

## Weekly commentary

Mixed investor sentiment during the week as more signals were released about the roadmap that the Federal Reserve (Fed) may take in its upcoming meetings, also before the publication of relevant data that will impact the decision of the entity's monetary policy. Thus, we saw that the Dow Jones, Nasdaq and S&P 500 fell 2.99%, 3.14% and 2.67%

In turn, corporate results were mixed but were mostly below market expectations: Walmart, Home Depot, Best Buy and Lucid. In exchange, Nvidia shares rose after a better expectation of chip production.

At the beginning of the week, Fed published the minutes of the last meeting where it was revealed that most of the members of the Federal Open Market Council (FOMC) opted for a 25bp increase in the reference rate. Additionally, concern about inflation prevails as it continues at high levels.

US inflation, the Federal Reserve's preferred index for monitoring price developments, rose above expectations in January. The personal consumption expenditures (PCE) index rose 0.6% month-on-month, the highest since June. Stripping out volatile components like food and energy, core PCE also rose 0.6%. The DXY index rose 1.33% to 105.33pts, a level not registered since January 6 of this year.

Given the above, the LatAm currencies that depreciated against the dollar were the Chilean peso (+4.45%), Argentine (+1.28%), Brazilian real (+0.73%) and Mexican peso (+0.11%). Except for the Colombian peso (-1.43%) and the Peruvian sol (-0.59%),

Additionally, the US Gross Domestic Product (GDP) was revised down as it increased at an annualized rate during 4Q2022 by 2.7%, compared to a previously reported advance of 2.9%. This was due to a downward revision of consumer spending.

On the anniversary of the war in the East, China called for a ceasefire in Ukraine. The plan includes a proposed ceasefire, which analysts say would benefit Russia, and the removal of sanctions not endorsed by the UN Security Council. In contrast, Ukraine announced that it will win the war.

Finally, the main crude oil references fell in the middle of the week after United States increased its oil inventories by almost 10M bpd, the ninth weekly increase. However, the oil references recovered at the end of the week, Brent presented a net variation of 0.25% to US\$83.29 a barrel and WTI rose 0.14% to US\$76.50 with the expectation that Russia Reduce your crude exports.

## Relevant data and events

This week:

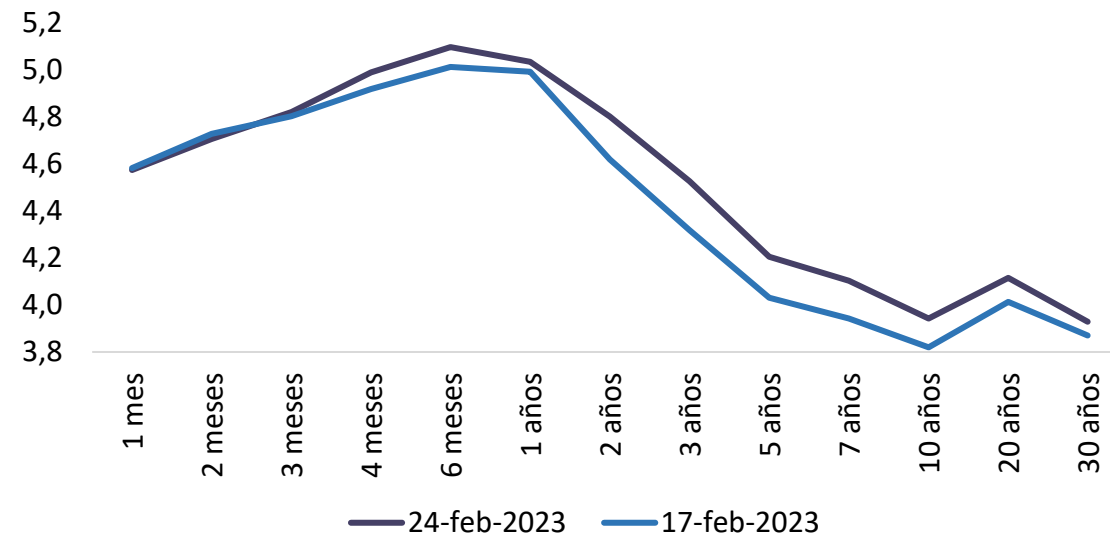
- USA:** Trust Conference Board. PMI's, ISm Manufacturing.
- International:** GDP 4Q2022 (Canada and Australia), Nigeria Elections
- Europe:** PMI's. CPI Germany and Euro Zone (review)
- China:** PMI's
- Corporate reports:** Costco, Target, HP, Salesforce, Broadcom.
- Investor Day:** Goldman Sachs, Chevron, Tesla

Previous week:

- USA:** PCE deflator, Fed Minutes, U. Michigan Confidence. Final GDP 4Q22.
- LatAm:** GDP 4Q2022 (Chile, Mexico)
- Europe:** Composite PMI, Decision New Zealand, Final CPI ZE
- Emerging:** CPI Japan, Decision Turkey.
- Corporate reporting:** Walmart, Home Depot, HSBC, NVIDIA, eBay, Best Buy, Lowe's, Moderna

## Expectations of Fed hikes rise

### US treasury bond rates



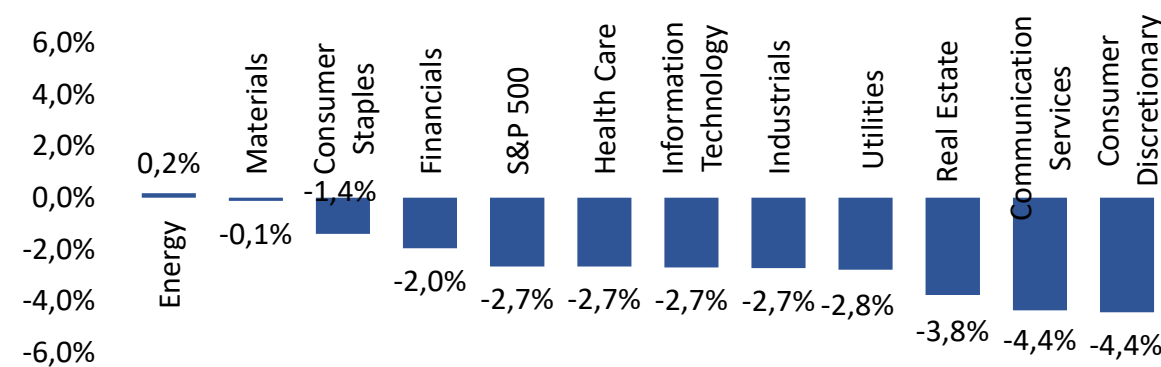
Source: In On Capital Compiled.

Under this scenario, in the fixed income market treasuries yields devalued considerably during the week due to the expectation of further increases by the Fed, short-term titles reached levels not recorded since the financial crisis as they are references of 1 month (4.63%), 6 months (5.14%) and 2 years (4.83%). In turn, the 10-year benchmark fell 11bps during the week to 3.97%.

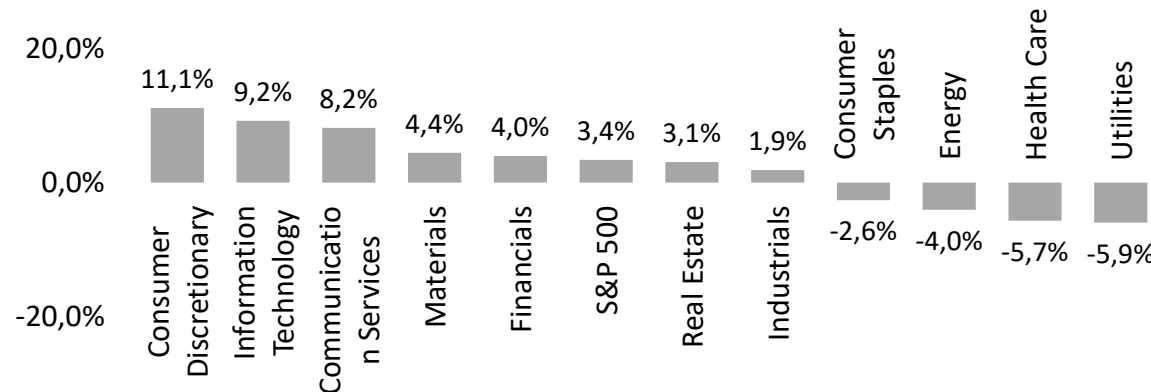
The bonds of developed countries emulated the behavior of the American treasuries, the German bonds presented devaluations, throughout the curve. The 2-year security fell 10 bps

## Sector performance

Weekly



Annual 2023



## In On Financial Markets Monitor

	Level	Price return (%)		Features
	24/02/2023	1 Week	2022	Fwd P/E
<b>Equities</b>				
S&P 500	3970,04	▼ -2,67	▼ -16,70	18,06
Dow Jones 30	32816,92	▼ -2,99	▼ -9,69	16,89
Nasdaq 100	11969,65	▼ -3,14	▼ -26,66	23,14
Russell 2000	1890,49	▼ -2,87	▼ -15,80	31,14
Russell 1000 Growth	2297,26	▼ -2,95	▼ -25,29	23,12
Russell 1000 Value	1519,06	▼ -2,45	▼ -8,25	15,17
MSCI Emerging Markets	971,87	▼ -2,76	▼ -21,12	10,80
MSCI Developed & Emerging World	628,00	▼ -2,64	▼ -16,80	15,52
MSCI China	65,77	▼ -4,10	▼ -21,97	12,48
Topix - Japan	1988,40	▼ -0,18	▼ -0,20	13,12
EuroStoxx 50	4178,82	▼ -2,25	▼ -2,78	12,81
FTSE 100 - United Kingdom	7878,66	▼ -1,57	▲ 6,69	10,45

	Yield	Total return (%)	
	24/02/2023	1 Week	2022
<b>Fixed income</b>			
U.S. Aggregate	4,83	▼ -0,89	▼ -12,87
U.S. Corporate High Yield	8,71	▼ -0,17	▼ -9,41
Global Aggregate	3,83	▼ -1,19	▼ -16,56
Global High Yield	9,18	▼ -0,41	▼ -11,13
Emerging Markets Hard Currency	4,39	▼ -0,23	▼ -21,91
Emerging Markets Local Currency	0,86	▼ -1,41	▼ -11,07

	Yield		Change in Basic Points	
	24/02/2023	30/12/2022	1 Week	2022
<b>Interest rate</b>				
2-yr U.S. Treasuries	4,81	4,43	▲ 19,67	▲ 408,14
10-yr U.S. Treasuries	3,94	3,87	▲ 12,84	▲ 243,31
10-yr German Bund	2,54	2,57	▲ 9,70	▲ 271,70

	Levels		Percentage change (%)	
	24/02/2023	30/12/2022	1 Week	2022
<b>Currencies</b>				
Dolar Index	105,21	103,52	▲ 1,30	▲ 9,98
Euro	1,05	1,07	▼ -1,37	▼ -7,23
British pound	1,19	1,21	▼ -0,77	▼ -11,74
Japanese Yen	136,48	131,12	▲ 1,74	▲ 18,60
Yuan renminbi chinese	6,98	6,92	▲ 1,56	▲ 9,82
Mexican peso	18,42	19,50	▲ 0,25	▼ -10,28
Colombian peso	4843,50	4070,00	▼ -1,58	▲ 20,92

	Level	Percentage change (%)	
	24/02/2023	1 Week	2022
<b>Commodities</b>			
Crude oil WTI	76,32	▼ -0,03	▲ 1,48
Crude oil Brent	83,16	▲ 0,19	▲ 6,92
Natural Gas	2,45	▲ 7,74	▼ -34,29
Gold	1811,04	▼ -1,70	▼ -0,99
Copper	395,20	▼ -3,81	▼ -11,46
Corn	650,00	▼ -4,09	▲ 9,57
Coffee (US\$/pound)	1,91	▲ 1,32	▼ -15,44
Bloomberg Commodity Index	105,55	▼ -0,92	▲ 6,43

## Our analyses in the media

**NS**  
EL NUEVO SIGLO

- *Así está ambiente macroeconómico de Colombia* – Feb 18

- *¿En qué invertir si tiene 30 años, pero hay recesión, inflación y tasas altas?* – Feb 14
- *¿Dólar en Colombia volverá a los \$5.000 por la inflación de Estados Unidos?* – Feb 14
- *Dólar en Colombia: lo que sucederá esta semana que puede disparar el precio otra vez* – Feb 14

Bloomberg  
Línea

**LR**  
LA REPÚBLICA

- *El endeudamiento de los hogares colombianos crece mientras que el ahorro baja* – Feb 16
- *Conozca cuánto dinero puede terminar pagando de intereses al financiar un posgrado*
- *Nequi, RappiPay y Daviplata, dentro de las opciones de tarjetas virtuales recargables* – Feb 20

- *El peso colombiano, tercera moneda más devaluada del mundo en febrero* – Feb 17
- *Inflación 'muerde' una parte de los buenos dividendos de las acciones* – Feb 12

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