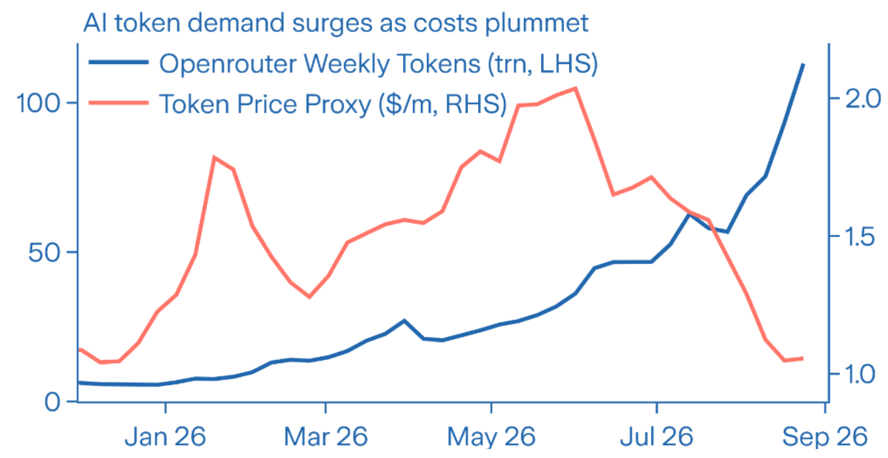
Monthly Investment Insights

1 September 2026

The singularity? AI drives stronger economic activity while funding pressure rises



Source: Openrouter.ai, Silicon Data

Sam Altman, Elon Musk and the co-founders of the payment company Stripe have all announced that they offically think that we are in the singularity. In regard to AI, this is the inflection point where self-improving superintelligent machines surpass humans at dizzying and increasing speeds. Stripe's evidence, an explosion in new business registrations in their internal data, is a welcome development but perhaps a downgrade of the definition.

AI continues to power both markets and the macroeconomic landscape. For now, we think this is set to continue. Compute demand, token usage and model capability all continue to surge higher. Economic data and equity earnings alike are being significantly bolstered, primarily in the form of capital expenditures for AI infrastructure. We see this in activity surveys and earnings reports across the globe. Global equity markets remain robust. The MSCI World equity index is hovering near its highs. Global PMIs are improving, with most regions except China recording robust activity. Labour markets have a goldilocks aspect: neither too hot to cause inflation, nor too cool to cause recession.

We like exposure to global equity markets and believe that the AI buildout will be an aggregate economic and market positive. But volatility in single stocks is historically high and could spill over to the broader market. Negative news from key firms in the AI ecosystem is a clear risk. As with the curious definition of the singularity, there is reason to be watchful. Anthropic and OpenAI hint that they are close to 'recursive self-improvement', the Holy Grail for AI progress. Whether marketing or reality, they may need the breakthrough. These frontier US AI model firms are exposed to the flux of AI economics. A variety of alternatives, including open-source models, are increasing popular and capable options. Similarly, firms currently providing key infrastructure components may not remain winners. Innovation is happening under compute and memory constraints, with incentives to permanently bypass bottlenecks.

Bond markets are flashing an amber warning signal as global yields continue to climb. While current levels should not derail positive conditions, they are likely to weigh on activity. Central banks are turning hawkish at the margin, with the ECB and now the Fed likely to hike next month. Some of the bond weakness is related to surging AI CapEx. Credit markets continue to absorb this issuance deluge, although we remain wary of tight spread levels.

The broader yield picture is one of increasing private sector involvement as sovereign markets fundamentally transition away from an era of relentless institutional buying, mainly from central banks. Markets are still trying to find a stable clearing price for long-dated bonds. The US is now actively suppressing Treasury levels, although success is not guaranteed without Fed buy-in. Inflation also bears watching. The US-Iran situation remains a stalemate and energy prices are rising. The good news is that long-term inflation expectations are contained, but the market is grappling with increasing risks from energy, food, and the implications of the AI and defence sector build out.

Market Assessment

Key developments

- AI development continues to drive both stronger economic growth and corporate earnings
- Equity markets are consolidating while individual stock volatility remains historically high
- Yield levels are flashing amber, with bond prices falling globally

Zurich's view

Fundamentals remain supportive of both macroeconomic activity and risk-asset performance. Economic activity indicators are consistent with robust growth. This is true across the US and many Asian economies, as well as in recent European data.

AI development continues at breakneck pace. This is effectively acting as a considerable global stimulus, lifting most boats. For now, we see more evidence of an acceleration in AI-related investment rather than fatigue.

We continue to prefer exposure to equity markets and see scope for a continued move higher in global indices. We prefer a technology skew, favouring markets such as South Korea and Japan over the Eurozone or Australia.

Bond yields are a key risk to watch. Shorter-run dynamics are unfavourable. Inflation remains broadly contained. However, ongoing energy disruption, potential climate-related food price pressures, and AI supply-chain crowding out are all upside risks to prices. Central banks are turning hawkish at the margin, and monetary policy is acting as a drag on activity.

Credit markets remain resilient against considerable supply. Despite this, we continue to see this asset class as unattractive given tight spreads and asymmetric downside.

	Key developments	Zurich's view
Global	• Economic activity is robust as services activity rebounds and the capex cycle is broadens out • Inflation softens in key regions as energy price pressure ease, but the rebound in oil prices poses a risk • Central banks are vigilant and focused on inflation, though an aggressive rate-hiking cycle is not expected	Global growth is robust. Services activity has improved after weakness in Q2. The capex cycle is broadening out as AI, defence, and energy investment rises across various regions, and industrial production and trade are benefitting. Inflation data have been constructive, though the rebound in oil prices will be visible going forward. Government bond yields have risen further, largely reflecting higher real yields while inflation pricing has been contained. The higher real yield environment coincides with large government and corporate funding needs and poses a headwind for the economy. We maintain our view that yields are capped to the upside, but bond market volatility is set to remain high.
US	• The labour market softens, but inflation remains elevated • The Fed seems inclined to hike rates if data do not deteriorate substantially • Stock markets remain resilient, supported by strong earnings growth	Kevin Warsh set a hawkish tone in his first Jackson Hole speech as Fed chair, indicating that the FOMC is inclined to hike rates unless economic data deteriorate substantially. The labour market has weakened over the summer, with the number of nonfarm payrolls contracting in July, but inflation rates remain elevated. Treasury yields have risen in recent weeks, triggering an unexpected intervention by the US Treasury, which is trying to put a lid on longer-term bond yields. Meanwhile, the equity market has been resilient so far, helped by another quarter of very robust earnings and revenue growth. Both the S&P 500 and the equally weighted index remain close to their record highs with technology stocks modestly outperforming other sectors in August.
UK	• Private sector output expanded at the fastest pace since April • Headline CPI inflation rises 0.3% MoM, pushing the annual rate up from 2.6% to 2.9% • Small-cap UK stocks show a strong performance in August	Private sector output expanded at the fastest pace since April according to the latest PMI surveys, with the Composite PMI rising from 52.2 to 52.5. The pickup was led by improving services sector activity, which offset a slowdown in manufacturing production growth. Overall, the survey points to a continuation of growth momentum like the one observed in the first half of the year. Gilt yields continue to trade at the upper end of their recent trading range as global bond yields remain elevated. Although the FTSE 100 remains close to its record high, it has lagged many of its peers in recent weeks, hindered by sterling strengthening to the highest level in six months against the US dollar. Smaller capitalised stocks have done significantly better, however.
Eurozone	• Economic data is resilient as manufacturing indicators surge • Natural gas prices continue to rise, pressuring the ECB to hike • Bond yields move up to levels last seen before 2008	Economic data in the Eurozone has surprised to the upside. Manufacturing in particular is showing a clear acceleration, with contributions from downstream AI infrastructure demand, defence, and German fiscal expansion, offsetting lacklustre services sectors in Germany and in France. Bond yields are climbing, and a September ECB hike looks highly likely. We think rates are actively reaching restrictive territory, weighing on future activity, and reducing the need for any further moves. Bond markets are flashing amber, with sovereign spreads leaking wider. We see the risk of debt markets like France weakening disproportionately if the rise in global yields continues. Equity returns have been good alongside strong earnings growth, but the path forward looks more difficult. We prefer other markets.
Switzerland	• Industrial activity improves as exports rebound, but labour markets remain soft • Inflation is subdued, with weak domestic price pressure both on the consumer and the producer price side • The SNB is set to leave rates unchanged, though risk around the rate outlook has tilted to the upside	Economic data signal a strong start in Q3, following rapid GDP growth in Q2. External demand has rebounded, reflecting both the solid AI and defence driven global capex cycle, which Swiss businesses feed in to, and improving industrial activity in the Eurozone. Additionally, sentiment has strengthened domestically as concerns around tariffs and Middle East disruptions have receded, leading services activity higher. Inflation remains weak, and we maintain our view that the SNB will keep rates unchanged over the coming year. Risk around the rate outlook has tilted to the upside, however, given stronger activity and the higher rate environment in the Eurozone.

	Key developments	Zurich’s view
Japan	• Inflation continues to move sideways at around 2%, supported by government subsidies • Japan government bond (JGB) yields climb as markets price in imminent BoJ rate hikes • Corporate earnings remain positive thanks to stronger nominal growth	JGB yields have climbed, with 10yr JGB flirting with 3%. The yen slid past 160 against the USD, triggering one of Japan's largest-ever FX interventions. Market pricing continues to signal an imminent BoJ hike. Economic data suggests growth is holding up and headline inflation is moving sideways. While hikes are warranted, moving too fast risks killing off Japan's hard-won reflation. Hence, the BoJ hiking cycle is likely to remain gradual. Equities, meanwhile, are sailing smoother after the summer AI hardware sell-off. Rising yields haven't dented performance. Stronger nominal growth is powering earnings, with the Topix delivering standout EPS surprises in consumer discretionary and banks. Yen volatility remains the swing factor: a sharp appreciation would hit corporates reliant on overseas revenue.
China	• Activity data suggest a broad-based economic slowdown • Policy support is in the pipeline, but fiscal measures remain targeted rather than broad-based • Chinese stocks are seeing renewed inflows	Bad news in economic data appear to be good news for Chinese stocks as policymakers signal increased fiscal measures to prevent growth from slipping further. Heading into Q4, growth has slowed notably, with exports remaining the sole bright spot. Hopes of stimulus and investors’ need to diversify from crowded Asian tech names have increased inflows into China’s H-shares. August earnings paint a two-sided picture. E-commerce names like Alibaba, JD.com, and Meituan continue to feel the squeeze as the price competition in the delivery segment compresses margins. In contrast, SMIC and Alibaba's cloud and compute business profitability has been propelled by China’s robust AI buildout. While policy tailwinds could power the next leg up, without a genuine economic turnaround the rally remains capped.
Australia	• Inflation remains stubbornly high, keeping the RBA on a hawkish path • Sharply falling house prices and collapsing loan growth imply the correction has further to run • Equities face headwinds from a weaker earnings outlook, except for mining stocks	Australian equities played defense during the midsummer global sell-off thanks to light AI tech exposure. Yet the outperformance looks to be waning as earnings headwinds build. Earnings have disappointed, with EPS surprises tracking below historical norms. House prices have retreated from their March 2026 peak, while higher rates and tax changes are weighing on loan and mortgage demand, pointing to weaker credit growth and mounting pressure on bank earnings. Adding to the strain, inflation remains above the RBA's target, keeping the tightening cycle in play and denting confidence. Yet miners such as BHP are doing well. Surging copper demand continues pumping up profitability. Still, with higher rates and fragile sentiment, we expect Australian stocks to stay rather lacklustre from here.
EM Asia	• Inflows are returning to EM Asia after the summer sell-off • Semiconductor earnings remain exceptionally strong • Outside Taiwan and Korea, markets are still recovering from Middle East-driven outflows	Emerging Market (EM) Asia-ex China was at the epicentre of the midsummer AI sell-off, with Taiwan and Korea's heavy index weighting amplifying the pain. August brought calmer waters as Korea's ETF deleveraging ran its course. With the froth cleared, fundamentals are back in the driver's seat. Samsung, SK Hynix, and TSMC keep minting super-profits from their near-monopoly grip on global supply, while NVIDIA's blockbuster earnings reinforce the AI-fuelled rally. Inflows are returning, but investors remain cautious. Meanwhile, India, Indonesia, and parts of ASEAN continue to lag, still recovering from the energy shock. Indonesia remains the worst regional performer YTD. Overall, the strong earnings outlook driven by semiconductors should keep EM Asia ex-China ahead of broader EM.
LatAm	• Disinflation resumed in July, bringing inflation within central-bank tolerance ranges in several countries across LatAm • LatAm equities underperformed global markets, weighed down by sharp investor outflows • Chilean stocks outpaced regional peers, supported by record terms of trade and progress on pro-investment reforms	July CPI prints were broadly benign, bringing inflation within central bank tolerance ranges in several countries. While underlying pressures and risks remain elevated, a renewed rate-hike cycle is not on the horizon. Equities underperformed global markets in August, weighed down by a sell-off in Brazil as electoral uncertainty and weak Q2 earnings triggered further investor outflows. Mexico was broadly flat in USD terms, with MXN appreciation masking local-market weakness. Renewed US-Canada tensions served as a reminder of the uncertainty surrounding North American trade relations. Chile clearly outperformed last month, supported by strong earnings, record terms of trade, and a pro-investment package that cleared key institutional hurdles. We continue to favour Chilean over Mexican equities.

Valuation snapshot (MSCI Indices)

Current trailing valuations

	US	Europe ex UK	UK	Switzerland	Japan	APAC ex Japan	China	Brazil	Mexico
12m Trailing P/E	26.6	18.3	15.1	21.4	18.4	17.8	12.9	9.7	14.3
12m Trailing P/B	5.7	2.6	2.4	4.6	2.1	2.5	1.4	1.8	2.4
12m Trailing P/CF	20.5	10.6	6.9	13.3	21.8	11.0	4.3	5.6	9.2
Dividend Yield	1.1	2.7	3.2	2.6	1.7	1.9	2.3	5.7	4.1
ROE	21.3	13.5	14.4	21.0	10.8	14.4	11.0	17.6	17.1

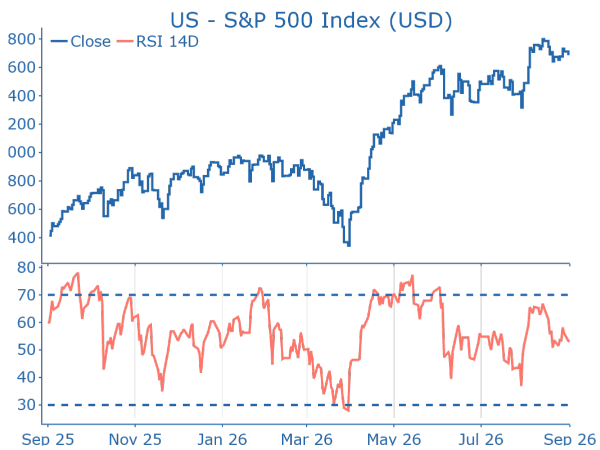
Current trailing valuations relative to MSCI world

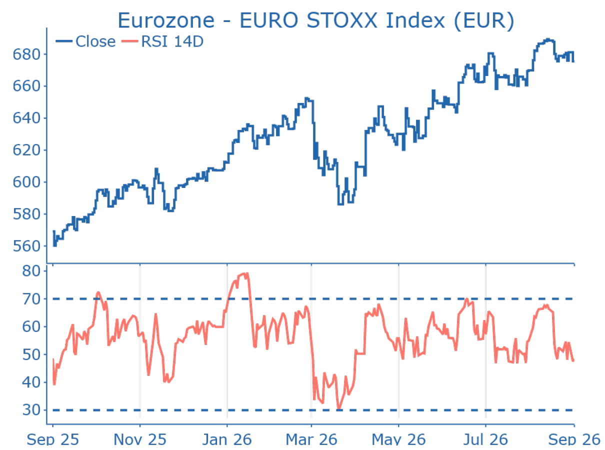
	US	Europe ex UK	UK	Switzerland	Japan	APAC ex Japan	China	Brazil	Mexico
12m Trailing P/E	2.83	-5.42	-8.64	-2.32	-5.37	-5.94	-10.86	-14.04	-9.48
12m Trailing P/B	1.51	-1.59	-1.82	0.42	-2.11	-1.73	-2.76	-2.43	-1.77
12m Trailing P/CF	2.98	-6.87	-10.63	-4.22	4.33	-6.53	-13.19	-11.96	-8.34
Dividend Yield	-0.42	1.26	1.71	1.17	0.25	0.42	0.82	4.21	2.58
ROE	4.02	-3.82	-2.95	3.72	-6.5	-2.9	-6.27	0.26	-0.22

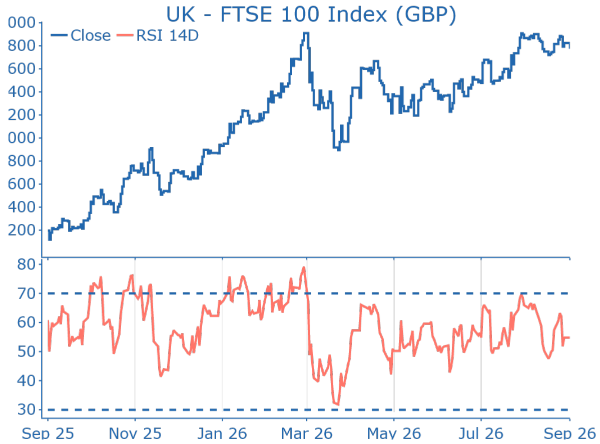
Source: Bloomberg

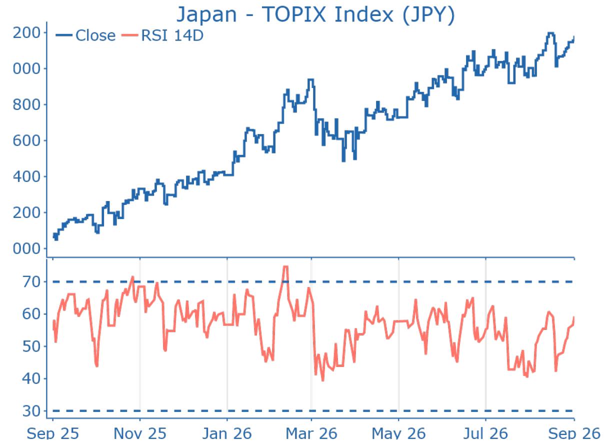
Overbought / Oversold*

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



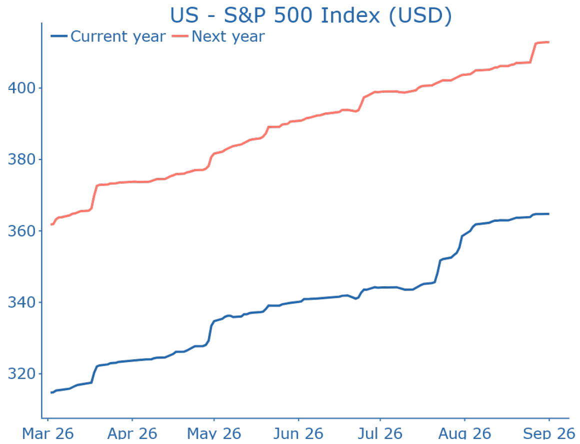


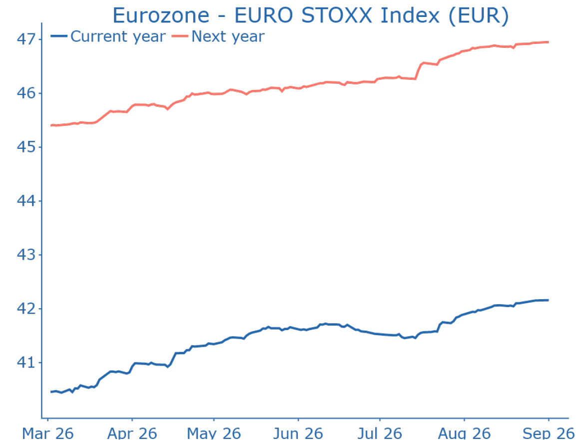


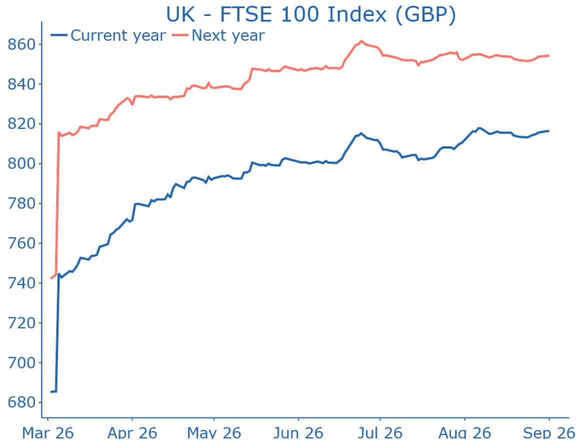


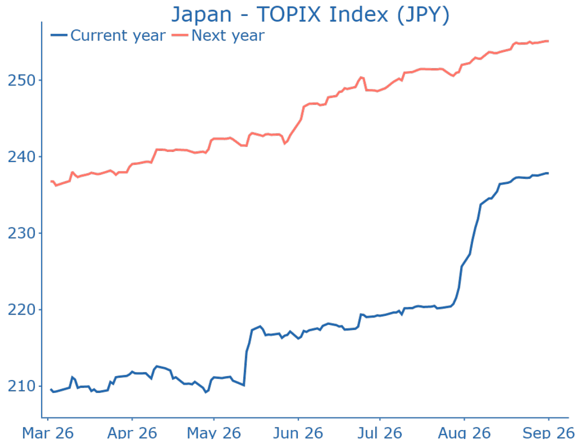
Source: Bloomberg

Earnings estimates - Full fiscal year



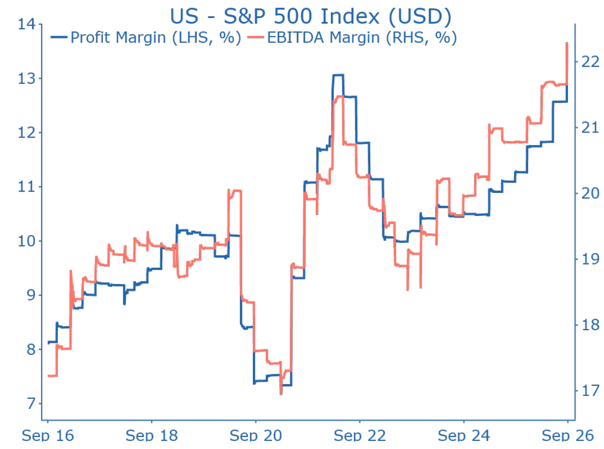


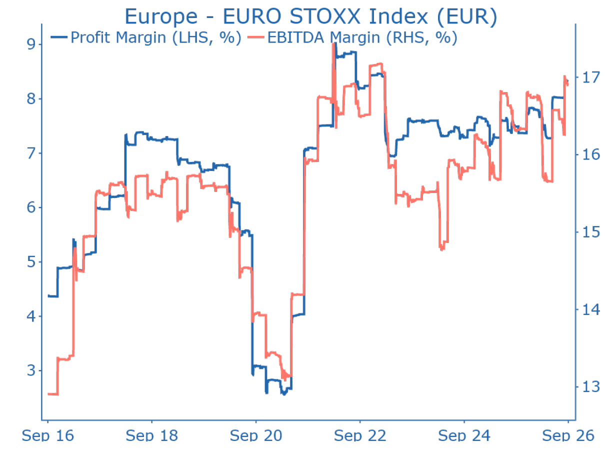


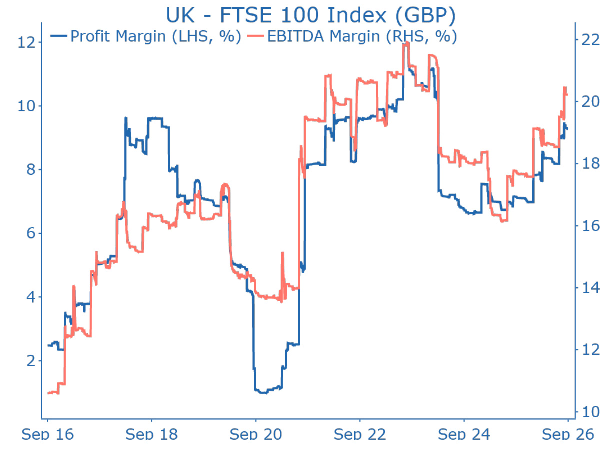


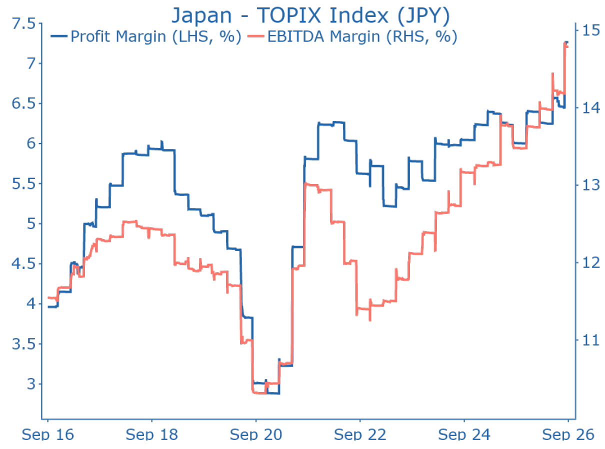
Source: Bloomberg

Historical margins



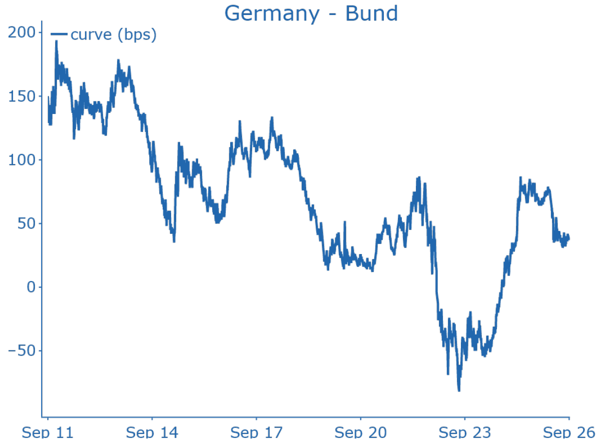


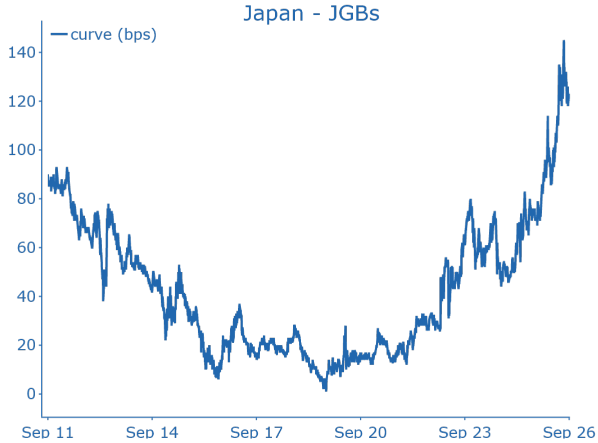




Source: Bloomberg

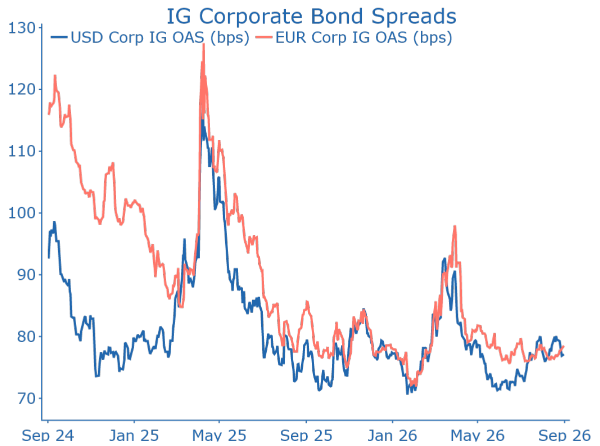
Yield Curve Steepness (10yr - 2yr)

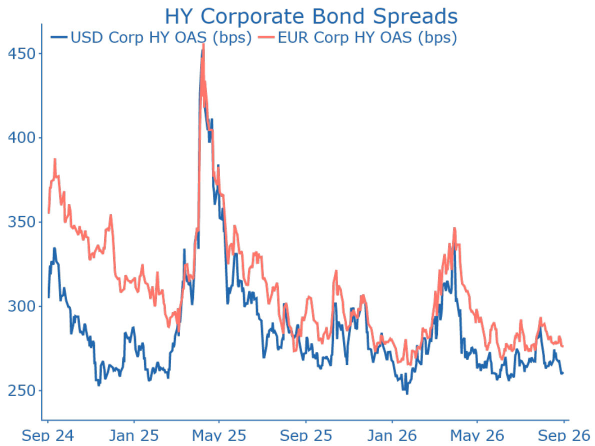


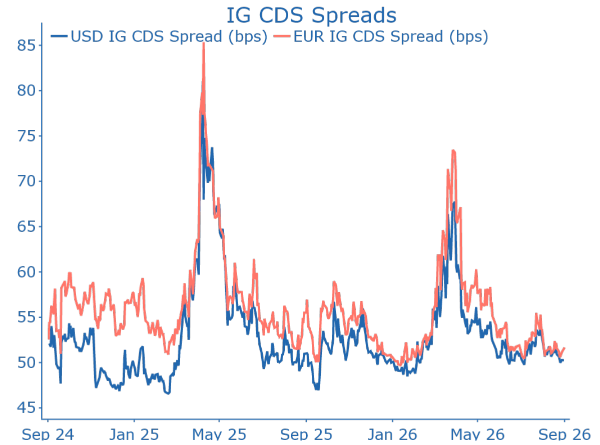


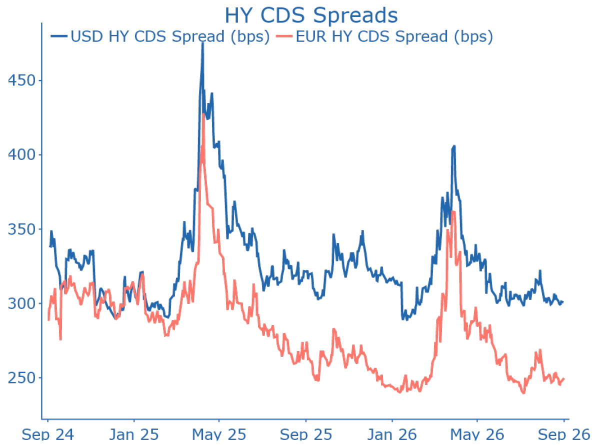
Source: Bloomberg

Credit Markets (US & Europe)









Source: Bloomberg

Economic Data

US	Oct-2025	Nov-2025	Dec-2025	Jan-2026	Feb-2026	Mar-2026	Apr-2026	May-2026	Jun-2026	Jul-2026	Aug-2026	Trend*
ISM Manufacturing (Index)	48.8	48.0	47.9	52.6	52.4	52.7	52.7	54.0	53.3	55.6	-	up
ISM Non-Manufacturing (Index)	52.0	52.4	53.8	53.8	56.1	54.0	53.6	54.5	54.0	54.1	-	up
Durable Goods (% MoM)	-2.1	5.4	-0.9	-0.4	-1.2	1.3	8.5	-4.0	0.5	1.1	-	down
Consumer Confidence (Index)	95.5	92.9	94.2	89.0	91.0	92.2	93.8	90.6	92.2	90.2	89.4	down
Retail Sales (% MoM)	3.2	3.2	2.4	3.3	4.2	4.2	5.1	7.2	6.8	5.0	-	up
Unemployment Rate (%)	-	4.5	4.4	4.3	4.4	4.3	4.3	4.3	4.2	4.1	-	down
Avg Hourly Earnings YoY (% YoY)	4.0	4.0	3.8	3.7	3.7	3.5	3.7	3.6	3.4	3.2	-	down
Change in Payrolls (000, MoM)	-140.0	41.0	-17.0	160.0	-156.0	214.0	148.0	63.0	20.0	-23.0	-	down
PCE (% YoY)	2.75	2.83	2.97	3.1	3.05	3.25	3.33	3.46	3.34	3.34	-	down
GDP (%, QoQ, Annualized)	-	-	0.5	-	-	2.1	-	-	1.5	-	-	down

Eurozone	Oct-2025	Nov-2025	Dec-2025	Jan-2026	Feb-2026	Mar-2026	Apr-2026	May-2026	Jun-2026	Jul-2026	Aug-2026	Trend*
PMI Manufacturing (Index)	50.0	49.6	48.8	49.5	50.8	51.6	52.2	51.6	51.4	51.9	52.8	up
PMI Services (Index)	53.0	53.6	52.4	51.6	51.9	50.2	47.6	47.7	49.4	51.7	51.7	up
IFO Business Climate (Index)	88.4	88.0	87.6	87.6	88.4	86.3	84.5	85.0	85.7	86.7	88.8	up
Industrial Production (% YoY)	1.7	1.9	2.2	-1.1	-1.0	-2.8	0.4	-0.1	0.1	-	-	up
Indeed 3m average wage growth (% YoY)	2.59	2.54	2.34	2.38	2.46	2.34	2.23	2.33	2.6	2.97	-	up
Unemployment Rate (%)	6.3	6.3	6.3	6.3	6.4	6.3	6.3	6.3	6.3	-	-	down
Euro-Area Credit Impulse (%, SA)	1.58	1.71	1.65	1.34	0.66	1.44	0.17	0.63	-	-	-	down
EUR HICP 5y5y Inflation Swaps	2.06	2.06	2.07	2.14	2.08	2.13	2.17	2.14	2.09	2.13	2.15	down
CPI (% YoY)	2.1	2.1	2.0	1.7	1.9	2.6	3.0	3.2	2.8	2.9	-	down
Core CPI (% YoY)	2.4	2.4	2.3	2.2	2.4	2.3	2.2	2.6	2.4	2.5	-	up
GDP (% QoQ)	-	-	0.2	-	-	0.0	-	-	0.4	-	-	up

UK	Oct-2025	Nov-2025	Dec-2025	Jan-2026	Feb-2026	Mar-2026	Apr-2026	May-2026	Jun-2026	Jul-2026	Aug-2026	Trend*
PMI Manufacturing (Index)	49.7	50.2	50.6	51.8	51.7	51.0	53.7	53.9	52.5	51.9	51.5	down
PMI Services (Index)	52.3	51.3	51.4	54.0	53.9	50.5	52.7	49.3	48.8	52.1	52.8	up
Consumer Confidence (Index)	-17.0	-19.0	-17.0	-16.0	-19.0	-21.0	-25.0	-23.0	-23.0	-17.0	-14.0	up
Unemployment Rate (%)	5.1	5.1	5.2	5.2	4.9	5.0	4.9	4.9	4.9	-	-	down
CPI (% YoY)	3.6	3.2	3.4	3.0	3.0	3.3	2.8	2.8	2.6	2.9	-	down
House Prices (% YoY)	2.4	1.8	0.6	1.0	1.0	2.2	3.0	1.7	2.2	1.4	1.6	down
Mortgage Approvals (SA, Thousands)	64.7	64.54	61.36	60.13	62.32	63.03	65.21	56.56	58.2	-	-	down
GDP (% YoY)	-	-	0.9	-	-	0.9	-	-	1.2	-	-	up

Switzerland	Oct-2025	Nov-2025	Dec-2025	Jan-2026	Feb-2026	Mar-2026	Apr-2026	May-2026	Jun-2026	Jul-2026	Aug-2026	Trend*
KOF Leading Indicator (Index)	100.9	101.2	103.1	103.4	103.5	95.0	97.9	98.6	102.1	103.5	106.7	up
PMI Manufacturing (Index)	48.1	49.6	46.4	48.8	47.4	53.3	54.5	57.3	54.3	53.2	57.1	down
Real Retail Sales (% YoY)	2.2	1.6	2.5	0.3	0.4	1.4	1.0	3.6	1.9	2.3	-	up
Trade Balance (Billion, CHF)	4.12	3.71	0.98	3.61	4.1	3.09	3.06	5.93	5.05	8.73	-	up
CPI (% YoY)	0.1	0.0	0.1	0.1	0.1	0.3	0.6	0.6	0.5	0.4	-	down

Japan	Oct-2025	Nov-2025	Dec-2025	Jan-2026	Feb-2026	Mar-2026	Apr-2026	May-2026	Jun-2026	Jul-2026	Aug-2026	Trend*
PMI Manufacturing (Index)	48.2	48.7	50.0	51.5	53.0	51.6	55.1	54.5	54.8	54.5	54.9	up
Machinery Orders (% YoY)	12.5	-6.4	16.8	13.7	24.7	5.9	15.6	-1.9	16.9	-	-	up
Industrial Production (% YoY)	0.1	-4.2	0.9	0.7	0.4	2.4	2.0	-2.1	4.9	4.1	-	up
ECO Watchers Survey (Index)	48.5	48.0	48.5	45.4	48.2	44.7	41.6	43.1	43.5	45.8	-	up
Jobs to Applicants Ratio (Index)	1.19	1.19	1.2	1.18	1.19	1.18	1.18	1.17	1.18	1.18	-	down
Labour Cash Earnings (% YoY)	2.5	1.7	2.4	2.5	3.4	3.1	3.6	3.3	4.0	-	-	up
Retail Sales (% YoY)	4.3	0.9	-1.1	2.3	1.6	3.2	5.2	8.3	2.3	5.1	-	down
Exports (% YoY)	3.6	6.1	5.1	16.8	4.0	11.5	14.8	16.8	19.3	23.2	-	up
Money Supply M2 (% YoY)	1.6	1.7	1.7	1.6	1.7	2.0	2.3	2.5	2.2	2.2	-	down
CPI Ex Food & Energy (% YoY)	1.6	1.6	1.5	1.5	1.5	1.6	1.2	1.2	1.2	1.4	-	down

China	Oct-2025	Nov-2025	Dec-2025	Jan-2026	Feb-2026	Mar-2026	Apr-2026	May-2026	Jun-2026	Jul-2026	Aug-2026	Trend*
NBS PMI Manufacturing (Index)	49.0	49.2	50.1	49.3	49.0	50.4	50.3	50.0	50.3	49.2	49.8	down
NBS PMI Non Manufacturing (Index)	50.1	49.5	50.2	49.4	49.5	50.1	49.4	50.1	50.2	49.0	49.0	down
Industrial Production (% YoY)	4.9	4.8	5.2	-	-	5.7	4.1	4.5	5.3	4.5	-	up
Retail Sales (% YoY)	2.9	1.3	0.9	-	-	1.7	0.2	-0.6	1.0	0.6	-	up
Exports (% YoY)	-1.2	5.9	6.6	10.0	39.6	2.5	14.0	19.2	26.9	23.9	-	up
CPI (% YoY)	1.7	1.1	-0.9	1.8	-0.1	1.4	2.8	5.0	0.6	4.0	-	down
PPI (% YoY)	-2.1	-2.2	-1.9	-1.4	-0.9	0.5	2.8	3.9	4.1	3.5	-	up
RRR (%)	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	down
GDP (% YoY)	-	-	4.5	-	-	5.0	-	-	4.3	-	-	down

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

Source: Bloomberg

Economic Data

India	Oct-2025	Nov-2025	Dec-2025	Jan-2026	Feb-2026	Mar-2026	Apr-2026	May-2026	Jun-2026	Jul-2026	Aug-2026	Trend*
PMI Manufacturing (Index)	59.2	56.6	55.0	55.4	56.9	53.9	54.7	55.0	54.2	53.5	52.8	down
PMI Services (Index)	58.9	59.8	58.0	58.5	58.1	57.5	58.8	59.8	57.4	53.3	54.5	down
Industrial Production (% YoY)	-0.9	7.0	6.7	4.1	4.4	3.0	4.9	5.0	8.8	6.7	-	up
CPI (% YoY)	0.04	0.49	1.17	2.74	3.21	3.4	3.48	3.93	4.38	4.45	-	up
GDP (% YoY)	-	-	7.7	-	-	8.6	-	-	7.8	-	-	down

Australia	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Jan-2026	Feb-2026	Mar-2026	Apr-2026	May-2026	Jun-2026	Jul-2026	Trend*
Westpac Leading Indicator	97.1	97.18	97.12	97.21	97.15	97.07	97.01	97.07	96.97	97.02	97.05	down
Retail Sales (% YoY)	5.1	5.4	5.8	5.0	4.6	4.7	6.4	5.0	5.4	6.1	7.0	up
Unemployment Rate (%)	4.4	4.3	4.3	4.1	4.1	4.3	4.3	4.5	4.4	4.4	4.5	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)	3.6	3.8	3.4	3.8	3.8	3.7	4.6	4.2	4.0	3.8	3.5	down

Brazil	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Jan-2026	Feb-2026	Mar-2026	Apr-2026	May-2026	Jun-2026	Jul-2026	Trend*
CPI (% YoY)	5.17	4.68	4.46	4.26	4.44	3.81	4.14	4.39	4.72	4.64	4.44	up
Industrial Production (% YoY)	2.0	-0.4	-1.4	-0.1	0.2	-0.7	4.4	2.7	0.2	1.7	-	down
Retail Sales (% YoY)	0.9	1.0	1.5	2.4	2.7	0.4	4.0	1.0	0.4	2.9	-	down
Trade Balance (Millions, USD)	3141.19	6684.97	5760.56	9324.87	3778.08	4106.77	6506.99	10687.69	7497.44	9395.0	7067.12	up
Budget Balance (Billions, BRL)	-102.18	-81.52	-101.64	-115.5	40.06	-100.59	-199.54	-60.14	-163.68	-165.97	-97.6	down

Chile	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Jan-2026	Feb-2026	Mar-2026	Apr-2026	May-2026	Jun-2026	Jul-2026	Trend*
Economic Activity Index (% YoY)	3.3	2.06	1.37	1.27	-0.93	-0.31	-0.2	-1.18	-0.9	2.41	-	up
CPI (% YoY)	4.4	3.44	3.44	3.45	2.78	2.37	2.83	3.96	3.93	4.34	3.53	up
Retail Sales (% YoY)	6.47	8.31	5.82	4.43	3.58	5.64	4.52	4.08	5.05	5.19	2.21	down
Industrial Production (% YoY)	1.33	-0.57	-0.68	-1.99	-1.57	-1.36	-3.33	-4.69	-7.51	1.37	-5.06	down
Unemployment (%)	8.5	8.4	8.4	8.0	8.3	8.3	8.9	9.1	9.4	9.4	9.5	up

Mexico	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Jan-2026	Feb-2026	Mar-2026	Apr-2026	May-2026	Jun-2026	Jul-2026	Trend*
PMI (Index)	46.03	47.12	46.02	46.66	46.76	47.24	47.64	49.04	48.47	47.92	49.41	up
CPI (% YoY)	3.76	3.57	3.8	3.69	3.79	4.02	4.59	4.45	3.94	3.37	3.12	down
Retail Sales (% YoY)	3.3	3.4	4.4	4.3	5.0	3.1	2.9	4.4	1.6	2.7	-	down
Industrial Production (% YoY)	-0.53	-1.05	-2.02	1.34	-2.77	-2.03	-0.79	0.02	-1.4	0.13	-	up
Remittances (Millions, USD)	5216.8	5634.8	5124.9	5308.8	4594.1	4468.2	5499.8	4978.1	5611.0	5471.8	-	up

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

Source: Bloomberg

Spread Snapshot (Generic Government Yield 10yr, bps)

Spread over US Treasuries (bps)

Country	Sep-2026	1M ago	3M ago	12M ago
UK	44	31	44	52
Germany	-143	-152	-145	-148
Switzerland	-431	-429	-402	-391
Japan	-177	-192	-176	-259
China	-309	-301	-274	-244
India	216	210	256	235
Australia	39	19	42	8
South Korea	-46	-47	-27	-138
Malaysia	-91	-102	-86	-84
Indonesia	228	260	226	218
Thailand	-264	-268	-214	-294
Philippines	247	269	303	178
Brazil	987	1004	977	974
Mexico	453	446	468	475
Chile	109	118	121	140
Colombia	799	727	810	712
Peru	152	134	171	205

Spread over German Bund (bps)

Country	Sep-2026	1M ago	3M ago	12M ago
France	85	79	62	78
Netherlands	7	8	12	17
Belgium	55	54	54	57
Austria	21	22	24	32
Irland	14	14	14	24
Italy	82	81	73	86
Spain	45	44	42	60
Portugal	35	34	36	44

Source: Bloomberg

Disclaimer and cautionary statement

Zurich Insurance Group Ltd

Investment Management
Mythenquai 2
8002 Zurich

173008049 (01/22) TCL