

Comment of the week

Attention has been turned away from inflation, hoping for some progress on the US debt ceiling. Positive comments made by both Biden and McCarthy about a possible deal coming to Congress this week boosted markets.

The S&P 500 reaches the highest close since August, with a weekly variation of +1.5% and reaching the expected technical level of 4200 in a few moments.

At the sector level of the S&P500, the outlook was positive, with technology (+4%) and communication services (+3%) but public services, basic consumption and real estate with losses

This has not stopped some Fed members from continuing to point to the possibility of another 25 bps hike in June, however Jerome Powell hints that there will be no rate hike in June and that its peak could be lower, mentioning that "Having Having come this far, I think we can allow ourselves to evaluate the data and the perspective to make careful decisions," the official said.

On the macroeconomic level, the data continues to show resistance:

- US homebuilder confidence rises to highest level in 10 months Confidence unexpectedly rose in May to its highest level in 10 months.
- The value of retail purchases in the US increased by 0.4% after a fall of 0.7% the previous month.
- New requests for unemployment benefits decreased to 242 thousand vs. 254 thousand expected and 264 thousand from the previous week
- Eurozone inflation figures evolved in line with forecasts, with the total measure increasing 0.6% m/m (vs 0.9% previously) reporting 7.0% yoy in April.

However, in the midst of the G7 summit in Japan, it was reported that Japan's core consumer inflation remained well above the central bank's 2% target in April.

At the level of companies that reported earnings, results were mixed, showing some weakness in retail sales. Target and Walmart reported their results above expectations, but they have a very stable vision for what is to come, which causes the share price of these companies to fall. For its part, Home Depot reported that it expects sales to decline this year.

Data and events of interest

This week

USA: Debt ceiling talks. PMI, FED minutes, PCE, jobless claims, Consumer Confidence

Europe : PMI, Business Climate, UK Retail Sales

Japan: PMI, CPI and PPI,

Previous week

US: Retail sales, industrial production, housing starts, jobless claims

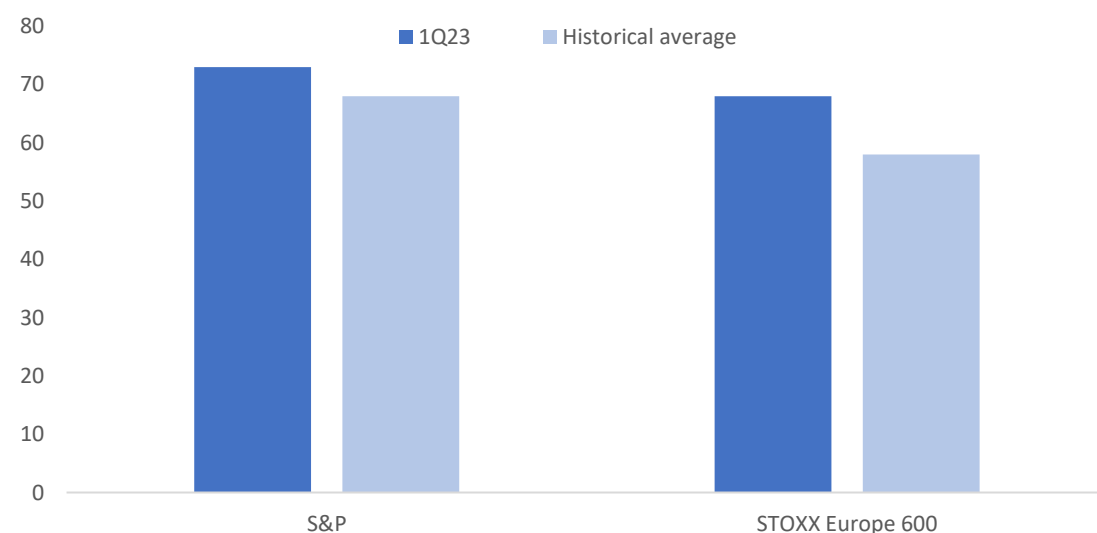
Europe: Inflation

Emerging: GDP Colombia, Turkey elections

Corporate reports: Homedepot, Wlalmart, Cysco, Target

ATTENTION TO THE DEBT CEILING IN THE US

% positive surprises of corporate results in 1Q2023

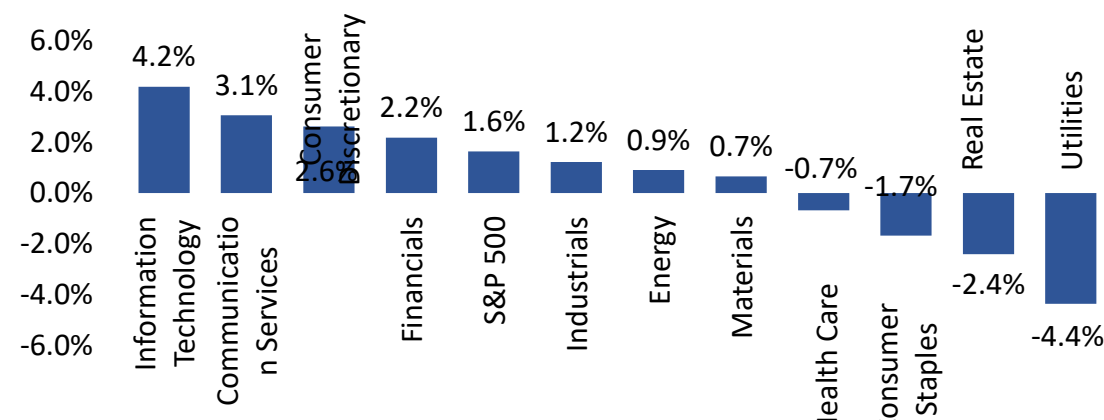


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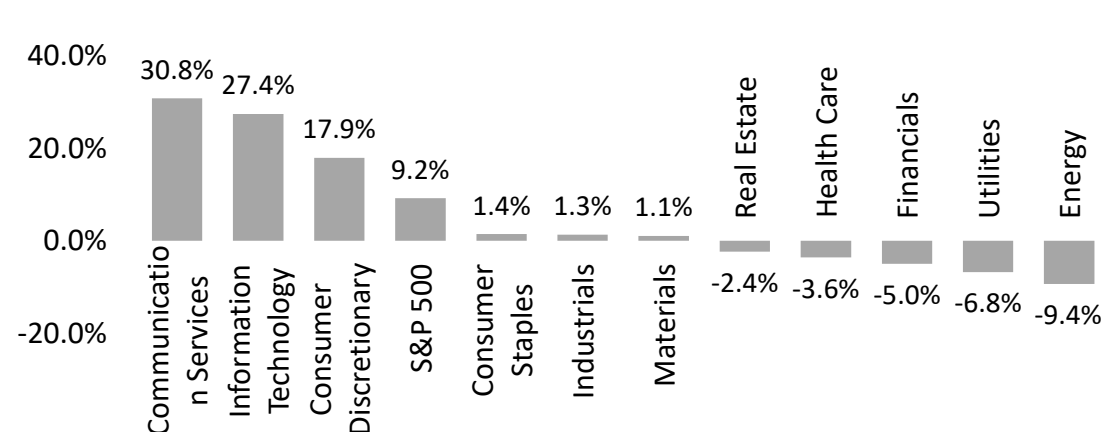
They have already published 473 companies and the average drop in earnings per share is -3.3% vs -8.2% expected. With this, 78.2% beat expectations, 18.4% disappointed and the remaining 3.4% was in line with what was expected by analysts.

Sectors:

Weekly



Annual



In On Financial Markets Monitor

	Level	Price return (%)		Features
	05/19/2023	1 Week	2022	Fwd P/E
Equities				
S&P 500	4191.98	▲ 1.65	▲ 9.18	19.19
Dow Jones 30	33426.63	▲ 0.38	▲ 0.84	17.20
Nasdaq 100	13803.49	▲ 3.47	▲ 26.18	26.59
Russell 2000	1773.72	▲ 1.89	▲ 0.71	25.08
Russell 1000 Growth	2561.58	▲ 2.49	▲ 18.69	25.91
Russell 1000 Value	1491.75	▲ 0.73	▼ -0.36	14.97
MSCI Emerging Markets	977.24	▲ 0.44	▲ 2.18	12.58
MSCI Developed & Emerging World	656.42	▲ 1.11	▲ 8.43	16.43
MSCI China	62.48	▼ -1.25	▼ -3.09	10.65
Topix - Japan	2161.69	▲ 3.11	▲ 14.27	13.97
EuroStoxx 50	4395.30	▲ 1.79	▲ 15.86	12.59
FTSE 100 - United Kingdom	7756.87	▲ 0.03	▲ 4.09	10.69

	Yield	Total return (%)	
	05/19/2023	1 Week	2022
Fixed income			
U.S. Aggregate	4.62	▼ -1.37	▲ 1.88
U.S. Corporate High Yield	8.85	▼ -0.42	▲ 3.71
Global Aggregate	3.68	▼ -1.51	▲ 1.58
Global High Yield	9.54	▼ -0.64	▲ 2.71
Emerging Markets Hard Currency	4.99	▼ -1.22	▼ -0.50
Emerging Markets Local Currency	0.82	▲ 0.14	▲ 5.36

	Yield		Change in Basic Points	
	05/19/2023	12/30/2022	1 Week	2022
Interest rate				
2-yr U.S. Treasuries	4.27	4.43	▲ 0.28	▼ -0.16
10-yr U.S. Treasuries	3.67	3.87	▲ 0.21	▼ -0.20
10-yr German Bund	2.43	2.57	▲ 0.15	▼ -0.14

	Levels		Percentage change (%)	
	05/19/2023	12/30/2022	1 Week	2022
Currencies				
Dolar Index	103.20	103.52	▲ 0.50	▼ -0.31
Euro	1.08	1.07	▼ -0.41	▲ 0.93
British pound	1.24	1.21	▼ -0.10	▲ 3.00
Japanese Yen	137.98	131.12	▲ 1.68	▲ 5.23
Yuan renminbi chinese	7.02	6.92	▲ 0.77	▲ 1.48
Mexican peso	17.79	19.50	▲ 1.10	▼ -8.79
Colombian peso	4533.00	4850.00	▼ -0.53	▼ -6.54

	Level	Percentage change (%)	
	05/19/2023	1 Week	2022
Commodities			
Crude oil WTI	71.55	▲ 2.16	▼ -10.85
Natural Gas	2.59	▲ 14.08	▼ -42.23
Gold	1977.81	▼ -1.64	▲ 8.43
Copper	372.25	▲ 0.16	▼ -2.31
Corn	554.50	▼ -12.44	▼ -18.28
Coffee (US\$/pound)	1.92	▲ 3.23	▲ 14.76
Bloomberg Commodity Index	101.07	▼ -0.11	▼ -10.40

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