

## Weekly commentary

During the week, major stock indicators increased. The Dow Jones, Nasdaq, and S&P 500 rosed by 1.75%, 2.68%, and 1.90%, respectively. The Dow Jones increased due to the Salesforce's stock rally, as they updated their earnings forecast for 2023.

Various companies celebrated Investors Day during the last week, aiming to reinforce the expectations for the year and announcing important strategies and investments. Tesla announced plans to reduce its use of silicon carbide transistors by 75%. Goldman Sachs is exploring "strategic alternatives" for its consumer business, while Chevron raised its share buyback outlook between US\$10 billion and \$US20 billion annually.

Despite this, the market continued to anticipate higher interest rates for both the Federal Reserve (Fed) and the European Central Bank (ECB), as leading indicators of growth and inflation were released.

In the US, the manufacturing sector contracted for the fourth consecutive month in February (ISM 47.7 points). Additionally, labor costs rose more than expected in the fourth quarter, indicating that the labor market imbalance persists, and initial unemployment claims remained below 200,000 for the seventh consecutive week, falling to 190,000. Meanwhile, the Conference Board's Consumer Confidence Index decreased by 3.1 points in February to 102.9 points, reflecting more pessimistic expectations from consumers regarding economic conditions in the next six months.

As a result, investors increased their bets that the Fed will raise its benchmark rate to a range of 5.5%-5.75% by September. This expectation of a more aggressive stance from the Fed led to yields on 2 and 10-year Treasuries falling by an average of 15 basis points to a maximum of 4.94% and 4.089%, respectively.

In Europe, different inflation data was published. Inflation in France (6.2%) and Spain (6.1%) increased by 20 basis points compared to last month, confirming that the path to lower inflation is not clear. Inflation in Germany rose to 9.3% in February, higher than expected, suggesting that cost pressures persist. Finally, inflation in the eurozone increased in February to 8.5% on an annual basis, down from 8.6% in January. These results augmented expectations of interest rate hikes by the ECB.

## Relevant data and events

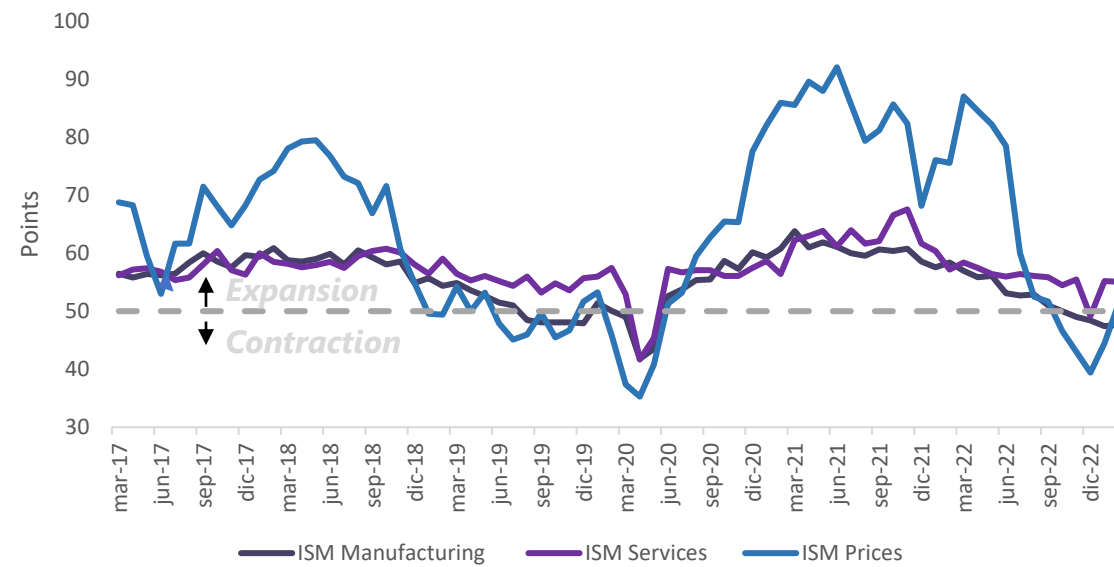
This week:

- US:** Powell Fed Speech, Trade Balance, Unemployment Rate, and Nonfarm Payrolls.
- LatAm:** Inflation (Brazil, Colombia, Mexico, and Chile)
- International:** Monetary Policy Decision (Canada and Japan)
- Europe:** Eurozone GDP (revision)

Previous 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

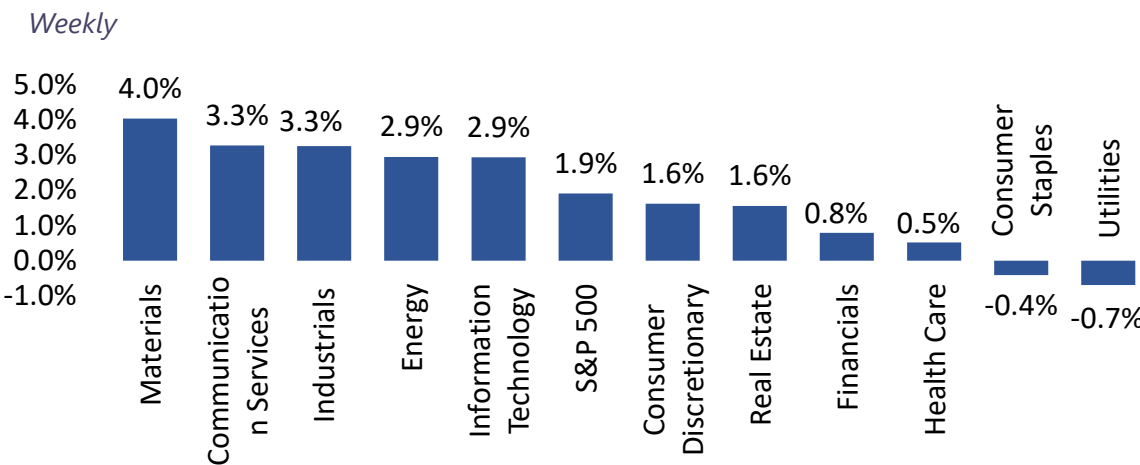
## Inflation in Europe and Manufacturing Sector in the US impact markets. ISM Manufacturing and Services Index US.



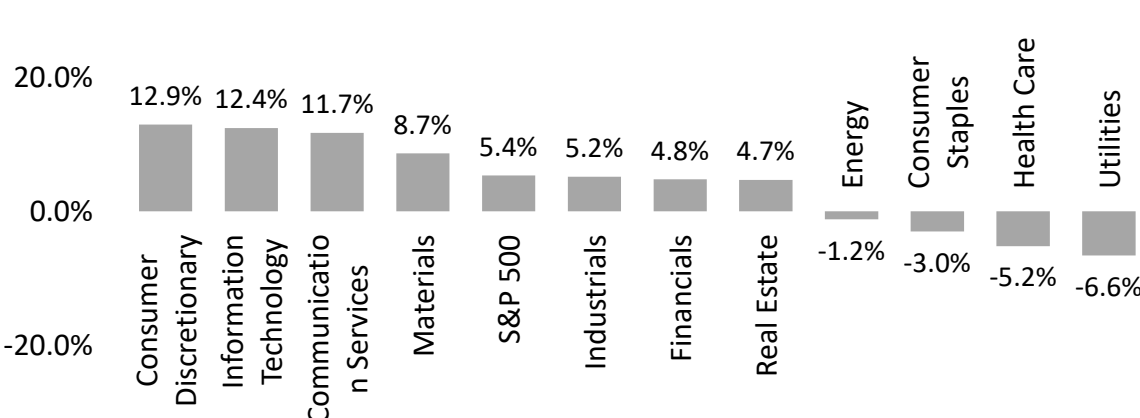
Source: In On Capital Compiled.

In the United States, the ISM Manufacturing Index slightly increased to 47.7 points in February compared to 47.7 points in January. However, this increase suggests a potential rise in labor costs and remains below the market's expectations of 48 points. In addition, the slight improvement in the new orders index, which increased by 4.5 points to 47.0 points, contributed to the increase.

## Sector performance



Annual 2023



## In On Financial Markets Monitor

	Level	Price return (%)		Features	
		3/03/2023	1 Week		2022
<b>Equities</b>					
S&P 500	4045.64	▲ 1.90	▼ -16.45	18.44	
Dow Jones 30	33390.97	▲ 1.75	▼ -9.49	17.15	
Nasdaq 100	12290.81	▲ 2.68	▼ -26.12	23.78	
Russell 2000	1928.26	▲ 2.00	▼ -15.55	24.62	
Russell 1000 Growth	2353.38	▲ 2.44	▼ -24.82	23.70	
Russell 1000 Value	1541.28	▲ 1.46	▼ -8.28	15.44	
MSCI Emerging Markets	988.03	▲ 1.66	▼ -21.49	10.98	
MSCI Developed & Emerging World	639.69	▲ 1.86	▼ -16.44	15.81	
MSCI China	68.24	▲ 3.76	▼ -22.19	13.04	
Topix - Japan	2019.52	▲ 1.57	▲ 0.02	13.17	
EuroStoxx 50	4294.80	▲ 2.78	▼ -1.17	12.70	
FTSE 100 - United Kingdom	7947.11	▲ 0.87	▲ 7.46	10.74	

	Yield	Total return (%)		
		3/03/2023	1 Week	2022
<b>Fixed income</b>				
U.S. Aggregate	4.85	▲ 0.12	▼ -12.71	
U.S. Corporate High Yield	8.55	▲ 0.78	▼ -9.08	
Global Aggregate	3.89	▲ 0.02	▼ -16.42	
Global High Yield	9.12	▲ 0.39	▼ -10.77	
Emerging Markets Hard Currency	5.33	▲ 0.13	▼ -21.51	
Emerging Markets Local Currency	0.85	▲ 0.75	▼ -10.61	

	Yield		Change in Basic Points	
	3/03/2023	30/12/2022	1 Week	2022
<b>Interest rate</b>				
2-yr U.S. Treasuries	4.86	4.43	▲ 4.29	▲ 404.61
10-yr U.S. Treasuries	3.95	3.87	▲ 0.85	▲ 240.40
10-yr German Bund	2.71	2.57	▲ 17.60	▲ 276.00

	Levels		Percentage change (%)	
	3/03/2023	30/12/2022	1 Week	2022
<b>Currencies</b>				
Dolar Index	104.52	103.52	▼ -0.66	▲ 9.41
Euro	1.06	1.07	▲ 0.82	▼ -6.69
British pound	1.20	1.21	▲ 0.77	▼ -10.85
Japanese Yen	135.87	131.12	▼ -0.45	▲ 18.34
Yuan renminbi chinese	6.90	6.92	▼ -1.23	▲ 9.50
Mexican peso	17.96	19.50	▼ -2.50	▼ -10.53
Colombian peso	4786.50	4070.00	▼ -1.52	▲ 19.42

	Level	Percentage change (%)		
		3/03/2023	1 Week	2022
<b>Commodities</b>				
Crude oil WTI	79.68	▲ 4.40	▲ 0.62	
Crude oil Brent	85.83	▲ 3.21	▲ 6.00	
Natural Gas	3.01	▲ 22.77	▼ -26.78	
Gold	1856.48	▲ 2.51	▼ -0.66	
Copper	407.80	▲ 3.19	▼ -10.18	
Corn	645.25	▼ -0.73	▲ 8.34	
Coffee (US\$/pound)	1.81	▼ -5.44	▼ -15.66	
Bloomberg Commodity Index	108.31	▲ 2.62	▲ 6.86	

## Our analyses in the media

**Capital**  
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- ¿Por qué ahora baja el dólar en Colombia?: Los hechos en marzo que sacudirían la TRM – Mar 03
- Dólar en Colombia no bajaría de \$4.700 en marzo y podría lograr un nuevo histórico – Mar 02
- ¿Compro o no vivienda cuando la inflación está alta? – Mar 04

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- Aplicaciones móviles que pueden ayudarle a gestionar sus pagos y cuidar su dinero – Feb 24
- El panorama económico actual es la mayor preocupación de las entidades financieras – Feb 23
- 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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