

U.S. inflation surprises to the downside.

Weekly commentary

The markets closed the week higher after the release of the US inflation figure, which surprised with a bearish effect; in addition, the increase for the second consecutive week in unemployment insurance claims showed a moderation in the labor market. The Dow Jones rose by 2.92%, the S&P 500 increased by 3.26% and the Nasdaq rose by 2.71%.

Oil prices were also affected during the week, as a result of the expectations of crude oil supply interruptions in the Gulf of Mexico and the persistent fears of a recession in the short term. Benchmark WTI rose 3.46% to 92.09 dpb and Brent increased by 3.40% to 98.15 dpb.

The UK economy contracted by 0.1% in the second quarter of this year, down from last month's revised 1.5%. The drop in production was mainly due to the fall in household consumption caused by the constant increase in prices, which in the United Kingdom reached 9.4% annually.

On the other hand, the Central Bank of Mexico continued to raise interest rates, increasing them by 75 basis points to 8.5%; at the same time, the Central Bank of Peru maintained its upward path by increasing rates once again by 50 basis points. Both decisions were motivated by rising inflation, which remains above the issuer's targets.

Similarly, Brazil's inflation in July slowed to 10.07% y/y, however, it is the eleventh consecutive month that the price index has remained in double digits and at twice the Central Bank's target level. As in the U.S., the price reductions were due to the decline in the value of fuels.

The producer price index in the US declined by 0.5% m/m and by 9.8% y/y, mostly reflecting a generalized fall in prices, mainly energy. On the other hand, the underlying PPI decreased to 0.2%, showing better-than-expected data.

Finally, Disney presented better-than-expected results in 2Q22, emphasizing the increase in subscribers to its streaming platforms (Disney+, Hulu and ESPN+), which for the first time surpassed the number of Netflix subscribers.

Relevant data and events

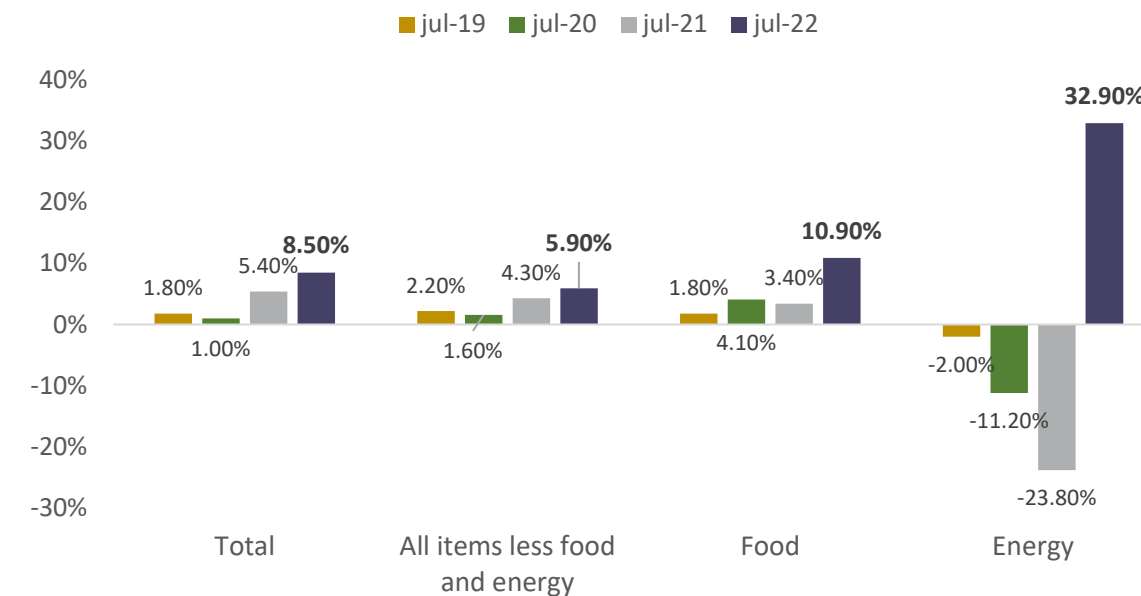
This week

- **Unemployment** - Switzerland, UK.
- **CPI** - Canada, Japan, UK.
- **PPI** - UK, Switzerland.
- **GDP** - Chile, Colombia, Peru, Euro Zone.
- **Building permits** - USA.
- **Retail Sales** - Mexico, USA, UK.

Previous week

- **CPI** - Argentina, Brazil, China, Chile, USA, India, Mexico.
- **GDP** - UK, Singapore
- **Interest rate decision** - Mexico, Peru.
- **PPI** - USA
- **Retail sales** - Brazil, Indonesia.
- **U.Michigan consumer confidence (preliminary data)** -

Annual change in the U.S. consumer price index.

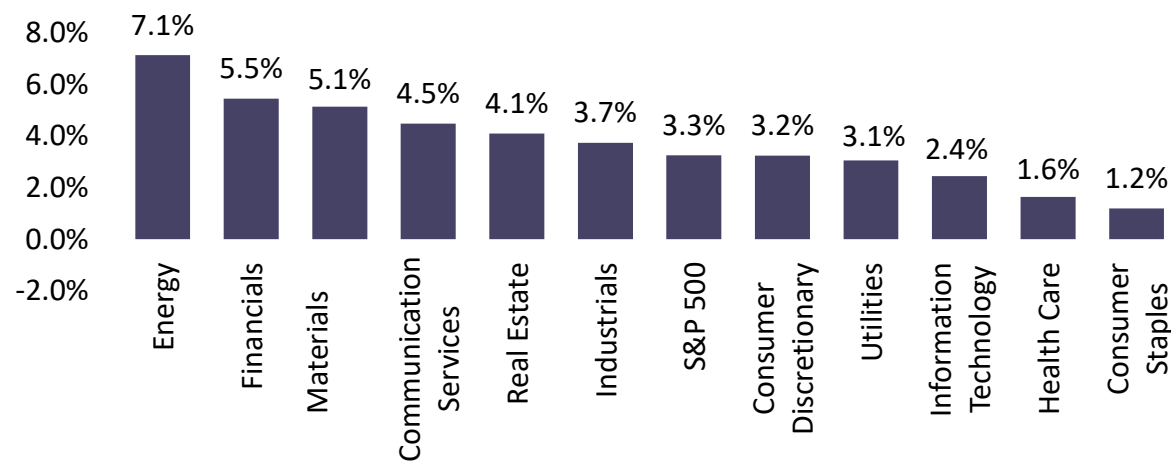


Source: Bloomberg– In On Capital Compiled.

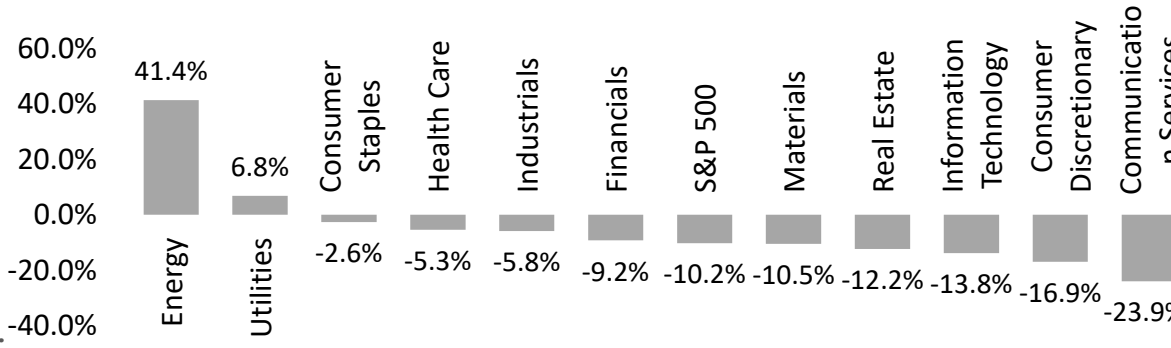
In the US, the price level surprised on the downside in July. The CPI was unchanged on a monthly basis, while annual inflation stood at 8.5%, mainly leveraged by lower energy costs, which releases pressures for further interest rate hikes by the FED.

Sector performance

Weekly



Annual



In On Financial Markets Monitor

Equities	Level	Price return (%)		Features
	08/12/2022	1 Week	YTD	Fwd P/E
S&P 500	4280.15	▲ 3.26	▼ -10.20	18.86
Dow Jones 30	33761.05	▲ 2.92	▼ -7.09	18.00
Nasdaq 100	13565.87	▲ 2.71	▼ -16.88	24.89
Russell 2000	2016.62	▲ 4.93	▼ -10.19	23.45
Russell 1000 Growth	2573.43	▲ 2.86	▼ -16.31	26.43
Russell 1000 Value	1574.55	▲ 3.85	▼ -4.90	14.79
MSCI Emerging Markets	41.05	▲ 2.47	▼ -15.97	11.57
MSCI Developed & Emerging World	657.57	▲ 2.82	▼ -12.89	15.86
MSCI China	66.89	▼ -0.30	▼ -20.64	11.70
Topix - Japan	1973.18	▲ 3.87	▼ -0.96	12.66
EuroStoxx 50	3776.81	▲ 1.38	▼ -12.13	11.69
FTSE 100 - United Kingdom	7500.89	▲ 0.82	▲ 1.58	9.70

Fixed income	Yield	Total return (%)	
	08/12/2022	1 Week	YTD
U.S. Aggregate	3.62	▲ 0.24	▼ -8.89
U.S. Corporate High Yield	7.43	▲ 0.94	▼ -7.67
Global Aggregate	2.74	▲ 0.42	▼ -12.49
Global High Yield	8.12	▲ 1.38	▼ -11.62
Emerging Markets Hard Currency	4.60	▲ 1.92	▼ -17.32
Emerging Markets Local Currency	4.36	▲ 2.76	▼ -10.68

Interest rate	Yield		Change in Basic Points	
	08/12/2022	12/31/2021	1 Week	YTD
2-yr U.S. Treasuries	3.24	0.73	▲ 0.02	▲ 2.51
10-yr U.S. Treasuries	2.83	1.51	▲ 0.00	▲ 1.32
10-yr German Bund	0.99	-0.18	▲ 0.03	▲ 1.17

Currencies	Levels		Percentage change (%)	
	08/12/2022	12/31/2021	1 Week	YTD
Dolar Index	105.63	95.67	▼ -0.93	▲ 10.41
Euro	1.03	1.14	▲ 0.75	▼ -9.77
British pound	1.21	1.35	▲ 0.54	▼ -10.30
Japanese Yen	133.42	115.08	▼ -1.18	▲ 15.94
Yuan renminbi chinese	6.74	6.36	▼ -0.41	▲ 5.99
Mexican peso	19.85	20.53	▼ -2.72	▼ -3.32
Colombian peso	4162.00	4070.00	▼ -4.21	▲ 2.26

Commodities	Level	Percentage change (%)	
	08/12/2022	1 Week	YTD
Crude oil WTI	92.09	▲ 3.46	▲ 22.44
Crude oil Brent	98.15	▲ 3.40	▲ 26.19
Natural Gas	8.77	▲ 8.73	▲ 135.07
Gold	1802.40	▲ 1.52	▼ -1.47
Copper	366.85	▲ 3.28	▼ -17.81
Corn	639.75	▲ 4.83	▲ 7.84
Coffee (US\$/pound)	2.27	▲ 8.19	▲ 0.22
Bloomberg Commodity Index	123.20	▲ 4.54	▲ 24.24

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