

SUMMARY OF LAST WEEK

Markets posted their biggest weekly rally since November after President Trump announced a two-week ceasefire with Iran late Tuesday — just hours before the 8 p.m. deadline to "destroy" Iranian infrastructure — sending the S&P 500 soaring **3.56%** for the week, the Nasdaq up **4.68%** and the Dow Jones up **3.04%**.

Oil prices plunged in their biggest daily drop since April 2020, with WTI falling **16.4%** to \$94.41 a barrel and Brent plummeting **13.3%** to \$94.75, amid hopes that Iran would immediately reopen the Strait of Hormuz as part of the ceasefire terms. However, the euphoria proved premature, as the strait remained effectively closed at the end of the week, with Iran restricting and conditioning traffic through routes controlled by the Revolutionary Guard rather than the usual commercial lanes. Abu Dhabi National Oil Company CEO Sultan Al Jaber confirmed that 230 loaded tankers remained stranded in the Gulf despite the ceasefire. Vice President JD Vance departed for Islamabad to lead weekend peace talks, though investors remained skeptical given the deep lack of trust between Washington and Iran.

Tehran. Goldman Sachs warned that Brent crude would average above \$100 a barrel until 2026 if the strait remained closed for another month, while spot prices for actual oil cargoes hovered near \$120—almost \$30 above futures—highlighting the persistent supply shortage despite the ceasefire announcement. Macroeconomic data painted a worrying picture, with March's CPI surging, driven by a 21.2% increase in headline inflation, which accounted for almost three-quarters of the monthly rise. Core CPI rose a more modest 0.2%, with year-on-year core inflation slowing to 2.6%. Employment data surprised on the upside, with 178,000 jobs created in March (far exceeding expectations) after a revised decline of 133,000 in February, while unemployment fell to 4.3%. However, the University of Michigan's consumer confidence index hit a record low, reflecting deep anxiety about the economic impact of high energy costs. The Atlanta Fed's GDPNow indicator showed that first-quarter GDP estimates plummeted to 1.3%—the lowest level since the outbreak of the war.

While the Commerce Department revised its fourth-quarter 2025 growth forecast downward from 0.7% to 0.5%, Meta Platforms became the focus of corporate attention this week after receiving two harsh court verdicts: a jury in Santa Fe, New Mexico, ordered Meta to pay \$375 million in damages for misleading users about child safety, while a jury in Los Angeles found Meta and YouTube legally liable for social media addiction and mental health damages, awarding them a combined \$6 million in damages, 70% of which Meta must cover. Meta announced on Wednesday the layoff of approximately 700 employees, following earlier reports of potential cuts affecting 20% of its workforce to offset its projected \$135 billion in AI capital spending by 2026.

MACROECONOMIC FLUCTUATIONS AND DATA

KEY DATES OF THE LAST WEEK

April 7

Orders for durable goods

Actual data: -1.4% vs. the survey: -1.2%

April 9

Year-on-year PCE price index

Actual 2.8% vs. the survey 2.8%

quarter-on-quarter annualized GDP – 4th quarter

Actual 0.5% vs. the survey 0.7%

April 10

year-on-year CPI

Actual 3.3% vs. the survey 3.4%

Month-on-month CPI

Actual 0.9% vs. the survey 0.9%

University of Michigan Confidence Index

Actual 47.60 versus the survey 51.50

| GLOBAL EQUITY INDICES | Last | 5 Days | 1 Month YTD |
|-----------------------|------------|------------------------|-------------------------|
| MSCI WORLD | 4,473.96 | 3.66% \bar{y} 3.34% | 0.98% |
| MSCI EM | 1,547.49 | 7.39% \bar{y} 5.31% | 10.19% |
| MSCI EM LATIN AMERICA | 3,332.83 | 6.16% \bar{y} 13.50% | 23.01% |
| MSCI AC ASIA x JAPAN | 999.20 | 7.46% \bar{y} 4.30% | 9.39% |
| USA | | | |
| S&P 500 INDEX | 6,816.89 | 3.56% \bar{y} 2.78% | -0.42% |
| NASDAQ COMPOSITE | 22,902.89 | 4.68% \bar{y} 3.61% | -1.46% |
| DOW JONES INDUS. AVG | 47,916.57 | 3.04% \bar{y} 2.92% | -0.31% |
| RUSSELL 2000 INDEX | 2,630.59 | 3.97% \bar{y} 6.07% | 5.99% |
| EUROPE | | | |
| STXE 600 (EUR) Pr | 614.84 | 2.87% \bar{y} 3.19% | 3.82% |
| Euro Stoxx 50 Pr | 5,926.11 | 3.37% \bar{y} 3.66% | 2.33% |
| DAX INDEX | 23,803.95 | 2.17% \bar{y} 1.52% | -2.80% |
| CAC 40 INDEX | 8,259.60 | 3.49% \bar{y} 4.40% | 1.35% |
| FTSE MIB INDEX | 47,609.36 | 4.14% \bar{y} 7.43% | 5.93% |
| IBEX 35 INDEX | 18,204.30 | 3.55% \bar{y} 6.71% | 5.18% |
| SWISS MARKET INDEX | 13,183.28 | 1.48% \bar{y} 2.68% | -0.63% |
| FTSE 100 INDEX | 10,600.53 | 2.27% \bar{y} 3.31% | 6.74% |
| ASIA | | | |
| NIKKEI 225 | 56,924.11 | 7.15% \bar{y} 5.77% | 13.08% HY Bonds Spread |
| HANG SENG INDEX | 25,893.54 | 4.46% \bar{y} 1.68% | 1.03% |
| CSI 300 INDEX | 4,636.56 | 3.52% \bar{y} -0.70% | 0.14% |
| SENSEX | 77,550.25 | 5.77% \bar{y} 4.01% | -9.00% |
| LATAM | | | |
| S&P/BMV IPC | 70,023.39 | 0.46% \bar{y} 6.66% | 8.89% EM Local Currency |
| BRAZIL IBOVESPA INDEX | 197,323.87 | 4.93% \bar{y} 11.07% | 22.47% |
| MSCI COLCAP INDEX | 2,301.78 | 0.91% \bar{y} 5.55% | 11.30% |
| S&P/CLX IPSA (CLP) TR | 11,076.65 | 3.14% \bar{y} 5.83% | 5.68% |

| EQUITIES SECTORS | Last | 5 Days | 1 Month YTD |
|--------------------------|----------|------------------------|-------------|
| MSCI WORLD BANK INDEX | 193.78 | 6.41% \bar{y} 9.98% | 3.30% |
| MSCI WORLD/CONS DIS | 472.72 | 5.31% \bar{y} 3.16% | -5.99% |
| MSCI WORLD/MATERIAL | 455.77 | 5.15% \bar{y} 7.20% | 14.96% |
| MSCI WRLD/COMM SVC | 165.11 | 5.05% \bar{y} 2.28% | -0.93% |
| MSCI WORLD/INDUSTRIAL | 548.98 | 4.91% \bar{y} 4.56% | 9.90% |
| MSCI WORLD/INF TECH | 946.81 | 4.85% \bar{y} 3.84% | -2.75% |
| PHILA GOLD & SILVER INDX | 405.07 | 4.63% \bar{y} 5.50% | 18.34% |
| MSCI WORLD/FINANCEVAL | 183.85 | 4.23% \bar{y} 6.81% | -0.98% |
| MSCI WORLD/REAL EST | 1,114.96 | 3.33% \bar{y} 1.49% | 5.80% |
| MSCI WORLD/UTILITY | 223.65 | 1.63% \bar{y} 1.99% | 12.23% |
| MSCI WORLD/CON STPL | 312.06 | 0.88% \bar{y} -1.66% | 4.98% |
| MSCI WORLD/HIGH CARE | 384.25 | 0.59% \bar{y} 0.05% | -3.80% |
| MSCI WORLD/ENERGY | 343.87 | -3.09% \bar{y} 1.21% | 28.65% |

| US RATES | Last | 5 Days Close | 12M Close |
|----------|------|--------------|------------|
| 2Y | 3.80 | 3.84 | -0.04 3.86 |
| 5Y | 3.94 | 3.98 | -0.04 4.07 |
| 10Y | 4.32 | 4.34 | -0.02 4.42 |

| BONDS CREDIT SPREAD | 5 Days Close | 12M Close |
|---------------------|--------------|--------------|
| EM Bonds Spread | 230.70 | 252.7 |
| | 266.00 | 296.0 |
| | 170.30 | 177.5 |
| | | -22.0 341.49 |
| | | -30.0 417.00 |
| | | -110.8 |
| BBB 10yr Spread | | -7.2 190.77 |
| | | -20.5 |

| FIXED INCOME | 5 Days | 1 Month YTD |
|------------------|----------|-----------------------|
| US High Yield | 2,937.91 | 0.91% \bar{y} 1.32% |
| | | 0.80% |
| EM Bonds USD | 1,391.02 | 1.33% \bar{y} 0.65% |
| | | 0.30% |
| CoCos USD | 151.26 | 1.49% \bar{y} 1.74% |
| | | 0.00% |
| IG BBB 3-5yr USD | 394.03 | 0.27% \bar{y} 0.95% |
| | | 0.21% |
| IG AA Corp USD | 286.49 | 0.07% \bar{y} 1.20% |
| | | 0.16% |

| COMMODITIES | Last | 5 Days | 1 Month YTD |
|--|-----------------|---|---------------|
| CRB INDEX | 369.30 | -3.44% \bar{y} 0.96% | 23.60% |
| WTI | 96.57 | -13.42% \bar{y} 15.72% | 68.18% |
| Brent | 125.88 | -10.89% \bar{y} 42.50% | 101.59% |
| US Natural Gas | 2.65 | -5.43% \bar{y} -12.32% | -28.16% |
| S&P GSCI Precious Metal | 6,406.80 | 2.64% \bar{y} -6.05% | 10.10% |
| Gold | 4,749.75 | 1.56% \bar{y} -8.52% | 9.96% |
| Silver | 75.88 | 3.92% \bar{y} -14.10% | 5.88% |
| Platinum | 2,048.47 | 2.97% \bar{y} -7.01% | -0.58% |
| Palladium | 1,526.18 | 1.45% \bar{y} -8.12% | -5.79% |
| S&P GSCI Industrial Metal Index | 597.28 | 2.17% \bar{y} 1.18% | 8.13% |
| Aluminum | 3,498.50 | -0.93% \bar{y} 2.72% | 16.79% |
| Copper | 12,819.36 | 3.81% \bar{y} -1.75% | 2.94% |
| Nickel | 17,040.52 | 0.10% \bar{y} -1.38% | 3.27% |
| S&P GSCI Agriculture | 360.23 | -0.96% \bar{y} -2.56% | 2.22% |

| CURRENCIES | Last | 5 Days | 1 Month YTD |
|--------------|-----------|-------------------------|-------------|
| CHF vs. USD | 0.7887 | 1.47% \bar{y} -1.29% | 0.49% |
| JPY vs. USD | 159.2700 | 0.25% \bar{y} -0.77% | -1.61% |
| CAD vs. USD | 1.3841 | 0.75% \bar{y} -1.89% | -0.85% |
| EUR vs. USD | 1.1723 | 1.77% \bar{y} 0.96% | -0.20% |
| GBP vs. USD | 1.3462 | 1.97% \bar{y} 0.33% | -0.10% |
| AUD vs. USD | 0.7064 | 2.45% \bar{y} -0.79% | 5.86% |
| BRL vs. USD | 5.0054 | 3.04% \bar{y} 3.07% | 9.38% |
| MXN vs. USD | 17.2996 | 3.48% \bar{y} 1.72% | 4.09% |
| COP vs. USD | 3,633.95 | 0.47% \bar{y} 1.79% | 3.95% |
| CNY vs. USD | 6.8292 | 0.77% \bar{y} 0.58% | 2.33% |
| EUR vs. CHF | 0.9247 | -0.31% \bar{y} -2.24% | 0.66% |
| DOLLAR INDEX | 98.6500 | -1.38% \bar{y} -0.18% | 0.33% |
| BITCOIN | 72,905.43 | 4.40% \bar{y} 3.19% | -16.82% |

KEY DATES OF THE NEXT WEEK

April 13:

Sales of existing homes

Forecast: 4.05 million

April 14th

Inter-monthly final demand PPI

Survey 4.05 million

April 15, 2020

Empire Manufacturing Index

Survey -0.5

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 | | | |

After five consecutive weeks of losses and a 9% correction, markets have rebounded strongly for the second week in a row. Despite high volatility and a sense of relief among investors, we remain cautious about the overall outlook, as nothing is truly over. Markets remain overvalued in the long term and have not corrected enough to be considered attractive.

The economy was already weakening before the conflict with Iran, and the current tensions surrounding the Strait of Hormuz are adding another layer of economic pressure that will undoubtedly have a greater impact than the market anticipates. Ironically, the consensus doesn't seem worried, as it continues to expect earnings per share to grow by 17% over the next 12 months. On the other hand, it is consumers who are skeptical, as the University of Michigan consumer confidence index fell to a record low of 47.60, highlighting the economic impact on consumers.

| Equity Sectors | U | N | O |
|------------------|---|---|---|
| Consumer Staples | | | |
| Health Care | | | |
| Telcom Services | | | |
| Utilities | | | |
| Consumer Disc. | | | |
| Energy | | | |
| Financials | | | |
| Industrials | | | |
| Technology | | | |
| Real Estate | | | |
| Materials | | | |

THE TOPIC OF THE WEEK

Dollar strength is only temporary

The dollar was one of the few assets that mitigated the negative impact of the war in Iran on portfolios. **The greenback rose more than 3% during March** (Chart 1), offsetting some of the losses suffered in other assets. Its role as a safe-haven asset worked perfectly. **This was further emphasized by the liquidation of positions. Short positions accumulated by traders over the previous eight months** (Chart 2). On April 8, the announcement of a two-week ceasefire in Iran, along with the promise of the reopening of the Strait of Hormuz triggered a wave of optimism in financial markets. Most assets seized the opportunity to rally strongly and holding dollars became less necessary. **Consequently, the dollar fell 1.3% on the day of the announcement, giving up 40% of its recent gains** (Chart 1).

Beyond the demand for safe-haven assets, the war is causing something far more significant: it is accelerating dedollarization in the sphere where the hegemony of the dollar has been more durable: the global energy market. Iran is charging transit fees for the Strait of Hormuz in Chinese yuan. Saudi Arabia refused to renew the petrodollar agreement is set for June 2024. Deutsche Bank has described the current moment as the initial chapter of the petroyuan era. Central banks continue to add to the system, gold in its foreign exchange reserves and reducing its exposure to the US dollar, in order to be less dependent on possible US sanctions. The dollar is rising in the headlines, but declining in the accounting books. Despite its short-term performance as a safe haven, the structural arguments in favor of a stronger dollar weak in the coming years they become increasingly solid.

Chart 1: Dollar Index (98.62)

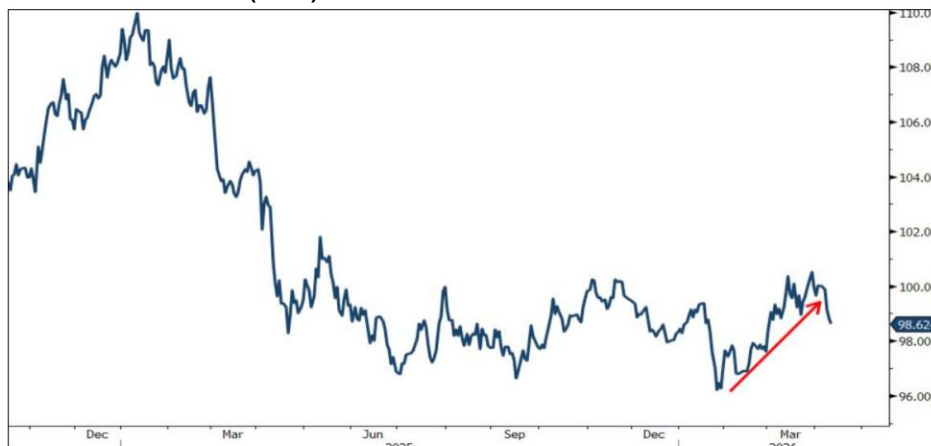
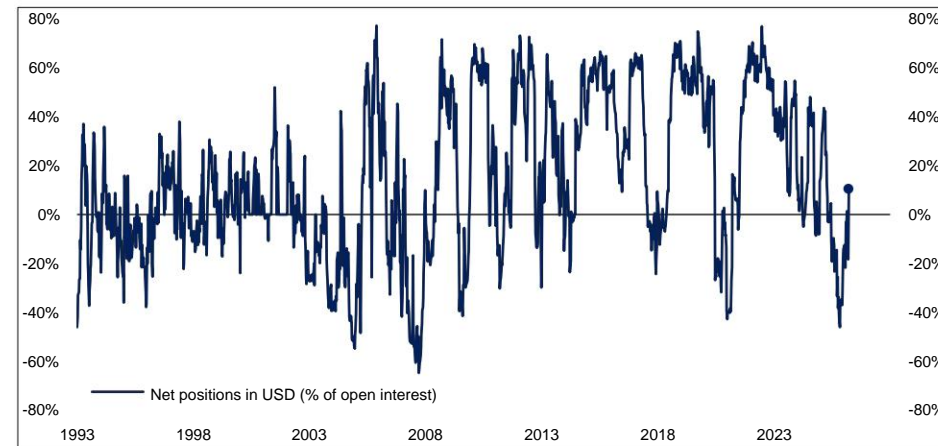


Chart 2: Speculative positions on the dollar



THE TOPIC OF THE WEEK

Dedollarization will continue to put pressure on the dollar. Since

the start of Donald Trump's second term, the US dollar has lost value in thirteen of the sixteen months (Chart 3), with a cumulative drop of -8.4%. Some investors will conclude that this is a deliberate strategy by the US administration. The reality is that the trend toward dedollarization is now having a concrete effect on the dollar. **The dollar's share of global foreign exchange reserves has fallen from approximately 71% in 1999 to 56.7% in the fourth quarter of 2025, according to IMF COFER data, the lowest level since 1994** (Chart 4). This erosion has not been a panic-driven flight, but rather a deliberate and methodical reallocation driven by reserve managers, who operate with multi-year horizons and respond to structural incentives rather than daily headlines. It's worth noting that, although the second quarter of 2025 was the most turbulent for the dollar in decades, reserve managers did not accelerate their dollar reduction in valuation-adjusted terms. The shift is slow, but it is real and deepening.

However, central banks around the world have not replaced the dollar with a single alternative to gold. No credible rival currency exists: the euro's fragmentation risks, the yuan's capital controls, and the yen's structural vulnerabilities preclude a clear replacement. **Central banks have been net buyers of gold for 15 consecutive years. Between 2022 and 2024, annual purchases exceeded 1,000 tons, more than double the rate of the previous decade** (Chart 5). **Finally, foreign ownership of US Treasury bonds has fallen to 30 percent of the outstanding market, down from over 50 percent at the height of the global financial crisis** (Chart 6). Structural demand for Treasury bonds by foreign official institutions has declined, as alternative markets have offered relatively higher yields for the first time in over a decade.

Chart 3: Evolution of the dollar under D. Trump's presidency

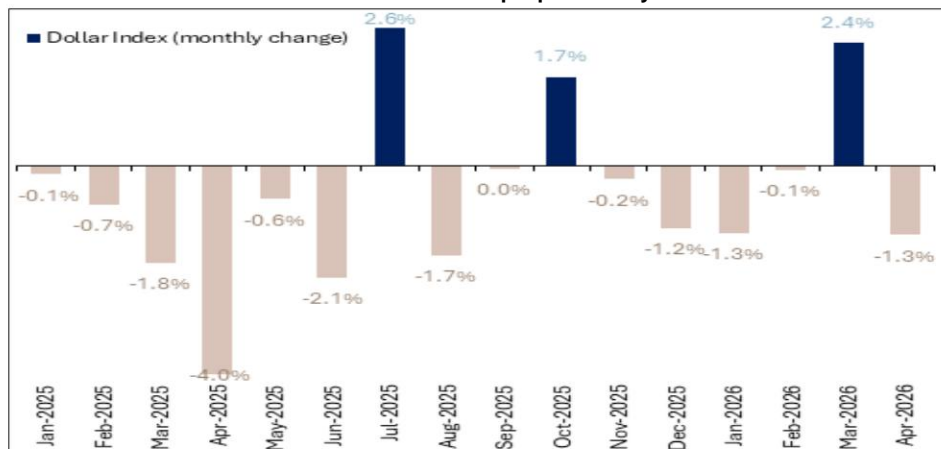
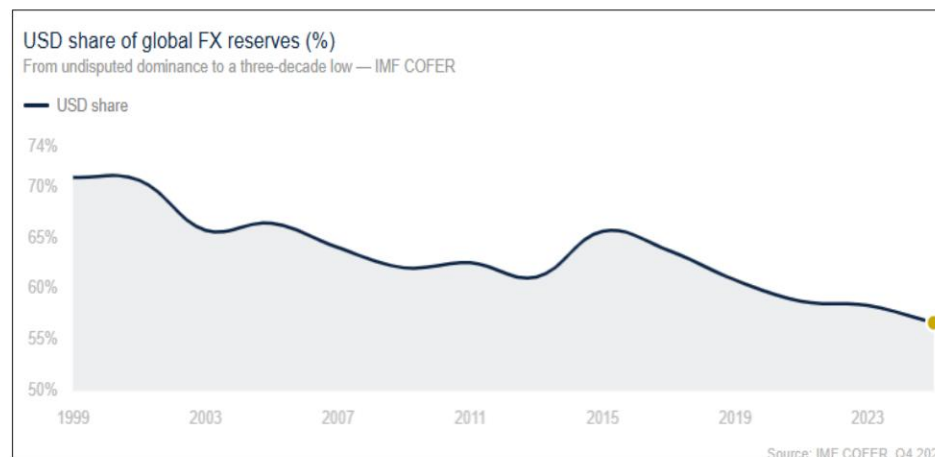


Chart 4: Share of USD in global foreign exchange reserves (%)



THE TOPIC OF THE WEEK

Chart 5: Gold purchases by central banks (tons)

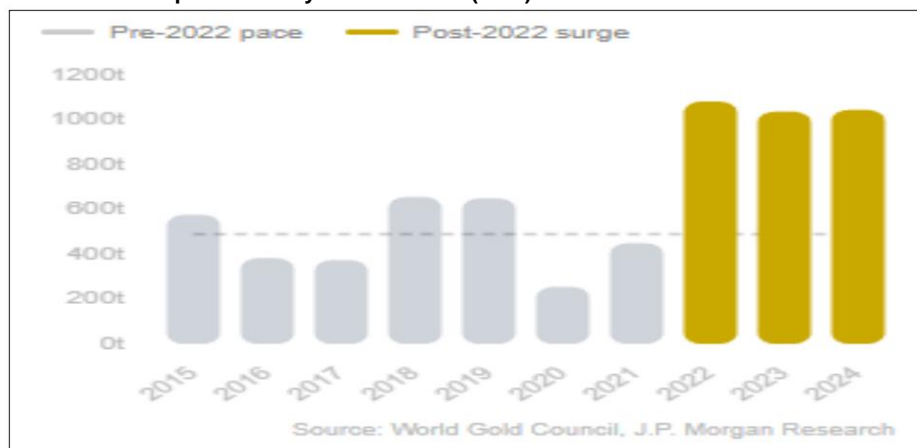


Chart 6: Foreign ownership of U.S. Treasury bonds



The commodity market as the most visible channel of dedollarization

The most visible structural channel of dedollarization is the commodity market and, specifically, the energy market, where the petrodollar agreement has been more durable.

The 50-year-old “security-for-oil” pact, under which Gulf producers priced crude exclusively in dollars and reinvested surpluses in US Treasury bonds, formally began to unravel in June 2024 when Saudi Arabia refused to renew the agreement. The Hormuz crisis has now tested the entire architecture. Iran’s decision to offer passage in exchange for yuan-denominated tariffs—and Beijing’s willingness to broker such transactions—is precisely the kind of precedent that, over time, solidifies alternative settlement channels. China’s position as the world’s largest single manufacturer and Iran’s near-total reliance on Chinese markets for its exports create a bilateral trade structure that requires no dollar intermediation whatsoever.

The Shanghai Cooperation Organisation (SCO) presents perhaps the most operationally advanced example of dollar substitution. The SCO’s 10 full members—including China, India, Russia, Iran, and Pakistan—conducted 97% of intrabloc trade in local currencies by 2025. India has established local currency settlement arrangements with at least seven nations and special rupee Vostro account arrangements with at least 26 countries, creating a bilateral settlement infrastructure that systematically reduces the dollar’s transactional footprint. The New Development Bank has set a target of having 30% of its loans issued in member countries’ local currencies by 2026. These are not ambitious statements, but operational financial infrastructure. It is clear that the freezing of Russia’s foreign exchange reserves, which amount to about \$300 billion, after its invasion of Ukraine in 2022, was the most momentous event in the chronology of dedollarization: it demonstrated to all the central banks of the world that dollar reserves could be confiscated by executive decree.

THE TOPIC OF THE WEEK

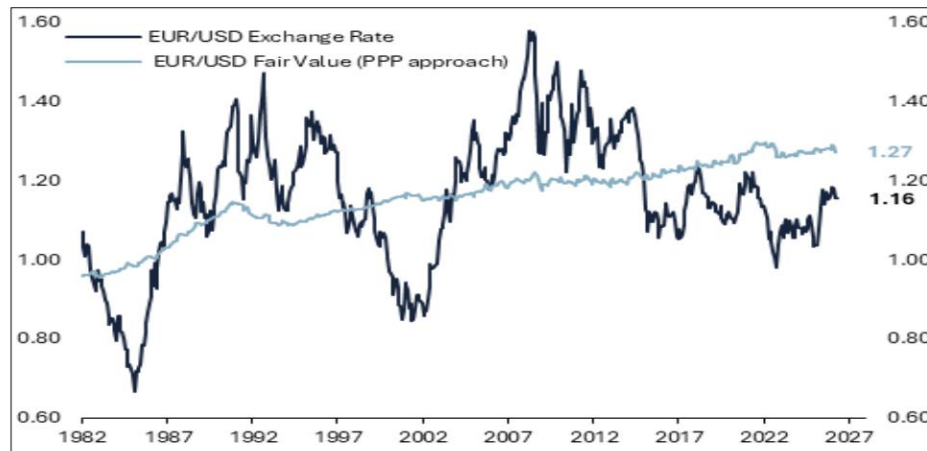
From a macroeconomic perspective, the situation is also unfavorable. Beyond the geopolitical dimension, the fundamental macroeconomic variables that fueled the dollar's 15-year bull run have changed substantially. **That run began around 2010 and peaked in January 2025, generating a cumulative gain of approximately 40% on a trade-weighted basis** (Chart 7). The structural conditions that underpinned it—relatively high real interest rates in the US, persistent capital inflows, and its safe-haven status—are all under simultaneous pressure. Fundamentally, economic data from the New World are stronger than those from Old Europe, but this advantage is diminishing. Consequently, the dollar's strength, which was fully justified over the past decade, will no longer be so in the near future. The market has been reducing the likelihood of a Fed rate cut this year, from expecting two cuts to almost none. As we have mentioned on several occasions in our previous reports, we believe that the Fed will finally have to lower rates this year.

The recent economic slowdown is now further exacerbated by the conflict with Iran and, especially, by the disruption of traffic in the Strait of Hormuz. While inflation is a threat that could concern the Fed, a potential recession risk would undoubtedly be more significant than inflation triggered by a supply-side crisis. Furthermore, the Trump administration's decisions often cause unease among investors. In response, they seek to reduce their exposure to the dollar. Following the intimidation of Federal Reserve members, tariff threats against trading partners, and the questioning of strategic alliances, the Trump administration's geopolitical decisions are multiplying and worrying investors, who are losing confidence. **Finally, according to a purchasing power parity model, the dollar remains significantly overvalued. This model, which eliminates inflation differentials between countries, places the fair value of the EUR/USD at 1.27** (Chart 8). This implies that the euro must appreciate by at least 10% against the dollar to close this gap.

Chart 7: Dollar Index (98.65) / Long-term chart



Chart 8: EUR/USD and purchasing power parity (1.27)



THE TOPIC OF THE WEEK

CONCLUSION The

dollar's weakness does not signal a collapse: the currency holds 57% of global foreign exchange reserves, dominates 88% of foreign exchange trading volume, and will remain a safe haven, at least in the medium term. However, this trend has solidified for the coming years. For equity investors, a weak dollar historically favors stocks in non-US developed markets and commodity producers, as overseas profits translate favorably into dollars and commodity prices—denominated in dollars—tend to rise in real terms when the dollar falls. European equities, offering a structurally attractive valuation environment for the first time in years, become more accessible. Emerging market equities with national income bases in currencies other than the dollar experience less exchange rate pressure in a dollar appreciation environment and also benefit from a bullish environment for commodities.

The most direct hedge against the long-term trend of dedollarization remains gold. Its 15-year purchase cycle by central banks shows no signs of reversing; its utility as a stateless reserve asset is confirmed by the geopolitical events of 2025 and 2026; and its price trajectory is consistent with that of an asset experiencing a revaluation of fundamental demand. For investors managing multi-currency and multi-asset portfolios, the conclusion is clear: the structural bull market for the dollar is over. The transition will be slow, uneven, and punctuated by tactical reversals driven by crises that temporarily reinforce the very system they are eroding. The appropriate response is not to trade against the dollar in the short term, but rather to reduce structural dependence on it over time.

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