BALLESTAS GROUP
PRIVATE WEALTH MANAGEMENT

FEBRUARY-6-2026

Weekly Recap

USA

This week was marked by a series of significant economic indicators, sharp movements in financial markets, and political decisions that once again affected short- and medium-term expectations. On the macroeconomic front, the most striking data was the sharp drop in job vacancies. In December 2025, job openings fell by 386,000 to 6.54 million, the lowest level since September 2020 and well below market expectations. The weakness was widespread, with sharp declines in professional services, retail, and the financial sector, and extended to all regions of the country. While hiring and separations remained stable, the decline in the vacancy ratio to 3.9% reinforces the perception of a labor market that is gradually losing momentum. Other indicators accompanied this more moderate tone. The University of Michigan's consumer sentiment index improved again in February, although it remains nearly 20% below early 2025 levels, with a marked divergence between households with stock market exposure and those without financial assets. At the same time, one-year inflation expectations fell sharply to 3.5%, the lowest level in more than a year, while long-term expectations remained high.

In contrast, PMI indices surprised on the upside, with manufacturing returning to expansionary territory, suggesting an economy that is slowing but still far from an abrupt contraction. This combination of weaker labor data and mixed signals on activity pushed Treasury yields lower toward the end of the week. In the markets, the week was dominated by a sharp correction in software and technology stocks, driven by fears that advances in AI will erode traditional business models. The launch of new AI-based productivity tools and the revelation of plans to invest nearly $650 billion in capex by 2026 by big tech companies reignited the debate about possible overinvestment. This context favored a rotation toward value stocks, leading the Russell 1000 Value Index to hit record highs.

The corporate earnings season continues to show a solid balance sheet. With more than 58% of S&P 500 companies having reported, nearly 80% exceeded earnings expectations, with year-on-year earnings growth of close to 14% and sales advancing more than 9%, confirming the resilience of the corporate sector despite macroeconomic and geopolitical noise.

On the political front, the United States and India reached a preliminary agreement that reduces tariffs and includes five-year purchase and investment commitments, while in Washington a brief government shutdown forced the rescheduling of key data releases such as employment and inflation.

EUROPE

The week in the eurozone was marked by the European Central Bank's decision to keep rates unchanged at 3.75%, considering that inflation is converging towards 2%, although it warned of a still uncertain environment. The PMIs reflected moderate activity, with the manufacturing sector contracting (49.5) and services expanding (51.6), leaving the composite index at 51.3.

In Germany, exports grew 4.0% month-on-month in December, reaching a 20-month high.

UNITED KINGDOM

The Bank of England kept rates at 3.75%, with a somewhat more flexible message. PMIs showed a clear improvement in activity: manufacturing at 51.8 and services rebounding strongly to 54.0, bringing the composite PMI to 53.7 and signaling an acceleration in growth driven by the services sector.

ASIA

In Japan, polls anticipate a victory for the ruling coalition, which would strengthen Sanae Takaichi's government. Activity showed a positive tone, with manufacturing PMIs at 51.5 and services at 53.7, raising the composite index to 53.1. In this context, the BoJ hinted at a greater willingness to raise rates in the face of inflationary pressure from a weak yen. In China, activity weakened, with manufacturing and services PMIs contracting. This deterioration reflects an economic slowdown. At the same time, Xi Jinping reiterated his ambition to internationalize the renminbi, a goal that would require profound financial reforms.

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CRNCY	Index	Level	Week	YTD	YTD (usd)	1 Year
	Equity Market					
AMERICAS			0,19	1,60	1,60	13,23
USD	DOW JONES INDUS. AVG	50.115,67	2,50	4,35	4,35	10,87
USD	S&P 500 INDEX	6.932,30	-0,09	1,35	1,35	13,57
USD	NASDAQ COMPOSITE	23.031,21	-1,83	-0,88	-0,88	15,24
BRL	BRAZIL IBOVESPA INDEX	182.996,50	0,90	13,57	19,57	45,08
ARS	S&P MERVAL TR ARS	2.977.119,00	-6,95	-2,44	-0,99	18,37
CLP	S&P/CLX IPSA (CLP) TR	11.210,78	-1,83	6,96	12,80	54,68
MXN	S&P/BMV IPC	70.793,20	4,73	10,16	15,03	38,84
EUROPE			1,12	2,60	3,36	18,52
EUR	Euro Stoxx 50 Pr	5.998,40	0,85	3,67	4,39	16,00
GBP	FTSE 100 INDEX	10.369,75	1,43	4,46	5,75	23,68
EUR	DAX INDEX	24.721,46	0,74	0,94	1,48	13,46
EUR	CAC 40 INDEX	8.273,84	1,81	1,53	2,24	7,93
EUR	FTSE MIB INDEX	45.877,20	0,77	2,40	2,94	31,54
ASIA			1,03	3,97	3,93	32,38
JPY	NIKKEI 225	54.253,68	3,04	7,78	7,29	41,58
CNY	CSI 300 INDEX	4.643,60	0,87	0,46	1,23	24,18
HKD	HANG SENG INDEX	26.559,95	-0,81	3,65	3,26	31,38
GLOBAL						
USD	ISHARES MSCI ACWI ETF	146,28	0,54	3,39	3,39	19,44
USD	MSCI WORLD	4.452,13	-1,66	0,57	0,57	17,74
USD	MSCI EM	1.507,53	-1,33	7,41	7,41	41,40
USD	MSCI AC ASIA PACIFIC	243,20	-0,66	6,86	6,86	35,52
USD	MSCI EM LATIN AMERICA	3.104,96	-0,51	14,76	14,76	62,30
	Fixed Income					
GLOBAL		1.258,95	-0,10	0,00	0,00	9,47
USD	Global Aggregate	504,24	-0,34	0,59	0,59	7,27
USD	EM USD Aggregate	1.394,59	0,20	0,56	0,56	9,99
USD	Global High Yield	1.878,01	-0,15	0,84	0,84	11,16
	Commodities					
USD	BBG Commodity	117,96	-2,27	7,54	7,54	12,99
USD	Oro	4.948,65	1,11	14,63	14,63	73,26
USD	WTI	63,48	-2,65	10,94	10,94	-10,10
USD	Soja	408,33	4,75	6,42	6,42	5,12

Source: Bloomberg. Information as of February 6, 2026, at market close. th