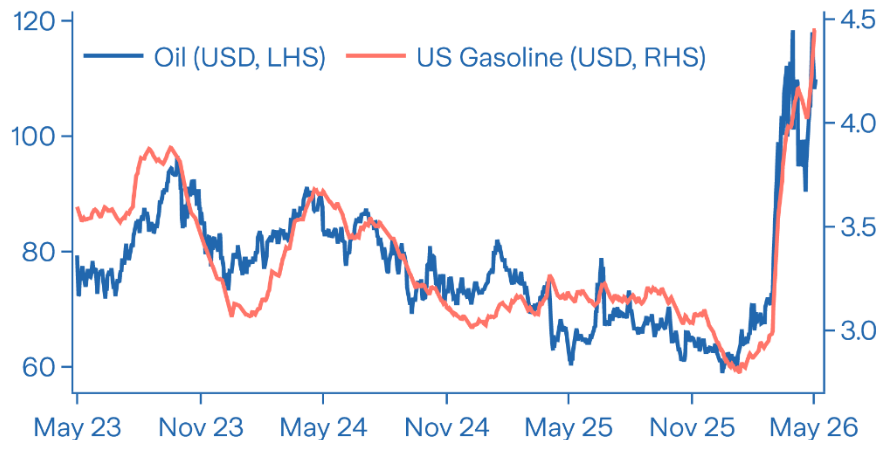
# Monthly Investment Insights

5 May 2026

## The oil price trajectory holds the key for markets




Source: Bloomberg

Several stock markets saw sharp rallies in April, with some setting new records despite the Strait of Hormuz being largely shut and oil prices remaining volatile. Brent crude hit a new intra-day, war-time high of USD 126. While corporate fundamentals remain strong, with earnings expectations being revised upwards, the risk asset rally in April appears to be too rapid, and a lot of good news appears to already be in the price. Notably, a continued impasse in the Middle East carries non-linear upside risks for oil prices, which if realised, would be a sizeable risk to corporate margins and economic growth. Hence, progress in opening the Strait of Hormuz and consequently the path of oil prices going forward are likely to be key drivers for markets in the coming months.

As we enter the third month since the conflict in the Middle East started, oil prices remain elevated and volatile. While the oil futures curve is still pricing in an easing in coming months, this will be subject to the oil flows normalising through the Strait of Hormuz, which typically carries around 20% of the global oil supply. Encouragingly, efforts towards achieving peace remain active and a ceasefire has been in place since early April, but both Iran and the US remain far apart in their stance, especially with respect to the perceived nuclear ambitions of Iran. While the current level of oil prices appears manageable for the global economy, the risks become non-linear the longer the stalemate lasts, as inventories run the risk of running out.

Barring a further oil price shock, however, longer-term prospects for risk assets remain constructive. Earnings growth is expected to remain solid in the background of a resilient global economy that is supported by fiscal stimuli. The US earnings season has shown stellar growth so far, with around two thirds of companies having reported Q1 earnings. Not only have earnings estimates been revised upward for the coming year, but the latest earnings season has seen the lowest proportion of misses since 2021. While the technology sector continues to see remarkable earnings growth, investors remain selective. This is observable in the sharp drop of Meta's share price vs. the strong gains in Alphabet's stock price after their respective earnings reports. Encouragingly, companies outside of the technology sector, from banks to small cap stocks, have also reported notable positive earnings surprises. Interest rate expectations remain hawkish, however, which poses risks to leveraged borrowers in credit markets, while weakening what would have been, without the war, a key expected tailwind for risk assets.

In summary, while longer-term prospects for risk assets remain positive, oil prices remain a key non-linear risk to the downside. The risk asset rally in April appears too sharp, and a short-term consolidation would be healthy.

## Market Assessment

### Key developments

- A ceasefire has been reached in the Middle East conflict, but oil prices remain volatile
- US corporate earnings are revised upwards as Q1 earning season sees broad-based strength
- Risk assets rally sharply, with several stock markets setting new records

### Zurich's view

Oil prices are elevated and volatile as the re-opening of the Strait of Hormuz remains elusive. While global growth remains resilient, supported by fiscal stimuli, risks from higher gasoline and oil prices remain.

The long-term backdrop for risk assets is constructive. Global growth is resilient, supported by fiscal stimuli. Corporate fundamentals remain solid with a boost in growth expected during the coming year that is likely to broaden out beyond the technology sector.

However, much of the good news seems already priced into risk assets. In addition to several stock indices setting new records, credit spreads across major segments are back to lows. Within credit, however, segments at risk from AI disruption still trade at wider spreads levels, as was the case before the US-Iran War started.

The recent stock market rally seems too sharp, and a short-term consolidation is likely to be healthy, leading us to retain a neutral view on stocks at this juncture. Within stocks, we favour Taiwanese equities relative to Australian for exposure to technology and French equities relative to other Eurozone stocks. Bond yields seem fairly valued while risk-reward in credit spreads appears unappealing.

| | Key developments | Zurich's view |
|---|---|---|
| Global | • The Middle East conflict is not expected to derail global growth unless oil prices rise materially further, with data confirming that global economic activity was resilient in April<br>• Inflation rebounds on higher energy prices, but underlying core inflation is contained<br>• Central banks stay on hold as they adopt a wait-and-see approach | Though there are large swings in the price of oil, futures pricing is still consistent with oil prices falling below USD 100 a barrel by mid-year, implying no further escalation from here. Should this path for oil prices be realised, we expect it to be manageable for the global economy, with a recession avoided. Consistent with this, the Flash PMIs for April point to resilient economic activity in most regions, supported by front-loading of demand amid the uncertain geopolitical outlook. Inflation has rebounded, led by higher energy prices, but core inflation has been stable, with little evidence of a broadening out of price pressures. Central banks have stayed on hold as expected, but market pricing remain consistent with sharp rate hikes in many regions. Given underlying vulnerabilities, this appears overdone. |
| US | • Business activity expands in April despite the ongoing crisis in the Middle East<br>• Headline inflation accelerates to 3.3% YoY in March as energy prices soar<br>• Corporate earnings pick up steam, and profit margins are close to record highs | The latest PMIs show a modest rebound in business activity in April, following near stagnation in March. The pickup was most pronounced in manufacturing where the index rose from 52.3 to 54.0. The solid gain partially reflects stock building in the face of concerns over supply availability and price hikes. Given the spike in energy prices, headline CPI inflation has unsurprisingly picked up by 0.9% MoM in March, pushing the annual rate to 3.3%. Meanwhile, the reporting season for Q1 shows continued strong earnings growth, which is expected to accelerate further over the course of the year, and exceptionally high profit margins, lifting both the S&P 500 and the Nasdaq to new record highs as the technology sector is regains momentum. |
| UK | • Business activity recovers in April, with the Composite PMI rising to 52.0<br>• Headline inflation accelerates to 3.3% YoY, driven by the spike in energy prices<br>• Longer-term gilt yields rise as investors worry about the fiscal situation | Business activity regained momentum in April after hitting a six-month low in March according to the latest set of PMI data. The acceleration was supported by upturns in both manufacturing and services, with the surveys rising to 53.6 and 52.0, respectively. Not surprisingly, the jump in energy prices triggered by the war in the Middle East is showing up in the latest inflation numbers, with headline CPI inflation rising by 0.7% MoM in March, lifting the annual rate from 3.0% to 3.3%. Core CPI, however, ticked down from 3.2% YoY to 3.1%. Gilts suffered, with the 10yr yield soaring above 5% and the spread to US Treasuries rising to the highest in three years as investors worry about the fragile fiscal situation. Higher yields are a headwind for stocks, and the FTSE 100 lagged many of its peers last month. |
| Eurozone | • Inflation rises while survey data signal significant economic pessimism<br>• ECB rate hike expectations closely follow energy price volatility<br>• European equity markets continue to underperform global peers | "April is the cruellest month" wrote T.S. Eliot, unintentionally describing 2026 Eurozone macro developments. International events have been a negative external shock, with inflation rising to 3% YoY and set to rise further. Economic indicators are weakening. The Composite PMI fell to a contractionary 48.6 while consumer confidence numbers are back to 2022 levels. The market expects three ECB rate hikes will quell inflation expectations, but we disagree given the weak economic data. Positives remain, including economic rebalancing aided by Germany's fiscal support. Equity markets are rewarding European firms in structural growth areas, including energy, infrastructure, semiconductors and defence. Debt markets remain well behaved, with peripheral sovereign and corporate spreads at tight levels. |
| Switzerland | • April data suggest economic activity is holding up, but conditions are vulnerable with growth expected to remain subdued<br>• Inflation rebounds on higher energy prices, but the underlying trend is weak<br>• The SNB is set to leave rates unchanged while relying on targeted FX interventions to counter franc strength | Economic activity is holding up, with both the PMIs and the KOF economic barometer indicating resilient activity in April. This is consistent with global trends, which show stable new orders in the industrial sector, helped by front-loading of demand to build buffer stocks. Conditions are fragile, however, given elevated uncertainty, the strong franc, and rising energy prices, with growth set to stay below trend in the first half of the year. While CPI inflation picked up in March, with the annual rate up from 0.1% to 0.3%, this was due to due to rising energy prices, with both core CPI and producer prices stagnating. While market pricing still implies one SNB rate hike in 2026, we maintain our view that rates are set to be left unchanged for the remained of the year. |

| | Key developments | Zurich's view |
|---|---|---|
| Japan | • Headline CPI slows to 1.5% YoY in March thanks to government fuel subsidies, but core core inflation remains above target<br>• The BoJ keeps rates on hold but continues to signal gradual normalisation<br>• The equity rebound following the Middle East cease-fire has lagged global peers | Headline CPI slowed to 1.5% YoY in March as government fuel subsidies capped gasoline prices at JPY 170/l, shifting energy costs from households to the public sector's balance sheet. However, core-core inflation remains above target, supported by still solid wage gains. The BoJ kept rates on hold but signalled gradual normalisation, balancing upside inflation risks against fragile growth. The perception that the the BoJ remains behind the curve has pushed the JPY toward 160, while 10yr JGB yields hover near 2.5%, driven by rising inflation expectations. Equities corrected amid the global sell-off, but have lagged in the rebound following the Middle East cease-fire. While higher input costs may squeeze earnings near term, a weaker yen and ongoing shareholder reforms should remain medium-term tailwinds. |
| China | • Q1 GDP growth surprises to the upside, driven by exports<br>• March CPI was 1% YoY, with consumer level disinflation remaining despite rising upstream cost pressures amid higher oil prices<br>• With limited policy catalysts and weak earnings, Chinese stocks remain rangebound | China's economy remains uneven. Exports and manufacturing showed strength, while consumption and services dragged. This split was reflected in the 5% YoY GDP growth in Q1. Exports surged, but the property sector and household spending remained weak. March CPI was 1% YoY, with ongoing consumer-level disinflation despite rising upstream cost pressures amid higher oil prices. Policy support remains targeted. Fiscal spending has lifted infrastructure and manufacturing investment while the PBoC continues to refrain from rate cuts. Although risk-off sentiment has weighed on stocks, corrections have been mild compared to peers, with improving sentiment helping stocks retrace earlier losses. With limited policy catalysts and weak earnings, stocks are likely to remain range bound. |
| Australia | • Coincident and leading economic data are starting to paint a mixed picture<br>• Amid energy shortages, discussion has turned to measures for shoring up both refining and storage capacity<br>• With inflation still stubbornly above target, pressure for further rate hikes builds | The impact of the war in the Middle East continues to weigh on the Australian economy. While fuel reserves seem to have stabilised for the moment, with fresh supplies maintaining the 30-day buffer, the discussion has turned to measures for shoring up both refining and storage capacity. The RBA meets next week, and the market is currently pricing in further interest rate hikes. This is not directly attributed to the spike in liquid fuel prices, but reflective of an underlying trend of stubbornly high inflation data (above the RBA's 2-3% target range). Near-term forward looking data releases continue to paint a mixed picture, with the most recent April PMI data above the expansionary 50 line, whilst the Westpac Consumer Confidence survey and NAB Business Confidence survey both deteriorated. |
| India | • The March goods deficit narrows, signalling supply shocks haven't yet fed into trade data<br>• Headline CPI is contained at 3.4% YoY, thanks to the administered pricing scheme for fuel<br>• After an encouraging recovery in March, equities pull back and the currency weakens | Despite surging oil prices, the March goods deficit narrowed to USD 20.7bn, signalling supply shocks haven't yet fed into trade data. Headline CPI was contained at 3.4% YoY, and fuel prices remained stable thanks to the government absorbing higher oil costs through administered prices. PMI data suggest growth remains resilient, though manufacturing is mixed under rising input costs. The INR depreciated back to 95 amid worsening terms of trade and foreign investment outflows, though RBI interventions prevented disorderly market moves. After an encouraging recovery in early to mid April, equities pulled back as higher oil prices and rising yields dampened sentiment. Pressure hit rate-sensitive and energy-exposed cyclicals hardest, while defensives and exporters proved more resilient. |
| LatAm | • Energy pass through begins to materialise in March CPI prints<br>• Latin American central banks continue to look beyond short-term pressures<br>• LatAm equities rebounded in April, though they lag DM and EM peers | March CPI prints across the region marked an inflection point in the previously benign disinflation trend observed prior to the outbreak of the Iran war, as energy price pass through began to materialise. While monetary authorities have turned more cautious and adopted a moderately hawkish tilt, they continue to look beyond short term inflation pressures. Equities rebounded last month, broadly in line with the global risk-on mood triggered by the US–Iran ceasefire, although performance lagged both developed and emerging markets, which were boosted by a renewed AI led rally. Within the region, Brazilian equities continuel to exhibit their defensive nature, reflecting the heavy weight of the oil and gas sector in the index, which has surged since the Middle East conflict erupted in late February. |

# Valuation snapshot (MSCI Indices)

## Current trailing valuations

| | US | Europe ex UK | UK | Switzerland | Japan | APAC ex Japan | China | Brazil | Mexico |
|---|---|---|---|---|---|---|---|---|---|
| 12m Trailing P/E | 28.7 | 17.9 | 16.7 | 20.8 | 19.8 | 20.9 | 14.7 | 12.6 | 14.8 |
| 12m Trailing P/B | 5.7 | 2.5 | 2.3 | 4.2 | 2.0 | 2.4 | 1.5 | 2.3 | 2.5 |
| 12m Trailing P/CF | 22.9 | 9.4 | 8.7 | 12.7 | 12.6 | 12.2 | 6.2 | 9.1 | 10.3 |
| Dividend Yield | 1.1 | 2.9 | 3.2 | 3.0 | 1.9 | 2.0 | 2.2 | 5.4 | 4.1 |
| ROE | 18.8 | 12.5 | 12.5 | 21.0 | 9.5 | 11.7 | 10.5 | 16.8 | 16.7 |

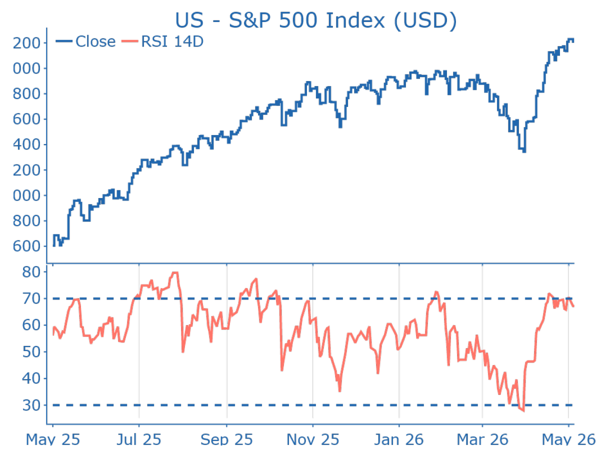
## Current trailing valuations relative to MSCI world

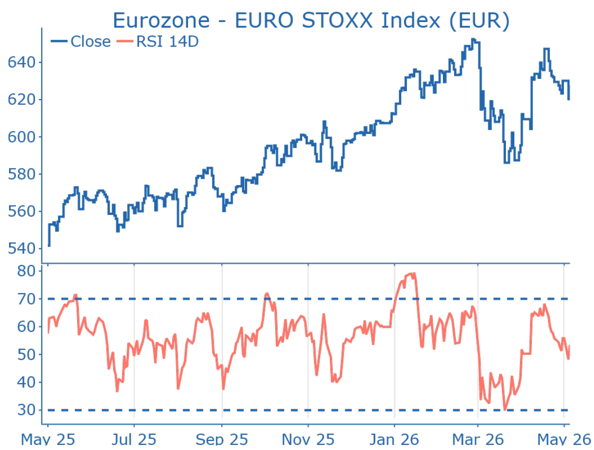
| | US | Europe ex UK | UK | Switzerland | Japan | APAC ex Japan | China | Brazil | Mexico |
|---|---|---|---|---|---|---|---|---|---|
| 12m Trailing P/E | 3.68 | -7.12 | -8.27 | -4.24 | -5.16 | -4.1 | -10.32 | -12.42 | -10.16 |
| 12m Trailing P/B | 1.63 | -1.6 | -1.73 | 0.08 | -2.11 | -1.66 | -2.54 | -1.81 | -1.57 |
| 12m Trailing P/CF | 5.35 | -8.13 | -8.83 | -4.88 | -4.95 | -5.33 | -11.35 | -8.44 | -7.25 |
| Dividend Yield | -0.45 | 1.36 | 1.64 | 1.42 | 0.38 | 0.45 | 0.66 | 3.83 | 2.56 |
| ROE | 3.44 | -2.87 | -2.82 | 5.59 | -5.85 | -3.65 | -4.84 | 1.46 | 1.33 |

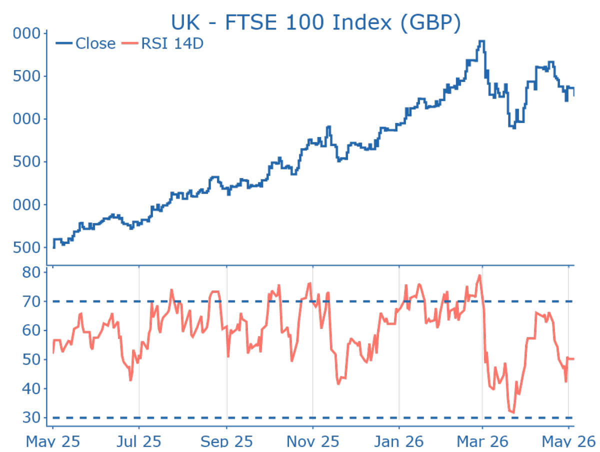
Source: Bloomberg

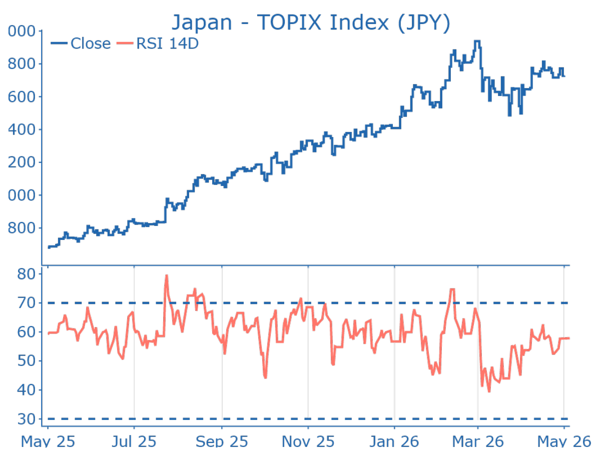
# Overbought / Oversold*

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



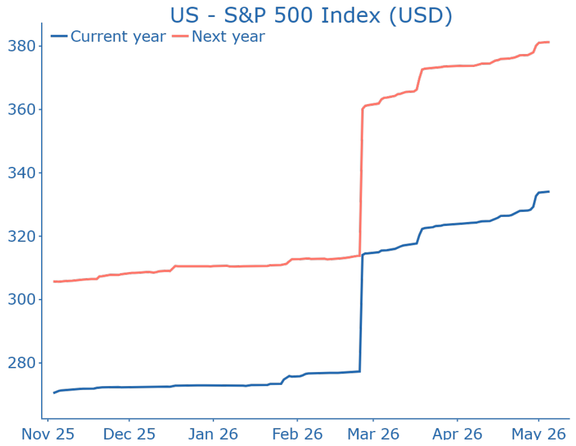



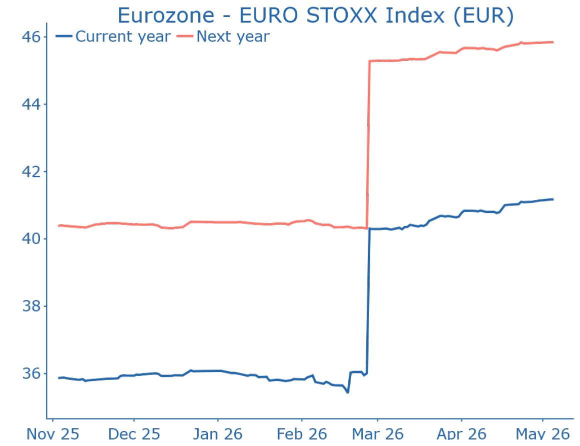



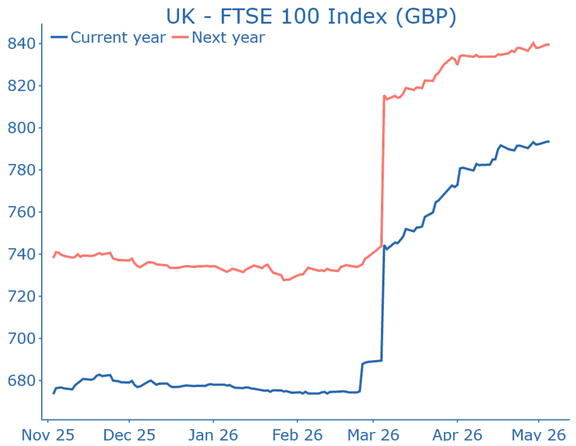



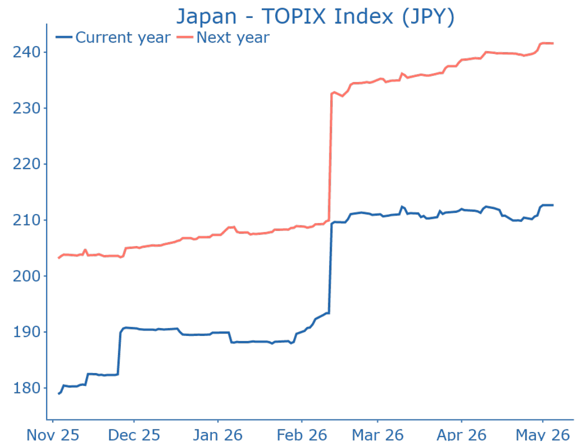

Source: Bloomberg

# Earnings estimates - Full fiscal year



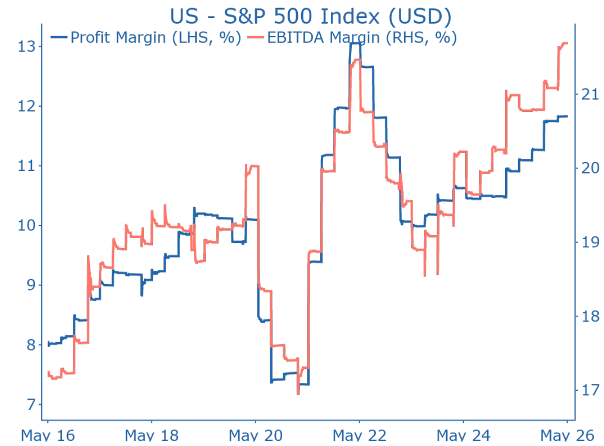



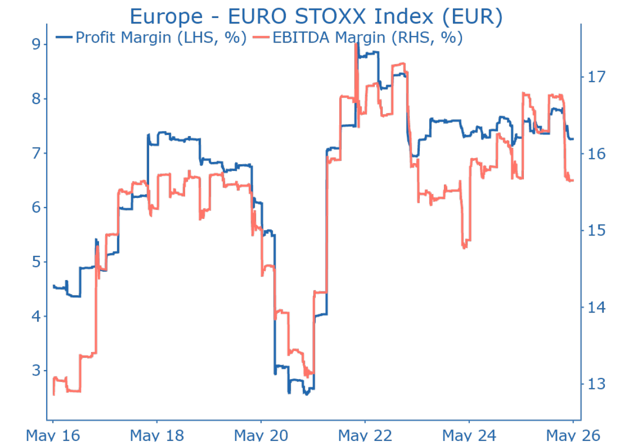



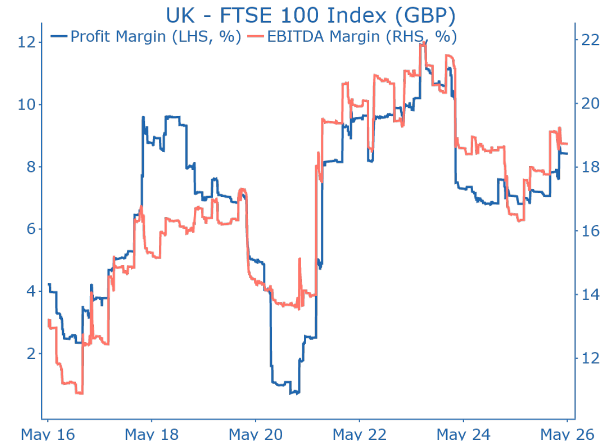



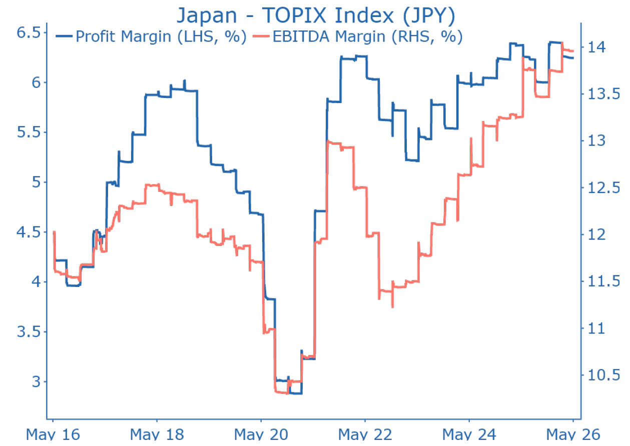

Source: Bloomberg

# Historical margins



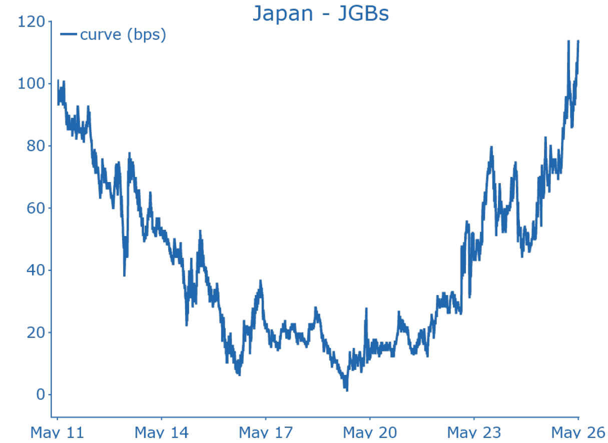




Source: Bloomberg

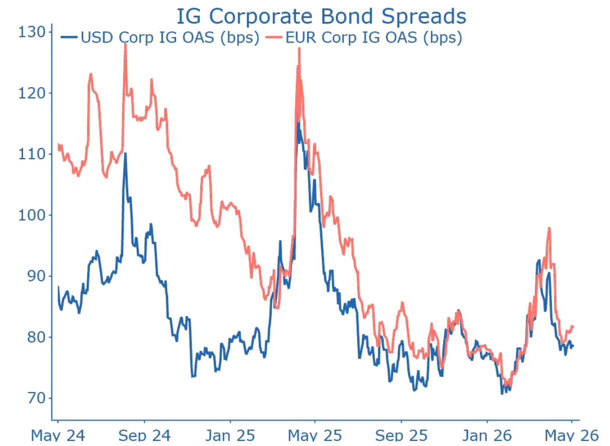
# Yield Curve Steepness (10yr - 2yr)

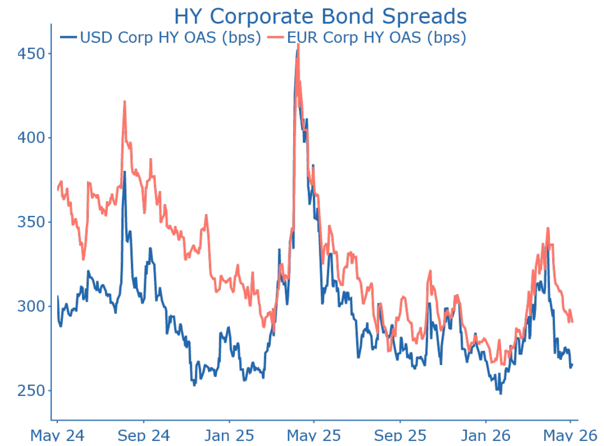


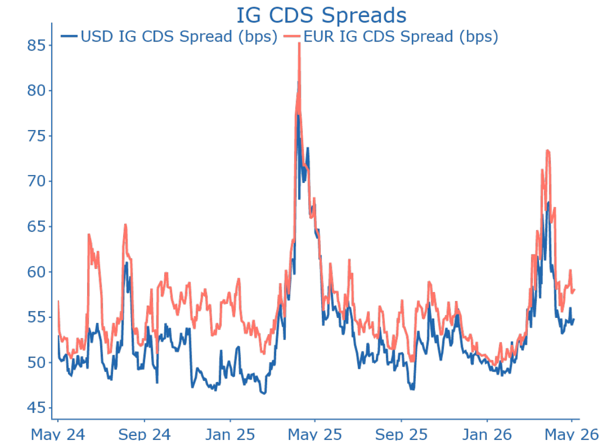



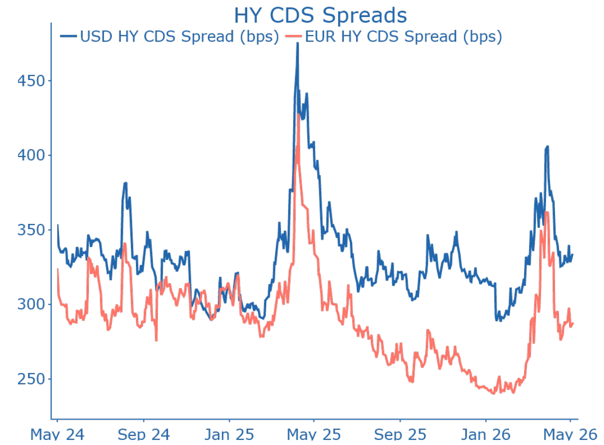

Source: Bloomberg

# Credit Markets (US & Europe)




Source: Bloomberg

# Economic Data

| US | Jun-2025 | Jul-2025 | Aug-2025 | Sep-2025 | Oct-2025 | Nov-2025 | Dec-2025 | Jan-2026 | Feb-2026 | Mar-2026 | Apr-2026 | Trend* |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ISM Manufacturing (Index) | 49.0 | 48.4 | 48.9 | 48.9 | 48.8 | 48.0 | 47.9 | 52.6 | 52.4 | 52.7 | 52.7 | up |
| ISM Non-Manufacturing (Index) | 50.8 | 50.5 | 51.9 | 50.3 | 52.0 | 52.4 | 53.8 | 53.8 | 56.1 | 54.0 | - | up |
| Durable Goods (% MoM) | -9.4 | -2.8 | 3.0 | 0.6 | -2.1 | 5.4 | -0.9 | -0.4 | -1.2 | 0.8 | - | down |
| Consumer Confidence (Index) | 95.2 | 98.7 | 97.8 | 95.6 | 95.5 | 92.9 | 94.2 | 89.0 | 91.0 | 92.2 | 92.8 | down |
| Retail Sales (% MoM) | 4.4 | 4.1 | 5.0 | 4.1 | 3.2 | 3.2 | 2.4 | 3.3 | 4.0 | 4.0 | - | up |
| Unemployment Rate (%) | 4.1 | 4.3 | 4.3 | 4.4 | - | 4.5 | 4.4 | 4.3 | 4.4 | 4.3 | - | down |
| Avg Hourly Earnings YoY (% YoY) | 4.1 | 4.1 | 4.0 | 3.8 | 4.0 | 4.0 | 3.8 | 3.7 | 3.7 | 3.4 | - | down |
| Change in Payrolls (000, MoM) | -20.0 | 64.0 | -70.0 | 76.0 | -140.0 | 41.0 | -17.0 | 160.0 | -133.0 | 178.0 | - | down |
| PCE (% YoY) | 2.81 | 2.86 | 2.91 | 2.83 | 2.75 | 2.83 | 2.97 | 3.08 | 3.0 | 3.2 | - | up |
| GDP (%, QoQ, Annualized) | 3.8 | - | - | 4.4 | - | - | 0.5 | - | - | 2.0 | - | up |

| Eurozone | Jun-2025 | Jul-2025 | Aug-2025 | Sep-2025 | Oct-2025 | Nov-2025 | Dec-2025 | Jan-2026 | Feb-2026 | Mar-2026 | Apr-2026 | Trend* |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PMI Manufacturing (Index) | 49.5 | 49.8 | 50.7 | 49.8 | 50.0 | 49.6 | 48.8 | 49.5 | 50.8 | 51.6 | 52.2 | up |
| PMI Services (Index) | 50.5 | 51.0 | 50.5 | 51.3 | 53.0 | 53.6 | 52.4 | 51.6 | 51.9 | 50.2 | 47.4 | down |
| IFO Business Climate (Index) | 88.3 | 88.5 | 88.8 | 87.6 | 88.4 | 88.0 | 87.7 | 87.7 | 88.5 | 86.3 | 84.4 | down |
| Industrial Production (% YoY) | 0.7 | 2.0 | 1.2 | 1.2 | 1.8 | 2.1 | 1.9 | -0.6 | -0.6 | - | - | down |
| Indeed 3m average wage growth (% YoY) | 2.59 | 2.46 | 2.39 | 2.6 | 2.55 | 2.5 | 2.34 | 2.39 | 2.46 | 2.31 | - | down |
| Unemployment Rate (%) | 6.3 | 6.3 | 6.3 | 6.3 | 6.3 | 6.3 | 6.3 | 6.2 | 6.3 | 6.2 | - | down |
| Euro-Area Credit Impulse (%, SA) | 2.55 | 1.98 | 1.5 | 1.19 | 1.59 | 1.72 | 1.67 | 1.37 | 0.71 | - | - | down |
| EUR HICP 5y5y Inflation Swaps | 2.14 | 2.13 | 2.11 | 2.09 | 2.06 | 2.06 | 2.07 | 2.14 | 2.08 | 2.13 | 2.17 | up |
| CPI (% YoY) | 2.0 | 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 | 2.3 | 2.4 | 2.4 | 2.4 | 2.3 | 2.2 | 2.4 | 2.3 | 2.2 | down |
| GDP (% QoQ) | 0.1 | - | - | 0.3 | - | - | 0.2 | - | - | 0.1 | - | down |

| UK | Jun-2025 | Jul-2025 | Aug-2025 | Sep-2025 | Oct-2025 | Nov-2025 | Dec-2025 | Jan-2026 | Feb-2026 | Mar-2026 | Apr-2026 | Trend* |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PMI Manufacturing (Index) | 47.7 | 48.0 | 47.0 | 46.2 | 49.7 | 50.2 | 50.6 | 51.8 | 51.7 | 51.0 | 53.7 | up |
| PMI Services (Index) | 52.8 | 51.8 | 54.2 | 50.8 | 52.3 | 51.3 | 51.4 | 54.0 | 53.9 | 50.5 | 52.0 | down |
| Consumer Confidence (Index) | -18.0 | -19.0 | -17.0 | -19.0 | -17.0 | -19.0 | -17.0 | -16.0 | -19.0 | -21.0 | -25.0 | down |
| Unemployment Rate (%) | 4.7 | 4.7 | 4.8 | 5.0 | 5.1 | 5.1 | 5.2 | 5.2 | 4.9 | - | - | down |
| CPI (% YoY) | 3.6 | 3.8 | 3.8 | 3.8 | 3.6 | 3.2 | 3.4 | 3.0 | 3.0 | 3.3 | - | down |
| House Prices (% YoY) | 2.1 | 2.4 | 2.1 | 2.2 | 2.4 | 1.8 | 0.6 | 1.0 | 1.0 | 2.2 | 3.0 | up |
| Mortgage Approvals (SA, Thousands) | 64.21 | 64.99 | 64.56 | 65.53 | 64.66 | 64.52 | 61.49 | 60.35 | 62.71 | 63.53 | - | up |
| GDP (% YoY) | 1.4 | - | - | 1.3 | - | - | 1.0 | - | - | - | - | down |

| Switzerland | Jun-2025 | Jul-2025 | Aug-2025 | Sep-2025 | Oct-2025 | Nov-2025 | Dec-2025 | Jan-2026 | Feb-2026 | Mar-2026 | Apr-2026 | Trend* |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| KOF Leading Indicator (Index) | 95.5 | 100.9 | 97.3 | 97.9 | 101.4 | 101.6 | 103.7 | 103.3 | 103.8 | 95.6 | 97.9 | down |
| PMI Manufacturing (Index) | 48.7 | 49.5 | 48.2 | 46.1 | 48.1 | 49.6 | 46.4 | 48.8 | 47.4 | 53.3 | 54.5 | up |
| Real Retail Sales (% YoY) | 4.3 | 1.0 | -0.1 | 2.3 | 2.2 | 1.6 | 2.7 | -0.3 | 0.4 | 0.5 | - | down |
| Trade Balance (Billion, CHF) | 5.7 | 4.46 | 3.77 | 3.97 | 4.12 | 3.71 | 1.01 | 3.68 | 4.1 | 3.18 | - | up |
| CPI (% YoY) | 0.1 | 0.2 | 0.2 | 0.2 | 0.1 | 0.0 | 0.1 | 0.1 | 0.1 | 0.3 | 0.6 | up |

| Japan | Jun-2025 | Jul-2025 | Aug-2025 | Sep-2025 | Oct-2025 | Nov-2025 | Dec-2025 | Jan-2026 | Feb-2026 | Mar-2026 | Apr-2026 | Trend* |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PMI Manufacturing (Index) | 50.1 | 49.0 | 49.7 | 48.5 | 48.2 | 48.7 | 50.0 | 51.5 | 53.0 | 51.6 | 55.1 | up |
| Machinery Orders (% YoY) | 7.6 | 4.9 | 1.6 | 11.6 | 12.5 | -6.4 | 16.8 | 13.7 | 24.7 | - | - | up |
| Industrial Production (% YoY) | 3.4 | -1.5 | -3.3 | 2.2 | 0.1 | -4.2 | 0.9 | 0.7 | 0.4 | 2.3 | - | up |
| ECO Watchers Survey (Index) | 45.1 | 45.5 | 46.3 | 46.6 | 48.5 | 48.0 | 48.5 | 45.4 | 48.2 | 44.7 | - | down |
| Jobs to Applicants Ratio (Index) | 1.22 | 1.22 | 1.21 | 1.2 | 1.19 | 1.19 | 1.2 | 1.18 | 1.19 | 1.18 | - | down |
| Labour Cash Earnings (% YoY) | 3.1 | 3.4 | 1.3 | 2.1 | 2.5 | 1.7 | 2.4 | 2.5 | 3.4 | - | - | up |
| Retail Sales (% YoY) | -7.8 | -6.2 | 2.6 | 1.4 | 4.3 | 0.9 | -1.1 | 2.3 | 1.6 | 3.2 | - | up |
| Exports (% YoY) | -0.5 | -2.8 | -0.1 | 4.1 | 3.6 | 6.1 | 5.1 | 16.8 | 4.0 | 11.5 | - | down |
| Money Supply M2 (% YoY) | 0.8 | 1.0 | 1.3 | 1.5 | 1.6 | 1.7 | 1.7 | 1.6 | 1.7 | 2.0 | - | up |
| CPI Ex Food & Energy (% YoY) | 1.6 | 1.6 | 1.6 | 1.3 | 1.6 | 1.6 | 1.5 | 1.3 | 1.4 | 1.4 | - | down |

| China | Jun-2025 | Jul-2025 | Aug-2025 | Sep-2025 | Oct-2025 | Nov-2025 | Dec-2025 | Jan-2026 | Feb-2026 | Mar-2026 | Apr-2026 | Trend* |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| NBS PMI Manufacturing (Index) | 49.7 | 49.3 | 49.4 | 49.8 | 49.0 | 49.2 | 50.1 | 49.3 | 49.0 | 50.4 | 50.3 | up |
| NBS PMI Non Manufacturing (Index) | 50.5 | 50.1 | 50.3 | 50.0 | 50.1 | 49.5 | 50.2 | 49.4 | 49.5 | 50.1 | 49.4 | down |
| Industrial Production (% YoY) | 6.8 | 5.7 | 5.2 | 6.5 | 4.9 | 4.8 | 5.2 | - | - | 5.7 | - | up |
| Retail Sales (% YoY) | 4.8 | 3.7 | 3.4 | 3.0 | 2.9 | 1.3 | 0.9 | - | - | 1.7 | - | up |
| Exports (% YoY) | 5.8 | 7.1 | 4.3 | 8.2 | -1.2 | 5.9 | 6.6 | 10.0 | 39.6 | 2.5 | - | up |
| CPI (% YoY) | 1.9 | 0.4 | -0.9 | 0.2 | 1.7 | 1.1 | -0.9 | 1.8 | -0.1 | 1.7 | - | up |
| PPI (% YoY) | -3.6 | -3.6 | -2.9 | -2.3 | -2.1 | -2.2 | -1.9 | -1.4 | -0.9 | 0.5 | - | 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) | 5.2 | - | - | 4.8 | - | - | 4.5 | - | - | 5.0 | - | up |

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

Source: Bloomberg

# Economic Data

| India | Jun-2025 | Jul-2025 | Aug-2025 | Sep-2025 | Oct-2025 | Nov-2025 | Dec-2025 | Jan-2026 | Feb-2026 | Mar-2026 | Apr-2026 | Trend* |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PMI Manufacturing (Index) | 58.4 | 59.1 | 59.3 | 57.7 | 59.2 | 56.6 | 55.0 | 55.4 | 56.9 | 53.9 | 54.7 | down |
| PMI Services (Index) | 60.4 | 60.5 | 62.9 | 60.9 | 58.9 | 59.8 | 58.0 | 58.5 | 58.1 | 57.5 | 57.9 | down |
| Industrial Production (% YoY) | 1.5 | 4.3 | 4.1 | 4.6 | 0.5 | 7.2 | 8.0 | 5.1 | 5.1 | 4.1 | - | down |
| CPI (% YoY) | 2.31 | 1.62 | 2.01 | 1.41 | 0.04 | 0.49 | 1.17 | 2.74 | 3.21 | 3.4 | - | up |
| GDP (% YoY) | 6.7 | - | - | 8.4 | - | - | 7.8 | - | - | - | - | down |

| Australia | May-2025 | Jun-2025 | Jul-2025 | Aug-2025 | Sep-2025 | Oct-2025 | Nov-2025 | Dec-2025 | Jan-2026 | Feb-2026 | Mar-2026 | Trend* |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Westpac Leading Indicator | 97.22 | 97.19 | 97.24 | 97.15 | 97.14 | 97.21 | 97.18 | 97.27 | 97.28 | 97.19 | - | up |
| Retail Sales (% YoY) | 4.5 | 4.8 | 5.0 | 4.7 | 5.0 | 5.5 | 5.9 | 4.9 | 4.5 | 4.7 | 6.3 | down |
| Unemployment Rate (%) | 4.1 | 4.3 | 4.3 | 4.3 | 4.5 | 4.3 | 4.3 | 4.1 | 4.1 | 4.3 | 4.3 | 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) | 2.1 | 1.9 | 3.0 | 3.2 | 3.6 | 3.8 | 3.4 | 3.8 | 3.8 | 3.7 | 4.6 | up |

| Brazil | May-2025 | Jun-2025 | Jul-2025 | Aug-2025 | Sep-2025 | Oct-2025 | Nov-2025 | Dec-2025 | Jan-2026 | Feb-2026 | Mar-2026 | Trend* |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| CPI (% YoY) | 5.32 | 5.35 | 5.23 | 5.13 | 5.17 | 4.68 | 4.46 | 4.26 | 4.44 | 3.81 | 4.14 | down |
| Industrial Production (% YoY) | 3.4 | -1.3 | 0.3 | -0.7 | 2.0 | -0.4 | -1.4 | -0.1 | 0.2 | -0.7 | - | up |
| Retail Sales (% YoY) | 1.8 | 0.5 | 1.3 | 0.4 | 0.9 | 1.0 | 1.5 | 2.4 | 2.7 | 0.2 | - | down |
| Trade Balance (Millions, USD) | 7059.75 | 5856.56 | 6997.27 | 5974.63 | 3141.19 | 6684.97 | 5760.56 | 9324.87 | 3732.15 | 4037.82 | 6404.62 | down |
| Budget Balance (Billions, BRL) | -125.88 | -108.11 | -175.58 | -91.52 | -102.18 | -81.52 | -101.64 | -115.5 | 40.06 | -100.59 | -199.54 | up |

| Chile | May-2025 | Jun-2025 | Jul-2025 | Aug-2025 | Sep-2025 | Oct-2025 | Nov-2025 | Dec-2025 | Jan-2026 | Feb-2026 | Mar-2026 | Trend* |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Economic Activity Index (% YoY) | 3.93 | 3.38 | 1.6 | 0.27 | 3.3 | 2.06 | 1.37 | 1.27 | -0.55 | -0.34 | -0.13 | down |
| CPI (% YoY) | 4.44 | 4.12 | 4.25 | 4.03 | 4.4 | 3.44 | 3.44 | 3.45 | 2.78 | 2.37 | 2.83 | down |
| Retail Sales (% YoY) | 5.18 | 6.04 | 5.69 | 5.24 | 6.47 | 8.31 | 5.82 | 4.43 | 3.58 | 5.64 | 4.56 | down |
| Industrial Production (% YoY) | 4.75 | 3.41 | 1.09 | -1.84 | 1.53 | -0.46 | -0.9 | -1.8 | -1.55 | -1.15 | -3.36 | down |
| Unemployment (%) | 8.9 | 8.9 | 8.7 | 8.6 | 8.5 | 8.4 | 8.4 | 8.0 | 8.3 | 8.3 | 8.9 | up |

| Mexico | Jun-2025 | Jul-2025 | Aug-2025 | Sep-2025 | Oct-2025 | Nov-2025 | Dec-2025 | Jan-2026 | Feb-2026 | Mar-2026 | Apr-2026 | Trend* |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PMI (Index) | 47.5 | 45.31 | 45.61 | 46.0 | 47.1 | 46.0 | 46.65 | 46.83 | 47.25 | 47.65 | 48.97 | up |
| CPI (% YoY) | 4.32 | 3.51 | 3.57 | 3.76 | 3.57 | 3.8 | 3.69 | 3.79 | 4.02 | 4.59 | - | up |
| Retail Sales (% YoY) | 3.2 | 2.4 | 2.4 | 3.3 | 3.4 | 4.4 | 4.3 | 5.0 | 3.1 | - | - | down |
| Industrial Production (% YoY) | 0.74 | -1.64 | -3.08 | -0.73 | -1.17 | -2.08 | 1.32 | -2.99 | -2.18 | - | - | down |
| Remittances (Millions, USD) | 5199.2 | 5329.9 | 5578.2 | 5216.8 | 5634.8 | 5124.9 | 5308.8 | 4594.1 | 4468.2 | 5394.2 | - | down |

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

Source: Bloomberg

# Spread Snapshot (Generic Government Yield 10yr, bps)

## Spread over US Treasuries (bps)

| Country | May-2026 | 1M ago | 3M ago | 12M ago |
|---|---|---|---|---|
| UK | 61 | 49 | 37 | 16 |
| Germany | -136 | -134 | -133 | -182 |
| Switzerland | -400 | -394 | -391 | -399 |
| Japan | -190 | -195 | -193 | -307 |
| China | -267 | -252 | -236 | -271 |
| India | 261 | 279 | 246 | 198 |
| Australia | 54 | 69 | 67 | -7 |
| South Korea | -49 | -59 | -48 | -174 |
| Malaysia | -85 | -71 | -60 | -67 |
| Indonesia | 238 | 230 | 214 | 252 |
| Thailand | -224 | -217 | -229 | -244 |
| Philippines | 289 | 249 | 178 | 192 |
| Brazil | 962 | 964 | 952 | 975 |
| Mexico | 485 | 477 | 466 | 510 |
| Chile | 121 | 122 | 115 | 140 |
| Colombia | 875 | 854 | 845 | 801 |
| Peru | 232 | 264 | 159 | 225 |

## Spread over German Bund (bps)

| Country | May-2026 | 1M ago | 3M ago | 12M ago |
|---|---|---|---|---|
| France | 65 | 68 | 60 | 71 |
| Netherlands | 12 | 13 | 7 | 23 |
| Belgium | 57 | 57 | 53 | 59 |
| Austria | 27 | 31 | 29 | 43 |
| Irland | 22 | 24 | 26 | 34 |
| Italy | 81 | 85 | 62 | 108 |
| Spain | 46 | 48 | 37 | 65 |
| Portugal | 40 | 42 | 36 | 53 |

Source: Bloomberg

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**Zurich Insurance Group Ltd**

Investment Management
Mythenquai 2
8002 Zurich

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