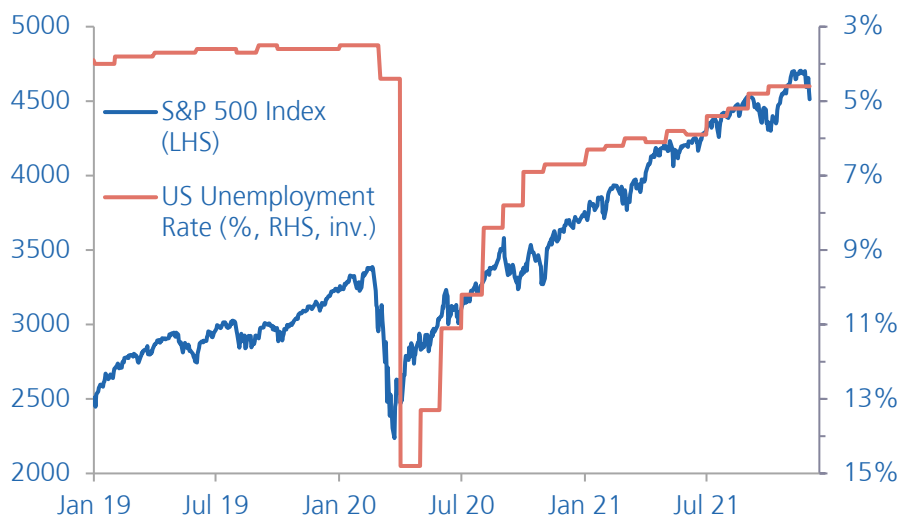


Monthly Investment Insights

US reacceleration to support equities, but Omicron concerns may weigh near term



Source: Bloomberg

We have seen an impressive run of US data over the past few weeks. The unemployment rate continues to fall quickly, from 4.8% in September to 4.6% in October, and the latest weekly initial jobless claims fell to just 199,000, the lowest level since 1969. At 66.7 in October, the ISM Services Index has hit its highest level on record.

After an Autumn slowdown that appears to have been linked to the Delta variant, this revival of fortunes for the US economy is important in terms of the medium-term outlook for risk assets given that the US is still the world's largest economy. It is especially important at a time when that other important engine of world growth, China, is currently sputtering somewhat.

However, the flipside of strong US growth is that inflation is still accelerating. CPI inflation hit 6.2% YoY in October. As a result of surging inflation and in what must have been one of most well-telegraphed adjustments to monetary policy ever, the US Federal Reserve (Fed) said at its policy meeting in early November that it would taper the pace of QE asset purchases, beginning with a USD 15bn reduction in November, with the aim for asset purchases to end by mid 2022. Recently, Fed Chair Jerome Powell indicated that the pace of tapering could be accelerated. Given the strength of the economy, we agree that the Fed should wind down asset purchases quickly to give itself optionality over the pace and amount of rate hikes next year.

Admittedly, the latest Covid news is concerning and may lead to profit-taking and volatility near term. Even before the Omicron mutation came to light, daily new virus case numbers were picking up sharply in many European countries, leading to renewed lockdowns and restrictions. The situation needs careful monitoring, but manufacturers have said that the vaccines are adaptable, and businesses have become more adept at managing the effects of lockdowns.

There are other headwinds gathering for the Eurozone economy, such as slower Chinese growth that tends to affect the region with a lag, ongoing difficulties in the manufacturing supply chain, and high inflation due to energy prices. However, we expect many of these headwinds will gradually dissipate over the next few months, while later in 2022 the NextGenEU initiative should boost European growth substantially. The latest political developments in the region are encouraging with, the formation of a coalition government in Germany in relatively short order that bodes well for the stability of the new government. It has ambitious plans to accelerate the green transition, by phasing out coal use by 2030 for example.

Market Assessment

Key developments

- Stock markets hit record highs in November before correcting on Omicron concerns
- Jerome Powell is reappointed as Fed Chair and announces tapering of QE asset purchases
- US economic data show strength, but inflation also surges higher

Zurich's view

The S&P 500, Nasdaq and Dow Jones hit record highs in November, as did the German DAX and the French CAC 40 (its first record high in 20 years), before Omicron concerns dominated and risk appetite soured.

The latest news on the virus front is concerning. Given the strong YTD gains in some equity markets, it could be used as a reason for profit taking by investors, resulting in churning equity markets for the rest of this year, especially with Powell also recently indicating that the Fed may accelerate tapering. However, the medium-term fundamentals for the global economy and risk assets are still positive. In particular, US economic growth is reaccelerating.

Credit markets, which have been softening since October, are facing an uncertain near-term outlook due to the impact of Omicron on growth and policy. That said, although valuations are expensive, investor demand and improving fundamentals should eventually provide support in the mid- to long-term.

As the medium-term growth dynamics are still positive, we expect government bond yields to gradually move higher, though probably only once concerns over the latest virus mutation have diminished.

Key developments

Zurich's view

Global

- Global growth is holding up, with the reacceleration that started at the end of Q3 still gaining pace, supported by strong job markets and elevated savings
- Inflation remains elevated and supply chains are stressed, vulnerable to renewed Covid restrictions and disruptions
- Central banks are accelerating tightening to contain strong growth and inflation

Macro data continue to point to a reacceleration in global economic activity in Q4, led by improving services and brisk industrial activity. Underlying fundamentals are resilient, with the consumer well buffered by accumulated savings and strong job markets. As we had expected, central banks are accelerating policy tightening, responding to elevated inflation prints. While the current Covid situation raises uncertainty and complicates the outlook, this still appears to be the right policy approach, to anchor inflation expectations and reduce demand excesses amid still deeply negative real rates. While upward pressure on prices should moderate going forward, supply chains are extremely tight and vulnerable to further disruptions.

US

- Growth momentum remains very robust, with the ISM Services Index reaching a record high in November
- Supply chain disruptions and a tight labour market keep pushing input costs higher
- The Fed has started to reduce its asset purchases by USD 15bn a month, potentially accelerating the pace in the coming months

Fueled by strong fundamentals and a continuously generous liquidity environment the S&P 500 reached a new record high in November before falling back due to worries around the latest Covid variant. Meanwhile, economic growth remains very robust with the ISM Services index reaching a record high in October. Very strong new orders point at a continuation of the strong momentum. Nevertheless, supply chain disruptions and ongoing challenges to fill open positions keep weighing on activity and drive input costs higher. As expected, the Fed has announced that it will start to reduce its asset purchases in November by USD 15bn a month. However, given the strong economic environment and stubbornly high inflation rates it is likely that the pace of tapering will be accelerated in the coming months.

UK

- Growth momentum remains strong, driven by both services and manufacturing
- Consumer sentiment and spending recover, helped by an improving employment situation
- Inflation rates rebound, putting pressure on the BoE to act soon

Business activity remains strong with the Composite PMI being basically unchanged at 57.7 in November as both manufacturing and services keep expanding at a healthy pace. Retail sales reaccelerated in October, following the soft patch over the summer months. Consumer sentiment shows signs of improving, helped by a solid pickup in employment with the unemployment rate falling to 4.3% in September. Meanwhile, price pressure remains high as supply chain disruptions keep weighing on growth. Despite earlier strong signals, the BoE has decided to stay on hold and appears to be taking a more dovish stance, weighing on sterling and longer-term gilt yields. However, headline inflation reaccelerated significantly to 4.2% YoY in October, increasing the pressure on the BoE to act soon.

Eurozone

- Covid cases spike again in many Eurozone countries, leading to a re-introduction of some lockdown restrictions
- Meanwhile, headline inflation in November surges to a record high of 4.9%
- However, the ECB has made it clear that it does not see the case for a policy rate increase in 2022

New covid cases have spiked again in many European countries, leading to a re-introduction of restrictions in some countries, notably Germany and Austria. Concern is also mounting about the Omicron variant. The situation needs careful monitoring, but it is worth noting that manufacturers have said the vaccines are adaptable and businesses and households have become more adept at managing the effect of lockdowns restrictions. Meanwhile, inflation prints continue to surge. Although base effects should contribute to a sharp fall in headline inflation early in 2022, it will remain well above the ECB's 2% symmetric target. However, the ECB has made it clear that it is not planning to raise policy rates in 2022, as it still regards underlying inflation as lower than implied by the headline rate.

Switzerland

- Third quarter GDP rises above its pre-Covid level and leading indicators are firm, pointing to continued brisk growth
- Inflation is relatively benign, anchored by a strong currency and weak wage growth, but supply chain pressures are intense and vulnerable to renewed Covid restrictions
- The SNB is expected to leave policy unchanged, with rates on hold and ongoing forex interventions

GDP grew by 1.7 % QoQ in Q3, led by strong private consumption and exports while investment was soft. Services output surged after restrictions were eased, with a stellar 110% QoQ expansion for accommodation and food. Manufacturing activity was solid but with large divergence, with pharma doing well while supply chain issues weighed on output in other segments. Leading indicators point to brisk activity into 2022, though with growth markedly down from its peak in Q2. Inflation is relatively benign, with core CPI at 0.6% YoY. We suspect it will stay contained given currency strength and subdued nominal wage growth, though renewed restrictions pose an upside risk. The SNB is set to leave policy unchanged and fiscal space is ample, should further support measures be needed.

Japan

- New infections have come close to a standstill, while the vaccination rate is now the highest among G7 countries
- The new government under PM Kishida has formulated a major economic stimulus program
- Japanese equities are expected to recover from their recent slump

New Covid infections, hospitalisation and mortality cases have fallen significantly, enabling consumption to return to normal, even though consumers are still only cautiously increasing their spending. Supply chain bottlenecks are easing, enabling auto manufacturers to recover from their recent 40% slump in production and exports. PMIs and the Tankan Survey are indicating a recovery. Under PM Kishida the government has agreed upon a JPY 78.9tn economic package, with the fiscal public contribution at a record high of JPY 55.7tn. In adjusted terms the contribution to GDP growth is estimated to be around 1½%. The equity market fell following the Omicron virus news and is now back to where it had been in Spring, while the JPY has regained some of its recent losses versus the USD.

China

- China's economic activity remains weak, negatively impacted by the ailing property market
- The recent Delta infection wave has been brought under control again
- The MSCI China has retreated to its recent 2021 lows

China's economic activity remains lacklustre, pulled down by the weak property sector. Retail and services sales remain impacted by Covid-related mobility restrictions, even though the latest Delta wave seems to be ebbing. Some cautious easing for mortgages and bank loans to property companies is now underway and will be reflected in a pickup of Q4 GDP growth. At its 6th Plenum, the Central Committee of the Communist Party praised the achievements since its founding 100 years ago and has laid the ground for President Xi to be re-elected for an unusual third term as President later next year. Chinese equities have fallen back to the March and October lows for this year, with domestic 'A'-shares less volatile than 'H'-shares traded in Hong Kong.

Australia

- Consumption recovers swiftly, boosted by pent up demand
- The RBA removes three-year yield curve control, but remains dovish on policy rates
- Volatility spikes in both stock and bond markets

Q4 looks promising with encouraging signs of recovery. Retail sales in October beat consensus expectations by a wide margin. The Flash Services PMI rose from 51.8 to 55 in November. While households received less cash support in the second lockdown, high savings rates mean consumers should have space for spending, and consumption is likely to return to pre-lockdown levels by the end of 2021. In a surprise move, the RBA removed the three-year yield curve control, leading to a spike in short-term rates. Markets are pricing in the first rate hike in 2022, which appears overdone. We think it will likely be in early 2023. Amid news of a virulent new Covid strain, Australian equities tumbled. While it is too early to judge whether the new mutation is a threat to the global recovery, uncertainties remain.

ASEAN

- ASEAN reboots as Covid is well contained
- Q3 GDP shows the economic damages of lockdowns
- Volatility increases as investors turn bearish on emerging market equities

Most countries registered negative growth on a QoQ basis in Q3, except for Singapore and the Philippines. Output in Vietnam and Malaysia dropped the most as both had stringent lockdowns. With Covid well contained, except in Vietnam, ASEAN's economy is healing. Manufacturing PMIs continue to bounce back, signalling that the lockdown-linked supply crunch will likely ease. Singapore's central bank started tightening its policy while the rest of ASEAN's central banks remain on hold. Foreign investors have turned bearish on ASEAN stocks given global Covid uncertainty and the prospect of developed market central bank rate hikes. We expect ASEAN equity performance to be lacklustre while bond markets should hold up better given the relatively still attractive ASEAN yield differentials.

LatAm

- Inflation continues to accelerate in LatAm; Banxico raises its policy rate 25bps to 5%
- Equity market results are mixed, with Chile up 8.3%, one of the best performing markets, while Brazil and Mexico fall
- The results of parliamentary elections in Chile reduces tail risks, while in Argentina the government coalition loses the Senate majority

In Brazil, supply chain bottlenecks and rising prices are impacting industrial production and retail sales, which fell 3.9% MoM and 1.1% MoM, respectively in September. Inflation reached 10.67% in October, while inflation expectations rose. In Chile, economic activity continues solidly, with 3Q GDP growth of 4.9% QoQ. Inflation continues to surprise to the upside, reaching 6%, the highest level since 2009, reflecting an overheating economy. The parliamentary elections surprised with a more balanced composition for the Senate, though uncertainty for the presidential second round remains. In Mexico, inflation rose to 6.24%, and 3Q GDP fell 0.4% QoQ, explained by a general drop in industrial production, the primary sector, and services.

Valuation snapshot (MSCI Indices)

Current trailing valuations

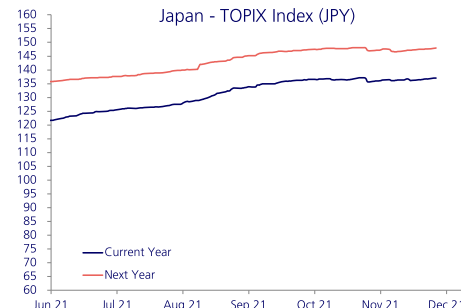
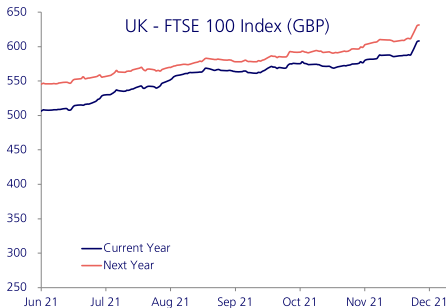
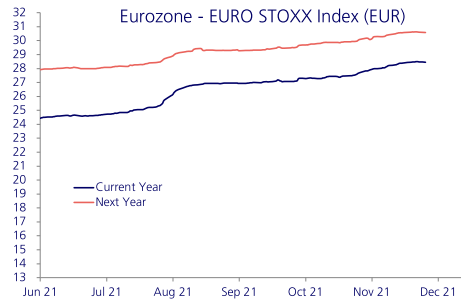
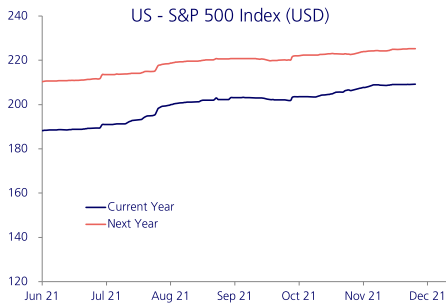
	US	Europe ex UK	UK	Switzerland	Japan	APAC ex. Japan	China	Brazil	Mexico
12m Trailing P/E	27.44	19.25	17.01	20.82	17.47	17.55	14.87	6.54	14.17
12m Trailing P/B	5.00	2.30	1.82	3.49	1.50	1.96	1.84	1.77	2.12
12m Trailing P/CF	23.09	9.02	5.41	12.69	11.39	10.74	8.54	4.22	7.45
Dividend Yield	1.27	2.16	3.63	2.47	2.06	2.20	1.64	6.76	2.39
ROE	18.22	11.95	10.72	16.78	8.60	11.18	12.35	27.08	14.97

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	0.86	0.76	0.93	0.78	0.79	0.67	0.29	0.63
12m Trailing P/B	1.61	0.74	0.59	1.13	0.48	0.63	0.59	0.57	0.68
12m Trailing P/CF	1.72	0.67	0.40	0.94	0.85	0.80	0.64	0.31	0.55
Dividend Yield	0.74	1.26	2.11	1.43	1.19	1.28	0.95	3.93	1.39
ROE	1.31	0.86	0.77	1.21	0.62	0.81	0.89	1.95	1.08

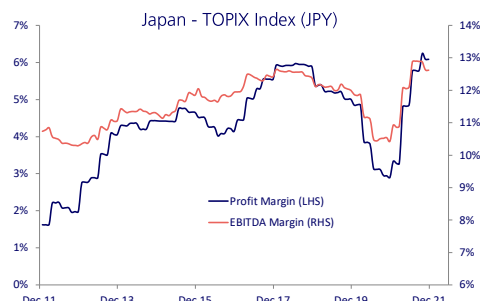
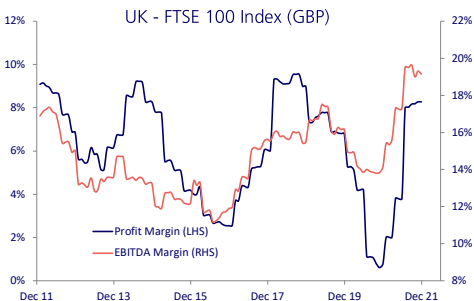
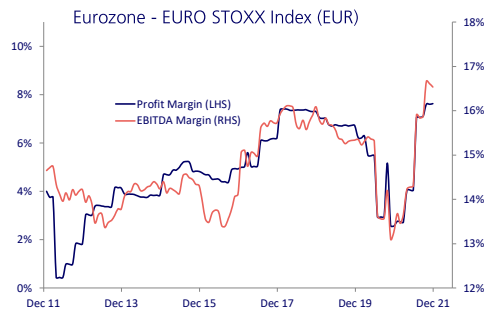
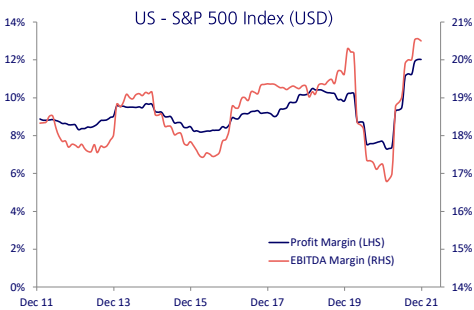
Source: Datastream

Earnings estimates - Full fiscal years



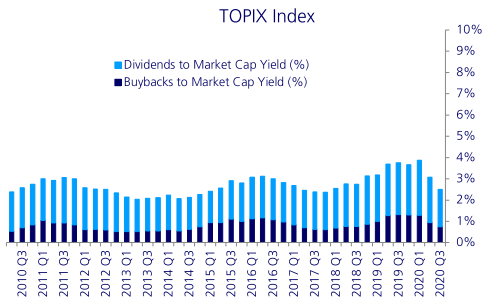
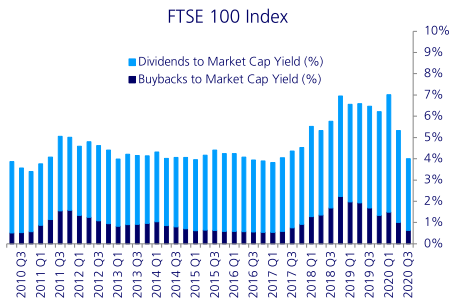
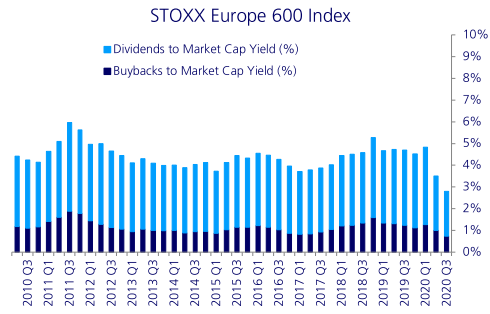
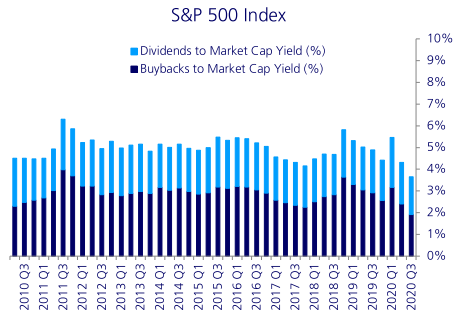
Historical margins

Source: Bloomberg



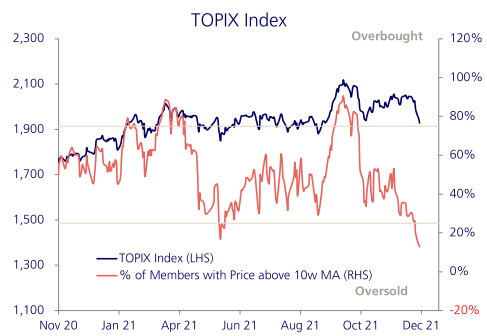
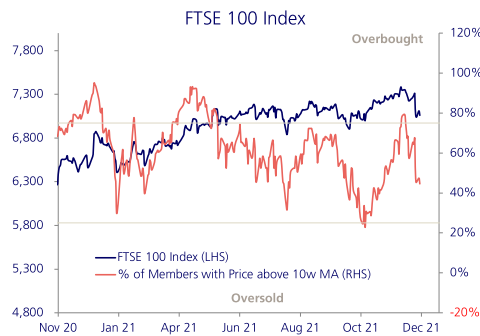
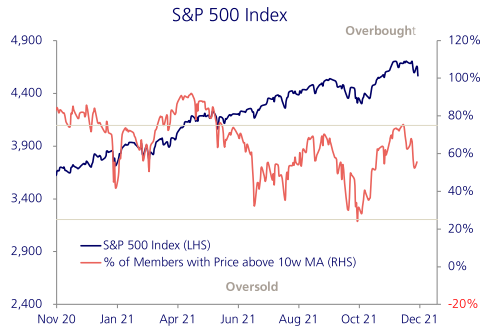
Source: Bloomberg

Dividends and shares buybacks



Source: Bloomberg

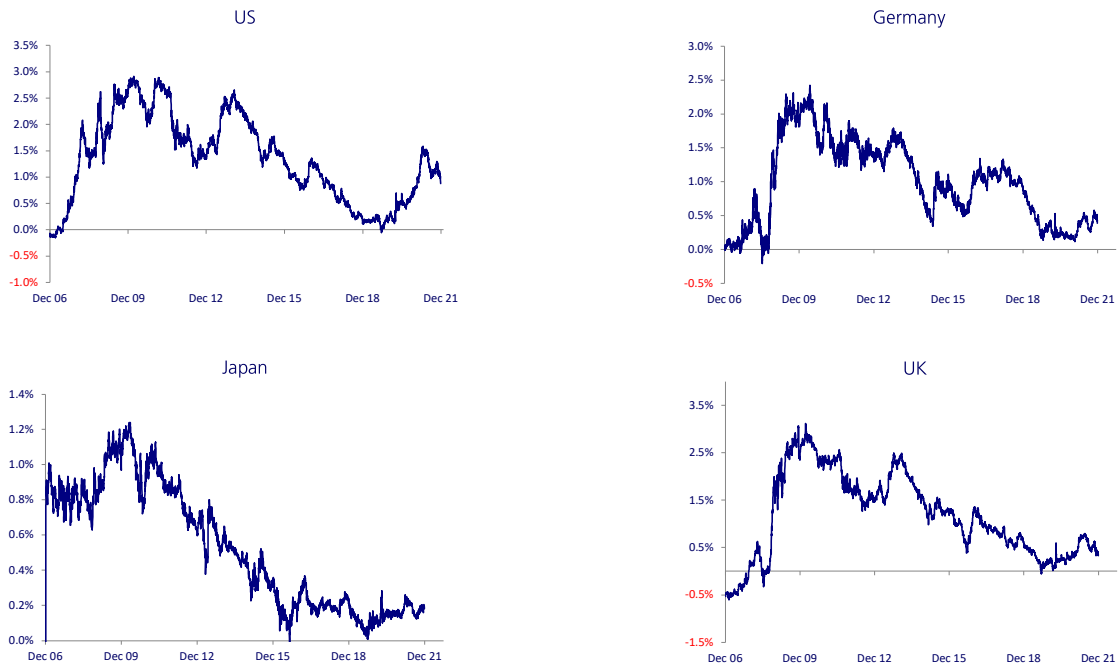
Overbought / Oversold



Source: Bloomberg

Appendix 3

Yield Curve Steepness (2yr-10yr)



Source: Bloomberg

Spread Snapshot

Generic Government Yields (10yr)

Country	Spread over US Treasury (bps)				
	Dec-21	1m ago	3m ago	1yr ago	
UK	-64	-52	-60	-58	
Germany	-179	-166	-167	-145	
Switzerland	-168	-159	-162	-144	
Japan	-139	-145	-125	-91	
Australia	28	54	-8	-1	
China	142	142	155	237	
South Korea	76	101	66	72	
Malaysia	208	203	192	183	
Indonesia	466	450	481	524	
Thailand	47		36	39	
Philippines	262	n/a	n/a	n/a	
Brazil	985	n/a	949	684	
Mexico	608	596	569	487	
Colombia	695	649	595	460	
Peru	450	428	498	299	

Generic Government Yields (10yr)

Country	Spread over German Bund (bps)			
	Dec-21	1m ago	3m ago	1yr ago
France	36	38	35	24
Netherlands	15	15	12	9
Belgium	35	35	33	20
Austria	27	26	23	16
Ireland	47	44	38	30
Italy	132	128	105	120
Spain	75	72	70	65
Portugal	68	63	59	60

Source: Bloomberg, ZIG

Economic data

US	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Trend*
ISM Manufacturing (Index)	57.7	60.5	58.7	60.8	64.7	60.7	61.2	60.6	59.5	59.9	61.1	60.8		up
ISM Non-Manufacturing (Index)	56.8	57.7	58.7	55.3	63.7	62.7	64.0	60.1	64.1	61.7	61.9	66.7		up
Durable Goods (% MoM)	2.2	1.5	2.4	1.3	1.3	-0.7	3.2	0.8	0.5	1.3	-0.4	-0.5		down
Consumer Confidence (Index)	92.9	87.1	87.1	95.2	114.9	117.5	120.0	128.9	125.1	115.2	109.8	111.6	109.5	down
Retail Sales (% MoM)	3.8	2.3	9.4	6.5	29.7	53.4	28.0	18.9	15.3	15.7	14.3	16.3		down
Unemployment Rate (%)	6.7	6.7	6.3	6.2	6.0	6.1	5.8	5.9	5.4	5.2	4.8	4.6		down
Avg Hourly Earnings YoY (% YoY)	4.7	5.5	5.3	5.2	4.6	1.2	2.4	3.8	4.8	4.8	5.5	5.8		up
Change in Payrolls ('000, MoM)	264.0	-306.0	233.0	536.0	785.0	269.0	614.0	962.0	1091.0	483.0	312.0	531.0		down
PCE (% YoY)	1.4	1.5	1.5	1.5	2.0	3.1	3.5	3.6	3.6	3.6	3.7	4.1		up
GDP (% QoQ, Annualized)		4.5			6.3			6.7			2.1			
UK	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Trend*
PMI Services (Index)	47.6	49.4	39.5	49.5	56.3	61.0	62.9	62.4	59.6	55.0	55.4	59.1	58.6	down
Consumer Confidence (Index)	-33.0	-26.0	-28.0	-23.0	-16.0	-15.0	-9.0	-9.0	-7.0	-8.0	-13.0	-17.0	-14.0	down
Unemployment Rate (%)	5.1	5.2	5.1	5.0	4.9	4.8	4.8	4.7	4.6	4.5	4.3			down
CPI (% YoY)	0.3	0.6	0.7	0.4	0.7	1.5	2.1	2.5	2.0	3.2	3.1	4.2		up
GDP (% YoY)		-7.1			-5.8			23.6			6.6			
Eurozone	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Trend*
PMI Manufacturing (Index)	53.8	55.2	54.8	57.9	62.5	62.9	63.1	63.4	62.8	61.4	58.6	58.3	58.6	down
PMI Services (Index)	41.7	46.4	45.4	45.7	49.6	50.5	55.2	58.3	59.8	59.0	56.4	54.6	56.6	down
Ifo Business Climate (Index)	91.0	92.9	90.9	93.1	96.8	96.4	99.2	101.9	100.9	99.7	99.0	97.7	96.5	down
Industrial Production (% MoM)	2.0	0.0	1.1	-1.2	0.7	0.7	-1.2	0.3	1.3	-1.7	-0.2			down
Factory Orders GE (% MoM)	2.6	-1.7	0.6	1.7	3.2	1.4	-3.4	4.6	4.9	-8.8	1.3			down
Unemployment Rate (%)	8.1	8.1	8.2	8.1	8.1	8.1	8.0	7.8	7.6	7.5	7.4			down
M3 Growth (% YoY, 3 months MA)	10.9	12.2	12.5	12.3	10.1	9.4	8.6	8.4	7.7	8.0	7.5	7.7		down
CPI (% YoY)	-0.3	-0.3	0.9	0.9	1.3	1.6	2.0	1.9	2.2	3.0	3.4	4.1	4.9	up
Core CPI (% YoY)	0.2	0.2	1.4	1.1	0.9	0.7	1.0	0.9	0.7	1.6	1.9	2.0	2.6	up
GDP (% QoQ)		-0.4			-0.3			2.1			2.2			
Switzerland	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Trend*
KOF Leading Indicator (Index)	106.1	105.7	96.3	103.1	119.3	135.4	143.6	132.7	130.2	113.4	110.9	110.2	108.5	down
PMI Manufacturing (Index)	54.5	57.3	59.4	61.3	66.3	69.5	69.9	66.7	71.1	67.7	68.1	65.4		down
Real Retail Sales (% YoY)	2.7	5.5	-1.1	-7.1	23.1	38.3	2.5	0.2	-2.3	0.8	2.5			up
Trade Balance (Billion, CHF)	4.5	2.8	5.0	3.7	5.7	3.7	4.8	5.5	5.3	5.1	5.0	5.7		up
CPI (% YoY)	-0.7	-0.8	-0.5	-0.5	-0.2	0.3	0.6	0.6	0.7	0.9	0.9	1.2		up
Japan	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Trend*
Nomura Manufacturing PMI (Index)	49.0	50.0	49.8	51.4	52.7	53.6	53.0	52.4	53.0	52.7	51.5	53.2	54.2	up
Machine Orders (% YoY)	-11.3	11.8	1.5	-7.1	-2.0	6.5	12.2	18.6	11.1	17.0	12.5			down
Industrial Production (% YoY)	-4.1	-2.9	-5.3	-2.0	3.4	15.8	21.1	23.0	11.6	8.8	-2.3	-4.7		down
ECO Watchers Survey (Index)	46.1	36.5	30.1	40.7	49.5	39.4	36.4	45.4	47.7	34.3	43.3	56.2		up
Jobs to Applicants Ratio (Index)	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.2	1.1	1.2	1.2		up
Labour Cash Earnings (% YoY)	-1.8	-3.0	-1.3	-0.4	0.6	1.4	1.9	0.1	0.6	0.6	0.2			down
Department Store Sales (% YoY)	-14.3	-13.7	-29.7	-10.7	21.8	167.0	65.2	-1.6	4.2	-11.7	-4.3	2.9		down
Money Supply M2 (% YoY)	9.1	9.2	9.4	9.6	9.5	9.3	8.0	5.9	5.3	4.7	4.2	4.2		down
CPI Ex Food & Energy (% YoY)	-0.4	-0.5	0.1	0.1	0.0	-1.2	-1.1	-1.1	-0.8	-0.7	-0.8	-1.2		up
Exports (% YoY)	-4.2	2.0	6.4	-4.5	16.1	38.0	49.6	48.6	37.0	26.2	13.0	9.4		down
China	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Trend*
PMI Manufacturing (Index)	52.1	51.9	51.3	50.6	51.9	51.1	51.0	50.9	50.4	50.1	49.6	49.2	50.1	down
Industrial Production (% YoY)	7.0	7.3			14.1	9.8	8.8	8.3	6.4	5.3	3.1	3.5		down
Retail Sales (% YoY)	5.0	4.6			34.2	17.7	12.4	12.1	8.5	2.5	4.4	4.9		down
PPI (% YoY)	-1.5	-0.4	0.3	1.7	4.4	6.8	9.0	8.8	9.0	9.5	10.7	13.5		up
Exports (% YoY)	20.6	18.1	24.6	154.7	30.5	32.2	27.8	32.2	19.3	25.6	28.2	27.1		up
CPI (% YoY)	-0.5	0.2	-0.3	-0.2	0.4	0.9	1.3	1.1	1.0	0.8	0.7	1.5		down
RRR (%)	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.0	12.0	12.0	12.0	12.0	down
GDP (% YoY)		6.5			18.3			7.9			4.9			down
PMI Non Manufacturing (Index)	52.1	51.9	51.3	50.6	51.9	51.1	51.0	50.9	50.4	50.1	49.6	49.2	50.1	down
Aggregate Financing (Billions, CNY)														neutral

Datasource: Bloomberg

*Trend = Last 3m - Previous 3m

Appendix 5

Economic data

Australia	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Trend*
AIG Manufacturing (Index)	52.1	55.3	55.3	58.8	59.9	61.7	61.8	63.2	60.8	51.6	51.2	50.4	54.8	down
AiG Service (Index)	52.9	54.3	54.3	55.8	58.7	61.0	61.2	57.8	51.7	45.6	45.7	47.6		down
Westpac Consumer Confidence (% MoM)	2.5	4.1	-4.5	1.9	2.6	6.2	-4.8	-5.2	1.5	-4.4	2.0	-1.5	0.6	up
Building Approvals (% YoY)	20.0	20.5	25.3	24.9	54.5	44.5	55.4	53.0	21.4	33.1	14.0	-8.1		down
Employment Change ('000, MoM)	87.5	37.3	29.1	81.3	75.0	-30.1	116.7	28.0	3.1	-146.3	-141.1	-46.3		down

Brazil	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Trend*
CPI (% YoY)	4.3	4.5	4.6	5.2	6.1	6.8	8.1	8.4	9.0	9.7	10.3	10.7		up
Industrial Production (% YoY)	0.3	2.6	8.3	2.4	0.3	10.5	34.8	24.1	12.0	1.3	-0.7	-3.9		down
Retail Sales (% YoY)	8.4	3.6	1.3	-0.4	-3.9	2.2	23.7	15.9	6.3	5.7	-4.1	-5.5		down
Trade Balance (Millions, USD)	2488.3	2703.1	-205.7	1834.4	6461.3	9890.2	8586.0	10482.4	7466.6	7749.6	4310.4	2004.0		down
Budget Balance Primary (Billions, BRL)	-20.1	-75.8	17.9	-41.0	-44.5	30.0	-37.4	-75.6	-55.4	-29.7	-42.0	-25.0		up

Chile	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Trend*
IMACEC Economic Activity Index (% YoY)	0.98	-0.07	-2.95	-2.02	6.22	14.58	19.18	20.61	18.08	19.08	15.57			down
CPI (% YoY)	2.73	2.97	3.12	2.85	2.88	3.32	3.65	3.80	4.54	4.78	5.34	6.03		up
Retail Sales (% YoY)	9.67	5.87	3.67	23.46	43.26	72.06	64.89	61.78	24.21	19.27	22.69			down
Industrial Production (% YoY)	-0.42	-3.61	-2.40	-3.40	2.90	5.10	3.50	6.00	4.83	4.24	-0.74	1.33		down
Unemployment (%)	10.80	10.30	10.20	10.30	10.40	10.20	10.00	9.50	8.90	8.50	8.40	8.10		down

Mexico	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Trend*
PMI (Index)	49.0	48.8	49.7	50.0	51.1	50.7	52.2	52.1	51.7	50.9	50.0	50.7		down
CPI (% YoY)	3.3	3.2	3.5	3.8	4.7	6.1	5.9	5.9	5.8	5.6	6.0	6.2		up
Retail Sales (% YoY)	-5.1	-5.7	-7.5	-6.4	2.6	30.5	29.4	17.0	9.9	7.2	5.9			down
Industrial Production (% YoY)	-2.3	2.8	-4.9	-5.7	5.9	50.0	48.4	16.6	7.7	6.6	-0.4			down
Remittances (Millions, USD)	3387.3	3650.1	3287.4	3170.7	4157.3	4048.3	4525.8	4457.5	4540.3	4743.6	4403.0			down

Datasource: Bloomberg

*Trend = Last 3m - Previous 3m

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