

Weekly Recap

UNITED STATES

On Wednesday, the Federal Reserve approved an interest rate increase of 0.5%, a smaller increase than the previous increase of 0.75%. Thus, the reference rate stood in the target range of 4.25%-4.50%, its highest level since 2007. The slowdown in the rate of increases represents recognition by the fed that inflation is subsiding in certain sectors. But as Powell noted there is still significant work to do in order to bring down the core services portion of the CPI print.

So far November has had the smallest month over month increase of 0.1% this smaller than expected increase led to a surprise reading of 7.1% year over year, given the market's expectation of 7.3%.

November saw a record 30% year-on-year increase in the budget deficit, mainly explained by lower revenues and expansive spending on education and health, in addition to the considerable increase in interest on the public debt.

EUROPE

The European Central Bank increased its reference rate by 50 bps to 2.5%, also raising its inflation forecasts to 6.3% for 2023. ECB president Christine Lagarde warned that: "We believe that interest rates will still have to rise significantly And at a steady pace."

The survey of economic sentiment prepared by the German ZEW institute revealed greater confidence on the part of investors. The index improved considerably compared to last month, -23.3 vs. -36.7.

The European Union has threatened Elon Musk with sanctions, after several journalists from the New York Times, CNN and Washington Post who covered Twitter are banned from the social network.

Russia launched one of its biggest attacks on Ukraine on Friday, firing 76 missiles at the capital kyiv and cities in the north of the country.

UNITED KINGDOM

On Thursday, the Central Bank's Monetary Policy Committee ruled 6 to 3 in favor of an interest rate rise of 50 bps, thus reaching 3.5%.

Inflation decreased, giving a reading that gives breath to the English economy. It was 10.7%, below market expectations (10.9%) and its maximum of 41 years reported in October (11.1%).

Regarding the labor market, the unemployment rate for October was 3.7% quarterly, showing an acceleration from its previous record of 0.1%.

GDP rose half a percentage point in its October reading, after a 0.6% contraction seen the previous month. As for industrial production, it contracted 2.4%.

ASIA

The outbreak of protests that hit China last week achieved its goal as the government lifted their strict zero COVID policy. This consequently caused a considerable increase in the number of cases. Behind these new contagions is the new Omnicron subvariant, BF.7, which has yet to affect other countries.

Japan's ruling coalition has formally agreed to revise the tax code from April, with the aim of turning household assets into investments, a fundamental move by Prime Minister Fumio Kishida's "New Capitalism" agenda.

COMMODITIES

In the US, crude oil reserves rose by more than 10 million barrels last week, the largest supply since March 2021.

| Currency | Index | Level | Week | YTD | YTD (usd) | 1 Year |
|-----------------|-------------------------------|---------------|--------------|---------------|---------------|---------------|
| Equity Market | | | | | | |
| AMERICAS | | | -2,60 | -19,19 | -19,19 | -17,18 |
| USD | DOW JONES INDUS. AVG | 32.725,37 | -2,23 | -8,05 | -8,05 | -5,64 |
| USD | S&P 500 INDEX | 3.832,99 | -2,54 | -18,31 | -18,31 | -15,96 |
| USD | NASDAQ COMPOSITE | 10.670,46 | -3,01 | -31,22 | -31,22 | -29,95 |
| BRL | BRAZIL IBOVESPA INDEX | 102.525,35 | -4,64 | -2,19 | 2,93 | -3,44 |
| ARS | S&P MERVAL TR ARS | 164.902,90 | -3,67 | 97,49 | 17,49 | 103,53 |
| CLP | S&P/CLX IPSA (CLP) TR | 5.142,90 | -0,96 | 19,37 | 14,55 | 20,17 |
| MXN | S&P/BMV IPC | 49.225,88 | -2,43 | -4,41 | -1,12 | -0,13 |
| EUROPE | | | -2,91 | -6,92 | -13,74 | -3,36 |
| EUR | Euro Stoxx 50 Pr | 3.804,02 | -3,52 | -8,42 | -14,70 | -4,58 |
| GBP | FTSE 100 INDEX | 7.332,12 | -1,92 | 2,81 | -7,48 | 7,32 |
| EUR | DAX INDEX | 13.893,07 | -3,32 | -12,54 | -18,03 | -9,63 |
| EUR | CAC 40 INDEX | 6.452,63 | -3,37 | -7,01 | -13,39 | -2,94 |
| EUR | FTSE MIB INDEX | 23.688,16 | -2,42 | -9,43 | -15,11 | -6,97 |
| ASIA | | | -0,37 | -11,55 | -18,98 | -12,41 |
| JPY | NIKKEI 225 | 27.527,12 | -1,13 | -2,43 | -17,62 | -3,21 |
| CNY | CSI 300 INDEX | 3.954,23 | 0,09 | -18,19 | -25,44 | -19,72 |
| HKD | HANG SENG INDEX | 19.450,67 | -0,07 | -14,02 | -13,87 | -14,31 |
| GLOBAL | | | | | | |
| USD | ISHARES MSCI ACWI ETF | 84,64 | -2,35 | -18,60 | -18,60 | -16,30 |
| USD | MSCI WORLD | 2.636,91 | -0,94 | -16,68 | -16,68 | -15,15 |
| USD | MSCI EM | 960,22 | -1,79 | -19,65 | -19,65 | -18,27 |
| USD | MSCI AC ASIA PACIFIC | 157,32 | -1,02 | -16,10 | -16,10 | -15,30 |
| USD | MSCI EM LATIN AMERICA | 2.043,57 | -4,60 | 4,83 | 4,83 | 7,83 |
| Fixed Income | | | | | | |
| GLOBAL | | 862,25 | 0,54 | -13,82 | -13,82 | -13,62 |
| USD | Global Aggregate | 452,86 | 0,29 | -14,94 | -14,94 | -15,02 |
| USD | J.P. Morgan EMBI Global Total | 782,26 | 0,63 | -14,93 | -14,93 | -14,86 |
| USD | Global High Yield | 1.351,63 | 0,71 | -11,59 | -11,59 | -10,97 |
| Commodities | | | | | | |
| USD | BBG Commodity | 112,88 | 1,03 | 13,83 | 13,83 | 19,13 |
| USD | Oro | 1.792,03 | -0,29 | -2,03 | -2,03 | -0,41 |
| USD | WTI | 74,51 | 4,91 | 7,62 | 7,62 | 2,94 |
| USD | Soja | 1.480,75 | -0,20 | 16,66 | 16,66 | 15,93 |

Source: Bloomberg. Information as of 16th of December 2022 16:00 pm