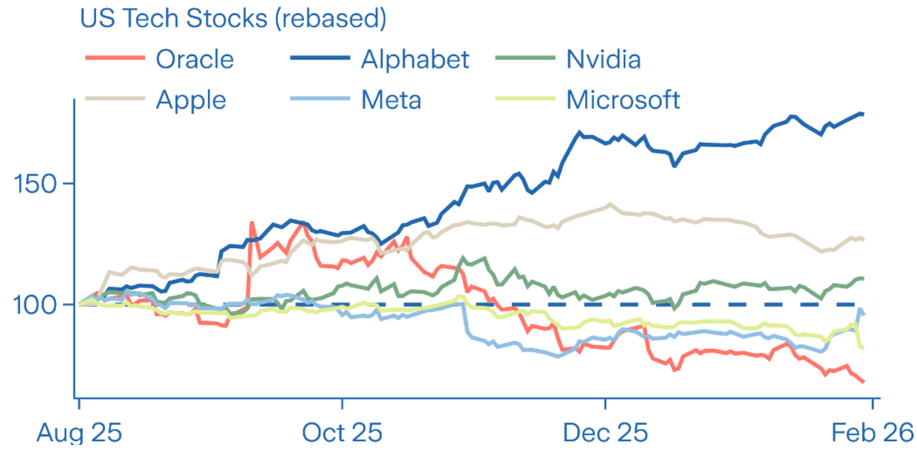
Monthly Investment Insights

3 February 2026

A reshuffling



Source: Bloomberg

Historically, US midterm election years have been more challenging for investors with increased volatility and lower average returns, particularly up until the actual election in November after which markets have shown a decent performance into year-end on average. January 2026 certainly did live up to the historical evidence. Following the new record high early in the month, equity markets suffered a short sharp dip only to come back with more fervour to reach yet another all-time high at the end of the month. This is remarkable given everything that was thrown at investors within a just a few weeks: rising tensions around Greenland paired with new tariff threats against a range of European countries, the build-up of US forces in the Middle East for potential strikes against Iran, another sharp sell-off in Japanese government bonds on renewed fiscal concerns, the rising risk of another US government shutdown and the US dollar falling to the lowest level in years.

Investors have mostly been looking through the news flow because fundamentals remain supportive for equities. Economic growth in the US is expected to be robust, particularly in the first half of the year, helped by a significant fiscal boost in the coming months. The average profit margin of all the S&P 500 companies is close to the highest ever and corporate earnings keep growing at a solid pace. The reporting season is still gathering steam, but early signs point at another quarter with positive surprises and double-digit earnings growth. Nevertheless, investors are increasingly differentiating between sectors and companies as shown by the different stock price reactions in the aftermath of Meta's and Microsoft's earnings releases. Solid earnings growth is expected to be the main driver of equity performance this year as valuations are unlikely to expand much further and interest rates are not expected to fall significantly to provide additional support. Materials, energy and industrials have been important drivers of recent stock market gains while the technology sector has been consolidating following the strong run in the aftermath of 'liberation day'. The rotation in leadership is also clearly visible in smaller capitalised companies handsomely outperforming their larger peers since the beginning of the year. At the same time, investor sentiment is positive but not exuberant and market setbacks are being used as a buying opportunity, indicating that positioning is not extreme either.

2026 is unlikely to be an exception when it comes to higher volatility in an election year. Nevertheless, given the benign growth and earnings environment, potential market setbacks can still be considered a buying opportunity.

Market Assessment

Key developments

- Global growth is robust, with solid investment spending and contained inflation
- Japan suffers a sharp sell-off in JGBs on renewed fiscal concerns
- Equity markets remain well supported, with investors rotating between regions and across sectors

Zurich's view

Markets had a choppy start into the new year, influenced by growing geopolitical tensions, rising bond yields triggered by fiscal worries in Japan, and the US dollar weakening to the lowest level in years as investors scrutinise the US administration's latest policy initiatives. At the same time, however, global growth remains robust and the outlook for corporate earnings is solid. While we expect elevated volatility as we approach the US midterm elections, equities remain our preferred asset class. Sector rotation and more selective investors are a healthy development, broadening out the stock market rally and reducing the concentration risk that has been building up in the aftermath of 'liberation day'.

Bond markets reflect economic fundamentals and appear to be rangebound with the exception of Japan where fiscal concerns are a potential headwind for government bonds. Credit markets are likely to hold in for the short-term, but risk reward continues to build negatively.

	Key developments	Zurich's view
Global	• Economic activity remains resilient, supported by fiscal and monetary easing and robust capex spending • Inflation has been contained with further declines expected, though AI and tech related input price pressures are emerging • The global rate cutting cycle is approaching its end, though some further rate cuts should be forthcoming	Despite the unpredictable geopolitical backdrop, the global economy remains robust. The Flash PMIs point to solid growth in early 2026, supported by fiscal and monetary easing and strong AI and defence spending. Global trade remains on an uptrack despite tariffs, boosted by surging tech related exports in Asia. Inflation data have been constructive globally, with further declines in inflation reflecting both softening services dynamics and disinflationary goods prices. While further progress is expected, price pressures around the AI and technology buildout are emerging, reflecting surging demand for key components in combination with constrained supply. This poses a risk to the relatively benign inflation outlook and warrants continued vigilance from central banks.
US	• Services activity picks up, with strong new orders and employment • The Fed remains on hold as inflation rates are still elevated • Stocks were up in January with smaller companies doing particularly well	The US economy remains in good shape according to the latest batch of economic data. The outlook for manufacturing is improving and services activity has picked up, with strong new orders and employment expanding for the first time since May 2025 based on the latest ISM survey. Inflation rates held steady at the end of 2025, but price pressure remains elevated, and a pickup in trimmed mean measures shows that the Fed will have to proceed with caution. This is also emphasised by both longer term inflation expectations and Treasury yields rising to the highest since last summer in recent weeks. Meanwhile, stocks had a rather volatile start into the new year, but most indices ended January in positive territory, with smaller cap stocks doing particularly well given the solid economic background.
UK	• Business activity picks up markedly at the beginning of the year • Inflation rates remain elevated, but are expected to fall over the course of the year • Smaller cap stocks outperform their larger peers as the domestic growth picture improves	Business surveys show that the UK economy enjoyed a solid increase in output levels at the start of 2026, with the Composite PMI rising to the highest level in almost two years. Services activity was the main driver of the expansion, but manufacturing also picked up to a level not seen since August 2024. Meanwhile, the labour market continues to show signs of weakness, with the unemployment rate remaining at 5.1%. 10yr gilt yields briefly dipped to the lowest in more than a year before rebounding as inflation rates remained elevated at the beginning of 2026. UK equities enjoyed a good start into the new year, supported by a benign global environment. Helped by a stronger domestic growth picture, smaller capitalised stocks handsomely outperformed their larger peers in January.
Eurozone	• There is growing evidence of an economic recovery in Germany • In France, the budget is adopted, but political stability is likely fleeting • Equities start the year strongly, lead by Energy, Industrials and Utilities	US-EU trade tensions escalated and receded in record time over Greenland. Despite a truce, and a deal with Mercosur, the reality is that trade is likely to be a drag on growth this year. At the moment, however, German economic activity is showing clear signs of improvement. PMI activity indicators accelerated markedly in January, although other measures like the ifo were more muted. Structural issues clearly remain in international manufacturing competitiveness, but domestic orders are surging. By contrast, French data have been disappointing, with PMIs in contractionary territory. The bond market reacted positively to PM Lecornu passing a budget, although an extension of supposedly one-off corporate taxes hurts French-domiciled equities. Political stability is fragile, as is the fiscal situation.
Switzerland	• Economic activity begins to improve as external headwinds diminish, though the manufacturing sector remains under pressure • Inflation weakness is set to persist, though a return to broadbased deflation remains unlikely • The SNB is expected to keep rates unchanged, despite inflation weakness	Economic activity remains subdued, though the latest data suggest that growth momentum has started to recover. The Manufacturing PMI marked stronger orders and output dynamics in January while services activity has bounced following weakness in H2 last year. A key driver is the reduction of US tariffs in Q4, but improving economic activity in the Eurozone, which remains the key trading partner for Switzerland, is also important. Inflation is notably weak, with producer prices in deflation and a lack of upward pressure on consumer prices. Furthermore, the strong franc is set to amplify the weak dynamics in coming months. While we do not anticipate any further rate cuts from the SNB, risk to the rate outlook remains to the downside.

	Key developments	Zurich's view
Japan	• Snap election announcement triggers sharp moves in JGB yields and the yen • The Bank of Japan keeps rates unchanged but also maintains a hawkish tone • Equities remain volatile due to election uncertainty and FX fluctuations	The currency and bond markets saw wild moves following PM Takaichi's surprise announcement of a snap election on February 8. Long dated JGB yields jumped, with 10-, 30- and 40 year bonds now at 2.2%, 3.6% and nearly 4%, levels unthinkable just years ago. The JPY/USD traded close to 160 before verbal intervention by Japanese authorities triggered an unwind of crowded JPY shorts, strengthening the yen notably. We expect volatility to remain until the election outcome. Mounting pressure on JGB yields, coupled with fresh JPY volatility, makes additional BoJ tightening increasingly likely near term. We expect the BoJ to have raised rates by 50bps in total by year end. Equity earnings, especially in banking, remain strong. We are medium term constructive but near term cautious given election uncertainty.
China	• Domestic momentum remains weak, with the property slump dragging on confidence and investment • Export strength, supported by China's role in key global supply chains, is helping to cushion domestic softness • Equity valuations are attractive, with resilience in AI, renewables, and selective consumer names	Momentum on the domestic front is weak as the ongoing property sector slump continues to weigh on consumer confidence. Retail sales have slowed notably and investment has contracted. But this softness is partly cushioned by strong exports, which are supported by China's dominant position in global supply chains in everything from critical minerals to batteries, EVs, and solar panels. Policy is likely to remain supportive, with targeted fiscal measures and selective monetary easing aimed at stabilising the property market and shoring up confidence; however, we expect the scale to remain modest. Equity valuations remain attractive, but near term performance will hinge on incremental policy catalysts. AI infrastructure, renewable supply chains, and selective consumer names will likely be resilient.
Australia	• December sees strong jobs growth • The RBA hikes rates by 25bps • The AUD/USD exchange rate is pushing to fresh highs	Recent economic data releases have underscored the narrative that the rate cut cycle is over. Inflation has remained stubbornly high, with the December print rising 3.8% YoY, whilst on the jobs front, full-time employment grew very strongly, rising by 55,000 for the traditionally quiet month of December. The RBA hiked rates by 25bps at its meeting in early February, a stark reversal from the start of December when the market was pricing a rate cut. The appreciating AUD/USD exchange rate is in part a reflection of expectations for a widening interest rate differential to US rates as much as it is a reflection of a global weakening trend for the US dollar. The Australian dollar is now at levels not seen since June 2022, and has risen 5% YTD relative to the US dollar.
India	• Inflation remains weak while growth momentum stays strong • The government budget is projecting a fiscal deficit of 4.3% of GDP for FY27 • Persistent rupee weakness underscores external pressure and keeps FX intervention in focus	Consumer price inflation ticked up modestly in December, with headline CPI around 1.3% YoY, still well below the Reserve Bank's comfort threshold but edging up from near record lows. The central government budget signals a balanced stance, with a fiscal deficit for FY27 of 4.3% of GDP, which appears credible. Despite decent growth momentum and a supportive policy backdrop, India's assets remain unloved by investors, with foreign outflows weakening the currency further. Bond yields edged higher as Bloomberg postponed inclusion of Indian debt in its Global Aggregate Index while equities have become a major regional underperformer. We think the recent moves look overdone and equity performance should gradually recover, reflecting a strong growth backdrop and looser monetary policy.
LatAm	• Inflation wrapped up 2025 on a constructive note across LatAm • Brazil's Central Bank held the Selic rate steady, but signalled an easing cycle starting in March • LatAm equities opened 2026 strong, supported by renewed foreign inflows, a softer USD, and favourable terms of trade	Mexico and Brazil's December inflation prints were within their respective central bank's tolerance bands, while Chile is on track to reach its 3% target as early as Q1 2026. As expected, Brazil's Central Bank kept the Selic rate unchanged at its January meeting. However, the Committee provided explicit forward guidance that the easing cycle is set to begin in March, provided the baseline scenario materializes. LatAm equities opened the year with solid momentum. We remain constructive on the region, with Brazilian equities offering the greatest upside given the substantial monetary easing cushion ahead. While the October presidential election will add volatility, rising support for opposition candidates suggests a competitive race, with politics likely becoming a key market driver later in the year.

Valuation snapshot (MSCI Indices)

Current trailing valuations

	US	Europe ex UK	UK	Switzerland	Japan	APAC ex Japan	China	Brazil	Mexico
12m Trailing P/E	28.3	18.1	15.5	20.5	19.2	20.3	16.0	12.0	17.4
12m Trailing P/B	5.6	2.5	2.3	4.4	2.0	2.4	1.7	2.0	2.6
12m Trailing P/CF	22.3	12.4	10.5	14.4	19.0	11.3	7.4	6.3	10.3
Dividend Yield	1.1	2.8	3.1	2.8	1.9	2.1	2.0	5.9	4.2
ROE	18.9	12.7	11.3	19.5	10.0	12.0	11.5	15.1	15.5

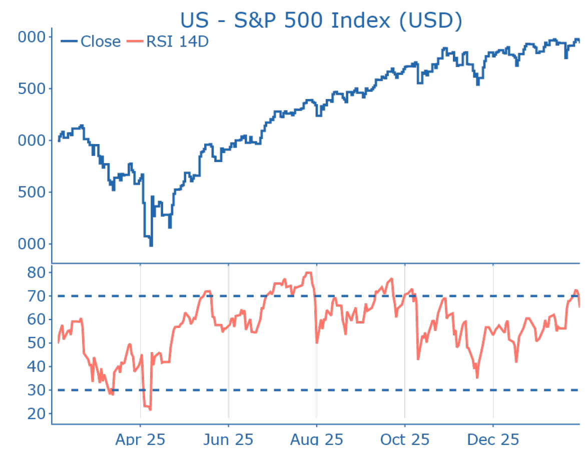
Current trailing valuations relative to MSCI world

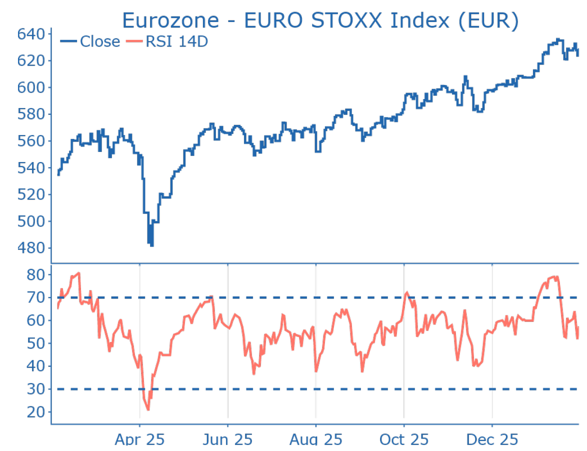
	US	Europe ex UK	UK	Switzerland	Japan	APAC ex Japan	China	Brazil	Mexico
12m Trailing P/E	3.77	-6.36	-8.99	-4.0	-5.31	-4.17	-8.51	-12.46	-7.13
12m Trailing P/B	1.61	-1.51	-1.71	0.39	-2.08	-1.67	-2.29	-2.0	-1.44
12m Trailing P/CF	3.28	-6.64	-8.58	-4.62	-0.09	-7.8	-11.64	-12.77	-8.79
Dividend Yield	-0.45	1.26	1.52	1.23	0.36	0.52	0.42	4.3	2.6
ROE	3.54	-2.66	-4.05	4.13	-5.33	-3.4	-3.87	-0.27	0.18

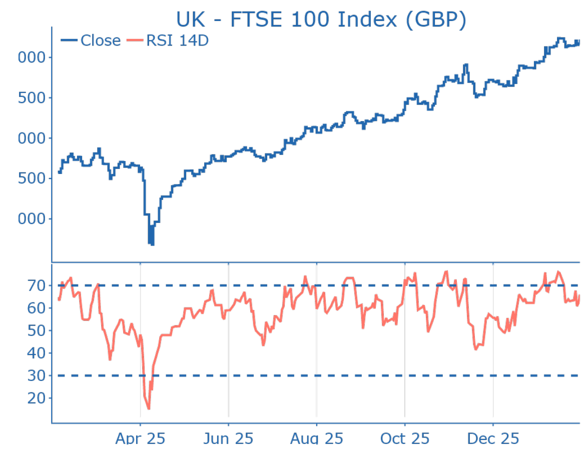
Source: Bloomberg

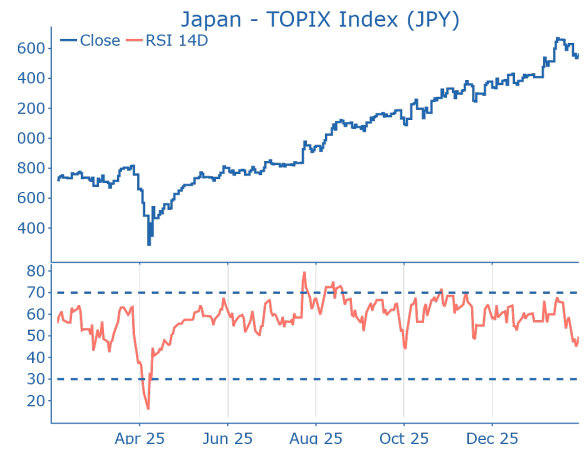
Overbought / Oversold*

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



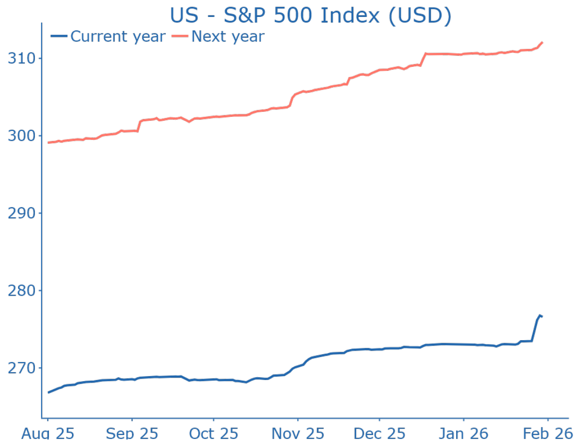


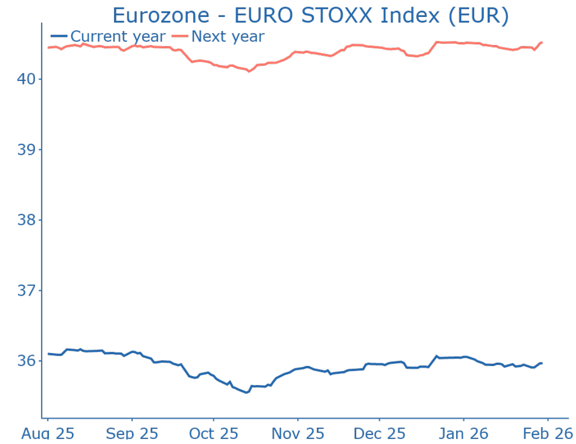


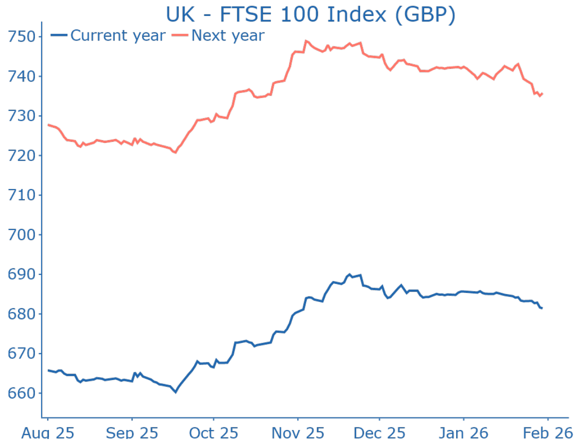


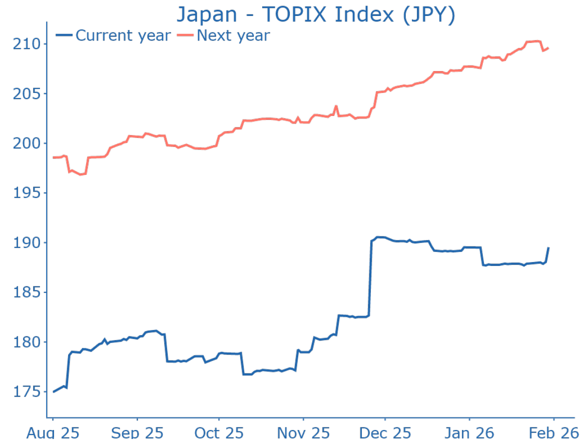
Source: Bloomberg

Earnings estimates - Full fiscal year



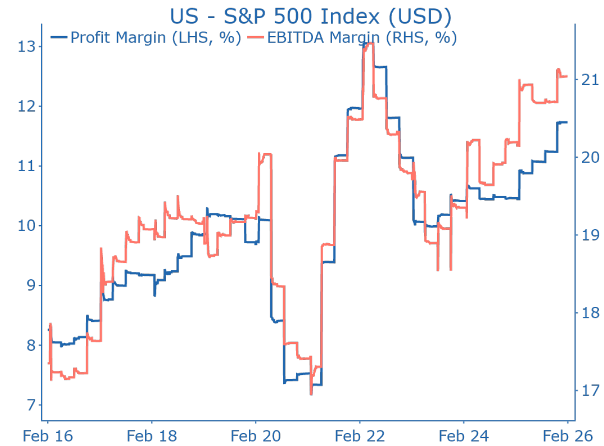


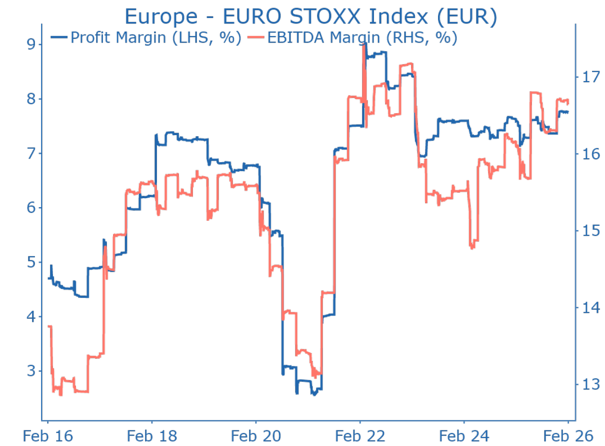


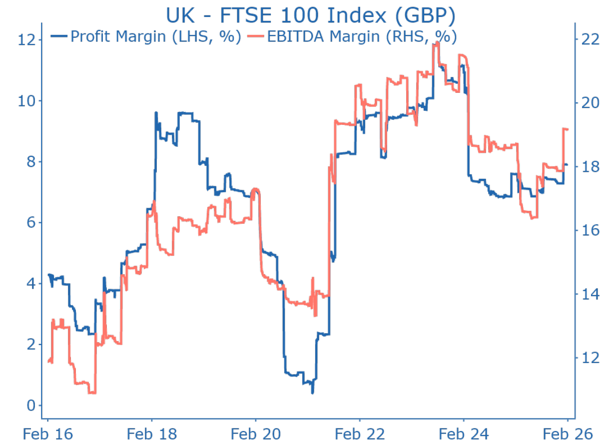


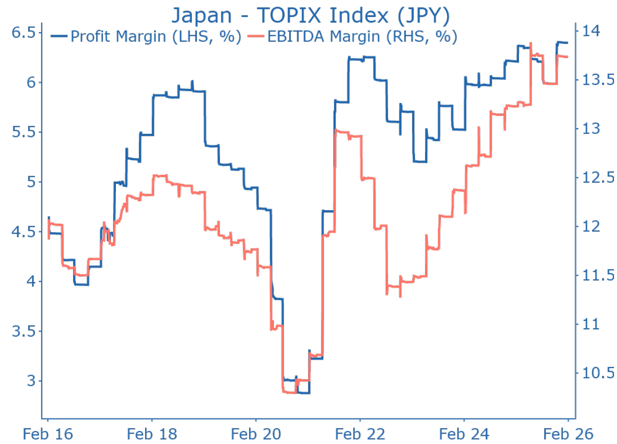
Source: Bloomberg

Historical margins



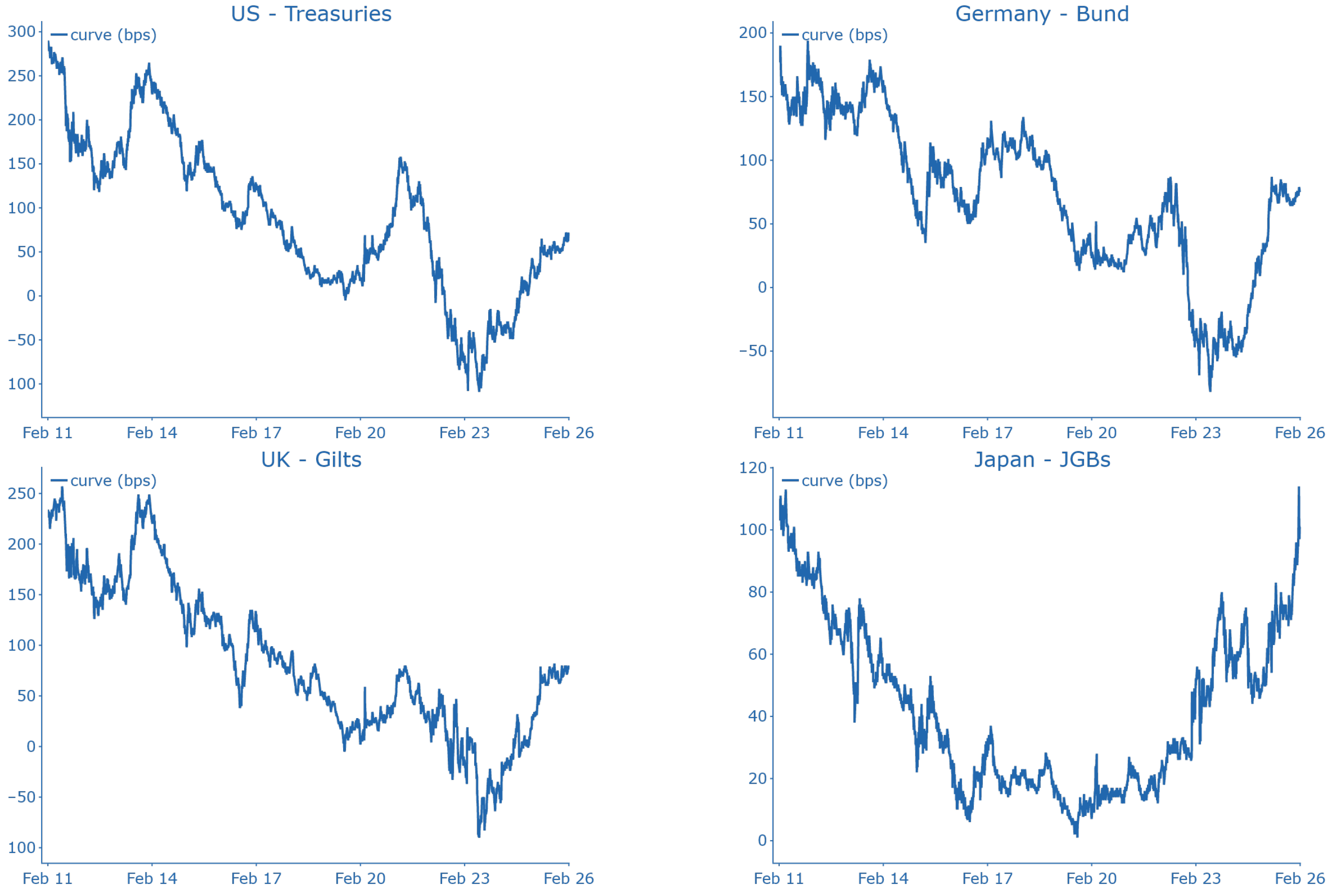






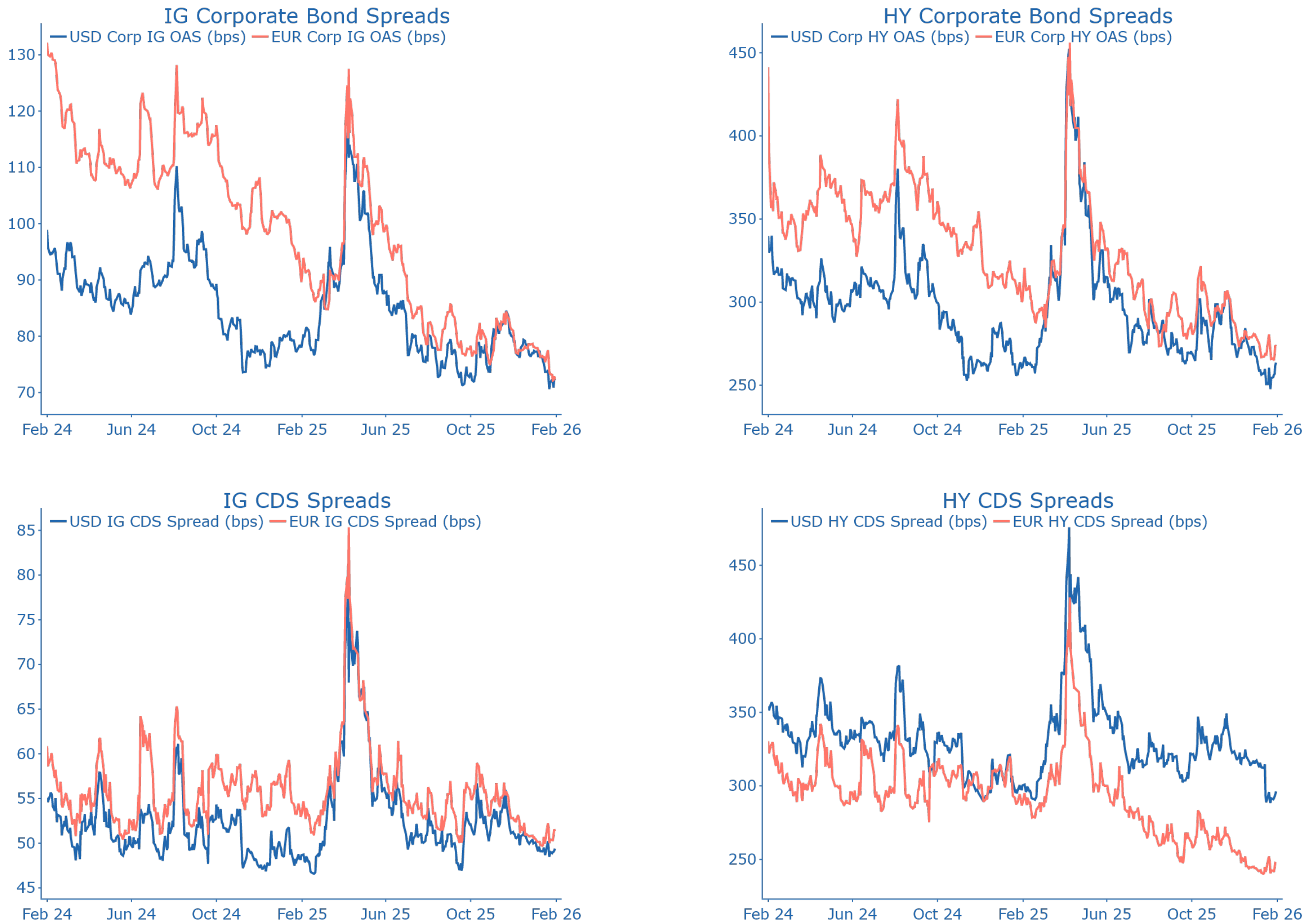
Source: Bloomberg

Yield Curve Steepness (10yr - 2yr)



Source: Bloomberg

Credit Markets (US & Europe)



Source: Bloomberg

Economic Data

US	Mar-2025	Apr-2025	May-2025	Jun-2025	Jul-2025	Aug-2025	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Jan-2026	Trend*
ISM Manufacturing (Index)	48.9	48.8	48.6	49.0	48.4	48.9	48.9	48.8	48.0	47.9	-	down
ISM Non-Manufacturing (Index)	50.8	51.6	50.2	50.8	50.5	51.9	50.3	52.0	52.4	53.8	-	up
Durable Goods (% MoM)	7.6	-6.6	16.5	-9.4	-2.8	3.0	0.6	-2.1	5.3	-	-	up
Consumer Confidence (Index)	93.9	85.7	98.4	95.2	98.7	97.8	95.6	95.5	92.9	94.2	84.5	down
Retail Sales (% MoM)	5.1	5.0	3.4	4.4	4.1	5.0	4.1	3.3	3.3	-	-	down
Unemployment Rate (%)	4.2	4.2	4.3	4.1	4.3	4.3	4.4	-	4.5	4.4	-	up
Avg Hourly Earnings YoY (% YoY)	3.9	4.0	3.9	4.0	3.9	3.9	3.8	3.7	3.8	3.6	-	down
Change in Payrolls (000, MoM)	120.0	158.0	19.0	-13.0	72.0	-26.0	108.0	-173.0	56.0	50.0	-	up
PCE (% YoY)	2.67	2.61	2.78	2.81	2.86	2.91	2.83	2.73	2.79	-	-	down
GDP (%, QoQ, Annualized)	-0.6	-	-	3.8	-	-	4.4	-	-	-	-	down

Eurozone	Mar-2025	Apr-2025	May-2025	Jun-2025	Jul-2025	Aug-2025	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Jan-2026	Trend*
PMI Manufacturing (Index)	48.6	49.0	49.4	49.5	49.8	50.7	49.8	50.0	49.6	48.8	49.4	down
PMI Services (Index)	51.0	50.1	49.7	50.5	51.0	50.5	51.3	53.0	53.6	52.4	51.9	up
IFO Business Climate (Index)	86.7	86.8	87.4	88.2	88.5	88.8	87.7	88.4	88.0	87.6	87.6	down
Industrial Production (% YoY)	3.7	0.3	3.0	0.6	1.9	1.2	1.2	1.7	2.5	-	-	up
Indeed 3m average wage growth (% YoY)	2.69	2.9	2.9	2.71	2.54	2.58	2.77	2.72	2.64	2.46	-	down
Unemployment Rate (%)	6.4	6.3	6.4	6.4	6.4	6.3	6.4	6.3	6.3	6.2	-	down
Euro-Area Credit Impulse (%, SA)	2.57	2.98	3.11	2.55	1.98	1.5	1.2	1.54	-	-	-	down
EUR HICP 5y5y Inflation Swaps	2.13	2.06	2.06	2.14	2.13	2.11	2.09	2.06	2.06	2.07	2.14	up
CPI (% YoY)	2.2	2.2	1.9	2.0	2.0	2.0	2.2	2.1	2.1	1.9	-	down
Core CPI (% YoY)	2.4	2.7	2.3	2.3	2.3	2.3	2.4	2.4	2.4	2.3	-	down
GDP (% QoQ)	0.6	-	-	0.1	-	-	0.3	-	-	0.3	-	down

UK	Mar-2025	Apr-2025	May-2025	Jun-2025	Jul-2025	Aug-2025	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Jan-2026	Trend*
PMI Manufacturing (Index)	44.9	45.4	46.4	47.7	48.0	47.0	46.2	49.7	50.2	50.6	51.6	up
PMI Services (Index)	52.5	49.0	50.9	52.8	51.8	54.2	50.8	52.3	51.3	51.4	54.3	down
Consumer Confidence (Index)	-19.0	-23.0	-20.0	-18.0	-19.0	-17.0	-19.0	-17.0	-19.0	-17.0	-16.0	up
Unemployment Rate (%)	4.5	4.6	4.7	4.7	4.7	4.8	5.0	5.1	5.1	-	-	up
CPI (% YoY)	2.6	3.5	3.4	3.6	3.8	3.8	3.8	3.6	3.2	3.4	-	down
House Prices (% YoY)	3.9	3.4	3.5	2.1	2.4	2.1	2.2	2.4	1.8	0.6	-	down
Mortgage Approvals (SA, Thousands)	64.53	61.14	63.43	64.34	65.07	64.57	65.41	64.63	64.07	61.01	-	down
GDP (% YoY)	1.8	-	-	1.4	-	-	1.3	-	-	-	-	down

Switzerland	Mar-2025	Apr-2025	May-2025	Jun-2025	Jul-2025	Aug-2025	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Jan-2026	Trend*
KOF Leading Indicator (Index)	101.0	95.5	97.4	95.5	101.0	97.0	97.8	101.5	101.6	103.6	102.5	up
PMI Manufacturing (Index)	48.9	45.8	42.1	49.6	48.8	49.0	46.3	48.2	49.7	45.8	-	down
Real Retail Sales (% YoY)	1.6	0.9	0.1	4.2	1.0	-0.1	2.2	2.2	2.3	-	-	up
Trade Balance (Billion, CHF)	6.24	6.36	3.99	5.7	4.46	3.77	4.0	4.22	3.8	1.04	-	down
CPI (% YoY)	0.3	0.0	-0.1	0.1	0.2	0.2	0.2	0.1	0.0	0.1	-	down

Japan	Mar-2025	Apr-2025	May-2025	Jun-2025	Jul-2025	Aug-2025	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Jan-2026	Trend*
PMI Manufacturing (Index)	48.4	48.7	49.4	50.1	49.0	49.7	48.5	48.2	48.7	50.0	51.5	up
Machinery Orders (% YoY)	8.4	6.6	4.4	7.6	4.9	1.6	11.6	12.5	-6.4	-	-	down
Industrial Production (% YoY)	1.0	0.5	-2.4	4.4	-0.4	-1.6	3.8	1.6	-2.2	2.6	-	down
ECO Watchers Survey (Index)	47.8	44.6	44.8	45.1	45.5	46.3	46.6	48.5	48.0	48.5	-	up
Jobs to Applicants Ratio (Index)	1.26	1.26	1.24	1.22	1.22	1.2	1.2	1.18	1.18	1.19	-	down
Labour Cash Earnings (% YoY)	2.3	2.0	1.4	3.1	3.4	1.3	2.1	2.5	1.7	-	-	down
Retail Sales (% YoY)	-2.8	-4.5	-7.0	-7.8	-6.2	2.6	1.4	4.3	0.9	-1.1	-	down
Exports (% YoY)	4.0	2.0	-1.7	-0.5	-2.6	-0.1	4.2	3.6	6.1	5.1	-	up
Money Supply M2 (% YoY)	0.8	0.5	0.6	0.8	1.0	1.3	1.5	1.6	1.7	1.7	-	up
CPI Ex Food & Energy (% YoY)	1.6	1.6	1.6	1.6	1.6	1.6	1.3	1.6	1.6	1.5	-	up

China	Mar-2025	Apr-2025	May-2025	Jun-2025	Jul-2025	Aug-2025	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Jan-2026	Trend*
NBS PMI Manufacturing (Index)	50.5	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)	50.8	50.4	50.3	50.5	50.1	50.3	50.0	50.1	49.5	50.2	49.4	down
Industrial Production (% YoY)	7.7	6.1	5.8	6.8	5.7	5.2	6.5	4.9	4.8	5.2	-	down
Retail Sales (% YoY)	5.9	5.1	6.4	4.8	3.7	3.4	3.0	2.9	1.3	0.9	-	down
Exports (% YoY)	12.2	8.0	4.6	5.8	7.1	4.3	8.2	-1.2	5.9	6.6	-	up
CPI (% YoY)	3.1	3.5	1.9	1.9	0.4	-0.9	0.2	1.7	1.1	-0.9	-	down
PPI (% YoY)	-2.5	-2.7	-3.3	-3.6	-3.6	-2.9	-2.3	-2.1	-2.2	-1.9	-	up
RRR (%)	9.5	9.5	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	down
GDP (% YoY)	5.4	-	-	5.2	-	-	4.8	-	-	4.5	-	down

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

Source: Bloomberg

Economic Data

India	Mar-2025	Apr-2025	May-2025	Jun-2025	Jul-2025	Aug-2025	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Jan-2026	Trend*
PMI Manufacturing (Index)	58.1	58.2	57.6	58.4	59.1	59.3	57.7	59.2	56.6	55.0	56.8	down
PMI Services (Index)	58.5	58.7	58.8	60.4	60.5	62.9	60.9	58.9	59.8	58.0	59.3	down
Industrial Production (% YoY)	3.9	2.6	1.9	1.5	4.3	4.1	4.6	0.5	7.2	7.8	-	up
CPI (% YoY)	3.34	3.16	2.82	2.1	1.61	2.07	1.44	0.25	0.71	1.33	-	down
GDP (% YoY)	7.38	-	-	7.81	-	-	8.23	-	-	-	-	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	97.14	97.23	97.21	97.29	-	up
Retail Sales (% YoY)	4.1	3.6	4.5	4.9	5.0	4.8	5.1	5.7	6.3	-	-	up
Unemployment Rate (%)	4.1	4.1	4.1	4.3	4.3	4.3	4.4	4.3	4.3	4.1	-	down
Housing Prices (% YoY)	4.28	3.86	3.55	3.45	3.55	3.86	4.38	5.32	6.16	6.8	7.76	up
CPI (% MoM)	-	2.4	2.1	1.9	3.0	3.2	3.6	3.8	3.4	3.8	-	up

Brazil	Feb-2025	Mar-2025	Apr-2025	May-2025	Jun-2025	Jul-2025	Aug-2025	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Trend*
CPI (% YoY)	5.06	5.48	5.53	5.32	5.35	5.23	5.13	5.17	4.68	4.46	4.26	down
Industrial Production (% YoY)	1.2	3.5	-0.5	3.4	-1.3	0.3	-0.7	2.0	-0.5	-1.2	-	down
Retail Sales (% YoY)	1.6	-0.7	5.4	1.9	0.5	1.2	0.3	0.8	0.9	1.3	-	up
Trade Balance (Millions, USD)	-468.96	7733.66	7649.38	7044.97	5833.41	6973.46	5969.59	3117.79	6654.18	5820.15	9633.16	up
Budget Balance (Billions, BRL)	-97.23	-71.62	-55.54	-125.88	-108.11	-175.58	-91.52	-102.18	-81.52	-101.64	-115.5	up

Chile	Feb-2025	Mar-2025	Apr-2025	May-2025	Jun-2025	Jul-2025	Aug-2025	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Trend*
Economic Activity Index (% YoY)	0.13	4.46	3.14	3.45	3.3	1.84	0.26	2.7	2.15	1.18	-	up
CPI (% YoY)	4.73	4.87	4.52	4.44	4.12	4.25	4.03	4.4	3.44	3.44	3.45	down
Retail Sales (% YoY)	1.85	6.41	3.07	5.18	6.04	5.69	5.24	6.47	8.31	5.82	4.46	up
Industrial Production (% YoY)	-3.69	4.66	3.96	4.75	3.41	1.09	-1.84	1.53	-0.46	-0.9	-1.9	down
Unemployment (%)	8.4	8.7	8.8	8.9	8.9	8.7	8.6	8.5	8.4	8.4	8.0	down

Mexico	Feb-2025	Mar-2025	Apr-2025	May-2025	Jun-2025	Jul-2025	Aug-2025	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Trend*
PMI (Index)	47.0	47.01	45.47	47.33	47.53	45.33	45.59	45.95	46.99	45.82	46.21	up
CPI (% YoY)	3.77	3.8	3.93	4.42	4.32	3.51	3.57	3.76	3.57	3.8	3.69	up
Retail Sales (% YoY)	-2.1	4.1	-1.5	2.6	3.2	2.4	2.4	3.3	3.4	4.4	-	up
Industrial Production (% YoY)	-0.01	3.42	-2.33	0.57	0.74	-1.64	-3.08	-0.72	-1.17	-2.22	-	up
Remittances (Millions, USD)	4458.5	5141.8	4761.2	5360.1	5199.2	5329.9	5578.2	5216.8	5634.8	5124.9	-	up

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

Source: Bloomberg

Spread Snapshot (Generic Government Yield 10yr, bps)

Spread over US Treasuries (bps)

Country	Feb-2026	1M ago	3M ago	12M ago
UK	28	31	33	0
Germany	-139	-131	-144	-207
Switzerland	-400	-384	-394	-411
Japan	-198	-210	-240	-329
China	-242	-231	-228	-290
India	246	241	245	216
Australia	57	57	21	-10
South Korea	-62	-78	-101	-168
Malaysia	-73	-66	-57	-73
Indonesia	209	190	200	245
Thailand	-223	-252	-237	-224
Philippines	175	190	186	169
Brazil	935	956	969	1026
Mexico	463	495	477	557
Chile	110	122	147	149
Colombia	815	845	754	690
Peru	154	161	197	216

Spread over German Bund (bps)

Country	Feb-2026	1M ago	3M ago	12M ago
France	58	70	78	74
Netherlands	6	11	14	19
Belgium	52	49	53	60
Austria	29	25	29	35
Irland	26	16	23	26
Italy	61	69	75	109
Spain	36	43	50	60
Portugal	35	29	35	41

Source: Bloomberg

Disclaimer and cautionary statement

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