

LAST WEEK SUMMARY

Wall Street closed the week slightly lower, with the major indexes ending slightly lower as investors weighed new signals from the Federal Reserve and renewed optimism on the global trade front. Although equity markets retreated slightly, sentiment remained steady as headlines suggested progress on key policy fronts. For the week, the S&P 500 closed down **0.47%**, the Nasdaq down **0.27%**, and the Dow Jones down **0.16%**.

On Wednesday, the Federal Reserve held policy rates steady, in line with expectations. However, the tone of the statement and subsequent comments were slightly hawkish. Federal Reserve Chairman Jerome Powell acknowledged the possibility of stagflation and reiterated that current monetary policy is appropriate while the committee assesses evolving risks, especially those related to trade disruptions.

"We believe our monetary policy is in a good position pending further clarity on tariffs," Powell said during his post-decision press conference. On the trade front, markets found a reason to breathe easy. President Trump announced a new bilateral agreement with the United Kingdom, the

The first major agreement since the U.S. imposed sweeping reciprocal tariffs in April. The agreement, which improves market access for a range of U.S. exports, was welcomed by traders and businesses, adding hope that the momentum could grow elsewhere.

Trump also expressed renewed optimism regarding trade negotiations with China, ahead of a planned meeting between Treasury Secretary Scott Bessent and Chinese officials in Switzerland.

Meanwhile, the first-quarter earnings season continued. Walt Disney delivered one of the week's most notable reports, delivering better-than-expected results and announcing its expansion into the Middle East with plans to open a theme park in Abu Dhabi. The company also added 1.4 million new subscribers to its flagship streaming service, bringing the worldwide total to 126 million, beating consensus estimates of 123.35 million. The report helped bolster confidence in consumer engagement and the resilience of global media demand. Moreover, the cryptocurrency sector applauded Trump's stance this week, with Bitcoin reclaiming the 100,000 level and consolidating above it over the weekend.

week.

Looking ahead, markets face a busy week packed with potential catalysts. Trade talks with China are set to resume, and investors will be looking for signs of easing tensions or frameworks for further negotiations. On the economic front, the April Consumer Price Index will provide an update on inflation trends.

Inflation. With the risk of stagflation now in focus, these data could influence market expectations about the Fed's actions in the second half of the year.

Fed Chairman Powell will also speak at a conference in Washington, DC, where his comments will be closely scrutinized for any shifts in tone. Meanwhile, earnings season continues in full swing. This week's calendar includes key reports from blue-chip companies like Cisco and Walmart, which may provide further insight into corporate resilience in a changing macroeconomic environment.

FLUCTUATIONS AND MACROECONOMIC DATA

KEY DATES OF THE WEEK PASS

May 5th ISM Services Index

Current 51.6 Vs. Poll 50.2.

May 6th Trade balance

Current -\$140,500m vs. Survey -\$137,200m

May 7th FOMC Interest Rate Decision (Upper Bound)

Current 4.50% Vs. Survey 4.50%.

May 8th Initial unemployment benefit claims

Current 228K Vs. Survey 230K.

GLOBAL EQUITY INDICES	Last	5 Days	1 Month YTD
MSCI WORLD	3,711.68	-0.35% ↘ 6.93%	0.10%
MSCI EM	1,138.40	0.45% ↗ 8.92%	5.85%
MSCI EM LATIN AMERICA	2,226.29	1.54% ↗ 12.50%	20.17%
MSCI AC ASIA x JAPAN	737.37	0.54% ↗ 9.54%	4.73%
USA			
S&P 500 INDEX	5,659.91	-0.47% ↘ 5.53%	-3.77%
NASDAQ COMPOSITE	17,928.92	-0.27% ↘ 7.20%	-7.16%
DOW JONES INDUS. AVG	41,249.38	-0.16% ↘ 2.58%	-3.04%
RUSSELL 2000 INDEX	2,023.07	0.12% ↗ 8.76%	-9.29%
EUROPE			
STXE 600 (EUR) Pr	537.96	0.29% ↗ 10.51%	5.98%
Euro Stoxx 50 Pr	5,309.74	0.46% ↗ 10.91%	8.45%
DAX INDEX	23,499.32	1.79% ↗ 15.34%	18.03%
CAC 40 INDEX	7,743.75	-0.34% ↘ 8.99%	4.92%
FTSE MIB INDEX	39,369.99	2.72% ↗ 15.70%	15.16%
IBEX 35 INDEX	13,554.10	0.80% ↗ 10.32%	16.90%
SWISS MARKET INDEX	12,087.32	-1.36% ↘ 7.54%	4.19%
FTSE 100 INDEX	8,554.80	0.68% ↗ 7.42%	4.67%
ASIA			
NIKKEI 225	37,503.33	4.04% ↗ 11.66%	-5.99%
HANG SENG INDEX	22,867.74	3.38% ↗ 9.34%	14.00%
CSI 300 INDEX	3,846.16	1.88% ↗ 2.55%	-2.26%
SENSEX	79,454.47	-1.30% ↘ 5.72%	1.68%
LATAM			
S&P/BMV IPC	56,551.18	1.32% ↗ 9.81%	14.21% EM Local Currency
BRAZIL IBOVESPA INDEX	136,511.88	1.02% ↗ 6.92%	13.49%
MSCI COLCAP INDEX	1,645.40	0.21% ↗ 5.37%	19.27%
S&P/CLX IPSA (CLP) TR	8,233.13	2.41% ↗ 10.80%	22.70%

EQUITY SECTORS	Last	5 Days	1 Month YTD
PHILA GOLD & SILVER INDX	192.50	7.31% ↗ 2.39%	40.33%
MSCI WORLD BANK INDEX	140.71	0.71% ↗ 12.27%	10.21%
MSCI WORLD/INDUSTRY	436.47	0.71% ↗ 9.79%	7.78%
MSCI WORLD/FINANCEVAL	151.79	0.50% ↗ 9.17%	8.30%
MSCI WORLD/CONS DIS	434.11	0.48% ↗ 7.08%	-7.26%
MSCI WORLD/ENERGY	240.57	0.45% ↗ 5.81%	-1.17%
MSCI WORLD/INF TECH	736.91	0.38% ↗ 9.16%	-6.94%
MSCI WORLD/UTILITY	180.93	-0.12% ↘ 5.21%	10.48%
MSCI WORLD/MATERIAL	338.97	-0.28% ↘ 6.26%	5.49%
MSCI WORLD/CON STPL	301.78	-0.93% ↘ 2.27%	8.05%
MSCI WRLD/COMM SVC	125.50	-1.89% ↘ 6.04%	-1.40%
MSCI WORLD/HLTH CARE	344.92	-4.22% ↘ -0.33%	-2.25%
US RATES	Last	5 Days Close	12M Close
2 And	3.89	3.82	0.07 4.82 -0.92
5 And	4.00	3.92	0.08 4.47 -0.47
10Y	4.38	4.31	0.07 4.45 -0.07
BONDS CREDIT SPREAD	5 Days Close	12M Close	
EM Bonds Spread	314.19	324.7	-10.5 298.70 15.5
HY Bonds Spread	336.00	345.0	-9.0 343.00 -7.0
BBB 10yr Spread	188.15	189.2	-1.0 149.10 39.1
CoCos Spread	291.40	304.6	-13.2 288.10 3.3
FIXED INCOME	5 Days	1 Month YTD	
US High Yield	2,724.22	0.15% ↗ 3.00%	1.53%
EM Bonds USD	1,274.35	0.14% ↗ 2.72%	2.10%
CoCos USD	140.26	-0.09% ↘ 2.28%	5.60%
IG BBB 3-5yr USD	369.34	-0.04% ↘ 1.95%	1.48%
IG AA Corp USD	272.72	-0.19% ↘ 1.44%	1.38%

COMMODITIES	Last	5 Days	1 Months YTD
CRB INDEX	295.13	1.66% ↗ 1.62%	-0.54%
WTI	61.02	4.68% ↗ -2.13%	-14.92%
Brent	63.42	3.27% ↗ 1.30%	-14.43%
US Natural Gas	3.80	4.55% ↗ -0.55%	4.46%
S&P GSCI Precious Metal	4,299.40	3.52% ↗ 3.49%	26.08%
Gold	3,324.98	2.61% ↗ 7.86%	26.69%
Silver	32.72	2.23% ↗ 5.43%	13.22%
Platinum	1,001.29	3.72% ↗ 6.96%	10.33%
Palladium	979.86	2.45% ↗ 6.28%	7.37%
S&P GSCI Industrial Metal Index	443.78	0.61% ↗ 2.40%	1.32%
Aluminum	2,417.50	0.06% ↗ 4.38%	-5.25%
Copper	9,494.69	2.76% ↗ 10.77%	9.73%
Nickel	15,620.98	3.74% ↗ 12.58%	3.38%
S&P GSCI Agriculture	376.20	-1.63% ↘ -3.32%	-1.75%
CURRENCIES	Last	5 Days	1 Month YTD
CHF vs. USD	0.8313	-0.52% ↘ 3.09%	9.15%
JPY vs. USD	145.3700	-0.28% ↘ 1.64%	8.14%
CAD vs. USD	1.3935	-0.88% ↘ 1.05%	3.22%
EUR vs. USD	1.1250	-0.42% ↘ 2.75%	8.65%
GBP vs. USD	1.3306	0.26% ↗ 3.79%	6.31%
AUD vs. USD	0.6414	-0.31% ↘ 4.24%	3.65%
BRL vs. USD	5.6541	0.05% ↗ 3.03%	9.26%
MXN vs. USD	19.4480	0.72% ↗ 4.08%	7.09%
COP vs. USD	4,224.45	0.61% ↗ 2.24%	4.29%
CNY vs. USD	7.2382	0.46% ↗ 1.49%	0.84%
EUR vs. CHF	0.9353	-0.08% ↘ 0.36%	0.51%
DOLLAR INDEX	100.3390	0.31% ↗ -2.49%	-7.51%
BITCOIN	103,493.26	9.82% ↗ 29.56%	10.44%

KEY DATES OF THE NEXT WEEK

May 13th Monthly CPI

Survey 0.30%.

May 15th Monthly sales advance retailers

Survey 0.10%.

IPP Intermonthly final demand

Survey 0.20%.

Initial unemployment benefit claims

Survey: 230K.

Monthly industrial production

Survey: 0.10%.

May 16 U. of Michigan sentiment

Survey 53.3.

Results Season Last Week

		ESTIMATE		ACTUAL		DIFFERENCE	
DATE	COMPANY	EPS	REV	EPS	REV	EPS	REV
5/5/25	COTERRA ENERGY I	\$0.82	\$1.99 B	\$0.80	\$1.90 B	-2.8%	-4.3%
5/5/25	CLOROX CO	\$1.57	\$1.72 B	\$1.45	\$1.67 B	-7.5%	-3.0%
5/5/25	CUMMINS INC	\$4.90	\$8.16 B	\$5.96	\$8.17 B	21.6%	0.1%
5/5/25	WILLIAMS COS INC	\$0.57	\$2.92 B	\$0.60	\$3.05 B	6.0%	4.5%
5/5/25	TYSON FOODS-A	\$0.80	\$13.12 B	\$0.92	\$13.07 B	15.1%	-0.4%
5/5/25	HENRY SCHEIN INC	\$1.11	\$3.23 B	\$1.15	\$3.17 B	3.3%	-1.8%
5/5/25	ON SEMICONDUCTOR	\$0.51	\$1.40 B	\$0.55	\$1.45 B	8.7%	3.1%
5/5/25	ZIMMER BIOMET HO	\$1.77	\$1.90 B	\$1.81	\$1.91 B	2.5%	0.7%
5/5/25	REALTY INCOME	\$1.06	\$1.34 B	\$1.05	\$1.38 B	-1.1%	2.9%
5/5/25	PALANTIR TECHN-A	\$0.13	\$0.86 B	\$0.13	\$0.88 B	0.8%	2.4%
5/5/25	DIAMONDBACK ENER	\$4.17	\$3.76 B	\$4.54	\$4.05 B	8.9%	7.6%
5/5/25	VERTEX PHARM	\$4.29	\$2.85 B	\$4.06	\$2.77 B	-5.3%	-3.0%
5/6/25	CORPAY INC	\$4.52	\$1.02 B	\$4.51	\$1.01 B	-0.1%	-1.0%
5/6/25	SUPER MICRO COMP	\$0.37	\$4.76 B	\$0.31	\$4.60 B	-16.9%	-3.4%
5/6/25	ARCHER-DANIELS	\$0.66	\$21.94 B	\$0.70	\$20.18 B	5.6%	-8.1%
5/6/25	BALL CORP	\$0.70	\$2.90 B	\$0.76	\$3.10 B	8.1%	6.9%
5/6/25	DUKE ENERGY CORP	\$1.60	\$7.97 B	\$1.76	\$8.25 B	10.2%	3.5%
5/6/25	IQVIA HOLDINGS I	\$2.63	\$3.77 B	\$2.70	\$3.83 B	2.7%	1.5%
5/6/25	GARTNER INC	\$2.73	\$1.54 B	\$2.98	\$1.53 B	9.4%	-0.1%
5/6/25	INTL FLVR & FRAG	\$1.13	\$2.83 B	\$1.20	\$2.84 B	6.0%	0.5%
5/6/25	DOORDASH INC-A	\$1.03	\$3.10 B	\$0.98	\$3.03 B	-4.5%	-2.1%
5/6/25	ARISTA NETWORKS	\$0.59	\$1.97 B	\$0.65	\$2.00 B	10.5%	1.8%
5/6/25	CONSTELLATION EN	\$2.18	\$5.34 B	\$2.14	\$6.79 B	-1.6%	27.1%
5/6/25	WEC ENERGY GROUP	\$2.19	\$2.72 B	\$2.27	\$3.15 B	3.5%	15.9%
5/6/25	EXPEDITORS INTL	\$1.38	\$2.53 B	\$1.47	\$2.67 B	6.9%	5.3%
5/6/25	MARRIOTT INTL-A	\$2.24	\$6.20 B	\$2.32	\$6.26 B	3.8%	1.0%
5/6/25	ELECTRONIC ARTS	\$1.07	\$1.56 B	\$1.58	\$1.80 B	48.2%	15.7%
5/6/25	GEN DIGITAL INC	\$0.58	\$1.00 B	\$0.59	\$1.01 B	1.5%	1.2%
5/6/25	WATERS CORP	\$2.22	\$0.65 B	\$2.25	\$0.66 B	1.3%	1.1%
5/6/25	JACK HENRY	\$1.34	\$0.59 B	\$1.45	\$0.59 B	8.1%	-0.3%
5/6/25	TRANSDIGM GROUP	\$8.95	\$2.16 B	\$9.11	\$2.15 B	1.8%	-0.6%
5/6/25	DEVON ENERGY CO	\$1.24	\$3.88 B	\$1.21	\$4.45 B	-2.7%	14.8%
5/6/25	FIDELITY NATIONA	\$1.20	\$2.51 B	\$1.21	\$2.53 B	0.9%	1.1%
5/6/25	WYNN RESORTS LTD	\$1.29	\$1.74 B	\$1.07	\$1.70 B	-17.0%	-2.1%
5/6/25	ASSURANT INC	\$2.90	\$3.07 B	\$3.39	\$3.07 B	16.9%	0.2%
5/6/25	MOSAIC CO/THE	\$0.45	\$2.63 B	\$0.49	\$2.62 B	9.4%	-0.3%
5/6/25	LEIDOS HOLDINGS	\$2.50	\$4.09 B	\$2.97	\$4.25 B	18.9%	3.7%

Results Season Last Week

		ESTIMATE		ACTUAL		DIFFERENCE	
DATE	COMPANY	EPS	REV	EPS	REV	EPS	REV
5/6/25	ADV MICRO DEVICE	\$0.94	\$7.12 B	\$0.96	\$7.44 B	1.8%	4.4%
5/6/25	JACOBS SOLUTIONS	\$1.40	\$2.76 B	\$1.43	\$2.91 B	2.3%	5.3%
5/6/25	AMERICAN ELECTRI	\$1.40	\$5.34 B	\$1.54	\$5.46 B	10.1%	2.3%
5/6/25	GLOBAL PAYMENTS	\$2.67	\$2.20 B	\$2.82	\$2.20 B	5.5%	0.2%
5/6/25	ZOTIS INC	\$1.40	\$2.19 B	\$1.48	\$2.22 B	5.9%	1.2%
5/7/25	WALT DISNEY CO/T	\$1.20	\$23.05 B	\$1.45	\$23.62 B	20.6%	2.5%
5/7/25	VERISK ANALYT	\$1.68	\$0.75 B	\$1.73	\$0.75 B	2.9%	0.3%
5/7/25	AXON ENTERPRISE	\$1.25	\$0.59 B	\$1.41	\$0.60 B	13.3%	2.9%
5/7/25	DAYFORCE INC	\$0.55	\$0.48 B	\$0.58	\$0.48 B	5.8%	1.0%
5/7/25	PAYCOM SOFTWARE	\$2.57	\$0.52 B	\$2.80	\$0.53 B	8.8%	1.5%
5/7/25	EMERSON ELEC CO	\$1.42	\$4.39 B	\$1.48	\$4.43 B	4.6%	1.0%
5/7/25	ATMOS ENERGY	\$2.89	\$1.72 B	\$3.03	\$1.95 B	4.8%	13.3%
5/7/25	CDW CORP/DE	\$1.97	\$4.94 B	\$2.15	\$5.20 B	9.2%	5.2%
5/7/25	NISOURCE INC	\$0.90	\$2.09 B	\$0.98	\$2.18 B	9.5%	4.3%
5/7/25	OCCIDENTAL PETE	\$0.78	\$6.96 B	\$0.87	\$6.80 B	11.3%	-2.2%
5/7/25	UBER TECHNOLOGIE	\$0.51	\$11.62 B	\$0.83	\$11.53 B	62.4%	-0.7%
5/7/25	CORTEVA INC	\$0.88	\$4.54 B	\$1.13	\$4.42 B	28.4%	-2.7%
5/7/25	JOHNSON CONTROLS	\$0.79	\$5.64 B	\$0.82	\$5.68 B	3.3%	0.6%
5/7/25	CENCORA INC	\$4.14	\$75.63 B	\$4.42	\$75.45 B	6.8%	-0.2%
5/7/25	SKYWORKS Solutio	\$1.20	\$0.95 B	\$1.24	\$0.95 B	3.1%	0.3%
5/7/25	ROCKWELL AUTOMAT	\$2.08	\$1.97 B	\$2.45	\$2.00 B	17.8%	1.7%
5/7/25	CHARLES RIVER LA	\$2.09	\$0.94 B	\$2.34	\$0.98 B	12.0%	4.4%
5/7/25	MARKETAXESS	\$1.81	\$0.21 B	\$1.87	\$0.21 B	3.1%	-0.7%
5/7/25	BIO-TECHNE CORP	\$0.51	\$0.32 B	\$0.56	\$0.32 B	10.0%	-0.3%
5/7/25	TRIMBLE INC	\$0.59	\$0.82 B	\$0.61	\$0.84 B	3.9%	2.7%
5/7/25	CF INDUSTRIES HO	\$1.49	\$1.51 B	\$1.85	\$1.66 B	23.9%	9.9%
5/7/25	APA CORP	\$0.80	\$2.19 B	\$1.06	\$2.64 B	32.0%	20.2%
5/7/25	FORTINET INC	\$0.54	\$1.54 B	\$0.58	\$1.54 B	8.4%	0.0%
5/7/25	BUNGE GLOBAL SA	\$1.35	\$13.37 B	\$1.81	\$11.64 B	34.5%	-12.9%
5/8/25	SOLVENTUM	\$1.21	\$2.01 B	\$1.34	\$2.07 B	10.8%	2.7%
5/8/25	EPAM SYSTEMS INC	\$2.27	\$1.28 B	\$2.41	\$1.30 B	6.0%	1.6%
5/8/25	ALLIANT ENERGY	\$0.70	\$1.06 B	\$0.83	\$1.13 B	18.4%	6.0%
5/8/25	INSULET CORP	\$0.81	\$0.54 B	\$1.02	\$0.57 B	25.8%	4.7%
5/8/25	VIATRIS INC	\$0.50	\$3.25 B	\$0.50	\$3.25 B	0.8%	0.1%
5/8/25	CONOCOPHILLIPS	\$2.04	\$15.68 B	\$2.09	\$17.10 B	2.7%	9.0%
5/8/25	MOLSON COORS-B	\$0.81	\$2.42 B	\$0.50	\$2.30 B	-38.4%	-4.8%
5/8/25	PARAMOUNT GLOB-B	\$0.25	\$7.10 B	\$0.29	\$7.19 B	14.6%	1.3%

Results Season Last Week

		ESTIMATE		ACTUAL		DIFFERENCE	
DATE	COMPANY	EPS	REV	EPS	REV	EPS	REV
5/8/25	MICROCHIP TECH	\$0.10	\$0.96 B	\$0.11	\$0.97 B	5.8%	0.8%
5/8/25	MCKESSON CORP	\$9.75	\$94.02 B	\$10.12	\$90.82 B	3.8%	-3.4%
5/8/25	EVERGY INC	\$0.66	\$1.20 B	\$0.54	\$1.37 B	-18.3%	15.0%
5/8/25	MATCH GROUP INC	\$0.39	\$0.83 B	\$0.44	\$0.83 B	12.8%	0.5%
5/8/25	SEMPRA	\$1.32	\$3.86 B	\$1.44	\$3.80 B	9.2%	-1.5%
5/8/25	AKAMAI TECHNOLOG	\$1.57	\$1.01 B	\$1.70	\$1.02 B	8.0%	0.3%
5/8/25	TAPESTRY INC	\$0.88	\$1.53 B	\$1.03	\$1.58 B	16.6%	3.6%
5/8/25	MONSTER BEVERAGE	\$0.46	\$1.98 B	\$0.45	\$1.85 B	-2.4%	-6.2%
5/8/25	EXPEDIA GROUP IN	\$0.36	\$3.02 B	\$0.40	\$2.99 B	10.2%	-0.9%
5/8/25	TKO GROUP HOLDIN	\$0.56	\$0.90 B	\$0.69	\$1.27 B	23.4%	41.4%
5/8/25	FED REALTY INVS	\$1.69	\$0.31 B	\$1.70	\$0.31 B	0.7%	0.7%
5/8/25	NEWS CORP-CL A	\$0.16	\$2.00 B	\$0.17	\$2.01 B	9.0%	0.4%
5/8/25	KENVUE INC	\$0.23	\$3.69 B	\$0.24	\$3.74 B	3.9%	1.4%

Results Season Next Week

		ESTIMATE		ACTUAL		DIFFERENCE	
DATE	COMPANY	EPS	REV	EPS	REV	EPS	REV
05/12/2025	FOX CORP - B	\$0.92	\$4.18 B				
05/12/2025	SIMON PROPERTY	\$2.91	\$1.38 B				
05/12/2025	DAVITA INC	\$2.04	\$3.24 B				
05/12/2025	NRG ENERGY	\$1.51	\$6.80 B				
05/14/2025	CISCO SYSTEMS	\$0.92	\$14.05 B				
05/14/2025	STERIS PLC	\$2.60	\$1.47 B				
05/15/2025	WALMART INC	\$0.41	\$165.98 B				
05/15/2025	DEERE & CO	\$5.57	\$10.88 B				
05/15/2025	APPLIED MATERIAL	\$2.31	\$7.13 B				
05/15/2025	TAKE-TWO INTERAC	\$1.12	\$1.55 B				
05/16/2025	COPART INC	\$0.41	\$1.22 B				

Season Results T1



- Earnings growth: 66.96% of S&P 500 companies reported positive earnings growth in Q1 2025.
- Earnings surprise: 77.06% of companies exceeded earnings expectations.
- Sales growth: 67.33% of companies achieved year-over-year sales growth.
- Sales surprise: So far, only 50.67% of companies have beaten revenue estimates, the weakest of the four metrics.

Season Results T1

Crecimiento en Beneficios				
	Positivo	En línea	Negativo	%
S&P 500	300	12	136	12.30%
Materiales	14	1	10	-14.36%
Industriales	46	1	21	3.80%
Consumo Primera Necesidad	10	1	18	-6.83%
Energía	13	1	11	-12.78%
Tecnología	40	0	8	12.98%
Consumo Discrecional	19	0	20	11.69%
Comunicaciones	17	1	5	33.31%
Finanzas	57	1	19	3.54%
Salud	41	2	11	46.24%
Servicios	23	1	6	13.23%
Sector Inmobiliario	20	3	7	-0.91%

Crecimiento en las Ventas				
	Positivo	En línea	Negativo	%
S&P 500	303	21	126	4.22%
Materiales	8	3	14	-1.88%
Industriales	38	3	28	-0.48%
Consumo Primera Necesidad	7	4	18	0.16%
Energía	14	3	8	0.88%
Tecnología	41	1	6	8.48%
Consumo Discrecional	22	0	17	2.16%
Comunicaciones	16	1	6	6.51%
Finanzas	66	1	10	2.28%
Salud	37	5	13	8.90%
Servicios	28	0	2	11.18%
Sector Inmobiliario	26	0	4	5.27%

Sorpresas en Resultados				
	Positivo	En línea	Negativo	%
S&P 500	346	17	86	8.32%
Materiales	20	1	5	7.79%
Industriales	57	3	9	6.08%
Consumo Primera Necesidad	20	0	9	3.06%
Energía	13	2	9	1.85%
Tecnología	43	1	4	5.28%
Consumo Discrecional	25	1	13	11.41%
Comunicaciones	18	1	4	24.35%
Finanzas	60	2	14	5.28%
Salud	49	2	4	9.18%
Servicios	18	2	10	2.13%
Sector Inmobiliario	23	2	5	-1.41%

Ventas Sorpresa				
	Positivo	En línea	Negativo	%
S&P 500	228	93	129	0.75%
Materiales	10	7	9	2.48%
Industriales	36	13	20	0.96%
Consumo Primera Necesidad	10	6	13	0.60%
Energía	14	1	10	1.65%
Tecnología	35	10	3	1.21%
Consumo Discrecional	13	6	20	-2.27%
Comunicaciones	10	8	5	0.93%
Finanzas	27	22	27	0.61%
Salud	32	11	12	1.80%
Servicios	23	0	7	-0.60%
Sector Inmobiliario	18	9	3	0.20%

VISION OF IN ON CAPITAL SA

Asset Class	U	N	O
Renta Fija			
Renta Variable			
Alternativos			
Regions (Equity)	U	N	O
North America			
Europe			
Emerging Markets			
Japan			
Equity Sectors	U	N	O
Consumer Staples			
Health Care			
Telcom Services			
Utilities			
Consumer Disc.			
Energy			
Financials			
Industrials			
Technology			
Real Estate			
Materials			

Trump's tariff announcement on April 2 sent the S&P 500 index of U.S. stocks to its lowest level in 11 months, erasing \$5.4 trillion in market value in just two trading sessions to close out the week. It was the steepest two-day drop since the pandemic hit the U.S. in March 2020. The market has since found an intermediate bottom at 4,800 for the S&P 500, as Trump's decision to pause the tariff hikes has provided some relief and hope to the market. Although the odds of a recession are increasing and analysts are beginning to factor in this scenario, the current P/E levels of 24x are not yet fully integrated.

The S&P 500 found an intermediate bottom at 4,800, and prices have since rebounded. We continue to view this rebound as a short-term correction in a cyclical downward trend. Long-term yields remain surprisingly high considering the dollar has been in free fall since March. As inflation expectations are falling, this decorrelation between the dollar and 10-year yields could be explained by a certain investor aversion to US bonds.

THE TOPIC OF THE WEEK

Semiconductors: cheaper, but not that much

Semiconductors have historically exhibited pronounced cyclicity relative to the broader market, typically exhibiting higher beta characteristics that amplify market ups and downs. During S&P 500 uptrends, semiconductor stocks typically outperform the broader index by a significant margin, driven by increased capital spending, greater demand for computing power, and technology refresh cycles. The semiconductor industry has undergone a fundamental transformation due to artificial intelligence, shifting from its traditional cyclical nature to a more structural growth trajectory. AI applications have created unprecedented demand for specialized, high-performance chips, as advanced AI models require exponentially more computing power with each generation. This demand transcends normal business cycles as organizations view AI infrastructure as a mission-critical rather than a discretionary expense. **As evidence of this transition, from 2022 to mid-2024, the semiconductor sector has significantly outperformed the market by an impressive +70% (Chart 1).**

Conversely, during downtrends, the sector frequently experiences steeper declines as businesses delay infrastructure investments and consumers postpone discretionary electronics purchases. Sector performance is also influenced by factors outside of general market movements, such as geopolitical tensions affecting supply chains, technological advancements, and shifts in competitive dynamics.

In fact, semiconductors have been falling sharply since July 2024, losing more than -37% from peak to trough (Chart 2), underperforming the market by -30% (Chart 1).

Chart 1: SOX Index/S&P 500 Index Ratio

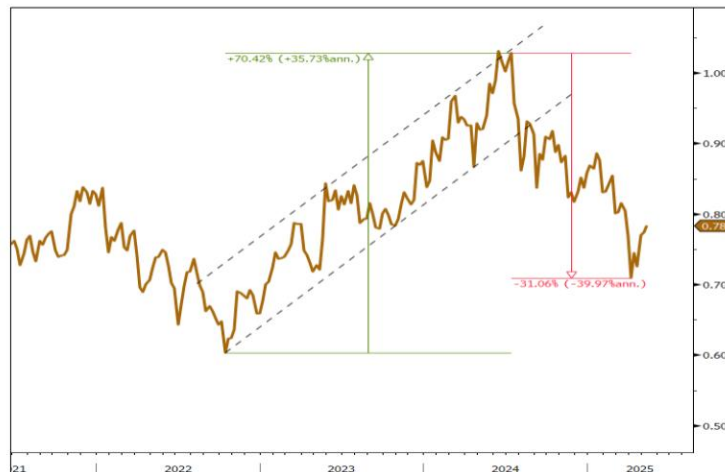


Chart 2: SOX Index (4'457.40)



THE TOPIC OF THE WEEK

China-US Situation

In April 2025, President Trump declared a national emergency over trade imbalances and specifically excluded semiconductors from broad reciprocal tariffs, noting that they would be addressed separately through targeted actions. In mid-April, Trump stated that he would soon announce the specific tariff rate on imported semiconductors and indicated that there would be "flexibility with some companies in the sector." Senior US officials will meet with Chinese authorities this weekend in Switzerland, where a tariff agreement is expected to be reached. Meanwhile, Nvidia, AMD, and Intel are increasingly forced to limit sales of AI chips to China. For its part, China has restricted exports of rare earth metals. Difficulties in obtaining supplies of gallium, germanium, and antimony, for example, are jeopardizing the manufacturing of power semiconductors and optoelectronic sensors. On the other hand, China has exempted some US-made semiconductors from its retaliatory tariffs, thereby protecting its own technology companies that rely on US chips.

Now, China's chip manufacturing capacity has increased dramatically due to the rapid construction of chip plants and investment in equipment, supported by state funds and government subsidies... to the point that some experts predict that Chinese companies could control the manufacturing of a majority of chips in every key category by 2030 (Exhibit 3). Moreover, China's share of global semiconductor wafer manufacturing capacity has increased dramatically, from near zero to approximately 25% in three decades, making it the world's largest manufacturer (Exhibit 4). Over this same period, the United States has experienced a steady decline, with its global share falling from approximately 25% to just 10%, a significant reversal of manufacturing dominance.

Chart 3: Chinese Spending on Chip Manufacturing

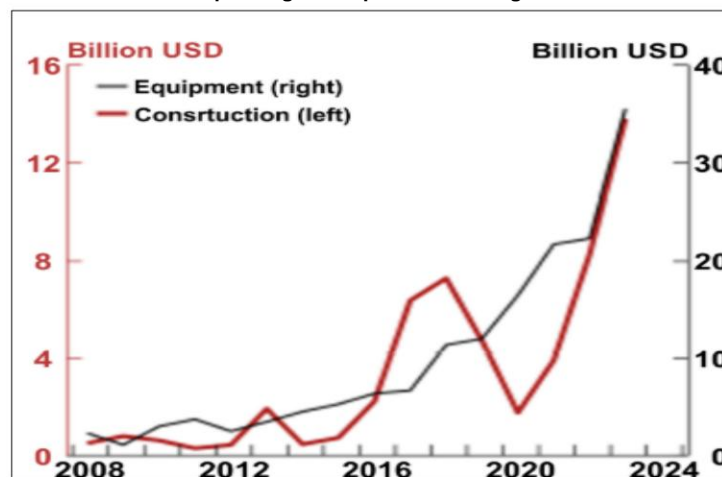
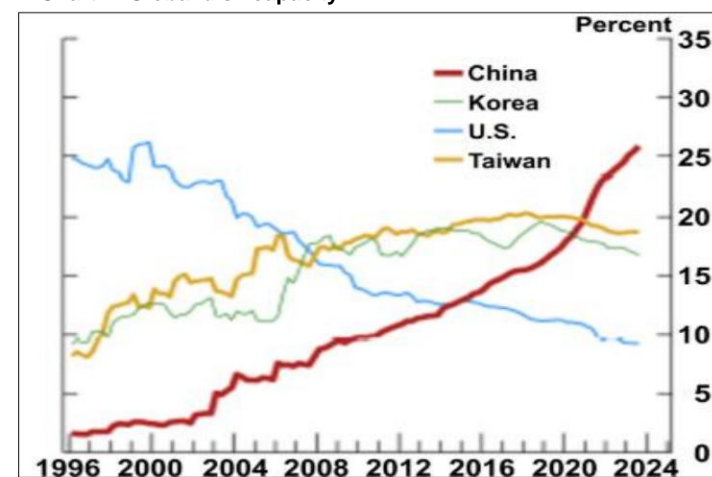


Chart 4: Global disk capacity



THE TOPIC OF THE WEEK

What can we expect from now on?

The semiconductor sector continues to be characterized by high volatility. Over the past twelve months, the shares of most manufacturers have posted negative returns. This correction can be explained by a contraction in demand in the personal computer and automotive segments, but also by a sharp adjustment in expectations surrounding advanced artificial intelligence technologies. The market, which had anticipated sustained growth in AI-related investments, was surprised by disappointing earnings reports and cautious outlooks from several industry leaders. The worsening economic climate and the freezing of several expansion projects only fueled pessimism. Despite the recent decline and the significant underperformance of the sector, the current valuation compared to the expected 12-month growth remains somewhat unattractive. **Although the current P/E has plummeted from a heavenly level of 52x to the current 35.7x, the valuation is still 30% above the long-term average** (Chart 5). **This premium could be justified by the high expected growth, but if we look at the 12-month forecast growth, the market expects only 20%, which does not necessarily justify the current valuation** (Chart 6).

Since July 2024, the semiconductor sector's stock market performance has been negative. In the United States, the SOX fell by 25%. **Over the same period, the S&P 500 has been severely impacted but has remained virtually stable** (Chart 7). **This comparison may seem disappointing, given that chip-related companies typically post twice as many results as the stock market as a whole, whether up or down** (Chart 8). Viewed from this perspective, and knowing that semiconductors lead the economic cycle, the market still appears to have some room for disappointment.

Chart 5: SOX index PER (35.7x); 10-year average (27.3x)

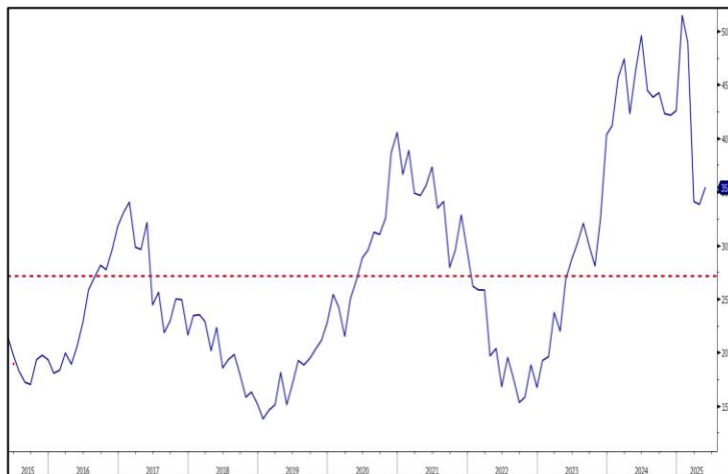
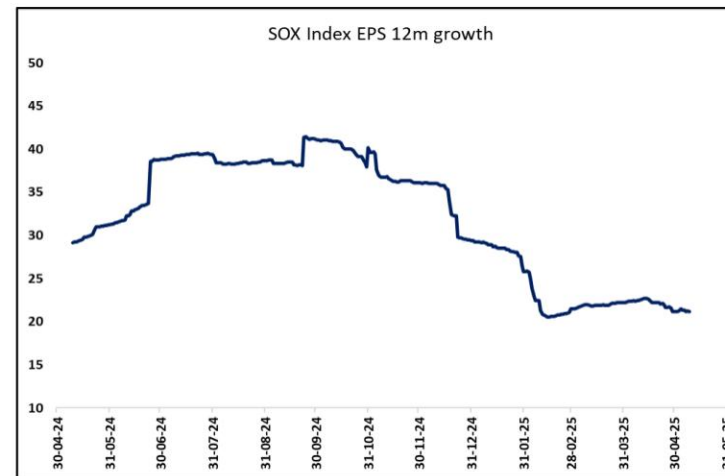


Chart 6: Expected 12-month EPS growth of the SOX index (21.2%)

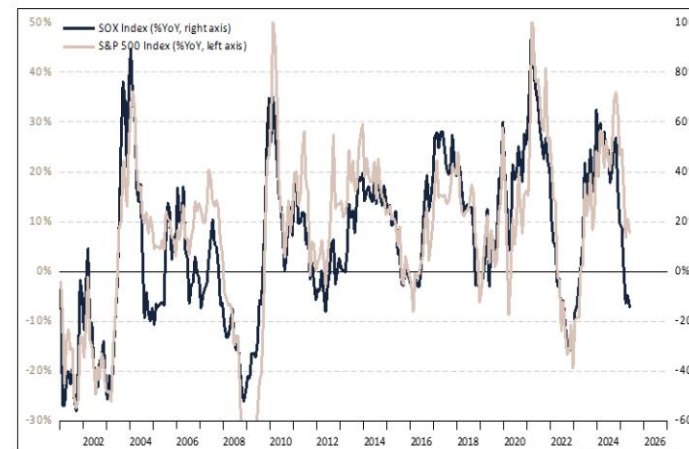


THE TOPIC OF THE WEEK

Chart 7: S&P 500 (left axis), SOX Index (right axis)



Chart 8: YoY % Return: S&P 500 (left axis), SOX Index (right axis)



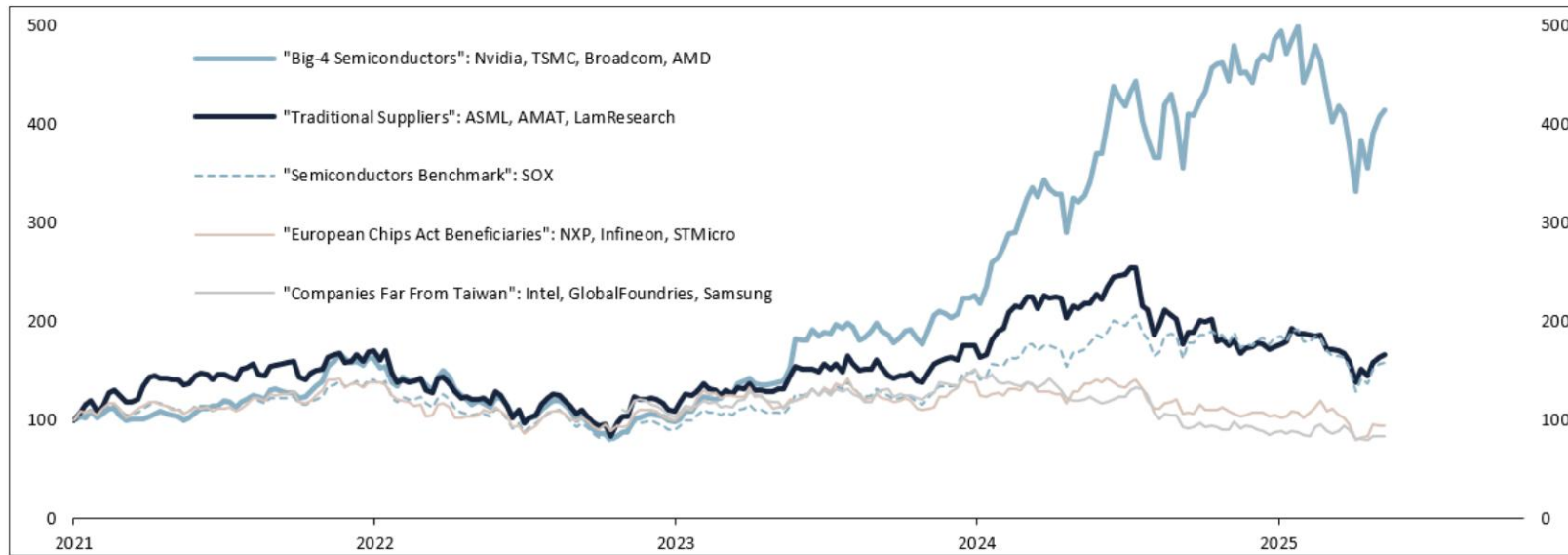
The Rise of AI

Despite this challenging context, some technology companies in general and in the semiconductor sector in particular are taking advantage of the rise of artificial intelligence. Major companies such as Microsoft, Meta, and Alphabet have invested heavily to develop their own data centers and accelerate the training of generative AI models. These initiatives are stimulating demand for GPUs (graphics processing units). **Nvidia** remains the undisputed leader in this market, with an 80% market share. Its products are present in almost all of the digital giants' AI infrastructures. However, competition is becoming more serious with the arrival of custom chips, particularly ASICs (Application-Specific Integrated Circuits). **Broadcom** and **Marvell** stand out in the niche of high-speed interface technologies, offering customized and energy-optimized alternatives.

Qualcomm is experiencing strong growth in the field of connected cars and the Internet of Things (IoT). It is developing SoCs (System-on-Chip), chips that integrate multiple components into a single circuit, designed for autonomous vehicles and smart objects. **Texas Instruments** is consolidating its position in power semiconductors, used to manage energy in industrial equipment, automobiles, and networks. Despite competition, **ASML** remains the world leader in EUV lithography machines, essential for etching the most advanced circuits. Although subject to export restrictions to China, the company continues to grow, driven by demand from its main customers, particularly in Taiwan. **TSMC**, the world's leading foundry, is pursuing its ambitious international expansion policy. To better serve its customers (Apple, Nvidia, Qualcomm) and reduce its geographical dependence on Taiwan, a geopolitically sensitive region, the company is considering building new factories in the United States, Japan, and Germany.

THE TOPIC OF THE WEEK

Chart 9: YoY % Return: S&P 500 (left axis), SOX Index (right axis)



The Big Name That Deserves Attention

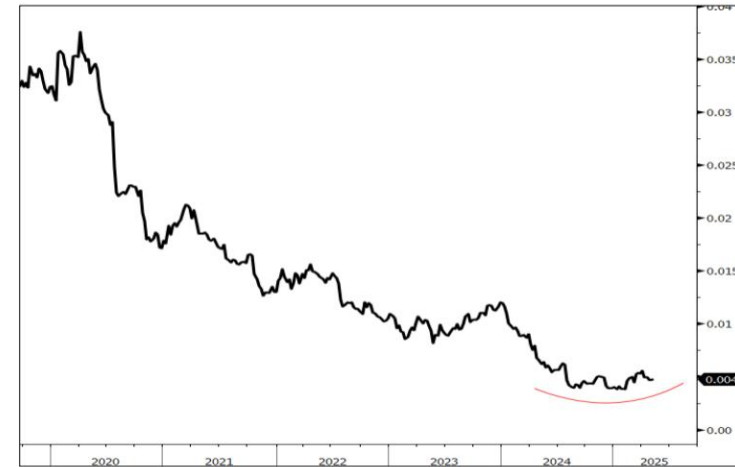
Among the industry's biggest names, **Intel** deserves more attention, as it appears to be emerging from its doldrums. Once the undisputed leader, **Intel** is currently undergoing a major industrial transformation with the aim of regaining market share against its competitors, particularly TSMC and Samsung. The microprocessor giant, lagging in AI technology and facing declining financial results, announced a major restructuring. In March 2025, Pat Gelsinger was replaced by Lip-Bu Tan as group leader. This change of leadership was followed by a massive cost-cutting plan, which included a 20% reduction in its global workforce. Intel has also decided to sell some of its non-core assets, such as its subsidiary Altera. This will allow the company to reduce its debt and refocus on its AI chip and foundry activities. Intel has also revised its European ambitions, freezing several of its projects in the Old Continent in favor of refocusing on the American market, considered more buoyant. The company plans to build new factories in Arizona, Ohio, and Oregon. This resolutely "America First" strategy is intended to capture the majority of the subsidies provided by the CHIPS Act. Finally, Intel has just signed a strategic contract with AWS (Amazon Web Services). This partnership is seen by investors as a positive sign for the group's industrial future. **Looking at the chart, Intel is bottoming out and showing signs of absolute and relative stabilization** (charts 10 and 11); the decline appears limited at this time.

THE TOPIC OF THE WEEK

Chart 10: Intel (\$21.42) / Weekly chart



Chart 11: Intel Ratio/SOX Index



CONCLUSION

The sector is cyclical and tends to ride the economic cycle to a greater extent than the broader equity market. Currently, the semiconductor sector operates in an unfavorable environment, marked by weak demand, excess production capacity, trade restrictions, and high stock market volatility. As is typical, when stock markets are in a correction phase, the companies that design, manufacture, and distribute chips suffer amplified losses.

However, the sector has already corrected significantly and remains structurally driven by the powerful technological drivers of artificial intelligence, connectivity, and computing power. Further declines could occur if trade tensions continue to escalate and the market moves toward its April lows.

Given that valuations remain expensive, we would advise investors to invest defensively, opting for multi-stage buyouts. The other solution would be to invest in a structured solution with a low strike, which would further limit risk and allow for a better entry point in the event of further declines.

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