

WEEKLY MARKET SUMMARY



The S&P 500 gained **2.50%** last week to close at 4,515.77. Four out of the five sessions were positive, marking the best performance of the index since mid-June. Economic data indicating a possible economic slowdown led to speculation that the Federal Reserve might pause its interest rate hikes. The technology sector played a key role in the S&P 500's growth, capitalizing on gains from the previous week. Key economic data released during the week, particularly those related to the labor market and inflation, are expected to influence the Federal Reserve's decisions at its upcoming monetary policy meeting.

Relevant News



- **The unemployment rate increased slightly.** The data was well-received as it points to possible weaknesses in an otherwise robust labor market and the visible impact of the Federal Reserve's stringent tightening measures. However, there was a slight discrepancy in the unemployment benefit claims figures, which dropped for the third consecutive week.
- **The recent visit to China by the U.S. Secretary of Commerce, Gina Raimondo, focused on non-negotiable national security issues.** Both nations acknowledged that most of the trade and investment activity is not affected by these concerns. Restrictions on technology and semiconductors have heightened tensions between the United States and China.
- **The value of Bitcoin briefly surpassed the \$27,000 mark after a U.S. federal court overturned an SEC decision that had prevented Grayscale from launching a Bitcoin ETF in the U.S.** This decision sparked a positive reaction in both the cryptocurrency market and related assets.
- **The President of the European Council, Charles Michel, proposed a 2030 target for EU expansion,** emphasizing its expansion to increase global influence and reshape development strategies.
- **The ECB's tightening phase may be coming to an end.** Despite the eurozone's inflation rate rising to 5.3% in August, Isabel Schnabel, a member of the ECB's Governing Council, pointed to weaker growth prospects.

Capital Markets Monitor



| GLOBAL EQUITY INDICES | Last | 5 Days | 1 Month | YTD |
|-----------------------|------------|--------|----------|---------|
| MSCI WORLD | 2,989.51 | 2.66% | ↗ 0.10% | 14.86% |
| MSCI EM | 985.68 | 1.51% | ↗ -3.18% | 3.06% |
| MSCI EM LATIN AMERICA | 2,382.05 | -0.01% | → -3.37% | 11.92% |
| MSCI AC ASIA x JAPAN | 625.45 | 2.02% | ↗ -3.51% | 1.00% |
| USA | | | | |
| S&P 500 INDEX | 4,515.77 | 2.50% | ↗ 0.84% | 17.61% |
| NASDAQ COMPOSITE | 14,031.81 | 3.25% | ↗ 1.01% | 34.06% |
| DOW JONES INDUS. AVG | 34,837.71 | 1.43% | ↗ -0.65% | 5.10% |
| RUSSELL 2000 INDEX | 1,920.83 | 3.63% | ↗ -1.87% | 9.06% |
| EUROPE | | | | |
| STXE 600 (EUR) Pr | 458.13 | 1.49% | ↗ -0.25% | 7.82% |
| Euro Stoxx 50 Pr | 4,282.64 | 1.10% | ↗ -1.16% | 12.89% |
| DAX INDEX | 15,840.34 | 1.33% | ↗ -0.70% | 13.77% |
| CAC 40 INDEX | 7,296.77 | 0.93% | → -0.25% | 12.71% |
| FTSE MIB INDEX | 28,650.49 | 1.57% | ↗ 0.22% | 20.85% |
| IBEX 35 INDEX | 9,449.60 | 1.19% | ↗ 0.87% | 14.83% |
| SWISS MARKET INDEX | 11,075.15 | 1.08% | ↗ -0.21% | 3.22% |
| FTSE 100 INDEX | 7,464.54 | 1.79% | ↗ -1.32% | 0.17% |
| ASIA | | | | |
| NIKKEI 225 | 32,710.62 | 3.44% | ↗ 1.61% | 25.35% |
| HANG SENG INDEX | 18,382.06 | 0.93% | → -8.14% | -7.07% |
| CSI 300 INDEX | 3,791.49 | 2.22% | ↗ -5.70% | -2.07% |
| S&P BSE SENSEX INDEX | 65,387.16 | 0.77% | → -0.51% | 7.47% |
| LATAM | | | | |
| S&P/BMV IPC | 53,145.36 | -0.09% | → -1.57% | 9.66% |
| BRAZIL IBOVESPA INDEX | 117,893.00 | 1.77% | ↗ -1.35% | 7.43% |
| MSCI COLCAP INDEX | 1,084.71 | -1.54% | ↘ -7.31% | -15.66% |
| S&P/CLX IPSA (CLP) TR | 5,996.36 | -0.83% | → -4.71% | 13.96% |

| EQUITIES SECTORS | Last | 5 Days | 1 Month | YTD |
|--------------------------|--------|--------|---------|--------|
| MSCI WORLD/INF TECH | 549.16 | 4.52% | ↗ | 2.71% |
| MSCI WORLD/ENERGY | 254.86 | 3.89% | ↗ | 3.66% |
| MSCI WORLD/MATERIAL | 324.40 | 3.76% | ↗ | -1.63% |
| MSCI WRLD/COMM SVC | 89.19 | 3.41% | ↗ | 1.06% |
| MSCI WORLD/CONS DIS | 369.49 | 3.05% | ↗ | -1.94% |
| MSCI WORLD/INDUSTRAL | 338.20 | 2.70% | ↗ | -0.87% |
| PHILA GOLD & SILVER INDX | 117.38 | 2.60% | ↗ | -1.88% |
| MSCI WORLD/FINANCEVAL | 103.25 | 2.20% | ↗ | -2.50% |
| MSCI WORLD BANK INDEX | 91.66 | 2.03% | ↗ | -4.79% |
| MSCI WORLD/HLTH CARE | 346.85 | 0.62% | → | 1.13% |
| MSCI WORLD/CON STPL | 269.69 | 0.02% | → | -2.52% |
| MSCI WORLD/UTILITY | 143.00 | -0.84% | → | -1.99% |

| US RATES | Last | 5 Days | Close | 12M | Close |
|----------|------|--------|-------|------|-------|
| 2Y | 4.88 | 5.08 | -0.20 | 3.50 | 1.38 |
| 5Y | 4.30 | 4.44 | -0.14 | 3.40 | 0.90 |
| 10Y | 4.18 | 4.24 | -0.06 | 3.25 | 0.93 |

| COMMODITIES | Last | 5 Days | 1 Months | YTD |
|--------------------------|-----------|--------|----------|--------|
| CRB INDEX | 284.36 | 2.21% | ↗ | 1.75% |
| WTI | 85.55 | 7.17% | ↗ | 5.14% |
| Brent | 89.49 | 5.04% | ↗ | 4.84% |
| US Natural Gas | 2.77 | 8.86% | ↗ | 8.01% |
| S&P GSCI Precious Metal | 2,567.49 | 1.26% | ↗ | -0.08% |
| Gold | 1,940.07 | 1.31% | ↗ | -0.22% |
| Silver | 24.19 | -0.16% | → | -0.48% |
| Platinum | 963.85 | 1.63% | ↗ | 3.19% |
| Palladium | 1,221.87 | -0.48% | → | -1.90% |
| S&P GSCI Ind Metal Index | 420.64 | 2.68% | ↗ | -0.15% |
| Aluminum | 2,237.00 | 3.68% | ↗ | -0.82% |
| Copper | 8,479.25 | 1.83% | ↗ | -1.34% |
| Nickel | 20,891.00 | 1.31% | ↗ | -5.65% |
| S&P GSCI Agriculture | 401.91 | -1.04% | ↘ | 0.46% |

INTERESTING FACTS

Last Week's Key Dates

August 29
USA: Consumer Confidence Conf.
 106.1 vs. expected 116.2

August 30
USA: ADP Employment Change
 177k vs. expected 198k

August 31
USA: Initial Jobless Claims
 228k vs. expected 230k

September 1
USA: Nonfarm Payrolls Change
 187k vs. expected 170k

USA: Unemployment Rate
 3.8% vs. expected 3.50%

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

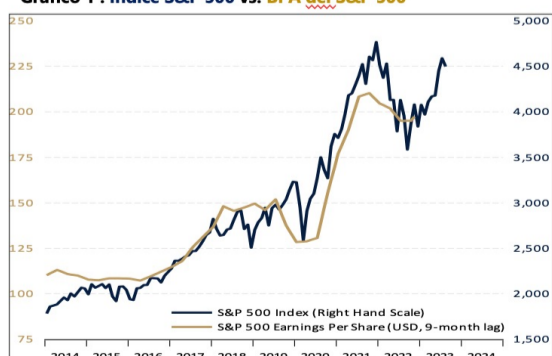
Inflation has moderated in recent months (it remained steady at 4.7% in July), but it continues to be well above the 2% target, and the Fed could raise interest rates again and keep them high for some time.

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

Theme of the Week

THE STOCK MARKET SURGE THIS YEAR CONTRASTS WITH THE FUNDAMENTALS

Gráfico 1 : Índice S&P 500 vs. BPA del S&P 500



Efficiency suggests that asset prices reflect all available information at all times. This contributes to the creation of a market that accurately reflects the fair value of assets.

Currently, we see that this is not the case, and there could be a shift in favor of fixed income compared to equities. This new analysis, linked to the economic cycle and company profitability, highlights other forms of inefficiency in the equity market. Logic would dictate that equity indices should accurately anticipate macro and microeconomic trends. However, since late 2022, the rise in stock indices contrasts with the performance of several fundamental variables.

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

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