

# WEEKLY MARKET SUMMARY



The markets rose on Friday, driven by the positive comments from the Fed's Chairman, Jerome Powell, at Jackson Hole. Powell appeared optimistic, citing strong consumer spending and early signs of real estate sector recovery. He emphasized the Federal Reserve's commitment to achieving its 2% inflation target. These comments were perceived in line with expectations, emphasizing a data-driven approach and a cautious stance in the upcoming meetings. At the same time, the stock market is adjusting to bond market volatility. Specifically, while the Dow Jones fell by **0.4%**, the S&P 500 and the Nasdaq Composite rose by **0.8%** and **2.3%** respectively.

## Relevant News



- **The chip designer Arm, owned by SoftBank, is getting ready for the most anticipated IPO (Initial Public Offering) of 2023** (and the largest in two years). This listing on the Nasdaq (scheduled for September) could bring substantial profits to SoftBank's founder, Masayoshi Son. Tech giants like Amazon, Apple, and Intel are being considered as potential main investors.
- **In the housing market, sales have dropped for the fourth time in five months**, as high mortgage rates and limited inventory pushed prices up. Housing is crucial as it represents consumers' largest individual expenditure and is a driver of GDP growth. Any setback in housing could foretell economic weakness.
- **The Securities and Exchange Commission (SEC) voted in favor of tightening regulations on venture capital, hedge funds, and private equity.** This decision is significant for a sector that has doubled in size over the last decade and now manages over \$25 trillion in assets. Some view these rules as ensuring fairness and transparency, while others believe the SEC is overreaching.
- **The BRICS countries invited six nations to challenge Western global dominance.** This move, especially the inclusion of major oil producers, is seen as a step towards reducing dependence on the US dollar.

## Capital Markets Monitor



GLOBAL EQUITY INDICES	Last	5 Days	1 Month	YTD
MSCI WORLD	2,911.99	0.50% →	-4.77%	11.88%
MSCI EM	971.04	0.68% →	-6.92%	1.53%
MSCI EM LATIN AMERICA	2,382.29	1.23% ↗	-6.81%	11.93%
MSCI AC ASIA x JAPAN	613.05	0.47% →	-7.58%	-1.00%
<b>USA</b>				
S&P 500 INDEX	4,405.71	0.82% →	-3.85%	14.75%
NASDAQ COMPOSITE	13,590.65	2.26% ↗	-5.07%	29.85%
DOW JONES INDUS. AVG	34,346.90	-0.45% →	-3.14%	3.62%
<b>EUROPE</b>				
STXE 600 (EUR) Pr	451.39	0.66% →	-4.12%	6.24%
Euro Stoxx 50 Pr	4,236.25	0.55% →	-5.16%	11.67%
DAX INDEX	15,631.82	0.37% →	-5.09%	12.27%
CAC 40 INDEX	7,229.60	0.91% →	-3.30%	11.68%
FTSE MIB INDEX	28,208.45	1.61% ↗	-4.38%	18.99%
IBEX 35 INDEX	9,338.90	0.77% →	-3.57%	13.49%
SWISS MARKET INDEX	10,956.90	1.09% ↗	-3.19%	2.12%
FTSE 100 INDEX	7,338.58	1.05% ↗	-4.62%	-1.52%
RTS Index	1,043.84	-0.30% →	0.98%	7.55%
<b>ASIA</b>				
NIKKEI 225	31,624.28	0.55% →	-3.46%	21.19%
HANG SENG INDEX	17,956.38	0.03% →	-9.84%	-9.23%
CSI 300 INDEX	3,709.15	-1.98% ↘	-7.10%	-4.20%
S&P BSE SENSEX INDEX	64,886.51	-0.10% →	-1.93%	6.65%
<b>LATAM</b>				
S&P/BMV IPC	53,191.53	-0.01% →	-3.13%	9.76%
BRAZIL IBOVESPA INDEX	115,837.20	0.37% →	-3.62%	5.56%
MSCI COLCAP INDEX	1,101.64	-2.94% ↘	-5.18%	-14.34%
S&P/CLX IPSA (CLP) TR	6,046.62	-1.41% ↘	-4.61%	14.91%

EQUITIES SECTORS	Last	5 Days	1 Month	YTD
PHILA GOLD & SILVER INDX	114.40	2.44% ↗	-7.94%	-5.34%
MSCI WORLD/INF TECH	525.39	2.25% ↗	-5.78%	33.54%
MSCI WRLD/COMM SVC	86.26	0.75% →	-5.27%	29.40%
MSCI WORLD/CONS DIS	358.54	0.57% →	-5.75%	23.12%
MSCI WORLD/UTILITY	144.21	0.56% →	-5.44%	-5.60%
MSCI WORLD/INDUSTRL	329.31	0.03% →	-5.30%	10.07%
MSCI WORLD/HLTH CARE	344.71	-0.05% →	-1.52%	-0.12%
MSCI WORLD/MATERIAL	312.64	-0.06% →	-7.38%	0.58%
MSCI WORLD/CON STPL	269.65	-0.39% →	-4.85%	-0.05%
MSCI WORLD/FINANCEVAL	101.02	-0.54% →	-5.80%	-4.61%
MSCI WORLD/ENERGY	245.33	-1.16% ↘	0.89%	-0.30%
MSCI WORLD BANK INDEX	89.84	-1.17% ↘	-8.32%	-2.48%

US RATES	Last	5 Days	Close	12M	Close
2Y	5.08	4.94	0.14	3.37	1.71
5Y	4.44	4.39	0.05	3.15	1.29
10Y	4.24	4.25	-0.02	3.03	1.21

COMMODITIES	Last	5 Days	1 Months	YTD
CRB INDEX	278.20	0.99% →	-0.81%	0.16%
WTI	79.83	-1.75% ↘	0.25%	-0.54%
Brent	85.19	-0.44% →	2.66%	4.73%
US Natural Gas	2.54	-0.43% →	-6.96%	-43.24%
S&P GSCI Precious Metal	2,535.60	1.72% ↗	-2.68%	5.82%
Gold	1,914.96	1.36% ↗	-2.54%	4.99%
Silver	24.23	6.49% ↗	-1.88%	1.13%
Platinum	948.43	3.70% ↗	-2.33%	-11.72%
Palladium	1,227.74	-2.37% ↘	-4.82%	-31.51%
S&P GSCI Ind Metal Index	409.68	1.38% ↗	-3.71%	-9.19%
Aluminum	2,150.50	0.63% →	-4.00%	-9.57%
Copper	8,319.25	1.28% ↗	-3.73%	-0.54%
Nickel	20,616.00	3.56% ↗	-7.14%	-31.02%
S&P GSCI Agriculture	406.14	0.80% →	-4.19%	-13.68%

## INTERESTING FACTS

### Last Week's Key Dates

**August 22**  
**USA: Existing Home Sales**  
 4.07 million compared to the expected 4.15 million

**August 23**  
**USA: Initial Jobless Claims**  
 230,000 vs expected 240,000

**USA: Durable Goods Orders**  
 -5.2% compared to the expected -4.00%

**August 23**  
**USA: New Home Sales**  
 714,000 vs expected 703,000

**August 25**  
**USA: University of Michigan Sentiment**  
 69.5 compared to the expected 71.2

### Asset Outlook at In On Capital

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

The downgrade of the US credit rating by Fitch was not a surprise. It reflects the degradation of the US macroeconomic situation and the challenges this country will face in an environment of high interest rates and elevated leverage. This announcement has been a catalyst for a short-term sentiment shift.

Inflation has moderated in recent months (remaining steady in July, with a core inflation of 4.7%), but it still remains well above the 2% target, and the Fed might raise rates again and keep them high for a while.

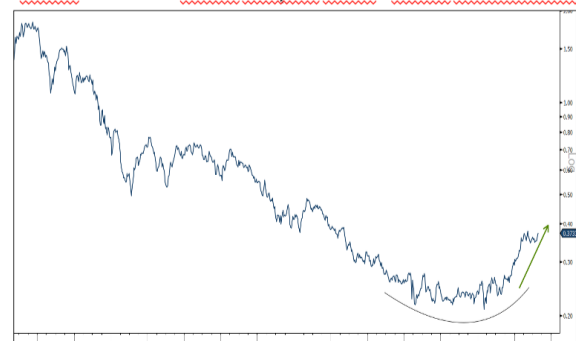
Equity Sectors	U	N	O
Consumer Staples			
Health Care			
Telcom Services			
Utilities			
Consumer Disc.			
Energy			
Financials			
Industrials			
Technology			
Materials			

Further drops are expected in the coming weeks. The volatility and declines experienced in this current correction will be key in assessing the direction for the rest of the year. Additionally, the fragile macroeconomic situation, with high interest rates, restrictive credit conditions, and negative leading indicators, forces us to exercise caution.

## Theme of the Week

### U.S. Banks Remain Under Pressure

Gráfico 2 : Ratio de bancos europeos frente a bancos estadounidenses



Nevertheless, there is more strength than during the great financial crisis (with more solid capital ratios and greater oversight). European banks are ahead in regulatory terms. As a result, they seem to be in a better position to face the upcoming economic recession than U.S. banks. We are underweight on banks overall but favor European banks due to their strength and their attractive valuation differential compared to U.S. banks.

Despite U.S. and European banks currently trading at attractive profits, regulatory burdens, the imposition of extraordinary taxes, and the downgrade of the credit rating of the sector are strong headwinds.

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

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