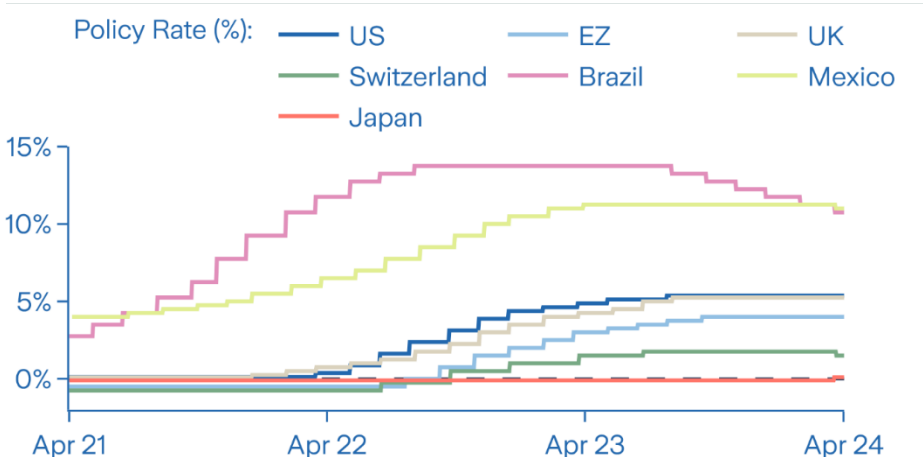


Monthly Investment Insights

4 April 2024



More policy rate cuts are expected in H2, supporting equity markets



Source: Bloomberg

Major Western central banks are preparing to cut policy rates this summer. We expect a total of three cuts this year from both the Fed and the ECB. The Swiss National Bank has been the frontrunner among G10 central banks (ex Japan), cutting its policy rate by 25bps to 1.5% as inflation remains comfortably in the 0% to 2% price stability range. However, central banks will also need to keep an eye on potential obstacles. The higher 'prices paid' component within the latest US ISM Manufacturing survey is pointing in the wrong direction, but more evidence is needed to show whether this was just a one-off blip or a sign of more persistent inflationary threats remaining.

Falling inflation rates are a prerequisite for lower policy rates. While goods inflation has been falling for some time, services inflation remains elevated, partly driven by sticky rents. 10yr government bond yields have trended upwards in the US, while moving sideways in a volatile range in the UK, Germany and Italy. If inflation were to remain sticky for longer, central banks in the G10 countries may become hesitant to guide markets toward imminent policy rate cuts.

Some Latin American central banks, including in Brazil and Chile, cut policy rates last year, though it needs to be highlighted that they started to raise rates earlier than G7 central banks. One G7 country is moving in the opposite direction. The Bank of Japan has raised its policy rate by 10bps to an upper bound of 0.1%, while ending its negative interest rate policy (NIRP), yield curve control (YCC) and ETF purchase operations, normalising monetary policy following many years of ultra-loose settings. A positive wage-inflation loop appears to have started in earnest. Interestingly, currency markets do not yet reflect the turnaround in the Bank of Japan's monetary policy, with the USDJPY rate marking a 34-year high just below 152.

Major equity markets have surged to all-time highs as investors increasingly embrace the improved growth outlook and easing policies. We believe a period of consolidation or a modest correction is likely and see it as healthy, giving markets an opportunity to refresh. We maintain our constructive stance towards stocks and see any such period as an opportunity.

Turning to bond markets, the difference in yields between German Bunds and the rest of the Eurozone has further compressed as we had expected, primarily driven by the relatively poorer performance of the German economy and increasing chances of ECB policy easing. We see room for further compression, but most of the gains have been made. While clear risks remain around public finances across the Eurozone, there are also positive risks such as the possibility of further fiscal integration in Europe for joint defence spending, for example.

Market Assessment

Key developments

- The Swiss National Bank has started the cycle of interest rate cuts that we expect from key central banks
- Most major government bond yields are rangebound
- The MSCI World has surged 25% since equity markets started to turn to the upside at the end of October last year

Zurich's view

While services related inflation remains sticky, partly reflecting the rents component, we still believe there is room for major Western central banks to start cutting policy rates in June, while the Bank of Japan is likely to raise its policy rate further later this year.

Most equity markets continue to perform well, driven by ample liquidity and a favourable corporate earnings outlook. A pause or correction would be considered healthy, but strong momentum is likely to lift equities even higher. Within stocks, we see relative merit for the UK vs. the US in the short term, while we have taken profit on our call to overweight Korea vs. Singapore and Thailand.

We prefer US stocks to US credit as credit markets offer asymmetrical risk/reward to the downside. Spreads are tight, and we expect more M&A and LBO activity, which is fundamentally positive for stocks and negative for credit.

We continue to like higher yielding European sovereigns compared to German Bunds and see further spread compression.

Key developments	Zurich's view
<p>Global</p> <ul style="list-style-type: none"> • Global growth dynamics remain divergent, with services strong while the manufacturing recovery remains fragile • Central banks continue to signal that rate cuts are forthcoming despite somewhat sticky inflation • The SNB becomes the first G10 central bank to cut rates, while the BoJ hikes rates as the last central bank to end negative rates 	<p>Global growth momentum edged higher in March. Services were resilient while the industrial sector saw a further uptick in activity, and new orders crept higher. Although conditions are improving, helped by falling inflation that is bolstering real incomes, growth dynamics are still fragile and divergent. Inflation has been sticky, and goods disinflation is waning while services are still seeing brisk price pressures. Despite this, the Fed and the ECB have maintained their dovish guidance, signalling that rate cuts are likely to be forthcoming towards the middle of the year, while the SNB became the first G10 central banks to cut rates. The dovish central bank backdrop has continued to cap rates and yields despite an improving economic outlook and sticky inflation.</p>
<p>US</p> <ul style="list-style-type: none"> • Economic growth is resilient, but recent data have been moderating • The Fed shrugs off elevated inflation numbers and continues to signal three rate cuts for this year • Stock market momentum remains strong, fuelled by resilient growth and the prospect of looser monetary policy 	<p>The US stock market keeps racing from record to record. While tech stocks and the Nasdaq have been the major drivers of the robust equity performance since the beginning of this year, their dominance has been waning in recent weeks. The equal weighted S&P 500 Index outperformed both the Nasdaq and the widely used market-cap weighted S&P 500 last month, indicating that the rally is broadening out. A robust growth environment and the prospect of looser monetary policy despite recent pickups in inflation have supported investor sentiment. While the economy looks resilient and market momentum is strong, there are still risks regarding growth and inflation as shown by the latest economic data. These risks are not fully priced in, however, increasing the potential for disappointment in the months ahead.</p>
<p>UK</p> <ul style="list-style-type: none"> • The UK is emerging from the technical recession it suffered in the second half of 2023 • Inflation rates have fallen substantially, allowing the Bank of England to take a more dovish stance • The FTSE 100 is benefitting from the improving economic outlook and the prospect of looser monetary policy 	<p>Economic data show that the UK has emerged from the technical recession it went through in the final two quarters of last year. Meanwhile, inflation rates keep falling substantially, with headline CPI dropping from 4.0% in February to 3.4% YoY and core CPI inflation slowing from 5.1% YoY to 4.5%. The BoE kept rates unchanged at its latest meeting, but with the two remaining hawks now also voting to leave rates as they are, rather than to hike them, the decision came with a dovish tilt. Fuelled by falling inflation rates, a more dovish central bank, and an improving economic outlook, the FTSE 100 rose more than 4% in March, outperforming many of its developed market peers. Gilt yields fell substantially, particularly at the shorter end, with the 2yr yield close to the lowest levels of 2024.</p>
<p>Eurozone</p> <ul style="list-style-type: none"> • Eurozone equities continue to deliver strong returns, with large-cap stocks outperforming • Riskier sovereign bonds benefit from the improving economic and market environment • Activity and sentiment data across the Eurozone continue to improve across member states, most notably in the services sector 	<p>Eurozone equity markets have surged this year, and both the large-cap Eurostoxx 50 and the Italian FTSE-MIB stand out with double-digit percentage returns. As before, we think there is scope for the market strength to continue on the tailwinds of expected rate cuts and tentatively improving global economic conditions. The European economic outlook continues to tentatively improve, with the composite Eurozone PMI almost back to neutral territory from contractionary levels in 2023. Our forecast is not for an impressive rebound, but rather modest positive growth that represents good news compared to the gloomier consensus view from late last year. We continue to like higher yielding sovereigns compared to German Bunds, but further upside is now more limited as the yield gap continues to narrow.</p>
<p>Switzerland</p> <ul style="list-style-type: none"> • The SNB cuts rates and revises down its inflation forecast markedly, signalling more easing to come • Economic activity remains resilient, with robust services and improving manufacturing • Inflation remains benign, despite upward pressure from rents 	<p>In a surprise decision, the SNB cut the policy rate by 25bps in March. The cut was the first among the G10 countries and triggered a modest weakening of the franc and lower yields. The inflation forecast was cut sharply, down by around 0.5pp from the December meeting despite the lower interest rate, with the 2026 inflation forecast at 1.1%. We had expected the SNB to wait for clarity as to rent pressure's impact on CPI inflation and only cut rates in June. By moving earlier than expected, the SNB showed once again that it is not afraid to surprise markets and that its policy decisions are made independently from the ECB. While we agree with the SNB's updated inflation projection, we see the potential for rents and domestic inflation to remain sticky near term and expect that the rate cutting cycle will be relatively shallow.</p>

Key developments	Zurich's view
<p>Japan</p> <ul style="list-style-type: none"> The Nikkei 225 and the MSCI Japan indices mark record highs, 34 years after the bubble highs 10yr JGB yields keep hovering in a tight range above 0.7% The USDJPY marks a 34-year high at 151.97 	<p>The Nikkei 225 index finally marked a record high, 34 years after its bubble high at the end of 1989. Though the MSCI Japan also reached a record high, the broad Topix index needs another 2½% before it can join the party. We note that valuations are now far more reasonable than during the bubble of the late 1980s. The Bank of Japan finally returned to more normal monetary settings, ending its negative interest rate policy (NIRP), yield curve control (YCC) and ETF purchases, while raising its policy rate by 10bps to an upper bound of 0.1%. While the yen had strengthened to 146.50 vs. the US dollar mid-March, it weakened in the subsequent weeks to a record 151.97, prompting the Ministry of Finance to issue a verbal warning, which halted the slide and brought about a slight recovery.</p>
<p>China</p> <ul style="list-style-type: none"> The government renews its 5% growth target for this year, in line with our forecast Equity indices appear to crawl higher, with the 200-day moving average acting as a hurdle The CNH has started to weaken again 	<p>The usual statistical Lunar New Year distortions make it difficult to interpret economic indicators, though the latest PMIs for March were encouraging. Property related indicators, however, remain in the doldrums. The government kept its GDP growth target at 5% for 2024, which is not likely to be as easily achievable as in 2023 when base effects were more favourable. We maintain our 4.9% growth target. Major equity indices have recovered from their lows earlier this year and are hovering just below their falling 200-day moving averages, with intra-day volatility high and foreign investor sentiment still negative. Meanwhile, following a phase of pronounced stability, the yuan has cautiously started to depreciate versus the US dollar.</p>
<p>Australia</p> <ul style="list-style-type: none"> The Reserve Bank of Australia removes some hawkish language from its previous statement, indicating a slight shift towards a more dovish stance Inflation has remained stable, with the trimmed mean CPI showing persistent stickiness The overall sentiment in the equity market remains positive 	<p>The mood in equities has been positive, with the ASX 200 Index reaching a new high in early March before slightly retreating, dragged by material stocks. Australian shares appear to be mirroring the positive momentum seen in other markets, following recent upbeat messages from the Fed and the ECB. While the Reserve Bank of Australia (RBA) did not provide explicit forward guidance, it did remove some hawkish language from its previous statement. Inflation was stable at 3.4% YoY in January, with a trimmed mean of 3.8%. Rents stayed high amid an ongoing influx of migrants. Unemployment dropped surprisingly to 3.7% in February, but this may have been distorted by seasonal factors. We think the RBA will proceed cautiously in cutting rates, with the first rate cuts expected in Q3.</p>
<p>ASEAN</p> <ul style="list-style-type: none"> Central banks across ASEAN remain on hold Manufacturing PMIs in the region are showing marginal improvements Singapore's stock market stands out in ASEAN with nearly 2% in gains in March while other markets remain mostly flat 	<p>While global stocks performed well in March, ASEAN markets experienced mostly flat performance. Singapore stood out with around 4% in gains, driven by the strong performance of banks such as DBS and OCBC. Wealth management has become a notably growing segment, supporting Singapore banks' profits. Meanwhile, Thailand remains the underperformer, while Indonesia and Malaysia's stock performances have been stagnant. USD strength continues to be a key obstacle for foreign investors considering returning to ASEAN markets. However, once the Fed cuts rates, we expect improved equity inflows into the region as valuations remains attractive. On the macro front, central banks continue to stay put. Manufacturing PMIs showed marginal improvements, but without a significant rebound.</p>
<p>LatAm</p> <ul style="list-style-type: none"> Brazil and Chile continue with their easing cycle, while Mexico implements its first rate cut Latin American stock markets exhibit mixed performances, influenced by risk sentiment in international markets Despite transitory effects accelerating inflation, there is an overall downward trend in inflation 	<p>The MSCI Latin America Index closed March with a slight increase, with positive returns in Chile and Mexico, offsetting a decline in the Brazilian stock market. We anticipate that the region will continue to benefit from its monetary policy easing cycle, but the initiation of the rate cutting cycle by the US Federal Reserve will be an essential catalyst to boost risk appetite. In Chile, we have a slightly positive view, mainly due to a recovery in economic activity, a reduction in inflation, and commodity prices that remain at attractive levels for exporters. In Mexico, we maintain a neutral opinion based on political uncertainty before the presidential elections in June and the initiation of Banxico's easing cycle. In Brazil, revived inflationary fears have led the Central Bank of Brazil (BCB) to moderate its forward guidance.</p>

Valuation snapshot (MSCI Indices)

Current training valuations

	US	Europe ex UK	UK	Switzerland	Japan	APAC ex Japan	China	Brazil	Mexico
12m Trailing P/E	25.7	16.0	12.1	20.1	17.6	16.8	11.4	7.7	15.6
12m Trailing P/B	4.9	2.2	1.8	3.9	1.6	1.7	1.2	1.4	2.2
12m Trailing P/CF	18.0	11.6	6.3	15.7	10.3	9.6	5.0	5.2	10.9
Dividend Yield	1.3	2.9	3.9	3.0	1.9	2.7	2.7	6.0	3.3
ROE	17.8	12.7	11.4	22.3	9.4	9.3	9.9	18.0	15.3

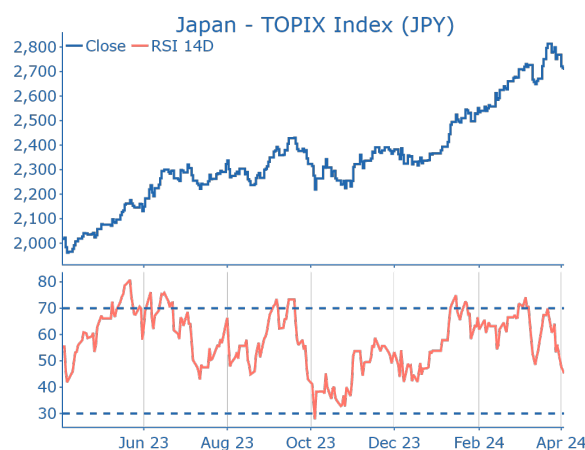
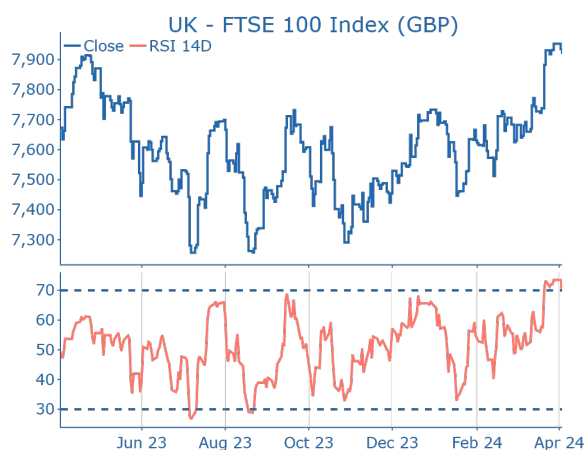
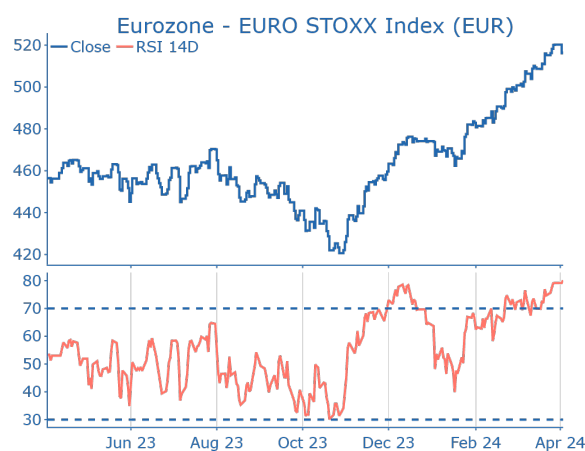
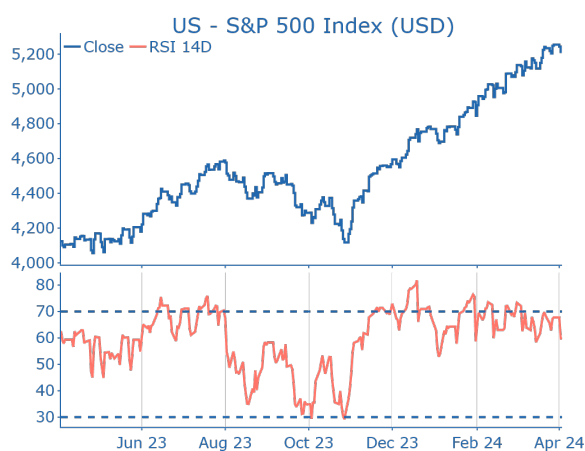
Current training valuations relative to MSCI world

	US	Europe ex UK	UK	Switzerland	Japan	APAC ex Japan	China	Brazil	Mexico
12m Trailing P/E	4.21	-5.45	-9.37	-1.41	-3.94	-4.7	-10.1	-13.77	-5.89
12m Trailing P/B	1.53	-1.11	-1.5	0.57	-1.68	-1.67	-2.16	-1.88	-1.09
12m Trailing P/CF	3.05	-3.35	-8.62	0.74	-4.71	-5.39	-9.97	-9.73	-4.08
Dividend Yield	-0.46	1.06	2.11	1.19	0.08	0.85	0.86	4.21	1.48
ROE	3.43	-1.72	-2.99	7.92	-4.96	-5.07	-4.48	3.58	0.88

Source: Bloomberg

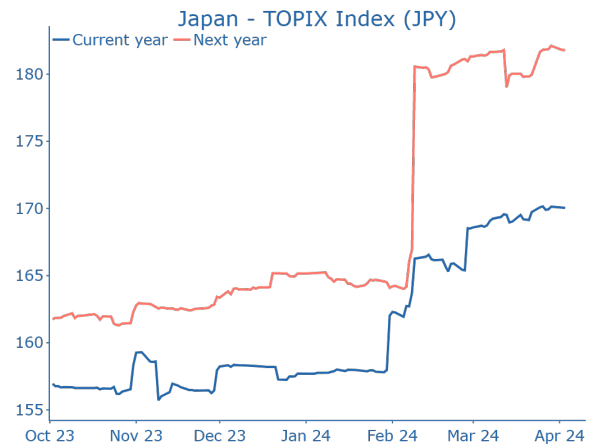
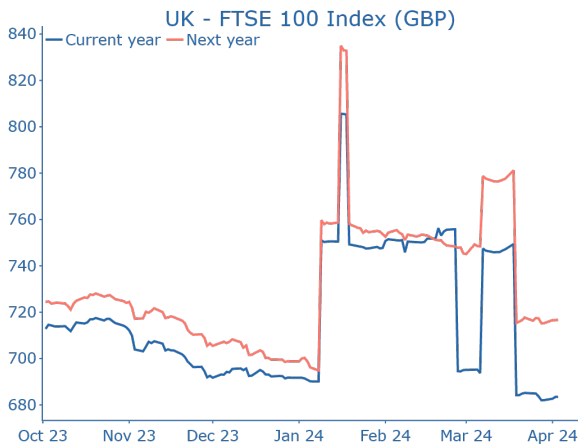
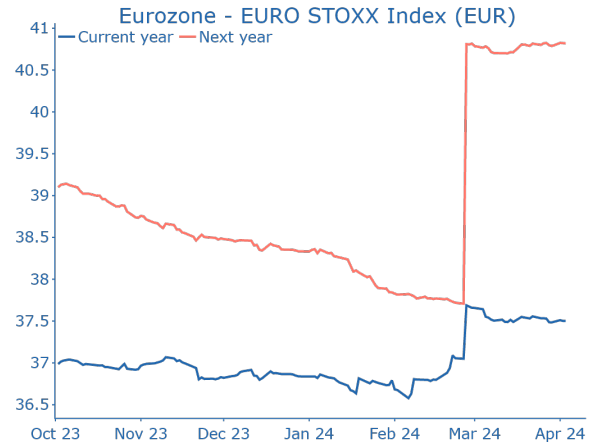
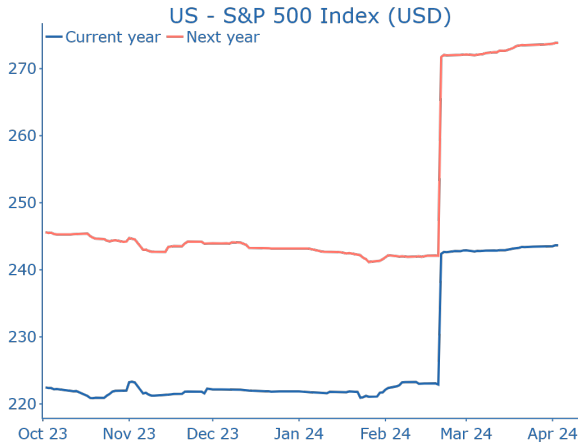
Overbought / Oversold*

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



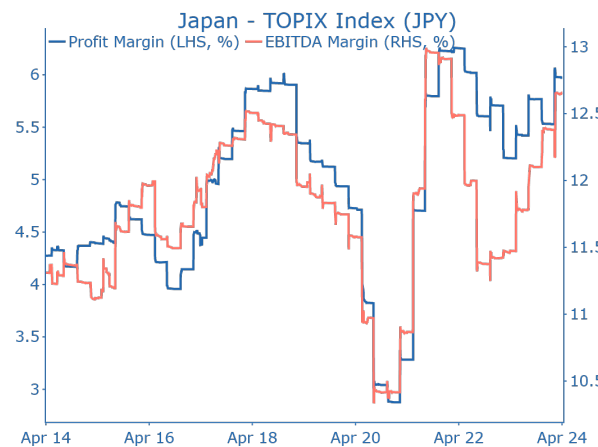
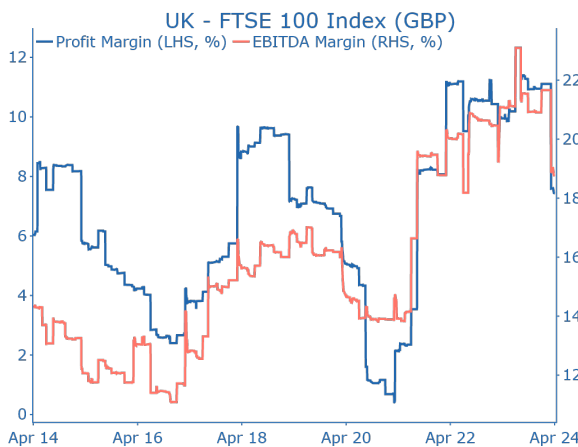
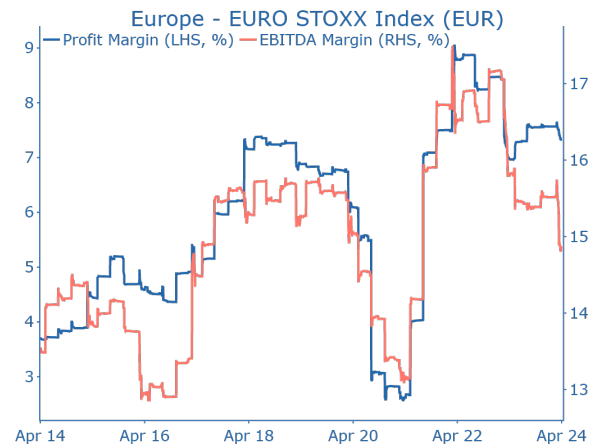
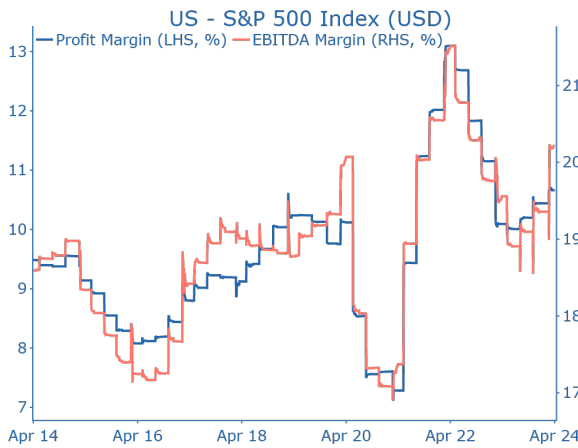
Source: Bloomberg

Earnings estimates - Full fiscal year



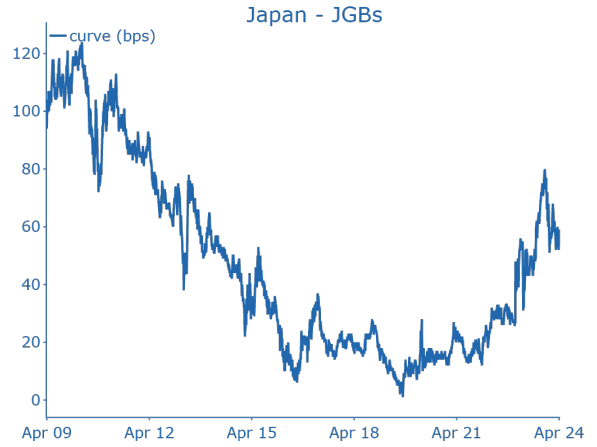
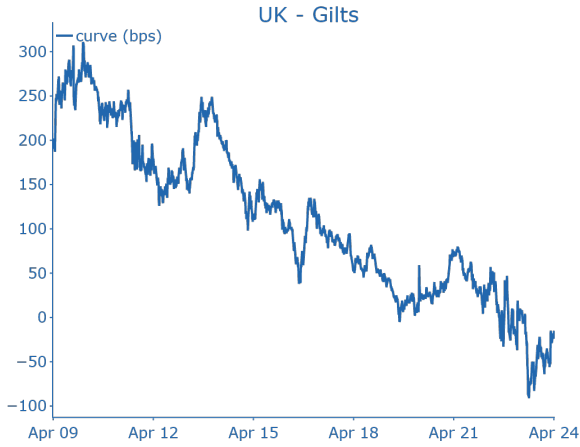
Source: Bloomberg

Historical margins



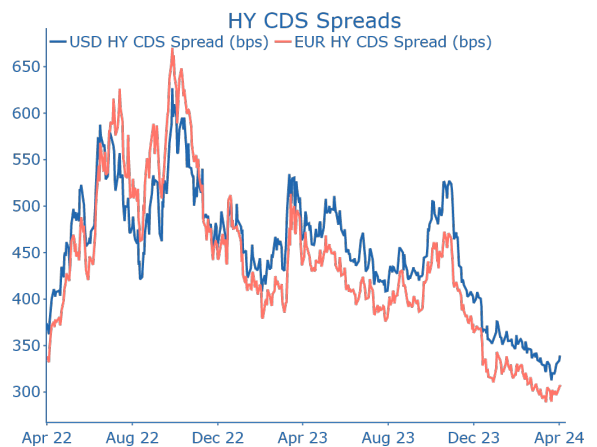
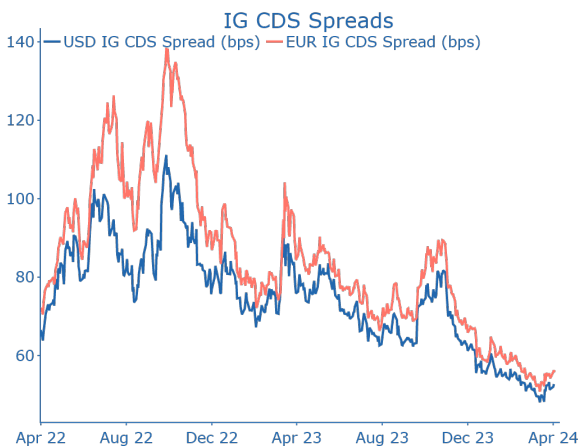
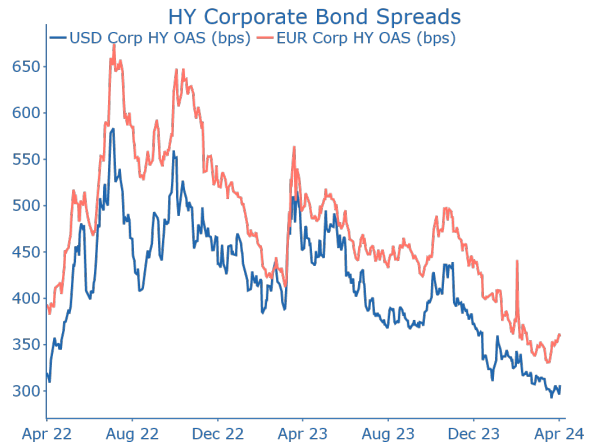
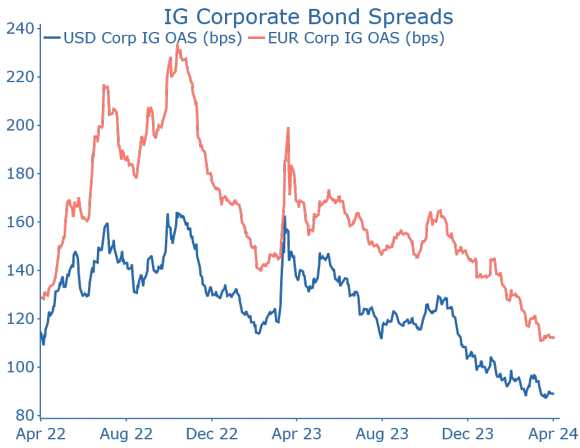
Source: Bloomberg

Yield Curve Steepness (10yr - 2yr)



Source: Bloomberg

Credit Markets (US & Europe)



Source: Bloomberg

Economic Data

US	May-2023	Jun-2023	Jul-2023	Aug-2023	Sep-2023	Oct-2023	Nov-2023	Dec-2023	Jan-2024	Feb-2024	Mar-2024	Trend*
ISM Manufacturing (Index)	46.6	46.4	46.5	47.6	48.6	46.9	46.6	47.1	49.1	47.8	50.3	up
ISM Non-Manufacturing (Index)	51.0	53.6	52.8	54.1	53.4	51.9	52.5	50.5	53.4	52.6	-	up
Durable Goods (% MoM)	2.0	4.3	-5.6	-0.1	4.0	-5.1	5.4	-0.3	-6.9	1.3	-	down
Consumer Confidence (Index)	102.5	110.1	114.0	108.7	104.3	99.1	101.0	108.0	110.9	104.8	104.7	up
Retail Sales (% MoM)	2.1	1.5	2.8	2.8	4.0	2.2	3.6	5.0	0.0	1.5	-	down
Unemployment Rate (%)	3.7	3.6	3.5	3.8	3.8	3.8	3.7	3.7	3.7	3.9	-	up
Avg Hourly Earnings YoY (% YoY)	5.1	5.0	5.0	4.8	4.7	4.6	4.6	4.5	4.7	4.5	-	up
Change in Payrolls (000, MoM)	303.0	240.0	184.0	210.0	246.0	165.0	182.0	290.0	229.0	275.0	-	up
PCE (% YoY)	4.69	4.28	4.19	3.73	3.59	3.38	3.18	2.94	2.88	2.78	-	down
GDP (% QoQ, Annualized)	-	2.1	-	-	4.9	-	-	3.4	-	-	-	down

Eurozone	May-2023	Jun-2023	Jul-2023	Aug-2023	Sep-2023	Oct-2023	Nov-2023	Dec-2023	Jan-2024	Feb-2024	Mar-2024	Trend*
PMI Manufacturing (Index)	44.8	43.4	42.7	43.5	43.4	43.1	44.2	44.4	46.6	46.5	46.1	up
PMI Services (Index)	55.1	52.0	50.9	47.9	48.7	47.8	48.7	48.8	48.4	50.2	51.1	up
IFO Business Climate (Index)	91.4	88.7	87.5	85.9	86.0	86.9	87.1	86.3	85.2	85.7	87.8	down
Industrial Production (% YoY)	-2.2	-0.9	-2.5	-5.1	-6.9	-6.3	-5.3	0.2	-6.7	-	-	down
Indeed 3m average wage growth (% YoY)	4.73	4.58	4.37	4.24	3.96	3.81	3.67	3.81	3.86	3.9	-	up
Unemployment Rate (%)	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.4	-	-	down
Euro-Area Credit Impulse (% SA)	-6.7	-7.12	-7.71	-6.53	-6.53	-5.99	-5.58	-2.53	-2.83	-	-	up
EUR HICP 5y5y Inflation Swaps	2.51	2.5	2.59	2.54	2.54	2.49	2.41	2.27	2.23	2.3	2.3	down
CPI (% YoY)	6.1	5.5	5.3	5.2	4.3	2.9	2.4	2.9	2.8	2.6	-	down
Core CPI (% YoY)	5.3	5.5	5.5	5.3	4.5	4.2	3.6	3.4	3.3	3.1	-	down
GDP (% QoQ)	-	0.1	-	-	-0.1	-	-	0.0	-	-	-	down

UK	May-2023	Jun-2023	Jul-2023	Aug-2023	Sep-2023	Oct-2023	Nov-2023	Dec-2023	Jan-2024	Feb-2024	Mar-2024	Trend*
PMI Manufacturing (Index)	47.1	46.5	45.3	43.0	44.3	44.8	47.2	46.2	47.0	47.5	50.3	up
PMI Services (Index)	55.2	53.7	51.5	49.5	49.3	49.5	50.9	53.4	54.3	53.8	53.4	up
Consumer Confidence (Index)	-27.0	-24.0	-30.0	-25.0	-21.0	-30.0	-24.0	-22.0	-19.0	-21.0	-21.0	up
Unemployment Rate (%)	4.0	4.2	4.3	4.2	4.1	4.0	3.9	3.8	3.9	-	-	down
CPI (% YoY)	8.7	7.9	6.8	6.7	6.7	4.6	3.9	4.0	4.0	3.4	-	down
House Prices (% YoY)	-3.4	-3.5	-3.8	-5.3	-5.3	-3.3	-2.0	-1.8	-0.2	1.2	1.6	up
Mortgage Approvals (SA, Thousands)	50.2	53.57	49.27	45.7	44.37	48.82	50.41	52.26	56.09	60.38	-	up
GDP (% YoY)	-	0.2	-	-	0.2	-	-	-0.2	-	-	-	down

Switzerland	May-2023	Jun-2023	Jul-2023	Aug-2023	Sep-2023	Oct-2023	Nov-2023	Dec-2023	Jan-2024	Feb-2024	Mar-2024	Trend*
KOF Leading Indicator (Index)	95.6	94.1	96.3	95.6	96.2	95.1	96.8	97.6	102.6	102.0	101.5	up
PMI Manufacturing (Index)	43.2	44.9	38.5	39.9	44.9	40.6	42.1	43.0	43.1	44.0	45.2	up
Real Retail Sales (% YoY)	-1.4	0.7	-2.5	-2.1	-2.8	-1.9	-1.2	-0.1	0.3	-0.2	-	up
Trade Balance (Billion, CHF)	5.4	4.78	3.0	3.73	6.37	4.75	3.83	1.38	4.7	3.66	-	up
CPI (% YoY)	2.2	1.7	1.6	1.6	1.7	1.7	1.4	1.7	1.3	1.2	-	down

Japan	May-2023	Jun-2023	Jul-2023	Aug-2023	Sep-2023	Oct-2023	Nov-2023	Dec-2023	Jan-2024	Feb-2024	Mar-2024	Trend*
PMI Manufacturing (Index)	50.6	49.8	49.6	49.6	48.5	48.7	48.3	47.9	48.0	47.2	48.2	down
Machinery Orders (% YoY)	-8.7	-5.8	-13.0	-7.7	-2.2	-2.2	-5.0	-0.7	-10.9	-	-	down
Industrial Production (% YoY)	4.1	-0.1	-2.6	-4.7	-4.5	0.9	-1.6	-1.1	-1.5	-3.4	-	down
ECO Watchers Survey (Index)	54.5	53.6	54.1	52.8	50.4	49.9	49.8	50.9	47.4	50.3	-	down
Jobs to Applicants Ratio (Index)	1.32	1.31	1.3	1.3	1.29	1.29	1.27	1.27	1.27	1.26	-	down
Labour Cash Earnings (% YoY)	2.9	2.3	1.1	0.8	0.6	1.5	0.7	0.8	2.0	-	-	up
Retail Sales (% YoY)	6.3	7.0	8.6	11.8	9.2	6.1	7.4	5.4	7.1	14.0	-	up
Exports (% YoY)	0.6	1.5	-0.3	-0.8	4.3	1.6	-0.2	9.7	11.9	7.8	-	up
Money Supply M2 (% YoY)	2.6	2.6	2.5	2.5	2.4	2.4	2.3	2.3	2.5	2.5	-	up
CPI Ex Food & Energy (% YoY)	2.6	2.6	2.7	2.7	2.6	2.7	2.7	2.8	2.6	2.5	-	down

China	May-2023	Jun-2023	Jul-2023	Aug-2023	Sep-2023	Oct-2023	Nov-2023	Dec-2023	Jan-2024	Feb-2024	Mar-2024	Trend*
NBS PMI Manufacturing (Index)	48.8	49.0	49.3	49.7	50.2	49.5	49.4	49.0	49.2	49.1	50.8	up
NBS PMI Non Manufacturing (Index)	54.5	53.2	51.5	51.0	51.7	50.6	50.2	50.4	50.7	51.4	53.0	up
Industrial Production (% YoY)	3.5	4.4	3.7	4.5	4.5	4.6	6.6	6.8	-	-	-	down
Retail Sales (% YoY)	12.7	3.1	2.5	4.6	5.5	7.6	10.1	7.4	-	-	-	down
Exports (% YoY)	-7.6	-12.4	-14.2	-8.5	-6.8	-6.6	0.7	2.3	8.2	5.6	-	up
CPI (% YoY)	5.8	5.6	7.0	7.1	6.3	4.1	5.4	2.3	2.1	4.6	-	down
PPI (% YoY)	-4.6	-5.4	-4.4	-3.0	-2.5	-2.6	-3.0	-2.7	-2.5	-2.7	-	up
RRR (%)	10.75	10.75	10.75	10.75	10.5	10.5	10.5	10.5	10.5	10.0	10.0	down
GDP (% YoY)	-	6.3	-	-	4.9	-	-	5.2	-	-	-	down

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

Economic Data

India	May-2023	Jun-2023	Jul-2023	Aug-2023	Sep-2023	Oct-2023	Nov-2023	Dec-2023	Jan-2024	Feb-2024	Mar-2024	Trend*
PMI Manufacturing (Index)	58.7	57.8	57.7	58.6	57.5	55.5	56.0	54.9	56.5	56.9	59.1	up
PMI Services (Index)	61.2	58.5	62.3	60.1	61.0	58.4	56.9	59.0	61.8	60.6	60.3	up
Industrial Production (% YoY)	5.7	4.0	6.2	10.9	6.4	11.9	2.4	4.2	3.8	-	-	down
CPI (% YoY)	4.31	4.87	7.44	6.83	5.02	4.87	5.55	5.69	5.1	5.09	-	down
GDP (% YoY)	-	8.22	-	-	8.08	-	-	8.36	-	-	-	down

Australia	May-2023	Jun-2023	Jul-2023	Aug-2023	Sep-2023	Oct-2023	Nov-2023	Dec-2023	Jan-2024	Feb-2024	Mar-2024	Trend*
Westpac Leading Indicator	97.05	97.1	97.13	97.09	97.14	97.08	97.17	97.1	97.02	97.1	-	down
Retail Sales (% YoY)	4.17	2.31	1.98	1.65	2.0	1.11	2.19	0.83	1.16	1.59	1.59	up
Unemployment Rate (%)	3.6	3.5	3.8	3.7	3.6	3.8	3.9	3.9	4.1	3.7	-	up
Housing Prices (% YoY)	-6.74	-4.86	-2.74	-0.17	2.16	4.23	6.02	7.74	9.37	10.14	9.92	up
CPI (% MoM)	5.5	5.4	4.9	5.2	5.6	4.9	4.3	3.4	3.4	3.4	-	down

Brazil	Apr-2023	May-2023	Jun-2023	Jul-2023	Aug-2023	Sep-2023	Oct-2023	Nov-2023	Dec-2023	Jan-2024	Feb-2024	Trend*
CPI (% YoY)	4.18	3.94	3.16	3.99	4.61	5.19	4.82	4.68	4.62	4.51	4.5	down
Industrial Production (% YoY)	-2.7	1.9	0.2	-1.2	0.5	0.7	1.1	1.3	1.0	3.6	-	up
Retail Sales (% YoY)	0.5	-1.1	1.4	2.4	2.4	3.2	0.2	2.5	1.2	4.1	-	up
Trade Balance (Millions, USD)	7940.31	10966.61	10063.53	8185.23	9627.21	9177.14	9164.68	8766.05	9360.37	6494.7	5447.3	down
Budget Balance (Billions, BRL)	-25.43	-119.23	-89.62	-81.91	-106.56	-99.78	-47.15	-80.89	-193.43	22.23	-	down

Chile	Apr-2023	May-2023	Jun-2023	Jul-2023	Aug-2023	Sep-2023	Oct-2023	Nov-2023	Dec-2023	Jan-2024	Feb-2024	Trend*
Economic Activity Index (% YoY)	-0.06	-0.8	-0.32	2.21	-0.65	0.25	0.99	1.05	-0.71	2.32	4.53	up
CPI (% YoY)	9.91	8.73	7.56	6.48	5.32	5.12	5.03	4.8	3.94	-	-	down
Retail Sales (% YoY)	-9.49	-8.99	-9.98	-8.24	-10.03	-4.0	-6.73	-2.49	-1.47	1.8	3.9	up
Industrial Production (% YoY)	-0.18	-4.34	-0.16	0.76	0.46	2.71	2.23	2.78	-2.74	3.57	7.92	up
Unemployment (%)	8.7	8.5	8.5	8.8	9.0	8.9	8.9	8.7	8.5	8.4	8.5	down

Mexico	May-2023	Jun-2023	Jul-2023	Aug-2023	Sep-2023	Oct-2023	Nov-2023	Dec-2023	Jan-2024	Feb-2024	Mar-2024	Trend*
PMI (Index)	49.66	50.84	51.1	52.07	51.14	50.38	51.22	50.28	51.58	50.2	54.5	up
CPI (% YoY)	5.84	5.06	4.79	4.64	4.45	4.26	4.32	4.66	4.88	4.4	-	up
Retail Sales (% YoY)	2.8	5.9	5.1	3.2	2.3	3.4	2.7	-0.2	-0.8	-	-	down
Industrial Production (% YoY)	2.68	1.95	0.77	-1.1	0.84	1.07	-0.24	-3.98	0.05	-	-	up
Remittances (Millions, USD)	5675.6	5584.4	5668.1	5568.2	5616.7	5817.8	4913.0	5496.9	4574.6	4510.1	-	down

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

Spread Snapshot (Generic Government Yield 10yr, bps)

Country	Apr-2024	1M ago	3M ago	12M ago	Country	Apr-2024	1M ago	3M ago	12M ago
UK	-27	-6	-27	1	France	52	48	53	50
Germany	-197	-176	-189	-115	Netherlands	31	32	31	34
Switzerland	-361	-339	-320	-217	Belgium	60	57	58	66
Japan	-358	-346	-330	-302	Austria	54	50	56	64
China	-208	-179	-136	-54	Ireland	46	41	32	46
India	273	287	329	389	Italy	143	147	167	184
Australia	-23	-3	13	-8	Spain	85	89	98	102
South Korea	-94	-69	-58	-2	Portugal	70	73	65	82
Malaysia	-50	-32	-12	50					
Indonesia	231	244	274	336					
Thailand	-186	-161	-120	-95					
Philippines	186	206	223	276					
Brazil	686	662	653	928					
Mexico	510	501	516	547					
Chile	154	162	157	168					
Colombia	610	578	621	825					
Peru	312	267	284	411					

Source: Bloomberg

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