

April 8, 2024

## Good News Is Indeed Good News

This week's data showcased a robust American economy with job growth and improvements in the manufacturing sector, fueling a rebound in stock prices on Friday. Job creation was 50% above expectations, and although wage growth has slowed, it continues to outpace the inflation target. This week, March consumer inflation is expected to be announced at 3.4% year-over-year, with a drop to 3.7% y/y for the core version, marking its lowest level since 2021. In Europe, consumer inflation slowed more than anticipated, but the market does not expect a rate cut at this week's European Central Bank (ECB) meeting.

**The employment data offered encouraging signals.** The U.S. job market remained robust in March, creating 303,000 non-farm jobs, surpassing the 214,000 anticipated and the figures for January and February. Moreover, the previous two months were revised upwards by 22,000. On the other hand, the unemployment rate fell to 3.8% from February's 3.9%. Wage growth slowed to 4.1% y/y from February's 4.3%, yet remains above inflation. This week, March inflation is expected at 3.4% y/y, exceeding February's 3.2%, while core inflation is projected to slow to 3.7% y/y from February's 3.8%, representing its lowest level since May 2021.

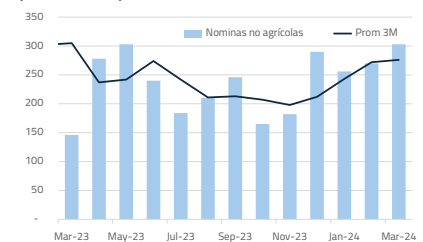
**The market estimates the chances of a rate cut in June are 50/50.** The ISM Manufacturing Index exceeded the growth threshold of 50 after a year and a half in negative territory. Additionally, the sector's prices-paid index reached its highest level in 20 months, attributed to the rise in oil prices, which reached US\$90/barrel. Despite the service sector indicator showing the lowest price expectations in four years, concerns about a resurgence in inflation continue. This led to an increase in the 10-year Treasury rate, surpassing 4.30%, and convinced investors that Federal Reserve rate cuts might be delayed. The probability of a cut in June dropped to nearly 50% from almost 100% in January.

**Low inflation in Europe.** Consumer inflation in Europe slowed to 2.4% y/y in March from 2.6% y/y in February. The core measure also showed a slowdown, falling to 2.9% y/y against the 3% expected. Despite the favorable data, the market expects the first rate cut to occur at the June meeting rather than this week's meeting.

	Weekly Close	Last Week	Year to date
S&P 500	5.204	(0,9)	9,5
Dow Jones	38.904	(2,2)	3,8
NASDAQ	16.249	(0,8)	8,5
Stoxx 600	507	(1,2)	5,8
Shanghai	3.568	0,9	4,0
Bovespa	126.795	(1,0)	(5,5)
Merval	1.161	4,4	20,7
Brent	91,2	4,2	18,3
Gold	2.329,8	4,5	12,9
EUR/USD	1,08	0,4	(1,8)
DXY	104,3	(0,2)	2,9
2Y Treas.	4,75	13	32
10Y Treas.	4,40	20	53
30Y Treas.	4,55	21	59

## Job creation remains strong

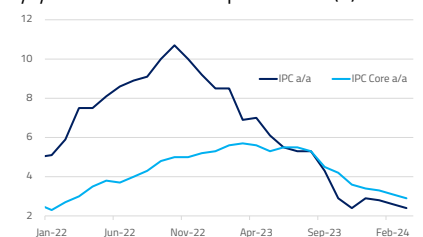
Non-farm Payrolls in the United States (thousands)



Source: Bureau of statistics

## Inflation fell in Europe

y/y Inflation in the European Union (%)



Source: Bloomberg

## Weekly returns

## Variations expressed in %

Name	Price	5D	1M	3M	YTD	1 año	Máx 52w	Min 52w	Var Max 52w	Var Min 52w
<b>Equity</b>										
S&P 500	5.204	(0,9)	1,7	11,2	9,5	28,8	5.254	4.056	(1,0)	28,3
Nasdaq 100	16.249	(0,8)	1,1	12,1	8,2	34,4	16.429	11.799	(1,1)	37,7
DJIA	38.904	(2,2)	0,5	4,3	3,8	18,6	39.807	32.418	(2,3)	20,0
Russell 2000	11.047	(2,9)	(0,8)	6,1	2,2	19,4	11.373	8.700	(2,9)	27,0
MSCI ACWI	416	(0,9)	0,8	9,0	7,2	22,2	420	335	(0,9)	24,2
MSCI ACWI EX US	301	(0,8)	(0,5)	5,4	3,8	12,0	304	253	(0,9)	19,2
MSCI EM	548	0,3	1,1	4,8	2,7	8,7	550	473	(0,4)	15,8
Argentina: Merval (CCL)	1.161	4,4	21,3	26,8	20,7	80,1	1.161	645		80,1
MSCI Brazil	576	(1,7)	(1,4)	(7,6)	(8,9)	25,9	637	458	(9,5)	25,9
MSCI México	58.092	1,3	5,8	3,5	1,4	12,3	58.712	48.198	(1,1)	20,5
MSCI ASIA	632	0,1	0,9	6,0	3,5	6,9	637	547	(0,8)	15,5
MSCI ASIA EX JAPAN	530	0,1	0,6	5,1	2,5	4,5	534	464	(0,9)	14,1
MSCI CHINA	3.568	0,7	0,0	5,9	2,1	(15,8)	4.162	3.180	(14,3)	12,2
S&P BSE Sensex	891	0,9	(0,4)	3,1	2,8	23,6	891	715		24,6
Stoxx 600	507	(1,0)	(0,3)	5,5	4,3	12,9	513	430	(1,2)	17,9
<b>Fixed Income</b>										
<b>US</b>										
US Bloomberg Agg	2.123	(1,1)	(1,3)	(0,6)	(1,8)	0,1	2.169	1.978	(2,1)	7,3
US High Yield	2.504	(0,5)	(0,0)	2,1	1,0	10,5	2.517	2.257	(0,5)	11,0
Global Agg	458	(0,7)	(1,7)	(1,4)	(2,8)	(0,9)	473	429	(3,0)	6,8
Global High Yield	431	(0,3)	(0,3)	2,1	1,0	10,4	433	388	(0,4)	11,2
<b>United States Treasury Bonds</b>										
Tasa FED	5,33					50	5,33	4,83		50
2 años	4,75	13	28	37	(27)	77	5,22	3,79	(47)	96
5 Años	4,39	18	70	74	7	125	4,96	3,30	(56)	110
10 Años	4,40	20	68	70	3	136	4,99	3,31	(59)	110
30 Años	4,55	21	50	55	(14)	114	5,11	3,55	(56)	100
<b>Currencies &amp; Commodities</b>										
Euro (USD/EUR)	1,08	0,4	(0,9)	(1,0)	(1,8)	(0,6)	1,12	1,05	(3,6)	3,5
Yen (JPY/USD)	151,62	(0,2)	(3,0)	(4,6)	(7,0)	(12,8)	151,72	131,78	(0,1)	15,1
Real (BRL/USD)	5,07	(1,0)	(1,6)	(3,8)	(4,1)	(0,2)	5,17	4,73	(2,0)	7,2
Peso Uruguayo (UYU/USD)	38,56	(2,6)	0,5	2,2	0,8	0,4	40,06	37,38	(3,7)	3,2
Peso Argentino (ARS/USD)	1.055,37	2,6	(1,3)	8,2	(8,7)	(61,7)	1.335,70	396,88	(21,0)	165,9
Oro	2.329,8	4,5	6,9	13,9	12,9	16,0	2.329,8	1.820,3		28,0
Oil	91,17	4,2	11,1	15,8	18,3	7,1	96,55	71,84	(5,6)	26,9
Gas	1,79	1,2	(1,1)	(38,3)	(29,0)	(11,2)	3,58	1,58	(50,1)	13,3

Source: Bloomberg y Latin Securities

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