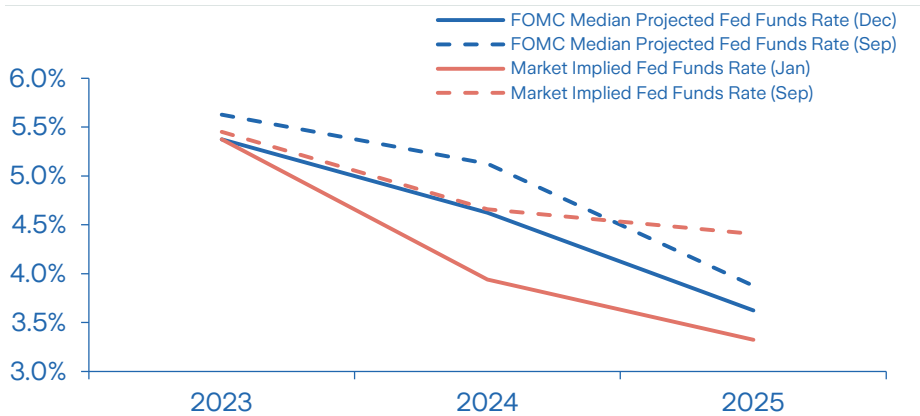


Monthly Investment Insights

9 January 2024



The Fed's dovish twist is positive but the rate cut timing remains uncertain



Source: Bloomberg

As the US Federal Reserve turned more dovish in its final meeting of 2023, paving the way for potential rate cuts in 2024, financial markets received a shot in the arm. The S&P 500 broke through resistance levels, pushing towards a new high, while bond yields fell notably across the board. Globally, most stock markets echoed the positive sentiment with the exception of Chinese equities, which continued to lag given persistent negative investor sentiment. However, moving into 2024, investors have shifted to a more cautious stance, with 10yr US Treasury yields edging above 4% and equities correcting after their overextension following the Fed's dovish signals. Market expectations for a Fed rate cut in March 2024 have notably declined, falling from around a 100% probability in December to roughly 60% currently.

After two years of interest rates increasing at the swiftest pace in decades, there is a compelling cause for celebration regarding the Fed's latest dovish shift. However, we suspect the path to rate cuts will be turbulent. The substantial drop in inflation is undoubtedly positive news. Nevertheless, whether or not inflation stabilises comfortably around the Fed's 2% target and likewise those of other central banks the situation is still too uncertain to declare victory. In fact, the service components of inflation continue to exhibit stickiness, and the labour market remains remarkably tight in most developed economies. Taking a different approach than the Fed, the European Central Bank has pushed back against aggressive market pricing of rate cuts in 2024, maintaining a more risk-averse and balanced view.

Having experienced consistent outflows throughout last year, Chinese equities remain the least favoured by investors globally. Disappointing economic data, combined with a troubled property market and regulatory intervention, have pushed investor sentiment to an extremely pessimistic level, despite various support measures being announced by the government. While we believe that Chinese equities are oversold, leaving room for a potential rebound, the key question lies in whether the government's support measures will be substantial enough to have a significant impact on revitalising the economy and addressing issues within the property market to restore investor confidence.

Overall, we maintain a neutral stance on equities and bonds and negative view of credit markets. While we are encouraged by the latest dovish guidance from the Fed, we exercise caution in fully embracing the market narrative of aggressive rate cuts, along with the optimism of inflation returning to central banks' targets without any notable damage to jobs and growth. In the credit market, we see asymmetric risk-reward dynamics as spreads remain tight despite the backdrop of vulnerable fundamentals.

Market Assessment

Key developments

- Global headline inflation continues to fall sharply although services inflation proves stickier
- The Federal Reserve has turned more dovish, setting the stage for rate cuts in 2024
- Government bond yields have notably fallen following the Fed's signaling of a policy pivot while risk assets rallied.

Zurich's view

The Federal Reserve's latest signals of forthcoming easing have ignited hope that rates have finally peaked and that the US economy is headed for a soft landing, characterised by falling inflation, a robust labour market, and sustained growth as interest rate headwinds will soon ease.

While we do not rule out such a scenario, we believe that central banks will not be as quick to deliver rate cuts as suggested by current market pricing. Although inflation has fallen sharply, the pace of further falls is likely to slow.

Our stance on equities and bonds is neutral. Equity markets saw a widespread rally into the year end. However, technical indicators suggest that they are currently overextended. While bond yields are expected to decrease further over time, short-term volatility is likely to persist, particularly following such an aggressive downward repricing over recent weeks.

Credit market spreads remain narrow despite the underlying fragile fundamentals. We therefore remain cautious on credit, with risks to the downside.

Key developments	Zurich's view
<p>Global</p> <ul style="list-style-type: none"> • Global growth momentum ticks higher as services activity rebounds, but manufacturing remains weak • Inflation continues to fall, led by goods price disinflation, while services inflation moves sideways • Central banks soften their hawkish stance, but further progress on inflation will be required before the rate cutting cycle can begin 	<p>Global growth continues to track below trend, but conditions have not deteriorated further. Manufacturing remains in contraction, and improvements in the global tech cycle have not yet translated into a broader recovery in the sector. Services momentum, by contrast, rebounded at the end of 2023 as solid labour markets continue to underpin demand. Inflation has fallen further, led by disinflationary global goods prices and a favourable energy base effect. While this is encouraging and means that central banks are likely to be done tightening, further progress on services inflation will likely be required before the rate cutting cycle can begin. Financial markets are already pricing in significant policy loosening in 2024 and the focus will remain on inflation data in coming months.</p>
<p>US</p> <ul style="list-style-type: none"> • The stock market falls back from recent highs as interest rates rebound • The risk for further setbacks remains high as earnings estimates look rather optimistic • Growth is slowing further while the labour market continues to cool 	<p>The stock market started the new year on a weak note with the S&P 500 falling by 1.5% in the first week of trading while Treasury yields rebounded from their recent lows. Higher yields were a particular drag for the Nasdaq and the Russell 2000, which both lost more than 3% in the first few days of the year. The setback is a healthy pause for a market that was strongly overbought but it also indicates the risks that lie ahead. Despite its dovish signals, the Fed may cut rates less aggressively than markets currently expect, particularly if inflation rates remain sticky in the coming months. At the same time, earnings estimates look rather optimistic given the deteriorating growth environment, raising the potential for disappointments and further setbacks in the stock market.</p>
<p>UK</p> <ul style="list-style-type: none"> • Inflation rates keep falling rapidly with headline CPI at the lowest level in more than two years • Growth headwinds persist, though the mood in the service sector improved in December • Wage growth slows to 7.3% YoY but remains uncomfortably high for the BoE 	<p>The divergence between manufacturing and service persisted at the end of 2023 with the former in contraction every month since August 2022. While the mood in the service sector improved in December, many firms continue to face challenging business conditions due to the stagnating economy and strong pressure on margins. Hiring was subdued, which will help to reduce price pressure. Growth in weekly earnings slowed to 7.3% YoY in October from 7.8% in September. Fading price pressure was reflected in another significant drop in headline inflation from 4.6%YoY to 3.9% in November, the lowest since September 2021. Core inflation also slowed markedly from 5.7% YoY to 5.1%. The FTSE 100 enjoyed another strong month in December, benefitting from lower yields and improving investor sentiment.</p>
<p>Eurozone</p> <ul style="list-style-type: none"> • Lower inflation and anticipated rate cuts ignite a rally in fixed income and equities at the end of 2023 • Interest rate markets are pricing in 1.5% of rate cuts for 2024, starting in March 2024, but we think this is too aggressive • Despite a positive performance of 18.5% in 2023, Stoxx Europe 600 valuation metrics still look reasonable 	<p>Inflation is closing in on the 2% target faster than most forecasters anticipated. While Eurozone inflation will likely fall further in 2024, pricing for six ECB rate cuts starting in March looks too aggressive. We see near-term risks for higher bond yields as the market pushes back the first cut, particularly in Germany given comparatively low yields. A Eurozone recession likely started in Q4 2023, and we see weakness continuing through 2024, consistent with weak sentiment indicators. Nevertheless, the labour market has not cracked in earnest. Pessimism is high on the economic outlook, but the bar for upside surprises is low. While either positive economic news or aggressive policy easing could support risk assets, there is danger from stubborn inflation pushing back ECB easing amid weak growth.</p>
<p>Switzerland</p> <ul style="list-style-type: none"> • Growth remains well below trend, though manufacturing activity appears to be troughing • Inflation edges higher in December, but underlying dynamics remain benign • The SNB leaves rates unchanged in December, while opening the door for rate cuts later in 2024 	<p>Economic activity remains weak, with the Manufacturing PMI in contractionary territory for the twelfth consecutive month in December. There was a notable decline in the stocks of finished goods component, however, which may indicate that headwinds from the inventory drawdown are easing. Services activity also continues to hold up better despite subdued consumer confidence, with overall demand remaining resilient. As expected, the SNB left rates unchanged in the December meeting. The overall stance was dovish, however, with a significant cut to the inflation forecast from an already benign level. With inflation likely to be sticky in early 2024, rates are expected to be kept on hold for the time being, but prospects for rate cuts further out in the year have increased.</p>

Key developments	Zurich's view
<p>Japan</p> <ul style="list-style-type: none"> • The MSCI Japan keeps moving sideways, but is underperforming the MSCI World • JGB yields have retreated again from close to 1% to below 0.6% • The six-week long JPY vs. USD appreciation pauses 	<p>The MSCI Japan index hovered in a tight sideways range in November and December, even though its 200-day moving average kept rising. However, this rather dull to slightly positive picture masks the fact that Japanese equities underperformed global equities by 10% during this two-month period. Due to various national holidays in Japan, which closed local markets, and the pull-back in overseas equity markets at the start of 2024, it is too early to judge whether the trend is now changing. Meanwhile, the 10yr JGB yield has rolled over just below the 1% mark and fallen back below 0.6%, as expectations that the Bank of Japan will end its negative interest rate policy (NIRP) have shifted forward to April, in line with our core scenario, which also ended the six-week long JPY vs. USD appreciation period.</p>
<p>China</p> <ul style="list-style-type: none"> • The MSCI China index suffers further absolute and relative losses in December • Heavyweight index components related to the gaming sector suffer most • The CNH stabilises following its recent appreciation 	<p>The MSCI China retreated further in December, losing about 30% over the year. Northbound buying continued to subside and regulatory announcements by the authorities on gaming related companies pulled down index heavyweights like Tencent and NetEase. Though the government backpaddled to some extent, the damage was done. Sentiment versus Chinese equities has deteriorated further, leaving scope to the upside should convincing policy measures to support the economy and particularly the property sector be implemented. Following the CNY appreciation in November from a 16-year low versus the USD, China's currency stabilised in December. Authorities reiterated their stance that a competitive devaluation is not on the cards.</p>
<p>Australia</p> <ul style="list-style-type: none"> • Inflation is falling but remains stickier in Australia than in other developed markets • Growth slows with consumption remaining weak • Bond yields fall across the curve, reflecting expectations of the RBA's peak rate, while equities experience a Santa rally 	<p>In December, the RBA kept its cash rate at 4.35%, as widely expected. Q3 real GDP grew by 0.3% QoQ and 1.2% YoY, falling short of consensus expectations, with private consumption showing no growth. Despite monthly inflation dropping from 5.6% to 4.9% YoY in October, the pace of decline was slower than in the US and Europe. The RBA is expected to remain hawkish on the policy front. While the ASX200 did not perform significantly throughout 2023, it experienced a Santa rally, surging over 7% in December, outperforming global equities. However, momentum has waned entering the new year. With uncertainty surrounding inflation, interest rates and slower growth, the macroeconomic environment remains challenging for risk assets, which may temper any further gains in equities.</p>
<p>ASEAN</p> <ul style="list-style-type: none"> • Inflation is falling across the region with Thailand experiencing deflation • Central banks are on hold with depreciation pressure waning as the Fed signals a potential easing • Equities show an initial recovery, reflecting improved market sentiment 	<p>PMI data did not show a convincing rebound in ASEAN's manufacturing and export sector. However, the domestic economy is holding up, supported by resilient private consumption. Inflation is falling across the region, reflecting weaker, though not collapsing growth. With the Fed signalling potential easing ahead, depreciation pressure on regional currencies is easing, allowing regional central banks to maintain their policy rates, with rate cuts likely once the Fed initiates its first rate cut. Despite a tough year for ASEAN equities marked by capital outflows, stocks are showing signs of recovery, with the Philippines and Indonesia leading the way. The outlook for equities should improve further as the headwinds stemming from the strength of the US dollar subside, while stock valuations appear attractive.</p>

Valuation snapshot (MSCI Indices)

Current training valuations

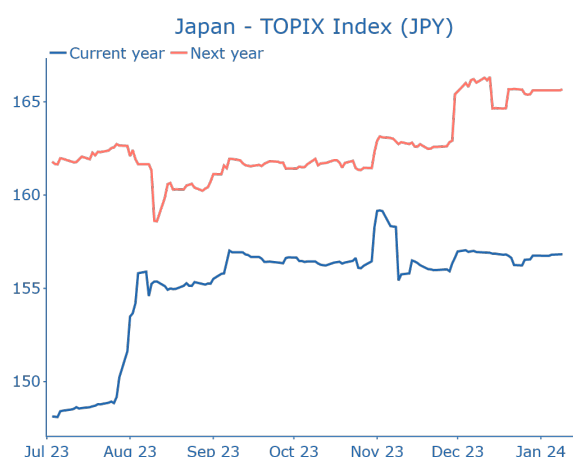
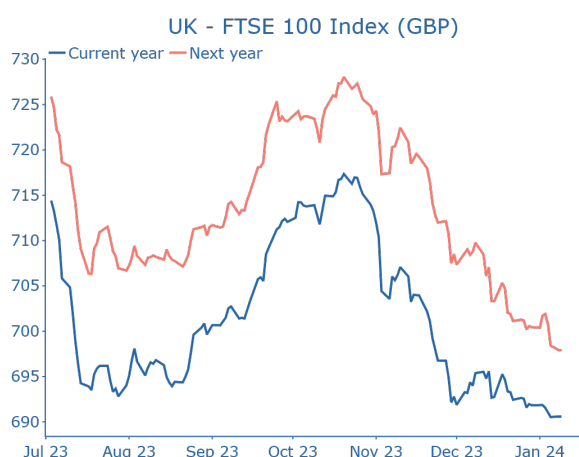
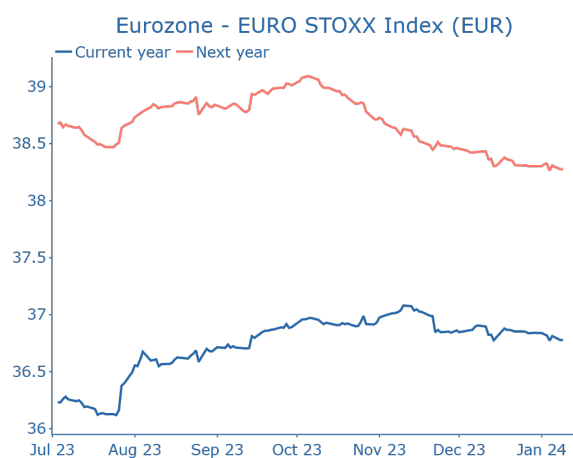
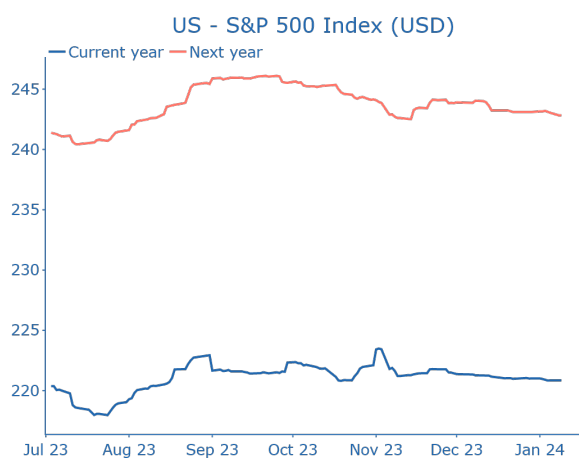
	US	Europe ex UK	UK	Switzerland	Japan	APAC ex Japan	China	Brazil	Mexico
12m Trailing P/E	23.3	15.0	10.4	19.4	16.7	16.3	11.3	8.6	16.7
12m Trailing P/B	4.5	1.9	1.7	3.8	1.4	1.6	1.1	1.7	2.1
12m Trailing P/CF	16.1	8.9	6.9	14.8	9.4	9.7	5.8	5.1	8.7
Dividend Yield	1.5	3.1	4.1	3.0	2.2	2.8	2.8	5.2	3.3
ROE	17.6	11.6	15.7	22.4	8.6	9.5	9.8	19.4	14.8

Current training valuations relative to MSCI world

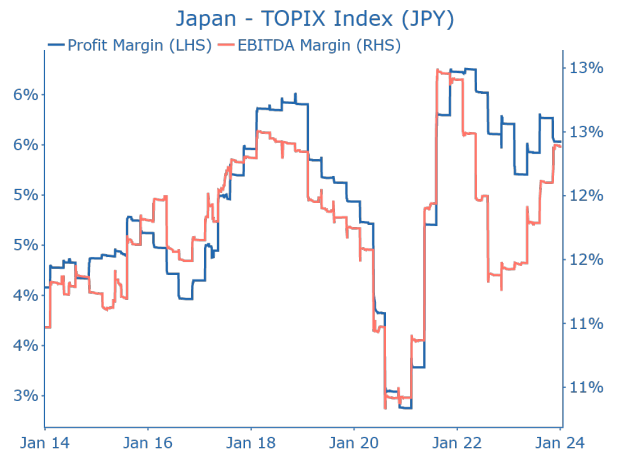
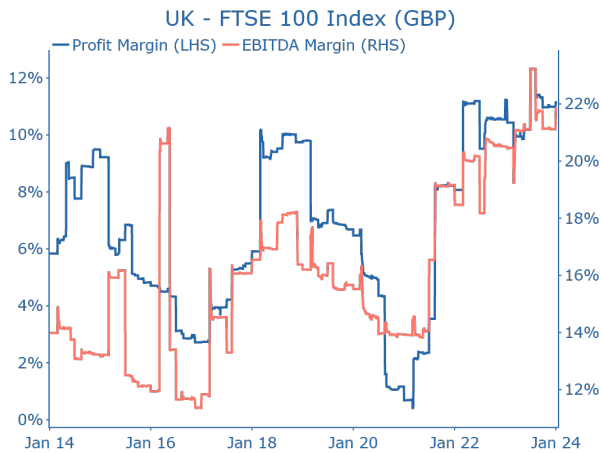
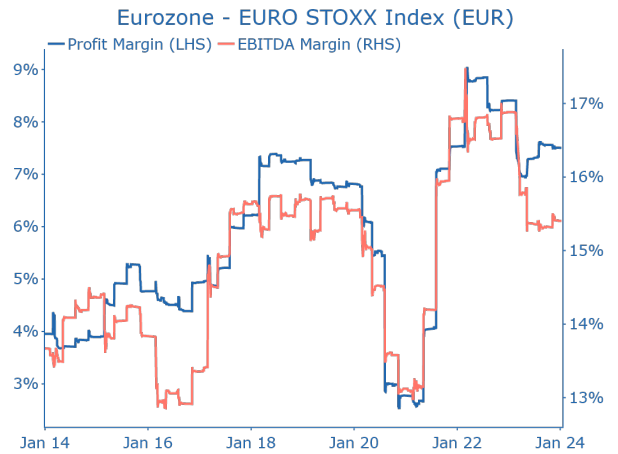
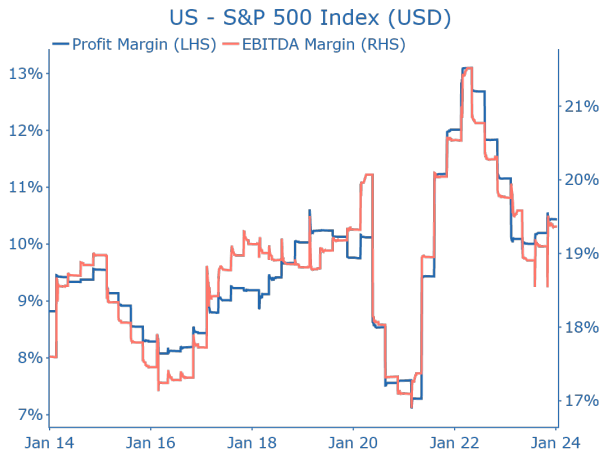
	US	Europe ex UK	UK	Switzerland	Japan	APAC ex Japan	China	Brazil	Mexico
12m Trailing P/E	3.34	-4.93	-9.51	-0.56	-3.21	-3.63	-8.62	-11.31	-3.25
12m Trailing P/B	1.42	-1.19	-1.4	0.76	-1.62	-1.48	-1.95	-1.39	-0.96
12m Trailing P/CF	2.66	-4.49	-6.54	1.39	-4.02	-3.73	-7.66	-8.33	-4.67
Dividend Yield	-0.51	1.12	2.11	1.03	0.22	0.83	0.77	3.23	1.33
ROE	3.39	-2.61	1.42	8.16	-5.63	-4.74	-4.5	5.19	0.59

Source: Bloomberg

Earnings estimates - Full fiscal year



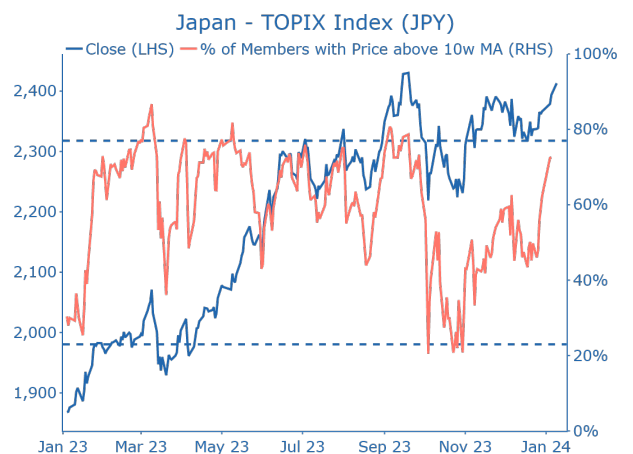
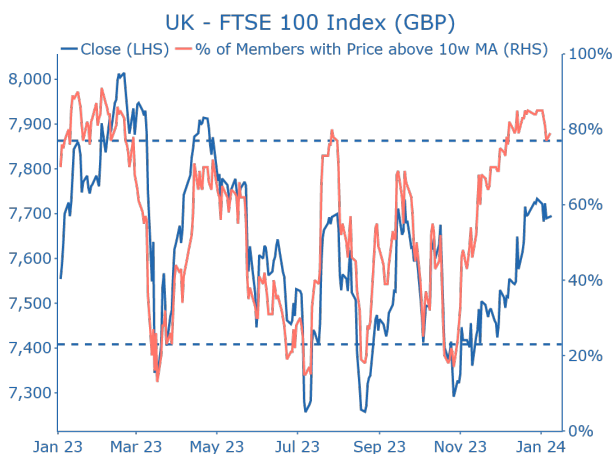
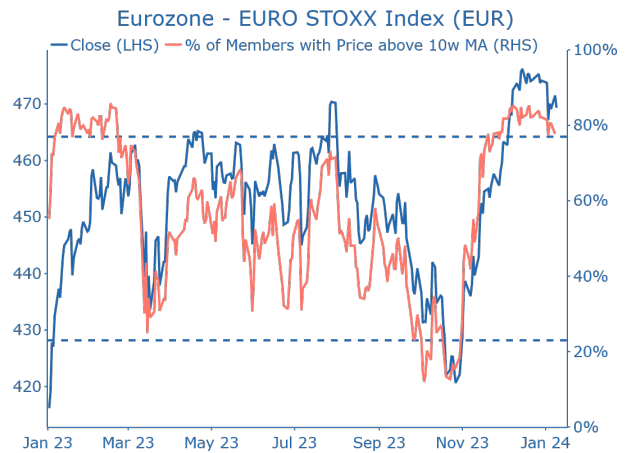
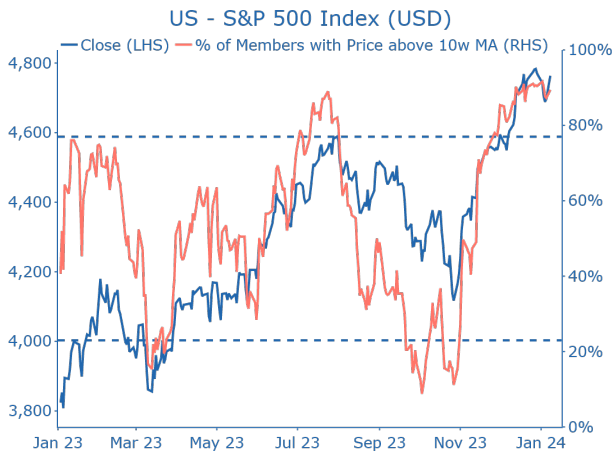
Source: Bloomberg



Source: Bloomberg

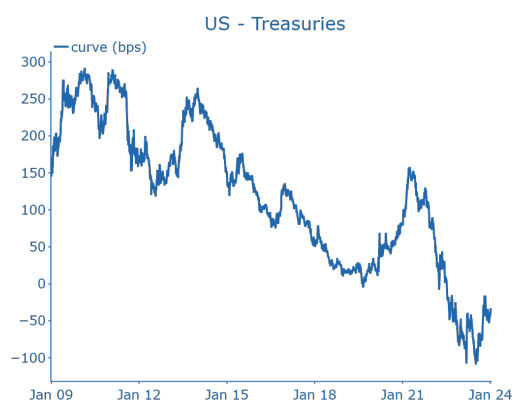
Overbought / Oversold*

* Overbought / Oversold = % of members with price above 10w MA is above 77% / below 23%



Source: Bloomberg

Yield Curve Steepness (10yr - 2yr)



Source: Bloomberg

Spread Snapshot (Generic Government Yield 10yr, bps)

Spread over US Treasuries (bps)

Country	Jan-2024	1M ago	3M ago	12M ago
UK	-20	-18	-32	0
Germany	-184	-194	-202	-130
Switzerland	-315	-343	-367	-222
Japan	-344	-345	-399	-302
Australia	6	6	-28	19
China	-154	-154	-212	-69
India	315	304	258	380
South Korea	-72	-69	-55	-7
Malaysia	-22	-48	-71	43
Indonesia	268	237	222	337
Thailand	-130	-138	-145	-107
Philippines	211	194	174	358
Brazil	660	671	696	931
Mexico	508	508	499	498
Chile	155	144	166	162
Colombia	609	649	750	988
Peru	279	270	276	416

Spread over German Bund (bps)

Country	Jan-2024	1M ago	3M ago	12M ago
France	53	55	64	50
Netherlands	31	34	36	32
Belgium	57	59	69	61
Austria	56	57	65	61
Ireland	32	33	45	49
Italy	167	179	206	195
Spain	97	102	115	104
Portugal	64	67	79	96

Source: Bloomberg

Economic Data

US	Jan-2023	Feb-2023	Mar-2023	Apr-2023	May-2023	Jun-2023	Jul-2023	Aug-2023	Sep-2023	Oct-2023	Nov-2023	Dec-2023	Trend*
ISM Manufacturing (Index)	47.4	47.7	46.3	47.1	46.9	46.0	46.4	47.6	49.0	46.7	46.7	47.4	down
ISM Non-Manufacturing (Index)	55.2	55.1	51.2	51.9	50.3	53.9	52.7	54.5	53.6	51.8	52.7	50.6	down
Durable Goods (% MoM)	-1.3	-2.7	3.3	1.2	2.0	4.3	-5.6	-0.1	4.0	-5.1	5.4	-	up
Consumer Confidence (Index)	106.0	103.4	104.0	103.7	102.5	110.1	114.0	108.7	104.3	99.1	101.0	110.7	down
Retail Sales (% MoM)	7.4	5.3	2.2	1.3	2.1	1.5	2.8	2.8	4.0	2.2	4.1	-	down
Unemployment Rate (%)	3.4	3.6	3.5	3.4	3.7	3.6	3.5	3.8	3.8	3.8	3.7	3.7	up
Avg Hourly Earnings YoY (% YoY)	5.2	5.3	5.2	4.9	4.9	4.7	4.7	4.5	4.4	4.4	4.4	4.3	down
Change in Payrolls ('000, MoM)	472.0	248.0	217.0	217.0	281.0	105.0	236.0	165.0	262.0	105.0	173.0	216.0	down
PCE (% YoY)	4.9	4.84	4.78	4.76	4.69	4.28	4.19	3.73	3.59	3.39	3.16	-	down
GDP (% QoQ, Annualized)	-	-	2.2	-	-	2.1	-	-	4.9	-	-	-	up

Eurozone	Jan-2023	Feb-2023	Mar-2023	Apr-2023	May-2023	Jun-2023	Jul-2023	Aug-2023	Sep-2023	Oct-2023	Nov-2023	Dec-2023	Trend*
PMI Manufacturing (Index)	48.8	48.5	47.3	45.8	44.8	43.4	42.7	43.5	43.4	43.1	44.2	44.4	up
PMI Services (Index)	50.8	52.7	55.0	56.2	55.1	52.0	50.9	47.9	48.7	47.8	48.7	48.8	down
IFO Business Climate (Index)	90.1	90.9	92.9	93.1	91.5	88.7	87.4	85.8	85.8	86.9	87.2	86.4	up
Industrial Production (% MoM)	0.4	1.6	-4.2	1.1	0.1	-0.1	-1.3	0.6	-1.0	-0.7	-	-	down
Factory Orders GE (% MoM)	0.6	4.3	-10.7	0.1	6.2	7.6	-11.4	1.9	0.7	-3.8	0.3	-	up
Unemployment Rate (%)	6.7	6.6	6.5	6.5	6.5	6.4	6.5	6.5	6.5	6.5	6.4	-	down
M3 Growth (% YoY, 3 months MA)	3.1	2.5	2.0	1.5	0.9	0.4	-0.4	-0.9	-1.2	-1.0	-	-	down
CPI (% YoY)	8.6	8.5	6.9	7.0	6.1	5.5	5.3	5.2	4.3	2.9	2.4	2.9	down
Core CPI (% YoY)	5.3	5.6	5.7	5.6	5.3	5.5	5.5	5.3	4.5	4.2	3.6	3.4	down
GDP (% QoQ)	-	-	0.1	-	-	0.1	-	-	-0.1	-	-	-	down

UK	Jan-2023	Feb-2023	Mar-2023	Apr-2023	May-2023	Jun-2023	Jul-2023	Aug-2023	Sep-2023	Oct-2023	Nov-2023	Dec-2023	Trend*
PMI Services (Index)	48.7	53.5	52.9	55.9	55.2	53.7	51.5	49.5	49.3	49.5	50.9	53.4	up
Consumer Confidence (Index)	-45.0	-38.0	-36.0	-30.0	-27.0	-24.0	-30.0	-25.0	-21.0	-30.0	-24.0	-22.0	down
Unemployment Rate (%)	3.7	3.8	3.9	3.8	4.0	4.2	4.3	-	-	-	-	-	down
CPI (% YoY)	10.1	10.4	10.1	8.7	8.7	7.9	6.8	6.7	6.7	4.6	3.9	-	down
GDP (% YoY)	-	-	0.4	-	-	0.3	-	-	0.3	-	-	-	down

Japan	Jan-2023	Feb-2023	Mar-2023	Apr-2023	May-2023	Jun-2023	Jul-2023	Aug-2023	Sep-2023	Oct-2023	Nov-2023	Dec-2023	Trend*
Nomura Manufacturing PMI (Index)	48.9	47.7	49.2	49.5	50.6	49.8	49.6	49.6	48.5	48.7	48.3	47.9	down
Machine Orders (% YoY)	4.5	9.8	-3.5	-5.9	-8.7	-5.8	-13.0	-7.7	-2.2	-2.2	-	-	up
Industrial Production (% YoY)	-2.8	-0.6	-0.8	-0.7	4.2	0.0	-2.3	-4.4	-4.4	1.1	-1.4	-	up
ECO Watchers Survey (Index)	46.5	51.0	55.2	55.7	54.5	53.6	54.1	52.8	50.4	49.9	49.8	-	down
Jobs to Applicants Ratio (Index)	1.35	1.34	1.32	1.32	1.31	1.3	1.29	1.29	1.29	1.3	1.28	-	down
Labour Cash Earnings (% YoY)	0.8	0.8	1.3	0.8	2.9	2.3	1.1	0.8	0.6	1.5	-	-	up
Department Store Sales (% YoY)	15.1	20.4	9.8	8.6	6.3	7.0	8.6	11.8	9.2	6.1	7.4	-	down
Money Supply M2 (% YoY)	2.7	2.6	2.5	2.6	2.6	2.6	2.5	2.5	2.4	2.4	2.3	-	down
CPI Ex Food & Energy (% YoY)	1.9	2.1	2.3	2.5	2.6	2.6	2.7	2.7	2.6	2.7	2.7	-	up
Exports (% YoY)	3.5	6.5	4.3	2.6	0.6	1.5	-0.3	-0.8	4.3	1.6	-0.2	-	down

Switzerland	Jan-2023	Feb-2023	Mar-2023	Apr-2023	May-2023	Jun-2023	Jul-2023	Aug-2023	Sep-2023	Oct-2023	Nov-2023	Dec-2023	Trend*
KOF Leading Indicator (Index)	101.7	101.4	100.5	97.9	96.1	94.4	96.3	95.7	96.2	95.1	97.2	97.8	up
PMI Manufacturing (Index)	49.3	48.9	47.0	45.3	43.2	44.9	38.5	39.9	44.9	40.6	42.1	43.0	up
Real Retail Sales (% YoY)	-2.0	-0.7	-2.1	-4.0	-1.4	0.7	-2.5	-2.1	-1.7	-0.3	0.7	-	up
Trade Balance (Billion, CHF)	4.94	3.32	4.55	2.5	5.4	4.78	3.01	3.75	6.37	4.71	3.71	-	down
CPI (% YoY)	3.3	3.4	2.9	2.6	2.2	1.7	1.6	1.6	1.7	1.7	1.4	1.7	down

China	Jan-2023	Feb-2023	Mar-2023	Apr-2023	May-2023	Jun-2023	Jul-2023	Aug-2023	Sep-2023	Oct-2023	Nov-2023	Dec-2023	Trend*
PMI Manufacturing (Index)	50.1	52.6	51.9	49.2	48.8	49.0	49.3	49.7	50.2	49.5	49.4	49.0	down
Industrial Production (% YoY)	-	-	3.9	5.6	3.5	4.4	3.7	4.5	4.5	4.6	6.6	-	up
Retail Sales (% YoY)	-	-	10.6	18.4	12.7	3.1	2.5	4.6	5.5	7.6	10.1	-	up
PPI (% YoY)	-0.8	-1.4	-2.5	-3.6	-4.6	-5.4	-4.4	-3.0	-2.5	-2.6	-3.0	-	up
Exports (% YoY)	-12.0	-2.8	10.9	7.4	-7.4	-12.3	-14.2	-8.5	-6.8	-6.6	0.5	-	up
CPI (% YoY)	2.1	1.0	0.7	0.1	0.2	0.0	-0.3	0.1	0.0	-0.2	-0.5	-	down
RRR (%)	11.0	11.0	10.75	10.75	10.75	10.75	10.75	10.75	10.5	10.5	10.5	10.5	down
GDP (% YoY)	-	-	4.5	-	-	6.3	-	-	4.9	-	-	-	down
PMI Non Manufacturing (Index)	54.4	56.3	58.2	56.4	54.5	53.2	51.5	51.0	51.7	50.6	50.2	50.4	down

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

Economic Data

Australia	Jan-2023	Feb-2023	Mar-2023	Apr-2023	May-2023	Jun-2023	Jul-2023	Aug-2023	Sep-2023	Oct-2023	Nov-2023	Dec-2023	Trend*
Consumer Confidence (% MoM)	5.0	-6.9	0.0	9.4	-7.9	0.2	2.7	-0.4	-1.5	2.9	-2.6	2.7	up
Building Approvals (% YoY)	-7.9	-28.1	-12.8	-17.3	-8.4	-17.7	-9.7	-22.4	-20.1	-5.5	-4.6	-	up
Employment Change ('000, MoM)	13.4	62.5	74.2	-6.1	81.3	31.3	2.2	67.1	6.8	42.7	61.5	-	up
Brazil	Jan-2023	Feb-2023	Mar-2023	Apr-2023	May-2023	Jun-2023	Jul-2023	Aug-2023	Sep-2023	Oct-2023	Nov-2023	Dec-2023	Trend*
CPI (% YoY)	5.77	5.6	4.65	4.18	3.94	3.16	3.99	4.61	5.19	4.82	4.68	-	up
Industrial Production (% YoY)	0.3	-2.5	1.0	-2.7	1.9	0.2	-1.2	0.5	0.7	1.1	1.3	-	up
Retail Sales (% YoY)	2.7	1.1	3.3	0.5	-1.1	1.4	2.4	2.4	3.2	0.2	-	-	down
Trade Balance (Millions, USD)	2309.96	2569.46	10747.34	7929.34	10962.81	10146.27	8890.28	9545.1	8904.4	8958.8	8766.0	9360.4	down
Budget Balance (Billions, BRL)	46.69	-90.61	-79.5	-25.43	-119.23	-89.62	-81.91	-106.56	-99.78	-47.15	-80.89	-	up
Chile	Jan-2023	Feb-2023	Mar-2023	Apr-2023	May-2023	Jun-2023	Jul-2023	Aug-2023	Sep-2023	Oct-2023	Nov-2023	Dec-2023	Trend*
Economic Activity Index (% YoY)	0.34	-0.43	-1.8	-0.55	-1.37	-0.4	1.93	-0.42	0.35	0.33	1.22	-	up
CPI (% YoY)	12.33	11.95	11.09	9.91	8.73	7.56	6.48	5.32	5.12	5.03	4.8	3.94	down
Retail Sales (% YoY)	-10.43	-9.26	-8.07	-10.64	-10.63	-13.21	-10.37	-9.43	-5.05	-6.85	-2.4	-	up
Industrial Production (% YoY)	1.01	-0.77	-5.62	-1.62	-4.31	-2.32	-1.62	0.3	1.53	1.15	2.7	-	up
Unemployment (%)	8.0	8.4	8.8	8.7	8.5	8.5	8.8	9.0	8.9	8.9	8.7	-	down
Mexico	Jan-2023	Feb-2023	Mar-2023	Apr-2023	May-2023	Jun-2023	Jul-2023	Aug-2023	Sep-2023	Oct-2023	Nov-2023	Dec-2023	Trend*
PMI (Index)	49.93	51.35	49.62	50.1	49.72	50.89	51.12	52.03	51.05	50.18	50.91	49.84	down
CPI (% YoY)	7.91	7.62	6.85	6.25	5.84	5.06	4.79	4.64	4.45	4.26	4.32	4.66	down
Retail Sales (% YoY)	8.8	5.4	1.7	3.5	2.8	5.9	5.1	3.2	2.3	3.4	-	-	down
Industrial Production (% YoY)	4.08	1.84	1.74	0.89	2.68	1.95	0.77	-1.07	0.87	1.13	-	-	up
Remittances (Millions, USD)	4426.9	4360.4	5186.8	5002.6	5696.9	5575.2	5662.8	5558.8	5606.4	5811.5	4908.1	-	down

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

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