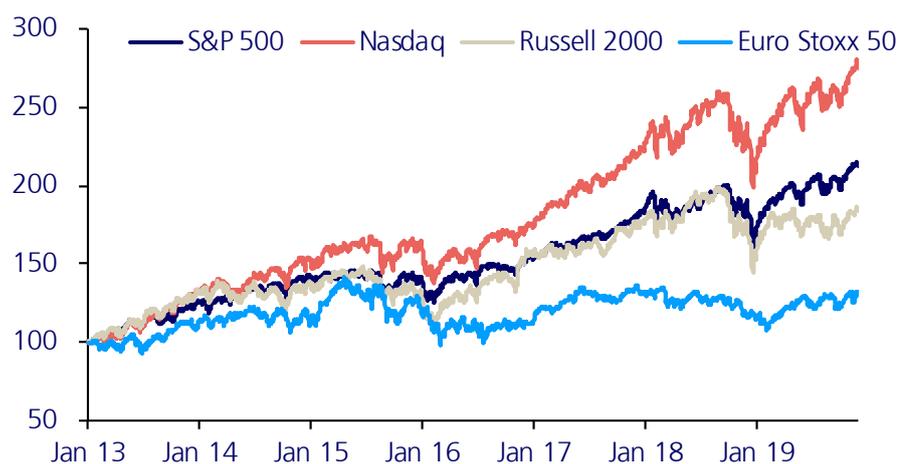


Monthly Investment Insights

Signs of exuberance as risk assets continue to move higher



Source: Bloomberg (re-based Jan 2013 = 100)

Positive noises on the US-China trade dispute and signs of stabilisation in some regional manufacturing data in the Eurozone and elsewhere have helped boost investor sentiment and propelled equity markets to new highs. A year-end catch-up effect, with many investors who did not participate fully in the recent rally now experiencing a 'fear of missing out' (FOMO), may also be playing a role in the strong markets we have witnessed.

However, whilst developed market (DM) equities have done well, emerging markets were virtually flat in November. Credit markets have also underperformed DM equities recently and dispersion has risen notably. US CCC credit spreads hit 1'000bps in November for example. Credit fundamentals have been weak and worsening for some time and with leverage near a record, default rates are picking up in US high yield.

What's more, a lot of good news now seems priced into DM equities, especially on trade, and while underlying momentum is supportive in the short-term risky assets look extended and could be due a pause that refreshes in our view. Even if a Phase 1 agreement between the US and China is signed in the next few weeks, the details may not be as comprehensive as investors seem to hope, leaving many issues still to be resolved and tensions between the two countries high. The VIX Volatility Index or so called "investor fear index" (derived from expected volatility implied from S&P 500 Index option pricing) was at its lowest level this year in November, indicating some complacency in US equity markets.

Turning to the real economy, there are tentative signs of stabilisation in forward looking indicators for the manufacturing sector in the Eurozone. The new orders component of the Manufacturing PMI has improved for two consecutive months, whilst inventories have declined. The expectations component of the German ifo survey for manufacturing has also improved. However, a rapid rebound in growth is unlikely as the service sector in the Eurozone is now slowing. Instead, modest, below-trend growth is more likely over the next few months, making the region still vulnerable to shocks. Indeed, despite overall decent data for now, our view that the US economy will experience a mild recession in 2020 is unchanged, and if correct, this will undoubtedly have an impact on Eurozone and global growth next year as well.

Market Assessment

Key developments

- Risk assets continued to move higher in November, with the three main US equity markets all hitting record highs
- The Russell 2000 Index of small and mid-sized US companies broke out of its year-long range, while developed market equities outside of the US have also performed well.
- In the real economy, there are tentative signs of stabilisation in the Eurozone manufacturing sector, but a strong rebound in growth is unlikely, especially as the service sector is now slowing

Zurich's view

Risk assets continued to move higher in November, particularly developed market equities. However, near term a lot of good news now seems priced in, and risk assets could be due a pause that refreshes.

Core government bond yields have also moved higher on the back of the improved risk appetite, but we see limited upside for bond yields from here given that both growth and inflation remain weak and that prospects for a comprehensive US-China trade agreement still look uncertain.

Credit has notably underperformed equity markets and with equity valuations appearing stretched this relative performance could reverse somewhat tactically. However, in the medium to longer term, we continue to expect limited upside in credit as spreads are tight and fundamentals remain poor. Dispersion within the market has notably risen, which we think is a sign indicating the late stage of the cycle.

Key developments

Zurich's view

Global

- Manufacturing data improve along with leading trade indicators, pointing to ongoing stabilisation in industrial production
- Services activity weakens further, however, leaving global growth still on a downward trajectory
- Central banks continue to cut rates, but peak stimulus is now likely to be behind us

The flash Manufacturing PMIs for the G3 economies edged higher in November, consistent with ongoing stabilisation in this part of the economy. This suggests that the manufacturing recession, which has lasted for the past six months, may be coming to an end. Services activity has weakened further, however, leaving global growth on a downward projection. Though their pace has slowed, central banks continue to cut rates, helping to support sentiment and activity. Emerging markets, in particular, are benefitting from markedly looser financial conditions. Geopolitical and political uncertainty remains high, despite hopes for a solution to the US-China trade dispute. We expect the situation will continue to weigh on business activity and investment, limiting upside to growth, inflation and bond yields.

US

- The S&P 500, the Dow Jones Industrial Average and the Nasdaq all reach new record highs
- The Fed cuts rate a third time and signals a pause
- Stronger service sector data alleviate fears of a manufacturing spillover

The S&P 500, the Dow Jones Industrial Average and the Nasdaq all reach new record highs in November, fuelled by investors' optimism regarding a potential trade agreement between China and the US. While even a partial agreement would reduce some uncertainty and help to lift business sentiment, the underlying economic fundamentals remain mixed. A rebound in the ISM Non-Manufacturing Index in October alleviated fears of a manufacturing spillover. Meanwhile, Markit's Services PMI has ticked down to 50.6, the lowest level since the beginning of 2016, indicating that there are further headwinds to business activity despite a modest recovery in November. As was widely expected, the Fed cut its target rate a third time this year to a range of 1.5% to 1.75% and signalled that it is done for now, unless data deteriorate significantly going forward.

UK

- The EU grants another Art. 50 extension as the UK heads for new elections
- GDP growth recovers to 0.3% in Q3 after a fall in the second quarter
- Business sentiment remains weak and signals a growth slowdown ahead

With the EU granting another extension to Art. 50 until the end of January the way was paved for the Labour Party to support new elections on December 12. While the risk of a no-deal Brexit has been significantly reduced, the outlook remains uncertain and continues to weigh on the economy. Although GDP growth recovered to 0.3% QoQ in Q3 after the dip in Q2, helped by stockpiling ahead of the now delayed deadline, the annual growth rate of 1% is the lowest since 2010. The Composite PMI dropped to 48.5 in November indicating that growth is about to slow. UK stocks struggled to keep up with most of their international peers, though the FTSE 250 managed to outperform the FTSE 100, reflecting the reduced risks for the more domestically focused UK companies.

Eurozone

- Q3 GDP growth comes in below trend at 0.2% QoQ
- Germany narrowly avoids recession
- Equity markets are boosted by hopes for a trade dispute resolution and signs of stabilisation in the manufacturing sector

Eurozone growth in Q3 came in at 0.2% QoQ (1.2% YoY), while Germany narrowly avoided a technical recession. Its economy grew 0.1% QoQ in Q3, after a revised -0.2% QoQ contraction in Q2. Overall, growth in the Eurozone is subdued, with the economy growing at a below-trend pace and therefore vulnerable to shocks. There are signs of stabilisation in manufacturing, with the forward-looking New Orders PMI indicator increasing for a second month, but the service sector is slowing and employer hiring intentions are weak. Eurozone equities have been buoyed by hopes of a trade deal between the US and China and the stabilisation in manufacturing. The earnings season has also been slightly better than expected as companies grew earnings by around 2% YoY in Q3.

Switzerland

- GDP growth rebounds in Q3, led by exports and investment, with the pharmaceutical industry providing a boost to the economy
- SNB sight deposit data indicate that forex interventions have risen sharply in the aftermath of the ECB's rate cut and QE relaunch
- A further rate cut by the SNB cannot be ruled out, as business conditions remain challenging while inflation is back in negative territory

Swiss GDP rose by a solid 0.4% QoQ in Q4 and the annual growth rate rebounded to 1.1%, up from only 0.2% in Q2. The expansion was broad-based, led by firm exports and higher business investment. This partly reflected buoyant activity in the pharmaceutical sector while other industries saw less upbeat conditions. The GDP data confirm our view that the Swiss economy remains resilient and we maintain our forecast of continued expansion, albeit at a sluggish pace, as we enter 2020. SNB sight deposit data point to sizable forex interventions in the first half of November, likely as a result of the ECB's rate cut and QE purchases. If pressure on the currency persists, we cannot rule out a further rate cut by the SNB, despite the stabilisation in economic activity.

Japan

- The consumption tax hike and a devastating typhoon have hit consumption
- The November Composite PMI is only a tad below the 50 boom/bust line
- Foreign buying continues to support the Japanese equity market

Japan's economy is in a roller coaster state following the rush demand boost in retail sales before the consumption tax hike from 8% to 10% on October 1 and the following slump in October, even though the impact is obviously not as severe as on previous tax hike occasions. Both the Manufacturing and the Services PMIs recovered in November, but it is too early to suggest a bottoming out. Hopes of a supplementary budget to support growth are increasing. Japanese equities remain rangebound versus global equities since mid-September, while foreigners keep constantly buying without getting euphoric, which we regard as positive. The USDJPY remains stable, however, any yen appreciation would challenge our positive market outlook.

China

- Economic indicators for October disappointed with few exceptions
- The gap between rising consumer and falling producer prices is getting bigger, but should top out in Q1 2020
- Chinese equities experienced a relative setback, but remain largely rangebound versus global equities

Most economic indicators for October came in far weaker than consensus had expected, confirming that the uptick in September was just a blip. The PBoC reacted by cutting some benchmark lending rates, though only marginally by 5bps. We believe more is to come in H1 2020, as the central bank's tone is becoming somewhat more cautious regarding the outlook for domestic and external economic conditions. Monetary policy will remain 'prudent'. Since mid-May, the MSCI China Index has meandered versus global equities. We believe the increase in the share of domestic 'A'-shares in global benchmark indices will support further foreign demand, even though problems around Hong Kong are keeping investors on the sideline for now. The USDCNY is hovering around the 7.00 mark.

Australia

- Employment growth slows after a solid run
- Construction activity rebounds following the housing market recovery
- Equities are on an upward trend, but downside risks remain

After a solid run since the election, employment growth slowed sharply in October with a fall of 19k jobs, the largest decline in three year. Although the participation rate edged lower, partially offsetting the decline, the unemployment rate moved up from 5.2% to 5.3%, drifting further away from the RBA's target of 4.5%. On a positive note, construction activity shows a tentative recovery with improving building approvals. A rebound in the housing market seems to provide some ground for a pickup in construction activity, potentially lifting dwelling investment going forward. The equity market has performed decently with the MSCI Australia Index moving in an upward direction. However, equities remain volatile as the growth outlook remains tilted to the downside.

ASEAN

- Q3 GDP prints are soft for most countries
- Most central banks are on hold except for the Bank of Thailand (BoT)
- Equities lack momentum

Q3 GDP growth was roughly flat in Thailand and slowed in Malaysia and Indonesia. Singapore's GDP rebounded from 0.1% to 0.5% QoQ, moving out of the danger zone for a technical recession. Only the Philippines registered a robust reading with Q3 GDP up 6.2% YoY, primarily supported by buoyant fiscal spending as the 2019 delayed budget gets implemented. Most central banks were on hold except for the BoT, which cut its policy rate by 25bps to 1.25% in November. While the October PMI New Export Orders Index for ASEAN continues to pick up, signalling a tentative trade stabilisation, the Manufacturing PMI fell again after a short-lived improvement. Regional equity markets lagged global equities given a lack of appetite for emerging market risk assets.

Valuation snapshot (MSCI Indices)

Current trailing valuations

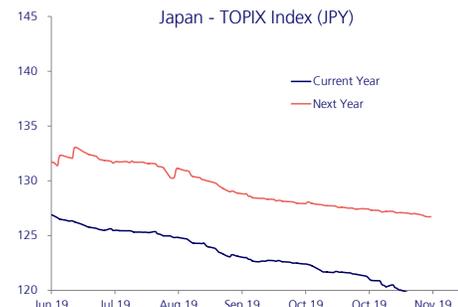
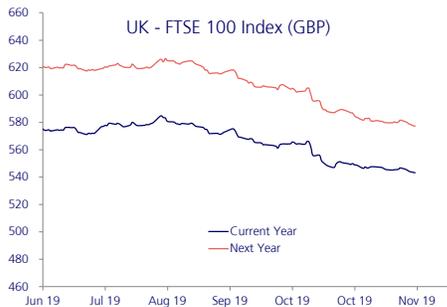
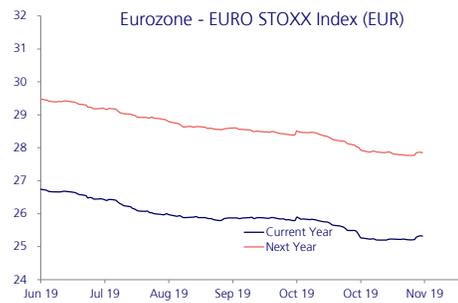
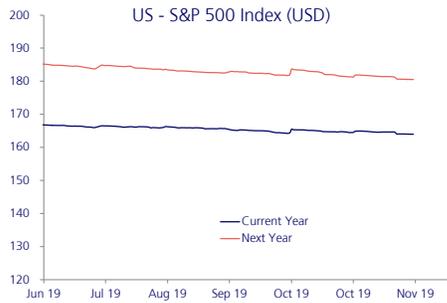
	US	Europe ex UK	UK	Switzerland	Japan	APAC ex. Japan	China	Brazil	Mexico
12m Trailing P/E	21.09	17.29	13.78	20.97	13.34	14.53	12.68	13.62	15.53
12m Trailing P/B	3.39	1.88	1.70	2.96	1.25	1.58	1.61	2.14	2.03
12m Trailing P/CF	14.07	10.57	8.82	11.09	8.37	9.54	7.73	9.93	7.67
Dividend Yield	1.95	3.25	4.67	2.93	2.48	2.93	2.18	3.57	3.24
ROE	16.07	10.90	12.35	14.13	9.39	10.86	12.73	15.72	13.06

Current trailing valuations relative to MSCI world

	US	Europe ex UK	UK	Switzerland	Japan	APAC ex. Japan	China	Brazil	Mexico
12m Trailing P/E	1.19	0.97	0.78	1.18	0.75	0.82	0.72	0.77	0.88
12m Trailing P/B	1.48	0.82	0.74	1.30	0.55	0.69	0.71	0.94	0.89
12m Trailing P/CF	1.21	0.91	0.76	0.95	0.72	0.82	0.67	0.86	0.66
Dividend Yield	0.78	1.29	1.85	1.16	0.98	1.16	0.87	1.42	1.29
ROE	1.25	0.85	0.96	1.10	0.73	0.84	0.99	1.22	1.01

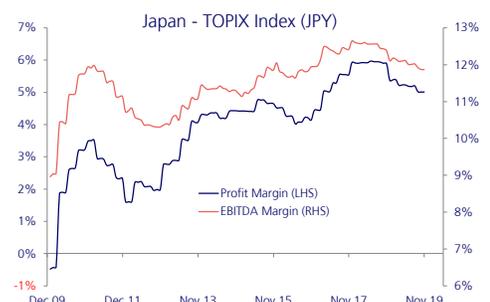
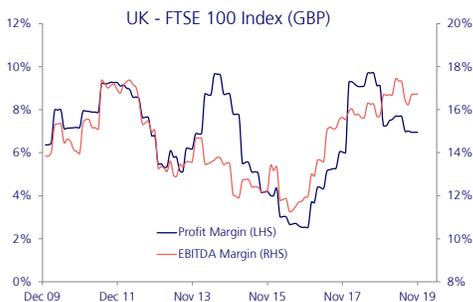
Source: Datastream

Earnings estimates - Full fiscal years



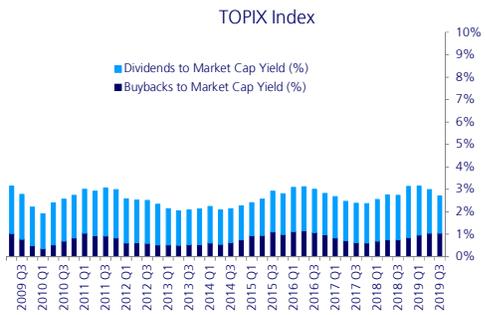
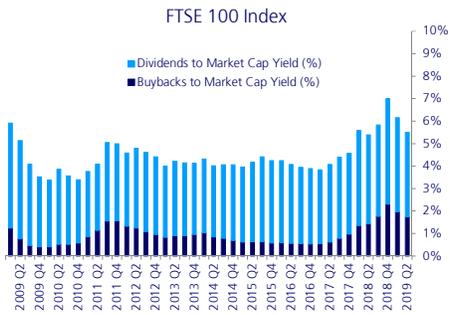
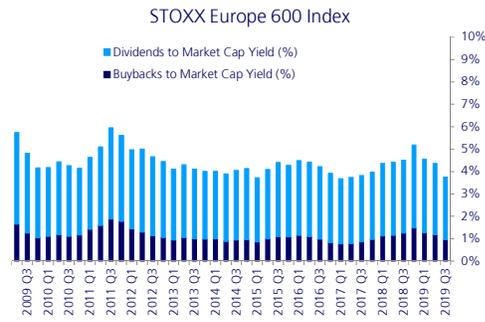
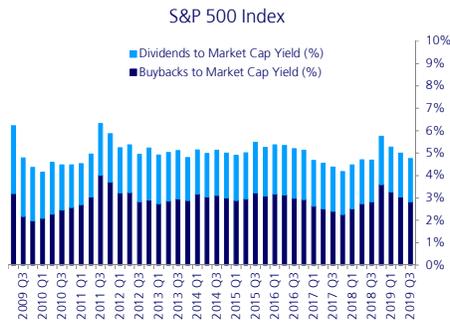
Source: Bloomberg

Historical margins



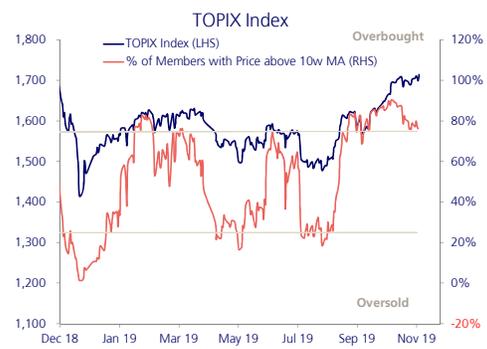
Source: Bloomberg

Dividends and shares buybacks



Source: Bloomberg

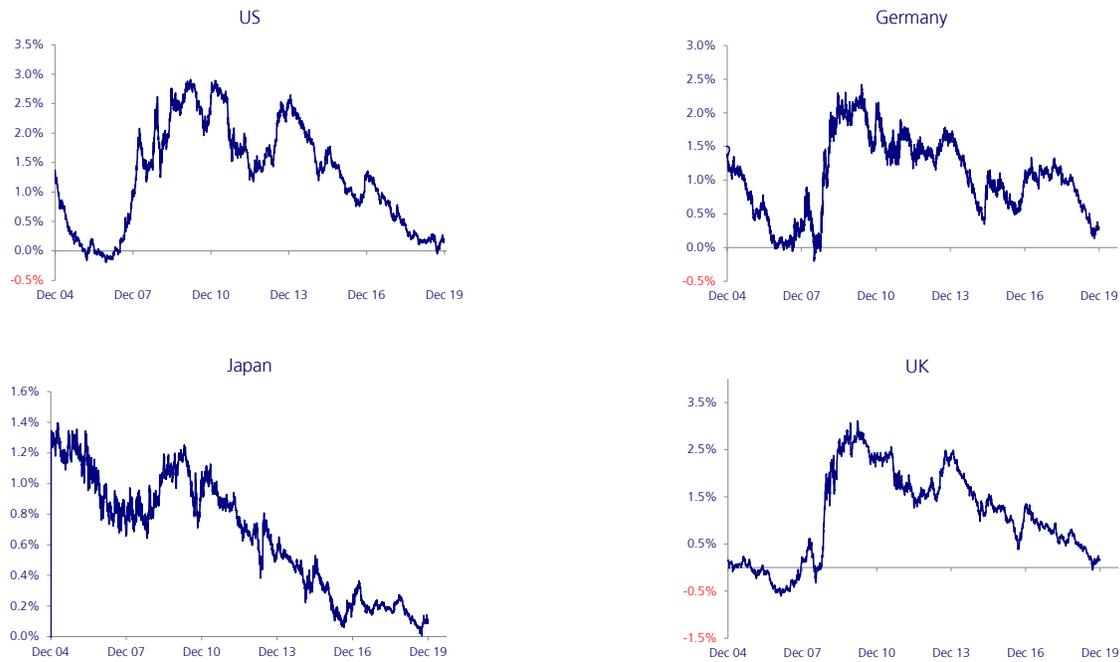
Overbought / Oversold



Source: Bloomberg

Appendix 3

Yield Curve Steepness (2yr-10yr)



Source: Bloomberg

Spread Snapshot

Generic Government Yields (10yr)

Country	Spread over US Treasury (bps)				
	Dec-19	1m ago	3m ago	1yr ago	
UK	-110	-105	-105	-162	-162
Germany	-215	-209	-216	-267	-267
Switzerland	-243	-224	-246	-308	-308
Japan	-189	-189	-174	-290	-290
Australia	-75	-61	-52	-40	-40
China	137	156	161	39	39
South Korea	-21	3	-14	-88	-88
Malaysia	159	169	184	115	115
Indonesia	529	531	569	488	488
Thailand	-24		-1	-30	-30
Philippines	222	n/a	n/a	n/a	n/a
Brazil	508	489	500	n/a	n/a
Mexico	527	508	551	617	617
Colombia	478	433	464	401	401
Peru	242	255	272	268	268

Generic Government Yields (10yr)

Country	Spread over German Bund (bps)			
	Dec-19	1m ago	3m ago	1yr ago
France	31	31	31	37
Netherlands	14	14	15	13
Belgium	30	31	36	45
Austria	23	24	27	25
Ireland	40	41	64	n/a
Italy	159	139	159	200
Spain	77	66	82	119
Portugal	76	59	83	151

Source: Bloomberg, ZIG

Economic data

US	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Trend*
ISM Manufacturing (Index)	58.8	54.3	56.6	54.2	55.3	52.8	52.1	51.7	51.2	49.1	47.8	48.3		down
ISM Non-Manufacturing (Index)	60.4	58.0	56.7	59.7	56.1	55.5	56.9	55.1	53.7	56.4	52.6	54.7		down
Durable Goods (% MoM)	0.6	1.1	0.5	-2.6	1.7	-2.8	-2.3	1.8	2.1	0.2	-1.4	0.6		down
Consumer Confidence (Index)	136.4	126.6	121.7	131.4	124.2	129.2	131.3	124.3	135.8	134.2	126.3	126.1	125.5	down
Retail Sales (% MoM)	4.0	1.4	2.6	1.9	3.8	3.8	3.0	3.3	3.5	4.4	4.1	3.1		up
Unemployment Rate (%)	3.7	3.9	4.0	3.8	3.8	3.6	3.6	3.7	3.7	3.7	3.5	3.6		down
Avg Hourly Earnings YoY (% YoY)	3.4	3.5	3.4	3.4	3.4	3.3	3.4	3.4	3.5	3.5	3.5	3.5		up
Change in Payrolls ('000, MoM)	196.0	227.0	312.0	56.0	153.0	216.0	62.0	178.0	166.0	219.0	180.0	128.0		up
PCE (% YoY)	2.0	2.0	1.8	1.6	1.5	1.6	1.5	1.6	1.6	1.8	1.7	1.6		up
GDP (% QoQ, Annualized)		1.1			3.1			2.0			2.1			
UK	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Trend*
PMI Services (Index)	50.4	51.2	50.1	51.3	48.9	50.4	51.0	50.2	51.4	50.6	49.5	50.0	48.6	down
Consumer Confidence (Index)	-13.0	-14.0	-14.0	-13.0	-13.0	-13.0	-10.0	-13.0	-11.0	-14.0	-12.0	-14.0	-14.0	down
Unemployment Rate (%)	4.0	4.0	3.9	3.9	3.8	3.8	3.8	3.9	3.8	3.9	3.8			down
CPI (% YoY)	2.3	2.1	1.8	1.9	1.9	2.1	2.0	2.0	2.1	1.7	1.7	1.5		down
GDP (% YoY)		1.5			2.1			1.3			1.0			
Eurozone	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Trend*
PMI Manufacturing (Index)	51.8	51.4	50.5	49.3	47.5	47.9	47.7	47.6	46.5	47.0	45.7	45.9	46.6	down
PMI Services (Index)	53.4	51.2	51.2	52.8	53.3	52.8	52.9	53.6	53.2	53.5	51.6	52.2	51.5	down
IFO Business Climate (Index)	102.0	101.4	100.0	99.0	99.9	99.5	98.3	97.5	96.0	94.3	94.7	94.7	95.0	down
Industrial Production (% MoM)	-1.3	-1.0	1.7	0.0	-0.3	-0.5	0.8	-1.4	-0.5	0.4	0.1			up
Factory Orders GE (% MoM)	-0.7	1.1	-2.3	-4.0	1.0	0.3	-2.0	2.6	-2.2	-0.4	1.3			up
Unemployment Rate (%)	7.9	7.8	7.8	7.8	7.7	7.6	7.6	7.5	7.6	7.5	7.6	7.5		down
M3 Growth (% YoY, 3 months MA)	3.8	4.2	3.7	4.2	4.6	4.7	4.7	4.5	5.1	5.7	5.6	5.6		up
CPI (% YoY)	1.9	1.5	1.4	1.5	1.4	1.7	1.2	1.3	1.0	1.0	0.8	0.7	1.0	down
Core CPI (% YoY)	0.9	0.9	1.1	1.0	0.8	1.3	0.8	1.1	0.9	0.9	1.0	1.1	1.3	up
GDP (% QoQ)		0.3			0.4			0.2			0.2			
Switzerland	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Trend*
KOF Leading Indicator (Index)	99.1	96.4	97.2	94.6	96.7	97.1	93.9	95.0	96.0	95.5	93.1	94.8	93.0	down
PMI Manufacturing (Index)	57.7	57.5	54.3	55.4	50.3	48.5	48.6	47.7	44.7	47.2	44.6	49.4		up
Real Retail Sales (% YoY)	-0.4	-0.4	-0.2	-0.1	-0.8	-0.6	-0.5	1.0	1.1	-0.5	1.6	0.7		up
Trade Balance (Billion, CHF)	4.7	2.0	3.0	2.9	3.1	2.3	3.2	4.0	3.7	1.7	4.1	3.5		down
CPI (% YoY)	0.9	0.7	0.6	0.6	0.7	0.7	0.6	0.6	0.3	0.3	0.1	-0.3		down
Japan	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Trend*
Nomura Manufacturing PMI (Index)	52.2	52.6	50.3	48.9	49.2	50.2	49.8	49.3	49.4	49.3	48.9	48.4	48.9	down
Machine Orders (% YoY)	0.8	0.9	-2.9	-5.5	-0.7	2.5	-3.7	12.5	0.3	-14.5	5.1			down
Industrial Production (% YoY)	1.9	-2.0	0.7	-1.1	-4.3	-1.1	-2.1	-3.8	0.7	-4.7	1.3	-7.4		down
ECO Watchers Survey (Index)	49.0	48.2	44.8	46.7	46.7	47.0	44.3	43.3	41.7	42.6	45.7	36.3		down
Jobs to Applicants Ratio (Index)	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6		down
Labour Cash Earnings (% YoY)	1.7	1.5	1.2	-0.7	-1.3	-0.3	-0.5	0.4	-1.0	-0.1	0.5			up
Department Store Sales (% YoY)	-0.6	-0.7	-2.9	0.4	0.1	-1.1	-0.8	-0.9	-2.9	2.3	23.1	-17.5		up
Money Supply M2 (% YoY)	2.3	2.4	2.3	2.3	2.4	2.5	2.6	2.3	2.3	2.4	2.4	2.5		up
CPI Ex Food & Energy (% YoY)	0.1	0.1	0.3	0.3	0.3	0.5	0.3	0.3	0.4	0.4	0.3	0.3		neutral
Exports (% YoY)	0.1	-3.9	-8.4	-1.2	-2.4	-2.4	-7.8	-6.6	-1.5	-8.2	-5.2	-9.2		down
China	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Trend*
PMI Manufacturing (Index)	50.0	49.4	49.5	49.2	50.5	50.1	49.4	49.4	49.7	49.5	49.8	49.3	50.2	up
Industrial Production (% YoY)	5.4	5.7			8.5	5.4	5.0	6.3	4.8	4.4	5.8	4.7		down
Retail Sales (% YoY)	8.1	8.2			8.7	7.2	8.6	9.8	7.6	7.5	7.8	7.2		down
PPI (% YoY)	2.7	0.9	0.1	0.1	0.4	0.9	0.6	0.0	-0.3	-0.8	-1.2	-1.6		down
Exports (% YoY)	3.9	-4.4	9.2	-20.8	13.8	-2.8	1.0	-1.3	3.3	-1.0	-3.2	-0.9		down
CPI (% YoY)	2.2	1.9	1.7	1.5	2.3	2.5	2.7	2.7	2.8	2.8	3.0	3.8		up
RRR (%)	14.5	14.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.0	13.0	13.0	down
GDP (% YoY)		6.4			6.4			6.2			6.0			down
PMI Non Manufacturing (Index)	50.0	49.4	49.5	49.2	50.5	50.1	49.4	49.4	49.7	49.5	49.8	49.3	50.2	up
Aggregate Financing (Billions, CNY)	1363.7	1151.5												neutral

Datasource: Bloomberg

*Trend = Last 3m - Previous 3m

Economic data

Australia	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Trend*
AIG Manufacturing (Index)	50.8	50.0	52.5	54.0	51.0	54.8	52.7	49.4	51.3	53.1	54.7	51.6	48.1	up
AiG Service (Index)	55.1	52.1	44.3	44.5	44.8	46.5	52.5	52.2	43.9	51.4	51.5	54.2		up
Westpac Consumer Confidence (% MoM)	2.8	0.1	-4.7	4.3	-4.8	1.9	0.6	-0.6	-4.1	3.6	-1.7	-5.5	4.5	down
Building Approvals (% YoY)	-33.8	-21.3	-26.9	-11.5	-23.4	-21.5	-18.1	-23.8	-28.4	-18.5	-17.0	-23.6		up
Employment Change ('000, MoM)	32.5	16.6	34.3	9.2	26.8	27.9	37.8	1.7	34.6	37.0	12.5	-19.0		down

Brazil	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Trend*
CPI (% YoY)	4.1	3.8	3.8	3.9	4.6	4.9	4.7	3.4	3.2	3.4	2.9	2.5		down
Industrial Production (% YoY)	0.7	-1.2	-3.8	-2.0	2.3	-6.1	-3.7	7.6	-5.9	-2.5	-2.1	1.1		down
Retail Sales (% YoY)	1.9	4.5	0.7	1.9	4.0	-4.4	1.8	1.0	0.1	4.3	1.4	2.1		up
Trade Balance (Millions, USD)	4076.8	6428.3	1713.0	3291.7	4545.8	5823.4	5719.0	5089.0	2293.4	3181.9	2246.0	1206.0		down
Budget Balance Primary (Billions, BRL)	-50.6	-68.0	26.0	-45.0	-62.2	-28.0	-47.6	-30.1	-30.3	-63.6	-45.9	-10.9		down

Chile	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Trend*
IMACEC Economic Activity Index (% YoY)	3.33	3.12	1.91	1.14	1.73	1.90	2.31	1.52	3.20	3.68	2.95			down
CPI (% YoY)	2.80	2.60	2.21	2.20	2.48	2.43	2.76	2.70	2.57	2.58	2.24	2.71		down
Retail Sales (% YoY)	-0.12	1.57	0.02	0.05	0.94	-0.72	3.30	-1.20	1.62	1.87	-0.92			down
Industrial Production (% YoY)	0.36	1.60	-0.90	-3.55	-0.80	0.69	-0.17	-2.94	2.63	1.38	-0.20	-3.42		down
Unemployment (%)	6.80	6.70	6.80	6.70	6.90	6.90	7.10	7.10	7.20	7.20	7.00	7.00		down

Mexico	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Trend*
PMI (Index)	49.9	49.0	49.9	53.6	50.6	52.0	49.0	48.5	48.8	47.2	48.1	46.7		down
CPI (% YoY)	4.7	4.8	4.4	3.9	4.0	4.4	4.3	4.0	3.8	3.2	3.0	3.0		down
Retail Sales (% YoY)	3.8	-0.5	0.7	2.5	1.6	1.6	2.8	1.0	2.1	2.6	2.4			down
Industrial Production (% YoY)	2.0	0.1	1.3	1.0	2.4	-0.4	0.8	-1.0	3.4	-0.2	0.8			down
Remittances (Millions, USD)	2964.8	2991.2	2455.6	2438.4	2958.0	2937.0	3282.1	3183.5	3270.3	3374.6	3080.8			down

Datasource: Bloomberg

*Trend = Last 3m - Previous 3m

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