

# WEEKLY MARKET SUMMARY



The stocks suffered a harsh blow on Friday, putting an end to a tumultuous week. The volatility was due to the downgrade of the U.S. credit rating from AAA to AA+ by Fitch, which led the yields of the U.S. Treasury on a roller-coaster ride. Thus, Fitch's rating aligns with that of S&P Global Ratings, which also downgraded the U.S. credit rating after the 2011 government shutdown due to debt. The 10-year Treasury yield fluctuated wildly, eventually settling at 4.06% after briefly reaching 4.2%. The Dow dropped by **1.1%**, the S&P 500 by **2.3%**, and the Nasdaq by **2.8%** for the week.

## Relevant News



- **Credit rating downgrade of the U.S. from AAA to AA+ by Fitch**, which was based on the projected fiscal deterioration, increasing debt burden, and perception of governance erosion. Despite Congress reaching a bipartisan agreement to suspend the debt ceiling until 2025, Fitch maintained its concern over recurring political standstills and the lack of a medium-term fiscal plan. Fitch anticipates that the U.S. public administration's deficit will increase from 3.7% of GDP in 2022 to 6.3% in 2023 and up to 6.9% in 2025. Treasury Secretary Janet Yellen expressed disagreement, arguing that Fitch's data was outdated and did not reflect improvements in governance and the approval of significant bipartisan laws.
- **Market trends also revealed a divergence in the performance of tech giants.** Apple saw its stocks fall by 2.1% in after-hours trading after announcing a third consecutive quarter of revenue decline. Meanwhile, Amazon posted impressive results in the second quarter, with an 8.7% increase in its stock value. The e-commerce giant's revenues far exceeded estimates, thanks to cost optimization and record delivery speed. AWS is showing signs of stabilization despite previous deceleration.
- **Oil recorded another weekly increase** as Saudi Arabia extended its 1 million bbl/day production cut for another month, complementing voluntary cuts by other OPEC members. At the same time, the U.S. government withdrew its offer to purchase 6 million barrels of oil for the Strategic Petroleum Reserve, as crude prices continue their upward trajectory.

## Capital Markets Monitor



GLOBAL EQUITY INDICES	Last	5 Days	1 Month	YTD
MSCI WORLD	2,986.54	-2.33%	2.13%	14.75%
MSCI EM	1,018.02	-2.41%	3.81%	6.45%
MSCI EM LATIN AMERICA	2,465.13	-3.57%	0.85%	15.83%
MSCI AC ASIA x JAPAN	648.18	-2.28%	4.22%	4.68%
<b>USA</b>				
S&P 500 INDEX	4,478.03	-2.27%	1.80%	16.63%
NASDAQ COMPOSITE	13,909.24	-2.85%	1.82%	32.89%
DOW JONES INDUS. AVG	35,065.62	-1.11%	3.94%	5.79%
<b>EUROPE</b>				
STXE 600 (EUR) Pr	459.28	-2.44%	2.60%	8.09%
Euro Stoxx 50 Pr	4,332.91	-2.99%	2.27%	14.22%
DAX INDEX	15,951.86	-3.14%	2.23%	14.57%
CAC 40 INDEX	7,315.07	-2.16%	2.86%	13.00%
FTSE MIB INDEX	28,586.37	-3.10%	2.91%	20.58%
IBEX 35 INDEX	9,368.40	-3.27%	1.29%	13.84%
SWISS MARKET INDEX	11,098.48	-2.42%	2.06%	3.44%
FTSE 100 INDEX	7,564.37	-1.69%	4.24%	1.51%
RTS Index	1,015.74	-1.73%	4.06%	4.65%
<b>ASIA</b>				
NIKKEI 225	32,192.75	-1.73%	-0.60%	23.37%
HANG SENG INDEX	19,539.46	-1.89%	6.39%	-1.22%
CSI 300 INDEX	4,020.58	0.70%	5.09%	3.85%
S&P BSE SENSEX INDEX	65,721.25	-0.66%	0.68%	8.02%
<b>LATAM</b>				
S&P/BMV IPC	53,991.42	-1.67%	0.16%	11.41%
BRAZIL IBOVESPA INDEX	119,507.70	-0.57%	0.51%	8.91%
MSCI COLCAP INDEX	1,170.23	0.72%	3.28%	-9.01%
S&P/CLX IPSA (CLP) TR	6,292.64	-0.73%	5.90%	19.59%

EQUITIES SECTORS	Last	5 Days	1 Month	YTD
MSCI WORLD/ENERGY	245.86	1.11%	6.72%	-0.09%
MSCI WORLD/CONS DIS	376.78	-0.96%	2.07%	29.38%
MSCI WORLD/FINANCEVAL	105.89	-1.26%	5.25%	-0.02%
MSCI WORLD BANK INDEX	96.27	-1.76%	6.17%	4.51%
MSCI WORLD/INDUSTRIL	341.18	-1.88%	2.66%	14.03%
MSCI WORLD/HLTH CARE	342.96	-2.02%	2.52%	-0.63%
MSCI WORLD/MATERIAL	329.78	-2.31%	3.51%	6.10%
MSCI WORLD/CON STPL	276.67	-2.37%	1.29%	2.55%
MSCI WRLD/COMM SVC	88.26	-3.06%	3.38%	32.41%
PHILA GOLD & SILVER INDX	119.63	-3.74%	2.15%	-1.02%
MSCI WORLD/INF TECH	534.65	-4.12%	-0.23%	35.89%
MSCI WORLD/UTILITY	145.91	-4.32%	-1.88%	-4.49%

US RATES	Last	5 Days	Close	12M	Close
2Y	4.76	4.87	-0.11	3.04	1.72
5Y	4.13	4.18	-0.04	2.79	1.34
10Y	4.03	3.95	0.08	2.69	1.35

COMMODITIES	Last	5 Days	1 Months	YTD
CRB INDEX	279.46	-0.37%	5.67%	0.62%
WTI	82.82	2.78%	18.67%	3.19%
Brent	86.48	2.30%	13.53%	1.77%
US Natural Gas	2.58	-2.31%	-4.87%	-42.41%
S&P GSCI Precious Metal	2,569.65	-1.38%	2.22%	7.24%
Gold	1,942.91	-0.85%	0.91%	6.52%
Silver	23.63	-2.92%	2.91%	-1.34%
Platinum	925.95	-1.35%	0.68%	-13.81%
Palladium	1,260.35	0.84%	0.92%	-29.69%
S&P GSCI Ind Metal Index	421.26	-0.99%	3.26%	-6.62%
Aluminum	2,232.50	0.47%	3.00%	-6.12%
Copper	8,523.25	-1.19%	2.12%	1.89%
Nickel	21,082.00	-4.52%	3.68%	-29.46%
S&P GSCI Agriculture	400.08	-5.62%	-0.61%	-14.97%

## INTERESTING FACTS

### Key Dates

#### NEXT WEEK

**August 10th**  
**USA: Initial Unemployment Claims**  
 Expected: 230k

**USA: Monthly CPI (Consumer Price Index)**  
 Expected: 0.20%

**USA: Yearly CPI (Consumer Price Index)**  
 Expected: 3.30%

**August 11th**  
**USA: Monthly PPI**  
 Expected: 0.20%

**USA: Yearly PPI**  
 Expected: 0.70%

**USA: U. of Mich. Sentiment**  
 Expected: 71.5

### 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 is not a surprise, as it reflects the degradation of the US macroeconomic situation and the challenges that this country will face in an environment of high interest rates and high leverage. This announcement has been the catalyst for a negative week and a potential short-term consolidation after many weeks of growth.

The risk of an imminent hard landing seems to have disappeared after the publication of the fourth-quarter GDP. However, short-term risks are still present. Inflation continued to moderate in June, with both overall and core inflation surprising on the downside. 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.

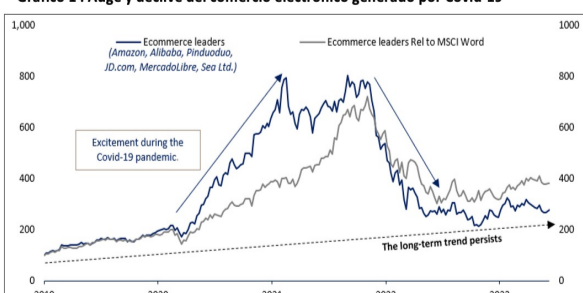
Equity Sectors	U	N	O
Consumer Staples			
Health Care			
Telcom Services			
Utilities			
Consumer Disc.			
Energy			
Financials			
Industrials			
Technology			
Materials			

The market is well-oriented technically, and the trend is bullish in the medium term. Nevertheless, the long-term technical outlook and a fragile macroeconomic situation with high interest rates, restrictive credit conditions, and negative leading indicators force us to exercise caution.

## Topic of the Week

### E-COMMERCE IS BACK IN OPERATION

Gráfico 1 : Auge y declive del comercio electrónico generado por Covid-19



The major platforms that encompass the entire e-commerce ecosystem (logistics, payment, etc.) seem to be achieving better results in a highly competitive environment. The use of AI will also make a difference.

Overall, e-commerce companies are now much more appealing than they were two years ago. The e-commerce group has dropped by -63% from January 2021 to June 2022. Since then, despite a rebound of +41%, prices have barely recovered half of what was lost. Looking at it from these angles, the sector appears as an opportunity.

Inflation and the surge in costs have caused the burst of this second e-commerce bubble. The growth of online sales has slowed down after an exceptional frenzy during the Covid-19 pandemic, but it remains sustained.

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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