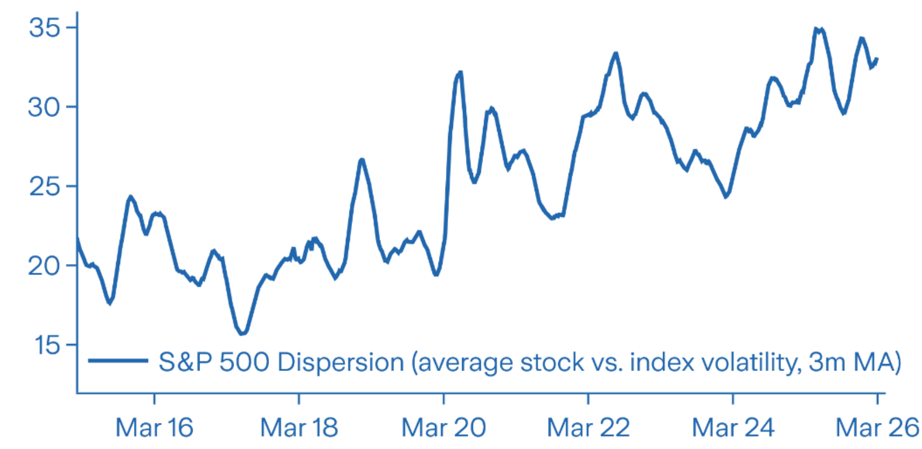
Monthly Investment Insights

4 March 2026

Price discovery



Source: Bloomberg

Until now, 2026's major market theme has been rapid developments in AI. Existing businesses face clear disruption, as investors attempt to price in the winners and the laggards. A second theme now dominates: rising geopolitical uncertainty as a result of conflict in the Middle East. Whereas AI development should ultimately be a market positive, the uncertainty in the Middle East warrants near-term prudence. We currently prefer a cautious stance towards risk assets.

While overall equity market volatility is increasing, there is significant dispersion between individual securities. As shown in the chart above, the difference in volatility between the average stock and that of the S&P 500 Index is historically wide. AI breakthroughs and renewed conflict are encouraging price discovery in an evolving landscape.

Despite geopolitical ructions, macroeconomic fundamentals remain solid. Global growth is holding up at a trend-like level. Fiscal policy is helping, notably in Germany as activity data improves, while the US is set to benefit from the 'One Big Beautiful Bill'. The Supreme Court's rejection of Trump's tariffs reinforces the legislating role of Congress and is a positive development for investors. Despite renewed conflict in the Middle East, both the global economy and financial markets have shown resilience to persistently heightened geopolitical tensions in recent years. This may change if the situation escalates significantly.

Inflation continues to moderate in many economies, as goods and services inflation continues to weaken. Yet, expectations for lower inflation are now threatened by rising energy prices. Despite this, bond yields have fallen marginally on the year. This stabilisation is welcome. Credit market valuations remain expensive, and issuance for data centres continues apace. Disruption to existing business models may have knock-on negative implications for creditors, and overall tight spread levels in public markets remain unattractive.

Since the release of ChatGPT in 2022, much ink has been spilled by analysts and columnists alike on the high chance of disappointment. Silicon Valley's promises of ever-accelerating model improvements were seen as folly by many. Early models struggled with maths and miscounted the number of 'r's in 'strawberry'. Recent news is confounding these pessimists. Research by AI research lab METR shows exponential improvements in the complexity and length of tasks that AI models can perform. The release of tools like Claude Code and Cowork is profoundly augmenting the capability of professionals and hobbyists alike.

Investors are grappling with rapid shifts and radically different possible futures. Let's stay anchored. Fundamentally, AI breakthroughs should be good for both the macroeconomic outlook and risk asset returns. Consumers and firms alike should benefit from the power of these new tools. Productivity could grow rapidly, after a long winter in advanced economies. While tactical caution is prudent, there is reason for longer-term optimism.

Market Assessment

Key developments

- Geopolitical tensions escalate
- Stock markets experience significant volatility as investors reprice existing business models for the AI age
- Economic fundamentals remain robust, but persistent energy disruption poses a key risk

Zurich's view

Developments in the Middle East greatly increase uncertainty and warrant prudent market positioning. While the global macroeconomic environment remains solid, the risk of an escalation in the conflict increases downside risks.

We currently prefer to be neutral on risk assets. While US equity momentum has softened, international markets have performed strongly, notably in Asia. While we ultimately expect equities to resume their track higher, helped by AI developments, a pull-back is possible.

Market rotation and historically high individual stock dispersion are key features of this environment. We view this as a healthy development, as investors identify sustainable and profitable business models.

Government bond yields have fallen marginally. Current levels look close to fair value. While inflation is contained, sustained energy price spikes present clear upside risk. Fiscal largesse and rising costs of the AI build-out also bear watching.

We do not see corporate credit as attractive, with spreads tight. Investor demand for credit remains strong, as evidenced by oversubscriptions for new issues. While we do not expect significantly rising defaults, credit's asymmetric returns are less attractive than equity upside in this environment.

	Key developments	Zurich's view
Global	• The global economy should stay resilient, unless oil prices rise materially from here or the Middle East crisis escalates further • Inflation is contained, but rising oil prices and potential supply disruptions will weigh on further progress • The global rate cutting cycle is approaching its end, though some further policy easing is likely	The global economy had been expanding at a healthy clip when the Middle East crisis erupted, supported by fiscal and monetary easing, strong tech capex spending, and low oil prices. The latest Flash PMIs for February confirm this story. Inflation data were constructive, with core inflation ticking lower in key regions. Following the recent strikes on Iran, the oil price spiked to a level similar to that reached during last summer's strikes. By itself, this should be manageable for both producers and consumers. Unless oil prices rise materially from here, or the crisis escalates further, we do not anticipate a major negative impact on global economic activity. Uncertainty is profound, however, warranting caution.
US	• The US Supreme Court rules against President Trump's use of IEEPA to impose broad-based tariffs • The labour market is strengthening, with payroll growth accelerating • US equities continue to lag their global peers despite another quarter of very solid earnings	The US Supreme Court ruled against President Trump's use of the International Emergency Economic Powers Act to impose broad-based tariffs. However, important questions like potential refunds remain open while the administration has announced that it will immediately implement new tariffs using other measures. Meanwhile, the economy is holding up, and the labour market is showing signs of strengthening, with the unemployment rate ticking down and nonfarm payrolls rising at the fastest pace in more than a year. Nevertheless, equity market momentum has moderated, with US stocks still lagging most of their global peers. Investor sentiment continues to weigh on technology stocks and software companies in particular, despite impressive earnings reports from Nvidia and others.
UK	• The Composite PMI picks up to the strongest in almost two years • The labour market weakens and inflation slows to 3.0% YoY • UK equities benefit from a global rotation into more defensive stocks	The UK economy has shown encouraging strength thus far in 2026. The Composite PMI rose to 53.9 in February, the highest level in almost two years, driven by both manufacturing and services activity. The labour market has been weakening, however, with unemployment ticking up to 5.2% in December from 5.1% the month before, leading to a slowdown in wage growth from 4.6% YoY to 4.2% YoY. Meanwhile, headline CPI slowed to 3.0% YoY in January, down from 3.4% YoY in December. UK equities continued to show solid momentum in February. The FTSE 100 in particular has benefitted from a global rotation into more defensive stocks, pushing year-to-date gains to almost 10%, better than many of its peers. More domestically focused smaller cap stocks have lagged the broader market, however.
Eurozone	• Germany's economic outlook is improving, helped by fiscal policy • Inflation is below 2%, but energy price spikes threaten the disinflationary process • Record inflows into European equity markets	The Eurozone economic outlook continues to improve, with important caveats. Growth indicators point to solid trend-like outcomes for 2026. Germany is a bright spot, as the fiscal package ramps up in earnest. PMI and ifo surveys both signal increased activity. Factory orders are rising, driven by domestic demand. While inflation is moderating, natural gas prices have suddenly risen 70%. If this move persists, near term inflationary pressure will rise. The aggregate Eurozone labour market is slowing, and consumer confidence is lacklustre. Structural issues remain, particularly falling competitiveness in traditional export areas. Economic rebalancing is welcome and is borne out in equity market pricing. We see scope for equity indices to move higher, but expect significant dispersion among individual securities.
Switzerland	• Sentiment and economic activity recover, with domestic demand remaining resilient and exports improving • Weakness in consumer price inflation persists, amplified by the strong currency and deflationary producer prices • The SNB is expected to keep rates unchanged despite inflation weakness	GDP rebounded in Q4 2025 as US tariffs were reduced and domestic demand proved resilient, with growth at 0.2% QoQ, up from -0.4% in Q3 (sport event adjusted). More recent data confirm that the recovery continued in Q1, with a stabilisation in the labour market and improving services activity. Inflation, by contrast, remains weak, at 0.1% YoY, with weakness amplified by the strong currency and deflationary producer prices. Looking forward, events in the Middle East have triggered renewed upward pressure on the franc, which will be a headwind to both growth and inflation. While we maintain our base case of no further rate cuts from the SNB given their higher hurdle for moving rates into negative territory, FX dynamics will be key to watch in coming weeks.

	Key developments	Zurich's view
Japan	• The sweeping LDP victory gives PM Takaichi room to push ahead with fiscal policy • The nomination of two dovish BOJ board members has tilted rate expectations lower • Equities have rallied on the policy optimism around fiscal spending	January core CPI held at 2.0% YoY, but core inflation excluding fresh food and energy remained sticky at 2.6%, with Tokyo core CPI edging slightly higher in February. The sweeping LDP victory gives PM Takaichi more room to advance fiscal policy, reinforcing expectations of increased fiscal spending ahead. Equities have rallied on this policy optimism. Despite recent geopolitical uncertainty that triggered a sizable market correction, we believe Japanese equities still have room to perform this year. Meanwhile, the nomination of two dovish BOJ board members has pushed rate expectations lower. While JGB yields moved lower recently, we doubt the trend will be sustainable given that core inflation is above target and potential fiscal expansion lies ahead. For more, see our topical paper, The Widowmaker.
China	• Domestic momentum remains weak, with the property slump dragging on • Deflation remains despite some signs of easing downward pressure on PPI • Equity performance is lacklustre given the cautious sentiment among investors	China's economy remains weak, with house prices continuing to decline. Deflationary pressures persist despite a slight pickup in PPI. Recent efforts to cut production capacity may help ease downward pressure on PPI, but without a meaningful improvement in demand, deflation is likely to remain entrenched. Policymakers have introduced targeted measures to stabilise activity, including support for consumption during the Chinese New Year period, but overall confidence remains fragile. Equity markets were mixed, reflecting both fading growth momentum and the absence of decisive policy support, while geopolitical tensions further weighed on sentiment. We see selective opportunities in tech related sectors, though the lack of broader stimulus will likely keep overall market sentiment subdued.
Australia	• Australian Q4 GDP rose a higher than expected 2.6% YoY • Inflation data indicates a trend above the RBA's target range • Domestic corporate earnings support share prices, but geopolitical uncertainty triggers volatility	Q4 2025 GDP grew a faster than expected 2.6% YoY, beating consensus estimates of 2.4%, driven by ongoing fiscal spending and consumption, whilst net exports were a drag. Supporting the trend for higher inflation, the trimmed mean for January rose 3.4% YoY, fuelling expectations that the next move for rates will be higher. Expectations for a March rate hike have firmed to circa 21% following mixed data, which included a weak current account balance in Q4 and declining building approvals in January. On a positive note, corporate profits for Q4 have proven much stronger than expected. Investor worries over rising oil prices, driven by the situation in the Middle East, and still elevated CPI prints have sparked a sell-off in both bonds and equities. We expect volatility to stay high, depending on how events unfold.
India	• The consolidation path for the Union Budget is reaffirmed • The RBI kept the repo rate at 5.25%, maintaining its FY26 real GDP growth forecast of 7.4% • Equities sell off sharply given India's high exposure to oil price shocks from the evolving situation in Iran	The consolidation path for the Union Budget was reaffirmed, targeting a FY27 fiscal deficit of 4.3% of GDP while maintaining capital expenditure at 3.1%. Inflation dynamics have been reshaped by the new CPI series (base year 2024), with January headline CPI at 2.75% YoY, reflecting updated weights and consumption patterns. The RBI kept the repo rate at 5.25%, maintaining its FY26 real GDP growth forecast of 7.4%. Despite prospects of further bond issuance following the Budget announcement, 10yr government bond yields are anchored at around 6.7% on supportive liquidity. Equities, however, sold off sharply as India's heavy reliance on imported oil left markets exposed to price shocks from the evolving situation in the Middle East.
LatAm	• A contained January CPI print supports monetary easing ahead in LatAm • Brazil becomes one of the main beneficiaries of the US tariff reshuffle • LatAm equities continue to benefit from robust EM portfolio inflows	Brazil's January inflation edged up but stayed within the tolerance range. The BCB held the Selic rate at 15%, though it provided explicit guidance that the easing cycle is set to begin this month. Brazil is also one of the main beneficiaries of the US Supreme Court's IEEPA ruling. Mexico's CPI print surprised lower despite new taxes and higher non FTA tariffs. Banxico is likely to hold the reference rate steady until Q2, though a March cut remains possible. LatAm equities extended gains in February and continued to benefit from strong inflows into EMs. We remain constructive on the region, with Brazil offering the most upside potential given its sizable monetary easing cushion, improving prospects for a market friendly opposition presidential candidate, and decade low domestic equity positioning by local investors.

Valuation snapshot (MSCI Indices)

Current trailing valuations

	US	Europe ex UK	UK	Switzerland	Japan	APAC ex Japan	China	Brazil	Mexico
12m Trailing P/E	27.2	18.7	16.6	19.4	20.6	21.3	14.8	12.3	17.5
12m Trailing P/B	5.4	2.5	2.5	4.4	2.1	2.5	1.6	2.1	2.7
12m Trailing P/CF	22.0	10.6	11.1	17.3	12.8	12.2	6.9	6.6	10.7
Dividend Yield	1.1	2.8	3.0	2.7	1.8	2.0	2.1	5.4	4.0
ROE	18.8	12.6	10.9	21.1	9.5	11.9	11.5	15.1	16.3

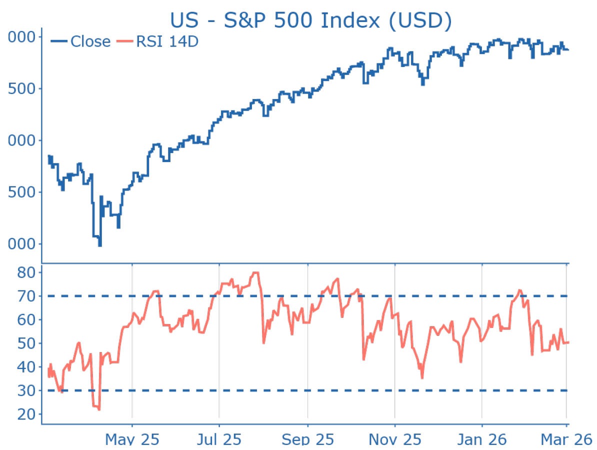
Current trailing valuations relative to MSCI world

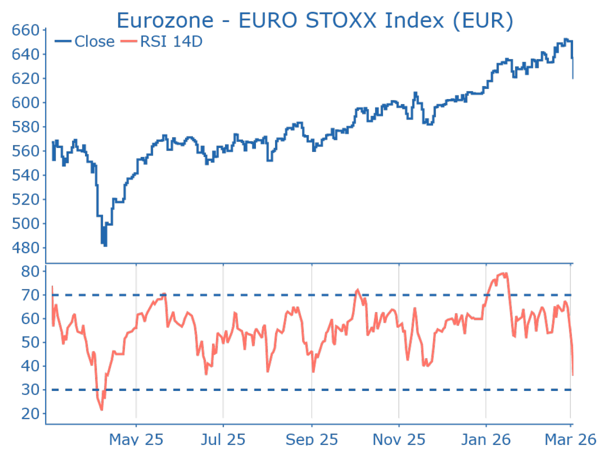
	US	Europe ex UK	UK	Switzerland	Japan	APAC ex Japan	China	Brazil	Mexico
12m Trailing P/E	2.88	-5.55	-7.68	-4.95	-3.7	-3.04	-9.49	-11.99	-6.85
12m Trailing P/B	1.46	-1.44	-1.51	0.4	-1.91	-1.5	-2.35	-1.89	-1.32
12m Trailing P/CF	4.54	-6.89	-6.39	-0.12	-4.68	-5.22	-10.57	-10.9	-6.78
Dividend Yield	-0.42	1.22	1.42	1.12	0.21	0.42	0.58	3.83	2.44
ROE	3.39	-2.84	-4.52	5.72	-5.85	-3.45	-3.9	-0.31	0.94

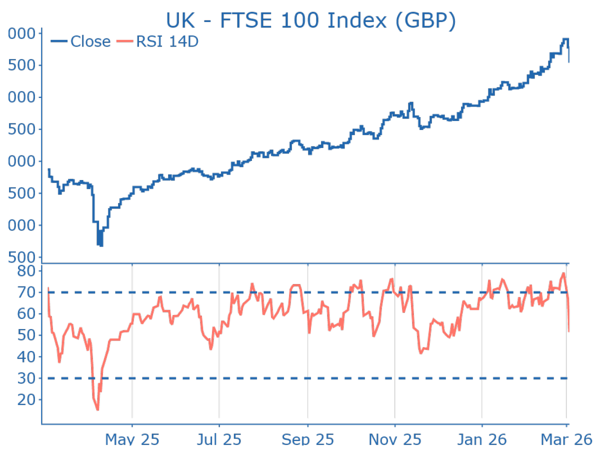
Source: Bloomberg

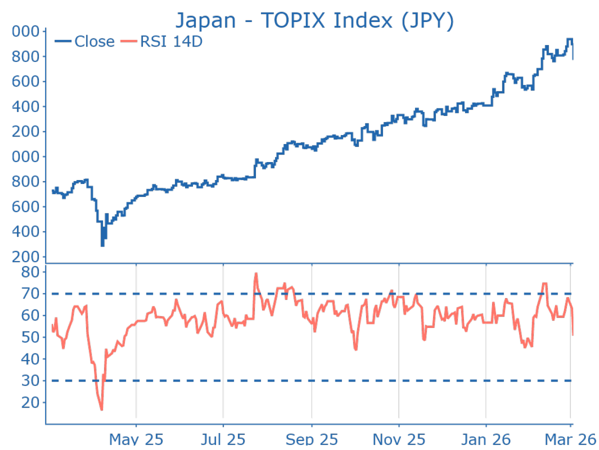
Overbought / Oversold*

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



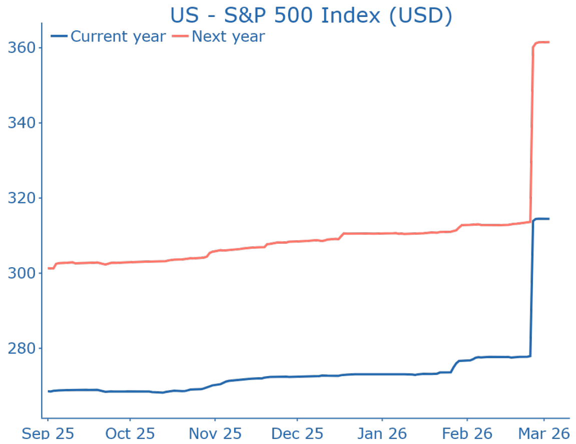


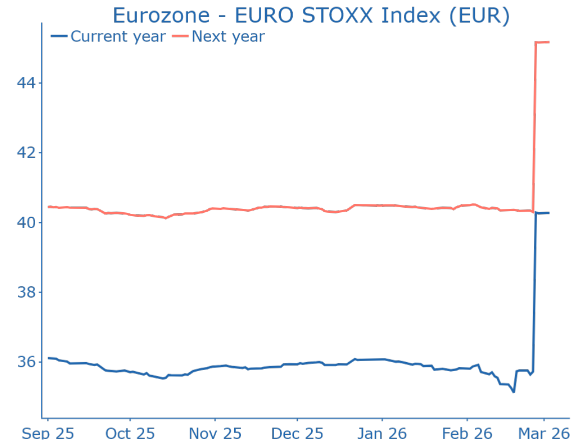


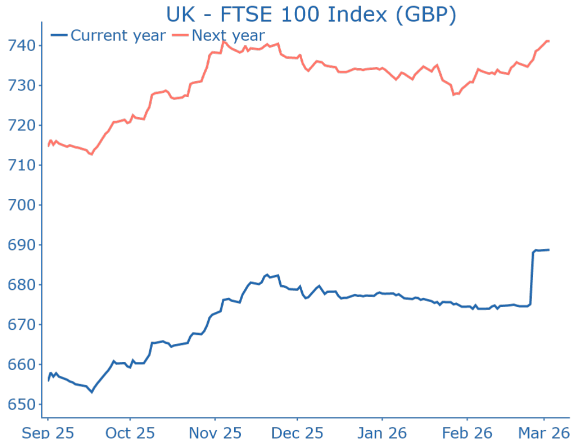


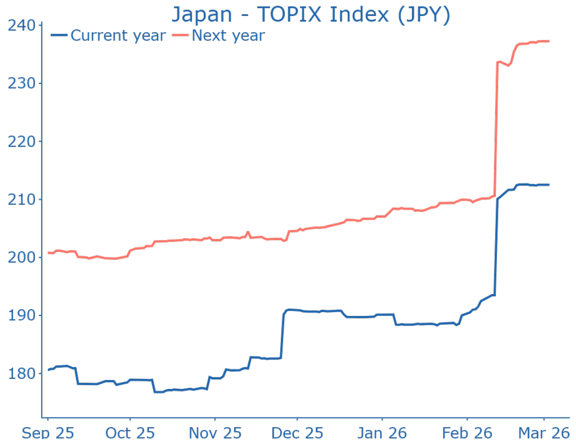
Source: Bloomberg

Earnings estimates - Full fiscal year



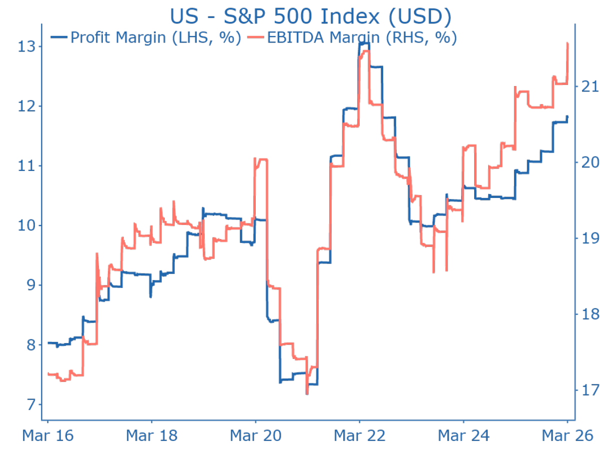


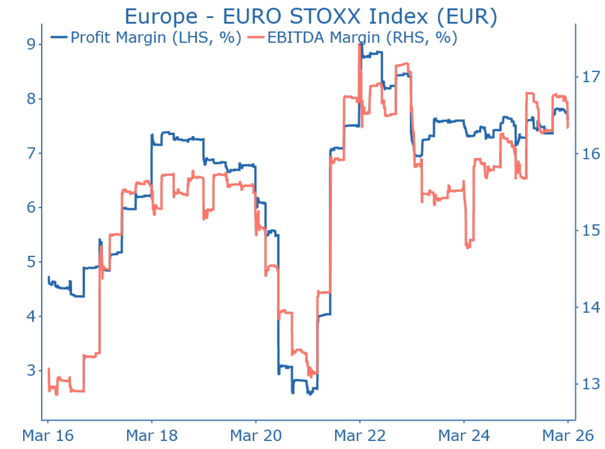


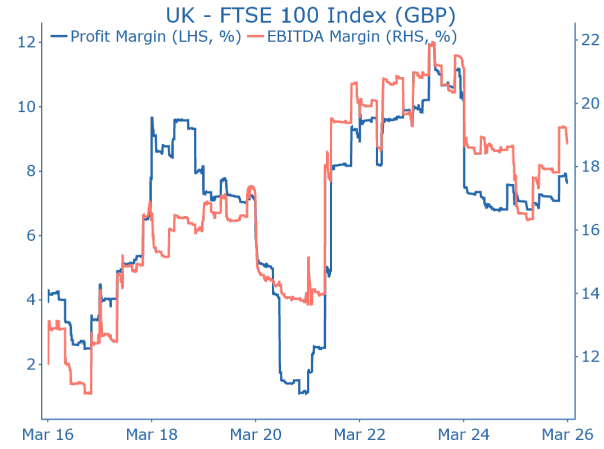


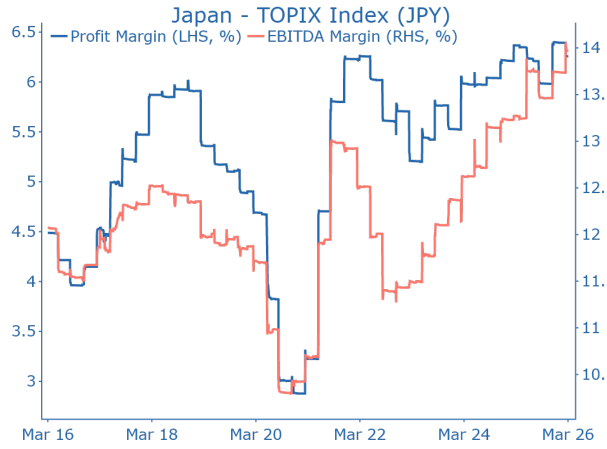
Source: Bloomberg

Historical margins



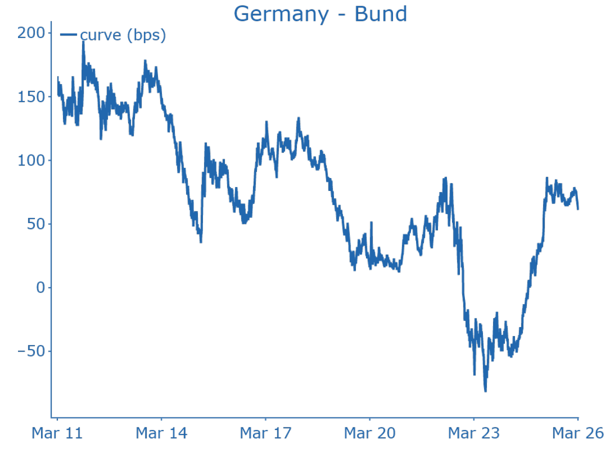


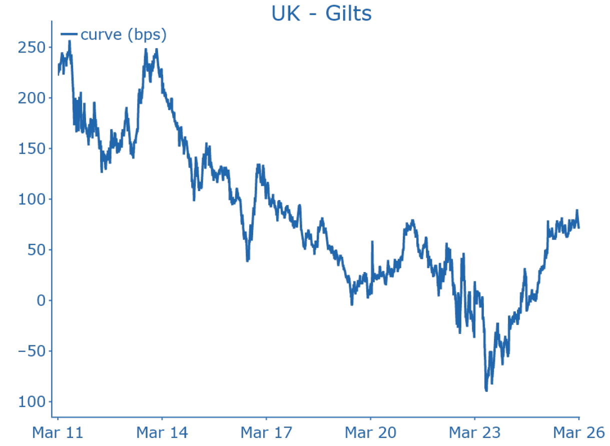


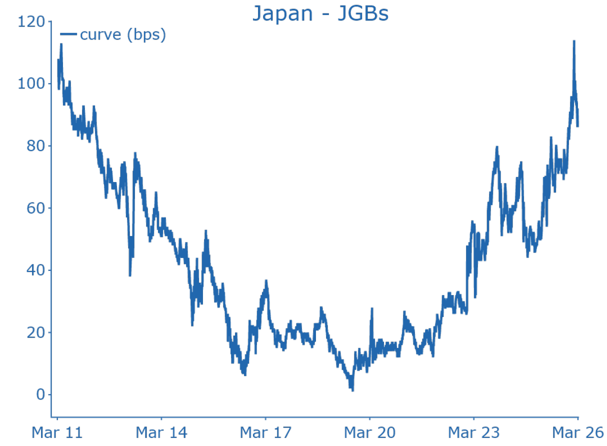


Source: Bloomberg

Yield Curve Steepness (10yr - 2yr)

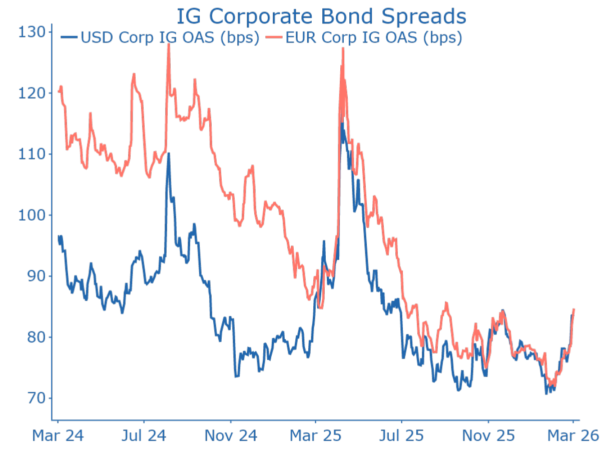


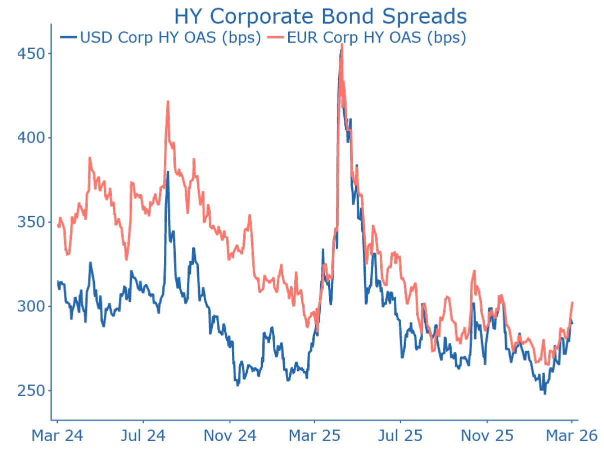


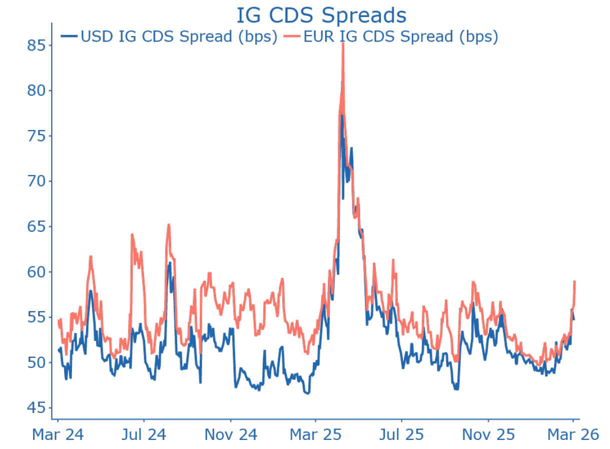


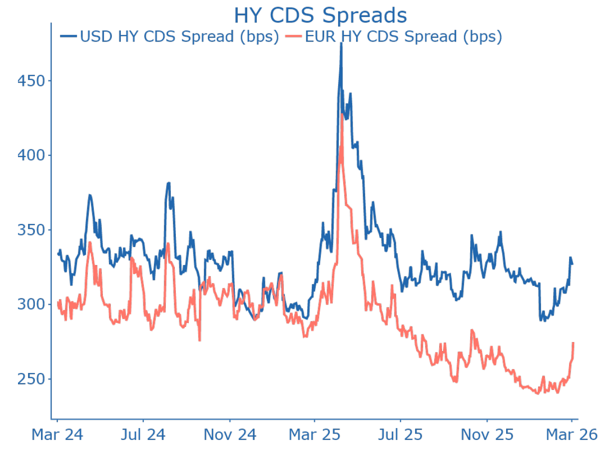
Source: Bloomberg

Credit Markets (US & Europe)









Source: Bloomberg

Economic Data

US	Apr-2025	May-2025	Jun-2025	Jul-2025	Aug-2025	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Jan-2026	Feb-2026	Trend*
ISM Manufacturing (Index)	48.8	48.6	49.0	48.4	48.9	48.9	48.8	48.0	47.9	52.6	52.4	up
ISM Non-Manufacturing (Index)	51.6	50.2	50.8	50.5	51.9	50.3	52.0	52.4	53.8	53.8	-	up
Durable Goods (% MoM)	-6.6	16.5	-9.4	-2.8	3.0	0.6	-2.1	5.4	-1.4	-	-	down
Consumer Confidence (Index)	85.7	98.4	95.2	98.7	97.8	95.6	95.5	92.9	94.2	89.0	91.2	down
Retail Sales (% MoM)	5.0	3.4	4.4	4.1	5.0	4.1	3.2	3.3	2.4	-	-	down
Unemployment Rate (%)	4.2	4.3	4.1	4.3	4.3	4.4	-	4.5	4.4	4.3	-	down
Avg Hourly Earnings YoY (% YoY)	4.2	4.1	4.1	4.1	4.0	3.8	4.0	4.0	3.8	3.8	-	down
Change in Payrolls (000, MoM)	108.0	13.0	-20.0	64.0	-70.0	76.0	-140.0	41.0	48.0	130.0	-	up
PCE (% YoY)	2.61	2.78	2.81	2.86	2.91	2.83	2.76	2.83	3.0	-	-	up
GDP (%, QoQ, Annualized)	-	-	3.8	-	-	4.4	-	-	1.4	-	-	down

Eurozone	Apr-2025	May-2025	Jun-2025	Jul-2025	Aug-2025	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Jan-2026	Feb-2026	Trend*
PMI Manufacturing (Index)	49.0	49.4	49.5	49.8	50.7	49.8	50.0	49.6	48.8	49.5	50.8	down
PMI Services (Index)	50.1	49.7	50.5	51.0	50.5	51.3	53.0	53.6	52.4	51.6	51.8	down
IFO Business Climate (Index)	86.8	87.4	88.3	88.5	88.8	87.7	88.4	88.0	87.6	87.6	88.6	down
Industrial Production (% YoY)	0.3	3.0	0.7	2.0	1.2	1.3	2.0	2.2	1.2	-	-	down
Indeed 3m average wage growth (% YoY)	2.74	2.73	2.57	2.45	2.39	2.59	2.51	2.45	2.28	2.3	-	down
Unemployment Rate (%)	6.3	6.4	6.4	6.4	6.3	6.4	6.3	6.3	6.2	-	-	down
Euro-Area Credit Impulse (%, SA)	2.98	3.11	2.55	1.98	1.5	1.19	1.59	1.73	1.68	-	-	up
EUR HICP 5y5y Inflation Swaps	2.06	2.06	2.14	2.13	2.11	2.09	2.06	2.06	2.07	2.14	2.08	up
CPI (% YoY)	2.2	1.9	2.0	2.0	2.0	2.2	2.1	2.1	2.0	1.7	-	down
Core CPI (% YoY)	2.7	2.3	2.3	2.3	2.3	2.4	2.4	2.4	2.3	2.2	-	down
GDP (% QoQ)	-	-	0.1	-	-	0.3	-	-	0.3	-	-	down

UK	Apr-2025	May-2025	Jun-2025	Jul-2025	Aug-2025	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Jan-2026	Feb-2026	Trend*
PMI Manufacturing (Index)	45.4	46.4	47.7	48.0	47.0	46.2	49.7	50.2	50.6	51.8	51.7	up
PMI Services (Index)	49.0	50.9	52.8	51.8	54.2	50.8	52.3	51.3	51.4	54.0	53.9	up
Consumer Confidence (Index)	-23.0	-20.0	-18.0	-19.0	-17.0	-19.0	-17.0	-19.0	-17.0	-16.0	-19.0	up
Unemployment Rate (%)	4.6	4.7	4.7	4.7	4.8	5.0	5.1	5.1	5.2	-	-	up
CPI (% YoY)	3.5	3.4	3.6	3.8	3.8	3.8	3.6	3.2	3.4	3.0	-	down
House Prices (% YoY)	3.4	3.5	2.1	2.4	2.1	2.2	2.4	1.8	0.6	1.0	1.0	down
Mortgage Approvals (SA, Thousands)	61.12	63.42	64.43	65.09	64.59	65.44	64.63	64.02	61.01	60.0	-	down
GDP (% YoY)	-	-	1.4	-	-	1.2	-	-	1.0	-	-	down

Switzerland	Apr-2025	May-2025	Jun-2025	Jul-2025	Aug-2025	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Jan-2026	Feb-2026	Trend*
KOF Leading Indicator (Index)	95.3	97.7	95.4	100.8	97.3	97.9	101.3	101.5	103.7	103.3	104.2	up
PMI Manufacturing (Index)	46.5	42.4	48.7	49.5	48.2	46.1	48.1	49.6	46.4	48.8	47.4	down
Real Retail Sales (% YoY)	0.9	0.0	4.3	1.0	-0.1	2.2	2.1	1.7	2.8	-1.1	-	down
Trade Balance (Billion, CHF)	6.36	3.98	5.7	4.46	3.76	3.96	4.16	3.78	0.93	3.82	-	down
CPI (% YoY)	0.0	-0.1	0.1	0.2	0.2	0.2	0.1	0.0	0.1	0.1	-	down

Japan	Apr-2025	May-2025	Jun-2025	Jul-2025	Aug-2025	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Jan-2026	Feb-2026	Trend*
PMI Manufacturing (Index)	48.7	49.4	50.1	49.0	49.7	48.5	48.2	48.7	50.0	51.5	53.0	up
Machinery Orders (% YoY)	6.6	4.4	7.6	4.9	1.6	11.6	12.5	-6.4	16.8	-	-	up
Industrial Production (% YoY)	0.5	-2.4	4.4	-0.4	-1.6	3.8	1.6	-2.2	2.6	2.3	-	up
ECO Watchers Survey (Index)	44.6	44.8	45.1	45.5	46.3	46.6	48.5	48.0	48.5	45.4	-	down
Jobs to Applicants Ratio (Index)	1.25	1.23	1.22	1.22	1.21	1.2	1.19	1.19	1.2	1.18	-	down
Labour Cash Earnings (% YoY)	2.0	1.4	3.1	3.4	1.3	2.1	2.5	1.7	2.4	-	-	up
Retail Sales (% YoY)	-4.5	-7.0	-7.8	-6.2	2.6	1.4	4.3	0.9	-1.1	2.3	-	down
Exports (% YoY)	2.0	-1.7	-0.5	-2.6	-0.1	4.2	3.6	6.1	5.1	16.8	-	up
Money Supply M2 (% YoY)	0.5	0.6	0.8	1.0	1.3	1.5	1.6	1.7	1.7	1.6	-	up
CPI Ex Food & Energy (% YoY)	1.6	1.6	1.6	1.6	1.6	1.3	1.6	1.6	1.5	1.3	-	down

China	Apr-2025	May-2025	Jun-2025	Jul-2025	Aug-2025	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Jan-2026	Feb-2026	Trend*
NBS PMI Manufacturing (Index)	49.0	49.5	49.7	49.3	49.4	49.8	49.0	49.2	50.1	49.3	-	up
NBS PMI Non Manufacturing (Index)	50.4	50.3	50.5	50.1	50.3	50.0	50.1	49.5	50.2	49.4	-	down
Industrial Production (% YoY)	6.1	5.8	6.8	5.7	5.2	6.5	4.9	4.8	5.2	-	-	down
Retail Sales (% YoY)	5.1	6.4	4.8	3.7	3.4	3.0	2.9	1.3	0.9	-	-	down
Exports (% YoY)	8.0	4.6	5.8	7.1	4.3	8.2	-1.2	5.9	6.6	-	-	up
CPI (% YoY)	3.5	1.9	1.9	0.4	-0.9	0.2	1.7	1.1	-0.9	1.8	-	down
PPI (% YoY)	-2.7	-3.3	-3.6	-3.6	-2.9	-2.3	-2.1	-2.2	-1.9	-1.4	-	up
RRR (%)	9.5	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	down
GDP (% YoY)	-	-	5.2	-	-	4.8	-	-	4.5	-	-	down

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

Source: Bloomberg

Economic Data

India	Apr-2025	May-2025	Jun-2025	Jul-2025	Aug-2025	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Jan-2026	Feb-2026	Trend*
PMI Manufacturing (Index)	58.2	57.6	58.4	59.1	59.3	57.7	59.2	56.6	55.0	55.4	56.9	down
PMI Services (Index)	58.7	58.8	60.4	60.5	62.9	60.9	58.9	59.8	58.0	58.5	58.4	down
Industrial Production (% YoY)	2.6	1.9	1.5	4.3	4.1	4.6	0.5	7.2	8.0	4.8	-	up
CPI (% YoY)	3.34	3.03	2.31	1.62	2.01	1.41	0.04	0.49	1.17	2.75	-	up
GDP (% YoY)	-	-	6.7	-	-	8.4	-	-	7.8	-	-	down

Australia	Mar-2025	Apr-2025	May-2025	Jun-2025	Jul-2025	Aug-2025	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Jan-2026	Trend*
Westpac Leading Indicator	97.18	97.17	97.22	97.19	97.24	97.15	97.15	97.22	97.2	97.3	97.25	up
Retail Sales (% YoY)	4.1	3.7	4.5	4.9	5.0	4.7	5.0	5.5	6.0	5.0	-	up
Unemployment Rate (%)	4.1	4.1	4.1	4.3	4.3	4.2	4.4	4.3	4.3	4.1	4.1	down
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)	-	2.4	2.1	1.9	3.0	3.2	3.6	3.8	3.4	3.8	3.8	up

Brazil	Mar-2025	Apr-2025	May-2025	Jun-2025	Jul-2025	Aug-2025	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Jan-2026	Trend*
CPI (% YoY)	5.48	5.53	5.32	5.35	5.23	5.13	5.17	4.68	4.46	4.26	4.44	down
Industrial Production (% YoY)	3.5	-0.5	3.4	-1.3	0.3	-0.7	2.0	-0.5	-1.4	0.4	-	down
Retail Sales (% YoY)	-0.7	5.4	1.9	0.5	1.3	0.4	0.9	1.0	1.5	2.3	-	up
Trade Balance (Millions, USD)	7735.92	7663.93	7059.75	5856.56	6997.27	5974.63	3141.19	6684.97	5760.56	9324.87	4342.76	up
Budget Balance (Billions, BRL)	-71.62	-55.54	-125.88	-108.11	-175.58	-91.52	-102.18	-81.52	-101.64	-115.5	40.06	up

Chile	Mar-2025	Apr-2025	May-2025	Jun-2025	Jul-2025	Aug-2025	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Jan-2026	Trend*
Economic Activity Index (% YoY)	4.46	3.14	3.45	3.3	1.84	0.26	2.7	2.15	1.18	1.67	-0.09	down
CPI (% YoY)	4.87	4.52	4.44	4.12	4.25	4.03	4.4	3.44	3.44	3.45	2.78	down
Retail Sales (% YoY)	6.41	3.07	5.18	6.04	5.69	5.24	6.47	8.31	5.82	4.4	3.7	down
Industrial Production (% YoY)	4.66	3.96	4.75	3.41	1.09	-1.84	1.53	-0.46	-0.9	-1.8	-1.61	down
Unemployment (%)	8.7	8.8	8.9	8.9	8.7	8.6	8.5	8.4	8.4	8.0	8.3	down

Mexico	Apr-2025	May-2025	Jun-2025	Jul-2025	Aug-2025	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Jan-2026	Feb-2026	Trend*
PMI (Index)	45.42	47.3	47.51	45.33	45.61	45.97	47.06	45.94	46.57	46.69	47.19	up
CPI (% YoY)	3.93	4.42	4.32	3.51	3.57	3.76	3.57	3.8	3.69	3.79	-	up
Retail Sales (% YoY)	-1.5	2.6	3.2	2.4	2.4	3.3	3.4	4.4	4.3	-	-	up
Industrial Production (% YoY)	-2.32	0.57	0.74	-1.64	-3.08	-0.73	-1.17	-2.08	1.32	-	-	up
Remittances (Millions, USD)	4761.2	5360.1	5199.2	5329.9	5578.2	5216.8	5634.8	5124.9	5308.8	4594.1	-	down

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

Source: Bloomberg

Spread Snapshot (Generic Government Yield 10yr, bps)

Spread over US Treasuries (bps)

Country	Mar-2026	1M ago	3M ago	12M ago
UK	39	25	38	39
Germany	-130	-137	-131	-166
Switzerland	-378	-397	-390	-363
Japan	-194	-200	-216	-274
China	-228	-245	-222	-239
India	258	245	244	258
Australia	67	56	58	17
South Korea	-64	-60	-69	-145
Malaysia	-58	-73	-57	-36
Indonesia	245	206	219	272
Thailand	-238	-228	-232	-201
Philippines	196	167	185	195
Brazil	949	940	921	1110
Mexico	471	462	479	531
Chile	116	107	126	178
Colombia	937	817	828	729
Peru	180	153	181	227

Spread over German Bund (bps)

Country	Mar-2026	1M ago	3M ago	12M ago
France	60	57	74	72
Netherlands	7	6	13	18
Belgium	52	51	51	57
Austria	30	29	27	41
Irland	27	25	19	27
Italy	67	60	69	110
Spain	43	36	47	61
Portugal	37	35	32	50

Source: Bloomberg

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