

U.S. consumer price index at highest level in 40 years

Weekly commentary

Once again this year, the markets closed in the red, the uncertainty over the US inflation figure and its subsequent publication had a negative effect on the main indexes during the week. The S&P 500 declined 5.05%, the Dow Jones fell 4.58% and the Nasdaq closed negatively 5.70%. The price of reference Brent oil ended the week at 122.01 dpb and WTI at 120.67 dpb.

The European Central Bank maintained its benchmark interest rate at 0.00%; however, it announced that next month it will raise it for the first time in a decade, such increases will be of 25 bps. In addition, it also raised its inflation projections and will end its asset purchase program as of July 1.

The Euro zone during the week exceeded its previous Gross Domestic Product forecasts, and recorded a 0.6% expansion in the first quarter of the previous month despite the war conflict between Russia and Ukraine that disrupted commodity supply chains, according to the latest data published by Euro stat.

The emerging economies of Brazil, Chile, China and Mexico published their consumer price indexes.

Brazil's inflation stood at 11.73% annual and 0.47% monthly, a decrease from last month. In Chile, the CPI increased 11.50% YoY (its highest level in 28 years) and 1.2% MoM, such increase was in the food and beverages and transportation sectors. China's inflation rate remained stable at 2.1% YoY and there was a month-over-month decrease led by the food sector. Mexico recorded an annual price increase of 7.65% and a monthly increase of 0.18%, where the main component that influenced the increase were the adjustments in electricity rates due to the warm season.

Finally, the board of Chile's central bank unanimously decided to increase the interest rate by 75 basis points to 9%. Similarly, the Peruvian central bank raised it by 50 basis points to 5.50%.

Relevant data and events

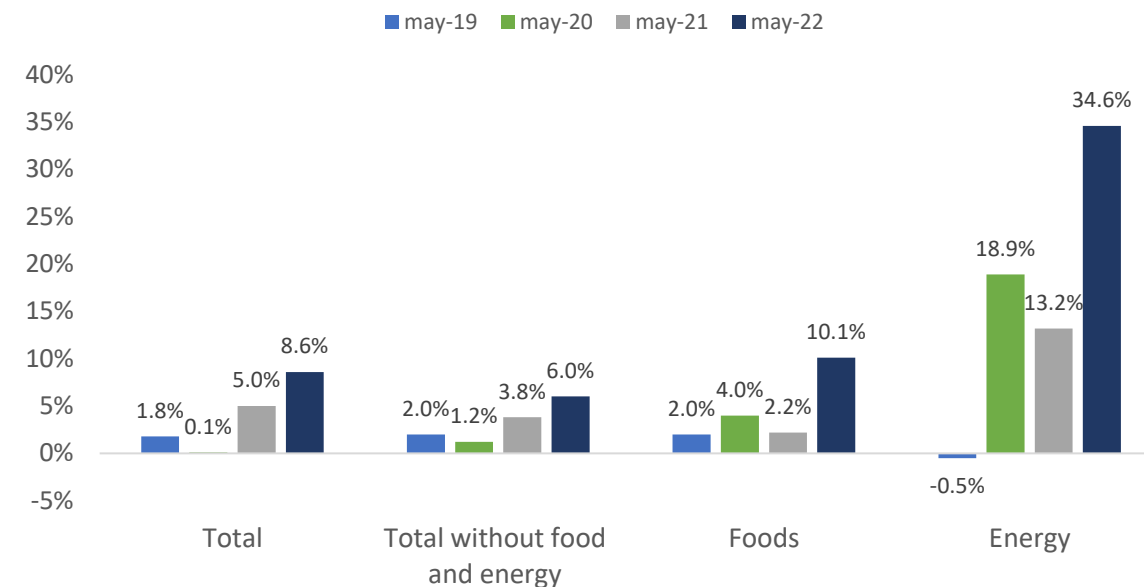
This week

- **CPI** - Argentina, Euro Zone
- **GDP** - Peru, UK
- **Monetary Policy Decision** - Brazil, Japan, USA, UK.
- **PPI** - USA
- **Unemployment** - Peru, UK,

Previous week

- **CPI** - Brazil, Chile, China, US, Spain, Mexico
- **GDP** - Japan, Euro Zone
- **Monetary Policy Decision** - Peru
- **Retail sales** - Brazil, Italy

U.S. Consumer Price Index

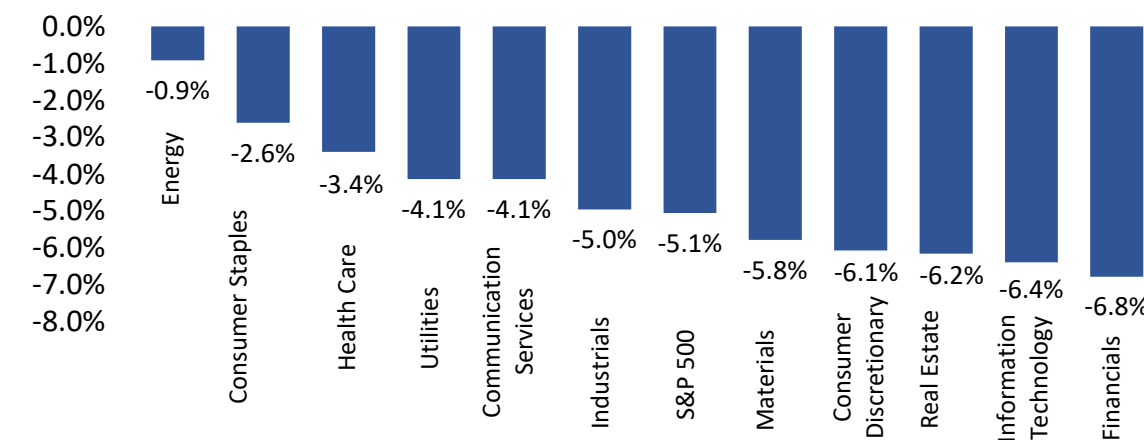


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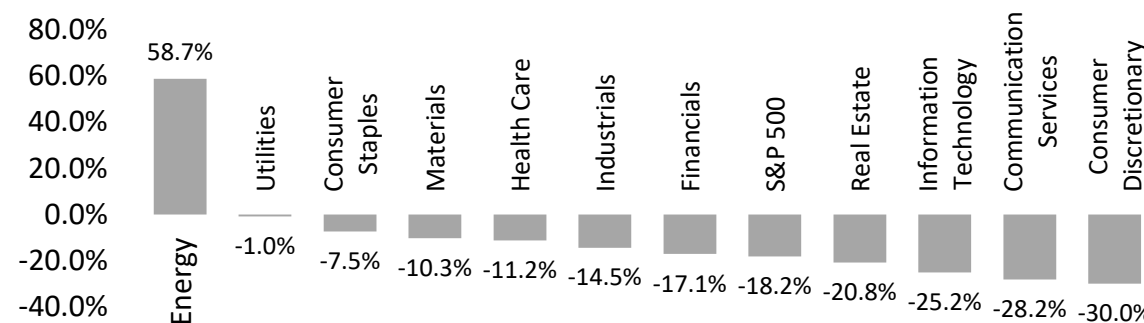
The consumer price index rose sharply again during the month of May and registered its highest level in the last 40 years, at 8.6% YoY and 1.0% MoM. Once again, the sector that led the increase in prices was energy, which reached an increase of 34.6%, the highest increase in this item since September 2005, and food, at 10.1%, a variation that had not been seen since March 1981.

Sector performance

Weekly



Annual



In On Financial Markets Monitor

	Level	Price return (%)		Features	
		06/10/2022	1 Week		YTD
Equities					
S&P 500	3900.86	▼	-5.05	▼ -18.16	17.08
Dow Jones 30	31392.79	▼	-4.58	▼ -13.61	16.40
Nasdaq 100	11832.82	▼	-5.70	▼ -27.50	21.19
Russell 2000	1800.28	▼	-4.40	▼ -19.82	18.98
Russell 1000 Growth	2248.07	▼	-5.73	▼ -26.89	22.66
Russell 1000 Value	1489.22	▼	-4.45	▼ -10.06	14.07
MSCI Emerging Markets	1054.64	▼	-0.58	▼ -14.40	11.63
MSCI Developed & Emerging World	620.31	▼	-4.44	▼ -17.82	14.85
MSCI China	73.72	▲	6.13	▼ -12.54	12.43
Topix - Japan	1943.09	▲	2.29	▼ -2.47	12.50
EuroStoxx 50	3599.20	▼	-4.88	▼ -16.27	11.45
FTSE 100 - United Kingdom	7317.52	▼	-1.78	▼ -0.91	12.20

	Yield	Total return (%)		
		06/10/2022	1 Week	YTD
Fixed income				
U.S. Aggregate	3.77	▼	-1.52	▼ -10.65
U.S. Corporate High Yield	7.79	▼	-2.33	▼ -10.50
Global Aggregate	2.93	▼	-2.26	▼ -13.62
Global High Yield	8.22	▼	-2.51	▼ -12.69
Emerging Markets Hard Currency	4.61	▼	-4.16	▼ -20.03
Emerging Markets Local Currency	4.43	▼	-2.69	▼ -12.26

	Yield		Change in Basic Points	
	06/10/2022	12/31/2021	1 Week	YTD
Interest rate				
2-yr U.S. Treasuries	3.06	0.73	▲ 0.41	▲ 2.33
10-yr U.S. Treasuries	3.16	1.51	▲ 0.22	▲ 1.65
10-yr German Bund	1.51	-0.18	▲ 0.24	▲ 1.70

	Levels		Percentage change (%)	
	06/10/2022	12/31/2021	1 Week	YTD
Currencies				
Dolar Index	104.15	95.67	▲ 1.97	▲ 8.86
Euro	1.05	1.14	▼ -1.87	▼ -7.48
British pound	1.23	1.35	▼ -1.39	▼ -8.99
Japanese Yen	134.41	115.08	▲ 2.70	▲ 16.80
Yuan renminbi chinese	6.73	6.36	▲ 1.12	▲ 5.87
Mexican peso	19.96	20.53	▲ 2.05	▼ -2.77
Colombian peso	3944.40	4070.00	▲ 4.18	▼ -3.09

	Level	Percentage change (%)		
		06/10/2022	1 Week	YTD
Commodities				
Crude oil WTI	120.67	▲ 1.51	▲ 60.44	
Crude oil Brent	122.01	▲ 1.91	▲ 56.87	
Natural Gas	8.85	▲ 3.84	▲ 137.27	
Gold	1871.60	▲ 1.10	▲ 2.32	
Copper	429.45	▼ -3.97	▼ -3.79	
Corn	773.25	▲ 6.36	▲ 30.34	
Coffee (US\$/pound)	2.29	▼ -1.51	▲ 1.24	
Bloomberg Commodity Index	135.43	▲ 1.21	▲ 36.57	

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