

WEEKLY MARKET SUMMARY



The main indices showed a positive sentiment; the S&P 500 closed with a **0.5%** increase, the Dow Jones with a **0.3%** increase, and the Nasdaq Composite with a **1.6%** increase. This was driven by a strong report on employment in the U.S., indicating the creation of 336,000 jobs, surpassing expectations. The news initially caused a drop in stocks and bonds, but the markets rebounded when the modest increase in average hourly earnings eased inflation concerns. U.S. Treasury yields ended the week higher, with the 10-year yield at 4.78% and the 30-year yield at 4.94%, a level not seen since September 2007.

Relevant News



- **The resumption of federal student loan payments marked a significant economic shift.** Starting on September 1st, loan interests were reinstated, affecting over 40 million people who owe more than \$1.6 trillion. While this is likely to curb discretionary spending, debt-to-income ratios across various consumer debt sectors remain low. Additionally, the Biden administration approved an additional \$9 billion in student loan forgiveness, which could alleviate financial strain for borrowers.
- **The removal of Kevin McCarthy as the Speaker of the U.S. House of Representatives** raised concerns about a potential federal government shutdown next month, highlighting the growing governance challenges that could negatively impact the U.S. sovereign rating. Analysts fear that this political disarray could complicate upcoming funding negotiations, further intensifying national political dysfunction.
- **Amazon is at the center of a major antitrust lawsuit by the Federal Trade Commission** and 17 U.S. states, accused of covertly developing an algorithm, Project Nessie, to potentially inflate prices, leading competitors to follow suit. Although it was halted in 2019, this lawsuit underscores ongoing scrutiny of the market practices of big tech companies and broader implications for market competition.

Capital Markets Monitor



GLOBAL EQUITY INDICES					EQUITIES SECTORS					
	Last	5 Days	1 Month	YTD		Last	5 Days	1 Month	YTD	
MSCI WORLD	2,845.23	-0.28%	→ -3.51%	9.32%	MSCI WORLD/INF TECH	522.84	2.43%	↗ -2.52%	32.89%	
MSCI EM	937.34	-1.62%	↘ -3.75%	-1.99%	MSCI WRLD/COMM SVC	88.84	2.30%	↗ -0.21%	33.28%	
MSCI EM LATIN AMERICA	2,164.66	-5.94%	↘ -5.89%	1.71%	MSCI WORLD/HLTH CARE	335.55	0.30%	→ -2.21%	-2.78%	
MSCI AC ASIA x JAPAN	598.89	-0.93%	→ -3.36%	-3.28%	PHILA GOLD & SILVER INDX	106.66	-0.76%	→ -5.75%	-11.75%	
USA					MSCI WORLD/CONS DIS	347.43	-0.85%	→ -5.20%	19.30%	
S&P 500 INDEX	4,308.50	0.48%	→ -3.34%	12.22%	MSCI WORLD/FINANCEVAL	100.26	-1.14%	↘ -1.46%	-5.33%	
NASDAQ COMPOSITE	13,431.34	1.60%	↗ -2.40%	28.33%	MSCI WORLD/INDUSTRL	315.48	-1.29%	↘ -4.57%	5.44%	
DOW JONES INDUS. AVG	33,407.58	-0.30%	→ -3.38%	0.79%	MSCI WORLD BANK INDEX	89.02	-1.91%	↘ -0.53%	-3.36%	
RUSSELL 2000 INDEX	1,745.56	-2.22%	↘ -5.72%	-0.89%	MSCI WORLD/MATERIAL	302.89	-1.98%	↘ -3.82%	-2.55%	
EUROPE					MSCI WORLD/CON STPL	251.02	-2.65%	↘ -6.05%	-6.96%	
STXE 600 (EUR) Pr	444.93	-1.17%	↘ -2.14%	4.72%	MSCI WORLD/UTILITY	131.02	-3.29%	↘ -8.56%	-14.23%	
Euro Stoxx 50 Pr	4,144.43	-0.72%	→ -2.19%	9.25%	MSCI WORLD/ENERGY	243.56	-5.05%	↘ -5.34%	-1.02%	
DAX INDEX	15,229.77	-1.02%	↘ -3.27%	9.38%	US RATES					
CAC 40 INDEX	7,060.15	-1.05%	↘ -2.49%	9.06%		Last	5 Days	Close	12M Close	
FTSE MIB INDEX	27,810.61	-1.53%	↘ -1.50%	17.31%	2Y	5.08	5.04	0.04	4.26	0.83
IBEX 35 INDEX	9,235.80	-2.04%	↘ -1.38%	12.23%	5Y	4.76	4.61	0.15	4.07	0.69
SWISS MARKET INDEX	10,837.59	-1.15%	↘ -1.01%	1.01%	10Y	4.80	4.57	0.23	3.82	0.98
FTSE 100 INDEX	7,494.58	-1.49%	↘ 0.22%	0.57%	COMMODITIES					
ASIA						Last	5 Days	1 Months	YTD	
NIKKEI 225	30,994.67	-2.71%	↘ -4.94%	18.78%	CRB INDEX	276.90	-2.68%	↘ -2.66%	-0.31%	
HANG SENG INDEX	17,485.98	0.65%	→ -3.93%	-11.60%	WTI	82.79	-8.81%	↘ -5.43%	3.15%	
CSI 300 INDEX	3,689.52	0.46%	→ -2.65%	-4.70%	Brent	88.12	-8.50%	↘ -3.50%	8.32%	
S&P BSE SENSEX INDEX	65,995.63	0.74%	→ -0.91%	8.47%	US Natural Gas	3.34	13.96%	↗ 32.99%	-25.41%	
LATAM					S&P GSCI Precious Metal	2,395.22	-1.32%	↘ -5.13%	-0.04%	
S&P/BMV IPC	49,666.50	-2.38%	↘ -5.41%	2.48%	Gold	1,833.01	-0.84%	→ -4.36%	0.49%	
BRAZIL IBOVESPA INDEX	114,169.60	-2.06%	↘ -0.99%	4.04%	Silver	21.60	-2.60%	↘ -6.76%	-9.82%	
MSCI COLCAP INDEX	1,101.97	-1.75%	↘ 3.07%	-14.31%	Platinum	881.56	-2.90%	↘ -3.56%	-17.94%	
S&P/CLX IPSA (CLP) TR	5,659.29	-2.98%	↘ -3.57%	7.55%	Palladium	1,162.78	-6.84%	↘ -4.77%	-35.14%	
					S&P GSCI Ind Metal Index	404.84	-3.67%	↘ -0.98%	-10.26%	
					Aluminum	2,239.50	-4.58%	↘ 2.10%	-5.82%	
					Copper	7,971.25	-2.94%	↘ -4.64%	-4.70%	
					Nickel	18,310.25	-0.70%	→ -10.12%	-38.73%	
					S&P GSCI Agriculture	392.86	1.81%	↗ -2.33%	-16.51%	

INTERESTING FACTS

Last Week's Key Dates

September 26
USA: Conference Board Consumer Confidence
 103 versus an expected 105.5

September 27
USA: Durable Goods Orders
 0.2% compared to an expected -0.5%

September 28
USA: Initial Jobless Claims
 204k vs. expected 215k

September 29
USA: PCE Price Index MoM
 0.4% compared to the expected 0.5%

USA: PCE Price Index YoY
 3.5%, as expected

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 "higher for longer" risk has influenced investors' minds, driving the US 10-year yield to highs of 4.88% and affecting the performance of the equity market in recent weeks.

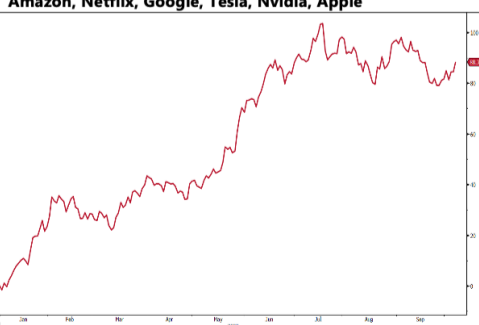
The September non-farm payrolls figure of 336,000 has significantly surpassed the consensus of 170,000, reassuring the market on one hand but also reaffirming that the Federal Reserve won't be lowering interest rates anytime soon. The Fed will face more headwinds due to a stronger-than-expected labor market and higher oil prices that will indirectly influence the CPI.

The market is deteriorating technically. The volatility and declines seen in this current correction will be key in assessing the direction for the rest of the year. Additionally, the fragile macroeconomic situation, with elevated interest rates, restrictive credit conditions, and negative leading indicators, compel us to exercise caution.

Theme of the Week

THE DEFENSIVE SECTORS SHOULD TAKE THE LEAD

Gráfico 3 : Rentabilidad YTD : FANG + (+82%) : Meta, Amazon, Netflix, Google, Tesla, Nvidia, Apple



Analyses suggest that, in the event of a bear market, stocks in the "defensive value" sector have every chance of generating better returns than the rest of the market.

Therefore, the losers of the euphoric period will be the big winners when investors return to reality. Given the relatively disappointing results of the healthcare sector over the past year, a strong rebound would not be surprising.

The recent market rally was based on investors' excessive optimism and enthusiasm for a small handful of companies. Typically, defensive sectors performed worse. Now, investors have reversed the trend. In the coming quarters, the last shall undoubtedly be first, as a potential bear market will prioritize companies operating in the basic consumer goods and healthcare sectors.

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

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