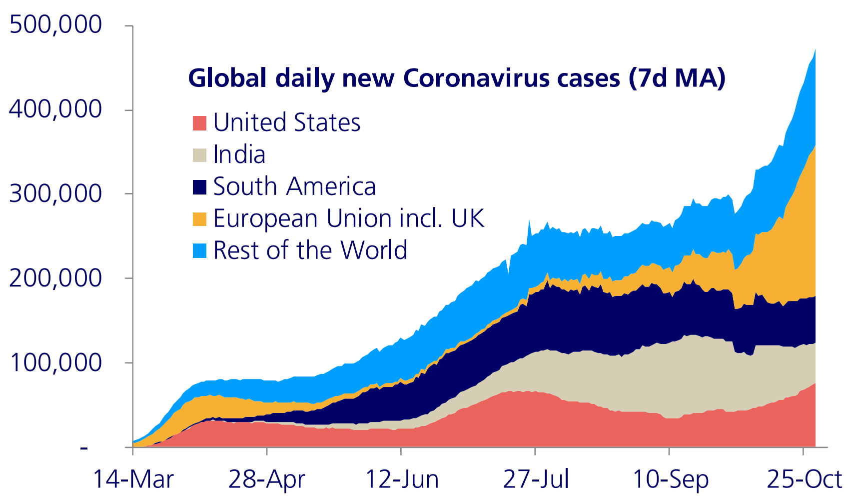
November 3, 2020

Monthly Investment Insights

A second wave of coronavirus poses a challenge to the global recovery



Source: ZIG, Bloomberg

Coronavirus infection rates are rising sharply across Europe with major economies including Germany, France, England and a number of others having announced new restrictions and lockdown measures on a nationwide basis. However, lockdown measures, even on a large scale, remain targeted and mostly partial to avoid a double-dip economic recession. If this holds, it should help prevent growth from falling off a cliff. Most importantly, significant policy support continues to play a central role in absorbing economic shocks and underpinning growth.

Asia Pacific appears to be in a good shape with North Asia's economies outperforming other regions, led by China's solid performance. Australia's success in bringing down infection rates in Victoria with timely and decisive state restrictions as well as forthcoming fiscal stimulus should also pay off. A divergence in growth between economies and regions will probably continue given the varying abilities of countries to contain the coronavirus outbreak.

It has been a turbulent time for stock markets as investors are digesting gloomy news around the pandemic. The risk of a contested US presidential election is adding to investor angst. However, there are a number of positive factors for equities that should play out in the medium term. November's election results should provide more clarity regarding the US policy outlook and US stimulus is also likely to come through post-election no matter who is going to be the next US president. European policy makers are likely to ramp up fiscal and monetary stimulus to counteract downside risks caused by the second wave of COVID-19. The European Central Bank has signalled that sizable support measures will be announced in December in view of worsening economic prospects in the Eurozone. Additionally, the development of vaccines against COVID-19 seems to be making good progress and positive news on an effective vaccine could add optimism to markets.

Having said that, risks, including the possibility of a contested US presidential election and further lockdowns due to rising virus infections, might continue to drive market volatility for the time being, with equities being the most impacted. Hence, our view on stocks is balanced, with a positive tilt towards credit. Credit demand is likely to remains buoyant on the back of ample liquidity provisions and an ongoing search for yield. Bond yields are likely to be capped as government bonds remain the favoured asset class for investors in times of uncertainty.

Market Assessment

Key developments

- A second wave of COVID-19 sweeps over Europe. Many European countries impose new nationwide restrictions and lockdown measures.
- Q3 corporate earnings and GDP growth show a strong rebound. The global economic recovery continues with signs of moderation.
- Fiscal and monetary measures are intact with policy makers signalling more stimulus to come.

Zurich's view

Rising new virus cases and renewed lockdowns pose a risk to the ongoing economic recovery. However, policy stimulus should remain on the frontline of defence for the global economy, and lockdown measures are being calibrated to minimise economic fallout.

The US earnings season showed profits for tech firms that were above expectations, but their outlook was more downbeat than investors anticipated. While market volatility will remain high on the back of rising virus cases, there is a potential upside for equities. A step-up in fiscal and monetary stimulus in the face of a deteriorating economic outlook should support equity prices. The US election results should remove some unknown factors in US politics, assuming the election is not contested.

Credit markets are expected to be resilient, although rising coronavirus cases are a risk. The ongoing search for yield and abundant liquidity are driving strong credit demand, especially for investment grade credit, which is also seen in flows. Uncertainty around growth and the possibility of further monetary easing from central banks should keep bond yields capped.

	Key developments	Zurich's view
Global	• Manufacturing activity remained firm through October, supported by strong new orders and trade, but labour market weakness persists • High frequency data are consistent with weaker services activity, as lockdowns and self-isolation take their toll • Inflation remains benign, leaving central banks with ample policy space to provide further stimulus	The global economy continued to expand in October, supported by brisk manufacturing and trade activity, particularly in Asia. Prospects will, however, be shaped by renewed lockdowns and the impact of the virus surge on sentiment and spending decisions. Data show services activity weakening, particularly in Europe, but goods demand is resilient, helping to underpin the expansion. We expect this pattern to be maintained, reflecting milder restrictions than last spring and ample policy support. Some favourable developments are also likely around the conclusion of the US presidential election, clarity on fiscal measures, and a vaccine. A double-dip global recession should therefore be avoided. Risk is to the downside though, and policy support needs to be expanded to avoid a deteriorating outlook.
US	• The S&P 500 falls more than 8% after rebounding from its recent lows • The economy remains on a solid footing, expanding at a record rate in Q3 • Corporate earnings paint a decent picture though the market impact is more muted than in Q2	A volatile stock market weighed on investors' nerves with the S&P 500 falling more than 8% in the second half of October after almost reaching a new record high in the first. Lack of progress on another round of fiscal stimulus, rapidly rising numbers of new COVID-19 infections and the looming Presidential election increase the near-term uncertainty. Meanwhile, the corporate earnings season is well under way with the beat/miss-ratio above its historical average and another double-digit earnings surprise. The economy remains on solid footing with a healthy expansion in business activity and further improvements in the labour market. GDP increased by a record 33.1% in Q3, lifted by a massive rebound in consumer spending, particularly on durable goods.
UK	• Business activity loses further momentum as new lockdown measures are implemented • Consumer confidence slips back to the lowest since May as the economic outlook remains uncertain • The government expands the recently announced wage subsidy program, mitigating job market risks	The economic recovery lost further momentum in October as business activity in the service sector was weighed down by new lockdown measures, which caused major setbacks in the travel, leisure and hospitality industries. Accordingly, the Services PMI fell to 52.3 from its recent peak of 58.8 in August while manufacturing fared slightly better. The deteriorating situation around COVID-19 also weighed on consumer sentiment, which fell back to the lowest level since May, further undermined by an uncertain employment outlook. While job losses are expected to rise in the coming months the recently announced expansion of the new wage subsidy program that will replace the existing furlough scheme in November should help to mitigate the economic impact on households.
Eurozone	• Partial lockdowns are reintroduced as virus cases surge • GDP rebounds in Q3, but Q4 could see another contraction • The ECB gets ready to provide more stimulus in December	Q3 saw a record bounce back in GDP of 12.7% QoQ. However, with partial lockdowns in many Eurozone countries resuming, downside risks for Q4 GDP have risen sharply. Indeed, we are already seeing business surveys weakening. After five consecutive monthly increases, the German ifo business climate indicator fell modestly in October, and the European Commission's economic sentiment indicator was flat. The EURO STOXX 50 Index was down around 7% in October, but the lockdown measures should eventually help bring the virus under control and in the meantime monetary and fiscal stimulus remain substantial. Indeed, the ECB gave a strong indication at its October 29 meeting that it would increase stimulus further when it meets again on December 10.
Switzerland	• Economic activity is likely to have peaked in Q3, with rising infection rates and containment measures limiting further gains in Q4 • Policy space is ample, and further measures to contain the impact on the broader economy are expected • A strong currency is a drag on inflation and activity, with the SNB maintaining forex interventions to prevent a further strengthening	Rising infection rates and social distancing weigh on the recovery, limiting further gains in economic activity. Efforts are being made to avoid a full national lockdown, but high uncertainty will take a toll on sentiment and demand. Even in the absence of a second wave, the pace of improvement was expected to slow. The broader KOF leading indicator edged down in September, albeit from a 10-year high, with softer dynamics around accommodation, food services and foreign demand, while retail sales have slumped. Manufacturing activity remains strong, but a moderation in Q4 is expected. Financial conditions are very favourable, however, and there is ample fiscal space, with targeted measures now being deployed. This will help to sustain demand and activity, though risk is to the downside.

	Key developments	Zurich's view
Japan	• PM Suga's focus is on topics like the environment, digitalisation and regulatory reform • Consumption, industrial production and exports are recovering, but capex remains lacklustre • Japanese equities have retreated, while the yen has strengthened	In his first general policy speech, PM Suga focussed on the 'Green Society', digitalisation and regulatory reform. The Bank of Japan kept its monetary policy unchanged but revised down its growth and inflation forecast for this fiscal year, while revising its outlook up marginally for the next two years. Consumer spending has picked up following an improving pandemic situation, but services consumption and apparel sales are still lagging. Manufacturing activity is gaining steam, with encouraging production plans for Q4, but capex remains lacklustre. Japanese equities have retreated, not least due to the stronger yen versus the US dollar and the euro, while their relative performance versus global equities remains volatile.
China	• China's 5th Plenum focuses on self-reliance, particularly in the field of technology • The economy has continued to grow above pre-crisis levels • Chinese equities have managed to escape the latest turmoil in global equity markets	China's economy has recovered above pre-pandemic levels, with only some service-related segments like dining, entertainment and travel still lagging. Infrastructure and property spending remain driving forces, while auto sales have picked up strongly. The 5th Plenary session of the 19th CPCCC presented its 14th Five-Year Plan and its Vision 2035. The focus is on self-reliance, particularly in the technology segment, which suggests heavy investments into education, the semiconductor industry and China's defence system. Fostering greater activity by global competitors and experts in China reflects the other side of the 'dual circulation' theory. Chinese equities have outperformed during the latest turmoil in global equity markets, while the yuan has continued to strengthen.
Australia	• The economic recovery continues despite some setbacks caused by Victoria's lockdown • Australia's 2020-21 budget includes additional substantial fiscal stimulus • The RBA has signaled a policy rate cut and appears open to expanding its asset purchase program	While Victoria's lockdown caused a contraction in local economic activity, stringent and timely restrictions helped contain the virus within the state. This allowed the rest of Australia to continue recovering. The government's 2020-21 budget has revealed an ambitious plan to rejuvenate the economy post-recession through large tax cuts and big spending in the years to come. The RBA also gave signals it would ramp up its monetary expansion measures, indicating 'further monetary easing would gain more traction, as the economy opens up'. Following the budget announcement and the RBA's dovish statement, Australian equities gained some momentum, but then quickly lost steam, reflecting turbulence in global equities amid rising new COVID-19 cases worldwide.
ASEAN	• Malaysia faces a steep rise in new virus infections, while Indonesia and the Philippines have started to see new cases trending down • Exports appear in rude health, benefiting from robust global tech demand • Flows into ASEAN bonds are resilient while equities remain unloved	Malaysia has seen new infections surge, with the number of cases reported daily exceeding the previous peak. Kuala Lumpur, Selangor and Sabah are now in partial lockdowns. Meanwhile, Indonesia and the Philippines have started to see the number of new cases receed while elsewhere in ASEAN, infection rates remain low. This allows the recovery in activity to carry on, especially in economies that are highly integrated into the global tech supply chain and have effectively contained the virus like Singapore, Vietnam and Thailand. The ongoing recovery in China will probably provide further support to ASEAN's exports. Investor appetite for ASEAN government bonds appears intact while equity markets remain relatively quiet.

Appendix 1

Valuation snapshot (MSCI Indices)

Current trailing valuations

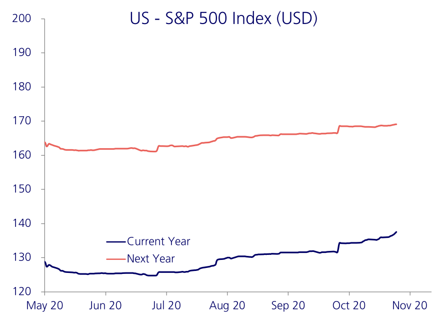
	US	Europe ex UK	UK	Switzerland	Japan	APAC ex. Japan	China	Brazil	Mexico
12m Trailing P/E	28.40	21.35	15.79	20.72	21.32	19.22	18.27	19.88	21.79
12m Trailing P/B	3.96	1.85	1.41	3.10	1.32	1.74	2.01	1.92	1.69
12m Trailing P/CF	16.12	9.93	6.99	14.16	7.34	10.49	11.89	7.51	7.44
Dividend Yield	1.63	2.39	3.90	2.82	2.27	2.35	1.65	3.21	2.69
ROE	13.93	8.66	8.90	14.96	6.17	9.08	11.01	9.67	7.77

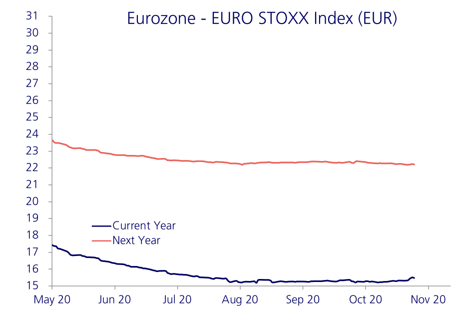
Current trailing valuations relative to MSCI world

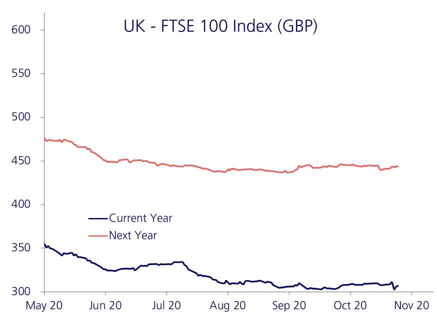
	US	Europe ex UK	UK	Switzerland	Japan	APAC ex. Japan	China	Brazil	Mexico
12m Trailing P/E	1.18	0.89	0.66	0.86	0.89	0.80	0.76	0.83	0.91
12m Trailing P/B	1.59	0.74	0.57	1.25	0.53	0.70	0.81	0.77	0.68
12m Trailing P/CF	1.33	0.82	0.58	1.17	0.61	0.87	0.98	0.62	0.61
Dividend Yield	0.80	1.17	1.91	1.38	1.11	1.15	0.81	1.57	1.32
ROE	1.35	0.84	0.86	1.45	0.60	0.88	1.07	0.94	0.75

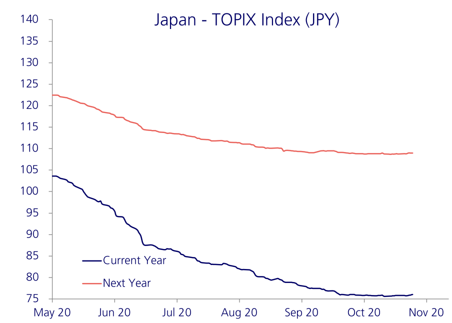
Source: Datastream

Earnings estimates - Full fiscal years



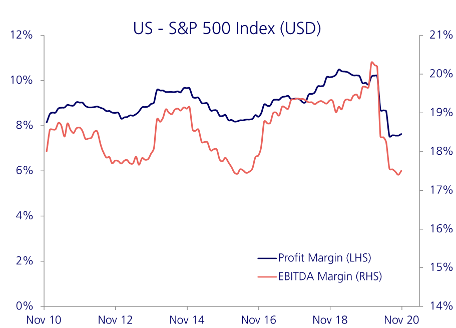


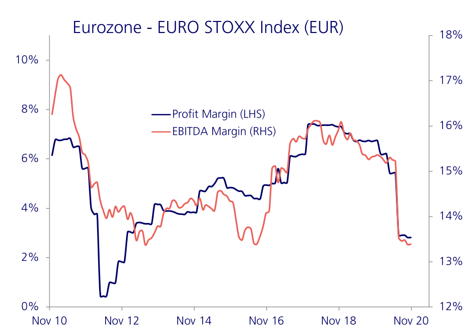


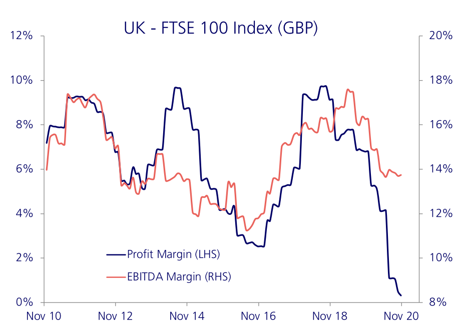


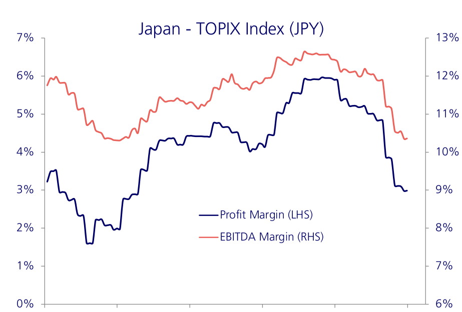
Source: Bloomberg

Historical margins



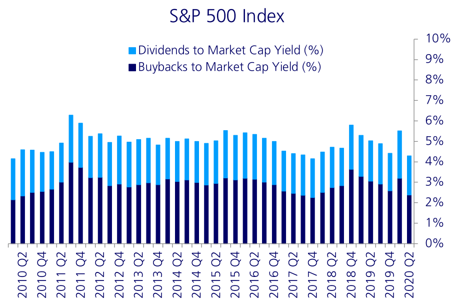


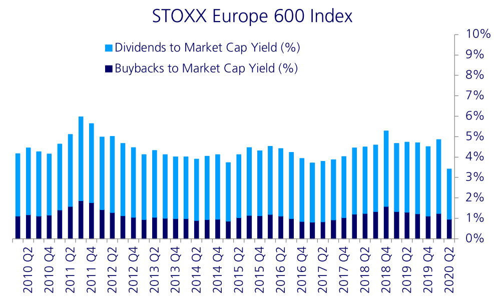


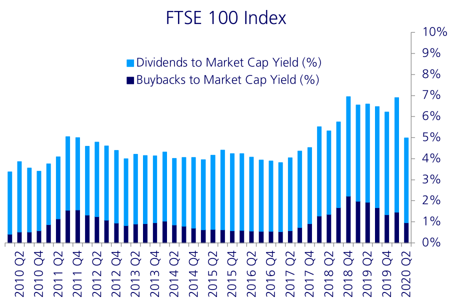


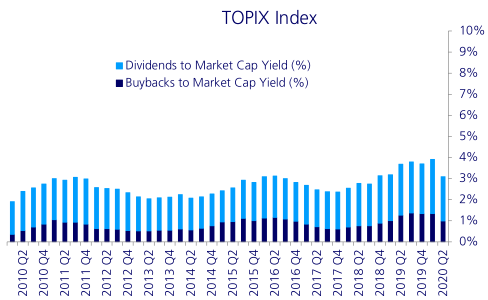
Source: Bloomberg

Dividends and shares buybacks



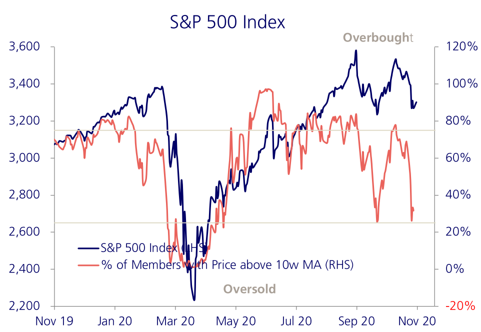


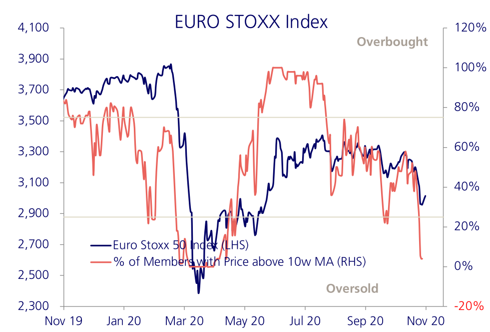


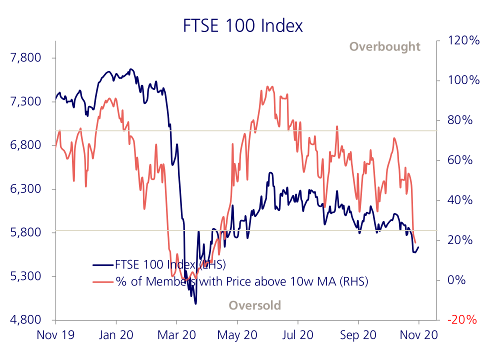


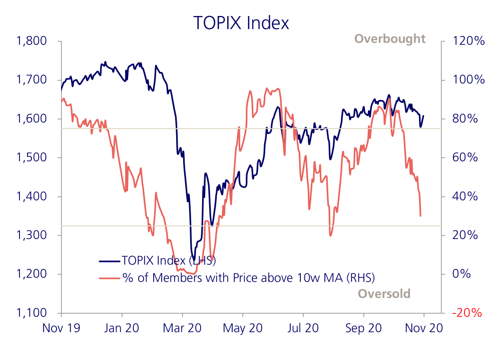
Source: Bloomberg

Overbought / Oversold



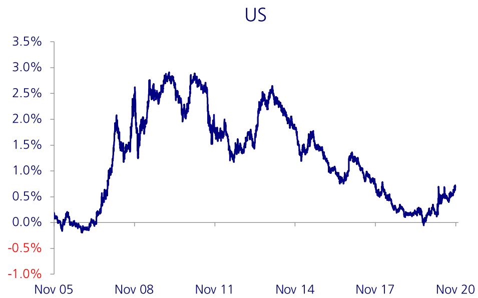


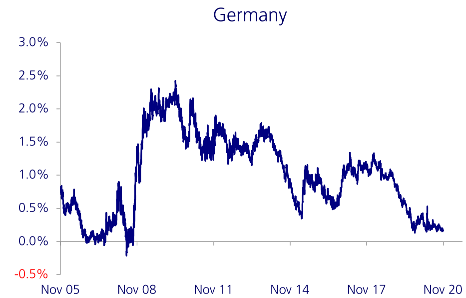


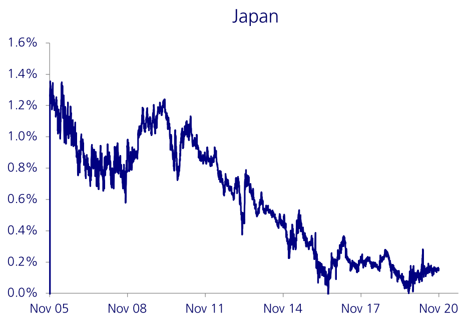


Source: Bloomberg

Yield Curve Steepness (2yr-10yr)







Source: Bloomberg

Spread Snapshot

Generic Government Yields (10yr)

Country	Spread over US Treasury (bps) Nov-20	1m ago	3m ago	1yr ago
UK	-62	-45	-43	-105
Germany	-147	-124	-106	-209
Switzerland	-136	-119	-102	-224
Japan	-80	-68	-49	-189
Australia	-2	13	32	-61
China	234	245	244	156
South Korea	76	73	80	3
Malaysia	180	195	197	169
Indonesia	577	622	634	531
Thailand	50		68	-21
Philippines	322	n/a	n/a	n/a
Brazil	706	712	615	n/a
Mexico	546	547	525	508
Colombia	493	n/a	n/a	433
Peru	337	362	342	255

Generic Government Yields (10yr)

Country	Spread over German Bund (bps) Nov-20	1m ago	3m ago	1yr ago
France	28	28	31	31
Netherlands	12	11	13	14
Belgium	24	23	29	31
Austria	19	17	22	24
Ireland	36	36	39	n/a
Italy	138	132	150	138
Spain	76	76	84	66
Portugal	73	76	85	59

Source: Bloomberg, ZIG

Economic data

US	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Trend*
ISM Manufacturing (Index)	48.5	48.1	47.8	50.9	50.1	49.1	41.5	43.1	52.6	54.2	56.0	55.4		up
ISM Non-Manufacturing (Index)	54.4	53.9	54.9	55.5	57.3	52.5	41.8	45.4	57.1	58.1	56.9	57.8		up
Durable Goods (% MoM)	-0.1	-2.6	2.8	-0.2	2.0	-16.7	-18.3	15.0	7.7	11.8	0.4	1.9		up
Consumer Confidence (Index)	126.1	126.8	128.2	130.4	132.6	118.8	85.7	85.9	98.3	91.7	86.3	101.3	100.9	up
Retail Sales (% MoM)	3.3	3.3	5.6	4.9	4.5	-5.6	-19.9	-5.6	2.2	2.7	2.8	5.4		up
Unemployment Rate (%)	3.6	3.5	3.5	3.6	3.5	4.4	14.7	13.3	11.1	10.2	8.4	7.9		down
Avg Hourly Earnings YoY (% YoY)	3.8	3.5	3.2	3.3	3.3	3.5	7.7	6.6	5.4	4.7	4.8	4.6		down
Change in Payrolls ('000, MoM)	185.0	261.0	184.0	214.0	251.0	-1373.0	-20787.0	2725.0	4781.0	1761.0	1489.0	661.0		up
PCE (% YoY)	1.7	1.6	1.6	1.8	1.9	1.7	0.9	1.0	1.1	1.3	1.4	1.5		up
GDP (%, QoQ, Annualized)			2.4			-5.0			-31.4			33.1		up

UK	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Trend*
PMI Services (Index)	50.0	49.3	50.0	53.9	53.2	34.5	13.4	29.0	47.1	56.5	58.8	56.1	52.3	up
Consumer Confidence (Index)	-14.0	-14.0	-11.0	-9.0	-7.0	-9.0	-34.0	-34.0	-30.0	-27.0	-27.0	-25.0	-31.0	up
Unemployment Rate (%)	3.8	3.8	3.8	3.9	4.0	4.0	4.0	4.1	4.1	4.3	4.5			down
CPI (% YoY)	1.5	1.5	1.3	1.8	1.7	1.5	0.8	0.5	0.6	1.0	0.2	0.5		down
GDP (% YoY)			1.0			-2.1			-21.5					

Eurozone	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Trend*
PMI Manufacturing (Index)	45.9	46.9	46.3	47.9	49.2	44.5	33.4	39.4	47.4	51.8	51.7	53.7	54.8	up
PMI Services (Index)	52.2	51.9	52.8	52.5	52.6	26.4	12.0	30.5	48.3	54.7	50.5	48.0	46.2	up
IFO Business Climate (Index)	94.6	94.7	95.8	95.3	95.8	86.7	75.2	79.9	86.1	90.4	92.4	93.2	92.7	up
Industrial Production (% MoM)	-0.4	-0.3	-1.7	1.9	-0.1	-11.7	-18.1	12.5	9.5	5.0	0.7			up
Factory Orders GE (% MoM)	-0.4	-1.3	-1.5	4.9	-1.2	-15.0	-26.1	10.4	28.8	3.3	4.5			down
Unemployment Rate (%)	7.4	7.4	7.4	7.4	7.3	7.2	7.4	7.6	7.9	8.1	8.3	8.3		up
M3 Growth (% YoY, 3 months MA)	5.7	5.6	4.9	5.2	5.5	7.5	8.2	9.0	9.2	10.1	9.5	10.4		up
CPI (% YoY)	0.7	1.0	1.3	1.4	1.2	0.7	0.3	0.1	0.3	0.4	-0.2	-0.3	-0.3	down
Core CPI (% YoY)	1.1	1.3	1.3	1.1	1.2	1.0	0.9	0.9	0.8	1.2	0.4	0.2	0.2	down
GDP (% QoQ)			0.0			-3.7			-11.8			12.7		up

Switzerland	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Trend*
KOF Leading Indicator (Index)	91.0	89.9	94.0	98.6	99.1	88.0	54.6	52.3	65.2	87.0	107.6	110.1	106.6	up
PMI Manufacturing (Index)	48.9	48.5	48.8	47.8	49.5	43.7	40.7	42.1	41.9	49.2	51.8	53.1	52.3	up
Real Retail Sales (% YoY)	0.3	1.3	1.0	0.2	0.9	-6.1	-19.1	7.0	3.5	4.0	4.0	0.3		up
Trade Balance (Billion, CHF)	3.5	3.9	2.0	4.7	3.5	3.9	4.0	2.6	3.2	3.3	3.5	3.3		up
CPI (% YoY)	-0.3	-0.1	0.2	0.2	-0.1	-0.5	-1.1	-1.4	-1.3	-0.9	-0.9	-0.8		up

Japan	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Trend*
Nomura Manufacturing PMI (Index)	48.4	48.9	48.4	48.8	47.8	44.8	41.9	38.4	40.1	45.2	47.2	47.7	48.7	up
Machine Orders (% YoY)	-6.1	5.3	-3.5	-0.3	-2.4	-0.7	-17.7	-16.3	-22.5	-16.2	-15.2			up
Industrial Production (% YoY)	-8.2	-8.5	-3.7	-2.4	-5.7	-5.2	-15.0	-26.3	-18.2	-15.5	-13.8	-9.0		up
ECO Watchers Survey (Index)	36.3	39.2	40.7	40.6	27.4	15.9	9.5	15.4	38.0	41.3	43.3	48.7		up
Jobs to Applicants Ratio (Index)	1.6	1.6	1.6	1.5	1.5	1.4	1.3	1.2	1.1	1.1	1.0	1.0		down
Labour Cash Earnings (% YoY)	0.0	0.1	-0.2	1.0	0.7	0.1	-0.7	-2.3	-2.0	-1.5	-1.3			up
Department Store Sales (% YoY)	-17.5	-6.0	-5.0	-3.1	-12.2	-33.4	-72.8	-65.6	-19.1	-20.3	-22.0	-33.6		up
Money Supply M2 (% YoY)	2.4	2.7	2.7	2.8	3.0	3.2	3.7	5.1	7.2	7.9	8.6	9.0		up
CPI Ex Food & Energy (% YoY)	0.3	0.5	0.5	0.4	0.2	0.3	-0.1	0.1	0.2	0.3	-0.4	-0.3		down
Exports (% YoY)	-9.2	-7.9	-6.3	-2.6	-1.0	-11.7	-21.9	-28.3	-26.2	-19.2	-14.8	-4.9		up

China	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Trend*
PMI Manufacturing (Index)	49.3	50.2	50.2	50.0	35.7	52.0	50.8	50.6	50.9	51.1	51.0	51.5	51.4	up
Industrial Production (% YoY)	4.7	6.2	6.9			-1.1	3.9	4.4	4.8	4.8	5.6	6.9		up
Retail Sales (% YoY)	7.2	8.0	8.0			-15.8	-7.5	-2.8	-1.8	-1.1	0.5	3.3		up
PPI (% YoY)	-1.6	-1.4	-0.5	0.1	-0.4	-1.5	-3.1	-3.7	-3.0	-2.4	-2.0	-2.1		up
Exports (% YoY)	-0.8	-1.3	7.9			-6.6	3.4	-3.2	0.5	7.2	9.5	9.9		up
CPI (% YoY)	3.8	4.5	4.5	5.4	5.2	4.3	3.3	2.4	2.5	2.7	2.4	1.7		down
RRR (%)	13.0	13.0	13.0	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	neutral
GDP (% YoY)			6.0			-6.8			3.2			4.9		up
PMI Non Manufacturing (Index)	49.3	50.2	50.2	50.0	35.7	52.0	50.8	50.6	50.9	51.1	51.0	51.5	51.4	up
Aggregate Financing (Billions, CNY)														neutral

Datasource: Bloomberg

*Trend = Last 3m - Previous 3m

Economic data

Australia	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Trend*
AiG Manufacturing (Index)	51.6	48.1	48.3	45.4	44.3	53.7	35.8	41.6	51.5	53.5	49.3	46.7	56.3	up
AiG Service (Index)	55.2	53.7	48.7	47.4	47.0	38.7	27.1	31.6	31.5	44.0	42.5	36.2		up
Westpac Consumer Confidence (% MoM)	-5.5	4.5	-1.9	-1.8	2.3	-3.8	-17.7	16.4	6.3	-6.1	-9.5	18.0	11.9	up
Building Approvals (% YoY)	-19.5	-1.9	8.3	-7.7	-2.4	3.1	7.1	-9.5	-13.5	7.7	0.7	8.8		up
Employment Change ('000, MoM)	-24.1	30.4	32.0	11.6	19.7	-3.0	-607.4	-264.2	227.8	119.2	129.1	-29.5		up

Brazil	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Trend*
CPI (% YoY)	2.5	3.3	4.3	4.2	4.0	3.3	2.4	1.9	2.1	2.3	2.4	3.1		up
Industrial Production (% YoY)	1.1	1.3	-1.7	-1.3	-0.9	-0.3	-3.8	-27.6	-21.8	-8.8	-2.8	-2.7		up
Retail Sales (% YoY)	2.2	4.3	3.1	2.6	1.4	4.7	-1.1	-17.1	-7.4	0.5	5.5	6.1		up
Trade Balance (Millions, USD)	2549.6	3564.6	5946.9	-1678.9	2324.5	3832.4	5982.4	4135.9	7050.2	7946.8	6431.9	6163.8		up
Budget Balance Primary (Billions, BRL)	-10.9	-53.2	-38.4	19.1	-49.4	-79.7	-115.8	-140.4	-210.2	-86.9	-121.9	-103.4		up

Chile	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Trend*
IMACEC Economic Activity Index (% YoY)	-3.36	-3.98	0.77	1.39	3.26	-3.47	-14.18	-15.18	-12.94	-10.70	-11.33	-5.31		up
CPI (% YoY)	2.71	2.79	3.00	3.46	3.89	3.74	3.42	2.75	2.63	2.50	2.45	3.09		down
Retail Sales (% YoY)	-9.21	-2.57	0.20	4.46	-14.82	-31.66	-28.71	-24.19	-17.33	3.16	9.50			up
Industrial Production (% YoY)	-2.79	-2.43	3.23	1.95	5.29	0.65	-3.92	-5.86	-2.60	-3.33	-4.85	1.85		up
Unemployment (%)	7.10	7.00	7.10	7.40	7.80	8.20	9.00	11.20	12.20	13.10	12.90	12.30		up

Mexico	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Trend*
PMI (Index)	45.8	46.2	46.3	49.1	47.7	44.1	40.6	38.0	43.2	48.1	45.7	46.9		up
CPI (% YoY)	3.0	3.0	2.8	3.2	3.7	3.3	2.2	2.8	3.3	3.6	4.1	4.0		up
Retail Sales (% YoY)	0.4	2.1	3.2	2.7	2.5	-1.3	-23.8	-23.7	-16.6	-12.5	-10.8			up
Indutrial Production (% YoY)	-1.2	-2.7	-0.5	-1.2	-1.1	-5.3	-35.3	-37.0	-16.4	-8.9	-9.2			up
Remittances (Millions, USD)	3155.0	2924.9	3119.2	2620.9	2732.0	4044.8	2909.5	3445.4	3537.0	3531.9	3574.2			down

Datasource: Bloomberg

*Trend = Last 3m - Previous 3m

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