

## U.S. inflation slows down

### Weekly commentary

Markets closed higher after the release of better than expected inflation data that generated optimism in investors, ahead of the next FED meeting and the mid-term elections in the U.S. The S&P 500 rose 5.9%, Dow Jones increased 4.15% and the Nasdaq rose 8.84%, ending its best weekly performance in 2 years. Likewise, treasury bonds had a drop in their yields, retreating 33 bps for their 2-year benchmark and decreasing 35 bps for their 10-year benchmark.

On the other hand, crude oil prices closed lower amid the rebound of COVID-19 cases in China, despite the easing of mobility restrictions on Friday under the Zero Covid policy. Benchmark WTI was down 3.94% to 88.96 dpb and Brent was down 2.62% to 95.99 dpb.

In the US, mid-term congressional elections took place this week. Although they are still in the vote-counting stage, pre-count projections show a majority for the Democratic party in the Senate with 50 seats, compared to 49 for the Republican party. Thus, the governing party maintains control over the Upper House of Congress.

Meanwhile, the consumer confidence index of the University of Michigan in the US deteriorated in the preliminary estimate for November compared to the previous month's figure. In the U.S., the consumer confidence indicator scored 54.7 compared to 59.9 in the previous month, in a context where inflation remains high and in the midst of uncertainty due to the mid-term elections,

At the same time, in the emerging economies, Brazil, Chile, and Mexico, price indexes declined in October. Inflation in Brazil was 6.47% YoY and 0.59% m/m; in Chile it was 12.8% YoY and 0.5% m/m; and in Mexico it was 8.41% YoY and 0.57% m/m. Meanwhile, China had a slight increase in its price level of 2.1% YoY and 0.1% m/m.

The UK economy contracted by 0.2% in the third quarter of this year versus the previous quarter, accumulating an expansion of 2.4% versus the same period of 2021. The decline in output was mainly due to the fall in manufacturing production, in a context of deteriorating household consumption due to the high level of prices, and higher production costs due to the prices of raw materials and energy. Also, this quarter was influenced by the additional national holiday due to the funeral of Queen Elizabeth II, for which less activity was observed in companies.

Finally, the crypto market was severely affected, after the company FTX filed for bankruptcy following the failed takeover attempt by its main competitor, Binance. After filing for Chapter 11 bankruptcy in the U.S., they hope to restructure and respond to the thousands of customers who have been unable to access their money.

### Relevant data and events

#### This week

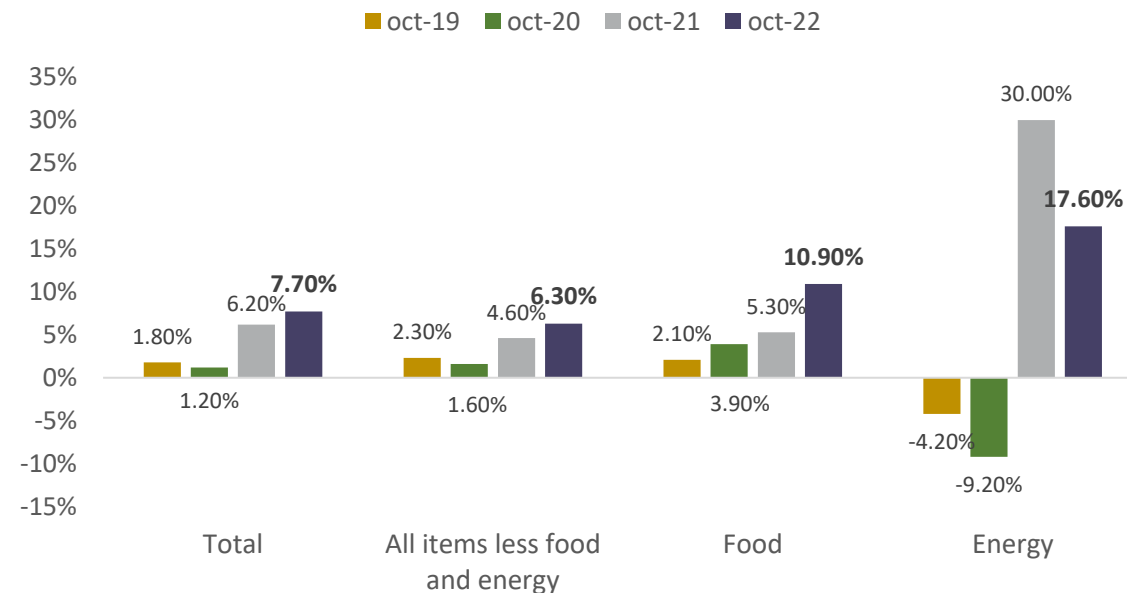
- **COP27 UN**
- **Unemployment** - Peru
- **CPI** - Canada, United Kingdom, Euro Zone.
- **GDP** - Colombia, Japan, Euro Zone.
- **G20 meeting\***.
- **Retail Sales** - U.S.

#### Previous week

- **COP27 UN**
- **Midterm Elections** - U.S.A.
- **Consumer confidence index** - U.S.
- **CPI** - Brazil, U.S., Chile, China, Mexico.
- **GDP** - UK.
- **Earnings season** - Activision, Disney, AMC, Roblox, Unity, Yeti, AstraZenaca, Wework,
- **Retail Sales** - Brazil, Euro Zone.

\*Most relevant data of the week

### U.S. Consumer Price Index

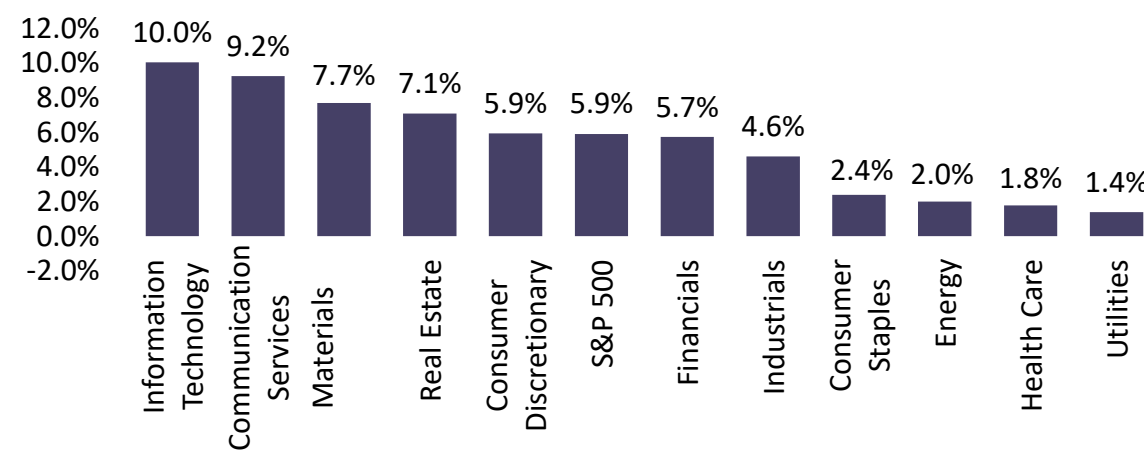


Source: Bureau of Labor Statistics - Compiled In On Capital.

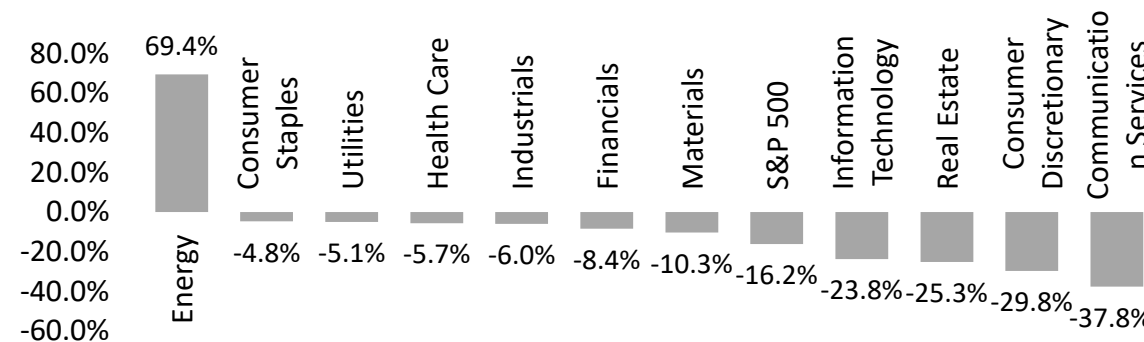
In the US, the price level continued to decline in October. Annual inflation decreased by 50 bps compared to the previous month, standing at 7.7%, driven upwards by the increase in energy (+17.6%) and food (+10.9%). On the other hand, the monthly figure came in at 0.4%, slightly below market expectations, while the underlying component continued to move away from the Fed's target at 6.3% YoY and 0.3% m/m.

### Sector performance

#### Weekly



#### Annual



### In On Financial Markets Monitor

	Level	Price return (%)		Features
	11/11/2022	1 Week	YTD	Fwd P/E
<b>Equities</b>				
S&P 500	3992.93	▲ 5.90	▼ -16.22	17.99
Dow Jones 30	33747.86	▲ 4.15	▼ -7.13	18.44
Nasdaq 100	11817.01	▲ 8.84	▼ -27.59	22.63
Russell 2000	1882.74	▲ 4.60	▼ -16.15	23.66
Russell 1000 Growth	2296.49	▲ 7.64	▼ -25.32	24.27
Russell 1000 Value	1531.20	▲ 4.57	▼ -7.52	14.68
MSCI Emerging Markets	38.16	▲ 5.41	▼ -21.88	11.32
MSCI Developed & Emerging World	618.66	▲ 6.56	▼ -18.04	15.35
MSCI China	56.67	▲ 5.81	▼ -32.77	10.79
Topix - Japan	1977.76	▲ 3.26	▼ -0.73	12.55
EuroStoxx 50	3868.50	▲ 4.88	▼ -10.00	11.56
FTSE 100 - United Kingdom	7318.04	▼ -0.23	▼ -0.90	9.28

	Yield	Total return (%)	
	11/11/2022	1 Week	YTD
<b>Fixed income</b>			
U.S. Aggregate	4.73	▲ 2.29	▼ -14.10
U.S. Corporate High Yield	8.91	▲ 1.20	▼ -12.20
Global Aggregate	3.65	▲ 3.86	▼ -17.63
Global High Yield	9.59	▲ 2.78	▼ -15.35
Emerging Markets Hard Currency	5.48	▲ 3.84	▼ -23.44
Emerging Markets Local Currency	4.50	▲ 3.59	▼ -13.50

	Yield		Change in Basic Points	
	11/11/2022	12/31/2021	1 Week	YTD
<b>Interest rate</b>				
2-yr U.S. Treasuries	4.33	0.73	▼ -0.33	▲ 3.60
10-yr U.S. Treasuries	3.81	1.51	▼ -0.35	▲ 2.30
10-yr German Bund	2.16	-0.18	▼ -0.14	▲ 2.34

	Levels		Percentage change (%)	
	11/11/2022	12/31/2021	1 Week	YTD
<b>Currencies</b>				
Dolar Index	106.29	95.67	▼ -4.14	▲ 11.10
Euro	1.03	1.14	▲ 3.92	▼ -9.00
British pound	1.18	1.35	▲ 3.96	▼ -12.58
Japanease Yen	138.81	115.08	▼ -5.33	▲ 20.62
Yuan renminbi chinese	7.09	6.36	▼ -1.31	▲ 11.56
Mexican peso	19.50	20.53	▼ -0.10	▼ -5.00
Colombian peso	4805.00	4070.00	▼ -6.10	▲ 18.06

	Level	Percentage change (%)	
	11/11/2022	1 Week	YTD
<b>Commodities</b>			
Crude oil WTI	88.96	▼ -3.94	▲ 18.28
Crude oil Brent	95.99	▼ -2.62	▲ 23.41
Natural Gas	5.88	▼ -8.14	▲ 57.61
Gold	1771.24	▲ 5.31	▼ -3.17
Copper	391.35	▲ 6.16	▼ -12.32
Corn	658.00	▼ -3.38	▲ 10.91
Coffee (US\$/pound)	1.70	▼ -3.21	▼ -24.77
Bloomberg Commodity Index	116.88	▼ -0.52	▲ 17.86

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