar-2026	Apr-2026	May-2026	Jun-2026	Jul-2026	Trend*
PMI Manufacturing (Index)	46.2	49.7	50.2	50.6	51.8	51.7	51.0	53.7	53.9	52.5	51.9	up
PMI Services (Index)	50.8	52.3	51.3	51.4	54.0	53.9	50.5	52.7	49.3	48.8	51.8	down
Consumer Confidence (Index)	-19.0	-17.0	-19.0	-17.0	-16.0	-19.0	-21.0	-25.0	-23.0	-23.0	-17.0	up
Unemployment Rate (%)	5.0	5.1	5.1	5.2	5.2	4.9	5.0	4.9	4.9	-	-	down
CPI (% YoY)	3.8	3.6	3.2	3.4	3.0	3.0	3.3	2.8	2.8	2.6	-	down
House Prices (% YoY)	2.2	2.4	1.8	0.6	1.0	1.0	2.2	3.0	1.7	2.2	1.8	down
Mortgage Approvals (SA, Thousands)	65.98	64.7	64.54	61.36	60.13	62.32	63.03	65.21	56.56	58.2	-	down
GDP (% YoY)	1.2	-	-	0.9	-	-	0.9	-	-	-	-	down

Switzerland	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Jan-2026	Feb-2026	Mar-2026	Apr-2026	May-2026	Jun-2026	Jul-2026	Trend*
KOF Leading Indicator (Index)	98.3	100.9	101.2	103.1	103.4	103.5	95.0	97.9	98.6	102.1	103.5	up
PMI Manufacturing (Index)	46.1	48.1	49.6	46.4	48.8	47.4	53.3	54.5	57.3	54.3	53.2	up
Real Retail Sales (% YoY)	2.2	2.2	1.6	2.5	0.3	0.4	1.3	1.0	3.4	1.5	-	up
Trade Balance (Billion, CHF)	3.97	4.12	3.71	0.98	3.61	4.1	3.15	3.15	5.99	5.22	-	up
CPI (% YoY)	0.2	0.1	0.0	0.1	0.1	0.1	0.3	0.6	0.6	0.5	0.4	up

Japan	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Jan-2026	Feb-2026	Mar-2026	Apr-2026	May-2026	Jun-2026	Jul-2026	Trend*
PMI Manufacturing (Index)	48.5	48.2	48.7	50.0	51.5	53.0	51.6	55.1	54.5	54.8	54.5	up
Machinery Orders (% YoY)	11.6	12.5	-6.4	16.8	13.7	24.7	5.9	15.6	-1.9	-	-	down
Industrial Production (% YoY)	2.2	0.1	-4.2	0.9	0.7	0.4	2.4	2.0	-2.1	4.2	-	down
ECO Watchers Survey (Index)	46.6	48.5	48.0	48.5	45.4	48.2	44.7	41.6	43.1	43.5	-	down
Jobs to Applicants Ratio (Index)	1.2	1.19	1.19	1.2	1.18	1.19	1.18	1.18	1.17	1.18	-	down
Labour Cash Earnings (% YoY)	2.1	2.5	1.7	2.4	2.5	3.4	3.1	3.6	3.3	-	-	down
Retail Sales (% YoY)	1.4	4.3	0.9	-1.1	2.3	1.6	3.2	5.2	8.3	2.3	-	up
Exports (% YoY)	4.1	3.6	6.1	5.1	16.8	4.0	11.5	14.8	16.8	19.3	-	up
Money Supply M2 (% YoY)	1.5	1.6	1.7	1.7	1.6	1.7	2.0	2.3	2.4	2.2	-	up
CPI Ex Food & Energy (% YoY)	1.3	1.6	1.6	1.5	1.3	1.4	1.4	1.1	1.1	1.2	-	down

China	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Jan-2026	Feb-2026	Mar-2026	Apr-2026	May-2026	Jun-2026	Jul-2026	Trend*
NBS PMI Manufacturing (Index)	49.8	49.0	49.2	50.1	49.3	49.0	50.4	50.3	50.0	50.3	49.2	down
NBS PMI Non Manufacturing (Index)	50.0	50.1	49.5	50.2	49.4	49.5	50.1	49.4	50.1	50.2	49.0	up
Industrial Production (% YoY)	6.5	4.9	4.8	5.2	-	-	5.7	4.1	4.5	5.3	-	down
Retail Sales (% YoY)	3.0	2.9	1.3	0.9	-	-	1.7	0.2	-0.6	1.0	-	down
Exports (% YoY)	8.2	-1.2	5.9	6.6	10.0	39.6	2.5	14.0	19.3	27.0	-	up
CPI (% YoY)	0.2	1.7	1.1	-0.9	1.8	-0.1	1.4	2.8	5.0	0.5	-	up
PPI (% YoY)	-2.3	-2.1	-2.2	-1.9	-1.4	-0.9	0.5	2.8	3.9	4.1	-	up
RRR (%)	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	down
GDP (% YoY)	4.8	-	-	4.5	-	-	5.0	-	-	4.3	-	down

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

Source: Bloomberg

Economic Data

India	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Jan-2026	Feb-2026	Mar-2026	Apr-2026	May-2026	Jun-2026	Jul-2026	Trend*
PMI Manufacturing (Index)	57.7	59.2	56.6	55.0	55.4	56.9	53.9	54.7	55.0	54.2	53.5	down
PMI Services (Index)	60.9	58.9	59.8	58.0	58.5	58.1	57.5	58.8	59.8	57.4	53.1	down
Industrial Production (% YoY)	6.1	-0.9	7.0	6.7	4.1	4.4	3.0	4.9	5.0	7.3	-	up
CPI (% YoY)	1.41	0.04	0.49	1.17	2.74	3.21	3.4	3.48	3.93	4.38	-	up
GDP (% YoY)	8.3	-	-	8.0	-	-	7.8	-	-	-	-	down

Australia	Aug-2025	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Jan-2026	Feb-2026	Mar-2026	Apr-2026	May-2026	Jun-2026	Trend*
Westpac Leading Indicator	97.12	97.11	97.2	97.13	97.22	97.17	97.09	97.02	97.09	97.01	97.05	down
Retail Sales (% YoY)	4.7	5.0	5.5	5.9	4.9	4.5	4.7	6.4	5.1	5.5	6.0	up
Unemployment Rate (%)	4.2	4.5	4.3	4.3	4.1	4.1	4.3	4.3	4.5	4.4	4.4	up
Housing Prices (% YoY)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	down
CPI (% MoM)	3.2	3.6	3.8	3.4	3.8	3.8	3.7	4.6	4.2	4.0	3.8	down

Brazil	Aug-2025	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Jan-2026	Feb-2026	Mar-2026	Apr-2026	May-2026	Jun-2026	Trend*
CPI (% YoY)	5.13	5.17	4.68	4.46	4.26	4.44	3.81	4.14	4.39	4.72	4.64	up
Industrial Production (% YoY)	-0.7	2.0	-0.4	-1.4	-0.1	0.2	-0.7	4.4	2.7	0.2	-	up
Retail Sales (% YoY)	0.4	0.9	1.0	1.5	2.4	2.7	0.4	4.0	1.0	0.4	-	down
Trade Balance (Millions, USD)	5974.63	3141.19	6684.97	5760.56	9324.87	3750.92	3986.83	6535.67	10647.22	7679.11	9757.71	up
Budget Balance (Billions, BRL)	-91.52	-102.18	-81.52	-101.64	-115.5	40.06	-100.59	-199.54	-60.14	-163.68	-165.97	down

Chile	Aug-2025	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Jan-2026	Feb-2026	Mar-2026	Apr-2026	May-2026	Jun-2026	Trend*
Economic Activity Index (% YoY)	0.27	3.3	2.06	1.37	1.27	-0.93	-0.31	-0.2	-1.18	-0.9	2.41	up
CPI (% YoY)	4.03	4.4	3.44	3.44	3.45	2.78	2.37	2.83	3.96	3.93	4.34	up
Retail Sales (% YoY)	5.24	6.47	8.31	5.82	4.43	3.58	5.64	4.52	4.08	5.05	5.07	up
Industrial Production (% YoY)	-1.97	1.33	-0.57	-0.68	-1.99	-1.57	-1.36	-3.33	-4.69	-7.51	1.3	down
Unemployment (%)	8.6	8.5	8.4	8.4	8.0	8.3	8.3	8.9	9.1	9.4	9.4	up

Mexico	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Jan-2026	Feb-2026	Mar-2026	Apr-2026	May-2026	Jun-2026	Jul-2026	Trend*
PMI (Index)	46.03	47.12	46.02	46.66	46.76	47.24	47.64	49.04	48.47	47.92	49.41	up
CPI (% YoY)	3.76	3.57	3.8	3.69	3.79	4.02	4.59	4.45	3.94	3.37	-	down
Retail Sales (% YoY)	3.3	3.4	4.4	4.3	5.0	3.1	2.9	4.4	1.6	-	-	down
Industrial Production (% YoY)	-0.53	-1.05	-2.02	1.34	-2.93	-2.13	-1.04	0.02	-1.48	-	-	down
Remittances (Millions, USD)	5216.8	5634.8	5124.9	5308.8	4594.1	4468.2	5499.8	4978.1	5611.0	5471.8	-	up

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

Source: Bloomberg

Spread Snapshot (Generic Government Yield 10yr, bps)

Spread over US Treasuries (bps)

Country	Aug-2026	1M ago	3M ago	12M ago
UK	28	29	52	31
Germany	-154	-154	-135	-156
Switzerland	-426	-414	-400	-388
Japan	-184	-169	-192	-267
China	-299	-274	-268	-248
India	213	222	258	212
Australia	27	31	54	12
South Korea	-44	-28	-50	-141
Malaysia	-98	-85	-87	-79
Indonesia	263	265	236	230
Thailand	-264	-247	-225	-271
Philippines	268	266	261	196
Brazil	985	1001	961	970
Mexico	444	452	483	507
Chile	118	111	120	140
Colombia	735	724	874	774
Peru	139	158	231	217

Spread over German Bund (bps)

Country	Aug-2026	1M ago	3M ago	12M ago
France	79	79	67	65
Netherlands	9	12	12	16
Belgium	53	56	59	52
Austria	21	25	28	32
Irland	15	18	23	22
Italy	78	77	85	80
Spain	43	48	47	57
Portugal	33	38	42	41

Source: Bloomberg

Disclaimer and cautionary statement

Zurich Insurance Group Ltd

Investment Management
Mythenquai 2
8002 Zurich

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