

U.S. economy grows in the third quarter of 2022.

Weekly commentary

Wall Street closed higher for the fourth consecutive week after the preliminary release of the US GDP; the monetary policy decision of the European Central Bank, the Bank of Canada, and the Bank of Japan; the third week of the earnings season; and the presidential elections in Brazil. The S&P 500 increased 3.95%, the Dow Jones rose 5.72% and the Nasdaq increased 2.09%.

On the other hand, oil prices ended the week higher following investors' hopes of a recovery in the Chinese economy by the end of the year. The WTI reference increased 3.35% to 87.90 dpb and the Brent reference increased 2.43% to 95.77 dpb.

At the ECB's latest monetary policy meeting, the Governing Council raised interest rates by 75 bps, as expected by the market. With this, the interest rates on the main refinancing operations, the marginal lending facility and the deposit facility will stand at 2.00%, 2.25% and 1.50%, respectively. This increase was motivated by the high level of prices in the Euro Zone, which already stands at 10.7%, including energy costs.

Likewise, the Central Bank of Canada surprised the market with an interest rate hike of 50 bps to 3.75%, following a decrease in inflation and the bank's perception of the excess demand that persists despite the latest interest rate increases. Meanwhile, the Bank of Japan continued with its zero interest rate policy and bond buying program, in order to keep the 10-year JGB yield at around 0%.

US new home sales fell 10.9% m/m and 17.6% y/y in September. This decline in housing demand is mainly attributed to higher mortgage rates, i.e., higher borrowing costs, and elevated inflation. The median home price was \$470,600, up 13.9% from September 2021.

On the other hand, the third week of the results season continued with reports from most technology companies: Microsoft, General Motors, Coca Cola, General Electric, Spotify, Meta, Ford, MasterCard, Apple, Chevron and ExxonMobil presented reports that were positively received by the market, while Logitech, Alphabet, Intel, Meta and Amazon published results that were negatively perceived by the market.

Finally, Lula Da Silva was elected president again in Brazil after 50.9% of the votes against current president Jair Bolsonaro. Lula, 77 years old and leader of the Workers' Party, will face his third term seeking greater economic integration in Latin America.

Relevant data and events

This week

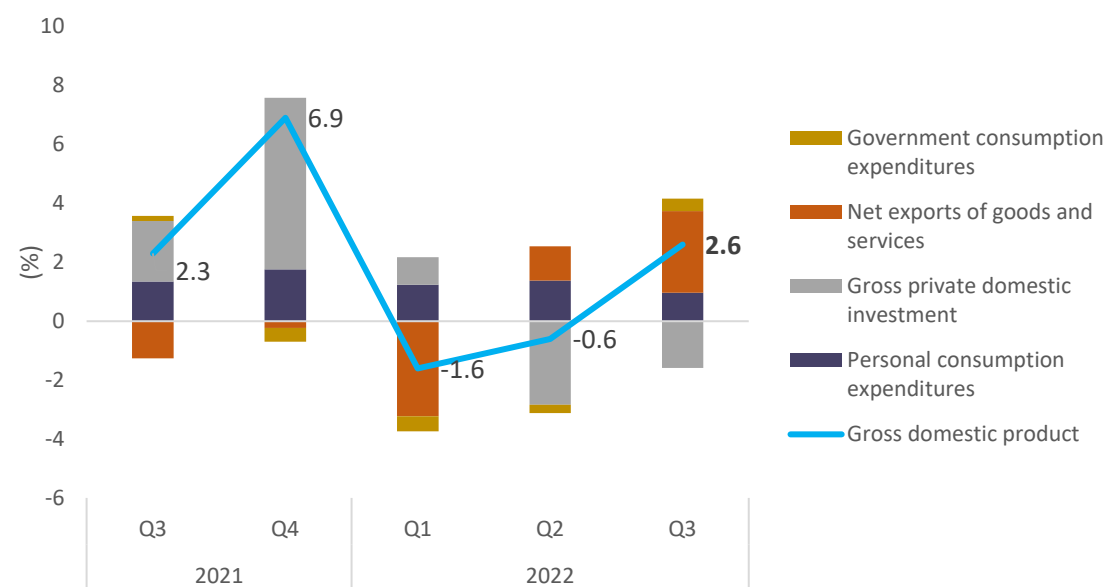
- **Interest rate decision - US*, UK.**
- **Unemployment - U.S.**
- **CPI - Colombia, Switzerland, Euro Zone.**
- **PPI - Euro Zone.**
- **GDP - Mexico, Euro Zone.**
- **OPEC+ meeting.**
- **Earnings season** UBER, SoFi, AMD, Airbnb, Lilly, Pfizer, Toyota, Paramount, Qualcomm, Roku, Albemarle, Robinhood, Moderna, PayPal, Coinbase, Mercadolibre, Petrobras.

Previous 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**

*Most relevant data of the week

Contributions to U.S. GDP

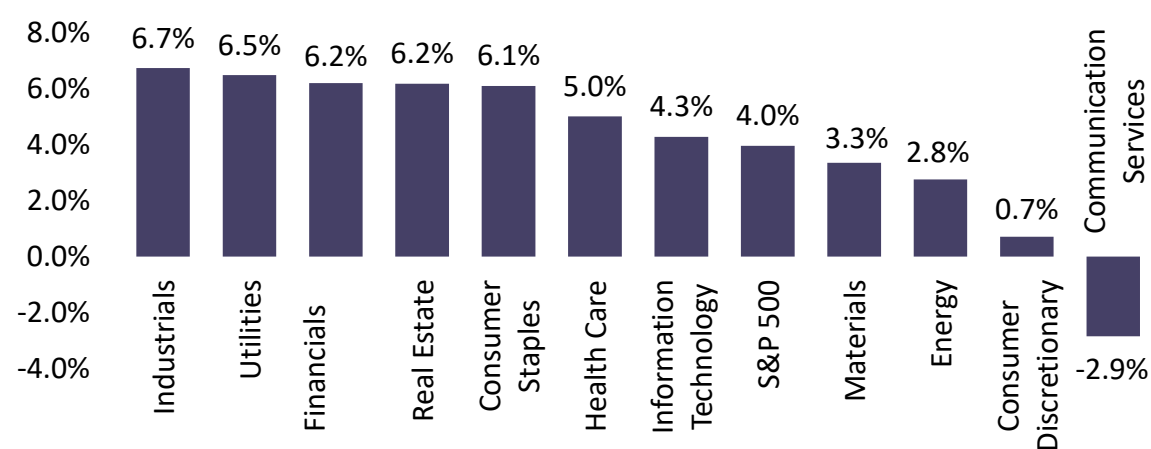


Source: Bureau of Economic Analysis- Compiled in On Capital. Percentage points

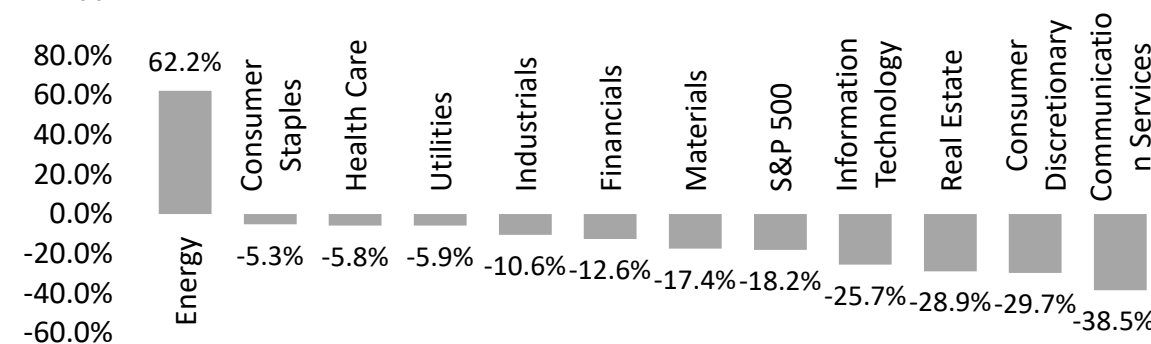
According to the first preliminary U.S. GDP data for the third quarter of the year, the economy grew **2.6%** compared to -0.6% in the previous quarter. Trade balance, consumption and government spending were the positive contributors to GDP by **2.77** p.p., **0.97** p.p. and **0.42** p.p. respectively, while investment continued to be the remaining sector to the economic expansion by **1.59** p.p.

Sector performance

Weekly



Annual



In On Financial Markets Monitor

	Level	Price return (%)		Features
	10/28/2022	1 Week	YTD	Fwd P/E
Equities				
S&P 500	3901.06	▲ 3.95	▼ -18.15	17.51
Dow Jones 30	32861.80	▲ 5.72	▼ -9.57	17.81
Nasdaq 100	11546.21	▲ 2.09	▼ -29.25	21.93
Russell 2000	1846.92	▲ 6.01	▼ -17.74	22.77
Russell 1000 Growth	2260.73	▲ 3.00	▼ -26.48	23.60
Russell 1000 Value	1482.62	▲ 5.02	▼ -10.46	14.20
MSCI Emerging Markets	34.29	▼ -2.78	▼ -29.81	10.37
MSCI Developed & Emerging World	588.95	▲ 3.34	▼ -21.98	14.71
MSCI China	48.26	▼ -8.98	▼ -42.75	9.23
Topix - Japan	1899.05	▲ 0.91	▼ -4.68	11.97
EuroStoxx 50	3613.02	▲ 3.92	▼ -15.95	10.78
FTSE 100 - United Kingdom	7047.67	▲ 1.12	▼ -4.56	8.97

	Yield	Total return (%)	
	10/28/2022	1 Week	YTD
Fixed income			
U.S. Aggregate	4.94	▲ 1.65	▼ -15.36
U.S. Corporate High Yield	8.99	▲ 2.44	▼ -12.16
Global Aggregate	3.76	▲ 2.50	▼ -19.93
Global High Yield	9.96	▲ 2.77	▼ -17.09
Emerging Markets Hard Currency	5.55	▲ 2.82	▼ -26.52
Emerging Markets Local Currency	4.71	▲ 0.20	▼ -17.47

	Yield		Change in Basic Points	
	10/28/2022	12/31/2021	1 Week	YTD
Interest rate				
2-yr U.S. Treasuries	4.41	0.73	▼ -0.06	▲ 3.68
10-yr U.S. Treasuries	4.01	1.51	▼ -0.20	▲ 2.50
10-yr German Bund	2.10	-0.18	▼ -0.31	▲ 2.28

	Levels		Percentage change (%)	
	10/28/2022	12/31/2021	1 Week	YTD
Currencies				
Dolar Index	110.75	95.67	▼ -1.12	▲ 15.76
Euro	1.00	1.14	▲ 1.04	▼ -12.36
British pound	1.16	1.35	▲ 2.76	▼ -14.17
Japanease Yen	147.60	115.08	▼ -0.03	▲ 28.26
Yuan renminbi chinese	7.27	6.36	▲ 0.52	▲ 14.32
Mexican peso	19.80	20.53	▼ -0.68	▼ -3.57
Colombian peso	4835.00	4070.00	▼ -1.69	▲ 18.80

	Level	Percentage change (%)	
	10/28/2022	1 Week	YTD
Commodities			
Crude oil WTI	87.90	▲ 3.35	▲ 16.87
Crude oil Brent	95.77	▲ 2.43	▲ 23.13
Natural Gas	5.68	▲ 14.62	▲ 52.39
Gold	1644.86	▼ -0.77	▼ -10.08
Copper	342.90	▼ -1.31	▼ -23.18
Corn	680.75	▼ -0.51	▲ 14.75
Coffee (US\$/pound)	1.70	▼ -11.05	▼ -24.90
Bloomberg Commodity Index	111.76	▲ 0.44	▲ 12.69

Research team:



Ana Vera
Chief Economist
Mail: avera@inoncapital.com



Juan Sebastián Mora
Portfolio Manager
Mail: jsmora@inoncapital.com



Eduardo González
Investment Specialist/Portfolio Manager
Mail: egonzalez@inoncapital.com



Stefan Rügsegger
Investment Analyst
Mail: sruegsegger@inoncapital.com



Mijail Barrero
Economic Research Analyst
Mail: mbarrero@inoncapital.com

If you have any questions, please contact us at research@Inoncapital.com and through our social networks [LinkedIn](#) and [Twitter](#).

APPLICABLE TERMS AND CONDITIONS

This document has been prepared by In On Capital, S.A. ENTITY REGULATED AND SUPERVISED BY THE SUPERINTENDENCY OF THE SECURITIES MARKET OF THE REPUBLIC OF PANAMA, licensed to operate as a Securities Brokerage Firm No. SMV 296-2014. This Report is provided to our clients through our website (www.inoncapital.com); via email, through authorized and duly identified personnel; and/or through our platform, for the exclusive use of clients. Regardless of whether you receive this report, directly or indirectly, through the means provided by In On Capital, S.A., you immediately accept and assume the TERMS AND CONDITIONS APPLICABLE to them. You agree that you may not copy, reproduce, correct, alter, edit, distribute or redistribute to third parties, or make any commercial exploitation, except with the express authorization of In On Capital, S.A. This document is prepared within the legal framework of the jurisdiction that governs In On Capital, S.A. and is not intended to contravene the regulations of other jurisdictions. This report is a general communication and is intended for educational purposes. It is not an advertisement, nor does it constitute an offer to buy or sell any security, nor is it an investment suggestion or advice. All opinions, analyses, prices or other information contained herein are provided as general market commentary and do not constitute investment advice. By virtue of the nature of this report, In On Capital assumes no liability for any impairment, loss or damage, including but not limited to loss of profits, which may result, directly or indirectly, from the use of or reliance on the information contained in this report.