

Central banks continue to raise rates.

Weekly commentary

The markets closed higher after a week marked by events such as the ECB meeting, the interruption in gas supply to Europe by Russia, the release of preliminary GDP data (Japan and Euro Zone), inflation in some emerging countries, and the death of Queen Elizabeth II at the age of 96. The S&P 500 rose 3.65%, the Dow Jones increased by 2.66% and the Nasdaq rose 4.05%.

Similarly, oil prices were affected during the week, as a result of the OPEC+ committee's decision, expectations of crude oil supply disruptions in the Gulf of Mexico and persistent fears of a recession in the short term. Benchmark WTI declined 0.09% to 86.79 dpb and Brent was down 0.19% to 92.84 dpb.

On the other hand, the second reading of the Japanese and Euro Zone GDP showed an expansion of 0.8% and 0.9% respectively, exceeding market expectations. Likewise, in Europe, due to the unusual increase in interest rates, economic growth is expected to be affected.

Euro Zone retail sales showed a decline of 0.9% YoY in July, although better than market expectations of -3.2%. The food sector fell the most versus the previous month at -2.4%.

The emerging economies of Brazil, Chile, China, Colombia and Mexico presented mixed performances in their price indexes for the month of June. Brazil's inflation was 8.73% YoY (prev: 10.07%) and -0.36% m/m; in Chile it was 14.1% YoY (prev: 13.01%) and 1.2% m/m; in China the CPI had a slight decrease to 2.5% YoY (prev: 2.7%) and -0.1% m/m; Colombia reached 10.84% y/y (ant: 10.21%) and 1.02% m/m; and Mexico registered 8.70% y/y (ant: 8.15%) and 0.70% m/m.

On the other hand, the Central Bank of Chile continued with its interest rate hike, increasing it by 100 basis points to 10.75%; while the Central Reserve Bank of Peru maintained its upward path, although to a lesser extent than in previous months, by 25 basis points to 6.75%. Both decisions were motivated by rising inflation, which remains above the issuer's targets.

Finally, Apple in its presentation of new devices unveiled the 4 new phones (iPhone 14, iPhone 14 plus, iPhone 14 Pro and Pro Max) focusing on improvements in their camera and performance compared to previous models. The costs would range between \$799 and \$899 in its different storages for the iPhone 14.

Relevant data and events

This week

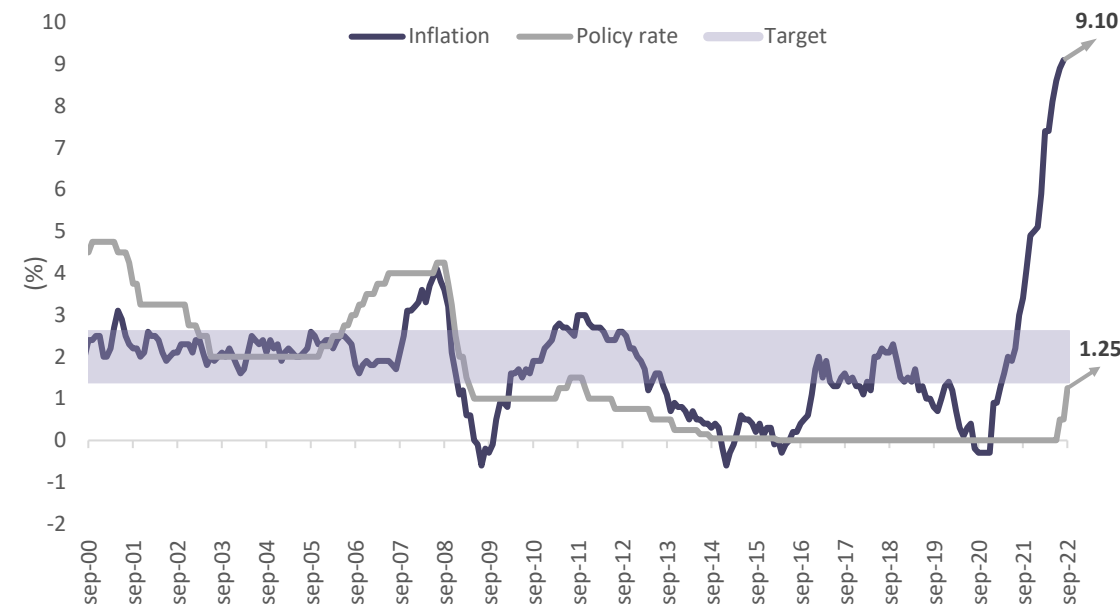
- **CPI** – U.S.*, UK, Euro Zone.
- **GDP** – UK.
- **PPI** – U.S.
- **Retail Sales** – Brazil, China, Colombia, USA, UK.
- **U.Michigan Consumer Confidence.**
- **Unemployment** – China.

Previous 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.

*Most relevant data of the week

Inflation behavior and the ECB's monetary policy

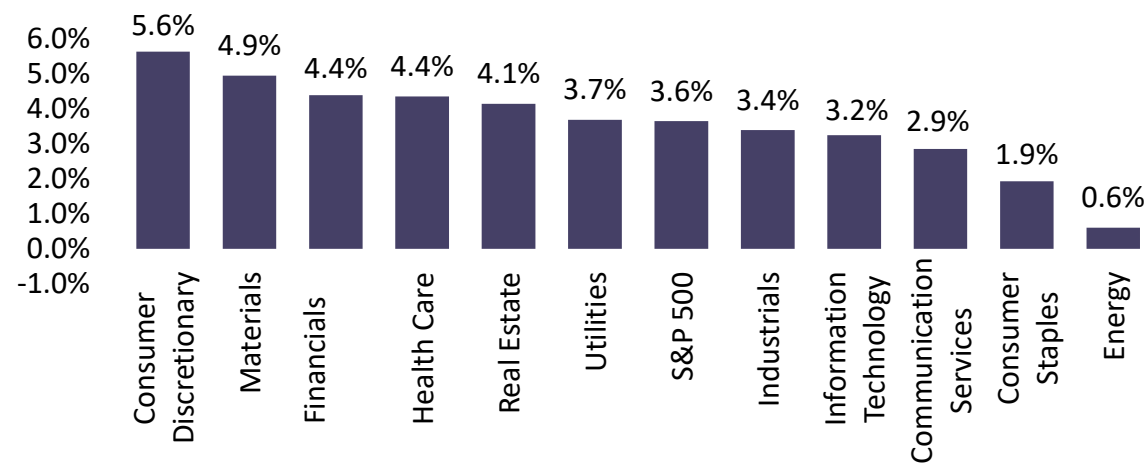


Source: Eurostat– In On Capital Compiled.

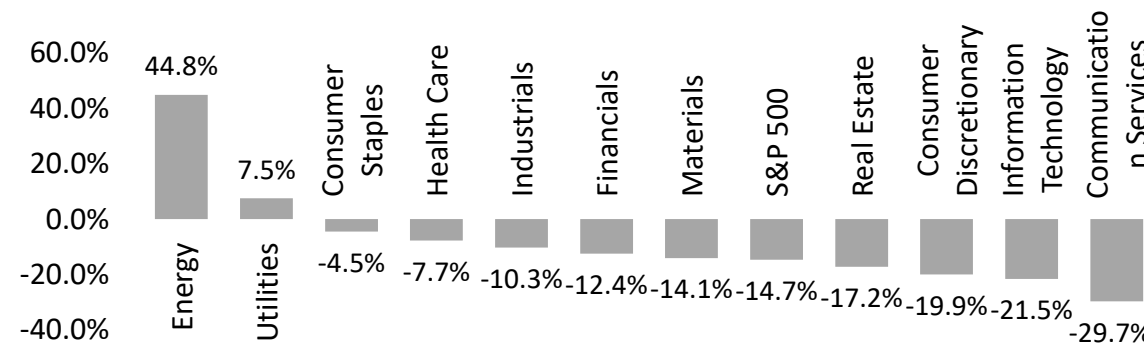
In Europe, the Governing Council surprised the market by raising interest rates by 75 bps, the highest increase in the history of the European Central Bank. With this, the interest rates on the main refinancing operations, the marginal lending facility and the deposit facility will stand at 1.25%, 1.50% and 0.75%, respectively. It is expected that for the next meetings, the Bank will maintain its stance of increasing the reference rates due to inflation, which has already reached 9.1%.

Sector performance

Weekly



Annual



In On Financial Markets Monitor

Equities	Level	Price return (%)		Features
	09/09/2022	1 Week	YTD	Fwd P/E
S&P 500	4067.36	▲ 3.65	▼ -14.66	17.96
Dow Jones 30	32151.71	▲ 2.66	▼ -11.52	17.15
Nasdaq 100	12588.29	▲ 4.05	▼ -22.87	23.35
Russell 2000	1882.85	▲ 4.04	▼ -16.14	22.55
Russell 1000 Growth	2414.49	▲ 4.05	▼ -21.48	24.95
Russell 1000 Value	1516.08	▲ 3.66	▼ -8.43	14.25
MSCI Emerging Markets	39.00	▲ 0.62	▼ -20.16	11.33
MSCI Developed & Emerging World	622.92	▲ 2.63	▼ -17.48	15.24
MSCI China	65.17	▼ -0.32	▼ -22.68	11.83
Topix - Japan	1965.53	▲ 3.47	▼ -1.35	12.46
EuroStoxx 50	3570.04	▲ 0.72	▼ -16.95	10.92
FTSE 100 - United Kingdom	7351.07	▲ 0.96	▼ -0.45	9.07

Fixed income	Yield	Total return (%)	
	09/09/2022	1 Week	YTD
U.S. Aggregate	4.11	▼ -0.70	▼ -11.56
U.S. Corporate High Yield	8.21	▲ 1.31	▼ -10.21
Global Aggregate	3.22	▼ -0.78	▼ -16.54
Global High Yield	8.86	▲ 1.08	▼ -14.18
Emerging Markets Hard Currency	4.35	▲ 1.23	▼ -21.03
Emerging Markets Local Currency	4.49	▲ 0.62	▼ -13.31

Interest rate	Yield		Change in Basic Points	
	09/09/2022	12/31/2021	1 Week	YTD
2-yr U.S. Treasuries	3.56	0.73	▲ 0.17	▲ 2.82
10-yr U.S. Treasuries	3.31	1.51	▲ 0.12	▲ 1.80
10-yr German Bund	1.69	-0.18	▲ 0.17	▲ 1.88

Currencies	Levels		Percentage change (%)	
	09/09/2022	12/31/2021	1 Week	YTD
Dolar Index	109.00	95.67	▼ -0.48	▲ 13.94
Euro	1.00	1.14	▲ 0.88	▼ -11.68
British pound	1.16	1.35	▲ 0.70	▼ -14.36
Japanese Yen	142.47	115.08	▲ 1.62	▲ 23.80
Yuan renminbi chinese	6.94	6.36	▲ 0.31	▲ 9.13
Mexican peso	19.90	20.53	▼ -0.24	▼ -3.08
Colombian peso	4353.00	4070.00	▼ -2.98	▲ 6.95

Commodities	Level	Percentage change (%)	
	09/09/2022	1 Week	YTD
Crude oil WTI	86.79	▼ -0.09	▲ 15.40
Crude oil Brent	92.84	▼ -0.19	▲ 19.36
Natural Gas	8.00	▼ -8.99	▲ 114.37
Gold	1716.83	▲ 0.27	▼ -6.14
Copper	358.10	▲ 4.66	▼ -19.77
Corn	698.50	▲ 4.41	▲ 17.74
Coffee (US\$/pound)	2.32	▼ -0.49	▲ 2.39
Bloomberg Commodity Index	118.52	▼ -0.49	▲ 19.51

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