

## SUMMARY OF LAST WEEK

Markets rallied cautiously during the first week of December, with the S&P 500 advancing approximately **0.3%**, the Nasdaq gaining **0.9%**, and the Dow Jones climbing **0.5%** for the week. The indexes stalled just short of record highs as traders positioned themselves ahead of the crucial December Federal Reserve meeting. The week's most important macroeconomic release came on Friday with the much-anticipated September personal consumption expenditures (PCE) report, delayed by the 43-day government shutdown. The report showed core PCE rising 0.2% month-over-month and 2.8% year-over-year, slightly below the previous 2.9% and the lowest figure since May.

These benign inflation data, coupled with the University of Michigan's improved consumer confidence index, which rose from 51 in November to 53.3, caused the probability of the Fed cutting interest rates at next week's FOMC meeting to jump to 87%, up from 62% a month earlier. However, Treasury bonds suffered their worst week since June, with the 10-year yield rising roughly four basis points to 4.14%, reflecting the

Uncertainty remains regarding the Fed's future path despite expectations of near-term easing. Precious metals extended their extraordinary 2025 rally, particularly silver, which climbed 3.3%, representing an astounding 102% gain year-to-date. This surge comes amid tight supply, strong industrial demand from renewable energy and AI infrastructure, and a record ETF accumulation exceeding 200 tons in a single session.

The company's earnings sent mixed signals: Salesforce shares surged 13% for the week, their best performance since December 2023, after beating earnings expectations on Wednesday with adjusted earnings per share of \$3.25 versus the expected \$2.86 and raising full-year guidance. Management highlighted that annual recurring revenue from the AI platform Agentforce increased to \$1.4 billion, a 114% year-over-year increase, finally validating the company's AI monetization thesis after months of investor skepticism. The week's bombshell announcement came on Friday when Netflix agreed to acquire Warner Bros.' film studios.

Discovery Channel and the streaming service HBO Max are set to acquire a \$72 billion cash and stock deal (\$27.75 per share), creating an entertainment giant that combines Netflix's 300 million subscribers with Warner Bros.' century-old library, including Harry Potter, DC Universe, and Game of Thrones. However, the deal faces intense antitrust scrutiny and is not expected to close for 12-18 months, following the spin-off of Warner's cable network. Netflix shares initially fell but pared losses, while overall market sentiment remained constructive as investors weighed encouraging inflation data against lingering concerns about AI valuations and the trajectory of monetary policy toward the end of the year.

Overall, we remain cautious investors, as some important data, such as NFP payrolls and Q3 GDP, are still pending. At current levels and with such high valuations, we prefer to maintain a defensive stance, as we believe the correction is likely to continue in the coming days.

months.

# MACROECONOMIC FLUCTUATIONS AND DATA

## KEY DATES OF THE LAST WEEK

### December 1st S&P Global US Manufacturing PMI

Actual 52.2 vs. the poll 51.9

### ISM manufacturing

Actual 48.2 vs. the poll 49.0

### December 3rd Month-on-month industrial production

Actual 0.1% vs. survey 0.1%

### S&P Global US Services PMI

Actual 54.1 vs. poll 55.0

### December 5th Confidence index of the University of Michigan

Actual 53.3 vs. poll 52.0

### Year-on-year PCE price index

Actual 2.8% vs. survey 2.8%

GLOBAL EQUITY INDICES	Last	5 Days	1 Month YTD
MSCI WORLD	4,418.63	0.46% ↑ 19.17%	
MSCI EM	1,385.48	1.36% ↑ 28.82%	
MSCI EM LATIN AMERICA	2,702.91	-0.69% ↓ 45.90%	
MSCI AC ASIA x JAPAN	902.48	1.34% ↓ 28.18%	
<b>USA</b>			
S&P 500 INDEX	6,870.40	0.31% ↑ 16.81%	
NASDAQ COMPOSITE	23,578.13	0.91% ↑ 22.10%	
DOW JONES INDUS. AVG	47,954.99	0.50% ↑ 12.72%	
RUSSELL 2000 INDEX	2,521.48	0.84% ↑ 13.06%	
<b>EUROPE</b>			
STXE 600 (EUR) Pr	578.77	0.41% ↑ 14.02%	
Euro Stoxx 50 Pr	5,723.93	0.98% ↑ 16.91%	
DAX INDEX	24,028.14	0.80% ↑ 20.69%	
CAC 40 INDEX	8,114.74	-0.10% ↓ 9.94%	
FTSE MIB INDEX	43,432.77	0.17% ↑ 27.05%	
IBEX 35 INDEX	16,688.50	1.94% ↑ 43.93%	
SWISS MARKET INDEX	12,936.30	0.80% ↑ 11.51%	
FTSE 100 INDEX	9,667.01	-0.55% ↓ 18.28%	
<b>ASIA</b>			
NIKKEI 225	50,491.87	0.47% ↑ 26.56%	
HANG SENG INDEX	26,085.08	0.87% ↓ 30.04%	
CSI 300 INDEX	4,584.54	1.28% ↓ 16.51%	
SENSEX	85,712.37	0.01% ↑ 9.69%	
<b>LATAM</b>			
S&P/BMV IPC	63,378.30	-0.34% ↓ 28.00%	EM Local Currency
BRAZIL IBOVESPA INDEX	157,369.36	-1.07% ↓ 30.83%	
MSCI COLCAP INDEX	2,112.70	1.90% ↑ 53.14%	
S&P/CLX IPSA (CLP) TR	10,222.61	0.93% ↑ 52.35%	

EQUITIES SECTORS	Last	5 Days	1 Month YTD
MSCI WORLD BANK INDEX	179.52	2.22% ↑ 40.61%	
MSCI WORLD/INF TECH	990.28	1.53% ↑ 25.05%	
MSCI WORLD/FINANCEVAL	179.37	1.21% ↑ 27.98%	
MSCI WORLD/ENERGY	270.77	0.93% ↑ 11.24%	
MSCI WORLD/INDUSTRIAL	494.38	0.92% ↑ 22.08%	
<b>COMMODITIES</b>			
MSCI WRLD/COMM SVC	169.87	0.71% ↑ 35.86%	
MSCI WORLD/CONS DIS	504.99	0.70% ↑ 7.24%	
CRB INDEX	305.97	1.49% ↑ 3.12%	
MSCI WORLD/MATERIAL	382.13	0.15% ↑ 18.92%	
WTI	60.08	2.61% ↓ -16.23%	
MSCI WORLD/CON STPL	297.40	-1.32% ↓ 6.49%	
Brent	64.63	0.44% ↓ -12.79%	
MSCI WORLD/REAL EST	1,060.31	-1.43% ↓ 4.37%	
US Natural Gas	5.29	9.05% ↑ 45.58%	
PHILA GOLD & SILVER INDX	318.46	-1.89% ↓ 132.15%	
S&P GSCI Precious Metal	5,593.14	0.07% ↑ 64.02%	
MSCI WORLD/HIGH CARE	395.23	-1.92% ↓ 12.01%	
Gold	1,977.78	-3.21% ↓ 59.95%	
<b>US RATES</b>			
Last	58.34	Days Close	21.52M Close
Platinum	3,564.61	3.49% ↑ 80.58%	
Palladium	3,714.70	3.80% ↑ 60.35%	
S&P GSCI Ind Metal Index	4,124.69	4.01% ↑ 19.80%	
<b>BONDS CREDIT SPREAD</b>			
Aluminum	2,897.50	Days Close	12M Close
EM Bonds Spread	233.54	244.4	-10.9
Copper	11,643.55	3.65% ↑ 34.57%	
HY Bonds Spread	244.00	256.0	-12.0
Nickel	14,749.02	0.80% ↓ -2.40%	
BBB 10yr Spread	173.49	176.7	-3.2
S&P GSCI Agriculture	362.48	-1.11% ↓ -5.33%	
<b>FIXED INCOME</b>			
US High Yield	2,901.45	0.12% ↑ 8.14%	
EM Bonds USD	1,380.40	-0.04% ↓ 10.60%	
CoCos USD	151.38	0.29% ↑ 15.36%	
IG BBB 3-5yr USD	392.58	-0.34% ↓ 6.48%	
IG AA Corp USD	286.16	-0.66% ↓ 7.76%	

COMMODITIES	Last	5 Days	1 Month YTD
CRB INDEX	305.97	1.49% ↑ 3.12%	
WTI	60.08	2.61% ↓ -16.23%	
Brent	64.63	0.44% ↓ -12.79%	
US Natural Gas	5.29	9.05% ↑ 45.58%	
S&P GSCI Precious Metal	5,593.14	0.07% ↑ 64.02%	
Gold	4,197.78	-0.98% ↓ 59.95%	
Silver	58.34	3.26% ↑ 101.86%	
Platinum	1,643.61	-1.63% ↓ 81.10%	
Palladium	1,461.70	0.50% ↑ 60.16%	
S&P GSCI Industrial Metal Index	524.69	2.28% ↑ 19.80%	
Aluminum	2,897.50	1.03% ↑ 13.56%	
Copper	11,643.55	3.65% ↑ 34.57%	
Nickel	14,749.02	0.80% ↓ -2.40%	
S&P GSCI Agriculture	362.48	-1.11% ↓ -5.33%	
<b>CURRENCIES</b>			
Last	5 Days	1 Month YTD	
CHF vs USD	0.8048	-0.10% ↓ 12.75%	
JPY vs USD	155.3300	0.55% ↓ -0.78%	1.20%
CAD vs USD	1.3817	1.16% ↑ 4.10%	
EUR vs USD	1.1642	0.38% ↑ 12.44%	
GBP vs USD	1.3328	0.70% ↑ 6.49%	
AUD vs USD	0.6640	1.37% ↑ 7.30%	
BRL vs USD	5.4506	-2.12% ↓ 13.33%	
MXN vs USD	18.1713	0.68% ↑ 14.62%	
COP vs USD	3,842.61	-2.27% ↓ 14.66%	
CNY vs USD	7.0711	0.05% ↑ 3.23%	
EUR vs CHF	0.9368	-0.50% ↓ 0.35%	
DOLLAR INDEX	98.9920	-0.47% ↓ -8.75%	
BITCOIN	89,912.51	4.01% ↑ -4.06%	

## KEY DATES OF THE NEXT WEEK

December 10th  
FOMC Decision on the interest rates  
Survey 3.75%

December 11th  
Federal budget balance  
Survey: -\$63.1 billion

# IN ON CAPITAL'S VISION

Asset Class	U	N	O
Renta Fija			
Renta Variable			
Alternativos			
Regions (Equity)			
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			

The strong rally in the last week of November allowed the indices to close the month virtually unchanged, with the MSCI World Index completing its eighth consecutive month of gains . December will be an important month, as economic data that had been delayed due to the US government shutdown will be released, providing a clearer picture of the current economic situation. The next Fed meeting on December 10 will also be a key event that could affect market sentiment.

Market expectations for a Fed rate cut in December have shifted dramatically: from near certainty in mid-October to just 30% after the government shutdown disrupted economic data, before rebounding to over 80% following dovish comments from New York Fed President John Williams. The Fed remains divided between those concerned about the cooling labor market and those cautious about inflation, but futures markets now clearly favor a 25-basis-point cut. We advise investors to maintain a defensive stance over the next month.

## THE TOPIC OF THE WEEK

### Oil prices are close to stabilizing

WTI has fallen more than 16% so far in 2025, making it the worst-performing commodity this year. **After briefly surpassing \$120 in June 2022 during the strong post-pandemic economic recovery, oil prices have continued to decline. Slowly but surely, the iconic US West Texas Intermediate (WTI) eventually fell below the symbolic \$60 mark** (Chart 1). At that time, oil surged to around \$120 per barrel, fueled by panic over disruptions to Russian supply following the invasion of Ukraine. In reality, global markets adapted much more quickly than anticipated, and Russian crude found new buyers in China and India, rather than being removed from circulation. At the same time, non-OPEC+ producers (notably the US, Brazil, Canada, and Guyana) dramatically increased their output, adding millions of barrels per day to the global supply.

Furthermore, this year OPEC+ made the crucial decision to begin reducing its voluntary production cuts by approximately 2 million barrels per day. These cuts had been supporting prices since 2022, and members such as Saudi Arabia, the United Arab Emirates, Iraq, and Kazakhstan increased their production to protect their market share and monetize their reserves. **The result has been a persistent market surplus of nearly 2 million barrels per day, leading to a significant accumulated oversupply that has consistently pushed prices down over the past few years** (Figure 2).

Chart 1: WTI (\$60.25)

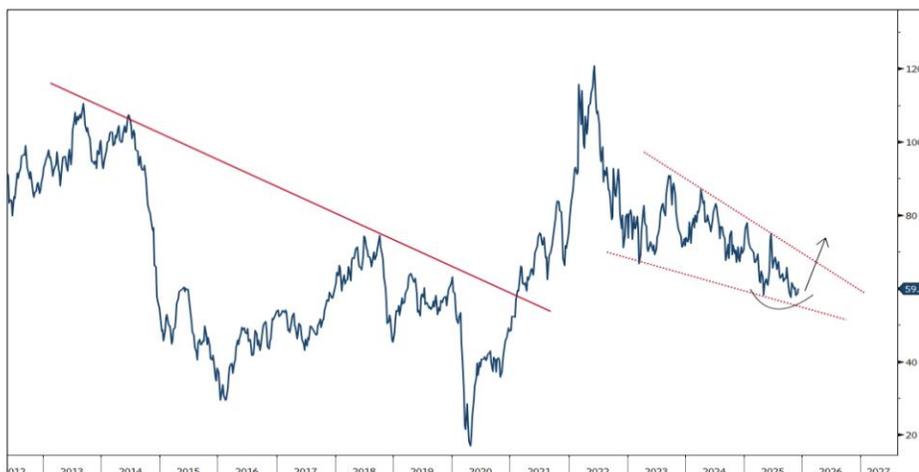


Chart 2: World oil supply (107.5 million); world oil demand (105 million)



## THE TOPIC OF THE WEEK

From a technical perspective (and despite the current 2025 downtrend), we believe prices are close to bottoming out. **Prices are currently at the lower end of the range. lower than a long-term descending wedge pattern (typical reversal pattern) and are about to begin a stabilization process** (chart 1).

**Essentially, the real value of revenues from oil exports has fallen below the level it was twenty years ago, if we take into account**

**It takes into account inflation and the depreciation of the dollar** (Chart 3). This decline risks intensifying with any future fall in oil prices, the continuation of global inflationary pressures or a further weakening of the US dollar. To counteract the current imbalance, all that would be needed is for OPEC, as well as the United States and Russia, reduce their daily production. The downward pressure on prices would be immediately relieved or even reversed. In fact, in its last In the statement, OPEC member countries announced they would suspend increases in oil production in January, February and March of 2026.

It is worth remembering that, since last April, Saudi Arabia, Russia, Iraq, the United Arab Emirates, Kuwait, Kazakhstan, Algeria, and Oman have been increasing their production of oil every month. Therefore, this represents a real change in strategy. A new meeting is scheduled for January 4, 2026, in order to make new decisions.

**To increase the probability of an oil price rebound, traders are currently extremely pessimistic about the**

**Speculative position in oil futures, whose net long position is at its lowest level in the last 15 years** (Chart 4). A price rebound

This would undoubtedly lead to the covering of some short positions and the opening of additional long positions, which would drive prices up. **It is also interesting to note**

**The futures curve is showing less backwardation, which is a sign that a trend reversal is imminent** (Chart 5). The market has not yet returned to the

Contango, but the premium of 55 cents per barrel for immediate delivery is the lowest recorded this year.

Chart 3: WTI (\$60.25); WTI in real terms (adjusted for CPI and DXY)

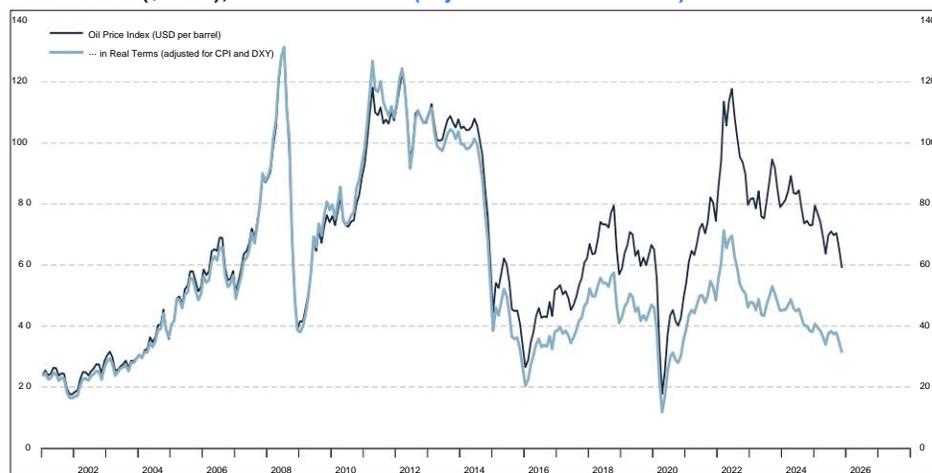
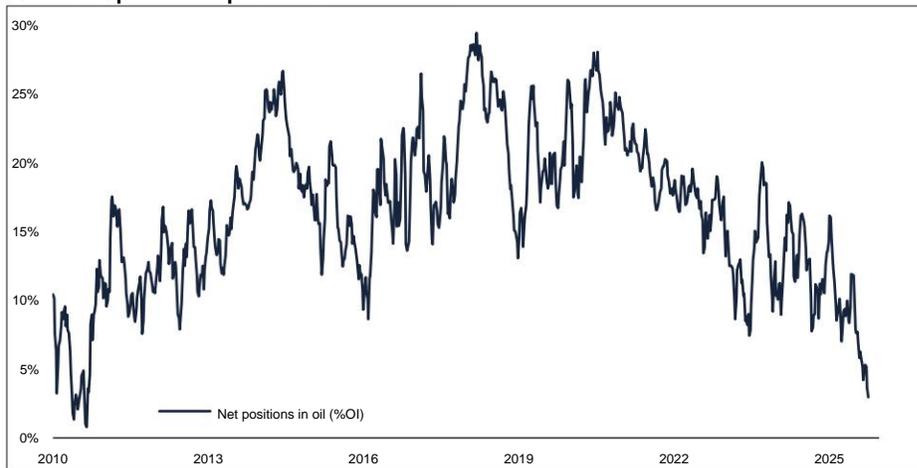
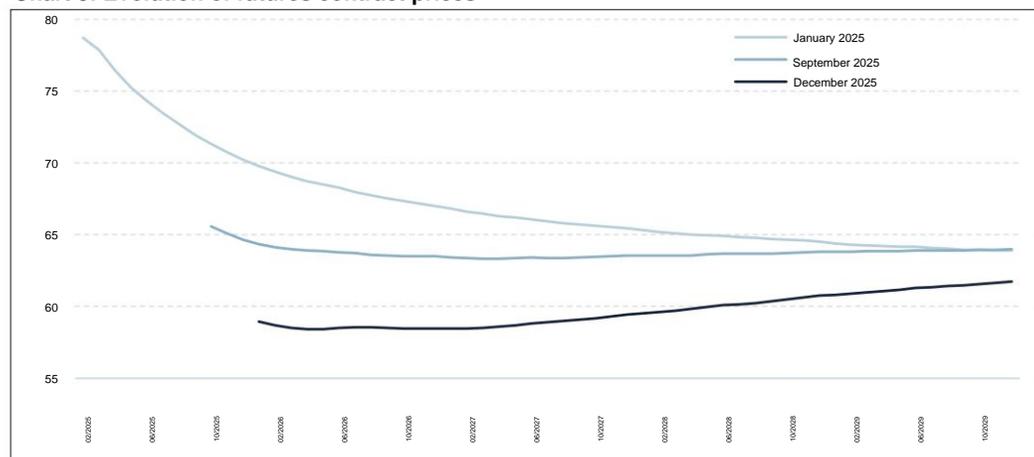


Chart 4: Speculative positions in oil futures



## THE TOPIC OF THE WEEK

Chart 5: Evolution of futures contract prices



**Oil companies have shown resilience this year.** Energy sector stocks have

held up relatively well despite the fall in commodity prices. **Since January, although the sector has underperformed the MSCI World, industry-wide stock prices have risen 12%, while WTI has lost 18% of its value** (Chart 6). **Future recoveries in crude oil prices would undoubtedly boost margins, but some of this upside has already been priced in** (Chart 7), so the first part of the oil rebound may not have much impact on the sector. From a technical perspective, the energy index has traded sideways within a 12% range over the past 22 months, which is why we maintain our neutral rating for the sector. **Overall, the sector remains well-positioned from a long-term perspective, and a sustained recovery in oil prices would undoubtedly trigger a breakout from the trading range at some point, prompting us to change our rating to overweight** (Chart 8). For now, we maintain our neutral rating, as prices have already anticipated a short-term recovery in oil prices. **However, this resilience masks significant disparities between subsectors** (Chart 9). **Refineries** have benefited from the situation, as the gap between crude oil costs and refined product prices (the "crack spread") has worked in their favor. When crude oil prices fall but product prices remain stable, refiners such as Valero Energy, Philips 66, and Marathon Energy capture the difference. **Large integrated companies**, such as BP, Shell, TotalEnergies, ExxonMobil, and Chevron, have generally proven resilient, as their diversified activities (exploration and production, refining, chemicals, and distribution) and strong balance sheets allow them to maintain dividends and share buybacks. **Exploration and production companies**, such as ConocoPhillips and EOG Resources, lagged behind during the year but have begun to anticipate a rebound in oil prices. **Oilfield services companies**, such as Schlumberger and Halliburton, have underperformed, highly sensitive to industry investment expectations and the cost of capital. In a scenario of recovering oil prices, integrated companies should continue to offer an attractive risk/reward profile, while upstream producers and oilfield services companies should offer greater recovery potential.

# THE TOPIC OF THE WEEK

Chart 6: Sector performance year to date

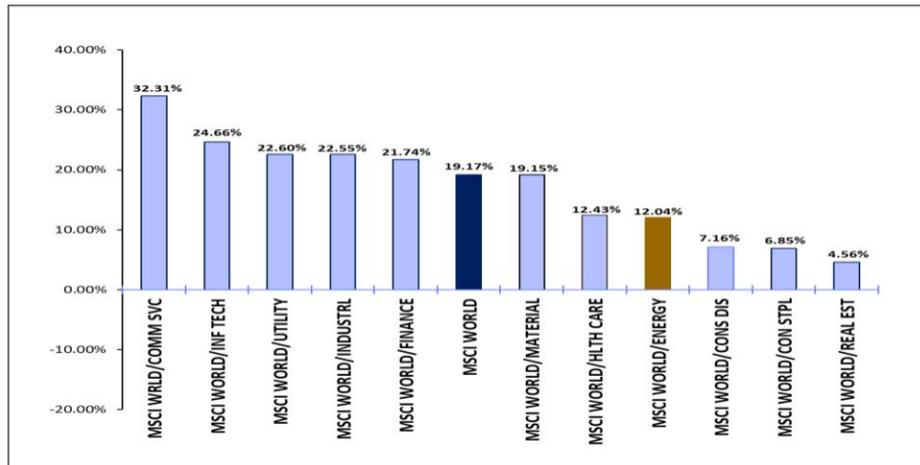


Chart 7: WTI Index; S&P Global Oil Index

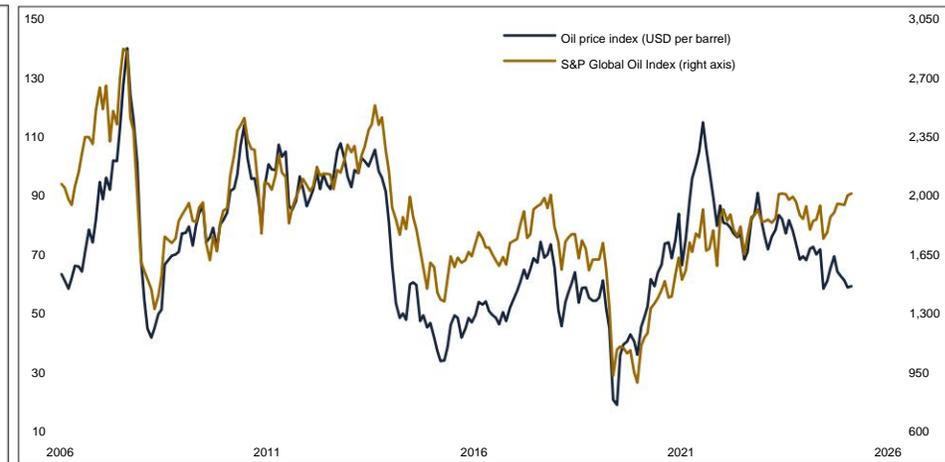
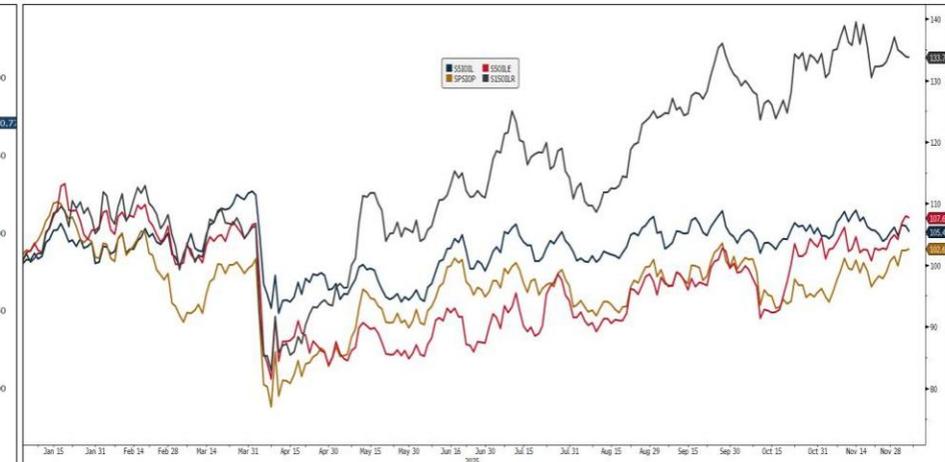


Chart 8: MSCI World Energy



Chart 9: Subsectors of the oil sector:

Refining; Exploration and production; Equipment and services; Integrated.



## THE TOPIC OF THE WEEK

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### CONCLUSION:

The price of oil is near its low and should stabilize in the coming month, as the supply-demand gap should narrow due to reduced OPEC output. The extremely low level of the net long speculative position and the flattening of the futures curve lead us to believe that the price of oil will stabilize and could soon rebound to \$70 per barrel.

Should a sustained rally occur above this level, we would undoubtedly become more optimistic about the energy sector and would change our rating to "overweight" at this time. For now, we maintain our rating at "neutral," favoring companies integrated within the sector due to the resilience of their business. However, any sustained rise in the price of oil above \$70 per barrel would trigger a global bullish scenario and offer greater upside potential for the "Exploration and Production" and "Equipment and Services" subsectors.

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