

Comment of the week

Markets present a new correction due to uncertainty and fears of a new recession. The S&P 500 fell 0.1%, less than the Nasdaq which lost 0.9% in line with global markets, with Europe and Japan correcting -0.13% and -1.9% respectively.

In the run-up to the spring meetings of the International Monetary Fund in mid-April, the entity is sending a warning about world economic growth for the next five years, which it predicts will be the weakest in more than thirty years. They estimate that the world economy will grow 3%, below the average of the last two decades (3.8%).

With this context, April begins with valuations in 10-year sovereign debt securities of developed countries. United States with a fall of 8 bps and Germany 11 bps.

Disappointing news is still being delivered in the American financial sector and there were falls in the share price of large American banks such as Bank of America (BAC), due to the taking of profits by some agents, and the expectation of earnings reports from the first quarter that will be announced starting this week. (BAC April 18)

On the other hand, in Europe the strength of the Euro remains, a region that continues to show resistance, with the PMI indicators indicating an acceleration of activity in the first quarter. The manufacturing PMI fell to 47.3 units and remains in contractive territory. However, the services PMI increased to 55 from 52 and the composite - which brings together the results of the manufacturing and services sectors - closed at 53.7 compared to 52.

In line with this good performance, in China the Caixin services PMI rose to 57.8 in March from 55.0 in February, above expectation.

In raw materials, the unexpected cut in oil production by the Organization of the Petroleum Exporting Countries (OPEC) and its allies (Russia and other satellite countries) has generated new upward momentum for crude oil prices. The barrel of Brent has been located again in the area of 85 dollars. However, several oil ETFs suffer a massive outflow of money and cast doubt on the long-term crude forecasts and uncertainty remains as higher energy prices may affect inflation again.

Data and events of interest

This week

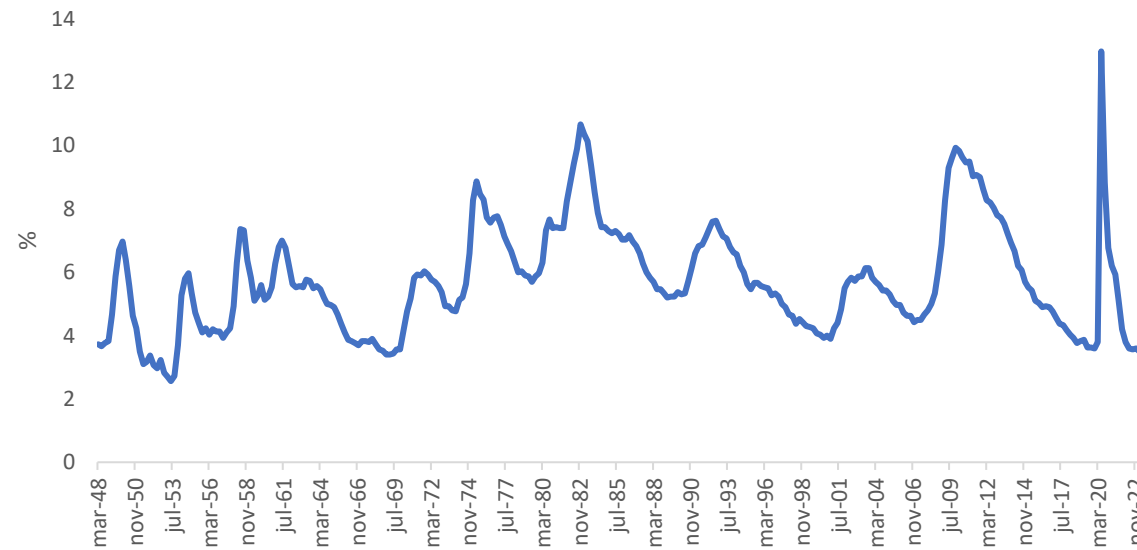
- **Global:** IMF and World Bank Spring Meetings
- **US:** CPI Inflation, Fed Minutes
- **Europe:** Norway and Switzerland inflation data
- **Canada:** Central Bank Meeting
- **Emerging:** Meeting Central Bank Peru, South Korea
- **Asia:** Chinese Inflation
- **1Q3 Earnings Season:** JP Morgan (JMP), Citigroup (C), Wells Fargo (WFC), PNC Financial (PNC)

previous 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.

GLOBAL GROWTH WOULD BE THE LOWEST IN 5 YEARS

Historic unemployment rate in the United States

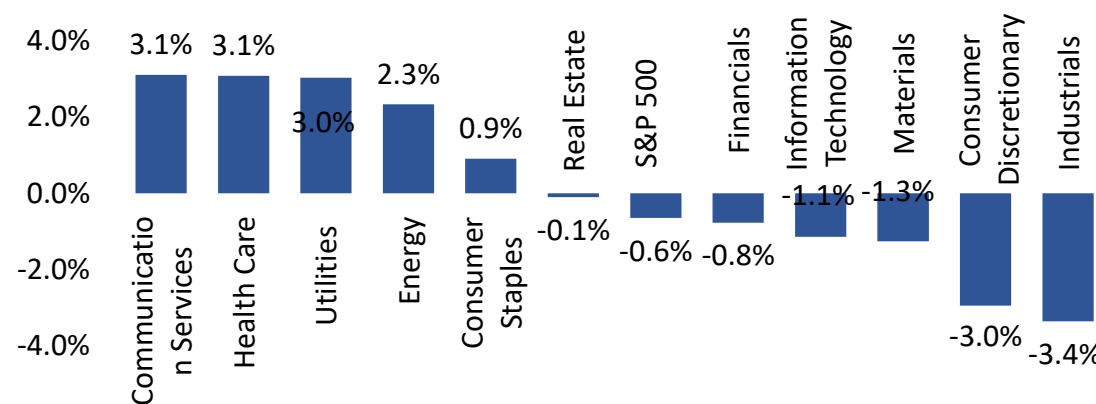


Source: Compiled by In On Capital.

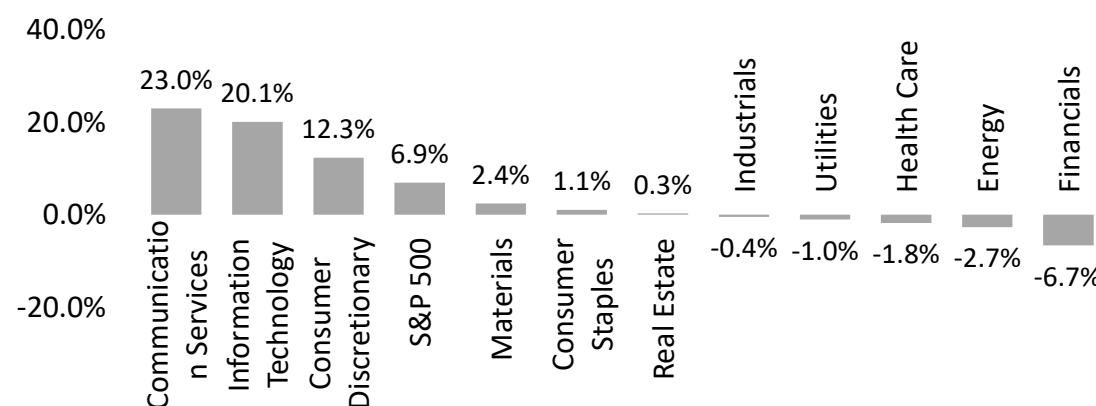
In economic data, in the United States, the dynamics of the labor market showed a slight deceleration in March, registering the creation of 236 thousand payrolls, below what was observed the previous month (326 thousand) and the expectations of analysts (239 thousand). However, the unemployment rate dipped to 3.5% very close to record lows, sending mixed signals about the impact of the Federal Reserve's (Fed) monetary policy tightening.

Sectors:

Weekly



Annual



In On Financial Markets Monitor

	Level	Price return (%)			Features
		04/07/2023	1 Week	YTD	
Equities					
S&P 500	4105.02	▼ -0.10	▲ 6.92	18.79	
Dow Jones 30	33485.29	▲ 0.63	▲ 1.02	17.26	
Nasdaq 100	13062.60	▼ -0.90	▲ 19.40	25.30	
Russell 2000	1754.46	▼ -2.66	▼ -0.39	23.79	
Russell 1000 Growth	2445.90	▼ -0.64	▲ 13.33	24.74	
Russell 1000 Value	1503.33	▲ 0.00	▲ 0.41	15.15	
MSCI Emerging Markets	987.07	▼ -0.32	▲ 3.21	12.34	
MSCI Developed & Emerging World	646.31	▼ -0.07	▲ 6.76	16.14	
MSCI China	67.13	▼ -1.10	▲ 4.13	11.04	
Topix - Japan	1965.44	▼ -1.90	▲ 3.90	12.99	
EuroStoxx 50	4309.45	▼ -0.13	▲ 13.60	12.69	
FTSE 100 - United Kingdom	7741.56	▲ 1.44	▲ 3.89	10.78	

	Yield	Total return (%)		
		04/07/2023	1 Week	YTD
Fixed income				
U.S. Aggregate	4.33	▲ 0.49	▲ 3.47	
U.S. Corporate High Yield	8.55	▲ 0.09	▲ 3.66	
Global Aggregate	3.47	▲ 0.69	▲ 3.72	
Global High Yield	9.17	▲ 0.06	▲ 3.20	
Emerging Markets Hard Currency	5.04	▼ -0.22	▲ 1.77	
Emerging Markets Local Currency	0.83	▼ -0.03	▲ 3.83	

	Yield		Change in Basic Points	
	04/07/2023	12/30/2022	1 Week	YTD
Interest rate				
2-yr U.S. Treasuries	3.98	4.43	▼ -0.04	▼ -0.45
10-yr U.S. Treasuries	3.39	3.87	▼ -0.08	▼ -0.48
10-yr German Bund	2.18	2.57	▼ -0.11	▼ -0.38

	Levels		Percentage change (%)	
	04/07/2023	12/30/2022	1 Week	YTD
Currencies				
Dolar Index	102.09	103.52	▼ -0.40	▼ -1.38
Euro	1.09	1.07	▲ 0.61	▲ 1.87
British pound	1.24	1.21	▲ 0.66	▲ 2.77
Japanese Yen	132.16	131.12	▼ -0.53	▲ 0.79
Yuan renminbi chinese	6.88	6.92	▲ 0.10	▼ -0.65
Mexican peso	18.14	19.50	▲ 0.51	▼ -6.98
Colombian peso	4572.05	4850.00	▼ -1.54	▼ -5.73

	Level	Percentage change (%)		
		04/07/2023	1 Week	YTD
Commodities				
Crude oil WTI	80.70	▲ 6.65	▲ 0.55	
Natural Gas	2.01	▼ -9.25	▼ -55.06	
Gold	2007.91	▲ 1.96	▲ 10.08	
Copper	401.55	▼ -1.93	▲ 5.38	
Corn	643.50	▼ -2.57	▼ -5.16	
Coffee (US\$/pound)	1.84	▲ 7.68	▲ 9.74	
Bloomberg Commodity Index	106.24	▲ 0.69	▼ -5.82	

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