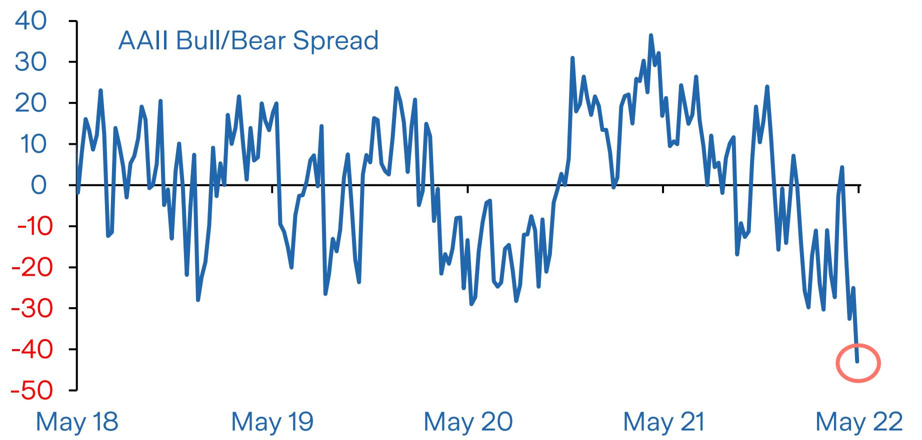
ZURICH

Monthly Investment Insights

May 2022

Investors capitulate as risks abound



Source: AAII, Bloomberg

The impact of surging commodity and goods inflation, combined with a much more hawkish stance by central banks, is rattling financial markets. The US Nasdaq Index is down 25% from November highs and has entered bear market territory, while credit spreads have also widened notably. It is now consensus that the Fed will hike by 50bps at each of the next two FOMC meetings, with some Fed board members even urging a 75bp hike to quickly move to a neutral policy rate before year end. We agree that 'front loading' rate hikes is appropriate given inflation and the current growth dynamic, but we believe that the Fed will adopt a more moderate approach later in the year once it becomes evident that the economy is weakening and vulnerable. Here we differ from consensus that expects central banks to remain hawkish for longer. It should be remembered that financial conditions have tightened appreciably and are already impacting economic prospects in both Europe and the US. While the APAC region has a more benign inflationary environment, helped by various ASEAN governments subsidising food prices, a shift towards tighter monetary policy is also underway. The Reserve Bank of Australia has abandoned its 'patient' stance, New Zealand's RBNZ has lifted its policy rate by 50bps, the Bank of Korea has raised its policy rate in three steps by 100bps and Singapore is steering its currency system to a tighter posture. Notably, however, China's PBoC is the only one of the 43 central banks that we actively follow that has started to loosen monetary policy. This should not be a surprise as China's producer price inflation is subsiding and consumer prices remain stable while economic growth is slowing alarmingly.

China needs to ease policy and provide support amid the negative impact from its 'dynamic zero-Covid policy', which culminated in major multi-week lockdowns in Jilin province and in Shanghai. Estimates show at least one quarter of China's population and its GDP have been affected by severe lockdown measures. Following better than expected growth earlier this year, March and April saw a rapid turn for the worse, particularly in services consumption while property sales plunged. Industrial production has also been affected due to broad-based logistical and supply-chain constraints that are even impacting enterprises in provinces that are not directly suffering from lockdowns, and export growth is in decline. China's government has realised that its annual growth target is unlikely to be met unless drastic support measures are implemented. Last week's Politburo meeting, led by President Xi, scaled up infrastructure investment and liquidity provisioning to SMEs significantly, while local governments are improving access to mortgage lending. We believe these measures are likely to improve the economic outlook for the second half as long as lockdowns will neither be extended nor expanded significantly.

While there is clearly good reason for the current investor angst, sentiment may be becoming too bleak. The 'bull-bear' spread, published by the American Institute of Individual Investors, has fallen to a 13-year low, with the bull component at a 30-year low. In such an environment our cautious pro-risk view should be rewarded over time.

Market Assessment

Key developments

- Global supply-chain issues are pushing inflation higher as central banks turn more hawkish
- Risk assets have rolled over again, with investor sentiment extremely bearish
- Bond yields continue to surge, with the US 10yr yield close to 3%

Zurich's view

China's dramatic economic slowdown in March/April, with GDP in the province of Jilin actually contracting in Q1, is being tackled by a substantial boost to infrastructure investment and liquidity provisioning. This should help jumpstart the economy in the second half of the year, provided lockdowns do not extend and expand.

Credit markets have cheapened, particularly in Europe where spreads are now at typical non-recessionary peak levels seen during the post Eurozone crisis era. While risks remain, it seems investor pessimism has become excessive and with credit fundamentals still strong, the higher yields should attract liability driven investors.

While the MSCI World Equity Index has marked a fresh low for the year, we stick to our cautiously optimistic stance as we perceive investor pessimism as overdone. Risk markets may remain jittery amid headwinds from the Russia-Ukraine war, China's slowdown, supply-chain issues and hawkish central banks. However, much of this is already reflected in prices, while fundamentals remain decent. Q1 earnings are proving better than expected and margins are holding up surprisingly well. Risks remain, but we favour a tilt towards equities and credit at current levels.

	Key developments	Zurich's view
Global	• Global economic activity is resilient, but sentiment and new orders have weakened • Spikes in energy and food prices and inflation expectations drift higher, leading more central banks to bring forward rate hikes • Government bond yields snap higher and now appear fairly priced, though a flat yield curve is signalling rising recession risk	Economic activity is holding up despite the challenging backdrop of elevated energy and food prices and a rapid tightening in financial conditions. Manufacturing activity continues to expand, but new orders, including new export orders, have slumped as lockdowns in China weigh on supply and the geopolitical situation takes its toll on sentiment. Inflation has risen further, triggering another wave of central bank rate hikes. As central banks have brought forward their tightening plans, government bond yields have spiked, with pass-through to broader financial conditions. This will weigh on activity going forward but, with significant private sector buffers in the form of elevated savings and healthy balance sheets and strong labour markets, the expansion is expected to remain in place.
US	• Stocks succumb to high inflation and rising rates, with the S&P 500 -9% in April and the Nasdaq -13% • 10yr yields close in on 3% as rising wage costs and record house price gains pile pressure on the Fed • Financial tightening is now meaningful given market moves and the jump in borrowing rates, with mortgage rates the highest since 2008	While the war in Europe was largely looked through by investors in US stocks, the reality of rising inflation and an emboldened Fed has hit sentiment. The Nasdaq Index has now entered a bear market, having fallen by 25% since November highs, while the S&P 500 is now back at levels of a year ago. Investors have been consistently reducing their equity exposures in recent weeks and we now have multi-decade lows in some sentiment readings. While caution is certainly justified given the policy and liquidity environment, not to mention new supply-chain disruptions emanating from China, much of this already seems reflected in prices. US companies are doing a stellar job of defending margins, while stock repurchases, rising dividends and good earnings prospects should lend support from current levels.
UK	• Retail sales and consumer confidence take a hit, but PMIs are still consistent with growth • The labour market remains healthy for now, with unemployment continuing to fall • Bank of England commentary confirms that it is still on a tightening path	Consumer confidence fell in April to its second lowest level on record as measured by the Gfk survey. Retail sales also fell -1.4% MoM in March after a -0.5% MoM decline in February. UK household spending power is under pressure due to sharply rising prices. Inflation accelerated from 6.2% in February to 7.0% YoY in March on the CPI measure. However, the labour market remains strong, supporting consumer spending. The unemployment rate fell to 3.8% in February on the ILO measure. On the corporate side, although the S&P Global/CIPS UK Composite flash PMI fell from 60.9 in March to 57.6 in April it remains well above the 50 expansion/contraction line and is still consistent with growth. Meanwhile, Bank of England policymakers have confirmed that they remain on a tightening path.
Eurozone	• GDP expands by 0.2% QoQ in Q1, while April business surveys are still consistent with growth • Eurozone inflation hits another record high in April, the ECB flags the possibility of a quick end to QE and rate increases thereafter • Emmanuel Macron remains as French President after beating Marine Le Pen in the second round of the elections	Despite considerable geopolitical uncertainty, the economy still appears to be expanding. Eurozone GDP grew 0.2% QoQ (5.0% YoY) in Q1, and the April PMI business surveys were resilient. Admittedly, consumer confidence has fallen more sharply than business confidence, but overall, the surveys are still consistent with a growing economy. However, if Russia's gas supply to Europe were completely cut off, it would probably mean partial closure of some factories and could lead to recession. Meanwhile, Eurozone inflation hit a fresh record high of 7.5% in April. We expect the ECB will end QE quickly in Q3 and then raise rates. Finally, incumbent Emmanuel Macron won the presidential elections in France and will likely continue with his gradual reforms in the country.
Switzerland	• Growth should be strong, supported by resilient services while the external backdrop becomes more challenging • While market pricing implies a steep hiking path for the SNB, we expect caution, with rates on hold in 2022 • The Swiss franc remains strongly valued against the euro, though it is weakening sharply against the US dollar, on policy divergence	Economic activity is solid, boosted by strong demand for consumer services, while manufacturing and export growth are moderating as global conditions become more challenging. Business surveys show a re-acceleration in price pressures due to higher commodity prices and CPI inflation is set to remain strong in coming months. Domestic price pressures are contained though, with services and core inflation below 1.5% YoY, and wage growth is benign. While market pricing now implies rapid SNB tightening, with five rate hikes priced in over the coming year, we maintain our view that they will proceed cautiously, with the first hike not expected until 2023.

	Key developments	Zurich's view
Japan	• Consumption is slowly picking up speed amid decreasing new Omicron infections • Production remains negatively impacted by supply-chain issues in the auto sector • Japanese equities are outperforming global equities, while yen depreciation holds on	Japan's economy is slowly recovering as retail sales are picking up following the end of the Covid-related quasi state of emergency in all provinces amid a slowdown in new Omicron infections. However, consumer confidence has been negatively impacted by rising retail prices. Core CPI measures are expected to switch from negative to positive territory in April as the negative base effect from the administrative cut in mobile phone charges will be out of the way. Machinery and chemical production is picking up steam, while auto production has experienced another setback amid renewed supply-chain issues. The Bank of Japan is keeping its monetary policy stable for now. Japanese equities are outperforming global stocks, while the USDJPY has surged above 130 from 115 at the start of the year.
China	• China's Omicron lockdowns negatively impact China's economy in March/April • Services consumption, property sales and production logistics are heavily impacted • Both China's 'A' and 'H' shares keep suffering	Extended Omicron related lockdowns in Jilin province and Shanghai have led to a collapse in services consumption and property sales. The negative impact is now extending to the industrial sector amid increasing supply chain problems. The government has reiterated its dynamic zero-Covid policy, urging support from the public amid signs of local public unrest. The focus has shifted towards accelerating fiscal support particularly through a major boost to infrastructure investment. Monetary policy support is given through window guidance, for example by urging banks to support SMEs, while access to mortgage loans has been improved by local governments. Both domestic 'A' shares and Hong Kong listed 'H' shares continue to suffer, underperforming global equities.
Australia	• Australia's headline inflation rate has increased to 5.1%, the highest level since 2001 • The RBA starts the rate hiking cycle with a 25bp hike on May 3 • Australia's equity market pulled back in April, and bond yields continue to track higher	The Australian economy continues to grow at a robust pace, with the unemployment rate at a historical low of 4%, and expected to decline further. Headline CPI increased by 5.1% YoY in Q1 2022, driven by increases in fuel and housing. RBA commentary has become more hawkish, with concerns over higher domestic and global inflation. On May 3 the RBA started the hiking cycle with a 25bp hike. Bond yields have continued to increase, with the 3yr government bond yield rising above 3%. Australia's equity market declined slightly by 0.8% in April but has outperformed global equities year to date, benefiting from the large index weights of commodity companies.
ASEAN	• GDP growth forecasts are firm as economies reopen • Inflation appears contained, with fuel subsidies still in place • Equity markets remain volatile	In Malaysia, the central bank forecasts stronger real GDP growth of 5.3-6.3%, supported by domestic growth. Latest headline inflation for March was unchanged at 2.2%, while core inflation inched up to 2%. Although the inflation numbers are within the bank's target inflation rate of 2-3%, there is still a possibility that rates may be raised as early as July if the MYR comes under pressure against key currencies. In Indonesia, Bank Indonesia (BI) downgraded its GDP growth forecast by 20bps to 4.5-5.3%. As the largest palm oil exporter in the world, the on-off moves to restrict its export in order to tame high cooking oil prices might be challenging given the limited infrastructure to store surplus oil, amid mounting pressure from buyers to resume shipments. We expect volatility to remain prevalent in the MSCI ASEAN Index.
LatAm	• The MSCI LatAm Index underperformed other EMs, while currencies depreciated • Mexico's economy returned to growth in Q1 amid strong US demand for manufactured goods and a recovery in the service sector • The energy bill to restore state control of the electricity sector in Mexico did not reach the majority needed in Congress	The MSCI LatAm Index contracted 13.8% in April, affected by the risk-off attitude in global markets, the fall in commodity prices, and currency depreciation. In general, economic activity indicators looked positive in Q1, but the impact of the war in Ukraine on global growth, the tightening cycle in the US, and the rise in Covid cases in China are significant risks for LatAm. In Mexico, the unemployment rate fell from 3.7 to 3% in March, increasing the participation rate. Retail sales jumped 0.8% MoM in February, while Q1 GDP grew 0.9% QoQ, driven by the industry and service sectors that rose 1.1% QoQ each. In Brazil, services output disappointed in February, contracting 0.2% MoM. However, retail sales increased 2.1% MoM, with almost all components surprising to the upside and expanding.

Appendix 1

Valuation snapshot (MSCI Indices)

Current trailing valuations

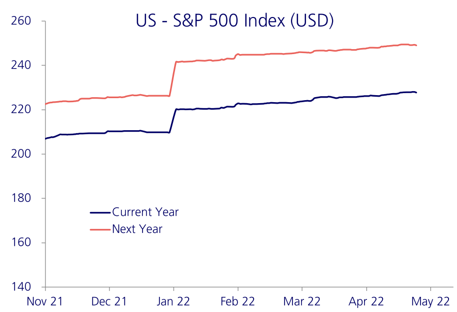
	US	Europe ex UK	UK	Switzerland	Japan	APAC ex. Japan	China	Brazil	Mexico
12m Trailing P/E	22.89	16.16	15.91	20.27	14.45	15.46	12.98	6.02	15.28
12m Trailing P/B	4.46	2.06	1.89	3.38	1.35	1.81	1.54	1.85	2.16
12m Trailing P/CF	17.02	8.28	8.52	12.70	10.32	9.06	7.77	6.12	7.03
Dividend Yield	1.42	2.52	3.72	2.56	2.37	2.55	1.93	8.08	2.67
ROE	19.48	12.77	11.85	16.68	9.34	11.74	11.86	30.83	14.11

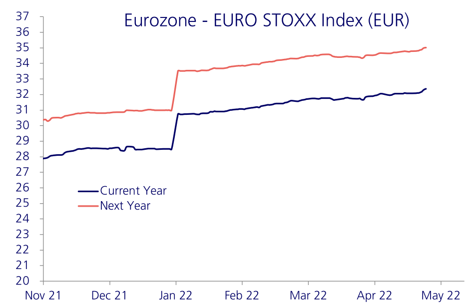
Current trailing valuations relative to MSCI world

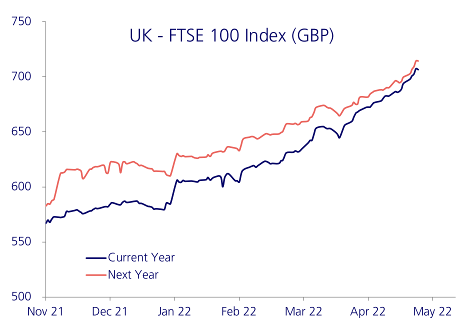
	US	Europe ex UK	UK	Switzerland	Japan	APAC ex. Japan	China	Brazil	Mexico
12m Trailing P/E	1.20	0.85	0.84	1.06	0.76	0.81	0.68	0.32	0.80
12m Trailing P/B	1.57	0.73	0.66	1.19	0.48	0.64	0.54	0.65	0.76
12m Trailing P/CF	1.36	0.66	0.68	1.01	0.82	0.72	0.62	0.49	0.56
Dividend Yield	0.73	1.29	1.91	1.32	1.22	1.31	0.99	4.15	1.37
ROE	1.31	0.86	0.79	1.12	0.63	0.79	0.80	2.07	0.95

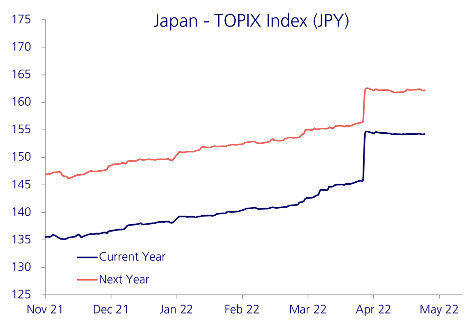
Source: Datastream

Earnings estimates - Full fiscal years



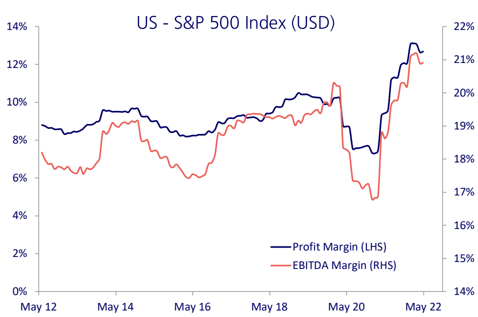


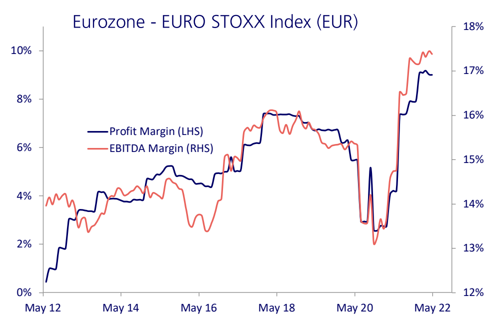


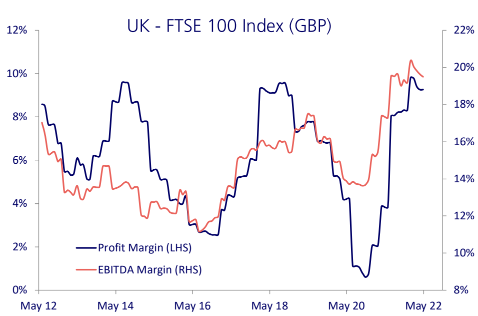


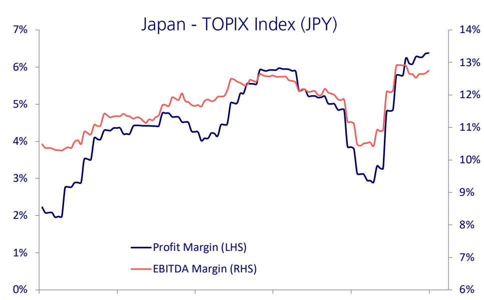
Historical margins

Source: Bloomberg



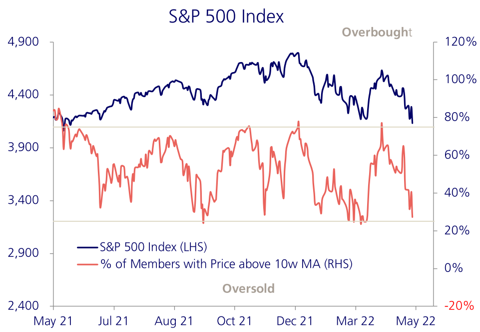


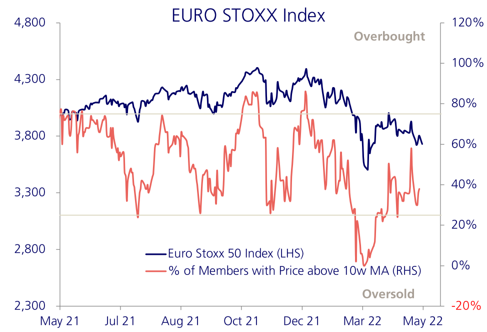


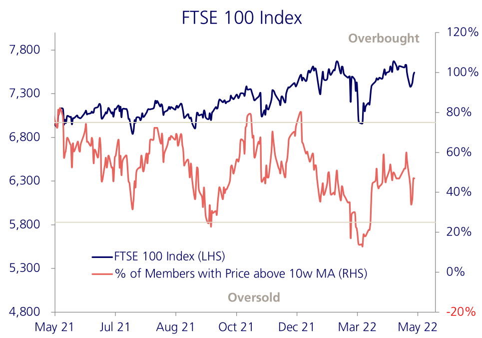


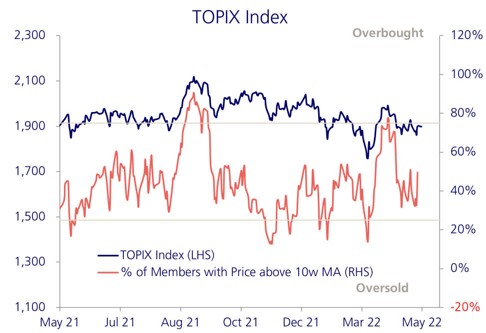
Source: Bloomberg

Overbought / Oversold







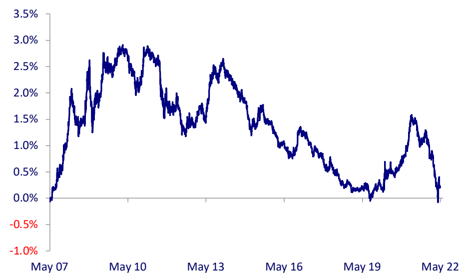


Source: Bloomberg

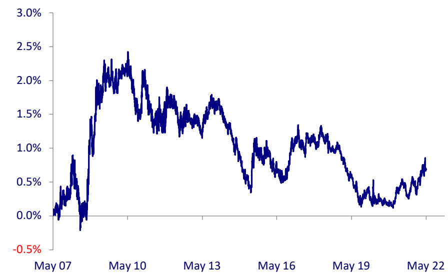
Appendix 3

Yield Curve Steepness (2yr-10yr)

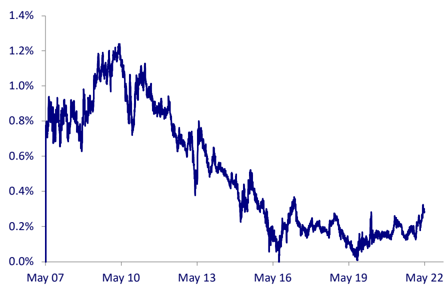
US



Germany



Japan



UK

Source: Bloomberg

Spread Snapshot

Generic Government Yields (10yr)

	Spread over US Treasury (bps)			
Country	May-22	1m ago	3m ago	1yr ago
UK	-103	-77	-49	-78
Germany	-201	-183	-175	-183
Switzerland	-206	-177	-169	-183
Japan	-271	-216	-161	-153
Australia	32	45	12	12
China	-10	39	92	153
South Korea	30	62	80	50
Malaysia	144	149	189	152
Indonesia	405	436	465	484
Thailand	-23		31	14
Philippines	112	n/a	n/a	n/a
Brazil	935	893	947	n/a
Mexico	620	594	590	528
Colombia	737	727	698	504
Peru	491	437	434	375

Generic Government Yields (10yr)

	Spread over German Bund (bps)			
Country	May-22	1m ago	3m ago	1yr ago
France	52	47	42	36
Netherlands	29	26	13	15
Belgium	58	50	33	34
Austria	50	48	25	23
Ireland	68	58	49	n/a
Italy	186	154	138	111
Spain	105	92	74	68
Portugal	109	82	66	68

Source: Bloomberg, ZIG

Economic data

US	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	Trend*
ISM Manufacturing (Index)	60.6	61.6	60.9	59.9	59.7	60.5	60.8	60.6	58.8	57.6	58.6	57.1		down
ISM Non-Manufacturing (Index)	62.7	63.2	60.7	64.1	62.2	62.6	66.7	68.4	62.3	59.9	56.5	58.3		down
Durable Goods (% MoM)	-0.7	3.2	0.8	0.5	1.3	-0.4	0.1	3.2	1.2	1.5	-1.7	0.8		down
Consumer Confidence (Index)	117.5	120.0	128.9	125.1	115.2	109.8	111.6	111.9	115.2	111.1	105.7	107.6	107.3	down
Retail Sales (% MoM)	54.5	28.4	19.4	15.8	15.7	14.3	16.5	18.6	16.8	13.7	17.8	6.6		down
Unemployment Rate (%)	6.0	5.8	5.9	5.4	5.2	4.7	4.6	4.2	3.9	4.0	3.8	3.6		down
Avg Hourly Earnings YoY (% YoY)	1.5	2.8	4.1	5.1	5.2	5.9	6.4	6.5	6.2	6.7	6.7	6.7		up
Change in Payrolls ('000, MoM)	263.0	447.0	557.0	689.0	517.0	424.0	677.0	647.0	588.0	504.0	750.0	431.0		down
PCE (% YoY)	3.1	3.5	3.6	3.6	3.6	3.7	4.2	4.7	4.9	5.2	5.3	5.2		up
GDP (%, QoQ, Annualized)			6.7			2.3			6.9			-1.4		down

UK	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	Trend*
PMI Services (Index)	61.0	62.9	62.4	59.6	55.0	55.4	59.1	58.5	53.6	54.1	60.5	62.6	58.3	up
Consumer Confidence (Index)	-15.0	-9.0	-9.0	-7.0	-8.0	-13.0	-17.0	-14.0	-15.0	-19.0	-26.0	-31.0	-38.0	down
Unemployment Rate (%)	4.8	4.8	4.7	4.6	4.5	4.3	4.2	4.1	4.1	3.9	3.8			down
CPI (% YoY)	1.5	2.1	2.5	2.0	3.2	3.1	4.2	5.1	5.4	5.5	6.2	7.0		up
GDP (% YoY)			24.5			6.9			6.6					

Eurozone	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	Trend*
PMI Manufacturing (Index)	62.9	63.1	63.4	62.8	61.4	58.6	58.3	58.4	58.0	58.7	58.2	56.5	55.5	down
PMI Services (Index)	50.5	55.2	58.3	59.8	59.0	56.4	54.6	55.9	53.1	51.1	55.5	55.6	57.7	up
IFO Business Climate (Index)	96.4	99.2	101.7	100.7	99.8	99.2	98.0	96.6	94.8	96.1	98.7	90.8	91.8	down
Industrial Production (% MoM)	0.6	-1.0	0.4	0.5	-1.2	-0.8	-1.4	2.5	1.5	-0.7	0.7			down
Factory Orders GE (% MoM)	1.1	-2.5	4.3	5.2	-9.4	2.8	-5.8	3.1	2.4	2.3	-2.2			up
Unemployment Rate (%)	8.2	8.1	7.9	7.6	7.5	7.3	7.2	7.1	7.0	6.9	6.8			down
M3 Growth (% YoY, 3 months MA)	9.4	8.6	8.4	7.8	8.0	7.6	7.7	7.3	6.9	6.5	6.4	6.3		down
CPI (% YoY)	1.6	2.0	1.9	2.2	3.0	3.4	4.1	4.9	5.0	5.1	5.9	7.4	7.5	up
Core CPI (% YoY)	0.7	1.0	0.9	0.7	1.6	1.9	2.0	2.6	2.6	2.3	2.7	2.9	3.5	up
GDP (% QoQ)			2.2			2.2			0.3			0.2		down

Switzerland	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	Trend*
KOF Leading Indicator (Index)	135.4	143.6	132.8	130.2	113.0	110.7	110.0	107.2	107.2	107.1	105.1	99.2	101.7	down
PMI Manufacturing (Index)	68.3	68.6	67.1	70.0	67.0	67.6	65.7	63.8	64.2	63.8	62.6	64.0	62.5	down
Real Retail Sales (% YoY)	38.2	2.5	0.5	-2.2	0.9	2.6	1.8	4.8	0.0	5.9	12.5	-6.6		up
Trade Balance (Billion, CHF)	3.7	4.8	5.5	5.3	5.1	5.0	5.3	6.0	3.5	3.0	5.9	3.0		down
CPI (% YoY)	0.3	0.6	0.6	0.7	0.9	0.9	1.2	1.5	1.5	1.6	2.2	2.4		up

Japan	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	Trend*
Nomura Manufacturing PMI (Index)	53.6	53.0	52.4	53.0	52.7	51.5	53.2	54.5	54.3	55.4	52.7	54.1	53.5	down
Machine Orders (% YoY)	6.5	12.2	18.6	11.1	17.0	12.5	2.9	11.6	5.1	5.1	4.3			down
Industrial Production (% YoY)	15.6	21.0	22.9	11.1	8.4	-2.5	-4.3	4.8	2.2	-0.8	0.5	-1.7		down
ECO Watchers Survey (Index)	39.4	36.4	45.4	47.7	34.3	43.3	56.2	58.5	58.6	35.9	36.6	48.9		down
Jobs to Applicants Ratio (Index)	1.1	1.1	1.1	1.1	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2		up
Labour Cash Earnings (% YoY)	1.4	1.9	0.1	0.6	0.6	0.2	0.2	0.8	-0.4	1.1	1.2			up
Department Store Sales (% YoY)	167.0	65.2	-1.6	4.2	-11.7	-4.3	2.9	8.1	8.8	15.6	-0.7	4.6		down
Money Supply M2 (% YoY)	9.3	8.0	5.9	5.3	4.7	4.2	4.2	4.0	3.7	3.6	3.6	3.5		down
CPI Ex Food & Energy (% YoY)	-1.2	-1.1	-1.1	-0.8	-0.7	-0.8	-1.2	-1.2	-1.3	-1.9	-1.8	-1.6		down
Exports (% YoY)	38.0	49.6	48.6	37.0	26.2	13.0	9.4	20.5	17.5	9.6	19.1	14.7		down

China	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	Trend*
PMI Manufacturing (Index)	51.1	51.0	50.9	50.4	50.1	49.6	49.2	50.1	50.3	50.1	50.2	49.5	47.4	down
Industrial Production (% YoY)	9.8	8.8	8.3	6.4	5.3	3.1	3.5	3.8	4.3			5.0		down
Retail Sales (% YoY)	17.7	12.4	12.1	8.5	2.5	4.4	4.9	3.9	1.7			-3.5		down
PPI (% YoY)	6.8	9.0	8.8	9.0	9.5	10.7	13.5	12.9	10.3	9.1	8.8	8.3		down
Exports (% YoY)	32.1	27.7	32.1	19.2	25.4	28.0	26.9	21.7	20.9	24.2	6.3	14.7		down
CPI (% YoY)	0.9	1.3	1.1	1.0	0.8	0.7	1.5	2.3	1.5	0.9	0.9	1.5		down
RRR (%)	12.5	12.5	12.5	12.0	12.0	12.0	12.0	12.0	11.5	11.5	11.5	11.5	11.3	down
GDP (% YoY)			7.9			4.9			4.0			4.8		up
PMI Non Manufacturing (Index)	51.1	51.0	50.9	50.4	50.1	49.6	49.2	50.1	50.3	50.1	50.2	49.5	47.4	down
Aggregate Financing (Billions, CNY)														neutral

Datasource: Bloomberg

*Trend = Last 3m - Previous 3m

Appendix 5

Economic data

Australia	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	Trend*
AiG Manufacturing (Index)	61.7	61.8	63.2	60.8	51.6	51.2	50.4	54.8	48.4	48.4	53.2	55.7	58.5	up
AiG Service (Index)	61.0	61.2	57.8	51.7	45.6	45.7	47.6	49.6	56.2	56.2	60.0	56.2		up
Westpac Consumer Confidence (% MoM)	6.2	-4.8	-5.2	1.5	-4.4	2.0	-1.5	0.6	-1.0	-2.0	-1.3	-4.2	-0.9	down
Building Approvals (% YoY)	45.3	55.1	52.9	23.5	34.4	16.6	-7.0	-8.7	-6.7	-23.5	-7.8			down
Employment Change ('000, MoM)	-28.9	118.0	29.3	-0.9	-149.8	-146.0	-50.4	372.5	70.8	28.3	77.4	17.9		down

Brazil	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	Trend*
CPI (% YoY)	6.8	8.1	8.4	9.0	9.7	10.3	10.7	10.7	10.1	10.4	10.5	11.3		up
Industrial Production (% YoY)	10.5	34.8	24.1	12.1	1.4	-0.6	-4.1	-7.8	-4.4	-5.0	-7.2	-4.3		down
Retail Sales (% YoY)	2.2	23.7	15.9	6.3	5.7	-4.1	-5.2	-6.8	-4.2	-2.9	-1.5	1.3		up
Trade Balance (Millions, USD)	9963.1	8536.0	10414.3	7380.0	7659.1	4400.7	2063.7	-1110.1	4012.9	-118.7	4048.5	7383.0		up
Budget Balance Primary (Billions, BRL)	-41.0	-44.5	30.0	-37.4	-75.6	-55.4	-29.7	-42.0	-25.0	-26.6	-54.2	84.1		up

Chile	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	Trend*
IMACEC Economic Activity Index (% YoY)	15.82	19.84	21.11	18.57	18.67	14.38	13.93	13.57	8.84	9.60	6.80			down
CPI (% YoY)	3.32	3.65	3.80	4.54	4.78	5.34	6.03	6.70	7.17	7.70	7.81	9.41		up
Retail Sales (% YoY)	73.37	65.86	62.39	24.47	19.28	22.54	15.43	14.22	13.48	10.62	11.17			down
Industrial Production (% YoY)	5.13	3.55	6.20	5.04	4.78	-0.59	1.33	2.75	1.72	-1.10	-2.96	0.85		down
Unemployment (%)	10.20	10.00	9.50	8.90	8.50	8.40	8.10	7.50	7.20	7.30	7.50	7.80		down

Mexico	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	Trend*
PMI (Index)	50.5	52.3	51.9	51.8	51.1	50.2	51.4	51.0	52.9	48.4	51.1	52.3		down
CPI (% YoY)	6.1	5.9	5.9	5.8	5.6	6.0	6.2	7.4	7.4	7.1	7.3	7.5		up
Retail Sales (% YoY)	30.5	29.4	17.0	9.9	7.2	5.9	5.3	5.4	4.9	6.7	6.4			down
Indutrial Production (% YoY)	50.0	48.5	16.6	7.7	6.6	-0.4	0.1	2.8	3.8	3.7	6.9			up
Remittances (Millions, USD)	4048.3	4525.8	4457.5	4545.0	4748.7	4408.9	4822.1	4661.6	4752.2	3930.8	3910.0			down

Datasource: Bloomberg

*Trend = Last 3m - Previous 3m

Disclaimer and cautionary statement

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