

Comment of the week

The increase in optimism has increased the appetite for high-risk assets, which has resulted in a recovery of the main stock indices. The Dow Jones rose 3.22%, in line with the Nasdaq which rose 3.25% and the S&P 500 3.48%.

The nervousness in the market subsided after the White House announced earlier in the week that the US banking system is safe, despite the pressure that some institutions have suffered after the collapse of two US banks. Additionally, First Citizens' \$72B acquisition of Silicon Valley Bank has also boosted the bank's stock.

This behavior has affected the yield of US sovereign bonds, which have depreciated during the week. The 10-year Treasury yield has risen 10bps. In addition, the US and German references with a 2-year maturity have depreciated by 28bps. Given the expectations of lower rates from the Fed.

Turning to US economic fundamentals, the Conference Board reported that its consumer confidence index has risen to 104.2 this month, up from a reading of 103.4 in February. In addition, inflation-adjusted GDP has increased by 2.6% during 4Q2022, according to the third and last reading of the quarter.

In business news, Alibaba announced that it has decided to split its company into six trading groups, each with the ability to raise external funds and go public.

In Latin America, in Colombia, the Board of Directors of Banco de la República has unanimously defined an increase of 25 basis points in the interest rate, placing it at 13%. In turn, the Central Bank of Mexico (Banxico) has decided to raise the target interest rate by 25 basis points, reaching a new all-time high of 11.25%.

Lastly, the oil references have risen due to the greater general optimism in the markets and a reaction is expected due to the recent OPEC+ announcement to cut production by more than 1.66 million barrels. The Brent oil benchmark has risen 9.25%, the best recovery of the year.

Data and events of interest

This week

USA: ISM Manufacturing PMI, Trade Balance. Nonfarm Payrolls and Unemployment Rate.

Europe: Composite PMI (Germany, United Kingdom and Euro Zone). Trade Balance Germany. PPI Euro Zone.

LatAm: Central Bank Meeting (Chile), Inflation (Colombia, Mexico, Chile)

Asia: Japan Manufacturing PMI.

previous week

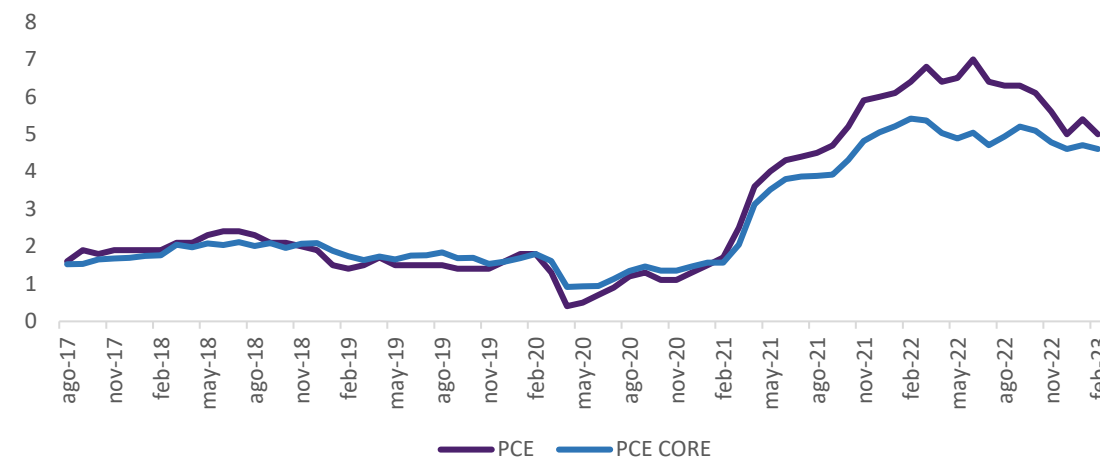
USA: Trust Conference Board. GDP 4Q22 review.

Europe: Ifo Confidence Germany, Gfk Index Germany. CPI review (Germany, Spain, France, Euro Zone). GDP 4Q22 (UK).

LatAm: Trade Balance (Mexico). Central Banks Meeting (Mexico and Colombia)

STOCK INDICES RECOVER WITH GREATER OPTIMISM

Annual vs Core PCE Inflation



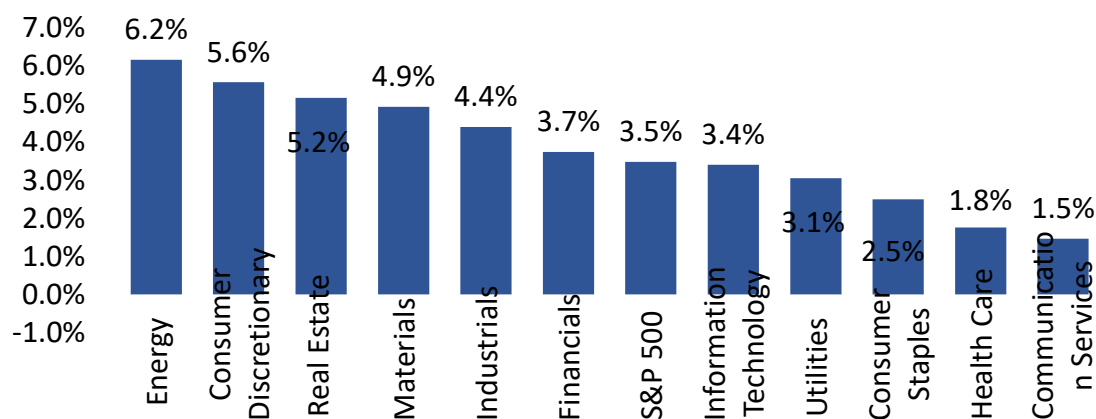
Source: Compiled by In On Capital.

The personal consumption expenditures (PCE) price index rose 0.3% last month and 5.0% year-on-year through February. Excluding food and energy, the index rose 0.3% and the core PCE index grew 4.6% yoy in February. The Fed is closely following it for its 2% inflation target.

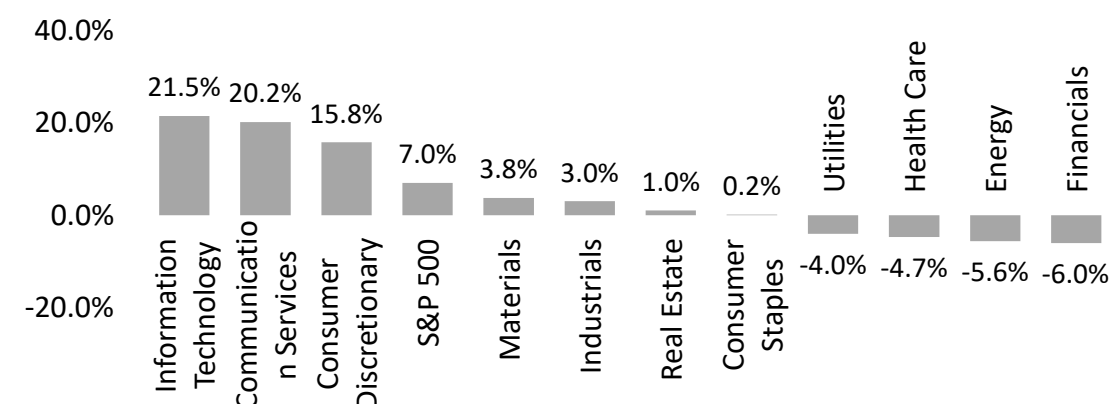
The closely watched inflation gauge by the Federal Reserve rose slightly below what had been anticipated in February, offering some hope that interest rate hikes are helping to slow the rise in prices.

Sectors:

Weekly



Annual



In On Financial Markets Monitor

Equities	Level	Price return (%)		Features
	03/31/2023	1 Week	2022	Fwd P/E
S&P 500	4109.31	▲ 3.48	▲ 7.03	18.78
Dow Jones 30	33274.15	▲ 3.22	▲ 0.38	17.11
Nasdaq 100	13181.35	▲ 3.25	▲ 20.49	25.53
Russell 2000	1802.48	▲ 3.89	▲ 2.34	24.24
Russell 1000 Growth	2461.71	▲ 3.28	▲ 14.06	24.88
Russell 1000 Value	1503.29	▲ 4.04	▲ 0.41	15.11
MSCI Emerging Markets	990.28	▲ 1.86	▲ 3.54	12.38
MSCI Developed & Emerging World	646.76	▲ 3.47	▲ 6.84	16.16
MSCI China	67.88	▲ 2.32	▲ 5.29	11.10
Topix - Japan	2003.50	▲ 2.46	▲ 5.91	13.28
EuroStoxx 50	4315.05	▲ 4.46	▲ 13.74	12.67
FTSE 100 - United Kingdom	7631.74	▲ 3.06	▲ 2.42	10.49

Fixed income	Yield	Total return (%)	
	03/31/2023	1 Week	2022
U.S. Aggregate	4.40	▼ -0.46	▲ 2.96
U.S. Corporate High Yield	8.52	▲ 1.74	▲ 3.57
Global Aggregate	3.54	▼ -0.37	▲ 3.01
Global High Yield	9.18	▲ 1.63	▲ 3.15
Emerging Markets Hard Currency	5.03	▲ 1.04	▲ 2.00
Emerging Markets Local Currency	0.83	▲ 1.44	▲ 3.86

Interest rate	Yield		Change in Basic Points	
	03/31/2023	12/30/2022	1 Week	YTD
2-yr U.S. Treasuries	4.03	4.43	▲ 0.26	▼ -0.40
10-yr U.S. Treasuries	3.47	3.87	▲ 0.09	▼ -0.41
10-yr German Bund	2.29	2.57	▲ 0.17	▼ -0.28

Currencies	Levels		Percentage change (%)	
	03/31/2023	12/30/2022	1 Week	YTD
Dolar Index	102.51	103.52	▼ -0.59	▼ -0.98
Euro	1.08	1.07	▲ 0.73	▲ 1.25
British pound	1.23	1.21	▲ 0.85	▲ 2.10
Japanese Yen	132.86	131.12	▲ 1.63	▲ 1.33
Yuan renminbi chinese	6.87	6.92	▲ 0.05	▼ -0.75
Mexican peso	18.05	19.50	▼ -2.16	▼ -7.45
Colombian peso	4654.55	4850.00	▼ -1.49	▼ -4.03

Commodities	Level	Percentage change (%)	
	03/31/2023	1 Week	YTD
Crude oil WTI	75.67	▲ 9.25	▼ -5.72
Natural Gas	2.22	▲ 0.00	▼ -50.48
Gold	1969.28	▼ -0.45	▲ 7.96
Copper	409.45	▼ -0.17	▲ 7.45
Corn	660.50	▲ 2.72	▼ -2.65
Coffee (US\$/pound)	1.71	▼ -4.88	▲ 1.91
Bloomberg Commodity Index	105.51	▲ 2.41	▼ -6.47

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