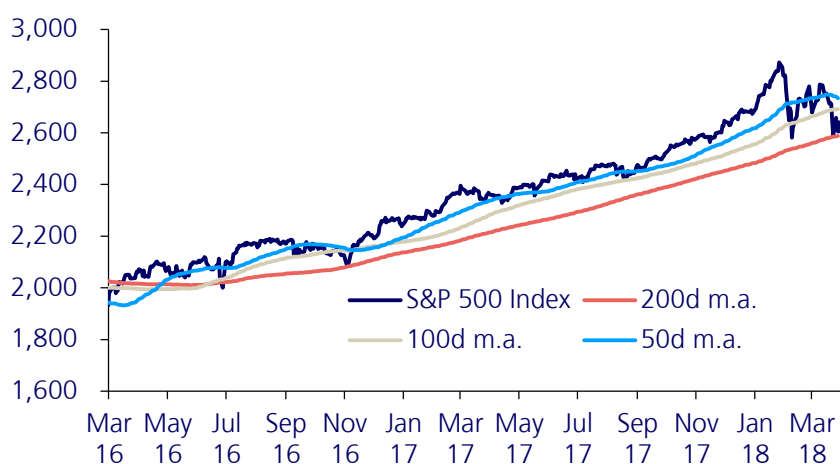


Monthly Investment Insights

Equity markets re-test recent lows, but fundamentals remain supportive



Source: Bloomberg

Equity markets have re-tested recent lows, with the S&P 500 hitting its 200-day moving average in March for example, but we continue to favour equities over government bonds and corporate credit. In particular, we think the recent fears over the Trump trade tariffs and a potential trade war are overdone. We do not expect a trade war to develop. China's muted response so far suggests it wants to de-escalate rather than escalate tensions. In addition, other risks that investors were concerned about recently have actually diminished. For example, the relations between North Korea and the US have improved with the agreed summit between President Trump and Kim Jong-Un. Fears of a rapid rise in US inflation have receded, with hourly earnings data revised down in the latest US labour market report. It is worth recalling that concerns over faster wage growth and a more aggressive Fed were the cause of the initial equity market sell-off in late January/early February. This risk has now diminished. As a result, US 10-year yields have backed away from the psychologically important 3% level that many investors saw as a threat for equity markets.

Indeed, central banks remain accommodative and where they are removing stimulus, they are only doing so gradually. The Fed reaffirmed in its so called 'dot plot' its expectation for three rate hikes this year, not four. The ECB has emphasised prudence, patience and a measured approach in its monetary policy, and we expect it will continue with QE until the end of 2018 and only raise interest rates in 2019. In Asia, the BoJ recently recognised it is still some way away from achieving its inflation policy goals, suggesting no rush to change policy.

Admittedly, one concern is the recent sell-off in US technology company shares, as this sector had been one of the key ones driving equities forward. Although there may be some investor rotation between sectors, as long as global growth holds up this will support overall corporate earnings growth and risk appetite in our view. While business confidence has softened recently in the Eurozone, it has done so from extremely high levels, and is still consistent with well-above trend growth. What's more, macro data has improved or at least stabilised in other key economies, such as the US and China. The US continues to add jobs at a healthy pace for example, and business confidence as measured by the ISM manufacturing survey has picked up in recent months. The upshot is that we expect corporate earnings in the US and the rest of the world to continue to grow at a strong pace in 2018, supporting risk assets, especially equities.

Market Assessment

Key developments

- S&P 500 tests its 200-day moving average
- The US imposes tariffs on China, igniting trade war fears
- Central banks remain accommodative while macro data still indicate strong global growth

Zurich's view

Equity markets have re-tested and in some cases breached the recent lows set in the late January/early February sell-off, which was driven by US inflation fears and exacerbated by excessive short volatility positioning. Although these issues have receded, other concerns are now worrying investors. There are worries of a trade war starting after the US announced tariffs on China. In addition, various company specific events have led to a sharp sell-off in technology shares and affected wider risk appetite.

We would look through these events and focus on the fundamentals such as economic growth and the outlook for corporate earnings. Both of these remain supportive for risk assets in our view, especially equities. Strong global growth is likely to lead to continued corporate earnings growth in 2018. Within equities, we favour Japan and Korea in particular.

However, headwinds are increasing for credit due to worsening supply/demand technicals as seen in outflows, while recent widening in the US LIBOR OIS spread is negative for credit. Credit has continued to see almost relentless spread widening over the last month, especially in cash credit markets whilst leverage continues to rise. We think credit is likely to continue to underperform equities within risk assets.

Key developments

Zurich's view

Global

- Global growth is slowing, though it remains at a healthy level
- The manufacturing upswing is peaking and world trade is expected to normalise
- A global trade war remains unlikely, though risks to the outlook have risen

Global growth is firm and synchronised, but data have become more mixed. The manufacturing upswing is peaking and global trade growth slowing, with leading Asian export data normalising from elevated levels. Additionally, financial conditions have become less favourable, helping to take the edge off growth. Though risks have increased, we believe that this represents a normalisation, rather than the beginning of a more sinister downturn. We also do not foresee an escalation of trade disputes into a trade war. While risks are certainly high, recent developments could paradoxically be positive if they help to bring contentious trade issues to the negotiation table.

US

- President Trump ramps up his protectionist rhetoric and announces tariffs aimed at China in particular
- The Fed hikes rates and raises its inflation forecast, but keeps its path for 2018 unchanged
- The S&P 500 suffered another volatile month on fears of the US initiating a trade war with China

Both business and consumer sentiment remain high. The ISM Manufacturing index reached the highest level since 2004 in February, signalling a continuation of the solid economic trend. Meanwhile, near-term inflation fears have receded with both inflation and wage growth moderating in February. As expected, the Fed raised the federal funds target range by 0.25% to 1.5% - 1.75% and signalled two more hikes in 2018, but lifted the projected rate path for both 2019 and 2020. Despite the positive economic background, the stock market suffered further sell-offs triggered by investors' worrying about the risk of a trade war between the US and China. While we do not expect a major escalation, risks have increased and could act as a headwind for economic sentiment if the uncertainty lingers on.

UK

- The Composite PMI recovers from its 2-year low while inflation continues to soften
- The Bank of England focuses on the strong labour market and gets ready for a rate hike
- The UK and the EU agree on a 21-month transition period beginning on Brexit day in March next year

Business activity is holding up reasonably well, with the Markit Composite PMI rising to 54.5 in February from 53.5 in January. Headline CPI inflation continues to weaken with the annual rate falling to 2.7% in February from 3.0%. Core CPI softened to 2.4% from 2.7%. PPI dropped to 3.4% indicating that price pressures are further receding, mitigating the headwinds for consumers. Meanwhile, wage growth accelerated to 2.8% YoY in January from an upwards revised 2.7%, which should help support household spending. The BoE kept rates on hold though two members of the Monetary Policy Committee voted for a rate hike. That the MPC acknowledged the stronger labour market and did not try to soften market expectations make a rate hike in May increasingly likely.

Eurozone

- Business confidence falls back further in March, but remains consistent with strong growth
- The ECB emphasises a prudent approach to monetary policy, but is set to end QE at the end of 2018
- Populists do better than expected in Italian elections, however, the need for a coalition will moderate extreme policies

Business sentiment as measured by the PMIs and German ifo survey fell back sharply in March after having already declined in February. However, confidence fell from exceptionally high levels, and is still consistent with robust growth in the Eurozone. Indeed, the ECB has indicated that it is now focusing on when and at what pace to raise rates in 2019. We expect a taper of QE in the final quarter of 2018, and the first rate raise either at the ECB March or April meeting in 2019. Finally, the elections in Italy saw the 5 Star Movement and Lega party do better than expected. While the need to form a coalition with other parties in order to enter government means neither party is likely to implement extremist policies, in the near term the prospect for further reform of the Italian economy is now limited.

Switzerland

- Growth remains strong, though further upside is not expected
- Inflation is plateauing at a low level as the SNB revises down its inflation forecast
- The SNB leaves policy unchanged and reiterates that the franc remains overvalued

The SNB kept policy unchanged in March, as expected. The decision had a dovish tilt, with a lower inflation forecast, at only 0.9% in 2019. They also reiterated that the franc remains highly valued and that the situation in the forex market is fragile. Excess reserves have since rebounded, indicating that the SNB is intervening in forex markets again. While economic activity remains firm, we expect the manufacturing PMI to show growth slowing in March. The KOF leading indicator also appear to have peaked, as weaker momentum in the industrial sector is not offset by stronger dynamics elsewhere. Inflation is weak, with both core and headline inflation plateauing at a low level, justifying the SNB's dovish stance.

Japan

- Japan's economy is showing signs of slowing growth
- Political uncertainties have resurfaced
- Japanese equities are expected to outperform again following a weak Q1 performance

Several economic indicators suggest that Japan's growth momentum is slowing. However, even if industrial production were to fall in Q1 versus Q4, we still believe that growth will remain solid this year. Some weather and Lunar New Year related distortions should also be resolved heading into Q2. On the political front the 'Moritomo' scandal has resurfaced, leading to a plunge in popularity of the Abe led government, with Finance Minister Aso now under scrutiny. The Topix has fallen nearly 14% from its January high, underperforming global equities. We are becoming more constructive toward Japanese equities as valuations are cheap, short selling has become extreme, and the USDJPY is showing signs of stabilising. We do not believe a trade war is imminent, which would hurt Japan's export giants.

China

- China's growth remains solid, but is expected to slow
- The NPC has approved a restructuring of government bodies' responsibilities
- While China has become the main target of a tighter US trade policy, a trade war is not imminent

Some of China's economic indicators have come in better than consensus had expected, but it is too early to revise up our more cautious economic outlook for the rest of the year. While Lunar New Year distortions still make it difficult to track real growth, we believe growth will slow. China's response to an increase in US tariffs on Chinese steel and aluminium exports has so far been tepid, which does not suggest a trade war is imminent. Indeed, following China's National People's Congress, it seems likely that foreign companies will benefit from easier access to China's domestic service sector. Meanwhile, with NPC delegates unanimously voting for a lifelong extension of Xi Jinping's presidency, it is likely that the trend toward tighter regulation and deleveraging will not be short-lived.

Australia

- Labour force underemployment decreases by 0.1pts to 8.3% as the labour market tightens
- ASX200 earnings revisions hover around zero, while the index price suffers from global risk aversion
- Iron ore prices and the AUDUSD cross have to be watched as they test the bottom of the 2015 ascending range

Business sentiment is spiking, suggesting a further pickup in capital expenditure. Consumer sentiment remains above the 100pts threshold for a fourth month, signalling moderate optimism. More survey respondents now prioritise paying off their debt, as opposed to investing in real estate. This is consistent with the deceleration of residential price growth to 2% YoY in February, the lowest print in months. Building approval growth, a leading indicator for housing, has stabilised, which points towards a gradual slow down in price growth. In parallel, the large domestic banks have announced mortgages discounts, which might rekindle price growth in the short term. Nevertheless, in the longer term, further macro-prudential tightening is likely.

ASEAN

- Asia trade momentum softens, led by tech exports and impacted by Chinese New Year distortions
- In February, Asian equities suffer their worst monthly outflows in years
- ASEAN equity markets outperform global equities year-to-date as risk-off sentiment prevails

We are not too concerned by the slowdown in trade, but will watch March data. In Singapore, core CPI has climbed to the top of the 1-2% forecast range of the Monetary Authority of Singapore, paving the way for policy normalisation. In contrast, core inflation is slowing in Indonesia and Malaysia. In Indonesia, the government is pushing measures to keep tariffs on electricity and for some fuel segments constant in 2018 and 2019. These measures make political sense, as provincial and general elections are approaching, and will probably deliver a welcome boost to consumption and put a minor dent in the fiscal deficit. Bank Indonesia has increased its focus on preserving macro stability following large portfolio outflows. Bank Negara Malaysia stands comfortably on hold.

Valuation snapshot (MSCI Indices)

Current trailing valuations

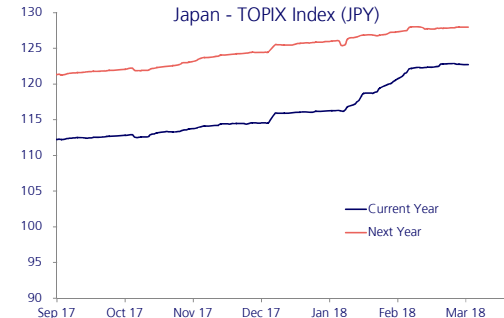
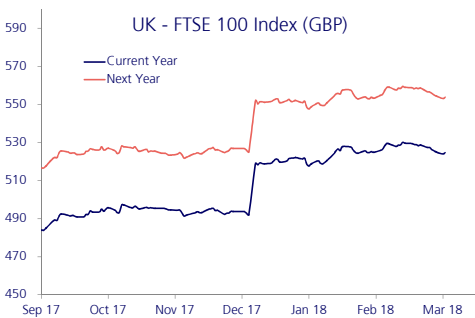
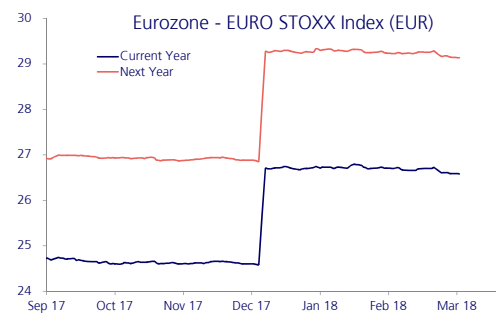
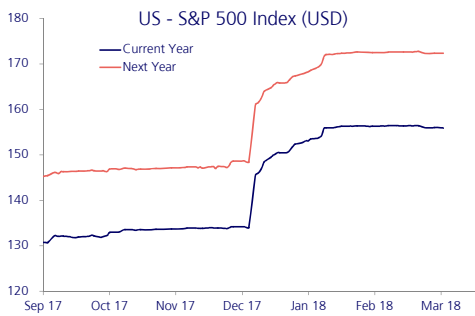
	US	Europe ex UK	UK	Switzerland	Japan	APAC ex. Japan	China	Brazil	Mexico
12m Trailing P/E	25.70	20.32	21.23	25.42	16.33	16.17	18.18	18.82	18.08
12m Trailing P/B	3.48	1.97	1.86	2.81	1.47	1.90	2.22	2.00	2.62
12m Trailing P/CF	14.82	10.33	9.97	14.49	9.27	10.02	10.32	9.65	8.83
Dividend Yield	1.77	2.92	3.80	3.08	1.88	2.42	1.48	2.40	2.19
ROE	13.54	9.71	8.78	11.04	8.99	11.75	12.23	10.60	14.50

Current trailing valuations relative to MSCI world

	US	Europe ex UK	UK	Switzerland	Japan	APAC ex. Japan	China	Brazil	Mexico
12m Trailing P/E	1.21	0.95	1.00	1.19	0.77	0.76	0.85	0.88	0.85
12m Trailing P/B	1.44	0.81	0.77	1.16	0.61	0.78	0.92	0.82	1.08
12m Trailing P/CF	1.26	0.88	0.85	1.23	0.79	0.85	0.88	0.82	0.75
Dividend Yield	0.80	1.32	1.71	1.39	0.85	1.09	0.67	1.08	0.99
ROE	1.19	0.85	0.77	0.97	0.79	1.03	1.08	0.93	1.28

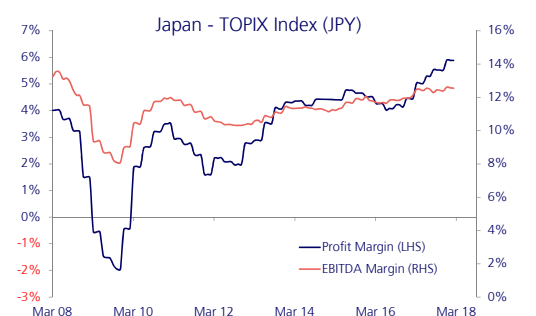
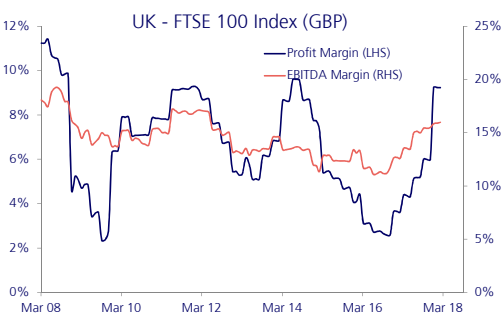
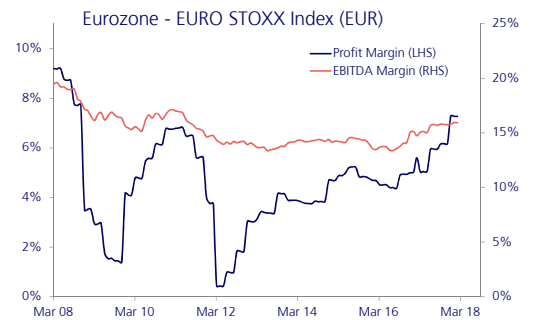
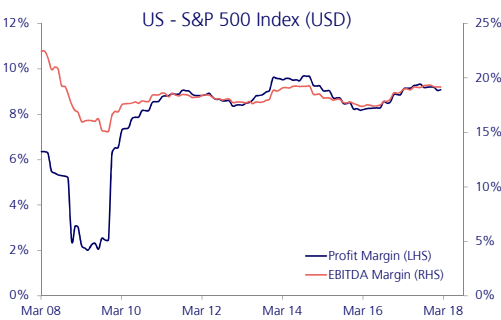
Source: Datastream

Earnings estimates - Full fiscal years



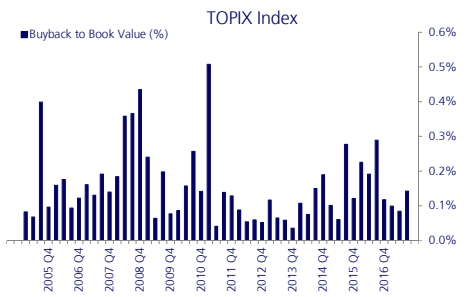
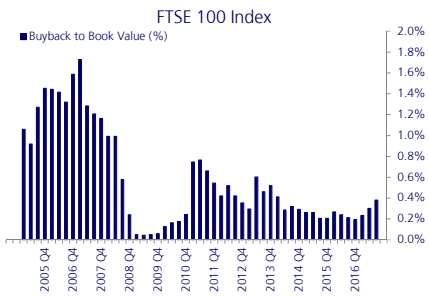
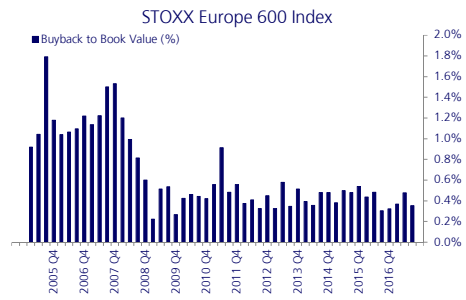
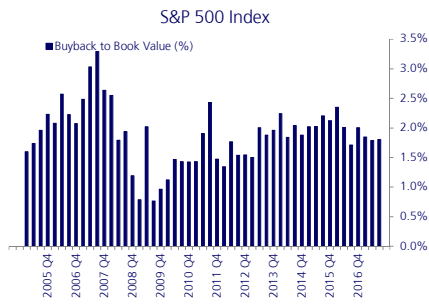
Source: Bloomberg

Historical margins



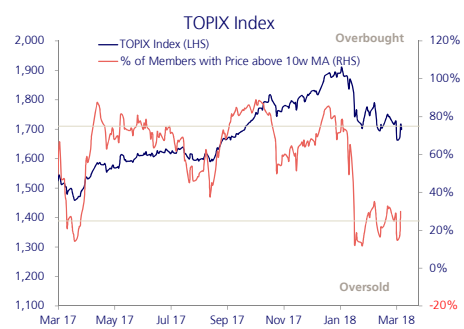
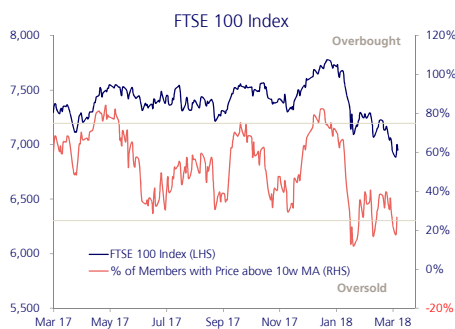
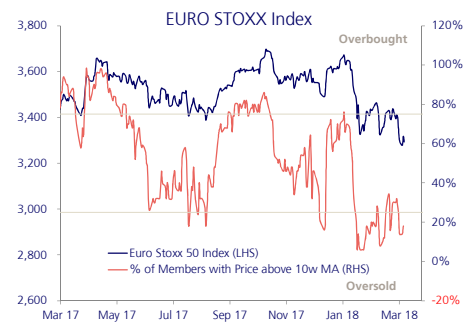
Source: Bloomberg

Shares buybacks



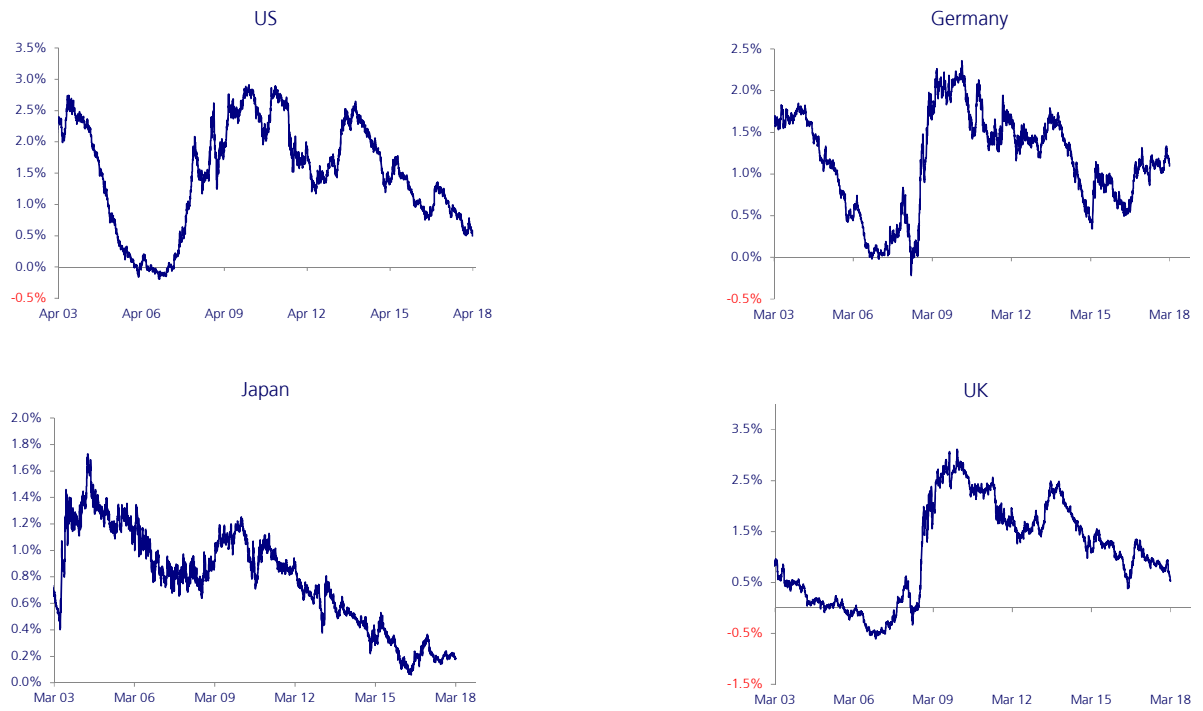
Source: Bloomberg

Overbought / Oversold



Source: Bloomberg

Yield Curve Steepness (2yr-10yr)



Source: Bloomberg

Spread Snapshot

Generic Government Yields (10yr)

Country	Spread over US Treasury (bps)			
	Mar-18	1m ago	3m ago	1yr ago
UK	-139	-135	-123	-123
Germany	-227	-221	-201	-203
Switzerland	-272	-276	-255	-248
Japan	-272	-281	-237	-236
Australia	-16	-2	24	28
China	98	103	146	86
South Korea	-8	-7	4	-25
Malaysia	120	120	151	168
Indonesia	403	365	391	469
Thailand	-35		-9	31
Philippines	131	n/a	n/a	n/a
Brazil	674	n/a	783	775
Mexico	463	477	529	474
Colombia	390	364	405	429
Peru	208	199	274	334

Generic Government Yields (10yr)

Country	Spread over German Bund (bps)			
	Mar-18	1m ago	3m ago	1yr ago
France	23	28	34	57
Netherlands	15	5	10	25
Belgium	27	30	20	47
Austria	20	12	15	20
Ireland	42	47	22	63
Italy	137	141	153	177
Spain	74	94	110	129
Portugal	117	138	148	368

Source: Bloomberg, ZIG

Economic data

US	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Trend*
ISM Manufacturing (Index)	57.6	56.6	55.3	55.5	56.7	56.5	59.3	60.2	58.5	58.2	59.3	59.1	60.8	up
ISM Non-Manufacturing (Index)	57.4	55.6	57.3	57.1	57.2	54.3	55.2	59.4	59.8	57.3	56.0	59.9	59.5	down
Durable Goods (% MoM)	1.4	2.4	-0.8	0.0	6.4	-6.8	2.1	2.4	-0.4	1.7	2.7	-3.5	3.1	down
Consumer Confidence (Index)	116.1	124.9	119.4	117.6	117.3	120.0	120.4	120.6	126.2	128.6	123.1	124.3	130.8	up
Retail Sales (% MoM)	4.9	4.8	4.5	4.2	3.0	3.7	3.5	5.0	5.0	5.9	5.1	3.9	4.0	down
Unemployment Rate (%)	4.7	4.5	4.4	4.3	4.3	4.3	4.4	4.2	4.1	4.1	4.1	4.1	4.1	down
Avg Hourly Earnings YoY (% YoY)	2.4	2.2	2.2	2.3	2.3	2.2	2.3	2.6	2.2	2.3	2.4	2.4	2.5	up
Change in Payrolls ('000, MoM)	200.0	73.0	175.0	155.0	239.0	190.0	221.0	14.0	271.0	216.0	175.0	239.0	313.0	up
PCE (% YoY)	1.9	1.6	1.6	1.5	1.5	1.4	1.3	1.4	1.5	1.5	1.5	1.5		up
GDP (% QoQ, Annualized)		1.2			3.1			3.2			2.5			
UK	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Trend*
PMI Services (Index)	53.3	55.0	55.8	53.8	53.4	53.8	53.2	53.6	55.6	53.8	54.2	53.0	54.5	down
Consumer Confidence (Index)	-6.0	-6.0	-7.0	-5.0	-10.0	-12.0	-10.0	-9.0	-10.0	-12.0	-13.0	-9.0	-10.0	down
Unemployment Rate (%)	4.7	4.6	4.6	4.5	4.4	4.3	4.3	4.3	4.3	4.3	4.4	4.3		up
CPI (% YoY)	2.3	2.3	2.7	2.9	2.6	2.6	2.9	3.0	3.0	3.1	3.0	3.0	2.7	down
GDP (% YoY)		2.0			1.8			1.8			1.4			
Eurozone	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Trend*
PMI Manufacturing (Index)	55.4	56.2	56.7	57.0	57.4	56.6	57.4	58.1	58.5	60.1	60.6	59.6	58.6	up
PMI Services (Index)	55.5	56.0	56.4	56.3	55.4	55.4	54.7	55.8	55.0	56.2	56.6	58.0	56.2	up
IFO Business Climate (Index)	111.2	112.1	113.3	114.8	115.4	116.2	116.1	115.4	116.9	117.6	117.3	117.6	115.4	up
Industrial Production (% MoM)	-0.5	0.4	0.3	1.5	-0.6	0.4	1.6	-0.7	0.5	1.1	0.4	-1.0		down
Factory Orders GE (% MoM)	3.1	0.5	-1.2	1.0	1.3	-0.5	3.4	0.7	0.9	-0.1	3.0	-3.9		down
Unemployment Rate (%)	9.5	9.4	9.2	9.2	9.0	9.0	9.0	8.9	8.8	8.7	8.6	8.6		down
M3 Growth (% YoY, 3 months MA)	4.6	5.1	4.8	4.9	4.8	4.5	5.0	5.2	5.0	4.9	4.6	4.6		down
CPI (% YoY)	2.0	1.5	1.9	1.4	1.3	1.3	1.5	1.5	1.4	1.5	1.4	1.3	1.1	down
Core CPI (% YoY)	0.9	0.7	1.2	0.9	1.1	1.2	1.2	1.1	0.9	0.9	0.9	1.0	1.0	neutral
GDP (% QoQ)		0.6			0.7			0.7			0.6			
Switzerland	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Trend*
KOF Leading Indicator (Index)	108.2	108.2	107.2	103.9	105.2	107.5	104.2	106.1	109.5	110.4	111.3	107.6	108.0	up
PMI Manufacturing (Index)	58.1	57.5	58.3	55.7	60.0	60.3	61.4	62.2	61.5	64.6	65.6	65.3	65.5	up
Real Retail Sales (% YoY)	0.4	2.5	-1.3	-0.6	1.7	-0.1	-1.1	0.3	-2.3	0.7	0.7	-1.4		up
Trade Balance (Billion, CHF)	3.0	3.1	1.9	3.3	2.8	3.5	2.2	2.8	2.3	2.6	2.6	2.1	3.1	up
CPI (% YoY)	0.6	0.6	0.4	0.5	0.2	0.3	0.5	0.7	0.7	0.8	0.8	0.7	0.6	down
Japan	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Trend*
Nomura Manufacturing PMI (Index)	53.3	52.4	52.7	53.1	52.4	52.1	52.2	52.9	52.8	53.6	54.0	54.8	54.1	up
Machine Orders (% YoY)	5.6	-0.7	2.7	0.6	-5.2	-7.5	4.4	-3.5	2.3	4.1	-5.0	2.9		down
Industrial Production (% YoY)	4.7	3.5	5.7	6.5	5.5	4.7	5.3	2.6	5.9	3.6	4.4	2.5		down
ECO Watchers Survey (Index)	48.5	50.6	50.4	50.1	49.9	51.0	49.6	49.6	49.9	52.4	53.9	49.1	48.4	down
Jobs to Applicants Ratio (Index)	1.4	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.6	1.6	1.6	1.6		up
Labour Cash Earnings (% YoY)	0.4	0.0	0.5	0.6	0.4	-0.6	0.7	0.9	0.2	0.9	0.9	0.7		up
Department Store Sales (% YoY)	-1.7	-0.9	0.7	0.0	1.4	-1.4	2.0	4.4	-1.8	2.2	-0.6	-1.2	-0.9	down
Money Supply M2 (% YoY)	4.1	4.2	3.9	3.8	3.9	4.0	4.0	4.1	4.1	4.0	3.6	3.4	3.3	down
CPI Ex Food & Energy (% YoY)	-0.1	-0.3	-0.3	-0.2	-0.2	-0.1	0.0	0.0	0.0	0.1	0.1	0.1	0.3	up
Exports (% YoY)	11.3	11.9	7.5	14.9	9.7	13.4	18.1	14.1	14.0	16.2	9.4	12.3	1.8	down
China	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Trend*
PMI Manufacturing (Index)	51.6	51.8	51.2	51.2	51.7	51.4	51.7	52.4	51.6	51.8	51.6	51.3	50.3	down
Industrial Production (% YoY)		7.6	6.5	6.5	7.6	6.4	6.0	6.6	6.2	6.1	6.2			down
Retail Sales (% YoY)		10.9	10.7	10.7	11.0	10.4	10.1	10.3	10.0	10.2	9.4			down
PPI (% YoY)	7.8	7.6	6.4	5.5	5.5	5.5	6.3	6.9	6.9	5.8	4.9	4.3	3.7	down
Exports (% YoY)	-2.4	15.4	6.5	7.6	10.3	6.4	4.9	7.9	6.3	11.5	10.9	11.2	44.5	up
CPI (% YoY)	0.8	0.9	1.2	1.5	1.5	1.4	1.8	1.6	1.9	1.7	1.8	1.5	2.9	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			6.8			6.8			neutral
PMI Non Manufacturing (Index)	51.6	51.8	51.2	51.2	51.7	51.4	51.7	52.4	51.6	51.8	51.6	51.3	50.3	down
Aggregate Financing (Billions, CNY)	1090.8	2118.6	1388.0	1063.1	1771.8	1195.6	1489.5	1833.5	1035.7	1619.6	1139.8	3059.7	1173.6	up

Datasource: Bloomberg

*Trend = Last 3m - Previous 3m

Appendix 5

Economic data

Australia	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Trend*
AiG Manufacturing (Index)	59.3	57.5	59.2	54.8	55.0	56.0	59.8	54.2	51.1	57.3	56.2	58.7	57.5	up
AiG Service (Index)	49.0	51.7	53.0	51.5	54.8	56.4	53.0	52.1	51.4	51.7	52.0	54.9	54.0	up
Westpac Consumer Confidence (% MoM)	2.3	0.1	-0.7	-1.1	-1.8	0.4	-1.2	2.5	3.6	-1.7	3.6	1.8	-2.3	down
Building Approvals (% YoY)	-5.0	-18.6	-13.6	-16.0	1.2	-10.2	-14.1	0.6	17.6	19.6	-5.0	12.0		up
Employment Change ('000, MoM)	13.4	56.9	47.4	36.0	31.7	33.4	53.5	22.7	10.0	63.2	35.9	12.5	17.5	down

Brazil	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Trend*
CPI (% YoY)	4.8	4.6	4.1	3.6	3.0	2.7	2.5	2.5	2.7	2.8	3.0	2.9	2.8	up
Industrial Production (% YoY)	2.0	-0.2	2.0	-4.3	4.6	0.8	2.8	4.0	2.6	5.5	4.7	4.5	5.7	up
Retail Sales (% YoY)	-1.2	-3.7	-3.2	1.7	2.6	2.9	3.1	3.6	6.2	2.6	6.0	4.0	3.2	up
Trade Balance (Millions, USD)	4560.0	7145.0	6969.0	7661.0	7195.0	6298.0	5599.0	5178.0	5201.0	3546.0	4998.0	2768.0	4907.0	down
Budget Balance Primary (Billions, BRL)	0.3	-54.2	-54.3	-15.4	-67.0	-51.1	-44.6	-45.5	-53.3	-30.5	-30.0	-65.6	18.6	up

Chile	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Trend*
IMACEC Economic Activity Index (% YoY)	-1.88	-0.01	-0.54	1.17	0.99	2.71	2.52	2.34	3.45	3.56	2.79	3.47		up
CPI (% YoY)	2.70	2.70	2.70	2.60	1.70	1.70	1.90	1.50	1.90	1.90	2.30	2.20	2.00	up
Retail Sales (% YoY)	6.05	-0.53	5.66	4.06	4.16	4.91	3.47	3.70	5.63	4.76	3.76			down
Industrial Production (% YoY)	-9.62	-9.13	-5.25	-1.09	-1.24	3.41	4.33	0.55	3.84	2.33	0.10	5.26		down
Unemployment (%)	6.40	6.60	6.70	7.00	7.00	6.90	6.60	6.70	6.70	6.50	6.40	6.50		down

Mexico	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Trend*
PMI (Index)	46.4	45.5	45.0	48.8	54.8	51.6	53.7	52.5	52.3	52.4	52.3	51.5	52.6	down
CPI (% YoY)	4.9	5.4	5.8	6.2	6.3	6.4	6.7	6.4	6.4	6.6	6.8	5.6	5.3	down
Retail Sales (% YoY)	3.6	6.1	1.4	4.1	0.4	0.4	-0.2	-0.3	-0.1	-1.5	-2.0			down
Industrial Production (% YoY)	1.2	9.1	-1.8	4.7	2.3	3.6	4.0	2.5	2.9	2.5	-0.1	1.7		down
Remittances (Millions, USD)	2056.8	2520.7	2304.7	2584.2	2417.0	2490.7	2479.7	2349.3	2642.7	2258.6	2604.2	2216.6		down

Datasource: Bloomberg

*Trend = Last 3m - Previous 3m

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