WEEKLY MARKET SUMMARY

In On Capital

*The main indices offered a cautionary outlook last week: the S&P dropped **2.9%**, the Dow Jones **1.9%**, and the Nasdaq Composite **3.6%**. The decisions of the Federal Reserve were undoubtedly at the center of the debate. Although the Federal Reserve kept interest rates unchanged, as expected, the forecast of an additional hike later this year, along with fewer cuts in 2024, marked a significant shift in the expected discourse. Powell's comments on the strength of the economy and the lack of expectations for a soft landing further underscored the evolving economic landscape.*

Relevant News

- **Markets trended downward as traders digested the latest policy stance of the central bank.** The year-end projection for the federal funds rate was set at 5.6%, with reduced expectations of a cut in 2024. These prospects pushed the yield on two-year Treasuries to 5.118%, its highest level since 2006, and the ten-year Treasury to 4.44% (a level not seen since October 2007).

- **The escalation of U.S. debt above $33 trillion, a historical record, justifies close scrutiny.** This development juxtaposes with potential disagreements in Congress over federal spending, raising the possibility of the first federal shutdown since 2019. The increase in interest rates in recent months has also raised the cost of servicing this debt, with significant fiscal and economic implications.

- **Housing starts in August dropped by 11.3% compared to the previous month,** the lowest level since June 2020. Elevated mortgage rates appear to be putting pressure on both builder confidence and consumer demand. The average selling price of homes in the United States recorded a 3% year-over-year increase in August.

- **In the technology sector, the culmination of Microsoft's acquisition of Activision Blizzard,** valued at $69 billion, is on the horizon. Despite initial regulatory hurdles in the U.S. and the UK, it appears that full approval of the deal is imminent.

Capital Markets Monitor

GLOBAL EQUITY INDICES	Last	5 Days		1 Month	YTD
MSCI WORLD	2,960.98	0.41%	→	2.19%	13.77%
MSCI EM	984.99	1.14%	↗	2.13%	2.99%
MSCI EM LATIN AMERICA	2,390.78	3.94%	↗	1.59%	12.33%
MSCI AC ASIA x JAPAN	625.81	0.99%	→	2.56%	1.06%
USA					
S&P 500 INDEX	4,450.32	-0.16%	→	1.84%	15.91%
NASDAQ COMPOSITE	13,708.33	-0.39%	→	3.14%	30.97%
DOW JONES INDUS. AVG	34,618.24	0.12%	→	0.34%	4.44%
RUSSELL 2000 INDEX	1,847.03	-0.24%	→	-0.67%	4.87%
EUROPE					
STXE 600 (EUR) Pr	461.93	1.60%	↗	3.01%	8.72%
Euro Stoxx 50 Pr	4,295.05	1.37%	↗	1.95%	13.22%
DAX INDEX	15,893.53	0.94%	→	2.05%	14.15%
CAC 40 INDEX	7,378.82	1.91%	↗	3.00%	13.98%
FTSE MIB INDEX	28,895.39	2.35%	↗	4.08%	21.89%
IBEX 35 INDEX	9,549.70	1.98%	↗	3.04%	16.05%
SWISS MARKET INDEX	11,197.72	2.28%	↗	3.31%	4.36%
FTSE 100 INDEX	7,711.38	3.12%	↗	6.18%	3.48%
ASIA					
NIKKEI 225	33,533.09	2.84%	↗	6.62%	28.51%
HANG SENG INDEX	18,182.89	-0.11%	→	1.29%	-8.08%
CSI 300 INDEX	3,708.78	-0.83%	→	-1.99%	-4.21%
S&P BSE SENSEX INDEX	67,838.63	1.86%	↗	4.45%	11.50%
LATAM					
S&P/BMV IPC	51,351.60	-2.20%	↘	-3.46%	5.96%
BRAZIL IBOVESPA INDEX	118,757.50	2.99%	↗	2.90%	8.22%
MSCI COLCAP INDEX	1,098.66	2.76%	↗	-3.00%	-14.57%
S&P/CLX IPSA (CLP) TR	6,002.67	2.28%	↗	-2.13%	14.08%

EQUITIES SECTORS	Last	5 Days		1 Month	YTD
PHILA GOLD & SILVER INDX	118.67	4.88%	↗	6.26%	-1.81%
MSCI WORLD BANK INDEX	92.90	3.79%	↗	2.20%	0.84%
MSCI WORLD/FINANCEVAL	104.94	3.13%	↗	3.32%	-0.92%
MSCI WORLD/UTILITY	146.68	2.37%	↗	2.29%	-3.98%
MSCI WORLD/CONS DIS	373.84	2.01%	↗	4.86%	28.38%
MSCI WORLD/MATERIAL	320.61	1.81%	↗	2.49%	3.15%
MSCI WORLD/ENERGY	259.64	0.91%	→	4.60%	5.52%
MSCI WRLD/COMM SVC	89.73	0.78%	→	4.80%	34.61%
MSCI WORLD/CON STPL	268.08	0.34%	→	-0.97%	-0.63%
MSCI WORLD/HLTH CARE	344.16	0.30%	→	-0.21%	-0.28%
MSCI WORLD/INDUSTRL	331.16	0.17%	→	0.59%	10.68%
MSCI WORLD/INF TECH	524.88	-2.14%	↘	2.15%	33.41%

US RATES	Last	5 Days Close		12M Close	
2Y	5.03	4.99	0.04	3.86	1.17
5Y	4.46	4.40	0.06	3.67	0.80
10Y	4.33	4.26	0.07	3.45	0.88

COMMODITIES	Last	5 Days		1 Months	YTD
CRB INDEX	289.61	1.80%	↗	5.13%	4.27%
WTI	90.77	3.73%	↗	12.08%	13.09%
Brent	95.10	2.88%	↗	10.39%	16.90%
US Natural Gas	2.64	1.50%	↗	-0.56%	-40.92%
S&P GSCI Precious Metal	**2,531.06**	**0.25%**	→	**1.54%**	**5.63%**
Gold	1,923.91	0.25%	→	1.15%	5.48%
Silver	23.04	0.48%	→	2.25%	-3.83%
Platinum	929.69	3.69%	↗	4.16%	-13.46%
Palladium	1,250.89	4.31%	↗	0.94%	-30.22%
S&P GSCI Ind Metal Index	**414.48**	**1.38%**	↗	**2.57%**	**-8.13%**
Aluminum	2,190.00	0.30%	→	2.22%	-7.91%
Copper	8,350.35	1.47%	↗	2.54%	-0.17%
Nickel	19,672.50	-0.74%	→	0.89%	-34.17%
S&P GSCI Agriculture	**403.73**	**0.38%**	→	**0.20%**	**-14.20%**

INTERESTING FACTS

Last Week's Key Dates

September 19
US: Housing Starts
1283k vs. expected at 1439k

September 20
US: FOMC Interest Rate Decision
As expected at 5.25-5.5%.

September 21
US: Initial Jobless Claims
201k vs. expected at 225k

US: Existing Home Sales
4.04 million vs. expected 4.10 million

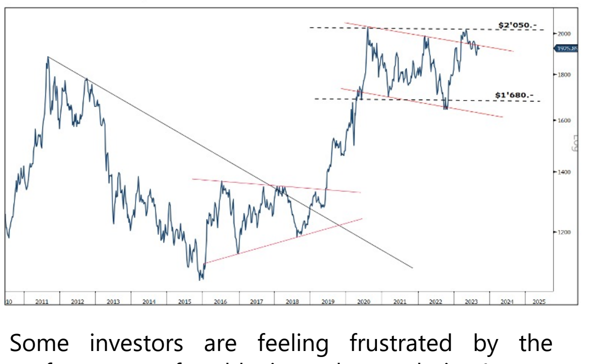
September 22
US: S&P Global US Manufacturing PMI
48.9 vs. expected 48.2

US: S&P Global US Services PMI
50.2 vs. expected 50.7

Theme of the Week

THE RESILIENCE OF GOLD IS BULLISH!

Gráfico 1 : Oro Spot ($1'926.10)



Some investors are feeling frustrated by the performance of gold since the peak in August 2020. However, it's important to consider that gold has faced all possible headwinds over the past 2 years (a rising dollar, rising real interest rates, and disinflation).

Over the past 2 years, gold has risen by +11%, while the dollar and 10-year real interest rates in the US have risen by +9% and +330%, respectively.

The fact that gold is currently trading at a 7% discount from its all-time highs suggests that the situation is bullish for gold.

Central banks are increasingly betting on gold and replacing the dollar as an alternative in their foreign exchange reserves.

Source : Sentosa & Co, Atlantic Financial Group

For further information on this week's topic, we suggest visiting the complete publication on our website

Asset Outlook at In On Capital

Asset Class	U	N	O
Renta Fija		■	
Renta Variable		■	
Alternativos		■	

Regions (Equity)	U	N	O
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	■		

Economic surprises have cooled down, and various macroeconomic figures have been disappointing. Non-farm payrolls have been consistently revised downward over the past 6 months.

Inflation has remained fairly stable but continues to be well above the 2% target, and the Federal Reserve may raise interest rates again and keep them high for a while before changing course.

The market is deteriorating technically in the short term, and further declines are expected in the coming weeks. Moreover, the fragile macroeconomic situation, with high-interest rates, restrictive credit conditions, and negative leading indicators, compels us to exercise caution.

Regarding any questions, you can contact us through research@Inoncapital.com and our social media channels on LinkedIn and Twitter.