



WEEKLY MARKET SUMMARY

Monday, December 9, 2024

Wall Street extended its winning streak to three consecutive weeks, bolstered by growing optimism for a new interest rate cut by the Federal Reserve during its upcoming monetary policy meeting at the middle of this month.

The week has brought significant milestones, with the S&P 500 surpassing 6,100 points for the first time in history. The benchmark index has also exceeded the year-end targets set by most Wall Street brokerage firms, with an increase of 0.96% for the S&P 500, 3.34% for the Nasdaq, and -0.60% for the Dow.



RELEVANT NEWS

- **Bitcoin made headlines, finally crossing the \$100K** threshold after hovering just below the milestone for nearly a month. The catalyst that pushed it above \$100,000 was the appointment or the rumored nomination of a pro-crypto candidate to lead the SEC; Trump named Paul Atkins as the ideal person for this role.
- **In economic terms, the November report on non-farm payrolls in the United States was one of the standout data points.** Following a weaker-than-expected October, employment growth rebounded with 227,000 new jobs, far exceeding estimates. The unemployment rate rose slightly from 4.1% to 4.2%, indicating that the labor market continues to hold strong and could pave the way for the anticipated interest rate cut by the Federal Reserve.
- **In a somber moment, UnitedHealth (UNH) faced tragedy** when Brian Thompson, head of its insurance business, was fatally shot outside a Manhattan hotel on Wednesday. The incident occurred just before his speech at the company's annual investor conference.
- **Airline stocks adjusted their earnings forecasts upward, with American Airlines rising by 15%, while Southwest, United, and Delta** increased by around 5%, driven by high passenger traffic. On the other hand, Intel made headlines with the appointment of two new independent directors, Eric Meurice, former executive at ASML, and Steve Sanghi, interim CEO of Microchip. These appointments come shortly after Intel announced the retirement of its CEO Pat Gelsinger and his replacement by fellow CEOs David Zinsner and Michelle Johnston Holthaus.
- **Looking ahead, the Goldman Sachs U.S. Financial Services Conference begins on Tuesday, December 10, followed by the 22nd Annual Barclays Global Technology Conference on Wednesday, December 11.**



MARKET MONITOR

| GLOBAL EQUITY INDICES | Last | 5 Days | 1 Month | YTD |
|-----------------------|------------|--------|----------|---------|
| MSCI WORLD | 3,855.07 | 1.18% | ↗ 1.68% | 21.64% |
| MSCI EM | 1,105.08 | 2.46% | ↗ -2.69% | 7.94% |
| MSCI EM LATIN AMERICA | 1,998.99 | 0.01% | → -5.50% | -24.93% |
| MSCI AC ASIA x JAPAN | 721.19 | 2.51% | ↗ -2.64% | 12.42% |
| USA | | | | |
| S&P 500 INDEX | 6,090.27 | 0.96% | → 1.58% | 27.68% |
| NASDAQ COMPOSITE | 19,859.77 | 3.34% | ↗ 2.97% | 32.30% |
| DOW JONES INDUS. AVG | 44,642.52 | -0.60% | → 1.49% | 18.45% |
| RUSSELL 2000 INDEX | 2,409.00 | -1.06% | ↘ 0.39% | 18.84% |
| EUROPE | | | | |
| STXE 600 (EUR) Pr | 520.47 | 2.00% | ↗ 2.73% | 8.66% |
| Euro Stoxx 50 Pr | 4,977.78 | 3.61% | ↗ 3.64% | 10.09% |
| DAX INDEX | 20,384.61 | 3.86% | ↗ 6.08% | 21.69% |
| CAC 40 INDEX | 7,426.88 | 2.65% | ↗ 1.20% | -1.54% |
| FTSE MIB INDEX | 34,749.50 | 4.00% | ↗ 2.76% | 14.49% |
| IBEX 35 INDEX | 12,072.00 | 3.70% | ↗ 4.51% | 19.50% |
| SWISS MARKET INDEX | 11,780.65 | 0.14% | → -0.14% | 5.77% |
| FTSE 100 INDEX | 8,308.61 | 0.26% | → 2.93% | 7.44% |
| ASIA | | | | |
| NIKKEI 225 | 39,091.17 | 2.31% | ↗ -1.04% | 16.82% |
| HANG SENG INDEX | 19,865.85 | 2.28% | ↗ -4.16% | 16.53% |
| CSI 300 INDEX | 3,973.14 | 1.44% | ↗ -3.19% | 15.80% |
| SENSEX | 81,709.12 | 2.39% | ↗ 2.80% | 13.11% |
| LATAM | | | | |
| S&P/BMV IPC | 51,348.80 | 3.08% | ↗ -0.96% | -10.52% |
| BRAZIL IBOVESPA INDEX | 125,945.70 | 0.22% | → -1.47% | -6.14% |
| MSCI COLCAP INDEX | 1,377.04 | -1.08% | ↘ 3.12% | 15.21% |
| S&P/CLX IPSA (CLP) TR | 6,648.65 | 1.10% | ↗ 1.98% | 7.27% |

| EQUITIES SECTORS | Last | 5 Days | 1 Month | YTD | |
|--------------------------|--------|--------|----------|-----------|-------|
| MSCI WORLD/CONS DIS | 481.70 | 5.24% | ↗ 7.58% | 23.86% | |
| MSCI WRLD/COMM SVC | 129.35 | 3.83% | ↗ 3.62% | 34.72% | |
| MSCI WORLD/INF TECH | 814.34 | 3.55% | ↗ 2.77% | 35.93% | |
| MSCI WORLD BANK INDEX | 132.65 | 0.08% | → 2.72% | 29.32% | |
| MSCI WORLD/INDUSTR | 429.38 | -0.36% | → -0.24% | 18.39% | |
| MSCI WORLD/CON STPL | 291.30 | -0.43% | → 1.58% | 7.90% | |
| MSCI WORLD/FINANCEVAL | 146.28 | -0.63% | → 2.81% | 27.68% | |
| MSCI WORLD/HLTH CARE | 371.40 | -1.23% | ↘ -3.22% | 5.11% | |
| MSCI WORLD/MATERIAL | 346.06 | -1.25% | ↘ -2.99% | -0.34% | |
| PHILA GOLD & SILVER INDX | 147.72 | -1.83% | ↘ -5.75% | 17.53% | |
| MSCI WORLD/UTILITY | 171.26 | -2.86% | ↘ 0.08% | 14.99% | |
| MSCI WORLD/ENERGY | 254.39 | -3.62% | ↘ -2.93% | 4.13% | |
| US RATES | | | | | |
| | Last | 5 Days | Close | 12M Close | |
| 2Y | 4.10 | 4.15 | -0.05 | 4.59 | -0.49 |
| 5Y | 4.04 | 4.05 | -0.01 | 4.10 | -0.07 |
| 10Y | 4.15 | 4.17 | -0.02 | 4.10 | 0.05 |

| COMMODITIES | Last | 5 Days | 1 Months | YTD |
|--------------------------|-----------|--------|----------|---------|
| CRB INDEX | 286.34 | -0.21% | → 1.65% | 8.53% |
| WTI | 67.20 | -1.18% | ↘ -6.26% | -6.21% |
| Brent | 72.63 | -2.21% | ↘ -4.48% | -6.41% |
| US Natural Gas | 3.08 | -8.53% | ↘ 11.98% | 22.35% |
| S&P GSCI Precious Metal | 3,454.68 | -0.60% | → -1.53% | 28.60% |
| Gold | 2,633.37 | -0.37% | → -0.97% | 27.65% |
| Silver | 30.97 | 1.12% | ↗ -0.67% | 30.14% |
| Platinum | 931.55 | -1.93% | ↘ -5.71% | -6.08% |
| Palladium | 960.29 | -2.32% | ↘ -7.45% | -12.72% |
| S&P GSCI Ind Metal Index | 452.29 | 0.42% | → -1.47% | 7.02% |
| Aluminum | 2,603.50 | 0.37% | → -0.46% | 9.21% |
| Copper | 9,011.91 | 1.35% | ↗ -2.04% | 6.47% |
| Nickel | 15,824.52 | 0.98% | → -0.29% | -3.36% |
| S&P GSCI Agriculture | 379.81 | 1.89% | ↗ 3.18% | -1.81% |

KEY DATES FROM LAST WEEK

December 2

S&P Global U.S. Manufacturing PMI

Actual 49.74 vs. Survey 48.8.

ISM Manufacturing

Actual 48.4 vs. Survey 47.5.

December 4

ADP Employment Change

Actual 146,000 vs. Survey 150,000,
Rev. 184,000.

ISM Services Index

Actual 52.1 vs. Survey 55.7.

December 5

Initial Jobless Claims

224,000 Actual vs. 215,000 Survey.

December 6

Non-Farm Payroll Change

227,000 Actual vs. 220,000 Survey.

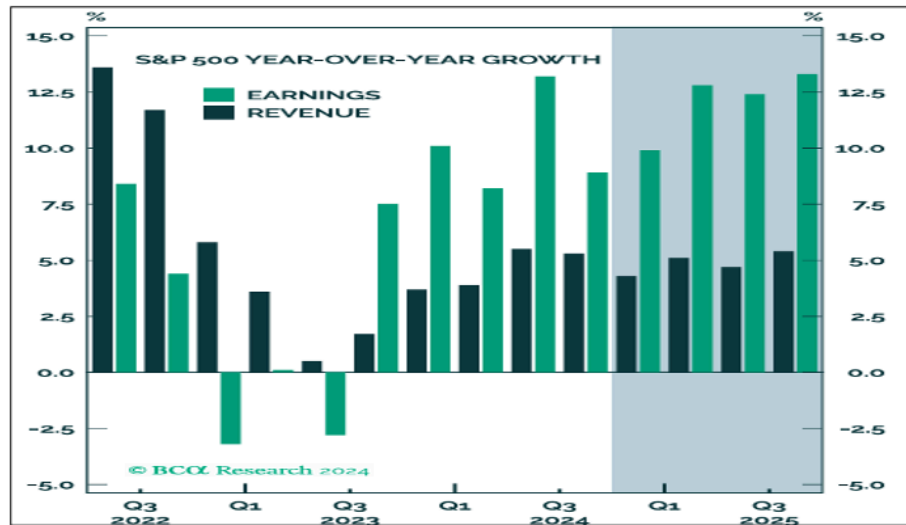
Unemployment Rate

Actual 4.2% vs. Survey 4.1%.



TOPIC OF THE WEEK

Gráfico 1 : Crecimiento interanual de los beneficios y las ventas en el 3er trimestre



Analysis of the Third Quarter 2024 Earnings Season

The third quarter of 2024 has revealed a multifaceted landscape in the U.S. equity markets, characterized by notable profit growth amid persistent market concentration. Overall profit growth reached 8.9% year-over-year, significantly exceeding initial forecasts of 5.3% (see Chart 1). This performance is even more pronounced when excluding the energy sector, which saw growth of 11.4%. Revenue growth also surpassed expectations, achieving 5.3% growth compared to the projected 4.1% (see Chart 1).

The surprise factor for profits, at 7.7%, presents an interesting dynamic, exceeding the long-term average of 5.6%, but falling short of the most recent five-year average of 8.4%. This pattern suggests a potential normalization of corporate earnings relative to analysts' expectations.

Find more information in our full report by visiting our website.

ASSET ALLOCATION VIEWS IN ON CAPITAL

The election of Donald Trump as president is changing the global landscape and boosting investor sentiment. Despite being overbought, the market remains in risk-on mode, and the dollar has strengthened significantly.

Due to the various measures the new president is about to implement, the U.S. market is now favored compared to other regions. Europe is underperforming, and emerging markets are being affected by the current strength of the dollar, which is why we have decided to underweight them. Some sectors, such as banking, are benefiting from the new regulations, which is why we decided to upgrade this sector. On the other hand, the healthcare sector will face several changes and uncertainty, leading us to downgrade it to neutral.

Overall, the market is positively oriented and could extend its gains in the coming weeks. That said, current levels are excessive, and the risk/reward ratio is quite unattractive for strategic investors. We prefer to wait for a correction to reevaluate the situation and potentially change our overall outlook.

| Asset Class | U | N | O |
|-------------------------|-----|--------|-------|
| Renta Fija | | | Green |
| Renta Variable | | Yellow | |
| Alternativos | | | Green |
| Regions (Equity) | | | |
| North America | | Yellow | |
| Europe | Red | Grey | |
| Emerging Markets | | Yellow | |
| Japan | | Yellow | |

| Equity Sectors | U | N | O |
|------------------|-----|--------|-------|
| Consumer Staples | | | Green |
| Health Care | | Yellow | |
| Telcom Services | | Yellow | |
| Utilities | | Grey | Green |
| Consumer Disc. | Red | | |
| Energy | | Yellow | |
| Financials | | | Green |
| Industrials | | Yellow | |
| Technology | | Yellow | |
| Real Estate | | Yellow | |
| Materials | | Yellow | |

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