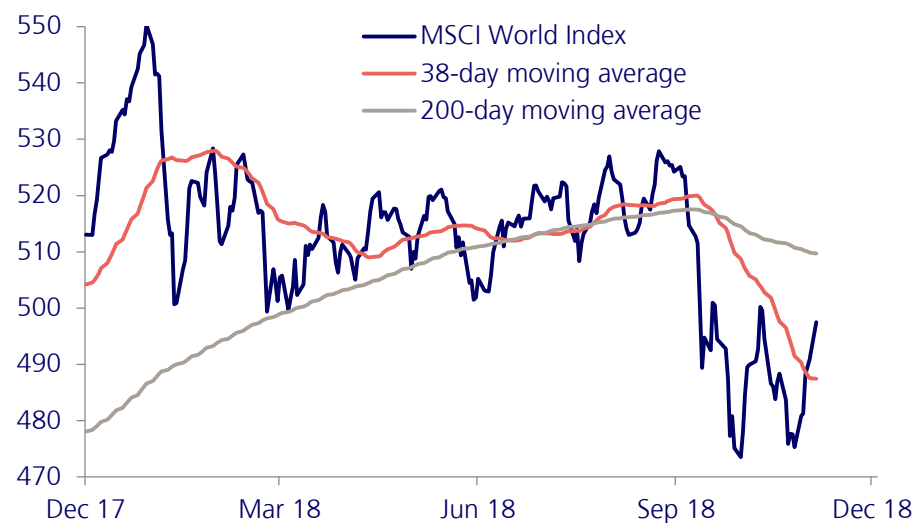


Monthly Investment Insights

Improving sentiment as two clouds dissipate



Source: Bloomberg

Escalating trade tensions and tightening financial conditions had pushed investors to become more bearish on the outlook for equities, leading to a sharp correction in the autumn. While we maintained our view that fundamentals remained attractive, it was important that a catalyst be provided to lift sentiment. To some extent, this has now been forthcoming, following dovish comments from the Fed chairman and some better news on the trade front, which we suspect can lift equity markets higher.

We applaud the outcome of the dinner meeting between US President Trump and China's President Xi at the G20 meeting in Buenos Aires. This suggests that a truce has been agreed to allow time to tackle some of the deeply rooted concerns that the US administration has towards China. These include not only trade practises, but also intellectual property and cyber misuse, as well as broader, geopolitical aspects. The US and China have agreed to halt the imposition of new tariffs for 90 days, signalling a willingness to prevent the trade dispute from escalating further. We are well aware that this cease-fire needs to be used effectively by China to tackle many of the open issues. China's government is likely to take a cooperative stance amid its deteriorating economic environment at home, while the US administration is incentivised to strike a deal as US companies and consumers start to question the benefits of a trade war with China.

Some relief is also visible concerning further tightening of US monetary conditions. Market participants have a dovish interpretation of comments by Fed Governor Powell that suggests they now anticipate a slower pace of rate hikes will follow the widely expected 25bps hike in December. We believe that a flexible, data dependant stance by the Fed makes sense. It avoids following a rather dogmatic pace along its published dot plot and instead takes into account vulnerabilities in the domestic and global economic environment. Importantly, the rolling over of the US 10yr breakeven rates suggests that inflationary fears have subsided, helped by the steep drop in oil prices. A more dovish rate path should certainly help emerging market economies, which have suffered the most from tighter financial conditions and the strength of the USD. Consequently, against a backdrop of improving investor sentiment, emerging equity markets may finally feel some festive cheer.

Market Assessment

Key developments

- Global equities start to stabilise following the latest rout
- US 10yr bond yields fall back below the psychologically important 3% level
- Global oil prices tumble by one-third over the last two months

Zurich's view

Our view that the equity market rout had gone too far following overextended investor pessimism appears to be playing out. Indeed, we remain constructive as many fears, particularly regarding the US-China trade conflict and the US rate outlook are now subsiding. This clears the way for a bounce in equity markets.

Earnings revisions are tilted to the downside, but investors appear to have priced this in, with equity multiples having compressed significantly this year. Stock buybacks, strong M&A activity and the fiscal impulse, though fading, should lend support.

We believe the outlook for emerging market equities has improved, following a dismal performance this year. More benign financial conditions, a projected recovery in China later next year (based on increasing support from monetary, fiscal and regulatory policies) and slowly improving investor sentiment should help. Unless the USD appreciates significantly, many emerging markets should start to fare better.

Credit spreads have moved out aggressively, suggesting some spread tightening. Nonetheless, we maintain our view that credit will underperform equities. We also believe European banks will remain vulnerable.

Global

- The global PMIs are showing signs of bottoming, with China stimulus and lower oil prices expected to bolster growth going forward
- Financial conditions will remain less favourable as central banks continue to tighten policy and taper their balance sheets
- A 90 day truce between the US and China will provide breathing space, but underlying issues remain unresolved

Global data are showing signs of stabilisation following the slowdown in Q3. The global manufacturing PMI ticked up in October, led by EMs, though G3 flash PMIs edged down again in November. Regionally, growth momentum remains intact in the US and Japan but has weakened further in Europe. Eurozone weakness partly reflects the impact of stricter emission standards on car production, but underlying growth is also slowing. In China, targeted stimulus should support activity over the coming months. Together with lower oil prices, this should benefit EMs more broadly. Central banks have stepped up monetary tightening and we expect further rate hikes in the coming months. We maintain our view that global growth has peaked, but this slowdown is unlikely to mark the end of the cycle.

US

- The S&P 500 loses almost 7% in October before rebounding in November as near-term risks dissipate
- The economic environment remains strong although the housing market is showing signs of weakness
- The Fed signals a more dovish stance as it considers rates to be relatively close to neutral

The S&P 500 suffered its worst month in years, losing almost 7% in October, as investors worried about higher yields and an escalation in the trade war between the US and China. However, economic fundamentals remain supportive for equities as reflected by another strong print of the ISM Non-Manufacturing Survey. The index ticked down from its two-decade high to a still impressive 60.3 in October from 61.6 the month before, but new orders were almost unchanged at 61.5, signalling a continuation of strong business activity in the fourth quarter. At the same time, recent signals from the Fed were more dovish, indicating that the FOMC considers rates to be relatively close to neutral and may be willing to pause with hiking until the impact of past hikes on the economy becomes more visible.

UK

- Theresa May's plan to keep the whole UK in a customs union with the EU faces heavy resistance
- Business sentiment weakens with manufacturing new orders falling for the first time since July 2016
- Sterling comes under renewed pressure as the risk of a no-deal Brexit is increasing

Brexit uncertainty is increasingly visible in a slowdown in business activity. The Manufacturing PMI fell to 51.1 while new order inflows and employment both declined for the first time since July 2016. The Services PMI dropped to 52.2 in October, the second lowest since July 2016. In both cases, the weakness was centred on consumer-related sectors such as hotels, restaurants, and leisure, indicating that consumers are becoming increasingly reluctant to spend. Theresa May's plan to keep the whole UK in a customs union with the EU during the transition period, and potentially even longer, faces heavy resistance among Tory MPs and has led to a number of ministerial resignations as well as an increased risk of a no-deal Brexit. Sterling is expected to face very volatile times in the months ahead.

Eurozone

- Q3 GDP disappoints because of Italy and Germany
- Business confidence continues to fall
- The ECB is still on track to end QE this year, but is likely to pursue other measures to support the economy in 2019

Q3 GDP growth was only 0.2% QoQ, reflecting slowing growth in Italy and contraction in Germany. The weakness in Germany was due to disruptions in the auto sector because of a new emission standard and should be mostly transitory. However, the auto sector is going through a substantial global restructuring, so some of the weakness may also be structural. In Italy, uncertainty around the budget and the tightening in financial conditions already appears to be impacting the real economy, putting pressure on the government to moderate spending plans. Comments from ECB policymakers suggest QE will still end this year despite the softer data. However, the ECB is likely to take other supportive measures in 2019, such as providing further liquidity to banks and continuing to emphasise forward guidance.

Switzerland

- Economic data weaken sharply, in line with our view of slower growth in 2019
- Consumer sentiment holds up, but slower employment growth is likely to weigh on sentiment going forward
- With growth slowing and inflation still very low, we anticipate the SNB to leave policy unchanged for now

We had expected growth to slow, but recent data have been much weaker than anticipated. Part of the weakness is likely a reflection of one-off factors that weigh on Eurozone activity and should wane. Even so, the slowdown is material. The manufacturing PMI slipped in October to the lowest level since 2017 Q1, with the employment component firmly down from its peak. Consumer sentiment stabilised in Q3 but remains below its long-run average and is down from its Q1 peak. Investor sentiment has slumped and industrial production saw a sharp deceleration in Q3. Trade data are still firm, however, with little impact from trade disputes on Swiss exports so far. Inflation remains benign and will not be a concern for the SNB. We expect the SNB to stay put in the next policy meeting.

Japan

- As in Q1, the GDP contraction in Q3 was based on special external circumstances (natural disasters)
- Capex remains the biggest growth driver going forward
- Similar to earlier this year, Japanese equities experienced another sell-off following the September bounce

Japan's economy shrank in Q3 after a series of natural disasters negatively impacted consumption and exports. We expect growth to pick up again in the current quarter, supported by strong capex. However, growth will only hover around trend. Wage growth seems to be picking up slowly, but as wage statistics are distorted, the picture remains unclear. The Bank of Japan remains pat, with no major change in monetary policy expected any time soon. The bounce in equities has been as short-lived as the Topix's rally to a 27-year high earlier this year, and has been followed by another setback. Foreigners have been the major sellers this year, but we believe their pessimistic stance is overdone, leaving room for improvement. Indeed, valuation support should now be kicking in.

China

- As credit growth slumps, the economic recovery needs more time to develop
- Fixed asset investment has picked up, but local governments have reached budget limits
- The MSCI China is stabilising and starting to outperform global equities

China's economy took another beating, as economic indicators for October showed. Retail sales were weaker than expected, mainly in durable goods. Industrial production growth remained lacklustre, while fixed asset investment improved following increased spending on infrastructure investments by local governments. However, budget limits have been reached already, suggesting that spending will taper off. Given the disappointing credit data, it's likely that the economic recovery will need more time to develop following both fiscal and monetary stimuli. Meanwhile, the MSCI China is starting to outperform global equities as the slump in internet related companies listed abroad is ending, supporting a resumption of emerging market outperformance vs. developed markets.

Australia

- House prices fall further, led by Sydney and Melbourne
- The labour market continues to tighten thanks to full-time job gains, while wage growth edges up
- Iron ore prices correct sharply following a slump in Chinese metal prices

Following a five-year boom, residential property prices have started to fall, and we expect the correction to continue next year. The move was partly driven by a slump in investor loans, but there are early signs that credit to owner-occupiers might have peaked as well. We are monitoring this development, which could indicate that housing softness will start to weigh on private consumption. Although comforted by the good health of the labour market, we note that business confidence is decreasing sharply, while investment is also weakening. Overall, we have become more cautious in our economic assessment. Turning to markets, we flag that earnings revisions have become negative, which is likely to limit the upside for equities.

ASEAN

- Bank Indonesia (BI) hikes its repo rate by 25bps, bringing the cumulative rate hikes to 175bps this year
- Malaysia's budget targets a middle way between fiscal austerity and stimulus
- The Indonesian rupiah appreciates sharply, partly helped by falling oil prices

By hiking once more, BI acknowledges that risks of financial market instability remain high, despite the recent rebound of the rupiah. Indeed, Indonesia's current account remains in negative territory. We think that BI has front-loaded the bulk of its policy rates, however. In Malaysia, the budget is likely to deliver a small boost to consumption thanks to an increase in the minimum wage and low consumption taxes. Fiscal policy is targeting a middle ground between generous and conservative stances: the government has scaled down cash handouts and will re-introduce floating fuel prices with selective subsidies. Under increased scrutiny from rating agencies, the government will probably need to tighten fiscal policy further to cover the revenue losses from the cancelled Goods and Services Tax.

Valuation snapshot (MSCI Indices)

Current trailing valuations

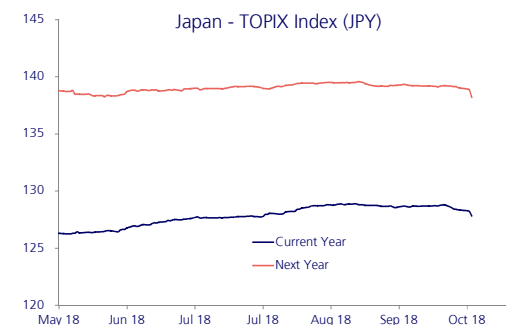
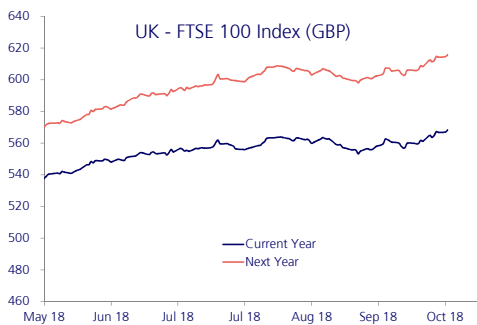
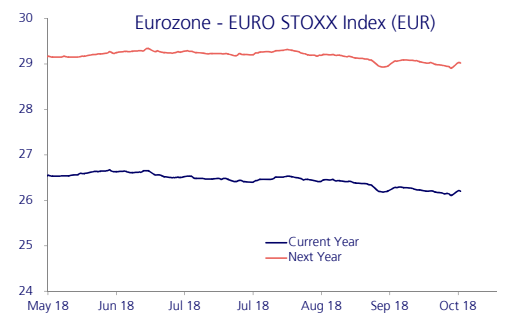
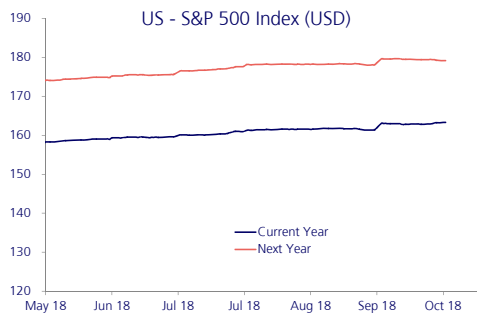
	US	Europe ex UK	UK	Switzerland	Japan	APAC ex. Japan	China	Brazil	Mexico
12m Trailing P/E	22.75	16.69	15.18	21.15	14.12	13.45	13.29	16.53	21.28
12m Trailing P/B	3.51	1.86	1.74	2.65	1.42	1.65	1.72	1.80	2.38
12m Trailing P/CF	14.85	7.76	9.66	14.11	7.44	8.40	6.88	9.80	8.22
Dividend Yield	1.85	3.22	4.19	3.12	2.08	2.88	2.17	3.74	2.30
ROE	15.41	11.14	11.46	12.53	10.02	12.26	12.96	10.86	11.17

Current trailing valuations relative to MSCI world

	US	Europe ex UK	UK	Switzerland	Japan	APAC ex. Japan	China	Brazil	Mexico
12m Trailing P/E	1.23	0.91	0.82	1.15	0.77	0.73	0.72	0.90	1.15
12m Trailing P/B	1.49	0.79	0.74	1.12	0.60	0.70	0.73	0.76	1.01
12m Trailing P/CF	1.37	0.71	0.89	1.30	0.69	0.77	0.63	0.90	0.76
Dividend Yield	0.77	1.35	1.75	1.31	0.87	1.20	0.91	1.56	0.96
ROE	1.20	0.87	0.90	0.98	0.78	0.96	1.01	0.85	0.87

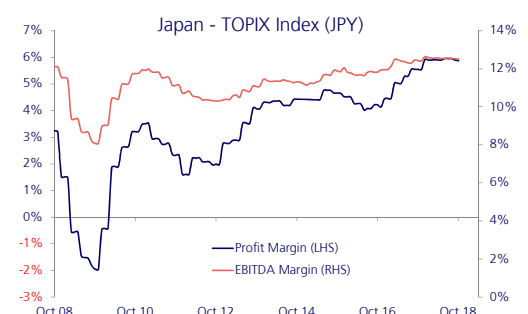
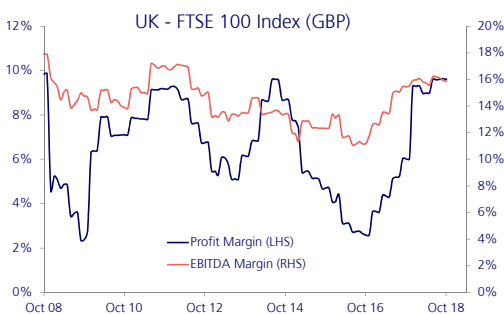
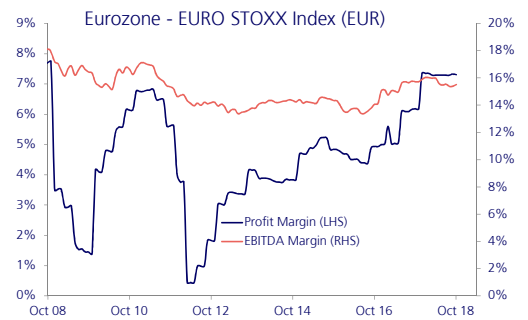
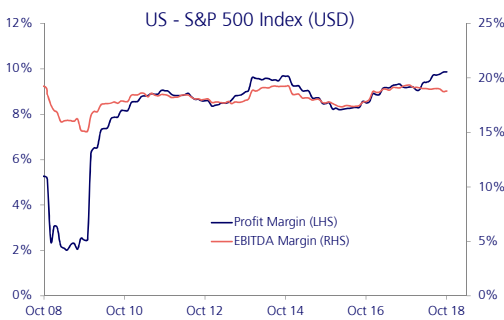
Source: Datastream

Earnings estimates - Full fiscal years



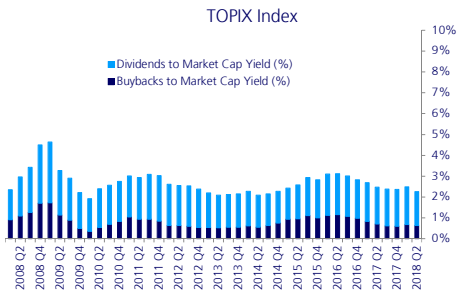
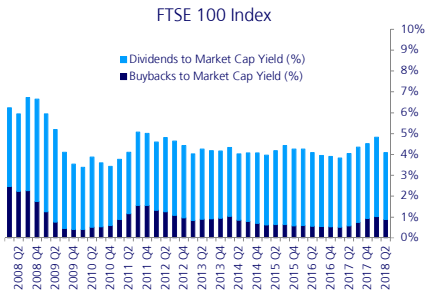
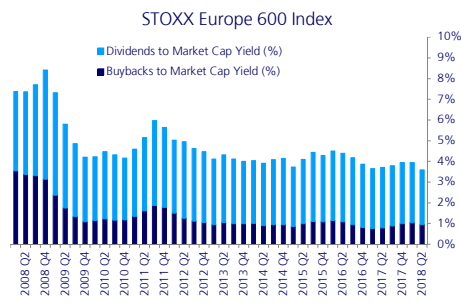
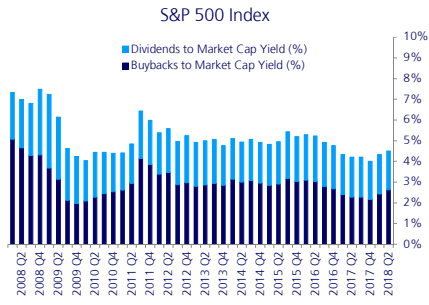
Source: Bloomberg

Historical margins



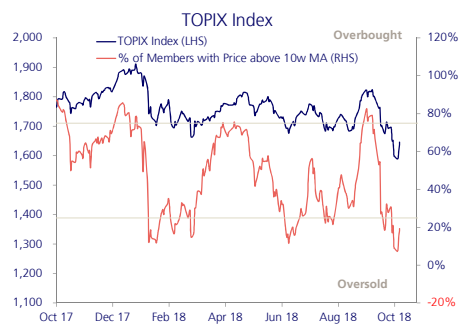
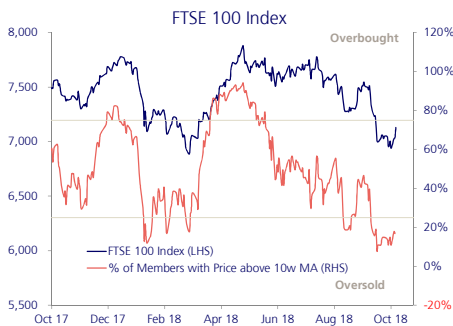
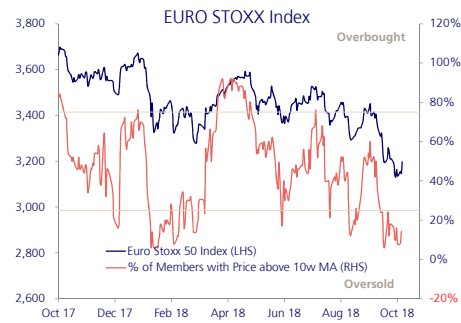
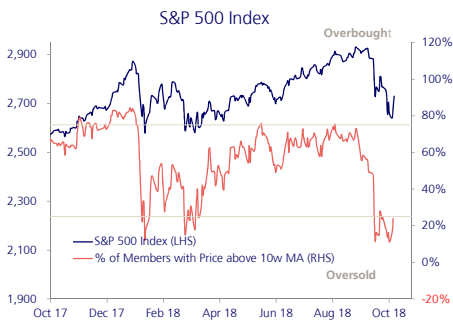
Source: Bloomberg

Dividends and shares buybacks



Source: Bloomberg

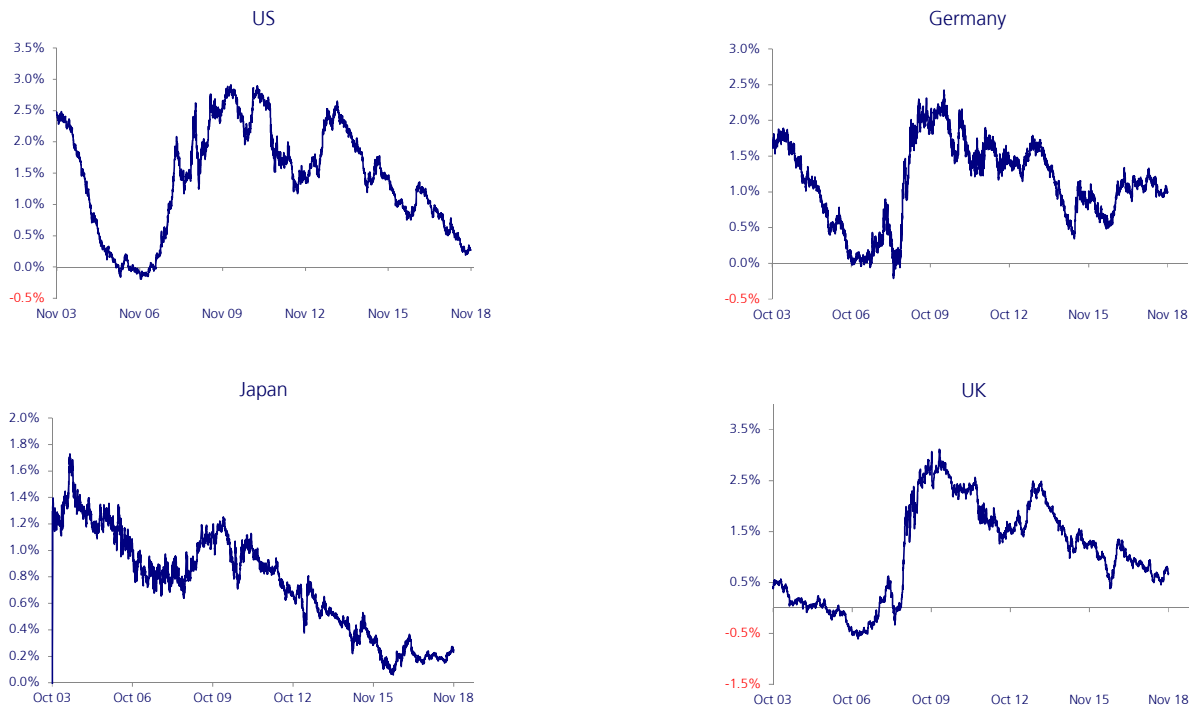
Overbought / Oversold



Source: Bloomberg

Appendix 3

Yield Curve Steepness (2yr-10yr)



Source: Bloomberg

Spread Snapshot

Generic Government Yields (10yr)

Country	Spread over US Treasury (bps)			
	Oct-18	1m ago	3m ago	1yr ago
UK	-170	-149	-161	-105
Germany	-276	-259	-253	-202
Switzerland	-315	-302	-299	-246
Japan	-301	-293	-286	-231
Australia	-51	-39	-26	29
China	39	56	49	151
South Korea	-90	-71	-41	20
Malaysia	96	101	105	157
Indonesia	540	505	479	442
Thailand	-31		-26	-6
Philippines	92	n/a	n/a	n/a
Brazil	698	n/a	833	750
Mexico	589	488	475	489
Colombia	406	383	390	423
Peru	270	255	240	300

Generic Government Yields (10yr)

Country	Spread over German Bund (bps)			
	Oct-18	1m ago	3m ago	1yr ago
France	37	33	32	39
Netherlands	13	11	10	11
Belgium	39	36	34	24
Austria	22	21	18	18
Ireland	57	52	47	22
Italy	304	268	245	146
Spain	116	103	100	110
Portugal	149	141	135	171

Source: Bloomberg, ZIG

Economic data

US	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Trend*
ISM Manufacturing (Index)	60.2	58.5	58.2	59.3	59.1	60.8	59.3	57.3	58.7	60.2	58.1	61.3	59.8	up
ISM Non-Manufacturing (Index)	59.4	59.8	57.3	56.0	59.9	59.5	58.8	56.8	58.6	59.1	55.7	58.5	61.6	up
Durable Goods (% MoM)	4.7	-4.1	2.2	3.2	-4.2	4.5	2.7	-1.0	-0.3	0.9	-1.2	4.6	0.8	up
Consumer Confidence (Index)	120.6	126.2	128.6	123.1	124.3	130.0	127.0	125.6	128.8	127.1	127.9	134.7	135.3	up
Retail Sales (% MoM)	5.2	5.3	6.1	5.3	3.9	4.5	5.1	4.8	6.4	6.1	6.6	6.5	4.7	up
Unemployment Rate (%)	4.2	4.1	4.1	4.1	4.1	4.1	4.1	3.9	3.8	4.0	3.9	3.9	3.7	down
Avg Hourly Earnings YoY (% YoY)	2.6	2.2	2.3	2.4	2.4	2.5	2.6	2.6	2.7	2.8	2.8	2.9	2.7	up
Change in Payrolls ('000, MoM)	14.0	271.0	216.0	175.0	176.0	324.0	155.0	175.0	268.0	208.0	165.0	270.0	134.0	down
PCE (% YoY)	1.5	1.6	1.6	1.6	1.6	1.7	2.0	1.9	2.0	2.0	2.0	2.0	2.0	up
GDP (% QoQ, Annualized)	2.8			2.3			2.2			4.2			3.5	down
UK	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Trend*
PMI Services (Index)	53.6	55.6	53.8	54.2	53.0	54.5	51.7	52.8	54.0	55.1	53.5	54.3	53.9	down
Consumer Confidence (Index)	-9.0	-10.0	-12.0	-13.0	-9.0	-10.0	-7.0	-9.0	-7.0	-9.0	-10.0	-7.0	-9.0	down
Unemployment Rate (%)	4.3	4.3	4.3	4.4	4.3	4.2	4.2	4.2	4.2	4.0	4.0	4.0		down
CPI (% YoY)	3.0	3.0	3.1	3.0	3.0	2.7	2.5	2.4	2.4	2.4	2.5	2.7	2.4	up
GDP (% YoY)	1.8			1.4			1.1			1.2				
Eurozone	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Trend*
PMI Manufacturing (Index)	58.1	58.5	60.1	60.6	59.6	58.6	56.6	56.2	55.5	54.9	55.1	54.6	53.2	down
PMI Services (Index)	55.8	55.0	56.2	56.6	58.0	56.2	54.9	54.7	53.8	55.2	54.2	54.4	54.7	down
Ifo Business Climate (Index)	103.8	104.5	105.4	105.1	105.1	104.3	103.7	102.3	102.5	102.0	101.8	103.9	103.7	up
Industrial Production (% MoM)	0.0	0.1	1.4	-0.1	-0.7	-0.8	0.4	-0.6	1.4	-0.7	-0.7	1.0		down
Factory Orders GE (% MoM)	0.6	0.8	0.2	2.6	-3.6	-0.3	-0.6	-1.3	2.3	-3.9	-0.9	2.0		down
Unemployment Rate (%)	8.9	8.8	8.7	8.6	8.6	8.5	8.5	8.4	8.2	8.2	8.1	8.1	8.1	down
M3 Growth (% YoY, 3 months MA)	5.2	5.0	4.9	4.6	4.6	4.3	3.7	3.8	4.0	4.5	4.0	3.4	3.5	down
CPI (% YoY)	1.5	1.4	1.5	1.4	1.3	1.1	1.3	1.3	1.9	2.0	2.1	2.0	2.1	up
Core CPI (% YoY)	1.1	0.9	0.9	0.9	1.0	1.0	1.0	0.8	1.1	0.9	1.1	0.9	0.9	up
GDP (% QoQ)	0.7			0.7			0.4			0.4			0.2	down
Switzerland	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Trend*
KOF Leading Indicator (Index)	104.4	106.1	108.0	110.1	106.5	105.1	102.6	103.2	100.0	100.4	101.6	98.9	102.2	down
PMI Manufacturing (Index)	62.2	61.5	64.6	65.6	65.3	65.5	60.3	63.6	62.4	61.6	61.9	64.8	59.7	down
Real Retail Sales (% YoY)	0.3	-2.0	0.4	1.6	-0.4	-0.2	-1.2	2.9	0.7	0.3	-0.9	0.4		down
Trade Balance (Billion, CHF)	2.8	2.3	2.6	2.6	2.1	3.2	1.7	2.3	2.9	2.6	2.1	2.1	2.4	down
CPI (% YoY)	0.7	0.7	0.8	0.8	0.7	0.6	0.8	0.8	1.0	1.1	1.2	1.2	1.0	up
Japan	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Trend*
Nomura Manufacturing PMI (Index)	52.9	52.8	53.6	54.0	54.8	54.1	53.1	53.8	52.8	53.0	52.3	52.5	52.5	down
Machine Orders (% YoY)	-3.5	2.3	4.1	-5.0	2.9	2.4	-2.4	9.6	16.5	0.3	13.9	12.6		up
Industrial Production (% YoY)	2.5	5.7	3.6	4.5	2.9	1.6	2.4	2.6	4.2	-0.9	2.2	0.2	-2.9	down
ECO Watchers Survey (Index)	49.6	49.9	52.4	53.9	49.1	48.4	51.7	50.9	47.7	48.2	47.5	48.1	47.3	down
Jobs to Applicants Ratio (Index)	1.5	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	up
Labour Cash Earnings (% YoY)	0.9	0.2	0.9	0.9	1.2	1.0	2.0	0.6	2.1	3.3	1.6	0.8		up
Department Store Sales (% YoY)	4.4	-1.8	2.2	-0.6	-1.2	-0.9	0.1	0.7	-2.0	3.1	-6.1	-0.2	-3.0	down
Money Supply M2 (% YoY)	4.0	4.1	4.0	3.6	3.4	3.2	3.1	3.2	3.2	3.1	2.9	2.9	2.8	down
CPI Ex Food & Energy (% YoY)	0.0	0.0	0.1	0.1	0.1	0.3	0.3	0.1	0.1	0.0	0.0	0.2	0.1	up
Exports (% YoY)	14.1	14.0	16.2	9.4	12.3	1.8	2.1	7.8	8.1	6.7	3.9	6.6	-1.3	down
China	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Trend*
PMI Manufacturing (Index)	52.4	51.6	51.8	51.6	51.3	50.3	51.5	51.4	51.9	51.5	51.2	51.3	50.8	down
Industrial Production (% YoY)	6.6	6.2	6.1	6.2			6.0	7.0	6.8	6.0	6.0	6.1	5.8	down
Retail Sales (% YoY)	10.3	10.0	10.2	9.4		9.7	10.1	9.4	8.5	9.0	8.8	9.0	9.2	up
PPI (% YoY)	6.9	6.9	5.8	4.9	4.3	3.7	3.1	3.4	4.1	4.7	4.6	4.1	3.6	up
Exports (% YoY)	7.9	6.3	11.5	10.9	10.6	43.5	-3.0	12.0	12.0	10.5	11.4	9.1	14.5	up
CPI (% YoY)	1.6	1.9	1.7	1.8	1.5	2.9	2.1	1.8	1.8	1.9	2.1	2.3	2.5	up
RRR (%)	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	16.0	16.0	15.5	15.5	15.5	down
GDP (% YoY)	6.8			6.8			6.8			6.7			6.5	down
PMI Non Manufacturing (Index)	52.4	51.6	51.8	51.6	51.3	50.3	51.5	51.4	51.9	51.5	51.2	51.3	50.8	down
Aggregate Financing (Billions, CNY)	1833.5	1035.7	1612.8	1148.1	3055.0	1165.1	1349.4	1582.4	763.6	1181.6	1040.0			down

Datasource: Bloomberg

*Trend = Last 3m - Previous 3m

Appendix 5

Economic data

Australia	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Trend*
AiG Manufacturing (Index)	54.2	51.1	57.3	56.2	58.7	57.5	63.1	58.3	57.5	57.4	52.0	56.7	59.0	down
AiG Service (Index)	52.1	51.4	51.7	52.0	54.9	54.0	56.9	55.2	59.0	63.0	53.6	52.2	52.5	down
Westpac Consumer Confidence (% MoM)	2.5	3.6	-1.7	3.6	1.8	-2.3	0.2	-0.6	-0.6	0.3	3.9	-2.3	-3.0	down
Building Approvals (% YoY)	2.9	18.2	23.9	-2.3	15.3	1.6	18.4	-0.2	5.1	2.3	-6.5	-12.6	-14.1	down
Employment Change ('000, MoM)	30.7	4.4	62.7	33.8	41.0	-6.1	5.3	18.5	14.7	60.8	-4.6	44.6	5.6	down

Brazil	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Trend*
CPI (% YoY)	2.5	2.7	2.8	3.0	2.9	2.8	2.7	2.8	2.9	4.4	4.5	4.2	4.5	up
Industrial Production (% YoY)	4.0	2.6	5.5	4.8	4.8	5.9	2.0	1.1	9.1	-6.4	3.4	4.2	2.0	up
Retail Sales (% YoY)	3.6	6.2	2.6	6.0	4.0	3.1	1.5	8.0	0.6	2.7	1.4	-1.0	4.1	down
Trade Balance (Millions, USD)	5178.0	5201.0	3546.0	4998.0	2816.0	5002.0	6420.0	5935.0	5981.0	5882.0	4227.0	3775.0	4971.0	down
Budget Balance Primary (Billions, BRL)	-53.3	-30.5	-30.0	-65.6	18.6	-45.8	-57.6	-26.8	-47.9	-57.9	-29.2	-76.9	-39.2	down

Chile	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Trend*
IMACEC Economic Activity Index (% YoY)	2.34	3.45	3.56	2.79	4.09	4.20	4.72	6.20	4.89	4.90	3.32	3.22		down
CPI (% YoY)	1.50	1.90	1.90	2.30	2.20	2.00	1.80	1.90	2.00	2.50	2.70	2.60	3.10	up
Retail Sales (% YoY)	3.81	3.43	5.56	4.24	3.86	3.55	3.90	6.17	2.91	6.17	-0.06	4.79		down
Industrial Production (% YoY)	0.55	3.84	2.33	0.10	5.26	8.84	8.72	7.57	3.66	5.08	-1.65	-1.77	-3.15	down
Unemployment (%)	6.70	6.70	6.50	6.40	6.50	6.70	6.90	6.70	7.00	7.20	7.30	7.30	7.10	up

Mexico	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Trend*
PMI (Index)	52.4	52.5	52.5	52.4	51.6	52.9	53.5	51.3	51.3	52.3	50.4	51.6	51.5	down
CPI (% YoY)	6.4	6.4	6.6	6.8	5.6	5.3	5.0	4.6	4.5	4.7	4.8	4.9	5.0	up
Retail Sales (% YoY)	-0.3	-0.1	-1.5	-2.0	0.5	1.2	1.2	3.3	2.5	3.7	4.2	3.9		up
Industrial Production (% YoY)	2.5	2.9	2.6	-0.1	1.3	0.7	-2.4	5.4	2.7	2.2	2.4	2.1		up
Remittances (Millions, USD)	2489.2	2842.5	2420.8	2760.6	2267.6	2244.4	2674.8	2760.9	3155.9	3140.7	2866.5	2856.2		up

Datasource: Bloomberg

*Trend = Last 3m - Previous 3m

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