

## Stocks bounce on signs that inflation has peaked

### Weekly commentary

The markets closed the week higher after the publication of inflation data in the US and the reopening in China. The Dow Jones rose 2.97%, the S&P 500 rose 4.26% and the Nasdaq rose 4.45%. We also saw a strong recovery in Europe and Asia.

For their part, oil prices also appreciated. The WTI reference increased 8.26% to 79.86 dpb and the Brent increased 8.54% to 85.28 dpb. Within commodities, precious metals continue to perform their best post-pandemic performance, with Gold and copper rising 2.92% and 7.8%, respectively.

Another market that has had a very good start is fixed income. US Treasury bonds and German bonds have appreciated more than 25 basis points (bps) on average, given the slowing inflation data.

In the US, the University of Michigan consumer survey showed an improvement in consumer sentiment, indicating the best number since April 2022, standing at 64.6 for January compared to 59.7 in December.

In Europe, employment data continues to show the strength of the region with a stable unemployment rate at 6.5%, remaining at an all-time low. Data accompanied by the good results of industrial production, which resumed the positive path, rising 1% compared to the fall of 1.9% in the previous month. Likewise, in the region, the United Kingdom continues to show recovery with positive GDP data, which rose 0.1% and a drop of 0.3% was expected.

Lastly, at the beginning of the publication of results for the fourth quarter of 2022, the large banks showed better income, mainly due to higher intermediation margins in the context of rising rates. However, some adjustments that have been made in the provisions and reserves for potentially non-performing loans, give a lack of flavor about the economic outlook and generally indicate a recession. Both JP Morgan and Bank of America beat expectations for earnings per share, while Citigroup and Wells Fargo reported figures below what the market anticipated.

### Relevant data and events

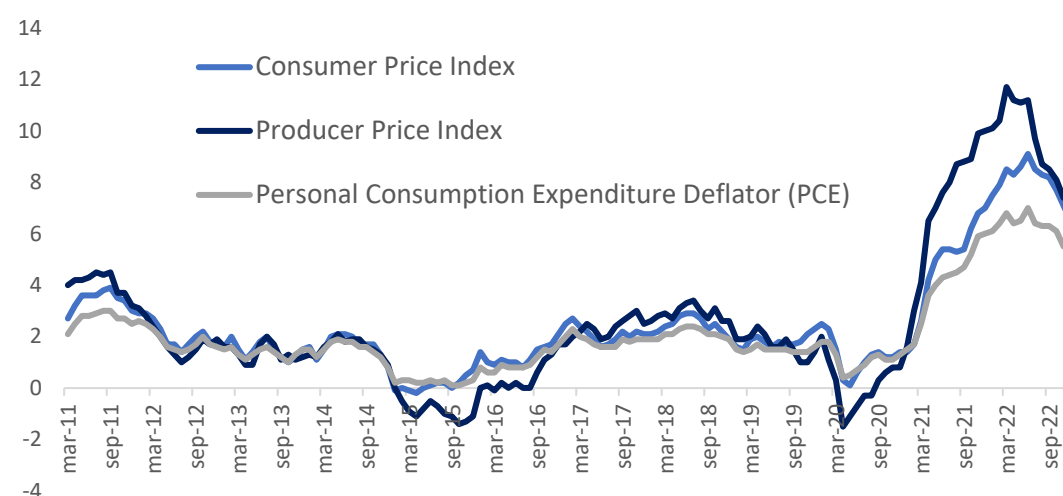
#### This week

- Economic forum 2023 begins in Davos Switzerland
- Retail sales in the US
- Producer Prices
- Thursday 19 The debt ceiling is reached in the US
- Housing data
- Earnings season – Goldman Sachs, Morgan Stanley, Charles Schwab, Procter & Gamble, Netflix.

#### Previous week

- Consumer Confidence – U.Michigan
- Monetary policy decision – Peru.
- Unemployment – Switzerland.
- Inflation – Brazil, China, USA\*, Mexico
- GDP – United Kingdom.
- PMI – China
- Earnings Season – Bank of America, Unitedhealth Group, JP Morgan, Delta, Citi, Wells Fargo, BlackRock.

### Main measures of inflation in the US.

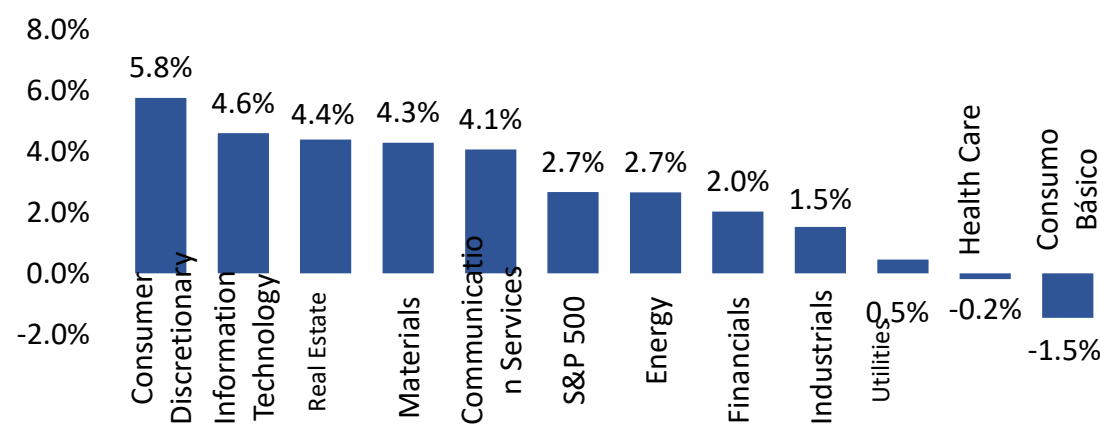


Source: Federal Reserve– In On Capital Compiled.

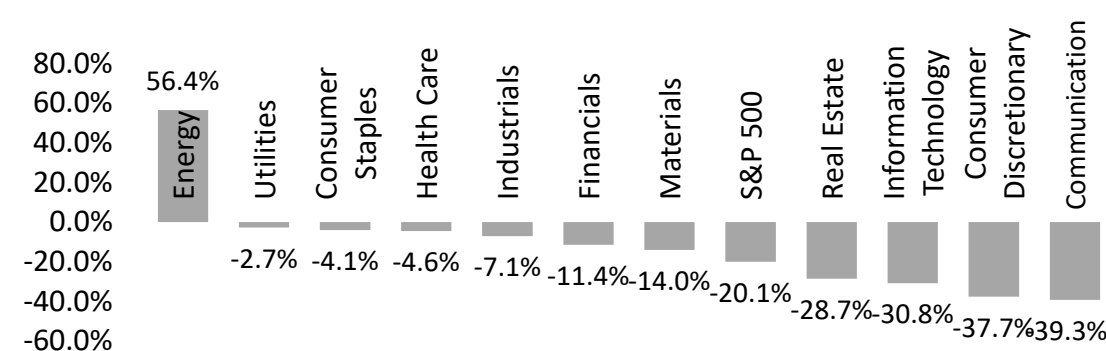
In the US, the price level surprised to the downside in December, the published report showed that prices fell 0.1% compared to November. While prices rose at a pace of 6.5% compared to a year earlier, the results raised hopes that the Federal Reserve may be able to halt its rise soon. When looking at the three different measures of inflation ( Consumer Prices , Product prices and PCE already reached a peak in June 2022 and little by little the levels moderate.

### Sector performance

#### Weekly



#### Annual 2022



### In On Financial Markets Monitor

	Level	Price Return (%)		Features
	01/13/2023	1 week	2022	Fwd P/E
<b>Equities</b>				
S&P 500	3999.09	▲ 2.67	▼ -19.44	17.77
Dow Jones 30	34302.61	▲ 2.00	▼ -8.78	17.59
Nasdaq 100	11541.48	▲ 4.54	▼ -32.97	21.83
Russell 2000	1887.03	▲ 5.26	▼ -21.56	22.34
Russell 1000 Growth	2251.86	▲ 4.01	▼ -29.81	22.40
Russell 1000 Value	1562.86	▲ 1.88	▼ -9.58	15.09
MSCI Emerging Markets	41.30	▲ 3.07	▼ -22.42	12.46
MSCI Developed & Emerging World	638.08	▲ 3.35	▼ -19.80	15.46
MSCI China	72.33	▲ 4.27	▼ -23.51	11.67
Topix - Japón	1903.08	▲ 1.46	▼ -5.05	12.17
EuroStoxx 50	4150.80	▲ 3.31	▼ -11.74	12.50
FTSE 100 - Reino Unido	7844.07	▲ 1.88	▲ 0.91	10.40

	Yield	Total Return (%)	
	01/13/2023	1 week	2022
<b>Fixed Income</b>			
U.S. Aggregate	4.32	▲ 0.88	▼ -13.01
U.S. Corporate High Yield	8.10	▲ 1.58	▼ -11.19
Global Aggregate	3.46	▲ 1.91	▼ -16.25
Global High Yield	8.67	▲ 1.97	▼ -12.71
Emerging Markets Hard Currency	7.26	▲ 1.26	▼ -22.44
Emerging Markets Local Currency	7.58	▲ 1.60	▼ -11.50

	Yield		Change in Basic Points	
	01/13/2023	12/30/2022	1 week	2022
<b>Interest Rate</b>				
2-yr U.S. Treasuries	4.23	4.43	▼ -1.53	▲ 369.36
10-yr U.S. Treasuries	3.50	3.87	▼ -5.45	▲ 236.47
10-yr German Bund	2.17	2.57	▼ -4.20	▲ 274.70

	Niveles		Percentual Change (%)	
	01/13/2023	12/30/2022	1 week	2022
<b>Currencies</b>				
Índice dólar	102.20	103.52	▼ -1.61	▲ 8.21
Euro	1.08	1.07	▲ 1.75	▼ -5.85
Libra esterlina	1.22	1.21	▲ 1.11	▼ -10.71
Yen japonés	127.87	131.12	▼ -3.19	▲ 13.94
Yuan renminbi chino	6.71	6.92	▼ -1.70	▲ 8.89
Peso mexicano	18.77	19.50	▼ -2.01	▼ -5.01
Peso colombiano	4694.00	4850.00	▼ -5.39	▲ 21.90

	Level	Percentual Change (%)	
	01/13/2023	1 week	2022
<b>Commodities</b>			
Petróleo WTI	79.86	▲ 8.26	▲ 6.71
Petróleo Brent	85.28	▲ 8.54	▲ 10.45
Gas Natural	3.42	▼ -7.84	▲ 19.97
Oro	1920.23	▲ 2.92	▼ -0.28
Cobre	421.60	▲ 7.80	▼ -14.63
Maíz	675.00	▲ 3.21	▲ 14.37
Café (US\$/lb)	1.52	▼ -4.17	▼ -26.01
Bloomberg Commodity Index	111.58	▲ 3.21	▲ 13.75

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