

Positive correction week in U.S. markets

Weekly commentary

Wall Street corrected and closed with a positive margin boosted Friday, its best day since 2020, after last week's hard fall that led to oversold conditions. The S&P 500 index rose 6.45%, the Dow Jones rose 5.39% and the Nasdaq climbed 7.45%.

Oil prices closed lower as a result of fears of recession in the short and medium term. The WTI benchmark fell 1.77% to 107 dpb, while Brent maintained its price at 113 dpb.

Jerome Powell, chairman of the FED, said in a presentation to the Senate that they are committed to reducing inflation quickly to target levels of 2%, as long as the labor market remains stable. However, he stressed that due to the conjuncture of the last few months, the probability of falling into a recession was increasingly high.

U.S. home sales declined 3.4% YoY as a result of high prices that have been increasing by up to 15% year-over-year, although new home sales rebounded 10.4% YoY, expected to be the last boost to the 2022 housing market due to expected interest rate increases.

Consumer confidence indices showed how people feel about the current outlook. In Europe, the monthly Confidence indicator came in at -23.6 marking levels close to those seen at the start of the pandemic. Similarly in the U.S., the University of Michigan's confidence indicator scored 50.0 compared to 55.5 in May as a result of continued price increases and interest rate hikes that will affect mortgages and consumer spending.

UK inflation continued to rise in May, but less aggressively than in the previous month, showing an annual change of 9.1% and 0.7% month-on-month. The food, energy and housing sectors were those with the highest price increases, and the government decided to provide financial assistance in response to the increases in the cost of living, contributing 1,200 pounds to the most vulnerable families.

Relevant data and events

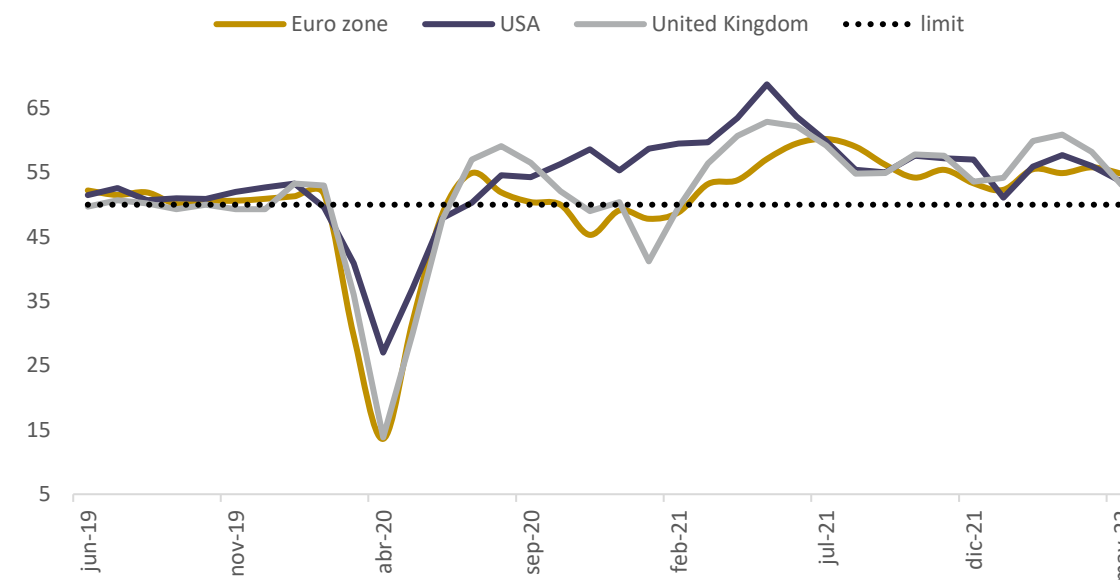
This week

- **CPI** – Peru, Euro Zone
- **GDP** – USA, UK
- **Interest rate announcement** - Colombia
- **OPEC+ Meeting**
- **PCE** – USA
- **Retail Sales** – Germany, Mexico
- **Unemployment** – Chile, Colombia, Germany, Japan, Mexico

Previous week

- **CPI** - Canada, Japan, UK
- **GDP** - Argentina, Spain
- **PMI** - US, Japan, Eurozone, UK
- **Retail Sales** - Canada, Italy, UK
- **Unemployment** - Argentina

Composite PMI of USA – United Kingdom - Euro Zone

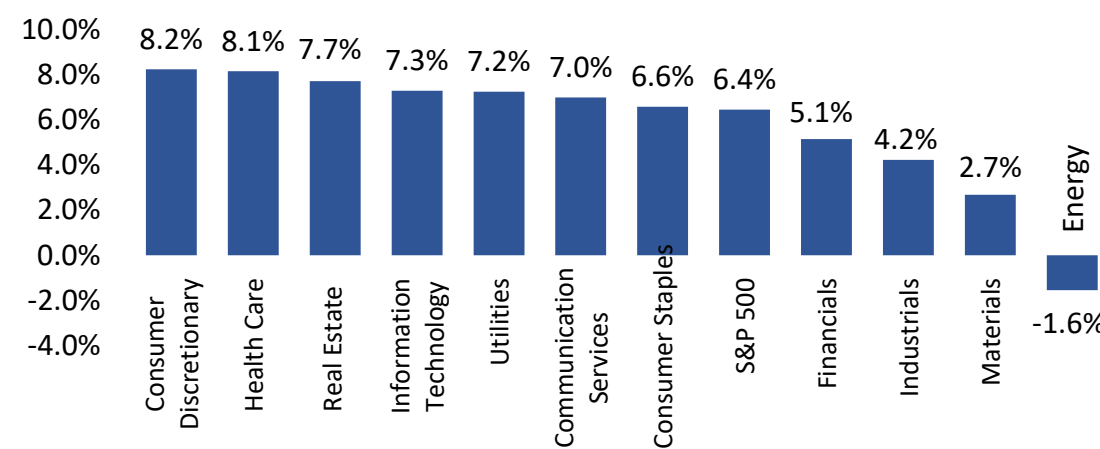


Source: Bloomberg Compiled In On Capital

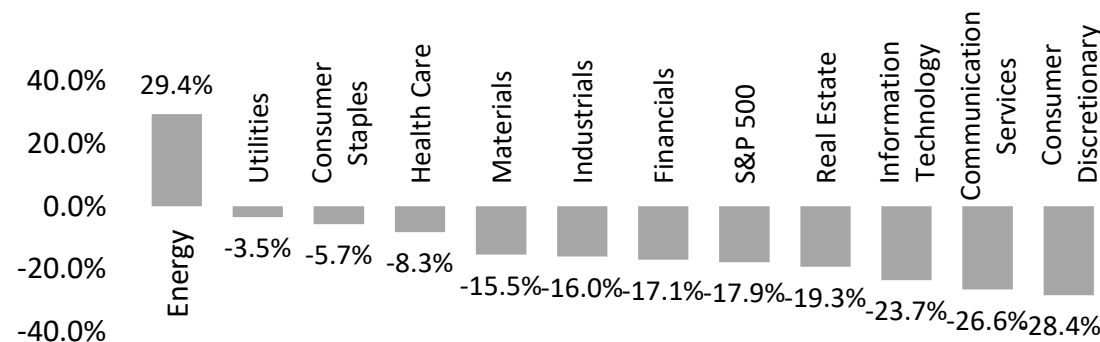
The PMI indexes for the United States, Europe and the United Kingdom send signs of a recession. In the US, the composite index came in at 51.2 versus the expected 53.7; the Euro Zone index came in at 51.9 below the 54 expected and the United Kingdom, unlike the previous ones, kept its index stable at 53.1 although indicators such as the measure of new orders which came in at 50.8 and factory orders which fell below the growth level of 50 show a not so encouraging performance.

Sector performance

Weekly



Annual



In On Financial Markets Monitor

Equities	Level	Price return (%)		Features
	06/24/2022	1 Week	YTD	Fwd P/E
S&P 500	3911.74	▲ 6.45	▼ -17.93	17.15
Dow Jones 30	31500.68	▲ 5.39	▼ -13.31	16.44
Nasdaq 100	12105.85	▲ 7.45	▼ -25.82	21.78
Russell 2000	1765.74	▲ 6.01	▼ -21.36	18.46
Russell 1000 Growth	2302.95	▲ 7.93	▼ -25.11	23.26
Russell 1000 Value	1463.52	▲ 5.29	▼ -11.61	13.80
MSCI Emerging Markets	1011.18	▲ 0.65	▼ -17.92	11.43
MSCI Developed & Emerging World	612.67	▲ 4.81	▼ -18.83	14.75
MSCI China	74.84	▲ 4.48	▼ -11.21	12.94
Topix - Japan	1866.72	▼ -1.73	▼ -6.30	11.94
EuroStoxx 50	3533.17	▲ 2.75	▼ -17.80	11.25
FTSE 100 - United Kingdom	7020.45	▲ 0.06	▼ -4.93	9.69

Fixed income	Yield	Total return (%)	
	06/24/2022	1 Week	YTD
U.S. Aggregate	3.81	▲ 0.61	▼ -10.94
U.S. Corporate High Yield	8.42	▲ 0.57	▼ -12.61
Global Aggregate	2.95	▲ 1.01	▼ -13.94
Global High Yield	8.96	▲ 0.28	▼ -15.10
Emerging Markets Hard Currency	4.65	▲ 0.65	▼ -20.70
Emerging Markets Local Currency	4.45	▲ 0.38	▼ -12.65

Interest rate	Yield		Change in Basic Points	
	06/24/2022	12/31/2021	1 Week	YTD
2-yr U.S. Treasuries	3.06	0.73	▼ -0.12	▲ 2.33
10-yr U.S. Treasuries	3.13	1.51	▼ -0.10	▲ 1.62
10-yr German Bund	1.44	-0.18	▼ -0.22	▲ 1.62

Currencies	Levels		Percentage change (%)	
	06/24/2022	12/31/2021	1 Week	YTD
Dolar Index	104.19	95.67	▼ -0.49	▲ 8.90
Euro	1.06	1.14	▲ 0.51	▼ -7.19
British pound	1.23	1.35	▲ 0.22	▼ -9.34
Japanese Yen	135.23	115.08	▲ 0.16	▲ 17.51
Yuan renminbi chinese	6.68	6.36	▼ -0.41	▲ 5.11
Mexican peso	19.87	20.53	▼ -2.33	▼ -3.22
Colombian peso	4140.50	4070.00	▲ 6.03	▲ 1.73

Commodities	Level	Percentage change (%)	
	06/24/2022	1 Week	YTD
Crude oil WTI	107.62	▼ -1.77	▲ 43.09
Crude oil Brent	113.12	▲ 0.00	▲ 45.44
Natural Gas	6.22	▼ -10.43	▲ 66.76
Gold	1826.88	▼ -0.68	▼ -0.13
Copper	374.05	▼ -6.80	▼ -16.20
Corn	750.25	▼ -4.37	▲ 26.46
Coffee (US\$/pound)	2.27	▼ -0.46	▲ 0.22
Bloomberg Commodity Index	121.31	▼ -4.31	▲ 22.33

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