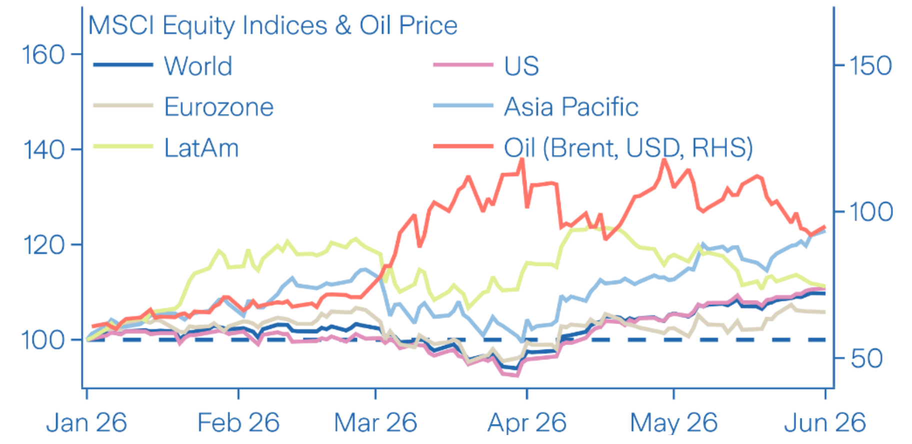
ZURICH

Monthly Investment Insights

2 June 2026

Drivers outpace risks



Source: Bloomberg

News of a potential US–Iran Memorandum of Understanding, including the extension of the ceasefire and a path to reopening the Strait of Hormuz, has triggered a sharp retracement in oil prices and bond yields in recent weeks. This reinforced the rally that has been underway since early April's initial ceasefire, with several equity indices setting new record highs. Risks have not vanished, but the message from markets is clear: the global economy and corporate fundamentals are absorbing the Middle East shock better than originally feared.

Perhaps the most striking feature is that, with the Strait still effectively closed more than three months into the war, Brent crude is trading below USD 100, well short of the levels we and most market participants would have expected by this stage of the conflict. Several factors explain this resilience. Global supply chains have once again proven remarkably adaptive, with import-dependent economies finding alternative routes, visible in the rerouting of Arabian Peninsula flows away from the Strait. China response has been notably more robust than expected, drawing on strategic reserves that proved larger than previously assessed, freeing supply for other importers. The global economy is also far less oil-intensive than in past decades, with recent investments in energy transition helping to cushion the blow. This backdrop supports more contained inflationary pressures, with wage growth far less of a concern than during the post-Covid period, with no demand shock this time around, allowing a more modest monetary tightening response.

Beyond the easing of tail risks, the structural case for equities remains compelling. We are in the midst of one of the largest IT capital spending booms in decades, supported by rising defence budgets, accelerating renewable energy investment, and the ongoing AI build-out by hyperscalers. The latest earnings season has reinforced this picture, with US results once again a standout, but there were positive surprises across other regions, particularly in Asia where the Korean Kospi hit new record highs and Taiwan surpassed India to become the fifth-largest equity market globally. By contrast, other emerging markets have lagged. Despite the tailwind from higher oil prices given the region's high energy sector exposure, LatAm equities have underperformed both EMs and DMs since the war erupted as flows have rotated into tech and AI. Meanwhile, liquidity remains ample, and while growth and corporate margin headwinds from higher energy costs persist, we expect supportive drivers to outweighed them.

Against this backdrop, we continue to favour equities over both credit and cash as the balance of risks has shifted to the upside. Credit markets remain resilient, but spreads sit close to their floor, leaving an asymmetric payoff skewed to the downside. Equities, by contrast, offer further upside if the current de-escalation path in the Middle East holds. We are mindful that the war could again escalate, a risk that still warrants measured positioning in risk assets, but for now, the positive drivers continue to outpace geopolitical risks.

Market Assessment

Key developments

- US–Iran diplomacy is advancing, albeit unevenly
- Inflation is higher but manageable
- Equities have regained momentum, with a number of markets setting new highs

Zurich's view

Diplomatic progress between the US and Iran, including a potential reopening of the Strait of Hormuz, alongside solid corporate earnings and the ongoing record IT capex cycle have tilted risk to the upside for stocks.

Even with oil flows still disrupted, global macro and corporate fundamentals have proven more durable than the early months of the war suggested.

Unlike the post-Covid episode, the absence of a demand shock suggests a more manageable inflation impulse, allowing for a measured monetary tightening response. In this context, government bond yields appear close to fair value following their recent move lower.

We continue to favour equities over credit and cash. Within stocks, we prefer markets with high exposure to the global AI investment cycle from a tactical basis.

Credit markets remain resilient, but with spreads near historical lows, risk-reward looks unappealing, with modest widening possible as issuance picks up.

We remain mindful that the conflict could re-escalate, but in our view, the supportive backdrop should more than offset geopolitical risks in the short term.

	Key developments	Zurich's view
Global	• The Middle East conflict is not expected to derail global growth unless oil rises materially further • Inflation has rebounded on higher energy prices, but pass-through outside of energy and transportation remains contained • Major central banks remain on hold, but there has been a shift towards tightening in some regions where further rate hikes are expected	Oil prices have fallen on hopes of a US-Iran deal, but conditions remain volatile. Economic activity is resilient, supported by defence and investment spending, with new orders holding up. Sentiment and consumption are more downbeat, however, signalling vulnerability. While inflation has risen further, price pressures were slightly softer than expected in May, with limited pass-through beyond energy and transportation. Major central banks have stayed on hold but there has been a shift towards policy tightening in a few regions, with some further rate hikes expected. Government bond yields have fallen back to more manageable levels as inflation concerns have eased. We expect global growth to remain resilient, but a resolution to the US-Iran stalemate is urgently needed.
US	• Higher energy prices push up headline inflation, but spillovers remain limited so far • 10yr Treasury yields briefly rise to the highest level in more than a year • Strong earnings reports help to push equity markets to new record highs	Business activity keeps expanding and consumer spending has been holding up despite the ongoing geopolitical uncertainty. The labour market remains in a good shape with the number of payrolls increasing two months in a row for the first time in a year and the unemployment rate remaining at a modest 4.3% in April. Headline inflation is showing the impact of higher energy prices, but the spillover into other areas remains limited so far. 10yr Treasury yields briefly rose to the highest since January 2025 before falling back, helped by a receding oil price. Meanwhile, the equity rally continued, supported by another strong earnings quarter with historically high profit margins. Solid gains in technology stocks helped to push both the S&P 500 and the Nasdaq to new record highs.
UK	• PMIs are signalling a contraction in May, driven by weaker services activity • Gilts had a volatile month with 30yr yields briefly rising to the highest since 1998 • Equities rise with smaller cap stocks outperforming their larger peers	Business activity decreased in May for the first time in a year. This was driven by a fall in service sector output which contrasted with a stronger upturn in manufacturing production. Rising input costs and global uncertainty were the main culprits, but some companies also mentioned domestic political uncertainty as a reason for clients' reluctance. 30yr gilt yields rose to the highest since 1998 before falling back, helped by a global fall in yields and comments by Andy Burnham, one of Starmer's potential successors, ruling out changing the fiscal rules if he gained power. The FTSE 100 rose last month but lagged most of the other global markets. Smaller cap stocks had a strong run, however, outperforming their larger peers.
Eurozone	• Eurozone economic data weakens notably • Inflation is rising, although May brought some respite • Equity markets rose in May, buoyed by AI hardware names	The Eurozone continues to prove itself particularly vulnerable to the geopolitical situation. Economic activity data continue to disappoint, most notably the May PMIs. The composite number fell further to 47.3, the lowest since 2023. Hiring indicators slowed to their lowest since 2022. Inflation is rising, likely at a pace of 3.2% YoY for May. The ECB appears intent on hiking, further pressuring the growth outlook. Bond markets in Europe have outperformed G10 peers as weaker data implies lower long-term rates. We see scope for yields to fall in longer tenors as the curve flattens. Equity markets continue to rise, although underperforming global peers. While European indices are benefitting from AI exposure, traditionally important industries continue to struggle.
Switzerland	• Economic activity is holding up but conditions are fragile, with weak domestic demand and stagnating exports • Inflation rebounds on higher energy prices, but falling core inflation confirm that the underlying trend remains subdued • The SNB is set to leave rates unchanged amid weak economic activity and soft inflation	Sports adjusted GDP grew by 0.4% QoQ in Q1, leaving annual growth at 0.3%. The details were weak, with flat consumption QoQ while equipment and construction investment slipped. Goods exports fell further and are now down close to 10% YoY, in part reflecting pharma weakness. Industrial activity, by contrast, gained momentum, and more recent survey data confirm that this trend remains in place, in part reflecting front-loading of demand and solid global capex spending. While business surveys highlight sharply rising price pressures and supply disruptions, CPI inflation remains benign, with core CPI at 0.3% YoY in April as disinflationary pressures remain in place outside of the energy segment. We expect the SNB to keep rates on hold this year given economic weakness and soft inflation.

	Key developments	Zurich's view
Japan	• Japan's economy is in a decent shape in Q1, with GDP supported by consumption and net exports • The government is considering a supplementary budget to further extend the fuel subsidy • Japanese equities are up year-to-date, led by tech and robust bank earnings	Headline inflation fell to 1.4% YoY in April. Despite elevated oil prices, energy inflation was negative YoY thanks to fuel subsidies that have capped gasoline at JPY170/litre. Core CPI turned softer, slightly below 2%, with subsidies for free high school education dragging it down. The government is considering a supplementary budget to extend the fuel subsidy further, which has pushed yields notably higher. 10yr JGB yields hit 2.8% before retreating slightly, alongside a notable rise in inflation expectations. We expect higher oil prices to feed through in H2, bringing CPI back above 2%. Markets now price close to an 80% chance of a June rate hike. Japanese stocks are up modestly YTD. We think the up-track will have further to run on strong earnings and decent inflows.
China	• China's growth momentum appears to be fading after a strong Q1 • Property shows early signs of stabilisation, with home sales improving in top-tier cities, but nationwide prices are still down double-digits • China H-shares are down YTD amid outflows, while A-shares benefit from strong tech earnings	China's growth momentum appears to be fading after a strong Q1. April retail sales were almost flat at 0.2% YoY and investment gains reversed into negative territory, underscoring still fragile domestic demand. Property shows early signs of stabilisation, with home sales improving in top-tier cities, but nationwide prices are still down significantly. For now, exports and the tech sector are doing the heavy lifting. High-tech exports, notably hardware and semiconductors, rose 34% YoY, boosting industrial profits to 24.7% in April, led by energy and materials. Autos face margin pressure from fierce competition and subsidy withdrawal. While A-shares are benefitting from strong tech earnings, H-shares are down. Though they look cheap, they still lack a clear catalyst.
Australia	• Starting July 2027, housing tax reforms will limit negative gearing to new builds, tax capital gains, and impose tax on trust distributions • The RBA lifts rates by 25bps to 4.35%, its third consecutive hike • Equities are down on the month as higher rates and energy costs weigh on sentiment	Australia's 2025/26 budget projects a modest 1% of GDP deficit, supported by strong commodity revenues, but spending remains near record highs. As of July 2027, housing tax reforms will limit negative gearing to new builds, tax capital gains, and impose tax on trust distributions, shifting the burden toward higher-income households but doing little to ease structural housing shortages. The RBA lifted rates by 25bps to 4.35% and expects inflation to peak around 4.8% (headline) and 3.8% (trimmed mean) before returning to target only in H2 2027. Another hike this year remains likely. For now, a softening April labour market is giving the RBA some room to hold in June. Equities are down as higher rates and energy costs weigh on sentiment. Weak sentiment will likely continue to weigh on stocks.
India	• Headline CPI remains contained at 3.5% YoY, but wholesale prices surge • Trade deficits have worsened, with capital outflows persisting, putting severe pressure on the currency • Equity markets are seeing notable outflows and underperforming regional peers	Headline CPI remained contained at 3.5% YoY, but wholesale prices surged to 8.3%. State-owned retailers began raising fuel and gasoline prices in May, heightening the risk of further inflation pass-through in the coming months. The rupee was one of Asia's worst-performing currencies in May, hitting a fresh low despite aggressive RBI intervention amid heavy capital outflows from both bond and equity markets. A weaker currency will likely push the RBI to hike rates, with consensus expecting 50bps of tightening this year. 10yr government bond yields have risen by more than 30bps since the start of the Iran war. Equity markets are seeing notable outflows and underperforming regional peers. Given the absence of AI exposure, oil sensitivity and still-elevated valuations, we expect equity weakness to persist.
LatAm	• Relatively contained April CPI prints give central banks room to tolerate near-term inflation pressures • LatAm equities miss the renewed AI-led global rally, underperforming both EM and DM • Brazilian stocks lag the most, pressured by foreign outflows, rising electoral volatility, and reduced expectations for BCB easing	Despite inflation nearing upper tolerance bands again, April CPI prints remained relatively contained, supported by fuel subsidies, favorable seasonality, and limited energy pass-through. Against this backdrop, central banks are still signalling a willingness to look through short-term pressures, albeit with a more cautious tone. In markets, LatAm missed the renewed AI-led global rally, underperforming both EM and DM over the past month. Brazil lagged the most, weighed down by foreign outflows, rising electoral volatility, and lowered expectations for BCB easing. Mexico held up better despite weaker activity and USMCA uncertainty, supported by materials exposure. Chile continued to struggle with its net energy-importer profile despite improving prospects for its pro-investment reform 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	28.3	18.3	16.9	20.4	20.1	21.0	13.7	11.0	15.1
12m Trailing P/B	5.9	2.5	2.3	4.3	2.0	2.6	1.4	1.9	2.6
12m Trailing P/CF	21.9	10.8	8.8	12.9	66.2	11.6	4.7	5.8	10.3
Dividend Yield	1.0	2.9	3.2	2.9	1.8	1.8	2.2	6.0	4.0
ROE	19.9	12.8	12.3	20.8	9.9	12.5	10.7	16.6	16.7

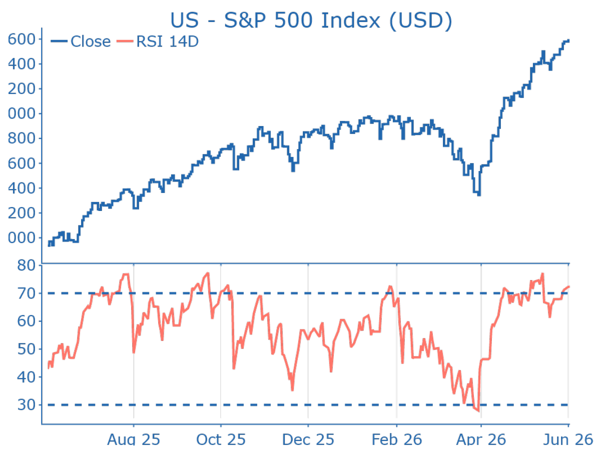
Current trailing valuations relative to MSCI world

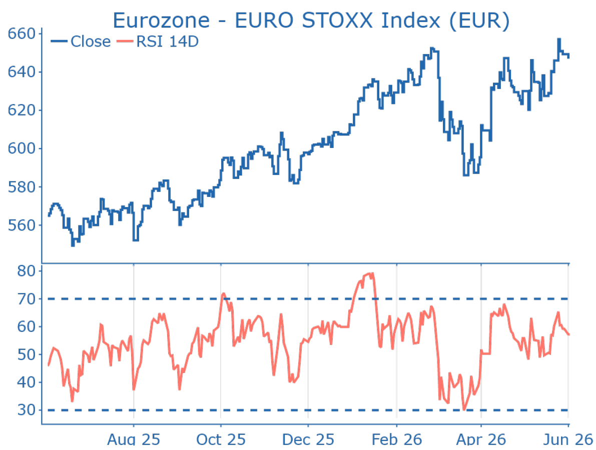
	US	Europe ex UK	UK	Switzerland	Japan	APAC ex Japan	China	Brazil	Mexico
12m Trailing P/E	3.46	-6.6	-7.98	-4.49	-4.78	-3.86	-11.13	-13.88	-9.74
12m Trailing P/B	1.69	-1.69	-1.85	0.11	-2.13	-1.59	-2.74	-2.32	-1.62
12m Trailing P/CF	3.03	-8.1	-10.11	-6.02	47.33	-7.35	-14.19	-13.08	-8.59
Dividend Yield	-0.44	1.39	1.73	1.38	0.32	0.3	0.67	4.52	2.47
ROE	3.84	-3.3	-3.75	4.77	-6.16	-3.56	-5.34	0.5	0.64

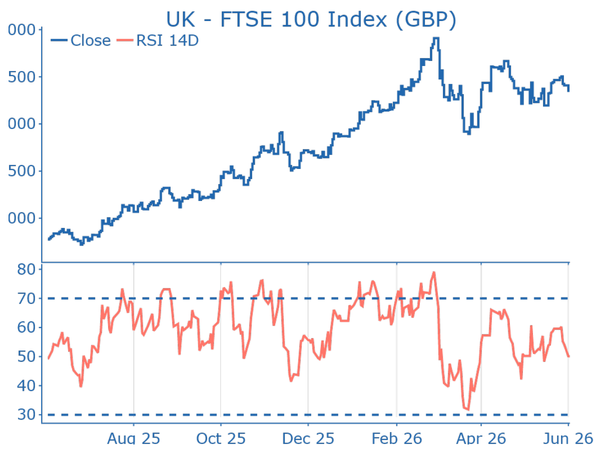
Source: Bloomberg

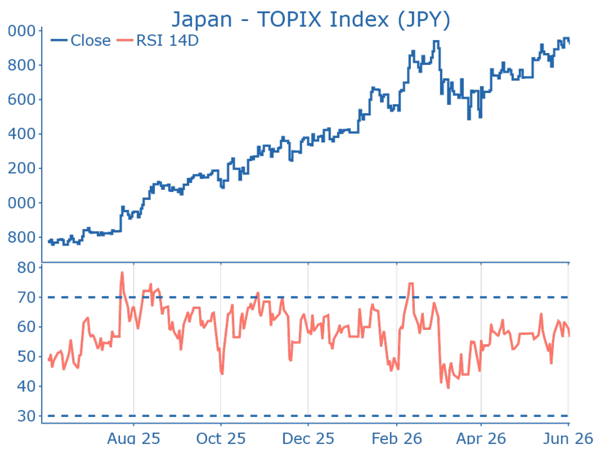
Overbought / Oversold*

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



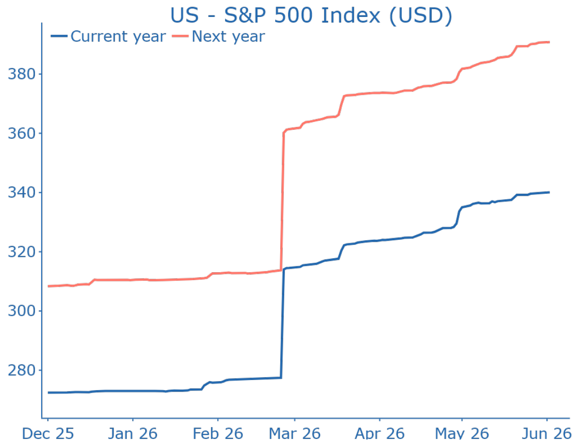


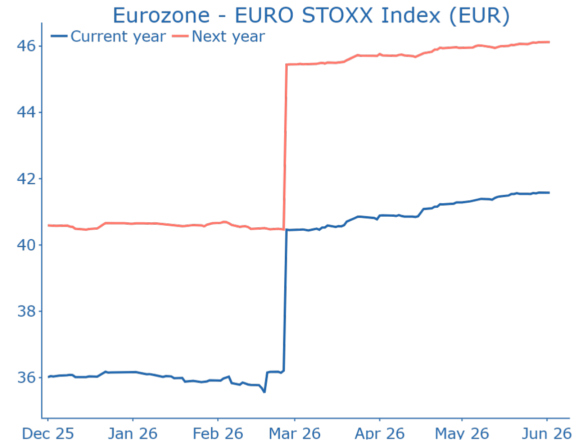


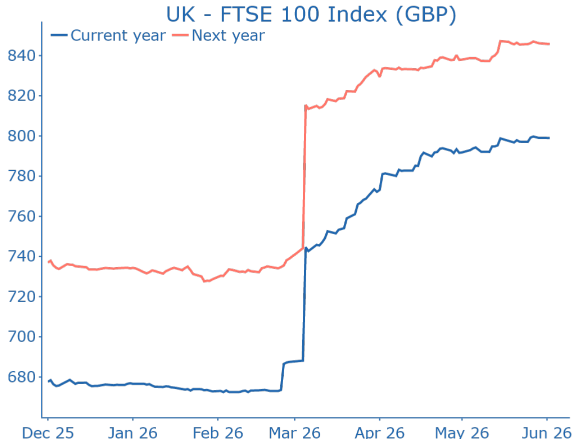


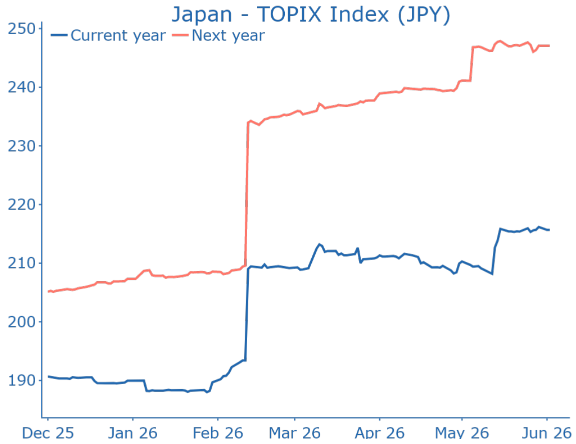
Source: Bloomberg

Earnings estimates - Full fiscal year



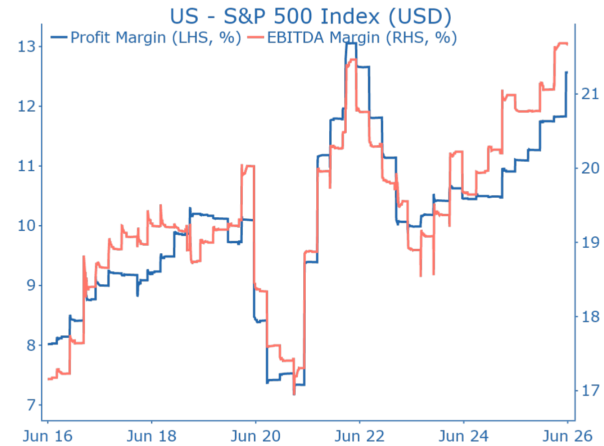


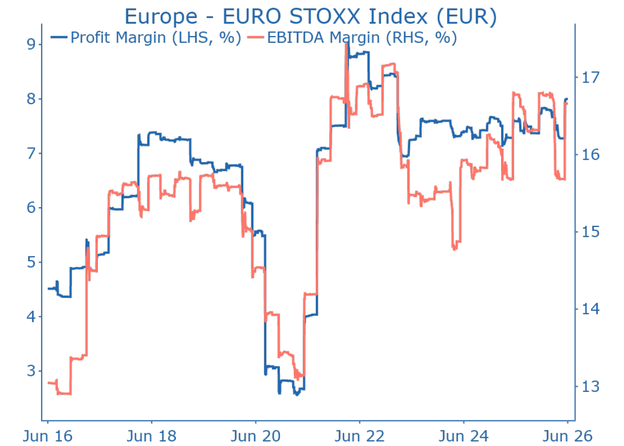


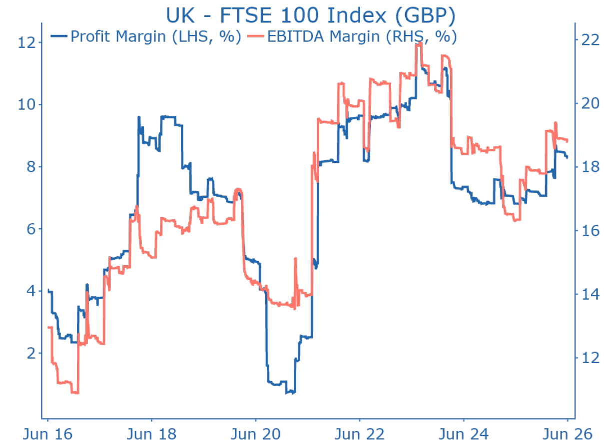


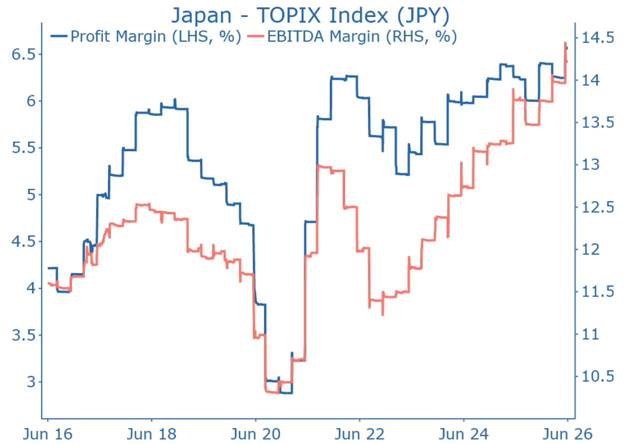
Source: Bloomberg

Historical margins



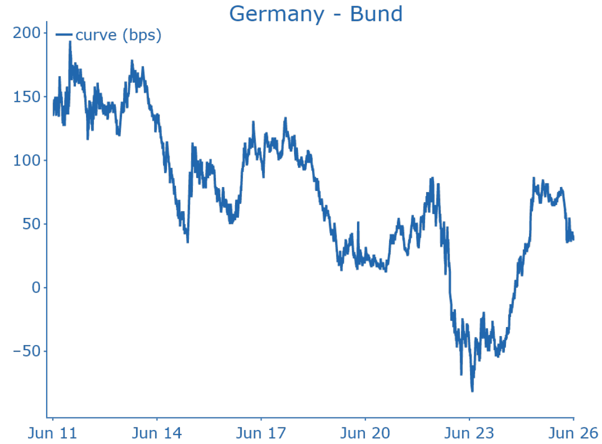


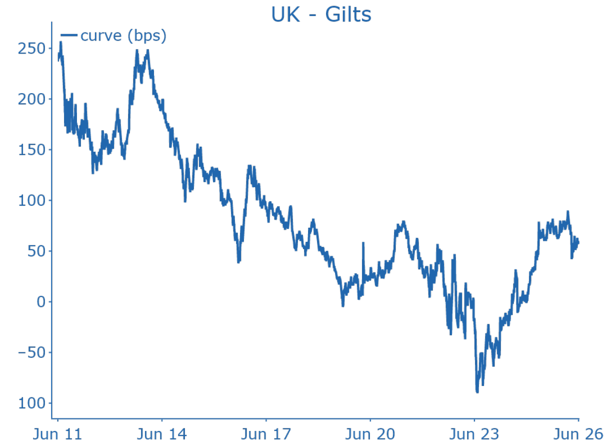


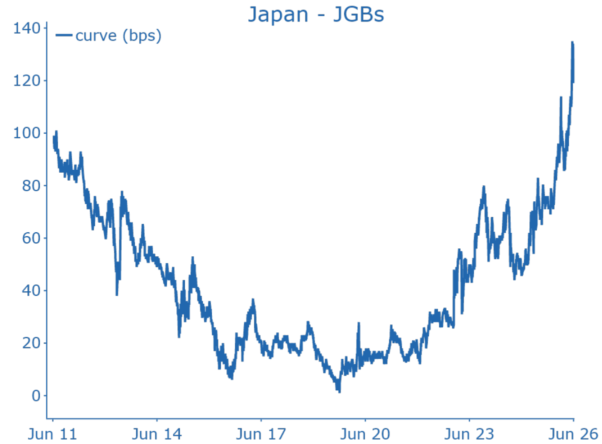


Source: Bloomberg

Yield Curve Steepness (10yr - 2yr)

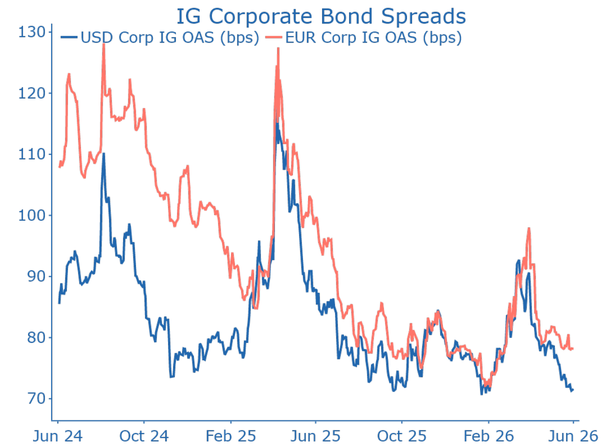


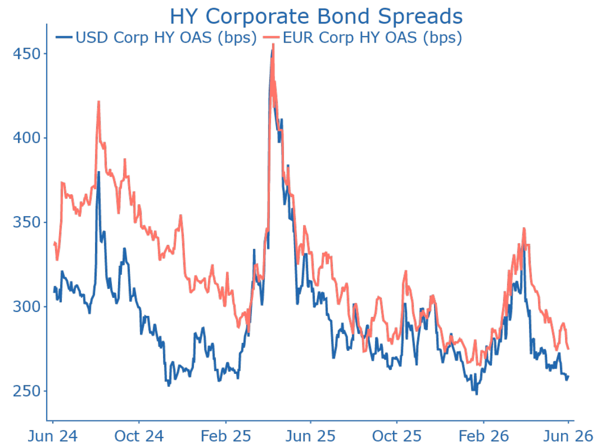


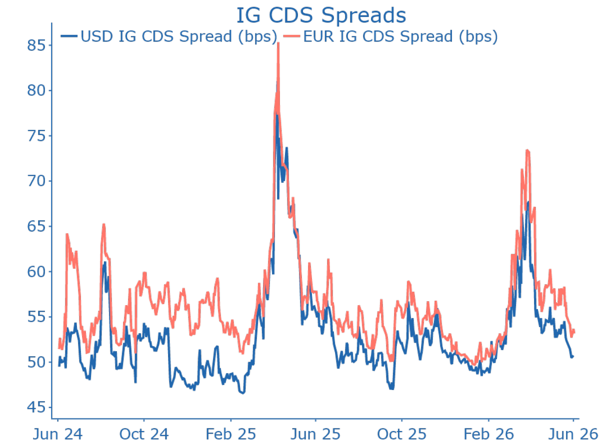


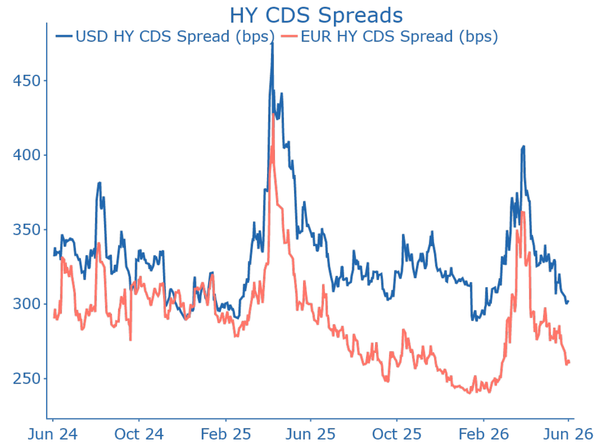
Source: Bloomberg

Credit Markets (US & Europe)









Source: Bloomberg

Economic Data

US	Jul-2025	Aug-2025	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Jan-2026	Feb-2026	Mar-2026	Apr-2026	May-2026	Trend*
ISM Manufacturing (Index)	48.4	48.9	48.9	48.8	48.0	47.9	52.6	52.4	52.7	52.7	54.0	up
ISM Non-Manufacturing (Index)	50.5	51.9	50.3	52.0	52.4	53.8	53.8	56.1	54.0	53.6	-	down
Durable Goods (% MoM)	-2.8	3.0	0.6	-2.1	5.4	-0.9	-0.4	-1.2	1.3	7.9	-	up
Consumer Confidence (Index)	98.7	97.8	95.6	95.5	92.9	94.2	89.0	91.0	92.2	93.8	93.1	up
Retail Sales (% MoM)	4.1	5.0	4.1	3.2	3.2	2.4	3.3	4.2	4.2	4.9	-	up
Unemployment Rate (%)	4.3	4.3	4.4	-	4.5	4.4	4.3	4.4	4.3	4.3	-	down
Avg Hourly Earnings YoY (% YoY)	4.1	4.0	3.8	4.0	4.0	3.8	3.7	3.7	3.5	3.7	-	down
Change in Payrolls (000, MoM)	64.0	-70.0	76.0	-140.0	41.0	-17.0	160.0	-156.0	185.0	115.0	-	up
PCE (% YoY)	2.86	2.91	2.83	2.75	2.83	2.97	3.09	3.03	3.24	3.29	-	up
GDP (%, QoQ, Annualized)	-	-	4.4	-	-	0.5	-	-	1.6	-	-	up

Eurozone	Jul-2025	Aug-2025	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Jan-2026	Feb-2026	Mar-2026	Apr-2026	May-2026	Trend*
PMI Manufacturing (Index)	49.8	50.7	49.8	50.0	49.6	48.8	49.5	50.8	51.6	52.2	51.6	up
PMI Services (Index)	51.0	50.5	51.3	53.0	53.6	52.4	51.6	51.9	50.2	47.6	46.4	down
IFO Business Climate (Index)	88.5	88.8	87.6	88.3	87.9	87.7	87.7	88.5	86.3	84.5	84.9	down
Industrial Production (% YoY)	2.0	1.2	1.2	1.9	2.1	1.9	-0.6	-0.8	-2.1	-	-	down
Indeed 3m average wage growth (% YoY)	2.46	2.38	2.58	2.54	2.49	2.35	2.39	2.46	2.33	2.25	-	down
Unemployment Rate (%)	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.4	6.3	6.3	-	down
Euro-Area Credit Impulse (%, SA)	1.98	1.5	1.19	1.59	1.72	1.67	1.37	0.71	-	-	-	down
EUR HICP 5y5y Inflation Swaps	2.13	2.11	2.09	2.06	2.06	2.07	2.14	2.08	2.13	2.17	2.14	up
CPI (% YoY)	2.0	2.0	2.2	2.1	2.1	2.0	1.7	1.9	2.6	3.0	-	up
Core CPI (% YoY)	2.3	2.3	2.4	2.4	2.4	2.3	2.2	2.4	2.3	2.2	-	down
GDP (% QoQ)	-	-	0.3	-	-	0.2	-	-	0.1	-	-	down

UK	Jul-2025	Aug-2025	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Jan-2026	Feb-2026	Mar-2026	Apr-2026	May-2026	Trend*
PMI Manufacturing (Index)	48.0	47.0	46.2	49.7	50.2	50.6	51.8	51.7	51.0	53.7	53.9	up
PMI Services (Index)	51.8	54.2	50.8	52.3	51.3	51.4	54.0	53.9	50.5	52.7	47.9	down
Consumer Confidence (Index)	-19.0	-17.0	-19.0	-17.0	-19.0	-17.0	-16.0	-19.0	-21.0	-25.0	-23.0	down
Unemployment Rate (%)	4.7	4.8	5.0	5.1	5.1	5.2	5.2	4.9	5.0	-	-	down
CPI (% YoY)	3.8	3.8	3.8	3.6	3.2	3.4	3.0	3.0	3.3	2.8	-	down
House Prices (% YoY)	2.4	2.1	2.2	2.4	1.8	0.6	1.0	1.0	2.2	3.0	1.7	up
Mortgage Approvals (SA, Thousands)	64.99	64.56	65.53	64.66	64.52	61.49	60.35	62.71	63.53	-	-	up
GDP (% YoY)	-	-	1.3	-	-	1.0	-	-	1.1	-	-	up

Switzerland	Jul-2025	Aug-2025	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Jan-2026	Feb-2026	Mar-2026	Apr-2026	May-2026	Trend*
KOF Leading Indicator (Index)	100.8	97.3	97.9	101.4	101.6	103.7	103.4	103.8	95.7	97.8	98.0	down
PMI Manufacturing (Index)	49.5	48.2	46.1	48.1	49.6	46.4	48.8	47.4	53.3	54.5	57.3	up
Real Retail Sales (% YoY)	1.0	-0.1	2.3	2.2	1.6	2.5	-0.3	0.8	1.3	1.6	-	up
Trade Balance (Billion, CHF)	4.47	3.77	3.97	4.12	3.71	0.98	3.63	4.18	3.09	3.1	-	up
CPI (% YoY)	0.2	0.2	0.2	0.1	0.0	0.1	0.1	0.1	0.3	0.6	-	up

Japan	Jul-2025	Aug-2025	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Jan-2026	Feb-2026	Mar-2026	Apr-2026	May-2026	Trend*
PMI Manufacturing (Index)	49.0	49.7	48.5	48.2	48.7	50.0	51.5	53.0	51.6	55.1	54.5	up
Machinery Orders (% YoY)	4.9	1.6	11.6	12.5	-6.4	16.8	13.7	24.7	5.9	-	-	down
Industrial Production (% YoY)	-1.5	-3.3	2.2	0.1	-4.2	0.9	0.7	0.4	2.4	2.3	-	up
ECO Watchers Survey (Index)	45.5	46.3	46.6	48.5	48.0	48.5	45.4	48.2	44.7	41.6	-	down
Jobs to Applicants Ratio (Index)	1.22	1.21	1.2	1.19	1.19	1.2	1.18	1.19	1.18	1.18	-	down
Labour Cash Earnings (% YoY)	3.4	1.3	2.1	2.5	1.7	2.4	2.5	3.4	3.1	-	-	up
Retail Sales (% YoY)	-6.2	2.6	1.4	4.3	0.9	-1.1	2.3	1.6	3.2	5.2	-	up
Exports (% YoY)	-2.8	-0.1	4.1	3.6	6.1	5.1	16.8	4.0	11.5	14.8	-	up
Money Supply M2 (% YoY)	1.0	1.3	1.5	1.6	1.7	1.7	1.6	1.7	2.0	2.3	-	up
CPI Ex Food & Energy (% YoY)	1.6	1.6	1.3	1.6	1.6	1.5	1.3	1.4	1.4	1.1	-	down

China	Jul-2025	Aug-2025	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Jan-2026	Feb-2026	Mar-2026	Apr-2026	May-2026	Trend*
NBS PMI Manufacturing (Index)	49.3	49.4	49.8	49.0	49.2	50.1	49.3	49.0	50.4	50.3	50.0	up
NBS PMI Non Manufacturing (Index)	50.1	50.3	50.0	50.1	49.5	50.2	49.4	49.5	50.1	49.4	50.1	up
Industrial Production (% YoY)	5.7	5.2	6.5	4.9	4.8	5.2	-	-	5.7	4.1	-	down
Retail Sales (% YoY)	3.7	3.4	3.0	2.9	1.3	0.9	-	-	1.7	0.2	-	up
Exports (% YoY)	7.1	4.3	8.2	-1.2	5.9	6.6	10.0	39.6	2.5	14.1	-	down
CPI (% YoY)	0.4	-0.9	0.2	1.7	1.1	-0.9	1.8	-0.1	1.4	2.1	-	up
PPI (% YoY)	-3.6	-2.9	-2.3	-2.1	-2.2	-1.9	-1.4	-0.9	0.5	2.8	-	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	-	-	up

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

Source: Bloomberg

Economic Data

India	Jul-2025	Aug-2025	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Jan-2026	Feb-2026	Mar-2026	Apr-2026	May-2026	Trend*
PMI Manufacturing (Index)	59.1	59.3	57.7	59.2	56.6	55.0	55.4	56.9	53.9	54.7	55.0	down
PMI Services (Index)	60.5	62.9	60.9	58.9	59.8	58.0	58.5	58.1	57.5	58.8	58.9	up
Industrial Production (% YoY)	5.0	3.6	5.5	0.0	6.5	5.8	4.4	5.2	3.2	4.9	-	down
CPI (% YoY)	1.62	2.01	1.41	0.04	0.49	1.17	2.74	3.21	3.4	3.48	-	up
GDP (% YoY)	-	-	8.4	-	-	7.8	-	-	-	-	-	down

Australia	Jun-2025	Jul-2025	Aug-2025	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Jan-2026	Feb-2026	Mar-2026	Apr-2026	Trend*
Westpac Leading Indicator	97.08	97.24	97.17	97.16	97.22	97.18	97.27	97.24	97.17	97.1	97.14	down
Retail Sales (% YoY)	4.8	5.0	4.7	5.0	5.5	5.9	4.9	4.5	4.6	6.2	4.9	up
Unemployment Rate (%)	4.3	4.3	4.3	4.4	4.3	4.3	4.1	4.1	4.3	4.3	4.5	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)	1.9	3.0	3.2	3.6	3.8	3.4	3.8	3.8	3.7	4.6	4.2	up

Brazil	Jun-2025	Jul-2025	Aug-2025	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Jan-2026	Feb-2026	Mar-2026	Apr-2026	Trend*
CPI (% YoY)	5.35	5.23	5.13	5.17	4.68	4.46	4.26	4.44	3.81	4.14	4.39	down
Industrial Production (% YoY)	-1.3	0.3	-0.7	2.0	-0.4	-1.4	-0.1	0.2	-0.7	4.3	-	up
Retail Sales (% YoY)	0.5	1.3	0.4	0.9	1.0	1.5	2.4	2.7	0.4	4.0	-	down
Trade Balance (Millions, USD)	5856.56	6997.27	5974.63	3141.19	6684.97	5760.56	9324.87	3738.74	4005.39	6500.31	10537.23	up
Budget Balance (Billions, BRL)	-108.11	-175.58	-91.52	-102.18	-81.52	-101.64	-115.5	40.06	-100.59	-199.54	-60.14	down

Chile	Jun-2025	Jul-2025	Aug-2025	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Jan-2026	Feb-2026	Mar-2026	Apr-2026	Trend*
Economic Activity Index (% YoY)	3.38	1.6	0.27	3.3	2.06	1.37	1.27	-0.93	-0.31	-0.2	-1.18	down
CPI (% YoY)	4.12	4.25	4.03	4.4	3.44	3.44	3.45	2.78	2.37	2.83	3.96	down
Retail Sales (% YoY)	6.04	5.69	5.24	6.47	8.31	5.82	4.43	3.58	5.64	4.52	4.1	up
Industrial Production (% YoY)	3.41	1.09	-1.84	1.53	-0.46	-0.9	-1.8	-1.55	-1.15	-3.3	-4.68	down
Unemployment (%)	8.9	8.7	8.6	8.5	8.4	8.4	8.0	8.3	8.3	8.9	9.1	up

Mexico	Jul-2025	Aug-2025	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Jan-2026	Feb-2026	Mar-2026	Apr-2026	May-2026	Trend*
PMI (Index)	45.29	45.6	46.01	47.13	46.03	46.69	46.86	47.26	47.65	48.97	48.46	up
CPI (% YoY)	3.51	3.57	3.76	3.57	3.8	3.69	3.79	4.02	4.59	4.45	-	up
Retail Sales (% YoY)	2.4	2.4	3.3	3.4	4.4	4.3	5.0	3.1	2.9	-	-	down
Industrial Production (% YoY)	-1.44	-2.88	-0.53	-1.05	-2.02	1.34	-2.93	-2.13	-1.04	-	-	up
Remittances (Millions, USD)	5329.9	5578.2	5216.8	5634.8	5124.9	5308.8	4594.1	4468.2	5499.8	4978.1	-	up

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

Source: Bloomberg

Spread Snapshot (Generic Government Yield 10yr, bps)

Spread over US Treasuries (bps)

Country	Jun-2026	1M ago	3M ago	12M ago
UK	47	59	33	22
Germany	-146	-133	-132	-191
Switzerland	-401	-396	-377	-416
Japan	-185	-185	-194	-292
China	-272	-261	-223	-273
India	257	264	264	182
Australia	44	64	59	-17
South Korea	-24	-45	-58	-164
Malaysia	-83	-80	-53	-91
Indonesia	234	248	242	242
Thailand	-211	-218	-232	-265
Philippines	306	258	194	183
Brazil	980	959	954	959
Mexico	471	484	476	492
Chile	124	124	122	137
Colombia	812	875	942	793
Peru	174	236	186	208

Spread over German Bund (bps)

Country	Jun-2026	1M ago	3M ago	12M ago
France	67	65	57	66
Netherlands	16	13	7	21
Belgium	58	57	50	52
Austria	28	27	28	38
Irland	18	23	26	29
Italy	77	82	64	97
Spain	46	46	42	58
Portugal	41	40	36	46

Source: Bloomberg

Disclaimer and cautionary statement

Zurich Insurance Group Ltd

Investment Management
Mythenquai 2
8002 Zurich

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