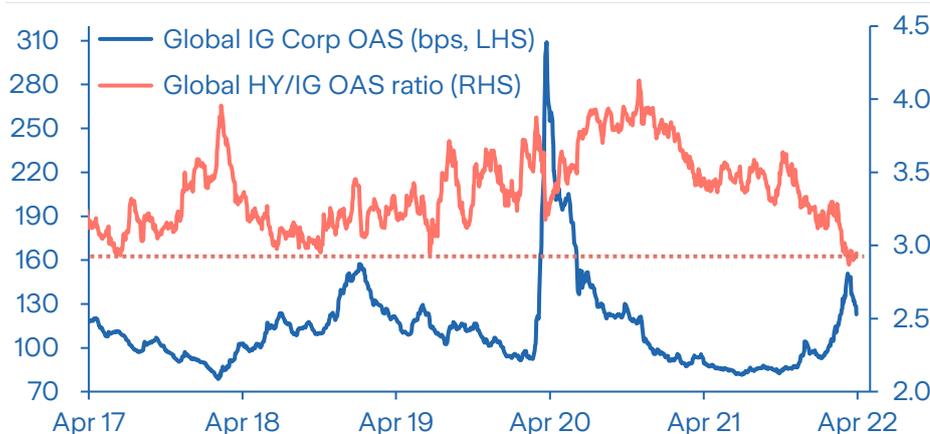


# Monthly Investment Insights

1 April 2022



## Credit likely to turn, but High Yield remains vulnerable



Source: Barclays Bloomberg indices; Note: Global OAS is 50% US and 50% European Corp Index OAS

Credit markets, which often lead other markets, seem to be showing early signs of a turn after underperforming for the last six months. The recent recovery in credit and equities has largely conformed to the typical historical pattern seen during wars, when the markets reach their lows just around the time a conflict starts and recover thereafter. However, despite the emergence of a constructive tone, uncertainty around the outcome of the Russia-Ukraine conflict and the potential for a central bank policy mistake still remain. The consequent binary outcomes call for only cautious optimism from investors in our opinion.

Credit markets have had a softer tone to them since October 2021, with a number of micro-indicators weakening at the time. Inflows started flatlining and primary markets saw lacklustre demand. These negative trends gained steam in Q1 2022 as outflows gathered momentum and angst was seen in primary markets with new issue concessions spiking higher and the High Yield primary market nearly grinding to a halt. The heightened sensitivity of credit to liquidity withdrawal seemed to be the cause of the weakness in late 2021. More importantly, credit weakness once again led stock market weakness in early Q1 2022.

Notably, some of these credit market micro-indicators are turning positive again after six months, despite still elevated bond market volatility, a flat yield curve and uncertainties still remaining on the geopolitical front. Flows seem to be stabilising with High Yield ETFs recently seeing heavy inflows, while the primary market is again seeing strong demand as evidenced through minimal new issue concessions and strong levels of oversubscription not seen since H1 2021. We believe these indicators suggest that despite the risks, credit is seeing the emergence of pent-up investor demand after sentiment became overly pessimistic. On the risk front, while central banks still remain hawkish, bond yield curves are reflecting concerns around a recession driven by the risk of a central bank policy mistake which is also reflected in policy rate expectations. However, our expectation is that central banks will remain pragmatic despite the rhetoric, with the Fed unlikely to raise rates eight times this year, as currently priced in by the Fed futures markets. Furthermore, while uncertainty still remains on the geopolitical front, the probability of a broader conflict between Russia and NATO countries seems to have declined with some optimism emerging recently on a resolution. Consequently, it is likely that the credit market dynamics of lighter positioning driving spreads tighter could become self-sustaining in the short to medium term.

High Yield valuations remain concerning however. While the energy sector, which is a reasonable part of US High Yield market, has been boosted by higher oil prices, most of the High Yield universe is highly growth sensitive. As shown in the chart, the spread ratio of High Yield to Investment Grade is hovering around the lowest levels in five years, an unexpected outcome when the 2yr/10yr US Treasury yield curve is flashing recession signals.

### Market Assessment

#### Key developments

- Russia-Ukraine conflict drags on longer than expected, but some investor optimism emerges
- Risk assets recover, confirming the typical pattern seen historically during wars
- Bond yield curves and rate expectations price in the risk of a policy mistake by major central banks, especially the Fed

#### Zurich's view

Despite the Russia-Ukraine conflict becoming more protracted than many had expected and the consequent human tragedy, stock and credit markets have recovered recently confirming the historical pattern seen during wars. While uncertainties still remain, optimism seems to have emerged among investors that the conflict is unlikely to see a broadening to NATO countries, while a resolution may also be likely in the coming weeks.

Credit markets are showing encouraging signs that suggest pent-up demand is emerging and the recent recovery could become more self-sustaining. Given the leading characteristics of credit, this bodes well for stocks too, which should still outperform credit in the long term.

While economic growth is likely to be hampered but not derailed by higher commodity prices resulting from the Russia-Ukraine conflict, inflation prints remain persistently high. Consequently, central banks remain hawkish and bond curves and interest rate futures seem to be pricing in the risk of a policy mistake, especially by the Fed. We believe central banks are likely to be more pragmatic than markets are expecting. It is our opinion that bond yields are now looking stretched and have room to fall modestly albeit high volatility is likely to persist.

Key developments	Zurich's view
<p>Global</p> <ul style="list-style-type: none"> <li>Data show global economic activity remained firm in March, boosted by the improving pandemic situation</li> <li>Commodity linkages will drive the economic impact of the war in Ukraine, amplifying price pressures and supply chain bottlenecks</li> <li>Central banks accelerate policy tightening, with policy risk elevated due to a challenging mix between rising inflation and slowing growth</li> </ul>	<p>While the economic outlook is uncertain and vulnerable to an escalation in the Russia-Ukraine conflict, we do not expect the war to trigger a global recession. Global growth will slow materially but, as it is coming from a high level, is not expected to fall below trend. While it is too early to gauge the impact, early macro data show that activity was resilient in March, with a further rebound in services on the improving pandemic situation and firm manufacturing activity. Export orders appear to be softening though and price pressures are intense, reflecting disruptions to commodity markets. Central banks have accelerated policy tightening, confirming that they are not prepared to look through strong price gains, even if they are supply related and accelerated by the war.</p>
<p>US</p> <ul style="list-style-type: none"> <li>Headline inflation accelerates to 7.9% YoY in February, the highest in four decades</li> <li>Business activity remains robust though rising costs weigh on consumers' minds</li> <li>The Fed takes a hawkish stance and signals a total of seven rate hikes this year</li> </ul>	<p>Economic activity remains robust but rising costs keep weighing on consumers' and businesses' minds. The labour market is still very tight, making it difficult for firms to fill open positions. On a positive note, a falling quits rate, lower compensation plans, and flat average hourly earnings point to some easing. Despite these promising signs, inflation rates accelerated further in February, with headline CPI reaching 7.9% YoY. As expected, the Fed initiated the tightening cycle with a 25bp rate hike and has signaled a relatively aggressive path going forward, increasing the risks of a policy error. The S&amp;P 500 has shown remarkable resilience to both rising yields and soaring energy prices, more than recovering from the losses suffered following Russia's invasion of Ukraine.</p>
<p>UK</p> <ul style="list-style-type: none"> <li>A strong labour market and rising wages help to support household spending</li> <li>Headline inflation accelerates to 6.2% YoY, the highest since 1992</li> <li>The BoE tightens its policy further, lifting the Bank Rate from 0.5% to 0.75%</li> </ul>	<p>While the Omicron wave created some headwinds for activity, consumer spending has rebounded from the weakness observed at the end of last year. Though rising prices keep weighing on consumers' minds, a strong labour market and higher wages help to support household spending. As expected, the Bank of England continued its tightening path, lifting the Bank Rate by another 25bp to 0.75%. Despite the somewhat dovish tone at its latest meeting the BoE is expected to tighten its policy further in the coming months as inflation will remain significantly above target, fuelled by soaring energy prices due to the war in Ukraine. Meanwhile, the FTSE 100 has shown remarkable resilience in a volatile environment, outperforming most of its developed market peers since the beginning of the year.</p>
<p>Eurozone</p> <ul style="list-style-type: none"> <li>Business surveys show sentiment is impacted more by the war in Ukraine than actual economic activity</li> <li>The ECB announces a quicker end to QE despite increasing risks to growth, focusing on record high inflation</li> <li>EU leaders pledge to spend more on defense and reduce energy dependency on Russia</li> </ul>	<p>We still expect the Eurozone economy to grow at an above-trend pace this year, though the region is now vulnerable to any further internal or external shocks. Growth will be significantly weaker in Q1 and Q2 than previously forecast, but there had been the expectation of very strong growth from the start of 2022 because of the bounce back from Covid and ongoing monetary and fiscal stimulus. Meanwhile, the ECB announced an accelerated pace in the tapering of QE asset purchases because of very high inflation, preparing the ground to raise interest rates later this year. Finally, EU leaders have agreed to bolster European defense capabilities and reduce energy dependency on Russia. However, both objectives are likely to take time, possibly many years, to achieve.</p>
<p>Switzerland</p> <ul style="list-style-type: none"> <li>Growth should be resilient, though sentiment is likely to deteriorate while the external backdrop becomes more challenging</li> <li>In contrast to many other central banks, the SNB maintains a dovish stance and guidance, with rates expected to be on hold in 2022</li> <li>Upward pressure on the Swiss franc remains as the war in Ukraine drives demand for safe haven assets</li> </ul>	<p>Economic activity was brisk in February, though the data predates the war in Ukraine, and some negative impact, particularly on business and household sentiment, is expected. Exports accelerated as supply bottlenecks eased and services rebounded as Covid restrictions were removed. CPI inflation surprised on the upside in February, with the headline breaching 2%. With the surge in energy and commodity prices and renewed disruptions to supply chains due to the war in Ukraine, upward price pressure will remain in place. Domestically generated inflation is relatively benign though, with both services and domestic goods price inflation still well below 2%. The SNB maintained a dovish stance in the March meeting, in line with our view that rates will be unchanged in 2022.</p>

Key developments	Zurich's view
<p>Japan</p> <ul style="list-style-type: none"> <li>As new Omicron infections recede, consumer spending starts to recover</li> <li>Supply chain bottlenecks and labour shortages hit manufacturing production</li> <li>Japanese equities recover as the yen weakens</li> </ul>	<p>Japan's economic activity slowed during the first two months of this year. Consumer sentiment and spending were negatively impacted by the sudden increase in Omicron infections, while the manufacturing sector again suffered from labour shortages and new supply chain bottlenecks. Some of these pressures appear to have eased, which makes the outlook for Q2 brighter, following a probably negative GDP growth print for Q1. Headline inflation is picking up, while core inflation remains negative. Adjusting for special factors, even core inflation has started to rise, though at a slow pace. The MSCI Japan has recovered, rising for seven days in a row, while the yen has depreciated versus the dollar to the USDJPY 122 mark amid the monetary policy gap between the US and Japan.</p>
<p>China</p> <ul style="list-style-type: none"> <li>Production, infrastructure investment and retail sales fared better than expected in January/February</li> <li>New Omicron infections rise, negatively impacting services consumption</li> <li>Chinese equities experience a strong recovery following a steep plunge</li> </ul>	<p>Economic indicators like industrial production, investment spending and retail sales for the combined period of January/February (adjusting for the impact of Lunar New Year) came in better than consensus had expected. However, we are concerned about the impact that rising Omicron infections in various provinces, particularly in Shenzhen in the Greater Bay area, will have on both the services consumption and semiconductor related industries. Meanwhile, home sales remain lacklustre but should benefit from policy easing measures later this year. A selling spree of foreign listed Chinese equities also impacted domestic 'A'-shares, urging a strong statement by China's Vice Premier and various government agencies, which helped to ease concerns and was followed by a V-shaped recovery.</p>
<p>Australia</p> <ul style="list-style-type: none"> <li>The domestic economy is in good shape as the country is opening up again</li> <li>Expectations regarding the RBA's first policy rate hike are tilted towards June instead of Q3</li> <li>Australian equities are meandering higher, particularly relative to global equities</li> </ul>	<p>Australia's economy is booming, with some segments close to overheating. As new Covid infections are abating and household savings remain solid, consumers are on a spending spree, with housing and business investment solid as well. Inflationary risks are rising, but the RBA is focusing more on the trimmed-mean inflation measure and wage inflation, which so far are in acceptable ranges. However, the latest March minutes reveal that the pendulum may be swinging towards early concerns about risks to its 'patient' outlook. This brings June into focus for a first policy rate hike instead of Q3. The ASX200 equity market index has already recovered ¾ of its January losses, and has outperformed global equities, while the 10yr yield has surged by about 110 bps to 2.77%.</p>
<p>ASEAN</p> <ul style="list-style-type: none"> <li>Fuel subsidy reform may be slower amid the impact of rising oil prices</li> <li>Central banks are not in a hurry to hike policy rates</li> <li>Equity markets remain volatile, with Indonesian equities expected to outperform</li> </ul>	<p>In Malaysia, January industrial production was up only 4.3% YoY, weaker than expected, and sequentially fell below the Q4 2021 level with both mining and, to a smaller extent, manufacturing contributing negatively. February export growth weakened. Fuel subsidies will increase amid rising oil prices and will be a burden for the fiscal budget. Core inflation is rising, but is still regarded as contained by the BNM, suggesting the first rate hike will come in July. Meanwhile, Indonesia is benefitting from the reopening boom, but higher food prices may dent consumer confidence, which again may make it more difficult to implement fuel subsidy reforms at the intended pace. The MSCI ASEAN is expected to remain in its volatile sideways trading band, while the MSCI Indonesia has the potential to inch higher.</p>
<p>LatAm</p> <ul style="list-style-type: none"> <li>Central banks continue to tighten as inflation expectations remains high, but the cycle is close to its end</li> <li>Brazil's Q4 GDP grew above market expectation and marked the end of a technical recession, but January economic activity disappointed</li> <li>The MSCI LatAm continued to outperform emerging and global markets for a fourth consecutive month, led by Brazil</li> </ul>	<p>Inflation continues to be the region's most important economic concern and is expected to remain well above target during 2022. Core inflation accelerated, reaching a multi-year high, while inflation expectation increased due to higher commodities prices. Central banks are under pressure and are likely to continue tightening during Q2 2022, maintaining higher policy rates for an extended period. High interest rates are providing an attractive carry for investors, supporting regional currencies and helping the BRL to reach its strongest level since Jun 2020. The equity market has been resilient and continues outperforming emerging and developed markets. Economic activity continues to decelerate and is expected to be negatively impacted by the geopolitical crisis, despite the improvement in the Covid situation.</p>

## Valuation snapshot (MSCI Indices)

Current trailing valuations

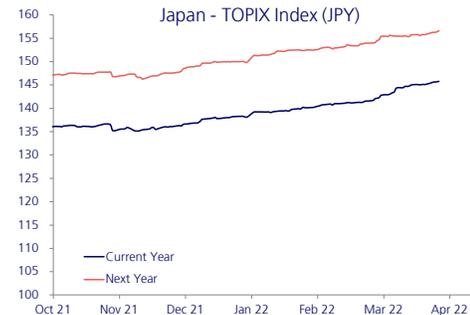
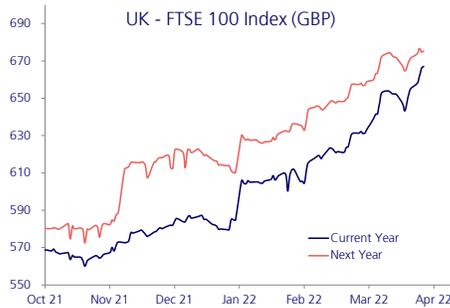
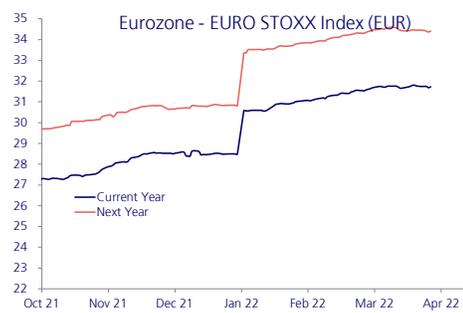
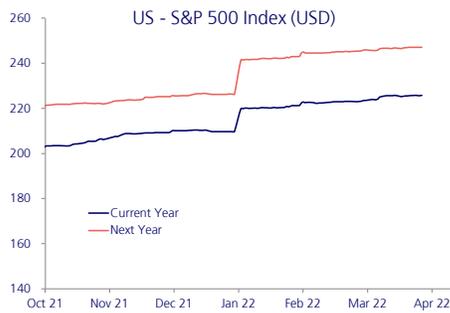
	US	Europe ex UK	UK	Switzerland	Japan	APAC ex. Japan	China	Brazil	Mexico
12m Trailing P/E	22.89	16.16	15.91	20.27	14.45	15.46	12.98	6.02	15.28
12m Trailing P/B	4.46	2.06	1.89	3.38	1.35	1.81	1.54	1.85	2.16
12m Trailing P/CF	17.33	8.67	8.43	12.52	10.57	9.28	9.42	5.27	7.13
Dividend Yield	1.42	2.52	3.72	2.56	2.37	2.55	1.93	8.08	2.67
ROE	19.48	12.77	11.85	16.68	9.34	11.74	11.86	30.83	14.11

Current trailing valuations relative to MSCI world

	US	Europe ex UK	UK	Switzerland	Japan	APAC ex. Japan	China	Brazil	Mexico
12m Trailing P/E	1.20	0.85	0.84	1.06	0.76	0.81	0.68	0.32	0.80
12m Trailing P/B	1.57	0.73	0.66	1.19	0.48	0.64	0.54	0.65	0.76
12m Trailing P/CF	1.36	0.68	0.66	0.98	0.83	0.73	0.74	0.41	0.56
Dividend Yield	0.73	1.29	1.91	1.32	1.22	1.31	0.99	4.15	1.37
ROE	1.31	0.86	0.79	1.12	0.63	0.79	0.80	2.07	0.95

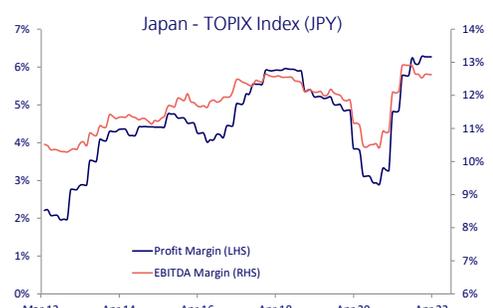
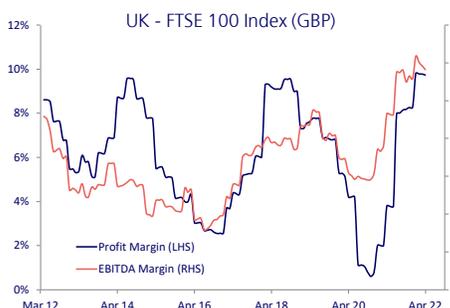
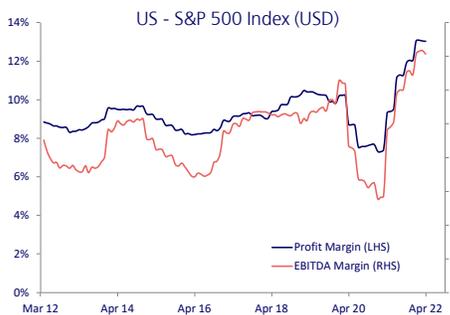
Source: Datastream

## Earnings estimates - Full fiscal years



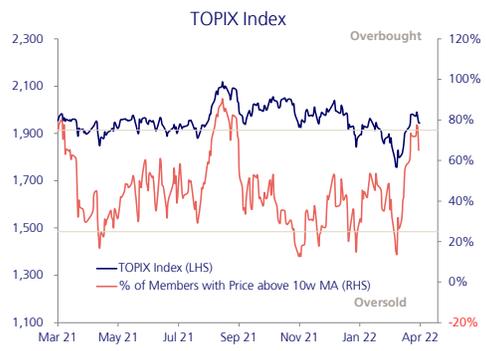
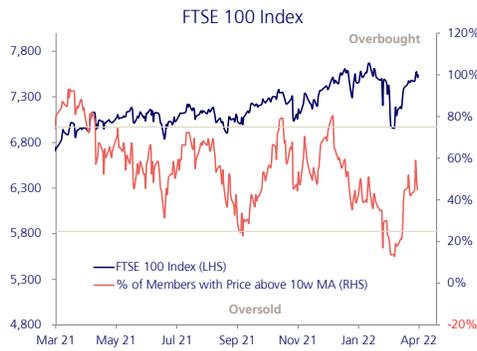
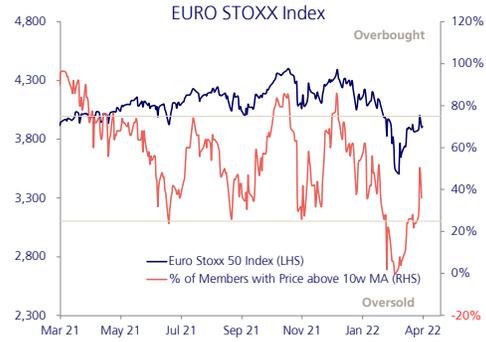
## Historical margins

Source: Bloomberg



Source: Bloomberg

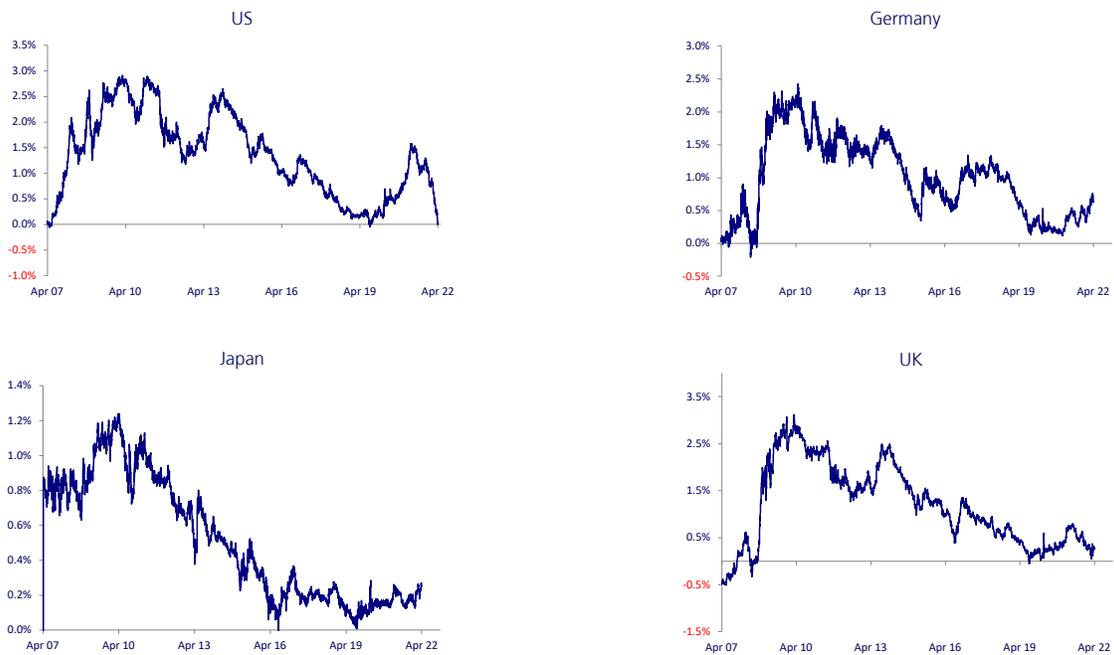
Overbought / Oversold



Source: Bloomberg

## Appendix 3

### Yield Curve Steepness (2yr-10yr)



Source: Bloomberg

### Spread Snapshot

#### Generic Government Yields (10yr)

Country	Spread over US Treasury (bps)			
	Apr-22	1m ago	3m ago	1yr ago
UK	-76	-60	-54	-87
Germany	-182	-180	-169	-200
Switzerland	-178	-164	-165	-198
Japan	-220	-155	-144	-156
Australia	41	46	16	17
China	36	109	127	152
South Korea	54	96	74	35
Malaysia	145	194	207	154
Indonesia	432	478	487	502
Thailand	-17		38	31
Philippines	164	n/a	n/a	n/a
Brazil	919	n/a	n/a	776
Mexico	585	624	606	517
Colombia	731	763	668	530
Peru	415	448	439	328

#### Generic Government Yields (10yr)

Country	Spread over German Bund (bps)			
	Apr-22	1m ago	3m ago	1yr ago
France	44	44	38	25
Netherlands	26	23	15	14
Belgium	49	39	36	31
Austria	45	37	27	22
Ireland	54	57	43	35
Italy	151	147	135	96
Spain	89	93	74	64
Portugal	80	80	64	54

Source: Bloomberg, ZIG

## Economic data

<b>US</b>	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Trend*
ISM Manufacturing (Index)	63.7	60.6	61.6	60.9	59.9	59.7	60.5	60.8	60.6	58.8		57.6		down
ISM Non-Manufacturing (Index)	62.2	62.7	63.2	60.7	64.1	62.2	62.6	66.7	68.4	62.3		59.9		down
Durable Goods (% MoM)	1.3	-0.7	3.2	0.8	0.5	1.3	-0.4	0.1	3.2	1.2		1.6		down
Consumer Confidence (Index)	114.9	117.5	120.0	128.9	125.1	115.2	109.8	111.6	111.9	115.2	111.1		110.5	down
Retail Sales (% MoM)	29.7	53.4	28.0	18.9	15.3	15.7	14.2	16.2	18.9	16.7		13.0		down
Unemployment Rate (%)	6.0	6.0	5.8	5.9	5.4	5.2	4.7	4.6	4.2	3.9		4.0		down
Avg Hourly Earnings YoY (% YoY)	4.8	1.5	2.8	4.1	5.1	5.2	5.9	6.4	6.5	6.2		6.9		down
Change in Payrolls ('000, MoM)	704.0	263.0	447.0	557.0	689.0	517.0	424.0	677.0	647.0	510.0		467.0		down
PCE (% YoY)	2.0	3.1	3.5	3.6	3.6	3.6	3.7	4.2	4.7	4.9		5.2		down
GDP (% QoQ, Annualized)	6.3			6.7			2.3			7.0				
<b>UK</b>	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Trend*
PMI Services (Index)	56.3	61.0	62.9	62.4	59.6	55.0	55.4	59.1	58.5	53.6	54.1		60.8	down
Consumer Confidence (Index)	-16.0	-15.0	-9.0	-9.0	-7.0	-8.0	-13.0	-17.0	-14.0	-15.0	-19.0		-26.0	up
Unemployment Rate (%)	4.9	4.8	4.8	4.7	4.6	4.5	4.3	4.2	4.1		4.1			down
CPI (% YoY)	0.7	1.5	2.1	2.5	2.0	3.2	3.1	4.2	5.1	5.4		5.5		down
GDP (% YoY)	-5.0			24.6			7.0			6.5				
<b>Eurozone</b>	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Trend*
PMI Manufacturing (Index)	62.5	62.9	63.1	63.4	62.8	61.4	58.6	58.3	58.4	58.0	58.7		58.4	down
PMI Services (Index)	49.6	50.5	55.2	58.3	59.8	59.0	56.4	54.6	55.9	53.1	51.1		55.8	down
IFO Business Climate (Index)	96.9	96.6	99.2	101.7	100.7	99.8	99.1	97.9	96.6	94.8	96.0		98.9	down
Industrial Production (% MoM)	0.3	0.4	-1.0	0.6	0.7	-1.6	-0.7	-1.5	2.4		1.2			up
Factory Orders GE (% MoM)	2.9	1.1	-2.7	4.3	5.0	-9.1	2.4	-5.8	3.6		2.8			up
Unemployment Rate (%)	8.1	8.2	8.0	7.9	7.7	7.5	7.4	7.3	7.1			7.0		down
M3 Growth (% YoY, 3 months MA)	10.1	9.4	8.6	8.4	7.8	8.0	7.6	7.7	7.4	6.9		6.4		down
CPI (% YoY)	1.3	1.6	2.0	1.9	2.2	3.0	3.4	4.1	4.9	5.0		5.1		down
Core CPI (% YoY)	0.9	0.7	1.0	0.9	0.7	1.6	1.9	2.0	2.6	2.6		2.3		down
GDP (% QoQ)	-0.2			2.2			2.3			0.3				
<b>Switzerland</b>	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Trend*
KOF Leading Indicator (Index)	119.5	135.5	143.7	132.9	130.2	113.2	110.5	110.0	107.3	107.1	107.2		105.0	down
PMI Manufacturing (Index)	65.6	68.3	68.6	67.1	70.0	67.0	67.6	65.7	63.8	64.2			63.8	down
Real Retail Sales (% YoY)	23.2	38.3	2.5	0.5	-2.2	0.9	2.6	1.8	4.7	-0.5		5.1		down
Trade Balance (Billion, CHF)	5.7	3.7	4.8	5.5	5.3	5.1	5.0	5.3	5.9	3.5		3.2		down
CPI (% YoY)	-0.2	0.3	0.6	0.6	0.7	0.9	0.9	1.2	1.5	1.5			1.6	down
<b>Japan</b>	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Trend*
Nomura Manufacturing PMI (Index)	52.7	53.6	53.0	52.4	53.0	52.7	51.5	53.2	54.5	54.3	55.4		52.9	down
Machine Orders (% YoY)	-2.0	6.5	12.2	18.6	11.1	17.0	12.5	2.9	11.6		5.1			down
Industrial Production (% YoY)	3.4	15.8	21.1	23.0	11.6	8.8	-2.3	-4.1	5.1	2.7		-0.9		up
ECO Watchers Survey (Index)	49.5	39.4	36.4	45.4	47.7	34.3	43.3	56.2	58.5	58.6		35.9		down
Jobs to Applicants Ratio (Index)	1.1	1.1	1.1	1.1	1.2	1.1	1.2	1.2	1.2			1.2		down
Labour Cash Earnings (% YoY)	0.6	1.4	1.9	0.1	0.6	0.6	0.2	0.2	0.8		-0.4			down
Department Store Sales (% YoY)	21.8	167.0	65.2	-1.6	4.2	-11.7	-4.3	2.9	8.1	8.8		15.6		up
Money Supply M2 (% YoY)	9.5	9.3	8.0	5.9	5.3	4.7	4.2	4.2	4.0	3.7		3.6		down
CPI Ex Food & Energy (% YoY)	0.0	-1.2	-1.1	-1.1	-0.8	-0.7	-0.8	-1.2	-1.2	-1.3		-1.9		neutral
Exports (% YoY)	16.1	38.0	49.6	48.6	37.0	26.2	13.0	9.4	20.5	17.5		9.6		down
<b>China</b>	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Trend*
PMI Manufacturing (Index)	51.9	51.1	51.0	50.9	50.4	50.1	49.6	49.2	50.1	50.3			50.1	down
Industrial Production (% YoY)	14.1	9.8	8.8	8.3	6.4	5.3	3.1	3.5	3.8	4.3				down
Retail Sales (% YoY)	34.2	17.7	12.4	12.1	8.5	2.5	4.4	4.9	3.9	1.7				down
PPI (% YoY)	4.4	6.8	9.0	8.8	9.0	9.5	10.7	13.5	12.9	10.3		9.1		down
Exports (% YoY)	30.4	32.1	27.7	32.1	19.2	25.4	28.0	26.9	21.7			20.9		down
CPI (% YoY)	0.4	0.9	1.3	1.1	1.0	0.8	0.7	1.5	2.3	1.5		0.9		down
RRR (%)	12.5	12.5	12.5	12.5	12.0	12.0	12.0	12.0	12.0	11.5	11.5		11.5	down
GDP (% YoY)	18.3			7.9			4.9			4.0				down
PMI Non Manufacturing (Index)	51.9	51.1	51.0	50.9	50.4	50.1	49.6	49.2	50.1	50.3			50.1	down
Aggregate Financing (Billions, CNY)														neutral

Datascource: Bloomberg

\*Trend = Last 3m - Previous 3m

## Appendix 5

### Economic data

<b>Australia</b>	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Trend*
AiG Manufacturing (Index)	59.9	61.7	61.8	63.2	60.8	51.6	51.2	50.4	54.8	48.4	48.4		53.2	down
AiG Service (Index)	58.7	61.0	61.2	57.8	51.7	45.6	45.7	47.6	49.6	56.2		56.2		down
Westpac Consumer Confidence (% MoM)	2.6	6.2	-4.8	-5.2	1.5	-4.4	2.0	-1.5	0.6	-1.0	-2.0		-1.3	down
Building Approvals (% YoY)	54.5	44.8	55.4	53.1	22.4	33.6	15.0	-7.8	-8.2			-7.5		down
Employment Change ('000, MoM)	75.0	-28.7	118.2	29.5	-3.4	-152.8	-147.3	-56.0	366.1	64.8		12.9		down

<b>Brazil</b>	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Trend*
CPI (% YoY)	6.1	6.8	8.1	8.4	9.0	9.7	10.3	10.7	10.7	10.1		10.4		down
Industrial Production (% YoY)	0.3	10.5	34.8	24.1	12.1	1.4	-0.6	-4.0	-7.8	-4.4		-5.0		up
Retail Sales (% YoY)	-3.9	2.2	23.7	15.9	6.3	5.7	-4.1	-5.2	-6.8	-4.2		-2.9		up
Trade Balance (Millions, USD)	6470.5	9963.1	8536.0	10414.3	7380.0	7659.1	4400.7	2063.7	-1110.1	4012.9		-214.4		down
Budget Balance Primary (Billions, BRL)	-44.5	30.0	-37.4	-75.6	-55.4	-29.7	-42.0	-25.0	-26.6	-54.2		84.1		up

<b>Chile</b>	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Trend*
IMACEC Economic Activity Index (% YoY)	6.30	14.70	19.13	20.60	18.05	18.95	14.75	14.95	14.27		10.12			down
CPI (% YoY)	2.88	3.32	3.65	3.80	4.54	4.78	5.34	6.03	6.70	7.17		7.70		down
Retail Sales (% YoY)	44.83	73.37	65.86	62.39	24.47	19.28	22.54	15.43	14.22		14.22			down
Industrial Production (% YoY)	3.06	5.13	3.55	6.20	5.04	4.78	-0.59	1.33	2.75	1.72		-1.10		down
Unemployment (%)	10.40	10.20	10.00	9.50	8.90	8.50	8.40	8.10	7.50	7.20		7.30		down

<b>Mexico</b>	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Trend*
PMI (Index)	50.7	50.6	52.2	51.9	51.7	50.9	49.9	51.2	50.6	53.2		48.8		down
CPI (% YoY)	4.7	6.1	5.9	5.9	5.8	5.6	6.0	6.2	7.4	7.4		7.1		down
Retail Sales (% YoY)	2.6	30.5	29.4	17.0	9.9	7.2	5.9	5.3	5.4		4.9			down
Industrial Production (% YoY)	5.9	50.0	48.5	16.6	7.7	6.6	-0.4	0.1	2.8		3.8			up
Remittances (Millions, USD)	4157.3	4048.3	4525.8	4457.5	4545.0	4748.7	4408.9	4818.6	4665.2		4760.4			down

Datasource: Bloomberg

\*Trend = Last 3m - Previous 3m

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