



WEEKLY MARKET SUMMARY

Monday, February 03, 2025

Wall Street ended a turbulent week with a 1% drop on Friday, but January closed on a positive note, finishing in positive territory for the month.

The S&P 500 ended the week at -1.00%, the Nasdaq at -1.64%, while the Dow Jones Industrial Average rose by 0.27%. The spotlight this week was on the Chinese AI startup DeepSeek, which disrupted the market with its low-cost language model, sending a warning signal to U.S. tech giants that have been investing billions in AI.



RELEVANT NEWS

- Investors reassessed the inflated valuations of major tech companies, and as a result, the Information Technology sector of the S&P 500 ended January in negative territory.
- The Federal Reserve kept interest rates steady after three consecutive rate cuts to close out 2024. Fed Chair Jerome Powell indicated that inflation risks are reemerging, keeping traders on edge about the future path of monetary policy.
- The fourth-quarter earnings season brought plenty of action, with four of the “Magnificent 7” giants—Microsoft, Meta, Tesla, and Apple—reporting their results. Tesla reported fourth-quarter earnings and revenue that fell short of analysts’ estimates. Shares initially dropped in after-hours trading before rebounding. Meta had another excellent quarter to close out 2024, with revenue increasing 21% year-over-year to \$48.4 billion.
- The Federal Reserve kept its target range for the federal funds rate at 4.25%-4.50%, marking the first pause in its monetary policy adjustments since July 2023. Despite implementing three consecutive rate cuts through December 2023, the FOMC has now adopted a more cautious stance to assess the economic impact.
- Investors will have plenty to work on next week with a wealth of U.S. data, with Friday's employment report being the highlight. December's Job Openings and Labor Turnover Survey, set to be released on Tuesday, will provide another look at the employment situation. Earnings season will also continue, with notable names reporting.



MARKET MONITOR

GLOBAL EQUITY INDICES	Last	5 Days	1 Month	YTD
MSCI WORLD	3,853.49	-0.52% →	2.65%	3.93%
MSCI EM	1,093.37	0.31% →	1.88%	1.66%
MSCI EM LATIN AMERICA	2,026.16	1.87% ↗	9.96%	9.37%
MSCI AC ASIA x JAPAN	708.44	0.20% →	1.01%	0.62%
USA				
S&P 500 INDEX	6,071.17	-1.00% →	1.1%	Zoom
NASDAQ COMPOSITE	19,627.44	-1.64% ↘	0.03%	1.64%
DOW JONES INDUS. AVG	44,544.66	0.27% →	4.24%	4.70%
RUSSELL 2000 INDEX	2,287.69	-0.87% →	0.85%	2.58%
EUROPE				
STXE 600 (EUR) Pr	539.53	1.78% ↗	6.17%	6.29%
Euro Stoxx 50 Pr	5,286.87	1.29% ↗	8.53%	7.98%
DAX INDEX	21,732.05	1.58% ↗	9.17%	9.16%
CAC 40 INDEX	7,950.17	0.28% →	9.17%	7.72%
FTSE MIB INDEX	36,471.75	0.75% →	6.87%	6.69%
IBEX 35 INDEX	12,368.90	3.22% ↗	6.16%	6.67%
SWISS MARKET INDEX	12,597.09	2.52% ↗	8.37%	8.59%
FTSE 100 INDEX	8,673.96	2.02% ↗	5.47%	6.13%
ASIA				
NIKKEI 225	39,572.49	-0.90% →	-0.81%	-0.81%
HANG SENG INDEX	20,225.11	0.59% →	2.35%	0.82%
CSI 300 INDEX	3,817.08	-0.33% →	1.11%	-2.99%
SENSEX	77,736.22	3.14% ↗	-0.98%	-0.52%
LATAM				
S&P/BMV IPC	51,209.53	-0.29% →	4.60%	3.43%
BRAZIL IBOVESPA INDEX	126,134.90	3.01% ↗	6.41%	4.86%
MSCI COLCAP INDEX	1,521.74	7.51% ↗	8.99%	10.30%
S&P/CLX IPSA (CLP) TR	7,199.59	1.85% ↗	7.44%	7.30%

EQUITIES SECTORS	Last	5 Days	1 Month	YTD
MSCI WRLD/COMM SVC	137.64	2.71% ↗	7.27%	8.14%
PHILA GOLD & SILVER INDX	153.99	2.05% ↗	8.85%	12.26%
MSCI WORLD/CON STPL	286.55	1.76% ↗	2.30%	2.60%
MSCI WORLD/HILTH CARE	376.14	1.56% ↗	5.58%	6.61%
MSCI WORLD/CONS DIS	490.09	1.01% ↗	4.01%	4.70%
MSCI WORLD/FINANCEVAL	149.44	0.94% →	6.14%	6.63%
MSCI WORLD BANK INDEX	137.83	0.69% →	7.49%	7.96%
MSCI WORLD/MATERIAL	339.85	-0.43% →	5.62%	5.76%
MSCI WORLD/UTILITY	168.29	-0.86% →	0.77%	2.76%
MSCI WORLD/INDUSTRL	425.33	-1.58% ↘	4.22%	5.03%
MSCI WORLD/ENERGY	254.78	-2.94% ↘	0.49%	4.67%
MSCI WORLD/INF TECH	784.55	-3.77% ↘	-2.90%	-0.93%

US RATES	Last	5 Days	Close	12M	Close
2Y	4.20	4.27	-0.07	4.21	-0.01
5Y	4.33	4.43	-0.10	3.84	0.49
10Y	4.54	4.62	-0.08	3.91	0.63

COMMODITIES	Last	5 Days	1 Months	YTD
CRB INDEX	304.95	-1.58% ↘	2.76%	2.77%
WTI	72.53	-2.85% ↘	1.13%	1.13%
Brent	76.98	-2.32% ↘	3.88%	3.88%
US Natural Gas	3.04	-24.41% ↘	-16.21%	-16.21%
S&P GSCI Precious Metal	3,669.01	1.21% ↗	6.84%	7.60%
Gold	2,798.41	1.00% ↗	6.63%	6.63%
Silver	31.30	2.35% ↗	8.31%	8.31%
Platinum	982.56	3.27% ↗	8.26%	8.26%
Palladium	1,016.35	2.88% ↗	11.36%	11.36%
S&P GSCI Ind Metal Index	444.42	-2.20% ↘	2.25%	1.47%
Aluminum	2,594.00	-1.78% ↘	1.67%	1.67%
Copper	8,928.47	-2.49% ↘	3.19%	3.19%
Nickel	15,003.12	-2.97% ↘	-0.71%	-0.71%
S&P GSCI Agriculture	396.49	0.63% →	5.46%	3.55%

KEY DATES FROM LAST WEEK

January 27

New Home Sales
698K Actual vs. 675K Survey

January 28

Durable Goods Orders
-2.2% Actual vs. 0.60% Survey

Consumer Confidence (Conf. Board)
104.1 Actual vs. 105.7 Survey

January 29

Fed Rate Decision (Upper Bound)
4.50% Actual vs. 4.50% Survey

January 30

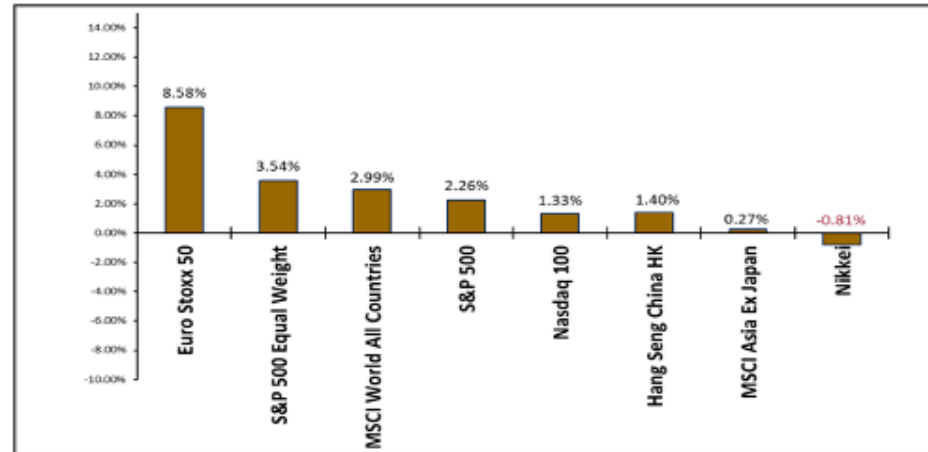
Quarterly Annualized GDP
2.30% Actual vs. 2.60% Survey

Initial Jobless Claims
207K Actual vs. 225K Survey



TOPIC OF THE WEEK

Gráfico 1 : Evolución de los índices en Enero de 2025



Maintain caution in Q1... despite January's strong results

Investors place great importance on the performance of equity markets in January, as historical patterns suggest that the results of this month can serve as an indicator for the entire year. This phenomenon is summarized in the "January Barometer," which posits that when the S&P 500 rises in January, it often signals positive annual returns, with historical data showing this correlation approximately 84% of the time since 1950.

The correlation between January's performance and annual performance is statistically high and significant. However, the technical situation is deteriorating and is in overbought territory, which leads us to believe that a deeper correction should occur during Q1. The various breadth indicators are also not supportive of an immediate continuation of the 2022-2024 rally. We advise investors to remain cautious over the coming months, as we see a high probability that the equity market will register lower prices. Reducing risk and waiting for better entry points seems to be the best strategy at the moment.

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

ASSET ALLOCATION VIEWS IN ON CAPITAL

The market is starting to get nervous as the tariffs on Canada and Mexico, imposed by President Trump, are expected to take effect very soon. This decision marks the beginning of other measures that the market is starting to price in, which will create more volatility in the coming weeks.

January has been a good month for equities, supported by a correction in 10-year U.S. Treasury yields from 4.8% to 4.5%, which provides some relief for equity investors. The Federal Reserve decided to keep the federal funds rate at 4.25%-4.5%. This is the first time in four meetings since July of last year that the Fed has left rates unchanged. Although the Fed cut interest rates three consecutive times until December of last year, it is now willing to wait and see the impact of economic policies such as the strengthening of tariffs imposed by the Trump administration.

On the market side, traders now expect between 1 and 2 rate cuts in 2025. Chair Powell noted that "uncertainty may be increasing" due to major policy changes like the strengthening of tariffs and the deportation of illegal immigrants.

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	

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