GLOBAL OUTLOOK

ECONOMY & FINANCIAL MARKETS

ANDBANK
Private Bankers

Andbank Monthly Corporate Review – April 2025

Corporate View

April 2025

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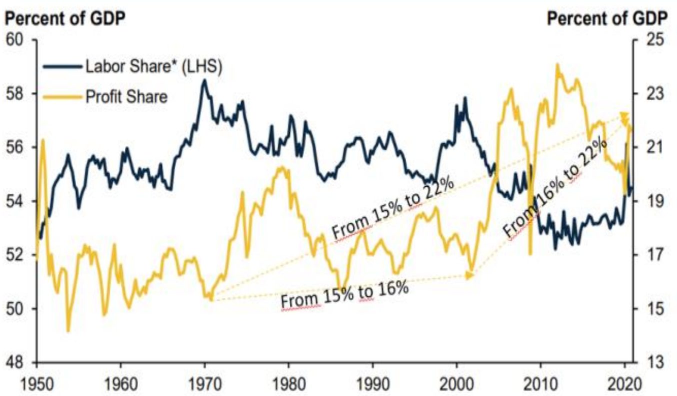
EXECUTIVE SUMMARY

CHARTS OF THE MONTH

Shares of Corporate Profits and Labor ins U.S GDP



Source: PGIM Fixed Income, Bureau of Economic Analysis, and Bureau of Labor Statistics.
*Compensation of employees. 13 15 17 19 21 23 25 48 50 52 54 56 58 60 1950 1960 1970 1980 1990 2000 2010 202

Over the past two decades, corporate profits have significantly increased their share of the U.S. GDP. This phenomenon coincides with the expansion of the internet, large-scale digitalization, and the widespread adoption of cloud computing. These developments gave rise to a new business model: the platform company. These corporations are geographically dispersed and, in a sense, untouchable—they design in the United States, manufacture in China, sell globally, and pay taxes in Ireland or the Netherlands. Their competitive edge lies in offering their product—computing infrastructure and capacity—as a cloud-based service, which has enabled unprecedented scalability and, consequently, an extraordinary expansion of profits. This explains the sharp rise in corporate profits as a share of GDP. But in economics, there is no such thing as a free lunch: this expansion necessarily implies a relative decline in the share going to wages. In this context, the rise of the “Make America Great Again” (MAGA) discourse can be interpreted as a societal demand for rebalancing: that these corporations return to wages the portion of the pie they have lost. The proposed mechanism? Tariffs. By imposing them, the goal is to discourage offshoring and promote industrial reshoring within the United States—even if that means these companies must accept higher labor costs. Is this the best way to rebalance the distribution of GDP? There are no certainties. But perhaps it is preferable to the alternative of imposing an 80% tax on their profits.

EQUITIES

Index	Target PE Trailing (year end 2025) set on the Strategic Comittee	INDEX CURRENT PRICE	Andbank's Target Price (year end 2025)	Expected performance to target Price	Recommended Strategy
USA S&P 500	24,76	5.612	6.537	16,5%	OW
Europe - Stoxx Europe 600	15,00	540	582	7,8%	MW
Spain IBEX 35	12,00	13.255	13.200	-0,4%	UW
Mexico IPC GRAL	13,00	52.484	62.400	18,9%	OW
Brazil BOVESPA	8,50	130.260	140.250	7,7%	UW
Japan TOPIX	15,93	2.662	2.962	11,3%	OW
China SSE Comp. A share	12,81	3.509	3.163	-9,9%	UW
China Shenzhen Comp	21,00	2.012	1.989	-1,2%	UW
India SENSEX	22,00	76.008	83.600	10,0%	OW
Vietnam VN Index	12,00	1.317	1.517	15,1%	OW
MSCI EM ASIA	14,00	603	692	14,8%	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	0,2%	4,3%	4,18	4,75	-0,4%
UK 10 year Gilt	-0,1%	0,7%	4,62	4,75	3,5%
German 10 year BUND	-1,3%	-1,9%	2,68	3,10	-0,7%
Japanese 10 year Govie	-0,6%	-3,0%	1,49	1,50	1,4%
Spain - 10yr Gov bond	-1,0%	-1,2%	3,30	3,85	-1,1%
Italy - 10yr Gov bond	-1,6%	-1,2%	3,78	4,35	-0,8%
Portugal - 10yr Gov bond	-1,3%	-2,1%	3,18	3,60	-0,2%
Ireland - 10yr Gov bond	-1,4%	-2,0%	2,95	3,50	-1,5%
Greece - 10yr Gov bond	-1,3%	-1,5%	3,44	4,10	-1,8%
Credit EUR IG-Itraxx Europe	-0,1%	0,5%	63,20	65	2,9%
Credit EUR HY-Itraxx Xover	-0,8%	0,2%	326,41	360	4,6%
Credit USD IG - CDX IG	0,1%	0,9%	61,42	75	4,6%
Credit USD HY - CDX HY	-1,2%	0,1%	376,38	450	6,0%

FIXED INCOME - EM

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)	-40,8%	-25,2%	31,09	30,00	39,8%
Russia - 10yr Gov bond (local)	1,2%	3,8%	15,11	25,00	-64,0%
China - 10yr Gov bond (local)	-0,6%	-1,1%	1,85	1,25	6,7%
India - 10yr Gov bond (local)	1,8%	3,1%	6,57	6,25	9,1%
Singapore - 10yr Gov bond (loc	1,2%	2,7%	2,59	2,50	3,3%
Indonesia - 10yr Gov bond (loc	-0,1%	1,9%	6,95	5,75	16,5%
South Korea - 10yr Gov bond (l	-0,5%	1,5%	2,69	2,75	2,2%
Taiwan - 10yr Gov bond (local)	0,2%	0,9%	1,56	2,50	-6,0%
Philippines - 10yr Gov bond (loc	0,6%	1,6%	6,06	5,00	14,5%
Malaysia - 10yr Gov bond (loca	0,4%	1,2%	3,77	3,00	9,9%
Thailand - 10yr Gov bond (loca	1,3%	2,0%	2,05	1,75	4,5%
Vietnam - 10yr Gov bond (local	1,2%	1,2%	2,96	4,00	-5,3%
Mexico - 10yr Govie (Loc)	1,6%	11,2%	9,34	10,00	4,0%
Mexico - 10yr Govie (USD)	0,4%	4,9%	6,27	6,75	2,4%
Brazil - 10yr Govie (Loc)	2,5%	4,0%	15,09	14,75	17,8%
Brazil - 10yr Govie (USD)	0,4%	5,5%	6,60	7,50	-0,6%

COMMODITIES & FX

Indices	Performance Last 30 days	Performance YTD	Current Price	Andbank's Target Price Year End	Expected Performance (to Target Price)
Oil (WTI)	4,3%	-0,7%	71,3	70,00	-1,9%
GOLD	7,3%	17,6%	3.131,9	2.400	-23,4%
EURUSD (price of 1 EUR)	3,2%	4,5%	1,08	1,05	-3,0%
GBPUSD (price of 1 GBP)	1,9%	3,4%	1,29	1,29	-0,3%
EURGBP (price of 1 EUR)	1,3%	1,1%	0,84	0,81	-2,6%
USDCHF (price of 1 USD)	-1,7%	-2,8%	0,88	0,87	-1,3%
EURCHF (price of 1 EUR)	1,5%	1,6%	0,95	0,91	-4,3%
USDJPY (price of 1 USD)	0,1%	-4,8%	149,65	155,0	3,6%
EURJPY (price of 1 EUR)	3,3%	-0,5%	161,98	162,8	0,5%
USDMXN (price of 1 USD)	-1,0%	-1,6%	20,48	21,00	2,5%
EURMXN (price of 1 EUR)	2,3%	2,9%	22,17	22,05	-0,5%
USDBRL (price of 1 USD)	-3,1%	-7,7%	5,70	5,80	1,8%
EURBRL (price of 1 EUR)	0,0%	-3,6%	6,17	6,09	-1,3%
USDARS (price of 1 USD)	0,9%	4,2%	1.073	1.000	-6,8%
USDINR (price of 1 USD)	-2,0%	0,0%	85,53	86	0,5%
CNY (price of 1 USD)	-0,2%	-0,4%	7,27	7,50	3,2%

USA

Investors Front-Run Worst-Case Trade Scenario. We look to Negotiations Outcomes

Equity Market: Neutral to Optimistic Outlook

Although investors appear to be front-running (anticipating an adverse trade scenario), we still maintain a constructive outlook based on the significant volume of backlogs reported by companies in their guidance. While we are fully aware of the high risk of short-term volatility, we continue to see a generally favorable trend in corporate earnings. These have exceeded expectations, with year-over-year growth of 13.5% and a positive earnings surprise of 6.5%, and the projection for 2025 is for double-digit growth. Inflation has eased and the labor market remains strong, supporting a resilient economic backdrop as we await the outcome of ongoing negotiations.

Equity Bullish Price Factors

GDP (Still positive): Real GDP grew at an annual rate of 2.3% in 4Q24, after the economy expanded by 3.1% in the third quarter. The consensus economic growth forecast for the United States for 2025 stands at 2.2%, down from 2.8% in 2024, reflecting the impact of rising trade barriers and policy uncertainty on investment and household spending.

Monetary Policy (Positive/Potential Volatility): The Fed kept interest rates within the 4.25% to 4.5% range, in line with market expectations. The 2025 growth forecast was revised downward to 1.7% from the previous estimate of 2.1%. Meanwhile, the Fed raised its 2025 inflation estimate to 2.7%, reflecting concerns over the Trump administration's tariff policies.

Labor Market (Positive): In February, the labor market saw modest growth, adding 151,000 jobs—slightly below economists' expectations of 170,000. The unemployment rate inched up to 4.1%. Meanwhile, average hourly earnings rose 4.0% y/y, maintaining a steady pace in line with recent months.

EPS 2025 (Positive): The U.S. corporate earnings landscape for 4Q24 showed strong growth. We maintain the target price level for the S&P 500 in the 3,500 area, although adopting a cautious short-term outlook.

CPI (Positive): Inflation showed signs of easing, with the CPI rising 0.2% month-over-month, down from 0.5% in January. On a year-over-year basis, headline CPI increased by 2.8%, slightly lower than January's 3.0%, while core CPI rose 3.1% y/y. Shelter costs climbed 0.3%, food prices edged up 0.2%, and energy prices increased by 0.2%. This easing off suggests that price pressures are stabilizing after a period of increases earlier in the year.

Equity Bearish Price Factors

Valuation multiples: The P/E ratio shifted modestly over the past month, with a slight cooling in valuations. However, this metric (PE with the profits of the last 12 months) is still above its 20-year average (25 current vs 18 average).

Micro Overview: US equity sectors posted mixed results, with defensive sectors and those sensitive to interest rates (energy, consumer staples, and real estate) leading the way, while consumer discretionary and technology sectors, which tend to be more sensitive to the economic cycle, performed weaker. Overall, sector trends reflected a general decline in market sentiment, with investors opting for defensive sectors.

Fixed Income

Duration: After nearing 4.8% in January, the US 10 yr. yield declined to 4.25% in February amid market concerns over a potential recession and fiscal policies. By March, the yield had rebounded slightly to 4.31%. We remain positioned to increase duration at levels above 4.75%.

Credit: We continue to set target levels for Investment Grade and High Yield at 75 and 450, respectively. Spreads have widened beyond 50 and 350, prompting us to maintain a cautious stance against further expansion.

Market outlook – Recommendations & Targets

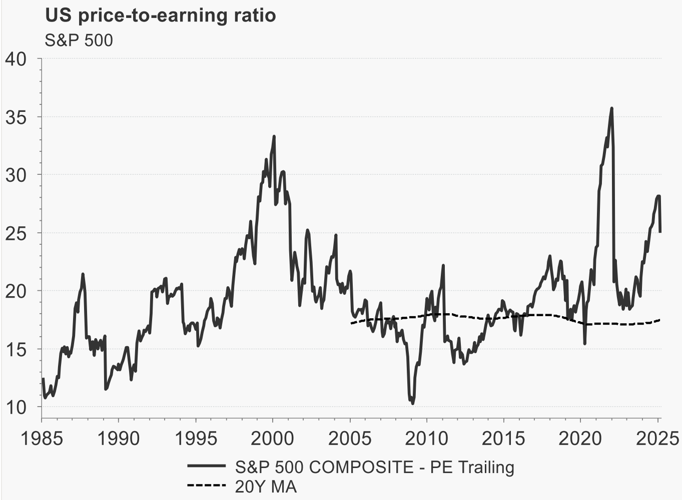
Equities: S&P MARKETWEIGHT-OVERWEIGHT

Bonds: Govies MARKETWEIGHT. 10Y UST Target 4.75%

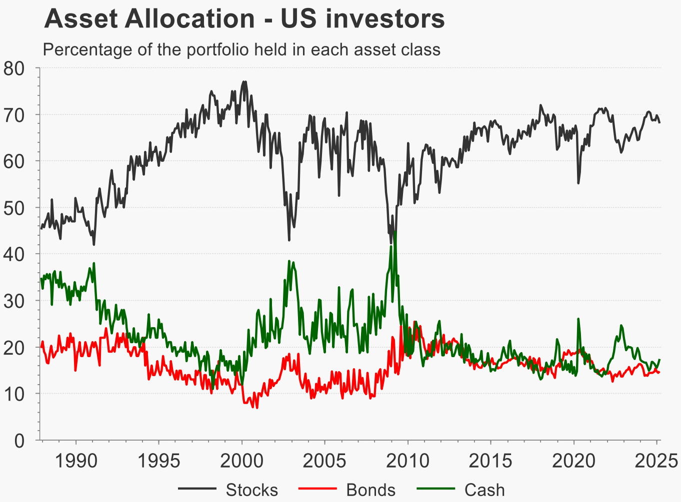
Credit – CDX (IG): OVERWEIGHT (Target Spread 75)

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

Forex: DXY index: OVERWEIGHT



Source: LSEG Datastream / ANDBANK



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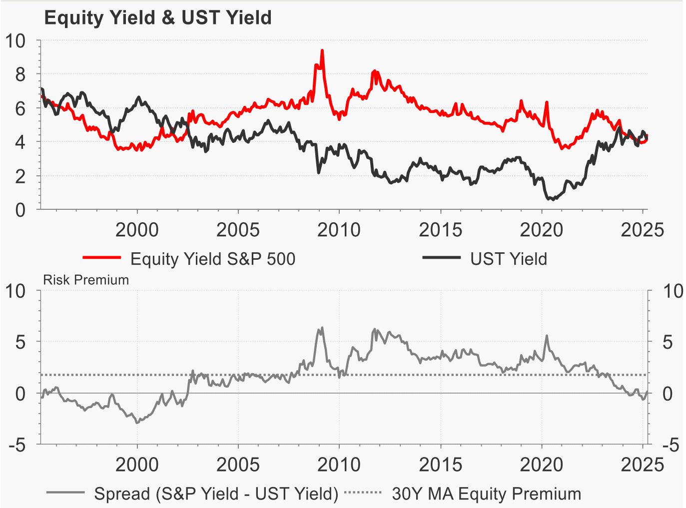


Source: LSEG Datastream / ANDBANK

EUROPE

Short-term positive political shifts amid growing tariff debates

Macro

Bullish factors: 1) 2026 GDP estimates are being revised upward (from 0.8% to ~1.2% y/y), driven by an expected rebound in investment, particularly from Germany; 2) Rate cut expectations remain, though upcoming ECB meetings could be more contentious; 3) Service-sector inflation may be starting to ease, supported by slower wage growth data, while falling energy prices could provide additional relief.

Bearish factors: 1) The risk of higher US tariffs—whether sector-specific, reciprocal, or time-limited—is looming, with 3% of Germany's GDP at risk, particularly in the auto sector, while 25% duties on steel and aluminum have already been imposed; 2) Consumption is failing to gain momentum despite positive factors such as real income growth (+3–3.5% estimated for 2025), solid employment levels, and a high savings rate (15%, above the 12.3% average from 2015–2019).

Politics

Bullish factors: 1) Germany's new government's agreement with the Greens paves the way for the approval of a substantial financial package of €500 billion, allocated to an infrastructure fund over the next 12 years and increased defense spending above 1% of GDP, exempted from the debt brake, boosting confidence and investment; 2) Strong political will within the EU to raise national defense spending to 1.5% of GDP (€800 billion) to compensate for historical underinvestment and NATO commitment shortfalls; 3) Ongoing prospects for a Ukraine peace agreement improve sentiment through lower energy costs and reconstruction spending, despite lingering uncertainties regarding the EU's role in negotiations and Ukraine's future; 4) The recent rise in support for Macron reduces the risk of a fresh round of legislative elections after the summer.

Bearish factors:.1) Key challenges ahead: Advancing Europe's agenda, including further steps in the Capital Markets Union and addressing the complexities of implementing higher defense spending; 2) Significant uncertainty surrounding Trump's intentions, the future of EU-US relations, and the United States' role within NATO.

Govies

Bullish factors: 1) there is still some room for further monetary easing, as fiscal impulse will not materialize immediately, and inflation may remain stretched (depo terminal rate estimated at 2% levels).

Bearish factors: 1) Rising supply driven by Germany's fiscal expansion and increased defense financing across other countries—especially from 2026 onwards—marks a significant shift, requiring higher term premia; 2) The ECB's 'meaningfully less restrictive' policy suggests the natural rate is approaching 1.75–2.25%, compared to the current 2.5% deposit levels.

Credit

Bullish factors: 1) Germany's fiscal impulse remains a key support; 2) Credit metrics are holding up well despite a slight deterioration; 3) Default rates continue to decline; 4) Positive carry across all ratings should help cushion potential spread increases; 5) Higher supply is, so far, being met with sufficient demand.

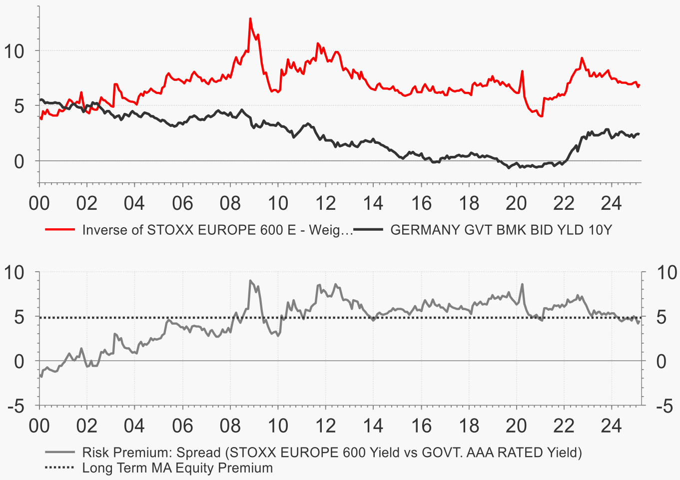
Bearish factors: 1) Valuations appear stretched, with spreads below historical averages; 2) High-yield default rates have seen a slight uptick; 3) Tariffs could pose headwinds for sensitive sectors (autos, pharma) and countries like Germany.

Spread targets and positioning: We maintain our 65 bps spread target for Investment Grade and 375 bps for High Yield. We recommend overweighting defensive sectors and banks while underweighting tariff-sensitive sectors to align with current market dynamics.

Equity Market Summary – Neutral/Positive Outlook:

Currently, the key drivers for sustaining momentum in European equities are Germany's stimulus package and the potential resolution of the Ukraine/Russia conflict. While the path to a peace agreement remains challenging, the probability of a resolution continues to rise.

Equity Yield (Europe) vs Risk Free Yield10Y



Source: LSEG Datastream / ANDBANK

Euro area price-to-earnings

Europe Stoxx 600

Source: LSEG Datastream / ANDBANK

Materials, energy-intensive industrials (i.e. chemicals), and consumer-oriented sectors have underperformed in recent years due to rising energy prices and reduced household purchasing power. These sectors stand to benefit most from Germany's stimulus package and a potential resolution to the Ukraine/Russia conflict, assuming it leads to a pullback in energy prices in Europe. Such developments would also help improve sentiment towards European SMIDs, which are currently trading at a historical discount compared to large caps. Meanwhile, the rise in bond yields has supported the financial sector, but further upside for euro area bond yields appears limited.

Market outlook – Recommendations & Targets

Equities – Stoxx Europe: MARKETWEIGHT

Bonds – Core Govies: MW-UW (Bund target 3.00%-3.25%).

Peripheral – UW: IT (4.35%), SP (3.85%), PT (3.60%), IE (3.50%), GR (4.10%).

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

Credit – Itraxx Europe (HY): MARKETWEIGHT (Target 375 bps)

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

SPAIN

Cautious optimism in a context of uncertainty

Macroeconomic & Political Outlook

Strong growth data for the Spanish economy in the final stretch of 2024 have led to an upward revision of the GDP growth forecast for 2025. However, the increased likelihood of tariff tensions between the U.S. and the EU calls for caution. Authorities now expect the economy to grow by 2.7% in 2025, up from the previously forecasted 2.5%, though slightly below what it might have been without this uncertainty factor.

Spain's services sector activity accelerated significantly in February despite macroeconomic and geopolitical uncertainty. According to S&P Global data, the PMI index rose to 56.2 points from 54.9 in January. Meanwhile, Spain's manufacturing PMI fell into contractionary territory for the first time in 13 months, dropping to 49.7 points from 50.9 in January. However, the composite PMI for the private sector improved to 55.1 points from 54.0 the previous month, indicating stronger business activity growth.

Unemployment figures dropped by 5,994 in February, bringing the total number of unemployed to 2,593,449—a 17-year historic low for this period. Additionally, 100,340 new jobs were created, mostly in the education sector, the second-largest increase for this period since 2007. The total number of Social Security affiliates averaged 21,196,154, the highest ever recorded for this month, according to data released by the Ministries of Labor and Social Security.

The current account balance, which measures income and payments abroad for goods, services, income, and transfers, posted a surplus of €48.4 billion in 2024—21.6% higher than the €39.8 billion recorded the previous year—driven by strong performance in goods and services, according to the Bank of Spain. The improvement in the current account balance throughout 2024 was largely due to higher revenues from tourism and travel, as the deficit in primary and secondary income widened.

The CPI, the main inflation indicator, rose by 0.1 percentage points in February compared to January, reaching +3% y/y, according to preliminary data from the National Institute of Statistics (INE). This is the highest since last June, when it stood at 3.4%, and represents the fourth consecutive month of increases. Core inflation, which excludes the more volatile energy and fresh food prices and is key for monetary policy, continued its downward trend, easing by 0.3 percentage points to 2.1%, bringing it closer to the European Central Bank's (ECB) target.

Mortgage approvals for home purchases increased by 11.2% in 2024, the highest annual growth rate since 2021, with a total of 423,761 loans, according to INE data. After plunging 17.9% in 2023 to around 381,000 loans, the number of home mortgages rebounded in 2024, surpassing 400,000 again, as seen in 2022 and 2021. However, the total number of home mortgages in 2024 remained below the 2022 peak of over 464,000 loans. In January 2025, home sales grew +8.8% y/y, while mortgage approvals rose 9.4%.

Stock Market

The positive momentum in the European equity market continues, with the IBEX 35 appreciating by 15% in the first two months of 2025. While some slowdown in activity is expected, alongside a downward trend in interest rates, banks have emerged as key market drivers at the start of the year.

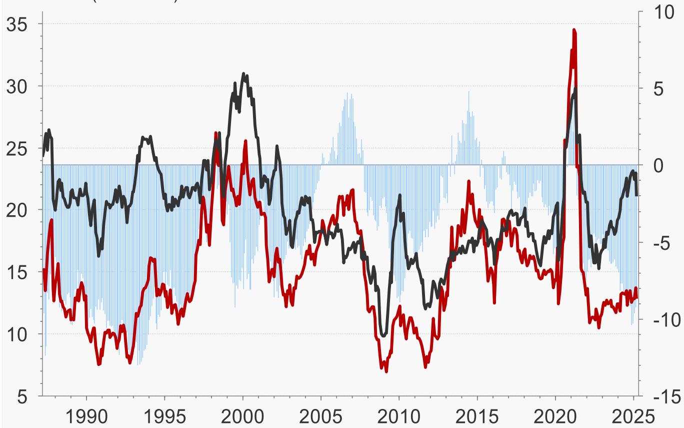
Earnings expectations have not changed significantly, which means that much of the Spanish market's performance in the first part of the year has been driven by multiple expansion. With a forecasted EPS of 1.098 for 2025, the index is trading at a trailing LTM P/E ratio of 12.8. In the absence of substantial revisions to 2025 earnings forecasts, multiple expansion would now be the main catalyst for any further market upside — something that diminishes its appeal.

Market outlook – Recommendations & Targets from fundamental analysis

Equities – Spain's Ibex: UNDERWEIGHT

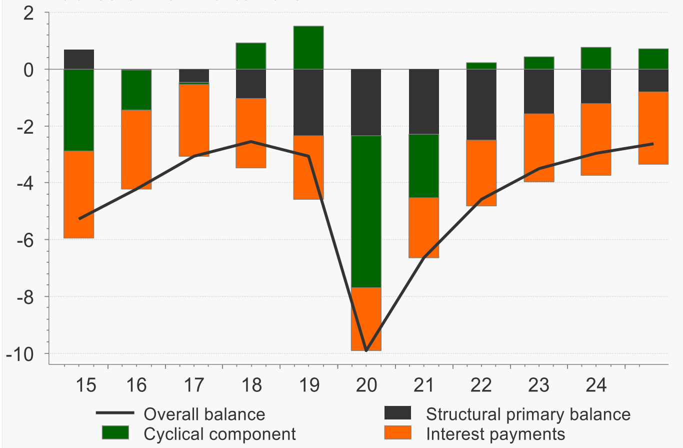
Bonds: Govies: UNDERWEIGHT (10-year target yield 3.85%)

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



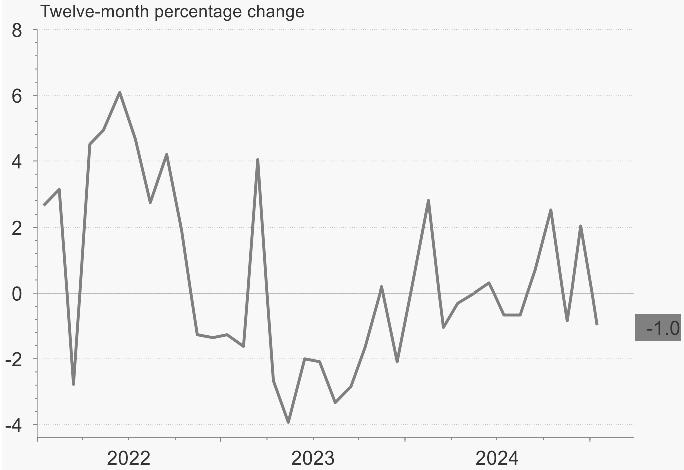
Source: LSEG Datastream / ANDBANK

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

fiscal deficit of 11% with GDP growth at 5% is far from an ideal macroeconomic signal

Fiscal stimulus: We expect a large fiscal impulse, but at the cost of dangerously deteriorating public accounts and capacity to resort to new impulses.

There is still no consensus on the size and significance of China's fiscal stimulus. This is because the Ministry of Finance obscures public finances by maintaining multiple budget accounts: 1) general public budget, 2) government funds budget (where local government infrastructure projects are financed), 3) the state capital operations budget (for funds raised from the profit levy on state enterprises), and 4) the social insurance funds budget (for old-age pensions and other programs). The headline budget deficit is expected to rise from 3% of GDP in 2024 to 4% in 2025, but it refers only to one of these budget accounts. This makes it almost impossible to know the true fiscal picture. A combined assessment of all the budget accounts gives us a rough estimate of the fiscal situation. Adding up all public revenues and deducting public expenditures from all public accounts, and discounting transfers between them, analysts see a projected deficit of 10.9% of GDP in 2025, almost triple the headline figure, and the largest on record. Crucially, the fiscal impulse—the increase in the deficit—is 2.4% of GDP, more than double the official estimate. This marks the largest fiscal expansion outside of the 2020 pandemic response (4.1% of GDP). The key takeaway: this year's **fiscal stimulus is larger and more broadly distributed than widely acknowledged**. At the same time, China's public finances are in a more precarious state than official figures suggest, reducing its ability to respond to future economic challenges.

There is a risk the announced incentives will disappoint.

The fiscal stimulus figures for 2025 are based on revenue projections, meaning the actual budget deficit could turn out lower than expected. This has occurred in recent years when revenue shortfalls led to smaller-than-projected deficits. However, this risk is counterbalanced by the growing use of off-balance-sheet borrowing by central state-owned enterprises to fund government initiatives. This hidden stimulus could add 0.2% to 0.4% of GDP, further complicating the true fiscal picture**.**

Could the economic situation in China be worse than we all think?

A key question arises: why implement the largest stimulus in years? The sheer scale suggests it is a response to a significant economic emergency. This contradicts the narrative of China's entrenched fiscal conservatism—after all, a government running a deficit of 11% of GDP can hardly be considered fiscally conservative in any meaningful sense.

A significant portion of the fiscal stimulus is aimed at preserving financial stability. Is this a sign that the financial system is at risk?

The structure of government spending suggests it is partly aimed at financial stability rather than directly stimulating demand. RMB 500 billion in government debt will recapitalize major state banks, while RMB 800 billion will be used to refinance and retire off-balance-sheet local government debt.

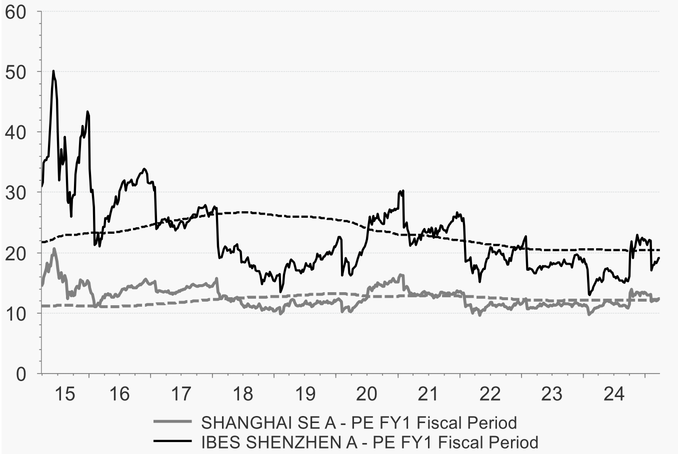
Why such a massive effort to support the market, especially when these financial operations have relatively low fiscal multipliers? Once again, the answer may lie in urgent and substantial financial market needs.

Is this sufficient to trigger a sustained rebound in Chinese assets? Sooner or later, there will be a real need for fiscal rollback

These long-awaited changes are meaningful and directionally positive, but there is no guarantee they will be enough to fully counteract China's major downside risks. The country faces the dual threat of a sharp decline in external demand due to escalating U.S. tariffs, and a potential renewed downturn in the property market, which could further weaken domestic demand.

This is why many domestic and foreign analysts are calling for an even larger stimulus—essentially treating the current situation as an economic emergency on par with Covid-19 or the 2008 financial crisis. However, the government remains reluctant to adopt a full-scale emergency stance, given that it is already running large budget deficits. For instance, China's pension expenditure for 2025 is projected to reach a record 5.6% of GDP. Yet, due to demographic shifts, this may represent the lowest deficit level in the coming decades, adding further long-term fiscal pressure.

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

Mainland China portfolio inflows surge to record high in February

SAFE data shows that foreign inflows into mainland China securities surged to a record $228.1 billion in February, with the net balance turning positive for the first time since September, after accounting for outbound flows. China's equity mutual funds raised CNY 56.4 billion in January-February, a fivefold increase from last year and the largest amount since 2021. The number of new fund launches also jumped 76% y/y. Investor enthusiasm, driven by China's advancements in technology, has fueled a rally in Chinese stocks, attracting increased retail fund inflows. Confidence is growing that China's tech breakthroughs could help mitigate deflationary risks and ease trade tensions with the U.S. As a result, the MSCI China Index has surged 23% year-to-date, significantly outperforming global markets, in stark contrast to the S&P 500's 3.5% decline. Beijing's focus on economic growth and technological innovation continues to bolster investor sentiment.

Market outlook – Recommendations & Targets

Equities – SHANGHAI Idx: UW // SHENZHEN Idx: UW // Hang Seng MW // MSCI China MW

Bonds – Govies: UW-MW (10Y Yield target 1.25%)

Forex – CNY/USD: UNDERWEIGHT (Target 7.50)

JAPAN

TSE reform drives record delistings amid acquisitions and buyouts, boosting market confidence

Delistings are occurring as part of efforts to strengthen market discipline, with authorities focusing on optimizing share prices.

Companies are delisting from the Tokyo Stock Exchange (TSE) at an unprecedented rate, as acquisitions and privatizations accelerate amid market reforms aimed at enhancing corporate value and optimizing share prices. Between January and March, 31 companies have already delisted or are scheduled to do so, equivalent to nearly one-third of the 94 companies that exited the market in 2024—the highest number since the TSE's 2013 merger with the Osaka Exchange. The delistings are primarily driven by smaller companies, with the leading cause being M&As, including the dissolution of parent-subsidiary listings. This trend is linked to the TSE's 2022 reorganization into three market segments and the tightening of listing standards. In 2023, market authorities also urged companies to adopt a more disciplined approach to managing capital costs and stock prices, pushing delistings up further.

Stock market reform focuses on quality, not quantity, of stocks.

The TSE has shifted its focus toward prioritizing quality over quantity in its listed companies, while also reducing the number of stocks on the TOPIX. The current Japanese stock market includes a significant number of companies with small market capitalizations, which are not typically seen as investment targets by global investors. We view the Tokyo Stock Exchange's policy shift as a very positive development.

Companies compelled to do more than buybacks.

Investors are increasingly dissatisfied with buybacks alone, prompting companies to pursue management changes and asset sales. These demands come as part of a broader corporate governance overhaul driven by the government, stock exchanges, and regulators. As a result, investors are now pushing for more substantial, ongoing changes, including higher dividends, rather than just one-time capital returns

Corporate Developments: a bottom-up view

Nippon Steel & US Steel: The Trump administration has filed a motion to extend two deadlines in the lawsuit filed by the two companies against the U.S. National Security Panel, granting the government additional time to finalize merger discussions with the parties involved. This development is the clearest indication yet that President Trump may approve the deal. In January, the companies filed the lawsuit against the Committee on Foreign Investment in the United States (CFIUS) after it recommended blocking their merger on national security grounds.

Honda will source batteries for its hybrid vehicles from Toyota's U.S. plant, starting in FY25. The agreement will provide batteries for approximately 400,000 vehicles, covering all of Honda's hybrid vehicle sales in the U.S. Honda currently imports batteries for the cars it assembles in the U.S. from Japan and China.

BoJ, the JPY and the risk of a disorderly reversal of the carry trade

The BoJ is likely to maintain its policy interest rate at 0.5% in the coming weeks or months, amid growing concerns that the global economy may be adversely affected by U.S. tariffs and other factors. Having raised rates at its previous meeting in January, the central bank is expected to carefully assess the impact of that hike on the economy and inflation. Board members believe that inflation is not severe enough to justify rapid rate increases, as domestic economic conditions and prices are generally within expected ranges. This scenario suggests that any further appreciation of the yen will likely be modest, reducing the risk of a chaotic reversal of carry trade strategies and providing a foundation for the global market to stabilize and potentially recover to higher levels.

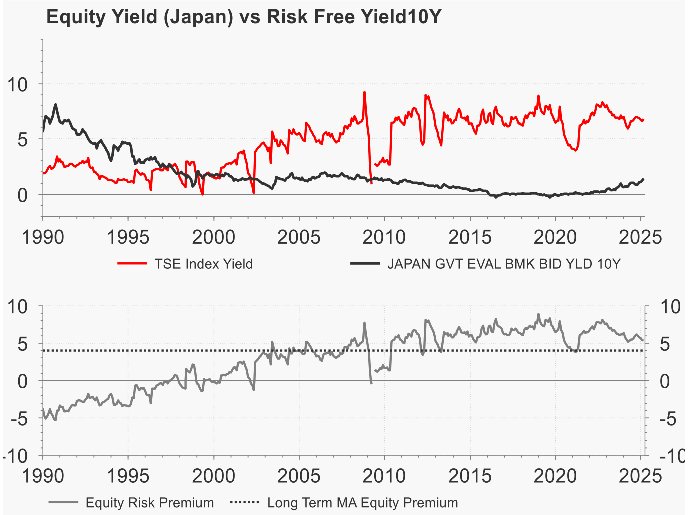
Market outlook – Recommendations

Equities – N225: OVERWEIGHT

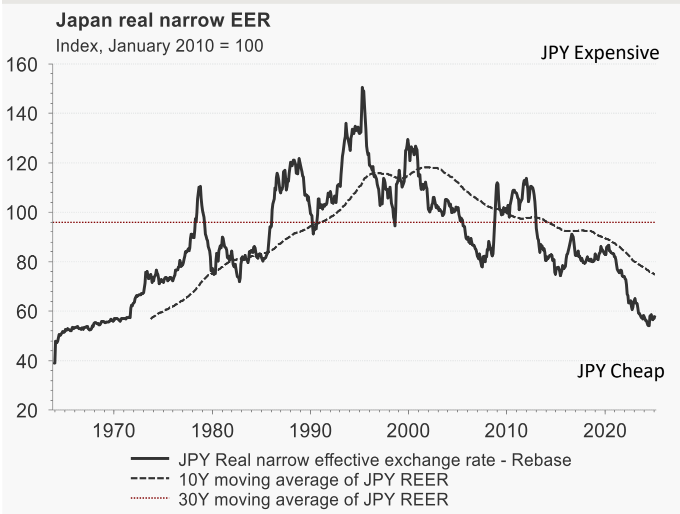
Bonds – Govies: UNDERWEIGHT (Target yield 1.5%)

Forex – USD-JPY: UNDERWEIGHT (Mid-term target 155)

Source: LSEG Datastream / ANDBANK



Source: LSEG Datastream / ANDBANK



Source: LSEG Datastream / ANDBANK

INDIA

Small and mid caps have suffered from a loss of momentum. We expect a recovery in the near term

What's behind the recent fall in the Indian equity market?

The recent decline in the Indian equity market can be attributed to growing investor concerns over the impact of U.S. tariffs. Additionally, many investors are finding more attractive opportunities in China's undervalued equity market, which is viewed as having a stronger potential for recovery.

Valuations

Recent declines in the broader Indian equity market (MSCI India, including mid- and small-caps) have led to a drop in PE ratios from 29x in November 2024 to 24.8x currently, well below the 5-year average of 25.8x. When combined with the 5-year average EPS growth of 15% for the MSCI India index, the price-to-earnings-to-growth (PEG) ratio highlights that large-cap companies are now trading at highly attractive valuations.

Looking at large caps versus mid- and small-caps, the picture diverges. The Nifty 50 index of 50 of India's largest companies, is currently trading at a price-to-book (P/B) ratio of 3.1x, well within the established range of 2.7x to 4.1x, indicating fair valuation. Additionally, the Nifty 50's return on equity (ROE) has reached 15.3%, its highest since 2015. In contrast, the Nifty Midcap 150 and Nifty Small cap 250 indices are trading at a premium to the Nifty 50, reflecting higher valuations. Consensus earnings growth for the Nifty 50 is estimated at 5-6% for FY25 and 8-10% for FY26.

Micro data from the largest companies helps clear up some doubts.

Infosys McCamish Systems, a subsidiary of Infosys, has agreed to settle six class-action lawsuits in the U.S. related to a 2023 cyber incident. The settlement was finalized on March 13, 2025.

Wipro IT is restructuring its Global Business Lines (GBLs) to sharpen its focus on artificial intelligence, cloud computing, and digital transformation. Effective April 1, 2025, the restructuring aims to streamline operations and better align with evolving client needs.

IndusInd Bank has been in the spotlight following speculation about its financial health. The Reserve Bank of India stepped in to dismiss concerns, reaffirming that IndusInd remains well-capitalized, with a Capital Adequacy Ratio of 16.46% and a strong Provision Coverage of 70.20%. Additionally, with a Liquidity Coverage Ratio of 113%, the bank appears financially stable.

The contribution of the M0 in the M3 growth is decreasing and this has positive implications.

M0 (monetary base) as a share of M3 (broad money) declined from 150% in 2023 to just 50% in February 2025, indicating a decreasing proportion of cash and bank reserves relative to total monetary aggregates. This trend is common in growing economies where financial intermediation improves or banks are incentivized to expand credit. A falling M0/M3 ratio suggests that money supply is increasingly driven by bank lending and deposit creation, signaling heightened banking activity and economic dynamism. When the monetary base grows more slowly than broader aggregates, the rising money multiplier reflects a more efficient financial system.

Analysts expect the Indian economy to remain strong.

The Reserve Bank of India has revised its GDP growth forecast for fiscal 2025 down to 6.6% from 7%, citing global economic uncertainties. However, India's resilience remains evident, driven by strong domestic demand, a robust manufacturing sector, and sustained private and public investment. Additionally, fiscal consolidation efforts and relatively low inflation bolster its optimistic outlook compared to other major economies.

Market outlook – Recommendations & Targets

Equities – SENSEX: OVERWEIGHT (Target price 84,000)

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

Bonds – Corporates: OVERWEIGHT

Forex – INR/USD: NEUTRAL (Target 86)

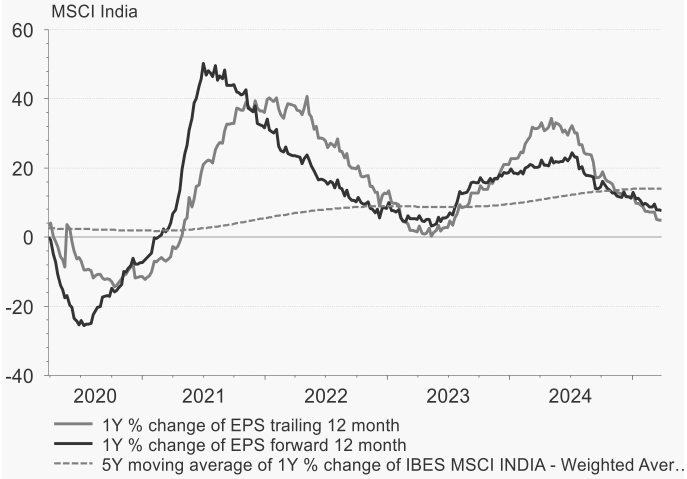
PE (ltm) - India
MSCI India

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

Domestic investor confidence rises as structural reforms take hold

Despite global headwinds, Vietnam's economy and markets showed resilience in early 2025

Vietnam's economy remained well-supported in early 2025, driven by proactive legislation and policy measures from February's extraordinary National Assembly. Key pro-market initiatives include: 1) government restructuring, with the number of ministries reduced from 19 to 14, marking a significant step in structural reform; 2) infrastructure investment: an $8 billion investment was approved for the Nội–Hải Phòng high-speed railway, highlighting the country's commitment to infrastructure expansion; 3) foreign investment in telecoms: a new resolution lifted foreign ownership restrictions on satellite service providers, allowing full ownership under a pilot program until 2030. This move, which includes Elon Musk's Starlink, aims to enhance digital connectivity and attract foreign telecom investment.

The Politburo is also advocating for a constitutional review—the sixth in Vietnam's history—proposing the elimination of district-level administrative units and restructuring at the provincial level. These changes are expected to be finalized through resolutions in the May and October 2025 National Assembly sessions.

Investment registrations surge, but realization lags—accelerated action needed to meet targets

Registered FDI surged 35.5% y/y in the first two months of 2025, reaching $6.9bn. However, realized FDI remained subdued at just under $3bn, reflecting a modest 5.4% y/y growth. Public investment disbursement totaled $2.4bn, representing 6.9% of the government's annual target, down from 7.7% in the same period last year. With the government aiming for $36bn in public investment and $28bn in FDI disbursement for 2025, capital deployment will have to accelerate significantly in the coming months to meet these ambitious targets**.**

Outlook: to bolster economic and market growth, the government has implemented further accommodative monetary policies

The Prime Minister has instructed the State Bank of Vietnam (SBV) to lower interest rates, leading over 18 banks to follow suit with rate reductions in February. Many banks have also introduced preferential loan programs, offering fixed interest rate cuts of 1-2% for the first 6-12 months. To further support the banking sector's liquidity, the SBV has suspended bill issuances, extended reverse repo maturities from 7 days to 91 days, and implemented liquidity support measures for banks involved in restructuring and acquiring "zero-dong" banks. These banks, remnants of Vietnam's 2011 financial crisis, are insolvent and undergoing restructuring with both state and private sector involvement. Banks receiving liquidity support from the SBV will be granted interest-free loans, aiming to stabilize these banks while leveraging private sector expertise.

Beyond monetary support, the government is placing a strong emphasis on fostering private sector development

The government is prioritizing private sector development as a cornerstone of its economic strategy. Currently, the private sector contributes over 50% of GDP, around 30% of state budget revenues, and employs 85% of the workforce, making it a pivotal driver of Vietnam's growth. Acknowledging its strategic importance, the Politburo has highlighted the need for a comprehensive long-term plan to support private sector expansion. This includes addressing regulatory challenges, removing institutional bottlenecks, and fostering a more business-friendly investment environment. Unlocking the full potential of private enterprises is essential for sustaining Vietnam's economic momentum and ensuring robust, long-term growth.

Our projections for key metrics are indicative of strong expansion

After consulting local sources and analyzing their perspectives, we now forecast real GDP growth of 8% in 2025, with FDI projected to grow at 7.7% and inflation expected to remain under control at 4%. This outlook means a favorable scenario for local assets.

Market outlook – Recommendations & Targets

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

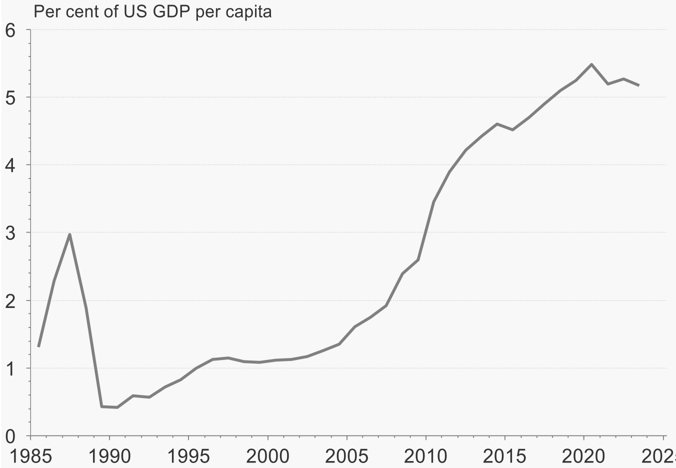
VIETNAM - Datastream index Price Earnings Ratio

Ratio

Source: LSEG Datastream / ANDBANK

Vietnam GDP per capita

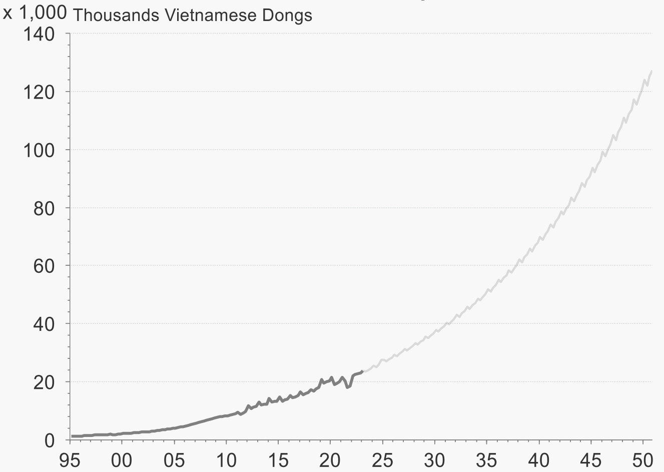
Per cent of US GDP per capita



Source: LSEG Datastream / ANDBANK

EARNING PER EMPLOYEE - Quarterly Total

x 1,000 Thousands Vietnamese Dongs



Source: LSEG Datastream / ANDBANK

ISRAEL

Security risks eased, but fiscal challenges remain

Economy

February's Consumer Price Index (CPI) remained unchanged, signaling prices are stabilizing. This flat reading follows a 0.1% increase in January, taking the annual inflation rate to 3.8%, still above the Bank of Israel's target range of 1-3%. The central bank attributes this partly to recent tax hikes but expects inflation to dip below 3% in the second half of the year. As a result, the central bank decided to maintain the interest rate at 4.50% at its latest meeting. The recent ceasefire agreement between Israel and Hamas has had a positive impact on the economy. The resumption of tourism and business travel is expected to boost sectors such as hospitality, retail, and transportation, contributing to a broader economic recovery. Additionally, Israel's foreign exchange reserves have risen, surpassing $200 billion, signaling increased economic resilience and providing a buffer against external shocks. However, it's important to note that the 2025 budget has yet to be approved by parliament, with the deadline for approval set for the end of March.

Fixed Income

Israel's government bond market experienced notable shifts, particularly in the yield curve structure, which showed signs of flattening. This suggests that investors are anticipating slower economic growth, likely due to lingering geopolitical uncertainties despite the ceasefire. The central bank's decision to hold the benchmark interest rate at 4.50% reflects a cautious stance, balancing the need to control inflation with support for economic activity. The ceasefire has also positively affected Israel's credit outlook. A reduction in geopolitical tensions has led to a decline in Israel's risk premium, making government bonds more attractive to both domestic and international investors. This surge in demand has contributed to the observed yield curve changes, as investors seek safer, long-term assets in a more stable economic environment. We remain cautious on duration, as we believe the risk-return ratio has not been fully priced in.

Stocks

The Tel Aviv 125 Index (TA-125), which tracks the largest companies listed on the Tel Aviv Stock Exchange, outperformed many global markets by remaining relatively flat, reflecting growing investor confidence, partly due to the recent ceasefire and its anticipated economic benefits.

Leading sectors in the stock market have shown mixed performances: I) Defense and Aerospace: many local defense companies, particularly Israel Aerospace Industries (IAI), outperformed the market, benefiting from heightened global demand for defense systems; II) Banking & Insurance: the banking sector has performed robustly. First International Bank of Israel reported a return on equity of 19% in 2024, the highest among Israeli banks, reflecting strong profitability and efficient management. Overall, the financial services industry demonstrated impressive profitability and heightened expectations for future performance. Most banks project a return on equity of 15%-19% for the next two to three years. We consider the financial services sector one of our top recommendations; III) Real Estate: the real estate sector continues to face challenges, with housing prices rising despite lower-than-expected inflation figures. This trend suggests persistent supply constraints and robust demand, which may impact affordability and potentially influence future monetary policies.

Last but not least, Google announced that it will be buying Israeli cybersecurity company Wiz for $32 billion in an all-cash deal. This acquisition marks Google's largest purchase to date, underscoring its strong commitment to enhancing its cybersecurity capabilities. This deal is not only a significant milestone for Google but also represents the largest exit for an Israeli company in history, showcasing the country's growing role in global technology and cybersecurity innovation.

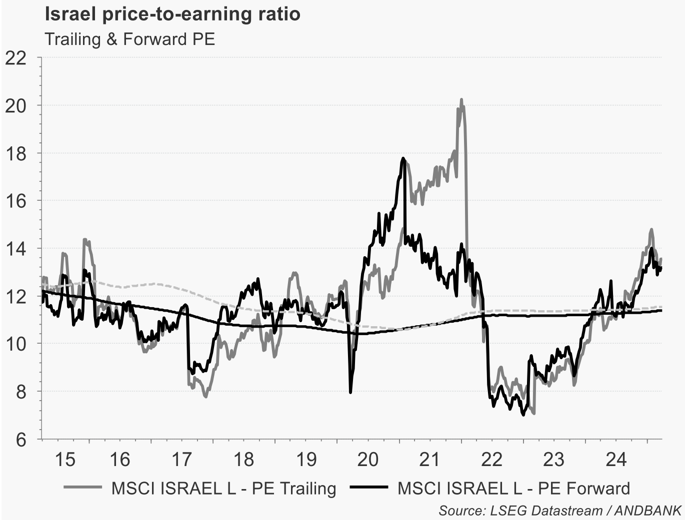
Market outlook – Recommendations & Targets

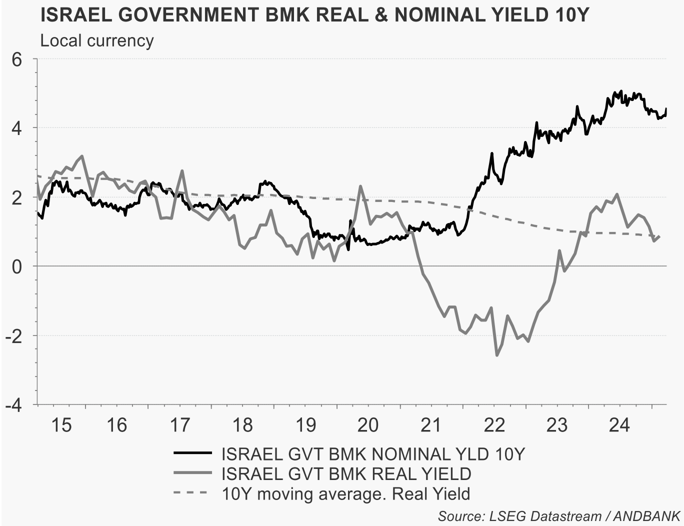
Equities – TLV35 Index: MARKETWEIGHT

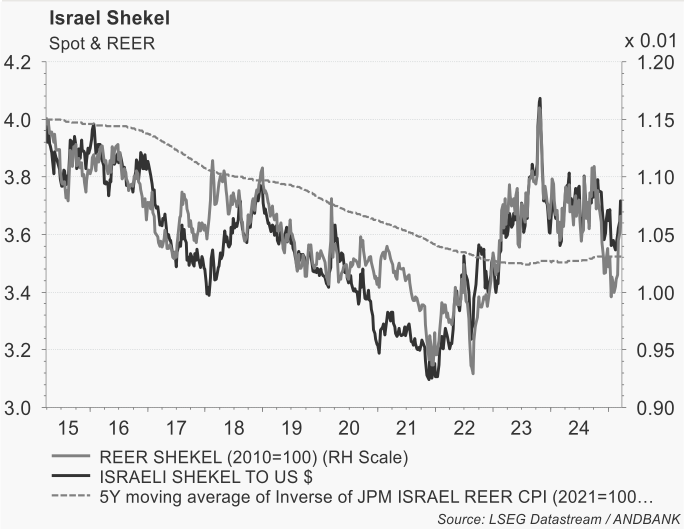
Bonds – Government–10Y Gov: MARKETWEIGHT

Bonds – Corporates: MARKETWEIGHT

FX – ISL vs USD: Neutral in REER







BRAZIL

Lula enters campaign mode, though it might be a bit early

The house of cards is falling

As President Lula's third mandate enters its third year, his administration faces significant setbacks across three critical fronts: (i) economic mismanagement, with rising inflation at the forefront, (ii) political instability, characterized by frequent internal conflicts and tension with opposition parties, and (iii) growing social dissatisfaction stemming from unmet promises and increasing public discontent. These issues have contributed to a sharp decline in Lula's approval ratings. At the heart of this lies a single, telling metric: high inflation. Lula's primary voter base consists largely of low-income families in Brazil's northeast, who have historically been hit hardest by inflation—especially by soaring food prices. This is precisely the situation today. A crop shortfall last year has exacerbated food inflation, while poor economic policies, particularly in fiscal management, have fueled long-term inflationary expectations. The lack of effective fiscal controls and structural reforms has amplified economic instability, making the outlook for inflation even worser over the next two years, right up until the next presidential election.

On the political front, Lula's administration grapples with deep internal discord and fierce resistance from opposition parties. Frequent reshuffles in ministerial positions, combined with an inability to forge a unified political strategy, have undermined the government's stability and hindered its ability to effectively navigate Congress.

Socially, the public's growing dissatisfaction with the government reflects Lula's failure to deliver on key issues like healthcare, security, and alleviating poverty. In response, he has increasingly turned to populist measures, such as ramping up social spending and making public announcements aimed at boosting his image. While this strategy has worked for him in the past, it seems to be falling short now, as many Brazilians recognize that these measures fail to provide sustainable solutions to deeply entrenched problems.

Lula chose a political response

In a bid to improve his re-election chances, Lula has appointed Gleisi Hoffmann as the new Minister of Institutional Relations. This move is a strategic effort to strengthen political negotiations between the government and Congress. Known for her combative style, Hoffmann is expected to forge key alliances and manage parliamentary amendments, both of which are vital for Lula's administration. Her appointment also signals a shift towards a more left-leaning approach, which may resonate with segments of the population that feel overlooked by current economic policies. However, this shift could create internal tensions within the government, particularly with Finance Minister Haddad, who has been pushing for fiscal austerity. Markets are already expressing concerns that this move could exacerbate inflation and hinder GDP growth — a key highlight from the previous year — underscoring the delicate balancing act Lula's administration must navigate.

The very strong 2024 GDP

GDP grew by 3.4% in 2024, the highest annual growth rate since 2021. The services sector saw a notable increase of 3.7%, while the industrial sector grew by 3.3%. However, the agricultural sector contracted by 3.2% due to severe climate impacts. Household consumption rose by 4.8% from 2023, driven by income transfer programs and lower interest rates. Investment, measured by Gross Fixed Capital Formation, increased by 7.3%. On the trade front, imports surged by 14.7%, while exports grew by 2.9%. The investment rate stood at 17.0% of GDP, and the savings rate was 14.5%. These figures highlight solid economic performance over the past year; however, market participants are cautious about 2025's growth prospects. The slowdown in the last quarter, combined with the government's struggle to balance spending aimed at boosting approval ratings with the need for fiscal discipline, points to a potentially lackluster year ahead.

Market outlook – Recommendations & Targets

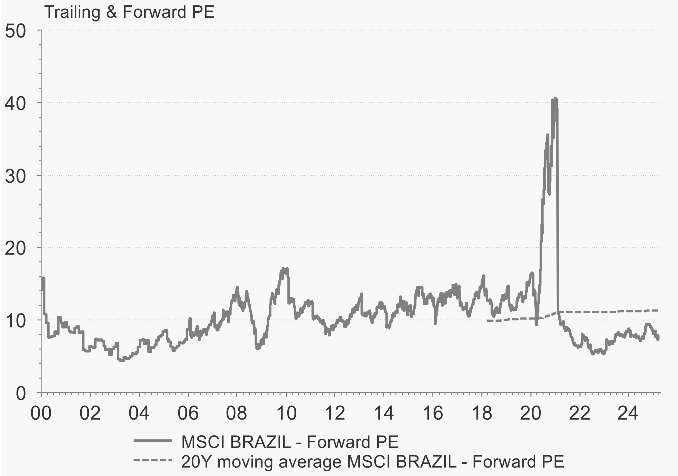
Equities – iBovespa: UNDERWEIGHT

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

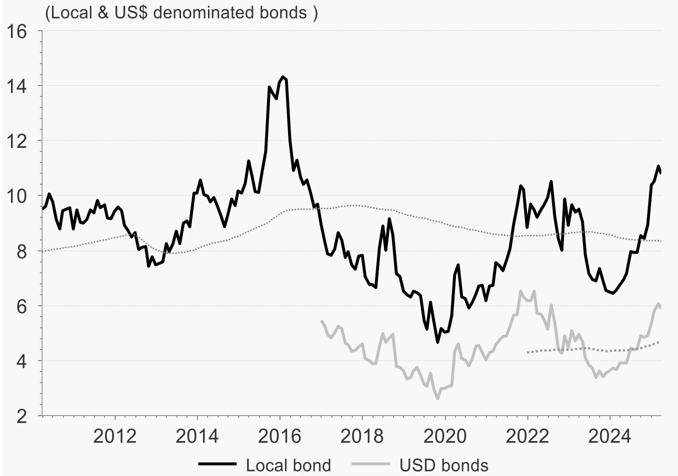


Source: LSEG Datastream / ANDBANK

Brazilian Equities Underperform EM Indices
MSCI Brazil ($) vs MSCI EM ($)

Source: LSEG Datastream / ANDBANK

BRAZIL - SPREAD 10Y GOV BOND vs UST
(Local & US$ denominated bonds)



Source: LSEG Datastream / ANDBANK

MEXICO

Trade, security, and FDI: the focus of Trump-Sheinbaum negotiations

Monetary Policy

The current composition of the Banxico board and their recent voting patterns suggest their next meeting (March) could bring another rate cut of 50 bps. We believe Banxico may have acted preemptively, adopting a stance that goes outside its non-dual mandate—effectively anticipating slower economic growth instead of focusing solely on price stability. This shift appears driven by concerns over weak economic data at the end of 2024 and the potential growth risks posed by impending U.S. tariffs. While core inflation projections were revised slightly upward, they continue to follow a downward trend, converging toward the long-term target by early 2026. Market expectations already anticipate 150 bps of rate cuts for the remainder of 2025, with the benchmark rate projected to close the year at 8%.

Economy and Inflation

GDP contracted in the 4Q24, the first negative quarter since 2021. A slowdown in consumption and a pause in investment held back economic momentum. Additionally, exports grew at a slower pace as businesses accelerated shipments ahead of Trump's inauguration. The weakness has persisted into 2025, with industrial production plunging 2.8% y/y in January. Headline inflation stood at 3.77% y/y in February, driven by a rebound in non-core inflation, which had been at its lowest levels since early 2024. Meanwhile, core inflation has remained anchored at around 3.65%. While service prices continue to show strong persistence, the last two monthly readings suggest a shift in core inflation dynamics, with an uptick in goods prices.

Political Risk

We continue to view Claudia Sheinbaum's shift in stance toward the U.S. as a positive development. Her administration has introduced a plan that includes economic policies aimed at strengthening the export sector and benefiting from regional integration. Despite these efforts, market volatility and uncertainty persist—primarily due to unresolved questions about the scope of tariffs, the products affected, and the potential for retaliatory trade measures that could escalate into a full-scale trade war. In response to Trump's demands, the Mexican government took swift action on security issues, deploying National Guard troops (military police) to the border, conducting several fentanyl seizures, and intensifying high-level talks. These efforts successfully delayed the implementation of 25% tariffs on Mexican exports by one month, now scheduled for April 2. Mexico has also reopened key sectors to private investment, particularly in energy, marking a clear departure from López Obrador's policies.

Financial Markets

Equities: After dropping 13.7% in 2024, the Mexican stock market (IPC index) has rebounded in 2025 (+7% and +13% in USD). This recovery has come despite heightened risk aversion fueled by uncertainty over legislative changes and concerns surrounding Trump's trade policies. We believe there is significant value in stocks, with valuations reflecting substantial discounts—not just relative to international peers but also compared to their own historical levels. Our 12-month target for the index suggests an upside potential above 60,000 points.

Fixed Income & FX: With the Fed on hold and Banxico cutting rates, the local debt differential has compressed toward 520 bps, below the 2024 average of 542 bps. Our revised estimate places the spread at 525 bps, with volatility expected in the coming months, primarily driven by monetary policy shifts and economic growth prospects. In USD terms, the spread has also settled back to 200 bps, which remains our year-end target.

The Mexican peso experienced two sharp depreciations (the weekend of February 1 and early March, when tariffs were initially expected to take effect) briefly reaching levels above 21.20 MXN/USD. However, it has since stabilized within a range of 20.20 to 20.60 MXN/USD. We maintain our year-end target of 21 MXN/USD, while acknowledging the potential for additional volatility.

Market outlook – Recommendations & Targets from fundamental analysis

Equities – Mex IPC: OVERWEIGHT

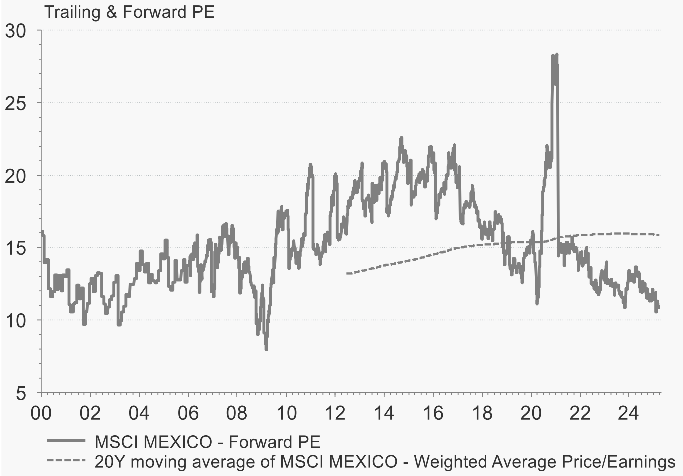
Bonds – Govies Local: UW (Target Spread 525 => Target yield 10.00%)

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

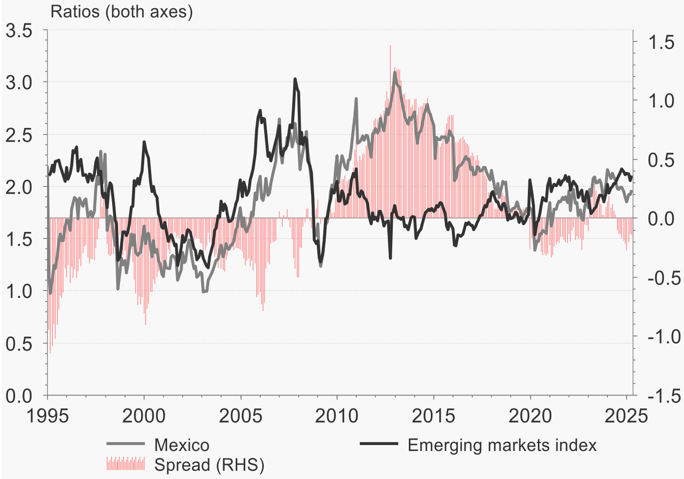
Trailing & Forward PE



Source: LSEG Datastream / ANDBANK

Mexico price-to-book ratio

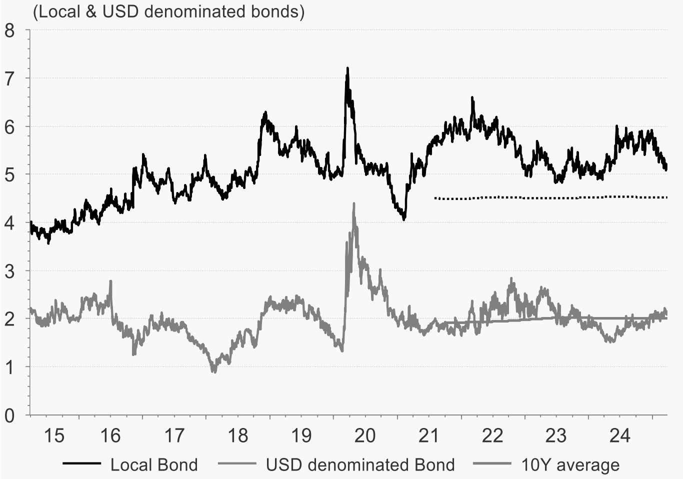
Ratios (both axes)



Source: LSEG Datastream / ANDBANK

MEXICO - SPREAD 10 GOV BOND vs UST

(Local & USD denominated bonds)



Source: LSEG Datastream / ANDBANK

ARGENTINA

IMF agreement with fresh funds is good news for the Milei administration

New Extended Fund Facility with IMF: key issues and challenges

The primary objective of this new agreement is to refinance the existing IMF debt of approximately $40 billion, while also securing additional disbursements to repay obligations to the Central Bank, thereby strengthening its balance sheet. The government decree sent to Congress explicitly states that the funds obtained will not be used to intervene in the foreign exchange market. The agreement will be structured under an Extended Fund Facility program, with a loan repayment period extending over ten years and a grace period of four and a half years. However, key details—such as the exact amounts, disbursement schedules, policy targets, and structural reforms—remain undisclosed. The opposition has criticized the government for not submitting a bill to Congress, pointing to a 2021 law that requires all financing agreements or public credit operations with the IMF to be approved by Congress. In response, the government justified its decision to use an emergency decree (DNU) instead, arguing that congressional approval is only required to authorize the public credit operation itself, not to validate the specific terms of the agreement. Congress now has the power to debate the decree, but it can only be overturned if both the House of Deputies and the Senate vote against it. One of the most critical points in the negotiation is the definition of the exchange rate regime. Economy Minister Caputo would prefer to retain a higher degree of control over the foreign exchange market, whereas the IMF favors a free-floating exchange rate. Given the current instability, the latter seems highly unlikely. The government will likely transition from the current crawling peg to a managed float exchange rate system after the midterm elections, allowing for greater exchange rate volatility.

Politics: the midterms and the battle for the right

After attempting to form an electoral alliance ahead of the midterm elections, it now appears most likely that *La Libertad Avanza* (LLA) and the PRO will run separately in the majority of provinces. By doing so, LLA aims to capture the largest possible share of the right-leaning voters who propelled Javier Milei to the presidency, weakening the PRO as much as possible and positioning itself as the sole alternative to Peronism. In this scenario—where LLA and the PRO compete separately—the most intense battleground will be the City of Buenos Aires, Mauricio Macri's political stronghold. Conversely, the lack of a unified coalition benefits Peronism in Buenos Aires Province, a key battleground in the upcoming midterms. LLA's primary goal in the province will be to establish itself as the leading opposition force ahead of the 2027 presidential elections. The biggest question remains whether Milei's high approval ratings will translate into actual votes in the midterms. According to various polls, LLA currently leads voter intention polling with approximately 40%, while Peronism holds around 30%, and the PRO lags behind with less than 10%. If the government wants to expand its voter base, it must avoid unforced errors like the recent scandal involving President Milei's endorsement of the Libra Token on X. His post was quickly deleted, triggering a massive sell-off that caused the token's value to plummet, wiping out millions in investor funds and raising concerns over potential market manipulation. For now, it remains unclear whether this incident will have lasting effects on the President's credibility.

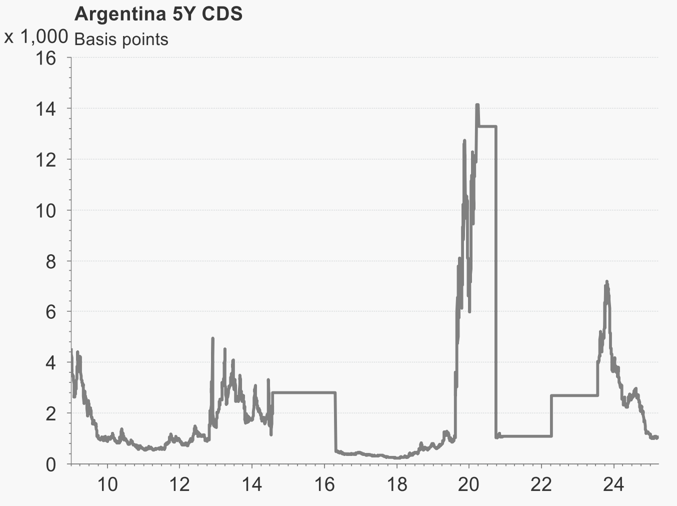
Prices: Core price trends ring alarm bells

Inflation rose by +2.4% m/m in February, exceeding market expectations (+2.3% m/m) and accelerating from January's +2.2% m/m increase. On an annual basis, it reached +66.9% y/y. Core inflation climbed to +2.9% m/m, up from +2.4% m/m in January, outpacing headline inflation for the fifth consecutive month. The increase was driven mainly by food and beverages (+3.2% m/m), with meat prices surging by +7.6% m/m. Seasonal products declined by -0.8% m/m after rising +0.4% m/m in January, while regulated prices increased +2.3% m/m, slightly below the +2.6% m/m recorded the previous month. Goods prices rose +2.1% m/m, up from +1.5% m/m in January, while services inflation, more closely linked to labor market conditions, slowed to +3.1% m/m from +3.8% m/m in January.

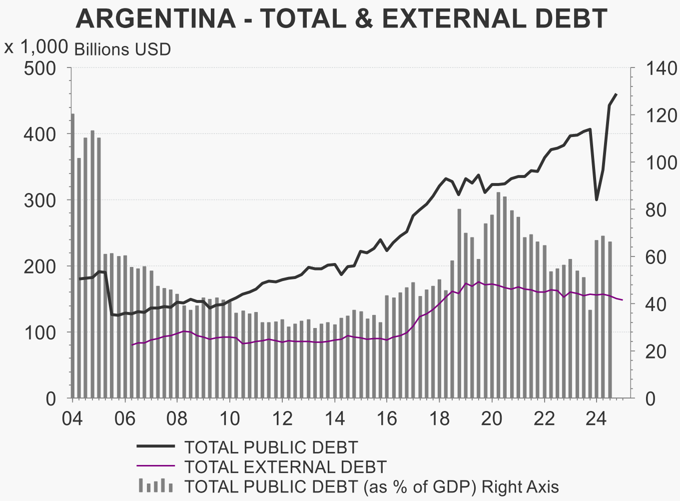
Market outlook – Recommendations & Targets

Bonds – 10YGov USD: NEUTRAL

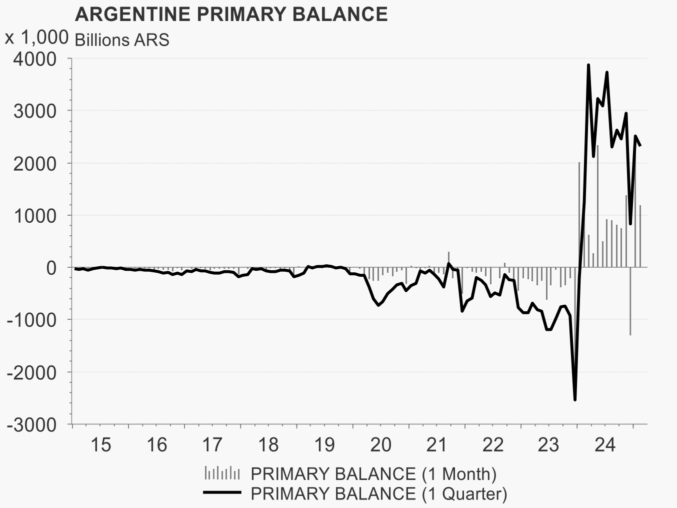
FX – USDARS: NEGATIVE (2025 year-end target 1600)



Source: LSEG Datastream / ANDBANK



Source: LSEG DatastreamThomson Reuters Datastream / ANDBANK



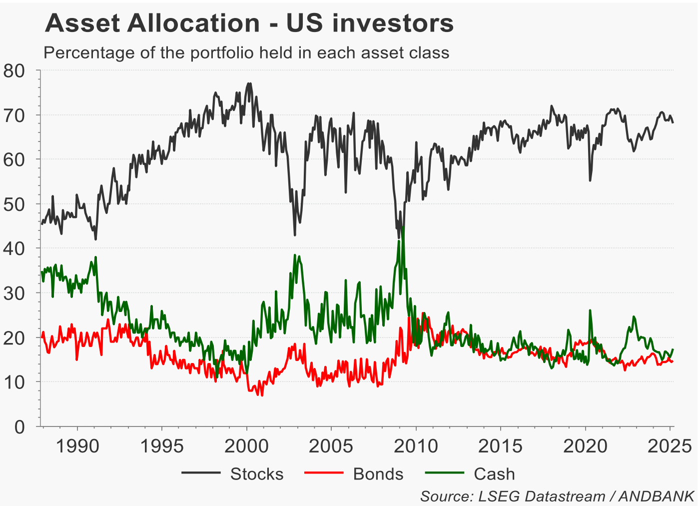
Source: LSEG Datastream / ANDBANK

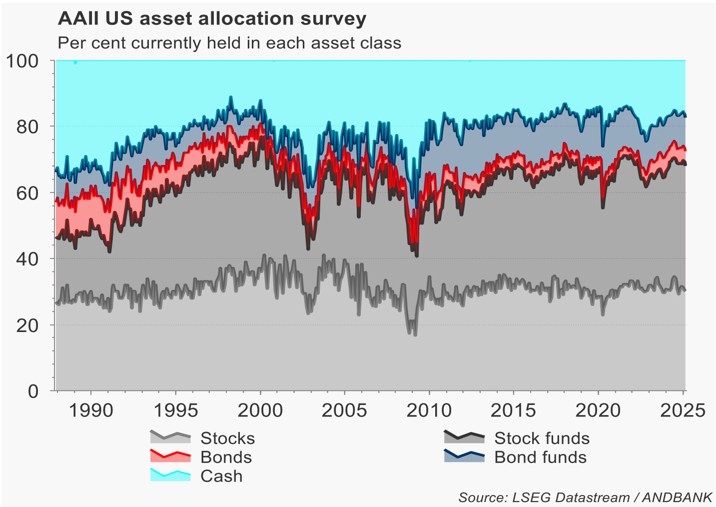
GLOBAL EQUITY INDICES

Fundamental assessment

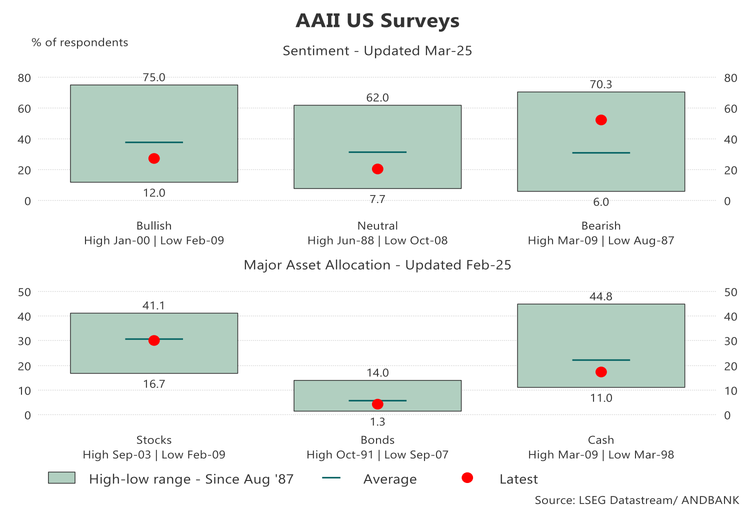
Index	Projected EPS 2025	Projected EPS Growth 2025	PE Trailing (2024)	Price Earning (forward)	Current Equity Yied	Current Risk Premium	Hist Risk Premium	Spread curr RP vs hist RP	Target PE Trailing (year end 2025) set on the Strategic Comittee	INDEX CURRENT PRICE	Andbank's Target Price (year end 2025)	Expected performance to target Price	Recommended Strategy	Exit Point (Strong Sell)
USA S&P 500	**264,0**	11,9%	23,78	21,26	4,70%	0,53%	2,00%	-1,47%	24,76	5.612	6.537	16,5%	**OW**	7.191
Europe - Stoxx Europe 600	**38,8**	7,9%	15,01	13,91	7,19%	4,51%	5,00%	-0,49%	15,00	540	582	7,8%	**MW**	640
Spain IBEX 35	**1.100,0**	6,0%	12,77	12,05	8,30%	5,00%	5,70%	-0,70%	12,00	13.255	13.200	-0,4%	**UW**	14.520
Mexico IPC GRAL	**4.800**	11,9%	12,24	10,93	9,15%	-0,19%	-0,90%	0,71%	13,00	52.484	62.400	18,9%	**OW**	68.640
Brazil BOVESPA	**16.500**	13,5%	8,96	7,89	12,67%	-2,42%	-1,10%	-1,32%	8,50	130.260	140.250	7,7%	**UW**	154.275
Japan TOPIX	**186,0**	8,8%	15,57	14,31	6,99%	5,49%	4,00%	1,49%	15,93	2.662	2.962	11,3%	**OW**	3.259
China SSE Comp. A share	**247,0**	-5,7%	13,39	14,21	7,04%	0,09%	4,80%	-4,71%	12,81	3.509	3.163	-9,9%	**UW**	3.479
China Shenzhen Comp	**94,7**	-5,8%	20,01	21,25	4,71%	-2,24%	1,25%	-3,49%	**21,00**	2.012	1.989	-1,2%	**UW**	2.188
India SENSEX	**3.800**	8,1%	21,62	20,00	5,00%	-1,57%	-2,00%	0,43%	**22,00**	76.008	83.600	10,0%	**OW**	91.960
Vietnam VN Index	**126,4**	19,6%	12,47	10,42	9,60%				**12,00**	1.317	1.517	15,1%	**OW**	1.668
MSCI EM ASIA	**49,4**	15,0%	14,02	12,19	8,20%				**14,00**	603	692	14,8%	**OW**	761

Positioning indicators (Funds & direct assets): Equities, Fixed Income, and Cash





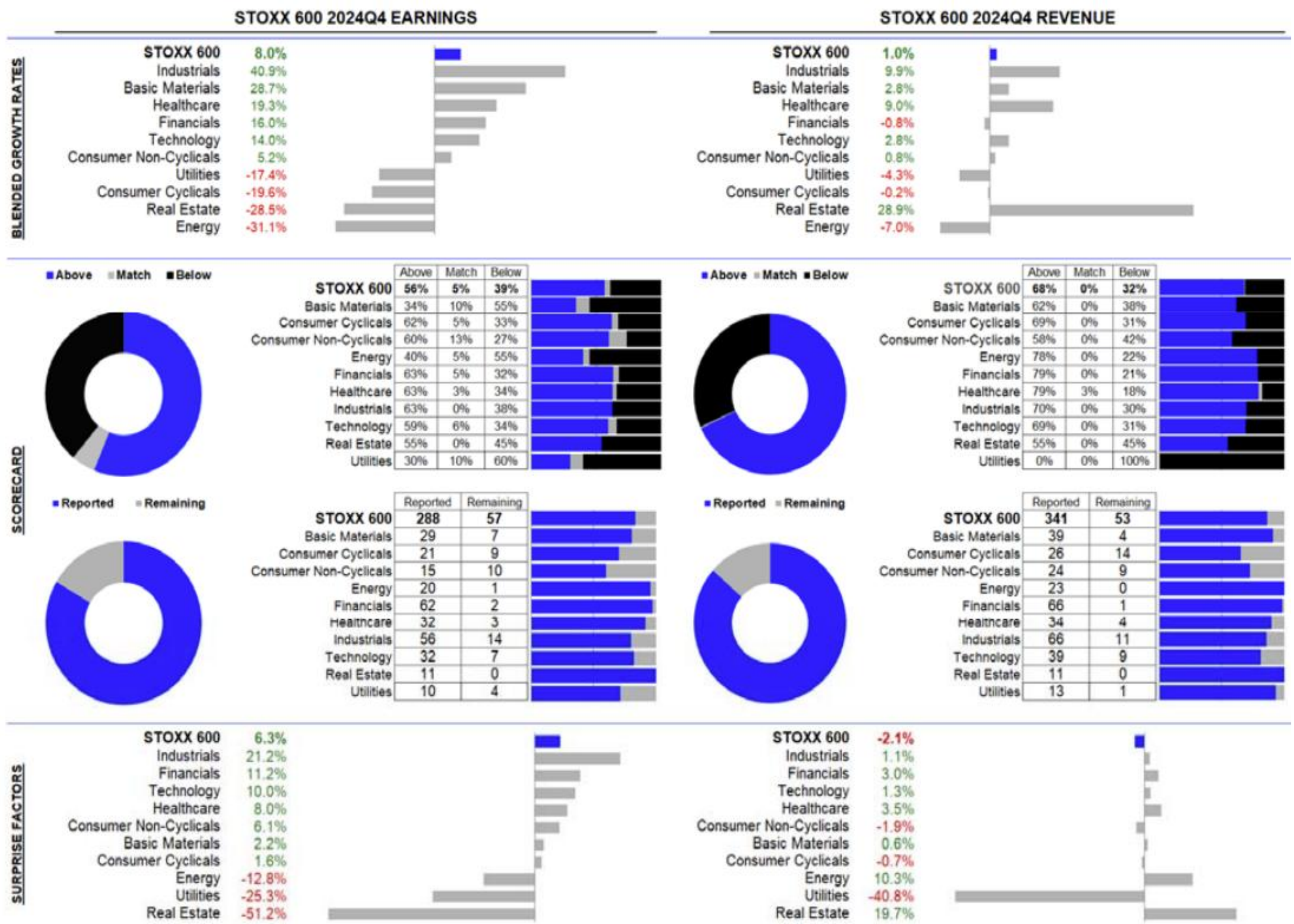
Positioning indicators (Direct assets only): Stocks, Bonds, and Cash



GLOBAL EQUITY INDICES

Earnings Dashboard - EUROPE

Exhibit 1A. STOXX 600: Q4 2024 Earnings Dashboard



Blended growth rates

	Earnings	Revenue
STOXX 600	8.0%	1.0%
Industrials	40.9%	9.9%
Basic Materials	28.7%	2.8%
Healthcare	19.3%	9.0%
Financials	16.0%	-0.8%
Technology	14.0%	2.8%
Consumer Non-Cyclicals	5.2%	0.8%
Utilities	-17.4%	-4.3%
Consumer Cyclicals	-19.6%	-0.2%
Real Estate	-28.5%	28.9%
Energy	-31.1%	-7.0%

Scorecard

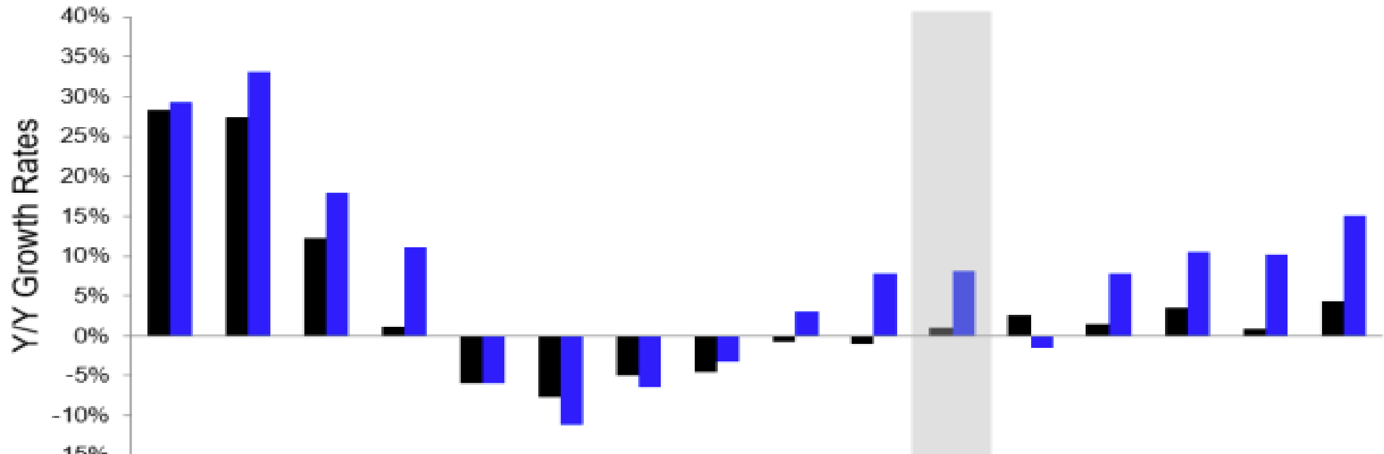
	Earnings Above	Earnings Match	Earnings Below	Revenue Above	Revenue Match	Revenue Below
STOXX 600	56%	5%	39%	68%	0%	32%
Basic Materials	34%	10%	55%	62%	0%	38%
Consumer Cyclicals	62%	5%	33%	69%	0%	31%
Consumer Non-Cyclicals	60%	13%	27%	58%	0%	42%
Energy	40%	5%	55%	78%	0%	22%
Financials	63%	5%	32%	79%	0%	21%
Healthcare	63%	3%	34%	79%	3%	18%
Industrials	63%	0%	38%	70%	0%	30%
Technology	59%	6%	34%	69%	0%	31%
Real Estate	55%	0%	45%	55%	0%	45%
Utilities	30%	10%	60%	0%	0%	100%

	Earnings Reported	Earnings Remaining	Revenue Reported	Revenue Remaining
STOXX 600	288	57	341	53
Basic Materials	29	7	39	4
Consumer Cyclicals	21	9	26	14
Consumer Non-Cyclicals	15	10	24	9
Energy	20	1	23	0
Financials	62	2	66	1
Healthcare	32	3	34	4
Industrials	56	14	66	11
Technology	32	7	39	9
Real Estate	11	0	11	0
Utilities	10	4	13	1

Surprise factors

	Earnings	Revenue
STOXX 600	6.3%	-2.1%
Industrials	21.2%	1.1%
Financials	11.2%	3.0%
Technology	10.0%	1.3%
Healthcare	8.0%	3.5%
Consumer Non-Cyclicals	6.1%	-1.9%
Basic Materials	2.2%	0.6%
Consumer Cyclicals	1.6%	-0.7%
Energy	-12.8%	10.3%
Utilities	-25.3%	-40.8%
Real Estate	-51.2%	19.7%

Exhibit 3A. STOXX 600 YoY Growth Rates



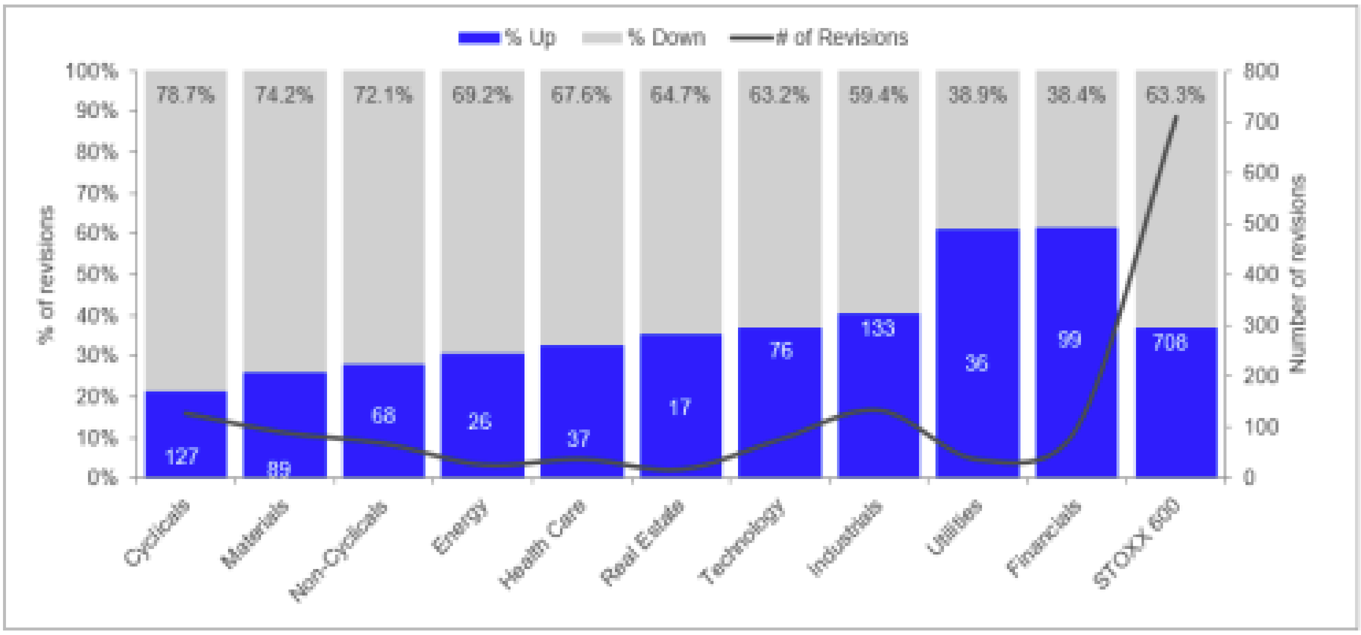
	22Q2	22Q3	22Q4	23Q1	23Q2	23Q3	23Q4	24Q1	24Q2	24Q3	24Q4	25Q1	25Q2	25Q3	25Q4	26Q1
Revenue	28.3%	27.4%	12.2%	1.1%	-6.0%	-7.6%	-5.0%	-4.6%	-0.8%	-1.1%	1.0%	2.6%	1.4%	3.5%	0.9%	4.3%
Earnings	29.3%	33.1%	17.9%	11.1%	-5.9%	-11.1%	-6.5%	-3.3%	3.0%	7.8%	8.0%	-1.5%	7.9%	10.5%	10.2%	15.0%

Source: LSEG I/B/E/S

GLOBAL EQUITY INDICES

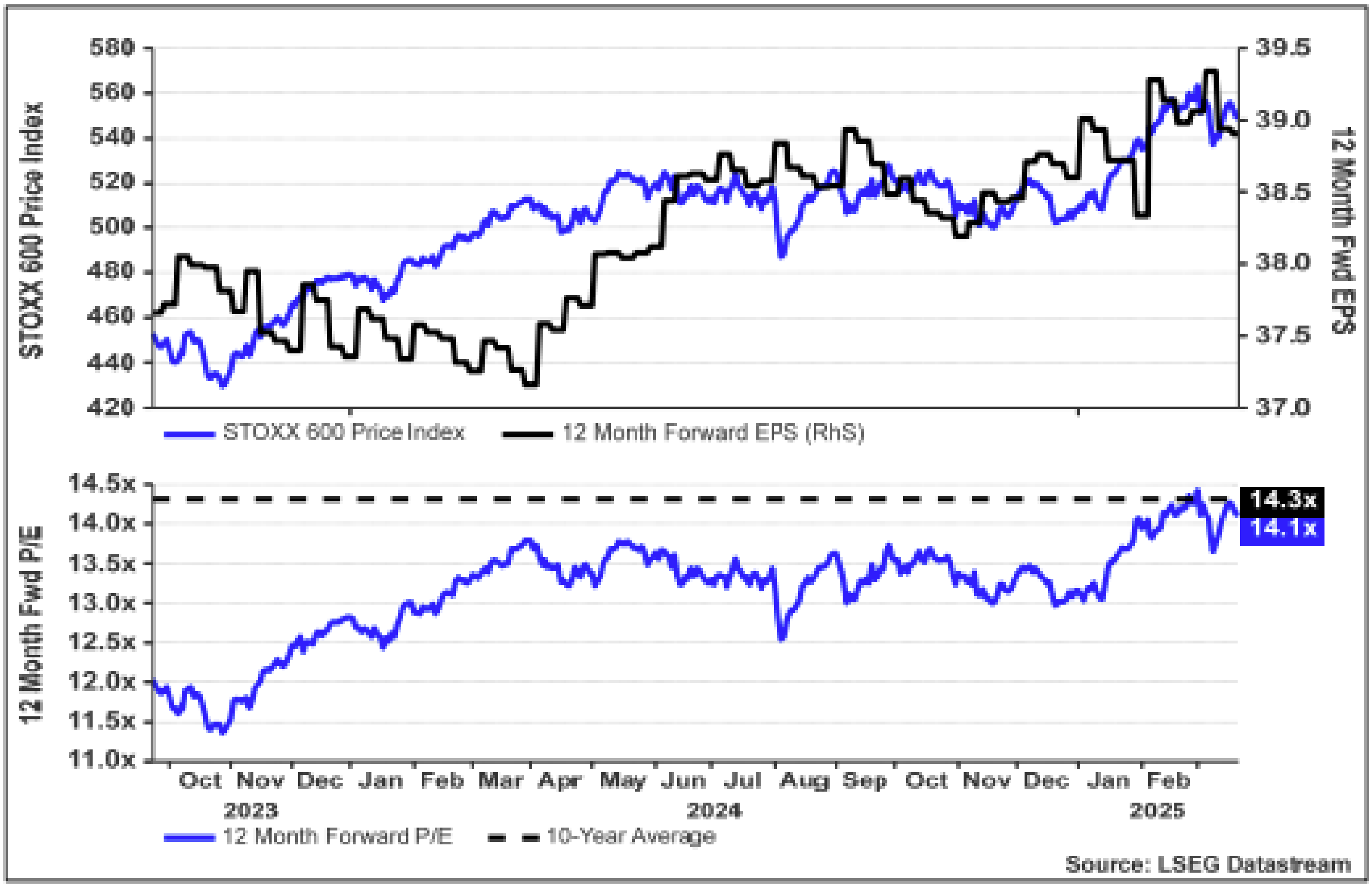
Earnings Dashboard - EUROPE

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

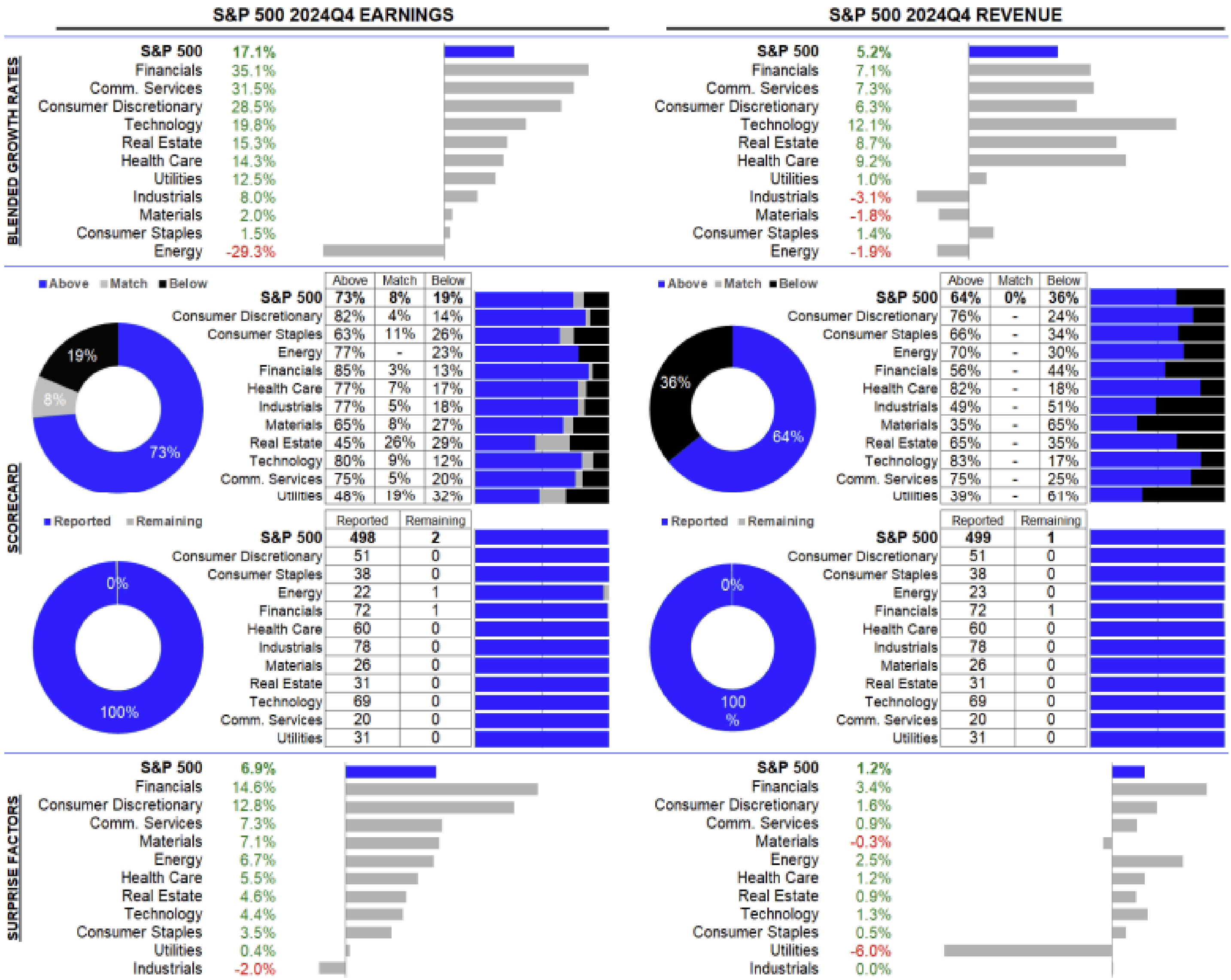


Source: LSEG Datastream

GLOBAL EQUITY INDICES

Earnings Dashboard - US

Exhibit 1. 2024Q4 S&P 500 Earnings Dashboard



BLENDED GROWTH RATES

Sector	Earnings	Sector	Revenue
S&P 500	17.1%	S&P 500	5.2%
Financials	35.1%	Financials	7.1%
Comm. Services	31.5%	Comm. Services	7.3%
Consumer Discretionary	28.5%	Consumer Discretionary	6.3%
Technology	19.8%	Technology	12.1%
Real Estate	15.3%	Real Estate	8.7%
Health Care	14.3%	Health Care	9.2%
Utilities	12.5%	Utilities	1.0%
Industrials	8.0%	Industrials	-3.1%
Materials	2.0%	Materials	-1.8%
Consumer Staples	1.5%	Consumer Staples	1.4%
Energy	-29.3%	Energy	-1.9%

SCORECARD

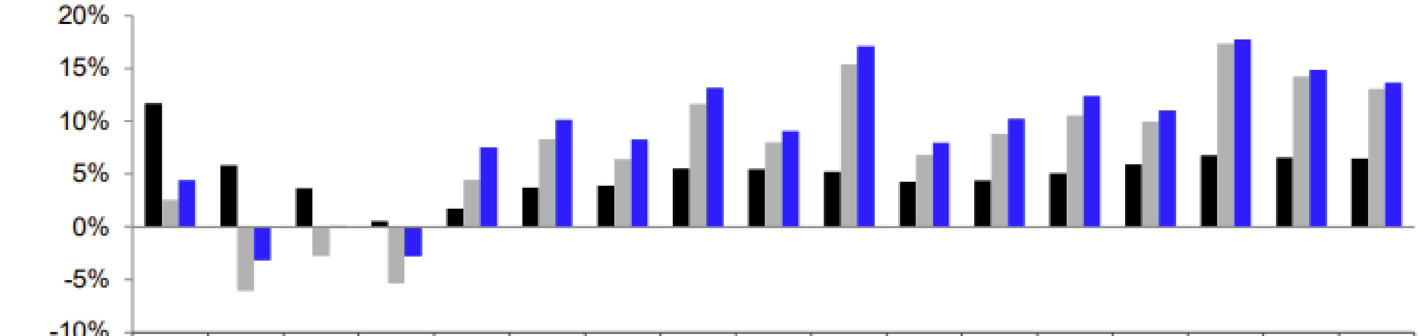
Earnings	Above	Match	Below	Revenue	Above	Match	Below
S&P 500	73%	8%	19%	S&P 500	64%	0%	36%
Consumer Discretionary	82%	4%	14%	Consumer Discretionary	76%	-	24%
Consumer Staples	63%	11%	26%	Consumer Staples	66%	-	34%
Energy	77%	-	23%	Energy	70%	-	30%
Financials	85%	3%	13%	Financials	56%	-	44%
Health Care	77%	7%	17%	Health Care	82%	-	18%
Industrials	77%	5%	18%	Industrials	49%	-	51%
Materials	65%	8%	27%	Materials	35%	-	65%
Real Estate	45%	26%	29%	Real Estate	65%	-	35%
Technology	80%	9%	12%	Technology	83%	-	17%
Comm. Services	75%	5%	20%	Comm. Services	75%	-	25%
Utilities	48%	19%	32%	Utilities	39%	-	61%

Earnings	Reported	Remaining	Revenue	Reported	Remaining
S&P 500	498	2	S&P 500	499	1
Consumer Discretionary	51	0	Consumer Discretionary	51	0
Consumer Staples	38	0	Consumer Staples	38	0
Energy	22	1	Energy	23	0
Financials	72	1	Financials	72	1
Health Care	60	0	Health Care	60	0
Industrials	78	0	Industrials	78	0
Materials	26	0	Materials	26	0
Real Estate	31	0	Real Estate	31	0
Technology	69	0	Technology	69	0
Comm. Services	20	0	Comm. Services	20	0
Utilities	31	0	Utilities	31	0

SURPRISE FACTORS

Sector	Earnings	Sector	Revenue
S&P 500	6.9%	S&P 500	1.2%
Financials	14.6%	Financials	3.4%
Consumer Discretionary	12.8%	Consumer Discretionary	1.6%
Comm. Services	7.3%	Comm. Services	0.9%
Materials	7.1%	Materials	-0.3%
Energy	6.7%	Energy	2.5%
Health Care	5.5%	Health Care	1.2%
Real Estate	4.6%	Real Estate	0.9%
Technology	4.4%	Technology	1.3%
Consumer Staples	3.5%	Consumer Staples	0.5%
Utilities	0.4%	Utilities	-6.0%
Industrials	-2.0%	Industrials	0.0%

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%	5.2%	4.2%	4.4%	5.1%	5.9%	6.8%	6.5%	6.5%
Net Income	2.6%	-6.1%	-2.8%	-5.4%	4.4%	8.3%	6.4%	11.6%	8.0%	15.4%	6.8%	8.8%	10.5%	9.9%	17.4%	14.3%	13.1%
Earnings	4.4%	-3.2%	0.1%	-2.8%	7.5%	10.1%	8.2%	13.2%	9.1%	17.1%	8.0%	10.2%	12.4%	11.0%	17.8%	14.9%	13.7%

Source: LSEG I/B/E/S

ENERGY – OIL

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

Buy < USD65; Sell >USD80.

Short-term drivers

(Bearish price factor) – Goldman Sachs has lowered its 2025/2026 forecasts for oil prices, citing slower oil demand growth and OPEC supply. The bank expects Brent to trade at $71 per barrel in December, down $5 from its previous forecast, and sees WTI at $67. It also cut its 2026 average Brent forecast to $68 and WTI to $64. The bank said it now expects oil demand to grow by only 0.9 million barrels per day in 2025, down from 1.1 mb/d previously, incorporating slower U.S. GDP growth. Goldman added that it expects somewhat higher OPEC+ supply and that it expects OPEC8+ production increases to start in April, compared to July previously.

(Bearish price factor) – Dated Brent price could weaken against Urals and Dubai oil if Russia-Ukraine peace deal agreed. The peace talks raise the prospect of more Urals volumes making their way to Europe -- a market that has been largely off-limits to Russian crude since the invasion of Ukraine in February 2022. Onyx Capital Advisory said that Brent could weaken relative to Dubai if European refiners take Russian medium sour flows to maximize diesel output. Dated Brent reflects the physical value of light North Sea crude oil, with the alternative delivery option of WTI Midland crude. Platts Dubai is the benchmark for Middle Eastern medium heavy sour grades. Analysts at Renaissance Capital estimate that lifting US sanctions on the Russian oil sector could mean the removal of restrictions on the vast majority of sanctions-designated tankers carrying Russian oil. "This would lower the transportation costs and consequently reduce discounts on Russian crude by around $5/b," they said in a note released March 11.

(Bearish price factor) – Plans by the OPEC+ alliance to begin rolling back some 2.2 million b/d of production cuts gradually from April could add more Middle Eastern sour supplies to the market and weigh on Dubai oil prices.

(Bearish price factor) – Qatar has followed Saudi Arabia in cutting the price of its al-Shaheen crude for May deliveries, reflecting a well supplied oil market. Al-Shaheen cargos for delivery in April were priced at $3.50 per barrel above the regional benchmark. But now, Qatar has already contracted four cargos of al-Shaheen for Vitol at a price of $1.17 per barrel above the Dubai benchmark. Another cargo has been committed to China's CNOOC, at a price $1.30 per barrel above the Dubai benchmark. The move by Qatar follows Saudi Arabia's decision earlier this month to lower the prices for the crude it sells for the first time in three months. The price cuts reflect a well supplied oil market, on the back of higher OPEC+ production, among other things, such as rising U.S. shale output that has consistently pressured oil prices.

(Bearish price factor) – Trade war headwind: The IEA says US trade war is expected to erode oil demand this year combined with OPEC+ output hikes.

(Bearish price factor) – Saudi Aramco is set to supply the lowest amount of oil to China in at least 10 months. A clear sign that the Chinese economy is struggling to take off, and a suggestion of what is really behind the massive stimulus expected in China and Beijing's urgency to implement fiscal stimulus.

(Neutral price factor) – China shows modest economic growth at the start of 2025: China Jan-Feb headline metrics were mostly stronger than expected; Industrial production rose 5.9% y/y in Jan-Feb. China's retail sales pick up, even as joblessness rose and factory output eased, as Beijing turns to consumers. This underscores the strains on an economy facing fresh U.S. trade pressure. China's top leaders have maintained an economic growth target of "around 5%" for 2025, but analysts say that may be a tall order given pressure on exports, tepid household demand and a protracted property crisis.

(Bullish price factor) – Russia-India: Reuters reported India's Russian oil imports recovered in March, returning to near usual levels after a 3-month decline.

(Bullish price factor) – Iran's President to Trump: I will not negotiate, 'do whatever the hell you want'. Iran's Supreme Leader Ayatollah Ali Khamenei said on March 8 that Tehran would not be bullied into negotiations, a day after Trump said he had sent a letter urging Iran to engage in talks on a new nuclear deal. Trump has reinstated the "maximum pressure" campaign he applied in his first term as president to isolate Iran from the global economy and drive its oil exports down towards zero.

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

People's Bank of China (PBoC) Foreign Reserves Dynamics (2015-2024): Between 2015 and 2024, the composition of China's international reserves has undergone a significant shift. Ex-Gold Foreign Reserves declined from $4.0 trillion to $3.256 trillion, marking a net reduction of $744 billion. This suggests capital outflows, intervention in currency markets, or strategic reallocations of reserve assets. Gold Reserves: Increased from 34 million ounces to 73 million ounces, representing a net addition of 40 million ounces. At an average acquisition price of $1,800 per ounce, this translates into an approximate investment of $72 billion. This strategy has been the primary driver behind the rise in gold prices in recent year and aligns with the PBoC's broader strategy of reducing support for the U.S. debt market, and consequently, for the USD as a reserve currency. However, this shift towards gold has limited room for expansion, as no central bank should concentrate excessive amounts of an illiquid asset. Instead, reserves should be allocated primarily to the most liquid and stable debt assets in the world—which, historically, has been U.S. Treasuries. Deviating from this orthodoxy puts reserves at risk, as well as the central bank's ability to respond to reserve holders.

Within the four-quadrants framework, the scenario projected is still favorable: 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 mildly 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 vs the UST. Gold, like US Treasuries, is an anti-fragile asset. Investors must choose which to hold for market instability protection, depending on which is expected to perform better in disruptions. This hinges on their relative supply—the scarcer asset will outperform. While QT persisted, with the Fed selling USTs, gold outperformed. However, with the Fed now slowing QT and reducing UST supply, Treasuries could reclaim their role as the anti-fragile asset. By 2026-2027, with the Fed needing to offload more bonds, gold may regain dominance. With A longer term view, once QT ends definitively (possibly 2028), UST supply will be limited again, favoring Treasuries as the safe-haven asset, relegating gold to underperformance.

Gold in real terms: Given the global deflator (now at 1.26462), 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$2,471. 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$1,674.

Gold in terms of silver: The Gold/Silver ratio rose to 92.39, still above its 20-year average of 69.35x, 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$2,345oz.

Gold in terms of palladium: The Gold/Palladium ratio increased to 3.11x, 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 $1,533 per ounce.

Gold to oil ratio: This ratio is at 43.48x, still well above its 20-year average of 20.70x. 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$1,500 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

Risk #3. A rise in real rates (LOW RISK): Even if nominal rates rise, the only way to experience a surge in real rates would be through the inflation rate collapsing. Such a deflationary outcome could be triggered by a permanent collapse in the price of energy or a collapse in real estate. 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. Loss of Momentum – (LOW RISK) Gold bull markets usually feed on their own momentum for quite a while, and 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.

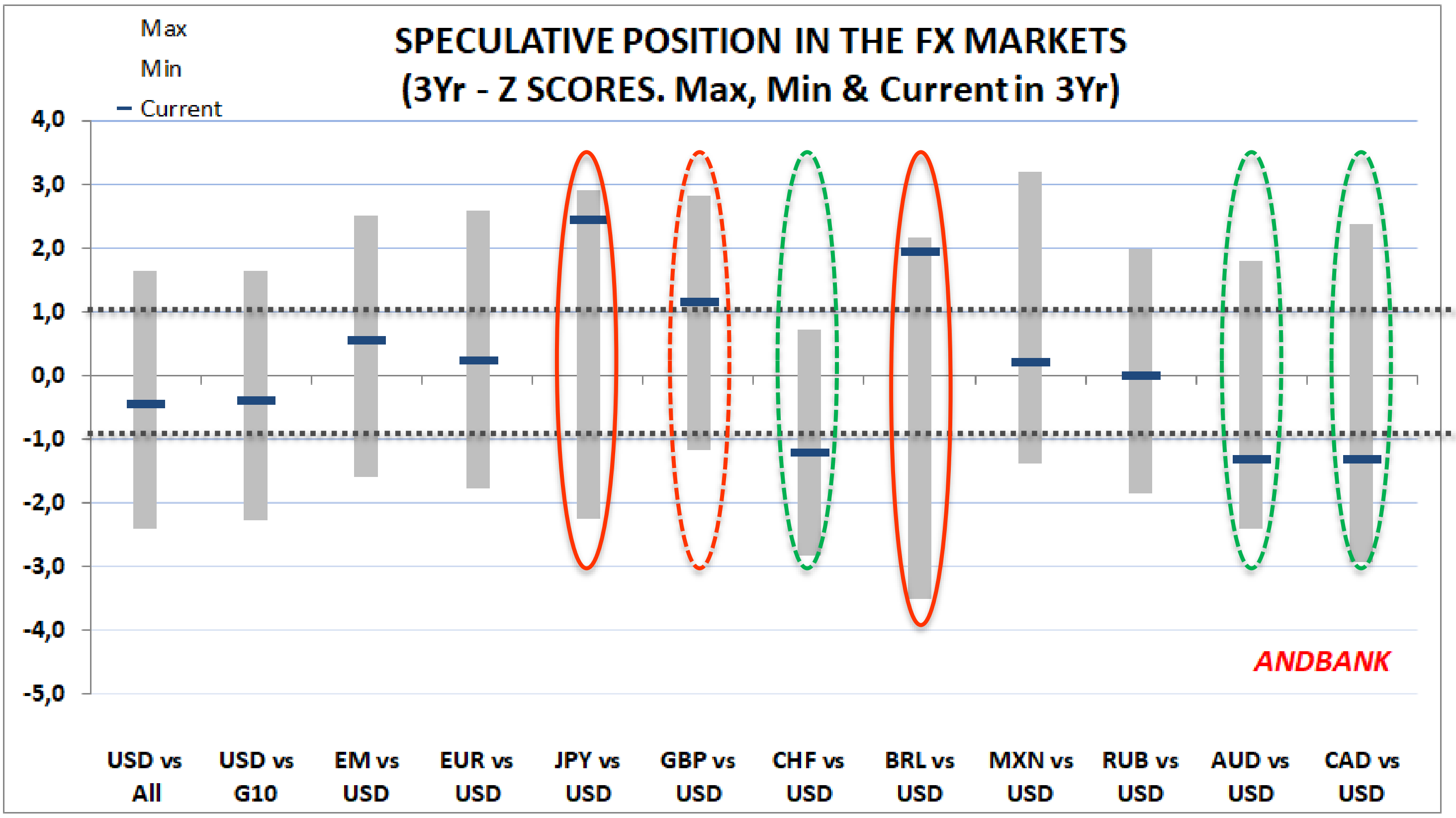
EXCHANGE RATES

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	-3,40	-18,72	35,2	-28,2	5,3	**-0,44**
USD vs G10	-1,22	-17,28	34,8	-25,4	6,3	**-0,40**
EM	2,18	1,44	3,9	-0,8	1,4	**0,56**
EUR	8,84	12,18	23,4	-9,9	6,2	**0,25**
JPY	10,46	2,40	11,3	-15,0	-5,8	**2,45**
GBP	3,58	3,23	7,8	-6,5	-0,4	**1,17**
CHF	-5,33	0,20	0,2	-6,0	-3,1	**-1,21**
BRL	0,71	0,67	0,7	-0,8	-0,1	**1,95**
MXN	1,47	0,77	3,3	-0,5	1,3	**0,22**
RUB	0,00	0,00	1,2	-0,3	0,3	**0,00**
AUD	-4,88	-1,99	6,1	-5,2	-0,6	**-1,30**
CAD	-9,07	0,56	6,1	-13,2	-2,1	**-1,31**

ANDBANK

Positive
Neutral-Positive
Neutral-Negative
Negative



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	-4,1%	-4,6%	5.612	**6.537**	16,5%
	Europe - Stoxx Europe 600	-4,1%	6,4%	540	**582**	7,8%
	SPAIN - IBEX 35	-0,9%	14,3%	13.255	**13.200**	-0,4%
	MEXICO - MXSE IPC	0,8%	6,0%	52.484	**62.400**	18,9%
	BRAZIL - BOVESPA	6,1%	8,3%	130.260	**140.250**	7,7%
	JAPAN TOPIX	-2,5%	-4,4%	2.662	**2.962**	11,3%
	China SSE Comp. A share	0,9%	-0,1%	3.509	**3.163**	-9,9%
	CHINA - SHENZEN COMPOSITE	-1,0%	2,8%	2.012	**1.989**	-1,2%
	INDIA - SENSEX	4,0%	-2,7%	76.008	**83.600**	10,0%
	VIETNAM - VN Index	0,6%	4,0%	1.317	**1.517**	15,1%
	MSCI EM ASIA (in USD)	-0,1%	1,0%	603	**692**	14,8%
Fixed Income Core countries	US Treasury 10 year Govie	0,2%	4,3%	4,18	**4,75**	-0,4%
	UK 10 year Gilt	-0,1%	0,7%	4,62	**4,75**	3,5%
	German 10 year BUND	-1,3%	-1,9%	2,68	**3,10**	-0,7%
	Japanese 10 year Govie	-0,6%	-3,0%	1,49	**1,50**	1,4%
Fixed Income Peripheral	Spain - 10yr Gov bond	-1,0%	-1,2%	3,30	**3,85**	-1,1%
	Italy - 10yr Gov bond	-1,6%	-1,2%	3,78	**4,35**	-0,8%
	Portugal - 10yr Gov bond	-1,3%	-2,1%	3,18	**3,60**	-0,2%
	Ireland - 10yr Gov bond	-1,4%	-2,0%	2,95	**3,50**	-1,5%
	Greece - 10yr Gov bond	-1,3%	-1,5%	3,44	**4,10**	-1,8%
Fixed Income Credit	Credit EUR IG-Itraxx Europe	-0,1%	0,5%	63,20	**65**	2,9%
	Credit EUR HY-Itraxx Xover	-0,8%	0,2%	326,41	**360**	4,6%
	Credit USD IG - CDX IG	0,1%	0,9%	61,42	**75**	4,6%
	Credit USD HY - CDX HY	-1,2%	0,1%	376,38	**450**	6,0%
Fixed Income EM Europe (Loc)	Turkey - 10yr Gov bond (local)	-40,8%	-25,2%	31,09	**30,00**	39,8%
	Russia - 10yr Gov bond (local)	1,2%	3,8%	15,11	**25,00**	-64,0%
Fixed Income Asia	China - 10yr Gov bond (local)	-0,6%	-1,1%	1,85	**1,25**	6,7%
Asia (Local curncy)	India - 10yr Gov bond (local)	1,8%	3,1%	6,57	**6,25**	9,1%
	Singapore - 10yr Gov bond (loc	1,2%	2,7%	2,59	**2,50**	3,3%
	Indonesia - 10yr Gov bond (loc	-0,1%	1,9%	6,95	**5,75**	16,5%
	South Korea - 10yr Gov bond (l	-0,5%	1,5%	2,69	**2,75**	2,2%
	Taiwan - 10yr Gov bond (local)	0,2%	0,9%	1,56	**2,50**	-6,0%
	Philippines - 10yr Gov bond (loc	0,6%	1,6%	6,06	**5,00**	14,5%
	Malaysia - 10yr Gov bond (loca	0,4%	1,2%	3,77	**3,00**	9,9%
	Thailand - 10yr Gov bond (loca	1,3%	2,0%	2,05	**1,75**	4,5%
	Vietnam - 10yr Gov bond (local	1,2%	1,2%	2,96	**4,00**	-5,3%
Fixed Income Latam	Mexico - 10yr Govie (Loc)	1,6%	11,2%	9,34	**10,00**	4,0%
	Mexico - 10yr Govie (USD)	0,4%	4,9%	6,27	**6,75**	2,4%
	Brazil - 10yr Govie (Loc)	2,5%	4,0%	15,09	**14,75**	17,8%
	Brazil - 10yr Govie (USD)	0,4%	5,5%	6,60	**7,50**	-0,6%
Commodities	Oil (WTI)	4,3%	-0,7%	71,3	**70,00**	-1,9%
	GOLD	7,3%	17,6%	3.131,9	**2.400**	-23,4%
Fx	EURUSD (price of 1 EUR)	3,2%	4,5%	1,08	**1,05**	-3,0%
	GBPUSD (price of 1 GBP)	1,9%	3,4%	1,29	**1,29**	-0,3%
	EURGBP (price of 1 EUR)	1,3%	1,1%	0,84	**0,81**	-2,6%
	USDCHF (price of 1 USD)	-1,7%	-2,8%	0,88	**0,87**	-1,3%
	EURCHF (price of 1 EUR)	1,5%	1,6%	0,95	**0,91**	-4,3%
	USDJPY (price of 1 USD)	0,1%	-4,8%	149,65	**155,0**	3,6%
	EURJPY (price of 1 EUR)	3,3%	-0,5%	161,98	**162,8**	0,5%
	USDMXN (price of 1 USD)	-1,0%	-1,6%	20,48	**21,00**	2,5%
	EURMXN (price of 1 EUR)	2,3%	2,9%	22,17	**22,05**	-0,5%
	USDBRL (price of 1 USD)	-3,1%	-7,7%	5,70	**5,80**	1,8%
	EURBRL (price of 1 EUR)	0,0%	-3,6%	6,17	**6,09**	-1,3%
	USDARS (price of 1 USD)	0,9%	4,2%	1.073	**1.000**	-6,8%
	USDINR (price of 1 USD)	-2,0%	0,0%	85,53	**86**	0,5%
	CNY (price of 1 USD)	-0,2%	-0,4%	7,27	**7,50**	3,2%

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

UPWARD REVISION DOWNWARD REVISION

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