

Weekly Recap

USA

The week in the United States was dominated by renewed trade tensions, mixed signals on monetary policy, and growing political uncertainty due to the federal government shutdown. On the economic front, President Donald Trump threatened a "massive increase in tariffs" on Chinese imports in response to Beijing's plans to restrict rare earth exports, and suggested he might cancel his upcoming meeting with President Xi Jinping. The statements reignited fears of a new trade war and caused sharp declines in the markets, with the S&P falling 2.71% on the day. In addition, Trump confirmed that 25% tariffs on imported medium and heavy trucks will take effect on November 1, with the aim of protecting the local industry from "unfair competition." However, doubts remain about the impact on vehicles assembled in Canada and Mexico.

In the corporate arena, AMD shares rose more than 30% after announcing an agreement with OpenAI to deploy 6 gigawatts of GPU and grant a warrant for up to 160 million shares, strengthening its position in the AI sector. In contrast, the automotive sector showed weakness in the face of trade uncertainty. In commodity markets, gold reached an all-time high, surpassing USD 4,060 per ounce, driven by strong purchases by central banks, especially in countries seeking to reduce their exposure to the dollar, such as China and Russia. Analysts noted that the precious metal remains above its 200-day moving average against major currencies, showing broad strength even with a stable dollar and Treasury yields without major variations.

On the macroeconomic front, one-year inflation expectations rose to 3.4% in September, the highest level in five months, according to the New York Federal Reserve. The FOMC minutes showed that most Fed members consider it appropriate to continue with gradual rate cuts, although they recognize greater downside risks to employment. About half of the members anticipate two cuts before the end of the year. Meanwhile, the University of Michigan's consumer confidence index fell slightly in October to 55 points, reflecting concerns about persistent inflation and the uncertain political environment.

On the political front, the partial government shutdown reached ten days without significant progress. A bipartisan group of senators continues to negotiate an agreement to reopen the administration and extend health subsidies, but Republican leaders insist on first passing a temporary funding measure. Amid the stalemate, the Treasury Department appointed Frank Bisignano as the new director of the Internal Revenue Service (IRS), who will continue to head the Social Security Administration.

EUROPE

In the Eurozone, the ECB minutes showed consensus that the current monetary policy is consistent with the medium-term inflation target of 2%. However, Governing Council members acknowledged balanced risks to inflation, with concerns about weak growth and geopolitical tensions. Retail sales rose just 0.1% m/m in August, following a 0.4% decline in July, while year-on-year growth was only 1%, its lowest level since mid-2024. On the political front, French Prime Minister Sébastien Lecornu resigned just weeks after taking office, adding instability to Emmanuel Macron's government.

UNITED KINGDOM

The British economy showed mixed signals: the Construction PMI rose to 46.2 in September, its highest level in three months, although it still indicates contraction. The Halifax House Price Index rose 1.3% year-on-year, its smallest increase since April, and fell 0.3% month-on-month, reflecting a cooling in the housing market and restrictive financial conditions.

ASIA

Producer prices in Japan rose 2.7% y/y in September, exceeding expectations and reflecting an improvement in economic activity. We also note that markets reacted strongly to the surprise election of Sanae Takaichi as leader of the Liberal Democratic Party, boosting the Nikkei on her expansionary fiscal stance and gradualist view on monetary policy.

In China, markets remained cautious amid trade tensions with the United States.

Currency	Index	Level	Week	YTD	YTD (usd)	1 Year
Equity Market						
AMERICAS			-2,54	12,16	12,16	18,49
USD	DOW JONES INDUS. AVG	45.479,60	-2,70	8,34	8,34	10,91
USD	S&P 500 INDEX	6.552,51	-2,41	12,53	12,53	17,78
USD	NASDAQ COMPOSITE	22.204,43	-2,53	15,60	15,60	26,77
BRL	BRAZIL IBOVESPA INDEX	140.682,23	-2,44	16,96	31,64	9,04
ARS	S&P Merval TR ARS	1.924.930,00	6,64	-24,02	-46,16	8,63
CLP	S&P/CLX IPSA (CLP) TR	8.675,80	-2,41	29,30	33,84	34,82
MXN	S&P/BMV IPC	60.559,72	-2,28	25,74	41,19	21,75
EUROPE			-1,63	19,04	31,94	21,28
EUR	Euro Stoxx 50 Pr	5.531,32	-2,13	16,23	30,35	16,52
GBP	FTSE 100 INDEX	9.427,47	-0,65	18,74	26,58	19,43
EUR	DAX INDEX	24.241,46	-0,56	21,76	35,96	27,82
EUR	CAC 40 INDEX	7.918,00	-2,00	10,74	24,19	10,01
EUR	FTSE MIB INDEX	42.047,50	-2,80	27,75	42,65	32,62
ASIA			-0,89	52,36	28,27	23,66
JPY	NIKKEI 225	48.088,80	0,30	48,78	26,90	24,40
CNY	CSI 300 INDEX	4.616,83	-0,50	42,00	22,85	18,59
HKD	HANG SENG INDEX	26.290,32	-2,46	66,30	35,05	27,99
GLOBAL						
USD	ISHARES MSCI ACWI ETF	135,71	-2,72	16,38	16,38	18,51
USD	MSCI WORLD	4.337,78	0,03	18,74	18,74	18,84
USD	MSCI EM	1.375,90	0,16	31,04	31,04	23,10
USD	MSCI AC ASIA PACIFIC	224,92	0,31	26,78	26,78	20,82
USD	MSCI EM LATIN AMERICA	2.472,36	-1,28	39,20	39,20	20,08
Fixed Income						
GLOBAL		1.224,63	-0,39	8,49	8,49	7,26
USD	Global Aggregate	496,75	-0,80	7,19	7,19	3,98
USD	EM USD Aggregate	1.359,29	0,05	8,91	8,91	8,15
USD	Global High Yield	1.817,85	-0,43	9,39	9,39	9,66
Commodities						
USD	BBG Commodity	104,09	-1,20	5,39	5,39	6,32
USD	Oro	4.012,68	3,25	52,90	52,90	52,59
USD	WTI	58,86	-3,32	-14,06	-14,06	-22,40
USD	Soja	368,86	-1,08	-1,78	-1,78	-0,76

Source: Bloomberg. Information as of October 10, 2025, at market close.th

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