

## Weekly commentary

The markets closed the week mixed after the publication of inflation data in the US, which surprised with a bearish effect; in addition, the increase in applications for unemployment insurance. The Dow Jones was down 1.11%, the S&P 500 -0.29% and the Nasdaq was up 0.61%.

In the US there are some fears regarding a possible recession:

Applications for unemployment benefits reached 264 thousand last week, above expectations and reached the highest level reported since October 2021

Concern in the US markets is also increasing due to the latest statements by the Secretary of the Treasury, Janet Yellen, about the need to raise the country's debt limit. In an interview she said that "if Congress doesn't do it, our credit rating will really suffer."

On the other hand, in the United Kingdom, the Bank of England raised the rate to 4.5% from 4.25%, the highest level since October 2008, after stating that it could continue raising rates if inflation does not moderate.

On another continent, there is greater uncertainty regarding the recovery, since there are signs of deflation. China's annual inflation fell to 0.1% in April 2023 from 0.7% in the previous month, missing market estimates of 0.4%. The CPI completes three consecutive months falling in monthly terms, which suggests weakness in domestic demand and raises questions about the strength of the economic recovery.

At the company level, last week there was good news for companies like Google, who announced their news on Artificial Intelligence. However, there were concerns about other major companies such as Disney, Airbnb and PayPal whose shares fell more than 10% in the week.

For his part, there is expectation in the action of TESLA, since Elon Musk appointed Linda Yaccarino as the new CEO of Twitter and it is expected that he will return attention to TESLA.

Likewise, the price of oil continues to fall sharply due to doubts about the recovery of demand from China.

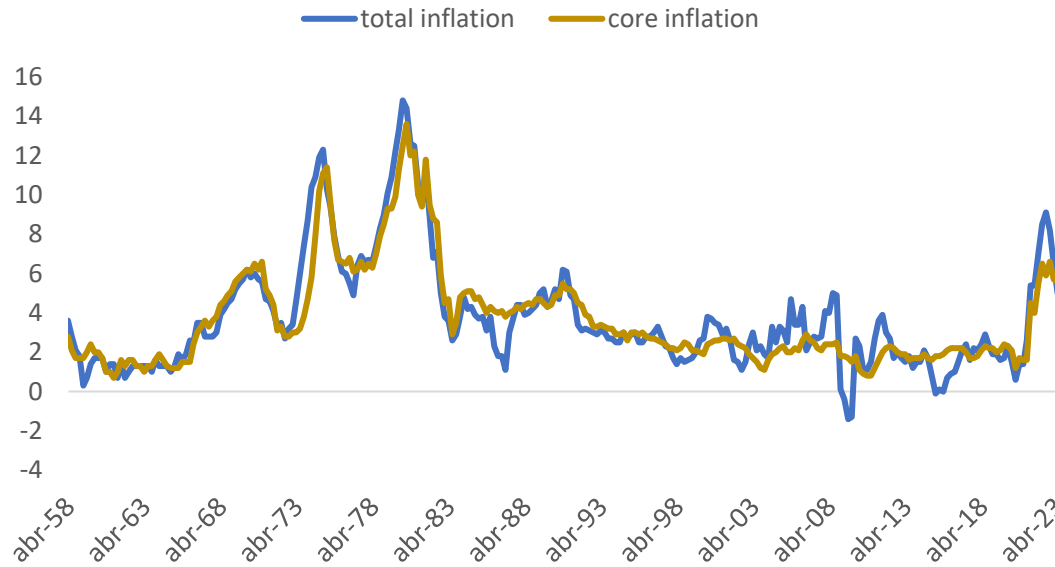
## Relevant data and events

This week

- **USA:** Retail sales, industrial production, housing starts, unemployment claims. Debt ceiling talks
- **Europe:** Inflation, Zew index,
- **Emerging:** GDP Colombia, elections in Türkiye
- **Corporate reports:** Home Depot, Walmart, Cysco, target.
- **USA:** CPI, PPI. Meeting between Biden and Kevin McCarthy of Congress for debt ceiling.
- **United Kingdom:** Monetary Policy Meeting, GDP
- **Europe:** Inflation Germany, France
- **Emerging:** Inflation: China, Mexico, Peru and Brazil. Rate decision: Chile and Peru

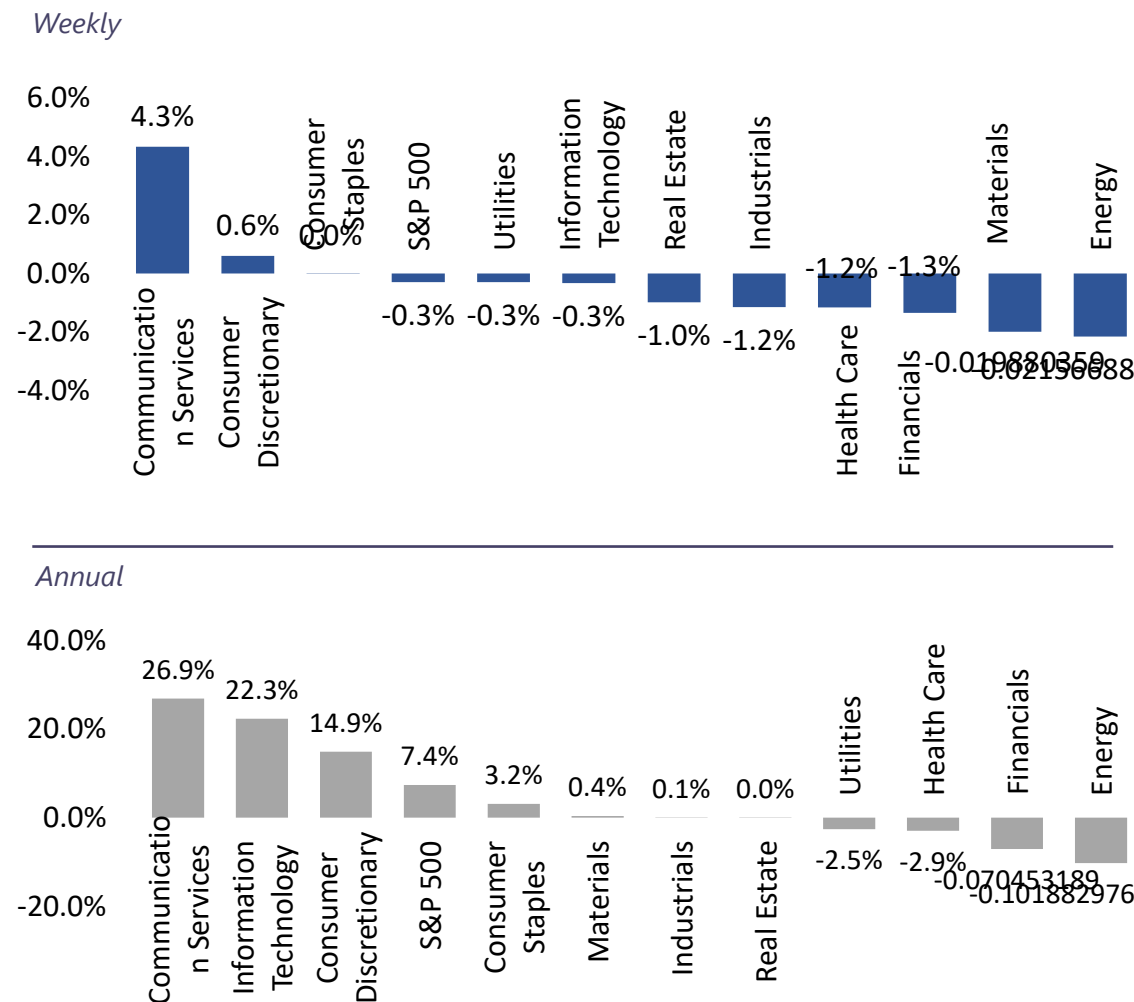
## U.S. inflation surprises to the downside.

### Annual change in the U.S. consumer price index.



Source: Bloomberg- In On Capital Compiled. The US consumer price index (CPI) increased by 4.9% in April 2023. Below the 5.0% registered in March and below market expectations (5.0%). However, at the monthly level it rose 0.4%, driven by the rise in housing prices, used vehicles and gasoline. Core inflation (excluding food and energy) moderated slightly in April as it rose 5.5%, in line with market expectations and below the 5.6% of the previous month. Likewise, the producer price index rose 2.3% in April, below the 2.7% growth in March. It is the smallest increase since January 2021.

### Sector performance



### In On Financial Markets Monitor

Equities	Level	Price return (%)		Features	
	05/12/2023	1 Week	2022	Fwd P/E	2022
S&P 500	4124.08	▼ -0.29	▲ 7.41	18.89	7.41
Dow Jones 30	33300.62	▼ -1.11	▲ 0.46	17.09	0.46
Nasdaq 100	13340.18	▲ 0.61	▲ 21.94	25.63	21.94
Russell 2000	1740.85	▼ -1.08	▼ -1.16	24.34	-1.16
Russell 1000 Growth	2499.46	▲ 0.48	▲ 15.81	25.24	15.81
Russell 1000 Value	1480.88	▼ -1.11	▼ -1.08	14.85	-1.08
MSCI Emerging Markets	973.00	▼ -0.88	▲ 1.74	12.41	1.74
MSCI Developed & Emerging World	649.22	▼ -0.50	▲ 7.24	16.30	7.24
MSCI China	63.27	▼ -2.32	▼ -1.86	10.66	-1.86
Topix - Japan	2096.39	▲ 0.00	▲ 10.82	13.44	10.82
EuroStoxx 50	4317.88	▼ -0.52	▲ 13.82	12.45	13.82
FTSE 100 - United Kingdom	7754.62	▼ -0.31	▲ 4.06	10.76	4.06

Fixed income	Yield	Total return (%)			
	05/12/2023	1 Week	2022	2022	2022
U.S. Aggregate	4.37	▼ -0.23	▲ 3.30	3.30	-0.23
U.S. Corporate High Yield	8.61	▼ -0.05	▲ 4.15	4.15	-0.05
Global Aggregate	3.50	▼ -0.46	▲ 3.14	3.14	-0.46
Global High Yield	9.30	▼ -0.18	▲ 3.37	3.37	-0.18
Emerging Markets Hard Currency	4.93	▼ -0.21	▲ 0.73	0.73	-0.21
Emerging Markets Local Currency	0.82	▼ -0.05	▲ 5.22	5.22	-0.05

Interest rate	Yield		Change in Basic Points			
	05/12/2023	12/30/2022	1 Week	2022	2022	2022
2-yr U.S. Treasuries	3.99	4.43	▲ 0.07	▼ -0.44	-0.44	0.07
10-yr U.S. Treasuries	3.46	3.87	▲ 0.03	▼ -0.41	-0.41	0.03
10-yr German Bund	2.27	2.57	▼ -0.02	▼ -0.29	-0.29	-0.02

Currencies	Levels		Percentage change (%)			
	05/12/2023	12/30/2022	1 Week	2022	2022	2022
Dolar Index	102.68	103.52	▲ 1.45	▼ -0.81	-0.81	1.45
Euro	1.08	1.07	▼ -1.54	▲ 1.35	1.35	-1.54
British pound	1.25	1.21	▼ -1.41	▲ 3.10	3.10	-1.41
Japanese Yen	135.70	131.12	▲ 0.67	▲ 3.49	3.49	0.67
Yuan renminbi chinese	6.97	6.92	▲ 0.71	▲ 0.71	0.71	0.71
Mexican peso	17.59	19.50	▼ -0.95	▼ -9.78	-9.78	-0.95
Colombian peso	4557.00	4850.00	▲ 0.64	▼ -6.04	-6.04	0.64

Commodities	Level	Percentage change (%)			
	05/12/2023	1 Week	2022	2022	2022
Crude oil WTI	70.04	▼ -1.82	▼ -12.73	-12.73	-1.82
Natural Gas	2.27	▲ 6.04	▼ -49.36	-49.36	6.04
Gold	2010.77	▼ -0.30	▲ 10.24	10.24	-0.30
Copper	371.65	▼ -4.00	▼ -2.47	-2.47	-4.00
Corn	633.25	▼ -3.06	▼ -6.67	-6.67	-3.06
Coffee (US\$/pound)	1.86	▼ -2.62	▲ 11.18	11.18	-2.62
Bloomberg Commodity Index	101.18	▼ -1.72	▼ -10.30	-10.30	-1.72

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