# SUMMARY OF LAST WEEK

The first full week of trading in 2026 saw a strong start for global equities, with the S&P 500 closing at a record high of 6,966 points on Friday, the Dow Jones approaching the psychological threshold of 50,000 points at 49,504, and all three major indexes posting weekly gains of more than 1%.

The market rally was bolstered by the December jobs report released on Friday, which showed the US economy added 50,000 jobs, slightly below the consensus expectation of 55,000 to 73,000, while the unemployment rate unexpectedly fell from 4.5% to 4.4%. This reinforced the “soft landing” narrative that has underpinned investor confidence despite the severe slowdown. This represented the first clear reading of the labor market following the disruptions caused by the government shutdown at the end of 2015, and wage growth, which remained at 3.8% year-over-year, gave the Federal Reserve some breathing room to maintain its current policy stance. CME FedWatch’s probability of holding interest rates steady in January soared to 95%, effectively eliminating near-term easing expectations and shifting attention to potential cuts in March or June.

Geopolitical events dominated the headlines as the Trump administration's January 3 military operation to arrest Venezuelan President Nicolás Maduro injected volatility into energy markets. Venezuela, which has the world's largest proven crude oil reserves at 303 billion barrels but produces only 800,000 barrels per day, became the focus of US energy policy, with Trump signaling his intention to redirect Venezuelan oil flows and encourage major US companies to invest in the country's crumbling infrastructure. West Texas Intermediate (WTI) crude closed near $59 a barrel on Friday, recovering almost 3% during the session, amid renewed concerns about disruptions to Iranian supply as protests entered their thirteenth day, while the yield on the 10-year Treasury note stabilized around 4.18%.

The technology sector benefited from CES 2026, where Nvidia CEO Jensen Huang unveiled the Vera Rubin platform, a six-chip architecture promising tenfold performance improvements over Blackwell, along with the Alpamayo family of autonomous driving models, reinforcing the company's dominance in physical artificial intelligence. Intel's stock

Stocks rose more than 10% after a White House meeting with CEO Lip-Bu Tan, while strength in semiconductors broadly boosted the Nasdaq. Among corporate news, General Motors announced $6 billion in electric vehicle spending, Johnson & Johnson secured a tariff exemption through a drug pricing agreement with the Administration, and Meta partnered with Oklo and Vistra to expand its AI data centers. The Supreme Court's decision on the legality of the tariffs, which has been delayed and is now expected on January 14, remains a key uncertainty as markets assess trade policy uncertainty heading into the first quarter.

Source: Sentosa; Co

# MACROECONOMIC FLUCTUATIONS AND DATA

## KEY DATES OF THE LAST WEEK

**January 5**

**ISM Manufacturing Index**

Actual 47.9 vs. the poll 48.4

**January 7**

**ISM Services Index**

Actual 54.4 vs. the poll 52.2

**Factory orders**

Actual -1.2% vs. survey -1.3%

**Orders for durable goods**

Actual -2.2% vs. survey -2.2%

**January 8**

**Trade balance**

Real: -$29.4 billion vs.
The survey: -$58.7 billion

**January 9**

**Housing starts**

Actual: 1,306,000 vs. the survey:
1333 000

**Variation in payrolls non-agricultural**

Actual: 50,000 vs. Survey: 70,000

**Unemployment rate**

Actual 4.4% vs. the survey 4.5%

| GLOBAL EQUITY INDICES | Last | 5 Days | | 1 Month | YTD |
|---|---|---|---|---|---|
| MSCI WORLD | 4,511.01 | **1.48%** | ÿ | 2.34% | 1.82% |
| MSCI EM | 1,452.35 | **1.60%** | ÿ | 4.49% | 3.42% |
| MSCI EM LATIN AMERICA | 2,819.93 | **3.66%** | ÿ | 3.12% | 4.08% |
| MSCI AC ASIA x JAPAN | 945.28 | **1.46%** | ÿ | 4.70% | 3.49% |
| **USA** | | | | | |
| S&P 500 INDEX | 6,966.28 | **1.57%** | ÿ | 2.03% | 1.76% |
| NASDAQ COMPOSITE | 23,671.35 | **1.88%** | ÿ | 2.05% | 1.85% |
| DOW JONES INDUS. AVG | 49,504.07 | **2.32%** | ÿ | 2.16% | 3.00% |
| RUSSELL 2000 INDEX | 2,624.22 | **4.62%** | ÿ | 2.85% | 5.73% |
| **EUROPE** | | | | | |
| STXE 600 (EUR) Pr | 609.67 | **2.27%** | ÿ | 5.44% | 2.95% |
| Euro Stoxx 50 Pr | 5,997.47 | **2.51%** | ÿ | 4.84% | 3.56% |
| DAX INDEX | 25,261.64 | **2.94%** | ÿ | 4.45% | 3.15% |
| CAC 40 INDEX | 8,362.09 | **2.04%** | ÿ | 3.64% | 2.61% |
| FTSE MIB INDEX | 45,719.26 | **0.76%** | ÿ | 5.07% | 1.72% |
| IBEX 35 INDEX | 17,649.00 | **0.90%** | ÿ | 4.71% | 1.97% |
| SWISS MARKET INDEX | 13,421.82 | **1.16%** | ÿ | 4.15% | 1.16% |
| FTSE 100 INDEX | 10,124.60 | **1.74%** | ÿ | 4.93% | 1.95% |
| **ASIA** | | | | | |
| NIKKEI 225 | 51,939.89 | **3.18%** | ÿ | 2.17% | 3.18% |
| HANG SENG INDEX | 26,231.79 | **-0.41%** | ÿ | 0.98% | 2.35% |
| CSI 300 INDEX | 4,758.92 | **2.79%** | ÿ | 3.89% | 2.79% |
| SENSEX | 83,576.24 | **-2.55%** | ÿ | -1.98% | -1.93% |
| **LATAM** | | | | | |
| S&P/BMV IPC | 66,062.62 | **3.00%** | ÿ | 2.09% | 2.73% |
| BRAZIL IBOVESPA INDEX | 163,370.31 | **1.76%** | ÿ | 1.62% | 1.39% |
| MSCI COLCAP INDEX | 2,213.35 | **6.98%** | ÿ | 4.96% | 7.03% |
| S&P/CLX IPSA (CLP) TR | 10,929.15 | **4.80%** | ÿ | 5.09% | 4.27% |

| EQUITIES SECTORS | Last | 5 Days | | 1 Month | YTD |
|---|---|---|---|---|---|
| PHILA GOLD & SILVER INDX | 374.53 | **9.32%** | ÿ | 10.90% | 9.42% |
| MSCI WORLD/CONS DIS | 520.37 | **4.27%** | ÿ | 3.18% | 3.49% |
| MSCI WORLD/MATERIAL | 415.66 | **4.10%** | ÿ | 6.68% | 4.84% |
| MSCI WORLD/INDUSTRIAL | 522.18 | **2.99%** | ÿ | 4.22% | 4.53% |
| MSCI WRLD/COMM SVC | 169.15 | **1.79%** | ÿ | 2.63% | 1.50% |
| MSCI WORLD/HIGH CARE | 407.71 | **1.78%** | ÿ | 3.04% | 2.07% |
| MSCI WORLD/REAL EST | 1,062.80 | **0.84%** | ÿ | 0.65% | 0.85% |
| MSCI WORLD/CON STPL | 298.99 | **0.73%** | ÿ | -0.15% | 0.59% |
| MSCI WORLD/FINANCEVAL | 187.93 | **0.67%** | ÿ | 2.40% | 1.22% |
| MSCI WORLD/INF TECH | 978.35 | **0.33%** | ÿ | 0.97% | 0.49% |
| MSCI WORLD BANK INDEX | 190.42 | **0.32%** | ÿ | 3.75% | 1.51% |
| MSCI WORLD/ENERGY | 272.80 | **0.22%** | ÿ | 1.90% | 2.06% |
| MSCI WORLD/UTILITY | 200.88 | **-0.48%** | ÿ | 1.82% | 0.80% |

| US RATES | Last | 5 Days Close | | 12M Close | |
|---|---|---|---|---|---|
| 2Y | 3.53 | 3.47 | 0.06 | 4.26 | -0.73 |
| 5Y | 3.75 | 3.74 | 0.01 | 4.46 | -0.71 |
| 10Y | 4.17 | 4.19 | -0.03 | 4.69 | -0.52 |

| BONDS CREDIT SPREAD | Last | 5 Days Close | | 12M Close | |
|---|---|---|---|---|---|
| EM Bonds Spread | 230.16 | 229.9 | **0.3** | 291.24 | -61.1 |
| HY Bonds Spread | 230.00 | 238.0 | -8.0 | 274.00 | **-44.0** |
| BBB 10yr Spread | 175.47 | 169.9 | **5.5** | 146.89 | 28.6 |

| FIXED INCOME | Last | 5 Days | | 1 Month | YTD |
|---|---|---|---|---|---|
| US High Yield | 2,925.94 | 0.39% | ÿ | 0.97% | 0.39% |
| EM Bonds USD | 1,386.67 | 0.03% | ÿ | 0.50% | -0.01% |
| EM Local Currency | 153.20 | -0.05% | ÿ | 1.24% | 0.08% |
| CoCos USD | 151.20 | -0.02% | ÿ | 0.45% | -0.04% |
| IG BBB 3-5yr USD | 394.32 | 0.33% | ÿ | 0.74% | 0.19% |
| IG AA Corp USD | 286.42 | 0.35% | ÿ | 0.65% | 0.23% |

| COMMODITIES | Last | 5 Days | | 1 Month | YTD |
|---|---|---|---|---|---|
| **CRB INDEX** | 301.47 | 1.23% | ÿ | 1.07% | 0.90% |
| WTI | 59.12 | 3.14% | ÿ | 1.49% | 2.96% |
| Brent | 65.32 | 7.35% | ÿ | 4.00% | 4.60% |
| US Natural Gas | 3.17 | -12.41% | ÿ | -30.72% | -14.03% |
| **S&P GSCI Precious Metal** | **6,107.28** | **5.13%** | ÿ | **6.73%** | **4.96%** |
| Gold | 4,509.50 | 4.09% | ÿ | 7.16% | 4.40% |
| Silver | 79.86 | 9.67% | ÿ | 31.62% | 11.43% |
| Platinum | 2,279.17 | 6.36% | ÿ | 34.61% | 10.61% |
| Palladium | 1,823.00 | 11.41% | ÿ | 20.69% | 12.53% |
| **S&P GSCI Industrial Metal Index** | **576.32** | **3.85%** | ÿ | **10.86%** | **4.34%** |
| Aluminum | 3,136.00 | 4.00% | ÿ | 9.78% | 4.69% |
| Copper | 13,039.94 | 4.25% | ÿ | 13.52% | 4.71% |
| Nickel | 17,506.62 | 4.98% | ÿ | 20.37% | 6.10% |
| **S&P GSCI Agriculture** | **355.16** | **1.14%** | ÿ | **-1.49%** | **0.78%** |

| CURRENCIES | Last | 5 Days | | 1 Month | YTD |
|---|---|---|---|---|---|
| CHF vs USD | 0.8012 | -1.10% | ÿ | 0.64% | -1.07% |
| JPY vs. USD | 157.8900 | -0.67% | ÿ | -0.64% | -0.75% |
| CAD vs. USD | 1.3913 | -1.29% | ÿ | -0.48% | -1.36% |
| EUR vs. USD | 1.1637 | -0.70% | ÿ | 0.09% | -0.93% |
| GBP vs. USD | 1.3404 | -0.39% | ÿ | 0.80% | -0.53% |
| AUD vs. USD | 0.6687 | -0.09% | ÿ | 0.68% | 0.21% |
| BRL vs. USD | 5.3660 | 1.09% | ÿ | 1.38% | 2.03% |
| MXN vs. USD | 17.9771 | -0.41% | ÿ | 1.24% | 0.17% |
| COP vs. USD | 3,715.39 | 1.61% | ÿ | 4.02% | 1.67% |
| CNY vs. USD | 6.9783 | 0.14% | ÿ | 1.22% | 0.14% |
| EUR vs. CHF | 0.9323 | -0.38% | ÿ | 0.55% | -0.17% |
| DOLLAR INDEX | 99.1330 | 0.72% | ÿ | -0.09% | 0.82% |
| BITCOIN | 90,442.28 | -3.88% | ÿ | -2.11% | 3.19% |

## KEY DATES OF THE NEXT WEEK

**January 13**

**year-on-year CPI**

Survey 2.7%

**New home sales**

Survey 715,000

**January 14**

**Producer Price Index (PPI)**
**Final year-on-year demand**

Survey 2.7%

**Advance retail sales intermonthly**

Survey 0.4%

**Sales of existing homes**

Survey 4.22 million

**January 15**

**Empire Manufacturing**

Survey 1.0

**January 16**

**Industrial production intermonthly**

Survey 0.1%



Source: Sentosa; Co

# 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 | | | |

Financial markets enter 2026 on a solid footing after three years of a remarkable upward trend. However, the landscape is shifting. Valuations are historically high: the equity risk premium has almost disappeared, indicating that markets have already priced in much of the good news. The 2024-2025 “AI boom” and MAG 7 outperformance phase appear to be cooling. From an economic perspective, the United States is now experiencing a sharp slowdown in non-farm payrolls, which will likely impact the economy.

However, some market segments remain attractive. The excellent performance of precious metals last year is gradually giving way to industrial metals, which should experience a bull market in 2026. Oil prices are at very low levels and should bottom out soon before recovering to $70. For this reason, we have upgraded our view on the energy sector from "neutral" to "overweight."



Source: Sentosa; Co

# 2026: The year of raw materials

**Last year was exceptional and stellar for precious metals, which posted their best annual performance in more than four decades** (Chart 1). Silver emerged as the year's standout commodity, surging 158% to new all-time highs above $80 an ounce. Platinum followed with a gain of 137%, benefiting from severe supply constraints and the EU's unexpected policy shift on the ban on combustion engines. Palladium climbed 80%, recovering from years of underperformance due to slowing electric vehicle adoption and growing concerns about Russian supply. Gold, while delivering an exceptional 63% performance, lagged behind the complex as investors favored metals with more compelling supply deficit narratives and industrial demand growth profiles.

**This strong performance has not necessarily extended to other sectors, as commodity markets showed some divergence across segments** (Chart 2). Industrial metals posted attractive gains in 2025, as the sector benefited from structural demand growth linked to artificial intelligence infrastructure and the global energy transition. Copper stood out, closing the year at record highs near $12,600 per tonne, representing an increase of approximately 46% since January. On the other hand, soft commodities experienced a significant pullback, reflecting a normalization of supply conditions following weather-induced shortages, combined with demand destruction from the previous period of high prices. Finally, crude oil had a challenging year, falling approximately 20% from its January highs to trade near four-year lows by year-end.

**Chart 1: Precious metals performance in 2025**

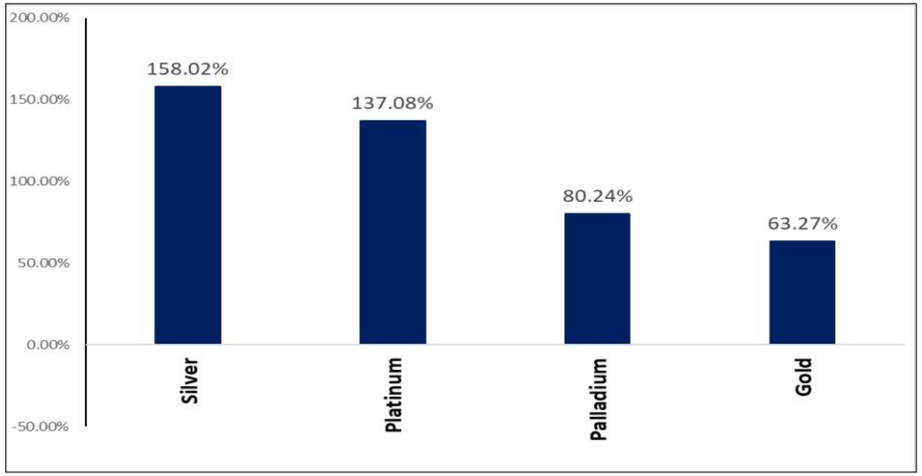
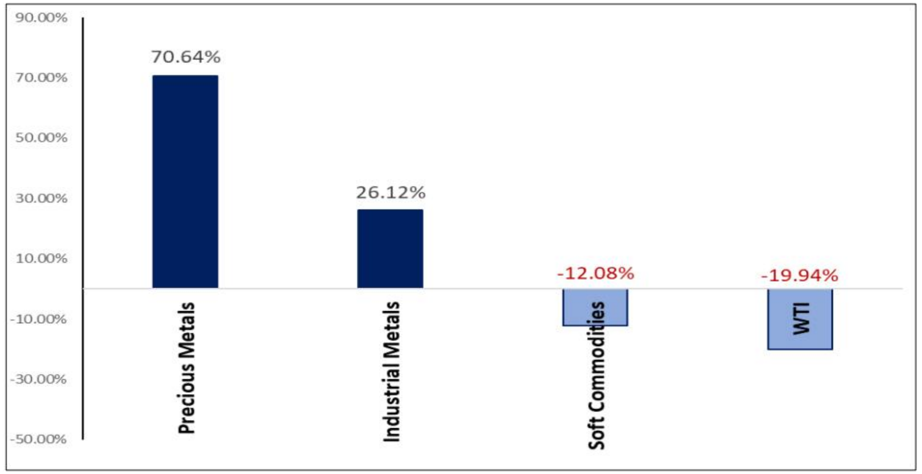



**Chart 2: Global commodity performance in 2025**




Source: Sentosa & Co.



In On Capital

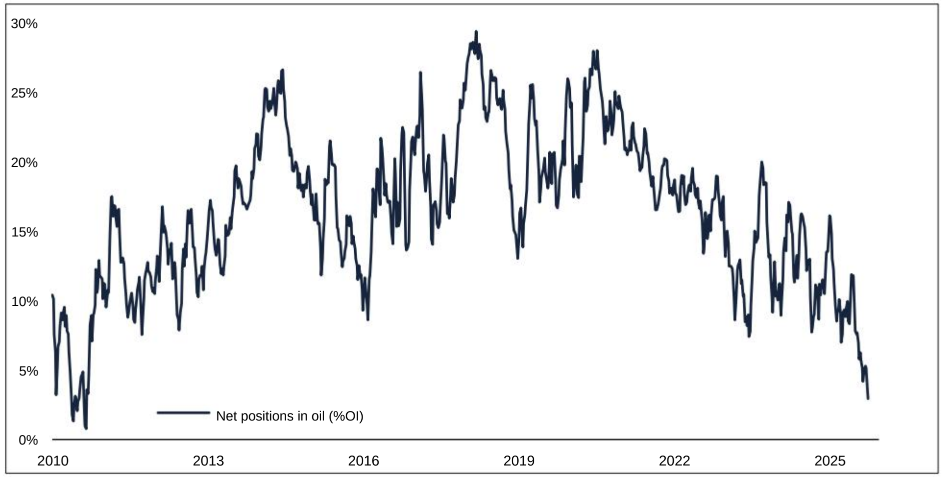
# Positive outlook for oil and industrial metals in 2026

In our December report on oil, we were quite clear in stating that prices are reaching bottom levels. **Technically speaking, prices They are reaching the lowest point of a descending wedge and are in the process of bottoming out** (Chart 3). Furthermore, the gap between supply and demand should to decrease due to reduced OPEC supply, which should support oil prices. **Finally, the extremely low level of the position The net long speculative position and the fact that the futures curve is flattening lead us to believe that the price of oil will stabilize and could soon rebound towards $70 per barrel** (Chart 4). **As for industrial metals, the segment has already begun its bull market and should continue its upward trend in the coming days. years** (graph 5).

Driven by the construction of artificial intelligence infrastructure and the demand for energy transition, along with a context of supply constraints that we have As mentioned numerous times in our previous reports, this segment has a promising future. **Copper reached an all-time high of $13,020 per barrel. metric ton on January 5, surpassing $13,000 for the first time ever** (Chart 6). The explosive growth of artificial intelligence applications has This has created a completely new demand vector for industrial metals that was unimaginable just five years ago. **This enormous need for energy translates directly into an extraordinary demand for copper, aluminum, and other critical metals essential for the electrical infrastructure** (Figure 7). Given that the Demand for electrification, electric vehicles, renewable energy, and AI data centers will increase by approximately 19% between 2024 and 2030, **according to investment banks . They predict that the copper and aluminum markets will move from small surpluses in 2024 to deficits equivalent to -9% and -15% of supply, respectively, by the end of 2024. of the decade** (graph 8).

**Chart 3: WTI ($58.2)**


**Chart 4: Speculative futures positions on oil by traders**




Source: Sentosa & Co.

# THE TOPIC OF THE WEEK

Chart 5: S&P GSCI Industrial Metals

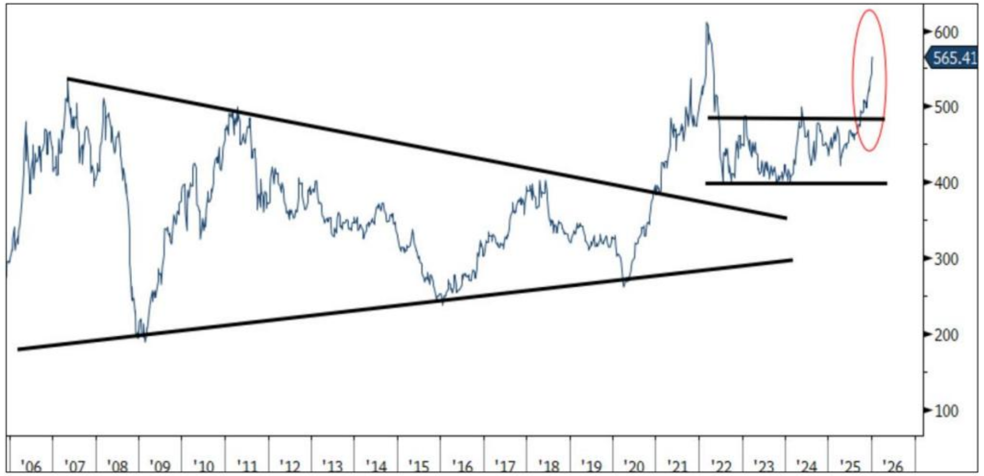



Chart 6: Copper ($12,720)

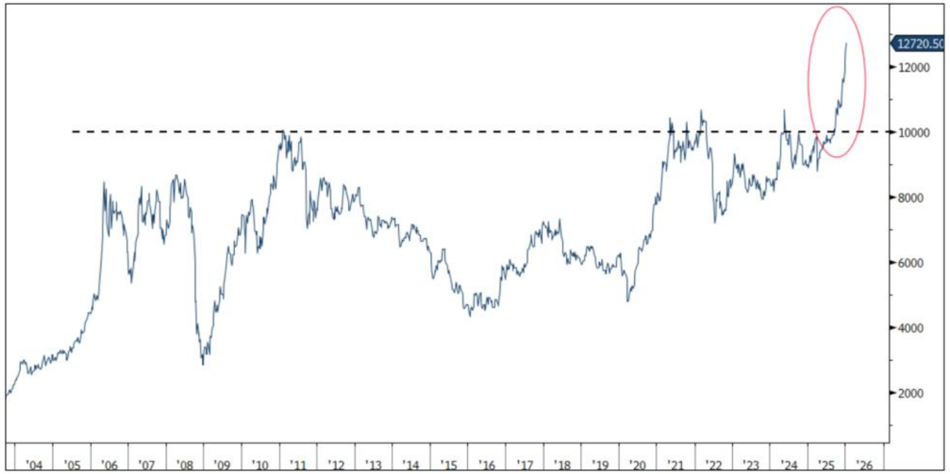



Chart 7: Global demand for materials by data centers (kilotons)

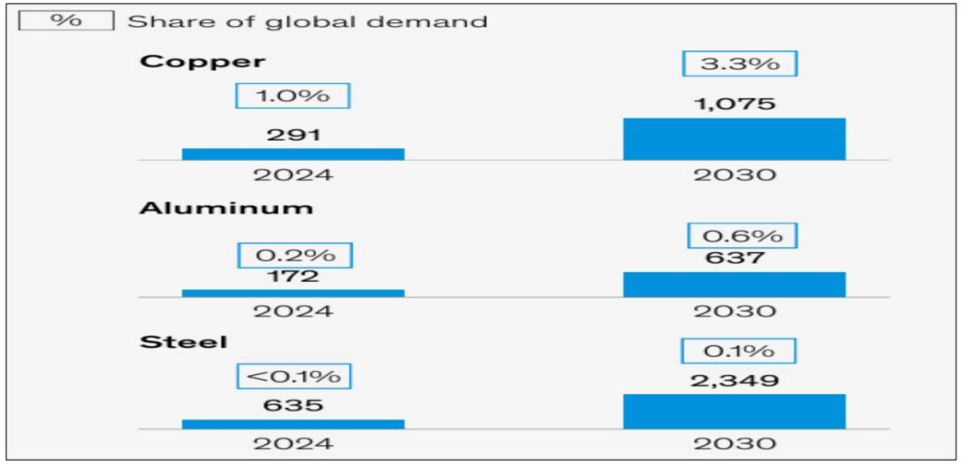
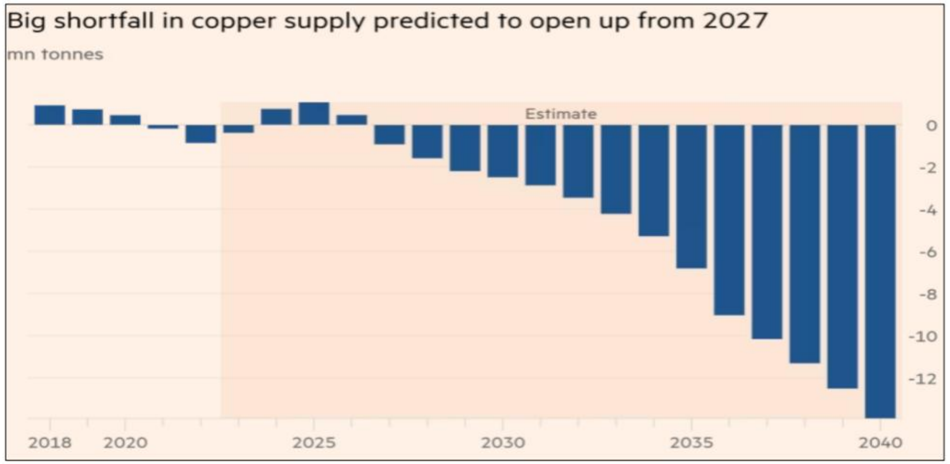



Chart 8: Future forecast of the copper supply deficit






Source: Sentosa & Co.

# THE TOPIC OF THE WEEK

**The Weak Dollar as an Additional Driver for Commodities:** The dollar's decline last year has been an additional driver for commodities, and we believe the situation will be the same in 2026. **Technically speaking, there is no doubt that the dollar index has entered a long-term bear market... by breaking the 101 support level, prices opened the door to a new long-term** downtrend (Chart 9). After a roughly 10% drop in the dollar index in 2025, investors might think that 2026 will be the year of recovery... but we couldn't disagree more with these expectations. **In fact, even after removing the effect of inflation, the dollar is still overvalued by around 15% against its trading partners** (Chart 10).

The dollar will also be influenced by the Fed's monetary policy this year. **So far, the market expects two rate cuts before the end of the year** (Chart 11), which we consider very conservative. In fact, if we look at the labor market, the deterioration is so severe that we believe the Fed will have to be more aggressive in 2026. **A closer look at payrolls shows that the United States is far from the job creation levels achieved in 2023-2024, as it will only create an average of 78,000 jobs in 2025. Even more concerning is that, over the past eight months, average monthly job creation has been only 2,600** (Chart 12).

**Chart 9: Dollar Index (99.06)**

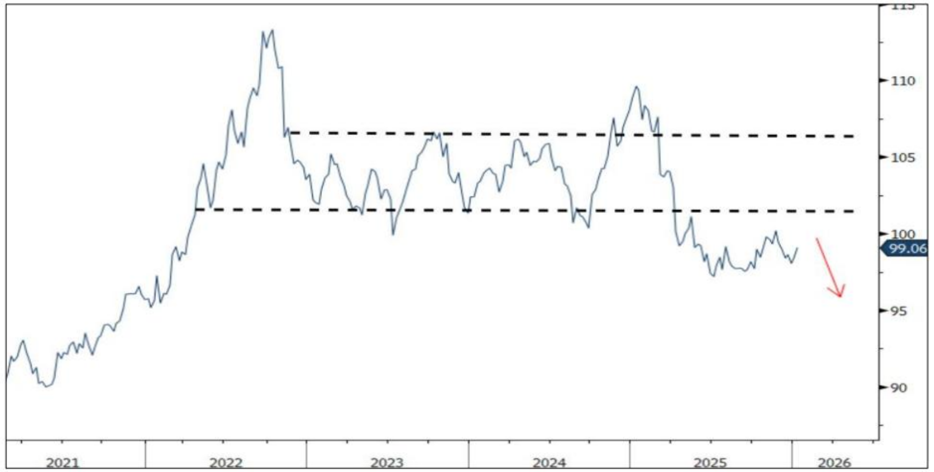
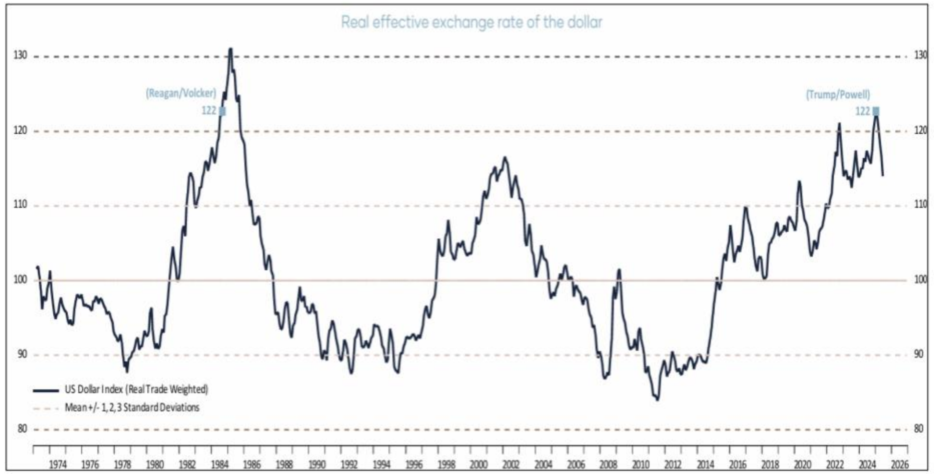



**Chart 10: Real effective exchange rate of the dollar**






Source: Sentosa & Co.

# THE TOPIC OF THE WEEK

**Chart 11: Number of rate cuts expected by investors (-2 cuts/-50 bp)**

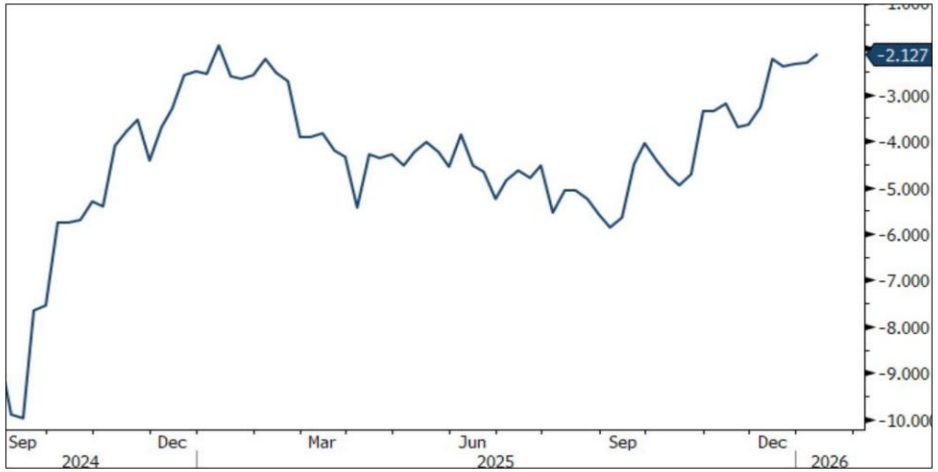
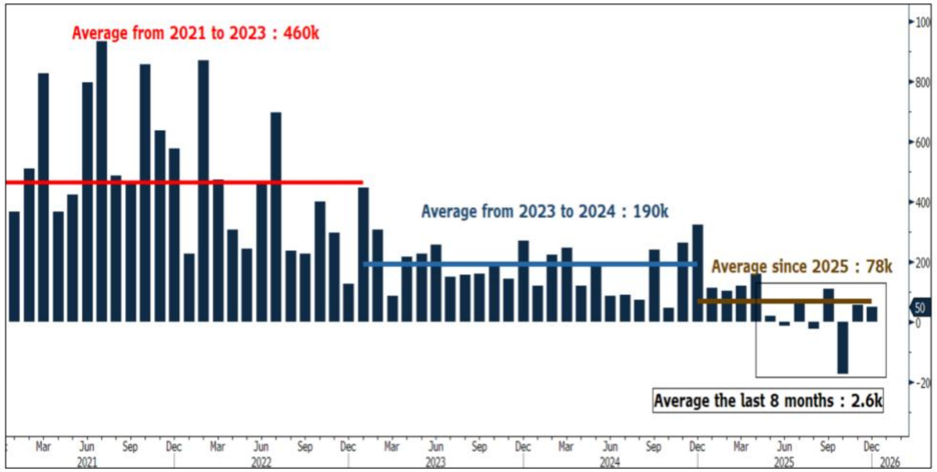



**Chart 12: US Nonfarm Payrolls (+50,000 / December)**




**Overweight Metal Producers and Oil Companies** This week, we upgraded our view on energy companies from neutral to overweight. Energy sector stocks have held up relatively well despite falling commodity prices. Since January 2025, although the sector has underperformed the MSCI World, industry-wide stock prices have risen by 8% (11.4% total return), while WTI has lost 18% of its value—a solid relative performance. **From a technical perspective, the sector is poised to break through key resistance levels and looks attractive for accumulation at current levels** (Chart 13). A recovery in oil prices from current lows will provide an additional boost for energy companies, particularly those in exploration and production and equipment and services.

**Regarding metals and mining companies, the sector has posted tremendous returns of +75% from the April 2025 lows and +18% since our last report on October 13, 2025** (Chart 14). While we have no doubt about the segment's long-term direction, we believe it is currently overbought in the short term. We would take advantage of any short-term correction to build positions in this sector. Alternatively, investors could sell put options or create structured solutions with low strike prices to recoup the risk of entering at a lower price in the event of a correction.
In any case, we remain very optimistic about the long-term prospects for metals and mining producers, as we have entered a new long-term commodity bull market.



Source: Sentosa & Co.

# THE TOPIC OF THE WEEK

**Chart 13: Fidelity MSCI Energy Index ETF (FENY US)**

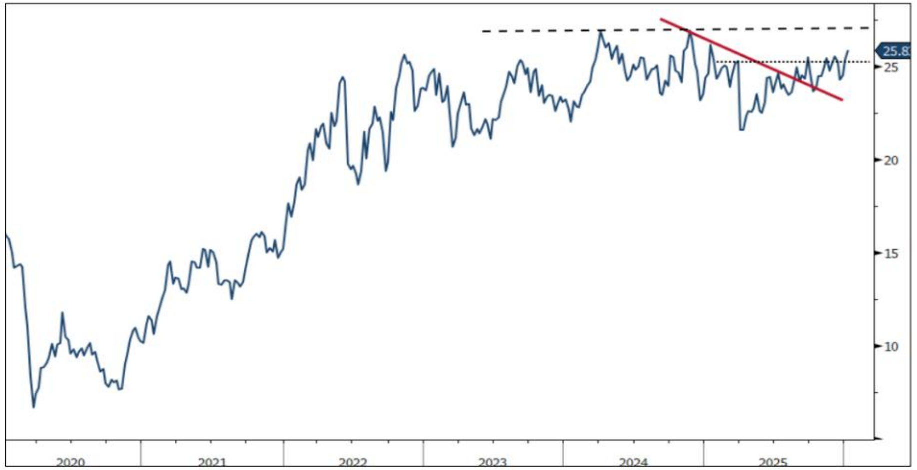



**Chart 14: iShares MSCI Global Select Metals & Mining Producers ETF (PICK US)**


## CONCLUSION

The current precious metals bull market is about to extend to other commodities, specifically industrial metals. The segment is benefiting from the exponential demand resulting from electrification and energy needs at a time when supply is at a much higher level low.

Regarding the oil market, current levels are considered attractive, as we see that the price of oil has bottomed out and is rising towards $70. First objective. Investors should take advantage of the current attractive levels to buy into oil companies and anticipate the next price increase. As for the With metal and mining producer stocks performing well, we are facing a new long-term bull market... any correction will be an opportunity for them to... investors come in.

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