



Weekly Recap

UNITED STATES

During their Wednesday meeting, the Federal Reserve opted to raise their benchmark rate by 25 bps, pushing it to a range of 5%-5.25%. This is expected to mark the end of the Fed's rate hike cycle, according to market estimations. Recent employment data revealed that the economy added 253,000 jobs in April, exceeding expectations by a significant margin, with the unemployment rate dropping to 3.4%, the lowest it has been since 1960. Hourly wages also exceeded predictions, increasing by 0.5% in comparison to the previous month. Despite regulators' attempts to address confidence issues, regional banks continue to experience pressure. The Federal Deposit Insurance Corporation (FDIC) suggested potential reforms to prevent the outflow of deposits from vulnerable institutions, but these reforms would require congressional approval and may take some time to come into effect. Treasury Secretary Janet Yellen has warned that the government may run out of money by early June, leading to negotiations between Democrats and Republicans to raise the debt ceiling. In April, the composite PMI fell slightly to 53.4, while 161 S&P 500 companies, including Pfizer, Starbucks, Qualcomm, CVS, MercadoLibre, Apple, and ConocoPhillips, reported their Q1 results. With 85% of S&P 500 companies having reported results, sales have not been surprising, and earnings have mainly exceeded expectations due to analyst corrections in the weeks leading up to the release. Despite the fall in profits, the wide range of results within industries stands out.

EUROPE

During its latest monetary policy meeting, the European Central Bank decided to increase its reference rate by 25 basis points, bringing it to 3.25%. This decision reflects the ECB's concern about rising inflationary pressures in the eurozone.

The latest flash Consumer Price Index (CPI) reading showed a 7% increase, which is a 10 basis point rise from the previous month's reading in March. Despite this, core prices remained high at 5.6%, which indicates that underlying inflationary pressures remain a concern for the central bank. On the other hand, unemployment in the region fell to 6.5% in April, which is a positive sign for the eurozone's economic recovery.

So far, 59.5% of the companies in the STOXX 600 have reported their results for the first quarter of the year. The surprise in sales is above expectations, standing at 2.21%, which is a positive sign for the region's economy. However, the surprises in profits are at 0.29%, demonstrating that there is practically no surprise and a great deal of homogeneity between the different industries. This suggests that the recovery in the eurozone is not evenly distributed and that some industries may be performing better than others.

ASIA

China's manufacturing Purchasing Managers' Index (PMI) for April came in at 49.5, which is below market expectations of 50 points. This indicates that the country's manufacturing sector is contracting, as a reading below 50 points suggests a decline in activity. This is a concern for China's economy, as the manufacturing sector is a major contributor to its GDP.

On the other hand, the Caixin PMI for services for the same month was reported at 56.4, which is also lower than market estimates and below the previous reading of 57.8. This indicates a slowdown in the growth of China's service sector, which had been the main driver of its economic growth in recent years. The service sector has been crucial in supporting employment and consumption in China, and a slowdown in this sector could have negative implications for the country's overall economic performance.

The weaker-than-expected readings of both PMIs suggest that China's economy is facing headwinds amid a challenging global economic environment and the ongoing trade tensions with the United States. The Chinese government has been implementing measures to support the economy, such as tax cuts and increased infrastructure spending, but it remains to be seen whether these efforts will be sufficient to boost growth and offset the impact of external factors.

COMMODITIES

Due to forecasts of a deceleration in economic activity, oil experienced its third week in a row of declines.



BALLESTAS GROUP
PRIVATE WEALTH MANAGEMENT

Currency	Index	Level	Week	YTD	YTD (usd)	1 Year
Equity Market						
AMERICAS			-0,64	9,27	9,27	-3,79
USD	DOW JONES INDUS. AVG	33.674,38	-1,23	2,25	2,25	-0,62
USD	S&P 500 INDEX	4.136,37	-0,78	8,32	8,32	-3,93
USD	NASDAQ COMPOSITE	12.235,41	0,09	17,23	17,23	-6,84
BRL	BRAZIL IBOVESPA INDEX	105.122,95	0,66	-4,20	2,49	-5,69
ARS	S&P Merval TR ARS	297.609,10	-0,12	47,27	15,30	215,15
CLP	S&P/CLX IPSA (CLP) TR	5.479,43	1,17	4,13	11,30	10,00
MXN	S&P/BMV IPC	54.918,14	-0,23	13,88	24,91	10,00
EUROPE			-0,12	14,10	17,85	14,83
EUR	Euro Stoxx 50 Pr	4.340,43	0,03	16,39	19,88	19,35
GBP	FTSE 100 INDEX	7.778,38	-1,15	5,85	10,65	6,51
EUR	DAX INDEX	15.961,02	0,24	14,63	18,07	12,62
EUR	CAC 40 INDEX	7.432,93	-0,72	16,00	19,47	18,43
EUR	FTSE MIB INDEX	27.348,57	1,00	17,64	21,17	17,25
ASIA			0,20	6,15	4,40	4,46
JPY	NIKKEI 225	29.157,95	0,12	12,84	8,34	11,15
CNY	CSI 300 INDEX	4.016,88	-0,30	3,83	3,66	2,46
HKD	HANG SENG INDEX	20.049,31	0,79	1,78	1,19	-0,21
GLOBAL						
USD	ISHARES MSCI ACWI ETF	92,31	-0,30	8,75	8,75	-2,57
USD	MSCI WORLD	2.779,26	-1,94	7,67	7,67	-0,77
USD	MSCI EM	976,36	-0,03	2,80	2,80	-5,11
USD	MSCI AC ASIA PACIFIC	161,78	0,93	4,76	4,76	-0,22
USD	MSCI EM LATIN AMERICA	2.185,52	-1,81	4,87	4,87	3,52
Fixed Income						
GLOBAL		877,80	0,05	3,39	3,39	-0,18
USD	Global Aggregate	463,31	0,43	3,90	3,90	-1,66
USD	J.P. Morgan EMBI Global Total	790,56	0,14	2,90	2,90	0,58
USD	Global High Yield	1.379,51	-0,43	3,36	3,36	0,54
Commodities						
USD	BBG Commodity	102,96	-1,30	-8,73	-8,73	-22,66
USD	Oro	2.017,62	1,39	10,61	10,61	7,48
USD	WTI	71,33	-7,10	-11,05	-11,05	-34,11
USD	Soja	1.469,00	1,71	-3,99	-3,99	-12,48

Source: Bloomberg. Information as of 5th of April 2023 5:15 pm

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