

Weekly Recap

USA

The week in the United States was marked by a complex interplay between political tensions, signs of an economic slowdown, and surprising stability in the financial markets. The government shutdown, which began on October 1 after the Senate failed to pass a temporary spending measure, left numerous non-essential services, from federal agencies to infrastructure projects, without funding. This paralysis threatens to disrupt the publication of key statistics such as the employment report. The White House was accused of making the shutdown "as painful as possible" for Democratic areas, while President Trump seeks to capitalize on the situation to advance his fiscal and trade agenda.

On the economic front, the data released reinforced the perception of an economy losing momentum. The ADP report showed a drop of 32,000 private jobs in September, the worst figure since 2020. Although part of the decline is attributed to methodological adjustments, it reflects weakness in labor-intensive sectors. The real estate market also showed signs of cooling: the Fannie Mae and Freddie Mac housing index fell for the fourth consecutive month, and the Case-Shiller index recorded an annual increase of just 1.8%, the lowest in two years.

Manufacturing activity remains in contraction territory. The ISM index rose slightly to 49.1 points, accumulating seven months below the expansion threshold, while S&P's global PMI fell to 52, indicating lower industrial momentum. In terms of consumption, household confidence deteriorated: the Conference Board index fell to 94.2 in September from 97.8 in August, reflecting concerns about employment and the impact of the government shutdown. However, consumer spending remains the main driver of an economy that is moving forward with less traction.

In financial markets, investors showed resilience in the face of political uncertainty. Stocks remain at record highs and Treasury yields fell slightly, driven by the search for safe assets. The SEC announced that it will allow Dimensional Fund Advisors to launch ETFs as additional classes of its mutual funds, which could transform the structure of the industry.

On the political front, Trump proposed giving taxpayers checks for between \$1,000 and \$2,000, financed by tariff revenues. He also announced a 100% tariff on foreign films and postponed new pharmaceutical tariffs while he negotiates with laboratories.

EUROPE

The European economy showed mixed signals this week. The Economic Sentiment Indicator rebounded slightly, while the manufacturing PMI returned to contraction territory, confirming industrial weakness. Inflation rose to 2.2%, slightly above the ECB's target, with core inflation stable at 2.3%, and unemployment rose marginally to 6.3%. On the political front, the EU plans to raise tariffs on steel to protect its producers from Asian oversupply.

UNITED KINGDOM

The British economy revised its second-quarter growth upward to 1.4% year-on-year, although momentum remains limited. Leading indicators show deterioration: the manufacturing PMI fell to its lowest level in five months, while the services and composite PMIs also declined, signaling a sharp slowdown in private activity after the summer rebound. On the political front, the EU plans to raise tariffs on steel to protect its producers from Asian oversupply.

ASIA

This week in Japan, the focus was on the election of the new LDP leader, who will likely be the next prime minister. Economically, the data was mixed: the service sector continued to grow, but the composite PMI fell and unemployment rose to 2.6%, the highest level in over a year.

In contrast, China showed a clear improvement, with the manufacturing PMI at 51.2 and the composite PMI at 52.5, signaling a steady recovery in activity.

Currency	Index	Level	Week	YTD	YTD (usd)	1 Year
Equity Market						
AMERICAS			1,19	15,08	15,08	19,87
USD	DOW JONES INDUS. AVG	46.758,28	1,11	11,34	11,34	12,14
USD	S&P 500 INDEX	6.715,79	1,11	15,30	15,30	19,12
USD	NASDAQ COMPOSITE	22.780,51	1,33	18,60	18,60	28,34
BRL	BRAZIL IBOVESPA INDEX	144.200,65	-0,86	19,88	38,70	7,82
ARS	S&P Merval TR ARS	1.805.024,00	0,78	-28,76	-48,46	5,45
CLP	S&P/CLX IPSA (CLP) TR	8.890,29	-1,47	32,49	36,36	39,23
MXN	S&P/BMV IPC	61.946,79	-0,56	28,60	45,91	23,75
EUROPE			2,40	21,03	35,67	21,42
EUR	Euro Stoxx 50 Pr	5.651,71	2,81	18,76	34,72	17,45
GBP	FTSE 100 INDEX	9.491,25	2,28	19,51	28,67	17,73
EUR	DAX INDEX	24.378,80	2,69	22,45	38,31	27,43
EUR	CAC 40 INDEX	8.081,54	2,78	13,00	28,18	9,93
EUR	FTSE MIB INDEX	43.258,11	1,43	31,43	48,45	34,53
ASIA			1,35	51,99	29,17	22,18
JPY	NIKKEI 225	45.769,50	1,61	41,60	24,37	20,94
CNY	CSI 300 INDEX	4.640,69	0,47	42,73	23,73	18,64
HKD	HANG SENG INDEX	27.140,92	1,96	71,64	39,42	26,95
GLOBAL						
USD	ISHARES MSCI ACWI ETF	139,50	1,57	19,63	19,63	18,89
USD	MSCI WORLD	4.327,49	1,27	18,43	18,43	19,52
USD	MSCI EM	1.367,71	3,20	30,24	30,24	18,28
USD	MSCI AC ASIA PACIFIC	222,62	2,29	25,48	25,48	16,71
USD	MSCI EM LATIN AMERICA	2.498,73	-1,09	40,67	40,67	17,62
Fixed Income						
GLOBAL		1.226,70	0,25	8,80	8,80	6,48
USD	Global Aggregate	500,52	0,58	8,00	8,00	3,00
USD	EM USD Aggregate	1.356,87	0,10	8,71	8,71	7,00
USD	Global High Yield	1.822,70	0,06	9,68	9,68	9,44
Commodities						
USD	BBG Commodity	105,35	0,24	6,68	6,68	3,26
USD	Oro	3.883,96	3,30	48,00	48,00	46,24
USD	WTI	60,76	-7,55	-11,24	-11,24	-17,57
USD	Soja	372,53	0,32	-0,80	-0,80	-2,77

Source: Bloomberg. Information as of October 3, 2025, at market close.rd

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