BALLESTAS GROUP
PRIVATE WEALTH MANAGEMENT

OCTOBER-24-2025

Weekly Recap

USA

The week in the United States was marked by an intense economic, trade, and political agenda with global impact. On the diplomatic front, Washington and Canberra signed an $8.5 billion strategic agreement focused on the supply of critical minerals, especially rare earths, to reduce dependence on China in the technology and defense sectors. In addition, the White House confirmed that President Trump will meet with his Chinese counterpart Xi Jinping during the upcoming APEC summit in South Korea, with the intention of advancing agreements on agriculture, energy, and issues related to the war in Ukraine. At the same time, the United States imposed sanctions on Russian oil companies Lukoil and Rosneft, aligning itself with the European Union and raising international oil prices by more than 5%, with WTI once again above USD 60 per barrel. Washington also announced an investigation into China's compliance with the 2020 Phase One trade agreement and is considering imposing new restrictions on technology exports dependent on US software.

On the macroeconomic front, inflation data showed a 3% annual increase in September, slightly lower than expected, with core inflation stable. These results reinforce expectations that the Federal Reserve will continue its cycle of rate cuts, with the market anticipating two additional cuts before the end of the year. PMI indicators reflected expansion in both manufacturing and services, with readings of 52.2 and 55.2 points respectively, signaling stronger growth in activity. Meanwhile, existing home sales rose 1.5% in September thanks to lower mortgage rates, although consumer confidence fell to its lowest level in five months, reflecting caution in the face of economic and trade uncertainty.

On the political front, Trump suspended trade negotiations with Canada following renewed diplomatic tensions and confirmed that he will travel to China in early 2026. In addition, the U.S. Treasury signed an economic stabilization agreement with the Central Bank of Argentina and highlighted the sharp reduction in the fiscal deficit, which between April and September totaled USD 468 billion, the lowest level since 2019.

In the financial markets, the S&P 500 earnings season is progressing on a positive note. With 29% of companies already reporting, 85% have exceeded earnings projections. The average earnings surprise is 7.7%, while sales surprised on the upside by 2.38%. Compared to the third quarter of 2024, revenues are up 7.8% and earnings are up a remarkable 15.1%. Only the consumer discretionary sector is seeing a contraction in profits, while technology, utilities, finance, and energy are showing double-digit increases. From this week's reports, we highlight Netflix reporting good results, although affected by a one-time cost in Brazil; Intel returning to profitability thanks to strong demand for AI. Tesla showed revenue growth, but its margins and EPS were pressured by strategic investments in AI and robotics.

EUROPE

In the Eurozone, the current account surplus fell due to lower goods and primary income balances, while construction advanced slightly in a low-growth environment. However, consumer confidence reached eight-month highs and PMIs showed expansion, with services firm and manufacturing stabilizing at the 50 threshold, suggesting a pause in industrial contraction.

UNITED KINGDOM

Inflation in the United Kingdom remained stable and below expectations, while retail sales and PMIs reflected a gradual improvement in economic activity. Industrial production grew moderately, consolidating a slight but sustained recovery in momentum.

ASIA

Japan recorded a lower trade deficit than a year ago, although the figure was worse than expected due to a stronger rebound in imports. Exports and imports grew, reflecting greater dynamism in international trade. In terms of prices, annual inflation rose to 2.9%, once again above the Bank of Japan's target, keeping the debate on the future of monetary policy alive. However, PMIs showed signs of slowing, with moderation in services and a more marked contraction in manufacturing, indicating some fragility in domestic growth.

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Currency	Index	Level	Week	YTD	YTD (usd)	1 Year
	Equity Market					
AMERICAS			2,16	16,65	16,65	18,64
USD	DOW JONES INDUS. AVG	47.207,12	2,24	12,49	12,49	11,80
USD	S&P 500 INDEX	6.791,69	1,93	16,66	16,66	17,72
USD	NASDAQ COMPOSITE	23.204,87	2,31	20,81	20,81	26,42
BRL	BRAZIL IBOVESPA INDEX	146.172,21	1,93	21,52	39,38	12,76
ARS	S&P MERVAL TR ARS	2.076.859,00	4,39	-18,03	-43,27	15,85
CLP	S&P/CLX IPSA (CLP) TR	9.184,41	0,60	36,88	44,31	36,83
MXN	S&P/BMV IPC	61.198,10	-0,88	27,22	44,31	22,52
EUROPE			1,68	21,35	34,59	21,16
EUR	Euro Stoxx 50 Pr	5.674,50	1,20	19,26	33,97	18,83
GBP	FTSE 100 INDEX	9.645,62	3,13	21,58	29,12	20,11
EUR	DAX INDEX	24.239,89	1,72	21,75	36,18	24,93
EUR	CAC 40 INDEX	8.225,63	0,63	15,07	29,27	13,47
EUR	FTSE MIB INDEX	42.486,67	1,74	29,09	44,39	28,46
ASIA			1,40	53,87	29,46	28,56
JPY	NIKKEI 225	49.299,65	0,23	52,52	29,29	31,67
CNY	CSI 300 INDEX	4.660,68	2,79	43,58	24,47	21,90
HKD	HANG SENG INDEX	26.160,15	1,17	65,51	34,63	32,11
GLOBAL						
USD	ISHARES MSCI ACWI ETF	140,86	1,61	20,80	20,80	19,80
USD	MSCI WORLD	4.343,58	1,11	18,93	18,93	19,60
USD	MSCI EM	1.381,37	1,46	31,59	31,59	24,31
USD	MSCI AC ASIA PACIFIC	225,02	1,39	26,85	26,85	23,28
USD	MSCI EM LATIN AMERICA	2.519,92	1,61	41,97	41,97	24,23
	Fixed Income					
GLOBAL		1.230,78	0,11	9,15	9,15	8,79
USD	Global Aggregate	501,24	-0,16	8,16	8,16	6,21
USD	EM USD Aggregate	1.368,06	0,34	9,61	9,61	9,75
USD	Global High Yield	1.823,05	0,16	9,70	9,70	10,40
	Commodities					
USD	BBG Commodity	107,38	1,67	8,73	8,73	8,25
USD	Oro	4.100,08	-3,57	56,20	56,20	49,85
USD	WTI	61,46	6,81	-9,90	-9,90	-12,44
USD	Soja	381,59	2,18	1,61	1,61	4,57

th Source: Bloomberg. Information as of October 24, 2025, at market close.