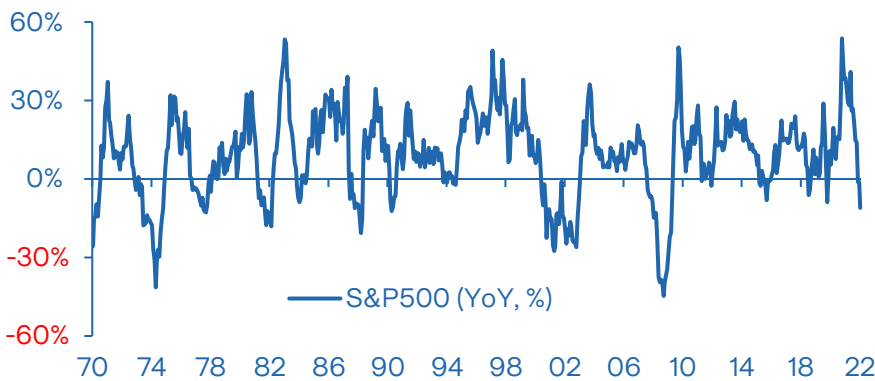


# Monthly Investment Insights

1 July 2022



## Little respite in a structural bear market



Source: Bloomberg

Increasingly hawkish central banks and rising recession risk continued to undermine investor sentiment in June and bite more forcefully into asset pricing. We think markets will remain under pressure until we see clear evidence of inflation peaking and less hawkish central bank posturing.

The S&P 500 experienced one of the most dramatic first half falls and has entered a pronounced bear market as investors anticipate that rising interest rates will push economies into recession. Analysts' optimistic earnings estimates are now also being dismissed, given slowing economic growth and elevated input prices. Consequently, the imminent Q2 earnings season will be important for corporate guidance and earnings estimate revisions. The bond market sell-off that took place after the Fed accelerated its tightening and the ECB signalled a more hawkish path ahead may well represent the high for yields this cycle, though volatile trading should be expected, as was seen following the surprising decision by the SNB to raise rates for the first time in 15 years.

The worst seems to be over in China in terms of lockdowns, and economic indicators are improving. Supply chain issues are easing while the government is pushing for increased infrastructure investment and has targeted policy towards housing and consumption to support a rebound in activity. We expect a recovery in the second half of the year, but not enough to reach the official growth target rate of around 5.5% for the year. The Chinese equity market decoupled from global markets recently as the government relaxed lockdowns and provided fiscal stimulus, increasing the perception of its commitment to putting a floor under both markets and the economy. In LatAm, the significant tightening in monetary policy has still not been able to contain inflation expectations. Central banks have become even more hawkish, which leads us to expect high interest rates for longer. Bearish investor sentiment instigated a flight to quality, hitting equity markets sharply following strong relative performance, with the MSCI LatAm Index losing all of its gains year to date. We think that the recovery in infrastructure investment in China could help turn around the recent decline in commodity prices, providing support to the region's assets. However, we expect the equity market to remain volatile in the short term and regain its attractiveness only once global investor sentiment improves and local political uncertainty reduces.

Overall, we believe it appropriate to look for selective opportunities as financial asset prices already reflect considerable pessimism and an imminent recession. However, an improvement in the inflation outlook and more pragmatic central banks are needed to take a more structural position in favour of risk assets.

## Market Assessment

### Key developments

- The S&P 500 bounces after entering bear market territory, but without any structural change to its downward trend
- Bond market volatility remains high as central banks continue to surprise with tighter policy
- Investor pessimism increases as recession expectations jump

### Zurich's view

The equity market has bounced from a very oversold level, which had created an opportunity for investors. However, the high volatility and the structural downward trend are expected to remain until we see tangible signs that inflation has peaked and central banks shift to a less hawkish stance.

Government bonds look attractive with yields reaching levels that seem too high considering the economic outlook. However, we believe volatility will remain elevated and while yields could overshoot to the upside, we see them peaking not far from current levels.

Credit markets reflect the tightening financial conditions which reinforces our view of central banks' pragmatism once inflation peaks. Investment Grade credit seems to be pricing in a recession, especially in Europe, while High Yield markets have been more complacent and remain vulnerable to a downturn. Overall, we think a lot of bad news has already been priced in and credit markets should stabilize.

Key developments	Zurich's view
<p>Global</p> <ul style="list-style-type: none"> <li>• Central banks make aggressive rate hikes to address inflation, sharply tightening financial conditions</li> <li>• Inflation remains elevated as energy and food prices rise further, but supply pressures ease while input prices stabilise</li> <li>• Slowing growth and assertive rate hikes highlight recession risk and lead government bond yields down from recent highs</li> </ul>	<p>Central banks are hiking rates aggressively, triggering a further tightening in financial conditions, while sentiment remains weak. The Flash PMIs also show a downshift in growth in June, with soft new orders and services activity, particularly in the US and Europe. The slump in activity highlights the downward trajectory for growth, but not all is bad. Labour markets remain strong and excess savings are not yet depleted. Activity in China is rebounding, helping to lift activity across the region. Global supply pressures are easing, with declining delivery times and a tick lower in input price pressures. We therefore maintain our view that economic activity should remain resilient over coming quarters, though risk to growth is material.</p>
<p>US</p> <ul style="list-style-type: none"> <li>• The Fed lifts rates by 75bps, the biggest step since 1994, indicating rising frustration at the pace of inflation</li> <li>• The S&amp;P 500 enters bear market territory, falling 24% from peak to trough, before rebounding</li> <li>• Economic activity keeps expanding, but the pace has slowed markedly</li> </ul>	<p>Despite its earlier guidance, the Fed accelerated its tightening path and lifted the fed funds target rate by 75bps to a range of 1.5% to 1.75%, the largest step since 1994. While moving closer to the terminal rate the acceleration also points at some desperation on the part of the Fed. Although core inflation is showing signs of rolling over some components remain stubbornly high in the near term, keeping up the pressure on the Fed. More tightening is likely to come in the coming months, but we doubt that the Fed will be able and willing to move all the way to its projected rate of 3.75% given the rapid deterioration of some economic indicators. Meanwhile, the S&amp;P 500 has entered bear market territory as tighter monetary policy and a weaker outlook weigh on investors' minds.</p>
<p>UK</p> <ul style="list-style-type: none"> <li>• Headline inflation ticks up to 9.1% YoY in May, the highest in more than four decades</li> <li>• The Bank of England lifts the Bank Rate to 1.25% despite a weaker economic outlook</li> <li>• Consumer sentiment falls to a record low as rising living costs weigh on consumers' minds</li> </ul>	<p>Headline CPI inflation ticked up to 9.1% YoY in May, the highest in more than four decades. While the recent fall in energy prices will help to mitigate the overall price pressure, inflation will remain far above the BoE's target for the foreseeable future. The BoE reacted by lifting the Bank Rate by another 25bps to 1.25% with more tightening expected in the coming months. Rising living costs and a deteriorating economic outlook continue to weigh on households' minds with consumer sentiment falling to a new record low in June. While business activity is expanding at a decent pace according to the latest set of PMIs, retail sales fell in May. The FTSE 100 is holding up relatively well given the volatility in markets though it has started to underperform given the recent fall in yields and energy prices.</p>
<p>Eurozone</p> <ul style="list-style-type: none"> <li>• Inflation hits record highs on energy prices and rising core inflation, ECB to raise rates in July and September</li> <li>• Business surveys point to slowing growth in H2 while reduced gas supplies increase the chance of a recession this winter</li> <li>• Consumer confidence is extremely depressed, but record low unemployment should support spending</li> </ul>	<p>The Eurozone's economic resilience appears to be fading. The latest PMI data, while still consistent with growth, show a sharp fall in business confidence. Forward-looking indicators in the survey such as new orders, were particularly weak. In addition, consumer confidence remains at multi-year lows. For now, the labour market remains healthy while supply-chain blockages appear to be diminishing. However, the slowdown in growth momentum combined with the recent reduction in the supply of gas from Russia to Europe, increases recession risks around the turn of the year, especially if there is no resolution to the geopolitical crisis. Meanwhile, inflation continues to hit record highs and the ECB is planning to raise rates in July and in September as a result, bringing the era of negative policy rates to a close.</p>
<p>Switzerland</p> <ul style="list-style-type: none"> <li>• The SNB hikes rates for the first time in 15 years, abandoning the view that the franc is highly valued</li> <li>• The hawkish policy shift strengthens our conviction that domestic inflation pressures are likely to remain benign</li> <li>• Economic activity is expected to be resilient despite a stronger franc, but downside risk has risen</li> </ul>	<p>The SNB delivered a surprise 50bp rate hike in June, moving ahead of the planned ECB lift-off in July and abandoning its long-held view that the Swiss franc is highly valued. The reason for the hawkish shift appears to be a desire to reduce the risk of a sharp weakening of the franc and a surge in imported inflation, given aggressive policy tightening in the rest of the world. It is a change in regime that reinforces our view that domestic inflation pressures will remain benign in Switzerland. It also puts the SNB in a more challenging position should elevated economic and geopolitical risk materialise. We are leaving our growth outlook for Switzerland unchanged for now, but with a stronger franc and a weaker external backdrop the risk to growth has tilted to the downside.</p>

Key developments	Zurich's view
<p>Japan</p> <ul style="list-style-type: none"> <li>The manufacturing sector is still suffering from supply chain bottlenecks</li> <li>Consumption recovers markedly, though the outlook is more cautious</li> <li>Japanese equities rally and outperform global equities as the yen depreciates</li> </ul>	<p>Consumption has recovered following a stabilisation on the Omicron front. Retail sales rose for the third month in a row in May, while the Services PMI marked an eight-year high in June. However, looking forward, we note that consumer confidence is deteriorating markedly following its impressive recovery from Covid lows, impacted by concerns about food and energy inflation as well as supply chain bottlenecks for durable goods. Supply chain issues are still lingering in the manufacturing sector as confirmed by a deteriorating Manufacturing PMI in June, with the new order components even falling below the 50 mark. Japanese equities have outperformed global equities since April, notably as the USDJPY surged to a 23-year high above 136.</p>
<p>China</p> <ul style="list-style-type: none"> <li>An improvement on the Omicron front and public stimulus measures will help to kickstart the economy</li> <li>Infrastructure, as well as the property and labour markets are key targets for stimulus measures</li> <li>Chinese equities are outperforming global equities as the pessimism of foreign investors recedes</li> </ul>	<p>Following a very challenging Q2, with the economy coming close to a standstill due to the impact of broad lockdown measures, growth is starting to pick up steam again. New Omicron infections have receded significantly, and there are no 'high-risk' districts any longer. Lockdown and quarantine measures have been eased, and support for the ailing property sector has been kicking in. Speeding up infrastructure investments in the second half of the year will be key to coming closer to the official 'around 5½%' growth target for this year. Even though we are more optimistic than consensus, we agree that it will be a huge challenge. Meanwhile, both domestic 'A'-shares and Hong Kong listed 'H'-shares have significantly outperformed global equities as the pessimistic views of foreign investors recedes.</p>
<p>Australia</p> <ul style="list-style-type: none"> <li>The RBA hiked the cash rate by 50bps to 0.85% in June, and a further 50bp rate hike is expected in July</li> <li>The Australian labour market remained strong in May, driving participation to a record high</li> <li>Leading economic indicators like consumer confidence show signs of weakness</li> </ul>	<p>In Australia, the RBA increased the cash rate by 0.50% vs. the market forecast of 0.25%, attempting to lower inflationary pressures in the economy. The RBA governor announced that he now expects year-end headline CPI to reach 7.0%, up from the previous forecast of 5.9%. The Australian labour market remains tight, with 60k new jobs created in May, exceeding market expectations of 25k. However, leading economic indicators are moderating as higher interest rates are starting to impact consumer confidence, which has trended down to lowest level since August 2020. The Australian equity market has been impacted by negative global sentiment, declining by 7%.</p>
<p>ASEAN</p> <ul style="list-style-type: none"> <li>Inflation continues to accelerate on rising food and energy costs</li> <li>Food and fuel subsidies come under review</li> <li>Bank Indonesia remains an outlier, maintaining rates while ASEAN peers are tightening</li> </ul>	<p>In Malaysia, headline/core inflation continues to accelerate, and we believe that inflation will likely hit the higher end of BNM's forecast of 2.2-3.2% YoY given persistently high input costs following the government's decision to adjust/remove the ceiling price for food subsidies. While electricity tariffs have been maintained despite rising fuel costs, there is upside risk from subsidy adjustment too. In Indonesia, BI placed more emphasis on global growth concerns than inflation risk but acknowledged that inflation would slightly exceed its 2-4% target and is prepared 'to adjust interest rates if signs of higher core inflation are detected.' We anticipate a 75bp hike in H2 as we believe BI's stance will harden in the face of rising US/ECB rates that may be a drag on the rupiah.</p>
<p>LatAm</p> <ul style="list-style-type: none"> <li>The outlook for financial markets deteriorates on global economic outlook concerns and hawkish central banks behaviour</li> <li>Banxico accelerated tightening, mentioning that it will continue to hike amid more persistent inflation</li> <li>A decline in unemployment, resilient private consumption, and solid services have improved Brazil's short-term growth expectations</li> </ul>	<p>Following the fall in global markets and the drop in commodity prices, the LatAm equity market underperformed EMs. The MSCI LatAm Index lost all its gains of the year, mainly driven by Brazil, where the increase in fiscal uncertainty has negatively impacted the market. In Chile, despite the negative performance for the month, the IPSA maintains a positive cumulative return, being one of the best performing equity markets globally this year. The FX market is under pressure, with the BRL and the CLP the worst-performing EMs currencies in June. The CLP reached its lowest historical level, clouding the inflation outlook and challenging central bank policy. The MXN remained supported as Banxico accelerated tightening, raising the policy rate by 75bps to 7.75%.</p>

Valuation snapshot (MSCI Indices)

Current trailing valuations

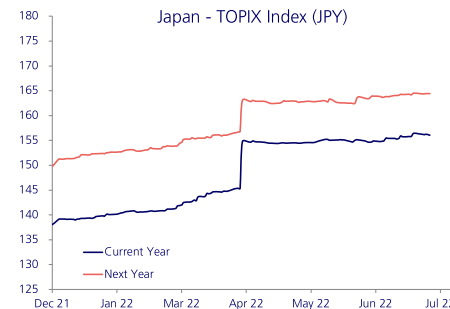
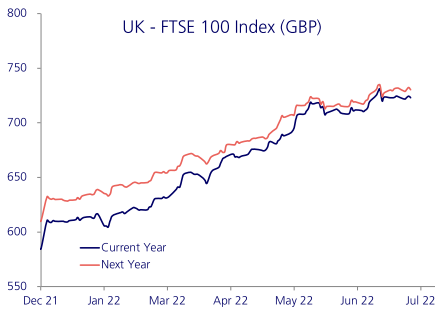
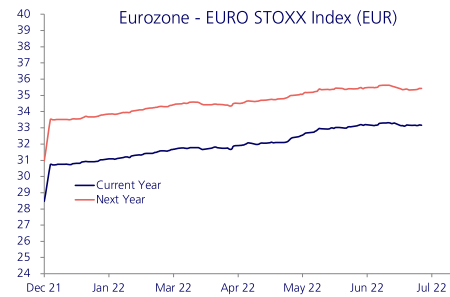
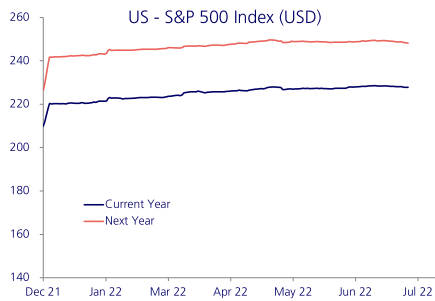
	US	Europe ex UK	UK	Switzerland	Japan	APAC ex. Japan	China	Brazil	Mexico
12m Trailing P/E	20.73	15.59	14.23	17.30	13.55	14.77	13.86	6.03	14.00
12m Trailing P/B	4.17	1.92	1.87	3.22	1.33	1.70	1.39	1.71	1.99
12m Trailing P/CF	14.48	7.41	7.76	10.54	9.03	8.76	8.57	5.02	6.30
Dividend Yield	1.52	2.96	3.77	2.76	2.41	2.76	2.26	10.37	3.18
ROE	20.09	12.31	13.10	18.60	9.79	11.49	10.04	28.28	14.22

Current trailing valuations relative to MSCI world

	US	Europe ex UK	UK	Switzerland	Japan	APAC ex. Japan	China	Brazil	Mexico
12m Trailing P/E	1.17	0.88	0.81	0.98	0.77	0.84	0.78	0.34	0.79
12m Trailing P/B	1.55	0.71	0.69	1.19	0.49	0.63	0.52	0.63	0.74
12m Trailing P/CF	1.31	0.67	0.70	0.95	0.81	0.79	0.77	0.45	0.57
Dividend Yield	0.72	1.40	1.79	1.31	1.14	1.31	1.07	4.91	1.51
ROE	1.32	0.81	0.86	1.22	0.64	0.75	0.66	1.86	0.93

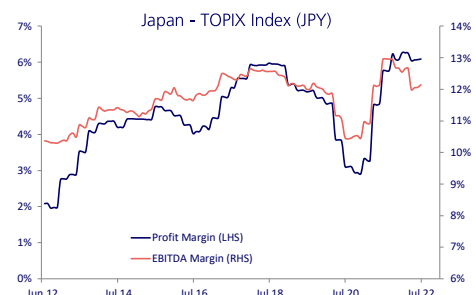
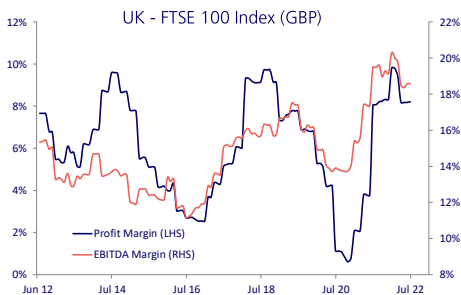
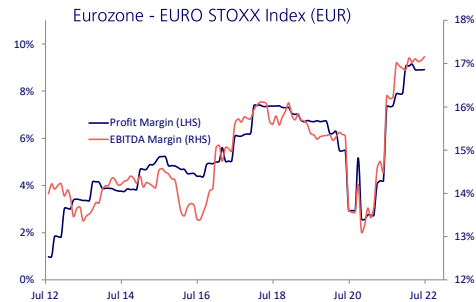
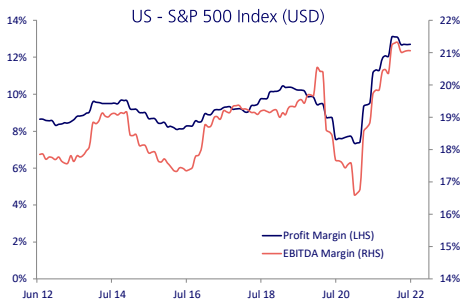
Source: Datastream

Earnings estimates - Full fiscal years



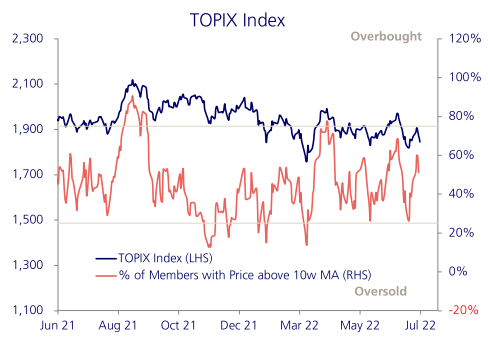
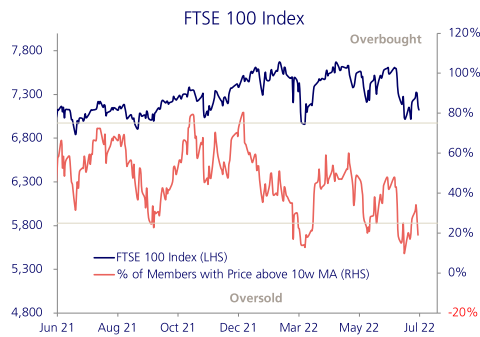
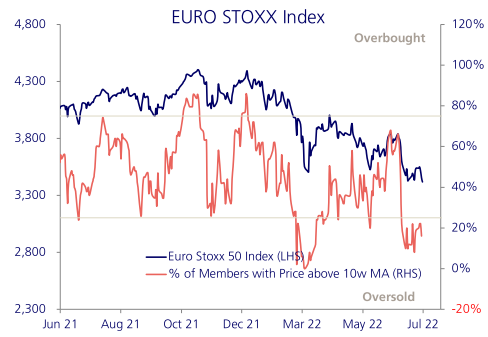
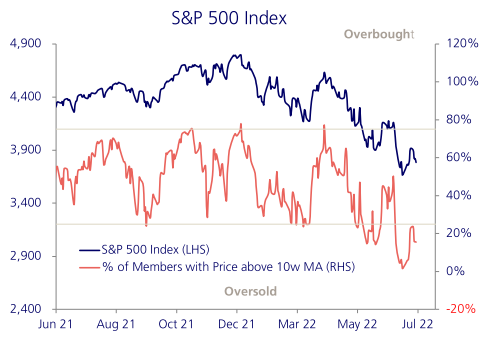
Source: Bloomberg

Historical margins



Source: Bloomberg

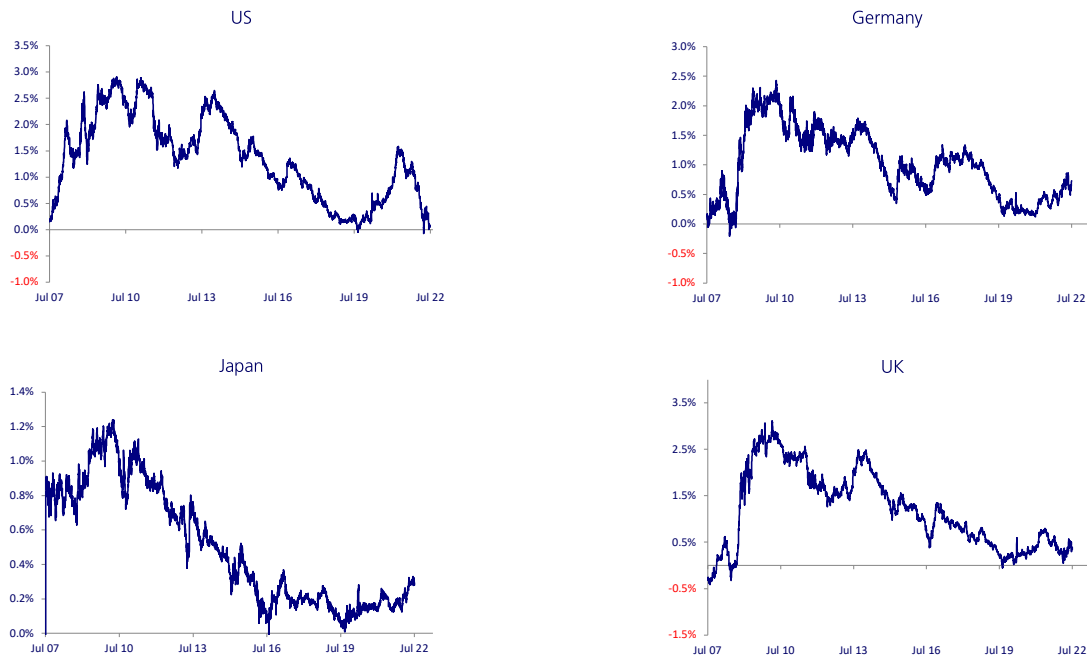
Overbought / Oversold



Source: Bloomberg

## Appendix 3

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



Source: Bloomberg

### Spread Snapshot

#### Generic Government Yields (10yr)

Country	Spread over US Treasury (bps)			
	Jul-22	1m ago	3m ago	1yr ago
UK	-73	-74	-77	-73
Germany	-162	-172	-183	-166
Switzerland	-196	-196	-177	-167
Japan	-274	-260	-216	-142
Australia	63	51	45	6
China	-15	-5	39	163
South Korea	65	49	62	64
Malaysia	127	135	149	182
Indonesia	429	420	436	512
Thailand	-14		-5	28
Philippines	109	n/a	n/a	n/a
Brazil	1040	972	n/a	771
Mexico	608	581	594	559
Colombia	358	323	277	n/a
Peru	479	469	437	394

#### Generic Government Yields (10yr)

Country	Spread over German Bund (bps)			
	Jul-22	1m ago	3m ago	1yr ago
France	60	52	47	33
Netherlands	37	29	26	11
Belgium	69	59	50	30
Austria	58	56	48	20
Ireland	66	58	58	37
Italy	196	200	154	100
Spain	112	110	92	60
Portugal	111	114	82	58

Source: Bloomberg, ZIG

## Economic data

<b>US</b>	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Trend*
ISM Manufacturing (Index)	60.9	59.9	59.7	60.5	60.8	60.6	58.8	57.6	58.6	57.1	55.4	56.1		down
ISM Non-Manufacturing (Index)	60.7	64.1	62.2	62.6	66.7	68.4	62.3	59.9	56.5	58.3	57.1	55.9		down
Durable Goods (% MoM)	1.8	0.4	1.6	-1.5	1.5	1.4	0.9	3.1	-0.7	0.7	0.4	0.7		down
Consumer Confidence (Index)	128.9	125.1	115.2	109.8	111.6	111.9	115.2	111.1	105.7	107.6	108.6	103.2	98.7	down
Retail Sales (% MoM)	19.4	15.8	15.7	14.3	16.5	18.6	16.8	13.7	17.7	7.1	7.8	8.1		down
Unemployment Rate (%)	5.9	5.4	5.2	4.7	4.6	4.2	3.9	4.0	3.8	3.6	3.6	3.6		down
Avg Hourly Earnings YoY (% YoY)	4.1	5.1	5.2	5.9	6.4	6.5	6.2	6.7	6.7	6.7	6.6	6.5		up
Change in Payrolls ('000, MoM)	557.0	689.0	517.0	424.0	677.0	647.0	588.0	504.0	714.0	398.0	436.0	390.0		down
PCE (% YoY)	3.6	3.6	3.6	3.7	4.2	4.7	4.9	5.1	5.3	5.2	4.9	4.7		down
GDP (% QoQ, Annualized)	6.7			2.3			6.9			-1.6				
<b>UK</b>	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Trend*
PMI Services (Index)	62.4	59.6	55.0	55.4	59.1	58.5	53.6	54.1	60.5	62.6	58.9	53.4	53.4	down
Consumer Confidence (Index)	-9.0	-7.0	-8.0	-13.0	-17.0	-14.0	-15.0	-19.0	-26.0	-31.0	-38.0	-40.0	-41.0	down
Unemployment Rate (%)	4.7	4.6	4.4	4.3	4.2	4.1	4.0	4.0	3.8	3.7	3.8			down
CPI (% YoY)	2.5	2.0	3.2	3.1	4.2	5.1	5.4	5.5	6.2	7.0	9.0	9.1		up
GDP (% YoY)	24.5			6.9			6.6			8.7				
<b>Eurozone</b>	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Trend*
PMI Manufacturing (Index)	63.4	62.8	61.4	58.6	58.3	58.4	58.0	58.7	58.2	56.5	55.5	54.6	52.0	down
PMI Services (Index)	58.3	59.8	59.0	56.4	54.6	55.9	53.1	51.1	55.5	55.6	57.7	56.1	52.8	up
IFO Business Climate (Index)	101.4	100.8	99.9	99.2	98.1	96.8	94.8	96.3	98.6	90.8	91.9	93.0	92.3	down
Industrial Production (% MoM)	0.3	0.6	-1.2	-0.9	-1.4	2.5	1.6	-0.8	0.5	-1.4	0.4			down
Factory Orders GE (% MoM)	5.6	4.4	-9.4	2.8	-5.9	3.2	2.4	2.2	-1.3	-4.2	-2.7			down
Unemployment Rate (%)	7.9	7.6	7.5	7.3	7.3	7.1	7.0	6.9	6.8	6.8	6.7	6.6		down
M3 Growth (% YoY, 3 months MA)	8.4	7.8	8.0	7.6	7.7	7.3	6.9	6.5	6.4	6.2	6.1	5.6		down
CPI (% YoY)	1.9	2.2	3.0	3.4	4.1	4.9	5.0	5.1	5.9	7.4	7.4	8.1		up
Core CPI (% YoY)	0.9	0.7	1.6	1.9	2.0	2.6	2.6	2.3	2.7	3.0	3.5	3.8		up
GDP (% QoQ)	2.2			2.3			0.2			0.6				
<b>Switzerland</b>	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Trend*
KOF Leading Indicator (Index)	132.9	130.2	113.1	110.7	110.0	107.2	107.2	107.1	105.1	99.2	103.0	96.8	96.9	down
PMI Manufacturing (Index)	67.1	70.0	67.0	67.6	65.7	63.8	64.2	63.8	62.6	64.0	62.5	60.0		down
Real Retail Sales (% YoY)	0.5	-2.2	0.9	2.6	1.8	4.8	0.0	6.3	12.7	-6.3	-5.5	-1.6		down
Trade Balance (Billion, CHF)	5.5	5.3	5.1	5.0	5.3	6.0	3.5	3.1	5.9	2.8	4.0	3.1		down
CPI (% YoY)	0.6	0.7	0.9	0.9	1.2	1.5	1.5	1.6	2.2	2.4	2.5	2.9		up
<b>Japan</b>	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Trend*
Nomura Manufacturing PMI (Index)	52.4	53.0	52.7	51.5	53.2	54.5	54.3	55.4	52.7	54.1	53.5	53.3	52.7	down
Machine Orders (% YoY)	18.6	11.1	17.0	12.5	2.9	11.6	5.1	5.1	4.3	7.6	19.0			up
Industrial Production (% YoY)	22.9	11.1	8.4	-2.5	-4.3	4.8	2.2	-0.8	0.5	-1.7	-4.9	-2.8		down
ECO Watchers Survey (Index)	45.4	47.7	34.3	43.3	56.2	58.5	58.6	35.9	36.6	48.9	50.7	52.6		up
Jobs to Applicants Ratio (Index)	1.1	1.1	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2		up
Labour Cash Earnings (% YoY)	0.1	0.6	0.6	0.2	0.2	0.8	-0.4	1.1	1.2	2.0	1.3			up
Department Store Sales (% YoY)	-1.6	4.2	-11.7	-4.3	2.9	8.1	8.8	15.6	-0.7	4.6	19.0	57.8		up
Money Supply M2 (% YoY)	5.9	5.3	4.7	4.2	4.2	4.0	3.7	3.6	3.6	3.5	3.4	3.2		down
CPI Ex Food & Energy (% YoY)	-1.1	-0.8	-0.7	-0.8	-1.2	-1.2	-1.3	-1.9	-1.8	-1.6	0.1	0.2		up
Exports (% YoY)	48.6	37.0	26.2	13.0	9.4	20.5	17.5	9.6	19.1	14.7	12.5	15.8		down
<b>China</b>	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Trend*
PMI Manufacturing (Index)	50.9	50.4	50.1	49.6	49.2	50.1	50.3	50.1	50.2	49.5	47.4	49.6	50.2	down
Industrial Production (% YoY)	8.3	6.4	5.3	3.1	3.5	3.8	4.3			5.0	-2.9	0.7		down
Retail Sales (% YoY)	12.1	8.5	2.5	4.4	4.9	3.9	1.7			-3.5	-11.1	-6.7		down
PPI (% YoY)	8.8	9.0	9.5	10.7	13.5	12.9	10.3	9.1	8.8	8.3	8.0	6.4		down
Exports (% YoY)	32.1	19.2	25.4	28.0	26.9	21.7	20.9	24.1	6.3	14.6	3.9	16.9		down
CPI (% YoY)	1.1	1.0	0.8	0.7	1.5	2.3	1.5	0.9	0.9	1.5	2.1	2.1		up
RRR (%)	12.5	12.0	12.0	12.0	12.0	12.0	11.5	11.5	11.5	11.5	11.3	11.3	11.3	down
GDP (% YoY)	7.9			4.9			4.0			4.8				up
PMI Non Manufacturing (Index)	50.9	50.4	50.1	49.6	49.2	50.1	50.3	50.1	50.2	49.5	47.4	49.6	50.2	down
Aggregate Financing (Billions, CNY)														neutral

Datasource: Bloomberg

\*Trend = Last 3m - Previous 3m

## Appendix 5

### Economic data

<b>Australia</b>	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Trend*
AIG Manufacturing (Index)	63.2	60.8	51.6	51.2	50.4	54.8	48.4	48.4	53.2	55.7	58.5	52.4	54.0	up
AIG Service (Index)	57.8	51.7	45.6	45.7	47.6	49.6	56.2	56.2	60.0	56.2	57.8	49.2		down
Westpac Consumer Confidence (% MoM)	-5.2	1.5	-4.4	2.0	-1.5	0.6	-1.0	-2.0	-1.3	-4.2	-0.9	-5.6	-4.5	down
Building Approvals (% YoY)	53.1	19.8	34.6	18.2	-6.7	-8.5	-8.3	-21.3	-6.6	-35.2	-32.4			down
Employment Change ('000, MoM)	36.5	-1.4	-138.1	-138.2	-34.3	384.0	69.6	21.2	97.6	24.1	4.4	60.6		down

<b>Brazil</b>	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Trend*
CPI (% YoY)	8.4	9.0	9.7	10.3	10.7	10.7	10.1	10.4	10.5	11.3	12.1	11.7		up
Industrial Production (% YoY)	24.1	12.1	1.4	-0.6	-4.1	-7.8	-4.4	-5.0	-7.3	-4.1	-1.9	-0.5		up
Retail Sales (% YoY)	15.9	6.3	5.7	-4.1	-5.2	-6.8	-4.2	-2.9	-1.5	1.3	4.9	4.5		up
Trade Balance (Millions, USD)	10414.3	7380.0	7659.1	4400.7	2063.7	-1110.1	4012.9	-66.3	4634.1	7529.6	8087.6	4944.0		up
Budget Balance Primary (Billions, BRL)	-37.4	-75.6	-55.4	-29.7	-42.0	-25.0	-26.6	-54.2	84.1	-22.5	-26.5	-41.0		down

<b>Chile</b>	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Trend*
IMACEC Economic Activity Index (% YoY)	21.11	18.57	18.67	14.38	13.93	13.57	8.84	8.78	6.56	6.38	6.94			down
CPI (% YoY)	3.80	4.54	4.78	5.34	6.03	6.70	7.17	7.70	7.81	9.41	10.52	11.55		up
Retail Sales (% YoY)	62.39	24.47	19.28	22.54	15.43	14.22	13.48	10.62	11.02	19.58	-5.56			down
Industrial Production (% YoY)	6.20	5.04	4.78	-0.59	1.33	2.75	1.72	-1.10	-2.96	0.85	-3.61	1.78		up
Unemployment (%)	9.50	8.90	8.50	8.40	8.10	7.50	7.20	7.30	7.50	7.80	7.70	7.80		up

<b>Mexico</b>	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Trend*
PMI (Index)	52.0	51.9	51.1	50.1	51.4	50.9	52.9	48.4	51.0	51.8	52.4	50.9		up
CPI (% YoY)	5.9	5.8	5.6	6.0	6.2	7.4	7.4	7.1	7.3	7.5	7.7	7.7		up
Retail Sales (% YoY)	17.0	9.9	7.2	5.9	5.3	5.4	4.9	6.7	6.4	3.8	4.6			down
Industrial Production (% YoY)	16.7	7.7	6.5	-0.4	0.0	2.7	3.7	3.7	6.9	3.6	3.9			down
Remittances (Millions, USD)	4457.5	4545.0	4748.7	4408.9	4822.1	4661.6	4752.2	3918.2	3911.3	4692.5	4718.1			down

Datasource: Bloomberg

\*Trend = Last 3m - Previous 3m



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