

U.S. labor market remains strong

Weekly commentary

Wall Street closed slightly higher thanks to the gains of the first days of the week, which were diminishing after the release of the unemployment rate and non-farm payrolls in the US. The S&P 500 rose 1.51%, Dow Jones rose 1.99% and Nasdaq increased by 0.62%.

Similarly, oil prices ended the week higher, following the OPEC+ meeting where they decided to cut production by 2 million barrels per day, motivated by the reduction in the price of crude in recent weeks due to fears of a global recession. The WTI reference increased 16.54% to 92.64 dpb and Brent increased by 11.32% to 97.92 dpb.

Credit Suisse shares improved their performance during the week by 23.72% to 4.85 dollars, after the announcement of a 3 billion dollar bond buyback that calmed investors' nervousness. However, the 5-year CDS continued to show signs of a bust by rising 22.59% to 306.5 basis points and touching its all-time high of 372.6 basis points on Wednesday.

At the same time, the emerging economies of Chile and Mexico presented reductions in their price indexes for September. Chile's inflation was 13.87% YoY and 0.9% m/m while in Mexico it was 8.7% YoY and 0.6% m/m. Meanwhile, the CPI in Colombia has not yet reached its peak, increasing in September by 11.44% YoY (the highest since April 1999) and 0.93% m/m, driven by food and energy costs.

The Peruvian Central Reserve Bank maintained its bullish path, increasing the interest rate by 25 basis points to 7.00%. This decision is in line with the objective of returning inflation to its target range after the CPI increased again by 8.53% YoY in September.

Finally, Elon Musk proposed to continue with the purchase of Twitter at the price agreed in April, following a letter in which Musk intends to continue with the deal, as long as the Delaware judge suspends the lawsuit process. Twitter's stock was valued at 14.29% at the end of the week, while Tesla lost 12.10% of its share price.

Relevant data and events

This week

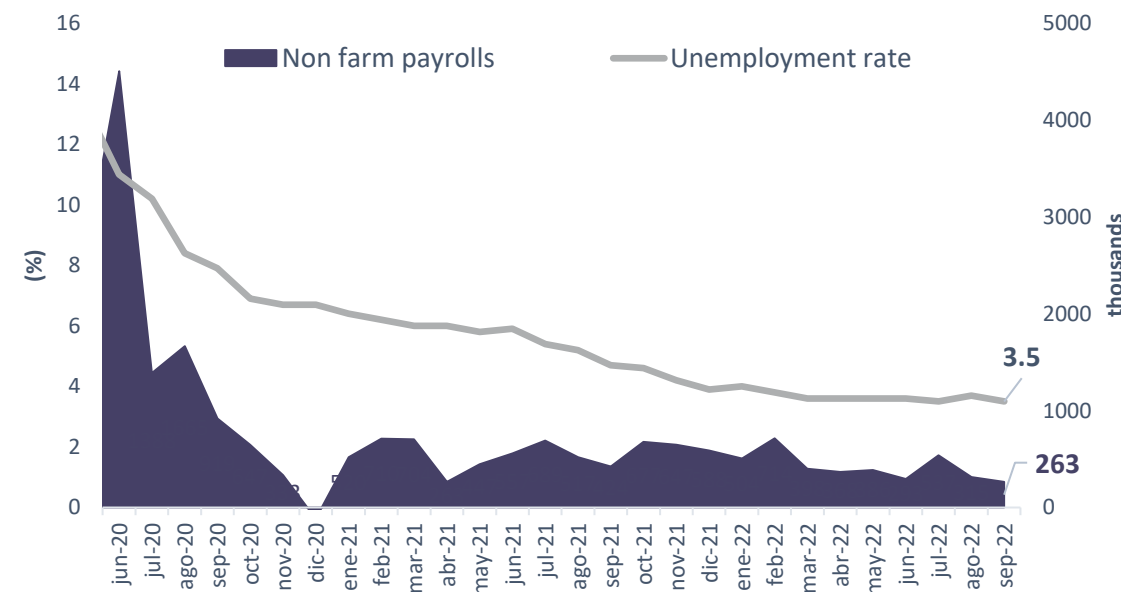
- **CPI** - Brazil, China, USA*, India.
- **Earnings season** - Pepsico, Delta, BlackRock, JPMorgan, Morgan Stanley, Citibank, UnitedHealth Group.
- **GDP** - UK.
- **IMF annual meetings and outlook update.**
- **PPI** - China, USA
- **Retail sales** - Colombia, U.S.
- **U.Michigan Consumer Confidence (Preliminary)**
- **Unemployment** - Peru, UK

Previous week

- **CPI** - Chile, Colombia.
- **Interest rate decision** - Peru.
- **PMI** - US, Japan, UK, Euro Zone.
- **Retail Sales** - Brazil.
- **Unemployment** - Canada, USA*.

*Most relevant data of the week|

Labor market performance in the U.S.

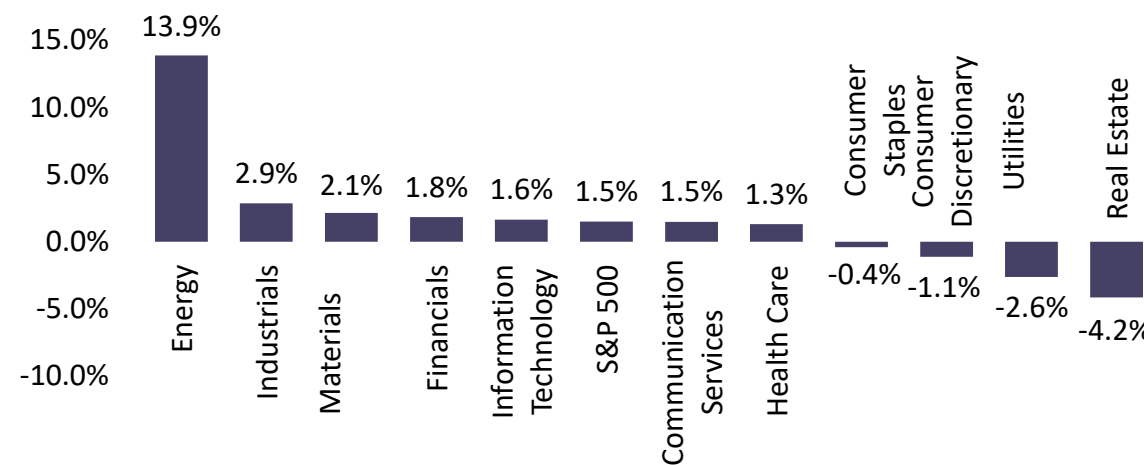


Source: Bureau of Economic Analysis – In On Capital Compiled.

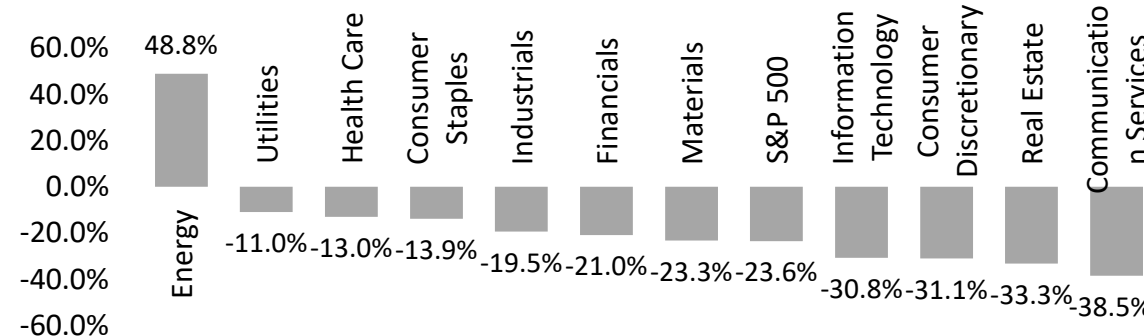
The U.S. labor market continues to show signs of strength. Agricultural payrolls increased by 263,000 jobs versus the 250,000 expected by the consensus. As well, the unemployment rate surprisingly declined to 3.5% versus the 3.7% expected, a strong signal for the Fed to continue aggressively raising interest rates.

Sector performance

Weekly



Annual



In On Financial Markets Monitor

	Level		Price return (%)		Features
	10/07/2022	12/31/2021	1 Week	YTD	
Equities					
S&P 500	3639.66	3550.00	▲ 1.51	▼ -23.64	16.20
Dow Jones 30	29296.79	28800.00	▲ 1.99	▼ -19.38	15.63
Nasdaq 100	11039.47	10800.00	▲ 0.62	▼ -32.36	20.60
Russell 2000	1702.15	1650.00	▲ 2.25	▼ -24.19	20.75
Russell 1000 Growth	2142.73	2050.00	▲ 1.18	▼ -30.32	22.12
Russell 1000 Value	1368.09	1350.00	▲ 2.12	▼ -17.37	13.00
MSCI Emerging Markets	35.65	34.00	▲ 2.21	▼ -27.02	10.88
MSCI Developed & Emerging World	563.00	550.00	▲ 1.74	▼ -25.41	13.97
MSCI China	58.08	56.00	▲ 1.52	▼ -31.10	10.95
Topix - Japan	1906.80	1850.00	▲ 3.86	▼ -4.29	12.08
EuroStoxx 50	3375.46	3300.00	▲ 1.73	▼ -21.47	10.04
FTSE 100 - United Kingdom	6991.09	6900.00	▲ 1.41	▼ -5.33	8.64

	Yield		Total return (%)	
	10/07/2022	12/31/2021	1 Week	YTD
Fixed income				
U.S. Aggregate	4.82	4.70	▼ -0.25	▼ -14.83
U.S. Corporate High Yield	9.28	8.86	▲ 1.42	▼ -13.53
Global Aggregate	3.76	3.85	▼ -0.39	▼ -20.21
Global High Yield	10.07	8.95	▲ 1.12	▼ -18.24
Emerging Markets Hard Currency	5.62	5.88	▼ -0.26	▼ -27.39
Emerging Markets Local Currency	4.70	4.17	▲ 0.53	▼ -17.19

	Yield		Change in Basic Points	
	10/07/2022	12/31/2021	1 Week	YTD
Interest rate				
2-yr U.S. Treasuries	4.31	0.73	▲ 0.03	▲ 3.58
10-yr U.S. Treasuries	3.88	1.51	▲ 0.05	▲ 2.37
10-yr German Bund	2.19	-0.18	▲ 0.09	▲ 2.37

	Levels		Percentage change (%)	
	10/07/2022	12/31/2021	1 Week	YTD
Currencies				
Dolar Index	112.80	95.67	▲ 0.60	▲ 17.90
Euro	0.97	1.14	▼ -0.59	▼ -14.30
British pound	1.11	1.35	▼ -0.75	▼ -18.08
Japanease Yen	145.25	115.08	▲ 0.35	▲ 26.22
Yuan renminbi chinese	7.13	6.36	▼ -0.12	▲ 12.22
Mexican peso	20.04	20.53	▼ -0.49	▼ -2.38
Colombian peso	4620.00	4070.00	▲ 0.22	▲ 13.51

	Level		Percentage change (%)	
	10/07/2022	12/31/2021	1 Week	YTD
Commodities				
Crude oil WTI	92.64	81.00	▲ 16.54	▲ 23.18
Crude oil Brent	97.92	86.00	▲ 11.32	▲ 25.89
Natural Gas	6.75	6.97	▼ -0.27	▲ 80.91
Gold	1694.82	1670.00	▲ 2.06	▼ -7.35
Copper	338.65	340.00	▼ -0.76	▼ -24.13
Corn	683.25	675.00	▲ 0.85	▲ 15.17
Coffee (US\$/pound)	2.18	2.19	▼ -1.56	▼ -3.54
Bloomberg Commodity Index	117.14	112.00	▲ 5.06	▲ 18.12

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