

U.S. labor market begins to cool.

Weekly commentary

The markets closed the week down again after the release of the Euro Zone inflation data that was higher than expected by the consensus, the slight increase in the US unemployment rate and non-farm payrolls, China's PMI data and the total shutdown imposed in the city of ChengDu, very close to Shanghai. The S&P 500 was down 3.29%, Dow Jones declined 2.99% and the Nasdaq was down 4.02%.

Likewise, oil prices ended the week down amid the sanctions against a price cap on Russian oil exports imposed by the G-7 and the difficulties that have arisen in relation to the Iranian nuclear program and the effect that this would have on the world's crude oil supply. The WTI benchmark decreased 6.65% to 86.87 dpb and Brent decreased 7.89% to 93.02 dpb.

Euro Zone inflation registered a new high in the month of August, prices rose 9.1% from a year earlier and were above expectations of 9.0%. The energy and food sectors increased by 38.3% and 10.6% respectively versus a year earlier, while the underlying component also continued to rise to 4.3%.

The PMI index for China for August evidenced a weakening in the economy following the new outbreaks of COVID and the heat wave that has affected production, the composite index stood at 51.7 points compared to 52.5 points in July. Likewise, the Caixin manufacturing index was in contractionary territory for the second consecutive month at 49.4 points.

Meanwhile, Canada's preliminary GDP release showed a growth of 3.3% YoY and 0.8% YoY, where manufacturing production and wholesale trade drove domestic output down. In turn, Brazil presented better-than-expected preliminary 2Q22 GDP data, with growth of 1.2% YoY, led by the services sector, industry and agriculture.

Chile said no to the new constitution yesterday, with a margin of 38% in favor and 62% against, some kind of agreement is expected between the different political sectors to modify the rejected constitution.

Finally, Liz Truss will replace Boris Johnson as the new Prime Minister, with a vote of 81,326 in favor and 60,399 against, she won against former Finance Minister Richi Sunak. Truss takes over a country with inflation at historically high levels and divided over the Brexit decision.

Relevant data and events

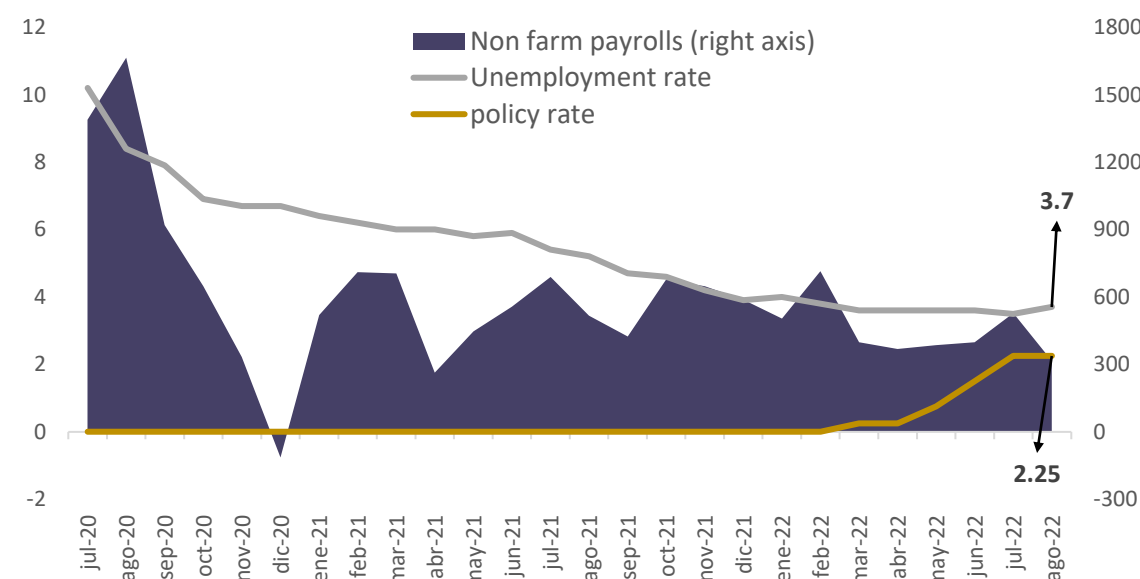
This week

- **Interest rate decision** - Canada, Chile, Euro Zone.
- **CPI** - Brazil, Chile, China, Colombia, Mexico.
- **PMI** - Euro Zone.
- **GDP** - Australia, Japan, Switzerland, Euro Zone.
- **Retail Sales** - Australia, Euro Zone.
- **Apple event** - New product introductions.

Previous 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.

Labor market performance in the U.S.

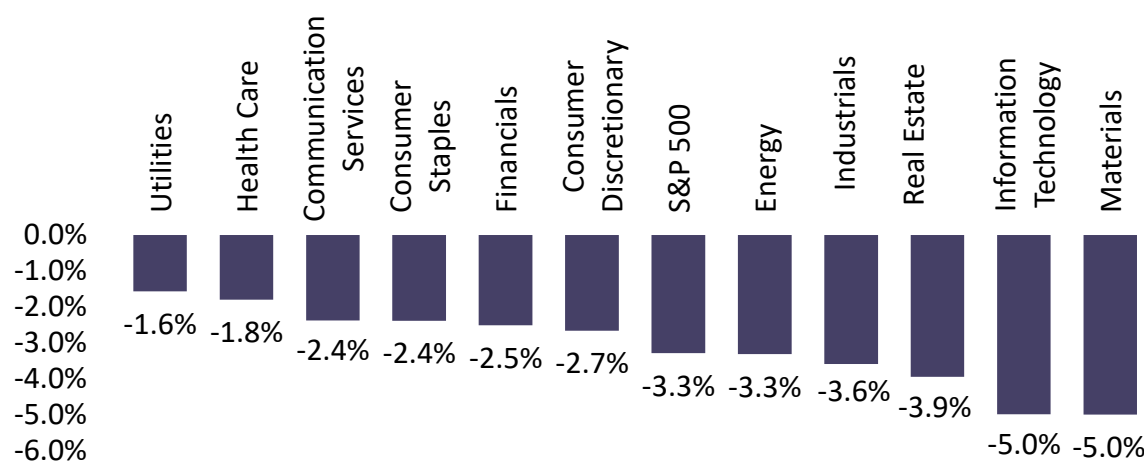


Source: Bureau of Economic Analysis- In On Capital Compiled.

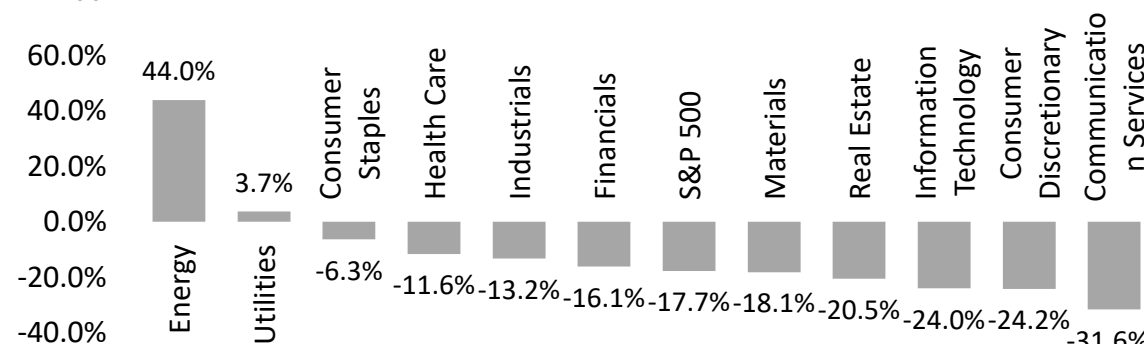
U.S. labor market data showed a weakening from the previous month. Agricultural payrolls increased by 312,000 jobs versus the 300,000 expected by the consensus. However, the unemployment rate surprisingly increased to 3.7% versus the 3.5% expected, which puts more pressure on the Fed to raise the monetary policy rate ahead of the September 21 meeting.

Sector performance

Weekly



Annual



In On Financial Markets Monitor

Equities	Level	Price return (%)		Features
	09/02/2022	1 Week	YTD	Fwd P/E
S&P 500	3924.26	▼ -3.29	▼ -17.66	17.32
Dow Jones 30	31318.44	▼ -2.99	▼ -13.81	16.70
Nasdaq 100	12098.44	▼ -4.02	▼ -25.87	22.45
Russell 2000	1809.75	▼ -4.74	▼ -19.40	21.45
Russell 1000 Growth	2320.52	▼ -3.92	▼ -24.54	23.96
Russell 1000 Value	1462.59	▼ -2.85	▼ -11.66	13.75
MSCI Emerging Markets	38.76	▼ -3.12	▼ -20.66	11.25
MSCI Developed & Emerging World	606.98	▼ -3.33	▼ -19.59	14.82
MSCI China	65.38	▼ -3.18	▼ -22.43	11.78
Topix - Japan	1930.17	▲ 1.61	▼ -3.12	12.27
EuroStoxx 50	3544.38	▼ -1.65	▼ -17.54	10.80
FTSE 100 - United Kingdom	7281.19	▼ -1.97	▼ -1.40	8.96

Fixed income	Yield	Total return (%)	
	09/02/2022	1 Week	YTD
U.S. Aggregate	3.97	▼ -1.02	▼ -10.94
U.S. Corporate High Yield	8.48	▼ -1.80	▼ -11.37
Global Aggregate	3.11	▼ -1.27	▼ -15.88
Global High Yield	9.06	▼ -1.75	▼ -15.10
Emerging Markets Hard Currency	4.40	▼ -1.69	▼ -21.99
Emerging Markets Local Currency	4.52	▼ -0.73	▼ -13.84

Interest rate	Yield		Change in Basic Points	
	09/02/2022	12/31/2021	1 Week	YTD
2-yr U.S. Treasuries	3.39	0.73	▼ -0.01	▲ 2.66
10-yr U.S. Treasuries	3.19	1.51	▲ 0.15	▲ 1.68
10-yr German Bund	1.52	-0.18	▲ 0.14	▲ 1.70

Currencies	Levels		Percentage change (%)	
	09/02/2022	12/31/2021	1 Week	YTD
Dolar Index	109.53	95.67	▲ 0.67	▲ 14.49
Euro	1.00	1.14	▼ -0.12	▼ -12.45
British pound	1.15	1.35	▼ -2.00	▼ -14.95
Japanese Yen	140.20	115.08	▲ 1.86	▲ 21.83
Yuan renminbi chinese	6.92	6.36	▲ 0.31	▲ 8.79
Mexican peso	19.95	20.53	▼ -0.47	▼ -2.84
Colombian peso	4486.50	4070.00	▲ 1.94	▲ 10.23

Commodities	Level	Percentage change (%)	
	09/02/2022	1 Week	YTD
Crude oil WTI	86.87	▼ -6.65	▲ 15.50
Crude oil Brent	93.02	▼ -7.89	▲ 19.59
Natural Gas	8.79	▼ -5.49	▲ 135.55
Gold	1712.19	▼ -1.49	▼ -6.40
Copper	342.15	▼ -7.45	▼ -23.34
Corn	669.00	▲ 0.04	▲ 12.77
Coffee (US\$/pound)	2.33	▼ -3.86	▲ 2.90
Bloomberg Commodity Index	119.10	▼ -4.41	▲ 20.10

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