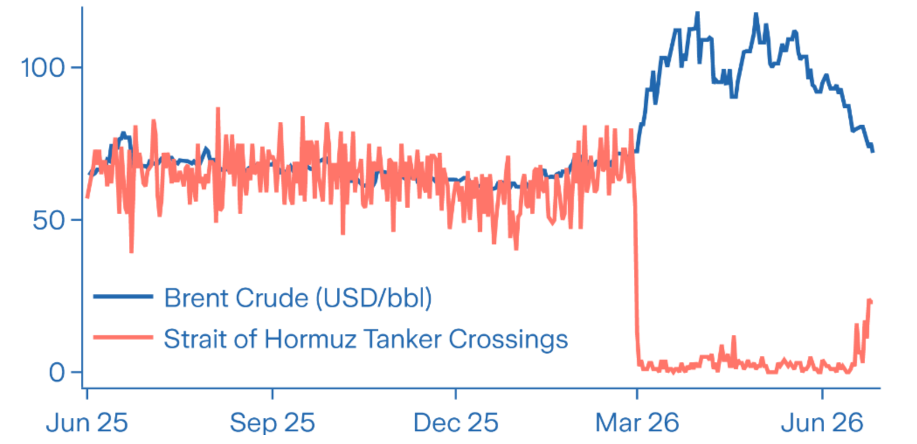
ZURICH

Monthly Investment Insights

1 July 2026

Oil prices: a swift return to normal?



Source: Bloomberg

Energy markets are breathing a sigh of relief following the recently issued Memorandum of Understanding between the US and Iran, which paves the way for the reopening of the Strait of Hormuz. Oil prices have tumbled close to 40% from their peak and are sitting at pre-war levels. Global equities, however, have seen volatility pick up notably, with MSCI World down for the month, led by significant corrections in tech stocks.

Looking through the volatile first half of 2026, the resilience of the global economy has been truly remarkable. While headline inflation picked up, there has been limited spillover to core CPI. The global energy system has proved adaptable, with supply ramping up quickly, and China has played a stabilising role. Weak domestic demand and excess industrial capacity continue to be challenges for China but have created a cooling effect on energy price pressures. Backed by strong energy security and ample oil reserves, China drastically cut its energy imports, easing global demand without causing any disruption to its production lines. For investors globally, monetary policy remains pivotal. The Fed, despite a hawkish message from new Chair, Kevin Warsh, has stayed on hold and continues to anchor global rates. The ECB and some Asian central banks have raised rates, but these have been local moves rather than a synchronised global tightening cycle. With oil retreating, the bar for further hikes is much higher, reducing the risk of worldwide tightening financial conditions drastically.

As geopolitical concerns recede, markets are returning to the defining theme of this cycle: AI. With some AI trades looking frothy, amid reports of ETFs highly leveraged in hot names like SK Hynix and Samsung, we see the short-term consolidation as warranted to clear out excess positioning in the market. That said, clearing froth out of an extended market is different from the notion of an AI bubble bursting. Bubbles are typically characterised by excess capacity. Today, the opposite holds. Demand for compute continues to outstrip supply, with phenomenal earnings growth concentrated among companies supplying the building blocks of the AI ecosystem. Micron's earnings last week, materially beating consensus estimates by 22%, have reinforced the strong outlook for the semiconductor sector. Unlike past cycles driven by software adoption (capital-light), this one is fundamentally a capex story. Companies providing chips, memory, equipment and power infrastructure across Taiwan, Korea, Japan and China are capturing a disproportionate share of value creation, making Asia one of the primary beneficiaries of the AI boom.

With the backdrop more supportive for risk assets, we remain constructive on equities despite recent volatility. Government bond yields have eased from their highs, but investors' worries about mounting fiscal deficits should keep yields rangebound around current levels. Credit spreads remain tight, and the market is very well supported as shown by the demand for debt issuance, which is heavily oversubscribed, offering limited compensation for risk.

Market Assessment

Key developments

- The US-Iran Memorandum of Understanding leads to a steep fall in oil prices and a reopening of the Strait of Hormuz
- The Fed remains on hold although the new Fed Chair, Kevin Warsh, comes with a hawkish message
- Global equities see volatility pick up amid corrections in tech stocks, but long-term trend remains positive

Zurich's view

The US-Iran MoU delivered genuinely good news, sending oil prices tumbling. This averts the risk of a sharp, non-linear price spike from post-summer restocking and meaningfully reduces the spillover from an energy shock to broad-based inflation.

Risks will linger over the coming months, and repairing damaged infrastructure to restore oil flows will take time, but tail risk has receded significantly. The bar for global central banks to raise rates further is now higher, with the Fed expected to stay on hold despite the recent hawkish message from Warsh, the new Fed chair.

All told, we remain constructive on equities based on the more favourable risk backdrop and reinforced by a strong earnings outlook, particularly in the semiconductor sector. Within equities, we favour Asian and US markets over European stocks. Bond yields have come off their highs, but persistent fiscal deficits should keep investors watchful. Credit markets are absorbing a wave of AI-driven supply with ease, a sign of robust investor demand. Yet spreads remain tight, leaving little buffer for risk.

	Key developments	Zurich's view
Global	• Oil prices fall sharply, reducing the risk of a further buildup in inflation • The prospect of further rate hikes has been reduced, which is reflected in falling government bond yields • Economic activity remains resilient, and falling energy prices will lend further support	The price of oil has fallen sharply over the past month following the interim peace agreement in the Middle East. The risk of a more persistent pickup in inflation has been reduced, reflected in market pricing of inflation, which has plummeted. Some further rate hikes have been delivered globally, but pressure on central banks to tighten policy has eased. As a result, government bond yields have fallen, particularly at the long end of the curve. Economic activity is resilient, bolstered by capex spending and fiscal expansion while falling oil prices and easing borrowing costs should lend further support. Though the outlook has brightened, geopolitics remain unpredictable and continue to drive volatility.
US	• The Fed leaves rates unchanged but sends a hawkish message • Inflation accelerates, but the drop in energy prices will help to keep a lid on price pressure • The stock market remains rangebound, with tech stocks weighing on the broader market	The Fed left rates unchanged at its first meeting with the new Chair, Kevin Warsh, but the decision came with a hawkish message. With Warsh emphasising the failure to reach the inflation target for five years in a row the risk of rate hikes has increased, but mixed signals from the labour market and a struggling housing market may keep the Fed on hold. Core PCE inflation accelerated further in May to 3.4% YoY. Longer-term Treasury yields fell back to the lowest in six weeks as the de-escalation between the US and Iran triggered a sharp fall in the oil price. The S&P 500 remained rangebound and failed to break through a new record high as positive geopolitical developments and a more hawkish Fed balanced each other out.
UK	• Keir Starmer steps down as Britain's Prime Minister • The Bank of England keeps rates on hold as inflation slows • Gilt yields fall as oil prices drop and political uncertainty recedes	Keir Starmer's resignation clears the way for Andy Burnham to become Britain's seventh Prime Minister in a decade. Falling gilt yields mostly reflect the substantial drop in energy prices and inflation expectations, but the expected smooth transition reduces political uncertainty in the near term and helps to keep a lid on the gilt risk premium. Accordingly, spreads over Treasuries have narrowed in recent weeks. The Bank of England kept rates on hold as inflation slowed in May, and PMIs are reflecting a very modest growth environment with services activity facing headwinds. The FTSE 100 was mostly rangebound last month but managed to outperform the S&P 500, which was dragged down by the lacklustre performance of some of the big technology firms.
Eurozone	• The ECB hikes interest rates to 2.25%, citing rising inflation • Inflation outlook improves on oil price falls • Equity and bond markets make positive returns on the month	The ECB's rate hike unintentionally coincided with a significant fall in the oil price, undermining their fundamental reason to hike. If prices stay here, HICP inflation is unlikely to accelerate further this year. Economic activity indicators have stabilised at low levels. Consumer confidence is weak but should rise slightly in incoming surveys. The ECB's hike is unhelpful for activity, and we still see no further increases. Bond yields are falling, and we see scope for European bonds to outperform global peers. European equities have bounced, but we prefer other markets given Europe's unfavourable sector mix. Risks remain to both the inflation and growth outlook, particularly if the US-Iran deal breaks down.
Switzerland	• Economic activity starts to improve as manufacturing benefits from the stronger global industrial cycle • The SNB leaves rates unchanged at zero in June, as widely expected • Swiss voters reject the initiative to cap the population at 10 million	After an extended period with subdued economic activity, growth momentum is improving. Manufacturers are benefitting from stronger external demand, led by solid global capex spending. Consumer sentiment has also ticked higher, and falling oil prices should provide further support. Inflation, by contrast, remains subdued, with core CPI at only 0.3% YoY, while downward pressure on producer prices persists. As was widely expected, the SNB left rates unchanged in the June meeting, while softening the language around foreign currency interventions. In June, Swiss voters rejected the initiative to cap the population at 10 million. By reducing risk around the long-term relationship between Switzerland and the EU, the outcome was significant.

	Key developments	Zurich's view
Japan	• The BoJ delivers a 25bp hike alongside an announcement to halt QE tapering next year • Inflation remains soft thanks to energy subsidies • Japan's equities have had a solid run, with profitability holding up well	The Bank of Japan (BoJ) raised its policy rate by 25bps to 1%, as widely expected, while announcing it will halt the tapering of its bond purchases early next year. Markets still see the BoJ as behind the curve, with JPY testing 160 and JGB yields, though off recent highs, still trading 60bps above start of the year levels. Another hike looks likely this year as inflation pass-through builds in H2, though fuel subsidies and easing oil prices, supported by positive Middle East developments, should cushion the impact and keep the situation manageable. Japanese equities have had a strong run. Profitability remains robust, banks are benefiting from solid credit growth and a steeper yield curve, and industrials and tech are riding the capex and global AI boom. We see further upside ahead for Japanese equities.
China	• China's activity data weaken further, although the strength of exports remain intact • Overcapacity is not worsening, but PPI is still negative for key sectors • China's equities are lagging the region	China has weathered the oil shock well, sharply cutting crude imports while keeping output strong, as reflected in solid industrial production. Domestically, however, the macro backdrop remains sharply bifurcated. Exports keep powering ahead while both consumption and investment are negative. Growth is tracking below target, building the case for further stimulus. Inflation has picked up, especially in producer prices, but the rise is narrow, concentrated in commodities and energy. Overcapacity isn't worsening, yet PPI remains negative in key sectors. Chinese stocks have lagged the region. Despite strong earnings, tech is only a small share of equity indices, macro data keep disappointing, and Southbound flows are weak. Valuations remain attractive, but it will likely take policy stimulus to revive the market.
Australia	• The Reserve Bank of Australia keeps rate unchanged at 4.35% • Headline inflation eases, helped by a temporary fuel exercise tax cut • Equity performance has been rangebound, with bank stocks remaining weak	At its mid-June meeting, the RBA held rates at 4.35%, with markets sharply paring back bets on further tightening this year. Headline CPI has eased, helped by the government's temporary fuel excise cut. With fuel supply secured across Asian sources and the tax cut unlikely to extend beyond June, CPI may tick up, though sharply lower global oil prices should temper the rise. Australian equities remain pressured by tight monetary policy, with banks weighed down by softer credit growth from higher mortgage rates and weaker investor housing demand after the government scrapped tax incentives for home buyers. Still, a resilient mining sector—supported by surging global demand for AI-related commodities benefiting miners such as BHP—should cushion weakness in the broader equity market.
India	• The RBI holds rates steady while introducing measures to encourage capital inflows • Inflation edged higher but remains below the RBI's target • India's equities retrace earlier losses as the currency stabilises	In June, the RBI held the repo rate at 5.25% while revising FY27 inflation up to 5.1% and growth to 6.6%. A key highlight was a set of measures to attract foreign capital, including tax exemptions on interest income and capital gains for foreign investors in government bonds, alongside incentives to hold Indian assets. Inflation has risen, though the oil price rise was cushioned by the administered fuel pricing system. After a bout of high volatility, calm is returning to the market. Bond yields are easing, FX is stabilising, and equities have recovered some earlier losses. Looking ahead, while the US-Iran Memorandum of Understanding should help steady sentiment, Indian equities remain at a disadvantage versus peers given limited tech exposure and still-elevated valuations.
LatAm	• Softer May CPI in Mexico and Chile allow central banks to stay on hold • Brazil remains the outlier, with inflation above the tolerance range and expectations rising • We favour Chilean equities over Mexican as USMCA uncertainty is weighing on Mexico while Chile should benefit from pro-investment reform momentum	May CPI prints showed a softer inflation picture in Mexico and Chile, allowing central banks to stay on hold. Brazil is the main exception, with inflation running above the tolerance range. Brazilian equities remained the main drag on regional performance amid continued outflows. While the roughly 15% selloff over the past two months has reset valuations, rising expectations of an early pause to BCB easing and a less supportive presidential election scenario warrant a more cautious stance. Among other major markets, we favour Chilean equities over Mexican. While Mexico retains privileged US market access, USMCA-related uncertainty continues to weigh on sentiment. By contrast, Chile looks better positioned for a rebound amid rising expectations that a major pro-investment bill will pass in Q3.

Valuation snapshot (MSCI Indices)

Current trailing valuations

	US	Europe ex UK	UK	Switzerland	Japan	APAC ex Japan	China	Brazil	Mexico
12m Trailing P/E	27.9	18.7	17.1	21.8	20.5	20.5	12.7	10.6	14.8
12m Trailing P/B	5.7	2.6	2.4	4.6	2.1	2.5	1.4	1.8	2.5
12m Trailing P/CF	21.6	11.1	8.9	13.8	62.5	11.3	4.4	5.6	10.1
Dividend Yield	1.1	2.8	3.2	2.7	1.8	1.8	2.2	5.8	4.0
ROE	19.9	12.8	12.3	20.8	9.6	12.6	10.9	16.6	16.7

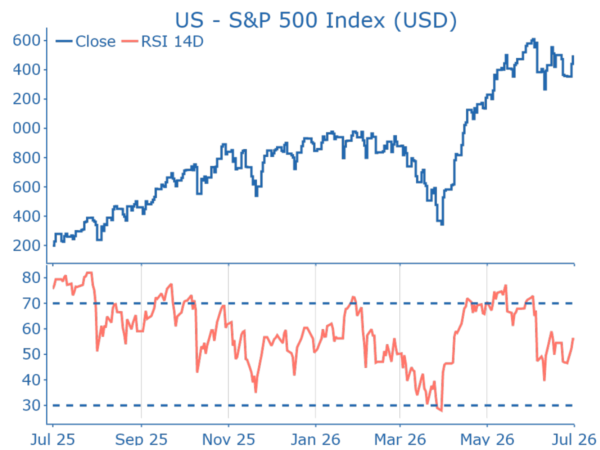
Current trailing valuations relative to MSCI world

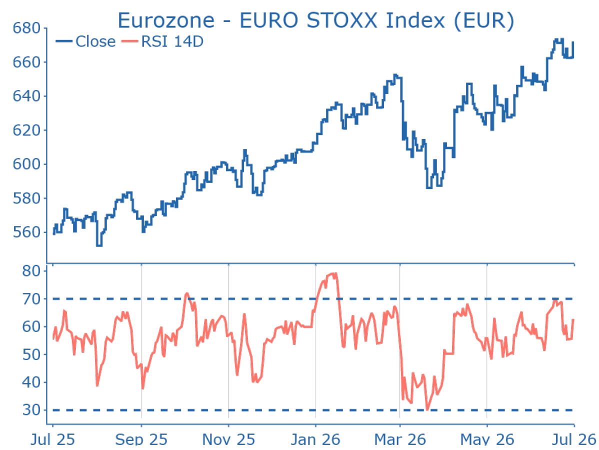
	US	Europe ex UK	UK	Switzerland	Japan	APAC ex Japan	China	Brazil	Mexico
12m Trailing P/E	3.35	-5.8	-7.42	-2.76	-4.04	-4.03	-11.82	-13.92	-9.77
12m Trailing P/B	1.64	-1.55	-1.74	0.48	-2.04	-1.57	-2.75	-2.3	-1.61
12m Trailing P/CF	2.99	-7.56	-9.68	-4.85	43.91	-7.37	-14.23	-12.99	-8.54
Dividend Yield	-0.43	1.3	1.68	1.16	0.27	0.3	0.71	4.29	2.47
ROE	3.85	-3.21	-3.69	4.81	-6.41	-3.43	-5.08	0.56	0.7

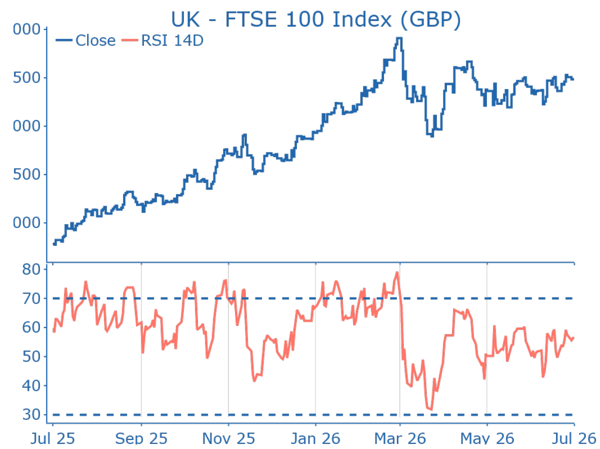
Source: Bloomberg

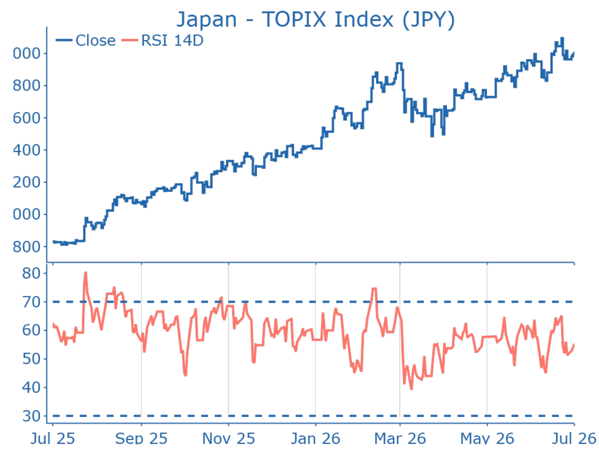
Overbought / Oversold*

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



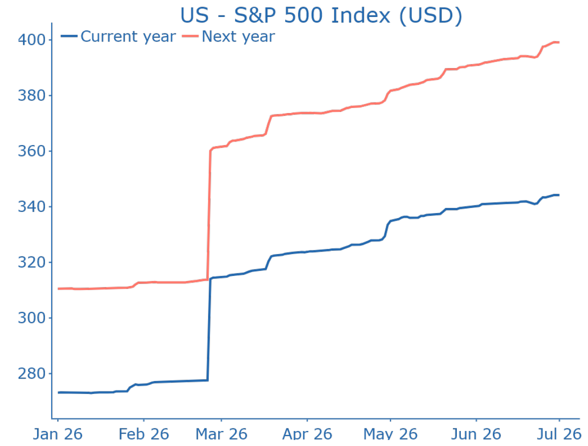


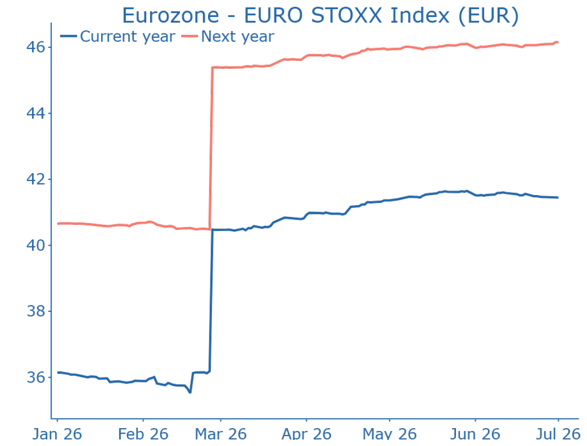


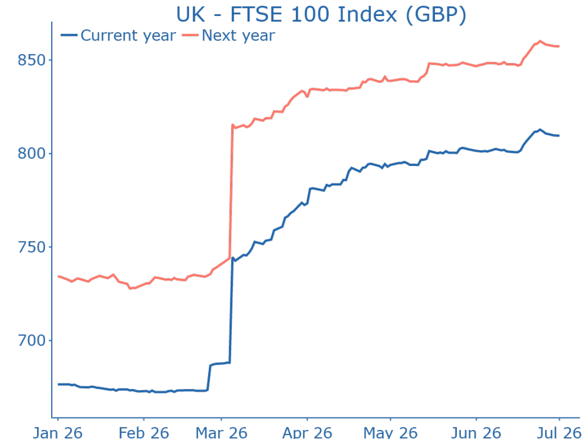


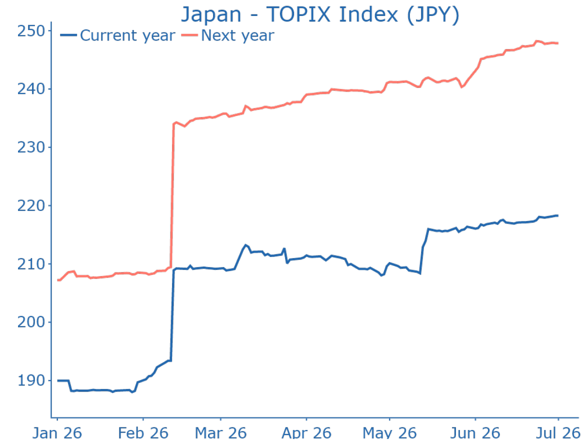
Source: Bloomberg

Earnings estimates - Full fiscal year



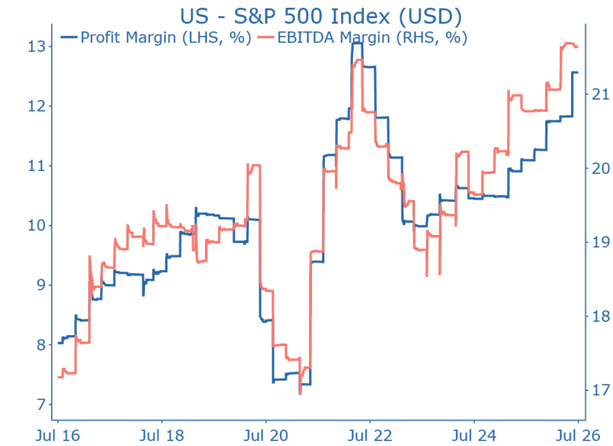


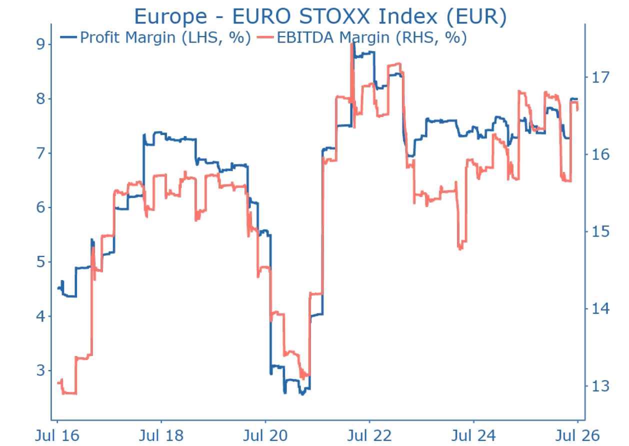


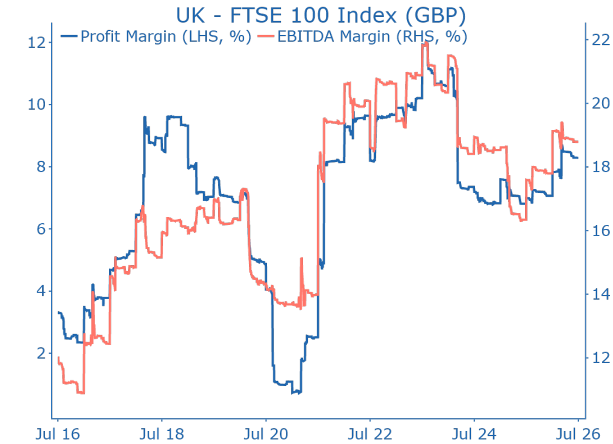


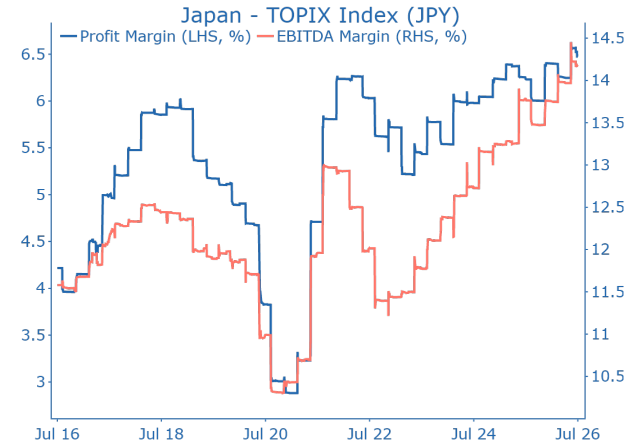
Source: Bloomberg

Historical margins



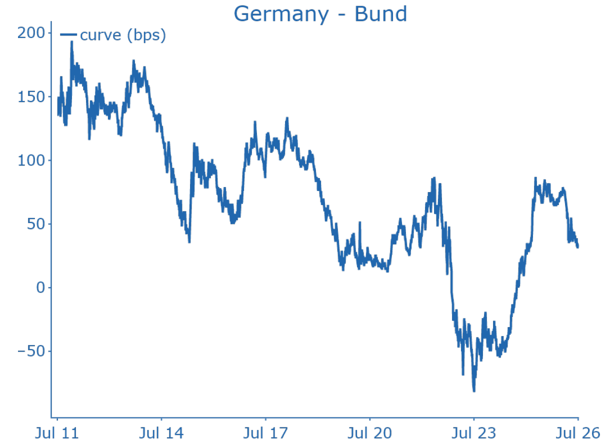


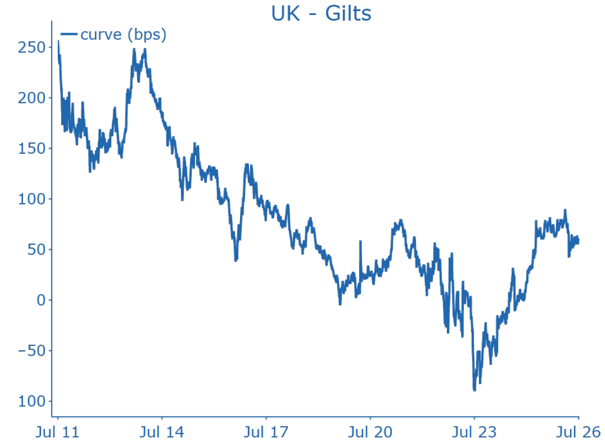




Source: Bloomberg

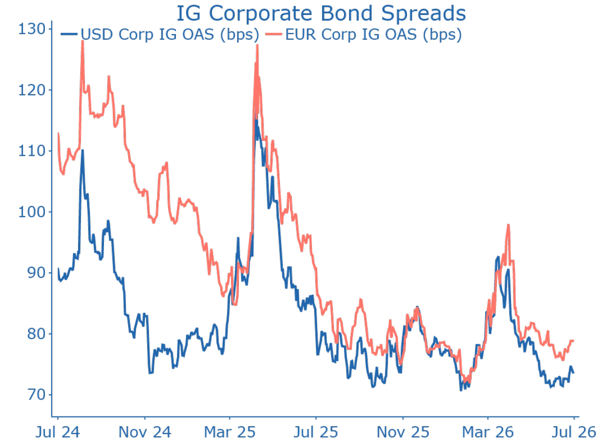
Yield Curve Steepness (10yr - 2yr)

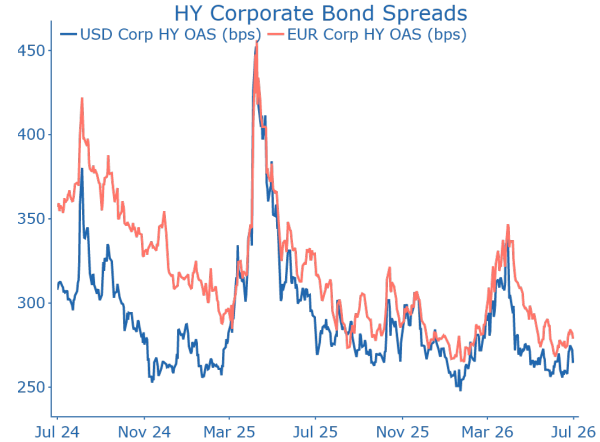


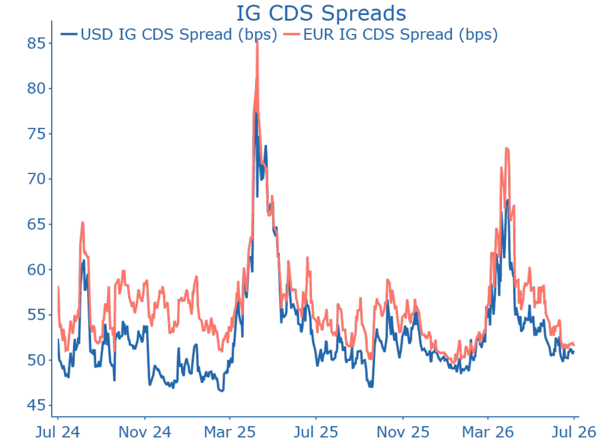


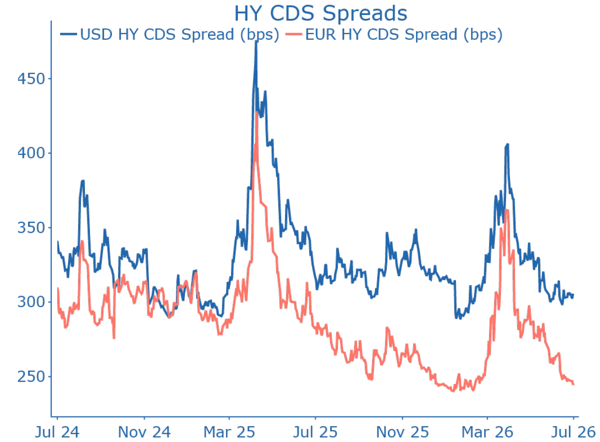
Source: Bloomberg

Credit Markets (US & Europe)









Source: Bloomberg

Economic Data

US	Aug-2025	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Jan-2026	Feb-2026	Mar-2026	Apr-2026	May-2026	Jun-2026	Trend*
ISM Manufacturing (Index)	48.9	48.9	48.8	48.0	47.9	52.6	52.4	52.7	52.7	54.0	-	up
ISM Non-Manufacturing (Index)	51.9	50.3	52.0	52.4	53.8	53.8	56.1	54.0	53.6	54.5	-	down
Durable Goods (% MoM)	3.0	0.6	-2.1	5.4	-0.9	-0.4	-1.2	1.3	8.5	-4.5	-	up
Consumer Confidence (Index)	97.8	95.6	95.5	92.9	94.2	89.0	91.0	92.2	93.8	90.6	91.2	up
Retail Sales (% MoM)	5.0	4.1	3.2	3.2	2.4	3.3	4.2	4.2	4.8	6.9	-	up
Unemployment Rate (%)	4.3	4.4	-	4.5	4.4	4.3	4.4	4.3	4.3	4.3	-	down
Avg Hourly Earnings YoY (% YoY)	4.0	3.8	4.0	4.0	3.8	3.7	3.7	3.5	3.7	3.6	-	up
Change in Payrolls (000, MoM)	-70.0	76.0	-140.0	41.0	-17.0	160.0	-156.0	214.0	179.0	172.0	-	up
PCE (% YoY)	2.91	2.83	2.75	2.83	2.97	3.1	3.05	3.25	3.32	3.41	-	up
GDP (%, QoQ, Annualized)	-	4.4	-	-	0.5	-	-	2.1	-	-	-	down

Eurozone	Aug-2025	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Jan-2026	Feb-2026	Mar-2026	Apr-2026	May-2026	Jun-2026	Trend*
PMI Manufacturing (Index)	50.7	49.8	50.0	49.6	48.8	49.5	50.8	51.6	52.2	51.6	51.3	up
PMI Services (Index)	50.5	51.3	53.0	53.6	52.4	51.6	51.9	50.2	47.6	47.7	48.9	down
IFO Business Climate (Index)	88.9	87.6	88.3	87.9	87.6	87.7	88.5	86.3	84.5	85.0	85.6	down
Industrial Production (% YoY)	1.4	1.4	1.7	1.9	2.2	-1.1	-1.0	-2.8	0.3	-	-	up
Indeed 3m average wage growth (% YoY)	2.39	2.6	2.56	2.51	2.35	2.4	2.49	2.35	2.24	2.35	-	down
Unemployment Rate (%)	6.3	6.3	6.3	6.3	6.3	6.3	6.4	6.3	6.3	-	-	down
Euro-Area Credit Impulse (%, SA)	1.5	1.19	1.59	1.72	1.67	1.37	0.71	-	-	-	-	down
EUR HICP 5y5y Inflation Swaps	2.11	2.09	2.06	2.06	2.07	2.14	2.08	2.13	2.17	2.14	2.09	up
CPI (% YoY)	2.0	2.2	2.1	2.1	2.0	1.7	1.9	2.6	3.0	3.2	-	up
Core CPI (% YoY)	2.3	2.4	2.4	2.4	2.3	2.2	2.4	2.3	2.2	2.6	-	up
GDP (% QoQ)	-	0.3	-	-	0.2	-	-	-0.2	-	-	-	down

UK	Aug-2025	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Jan-2026	Feb-2026	Mar-2026	Apr-2026	May-2026	Jun-2026	Trend*
PMI Manufacturing (Index)	47.0	46.2	49.7	50.2	50.6	51.8	51.7	51.0	53.7	53.9	53.1	up
PMI Services (Index)	54.2	50.8	52.3	51.3	51.4	54.0	53.9	50.5	52.7	49.3	48.7	down
Consumer Confidence (Index)	-17.0	-19.0	-17.0	-19.0	-17.0	-16.0	-19.0	-21.0	-25.0	-23.0	-23.0	down
Unemployment Rate (%)	4.8	5.0	5.1	5.1	5.2	5.2	4.9	5.0	4.9	-	-	down
CPI (% YoY)	3.8	3.8	3.6	3.2	3.4	3.0	3.0	3.3	2.8	2.8	-	down
House Prices (% YoY)	2.1	2.2	2.4	1.8	0.6	1.0	1.0	2.2	3.0	1.7	2.2	up
Mortgage Approvals (SA, Thousands)	64.49	65.42	64.48	64.43	61.56	60.58	63.02	64.02	66.03	56.2	-	down
GDP (% YoY)	-	1.2	-	-	0.9	-	-	0.9	-	-	-	down

Switzerland	Aug-2025	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Jan-2026	Feb-2026	Mar-2026	Apr-2026	May-2026	Jun-2026	Trend*
KOF Leading Indicator (Index)	97.4	97.9	101.4	101.5	103.6	103.4	103.8	95.7	97.8	98.6	101.2	down
PMI Manufacturing (Index)	48.2	46.1	48.1	49.6	46.4	48.8	47.4	53.3	54.5	57.3	-	up
Real Retail Sales (% YoY)	-0.1	2.3	2.2	1.6	2.5	-0.3	0.8	1.3	1.7	3.5	-	up
Trade Balance (Billion, CHF)	3.77	3.97	4.12	3.71	0.98	3.62	4.16	3.17	3.05	6.11	-	up
CPI (% YoY)	0.2	0.2	0.1	0.0	0.1	0.1	0.1	0.3	0.6	0.6	-	up

Japan	Aug-2025	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Jan-2026	Feb-2026	Mar-2026	Apr-2026	May-2026	Jun-2026	Trend*
PMI Manufacturing (Index)	49.7	48.5	48.2	48.7	50.0	51.5	53.0	51.6	55.1	54.5	54.8	up
Machinery Orders (% YoY)	1.6	11.6	12.5	-6.4	16.8	13.7	24.7	5.9	15.6	-	-	up
Industrial Production (% YoY)	-3.3	2.2	0.1	-4.2	0.9	0.7	0.4	2.4	2.0	-1.7	-	down
ECO Watchers Survey (Index)	46.3	46.6	48.5	48.0	48.5	45.4	48.2	44.7	41.6	43.1	-	down
Jobs to Applicants Ratio (Index)	1.21	1.2	1.19	1.19	1.2	1.18	1.19	1.18	1.18	1.17	-	down
Labour Cash Earnings (% YoY)	1.3	2.1	2.5	1.7	2.4	2.5	3.4	3.1	3.6	-	-	up
Retail Sales (% YoY)	2.6	1.4	4.3	0.9	-1.1	2.3	1.6	3.2	5.2	8.3	-	up
Exports (% YoY)	-0.1	4.1	3.6	6.1	5.1	16.8	4.0	11.5	14.8	16.8	-	up
Money Supply M2 (% YoY)	1.3	1.5	1.6	1.7	1.7	1.6	1.7	2.0	2.3	2.5	-	up
CPI Ex Food & Energy (% YoY)	1.6	1.3	1.6	1.6	1.5	1.3	1.4	1.4	1.1	1.1	-	down

China	Aug-2025	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Jan-2026	Feb-2026	Mar-2026	Apr-2026	May-2026	Jun-2026	Trend*
NBS PMI Manufacturing (Index)	49.4	49.8	49.0	49.2	50.1	49.3	49.0	50.4	50.3	50.0	50.3	up
NBS PMI Non Manufacturing (Index)	50.3	50.0	50.1	49.5	50.2	49.4	49.5	50.1	49.4	50.1	50.2	up
Industrial Production (% YoY)	5.2	6.5	4.9	4.8	5.2	-	-	5.7	4.1	4.5	-	down
Retail Sales (% YoY)	3.4	3.0	2.9	1.3	0.9	-	-	1.7	0.2	-0.6	-	down
Exports (% YoY)	4.3	8.2	-1.2	5.9	6.6	10.0	39.6	2.5	14.0	19.4	-	down
CPI (% YoY)	-0.9	0.2	1.7	1.1	-0.9	1.8	-0.1	1.4	2.8	5.3	-	up
PPI (% YoY)	-2.9	-2.3	-2.1	-2.2	-1.9	-1.4	-0.9	0.5	2.8	3.9	-	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)	-	4.8	-	-	4.5	-	-	5.0	-	-	-	down

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

Source: Bloomberg

Economic Data

India	Aug-2025	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Jan-2026	Feb-2026	Mar-2026	Apr-2026	May-2026	Jun-2026	Trend*
PMI Manufacturing (Index)	59.3	57.7	59.2	56.6	55.0	55.4	56.9	53.9	54.7	55.0	54.2	down
PMI Services (Index)	62.9	60.9	58.9	59.8	58.0	58.5	58.1	57.5	58.8	59.8	57.3	up
Industrial Production (% YoY)	3.6	5.5	0.0	6.5	5.8	4.1	4.4	3.0	4.9	5.1	-	up
CPI (% YoY)	2.01	1.41	0.04	0.49	1.17	2.74	3.21	3.4	3.48	3.93	-	up
GDP (% YoY)	-	8.3	-	-	8.0	-	-	7.8	-	-	-	down

Australia	Jul-2025	Aug-2025	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Jan-2026	Feb-2026	Mar-2026	Apr-2026	May-2026	Trend*
Westpac Leading Indicator	97.24	97.17	97.16	97.23	97.18	97.27	97.22	97.17	97.08	97.14	97.1	down
Retail Sales (% YoY)	5.0	4.6	5.0	5.5	5.9	4.9	4.5	4.7	6.4	5.1	5.5	up
Unemployment Rate (%)	4.3	4.3	4.5	4.3	4.3	4.1	4.1	4.3	4.3	4.5	4.4	up
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)	3.0	3.2	3.6	3.8	3.4	3.8	3.8	3.7	4.6	4.2	4.0	up

Brazil	Jul-2025	Aug-2025	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Jan-2026	Feb-2026	Mar-2026	Apr-2026	May-2026	Trend*
CPI (% YoY)	5.23	5.13	5.17	4.68	4.46	4.26	4.44	3.81	4.14	4.39	4.72	up
Industrial Production (% YoY)	0.3	-0.7	2.0	-0.4	-1.4	-0.1	0.2	-0.7	4.4	2.7	-	up
Retail Sales (% YoY)	1.3	0.4	0.9	1.0	1.5	2.4	2.7	0.4	4.0	1.0	-	up
Trade Balance (Millions, USD)	6997.27	5974.63	3141.19	6684.97	5760.56	9324.87	3743.71	3982.94	6534.42	10578.12	7823.24	up
Budget Balance (Billions, BRL)	-175.58	-91.52	-102.18	-81.52	-101.64	-115.5	40.06	-100.59	-199.54	-60.14	-163.68	down

Chile	Jul-2025	Aug-2025	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Jan-2026	Feb-2026	Mar-2026	Apr-2026	May-2026	Trend*
Economic Activity Index (% YoY)	1.6	0.27	3.3	2.06	1.37	1.27	-0.93	-0.31	-0.2	-1.18	-	down
CPI (% YoY)	4.25	4.03	4.4	3.44	3.44	3.45	2.78	2.37	2.83	3.96	3.93	up
Retail Sales (% YoY)	5.69	5.24	6.47	8.31	5.82	4.43	3.58	5.64	4.52	4.08	4.77	down
Industrial Production (% YoY)	1.08	-1.97	1.33	-0.57	-0.68	-1.99	-1.57	-1.36	-3.33	-4.69	-7.49	down
Unemployment (%)	8.7	8.6	8.5	8.4	8.4	8.0	8.3	8.3	8.9	9.1	9.4	up

Mexico	Jul-2025	Aug-2025	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Jan-2026	Feb-2026	Mar-2026	Apr-2026	May-2026	Trend*
PMI (Index)	45.29	45.6	46.01	47.13	46.03	46.69	46.86	47.26	47.65	48.97	48.46	up
CPI (% YoY)	3.51	3.57	3.76	3.57	3.8	3.69	3.79	4.02	4.59	4.45	3.94	up
Retail Sales (% YoY)	2.4	2.4	3.3	3.4	4.4	4.3	5.0	3.1	2.9	4.4	-	down
Industrial Production (% YoY)	-1.44	-2.88	-0.53	-1.05	-2.02	1.34	-2.93	-2.13	-1.04	0.0	-	up
Remittances (Millions, USD)	5329.9	5578.2	5216.8	5634.8	5124.9	5308.8	4594.1	4468.2	5499.8	4978.1	-	up

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

Source: Bloomberg

Spread Snapshot (Generic Government Yield 10yr, bps)

Spread over US Treasuries (bps)

Country	Jul-2026	1M ago	3M ago	12M ago
UK	29	44	51	21
Germany	-157	-145	-133	-166
Switzerland	-416	-402	-394	-382
Japan	-175	-176	-200	-284
China	-272	-274	-250	-259
India	227	256	271	205
Australia	32	42	59	-12
South Korea	-39	-27	-62	-145
Malaysia	-85	-86	-70	-77
Indonesia	271	226	236	236
Thailand	-242	-214	-218	-266
Philippines	244	303	251	200
Brazil	988	977	970	923
Mexico	457	468	479	507
Chile	116	121	127	142
Colombia	731	810	856	804
Peru	162	171	267	213

Spread over German Bund (bps)

Country	Jul-2026	1M ago	3M ago	12M ago
France	80	62	68	67
Netherlands	12	12	13	20
Belgium	58	54	58	56
Austria	26	24	30	38
Irland	18	14	25	31
Italy	78	73	84	87
Spain	49	42	47	64
Portugal	39	36	42	45

Source: Bloomberg

Disclaimer and cautionary statement

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