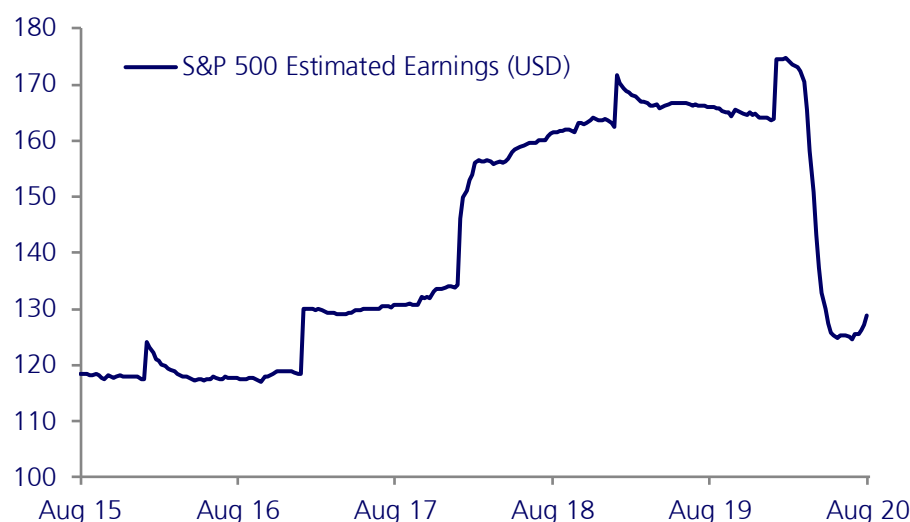


Monthly Investment Insights

On the rise – the outlook for corporate earnings gradually improves



Source: Bloomberg

Equity markets continued trending higher in July with the S&P 500 climbing back into positive territory for the year and reaching the highest level since February. The move higher came despite some potential headwinds appearing on the horizon. An acceleration of new COVID-19 infections in the US, mixed economic data as well as growing tensions between China and the US have not been enough to significantly weigh on investors' minds.

With the US corporate earnings season in full swing investors are focusing on the profit impact of the worst economic downturn in decades and potential clues regarding the outlook. Despite recent overall economic data that was much better than consensus expectations, earnings estimates have hardly been adjusted in the last few weeks. The bar to beat these estimates has been set rather low, accordingly. More than two thirds of the companies listed in the S&P 500 have reported their Q2 earnings so far. 84% of these have beaten analysts' expectations, which is well above the historical average of 73%. On average, reported earnings have been more than 20% higher than consensus estimates, although this still leaves profits roughly a third lower than in the same quarter a year ago. It is promising, however, that earnings estimates seem to have bottomed, with expectations for the full year beginning to rise gradually.

Not surprisingly, there are wide divergences across sectors as not all companies felt the impact of the economic downturn to the same degree. While healthcare, technology and utilities have weathered the storm relatively unscathed so far, cyclical sectors like energy, consumer discretionary and industrials have been hit particularly hard. This has further exacerbated recent trends in the equity market with technology and healthcare outperforming the rest of the stock universe. The five largest companies in the S&P 500 by market capitalization (Apple, Microsoft, Amazon, Facebook and Alphabet/Google) now make up roughly 23% of the index's total market cap (and 47% of the Nasdaq 100 Index). So far, this concentration risk has benefitted investors as these stocks helped to lift the overall market (and resulted in US equities outperforming most other major markets). These tech companies have strong business cases as they benefit from structural changes and network effects amplified by the pandemic. Expectations built into current valuations are high, but as a group they managed to beat them in Q2, supporting the broader market thanks to their combined weight.

Market Assessment

Key developments

- Economic recovery continues in most regions and across both the manufacturing and service sectors
- The number of COVID-19 infections keeps rising substantially, providing headwinds to growth but also igniting new fiscal measures around the globe
- US corporate earnings tumble in Q2 but estimates for the full year start to recover

Zurich's view

The global economy recovers further from the worst downturn in decades as business activity picks up in most regions. However, the widespread re-opening of economies has led to a re-acceleration of new COVID-19 cases in many regions, and particularly in the US which saw the highest number of new daily cases on record in July. New local lockdown measures and self-imposed restrictions could create headwinds to the ongoing recovery.

On the other hand, increasing risks to the economy at a time when many labour markets remain under pressure will increase the willingness of governments around the world to provide more fiscal stimulus as seen in the US, the UK and the EU among others. More fiscal stimulus combined with continued substantial liquidity provision by central banks offers a welcome support to financial markets despite rich valuations.

Nevertheless, rising geopolitical tensions as well as worries regarding a potential second wave of COVID-19 represent near-term risks, particularly as some assets seem extended in the short term. Overall, a modest risk-on position with emphasis on credit strategies is appropriate.

Key developments

Zurich's view

Global

- The global economy continues to recover, after the brutal contraction seen in Q2 GDP data
- Rising COVID-19 infection rates pose risks to the recovery amid a fragile labour market
- More policy support is needed and is likely to be forthcoming

The global economy shows further signs of recovery after the sharp drawdown forced by nationwide lockdowns, which is evident in the Q2 GDP data released so far. While business sentiment is recovering, consumer sentiment is at risk from rising infection rates after an easing of lockdowns, especially given a fragile labour market. Unemployment rates remain high and are only improving slowly in many economies. Further policy stimulus is essential to secure the recovery, but we expect this will likely be delivered. Monetary policy remains highly accommodative and should continue to be so in the medium term, while fiscal policy is also likely to see a further boost. While our base case is panning out across regions, infection rates and geopolitical tensions remain key risks.

US

- Nonfarm payrolls soar by 4.8mn in June, lifting the two-month total to 7.5mn
- Daily new COVID-19 infections reach the highest level on record before levelling off
- More fiscal stimulus to support the ongoing recovery is expected

The Citi Economic Surprise Index rose to the highest level on record, indicating how much stronger the recovery has been so far than expected by consensus. US nonfarm payrolls soar by 4.8mn in June, lifting the two-month total to 7.5mn. This is good news, but there remains a long way to go given that payrolls fell by more than 20mn in April alone. An acceleration in infection rates has created a headwind to the recovery, though. Daily new COVID-19 cases soared to the highest on record in July before levelling off. Deteriorating consumer confidence and the first rise in initial jobless claims since March reflect the risks facing the ongoing recovery. More fiscal stimulus is likely to support the fragile recovery with a substantial amount of the expected measures focusing on private households.

UK

- Business sentiment jumps to the highest in five years in July, driven by the service sector
- Retail sales rise by 13.5% MoM in June, climbing back above the level seen a year ago
- Chancellor Sunak announces further fiscal measures amounting to roughly 1% of GDP

The economy is slowly recovering with business sentiment measured by Markit's Composite PMI jumping almost ten points to 57.1 in July. This is the highest level in five years. While the recovery was broad-based the rebound was particularly strong in the service sector, which suffered more than manufacturing during the lockdown. The weak spot remains employment, which has not improved along with better sentiment. Meanwhile, consumers continued to satisfy their pent-up demand with retail sales growing by 13.5% MoM in June, following the 10.6% rise in May. Nevertheless, the recovery remains fragile, not least because a number of fiscal support measures will run out in the coming months. To mitigate the impact, Chancellor Sunak announced further fiscal measures amounting to roughly 1% of GDP.

Eurozone

- The EUR 750bn recovery package agreed upon at the EU summit is an important step forward for Europe and should support asset markets in the region
- Record contraction in Q2 GDP, but business surveys point to strong rebound in Q3
- The ECB leaves policy unchanged but confirms its commitment to the full use of the EUR 1.35tn PEPP

EU leaders finally agreed the details of a EUR 750bn recovery package last month, financed by EU borrowing and thereby mutualising some European government debt. In addition, a large part of the package will be in the form of grants, effectively a fiscal transfer between richer and poorer countries in the region. This should make the Eurozone more resilient to shocks going forward. Elsewhere, the ECB kept policy unchanged this month, but President Lagarde said the intention was to use the full amount of the EUR 1.35tn PEPP by mid-2021. Most business surveys indicate a robust recovery in H2, after the steepest GDP contraction on record in Q2. However, risks remain to the recovery, especially that of a large second wave of infections.

Japan

- Japan's economic activity picked up in June
- The resurgence of COVID-19 infections is acting as an impediment to the recovery
- Japanese equities have taken a hit due to yen strength versus the US dollar

Having lagged the US, Europe and China, Japan's economic activity finally bounced back in June, with retail sales surging above pre-crisis levels due to pent-up demand and government cash handouts, while industrial production benefitted from a strong recovery in auto manufacturing. Exports remain lacklustre due to falling global demand, with the exception of China. The strong resurgence of COVID-19 infections and poor weather conditions will put a lid on consumption this summer, while labour market conditions keep deteriorating. Japanese equities have taken a beating following the yen strengthening versus the US dollar. Meanwhile PM Abe's cabinet approval rating is falling as the government's response to re-accelerating virus infections is not perceived as adequate.

China

- China's GDP surged to a record high in Q2
- Industrial and investment activity remain the driving force
- Chinese equities have surged, followed by volatile trading within a range

With China's GDP spiking to a record high in Q2, the economy is driven by a strong rebound in industrial and investment activity, as confirmed by the nine-year high of the July Caixin Manufacturing PMI. Private consumption has also recovered in many segments, driven by surging online and auto sales, while some segments like dining, entertainment and travel are still lagging. Government policies remain supportive. Measures to avoid a property boom remain in place, while private investments into equities seem to be supported by the government, even though speculation is swiftly tackled. Domestic 'A'-shares as well as internet heavyweights traded in the US and Hong Kong surged before meandering. On the political front, confrontations with the US have increased again.

Australia

- Macro data paint a mixed picture of the recovery
- The government extends the JobSeeker and JobKeeper programs
- Prices decline sharply in Q2, pushing the economy into deflationary territory

Macro indicators sent mixed signals in July. PMIs improved robustly while June preliminary retail sales grew by a decent 2.4% MoM. Nevertheless, job growth has slowed, notably in Victoria, while consumer sentiment revealed some signs of fatigue amid the Melbourne lockdown. Given the fragility of the current recovery, the government has extended the JobSeeker and JobKeeper programs, even though benefits have been reduced. Meanwhile, Q2 consumer prices declined by 1.9% QoQ and 0.3% YoY, but we expect deflation to be short-lived given the prospect of a recovery in oil prices and economic activity post lockdown as well as a removal of childcare subsidies in July. Australian equities mostly moved sideways in July.

ASEAN

- The central banks of Indonesia and Malaysia deliver policy rate cuts
- CPIs fall into negative territory in some countries while exports start to pick up
- Infections remain high in Indonesia and the Philippines while new cases reappear in Vietnam

Bank Indonesia and Bank Negara Malaysia lowered their policy rates by 25bps in July, marking the fourth rate cut for both central banks this year. June exports picked up in Singapore, Malaysia and Indonesia while July Manufacturing PMIs point to a further rebound. However, June CPIs still showed negative prints for Malaysia, Singapore and Thailand while elsewhere in ASEAN inflation only touched the lower end of central banks' target ranges. Infection rates have not yet come down in Indonesia and the Philippines while Vietnam, one of a few countries able to contain the virus early on, reported new cases. With the exception of Malaysian stocks, ASEAN equities traded lower in July amid pessimism around the virus spread.

Valuation snapshot (MSCI Indices)

Current trailing valuations

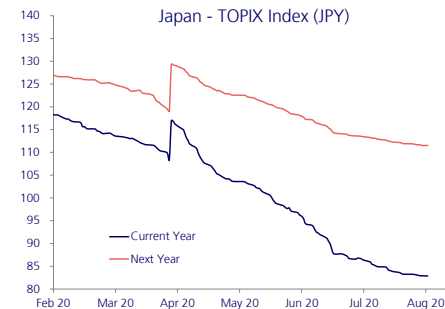
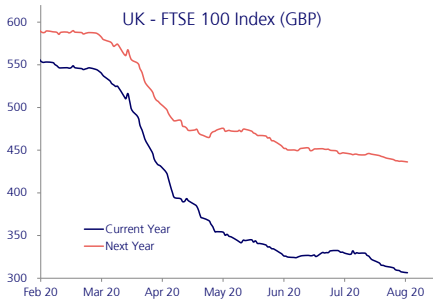
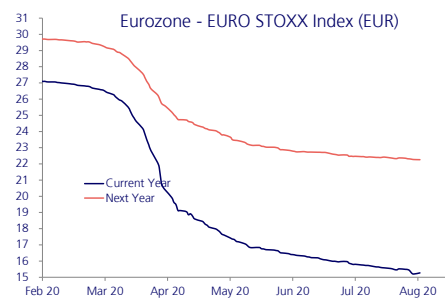
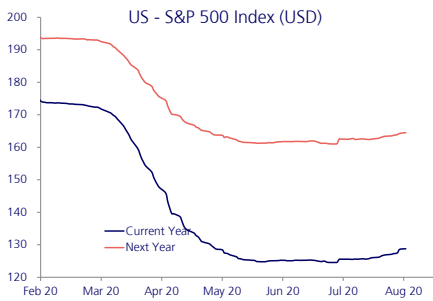
	US	Europe ex UK	UK	Switzerland	Japan	APAC ex Japan	China	Brazil	Mexico
12m Trailing P/E	24.33	17.15	12.59	19.20	15.86	16.64	16.28	16.18	20.06
12m Trailing P/B	3.69	1.75	1.48	2.90	1.27	1.65	1.91	2.04	1.68
12m Trailing P/CF	15.28	10.07	7.41	14.29	7.15	10.23	11.54	7.67	7.26
Dividend Yield	1.80	2.31	4.15	2.88	2.48	2.67	1.78	3.25	3.48
ROE	15.16	10.19	11.74	15.12	7.98	9.93	11.75	12.63	8.38

Current trailing valuations relative to MSCI world

	US	Europe ex UK	UK	Switzerland	Japan	APAC ex Japan	China	Brazil	Mexico
12m Trailing P/E	1.22	0.86	0.63	0.96	0.80	0.84	0.82	0.81	1.01
12m Trailing P/B	1.57	0.75	0.63	1.24	0.54	0.70	0.82	0.87	0.72
12m Trailing P/CF	1.30	0.86	0.63	1.22	0.61	0.87	0.98	0.65	0.62
Dividend Yield	0.81	1.04	1.87	1.30	1.12	1.20	0.81	1.47	1.57
ROE	1.29	0.87	1.00	1.28	0.68	0.84	1.00	1.07	0.71

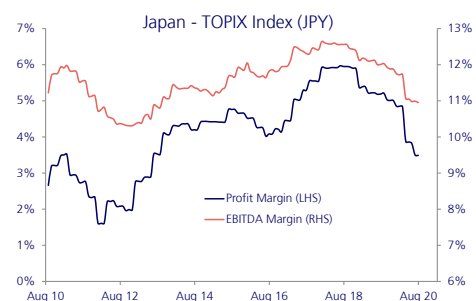
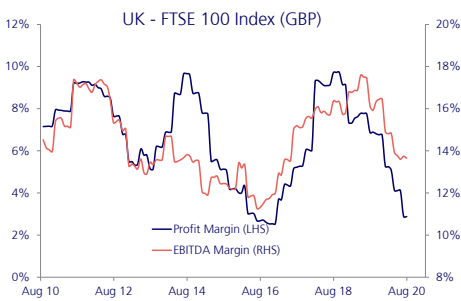
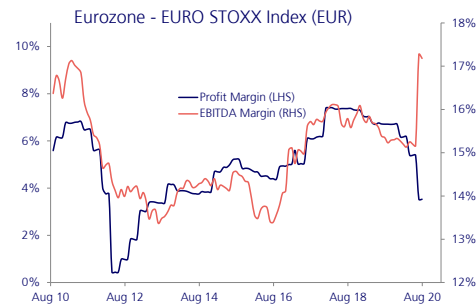
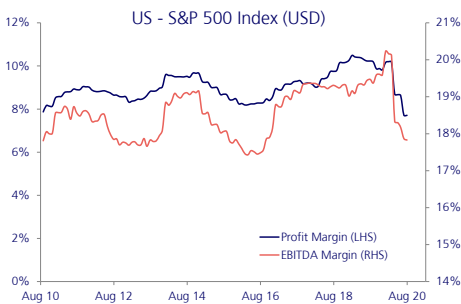
Source: Datastream

Earnings estimates - Full fiscal years



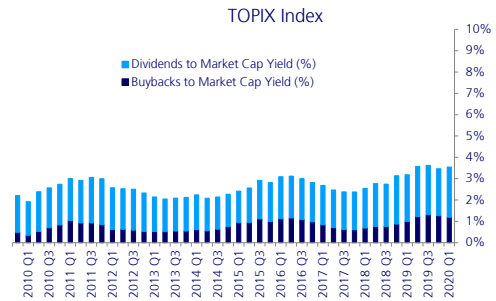
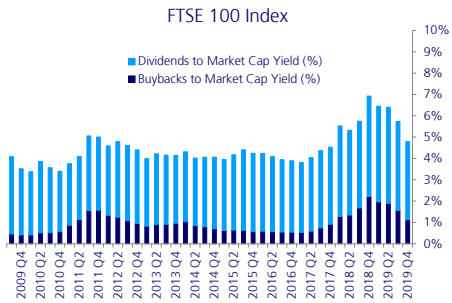
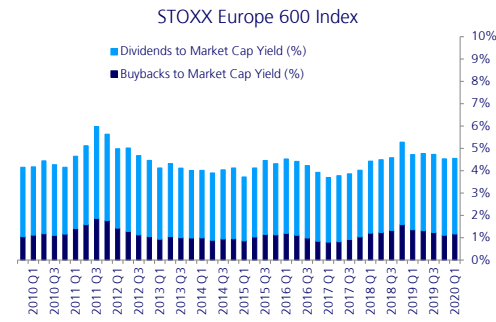
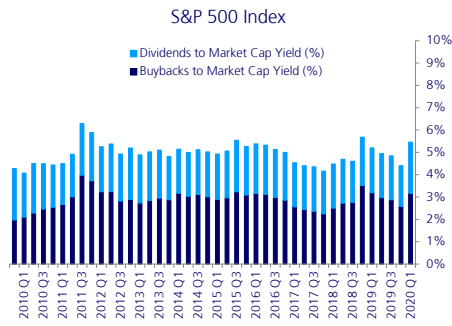
Source: Bloomberg

Historical margins



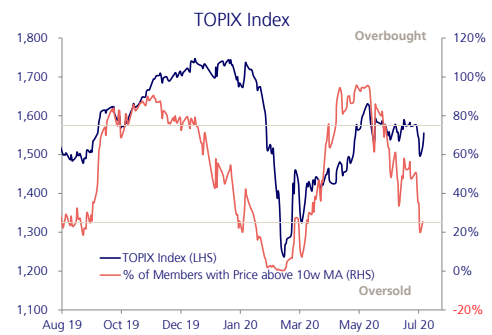
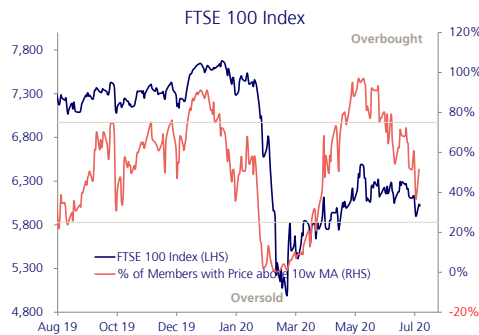
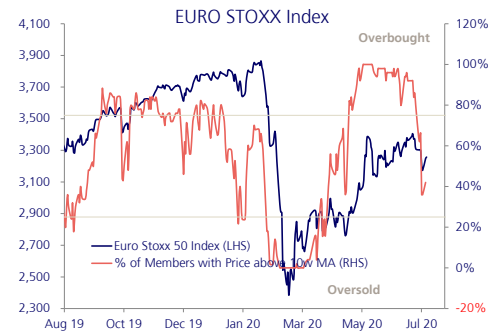
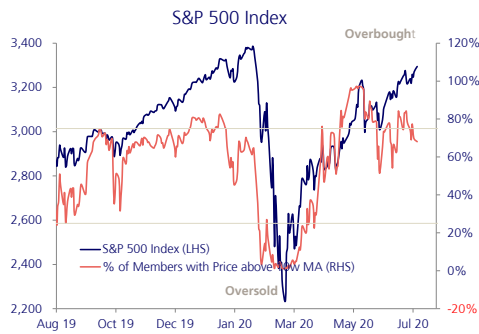
Source: Bloomberg

Dividends and shares buybacks



Source: Bloomberg

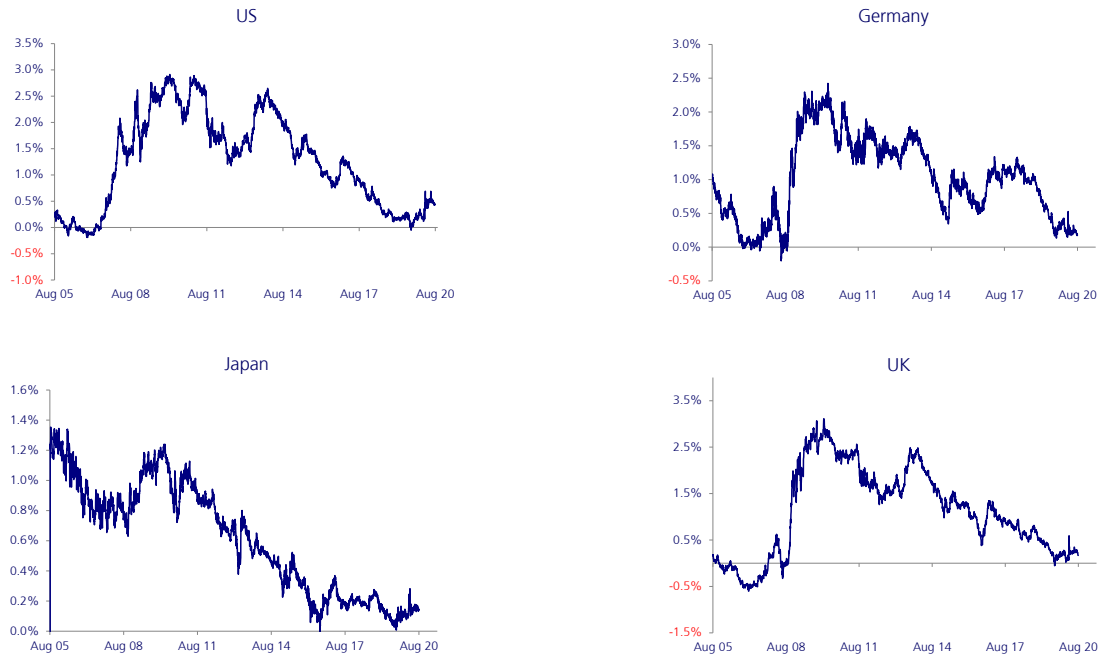
Overbought / Oversold



Source: Bloomberg

Appendix 3

Yield Curve Steepness (2yr-10yr)



Source: Bloomberg

Spread Snapshot

Generic Government Yields (10yr)

Country	Spread over US Treasury (bps)			
	Aug-20	1m ago	3m ago	1yr ago
UK	-45	-48	-47	-120
Germany	-107	-110	-121	-222
Switzerland	-105	-105	-120	-256
Japan	-54	-64	-72	-190
Australia	28	23	22	-62
China	239	223	186	136
South Korea	75	71	81	-46
Malaysia	196	214	209	186
Indonesia	629	655	743	597
Thailand	64		41	-3
Philippines	351	n/a	n/a	n/a
Brazil	601	n/a	n/a	566
Mexico	519	505	559	572
Colombia	554	542	596	428
Peru	336	317	344	273

Generic Government Yields (10yr)

Country	Spread over German Bund (bps)			
	Aug-20	1m ago	3m ago	1yr ago
France	31	32	52	28
Netherlands	13	15	29	12
Belgium	29	31	59	35
Austria	22	23	45	23
Ireland	39	45	67	55
Italy	154	169	248	208
Spain	85	88	136	76
Portugal	85	86	148	80

Source: Bloomberg, ZIG

Economic data

US	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Trend*
ISM Manufacturing (Index)	51.3	48.8	48.2	48.5	48.1	47.8	50.9	50.1	49.1	41.5	43.1	52.6	54.2	up
ISM Non-Manufacturing (Index)	54.8	56.0	53.5	54.4	53.9	54.9	55.5	57.3	52.5	41.8	45.4	57.1		down
Durable Goods (% MoM)	2.5	0.5	-0.9	-0.1	-2.6	2.8	-0.2	2.0	-16.7	-18.3	15.1	7.3		up
Consumer Confidence (Index)	135.8	134.2	126.3	126.1	126.8	128.2	130.4	132.6	118.8	85.7	85.9	98.3	92.6	down
Retail Sales (% MoM)	3.6	4.3	4.0	3.3	3.3	5.6	4.9	4.5	-5.6	-19.9	-5.6	1.1		down
Unemployment Rate (%)	3.7	3.7	3.5	3.6	3.5	3.5	3.6	3.5	4.4	14.7	13.3	11.1		up
Avg Hourly Earnings YoY (% YoY)	3.7	3.7	3.7	3.8	3.5	3.2	3.3	3.3	3.5	7.7	6.6	5.4		up
Change in Payrolls ('000, MoM)	194.0	207.0	208.0	185.0	261.0	184.0	214.0	251.0	-1373.0	-20787.0	2699.0	4800.0		down
PCE (% YoY)	1.7	1.9	1.7	1.7	1.6	1.6	1.8	1.9	1.7	0.9	1.0	0.9		down
GDP (% QoQ, Annualized)			2.6			2.4			-5.0			-32.9		down
UK	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Trend*
PMI Services (Index)	51.4	50.6	49.5	50.0	49.3	50.0	53.9	53.2	34.5	13.4	29.0	47.1	56.6	up
Consumer Confidence (Index)	-11.0	-14.0	-12.0	-14.0	-14.0	-11.0	-9.0	-7.0	-9.0	-34.0	-34.0	-30.0	-27.0	down
Unemployment Rate (%)	3.8	3.9	3.8	3.8	3.8	3.8	3.9	4.0	3.9	3.9	3.9			down
CPI (% YoY)	2.1	1.7	1.7	1.5	1.5	1.3	1.8	1.7	1.5	0.8	0.5	0.6		down
GDP (% YoY)			1.3			1.1			-1.7					
Eurozone	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Trend*
PMI Manufacturing (Index)	46.5	47.0	45.7	45.9	46.9	46.3	47.9	49.2	44.5	33.4	39.4	47.4	51.8	up
PMI Services (Index)	53.2	53.5	51.6	52.2	51.9	52.8	52.5	52.6	26.4	12.0	30.5	48.3	55.1	up
IFO Business Climate (Index)	96.3	94.5	94.9	94.7	94.8	95.9	95.6	95.8	86.1	74.3	79.7	86.3	90.5	up
Industrial Production (% MoM)	-0.1	-0.1	0.0	-0.3	-0.1	-1.7	1.7	0.0	-11.8	-18.2	12.4			up
Factory Orders GE (% MoM)	-0.7	-0.4	1.2	-0.4	-1.2	-1.5	4.8	-1.2	-15.0	-26.2	10.4			down
Unemployment Rate (%)	7.5	7.5	7.5	7.4	7.4	7.4	7.4	7.2	7.2	7.5	7.7	7.8		up
M3 Growth (% YoY, 3 months MA)	5.2	5.8	5.7	5.7	5.6	4.9	5.2	5.5	7.5	8.2	8.9	9.2		up
CPI (% YoY)	1.0	1.0	0.8	0.7	1.0	1.3	1.4	1.2	0.7	0.3	0.1	0.3	0.4	down
Core CPI (% YoY)	0.9	0.9	1.0	1.1	1.3	1.3	1.1	1.2	1.0	0.9	0.9	0.8	1.2	down
GDP (% QoQ)			0.3			0.0			-3.6			-12.1		down
Switzerland	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Trend*
KOF Leading Indicator (Index)	96.0	95.5	93.1	94.8	92.6	96.1	99.9	101.7	91.6	59.9	49.6	60.6	85.7	down
PMI Manufacturing (Index)	45.2	47.4	44.9	48.9	48.5	48.8	47.8	49.5	43.7	40.7	42.1	41.9	49.2	down
Real Retail Sales (% YoY)	1.4	-0.5	1.7	0.3	1.3	1.0	0.2	0.9	-5.7	-18.8	6.2	1.1		down
Trade Balance (Billion, CHF)	3.7	1.7	4.0	3.5	3.9	2.0	4.7	3.5	3.9	3.9	2.7	3.2		down
CPI (% YoY)	0.3	0.3	0.1	-0.3	-0.1	0.2	0.2	-0.1	-0.5	-1.1	-1.3	-1.3	-0.9	down
Japan	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Trend*
Nomura Manufacturing PMI (Index)	49.4	49.3	48.9	48.4	48.9	48.4	48.8	47.8	44.8	41.9	38.4	40.1	45.2	down
Machine Orders (% YoY)	0.3	-14.5	5.1	-6.1	5.3	-3.5	-0.3	-2.4	-0.7	-17.7	-16.3			down
Industrial Production (% YoY)	0.8	-5.5	1.2	-8.2	-8.5	-3.7	-2.4	-5.7	-5.2	-15.0	-26.3	-17.7		down
ECO Watchers Survey (Index)	41.7	42.6	45.7	36.3	39.2	40.7	40.6	27.4	15.9	9.5	15.4	38.0		down
Jobs to Applicants Ratio (Index)	1.6	1.6	1.6	1.6	1.6	1.6	1.5	1.5	1.4	1.3	1.2	1.1		down
Labour Cash Earnings (% YoY)	-1.0	-0.1	0.5	0.0	0.1	-0.2	1.0	0.7	0.1	-0.7	-2.3			down
Department Store Sales (% YoY)	-2.9	2.3	23.1	-17.5	-6.0	-5.0	-3.1	-12.2	-33.4	-72.8	-65.6	-19.1		down
Money Supply M2 (% YoY)	2.3	2.4	2.4	2.4	2.7	2.7	2.8	3.0	3.2	3.7	5.1	7.2		up
CPI Ex Food & Energy (% YoY)	0.4	0.4	0.3	0.3	0.5	0.5	0.4	0.2	0.3	-0.1	0.1	0.2		down
Exports (% YoY)	-1.5	-8.2	-5.2	-9.2	-7.9	-6.3	-2.6	-1.0	-11.7	-21.9	-28.3	-26.2		down
China	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Trend*
PMI Manufacturing (Index)	49.7	49.5	49.8	49.3	50.2	50.2	50.0	35.7	52.0	50.8	50.6	50.9	51.1	up
Industrial Production (% YoY)	4.8	4.4	5.8	4.7	6.2	6.9			-1.1	3.9	4.4	4.8		up
Retail Sales (% YoY)	7.6	7.5	7.8	7.2	8.0	8.0			-15.8	-7.5	-2.8	-1.8		up
PPI (% YoY)	-0.3	-0.8	-1.2	-1.6	-1.4	-0.5	0.1	-0.4	-1.5	-3.1	-3.7	-3.0		down
Exports (% YoY)	3.4	-1.0	-3.2	-0.8	-1.3	7.9			-6.6	3.4	-3.2	0.5		up
CPI (% YoY)	2.8	2.8	3.0	3.8	4.5	4.5	5.4	5.2	4.3	3.3	2.4	2.5		down
RRR (%)	13.5	13.5	13.0	13.0	13.0	13.0	12.5	12.5	12.5	12.5	12.5	12.5	12.5	neutral
GDP (% YoY)			6.0			6.0			-6.8			3.2		up
PMI Non Manufacturing (Index)	49.7	49.5	49.8	49.3	50.2	50.2	50.0	35.7	52.0	50.8	50.6	50.9	51.1	up
Aggregate Financing (Billions, CNY)														neutral

Datasource: Bloomberg

*Trend = Last 3m - Previous 3m

Appendix 5

Economic data

Australia	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Trend*
AIG Manufacturing (Index)	51.3	53.1	54.7	51.6	48.1	48.3	45.4	44.3	53.7	35.8	41.6	51.5	53.5	up
AIG Service (Index)	44.4	52.3	51.8	55.2	53.7	48.7	47.4	47.0	38.7	27.1	31.6	31.5		down
Westpac Consumer Confidence (% MoM)	-4.1	3.6	-1.7	-5.5	4.5	-1.9	-1.8	2.3	-3.8	-17.7	16.4	6.3	-6.1	up
Building Approvals (% YoY)	-28.0	-15.8	-13.5	-19.5	-2.0	8.4	-8.0	-4.4	2.3	6.1	-10.9	-15.8		down
Employment Change ('000, MoM)	24.5	42.1	8.1	-24.9	29.5	31.3	11.6	19.3	-3.1	-607.4	-264.1	210.8		down

Brazil	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Trend*
CPI (% YoY)	3.2	3.4	2.9	2.5	3.3	4.3	4.2	4.0	3.3	2.4	1.9	2.1		down
Industrial Production (% YoY)	-5.8	-2.4	-2.0	1.1	1.3	-1.7	-1.3	-0.9	-0.3	-3.8	-27.3	-21.9		down
Retail Sales (% YoY)	0.1	4.3	1.4	2.2	4.3	3.1	2.6	1.4	4.7	-1.1	-17.1	-7.2		down
Trade Balance (Millions, USD)	4099.6	3803.2	2549.6	3564.6	5946.9	-1672.1	2337.2	3859.1	6063.1	4272.5	7463.3	8060.0		up
Budget Balance Primary (Billions, BRL)	-30.3	-63.6	-45.9	-10.9	-53.2	-38.4	19.1	-49.4	-79.7	-115.8	-140.4	-210.2		down

Chile	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Trend*
IMACEC Economic Activity Index (% YoY)	3.07	3.82	3.28	-3.36	-3.98	0.77	1.29	3.33	-3.08	-14.10	-15.32	-12.44		down
CPI (% YoY)	2.57	2.58	2.24	2.71	2.79	3.00	3.46	3.89	3.74	3.42	2.75	2.63		down
Retail Sales (% YoY)	2.27	-0.75	-12.00	-9.21	-2.57	0.20	4.46	-14.82	-31.66	-28.71	-24.00			down
Industrial Production (% YoY)	1.41	1.22	0.54	-2.79	-2.43	3.23	1.95	5.29	0.65	-3.92	-5.86	-2.60		down
Unemployment (%)	7.50	7.60	7.30	7.10	7.00	7.10	7.40	7.80	8.20	9.00	11.20	12.20		up

Mexico	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Trend*
PMI (Index)	49.0	46.9	47.8	46.3	46.4	46.5	49.2	47.9	44.2	40.8	37.9	43.1	48.1	down
CPI (% YoY)	4.0	3.2	3.0	3.0	3.0	2.8	3.2	3.7	3.3	2.2	2.8	3.3		down
Retail Sales (% YoY)	2.1	2.6	2.4	0.4	2.1	3.2	2.7	2.5	-1.3	-23.8	-23.7			down
Industrial Production (% YoY)	3.4	-0.3	1.5	-1.2	-2.7	-0.5	-1.2	-1.2	-6.1	-35.4	-37.1			down
Remittances (Millions, USD)	3258.7	3356.4	3071.9	3125.0	2898.6	3080.3	2591.4	2698.8	4007.0	2861.4	3379.4	3537.0		up

Datasource: Bloomberg

*Trend = Last 3m - Previous 3m

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Zurich Insurance Company Ltd
Investment Management
Mythenquai 2
8002 Zurich

173001630 01/16) TCL

