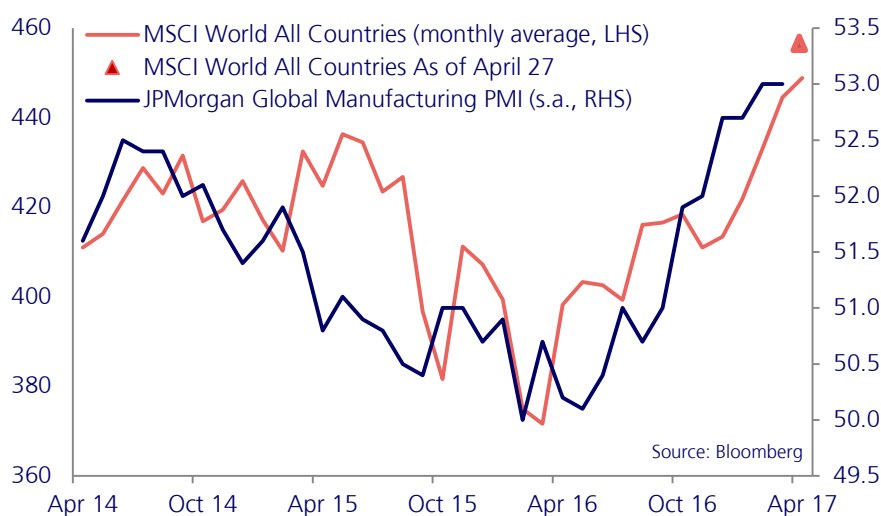


Monthly Investment Outlook

Financial markets – back to fundamentals



The first round of the French elections has dispelled some of investors' geopolitical fears. Macron, the liberal and pro-European candidate, has qualified for the second round along with Le Pen, the extreme right candidate. Polls suggest Macron stands a good chance of beating Le Pen. European equities rallied, leading global equities higher, while the banking sector, which had been underperforming lately, rebounded sharply. German and US Treasury yields reversed some of last month's decrease, as some flight-to-safety flows unwound. Going forward, we recognise that political risks could resurface: anti-establishment politicians are gaining popularity in mature markets and the standoff between the US and North Korea has hardened.

However, we strongly believe that financial markets will continue to track fundamentals, which look healthy, and that the synchronised global recovery is intact. In Europe, even if hard data is lagging slightly, sentiment is buoyant. The latest Ifo business climate survey stands less than two points shy of its post-2008 high. In EMs, Chinese demand is lifting Asian manufacturing activity. Although the electronics upcycle seems to be moderating, other exports, like machinery, are taking over. We are also observing a positive spillover to Asian domestic demand as consumer confidence recovers. As a result, we are seeing positive earnings revisions in both EMs and Europe. Institutional investors have turned bullish on equities in those regions, but we think that after years of light positioning - especially in EMs - sentiment is not yet overdone.

In the US, economic momentum has slowed somewhat, with retail sales and CPI disappointing consensus. Additionally, some of the bullish expectations around the business-friendly reform agenda of the Trump administration have been revised down, mainly via the currency and bond markets. Last month, half of the post-US election increase in US Treasury yields was retraced, with 10yr yields coming close to the 2.15% resistance level. However, we observe that yields bottomed out in June 2016, prior to the US elections and are tracking the global economic recovery. This trend remains unscathed. Finally, the earnings reporting season in the US is 50% through, and has so far delivered a strong beat ratio, supporting our view that risk assets have further upside.

Market Assessment

Key developments

- Macron, the pro-European, liberal candidate, qualifies for the second round of the French presidential elections
- Global implied volatility collapses following the first round of the French elections
- The global composite PMI climbs to 51.8, manufacturing PMI stabilises at 53 in March

Zurich's view

We reiterate our view that bond yields should move higher as core inflation bottoms out and economic momentum remains solid. We have pencilled in 2.5% for 10yr US Treasury yields in 3 months. Historically, we note that Fed normalisation cycles have seen yields rising half of the time, and moving down the other half. Looking at the 30-year trend for US yields, we see a stabilisation in the long-term descending range, which is more telling to us than short-term moves.

In credit markets, spreads are approaching extreme lows, but, given the strong economic backdrop and supportive demand, we do not see any catalyst for a sell-off in the short term. We expect credit to continue lagging equities, though.

Turning to equities, we like markets with strong earnings revisions and attractive valuations. EM equities stand out as offering both. We are monitoring the evolution of commodity prices, which could represent a downside risk. We also like Japanese equities, as better fundamentals meet favourable technical indicators, showing that the recent underperformance is reversing. Finally, we think that European equities should track the better fundamentals now that political uncertainty has diminished.

Key developments

Zurich's view

Global

- The synchronised global recovery is intact, underpinned by stronger trade and manufacturing activity
- Core inflation remains weak in most regions and headline rates are edging down again
- Central banks stay accommodative amid benign inflation and political risk

The global economy continues to expand at a healthy pace, with a rebound in the G3 PMIs in April, confirming that momentum is not yet slowing. Asian data have improved further, and the strong PMIs are now mirrored in firm export data across the region, while the manufacturing sector in Europe reports brisk activity, with the PMIs reaching the highest level since 2011. As expected, headline inflation, which rose sharply on oil price base effects, has peaked, with further falls anticipated. Core inflation is still subdued in many regions, which backs our view that global central banks will stay accommodative. Political risk remains high, despite the favourable outcome of the first round of the French presidential election.

US

- New payrolls disappoint, but the unemployment rate falls to a cycle low of 4.5%
- Headline inflation peaks as energy base effects fade
- The earnings season has started on a positive note, supporting the equity market

The economic outlook remains solid although data point toward a slowdown in momentum and the striking divergence between survey data and hard data has not diminished. At only 98'000, the change in nonfarm payrolls has disappointed. While a decreasing number of new payrolls is not unusual at this stage of the cycle, the latest number seems to have been distorted by weather effects. Most other labour market indicators, including initial jobless claims, indicate a continuation of a healthy employment situation, though wage growth has decelerated. Consumer sentiment remains upbeat but household spending has moderated, with retail sales falling the second month in a row and vehicle sales receding to a two-year low. Headline inflation has peaked as energy base effects are fading, but core inflation is expected to slowly move higher going forward.

UK

- Theresa May activates Art. 50 and announces early elections for June 8
- Consumer spending remains under pressure, with retail sales falling 1.8% in March
- Wage growth is further decelerating, while jobless claims rise

With a 20-point lead in the polls, the Conservative Party is expected to increase its majority in Parliament. This would give the Prime Minister more leeway in the Brexit negotiations with the EU as she will be less susceptible to pressure from within her own party. While the pound strengthened after the election announcement, the economy is increasingly feeling the Brexit headwinds. Retail sales fell 1.8% in March, ending the weakest quarter in seven years, as households increasingly feel their shrinking purchasing power and real wages keep falling. On the surface, the labour market looks healthy, with the unemployment rate remaining at 4.7%, however, jobless claims rebounded from recent lows in March to reach the highest level in six years.

Eurozone

- Macron's win in the first round of the French presidential elections reduces tail risks
- Macro data and the earnings outlook are supportive for Eurozone risk assets
- Bond yields should rise further on reduced safe haven demand

The key event in the Eurozone this past month was the first round of the French presidential elections. Given the tightness in the polls, investors were concerned that anti-establishment, anti-EU politicians from both the far right and left could make it through to the second round. Whilst Marine Le Pen did make it through, she will face centrist candidate Emmanuel Macron. He gained the most votes in the first round and looks likely to win the Presidency, reassuring investors. The macro data has continued to be supportive, indicating a decent pace of growth in the Eurozone, and analysts' earnings estimates have also been revised up.

Switzerland

- Activity remains firm, as the recovery broadens out across sectors
- Core inflation turns positive, but a further rise is not expected
- The SNB recognises the improved outlook, but a shift in policy is unlikely to be imminent

Manufacturing activity improved further in March, with the PMI at the highest level since 2011, led by strong output and an inventories drawdown. Unemployment is low, consumption is recovering, and renewed impetus in the housing market is emerging. Inflation has risen further, with both headline and core CPI now in positive territory, albeit only modestly so. The SNB also signalled a more positive outlook in its quarterly report. Despite this, we anticipate that policy will be left unchanged for the time being, amid political risk and sustained pressure on the currency. Hard data have also notably lagged behind the strong surveys, and we suspect that the SNB will want to see further evidence of economic strength before changing policy.

Key developments

Zurich's view

Japan

- Most economic data confirm a solid economic trend
- Monetary policy remains stable
- Japanese equities continue to underperform global peers

Exports and private capex are the main drivers of Japan's economic growth. The weaker Eco Watchers Survey suggests that private consumption remains in the doldrums, despite a strong labour market. The latest PMI survey shows the first hints of increasing inflation, while the BoJ stands pat. As the FY2016 earnings season begins, there are fears that companies will give an overly cautious outlook for the current fiscal year, as export dependent companies are facing a stronger yen and an uncertain geopolitical environment. The stronger yen, reflecting a falling spread between US Treasury and JGB 10yr yields, has taken its toll on the equity market, which we believe is overdone. Concerns around North Korea are impacting consumer, business and investor sentiment negatively.

China

- Economic momentum remained brisk in Q1
- The government has announced a new economic zone, Xiong'an
- The MSCI China is rangebound

China's economy continues to grow at a pace that is even stronger than envisaged by the government, supported by an expansionary fiscal policy. Infrastructure, property and manufacturing investments remain brisk, while private consumption is gaining steam again, supported by strong auto, home appliance and furniture sales. Net exports are also contributing positively to growth. We believe that credit and housing market tightening will take its toll later this year, with growth momentum expected to weaken. However, economic conditions are expected to remain stable at least until the Communist Party convention later this year. Fears of a trade war with the US have subsided for now. China has not been labelled a currency manipulator.

Australia

- The sovereign yield curve continues to bull-flatten, with 10yr yields at multi-year lows
- Iron ore prices are softening, but the upward trend that started in early 2016 remains intact
- New regulations limit interest-only mortgages to 30% of total newly issued residential mortgages

It remains to be seen whether new rules and an increase in mortgage rates can contain the strong property demand, especially from abroad. Consumer sentiment continues to diverge from solid business confidence because of the lack of transmission of higher profits to wage growth. However, the recent pickup in full-time job growth should support wages. The Manufacturing PMI for March indicates that export growth is likely to moderate, but that domestic drivers, notably infrastructure investment, are taking over as a growth engine. Sovereign spreads to US Treasuries have tightened following the recent global risk-off mood in financial markets. Investor sentiment is expected to improve again as geopolitical risks should subside, while the global economic recovery remains intact, in our view.

Brazil

- Stalling fiscal reforms and a relaxation of the fiscal target are a medium-term concern
- The disinflationary process has consolidated and the central bank keeps easing
- The economy is at an inflection point with green shoots sprouting

The fiscal reform agenda has stalled and we can reasonably expect a watered-down version of it amidst a relaxation of the primary fiscal deficit target for next year. The inflation rate has dropped below the central bank target of 4.5% for the first time since August 2010, and it allowed the central bank to cut its reference rate by another 100bps to 11.25%. Economic data point towards an inflection point, with the activity level at a 14-month high, but the recovery will be timid. The labour market, and consequently consumption, should remain weak while manufacturing and exports should be at the forefront of the recovery. The key is that economic activity has finally stabilised.

Mexico

- Political trade rhetoric from the US has softened
- Economic activity remains brisk, underpinned by a strong labour market
- Inflation is deteriorating further with second-round effects

Despite political noise and external shocks, economic data have defied a negative macro scenario. The central bank hiked by only 25bps for the first time since December 2015, instead of the usual 50bps. It was to be expected with inflationary pressures building and second-order effects occurring. Economic activity remains solid at 2.8% accumulated YTD growth and is above its 12-month average. Solid labour market dynamics, a new nine-year low in unemployment and renewed loan growth are signs of a small output gap. We are seeing the first non-oil trade surplus in 21 years with not only plunging imports due to a weaker currency, but rising exports. Additionally, the NAFTA revision draft is more constructive than initially anticipated, diminishing the risk of frictions with the US.

Valuation snapshot (MSCI Indices)

Current trailing valuations

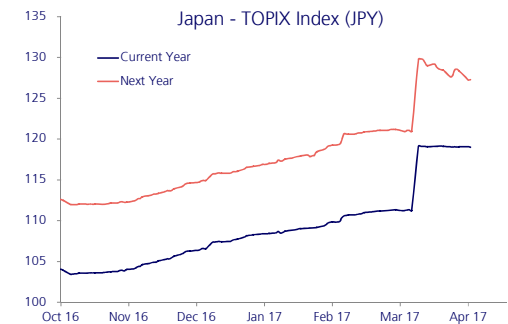
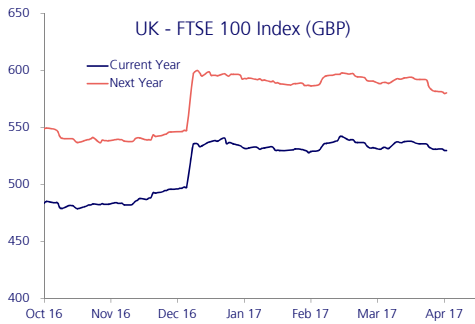
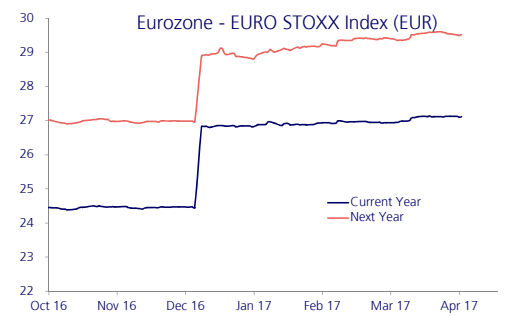
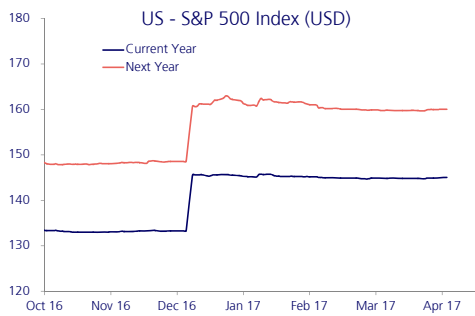
	US	Europe ex UK	UK	Switzerland	Japan	APAC ex. Japan	China	Brazil	Mexico
12m Trailing P/E	24.39	20.19	27.37	24.25	17.02	15.56	14.17	20.82	23.04
12m Trailing P/B	3.05	1.83	1.81	2.57	1.35	1.62	1.69	1.68	2.49
12m Trailing P/CF	13.18	8.61	8.32	21.32	8.33	8.77	6.79	5.74	8.59
Dividend Yield	2.00	3.22	3.91	3.20	2.00	2.79	2.03	3.03	2.04
ROE	12.48	9.05	6.60	10.61	7.92	10.38	11.91	8.04	10.81

Current trailing valuations relative to MSCI world

	US	Europe ex UK	UK	Switzerland	Japan	APAC ex. Japan	China	Brazil	Mexico
12m Trailing P/E	1.14	0.94	1.28	1.13	0.79	0.73	0.66	0.97	1.08
12m Trailing P/B	1.39	0.83	0.82	1.17	0.61	0.74	0.77	0.76	1.13
12m Trailing P/CF	1.27	0.83	0.80	2.05	0.80	0.84	0.65	0.55	0.83
Dividend Yield	0.82	1.32	1.61	1.32	0.82	1.14	0.83	1.24	0.84
ROE	1.22	0.88	0.64	1.04	0.77	1.01	1.16	0.78	1.05

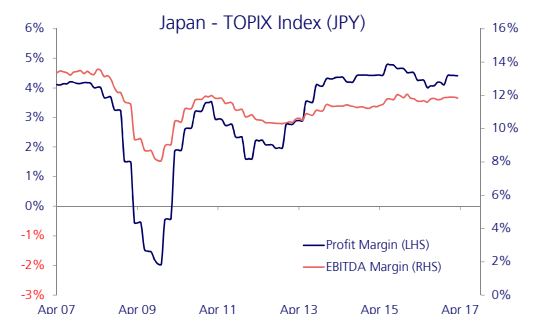
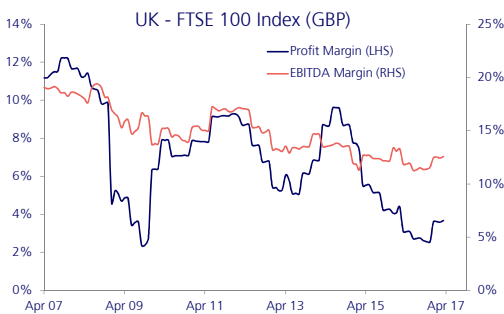
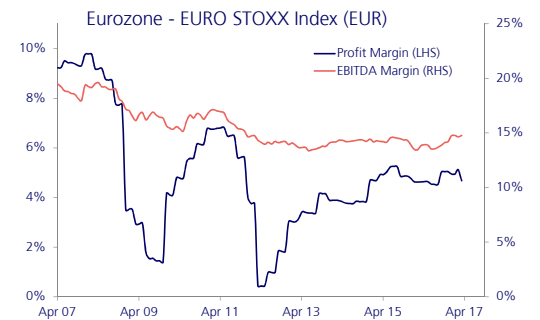
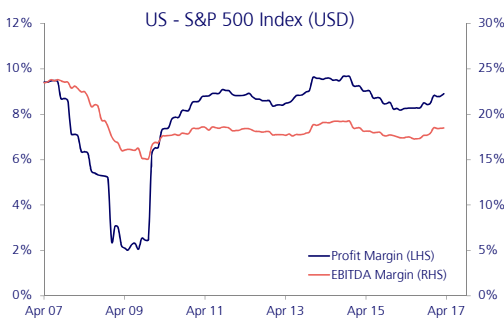
Source: Datastream

Earnings estimates - Full fiscal years



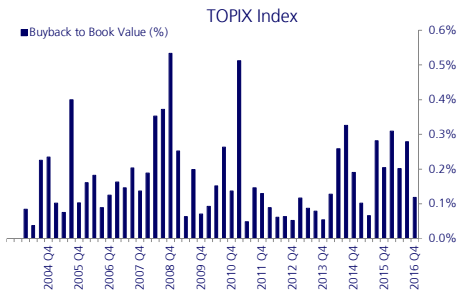
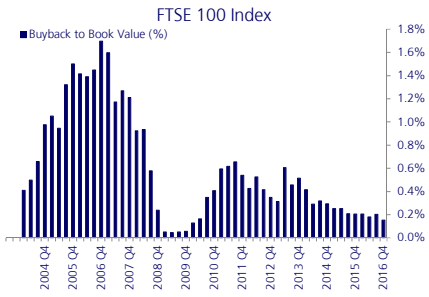
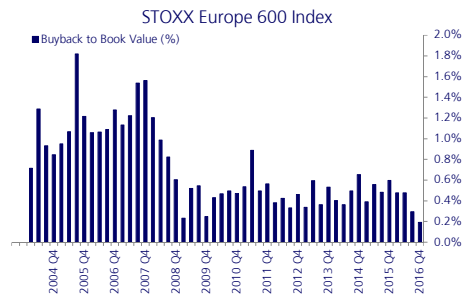
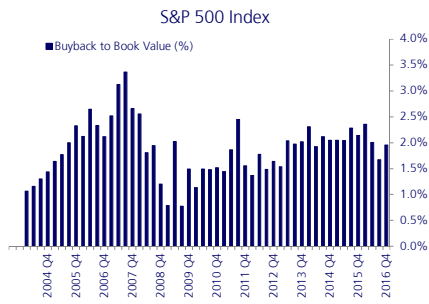
Historical margins

Source: Bloomberg



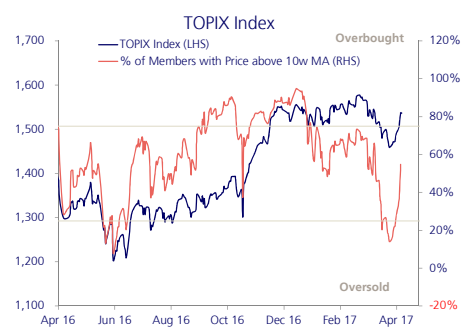
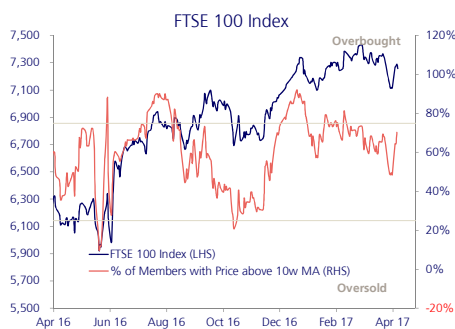
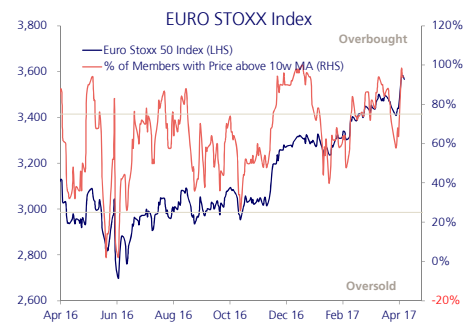
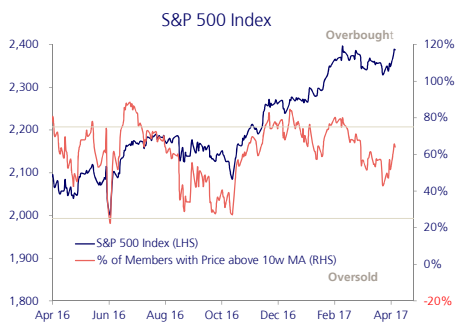
Source: Bloomberg

Shares buybacks



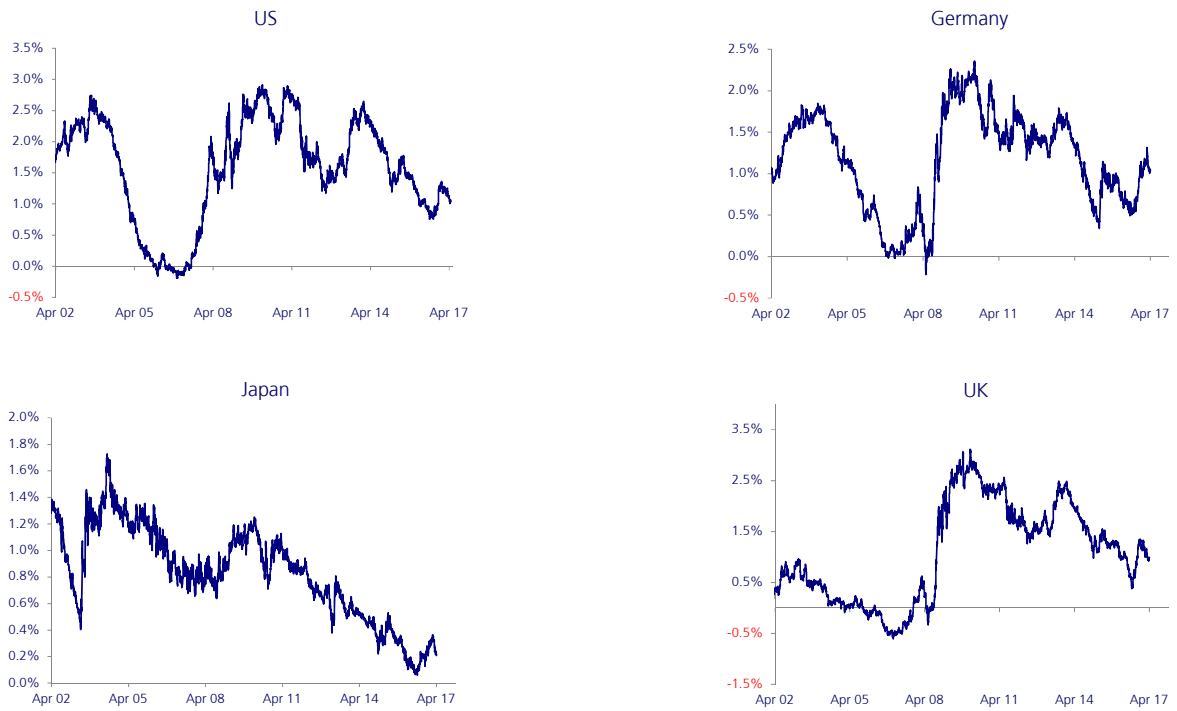
Source: Bloomberg

Overbought / Oversold



Source: Bloomberg

Yield Curve Steepness (2yr-10yr)



Source: Bloomberg

Spread Snapshot

Generic Government Yields (10yr)

Country	Spread over US Treasury (bps)			
	Apr-17	1m ago	3m ago	1yr ago
UK	-122	-121	-101	-22
Germany	-196	-198	-202	-156
Switzerland	-239	-241	-254	-208
Japan	-229	-232	-240	-190
Australia	30	33	29	76
China	115	87	88	109
South Korea	-11	-23	-30	-4
Malaysia	177	170	167	203
Indonesia	473	472	514	579
Thailand	40		22	-6
Philippines	175	n/a	n/a	n/a
Brazil	802	770	831	1,074
Mexico	499	472	504	405
Colombia	400	434	430	629
Peru	341	343	357	451

Generic Government Yields (10yr)

Country	Spread over German Bund (bps)			
	Apr-17	1m ago	3m ago	1yr ago
France	53	57	57	35
Netherlands	23	24	14	22
Belgium	47	47	55	41
Austria	29	20	23	19
Ireland	56	64	70	68
Italy	197	180	177	123
Spain	134	129	113	134
Portugal	319	368	368	290

Source: Bloomberg, ZIG

Economic data

US	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Trend*
ISM Manufacturing (Index)	51.7	50.7	51.0	52.8	52.3	49.4	51.7	52.0	53.5	54.5	56.0	57.7	57.2	up
ISM Non-Manufacturing (Index)	54.9	55.7	53.6	56.1	54.9	51.7	56.6	54.6	56.2	56.6	56.5	57.6	55.2	up
Durable Goods (% MoM)	2.0	3.2	-2.9	-4.3	3.6	0.2	0.3	5.0	-4.7	-0.9	2.4	1.8		up
Consumer Confidence (Index)	96.1	94.7	92.4	97.4	96.7	101.8	103.5	100.8	109.4	113.3	111.6	116.1	124.9	up
Retail Sales (% MoM)	2.0	2.9	2.2	3.0	2.3	2.1	3.2	4.0	3.7	4.0	5.6	4.7	4.6	up
Unemployment Rate (%)	5.0	5.0	4.7	4.9	4.9	4.9	4.9	4.8	4.6	4.7	4.8	4.7	4.5	down
Avg Hourly Earnings YoY (% YoY)	2.4	2.6	2.3	2.5	2.6	2.5	2.7	2.5	2.5	2.5	2.4	2.5	2.3	down
Change in Payrolls ('000, MoM)	225.0	153.0	43.0	297.0	291.0	176.0	249.0	124.0	164.0	155.0	216.0	219.0	98.0	up
PCE (% YoY)	1.6	1.6	1.6	1.6	1.6	1.7	1.7	1.8	1.7	1.7	1.8	1.8		up
GDP (% QoQ, Annualized)	0.8			1.4			3.5							
UK	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Trend*
PMI Services (Index)	53.7	52.3	53.5	52.3	47.4	52.9	52.6	54.5	55.2	56.2	54.5	53.3	55.0	down
Consumer Confidence (Index)	0.0	-3.0	-1.0	-1.0	-12.0	-7.0	-1.0	-3.0	-8.0	-7.0	-5.0	-6.0	-6.0	up
Unemployment Rate (%)	5.1	5.0	4.9	4.9	4.9	4.9	4.8	4.8	4.8	4.8	4.7	4.7		down
CPI (% YoY)	0.5	0.3	0.3	0.5	0.6	0.6	1.0	0.9	1.2	1.6	1.8	2.3	2.3	up
GDP (% YoY)	1.6			1.7			2.0							
Eurozone	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Trend*
PMI Manufacturing (Index)	51.6	51.7	51.5	52.8	52.0	51.7	52.6	53.5	53.7	54.9	55.2	55.4	56.2	up
PMI Services (Index)	53.1	53.1	53.3	52.8	52.9	52.8	52.2	52.8	53.8	53.7	53.7	55.5	56.0	up
Ifo Business Climate (Index)	106.8	106.7	108.0	108.9	108.4	106.4	109.4	110.4	110.5	111.1	109.9	111.1	112.4	up
Industrial Production (% MoM)	-0.9	1.5	-1.1	0.6	-0.7	2.0	-0.8	0.2	1.5	-1.1	0.3	-0.3		down
Factory Orders GE (% MoM)	3.5	-2.9	0.5	-0.2	-0.6	1.0	0.0	3.2	-1.9	6.1	-6.8	3.4		up
Unemployment Rate (%)	10.2	10.2	10.1	10.1	10.0	9.9	9.9	9.8	9.7	9.6	9.6	9.5		down
M3 Growth (% YoY, 3 months MA)	5.2	4.8	4.9	5.1	5.1	5.0	5.1	4.5	4.8	5.0	4.8	4.7		up
CPI (% YoY)	0.0	-0.2	-0.1	0.1	0.2	0.2	0.4	0.5	0.6	1.1	1.8	2.0	1.5	up
Core CPI (% YoY)	1.0	0.7	0.8	0.9	0.9	0.8	0.8	0.8	0.8	0.9	0.9	0.9	0.7	neutral
GDP (% QoQ)	0.6			0.3			0.4							
Switzerland	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Trend*
KOF Leading Indicator (Index)	103.8	102.7	101.8	101.2	102.2	99.8	101.6	103.9	102.2	102.1	102.0	106.9	107.6	up
PMI Manufacturing (Index)	53.0	53.1	55.3	51.5	51.5	51.6	54.4	55.2	55.9	56.2	54.6	57.8	58.6	up
Real Retail Sales (% YoY)	-1.5	-2.0	-2.0	-3.2	-3.1	-2.6	-2.1	-0.5	0.8	-3.8	-1.2	0.6		down
Trade Balance (Billion, CHF)	2.1	2.4	3.3	3.5	2.8	2.9	4.3	2.5	3.4	2.7	4.8	3.1	3.1	up
CPI (% YoY)	-0.9	-0.4	-0.4	-0.4	-0.2	-0.1	-0.2	-0.2	-0.3	0.0	0.3	0.6	0.6	up
Japan	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Trend*
Nomura Manufacturing PMI (Index)	49.1	48.2	47.7	48.1	49.3	49.5	50.4	51.4	51.3	52.4	52.7	53.3	52.4	up
Machine Orders (% YoY)	3.2	-8.2	-11.7	-0.9	5.2	11.6	4.3	-5.6	10.4	6.7	-8.2	5.6		down
Industrial Production (% YoY)	0.4	-3.2	-0.6	-1.6	-4.2	4.5	1.5	-1.2	4.4	3.1	3.2	4.7		up
ECO Watchers Survey (Index)	45.4	43.5	43.0	41.2	45.1	45.6	44.8	46.2	48.6	51.2	48.6	48.5	50.6	up
Jobs to Applicants Ratio (Index)	1.3	1.3	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4		up
Labour Cash Earnings (% YoY)	1.5	0.0	-0.1	1.4	1.2	0.0	0.0	0.1	0.5	0.5	0.3	0.4		up
Department Store Sales (% YoY)	-2.9	-3.8	-5.1	-3.5	-0.1	-6.0	-5.0	-3.9	-2.4	-1.7	-1.2	-1.7	-0.9	up
Money Supply M2 (% YoY)	3.2	3.4	3.4	3.5	3.4	3.3	3.5	3.7	3.9	4.0	4.0	4.2	4.3	up
CPI Ex Food & Energy (% YoY)	0.6	0.5	0.5	0.5	0.3	0.2	0.0	0.2	0.1	0.0	0.1	-0.1		down
Exports (% YoY)	-6.8	-10.1	-11.3	-7.4	-14.0	-9.6	-6.9	-10.3	-0.4	5.4	1.3	11.3	12.0	up
China	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Trend*
PMI Manufacturing (Index)	50.2	50.1	50.1	50.0	49.9	50.4	50.4	51.2	51.7	51.4	51.3	51.6	51.8	up
Industrial Production (% YoY)	6.8	6.0	6.0	6.2	6.0	6.3	6.1	6.1	6.2	6.0			7.6	down
Retail Sales (% YoY)	10.5	10.1	10.0	10.6	10.2	10.6	10.7	10.0	10.8	10.9			10.9	down
PPI (% YoY)	-4.3	-3.4	-2.8	-2.6	-1.7	-0.8	0.1	1.2	3.3	5.5	6.9	7.8	7.6	up
Exports (% YoY)	7.5	-5.3	-6.9	-6.8	-6.5	-3.8	-10.4	-7.9	-1.5	-6.2	7.6	-1.5	16.4	up
CPI (% YoY)	2.3	2.3	2.0	1.9	1.8	1.3	1.9	2.1	2.3	2.1	2.5	0.8	0.9	down
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)	6.7			6.7			6.7						6.9	up
PMI Non Manufacturing (Index)	50.2	50.1	50.1	50.0	49.9	50.4	50.4	51.2	51.7	51.4	51.3	51.6	51.8	up
Aggregate Financing (Billions, CNY)	2393.1	780.9	677.0	1647.9	479.1	1460.5	1711.5	886.5	1832.8	1626.0	3720.2	1087.6	2118.9	up

Datasource: Bloomberg

*Trend = Last 3m - Previous 3m

Economic data

Australia	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Trend*
AiG Manufacturing (Index)	58.1	53.4	51.0	51.8	56.4	46.9	49.8	50.9	54.2	55.4	51.2	59.3	57.5	up
AiG Service (Index)	49.5	49.7	51.5	51.3	53.9	45.0	48.9	50.5	51.1	57.7	54.5	49.0	51.7	down
Westpac Consumer Confidence (% MoM)	-2.2	-4.0	8.5	-1.0	-3.0	2.0	0.3	1.1	-1.1	-3.9	0.1	2.3	0.1	up
Building Approvals (% YoY)	-2.3	3.8	-1.9	-4.7	5.8	12.2	-5.2	-23.9	-5.0	-11.5	-11.6	-4.9		up
Employment Change ('000, MoM)	18.1	-0.1	12.7	11.4	28.8	-19.5	-27.0	13.6	43.5	13.4	5.3	2.8	60.9	down

Brazil	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Trend*
CPI (% YoY)	9.4	9.3	9.3	8.8	8.7	9.0	8.5	7.9	7.0	6.3	5.4	4.8	4.6	down
Industrial Production (% YoY)	-9.4	-11.3	-6.6	-7.3	-5.4	-6.2	-4.9	-4.3	-7.4	-1.4	-0.2	1.4	-0.8	up
Retail Sales (% YoY)	-4.2	-5.7	-6.9	-9.0	-4.8	-5.6	-5.5	-5.7	-8.1	-3.8	-4.9	-1.2	-3.2	up
Trade Balance (Millions, USD)	4431.0	4862.0	6433.0	3969.0	4576.0	4138.0	3813.0	2340.0	4758.0	4415.0	2725.0	4560.0	7145.0	up
Budget Balance Primary (Billions, BRL)	-52.8	-10.0	-13.2	-60.6	-32.2	-53.4	-62.9	-67.1	3.4	-80.4	-105.2	0.3	-54.2	down

Chile	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Trend*
IMACEC Economic Activity Index (% YoY)	2.56	1.21	2.53	1.32	0.87	2.96	1.45	-0.26	1.02	0.59	1.45	-1.29		down
CPI (% YoY)	4.50	4.20	4.20	4.20	4.00	3.40	3.10	2.80	2.90	2.70	2.80	2.70	2.70	down
Retail Sales (% YoY)	1.43	7.95	0.49	0.96	4.59	0.23	7.41	5.15	4.97	2.70	3.80	-0.30		down
Industrial Production (% YoY)	3.13	-3.28	-3.14	-4.68	-2.47	3.07	-0.45	-7.13	-0.09	1.44	-1.20	-7.56		up
Unemployment (%)	6.30	6.40	6.80	6.90	7.10	6.90	6.80	6.40	6.20	6.10	6.20	6.40		down

Mexico	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Trend*
PMI (Index)	51.8	51.2	51.4	49.4	49.1	49.8	51.0	50.1	48.7	48.4	48.5	46.3	45.9	down
CPI (% YoY)	2.6	2.5	2.6	2.5	2.7	2.7	3.0	3.1	3.3	3.4	4.7	4.9	5.4	up
Retail Sales (% YoY)	6.4	10.6	8.6	9.4	7.9	8.9	8.1	9.3	11.2	9.0	4.9	3.6		down
Industrial Production (% YoY)	-1.6	2.4	0.7	1.4	-0.6	3.8	0.2	-0.4	4.5	1.8	4.3	1.1		up
Remittances (Millions, USD)	2189.4	2170.5	2476.2	2306.8	2241.4	2269.0	2374.2	2220.4	2371.1	2336.4	2055.2	2051.9		down

Datasource: Bloomberg

*Trend = Last 3m - Previous 3m

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