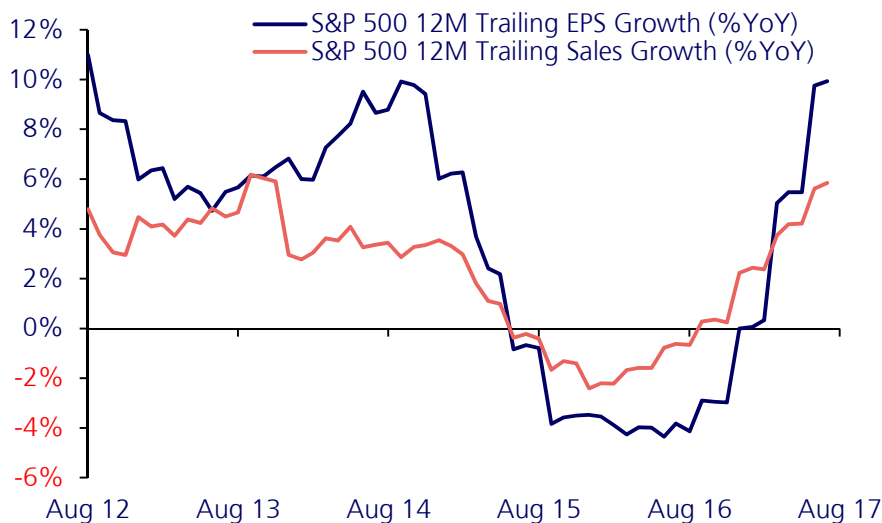


Monthly Investment Insights

Fundamentals remain supportive for equities



Source: Bloomberg

Whether it's a pure coincidence, a self-fulfilling prophecy, or just the fact that negative news has a greater impact in thinner trading volumes over the summer, empirical data show that the summer months are usually more challenging for equity markets. If investors were looking for an excuse to take some profits after a decent first half of the year, they initially found it in the increasing tensions between North Korea and the US. The verbal confrontation led to the first daily move of more than 1% for the S&P 500 since May, ending a period of very low volatility that saw the VIX measure falling to an all-time low. While the situation in Korea is likely to remain potentially disruptive, investors have become increasingly unsettled as the political turmoil engulfing the Trump administration has raised fears of further delay to the President's business-friendly agenda. Initial post-election expectations regarding reforms and fiscal stimulus were significantly overoptimistic in the first place, so a recalibration to a more reasonable level is welcome and raises the possibility for a positive surprise later this year.

While investors have focused on the political infighting in Washington, fundamentals for the equity market have further improved. US economic sentiment has soared, consumer spending has picked up and business activity remains buoyant. GDP growth accelerated to 3.0% in Q2, lifted by all major components. Recent data indicate that the solid momentum persists. The positive environment is also reflected in company earnings. S&P 500 earnings per share grew by almost 10% compared to a year ago – the highest growth rate since August 2012. Firms were able to further increase profit margins from already high levels, but sales also grew by a decent 5.9% YoY in July. A significant part of the earnings rebound resulted from the recovery in the energy sector but the pickup was broader based with basic materials, health care, financials and IT delivering solid earnings growth as well. A similar picture emerged in the Eurozone where earnings growth was strong across sectors.

While we remain positive on equities, and see the recent weakness as transient, some early warning signals are visible in US high yield. Credit has started to underperform stocks during the recent market setbacks. Although we are not forecasting an imminent turn in the credit cycle, we expect credit to lag the equity market going forward as tight credit spreads offer only limited upside from current levels.

Market Assessment

Key developments

- Global growth and earnings momentum remain solid, with major regions showing a pickup in Q2
- Tensions between North Korea and the US, as well as the political turmoil engulfing the Trump administration, are a headwind for stock markets
- Core bond yields fall back towards the bottom end of their recent trading range

Zurich's view

Global growth remains robust and most major regions are enjoying solid economic momentum. Nevertheless, we do not expect a significant acceleration from current levels. While data in the US and the Eurozone continue to point to relatively strong growth, momentum in Asia is weakening somewhat. Inflationary pressure remains modest, although there are signs that there will be a slight pickup in the coming months.

With the Fed's balance sheet reduction and the ECB's tapering moving closer, investors will increasingly focus on the impact of the reduced monetary stimulus. We expect yields to move higher and although the economic background remains positive for further gains in the equity market, the risk of a policy error has increased.

We continue to favour equities over credit and government bonds. Despite better fundamentals, bond yields came under pressure caused by geopolitical risks and relatively soft inflation data. We expect yields to rebound as political risks recede and investors refocus on the positive economic environment and the reduced monetary stimulus.

Key developments

Zurich's view

Global

- Global growth remains firm, though some divergences are now emerging
- Inflation remains weak, but strong final demand is helping to improve firms' pricing power
- Although geopolitical risk abounds, we do not expect this to disrupt the global expansion

The global economy is on a solid footing, as confirmed by the flash PMIs for the G3 economies, which rebounded in August. Following a very strong Q2, data have weakened in emerging Asia, however, and this is likely to take the edge off the pace of the global expansion over the coming quarters, though a sharp slowdown is not anticipated. Despite still weak inflation, surveys point to a better pricing environment for firms, and this is also reflected in measures of inflation expectations, which are stable, albeit at a low level. Political risk abounds, but we do not expect this to spill over to the global economy, which has been surprisingly resilient so far. Most central banks are expected to remain on hold, with the Fed being the key exception.

US

- Consumer sentiment soars as households' economic expectations rebound
- Headline inflation picks up but remains modest
- Political turmoil in Washington increases the risk of further delays for key policy initiatives

Consumers had a strong entry into the second half of the year. Retail sales grew a solid 0.6% in July, up from 0.3% in June. Households remain upbeat with the University of Michigan Consumer Sentiment Index jumping back to the highest level since January, driven by solid improvement in expectations that signal further growth in consumer spending. Optimistic households are joined by upbeat firms with the NFIB Small Business Optimism Index moving back close to its post-recession high. Filling open positions has become even more of a challenge for firms as the labour market tightens further. Wage growth picked up slightly in July but any feed-through to inflation remains modest. Nevertheless, inflation rates have stabilised and are expected to move modestly higher in the coming months.

UK

- Business sentiment is holding up, while consumers become more cautious
- Real wages remain under pressure, but inflation is stabilising
- The unemployment rate falls to 4.4% - the lowest since 1975

Economic momentum is slowing down further in the UK. GDP growth was 0.3% in Q2, lowering the annual rate to 1.7% from 2.0% in Q1. The NIESR rolling three-month GDP estimate came in at 0.2% in July, indicating that growth has weakened further entering the second half of the year. Households' purchasing power continues to be squeezed as inflation rates remain significantly above wage growth. Nevertheless, we think the main impact lies behind us as the feed-through of the steep fall in the pound is slowly fading. The annual CPI inflation rate remained at 2.6% in July, while the MoM rate was -0.1%. Despite the softer economic environment, the labour market remains strong so far with the unemployment rate falling to 4.4% —the lowest since 1975.

Eurozone

- GDP data confirm growth well above trend in Q2
- Surveys and monthly activity data suggest that the above-trend pace of growth continued in Q3
- Euro Stoxx buffeted by geopolitical concerns and a stronger euro, but earnings growth remains strong in Q2

The Eurozone continues to see a strong, broad-based recovery, with Q2 GDP growth running at 0.6% QoQ, 2.2% YoY. The latest monthly survey and activity data suggest that this above-trend pace continued in Q3. Encouragingly, the Q2 earnings season was also decent with nearly all sectors showing positive earnings growth on a YoY basis. However, Eurozone equity markets have been flat over the month of August, buffeted by various geopolitical concerns and the stronger euro, which is a headwind for exporters. Nevertheless, we expect the strong growth fundamentals to translate to continued growth in earnings in the coming quarters, especially for domestically focused companies and that this will help the performance of the stock market going forward.

Switzerland

- The manufacturing PMI surges to the highest level since 2011, confirming strong external demand
- The pickup in growth is not broad based, however, with domestic demand lagging behind
- The SNB will not be in a hurry to remove stimulus as inflation is still close to zero and political risk abounds globally

The manufacturing PMI surged to a six-year high in July, with current and new orders close to cycle highs. The broader KOF survey also rose, mainly reflecting strong dynamics in tourism and exports, indicating that the acceleration is primarily due to strong external demand, while domestic drivers lag. The weaker franc will provide a boost to exporters and reduces deflation risks. With inflation at only 0.3%, this is welcome, and we suspect that the SNB will try to lock in the weaker currency, with forex interventions remaining part of the toolkit. The 10yr yield edged above zero in July, but has fallen back into negative territory. We expect it to stay rangebound, rising back towards zero as global yields rise from current depressed levels.

Key developments

Zurich's view

Japan

- Japan continues to grow above trend
- Private consumption and capex are the main contributors to growth
- Japanese equities are trading rangebound relative to the MSCI World

At 4% on an annualised sequential basis, Japan's economy has shown the strongest growth among G7 countries in Q2, picking up steam from a more disappointing pace in Q1. Growth remains solid in the current quarter, based on current and leading economic indicators. Capital investment and private consumption are driving growth. At the margin, CPI inflation is picking up slightly, but it is far too early to tell whether this is the start of a trend or just a blip. Political stability has improved following PM Abe's cabinet reshuffling. The MSCI Japan is now less susceptible to moves in the USDJPY rate, but this does not translate into outperformance versus global stock markets, particularly as seasonal headwinds remain strong amid low volume.

China

- Following higher than expected growth in H1, momentum is starting to slow
- Supply-side constraints, tighter credit and property measures are finally biting
- Chinese stocks continue to perform well

China's economic growth finally shows first indications of rolling over, in line with our expectations. Policy tightening in the credit and property space is finally showing signs of having an impact. In our view, this is a healthy development and should not be a reason for concern, particularly as low inventory levels suggest that the real estate market slowdown will be less severe than in previous cycles. While auto sales growth is slowing, online shopping remains brisk. Industrial production and fixed asset investment are showing the clearest sign of weaker growth. The MSCI China equity index keeps outperforming, mainly as internet related stocks remain fashionable, but even domestic financial stocks, which dominate domestic 'A'-shares, seem to be breaking to the upside.

Australia

- The ASX 200 is flat MoM, as price gains in materials and industrials offset losses in financials
- Sovereign spreads to US Treasuries are holding above the 40bps level, pricing in stronger inflation expectations
- The discrepancy between upbeat business confidence and soft consumer sentiment increases

The ASX 200 has been trading in a narrow, flat range YTD. It is too early to say whether prices will break up or down when trading volume picks back up. Nevertheless, we see some positive arguments: big banks valuations stand below their five-year average, while Q2 earnings have delivered a slight beat vs. expectations. The upswing in global metal prices is also supportive, although it remains vulnerable to a downturn in sentiment. Encouragingly, iron ore inventories in Chinese harbours have started to roll over, while metal demand has rebounded. On the inflation side, we see further upside to the 1.9% YoY Q2 CPI following the recent spike in electricity prices. At 1.9% YoY, wage growth is being cancelled by CPI growth, which puts pressure on the consumer. This should keep the RBA on hold.

Valuation snapshot (MSCI Indices)

Current trailing valuations

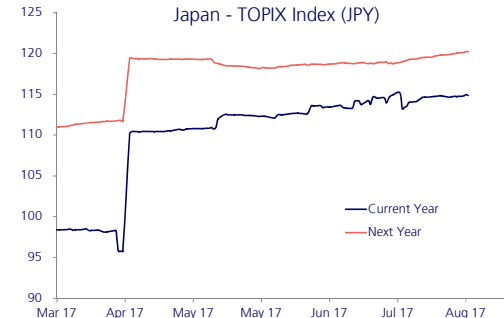
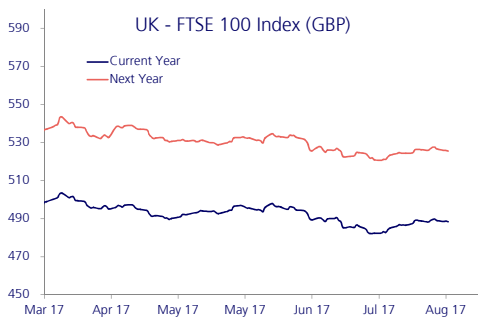
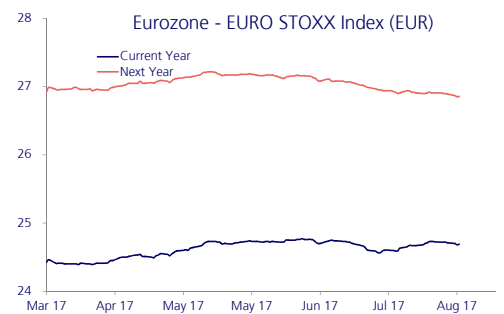
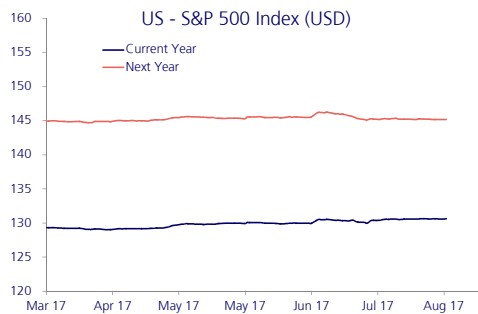
	US	Europe ex UK	UK	Switzerland	Japan	APAC ex. Japan	China	Brazil	Mexico
12m Trailing P/E	23.29	20.41	24.38	25.08	15.78	15.62	15.05	14.91	19.83
12m Trailing P/B	3.13	1.80	1.87	2.43	1.37	1.70	1.79	1.52	2.59
12m Trailing P/CF	14.00	7.74	8.27	13.77	8.45	10.05	7.93	6.66	10.25
Dividend Yield	1.98	3.11	3.92	3.22	2.03	2.65	1.86	3.30	2.19
ROE	13.42	8.84	7.68	9.67	8.69	10.91	11.91	10.22	13.06

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	1.00	1.19	1.23	0.77	0.76	0.74	0.73	0.97
12m Trailing P/B	1.41	0.81	0.84	1.09	0.62	0.77	0.81	0.69	1.17
12m Trailing P/CF	1.32	0.73	0.78	1.29	0.79	0.94	0.75	0.63	0.96
Dividend Yield	0.82	1.29	1.62	1.33	0.84	1.09	0.77	1.36	0.91
ROE	1.24	0.81	0.71	0.89	0.80	1.00	1.10	0.94	1.20

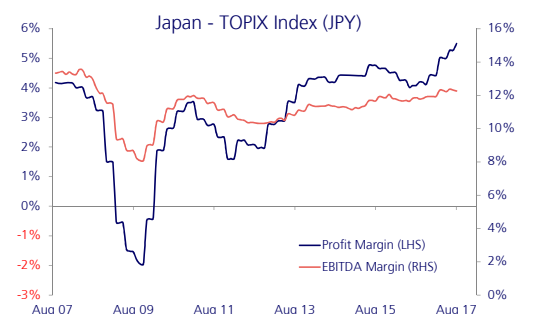
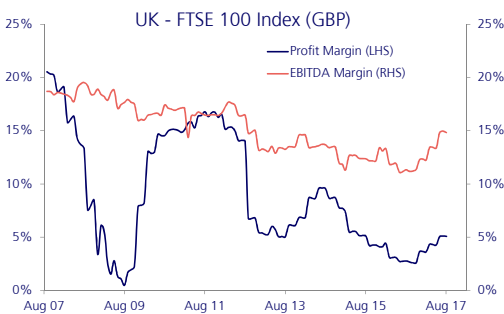
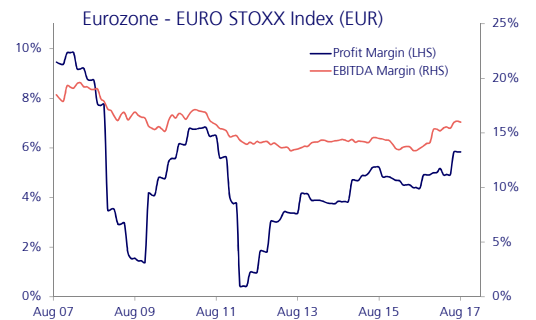
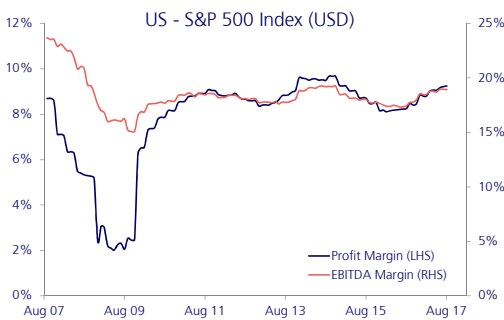
Source: Datastream

Earnings estimates - Full fiscal years



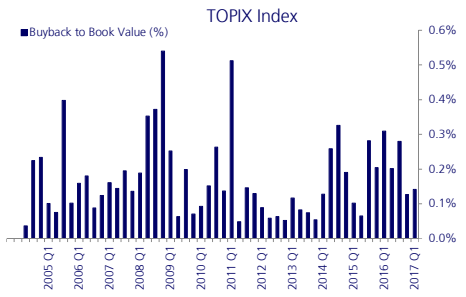
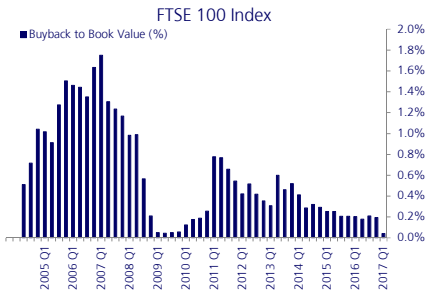
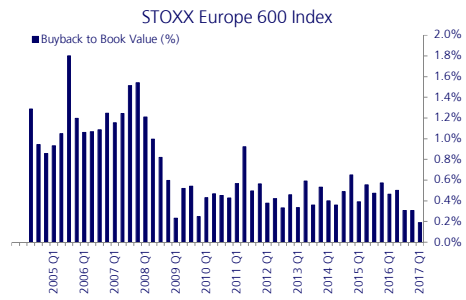
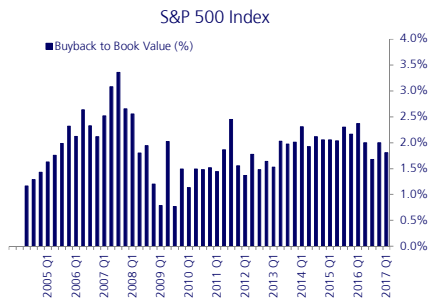
Source: Bloomberg

Historical margins



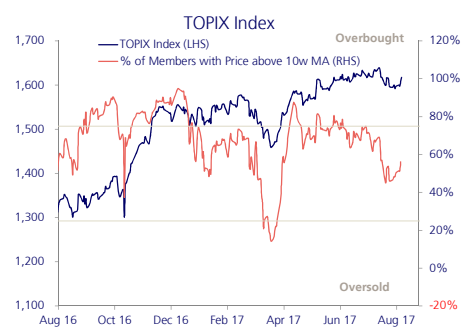
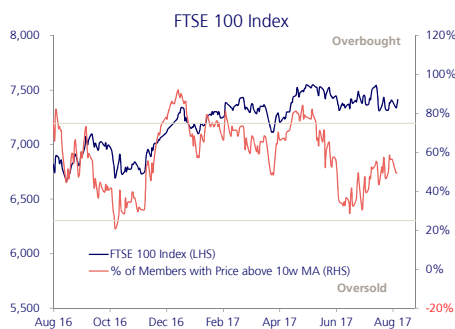
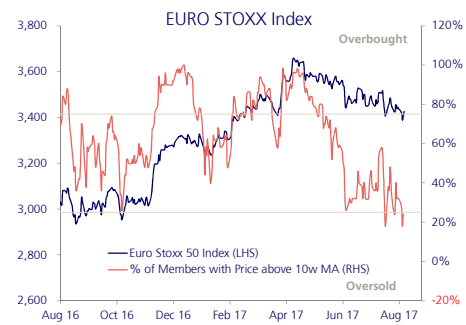
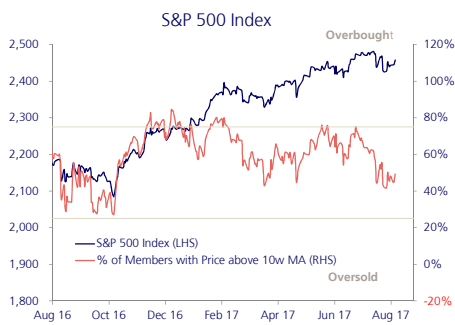
Source: Bloomberg

Shares buybacks



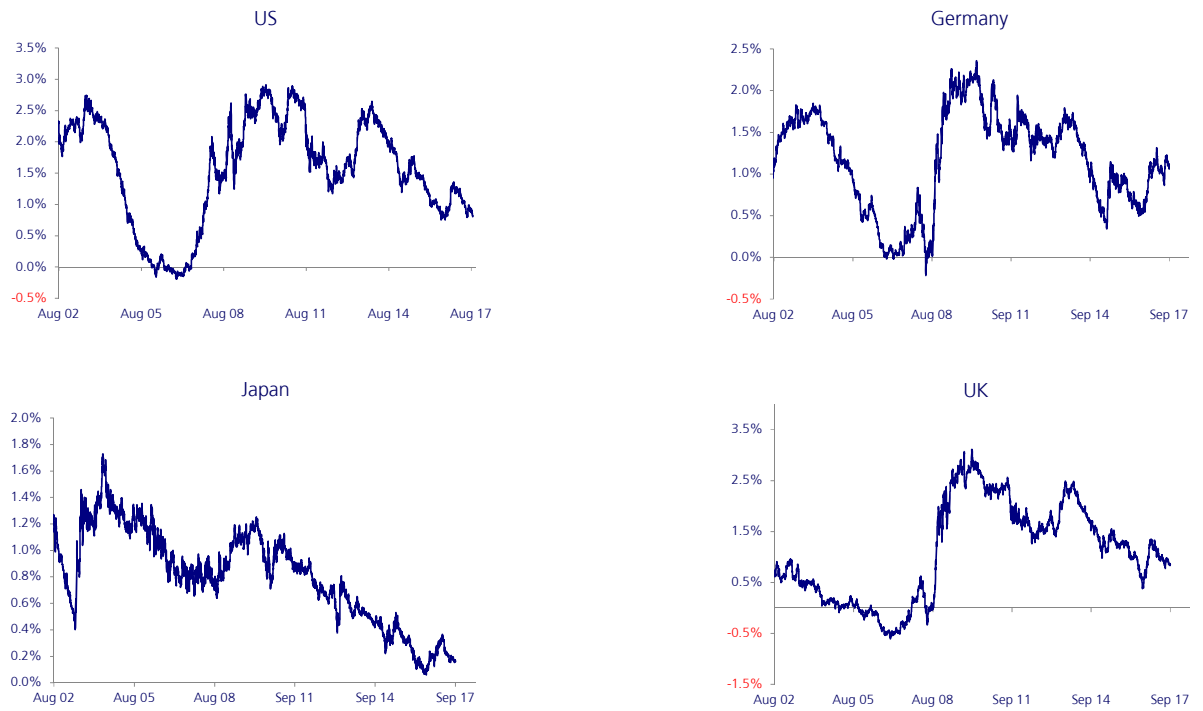
Source: Bloomberg

Overbought / Oversold



Source: Bloomberg

Yield Curve Steepness (2yr-10yr)



Source: Bloomberg

Spread Snapshot

Generic Government Yields (10yr)

Country	Spread over US Treasury (bps)			
	Aug-17	1m ago	3m ago	1yr ago
UK	-111	-106	-112	-94
Germany	-177	-175	-189	-165
Switzerland	-228	-225	-234	-206
Japan	-214	-221	-210	-164
Australia	57	38	25	24
China	151	133	148	123
South Korea	11	-7	4	-10
Malaysia	176	170	172	201
Indonesia	455	466	480	553
Thailand	20		42	68
Philippines	192	n/a	n/a	n/a
Brazil	793	770	868	1,050
Mexico	470	458	511	427
Colombia	460	452	401	592
Peru	327	322	345	407

Generic Government Yields (10yr)

Country	Spread over German Bund (bps)			
	Aug-17	1m ago	3m ago	1yr ago
France	31	26	44	24
Netherlands	13	11	22	11
Belgium	31	28	37	24
Austria	21	16	29	22
Ireland	34	30	49	49
Italy	170	155	199	121
Spain	121	96	130	108
Portugal	247	234	276	311

Source: Bloomberg, ZIG

Economic data

US	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Trend*
ISM Manufacturing (Index)	52.3	49.4	51.7	52.0	53.5	54.5	56.0	57.7	57.2	54.8	54.9	57.8	56.3	down
ISM Non-Manufacturing (Index)	54.9	51.7	56.6	54.6	56.2	56.6	56.5	57.6	55.2	57.5	56.9	57.4	53.9	down
Durable Goods (% MoM)	4.1	0.6	-0.5	6.1	-4.6	0.3	0.3	1.4	2.4	-0.8	0.0	6.4	-6.8	down
Consumer Confidence (Index)	96.7	101.8	103.5	100.8	109.4	113.3	111.6	116.1	124.9	119.4	117.6	117.3	120.0	down
Retail Sales (% MoM)	2.2	2.1	3.2	4.0	3.7	4.0	5.6	4.7	4.8	4.5	4.2	3.4	4.2	down
Unemployment Rate (%)	4.9	4.9	4.9	4.8	4.6	4.7	4.8	4.7	4.5	4.4	4.3	4.4	4.3	down
Avg Hourly Earnings YoY (% YoY)	2.6	2.5	2.7	2.5	2.5	2.5	2.4	2.5	2.3	2.3	2.4	2.4	2.4	up
Change in Payrolls ('000, MoM)	291.0	176.0	249.0	124.0	164.0	155.0	216.0	232.0	50.0	207.0	145.0	231.0	209.0	up
PCE (% YoY)	1.8	1.9	1.8	1.9	1.8	1.9	1.9	1.9	1.6	1.6	1.5	1.5		down
GDP (% QoQ, Annualized)			2.8						1.2			3.0		up
UK	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Trend*
PMI Services (Index)	47.4	52.9	52.6	54.5	55.2	56.2	54.5	53.3	55.0	55.8	53.8	53.4	53.8	down
Consumer Confidence (Index)	-12.0	-7.0	-1.0	-3.0	-8.0	-7.0	-5.0	-6.0	-6.0	-7.0	-5.0	-10.0	-12.0	down
Unemployment Rate (%)	4.9	5.0	4.8	4.8	4.8	4.8	4.7	4.7	4.6	4.6	4.5	4.4		down
CPI (% YoY)	0.6	0.6	1.0	0.9	1.2	1.6	1.8	2.3	2.3	2.7	2.9	2.6	2.6	up
GDP (% YoY)			2.0						2.0			1.7		down
Eurozone	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Trend*
PMI Manufacturing (Index)	52.0	51.7	52.6	53.5	53.7	54.9	55.2	55.4	56.2	56.7	57.0	57.4	56.6	up
PMI Services (Index)	52.9	52.8	52.2	52.8	53.8	53.7	53.7	55.5	56.0	56.4	56.3	55.4	55.4	down
Ifo Business Climate (Index)	108.3	106.3	109.7	110.6	110.5	111.1	110.0	111.2	112.3	113.1	114.6	115.2	116.0	up
Industrial Production (% MoM)	-0.7	1.7	-0.6	0.1	1.7	-1.0	0.2	-0.2	0.4	0.4	1.2	-0.6		up
Factory Orders GE (% MoM)	-0.5	1.0	0.0	3.2	-1.9	6.1	-6.6	3.4	1.0	-2.1	1.1	1.0		up
Unemployment Rate (%)	10.0	9.9	9.9	9.8	9.7	9.6	9.6	9.5	9.4	9.2	9.2	9.1	9.1	down
M3 Growth (% YoY, 3 months MA)	5.1	5.0	5.1	4.5	4.7	5.0	4.8	4.6	5.3	4.8	4.9	5.0	4.5	down
CPI (% YoY)	0.2	0.2	0.4	0.5	0.6	1.1	1.8	2.0	1.5	1.9	1.4	1.3	1.3	down
Core CPI (% YoY)	0.9	0.8	0.8	0.8	0.8	0.9	0.9	0.9	0.7	1.2	0.9	1.1	1.2	up
GDP (% QoQ)			0.4						0.5			0.6		up
Switzerland	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Trend*
KOF Leading Indicator (Index)	102.2	99.8	101.6	103.8	102.3	102.4	102.0	106.8	107.1	106.3	101.9	105.8	108.0	down
PMI Manufacturing (Index)	51.5	51.6	54.4	55.2	55.9	56.2	54.6	57.8	58.6	57.4	55.6	60.1	60.9	up
Real Retail Sales (% YoY)	-3.0	-2.6	-2.1	-0.6	0.6	-3.9	-1.0	0.4	2.3	-1.5	-0.8	1.5		down
Trade Balance (Billion, CHF)	2.7	2.8	4.3	2.5	3.4	2.7	4.8	3.0	3.0	1.9	3.3	2.8	3.5	up
CPI (% YoY)	-0.2	-0.1	-0.2	-0.2	-0.3	0.0	0.3	0.6	0.6	0.4	0.5	0.2	0.3	down
Japan	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Trend*
Nomura Manufacturing PMI (Index)	49.3	49.5	50.4	51.4	51.3	52.4	52.7	53.3	52.4	52.7	53.1	52.4	52.1	down
Machine Orders (% YoY)	5.2	11.6	4.3	-5.6	10.4	6.7	-8.2	5.6	-0.7	2.7	0.6	-5.2		up
Industrial Production (% YoY)	-4.2	4.5	1.5	-1.2	4.4	3.1	3.2	4.7	3.5	5.7	6.5	5.5	4.7	up
ECO Watchers Survey (Index)	45.1	45.6	44.8	46.2	48.6	51.2	48.6	48.5	50.6	50.4	50.1	49.9	51.0	up
Jobs to Applicants Ratio (Index)	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.5	1.5	1.5	1.5	1.5	up
Labour Cash Earnings (% YoY)	1.2	0.0	0.0	0.1	0.5	0.5	0.3	0.4	0.0	0.5	0.6	0.4		up
Department Store Sales (% YoY)	-0.1	-6.0	-5.0	-3.9	-2.4	-1.7	-1.2	-1.7	-0.9	0.7	0.0	1.4	-1.4	up
Money Supply M2 (% YoY)	3.3	3.2	3.4	3.6	3.8	3.9	4.0	4.1	4.2	4.0	3.8	3.9	4.0	down
CPI Ex Food & Energy (% YoY)	0.3	0.2	0.0	0.2	0.1	0.0	0.1	-0.1	-0.3	-0.3	-0.2	-0.2	-0.1	up
Exports (% YoY)	-14.0	-9.6	-6.9	-10.3	-0.4	5.4	1.3	11.3	12.0	7.5	14.9	9.7	13.4	up
China	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Trend*
PMI Manufacturing (Index)	49.9	50.4	50.4	51.2	51.7	51.4	51.3	51.6	51.8	51.2	51.2	51.7	51.4	down
Industrial Production (% YoY)	6.0	6.3	6.1	6.1	6.2	6.0			7.6	6.5	6.5	7.6	6.4	up
Retail Sales (% YoY)	10.2	10.6	10.7	10.0	10.8	10.9			10.9	10.7	10.7	11.0	10.4	up
PPI (% YoY)	-1.7	-0.8	0.1	1.2	3.3	5.5	6.9	7.8	7.6	6.4	5.5	5.5	5.5	down
Exports (% YoY)	-6.5	-3.8	-10.4	-7.9	-1.5	-6.2	7.3	-1.9	15.9	7.4	8.3	11.3	7.2	up
CPI (% YoY)	1.8	1.3	1.9	2.1	2.3	2.1	2.5	0.8	0.9	1.2	1.5	1.5	1.4	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)			6.7						6.9			6.9		neutral
PMI Non Manufacturing (Index)	49.9	50.4	50.4	51.2	51.7	51.4	51.3	51.6	51.8	51.2	51.2	51.7	51.4	down
Aggregate Financing (Billions, CNY)	479.1	1460.5	1711.5	886.5	1832.8	1626.0	3720.2	1086.4	2136.3	1383.4	1065.9	1763.9	1220.6	down

Datasource: Bloomberg

*Trend = Last 3m - Previous 3m

Appendix 5

Economic data

Australia	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Trend*
AiG Manufacturing (Index)	56.4	46.9	49.8	50.9	54.2	55.4	51.2	59.3	57.5	59.2	54.8	55.0	56.0	down
AiG Service (Index)	53.9	45.0	48.9	50.5	51.1	57.7	54.5	49.0	51.7	53.0	51.5	54.8	56.4	up
Westpac Consumer Confidence (% MoM)	-3.0	2.0	0.3	1.1	-1.1	-3.9	0.1	2.3	0.1	-0.7	-1.1	-1.8	0.4	down
Building Approvals (% YoY)	6.1	14.9	-3.9	-23.8	-3.3	-10.3	-9.3	-4.4	-19.7	-16.4	-18.2	-1.2	-13.9	up
Employment Change ('000, MoM)	29.5	-13.5	-25.1	14.0	45.4	16.0	4.4	8.9	52.8	48.7	39.6	20.0	27.9	down

Brazil	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Trend*
CPI (% YoY)	8.7	9.0	8.5	7.9	7.0	6.3	5.4	4.8	4.6	4.1	3.6	3.0	2.7	down
Industrial Production (% YoY)	-5.2	-6.1	-4.7	-4.0	-7.2	-1.1	0.0	1.6	-0.6	1.7	-4.4	4.1	0.5	down
Retail Sales (% YoY)	-4.8	-5.6	-5.5	-5.7	-8.1	-3.8	-4.9	-1.2	-3.7	-3.2	1.7	2.6	3.0	up
Trade Balance (Millions, USD)	4577.0	4140.0	3802.0	2346.0	4756.0	4415.0	2724.0	4560.0	7145.0	6969.0	7661.0	7195.0	6298.0	up
Budget Balance Primary (Billions, BRL)	-53.4	-62.9	-67.1	3.4	-80.4	-105.2	0.3	-54.2	-54.3	-15.4	-67.0	-51.1	-44.6	down

Chile	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Trend*
IMACEC Economic Activity Index (% YoY)	0.87	2.96	1.45	-0.26	1.02	0.59	1.45	-1.39	0.28	0.10	1.31	1.43		up
CPI (% YoY)	4.00	3.40	3.10	2.80	2.90	2.70	2.80	2.70	2.70	2.70	2.60	1.70	1.70	down
Retail Sales (% YoY)	4.59	0.23	7.41	5.15	4.97	4.10	3.85	-1.18	6.00	-0.40	5.59	4.21		up
Industrial Production (% YoY)	-2.47	3.10	-0.46	-7.19	-0.09	1.29	-1.23	-8.03	-8.31	-4.20	0.05	-1.90	3.30	up
Unemployment (%)	7.10	6.90	6.80	6.40	6.20	6.10	6.20	6.40	6.60	6.70	7.00	7.00		up

Mexico	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Trend*
PMI (Index)	48.5	49.9	51.0	50.2	48.7	48.3	48.4	46.4	46.7	44.7	48.6	54.5	51.5	up
CPI (% YoY)	2.7	2.7	3.0	3.1	3.3	3.4	4.7	4.9	5.4	5.8	6.2	6.3	6.4	up
Retail Sales (% YoY)	7.9	8.9	8.1	9.3	11.2	9.0	4.9	3.6	6.1	1.4	4.1	0.4		down
Industrial Production (% YoY)	-0.6	3.7	0.1	-0.5	4.4	1.8	4.7	1.5	9.4	-1.3	5.1	2.3		down
Remittances (Millions, USD)	2248.6	2269.3	2374.1	2220.2	2371.0	2342.5	2062.6	2056.8	2520.7	2304.7	2584.2	2417.0		up

Datasource: Bloomberg

*Trend = Last 3m - Previous 3m

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