

WEEKLY MARKET SUMMARY



Last week we saw mixed behavior among the main indices. The Dow went up by **0.6%**, while the S&P 500 and the Nasdaq Composite went down by **0.3%** and **1.9%**, respectively. The decline of the Nasdaq was particularly notable, marking its biggest drop since last December. This volatility was influenced by U.S. producer price data that exceeded expectations, causing a rise in Treasury yields, despite slightly lower-than-expected year-on-year CPI data.

Relevant News



- **The general trend of US inflation points towards a potential slowdown.** The CPI modestly rose in July, alleviating concerns about aggressive interest rate hikes by the Federal Reserve. Currently, the futures market places a 10% probability on a rate hike in the upcoming September meeting.
- **China's economic results in 2023 have fallen short of expectations.** The country is facing significant challenges. The real estate sector, which plays a crucial role in the Chinese economy, is under pressure. Country Garden Holdings Co, one of China's major property developers, is facing potential financial issues reminiscent of those experienced by Evergrande Group in 2021. A potential default by Country Garden could have repercussions on global markets.
- **In Europe, the British economy showed positive signs with a 0.2% expansion in the second quarter.** This growth, driven by industrial and business investment, was unexpected. However, the UK also faces challenges due to its high inflation rate of 7.9%, which might lead the Bank of England to reconsider its rate hike strategy.
- **Disney made headlines due to the evolution of its stocks.** The company announced a decline in Disney+ subscribers, leading to an initial drop in stocks. Nevertheless, the subsequent announcement of an increase in streaming service prices caused the stocks to rebound. This move by Disney aligns with strategies seen in other streaming services like Netflix.

Capital Markets Monitor

GLOBAL EQUITY INDICES	Last	5 Days	1 Month	YTD
MSCI WORLD	2,972.73	-0.46%	→ -1.50%	14.22%
MSCI EM	997.72	-1.99%	↘ -2.99%	4.32%
MSCI EM LATIN AMERICA	2,425.77	-1.60%	↘ -1.73%	13.98%
MSCI AC ASIA x JAPAN	634.05	-2.18%	↘ -3.35%	2.39%
USA				
S&P 500 INDEX	4,464.05	-0.31%	→ -0.92%	16.27%
NASDAQ COMPOSITE	13,644.85	-1.90%	↘ -3.32%	30.37%
DOW JONES INDUS. AVG	35,281.40	0.62%	→ 2.24%	6.44%
EUROPE				
STXE 600 (EUR) Pr	459.17	-0.02%	→ -0.36%	8.07%
Euro Stoxx 50 Pr	4,321.33	-0.27%	→ -1.79%	13.91%
DAX INDEX	15,832.17	-0.75%	→ -1.69%	13.71%
CAC 40 INDEX	7,340.19	0.34%	→ -0.47%	13.38%
FTSE MIB INDEX	28,274.74	-1.09%	↘ -1.36%	19.27%
IBEX 35 INDEX	9,434.30	0.70%	→ -0.04%	14.65%
SWISS MARKET INDEX	11,081.63	-0.15%	→ -0.26%	3.28%
FTSE 100 INDEX	7,524.16	-0.53%	→ 1.21%	0.97%
RTS Index	1,000.89	-1.46%	↘ -1.35%	3.12%
ASIA				
NIKKEI 225	32,473.65	0.98%	→ 0.84%	24.45%
HANG SENG INDEX	19,075.19	-2.38%	↘ -1.74%	-3.57%
CSI 300 INDEX	3,884.25	-3.39%	↘ -0.38%	0.33%
S&P BSE SENSEX INDEX	65,322.65	-0.61%	→ -1.12%	7.37%
LATAM				
S&P/BMV IPC	53,242.16	-1.39%	↘ -0.98%	9.86%
BRAZIL IBOVESPA INDEX	118,065.10	-1.21%	↘ 0.30%	7.59%
MSCI COLCAP INDEX	1,147.50	-2.25%	↘ -1.43%	-10.77%
S&P/CLX IPSA (CLP) TR	6,257.44	-0.56%	→ 2.07%	18.92%

EQUITIES SECTORS	Last	5 Days	1 Month	YTD
MSCI WORLD/ENERGY	252.82	2.83%	↗ 8.10%	2.75%
MSCI WORLD/HLTH CARE	351.23	2.41%	↗ 2.45%	1.77%
MSCI WORLD/UTILITY	146.76	0.59%	→ -3.98%	-3.92%
MSCI WORLD/CON STPL	277.17	0.18%	→ -0.64%	2.74%
MSCI WRLD/COMM SVC	88.17	-0.11%	→ -0.44%	32.26%
PHILA GOLD & SILVER INDX	119.28	-0.29%	→ -6.19%	-1.31%
MSCI WORLD/INDUSTRYL	339.71	-0.43%	→ -1.13%	13.54%
MSCI WORLD/FINANCEVAL	105.07	-0.78%	→ 1.33%	-0.80%
MSCI WORLD BANK INDEX	95.05	-1.27%	↘ 0.77%	3.18%
MSCI WORLD/CONS DIS	371.95	-1.28%	↘ -3.08%	27.73%
MSCI WORLD/MATERIAL	325.01	-1.45%	↘ -2.75%	4.56%
MSCI WORLD/INF TECH	519.50	-2.83%	↘ -6.14%	32.04%

US RATES	Last	5 Days	Close	12M	Close
2Y	4.89	4.76	0.13	3.22	1.68
5Y	4.30	4.13	0.17	2.99	1.31
10Y	4.15	4.03	0.12	2.89	1.26

COMMODITIES	Last	5 Days	1 Months	YTD
CRB INDEX	279.74	0.10%	→ 3.30%	0.72%
WTI	83.19	0.45%	→ 11.17%	3.65%
Brent	87.20	0.83%	→ 9.50%	2.62%
US Natural Gas	2.77	7.49%	↗ 1.43%	-38.10%
S&P GSCI Precious Metal	2,528.49	-1.60%	↘ -3.35%	5.53%
Gold	1,913.76	-1.50%	↘ -0.96%	4.92%
Silver	22.69	-4.01%	↘ -1.89%	-5.30%
Platinum	916.07	-1.07%	↘ -1.38%	-14.73%
Palladium	1,299.07	3.07%	↗ 3.50%	-27.53%
S&P GSCI Ind Metal Index	408.63	-3.00%	↘ -4.29%	-9.42%
Aluminum	2,175.50	-2.55%	↘ 0.32%	-8.52%
Copper	8,255.60	-3.14%	↘ -0.59%	-1.30%
Nickel	19,953.00	-5.36%	↘ -2.67%	-33.24%
S&P GSCI Agriculture	403.33	0.81%	→ -2.57%	-14.28%

INTERESTING FACTS

Last Week's Key Dates

August 10th
US: Initial Unemployment Insurance Claims
 248k vs expected at 230k

US: Monthly CPI (Consumer Price Index)
 As expected at 0.20%.

US: Yearly CPI (Consumer Price Index)
 3.2% compared to the expected 3.30%

August 11th
US: Monthly PPI (Producer Price Index)
 0.3% compared to the expected 0.20%

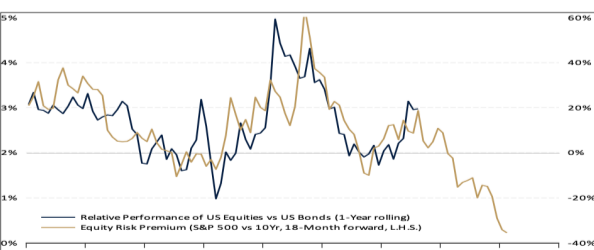
US: Yearly PPI (Producer Price Index)
 0.8% compared to the expected 0.70%

US: U. of Mich. Sentiment (University of Michigan Consumer Sentiment)
 As expected, 71.2

Theme of the Week

THE EQUITY RISK PREMIUM DOES NOT FAVOR A BULL MARKET

Gráfico 10 : Ratio Acciones EE.UU./Obligaciones; Prima de riesgo Acciones EE.UU.



The investment history of the curve is impressive and much more consistent than any uptick in the equity market. Since 1978, the yield curve has inverted six times, and all of them have been followed by a recession.

Currently, investors are not receiving the necessary premium to overweight equities compared to fixed income.

The current medium-term bullish technical trend of the equity market remains intact so far, but technically, it remains to be seen whether the former resistance (now support) at 4,300 (S&P 500) will hold prices in the coming weeks or not. Nevertheless, dark clouds are still looming on the horizon, as the labor market should start to deteriorate.

Asset Outlook at In On Capital

Asset Class	U	N	O
Renta Fija			
Renta Variable			
Alternativos			
Regions (Equity)			
North America			
Europe			
Emerging Markets			
Japan			

Equity Sectors	U	N	O
Consumer Staples			
Health Care			
Telcom Services			
Utilities			
Consumer Disc.			
Energy			
Financials			
Industrials			
Technology			
Materials			

The downgrade of the U.S. credit rating by Fitch is not a surprise. It reflects the deterioration of the U.S. macroeconomic situation and the challenges it will face in this environment of high interest rates and elevated leverage.

The risk of an imminent hard landing seems to have disappeared after the fourth-quarter GDP publication. However, there are still short-term risks. Inflation remains well above the 2% target, and the Federal Reserve could raise rates again and keep them high for a while before changing direction.

The market is well-oriented technically. Nevertheless, the long-term technical outlook and a fragile macroeconomic situation with high interest rates, restrictive credit conditions, and negative leading indicators compel us to remain cautious.

Regarding any questions, you can contact us through research@inoncapital.com and our social media channels on [LinkedIn](#) and [Twitter](#).

APPLICABLE TERMS AND CONDITIONS

This document has been prepared by In On Capital, Inc. REGULATED AND SUPERVISED ENTITY BY THE SUPERINTENDENCE OF THE SECURITIES MARKET OF THE REPUBLIC OF PANAMA, with a license to operate as a Securities House No. SMV 296-2014. This Report is provided to our clients through our website (www.inoncapital.com); via email, through authorized and duly identified personnel; and/or through our platform, exclusively for clients' use. By receiving this report, directly or indirectly, through the means provided by In On Capital, Inc., you immediately accept and assume the APPLICABLE TERMS AND CONDITIONS to it. You agree not to copy, reproduce, correct, alter, edit, distribute, or redistribute to third parties, nor conduct any commercial exploitation, unless expressly authorized by In On Capital, Inc. This document is prepared within the legal framework of the jurisdiction that regulates In On Capital, Inc. and is not intended to contravene regulations from other jurisdictions. This report is a general communication, and its purpose is informative in nature. It is not an advertisement, nor does it constitute an offer to buy or sell any security, nor is it a suggestion or investment advice. All opinions, analyses, prices, or other information contained in this document are provided as a general market commentary and do not constitute investment advice. Due to the nature of this report, In On Capital will not assume any responsibility for damage, losses, or damages, including, among others, loss of profits, that may arise, directly or indirectly, from the use or reliance on the information contained in this report.