

WEEKLY MARKET SUMMARY



Last week witnessed a **2.53%** decline in the S&P 500, marking a correction with a drop of over 10% from its 52-week high. This decline was primarily driven by a decrease in mega-cap technology stocks. Only the Utilities sector remained in the green, while Energy and Communication Services led the losses with over 6% and 5% respectively. The bond market experienced strong fluctuations, with notable figures in the industry pointing to a possible economic downturn due to the inverted Treasury yield curve since 2022.

Relevant News



- **On Monday, Chevron revealed the acquisition of Hess Corp. for \$53 billion in stock**, aiming to strengthen its operations in basins, echoing the recent acquisition of Pioneer Natural Resources by Exxon Mobil. Following the announcement, Chevron's shares dropped by 3%, while Hess' shares rose more than 2%.
- **The technology earnings season showed mixed results.** Meta Platforms briefly enjoyed a 4% after-hours earnings bump, then fell nearly 4% amid a forecast of "increased uncertainty" and "volatility." This mixed sentiment mirrored the lawsuit filed against Meta by California and more than two dozen U.S. states, accusing Instagram and Facebook of exploiting young users for profit.
- **The first reading of the U.S. GDP for the third quarter shattered estimates with an annualized expansion of 4.9%**, debunking recession forecasts and marking the strongest quarter since the fourth quarter of 2021, driven primarily by robust consumer spending.
- **Finally, General Motors' Cruise unit suspended the operations of its entire autonomous vehicle network after an incident that led the California DMV to freeze Cruise's permits.** This pause, reflecting an effort to rebuild public trust, extends beyond San Francisco to other operating cities, including Austin, Dallas, Houston, Phoenix, and Miami.

Capital Markets Monitor

GLOBAL EQUITY INDICES	Last	5 Days	1 Month	YTD
MSCI WORLD	2,731.99	-2.12%	↓ -3.83%	4.97%
MSCI EM	919.78	-0.63%	→ -3.46%	-3.83%
MSCI EM LATIN AMERICA	2,221.14	2.02%	↑ -3.49%	4.36%
MSCI AC ASIA x JAPAN	585.03	-0.71%	→ -3.22%	-5.52%
USA				
S&P 500 INDEX	4,117.37	-2.53%	↓ -3.98%	7.24%
NASDAQ COMPOSITE	12,643.01	-2.62%	↓ -4.36%	20.80%
DOW JONES INDUS. AVG	32,417.59	-2.14%	↓ -3.25%	-2.20%
RUSSELL 2000 INDEX	1,636.94	-2.61%	↓ -8.30%	-7.06%
EUROPE				
STXE 600 (EUR) Pr	429.58	-0.96%	→ -4.58%	1.10%
Euro Stoxx 50 Pr	4,014.36	-0.26%	→ -3.84%	5.82%
DAX INDEX	14,687.41	-0.75%	→ -4.54%	5.49%
CAC 40 INDEX	6,795.38	-0.31%	→ -4.76%	4.97%
FTSE MIB INDEX	27,287.45	-0.25%	→ -3.38%	15.10%
IBEX 35 INDEX	8,918.30	-1.23%	↓ -5.41%	8.38%
SWISS MARKET INDEX	10,323.71	-0.24%	→ -5.84%	-3.78%
FTSE 100 INDEX	7,291.28	-1.50%	↓ -4.16%	-2.15%
ASIA				
NIKKEI 225	30,991.69	-0.86%	→ -2.72%	18.77%
HANG SENG INDEX	17,398.73	0.59%	→ -2.31%	-12.05%
CSI 300 INDEX	3,562.39	1.48%	↑ -3.45%	-7.99%
S&P BSE SENSEX INDEX	63,782.80	-2.81%	↓ -3.11%	4.84%
LATAM				
S&P/BMV IPC	48,973.85	1.45%	↑ -3.74%	1.05%
BRAZIL IBOVESPA INDEX	113,301.40	0.13%	→ -2.80%	3.25%
MSCI COLCAP INDEX	1,093.84	-2.11%	↓ -2.48%	-14.95%
S&P/CLX IPSA (CLP) TR	5,568.35	-2.54%	↓ -3.37%	5.82%

EQUITIES SECTORS	Last	5 Days	1 Month	YTD
MSCI WORLD/UTILITY	134.47	1.22%	↑ -0.75%	-11.97%
MSCI WORLD/MATERIAL	297.99	0.39%	→ -3.57%	-4.13%
MSCI WORLD/CON STPL	249.49	-0.92%	→ -3.24%	-7.53%
MSCI WORLD/CONS DIS	329.50	-0.97%	→ -5.97%	13.15%
PHILA GOLD & SILVER INDX	115.07	-1.08%	↓ 7.07%	-4.79%
MSCI WORLD/INF TECH	498.21	-1.74%	↓ -2.40%	26.63%
MSCI WORLD/INDUSTRIL	302.25	-1.74%	↓ -5.43%	1.02%
MSCI WORLD/FINANCEVAL	95.62	-1.79%	↓ -5.72%	-9.72%
MSCI WORLD BANK INDEX	84.61	-2.56%	↓ -6.78%	-8.15%
MSCI WORLD/HLTH CARE	317.39	-3.69%	↓ -5.13%	-8.04%
MSCI WORLD/ENERGY	245.26	-4.37%	↓ -4.39%	-0.33%
MSCI WRLD/COMM SVC	83.26	-5.46%	↓ -4.12%	24.90%

US RATES	Last	5 Days	Close	12M	Close
2Y	5.00	5.07	-0.07	4.27	0.73
5Y	4.76	4.86	-0.10	4.06	0.70
10Y	4.83	4.91	-0.08	3.92	0.92

COMMODITIES	Last	5 Days	1 Months	YTD
CRB INDEX	285.10	-0.32%	→ 0.20%	2.65%
WTI	85.54	-3.62%	↓ -8.69%	6.58%
Brent	89.24	-6.11%	↓ -8.75%	9.70%
US Natural Gas	3.48	20.14%	↑ 26.01%	-22.17%
S&P GSCI Precious Metal	2,587.80	-0.05%	→ 6.62%	8.00%
Gold	2,006.37	1.26%	↑ 7.00%	10.00%
Silver	23.12	-1.09%	↓ 2.55%	-3.48%
Platinum	907.55	0.88%	→ 1.72%	-15.52%
Palladium	1,124.57	2.11%	↑ -8.26%	-37.27%
S&P GSCI Ind Metal Index	404.91	1.48%	↑ -3.65%	-10.25%
Aluminum	2,220.00	1.76%	↑ -0.80%	-6.64%
Copper	8,030.00	1.91%	↑ -0.33%	-4.00%
Nickel	18,152.00	-1.38%	↓ -3.16%	-39.26%
S&P GSCI Agriculture	396.13	-1.05%	↓ 2.66%	-15.81%

INTERESTING FACTS

Last Week's Key Dates

October 24
USA: S&P Global Manufacturing PMI
 50 compared to the forecast of 49.5

USA: S&P Global Services PMI
 50.9 compared to the expected 49.9

October 25
USA: New Home Sales
 759k vs expected 682k

October 26
USA: Initial Jobless Claims
 210k vs expected 207k

USA: Quarterly Annualized GDP
 4.90% compared to the expected 4.50%

October 27
USA: U. of Mich. Sentiment
 63.8 compared to the expected 63

Theme of the Week

WHAT ASSETS TO CONSIDER IN A RECESSIONARY SITUATION?

Gráfico 1 : S&P 500 (4'117.37); Media móvil de 200 días



In the last three months, the stock market has fallen by more than 10%. Its decline, punctuated by temporary technical rebounds, seems to be accelerating downward as prices have broken the upward channel in place since the October 2022 low.

Valuations are too high in the context of a stagnant economy. Although leading indicators are attempting to rebound, they remain near or below the threshold that separates periods of economic contraction and expansion. This means that the situation is no longer deteriorating, but the economy will continue to face challenging conditions. The rise in interest rates has not yet had a recessionary impact, but the tightening of monetary policy is gradually spreading throughout the economy.

In this environment, investors should seek safe-haven assets. Intuitively, there are five alternatives open to investors: the U.S. dollar, the Japanese yen, the Swiss franc, an ounce of gold, and/or Bitcoin.

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 recent market weakness and the fact that prices have not held the 4,200 support level show us that the possibility of reaching new highs before the end of the year has substantially diminished.

The risk of higher interest rates for a longer period has weighed on investors, pushing the 10-year yield in the US to new highs of 5% and indirectly impacting the performance of equity markets in recent weeks. This recognition by the market is putting more pressure on cyclical sectors like industrials and materials, which could be affected in the short term. We maintain a very positive long-term view on materials, but we prefer to take a defensive stance in the coming months. We will certainly overweight again once the market anticipates a change in monetary policy.

The market is deteriorating technically. The fragile macroeconomic situation, with high-interest rates, restrictive credit conditions, and negative leading indicators, forces us to exercise caution.

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

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