

Inflation in developed economies continue rising.

Weekly commentary

Wall Street closed lower amid a start of the week with data from China that showed a weakening of its economy and later by the FED minutes and its stance for the upcoming meetings; inflation in Canada, Japan, the UK and the Euro Zone; US retail sales and the 2Q22 results of retail companies such as Walmart and Target. The S&P 500 declined 1.21%, Dow Jones was down 0.16% and Nasdaq was down 2.38%.

Similarly, oil prices closed negatively last week, following rumors of a possible agreement with Iran, which could increase oil supply by up to 90,000 barrels per day in just 3 months. Benchmark WTI declined 1.43% to 90.77 dpb and Brent was down 1.46% to 96.72 dpb.

US retail sales remained unchanged in July as a result of a decline in gasoline prices (seen recently in the US CPI release) and spending that remained unchanged, which would continue to ease fears of a possible recession in the US going forward.

Likewise, in China, retail sales surprised by rising less than expected by the market at 3.8% m/m, due to the new Covid-19 outbreaks and the uncertainty generated in the real estate market. Likewise, Chinese production increased by 3.8%, remaining below the previous month.

As a result, the Central Bank of China cut the one-year interest rate by 5 bps to 3.65% and the five-year interest rate by 15 bps to 4.3%, in an attempt to boost the economy in the face of a slowdown and fears of future global stagflation.

Meanwhile, Chile's preliminary GDP release showed growth of 5.4% YoY and 0.0% YoY, with the mining sector leading the contraction as a result of the decline in global copper demand. In turn, Colombia presented better-than-expected preliminary 2Q22 GDP data, with a 12.6% YoY growth, led by the manufacturing and commerce sectors, which contributed 7.1 percentage points to the annual reading.

Finally, retail sector companies such as Walmart and Target presented their 2Q22 financial results showing a better-than-expected performance, however, the latter did not meet Wall Street's expectations which generated a drop in the retail sector in the stock market.

Relevant data and events

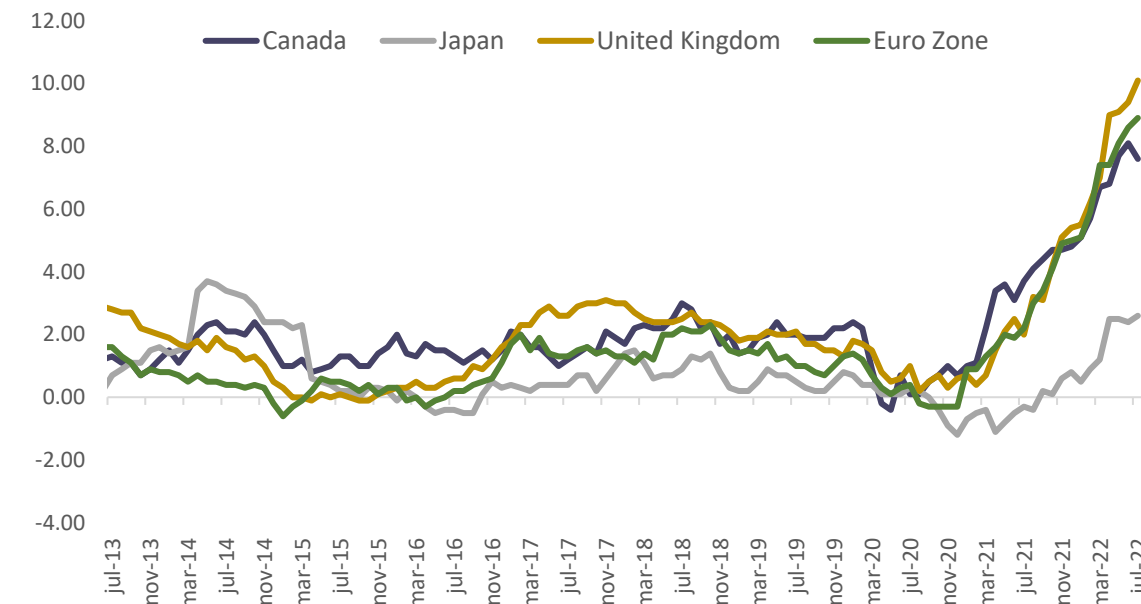
This week

- **U.Michigan Confidence** - USA
- **PPI** - Spain, Sweden.
- **GDP** - Germany, USA, Mexico.
- **PMI** - US, Japan, UK, Eurozone.
- **Jackson Hole Symposium.**

Previous week

- **Unemployment** - Switzerland, UK.
- **CPI** - Canada, Japan, UK.
- **PPI** - UK, Switzerland.
- **GDP** - Chile, Colombia, Peru, Euro Zone.
- **Building permits** - USA.
- **Retail Sales** - Mexico, USA, UK.

Annual change in the CPI of some developed countries.

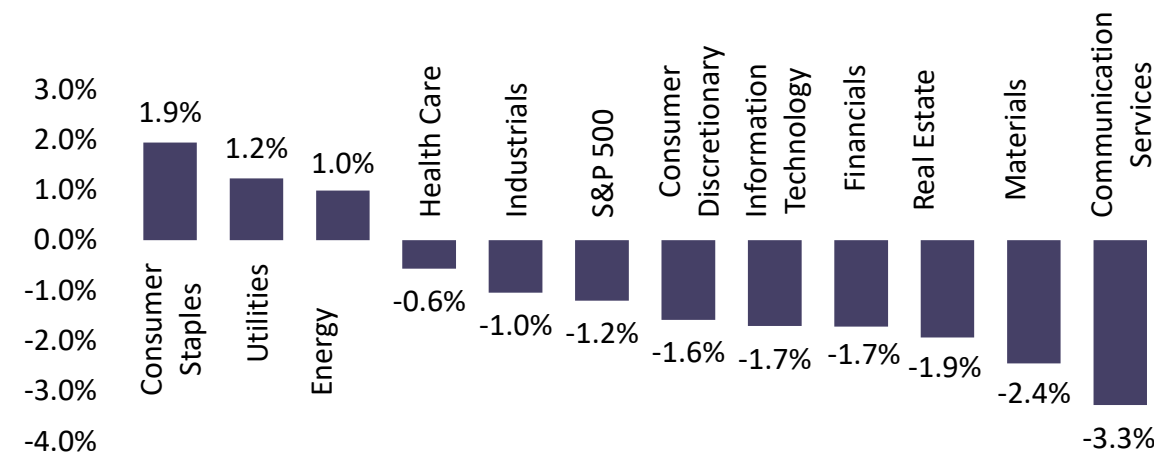


Source: Central banks– In On Capital Compiled.

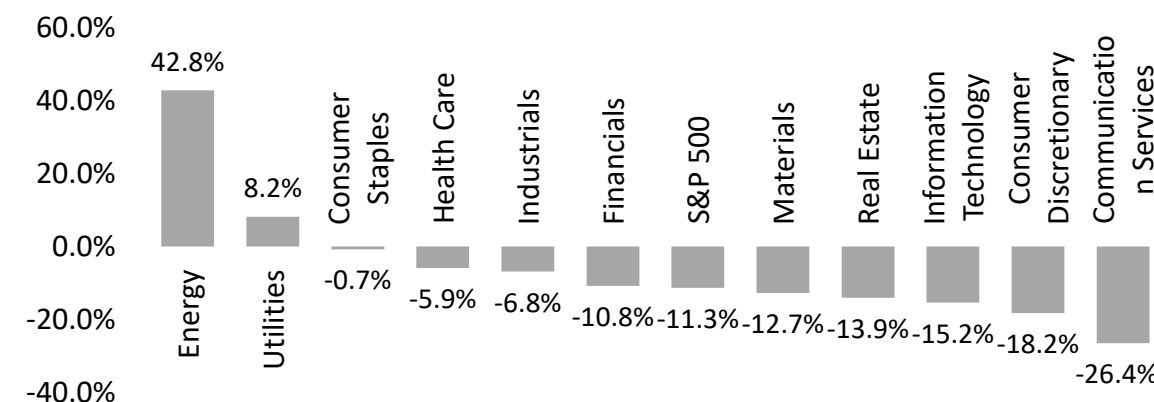
Monthly changes in the CPI of some developed countries were published. i) In Canada inflation slowed down to 7.6% compared to 8.1% last month, ii) in Japan it increased to 2.6% annually, an atypical figure not seen for 7 years, iii) in the United Kingdom prices increased more than expected to 10.1% in July, touching double digits for the first time in 40 years, iv) finally, in the Euro Zone inflation also increased by 0.3 percentage points in annual terms to 8.9%, the highest in its historical series.

Sector performance

Weekly



Annual



In On Financial Markets Monitor

Equities	Level	Price return (%)		Features
	08/19/2022	1 Week	YTD	Fwd P/E
S&P 500	4228.48	▼ -1.21	▼ -11.28	18.64
Dow Jones 30	33706.74	▼ -0.16	▼ -7.24	17.98
Nasdaq 100	13242.90	▼ -2.38	▼ -18.86	24.32
Russell 2000	1957.35	▼ -2.94	▼ -12.83	22.73
Russell 1000 Growth	2530.48	▼ -1.67	▼ -17.71	26.08
Russell 1000 Value	1555.14	▼ -1.23	▼ -6.08	14.61
MSCI Emerging Markets	39.90	▼ -2.80	▼ -18.32	11.47
MSCI Developed & Emerging World	646.81	▼ -1.64	▼ -14.31	15.65
MSCI China	65.59	▼ -1.94	▼ -22.19	11.57
Topix - Japan	1994.52	▲ 5.00	▲ 0.11	12.76
EuroStoxx 50	3730.32	▼ -1.23	▼ -13.22	11.43
FTSE 100 - United Kingdom	7550.37	▲ 0.66	▲ 2.25	9.64

Fixed income	Yield	Total return (%)	
	08/19/2022	1 Week	YTD
U.S. Aggregate	3.74	▼ -0.89	▼ -9.70
U.S. Corporate High Yield	7.73	▼ -1.21	▼ -8.78
Global Aggregate	2.88	▼ -1.92	▼ -14.17
Global High Yield	8.43	▼ -1.67	▼ -13.09
Emerging Markets Hard Currency	4.78	▼ -3.74	▼ -20.41
Emerging Markets Local Currency	4.48	▼ -2.77	▼ -13.16

Interest rate	Yield		Change in Basic Points	
	08/19/2022	12/31/2021	1 Week	YTD
2-yr U.S. Treasuries	3.23	0.73	▼ -0.01	▲ 2.50
10-yr U.S. Treasuries	2.97	1.51	▲ 0.14	▲ 1.46
10-yr German Bund	1.23	-0.18	▲ 0.24	▲ 1.41

Currencies	Levels		Percentage change (%)	
	08/19/2022	12/31/2021	1 Week	YTD
Dolar Index	108.17	95.67	▲ 2.40	▲ 13.06
Euro	1.00	1.14	▼ -2.16	▼ -11.72
British pound	1.18	1.35	▼ -2.55	▼ -12.58
Japanese Yen	136.97	115.08	▲ 2.66	▲ 19.02
Yuan renminbi chinese	6.84	6.36	▲ 1.45	▲ 7.53
Mexican peso	20.17	20.53	▲ 1.64	▼ -1.73
Colombian peso	4377.00	4070.00	▲ 5.17	▲ 7.54

Commodities	Level	Percentage change (%)	
	08/19/2022	1 Week	YTD
Crude oil WTI	90.77	▼ -1.43	▲ 20.69
Crude oil Brent	96.72	▼ -1.46	▲ 24.35
Natural Gas	9.34	▲ 6.48	▲ 150.29
Gold	1747.06	▼ -3.07	▼ -4.49
Copper	366.45	▼ -0.11	▼ -17.90
Corn	626.00	▼ -2.15	▲ 5.52
Coffee (US\$/pound)	2.16	▼ -4.70	▼ -4.49
Bloomberg Commodity Index	122.32	▼ -0.72	▲ 23.34

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