

IMF cuts growth expectations for 2022 and 2023.

Weekly commentary

Wall Street ended the week with a mixed performance following the IMF's release of its updated economic growth projections, the departure of the UK finance minister, retail sales, US inflation data (see [Flash de mercado: Dato de inflación de EE.UU. aumenta 8,2% interanual e inflación subyacente alcanza su nivel más alto en 40 años.](#)), and the start of earnings season. The S&P 500 declined 1.55 %, Dow Jones rose 1.15% and the Nasdaq fell 3.15%.

Oil prices also closed the week lower, amid a decrease in demand for crude oil from China due to persistent zero COVID policies and fears of recession for this and next year. Benchmark WTI was down 7.59% to 85.61 dpb and Brent increased by 6.42% to 91.63 dpb.

US retail sales were unexpectedly unchanged versus the 0.2% expected by the market in September. This data is the result of high prices that continue to affect the economy and the increase in interest rates by the FED.

On the other hand, the minutes of the last FED committee revealed the commitment to restrictive rates to control inflation but acknowledged the need to calibrate the pace of the next hikes so as not to unnecessarily affect the economy.

In the UK, Finance Minister Kwasi Kwarteng was removed from office 38 days after Prime Minister Liz Truss took office. Truss also announced that she will increase corporate taxes in order to reassure the markets.

Similarly, the University of Michigan's confidence index presented its preliminary data for October, placing consumer sentiment one point higher (59.8) than the previous month's figure. However, inflation expectations for next year increased by 40 basis points with respect to September's reading, to 5.1%.

At the same time, the emerging economies of China and India reported increases in their consumer price indexes for September. China's inflation stood at 2.8% YoY and 0.3% m/m, while in India it stood at 7.41% YoY and 0.57% m/m. Meanwhile, Brazil's CPI continued to decline in September to 7.17% YoY (the lowest since June 2021) and -0.29% m/m.

Finally, the earnings season started on Thursday with the reports of some of the major US banks and companies. BlackRock, JP Morgan and Citi presented better-than-expected results, but lower compared to the previous quarter, while Morgan Stanley was the only one to report worse-than-expected results. PepsiCo, UnitedHealth Group and Delta Airlines also exceeded expectations.

Relevant data and events

This week

- **CPI** - Canada, UK, Eurozone.
- **Earnings season*** Bank of America, CharlesSchwap, Rion Tinto, Goldman Sachs, J&J, Hasbro, Netflix, Interactive Brokers, United, Tesla, Nasdaq, IBM, AT&T, American Express, Cebtral Pacific Financial.
- **Retail sales** - Canada, Mexico, UK.
- **Used home sales** - USA.

Previous week

- **CPI** - Brazil, China, USA*, India.
- **Earnings season** - Pespico, 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

*Most relevant data of the week|

Growth projections for 2022 and 2023.

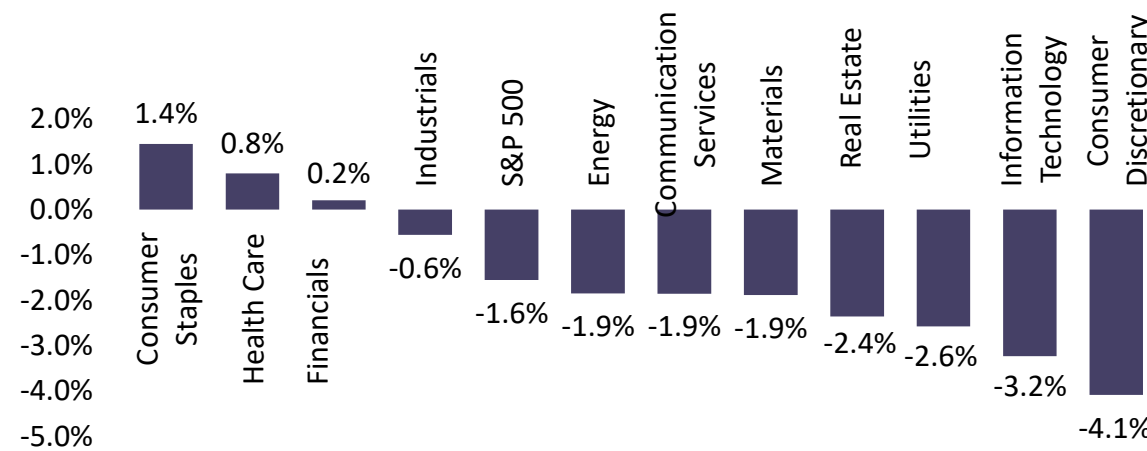


Source: IMF- In On Capital Compiled.

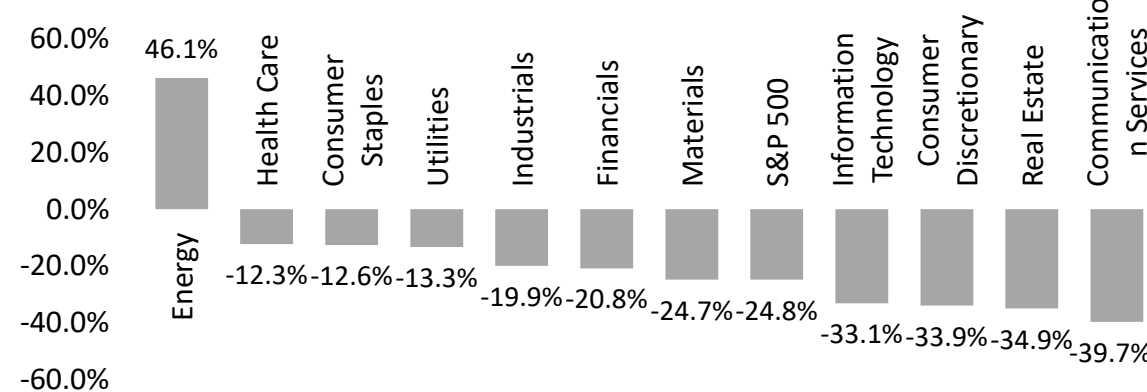
The International Monetary Fund updated its growth projections for 2022 and 2023. Global growth expectations were cut from 2.9 to 2.7 for 2023. In the wake of rising price levels, Russia's invasion of Ukraine, and sharp interest rate hikes around the world, it is expected that next year, although most economies will maintain positive growth, for many people it will feel like a recession. For a detailed analysis we invite you to listen to our podcast [Perspectivas económicas: FMI y otras entidades para 2022-2023.](#)

Sector performance

Weekly



Annual



In On Financial Markets Monitor

	Level	Price return (%)		Features
	10/14/2022	1 Week	YTD	
Equities				Fwd P/E
S&P 500	3583.07	▼ -1.55	▼ -24.82	16.00
Dow Jones 30	29634.83	▲ 1.15	▼ -18.45	15.87
Nasdaq 100	10692.06	▼ -3.15	▼ -34.49	20.05
Russell 2000	1682.40	▼ -1.16	▼ -25.07	20.66
Russell 1000 Growth	2082.30	▼ -2.82	▼ -32.28	21.59
Russell 1000 Value	1358.59	▼ -0.69	▼ -17.95	12.96
MSCI Emerging Markets	34.21	▼ -4.04	▼ -29.97	10.50
MSCI Developed & Emerging World	552.08	▼ -1.94	▼ -26.86	13.77
MSCI China	54.49	▼ -6.18	▼ -35.35	10.36
Topix - Japan	1898.19	▼ -0.45	▼ -4.73	12.01
EuroStoxx 50	3381.73	▲ 0.19	▼ -21.33	10.03
FTSE 100 - United Kingdom	6858.79	▼ -1.89	▼ -7.12	8.58

	Yield	Total return (%)	
	10/14/2022	1 Week	YTD
Fixed income			
U.S. Aggregate	5.03	▼ -1.19	▼ -15.84
U.S. Corporate High Yield	9.70	▼ -1.11	▼ -14.49
Global Aggregate	3.91	▼ -1.42	▼ -21.34
Global High Yield	10.49	▼ -1.38	▼ -19.37
Emerging Markets Hard Currency	5.72	▼ -1.76	▼ -28.66
Emerging Markets Local Currency	4.76	▼ -1.26	▼ -18.23

	Yield		Change in Basic Points	
	10/14/2022	12/31/2021	1 Week	YTD
Interest rate				
2-yr U.S. Treasuries	4.50	0.73	▲ 0.19	▲ 3.76
10-yr U.S. Treasuries	4.02	1.51	▲ 0.14	▲ 2.51
10-yr German Bund	2.34	-0.18	▲ 0.15	▲ 2.53

	Levels		Percentage change (%)	
	10/14/2022	12/31/2021	1 Week	YTD
Currencies				
Dolar Index	113.31	95.67	▲ 0.46	▲ 18.44
Euro	0.97	1.14	▼ -0.23	▼ -14.49
British pound	1.12	1.35	▲ 0.78	▼ -17.44
Japanease Yen	148.67	115.08	▲ 2.35	▲ 29.19
Yuan renminbi chinese	7.22	6.36	▲ 1.22	▲ 13.58
Mexican peso	20.08	20.53	▲ 0.20	▼ -2.18
Colombian peso	4698.00	4070.00	▲ 1.69	▲ 15.43

	Level	Percentage change (%)	
	10/14/2022	1 Week	YTD
Commodities			
Crude oil WTI	85.61	▼ -7.59	▲ 13.83
Crude oil Brent	91.63	▼ -6.42	▲ 17.81
Natural Gas	6.45	▼ -4.37	▲ 73.00
Gold	1644.47	▼ -2.97	▼ -10.10
Copper	342.35	▲ 1.09	▼ -23.30
Corn	689.75	▲ 0.95	▲ 16.27
Coffee (US\$/pound)	1.97	▼ -9.81	▼ -13.00
Bloomberg Commodity Index	113.67	▼ -2.96	▲ 14.62

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