

## Second week of results exceeds expectations.

### Weekly commentary

The markets closed higher for the second consecutive week after the publication of the inflation data and the resignation of the UK Prime Minister, the CPI and confidence data for the Euro zone, the second week of the earnings season, and the increase in the US 10-year bond yield of 4.23% (something not seen since 2008). The S&P 500 rose 4.74%, Dow Jones increased 4.89% and the Nasdaq rose by 5.78%.

Similarly, oil prices ended the week with a mixed performance, following the announcement by the White House of additional sales of its reserves, as a result of the cut in crude oil production by OPEC+. The WTI reference decreased 0.65% to 85.05 dpb and Brent increased 2.04% to 93.50 dpb.

Monthly CPI changes in some developed countries were published during the week. i) In Canada inflation slowed to 6.9% versus last month's 7.0%, ii) in Japan it increased to 3.0% y/y, same record as last month, iii) in the UK prices increased more than expected to 10.1% in September, touching again a 40-year high, iv) finally, in the Euro Zone inflation also increased by 0.8 percentage points y/y to 9.9%, the highest in its historical series.

Earnings season continued to show better-than-expected reports from most companies, most notably banks such as Bank of America, Charles Schwab and Goldman Sachs; as well as companies such as Netflix, J&J, AT&T, Snap and American Airlines. On the other hand, Tesla presented lower than expected revenues, despite presenting record profits, thus causing a drop in the share price, which corrected at the end of the week.

On the other hand, China reported 3.9% GDP growth in 3Q22 versus 0.4% in the previous quarter and 3.4% forecast. Likewise, the PBOC kept the 1-year and 5-year interest rates unchanged and in line with expectations at 3.65% and 4.30%, respectively, due to the problems generated by COVID-19 and the weakening of the currency, which limited its monetary policy maneuvering power. And finally, the general secretary of the Communist Party, Xi Jinping, managed to obtain a third term, the first after Mao Zedong.

### Relevant data and events

#### This week

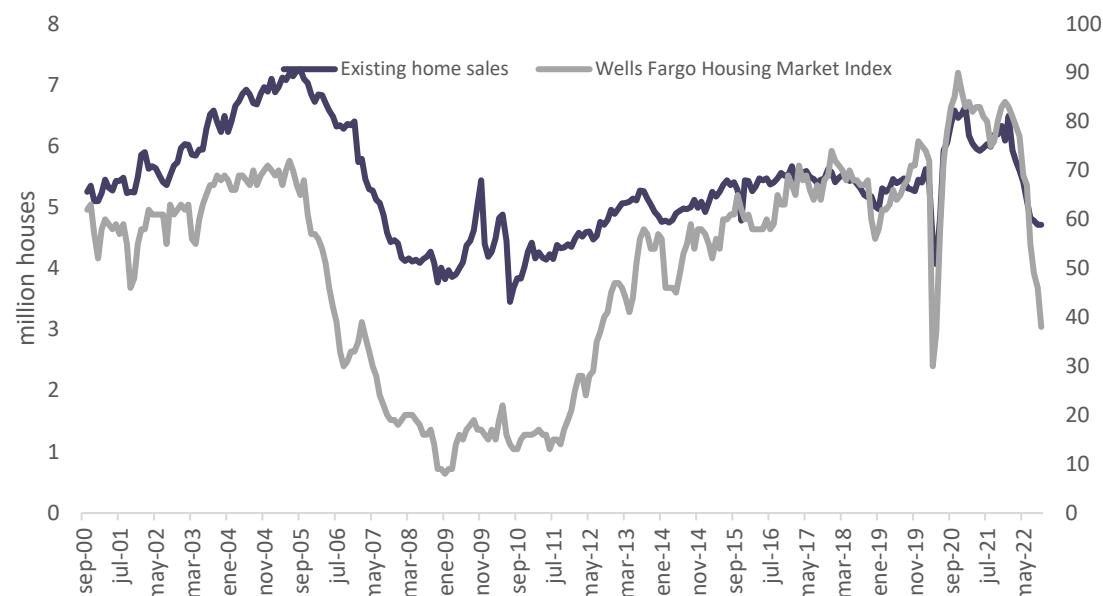
- Earnings season** - Logitech, UPS, Microsoft, Alphabet, CocaCola, Enphase, Visa, Spotify, General Electric, Meta, Ford, Hilton, Apple, McDonalds, Mastercard, Credit Suisse, Amazon, Intel, Chevron, Exxonmobil, Nextera Energy.
- GDP** - China, US
- Interest rate decision** - Canada, Japan, Euro Zone\*
- New Home Sales** - U.S.
- PMI** - US, UK, Euro Zone
- Unemployment** - China

#### Previous 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.

\*Most relevant data of the week

### U.S. housing market performance.

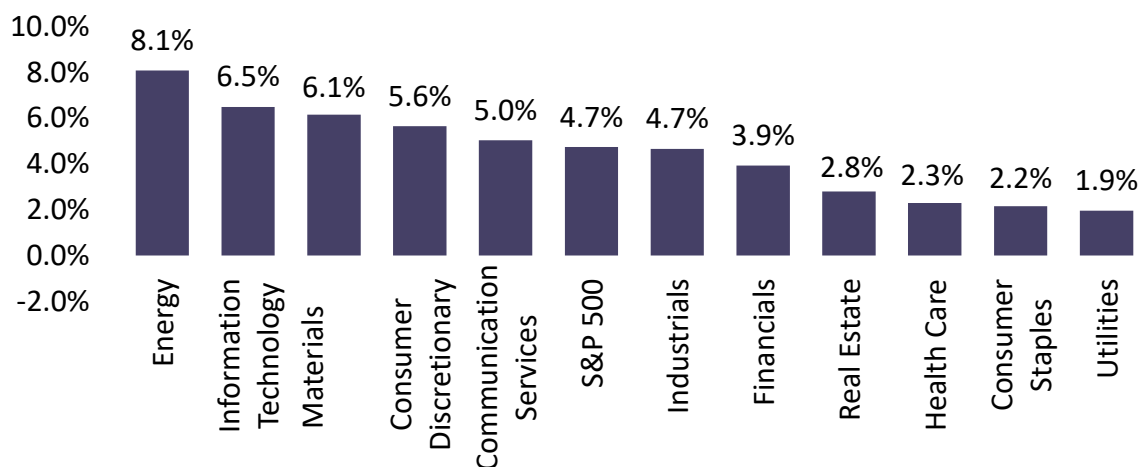


Source: National Association of Home Builders – In On Capital Compiled.

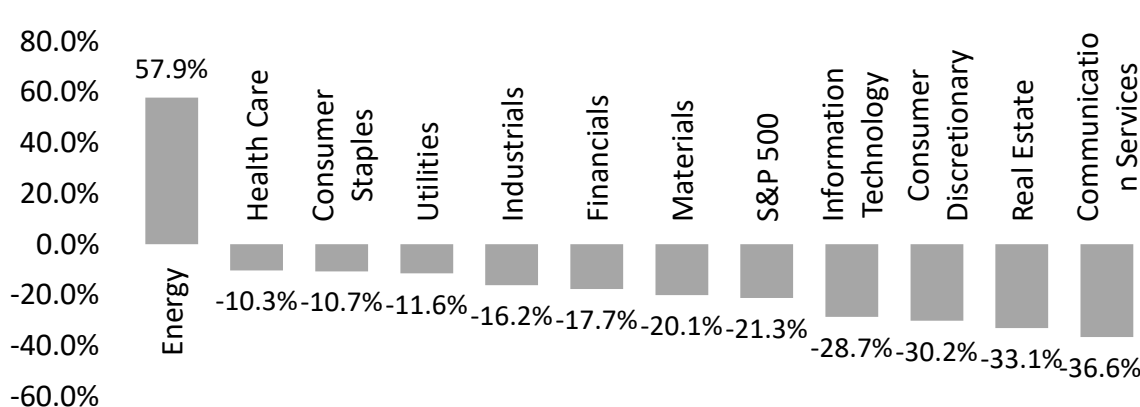
U.S. used home sales continued to decline in September, reporting **4.71 million** homes sold versus the previous month of 4.78 million (-1.5% month-over-month) and market expectations of 4.70 million, largely as a result of the Fed's interest rate hike. Similarly, the Wells Fargo builder confidence index declined for the tenth consecutive month to **38 points** versus the expected 43 in October.

### Sector performance

#### Weekly



#### Annual



### In On Financial Markets Monitor

	Level	Price return (%)			Features
		10/21/2022	1 Week	YTD	
<b>Equities</b>					
S&P 500	3752.75	▲ 4.74	▼ -21.26	16.82	
Dow Jones 30	31082.56	▲ 4.89	▼ -14.46	16.65	
Nasdaq 100	11310.33	▲ 5.78	▼ -30.70	21.35	
Russell 2000	1742.24	▲ 3.56	▼ -22.41	21.74	
Russell 1000 Growth	2194.87	▲ 5.41	▼ -28.62	22.87	
Russell 1000 Value	1411.78	▲ 3.91	▼ -14.73	13.51	
MSCI Emerging Markets	35.27	▲ 3.10	▼ -27.80	10.52	
MSCI Developed & Emerging World	569.93	▲ 3.23	▼ -24.50	14.24	
MSCI China	53.02	▼ -2.70	▼ -37.10	10.08	
Topix - Japan	1881.98	▼ -0.85	▼ -5.54	11.85	
EuroStoxx 50	3476.63	▲ 2.81	▼ -19.12	10.34	
FTSE 100 - United Kingdom	6969.73	▲ 1.62	▼ -5.62	8.67	

	Yield	Total return (%)		
		10/21/2022	1 Week	YTD
<b>Fixed income</b>				
U.S. Aggregate	5.15	▼ -1.07	▼ -16.74	
U.S. Corporate High Yield	9.62	▲ 0.28	▼ -14.25	
Global Aggregate	3.99	▼ -0.69	▼ -21.88	
Global High Yield	10.51	▲ 0.05	▼ -19.33	
Emerging Markets Hard Currency	5.71	▲ 0.18	▼ -28.53	
Emerging Markets Local Currency	4.72	▲ 0.73	▼ -17.63	

	Yield		Change in Basic Points		
	10/21/2022	12/31/2021	1 Week	YTD	
<b>Interest rate</b>					
2-yr U.S. Treasuries	4.47	0.73	▼ -0.02	▲ 3.74	
10-yr U.S. Treasuries	4.22	1.51	▲ 0.20	▲ 2.71	
10-yr German Bund	2.41	-0.18	▲ 0.07	▲ 2.60	

	Levels		Percentage change (%)		
	10/21/2022	12/31/2021	1 Week	YTD	
<b>Currencies</b>					
Dolar Index	112.01	95.67	▼ -1.15	▲ 17.08	
Euro	0.99	1.14	▲ 1.44	▼ -13.26	
British pound	1.13	1.35	▲ 1.17	▼ -16.47	
Japanese Yen	147.65	115.08	▼ -0.69	▲ 28.30	
Yuan renminbi chinese	7.23	6.36	▲ 0.13	▲ 13.73	
Mexican peso	19.93	20.53	▼ -0.74	▼ -2.91	
Colombian peso	4918.10	4070.00	▲ 4.68	▲ 20.84	

	Level	Percentage change (%)		
		10/21/2022	1 Week	YTD
<b>Commodities</b>				
Crude oil WTI	85.05	▼ -0.65	▲ 13.08	
Crude oil Brent	93.50	▲ 2.04	▲ 20.21	
Natural Gas	4.96	▼ -23.15	▲ 32.95	
Gold	1657.69	▲ 0.80	▼ -9.38	
Copper	347.45	▲ 1.49	▼ -22.16	
Corn	684.25	▼ -0.80	▲ 15.34	
Coffee (US\$/pound)	1.91	▼ -2.95	▼ -15.57	
Bloomberg Commodity Index	111.27	▼ -2.11	▲ 12.20	

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