

Monthly Investment Insights

9 January 2026



The broadening rally has further to run



Source: Bloomberg (Note: Indices rebased to 100 at July 1, 2025)

Global equity markets had a strong start to 2026. After hitting some rough waters in November, the AI-fuelled rally has picked up steam again and broadened across regions and sectors. The MSCI World Index hit a record high, led by Asian equities, while US tech stocks advanced more cautiously. Notably, while recent developments in Venezuela, with the US-led removal of President Maduro, have pushed geopolitics back into the spotlight, investors have centred their attention on profitability prospects for oil companies more than on geopolitical risks.

Looking ahead, we believe that the broadening of regional opportunities in global equities has further to run. The combination of robust economic growth, lower interest rates, fiscal stimulus, and easing financial conditions maintain a macro backdrop that is supportive of risk assets. Specifically, recent data has shown that the US economy continues to display resilient health, with solid GDP and ISM services prints. The labour market, actively watched by investors and the Fed, has also continued to hold up. The sharp seasonal pick up in corporate debt issuance will also be conducive to further easing in financial conditions. Moreover, we expect the investment boom in technology to remain in place. We are encouraged to see that investors have become increasingly discerning within the sector, rewarding companies with strong profitability drivers. In our view, this diminishes the risk of irrational exuberance and indicates that markets are in a boom phase, not in a bubble phase. At the same time, we acknowledge that this behaviour could lead to higher volatility in single stocks, as winners and losers in the AI race face diverging fates.

Meanwhile, credit, while still supported by yield-driven demand, appears increasingly vulnerable to deteriorating supply technicals, especially at current historically tight spreads. We think that corporate debt issuance, both in public and private markets, is set to pick up significantly during 2026, driven not only by the surge in M&A activity but also by US tech giants increasingly relying on debt to finance the AI race.

In conclusion, while geopolitical tensions are back in focus, we see financial markets maintaining their strength. Equity markets in particular are expected to benefit from resilient economic growth, supportive fiscal and monetary policy, and the tech investment boom. Meanwhile, credit appears unattractive on a relative basis as the risk-reward balance appears skewed to the downside.

Market Assessment

Key developments

- Equities start 2026 in rude health, and the MSCI World Index hits a record high as the rally broadens
- Geopolitical tensions pick up as Venezuela's President Maduro is ousted by the US, but the market reaction has been muted
- Government bond yields remain rangebound, supported by constructive inflation data, with little impact from geopolitical events

Zurich's view

We see robust growth in the global economy, supported by capex and fiscal stimulus, and fading inflation pressures providing a favorable backdrop for financial markets. We expect the tech investment boom to stay in place, but it will likely be more nuanced as investors become increasingly discerning.

Equities remain our favoured asset class. Technology stocks are likely to keep offering the most potential, leading us to prefer the US, China and tech-heavy Asian markets such as Korea. Within Europe, we foresee continued momentum in Spain and Italy.

While we view credit as resilient in the short term, we rate it as unattractive in relation to equities, especially at current spread levels. We expect government bond yields to stay rangebound, supported by benign inflation dynamics.

Key developments	Zurich's view
<p>Global</p> <ul style="list-style-type: none"> • Global growth is holding up, supported by strong tech spending and resilient consumption • Inflation is well behaved as labour markets soften, though AI related price pressures appear to be building • The global rate cutting cycle continues, but the scope for further easing is limited 	<p>Macro data remain consistent with robust growth in the global economy, supported by AI related capex spending and fiscal easing. Global inflation is well behaved, helped by benign oil and food prices, but services inflation has also improved as labour markets have softened. Moreover, excess supply from China remains a disinflationary force globally. A key exception is AI related price pressures, which are becoming more noticeable, with surging semiconductor prices and rising electricity costs in some regions. With fiscal spending set to be ramped up in 2026, potentially adding to bottlenecks and pockets of higher inflation, central banks need to stay vigilant. We anticipate some further rate cuts, but prospects for further easing are limited.</p>
<p>US</p> <ul style="list-style-type: none"> • Economic growth remains strong at the beginning of the year • Inflation has slowed markedly, though the data may be distorted • Solid growth and fading price pressure provide a supportive environment for stocks 	<p>The economy was in good health at the end of last year. While a slowdown is to be expected after a very strong third quarter, most indicators still point at robust growth. The ISM services survey picked up to the highest since October 2024, fuelled by strong new orders and rising employment. At the same time, inflation slowed markedly in the last few months though data may be distorted by the government shutdown. As expected, the Fed cut rates again in December, but it is now signalling a pause. Solid growth and fading inflation provide a benign environment for equities, with many US indices reaching record highs in the first trading days of the year. Reassuringly, the move higher was broad-based across sectors and market capitalisation.</p>
<p>UK</p> <ul style="list-style-type: none"> • Business surveys signal only modest growth at the beginning of the year • Inflation rates have fallen markedly, allowing the BoE to cut rates again • Stocks have been lifted by positive global sentiment, but the FTSE 100 lags most of its peers 	<p>The UK economy hardly expanded in the third quarter of 2025, and the latest business surveys do not point at a substantial acceleration in the final months of the year. Companies continue to report challenging business conditions, sales headwinds from subdued economic prospects, and constrained client spending linked to domestic political uncertainty. Employment remains a weak spot. On a more positive note, inflation slowed markedly in November, falling to 3.2% YoY from 3.6% YoY the month before, allowing the BoE to cut rates further. UK stocks were lifted by positive global investor sentiment at the beginning of the year, though the FTSE 100 lags most of its international peers. More domestically focussed small companies fared better, however.</p>
<p>Eurozone</p> <ul style="list-style-type: none"> • Economic activity data are mixed, with PMIs consistent with slight expansion • Inflation slows to 2% YoY in December, and markets temper overly aggressive ECB hike pricing • Equity markets reach new all-time highs as the EUR stabilises versus the USD 	<p>The Eurozone economy was resilient in difficult circumstances in 2025. Activity this year will be boosted by German fiscal loosening and broader infrastructure investment, offset by a weakening consumer outlook. The labour market is deteriorating in services and manufacturing, while surging construction hiring intentions are a bright spot. Inflation slowed in December both on the headline (2%) and core (2.3%) measures. We see inflation averaging below 2% in 2026, and think the ECB's next move is more likely a cut than a hike. French budget negotiations failed in December, leading to a special law being adopted to continue taxing and spending. We see downside risks for French assets amid heightened political fragility and deteriorating debt dynamics.</p>
<p>Switzerland</p> <ul style="list-style-type: none"> • Economic activity is subdued as manufacturing weakness persists • Inflation remains weak, with stagnant consumer prices and deflationary producer prices • The SNB is expected to keep rates unchanged despite inflation weakness 	<p>Economic activity was subdued at the end of 2025. The Manufacturing PMI weakened to a six-month low in December as new orders weakened, labour market dynamics remained soft and export headwinds persisted. Looking forward, we expect conditions to start to improve in early 2026 as US tariffs have been reduced and domestic demand should remain resilient. This was confirmed by the latest data which show a pickup in services momentum and robust consumer spending towards the end of last year. Elsewhere, consumer prices were flat on the month in December, leaving the annual rate at 0.1% and continuing to undershoot the SNB's forecast. Producer prices remain in deflation. We do not anticipate any further rate cuts from the SNB, but risk to the rate outlook remains to the downside.</p>

Key developments	Zurich's view
<p>Japan</p> <ul style="list-style-type: none"> As widely expected, the Bank of Japan raises the policy rate to 0.75% Tokyo's inflation rate suggests a slight declining trend Equity markets post decent performance while bond yields continue to inch higher 	<p>Japan's year-end data presents a mixed picture. Industrial production remains subdued, but retail sales show healthy momentum, suggesting GDP growth of around 1% in 2025. Inflation is cooling more rapidly than anticipated, with Tokyo's headline and core CPI falling to 2% and 2.6% respectively, helped by 2024's high base and ongoing energy subsidies. Following the 25bp hike in December 2025, the BoJ is likely to maintain its steady path toward a 1% rate by mid-2026 despite falling inflation. With real rates still negative, JPY weakness looks set to persist while bond yields could rise further as the BoJ and life insurers continue to step back from the market. We remain constructive on Japanese stocks amid ongoing JPY weakness and solid exposure to the tech sector.</p>
<p>China</p> <ul style="list-style-type: none"> Economic momentum weakens further domestically, but exports remain strong Policymakers signal further support, but no concrete measures have been announced yet Equity sentiment has been rather lacklustre 	<p>China's economic momentum weakened further at the end of 2025, with the property sector experiencing another leg down. Home prices and sales dropped, and property investment fell by 30% YoY. Vanke, a major developer, faces default risks and is negotiating repayment extensions. Retail sales growth was frail at 1.3%, underscoring sluggish consumer demand. There is an urgent need for stimulus to stabilise the property market and support spending, but policymakers have yet to announce concrete measures despite signalling intent. One bright spot was exports, with the trade surplus reaching a record USD 1tn. Equity markets have remained rangebound since October, and we believe investor sentiment will only improve with further policy actions.</p>
<p>Australia</p> <ul style="list-style-type: none"> As expected, the RBA remained on hold at December meeting November CPI eases back from recent highs Australian equities are firmer into year-end 	<p>The RBA kept the cash rate on hold at 3.60% at the final meeting of 2025, wary of the strength in recent inflation data and persistent pressure in some items. The November unemployment rate, at 4.3%, was broadly as expected given the lower participation rate, and Q3 GDP growth, at 2.1%, was largely in line with the RBA's forecasts, though strength in business investment was noted. Encouragingly, inflation data for November was lower than expected, with the headline rate at 3.4%, below expectations of 3.6% and the recent October highs of 3.8%. However, the RBA will look more closely at the quarterly CPI data due later in January. Equities firmed in December, led by materials and financials.</p>
<p>India</p> <ul style="list-style-type: none"> The Reserve Bank of India cuts the repo rate by 25bps to 5.25% CPI remains subdued, well below the RBI's target range The equity markets consolidate amid foreign outflows 	<p>Citing continued benign inflation, the Reserve Bank of India cut the repo rate by 25bps, bringing it to 5.25%. The central bank has revised growth and inflation forecasts up for 2026. While inflation is estimated to have risen modestly to around 1.5% in December, it is still well below the RBI's 4% target. The rise was driven by broad-based food price increases but prices remained muted overall. With inflation soft, there is room for further rate cuts if needed. The NIFTY Index showed fragile momentum amid profit taking while sector rotation favoured financials and export-oriented stocks; cyclical sectors saw caution. Heading into early 2026, we think supportive monetary policy, contained inflation, and strong macro buffers offer a constructive environment for equities, though FX stability remains a key near-term challenge.</p>
<p>LatAm</p> <ul style="list-style-type: none"> The BCB holds the Selic rate firm in Brazil; both Mexico and Chile cut their policy rates LatAm equities close 2025 as a top global performer, though volatility spiked late in the year US military intervention in Venezuela has a muted impact on LatAm markets, viewed as an isolated event 	<p>Maintaining a hawkish tone, Brazil's BCB held the Selic at record 15%, though it acknowledged disinflation progress and slowing activity. Banxico cut rates by 25bps, as expected, even after a stubborn November inflation print, while the CB in Chile resumed easing, reaffirming its confidence in hitting its inflation target this year. LatAm equities closed 2025 as a top global performer (+46.2%), though volatility spiked late in the year, particularly in Brazil after Bolsonaro endorsed his son Flavio in the 2026 presidential race. Chilean stocks outperformed, supported by the presidential runoff outcome and a copper rally that drove strong CLP appreciation. US military intervention in Venezuela has had a muted impact on LatAm markets thus far, with effects limited to energy-related stocks.</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	27.9	17.8	15.0	20.4	18.3	18.9	15.6	10.2	15.3
12m Trailing P/B	5.6	2.5	2.3	4.4	1.9	2.2	1.7	1.7	2.3
12m Trailing P/CF	22.0	12.3	9.7	14.3	18.1	10.5	7.3	5.3	9.1
Dividend Yield	1.1	2.9	3.2	2.8	2.0	2.2	2.0	6.6	4.4
ROE	18.9	12.7	10.3	19.6	10.0	11.9	11.5	15.1	15.7

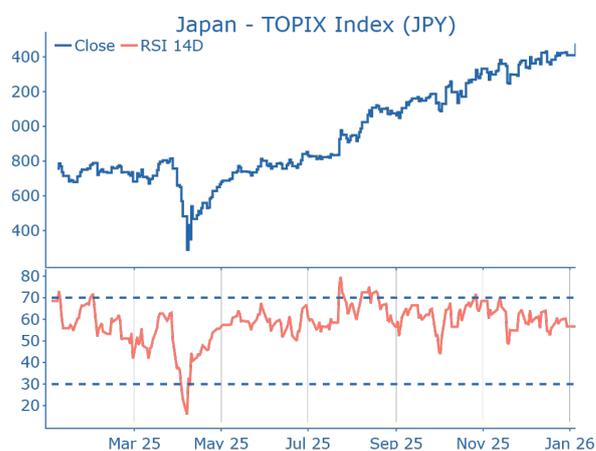
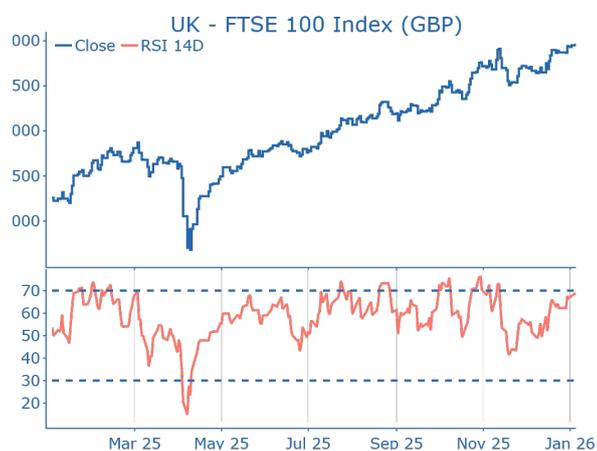
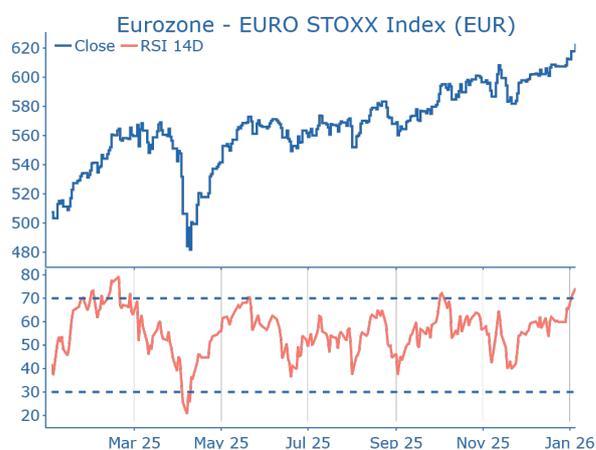
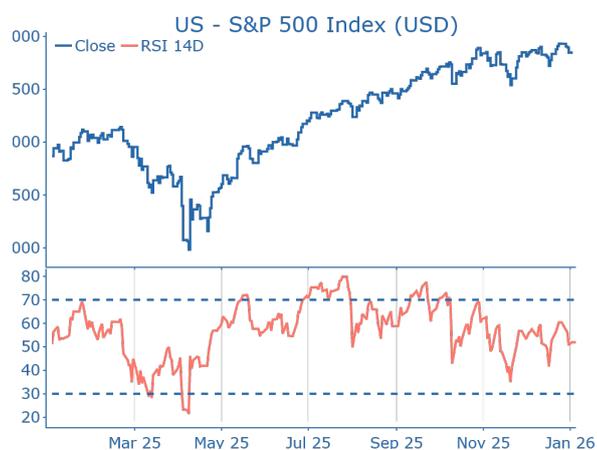
Current trailing valuations relative to MSCI world

	US	Europe ex UK	UK	Switzerland	Japan	APAC ex Japan	China	Brazil	Mexico
12m Trailing P/E	3.92	-6.11	-8.88	-3.55	-5.67	-5.07	-8.32	-13.74	-8.68
12m Trailing P/B	1.62	-1.46	-1.64	0.49	-2.08	-1.75	-2.24	-2.22	-1.64
12m Trailing P/CF	3.39	-6.38	-8.89	-4.37	-0.52	-8.11	-11.31	-13.3	-9.5
Dividend Yield	-0.45	1.28	1.58	1.21	0.44	0.6	0.44	5.03	2.77
ROE	3.54	-2.66	-5.03	4.25	-5.33	-3.42	-3.89	-0.28	0.37

Source: Bloomberg

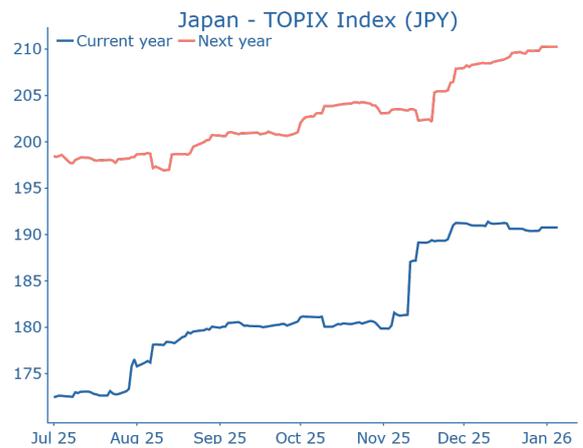
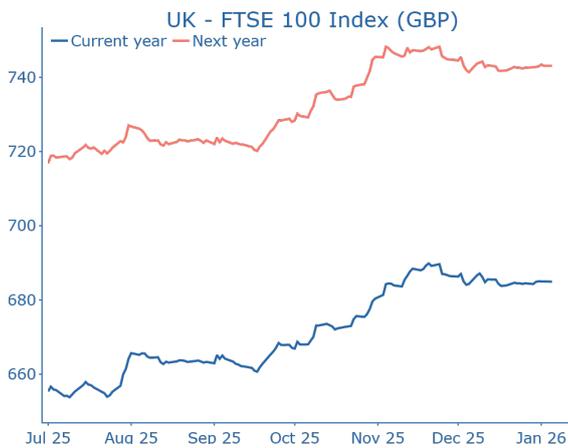
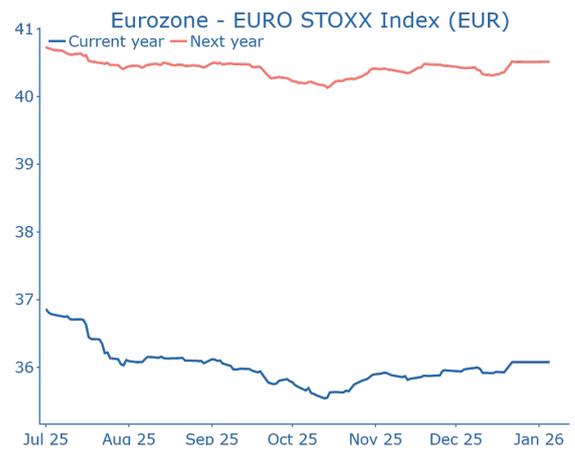
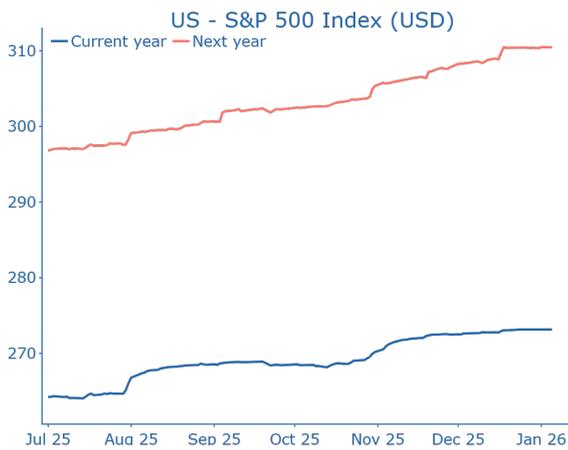
Overbought / Oversold*

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



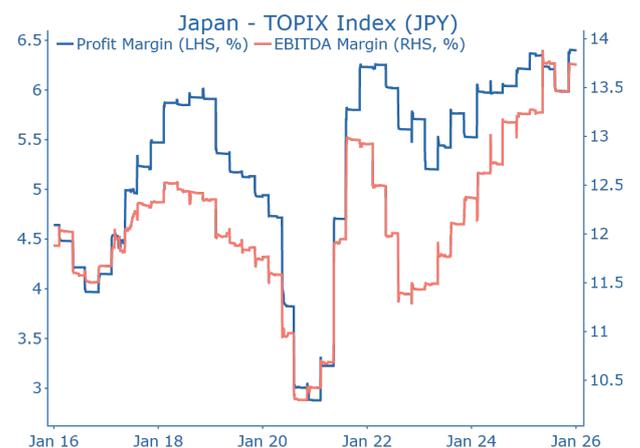
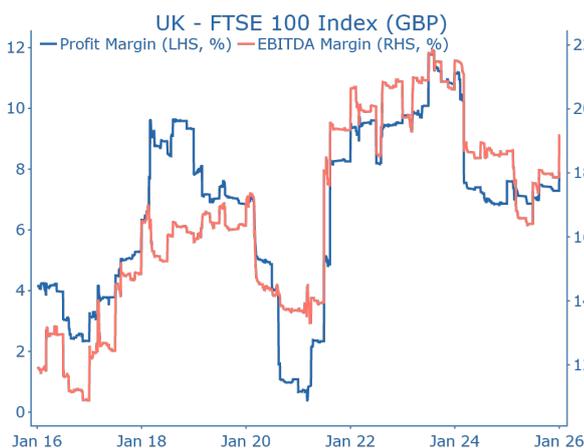
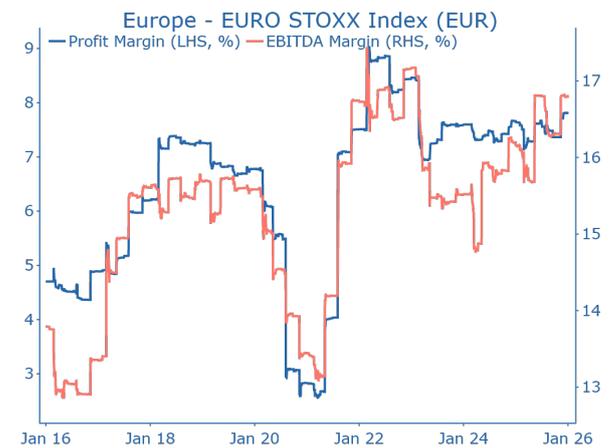
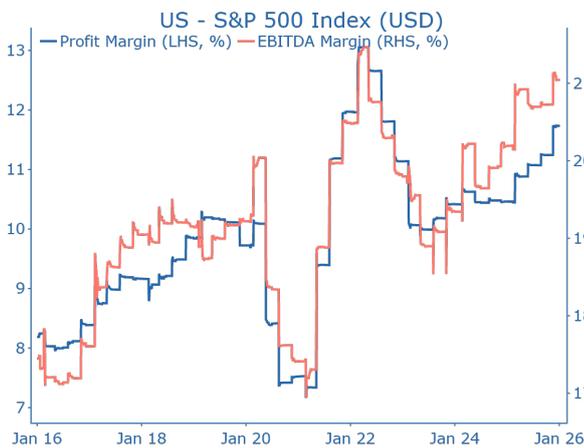
Source: Bloomberg

Earnings estimates - Full fiscal year



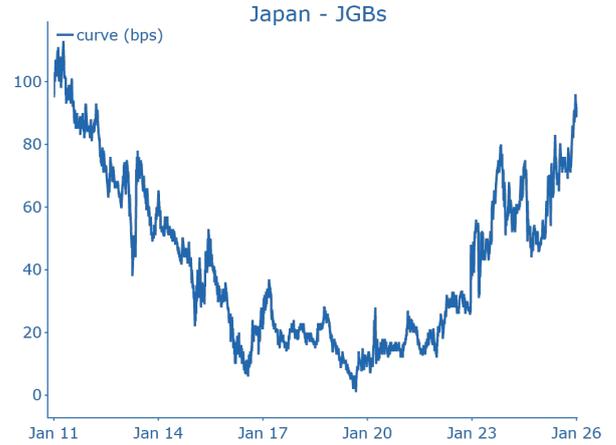
Source: Bloomberg

Historical margins



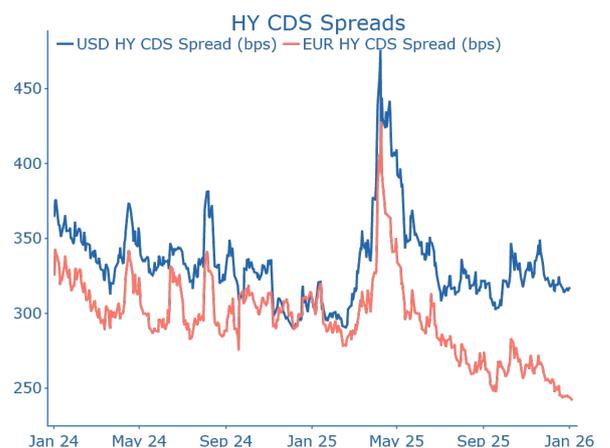
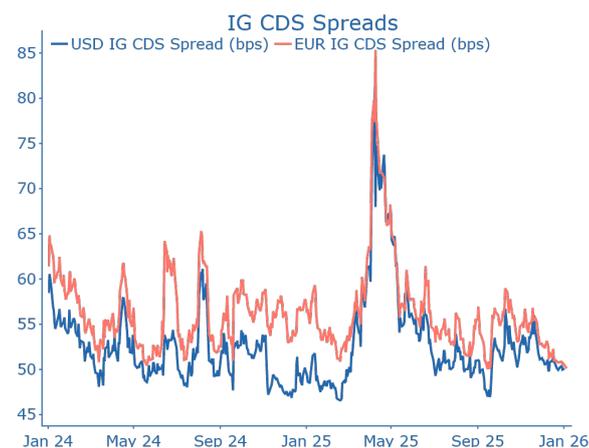
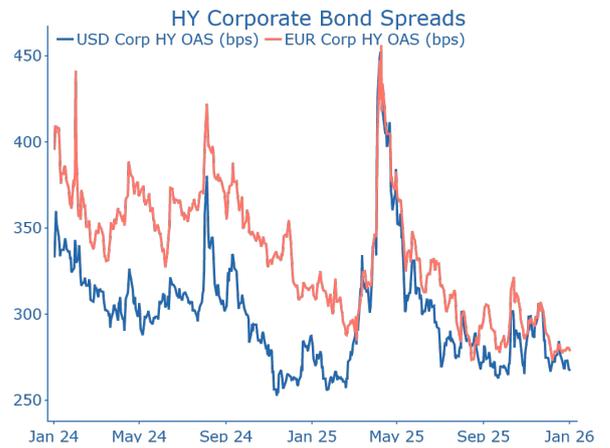
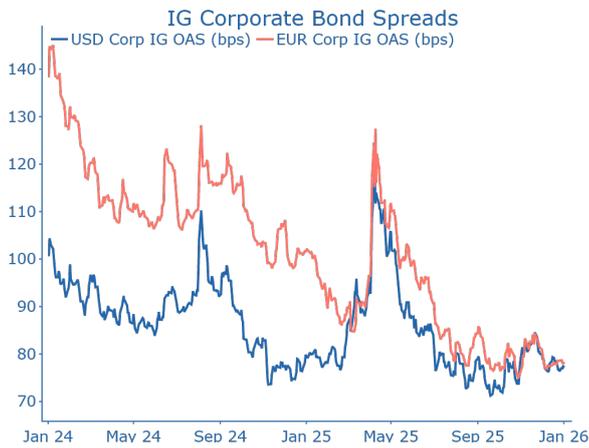
Source: Bloomberg

Yield Curve Steepness (10yr - 2yr)



Source: Bloomberg

Credit Markets (US & Europe)



Source: Bloomberg

Economic Data

US	Feb-2025	Mar-2025	Apr-2025	May-2025	Jun-2025	Jul-2025	Aug-2025	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Trend*
ISM Manufacturing (Index)	50.3	49.0	48.7	48.5	49.0	48.0	48.7	49.1	48.7	48.2	-	down
ISM Non-Manufacturing (Index)	53.5	50.8	51.6	49.9	50.8	50.1	52.0	50.0	52.4	52.6	-	up
Durable Goods (% MoM)	1.0	7.6	-6.6	16.5	-9.4	-2.8	3.0	0.7	-2.2	-	-	down
Consumer Confidence (Index)	100.1	93.9	85.7	98.4	95.2	98.7	97.8	95.6	95.5	92.9	89.1	down
Retail Sales (% MoM)	3.9	5.1	5.0	3.4	4.4	4.1	5.0	4.2	3.5	-	-	down
Unemployment Rate (%)	4.1	4.2	4.2	4.2	4.1	4.2	4.3	4.4	-	4.6	-	up
Avg Hourly Earnings YoY (% YoY)	4.2	3.9	4.0	3.9	4.0	3.9	3.9	3.8	3.8	3.9	-	down
Change in Payrolls (000, MoM)	102.0	120.0	158.0	19.0	-13.0	72.0	-26.0	108.0	-105.0	64.0	-	down
PCE (% YoY)	2.97	2.67	2.61	2.78	2.81	2.86	2.91	2.83	-	-	-	down
GDP (% QoQ, Annualized)	-	-0.6	-	-	3.8	-	-	4.3	-	-	-	down

Eurozone	Feb-2025	Mar-2025	Apr-2025	May-2025	Jun-2025	Jul-2025	Aug-2025	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Trend*
PMI Manufacturing (Index)	47.6	48.6	49.0	49.4	49.5	49.8	50.7	49.8	50.0	49.6	48.8	down
PMI Services (Index)	50.6	51.0	50.1	49.7	50.5	51.0	50.5	51.3	53.0	53.6	52.6	up
Ifo Business Climate (Index)	85.3	86.7	86.8	87.4	88.3	88.5	88.9	87.7	88.4	88.0	87.6	down
Industrial Production (% YoY)	0.9	3.7	0.3	3.0	0.7	1.9	1.2	1.2	2.0	-	-	up
Indeed 3m average wage growth (% YoY)	2.81	2.75	2.95	2.94	2.73	2.56	2.6	2.77	2.7	2.61	-	up
Unemployment Rate (%)	6.3	6.4	6.3	6.4	6.4	6.4	6.4	6.4	6.4	-	-	down
Euro-Area Credit Impulse (% SA)	3.21	2.57	2.98	3.11	2.55	1.98	1.5	1.2	1.54	-	-	down
EUR HICP 5y5y Inflation Swaps	2.04	2.13	2.06	2.06	2.14	2.13	2.11	2.09	2.06	2.06	2.07	down
CPI (% YoY)	2.3	2.2	2.2	1.9	2.0	2.0	2.0	2.2	2.1	2.1	-	up
Core CPI (% YoY)	2.6	2.4	2.7	2.3	2.3	2.3	2.3	2.4	2.4	2.4	-	up
GDP (% QoQ)	-	0.6	-	-	0.1	-	-	0.3	-	-	-	down

UK	Feb-2025	Mar-2025	Apr-2025	May-2025	Jun-2025	Jul-2025	Aug-2025	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Trend*
PMI Manufacturing (Index)	46.9	44.9	45.4	46.4	47.7	48.0	47.0	46.2	49.7	50.2	50.6	up
PMI Services (Index)	51.0	52.5	49.0	50.9	52.8	51.8	54.2	50.8	52.3	51.3	52.1	down
Consumer Confidence (Index)	-20.0	-19.0	-23.0	-20.0	-18.0	-19.0	-17.0	-19.0	-17.0	-19.0	-17.0	up
Unemployment Rate (%)	4.4	4.5	4.6	4.7	4.7	4.7	4.8	5.0	5.1	-	-	up
CPI (% YoY)	2.8	2.6	3.5	3.4	3.6	3.8	3.8	3.8	3.6	3.2	-	down
House Prices (% YoY)	3.9	3.9	3.4	3.5	2.1	2.4	2.1	2.2	2.4	1.8	0.6	down
Mortgage Approvals (SA, Thousands)	64.98	64.29	61.03	63.39	64.45	65.18	64.74	65.65	65.02	-	-	down
GDP (% YoY)	-	1.8	-	-	1.4	-	-	1.3	-	-	-	down

Switzerland	Feb-2025	Mar-2025	Apr-2025	May-2025	Jun-2025	Jul-2025	Aug-2025	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Trend*
KOF Leading Indicator (Index)	103.3	101.0	95.5	97.4	95.5	101.0	97.0	97.8	101.5	101.7	103.4	up
PMI Manufacturing (Index)	49.6	48.9	45.8	42.1	49.6	48.8	49.0	46.3	48.2	49.7	45.8	down
Real Retail Sales (% YoY)	1.8	1.6	0.9	0.1	4.2	1.0	-0.1	2.2	2.2	2.3	-	up
Trade Balance (Billion, CHF)	4.66	6.25	6.36	3.98	5.71	4.48	3.79	3.98	4.2	3.84	-	down
CPI (% YoY)	0.3	0.3	0.0	-0.1	0.1	0.2	0.2	0.2	0.1	0.0	-	down

Japan	Feb-2025	Mar-2025	Apr-2025	May-2025	Jun-2025	Jul-2025	Aug-2025	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Trend*
PMI Manufacturing (Index)	49.0	48.4	48.7	49.4	50.1	49.0	49.7	48.6	48.2	48.7	50.0	down
Machinery Orders (% YoY)	1.5	8.4	6.6	4.4	7.6	4.9	1.6	11.6	12.5	-	-	up
Industrial Production (% YoY)	0.1	1.0	0.5	-2.4	4.4	-0.4	-1.6	3.8	1.6	-2.1	-	down
ECO Watchers Survey (Index)	45.1	47.8	44.6	44.8	45.1	45.5	46.3	46.6	48.5	48.0	-	up
Jobs to Applicants Ratio (Index)	1.24	1.26	1.26	1.24	1.22	1.22	1.2	1.2	1.18	1.18	-	down
Labour Cash Earnings (% YoY)	2.7	2.3	2.0	1.4	3.1	3.4	1.3	2.1	2.5	-	-	up
Retail Sales (% YoY)	-1.5	-2.8	-4.5	-7.0	-7.8	-6.2	2.6	1.4	4.3	0.9	-	up
Exports (% YoY)	11.4	4.0	2.0	-1.7	-0.5	-2.6	-0.1	4.2	3.6	6.1	-	up
Money Supply M2 (% YoY)	1.2	0.8	0.5	0.6	0.8	1.0	1.3	1.5	1.6	1.8	-	up
CPI Ex Food & Energy (% YoY)	1.5	1.6	1.6	1.6	1.6	1.6	1.6	1.3	1.6	1.6	-	up

China	Feb-2025	Mar-2025	Apr-2025	May-2025	Jun-2025	Jul-2025	Aug-2025	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Trend*
NBS PMI Manufacturing (Index)	50.2	50.5	49.0	49.5	49.7	49.3	49.4	49.8	49.0	49.2	50.1	down
NBS PMI Non Manufacturing (Index)	50.4	50.8	50.4	50.3	50.5	50.1	50.3	50.0	50.1	49.5	50.2	down
Industrial Production (% YoY)	-	7.7	6.1	5.8	6.8	5.7	5.2	6.5	4.9	4.8	-	down
Retail Sales (% YoY)	-	5.9	5.1	6.4	4.8	3.7	3.4	3.0	2.9	1.3	-	down
Exports (% YoY)	-3.1	12.2	8.0	4.6	5.8	7.1	4.3	8.2	-1.2	5.9	-	down
CPI (% YoY)	1.3	3.1	3.5	1.9	1.9	0.4	-0.9	0.2	1.7	1.0	-	up
PPI (% YoY)	-2.2	-2.5	-2.7	-3.3	-3.6	-3.6	-2.9	-2.3	-2.1	-2.2	-	up
RRR (%)	9.5	9.5	9.5	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	down
GDP (% YoY)	-	5.4	-	-	5.2	-	-	4.8	-	-	-	down

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

Economic Data

India	Feb-2025	Mar-2025	Apr-2025	May-2025	Jun-2025	Jul-2025	Aug-2025	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Trend*
PMI Manufacturing (Index)	56.3	58.1	58.2	57.6	58.4	59.1	59.3	57.7	59.2	56.6	55.0	down
PMI Services (Index)	59.1	58.5	58.7	58.8	60.4	60.5	62.9	60.9	58.9	59.8	59.1	down
Industrial Production (% YoY)	2.7	3.9	2.6	1.9	1.5	4.3	4.1	4.6	0.5	6.7	-	down
CPI (% YoY)	3.61	3.34	3.16	2.82	2.1	1.61	2.07	1.44	0.25	0.71	-	down
GDP (% YoY)	-	7.38	-	-	7.81	-	-	8.23	-	-	-	down

Australia	Feb-2025	Mar-2025	Apr-2025	May-2025	Jun-2025	Jul-2025	Aug-2025	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Trend*
Westpac Leading Indicator	97.35	97.18	97.17	97.22	97.19	97.23	97.14	97.13	97.23	97.19	-	up
Retail Sales (% YoY)	3.5	4.1	3.7	4.5	4.8	5.1	4.8	5.1	5.6	-	-	up
Unemployment Rate (%)	4.1	4.1	4.1	4.1	4.3	4.3	4.3	4.4	4.3	4.3	-	down
Housing Prices (% YoY)	4.48	4.28	3.86	3.55	3.45	3.55	3.86	4.38	5.32	6.16	6.9	up
CPI (% MoM)	-	-	2.4	2.1	1.9	3.0	3.2	3.6	3.8	-	-	up

Brazil	Jan-2025	Feb-2025	Mar-2025	Apr-2025	May-2025	Jun-2025	Jul-2025	Aug-2025	Sep-2025	Oct-2025	Nov-2025	Trend*
CPI (% YoY)	4.56	5.06	5.48	5.53	5.32	5.35	5.23	5.13	5.17	4.68	4.46	down
Industrial Production (% YoY)	1.3	1.2	3.5	-0.5	3.5	-1.2	0.3	-0.7	2.0	-0.5	-	up
Retail Sales (% YoY)	3.2	1.6	-0.8	5.3	1.8	0.5	1.2	0.3	0.8	1.1	-	up
Trade Balance (Millions, USD)	2320.04	-493.5	7684.47	7602.36	6986.99	5722.36	6841.87	5837.63	2920.98	6573.72	5841.9	down
Budget Balance (Billions, BRL)	63.74	-97.23	-71.62	-55.54	-125.88	-108.11	-175.58	-91.52	-102.18	-81.52	-101.64	up

Chile	Jan-2025	Feb-2025	Mar-2025	Apr-2025	May-2025	Jun-2025	Jul-2025	Aug-2025	Sep-2025	Oct-2025	Nov-2025	Trend*
Economic Activity Index (% YoY)	3.02	0.13	4.46	3.14	3.45	3.3	1.84	0.26	2.7	2.15	1.18	up
CPI (% YoY)	4.94	4.73	4.87	4.52	4.44	4.12	4.25	4.03	4.4	3.44	3.44	down
Retail Sales (% YoY)	6.63	1.85	6.41	3.07	5.18	6.04	5.69	5.24	6.47	8.31	5.8	up
Industrial Production (% YoY)	1.85	-3.69	4.66	3.96	4.75	3.41	1.09	-1.84	1.53	-0.5	-0.8	down
Unemployment (%)	8.0	8.4	8.7	8.8	8.9	8.9	8.7	8.6	8.5	8.4	8.4	down

Mexico	Feb-2025	Mar-2025	Apr-2025	May-2025	Jun-2025	Jul-2025	Aug-2025	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Trend*
PMI (Index)	47.0	47.01	45.47	47.33	47.53	45.33	45.59	45.95	46.99	45.82	46.21	up
CPI (% YoY)	3.77	3.8	3.93	4.42	4.32	3.51	3.57	3.76	3.57	3.8	-	up
Retail Sales (% YoY)	-2.1	4.1	-1.5	2.6	3.2	2.4	2.4	3.3	3.4	-	-	up
Industrial Production (% YoY)	-0.01	3.42	-2.33	0.57	0.74	-1.64	-3.08	-0.72	-1.26	-	-	up
Remittances (Millions, USD)	4458.5	5141.8	4761.2	5360.1	5199.2	5329.9	5578.2	5216.8	5634.8	5124.9	-	up

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

Spread Snapshot (Generic Government Yield 10yr, bps)

Spread over US Treasuries (bps)

Country	Jan-2026	1M ago	3M ago	12M ago
UK	35	34	57	0
Germany	-127	-133	-142	-217
Switzerland	-385	-393	-387	-422
Japan	-204	-218	-245	-349
China	-231	-230	-224	-297
India	247	235	239	218
Australia	62	54	21	-21
South Korea	-78	-78	-116	-183
Malaysia	-67	-64	-67	-77
Indonesia	192	206	219	242
Thailand	-253	-239	-272	-232
Philippines	188	178	190	155
Brazil	944	961	972	1015
Mexico	491	476	474	582
Chile	123	119	152	112
Colombia	854	791	723	712
Peru	161	169	195	207

Spread over German Bund (bps)

Country	Jan-2026	1M ago	3M ago	12M ago
France	71	72	81	86
Netherlands	10	13	15	23
Belgium	49	50	53	63
Austria	25	26	29	42
Ireland	15	18	25	28
Italy	70	68	81	116
Spain	43	46	53	68
Portugal	30	31	39	47

Source: Bloomberg

Disclaimer and cautionary statement

This publication has been prepared by Zurich Insurance Group Ltd and the opinions expressed therein are those of Zurich Insurance Group Ltd as of the date of writing and are subject to change without notice.

This publication has been produced solely for informational purposes. The analysis contained and opinions expressed herein are based on numerous assumptions concerning anticipated results that are inherently subject to significant economic, competitive, and other uncertainties and contingencies. Different assumptions could result in materially different conclusions. All information contained in this publication have been compiled and obtained from sources believed to be reliable and credible but no representation or warranty, express or implied, is made by Zurich Insurance Group Ltd or any of its subsidiaries (the "Group") as to their accuracy or completeness.

Opinions expressed and analyses contained herein might differ from or be contrary to those expressed by other Group functions or contained in other documents of the Group, as a result of using different assumptions and/or criteria.

The Group may buy, sell, cover or otherwise change the nature, form or amount of its investments, including any investments identified in this publication, without further notice for any reason.

This publication is not intended to be legal, underwriting, financial investment or any other type of professional advice. No content in this publication constitutes a recommendation that any particular investment, security, transaction or investment strategy is suitable for any specific person. The content in this publication is not designed to meet any one's personal situation. The Group hereby disclaims any duty to update any information in this publication.

Persons requiring advice should consult an independent adviser (the Group does not provide investment or personalized advice).

The Group disclaims any and all liability whatsoever resulting from the use of or reliance upon publication. Certain statements in this publication are forward-looking statements, including, but not limited to, statements that are predictions of or indicate future events, trends, plans, developments or objectives. Undue reliance should not be placed on such statements because, by their nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results, developments and plans and objectives to differ materially from those expressed or implied in the forward-looking statements.

The subject matter of this publication is also not tied to any specific insurance product nor will it ensure coverage under any insurance policy.

This publication may not be reproduced either in whole, or in part, without prior written permission of Zurich Insurance Group Ltd, Mythenquai 2, 8002 Zurich, Switzerland. Neither Zurich Insurance Group Ltd nor any of its subsidiaries accept liability for any loss arising from the use or distribution of publication. This publication is for distribution only under such circumstances as may be permitted by applicable law and regulations. This publication does not constitute an offer or an invitation for the sale or purchase of securities in any jurisdiction.

Zurich Insurance Group Ltd

Investment Management
Mythenquai 2
8002 Zurich

173008049 (01/22) TCL

