



WEEKLY MARKET SUMMARY

Tuesday, February 18, 2025

Wall Street finally broke its losing streak on Friday, with the S&P 500 closing far from its all-time high. Despite prevailing nervousness in the market, investors found reasons for optimism as key events unfolded. This week, attention was focused on tariff announcements by the President of the United States, Donald Trump. For the week, the S&P 500 index rose 1.47%, the Nasdaq gained 2.58%, and the Dow Jones Industrial Average increased by 0.55%.



RELEVANT NEWS

- **On Monday, a 25% tariff was imposed on all steel and aluminum imports, raising concerns about possible trade tensions.** On Thursday, a memorandum was signed ordering the administration to review trade relationships and explore reciprocal tariffs on a country-by-country basis. However, the lack of immediate retaliatory measures and the vagueness of the details eased market concerns, preventing a more significant sell-off.
- **The favorable report on producer inflation in January showed softer-than-expected price pressures in key components linked to the Federal Reserve's preferred inflation measure.** This helped offset the impact of a report on higher-than-expected consumer inflation earlier in the week, with an increase of 0.5% in January, accelerating from the 0.4% in December and higher than the 0.3% estimated by consensus.
- In general, while uncertainty surrounding trade policy persists, the market calmed down due to the absence of any announcement of immediate tariff escalations. Additionally, the inflation data provided some reassurance regarding the Federal Reserve's policy outlook.
- **Airbnb posted solid fourth-quarter results, with an increase of 13% and 12%,** respectively, in gross booking value and nights and experiences reserved, exceeding expectations in both cases. Roku also gained attention by presenting strong results in Q4 and offering a 2025 forecast that aligned with consensus while pointing to profitability in 2026. Twilio, on the other hand, posted mixed results in Q4 and gave weaker-than-expected forecasts for Q1.
- **Gold also made headlines by nearing its historic highs, extending its several-week rally as investors sought protection from economic uncertainty.** In a short trading week with limited data, investors will focus on U.S. real estate data for January, including housing starts on Wednesday and existing home sales on Friday.



MARKET MONITOR

GLOBAL EQUITY INDICES	Last	5 Days	1 Month	YTD
MSCI WORLD	3,898.87	1.72% ↗	3.20%	5.15%
MSCI EM	1,125.23	1.51% ↗	5.15%	4.63%
MSCI EM LATIN AMERICA	2,120.00	3.11% ↗	10.41%	14.43%
MSCI AC ASIA x JAPAN	729.11	1.60% ↗	4.85%	3.55%
USA				
S&P 500 INDEX	6,114.63	1.47% ↗	1.97%	3.96%
NASDAQ COMPOSITE	20,026.77	2.58% ↗	2.02%	3.71%
DOW JONES INDUS. AVG	44,546.08	0.55% →	2.43%	4.71%
RUSSELL 2000 INDEX	2,279.98	0.01% →	0.18%	2.23%
EUROPE				
STXE 600 (EUR) Pr	552.41	1.78% ↗	5.50%	8.82%
Euro Stoxx 50 Pr	5,493.40	3.15% ↗	6.70%	12.20%
DAX INDEX	22,513.42	3.33% ↗	7.70%	13.08%
CAC 40 INDEX	8,178.54	2.58% ↗	6.08%	10.81%
FTSE MIB INDEX	37,977.59	2.49% ↗	4.71%	11.09%
IBEX 35 INDEX	12,956.00	2.10% ↗	8.73%	11.74%
SWISS MARKET INDEX	12,839.87	1.96% ↗	7.09%	10.68%
FTSE 100 INDEX	8,732.46	0.37% →	2.67%	6.84%
ASIA				
NIKKEI 225	39,149.43	0.21% →	1.82%	-1.87%
HANG SENG INDEX	22,620.33	7.04% ↗	15.50%	12.76%
CSI 300 INDEX	3,939.01	1.19% ↗	3.32%	0.10%
SENSEX	75,939.21	-2.47% ↘	-0.89%	-2.82%
LATAM				
S&P/BMV IPC	54,077.94	2.39% ↗	8.28%	9.22%
BRAZIL IBOVESPA INDEX	128,218.60	2.89% ↗	4.80%	6.60%
MSCI COLCAP INDEX	1,552.12	2.38% ↗	11.57%	12.51%
S&P/CLX IPSA (CLP) TR	7,359.91	1.03% ↗	5.76%	9.69%

EQUITIES SECTORS	Last	5 Days	1 Month	YTD	
MSCI WORLD/INF TECH	815.76	3.78% ↗	2.61%	3.02%	
MSCI WORLD/MATERIAL	348.56	2.33% ↗	4.50%	8.48%	
MSCI WORLD/CON STPL	291.95	1.76% ↗	5.94%	4.53%	
MSCI WRLD/COMM SVC	138.92	1.76% ↗	7.00%	9.15%	
MSCI WORLD/CONS DIS	483.26	1.48% ↗	1.32%	3.24%	
MSCI WORLD/INDUSTRIL	426.74	1.43% ↗	2.39%	5.38%	
MSCI WORLD BANK INDEX	142.03	1.37% ↗	6.02%	11.25%	
MSCI WORLD/ENERGY	255.19	1.30% ↗	-2.90%	4.84%	
MSCI WORLD/UTILITY	169.06	0.96% →	0.47%	3.23%	
MSCI WORLD/FINANCEVAL	151.41	0.62% →	4.08%	8.03%	
PHILA GOLD & SILVER INDX	161.18	0.10% →	9.62%	17.49%	
MSCI WORLD/HLTH CARE	370.39	-0.93% →	3.63%	4.97%	
US RATES					
	Last	5 Days	Close	12M Close	
2Y	4.26	4.29	-0.03	4.58	-0.32
5Y	4.33	4.35	-0.02	4.24	0.09
10Y	4.48	4.49	-0.02	4.26	0.22

COMMODITIES	Last	5 Days	1 Months	YTD
CRB INDEX	312.08	1.49% ↗	0.32%	5.18%
WTI	70.74	-0.37% →	-8.72%	-1.37%
Brent	75.00	0.96% →	-8.31%	1.21%
US Natural Gas	3.73	12.57% ↗	-6.12%	2.53%
S&P GSCI Precious Metal	3,755.59	0.59% →	4.69%	10.13%
Gold	2,882.53	0.75% →	7.66%	9.83%
Silver	32.10	0.90% →	7.36%	11.08%
Platinum	983.95	0.56% →	4.43%	8.42%
Palladium	969.74	-0.15% →	3.01%	6.26%
S&P GSCI Ind Metal Index	459.06	0.53% →	0.12%	4.81%
Aluminum	2,637.50	0.36% →	3.03%	3.37%
Copper	9,490.43	2.18% ↗	5.06%	9.68%
Nickel	15,259.25	-1.79% ↘	-3.01%	0.98%
S&P GSCI Agriculture	413.05	2.63% ↗	7.02%	7.87%

KEY DATES OF THE PAST WEEK

February 12th

CPI (Consumer Price Index) Month-over-Month: Actual 0.50% vs. Forecast 0.30%.

February 13th

PPI (Producer Price Index) Final Demand Month-over-Month: Actual 0.40% vs. Forecast 0.30%.

Industrial Production Month-over-Month: Actual 0.50% vs. Forecast 0.30%.

Initial Jobless Claims: Actual 213K vs. Forecast 216K.

February 14th

Advance Month-over-Month Retail Sales: Actual -0.90% vs. Forecast -0.20%.



TOPIC OF THE WEEK

Gráfico 1 : Stoxx 600 Bancos vs. S&P 500 Bancos



European Banks Are Back!

Since the 2008 financial crisis, European banks have lagged behind due to a combination of lost competitiveness on the global stage.

In 2007, the market capitalization of European banks was double that of US banks. Today, the roles have reversed, and the market capitalization of US banks is double that of European banks. Of the ten largest banks in the world by assets, eight were European and two were US in 2007. Today, only three are European, and this includes HSBC. Total assets of the US banking sector are 70% above the 2011 level. For Eurozone banks, the corresponding figure is 17%.

Since the beginning of the year, European banks have returned to a phase of superior profitability. By rising more than 15% annually, European banks have broken an important resistance level and reached a level not seen since 2008. In relative terms, European banks are emerging from an important background process against the MSCI World and are likely to begin a long-term trend of superior profitability.

Find an extension of the information in our complete report by visiting our website.

ASSET ALLOCATION VIEWS IN ON CAPITAL

The market is starting to grow nervous about President Trump's tariff decisions, which keeps the market directionless and generally volatile.

The equity market has shown constructive behavior since the beginning of the year, and a certain sectoral rotation has occurred, which is considered healthy. The recent strength of the market has been supported by a correction in the 10-year U.S. yields, providing some relief to equity investors. Despite the recent recovery in stock prices, breadth indicators continue to deteriorate, and the number of companies trading above their 200-day moving average is strongly diverging from prices. We maintain caution in the short term.

Regarding monetary policy, the Fed lowered interest rates three consecutive times until December of last year, but for now, it remains on hold. This wait-and-see stance allows them to better assess the economic impact of the policies President Trump will implement.

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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