

**Weekly commentary**

The markets closed the week with risk appetite. The Nasdaq, S&P 500 and Dow Jones rose 4.29%, 2.15% and 0.03%, respectively. Initially, the stock market indices were driven by the good results of Meta, however, these gains were limited by mixed corporate results and the labor market in the United States, evidencing the sector robustness, which could lead the FED to continue with increases in its rate.

Corporate results of the main technology companies were mixed, where Amazon and Meta were the only ones that exceeded market expectations, contrary to the results of Apple and Alphabet.

In the US, according to the Bureau of Labor Statistics, 517,000 non-farm payrolls were created in January. On the other hand, the unemployment rate fell to 3.4% (the lowest since 1969), favorably surprising the market, which expected it to remain at 3.6%. While the ISM non-manufacturing index beat estimates in its biggest gain since 2020, up six points to 55.2, suggesting a resurgence in consumer demand that contradicts concerns about an imminent economic slowdown.

Under this context, the fixed income market presented little volatility despite the monetary policy decisions of the main monetary entities and the signals regarding the roadmaps that these banks could take for the following meetings. 10-year Treasury yields appreciated 3bps (rising in price, falling in rate)

Additionally, oil prices fell during the week, the Brent crude benchmark fell 7.21% to US\$79.72 a barrel and the US WTI benchmark fell 8.81% to US\$73.1, as that the inventories of crude oil, gasoline and distillates increased last week (+4,140M) as reported by the Energy Information Administration (EIA).

We also learned about the performance of economic activity in Germany, which contracted -0.2% in the last quarter of 2022, reviving fears of a strong recession in Europe. In China, the Caixin Manufacturing PMI increased to 49.2pts due to the lifting of mobility restrictions in the country.

Finally, this week the attention will focus on the discussion between China and the US due the conflict over the downed balloon and the pronouncements and actions of global cooperation to help Turkey due to the strong earthquake in the region.

**Relevant data and events**

*This week*

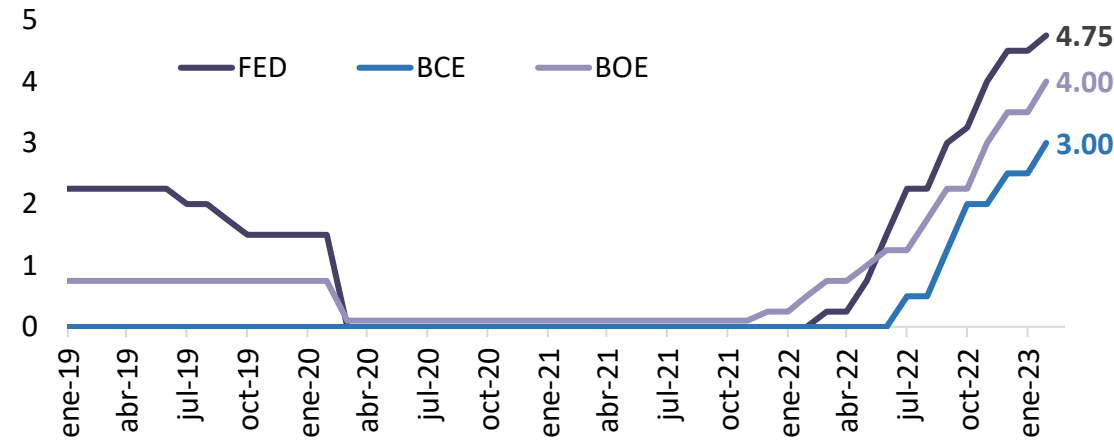
- **USA:** Trade Balance. Joe Biden speech.
- **Europe:** Germany Inflation. GDP 4Q2022 UK.
- **International:** Inflation (Brazil and Mexico). BCRP meeting; Mexico, RBA; RBI.
- **Corporate Results:** Walt Disney, CVS, PepsiCo, S&P Global, DexCom, PayPal

*Previous week*

- **USA:** FED meeting. Labor Market Results
- **Europe:** ECB and BoE meeting. Euro Zone inflation.
- **Corporate reports:** Apple, Amazon, Meta, Alphabet, Exon, Ford, McDonalds.

**Manufacturing and employment move expectations**

**Main central banks monetary policy path**



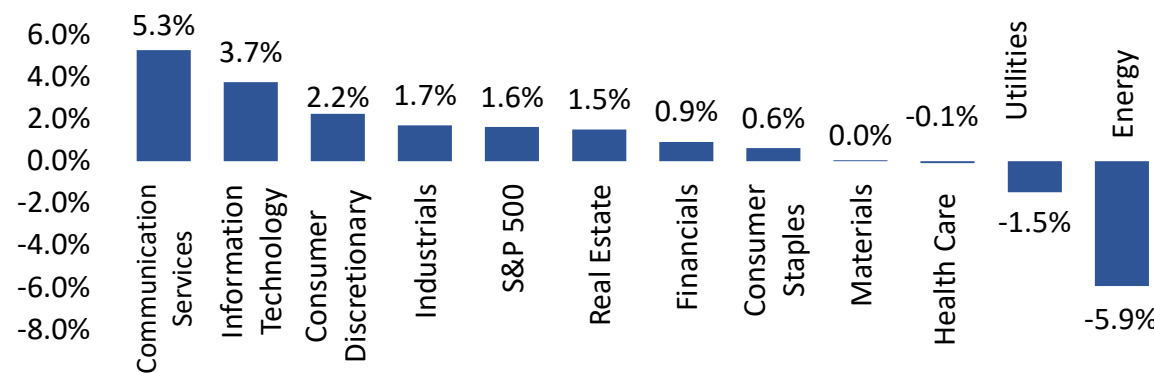
Source: In On Capital Compiled.

In its attempts to control inflationary expectations, monetary policy has increased the uncertainty surrounding world economic growth for this year. However, the central banks remain committed, so inflation converges to the corresponding target level and for this to happen they will continue with increases for the following meetings.

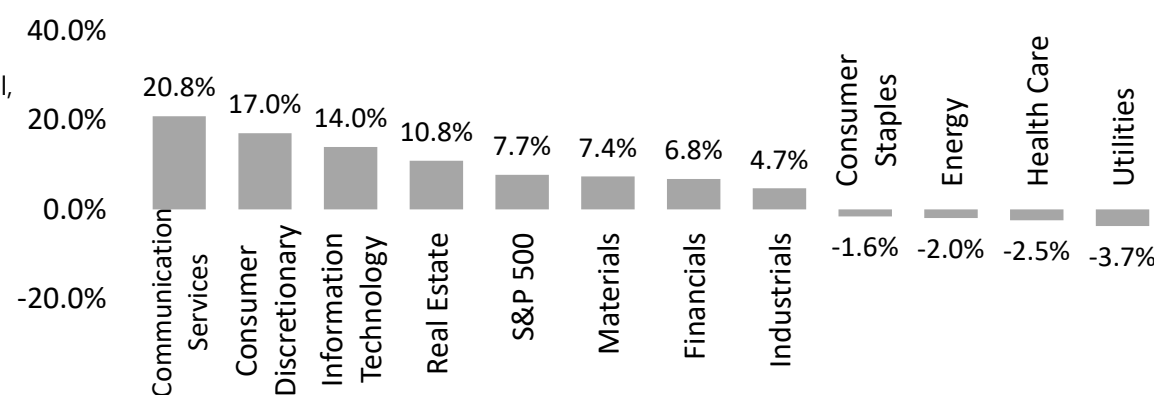
Report: [Informe Especial: Política monetaria alrededor del mundo 2023. | News INON \(inoncapital.com\)](#)

**Sector performance**

*Weekly*



*Annual 2023*



**In On Financial Markets Monitor**

Equities	Level	Price return (%)		Features
	3/02/2023	1 Week	2022	Fwd P/E
S&P 500	4136,48	▲ 1,62	▼ -15,70	19,56
Dow Jones 30	33926,01	▼ -0,15	▼ -7,21	17,33
Nasdaq 100	12573,36	▲ 3,34	▼ -27,01	26,88
Russell 2000	1985,53	▲ 3,88	▼ -16,02	26,88
Russell 1000 Growth	2400,68	▲ 2,73	▼ -25,26	27,53
Russell 1000 Value	1579,03	▲ 0,79	▼ -6,35	15,91
MSCI Emerging Markets	1038,71	▼ -1,19	▼ -15,26	11,44
MSCI Developed & Emerging World	656,26	▲ 0,97	▼ -14,69	16,53
MSCI China	72,22	▼ -4,70	▼ -13,23	13,51
Topix - Japan	1970,26	▼ -0,63	▼ -0,50	14,70
EuroStoxx 50	4257,98	▲ 1,91	▼ -3,25	13,01
FTSE 100 - United Kingdom	7901,80	▲ 1,76	▲ 5,42	10,08

Fixed income	Yield	Total return (%)	
	3/02/2023	1 Week	2022
U.S. Aggregate	4,32	▲ 0,03	▼ -10,67
U.S. Corporate High Yield	7,88	▲ 1,00	▼ -7,94
Global Aggregate	3,43	▲ 0,18	▼ -13,61
Global High Yield	8,40	▲ 0,81	▼ -9,11
Emerging Markets Hard Currency	4,24	▼ -0,33	▼ -19,79
Emerging Markets Local Currency	0,84	▼ -0,31	▼ -8,44

Interest rate	Yield		Change in Basic Points	
	3/02/2023	30/12/2022	1 Week	2022
2-yr U.S. Treasuries	4,29	4,43	▲ 8,96	▲ 350,19
10-yr U.S. Treasuries	3,52	3,87	▲ 2,11	▲ 202,65
10-yr German Bund	2,19	2,57	▼ -4,80	▲ 249,70

Currencies	Levels		Percentage change (%)	
	3/02/2023	30/12/2022	1 Week	2022
Dolar Index	102,92	103,52	▲ 0,97	▲ 6,90
Euro	1,08	1,07	▼ -0,67	▼ -4,56
British pound	1,21	1,21	▼ -2,63	▼ -8,72
Japanease Yen	131,19	131,12	▲ 1,01	▲ 13,30
Yuan renminbi chinese	6,81	6,92	▲ 0,73	▲ 6,28
Mexican peso	18,97	19,50	▲ 1,08	▼ -8,56
Colombian peso	4698,00	4070,00	▲ 3,93	▲ 11,07

Commodities	Level	Percentage change (%)	
	3/02/2023	1 Week	2022
Crude oil WTI	73,39	▼ -7,89	▲ 3,58
Crude oil Brent	79,94	▼ -7,75	▲ 9,15
Natural Gas	2,41	▼ -22,48	▼ -28,23
Gold	1864,97	▼ -3,27	▲ 5,14
Copper	405,65	▼ -3,93	▼ -5,86
Corn	677,50	▼ -0,81	▲ 15,25
Coffee (US\$/pound)	1,73	▲ 1,71	▼ -24,64
Bloomberg Commodity Index	107,07	▼ -4,07	▲ 11,73

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