ECONOMY & FINANCIAL MARKETS

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Andbank Monthly Corporate Review – February 2025

Corporate View

February 2025

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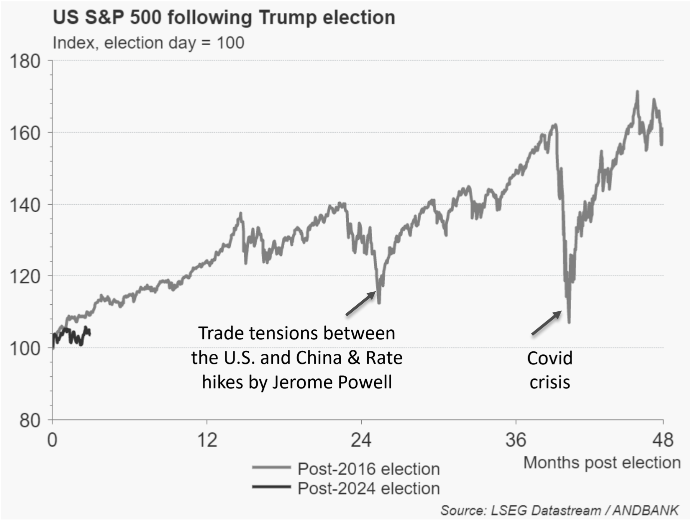
EXECUTIVE SUMMARY

CHARTS OF THE MONTH



EQUITIES

Index	INDEX CURRENT PRICE	Andbank's Target Price (year end 2025)	Expected performance to target Price	Recommended Strategy
USA S&P 500	5.995	6.537	9,0%	MW-OW
Europe - Stoxx Europe 600	535	566	5,8%	MW
Spain IBEX 35	12.289	12.351	0,5%	UW
Mexico IPC GRAL	51.210	62.933	22,9%	MW-OW
Brazil BOVESPA	125.731	132.000	5,0%	UW
Japan TOPIX	2.738	2.962	8,2%	OW
China SSE Comp. A share	3.407	3.163	-7,2%	UW
China Shenzhen Comp	1.911	1.742	-8,8%	UW
India SENSEX	78.584	91.170	16,0%	OW
Vietnam VN Index	1.265	1.532	21,2%	OW
MSCI EM ASIA	588	740	26,0%	OW

FIXED INCOME GOVIES CORE, PERIPHERAL & CREDIT (DM)

Indices	Performance Last 30 days	Performance YTD	Current Price	Andbank's Target Price Year End	Expected Performance (to Target Price)
US Treasury 10 year Govie	0,7%	0,1%	4,58	**4,75**	3,2%
UK 10 year Gilt	0,9%	1,0%	4,53	**4,50**	4,8%
German 10 year BUND	0,5%	-0,2%	2,41	**2,40**	2,5%
Japanese 10 year Govie	-1,1%	-1,3%	1,27	**1,25**	1,4%
Spain - 10yr Gov bond	0,5%	0,1%	3,08	**3,15**	2,5%
Italy - 10yr Gov bond	0,7%	0,3%	3,52	**3,65**	2,5%
Portugal - 10yr Gov bond	0,2%	-0,4%	2,91	**2,90**	3,0%
Ireland - 10yr Gov bond	0,5%	-0,2%	2,66	**2,80**	1,6%
Greece - 10yr Gov bond	-0,3%	0,0%	3,24	**3,40**	2,0%
Credit EUR IG-Itraxx Europe	0,3%	0,4%	53,73	**65**	2,8%
Credit EUR HY-Itraxx Xover	0,8%	1,1%	291,19	**360**	3,4%
Credit USD IG - CDX IG	0,4%	0,5%	48,48	**75**	4,0%
Credit USD HY - CDX HY	0,6%	0,7%	294,57	**450**	2,6%

Indices	Performance Last 30 days	Performance YTD	Current Price	Andbank's Target Price Year End	Expected Performance (to Target Price)
Turkey - 10yr Gov bond (local)	9,4%	16,0%	25,82	**26,82**	17,8%
Russia - 10yr Gov bond (local)	1,2%	1,5%	15,11	**25,00**	-64,0%
China - 10yr Gov bond (local)	-0,2%	0,7%	1,62	**1,25**	4,6%
India - 10yr Gov bond (local)	1,2%	1,4%	6,67	**6,25**	10,0%
Singapore - 10yr Gov bond (loc	1,0%	0,5%	2,88	**2,50**	5,9%
Indonesia - 10yr Gov bond (loc	0,8%	0,7%	6,99	**6,00**	14,9%
South Korea - 10yr Gov bond (l	0,5%	0,3%	2,73	**2,75**	2,6%
Taiwan - 10yr Gov bond (local)	0,8%	0,8%	1,54	**2,50**	-6,1%
Philippines - 10yr Gov bond (loc	0,4%	0,6%	6,08	**5,00**	14,7%
Malaysia - 10yr Gov bond (loca	0,4%	0,4%	3,81	**3,00**	10,3%
Thailand - 10yr Gov bond (loca	0,4%	-0,3%	2,30	**1,75**	6,7%
Vietnam - 10yr Gov bond (local	0,1%	0,3%	3,02	**3,00**	3,1%
Mexico - 10yr Govie (Loc)	3,4%	4,2%	10,05	**10,50**	6,5%
Mexico - 10yr Govie (USD)	0,8%	0,7%	6,62	**6,75**	5,5%
Brazil - 10yr Govie (Loc)	-0,4%	4,5%	14,75	**14,75**	14,8%
Brazil - 10yr Govie (USD)	2,2%	3,1%	6,73	**7,75**	-1,4%

COMMODITIES & FX

Indices	Performance Last 30 days	Performance YTD	Current Price	Andbank's Target Price Year End	Expected Performance (to Target Price)
Oil (WTI)	-2,3%	0,9%	71,7	**70,00**	-2,4%
GOLD	5,7%	5,9%	2.814,9	**2.400**	-14,7%
EURUSD (price of 1 EUR)	-0,6%	-0,8%	1,03	**1,05**	1,7%
GBPUSD (price of 1 GBP)	-0,8%	-1,1%	1,24	**1,29**	3,8%
EURGBP (price of 1 EUR)	0,2%	0,3%	0,83	**0,81**	-2,0%
USDCHF (price of 1 USD)	0,5%	0,6%	0,91	**0,87**	-4,3%
EURCHF (price of 1 EUR)	-0,1%	-0,2%	0,94	**0,91**	-2,7%
USDJPY (price of 1 USD)	-1,5%	-1,0%	155,25	**158,0**	1,8%
EURJPY (price of 1 EUR)	-2,1%	-1,8%	160,28	**165,9**	3,5%
USDMXN (price of 1 USD)	0,6%	-1,0%	20,43	**21,00**	2,8%
EURMXN (price of 1 EUR)	0,0%	-1,6%	21,09	**22,05**	4,5%
USDBRL (price of 1 USD)	-5,0%	-6,0%	5,81	**5,80**	-0,1%
EURBRL (price of 1 EUR)	-5,7%	-6,8%	5,99	**6,09**	1,6%
USDARS (price of 1 USD)	1,8%	2,2%	1.053,00	**1.000**	-5,0%
USDINR (price of 1 USD)	1,6%	1,9%	87,06	**86**	-1,2%
CNY (price of 1 USD)	-1,0%	-0,7%	7,25	**7,50**	3,4%

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USA

Constructive Outlook for 2025: Assessing Trump's Measures and Inflation Trends

Equity Market: Neutral to Optimistic Outlook

The new year began on an optimistic note, driven by solid economic data, encouraging corporate earnings, and a shift in focus toward inflation control rather than growth. A cumulative 100 basis point interest rate cut had been fostering a favorable environment in which the economy, while gradually cooling, would maintain more than decent growth rates despite uncertainty over the pace of future rate cuts in 2025—not to mention the policy measures that President Trump might implement.

Trump Presidency and Tariffs

•On February 3, 2025, the Trump administration agreed to a 30-day pause on the 25% tariffs on imports from Canada and Mexico while negotiating border security and drug trafficking issues. This decision followed the deployment of 10,000 Mexican National Guard troops along the northern border. However, tariffs against China take effect today, February 4 (apnews.com). In response, China imposed retaliatory tariffs of 15% on U.S. coal and LNG and 10% on crude oil, agricultural machinery, and automobiles. Additionally, it announced export controls on tungsten, tellurium, bismuth, and molybdenum and launched an antitrust investigation into Google while blacklisting PVH Corp and Illumina (Xinhua). Trump is expected to speak with Xi, raising the possibility of delaying the 10% tariff after the moratorium on Canada and Mexico. He also warned that tariffs would be substantial if no agreement is reached (Bloomberg). Markets have faced trade uncertainty before and may adapt again. The prospect of negotiations, the moderate impact on China, and anticipated corporate tax cuts could help mitigate volatility. However, it is crucial for the Trump administration to avoid escalating global tensions.

Equity Bullish Price Factors

Economic Activity: US quarterly growth holds steady at 3%, demonstrating resilience despite a cooling trend. Forecasts suggest a slight slowdown to 2% by 2025, which could pave the way for continued monetary flexibility.

Prices & Monetary Policy: Headline CPI rose as expected to 2.9%, but Core CPI saw a favourable decline in monthly and year-over-year measures to 3.2%, with shelter costs easing and contributions from goods and energy stabilising. Following a 1% rate cut in 2024, the federal funds rate now sits at 4.5%. Markets anticipate one or two further cuts in 2025, though recent inflation trends suggest the next adjustment may occur mid-year. The Federal Reserve's balance sheet has already dipped below $7 trillion.

Earnings: In a more flexible economic environment, S&P 500 EPS growth is projected to exceed 270, reflecting over 10% earnings growth in 2025, supported by lower interest rates. Technology will likely remain a leader, but other sectors are expected to contribute positively, as seen in 2024. Small Caps should continue to perform well, provided the gradual decline in interest rates persists.

Equity Bearish Price Factors — Valuations: After a 2024 expansion, P/E multiples are expected to stabilise in 2025. Earnings growth may continue, but price increases will likely be more contained, maintaining relatively high current valuation levels.

Fixed Income

Duration: The 10-year US Treasury yield began the year at 4.57%. We recommend caution, with a target rate level of 4.75% providing sufficient margin for increasing fixed-income duration. **Credit:** Target spreads remain demanding, with Investment Grade at 75 bps and High Yield at 450 bps. Current levels are tight at 50 bps (IG) and 300 bps (HY), warranting greater caution against potential widening.

Market outlook – Recommendations & Targets from fundamental analysis

Equities: S&P MARKETWEIGHT-OVERWEIGHT

Bonds: Govies MARKETWEIGHT. 10Y UST Target 4.75%

Credit – CDX (IG): MARKETWEIGHT (Target Spread 75)

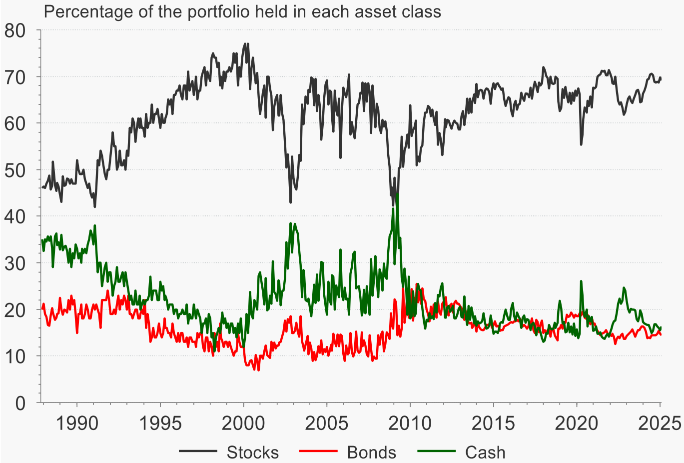
Credit – CDX (HY): UNDERWEIGHT (Target Spread 450)

Forex: DXY index MARKETWEIGHT-OVERWEIGHT

US price-to-earning ratio
S&P 500

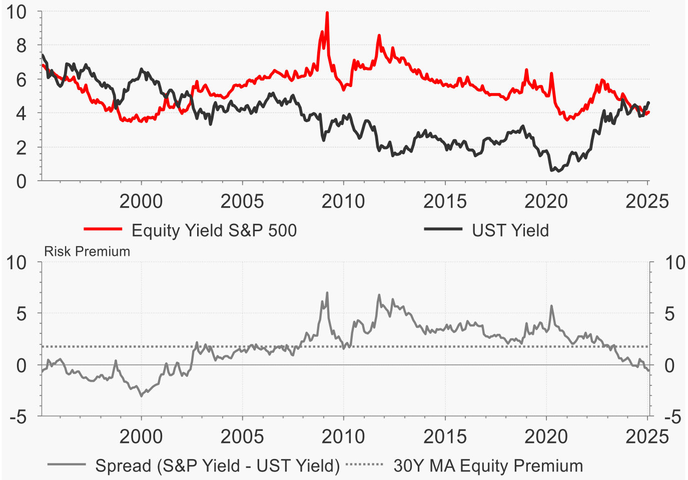
Source: LSEG Datastream / ANDBANK

Asset Allocation - US investors
Percentage of the portfolio held in each asset class



Source: LSEG Datastream / ANDBANK

Equity Yield & UST Yield



Source: LSEG Datastream / ANDBANK

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MACRO ECONOMY

EUROPE

Focused on Trump and German elections

Macro bullish factors: 1) Rate cuts in “autopilot mode”: Greater confidence in the inflation trajectory enables rate cuts to proceed more predictably. 2) Sentiment nearing its trough: PMIs showing recovery, particularly driven by service sector improvements. 3) Consumption recovery expected: Supported by several factors: i) Real income growth, with wages expected to rise by 3-3.5% in 2025; ii) Solid employment levels and improving consumer confidence; iii) A high savings rate of 15.4%, significantly above the 12.3% average observed from 2015 to 2019.

Macro bearish factors: 1) Downward revision of 2025 GDP estimates: Growth projections for 2025 have been adjusted lower, from +1.2% to +1.0% y/y. 2) Policy uncertainty from Trump: Particularly the potential for higher US tariffs. Historical estimates suggest trade uncertainty during Trump’s first term, negatively impacting Eurozone GDP by approximately -0.5% between 2018 and 2019. 3) Increased defence expenditures: May be required to meet NATO’s expanded obligations, potentially rising from the current 2% of GDP to around 3%. 4) Monitoring disinflation in services.

Political bullish factor: 1) Potential impact of a Great Coalition in Germany: Following the elections on February 23rd, a more pragmatic stance on the debt brake, coupled with market-friendly policies such as lower taxes and deregulation, could be anticipated. These measures are likely to bolster confidence and stimulate investment. 2) Draghi’s report on European competitiveness: The report could serve as a roadmap for addressing structural challenges in Europe, with a particular emphasis on fostering innovation and entrepreneurship.

Political bearish factors: 1) France’s social cohesion challenges: Hinder its ability to address high public debt effectively, compounded by the potential risk of a fresh round of legislative elections after the summer. 2) Germany’s political uncertainty: Growing support for the AfD could jeopardise the formation of a Grand Coalition, potentially undermining Germany’s leadership role in driving Europe’s progress. 3) Europe’s need for action: Europe remains at a standstill and must advance through compromise and decisive action

Govies

Bullish factors: 1) Positive real rates at historical highs: Particularly in the ultra-long segment of the curve. 2) ECB rate cuts expected through 2025: At least during the first half, with the deposit facility rate likely stabilising around 2%. 3) US Treasury correlation: A strong correlation with US Treasuries persists, as the Federal Reserve progresses through its easing cycle.

Bearish factors: 1) Larger rate cuts priced in: Markets have already factored in significant rate cuts, approximately 100 bps. 2) Potentially stickier inflation: Inflation may remain more persistent than expected, with service prices showing little movement, renewed pressures from food and energy and 3-year inflation expectations trending upward.

Credit

Bullish factors: 1) Supportive credit metrics: While slightly deteriorating, credit fundamentals remain broadly favourable. 2) Low default rates: Default rates remain at low levels within the investment-grade universe. 3) Attractive yields: With investment grade (IG) at 3.3% and high yield (HY) at 6.7%, providing a cushion against potential spread widening. 4) Healthy demand for higher supply: Increased issuance, particularly in hybrid instruments, continues to find sufficient demand.

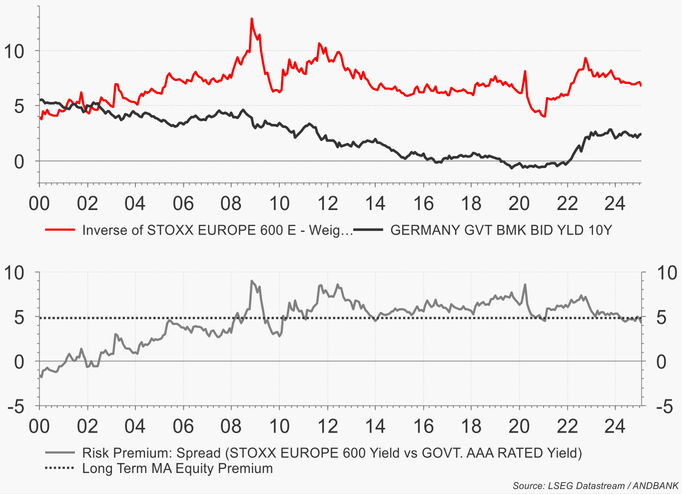
Bearish factors: 1) Stretched valuations: Credit spreads are below historical averages, making valuations appear demanding. 2) Rising default rates in HY: High-yield default rates have seen a slight uptick, raising concerns in that segment**.**

Spread targets and positioning: Spread targets for iTraxx indices, initially set at 75 bps for IG and 400 bps for HY in October, revised lower to 65 bps and 360-375 bps. We recommend overweighting defensive sectors and banks while underweighting tariff-sensitive sectors to align with current market dynamics.

Equity Market Summary – Neutral/Positive Outlook:

While there is growing optimism for European consumer sectors, overall equity market returns remain constrained by the slowdown phase of the business cycle.

Equity Yield (Europe) vs Risk Free Yield10Y



Euro area price-to-earnings
Europe Stoxx 600

Defensive sectors, such as utilities, and quality growth-oriented stocks in capital goods are better positioned compared to rate-sensitive sectors like banks, media and autos. Dispersion across sectors remains wide after a period of high earnings divergence. Autos, banks and real estate are as cheap relative to historical valuations as they’ve been since 1999, with energy following closely. However, among these, only real estate appears positioned for some re-rating at this stage of the cycle. While some sectors appear moderately expensive, their typically strong earnings performance should help mitigate downside risks.

Market outlook – Recommendations & Targets

Equities – Stoxx Europe: MARKETWEIGHT

Bonds – Core governments: UNDERWEIGHT (Bund target 2.40%. OW at 3% yield,)

Peripheral – MW/UW: IT (3.65%), SP (3.15%), PT (2.90%), IE (2.80%). UW: GR (3.40%).

Credit – Itraxx Europe (IG): UNDERWEIGHT (Target Spread 65 bps)

Credit – Itraxx Europe (HY): UNDERWEIGHT (Target Spread 375 bps)

FX – EUR/USD tactical band is adjusted to 1-1.05, while the structural range remains at 0.9-1.10.

SPAIN

Robust Economic Activity Fuelled by Record-Breaking Tourism

Macro and Economic Outlook

The economy maintained significant momentum throughout 2024. After a period of strong activity in the third quarter, indicators suggest that GDP growth will remain robust in the final quarter of 2024, despite the temporary disruptions caused by the DANA, which impacted several provinces at the end of October. GDP expanded by 0.8% q/q in the third quarter, surpassing the Bank of Spain's projections from September. This performance was driven largely by the strength of both private and public consumption, while investment once again underperformed expectations.

Tourism, a cornerstone of Spain's economy, achieved remarkable results in 2024. The country welcomed 94 million international tourists, an increase of 10% compared to the previous year. Even more notable was the rise in associated spending, which totalled approximately 126 billion euros, underscoring the sector's contribution to economic growth.

Projections for the fourth quarter indicate GDP growth rates between 0.6% and 0.7% quarter-on-quarter, despite uncertainties and the potential drag of the DANA, which could reduce growth by 0.1 to 0.2 percentage points. However, this impact is expected to be short-lived, with recovery supported by fiscal measures targeting affected families and businesses, ensuring economic momentum continues into early 2025.

Inflation trends are also improving, with the deceleration process gaining traction. Headline inflation (+2.8% y/y at the end of 2024 vs. +3.6% y/y in 2023) has moderated significantly, driven by a sharper-than-anticipated decline in energy prices, despite some statistical base effects. Core inflation (+2.6% y/y), remains more resilient, especially in services, although recent trends in the euro area have shown some signs of moderation, offering a slightly more favourable outlook.

Demographic shifts have also played a critical role in Spain's economic narrative. Between July 2021 and July 2024, the immigrant population grew by 1.26 million, far outpacing the 187,000 increase in the national population. The foreign labour force expanded by 700,000 over this period, with 800,000 foreign workers finding employment, accounting for 40% of the jobs created during these years. This growth underscores the significant role of immigrants in supporting GDP expansion, particularly in sectors like domestic services, agriculture, hospitality and construction, which account for the largest shares of foreign workers.

Stock Market Performance

Spain's financial markets delivered strong returns in 2024, with the benchmark IBEX 35 posting a gain of 14.78% for the year. The financial sector, which holds significant weight in the index, was a primary driver of this positive performance. The robust results from the tourism sector provided further support, with companies such as IAG seeing their share prices more than double, achieving an annual return of over 100%. Other tourism-related stocks, including AENA (+25.6%) and Meliá Hotels (+23.3%), also performed well.

Inditex, a global leader in retail, was another standout performer. Despite a challenging environment for the retail sector, its share price rose by 30%, reflecting the company's resilience and ability to adapt. In contrast, utilities (Naturgy -7.7% & Enagas -14%) and smaller-cap stocks saw more subdued returns, a trend consistent with other developed markets.

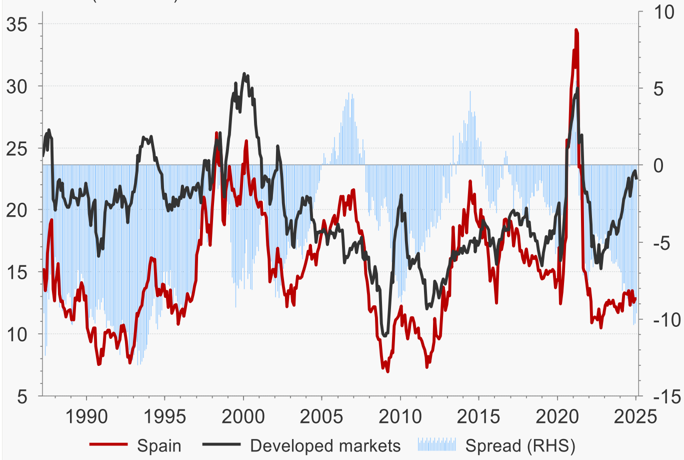
With a projected EPS of 1,072 for 2025, the IBEX 35 trades at a price-to-earnings ratio of 11.11. This valuation reflects stable earnings expectations amid favourable economic conditions, positioning Spain's equity market for continued positive performance in the near term

Market outlook – Recommendations & Targets from fundamental analysis

Equities – Spain's Ibex: UNDERWEIGHT

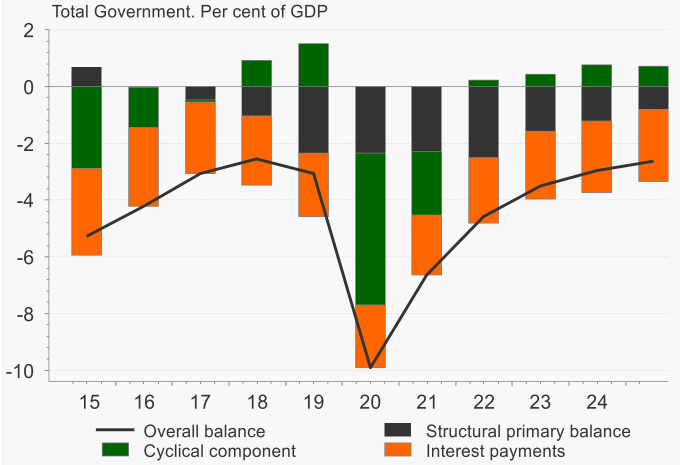
Bonds: Govies MARKETWEIGHT (10-year target yield 3.15%)

Spain price-to-earnings ratio
Ratio (both axes)



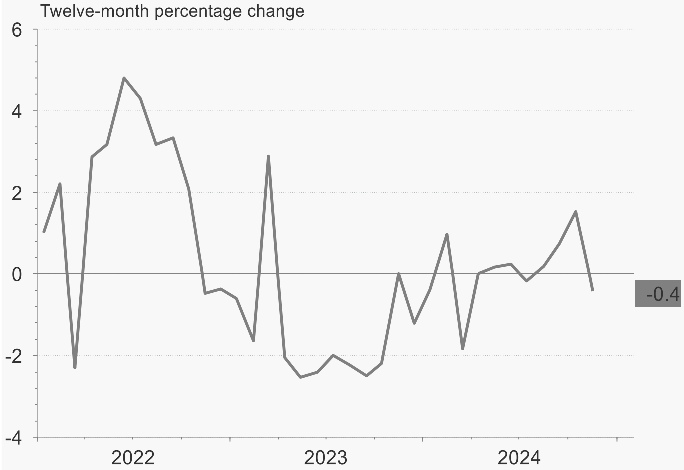
Source: LSEG Datastream / ANDBANK

Spain government budget balance breakdown
Total Government. Per cent of GDP



Source: LSEG DatastreamThomson Reuters Datastream / ANDBANK

Spain industrial production
Twelve-month percentage change



Source: LSEG Datastream / ANDBANK

CHINA

China and its Directed Capitalism. Should this Equity Market Have a Structural Place in My Portfolio?

China's Equity Market: A Cautionary Approach.

In wealth management, a long-standing principle has guided investors: "be long on the S&P and the German Bund." This reflects the priorities of two financial giants. In the US, where stock ownership is widespread, equity markets dominate, with the Federal Reserve acting as de facto guardian of the S&P 500 during economic distress. Germany, by contrast, historically prioritised government bonds, with the Bundesbank protecting the Bund in downturns. However, this has changed. With the Bundesbank's integration into the ECB, Germany's bond market influence has weakened. The fiscal stability that once supported the Bund has eroded, leaving Europe without the same protection for its debt markets. Today, the principle applies mainly to the S&P. But where does China fit in? In many ways, China mirrors 1990s Germany. As a major exporter with vast reserves, China prioritises debt first, currency second and equity last, in contrast to the US. Beijing's focus on developing a deep debt market aligns with its goal of making the renminbi a global reserve currency. This shift introduces a new rule for modern investing: "Be long on the S&P and Chinese Bonds."

The Challenges of Investing in Chinese Equities

Despite Beijing's efforts to rejuvenate its equity markets through stimulus measures, significant challenges remain. At the heart is "Hunger Games Capitalism," where Beijing drives fierce competition in key sectors like solar panels and electric vehicles (EVs). Provincial governments and state-backed banks play crucial roles in supporting these industries to meet ambitious national production goals. This hyper-competitive environment often results in an oversupply of producers—sometimes over 100 in a single sector—leading to unsustainable pricing. While this provides Chinese consumers with affordable options (e.g., EVs under $10,000), it undermines profitability and creates an unappealing landscape for investors. Unlike free markets, where supply and demand optimise production and shareholder value, China's state-driven model prioritises policy goals over profits. Internationally, these policies, such as excess production flooding global markets and fuelling trade tensions, further weaken the outlook for Chinese equities.

A Sector-Specific Approach

When considering Chinese equities, investors should carefully assess two key factors: the extent to which government policies allow stock prices to move freely and whether a sector is vulnerable to fierce regulatory interventions. In general, sectors that lie outside Beijing's direct strategic focus tend to experience less state interference. Noteworthy sectors include: i) Casinos (Macau): Operating largely outside the reach of mainland China's regulations, the casino sector is insulated from domestic pressures and benefits from less competition within its market; ii) Specialised Internet Platforms: Dominant players like Alipay, Baidu and WeChat hold strong positions akin to monopolies, while others such as JD.com and Alibaba continue to generate healthy cash flows despite competitive challenges, unlike sectors caught in intense regulatory battles; iii) Energy: The energy sector is largely shielded from regulatory volatility due to the prevalence of state-owned enterprises, which operate with quasi-monopoly status and benefit from government protection; iv) Education: Following the 2021 regulatory crackdown on extracurricular education, the sector has consolidated, with leading players now holding dominant positions and reduced competition risks. Although regulatory risks persist, Beijing's growing sensitivity to equity market stability, along with recent consolidations within key sectors, indicates a diminished likelihood of significant further interference. As a result, investors should consider a sector-specific strategy, focusing on industries with limited state involvement while avoiding broad exposure to the Chinese market. This cautious, targeted approach provides a balanced path forward in navigating the Chinese equity landscape.

Market outlook – Recommendations & Targets from fundamental analysis

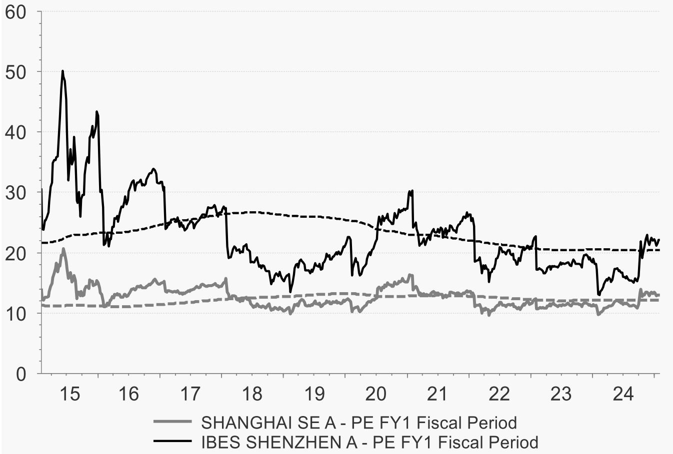
Equities – SHANGHAI Idx: UW // SHENZHEN Idx: UW

Bonds – Govies: UNDERWEIGHT-MARKETWEIGHT (10Y Yield target 1.25%)

Forex – CNY/USD: UNDERWEIGHT (Target 7.50)

CHINA SSE & SHENZHEN Index - PE Ratio

PE forward



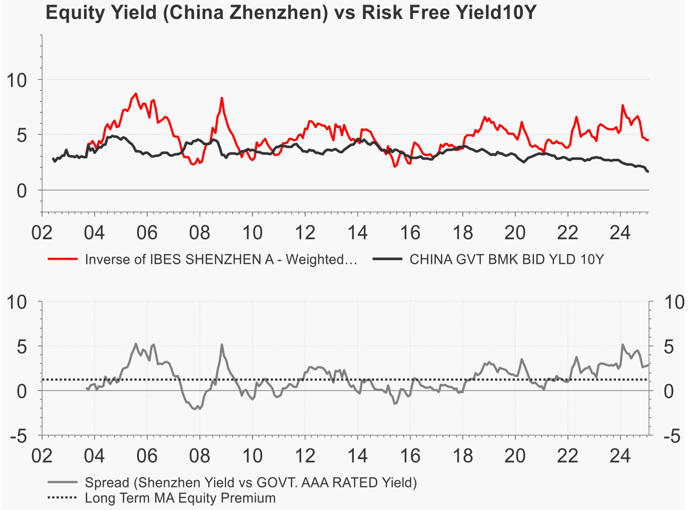
Source: LSEG Datastream / ANDBANK

Chinese Equities Undeperforms World & US indices

MSCI China vs MSCI Global and MSCI USA

Source: LSEG Datastream / ANDBANK

Equity Yield (China Zhenzhen) vs Risk Free Yield10Y



Source: LSEG Datastream / ANDBANK

JAPAN

Fiscal intentions, and stimulus like NISA, will keep the Yen under pressure but support the equity market

NISA reforms drive retail investment surge as stock splits reach a 7-year high

Japan's reforms to boost investment in financial markets are showing positive results. Stock splits surged to 211 in 2024, the highest level since 2017, reflecting growing domestic retail investor interest. This increase is driven by the NISA program (Nippon Individual Savings Account), which has gained traction, alongside progress in the liquidation of cross-shareholdings—a sign that reforms to optimise capital and shareholder value are proving effective. The NISA initiative, introduced to encourage citizen investment, offers tax advantages by allowing small investors to invest in stocks, mutual funds and other financial instruments without paying taxes on capital gains and dividends, up to certain limits.

Positive Micro developments: Zombie firms decline for first time in seven years

According to figures from Teikoku Databank cited by Nikkei, the number of so-called zombie firms—defined as companies unable to generate enough from core operations to cover debt repayments—fell by 13.0% in FY23 (ending mid-2024) to approximately 228,000. Many small firms managed to avoid liquidity pressures by passing on cost increases, although the decline also reflects companies exiting the market through bankruptcy or closure. Regardless, this factor is already factored into market expectations, and the bankruptcy dynamic is unlikely to be a recurring theme.

FX: January marks the yen's low point for the year, but the new fiscal policy targets signal caution on the yen and optimism for equities

The Nikkei QUICK monthly FX survey (n=70) revealed that the largest group, 35%, anticipates January will be the low point for the yen this year, while 40% expect the yen to end the year at its highs. According to *Smarteconomics*, the USD/JPY is forecast to reach 149 by the end of December, with easing US yields and foreign exchange intervention cited as the primary justifications. However, we believe that neither a potential easing of US yields nor the Bank of Japan's (BOJ) interventions will drive the yen's rise. As such, we maintain a cautious view on the Japanese currency.

First, we expect a rise in US Treasury yields, not a decline, as has historically occurred when the Federal Reserve concludes its rate-cutting cycle, assuming there is no recession. In these scenarios, yields typically increase. Second, there has been no indication that unilateral foreign exchange intervention by Japan will be a key factor to monitor. This is important because past BOJ interventions have proven ineffective at strengthening or defending the yen. The first major intervention in late April only temporarily boosted the yen for a few days. A smaller intervention a few months later had a more lasting impact, but this coincided with a soft US inflation print that signalled a dovish Fed policy, followed by a more hawkish BOJ stance, which helped sustain the yen rally.

The more significant medium-term driver for currency values, as previously discussed, will be the trajectory of macroeconomic policies. Therefore, investors should focus on the broader macro picture and avoid relying on the impact of Japanese forex interventions when considering yen rallies. Additionally, Japan's primary surplus forecast has now been pushed back to FY26, with the Council for Economic and Fiscal Policy estimating a ¥800 billion surplus by FY26. The primary balance for FY25, however, is expected to show a ¥4.5 trillion deficit, compared to the previous estimate of a ¥800 billion surplus. While this forecast weighs on the yen, it is seen as favourable for the stock market in the short term.

Market outlook – Recommendations & Targets from fundamental analysis

Equities – N225: OVERWEIGHT

Bonds – Govies: UNDERWEIGHT (Target yield 1.25%)

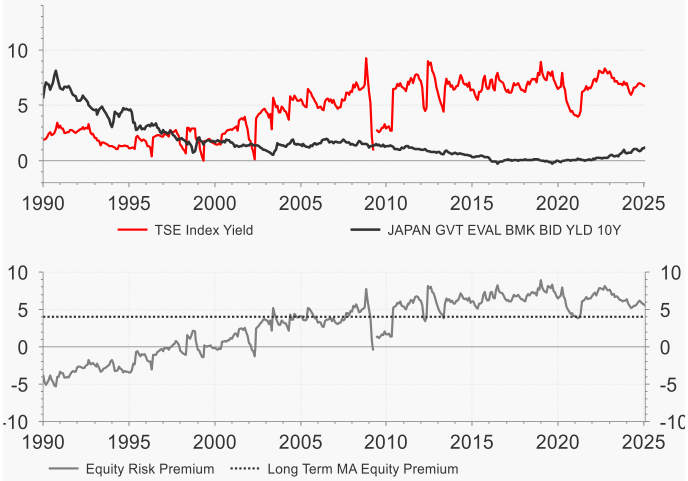
Forex – USD-JPY: UNDERWEIGHT-MARKETWEIGHT. (Mid-term target 158)

Japan Nikkei 225 price / earnings

Ratio

Source: LSEG Datastream / ANDBANK

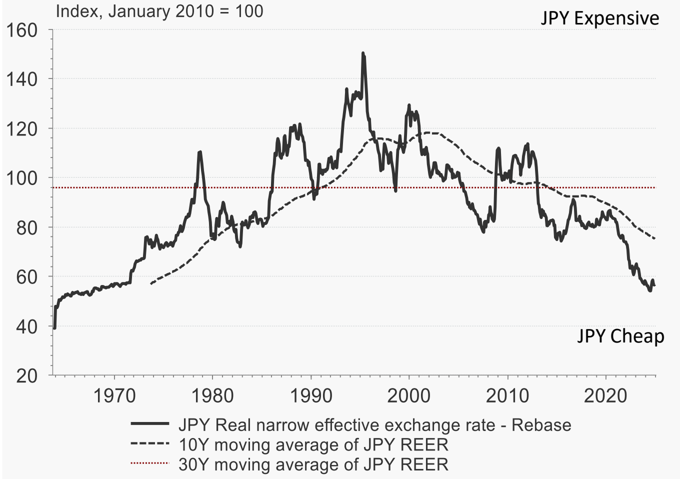
Equity Yield (Japan) vs Risk Free Yield10Y



Source: LSEG Datastream / ANDBANK

Japan real narrow EER

Index, January 2010 = 100



Source: LSEG Datastream / ANDBANK

INDIA

Price Momentum Is Negative, But India's Economy and Market Remain Resilient

Indian Market Correction: GDP and ADANI Allegations

The Indian equity market has fallen 10% since late September, partly due to external pressures, including concerns over a potential new global tariff regime following Trump's victory, which has particularly impacted emerging markets, especially in Latin America. However, India's decline is also driven by domestic factors: a disappointing GDP growth figure of 5.4% y/y for November, falling short of the expected 6.5%, and legal proceedings against the president of Adani Ports, part of India's largest industrial conglomerate.

This latter negative factor appears to be easing. Hindenburg Research, the short-selling firm that targeted Adani, has announced the cessation of its activities and the closure of the company. This move is believed to be related to evidence of collusion between Hindenburg and the Anson hedge fund, based on documentation uncovered during an investigation conducted by a Canadian court. If proven, this collusion could constitute securities fraud. The closure of Hindenburg suggests it may have also closed its short positions in Adani, which would be a positive development for the industrial group and the broader market.

The market's negative tone is expected to be temporary, with a recovery in flows anticipated

Several bullish factors support this outlook: 1) GDP Base Effects: The 5.4% growth reflects a high base effect, considering the 8.1% growth during the same period in 2023. 2) Strong Harvest: A robust harvest is likely to drive strong consumption in the agricultural sector and among rural communities. 3) Consumption Resilience: Private consumption remains strong at 6% year-on-year, surpassing the 5-year average of 4.5%, which is enough to support a Capex cycle. 4) Public Capex Recovery: India's public Capex cycle has been subdued recently due to government spending being put on hold during the first half of the fiscal year ending in March 2025, due to the electoral cycle. With elections now behind, public Capex is expected to regain momentum in the coming months. 5) Corporate Capex Recovery: Private Capex, which accounts for 66% of national Capex, has been absent over the past two years due to significant corporate deleveraging linked to financial sector reforms. Once major corporate sectors stabilise, private Capex is expected to return with stronger resilience. With private demand remaining at healthy levels (a floor of 6% y/y) and potential interest rate cuts by the RBI, we anticipate a surge in national Capex.

Equity Bearish Price Factors

Despite the market correction since September, valuations remain high, with a price-to-book ratio of 3.9x and a risk premium that exceeds both other emerging markets and India's historical average. However, the current landscape in India is fundamentally different from a decade ago, making direct comparisons less meaningful.

The primary challenge is the RBI's focus on controlling inflation, which is slightly above the target range at 6%. A sudden change in its stance could damage its credibility, so we expect the RBI's support to be gradual. The repo rate remains at 6.5%, but core CPI is relatively low at 3.75%. As a result, a commitment from the RBI to reduce rates once food inflation shows signs of stabilising could be enough to reignite investor interest.

The legal case against the Adani Group could have broader market implications if the conglomerate faces refinancing difficulties, as half of its debt is financed with foreign capital. However, other companies in India have seen their valuations rise since the allegations, suggesting that the contagion risk is limited. Even former President Trump has criticised the regulations under which Adani was indicted, and the Trump administration may leverage this case to push India into reducing tariffs on US products.

Market outlook – Recommendations & Targets from fundamental analysis

Equities – SENSEX: OVERWEIGHT (Target price 90,000)

Bonds – Govies: OVERWEIGHT (New target yield 6,25%)

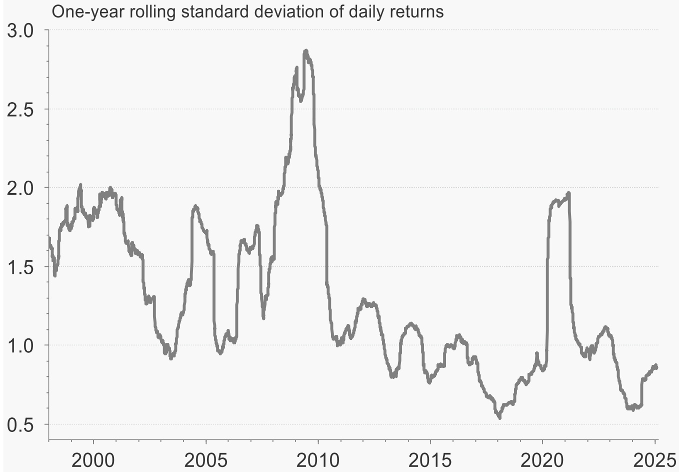
Bonds – Corporates: OVERWEIGHT

Forex – INR/USD: NEUTRAL (Target 86)

India Datastream index Price Earnings Ratio
Ratio

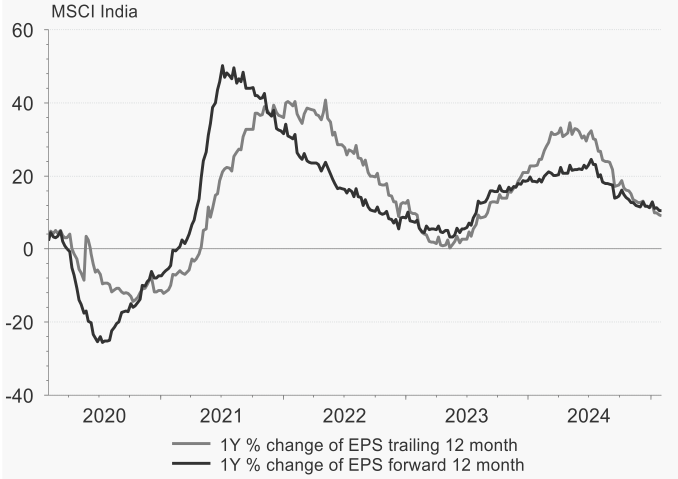
Source: LSEG Datastream / ANDBANK

India NIFTY 50 realised volatility
One-year rolling standard deviation of daily returns



Source: LSEG Datastream / ANDBANK

EPS (Trailing & Forward)
MSCI India



Source: LSEG Datastream / ANDBANK

VIETNAM

From Stability to Acceleration: Vietnam's Economic Vision for 2025

Growth in 2024 reached 7.09% with inflation at 3.63%. The 2025 GDP growth target is set at 8-10%

Looking back at the macroeconomic performance of 2024, Vietnam has established a stable foundation with several bright spots. Specifically, GDP grew by 7.09%, while inflation—a major concern for many countries—remained under control. Lending volumes demonstrated stable growth, reflecting the flexible and effective management of monetary and fiscal policies. With this positive momentum, the Government confidently set an ambitious GDP growth target of 8-10% by 2025, supported by three main drivers: import and export, investment and domestic consumption.

Vietnam is entering a new era of growth. Developing and understanding the growth vectors for 2025

In terms of **import and export**, during the Trump 1.0 era, Vietnam's export turnover to the US surged. **Investment**, contributing 31-32% to GDP, remains vital. The ICOR index, which reflects investment efficiency, has improved from 7.3x in 2009 to 5.13x today, signalling better capital utilisation. Key projects like Long Thanh International Airport, Tan Son Nhat Airport's Terminal 3, the 519-km Quang Trach - Pho Noi power line and the North-South high-speed railway highlight progress, influencing real estate, private investment and GDP. Public investment not only drives growth but also encourages private-sector participation. **Domestic consumption**, the third growth lever, is crucial but lacks breakthroughs; with 10-12% growth in consumption, Vietnam could achieve double-digit GDP growth.

Two scenarios for Vietnam's economic growth in 2025

We propose two economic growth scenarios for Vietnam in 2025: Scenario 1: If US trade policies remain stringent and monetary policy shifts from moderate to slightly tighter, Vietnam's GDP growth is projected to range between 6.5% and 7%. Scenario 2: If US policies, such as tariffs, are more targeted and monetary policy remains flexible (dovish), Vietnam's economy could achieve a higher growth rate of 8% to 9%.

International Financial Centre Takes Shape

Ho Chi Minh City's development into an international financial centre is picking up speed with a new steering committee being formed under PM Chinh. The plan will require reforms including the development of a more complete financial transaction ecosystems, an improved digital infrastructure framework and the legal scaffolding to support the whole thing. Current market metrics show room for growth—HoSE's market-cap-to-GDP ratio is 70%, below regional peers Thailand (104.2%) and Malaysia (93.7%).

Digital Technology Push Gains Speed

The government's "Resolution 57" aims to position Vietnam among Southeast Asia's top three countries for digital technology R&D by 2030. It focuses on science, technology and digital transformation, targeting the development of five globally competitive tech firms. Digital payments are booming, with NAPAS processing 9.56 billion transactions worth $2.4 trillion in 2024, and instant transfers growing by a third annually.

Trade Relations Roundup

US-Vietnam trade reached $132 billion in 2024, with Vietnam's exports at $119 billion. Vietnam-China trade topped $205 billion, creating an $82.8 billion deficit. The UK's membership in CPTPP (Comprehensive and Progressive Agreement for Trans-Pacific Partnership) will open new opportunities in the consumer goods, technology and machinery sectors.

Corporate Profits & Equity market. Positive Outlook

In the case that the global economy slows down but avoids recession, the obstacles in the Vietnamese real estate sector are resolved, helping banks confidently disburse credit, thereby improving personal consumption, corporate profits could increase by 16-17 percent. Third, in the scenario where public investment creates real momentum and confidence for the private economic sector, corporate profit growth could exceed 20-25 per cent.

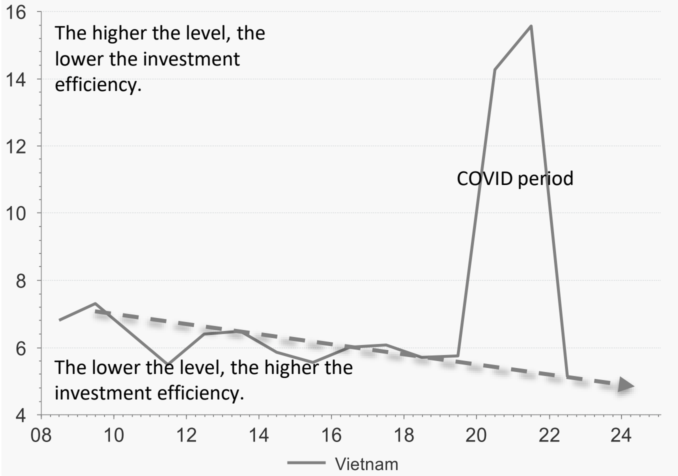
Market outlook – Recommendations & Targets from fundamental analysis

Equities – VNI Idx: OVERWEIGHT (New target Price at ~1,500)

VIETNAM - Datastream index Price Earnings Ratio

Source: LSEG Datastream / ANDBANK

Incremental Capital - Output Ratio



Source: LSEG Datastream / ANDBANK

EARNING PER EMPLOYEE - Quarterly Total

Source: LSEG Datastream / ANDBANK

ISRAEL

Finding Light at the end of the tunnel

Macro, fiscal & monetary policy

Israel's economic landscape in January presented both challenges and opportunities, shaped by key geopolitical and economic events. The ceasefire agreement between Israel and Hezbollah quickly stabilized market sentiment and economic activity. It is expected to curb defense spending, which surged during the conflict, easing pressure on the fiscal deficit, now around 7.4% of GDP. While slightly improved from late 2024, persistent tax revenue challenges may hinder further fiscal consolidation.Inflation rose moderately in January, driven by higher energy costs and ongoing supply chain disruptions, particularly from Suez Canal restrictions. The Bank of Israel maintained a cautious stance, signaling readiness to intervene if inflationary pressures persist.Israeli exports remained resilient, supported by strong global demand for technology and defense products, though sectors reliant on Europe struggled amid the EU's economic slowdown. Despite these challenges, Israel's outlook remains anchored in innovation-driven industries, with prudent fiscal and monetary policies crucial in the months ahead.

Fixed income

The Israeli government bond market experienced notable shifts in January, driven by evolving monetary policy expectations and geopolitical developments. The signing of the ceasefire agreement contributed to a slight decline in yields on mid-to-long-term government bonds, reflecting reduced risk premiums and improved market sentiment. Additionally, the Bank of Israel's decision to maintain interest rates at its January meeting provided further support to fixed-income assets.

Investor sentiment remained cautious, with market participants closely monitoring inflationary trends and economic growth indicators. Short-duration bonds garnered significant interest, offering attractive yields amid expectations of stable monetary policy in the near term. Meanwhile, demand for inflation-linked bonds increased, signalling persistent concerns over inflation despite the calming effects of the ceasefire. These dynamics highlight the bond market's sensitivity to both domestic and global economic developments as investors navigate an uncertain environment. We Maintain a cautious stance, prioritising short-duration bonds (2–3 years) for stability. Inflation-linked bonds remain attractive as a hedge against persistent inflation risks.

Stocks

The Israeli stock market turned in a strong performance in January, supported by easing geopolitical tensions and an improving economic outlook. The TA-35 and TA-125 indices rebounded by approximately 3.8% and 4.2%, respectively, from December lows.

The rally was led by the technology and financial sectors. Technology firms benefited from sustained global demand for innovation and robust exports, while the financial sector saw renewed investor confidence. Banks and insurance companies posted gains exceeding 5%, driven by strong earnings and favourable market cap-to-book ratios. The defence sector, though experiencing reduced immediate demand following the ceasefire, attracted strategic investments positioning it for future growth. Consumer discretionary stocks also rebounded as improved domestic sentiment and a recovery in retail spending bolstered the sector.

The recent ceasefire agreement, covering both the northern and southern fronts, is expected to drive significant investments in infrastructure and construction. The government is set to approve a 30 billion NIS (9 billion USD) budget to support these initiatives, creating long-term opportunities in these sectors.

Our strategy maintains an overweight stance on the financial and technology sectors, with a targeted focus on banks, insurance companies and leading technology firms capitalising on strong global demand. In addition, we are adopting a selective exposure to infrastructure and construction, strategically positioning to benefit from the anticipated government-driven investments and the sector's long-term growth potential.

Market outlook – Recommendations & Targets from fundamental analysis

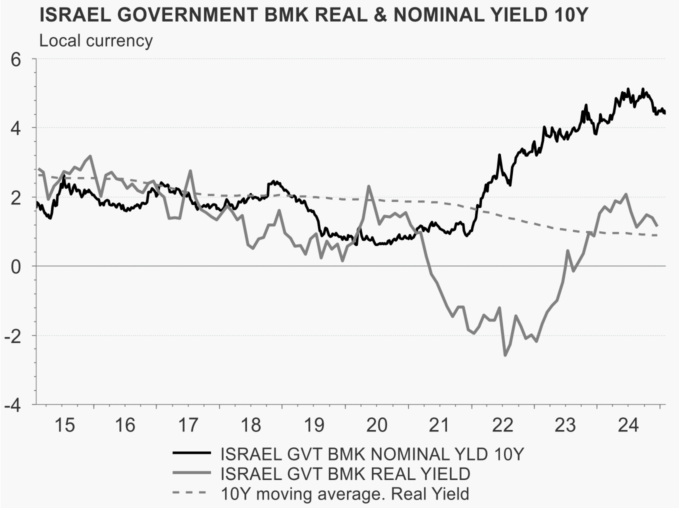
Equities – TLV35 Index: MARKETWEIGHT

Bonds – Government–10Y Gov: MARKETWEIGHT

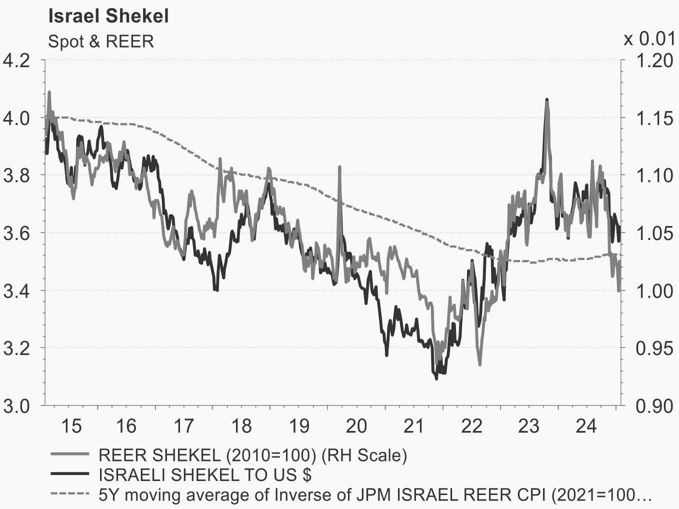
Bonds – Corporates: MARKETWEIGHT

FX – ISL vs USD: Neutral in REER

Source: LSEG Datastream / ANDBANK



Source: LSEG Datastream / ANDBANK



Source: LSEG Datastream / ANDBANK

BRAZIL

Lula might have lost his Midas touch

Miscommunication Issues

Lula, once hailed as one of Brazil's greatest orators—especially in his ability to connect with the impoverished—seems to have lost his "Midas touch." Since the beginning of his third term as president, both Lula and his cabinet have repeatedly missed opportunities to clearly articulate their intentions. One of the most contentious issues fuelling public and market uncertainty is the government's approach to Brazil's fragile fiscal situation. Despite efforts by Finance Minister Fernando Haddad and Planning Minister Simone Tebet to reassure markets of their commitment to fiscal responsibility, Lula's impromptu speeches often undermine their efforts. For instance, in November 2023, during a cabinet meeting, Lula remarked, "For those in the Treasury, good money is money that is in reserves, but for those in the Presidency, good money is money transformed into infrastructure. It is money transformed into roads, schools, primary, secondary and tertiary education and health," urging ministers to be "the best spenders on public works." While this rhetoric may resonate with his political base, it sends mixed signals to markets about the government's fiscal discipline. Another example of poor communication strategy occurred at the end of 2024. The government announced a highly anticipated fiscal package to address structural imbalances but made the announcement alongside a plan to increase income tax exemptions for Brazilians earning up to BRL 5,000. The tax exemption dominated public discourse, diverting attention away from the pressing fiscal reforms and effectively undermining efforts to reassure financial markets. The government's communication missteps were further amplified in January 2025, when it was forced to revoke a controversial decree. The measure, which expanded the Federal Revenue's oversight of financial transactions to include digital banks, payment apps and fintechs, faced massive backlash fuelled by misinformation. False claims that the Pix real-time payment system would be taxed and monitored daily led to public outrage. This backlash compelled the government to backtrack on the policy just two weeks after it came into effect.

A New Central Bank?

The Brazilian Central Bank (BCB) has adopted an increasingly hawkish tone in its recent communications, reflecting concerns over persistent inflation, which continues to hover above target across all relevant time horizons.

Meanwhile, Brazil's GDP growth has been stronger than expected for two consecutive years. In 2024, for example, the first market projections published in the *Boletim Focus* estimated modest 1.59% GDP growth. However, by the year's end, growth projections had surged to approximately 3.50%. For 2025, expectations point to a deceleration, with markets projecting 2.0% GDP growth. Inflation, as measured by the IPCA, remains stubbornly high at 5.0%, necessitating the BCB's tough monetary stance.

While political pressure over high interest rates persists, stronger-than-expected growth may help offset some of this noise. However, with the next presidential election on the horizon, markets remain sceptical about whether the Central Bank's independence will hold as a new president takes office. We believe it will. Gabriel Galípolo, the former Director of Monetary Policy and incoming Central Bank President, brings a reassuring presence. He represents a more capable and pragmatic choice compared to past Central Bank appointments by left-leaning governments. The Central Bank, now legally independent, is far removed from the policy missteps seen during Dilma Rousseff's administration (2010–2015). Those years should serve as cautionary lessons for anyone in this role. That said, Galípolo's tenure will undoubtedly face significant challenges. The combination of hawkish monetary policy, decelerating growth, persistent inflation and the political pressures of an intense reelection campaign creates a volatile environment. The macroeconomic balance may resemble a pressure cooker with no obvious safety valve. How Galípolo navigates this environment will be critical and, without a doubt, fascinating to observe.

Market outlook – Recommendations & Targets from fundamental analysis

Equities – iBovespa: UNDERWEIGHT (Target 132,000)

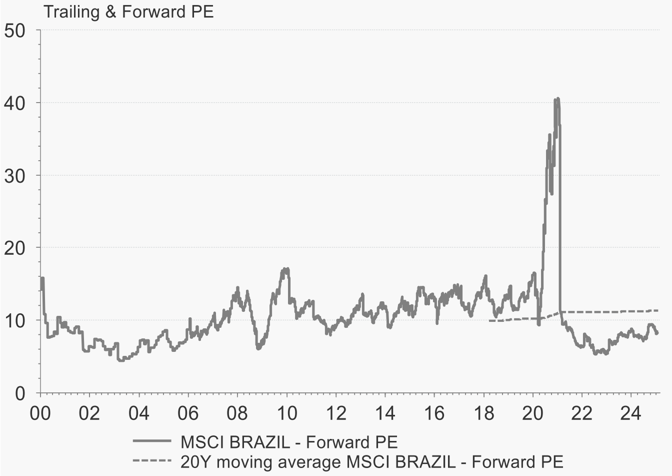
Bonds – Govies Local: OW (Target Spread 1000 => Target yield 14.75%)

Bonds – Govies USD: UW (Target Spread 300 => Target yield 7,75%)

FX – BRL/USD: UW-MARKETWEIGHT (Mid-term target 5.80)

Brazil MSCI Index price-to-earning

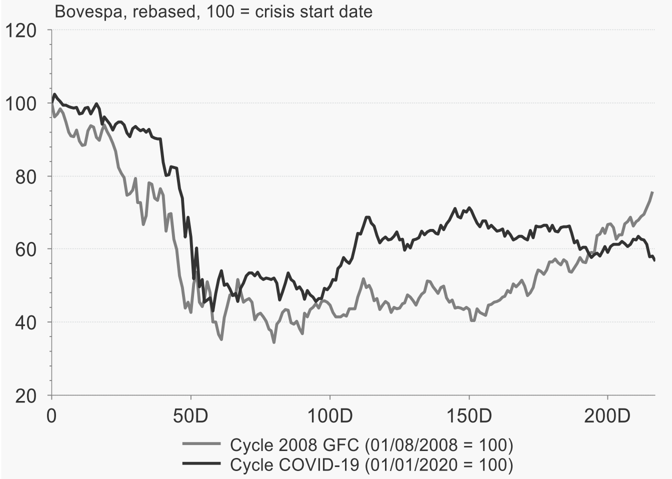
Trailing & Forward PE



Source: LSEG Datastream / ANDBANK

Brazil equities (USD), 2008 vs 2020

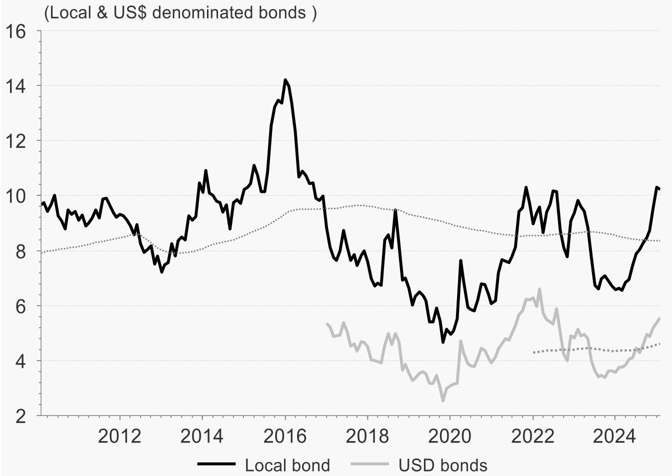
Bovespa, rebased, 100 = crisis start date



Source: LSEG Datastream / ANDBANK

BRAZIL - SPREAD 10Y GOV BOND vs UST

(Local & US$ denominated bonds)



Source: LSEG Datastream / ANDBANK

MEXICO

Local and global political noise affects peso and stock markets

Central Bank

The Bank of Mexico ended 2024 with a 25 bps rate cut, closing the year at 10% after five reductions. Expectations for 2025 suggest a terminal rate of 9%, though both the government and the central bank foresee at least two more 25 bps cuts. Three of the five governing board members anticipate a faster decline in core inflation, reaching the 3% target by year-end. With this trajectory and a highly restrictive ex-ante real rate, further cuts could come early in the year. However, the policy stance relative to the Federal Reserve and persistent inflation risks may limit the scope of reductions.

Inflation and activity

Growth slowed toward the end of 2024, driven by weaker consumption and investment, linked to uncertainty following constitutional reforms that unsettled private enterprises, foreign governments, supranational entities, and rating agencies.Inflation fell to +4.21% y/y in December, while core inflation held at +3.65% y/y throughout Q4 2024. Despite persistent price pressures in services, the decline in headline inflation has strengthened expectations of further central bank action. Projections for 2025 do not anticipate a sharp moderation in inflation, and in our view, inflationary risks remain high unless economic growth slows more than expected.

Politics

Two constitutional reforms were ratified in late 2024: the dissolution of autonomous bodies and amendments to the law governing Infonavit, the institution responsible for housing loans.Several key objectives of the current administration were consolidated into the "Plan Mexico," which aims to position the country among the world's 10 largest economies by 2030. The plan prioritizes sustained investment and the development of globally competitive strategic sectors. Its main goals include: i) Raising the investment-to-GDP ratio to 28% by 2030; ii) Creating 1.5 million specialized manufacturing jobs; iii) Ensuring that 50% of domestic supply and consumption originate in Mexico; iv) Increasing domestic content in global value chains by 15% in key industries such as automotive, aerospace, electronics, pharmaceuticals, and chemicals; v) Streamlining administrative processes and investment timelines via a single digital platform; vi) Promoting corporate environmental sustainability, with a focus on clean energy and water reuse.

Financial markets

Equity: The Mexican Stock Exchange's IPC index fell by 0.6% in December to end the year with a 13.7% decline, reflecting heightened risk aversion driven by uncertainty surrounding legislative changes and a lack of new listings that could reinvigorate the market. Concerns over investor protection, market liquidity and depth further weighed on sentiment. Despite these challenges, we see value in local equities. Valuations reflect a significant discount, not only relative to international markets but also against historical averages. The S&P/BMV IPC is trading at a nearly 15% discount in terms of the P/EBITDA ratio compared to 2023, and a 21% discount relative to its three-year average. Our 12-month projection, based on a current PE ratio of 14x and estimated earnings growth of 11%, supports a favourable outlook for the year ahead.

Fixed Income & FX: The spread between Mexico's 10-year bond and US Treasuries has remained around 570 bps, closing at 572 bps after peaking above 600 bps in June and August due to electoral and global market volatility. Our year-end estimate has been revised to 575 bps, reflecting expected volatility in the coming months. We remain cautious on peso duration. In dollar-denominated debt, spreads widened to 200 bps, a level we expect to persist through year-end.

The Mexican peso experienced significant volatility between late 2024 and early 2025, reaching highs above 20.80 before returning to levels near 18.50. This reflects economic, monetary and fiscal dynamics, as well as the impact of a strong dollar. We have adjusted our year-end estimate to 21, acknowledging the potential for episodes of volatility in the final quarter of the year

Market outlook – Recommendations & Targets from fundamental analysis

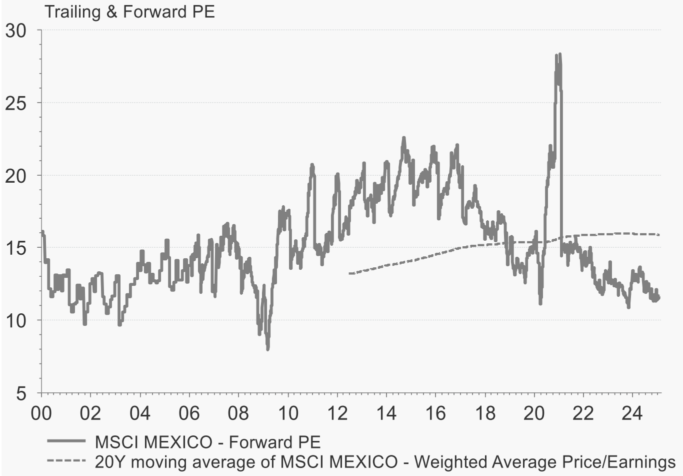
Equities – Mex IPC: OVERWEIGHT (Target 62,900)

Bonds – Govies Local: UW (Target Spread 575 => Target yield 10.5%)

Bonds – Govies USD: UW (Target Spread 200 => Target yield 6.75%)

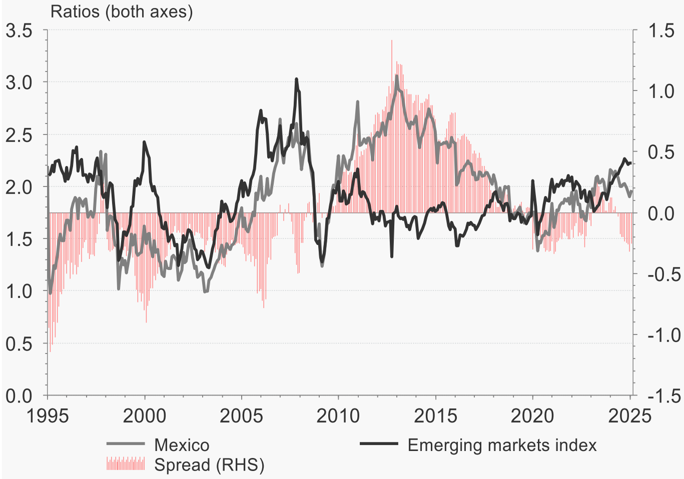
FX – MXN/USD: UNDERWEIGHT (Mid-term target 21.00)

Mexico MSCI Index price-to-earning
Trailing & Forward PE



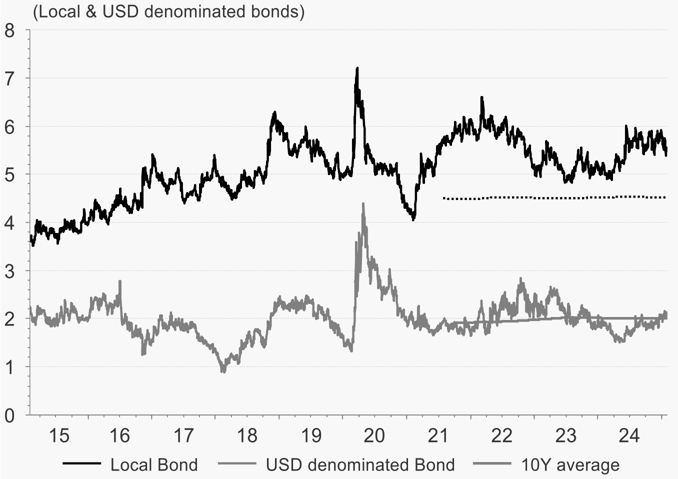
Source: LSEG Datastream / ANDBANK

Mexico price-to-book ratio
Ratios (both axes)



Source: LSEG Datastream / ANDBANK

MEXICO - SPREAD 10 GOV BOND vs UST
(Local & USD denominated bonds)



Source: LSEG Datastream / ANDBANK

ARGENTINA

The political chessboard begins to move

Politics: Will a Right Front be formed for the legislative elections?

On October 26th, Argentina will hold legislative elections to contest 127 of 257 seats in the Chamber of Deputies and 24 of 72 in the Senate. Of these, 48 seats are concentrated in Buenos Aires Province (35) and the City of Buenos Aires (13).The government acknowledges that even with strong results, securing a congressional majority alone will be difficult. It currently holds 39 seats in the Chamber (eight up for renewal) and six in the Senate (none up for renewal). This creates a dilemma: align with Juntos por el Cambio’s (JxC) right-wing faction, the PRO—former President Mauricio Macri’s party—or compete against them, risking tensions with congressional allies and provincial governors.For instance, La Libertad Avanza (LLA) may directly challenge the PRO in Buenos Aires City, where the race is expected to be tight, yet it also needs the PRO's support to defeat Peronism in Buenos Aires Province, the key political battleground. Macri favors an electoral alliance, but its structure remains uncertain.Polling suggests the government will secure at least one-third of congressional seats, moving it out of a defensive stance by preventing the opposition from overriding presidential vetoes.

IMF: Negotiations for a new agreement have begun

President Milei met with IMF Managing Director Kristalina Georgieva as part of ongoing negotiations for a new agreement with the multilateral organization. The IMF recently published an evaluation of Argentina’s 2022 program, admitting it was more lenient than desired with the previous administration in enforcing targets. However, it commended the current government’s fiscal and monetary efforts.The IMF highlighted the need for a sustainable balance of payments solution and criticized the continued use of exchange controls. The report also included the administration’s stance, which criticized the IMF, emphasizing that its economic program was designed and implemented without the organization's financial or technical support.In a radio interview, Milei stated that securing $11–12 billion from international institutions or private investment funds could allow Argentina to strengthen reserves and lift exchange controls within the year.

Government Slows Monthly Devaluation Pace Following Latest Inflation Data

Inflation rose 2.7% m/m in December, in line with market expectations but slightly above November’s 2.4% m/m. The 2024 inflation rate closed at 117.8%, down from 211.4% in 2023. Core inflation reached 3.2% m/m (vs. 2.7% in Nov), seasonal products fell -1.4% m/m (vs. -1.2% in Nov), and regulated prices increased 3.4% m/m (vs. 3.5% in Nov).A breakdown of inflation by goods and services shows two trends: goods prices have tracked the 2% monthly devaluation rate, while services—driven by non-tradable components—have risen at 4% per month.The day after the latest inflation data, the Central Bank announced a reduction in the crawling peg’s pace from 2% to 1% m/m, effective February 1st. It cited a “consolidation in the inflationary trajectory” and expectations of further declines. While this may support disinflation and bring the government closer to its anti-inflation goals, it carries risks. A slower devaluation could weaken the peso’s competitiveness, hindering foreign reserve accumulation. Additionally, amid global market uncertainty, reversing this policy may be costly if conditions change.

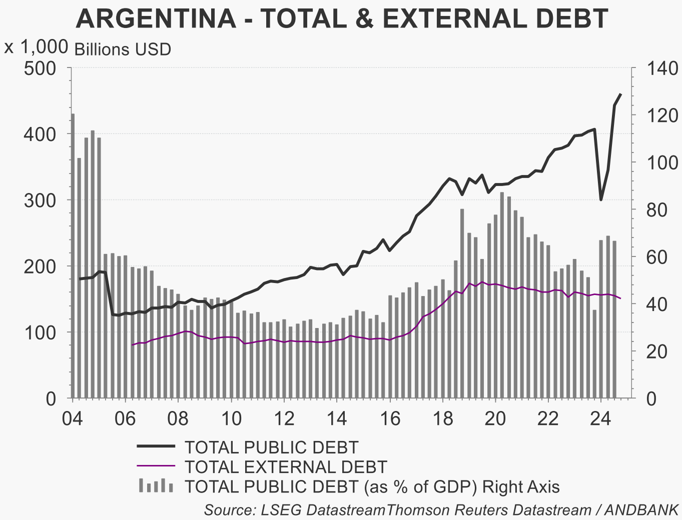
Sovereign Debt and Corporate News: 2025 will be the year of IPOs?

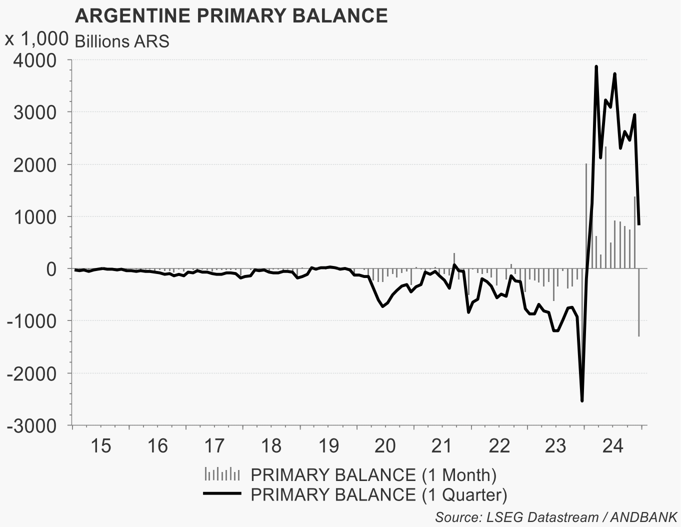
As previously announced, the government has completed January’s sovereign debt payments, totaling $4.5bn in interest and principal. The sovereign debt spread has fallen from over 2,000 basis points at the start of the Milei administration to below 600, improving Argentina’s prospects of reentering international capital markets later this year.The corporate bond market remains highly active. In early January, YPF issued $1.1bn in 9-year bonds with an 8.5% yield-to-maturity, while Tecpetrol (Techint Group’s O&G subsidiary) raised $400mn through 8-year bonds at 7.625%.Additionally, reports suggest several Argentine firms may seek stock market listings, both locally and in New York. The last IPO wave occurred under Mauricio Macri’s presidency (2015–2019), with companies like Banco Supervielle, Corporación América, and Central Puerto going public. According to La Nación, leading IPO candidates include Genneia, YPF Luz, and Compañía General de Combustibles (CGC).

Market outlook – Recommendations & Targets from fundamental analysis

Bonds – 10YGov USD: NEUTRAL

FX – USDARS: NEGATIVE (2025 year-end target 1600)





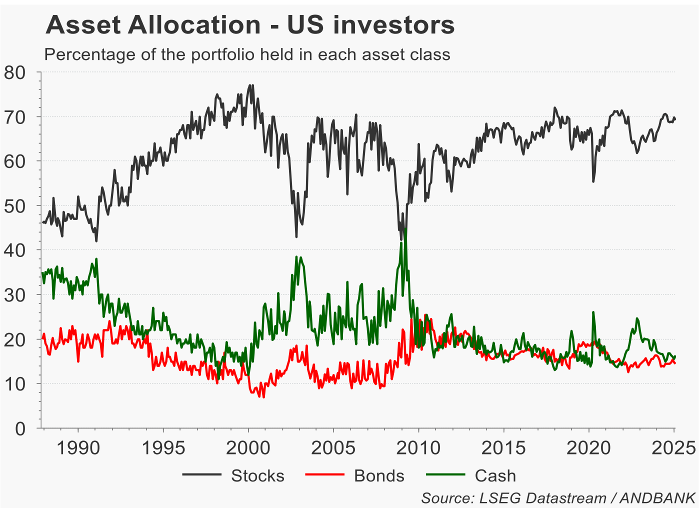
GLOBAL EQUITY INDICES

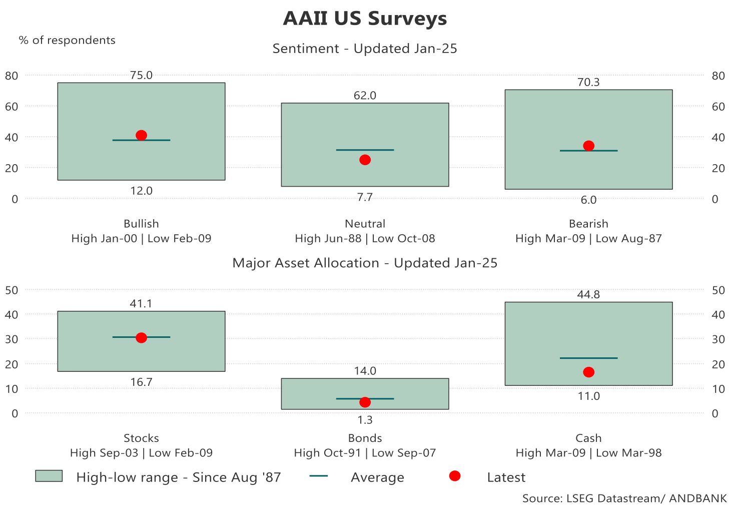
Fundamental assessment

Index	Projected EPS 2025	Projected EPS Growth 2025	PE Trailing (2024)	Price Earning (forward)	Current Equity Yied	Current Risk Premium	Hist Risk Premium	Target PE Trailing (year end 2025) set on Dec '24 Strategic Comittee	INDEX CURRENT PRICE	Andbank's Target Price (year end 2025)	Expected performance to target Price	Recommended Strategy	Exit Point (Strong Sell)
USA S&P 500	264,0	11,9%	25,40	22,71	4,40%	-0,17%	2,00%	24,76	5.995	6.537	9,0%	MW-OW	7.191
Europe - Stoxx Europe 600	38,8	8,6%	14,97	13,78	7,26%	4,84%	5,00%	14,59	535	566	5,8%	MW	623
Spain IBEX 35	1.074,0	3,5%	11,84	11,44	8,74%	5,66%	5,70%	11,50	12.289	12.351	0,5%	UW	13.586
Mexico IPC GRAL	4.841	12,9%	11,94	10,58	9,45%	-0,60%	-0,90%	13,00	51.210	62.933	22,9%	MW-OW	69.226
Brazil BOVESPA	16.500	13,5%	8,65	7,62	13,12%	-1,63%	-1,10%	8,00	125.731	132.000	5,0%	UW	145.200
Japan TOPIX	186,0	8,8%	16,01	14,72	6,79%	5,53%	4,00%	15,93	2.738	2.962	8,2%	OW	3.259
China SSE Comp. A share	247,0	-5,7%	13,00	13,79	7,25%	0,26%	4,80%	12,81	3.407	3.163	-7,2%	UW	3.479
China Shenzhen Comp	94,7	-5,8%	19,00	20,18	4,96%	-2,04%	1,25%	18,40	1.911	1.742	-8,8%	UW	1.917
India SENSEX	4.052	15,3%	22,36	19,39	5,16%	-1,51%	-2,00%	22,50	78.584	91.170	16,0%	OW	100.287
Vietnam VN Index	126,4	19,6%	11,97	10,01	9,99%			12,12	1.265	1.532	21,2%	OW	1.686
MSCI EM ASIA	49,4	15,0%	13,67	11,89	8,41%			14,98	588	740	26,0%	OW	814

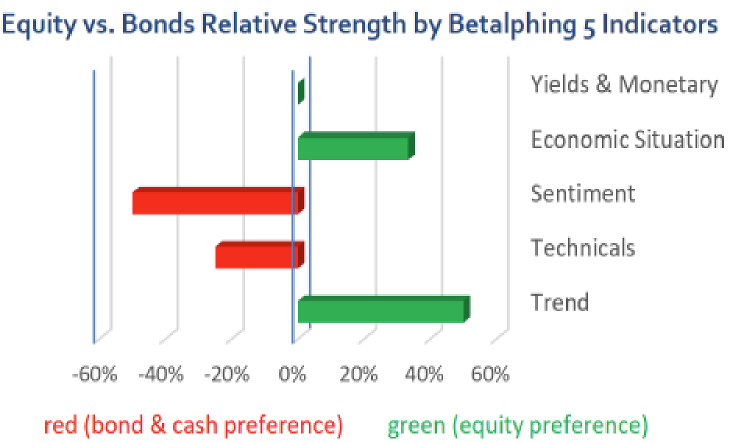
ANDBANK ESTIMATES

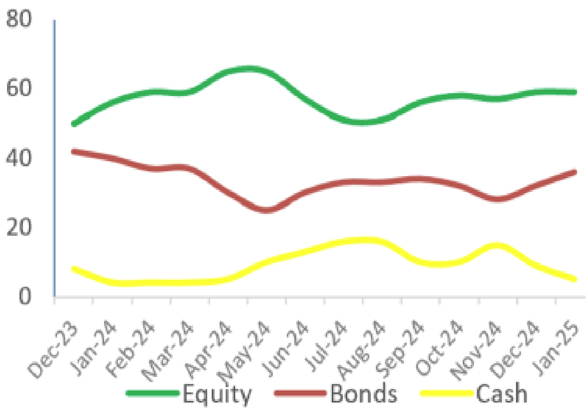
Market Positioning Indicators and Historical Analysis of Potential Stress Episodes





Ned Davis Indicators: Analysis of the Short-Term Market Directions Taken by Market Participants





GLOBAL EQUITY INDICES

Earnings Dashboard - EUROPE

SECTION A: EARNINGS OUTLOOK

Exhibit 1A. STOXX 600: Q4 2024 Earnings Dashboard

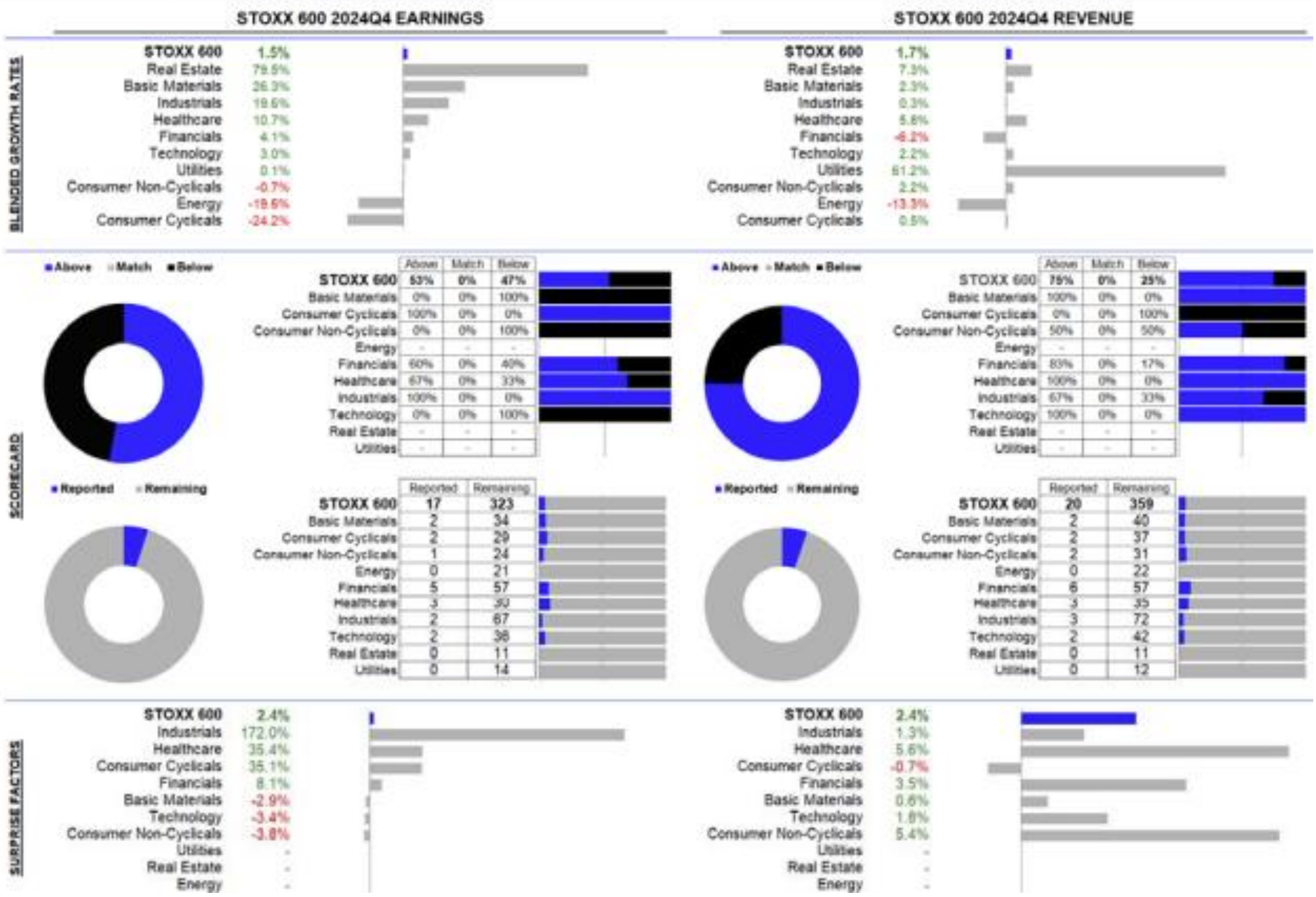
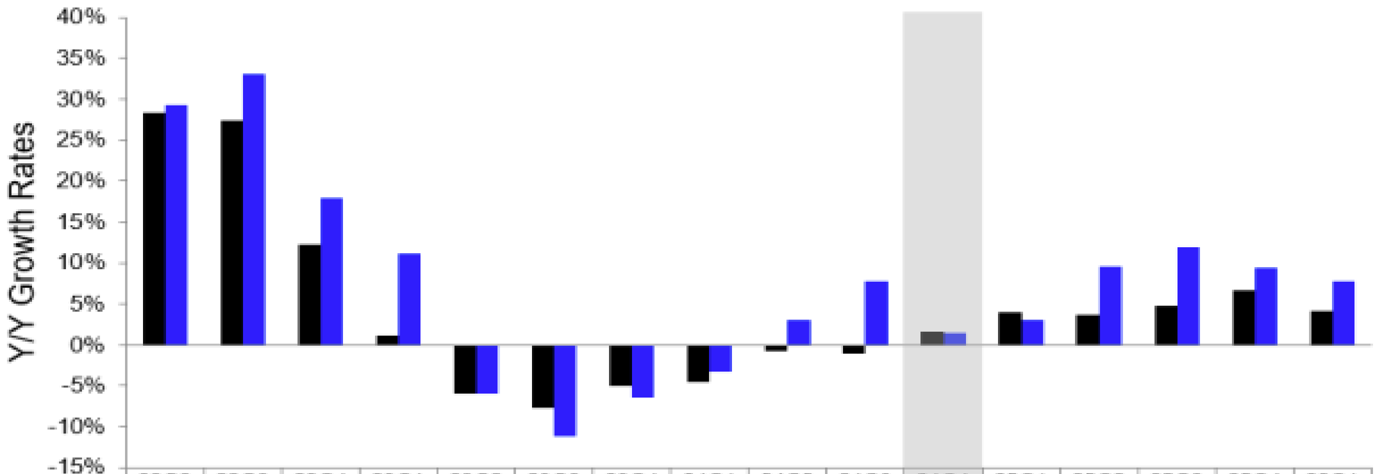


Exhibit 3A. STOXX 600 YoY Growth Rates



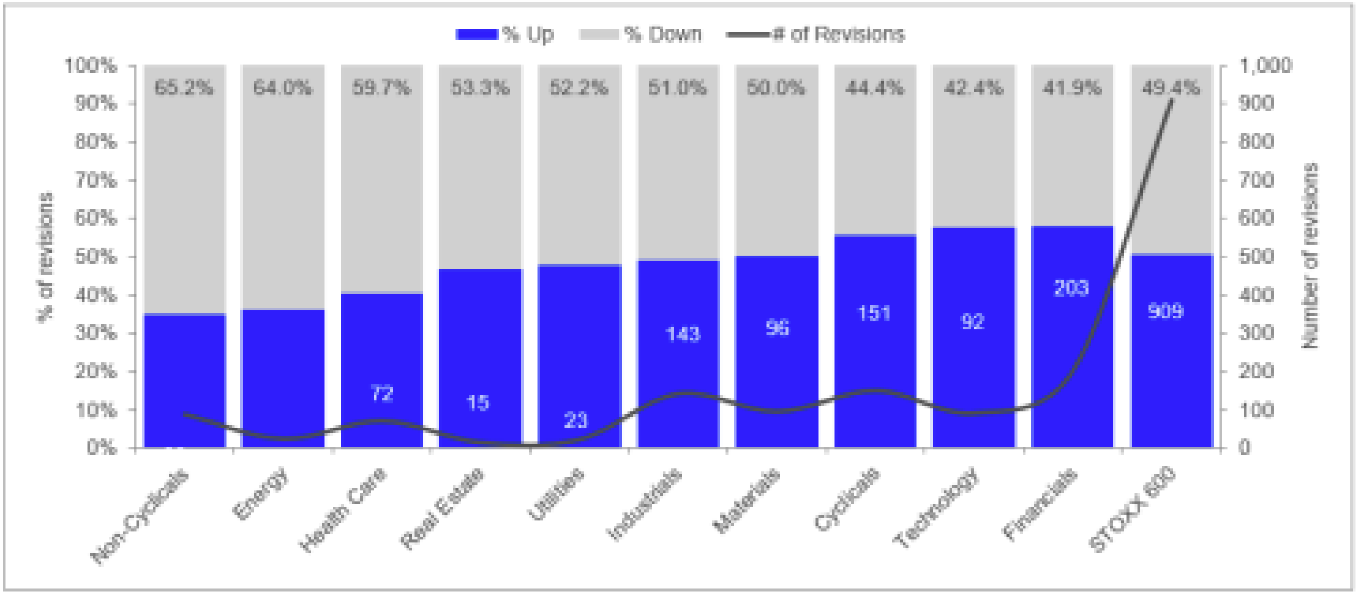
	22Q2	22Q3	22Q4	23Q1	23Q2	23Q3	23Q4	24Q1	24Q2	24Q3	24Q4	25Q1	25Q2	25Q3	25Q4	26Q1
Revenue	28.3%	27.4%	12.2%	1.1%	-6.0%	-7.6%	-5.0%	-4.6%	-0.8%	-1.1%	1.7%	4.1%	3.7%	4.7%	6.7%	4.1%
Earnings	29.3%	33.1%	17.9%	11.1%	-5.9%	-11.1%	-6.5%	-3.3%	3.0%	7.8%	1.5%	3.1%	9.5%	11.9%	9.3%	7.9%

Source: LSEG I/B/E/S

GLOBAL EQUITY INDICES

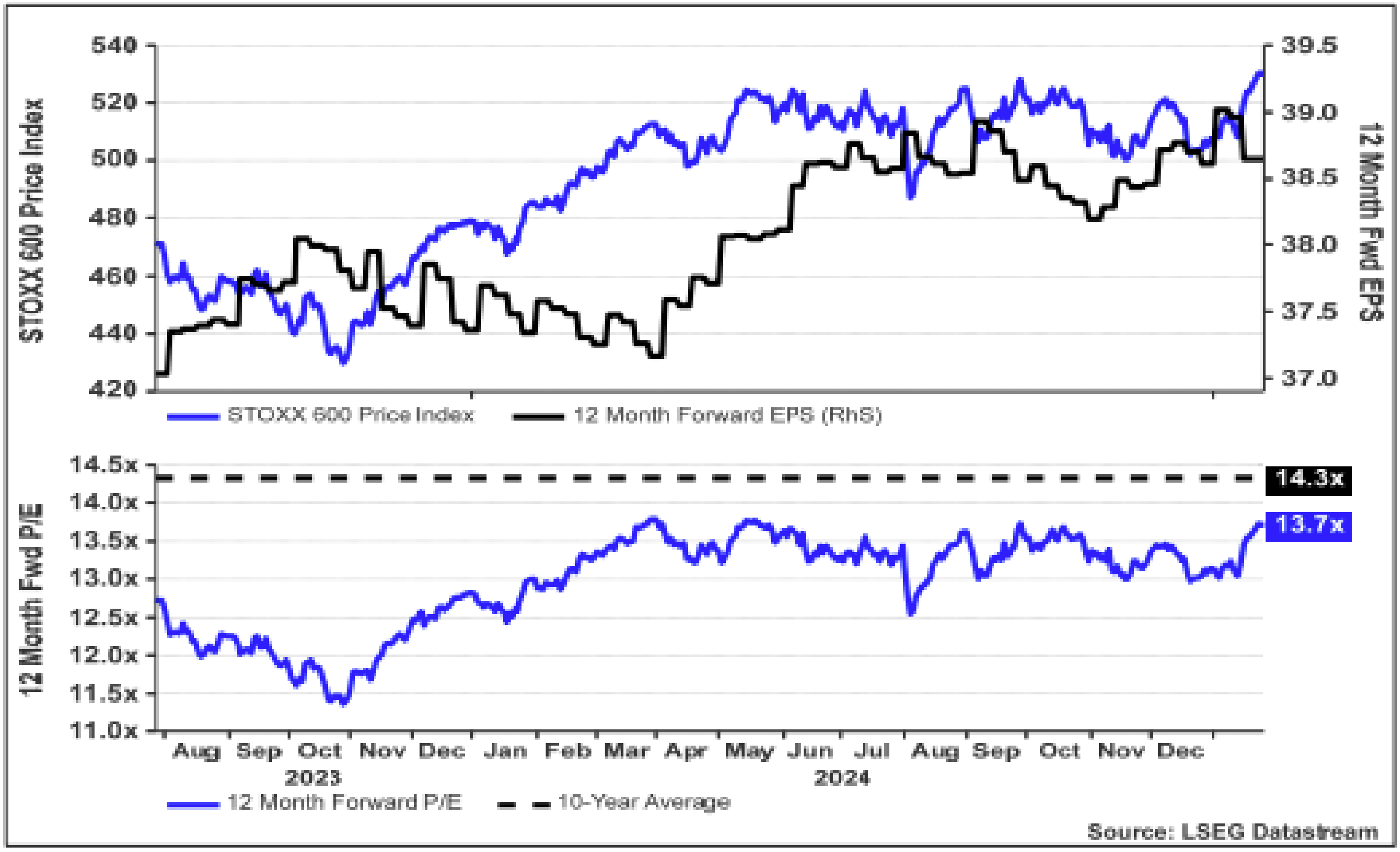
Earnings Dashboard - EUROPE

Exhibit 16A. STOXX 600: Weekly Earnings Estimate Revisions by Sector



Source: LSEG I/B/E/S

Exhibit 17A. STOXX 600: 12-month Forward Price/Earnings Ratio



Source: LSEG Datastream

GLOBAL EQUITY INDICES

Earnings Dashboard - US

EARNINGS DASHBOARD

Exhibit 1. 2024Q4 S&P 500 Earnings Dashboard

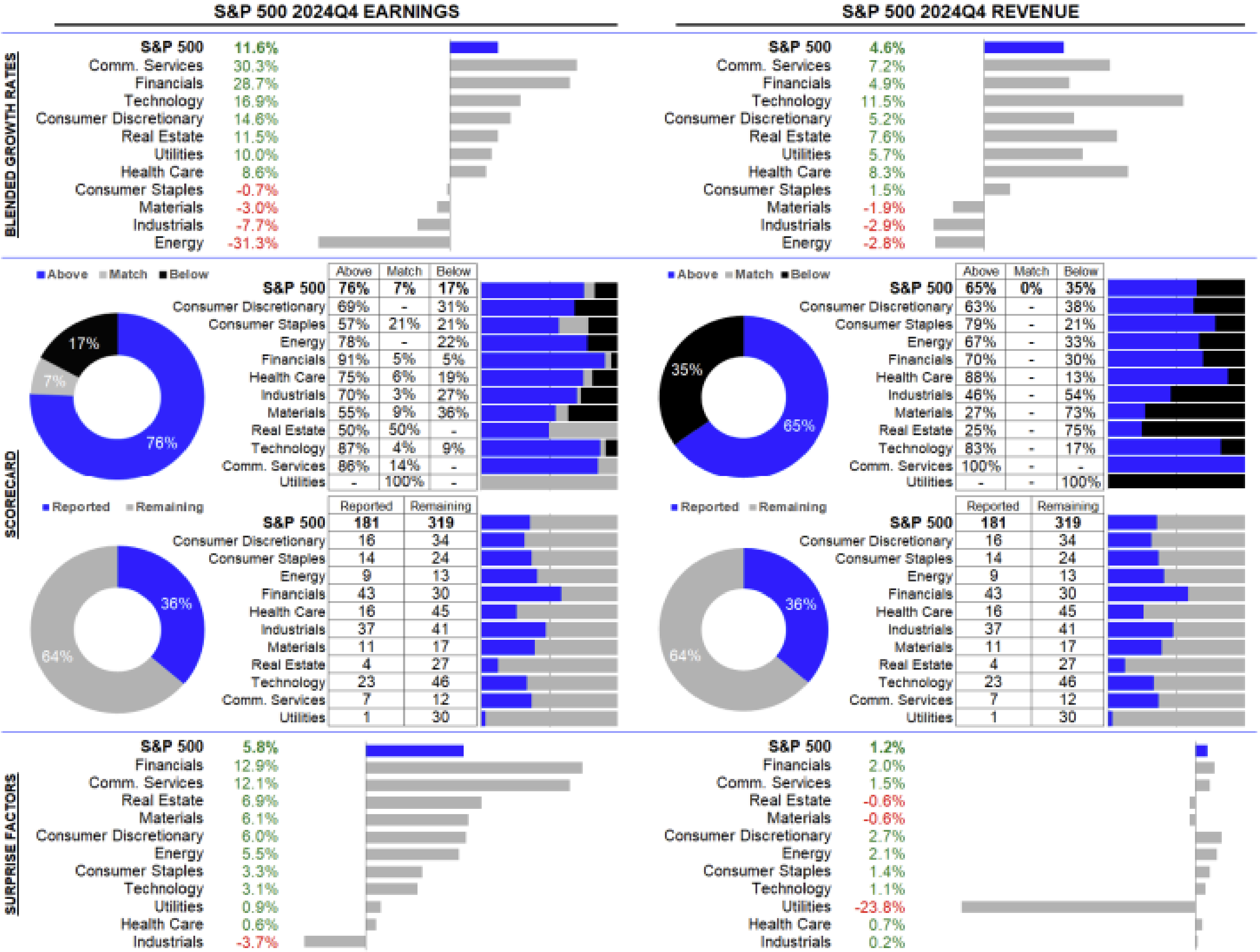
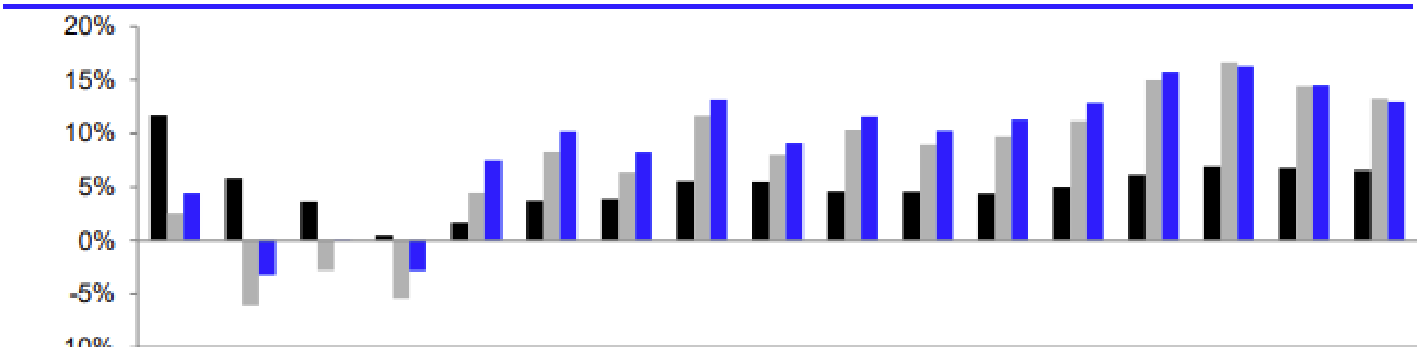


Exhibit 5. S&P 500 YoY Growth Rates



	22Q3	22Q4	23Q1	23Q2	23Q3	23Q4	24Q1	24Q2	24Q3	24Q4E	25Q1E	25Q2E	25Q3E	25Q4E	26Q1E	26Q2E	26Q3E
Revenue	11.7%	5.8%	3.6%	0.5%	1.7%	3.7%	3.9%	5.5%	5.5%	4.6%	4.5%	4.4%	5.0%	6.2%	6.9%	6.8%	6.6%
Net Income	2.6%	-6.1%	-2.8%	-5.4%	4.4%	8.3%	6.4%	11.6%	8.0%	10.3%	8.9%	9.7%	11.2%	15.0%	16.6%	14.5%	13.3%
Earnings	4.4%	-3.2%	0.1%	-2.8%	7.5%	10.1%	8.2%	13.2%	9.1%	11.6%	10.2%	11.3%	12.9%	15.8%	16.3%	14.5%	13.0%

Source: LSEG I/B/E/S

ENERGY – OIL

Fundamental view (WTI): Target range USD65-80bbl

Buy < USD65; Sell >USD80.

(Bearish price factor) – China's GDP rose 5.4% in the last three months from a year earlier, exceeding most analysts' expectations. Growth marked the fastest pace in six quarters. The jump brought full-year growth to 5%, confirming an estimate that Xi telegraphed on New Year's Eve. Behind this growth was a government stimulus bump in the last quarter. Despite this, annual consumption growth languished below pre-pandemic levels, property investment contracted by the most on record and deflation persisted for a second straight year. Once adjusted for falling prices, nominal GDP expanded only 4.2% in 2024, the slowest since the economy opened up in the late 1970s barring the pandemic slump. Estimates are that about 60% of the rebound in the economy's annual growth was caused by China's policy to boost consumption and manufacturing investment, while the rest came from advanced shipments. But they warned that such improvement may be "transitory" and expect the momentum to soften from the second quarter this year as exports slow and housing weakness drags on. China is set to announce its growth goal for 2025 at an annual parliamentary session in March, which is likely to be similar if not identical to last year's based on provincial goals already announced. But achieving 5% growth may be tougher this year for the world's second-largest economy.

(Bearish price factor) – India state oil company is buying Middle Eastern and African crude to replace Russian volumes affected by US sanctions, including a cargo of Abu Dhabi Murban crude, which IOC does not normally buy, as Murban cargo fetched a premium of $5 per barrel above the Dubai benchmark. In addition to the rare Murban cargo, which totalled 2 million barrels, Indian Oil Corp also bought 3 million barrels of Nigerian crude, a million barrels of Gabonese crude and a cargo of Angolan crude in the past few days. The outgoing US administration slapped the most severe sanctions on Russia's oil yet, designating two major Russian oil companies, Gazprom Neft and Surgutneftegas (which were also sanctioned by the UK on the same day) as well as 183 vessels, dozens of oil traders, oilfield service providers, insurance companies and energy officials. The sanction package could reduce the supply of Russian oil globally by between 700,000 and 800,000 barrels daily—a volume sufficient to keep the benchmarks higher. As a result, Russia's biggest clients in Asia are in a rush to secure the volumes they need, and they are driving a higher premium for these barrels. We think that this may have a short-term bullish effect on the price of crude oil, but that in the medium term it will have a bearish effect, since there is surplus capacity in the world to cover the Russian supply, while Moscow will do everything possible to place its oil on the international markets, even if at a greater discount. In that regard, Indian refiners believe sanctions impact may be limited as Russia finds workarounds.

(Bearish price factor) – EIA noted in its short-term outlook that oil prices will be under pressure in 2025 and 2026 as global production growth outpaces demand. EIA's analysts expect an oversupplied oil market in 2025, after demand growth slowed sharply in 2024 in the biggest energy-consuming countries, especially in China. Despite this drop in demand, The EIA slightly raised its estimate for record US oil production this year, to 13.55 million barrels per day, from its prior estimate of 13.52 million bpd. The share of US supply coming from the Permian Basin of Texas and New Mexico, the world's largest shale oil-producing region, is expected to continue to grow and account for more than half of all of the country's output in 2026, the report said. Globally, oil and liquid fuel production is now expected to average 104.4 million bpd in 2025, up from the prior forecast of 104.2 million bpd, the EIA said. Global demand, meanwhile, is expected to average 104.1 million bpd. Behind the projected increase in production is the decision by OPEC and its allies to ease supply cuts, and also expectations that non-OPEC producers will increase output. According to the EIA's estimates, US crude prices are expected to average $70 per barrel in 2025 and fall to $62 per barrel in 2026.

(Bearish price factor) – Saudi think tank expects heavily oversupplied oil market by 2026 due to OPEC+ cut tapering, which is expected to create 1.01 million bpd oil surplus in 2026.

(Bearish price factor) – Emirati stockpiles: Platts reported oil products inventories at the UAE's Port of Fujairah rose 4.9% in the week ended January 13th, led by increases in middle distillates such as jet fuel, gasoil and diesel, according to Fujairah Oil Industry Zone data published January 15th. The total increased to 18.469 million barrels, a three-week high, and the second consecutive weekly increase.

(Bearish price factor) – "Just one week into the year, we have already tested the top of the 'event risk premium' price range," RBC Capital Markets LLC analysts including Brian Leisen wrote in a note released on January. "The new Russian sanctions from the outgoing administration are a net addition to at-risk supply." The cost of hiring an oil supertanker on key routes to China has doubled since the US imposed sanctions on Russia, showing the extent to which the move has upended the global shipping market. The sanctions have jolted a freight market that was, until recently, dealing with softer demand due to supply curbs, a tepid Chinese economy and an easing of Middle East tensions. The fact that the shock in the availability of ships (and therefore of oil) has not pushed the oil price to a temporary high, makes us think that if the situation in shipping returns to normal, crude oil will fall again.

Long-term drivers

(Price Negative) – Alternative energies picking up the baton: Conventional producers must bear in mind that the value of their reserves is dictated by the amount of time they can pump before alternative energies render oil obsolete. In order to push back this deadline as far as possible, it is in producers' interest to keep oil prices low for as long as possible (keeping the opportunity cost of alternative energy sources as high as possible).

(Price Negative) – Growing environmental problems will gradually tighten legislation on production levels. The value of producers' reserves depends on the amount of time they can pump at current levels before tougher environment-inspired regulations come into play. With growing environmental problems, which will likely continue to put a lot of pressure on the market for fossil fuels over the coming decades, OPEC's most serious risk is of sitting on a big chunk of "stranded reserves" that it can no longer extract and sell. Producers therefore have a powerful incentive to monetise as much of their reserves as soon as they can.

(Price Negative) – Are OPEC producers able to structurally fix prices? While it is true the agreement between the Saudis and Russia to strangle the global energy market has worked well in achieving a considerable increase in the price of oil, this has been at the cost of a loss of market share, meaning that OPEC producers are no longer able to easily fix prices without bearing costs. Back in the 1970s and the early 2000s, the exporters cartel agreed to cut output, and the approach worked well, as the principal competition was among conventional oil producers (in particular between OPEC and non-OPEC producers). Today's biggest threat to any conventional oil producer comes from non-conventional producers and alternative energy sources. Energy cuts from conventional oil should therefore easily be offset (in theory) by a rapid increase in shale oil production. The experiment of the 1970s and 2000s by conventional producers in colluding to fix the price of crude oil by strangling supply may no longer offer the same results due to the emergence of new unconventional agents.

PRECIOUS METALS - GOLD

Fundamental Target range USD2,200 – 2,400 /oz

Buy < USD2,200; Sell >USD2,400

Positive drivers for gold

Within the four-quadrants framework, the best scenario for gold would be one where inflation is combined with recession ('Inflationary Bust' or 'stagflation'). The scenario we are projecting places us in a quadrant where some inflation is combined with a favourable cycle ('Inflationary Boom'). Such a scenario, while not the best, is still favourable for gold, although in this scenario gold should not outperform equities. The price of gold is also determined by other factors, such as the PBOC, in their decision to displace the USD in their strategic reserves, a factor currently favourable to gold.

A gold bull market usually feeds on its own momentum for quite a while.

Negative drivers for gold

Gold has just lost one of the drivers that made it the best antifragile asset: a lower relative supply. Gold, like the US Treasury bond, is considered an anti-fragile asset. Investors should always decide which anti-fragile asset they should keep in their portfolio to protect themselves against instability in financial markets. The answer will have a lot to do with the perception as to which of the two traditional anti-fragile assets (gold and US Treasuries) is likely to perform better in such a disruptive scenario. This, in turn, will depend on the relative supply of each asset. The one with the lower relative supply will be the one that will perform better and will best act as an anti-fragile asset in a shock. Until now, we have seen that while QT continued (which involved the Fed putting a large amount of UST on the market), gold continued to outperform the UST bond. **But using a short-term view**, now it seems that the Fed is in no hurry to drain excess liquidity (and has therefore reduced the pace of selling USTs from its balance sheet). As long as the Fed maintains a low pace of UST supply, **the Treasury could regain its place as the best antifragile asset and take that role away from gold**. **With a medium-term view** (perhaps 2026-2027), it seems clear that the Fed has to get rid of many bonds, putting a large amount of paper (supply) on the market. When this happens, gold will be able to take over the role of antifragile asset again. **In a longer-term view**, once QT has ended (maybe in 2028), we no longer see the supply of UST as unlimited but rather as limited. This should be positive for US Treasuries in terms of reclaiming their role as a safe-haven asset. At that point, gold is expected to take a back seat and exhibit underperformance.

Gold in real terms: Given the global deflator (now at 1.2642), the price of gold in real terms (calculated as the current nominal price divided by the US Implicit Price Deflator-Domestic as a proxy for the global deflator) is US$2,229. In real terms gold continues to trade well above its 20-year average of US$1,324oz. For the gold price to stay near its historical average in real terms, the nominal price must remain near US$1,673.

Gold in terms of silver: The Gold/Silver ratio rose to 89.79, still above its 20-year average of 69.12x, suggesting that gold is expensive relative to silver (or silver is cheap relative to gold). For this ratio to reach its long-term average, assuming that silver is better priced than gold (which is highly probable), then the gold price should go to US$2,170oz.

Gold in terms of palladium: The Gold/Palladium ratio increased to 2.839x, above its 20-year average of 1.63x. This implies that gold is currently expensive compared to palladium. To bring this ratio to its long-term average, assuming that palladium is well valued, then the price of gold should reach $1,517 per ounce.

Gold to oil ratio: This ratio is at 38.35x, still well above its 20-year average of 20.44x. Considering our mid-term outlook for WTI oil at US$72.5 (right in the middle of our new range of $65-80 for oil) and assuming that the utility function of both commodities will remain unchanged, the price of gold must approach US$1,481 for this ratio to remain near its LT average.

The massive negative returns in bonds have disappeared: During the 2010-2017 and 2020-2022 periods, gold's disadvantage against fixed income instruments (gold does not offer a coupon) was neutralised by nominal negative yields in a large number of global bonds, leading to strong arguments for the purchase of gold. But this is no longer the case, with most bonds in the USD universe offering positive returns, making them attractive against gold, which again suffers from the disadvantage of not offering a coupon or yield.

About the four threats that could end the gold rally. The 1976-80 rally of gold ended when US short rates were jacked up to break inflation, causing the USD to rise. The 1985-88 gold rally ended when Germany pulled out of the Plaza Accord deal and US rates started to push up rates (prompting a rise in the US Dollar). In the 2001-11 period (which saw gold prices skyrocket from $300 to $1,800/oz), President George W. Bush's "guns & butter" policies spurred a rise in EMs, which became new gold buyers. This ended in 2011, when the USD started to strengthen. Therefore, the only threats to the gold bull market seem to be: 1) Higher nominal rates; 2) A rise in real rates; 3) A stronger USD; and 4) A loss of momentum from EM buyers. How real is each of these risks for bringing an abrupt end to the gold rally? Looking at this history and knowing that a gold bull market usually feeds on its own momentum for quite a while and only ends when facing higher nominal rates or a stronger USD or a rise in real rates, it seems reasonable to sound a mild alarm that **a downward turn in gold could be close**.

Risk #1. Higher nominal rates (MEDIUM RISK): High nominal rates are now a reality, and positive rates are going to stick around for a while.

Risk #2. A stronger USD (MEDIUM RISK). The US current account (CA) balance has continued to gradually improve. This leads to a relative shortage of dollars and consequently a potential rise in its price. Our outlook is for the US current account balance to continue improving towards a historical average level of -3% of GDP. This should keep the USD well supported and stable, far from the strong rebound in the USD that could lead gold to a precipice. If trade relations between the USA and China continue to deteriorate, the US current account could even reach -2% of GDP. In such a scenario, the flow of USD from the US to the world would be half that of other periods, which could keep the price of the USD well supported, and the price of gold limited above. Also, a more determined tightening strategy from the Fed could cause some USD shortages.

Risk #3. A rise in real rates (LOW RISK): Even if nominal rates rise, the only way OECD countries could experience surging real rates would be through the inflation rate collapsing. But how? Such a deflationary outcome could be triggered by a permanent collapse in the price of energy, a collapse in real estate or even a collapse in the renminbi. There are few signs of such shocks unfolding right now. With this in mind, it seems that a surge in real rates is not an immediate threat.

Risk #4. Momentum – (LOW RISK) Gold bull markets usually feed on their own momentum for quite a while. The price of gold has gained some self-reinforcing momentum. A constructive view could be that perhaps the emerging world could recreate a gold-prone cycle such as the one seen in 2001-2011. In that period, it was the new wealth being created in EMs (as happens today), with a strong affinity for gold, that pushed gold prices higher. If EMs thrive again, led by Asia, this could be a tailwind for gold but, for the time being, it's not clear whether a resurgence in wealth generated in Asia can be initiated in the short term.

EXCHANGE RATES

Flow analysis & Short-term view

Currency	Mkt Value of Net positions in the currency (Bn $)	Change vs last month (Bn $)	3-yr Max (Bn $)	3-yr Min (Bn $)	3-yr Avg (Bn $)	Current Z-score 3-yr
USD vs All	34,33	9,74	35,2	-28,2	4,3	1,52
USD vs G10	33,80	9,28	34,8	-25,4	5,3	1,53
EM	-0,53	-0,46	3,9	-0,8	1,4	-1,39
EUR	-8,68	1,26	23,4	-9,9	6,9	-1,53
JPY	-0,08	-2,20	5,8	-15,0	-6,4	1,11
GBP	-1,69	-3,85	11,5	-6,5	0,1	-0,43
CHF	-5,95	-0,99	0,2	-6,0	-3,0	-1,69
BRL	-0,66	-0,39	0,7	-1,0	-0,2	-0,99
MXN	0,13	-0,07	3,3	-0,5	1,3	-1,16
RUB	0,00	0,00	1,2	-0,3	0,3	0,00
AUD	-4,49	-5,03	6,1	-5,2	-0,4	-1,27
CAD	-10,25	2,55	6,1	-14,2	-2,1	-1,50

Positive
Neutral-Positive
Neutral-Negative
Negative

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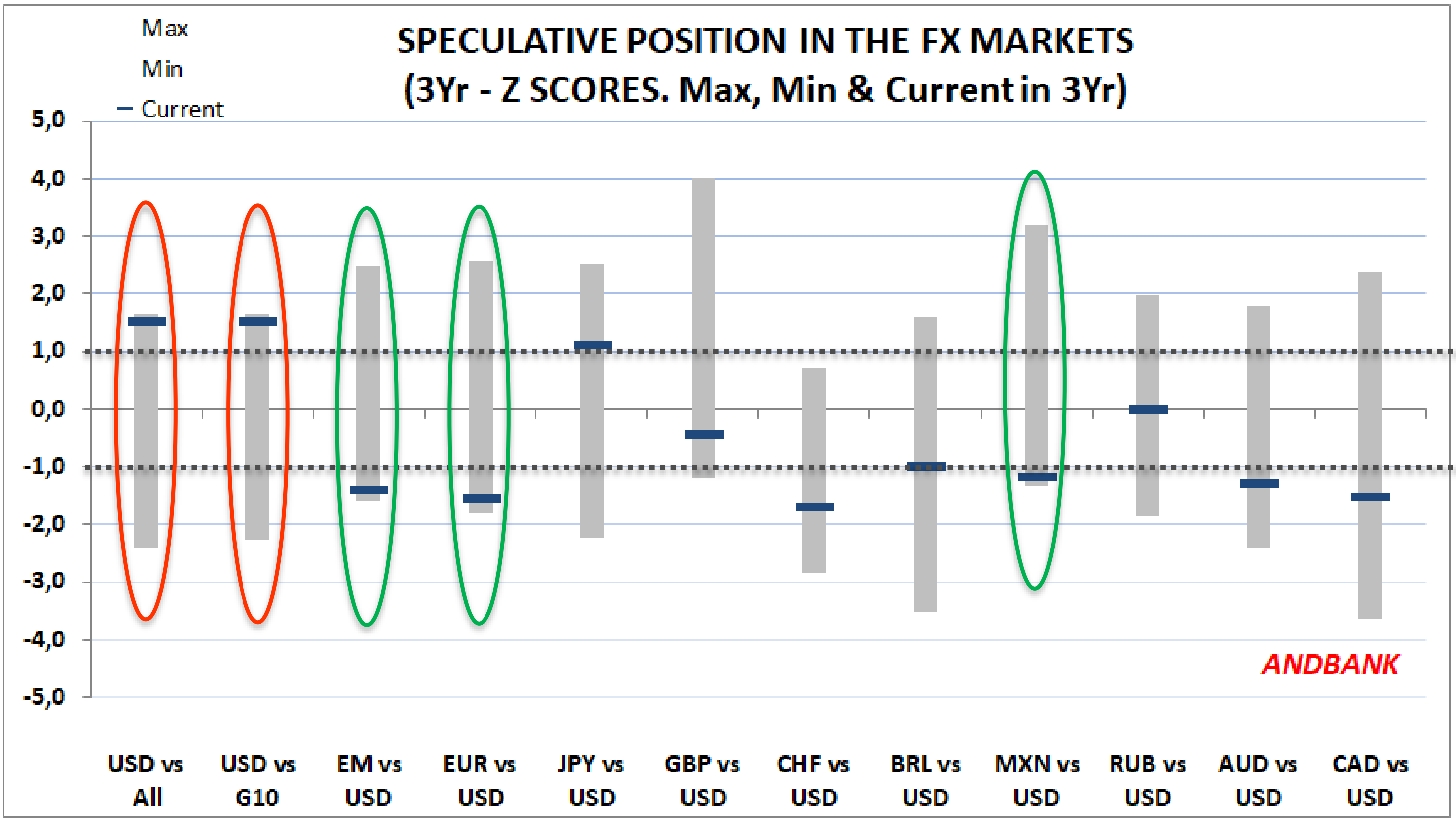

Positive
Neutral-Positive
Neutral-Negative
Negative

The currencies we technically favour are circled in green

SUMMARY TABLE OF EXPECTED RETURNS

Asset Class	*Indices*	Performance Last 30 days	Performance YTD	Current Price	Andbank's Target Price Year End	Expected Performance (to Target Price)
Equity	USA - S&P 500	0,3%	1,5%	5.995	**6.537**	9,0%
	Europe - Stoxx Europe 600	4,2%	5,9%	535	**566**	5,8%
	SPAIN - IBEX 35	4,1%	6,5%	12.289	**12.351**	0,5%
	MEXICO - MXSE IPC	3,5%	4,9%	51.210	**62.933**	22,9%
	BRAZIL - BOVESPA	4,8%	4,5%	125.731	**132.000**	5,0%
	JAPAN TOPIX	-0,7%	-1,7%	2.738	**2.962**	8,2%
	China SSE Comp. A share	1,4%	-4,6%	3.407	**3.163**	-7,2%
	CHINA - SHENZEN COMPOSITE	3,3%	-4,8%	1.911	**1.742**	-8,8%
	INDIA - SENSEX	0,8%	0,4%	78.584	**91.170**	16,0%
	VIETNAM - VN Index	1,5%	-0,6%	1.265	**1.532**	21,2%
	MSCI EM ASIA (in USD)	-1,7%	-1,9%	588	**740**	26,0%
Fixed Income Core countries	US Treasury 10 year Govie	0,7%	0,1%	4,58	**4,75**	3,2%
	UK 10 year Gilt	0,9%	1,0%	4,53	**4,50**	4,8%
	German 10 year BUND	0,5%	-0,2%	2,41	**2,40**	2,5%
	Japanese 10 year Govie	-1,1%	-1,3%	1,27	**1,25**	1,4%
Fixed Income Peripheral	Spain - 10yr Gov bond	0,5%	0,1%	3,08	**3,15**	2,5%
	Italy - 10yr Gov bond	0,7%	0,3%	3,52	**3,65**	2,5%
	Portugal - 10yr Gov bond	0,2%	-0,4%	2,91	**2,90**	3,0%
	Ireland - 10yr Gov bond	0,5%	-0,2%	2,66	**2,80**	1,6%
	Greece - 10yr Gov bond	-0,3%	0,0%	3,24	**3,40**	2,0%
Fixed Income Credit	Credit EUR IG-Itraxx Europe	0,3%	0,4%	53,73	**65**	2,8%
	Credit EUR HY-Itraxx Xover	0,8%	1,1%	291,19	**360**	3,4%
	Credit USD IG - CDX IG	0,4%	0,5%	48,48	**75**	4,0%
	Credit USD HY - CDX HY	0,6%	0,7%	294,57	**450**	2,6%
Fixed Income EM Europe (Loc)	Turkey - 10yr Gov bond (local)	9,4%	16,0%	25,82	**26,82**	17,8%
	Russia - 10yr Gov bond (local)	1,2%	1,5%	15,11	**25,00**	-64,0%
Fixed Income Asia (Local curncy)	China - 10yr Gov bond (local)	-0,2%	0,7%	1,62	**1,25**	4,6%
	India - 10yr Gov bond (local)	1,2%	1,4%	6,67	**6,25**	10,0%
	Singapore - 10yr Gov bond (loc	1,0%	0,5%	2,88	**2,50**	5,9%
	Indonesia - 10yr Gov bond (loc	0,8%	0,7%	6,99	**6,00**	14,9%
	South Korea - 10yr Gov bond (I	0,5%	0,3%	2,73	**2,75**	2,6%
	Taiwan - 10yr Gov bond (local)	0,8%	0,8%	1,54	**2,50**	-6,1%
	Philippines - 10yr Gov bond (loc	0,4%	0,6%	6,08	**5,00**	14,7%
	Malaysia - 10yr Gov bond (loca	0,4%	0,4%	3,81	**3,00**	10,3%
	Thailand - 10yr Gov bond (loca	0,4%	-0,3%	2,30	**1,75**	6,7%
	Vietnam - 10yr Gov bond (local	0,1%	0,3%	3,02	**3,00**	3,1%
Fixed Income Latam	Mexico - 10yr Govie (Loc)	3,4%	4,2%	10,05	**10,50**	6,5%
	Mexico - 10yr Govie (USD)	0,8%	0,7%	6,62	**6,75**	5,5%
	Brazil - 10yr Govie (Loc)	-0,4%	4,5%	14,75	**14,75**	14,8%
	Brazil - 10yr Govie (USD)	2,2%	3,1%	6,73	**7,75**	-1,4%
Commodities	Oil (WTI)	-2,3%	0,9%	71,7	**70,00**	-2,4%
	GOLD	5,7%	5,9%	2.814,9	**2.400**	-14,7%
Fx	EURUSD (price of 1 EUR)	-0,6%	-0,8%	1,03	**1,05**	1,7%
	GBPUSD (price of 1 GBP)	-0,8%	-1,1%	1,24	**1,29**	3,8%
	EURGBP (price of 1 EUR)	0,2%	0,3%	0,83	**0,81**	-2,0%
	USDCHF (price of 1 USD)	0,5%	0,6%	0,91	**0,87**	-4,3%
	EURCHF (price of 1 EUR)	-0,1%	-0,2%	0,94	**0,91**	-2,7%
	USDJPY (price of 1 USD)	-1,5%	-1,0%	155,25	**158,0**	1,8%
	EURJPY (price of 1 EUR)	-2,1%	-1,8%	160,28	**165,9**	3,5%
	USDMXN (price of 1 USD)	0,6%	-1,0%	20,43	**21,00**	2,8%
	EURMXN (price of 1 EUR)	0,0%	-1,6%	21,09	**22,05**	4,5%
	USDBRL (price of 1 USD)	-5,0%	-6,0%	5,81	**5,80**	-0,1%
	EURBRL (price of 1 EUR)	-5,7%	-6,8%	5,99	**6,09**	1,6%
	USDARS (price of 1 USD)	1,8%	2,2%	1.053,00	**1.000**	-5,0%
	USDINR (price of 1 USD)	1,6%	1,9%	87,06	**86**	-1,2%
	CNY (price of 1 USD)	-1,0%	-0,7%	7,25	**7,50**	3,4%

** For Fixed Income instruments, the expected performance refers to a 12 month period*

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