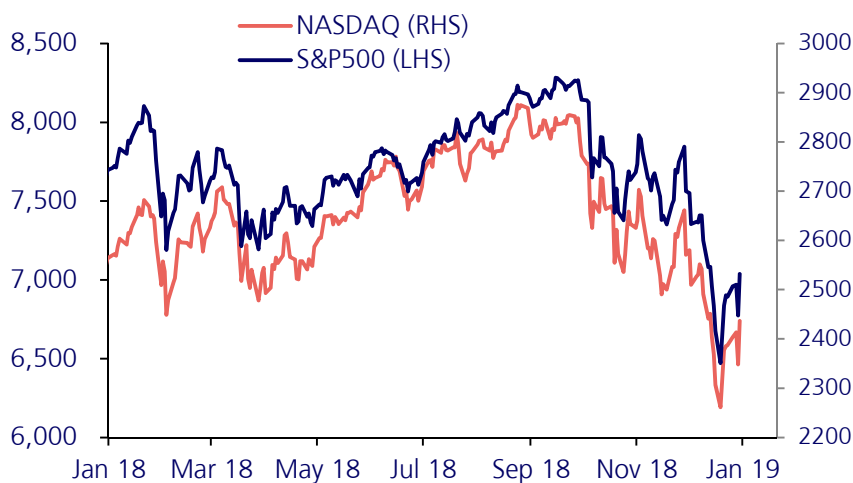


Monthly Investment Insights

Not quite out of the woods yet...



Source: Bloomberg

2018 is best forgotten from an investment perspective, with most asset classes falling and volatility surging. Slowing global growth, trade tensions, tightening financial conditions, and politics all played their part. The worst year for global risk assets since the financial crisis held no prisoners, with even the resilient US equity market finally succumbing as the S&P 500 posted its worst December since 1931. The tech-heavy NASDAQ index, once investors' darling, plunged by over 20% from summer highs, joining a number of other global stock indices in hitting the technical definition of a bear market. Plunging sentiment into the end of the year did lend support to government bonds, with German Bunds one of the very few assets to post positive returns for the year. While investors say 'good riddance' to 2018, we suspect that we are not quite out of the woods and have carried a more cautious stance into the New Year.

The current economic cycle has further to run with equities offering the greatest potential. However, the current market volatility is likely to persist for some weeks yet before a bottom is established. There are some signs of capitulation, which usually marks a turning point from oversold conditions, though we think that the hard data need to improve for a long-lasting upswing to establish itself. In particular, evidence of stabilising economic activity from China will be critical. We had thought that this would have begun to materialise by now, but have had to push back our expectations. Recent falls in manufacturing surveys and slowing retail sales show that recent policy stimulus has yet to be felt and that additional measures will be required to bolster activity. Tariff and policy frictions with the US have also been a drag on China and many of its neighbours, with global trade and investment slowing. It is encouraging that the rhetoric from both parties is becoming more constructive, though we believe that the March 1 deadline for China to fulfil US demands will need to be compromised upon.

In addition to Chinese growth, 2019 is likely to be defined by US interest rate policy. December's ninth hike of the cycle was a unanimous decision by Fed members in the face of criticism from the President. We see this as an important symbol of Fed independence rather than a sign of more aggressive policy ahead. Indeed, the lowering of the forward guidance to two hikes in 2019 from three suggests a pause in rate hikes in Q1, helped by easing inflation and a sharp move lower in inflation expectations. Consequently, despite short-term risks, fundamentals and an overly pessimistic investor base support upside for stocks.

Market Assessment

Key developments

- Investors show signs of capitulation as risk assets plunge and bonds rally
- Global earnings estimates are sharply lowered for 2019
- The US Fed hikes for a ninth time, but lowers its rate trajectory

Zurich's view

After what looked like some stabilisation developing in equity and credit markets at the end of November, investor sentiment plunged into the year end and will take time to heal.

Consequently, while we believe that the economic cycle has further to run, we see continued turbulence for markets in the short term. Signs of better economic growth prospects or tangible geopolitical improvements will be required to rebuild investor sentiment.

Many markets have now entered bear territory, having fallen by more than 20% from their highs. Earnings estimates have been cut substantially to reflect a more challenging corporate environment in 2019, while equity multiples have contracted appreciably as additional downside is priced in.

Although we feel that stocks and to a lesser extent credit markets are oversold, with investors capitulating, the deterioration in economic data is a concern and the bottoming process for markets is likely to take longer than we had originally thought.

Equity valuations are now attractive, however, offering a good base for a rebound. Government bonds reflect fear and angst, offering little value at current levels, with yields expected to tick higher over time.

Global

- Global macro data are mixed, with weakness in Asia and Europe offsetting stronger conditions in the US and a tentative rebound in non-Asia EMs
- The falling oil price weighs on inflation and should allow central banks to adopt a more dovish stance, which is warranted given the sharp tightening in financial conditions
- Global trade risk remains, but the truce between the US and China is positive and we are cautiously optimistic going forward

Global macro data weakened in December after a tentative stabilisation in November. Global PMIs edged lower, led by softer activity in Asia. Consumption spending showed a tentative rebound, helped by lower energy prices, but the capex cycle is weakening, reflecting uncertainty around global trade. We maintain that this slowdown does not mark the end of the cycle, however, as the US is still seeing firm growth while stimulus in China should help to stabilise growth. Financial conditions have additionally deteriorated sharply, negatively impacting sentiment and activity. A pause in policy tightening is warranted to allow the global economy and financial markets to digest rate hikes and liquidity removal.

US

- The stock market ends the year on a negative note as investors worry about the growth outlook
- Economic activity remains solid but is expected to slow down in Q1 2019
- The Fed hikes rates for the fourth time in 2018, but signals a slower pace going forward

The S&P 500 suffered one of the worst December performances on record despite a continuation of solid business activity and mostly positive economic data. Investors took no relief in the US and China postponing the next wave of tariffs and the Fed signalling a less hawkish stance. The FOMC voted unanimously to hike rates by 25bps but lowered the median projection for 2019 from three hikes to two. Importantly, the longer-run neutral rate was lowered from 3% to 2.75%, acknowledging that current monetary policy is not far from neutral. Overall, business sentiment remains in expansionary territory but the significant fall in the ISM Manufacturing survey in December, with new orders dropping to 51.1 from 62.1 the month before, is signalling a slowdown in economic momentum in the first quarter of the new year.

UK

- Theresa May postpones a critical vote on the Brexit deal and survives a no-confidence vote
- Business sentiment falls to the lowest since July 2016 as Brexit uncertainty weighs on the economic outlook
- Wage growth accelerates further as the labour market remains tight

Theresa May postponed a critical vote on the Brexit agreement that was negotiated with the EU as strong resistance made it unlikely that the deal would get enough support in parliament. Following the postponement the PM survived a no-confidence vote initiated by Tory rebels. The vote on the Brexit deal is now expected to take place in mid-January. However, given that major concessions from the EU are unlikely, a no-deal Brexit remains a significant risk. On the other hand, the ECJ's ruling that the UK could unilaterally revoke the triggering of Art. 50 as well as rising support for a second referendum may create new options. Meanwhile, Brexit uncertainty is increasingly taking its toll on business activity with the Composite PMI falling to 50.7, the lowest level since July 2016.

Eurozone

- The ECB ends QE as expected and enhances forward guidance on reinvestments
- Italy and the EU agree on a deal to avoid an Excessive Deficit Procedure (EDP)
- Data remain soft, with French business confidence collapsing on 'yellow vests' protests

French business confidence collapsed by around five points in the PMI survey for December. However, this was due to the 'yellow vests' protests impact on sentiment. French business confidence is likely to rebound as the French government has scrapped a contentious fuel tax hike and announced extra spending instead. The ECB ended QE in December, as expected, but said that it will keep its balance sheet at current levels. Indeed, it has emphasised that it will not begin reducing its balance sheet until well after the first ECB rate hike. Finally, Italy has agreed to compromise on its spending plans, thereby avoiding the launch of an EDP by the EU for now. This reduces one source of near-term risk, though Italy's long-term debt dynamics and vulnerability to the next recession still remain a concern.

Switzerland

- The manufacturing PMI ticks higher and export data are resilient, indicating that the GDP contraction in Q3 was partly driven by temporary factors
- Inflation weakens again as domestic inflation fails to pick up and imported inflation remains a headwind
- The SNB leaves policy unchanged while revising down both the inflation and the growth outlook

The SNB left policy unchanged in December while cutting both the inflation and the growth forecasts. They appear to take a fairly benign view of the slowdown, however, emphasising that business sentiment remains solid and it was temporary factors that weighed on growth in Q3 when the economy contracted. Recent data have stabilised, with the manufacturing PMI edging higher in November and December and exports showing resilience after Q3 weakness. The labour market is also holding up well and businesses are still planning to expand capacity. Inflation has weakened sharply though, with core CPI at only 0.2% YoY in November. With growth slowing and inflation retreating, we maintain our view that the SNB will lag the ECB and expect policy to be left unchanged for most of 2019.

Japan

- In Q4, Japan's economy crawls back from a slump in activity in Q3
- The service sector is holding up well, while some weakness in manufacturing is visible
- Foreign investors remain strong sellers of Japanese equities

Japan's economy recovered somewhat in Q4 from an economic slump in Q3, which occurred in the aftermath of a series of natural disasters. The latest economic indicators show a mixed picture. Both the quarterly Tankan as well as the BSI surveys showed some weakness in the outlook of the manufacturing industries, whereas conditions in the non-manufacturing sector remained resilient. Furthermore, the Eco Watchers Survey also jumped back above the critical 50 line. However, export and retail sales data for November were rather disappointing. Japan's equity market could not escape the turmoil in financial markets in Q4, with the Topix falling 20% from early October towards year end as the yen strengthened. Foreign investors kept selling Japanese equities.

China

- Weak lending growth is indicative of shallow economic activity in Q1
- Policymakers confirm additional support for the economy at the Economic Work Conference
- Chinese equities have started to bottom out relative to global equities

China's economy keeps sailing through rough waters. Weak lending growth in Q4 does not suggest an economic upswing around the corner, and we would not be surprised to see growth weakening below 6% on a sequential basis in Q1. Weaker retail sales mostly reflect weak auto sales, while service consumption remains robust. Industrial activity is growing at a tepid pace. Both manufacturing and property investments are holding up well, while infrastructure investment is expected to keep growing at a solid pace amid administrative guidance and higher local bond issuance. China's top policy makers confirmed that further fiscal and monetary support can be expected in 2019. Chinese equities started to outperform global equities in Q4, helping emerging market equities to stabilise.

Australia

- Q3 GDP growth slows to 2.8% YoY and leading activity indicators weaken
- Australian equity markets sell off along with global markets
- The RBA adopts a more cautious tone while sovereign yields fall

Following a very strong Q2 print, we had expected GDP growth to slow in Q3. However, public demand continued to boost growth significantly and we expect this to continue in 2019. We are concerned by the weakness in private consumption and by the fall in private investment though. Consumers will encounter increased headwinds as mortgage conditions tighten and housing prices fall. Meanwhile, the drop in business investment could prove temporary but warrants monitoring. Overall, we expect GDP growth to slow to 2.6% in 2019. This will be cushioned by accommodative policy as the RBA stands pat and fiscal spending increases. Domestic equities will likely follow global equities lower. A turnaround in Q2 2019 is likely, with a Coalition victory in the federal election as a catalyst.

ASEAN

- Weak Asian PMIs point towards slower regional trade
- ASEAN equity markets outperform as global equity markets sell off
- Tentative signs of US dollar weakness could lead Asian currencies to strengthen early next year

Malaysian exports recovered but Indonesian exports fell, driven by palm oil and manufactured goods. The picture remains mixed for Asian exports, with PMIs pointing towards weakness. The Bank of Thailand's rate hike concludes a year marked by regional policy tightening. In December, Bank Indonesia (BI) chose to pause after delivering 175bps of cumulative rate hikes. A more dovish US Fed, lower oil prices and slower infrastructure investment have all contributed to increased financial stability for Indonesia. BI is likely to pause until the general elections. Afterwards, we expect some of the fuel subsidies to be unravelled, which will push prices higher. Higher inflation and an ambitious target of 2.5% for the current account deficit will probably lead BI to hike once more in H2 2019.

Valuation snapshot (MSCI Indices)

Current trailing valuations

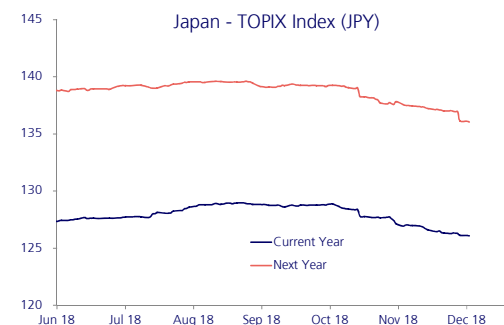
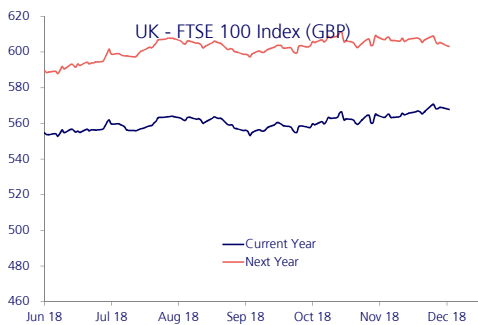
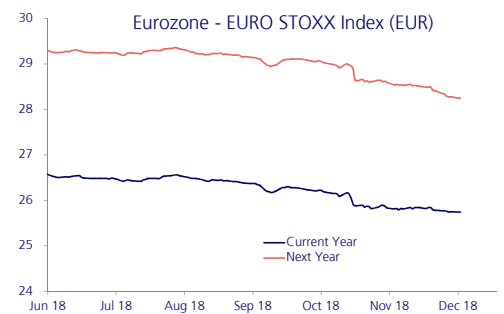
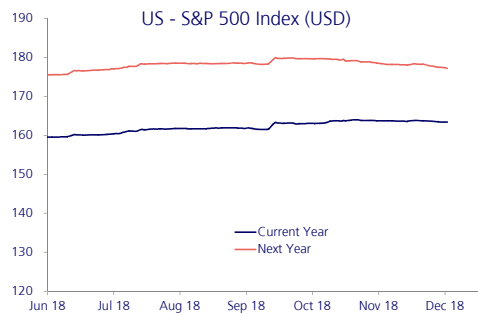
	US	Europe ex UK	UK	Switzerland	Japan	APAC ex. Japan	China	Brazil	Mexico
12m Trailing P/E	20.93	15.67	14.22	20.76	12.83	12.28	11.88	18.16	18.43
12m Trailing P/B	3.24	1.75	1.62	2.60	1.29	1.50	1.54	1.97	2.12
12m Trailing P/CF	14.82	7.53	9.27	14.88	7.18	8.43	7.18	11.29	7.23
Dividend Yield	2.02	3.41	4.50	3.16	2.31	3.16	2.43	3.41	2.59
ROE	15.50	11.15	11.42	12.51	10.02	12.25	12.99	10.82	11.51

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	0.92	0.83	1.22	0.75	0.72	0.70	1.06	1.08
12m Trailing P/B	1.48	0.80	0.74	1.19	0.59	0.69	0.70	0.90	0.97
12m Trailing P/CF	1.38	0.70	0.86	1.38	0.67	0.78	0.67	1.05	0.67
Dividend Yield	0.78	1.32	1.74	1.22	0.89	1.22	0.94	1.32	1.00
ROE	1.21	0.87	0.89	0.97	0.78	0.95	1.01	0.84	0.90

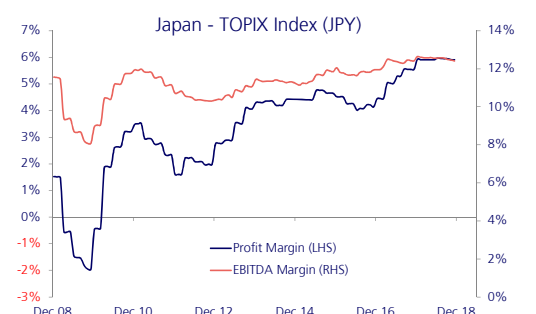
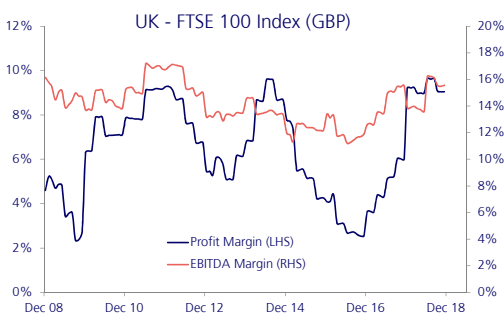
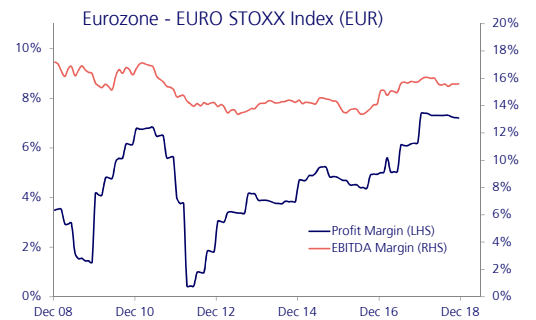
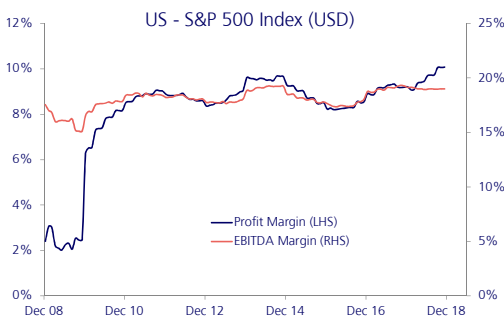
Source: Datastream

Earnings estimates - Full fiscal years



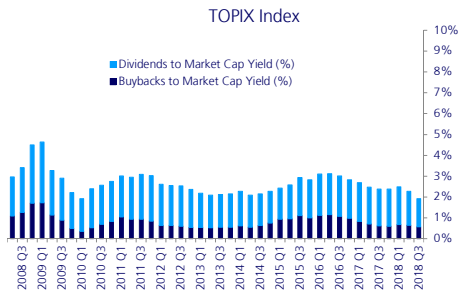
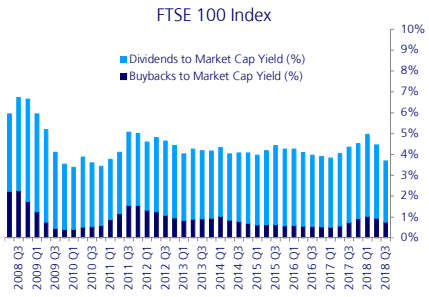
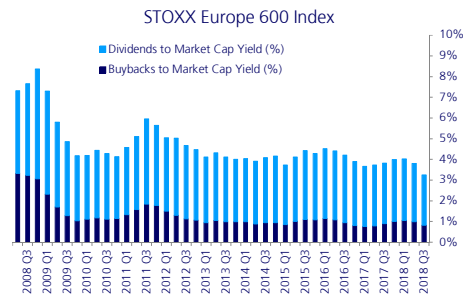
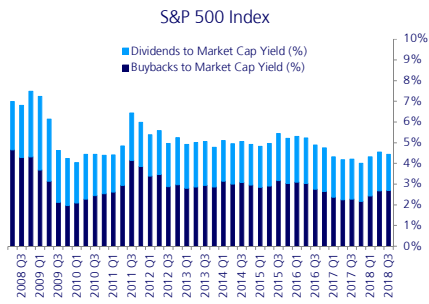
Historical margins

Source: Bloomberg



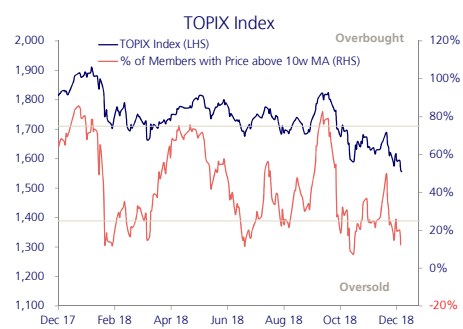
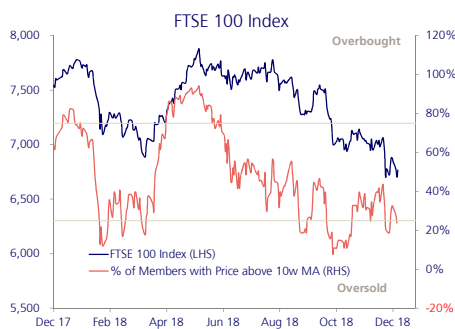
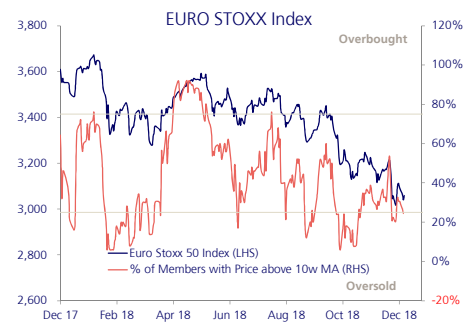
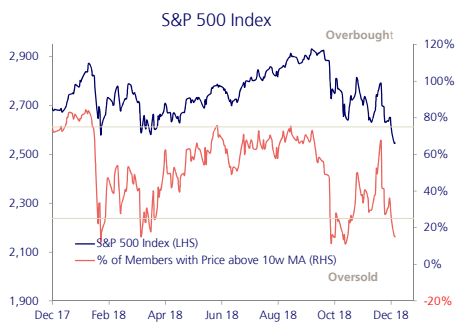
Source: Bloomberg

Dividends and shares buybacks



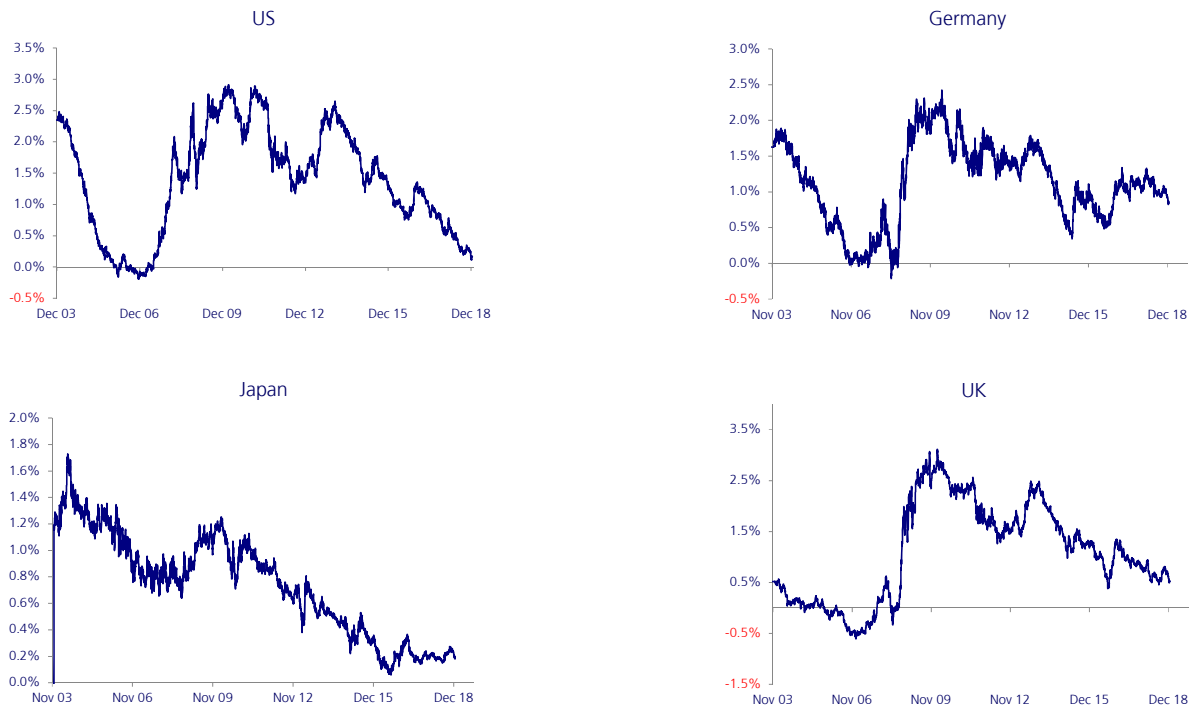
Source: Bloomberg

Overbought / Oversold



Source: Bloomberg

Yield Curve Steepness (2yr-10yr)



Source: Bloomberg

Spread Snapshot

Generic Government Yields (10yr)

Country	Spread over US Treasury (bps)			
	Dec-18	1m ago	3m ago	1yr ago
UK	-154	-165	-148	-126
Germany	-257	-270	-259	-209
Switzerland	-301	-309	-304	-260
Japan	-278	-296	-294	-242
Australia	-43	-38	-35	11
China	55	30	64	144
South Korea	-89	-84	-63	-2
Malaysia	127	108	103	150
Indonesia	519	499	516	402
Thailand	-24		-20	-8
Philippines	125	n/a	n/a	n/a
Brazil	691	n/a	899	811
Mexico	594	596	501	506
Colombia	405	396	383	387
Peru	296	272	247	281

Generic Government Yields (10yr)

Country	Spread over German Bund (bps)			
	Dec-18	1m ago	3m ago	1yr ago
France	46	40	32	33
Netherlands	16	14	11	10
Belgium	52	45	33	19
Austria	26	24	19	16
Ireland	66	66	49	20
Italy	254	312	241	153
Spain	113	127	104	111
Portugal	139	161	141	145

Source: Bloomberg, ZIG

Economic data

US	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Trend*
ISM Manufacturing (Index)	58.2	59.3	59.1	60.8	59.3	57.3	58.7	60.2	58.1	61.3	59.8	57.7	59.3	down
ISM Non-Manufacturing (Index)	57.3	56.0	59.9	59.5	58.8	56.8	58.6	59.1	55.7	58.5	61.6	60.3	60.7	up
Durable Goods (% MoM)	2.2	3.2	-4.2	4.5	2.7	-1.0	-0.3	0.9	-1.2	4.7	0.0	-4.3		up
Consumer Confidence (Index)	128.6	123.1	124.3	130.0	127.0	125.6	128.8	127.1	127.9	134.7	135.3	137.9	135.7	up
Retail Sales (% MoM)	6.2	5.3	3.9	4.5	5.1	4.8	6.4	6.1	6.6	6.4	4.0	4.8	4.2	down
Unemployment Rate (%)	4.1	4.1	4.1	4.1	4.1	3.9	3.8	4.0	3.9	3.9	3.7	3.7	3.7	down
Avg Hourly Earnings YoY (% YoY)	2.3	2.4	2.4	2.5	2.6	2.6	2.7	2.8	2.8	2.9	2.8	3.2	3.2	up
Change in Payrolls ('000, MoM)	216.0	175.0	176.0	324.0	155.0	175.0	268.0	208.0	165.0	286.0	119.0	237.0	155.0	down
PCE (% YoY)	1.6	1.6	1.6	1.7	2.0	1.9	2.0	2.0	2.0	1.9	1.9	1.8		down
GDP (% QoQ, Annualized)		2.3			2.2			4.2			3.5			
UK	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Trend*
PMI Services (Index)	53.8	54.2	53.0	54.5	51.7	52.8	54.0	55.1	53.5	54.3	53.9	52.2	50.4	down
Consumer Confidence (Index)	-12.0	-13.0	-9.0	-10.0	-7.0	-9.0	-7.0	-9.0	-10.0	-7.0	-9.0	-10.0	-13.0	down
Unemployment Rate (%)	4.3	4.4	4.3	4.2	4.2	4.2	4.2	4.0	4.0	4.0	4.1	4.1		neutral
CPI (% YoY)	3.1	3.0	3.0	2.7	2.5	2.4	2.4	2.4	2.5	2.7	2.4	2.4	2.3	down
GDP (% YoY)		1.4			1.1			1.2			1.5			
Eurozone	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Trend*
PMI Manufacturing (Index)	60.1	60.6	59.6	58.6	56.6	56.2	55.5	54.9	55.1	54.6	53.2	52.0	51.8	down
PMI Services (Index)	56.2	56.6	58.0	56.2	54.9	54.7	53.8	55.2	54.2	54.4	54.7	53.7	53.4	down
Ifo Business Climate (Index)	104.8	104.6	105.2	104.4	103.8	102.5	102.7	102.3	101.9	104.0	103.8	102.9	102.0	up
Industrial Production (% MoM)	1.9	-0.3	-0.5	-1.0	0.5	-0.5	1.3	-0.7	-0.6	1.2	-0.6	0.2		up
Factory Orders GE (% MoM)	-0.1	2.9	-3.9	-0.3	-0.6	-1.2	2.2	-3.6	-0.9	2.3	0.1	0.3		up
Unemployment Rate (%)	8.7	8.6	8.6	8.5	8.5	8.4	8.2	8.2	8.1	8.1	8.1	8.1		down
M3 Growth (% YoY, 3 months MA)	4.9	4.6	4.6	4.3	3.7	3.9	4.0	4.4	4.0	3.5	3.6	3.9		down
CPI (% YoY)	1.5	1.4	1.3	1.1	1.3	1.3	1.9	2.0	2.1	2.0	2.1	2.2	1.9	up
Core CPI (% YoY)	0.9	0.9	1.0	1.0	1.0	0.8	1.1	0.9	1.1	0.9	0.9	1.1	1.0	up
GDP (% QoQ)		0.7			0.4			0.4			0.2			
Switzerland	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Trend*
KOF Leading Indicator (Index)	108.0	110.1	106.5	105.1	102.6	103.2	99.9	100.3	101.6	98.9	102.3	100.2	99.1	up
PMI Manufacturing (Index)	64.6	65.6	65.3	65.5	60.3	63.6	62.4	61.6	61.9	64.8	59.7	57.4	57.7	down
Real Retail Sales (% YoY)	0.4	1.6	-0.4	-0.2	-1.2	2.9	0.2	0.2	-0.4	0.6	-2.5	0.8		down
Trade Balance (Billion, CHF)	2.6	2.6	2.1	3.2	1.7	2.3	2.9	2.6	2.1	2.1	2.2	3.7		up
CPI (% YoY)	0.8	0.8	0.7	0.6	0.8	0.8	1.0	1.1	1.2	1.2	1.0	1.1	0.9	down
Japan	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Trend*
Nomura Manufacturing PMI (Index)	53.6	54.0	54.8	54.1	53.1	53.8	52.8	53.0	52.3	52.5	52.5	52.9	52.2	down
Machine Orders (% YoY)	4.1	-5.0	2.9	2.4	-2.4	9.6	16.5	0.3	13.9	12.6	-7.0	4.5		down
Industrial Production (% YoY)	2.2	3.2	1.6	1.0	2.5	2.1	3.3	-1.6	2.1	0.2	-2.5	4.2		down
ECO Watchers Survey (Index)	52.4	53.9	49.1	48.4	51.7	50.9	47.7	48.2	47.5	48.1	47.3	47.7	49.0	up
Jobs to Applicants Ratio (Index)	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	0.9	1.2	1.0	2.0	0.6	2.1	3.3	1.6	0.8	0.8	1.5		down
Department Store Sales (% YoY)	2.2	-0.6	-1.2	-0.9	0.1	0.7	-2.0	3.1	-6.1	-0.2	-3.0	1.6		up
Money Supply M2 (% YoY)	4.0	3.6	3.4	3.2	3.1	3.2	3.2	3.1	2.9	2.9	2.8	2.7	2.3	down
CPI Ex Food & Energy (% YoY)	0.1	0.1	0.1	0.3	0.3	0.1	0.1	0.0	0.0	0.2	0.1	0.2		up
Exports (% YoY)	16.2	9.4	12.3	1.8	2.1	7.8	8.1	6.7	3.9	6.6	-1.3	8.2	0.1	down
China	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Trend*
PMI Manufacturing (Index)	51.8	51.6	51.3	50.3	51.5	51.4	51.9	51.5	51.2	51.3	50.8	50.2	50.0	down
Industrial Production (% YoY)	6.1	6.2			6.0	7.0	6.8	6.0	6.0	6.1	5.8	5.9	5.4	down
Retail Sales (% YoY)	10.2	9.4		9.7	10.1	9.4	8.5	9.0	8.8	9.0	9.2	8.6	8.1	down
PPI (% YoY)	5.8	4.9	4.3	3.7	3.1	3.4	4.1	4.7	4.6	4.1	3.6	3.3	2.7	down
Exports (% YoY)	11.5	10.9	10.6	43.5	-3.0	11.9	11.9	10.7	11.6	9.5	14.4	15.5	5.4	up
CPI (% YoY)	1.7	1.8	1.5	2.9	2.1	1.8	1.9	1.9	2.1	2.3	2.5	2.5	2.2	up
RRR (%)	17.0	17.0	17.0	17.0	17.0	16.0	16.0	16.0	15.5	15.5	15.5	14.5	14.5	down
GDP (% YoY)		6.8			6.8			6.7			6.5			down
PMI Non Manufacturing (Index)	51.8	51.6	51.3	50.3	51.5	51.4	51.9	51.5	51.2	51.3	50.8	50.2	50.0	down
Aggregate Financing (Billions, CNY)	1612.8	1148.1	3055.0	1165.1	1349.4	1582.4	763.6	1181.6	1001.1	1430.2	1178.3	578.7	1363.7	down

Datasource: Bloomberg

*Trend = Last 3m - Previous 3m

Economic data

Australia	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Trend*
AiG Manufacturing (Index)	57.3	56.2	58.7	57.5	63.1	58.3	57.5	57.4	52.0	56.7	59.0	58.3	51.3	up
AiG Service (Index)	51.7	52.0	54.9	54.0	56.9	55.2	59.0	63.0	53.6	52.2	52.5	51.1	55.1	down
Westpac Consumer Confidence (% MoM)	-1.7	3.6	1.8	-2.3	0.2	-0.6	-0.6	0.3	3.9	-2.3	-3.0	1.0	2.8	down
Building Approvals (% YoY)	24.3	-2.3	15.4	1.7	18.1	0.7	5.3	2.6	-5.7	-13.6	-12.8	-13.4		down
Employment Change ('000, MoM)	58.3	33.8	41.8	-6.4	4.6	19.0	14.5	60.9	-4.3	45.3	7.8	32.8		up

Brazil	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Trend*
CPI (% YoY)	2.8	3.0	2.9	2.8	2.7	2.8	2.9	4.4	4.5	4.2	4.5	4.6	4.1	up
Industrial Production (% YoY)	5.5	4.8	4.8	5.8	1.9	1.1	9.1	-6.3	3.3	4.2	1.7	-2.2	1.1	down
Retail Sales (% YoY)	2.6	6.0	4.0	3.1	1.5	8.0	0.6	2.7	1.4	-1.0	4.0	0.1	1.9	up
Trade Balance (Millions, USD)	3546.0	4998.0	2816.0	5002.0	6420.0	5935.0	5981.0	5882.0	4227.0	3775.0	4971.0	6121.0	4062.0	up
Budget Balance Primary (Billions, BRL)	-30.5	-30.0	-65.6	18.6	-45.8	-57.6	-26.8	-47.9	-57.9	-29.2	-76.9	-39.2	-6.1	up

Chile	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Trend*
IMACEC Economic Activity Index (% YoY)	3.56	2.79	4.20	4.20	5.00	6.37	5.01	4.74	3.12	3.06	2.07	4.20		down
CPI (% YoY)	1.90	2.30	2.20	2.00	1.80	1.90	2.00	2.50	2.70	2.60	3.10	2.90	2.80	up
Retail Sales (% YoY)	4.24	3.86	3.55	3.90	6.17	2.91	6.17	-0.06	4.53	1.34	7.48			down
Industrial Production (% YoY)	2.33	0.10	5.26	8.84	8.72	7.57	3.66	5.08	-1.65	-1.77	-3.15	2.00		down
Unemployment (%)	6.50	6.40	6.50	6.70	6.90	6.70	7.00	7.20	7.30	7.30	7.10	7.10		neutral

Mexico	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Trend*
PMI (Index)	52.7	52.4	51.6	52.9	53.5	51.4	51.3	52.4	50.3	51.5	51.2	50.1	49.7	down
CPI (% YoY)	6.6	6.8	5.6	5.3	5.0	4.6	4.5	4.7	4.8	4.9	5.0	4.9	4.7	up
Retail Sales (% YoY)	-1.5	-2.0	0.5	1.2	1.2	3.3	2.5	3.7	4.2	3.9	4.1			down
Industrial Production (% YoY)	2.4	-0.3	0.9	0.5	-2.7	5.2	2.7	2.1	2.4	2.2	2.4	2.5		down
Remittances (Millions, USD)	2420.8	2760.6	2267.6	2244.4	2674.8	2760.9	3155.9	3140.7	2866.5	2856.2	2709.3	2940.1		down

Datascource: Bloomberg

*Trend = Last 3m - Previous 3m

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