

## Jerome Powell's speech in Jackson Hole hits the market.

### Weekly commentary

Markets closed lower amid mixed events such as US GDP data (better than expected); PMI data from the US, Eurozone and UK; consumer confidence indices and mostly the Fed Chairman's speech in Jackson Hole Symposium at the end of the week. The S&P 500 was down 4.04%, Dow Jones was down 4.22% and the Nasdaq was down 4.82%.

Likewise, oil prices ended the week with a positive performance after hints of production cuts by Saudi Arabia and offers by Russia to sell oil at a discount to Asian countries. Benchmark WTI rose 2.52% to 93.06 dpb and Brent increased by 4.41% to 100.99 dpb.

At the Jackson Hole symposium held at the end of the week, Jerome Powell in his speech indicated that interest rate hikes will not stop until the 2% target is reached, despite the slowdown in inflation. However, he specified that the pace of rate hikes should be moderated without this meaning a premature easing.

On the other hand, the PMI indices for the United States, Europe and the United Kingdom continue to show signs of recession in the face of high inflation and rising interest rates. In the US, the composite index came in at 45.0 compared to the expected 49.0; the Euro Zone index came in at 49.2, higher than the 49.0 expected; and the UK, unlike the previous indices, maintained its index in expansionary territory at 50.9, although lower than the expected 51.3.

Meanwhile, the US and European consumer confidence indices showed an improvement compared to the previous month's figure. In the US, the University of Michigan's confidence indicator scored 58.2 versus 55.1 expected, amid falling gasoline prices and CPI. Also, in Europe, consumer confidence improved to -24.9 versus -28.0 expected.

PCE inflation, the main indicator used by the FED, came in at 6.3% YoY in June (previously: 6.8%), better than analysts' expectations. On the other hand, the underlying component decreased to 4.6% compared to 4.8% in May. This shows the reaction of the indicator to interest rate hikes and the hawkish stance of the Fed going forward.

Finally, US new home sales declined 12.6% m/m amid interest rate hikes, as did pending home sales which declined 1.0% y/y, their lowest level recorded since April 2020.

### Relevant data and events

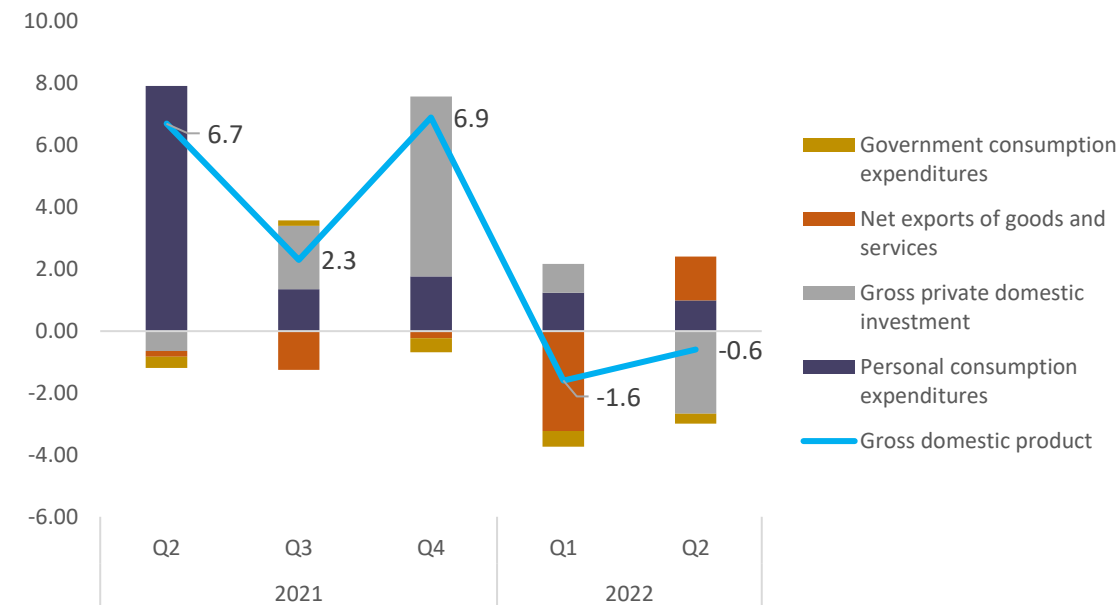
#### This week

- **Unemployment** - Chile, Mexico, Euro Zone.
- **Consumer Confidence Conference Board** - U.S.
- **CPI** - Euro Zone.
- **Nonfarm payrolls** - U.S.
- **PMI** - China.
- **GDP** - Canada, Brazil.
- **Retail Sales** - Japan, Switzerland.

#### Previous week

- **U. Michigan Confidence** - USA
- **PPI** - Spain, Sweden.
- **GDP** - Germany, USA, Mexico.
- **PMI** - US, Japan, UK, Eurozone.
- **Jackson Hole Symposium.**

### Contributions to U.S. Gross Domestic Product

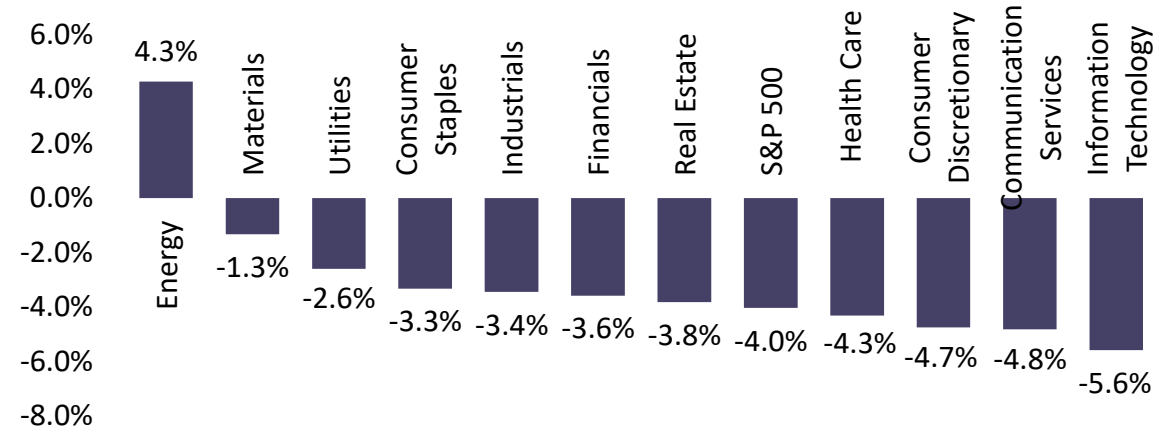


Source: Bureau of Economic Analysis- In On Capital Compiled.

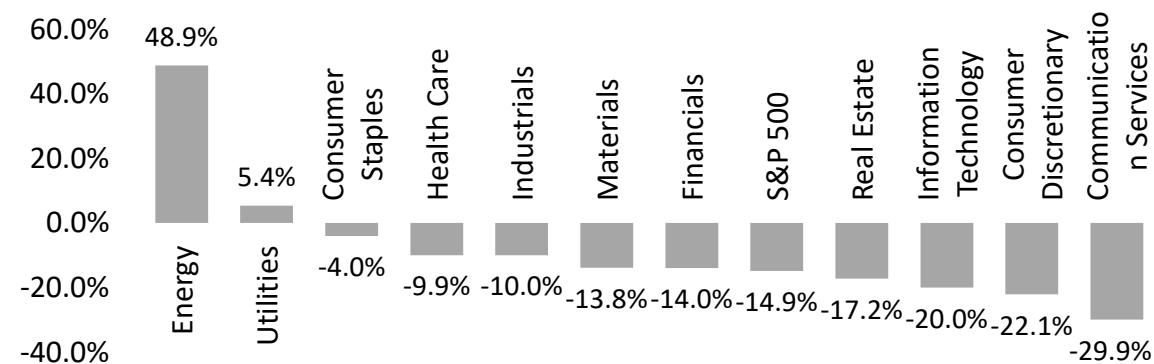
According to the second preliminary US GDP data for 2Q22, the economy contracted 0.6% versus the first reading, which was better than previously announced. This result was driven down by the fall in investment (-2.67 p.p.) and government spending (-0.32 p.p.), and offset by net exports (1.42 p.p.) and personal consumption (0.99 p.p.).

### Sector performance

#### Weekly



#### Annual



### In On Financial Markets Monitor

Equities	Level	Price return (%)		Features
	08/26/2022	1 Week	YTD	Fwd P/E
S&P 500	4057.66	▼ -4.04	▼ -14.87	17.91
Dow Jones 30	32283.40	▼ -4.22	▼ -11.16	17.22
Nasdaq 100	12605.17	▼ -4.82	▼ -22.76	23.25
Russell 2000	1899.83	▼ -2.94	▼ -15.39	22.28
Russell 1000 Growth	2415.26	▼ -4.55	▼ -21.45	24.97
Russell 1000 Value	1505.46	▼ -3.19	▼ -9.08	14.14
MSCI Emerging Markets	40.01	▲ 0.28	▼ -18.10	11.53
MSCI Developed & Emerging World	627.90	▼ -2.92	▼ -16.82	15.26
MSCI China	67.53	▲ 2.96	▼ -19.88	12.02
Topix - Japan	1979.59	▲ 4.21	▼ -0.64	12.66
EuroStoxx 50	3603.68	▼ -3.39	▼ -16.16	11.02
FTSE 100 - United Kingdom	7427.31	▼ -1.63	▲ 0.58	9.52

Fixed income	Yield	Total return (%)	
	08/26/2022	1 Week	YTD
U.S. Aggregate	3.83	▼ -0.36	▼ -10.02
U.S. Corporate High Yield	8.01	▼ -1.05	▼ -9.74
Global Aggregate	2.99	▼ -0.74	▼ -14.80
Global High Yield	8.62	▼ -0.56	▼ -13.58
Emerging Markets Hard Currency	4.79	▼ -0.30	▼ -20.65
Emerging Markets Local Currency	4.48	▼ -0.06	▼ -13.21

Interest rate	Yield		Change in Basic Points	
	08/26/2022	12/31/2021	1 Week	YTD
2-yr U.S. Treasuries	3.40	0.73	▲ 0.16	▲ 2.66
10-yr U.S. Treasuries	3.04	1.51	▲ 0.07	▲ 1.53
10-yr German Bund	1.39	-0.18	▲ 0.16	▲ 1.57

Currencies	Levels		Percentage change (%)	
	08/26/2022	12/31/2021	1 Week	YTD
Dolar Index	108.80	95.67	▲ 0.59	▲ 13.73
Euro	1.00	1.14	▼ -0.71	▼ -12.35
British pound	1.17	1.35	▼ -0.72	▼ -13.21
Japanease Yen	137.64	115.08	▲ 0.49	▲ 19.60
Yuan renminbi chinese	6.89	6.36	▲ 0.86	▲ 8.46
Mexican peso	20.04	20.53	▼ -0.66	▼ -2.38
Colombian peso	4401.11	4070.00	▲ 0.55	▲ 8.14

Commodities	Level	Percentage change (%)	
	08/26/2022	1 Week	YTD
Crude oil WTI	93.06	▲ 2.52	▲ 23.73
Crude oil Brent	100.99	▲ 4.41	▲ 29.84
Natural Gas	9.30	▼ -0.43	▲ 149.22
Gold	1738.14	▼ -0.51	▼ -4.98
Copper	369.70	▲ 0.89	▼ -17.17
Corn	668.75	▲ 6.83	▲ 12.73
Coffee (US\$/pound)	2.42	▲ 12.06	▲ 7.03
Bloomberg Commodity Index	124.60	▲ 1.86	▲ 25.64

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