

LAST WEEK SUMMARY

Financial markets experienced spectacular volatility last week, ending with a sharp decline on Friday that erased earlier gains. The week was dominated by the ongoing U.S. government shutdown.

US, innovative artificial intelligence partnerships, historic commodity movements, and ultimately, renewed fears of a trade war. Overall, the Dow Jones suffered the largest drop, closing the week at **-2.73%**, followed by the Nasdaq at **-2.53%** and the S&P 500 at **-2.43%**. Small-cap companies were hit hardest, with the Russell 2000 correcting **-3.29%**. The week started positively with AMD announcing a historic partnership with OpenAI on Monday, sending AMD stock up 28%—its largest single-day gain since 2002. However, Friday saw a dramatic reversal. The S&P 500 fell 2.71% and the Nasdaq Composite slid 3.56%, each recording its worst day since April, while the Dow fell 879 points, or 1.9%, its worst day since May. The catalyst was President Trump's threat of a "massive increase" in tariffs on China over rare earth export controls.

Trump reignited the trade war between the world's two largest economies. AI and chip stocks were particularly vulnerable, with Nvidia falling 4.95% and AMD 7.78%. Treasury yields fluctuated throughout the week amid uncertainty over the shutdown. The 10-year yield closed Friday at 4.05%, down from 4.14% earlier in the week. Treasuries rallied Friday as investors rushed into safer assets, with 10- and 30-year yields falling amid growing concerns about escalating trade tensions. Gold topped \$4,000 an ounce for the first time, up more than 53% this year, fueled by economic uncertainty and the government shutdown.

Gold and silver rose 1.5% and 1.2% respectively on Friday amid market turmoil, with silver up 73.5% this year.

Oil markets suffered significantly. Crude oil plummeted more than 4% on Friday, with WTI crude falling to \$58.24 per barrel on October 10, down 5.33% from the previous day. The recent Hamas ceasefire agreement had a bearish effect on crude oil, as the prospects for peace kept production concerns at bay. The cryptocurrency market has not been spared.

Hit by record liquidations and a drop of more than 12% just days after Bitcoin hit its all-time high. More than \$19 billion in bets were wiped out on Friday, and more than 1.6 million traders liquidated their positions, according to data from Coinglass.

The government shutdown entered its eighth day, depriving investors of key economic data, although markets are pricing in a 94.6% probability that the Fed will cut rates by 25 basis points at its October meeting. The week's wild swings underscore the markets' vulnerability to geopolitical shocks, despite strong momentum earlier.

The Dow falls almost 900 points after

FLUCTUATIONS AND MACROECONOMIC DATA

KEY DATES OF THE LAST WEEK

October 7th

Trade balance

NO DATA compared to the survey: - \$ 61 billion

October 8th

Minutes of the FOMC meeting

October 10th

Confidence index of the

University of Michigan

Real 55.0 vs. survey 54.0

Federal budget balance

NO DATA compared to the survey: 50,000 millions of dollars

GLOBAL EQUITY INDICES	Last	5 Days	1 Month YTD
MSCI WORLD	4,237.72	-2.30% \bar{y} -0.35%	14.29%
MSCI EM	1,365.67	-0.60% \bar{y} 3.01%	26.98%
MSCI EM LATIN AMERICA	2,421.54	-3.32% \bar{y} -2.30%	30.71%
MSCI AC ASIA x JAPAN	896.13	-0.44% \bar{y} 2.76%	27.27%
USA			
S&P 500 INDEX	6,552.51	-2.43% \bar{y} -0.48%	11.41%
NASDAQ COMPOSITE	22,204.43	-2.53% \bar{y} 0.29%	14.98%
DOW JONES INDUS. AVG	45,479.60	-2.73% \bar{y} -0.77%	6.90%
RUSSELL 2000 INDEX	2,394.60	-3.29% \bar{y} -0.10%	7.37%
EUROPE			
STXE 600 (EUR) Pr	564.16	-1.10% \bar{y} 1.68%	11.14%
Euro Stoxx 50 Pr	5,531.32	-2.13% \bar{y} 2.61%	12.98%
DAX INDEX	24,241.46	-0.56% \bar{y} 2.29%	21.76%
CAC 40 INDEX	7,918.00	-2.02% \bar{y} 1.19%	7.28%
FTSE MIB INDEX	42,047.50	-2.80% \bar{y} -1.22%	23.00%
IBEX 35 INDEX	15,476.50	-0.70% \bar{y} 1.10%	33.48%
SWISS MARKET INDEX	12,481.41	-0.21% \bar{y} 2.36%	7.59%
FTSE 100 INDEX	9,427.47	-0.67% \bar{y} 1.55%	15.35%
ASIA			
NIKKEI 225	48,088.80	5.07% \bar{y} 7.42%	20.54%
HANG SENG INDEX	26,290.32	-3.65% \bar{y} -0.37%	31.06%
CSI 300 INDEX	4,616.83	0.51% \bar{y} 2.10%	17.33%
SENSEX	82,500.82	1.59% \bar{y} 0.73%	5.58%
LATAM			
S&P/BMV IPC	60,568.93	-2.28% \bar{y} -1.99%	22.33%
BRAZIL IBOVESPA INDEX	140,680.34	-2.44% \bar{y} -1.12%	16.96%
MSCI COLCAP INDEX	1,869.78	0.46% \bar{y} 1.31%	35.53%
S&P/CLX IPSA (CLP) TR	8,675.80	-2.41% \bar{y} -3.49%	29.30%

EQUITY SECTORS	Last	5 Days	1 Month YTD
MSCI WORLD/UTILITY	200.85	1.12% \bar{y} 4.85%	22.64%
MSCI WORLD/CON STPL	293.78	0.24% \bar{y} -2.37%	5.19%
PHILA GOLD & SILVER INDX	295.53	-1.47% \bar{y} 8.26%	115.43%
MSCI WORLD/HLTH CARE	372.01	-1.76% \bar{y} 2.98%	5.43%
MSCI WRLD/COMM SVC	154.63	-1.92% \bar{y} -3.64%	21.49%
MSCI WORLD/INDUSTRY	485.13	-2.40% \bar{y} -0.31%	19.80%
MSCI WORLD/MATERIAL	369.12	-2.53% \bar{y} -1.30%	14.87%
MSCI WORLD/INF TECH	947.67	-2.57% \bar{y} 2.54%	19.67%
MSCI WORLD/FINANCEVAL	168.74	-2.90% \bar{y} -2.57%	20.40%
MSCI WORLD/CONS DIS	481.86	-3.25% \bar{y} -3.22%	2.94%
MSCI WORLD/ENERGY	254.66	-3.39% \bar{y} -2.42%	4.62%
MSCI WORLD BANK INDEX	165.23	-3.52% \bar{y} -2.68%	29.42%
US RATES			
	Last	5 Days Close	12M Close
² And	3.50	3.58	-0.07 3.96
⁵ And	3.62	3.71	-0.09 3.89
10Y	4.03	4.12	-0.09 4.06
BONDS CREDIT SPREAD			
		5 Days Close	12M Close
EM Bonds Spread	265.17	254.7	10.5 314.86
HY Bonds Spread	296.00	256.0	40.0 319.00
BBB 10yr Spread	179.78	166.1	13.7 153.72
FIXED INCOME			
		5 Days	1 Month YTD
US High Yield	2,858.96	-0.73% \bar{y} -0.40%	6.55%
EM Bonds USD	1,357.71	-0.07% \bar{y} 0.20%	8.78%
CoCos USD	148.84	-0.77% \bar{y} -0.28%	12.05%
IG BBB 3-5yr USD	391.36	-0.07% \bar{y} 0.06%	6.63%
IG AA Corp USD	286.57	0.11% \bar{y} -0.02%	7.43%

COMMODITIES	Last	5 Days	1 Months YTD
CRB INDEX	292.76	-2.75% \bar{y} -2.97%	-1.33%
WTI	58.90	-3.25% \bar{y} -7.49%	-17.88%
Brent	64.49	-2.77% \bar{y} -3.79%	-12.98%
US Natural Gas	3.11	-6.56% \bar{y} 2.54%	-14.51%
S&P GSCI Precious Metal	5,193.52	2.00% \bar{y} 8.67%	52.30%
Gold	4,017.79	3.38% \bar{y} 10.36%	53.09%
Silver	50.15	4.47% \bar{y} 21.80%	73.51%
Platinum	1,597.00	-0.51% \bar{y} 14.58%	75.97%
Palladium	1,405.14	11.09% \bar{y} 18.87%	53.97%
S&P GSCI Industrial Metal Index	490.99	-0.56% \bar{y} 2.95%	12.10%
Aluminum	2,748.00	1.42% \bar{y} 4.69%	7.70%
Copper	10,486.81	-1.90% \bar{y} 5.33%	21.20%
Nickel	15,086.05	-1.12% \bar{y} 0.82%	-0.16%
S&P GSCI Agriculture	346.27	-2.19% \bar{y} -5.09%	-9.57%
CURRENCIES			
	Last	5 Days	1 Month YTD
CHF vs. USD	0.7996	-0.48% \bar{y} -0.05%	13.48%
JPY vs. USD	151.1900	-2.46% \bar{y} -2.47%	3.98%
CAD vs. USD	1.4006	-0.39% \bar{y} -1.01%	2.70%
EUR vs. USD	1.1619	-1.05% \bar{y} -0.65%	12.22%
GBP vs. USD	1.3360	-0.89% \bar{y} -1.25%	6.74%
AUD vs. USD	0.6474	-1.97% \bar{y} -2.10%	4.62%
BRL vs. USD	5.5209	-3.33% \bar{y} -2.03%	11.89%
MXN vs. USD	18.5882	-1.02% \bar{y} 0.07%	12.05%
COP vs. USD	3,923.53	-1.37% \bar{y} 0.02%	12.29%
CNY vs. USD	7.1353	-0.18% \bar{y} -0.20%	2.30%
EUR vs. CHF	0.9289	0.53% \bar{y} 0.61%	1.20%
DOLLAR INDEX	98.9780	1.28% \bar{y} 1.23%	-8.77%
BITCOIN	112,861.83	-9.90% \bar{y} -1.37%	20.43%

KEY DATES OF THE NEXT WEEK

October 14th

Empire Manufacturing Survey 0.0

October 15th

Year-on-year CPI Survey 3.1

October 16th

Advance retail sales intermonthly Survey 54.0

Producer Price Index (PPI) Final demand Monthly Survey 0.3%

October 17th

Housing start Survey 1,315,000

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			

Markets experienced extreme volatility last week, with U.S. stocks suffering their worst drop in six months after President Trump threatened "massive tariff increases on Chinese goods" imported into the United States.

After one of the best six-month rallies in history, risk sentiment suddenly faltered and shifted completely to a risk-off environment late last week.

Investors continued to accumulate precious metals as a safe haven. Gold, silver, and bonds are benefiting from the current environment, with the US 10-year bond yield plummeting last Friday, with rates falling from 4.14% to 4.03%. The market is recording its first negative month in six months, which is somewhat logical. The current federal government shutdown has prevented the release of important and critical data, such as the September nonfarm payrolls. Should the figures be weak, this could exacerbate the current risk-aversion situation and push the market into a prolonged correction.

THE TOPIC OF THE WEEK

Metals and Mining: The Next Bull Market

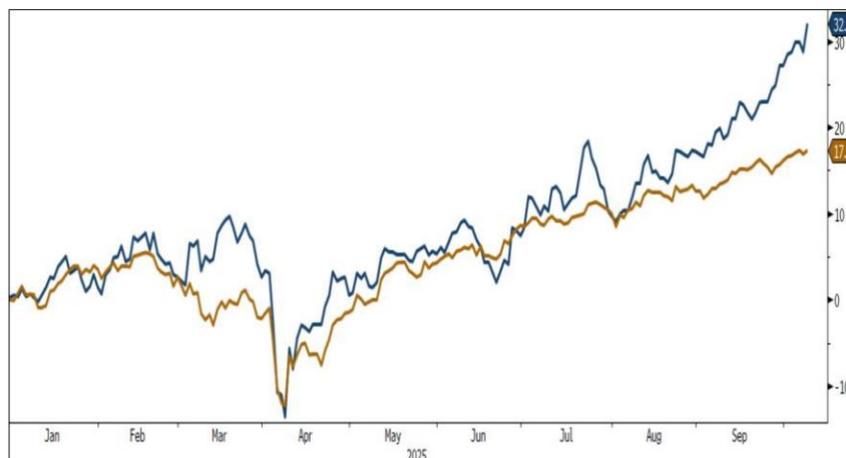
For those who follow us, we know that we have been long-term bulls on commodities for years. This very long-term view, which we began to outline in 2022, has occasionally been disrupted by the cyclical ups and downswings linked to the economic situation. Indeed, in July of this year, we decided to change the rating of the materials sector from "neutral" to "overweight" again, as the technical situation was improving. **From a technical perspective, our preferred sector representing this segment, the iShares Global Select Metals & Mining Producers (PICK US), is breaking out of a significant triangular consolidation that began in 2022, which could pave the way for a new long-term bullish phase (Chart 1).** Since our revaluation in July, the segment has risen +21.8% compared to +8.2% for the MSCI World. **Looking at the year-to-date, the US PICK is up an impressive 32% versus the MSCI World's 17% (Chart 2).**

Metals and mining producers endured a challenging period between 2023 and early 2025, with the sector remaining in consolidation mode while global markets continued to rally. China's prolonged housing crisis and weak post-COVID recovery have significantly dampened metal demand, as the country consumes roughly half of the world's industrial metals. Furthermore, the transition to green energy has progressed more slowly than expected, with stalled electric vehicle adoption and delays in renewable energy projects, undermining projected demand growth for copper, lithium, and nickel. Finally, the strength of the US dollar since 2023 has compressed margins for mining companies, whose revenues are denominated in dollars but whose costs are in local currencies.

Chart 1: iShares MSCI Global Select Metals & Mining Producers (PICK US)



Chart 2: Year-to-date performance: PICK US (+32%); MSCI World (+17%)



THE TOPIC OF THE WEEK

Chart 3: MSCI China Index; PICK US

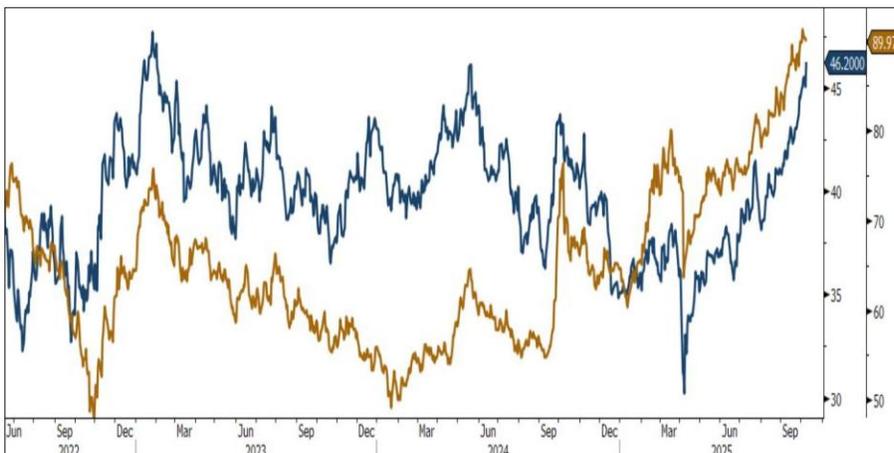


Chart 4: PICK US/MSCI World Ratio



Surprisingly (or not), PICK US is almost a proxy for the Chinese market... Our view of the bullish Chinese economy and market direction draws comfort from the fact that metals and mining producers should perform well in the near future (Chart 3). As discussed in our China report, the government has shifted its monetary policy stance from "prudent" to "accommodative" for the first time since 2010 and implemented aggressive stimulus measures, including expanded consumption renewal plans, early interest rate cuts, and reduced bank reserve requirements, to boost domestic consumption and stabilize markets. China's \$300 billion investment in the power grid over four years, coupled with the dominance of electric vehicles (EVs), which are expected to account for more than 50% of vehicle sales by 2024, creates sustained demand for copper that is increasingly dependent on policy and less on economics.

On the supply side, critical disruptions have transformed the market outlook, with Goldman Sachs revising its 2025 global copper balance from a forecast surplus of 105,000 tonnes to a deficit of 55,500 tonnes following major mine incidents, while global mined copper production is expected to peak in the late 2020s before declining due to lower ore grades and aging mines. **Investment banks forecast a growing supply gap in key industrial and battery metals, with copper and aluminum markets moving from small surpluses in 2024 to deficits equivalent to -9% and -15% of supply, respectively, by the end of the decade** (Exhibit 5), as demand for electrification, electric vehicles, renewables, and AI data centers increases by approximately 19% between 2024 and 2030. This combination of further Chinese stimulus driving demand recovery and severe supply constraints creating structural deficits has fundamentally shifted investor sentiment. **Turning to the segment's relative performance, PICK US has significantly underperformed the MSCI World by around 45% between 2023 and early 2025. The relative situation is now improving, and a new relative uptrend is about to begin** (Exhibit 4).

THE TOPIC OF THE WEEK

Chart 5: Future forecast of copper supply deficit

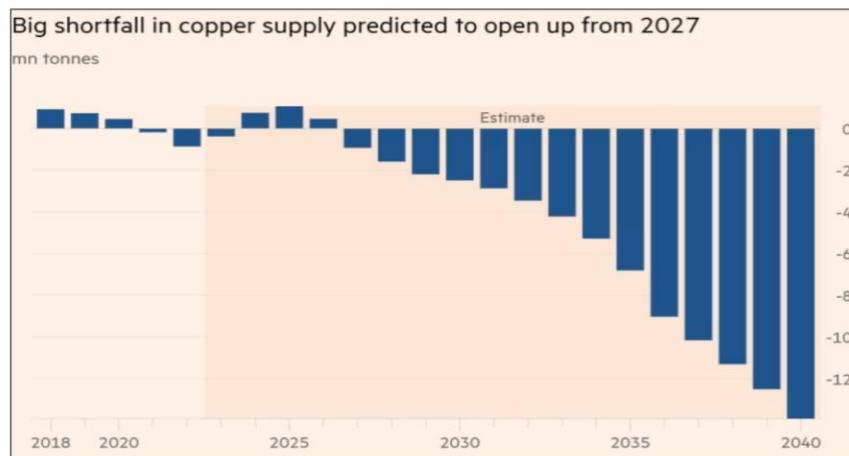


Chart 6: Global demand for materials from data centers (kilotons)



The AI and Data Center Revolution: A New Demand Paradigm The explosive growth of artificial intelligence applications has created an entirely new demand vector for industrial metals that was unimaginable just five years ago. Electricity demand from U.S. data centers is projected to increase from 224 terawatt-hours in 2025 to 606 terawatt-hours in 2030, nearly tripling energy consumption. **This massive energy need translates directly into extraordinary demand for copper, aluminum, and other critical metals essential for electrical infrastructure** (Exhibit 6).

Data center energy demand alone could account for 30% to 40% of all net new electricity demand through 2030, ending two decades of stable energy consumption in the United States. The magnitude of this transformation is staggering: meeting projected AI infrastructure needs could require \$500 billion in new data center construction, necessitating massive expansions of electricity generating capacity, transmission networks, and cooling systems. Each megawatt of new data center capacity requires significant amounts of copper for wiring and electrical components, aluminum for power transmission, and steel for structures.

Beyond data centers themselves, the semiconductor industry that powers AI computing represents another critical source of demand. The global data center and server semiconductor market stood at \$179.85 billion in 2025 and is projected to reach \$230.75 billion by 2030. Manufacturing these advanced chips requires silicon, gallium, germanium, and fluorine, while the supporting infrastructure requires copper and specialized industrial metals.

THE TOPIC OF THE WEEK

The transition to net-zero carbon emissions: unprecedented mineral intensity The global commitment to achieve net-zero carbon emissions by 2050 has created what could be the largest shift in metals demand in industrial history.

Clean energy technologies are inherently more mineral-intensive than their fossil-fuel predecessors: electric vehicles require six times more mineral inputs than conventional cars, while onshore wind farms require nine times more mineral resources than gas-fired plants. Demand for lithium exemplifies this extraordinary growth trajectory, with forecasts pointing to a more than 40-fold increase by 2040 to meet battery storage and electric vehicle needs. Demand for cobalt and graphite is expected to grow 20 to 25 times over the same period, while nickel requirements could increase 41-fold. These are not incremental increases, but rather global transformations of global mineral supply chains.

Copper, a cornerstone of electrification, faces particularly attractive fundamentals. Grid expansion alone will more than double copper demand by 2040, and renewable energy generation, electric vehicles, and charging infrastructure will create additional consumption vectors. Concentration risk in critical mineral supply chains adds another upside dimension. For key battery metals such as lithium, cobalt, and graphite, the top three refining countries control 86% of global capacity, with China dominating refining across most categories. Indonesia leads in nickel refining, while the Democratic Republic of the Congo produces nearly three-quarters of the world's cobalt. This geographic concentration creates supply constraints that should support sustained pricing power for producers, particularly those operating in jurisdictions with stable regulatory frameworks. **The S&P GSCI Industrial Metals Index, which tracks aluminum, copper, lead, nickel, and zinc using a production-weighted methodology, is poised to confirm this trend by breaking a three-year trading range** (Chart 6).

Chart 4: S&P GSCI Industrial Metals Index



THE TOPIC OF THE WEEK

CONCLUSION

The convergence of demand for artificial intelligence infrastructure and transitions to zero-carbon energy creates what appears to be a generational investment opportunity in metals and mining. Unlike cyclical commodity booms driven by temporary increases in demand or supply disruptions, this bull market is based on a multi-decade structural transformation of the global energy and technology infrastructure. The scale of the investment required is immense: trillions of dollars in power grid modernization, renewable energy deployment, electric vehicle production, data center construction, and semiconductor manufacturing facilities. Every dollar of this investment translates into demand for industrial metals, critical minerals, and specialty materials.

Supply constraints, geographic concentration, and long project development times suggest that metal prices will have to rise substantially to incentivize sufficient new production capacity. The question is not whether demand will materialize—the artificial intelligence revolution and the imperative for decarbonization are already underway—but whether supply can scale quickly enough to meet it. This imbalance defines the investment opportunity.

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