



WEEKLY MARKET SUMMARY

Monday, January 13, 2025

Wall Street closed lower during the holidays, as a wave of economic data on the labor market and inflation caused a significant shift in expectations for interest rate cuts from the Federal Reserve. Additionally, comments from several central bank officials suggested that the cycle of rate cuts could be coming to an end, leading traders to anticipate only two rate cuts this year. The markets were closed on Thursday for a national day of mourning following the death of former President Jimmy Carter. For the week, the S&P 500 index ended with a decline of -0.71%, while the Nasdaq Composite fell -0.62% and the Dow Jones Industrial Average dropped -1.07%.



RELEVANT NEWS

- **Stronger-than-expected data on job openings for November 2024, along with a much better-than-expected report on non-farm payrolls for December 2024**, indicate that the labor market has regained its resilience after showing signs of cooling in mid-2024. This data posed a challenge to the Fed's goal of easing monetary policy. Additionally, a measure of long-term inflation expectations among consumers surged to its highest level since 2008. Market participants also received the minutes from the Fed's December 2024 monetary policy meeting, which revealed that policymakers believed they were "at or near the point" where it would be appropriate to slow the pace of rate cuts.
 - **This week, we have witnessed the wildfires ravaging Los Angeles**, with the death toll from three days of fierce wildfires reaching 10, and many areas remain under red alert due to concerns over air quality. The fires have consumed over 10,000 buildings, creating scenes described as "apocalyptic" and leaving entire neighborhoods in ruins. These areas face a difficult recovery ahead. Loss projections continue to rise, with estimates ranging from \$135 billion to \$150 billion.
- At these levels, the disaster could account for nearly 4% of California's annual GDP. This will undoubtedly cause further disruptions in the insurance and reinsurance sectors, which have already been increasing premiums for high-risk areas and canceling or refusing to issue new policies.
- Attention is now turning to the earnings season, which will begin in the second half of January. Investors are also closely monitoring the political landscape, with the upcoming inauguration of U.S. President Donald Trump drawing significant attention.



MARKET MONITOR

GLOBAL EQUITY INDICES	Last	5 Days	1 Month	YTD
MSCI WORLD	3,732.14	-1.59% ↓	-3.64%	0.66%
MSCI EM	1,057.11	-1.50% ↓	-4.51%	-1.71%
MSCI EM LATIN AMERICA	1,861.40	1.02% ↑	-6.44%	0.48%
MSCI AC ASIA x JAPAN	688.38	-1.85% ↓	-4.67%	-2.23%
USA				
S&P 500 INDEX	5,918.25	-0.71% →	-3.70%	0.62%
NASDAQ COMPOSITE	19,161.63	-0.62% →	-3.84%	-0.77%
DOW JONES INDUS. AVG	41,938.45	-1.07% ↓	-4.31%	-1.42%
RUSSELL 2000 INDEX	2,189.23	-1.90% ↓	-6.72%	-1.84%
EUROPE				
STXE 600 (EUR) Pr	511.50	0.65% →	-0.96%	0.76%
Euro Stoxx 50 Pr	4,977.26	2.17% ↑	0.19%	1.66%
DAX INDEX	20,214.79	1.55% ↑	-0.94%	1.54%
CAC 40 INDEX	7,431.04	2.04% ↑	0.29%	0.68%
FTSE MIB INDEX	35,090.23	2.82% ↑	0.58%	2.64%
IBEX 35 INDEX	11,720.90	0.59% →	-0.27%	1.09%
SWISS MARKET INDEX	11,791.91	1.44% ↑	0.83%	1.65%
FTSE 100 INDEX	8,248.49	0.30% →	-0.62%	0.92%
ASIA				
NIKKEI 225	39,190.40	-1.77% ↓	-0.71%	-1.77%
HANG SENG INDEX	19,064.29	-3.52% ↓	-4.54%	-4.96%
CSI 300 INDEX	3,732.48	-1.13% ↓	-5.10%	-5.14%
SENSEX	77,378.91	-2.33% ↓	-5.79%	-0.97%
LATAM				
S&P/BMV IPC	49,596.70	1.31% ↑	-3.92%	0.17%
BRAZIL IBOVESPA INDEX	118,856.50	0.27% →	-4.62%	-1.19%
MSCI COLCAP INDEX	1,404.94	0.38% →	1.80%	1.84%
S&P/CLX IPSA (CLP) TR	6,814.12	1.69% ↑	0.69%	1.55%

EQUITIES SECTORS	Last	5 Days	1 Month	YTD
PHILA GOLD & SILVER INDX	145.32	1.65% ↑	-1.76%	5.93%
MSCI WORLD/ENERGY	250.67	1.08% ↑	0.57%	2.99%
MSCI WORLD/HLTH CARE	359.92	0.69% →	-1.11%	2.01%
MSCI WORLD/MATERIAL	322.75	0.01% →	-5.45%	0.44%
MSCI WORLD BANK INDEX	127.92	-0.24% →	-1.93%	0.20%
MSCI WRLD/COMM SVC	129.24	-0.81% →	-2.69%	1.54%
MSCI WORLD/INDUSTRIL	406.73	-1.18% ↓	-4.19%	0.44%
MSCI WORLD/FINANCEVAL	138.27	-1.79% ↓	-3.71%	-1.34%
MSCI WORLD/CON STPL	276.03	-2.01% ↓	-5.98%	-1.17%
MSCI WORLD/CONS DIS	465.47	-2.12% ↓	-5.25%	-0.56%
MSCI WORLD/UTILITY	163.79	-2.49% ↓	-2.70%	0.01%
MSCI WORLD/INF TECH	798.26	-2.69% ↓	-3.57%	0.81%

US RATES	Last	5 Days	12M	Close	Close
2Y	4.38	4.28	0.10	4.36	0.02
5Y	4.57	4.41	0.16	3.97	0.60
10Y	4.76	4.60	0.16	4.03	0.73

COMMODITIES	Last	5 Days	1 Months	YTD
CRB INDEX	305.97	3.10% ↑	4.09%	3.12%
WTI	76.57	3.53% ↑	11.63%	6.76%
Brent	80.35	4.83% ↑	8.92%	8.43%
US Natural Gas	3.99	18.93% ↑	26.11%	9.80%
S&P GSCI Precious Metal	3,537.28	3.00% ↑	1.98%	3.73%
Gold	2,689.76	1.88% ↑	-0.17%	2.49%
Silver	30.41	2.65% ↑	-4.70%	5.21%
Platinum	965.80	2.80% ↑	2.45%	6.42%
Palladium	951.17	2.76% ↑	-2.27%	4.22%
S&P GSCI Ind Metal Index	447.09	2.86% ↑	-0.90%	2.08%
Aluminum	2,571.50	3.13% ↑	-1.42%	0.78%
Copper	8,991.86	2.55% ↑	-1.20%	3.92%
Nickel	15,450.61	3.79% ↑	-0.19%	2.25%
S&P GSCI Agriculture	381.16	1.39% ↑	0.26%	-0.45%

KEY DATES FROM LAST WEEK

January 6

Durable Goods Orders
Actual -1.20% vs. Survey -0.50%.

January 7

Trade Balance
Actual -\$78.2B vs. Survey -\$78.3B.

ISM Services Index
Actual 54.1 vs. Survey 53.5.

January 8

ADP Employment Change
Actual 122K vs. Survey 140K.

Initial Jobless Claims
Actual 201K vs. Survey 215K.

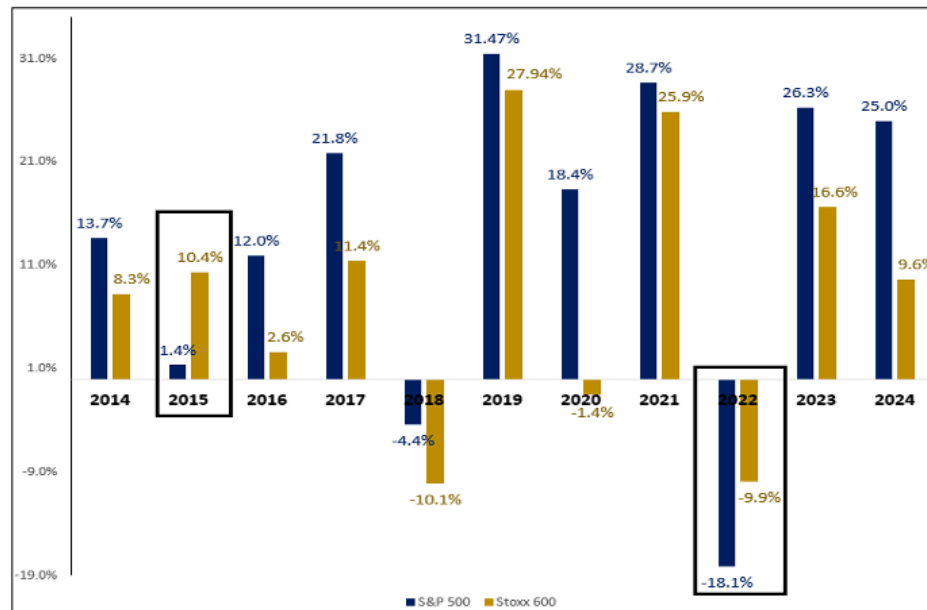
January 10

Non-Farm Payrolls Change
Actual 256K vs. Survey 165K.



TOPIC OF THE WEEK

Gráfico 1 : Rentabilidad anual : S&P 500 vs. Stoxx 600



The U.S. market has proven to be the engine of growth.

With a performance of only +9.6% in 2024, Europe has once again disappointed last year (compared to the U.S. market's 25% performance (Chart 1). Looking back over the past 10 years, the European market has consistently underperformed compared to the U.S., outperforming it only twice in the last decade... in 2015 and 2022.

During the same period, the 600 largest European companies have risen +55% (+124% including dividends), while the 500 largest U.S. companies have skyrocketed 218% (+288% including dividends) during the same time frame.

When considering the effects of the exchange rate, the difference is even greater, as the dollar has appreciated 24% against the euro.

Investors seeking to diversify their portfolios away from cyclical U.S. equities are naturally drawn to the defensive nature and attractive valuations of European markets.

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

ASSET ALLOCATION VIEWS IN ON CAPITAL

Donald Trump's election as president has changed the global landscape and boosted investor sentiment. However, hot payroll data is fueling market concerns about the trajectory of the Fed's policy.

Non-farm payrolls increased by 256,000 in December, the highest figure since March, surpassing all but one forecast in a Bloomberg survey of economists. The unemployment rate unexpectedly fell to 4.1%. Although demand for workers moderated and the unemployment rate increased in 2024, the economy still added 2.2 million jobs, down from a 3 million increase in 2023, but above the 2 million created in 2019.

Good economic news is turning into bad news for investors, who anticipate fewer rate cuts by the Fed and some challenges for companies to achieve strong results in a high-interest-rate environment. The stock market ended the week in negative territory, continuing the correction that began at the peak in early December. Since then, the S&P 500 has corrected by -4.5%, and prices are now at their lowest level in 2 months.

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	

P.H. BICSA FINANCIAL CENTER
CALLE AQUILINO DE LA GUARDIA, PISO 33, OFICINA 02

T. +(507) 388-3701
WWW.INONCAPITAL.COM



For any questions, you can contact us at research@inoncapital.com and through our social media on LinkedIn and Twitter.

APPLICABLE TERMS AND CONDITIONS

This document has been prepared by In On Capital, S.A. ENTITY REGULATED AND SUPERVISED BY THE SUPERINTENDENCY OF SECURITIES MARKET OF THE REPUBLIC OF PANAMA, with a license to operate as a Securities House No. SMV 296-2014. This Report is provided to our clients through our website (www.inoncapital.com); via email, through authorized and duly identified personnel; and/or through our platform, for the exclusive use of clients. Regardless of how you receive this report, directly or indirectly, from the means provided by In On Capital, S.A., you immediately accept and assume the APPLICABLE TERMS AND CONDITIONS. You accept that you may not copy, reproduce, correct, alter, edit, distribute or redistribute to third parties, nor carry out any commercial exploitation, unless you have the express authorization of In On Capital, S.A. This document is prepared within the legal framework of the jurisdiction that regulates In On Capital, S.A. and is not intended to contravene the regulations of other jurisdictions. This report is a general communication and its purpose is educational. It is not an advertisement, nor does it constitute an offer to buy or sell any security, nor is it a suggestion or investment advice. All opinions, analyses, prices or other information contained in this document are provided as a general market commentary and do not constitute investment advice. By virtue of the nature of this report, In On Capital will not assume any responsibility for the deterioration, losses or damages, including but not limited to, loss of profits, that may arise, directly or indirectly, from the use or reliance on the information contained in this report.