

## LAST WEEK SUMMARY

Wall Street closed out a volatile week in which markets reacted sharply to a series of bold policy measures from Washington. At the center of the storm was President Donald Trump's recently unveiled tax overhaul, the "One Big Beautiful Bill Act," a sweeping 1,000-page reform package that reignited debate over fiscal responsibility and government spending. For the week, the S&P 500 closed down **2.61%**, while the Nasdaq fell **2.47%** and the Dow Jones Industrial Average also fell **2.47%**.

The legislation, which narrowly passed the House of Representatives in a 215-214 vote, proposes approximately \$3.8 trillion in tax cuts. It includes an extension of Trump's 2017 tax cuts and additional funding for expanded border security and mass deportation efforts. The most contentious elements of the bill involve stricter eligibility requirements for social safety net programs. Proposed changes to Medicaid are expected to generate \$625 billion in savings over the next decade, while revisions to the Supplemental Nutrition Assistance Program could reduce costs by another \$300 billion.

Markets grew increasingly concerned about the bill's impact on the bulging U.S. fiscal deficit. This concern triggered a sharp selloff in bonds midweek, pushing yields higher and weighing on equities.

After clearing the House of Representatives hurdle, the bill now heads to the Senate, where debate is expected to advance. But at the end of the week, market attention returned to trade. On Friday, President Trump reignited tensions by threatening new tariffs on Apple products and imports from the European Union, just days after a fragile calm emerged from a temporary trade truce between the United States and China. The move served as a reminder that trade disruptions remain a living risk capable of shaking markets without warning.

Meanwhile, Bitcoin grabbed the headlines. The world's largest cryptocurrency hit a new all-time high, surpassing \$111,000, amid renewed regulatory optimism in the U.S. The rally coincided with the 15th anniversary of the first commercial blockchain transaction, a symbolic milestone.

which sparked interest among both individuals and institutions.

Overall, the week highlighted how quickly market sentiment can swing in a politically driven environment. From tax legislation to trade tensions and digital assets, investors were once again reminded of the importance of remaining agile in a headline-sensitive market landscape.

# FLUCTUATIONS AND MACROECONOMIC DATA

## KEY DATES OF THE WEEK PASS

### May 19 Leading index

Current -1.00% Vs. Survey -1.00%.

### May 22nd Initial unemployment benefit claims

Current 227K Vs. Survey 230K.

### Existing home sales

Current 4.00m Vs. Survey 4.10m.

### May 23rd New home sales

Current 743K Vs. Poll 695K.

GLOBAL EQUITY INDICES	Last	5 Days	1 Month YTD
MSCI WORLD	3,802.77	-1.57% <span>↘</span> 5.09%	2.56%
MSCI EM	1,170.98	-0.12% <span>↘</span> 6.73%	8.88%
MSCI EM LATIN AMERICA	2,248.55	-0.31% <span>↘</span> 2.42%	21.37%
MSCI AC ASIA x JAPAN	762.15	-0.05% <span>↘</span> 8.06%	8.25%
USA			
S&P 500 INDEX	5,802.82	-2.61% <span>↘</span> 5.02%	-1.34%
NASDAQ COMPOSITE	18,737.21	-2.47% <span>↘</span> 7.79%	-2.97%
DOW JONES INDUS. AVG	41,603.07	-2.47% <span>↘</span> 3.71%	-2.21%
RUSSELL 2000 INDEX	2,039.85	-3.47% <span>↘</span> 4.20%	-8.53%
EUROPE			
STXE 600 (EUR) Pr	545.13	-0.75% <span>↘</span> 4.74%	7.39%
Euro Stoxx 50 Pr	5,326.31	-1.86% <span>↘</span> 3.34%	8.79%
DAX INDEX	23,629.58	-0.58% <span>↘</span> 6.24%	18.69% <b>US RATES</b>
CAC 40 INDEX	7,734.40	-1.93% <span>↘</span> 2.63%	4.79%
FTSE MIB INDEX	39,475.36	-2.90% <span>↘</span> 5.69%	15.47%
IBEX 35 INDEX	14,104.10	0.28% <span>↗</span> 5.61%	21.64%
SWISS MARKET INDEX	12,198.69	-1.11% <span>↘</span> 2.15%	5.15%
FTSE 100 INDEX	8,717.97	0.38% <span>↗</span> 3.60%	6.67%
ASIA			
NIKKEI 225	37,160.47	-1.57% <span>↘</span> 4.07%	-6.85%
HANG SENG INDEX	23,601.26	1.10% <span>↗</span> 7.37%	17.65%
CSI 300 INDEX	3,882.27	-0.18% <span>↘</span> 2.52%	-1.34%
SENSEX	81,721.08	-0.74% <span>↘</span> 3.17%	4.58%
LATAM			
S&P/BMV IPC	58,410.37	0.73% <span>↗</span> 2.98%	17.97% EM Local Currency
BRAZIL IBOVESPA INDEX	137,824.29	-0.98% <span>↘</span> 2.29%	14.58%
MSCI COLCAP INDEX	1,654.73	0.47% <span>↗</span> 0.79%	19.94%
S&P/CLX IPSA (CLP) TR	8,399.59	-0.14% <span>↘</span> 5.10%	25.18%

EQUITY SECTORS	Last	5 Days	1 Month YTD
PHILA GOLD & SILVER INDX	192.10	7.71% <span>↗</span> 3.28%	40.04%
MSCI WORLD/CON STPL	304.87	0.75% <span>↗</span> 1.82%	9.16%
MSCI WORLD/UTILITY	183.76	0.33% <span>↗</span> 3.24%	12.20%
MSCI WORLD/MATERIAL	344.06	0.03% <span>↗</span> 3.29%	7.07%
MSCI WRLD/COMM SVC	132.34	-0.16% <span>↘</span> 7.71%	3.97%
MSCI WORLD BANK INDEX	145.89	-0.19% <span>↘</span> 7.56%	14.27%
MSCI WORLD/INDUSTRY	450.53	-0.67% <span>↘</span> 8.10%	11.26%
MSCI WORLD/HLTH CARE	342.10	-0.79% <span>↘</span> -3.28%	-3.04%
MSCI WORLD/FINANCEVAL	154.27	-1.23% <span>↘</span> 5.06%	10.07%
MSCI WORLD/CONS DIS	449.00	-2.42% <span>↘</span> 5.86%	-4.08%
MSCI WORLD/ENERGY	239.10	-2.82% <span>↘</span> -0.46%	-1.77%
MSCI WORLD/INF TECH	767.60	-3.24% <span>↘</span> 8.68%	-3.07%

	Last	5 Days Close	12M Close
2Y	3.99	4.00	-0.01 4.94
5Y	4.08	4.09	-0.01 4.53
10Y	4.51	4.48	0.03 4.48

BONDS CREDIT SPREAD	5 Days Close	12M Close
EM Bonds Spread	301.94	299.3 2.6 297.91 4.0
HY Bonds Spread	318.00	298.0 20.0 347.00 -29.0
BBB 10yr Spread	189.90	180.3 9.6 142.70 47.2
CoCos Spread	264.40	263.9 0.5 279.00 -14.6

FIXED INCOME	5 Days	1 Month YTD
US High Yield	2,734.86	-0.47% <span>↘</span> 0.81%
EM Bonds USD	1,277.26	-0.29% <span>↘</span> 0.20%
CoCos USD	141.02	0.59% <span>↗</span> 0.46%
IG BBB 3-5yr USD	368.93	-0.44% <span>↘</span> -0.56%
IG AA Corp USD	271.07	-0.71% <span>↘</span> -1.45%

COMMODITIES	Last	5 Days	1 Months YTD
CRB INDEX	296.66	0.20% <span>↗</span> -0.60%	-0.02%
WTI	61.53	-1.54% <span>↘</span> -1.19%	-14.21%
Brent	65.53	0.70% <span>↗</span> -2.11%	-11.57%
US Natural Gas	3.33	0.00% <span>↔</span> 10.32%	-8.23%
S&P GSCI Precious Metal	4,345.53	5.47% <span>↗</span> 2.76%	27.44%
Gold	3,357.51	4.80% <span>↗</span> 2.10%	27.93%
Silver	33.48	3.66% <span>↗</span> -0.30%	15.83%
Platinum	1,097.49	10.70% <span>↗</span> 12.46%	20.93%
Palladium	999.36	3.61% <span>↗</span> 6.18%	9.50%
S&P GSCI Industrial Metal Index	450.62	0.56% <span>↗</span> 1.99%	2.89%
Aluminum	2,463.50	-0.73% <span>↘</span> 1.30%	-3.45%
Copper	9,641.14	1.71% <span>↗</span> 2.97%	11.42%
Nickel	15,405.66	-0.32% <span>↘</span> -0.32%	1.95%
S&P GSCI Agriculture	379.38	0.86% <span>↗</span> -3.28%	-0.92%

CURRENCIES	Last	5 Days	1 Month YTD
CHF vs. USD	0.8211	2.01% <span>↗</span> 1.16%	10.51%
JPY vs. USD	142.5600	2.20% <span>↗</span> 0.62%	10.27%
CAD vs. USD	1.3731	1.73% <span>↗</span> 1.10%	4.76%
EUR vs. USD	1.1362	1.78% <span>↗</span> 0.41%	9.74%
GBP vs. USD	1.3537	1.91% <span>↗</span> 2.14%	8.16%
AUD vs. USD	0.6488	1.28% <span>↗</span> 2.01%	4.85%
BRL vs. USD	5.6467	0.33% <span>↗</span> 1.10%	9.40%
MXN vs. USD	19.2404	1.20% <span>↗</span> 2.04%	8.25%
COP vs. USD	4,150.95	0.61% <span>↗</span> 3.75%	6.14%
CNY vs. USD	7.1810	0.45% <span>↗</span> 1.48%	1.65%
EUR vs. CHF	0.9331	0.22% <span>↗</span> 0.74%	0.75%
DOLLAR INDEX	99.1120	-1.96% <span>↘</span> -0.73%	-8.64%
BITCOIN	108,361.79	2.73% <span>↗</span> 15.95%	15.63%

## KEY DATES OF THE NEXT WEEK

### May 27th Durable goods orders

Survey -7.80%.

### Consumer Confidence Index

### May 29th Annualized quarterly GDP

### Initial unemployment benefit claims

Survey 230K.

### May 30th Personal income

### Personal expenses

### U. of Michigan sentiment

# 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			

After two days of high-level talks in Switzerland, tensions between the United States and China have dramatically eased. The world's two largest economies agreed to reduce tariffs on each other's products for three months to work on a broader agreement. Since the April lows, the market has rallied more than 23%, and recession risks are now significantly reduced due to the reduction in tariffs between China and the US.

Prices have recovered above their 20-week moving averages, and the likelihood of a return to April's lows has significantly decreased. The computer sector, and the semiconductor subsector in particular, have led the market recovery.

That said, we continue to see little upside for the equity market at this level, as the PE has returned to 25.5x and the economic situation continues to show signs of slowing.

## THE TOPIC OF THE WEEK

### The healthcare sector at attractive levels

The healthcare sector is undergoing significant regulatory changes at the federal level. In particular, the Department of Health and Human Services is implementing the order President Trump's executive order aimed at reducing prescription drug costs through a "most favored nation" pricing model. This initiative represents a continuation of ongoing efforts to address pharmaceutical pricing practices that have been so focused on by the administration current as the previous ones. In addition, the healthcare sector faces constant challenges related to global supply chains and trade policies. Recent Changes in global trade policy, including new tariffs and possible additional trade restrictions, have increased uncertainty and risks in the sector. sanitary.

Despite the fact that the healthcare sector has demonstrated its traditionally defensive characteristics during the market downturn in March-April of this year, the sector continued to penalized compared to the global market. **With a year-on-year performance of -2.1%, the healthcare sector has not recovered from the April lows as much as the market and its performance is underperforming the MSCI World by -5.4% (Chart 1).** In fact, the underperformance trend began in October of last year, anticipating the new reforms that were coming this year with the new President Donald Trump. **Since then, the gap between the sector and the market performance has widened has been expanding, the MSCI World is at +21% compared to a poor -2.2% for the health sector (chart 2).**

Chart 1: Year-on-year performance: **MSCI Health Care (-2.1%); MSCI World (+3.3%)**

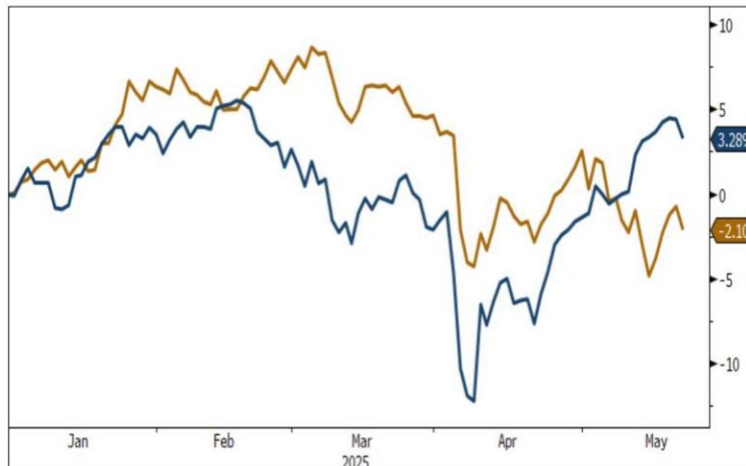
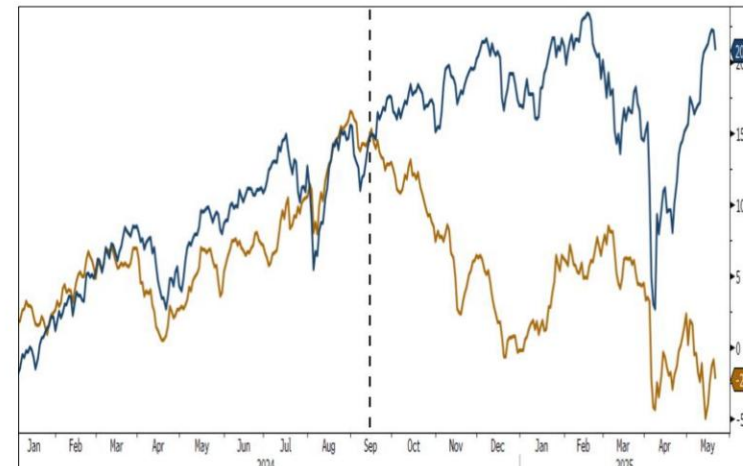


Chart 2: 09.2024 until now: **MSCI Health Care (-2.2%); MSCI World (+20.8%)**



# THE TOPIC OF THE WEEK

**Low valuation and strong Q1 results** Despite recent poor results and threats, we find the healthcare sector attractive today. **The healthcare sector is currently trading at a significant discount to the broader market, with an expected P/E of 16.8%, well below the global market and its own long-term historical average of 18.3 times** (Chart 3). This valuation gap is particularly notable given the sector's historical tendency to trade at multiples above or in line with the global market.

Despite these compressed valuations, healthcare companies have demonstrated strong fundamental performance. **In the first quarter of 2025, 90% of healthcare companies in the S&P 500 reported earnings above consensus estimates, the highest percentage of any sector. Earnings growth of 13.6% exceeded both the 5-year average of 11.3% and the 10-year average of 8.9%** (Exhibit 4). Revenue growth also increased to 8.8% from initial estimates of 7.7%. Moreover, the sector has shown balanced forecasts, with 50% of companies issuing positive forecasts and 50% issuing negative forecasts, a more favorable ratio than most other sectors.

**From a technical perspective, the sector appears to have bottomed. On the monthly chart, prices are now near the lower Bollinger Band, which represents two standard deviations from the 20-month moving average** (Chart 5). The probability of prices sustaining at these levels is high. More specifically, prices have returned to an important support zone represented by several lows reached in 2023. **On the weekly chart, prices are forming bullish divergences with momentum indicators, providing positive signals of a bottoming process** (Chart 6).

Chart 3: MSCI Health Care fwd P/E (16.8X)

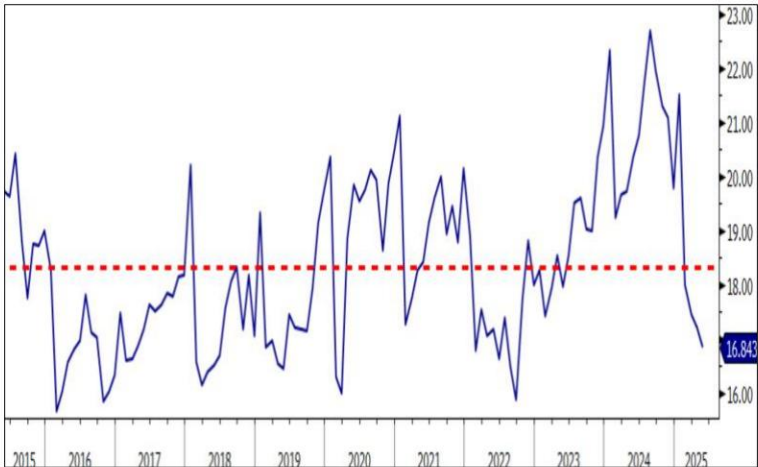
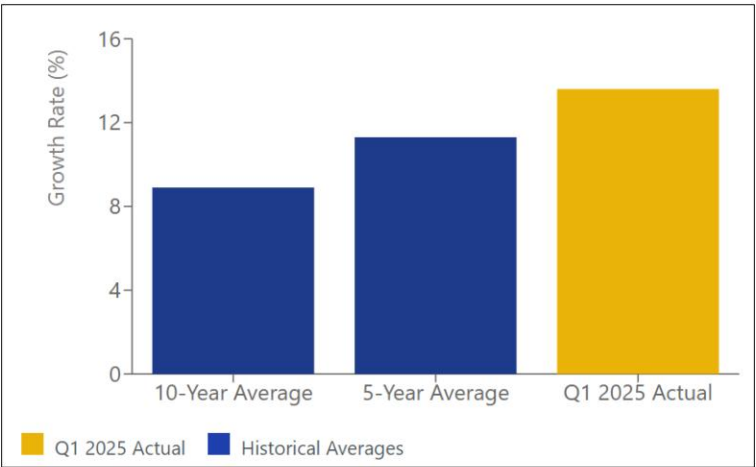


Chart 4: Historical comparison of profit growth for healthcare companies



## THE TOPIC OF THE WEEK

Chart 5: MSCI Health Care Index (345.40) / Monthly Chart



Chart 6: MSCI Health Care Index (345.40) / Weekly Chart



**Short-term pain but long-term growth thanks to AI.** Trump signed an executive order on May 12, 2025, implementing a "most favored nation" pricing model that aims to reduce US drug prices by 50% to 90%. The order gives pharmaceutical companies 30 days to voluntarily reduce their prices to match those of other developed nations. The price gap is considerable: American patients currently pay up to 445% more than their French counterparts for the same medications, and the United States typically pays nearly three times more for prescription drugs than other developed countries.

The biopharmaceutical sector has raised several major concerns. Industry leaders warn that the policy could threaten investment in R&D and future drug development. Pharmaceutical companies could introduce new drugs at higher prices abroad, delay drug launches in lower-cost markets, or withdraw entirely from unprofitable markets. Major companies are reconsidering their investment plans, and Roche may reconsider its recently announced \$50 billion investment plan in the United States. Some pharmaceutical company executives have described the policy as an "existential threat" to life science innovation in the United States.

However, the sector is experiencing rapid advances in biotechnology, particularly in gene editing, cell therapies, and next-generation protein engineering. The integration of AI into drug discovery, clinical trials, and personalized medicine is emerging as a key growth driver, with 85% of biopharmaceutical executives planning to invest in data, digitalization, and AI in R&D by 2025. The **global biopharmaceutical market is projected to grow significantly, with estimates ranging from \$666.41 billion in 2025 to \$1,183.87 billion in 2032** (Exhibit 7).

**The Asia-Pacific region is expected to show the fastest growth with a CAGR of 11.2% during 2024-2030, driven by rising healthcare spending and government investments** (Chart 8).



# THE TOPIC OF THE WEEK

Chart 7: Global Biopharmaceutical Market Projection (2025-2032)

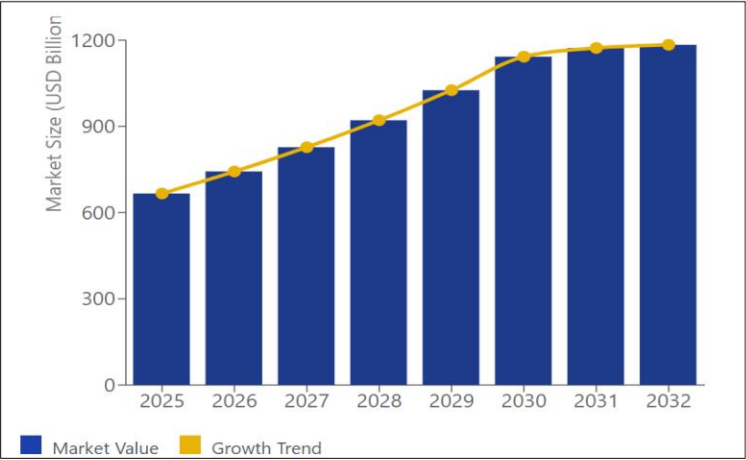
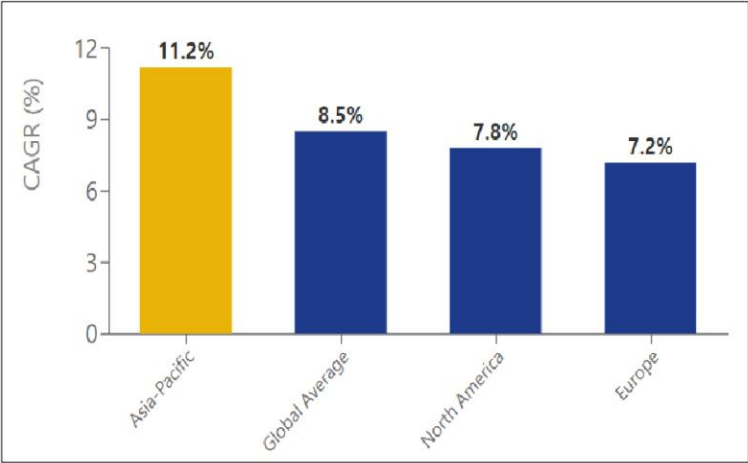


Chart 8: Regional growth rates (CAGR 2024-2030)



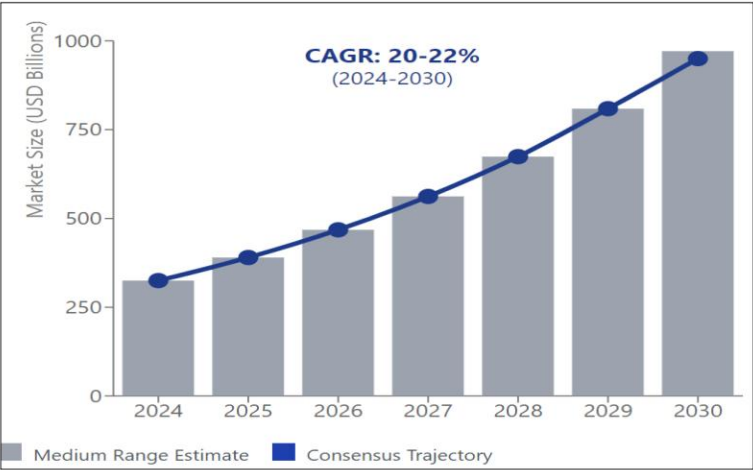
## The rise of digital healthcare

The convergence of technology and biology is creating new frontiers for investment, particularly in AI-based healthcare solutions. The AI market in healthcare is projected to reach \$187.7 billion by 2030, with applications in radiology, pathology, virtual healthcare, and hospital workflow optimization. In addition to AI, other digital health technologies are reshaping the sector. Telemedicine has expanded dramatically, enabling remote treatment and bridging the gap between urban and rural healthcare.

For example, the global telemedicine market is projected to reach \$6.56 billion by 2032, driven by demand for digital healthcare and post-pandemic innovation. Digital health technologies and telemedicine are reshaping the healthcare landscape, with connected blood collection systems and easy-to-use digital interfaces improving the patient experience. Investment in telehealth and remote patient monitoring is creating new market expansion opportunities that are attracting major venture capital, private equity, and institutional investors, transforming healthcare from a stable but slow-growing sector into a dynamic investment opportunity. **The digital health market shows solid growth across all projections, with the most cited target for 2030 being approximately \$950 billion, representing a compound annual growth rate of 20-22% from current levels (Exhibit 9).**

# THE TOPIC OF THE WEEK

Chart 9: Digital health growth projections to 2030 (\$950 billion)



Among the major pharmaceutical companies, **AstraZeneca** is leading the strategic adaptation to digital health initiatives, currently refining its core models. **AstraZeneca** is also investing in genomics with Amazon SageMaker and working to make its scientific data more discoverable, accessible, interoperable, and reusable. **Bayer** has invested more than 1,400 million dollars in 2022 in AI and data science initiatives, partnering with technology leaders to apply AI across its pharmaceutical operations. **Sanofi** aims to become "the first AI-powered pharmaceutical company at scale," announcing plans in 2024 to have more than 1,500 scientists across 30 teams using the R&D cloud Benchling, while partnering with OpenAI and Formation Bio to develop AI-powered software tools. **Moderna** is expanding its partnership with **Moderna** to unify laboratory data in an AI-ready center. Other large pharmaceutical companies actively pursuing digital transformation include **Merck, Pfizer, Novartis, Roche, Johnson & Johnson, and GSK**. These companies are focusing on digital transformation through cloud computing, AI, and AI. generative AI and other digital technologies, and around 60% of executives plan to increase investments in generative AI across the value chain, going beyond pilot projects to realize substantial value from these technologies at scale.



## THE TOPIC OF THE WEEK

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### CONCLUSION

The sector has been disappointing in recent years and has been further affected by President Trump's new policies. The sector seems to have integrated the different bad news and is now considered attractive, especially since the valuation is cheap and the technical situation is providing positive signals.

From a strategic point of view, the growth of the sector is also supported by demographic trends, with an aging population driving greater Demand for healthcare. The combination of demographic trends, technological advances, and evolving consumer expectations is positioning the sector healthcare for sustained growth, offering investors both financial returns and social impact.

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