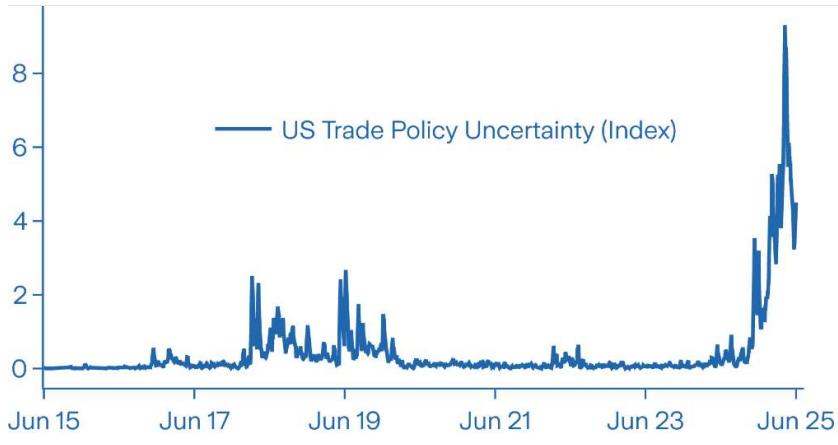


# Monthly Investment Insights

3 June 2025



## The uncertainty is certain



Source: Bloomberg

The S&P 500 has recouped all of its losses since President Trump announced far-reaching tariffs on April 2 and even climbed back into positive territory for the year. Investors have become increasingly confident that the worst fallout of the trade war lies behind us and that any potential impact on the economy seems manageable. The probability of a US recession has been significantly reduced with President Trump postponing most of the tariffs and substantially lowering the remaining ones, particularly those affecting imports from China. Nevertheless, the potential risks and the elevated uncertainty persist which could weigh on financial markets in the coming months. Timing, level and duration of any tariffs are highly unpredictable as Trump's recent threat and eventual postponement to impose a 50% tariff on imports from the EU shows. Many companies did not give any guidance during their recent earnings announcements, emphasising the challenging situation for many corporates.

The US Court of International Trade's ruling that the Trump administration does not have the authority to impose most of the announced tariffs that were implemented using emergency powers shows that Trump's tariff war is built on shaky ground. The Court of Appeals allowed the tariffs to temporarily stay in place, however, and different legal measures could be used if the current ones are deemed unapplicable, making any spending and investment plans for both households and firms very challenging. Accordingly, small businesses' capital expenditure plans have fallen to the lowest level since April 2020 when Covid-induced uncertainty weighed on the global outlook.

As growth worries have moved to the background following the postponement of most of the announced tariffs, investors have increasingly focused on the sustainability of the fiscal situation in the US. The tax bill that is currently working its way through Congress, having passed in the House of Representatives by the thinnest of margins and now moved on to the Senate, does nothing to reduce the fiscal deficit that is still hovering around an unsustainably high 6% of GDP. Moody's downgrade of the US credit rating a few weeks ago put the topic back on top of investors' minds. Yields on 30yr Treasuries have risen above 5% for the first time since 2007 and are now hovering at levels rarely seen since 2007. Rising real yields will provide an additional headwind to the growth outlook at a time when uncertainty weighs on consumers, businesses and investors alike.

## Market Assessment

### Key developments

- The US and China roll back tariffs for 90 days, reducing average US tariffs by almost half
- Inflation data surprise to the downside in many regions, helped by lower oil and commodity prices
- The S&P 500 has recouped all its post 'liberation day' losses, while other global stocks continue to outperform

### Zurich's view

Investor sentiment has turned more positive as the Trump administration has backed down on a number of critical issues, including trade and the Fed's independence. While still elevated, tariffs have been rolled back substantially, significantly reducing the risk of a US recession which supported equities globally. Nevertheless, although the outlook is more balanced, risks and the uncertainty around US trade policy remain high which could weigh on financial markets in the coming months.

The tax bill that is currently working its way through the US Congress and Moody's downgrade of the US credit rating have put the fiscal situation back into focus with long-term rates rising close to the highest levels in more than a decade. We do expect government bond yields to decline over time, particularly if economic growth is slowing as predicted, but they are at risk of a further squeeze higher. Credit markets remain vulnerable to growth and interest rate risks, but spreads are off extreme tights.

	Key developments	Zurich's view
Global	<ul style="list-style-type: none"> <li>Economic activity is resilient despite elevated uncertainty and tariff disruptions</li> <li>Inflation dynamics remain constructive, allowing central banks to continue to cut rates</li> <li>Government bond markets are notably volatile as investor focus shifts from tariff-driven recession risk to fiscal concerns</li> </ul>	The key global development in May was the US-China agreement to reduce tariffs. This marks a meaningful de-escalation and reduces the risk of a sharper downturn in global growth. While tariffs have taken a toll on confidence, labour markets remain robust, global consumer sentiment ticked up from a low level in May, and manufacturing activity has held up despite strong front-loading of industrial production and trade in Q1. Inflation has ticked lower in most regions, helped by lower oil prices, and this, in combination with dollar weakness, has allowed the global rate cutting cycle to gain some traction again. While this is encouraging, US tariff policy will be decisive for the global outlook, with uncertainty remaining elevated.
US	<ul style="list-style-type: none"> <li>The US and China de-escalate the situation by significantly reducing mutual tariffs</li> <li>Economic data are holding up, but uncertainty remains high</li> <li>The S&amp;P 500 moves back into positive territory for the year as investor sentiment improves</li> </ul>	In an effort to de-escalate the tension between the world's two largest economies, the US and China agreed to significantly reduce mutual tariffs, which further supported improving investor sentiment. The S&P 500 has regained all of its losses since the tariff-induced setback and has risen back into positive territory for the year. Nevertheless, risks and uncertainty remain elevated and investors' focus has shifted to the sustainability of the US fiscal situation as the tax bill works its way through Congress. 30yr Treasury yields rose back above 5% last month, emphasising the increasing risk premium investors are asking to hold US government bonds. Most economic data points continue to show a robust environment with consumer sentiment improving and business activity expanding at a decent pace.
UK	<ul style="list-style-type: none"> <li>The FTSE 100 rises back within reach of its all-time high</li> <li>Inflation rebounds, fuelled by annual price resets and government-related pricing</li> <li>The US and UK agree on a trade deal with the 10% tariff remaining in place</li> </ul>	The FTSE 100 has recovered all of its losses suffered in the aftermath of the tariff-induced turmoil and has almost risen back to its record high reached back in March. Global stock market momentum has slowed down in recent weeks as risks and uncertainty remain elevated, but UK stocks have once again proven their defensive property in times of volatility. The announced trade deal with the US reduces some uncertainty although it comes at the cost of significantly higher tariffs for UK exports to the US. Gilt yields remained within the same trading range of the past few months despite a significant pick-up in inflation. This was largely expected, though, and mostly the result of price increases in areas regulated or influenced by government policy, such as water and energy.
Eurozone	<ul style="list-style-type: none"> <li>Economic indicators signal weakening activity as immediate tariff uncertainty outweighs longer-term positives</li> <li>We see further scope for lower bond yields on a tactical horizon as inflation and growth pressures fall</li> <li>Domestically-oriented stocks have driven large gains, but broad earnings growth is missing</li> </ul>	We reiterate a J-shaped economic growth forecast in anticipation of slowing activity in coming quarters before a back-loaded strong recovery. Incoming data, such as the PMI surveys, suggest a weakening to come. EU-US trade negotiations continue with escalation so far confined to the US side. We see the threatened 20% 'reciprocal' rate as a realistic landing zone, which would harm growth. German Chancellor Merz's term started ominously, with a failed first bid for parliamentary support, yet enormous fiscal intentions are intact and are long-term positive economic and market drivers. We see the ECB cutting rates below 2% in H2 and see scope for lower sovereign yields. The equity rally can continue, but the onus is on rising earnings rather than continued multiple expansion.
Switzerland	<ul style="list-style-type: none"> <li>Economic activity weakens in Q2 as manufacturing decelerates sharply in response to tariff disruptions</li> <li>CPI inflation falls to zero amid currency strength, domestic price pressures remain a touch stronger</li> <li>Following the US-China trade de-escalation, pressure on the SNB to cut rates further has eased; domestic demand remains resilient</li> </ul>	Economic activity was strong in Q1, with GDP up 0.8% QoQ (sports adjusted), boosted by front-loading of exports ahead of US tariffs. Since then, growth momentum in the manufacturing sector has weakened, as shown by the PMI survey, with a very sharp downshift in the backlog of orders component since March. While some of the weakness should unwind, given the highly diversified and specialised nature of Swiss exports, US tariff policy will be decisive for the outlook, with elevated uncertainty and the strong franc as additional headwinds. In this environment, it is encouraging that domestic demand is continuing to expand at a healthy clip, supported by the lower rate environment and targeted policy measures to soften the tariff impact.

	Key developments	Zurich's view
Japan	<ul style="list-style-type: none"> <li>Growth contracts in Q1 while consumer spending remains stagnant</li> <li>Inflation continues to edge higher with skyrocketing rice prices putting political strain on government approval ratings</li> <li>Super-long dated JGB yields spike amid falling demand</li> </ul>	<p>Growth slipped in Q1, dragged down by weak exports, soaring imports, and stagnant consumer spending. Core and headline CPI continued to rise and skyrocketing rice prices, while not alarming the BoJ, have dented PM Ishiba's approval ratings. External headwinds loom as US tariffs on the auto industry hammer business sentiment. Meanwhile, a sharp jump in 30yr and 40yr JGB yields has raised concerns about rising debt service costs amid a heavy government debt load. However, it appears to be a short-term imbalance between supply and demand that can be repaired with adjustments in issuance. There seems to be no systemic risk for now. While the TOPIX traded 5% higher in May, we think equities will continue to face headwinds given a stronger JPY and imminent growth and earnings risks.</p>
China	<ul style="list-style-type: none"> <li>The US and China agreed to a 90-day trade truce, but talks remain bumpy</li> <li>The PBoC cut key policy rates including the 7-day repo, and the 1yr and 5yr LPRs along with the RRR</li> <li>Chinese equities have experienced relief following the trade deal, yet volatility persists</li> </ul>	<p>The US and China agreed to a 90-day trade truce, slashing tariffs by 115%, a surprise move that gave markets a quick lift. However, with talks still bumpy, the exuberance has waned somewhat. Domestically, China continues to grapple with weak consumer spending and a sluggish property market. On the bright side, exports and factory output held up better than expected in April, thanks to stockpiling by foreign buyers and trade being rerouted through third countries. The PBoC cut key rates and RRR, as widely expected, while government bond issuance surged, likely reflecting efforts to clean up hidden local government debt. While market excitement has cooled, Chinese stocks, especially tech-heavy H-shares, still look attractive with light positioning and cheap valuations while building on a positive AI story.</p>
India	<ul style="list-style-type: none"> <li>Growth materially beats expectations in Q1, but underlying activity points to a more moderate improvement.</li> <li>Inflation remains in check, suggesting the RBI is on a dovish path</li> <li>Equities have recovered, but momentum is gradual</li> </ul>	<p>Q1 GDP expanded by 7.4% YoY, significantly above the consensus estimate of 6.8%. However, the upside surprise was largely driven by a sharp rise in net indirect taxes, suggesting the boost may be temporary. GVA, which better reflects underlying economic activity, rose 6.8%, a modest improvement from 6.5% in the previous quarter. While growth is firming, it remains below last year's peak that fuelled investor optimism around India's structural growth story. With inflation contained, we expect the RBI to deliver another 50bps in rate cuts on top of the 50bps already cut this year to further support growth. The NIFTY has begun to recover following a period of consolidation. Still, elevated valuations and global uncertainties are likely to contain equity upside.</p>
LatAm	<ul style="list-style-type: none"> <li>The MSCI LatAm Index advances a mild 0.9% MoM in May</li> <li>LatAm equities continue to surpass EM and DM markets YTD</li> <li>Mexico, Brazil and Chile stocks are benefiting from idiosyncratic factors</li> </ul>	<p>The MSCI LatAm Index advanced 0.9% in May, a mild increase compared to April's outstanding performance and the rally observed in American stock indices last month. Nevertheless, on a YTD basis, LatAm stocks continue to outperform (+20%), surpassing both EM and DM markets, reaffirming that the region has been one of the least affected by Trump's disruptive trade agenda but also benefitting from idiosyncratic factors. Mexico continues to outshine, given its improved outlook for access to the US market relative to the rest of the world. Brazilian economic resilience has been supportive for stocks, while the Chilean equity market is benefitting from growing expectations of a market-friendly shift ahead of November's presidential election.</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	25.6	16.7	13.2	19.0	15.6	16.2	13.0	10.1	16.5
12m Trailing P/B	5.1	2.2	2.0	3.8	1.6	1.9	1.5	1.6	2.1
12m Trailing P/CF	21.0	12.8	7.9	14.5	10.1	10.1	6.0	5.3	9.1
Dividend Yield	1.3	3.1	3.6	3.0	2.3	2.7	2.6	5.8	4.3
ROE	18.2	11.7	10.5	16.7	9.6	11.8	11.7	14.6	14.3

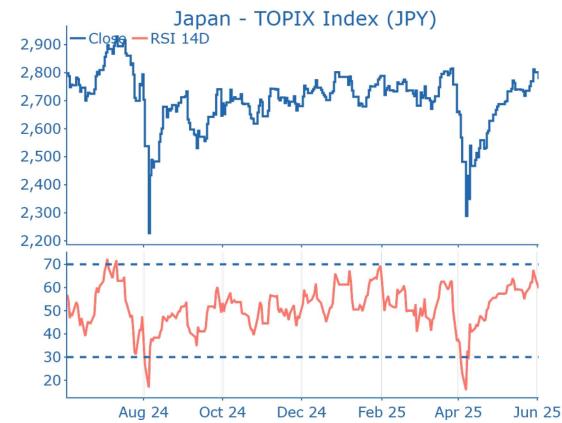
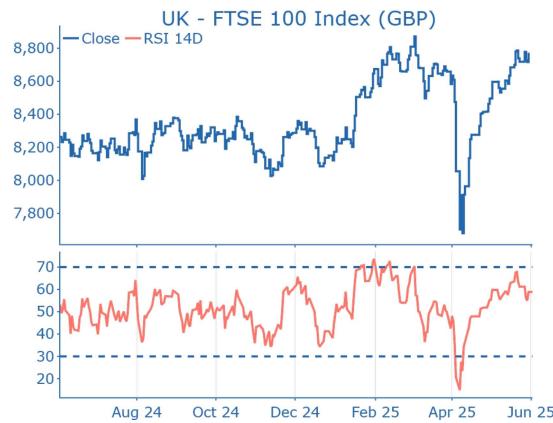
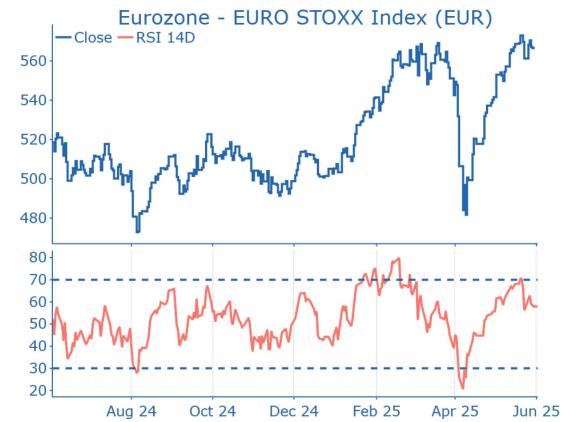
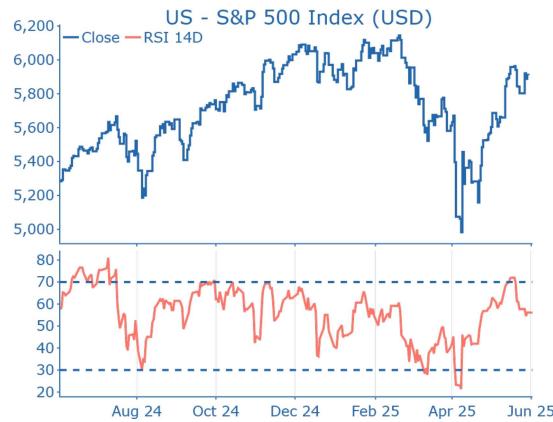
### Current trailing valuations relative to MSCI world

	US	Europe ex UK	UK	Switzerland	Japan	APAC ex Japan	China	Brazil	Mexico
12m Trailing P/E	3.25	-5.61	-9.17	-3.36	-6.7	-6.18	-9.39	-12.22	-5.83
12m Trailing P/B	1.46	-1.38	-1.62	0.22	-2.03	-1.7	-2.09	-1.99	-1.53
12m Trailing P/CF	3.5	-4.68	-9.59	-2.98	-7.36	-7.4	-11.44	-12.21	-8.36
Dividend Yield	-0.5	1.31	1.8	1.23	0.57	0.88	0.8	4.03	2.48
ROE	3.61	-2.9	-4.09	2.1	-4.97	-2.81	-2.88	0.05	-0.29

Source: Bloomberg

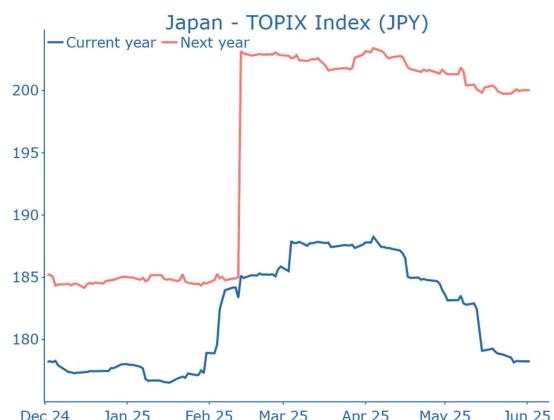
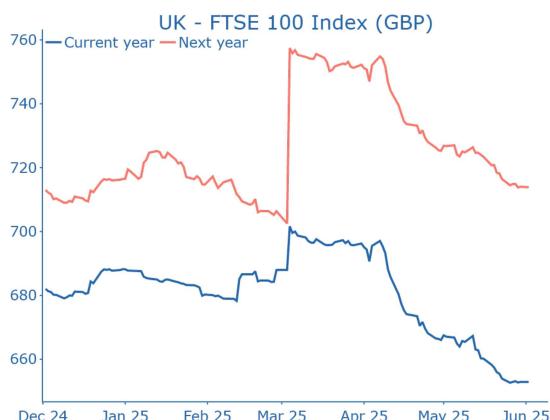
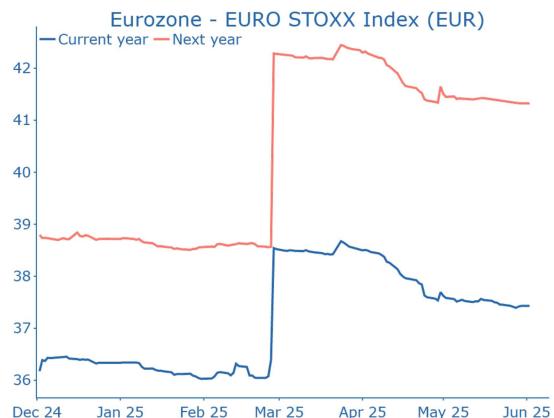
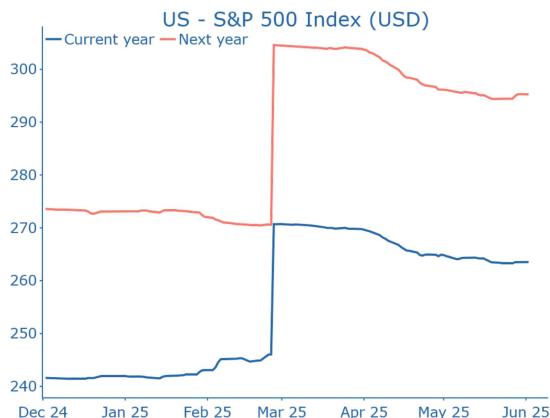
### Overbought / Oversold\*

\* Overbought / Oversold = 14D RSI is above 70 / below 30



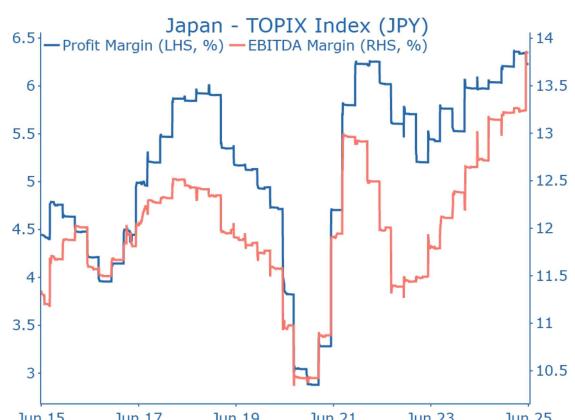
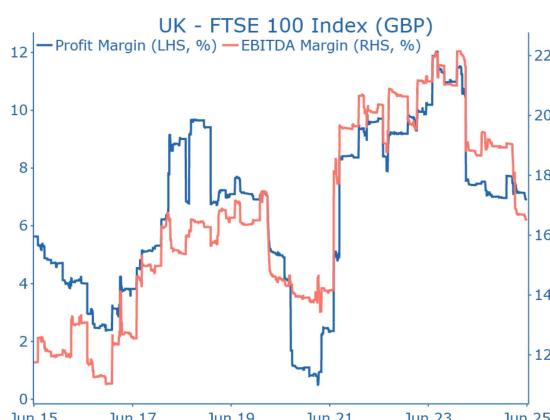
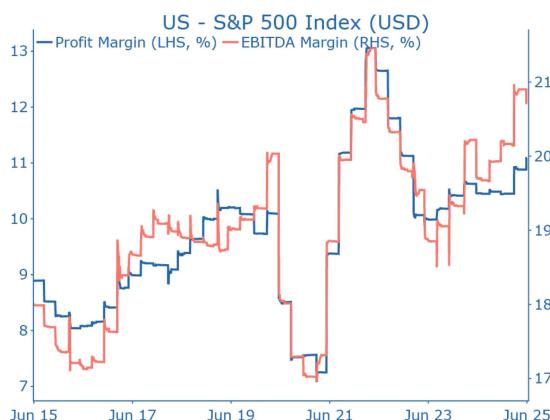
Source: Bloomberg

# Earnings estimates - Full fiscal year



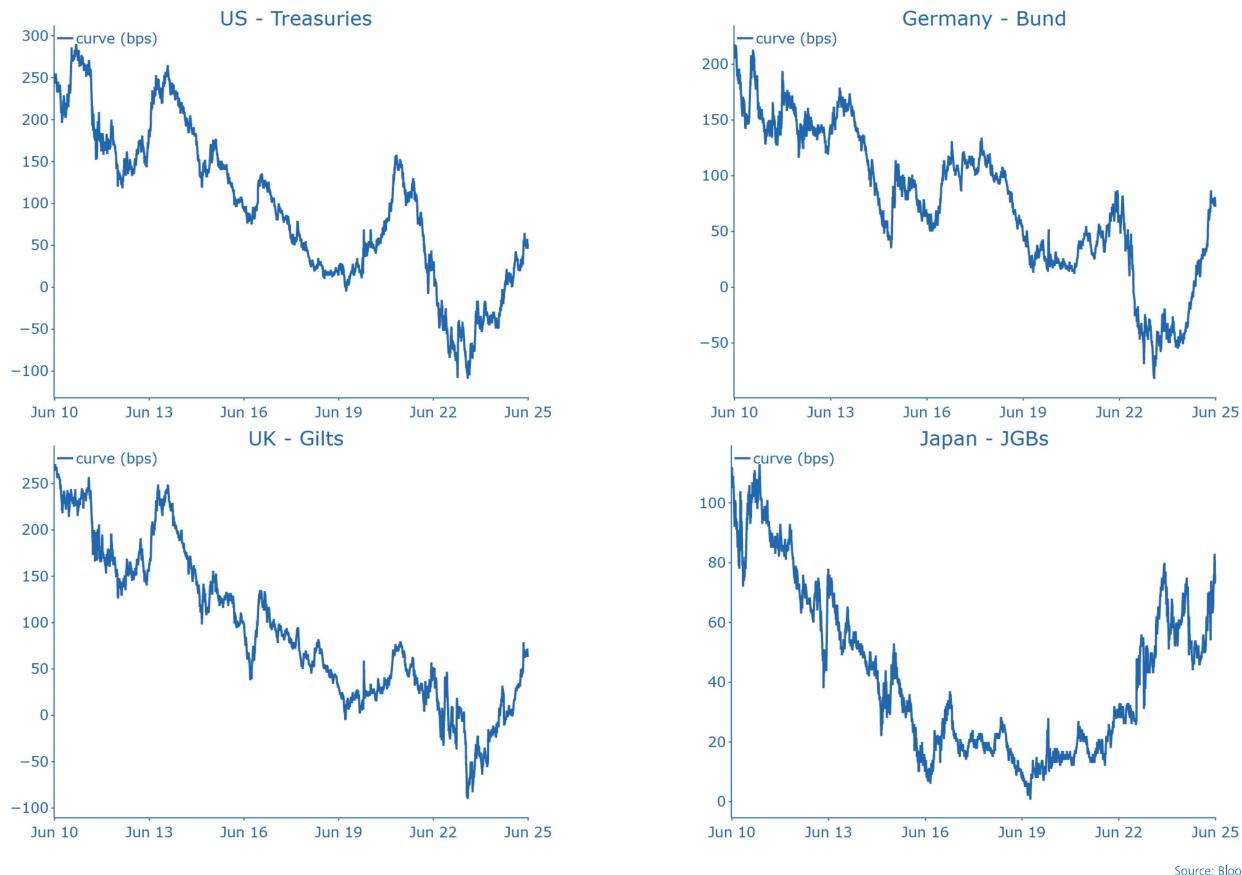
Source: Bloomberg

## Historical margins



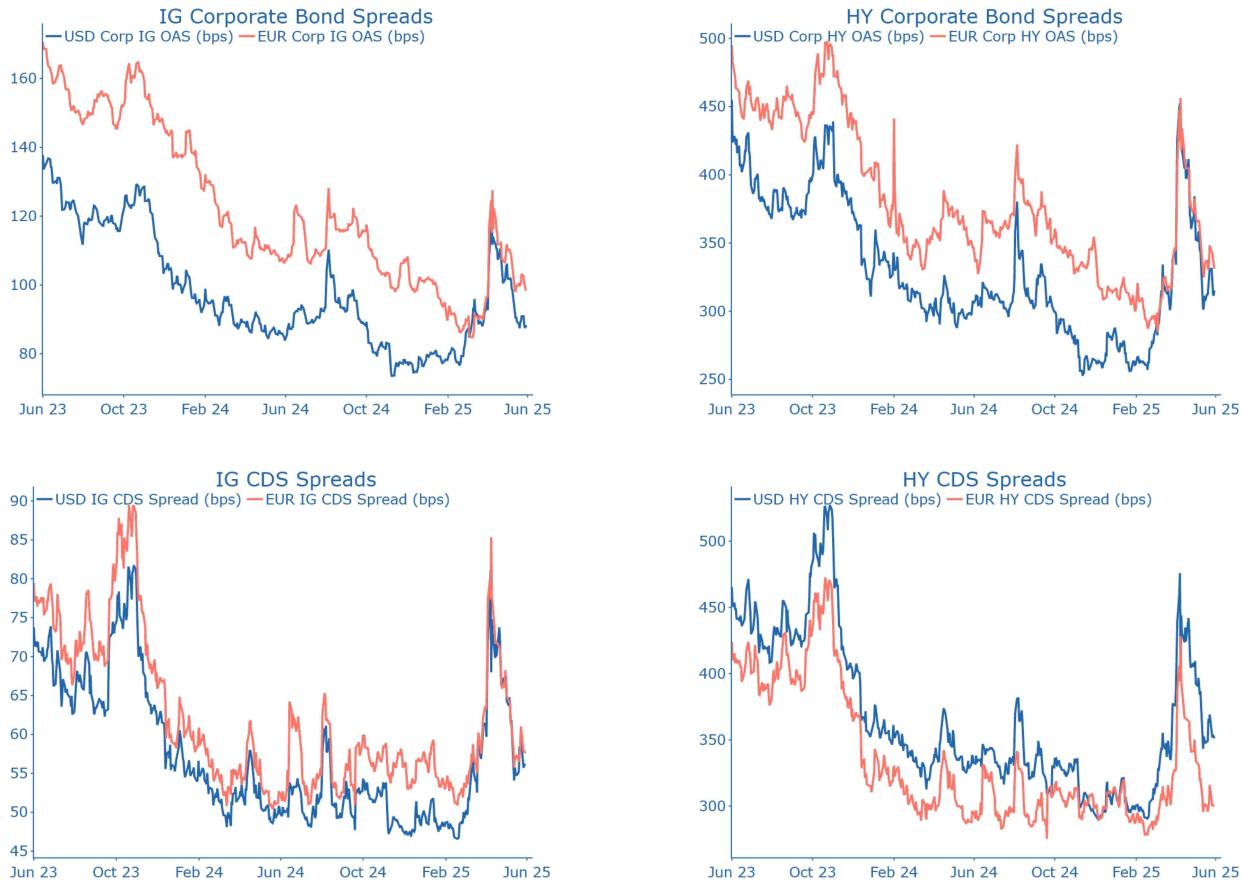
Source: Bloomberg

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



Source: Bloomberg

## Credit Markets (US & Europe)



Source: Bloomberg

# Economic Data

US	Jul-2024	Aug-2024	Sep-2024	Oct-2024	Nov-2024	Dec-2024	Jan-2025	Feb-2025	Mar-2025	Apr-2025	May-2025	Trend*
ISM Manufacturing (Index)	47.0	47.5	47.5	46.9	48.4	49.2	50.9	50.3	49.0	48.7	-	down
ISM Non-Manufacturing (Index)	51.4	51.6	54.5	55.8	52.5	54.0	52.8	53.5	50.8	51.6	-	down
Durable Goods (% MoM)	4.3	-1.1	0.9	0.3	-1.7	0.8	0.2	1.0	7.6	-6.3	-	down
Consumer Confidence (Index)	101.9	105.6	99.2	109.6	112.8	109.5	105.3	100.1	93.9	85.7	98.0	down
Retail Sales (% MoM)	3.0	1.9	2.0	3.1	3.9	4.6	4.6	3.9	5.2	5.2	-	up
Unemployment Rate (%)	4.2	4.2	4.1	4.1	4.2	4.1	4.0	4.1	4.2	4.2	-	up
Avg Hourly Earnings YoY (% YoY)	4.0	4.2	4.2	4.2	4.1	4.0	4.0	4.2	3.9	4.1	-	down
Change in Payrolls (000, MoM)	88.0	71.0	240.0	44.0	261.0	323.0	111.0	102.0	185.0	177.0	-	up
PCE (% YoY)	2.67	2.73	2.66	2.82	2.83	2.86	2.69	2.92	2.67	2.52	-	down
GDP (% QoQ, Annualized)	-	-	3.1	-	-	2.4	-	-	-0.2	-	-	down
Eurozone	Jul-2024	Aug-2024	Sep-2024	Oct-2024	Nov-2024	Dec-2024	Jan-2025	Feb-2025	Mar-2025	Apr-2025	May-2025	Trend*
PMI Manufacturing (Index)	45.8	45.8	45.0	46.0	45.2	45.1	46.6	47.6	48.6	49.0	49.4	up
PMI Services (Index)	51.9	52.9	51.4	51.6	49.5	51.6	51.3	50.6	51.0	50.1	48.9	down
IFO Business Climate (Index)	87.0	86.6	85.5	86.5	85.6	84.7	85.2	85.3	86.7	86.9	87.5	up
Industrial Production (% YoY)	-2.3	-0.6	-2.2	-1.1	-2.0	-1.8	-0.4	1.0	3.6	-	-	up
Indeed 3m average wage growth (% YoY)	3.55	3.83	3.89	3.74	3.66	3.54	3.32	2.99	2.92	2.99	-	down
Unemployment Rate (%)	6.4	6.3	6.3	6.2	6.2	6.2	6.2	6.2	6.2	-	-	down
Euro-Area Credit Impulse (% SA)	1.65	1.64	2.39	2.62	2.83	1.22	2.99	3.23	2.58	2.96	-	up
EUR HICP 5y5y Inflation Swaps	2.21	2.13	2.1	2.13	1.99	2.02	2.08	2.04	2.13	2.06	2.06	up
CPI (% YoY)	2.6	2.2	1.7	2.0	2.2	2.4	2.5	2.3	2.2	2.2	-	down
Core CPI (% YoY)	2.9	2.8	2.7	2.7	2.7	2.7	2.7	2.6	2.4	2.7	-	down
GDP (% QoQ)	-	-	0.4	-	-	0.2	-	-	0.3	-	-	up
UK	Jul-2024	Aug-2024	Sep-2024	Oct-2024	Nov-2024	Dec-2024	Jan-2025	Feb-2025	Mar-2025	Apr-2025	May-2025	Trend*
PMI Manufacturing (Index)	52.1	52.5	51.5	49.9	48.0	47.0	48.3	46.9	44.9	45.4	45.1	down
PMI Services (Index)	52.5	53.7	52.4	52.0	50.8	51.1	50.8	51.0	52.5	49.0	50.2	down
Consumer Confidence (Index)	-13.0	-13.0	-20.0	-21.0	-18.0	-17.0	-22.0	-20.0	-19.0	-23.0	-20.0	down
Unemployment Rate (%)	4.2	4.1	4.3	4.3	4.4	4.4	4.4	4.4	4.5	-	-	up
CPI (% YoY)	2.2	2.2	1.7	2.3	2.6	2.5	3.0	2.8	2.6	3.5	-	up
House Prices (% YoY)	2.1	2.4	3.2	2.4	3.7	4.7	4.1	3.9	3.9	3.4	3.5	down
Mortgage Approvals (SA, Thousands)	62.65	65.12	65.93	68.37	65.97	66.29	65.96	65.09	64.31	-	-	down
GDP (% YoY)	-	-	1.2	-	-	1.5	-	-	1.3	-	-	down
Switzerland	Jul-2024	Aug-2024	Sep-2024	Oct-2024	Nov-2024	Dec-2024	Jan-2025	Feb-2025	Mar-2025	Apr-2025	May-2025	Trend*
KOF Leading Indicator (Index)	101.1	104.3	103.6	99.7	102.3	99.7	103.0	102.7	103.3	97.1	98.5	down
PMI Manufacturing (Index)	45.1	49.3	48.9	49.2	47.7	47.0	47.5	49.6	48.9	45.8	-	down
Real Retail Sales (% YoY)	2.6	2.8	1.8	1.9	1.5	2.4	3.2	1.2	2.2	-	-	down
Trade Balance (Billion, CHF)	4.91	4.7	4.91	8.06	6.02	3.46	6.11	4.71	6.29	6.36	-	up
CPI (% YoY)	1.3	1.1	0.8	0.6	0.7	0.6	0.4	0.3	0.3	0.0	-	down
Japan	Jul-2024	Aug-2024	Sep-2024	Oct-2024	Nov-2024	Dec-2024	Jan-2025	Feb-2025	Mar-2025	Apr-2025	May-2025	Trend*
PMI Manufacturing (Index)	49.1	49.8	49.7	49.2	49.0	49.6	48.7	49.0	48.4	48.7	49.4	down
Machinery Orders (% YoY)	8.7	-3.4	-4.8	5.6	10.3	4.3	4.4	1.5	8.4	-	-	up
Industrial Production (% YoY)	2.6	-4.9	-3.2	0.8	-3.3	-2.2	2.2	0.1	1.0	0.7	-	up
ECO Watchers Survey (Index)	48.3	48.3	47.6	46.6	48.2	49.0	45.5	45.1	47.8	44.6	-	down
Jobs to Applicants Ratio (Index)	1.25	1.24	1.25	1.25	1.25	1.25	1.26	1.24	1.26	1.26	-	up
Labour Cash Earnings (% YoY)	3.4	2.8	2.5	2.2	3.9	4.4	1.8	2.7	2.3	-	-	down
Retail Sales (% YoY)	5.5	3.9	2.3	-0.7	3.4	2.8	5.2	-1.5	-2.8	-4.5	-	down
Exports (% YoY)	10.2	5.5	-1.8	3.1	3.8	2.7	7.3	11.4	4.0	2.0	-	down
Money Supply M2 (% YoY)	1.5	1.3	1.2	1.2	1.2	1.3	1.3	1.2	0.8	0.5	-	down
CPI Ex Food & Energy (% YoY)	1.6	1.7	1.7	1.6	1.7	1.6	1.5	1.5	1.6	1.6	-	up
China	Jul-2024	Aug-2024	Sep-2024	Oct-2024	Nov-2024	Dec-2024	Jan-2025	Feb-2025	Mar-2025	Apr-2025	May-2025	Trend*
NBS PMI Manufacturing (Index)	49.4	49.1	49.8	50.1	50.3	50.1	49.1	50.2	50.5	49.0	49.5	down
NBS PMI Non Manufacturing (Index)	50.2	50.3	50.0	50.2	50.0	52.2	50.2	50.4	50.8	50.4	50.3	down
Industrial Production (% YoY)	5.1	4.5	5.4	5.3	5.4	6.2	-	-	7.7	6.1	-	up
Retail Sales (% YoY)	2.7	2.1	3.2	4.8	3.0	3.7	-	-	5.9	5.1	-	up
Exports (% YoY)	6.9	8.6	2.4	12.7	6.6	10.7	6.0	-3.0	12.3	8.1	-	up
CPI (% YoY)	2.7	3.1	0.7	1.3	2.8	3.5	4.4	1.3	3.1	3.3	-	up
PPI (% YoY)	-0.8	-1.8	-2.8	-2.9	-2.5	-2.3	-2.3	-2.2	-2.5	-2.7	-	down
RRR (%)	10.0	10.0	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.0	down
GDP (% YoY)	-	-	4.6	-	-	5.4	-	-	5.4	-	-	down

\* Trend = Mean last 3m - Mean previous 3m

Source: Bloomberg

## Appendix 5

# Economic Data

India	Jul-2024	Aug-2024	Sep-2024	Oct-2024	Nov-2024	Dec-2024	Jan-2025	Feb-2025	Mar-2025	Apr-2025	May-2025	Trend*
PMI Manufacturing (Index)	58.1	57.5	56.5	57.5	56.5	56.4	57.7	56.3	58.1	58.2	57.6	up
PMI Services (Index)	60.3	60.9	57.7	58.5	58.4	59.3	56.5	59.0	58.5	58.7	61.2	up
Industrial Production (% YoY)	5.0	0.0	3.2	3.7	5.0	3.7	5.2	2.7	3.9	2.7	-	down
CPI (% YoY)	3.6	3.65	5.49	6.21	5.48	5.22	4.26	3.61	3.34	3.16	-	down
GDP (% YoY)	-	-	5.6	-	-	6.4	-	-	7.38	-	-	up
Australia	Jul-2024	Aug-2024	Sep-2024	Oct-2024	Nov-2024	Dec-2024	Jan-2025	Feb-2025	Mar-2025	Apr-2025	May-2025	Trend*
Westpac Leading Indicator	96.98	96.94	96.95	97.1	97.17	97.18	97.28	97.35	97.2	97.19	-	down
Retail Sales (% YoY)	2.44	3.09	2.38	3.41	3.05	4.56	3.87	3.64	4.28	3.78	3.16	down
Unemployment Rate (%)	4.2	4.1	4.1	4.1	3.9	4.0	4.1	4.0	4.1	4.1	-	up
Housing Prices (% YoY)	8.3	7.76	7.33	6.59	6.06	5.43	4.8	4.48	4.28	3.86	3.55	down
CPI (% MoM)	3.5	2.7	2.1	2.1	2.3	2.5	2.5	2.4	2.4	2.4	-	down
Brazil	Jun-2024	Jul-2024	Aug-2024	Sep-2024	Oct-2024	Nov-2024	Dec-2024	Jan-2025	Feb-2025	Mar-2025	Apr-2025	Trend*
CPI (% YoY)	4.23	4.5	4.24	4.42	4.76	4.87	4.83	4.56	5.06	5.48	5.53	up
Industrial Production (% YoY)	3.2	6.1	2.3	3.4	6.0	1.6	1.4	1.3	1.3	3.1	-	up
Retail Sales (% YoY)	3.4	3.8	4.6	1.6	6.0	4.5	1.3	3.1	1.6	-1.0	-	down
Trade Balance (Millions, USD)	6328.14	7551.49	4517.12	5079.59	4091.22	6746.53	4635.89	2289.73	-471.61	7757.03	8153.37	up
Budget Balance (Billions, BRL)	-135.72	-101.47	-90.38	-53.77	-74.68	-99.08	-80.37	63.74	-97.23	-71.62	-55.54	down
Chile	Jun-2024	Jul-2024	Aug-2024	Sep-2024	Oct-2024	Nov-2024	Dec-2024	Jan-2025	Feb-2025	Mar-2025	Apr-2025	Trend*
Economic Activity Index (% YoY)	-0.67	3.98	1.86	0.2	2.62	2.32	6.77	2.3	-0.12	3.76	-	down
CPI (% YoY)	4.19	4.6	4.74	4.13	4.68	4.17	4.53	4.94	4.73	4.87	4.52	up
Retail Sales (% YoY)	8.06	2.45	6.14	3.49	4.17	6.16	5.78	7.55	2.74	7.2	4.5	down
Industrial Production (% YoY)	-1.2	3.7	5.2	-0.36	3.43	1.06	8.77	1.97	-3.58	4.53	3.75	down
Unemployment (%)	8.3	8.7	8.9	8.7	8.6	8.2	8.1	8.0	8.4	8.7	8.8	up
Mexico	Jun-2024	Jul-2024	Aug-2024	Sep-2024	Oct-2024	Nov-2024	Dec-2024	Jan-2025	Feb-2025	Mar-2025	Apr-2025	Trend*
PMI (Index)	48.73	47.05	48.28	48.73	47.0	47.79	47.51	45.91	46.9	46.88	45.54	down
CPI (% YoY)	4.98	5.57	4.99	4.58	4.76	4.55	4.21	3.59	3.77	3.8	3.93	down
Retail Sales (% YoY)	-3.1	-0.6	-0.8	-1.5	-1.2	-1.9	-0.2	2.7	-1.1	4.3	-	up
Industrial Production (% YoY)	-0.28	2.18	0.42	0.72	0.64	-0.17	-0.77	-0.9	-0.25	3.09	-	up
Remittances (Millions, USD)	6206.9	5592.8	6082.1	5358.4	5722.7	5435.2	5223.0	4660.2	4458.5	5150.3	-	down

\* Trend = Mean last 3m - Mean previous 3m

Source: Bloomberg

## Spread Snapshot (Generic Government Yield 10yr, bps)

### Spread over US Treasuries (bps)

Country	Jun-2025	1M ago	3M ago	12M ago
UK	22	19	27	-18
Germany	-191	-177	-180	-183
Switzerland	-414	-395	-375	-357
Japan	-290	-304	-283	-342
China	-271	-268	-243	-217
India	185	204	252	248
Australia	-15	-8	8	-9
South Korea	-164	-171	-150	-91
Malaysia	-88	-64	-41	-60
Indonesia	244	256	270	242
Thailand	-263	-241	-206	-168
Philippines	183	195	191	225
Brazil	960	975	1105	738
Mexico	492	511	530	528
Chile	140	139	173	160
Colombia	795	803	723	650
Peru	205	227	217	257

### Spread over German Bund (bps)

Country	Jun-2025	1M ago	3M ago	12M ago
France	66	71	73	47
Netherlands	21	23	19	28
Belgium	52	59	58	54
Austria	38	43	42	49
Ireland	28	35	27	37
Italy	98	110	113	131
Spain	59	65	63	72
Portugal	47	54	53	59

Source: Bloomberg

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