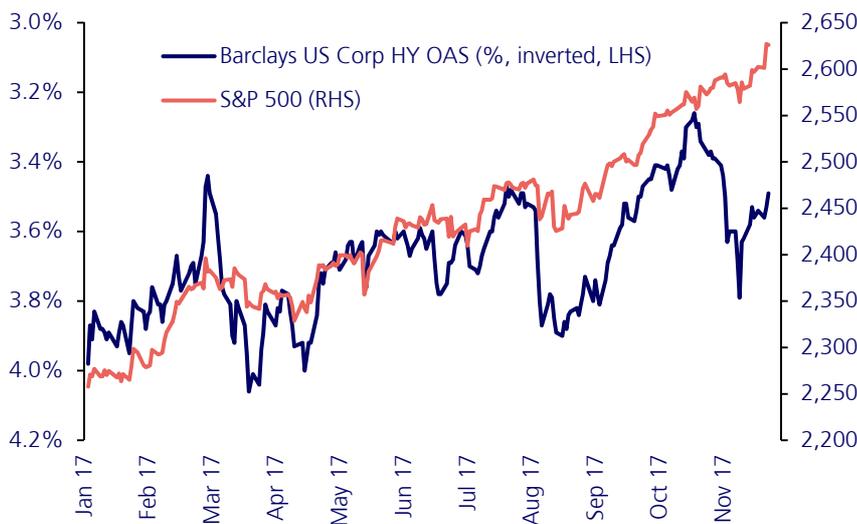


Monthly Investment Outlook

Credit markets underperform equities, as the cycle advances further



Source: Bloomberg

Credit markets suffered a modest pullback in November, further underperforming equities on a risk adjusted basis and widening the gap in performance between the two asset classes since October. After rallying together for years, this recent divergence between credit and equity performance seems likely to continue, as the credit cycle shows further signs of ageing.

Volatility in credit markets during November was triggered by significant outflows from US high yield ETFs, which led to a widening in high yield and even investment grade credit spreads. Although spreads have recovered somewhat and outflows seem to have ebbed, investor sentiment remains fragile. This is not surprising as investors are being rewarded with credit spreads that are close to all-time lows due to a global search for yield that has been spurred by liquidity provision from central banks. However, corporate indebtedness is high and bigger chunks of cash flows are being directed towards servicing interest payments. Clearly, if funding costs rise significantly, or cash flow generation were to suffer, some of the highly indebted companies in high yield markets could encounter cash flow difficulties, especially if they have floating rate debt or high short-term refinancing needs. This could trigger a vicious spiral and cause default rates to rise. While being a risk, this is not an imminent scenario as companies have termed out their debt and financing from banks and credit markets remains abundant.

While investor jitters in the high yield market are indicative of an ageing credit cycle, the aggressive flattening of the US yield curve seen in November is also a typical sign of further advancement of the cycle. In fact, an inversion of US Treasury curve, which occurs when the 2yr US Treasury bond yield is higher than the 10yr US treasury bond yield, has been an accurate forecaster of economic recessions. Although we are still far from an inverted curve, the US Treasury curve is the flattest it has been in this economic cycle. A flatter yield curve reduces bank profitability since banks borrow short term and lend long term. Indeed, bank stocks in both the US and Europe have underperformed broader equity markets during the recent weeks. Lower profitability potential, when accompanied by higher delinquencies, will cause banks to pare down lending. While delinquencies have picked up in some areas, such as US auto loans, it is not yet a widespread concern although US banks started raising provisions in Q3. All in all, given tight spreads and an advanced stage of the cycle, risk reward in credit seems unappealing, especially relative to equities.

Market Assessment

Key developments

- Global economic growth retains its strong momentum and surprises to the upside in many regions supported by higher confidence, optimism around US tax reform and accommodative monetary policy
- The US Treasury curve flattens aggressively, largely driven by rising short end yields, while the technology sector in equities sees some volatility after a strong run
- High yield credit suffers heavy outflows led by ETFs, driving spreads wider and causing an underperformance versus equities

Zurich's view

The momentum in economic growth is likely to continue, as global central banks maintain accommodative monetary policy, while confidence remains robust and funding remains cheap as well as abundant. The impending US tax reform will likely have a positive impact on growth, although some question whether such a stimulus is even needed amid the fear that it could stoke inflationary pressures by further tightening an already tight US labour market. This could cause the Fed to be more hawkish than expected, which is a key risk to global growth.

The bull market in equities is continuing broadly, amid strong earnings driven by a supportive macro backdrop. That said, technology sector stocks could witness further profit taking. Within risk assets, credit appears to be on a trajectory of underperforming equities, as seen during the last few weeks. Government bond yields could rise further as stronger economic growth, diminishing slack in the labour markets and policy normalisation can cause investors to price in higher inflationary pressures.

Global

- Global activity remains strong, with renewed vigour in manufacturing activity now visible in many regions
- The recovery in capex spending underpins more solid gains in exports and global trade, and makes stronger growth more sustainable
- Financial conditions remain favourable, as central banks continue to provide stimulus amid benign inflation

Economic data continue to surprise positively in many regions. The latest PMIs show a further acceleration in Europe and Japan, where activity is spurred by the capex recovery. In the Eurozone, the manufacturing PMI export order component reached an all-time high in November, while in Japan, foreign demand for machinery and transport equipment underpins solid exports. In Asia more broadly, trade data are solid, with a tentative rebound in November now visible. This is encouraging and suggests that higher growth rates are becoming more sustainable. Inflation, by contrast, is modest, although input prices have firmed in many regions. Central banks continue to provide stimulus, with the main exception being the Fed, which is set to hike rates before the end of the year.

US

- Economic momentum remains strong, while inflation is showing signs of life with a number of core components picking up
- Significant differences remain between the Senate's and the House's tax reform plans
- Janet Yellen is stepping down from the Fed's Board of Governors when her term as Fed chair ends in February

Both business sentiment and consumer confidence stand at multi-year highs. The service sector has strengthened markedly, with the ISM Non-Manufacturing reaching the highest level since 2005 in October. In particular, new orders point towards a continuation of solid business activity, while the employment component bodes well for the labour market. The unemployment rate fell to 4.1% in October, the lowest since 2000, and the underemployment rate has now reached the last cycle's low. The ever lower capacity is expected to feed through to higher price pressure with some core inflation components picking up already. Investors are slowly adjusting their short-term yield expectations, but remain reluctant to fully adopt the Fed's more aggressive projection of its rate path.

UK

- Consumer spending recovers somewhat from its recent weakness, but significant headwinds remain
- Brexit talks fail to move on to the second phase, with the Irish border question becoming a major obstacle
- The BoE hikes rates for the first time in more than a decade, signalling no further hikes in the near term

Data on GDP components reveal that Q3 growth of 0.4% QoQ was reached thanks to an acceleration in consumer spending from its recent three-year low, while investment barely grew in the third quarter. Despite the ongoing uncertainty around Brexit, business sentiment improved in October with the Composite PMI rising to 55.8 from 54.1, indicating a slight pickup in momentum towards the end of the year. Nevertheless, a significant growth acceleration is unlikely as long as Britain's future relationship with the EU remains unclear. Despite a reduced growth outlook, the BoE has hiked rates for the first time in more than a decade, focussing on above-target inflation. Acknowledging considerable risks to the economy, MPC members agreed that further increases will be limited and gradual.

Eurozone

- Q3 Eurozone GDP grows at an above consensus pace of 0.6% QoQ, and Q2 growth is revised up
- Business confidence surges in the Eurozone, suggesting continued robust growth in Q4 2017 and early 2018
- In Germany, coalition talks between the CDU and FDP breakdown, opening the way for another grand coalition

Eurozone GDP came in above consensus and above trend at 0.6% QoQ in Q3, and growth in Q2 was revised up to 0.7% from an initial estimate of 0.6%. The latest business surveys for November show a surge in business confidence, especially in the manufacturing sector. This points to a likely acceleration in growth for Q4 and early 2018. German business confidence does not seem to have been impacted by political uncertainty. The FDP recently pulled out of coalition talks, and another grand coalition between the CDU and SPD now looks increasingly likely. Well above trend growth should be supportive of corporate earnings and equity markets in the Eurozone. In time, we expect that Eurozone government bond yields will also move higher, though German Bund yields have been rangebound recently.

Switzerland

- GDP expands at the fastest pace since 2014 in Q3, boosted by investment and net trade
- Survey data confirm solid growth into Q4, with strong new orders and improving sentiment
- The SNB is expected to leave policy unchanged until year end, but 2018 is likely to see some changes

Q3 GDP was strong, up 0.6% QoQ, with annual growth at 1.1%. This was the fastest quarterly expansion since 2014, boosted by investment and trade, while consumption grew modestly and construction contracted. Despite the Q3 GDP rebound, survey data imply further upside. The PMI is at a seven-year high amid solid new orders, the KOF indicator rose for the third consecutive month in November, and investor sentiment has surged. The economy is unbalanced, however, with sluggish household spending and a drag from construction, offsetting some of the strength from exporters, which are benefiting from solid global demand and a weaker franc. We anticipate the SNB to leave policy unchanged until year end, but 2018 is likely to see some changes to the policy setting.

Japan

- Speculation on early BoJ tapering seems overdone
- Economic indicators paint a mixed picture, but GDP growth should continue in Q4
- We remain constructive on Japanese equities

Despite a mostly weather related drop in private consumption in Q3, Japan's economy grew for the seventh quarter in a row. Net exports and inventory build-up were the main contributors. Even though some monthly indicators like industrial production, retail sales and housing starts came in below consensus expectations in October, we believe that the economy will continue to grow in Q4. The Topix managed to mark a fresh 25-year high, but only for a day. We believe that with foreign investors supporting the market, together with the BoJ's ETF buying programme, the previous strong resistance range between 1'800 and 1'850 will be broken in a more convincing manner next year. It is critical that the USDJPY not fall below 110, however, as that would hit earnings expectations.

China

- Credit tightening has the intended dampening effect on some segments in the economy
- However, service sector activity remains brisk
- We remain constructive on the MSCI China, though a pullback in Internet related heavyweights would be healthy

Credit and property market tightening is becoming visible in leveraged parts of the economy and in segments that suffer from overcapacity, particularly the mining sector. Service sector activity remains brisk. Retail sales growth weakened in October, but we believe that this is just temporary, as strong online sales are expected to contribute positively following a surge on the 'singles' day on November 11. The relative performance of the MSCI China vs. the world is still showing an upward trend, but is volatile depending on the performance of internet related heavyweights. Though a pullback in these stocks would be healthy, we believe that foreign investors will need to increase their positioning in Chinese shares going forward, which should support the market.

Australia

- Despite the recent hike in minimum wage, wage growth remains weak at 2.0% YoY in Q3
- Public engineering growth rises to double-digit levels thanks to infrastructure spending
- The ASX 200 exhibits supportive technicals, and tests the 2015 high

Strong animal spirits are finally spilling over into business capex, as non-residential building approvals rise for the eighth month, reaching 15% YoY. A large infrastructure pipeline should support investment growth into 2018. Investment by services companies is also contributing significantly. In parallel, the labour market continues to tighten. Given the high level of underemployment (~14%), it will take time for wage growth to rebound, though. In the bond market, we find that the 10yr sovereign spread to US Treasuries has reached an excessively low level (16bps as we write). Economic fundamentals do not justify this level, and we expect the spread to widen.

Valuation snapshot (MSCI Indices)

Current trailing valuations

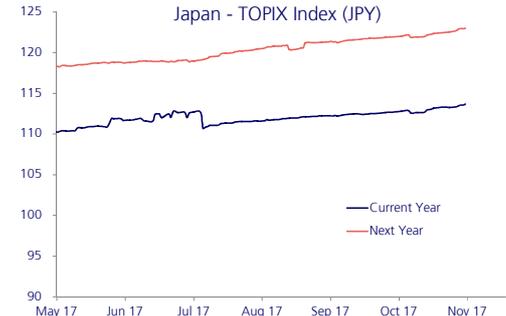
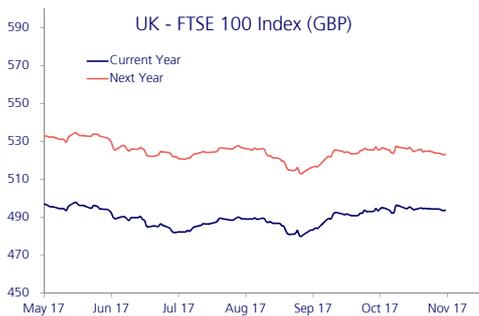
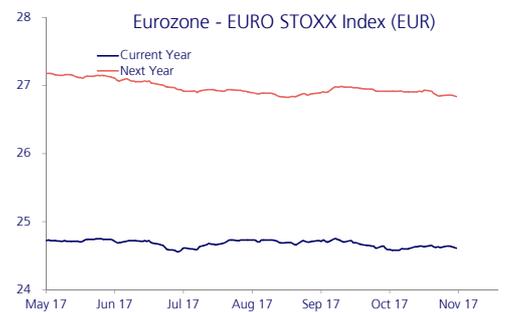
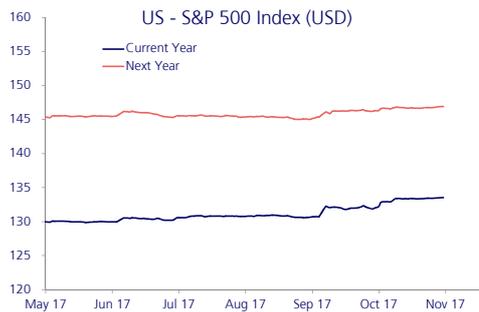
	US	Europe ex UK	UK	Switzerland	Japan	APAC ex. Japan	China	Brazil	Mexico
12m Trailing P/E	23.41	19.50	20.37	24.45	15.31	15.26	16.26	18.29	18.95
12m Trailing P/B	3.18	1.93	1.79	2.72	1.39	1.74	1.96	1.79	2.71
12m Trailing P/CF	14.66	7.94	8.41	13.84	9.48	10.65	8.61	6.75	9.56
Dividend Yield	1.96	2.99	3.91	3.13	2.02	2.64	1.71	2.59	2.21
ROE	13.57	9.89	8.80	11.12	9.08	11.42	12.07	9.80	14.31

Current trailing valuations relative to MSCI world

	US	Europe ex UK	UK	Switzerland	Japan	APAC ex. Japan	China	Brazil	Mexico
12m Trailing P/E	1.17	0.97	1.02	1.22	0.77	0.76	0.81	0.91	0.95
12m Trailing P/B	1.40	0.85	0.79	1.20	0.61	0.77	0.86	0.79	1.20
12m Trailing P/CF	1.31	0.71	0.75	1.24	0.85	0.95	0.77	0.60	0.86
Dividend Yield	0.82	1.25	1.64	1.31	0.85	1.11	0.72	1.09	0.93
ROE	1.20	0.87	0.78	0.98	0.80	1.01	1.06	0.86	1.26

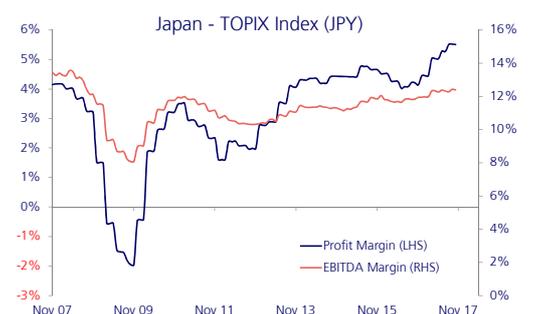
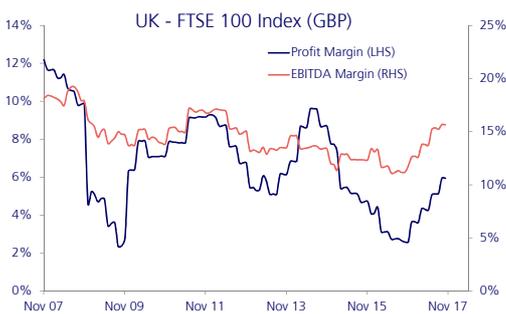
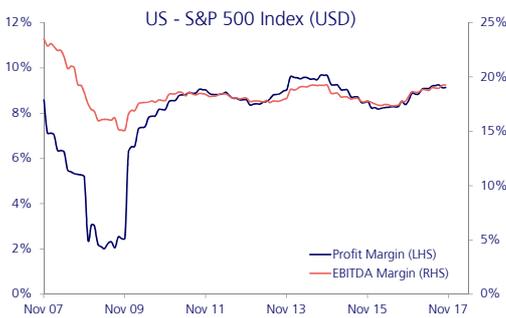
Source: Datastream

Earnings estimates - Full fiscal years



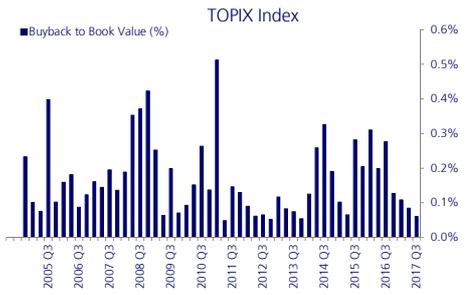
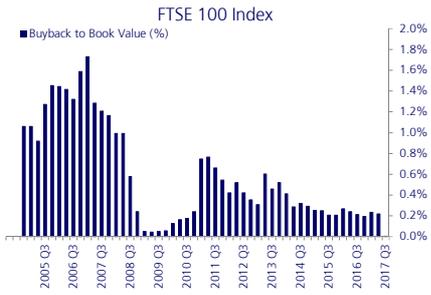
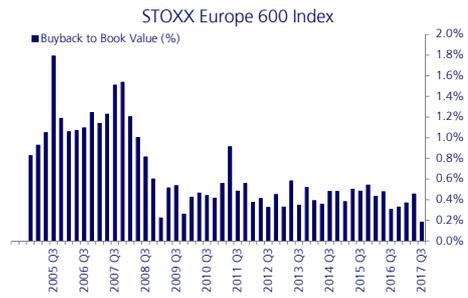
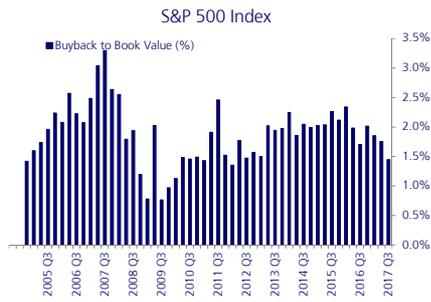
Source: Bloomberg

Historical margins



Source: Bloomberg

Shares buybacks



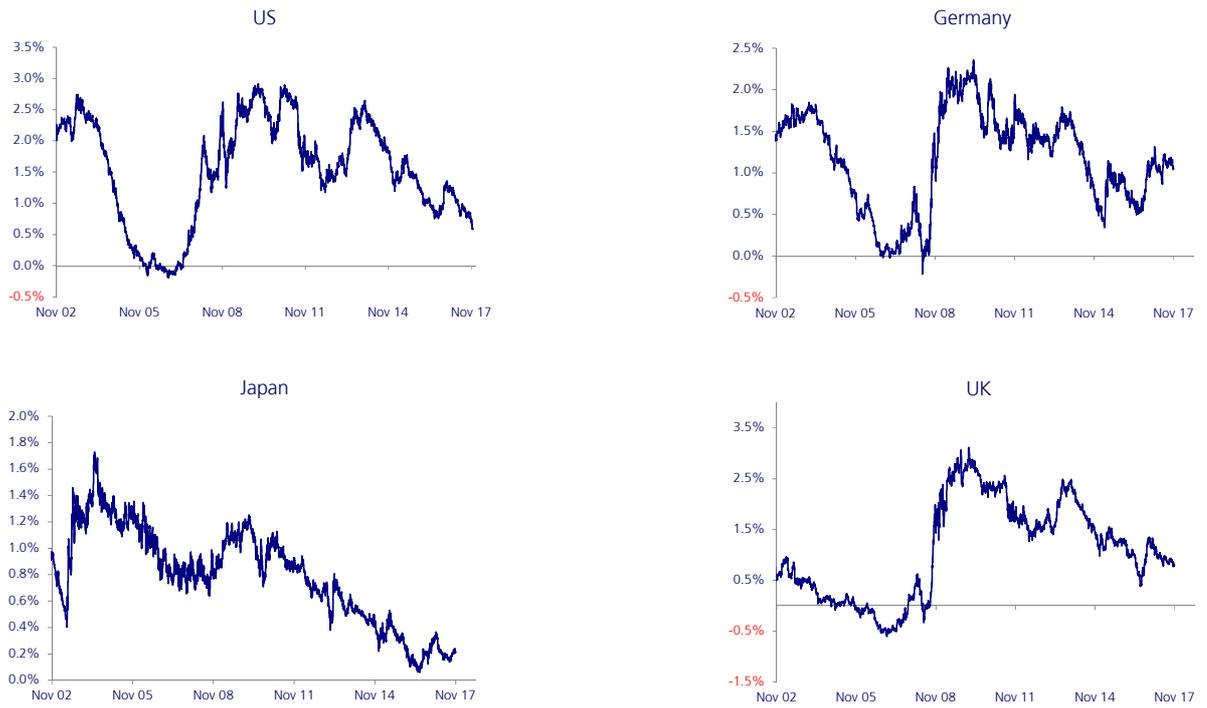
Source: Bloomberg

Overbought / Oversold



Source: Bloomberg

Yield Curve Steepness (2yr-10yr)



Source: Bloomberg

Spread Snapshot

Generic Government Yields (10yr)

Country	Spread over US Treasury (bps)			
	Nov-17	1m ago	3m ago	1yr ago
UK	-108	-106	-113	-94
Germany	-199	-202	-179	-212
Switzerland	-247	-246	-227	-252
Japan	-230	-233	-212	-232
Australia	18	37	50	40
China	166	143	154	52
South Korea	19	13	13	-17
Malaysia	161	164	177	203
Indonesia	425	442	464	597
Thailand	5		19	25
Philippines	172	n/a	n/a	n/a
Brazil	783	735	795	n/a
Mexico	489	487	473	509
Colombia	424	421	462	518
Peru	299	289	328	333

Generic Government Yields (10yr)

Country	Spread over German Bund (bps)			
	Nov-17	1m ago	3m ago	1yr ago
France	34	41	31	56
Netherlands	11	10	14	18
Belgium	22	25	32	44
Austria	15	17	22	31
Ireland	24	22	35	n/a
Italy	145	157	172	185
Spain	114	120	122	133
Portugal	158	181	251	336

Source: Bloomberg, ZIG

Economic data

US	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Trend*
ISM Manufacturing (Index)	52.0	53.5	54.5	56.0	57.7	57.2	54.8	54.9	57.8	56.3	58.8	60.8	58.7	up
ISM Non-Manufacturing (Index)	54.6	56.2	56.6	56.5	57.6	55.2	57.5	56.9	57.4	53.9	55.3	59.8	60.1	up
Durable Goods (% MoM)	6.1	-4.6	0.3	0.3	1.4	2.4	-0.8	0.0	6.4	-6.8	2.1	2.0	-1.2	up
Consumer Confidence (Index)	100.8	109.4	113.3	111.6	116.1	124.9	119.4	117.6	117.3	120.0	120.4	120.6	125.9	up
Retail Sales (% MoM)	3.7	3.7	4.0	5.6	4.7	4.8	4.5	4.2	3.0	3.7	3.5	4.8	4.6	up
Unemployment Rate (%)	4.8	4.6	4.7	4.8	4.7	4.5	4.4	4.3	4.4	4.3	4.4	4.2	4.1	down
Avg Hourly Earnings YoY (% YoY)	2.5	2.5	2.5	2.4	2.5	2.3	2.3	2.4	2.3	2.3	2.4	2.5	2.3	up
Change in Payrolls ('000, MoM)	124.0	164.0	155.0	216.0	232.0	50.0	207.0	145.0	210.0	138.0	208.0	18.0	261.0	down
PCE (% YoY)	1.9	1.8	1.9	1.9	1.9	1.6	1.6	1.5	1.5	1.4	1.3	1.3		down
GDP (% QoQ, Annualized)						1.2			3.1					up
UK	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Trend*
PMI Services (Index)	54.5	55.2	56.2	54.5	53.3	55.0	55.8	53.8	53.4	53.8	53.2	53.6	55.6	up
Consumer Confidence (Index)	-3.0	-8.0	-7.0	-5.0	-6.0	-6.0	-7.0	-5.0	-10.0	-12.0	-10.0	-9.0	-10.0	down
Unemployment Rate (%)	4.8	4.8	4.8	4.7	4.7	4.6	4.6	4.5	4.4	4.3	4.3	4.3		down
CPI (% YoY)	0.9	1.2	1.6	1.8	2.3	2.3	2.7	2.9	2.6	2.6	2.9	3.0	3.0	up
GDP (% YoY)						1.8			1.5					neutral
Eurozone	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Trend*
PMI Manufacturing (Index)	53.5	53.7	54.9	55.2	55.4	56.2	56.7	57.0	57.4	56.6	57.4	58.1	58.5	up
PMI Services (Index)	52.8	53.8	53.7	53.7	55.5	56.0	56.4	56.3	55.4	55.4	54.7	55.8	55.0	down
IFO Business Climate (Index)	110.3	110.2	111.1	110.1	111.3	112.4	113.1	114.7	115.2	116.2	116.0	115.3	116.8	up
Industrial Production (% MoM)	-0.1	1.7	-1.0	0.2	-0.1	0.4	0.3	1.3	-0.6	0.4	1.4	-0.6		up
Factory Orders GE (% MoM)	3.2	-1.8	6.0	-6.6	3.4	1.0	-2.1	1.2	0.8	-0.4	4.1	1.0		up
Unemployment Rate (%)	9.8	9.7	9.6	9.6	9.5	9.4	9.2	9.2	9.1	9.0	9.0	8.9		down
M3 Growth (% YoY, 3 months MA)	4.5	4.7	4.9	4.7	4.6	5.2	4.8	4.9	4.9	4.5	5.0	5.1		neutral
CPI (% YoY)	0.5	0.6	1.1	1.8	2.0	1.5	1.9	1.4	1.3	1.3	1.5	1.5	1.4	up
Core CPI (% YoY)	0.8	0.8	0.9	0.9	0.9	0.7	1.2	0.9	1.1	1.2	1.2	1.1	0.9	down
GDP (% QoQ)						0.6			0.7					neutral
Switzerland	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Trend*
KOF Leading Indicator (Index)	102.8	102.5	103.0	102.0	108.2	108.2	107.2	103.9	105.2	107.5	104.2	106.1	109.1	up
PMI Manufacturing (Index)	55.2	55.9	56.2	54.6	57.8	58.6	57.4	55.6	60.1	60.9	61.2	61.7	62.0	up
Real Retail Sales (% YoY)	-0.6	0.6	-4.0	-1.0	0.4	2.5	-1.3	-0.6	1.8	0.0	-1.0	-0.4		down
Trade Balance (Billion, CHF)	2.5	3.4	2.7	4.8	3.0	3.1	1.9	3.3	2.8	3.5	2.2	2.8	2.3	down
CPI (% YoY)	-0.2	-0.3	0.0	0.3	0.6	0.6	0.4	0.5	0.2	0.3	0.5	0.7	0.7	up
Japan	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Trend*
Nomura Manufacturing PMI (Index)	51.4	51.3	52.4	52.7	53.3	52.4	52.7	53.1	52.4	52.1	52.2	52.9	52.8	up
Machine Orders (% YoY)	-5.6	10.4	6.7	-8.2	5.6	-0.7	2.7	0.6	-5.2	-7.5	4.4	-3.5		down
Industrial Production (% YoY)	-1.2	4.4	3.1	3.2	4.7	3.5	5.7	6.5	5.5	4.7	5.3	2.6		down
ECO Watchers Survey (Index)	46.2	48.6	51.2	48.6	48.5	50.6	50.4	50.1	49.9	51.0	49.6	49.6	49.9	down
Jobs to Applicants Ratio (Index)	1.4	1.4	1.4	1.4	1.4	1.5	1.5	1.5	1.5	1.5	1.5	1.5		up
Labour Cash Earnings (% YoY)	0.1	0.5	0.5	0.3	0.4	0.0	0.5	0.6	0.4	-0.6	0.7	0.9		down
Department Store Sales (% YoY)	-3.9	-2.4	-1.7	-1.2	-1.7	-0.9	0.7	0.0	1.4	-1.4	2.0	4.4	-1.8	up
Money Supply M2 (% YoY)	3.6	3.8	3.9	3.9	4.1	4.2	3.9	3.8	3.9	4.0	4.0	4.0	4.1	up
CPI Ex Food & Energy (% YoY)	0.2	0.1	0.0	0.1	-0.1	-0.3	-0.3	-0.2	-0.2	-0.1	0.0	0.0		up
Exports (% YoY)	-10.3	-0.4	5.4	1.3	11.3	12.0	7.5	14.9	9.7	13.4	18.1	14.1	14.0	up
China	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Trend*
PMI Manufacturing (Index)	51.2	51.7	51.4	51.3	51.6	51.8	51.2	51.2	51.7	51.4	51.7	52.4	51.6	up
Industrial Production (% YoY)	6.1	6.2	6.0			7.6	6.5	6.5	7.6	6.4	6.0	6.6	6.2	down
Retail Sales (% YoY)	10.0	10.8	10.9			10.9	10.7	10.7	11.0	10.4	10.1	10.3	10.0	down
PPI (% YoY)	1.2	3.3	5.5	6.9	7.8	7.6	6.4	5.5	5.5	5.5	6.3	6.9	6.9	up
Exports (% YoY)	-7.9	-1.5	-6.2	7.1	-2.1	15.6	6.9	7.9	10.7	6.5	5.1	8.0	6.9	down
CPI (% YoY)	2.1	2.3	2.1	2.5	0.8	0.9	1.2	1.5	1.5	1.4	1.8	1.6	1.9	up
RRR (%)	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	neutral
GDP (% YoY)						6.9			6.9					neutral
PMI Non Manufacturing (Index)	51.2	51.7	51.4	51.3	51.6	51.8	51.2	51.2	51.7	51.4	51.7	52.4	51.6	up
Aggregate Financing (Billions, CNY)	886.5	1832.8	1626.0	3724.3	1085.3	2117.4	1374.2	1038.8	1754.7	1193.5	1480.8	1833.4	1038.7	up

Datasource: Bloomberg

*Trend = Last 3m - Previous 3m

Economic data

Australia	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Trend*
AiG Manufacturing (Index)	50.9	54.2	55.4	51.2	59.3	57.5	59.2	54.8	55.0	56.0	59.8	54.2	51.1	down
AiG Service (Index)	50.5	51.1	57.7	54.5	49.0	51.7	53.0	51.5	54.8	56.4	53.0	52.1	51.4	down
Westpac Consumer Confidence (% MoM)	1.1	-1.1	-3.9	0.1	2.3	0.1	-0.7	-1.1	-1.8	0.4	-1.2	2.5	3.6	up
Building Approvals (% YoY)	-23.5	-1.9	-10.5	-8.7	-3.3	-20.0	-16.4	-17.0	-0.7	-12.3	-15.1	0.2		up
Employment Change ('000, MoM)	20.0	41.8	17.5	6.3	10.0	55.0	49.5	41.5	21.2	31.2	51.4	26.6	3.7	down

Brazil	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Trend*
CPI (% YoY)	7.9	7.0	6.3	5.4	4.8	4.6	4.1	3.6	3.0	2.7	2.5	2.5	2.7	down
Industrial Production (% YoY)	-3.9	-7.2	-1.1	0.0	1.8	-0.3	2.0	-4.3	4.4	0.8	2.8	3.9	2.6	up
Retail Sales (% YoY)	-5.7	-8.1	-3.8	-4.9	-1.2	-3.7	-3.2	1.7	2.6	2.9	3.1	3.6	6.4	up
Trade Balance (Millions, USD)	2346.0	4756.0	4415.0	2724.0	4560.0	7145.0	6969.0	7661.0	7195.0	6298.0	5599.0	5178.0	5201.0	down
Budget Balance Primary (Billions, BRL)	-67.1	3.4	-80.4	-105.2	0.3	-54.2	-54.3	-15.4	-67.0	-51.1	-44.6	-45.5	-53.3	down

Chile	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Trend*
IMACEC Economic Activity Index (% YoY)	-0.26	1.02	0.59	1.17	-1.19	0.25	0.01	1.39	1.37	2.84	2.37	1.34		up
CPI (% YoY)	2.80	2.90	2.70	2.80	2.70	2.70	2.70	2.60	1.70	1.70	1.90	1.50	1.90	down
Retail Sales (% YoY)	1.08	1.49	2.69	3.49	-0.23	6.05	-0.53	5.66	4.06	4.16	4.90	3.50		up
Industrial Production (% YoY)	-7.19	-0.09	1.29	-1.23	-8.03	-8.31	-4.20	0.05	-1.90	3.10	5.20	1.00		up
Unemployment (%)	6.40	6.20	6.10	6.20	6.40	6.60	6.70	7.00	7.00	6.90	6.60	6.70		down

Mexico	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Trend*
PMI (Index)	50.1	48.5	48.2	48.4	46.4	46.7	44.7	48.9	54.6	51.6	54.0	52.9	52.4	up
CPI (% YoY)	3.1	3.3	3.4	4.7	4.9	5.4	5.8	6.2	6.3	6.4	6.7	6.4	6.4	up
Retail Sales (% YoY)	9.3	11.2	9.0	4.9	3.6	6.1	1.4	4.1	0.4	0.4	-0.2	-0.3		down
Industrial Production (% YoY)	-1.3	5.0	3.3	4.0	0.9	9.3	-1.5	5.0	2.8	3.2	3.7	2.8		up
Remittances (Millions, USD)	2220.2	2371.0	2342.5	2062.6	2056.8	2520.7	2304.7	2584.2	2417.0	2459.7	2469.3	2349.3		down

Datascource: Bloomberg

*Trend = Last 3m - Previous 3m

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