



WEEKLY MARKET SUMMARY

Tuesday 21 January 2025

Wall Street posted its best weekly performance on Friday since the post-election rally in November 2024. After a volatile December and a shaky start to the year, the bulls roared back in the last two days. The S&P 500 closed the week up 2.91%, while the Dow Jones rose 3.69%, the Nasdaq 2.45% and Bitcoin regained the \$100,000 barrier.



RELEVANT NEWS

- **On Wednesday, all three major averages posted their best intraday gain since November 6, 2024**, while the bond market also saw some much-needed relief. The main driver of the moves was the December 2024 core consumer price index reading, which surprised to the downside. Core CPI rose 0.2%, below the 0.3% forecast, and the annual rate unexpectedly fell to 3.2%. PPI rose 0.2% from the previous month and 3.3% for the year to December.
- **The favorable inflation data revived bets that the Federal Reserve will continue to ease monetary policy.** However, with resilient labor market data at the start of the month, two 25 basis point cuts are currently forecast this year, compared with three in September and December.
- **This week's sentiment was also boosted by a strong start to earnings season in the form of solid quarterly results from major banks.** JPMorgan, Citi, Wells Fargo, Goldman Sachs, Bank of America and Morgan Stanley all reported positive quarterly results driven by investment management activity and trading gains in what was a massive year for markets in 2024.
- In geopolitical headlines, Israel's cabinet has approved the ceasefire and hostage release agreement between Israel and Hamas, the prime minister's office said, after hours of deliberations. The deal, which will take effect on Sunday, will mark a pause in fighting in Gaza and the gradual release of Palestinian hostages and prisoners.
- Also in focus will be the inauguration of US President-elect Donald Trump on January 20, Martin Luther King Jr. Day. Investors remain concerned about the inflationary effects of Trump's proposed policies, including tariffs.



MARKET MONITOR

GLOBAL EQUITY INDICES	Last	5 Days	1 Month	YTD
MSCI WORLD	3,777.85	2.71% ↗	1.47%	1.89%
MSCI EM	1,070.12	1.23% ↗	-0.20%	-0.50%
MSCI EM LATIN AMERICA	1,920.16	3.16% ↗	0.54%	3.65%
MSCI AC ASIA x JAPAN	695.39	1.02% ↗	-0.54%	-1.24%
USA				
S&P 500 INDEX	5,996.66	2.91% ↗	1.11%	1.96%
NASDAQ COMPOSITE	19,630.20	2.45% ↗	0.29%	1.65%
DOW JONES INDUS. AVG	43,487.83	3.69% ↗	1.51%	2.22%
RUSSELL 2000 INDEX	2,275.88	3.96% ↗	1.49%	2.05%
EUROPE				
STXE 600 (EUR) Pr	523.62	2.37% ↗	4.27%	3.15%
Euro Stoxx 50 Pr	5,148.30	3.44% ↗	5.88%	5.15%
DAX INDEX	20,903.39	3.41% ↗	5.12%	4.99%
CAC 40 INDEX	7,709.75	3.75% ↗	5.98%	4.46%
FTSE MIB INDEX	36,267.63	3.36% ↗	7.41%	6.09%
IBEX 35 INDEX	11,916.30	1.67% ↗	3.92%	2.77%
SWISS MARKET INDEX	11,990.27	1.68% ↗	5.32%	3.36%
FTSE 100 INDEX	8,505.22	3.11% ↗	5.20%	4.06%
ASIA				
NIKKEI 225	38,451.46	-2.91% ↘	-0.65%	-3.62%
HANG SENG INDEX	19,584.06	2.73% ↗	-0.69%	-2.37%
CSI 300 INDEX	3,812.34	2.14% ↗	-2.94%	-3.11%
SENSEX	76,619.33	-0.98% →	-1.82%	-1.94%
LATAM				
S&P/BMV IPC	49,940.89	0.69% →	0.72%	0.86%
BRAZIL IBOVESPA INDEX	122,350.40	2.94% ↗	0.20%	1.72%
MSCI COLCAP INDEX	1,391.22	-0.98% →	1.68%	0.84%
S&P/CLX IPSA (CLP) TR	6,958.79	2.12% ↗	3.85%	3.71%

EQUITIES SECTORS	Last	5 Days	1 Month	YTD
MSCI WORLD/FINANCEVAL	145.48	5.21% ↗	4.20%	3.80%
MSCI WORLD/ENERGY	262.80	4.72% ↗	10.89%	7.97%
MSCI WORLD BANK INDEX	133.96	4.72% ↗	6.01%	4.93%
MSCI WORLD/MATERIAL	333.55	4.30% ↗	3.50%	3.80%
MSCI WORLD/UTILITY	168.27	3.80% ↗	3.16%	2.75%
MSCI WORLD/INDUSTRL	416.79	3.74% ↗	2.53%	2.92%
MSCI WORLD/CONS DIS	476.94	3.50% ↗	0.73%	1.89%
MSCI WORLD/INF TECH	794.99	1.71% ↗	-0.93%	0.39%
MSCI WRLD/COMM SVC	129.84	1.49% ↗	1.20%	2.02%
MSCI WORLD/CON STPL	275.59	1.19% ↗	-2.20%	-1.32%
PHILA GOLD & SILVER INDX	147.04	1.19% ↗	5.62%	7.19%
MSCI WORLD/HLTH CARE	357.41	-0.08% →	1.76%	1.30%
US RATES				
	Last	5 Days Close	12M Close	
2Y	4.28	4.38	-0.10	4.36 -0.08
5Y	4.43	4.57	-0.14	4.03 0.41
10Y	4.63	4.76	-0.13	4.10 0.53

COMMODITIES	Last	5 Days	1 Months	YTD
CRB INDEX	311.08	1.67% ↗	6.46%	4.84%
WTI	77.88	1.71% ↗	11.13%	8.59%
Brent	82.20	2.30% ↗	11.79%	10.92%
US Natural Gas	3.95	-1.03% ↘	19.35%	8.67%
S&P GSCI Precious Metal	3,587.18	1.41% ↗	4.83%	5.20%
Gold	2,703.25	0.50% →	2.13%	3.00%
Silver	30.37	-0.13% →	-0.57%	5.07%
Platinum	944.40	-2.22% ↘	0.32%	4.06%
Palladium	951.50	0.04% →	1.20%	4.26%
S&P GSCI Ind Metal Index	458.50	2.55% ↗	3.83%	4.68%
Aluminum	2,684.50	4.39% ↗	5.59%	5.21%
Copper	9,081.89	1.00% ↗	2.40%	4.96%
Nickel	15,885.58	2.82% ↗	4.04%	5.13%
S&P GSCI Agriculture	385.96	1.26% ↗	2.31%	0.80%

KEY DATES FROM LAST WEEK

January 14

PPI Final demand inter-monthly
Actual 0.20% Vs. Survey 0.40%.

January 15

Inter-monthly CPI
Actual 0.40% Vs. Survey 0.40%.

January 16

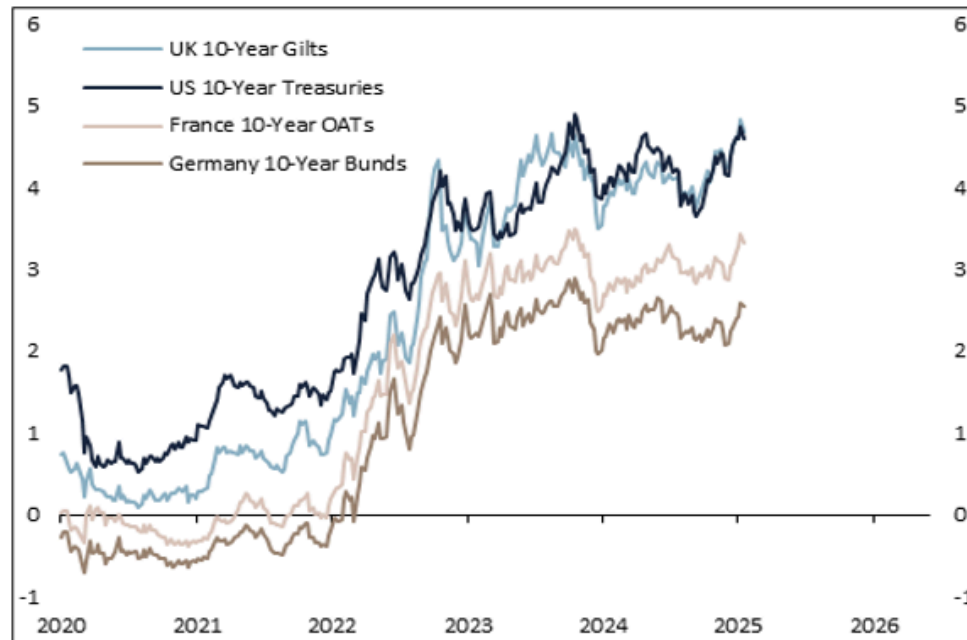
Advanced Retail Sales MoM
Actual 0.40% vs. Survey 0.60%.

Initial Jobless Claims
Actual 217k vs. Survey 210k.



TEMA DE LA SEMANA

Gráfico 1 : Rendimientos a 10 años de los distintos países



Long-term yields at a crossroads.

The global fixed-income market has entered a period of significant turmoil as yields reach levels not seen in recent memory. US 10-year Treasury yields are testing the psychologically critical 5% threshold, marking a sharp turnaround from the yield compression seen between October 2023 and October 2024 (Chart 1). European sovereign bonds have seen substantial moves, with German Bunds reaching 2.7%, French OATs climbing to 3.5% and UK Gilts soaring to 4.9%.

The temporary technical rebound is our preferred scenario of the three outlined above, primarily because investors have already priced in a significant tapering of rate cuts by the Fed. We would need a much stronger economy and inflation to see long-term yields break above key 5% levels. As mentioned above, such a situation would eventually trigger significant economic headwinds, potentially forcing a recessionary adjustment that would ultimately push yields back down.

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

IN ON CAPITAL ASSET VISION

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

Nonfarm payrolls rose 256,000 in December, the most since March, beating 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 jobless rate rose in 2024, the economy still added 2.2 million jobs, below the 3 million increase in 2023 but above the 2 million created in 2019.

Good economic news is turning into bad news for investors, who expect fewer rate cuts from the Fed and some difficulty for companies to perform well in a high interest rate environment. US 10-year yields are now the key driver for equity performance, with lower inflation figures last week allowing yields to take a breather and equity investors to return to risk-taking mode.

Asset Class	U	N	O
Renta Fija			Green
Renta Variable		Yellow	
Alternativos		Yellow	Grey
Regions (Equity)			
North America		Yellow	
Europe	Red		
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			Green
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.

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