JANUARY-23-2026

BALLESTAS GROUP
PRIVATE WEALTH MANAGEMENT

Weekly Recap

USA

During the week, US economic data confirmed solid performance, albeit with signs of moderation towards 2026. The highlight was the upward revision of third-quarter GDP, which reached an annualized growth rate of 4.4%, the strongest since 2023 and higher than the initial estimate. This progress was supported by robust private consumption, higher exports, and increased public spending, while the negative effect of inventories was less than expected. At the same time, inflation returned to center stage: the PCE index, preferred by the Federal Reserve, rose 0.2% monthly in both its overall and core versions. In year-on-year terms, it showed a slight acceleration and remains above the 2% target, reinforcing the idea of a slow and data-dependent disinflationary process, consistent with a cautious Fed. Leading indicators offered a mixed picture. January PMIs reflected moderate expansion: the services sector remained at levels consistent with growth, while manufacturing barely managed to stay above the expansion threshold, suggesting a marginal improvement after months of weakness. The composite index advanced modestly, showing more subdued economic momentum than in the second half of 2025. The labor market continued to show resilience. Weekly jobless claims hovered around 200,000, with no signs of deterioration. In contrast, the real estate sector showed fragility, with a sharp drop in pending home sales, despite a slight recovery in construction spending.

In the financial markets, the week was marked by volatility stemming from political and geopolitical factors. Initial tensions surrounding Greenland and the threat of new tariffs sparked fears of a trade conflict, putting pressure on risk assets. However, the tone moderated when President Donald Trump ruled out the use of force and announced progress toward an agreement, allowing the S&P 500 to recover much of its losses. Despite headlines about a possible "sell America," the auction of $13 billion in 20-year Treasury bonds showed solid demand.

The corporate earnings season continues to be positive. Netflix exceeded expectations in revenue and profits, driven by subscribers and advertising. United Airlines posted record revenue and higher-than-expected EPS, highlighting growth in premium cabins. Intel reported better-than-expected results, although its conservative guidance for the first quarter of 2026 weighed on its shares.

On the political front, the first round of trilateral peace talks between Russia, Ukraine, and the United States began in Abu Dhabi. In Davos, Treasury Secretary Scott Bessent noted a more stable balance in the relationship with China and anticipated possible meetings between Trump and Xi Jinping.

EUROPE

In the Eurozone, activity showed signs of stagnation. PMIs reflected a slowdown in services and a slight improvement in manufacturing, although the latter remains in contractionary territory. Inflation surprised on the downside and fell below the ECB's target for the first time since May, reinforcing the perception of a gradual disinflation scenario. In this context, the European Central Bank reiterated its patient stance, in an environment of weak growth but a still resilient labor market.

UNITED KINGDOM

The United Kingdom showed a relatively stronger performance. The services and manufacturing PMIs and the composite index surprised on the upside, marking the strongest expansion in the private sector in several months. Retail sales also exceeded expectations, suggesting stronger domestic demand. However, inflation accelerated again towards the end of the year, which could complicate the process of monetary normalization. The labor market remains stable, with wage growth still high.

ASIA

In Japan, Prime Minister Sanae Takaichi dissolved the lower house and called elections for February 8. The yield on 20-year JGBs reached 3.46% before falling back to 3.27% following official efforts to calm the markets.

China's economy grew 4.5% annually in the fourth quarter and reached its 5% target for 2025. At the same time, the PBoC reinforced monetary support with a strong injection of liquidity via MLF to sustain activity.

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CRNCY	Index	Level	Week	YTD	YTD (usd)	1 Year
	Equity Market					
AMERICAS			-0,30	1,48	1,48	15,57
USD	DOW JONES INDUS. AVG	49.098,71	-0,51	2,23	2,23	13,77
USD	S&P 500 INDEX	6.915,61	-0,34	1,08	1,08	15,02
USD	NASDAQ COMPOSITE	23.501,24	-0,06	1,13	1,13	17,92
BRL	BRAZIL IBOVESPA INDEX	178.858,54	8,53	11,01	15,05	42,79
ARS	S&P MERVAL TR ARS	3.093.535,00	5,47	1,37	2,74	14,38
CLP	S&P/CLX IPSA (CLP) TR	11.500,10	3,08	9,72	14,33	63,76
MXN	S&P/BMV IPC	68.195,98	1,57	6,11	9,84	39,53
EUROPE			-1,40	1,33	1,90	19,49
EUR	Euro Stoxx 50 Pr	5.948,20	-1,31	2,80	3,31	18,06
GBP	FTSE 100 INDEX	10.143,44	-0,90	2,18	3,36	22,89
EUR	DAX INDEX	24.900,71	-1,57	1,68	2,00	16,95
EUR	CAC 40 INDEX	8.143,05	-1,40	-0,07	0,42	7,50
EUR	FTSE MIB INDEX	44.831,60	-1,80	0,07	0,39	32,08
ASIA			0,18	4,35	4,41	34,92
JPY	NIKKEI 225	53.846,87	0,49	6,97	6,95	37,37
CNY	CSI 300 INDEX	4.702,50	-0,65	1,68	2,06	27,06
HKD	HANG SENG INDEX	26.749,51	0,70	4,39	4,21	40,32
GLOBAL						
USD	ISHARES MSCI ACWI ETF	145,16	0,11	2,59	2,59	21,26
USD	MSCI WORLD	4.500,06	-0,32	1,62	1,62	19,34
USD	MSCI EM	1.495,16	0,69	6,51	6,51	41,95
USD	MSCI AC ASIA PACIFIC	239,42	-0,43	5,19	5,19	35,43
USD	MSCI EM LATIN AMERICA	3.045,62	6,16	12,56	12,56	65,25
	Fixed Income					
GLOBAL		1.255,13	0,27	0,00	0,00	10,14
USD	Global Aggregate	501,18	0,30	-0,02	-0,02	7,98
USD	EM USD Aggregate	1.389,28	0,10	0,18	0,18	10,72
USD	Global High Yield	1.874,93	0,42	0,68	0,68	11,71
	Commodities					
USD	BBG Commodity	119,58	5,27	9,02	9,02	13,64
USD	Oro	4.981,25	8,38	15,34	15,34	80,82
USD	WTI	61,30	3,56	7,11	7,11	-17,85
USD	Soja	391,03	1,38	1,91	1,91	0,19

Source: Bloomberg. Information as of January 23, 2026, at market close. rd