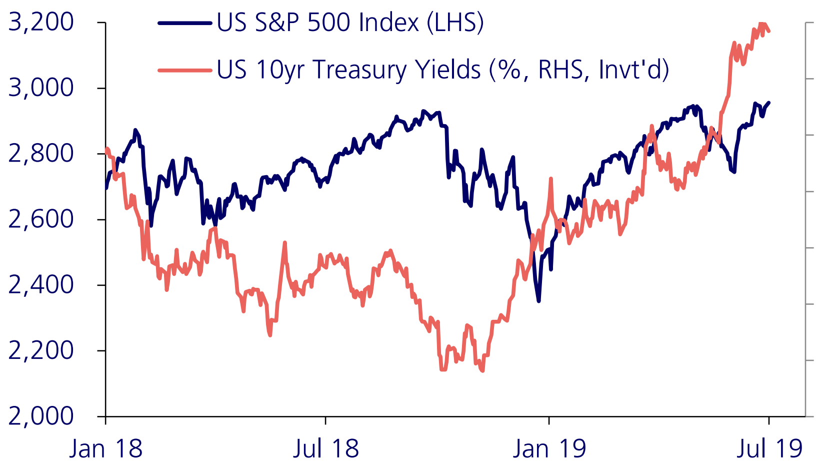
July 2, 2019

Monthly Investment Insights

Central banks ride to the rescue



Source: Bloomberg

The trade dispute truce between the US and China is a welcome development, but there are still numerous and difficult issues to resolve, such as intellectual property. Even in an optimistic scenario a comprehensive agreement still seems months away. What's more, a lot of damage has already been done to global business confidence, especially in the manufacturing sector. Companies are questioning their underlying assumptions, such as integration of global supply chains, which had been a given for the past twenty to thirty years.

Fortunately, the world's two major central banks, the US Federal Reserve (Fed) and the European Central Bank (ECB) both indicated that they were preparing to inject more liquidity into the global financial system to offset downside risks. Fed Chair Jerome Powell said that a precautionary rate cut, or cuts, could be justified and we expect two 25bps rate cuts this year. In the Eurozone, ECB President Mario Draghi indicated that not only was a rate cut in the cards, but that QE asset purchases were likely to be resumed as well. While both of these policies should help, they need careful design, especially in the Eurozone, where cutting deposit rates further into negative territory could backfire. To be most effective, ECB easing should be designed to support the banking system and combined with a fiscal policy boost.

In the very near term we expect risk assets, especially equities, to be supported by the prospect of more central bank liquidity and the trade dispute truce between the US and China. However, with economic sentiment fragile and some indicators already consistent with recessionary conditions, the risk of a setback in risk assets later this year is also high.

Pricing seems most optimistic to us is in credit markets, where credit spreads have tightened close to cycle lows partly because of anticipated support from the ECB. Negative yields in some parts of credit (and government bonds) are exacerbating the search for yield. Somewhat notably, the US primary market is seeing lacklustre activity and while some of this could be due to issuers shifting to Europe, we think the primary markets remain one of the most important barometers of investor demand and worth watching carefully. We retain a neutral stance on credit as strong demand/supply technicals are currently offsetting the fragile fundamentals, but we are late in the cycle.

Market Assessment

Key developments

- The S&P500 rebounds around 7% in June, hitting fresh record highs
- The world's major central banks indicate more monetary stimulus is coming
- The US and China agree to restart trade negotiations and halt further tariffs for now

Zurich's view

Investor relief was palpable last month as central banks promised more stimulus and trade tensions diminished at the end of the month. However, the trade truce appears fragile and a comprehensive agreement still seems months away, even in an optimistic scenario. Fortunately, central banks are now riding to the rescue, with promises of more rate cuts and even fresh QE in the Eurozone.

Though no actual announcements have been made by the Fed or ECB, government and corporate bond yields have compressed lower and equities received a boost. We expect core government bond yields to remain at low levels, but we continue to remain of the view that upside in credit remains limited. While spreads are tight, fundamentals are fragile and the macro environment continues to deteriorate.

Upside potential is greater in equities, and valuations outside of the US are generally neutral rather than expensive. Indeed, equities have the potential to gain the most as investors anticipate favourable liquidity conditions by central banks.

	Key developments	Zurich's view
Global	• The global manufacturing cycle weakens further but services remain resilient, bolstered by firm labour markets • The US and China agree to restart trade negotiations, but uncertainty has not dissolved and will continue to weigh on business activity • Central banks fear a deeper slowdown and commit to providing further stimulus for the global economy	Macro data weakened further in June, led by manufacturing, while leading global trade indicators, including Asian new export orders, slipped back again. This happened as the US-China trade war morphed into a tech war, with businesses lacking confidence to invest in new capacity and supply-chains being disrupted. The US and China agreed to restart trade negotiations, but uncertainty has not dissolved and will continue to hamper activity at a point in time when the global economy is vulnerable. Central banks are responding by injecting stimulus, with the Fed and the ECB set to cut rates unless data improve. While this will lend some support to the global economy, it will not resolve the underlying issue, with weakness in the global economy likely to persist.
US	• The S&P 500 reaches an all-time high as the Fed signals its willingness to cut rates • The domestic economy remains solid, but trade worries weigh on the outlook • The ISM Manufacturing index falls to the lowest level since 2016	The S&P 500 reached an all-time high after the Fed signalled its willingness to cut rates and end its balance sheet reduction earlier than expected. Worries around global trade and weaker inflation expectations led a number of FOMC members to shift to a more dovish stance. Though the economy remains in good health overall, momentum continues to weaken as the trade dispute between the US and China lingers on. In addition, though never imposed, Trump's threat to use tariffs on imports from Mexico increases the uncertainty with regard to the US administration's future trade policy. The ISM Manufacturing index fell to the lowest level since 2016 in June, signalling further headwinds for the manufacturing sector. On the other hand, both consumer and small business optimism remains high, indicating that the domestic economy remains solid.
UK	• Boris Johnson is leading the race to become Britain's next Prime Minister • The economy faces further headwinds with the manufacturing sector being particularly under pressure • Household spending is weakening despite a pickup in wages	Boris Johnson is the clear leader in the race to succeed Theresa May as Britain's next Prime Minister. Sterling has fallen back towards the lower end of its recent trading range as the risk of a no-deal Brexit, which Johnson is not ruling out as a potential outcome, remains high. Meanwhile, economic momentum has weakened further with the Manufacturing PMI dipping below 50 in May for the first time since July 2016. As Brexit related uncertainty as well as the challenging global trade environment are likely to persist for the time being, growth is unlikely to pick up in the near term. Retail sales have fallen for two months in a row. On a more positive note for households, the labour market remains tight and core wage growth has reaccelerated and remains close to its post-recession high.
Eurozone	• Mario Draghi indicates the ECB is preparing more stimulus including restarting QE • Inflation expectations fall before stimulus announcement • Government bond yields continue to compress with more falling into negative territory	In a speech on June 17, ECB President, Mario Draghi indicated that the central bank was likely to announce another round of policy easing, including re-starting Quantitative Easing (QE), within the next few months. Citing downside risks to growth, low inflation expectations and persistent uncertainty because of ongoing trade tensions, he signalled that the ECB was close to doing more to support growth and inflation in the Eurozone. We expect a formal announcement at one of the ECB meetings either in July or September, with measures likely to include a cut in the deposit rate and re-starting QE purchases of government and corporate bonds. However, for the greatest impact, monetary easing needs to be combined with a fiscal boost and an improvement in trade tensions.
Switzerland	• Growth is slowing, with the manufacturing sector in contraction and broader sentiment weakening • The SNB leaves policy unchanged as expected, and supports measures to contain mortgage lending • Negotiations between Switzerland and the EU break down, with implications for how EU investors can trade in Swiss stocks	The SNB left policy unchanged in the June meeting, stating that it will remain active in forex markets. The briefing was dovish, emphasising downside risks. The financial report highlighted vulnerabilities in the housing market, with stricter capital requirements for high loan-to-value loans set to take effect in 2020. Macro data confirm the SNB's less upbeat report, with the manufacturing PMI consistent with contraction and consumer sentiment weakening. Negotiations with the EU over an umbrella treaty have broken down with both sides engaging in tit for tat behaviour. While measures have been put in place to prevent trading from being disrupted, these steps are not constructive.

	Key developments	Zurich's view
Japan	• Solid capex expenditures are not enough to support overall growth • It seems unlikely that the government will postpone the VAT hike again • Japanese equities continue to underperform	Weaker export and import data for May as well as another setback in the Reuters Tankan suggest that Japan's economy remains in the doldrums. Consumer sentiment has been tumbling over the last 18 months, while leading indicators are still heading south. On a positive note, the strong capex cycle still seems to be intact. Our core scenario that the government will refrain from postponing the VAT hike scheduled for October 1 remains intact, despite some recent noise about this issue. The Bank of Japan has left its monetary framework intact and has not given any signals about cutting its policy rate. Meanwhile, Japanese equities continue to underperform their global peers, and it is too early to expect a turnaround.
China	• China's economy continues to suffer, with more stimulus expected to be employed • More evidence is needed to confirm that retail sales growth is bottoming out • Chinese equities are supported by a recovery in Northbound flows from Hong Kong investors	Economic indicators like industrial production, fixed asset investment and imports suggest that the economy is still weakening despite some bright spots such as investments in new technologies. Even though credit supply is growing at a healthy pace, more stimulus is needed to support growth amid the trade war with the US and slowing global demand. We believe stimulus will accelerate into H2, as indicated by the PBoC Governor and the Deputy Premier. However, measures will target segments of the economy that have been selected by the government as the future drivers of growth. As China's geopolitical role is challenged by the US, President Xi is preparing China for a 'New Long March'. Following the steep drop in May, Chinese equities appear to be bottoming out.
Australia	• Strong part-time employment is currently driving Australia's labour market • House prices are falling at a record speed • Australian equities rally close towards a record high	Australia's labour market remains firm even though employment was mainly driven by part-time workers for the second month in a row and underemployment remains high. House prices were down 7.7% YoY in Q1, a record fall. We remain concerned about Australia's high and increasing housing debt to income ratio, even though no forced selling pressure is yet visible. The RBA cut its policy rate by 25bps following the federal election, and we believe there is more room to cut further, while there is also scope for further fiscal stimulus. Mining investment is no longer a drag to the economy, as investment plans seem to be picking up again. Australian equities continue to rally and are just 3% shy of exceeding the 2007 record high, while outperforming global equities over the last two months.

Appendix 1

Valuation snapshot (MSCI Indices)

Current trailing valuations

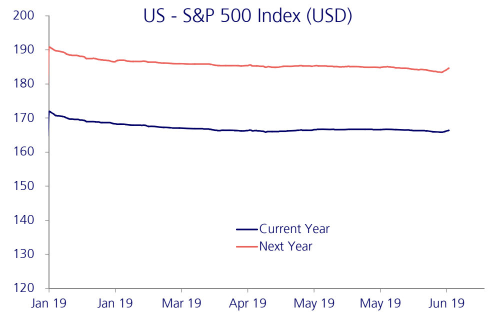
	US	Europe ex UK	UK	Switzerland	Japan	APAC ex. Japan	China	Brazil	Mexico
12m Trailing P/E	20.96	16.57	13.75	20.11	13.04	14.42	14.30	14.40	16.02
12m Trailing P/B	3.48	1.86	1.69	2.80	1.28	1.67	1.77	2.03	2.06
12m Trailing P/CF	13.21	9.09	8.89	10.22	7.59	9.29	7.22	9.32	7.57
Dividend Yield	1.92	3.29	4.58	3.10	2.39	2.80	2.01	3.60	2.79
ROE	16.60	11.21	12.28	13.93	9.85	11.56	12.37	14.11	12.85

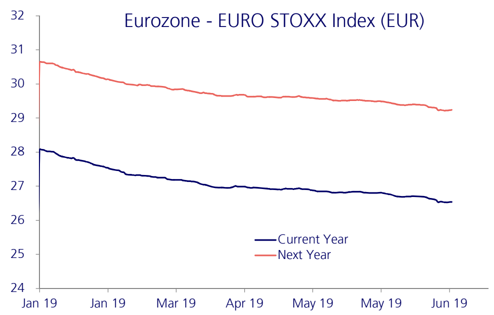
Current trailing valuations relative to MSCI world

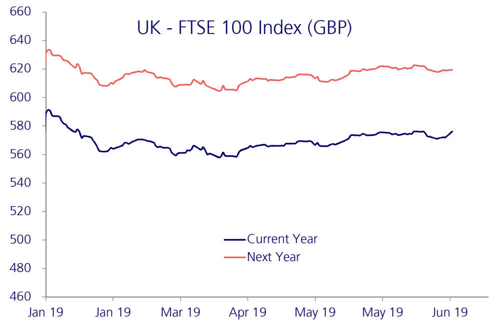
	US	Europe ex UK	UK	Switzerland	Japan	APAC ex. Japan	China	Brazil	Mexico
12m Trailing P/E	1.19	0.94	0.78	1.14	0.74	0.82	0.81	0.82	0.91
12m Trailing P/B	1.49	0.80	0.72	1.20	0.55	0.71	0.76	0.87	0.88
12m Trailing P/CF	1.22	0.84	0.82	0.94	0.70	0.86	0.67	0.86	0.70
Dividend Yield	0.78	1.33	1.85	1.26	0.97	1.13	0.81	1.46	1.13
ROE	1.25	0.85	0.93	1.05	0.74	0.87	0.93	1.07	0.97

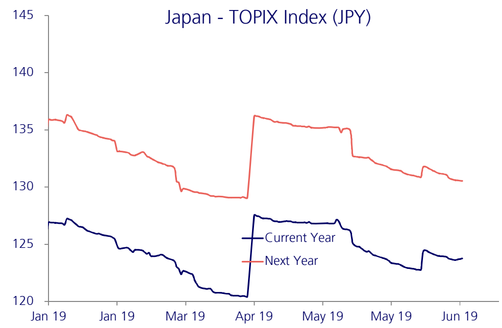
Source: Datastream

Earnings estimates - Full fiscal years



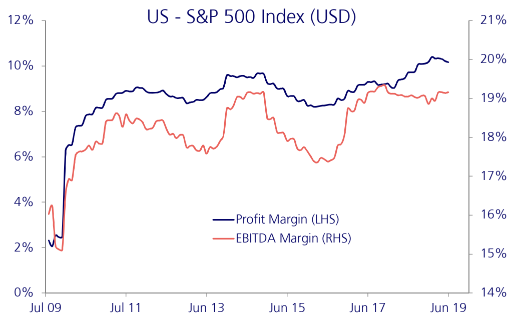


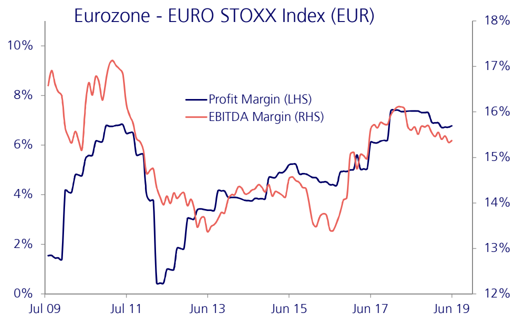


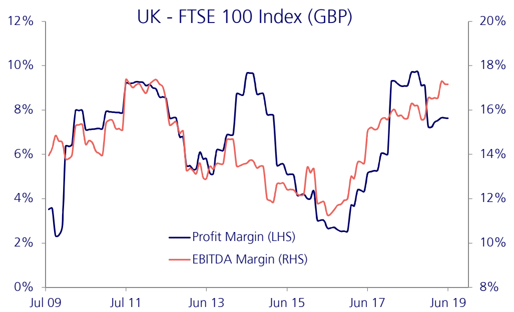


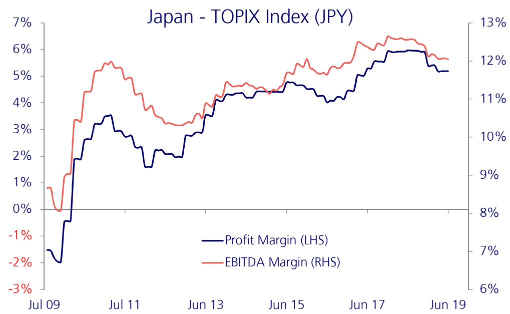
Source: Bloomberg

Historical margins



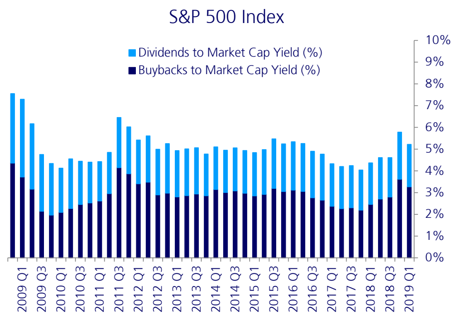


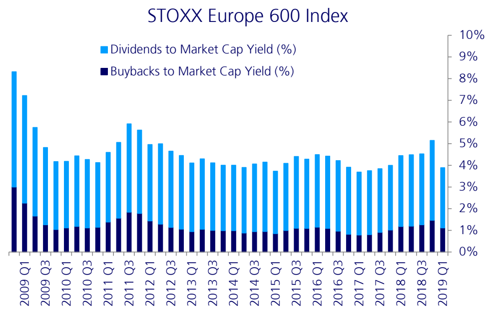


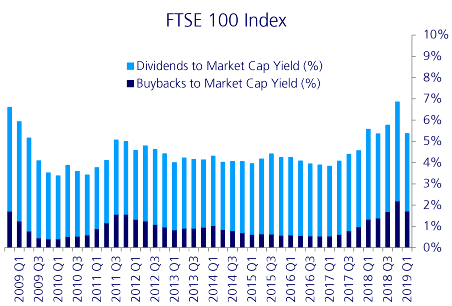


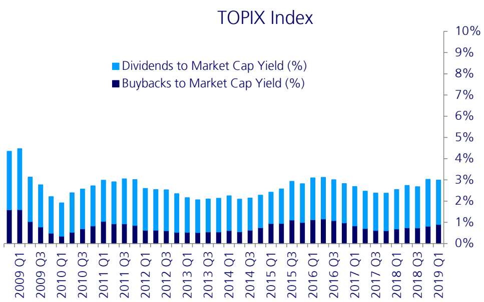
Source: Bloomberg

Dividends and shares buybacks



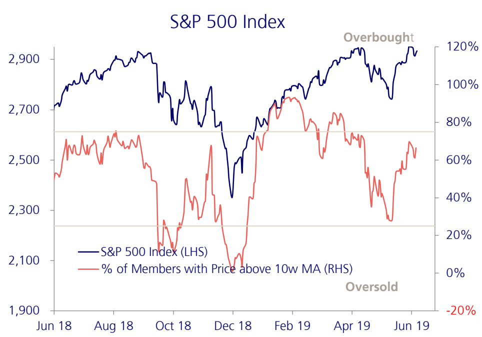


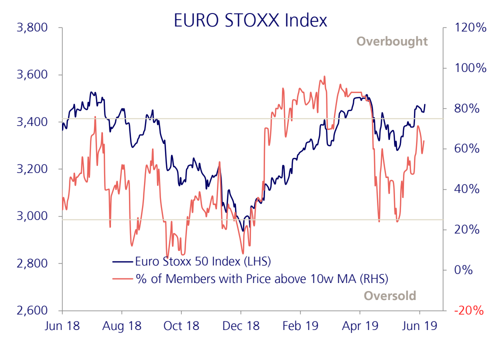


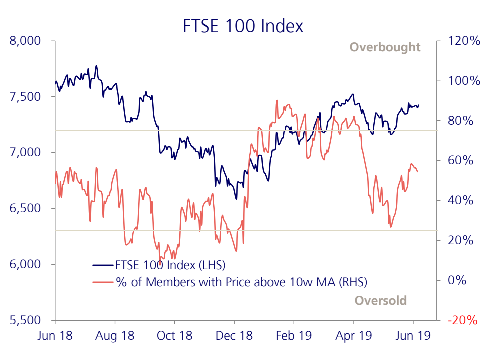


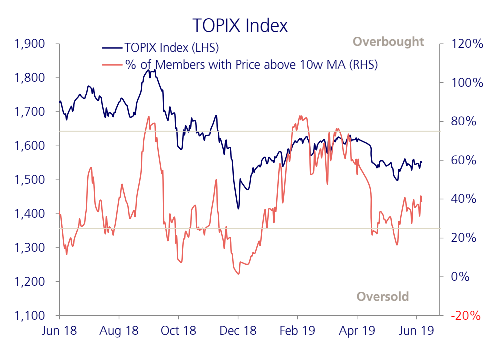
Source: Bloomberg

Overbought / Oversold





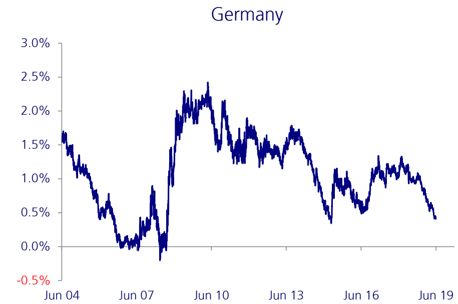


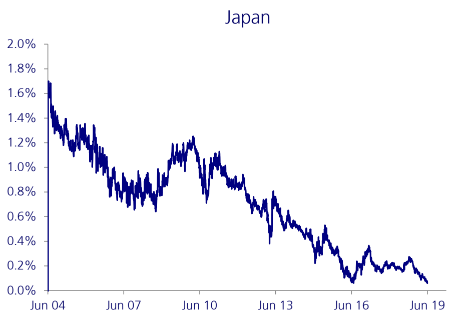


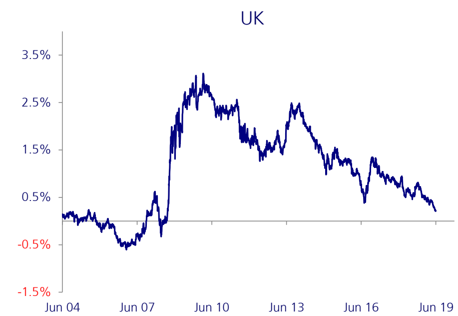
Source: Bloomberg

Appendix 3

Yield Curve Steepness (2yr-10yr)







Source: Bloomberg

Spread Snapshot

Generic Government Yields (10yr)

	Spread over US Treasury (bps)			
Country	Jun-19	1m ago	3m ago	1yr ago
UK	-117	-135	-141	-157
Germany	-233	-243	-248	-252
Switzerland	-253	-270	-279	-290
Japan	-216	-234	-249	-280
Australia	-68	-73	-63	-22
China	123	106	66	70
South Korea	-41	-48	-58	-28
Malaysia	164	154	136	136
Indonesia	536	571	523	506
Thailand	12		3	-27
Philippines	206	n/a	n/a	n/a
Brazil	557	638	n/a	902
Mexico	559	568	562	476
Colombia	418	447	422	375
Peru	273	276	284	274

Generic Government Yields (10yr)

	Spread over German Bund (bps)			
Country	Jun-19	1m ago	3m ago	1yr ago
France	32	41	39	39
Netherlands	17	19	10	17
Belgium	39	50	48	42
Austria	28	32	31	30
Ireland	50	63	62	54
Italy	242	284	256	246
Spain	72	95	117	105
Portugal	80	108	132	151

Source: Bloomberg, ZIG

Economic data

US	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Trend*
ISM Manufacturing (Index)	60.0	58.4	60.8	59.5	57.5	58.8	54.3	56.6	54.2	55.3	52.8	52.1	51.7	down
ISM Non-Manufacturing (Index)	58.7	56.7	58.8	60.8	60.0	60.4	58.0	56.7	59.7	56.1	55.5	56.9		down
Durable Goods (% MoM)	-0.1	-0.9	4.2	1.5	-4.4	0.6	1.1	0.5	-2.6	1.7	-2.8	-1.3		down
Consumer Confidence (Index)	127.1	127.9	134.7	135.3	137.9	136.4	126.6	121.7	131.4	124.2	129.2	131.3	121.5	up
Retail Sales (% MoM)	6.1	6.6	6.3	3.9	4.8	4.0	1.4	2.6	1.9	3.8	3.7	2.9		up
Unemployment Rate (%)	4.0	3.9	3.8	3.7	3.8	3.7	3.9	4.0	3.8	3.8	3.6	3.6		down
Avg Hourly Earnings YoY (% YoY)	2.9	2.9	3.1	3.0	3.2	3.4	3.5	3.4	3.4	3.4	3.4	3.4		down
Change in Payrolls ('000, MoM)	262.0	178.0	282.0	108.0	277.0	196.0	227.0	312.0	56.0	153.0	224.0	75.0		down
PCE (% YoY)	2.0	2.0	1.9	2.0	1.8	1.9	2.0	1.8	1.7	1.5	1.6	1.6		down
GDP (%, QoQ, Annualized)	4.2			3.4			2.2			3.1				

UK	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Trend*
PMI Services (Index)	55.1	53.5	54.3	53.9	52.2	50.4	51.2	50.1	51.3	48.9	50.4	51.0		down
Consumer Confidence (Index)	-9.0	-10.0	-7.0	-9.0	-10.0	-13.0	-14.0	-14.0	-13.0	-13.0	-13.0	-10.0	-13.0	up
Unemployment Rate (%)	4.0	4.0	4.0	4.1	4.1	4.0	4.0	3.9	3.9	3.8	3.8			down
CPI (% YoY)	2.4	2.5	2.7	2.4	2.4	2.3	2.1	1.8	1.9	1.9	2.1	2.0		up
GDP (% YoY)	1.4			1.6			1.4			1.8				

Eurozone	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Trend*
PMI Manufacturing (Index)	54.9	55.1	54.6	53.2	52.0	51.8	51.4	50.5	49.3	47.5	47.9	47.7	47.6	down
PMI Services (Index)	55.2	54.2	54.4	54.7	53.7	53.4	51.2	51.2	52.8	53.3	52.8	52.9	53.4	up
IFO Business Climate (Index)	102.1	102.2	104.2	103.9	102.9	102.3	101.2	99.6	98.8	99.7	99.3	97.9	97.4	down
Industrial Production (% MoM)	-0.6	-0.8	1.3	-0.6	-0.1	-1.3	-0.9	2.0	0.0	-0.4	-0.5			down
Factory Orders GE (% MoM)	-2.6	-0.8	1.5	0.1	0.1	-0.7	1.0	-2.1	-4.0	0.8	0.3			up
Unemployment Rate (%)	8.2	8.1	8.0	8.0	8.0	7.9	7.9	7.8	7.8	7.6	7.6	7.5		down
M3 Growth (% YoY, 3 months MA)	4.3	4.0	3.5	3.6	3.8	3.7	4.1	3.7	4.2	4.6	4.7	4.8		up
CPI (% YoY)	2.0	2.2	2.1	2.1	2.3	1.9	1.5	1.4	1.5	1.4	1.7	1.2	1.2	down
Core CPI (% YoY)	1.0	1.1	1.0	1.0	1.2	0.9	0.9	1.1	1.0	0.8	1.3	0.8	1.1	up
GDP (% QoQ)	0.4			0.1			0.2			0.4				

Switzerland	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Trend*
KOF Leading Indicator (Index)	100.2	101.7	98.9	102.4	100.2	98.9	96.3	96.2	93.1	97.2	96.2	93.8	93.6	down
PMI Manufacturing (Index)	61.8	61.7	64.6	59.9	57.8	57.7	57.5	54.3	55.4	50.3	48.5	48.6	47.7	down
Real Retail Sales (% YoY)	0.2	-0.3	1.0	-2.8	1.4	-0.4	-0.5	-0.2	-0.3	-0.6	-0.8	-1.7		down
Trade Balance (Billion, CHF)	2.6	2.3	2.2	2.3	3.5	4.7	2.0	3.0	2.9	3.1	2.3	3.4		up
CPI (% YoY)	1.2	1.2	1.2	1.0	1.2	0.9	0.7	0.6	0.6	0.7	0.7	0.6		up

Japan	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Trend*
Nomura Manufacturing PMI (Index)	53.0	52.3	52.5	52.5	52.9	52.2	52.6	50.3	48.9	49.2	50.2	49.8	49.3	up
Machine Orders (% YoY)	0.3	13.9	12.6	-7.0	4.5	0.8	0.9	-2.9	-5.5	-0.7	2.5			up
Industrial Production (% YoY)	-1.5	2.4	0.6	-2.5	4.2	1.9	-2.0	0.7	-1.1	-4.3	-1.1	-1.8		down
ECO Watchers Survey (Index)	48.2	47.5	48.1	47.3	47.7	49.0	48.2	44.8	46.7	46.7	47.0	44.3		down
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		down
Labour Cash Earnings (% YoY)	2.8	1.4	0.6	0.7	1.1	1.7	1.5	-0.6	-0.7	-1.3	-0.3			down
Department Store Sales (% YoY)	3.1	-6.1	-0.2	-3.0	1.6	-0.6	-0.7	-2.9	0.4	0.1	-1.1	-0.8		up
Money Supply M2 (% YoY)	3.1	2.9	2.9	2.8	2.7	2.3	2.4	2.3	2.3	2.4	2.5	2.7		up
CPI Ex Food & Energy (% YoY)	0.0	0.0	0.2	0.1	0.2	0.1	0.1	0.3	0.3	0.3	0.5	0.3		up
Exports (% YoY)	6.7	3.9	6.5	-1.4	8.2	0.1	-3.9	-8.4	-1.2	-2.4	-2.4	-7.8		up

China	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Trend*
PMI Manufacturing (Index)	51.5	51.2	51.3	50.8	50.2	50.0	49.4	49.5	49.2	50.5	50.1	49.4	49.4	down
Industrial Production (% YoY)	6.0	6.0	6.1	5.8	5.9	5.4	5.7			8.5	5.4	5.0		up
Retail Sales (% YoY)	9.0	8.8	9.0	9.2	8.6	8.1	8.2			8.7	7.2	8.6		up
PPI (% YoY)	4.7	4.6	4.1	3.6	3.3	2.7	0.9	0.1	0.1	0.4	0.9	0.6		up
Exports (% YoY)	10.7	11.6	9.6	13.9	14.3	3.9	-4.4	9.3	-20.8	13.8	-2.7	1.1		up
CPI (% YoY)	1.9	2.1	2.3	2.5	2.5	2.2	1.9	1.7	1.5	2.3	2.5	2.7		up
RRR (%)	16.0	15.5	15.5	15.5	14.5	14.5	14.5	13.5	13.5	13.5	13.5	13.5	13.5	neutral
GDP (% YoY)	6.7			6.5			6.4			6.4				neutral
PMI Non Manufacturing (Index)	51.5	51.2	51.3	50.8	50.2	50.0	49.4	49.5	49.2	50.5	50.1	49.4	49.4	down
Aggregate Financing (Billions, CNY)	1184.9	1009.4	1442.8	1180.2	592.8	1363.7	1151.5							down

Datasource: Bloomberg

*Trend = Last 3m - Previous 3m

Economic data

Australia	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Trend*
AiG Manufacturing (Index)	55.6	52.5	55.9	57.1	54.7	50.8	50.0	52.5	54.0	51.0	54.8	52.7	49.4	down
AiG Service (Index)	63.0	53.6	52.2	52.5	51.1	55.1	52.1	44.3	44.5	44.8	46.5	52.5		up
Westpac Consumer Confidence (% MoM)	0.3	3.9	-2.3	-3.0	1.0	2.8	0.1	-4.7	4.3	-4.8	1.9	0.6	-0.6	up
Building Approvals (% YoY)	1.7	-4.1	-14.0	-12.2	-13.4	-33.7	-21.7	-27.6	-12.1	-25.4	-24.2			up
Employment Change ('000, MoM)	67.2	0.4	44.7	11.7	27.6	39.1	18.7	35.8	11.3	18.5	43.1	42.3		up

Brazil	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Trend*
CPI (% YoY)	4.4	4.5	4.2	4.5	4.6	4.1	3.8	3.8	3.9	4.6	4.9	4.7		up
Industrial Production (% YoY)	3.1	4.1	1.7	-2.3	0.7	-1.1	-3.6	-2.2	2.1	-6.2	-3.9	7.1		up
Retail Sales (% YoY)	2.7	1.5	-1.0	4.0	0.1	1.9	4.5	0.6	1.9	4.0	-4.4	1.7		down
Trade Balance (Millions, USD)	4227.0	3775.0	4971.0	6121.0	4062.0	6639.0	2192.0	3673.0	4990.0	6061.0	6422.0	5019.0		up
Budget Balance Primary (Billions, BRL)	-57.9	-29.2	-76.9	-39.2	-6.1	-50.6	-68.0	26.0	-45.0	-62.2	-28.0	-47.6		down

Chile	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Trend*
IMACEC Economic Activity Index (% YoY)	4.50	2.96	2.70	2.07	4.36	3.33	3.12	1.84	1.08	1.82	2.11			down
CPI (% YoY)	2.50	2.70	2.60	3.10	2.90	2.80	2.60	2.21	2.20	2.48	2.43	2.76		up
Retail Sales (% YoY)	7.17	0.25	5.47	1.72	8.02	-0.12	1.57	0.02	0.05	0.72	-0.80			down
Industrial Production (% YoY)	5.08	-1.65	-1.77	-3.15	2.00	0.36	1.60	-0.90	-3.55	-0.80	0.69	-0.17		up
Unemployment (%)	7.20	7.30	7.30	7.10	7.10	6.80	6.70	6.80	6.70	6.90	6.90	7.10		up

Mexico	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Trend*
PMI (Index)	52.4	50.3	51.3	51.0	50.0	49.8	49.1	50.0	53.8	50.7	51.9	49.2	49.0	down
CPI (% YoY)	4.5	4.8	4.9	5.0	4.9	4.7	4.8	4.4	3.9	4.0	4.4	4.3		down
Retail Sales (% YoY)	2.2	1.9	1.7	2.7	2.5	3.8	-0.5	0.7	2.5	1.6	1.6			up
Indutrial Production (% YoY)	2.2	2.4	2.2	2.3	2.5	1.6	0.2	1.3	0.8	2.8	-0.4			up
Remittances (Millions, USD)	3140.7	2857.5	2883.3	2718.9	2944.0	2893.2	2929.1	2399.7	2378.1	2882.3	2861.1	3203.1		up

Datasource: Bloomberg

*Trend = Last 3m - Previous 3m

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